

hollywood bowl group

RESULTS PRESENTATION

Year Ending 30 September 2016

Stephen Burns – Chief Executive Officer

Laurence Keen – Chief Financial Officer



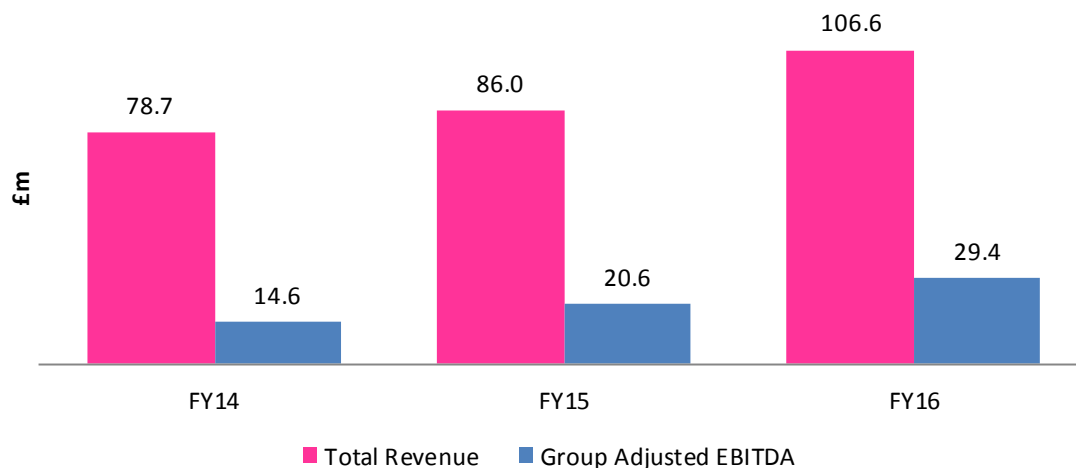
CONFIDENTIAL – December 2016

2016 Highlights

Revenue Growth	Group Adjusted EBITDA	LFL Sales Growth	Refurbishments Completed
+23.9% £106.6m (FY15: £86.0m)	+42.6% £29.4m (FY15 : £20.6m)	+6.8% (FY15 : +9.1%)	8 (FY15 : 7)

Operational highlights since IPO

- ★ Bowlplex integration and rebranding programme delivering ahead of expectations
- ★ Refurbishment programme on track
- ★ 2 new sites due to open in FY17
- ★ Proactive management of property portfolio
- ★ CRM strategy continues to gain traction



Management

Experienced and motivated management team with track record of success

Steve Burns
Chief Executive Officer



- Appointed MD in 2012, having joined the company in 2011 and appointed CEO in 2014
- Previously held senior positions at Nuffield Health and MWB Business Exchange

Laurence Keen
Chief Financial Officer



- Joined in 2014 as Finance Director and Company Secretary
- Previously held senior retail and finance roles at Paddy Power, Debenhams PLC, Pizza Hut and Tesco PLC

Building the foundations *2010 – 2011*

- Formed from the merger of selected leading sites of AMF and Hollywood Bowl in 2010
- Integration of the Hollywood Bowl estate (24 Centres) into the Group

Consolidation *2011 – 2014*

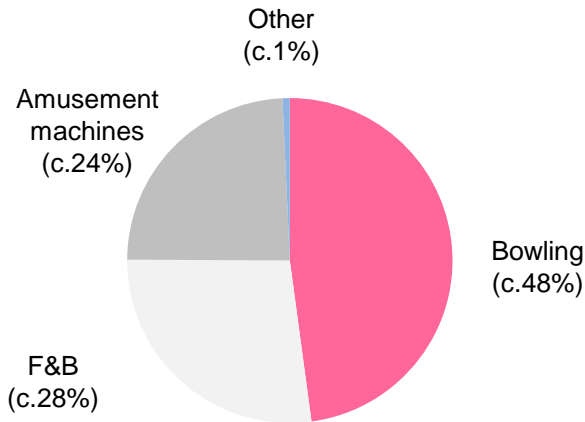
- Property portfolio rationalisation
- 4 new sites opened
- Closed 2 Centres
- Investment in sophisticated systems, processes and cultural development (e.g. customer contact centre, CRM, pricing levels)

