

Investor Presentation

Liquidity and COVID-19 Update

June 3, 2020

Forward Looking Statements

FORWARD LOOKING STATEMENTS:

This report release includes “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended and speak only as of the date hereof. The “forward-looking statements” include our current expectations, assumptions, estimates and projections about our business and our industry. They include statements relating to future revenues, expenses and profitability, the future development and expected growth of our business, projected capital expenditures, attendance at movies generally or in any of the markets in which we operate, the number or diversity of popular movies released and our ability to successfully license and exhibit popular films, national and international growth in our industry, competition from other exhibitors and alternative forms of entertainment and determinations in lawsuits in which we are defendants. You can identify forward-looking statements by the use of words such as “may,” “should,” “could,” “estimates,” “predicts,” “potential,” “continue,” “anticipates,” “believes,” “plans,” “expects,” “future” and “intends” and similar expressions which are intended to identify forward-looking statements. These statements are not guarantees of future performance and are subject to risks and uncertainties some of which are beyond our control and difficult to predict, including, among others, the impacts of COVID-19. Such risks and uncertainties could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. In evaluating forward-looking statements, you should carefully consider the risks and uncertainties described in the “Risk Factors” section or other sections in the Company’s Annual Report on Form 10-K as updated by the information relating to COVID-19 that was included in a Form 8K that was filed on April 13, 2020. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by these cautionary statements and risk factors. These forward-looking statements speak only as of the date hereof and we undertake no obligation, other than as required by law, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

NON-GAAP FINANCIAL MEASURES:

Certain non-GAAP financial measures included in this presentation, including Free Cash Flow, Adjusted EBITDA and other financial measures utilizing Adjusted EBITDA, may not comply with the guidelines adopted by the Commission regarding the use of financial measures that are not prepared in accordance with GAAP. Our measurement of Adjusted EBITDA may not be comparable to those of other companies, and may not be comparable to similar measures used in our various debt agreements, including our Credit Agreement and the indentures governing the existing senior notes and the indenture that will govern the notes. Please see the Appendix for definitions of our non-GAAP financial measures and a reconciliation of each non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP.

PRELIMINARY INFORMATION:

The estimated preliminary information presented herein regarding our cash position as of May 31, 2020, which reflects the borrowing of \$98.8 million under the \$100.0 million revolving credit line of our credit agreement on March 25, 2020, is preliminary, unaudited and subject to the completion of our financial closing procedures as of and for the three months ended June 30, 2020 and should not be viewed as a substitute for the information contained in full quarterly financial statement prepared in accordance with GAAP. We cannot assure you that our liquidity position will be as presented herein upon finalization of our financial statements as of and for the three months ended June 30, 2020. Those differences may be significant and adverse. You should consider this possibility in reviewing the liquidity information as of May 31, 2020 herein. You should not place undue reliance on these estimates.



Outline

- Cinemark Overview
- Financial Summary
- Key Liquidity Actions
- A Look Ahead

- **Geographically diverse worldwide exhibitor**

- 555 theatres with 6,145 screens in 16 countries ⁽¹⁾

- **U.S. Operations**

- Third largest exhibitor in terms of market share ⁽²⁾
- 42 states, 105 DMAs
- #1 or #2 in 80% of our top 25 markets ⁽²⁾
- Highest attendance per screen among leading exhibitors ⁽²⁾
- Surpassed North American industry box office growth for 10 out of the past 11 years
- U.S. operations fund the debt, domestic growth opportunities and dividend

- **International Operations**

- First modern theater experience throughout Latin America
- More than 26 years of operating experience
- 15 countries
- Approximately 30% market share in key countries ⁽²⁾
- Presence in 14 of top 20 metropolitan cities in the region ⁽²⁾
- Business is most closely tied to film content strength rather than economic or political cycles
- FX is translation based rather than transaction-oriented

345 Theatres 4,649 Screens



210 Theatres 1,496 Screens



Highly Experienced Management Team



Lee Roy Mitchell

Founder & Executive Chairman

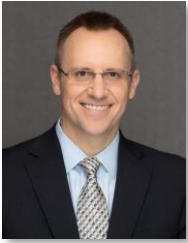
Founded Cinemark in 1987, served as CEO through 2006 and has served as Executive Chairman since 1996



