

Investor Presentation 2Q 2020

August 18, 2020

FORWARD LOOKING STATEMENTS:

Certain matters within this Quarterly Report on Form 10Q include “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. The “forward-looking statements” may include our current expectations, assumptions, estimates and projections about our business and our industry. They may 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. Forward-looking statements can be identified by the use of words such as “may,” “should,” “could,” “estimates,” “predicts,” “potential,” “continue,” “anticipates,” “believes,” “plans,” “expects,” “future” and “intends” and similar expressions. Forward-looking statements may involve known and unknown risks, uncertainties and other factors that may cause the actual results or performance to differ from those projected in the forward-looking statements. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, 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. For a description of the risk factors, please review the “Risk Factors” section or other sections in the Company’s Annual Report on Form 10-K filed February 21, 2020, as updated by the information related to COVID-19 that was included in a Form 8-K that was filed on April 13, 2020, including the documents incorporated by reference therein, and this Quarterly Report on Form 10-Q. All forward-looking statements are expressly qualified in their entirety by such risk factors. 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 July 31, 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 July 31, 2020 herein. You should not place undue reliance on these estimates.



Cinemark Overview

CINEMARK
CENTURY THEATRES. CinéArts Tinseltown rave cinemas

- 534 theatres with 5,977 screens in 16 countries ⁽¹⁾

- Third largest exhibitor in terms of market share
- 42 states, 104 DMAs
- #1 or #2 in box office revenues in 80% of our top 25 markets
- Highest attendance per screen among leading exhibitors
- Surpassed North American industry box office growth for 10 out of the past 11 years
- U.S. operations funded the debt, domestic growth opportunities and dividend

- First modern theatre experience throughout Latin America
- More than 26 years of operating experience
- 15 countries
- Approximately 30% market share in key countries
- Presence in 14 of top 20 metropolitan cities in the region

A map of the United States showing the distribution of red dots representing the number of deaths from COVID-19 by state. The dots are most concentrated in the Northeast, Midwest, and South, with fewer dots in the West and Mountain regions.

A map of Latin America with 100 red dots indicating the locations of the most important cities. The dots are distributed across the region, with a high concentration in Mexico, Central America, and the coastal and southern parts of South America. Countries labeled include Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, Panama, Colombia, Ecuador, Peru, Chile, Argentina, Bolivia, Paraguay, and Brazil. The dots are most densely packed in Mexico, Central America, and the southern coastal regions of South America, particularly in Brazil and Argentina.

2) As of 12/31/2019.

Highly Experienced Management Team



Lee Roy Mitchell

Founder & Executive Chairman

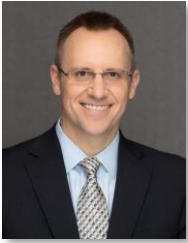
Founded Cinemark in 1987, served as CEO through 2006 and has served as Executive Chairman since 1996



Mark Zoradi

CEO & Board Director

Served as Cinemark's CEO since 2015. Spent 30+ years at 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

