INTERIM RESULTS PRESENTATION

HALF YEAR ENDED 31 MARCH 2021

hollywood bowl
group plc

AGENDA

- H1 FY2021 summary
- Financial performance
- Operational progress
- Ready to reopen
- Well positioned for the future

H1 2021 SUMMARY

Strong financial and operational performance when centres were able to open in the period

- October half term 86% of prior year revenues with only 67% of lanes available
- No structural change to customer engagement, spend per game and dwell time all in line with pre-COVID levels
- Puttstars new centre openings trading in line with expectations

Well positioned to recover to pre-pandemic performance

- Proactive liquidity management during the period with welcome support from our shareholders and lenders
- Resumption of our capital deployment plans for revenue generating and cost saving initiatives
- 2 new high-quality locations agreed since placing
- 3 locations in negotiation for Hollywood Bowl and 8 for Puttstars increasing overall target to 14-18 new centres by 2024
- 2 refurbishments completed pre reopening
- Strong customer demand expected to continue upon 17 May reopening

FINANCIAL PERFORMANCE

INCOME STATEMENT ON PRE IFRS 16 BASIS

(£m)	H1 FY 2021	H1 FY 2020	Movement
Revenue	12.0	69.2	(82.6%)
Gross profit	10.8	59.3	(81.7%)
Gross profit%	90.1%	85.6%	+4.5%pts
Administrative expenses	(19.9)	(36.9)	(46.0%)
Corporate costs	(3.8)	(6.1)	(37.2%)
Group Adjusted EBITDA	**(7.5)**	**21.6**	
Group Adjusted EBITDA %	**(10.8)%**	**31.3%**	

- Total revenue down 82.6% with only 6.5 weeks of centres trading
- Gross profit loss of £48.5m due to lockdown
- Grants worth £1.6m and furlough credit of £6.4m (with associated cost to the business of £1.4m)
- Cost saving in operating costs during lockdown of 46%
- Reduction in corporate costs of 37.2%
- Group adjusted EBITDA loss of £7.5m

