

Groupe  
**Pierre & Vacances**  
*CenterParcs*

2017/2018  
FIRST-HALF RESULTS

31 May 2018

- 1 First-half results
- 2 Tourism:
  - Brand development
  - Sales, e-commerce and digital strategy
- 3 Property development:
  - France
  - International
- 4 Appendix – Reconciliation table - P&L IFRS

# 1 First-half results

NB: The results and commercial indicators commented on in this presentation stem from the Group's operating reporting, with the presentation of joint-ventures under proportional integration.

The reconciliation tables with IFRS accounts are presented at the end of the presentation.

**GROUP  
REVENUE**

**€655m**

**+6.5%**

**Tourism revenue**

**€570m**

**+7.0%**

PVTE: €277m

CPE\*: €293m

- Accommodation revenue: €357m

**+6.6%**

**+3.0%**

like-for-like\*\*

- Supplementary revenue: €213m

**+7.6%**

**Property development revenue**

**€85m**

**+3.5%**

Main programmes:

(€m)	H1 18	H1 17
Senioriales:	38	27
PV Deauville:	13	4
Villages Nature:	11	10
CP Moselle:		15

€165m

**+6.2%**

Revenue from reservations  
with individual investors

\* Including Villages Nature Paris (€7.6m over the period)

\*\* Excl. the impact of calendar and supply effects

Focus on accommodation revenue: €357m, up **+3.0% like-for-like**

**+3.0%**

▶ **Like-for-like increase: +€10m**

**+1.7%**

▶ Shift to H2 of spring school holidays: +€5.5m

**+1.9%**

▶ Growth in tourism network (Villages Nature in particular): +€6.5m

**+6.6%**

▶ Current scope change: +€22m

### Growth by division

**PVTE : €166m**

**+4.0%**

**+4.5%**

(like-for-like)

- Adagio: **+7.7%** (Q1: +7.4% and Q2: +8.1%).
- Excl. Adagio, growth of **+2.3%**, benefiting from both seaside and mountain destinations (occupancy rate of 91% in H1 – 94% in Q2)

**CPE\*: €191m**

**+9.1%**

**+1.8%**

(like-for-like)

- BNG domains: **+2.1%**
- French domains: **+1.3%**

\* Including Villages Nature (€5.5m over the period)

The seasonal nature of the tourism businesses in H1 of the year and the linear accounting of charges leads to a structural operating loss over the period.

H1 2017/18 results were also affected by:

- The expected booking in H2 of renovation property development signings for Center Parcs domains.
- The gradual rise in momentum of Villages Nature Paris (especially the delivery in stages over H1 of the last accommodation units) as well as the seasonal nature of its tourism business.

