

Ten Entertainment Group plc Half-Year Trading Update

“Excellent customer response since reopening, driving like-for-like sales growth - a return to cash generation and profitability.”

Ten Entertainment Group plc (“TEG” or “the Group”), a leading UK based operator of 46 bowling and family entertainment centres, today announces a trading update for the 26 weeks to 27 June 2021.

- All 46 centres across the UK reopened safely on 17 May with over 650,000 visits
- 22.5% like-for-like¹ sales growth in the first six weeks of opening compared to 2019
- The business has returned to profit and cash generation
- Cash position is secure, with over £23m of liquidity headroom

Encouraging early trading

All centres were closed for the first 20 weeks of FY21 because of the Covid-19 Lockdown. During this time, the business was focused on conserving cash and preparing to welcome our customers safely back to our centres. In addition, we used the closure period to evaluate all areas of the business to ensure that we emerged from the pandemic in a stronger position than we went in.

Total sales growth since reopening on 17 May has been +27.4% compared to the same period in 2019. Like-for-like sales growth over these opening six weeks has been a very encouraging +22.5% compared to 2019.

The strong trading since reopening has been driven by several factors. Pent-up demand and foreign travel restrictions have helped contribute to the growth. Longer term factors such as a digitally-enabled marketing strategy; a strong focus on customer experience; our much-loved range of entertainment; and a great value pricing model have been an essential part of this growth, and will continue to be so for the rest of the year.

Restrictions such as the Rule of Six, table service, venue capacity restrictions, and social distancing all currently remain in place. However, these are not as damaging to trade as the measures imposed during the second half of 2020. In particular, we operated all 1,103 of our bowling lanes thanks to our investment in lane dividers.

The encouraging reopening sales performance means that the Group has already returned to profit and cash generation.

Strong liquidity position

The Group’s cash position remains strong with over £23m of headroom as at 27 June 2021. The business expects to generate free cash flow in the second half and has recommenced its highly successful investment strategy in order to drive further profit growth, including developing the expansion pipeline. Further detail will be provided at the interim announcement in September.

Outlook

The underlying business model remains highly attractive and strongly cash generative. While the pent-up demand is likely to subside, the business continues to be well positioned for growth with its well-invested estate and focus on customer experience. The removal of the final Covid-19 restrictions on 19 July will be the last step in TEG returning to its full operating potential.

TEG expects to announce its half-year results on 22 September 2021.

Graham Blackwell, Chief Executive Officer, commented:

“I am delighted with the commitment and hard work of our teams across the UK who have welcomed back our customers with a safe and highly successful reopening programme. We are looking forward to recommencing our investment strategy in the second half of 2021 and to continue developing our family entertainment experience throughout the UK.”

¹ Like-for-like sales compares sales while the business is trading from 17 May over an equivalent 6 week period in 2019 adjusted for new centres. All centres were closed for the comparable 6 weeks in 2020.

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About Ten Entertainment Group plc

The Group is a market leading family entertainment business in the UK market with a total of 46 entertainment centres anchored on Tenpin Bowling and trading under the Tenpin brand with 1,103 bowling lanes across the estate. The Group also has a variety of entertainment offerings, such as amusement machines, table-tennis, soft play, escape rooms, laser games and pool tables, plus food and beverages.