

# Center Parcs Investor Presentation

Interim Results: 24 weeks to 6<sup>th</sup> October 2016

9<sup>th</sup> November 2016

# Sections



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**Section 1**

**Overview**



## H1 FY17 Highlights

### Stronger Q2 Performance

- ✔ H1 Revenue and EBITDA<sup>(1)</sup> growth of 4.0% and 5.3% respectively.
- ✔ Q2 EBITDA growth of 6.5% higher than Q1 growth of 3.6%.
- ✔ Growth in accommodation stronger than on-village spend.
- ✔ Total H1 capex of £38.4m approximately double prior year spend.

## FY17 Outlook

### Forward bookings<sup>(2)</sup> remain very strong

- ✔ **FY17** – 80.8% of FY17 capacity booked (FY16: 80.1%), with ADR growth consistent with H1 performance.
- ✔ Total capex planned to increase to c.£90m for FY17.

- (1) before exceptional items  
 (2) bookings as at 4<sup>th</sup> November 2016  
 (3) as at 31<sup>st</sup> October 2016





## Section 2

# Key Financial Highlights



5 Villages				5 Villages		
Q2	% change v FY16			H1	% change v FY16	
£114.0m	↑ 4.4%	Revenue		£208.3m	↑ 4.0%	
£62.7m	↑ 6.5%	EBITDA <sup>(1)</sup>		£105.9m	↑ 5.3%	
55.0%	↑ 1.1%	Operating Margin <sup>(1)</sup>		50.8%	↑ 0.6%	
97.9%	↓ 0.7%	Occupancy		97.1%	↓ 0.6%	
£206.77	↑ 6.2%	ADR		£184.89	↑ 5.4%	
£202.49	↑ 5.4%	RevPAL		£179.49	↑ 4.7%	

<sup>(1)</sup> before exceptional items



good performance across all KPI's; stronger performance in Q2



5 Villages			5 Villages	
Q2	% change v FY16		H1	% change v FY16
<u>£m</u>		<u>Revenue</u>	<u>£m</u>	
70.5	+6.0%	Accommodation	124.8	+5.1%
43.5	+1.9%	On-village	83.5	+2.6%
<u>114.0</u>	<u>+4.4%</u>	Total	<u>208.3</u>	<u>+4.0%</u>

#### Accommodation

- Improving trends as the year has progressed.
- All villages continue to perform strongly. Approximately 2.5% off-line for upgrade vs 1.4% in the prior year.
- ADR on forward bookings for the remainder of the year as strong as growth in H1.

#### On-village

- All on-village revenue divisions remain in growth.
- Performance in some areas impacted by the refurbishment of a number of restaurants, retail outlets and the Spa at Sherwood.



		Sherwood	Elveden	Longleat	Whinfell	Woburn	Central Overheads	Group	
1.	Occupancy	96.5%	97.0%	96.8%	97.4%	97.9%		97.1%	
	% change v FY16	(0.3)%	(1.9)%	(1.7)%	+0.2%	+0.8%		+(0.6)%	
2.	Revenue	£m	42.7	43.8	41.0	39.8	41.0	208.3	
	% change v FY16		+3.9%	+4.5%	+2.8%	+4.7%	+4.3%	+4.0%	
3.	EBITDA <sup>(1)</sup>	£m	24.6	24.6	23.0	21.9	23.2	(11.4)	105.9
	% change v FY16		+3.4%	+4.7%	+4.1%	+6.3%	+5.5%	+0.0%	+5.3%

1. **Occupancy:** underlying performance across all villages very similar, differences reflect upgrade programme.
2. **Revenue:** good underlying growth at all villages.
3. **EBITDA:** good cost and margin controls leading to higher margins.

<sup>(1)</sup> before exceptional items





1.	Free Cash Flow £m	12 months to 6 Oct 2016
	EBITDA <sup>(1)</sup>	203.1
	Change in working capital	6.6
	Tax paid	(1.1)
	Covenanted Maintenance capital <sup>(2)</sup>	(18.5)
	<b>FCF</b>	<b>190.1</b>
2.	Pro-forma Debt Service	£m
	Class A Interest payable items <sup>(3)</sup>	46.3
	Class B total Interest payable	39.2
	<b>Total Interest Payable Items</b>	<b>85.5</b>

<sup>(1)</sup> Before exceptional items

<sup>(2)</sup> As per covenant definition of minimum spend required

<sup>(3)</sup> Includes liquidity facility fees and is net of interest receivable





3.

