INTERIM RESULTS PRESENTATION

HALF YEAR ENDED 31ST MARCH 2020

hollywood bowl
group plc

WELCOME

AGENDA

STEPHEN BURNS
CEO

- Introduction
- COVID-19 response
- FY2020 H1 highlights
- Summary

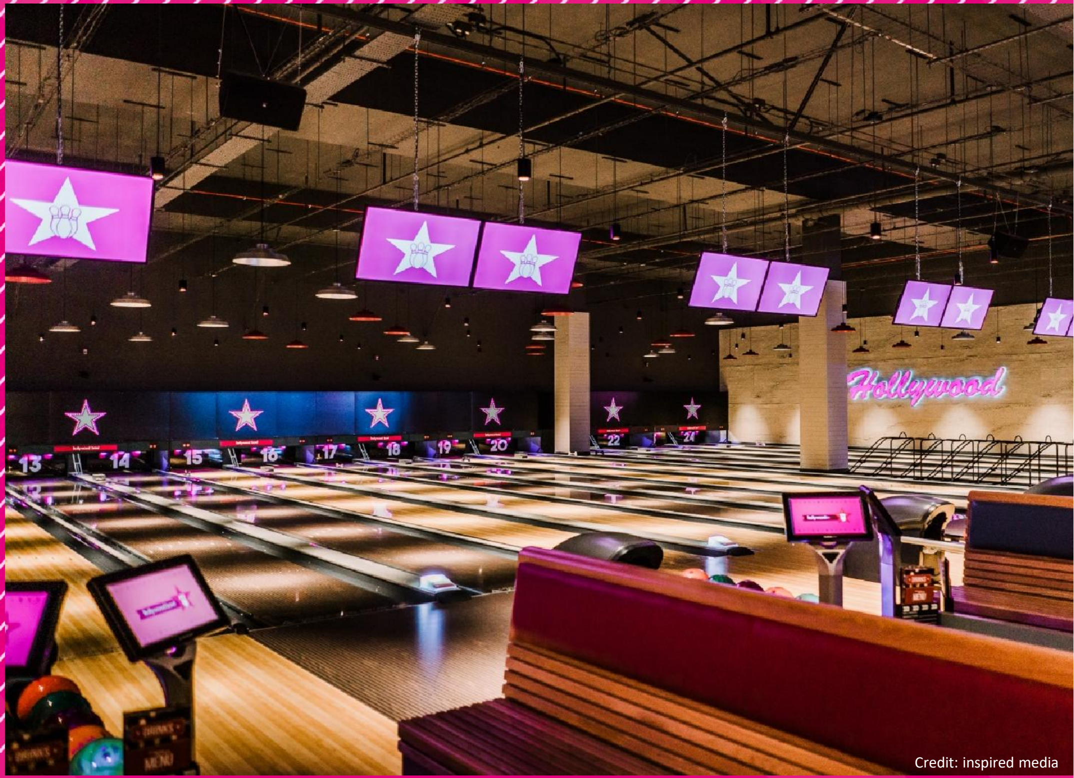
LAURENCE KEEN
CFO

- Financial performance
- Q & A

INTRODUCTION

- Strong financial and operational performance since IPO in 2016
- H1 FY2020 performance, pre-COVID-19, notably ahead of prior year period with near double-digit like-for-like revenue and significant free cash flow
- Positive start to the launch of the new Puttstars mini golf brand trial
- Experienced management team quickly responded to pandemic and Government directives
- Extensive cost saving initiatives implemented whilst retaining top talent
- Agreed extended debt facility, which combined with equity placing, has strengthened the balance sheet, working capital and liquidity position
- Robust re-opening strategy in place

COVID-19 RESPONSE



Credit: inspired media

FAST REACTION TO GOVERNMENT COVID-19 DIRECTIVES

Government announcement

16th March
- Government announces social distancing

20th March
- Government announces pub/gym/leisure closures

23rd March
- Government announces full lockdown

HWB operational response

17th March
- Every other lane closed
- 50% of bar furniture removed
- 50% of amusements turned off
- Contactless payment only
- Cash flow forecast produced and discussions with lenders

18th – 21st March
- Team members temperature checked before commencing work
- Closedown strategy in place and implemented

20th March
- All centres closed from 7pm
- Stock removed and made safe
- All machines emptied

23rd March
- Deep clean completed
- Long life products replenished
- All cash removed from centres
- Centre teams furloughed

24th March
- Centres mothballed
- New centre construction paused
- Refurbishment work paused
- Majority of support team furloughed

COVID-19 RESPONSE- FINANCIAL

The Group reacted with pace and urgency to government restrictions in order to conserve cash flow

