CPUK FINANCE LIMITED

Operating and financial review for the 53 weeks ended 24 April 2025

In accordance with the reporting requirements of its financing, CPUK Finance Limited is pleased to present its operating and financial review for the 53 weeks ended 24 April 2025. All figures presented in this report relate to the group of companies headed by Center Parcs (Holdings 1) Limited ("the Group"). All financial results referred to in this document exclude adjusted items, unless otherwise stated.

Summary

- A strong finish to the year with good underlying growth in both revenue and EBITDA on both a 52 and 53 week basis. On an underlying basis the EBITDA growth moves from 2.3% to 2.8% adjusting for the impact of Storm Darragh (as previously referenced in the Q3 update).

- Q4 was a particularly strong quarter (on a 52 and 53 week basis) with an improved ADR growth, an exceptional Aqua Sana spa performance driving on village revenue and efficiency initiatives gaining full year momentum.

- Strong occupancy for both the full year and the quarter continue to demonstrate the appeal of the brand. Occupancy was 97.3% for the full year which is effectively full when we account for offline lodges.

- The Group continues to have a robust liquidity position with cash and cash equivalents of £71.8 million at 24 April 2025 and cash of £109.4 million at 3 July 2025.

- Strong forward bookings for FY26 with 63% of accommodation sold at 3 July for the forthcoming financial year compared with 59% at the same point in 2024 in respect of FY25 with ADR on bookings to date ahead.

- The Group has navigated cost headwinds well during the year and this relentless focus continues into FY26. The Group will continue to balance the impact of cost inflation such as the National Living Wage and the changes to the National Insurance regime with other controllable cost efficiencies that do not impact the guest experience and further EBITDA growth is anticipated in FY26. Growth is expected to be driven by accommodation and on village initiatives coupled with continued cost efficiency programmes.

Financial highlights

Full year

- Revenue growth of 4.7% at £649.8 million (FY24: £620.8 million) and 3.1% on a 52 week basis.

- EBITDA growth of 2.3% at £283.8 million (FY24: £277.3 million) with occupancy of 97.3%. EBITDA growth on a 52 week basis is 1.1% and becomes 1.6% on an underlying basis when adjusting for Storm Darragh.

- ADR was flat YoY in line with expectations. On a 52-week like-for-like basis ADR is in growth.
  Liquidity remains robust with the Group holding cash and cash equivalents of £71.8 million at 24 April 2025.

Quarter 4

- Revenue growth of 12.6% at £204.3 million (FY24: £181.5 million).
- EBITDA growth of 15% at £78.9 million (FY24: £68.6 million) with occupancy of 98.4%
- Notwithstanding the benefit of the 53rd week in comparison to the prior year, Q4 saw strong revenue and EBITDA growth in line with our expectations.

Key performance indicators

	FY25 Full year (53 weeks)	FY24 Full year (52 weeks)	Variance
Revenue	£649.8m	£620.8m	+4.7%
EBITDA	£283.8m	£277.3m	+2.3%
Occupancy	97.3%	96.8%	+0.5%
ADR	£243.10	£243.17	-
ADR (52-week basis)	£244.27	£243.17	+0.5%
RevPAL	£236.42	£235.48	+0.4%

Management have estimated the financial impact of the 53rd week in FY25 to be a revenue uplift of £9.7 million and an EBITDA benefit of £3.4 million.

	FY25 Quarter 4 (17 weeks)	FY24 Quarter 4 (16 weeks)	Variance
Revenue	£204.3m	£181.5m	+12.6%
EBITDA	£78.9m	£68.6m	+15.0%
Occupancy	98.4%	96.2%	+2.2%
ADR	£228.85	£225.34	+1.6%
ADR (16-week basis)	£231.74	£225.34	+2.8%
RevPAL	£225.08	£216.69	+3.9%

Results of operations for the 53-week period ended 24 April 2025

Revenue

Revenue was £649.8 million. Occupancy achieved was 97.3%, comparable to levels seen in prior years and demonstrative of continued guest loyalty.

The number of units of accommodation at 24 April 2025 was 4,347, an increase of 13 in comparison to the prior year following the construction of new lodges at Elveden.

Cost of sales

Cost of sales was £186.0 million compared to £178.1 million in the prior financial year. The small underlying increase reflects continued good cost control in light of inflationary pressures over the last year, and principally comprises additional payroll costs offset by cost efficiency initiatives.

