Results presentation

Hollywood Bowl Group plc
Financial year ended 30 September 2024

Agenda

Stephen Burns
Chief Executive Officer

- FY2024 highlights
- UK review
- Canada review
- FY2025 outlook

Laurence Keen
Chief Financial Officer

- FY2024 financial review
- FY2025 financial outlook

Clear, consistent and proven growth strategy

HBG

Clear strategy and market-leading position

- Well positioned to capitalise on the available growth opportunities

Strong customer proposition

- Continuously enhancing the experience through investment in refurbishments and innovation

People and leadership

- Highly motivated and engaged operational teams delivering exceptional customer service

New centre pipeline

- Growing in the UK and Canada

Highly cash generative with strong balance sheet

- Supports investment in enhancing and scaling our business

1. Driving revenue growth
2. Actively refurbishing our assets
3. Developing new centres and acquisitions
4. Focusing on our people
5. International expansion

FY2024 Group financial highlights

Total revenue

£230.4m

(FY2023: £215.1m)

Total revenue growth

+7.1%

(FY2023: +11.0%)

Group adjusted EBITDA pre-IFRS16[1]

£67.7m

(FY2023: £64.9m)

Adjusted profit after tax

£32.3m

(FY2023: £36.8m)

Adjusted earnings per share

18.82 pence

(FY2023: 21.37 pence)

Net cash

£28.7m

(FY2023: £52.5m)

Total ordinary dividend (per share)

12.06 pence

(FY2023: 11.81 pence)

UK CAGR LFL revenue growth over past 5 years

+5.9% p.a.

1 Group adjusted EBITDA (earnings before interest, tax, depreciation and amortisation) reflects the underlying trade of the overall business. It is calculated as statutory operating profit plus depreciation, amortisation, impairment, loss on disposal of property, right-of-use assets, plant and equipment and software and any exceptional costs or income

UK and Canada highlights

#1 in UK market

Revenue
£199.7m
(FY2023: £192.4m)

Revenue growth
+3.8%
(FY2023: +7.6%)

EBITDA pre-IFRS 16[1]
£62.3m
(FY2023: £60.5m)

LFL revenue growth
0.0%
(FY2023: +4.1%)

Refurbishments
10
(FY2023: 13)

New centres
4
(FY2023: 3)

Average spend per game
£11.19
(FY2023: £11.06)

Net promoter score
69.7%
(FY2023: 64.7%)

Return on investment[2]
33.7%

#1 in Canada market

Revenue
CAD 53.0m
(FY2023: 37.3m)

Revenue growth
+42.2%
(FY2023: N/A)

EBITDA pre-IFRS 16[1]
CAD 9.4m
(FY2023: 7.4m)

LFL revenue growth
+6.3%
(FY2023: +15.1%)

Refurbishments
2
(FY2023: 1)

New centres
4
(FY2023: 3)

Average spend per game
CAD 15.11
(FY2023: 14.09)

Net promoter score
63.9%
(FY2023: N/A)

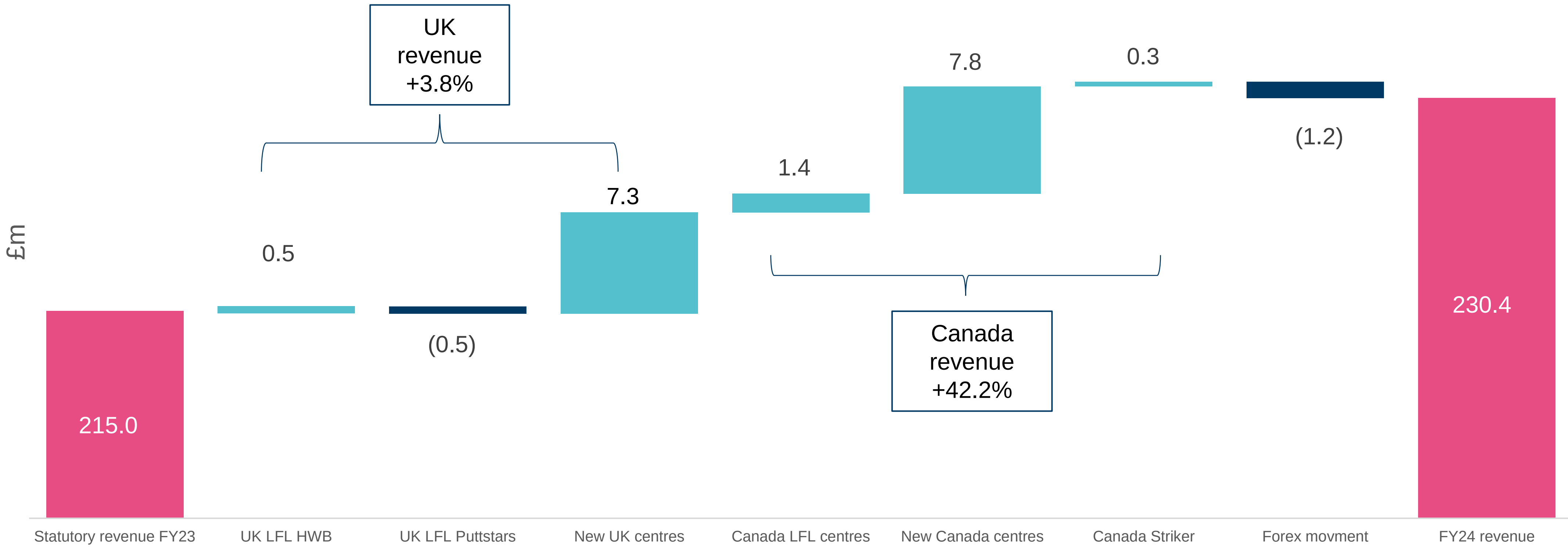
Return on investment[2]
42.4%

1 Group adjusted EBITDA is calculated as statutory profit plus depreciation, amortisation, loss of disposal of property, ROU assets, plant and equipment and software and any exceptional costs or income and is shown on a pre-IFRS 16 basis.
2 Return on investment is based on revenue generating capital invested in refurbishments and new centres. In Canada this also include the initial purchase of Teaquinn.

