



INVESTMENT CASE

FEBRUARY 2019

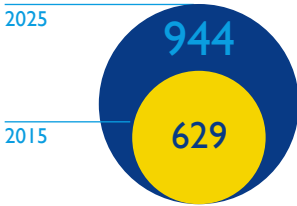


Our strategic vision is to create a high growth, high return, family entertainment company based on strong brands and a global portfolio that is naturally balanced against the impact of external factors. ”

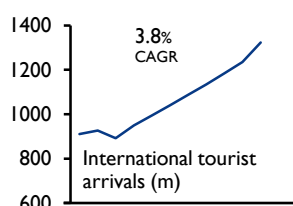
1. Attractive market fundamentals

- Growth in leisure spend, short breaks and international tourism
- High barriers to entry
- Fragmented market

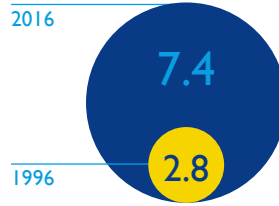
1. Overall growth in US leisure spend (\$bn)



2. Growth in international tourism 2007 - 2017



3. UK short break holidays (m)



Sources: 1. Euromonitor passport. 2. World Tourism Organization (UNWTO) 3. ONS Data 1996 – 2016

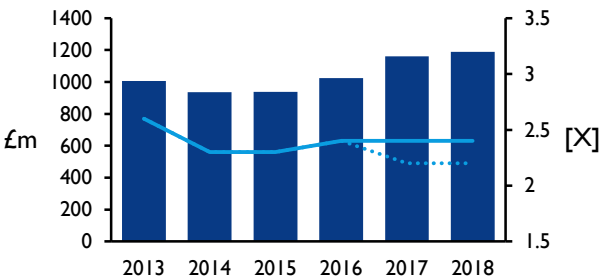
3. Multiple growth levers

- Six strategic growth drivers underpinned by in-house operational, marketing and creative expertise

1. Planned investment cycles in the existing estate	2. Exploiting strategic synergies	3. Developing our theme parks into destination resorts
4. Opening new Midway attractions	5. Opening new LEGOLAND Parks	6. Strategic acquisitions

4. Financial and investment discipline

- Strict investment criteria and disciplined approach to capital allocation
- Strong balance sheet and cash generation
- Multi-year, global cost efficiency programme



Op. Free Cash Flow

£345m

↑9.7% (2018)

Guidance range of 2-3x Net Debt / EBITDA

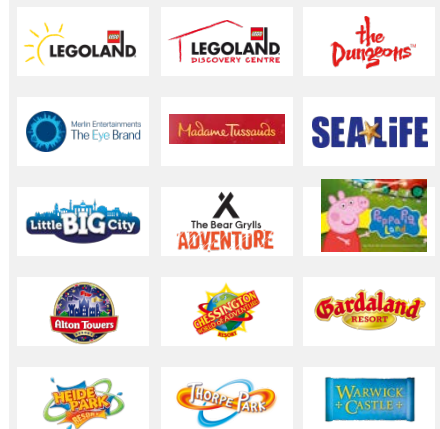
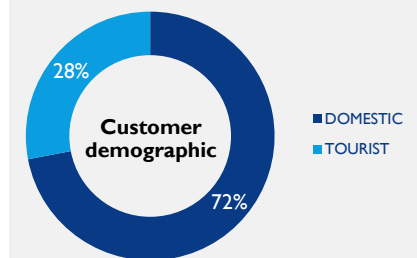
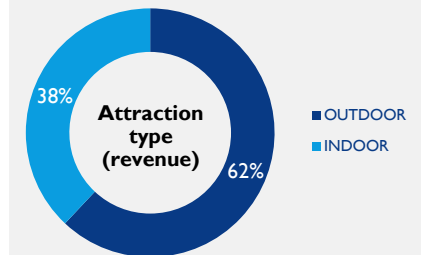
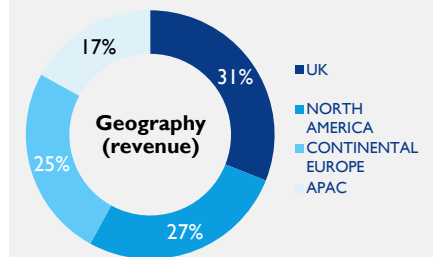
5. Being a Force for Good

- High standards of health and safety, governance and welfare
- Doing the right thing for our people, guests, animals and the planet
- Advocates for diversity, inclusion and conservation



2. Portfolio and brands

- Proven success in partnering with third-party IP owners
- Owner of iconic assets and brands
- Portfolio balanced by geography, attraction type and customer demographic





AT A GLANCE 2018 HIGHLIGHTS

“Our continued investment, new market opportunities and our evolving position as a unique, multi-format international operator of strongly branded and IP-led location based entertainment, give us the confidence that we are well placed to deliver long term growth and returns.”

