

Center Parcs Investor Presentation 17 November 2023

Results for the 24 weeks to 5 October 2023



Sections

1. **Overview**
2. **Key Financial Highlights and Capital Investment**
3. **Current Trading**
4. **ESG Update**
5. **Ireland Update**
6. **Potential Sixth UK Village**
7. **Summary**

Section 1

Overview



Center Parcs Overview

Highlights

FY24 Half Year

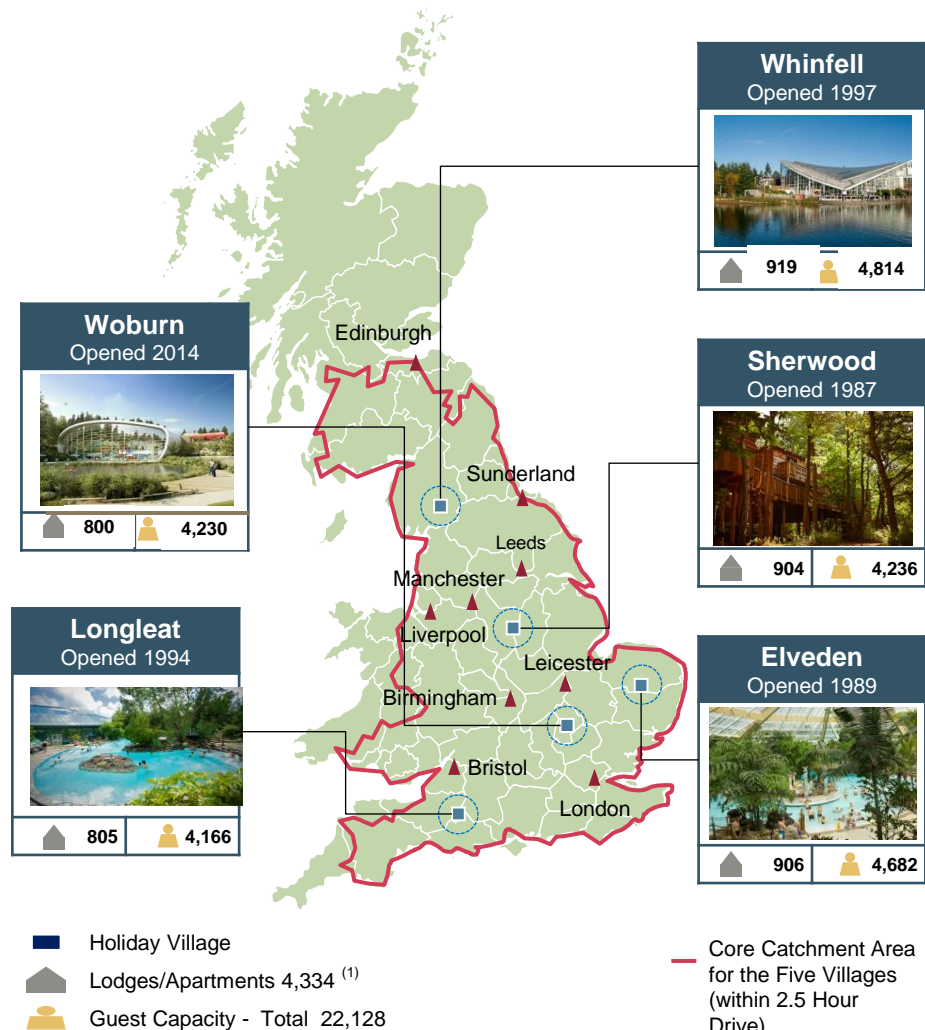
- Another excellent result demonstrating the continued resilience of the business.
- Revenue and EBITDA of £287.6m and £139.0m.
- Occupancy of 98.0% achieved.
- Net ADR of £243.92 compared to £249.34 in the prior year; ADR comparisons remain difficult due to post-Covid effects with YoY growth starting in Q2 that is expected to continue into H2. Current bookings for the second half of the year reflect this growth trajectory.
- Cash of £38.6m at 5 October 2023. Dividends paid in the period totalled £53.0m.

Trading Outlook

- Strong forward bookings for the remainder of FY24 with 83% of capacity sold at 10 November 2023.
- Cash balances of £57.5m at 9 November 2023.
- ADR growth on bookings to date is on track for the second half of the year.
- On village spend continues with no notable changes in guest behaviour.