Financial review

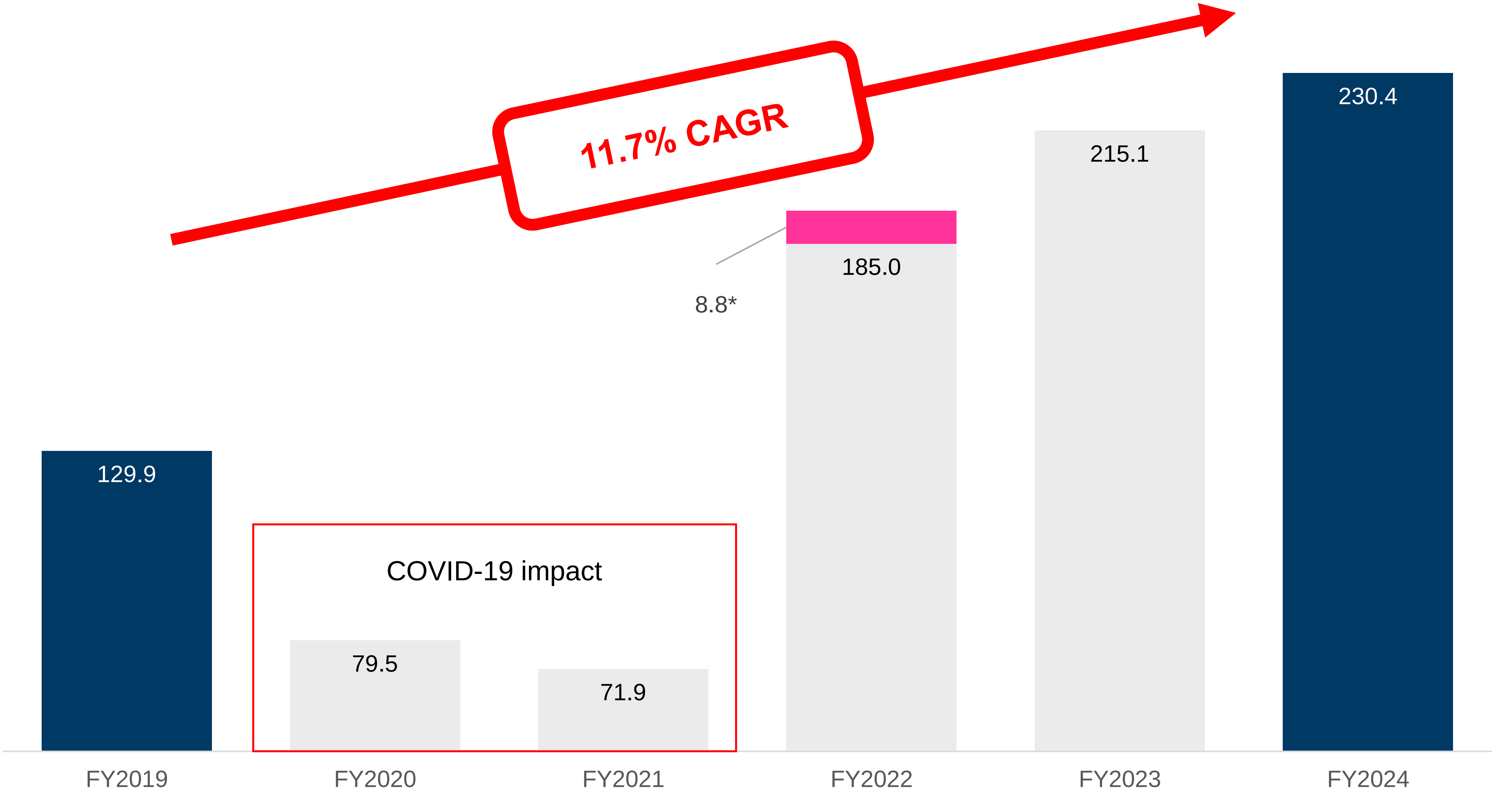
Record Group revenues of £230.4m - up 7.1% YOY

- UK LFL revenues were flat given strong comparatives
  - ➢Spend per game +3.3%
  - ➢Games played -3.2%
- UK CAGR LFL over last 5 years
  - ➢Spend per game +2.9%
  - ➢Games played +3.1%
- New UK centre performance in line with expectations
- Total Canada revenue growth of 42.2%*
- Canada LFL revenue growth of 6.3%
  - ➢Spend per game +5.4%
  - ➢Games played +1.0%
- Acquired Canada centre performance in line with expectations



