

Groupe
Pierre & Vacances
CenterParcs

“CHANGE UP”

27 JANUARY 2020



CONTENTS

- 1** “CHANGE UP” OVERVIEW

- 2** PILLAR #1: GROWTH

- 3** PILLAR #2 : EFFICIENCY

- 4** PILLAR #3 : VALUES

- 5** EXPECTED RESULTS

- 6** CONCLUSION



“CHANGE UP” OVERVIEW

Groupe

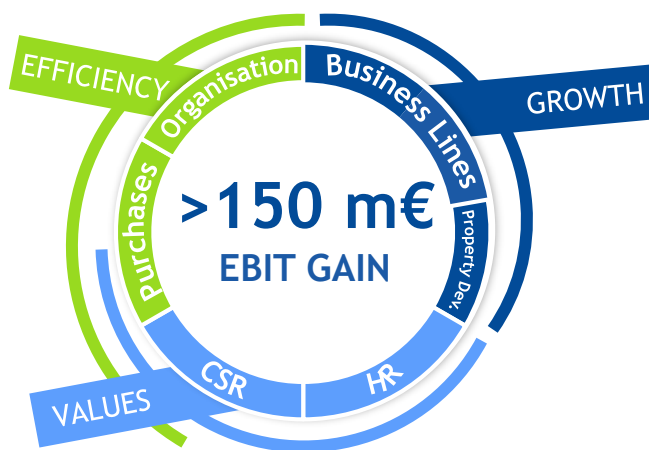
Pierre & Vacances
CenterParcs



“CHANGE UP” OVERVIEW

TARGETS

3 PILLARS



3 YEARS
to implement the plan

A wide-scale investment plan

Center Parcs renovations financed mainly by third parties: **€400m**

- Roll-out of “Change Up”: considerable financial means deployed

PRIORITY ON CENTER PARCS IN NORTHERN EUROPE AND ON PIERRE & VACANCES IN THE MOUNTAINS

CONTROL OF THE ENTIRE PROPERTY DEVELOPMENT VALUE CHAIN

PROJECT TO CREATE 7 BUSINESS LINES

EXECUTION



Groupe

Pierre & Vacances
CenterParcs

A PROJECT BUILT BY THE GROUP'S MANAGEMENT

PREPARATION

~40 managers involved in the construction of "Change Up"

Work conducted in project mode for the various parts of the plan over a period of four months

New skills in strategic functions (purchases, construction...) reporting directly to the Group's CEO

External assistance from recognised consultancies

PROJECT EXECUTION

A defined Group purpose

Implementation of the plan under the responsibility of the Business Line CEOs

High stake projects under the direct responsibility of the Group CEO

Study for a new Group name to be launched before the end of 2020

Groupe

Pierre & Vacances
CenterParcs



2

PILLAR #1: GROWTH

Groupe

Pierre & Vacances
CenterParcs

STRATEGIC PRIORITIES

OPTIMISATION OF CURRENT OPERATIONS

- A thorough performance review of the current asset portfolios
- Premiumisation of the Center Parcs and Pierre & Vacances brands
- Continued innovation and digitalisation to drive revenue growth
- A tailor-made property development model

STRATEGIC DEVELOPMENT

2 REGIONS

- The Mountains for Pierre & Vacances
- Northern Europe for Center Parcs

4 FLAGSHIP PRODUCTS

- Center Parcs
- Pierre & Vacances Premium (in the Mountains)
- Pierre & Vacances hotels in Spain
- maeva.com campsites

4 DEVELOPMENT METHODS

- Acquisitions
- Leases
- Management contracts
- Franchises

PERFORMANCE REVIEW OF THE ASSET PORTFOLIOS

OPTIMISE THE VALUE OF CURRENT ASSETS

Pierre & Vacances :

- The roll-out of an **annual performance evaluation** of the asset portfolio based on **precise criteria**:
 - Target profitability levels (“minimum EBIT margin of 5% of revenue”),
 - Minimum stock levels,
 - Acceptable rent...
- Identification of performance **improvement plans** for selected sites,
- Transfer of site operations to a management contract under maeva.com if profitability or stock levels are insufficient (for example Cannes Francia or Residence du Golf in Deauville in 2020).