Mark Zoradi

CEO & Board Director

Served as Cinemark's CEO since 2015. Spent 30+ years as Walt Disney Company, most recently serving as President of the Walt Disney Studios Motion Picture Group



Sean Gamble

CFO & COO

10+ years of industry experience. Joined as Cinemark's CFO in 2014 after spending 5+ years as CFO/Executive Vice President of Universal Pictures within NBCUniversal



Valmir Fernandes

President, International

20+ years of Cinemark experience includes the past 10 years as President of International following 10 years as the General Manager of Cinemark Brazil



Mike Cavalier

EVP General Counsel

Served as General Counsel since 1997. Helped guide company through various transactions including M&A, IPO and numerous lending agreements

Additional key leaders with 20+ years of industry/Cinemark experience in the US and internationally

2019 Financial Summary

Amounts in millions

2019 Worldwide Results

	<u>2019</u>	<u>5-Year CAGR</u>
Attendance	280	1.2%
Revenue	\$3,283	4.6%
Adj. EBITDA ⁽¹⁾	\$745	3.9%
Adj. EBITDA % ⁽¹⁾	22.7%	
Free Cash Flow ⁽¹⁾	\$258	4.2%
Cash Balance	\$488	
Net Leverage	2x	

Highlights

- Served ~280 million patrons globally
- Achieved 5th consecutive year of record revenue with top-line growth in U.S. and International segments
- Exceeded North America industry box office growth by 200 bps, outperforming in 10 of the past 11 years
- Grew global concession per caps 8.7% in constant \$, extending growth trend to 13 consecutive years
- Generated over 20% free cash flow growth vs. 2018
- Maintained balance sheet strength with almost \$0.5B in cash and ~2x net leverage, consistent with results for past 10 years
- Strengthened circuit and customer experience by reclining another 200 screens (60% of U.S. circuit)
- Expanded highly successful Movie Club subscription program to 950K members

(1) See Appendix page 15 for reconciliation of Adjusted EBITDA and Free Cash Flow to the most directly comparable GAAP measures.

1Q20 Financial Summary

(\$'s in millions)

1Q20 Worldwide Results

	<u>1Q20</u>	<u>1Q19</u>
Attendance	46	62
Revenue	\$544	\$715
Adj. EBITDA ⁽¹⁾	\$66	\$152
Adj. EBITDA % ⁽¹⁾	12.2%	21.3%
Free Cash Flow ⁽¹⁾	\$(50)	\$47
Cash Balance	\$479	\$425
Net Leverage	2.4x	2.1x

Highlights

- Ahead of the crisis, Cinemark's global results were tracking very well ... through Feb QTD, on relatively flat attendance, revenue was up 5%, Adj. EBITDA had increased 16% and Adj. EBITDA margin has expanded nearly 200 bps compared to 1Q19
- The impact of COVID-19, including being shutdown for last 2 weeks of March, materially distorted 1Q20 reported results and yielded a net loss of \$(60)MM
- As the potential for theater shutdowns became clearer, we took swift action to reign in expenses and manage liquidity, such as reducing payroll, cutting non-essential spend and drawing on our revolver (note: effects of payroll/real estate actions largely start in 2Q20)
- Despite active measures taken to reduce impact of the crisis, COVID-19's total drag on 1Q20 is estimated to be \$(90)MM on Adj. EBITDA and \$(0.70) on EPS, with cash flow adversely impacted by \$(140)MM in the quarter

1) - See Appendix page 16 for reconciliation of Adjusted EBITDA and Free Cash Flow to the most directly comparable GAAP measures.