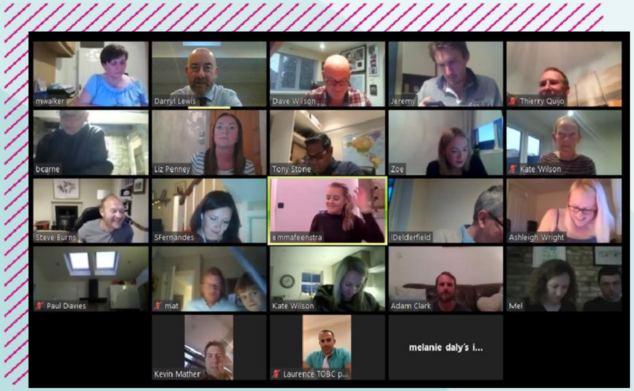
- **Employees:** 98.6% of team members furloughed
- **Portfolio projects:** All construction work on new builds and refurbishment projects deferred
- **Landlords:** Strong negotiating position for the June rent quarter with rent free periods already negotiated with a significant proportion of landlords
- **Dividends:** No interim dividend to be paid for H1 FY2020
- **Balance sheet:** Agreed extended debt facility, which combined with relaxing of covenants and 5% equity placing has strengthened the liquidity position
- **Government initiatives:** Utilising government schemes including Rates, VAT and Time to Pay, resulting in expected cash savings of £6m for FY2020

- **Overheads:** Non-employee overheads (excluding property costs) are expected to reduce from c.£1.1m to c.£0.1m per month whilst centres remain closed
- **Net cash burn:** The Group expects a monthly net cash burn of c.£1.2m whilst centres remain closed (once pre-COVID-19 liabilities have been paid)
- **Cash balance:** Including trade creditors unwind, expecting to maintain a positive cash balance until late FY2021 if all centres remain closed and furlough scheme mirrors closure period

COVID-19 RESPONSE- OPERATIONAL

The Group has focused on team member welfare during closure and in readiness for re-opening

- 3 stage salary strategy to save cost, retain our top talent and financially support our team members
- Regular virtual Q+A sessions with leadership team
- Employee assistance programme, pin badge incentives and regular posts through our team member APP
- Centre and departmental quiz nights
- Virtual training commenced for all levels of the management team to ensure we 'hit the ground running'
- Team incentive and bonus scheme introduced to encourage adherence to the revised ways of working
- Large quantities of PPE secured for team and customers including hygiene stations, perspex shielding and clear pre and post visit communication



ROBUST RE-OPENING STRATEGY

The internal size of our centres provide the required space to adhere to Government social distancing guidelines

- Our adapted in-centre customer journey includes:
  - Only using alternate lanes/ golf holes/ amusement machines
  - Pre-booking only for peak periods
  - Queue control measures
  - Increased distance between bar and diner tables
  - A new visual guidance campaign "Have Fun – Play Safe" to educate and encourage customer distancing

- Comprehensive safety, cleaning, operational protocols and daily health monitoring developed for team members

- Reduced food and drink menu (also available as pre-booked options) to simplify operational delivery whilst protecting margin

- Re-launch marketing programme created to include digital advertising, CRM campaigns and website pre-visit information

FY2020 H1 HIGHLIGHTS


Credit: inspired media

FY2020 H1 HIGHLIGHTS

FINANCIALS

- Total revenue +3.3% vs. PY
- LFL revenue +8.6% vs. PY
- LFL growth driven through both game volumes, +6.4% vs PY, and spend per game (£10.07), +2.1% vs. PY
- EBITDA £29.3m, +38.6% vs. PY (+2.1% on IAS 17 basis)
- Operating profit margin 27.7%, up 2.7%pts vs. PY
- Free cash flow of £5.2m

PORTFOLIO

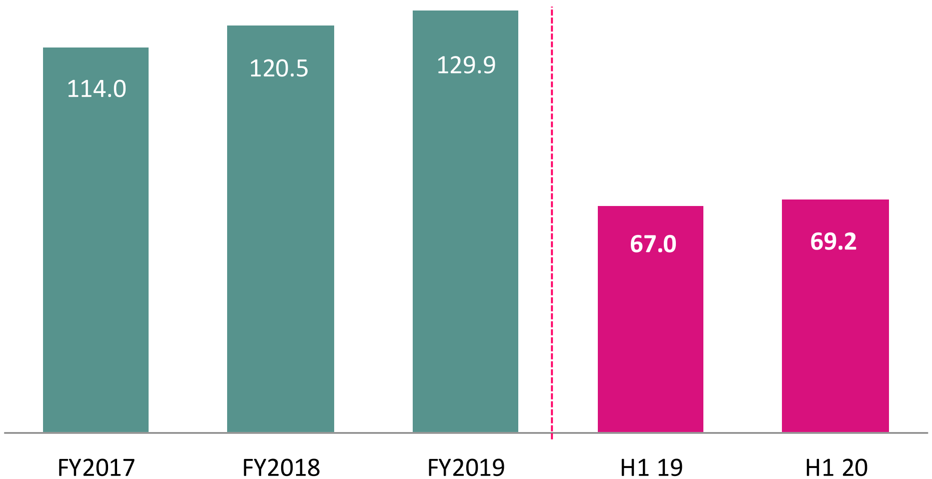
- 1 new centre opened (Puttstars Leeds)
- 3 centres refurbished
- Practical completion of HWB York and Puttstars York subject to lifting of COVID-19 measures
- On site at Puttstars Rochdale
- 2 new centres added to the pipeline with 10 centres now secured to open over the next 4 years