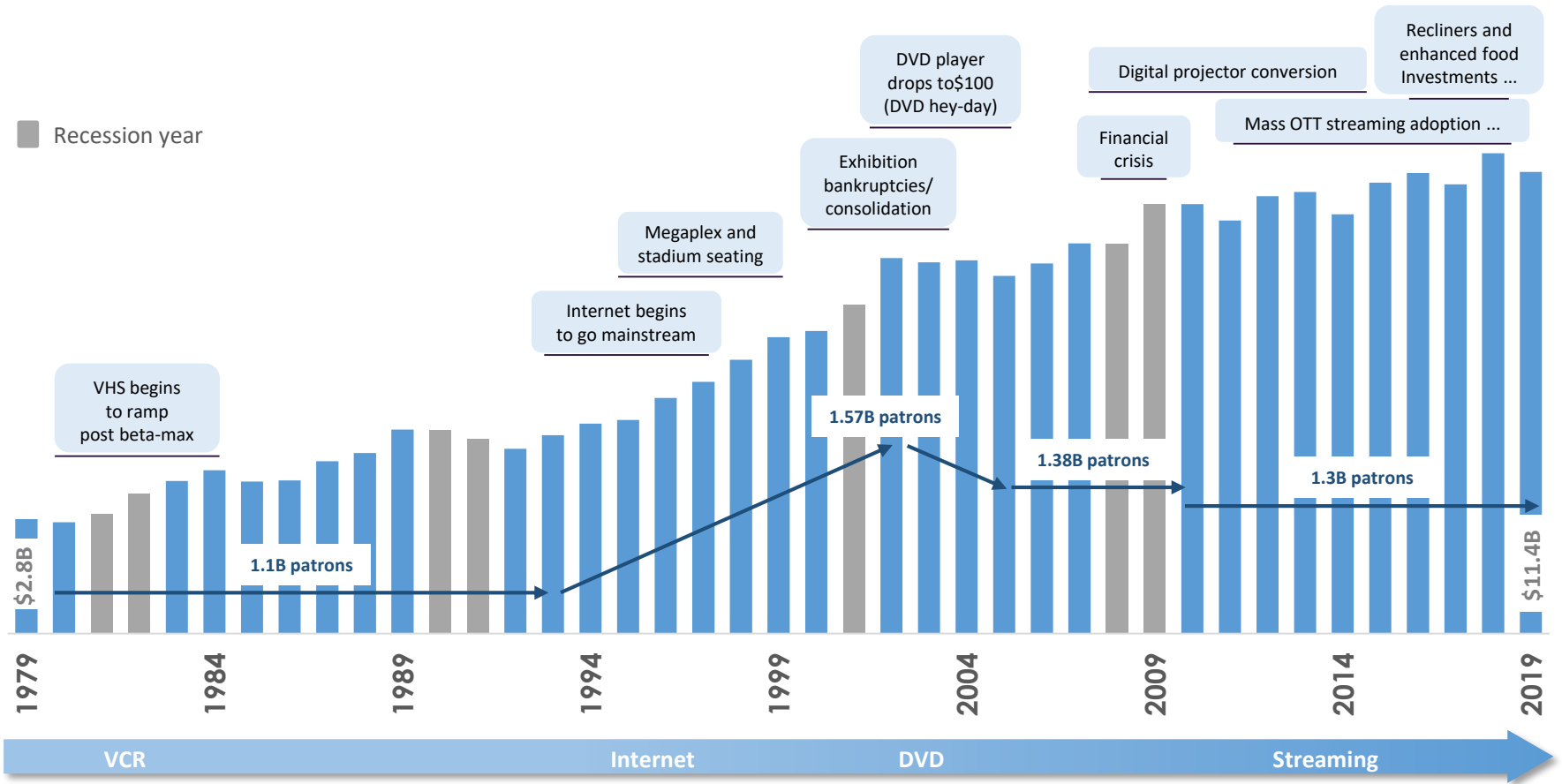
Served as General Counsel since 1997. Helped guide company through various transactions including M&A, IPO and numerous lending agreements

