



# Center Parcs Investor Presentation 10<sup>th</sup> July 2024

Results for the 52 weeks to 18 April 2024



# Sections



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# Section 1: Overview



# Center Parcs overview

## Highlights

- **FY24 Q4** revenue of **£181.5m (+9% versus FY23)** and EBITDA of **£68.6m (+12% versus FY23)** reflecting the return to comparative norms and a full year Easter peak performance.
- Q4 net ADR was **£225.34 (+7% versus FY23)**.

## Full year

- Another **record result**, demonstrating the continued appeal and resilience of the business in a turbulent macro-environment
- UK revenue and EBITDA of **£621m** and **£277m**
- Occupancy of **96.8%** achieved
- Net ADR of **£243.17** compared to £239.28 (**1.6% growth**).
- Cash and cash equivalents of **£35m** at the year-end. Dividends in the year were **£103m**
- The Group, including Ireland, delivered adjusted **EBITDA of £310.5m, 97% occupancy** and **95% guest satisfaction**.

## Trading outlook

- **Forward bookings** for FY25 are in line with prior years, with 45% of capacity sold at the start of the financial year, and 59% sold as at 27 June 2024.
- We anticipate **EBITDA** growth for FY25, albeit H1 will be tempered by non-comparable bank holidays and the timing of Easter seen in Q1.
- Cash balances of **£134.8m** at 27 June 2024, reflecting the refinance of the B4 notes.





