

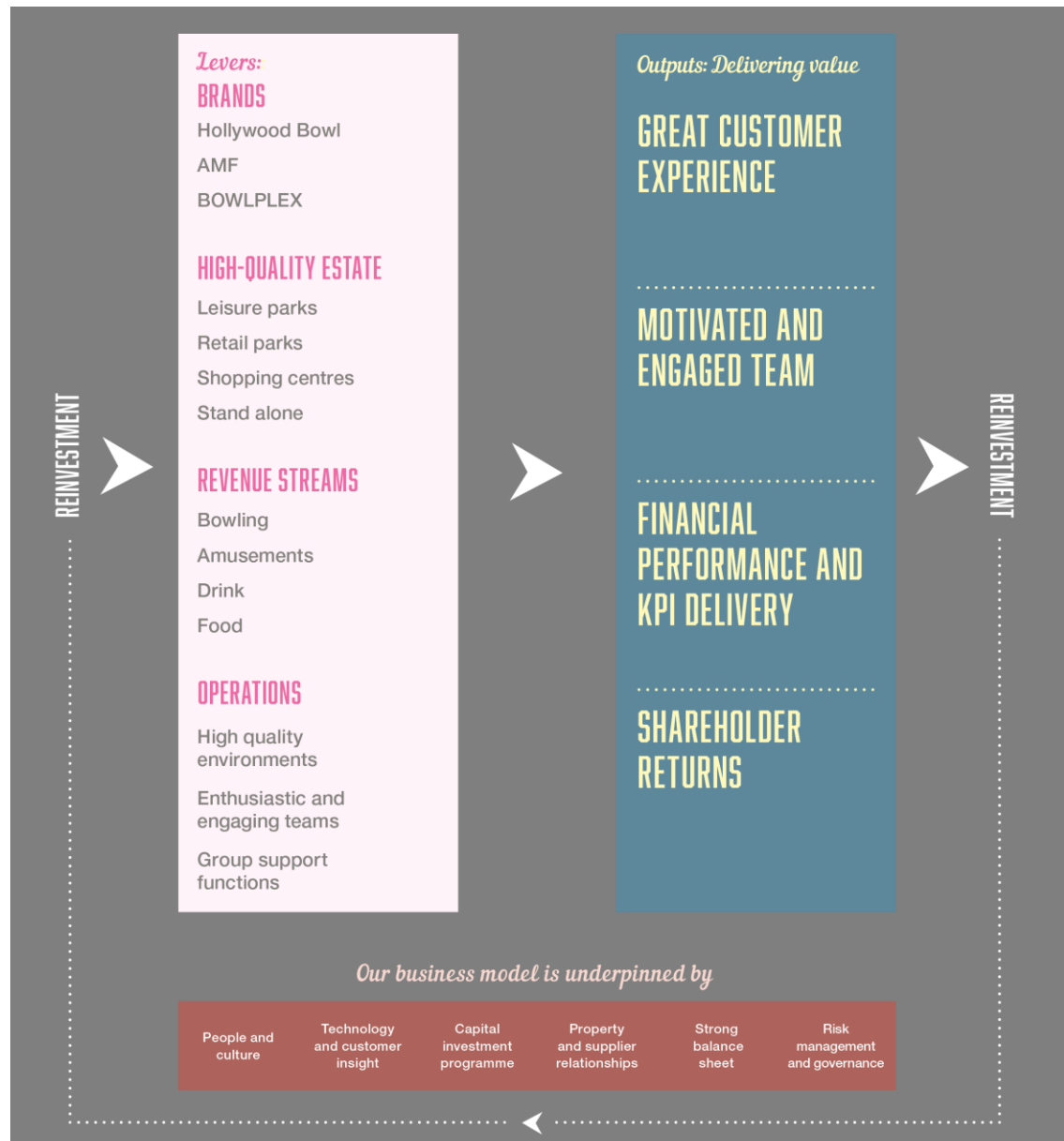


Results presentation

Year ended
30 September 2017

hollywood bowl
group

Continued delivery of our growth strategy



FY2017 Financial highlights

★ Record revenue in FY2017

★ LFL revenue growth driven by:

★ 3.1% games volume and

★ 0.5% growth in spend per game

★ Strong progress in investment programme

★ 3 new centres opened

★ 10 centres refurbished or rebranded

★ Strong balance sheet and excellent cash generation

★ Final ordinary dividend of 3.95p per share

★ Special dividend of 3.33p per share

Revenue Growth	LFL Revenue Growth
+8.8%	+3.5%
£114.0m	
(FY2016: £104.8m*)	(FY2016: +6.5%*)
Group Adjusted EBITDA	Operating Profit
+13.7%	+54.4%
£33.4m	£22.2m
(FY2016: £29.4m)	(FY2016: £14.4m)
Proposed Total Ordinary Dividend FY2017	Special Dividend
5.75p	3.33p

