



SEAWORLD INVESTOR PRESENTATION ICR CONFERENCE

January 8, 2018

SEAWORLD
ENTERTAINMENT.



Disclosures

Statement Regarding Forward-Looking Statements

This presentation contains “forward-looking statements” within the meaning of U.S. federal securities laws. All statements contained in this presentation other than statements of historical facts are forward-looking statements. Words such as “might,” “will,” “may,” “should,” “estimates,” “expects,” “continues,” “contemplates,” “anticipates,” “projects,” “plans,” “potential,” “predicts,” “intends,” “believes,” “forecasts,” “future,” “guidance,” “targeted” and variations of such words or similar expressions are intended to identify forward-looking statements.

Forward-looking statements are not historical facts, and are based upon management’s current expectations, beliefs, estimates and projections, and various assumptions, many of which are inherently uncertain and beyond our control. Such expectations, beliefs, estimates and projections are expressed in good faith and management believes there is a reasonable basis for them. However, there can be no assurance that management’s expectations, beliefs, estimates and projections will be achieved and actual results may differ materially from what is expressed in or indicated by the forward-looking statements. Forward-looking statements are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in the forward-looking statements, including risks detailed in SeaWorld Entertainment, Inc.’s (“SeaWorld” or the “company”) 2016 Annual Report on Form 10-K as filed with the U.S. Securities and Exchange Commission (the “SEC”), as such risk factors may be updated from time to time in our periodic filings with the SEC. Forward-looking statements speak only as of the date the statements are made. The company assumes no obligation to update forward-looking statements to reflect actual results, subsequent events or circumstances or other changes affecting forward-looking information except to the extent required by applicable securities laws.

Statement Regarding Non-GAAP Financial Measures

This presentation includes several metrics which are not calculated in accordance with the generally accepted accounting principles in the United States (“GAAP”), including Adjusted EBITDA and Free Cash Flow. These metrics have important limitations and should not be considered in isolation or as a substitute for measures of a company’s financial performance or liquidity prepared in accordance with GAAP. In addition, these metrics, as presented, may not be comparable to similarly titled measures of other companies due to varying methods of calculations.

Adjusted EBITDA is defined as net income (loss) before income tax expense, interest expense, depreciation and amortization, as further adjusted to exclude certain non-cash, and other items permitted in calculating covenant compliance under the credit agreement governing the company’s Senior Secured Credit Facilities. Management believes the presentation of Adjusted EBITDA is appropriate as it eliminates the effect of certain non-cash and other items not necessarily indicative of the company’s underlying operating performance. Management uses Adjusted EBITDA in connection with certain components of its executive compensation program. In addition, investors, lenders, financial analysts and rating agencies have historically used EBITDA-related measures in the company’s industry, along with other measures to estimate the value of a company, to make informed investment decisions and to evaluate a company’s ability to meet its debt service requirement. The presentation of Adjusted EBITDA also provides additional information to investors about the calculation of, and compliance with, certain financial covenants in the company’s Senior Secured Credit Facilities. Adjusted EBITDA is a material component of these covenants.

Free Cash Flow is defined as net cash provided by (used in) operating activities less capital expenditures. Management believes that Free Cash Flow is useful to investors, equity analysts and rating agencies as a liquidity measure. The company uses Free Cash Flow to evaluate its ability to generate cash flow from business operations. Free Cash Flow does not represent the residual cash flow available for discretionary expenditures, as it excludes certain expenditures such as mandatory debt service requirements, which are significant. Free Cash Flow is not defined by GAAP and should not be considered in isolation or as an alternative to net cash provided by (used in) operating, investing and financing activities or other financial data prepared in accordance with GAAP. Free Cash Flow as defined above may differ from similarly titled measures presented by other companies. Prior to the second quarter of 2016, the company’s definition of Free Cash Flow differed from the above. The company changed the definition of Free Cash Flow to provide a more meaningful metric to investors. Prior year amounts have been calculated using the above definition in all periods presented. For a reconciliation of Adjusted EBITDA to net income (loss) and Free Cash Flow to net cash provided by (used in) operating activities, please refer to the Appendix in this presentation or our Quarterly Earnings Release, which can be found at our website www.seaworldentertainment.com.