(1) As at 17 November 2023

Summary of Lodge and Guest Numbers



Center Parcs Overview



- Center Parcs continues to perform strongly as evidenced by an excellent first half and continues to deliver excellent financial results.
- Despite the macro economic environment and unusual comparatives in the first half, Q2 FY24 EBITDA of £80.7m is consistent with the prior year.
- Inflationary pressures are still present but are abating and continue to be recovered with no notable changes in guest spend whilst on village. Robust cost controls are in place to continue to enhance EBITDA growth.
- Guest satisfaction scores are our highest ever with no observable change in repeat booking trends.
- Bookings for the remainder of FY24 are ahead of pre-pandemic levels and reflect ADR growth in line with business plans.
- The Group remains on track to deliver full-year ADR and EBITDA growth.

A strong half-year and a positive outlook for H2 FY24

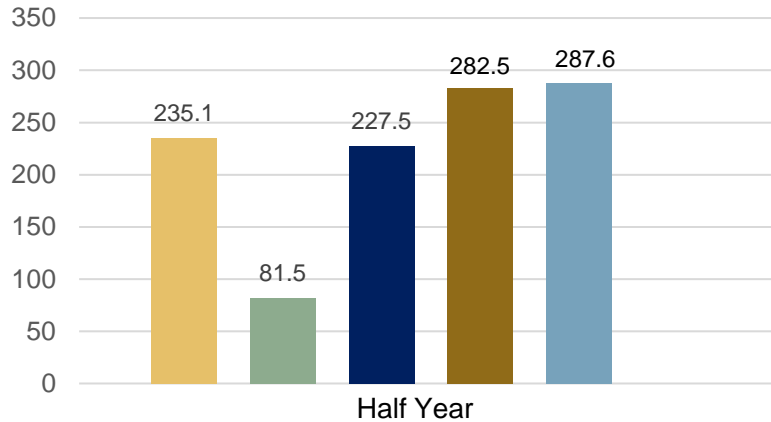
Section 2

Key Financial Highlights and Capital Investment

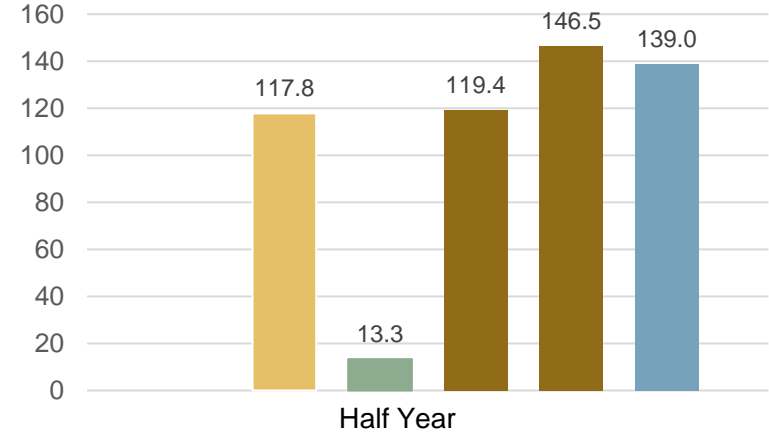


Key Financial Highlights – Half 1

Revenue (£m)



EBITDA (£m)



■ FY20
 ■ FY21
 ■ FY22
 ■ FY23
 ■ FY24

	H1 FY20	H1 FY21	H1 FY22	H1 FY23	H1 FY24
Revenue (£m)	£235.1m	£81.5m	£227.5m	£282.5m	£287.6m
EBITDA (£m)	£117.8m	£13.3m	£119.4m	£146.5m	£139.0m
Occupancy (%)	98.2%	32.2%	79.4%	97.6%	98.0%
ADR (£)	£202.13	£241.21	£258.22	£249.34	£243.92
RevPAL (£)	£198.43	£77.57	£205.02	£243.35	£239.04

A strong H1 performance in line with planning assumptions

H1 FY24 Capital Investment

Capital Investments	Half-year FY23	Half-year FY24
Investment Projects	£8.2m	£7.6m
Accommodation Upgrades	£2.2m	£2.5m
New Builds	-	£0.6m
Total Investment Capital	£10.4m	£10.7m
Maintenance Capital	£16.0m	£18.0m
Total Capital Investment	£26.4m	£28.7m

Capital spend continues to enhance the guest experience

H1 FY24 Capital Investment

Sherwood Forest – Woodland Explorer Lodge



H1 FY24 Capital Investments

Sherwood Forest – Santa’s Woodland Workshop



H1 FY24 Capital Investment

Elveden Forest – Aqua Sana Spa Upgrade



Section 3

Current Trading



Current Trading Resilience

- Demand for Center Parcs breaks has continued to be very strong with 83% of capacity for the current financial year sold at 10 November 2023 compared to 83% at the same time in FY23 and 81% in FY20, the last comparative year before the impact of Covid-19.
- As previously advised, ADR comparisons are difficult due to the unusual booking patterns post pandemic which has resulted in an untypical development of ADR, particularly for Quarter 1 FY23 with growth weighted into the second half of the year. Bookings for the second half of the year to date are in line with this growth trajectory.
- During the first half of the year, guests have continued to book, give us exceptional guest satisfaction scores and continued to spend on village. Therefore, we expect to see an overall increase in ADR and a continued positive development in EBITDA for the full year.