### Current operating loss

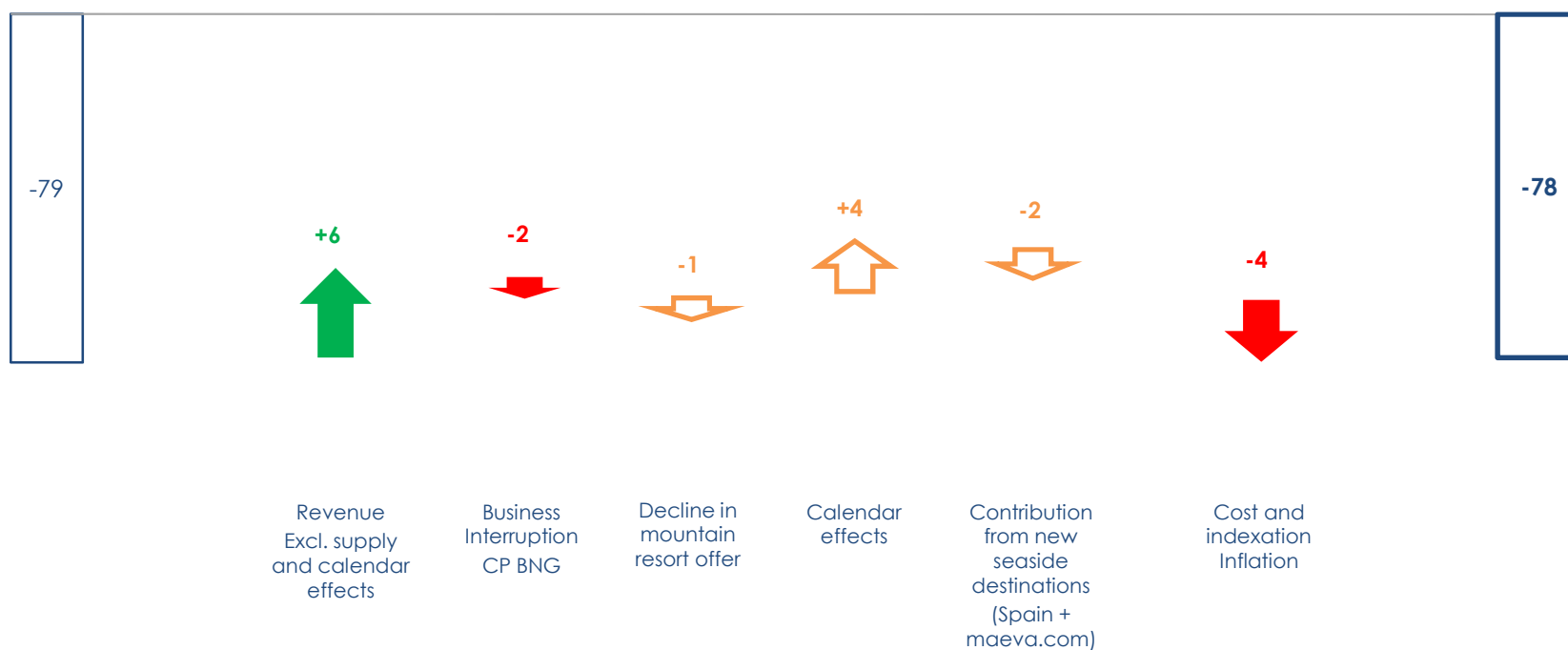
(€m)	H1 2018	H1 2017
<b>Tourism</b>	<b>-86.4</b>	<b>-82.6</b>
Excl. Villages Nature Paris	-78.0	-79.3
Villages Nature Paris	-8.4	-3.3
<b>Property development</b>	<b>-8.5</b>	<b>-13.5</b>
Excl. Villages Nature Paris	-8.5	-2.8
Villages Nature Paris		-10.7
<b>GROUP CURRENT OP. LOSS</b>	<b>-94.9</b>	<b>-96.1</b>



**Tourism current operating loss** (excl. Villages Nature Paris)

H1 2016/17

H1 2017/18



	H1 2018	H1 2017
Revenue	654.8	614.7
<b>Current operating loss</b>	<b>-94.9</b>	<b>-96.1</b>
Financial expenses	-8.2	-9.6
Other income and expense net of tax	-1.1	-3.3
Share of equity affiliates	0.2	-0.4
Taxes	1.6	3.5
<b>Net profit</b> before taking into account factors relative to the ORNANE bonds	<b>-102.4</b>	<b>-105.9</b>
<i>Change in fair value of ORNANE bond</i>	<i>0.7</i>	<i>-11.0</i>
<i>Cost of unwinding 2019 ORNANE bond</i>	<i>-1.8</i>	
<b>Net loss</b>	<b>-103.5</b>	<b>-116.9</b>
<i>Group share</i>	<i>-103.5</i>	<i>-116.9</i>
<i>Non-controlling interests</i>	<i>0.0</i>	<i>0.0</i>



### Successful bond refinancing

- Issue, on 6 December 2017, of 1,648,261 ORNANE bonds for €100 million, at a rate of 2.0% (vs. 3.5% for the previous issue) maturing on 1 April 2023.
- Issue, on 14 February 2018, of a new non-listed Euro PP private placement of €76 million at a rate of 3.9% (vs. 4.25% for the previous Euro PP), redeemable on 14 February 2025.

- **Optimising the cost debt**
- **Preserving diversification of financing sources**
- **Staggering of debt maturities:**
  - ⇒ Revolving credit line (€200m): March 2021
  - ⇒ Euro PP (€60m): December 2022
  - ⇒ ORNANE (€100m): April 2023
  - ⇒ Euro PP (€76m): February 2025

### Net debt on 31 March 2018

**Note:** the seasonal nature of the tourism businesses during the first-half of the year means that net debt on 31 March is structurally higher than that on 30 September.

en millions d'euros

	31/03/2018	30/09/2017
<b>Endettement net</b>	<b>321,8</b>	208,8
dont dette bancaire/ obligataire nette	220,9	86,0
dont engagements de loyers - Equipements Ailette	100,1	101,3
dont juste valeur du dérivé de l'ORNANE	0,7	21,4

#### Change in net bank/bond debt

Cash flow:	-€80m
Chg. In WCR:	-€5m
Investments:	-€24m
Cost of unwinding	
2019 ORNANE:	-€23m
Others*:	-€3m

\* Primarily non-cash increase in loans and various debts

### Q3 2017/2018 revenue

---

Given the portfolio of reservations to date, **revenue from the tourism businesses is set to grow on a like-for-like basis** in Q3 2017/2018 relative to the year-earlier period, in all destinations.