Growth trajectory *from 2015*

- Successful ongoing refurbishment programme
- New site developments including urban bowl concept
- Innovation based on customer feedback
- Focused customer engagement
- Acquisition of Bowlplex in 2015 (11 sites)
- Listed on Main Market in September 2016

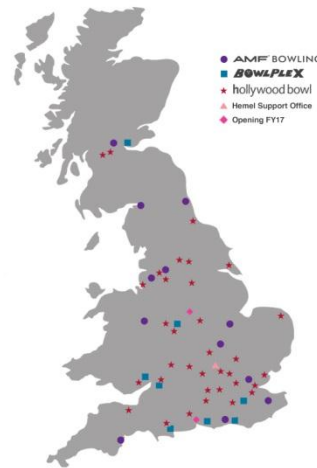
Business overview

Multiple revenue streams^(a)



National scale

54 Centres across the UK



Key stats^(b)

Customer engagement

No. of games played	12.1 M
Web site visits	5.1 M
Customer database	over 5 M contacts
Targeted emails sent	100 M+
Annual revenue from emails ^(c)	£5 M
Advanced booking revenue ^(d)	57%
Calls into customer contact centre	640 K

Hollywood Bowl has a high net promoter score of 58%

Centre Statistics

Average lease length	13.9 years
% of sites co-located with cinemas	c.74%

Number of loss making centres	0
Average no of lanes	24.2
Average square footage of centres	29,362
Total number of team members	1,745

Increase in spend per game

FY13	£7.13
FY14	£7.54
FY15	£8.12
FY16	£8.63

Strong customer understanding & engagement

- ★ Sophisticated CRM systems
- ★ Targeted digital marketing
- ★ Customer contact centre, online bookings and proprietary scoring system focused on improving customer satisfaction and family experience

Core focus on team and culture

- ★ Management programmes to attract, retain and nurture top talent
- ★ Highly targeted incentive structure for site managers
- ★ Hollywood Bowl has a high net promoter score and high levels of recognition

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

(b) FY16 unless otherwise stated

(c) Based on open unique email and booking within two weeks

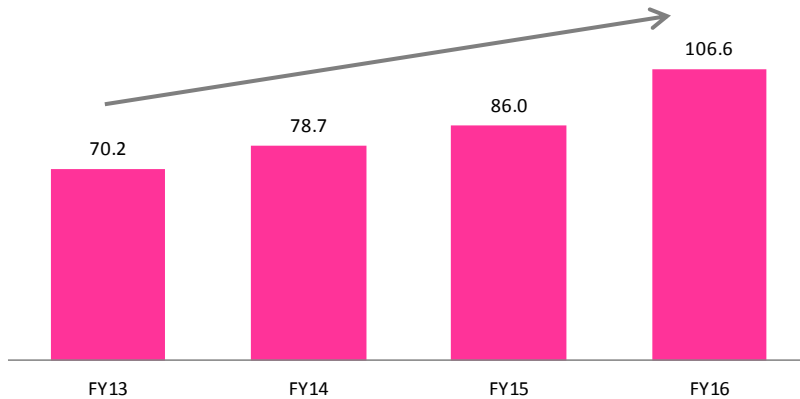
(d) of FY16 revenue

Financial Highlights

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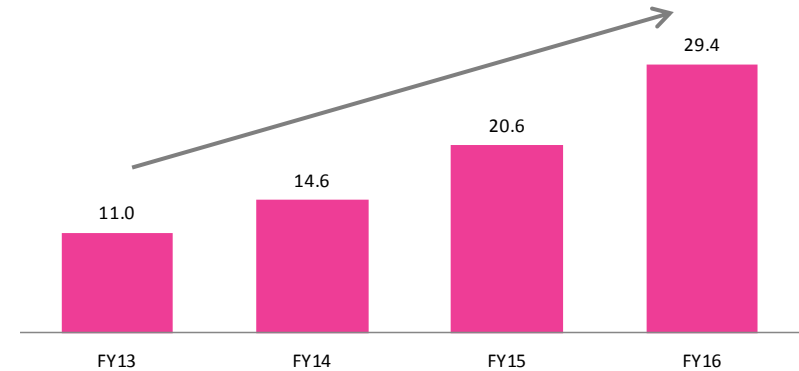
Revenue £m