INNOVATION & ENGAGEMENT

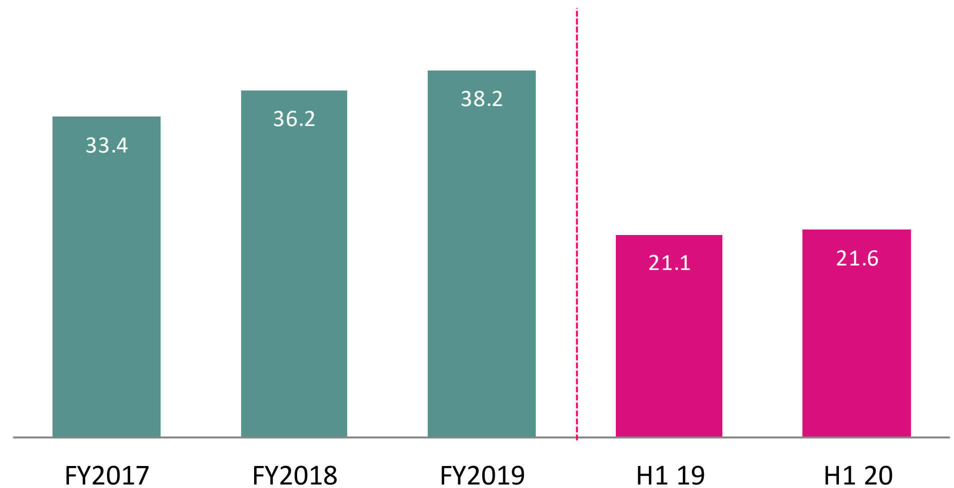
- Pins on Strings now in 15 centres
- New scoring system now in 40 centres
- Dynamic pricing extended
- Enhanced amusement offering
- New blended customer service measurement introduced
- Continued strong performance from digital channels
- Retaining top talent though improved engagement with team members

