

**The Pierre & Vacances-Center Parcs Group presents its new strategic plan**



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**A performance and value-creating strategic plan based on a new vision of reinvented local tourism:**

- A radical modernisation and premiumisation across the Group,
- A switch to offers that are 100% experience-based, personalised and service-focused,
- Ambitious and responsible property development serving the customer experience,

**To boost performance:** €275 million in EBITDA in 2025 and as much operating cash flow generation over 2022-2025.

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**Paris, 18 May 2021** - The Pierre & Vacances-Center Parcs Group announces today its new strategic plan for 2025, **Reinvention 2025**.

"The Covid-19 pandemic has accelerated the transformation of the tourism industry and created new customer expectations. Families want modern, authentic, fun, useful, relaxing and instructive holidays, to experience unforgettable moments together, from one generation to another" states Franck Gervais, CEO of the Pierre & Vacances Center Parcs Group since January 2021.

"The aim of the Reinvention 2025 strategic plan is to make the Group a pioneering leader for our vision of a new and reinvented local tourism, that is more sustainable, 100% experience-based, modern and valuing creating. While we can rely on our Group's outstanding assets including brands with strong reputations, loyal customers and committed teams, we are going to turn a significant and radical strategic corner to reinvent ourselves and place the Group back on a new positive trajectory, that is sustainable, modern and profit-generating.

Bolstered by this vision, we will approach 2025 on the basis of three major decisions that reflect the Group's purpose<sup>1</sup>:

- A radical modernisation and wide-reaching premiumisation of our offer, underpinned by additional investments relative to the previous plan and rounding out the more than €700 million renovation programme mainly financed by their owners at the Center Parcs domains.
- The switch from a host-based offer to a 100% experience-based offer, that is more digital, personalised and service-oriented.
- Ambitious and responsible property development, with new concepts, placing our property development expertise at the service of customer experience.

Our strategy, co-constructed with our business lines, is set to result in robust earnings growth and increased cash generation.

Today we are a key player in family tourism in Europe. Tomorrow we will be the leading pioneer for a new reinvented local tourism that is modern, fun, enchanting and compelling".

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<sup>1</sup> "As the European leader in local tourism, we are committed to helping people get back to basics in a protected environment".

## “Réinvention 2025”: strategic decisions and associated targets

### Premiumisation & modernisation

- Additional and continuous investments: €430 million financed by the Group over 5 years, 60% of which for the Center Parcs domains,
- A massive renovation plan for the Center Parcs domains: €715 million financed for 90% by our institutional partners, for the renovation of 100% of the domains:
  - o Change in mix: 62% of accommodation in the premium category or higher in 2025 (+16pts vs 2019),
  - o Target growth in RevPar of 35%, reinforced by our renovation track-record, (+43% noted for the 7 latest domains renovated),
- Further streamlining of the Pierre & Vacances network, with a strategy adapted by site category (extensive renovation of 18 top and mid-performing residences representing €16 million in capex over two years, for a RevPar growth target of 23% for the sites renovated).

### Switch to 100% experience-based offers

- Accelerating the deployment of “Family booster”<sup>2</sup> activities at all the Center Parcs domains,
- Boosting on-site sales: growth in pre-stay activity reservations, new leisure and catering offer based on discovery and nature, flexibility and revenue management,
- A digitalised offer for a fluid customer experience,
- Overhaul of the customer journey and the sales strategy (pricing, revenue management and CRM),
- A new campsite range for a “slow tourism” offer
- Two new “well-being” and “organic/local” strategic partnerships by the end of June-2021.

### Ambitious and responsible development serving the customer experience,

- Property development, a business partner serving a qualitative and quantitative development of the tourism offer: dynamic development of new projects and renovation works in France and Europe,
- A deliberate choice: investment rate<sup>3</sup> representing 30% of accommodation revenue,
- Project selectivity: priority on renovation and smaller sized development projects better integrated into their environment,
- Developing alternative contract methods to leases: management contracts and franchises,
- New Lifestyle, Eco-resorts, Premium concepts, representing 90% of property development margin.

### Financial performance<sup>4</sup>

- Revenue anticipated from the tourism businesses of €1,838 million in 2025 (€1,587 million in 2023), up €473 million relative to 2019, 80% generated by the Center Parcs domains.
- A reduction in support function expenses to reach 7.5% of revenue in 2025 (vs. 12.6% in 2019): €24 million in additional savings (on top of the €30 million initiated by the Change Up plan), €13 million of which on IT tools. A €32 million capex plan will support delivery of these cost savings.
- Target Group EBITDA of €275 million in 2025 (€146 million in 2023), €255 million of which generated by the tourism businesses (more than 75% of which related to Center Parcs Europe) and €20 million by the property development activities. Current operating margin on the tourism businesses ought to reach 5% in 2023 and 10% in 2025.
- Cash flows before financing of €176m in 2025 (€49 million in 2023), or operating cash generation of €273 million over 2022-2025.

<sup>2</sup> Family Booster (n.): providing energy stimulus and boosting good family vibes; strengthening family ties that provide the key to happiness.

<sup>3</sup> Investment rate: percentage of rents paid by owner lessors relative to accommodation revenue

<sup>4</sup> The full financing of the strategic plan remains dependent on an operation to strengthen the Group's share capital, with the new financing envisaged of up to €300 million granted by the Group's creditors (see press release of 10 May 2021) primarily destined to cover its operating needs, excluding investments set out in the Relinvention plan.

The targets mentioned in this strategic plan take precedence over all other targets previously communicated by the Group.

Additional financial information, especially concerning revenue, EBITDA and operating cash flows over the period 2019-2025, as well as the financial elements summarising the terms of the new financing concluded with creditors and the envisaged liquidity position of the Group between June 2021 and September 2022 based on the main assumptions retained, are presented in the Appendix to the detailed presentation on the "Reinvention" strategic plan. It is specified, in particular, that the financial data communicated for the 2021 fiscal year in this presentation constitutes forward-looking data established on April 15, 2021 as part of the conciliation procedure and which remains subject to significant uncertainties related in particular to the resumption of activity of the group. These figures do not include the result of the ongoing discussions with the various partners of the group nor the possible State indemnity schemes currently being investigated and therefore do not constitute either an objective, an estimate or a forecast or estimate.

This presentation is available on Pierre & Vacances-Center Parcs Group website ([www.groupepvcp.com](http://www.groupepvcp.com)) in the "Presentations" segment.

### **Prospective information**

This press release contains prospective information relative to the targets and strategy of the Pierre & Vacances Center Parcs Group.. Although Pierre & Vacances-Center Parcs' management considers that this prospective information is based on reasonable estimates, forecasts and assumptions, it provides no guarantee as to the future performance of the Pierre & Vacances Group. The actual results may be very different to these prospective statements, due to a certain number of risks and uncertainties, known or unknown at the present date, the majority of which are out of the control of the Pierre & Vacances Center Parcs Group, in particular risks related to the economic environment and the health situation in which the Group is active, delivery of the strategic plan and the risks described in the documents registered by Pierre & Vacances Center Parcs with the AMF, including those set out in section 2.2 of the Group's Universal Registration Document registered with the AMF on 22 December 2020 under the number D.20-1016. Copies of the Universal Registration Document are available free of charge at the Pierre & Vacances head office and on the Pierre & Vacances and AMF websites ([www.groupepvcp.com](http://www.groupepvcp.com))..

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