# Center Parcs overview

## Summary of lodge and guest numbers



### Sherwood Forest

Opened 1987

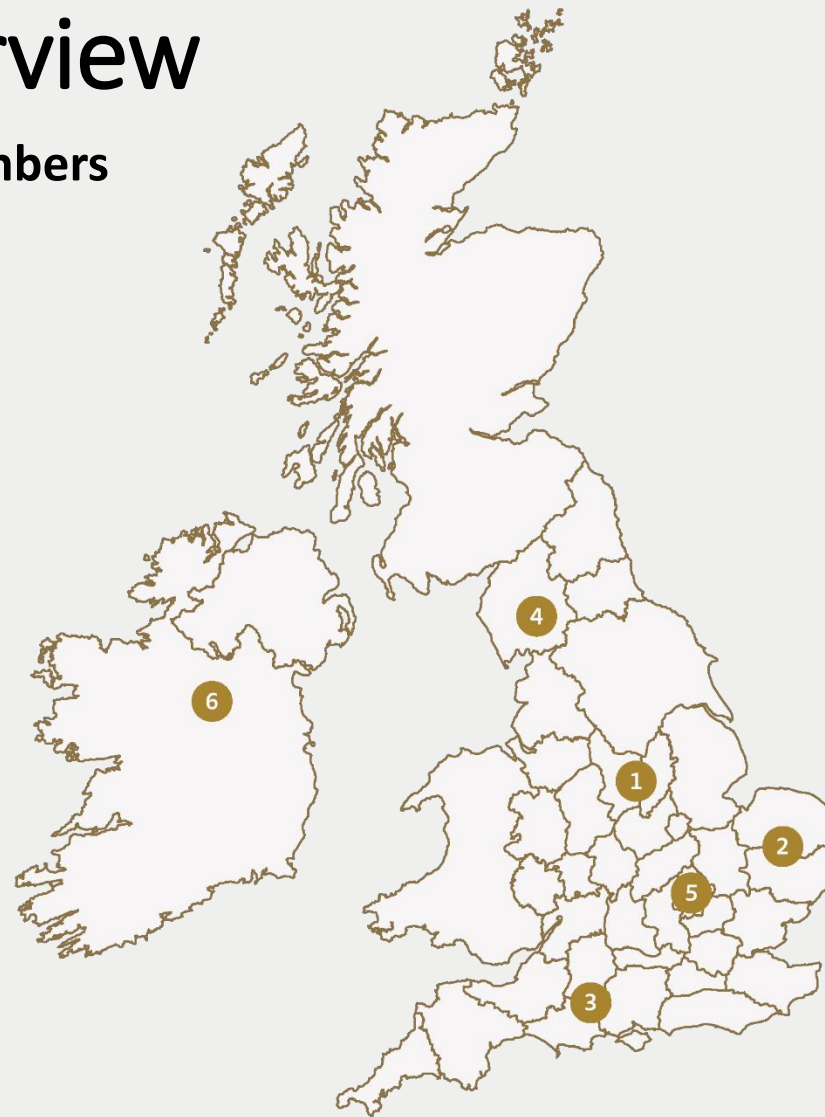
904 4,806



### Elveden Forest

Opened 1989

906 4,684



Center Parcs  
village

Accommodation  
Total 4,830

Guest capacity  
Total 25,682



### Longleat Forest

Opened 1994

805 4,244



### Whinell Forest

Acquired 2001

919 4,980



### Woburn Forest

Opened 2014

800 4,232



### Longford Forest

Opened 2019

496 2,736






# Center Parcs overview

- The business has continued to perform **exceptionally well** in a challenging macro-economic environment, delivering another **record performance**.
- **Comparatives have normalised**, with occupancy in line with pre-COVID norms, full year ADR growth of 1.6%, and good cost control in a period of high inflation, resulting in **healthy revenue and EBITDA growth**.
- We received the **best guest satisfaction scores** in our 37 years of operation.
- **On-village spend has grown** versus the prior year.
- Our **labour turnover** is at an all time low, demonstrating the **stability of the business and the attractiveness of the brand**.
- Looking forward, bookings for FY25 are **in line with the prior year** and guests are continuing to **spend on village**.

FY24 delivered another year of growth, with exceptional guest satisfaction scores





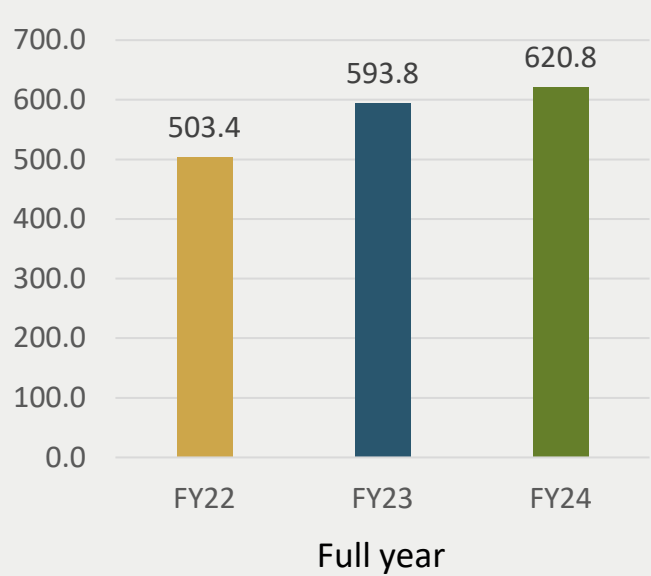
A photograph of a modern, multi-story building with a central courtyard. The building features large glass windows and balconies, with extensive vertical gardens and hanging plants. A swimming pool is located in the foreground, with a curved metal spout pouring water into it. The scene is illuminated by warm interior and exterior lights, suggesting dusk or dawn.

## Section 2: Key financial and capital investment

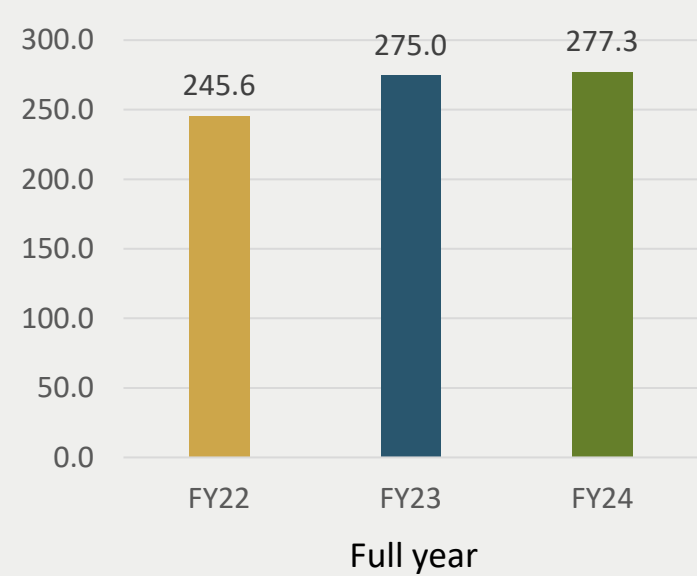


# Key financial highlights - UK

Revenue (£m)



