



# FY2018 RESULTS PRESENTATION

*27 November 2018*



## 2018 Results

- ▶ **The Group has reached a recurrent reported EBITDA of €174 MM (including a +1.4% like-for-like growth)**
  - Delivered growth across all regions
  - Achieve positive results in key capex projects, including Warner beach and Mirabeach expansions
  - Record sales of season passes (+16% growth)
  - Overall, performance has been affected by poor weather conditions impacting US and to a lesser extent Europe
    - US: Unfavorable conditions during the summer affecting particularly parks located in the North East and California
    - RoE: Summer season negatively affected by an extended heatwave that affected Central Europe
    - Spain: Experienced the rainiest Spring in the past 50 years
  - In addition, the company has identified areas to deliver a better execution in terms of commercial impact, cost management and capex planning
- ▶ **Proforma Net Income of €49.5 MM and Net Debt increase up to €567 MM, mainly driven by Belantis acquisition**
- ▶ **Dividend proposal of €20 MM (0.25 per share) and a payout ratio of 40% over 2018 Proforma Net Income**

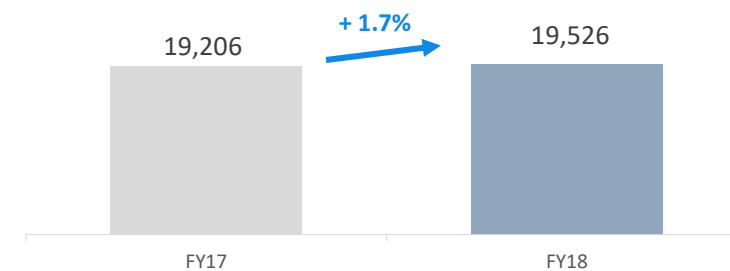
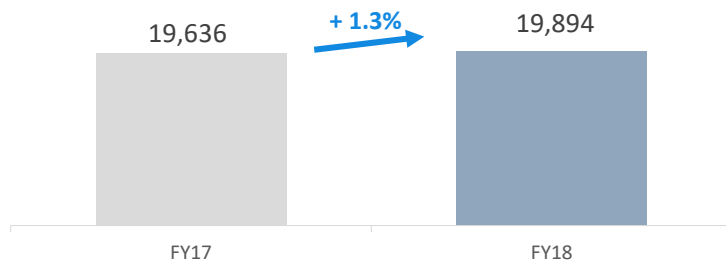
## 2019 Key Actions

- ▶ **Focused on delivering growth and creating value for our shareholders**
  - Organic growth potential of existing park portfolio
  - c.€70 MM expansion capex plan already under development targeting pre-tax ROICs in the c.15-20% area
  - Actively working on M&A opportunities
  - First indoor openings in Madrid coming this fall 2018
- ▶ **Ongoing strategic plan review, CEO search and reinforcement of the management team**
- ▶ **Change of fiscal year from September 30<sup>th</sup> to December 31<sup>st</sup> starting on January 2019 (approved in the last AGM)**

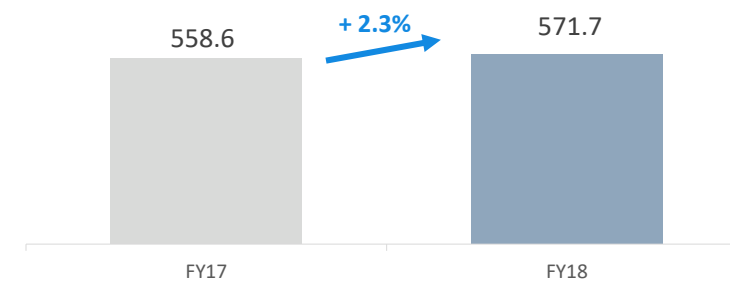
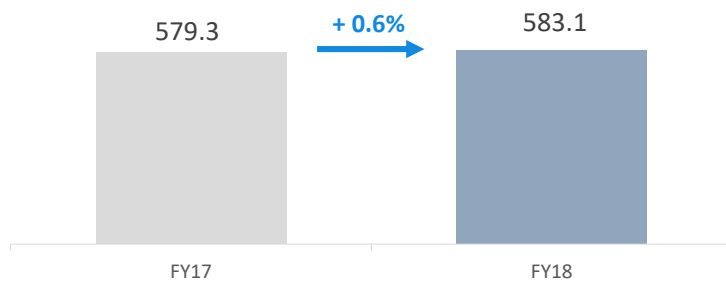
**FY18 Reported Figures**