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

Exhibition Industry Trends

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

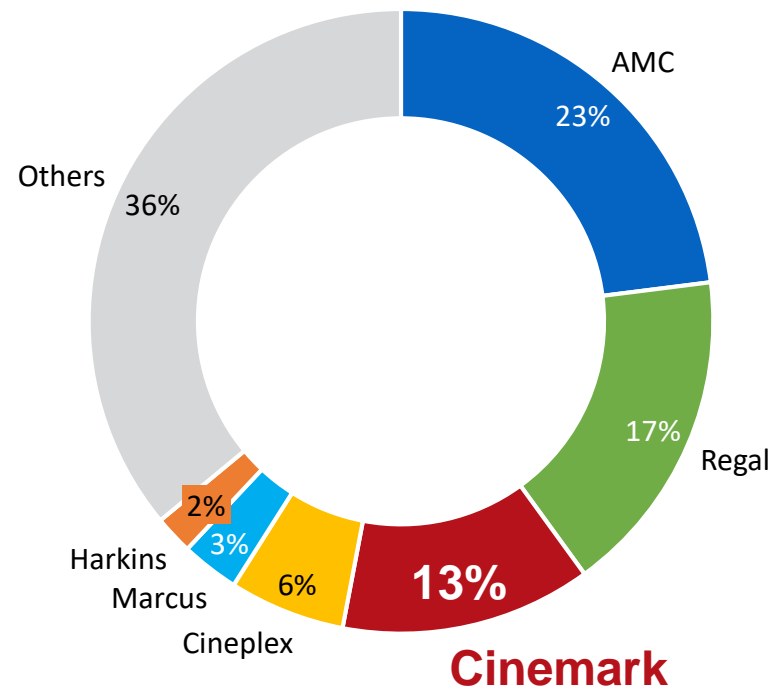
North America Box Office Trends



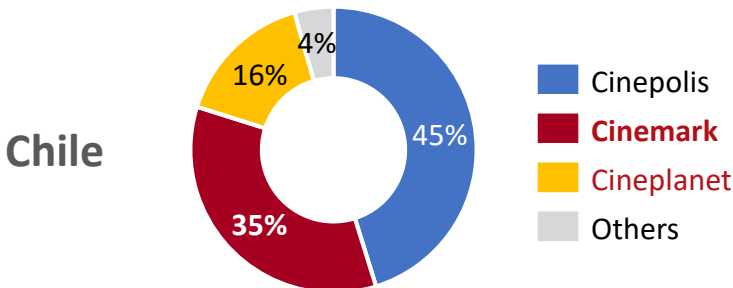
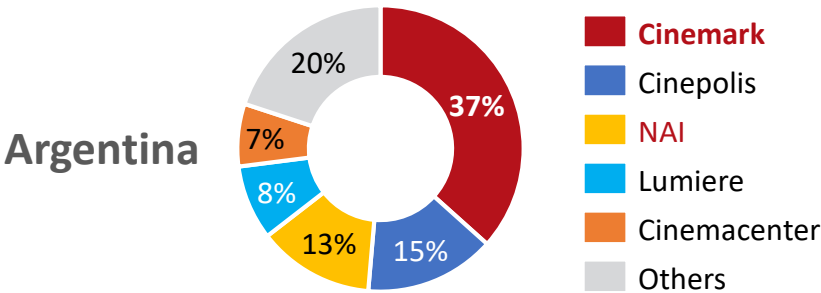
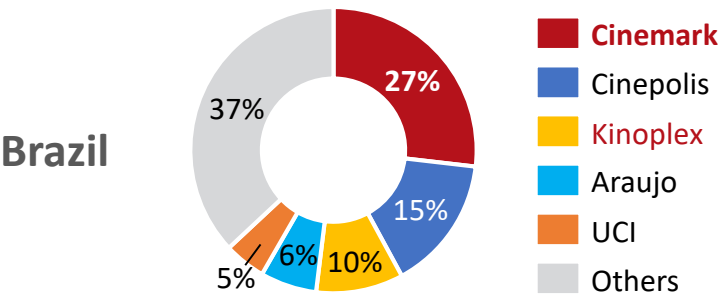
Broad and Leading Presence in the Americas

Strong presence across the U.S. and Latin America that is strategically important to film distributors as well as promotional partners

Market Share - North America¹



Market Share - Key Latin American Markets¹

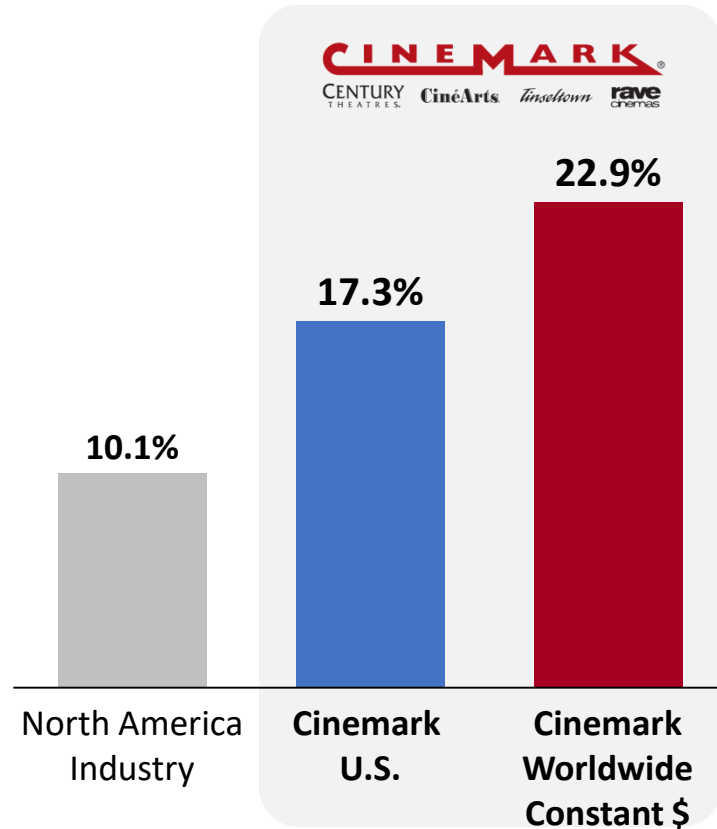


1) Based on FY 2019 box office.

