
**The Pierre & Vacances-Center Parcs Group presents its new strategic plan
*Change Up*¹**

A strict strategic plan for 2024 aimed at delivering sustainable profitability, based on:

- Optimisation of current operations,
 - Targeted and profitable development,
 - An agile and entrepreneurial organisation,
 - A current operating margin target for the tourism business lines of 5% for 2022 and 9% for 2024
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Paris, 29 January 2020 - The Pierre & Vacances-Center Parcs Group announces today its new strategic plan for 2024, **Change Up**.

Piloted by Yann Caillère, the Group's CEO since September 2019, the objective of *Change Up* is to accelerate the Group's transformation by improving operating performances.

This plan aims to boost organic growth in the Group's businesses by optimising current operations, and to implement a selective development process based on strict profitability criteria.

On the financial front, the targets of the *Change Up* plan are:

- Average annual growth in accommodation revenue of 6% (4.7% same-structure growth):
 - +2.9% organic growth,
 - +1.8% generated by renovations of existing Center Parcs Domains,
 - +2.6% from new site development,
 - -1.3% from a reduction in stock
- Current operating margin from the tourism business lines of 5% in 2022 and 9% in 2024.

These results, together with a €50 million cost savings plan, are expected to generate cash flow of around €350 million over the duration of the plan (2020-2024).

1. Optimising current operations

- **Tourism:**

Review of the tourism asset portfolio

On 30 September 2019, the Groupe operated 285² tourism sites in Europe. The performances of these residences and resorts have undergone an in-depth individual performance evaluation to establish each site's ability to reach the target profitability level (EBIT margin of 5% of revenue).

This performance evaluation of the asset portfolio will be monitored and repeated annually.

As such, residences showing insufficient profitability or stock levels will be transferred to maeva.com under management contracts.

¹ **Change Up**: moving up a gear

² Excluding multi-ownership, marketing and franchise activities

Development of the tourism offer: premiumisation and enhancement of the customer experience

Change Up aims to accelerate modernisation and premiumisation of the tourism assets, by extending the range of premium residences and creating new accommodation concepts (*Lifestyle by P&V for Millennials*), through renovation works and by increasing the number of activities offered to customers.

The plan will also continue the Group's digital transformation by placing Data and Artificial Intelligence at the heart of the innovation model.

- **Property development: optimising costs**

Change Up will include the implementation of strict measures to reduce the cost of development projects by :

- Redesigning upstream processes with a focus on acceptable rent levels,
- Strengthening the implication of the Procurement department,
- Reinforcing control measures and monitoring throughout the construction phase,
- Optimising management terms with individual and institutional investors,
- Streamlining marketing costs.

Targeted and profitable development

- **Pierre & Vacances mountain resorts:** opening of new residences in Méribel and in Avoriaz (December 2020) and many other projects (Aime 2000, Avoriaz...).
- **Pierre & Vacances in Spain:** 3 and 4-star hotels in addition to residences. By 2024, 1,800 additional apartments and rooms are planned.
- **Center Parcs, with focus on Northern Europe:** development projects for two new Domains in Germany for 2024 and 2025 as well as management contracts in the Netherlands, Belgium and new regions (target of two management contracts a year).
- **maeva.com:** growth in the campsite offer (150 affiliated campsites by 2025).

Furthermore, development opportunities for the Group will be studied on a case-by-case basis with the introduction of asset-light models (management contracts, franchises) in addition to lease contracts, and new financial partnerships.

An agile and entrepreneurial organisation

To accompany the Group's transformation and address the strategic challenges, a new more agile, entrepreneurial and empowering organisation is to be rolled out including:

- **Seven autonomous business lines** incorporating their own main support functions (sales, finance, human resources, legal) so as to control their entire value chain;
- **A slimmed down holding company** focused on governance, oversight and strategic group-wide functions, in support of each of the business lines;
- **A unified property development division**, organised around development projects;
- Efficient and simplified operating methods between the holding company and the business lines.

Aware of the potential impacts of the *Change Up* project for its employees, and in view of the organisational changes planned mainly at the head offices in France, the maximum number of layoffs identified, as part of a Redundancy Plan, are about 220 positions out of a total of 12,850 employees. The Group reiterates its strong commitment to fully support employees through all these changes.

The total amount of savings expected for 2024 stands at €50m (€30m from reorganisation and €20m from procurement), 70% of which to be delivered by the end of 2021.

G rard Br mond, the Group's Chairman, stated: "with its new strategic plan, the Pierre & Vacances – Center Parcs Group moves its transformation up a gear and creates the right conditions for new sustainable and profitable growth. I support the implementation of this plan, which reflects the values and purpose of the Group and I will be at Yann Caill re's side in accompanying its implementation".

Yann Caill re, the Group's CEO, stated: "the strict implementation of the *Change Up* strategic plan, whose principles are based on targeted and profitable growth for Pierre & Vacances in mountain regions, for Center Parcs in Northern Europe and improvement of our offer along with a "business-oriented" organisation, should enable us to restore profitability as of 2021".

Change Up - The presentation document for the strategic plan is available on the Pierre & Vacances-Center Parcs Group website: www.groupepvcp.com

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