**FY18 Like-for-Like <sup>(1)</sup>**

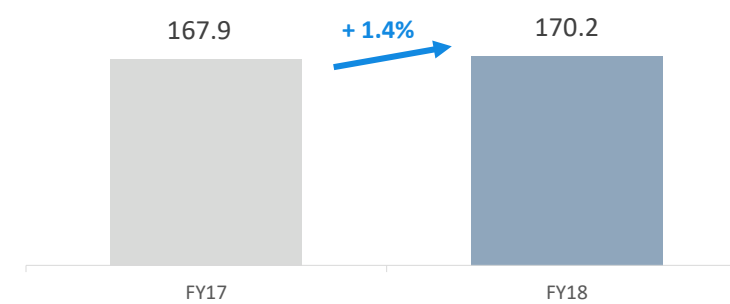
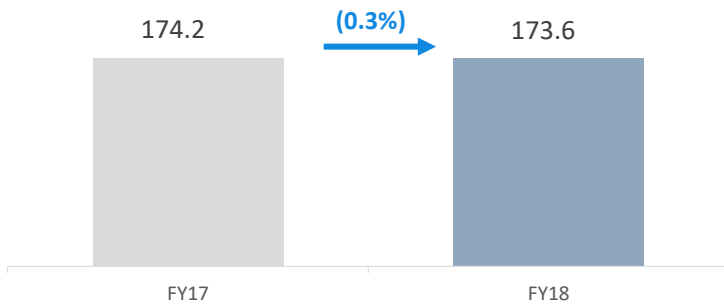
Visitors ('000)



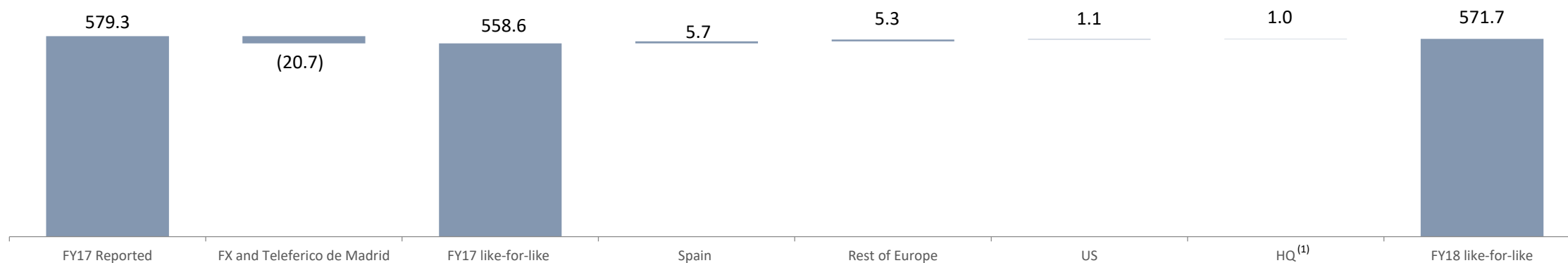
Revenue (€ MM)



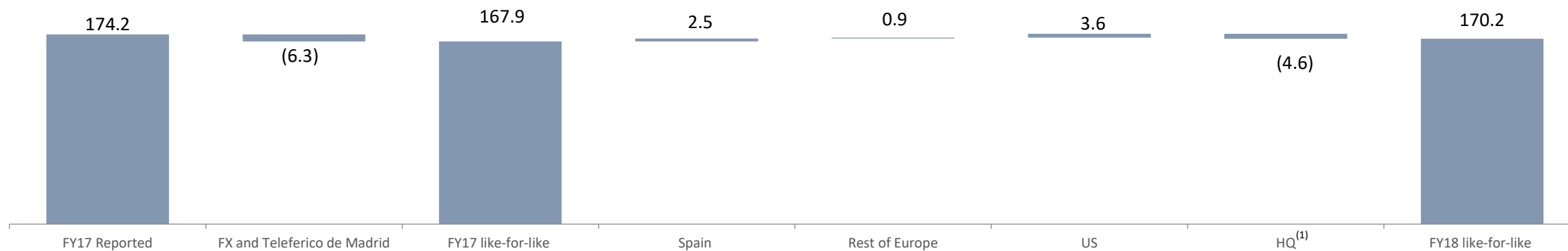
Recurrent EBITDA (€ MM)



## Revenue Bridge



## Recurrent EBITDA Bridge



(1) Headquarters include management contracts and indoor entertainment centers businesses

## ► Achieved another record year in Spain

- 4% like-for-like revenue growth fostered by a strong attendance
- Outstanding performance reached in Q4 recording a 9% like-for-like revenue growth in the quarter
  - Highlights the strength of our portfolio when operating under normal conditions
  - Q4 performance more than offset the adverse impact experienced from the rainiest Spring since 1965
- The opening of the expansion of Warner Beach has exceeded expectations

