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Interim results presentation

Half year ended
31 March 2018

FY2018 H1 highlights

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- ★ Continued execution of the proven growth strategy delivering another strong financial performance
- ★ Yield management initiatives coupled with continued evolution of the customer proposition driving organic growth
- ★ Centre refurbishment and rebrand programme remains on track
 - ★ 2 rebranded and an additional 3 expected for the second half
 - ★ 1 refurbishment with at least 1 more planned for the second half
- ★ Solid progress in new centre programme
 - ★ 2 opened in the period
 - ★ Strong pipeline secured for next 3 financial years
 - ★ Proactive management of property portfolio
- ★ Ongoing innovation of customer proposition
 - ★ Continued investment in technology
 - ★ New Hollywood Diner menu
 - ★ Pins on strings initiative
 - ★ Technical standards delivering industry leading reliability
- ★ Strong balance sheet and excellent cash generation

LFL Sales Growth

+4.0%

Total Revenue

+9.3%

£63.6m

Group Adjusted EBITDA

+13.4%

£20.7m

Operating Profit

+16.1%

£15.0m

Profit Before Tax

+17.4%

£14.6m

Earnings Per Share

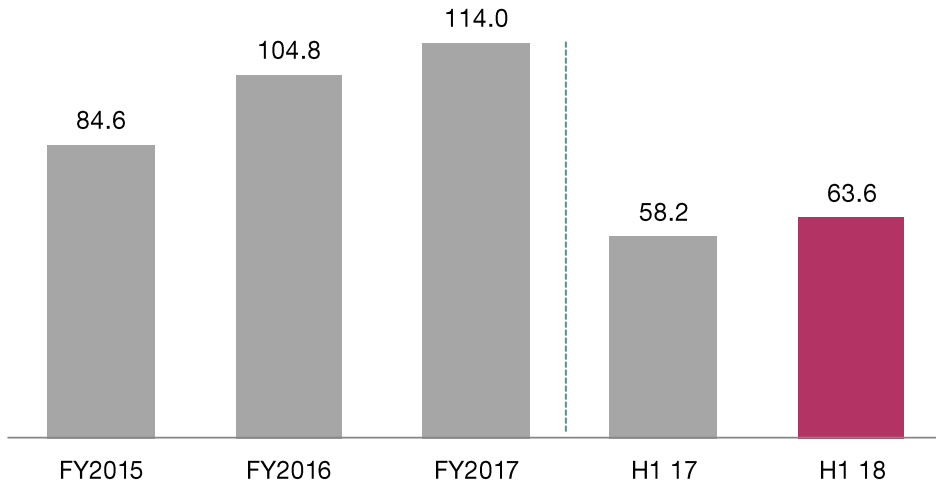
+18.1%

7.85p

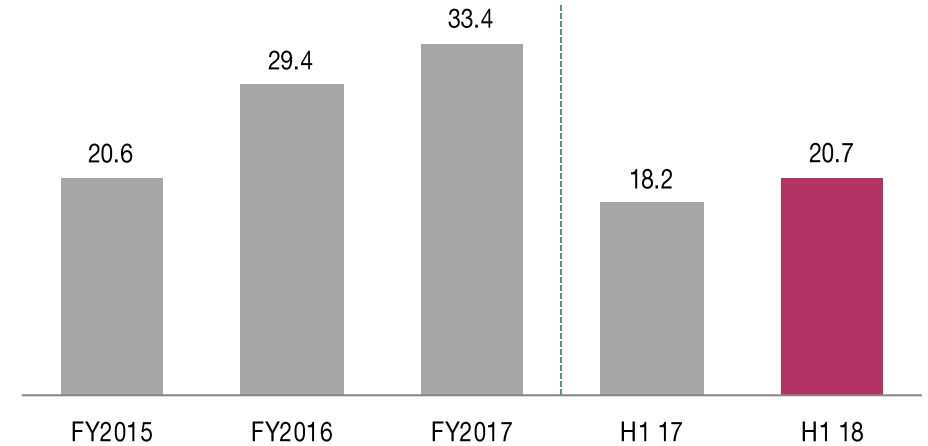
Financial highlights

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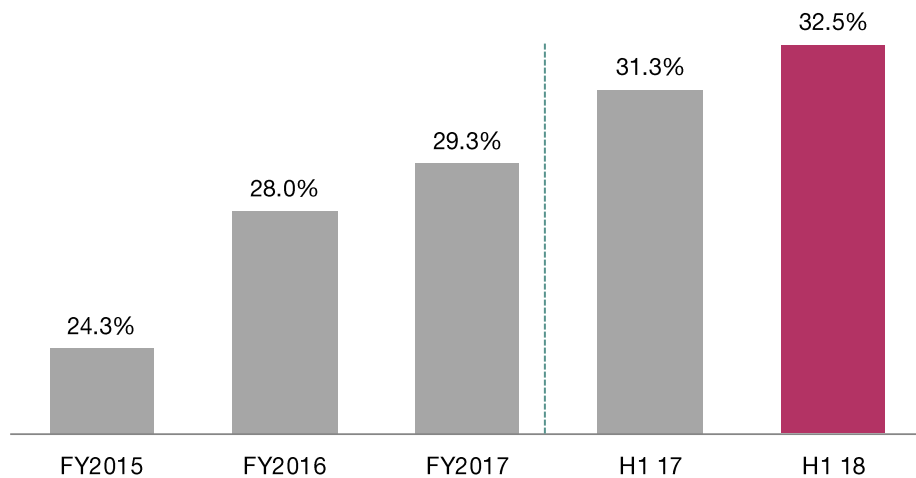
Revenue (£m): +9.3%