Revenue*	Visitors	Underlying EBITDA	Op. Free Cash Flow	Net Promoter Score	Adjusted EPS
£1,653m	67m	£494m	£345m	57%	22.9p
↑5.2% organic <small>*excluding IFRS 15</small>	↑1.4%	↑6.2%	↑9.7%	↑3% points	↑11.7%

MIDWAY ATTRACTIONS

Indoor Attractions located in city centres or resorts

Revenue	EBITDA
£650m <small>*excluding IFRS 15</small>	£210m
Attractions	Countries
113	22



LEGOLAND PARKS

LEGO themed accommodation, rides, shows and interactive experiences

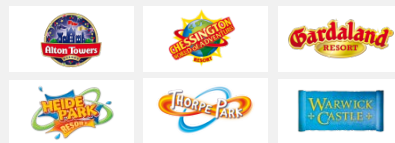
Revenue	EBITDA
£636m <small>*excluding IFRS 15</small>	£242m
Attractions	Countries
8	7



RESORT THEME PARKS

Accommodation, rides, shows and interactive experiences around a central theme

Revenue	EBITDA
£360m <small>*excluding IFRS 15</small>	£88m
Attractions	Countries
6	3



Attraction and accommodation count

Attraction

As at 29 Dec 2018	UK	Cont. Europe	Americas	Asia Pacific	Group
Midway	24	29	27	33	113
LLP	1	2	2	3	8
RTP	4	2	-	-	6
Group	29	33	29	36	127

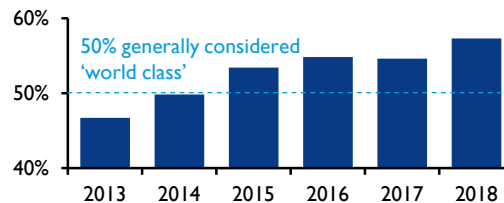
Accommodation (number of rooms)

LEGOLAND Parks	2,439
Resort Theme Parks	1,679
Group	4,118

3 year financials

	2016 ¹	2017	2018
Revenue (£m)	1,428	1,594	1,653
Organic revenue growth (%)	3.6	6.6	5.2
LFL revenue growth (%)	1.4	0.7	1.8
EBITDA (£m)	433	474	494
EBITDA margin (%)	30.3	29.7	29.9
DPS	7.1	7.4	7.6
Adjusted EPS (p)	19.5	20.5	22.9
Adjusted EPS growth (%)	9.3	5.5	11.7
Total capex (£m)	259	336	332
Group ROCE (%)	9.6	9.1	8.9

Net Promoter Score



- Net Promoter Score 57%
- Guest Satisfaction over 90%
- Further improvement in Value for Money metrics and ‘Top Box’ scores

Stock Data

MERL.LN (LSE)

Market cap

£3.7bn

as at 27 February 2019

Key dates

03 May 2019

Trading Update

09 May 2019

Investor Webinar “Digital Guest Journey”

01 Aug 2019

2019 Interim Results

15 Oct 2019

Trading Update

Sir John Sunderland
Chairman

Nick Varney
CEO

Anne-Françoise Nesmes
CFO

¹-52 week basis

MEDIA

James Crampton
Corporate Affairs Director
james.crampton@merlinentertainments.biz
+44 (0)1202 493 014

Brunswick
merlin@brunswickgroup.com
+44 (0)207 404 5959

INVESTORS

Simon Whittington
Investor Relations Director
simon.whittington@merlinentertainments.biz
+44 (0)1202 493 011

Debbie Fisher
Investor Relations Manager
debbie.fisher@merlinentertainments.biz
+44 (0)203 915 8305

Merlin Entertainments plc is a global leader in location based, family entertainment. As Europe's Number 1 and the world's second-largest visitor attraction operator, Merlin now operates over 120 attractions, 18 hotels and 6 holiday villages in 25 countries and across 4 continents. Merlin's purpose is to deliver memorable experiences to 67 million guests around the world, through its iconic global and local brands, and the commitment and passion of its c.28,000 employees (peak season).

Visit www.merlinentertainments.biz for more information.