

Center Parcs Investor Presentation 22 July 2021

Results for the 52 weeks to 22 April 2021



Sections

- 1. UK Overview & Covid Update**
- 2. Key Financial Highlights & Capital Investment**
- 3. Current Trading & Liquidity Update**
- 4. Ireland Update**
- 5. Option Regarding Land in West Sussex**
- 6. Summary**

Section 1

UK Overview & Covid Update



Center Parcs Overview



Highlights

FY21

- UK villages were closed for over 8 months of FY21, leading to an EBITDA loss of £11.9m for the financial year
- Strong support from Brookfield with £190m injected into the UK Group since April 2020
- Villages successfully re-opened on Monday 12 April 2021 with a self-imposed reduction in accommodation capacity and activities

Outlook

- Very strong trading for summer and autumn 2021
- Occupancy for the full year FY22 is currently 62.5% ⁽¹⁾ compared to 59.1% at the same time in FY20 (FY21 heavily impacted by Covid)
- Capacity increases will be gradual to ensure the ongoing safety of guests and employees
- Cash balances of £166.7m as at 15 July 2021 with £40m ⁽²⁾ of committed funds from Brookfield remaining undrawn
- Outside of the WBS, potential expansion of Ireland and option over land in West Sussex announced in July 2021

(1) As at 15 July 2021

(2) Funds available for the UK, Ireland and other Group Companies

Summary of Lodge and Guest Numbers



Covid-19 Summary



- Summary of village closure and openings as follows:
 - 20 March 2020 All UK villages closed
 - 13 July 2020 All UK villages re-opened
 - 30 October 2020 Sherwood closed
 - 5 November 2020 Elveden, Longleat, Whinfell and Woburn closed
 - 4 December 2020 Elveden, Longleat, Whinfell and Woburn re-opened
 - 18 December 2020 Woburn closed
 - 21 December 2020 Elveden, Longleat and Whinfell closed
 - 12 April 2021 All UK villages re-opened

- During the periods of village closure guests whose breaks were cancelled were offered the alternative of moving dates (with a £100 incentive) or a full refund

- More broadly, three strategic operating principles guided the management of the business over the last 16 months

At 22 July 2021 all UK villages open

We Consistently did the Right Things

Guiding principles of Center Parcs
Since Inception

Successful outcome

1 Doing the right thing for our guests

Decisive actions to protect
the brand by always doing
the right thing

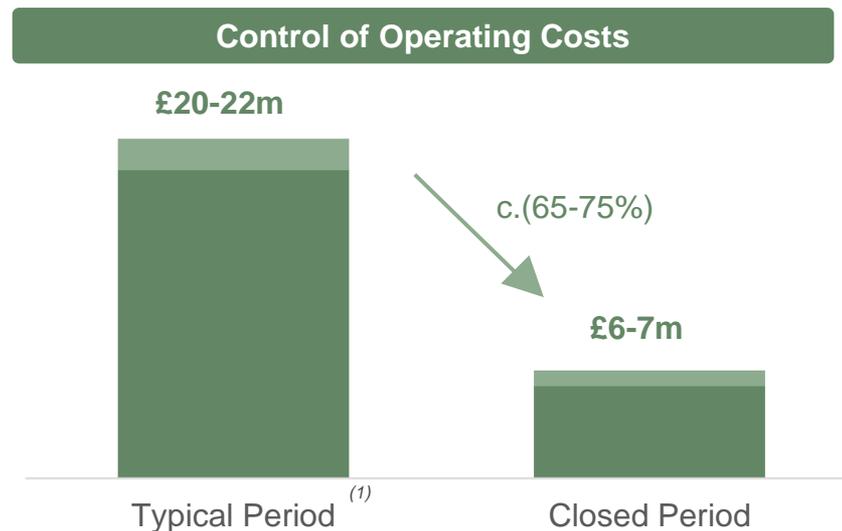
2 Doing the right thing for our employees

Leading to short and long
term benefits

3 Protecting stakeholder interests,
including our shareholder, bondholders
other creditors and suppliers

We Took the Right Steps During the Lockdowns

- We implemented strict cash management procedures and proactively managed our liquidity position during the lockdowns
- Operating costs per period were reduced from £20-22m to £6-7m when the villages were closed, achieved through:
 - ❑ Cessation of non-essential operating expenses and stringent cost control
 - ❑ Government support: Job retention scheme (majority of staff impacted, c.90% furloughed), 12-month business rates holiday (our annual rates cost is c.£24m)
 - ❑ Significantly reduced marketing and minimised refunds through incentives to move dates
- Capex projects reviewed and re-phased