Statement Regarding Use of Registered Trademarks

The company owns or has rights to use a number of registered and common law trademarks, service marks and trade names in connection with its business in the United States and in certain foreign jurisdictions, including *SeaWorld Entertainment*, *SeaWorld Parks & Entertainment*, *SeaWorld*®, *Busch Gardens*®, *Aquatica*®, *Discovery Cove*®, *Sea Rescue*®, and other names and marks that identify our theme parks, characters, rides, attractions and other businesses. In addition, the company has certain rights to use *Sesame Street*® marks, characters and related indicia through certain license agreements with Sesame Workshop (f/k/a Children’s Television Workshop).

Solely for convenience, trademarks, service marks and trade names referred to in this presentation may be without the ® and ™ symbols, but such references are not intended to indicate, in any way, that the company will not assert, to the fullest extent under applicable law, its rights or the rights of the applicable licensors to these trademarks, service marks, and trade names.

COMPANY OVERVIEW

SEAWORLD
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A Unique Theme Park and Entertainment Company





A One of a Kind Portfolio



Busch Gardens Williamsburg



Discovery Cove



SeaWorld Orlando

Executing Our Strategy

- 1 Taking Action to Address the Challenges ✓
- 2 Repositioning Brand to Experiences that Matter ✓
- 3 Investing in Distinct Guest Experiences: Fun and Meaningful ✓
- 4 Focused on Organic and Strategic Revenue Growth ✓
- 5 Enhancing Financial Discipline ✓

We are moving quickly and continue to execute a deliberate strategy to improve performance and increase value for investors

1 Taking Action to Address the Challenges

- Leadership: New Leadership Team
- Reputation
 - Ended Orca Breeding Program, transitioned from entertainment to educational focus
- Refocus
 - Following Orca announcement, discontinued \$300 Million Blue World Project
 - Redeployed Capital to cost-effective and higher return attractions

2

Repositioning Brand to Experiences that Matter

- Repositioning
 - From “Animal Entertainment” to “Experiences that Matter”
 - Highlight our role as global leader in animal rescue, rehabilitation, release and research
- Unique Experiences
 - Going beyond standard theme and water parks
 - Engaging the community with SeaWorld’s wildlife enrichment programs
 - World class attractions explain our mission and vision



EXPLORE



INSPIRE



ACT

“From Park to Planet”

[Click here to view video](#)

3

Investing in Distinct Guest Experiences: Fun and Meaningful



Wave Breaker: The Rescue Coaster

- Multi-launch Roller Coaster
- Ocean inspired, animal rescue themed attraction
- First of its kind in North America
- Located at SeaWorld San Antonio



Kraken® Unleashed: Virtual Reality Experience

- SeaWorld's first virtual reality coaster
- Retrofitted existing coaster
- Sea creature themed ride inspired by extinct and legendary animals of the past
- Located at SeaWorld Orlando



InvadR

- First wooden roller coaster, eighth coaster in park
- Features 70 foot drop, nine airtime hills and 2,100 feet of track including woodlands and underground tunnel
- Located at Busch Gardens Williamsburg

3 Investing in Distinct Guest Experiences: Fun and Meaningful



New Orca Encounter

- Educational experience
- Focused on marine science research and rescue
- Live documentary showcasing Orca enrichment, exercise and overall health
- Located at SeaWorld San Diego



Ocean Explorer

- A new 3-acre family-friendly realm combining multiple aquariums, exciting rides and digital technologies
- Guests can get up close to real giant Pacific octopuses, Japanese spider crabs and California moray eels in three uniquely designed aquariums
- Located at SeaWorld San Diego



Electric Ocean

- A brand new, end-of-day event for guests
- Features bioluminescent lighting, music and pathway entertainment, immersing guests in a glowing sea of wonder
- Has garnered positive attention on social media as the “best night show in Orlando”
- Featured in SeaWorld Orlando and SeaWorld San Diego

