

Center Parcs

Investor Presentation

Interim Results: 12 weeks to 16th July 2015

3rd September 2015

Sections

1.	Overview	3
2.	Key Financial Highlights	5
3.	Financial Covenants	9
4.	Capital Investment	12
5.	Summary	16

Appendices

Appendix 1: Financial Calendar and Contacts	19
---	----

Section 1

Overview

1 Center Parcs Overview

FY16 Q1 Highlights

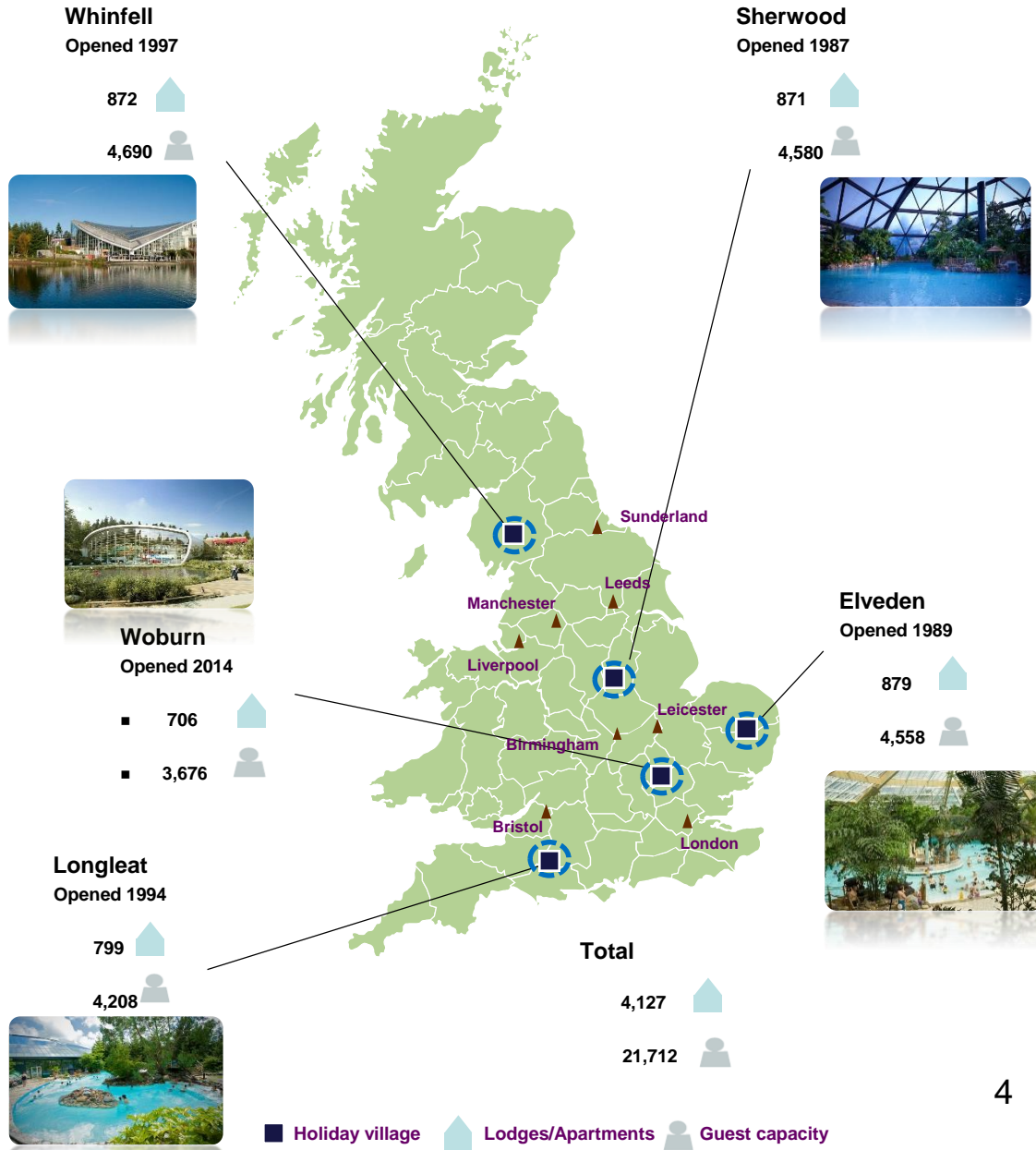
Solid Q1 Performance

- ❖ Revenue and EBITDA marginally ahead of the prior year in the Original Four Villages.
- ❖ Stronger growth later in the quarter as Woburn reaches 1st anniversary.
- ❖ Woburn performing well and in line with expectations.

