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## MERLIN ENTERTAINMENTS DELIVERS RECORD REVENUES IN 2023 AS TRANSFORMATIONAL STRATEGY TAKES HOLD

**Merlin Reports Strong Growth and Strategic Expansion, Reinforcing Position as Global Leader of Branded Entertainment Destinations**

### Financial Highlights:

- 62 million guests, +7 million more visitors in 2023, with record guest satisfaction across Merlin brands
- Record Group revenues, up 8% to £2.1 billion, and adjusted EBITDA of £662M
- Strong revenue growth at Gateway attractions, particularly in Asia Pacific, the UK, and Continental Europe, with resilient performance across LEGOLAND® Parks and Resort Theme Parks

### Strategic Highlights:

- Transformational strategy set in motion by reinvigorated executive leadership team, targeting significant growth and expansion
- Capital allocation refined and optimised towards destinations with largest opportunity to enhance guest experience and premiumise the Merlin portfolio, particularly LEGOLAND® Resorts
- In line with strategic focus on building major attraction clusters in key tourist cities, including Orlando, Merlin today announces the acquisition of 'The Orlando Eye', the tallest observation wheel on the United States' East Coast

Merlin Entertainments, the global leader in branded entertainment destinations, today reports record revenues for the 2023 financial year (ended 30 December 2023), driven by strong performance in key markets, international tourism, and continued consumer demand for quality experiences. The company welcomed 62 million visitors to its 141 attractions across 23 countries, with record guest satisfaction rates, and achieved revenue of £2.1 billion, a respective 13% and 8% increase over 2022.

Merlin today announces the acquisition of the Orlando Wheel at ICON Park, the tallest observation wheel on the United States' East Coast. Co-located with Merlin's existing SEA LIFE aquarium and Madame Tussauds sites, the rebranded 'Orlando Eye' further strengthens the company's presence in a top US tourist gateway hub, and its portfolio of iconic observation attractions including the London Eye.

### Scott O'Neil, Chief Executive Officer, Merlin Entertainments, states:

*"In 2023, Merlin Entertainments began a significant transformation, setting a new strategy, assembling a diverse and dynamic leadership team, and investing in capability building to position Merlin for the next phase of growth. In a year of record revenue and a +13% visitor increase over 2022, we are humbled, inspired, and emboldened that the 62 million guests who visited our 141 theme parks and attractions around the world reported the highest levels of guest satisfaction in Merlin history. Our solid financial performance is a testament to the passion of our 30,000 talented teammates around the world and the authentic, inspiring culture in which we work; the strength of the brands we are*

entrusted to bring to life, most notably the LEGO® brand; the global breadth and depth of our attractions; the end-to-end creative force of our Merlin Magic Makers; and our deep commitment to creating lifelong memories for guests of all ages and abilities, while driving positive impact in the communities in which we live, work, and play.

We intend to continue our growth momentum by driving an increasingly premium position at LEGOLAND® Resorts, making calculated investments in resorts with outsized potential, and growing our Gateway Attractions division, strengthening our presence through ‘mega-clusters’ in the world’s most important tourist cities that show long-term visitation growth.

Today’s acquisition of the Orlando Wheel in the vitally important tourist hub of Orlando demonstrates this new Gateway strategy in action and serves to replicate our successful London Gateway formula, whereby we have clustered four of our branded attractions alongside the iconic anchor that is The London Eye. Similarly, The Orlando Eye by Merlin Entertainments will become an unmissable stop on visitors’ itineraries, connecting guests to our wider portfolio of premium attractions and resort theme parks in and around Orlando, including the SEA LIFE Orlando Aquarium, Madame Tussauds Orlando, and LEGOLAND Florida Resort and Peppa Pig Theme Park.

2023 will be remembered as a strong year for Merlin, marked by growth in demand for the joyful experiences we deliver to millions of guests annually. We set the company on a path for transformation that will strengthen our position as the global leader in branded entertainment destinations, and one that responds to increased consumer appetite for digitally immersive and premium experiences at world-famous attractions.”