☆ CAGR 14.9%



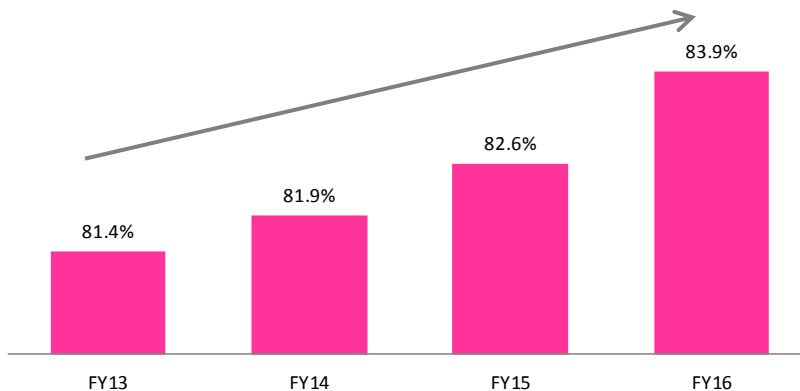
Group Adjusted EBITDA £m

☆ CAGR 38.8%



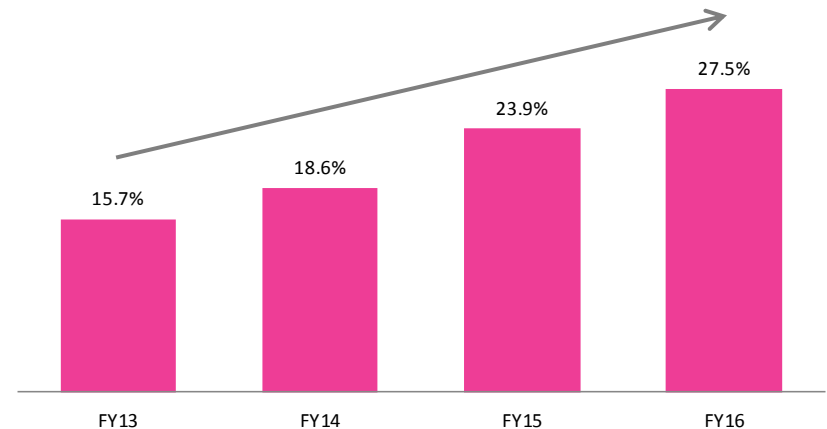
Gross Profit %

☆ Growth of 2.5%pts

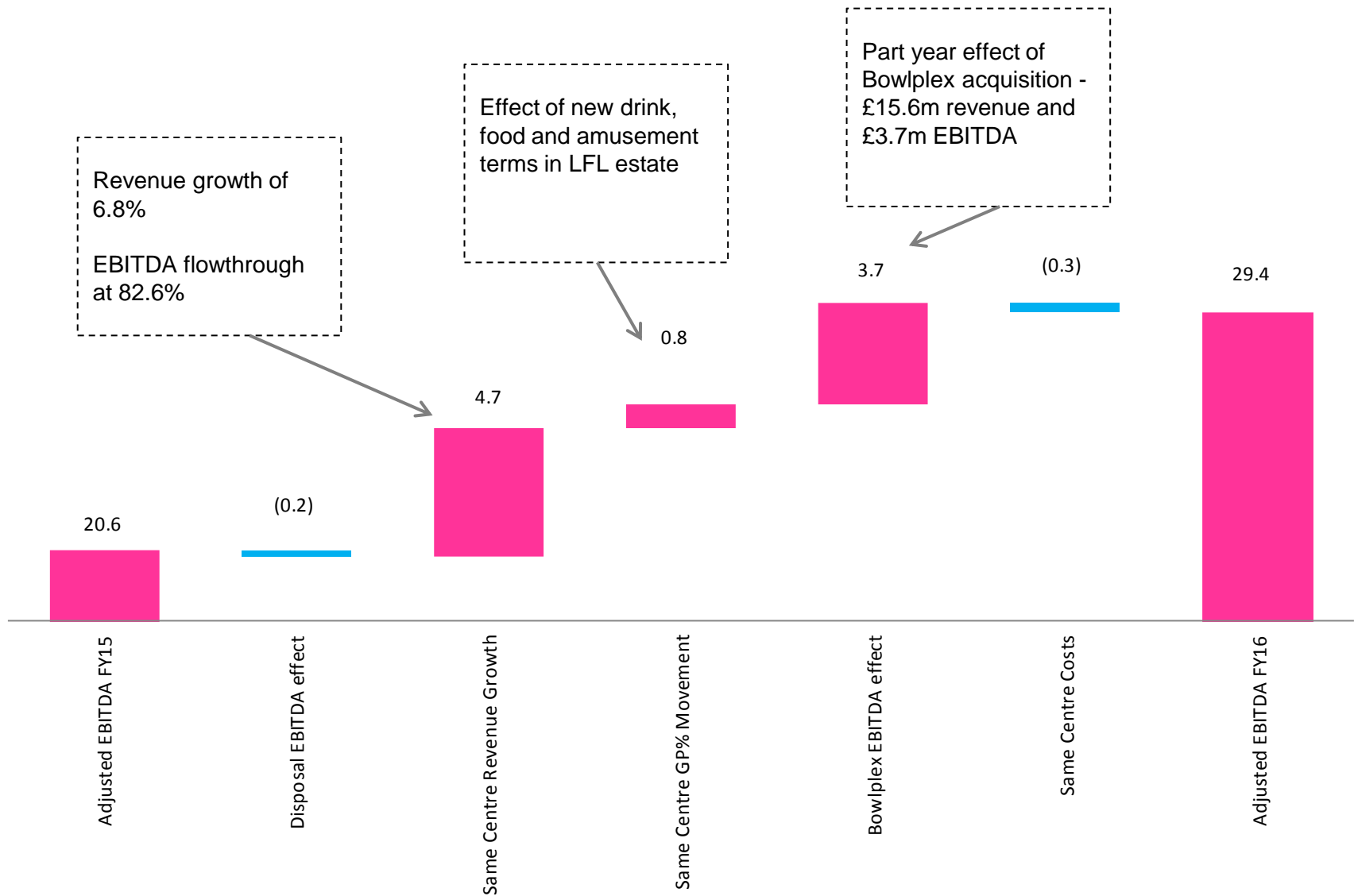


Group Adjusted EBITDA Margin%

☆ Growth of 11.8%pts



EBITDA Bridge



Income Statement (i)

(£m)	12 months to 30 September 2016	12 months to 30 September 2015	Movement
Revenue	106.6	86.0	+23.9%
Gross profit	89.4	71.1	+25.8%
Gross profit %	83.9%	82.6%	+1.3%pts
Administrative expenses /other income	(75.0)	(58.0)	
Operating profit/(loss)	14.4	13.0	+10.3%
Adjusted EBITDA	29.4	20.6	+42.6%
EBITDA margin	27.5%	23.9%	+3.6%pts