FY16 Outlook

Excellent forward bookings

- ❖ 67.8% of FY16 capacity for Original Four Villages booked as at 28th August 2015 – ahead of same stage last year (FY15: 63.4%).
- ❖ Woburn FY16 capacity booked of 63.2%.
- ❖ ADR growth for forward bookings from Q2 onwards returned to levels of growth prior to Woburn opening.



Section 2

Key Financial Highlights



Key Financial Highlights: Financial Year 2016

Original 4 Villages			5 Villages	
Q1	% change v FY15		Q1	% change v FY15
£73.0m	↑ 1.7%	Revenue	£91.0m	↑ 18.3%
£33.1m	↑ 0.3%	EBITDA ⁽¹⁾	£42.1m	↑ 20.3%
45.3%	↓ 0.7%	Operating Margin ⁽¹⁾	46.3%	↑ 0.8%
96.8%	↓ 0.6%	Occupancy	96.8%	↑ 0.3%
£150.47	↑ 0.5%	ADR	£155.78	↑ 2.6%
£145.65	↓ 0.1%	RevPAL	£150.75	↑ 2.9%

⁽¹⁾before owners' costs, exceptional and non-underlying items

Revenue Performance: Financial Year 2016

Original 4 Villages					5 Villages	
Q1	% change v FY15				Q1	% change v FY15
<u>£m</u>		<u>Revenue</u>			<u>£m</u>	
41.9	+0.0%	Accommodation			52.3	+16.2%
31.1	+4.0%	On-site			38.7	+21.3%
<u><u>73.0</u></u>	<u><u>+1.7%</u></u>	Total			<u><u>91.0</u></u>	<u><u>+18.3%</u></u>

Original 4 Villages

- As expected accommodation revenue has seen some modest impact from first year of Woburn trading.
- Improved trends towards end of Q1 – ADR growth of +2.2% as Woburn reached 1st anniversary
- On-site revenue growth of 4.0% highlights strong underlying performance of the business.

Woburn

- ADR premium of 20.7% vs. other villages.
- Average on-site spend per guest +18.7% vs. other villages.

Village Performance: Q1 FY16

		Sherwood	Elveden	Longleat	Whinfell	Woburn	Central Overheads	Group
Revenue	£m	18.6	19.0	18.1	17.3	18.0	-	91.0
% change v FY15		(0.3)%	+3.5%	+3.0%	(0.1)%	+252.9%	-	+18.3%

EBITDA	£m	10.1	10.0	9.4	8.7	9.0	(5.1)	42.1
% change v FY15		+0.0%	+4.2%	+3.3%	(2.2)%	+350.0%	+8.5%	+20.3%

Occupancy		94.8%	98.8%	98.2%	95.6%	96.6%		96.8%
% change v FY15		(3.6)%	+3.9%	+0.7%	(3.0)%	+14.2%		+0.3%

- Occupancy changes reflect different timing of accommodation being off-line for upgrades vs. prior year – underlying occupancy performance of the villages remains broadly similar
- Woburn comparisons flattered by comparing 12 weeks this year vs. 4 weeks in the prior year
- Woburn achieved EBITDA of £39.5m in year to 16th July 2015.