## Merlin 2023 Financial Results

	2023	2022 <sup>(D)</sup>	Growth <sup>(C)</sup>
Visitors (M) <sup>(A)</sup>	62.1	55.1	+13%
Revenue (£M)	2,125	1,960	+8%
Adj EBITDA (£M) <sup>(B)</sup>	662	662 <sup>(E)</sup>	-
(Loss)/profit before tax	(214) <sup>(F)</sup>	106	N/A

- A. Visitors represents all individual visits to Merlin-owned or operated attractions
- B. Adjusted EBITDA excludes share-based payments and impairments.
- C. Growth at reported currency (£)
- D. For the 52 weeks ended 24 December 2022
- E. Includes £35M of government support related to the Covid-19 pandemic
- F. 2023 loss for the year is after £210M of exceptional non-cash impairment and £36M of debt refinancing charges. Excluding these exceptional items, adjusted profit before tax in 2023 was £32m.

## Resilient Performance Across Operating Groups:

- **Gateway Attractions**<sup>1</sup> continued to deliver strong revenue growth with revenues up 23% year-on-year to £748m, primarily reflecting the demand of international tourism in gateway city clusters, most notably London, where nearly one in every four visitors to the city came to a Merlin attraction. The Asia Pacific division saw strong performance in cities like Sydney, Australia, and Bangkok, Thailand although the pace of post-pandemic recovery in China has been slow.

- Revenues within **LEGOLAND Parks** were up 1% year-on-year to £914m, driven by growth at LEGOLAND Japan and European resorts overall – notably LEGOLAND Deutschland which benefited from the launch of the ‘LEGO MYTHICA’ themed land. In North America there was positive trading in the first half of the year with a normalisation of consumer demand as the year progressed.
- **Resort Theme Parks** reported revenue increased 2% year-on-year to £453m, reflecting a strong early season performance at Heide Park and Gardaland, Merlin’s resorts in Italy and Germany, and the benefit of the award-winning ‘World of Jumanji’ themed land and rides at ‘UK Theme Park of the Year 2023’ winner, Chessington World of Adventures.
- Continued investment in strategic initiatives, combined with wider inflationary pressures, drove an increase in operating costs in the year. As a result, Adjusted EBITDA of £662m was unchanged to the prior period.

***Continued Investment in Merlin’s Power Brands and New Concepts:***

- Launched award-winning ‘World of Jumanji’ land at Chessington World of Adventures Resort, in partnership with Sony Pictures Entertainment, voted ‘Best New Attraction’ at the 2023 UK Theme Park Awards. Chessington World of Adventures was also named UK Theme Park of the Year.
- Redeveloped and launched ‘Curse of Alton Towers’ at Alton Towers Resort, winning ‘Best Reimagined Attraction’ at the 2023 UK Theme Park Awards, with Alton Towers awarded ‘Best Theme Park for Families’.
- Opened world’s first LEGO Adventure Golf at LEGOLAND Windsor Resort, and two new LEGO Discovery Centres in Atlanta and Washington D.C., both showcasing new digital-driven interactive-building activities.
- Expanded the successful Ferrari partnership, launching ‘LEGO Ferrari Build & Race’ experiences at LEGOLAND Billund and LEGOLAND Windsor.
- Welcomed Cadbury World, the chocolate-making attraction by iconic British heritage brand, Cadbury, into the Merlin family.
- Launched the first-ever Gruffalo & Friends Clubhouse on Blackpool’s seafront, the ninth Merlin attraction in the ever-popular seaside town, bringing the world’s favourite monster for pre-schoolers to life.
- Rolled out a new ‘competitive socialising’ concept with Immersive Gamebox in Sydney, Australia and Oberhausen, Germany, which blends life-sized digital gaming with popular narratives, from Paw Patrol to Netflix’s Squid Games, for players of all ages and abilities to enjoy.

***Strengthening the Merlin Leadership Team and Engaging Employees Globally:***

- Bolstered the already strong leadership team through key promotions including: Fiona Eastwood, Chief Operating Officer – Gateway Attractions, whose role expanded to oversee Resort Theme Parks; Paul Moreton, promoted to Chief Development Officer; Mike Vallis promoted to Managing Director of Resort Theme Parks; Rob Smith, previously Regional Director for APAC, becoming Managing Director of Gateway Attractions; and Susan Ang appointed Regional Director of APAC, overseeing Gateway attractions in significant growth markets, such as Australia, Thailand, Japan and China.
- Appointed Karim Hajjar as Merlin’s Chief Financial Officer in February 2024, bringing more than 30 years of financial experience with international companies across the energy, resources, and chemicals industries.
- Hired a number of senior executives to strengthen the leadership team including Spencer Holt, Merlin’s first Chief Experience & People Officer (CXPO); Sarah Venning, Merlin’s first Chief Digital and Data Officer; Asha Amster, Merlin’s first Chief Transformation Officer, Linda Zou, Chief Strategy Officer, and award-winning producer and digital media executive, Megan Wastell, who took on the role of Global Creative Director, Merlin Magic Making.