Key Liquidity Actions

Our healthy balance sheet and low leverage enabled Cinemark to enter the global COVID-19 crisis in a strong financial position; we have been working aggressively to preserve cash and ensure sufficient liquidity to effectively navigate through the crisis

Cash Preservation & Liquidity Actions To-Date

Eliminated Non-Essential Expenses

- Halted all non-essential operating/capital spending; suspended real estate commitments where possible
- Implemented formal CFO review and approval for outgoing procurement and payment requests

Reduced Payroll

- Laid-off over 17,500 domestic hourly theater employees, furloughed 50% of our corporate employees at 20% of salary (covering cost of their full benefits) and reduced salaries of remaining staff to 50% ⁽¹⁾

Delayed Payments

- Board of Directors and CEO elected to take no salary; numerous executives voluntarily reduced to 20% salary
- Negotiated a wide range of modifications to existing/future contractual payment obligations with landlords and suppliers to delay timing of payments; terminated select arrangements where feasible

Suspended Dividend

- Temporarily suspended quarterly dividend of ~\$42MM per quarter
- Drew down \$98.8MM of revolving credit facility on March 25

Secured Additional Financing

- Successfully issued \$250MM of new Senior Secured Notes (due 2025) on April 13
- Obtained waiver to suspend net senior secured leverage ratio covenant thru 2020 associated with revolver

Pursuing CARES Act Opportunities

- Filed for ~\$20MM tax refund associated with changes to Qualified Improvement Property rules in CARES Act; also pursuing additional payroll tax offset/delay and employee retention credit opportunities
- Exploring additional potential tax refunds associated with CARES Act net operating loss deductions

1) International operations have pursued similar actions however, lay-offs have not yet been as significant due to varied country regulations

Theater Re-opening Plans

Cinemark's re-opening strategy is based on a range of strategic health, regulatory and consumer considerations, as well as active collaboration with our studio partners on the timing of their new film releases

Re-opening Considerations

- 1 **Current status of the virus**
- 2 **Evolving restrictions imposed by governmental authorities**
- 3 **Availability of new film content**
- 4 **New health and safety protocols**
- 5 **Consumer confidence and willingness to return to theaters**

Re-open Timeline and Approach

- Our U.S. theater re-openings will take place across four phases beginning June 19th and continuing through July 17th
- Initially upon reopening, we will show films that were in release at the time of the shutdown, as well as classic repertory content at attractive 'welcome back' promotional pricing
- We are actively working with NATO and studios on an industry campaign that will utilize talent appearances, industry events and paid media
- Latin America theaters will follow a similar approach when it is safe to reopen (note: Latin America is trailing the U.S. by a few weeks)

In a recent survey conducted by data and analytics firm, EDO, consumers indicated their likelihood to return to theaters in July increased from 40% to 75% if proper safety measures were implemented

Enhanced Cleaning, Safety and Efficiency Measures

As we theaters re-open, they will include a range of new and enhanced cleaning and distancing protocols to keep guest and employees safe, as well as streamlined operating procedures to align costs with near-term consumer demand

Planned Cleaning and Safety Actions

- Increasing cleaning and sanitization measures to levels that meet or exceed CDC and WHO guidelines
- Minimizing physical contact at the box office and concession stand (e.g., installing plexiglass barriers)
- Frequently disinfecting all high-touch areas, as well as seats every morning and between show times with products approved by EPA to combat COVID-19
- Providing ample amounts of hand and seat sanitizing supplies for our guests
- Screening the well-being of our employees before each shift and requiring them to wear face masks
- Staggering show times to minimize crowds and implementing seat buffering technology within our point-of-sale system that will ensure physical distancing between parties

Business Process Efficiency Actions

- Simplifying and streamlining numerous theater practices, such as ticket issuance and ushering routines, to be leaner and more efficient
- Concentrating food and beverage offerings on core categories that are less labor-intensive as we re-open
- Revising theater staff scheduling models to align with new procedures and optimized needs/requirements; will ramp up staffing as demand necessitates
- Rationalizing theater and corporate headcount as certain initiatives are postponed for the time-being
- Anticipating that capital expenditures will remain limited predominantly to essential needs and signed commitments for the remainder of 2020
- Continuing to drive Continuous Improvement and margin expansion projects in motion prior to crisis

Looking ahead, cash management and heightened safety measures will be top priorities as we remain focused on liquidity, re-fortifying our balance sheet and safely operating in the current health environment

