



**HBG**

# Results presentation

Hollywood Bowl Group plc

Half Year Results FY2025



**Stephen Burns**  
**Chief Executive Officer**

- H1 FY2025 overview
- H1 FY2025 operational highlights
- Outlook



**Laurence Keen**  
**Chief Financial Officer**

- H1 FY2025 financial review
- FY2025 financial outlook

## Record H1 revenue

Group £129.2m  
+8.4% vs H1 FY2024

## Record H1 EBITDA

£38.8m EBITDA pre-IFRS 16  
+8.8% vs rebased<sup>1</sup> H1 FY2024

## New and refurbished centres performing well

5 new centres (UK 3, Canada 2)  
6 refurbishments (UK 4, Canada 2)

## Efficient balance sheet supports future growth

£22.7m net cash position  
Renewed undrawn £25m RCF

<sup>1</sup> See slide 6 for one off items reconciliation in H1 FY2024

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# Financial review



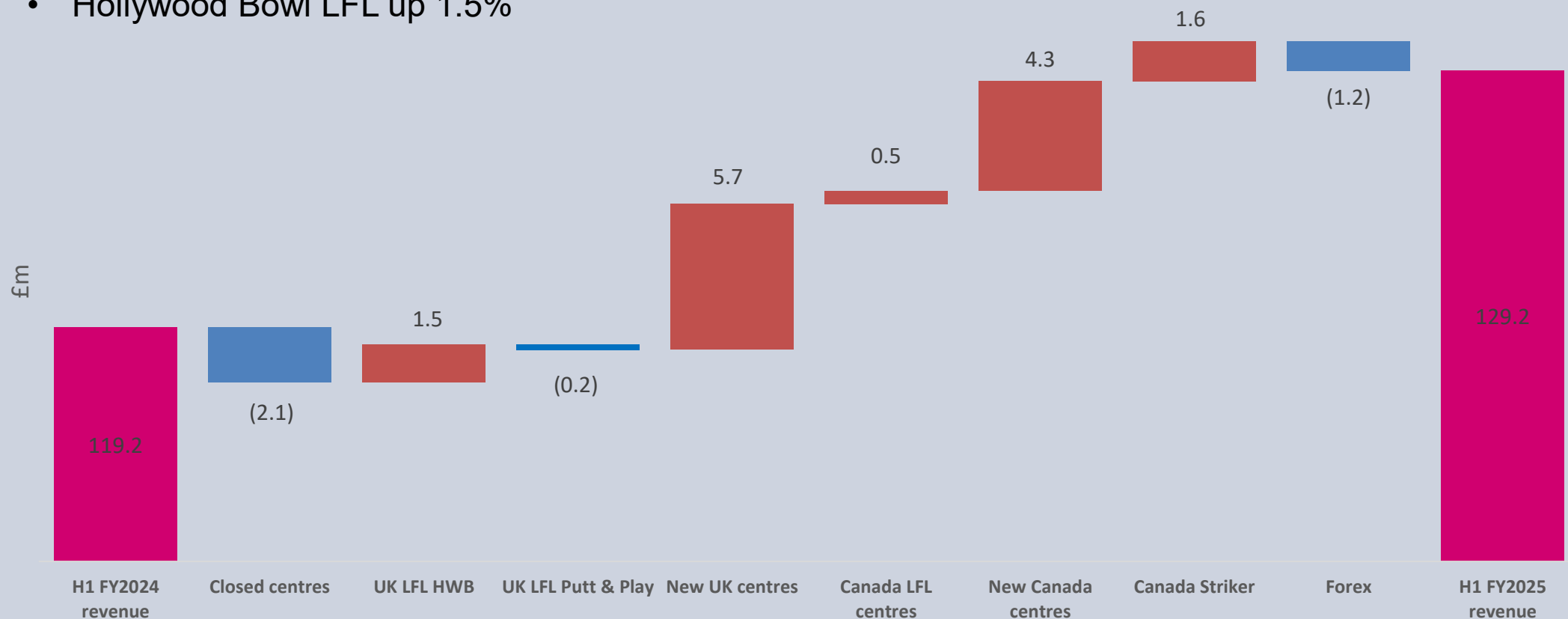
# Record H1 revenue driven by LFL growth and new openings