*On a constant currency basis

Consistent delivery of annual revenue growth



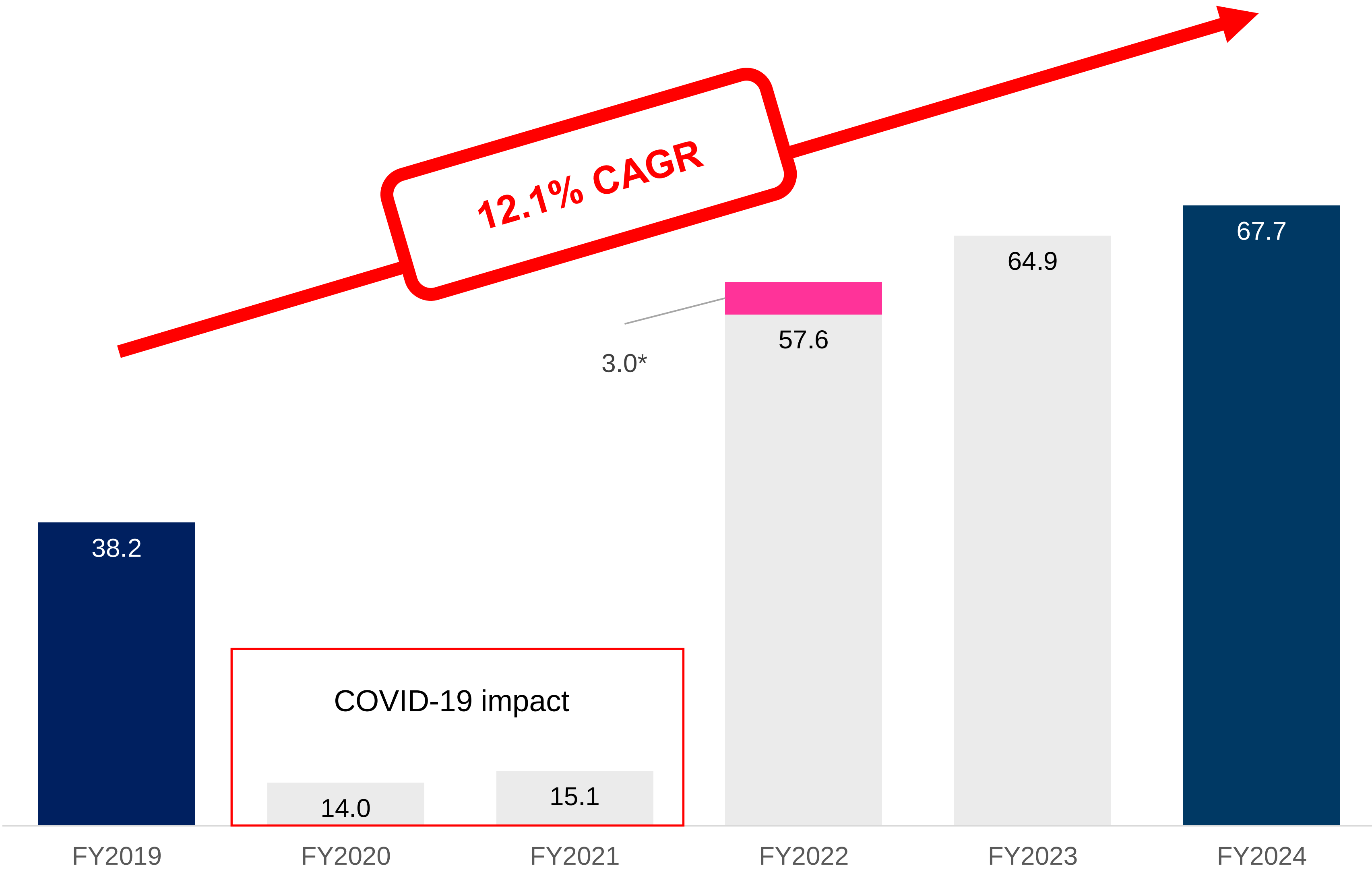
*Group revenue in FY2022 included a total of £8.8m relating to the reduced rate (TRR) of VAT on bowling. £5.8m of this was in respect of prior years and £3.0m for FY2022. FY2023 includes £0.3m in respect of TRR of VAT. FY2022 consolidated income statement included the following in respect of TRR of VAT on bowling in the UK: Revenue £8.8m, gross profit £8.8m, administrative expenses £0.1m, Group adjusted EBITDA £3.0m, Group profit before tax £8.8m, Group profit after tax of £6.6m and Group adjusted profit after tax of £6.6m.

Group financial performance

(£m)	**FY2024**	FY2023	Movement vs FY2023
Revenue	**230.4**	215.1	+7.1%
Gross profit on cost of goods sold	**191.2**	177.6	+7.7%
Gross profit % on cost of goods sold	**83.0%**	82.6%	+40bps
Administrative expenses	**98.6**	87.6	+12.6%
Corporate costs	**24.9**	25.3	-1.6%
Group adjusted EBITDA pre-IFRS 16	**67.7**	64.9	+4.3%
Add back Property Rent	**19.8**	17.8	+11.5%
Group adjusted EBITDA post-IFRS 16	**87.6**	82.7	+5.9%
Exceptional items	**1.8**	2.2	-18.2%
Depreciation and interest on ROU assets	**23.5**	20.5	+14.6%
Depreciation and amortisation	**15.6**	13.8	+13.0%
Impairment	**5.3**	2.2	+140.9%
Net finance expenses / (income)	**(1.4)**	(1.1)	+27.3%
Profit before tax	**42.8**	45.1	-5.2%
Adjusted profit before tax	**45.0**	47.5	-5.2%
Adjusted profit after tax	**32.3**	36.6	11.7%
Adjusted earnings per share (pence)	**18.82**	21.48	

- Total revenue up 7.1% on H1 FY2023
- Gross profit margin 83.0% in line with management expectations
  - UK GP margin at 83.9%
  - Canadian GP margin at 76.8%
  - Splitsville GP margin at 84.8%
- Administrative expenses up 12.6%
  - Employee costs up 12.3% to £45.7m (UK £37.9m)
  - Total property costs £42.0m (UK £37.4m)
  - Utilities up £1.9m (hedge sell off in FY2023)
- Record adjusted EBITDA pre-IFRS 16 of £67.7m
  - UK EBITDA pre-IFRS 16 £62.3m
  - Canada EBITDA pre-IFRS 16 £5.4m
- Non-cash costs of
  - £2.3m for earn out
  - £5.3m impairment of mini-golf centres
- Adjusted PBT of £45.0m
- Adjusted EPS post add back of impairment of 21.92, up 1% vs FY2023

Consistent annual EBITDA growth



***** FY2022 consolidated income statement included the following in respect of TRR of VAT on bowling in the UK: £0.1m, Group adjusted EBITDA £3.0m.