- Heightened focus on being the best place to work and play with an overall employee engagement score of 68%, consistent with 2022 levels, reflecting record participation rates of 20,000 staff (87%) spread across 23 countries.

### **Continued commitment to Safety, Accessibility and Sustainability**

- Maintained industry-leading health, safety, and security standards, with a continued low Medical Treatment Case (MTC) rate<sup>2</sup> of 0.01 for 2023, consistent with 2022.
- Launched pioneering Engineering Academy to nurture theme park engineers through a tailored three-year programme; achieving the coveted accreditation from the Institution of Engineering and Technology (IET)
- All US LEGOLAND Resorts (California, Florida and New York) became Certified Autism Centers (IBCCES), with sensory guides, quiet rooms, and planning resources. LEGOLAND Windsor Resort bestowed the 'Access Champion' award at the 2023 Blue Badge Access Awards, demonstrating remarkable achievements in the field of accessibility.
- Construction started at Merlin's first carbon neutral accommodation, the Woodland Village at LEGOLAND Windsor, set to open spring 2024, and announced partnership with RAW Charging to provide electric vehicle (EV) charging points across Merlin's UK resorts.

- (1) *Formerly known as Midway Attractions, we have renamed this Operating Group as Gateway Attractions to signal our strategic focus on growing in the world's most significant tourist and residential locations – where there is demand for premium entertainment experiences centred around world-famous brands.*
- (2) MTC rate captures the rate of guest injuring requiring external medical treatment relative to 10,000 guest visitations

**ENDS**

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## Notes to Editors

### **MERLIN: BRINGING WORLD-FAMOUS BRANDS TO LIFE ON A GLOBAL SCALE**

Merlin Entertainments is a world leader of branded entertainment destinations, offering a diverse portfolio of resort theme parks and city-centre attractions across the US, Western Europe, China and Asia Pacific. Dedicated to creating experiences that inspire joy and connection, Merlin welcomes more than 62 million guests annually to its growing estate, which currently numbers over 140 sites across 23 countries.

An expert in bringing world-famous entertainment brands to life, Merlin works with partners including the LEGO® Group, Sony Pictures, Peppa Pig, DreamWorks and Ferrari to create destinations where family and friends can immerse themselves in a wide array of brand-driven worlds, rides and uplifting learning experiences.

The company's resort theme parks include 10 LEGOLAND Resorts situated across the US, Europe, and Asia, plus the iconic destinations of Alton Towers, Chessington World of Adventures and Thorpe Park in the UK and Gardaland and Heide Park in Italy and Germany. Merlin's portfolio of attractions includes branded attractions such as: Madame Tussauds, SEA LIFE aquariums, LEGO Discovery Centres and Peppa Pig Parks. Merlin groups its city-centre attractions to create must-visit hubs in thriving locations like New York, London, Amsterdam, Sydney, Singapore and Hong Kong.

Merlin's 30,000-strong team of colleagues are the people who dream up the extraordinary experiences of tomorrow and bring them to life with next-generation technology, awe-inspiring physical construction and outstanding guest service. With an expanding portfolio of resorts, Merlin's creativity extends to unique themed accommodations in its hotels, holiday villages and eco-lodges.

Positive social and environmental impact is intrinsic to Merlin's purpose. With more than 180,000 animals in its care, Merlin partners with the SEA LIFE TRUST charity to protect marine life and habitats through a wide range of initiatives, including launching the world's first beluga whale sanctuary in 2019. Merlin's flagship social impact initiative, Merlin's Magic Wand charity, creates magical experiences for children who need them most and supports thousands of families every year.

With new sites, attractions and formats launching every year, Merlin continues to grow towards its vision of being *the* global leader in branded entertainment destinations and the greatest place to work and play.

Privately owned and supported by equity investors Blackstone, KIRKBI, and the Canadian Pension Plan Investment Board (CPPIB), Merlin Entertainments stands as a beacon for spreading joy and happiness globally.

For more information, visit [MerlinEntertainments.biz](https://MerlinEntertainments.biz) and follow Merlin on [LinkedIn](https://www.linkedin.com/company/merlin-entertainments). To explore and support Merlin's charitable initiatives, visit [MerlinsMagicWand.org](https://MerlinsMagicWand.org) and the [SEA LIFE Trust](https://www.sealifetrust.org).