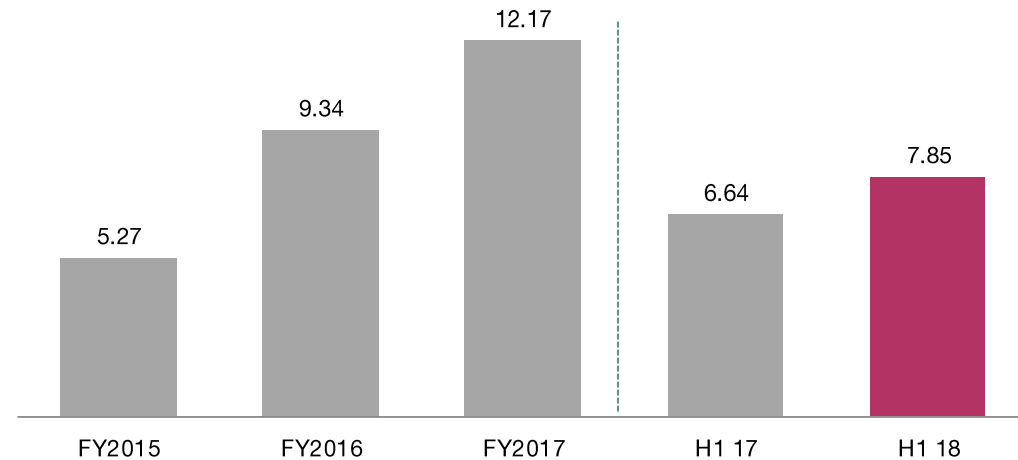
Group Adjusted EBITDA (£m): +13.4%



Group adjusted EBITDA Margin %: +1.2%pts

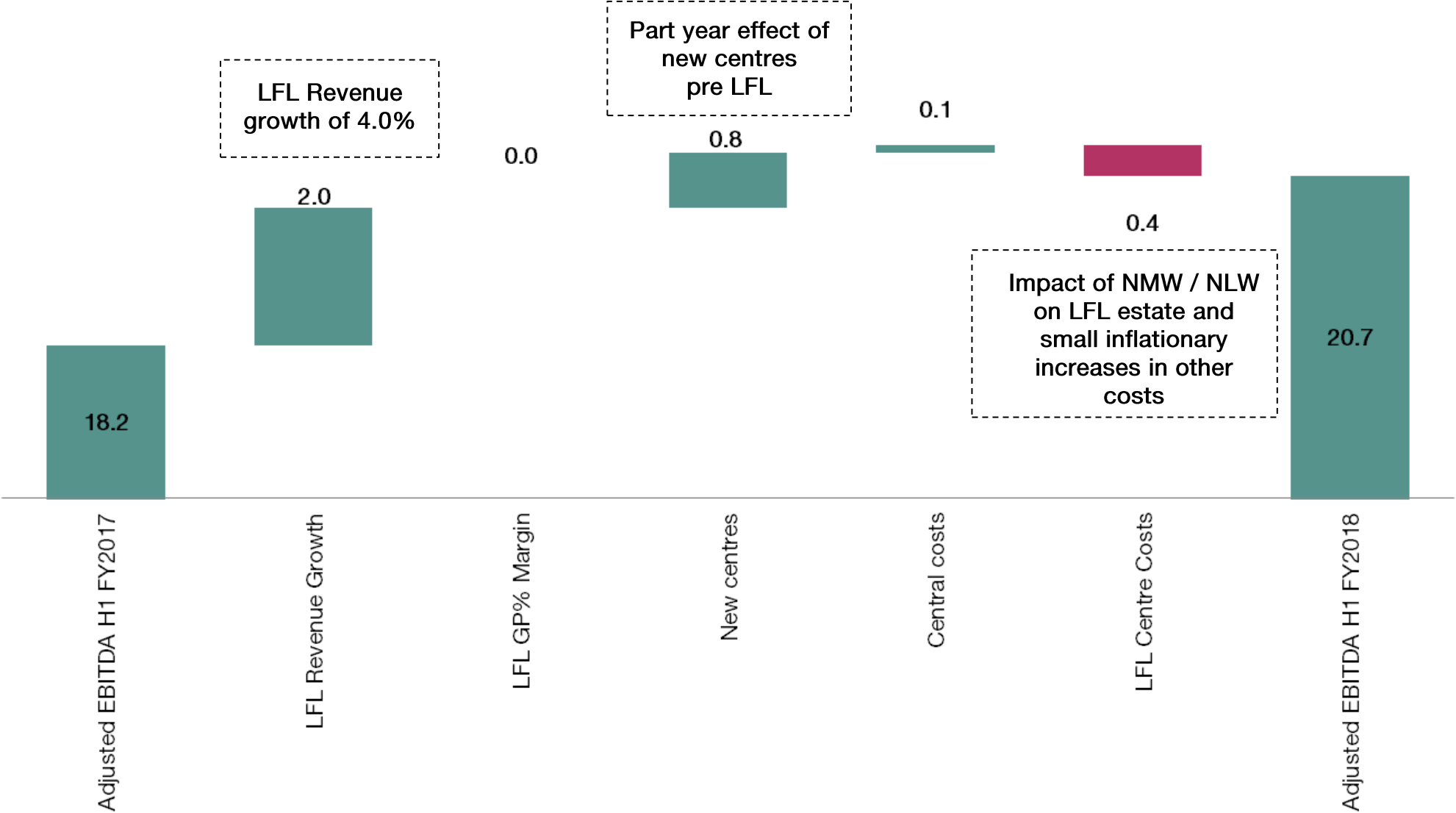


Normalised Earnings Per Share (pence): +18.1%



Adjusted EBITDA increased by 13.4%

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Income statement

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(£m)	H1 FY2018	H1 FY2017	Movement
Revenue	63.6	58.2	+9.3%
Gross profit	54.9	50.3	+9.1%
Gross profit%	86.3%	86.4%	-0.1%pts
Administrative expenses/other income	(39.9)	(37.4)	
Operating profit / (loss)	15.0	13.0	+16.1%
Operating profit margin %	23.6%	22.3%	+1.3%pts
Depreciation	5.3	4.9	
Amortisation	0.3	0.3	
Fixed asset disposal	0.1	-	
Exceptional items	0.0	0.1	
Adjusted EBITDA	20.7	18.2	+13.4%
Adjusted EBITDA margin %	32.5%	31.3%	+1.2%pts
Finance expenses	(0.5)	(0.6)	
Movement financial instruments	-	0.0	
Profit/(loss) before tax	14.6	12.4	
Tax expense	(2.8)	(2.4)	
Profit/(loss) after tax	11.8	10.0	+18.1%
Statutory EPS (pence)	7.85	6.64	+18.1%

- ★ LFL revenue up 4.0%
- ★ Gross profit % flat in LFL centres
- ★ Operating profits up 16.1%, and margin at 23.6%
- ★ Adjusted EBITDA up 13.4% due to revenue growth and strong cost controls
- ★ Statutory EPS up 18.1%

Strong cash generation

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★ Group adjusted operating cash flow of £14.9m (H1 FY2017: £14.1m)

