

# Center Parcs Investor Presentation

Results: 36 weeks to 29<sup>th</sup> December 2016

3<sup>rd</sup> February 2017



# Sections



1.		<b>Overview</b>	<b>3</b>
2.		<b>Key Financial Highlights</b>	<b>5</b>
3.		<b>Capital Investment and Projects</b>	<b>11</b>
4.		<b>Summary</b>	<b>20</b>
<b>Appendix: Financial Calendar and Contacts</b>			<b>22</b>

A scenic view of a lake with people kayaking and a building in the background. The lake is surrounded by a dense forest of tall pine trees. In the foreground, there are green bushes and trees. The sky is blue with some clouds. The text "Section 1 Overview" is overlaid in the center of the image.

# Section 1 Overview



## FY17 Highlights

### Q3 Performance

- Q3 Revenue and EBITDA growth of 3.5% and 6.3% respectively.
- Q3 adversely impacted by timing of New Year breaks and more off-line lodges compared to the prior year.

### Year to date

- Growth in accommodation continues to be stronger than on-village spend.
- Total capex of £64.4m - more than double prior year spend.

## Outlook

### Forward bookings<sup>(1)</sup> remain very strong

- FY17** – 92.0% of FY17 capacity booked (FY16: 92.5%), with strong ADR growth expected in Q4.
- FY18** – Forward bookings and ADR growth consistent with current year trends.

(1) bookings as at 26<sup>th</sup> January 2017

(2) as at 31<sup>st</sup> January 2017



A scenic view of a lake with people in kayaks and a building in the background. The lake is surrounded by dense green trees and a building with a green awning is visible on the right side. The sky is blue with light clouds. The text "Section 2 Key Financial Highlights" is overlaid in the center in a bold, orange font.

**Section 2**  
**Key Financial Highlights**



5 Villages				5 Villages		
Q3	% change v FY16			YTD to Q3	% change v FY16	
£104.3m	↑ 3.5%	Revenue		£312.6m	↑ 3.9%	
£49.3m	↑ 6.3%	EBITDA <sup>(1)</sup>		£155.2m	↑ 5.6%	
47.3%	↑ 1.3%	Operating Margin <sup>(1)</sup>		49.6%	↑ 0.8%	
96.8%	↓ (2.0)%	Occupancy		97.0%	↓ 1.1%	
£185.71	↑ 7.4%	ADR		£185.16	↑ 6.0%	
£179.79	↑ 5.2%	RevPAL		£179.59	↑ 4.9%	

<sup>(1)</sup> before exceptional items



strong underlying performance in Q3



5 Villages			5 Villages	
Q3	% change v FY16		YTD to Q3	% change v FY16
<u>£m</u>		<u>Revenue</u>	<u>£m</u>	
62.5	+5.4%	Accommodation	187.3	+5.2%
41.8	+0.7%	On-village	125.3	+2.0%
<u>104.3</u>	<u>+3.5%</u>	Total	<u>312.6</u>	<u>+3.9%</u>

1. **Overview:** Q3 adversely impacted by timing of holidays; 2% more accommodation off-line for refurbishment vs prior year
2. **Accommodation:** strongest quarter of ADR growth this year, despite holiday timing
3. **On-parc Revenue:** *underlying year to date growth c3%*, taking into account holiday timing and closures for refurbishments
4. **Forward bookings:** FY17 – Q4 expected to be strongest quarter; positive early booking trends continued into FY18



		Sherwood	Elveden	Longleat	Whinfell	Woburn	Central Overheads	Group	
1.	Occupancy	96.8%	97.6%	96.1%	97.0%	97.4%		97.0%	
	% change v FY16	(0.8)%	(1.3)%	(2.6)%	(0.9)%	+0.3%		(1.1)%	
2.	Revenue	£m	64.5	66.0	61.1	60.0	61.0	312.6	
	% change v FY16		+3.5%	+4.8%	+2.5%	+4.0%	+4.5%	+3.9%	
3.	EBITDA <sup>(1)</sup>	£m	36.6	36.5	33.2	32.4	33.5	(17.0)	155.2
	% change v FY16		+4.0%	+5.8%	+3.4%	+5.9%	+5.0%	(0.6)%	+5.6%

- Occupancy:** 2% more off-line accommodation in Q3 vs prior year; however will be less off-line accommodation in Q4.
- Revenue:** no material differences in performance between the villages, adjusting for the impact of major capex projects.
- EBITDA:** increased margins reflecting stronger performance from higher margin accommodation; timing of New Year breaks estimated to benefit EBITDA by c£2m in Q4.

