



# EXPERIENTIAL ENTERTAINMENT UPDATE

APRIL 2024

AN AFFILIATE OF



# EXPERIENTIAL ENTERTAINMENT INDUSTRY UPDATE

## THE EXPERIENTIAL ENTERTAINMENT INDUSTRY FINISHED STRONG IN 2023, PAVING THE WAY FOR FURTHER GROWTH IN 2024

### LIVE ENTERTAINMENT

- **Live entertainment continued to benefit from increasing consumer demand for in-person experiences**
  - Consumers willing to spend on premium, live experiences such as live music and events
  - International leisure travel continues to experience a post-pandemic rebound
  - Select operators experienced record financial performance in 2023, with further strong growth expected in 2024

### FAMILY ENTERTAINMENT

- **Family entertainment performed well in 2023, fueled by the demand for affordable leisure experiences**
  - Same store sales down compared to 2022 levels, but remain above 2019 levels
  - Demand for events remains elevated, led by strong corporate demand in current hybrid work environment
  - 2024 is off to a slow start due to poor weather conditions and tough comparable period, with flat-to-modest growth expected for the full year

### CRUISE OPERATORS

- **Cruise operators had a record 2023 performance, with a robust level of bookings for 2024**
  - Remaining negative impact of COVID-19 has been fully phased out in 2023
  - Consumer demand and spending continue to increase, with operators reporting record guest levels
  - Outlook for 2024 is promising, with at least 50% of future expected business already booked across operators

### THEME PARKS

- **Demand for theme parks remains strong, with attendance projected to surpass pre-pandemic levels in near-term**
  - Extreme weather conditions in H1 2023 severely impacted overall attendance levels
  - Despite attendance remaining below 2019 levels, consumers are spending more per visit, driven by improved in-park restaurants and attractions
  - 2024 per caps are anticipated to grow relative to 2023 levels, supported by the trend of increased season pass sales

# STRONG PERFORMANCE ACROSS INDUSTRY SEGMENTS

LIVE ENTERTAINMENT CONTINUED TO BENEFIT FROM INCREASING CONSUMER DEMAND FOR IN-PERSON EXPERIENCES; FAMILY ENTERTAINMENT PERFORMED WELL IN 2023, FUELED BY THE DEMAND FOR AFFORDABLE LEISURE EXPERIENCES

## LIVE ENTERTAINMENT



February 22, 2024

“The live music industry reached **new heights in 2023**, and **demand for live music continues to build**... we've seen **no slowdown on the consumer**... we're seeing **strong demand at all price points**” – *Q4 2023 Earnings Call and Press Release*



February 27, 2024

“TKO's strong results reflect **robust demand for our premium content and live events**... Based on the full year, both UFC and WWE achieved their **best financial performance ever**... In live events, we benefit from **continued strength of the experienced economy**” – *Q4 2023 Earnings Call*



February 8, 2024

“Pursuit set **new records for both revenue and EBITDA**... our **room revenue on the books for 2024 is ahead of this time last year**... The **favorable leisure travel trends and prioritization of discretionary spend on experiences**... set the backdrop for **strong growth ahead**” – *Q4 2023 Earnings Call*

## FAMILY ENTERTAINMENT



February 5, 2024

“Our **revenues are up 65% from pre-pandemic levels**... **Event revenue increased by 30% year-over-year**. **Strong corporate demand** for employees to come together in a work-from home environment” – *Thomas Shannon, Chairman and CEO on FYQ2 2024 Earnings Call*



April 2, 2024

“...**strong financial results** for the final quarter of fiscal 2023 and the year as a whole... **grew adjusted EBITDA** and further **expanded our adjusted EBITDA margins**... **Fiscal '24 is set up to be a transformative year** for our company... once people are in the door, they're **still spending at the same levels**, they've always spent... we've seen **strength on the higher-end consumer**” – *FY 2023 Earnings Call*



February 13, 2024

“...delivered **1% same venue sales growth for the full year** on top of 7% growth in 2022... Topgolf alone is **adding 3 million to 4 million new unique visitors each year**, and we'll have **over 30 million unique visitors in 2024**” – *Oliver Brewer, President and CEO on Q4 2023 Earnings Call*