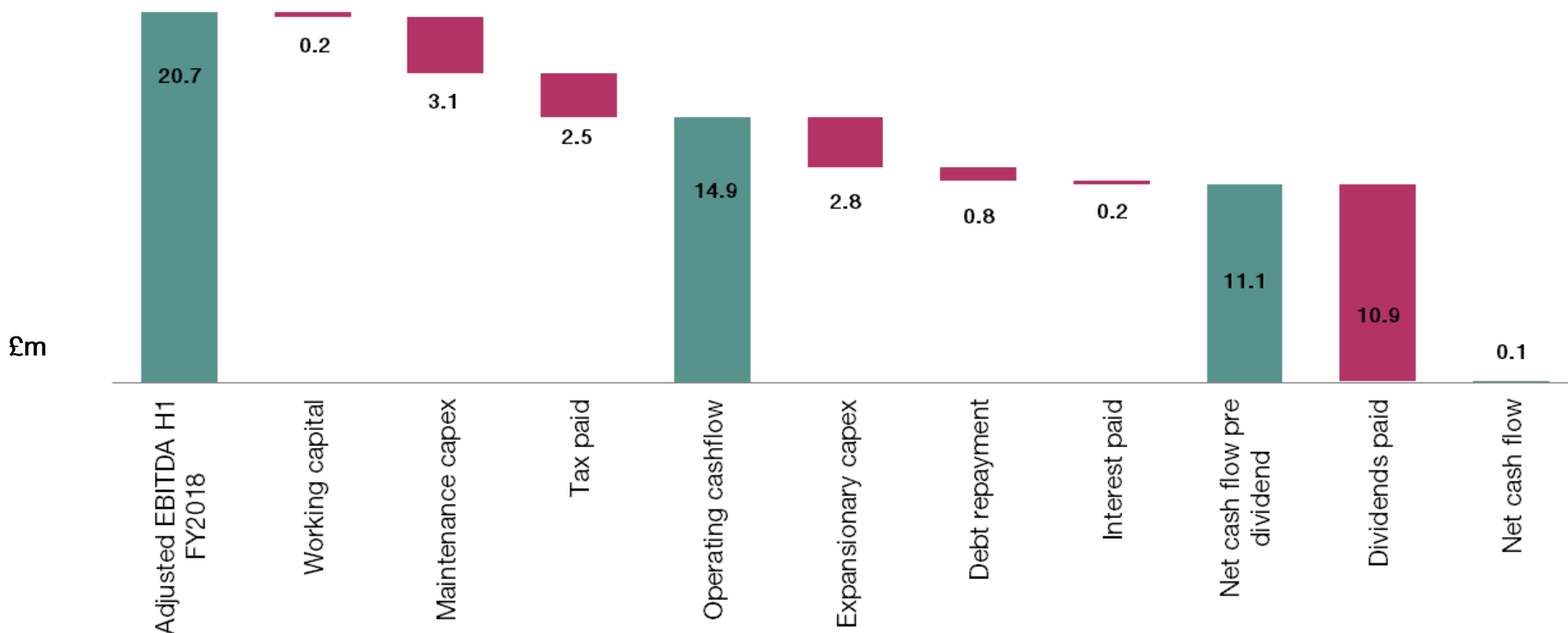
★ Operational cash flow conversion of 71.9% (H1 FY2017: 77.4%)

★ Maintenance capex in line with expectations

★ Expansionary capex includes 3 refurbishments / rebrands and 2 new centres

★ Net cash flow, pre FY2017 final dividend, of £11.1m

★ Interim dividend of 2.03 pence per share to be paid in July 2018 (+12.8% on H1 FY2017)



Customer led organic growth

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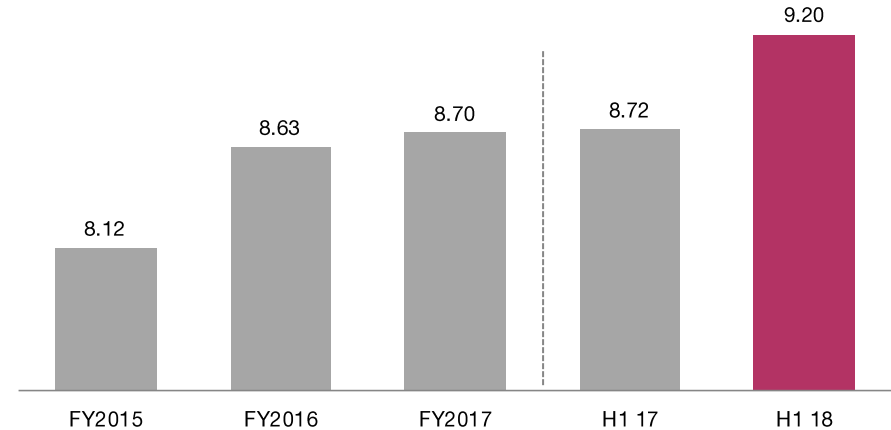
Strong performance from digital channels

- ★ Online revenues up 26% YOY in H1
- ★ Mobile transactions now account for 57% of this revenue
- ★ Development roadmap for technology platform ongoing
- ★ Digital advertising programmes have been expanded with positive ROIs
- ★ Tactical promotional emails continue to drive incremental revenues when required
- ★ GDPR initial compliance programme complete

Creating a reason to return

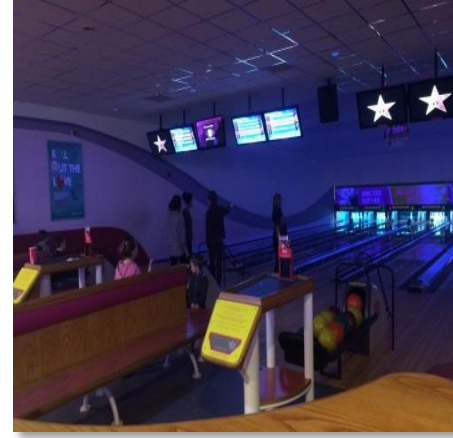
- ★ Continued improvements in team training to enhance service
- ★ Improved food offer now in 47 centres
- ★ Amusement redemption offer now in 45 centres
 - ★ Amusement spend per game up 2.2%
- ★ VIP lanes now in 44 centres
- ★ Dynamic pricing supporting yield growth
 - ★ SPG impact over 2.5%
 - ★ Bowling market price position maintained