<sup>(1)</sup> before exceptional items



1.	Free Cash Flow £m	12 months to 29 <sup>th</sup> Dec 2016
	EBITDA <sup>(1)</sup>	206.0
	Change in working capital	4.3
	Tax paid	(1.1)
	Covenanted Maintenance capital <sup>(2)</sup>	(18.5)
	<b>FCF</b>	<b>190.7</b>
2.	Pro-forma Debt Service	£m
	Class A Interest payable items <sup>(3)</sup>	46.3
	Class B total Interest payable	39.2
	<b>Total Interest Payable Items</b>	<b>85.5</b>

<sup>(1)</sup> Before exceptional items

<sup>(2)</sup> As per covenant definition of minimum spend required

<sup>(3)</sup> Includes liquidity facility fees and is net of interest receivable





3.

Financing Ratios	£m <sup>(1)</sup>	EBITDA Multiple
Gross Debt	1,491.1	7.2x
Cash	(13.7)	
Net Debt	1,477.4	7.2x

4.

Financial Covenants	Actual	Default Covenant	RPC Test
(i) Class A - FCF : DSCR	4.1x	1.1x	1.35x
(ii) Class B - FCF : DSCR	2.2x	1.0x	

<sup>(1)</sup> Excludes debt issue costs of £22.3m



gross debt: EBITDA multiple continues to fall

A scenic view of a lake with a forested background. In the middle ground, there is a building with a green awning and a flagpole. Several people are in kayaks on the water. The sky is blue with light clouds. The foreground is filled with green foliage.

# Section 3 Capital Investment and Projects

# Capital Investment<sup>(1)</sup>: FY17 – Year to date

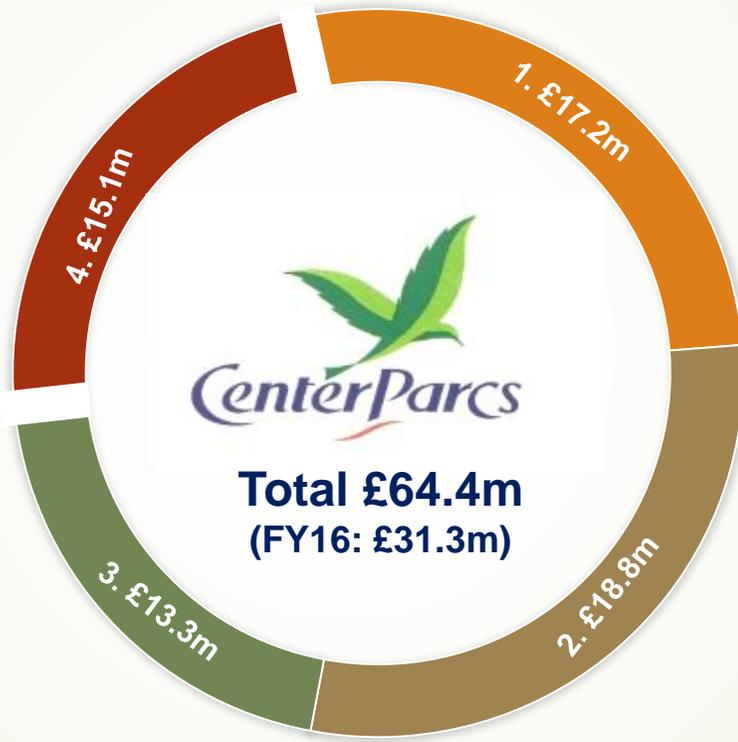


## 4. Maintenance Capital



**Maintenance Capital**  
**£15.1m**  
**(FY16: £13.2m)**

## 3. New builds



## 1. Investment Projects



**Total Investment Capital**  
**£49.3m**  
**(FY16: £18.1m)**

## 2. Accommodation upgrades



**significant step up in investment capex spend**

<sup>(1)</sup> Capex numbers are based on a cost incurred rather than a cash flow basis

# New Builds: completed this financial year



**4 x Treehouses Elveden**

Opened July 2016



**48 x One Bed Apartments: Elveden**

Opened November 2016



**18 x 3 bed Executive Lodges: Woburn**

Opened August 2016



**2 x Spa Suites: Woburn**

Opened December 2016

all new builds trading well with very high R.O.C.

