Groupe

Pierre & Vacances (enterParcs

2019/2020 FULL YEAR RESULTS

26 November 2020

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Full-year results

Note: The financial elements and sales indicators commented on in this press release stem from operating reporting, which is more representative of the performances and economic reality of the contribution of each of the Group's businesses i.e. :

- excluding the impact of IFR\$16 application for all financial statements
- with the presentation of joint undertakings in proportional consolidation (i.e. excluding application of IFRS 11) for profit and loss items

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

GROUP REVENUE €1.298BN

€615m

TOURISM REVENUE: €1.023BN VS €1.365BN IN FY 2019

PROPERTY DEVELOPMENT REVENUE: €275M VS €308M IN FY 2019

- Pierre & Vacances Tourisme Europe: €407m
- Center Parcs Europe:

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1 Oct. 2019 - 15 March 2020:

Sharp growth in revenue, ahead of Change Up targets ⇒ **Revenue growth: +€45m** (+€30m from accommodation)

15 March - 30 June:

Closure of virtually all sites operated from mid-March to end-May/early June, then gradual reopening in June.

 \Rightarrow **Revenue loss:** -€325m (-230m from accommodation)

1 July - 30 September:

Outstanding level of revenue for CP Europe (+1.4%, o.w +8.6% for BNG Domains) and PV France (+9.4% in the mountain sites, - 4% excl. stock losses at seaside sites). Adagio residences and PV sites in Spain, very dependent

on international customers, managed to attain revenue levels of more than 40% of the year-earlier amounts.

⇒ **Revenue loss: -€63m** (-€42m from accommodation)

Primarily:

(€m)	FY 20	FY 19
CP renovations	102	158
Senioriales	65	76
CP Lot-et-Garonne	33	
PV Méribel	31	23



(€ millions)	2019/2020	2018/2019	Change
CURRENT OPERATING PROFIT (LOSS)	- 171.5	30.9	- 202.4
Tourism	- 155.3	29.6	- 184.9
Tourism Villages Nature® Paris	- 10.1	- 5.5	- 4.6
Tourism excl. Villages Nature® Paris	- 145.2	35.1	- 180.3
Property development	-16.2	1.3	- 17.5

CURRENT OPERATING PROFIT (LOSS) TOURISM

(€ millions)

Current operating profit (loss) Tourism FY 2019	+ 30
Growth in revenue from 1 October 2019 to 15 March 2020	+ 18
Impact of Covid crisis from 15 March to 30 June 2020	- 165
Impact of revenue decline on Q4 2020	- 38
Current operating profit (loss) Tourism FY 2020	-155

CURRENT OPERATING PROFIT (LOSS) PROPERTY DEVELOPMENT

Impact of Covid crisis on FY 2020 Current Operating Profit:

- Slowdown in property reservations
- Certain project launches postponed

Reminder: Current operating profit for 2019 included the significant contribution from disposal/renovation operations postponed from 2018 to 2019, partly offset by complementary costs for the Allgaü domain (net impact of $+ \le 12$ million).



€ millions	FY 2019/2020	FY 2018/2019
Revenue	1,297.8	1,672.8
Current operating profit (loss)	-171.5	30.9
Other operating expenses	-133.6	-9.7
Financial items	-22.2	-20.8
Equity associates	-1.0	0.9
Taxes	-7.8	-34.4
Profit (loss) for the year	-336.1	-33.0
Group share Non-controlling interests	-336.2 0.1	-33.0 0.0

Other operating expenses

- Group reorganisation costs: -€33.5m (including Change Up in line with targets)
- Impairment of property stocks: -€61.8m (abandon of CP Roybon project for €41m) and ensuing review of other projects in France (definition of alternative projects to make them more acceptable).
- Impairment of certain intangible assets in current context: -€30m
- Cost of site withdrawals: -€5m

Financial expenses:

€1.4m increase due mainly to additional interest expenses for the cautionary drawing on credit lines prior to the crisis (these were reimbursed on 30 September 2020) and the state-backed loan obtained in June 2020.