Increased total spend per game



Improved food offer now in 47 centres





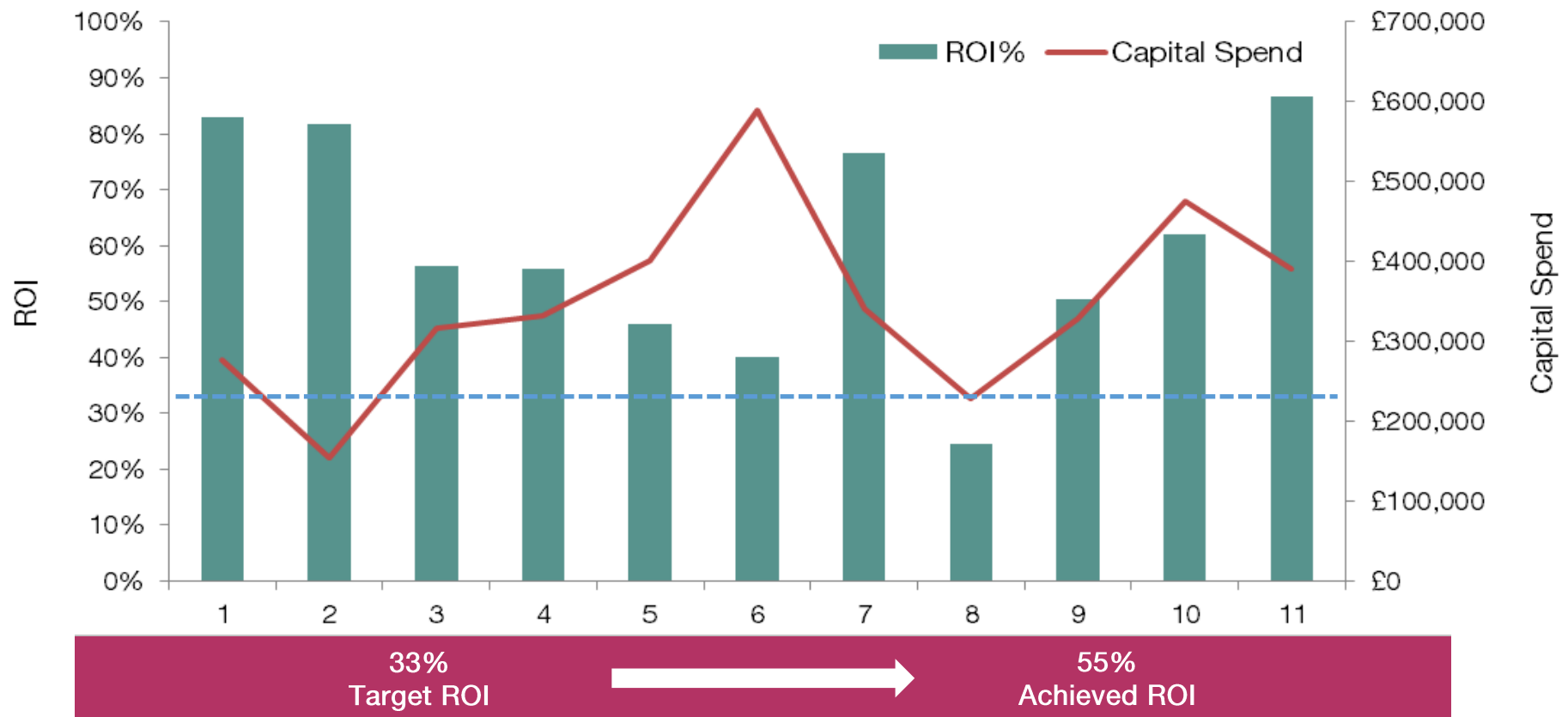
Transformational refurbishments



Capital deployed driving strong returns

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- ★ Average ROI of 55% for last 11 refurbishments with game volumes up 6.7% vs non invested estate
- ★ LFL sales up 11.5% vs non invested estate
- ★ 5 centres planned to have transformational investment in the second half
 - ★ 3 more rebrands planned for the second half
 - ★ At least 1 further refurbishment planned for the second half