# STRONG PERFORMANCE ACROSS INDUSTRY SEGMENTS (CONT.)

CRUISE OPERATORS HAD A RECORD 2023 PERFORMANCE, WITH A ROBUST LEVEL OF BOOKINGS FOR 2024; DEMAND FOR THEME PARKS REMAINS STRONG, WITH ATTENDANCE PROJECTED TO SURPASS PRE-PANDEMIC LEVELS IN NEAR-TERM

## CRUISE OPERATORS



“...closed another quarter with **record revenues, record booking levels and record customer deposits**... consistently set **records in all 4 quarters this past year**... We now have nearly **2/3 of the business on the books for 2024**” – *Josh Weinstein, President and CEO on Q4 2023 Earnings Call*



“...putting the **pandemic definitively behind us**... The **record financial results** we delivered in 2023... we took nearly **30,000 guests more than ever**... already booked **over 87% of our full year projected ticket revenues for the year [2024]**” – *Q4 2023 Earnings Call*



“Net yields were **up 13.5% compared to 2019, more than 3.5x our January expectations**... attracted a **record number of both new and loyal guests** who are rebooking at **twice the rate we were seeing in 2019**... **2024 is in the strongest book position in the company's history**” – *Jason Liberty, President and CEO on Q4 2023 Earnings Call*

## THEME PARKS



“**Consumer demand** for amusement park entertainment **remains strong** and is pacing to **soon surpass pre-pandemic attendance levels**” – *Richard Zimmerman, President and CEO on Q4 2023 Earnings Call*







“Our guests on average, are **spending over 40% more per visit than they were before the pandemic**... progress continues with **2024 passes**, which through generally are **up double digit over 2023**” – *Selim Bassoul, President and CEO on Q4 2023 Earnings Call*






“For the full year, we **delivered near-record results**... attendance levels for fiscal 2023 were **still below levels achieved in 2019**... confident will **eventually recover to and surpass pre-COVID levels**” – *Marc Swanson, CEO on Q4 2023 Earnings Call*

# FAMILY ENTERTAINMENT SAME STORE SALES AND THEME PARKS REVENUE GROWTH

FAMILY ENTERTAINMENT EXPERIENCED A DECLINE IN YOY SAME STORE SALES AS THE YEAR PROGRESSED; THEME PARKS REVENUE IN LINE WITH CY 2022 AND OUTPACING CY 2019

	SAME STORE SALES				
	CY 2023 vs. CY 2022				
	CY Q1	CY Q2	CY Q3	CY Q4	Full Year
<b>Family Entertainment</b>					
	15%	(3%)	(5%)	0%	NA
 (a)	(4%)	(6%)	(8%)	(7%)	(6%)
 (b)	NA	(0%)	1%	2%	NA
 (c)	11%	1%	(3%)	(3%)	1%
<b>Family Entertainment Average</b>	<b>7%</b>	<b>(2%)</b>	<b>(4%)</b>	<b>(2%)</b>	<b>(3%)</b>

	REVENUE	
	CY 2023 vs.	
	CY 2019	CY 2022
<b>Theme Parks</b>		
	22%	(1%)
	(4%)	5%
	23%	(0%)
<b>Theme Parks Average</b>	<b>14%</b>	<b>1%</b>

Source: Financial reports, earning releases, investor presentations and publicly available information.

a) Calendar year represents 12 months ending in January.

b) Figures are exclusive to Round 1 USA segment.

c) Figures are exclusive to the Topgolf business segment of Topgolf Callaway Brand.