## New Builds: currently on site



### 57 x Executive Lodges: Woburn

Opening September 2017



### 6 x Executive Lodges: Longleat

Opening April 2017



### 10 x Exclusive Lodges: Whinfell

Opening July 2017



### Elveden:

Demolition of existing 88 x 1 bed hotel

Additions: 51 x 1 bed Apartments

4 x Waterside Lodges

9 x 3 bed Executive Lodges

Opening Spring 2018

# “Project 900” – 28 x New builds at Sherwood



**12 x 3 bed Executive Lodges**



**10 x 3 bed Executives with Hot Tub**  
(new lodge type)



**1 x 6 bed Woodland Lodge**  
(new lodge type)



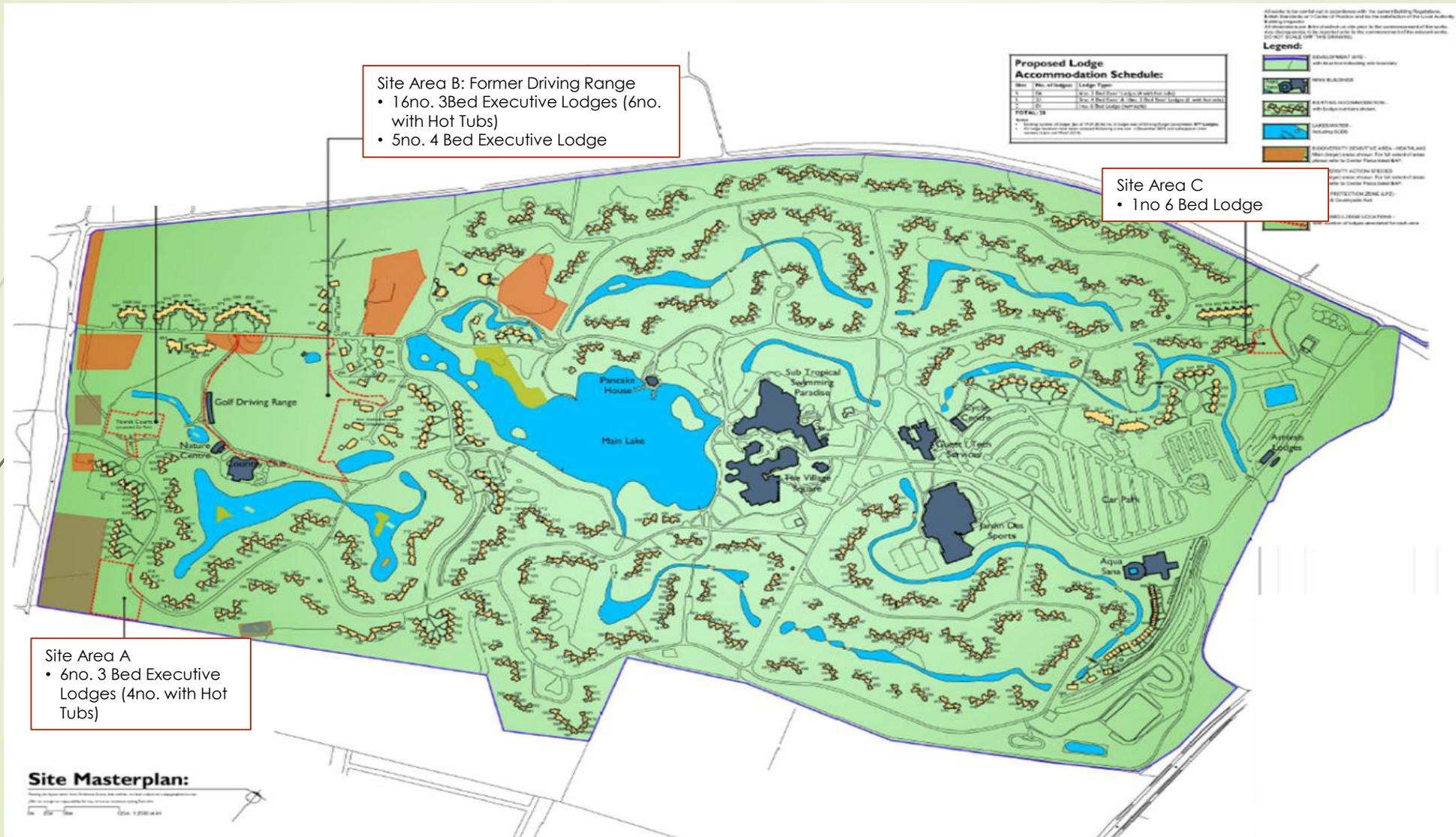
**5 x 4 bed Executive Lodges with Games Room**