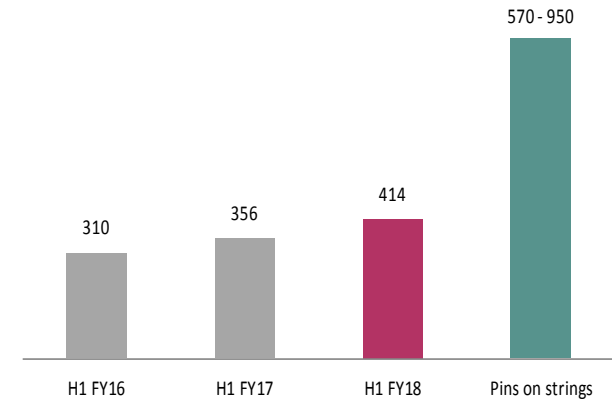


Initiatives and innovation

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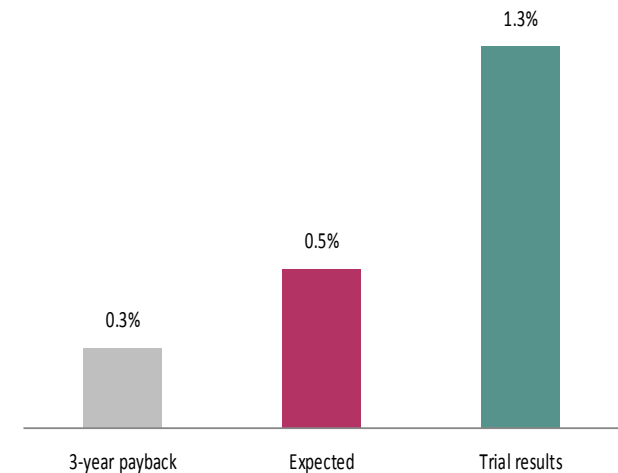
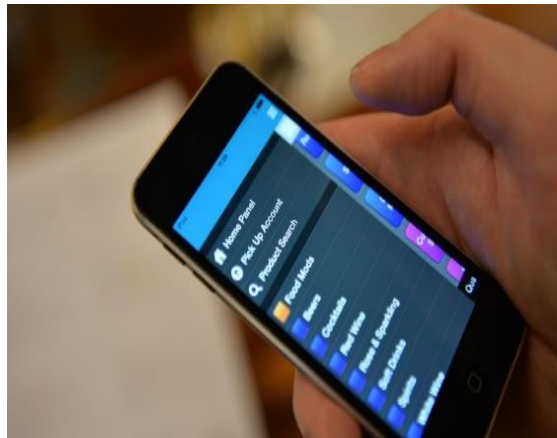
Pins on strings (POS) – games per stop (GPS) impact

- ★ Group GPS up 16% to 414 in H1 excluding POS
- ★ Pins on strings trial extended to include Yeovil
- ★ ROI over 30% in High Wycombe
- ★ Further roll out planned when Quibica TMS v2 is launched



iServe rollout – spend per game (SPG) impact

- ★ Trial completed in four centres
- ★ Positive customer and team member feedback
- ★ Roll out to estate in H2





Dagenham



Development of new centres

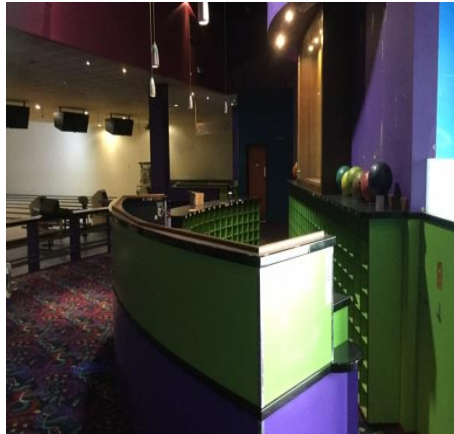
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Dagenham

- ★ Opened October 2017
- ★ 30k sq. ft.
- ★ 20 lanes
- ★ Secured from landlord having traded as Namco
- ★ Destination leisure park
- ★ Trading well and in line with expectations since opening
- ★ On track to pay back in under a year

Gross capex	£0.50m
Landlord contribution	(£0.25m)
Net capex	£0.25m





Yeovil



Development of new centres

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Yeovil

- ★ Opened March 2018
- ★ 59th centre to open
- ★ 23k sq. ft.
- ★ Secured from landlord having traded as MFA
- ★ 18 lanes
- ★ Pins on strings installed
- ★ Trading in line with management expectations

Gross capex	£0.90m
Landlord contribution	(£0.25m)
Net capex	£0.65m



Strong new centre pipeline

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Watford – FY2019

- ★ Key anchor in the new intu extension
- ★ Alongside Cineworld and Debenhams
- ★ Intu extension is 400,000 sq. ft., £180m spend
- ★ Top 20 UK retail destinations
- ★ 20,000 sq. ft. / 14 lanes
- ★ Capex requirement £1.5m