FY2020 H1 FINANCIAL HIGHLIGHTS

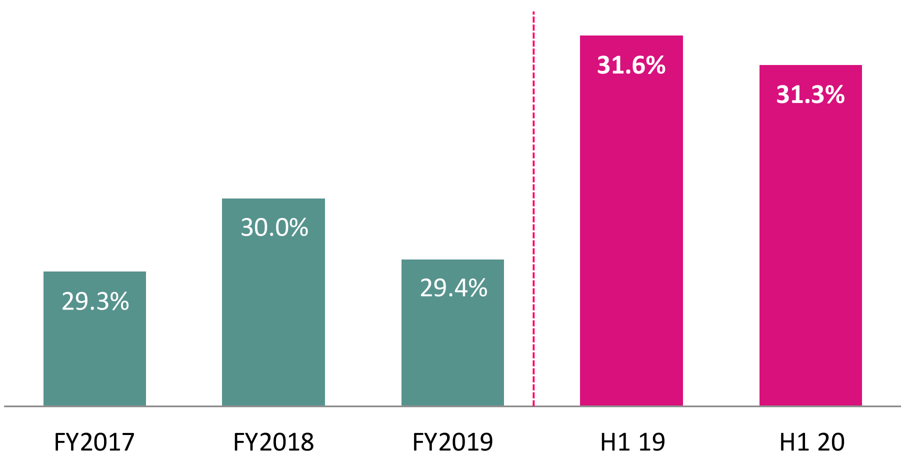
REVENUE (£M) +3.3%



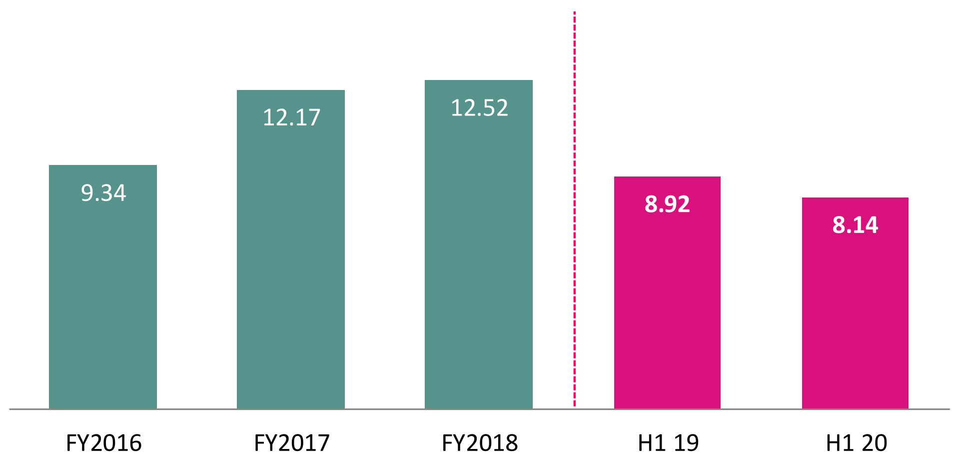
GROUP ADJUSTED EBITDA (£M)* +2.4%



GROUP ADJUSTED EBITDA MARGIN %* -0.3%PTS



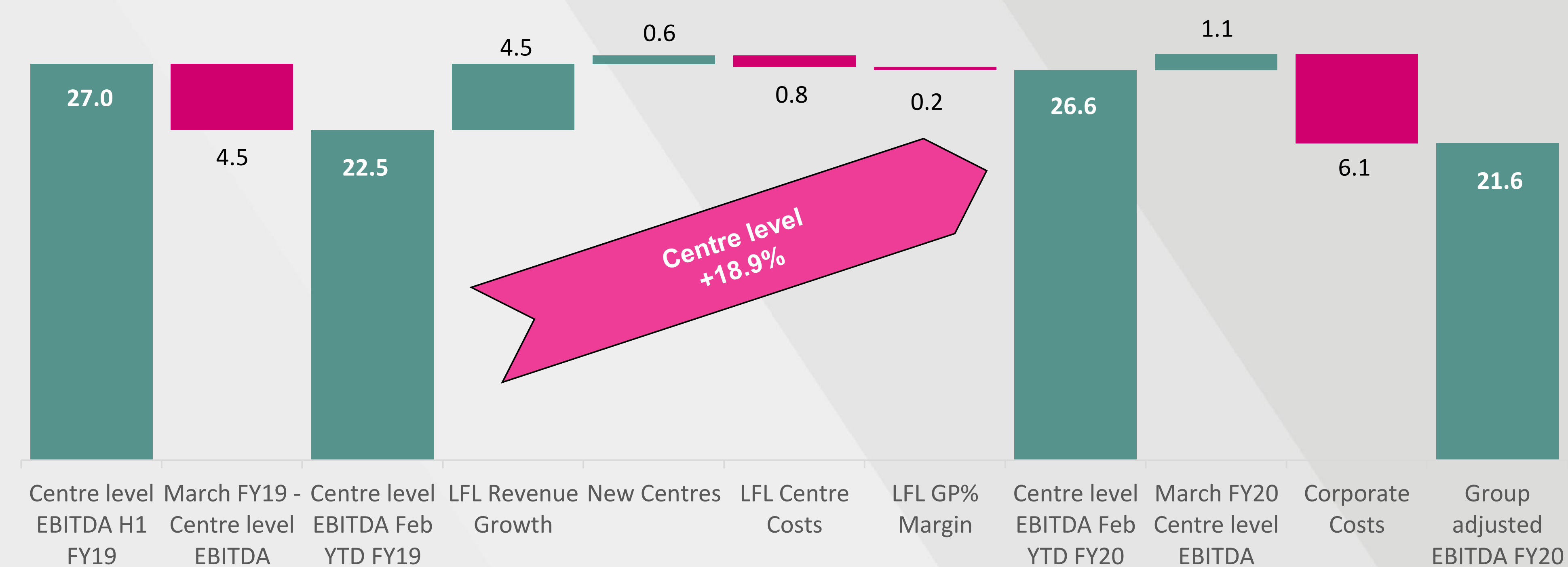
EARNINGS PER SHARE (PENCE)* -8.7%



* Pre IFRS 16 basis to allow for comparatives with PY

CENTRE LEVEL EBITDA GROWTH +2.7%

- LFL revenue growth of 8.6%
- All revenue lines in LFL growth with amusements in double digit
- Centre level EBITDA up 18.9% in the period to Feb 2020
- New centre performance in line with management expectations
- March centre level EBITDA impacted by Covid-19
- Corporate costs increased by £0.2m (2.6%)