Center Parcs:

- **Strategic review of all domains in order to**:
 - Reposition the product offering of lower-profitability domains (conversion Sunparks/Center Parcs)
 - Identify the need for performance improvement plans
 - Maximise site profitability through renovations



Groupe

Pierre & Vacances
CenterParcs



- Strategy to expand in northern Europe
- Strategy to premiumise the Domains and enhance the onsite offer
- A widescale renovation plan for **all of the existing Domains**
- Extension of Villages Nature over 2021 - 2024
- Domain Les Landes de Gascogne to open in France in 2021
- Four new Domains to be signed in Germany by 2025, of which two has already identified
- Target to sign **two sites under management contract per year** (example: Terhills, which is due to open in 2021)



- Development strategy focusing on mountain regions
- A premiumisation strategy based on the Premium label and the new Lifestyle concept
- Opening of residences Hévana in Méribel, Crozats, and Capella in Avoriaz
- New projects Aime 2000 and Téléférik (Avoriaz)
- Target to sign **50** management contracts (including internationally) over the next five years



- Strategy to develop residences and a focus on 3-4* hotels with renovation
- **1,800** additional apartments/rooms over the next five years



- The main target markets are the UK, Ireland and Germany
- Increasing franchise agreements
- **109** projects to sign by 2024



- High-growth development strategy focused on C2C and campsites
- Transfer of Pierre & Vacances residences to Maeva.com management contracts
- **20** campsite franchise agreements signed each year, with a target of **150 affiliated campsites**
- Among the affiliated campsites, an **eco-lodge** range extended to **20** campsites by 2025

Expansion in China

- 44% of a local joint venture with two public sector Chinese partners
- Development of residences and resorts under the Pierre & Vacances and the Sunparks brands in China
- **10 openings** in China by 2025 :
 - 4 projects under construction
 - 1 opening planned in 2020



Modernising the Center Parcs offer with a premiumisation of the Domains, enhanced customer experiences and digitalisation of the customer journey

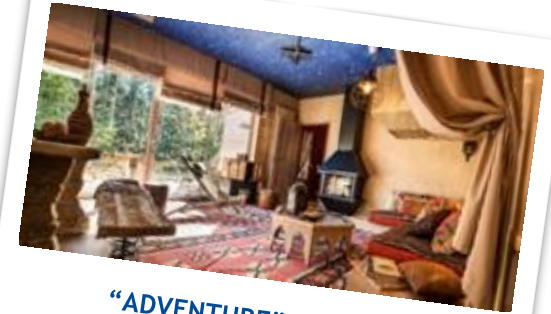
- **Premiumisation of existing Domains** : premium assets to rise from 48% in 2019 to 61% in 2025 (+27%)
- Increase in **occupancy rates** to reach 80% (76% in 2019)
- Increase in **average price** of 3.7%/year
- €660m in investments in **renovations** of Center Parcs - ROI of 16% before rental income expected on the €400m remaining to invest as of 2020
- Including more **creativity**, innovation and experiences in the offer to better meet customer demand (75% of clients are families with children)
- **Digitalisation** of the customer experience to facilitate the customer journey and the discovery of the various activities offered



TREE HOUSES



"EXPLORER" PROJECT



"ADVENTURE" COTTAGE



ESCAPE GAME

My Center Parcs
Responsive web platform



Kiosk



CLIMBING WALL

Groupe

Pierre & Vacances
CenterParcs

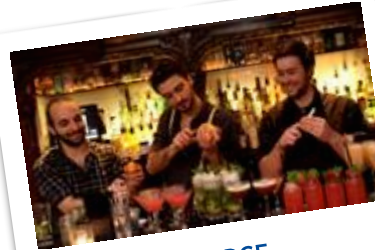


Transforming the apartment rental offer into a holiday experience offer, to bolster our leadership position in holidays for “Framilies” (Friends & Families)

- Premiumisation: the **premium label** (4* and 5*) to rise from 31% of accommodation in 2019 to 42% in 2025 (+35%)
- **Development of the new concept lifestyle by Pierre & Vacances for millennials**: a hybrid between a hotel and a tourism residence combining conviviality and connection. Living areas are essential to the concept.
- Development of **additional experiences and activities** (aqua centre, e-bike, snowshoe trek, etc.) with “Rendez-vous chez nous” (+2,000 activities offered at end-2019)
- Development of **renovated hotels** in Spain



4 AND 5* RESIDENCES



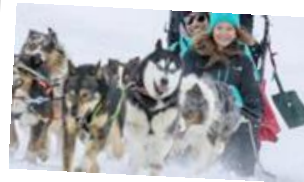
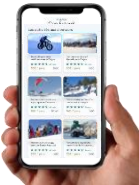
OPEN LODGE



SKY PARK



« FAMILY » SPACES



HOTEL SERVICES, A TAILOR-MADE CUSTOMER APPROACH



WELLNESS AREAS

BECOMING THE BENCHMARK IN RENTAL OF PRIVATE HOMES AND CAMPSITES



maeva.com

Les vacances tout sourire !