Driving Organic and Strategic Revenue Growth

- **Season Pass**
 - Initial 2018 pre-sales increased high-single digits vs. prior year (as of Sept. 2017)
 - 2017 Sept. YTD 300 mile radius attendance higher vs. 2016 in Orlando and San Antonio
 - 2017 Sept. YTD Season Pass sales higher in all markets except California
- **Committed to Consistent Capital Investment**
 - Six new rides and attractions in 2017 compared to three in 2016
- **Reinvigorated Marketing Campaign**
 - Increasing investment in national advertising in 2018 featuring “From Park to Planet” inspirational message
 - Reinvesting in reputation messaging in California market
- **Pricing: Admission Per Cap Opportunities**

Driving Organic and Strategic Revenue Growth Continued

- Strategic Partnerships
 - SeaWorld Abu Dhabi set to open by 2022 - Capital-lite partnership is a template for future international expansion
 - Agreement with ZhongHong Holding Co. to advise and support development of theme parks, water parks and family entertainment centers in China, Taiwan, Hong Kong and Macau
 - Entered licensing agreement with Sesame Workshop as exclusive theme park partner in the U.S., scheduled to open a second Sesame Place theme park no later than mid-2021
 - Hotel Strategy:
 - Evans Group in SD
 - TBD for other cities

5

Enhancing Financial Discipline

- Cost Savings
 - Achieve \$40 million of net cost savings by end of 2018
 - Identifying additional \$25 million in potential savings
- Improved Balance Sheet Health
 - Renewed and increased capacity of revolving credit facility to \$210 million
 - Refinanced \$1 billion of existing term debt (2/3 of total term debt)
 - Term loans are competitively priced, maturities are better staggered increasing financial flexibility
- Disciplined Investment
 - Targeting minimum 20% cash-on-cash returns on new projects
 - Prioritizing capital deployment to highest returning projects

THE END

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APPENDIX

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INVESTMENT THESIS

Why SeaWorld Entertainment?

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Why SeaWorld?

- 1 **A One of a Kind Portfolio**
- 2 **Strategic Growth Opportunities**
- 3 **Free Cash Flow**
- 4 **Disciplined Capital Deployment**
- 5 **Experienced and Focused Leadership Team**
- 6 **Executing Our Strategy**