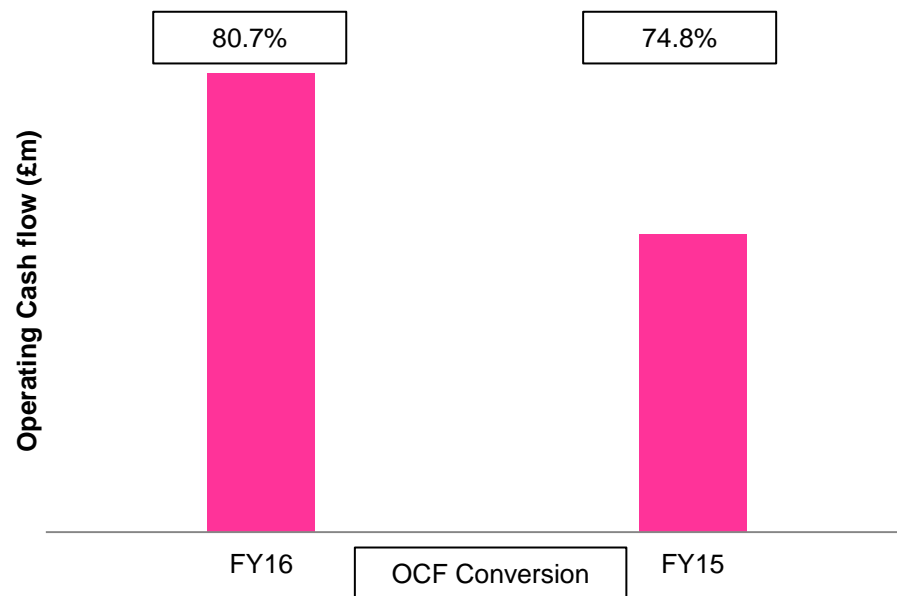
- ★ Revenue of £106.6m, growth of 23.9%
- ★ Same centre LFL up 6.8%
- ★ Gross Profit% increased due to movement in bowling mix and Bowlplex revenue mix
- ★ Group Adjusted EBITDA of £29.4m with a margin of 27.5%
- ★ Underlying operating expenses reduced as a % of revenue, from 68.3% to 65.5%

Income Statement (ii)

(£m)	12 months to 30 September 2016	12 months to 30 September 2015	Movement
Adjusted EBITDA	29.4	20.6	+42.6%
Depreciation	(9.3)	(7.8)	
Amortisation	(0.5)	(0.5)	
Exceptional items	(5.2)	0.7	
Operating Profit	14.4	13.0	+10.3%
Finance income	0	0	
Finance expenses	(11.9)	(8.1)	
Movement in derivative financial instruments	0.1	(0.1)	
Profit/(loss) before tax	2.6	4.8	
Tax (expense) /credit	(1.4)	(1.2)	
Profit/(loss) after tax	1.2	3.6	
EPS (pence)	1.12		

- ★ Exceptional costs were fees associated with the IPO and cost to exit Liverpool lease
- ★ Finance expenses include £3.5m of arrangement fees relating to bank loans and £6.9m on loan notes, which will be non recurring
- ★ Normalised EPS of 9.3p in FY 16 (see appendix for more detail)
- ★ Proposed dividend of 0.19 pence per share in respect of the period from IPO to year end

Group Cash Flow



£m (YE: September)	2016	2015
Capex		
Maintenance Capex ^(a)	5.8	4.4
Expansionary Capex ^(b)	3.5	3.7
Total Gross Capex	9.3	8.1
Cash flow		
Adj. EBITDA	29.4	20.6
Change in working capital	2.5	1.1
Maintenance capex	(5.8)	(4.4)
Tax paid	(2.3)	(1.8)
Operating cash flow (pre expansionary capex + interest)	23.7	15.4
% OCF conversion	80.7%	74.8%

Increase due to Bowlplex and strategy of improving the overall standards of centres

Expansionary Capex includes all refurbishments and new centres

(a) Maintenance capex = maintenance expenditure + net amusement expenditure

(b) Expansionary capex = refurbishment expenditure + new Centre expenditure (excludes landlord contributions)

Group Balance Sheet

(£m)	12 months to 30 September 2016	12 months to 30 September 2015
PPE	37.3	30.9
Intangibles	79.2	66.2
Stock	1.0	0.7
Trade and other Receivables	10.2	8.0
Cash	9.2	14.7
Creditors and Provisions	(30.3)	(25.7)
Gross Debt	(30.0)	(93.3)
Deferred Tax	(2.2)	(1.8)
Net Assets	74.4	(0.2)

- ★ Net debt of £20.8m (0.71 times EBITDA)
- ★ Net asset movement due to the acquisition of Bowlplex and conversion of investor loan notes to equity pre IPO