## UK total revenue growth of 4.7%

- Spend per game up 6.3%
- Games played down 4.5%
- Easter / leap year: negative LFL impact of 1.1%
- Hollywood Bowl LFL up 1.5%

## Canada total revenue growth of 40.8%\*

- LFL centre revenue growth of 3.7%
- Unseasonal weather over “Family Weekend” holiday: negative LFL impact of 2.7%



\* Constant currency valuation

# EBITDA growth on rebased H1 FY2024 of 8.8%

## EBITDA comparative impacted by H1 FY2024 one offs

- Business rates refunds of £1.1m
- Impact of Surrey Quays closure and Edge Lane £0.9m
- Easter / leap year switch worth £1.0m
- Total H1 FY2024 one offs £3.0m

## EBITDA growth driven through new openings

- LFL estate has absorbed all inflation
- UK new centres added £2.2m EBITDA
- Canada new centres added £1.2m EBITDA
- YOY forex negative impact of £0.3m



\* Constant currency valuation

# Group financial performance

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(£m)	H1 FY2025	H1 FY2024	Movement vs H1 FY2024
Revenue	<b>129.2</b>	119.2	+8.4%
Gross profit on cost of goods sold	<b>107.3</b>	99.4	+8.0%
Gross profit % on cost of goods sold	<b>83.0%</b>	83.4%	-40bps
Administrative expenses	<b>55.8</b>	48.5	+15.1%
Corporate costs	<b>12.7</b>	12.3	+3.4%
<b>Group adjusted EBITDA pre-IFRS 16</b>	<b>38.8</b>	38.6	+0.5%
Add back Property Rent	<b>10.9</b>	9.7	+12.7%
<b>Group adjusted EBITDA post-IFRS 16</b>	<b>49.7</b>	48.3	+2.9%
Exceptional costs / (income)	<b>(0.7)</b>	1.2	N/A
Depreciation and interest on ROU assets	<b>12.7</b>	10.9	+16.1%
Depreciation and amortisation	<b>9.4</b>	7.3	+29.7%
Net finance expenses / (income)	<b>(0.1)</b>	(0.6)	
Profit before tax	<b>28.3</b>	29.5	-4.0%
Adjusted profit before tax	<b>28.0</b>	30.9	-9.3%
Adjusted profit after tax	<b>20.6</b>	23.3	-11.6%
Adjusted earnings per share (pence)	<b>12.01</b>	13.60	-11.6%

- Total revenue up 8.4% on H1 FY2024
- Gross profit margin 83.0% in line with management expectations
  - » UK GP margin at 84.2%, up 30bps
  - » Canadian centre GP margin at 83.3%, down 140 bps due to mix
- Administrative expenses up 15.1% to £55.8m
  - » Employee costs up 11.6% to £24.9m (UK £19.9m, Canada £4.9m)
  - » Total property costs £24.6m (UK £21.4m, Canada £3.2m)
  - » Utilities in UK up £0.9m – new hedge
- Record adjusted EBITDA pre-IFRS 16 of £38.8m, in line with expectations
- Adjusted EPS 12.01 pence per share
  - » Negative impact of H1 FY2024 one offs worth 1.38 pence per share

# Well positioned against cost inflation

## UK labour to revenue ratio of less than 20%

- NLW payroll +6.9%
- National insurance + 30% (c.£1.2m annualised)

## Business rates

- Increase of 4.0%

## Electricity costs hedged to end FY2027 at FY2025 level

- 33 solar installs

## Canada inflationary impact lower than UK

- Minimum wage +2.3%

## 70%+ of revenue not subject to cost of goods inflation

- Risk on input costs from UK NI and NLW still to materialise



# Reinvesting free cash flow to grow the business

## Expansionary

New centres (target: 19% ROI): 3 in UK and 2 in Canada opened in H1 FY2025  
Returns in line with expectations  
Maturity curve equates to more EBITDA in next 12 months

Refurbishments (target: 25%-33% ROI):  
6 completed in H1 FY2025

## Maintenance

Maintenance capital in existing centres of £5.8m  
Investment in technology, solar panels and Pins on Strings  
On track to spend £10m in the year