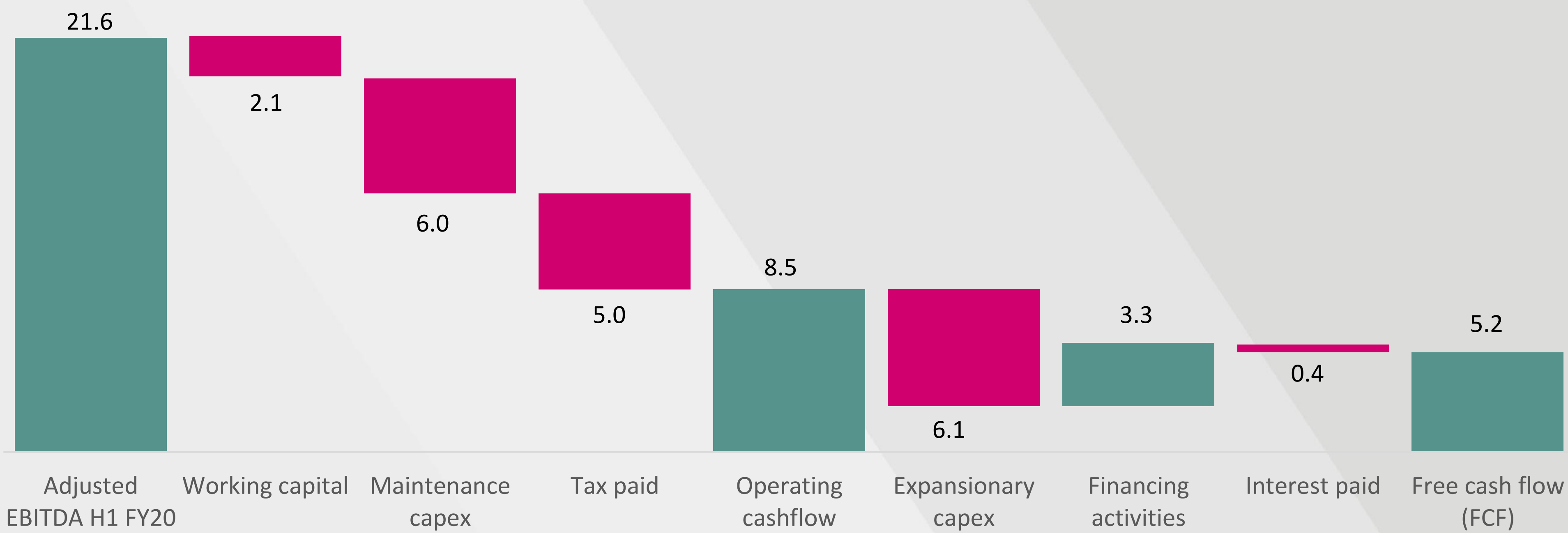
INCOME STATEMENT

(£m)	IFRS 16 H1 FY20	IAS 17 H1 FY20	IAS 17 H1 FY19	IAS 17 Movement
Revenue	69.2	69.2	67.0	+3.3%
Gross profit	59.3	59.3	57.5	+3.0%
Gross profit%	85.6%	85.6%	85.9%	-0.3%pts
Administrative expenses	(40.1)	(43.0)	(40.8)	+5.4%
Operating profit	**19.2**	**16.3**	**16.8**	**-2.8%**
Operating profit margin %	**27.7%**	**23.5%**	**25.0%**	**-1.5%pts**
Depreciation	9.9	5.1	4.2	
Amortisation	0.3	0.3	0.3	
Fixed asset disposal	0.0	0.0	0.3	
Exceptional items	-	-	(0.4)	
Adjusted EBITDA	**29.3**	**21.6**	**21.1**	**+2.4%**
Adjusted EBITDA margin %	**42.3%**	**31.3%**	**31.6%**	
Finance expenses	(4.7)	(1.0)	(0.4)	
Profit before tax	**14.5**	**15.3**	**16.4**	**-6.7%**
Tax expense	(2.9)	(3.1)	(3.0)	
Profit after tax	**11.5**	**12.2**	**13.4**	**-8.7%**
Statutory EPS (pence)	7.68	8.14	8.92	

- Total revenue up 3.3%
- LFL revenue up 8.6%
- Gross profit 85.6% in line with management expectations
- Operating profit down 2.8%, impacted in March by Covid-19% (£0.1m in March 2020 vs £3.1m in March 2019)
- Group adjusted EBITDA up 2.4% despite March impact (+17.5% to end of Feb 20)
- Statutory EPS at 7.68 pence
- IFRS 16 profit before tax impact at £0.8m in H1

STRONG CASH GENERATION

- Maintenance capex includes £1.5m on new scoring rollout and £1.0m on Pins on Strings being installed in a further 4 centres
- Expansionary capex includes £4.9m of net capex for new centres and £1.1m on three refurbishments in H1
- Free cash flow generation of £5.2m
- Dividends of £14.5m paid in H1 FY2020
- Net debt at £14.6m (H1 FY2019: £5.3m)
- No interim dividend due to the Covid-19 impact
- Strong liquidity position for re-opening



BALANCE SHEET

(£m)	IFRS 16 H1 FY20	IAS 17 H1 FY19	Movement
Assets			
Intangible assets	78.4	78.5	(0.1)
Property, plant and equipment	48.2	45.0	3.2
Right-of-use assets	147.4	-	147.4
Inventories	1.5	1.4	0.1
Trade, other receivables and deferred tax asset	6.0	7.4	(1.4)
Corporation tax receivable	1.3	-	1.3
Cash and cash equivalents	15.6	22.5	(6.9)
Total assets	**298.3**	**154.7**	**143.6**
Liabilities			
Trade, other payables and provisions	16.2	27.4	(11.2)
Lease liabilities	176.2	-	176.2
Loans and borrowings	30.1	27.5	2.6
Other liabilities	-	4.1	(4.1)
Total liabilities	**222.5**	**59.0**	**163.5**
Total liabilities	**75.8**	**95.7**	**(19.9)**

- Increase in PP&E driven in H1 through investment in new centres, refurbishments, Pins on strings and scoring, netted off by IFRS 16 adjustment and depreciation
- Corporation tax has moved into a refund position due to new payments on account legislation
- Trade creditors reduced due to Covid-19 closure as well as Namco IFRS 16 reclassification (£2.6m)