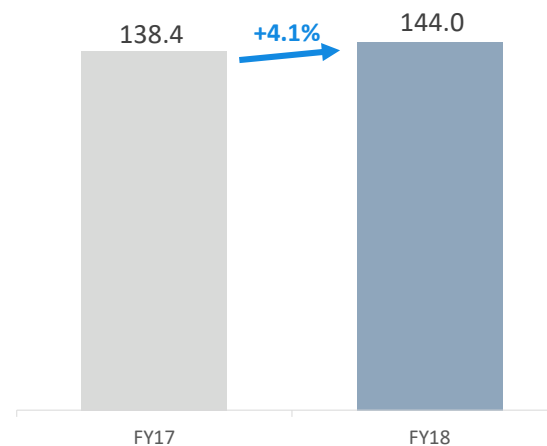
## ► Recurrent EBITDA growth of 4.4% reaching an all-time high of €59 MM

- Implies an EBITDA drop through of 43%
- Q4 EBITDA has grown by more than 11%

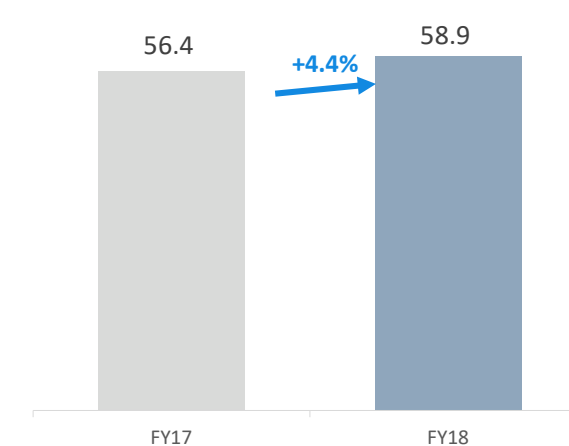
## ► All elements are in place to continue delivering growth during 2019

- Good market momentum
- Season passes sales are growing by 23%
- Good pipeline of capex opportunities including an iconic show, a second gate adventure park and a new water slide

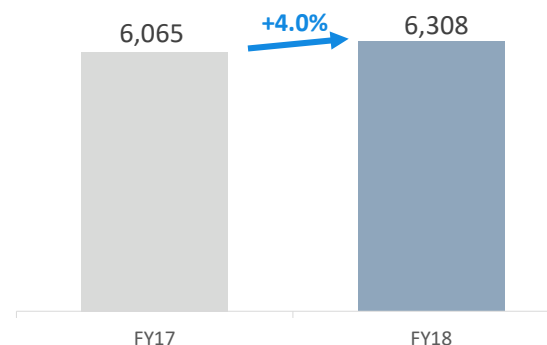
### Revenue (€ MM)



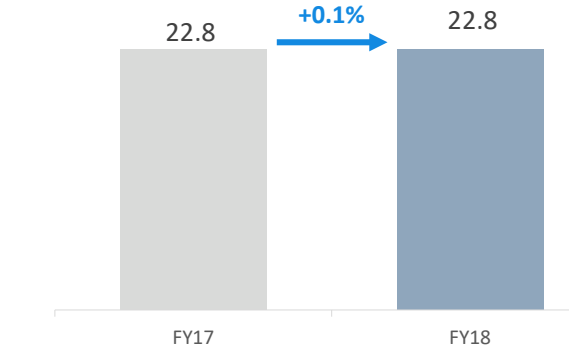
### Recurrent EBITDA (€ MM)



### Visitors ('000)



### Percap (€)



# RoE: Good Revenue Performance Achieved

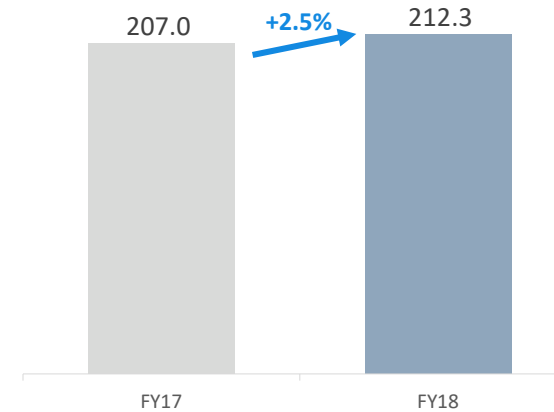
## ► Achieved a 2.5% like-for-like revenue increase in FY18