Note:

(1) Periods are four weeks in duration

We have Strong Support from Brookfield

- As one of the largest investments in the BSREP II fund, Brookfield remain committed to supporting Center Parcs through the provision of additional capital
- Brookfield approved £255m for the UK, Ireland and other Group Companies:
 - ❑ £25m used for Ireland and other Group Companies
 - ❑ £190m injected into the UK Group:
 - ❑ £41.5m in April 2020 (FY20)
 - ❑ £27.5m in May 2020 (FY21)
 - ❑ £70m in July 2020 (FY21)
 - ❑ £51m in February 2021 (FY21)
- A further £40 million approved funding ⁽¹⁾ remains undrawn
- Brookfield continue to monitor the situation and will consider further capital injections if required by the business

(1) Available for UK, Ireland and other Group Companies

We Re-opened in a Safe and Responsible Way

- Center Parcs engaged with industry bodies to influence Government guidance demonstrating that Center Parcs is setting the standard for the leisure industry in a post COVID environment
- Center Parcs developed a new Operating Framework to ensure that it operates in a safe and responsible way. This covers every detail of village operations including accommodation, food & beverage, leisure activities, retail and the pool and spa
- On 12 April 2021 Center Parcs re-opened and took a cautious approach to capacity management
 - ❑ c.50% occupancy achieved prior to pool re-opening on 17 May 2021
 - ❑ Self-imposed occupancy limits rising to 75% by the end of May, 85% in June and 90% by the end of August
 - ❑ With changes to Government guidelines on 19 July 2021, occupancy limits will continue to be reviewed. Further increases will be effected cautiously to ensure the ongoing safety of guests and employees in line with the spirit of the Government's advice
- Guest feedback has been outstanding since re-opening

**Responsible Operating Drives Guest Loyalty
and Protects the Value of the Center Parcs Brand**

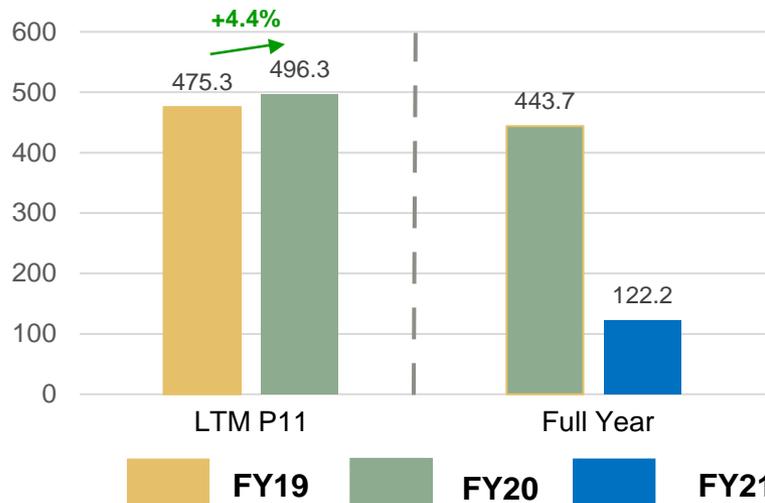
Section 2

Key Financial Highlights & Capital Investment

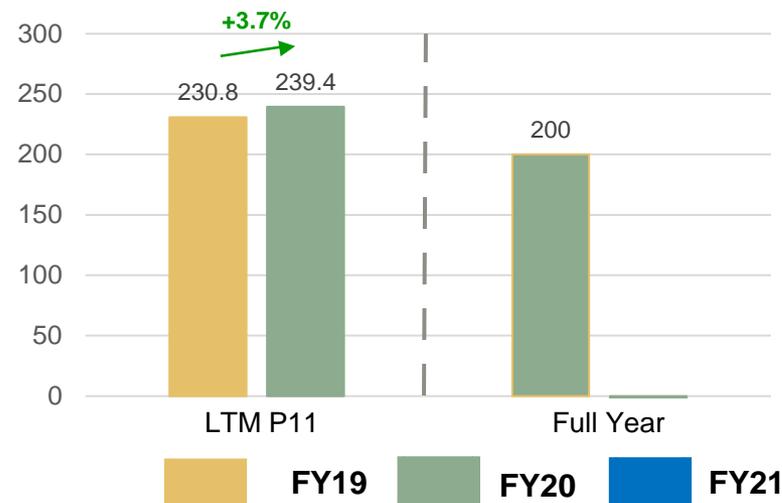


Key Financial Highlights

Revenue (£m)