(£m)

	H1 FY2025	H1 FY2024
New centres (net)	10.1	4.6
Refurbishments	4.1	5.7
<b>Expansionary capex</b>	<b>14.2</b>	10.3
Pins on strings and solar panels	1.3	1.7
Other maintenance	4.5	4.0
<b>Maintenance capex</b>	<b>5.8</b>	5.7
<b>Total capex</b>	<b>20.0</b>	16.0

**On course for enhanced EBITDA returns following significant investment in the estate**

# Focus on profitable growth and shareholder returns

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## Policy

## H1 FY2025

### Investments in profitable growth

Maintenance capital  
Transformational refurbishments  
New centres and acquisitions

£5.8m maintenance capital  
£4.1m refurbishments  
£10.1m new centres

### Clear dividend policy

Ordinary dividend  
55% of Adjusted PAT  
Interim dividend 34% of PY  
ordinary dividend

Interim dividend of 4.10p

Dividend returned since IPO\*  
(37.7% of IPO share price - £1.60)

60.3p

### Capital return

Additional distributions  
to shareholders via  
special dividend or share  
buyback

Share buyback of £10m

£10m

FY2025 buyback completed  
(Equivalent to 2-years worth of special  
dividends)

New undrawn RCF - £25m with £5m accordion at improved margin

\*see appendix

## Continued revenue growth

Growth in UK and Canada  
New centre openings in UK and Canada

## Well positioned against inflation

70% of revenue not subject to cost inflation  
< 20% UK payroll ratio

## Continued investment in the estate

New centre capital expenditure  
of £23m in FY2025

## Continued profitable growth

On course for enhanced  
EBITDA returns following significant  
investment in the estate



# Operational highlights



# UK - Hollywood Bowl differentiated in a growth market

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## Expanding competitive socialising market <sup>1</sup>

- Expansion of solo and combo offer operators
- Increased access to ex-retail real estate
- Competitor focus: younger adult and corporate customers, urban locations

## Bowling remains most popular activity in market <sup>2</sup>

- Wide appeal across age groups and family-friendly
- Price accessibility important; 50% of customers look for a < £20 per head experience
- Accessible, large locations: out of town with parking

### Hollywood Bowl peak adult bowling prices have fallen since 2021 relative to Govt wage increases



### Hollywood Bowl is the lowest-price branded operator for bowling and F&B

	No. of centres 2020	No. of centres 2025	Avg. price of ten-pin bowling (adult peak game)	Price of pint of entry level lager	Price of entry level burger and chips / Pizza (main meal)
<b>Hollywood Bowl</b>	<b>64</b>	<b>75</b>	<b>£7.15</b>	<b>£4.05</b>	<b>£7.39</b>
Tenpin	46	55	£8.15	£4.40	£7.70
Lane 7	6	18	£13.66	£6.25	£9.00 (pizza)
Roxy Lanes	3	21	£11.00	£4.90	£12.50 (pizza)

Sources : 1.Savills 2.Mintel

# UK - new centres performing well and pipeline strong

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NEW Swindon



NEW Preston



NEW Inverness



- H1 FY2025 3 new centres performing in line with expectations
- Reading and Uxbridge centres to open before year end
- 5 locations signed for pipeline
- 4 refurbishments and 1 space optimisation completed in H1
- Transformational refurbishment - Liverpool (May)

**Target**

**95**

UK centres by 2035

(H1 FY2025: 75 centres)

# UK - enhancing our market-leading customer offer

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**+6.3% Spend Per Game**



**95% satisfaction**

- Pins on Strings rollout complete
- Investment in balls/pins/lanes
- 95% of customers highly satisfied or satisfied with bowling experience
- All lanes service measures up YOY



**+11.6% SPG**

- £2.7m invested in new machines
- Improved prizes, machine density and payment options
- New mix of machines - tiered pricing and more choice
- Fully cashless trial underway



**+1.1% SPG**

- Simplified menu focused on value for money and ease of delivery
- Enhanced snacks and sharers menu
- Family value offers
- New soft drink supplier contracted for H2 with increased range
- Food and drink experience scores up