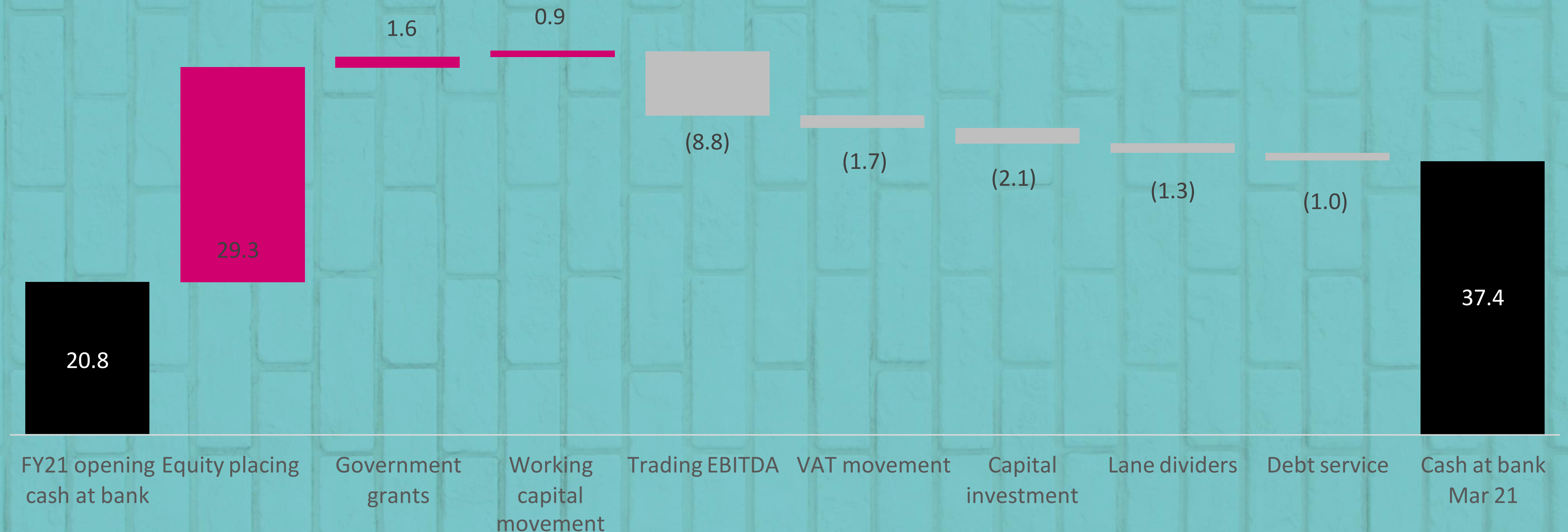
INCOME STATEMENT

(£m)	H1 FY 2021	H1 FY 2020	Movement
Group Adjusted EBITDA	**(7.5)**	**21.6**	
Add back Rent FY2020	7.6	7.7	
Group Adjusted EBITDA	**0.2**	**29.3**	
Depreciation and amortisation	(10.2)	(9.9)	+1.0%
Loss on disposal of assets	-	(0.0)	(100%)
Exceptional (costs)/income	-	-	
Operating profit	**(10.1)**	**19.5**	
Net finance expenses	(4.5)	(4.3)	(5.1%)
Profit before tax	**(14.5)**	**15.2**	
Tax expense / (credit)	2.9	(2.9)	
Profit after tax	**(11.6)**	**12.2**	

- IFRS 16 now comparable with prior year
- IFRS 16 PBT impact of £1.1m due to front end loaded leases
- No exceptional costs in FY2021 although a total cash outflow of £0.8m associated with equity placing
- Corporation tax repayments of £0.6m due to tax paid in FY2020
- Tax losses also to be carried back to FY2019, worth £0.4m
- Loss after tax of £11.6m

PROTECTING CASH PRIOR TO REOPENING

- Employees – 99% of team members furloughed since Jan 2021
- Trade creditors reduced by £3.6m compared to year end
- Tightly managed maintenance and utility costs as well as commenced solar panel install negotiations
- Refurbishments and capital investment projects – Stevenage and Basildon completed / 2 POS installs
- Operational cash burn of £7.1m during H1
- Capex spend of £9m - £11m for balance of year



*Excludes £10m CLBILS

PROACTIVE LIQUIDITY MANAGEMENT

- **31 March 2020** Balance sheet strength, cash at bank £15.6m, gross debt at £30.3m
- **April 2020** 5% equity placing completed £10m RCF under CLBILS agreed along with amended leverage covenants for following 12 months.
- **September 2020** Bank facility extended by 12 months – to mature September 2022
- **November 2020** Waiver of leverage and cash flow covenants for following 6 months, replaced with liquidity tests
- **February 2021** Liquidity test relaxed for March 2021. Replaced leverage and cash flow covenants with liquidity tests for FY2021
- **March 2021** 8.3% equity placing completed in order to restart investment programme as well as restructure debt facility prior to September 2021
- **31 March 2021** Cash at bank £37.4m, gross debt £29.2m

Bank Covenants

Date	Leverage	Cash flow	Liquidity
March 21	Waived	Waived	£10m
June 21	Waived	Waived	£15m
Sep 21	Waived	Waived	£20m
Dec 21	1.5:1	1:1	N/A
March 22	1.5:1	1:1	N/A
June 22	1.5:1	1:1	N/A

CLARITY ON PROPERTY CONCESSIONS AND DEFERRALS

	H2 FY 2020	H1 FY 2021	Total
Write offs	£4.0m	£2.1m	£6.1m
Deferred with agreement	£1.0m	£1.3m	£2.3m
Paid	£2.1m	£3.6m	£5.7m
Deferred no agreement	£1.1m	£1.2m	£2.3m
TOTAL	**£8.2m**	**£8.2m**	**£16.4m**

CASH MANAGEMENT-NO IMPACT ON INVESTMENT

Cash benefits in H1FY2021	Cash received	Costs waived	Cash deferred
Government support	£7.2m	£3.2m	-
Suppliers	-	-	£1.2m
Landlords (rent only)	-	£2.1m	£2.5m
TOTAL	**£7.2m**	**£5.3m**	**£3.7m**

Cash commitment to repay deferrals	H2 FY2021	H1 FY2022	FY2023 or later
Government support (VAT time to pay)	£1.1m	£0.7m	-
Suppliers	-	-	£1.2m
Landlords	£4.1m	-	£0.5m

