CPUK FINANCE LIMITED

Operating and financial review for the 12 weeks ended 17 July 2025

In accordance with the reporting requirements of its financing, CPUK Finance Limited is pleased to present its operating and financial review for the 12 weeks ended 17 July 2025 ("Quarter 1"). All figures presented in this report relate to the group of companies headed by Center Parcs (Holdings 1) Limited ("the Group"). All figures presented in this report are unaudited.

Summary

- An excellent start to the financial year with strong growth in revenue and EBITDA, occupancy and ADR. It should be noted that direct YoY comparisons are skewed due to the impact of week 53 in the prior financial year which affects seasonality timing.

- Occupancy achieved was 98.5%, comparable to levels seen in previous years demonstrating continued demand for Center Parcs breaks.

- ADR growth for the 12 weeks to 17 July 2025 is 6.7%. On an underlying basis (adjusting for 53rd week in the prior year) this is 3.7% and the comparatives will broadly normalise by the end of the first half.

- Guests are spending more year on year on all villages and the exceptional spa performance referenced in FY25 has continued during the first quarter. Guest satisfaction scores remain at their highest ever level of 89% for the UK villages (in line with FY25).

- The Group continues to have a strong liquidity position with cash and cash equivalents of £112.9 million at 17 July 2025 and cash of £109.6 million at 21 August 2025.

- Forward bookings remain strong with 71% of current year accommodation capacity sold at 21 August 2025 compared to 68% at the same time in the prior year, and ADR on these bookings to date is also ahead.

- ADR and EBITDA growth is anticipated for the full FY26 financial year despite the rise in cost headwinds such as the National Living Wage and the change in the National Insurance threshold.

Financial highlights

Quarter 1

- Revenue of £146.8 million (FY25: £135.6 million) driven by consistent growth across Accommodation and all on village divisions.

- The Group achieved EBITDA of £60.5 million (FY25: £56.3 million) with occupancy of 98.5% as revenue growth translated well into profit due to strong margin control coupled with good cost control.

- ADR growth in the quarter is in line with expectations.

- Liquidity remains robust with the Group holding cash and cash equivalents of £112.9 million at 17 July 2025.

Key performance indicators

	FY26 Quarter 1	FY25 Quarter 1	Variance
Revenue	£146.8m	£135.6m	+8.3%
EBITDA	£60.5m	£56.3m	+7.5%
Occupancy	98.5%	97.4%	+1.1%
ADR	£232.75	£218.13	+6.7%
RevPAL	£229.16	£212.50	+7.8%

Results of operations

Revenue

Revenue was £146.8 million. Occupancy achieved was 98.5%, comparable to levels seen in previous years demonstrating the ongoing demand for Center Parcs breaks.

The number of units of accommodation at 17 July 2025 was 4,347, being 13 more than at the same time in FY25.

Cost of sales

Cost of sales was £44.5 million compared to £40.8 million in the prior financial year. This increase of 9.1% demonstrates good cost control despite mandatory payroll increases to Employers NI contributions and National Minimum Wage in the quarter.

Administrative expenses

Administrative expenses of £41.7 million were incurred compared to £38.5 million in the comparative period in the prior year predominantly due to mandatory payroll increases. In addition marketing investment has been successfully deployed to build awareness of Aqua Sana Forest Spa as well as activity that resulted in higher year to date accommodation bookings for the year compared to last year.

EBITDA

As a result of the factors outlined above, EBITDA was £60.5 million, an increase of £4.2 million over the prior year.

Depreciation and amortisation

Depreciation and amortisation were £15.6 million compared to £15.2 million in the prior year, reflecting the 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 17 July 2025 the annual interest payable on the Group's secured notes 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

No corporation tax was paid during the quarter. In the comparative prior year quarter corporation tax of £1.0 million was paid.

Cash Flow and Liquidity

As at 17 July 2025 the Group had cash and cash equivalents of £112.9 million (11 July 2024: £146.7 million) and negative working capital of £196.0 million (11 July 2024: £192.8 million).

Net cash from operating activities was £59.4 million and net cash used in investing activities was £17.7 million (FY25: £59.8 million and £20.8 million respectively).

No dividends were paid during the first quarter.

Investment Programme

Accommodation upgrades

The Group is continuing its ‘Project Summer’ lodge refurbishment programme. As at 17 July 2025 3,572 units of accommodation have been upgraded to the ‘Summer’ standard, representing 88.5% of the total stock to be upgraded.

As referenced previously the next generation of accommodation refurbishment, Project Autumn is due to commence in the second half of the year on two villages to complement the current refurbishment programme.

New builds

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 13 August 2025) were 3.8 times in respect of the Class A Notes (covenant of 1.1 times) and 2.1 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 £6.0 million per annum over four years on investment capital expenditure. During the quarter ended 17 July 2025 the Group spent £9.9 million (FY25: £11.3 million) on maintenance capital expenditure and £4.1 million (FY25: £3.5 million) on investment capital expenditure, a total of £14.0 million (FY25: £14.8 million).

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 accounts for the 53 weeks ended 24 April 2025 also provide an extensive overview of the Group’s activities in these areas.

Corporate update

Center Parcs submitted a planning application to Scottish Borders Council for the development of a new holiday village on 4 July 2025. If planning permission is granted, construction costs and associated debt funding will sit outside of the WBS structure.

Whilst Center Parcs Ireland is outside the UK debt structure, we are pleased to report that it has continued to trade well in the first quarter of FY26, and the expansion of the village is currently underway with contractors on site.