**Record NPS**

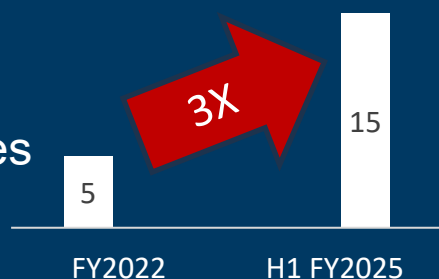
- Investment in training and development
- Record team engagement scores
- Sunday Times Very Best Organisations award
- Record customer NPS and satisfaction scores

# Canada - excellent growth in first international territory

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## 3x estate growth

H1 FY2025 15 centres  
(FY2022 5 centres)



## 3.1x revenue growth

H1 FY2025\* CAD56m  
(FY2022\* CAD18m)



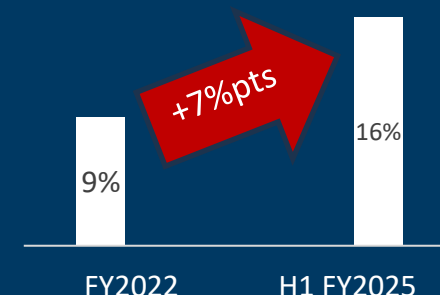
## 3.4x EBITDA growth

H1 FY2025\* CAD9.5m  
(FY2022\* CAD2.8m)



## % of Group revenue

H1 FY2025 16%  
(FY2022 9%)



On course for enhanced EBITDA returns following CAD 26m investment in the estate over past 12m

\*Based on Trailing 12 months

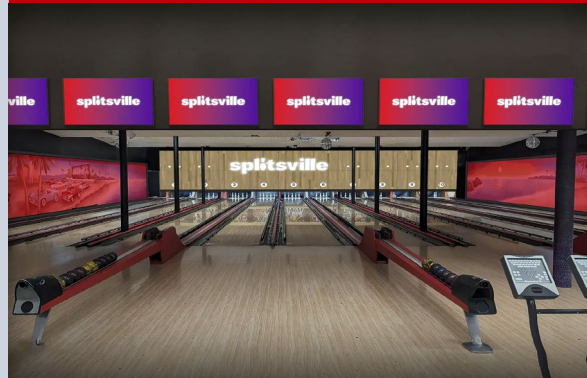
# Canada - new centres performing well and pipeline strong

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NEW Kanata



NEW Creekside



**Target**

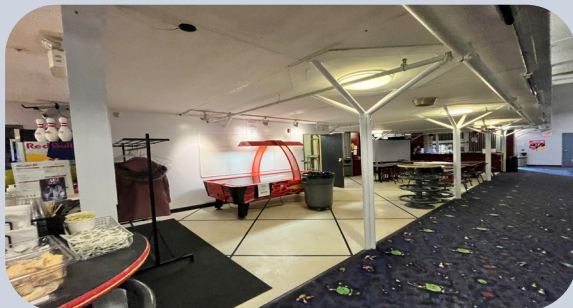
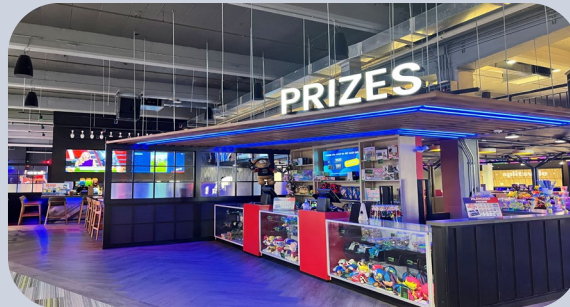
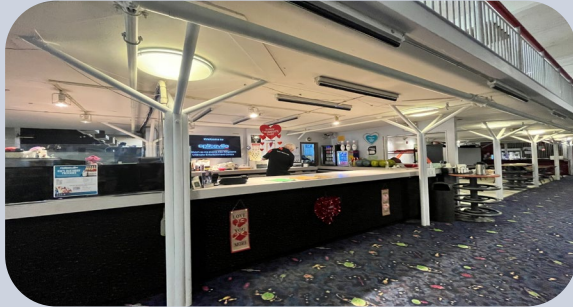
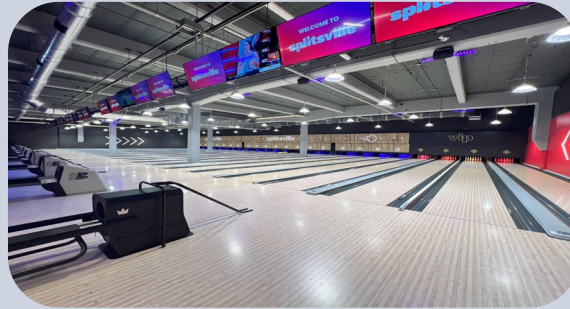
**35**