BALANCE SHEET

(£m)	H2 FY 2020	H1 FY 2021	Movement
Intangible Assets	78.0	78.4	(0.4)
Property, plant and equipment	46.4	48.8	(2.4)
Right-of-use assets	130.3	132.8	(2.5)
Inventories	1.3	1.5	(0.2)
Deferred tax asset	7.8	3.0	4.8
Trade and other receivables	2.3	3.0	(0.7)
Corporation tax receivable	0.7	1.3	(0.6)
Cash and cash equivalents	37.4	15.6	21.7
Total Assets	**304.2**	**284.5**	**19.7**
Trade, other payables and provisions	(10.7)	(16.2)	(5.5)
Lease liabilities	(172.9)	(164.7)	8.2
Loans and other borrowings	(28.9)	(30.1)	(1.2)
Total Liabilities	**(212.6)**	**(211.0)**	**1.6**
NET ASSETS	**91.6**	**73.4**	**18.2**

- Right-of-use asset of £130.3m netted off with lease liabilities of £172.9m
- Reduction in rent pre-payments due to lower rent payments in H1 compared to prior year
- Decrease in creditors due to unwinding of trade creditors and reduced bonus provisions
- Reduction in borrowings due to capital repayments

WELL-POSITIONED FOR GROWTH

LONG TERM STRATEGY REMAINS UNCHANGED WITH ENHANCED OPPORTUNITES TO ACCELERATE GROWTH

ORGANIC GROWTH

Enhancing the customer experience

- Increasing dwell time through customer focused culture and innovation
- Focus on sales, service and safety superiority
- Attracting and retaining top team member talent

Increasing spend per game

- Refining our F&B menu
- Investing in the amusement offering

Leveraging technology to unlock growth

- Increasing digital sales and yield performance
- Roll out of best in class scoring and bowling systems

Broadening the appeal to new customers

- Maximising engagement through targeted, relevant marketing

INVESTMENT LED GROWTH

Maintaining a high-quality, profitable estate

- Rolling refurbishment programme which prioritises spend on guaranteed returns

Increase new centre pipeline for Hollywood Bowl and Puttstars brands

- Secure new centres that complement existing high-quality portfolio
- Target of opening 14-18 new centres by 2024

Growing market share through customer engagement

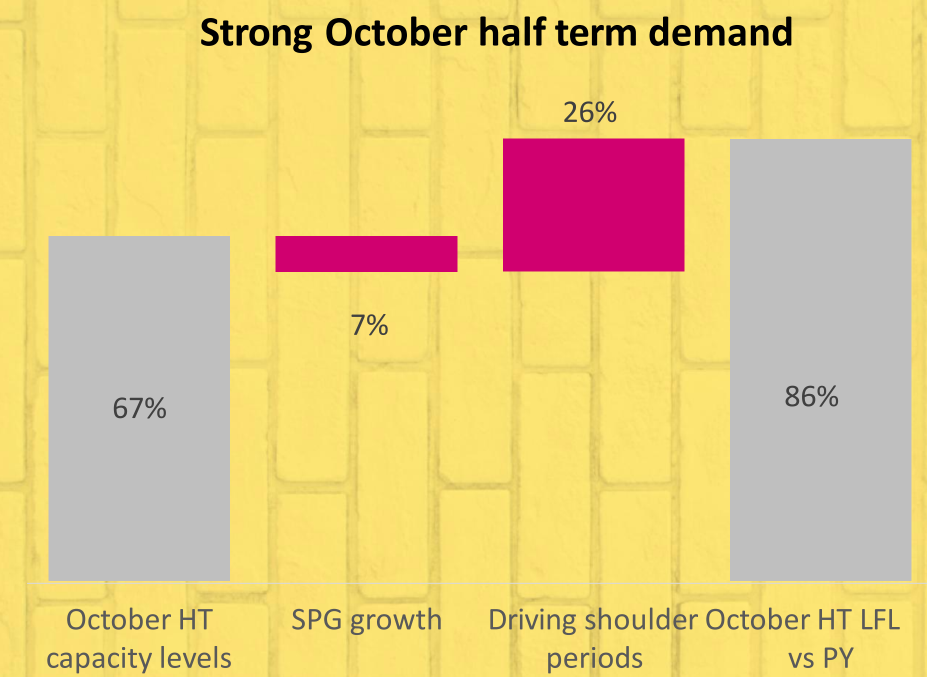
- Refocusing the proposition towards family leisure, improving ancillary product offerings