Administrative expenses

Administrative expenses of £180.0 million were incurred compared to £165.4 million in the comparative period in the prior year. This increase reflects a number of higher overhead costs, including payroll, energy, marketing and business rates.

EBITDA

As a result of the factors outlined above, EBITDA was £283.8 million. Excluding the benefit of the additional week in FY25, EBITDA would have been approximately £280.4 million.

Depreciation and amortisation

Depreciation and amortisation was £67.7 million, slightly higher than the prior year as a result of ongoing capital investment.

Movement in fair value of financial derivatives

The Group's derivative financial instruments represent options to repay borrowings prior to maturity. Fair values are estimated with reference to the yields of similar corporate bonds with comparable terms and credit ratings.

Finance costs and income

As at 24 April 2025 the annual interest payable on the Group's secured debt was £127.2 million.

All tranches of secured debt attract a fixed rate of interest. Finance costs principally represent interest payable on the Group's secured debt and the amortisation of associated deferred issue costs.

Finance income represents bank interest receivable.

Taxation

Corporation tax of £5.5 million was paid during the period, with a further £3.7 million paid in respect of group relief. In the comparative period corporation tax of £3.0 million was paid and £0.5 million was paid in respect of group relief.

Cash Flow and Liquidity

As at 24 April 2025 the Group had cash and cash equivalents of £71.8 million (18 April 2024: £34.6 million) and negative working capital of £197.0 million (18 April 2024: £186.6 million).

Net cash from operating activities was £280.3 million and net cash used in investing activities was £82.6 million (FY24: £261.9 million and £77.8 million respectively).

Dividends totalling £13.0 million were paid during the fourth quarter, taking the total for the year to date to £115.5 million.

Investment Programme

Accommodation upgrades

The Group is continuing its 'Project Summer' lodge refurbishment programme. As at 24 April 2025 3,572 units of accommodation have been upgraded to the 'Summer' standard, representing 88.5% of the total stock to be upgraded.

The next generation of accommodation refurbishment, 'Project Autumn' has been successfully trialled at Elveden with nine prototype lodges and roll out plans are due to commence on two villages in the second half of the year to complement the current refurbishment programme.

New builds

The Group has identified additional accommodation opportunities across the estate and completed the construction of two six-bedroom lodges at Elveden during the fourth quarter. There are further new build opportunities on existing villages, and these will roll out over time.

Financial covenants

The FCF:DSCR ratios at the most recent Financial Covenant Test Date (being 14 February 2025) were 3.9 times in respect of the Class A Notes (covenant of 1.1 times) and 2.2 times in respect of the Class B Notes (covenant of 1.0 times).

The Directors certify that the calculations of the financial covenants and ratios are undertaken accurately and that the information in this report is true and accurate in all material respects.

Maintenance and Investment Capital expenditure

Under the terms of its financing, the Group is required to spend a minimum of £18.5 million per annum on maintenance capital expenditure and an average of £6 million per annum over four years on investment capital expenditure. During the 53 weeks ended 24 April 2025 the Group spent £54.6 million (FY24: £49.7 million) on maintenance capital expenditure and £31.3 million (FY24: £30.8 million) on investment capital expenditure, a total of £85.9 million (FY24: £80.5 million).

Contractual commitments and contingencies

As at 24 April 2025 the Group had capital expenditure contracted but not provided of £17.0 million. The Group has no other material contractual commitments with the exception of the headleases on the Longleat and Woburn sites. The Group had no material contingent liabilities or assets at 24 April 2025.

Environmental, Social and Governance (“ESG”)

The Group’s ESG activities are set out on our corporate website which includes examples of the Group’s ESG activities. This website will continue to be updated as the Group and its ESG strategy evolves. The corporate website may be found at https://corporate.centerparcs.co.uk/

The FY25 Group annual report and financial statements for the 53 weeks ended 24 April 2025 also provide an extensive overview of the Group’s activities and developments in these areas.

In summary, the Group continues to make good progress on its ESG agenda in FY25 and has achieved a 24% reduction on carbon emissions since 2020. Center Parcs is fully committed to achieving Net Zero by 2050 for scope 1 and 2 greenhouse gas emissions. The Group remains committed to social standards and continues to foster a diverse, equitable and inclusive culture with strong governance prevailing on effective regulatory compliance.