**Group adjusted EBITDA is calculated as statutory profit plus depreciation, amortisation, impairments, loss of disposal of property, ROU assets, plant and equipment and software and any exceptional costs or income and is shown on a pre-IFRS 16 basis.

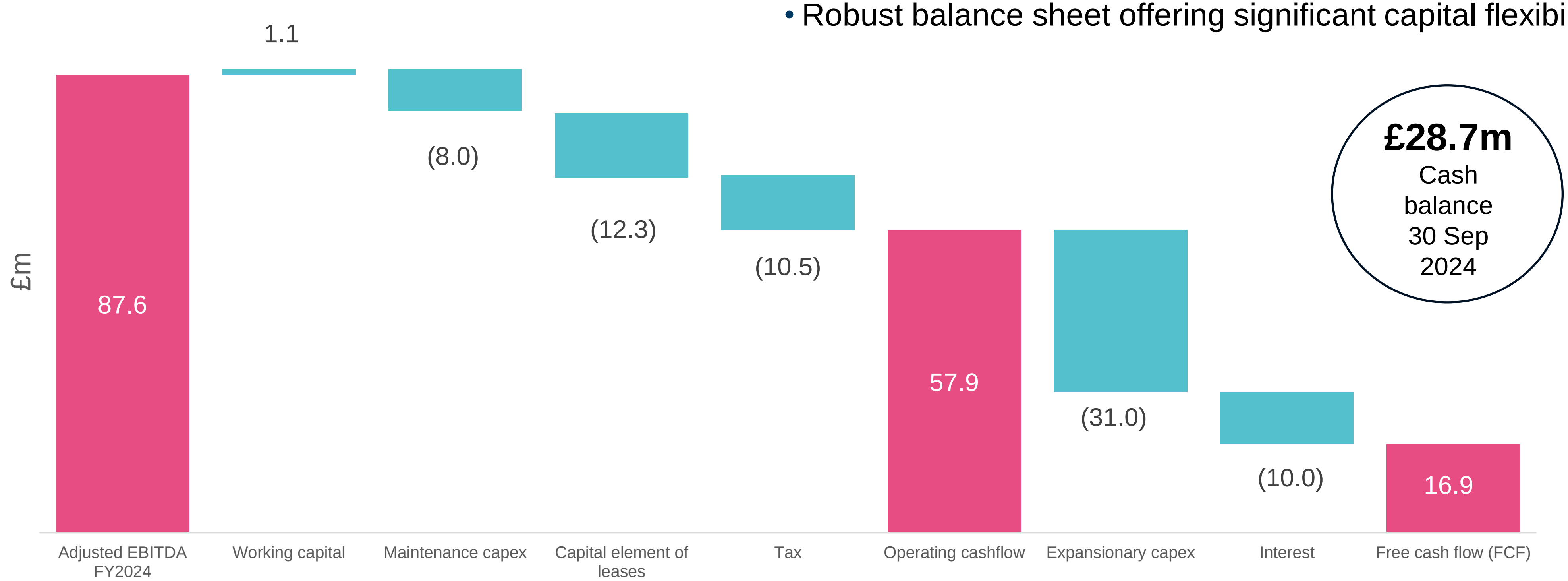
Record year of investment

Free cash flow

- Maintenance capital investment of £8.0m
  - ➢Investment into booking system of £1.5m
- Record 12 refurbishments completed for £11.5m
- Net new centre spend of £19.5m
- Interest payments in relation to IFRS 16
- Generated free cash flow of £16.9m

Free cash flow utilisation

- Total dividend (incl. special) payments of £26.2m
- Four centres acquired in FY2024
  - ➢Hollywood Bowl Lincoln £4.4m
  - ➢Splitsville Guelph and Riverport CAD 5.1m (£3.2m)
  - ➢Stoked CAD 10.8m (£6.2m)
- Net cash decrease of £23.8m in line with expectations
- Robust balance sheet offering significant capital flexibility



Capital allocation priorities remain focused on profitable growth and shareholder returns

Maintenance capital → Transformational refurbishments → New centres and acquisitions → Ordinary Dividend 55% of Adjusted PAT

Calculation	FY2024
Cash at bank at 30 Sep 2024	£28.7m
Interim dividend (paid in July 2024) - 3.98 pence per share	£6.8m
Adjusted earnings per share*	21.92 pence
Full year dividend of 55% EPS	**12.06**
PROPOSED final ordinary dividend	8.08
Total ordinary dividend FY2023	*11.81*
Ordinary dividend increase	2.1%

* Includes the add back for impairment

Group financial outlook for FY2025

Continued revenue growth

- Positive Group LFL growth
- Full year effect FY2024 new centres, refurbs and new FY2025 centres

Well positioned against cost inflation

- NLW payroll (+9.6%) / business rates inflation (+4.0%) vs H2 FY2024
- Electricity usage costs hedged until end of FY2027
- Over 70% of revenue not subject to cost of goods inflation
- Payroll ratio at less than 20%

UK Government Budget impact

- National insurance burden to increase by 30% (c.£1.2m annualised)
- Risk on input costs from national insurance and living wage increases