1

A One of a Kind Portfolio



Busch Gardens Williamsburg



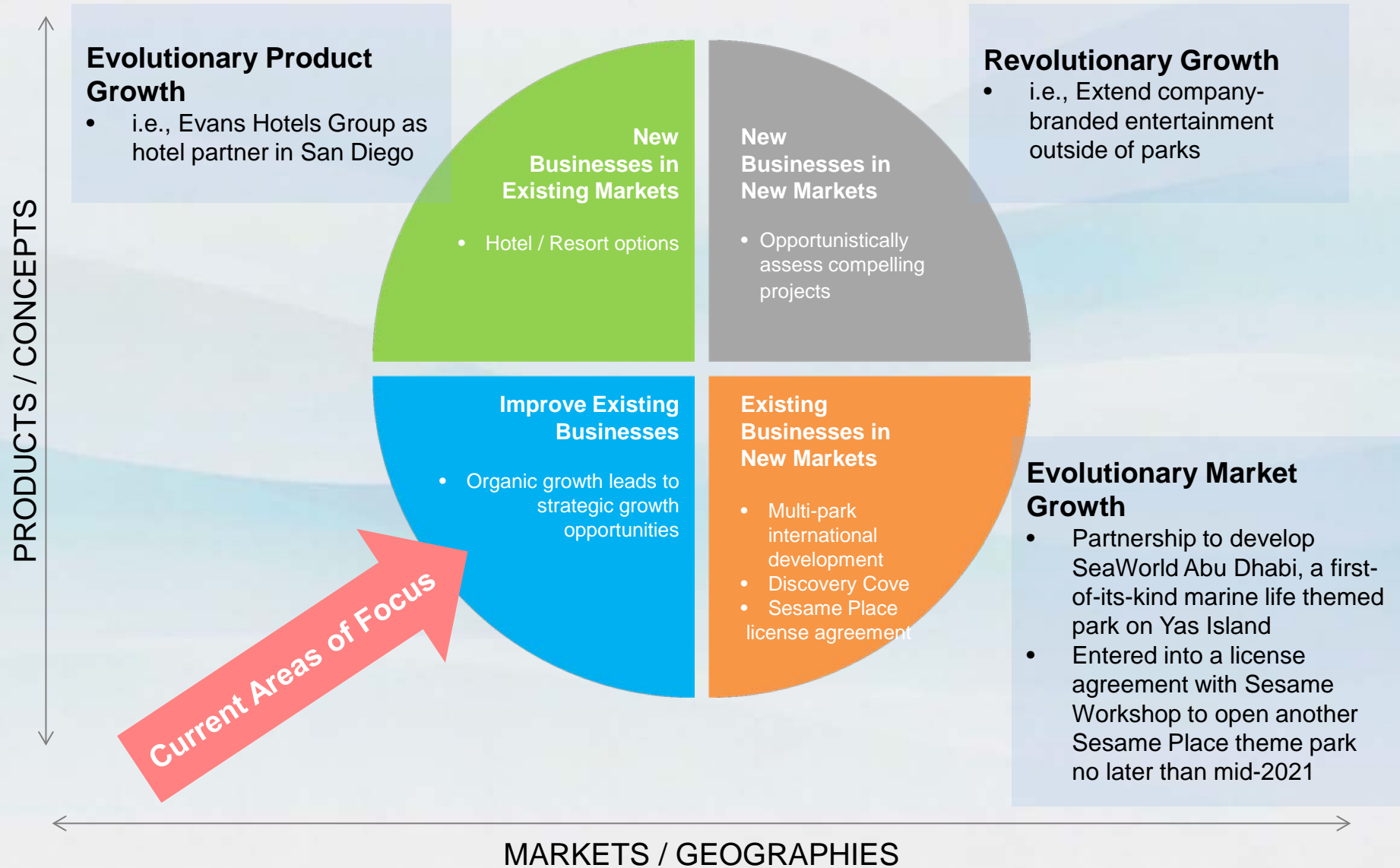
Discovery Cove



SeaWorld Orlando

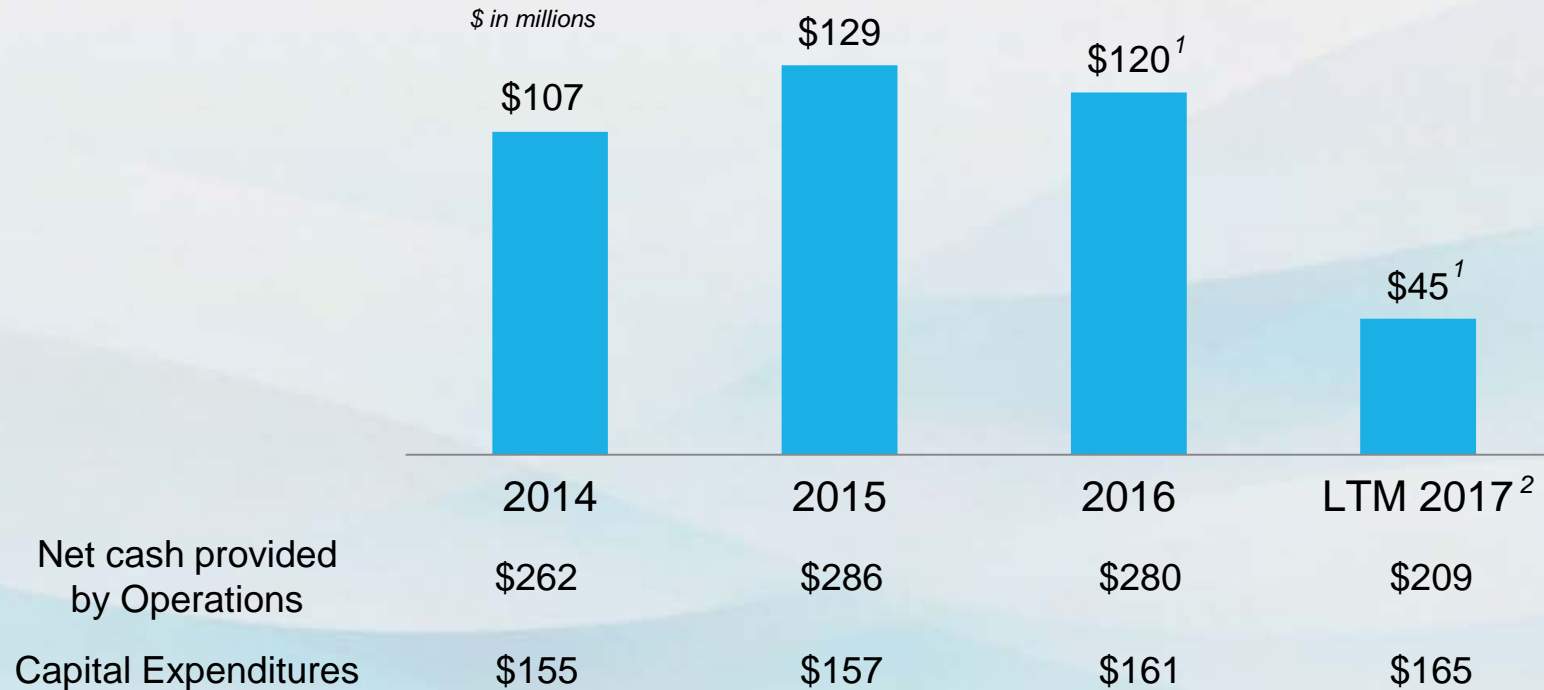
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Strategic Growth Opportunities