PUTTSTARS LAUNCH

Leveraging our experience to extend our leisure offer

- Puttstars provides challenging, fun and engaging mini golf in a safe environment with a family focus
- Innovative technology and customer focus

Successful opening of Leeds centre

- £2.5m centre opened on 6th March
- New brand launch supported by targeted regional press coverage
- Excellent customer feedback on the centre environment and game play
- Trading in line with expectations until centre closure on 20th March in line with Government directive

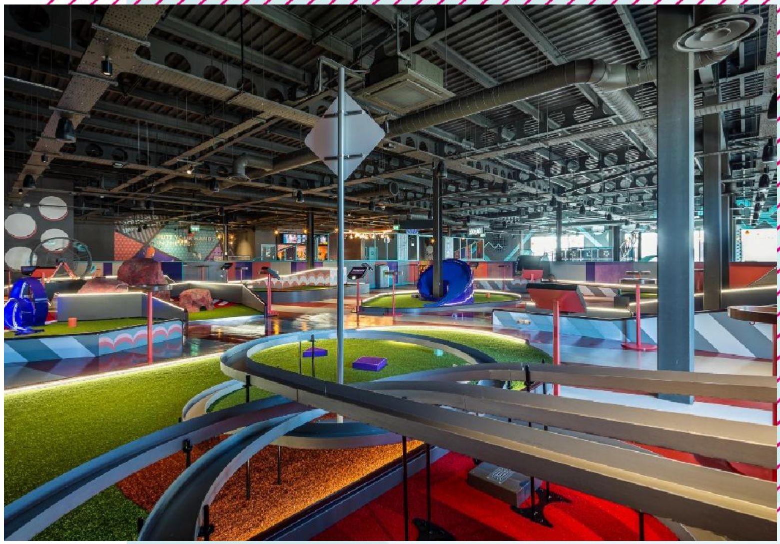
Further trial locations

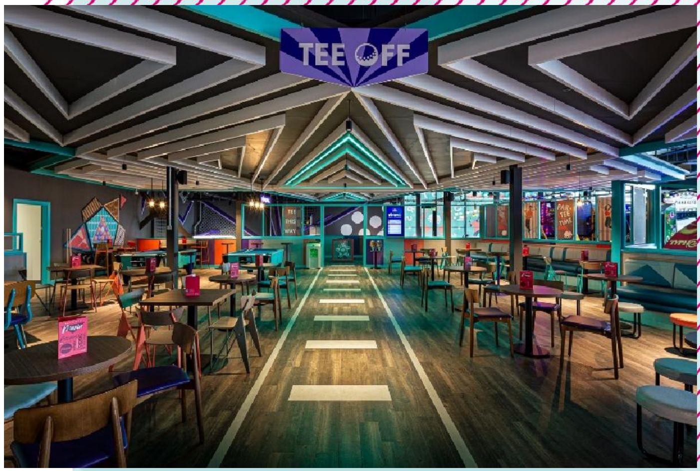
- York (co-located with a new Hollywood Bowl) and Rochdale
- Further locations remain under review to add to Group new centre pipeline if trial is successful

Robust re-opening strategy in place

- Capacity reduction and amended operational processes to support social distancing requirements