Robust balance sheet enabling above target returns

- At least 10 Group refurbishments in FY2025
- 6 new centres due to open in FY2025
- Continued investment in solar panels and Pins on Strings
- Total of c. £40m - £45m capital spend for FY2025

HBG

UK review

Product enhancements driving higher spend

The core offer

- Pins on Strings in 91% of UK estate at year end
- Bowling environment adaptation by day part
- Ancillary offers introduced in selected centres
- Space optimisation projects
- Value for money score up 4%pts YOY

+1.5%
Bowling SPG

Amusements

- £5.5m invested in new machines
- Improved prizes, machine density and payment options
- New mix of machines - tiered pricing and more choice

+6.1%
Amusements SPG

Food and drink

- Menu focus on value for money and ease of delivery
- Self-service technology sales up £2m YOY
- Snacks and sharer revenue up 15.6% YOY

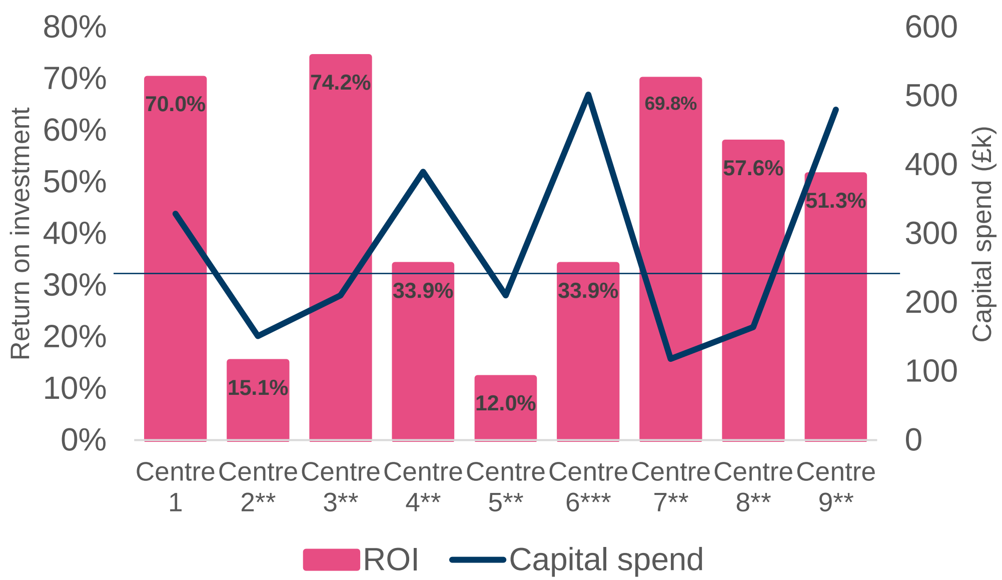
+2.4%
Food and drink SPG

Excellent returns from UK refurbishments

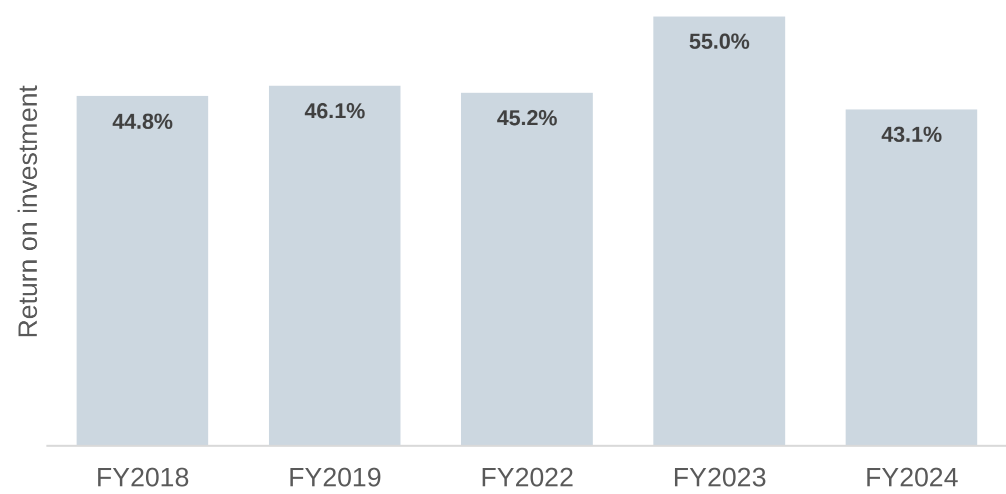
HBG

- 10 refurbishments completed
- 2nd and 3rd generation refurbishments continue to generate attractive returns
- Spend per game performance +11.4%
- Game volume +1.9%
- Space optimisations support increased amusement spend
- Investment in ancillary offerings – mini-golf and duckpin
- Plan for at least 5 further refurbishments in FY2025
- Mini-golf centres rebranded
- NPS scores increase by over 2.4%pts post refurbishment

Average payback for last 9 refurbishments
(incl. 2nd/3rd generation**)**



Average ROI on refurbishments



** Second generation refurbishment
*** Third generation refurbishment

UK new centre openings and strong future pipeline

Excellent track record of new centres in quality locations

- Strong catchment areas are key to delivering attractive returns and consistent EBITDA

Further progress

- Lincoln Bowl acquired in October 2023 and rebranded to Hollywood Bowl - refurbishment completed in April 2024
- Dundee opened in May 2024 next to No.1 cinema location
- Colchester two-floor centre opened July 2024
- Westwood Cross opened August 2024

Growing the UK pipeline

- Swindon opened November 2024
- Strong pipeline for remainder of FY2025 and beyond