EBITDA (£m)



Occupancy, ADR and RevPAL

	FY22	FY23	FY24
Occupancy (%)	80.5%	97.1%	96.8%
ADR (£)	£256.09	£239.28	£243.17
RevPAL (£)	£206.23	£232.39	£235.48

FY24 delivered a record performance as business comparatives normalised



# FY24 capital investment

## Capital investment

	FY23	FY24
Investment projects	£13.9m	£12.6m
Accommodation refurbishment	£13.0m	£16.7m
New builds	£0.2m	£1.5m
Total investment capital	<b>£27.1m</b>	<b>£30.8m</b>
Maintenance capital	£43.0m	£49.7m
Total capital investment	<b>£70.1m</b>	<b>£80.5m</b>

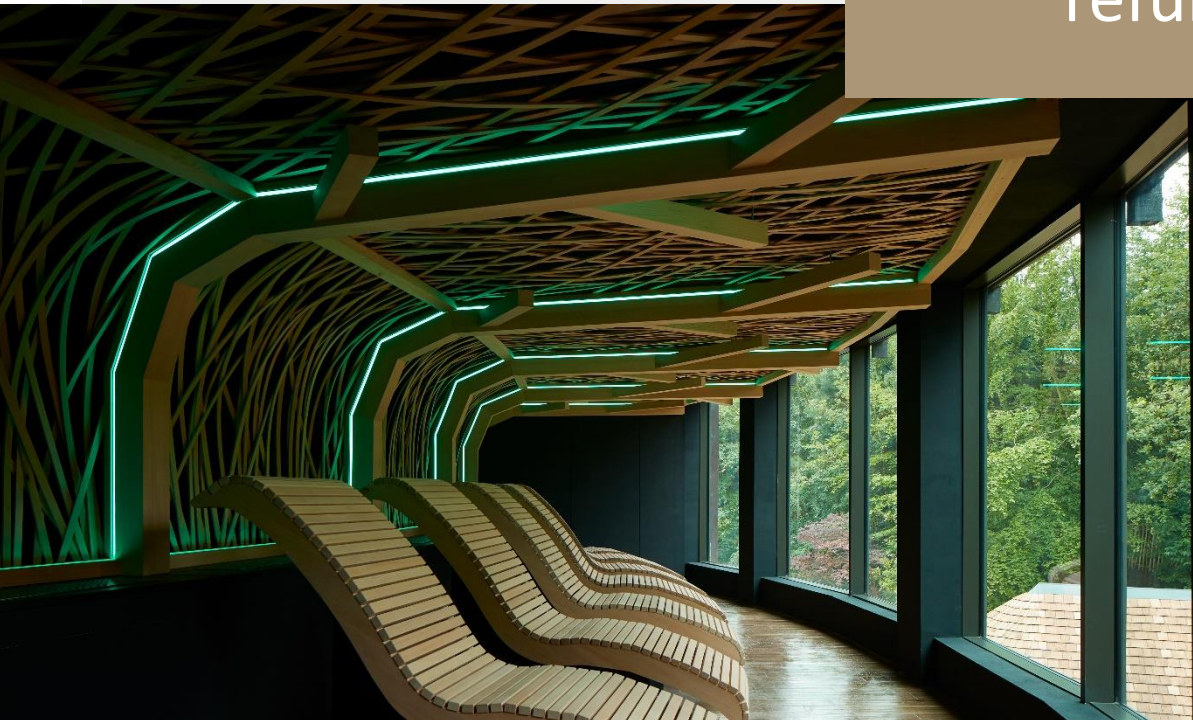
Capital spend well balanced on new investment versus refurbishment and maintenance