# SITE-BASED ENTERTAINMENT LOCATIONS (2019 VS. TODAY)

THERE HAS BEEN SIGNIFICANT GROWTH IN THE SITE-BASED ENTERTAINMENT INDUSTRY WITH THE OPERATORS BELOW INCREASING BY NEARLY 600 LOCATIONS SINCE THE START OF 2019

## Arcade / Bowling

	Beginning of 2019	Current
CHUCK E. CHEESE	641	489
DAVE & BUSTER'S / MAIN EVENT	163	205
PINS	3	14
PINSTRIPES	12	20
REC ROOM	5	12
ROUND USA	39	55
TILT Studios	14	23
<b>Total (Ex. CEC)</b>	<b>236</b>	<b>329</b>
<b>Total</b>	<b>877</b>	<b>818</b>

## Escape / Challenge Rooms

	Beginning of 2019	Current
ACTIVATE	--	27
BEAT THE BOMB	1	6
GAME SHOW BATTLE ROOMS	1	11
IMMERSIVE GAMEBOX	--	17
LEVEL99	--	3
RED DOOR ESCAPE ROOM	5	16
THE ESCAPE GAME	10	41
<b>Total</b>	<b>16</b>	<b>121</b>

## Competitive Socializing

Mini Golf			Other		
	Beginning of 2019	Current		Beginning of 2019	Current
HOLEY MOLEY	--	4	CHICKEN N PICKLE	2	16
POPSTROKE	--	25	ELECTRIC SHUFFLE	--	3
puttery	--	10	FIVE IRON GOLF	2	25
Puttshack	--	22	FLIGHT CLUB	1	8
Swingers	--	3	TOPGOLF	47	90
<b>Total</b>	<b>--</b>	<b>64</b>	<b>Total</b>	<b>52</b>	<b>142</b>

## Trampoline / Adventure Park

	Beginning of 2019	Current
GET AIR	68	75
KIDS EMPIRE	2	69
SLICK CITY ACTION PARK	--	10
Urban Air ADVENTURE PARK	62	227
<b>Total</b>	<b>132</b>	<b>381</b>

## Karting / Thrill

	Beginning of 2019	Current
ANDRETTI INDOOR KARTING & GAMES	4	9
iFLY	32	42
K1 SPEED	34	71
<b>Total</b>	<b>70</b>	<b>122</b>

## Immersive Experiences

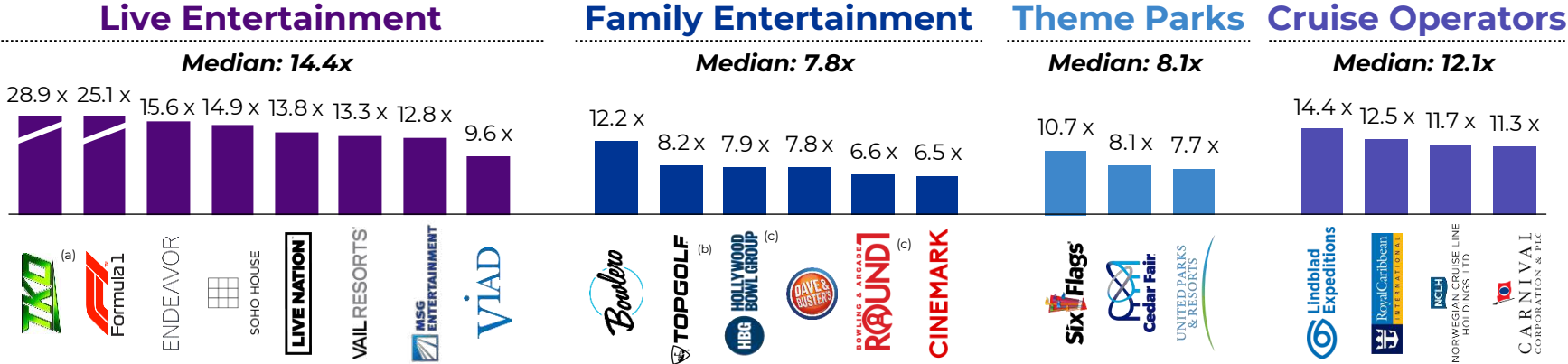
	Beginning of 2019	Current
illuminarium	--	4
MUSEUM OF ICE CREAM	1	5
MUSEUM OF ILLUSIONS	2	24
<b>Total</b>	<b>3</b>	<b>39</b>