FY2024
new
centres opened
4

FY2025
new
centres planned
4

Investment in technology increasing performance and reliability

New customer booking system

- Faster experience for customers and team members
- Significant reduction in processing and hosting costs
- Developed in-house and has de-risked reliance on 3rd parties
- Scalable, flexible platform with enhanced security
- Connected to operational and marketing systems
- Rolling out in Canada
- Platform functionality roadmap
- A core enabler of Group growth plans

Investment in digital expertise

- Additional data and analytics resources
- Creation of Group marketing and IT functions
- Support local territory marketing and operational teams

Continued focus on sustainability

Safe and inclusive destinations

- Our centres are important local community social venues
- 1m+ concessionary discount games played
- £85k raised for charity partner Macmillan

Outstanding workplaces

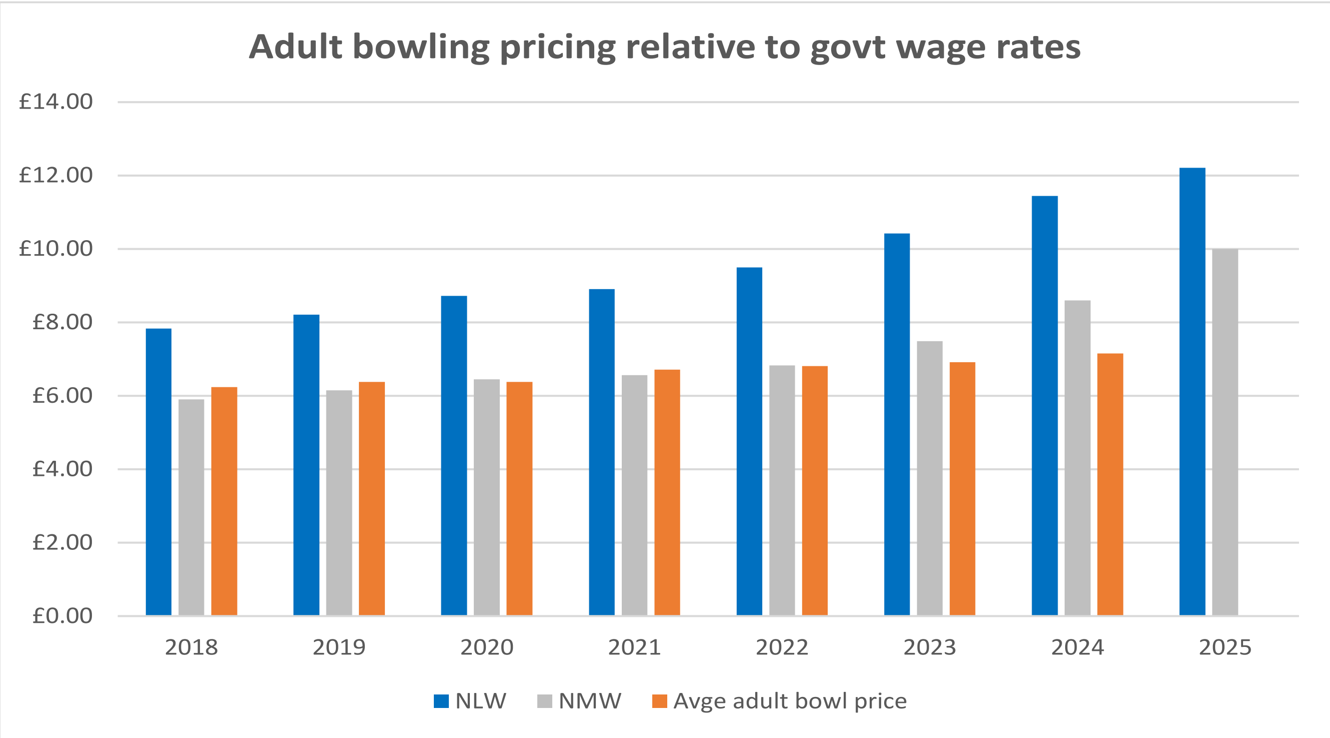
- Team members are key to delivering great experiences
- 58% of management appointments from internal candidates
- 11% of team members participate in development programmes

Sustainable centres

- Minimising our impact on the environment is a priority
- 82.9% of waste recycled with 100% diverted from landfill
- 30 UK centres with solar arrays installed

Maintaining an affordable, value for money proposition

- "Affordable fun" is core to the Group's purpose and management are focused on keeping price levels accessible
- The relative price of a game at Hollywood Bowl has fallen since 2021 with only small annual increases applied
- Dynamic pricing and preferential shoulder pricing support yield returns
- Limited exposure to inflationary pressures - key food menu items only had small increases applied
- Value for money customer feedback scores at record levels - up 4%pts YOY
- Hollywood Bowl remains lowest price branded bowling operator - a family of four able to bowl for less than £26