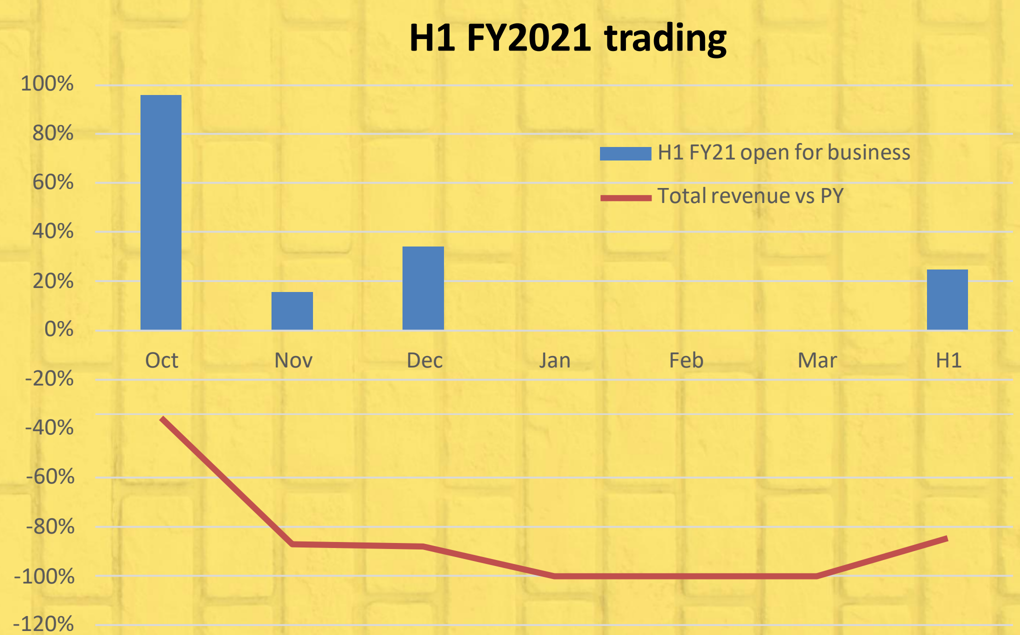
Altered competitive landscape with strategic profit enhancing acquisitions

- Opportunities that suit the Group's location and demographic criteria

POSITIVE TRADING FOR BOWLING CENTRES WHEN OPEN IN H1

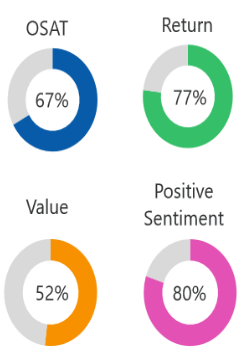
- By October half term, 28 centres benefitted from lane seating dividers, increasing utilisation to 67%
- October SPG was impacted by overall capacity and dwell restrictions and early morning deals
- Game volumes increased with focus on lane turn incentivised
- All lane available with lane seating dividers installed ready for reopening on 17th May
- Closures limited trading in H1 to 24.6% of available weeks
- December easing of restrictions only permitted 37 centres to open pre-Christmas
- Final 8 centres closed on 30th December