Canada centres by 2035

(H1 FY2025: 15 centres)

- H1 FY2025 2 new centres performing above expectations
- First Canadian centres to replicate Hollywood Bowl concept
- Co-located with cinema, casual dining and retail shopping
- Christy's Corner, Alberta to open in H1 FY2026
- 3 new locations signed for pipeline
- Significant opportunities to scale – consolidation and greenfield locations
- Ongoing refurbishment of previous acquisitions

# Kingston CAD 5m refurbishment outperforming expectations



**LFL revenue  
+133%**

**EBITDA +303%**  
**Payback 3 years**

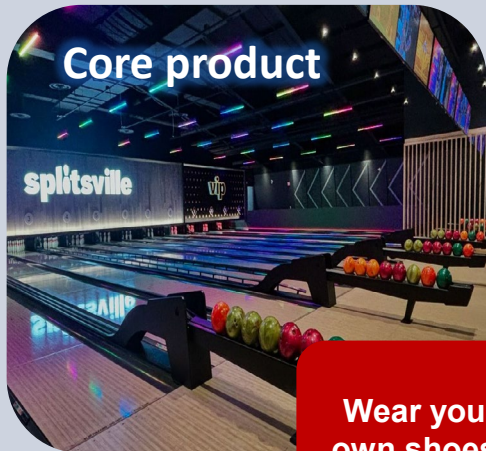
**Bowling +54%**  
**Amusements +500%**  
**Food and drink +253%**

**Net Promoter  
Score  
+10%pts**

# Canada - investing in the customer experience

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**+5.4% Spend Per Game**



**Core product**

**Wear you  
own shoes**

- Pins on Strings rollout underway
- Wear your own shoes option introduced
- Pricing formats tested
- League timeslots defined



**Amusements**

**CAD 5m+  
investment**

- New supplier in H2 FY2025 (Namco)
- CAD 5m+ to be invested in new machines
- Games keepers and training academies
- Improved prizes
- Increased machine density



**Food and drink**

**+10.7%  
SPG**

- Simplified menu introduced
- Focus on value for money and ease of delivery
- New premium coffee supplier
- Improved margin beer and liquor contracts



**Service**

**Record  
NPS**

- Investment in team training and development
- Customer survey programme as per UK
- Record customer NPS and satisfaction scores