- Growth driven by a higher attendance and percap increase
- Strong performance achieved during the low season
  - +5% like-for-like revenue YTD June growth
  - +13% revenue growth during off-season events
  - +23% growth in the sale of season passes
- Performance during the high season has been negatively impacted by a 6-week heatwave that has affected our parks in North-Central Europe during the summer
- Successful opening of Mirabeach extension at Mirabilandia (Italy)
- Marineland has not shown a major improvement yet

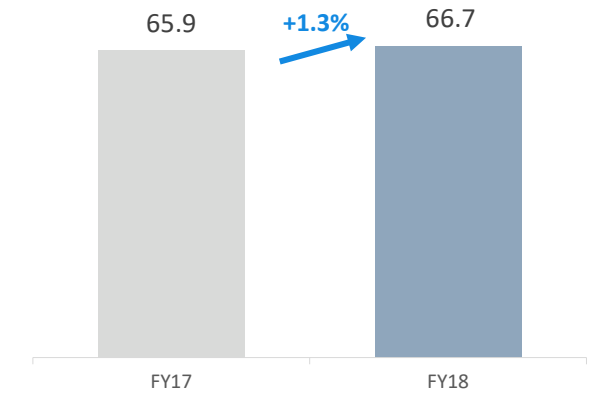
## ► Key drivers to achieve growth during the 2019 season

- Opening of Ducati World at Mirabilandia (Italy)
- New record breaking launch coaster at Bobbejaaland (Belgium)
- New adventure park at Slagharen (the Netherlands)
- New themed area at Movie park (Germany)

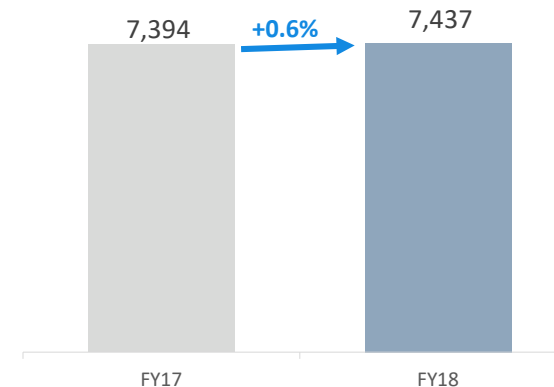
### Revenue (€ MM)



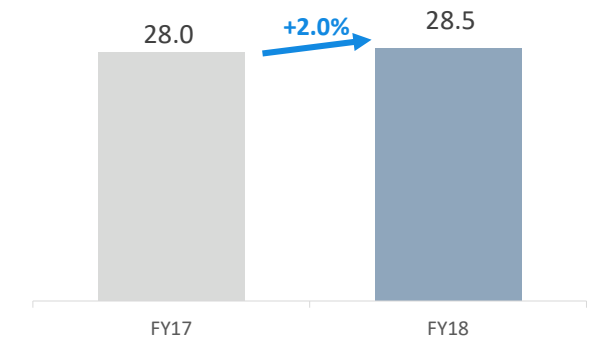
### Recurrent EBITDA (€ MM)



### Visitors ('000)



### Percap (€)



# US: Soft Season Affected by Adverse Weather Conditions

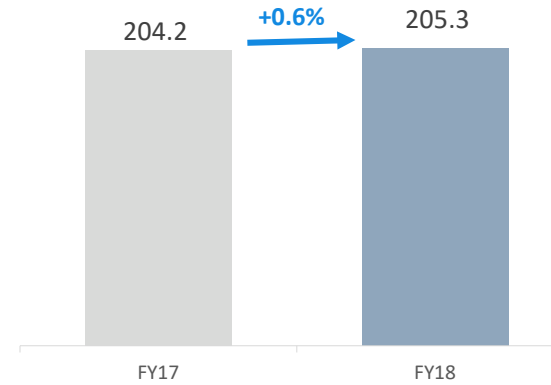
## ► Performance negatively impacted by extremely adverse weather conditions

- +1% like-for-like revenue growth
- California and the Northern East have experienced a combination of cooler temperatures and more rainy days
- In addition, SeaLife Hawaii performance has been negatively affected by a decline in tourism following the eruption of the Kilauea Volcano
- Good performance when operating under normal weather conditions
  - +18% revenue increase during off-season events
  - c.10% growth in season pass sales