Aqua Sana Elveden Forest  
refurbishment



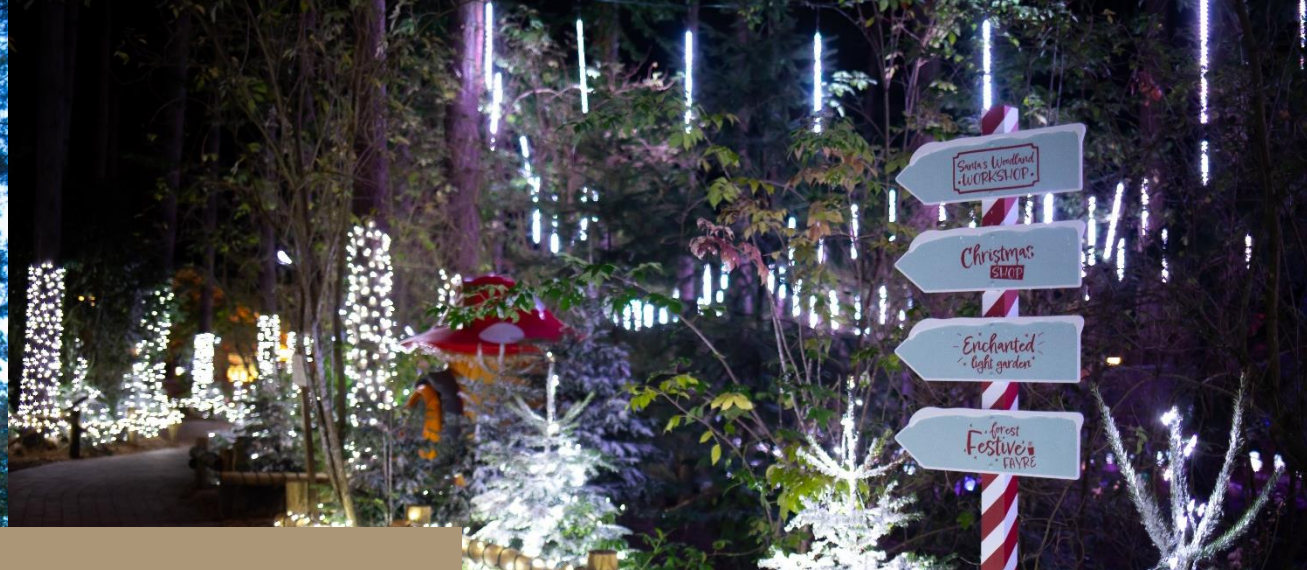




## The Venue refurbishment at Sherwood Forest







## Winter Wonderland at Sherwood Forest







## Hot tubs at Woburn Forest







## Section 3: Current trading



# Current trading resilience

- The macro-environment remains challenging, but there are improvements ahead in terms of inflation easing, and marginal movements in consumer confidence.
- Center Parcs remains **relevant and resilient**, with forward bookings in line with past performance at 59% booked for FY25. On-village spend **continues to increase each year** and we continuously enhance the offering with **appropriate investment** in both innovation and maintenance of the core product. Guest satisfaction is receiving **record scores**, which aids repeat business.
- Looking forward, we anticipate **EBITDA growth** in the full year ahead. Q1 in FY25 is non-comparable due to the timing of Easter peak and bank holidays (the King's Coronation additional bank holiday in FY24). Growth is expected to be weighted into the second half of the year.
- Center Parcs **continues to deliver** growth in the core business each year.

FY25 is well sold and demand continues to be strong





# Strong cash generation

- FY24 saw another year for **strong cash generation**. After dividend distributions, the cash balance at the year-end was **£35m** and at 27 June 2024 was **£135m**.
- The covenant tests were **passed with significant headroom**, and we do not envisage any breaches going forward.
- In May 2024, the B4 notes of £250m were re-financed, redeemed and replaced by new B7 notes of **£330m** (five year maturity). This will lead to a shareholder distribution in July. FY24 distributions were **£103m**.
- The business will still generate **strong levels of free cash flow**, despite interest costs rising. We anticipate spending a similar level of Capex in FY25 versus FY24 as we continue to maintain the asset to the highest standard.