Financing Ratios	£m <sup>(1)</sup>	EBITDA Multiple
<b>Gross Debt</b>	<b>1,491.1</b>	<b>7.3x</b>
Cash	(21.8)	
<b>Net Debt</b>	<b>1,469.3</b>	<b>7.2x</b>



4.

Financial Covenants	Actual	Default Covenant	RPC Test
<b>(i) Class A - FCF : DSCR</b>	4.1x	1.1x	1.35x
<b>(ii) Class B - FCF : DSCR</b>	2.2x	1.0x	



<sup>(1)</sup> Excludes debt issue costs of £23.2m



increased and significant headroom above default covenants

A scenic view of a pond surrounded by dense green trees under a blue sky with white clouds. The text is overlaid on the center of the image.

## **Section 3**

# **Capital Investment and Projects**

# Capital Investment<sup>(1)</sup>: H1 FY17

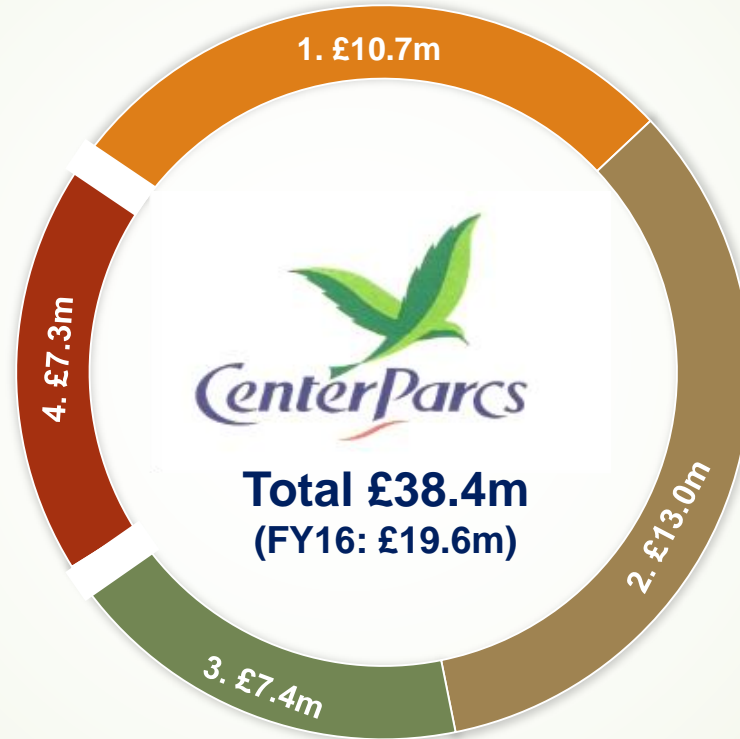


## 4. Maintenance Capital



**Maintenance Capital**  
**£7.3m**  
 (FY16: £7.8m)

## 3. New builds



## 1. Investment Projects



**Total Investment Capital**  
**£31.1m**  
 (FY16: £11.8m)

## 2. Accommodation upgrades



**Capital investment significantly higher than prior year**

<sup>(1)</sup> Capex numbers are based on a cost incurred rather than a cash flow basis



## Project Spring – Major Upgrades

Investment  
£178 million



Average cost per  
Lodge  
c.£50,000



Lodges  
upgraded  
3,333<sup>(1)</sup>



 All accommodation upgraded by December 2016<sup>(2)</sup>

<sup>(1)</sup> Includes last phase of 121 lodges upgrades due to complete mid December 2016.

<sup>(2)</sup> Excludes Elveden hotel due to be redeveloped and Woburn accommodation recently opened



## Refurbishment of accommodation



Average cost per  
Lodge  
£27,500



Total investment  
£114 million



Units to be  
refurbished  
4,127<sup>(1)</sup>

- First 125 lodges at Elveden completed June 2016.
- Next phase of 120 lodges at Elveden starts in January 2017.

