Groupe Pierre & Vacances CenterParcs

Revenue for the first half of 2019/2020

Paris, 21 April 2020

Revenue* from the tourism activities slightly up over the first half of 2019/2020

Sharp growth in the Group's operating performances prior to the Covid-19 outbreak helped offset the short-term effects of the crisis.

1] Main events

Following the health emergency measures implemented by public authorities of the countries where the Group is present, all Center Parcs Domains are closed since mid-March. For Pierre & Vacances, the winter season in mountain resorts was reduced by the last 4 weeks and the opening of seaside residences in France and Spain was postponed. At Adagio, around 10 aparthotels remain open to long-stay customers and healthcare workers.

In this context, the Group has implemented a number of exceptional measures of costs reduction and cash preservation: flexibility in staff costs through the use of short-time working measures, adapting other spending on the sites, suspending rental payments over the closure period.

The Group also mobilised all its financing sources to overcome the period of lack of tourism revenues. In addition, as a precautionary measure linked to the uncertainty of re-opening dates for the sites, the Group also requests a French state-guaranteed loan.

2] Revenue for the first half of 2019/2020

Under IFRS accounting rules, H1 2019/2020 revenue totalled €628.7 million (€519.5 million for the tourism activities and €109.2 million for the property development activities).

The Group nevertheless continues to comment on its revenue and the associated financial indicators, in compliance with its operating reporting namely:

- with the presentation of joint undertakings in proportional consolidation,
- excluding the impact of IFRS16 application

A reconciliation table presenting revenue stemming from operating reporting and revenue under IFRS accounting is presented in the appendix at the end of the press release.

**The revenue and financial indicators commented on in this press release stem from operating reporting.*

€ millions	**2019/2020** *according to operating reporting*	**2018/2019** *according to operating reporting*	**Change**	Change Like-for-like*
	265.5	**296.5**	**-10.5%**	
Pierre & Vacances Tourisme Europe	130.5	151.3	-13.7%	
Center Parcs Europe**	135.0	145.2	-7.0%	
o/w accommodation revenue	***175.1***	***197.9***	***-11.5%***	**+6.5%**
Pierre & Vacances Tourisme Europe	*88.0*	*104.1*	*-15.4%*	+1.8%
*Center Parcs Europe***	*87.1*	*93.8*	*-7.1%*	+11.5%
Property development	**55.5**	**48.6**	**14.1%**	
Total Q2	**321.0**	**345.1**	**-7.0%**	
Tourism	**547.4**	**543.5**	**+0.7%**	
Pierre & Vacances Tourisme Europe	226.8	243.5	-6.9%	
Center Parcs Europe**	320.6	299.9	+6.9%	
o/w accommodation revenue	***367.1***	***367.6***	***-0.1%***	**+6.7%**
Pierre & Vacances Tourisme Europe	*155.8*	*170.1*	*-8.4%*	+2.0%
*Center Parcs Europe***	*211.3*	*197.5*	*+7.0%*	+10.2%
Property development	**148.6**	**194.7**	**-23.7%**	
Total H1	**696.0**	**738.1**	**-5.7%**	

** Adjusted for the impact of:*

- site closures as of mid-March 2020 (adjustment to accommodation revenue realised over the same period in Q2 2018/2019, or €31 million);

- in the PVTE division, a net reduction in the network operated related to:

- *for mountain resorts: the impact of the non-renewal of leases, partly offset by the opening of 2 new residences in Meribel and Avoriaz (France);*
- *for the Adagio residences: the impact of site renovations (non-commercialised stock), partly offset by the annualised operation of 3 residences and the delivery of a residence in Paris*

- in the CPE division, net growth in the network operated, primarily related to resumed operation of the Center Parcs Ailette, closed for renovation during Q1 2018/2019 and the Center Parcs Allgau, partly operated during Q1 of the previous year.

- an additional day of holiday in Q1 2019/20 vs. Q2 2018/19.

*** including Villages Nature Paris (revenue of €13.4m over H1 2019/2020, of which €9.4m in accommodation revenue)*

- ## Tourism revenue

H1 2019/2020 revenue from the tourism businesses totalled €547.4 million, **up +0.7%** relative to H1 2018/2019**.**

This stable performance stemmed from the mixed effect of:

- Robust operating performances for all the brands during the half-year period prior to the crisis, with growth in accommodation revenue of 6.7%;
- The impact of the Covid-19 crisis, reflected in lost revenue of €31 million (€15 million for Pierre & Vacances Tourisme Europe and €16 million for Center Parcs Europe) related to the closure of virtually all our sites over the second two weeks of March.

