

Center Parcs Investor Presentation

Results: 24 weeks to 11 October 2018

25 October 2018



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Section 1

UK Group Overview



Center Parcs Overview

FY19 H1 Highlights

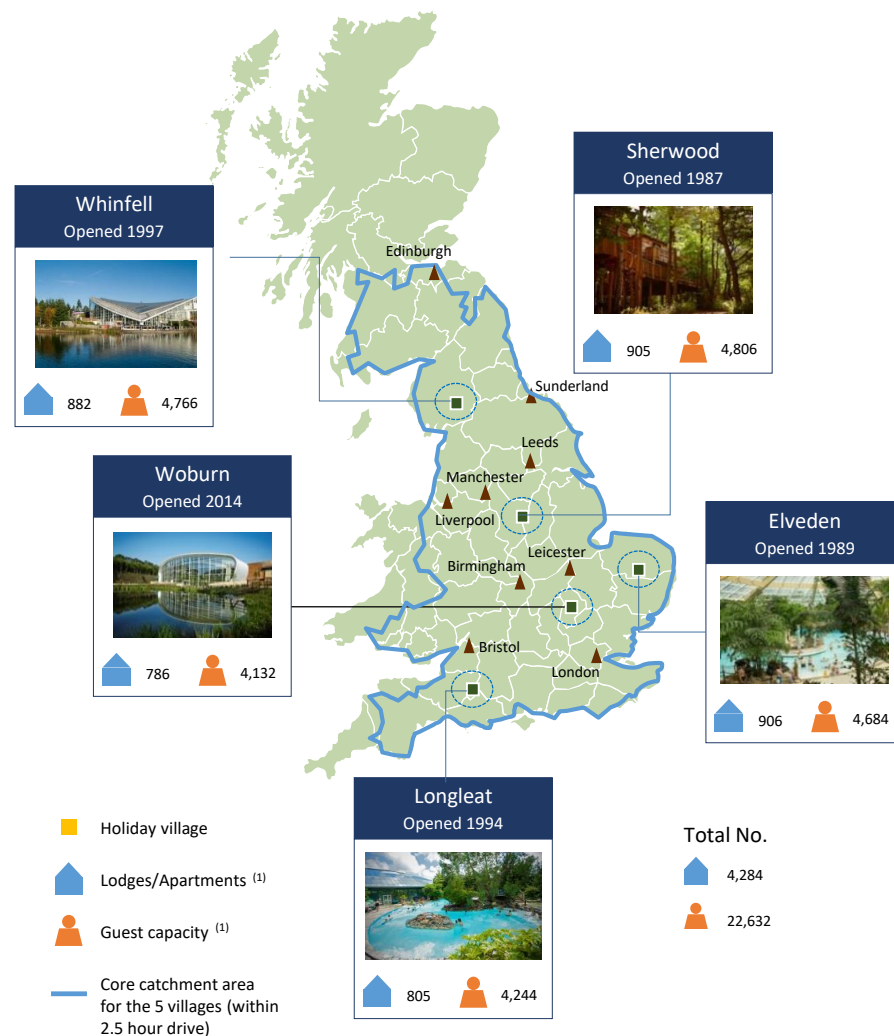
24 weeks to 11 October 2018

- ✔ H1 revenue up 3.6% YoY to £225.3m
- ✔ EBITDA up 3.9% to £114.4m
- ✔ ADR growth of 1.1%. As anticipated, lower ADRs were generated from planned accommodation capacity increases
- ✔ Strong occupancy of 98.6%

Outlook

- ✔ 76.4% of current year capacity now booked⁽¹⁾
- ✔ ADR growth of c. 2.7% on those bookings⁽¹⁾

(1) As at 11 October 2018





Section 2

Key Financial Highlights



Key Financial Highlights: Q2 and Half Year

Q2	% change vs FY18			YTD to Half Year	% change vs FY18
£120.6m	+1.8%	Revenue		£225.3m	+3.6%
£65.7m	+1.2%	EBITDA		£114.4m	+3.9%
54.5%	(0.3)%	Operating Margin		50.8%	+0.2%

98.4%	-	Occupancy		98.6%	+0.3%
£211.73	(0.8)%	ADR		£193.21	+1.1%
£208.42	(0.7)%	RevPAL		£190.43	+1.4%