Tax expenses:

Primarily for the reversal of deferred tax assets in France and Spain, related to the updating of short-term revenue projections following the Covid crisis.

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€ millions	09/30/2020	09/30/2019	Change
Bank/bond debt	528.8	244.4	284.4
Cash (net of overdrafts drawn)	-198.3	-113.5	-84.8
Available cash	-205.3	-114.8	-90.5
Overdrafts drawn	7.0	1.3	5.7
Net financial debt	330.6	130.9	199.6

Of which:

•	Flows from operations	-156
	Flower related to investments	30

Flows related to investments -39

Bank/bond debt (gross) includes:

- The state-backed loan obtained in June 2020 (€240m)
- The ORNANE bond issued in December 2017 (nominal of €100m)
- Euro PP loans issued in July 2016 (nominal of €60m) and February 2018 (nominal of €76m)
- Loans contracted as part of financing of property development programmes (€49m)

On 30 September 2020, the Group had €450 million in liquidities (cash available plus more than €250m in revolving credit and nondrawn overdraft lines).

2 Progress in Change Up plan and Outlook



GROUP TRANSFORMATION

Objective: to implement a new more agile and entrepreneurial organisation

- Completion of the job safeguard plan:
- 14 April 2020: end to information/consultation process by employee representatives for the structure transformation project
- 10 June 2020: homologation of job safeguard plan and agreements signed on April 7 by the DIRECCTE, a prior requirement for its implementation
- 15 June: roll-out of the organisation (autonomy of BLs)
- 30 September: implementation of new organisation virtually complete. On 1 October, the HR and Legal teams joined the Business Line and Holding company organisations, followed by the Finance teams as of mid-November.
- Reorganisation costs in line with targets
- Legal reorganisation effective in spring 2021

COST CUTTING

Objective: €50m in cost-savings by 2024

- Organisation: €30m
- Purchases: €20m

Progress review:

- Implementation of savings plan in line with forecasts (73% secured)
 - Organisation: 100% of savings secured
 - Purchases: 41% of savings secured over the duration of the plan
- Additional savings are requested from the BLs for FY 2021, in view of the health crisis
- Launch in September 2020 of an IT cost optimisation project: identification of potential savings of around €7m over three years, with three levers:
 - simplification,
 - performance management,
 - organisation and priority of projects.

DEVELOPMENT OF PIERRE & VACANCES MOUNTAIN

Works underway

Avoriaz Capella Pierre & Vacances***

- Renovation
- 143 apartments
- Delivery December 2021

In development

Avoriaz

- Lifestyle residence 153 rooms
 Provisional delivery December 2023
- Premium residence Avoriaz Amara 2
 180 apartments
 Programming and plans underway

Aime 2000

- Lifestyle residence 201 rooms
- Provisional delivery December 2023
- Premium residence 300 apartments
 Property marketing underway

Les deux Alpes

Lifestyle residence – 170 rooms
 Provisional delivery December 2023

Flaine

Premium residence - 46 apartments
 Provisional delivery December 2022







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CENTER PARCS FRANCE DEVELOPMENT

Center Parcs des Landes de Gascogne

- 400 cottages plus facilities: Aquamundo, mini farm, kids club, 2 restaurants, Spa, shop, bakery, seminar room
- Works underway
- Delivery spring 2022

Villages Nature Paris

Villages Nature Paris

- 242 cottages
- Provisional delivery spring 2023





CENTER PARCS FRANCE DEVELOPMENT

The Netherlands

- Further renovation of CP De Eemhof (700 cottages and hotel rooms + central facilities)
- Further renovation of CP Heijderbos (790 cottages and hotel rooms + central facilities)
- Launch of renovation of CP De Kempervennen (740 cottages + central facilities)
- Study to extend the marina at CP Eemhof (58 theme-based cottages and a wave pool)

Germany

- Launch of renovation of CP Bispingen. (750 cottages and hotel rooms + central facilities)
- Study to extend CP Nordseeküste (42 cottages)
- Development of two new domains in Bavaria and along the Baltic coast.