- Developing a **panel of services** (yield, purchasing centre, web, experience...) for our partners enabling them to optimise their revenue, improve their management and make a difference
- Building an **extensive professional network of agencies** in seaside and mountain areas to manage 25,000 apartments and homes
- A **chain of 150 campsites** with unique experiences (Ecolodge, Club, Tradition)
- 40% of direct sales and European customers
- Developing **unique “all smiles” experiences** in apartments, homes and campsites
- Mindsets: we are all **smile generators**

Continuing to develop the distribution and services platform in 2 markets: private home rentals and campsites



SMILE GENERATORS



ECO-LODGE



HOMES & VILLAS



YIELD SOLUTION



APARTMENTS



MIZZY: THE CHILDREN'S FRIEND



CAMPING CLUBS



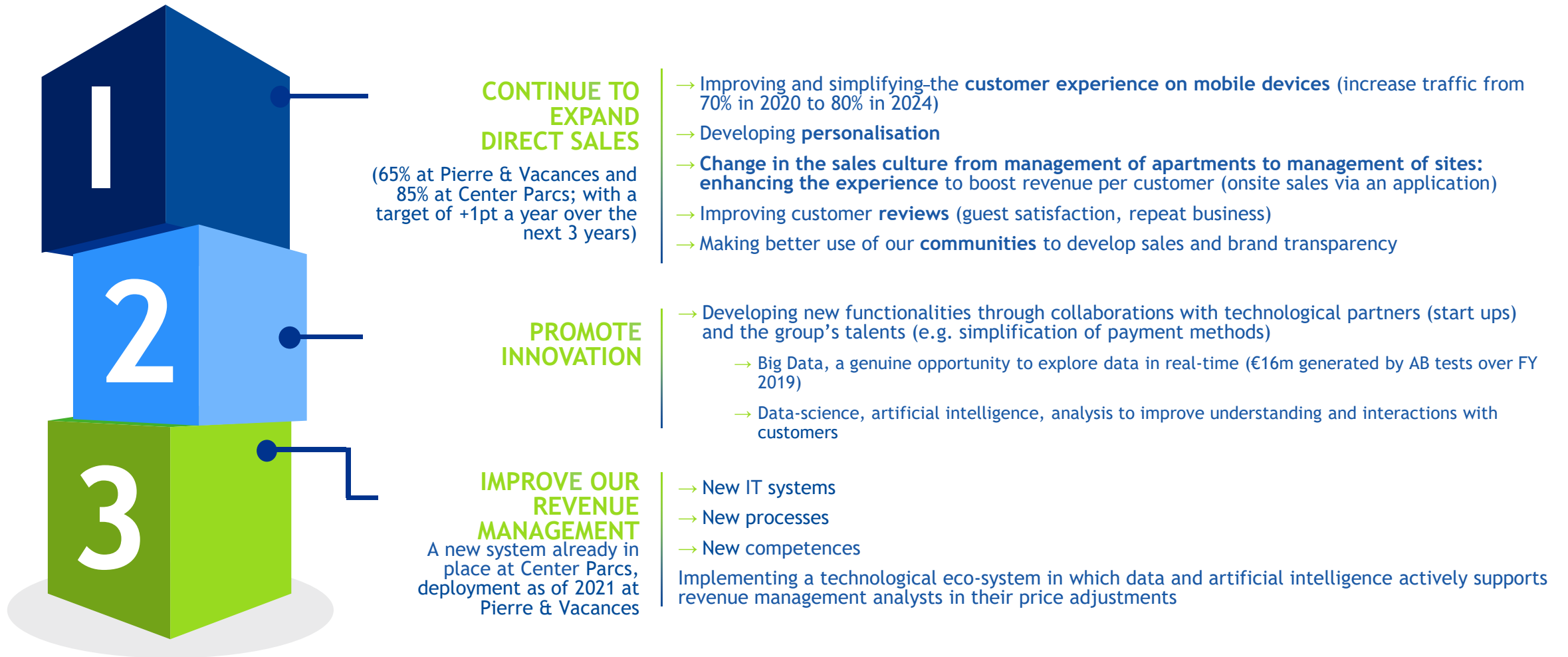
AGENCY

Groupe

Pierre & Vacances
CenterParcs

DIGITALISATION & INNOVATION TO HELP BOOST REVENUE

Accelerating digitalization and innovation to help boost revenue through three main focus areas:



Groupe

Pierre & Vacances
CenterParcs

A TAILOR-MADE PROPERTY MODEL FOR EACH PROJECT TO SECURE THE MARGIN AND FUTURE RENTS

Property development focused on strategic priorities;
Three levers to underpin targeted and profitable development

1

PROJECT COST

Review of our construction methods/cost prices to maintain acceptable rent levels:

- Benchmarks
- Industrialisation of our methods
- Upstream work with the procurement department

2

OPERATIONAL PERFORMANCE

- Reduction in structural costs
- Market rent levels
- Economically sustainable operations

3

SALES FORMULAS & FINANCING METHODS

Reduction in yield for individual and institutional investors

Development of more flexible formulas:

- Management or franchise contracts (for example: Center Parcs Terhills)
- Lease contract with variable rent

Search for new financial partners, with focus on international groups and family offices.