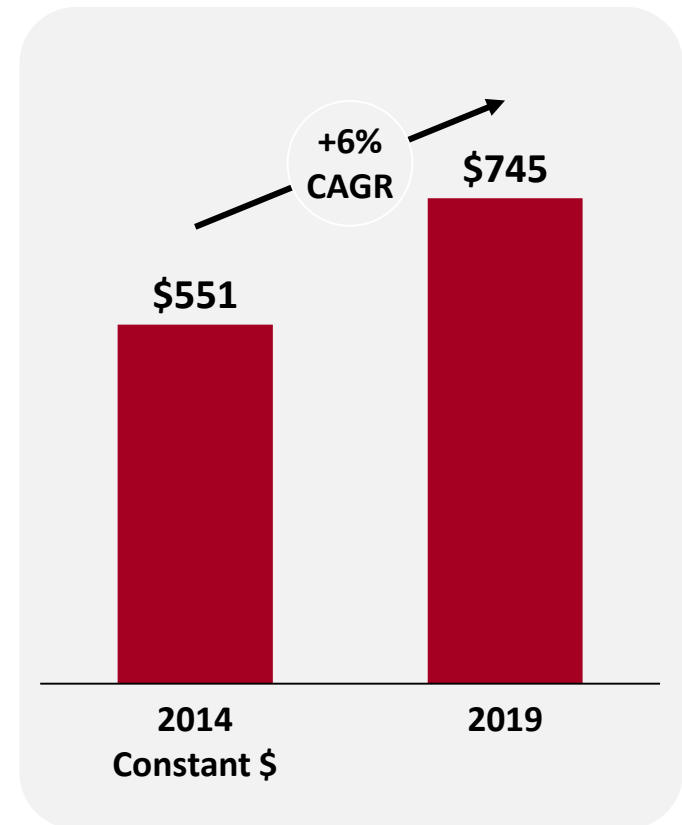
Consistent Industry Outperformance

Cinemark has surpassed North American industry box office growth 40 out of the past 45 quarters and has consistently led the industry in profitability

2014 - 2019 Admission Revenue Growth¹



CNK WW Adjusted EBITDA Growth^{1, 2}



Source: MPAA and Public Filings.

- 1) As of December 31, 2019. 10% WW growth in USD as reported. Constant currency is a non-GAAP measurement calculated using the average exchange rates for the corresponding months for 2019. We translate results of our international operating segment from local currencies into U.S. dollars using currency rates for respective reporting periods. Significant changes in foreign exchange rates from one period to the next can result in meaningful variations in reported results. We provide constant currency amounts to compare performance without the impact of foreign currency fluctuations.
- 2) Adjusted EBITDA has been presented including all cash distributions from equity investees for all years presented. See Appendix page 28 for reconciliation of Adjusted EBITDA to the most directly comparable GAAP measures.

Initiatives to Drive Growth and Outperformance

Cinemark's strategic initiatives drove growth and consistent outperformance leading into the crisis. While the initiatives are currently being reprioritized, we expect these to be a focus over the long-term.

- 1** Create an extraordinary in-theatre guest experience
- 2** Deepen and extend the overall guest engagement
- 3** Actively pursue organic and synergistic growth opportunities



Invested in strategic initiatives while maintaining the strength and flexibility of our balance sheet.
Going forward, re-fortifying the balance sheet will be our primary focus.



Financial Summary

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%
End 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 28 for reconciliation of Adjusted EBITDA and Free Cash Flow to the most directly comparable GAAP measures.

1st Half 2020 Financial Summary

Amounts in millions

1H 2020 Worldwide Results

	<u>1H20</u>	<u>1H19</u>
Attendance	46	143
Revenue	\$553	\$1,673
Adj. EBITDA ⁽¹⁾	\$(51)	\$397
Adj. EBITDA % ⁽¹⁾	-	23.7%
Free Cash Flow ⁽¹⁾	\$(201)	\$188
End Cash Balance	\$572	\$511
Net Leverage	5.8x	1.9x