Growth in accommodation revenue of 6.7% excluding the Covid-19 impact was primarily driven by a rise in net average letting rates and concerned both:

✓ Center Parcs Europe: +10.2% like-for-like.

Growth of 9.3% in Q1 gained momentum during the second quarter to 11.5%. Growth in activity concerned both the domains located in the Netherlands, Germany and Belgium (+11.1% over the first half) and the French domains (+8.9% over the first half, o/w +7.4% for the Center Parcs domains, and +19.7% for Villages Nature Paris).

✓ Pierre & Vacances Tourisme Europe: +2.0% like-for-like.

This growth was driven by the mountain residences (+3.2%), which benefited from growth in net average letting rates of almost 8% and an average occupancy rate of 93% over the second quarter, and by all the seaside destinations (+3.2%). Revenue from the Adagio residences was stable over the period.

- **Revenue from property development**

H1 2019/2020 property development revenue totalled €148.6 million, driven primarily by the contribution from the PV premium residence in Méribel (€30 million) and Avoriaz (€7 million), Center Parcs Lot-et-Garonne (€16 million), Senioriales residences (€23 million) and renovation operations at Center Parcs domains (€58 million).

First half 2018/2019 revenue included the contribution from renovation operations at Center Parcs domains for €127.5 million (primarily related to the shift from 2017/2018 to 2018/2019 of the signing of block sales for renovation property programmes in Belgium and the Netherlands).

Property reservations recorded in the first half of the year with individual investors, still little affected at this stage by the sharp slowdown in the property market due to the Covid-19 crisis, represent a business volume of €125.4 million vs. €132.2 million in the year-earlier period.

3] Outlook

The Group's teams are mobilised to finalize a robust recovery plan that will be implemented as soon as authorisations to re-open are given.

As the lockdown measures are eased, demand for family holidays is likely to be high and focused on domestic markets. The Group's extensive and diverse portfolio of brands and locations are major assets for the re-deployment of its activities.

The Group is also continuing to roll out its Change Up plan, confident in its strategy of sustainable profitability.

For further information:

Investor Relations and Strategic Operations
Emeline Lauté
+33 (0) 1 58 21 54 76
info.fin@groupepvcp.com

Press Relations
Valérie Lauthier
+33 (0) 1 58 21 54 61
valerie.lauthier@groupepvcp.com

APPENDIX:
Reconciliation table between revenue stemming from operating reporting and revenue under IFRS accounting.

€ millions	**2019/2020** *according to operating reporting*	*Restatement IFRS11*	*Impact IFRS16*	**2019/2020** *IFRS*
Tourism	**547.4**	**-27.9**		**519.5**
Pierre & Vacances Tourisme Europe	226.8	-15.5		211.3
- Center Parcs Europe	320.6	-12.4		308.2
Property development	**148.6**	**-3.0**	**-36.4**	**109.2**
Total H1	**696.0**	**-31.0**	**-36.4**	**628.7**

IFRS11 adjustments: *for its operating reporting, the Group continues to integrate joint operations under the proportional integration method, considering that this presentation is a better reflection of its performance. In contrast, joint ventures are consolidated under equity associates in the consolidated IFRS accounts.*

Impact of IFRS16:

As set out in the Note on Accounting Principles in the appendix of the Group's consolidated financial statements (see the 2018/2019 Universal Registration Document), application of IFRS16 "Leases" is obligatory for the years starting on or after 1 January 2019, namely the 2019/2020 financial year for the Pierre & Vacances-Center Parcs Group.
The Group has opted for the simplified retrospective transition method, with a retrospective calculation of right-of-use assets. Choosing this method implies that previous periods will not be restated.
The Group's half-year consolidated financial statements for the half-year period ending 31 March 2020 will therefore be drawn up in compliance with IFRS16, with a presentation of the impact of the first application of the standard on 1 October 2019 (right-of-use, lease obligation, equity). For information purposes, lease commitments to owners are listed in off-balance sheet commitments in the Group's 2018/2019 consolidated financial statements.

Application of IFRS 16 as of 1 October 2019 has led to the cancellation in the consolidated financial statements of a share of revenue and the capital gain relative to disposals made under the framework of property development operations with third parties (given the right of use owned by the Group), see above for the impact on first half revenue.
In view of the Group's business model based on two distinctive businesses, as monitored and presented in its operating reporting, this adjustment does not enable the measurement and reflection of the underlying performance of the Group's property development business. For this reason, the Group's financial communication continues to present property development operations as they are presented in its operating monitoring.