Belgium

- Acceleration of renovation of CP Erperheide started at end-August 2020 (615 cottages + central facilities)
- Terhills Resort, by Center Parcs (management mandate): 250 luxury villas next to a lake with sporting and leisure facilities. Opening in spring 2021.

Other countries

 New domains under development in south of Denmark and other sites currently being studied.







• Activity affected by the second wave of Covid-19 in Europe

Closure of all PV and CP sites in France, Germany and Belgium, for a period of four weeks minimum as of 2 November 2020. So far, only the Center Parcs Domains in the Netherlands remain open, albeit with a reduced offer (closure of bars and restaurants and a limited number of people in the Aquamundo).

• The Group nevertheless has sufficient liquidity...

FY 2020/21 is set to be affected by this new episode in the crisis, the Group's current cash level is however sufficient to overcome the second wave of the pandemic.

• ...and boasts solid fundamentals

The Group's fundamentals should enable it to rebound in the coming months to restore the trajectory of the Change Up plan, by reference to the remarkable performances of the 2020 summer period, with high levels of activity, sometimes higher than those of the 2019 summer period.

3 Reconciliation table

Income statement

	FY 2020			
	operating	IFRS 11	Impact of IFRS	FY 2020
(€ millions)	reporting	adjustments	16	IFRS
Revenue	1,297.8	- 59.2	- 67.0	1,171.5
External purchases and services	-1,054.3	+55.1	+377.3*	- 621.9
Operating income and expenses	-354.4	+16.5	+4.6	-333.3
Depreciation, amortisation, provisions	-60.6	+4.1	-253.5	-310.0
Current operating profit (loss)	- 171.5	+16.5	+61.4	- 93.7
Other operating income and expense	- 133.6	0.2	0.0	- 133.4
Financial items	- 22.2	+2.5	- 150.5	- 170.2
Equity associates	- 1.0	-19.2	- 5.0	- 25.2
Income tax	-7.8	0.0	5.1	- 2.6
NET PROFIT (LOSS) FOR THE YEAR	- 336.1	0.0	- 89.0	- 425.1

* of which cost of sales: +€66.3m, Rents: +€311.0m

(€ millions)	FY 2019 operating	IFRS 11	FY 2019
	reporting	adjustments	IFRS
Revenue	1,672.8	- 77.8	1,595.0
Current operating profit (loss)	30.9	-0.6	30.2
Other operating income and expense	- 9.7	+0.1	- 9.6
Financial items	- 20.8	+2.3	- 18.5
Equity associates	0.9	- 3.5	- 2.5
Income tax	- 34.4	+1.7	- 32.7
NET PROFIT (LOSS) FOR THE YEAR	- 33.0	0.0	- 33.0

Balance sheet

	FY 2020		
	operating		FY 2020
(€ millions)	reporting	Impact of IFRS 16	IFRS
Goodwill	140.0	0.0	140.0
Net fixed assets	362.3	- 2.5	359.8
Lease/right of use assets	86.1	2,247.8	2,333.9
Uses	588.4	2,245.3	2,833.7
Share capital	-83.9	- 477.3	- 561.2
Provisions for risks and charges	111.2	6.9	118.1
Net financial debt	330.6	0.0	330.6
Debt related to lease assets / lease obligations	94.7	2,789.5	2,884.2
WCR and others	135.8	- 73.9	61.9
Resources	588.4	2,245.3	2,833.7

Cash flow statement

	FY 2020 operating		FY 2020
(€ millions)	reporting	Impact of IFRS 16	IFRS
Cash flows after interest and tax	-223.0	+160.4	-62.6
Change in working capital requirement	+66.9	+8.4	+75.3
Flows from operations	-156.1	+168.8	12.7
Net investments related to operations	-40.1	-	-40.1
Net financial investments	+0.8	-	+0.8
Flows allocated to investments	-39.3	-	-39.3
Operating cash flows	-195.4	+168.8	-26.6
Flows allocated to financing	+280.2	-168.8	+111.4
CHANGE IN CASH	+84.8	0.0	+84.8