Operational Progress

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Customer focused operation

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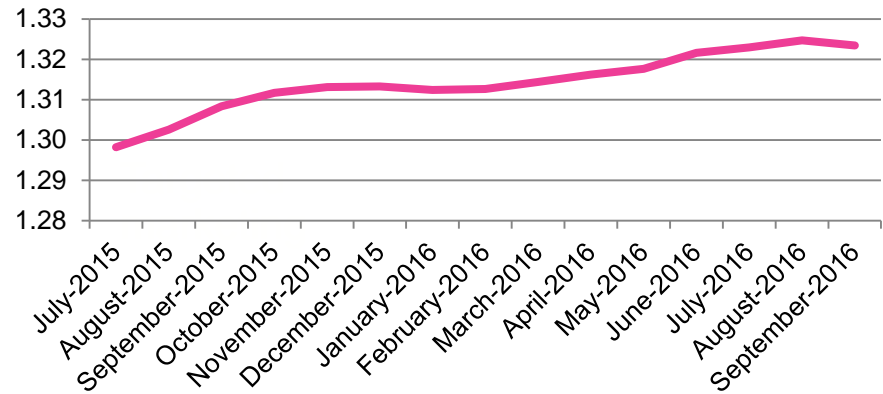
Creating a reason to return

- ★ Continued improvements in the customer offering, NPS 58% average during 2016
- ★ Improved F&B offer and amusement machines
- ★ Customer spend per game increased by 6.2% to average of £8.63 during the year.
- ★ Game volumes increased YOY by 16.2%
- ★ Maintenance standards improved, 37% improvement in GPS YOY, helping drive capacity management

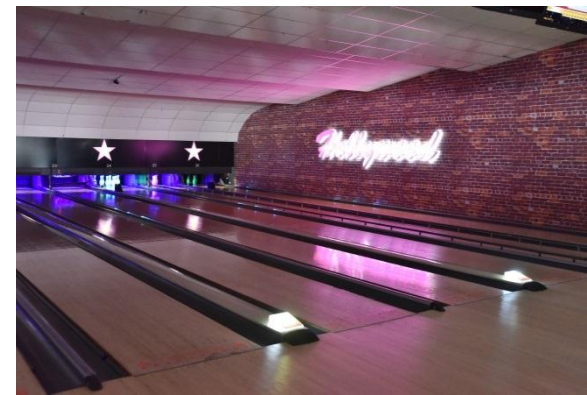
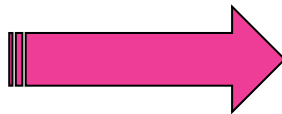
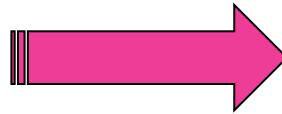
Relevant and targeted communications

- ★ HWB Group scoring system now in 22 centres
- ★ Scoring system version 2 developed
- ★ 5.1m web visits up 25% YOY with 65% via mobile devices
- ★ £5m revenue generated from email programme this year
- ★ Tactical emails mitigating the impacts of adverse trading conditions
- ★ Digital and CRM team established

Increasing frequency - LTM



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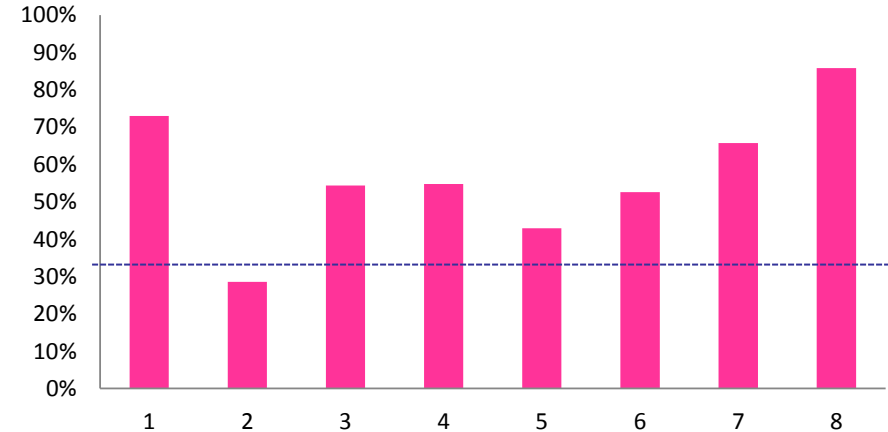