3

Free Cash Flow



- Strong Free Cash Flow business with **Positive Free Cash Flow**, even in challenging years
- **Stable and inexpensive** debt
- The company has projected to have federal **NOL's** to defer paying any cash taxes until 2023³
- Free Cash Flow will be deployed to **maximize shareholder value** over long term

¹ May not foot due to rounding.

² Represents the twelve month period ended September 30, 2017.

³ As of September 30, 2017

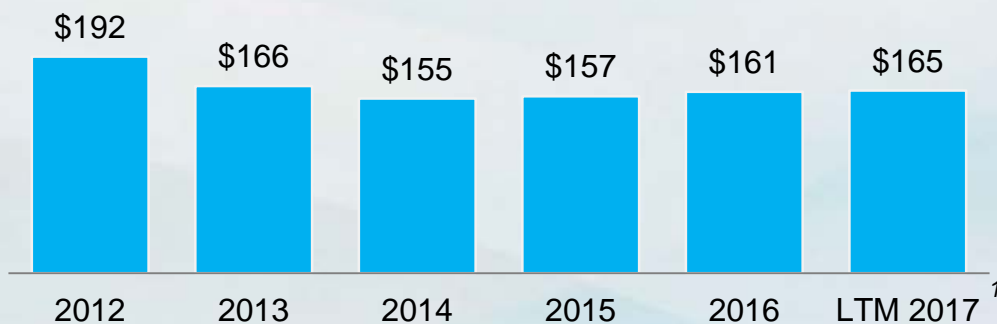
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Disciplined Capital Deployment

\$ in millions

Capital Expenditures

Average \$166



Growth Capital Approach (~75%)

New attractions	Drive revenue growth across portfolio of parks, target key markets at regular intervals
Events	Unique offerings aimed at driving repeat visitation and providing value
Revenue initiatives	Drive per capita growth through culinary, merchandise, animal experiences and interactions, etc.

Sustainment Capital Approach (~25%)

Infrastructure	Safety, animal welfare, maintain guest expectations and cleanliness
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- **Committed to reinvesting** in the business
- **Disciplined capital spend** and ROI hurdles
 - Generally target a minimum 20% cash on cash project returns
 - Prioritize capital deployment where highest returns are generated
- Establish **cadence of capital** with customer-facing major and minor attractions
 - Helps address competition in key tourist markets with most upside
 - Focus on uniqueness of brands and guest preferences
- Leverage **value add technology** in unique and differentiated ways
 - Increase mobile engagement utilizing in-park Wi-Fi
 - Reduce lines and hassles for guests
 - Deliver personalized experience
- Ongoing analysis to **measure and manage performance**

5

Experienced and Focused Leadership Team

Name	Title	Years with SEAS	Years in Industry
Joel Manby	President & Chief Executive Officer, Director	2.5	18.5
Marc Swanson	Chief Financial Officer	17	17
Anthony Esparza	Chief Creative Officer	2	33.5
John Reilly	Chief Parks Operations Officer	32	32
G. Anthony (Tony) Taylor	Chief Legal Officer, General Counsel & Corporate Secretary	17	17
Dr. Chris Dold	Chief Zoological Officer	12	12
Denise Godreau	Chief Marketing Officer	1	20.5
Elizabeth Gulacsy	Chief Accounting Officer <i>20+ years experience in corporate accounting/reporting roles</i>	4.5	4.5
Jack Roddy	Chief Human Resources and Culture Officer <i>20+ years experience including Starbucks and Luxottica</i>	1	1