Highlights

- Ahead of the crisis, through Feb QTD, on relatively flat attendance, revenue was up 5%, Adj. EBITDA had increased 16% and Adj. EBITDA margin expanded ~200 bps compared to 1Q19
- The impact of COVID-19, including being shutdown for last two weeks of March and throughout 2Q materially distorted 1H20 reported results and yielded a net loss of \$(230)MM
- We have taken significant actions to preserve cash and bolster liquidity, which has limited our monthly cash burn to ~\$50MM and secured cash runway into 2021 if theatres remain closed
- **Our history of favoring a strong balance sheet with low leverage has positioned us well to withstand the COVID-19 pandemic;** cash management will remain a central focus as we emerge from crisis
 - Full-year CapEx reduced to ~\$100MM vs. \$300MM budget
 - Delayed \$42MM of 2Q20 rent expense to future periods, along with payment extensions of varied other obligations
- Cash balance at July 31 was ~\$525MM

1) See Appendix page 29 for reconciliation of Adjusted EBITDA and Free Cash Flow to the most directly comparable GAAP measures.

Key Liquidity Actions

We have been working aggressively to preserve cash and bolster liquidity to effectively navigate through the crisis; we have limited cash burn to approximately \$50MM per month and secured a runway into 2021 if theatres remain closed globally

Eliminated Non-Essential Expenses

Cash Preservation & Liquidity Actions To-Date

Reduced Payroll

Delayed Payments

Suspended Dividend

Secured Additional Financing

Pursuing CARES Act Opportunities

Restructured Operations

- Halted all non-essential operating/capital expenditures
- Laid-off over 17,500 domestic hourly theatre employees, furloughed 50% of our corporate employees at 20% of salary and reduced salaries of remaining staff to 50% ⁽¹⁾
- Board of Directors and CEO elected to take no salary; numerous executives voluntarily reduced to 20% salary
- Negotiated payment deferrals and modifications across a wide range of lease-related and other contractual obligations (for example, secured \$42MM of 2Q20 facility lease payment deferrals over next year and a half)
- Temporarily suspended quarterly dividend of ~\$42MM per quarter
- Cinemark USA drew down \$98.8MM of revolving credit facility and issued \$250MM of new Senior Secured Notes (due 2025)
- Obtained waiver to temporarily suspend net senior secured leverage ratio covenant associated with revolver
- Filed for ~\$20MM tax refund related to Qualified Improvement Property change in CARES Act; identified \$4.5MM of 2Q20 payroll tax benefits for employee retention credits and social security payment deferrals
- Pursuing additional U.S. tax refunds associated with CARES Act net operating loss deductions
- Re-engineering business processes to be more streamlined and efficient; permanently closed 20 lower performing theatres and reduced corporate workforce, which will improve annual Adj. EBITDA/cash \$10MM

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

Streamline & Business Efficiency Actions

Have enacted, and are continuing to pursue, varied productivity and efficiency initiatives to achieve our strategic cash management and profitability objectives, including aligning expenses with near-term demand.



Optimizing operating hours and showtime schedules through **utilization of enhanced data management analytics**



Simplifying and streamlining numerous theatre practices, such as ticket issuance, inventory procedures and ushering routines, to be leaner and more efficient



Refining the degree of staffing required to operate theatres, including enhanced planning and management controls



Concentrating food and beverage offerings to core categories, which are less labor intensive (will ramp up offerings once attendance warrants)



Continuing to drive **company-wide Continuous Improvement** and margin expansion projects



Delaying certain capital and resource-intensive initiatives that are not critical in the near-term, and rationalizing theatre and corporate headcount accordingly



Reopening Plans

Cinemark's reopening 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

Reopening 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 theatres

Reopening Timeline and Approach

- ~60 theatres open as of this past weekend
- The remainder of our U.S. theatre re-openings will take place across three phases beginning August 21 and continuing through August 28 ahead of *Tenet* release on September 3
- Approximately 70% of our domestic circuit able to open based on government mandates; the remaining 30% is unclear but we are working closely with governments to inform and educate on safety protocols for Cinemark, as well as the overall industry
- 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 of \$5 for adults and \$3 for children and seniors
- Latin America theatres expected to trail U.S. by several weeks

In a recent internal survey conducted of our U.S. consumers, ~50% report that they would feel safe returning to the theatre within one month and that number grows to 75%+ within the first three months.