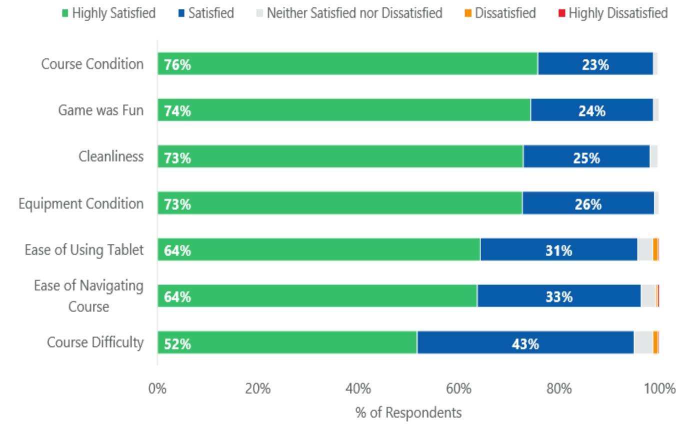


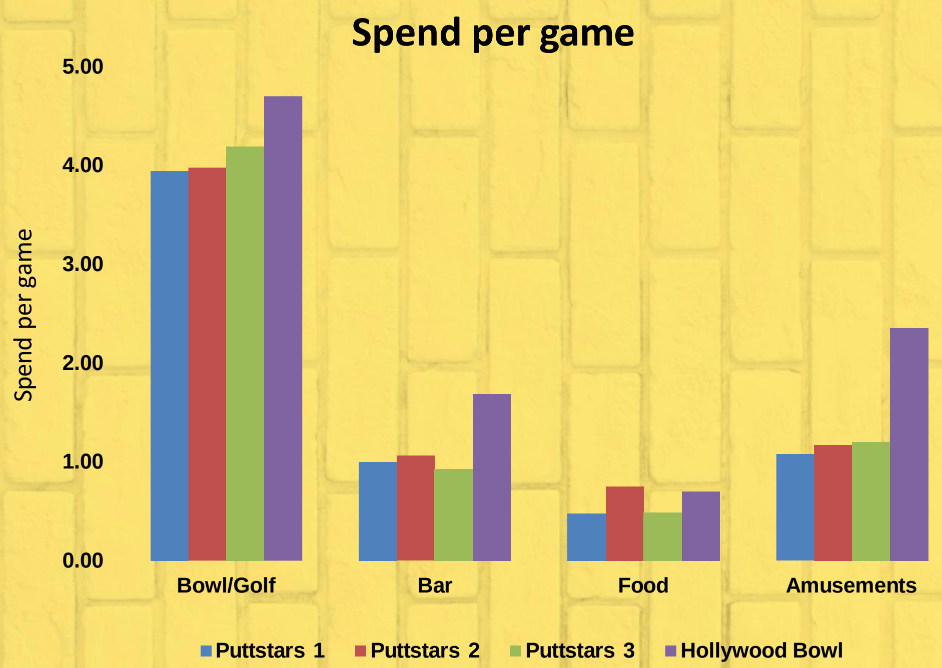


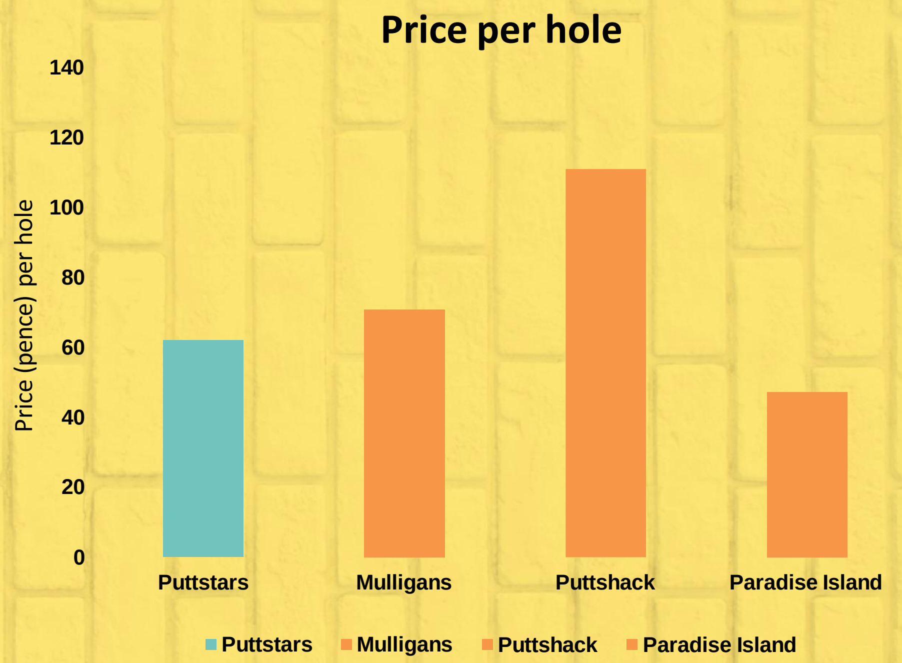
PUTTSTARS DELIVERING IN LINE WITH EXPECTATIONS