Start on site end of Feb 2017

# “Project 900” – 28 x New Builds at Sherwood

Overview of 3 new development areas at Sherwood



Planned opening December 2017; total cost = c£8m



## Refurbishment of accommodation



Average cost per  
Lodge  
£27,500



Plan to refurbish  
c400 lodges p.a.  
from FY18



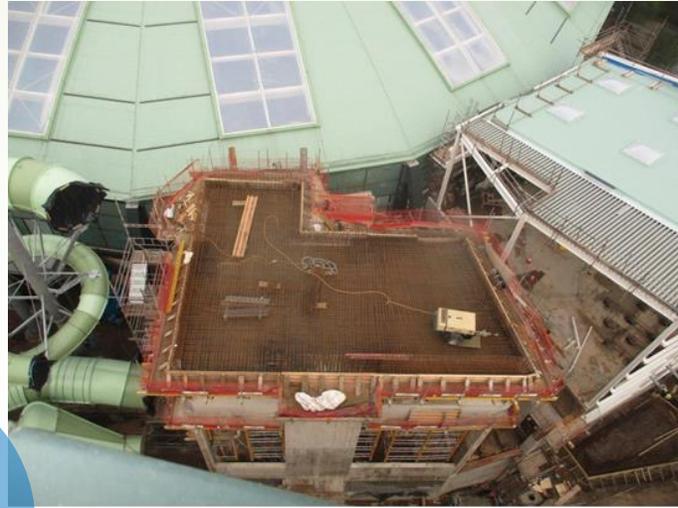
Total cost of  
c£11m per annum

- First 125 lodges at Elveden completed June 2016.
- Next phase of 125 lodges at Elveden commenced in January 2017, completes May 2017.
- Plan to refurbish c100 lodges x 4 villages in FY18