Control of the entire property development value chain

A person is riding a bicycle on a dirt path in a mountainous area. The rider is wearing a helmet and a backpack. The path is surrounded by trees and mountains in the background. The image is in black and white, with a blue tint. A green circle with the number 3 is overlaid on the left side of the image.

3

PILLAR #2: EFFICIENCY

Groupe
Pierre & Vacances
CenterParcs

A MORE AGILE ORGANISATION WITH AN ENTREPRENEURIAL MINDSET

1 A SLIMMED-DOWN HOLDING COMPANY

A LIGHTER HEAD OFFICE: CREATION OF A HOLDING COMPANY FOCUSED ON OVERSIGHT AND GOVERNANCE FUNCTIONS...
... HOUSING GROUP-WIDE STRATEGIC FUNCTIONS TO STRENGTHEN SYNERGIES WITHIN THE GROUP.

2 7 AUTONOMOUS BUSINESS LINES

AGILE BUSINESS LINES

- Business Lines incorporating their main support functions (sales, finance, HR and legal)...
- ... and thereby controlling their entire value chain

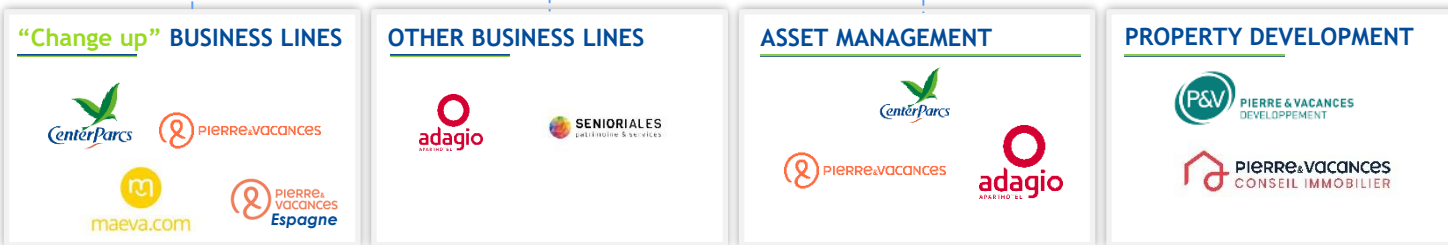
3 A PROPERTY DEVELOPMENT DIVISION

A UNIFIED PROPERTY DEVELOPMENT DIVISION ORGANISED AROUND PROJECTS

4 SIMPLIFIED OPERATING METHODS

GOLDEN RULES FOR EFFICIENT OPERATIONS BETWEEN THE DIFFERENT GROUP FUNCTIONS

- Between the business lines and the holding company departments, and
- Between the tourism and property development functions



OPTIMISATE OUR CURRENT OPERATIONS TO SUPPORT OUR DEVELOPMENT AMBITION

Business lines with structural costs below 9%

A MORE AGILE ORGANISATION WITH AN ENTREPRENEURIAL MINDSET

Incorporating key support functions into each Business Line:

FINANCE

Management control,
G/L and subledger
accounting



HUMAN RESOURCES

Recruitment, training and
development, internal
communication and employer
branding



LEGAL

Business law



DEVELOPMENT OF THE BUSINESS LINES

Support and operating functions
will work together to align with
strategic priorities

