Groupe
Pierre & Vacances
CenterParcs

First half 2022/2023 revenue

Paris, 18 April 2023

- Benefiting from still strong momentum in the sector following the Covid crisis, the **Pierre & Vacances-Center Parcs Group generated growth of 20% in revenue[1] from its tourism activities during the first half of 2022/2023,** with robust business in the second quarter (+20.3%), following on from the first quarter increase (+19.4%).
- In view of this strong first-half performance as well as the level or reservations to date, the Group's ability to ease the effects of inflation on margins (cost control) and good execution of its strategic Reinvention plan, **the Group has raised its financial guidance for the 2022/2023 financial year,** to now expect:
  - ⇨ Revenue from the tourism businesses of more than €1,700m (vs. €1,660m previously).
  - ⇨ Adjusted Group EBITDA[2] of more than €130m (vs. €105m).
  - ⇨ Operating cash flow generation[3] of more than €50 million (vs. €37 million).

Franck Gervais, CEO of Pierre & Vacances-Center Parcs, stated:

"The Group generated a sharp increase in first half revenue, with growth of 20% in our tourism businesses. The performance was driven by both domestic and cross-border customers, testifying to the rising appeal of local tourism for travellers, and adding weight to the relevance of the Group's positioning. It also reflects the premiumisation of our offer, with a rise in average letting rates and higher occupancy rates. This excellent first half, combined with strict and agile management of our strategy, enables us to increase our financial forecasts and approach the coming months with confidence."

1] Revenue

Under IFRS accounting, revenue for the first half of 2022/2023 totalled €741.8 million, compared with €636.7m in H1 2021/2022.

The Group comments on its revenue and the associated financial indicators in compliance with its operational reporting namely: (i) with the presentation of joint undertakings in proportional consolidation, and (ii) excluding the impact of IFRS16 application.

On the basis of operational reporting, revenue in the first half of 2022/2023 amounted to €808.8 million vs. €715.3 million in the year-earlier period. A reconciliation table presenting revenue stemming from operational reporting and revenue under IFRS accounting is presented at the end of the press release.

Revenue is also presented according to the following operational sectors defined in compliance with the IFRS 8 standard[4], i.e.:

- **Center Parcs** covering both operation of the domains marketed under the Center Parcs, Sunparks and Villages Nature brands, and the building/renovation activities for tourism assets and property marketing in the Netherlands, Germany and Belgium.
- **Pierre & Vacances** covering the tourism businesses operated in France and Spain under the Pierre & Vacances and maeva.com brands, the property development business in Spain and the Asset Management business line (responsible notably for relations with individual and institutional lessors).
- **Adagio** covering operation of the city residences leased by the Pierre & Vacances-Center Parcs Group and entrusted to the Adagio SAS joint venture under management mandates, as well as operation of the sites directly leased by the joint venture.
- an operational sector covering the **Major Projects** business line responsible for construction and development of new assets on behalf of the Group in France, and **Senioriales**, the subsidiary specialised in property development and operation of non-medicalised residences for independent elderly people.
- the **Corporate** operational segment housing primarily the holding company activities.

[1] *According to Operational reporting*

[2] *Adjusted EBITDA = current operating profit stemming from operational reporting (consolidated operating income before other non-current operating income and expense, excluding the impact of IFRS11 and IFRS16 accounting rules) adjusted for provisions and depreciation and amortisation of fixed operating assets. Adjusted EBITDA therefore includes the benefit of rental savings generated by the Villages Nature project following the agreements concluded in March 2022 for an amount of €14.4 million for 2022/2023, €14.6 million for 2023/24, €8.9 million for 2024/25 and €4.0 million for 2025/26.*

[3] *Operating cash flows after capex and before non-recurring items and flows related to financing activities.*

[4] *See page 186 of the Universal Registration Document, filed with the AMF on 22 December 2022 and available on the Group's website: www.groupepvcp.com*