**Longleat Forest**  
**Cost: £11.6m**  
**Complete: Summer 2017**

Toddler pool



Family raft ride



Two person ride



Venture Cove



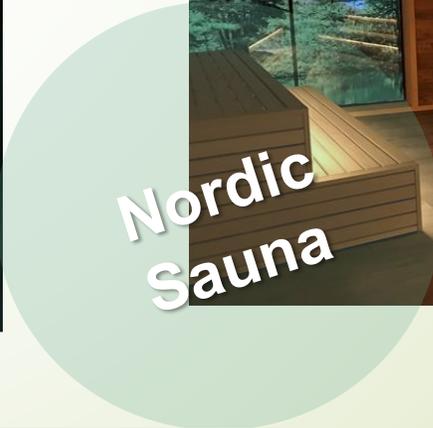
# Sherwood Spa upgrade



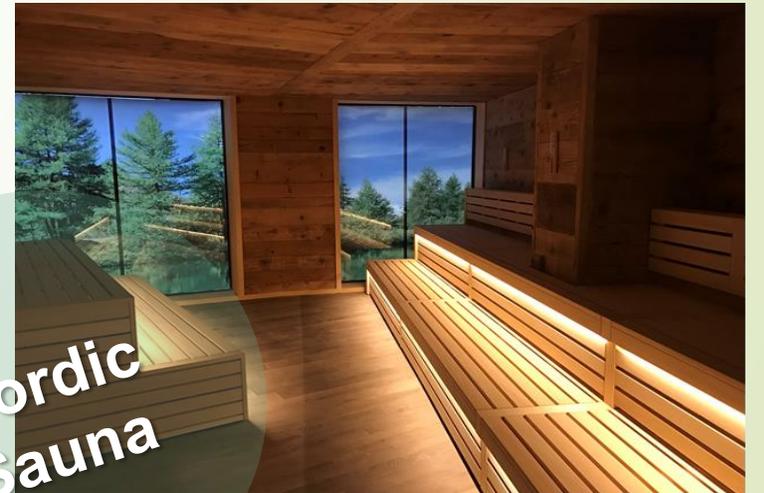
£3m+ investment



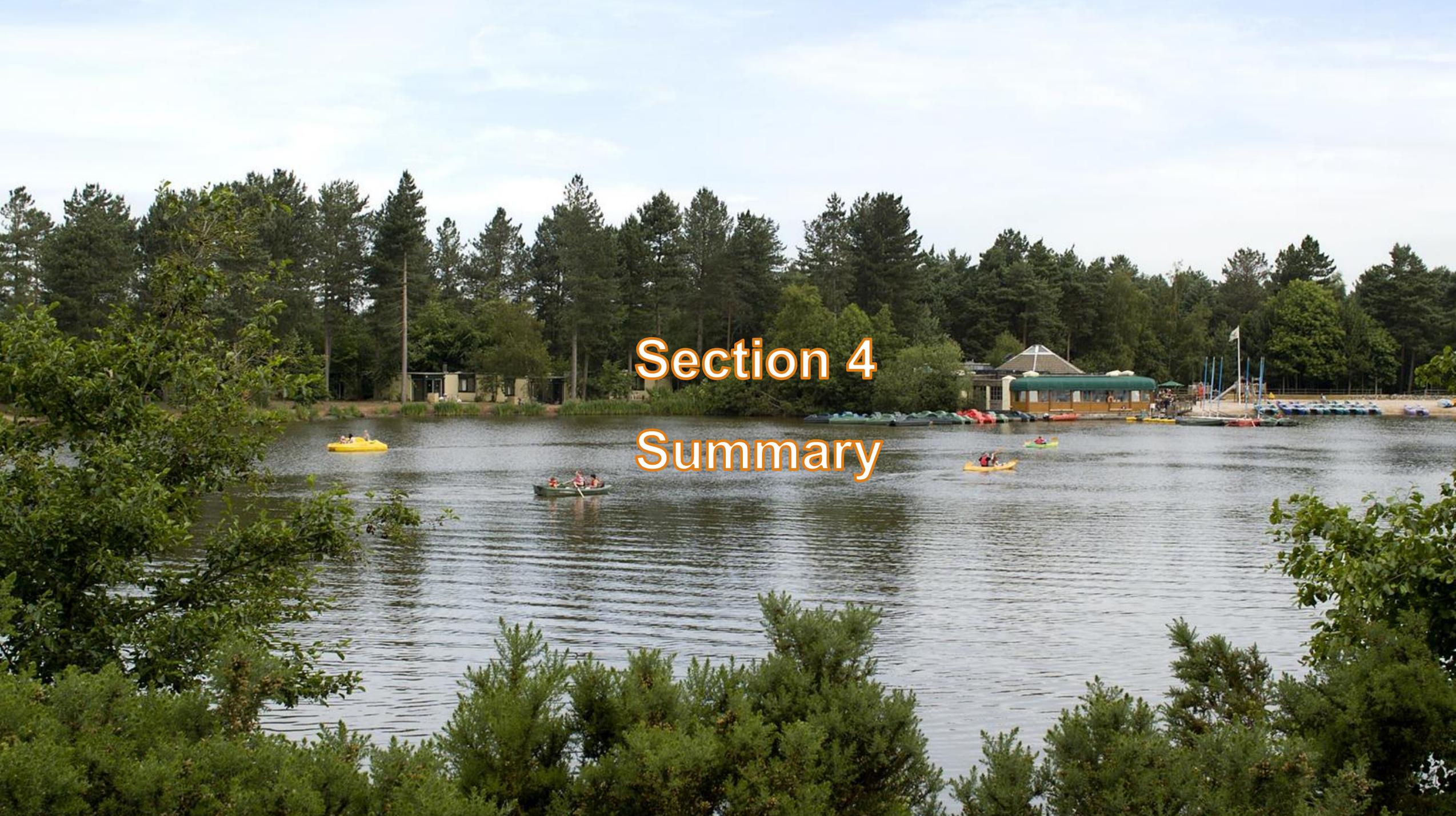
Treetop Sauna



Nordic Sauna



Opening in phases; all complete March 2017

A scenic view of a lake with people kayaking and a building in the background. The lake is surrounded by dense green trees. In the center, a building with a green awning is visible. Several kayakers are on the water, including a yellow kayak on the left and a green kayak in the center. A dock with many blue kayaks is on the right. The sky is blue with light clouds.

# Section 4 Summary



*Q3 delivered strongest underlying quarterly performance this year.*



*Stronger growth expected in Q4 – reflecting benefits of holiday timing and less off-line lodges.*



*Increased investment capex delivering good returns.*



*Strong forward bookings in FY17 and FY18 – for both occupancy and ADR growth.*

# Financial Calendar and Contacts



## Financial Calendar

- **3<sup>rd</sup> February 2017**  
Quarter 3 results FY17 for 36 weeks to 29<sup>th</sup> December 2016
- **Mid June 2017**  
Full year results FY17 for 52 weeks to 20<sup>th</sup> April 2017
- **Mid August 2017**  
Quarter 1 results FY18 for 12 weeks to 13<sup>th</sup> July 2017

## Contacts

- **Paul Mann**  
Group Financial Accountant  
Tel: 01623 821 649  
Email: [paul.mann@centerparcs.co.uk](mailto:paul.mann@centerparcs.co.uk)
- **April Stobbart**  
Legal Manager  
Tel: 01623 821 867  
Email: [april.stobbart@centerparcs.co.uk](mailto:april.stobbart@centerparcs.co.uk)
- **Paul Inglett**  
Finance Director  
Tel: 01623 821 621