Adult bowling pricing relative to govt hourly wage rates

	NLW	NMW
2018	79.7%	105.8%
2024	62.5%	83.1%
2025	59.1%	72.2%

Canada review

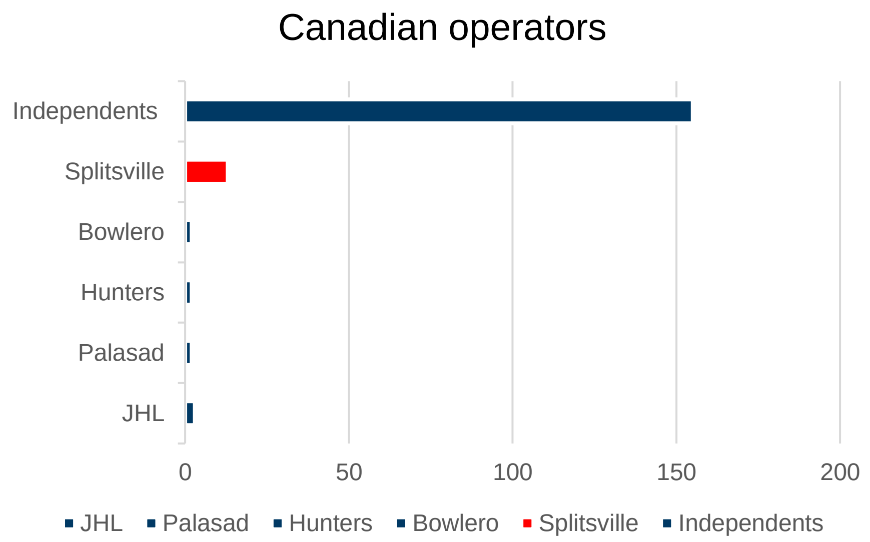
Exciting growth opportunity

The market

- 82% of the population lives within 100 miles of the U.S. border
- Well educated population with high levels of disposable income and an appetite for experiential leisure
- Weather extremes make indoor leisure a popular choice
- Consumer demographic, behaviours and needs closely mirroring the UK
- 170+ bowling centres nationwide
- Splitsville the market leader with 13 locations

The opportunity

- 25 areas within Canada that meet our selection criteria
  - ➢ Currently with underinvested bowling provision
  - ➢ Acquisition opportunity
- Changes to the offer in shopping malls include similarities to the UK - providing opportunities in high footfall AAA locations
- Quebec market researched with key targets identified, albeit with added regional complexity



Investment in the customer experience

Transformational refurbishments

- Kingston Ontario refurbishment completed August 24 – CAD 4.0m spend
- Meridian Calgary completed September 24 – CAD 1.1m spend
- Glamorgan Calgary refurbishment completed November 24 – CAD 1.3m spend
- 5 refurbishments slated for FY2025 with targeted 25% ROI capital
- Record NPS levels in FY2024 at 63.9% (+6.7%pts YOY)

New initiatives

- Canadian contact centre launched to cover post 9pm UK time
- Team development programmes
- Tip pooling rolled out across all centres post successful trial
- New reservation system rolling out
- Senior hires in amusements, Regional Support teams and Striker Bowling Solutions
- Centralisation of key Group functions

Customer experience

- Bowl in your own shoes trial
- Menu trials around speed, quality and consistency driving service scores, spend per head and improving margin
- Yield initiatives –bowling by game different time options
- Pins on Strings now in 33% of the Canadian estate
- New amusement contract imminent with improved machine mix, pricing and redemption prize choice
- New guest satisfaction surveys