Executing Our Strategy

Executing a clear strategy to improve performance and increase value for shareholders

- Repositioned brand
- Introduced innovative new rides and attractions
- Developing new pricing strategies
- Enhancing financial discipline with greater focus on margin improvement

Ongoing actions

- Delivered robust lineup of new rides and attractions for 2017
- Building centralized pricing team to achieve stronger ticket yields and season pass improvements
- Executing an enhanced cost optimization plan

Delivering results

- Improved attendance from guests within 300 miles of parks in Orlando and San Antonio for nine months of 2017
- Season pass sales and season pass utilization up in all markets outside of California
- Efficient capital deployment strategy – more attractions with less capital



Reconciliation of Non-GAAP Financial Measures

\$ in millions

	2012	2013	2014	2015	2016	LTM 2017 ²	Q3 2016	Q3 2017
Net income (loss)	\$74	\$52	\$50	\$49	\$(13)	\$(194)	\$66	\$55
Provision for income taxes	37	26	29	24	9	(93)	72	34
Loss on early extinguishment of debt	2	30	--	21	--	8	--	--
Interest expense	111	90	82	66	63	76	15	20
Depreciation & amortization	167	166	176	183	200	164	41	42
Goodwill impairment charges	--	--	--	--	--	269	--	--
Equity-based compensation expense	2	6	2	7	38	22	3	3
Other non-cash expenses	10	10	5	6	9	11	--	7
Other business optimization expenses	--	--	12	2	12	20	--	6
Other items	--	--	--	1	--	4	--	2
Other adjusting items	1	1	3	1	3	5	--	1
Estimated cost savings	--	--	10	2	10	10	--	--
Secondary offering costs	--	1	1	--	--	--	--	--
Debt refinancing costs	5	4	--	--	--	--	--	--
Termination of advisory agreement	--	50	--	--	--	--	--	--
Advisory fees	6	3	--	--	--	--	--	--
Adjusted EBITDA¹	\$415	\$439	\$370	\$361	\$332	\$304	\$196	\$172

¹ Columns may not foot due to rounding.

² Represents the twelve month period ended September 30, 2017.

Reconciliation of Non-GAAP Financial Measures

\$ in millions

	2014	2015	2016	LTM 2017 ²
Net cash provided by operating activities	\$262	\$286	\$280	\$209
Capital expenditures	155	157	161	\$165
Free Cash Flow¹	\$107	\$129	\$120	\$45

¹ Columns may not foot due to rounding.

² Represents the twelve month period ended September 30, 2017.