# Group operational excellence

## **New customer booking system rolled out Group-wide**

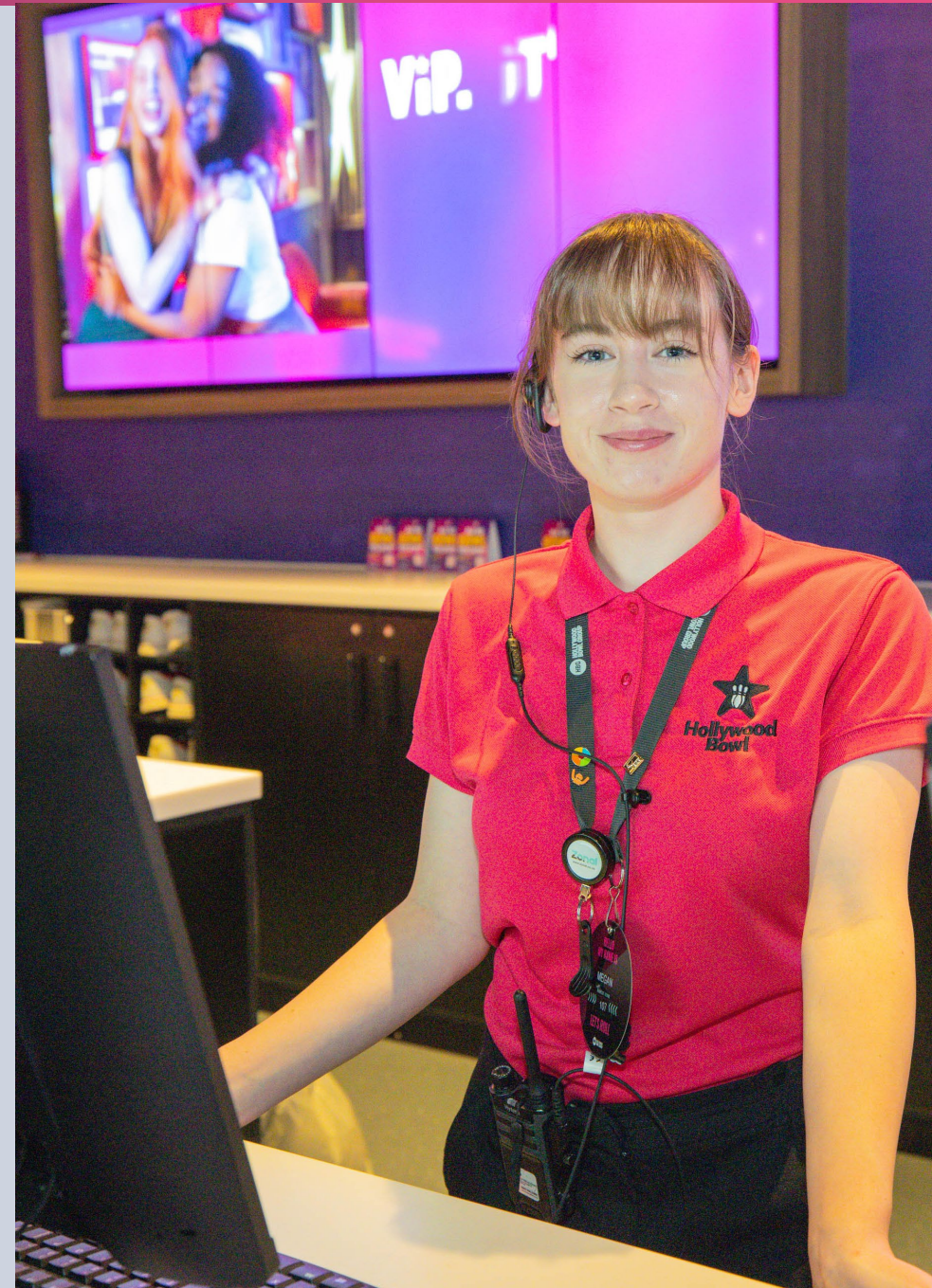
- Faster experience for customers and team members
- Significant reduction in processing and hosting costs
- Improved booking journey
- Increased conversion and cross sale rates
- Exciting roadmap of future developments

## **Investment in digital and data team**

- New Chief Marketing and Technology Officer recruited
- Expanded in-house digital and data teams

## **Expansion of Group functions**

- Increased synergies and best practice across territories
- Group Marketing, Technology, Finance, Property and People teams
- Reduced scale teams with specific territory focus





# Outlook



**Market leader with  
differentiated  
proposition**

**Strong consumer  
demand for  
value for money  
offer**

**Well insulated  
against inflation**

**Further growth  
and investment  
in UK**

**Significant  
international  
opportunity  
in Canada**

**Strong cash  
generation and  
balance sheet  
to fund growth and  
shareholder returns**



# Appendix

# Reconciliation – Operating profit to EBITDA

£'000	H1 FY2025	H1 FY2024
Operating profit	34,888	34,368
Depreciation	14,906	12,271
Amortisation	556	431
Loss on property, ROU assets, plant and equipment and software disposal	20	15
<i>Exceptional costs / (income) excluding interest</i>	<i>(667)</i>	<i>1,197</i>
<b>Group adjusted EBITDA under IFRS 16</b>	<b>49,703</b>	<b>47,085</b>
IFRS 16 adjustment – rent	(10,891)	(9,663)
<b>Group adjusted EBITDA pre-IFRS 16</b>	<b>38,811</b>	<b>38,619</b>

# Historical dividend returns