Future outlook

The year is off to a good start, delivering strong financials, exceptional service and investment continues in order to maintain the position over the rest of the year.

Demand for Center Parcs breaks continues to be strong with 71% of capacity for the current financial year sold at 21 August 2025 compared to 68% at the same time in FY25.

Costs remain under control and are recovered appropriately within EBITDA, and we continue to see no change in guest spending behaviour on village. ADR and EBITDA growth is anticipated for the full FY26 financial year despite new cost headwinds in the form of National Living Wage and the increased NI threshold changes.

The next operating and financial review will be for the 24 weeks ended 9 October 2025 and it is expected this report will be published in November 2025.

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Chief Finance Officer

Enquiries

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Group Financial Controller

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Chief Finance Officer

Unaudited income statement for the 12 weeks ended 17 July 2025

	12 weeks ended 17 July 2025 £m	12 weeks ended 11 July 2024 £m
Revenue	**146.8**	**135.6**
Cost of sales	(44.5)	(40.8)
Gross profit	**102.3**	**94.8**
Administrative expenses	(41.8)	(38.5)
Depreciation and amortisation	(15.6)	(15.2)
Total operating expenses	(57.4)	(53.7)
Operating profit	**44.9**	**41.1**
Finance income	0.7	0.6
Finance expense	(31.4)	(27.5)
Profit before taxation	**14.2**	**14.2**
Taxation	-	-
Profit for the period attributable to equity shareholders	**14.2**	**14.2**

EBITDA is derived from the table above as follows:

	12 weeks ended 17 July 2025 £m	12 weeks ended 11 July 2024 £m
Revenue	**146.8**	**135.6**
Cost of sales	(44.5)	(40.8)
Gross profit/(loss)	**102.3**	**94.8**
Administrative expenses	(41.8)	(38.5)
EBITDA	**60.5**	**56.3**

Finance expense in the 12 weeks ended 17 July 2025 includes amortisation of deferred issue costs of £0.9 million (FY25: £0.9 million).

Unaudited balance sheet as at 17 July 2025

	As at 17 July 2025 £m	As at 11 July 2024 £m
Assets		
Non-current assets		
Goodwill	**157.5**	157.5
Other intangible assets	**140.7**	136.0
Property, plant and equipment	**1,486.5**	1,473.6
Right-of-use assets	**33.9**	33.5
Retirement benefit surplus	**-**	2.2
	1,818.6	1,802.8
Current assets		
Inventories	**4.8**	4.7
Trade and other receivables	**24.4**	15.4
Current tax asset	**5.7**	3.0
Cash and cash equivalents	**112.9**	146.7
Derivative financial instruments	**4.8**	3.2
	152.6	173.0
Liabilities		
Current liabilities		
Trade and other payables	**(291.9)**	(264.2)
	(291.9)	(264.2)
Net current liabilities	**(139.3)**	(91.2)
Non-current liabilities		
Borrowings	**(2,193.0)**	(2,188.8)
Lease liabilities	**(43.2)**	(41.7)
Deferred tax liability	**(157.8)**	(145.4)
	(2,394.0)	(2,375.9)
Net liabilities	**(714.7)**	(664.3)
Equity		
Equity share capital	**1.0**	1.0
Share premium	**119.9**	119.9
Other reserve	**(154.0)**	(154.0)
Retained earnings	**(681.6)**	(631.2)
Total equity	**(714.7)**	(664.3)

Current trade and other payables include interest and capital accruals totalling £58.1 million (11 July 2024: £47.5 million) and taxation group relief creditors of £8.6 million (11 July 2024: £3.8 million).

Unaudited cash flow statement for the 12 weeks ended 17 July 2025

	12 weeks ended 17 July 2025 £m	12 weeks ended 11 July 2024 £m
Cash flows from operating activities		
Operating profit	**44.9**	41.1
Depreciation and amortisation	**15.6**	15.2
Working capital movements	**(1.0)**	6.2
Profit on sale of property, plant and equipment	**(0.1)**	(0.1)
Difference between the pension charge and contributions	**-**	(1.6)
Corporation tax paid	**-**	(1.0)
Net cash from operating activities	**59.4**	59.8
Cash flows used in investing activities		
Purchase of property, plant and equipment	**(18.5)**	(21.5)
Sale of property, plant and equipment	**0.1**	0.1
Interest received	**0.7**	0.6
Net cash used in investing activities	**(17.7)**	(20.8)
Cash flows (used in)/from financing activities		
Repayment of external borrowings	**-**	(250.0)
Proceeds from external borrowings	**-**	330.0
Issue costs on secured debt	**-**	(3.5)
Repayment of lease liabilities	**(0.1)**	-
Interest paid	**(0.5)**	(3.0)
Dividends paid	**-**	(0.4)
Net cash (used in)/from financing activities	**(0.6)**	73.1
Net increase in cash and cash equivalents	**41.1**	112.1
Cash and cash equivalents at the beginning of the period	**71.8**	34.6
Cash and cash equivalents at the end of the period	**112.9**	146.7
Increase in cash and cash equivalents, including restricted cash	**41.1**	112.1
Cash flow from movement in debt	**-**	(80.0)
Change in net debt resulting from cash flows	**41.1**	32.1
Non-cash movements and deferred issue costs	**(0.9)**	4.6
Movement in net debt in the period	**40.2**	36.7
Net debt at the beginning of the period	**(2,120.3)**	(2,078.8)
Net debt at the end of the period	**(2,080.1)**	(2,042.1)

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.