Section 3

Financial Covenants

3 Financial Covenants⁽¹⁾

1.	Free Cash Flow	12 months to 16 July 2015	
		£m	
	• EBITDA ⁽²⁾	187.3	
	• Owners' costs	(2.1)	
	• Change in working capital	16.4	
	• Tax paid	(1.0)	
	• Covenanted Maintenance capital ⁽³⁾	(18.5)	
	FCF	182.1	
2.	Pro-forma ⁽¹⁾ Debt Service		
	• Class A Interest payable items	46.2	
	• Class B total Interest payable	39.2	
	Total Interest Payable Items	85.4	
3.	Financing Ratios	Actual as at 16 July 2015	Pro-forma ⁽¹⁾ New Debt Structure
	Gross Debt ⁽⁴⁾	£1,211.5m	£1,491.5m
	Gross Debt : EBITDA	6.47x	7.96x



⁽¹⁾ All covenants calculated on a pro-forma basis, which assumes the current financing structure was in place for the 52 weeks ended 16 July 2015

⁽²⁾ Before owners' costs and exceptional items

⁽³⁾ As per covenant definition of minimum spend required

⁽⁴⁾ Excludes cash and debt issue costs

Financial Covenants⁽¹⁾

Pro-forma 12 months to 16 July 2015

(i) Class A

FCF: DSCR

Actual

3.97x

Default
Covenant

1.10x

Restricted
Payments
Covenant

1.35x

(ii) Class B

FCF: DSCR

2.14x

1.00x



Section 4

Capital Investment

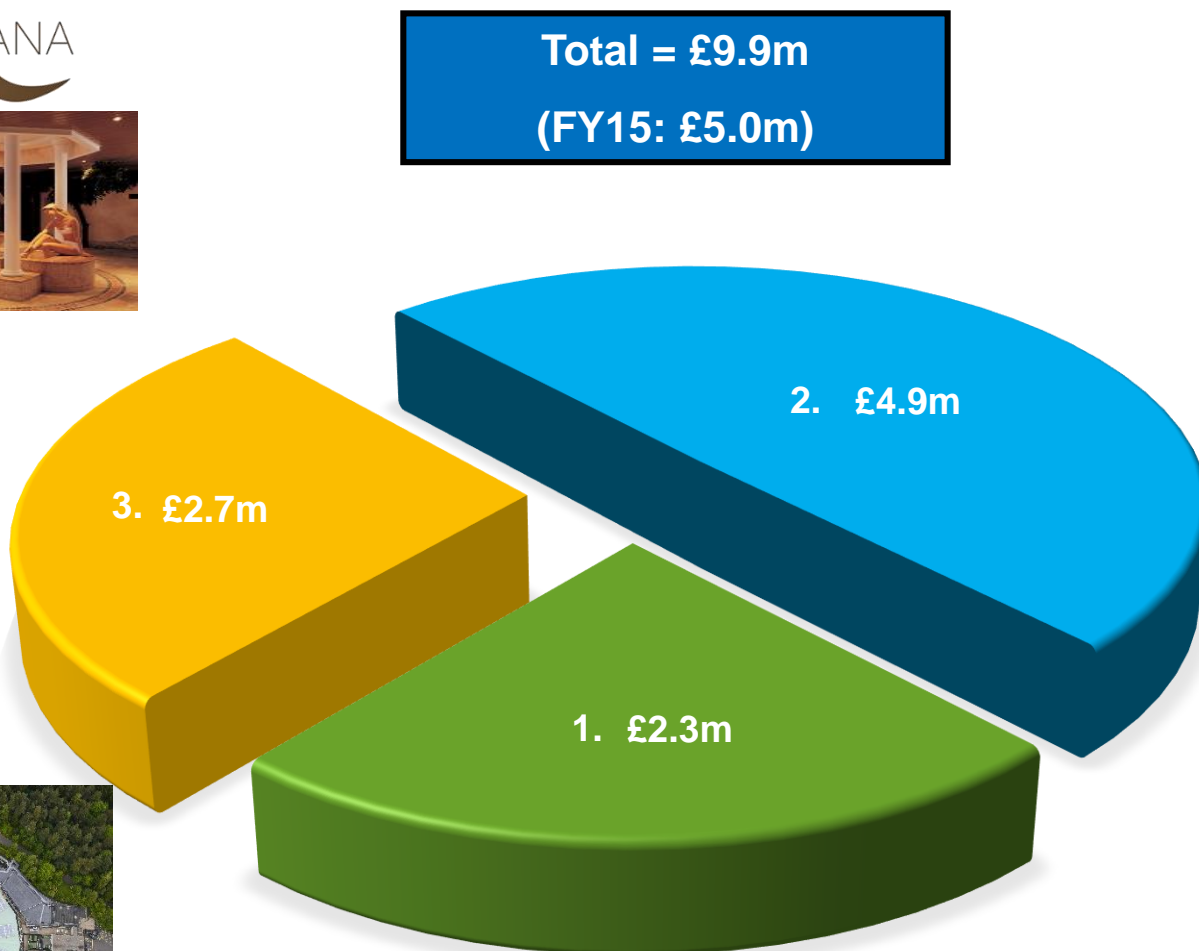


4 Capital Investment⁽¹⁾ Q1 FY16

AQUA SANA



**Maintenance
Capital
£2.7m**
(FY15: £2.3m;
MAT: £24.3m)



1. Investment Projects
2. Accommodation upgrades



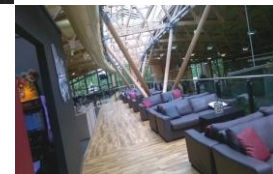
**Investment
Capital
£7.2m**
(FY15: £2.7m;
MAT £23.2m)



4.1 Capital Investment Plans FY16

1. Major Projects

- ❖ Continuation of accommodation upgrade programme.
- ❖ Completion of major upgrade of Dome in swimming pool area at Longleat.
- ❖ Commencement of Project Atlantis at Longleat.
- ❖ Village wide rollout of Wi-Fi at Longleat, Sherwood and Whinfell.
- ❖ Digital Roadmap Project – upgrade of on-line and digital capabilities.



2. Rollout of Woburn concepts to other villages

- ❖ **F&B**