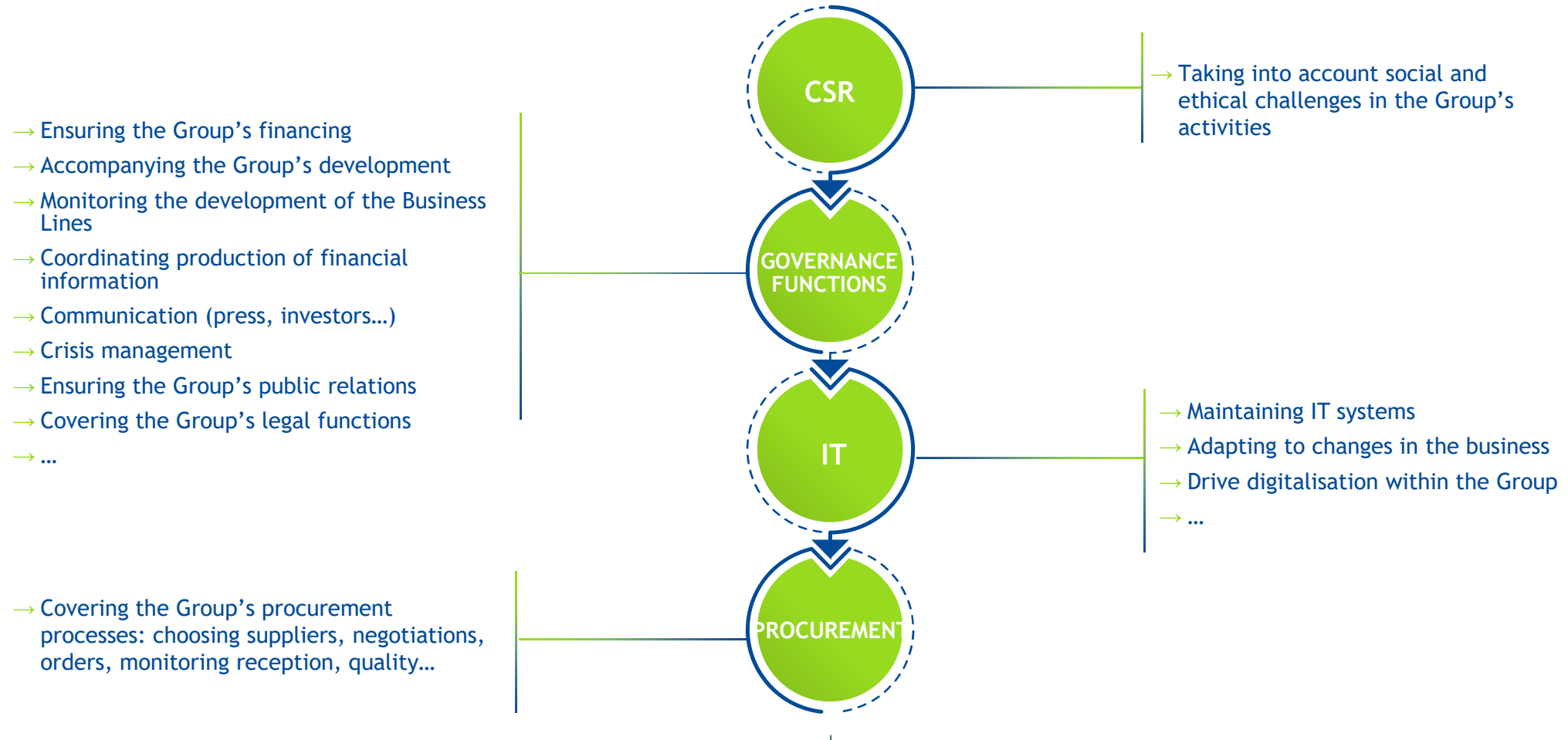


SALES

Sales, marketing
and digital teams

A MORE AGILE ORGANISATION WITH AN ENTREPRENEURIAL MINDSET

A slimmer top holding company, focused on governance, oversight and strategic functions



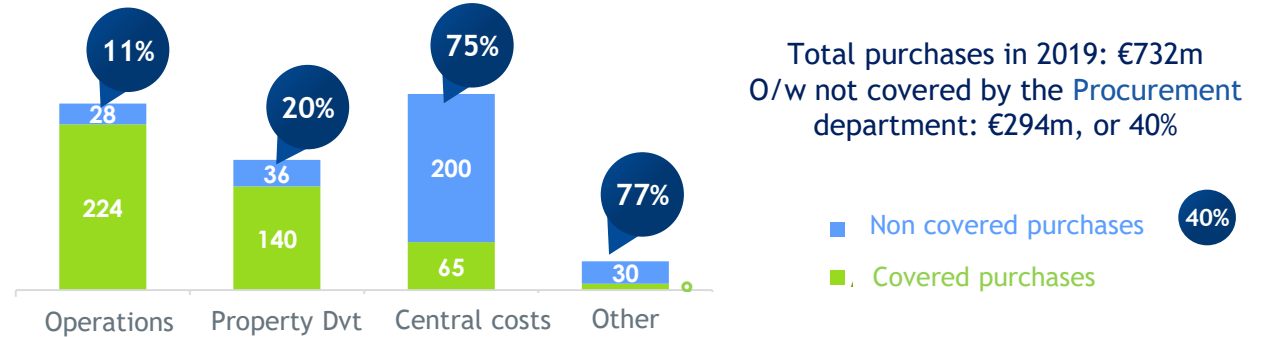
High stake functions (procurement, IT) will be handled by the Group's top management and operated on behalf of and at the service of the Business Lines in order to succeed in the major transformation challenges