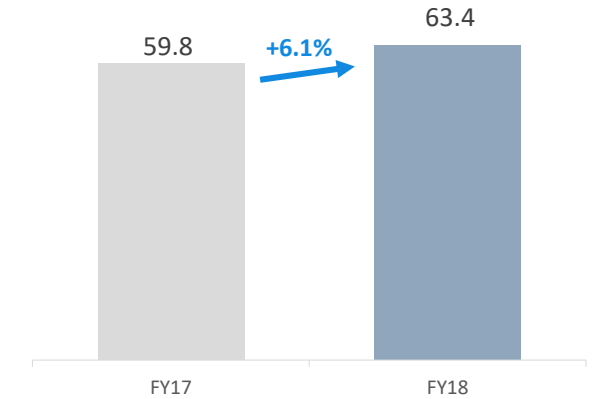
## ► Company fully focused on delivering growth in this region

- Continue expanding our season pass holders base (already c.18% of ticketing sales)
- Key expansion projects to come during the season:
  - Steelers Country at Kennywood
  - Cartoon Hotel at Dutch Wonderland
  - Living Shores Aquarium at Story Land

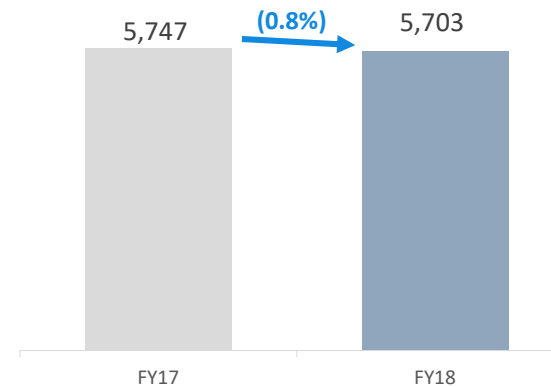
### Revenue (€ MM)



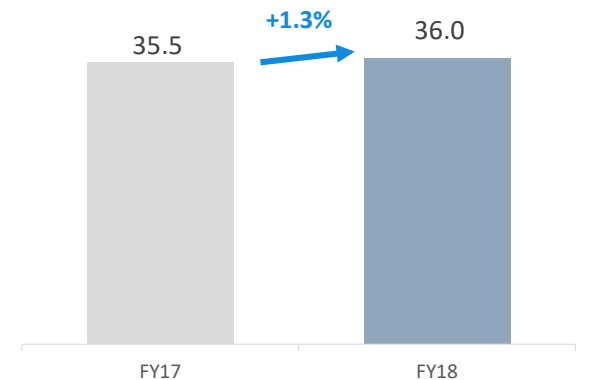
### Recurrent EBITDA (€ MM)