Throughout FY25 the Group continued to focus on carbon emissions reduction and remains in line with target to hit a 30% reduction in UK emissions by 2030.

Corporate update

Following the previous announcement of a potential development of Center Parcs Scotland, plans were submitted on 4 July 2025. All activity is contained within Center Parcs Scotland Limited, an entity outside the WBS structure.

Center Parcs Ireland Limited is outside the UK debt structure, but for information purposes we can confirm that it continues to trade well and the expansion of the accommodation stock is now underway with contractors appointed and on site.

The combined UK and Ireland Group is performing well and guest satisfaction scores in both territories in FY25 were our best ever, demonstrating the strength of our colleagues and the brand.

Future outlook

Center Parcs continues to perform strongly, delivering exceptional service and a well invested product to guests generating strong EBITDA and positive cash flows. The Group continues to evolve the offer in terms of accommodation and on village initiatives to keep the guest experience fresh to satisfy repeat guests and attract new guests. For instance, a range of new innovative leisure activities have launched in the second half of FY25 with more coming online in the coming months across all UK villages.

Booking levels for FY26 are developing faster than in the prior year and at 3 July 2025 63% of accommodation capacity for the forthcoming financial year has been sold compared to 59% at the same point in time in 2024 in respect of FY25 with ADR on bookings to date ahead.

The impact of cost inflation, and in particular increases to the National Minimum Wage and changes to the National Insurance regime continues to impact the Group but further EBITDA growth is anticipated in FY26 driven by accommodation upgrades and innovation on village with a relentless focus on cost efficiency programmes. The guest remains at the heart of the strategic decision making to ensure we maintain our outstanding guest satisfaction scores coupled with our high repeat rate.

The Group anticipates delivering another strong growth year in FY26.

Cash generation remains strong and the business continues to deliver excellent Free Cash Flow. Free Cash Flow is used to fund the growth initiatives.

The next operating and financial review will be for the 12 weeks ended 17 July 2025 and it is expected the report will be published in early Autumn.

Investor conference call

In accordance with the terms of its financing, the Issuer shall announce its audited results for the financial year to 24 April 2025 on Wednesday 16 July 2025.

An investor presentation will be held on Wednesday 16 July 2025 at 1400 (BST) at which the Issuer will present the results. A summary presentation shall be released along with the results and shall be used as the basis of the investor presentation.

Investors wishing to attend the webcast should use the below link:

Audience Event
Link: https://event.webcasts.com/starthere.jsp?ei=1724373&tp_key=624000bc21

Click on the link above to attend the presentation from your laptop, tablet or mobile device. Audio will stream through your selected device, so be sure to have headphones or your volume turned up. If you have technical difficulties, please click the "Listen by Phone" button on the webcast player and dial the number provided.

Investors wishing to ask questions should do so via the Ask a Question button during the live presentation. A full replay of the presentation will be available at the same link shortly after the conclusion of the live presentation.

Katrina Jamieson
Chief Finance Officer

Enquiries

Paul Mann
Group Financial Controller

Katrina Jamieson
Chief Finance Officer

Audited income statement for the 53 weeks ended 24 April 2025

	53 weeks ended 24 April 2025			52 weeks ended 18 April 2024		
	Before adjusted items £m	Adjusted items £m	Total £m	Before adjusted items £m	Adjusted items £m	Total £m
Revenue	**649.8**	**-**	**649.8**	**620.8**	**-**	**620.8**
Cost of sales	(186.0)	-	(186.0)	(178.1)	-	(178.1)
Gross profit	**463.8**	**-**	**463.8**	**442.7**	**-**	**442.7**
Administrative expenses	(180.0)	(5.2)	(185.2)	(165.4)	-	(165.4)
Depreciation and amortisation	(67.7)	-	(67.7)	(63.9)	-	(63.9)
Total operating expenses	(247.7)	(5.2)	(252.9)	(229.3)	-	(229.3)
Operating profit	**216.1**	**(5.2)**	**210.9**	**213.4**	**-**	**213.4**
Movement in fair value of financial derivatives	-	1.6	1.6	-	1.4	1.4
Finance income	3.6	-	3.6	2.9	-	2.9
Finance expense	(128.9)	-	(128.9)	(110.7)	-	(110.7)
Profit/(loss) before taxation	**90.8**	**(3.6)**	**87.2**	**105.6**	**1.4**	**107.0**
Taxation	(24.4)	0.9	(23.5)	(26.3)	(0.4)	(26.7)
Profit/(loss) for the period attributable to equity shareholders	**66.4**	**(2.7)**	**63.7**	**79.3**	**1.0**	**80.3**