- Strong trade levels when open
- Golf spend per game in line with bowling
- Opportunity to drive ancillary spend
- ROI of 20% in Year 1
- Positive customer feedback scores
- Value price position in market
- Strong pipeline – 8 new locations in negotiation
- National roll out potential









RESUMPTION OF CAPITAL INVESTMENT PROGRAMME

- Refurbishment of Stevenage and Basildon completed prior to reopening in May 2021
- A further 3 refurbishments (Glasgow Quay, Cheltenham and Glasgow Coatbridge) planned during 2021
- Liverpool full refurbishment of existing centre and release of excess space planned
- Sustainability programme continues with 3 further solar panel installations
- Investments will continue to be judged against our target ROI hurdle rates
- Total spend on refurbishments across the remainder of 2021 expected to be £1.5m- £2.5m

TECHNICAL EXCELLENCE AND INNOVATION

Pins on strings

- Continued roll out – a further 6 centres this year
- 24 centres complete by end of FY2021
- Average ROI of POS is 30% on capital invested

New scoring system

- Continued roll out - 60 out of 61 centres completed to date
- Integrated into CRM platform and post visit score card programme

Digital investment

- Optimisation and increased reach from online advertising campaigns
- Extended in-centre digital journey – merchandising and leader boards
- Upgrading CRM platform and infrastructure in H2 for improved customer targeting
- Upgrading web booking engine in H2 (75% of bowling revenue)

NEW HIGH-QUALITY OPPORTUNITIES

- The change in the retail landscape during the pandemic has presented increased opportunities for bowling and mini-golf in prime locations
- Landlords want to increase the experiential leisure offering in their schemes post COVID
- Continued attraction of the Group as tenants in high quality locations is bolstering our strong pipeline
- Landlords less able to provide large capital contributions, but are offering longer rent-free periods
- On site in at least 3 locations in 2021 with capital requirement of circa £4.0m – £6.0m
- 2 new high-quality locations agreed since placing
- 3 locations in negotiation for Hollywood Bowl and 8 for Puttstars, increasing overall target to 14-18 new centres by 2024

CURRENTLY
8
NEW OPENINGS BY END OF FY2024

IN HEADS OF TERMS/LEGALS
11
CENTRES

CAPEX REQUIREMENT
£2.4m
PER SITE (£)

STRONG NEW CENTRE PIPELINE TO 2024

hollywood bowl

1. BELFAST – FY2022
- First Hollywood Bowl in N. Ireland
- 29,000 sq. ft. / 20 lanes

2. BIRMINGHAM – FY2022 (NEW)
- Part of redevelopment of Resorts World offer
- 20,000 sq. ft. / 17 lanes

3. BRACKNELL – FY2023
- Relocation of existing bowl to new town centre 23,450 sq. ft. / 20 lanes

4. READING – FY2023
- First bowling centre in Reading
- 26,000 sq. ft. / 21 lanes

5. SOUTHEND – FY2024
- New out of town leisure complex
- 22,000 sq. ft. / 20 lanes

6. COLCHESTER – FY2024
- Large out of town leisure complex
- 21,000 sq. ft. / 18 lanes

PUTTSTARS

7. HARROW – FY2022 (NEW)
- Redevelopment of leisure offer
- Large catchment area > 400k
- 18,000 sq. ft. / 27 holes

8. COLCHESTER – FY2024
- Large out of town leisure complex
- 19,000 sq. ft. / 27 holes

READY TO REOPEN

SALES & SERVICE

- Digital marketing campaigns – advertising and CRM
- Reopening awareness – local and national PR activity
- Relaunch of group packages
- Relaunched CSAT programme

SAFETY

- COVID-secure operations are now standard ways of working
- Unique balls per lane
- Lane seating dividers
- Enhanced cleaning
- COVID marshals
- Audit and compliance checks

TEAM

- Re-launch of cultural induction for every team member
- New pin badge programme
- Pre-opening in centre training programmes
- Balanced scorecard team incentive