Q2 results reflect phasing of peak holiday breaks this year

Revenue Performance: Q2 and Half Year

Q2	% change v FY18		YTD to Half Year	% change v FY18
<u>£m</u>		<u>Revenue</u>	<u>£m</u>	
75.0	+2.3%	Accommodation	137.0	+4.9%
45.6	+0.9%	On-village	88.3	+1.7%
120.6	+1.8%	Total	225.3	+3.6%

YoY growth in both accommodation and on-village revenue

Village Performance: Half Year

		Sherwood	Elveden	Longleat	Whinfell	Woburn	Central Overheads	Group
Occupancy		97.4%	98.3%	99.2%	99.3%	98.7%		98.6%
% change v FY18		(0.5)%	(0.3)%	+0.4%	+0.6%	+1.3%		+0.3%
Revenue	£m	46.6	47.4	44.3	42.5	44.5		225.3
% change v FY18		+4.0%	+4.6%	+2.3%	+2.7%	+4.2%		+3.6%
EBITDA	£m	27.1	26.5	25.4	23.0	24.4	(12.0)	114.4
% change v FY18		+5.4%	+3.5%	+5.4%	+1.8%	+5.2%	(8.1)%	+3.9%

- Occupancy:** Lodges off-line for upgrade at Sherwood and Elveden during Q2 FY19
- Revenue:** Elveden and Woburn benefitting from new accommodation (at slightly lower ADR)
- EBITDA:** Broadly consistent underlying growth at all villages
- Central Overheads:** Increased marketing costs reflecting additional accommodation capacity

Financial Ratios and Covenants

1.	Free Cash Flow £m	53 weeks to 11 October 2018
	EBITDA	232.7
	Change in working capital	12.6
	Tax paid	(0.4)
	Covenanted Maintenance capital ⁽¹⁾	(18.5)
	FCF	226.4
2.	Pro-forma Debt Service	£m
	Class A Interest payable items ⁽²⁾	50.0
	Class B total Interest payable	32.6
	Total Interest Payable Items	82.6

⁽¹⁾ As per covenant definition of minimum spend required

⁽²⁾ Includes liquidity facility fees and is net of interest receivable

Financial Ratios and Covenants

3.	Financing Ratios	£m ⁽¹⁾	EBITDA Multiple
	Gross Debt	1,760.5	7.6x
	Cash	(44.4)	
	Net Debt	1,716.1	7.4x

4.	Financial Covenants	Actual	Default Covenant	Restricted Payment Condition Test
	(i) Class A - FCF : DSCR	4.5x	1.1x	1.35x
	(ii) Class B - FCF : DSCR	2.7x	1.0x	

⁽¹⁾ Excludes debt issue costs and the premium on the A4 notes

Gross debt: EBITDA multiple has reduced from 8.25x at the date of the June 2017 refinancing

Section 3

Capital Investment and Projects



Capital Investment: Half Year

	Same time last year	YTD to Half Year £m
Investment Projects	8.8	9.1
Accommodation upgrades	2.7	3.3
New Builds	15.0	5.6
Total Investment Capital	26.5	18.0
Maintenance Capital	9.5	10.8
Total Capital Investment	36.0	28.8

Capital investment continues to plan

New Build Update: Complete / Currently on Site



Woburn 3 x Treehouses: Project Complete Summer 2018



Whinfell 33 x Executive Lodges: Project Completion Spring 2019

Accommodation Upgrades – Project Summer



- **1,151** lodges already upgraded to the “Summer” standard
- The upgrade of 200 lodges at Sherwood and Elveden commenced in Q2 FY19. A further 209 lodges are expected to be upgraded at Longleat and Whinfell, commencing in Q4 FY19.

Village Capital Projects – Project Atlantis Sherwood Forest



Anticipated completion – Spring 2019

Village Capital Projects – Recently Completed



ParcMarket - Whinfell



Locked in a Room - Longleat

Summary

- ✔ *Half year revenue and EBITDA growth of 3.6% and 3.9% respectively*
- ✔ *New accommodation opened in FY18 and early FY19 will continue to benefit FY19 EBITDA*
- ✔ *Capital investment programme continues to deliver excellent returns*
- ✔ *Bookings for FY19 in line with same point in time last year*

Financial Calendar and Contacts

Financial Calendar

- **Mid-February 2019**
Quarter 3 results FY19 for 36 weeks to 3 January 2019
- **July 2019**
Full year results FY19 for 52 weeks to 25 April 2019

Contacts

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