Operational highlights

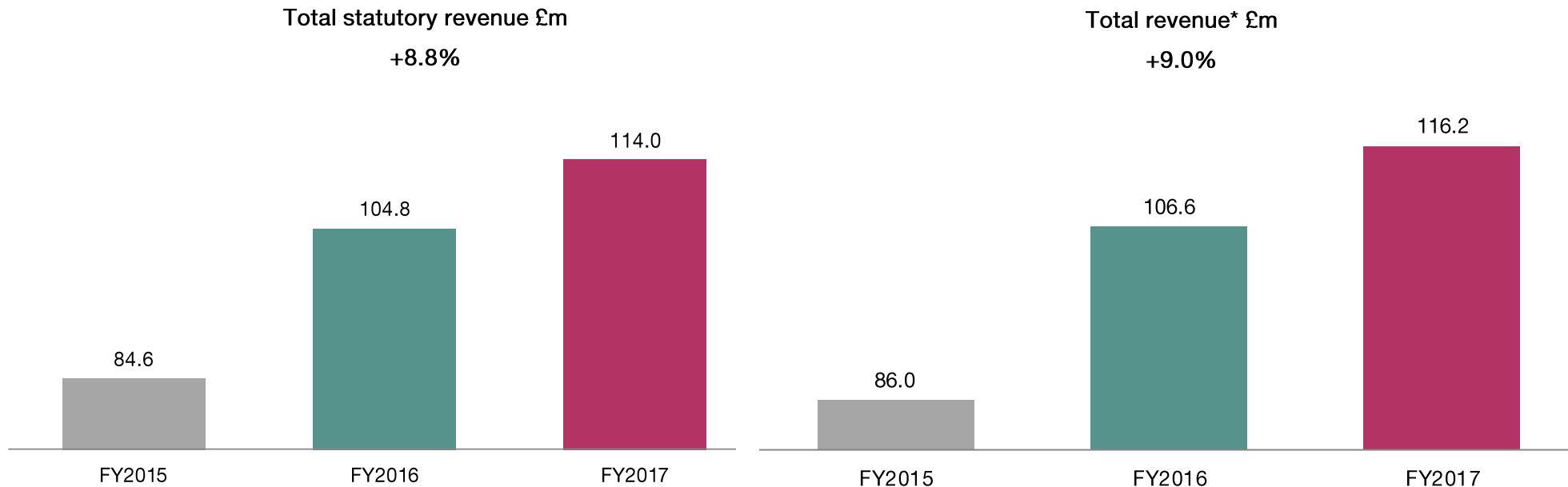
- ★ Bowlplex integration programme ahead of schedule
 - ★ 7 centres now rebranded, 4 in FY2017
- ★ Ongoing innovation of the customer proposition
 - ★ VIP lanes now in 40 centres
 - ★ New food menu launched
 - ★ Cashless amusements and Pins on Strings trial
- ★ Continued investment in technology platform
 - ★ Driving improved e-commerce, CRM and yield performance
- ★ Team member development programme delivering excellent results

58	Centres nationwide
13 M	Games played
£8.70	Average spend per game
6.2 M	Drinks sold
500k	Burger and fries sold
850	New amusement machines
356	Games per stop
1.6 M	Contactable customer database
2,000	Team members