Refurbishment and Rebrand Programme

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- ☆ Average ROI of 52% during FY 2016 vs a target 33% return
- ☆ 5 centres refurbished during 2016
- ☆ Also 3 Bowlplex rebrands on course to outperform expectation
- ☆ Games volumes up 5.8% vs non invested estate
- ☆ 37% of existing estate refurbished

Return on Investment



33%

Target ROI

+51%

52%

Achieved average ROI*

**WE*VE ALWAYS BEEN FUN
NOW WE'RE GOOD
LOOKING TOO!**

**INTRODUCING YOUR ALL NEW
HOLLYWOOD BOWL BOLTON**

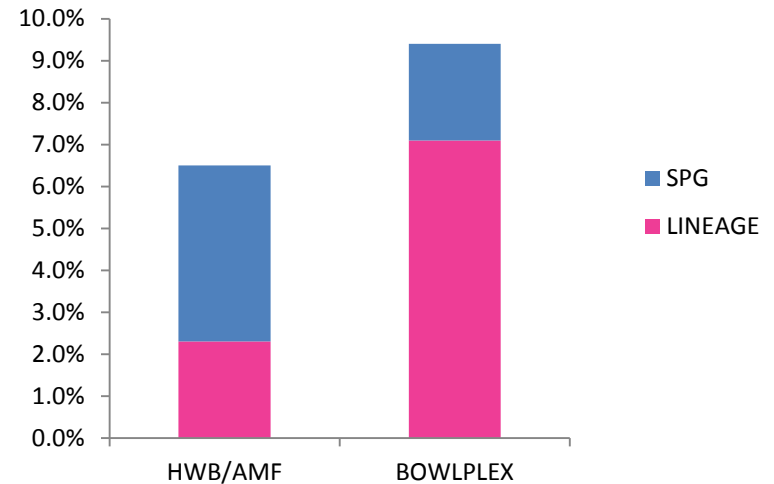


* Forecasted on run rate to 30 September 2016

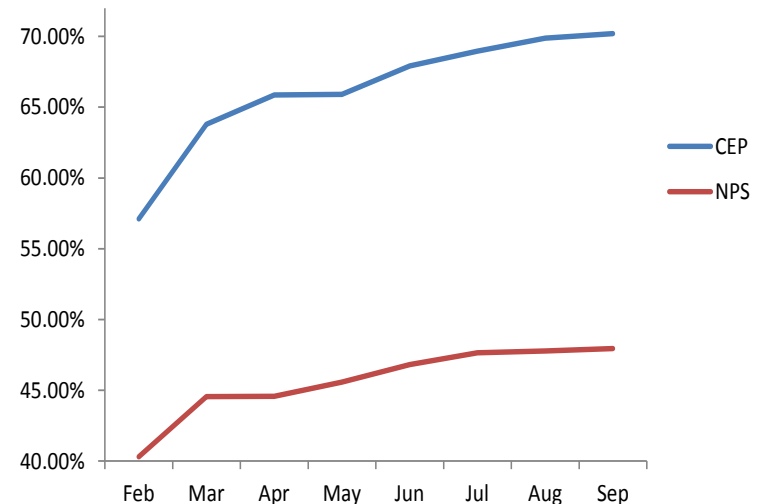
Bowlplex Integration

- ★ Transformational acquisition
- ★ 11 Bowlplex centres added to the estate
- ★ Business integration programme now complete;
 - ★ All centres migrated onto HWBG CRM, reservations and sales systems
 - ★ HWBG customer service systems in place
 - ★ Bowlplex adopted HWBG HR and people processes
 - ★ Upgraded 9 new Centre Managers
 - ★ Amusement model now in line with rest of the group
 - ★ All supplier contracts aligned
- ★ 3 centres re-branded and refurbished during the period, refurbished centres trading 18% ahead YOY
- ★ Plan to refurbish and rebrand 3 centres per year, Brighton will complete in December, with Tunbridge Wells and Portsmouth in the design phase