### Visitors ('000)



### Percap (€)



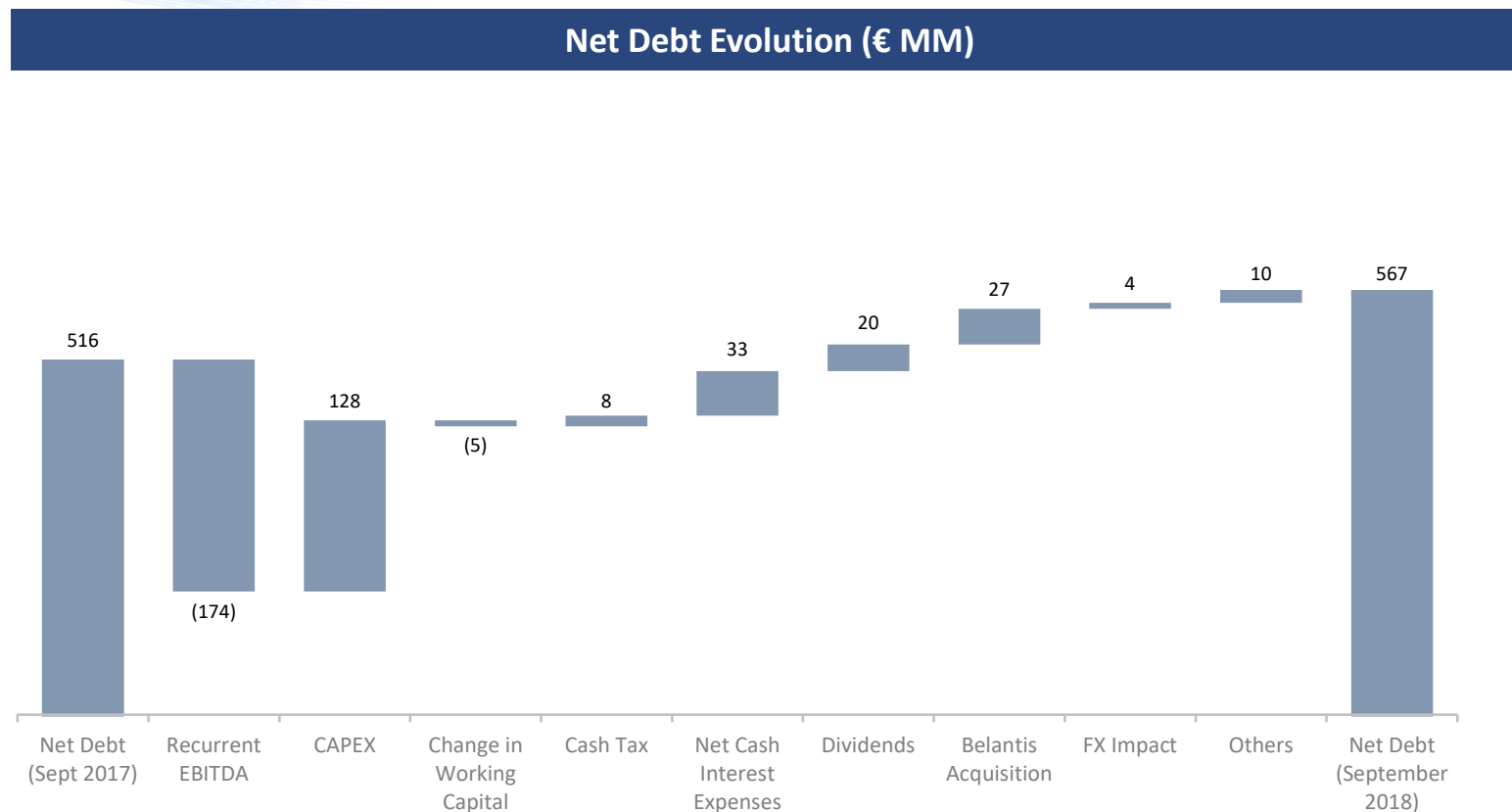
- ▶ **Proforma Net Income of €49.5 MM**
  
- ▶ **Non recurrent items amounting to €11.2 MM including:**
  - Bad debt provision of Vietnam contract
  - Write-off of merchandising stocks
  - Personnel restructuring, advisory fees, provision for stock based compensation and other non-recurrent items
  
- ▶ **Net impairments of €25.7MM mainly associated to Idlewild, Miami Seaquarium, Marineland and some US water parks**
  
- ▶ **Dividend proposal of €20 MM**
  - €0.25 dividend per share
  - Implied payout ratio of 40% based on our Proforma Net Income

Summary P&L (Reported figures)			
€ MM	FY17	FY18	Var.
<b>Recurrent EBITDA</b>	<b>174.2</b>	<b>173.6</b>	<b>(0.3%)</b>
D&A	(71.6)	(80.9)	(12.9%)
<b>EBIT</b>	<b>102.5</b>	<b>92.7</b>	<b>(9.5%)</b>
Non-recurrent items	(12.0)	(11.2)	7.1%
Net impairments	(31.1)	(25.7)	17.4%
<b>Operating Profit</b>	<b>59.4</b>	<b>55.9</b>	<b>(5.9%)</b>
Net financial expenses	(34.3)	(37.0)	(8.2%)
Exchange gains / (losses)	(2.0)	(1.0)	48.7%
Income tax	(11.8)	(4.8)	59.2%
<b>Net income</b>	<b>11.4</b>	<b>13.0</b>	<b>14.5%</b>
<b>Pro Forma net income</b>	<b>51.4</b>	<b>49.5</b>	<b>(3.7%)</b>
Pro Forma EPS	0.64	0.61	(3.7%)



► **Net debt increased up to €567 MM**

- €42 MM of unlevered free cash flow generation
- €33 MM of financing costs and €20 MM dividend payment (against FY17 results)
- €27 MM Belantis acquisition
- €4 MM increase due to USD to € depreciation





## 2019 Expansion Capex and Indoor Projects

### Ducati World at Mirabilandia (Italy)



- ▶ Investment: €26 MM
- ▶ Opening date: April 2019
- ▶ One-of-a-kind branded area incorporating latest technologies, a new generation motorcycle launch coaster and simulators that replicate the experience of riding a Ducati
- ▶ Highly visible IP, benefitting from being close to Bologna, Ducati city of origin

### Steelers Country at Kennywood (USA)



- ▶ Investment: \$30 MM
- ▶ Opening date: 2019 season
- ▶ New themed area based on two of the strongest entertainment brands in Pennsylvania: The Pittsburgh Steelers football team (winner of 6 Super Bowls) and Kennywood (designated US Historic Landmark)
- ▶ Exclusive and innovative football experience through a record breaking 67 meter-high roller coaster *Steel Curtain*, exclusive merchandising, skill games and food locations