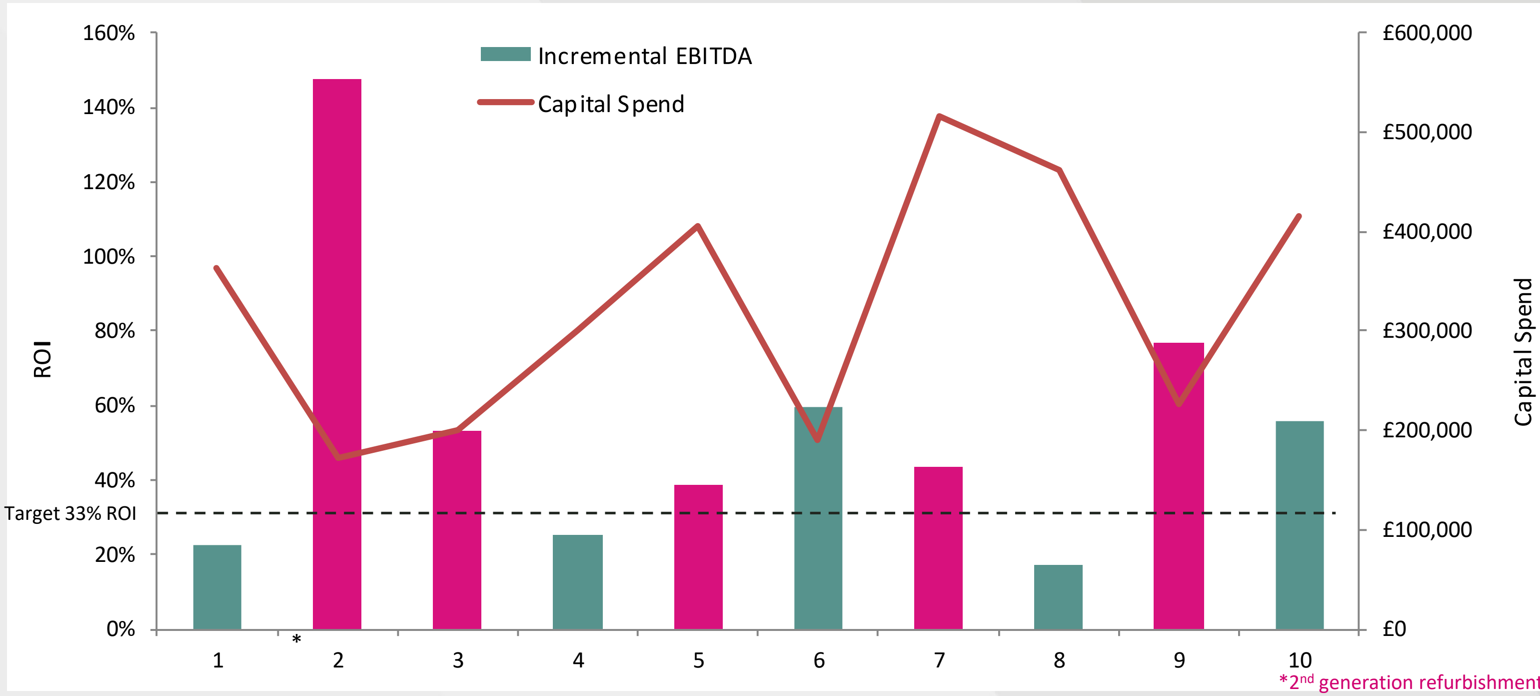
PUTTSTARS MINI GOLF





EXCELLENT CAPITAL RETURNS

- Refurbishment revenue performance +11.1% vs rest of estate
- Average return on investment of 47.3% for last 10 refurbishments and rebrands
- All 5 second generation refurbishments delivering above 33% target
- On site at two refurbishments which will complete this financial year
- Installed Pins on strings in 4 further centres, with ROI at 30%
- New centre performance continues to be strong, with average ROI over 53% on net capital spend



*2nd generation refurbishments

STRONG NEW CENTRE PIPELINE TO FY2024

YORK – FY2020
PUTTSTARS
- Leisure extension Vanguard Way scheme
- 18,000 sq. ft. / 27 holes
- Net capex requirement £2.2m

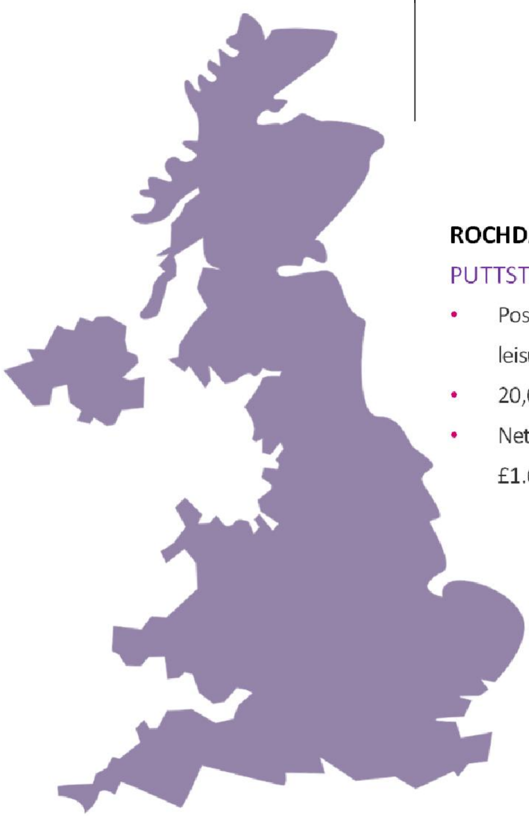
YORK – FY2020
HOLLYWOOD BOWL
- Leisure extension Vanguard Way scheme
- 28,000 sq. ft. / 24 lanes
- Capex requirement £1.4m

LIVERPOOL – FY2021
HOLLYWOOD BOWL
- Relocation of existing centre to new developed leisure section, co-located with cinema
- 23,000 sq. ft. / 24 lanes
- Net capex requirement £2.5m

BELFAST – FY2022
HOLLYWOOD BOWL
- First Hollywood Bowl in N. Ireland
- Leisure scheme with cinema, WM5 and Odyssey arena
- 29,000 sq. ft. / 20 lanes
- Net capex requirement £1.1m

NOTTINGHAM - FY2023
HOLLYWOOD BOWL
- £150m refurbishment of Broadmarsh
- 13m annual footfall
- 19,500 sq. ft. / 16 lanes
- Net capex requirement £1.7m

COLCHESTER – FY2023/4
HOLLYWOOD BOWL
- Large out of town leisure complex
- Cineworld cinema, trampoline, indoor golf and restaurants
- 21,000 sq. ft. / 18 lanes
- Net capex requirement £1.9m