Financial review

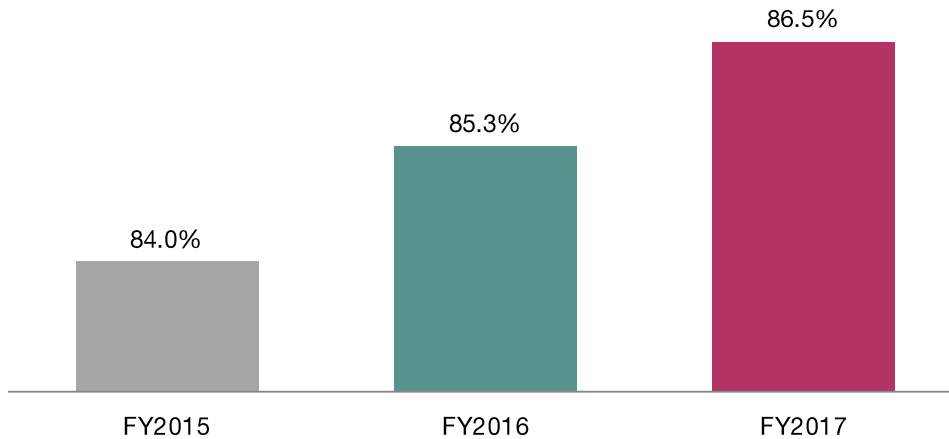
Performance summary



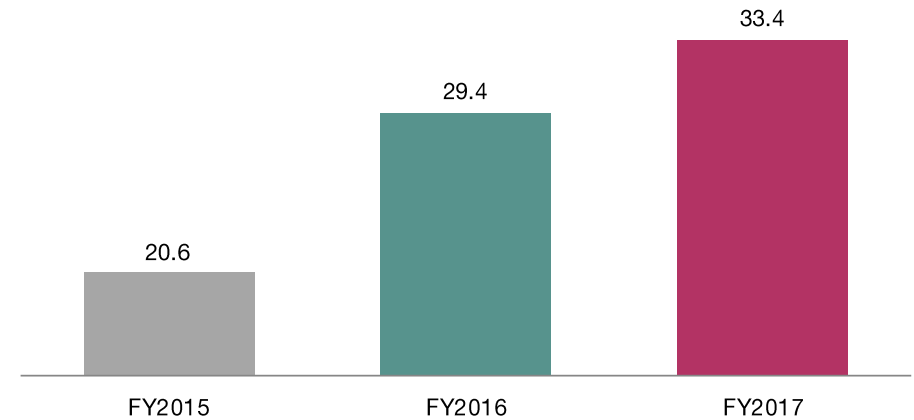
- ★ Review of key contracts and revenue recognition policy in anticipation of IFRS 15 adoption
- ★ Amusement revenue and cost of sales reclassification – effect for FY2016 £1.8m and FY2015 £1.4m
- ★ No effect on key Group KPIs – game volumes, average spend
- ★ No effect on gross profit, balance sheet, profit before tax or cash