TRANSFORMATION OF THE PROCUREMENT FUNCTION TO MEET THE GROUP'S CHALLENGES

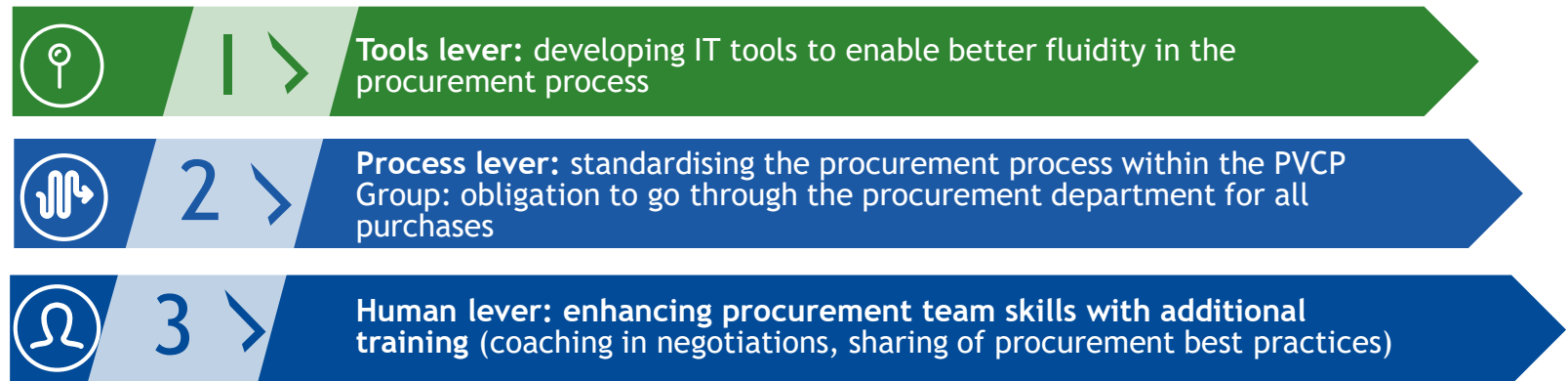
Focus on purchases

→ The Procurement function only covers 60% of the Group's purchases:

- Supplier selection
- Price negotiation
- Negotiations of sales terms
- ...



→ Need to implement a strict Procurement plan



The roll-out of the Procurement plan should enable a reduction in the amount of Group purchases of 7% of the amount of purchases not covered by end-2024 (or €20m over 5 years)

Groupe

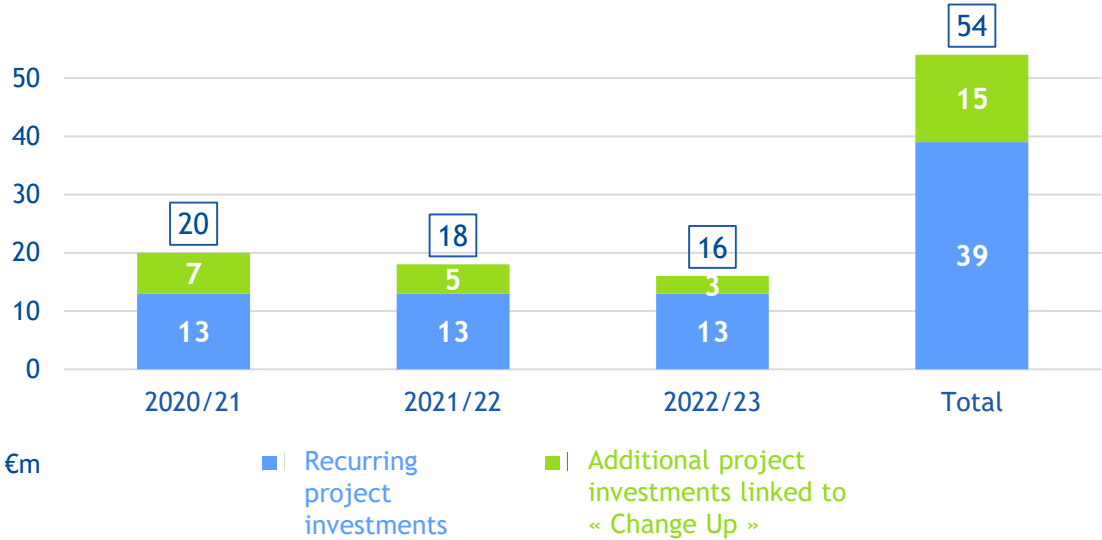
Pierre & Vacances
CenterParcs

PRIORITY ON DIGITAL PROJECTS

Investments required in order to meet requirements

SIGNIFICANT
INVESTMENTS IN “IT”
TO SUPPORT GROUP
GROWTH

- To face the IT challenges generated by the Group’s development, an additional €15m in project investments are needed to:
 - Support the Group’s business by perfecting the customer experience and developing offers on all distribution channels
 - Simplify internal processes: mutualising and automating tools
 - Regulatory and legal compliance
 - Renew obsolete solutions