ROCHDALE – FY2020
PUTTSTARS
- Positioned in a new leisure extension
- 20,000 sq. ft. / 27 holes
- Net capex requirement £1.6m

BRACKNELL – FY2021
HOLLYWOOD BOWL
- Relocation of existing bowl to new town centre development scheme
- Town centre includes well position Cineworld, multiple restaurants and retail
- 23,450 sq. ft. / 20 lanes
- Net capex requirement £1.7m

READING – FY2022
HOLLYWOOD BOWL
- First bowling centre in Reading
- 200,000+ catchment (5km)
- Redevelopment of Oracle scheme will include indoor golf and restaurants
- 26,000 sq. ft. / 21 lanes
- Net capex requirement £1.5m

SWINDON – FY2023
HOLLYWOOD BOWL
- Large out of town leisure/retail centre
- Trading with cinema, indoor ski, restaurants and retail
- 21,000 sq. ft. / 19 lanes
- Net capex requirement £1.9m

SOUTHEND – FY2024
HOLLYWOOD BOWL
- New out of town leisure complex
- Empire cinema (11 screens), restaurants and hotel
- 22,000 sq. ft. / 20 lanes
- Net capex requirement £1.8m

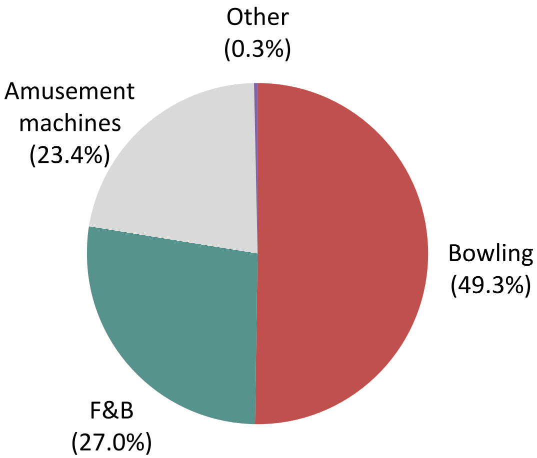
WELL POSITIONED FOR THE FUTURE

- Market leader with high quality, well-invested estate led by experienced management team
- Customer focused business ready to capitalise on the pent-up demand for out of home entertainment
- Low ticket all-inclusive family experience better equipped to weather a recessionary environment
- Robust and flexible re-opening operational strategy with adapted customer journey, team member ways of working and enhanced cleaning protocols
- Post Covid-19 environment may offer future expansion and organic opportunities, leveraging our experience in adjacent leisure sectors
- Refurbishment programme refocused on cost saving capital deployment with guaranteed returns
- Ongoing investment and innovation in the customer proposition and technology enablers
- Strong new centre pipeline backed by disciplined site selection process
- Pre-Covid-19, the Group delivered consistent financial performance and returns driven by ongoing capital investment programme

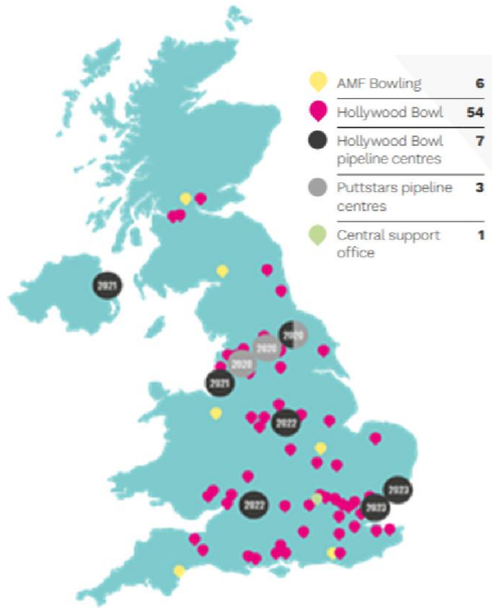
APPENDIX

BUSINESS OVERVIEW AND HISTORY

MULTIPLE REVENUE STREAMS



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
- 18 Hollywood Bowls opened in last 4 years
- 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 extensive 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
- New leisure concept developed with the opening of the first Puttstars in March 2020
- £47.7m cash returned since IPO representing 19.9% of market cap at IPO

GROWTH STRATEGY

ORGANIC GROWTH

Constant focus on customer experience

- Increasing dwell time through customer–focused culture and innovation
- Attracting and retaining top team member talent

Increasing spend

- Improved F&B and amusement offering

Leveraging technology to unlock growth

- Increasing ecommerce sales and yield performance

Broadening the appeal to new customers

- Maximising engagement through targeted marketing

INVESTMENT LED GROWTH

Maintaining a high quality, profitable estate

- Rolling refurbishment programme of 7-10 centres per year

Development of new centres and acquisitions

- Target of an average of 2 new centres per year on retail / leisure parks - with landlord contributions

Growing our market share through customer engagement

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

Leveraging our indoor leisure experience

- Assessing adjacent market entry opportunities alongside our trial mini-golf concept “Puttstars”

Strategic profit enhancing acquisitions

- Opportunities that suit Group location and demographic criteria

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

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