### Full-year results

---

Given the outlook for the tourism businesses and the property project signings expected for the second half, the Group confirmed its **target for growth in current operating profit for 2017/2018 relative to that in 2016/2017.**

## 2

### Tourism:

- Brand development
- Sales, e-commerce and digital strategy



- **Strategy to enhance the customer experience and move upscale**
  - “**Make My Day**”
    - Winter: Success relayed by the press, bloggers and web influencers (Videos: 4.5m views/Instagram: 500,000 likes/+80% commitment)
    - Summer: deployment in 4 villages with new original experiences (sunset hikes, paddle yoga, speleology etc. )
  - New French signature “**A chaque envie ses Vacances**”
  - Moves upscale:
    - PV Premium Presqu’île de la Touques
    - New Quartier PV Premium in Sainte Luce – Martinique
    - Focus on larger units (4 rooms and more)
- **International expansion**
  - 138 residences (+27) – strengthening of presence in Italy/Portugal/Croatia
  - Spain: +700 apartments(Costa Dorada/Balearic Islands)
  - Rapid development of air packaging



MAKE MY DAY





- **Further development of flexible arrival times**
  - 30% of reservations and revenue
  - 52% of new customers
- **Enhancements and innovations in customer experience**
  - Theme-based and exclusive cottages
  - Acceleration of deployment and enhancement of digital experience
    - 800,000 downloads, user numbers up 60%
    - New activities for reservation and simplification of payments
    - Acceleration of activity sales via the application
  - New activities in NL-BE and Grand SPA des Trois Forêts (autumn 2018)
- **Continuation of renovation plan**
  - Transformation and re-opening of Vielsam (350 cottages) as Center Parcs
  - Summer 2018 – completion of renovation works on  
 Port Zelande (NL) / Limburgse Peel (NL) / Lac d'Ailette (FR)
  - Launch of Nordseeküste (GER) / Les Bois-Francs (FR) programmes
- **Launch and preparation of Park Allgäu opening**







maeva.com

- Sharp growth since creation of the brand in 2014
  - 32,000 products (FR: 23,000 / ES: 9,000)
  - 12 million web visitors
  - Distribution to 12,000 works' councils
- **New visual identity and French signature: *Les vacances tout sourire***
- **Distribution**
  - Efficient technology controlled internally
  - Constant improvements to website and development as a white brand
  - Roll-out with works' councils
- **Rental management**
  - 3,000 mandates (+1,000 in the first-half)
  - All-in-one solution for owners with a range of unique services in the C2C market
  - Extension of networks to concierge services providers (+8)
- **Campsites**
  - 1,200 campsites (+200)
  - 55 labelled campsites belonging to Maeva.com charter
  - 2 campsites affiliated to Maeva.com (Saint Cyprien / Argelès sur Mer)





- **Revenue recovery in first half**
  - Growth in revenue (+8%), PMV (+4%) and REVPAR (+10%)
  - Market growth:  
France (+7%)/Germany and UK (+11%)/eastern countries (+14%)
  - Development of B&B formulas
- **Roll-out of “the Circle” project**
  - 7 residences completed
  - 7 locations currently being transformed
  - More than 20 residences by the end of 2018
- **Development**
  - Taken under management *Hi Park by Adagio* (5 establishments/ 700 keys)
  - Signature Master Franchise Orbis Hotel Group
  - Amsterdam City South (Franchise)
  - Signatures Casablanca (Management Mandate), and  
Rueil Malmaison (Lease)

## Brand development







- **CLIENT DATA**

- Development of Base Prospects (+800,000 Leads)
- Deployment of **Data Intelligence** project:
  - Improvement in acquisition
  - Personalisation of websites (20% of traffic)

- **CONVERSION**

- Web: Improvement in A/B Testing
- Call Centres:
  - Launch of **Customer Voice** project
  - Deployment of Chat and specific team
  - Strengthening of outgoing call campaigns
- Social Room:
  - Management of e-reputation and priority answers to negative opinions

- **Works councils**

- Overhaul and simplification of tariffs
- Optimisation of specific web platform
- Intensification of prospection (+300 accounts )
- Integration of Maeva.com offer