Strong cash flow will continue despite higher  
interest costs







# Section 4: ESG update



# ESG update

- Center Parcs remains fully committed to ESG principles and it remains central to our strategy.
- The Group remains TCFD compliant for the year ended April 2024 and the Annual Report and Accounts reflect this.
- During the year, the group has made good progress on the ESG agenda:

We are on track to reduce carbon emissions by 30% by 2030, from a baseline year of 2020, via a set of clear targets on renewable energy, electric fleet, water usage and recycling.

At the end of FY24, we had made tangible progress and reduced carbon emissions by 7% since FY23 and at 29% reduction since 2020.

We remain fully committed to achieving net zero by 2050 for Scope 1 and 2 greenhouse gas emissions. Work has progressed well during the year to outline the reduction trajectory through close collaboration with our suppliers, guests and colleagues.

Preparation is well advanced for the upcoming EU Corporate Sustainability Reporting Directive.

This year, for the first time, we have recognised 'nature' as a stakeholder in its own right. We continue to retain The Wildlife Trusts' Biodiversity Benchmark accreditation across all villages.

We remain committed to social standards via the continuation of charitable giving. We have a high focus on health and safety standards, and aim to create a diverse, equitable and inclusive culture that supports our purpose of bringing families together.

Strong governance continues to ensure effective regulatory compliance and board accountability with appropriate risk management. During the year, we have deepened our risk assessment on climate-related risks.



A multi-story wooden treehouse is nestled within a dense forest of tall trees with vibrant green foliage. The treehouse features a prominent wooden staircase leading up to a platform. The structure is built with light-colored wood and has a shingled roof. A window is visible on the side of the treehouse. The scene is captured in bright daylight, with sunlight filtering through the leaves.