EBITDA (£m)



Occupancy, ADR & RevPAL

	LTM P11 FY19	LTM P11 FY20	% change vs. P11 FY19	FY20	FY21	% Change vs FY20
Occupancy (%)	97.2%	97.3%	+0.1%	88.0%	22.4%	(65.6)%
Trading Occupancy (%)	97.2%	97.3%	+0.1%	97.4%	59.2%	(38.2)%
ADR (£)	£189.72	£197.76	+4.2%	£194.91	£238.70	+22.5%
RevPAL (£)	£184.35	£192.43	+4.4%	£171.54	£53.45	(68.8)%

Strong Business Performance Pre Covid. FY21 Impacted By Covid Closures

Village Performance: FY 2021

	Sherwood Forest	Elveden Forest	Longleat Forest	Whinfell Forest	Woburn Forest	Central overheads	Group
<u>FY21</u>							
Revenue	£21.8m	£27.0m	£25.2m	£24.2m	£24.0m	-	£122.2m
EBITDA	£0.4m	£3.6m	£3.5m	-	£2.3m	£(21.7)m	£(11.9)m
Occupancy	19.5%	24.0%	23.7%	21.6%	23.4%	-	22.4%
<u>FY20</u>							
Revenue	£93.8m	£92.2m	£85.9m	£85.2m	£86.6m	-	£443.7m
EBITDA	£50.3m	£46.8m	£43.6m	£41.3m	£42.2m	£(24.2)m	£200.0m
Occupancy	88.1%	88.6%	88.8%	87.4%	87.3%	-	88.0%
<u>Variance</u>							
Revenue	(76.8)%	(70.7)%	(70.7)%	(71.6)%	(72.3)%	-	(72.5)%
EBITDA	(99.2)%	(92.3)%	(92.0)%	(100.0)%	(94.5)%	10.3%	(106.0)%
Occupancy	(68.6)%	(64.6)%	(65.1)%	(65.8)%	(63.9)%	-	(65.6)%

- Performance in FY20 is impacted by the closure of all villages from Friday 20 March 2020 until the end of the financial year on 23 April 2020
- FY21 performance is heavily impacted by village closures as set out in Section 1

Comparisons to Prior Year Heavily Impacted by Covid Closures

Other Key Financial Highlights

- **Financial Derivatives:** The B Note prepayment option has been fair valued resulting in a £25.2m non-cash credit to the profit and loss account. This non-cash credit will reverse over time and is therefore shown separately as an “adjusted item” to allow for a better understanding of the results
- **Cash Injections:** For clarity, cash injected by Brookfield is shown either as equity injection or a short-term working capital facility with the latter classified as a fully subordinated interest free facility under current liabilities. All injections are covered by the commitment not to make any upstream cash distributions during the period of the covenant waiver
- **Working capital:** FY21 working capital disclosed in the cash flow statement includes the net position of advance revenue for future arrivals and guest refunds during the course of the year when the villages were closed

FY21 Capital Investments

Capital Investments	FY20	FY21
Investment Projects	£5.7m	£2.7m
Accommodation Upgrades	£13.4m	£8.1m
New Builds	£6.3m	£1.3m
Total Investment Capital	£25.4m	£12.1m
Maintenance Capital	£27.5m	£29.7m
Total Capital Investment	£52.9m	£41.8m

Significant Re-phasing of FY21 Capex

FY21 Capital Investments

Sherwood Forest – Main Entrance Driveway



FY21 Capital Investments

Sherwood Forest - Vitale



FY21 Capital Investments

Sherwood Forest – Rajinda Pradesh



FY21 Capital Investments

Woburn Forest – Resurfacing Toddler Pool



Section 3

Current Trading & Liquidity Update



Demand is Very Strong for Our Breaks



- Customer demand is already exceeding self-imposed capacity limits for some breaks
- Occupancy for the full year FY22 is currently 62.5%⁽¹⁾ versus 59.1% at the same time in the last full financial year of trading (FY20)
- ADR on bookings to date is significantly ahead compared to the same time in FY20, but note a major factor is the mix of accommodation on sale as part of the yield management strategy with restricted occupancy
- Occupancy restrictions will continue to be reviewed over the summer to ensure a Covid secure operating environment is maintained for the safety of all guests and employees
- Like for like trading metrics will not be available until FY24 but we will provide further guidance for the FY22 full year outturn later in the year