EBITDA is derived from the table above as follows:

	53 weeks ended 24 April 2025 £m	52 weeks ended 18 April 2024 £m
Revenue	**649.8**	**620.8**
Cost of sales	(186.0)	(178.1)
Gross profit	**463.8**	**442.7**
Administrative expenses	(180.0)	(165.4)
EBITDA	**283.8**	**277.3**

Finance expense in the 53 weeks ended 24 April 2025 includes amortisation of deferred issue costs of £4.4 million (FY24: £3.9 million). This included £0.5 million (2024: £0.5 million) of accelerated amortisation ahead of the refinancing of the A4 (2024: B4) secured notes.

Adjusted items are those that, by virtue of their nature, size or expected frequency, warrant separate disclosure in the financial statements in order to fully understand the underlying performance of the Group.

In the current period the Group incurred restructuring costs of £2.7 million and costs in respect of winding up the Group's defined benefit pension scheme of £2.5 million.

Movements in the fair value of financial derivatives are considered to be adjusted expenses/income.

Taxation on these items has also been treated as an adjusted item.

Unaudited income statement for the 17 weeks ended 24 April 2025

	17 weeks ended 24 April 2025			16 weeks ended 18 April 2024		
	Before adjusted items £m	Adjusted items £m	Total £m	Before adjusted items £m	Adjusted items £m	Total £m
Revenue	**204.3**	**-**	**204.3**	**181.5**	**-**	**181.5**
Cost of sales	(60.4)	-	(60.4)	(54.8)	-	(54.8)
Gross profit	**143.9**	**-**	**143.9**	**126.7**	**-**	**126.7**
Administrative expenses	(65.0)	(5.2)	(70.2)	(58.1)	-	(58.1)
Depreciation and amortisation	(21.9)	-	(21.9)	(18.1)	-	(18.1)
Total operating expenses	(86.9)	(5.2)	(92.1)	(76.2)	-	(76.2)
Operating profit	**57.0**	**(5.2)**	**51.8**	**50.5**	**-**	**50.5**
Movement in fair value of financial derivatives	-	1.6	1.6	-	1.4	1.4
Finance income	0.7	-	0.7	0.6	-	0.6
Finance expense	(44.3)	-	(44.3)	(34.4)	-	(34.4)
Profit before taxation	**13.4**	**(3.6)**	**9.8**	**16.7**	**1.4**	**18.1**
Taxation	(24.4)	0.9	(23.5)	(26.3)	(0.4)	(26.7)
Loss for the period attributable to equity shareholders	**(11.0)**	**(2.7)**	**(13.7)**	**(9.6)**	**1.0**	**(8.6)**

EBITDA is derived from the table above as follows:

	17 weeks ended 24 April 2025 £m	16 weeks ended 18 April 2024 £m
Revenue	**204.3**	**181.5**
Cost of sales	(60.4)	(54.8)
Gross profit	**143.9**	**126.7**
Administrative expenses	(65.0)	(58.1)
EBITDA	**78.9**	**68.6**

Audited balance sheet as at 24 April 2025

	As at 24 April 2025 £m	As at 18 April 2024 £m
Assets		
Non-current assets		
Goodwill	**157.5**	157.5
Other intangible assets	**140.8**	136.0
Property, plant and equipment	**1,487.8**	1,473.8
Right-of-use assets	**34.1**	33.6
Retirement benefit surplus	**-**	0.6
	1,820.2	1,801.5
Current assets		
Inventories	**4.8**	5.0
Trade and other receivables	**13.8**	12.4
Current tax asset	**5.7**	2.0
Cash and cash equivalents	**71.8**	34.6
Derivative financial instruments	**4.8**	3.2
	100.9	57.2
Liabilities		
Current liabilities		
Trade and other payables	**(257.1)**	(236.6)
	(257.1)	(236.6)
Net current liabilities	**(156.2)**	(179.4)
Non-current liabilities		
Borrowings	**(2,192.1)**	(2,113.4)
Lease liabilities	**(43.0)**	(41.4)
Deferred tax liability	**(157.8)**	(145.4)
	(2,392.9)	(2,300.2)
Net liabilities	**(728.9)**	(678.1)
Equity		
Equity share capital	**1.0**	1.0
Share premium	**119.9**	119.9
Other reserve	**(154.0)**	(154.0)
Retained earnings	**(695.8)**	(645.0)
Total equity	**(728.9)**	(678.1)

Current trade and other payables include interest and capital accruals totalling £32.9 million (18 April 2024: £28.8 million) and net taxation group relief creditors of £8.6 million (18 April 2024: £3.8 million).