4

PILLAR #3 : VALUES

Groupe
Pierre & Vacances
CenterParcs

OUR PURPOSE & OUR VALUES

“We are the European leader in local tourism, committed to helping people get back to basics in a preserved environment”

OUR VALUES



We are all
responsible
entrepreneurs



We cultivate living
together

OUR SOCIAL AND SOCIETAL RESPONSABILITY

Our CSR strategy reflects our purpose through our operations.

It addresses societal and environmental challenges in tourism and construction:

ENHANCING THE CUSTOMER EXPERIENCE

- Offering activities related to nature and the regions at all our sites
- Supporting local associations active in leisure and nature through our Corporate Foundation
- Implementing a responsible catering offer at all our sites

2,000 authentic experiences
proposed to customers at Pierre et Vacances
with *Rendez vous Chez nous*

CREATING VALUE FOR THE REGIONS

- Favouring local purchases in the construction and operating phase
- Employing local job seekers when new sites are opened
- Favouring the insertion of local populations via our Foundation

75% of construction purchases
made in the Nouvelle-Aquitaine region
for the future Center Parcs Lot-et-Garonne

LIMITING THE ENVIRONMENTAL AND CARBON FOOTPRINT

of our activities

- Obtaining eco-certification and installing renewable energies at our property projects
- Focusing on renovation/rehabilitation of existing buildings and optimising their energy performances
- Improving the environmental performance of sites operated especially via the Green Key label and ISO 14001 certification
- Aiming for carbon neutrality over the entire Group

100% of Center Parcs domains and
Pierre et Vacances premium residences labelled
Green Key in 2020

INTEGRATING CLIMATE CHANGE AND PRESERVATION OF BIODIVERSITY

into our management and our developments

- Integrating climate change into our selection criteria (construction and affiliates)
- Favouring and monitoring development of biodiversity at our sites

1 differentiated management plan
for all Center Parcs domains in 2022

OUR HUMAN CHALLENGES

OUR HUMAN RESOURCES POLICIES ARE BASED ON OUR SHARED FUNDAMENTALS

The main challenges of the Group' Human Resources Department and the Business Lines are to:

- Give meaning to the work of all employees in the business lines, at the forefront of operations, to encourage more entrepreneurship namely a sense of initiative, action and responsibility
- Favours the commitment of employees by encouraging each of them to carry the Group's values, its purpose and to strengthen the corporate culture of the Group and each business line
- Accompany changes in the businesses made vital especially by technological developments
- Expanding even further the employee journey to consider them as a genuine customer who should be offered a personalised journey while remaining coherent at the collective level
- Assisting managers in their responsibilities to take into consideration all these dimensions and the mobilisation of all their teams

AND AN EMPLOYER PROMISE BASED ON FOUR FUNDAMENTAL PILLARS

1

An international
playing ground



2

Development for
all



3

Innovation by
everyone



4

A welcome
environment



Groupe

Pierre & Vacances
CenterParcs

SOCIALLY RESPONSIBLE ASSISTANCE

Aware of the potential impact of the Change Up project for its employees in France and the Netherlands, the Group **pledges to fully assist them through all these changes.**

The aim is that all employees see the project as a **professional development opportunity.**

In France, the Group's commitments take several forms:

Concertation with the relevant employee representative bodies, under the applicable legal conditions

Significant financial, material and human **means**, taking account of the Group's economic reality