Performance summary continued

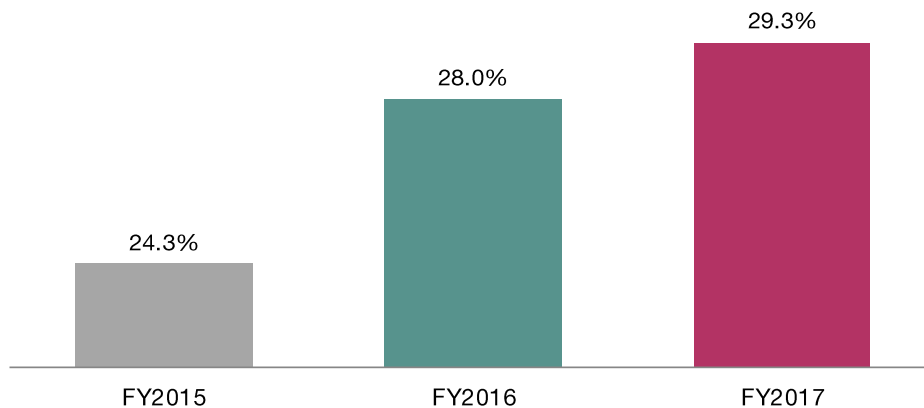
Gross Profit %: +1.2ppts



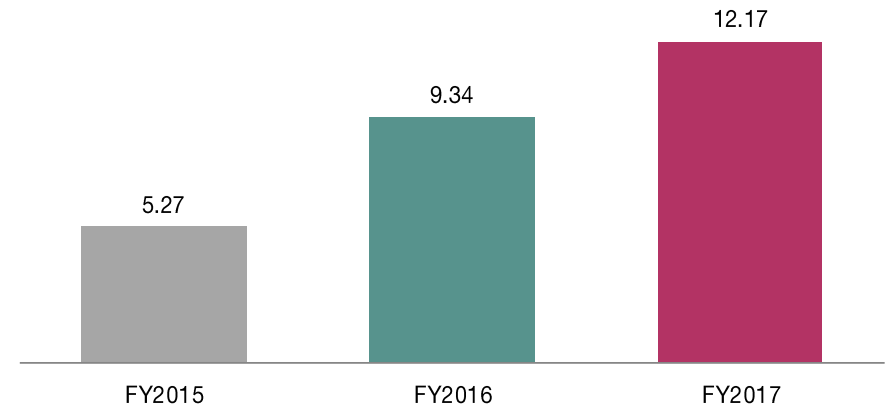
Group adjusted EBITDA £m: +£4.0m



Group adjusted EBITDA Margin %: +1.3ppts

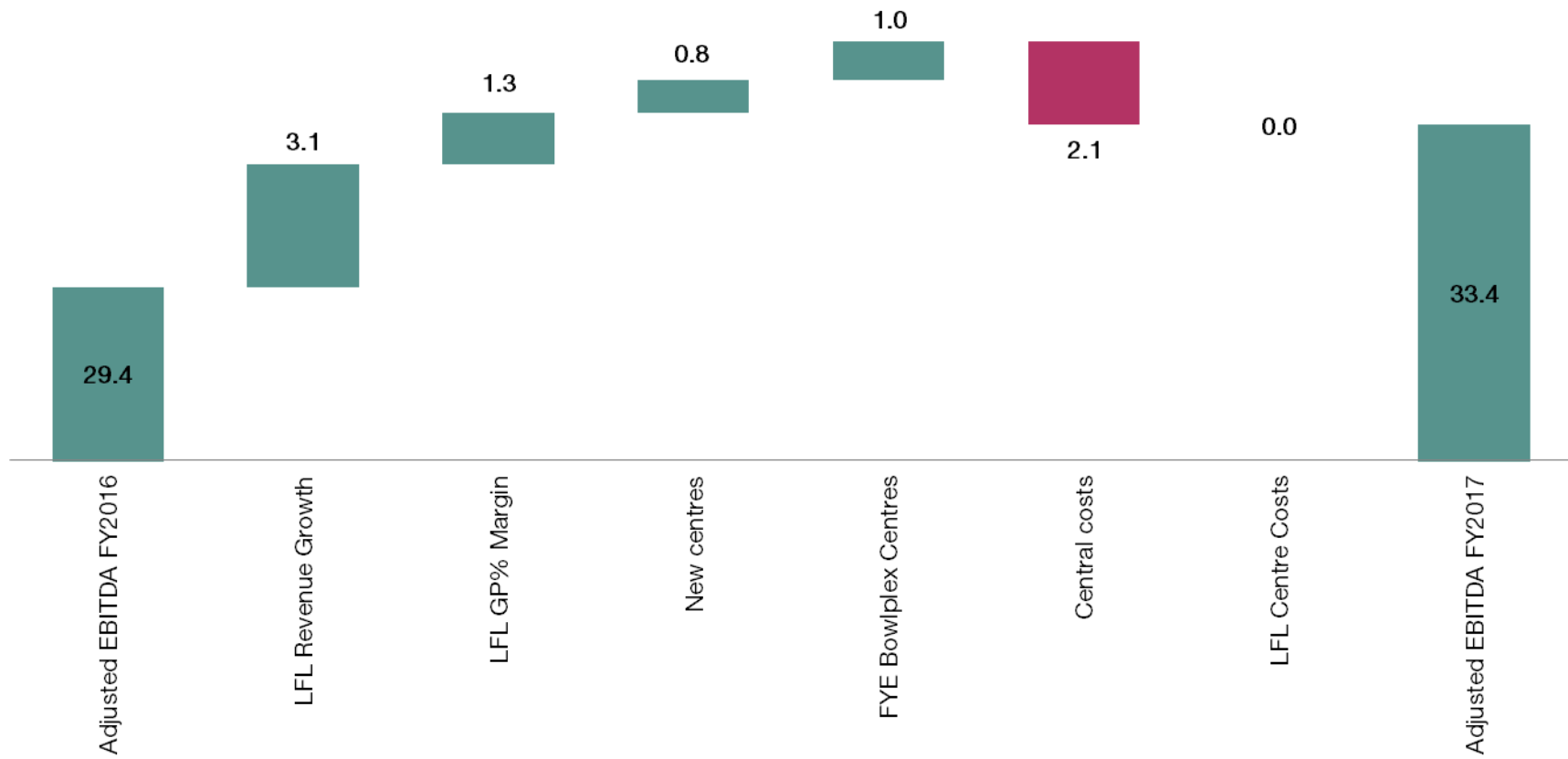


Normalised Earnings per share pence: +30.4%



EBITDA increased by 13.7%

★ Average LFL centre EBITDA up 8.9% to £786k (FY2016: £725k)



Income statement

(£m)	FY2017	FY2016	Movement
Revenue	114.0	104.8	+8.8%
Gross profit	98.6	89.4	+10.3%
Gross profit%	86.5%	85.3%	+1.2%pts
Administrative expenses/other income	(76.4)	(75.0)	
Operating profit / (loss)	22.2	14.4	+54.4%
Depreciation	10.0	9.3	
Amortisation	0.5	0.5	
Fixed asset disposal	0.6	-	
Exceptional items	0.0	5.2	
Adjusted EBITDA	33.4	29.4	+13.7%
Adjusted EBITDA margin %	29.3%	28.0%	+1.3%pts
Finance expenses	(1.1)	(11.9)	
Movement financial instruments	0.1	0.1	
Profit/(loss) before tax	21.1	2.6	
Tax (expense) /credit	(2.8)	(1.4)	
Profit/(loss) after tax	18.3	1.2	
Statutory EPS (pence)	12.17	1.12	
Normalised EPS (pence)	12.17	9.34	+30.4%

★ LFL revenue up 3.5%, with 2nd half LFL at 6.2%

★ Gross profit % increased due to FYE of new contracts and marginal increase in bowling mix