 8-10 year rolling investment programme

<sup>(1)</sup> Excludes any builds opened from 2016 onwards.



## 4 x Treehouses Elveden

Opened July 2016



## 48 x One Bed Apartments: Elveden

Opening mid November 2016



## 18 x 3 bed Executive Lodges: Woburn

Opened August 2016



**2 x Spa Suites: Woburn**

Opening December 2016



**10 x Exclusive Lodges: Whinfell**

Opening May 2017



**57 x Executive Lodges: Woburn**   **6 x Executive Lodges: Longleat**

Opening August 2017

Opening April 2017





	2015/16	2016/17	2017/18	2018/19	2019/20
Sherwood Forest	 		 		 
Elveden Forest	 		 		 
Longleat Forest			  		 
Whinfell Forest		 	 	 	 
Woburn Forest			 		 

<sup>(1)</sup> Center Parcs own units only – excludes upgrade of concessionaire units of CDG and SSP.



	2015/16	2016/17	2017/18	2018/19	2019/20
<b>Sherwood Forest</b>	  TIME FOR SHADE	  	 	<b>refresh</b>	
<b>Elveden Forest</b>	 		 		<b>ParcMarket</b>
<b>Longleat Forest</b>	 	TIME FOR SHADE  	  <b>refresh</b>	<b>ParcMarket</b>	
<b>Whinfell Forest</b>	 TIME FOR SHADE 	<b>refresh</b>  	 	<b>ParcMarket</b>	
<b>Woburn Forest</b>			 		 



## Longleat Forest

Cost: £11.6m

Complete: Summer 2017

Venture Cove

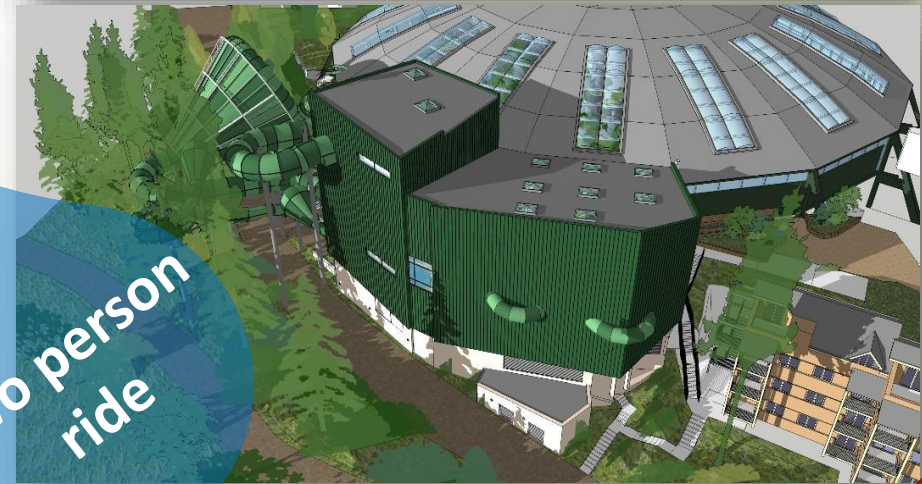


Toddler Pool



Family raft ride

Two person ride





**Treetop  
Sauna**

**Investment: >£3m  
Opening February 2017**



**Nordic  
Sauna**



**Section 4**

**Summary**



*Good Q2 performance; accommodation stronger than on-village spend.*



*Margins further improved despite impact of National Living Wage.*



*Capex spend increasing significantly; expected to be around £90m for full year.*



*Positive forward bookings – occupancy in line with prior year for FY17; strong ADR consistent with H1 growth.*

# Financial Calendar and Contacts



## Financial Calendar

- **9<sup>th</sup> November 2016**  
Quarter 2 results FY17 for 24 weeks to 6<sup>th</sup> October 2016
- **Early February 2017**  
Quarter 3 results FY17 for 36 weeks to 29<sup>th</sup> December 2016
- **Mid June 2017**  
Full year results FY17 for 52 weeks to 20th April 2017

## Contacts

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