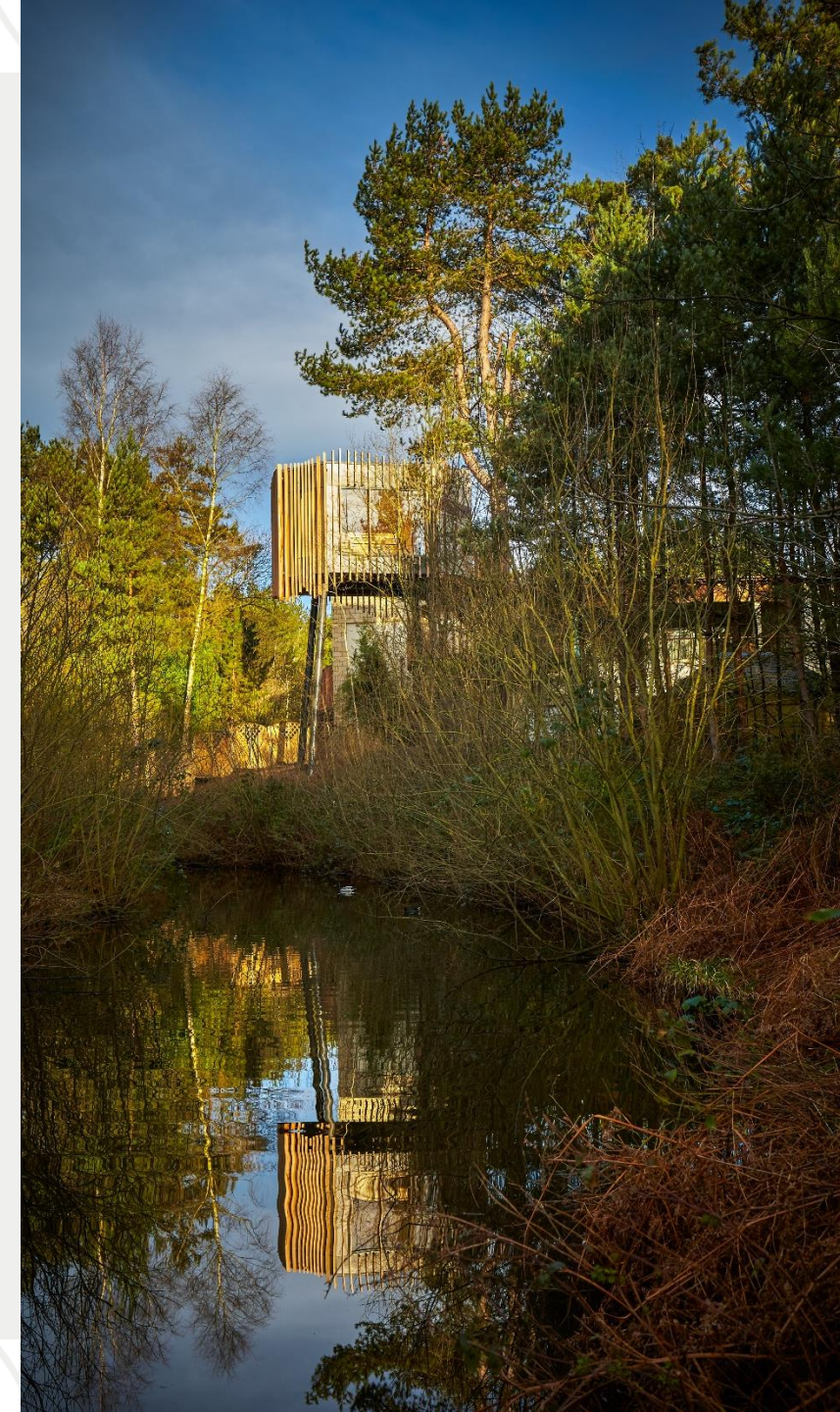
## Section 5: Ireland update



# Ireland update

- Our Longford Forest village in Ireland, which is outside of the WBS structure, continues to trade **exceptionally well** and is self-sufficient in terms of operational liquidity and cash flow generation.
- Similarly to the UK, **demand remains high** and guest spend on village continues to grow.
- In January 2024, **planning permission** was granted for the expansion of the village (198 further lodges, additional restaurant capacity and expansion of central infrastructure). Phase 1 ground work will commence in September 2024.
- Financing discussions for the expansion are underway and this is completely independent of the WBS.

Longford Forest is poised for expansion





A scenic view of a resort area. In the background, a large building with a blue, segmented roof is nestled among tall evergreen trees. The sun is shining through the trees, creating a bright spot in the sky. In the middle ground, there are several pools and a wooden deck area with lounge chairs. A small wooden gazebo is visible on the right. In the foreground, there are more trees and a small pool. A semi-transparent brown banner with white text is overlaid on the lower left.