Theater Industry – A Look Ahead

- Historically, theatrical exhibition has been a recession-resistant industry with box office growth in 3 of the past 4 recessions
- We believe pent-up demand for out-of-home entertainment, along with a backlog of strong film content, bodes well for exhibition
- A return to 'normalcy' may span multiple months driven by staggered theater openings due to government limits, reduced operating hours, lingering social distancing and a ramp-up of consumer comfort with public gatherings
 - Note: our historic occupancy levels in peak periods are typically range between 20-30%, so we can operate very profitably while maintaining social distancing requirements
- Studio and talent support is strong with marketing campaigns, festival ideas and other creative concepts already in motion to help excite consumers to return to theaters
- We have maintained active communication with Cinemark Rewards members, including Movie Club, which will be a key channel for re-opening

Top Releases Already Re-Dated in 2H20

3Q20



Jul 24



Jul 31



Aug 7



Sep 4



Sep 11



Sep 18

4Q20



Oct 2



Nov 6



Nov 20



Nov 20

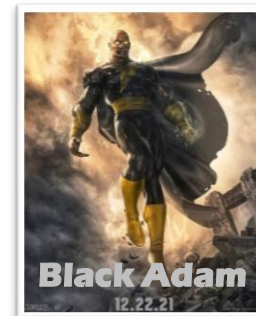


Dec 18



Dec 23

2021 Film Slate



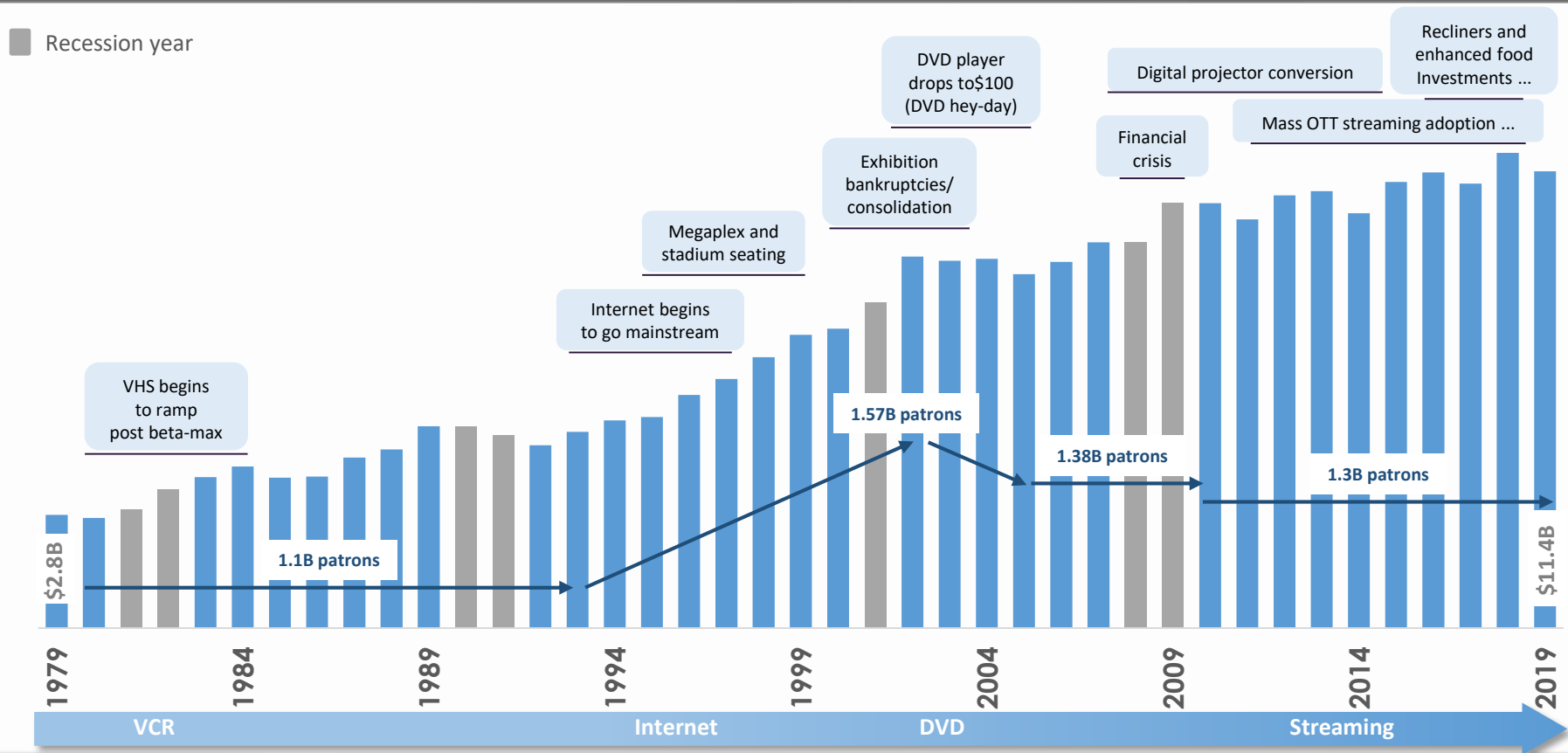


Appendix

Exhibition Industry Trends

Stable, long-term industry growth trends across technology innovations and economic cycles

North America Industry Box Office Trends



Non-GAAP Measure Reconciliations

\$'s in thousands

Reconciliation of Net Income to Adjusted EBITDA

	2019
Net income	\$193,848
Add (deduct):	
Income taxes	79,912
Interest expense ⁽¹⁾	99,941
Other income ⁽²⁾	(22,441)
Distributions from DCIP ⁽³⁾	23,696
Other cash distributions from equity investees ⁽⁴⁾	29,670
Depreciation and amortization	261,155
Impairment of long-lived assets	57,001
Loss on disposal of assets and other	12,008
Non-cash rent expense	(4,360)
Share based awards compensation expense	14,615
Adjusted EBITDA	\$745,045

Reconciliation of Cash Flows Provided by Operating Activities to Free Cash Flow

	2019
Cash flows provided by operating activities	\$561,995
Deduct:	
Capital Expenditures	303,627
Free Cash Flow	\$258,368

(1) Includes amortization of debt issue costs.