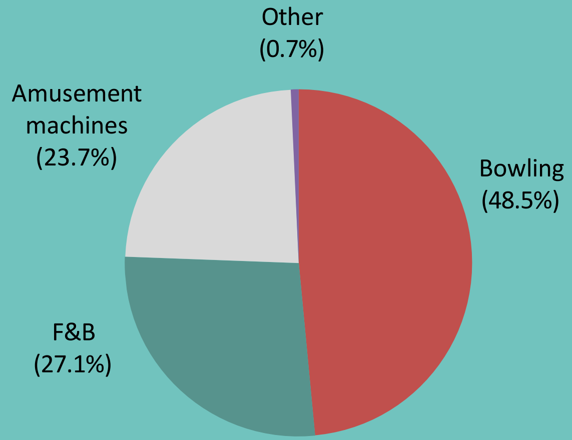
WELL-POSITIONED TO RECOVER TO PRE-PANDEMIC LEVELS

- Centres ready to reopen with COVID secure protocols built to maximise capacity and profit
- Strong customer demand expected upon reopening
- Centre refurbishments, business infrastructure improvements and cost saving initiatives completed during the closure period, minimising customer disruption
- Our team members have been well supported during the pandemic, top talent retained and engagement levels remain high
- With multiple configuration options we are well placed to capitalise on the landlord demand for experiential leisure
- High quality, significantly enlarged new centre pipeline
- 3 further refurbishments and on site in at least 2 new centres in H2 FY2021
- We are confident that the Group can recover to pre-COVID performance levels and with our balance sheet strength, accelerate our profitable and highly cash generative investment plans

APPENDICES

BUSINESS OVERVIEW AND HISTORY

MULTIPLE REVENUE STREAMS*



* FY19 REVENUE MIX

NATIONAL SCALE

CUSTOMER FOCUSED INDUSTRY LEADER

- Market leader in size, profitability and margin
- Customer focused, value for money family experience
- High quality property portfolio
- Refurbishments delivering on average over 45% return pre COVID
- 19 Hollywood Bowls opened in just over 5 years, plus creation of new Puttstars brand
- Leading the industry in innovation on CRM and digital signage
- Customer contact centre, dynamic pricing, online bookings and tablet-based scoring system
- Targeted digital marketing to contact base
- Real focus on top talent and team culture

2010-11: BUILDING THE FOUNDATIONS

- 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

2012-16: CONSOLIDATION

- Acquisition of Bowlplex in 2015 (11 sites) and opened 4 new centres
- Closed 2 centres
- Investment in sophisticated systems, processes and cultural development (e.g. customer contact centre, CRM pricing levels)
- Successful ongoing refurbishment and new centre opening programme

2016 TO DATE: GROWTH TRAJECTORY

- Listed on Main Market in September 2016
- Innovation based on customer feedback
- Enhanced digital marketing capability
- New site developments and attractive pipeline secured to FY2024
- First Puttstars mini-golf opened in March 2020
- £47.7m cash returned since IPO representing 19.9% of market cap at IPO

STRONG BUSINESS PRE COVID: READY TO RETURN TO GROWTH

KEY FINANCIAL METRICS FY2019

LFL REVENUE GROWTH	+5.5%
SPEND PER GAME	£9.64
OPERATING PROFIT MARGIN [2]	21.9%
DIVIDENDS SINCE IPO	£47.7M
GROUP EBITDA MARGIN [2]	29.4%
ROI ON REFURBS	46.1%
TOTAL REVENUE GROWTH	+7.8%

1 FY2019 metrics
2 On a pre-IFRS 16 basis

H1 COVID-19 RESPONSE

23 OCTOBER 2020

★Welsh centres close under national lockdown (reopen 9 November, close again 4 December)

2 NOVEMBER 2020

★Scottish centres close under new levels system

5 NOVEMBER 2020

★English centres close under national lockdown (reopen 2 December in Tier 2 locations)

1 DECEMBER 2020

★Estate wide lane dividers installation complete

JANUARY 21 – MARCH 21

★Full estate closure in line with national government lockdowns

★Extensive UK and devolved government lobbying

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: 186 . Top mini golf score: 9100

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 a chartered accountant in 2000 and has been an ICAEW Fellow since 2012. Previously, Laurence 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: 191. Top mini golf score: 7800