Year on year Like for Like growth



Bowlplex customer feedback scores since ownership



Development of New Centres

★ Southampton Watermark scheme opening December 2016

- ★ 18,000sq ft.
- ★ 16 lanes
- ★ Cashless amusements offer

★ Derby Intu scheme on site, scheduled for opening April 2017

- ★ 22,000sq ft
- ★ 18 lanes

★ Healthy pipeline of new opportunities

- ★ 2 new centres for FY18 due to exchange within next month
- ★ 5 centres in advanced stages

	Southampton	Derby*
Gross capex	£2.4m	£2.4m
Landlord contribution	£1.0m	Nil
Net capex	£1.4m	£2.4m

* Rent reduction of £100k every year for first 7.5 years of lease



Summary and Outlook

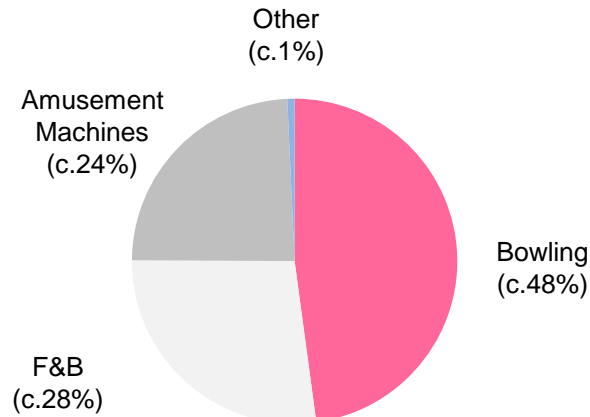
- ★ Completed listing on London Stock Exchange
- ★ Strong financial performance of the business across all key metrics
- ★ Successful execution of growth strategy
 - ★ Transformational acquisition and integration of Bowlplex
 - ★ Refurbishment programme on track
 - ★ Strong pipeline of new centres
- ★ Ongoing investment in customer proposition and CRM platform driving good returns
- ★ Completed Liverpool regear
- ★ Current trading in line with Board expectations
- ★ Board are confident in the long term prospects of the business

Appendix

Key Strengths

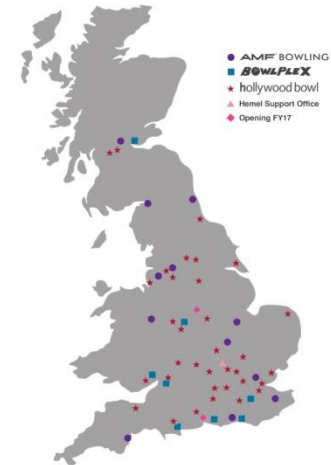
- ★ Leading family leisure operator with national scale
- ★ Impressive financial returns
- ★ Industry leading growth
- ★ Experienced and motivated leadership team
- ★ Multiple levers for growth

Multiple revenue streams^(a)



National scale

54 Centres across the UK



Strong customer understanding and engagement

- Sophisticated CRM systems
- Targeted digital marketing
- Contact centre, online bookings and proprietary scoring system focused on improving customer satisfaction and family experience

Core focus on team and culture

- Management programmes to attract, retain and nurture top talent
- Highly targeted incentive structure for site managers
- Hollywood Bowl has a high net promoter score and high levels of recognition

Board of Directors and Senior Management

Board of Directors

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

Bill Priestley – Non-Executive Director

- Chief Investment Partner at Epiris
- Joined Epiris in 2014 after having previously held the roles of Co-Chief Executive Officer and Managing Director at LGV Capital

Nick Backhouse – Senior Independent Non-Executive Director

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

Claire Tiney – Non-Executive Director

- Joined the Group in 2016
- Remuneration Committee Chairman
- Currently 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

Senior Management

Melanie Dickinson – Talent Director

Mathew Hart – Commercial Director

Adjusted Underlying Earnings per Share

(£000)	12 months to 30 September 2016	12 months to 30 September 2015
Profit before taxation	2,574	4,765
Exceptional costs within administrative expenses	5,163	(722)
Exceptional costs within finance expenses	2,995	-
Shareholder interest	6,886	5,646
Adjusted underlying profit before taxation	17,618	9,689
Tax (expense) /credit	(3,614)	(1,788)
Adjusted underlying earnings after tax	14,004	7,901
Earnings per share* (pence)	9.3	

* Based on the 150m shares in issue