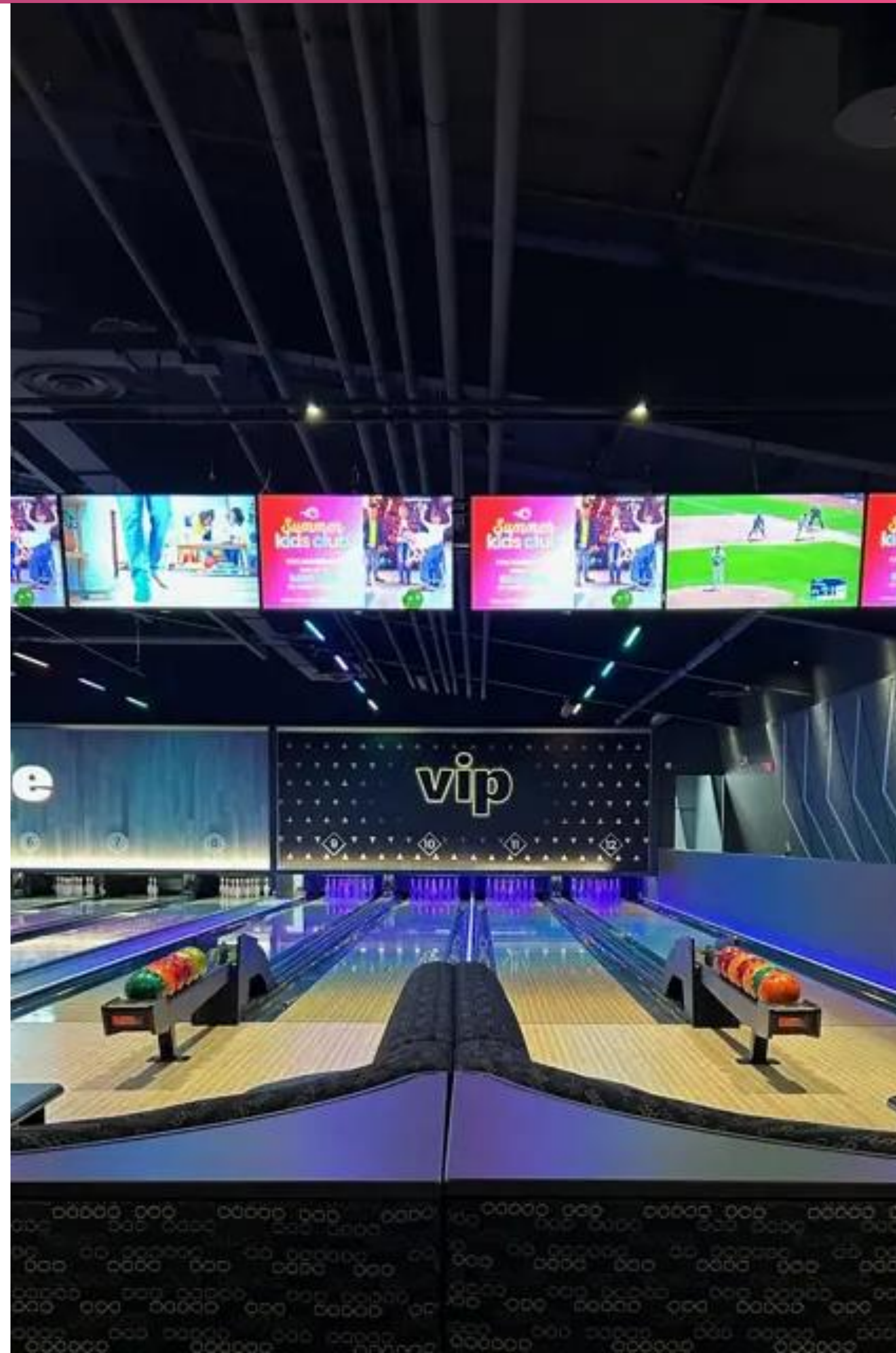
New centre case study – Waterloo

Quality location meeting strict investment criteria

- Co-located with escape room and fitness centre
- Strong local population
    - 130k population within 3-mile radius
    - 70% under the age of 55
    - Average income CAD 106k
    - Tri-university town

Investment rationale

- Well populated urban area underserved by leisure offerings
- 43,000 sq. ft space
- Base rent with turnover top up to share upside
- Capital spend CAD 6m
- Opened July 2024
- State of the art centre featuring lanes, bar, diner and amusements
- ROI year 1 target 15%
- New to area – expecting brand maturity to take 3 years



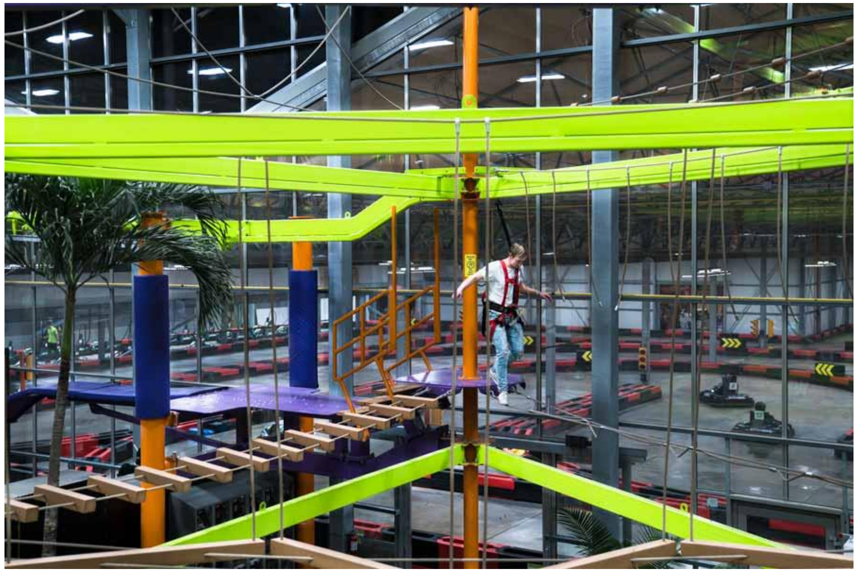
Acquisition case study – Stoked

Multi experience offer in quality location

- Well invested, well run centre in Saskatoon
- Facilities include:
  - Full-service restaurant
  - Sports bar
  - Large indoor electric go kart track
  - 15 lanes of bowling with digital enhancements
  - Large arcade
  - Indoor high ropes and 200ft zip line

Investment rationale

- Purchase price CAD 11.0m representing 5.2x LTM EBITDA
- Low risk trial of multi activity, large footprint concept
- Learnings for Canadian and UK markets



THE STOKED CENTRE

Exciting new centre pipeline

Developing new centres in quality locations

- Woodlawn, Ontario acquired in FY2024
  - ➢ Full refurbishment and rebrand scheduled for H1 FY2025
- Riverport, Vancouver acquired in FY2024
  - ➢ Full refurbishment and rebrand scheduled for H2 FY2025
- First new centre in Waterloo, Ontario opened in July 2024

Two further trials in FY2025

- Kanata, Ottawa due to open H1 FY2025
  - ➢ Co-located with retail and leisure - will be the only ten-pin bowling offer in the area
- Creekside, Calgary due to open H1 FY2025
  - ➢ Co-located with retail in the north of the city

Growing the pipeline

- Alberta signed – due to open H1 FY2026
- Discussions ongoing on multiple locations

FY2025 outlook

Group outlook for FY2025

Market leader with high quality, well-invested estate

- Leading operator in both UK and Canadian markets

Continued demand for affordable leisure experiences

- Volumes remain strong even when compared to a record FY2024
- Value for money offer in UK at under £26 for a family of four
- Canada performing strongly and significant growth opportunity

Growth strategy supported by strong balance sheet

- Strong UK and Canada new centre pipeline

Cash generative model enabling continued investment

- Development of customer proposition
- New customer booking system
- Ongoing successful refurbishment programme

Ability to mitigate increased employment costs

- Combination of cost efficiencies and revenue initiatives

Confident in long-term opportunity

- Grow Group estate to 130+ centres

Appendix

Reconciliation – Operating profit to EBITDA

£’000	FY2024	FY2023
Operating profit	53,506	54,085
Depreciation	25,918	23,107
Impairment	5,316	2,210
Amortisation	935	820
Loss on property, ROU assets, plant and equipment and software disposal	88	306
Exceptional costs excluding interest	*1,823*	*2,203*
Group adjusted EBITDA under IFRS 16	**87,589**	**82,731**
IFRS 16 adjustment	(19,840)	(17,799)
Group adjusted EBITDA pre-IFRS 16	**67,749**	**64,932**