€m	Q2 22/23	Q2 21/22	Q2 Chg.	H1 22/23	H1 21/22	H1 Chg.
Center Parcs	233.0	185.2	*25.8%*	494.9	422.8	*17.0%*
o/w accommodation revenue	*155.5*	*121.1*	*28.3%*	*340.5*	*280.2*	*21.5%*
P&V	114.8	113.2	*1.4%*	168.8	165.6	*1.9%*
o/w accommodation revenue	*82.6*	*81.2*	*1.8%*	*119.9*	*116.9*	*2.6%*
Adagio	43.9	30.3	*44.7%*	99.2	67.1	*48.0%*
o/w accommodation revenue	*39.6*	*26.9*	*47.3%*	*89.6*	*59.9*	*49.7%*
Major Projects & Seniorales	25.8	30.1	*-14.3%*	44.9	58.7	*-23.5%*
Corporate	0.6	1.0	*-42.9%*	1.0	1.2	*-16.8%*
Total	**418.1**	**359.8**	***16.2%***	**808.8**	**715.3**	***13.1%***
Revenue from tourism businesses	***361.1***	***300.2***	***20.3%***	***704.7***	***587.9***	***19.9%***
Accommodation revenue	*277.7*	*229.2*	*21.2%*	*550.1*	*457.0*	*20.4%*
Supplementary income	*83.4*	*71.0*	*17.6%*	*154.7*	*131.0*	*18.1%*
Other revenue	***57.0***	***59.6***	***-4.4%***	***104.1***	***127.4***	***-18.3%***

Revenue from the tourism businesses

The robust growth momentum enjoyed in the first quarter of the year (+19.4%), boosted by the rebound in the tourism sector following the Covid crisis, continued in the second quarter (+20.3%), bringing revenue from the tourism businesses to €704.7 million over the first half. The Group therefore outperformed its budget targets, despite a difficult economic and social backdrop in France in the second quarter.

Accommodation revenue

Accommodation revenue totalled €550.1 million during the first half of 2022/202, up 20.4% relative to the year-earlier period (partly affected by the emergence of the Omicron variant). This rise in revenue was driven by all brands:

- **Center Parcs:** +21.5%

Growth was driven by the number of nights sold (+12.8%) and average letting rates (+7.7%), benefiting from both:

  - the Domains located in BNG[5]: +20.4%, of which +40.4% in the Netherlands (partly penalised by the Omicron variant in the first half of the previous year), +16.5% in Belgium and +4.9% in Germany.
  - The French domains: +23.6%, and +14.5% adjusted for the impact of the 100% integration of the Villages Nature scope as of 15 December 2022 (vs. 50% previously).

The occupancy rate grew by an average of 3.7 points to 71.9% over the period as a whole.

- **Pierre & Vacances**: +2.6%

Growth in revenue was primarily driven by the rise in average letting rates (+10.7%), offsetting the impact of the decline in the number of nights sold (-7.3%).

By destination:

- Revenue from the residences in France was virtually stable (-0.4%), in the context of a reduction[6] in the stock operated by lease (-7.6% of nights offered relative to the first half of the previous year). On a constant stock basis, revenue was up (RevPar[7] up 7.8%),
- Revenue from residences in Spain surged 49.4%, primarily driven by volume effects (+39.5% of nights sold).

The occupancy rate for the brand as a whole was down by an average of 4 points to 61.2% over the period. Note that half of this decline stemmed from the exceptional privatisation of the Rouret site by the Ministry of the Armies in the first quarter of the previous year. The average occupancy rate of mountain destinations was 90.6% over H1, including almost 94% during the second quarter (+1.8 points).

[5] Belgium, the Netherlands, Germany

[6] Stock reduction due to non-renewal of leases or withdrawals from loss-making sites

[7] RevPar = accommodation revenue divided by the number of nights offered

- **Adagio:** +49.7%

The rebound in city residence business continued, underpinned by both a sharp increase in average prices (+34.6%) and growth in the number of nights sold (+11.2%) The occupancy rate grew by an average of 8 points to 73.5% over the period as a whole.

Supplementary income[8]:

H1 supplementary totalled €154.7 million, up 18.1% relative to the year-earlier period.

It benefited especially from growth in onsite sales (+20.1%), in line with the rise in accommodation revenue, as well as the strong performances by the maeva.com business (13% in business volume).