Lakeside – FY2019

- ★ Largest bowling centre to open in UK for over 10 years
- ★ Major anchor of new leisure extension
- ★ Alongside Nickelodeon indoor theme park
- ★ 34,000 sq. ft. / 24 lanes
- ★ Capex requirement £2.0m



Nottingham – FY2020

- ★ £150m refurbishment of Broadmarsh
- ★ 13m annual footfall
- ★ Rise to 6th highest retail destination in the UK
- ★ Alongside new cinema
- ★ 19,500 sq. ft. / 16 lanes
- ★ Capex requirement £1.7m

Liverpool – FY2020

- ★ Relocation of existing centre to a newly developed leisure/retail park
- ★ Co-located with large cinema, restaurants and retail units
- ★ 23,000 sq. ft. / 24 lanes
- ★ Capex requirement £2.3m

Southend – FY2020/21

- ★ New out of town leisure complex
- ★ Empire cinema (11 screens), restaurants and hotel
- ★ Strong catchment
- ★ 22,000 sq. ft. / 20 lanes
- ★ Capex requirement £1.8m

Swindon – FY2021

- ★ Large out of town leisure/retail centre
- ★ Trading with cinema, indoor ski , restaurants and retail
- ★ Large catchment area with excellent road links
- ★ 21,000 sq. ft. / 19 lanes
- ★ Capex requirement £1.9m

Target an average of two new centres per year



Summary

A positive outlook for the Group

- ★ Another strong set of results with record revenues and profit in line with Board's expectations
- ★ Solid financial performance of the business across all key metrics
- ★ Deployment of capital into the refurbishment programme on track and continues to receive excellent customer feedback and drive strong returns
- ★ Strong pipeline of new centres
- ★ Ongoing investment and innovation in the customer proposition and technology enablers
- ★ Continue to capitalise on market leading position with high quality, well invested estate led by experienced management team
- ★ Group continues to perform in line with the Board's expectations for the current year



Appendix

Management

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Stephen Burns – Chief Executive Officer

Appointment

- ★ Stephen joined the Group as Business Development Director in 2011. He was promoted to Managing Director in 2012 and became Chief Executive Officer in 2014

Skills and experience

- ★ Before joining the Group, Stephen worked within the health and fitness industry, holding various roles within Cannons Health and Fitness Limited from 1999. He became sales and client retention director in 2007 upon the acquisition of Cannons Health and Fitness Limited by Nuffield Health, and became regional director in 2009
- ★ In 2011, Stephen was appointed to the operating board of MWB Business Exchange, a public company specialising in serviced offices, meeting and conference rooms, and virtual offices.
- ★ Top bowling score – 179



Laurence Keen – Chief Financial Officer

Appointment

- ★ Laurence joined the Group as Finance Director in 2014

Skills and experience

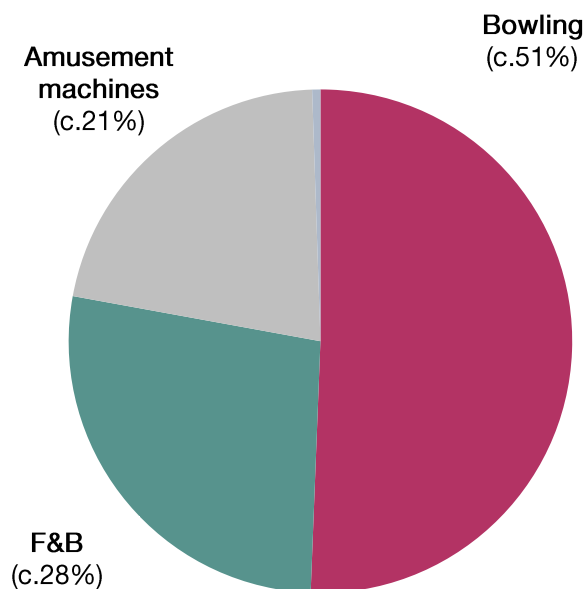
- ★ Laurence has a first class degree in business, mathematics and statistics from the London School of Economics and Political Science. He qualified as an ICAEW chartered accountant in 2000 and has been an ICAEW Fellow since 2012
- ★ His previous role was UK development director for Paddy Power from 2012. He has held senior retail and finance roles for Debenhams PLC, Pizza Hut (UK) Limited and Tesco PLC
- ★ Top bowling score - 178