★ Operating profits up 54.4%

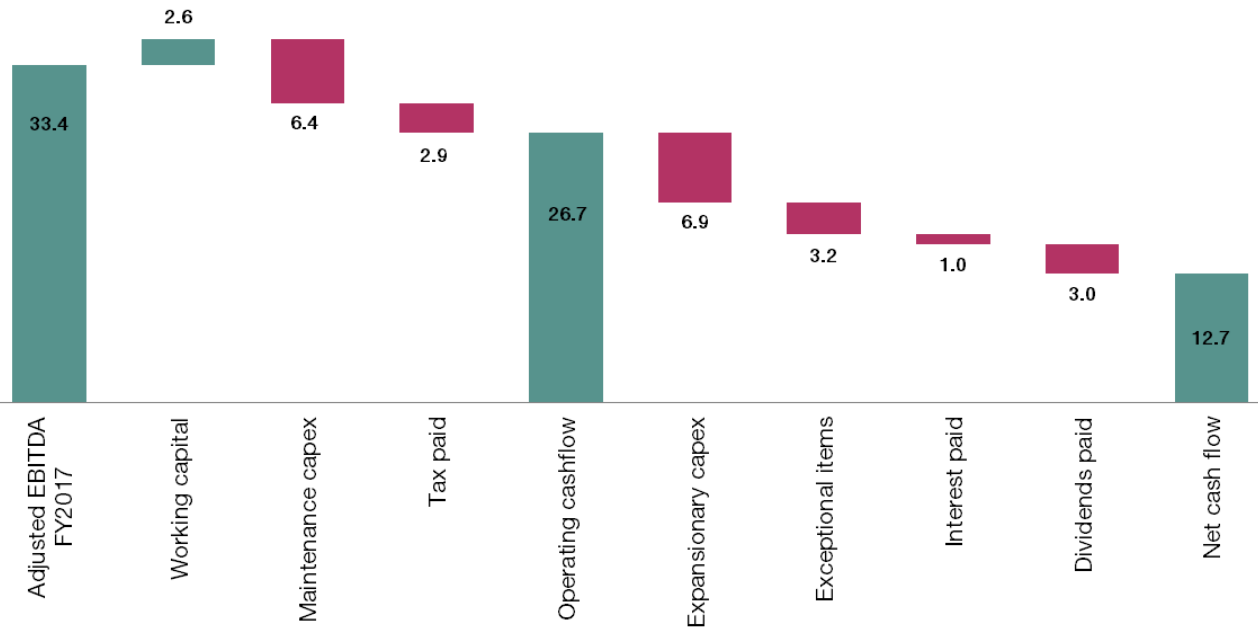
★ Adjusted EBITDA up 13.7% due to revenue growth and strong cost controls

★ Finance expenses decreased due to post IPO financing structure

★ Underlying EPS up 30.4%

Strong cash generation

£m



- ★ Group operating cash flow conversion of 79.9% (FY2016:80.7%)
- ★ Maintenance capex in line with expectations
- ★ Expansionary capex includes 10 refurbishments and 3 new centres
- ★ Exceptional items relates to IPO expenses and Liverpool lease payment
- ★ Initial debt repayment of £750k due in December 2017
- ★ Net cash inflow of £12.7m

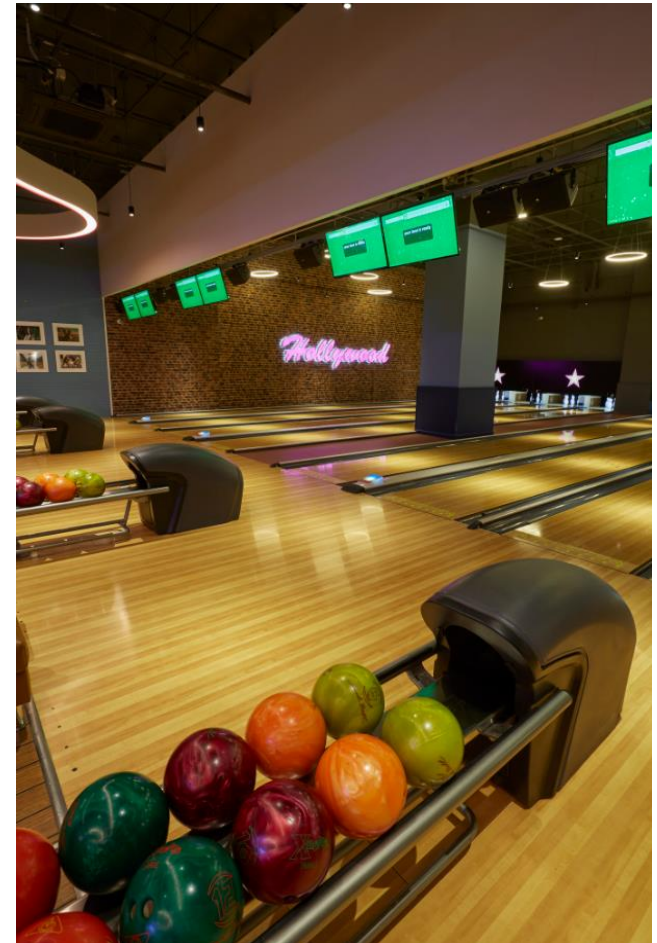
Capital allocation priorities

Balance Sheet efficiency

- ★ Net debt at £8.1m (FY2016: £20.8m)
- ★ Ordinary final dividend 3.95 pence per share
- ★ Special dividend 3.33 pence per share
- ★ Total cash returned to shareholders
9.08 pence per share - £13.6m
- ★ Total dividend yield* 5.7%