Audited cash flow statement for the 53 weeks ended 24 April 2025

	53 weeks ended 24 April 2025 £m	52 weeks ended 18 April 2024 £m	**17 weeks ended 24 April 2025 £m**	16 weeks ended 18 April 2024 £m
Cash flows from operating activities				
Operating profit	**210.9**	213.4	**51.8**	50.5
Depreciation and amortisation	**67.7**	63.9	**21.9**	18.1
Working capital movements	**10.4**	(10.6)	**59.9**	45.2
Profit on sale of property, plant and equipment	**(0.3)**	(0.4)	**(0.1)**	(0.2)
Difference between the pension charge and contributions	**0.8**	(0.9)	**2.3**	(0.3)
Corporation tax paid	**(5.5)**	(3.0)	**(3.2)**	-
Payments in respect of taxation group relief	**(3.7)**	(0.5)	**(4.6)**	(2.3)
Net cash from operating activities	**280.3**	261.9	**128.0**	111.0
Cash flows used in investing activities				
Purchase of property, plant and equipment	**(77.9)**	(75.3)	**(16.9)**	(18.1)
Purchase of intangible assets	**(8.6)**	(5.8)	**(8.6)**	(5.8)
Sale of property, plant and equipment	**0.3**	0.4	**0.1**	0.2
Interest received	**3.6**	2.9	**0.7**	0.6
Net cash used in investing activities	**(82.6)**	(77.8)	**(24.7)**	(23.1)
Cash flows used in financing activities				
Repayment of external borrowings	**(590.0)**	(440.0)	**-**	-
Proceeds from external borrowings	**676.0**	-	**-**	-
Issue costs on secured debt	**(9.1)**	(3.5)	**(0.1)**	-
Break costs on secured debt	**-**	(9.4)	**-**	-
Repayment of lease liabilities	**(0.2)**	(0.1)	**-**	-
Interest paid	**(121.7)**	(107.9)	**(60.4)**	(53.8)
Dividends paid	**(115.5)**	(103.4)	**(13.0)**	(31.4)
Net cash used in financing activities	**(160.5)**	(664.3)	**(73.5)**	(85.2)
Net increase/(decrease) in cash and cash equivalents, including restricted cash	**37.2**	(480.2)	**29.8**	2.7
Cash and cash equivalents at the beginning of the period, including restricted cash	**34.6**	514.8	**42.0**	31.9
Cash and cash equivalents at the end of the period	**71.8**	34.6	**71.8**	34.6
Reconciliation of net cash flow to movement in net debt				
Increase/(decrease) in cash and cash equivalents	**37.2**	(480.2)	**29.8**	2.7
Cash (in)/outflow from movement in debt	**(86.0)**	440.0	**-**	-
Cash settled debt issue costs	**9.1**	3.5	**0.1**	-
Change in net debt resulting from cash flows	**(39.7)**	(36.7)	**29.9**	2.7
Non-cash movements and deferred issue costs	**(1.8)**	(5.7)	**(1.8)**	(1.1)
Movement in net debt in the period	**(41.5)**	(42.4)	**28.1**	1.6
Net debt at the beginning of the period	**(2,078.8)**	(2,036.4)	**(2,148.4)**	(2,080.4)
Net debt at the end of the period	**(2,120.3)**	(2,078.8)	**(2,120.3)**	(2,078.8)

Definitions

EBITDA (Earnings before interest, taxation, depreciation and amortisation) is before adjusted items.

Occupancy is the average number of units of accommodation occupied as a percentage of the total number available.

ADR (Average Daily Rate) is the average daily rent (excluding VAT) achieved based on total accommodation income divided by the total number of lodge nights sold.

RevPAL (Rent per available lodge night) is the average daily rent (excluding VAT) achieved based on the total accommodation income divided by the total available number of lodge nights.

Net debt represents third party borrowings less cash and cash equivalents.