Other revenue:

H1 2022/2023 revenue from other businesses totalled €104.1 million compared with €127.4 million in H1 2021/2022 (decline with no significant impact on EBITDA), primarily made up of:

- Renovation operations at Center Parcs domains on behalf of owner-lessors, for €58.2 million (compared with €66.8 million in H1 2021/2022).
- Les Seniorales for €33.3 million (vs. €31.3 million in H1 2021/2022).
- The Major Projects division for €11.6 million (primarily related to the extension of Villages Nature Paris for €9.4 million) compared with €27.4 million in H1 2021/2022 (of which €21.2 million related to the Center Parcs Landes de Gascogne domain).

2] Outlook

Operating performances expected for the second half of the year

In view of the portfolio of reservations to date, the Group currently expects further growth in revenue compared with the second half of 2021/2022, which was particularly dynamic.
This growth across all brands is set to stem from both the rise in average letting rates and growth in the number of nights sold.

Upward revision to financial forecasts for 2022/2023

Underpinned by revenue growth in the first half, the very respectable level of new reservations for coming months and the rigorous execution of the Reinvention strategic plan, the Group has raised its guidance for 2022/2023 to now expect:

- Revenue from the tourism businesses of more than €1,700m (vs. €1,660m previously[9]).
- Adjusted Group EBITDA of more than €130 million (vs. €105 million).
- Operating cash flow generation of more than €50 million (vs. €37 million).

The Group is confident in its ability to deliver its guidance, while remaining cautious in a changeable and uncertain context, and remains fully mobilised in terms of operating performance and cost control.

The publication of first half results is scheduled for 25 May 2023 before the market opening.

[8] Revenue from onsite activities (catering, animation, stores, services etc.), co-ownership and multi-owner fees and management mandates, marketing margins and revenue generated by the maeva.com business line.

[9] Re. press release of 1 December 2022 available on the Group's website: www.groupepvcp.com

3] Reconciliation table between revenue stemming from operational reporting and revenue under IFRS accounting.

Under IFRS accounting, revenue for the first half of 2022/2023 totalled €741.8 million, compared with €636.7m in H1 2021/2022. This growth was visible across all brands and stemmed from both the rise in average letting rates and growth in the number of nights sold.

€ millions	**2022/2023** *according to operational reporting*	*Restatement IFRS11*	*Impact IFRS16*	**2022/2023** *IFRS*
Center Parcs	494.9	-6.4	-25.2	463.3
Pierre & Vacances	168.8			168.8
Adagio	99.2	-23.5		75.8
Major Projects & Seniorales	44.9	-11.6	-0.4	32.9
Holding companies	1.0			1.0
Total H1 2022/2023 revenue	**808.8**	**-41.4**	**-25.6**	**741.8**

€ millions	**2021/2022** *according to operational reporting*	*Restatement IFRS11*	*Impact IFRS16*	**2021/2022** *IFRS*
Center Parcs	422.8	-12.1	-33.3	377.4
Pierre & Vacances	165.6			165.6
Adagio	67.1	-15.5		51.6
Major Projects & Seniorales	58.7	-8.0	-9.8	40.9
Holding companies	1.2			1.2
Total H1 2021/2022 revenue	**715.3**	**-35.6**	**-43.0**	**636.7**

IFRS11 adjustments: *for its operational reporting, the Group continues to integrate joint operations under the proportional integration method, considering that this presentation is a better reflection of its performance. In contrast, joint ventures are consolidated under equity associates in the consolidated IFRS accounts.*

Impact of IFRS16: *The application of IFRS16 as of 1 October 2019 leads to the cancellation, in the financial statements, of a share of revenue and the capital gain for disposals undertaken under the framework of property operations with third parties (given the Group's leasing contracts). See below for the impact on H1 revenue.*

4] Change in operational KPIs

	Average letting rates *(per night for accommodation)*		***Number of nights sold***		**Occupancy rate**	
	€ (excl. tax)	**Chg. % PY**	**Units**	**Chg. % PY**	**Chg. Pts N-1**	**Chg. Pts PY**
Center Parcs	153.9	+7.7%	2,212,590	+12.8%	71.9%	+3.7 pts
Pierre & Vacances	135.4	+10.7%	886,064	-7.3%	61.2%	-4.1 pts
Adagio	96.9	+34.6%	924,343	+11.2%	73.5%	+8 pts
Total H1 2022/2023	**136.7**	**+12.2%**	**4,022,997**	**+7.3%**	**69.3%**	**+2.5 pts**

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