(1) As at 15 July 2021

Current Liquidity is Robust

- The underlying liquidity position of Center Parcs remains robust, driven by Brookfield support, strict cash management and strong forward bookings
- As of 15 July 2021 cash on the balance sheet was £166.7m
- There are no guest refunds of any significance outstanding
- A further £40m of committed funds from Brookfield remains undrawn ⁽¹⁾
- In addition, we have access to a £90m undrawn committed liquidity facility ⁽²⁾, which is available to pay certain senior expenses and the Class A Note interest
- The Covenant Waiver agreed last year remains in place and covers the test periods to August 2021 with a further concession for the February 2022 test whereby the proceeds of any equity injection in the prior 12 months may be added into the numerator of the ratio to pass the test
- Center Parcs committed not to make any upstream distributions during the period of the Covenant Waiver
- While covered by the Covenant Waiver and therefore not tested, the debt service ratios as at 18 February 2021 (the most recent reporting period) were:
 - *Class A: 1.13 times*
 - *Class B: 0.71 times*

(1) Available for UK, Ireland and other Group Companies

(2) £90m liquidity facility only available to service Class A interest and costs.

Section 4

Ireland Update



Ireland Update

- Our Longford Forest holiday village in Ireland, which is outside of the WBS structure, re-opened on 4 June 2021 initially without the pool and certain indoor activities
- On 18 June 2021 the pool re-opened and the village is now operating to a self-imposed capacity limit of c. 90%
- As with the UK, Center Parcs developed a new Operating Framework to ensure the Irish Government's guidelines are effectively implemented and a Covid secure environment is maintained
- Bookings for the summer and autumn are very strong with the village already operating at the occupancy limits
- The entity in which the village is held has high cash balances and is not currently expected to require any further liquidity support from Brookfield
- Center Parcs recently announced the intention to apply for planning permission for c.200 additional lodges, the expansion of F&B facilities and additional leisure activities

At 22 July 2021 Longford Forest, Ireland remains open

Section 5

Option Regarding Land in West Sussex



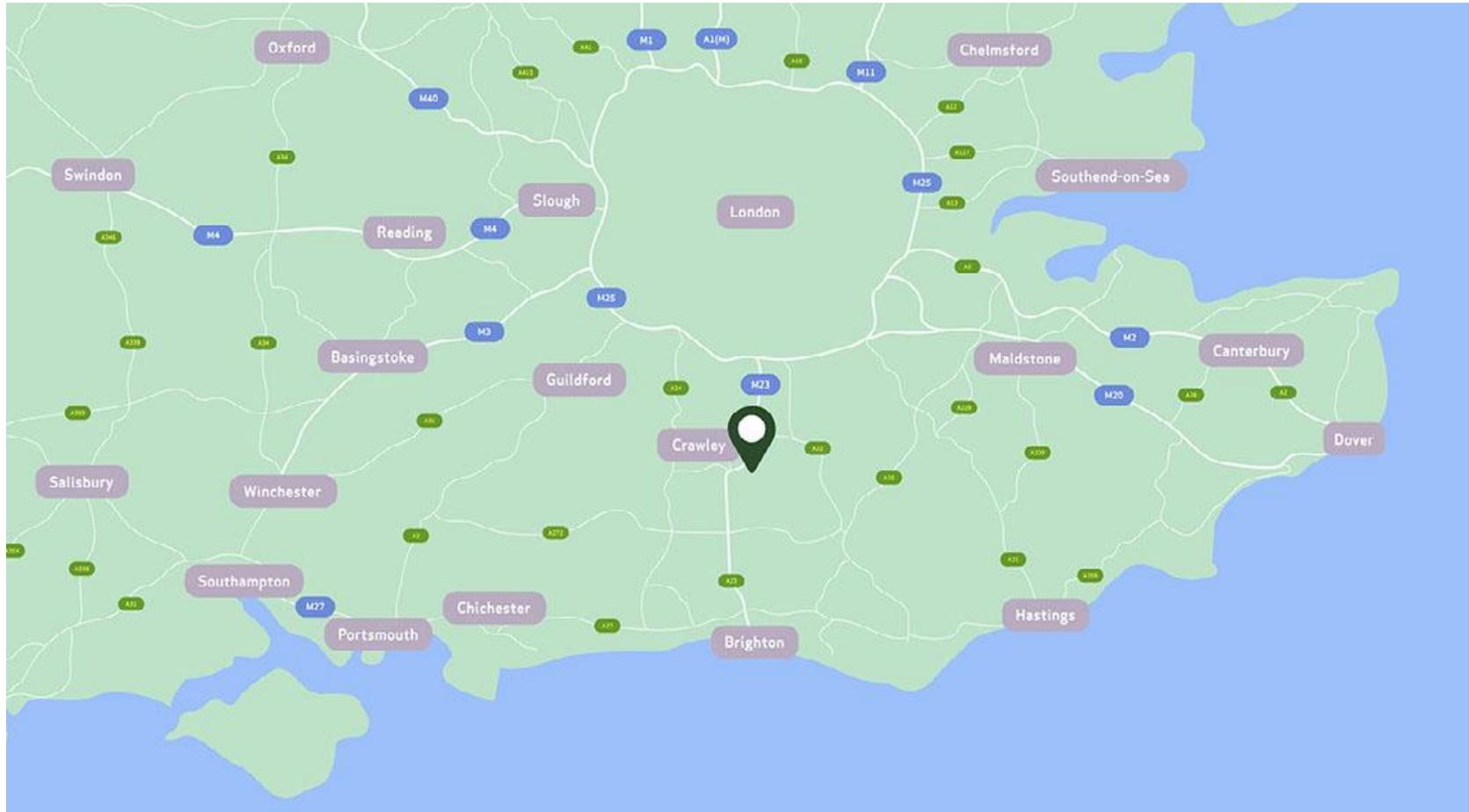
Potential Development of Sixth UK Village