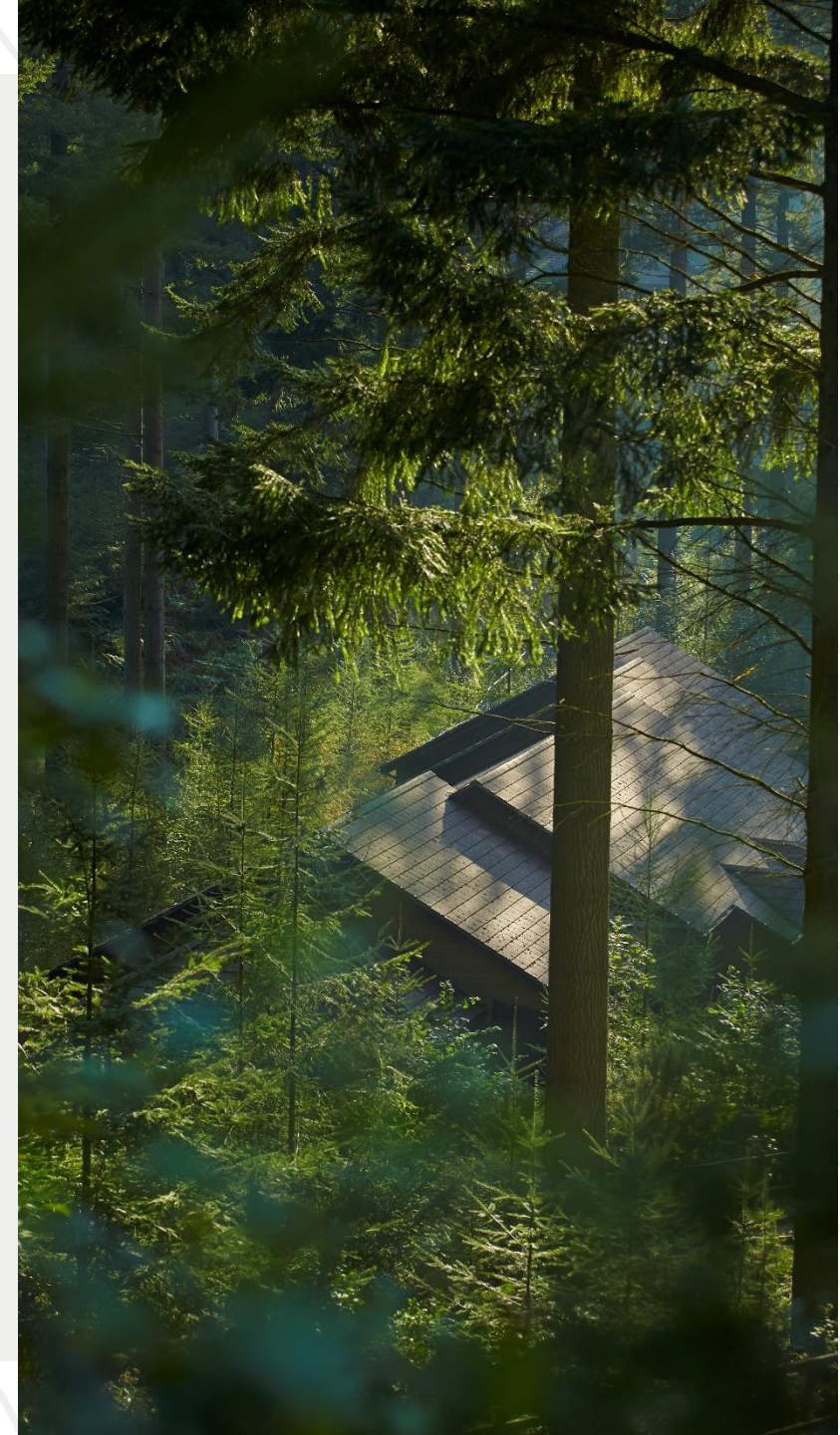
## Section 6: Potential sixth village



# Potential development of sixth village

- Center Parcs is committed to identifying and securing a sixth site and **search is very well progressed.**
- Any costs for a sixth village are captured in a separate company that sits outside the WBS structure.
- Further updates are expected in the near future.

Sixth site plans are expected to be announced in the near future







# Section 7: Summary



# Summary

- **The business continues to grow.** Q4 FY24 delivered an **exceptional performance**, concluding another record year for revenue and EBITDA results.
- The Group, including Ireland, delivered adjusted **EBITDA of £310.5m** at **97% occupancy** and **95% guest satisfaction**. Cost inflation has been well recovered despite significant cost headwinds, such as wage inflation being in double digit growth.
- Booking levels for FY25 are in line with the prior year and we anticipate delivering **another year of EBITDA growth**, albeit tempered in Q1 by non-comparable bank holidays and Easter timing
- **The Business will continue to deliver strong cashflow** despite rising interest levels on refinancing. Investment levels will remain high to maintain the quality of the asset, as the guest experience remains paramount to Center Parcs' success.
- Good progress continues on ESG initiatives, reducing carbon emissions by **7%** in FY24, with a commitment to net zero by 2050.
- The Group is progressing well in terms of core growth and strategic opportunities for the future.

Center Parcs continues to grow





# Financial calendar and contacts

## Financial calendar

- Early autumn 2024 – FY25 Quarter 1 results for the 12 weeks to 11 July 2024
- November 2024 – FY25 Quarter 2 results for the 24 weeks to 3 October 2024

## Contacts

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