 - 3 units currently on site being upgraded
 - a further 3 units planned to be upgraded in the remainder of FY16
- ❖ **Retail**
 - 7 units have been upgraded
 - a further 8 units planned to be upgraded in the remainder of FY16



3. Other Capital Projects

- ❖ Introduction of Winter Wonderland at Woburn.
- ❖ Electric boats to all villages.
- ❖ New indoor climbing adventure at Elveden and Whinfell.
- ❖ Numerous small Leisure projects e.g. Pottery studio extension at Whinfell.



Project Spring: Accommodation upgrade programme

1. Accommodation Upgrades since FY08

	<u>No.</u>	<u>%</u>
Upgraded units	2,888	85%
New builds	110	3%
	2,998	88%
To be upgraded	423	12%
Original Four Villages	3,421	100%
Woburn	706	
Total Group	4,127	



2. New Builds on Site

	<u>No of Units</u>	<u>Cost £m</u>	
Sherwood Exclusives	6	2.8	Due to open Q4 FY16
Elveden Treehouses	4	3.6	Due to open Q1 FY17

Section 5

Summary

Summary

1. Solid Q1 performance in Original Four Villages; stronger performance towards the end of the quarter following Woburn's first anniversary
2. Woburn performing well and in line with expectations.
3. Significant capital investment plans continuing under new ownership.
4. Strong forward bookings – occupancy ahead of the prior year; ADR much stronger from Q2 onwards.



Questions



Financial Calendar and Contacts

Financial Calendar

- **3rd September 2015**
Quarter 1 results FY16 for 12 weeks to 16 July 2015
- **Mid November 2015**
Quarter 2 results FY16 for 24 weeks to 8th October 2015
- **Early February 2016**
Quarter 3 results FY16 for 36 weeks to 31st December 2015

Contacts

- **Paul Mann**
Group Financial Accountant
Tel: 01623 821 649
Email: paul.mann@centerparcs.co.uk
- **April Stobbart**
Deputy Company Secretary
Tel: 01623 821 867
Email: april.stobbart@centerparcs.co.uk
- **Paul Inglett**
Finance Director
Tel: 01623 821 621