FY24 continues to trade well and demand remains strong

Cash Generation and Debt Update

- Cash balances remain robust with the Group holding £38.6m at 5 October 2023 following the payment of dividends totaling £53.0m during the period. As at 9 November 2023 cash balances were £57.5m.
- The most recent covenant tests were passed in August 2023 with significant headroom; we do not envisage any future breaches.
- The average contractual interest rate on the Group's secured notes is 4.9% and the weighted average maturity is October 2027. The A4 and B4 notes have the shortest remaining term, with an Expected Maturity Date of 28 August 2025.
- In April 2023 £440m of A2 notes were re-financed, redeemed and replaced by £324m of new A6 notes (four-year maturity) and £324m of new A7 notes (eight-year maturity).

Section 4

ESG Update



ESG Update

- Center Parcs remains fully committed to ESG principles and it remains central to our strategy.
- The Group complies with TCFD reporting requirements and extensive disclosures are included in the statutory financial statements of Center Parcs (Holdings 1) Limited for the 52 weeks ended 20 April 2023.
- The Group continues to make good progress on the ESG agenda:
 - *On track to reduce carbon emissions by 30% in 2030 from a baseline of 2020 via a set of clear targets on renewable energy, electric fleet, water usage, and recycling targets.*
 - *Commitment to achieve Net Zero by 2050 for scope 1 and 2 greenhouse gas emissions.*
 - *Commitment to social standards via the continuation of charitable giving, high focus on health and safety standards, the development of a clear Diversity Equity and Inclusion vision.*
 - *Strong governance continues to ensure effective regulatory compliance and board accountability with appropriate risk management.*

Section 5

Ireland Update



Ireland Update

- Our Longford Forest village in Ireland, which is outside of the WBS structure, continues to trade well.
- Similar to the UK, cost inflation has been recovered. To date, there has not been any effect on guest behavior and spend levels as with the UK.
- The entity in which the village is held has high cash balances and is self sufficient from a liquidity perspective generating strong operating cash flow.
- The Ireland debt facility was recently successfully refinanced.
- Planning permission for the expansion of the village is expected in due course.

Ireland is trading well and has been successfully refinanced

Section 6

Potential Sixth UK Village



Potential Development of a sixth UK village

- Center Parcs remains committed to identifying and securing a sixth site in the south-east of England and the search site visits have been completed. Options are currently being narrowed down.
- The search criteria has been broadened and will result in any future development delivering biodiversity net gain.
- Any costs for a sixth UK village are captured in a separate company that sits outside the WBS structure.
- Further updates will be given in due course.

Search for a sixth UK village site continues to progress well

Section 7

Summary



Summary



- The business continues to perform strongly as evidenced by an excellent first half performance in a difficult macro environment.
- Strong demand, our highest ever guest satisfaction scores and continued spend on village demonstrates Center Parcs popularity.
- We expect to see ADR increase for the full year evidenced by bookings already in place for the second half leading to EBITA growth for the full year.
- Inflation continues to be recovered and robust cost controls are in place.
- UK Occupancy is now 83%⁽¹⁾ for FY24 which is in line with the same time last year (and 81% in FY20).
- Cash generation remains strong, and the business continues to deliver excellent free cash flow.
- The focus on ESG initiatives continues with a commitment to Net Zero by 2050 and a 30% reduction by 2030.

Center Parcs continues to deliver

(1) As at 10 November 2023

Financial Calendar & Contacts

Financial Calendar

February 2024

FY24 Quarter 3 results for the 36 weeks to 28 December 2023

July / August 2024

FY24 Full year results for the 52 weeks to 18 April 2024

Contacts

Paul Mann

Group Financial Controller

Email: paul.mann@centerparcs.co.uk

April Stobbart

Legal Manager

Email: april.stobbart@centerparcs.co.uk

Katrina Jamieson

Chief Finance Officer

Email: katrina.jamieson@centerparcs.co.uk