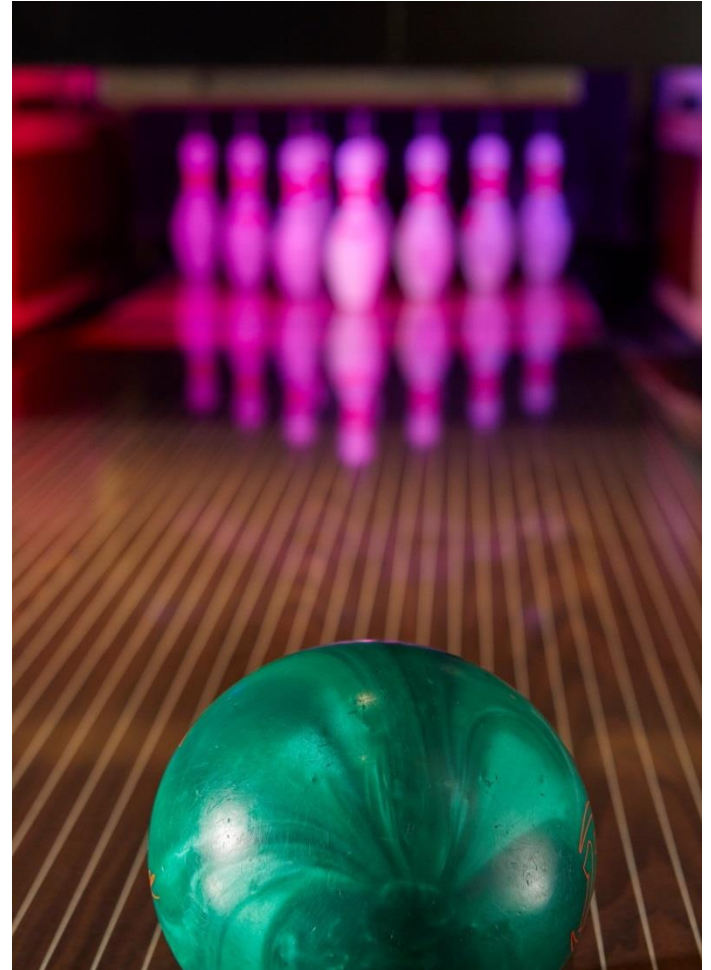
Priorities for cash – 1x net debt: EBITDA target

- ★ Capital investment in new and existing centres
- ★ Appropriate acquisition opportunities
- ★ To annually pay and grow the ordinary dividend
- ★ Further excess cash available for additional shareholder distribution



The year ahead

- ★ 7 – 10 refurbishments expected to be completed in FY2018
- ★ 2 new centres - Dagenham already opened on 4 October 2017
- ★ Total expansionary capital expenditure expected to be £5.0m - £6.0m
- ★ Maintenance capital expenditure expected to be £6.0m - £6.5m
- ★ Effective tax rate expected to be 21.3% in FY2018



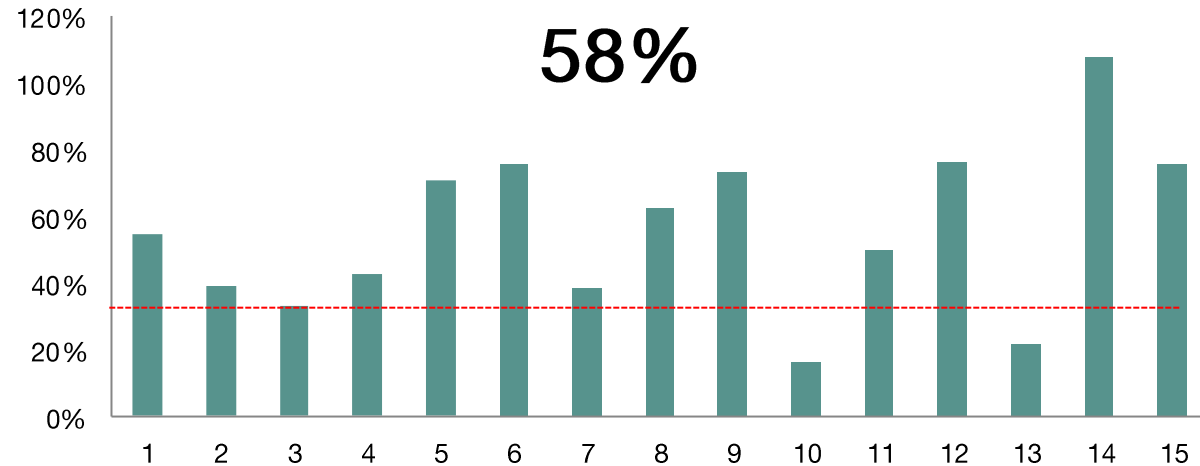


**Sustainable
profitable
growth**

Strong returns from refurbishments and rebrands

- ★ Game volumes up 5.4% vs non invested estate
- ★ LFL revenues continue to outperform at 11.0% up vs non invested estate
- ★ Average spend £340k per centre
- ★ VIP lanes now in 40 centres
- ★ 60% of the estate refurbished
- ★ On track to complete 7-10 in FY2018 including the rebranding of 4 Bowlplex centres