Business overview

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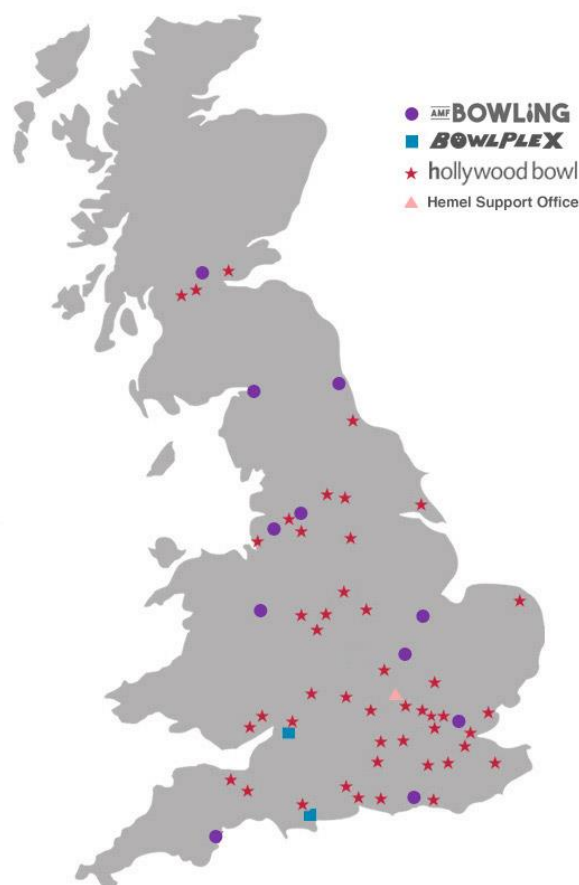
Multiple revenue streams^(a)



(a) Other revenue includes Quasar (3 Centres), ATM income and other miscellaneous sales

(b) FY2017 otherwise stated

National scale – 59 centres



Key stats^(b)

Customer engagement

No. of games played	13.1 M
Web site visits	5.1 M
Customer database	1.6 M
Targeted emails sent	100 M
Annual revenue from emails	£5.4 M
Advanced booking revenue	57%
Calls into customer contact centre	660K

Centre Statistics

Average lease length (H1 FY18)	13.6 years
% of sites co-located with cinemas	c.76%

Number of loss making centres	0
Average no of lanes	23.9
Average square footage of centres	28K
Total number of team members	2,000+

Increase in spend per game

FY15	£8.12
FY16	£8.63
FY17	£8.70
H1 FY17	£8.72
H1 FY18	£9.20

Balance sheet

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(£m)	H1 FY2018	H1 FY2017
PPE	41.9	38.6
Intangibles	78.8	79.0
Stock	1.4	1.2
Trade & other receivables	6.6	6.2
Cash	22.0	16.5
Creditors & provisions	(30.0)	(25.2)
Gross debt	(29.3)	(30.0)
Deferred tax	(0.6)	(2.3)
Net assets	90.8	84.0

Board of Directors

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Peter Boddy – Non-Executive Chairman

- ★ Chairman of Xercise4Less and the Harley Medical Group
- ★ CEO or MD of a number of successful private equity backed companies including Fitness First and Maxinutrition
- ★ Became Chairman of the Group in 2014

Stephen Burns – CEO

- ★ Joined the Group as Business Development Director in 2011, becoming MD in 2012 and CEO in 2014
- ★ Previously held roles within Cannons Health and Fitness Limited before moving to Nuffield Health as a Director in 2009
- ★ Became a Regional Director of MWB Business Exchange in 2011

Laurence Keen – CFO

- ★ Joined the Group as Finance Director and Company Secretary in 2014
- ★ Qualified as an ICAEW Chartered Accountant in 2000 and a Fellow since 2012
- ★ Previously held the role of UK Development Director for Paddy Power from 2012 and held senior retail and finance roles for Debenhams PLC, Pizza Hut and Tesco PLC

Nick Backhouse – Senior Independent Non-Executive Director

- ★ Joined the Group in 2016
- ★ Audit Committee Chairman
- ★ Non-Executive Director at Marston's PLC, Senior Independent Director of the Guardian Media Group Plc and a Non-Executive Director of All3Media
- ★ Previously Deputy CEO of the David Lloyd Leisure Group, Group Finance Director of National Car Parks, CFO of the Laurel Pub Company, CFO of Freeserve PLC and a Board Director of Baring Brothers
- ★ Currently a Director and Trustee of Chichester Festival Theatre

Claire Tiney – Non-Executive Director

- ★ Joined the Group in 2016
- ★ Remuneration Committee Chairman
- ★ Non-Executive Director to Volution plc and Topps Tiles
- ★ Previously an Executive Director at Homeserve, Mothercare and WH Smith Group and a Non-Executive Director of Family Mosaic

Ivan Schofield – Non-Executive Director

- ★ Joined the Group in 2017
- ★ Chairman of Buffalo Grill SA (France)
- ★ Previously held a number of senior roles for Yum Brands Inc. including managing director of KFC France and Western Europe, and more recently as CEO of itsu. Prior to this, Ivan held roles at Unilever and LEK Consulting.