### Cartoon Hotel at Dutch Wonderland (USA)



- ▶ Investment: \$15 MM including the hotel purchase, refurbishment and branding
- ▶ Opening date: May 2019
- ▶ 1<sup>st</sup> Cartoon Network hotel with 165 room located in a nearby the park. Amenities include a restaurant, event space and two pools
- ▶ Improve park experience, shifting perception from a one day visit to a resort destination with a strong IP

### Living Shores Aquarium at Story Land (USA)



- ▶ Investment: \$4 MM
- ▶ Opening date: 2019 season
- ▶ Indoor aquarium in New Hampshire White Mountains
- ▶ Expand the park season as this is a year round operations indoor shifting the perception over the park experience
- ▶ Help to hedge the park against poor weather conditions

## Fall 2018 openings: Atlantis Aquarium and Nickelodeon Adventure at Xanadu (Madrid)

### Atlantis Aquarium Xanadú



- Investment: c.€15 MM
- Opening date: November 2018
- Occupying an area of 5,500sqm, the aquarium hosts c.200 species and 20 ecosystems and includes a wide variety of virtual and augmented reality experiences

### Nickelodeon Adventure Xanadú



- Investment: c.€10 MM
- Opening date: December 2018
- Occupying an extension of 4,500sqm it offers highly immersive interactive experiences and dedicated to each one of Nickelodeon's most popular characters

## Four projects under development



## APPENDIX

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# 1. Performance by Region – Reported Figures

€ MM	FY Reported Figures														
	GROUP			SPAIN			REST OF EUROPE			US			HQ <sup>(1)</sup>		
	FY17	FY18	Var.	FY17	FY18	Var.	FY17	FY18	Var.	FY17	FY18	Var.	FY17	FY18	Var.
<b>Visitors ('000)</b>	19,636	19,894	1.3%	6,495	6,394	(1.6%)	7,394	7,719	4.4%	5,747	5,703	(0.8%)	-	-	-
<b>Total Percap</b>	29.5	29.3	(0.7%)	21.7	22.6	4.1%	28.3	28.9	2.2%	38.3	36.0	(5.9%)	-	-	-
<b>Total Revenue</b>	579.3	583.1	0.6%	141.0	144.5	2.4%	209.3	223.2	6.7%	219.9	205.3	(6.6%)	9.2	10.1	10.2%
<b>Recurrent EBITDA</b>	174.2	173.6	(0.3%)	58.1	59.0	1.6%	66.5	70.0	5.4%	64.4	63.4	(1.5%)	(14.9)	(18.9)	(27.0%)
<b>% margin</b>	30.1%	29.8%	-	41.2%	40.9%	-	31.8%	31.4%	-	29.3%	30.9%	-	-	-	-
<b>Recurrent capex</b>	66.6	73.6	11.2%	11.5	15.1	32.0%	28.9	23.6	(18.2%)	22.6	29.9	34.2%	3.6	5.0	37.4%

(1) Headquarters include management contracts and indoor entertainment centers businesses

## 2. Performance by Region – Like-for-like Figures

€ MM	FY Like-for-like Figures														
	GROUP			SPAIN			REST OF EUROPE			US			HQ <sup>(1)</sup>		
	FY17	FY18	Var.	FY17	FY18	Var.	FY17	FY18	Var.	FY17	FY18	Var.	FY17	FY18	Var.
<b>Visitors ('000)</b>	19,206	19,526	1.7%	6,065	6,308	4.0%	7,394	7,437	0.6%	5,747	5,703	(0.8%)	-	-	-
<b>Total Percap</b>	29.1	29.3	0.7%	22.8	22.8	0.1%	28.0	28.5	2.0%	35.5	36.0	1.3%	-	-	-
<b>Total Revenue</b>	558.6	571.7	2.3%	138.4	144.0	4.1%	207.0	212.3	2.5%	204.2	205.3	0.6%	9.1	10.1	11.0%
<b>Recurrent EBITDA</b>	167.9	170.2	1.4%	56.4	58.9	4.4%	65.9	66.7	1.3%	59.8	63.4	6.1%	(14.3)	(18.9)	(32.4%)
<b>% margin</b>	30.0%	29.8%	-	40.8%	40.9%	-	31.8%	31.4%	-	29.3%	30.9%	-	-	-	-
<b>Recurrent capex</b>	66.6	73.6	10.6%	11.4	15.1	32.0%	28.8	23.6	(17.9%)	22.7	29.9	31.8%	3.6	5.0	36.7%