(2) Includes interest income, foreign currency exchange gain (loss), interest expense – NCM and equity in income of affiliates and excludes distributions from NationalCinemia, LLC, or NCM.

(3) See the notes to the consolidated financial statements for a discussion of cash distributions from DCIP which were recorded as a reduction of our investment in DCIP. These distributions are reported entirely within the U.S. operating segment.

(4) Includes distributions received from equity investees, other than those from DCIP noted above, that were recorded as a reduction of the respective investment balances. These distributions are reported entirely within the U.S. operating segment.

1Q20 Non-GAAP Measure Reconciliations

\$'s in thousands

Reconciliation of Net Income to Adjusted EBITDA

	1Q20	1Q19
Net income	(\$59,422)	\$33,193
Add (deduct):		
Income taxes	(3,108)	11,917
Interest expense ⁽¹⁾	24,666	25,141
Other (income) expense, net ⁽²⁾	169	(8,335)
Cash distributions from DCIP ⁽³⁾	5,161	5,218
Cash distributions from other equity investees ⁽⁴⁾	11,445	9,124
Depreciation and amortization	65,256	64,462
Impairment of long-lived assets	16,619	5,584
Loss on disposal of assets and other	1,905	3,799
Non-cash rent expense	(591)	(819)
Share based awards compensation expense	4,111	2,970
Adjusted EBITDA	\$66,211	\$152,254

Reconciliation of Cash Flows Provided by Operating Activities to Free Cash Flow

	1Q20	1Q19
Cash flows provided by operating activities	(\$15,561)	\$104,284
Deduct:		
Capital Expenditures	34,143	57,569
Free Cash Flow	(\$49,704)	\$46,715

(1) Includes amortization of debt issue costs.

(2) Includes interest income, foreign currency exchange gain (loss), equity in income of affiliates and interest expense - NCM and excludes distributions from NCM.

(3) See discussion of cash distributions from DCIP, which were recorded as a reduction of the Company's investment in DCIP, at Note 10. These distributions are reported entirely within the U.S. operating segment.

(4) Includes cash distributions received from equity investees, other than those from DCIP noted above, that were recorded as a reduction of the respective investment balances (see Notes 9 and 10). These distributions are reported entirely within the U.S. operating segment.



Thank You