Enhanced Cleaning, Safety and Efficiency Measures

A range of enhanced cleaning and distancing protocols have been implemented to ensure guest and employee safety



- **Staggering show times** to minimize crowds and implementing **seat buffering technology** within our point-of-sale system that will ensure physical distancing between parties
- **Mandatory face masks** for employees and guests
- **Substantially raising the fresh-air rates** of our HVAC systems by adding purge cycles and constantly using supply fans to increase the total volume of fresh, outside air flowing through our theatres
- Utilizing vacuums equipped with HEPA filters that capture 99.97% of microscopic particles, including COVID-19
- **Screening employee well-being** before each shift
- Assigning a **Chief Clean & Safety Monitor** for each theatre shift for a heightened level of accountability
- **Minimizing physical contact** at the box office and concession stand (e.g., installing plexiglass barriers)
- Implementing **contactless transactions** protocols
- **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

Test-and-Learn Theatres

The results of our test-and-learn theatres have been instrumental as we prepare to reopen our global circuit with key learnings on training, communication, implementation and execution of our clean and safety protocols in this new operating environment.



Box Office

- Attendance of initial five test-and-learn has grown 20%+
- This past weekend, Cinemark represented 10% of U.S. theatres open (excluding drive-ins) and generated 40% of the total box office



Food & Beverage

- Food & beverage per cap trends in excess of \$5 with limited offerings and discounted 'welcome back' pricing



Occupancy

- Weekend only occupancy of 10%+ with reduced capacity and library content (relative to 25 – 30% averages historically)



Movie Club

- Movie Club members representing 20 - 25% of attendance



Operating Costs

- Test-and-learn theatres are more than covering incremental variable costs relative to being shut down



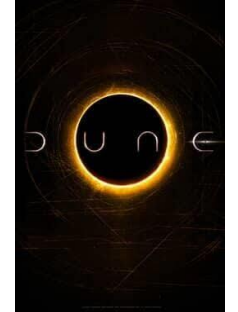
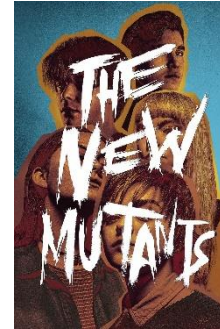
Guest Satisfaction

- 97% guest satisfaction with Cinemark protecting their health and safety

Theatre 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 theatre 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 typically range between 20-30%, so we can operate 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 theatres
- We have maintained active communication with Cinemark Movie Rewards members, including Movie Club, which will be a key channel for reopening

Top 2H20 Releases



2021 Film Slate



2022 Film Slate





Appendix

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

	2019
Total Revenues	\$3,283,009
Adjusted EBITDA	745,045
Adjusted EBITDA Margin	22.7%

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 NationalCinemedia, LLC, or NCM.

3) See the notes to the consolidated financial statements included in our Annual Report on Form 10-K filed on February 21, 2020 for a discussion of cash distributions from Digital Cinema Implementation Partners LLC, or 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.

1H 2Q20 Non-GAAP Measure Reconciliations

\$'s in thousands

Reconciliation of Net Income to Adjusted EBITDA

	1H 2Q20	1H 2Q19
Net income	(\$230,238)	\$135,054
Add (deduct):		
Income taxes	(101,253)	50,099
Interest expense ⁽¹⁾	53,038	50,070
Other (income) expense, net ⁽²⁾	27,173	(15,109)
Cash distributions from DCIP ⁽³⁾	10,383	5,218
Cash distributions from other equity investees ⁽⁴⁾	12,901	14,447
Depreciation and amortization	128,837	129,035
Impairment of long-lived assets	16,619	18,078
Restructuring costs	19,538	0
Loss on disposal of assets and other	2,330	5,604
Non-cash rent expense	833	(2,150)
Share based awards compensation expense	8,432	6,646
Adjusted EBITDA	(\$51,407)	\$396,992

Reconciliation of Cash Flows (Used In) Provided by Operating Activities to Free Cash Flow

	1H 2Q20	1H 2Q19
Cash flows (used in) provided by operating activities	(\$153,870)	\$303,579
Deduct:		
Capital Expenditures	46,959	115,169
Free Cash Flow	(\$200,829)	\$188,410
	1H 2Q20	1H 2Q19
Total Revenues	\$552,590	\$1,672,479
Adjusted EBITDA	(51,407)	396,992
Adjusted EBITDA Margin	-	23.7%

1) Includes amortization of debt issue costs.

2) Includes interest income, amortization of accumulated losses for amended swap agreements, 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 in the notes to the consolidated financial statements included in our Quarterly Report on Form 10-Q filed August 4, 2020. 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. These distributions are reported entirely within the U.S. operating segment.



Thank You

Chanda Brashears
VP Investor Relations
cbrashears@cinemark.com
972-665-1671