Taking into account and accompanying **all individual situations**



5

EXPECTED RESULTS

Groupe

Pierre & Vacances
CenterParcs

CHANGE IN BUSINESS LINE REVENUE

Accommodation
revenue
net of commission fees

Growth over
2020-2024

+6.0%
a year

Comparative-scope basis

+4.7%
a year

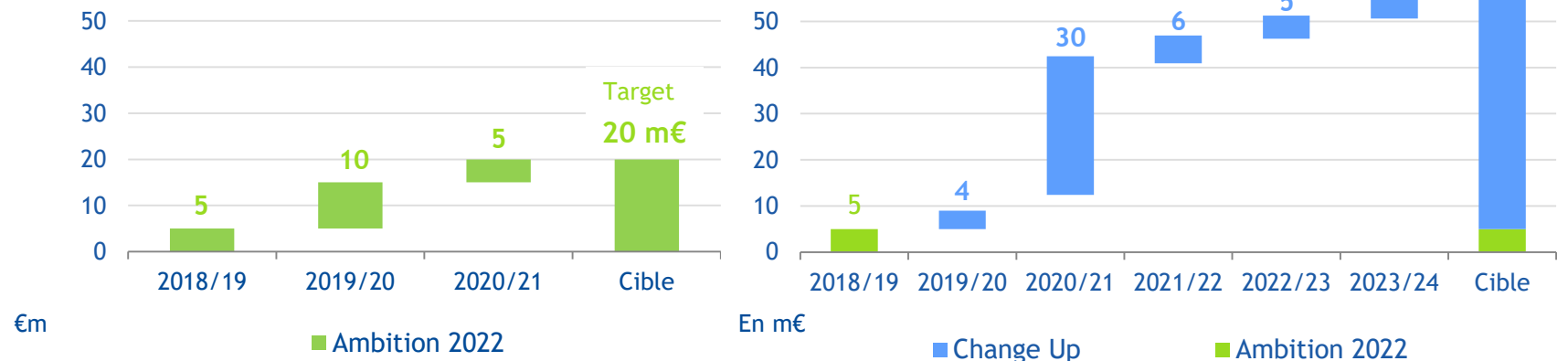
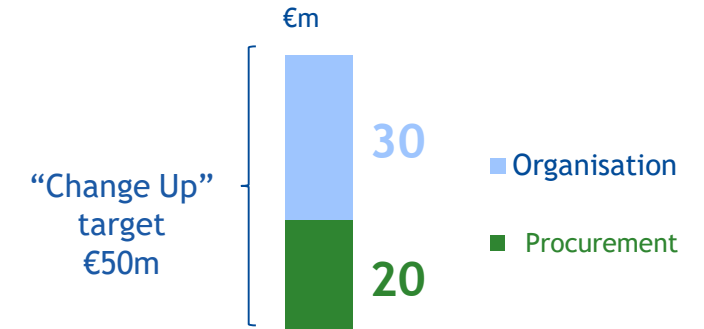
Accommodation revenue from the Business Lines should increase by 6% a year on average over 2020-2024, i.e:

- +2.9% from optimisation of current operations
- +2.6% from the impact of new site and village developments
- +1.8% from the premiumisation of Center Parcs Domains through the renovation programme
- -1.3% from a reduction in supply

Growth in accommodation revenue stems for 2/3 from a price effect and 1/3 from a volume effect.

SAVINGS PLAN

- The impacts expected by the Group following implementation of the savings plan represent a total of **€50m by 2024** and break down as follows:
 - €30m net from the reorganisation (the maximum number of redundancies envisaged about 220 jobs) and €20m from procurement
 - Divided into €40m for the Business lines and €10m for property development
- **Relative to the initial Ambition 2022 plan, the Change Up objective is to generate €35m in additional savings**
- The signification financial means deployed to implement this plan correspond to social measures, site withdrawal costs, consulting fees etc.

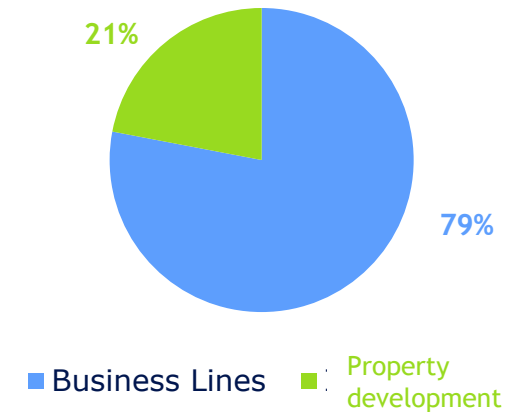


The figures present correspond to the entire Group scope

CURRENT OPERATING RESULTS

- For the Business lines, the aim is to generate:
 - An operating margin of 5% as of 2022 (Ambition 2022 target)
 - A target margin for 2024 of more than 9%
- Growth in current operating income is linked to around 60% from Center Parcs, 20% from Pierre & Vacances and 20% from Adagio / Maeva.com

Average operating income generation over 2020-2024 (% of total)



CASH FLOW

- These results should be able to generate a cash flow of around €350m (2020-2024)



6

CONCLUSION

Groupe

Pierre & Vacances
CenterParcs

CONCLUSION: A STRICT PLAN WITH A RETURN TO PROFITABILITY AS OF 2021

- A targeted and profitable development with Center Parcs in northern Europe and Pierre & Vacances in mountain regions
- A business-oriented and agile organisation with an entrepreneurial mindset
- A reorganisation plan initiated as of 2020 and 90% complete by the end of the year
- A targeted EBIT margin from the Business Lines of 5% by 2020 and of more than 9% by 2024
- Expected cash flow generation of around €350m (2020-2024)