- On 12 July 2021 Center Parcs announced that it had entered into an option agreement in relation to approximately 553 acres of land in West Sussex
- The option agreement has been entered in to by CPUK6 Limited, a company that sits outside of the WBS structure. The Option allows Center Parcs to acquire either the freehold or a long lease of the land subject to obtaining planning permission for a holiday village on the site
- Over the coming months, Center Parcs will begin to engage with local stakeholders and commence pre-planning works with a view to submitting a planning application to the relevant local authority
- The application is expected to be for a c.900 lodge development with a sub-tropical swimming paradise, restaurants, shops, indoor and outdoor activities and an Aqua Sana spa
- Estimated construction cost of between £350m to £400m

Potential Development of Sixth UK Village

- Pre-planning costs will not be funded by the WBS structure and if the planning application is successful, the WBS structure has no obligation to provide funding for the development
- Financing will be considered in due course and may be a blend of shareholder equity and third-party development funding
- When completed and trading, the intention is to procure the accession of CPUK6 Limited into the WBS under the terms of the debt structure
- Further updates will be provided as part of the usual quarterly reporting

Potential Development of Sixth UK Village



Potential Future Development of c.553 Acres of Land in West Sussex

Section 6

Summary



Summary

- We did the right things for our guests, employees and other stakeholders
- The financial results for FY21 are clearly heavily impacted by Covid
- Strong shareholder support and strict cash controls ensured liquidity always remained robust through the periods of Village closure
- All villages re-opened on 12 April 2021 and remain open. Guest feedback is outstanding
- High cash balance of £166.7m as at 15 July 2021
- Occupancy now 62.5%⁽¹⁾ for full year FY22 compares to 59.1% at the same time in FY20 with ADR significantly ahead
- Occupancy limits will be managed carefully and progressively to ensure the ongoing safety of guests and employees, supporting the spirit of the UK Government's updated guidance from 19 July 2021
- Despite capacity restrictions over the summer, provided the villages remain open, a return to strong profit and cash generation in FY22 is currently expected. Further guidance in due course.

Center Parcs is in Great Shape for the Future

(1) As at 15 July 2021

Financial Calendar & Contacts



Financial Calendar

Late August 2021

Quarter 1 results FY22 for the 12 weeks to 15 July 2021

November 2021

Quarter 2 results FY22 for the 24 weeks to 7 October 2021

Contacts

Paul Mann

Head of Group Reporting

Email: paul.mann@centerparcs.co.uk

April Stobbart

Legal Manager

Email: april.stobbart@centerparcs.co.uk

Colin McKinlay

Chief Financial Officer

Email: colin.mckinlay@centerparcs.co.uk