- **MICE**

- Roll-out of new organisation and shake-up plan

- **Social networks**

- Steady growth in communities
- Stimulation of content product by fans to maximise commitment rates (1/3 of publications)

### 3 Property development:

- France
- International

### 3 Property development:

- **France**
- International



**Pierre & Vacances Residence**  
**Presqu'île de la Touques**  
**Deauville**

**Opening May 2018**

- Residence PV Premium 5 star
- Between Deauville and Trouville
- 133 apartments
- Deep Nature Spa of more than 300m<sup>2</sup>
- Two heated indoor and outdoor swimming pools







Pierre & Vacances residence  
L'Hévana – Méribel

- PV Premium 5-star residence
- In the heart of the Trois Vallées ski resort
- 93 apartments
- Spa, indoor pool and outdoor jacuzzi
- Delivery planned for 2019/2020

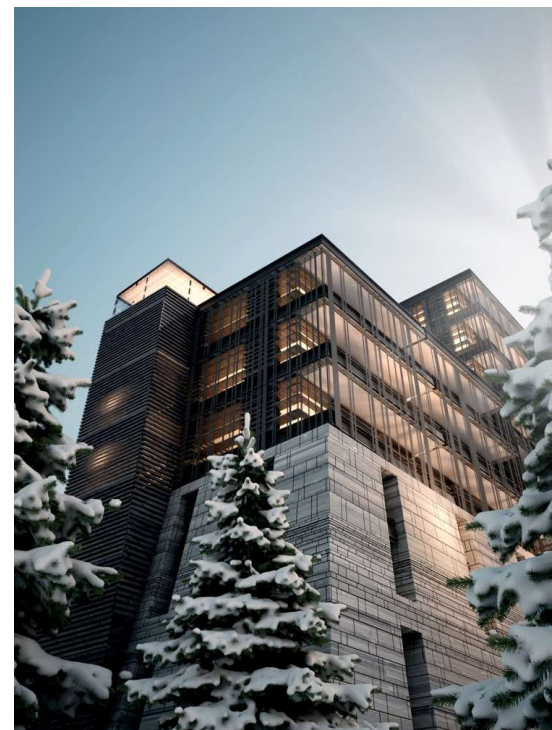






### Plagne Aime 2000

- In Aime 2000 ski-station (La Plagne), construction and operation of 4 and 5-star tourism residences: 500 apartments - almost 3,000 beds, shops and leisure facilities, water park and indoor leisure centres
- Permit request filing : July 2018
- Provisional delivery of first tranche: winter 2020





3 mid-sized Center Parcs:

- **400 cottages by domain**
- **Saône-et-Loire and Jura** (preliminary administrative proceedings)
- **Lot-et-Garonne** (building permits obtained in September 2017, free of any claims)



Center Parcs Roybon (Isère):

- **1,000 cottages**
- 16 December 2016: validation of prefectorial order or authorisation concerning protected species and the cancellation of the prefectorial decree on the water law.
- 20 February 2017: PVCP appeal to State Council concerning Water Law decree, currently being examined.



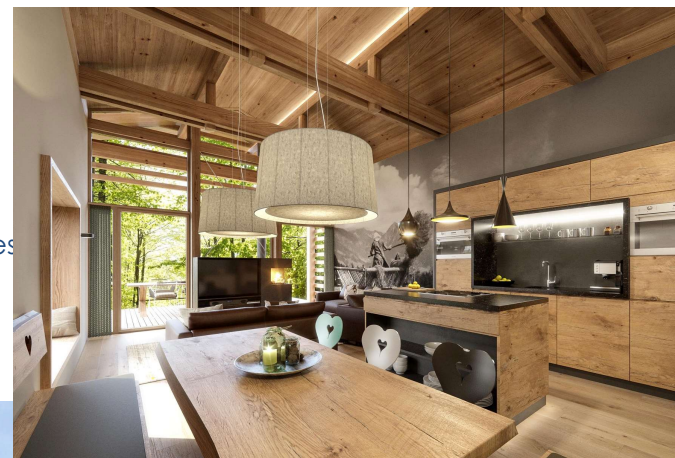
### 3 Property development:

- France
- **International**



Center Parcs domain Allgau  
(Baden-Wurttemberg) – Germany

- 1,000 cottages
- Sports and leisure equipment: 25,000m2 covered
- Block sale to Batipart - Lagune (750 cottages and central recreational facilities (€250m) and La Française: 250 cottages and spa (€100m)
- Opening: Q4 2018