Return on investment



Strategy in action - refurbishments and rebrands

Hollywood Bowl refurbishment - Bentley Bridge

- ★ Centre rebranded to Hollywood Bowl in FY2011
- ★ 2nd generation refurbishment completed in FY2017 at cost of £316k
- ★ All areas of the centre upgraded including external signage, Hollywood Diner and VIP lanes
- ★ LFL revenue up 21.3% post investment
- ★ Games volumes up 2.2% vs non invested estate



AMF rebrand - Ashford

- ★ Refurbished and rebranded to Hollywood Bowl at cost of £333k
- ★ All areas of the centre upgraded including external signage, new bar and Hollywood Diner
- ★ LFL revenue up 39.8% post investment
- ★ Games volumes up 4.1% vs non invested estate



Technology-driven growth

Investment in platform

- ★ V2 proprietary scoring system rolled out
- ★ Core reservation and CRM system moved to cloud based infrastructure

New innovations introduced

- ★ Dynamic pricing supporting yield growth
 - ★ SPG impact over 2.5%
 - ★ Bowling market price position maintained
- ★ Digital VIP lanes on trial in Derby

Online revenues up 26% YOY

- ★ Cost effective digital advertising increasing website traffic
- ★ Mobile conversion improvements (now 54% of online revenue)
- ★ Personalised post bowling email programme encouraging second visit
- ★ Tactical promotional emails driving incremental revenues
- ★ Contactable database growth of 9%



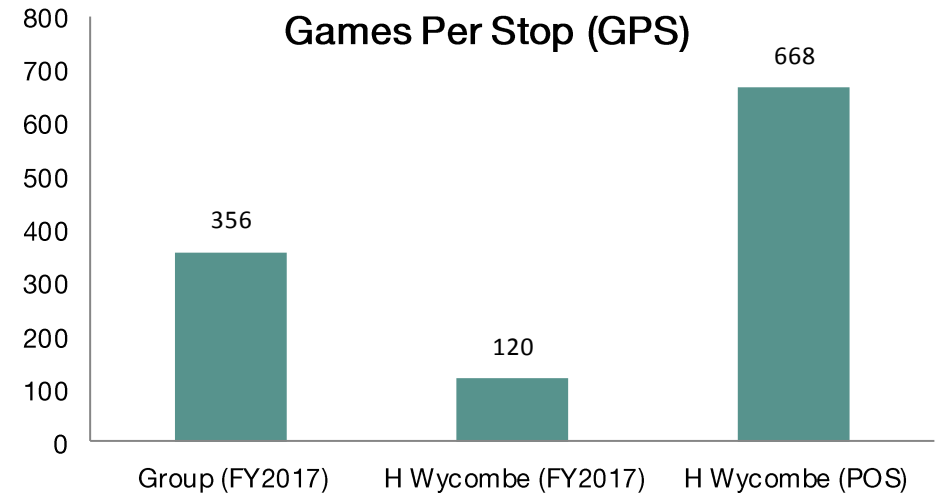
WHAT TIME WOULD YOU LIKE TO BOOK FOR?

< EARLIER DATE			THU 30/11/17	LATER DATE >	
13:00	BOOK NOW!	SAVE 9%*		£6.79	>
13:10	BOOK NOW!	SAVE 13%*		£6.49	>

New operational initiatives performing well

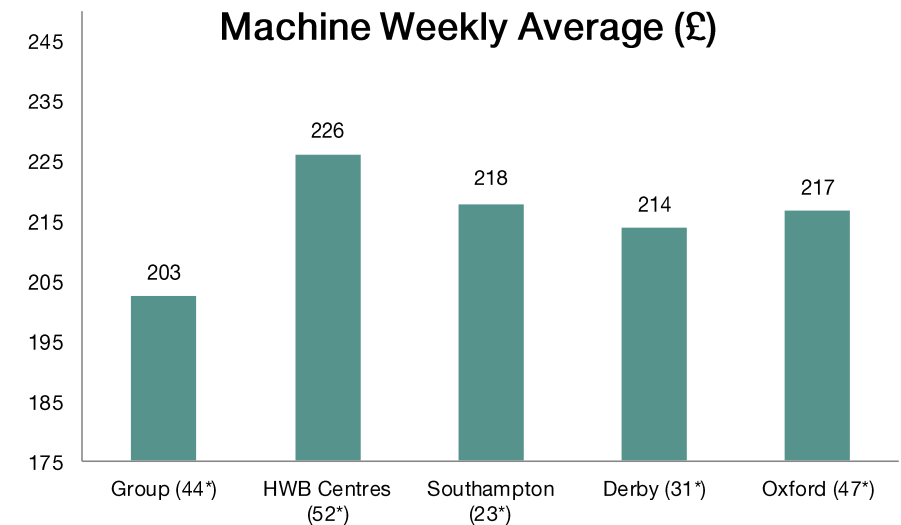
Pins on strings reducing downtime

- ★ Pins on strings trialled in 3 centres
- ★ Third trial installed in High Wycombe in September 2017
 - ★ Team labour and maintenance savings in line with expectations
 - ★ 25% payback forecasted
 - ★ Good customer feedback
- ★ Trial in a further centre in January 2018
- ★ Combined freefall and Pins on strings GPS up 15% to 356 to Sep FY2017