(1) Headquarters include management contracts and indoor entertainment centers businesses



### 3. Balance Sheet

#### Assets

€ MM	FY17 30 Sep 17	FY18 30 Sep 18	Var.
<b>Property, plant and equipment</b>	900	984	84.0
<b>Goodwill</b>	562	555	(7.3)
<b>Intangible assets</b>	442	430	(12.6)
<b>Non-current financial assets</b>	2	1	(0.7)
<b>Total non-current assets</b>	<b>1,907</b>	<b>1,970</b>	<b>63.4</b>
<b>Inventories</b>	25	21	(3.2)
<b>Trade and other receivables</b>	30	44	13.6
<b>Current tax assets</b>	1	1	0.0
<b>Other current assets</b>	9	9	0.6
<b>Cash and cash equivalents</b>	123	55	(68.2)
<b>Total current assets</b>	<b>187</b>	<b>130</b>	<b>(57.2)</b>
<b>Total assets</b>	<b>2,094</b>	<b>2,100</b>	<b>6.3</b>

#### Equity and Liabilities

€ MM	FY17 30 Sep 17	FY18 30 Sep 18	Var.
<b>Share capital</b>	40	40	0.0
<b>Share premium</b>	1,328	1,328	0.0
<b>Other reserves</b>	(289)	(297)	(8.3)
<b>Other comprehensive income</b>	18	22	4.0
<b>Retained earnings(Parent)</b>	11	13	1.6
<b>Equity (Parent)</b>	<b>1,108</b>	<b>1,106</b>	<b>(2.7)</b>
<b>Non- controlling interests</b>	1	1	0.0
<b>Total equity</b>	<b>1,109</b>	<b>1,106</b>	<b>(2.6)</b>
<b>Loans and borrowings</b>	547	529	(17.9)
<b>Finance lease</b>	55	57	1.6
<b>Deferred tax liabilities</b>	200	200	0.1
<b>Provisions</b>	11	10	(1.1)
<b>Other non-current liabilities</b>	2	13	11.9
<b>Total non-current liabilities</b>	<b>814</b>	<b>809</b>	<b>(5.4)</b>
<b>Loans and borrowings</b>	31	33	2.1
<b>Other financial liabilities</b>	0	0	0.0
<b>Finance lease</b>	5	5	0.1
<b>Trade and other payables</b>	116	125	9.5
<b>Current tax liabilities</b>	6	6	0.4
<b>Other current liabilities</b>	12	15	2.3
<b>Total current liabilities</b>	<b>171</b>	<b>185</b>	<b>14.3</b>
<b>Total liabilities</b>	<b>985</b>	<b>994</b>	<b>8.9</b>
<b>Total equity and liabilities</b>	<b>2,094</b>	<b>2,100</b>	<b>6.3</b>

*As per ESMA guidelines (2015/1415), an Alternative Performance Measure (APM) is a financial measure of historical or future financial performance other than those defined or specified in the applicable financial reporting. Below, we are defining the main APMs used by Parques Reunidos' Management and that should be considered in addition to the financial statements drafted according to the applicable regulation*

### ► The main APMs definitions for the group are:

- **Like-for-like figures:** assumes constant FX rates and same park portfolio perimeter (excluding Teleférico de Madrid concession that expired in December 2017 and Belantis that was acquired in March 2018)
- **Total Percap:** average spend per visitor to a park, includes both ticketing, in-park spending and others
- **Ticketing Percap:** average admission fees per person spent per visit to a park
- **In-park Percap:** average spend per visitor to a park excluding admission fees. It includes spending on food & beverage, retail purchase, souvenirs photography among others
- **Recurrent EBITDA:** earnings before interests, taxes, depreciations, amortizations, provisions, impairments and other non-recurrent items
- **Non-recurrent items:** are those considered by the company as a one-off expense or gain that are not expected to occur on a normal basis. This could include restructuring costs, compensations, gains/loss from discontinued operations or losses from lawsuits among others
- **EBIT:** earnings before interests, taxes, provisions, impairments and other non-recurrent items
- **Net income pro-forma:** net income excluding net impairments and other non-recurrent items net of taxes
- **Net debt:** gross debt minus cash and equivalents
- **Recurrent capex:** investments made on maintenance and on new attractions:
  - **Maintenance capex** comprises the day-to-day capital expenditure to maintain fresh the parks and guarantee safety across the portfolio
  - **Investing in new attractions or features** is also considered as recurrent capex by the company. These investments are key for the business allowing us to maintain the current visitor base and revenues of the park, attracting new ones, extending the season of the park, developing a new activity, repositioning the park or extending the length of visit

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