## Center Parcs domain Ardennes (Vielsalm) Belgium



### Reopening in December 2018

- Progressive reopening after works under the framework of a renovation operation - transformation of Sunparks into Center Parcs
- Investment of €35m concerning 350 cottages, the Market Dome, the Aqua Mundo, the Action Factory and a wellness centre with spa





#### Center Parcs domains under renovation

- CP Port Zélande – The Netherlands:
  - 554 cottages and recreational facilities renovated during the past year;
  - 94 cottages renovated during 2017/2018
- CP Nordseeküste – Germany:
  - 345 accommodation units renovated
  - Recreational facilities being renovated
- CP Hochsauerland – Germany:
  - 659 accommodation units and recreational facilities
  - Renovation works started in April



**Amount of renovation works: €68m**



*Pierre & Vacances*

- Further development of tourism offer
- Property development operations underway:
  - Salou: 108 units (40% commercialised so far)
  - Empuriabrava: 48 units )

⇒ **Targets for 2020: more than 5,000 apartments operated (vs. 3,700 in 2018)**



A multi-layers partnership with HNA Group, CDB and Chinese developers



Agreements signed in Nov 2015 / JV created in May 2016 / CEO recruited in Nov 2016 / Team in place since Jan 2017







项目进度Signed Projects Status									
品牌 Brand	项目名称/所在地 Project Name	Stage 1 前期设计咨询 已开展 Preliminary Design Work Initiated	Stage 2 最终协议谈判中 Definitive AgreementIn Negotiation	Stage 3 最终协议 已签署 Definitive AgreementSigned	Stage 4 设计工作 已完成 DesignWork Completed	Stage 5 正在施工 In Construction	Stage 6 已竣工 Constructi on Completed	Stage 7 预开业调试 Pre-opening	Stage 8 正式开业 Open to Public
石头季 PV	浙江海盐 ZhejiangHaiyan								
石头季 PV	重庆璧山 ChongqingBishan								
石头季 PV	河北崇礼 HebeiChongli								
石头季 PV	浙江建德 ZhejiangJiande								
石头季 PV	江苏宜兴 JiangsuYixing								
太阳季 SunParks	江苏宜兴 JiangsuYixing								
石头季 PV	南京汤山 NanjingTangshan								
石头季 PV	南京溧水 NanjingLishui								
太阳季 SunParks	贵州龙里 GuizhouLongli								

## 4 Appendix Reconciliation table- P&L IFRS

## Reconciliation table – P&L IFRS

(Euro millions)	H1 2018 operating reporting	Cost of unwinding the 2019 ORNANE	Change in fair value of the 2023	Tax on other operating income and expense	IFRS 11 adjustments	H1 2018 IFRS
Revenue	654.8				- 40.7	614.1
<b>Current operating loss</b>	<b>- 94.9</b>				<b>+7.9</b>	<b>- 87.0</b>
Other operating income & expense	- 1.1				+0.1	- 1.0 (*)
Financial items	- 8.2	-1.8	+0.7	0.0	+0.5	- 8.7
Share of equity affiliates	0.2				-8.9	- 8.8
Income tax	1.6			0.0	+0.4	2.0
Change in fair value of 2023 ORNANE	0.7		-0.7			(**)
Cost of unwinding 2019 ORNANE	- 1.8	+1.8				
<b>NET LOSS</b>	<b>- 103.5</b>	0.0	0.0	0.0	0.0	<b>- 103.5</b>

(\*) gross of tax

(\*\*) change in fair value of the ORNANE share attribution right is included in the IFRS financial result

(Euro millions)	H1 2017 operating reporting	Change in fair value of ORNANE bond	Tax on other operating income and expense	IFRS 11 adjustments	H1 2017 IFRS
Revenue	614.7			- 27.8	586.9
<b>Current operating loss</b>	<b>-96.1</b>			<b>+13.2</b>	<b>-82.9</b>
Other operating income and expense	- 3.3		-0.3	+0.9	-2.8 (*)
Financial items	- 9.6	-11.0		+ 0.4	- 20.2
Share of equity affiliates	-0.4			-13.2	-13.6
Income tax	3.5		+0.3	-1.3	2.6
Change in fair value of 2019 ORNANE bond	- 11.0	+11.0			(**)
<b>NET LOSS</b>	<b>- 116.9</b>	0.0	0.0	0.0	<b>- 116.9</b>

(\*) gross of tax

(\*\*) change in fair value of the ORNANE share attribution right is included in the IFRS financial result