## Virtual Reality

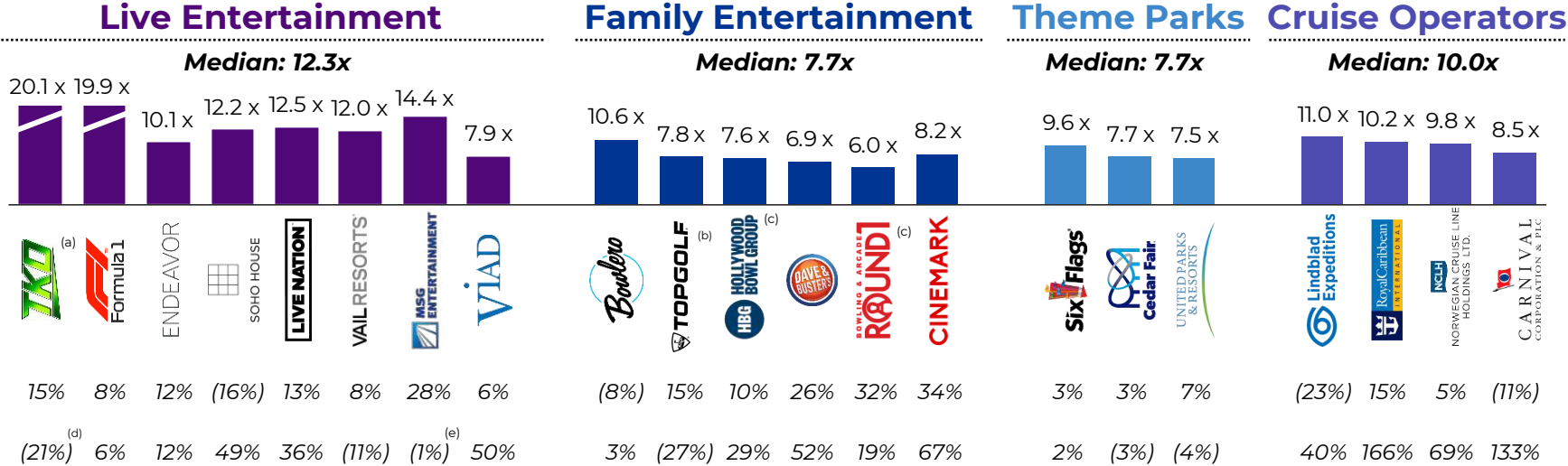
	Beginning of 2019	Current
SANDBOX <sup>VR</sup>	3	36
ZERO LATENCY	8	25
<b>Total</b>	<b>11</b>	<b>61</b>

# EXPERIENTIAL ENTERTAINMENT TRADING MULTIPLES

## EV / EBITDA MULTIPLES (CY 2023)



## EV / EBITDA MULTIPLES (CY 2024)



Change in Share Price

	TKO	Formula 1	ENDEAVOR	SOHO HOUSE	LIVE NATION	VAIL RESORTS	MSG ENTERTAINMENT	VIAD	Boomerang	TOPGOLF	HBBG HOLLYWOOD BOWL GROUP	DAVE & BUSTERS	ROUND1	CINEMARK	Six Flags	Cedar Fair	UNITED PARKS & RESORTS	Lindblad Expeditions	Royal Caribbean INTERNATIONAL	NCLH NORWEGIAN CRUISE LINE HOLDINGS LTD.	CARNIVAL CORPORATION & PLC
YTD 2024	15%	8%	12%	(16%)	13%	8%	28%	6%	(8%)	15%	10%	26%	32%	34%	3%	3%	7%	(23%)	15%	5%	(11%)
CY 2023	(21%) <sup>(d)</sup>	6%	12%	49%	36%	(11%)	(1%) <sup>(e)</sup>	50%	3%	(27%)	29%	52%	19%	67%	2%	(3%)	(4%)	40%	166%	69%	133%

Source: Public filings and Capital IQ as of April 3, 2024.  
 a) Enterprise value calculated as market capitalization + non-controlling interest + long-term debt + current portion of long-term debt + convertible debt - cash.  
 b) Assumes constant annual EBITDA adjustment.  
 c) Represents EBITDA pre-IFRS-16. Assumes constant annual EBITDA adjustment.  
 d) TKO Group did not publicly trade until September 12, 2023.  
 e) MSG Entertainment did not publicly trade until April 17, 2023.

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