Cashless amusements update

- ★ Machine downtime reduced
- ★ Creation of HWB currency
- ★ Installed in Oxford November 2017
 - ★ Increased cost of sales as expected
 - ★ LFL sales in slight decline since install
 - ★ Upsell opportunities
 - ★ Positive customer feedback
 - ★ Continuing to evaluate trial



Core focus on team and culture

Training and Development

- ★ Over £260k invested in developing our team
 - ★ 36 promoted to assistant managers
 - ★ 7 promoted to centre managers
 - ★ Senior leadership development programme generated 5 Regional Support Managers and 2 functional heads of department

Reward and Recognition

- ★ Sector leading centre manager incentive scheme
 - ★ Average bonus of £15k (41% of salary), with top earners getting over 100% of salary
- ★ Centre Manager Conference
 - ★ Awards for top performers and USA trip for winners
- ★ SAYE scheme launching in January 2018



New centres performing ahead of expectations

- ★ Successful openings as we partner with retail landlords
- ★ Encouraging footfall data for landlords
- ★ Providing a platform for further new centre openings
- ★ Learnings from prior schemes and new innovations
- ★ Southampton, Derby and London O2 trading ahead of expectations
- ★ Dagenham has started well and will update in half year results



Centres over 40% up on payback expectations

Strategy in action – new centre openings

★ 01 ★

*Location
selection*

★ 02 ★

*Site
selection*

★ 03 ★

*Striking
the deal*

★ 04 ★

*Creating an
amazing
environment*

★ 05 ★

*Recruiting the
best team*

★ 06 ★

*The grand
opening!*



Strong pipeline secured to FY2020

Future growth from new centre pipeline

Strong pipeline secured to FY2020

Yeovil – FY2018

- Acquisition of centre
- Part of new L&G investment in scheme
- Trading with Cinema, restaurants and gym
- Strong catchment
- 18 lanes
- Capex requirement £580k

Liverpool – FY2019

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

intu 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
- 22,000 sq ft. / 14 lanes
- Capex requirement £1.5m

intu 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

intu Lakeside – FY2019

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



Target an average of two new centres per year



Outlook and summary

A positive outlook for the Group

- ★ Group continues to perform in line with the Board's expectations for the current year
- ★ Diversified revenue streams all in growth
- ★ Refurbishment programme driving strong returns and excellent customer feedback
- ★ Market leader with high quality, well invested estate led by experienced management team
- ★ Customer focused business leading the revitalisation of the sector
- ★ Significant market opportunity for future expansion and organic growth
- ★ Ongoing investment and innovation in the customer proposition and technology enablers
- ★ Strong new centre pipeline backed by disciplined site selection process
- ★ Consistent financial performance and returns driven by ongoing capital investment programme





Appendix

Management

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

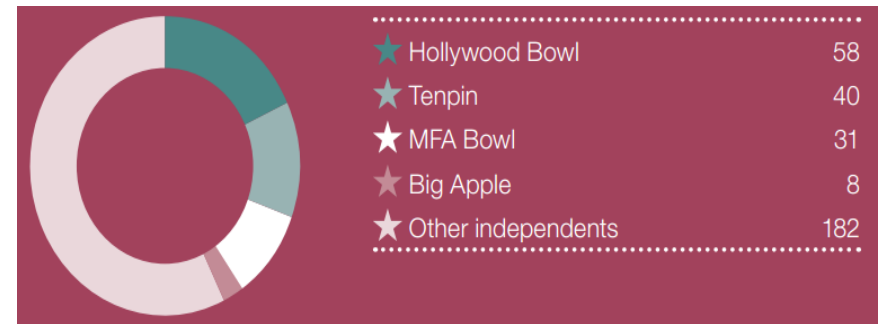
- ★ Laurence has a first class degree in business, mathematics and statistics from the London School of Economics and Political Science. He qualified as an ICAEW chartered accountant in 2000 and has been an ICAEW Fellow since 2012
- ★ His previous role was UK development director for Paddy Power from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



Ten-pin bowling market

A well established leisure sub-sector

- ★ UK leisure market worth an estimated £85bn in 2016
- ★ Ten-pin bowling generated c 0.3% of leisure sales in 2016 and was fastest growing sector
- ★ Bowling grew 6.7% in 2016 – the fourth consecutive year of growth
- ★ Fastest growing sector of the UK leisure market in 2016
- ★ 319 centres in market with ownership dominated by 3 major multiples



Multiple market growth drivers

- ★ Growth of the experience economy creating new site roll-out potential
 - ★ UK market underserved in bowling vs. cinema
- ★ UK retail park and shopping centre landlords allotting more space to leisure
 - ★ Leisure operator market penetration is still relatively low
- ★ Improving customer proposition broadening the customer appeal and driving average spend