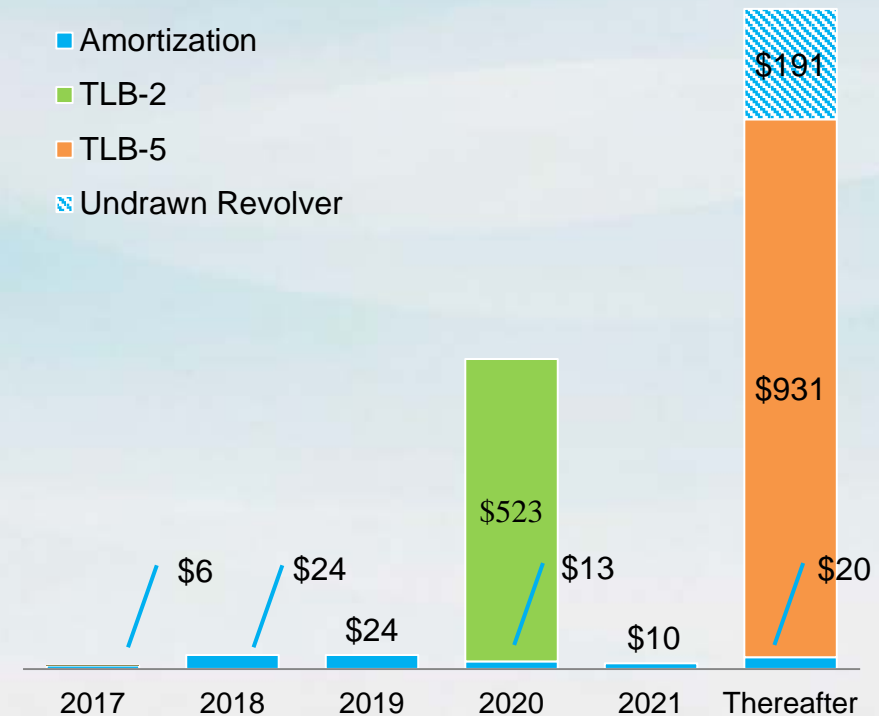
Efficient Debt

\$ in millions

	Ratings	Coupon	Floor	Maturity ⁵	Amount ^{1,4}	xEBITDA ²
Cash and Cash Equivalents ³	Corp: B2 / B (Negative)				\$52	
Revolver \$210		L + 275	--	Mar-22	0	
Term Loan B-2	B2 / B	L + 225	0.75%	May-20	558	
Term Loan B-5	B2 / B	L + 300	0.75%	Mar-24	993	
Total Debt					\$1,551	5.10x
Total Net Debt					\$1,499	4.93x

- Effectively staggered maturities by extending approximately \$1 billion of term loan debt through March 2024
- Inexpensive debt** with no near-term maturities
- WACD = 4.79%
- Approximately 64% of debt fixed through hedging until May 2020
- Revolver capacity **sufficient for liquidity** needs for the foreseeable future

- Amortization
- TLB-2
- TLB-5
- Undrawn Revolver



¹ As of September 30, 2017.

² Calculated using Adjusted EBITDA for the twelve month period ended September 30, 2017.

³ Excludes Parent Company-only cash balance.

⁴ Column may not foot due to rounding.

⁵ The Revolving Credit Facility will mature on the earlier of March 31, 2022 and a springing maturity of 91 days prior to the maturity of the Term B-2 Loans.

Q3 2017 Financial Results

In millions, except per capita data

	Q3 2017	Q3 2016	Variance		YTD Q3 '17	YTD Q3 '16	Variance	
Admissions	\$265.0	\$294.6	(\$29.6)	(10.0%)	\$605.0	\$655.5	(\$50.5)	(7.7%)
Food, merchandise and other	\$172.7	\$190.7	(\$18.0)	(9.4%)	\$392.8	\$421.2	(\$28.4)	(6.7%)
Total revenues	\$437.7	\$485.3	(\$47.6)	(9.8%)	\$997.8	\$1,076.7	(\$78.9)	(7.3%)
Adjusted EBITDA	\$172.1	\$196.0	(\$23.9)	(12.2%)	\$245.9	\$273.9	(\$28.0)	(10.2%)
Attendance	7.609	8.341	(0.732)	(8.8%)	16.537	17.622	(1.085)	(6.2%)
Admission per capita ¹	\$34.82	\$35.32	(\$0.50)	(1.4%)	\$36.59	\$37.20	(\$0.61)	(1.6%)
In-park per capita spending ²	\$22.70	\$22.86	(\$0.16)	(0.7%)	\$23.75	\$23.90	(\$0.15)	(0.6%)

Columns may not foot due to rounding



Variance favorable / (unfavorable); Columns may not foot due to rounding

¹ Defined as admissions revenue divided by attendance

² Defined as food, merchandise, and other revenue divided by attendance

Historical Financial Highlights

\$ in millions, except per capita data

	2012	2013	2014	2015	2016	LTM 2017 ²
Theme Park Attendance	24.391	23.391	22.399	22.471	22.000	20.915
Total Revenue per Capita ¹	\$58.37	\$62.43	\$61.51	\$61.01	\$61.10	\$60.50
Total Revenue	\$1,424	\$1,460	\$1,378	\$1,371	\$1,344	\$1,265
Adjusted EBITDA	\$415	\$439	\$370	\$361	\$332	\$304
Capital Expenditures	\$192	\$166	\$155	\$157	\$161	\$165

¹ Calculated as total revenue divided by attendance.

² Represents the twelve month period ended September 30, 2017.



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