

# Investor Presentation

May 5, 2023



# Forward Looking Statements



## **CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS PURSUANT TO THE U.S. PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995:**

This presentation contains, and our officers and representatives may from time to time make, “forward-looking statements” within the meaning of the safe harbor provisions of the U.S. Private Securities Litigation Reform Act of 1995. The “forward looking statements” can be identified by words such as “may,” “should,” “could,” “estimates,” “predicts,” “potential,” “continue,” “anticipates,” “believes,” “plans,” “expects,” “future” and “intends” and similar references to future periods. Examples of forward-looking statements include, among others, statements we make regarding our future revenues, expenses and profitability, the future development and expected growth of our business, 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.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations, and assumptions regarding the future of our business, future plans, and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risk, and changes in circumstances that are difficult to predict and many of which are outside our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the impacts of the COVID-19 pandemic on our business and the entertainment industry and all of the other risk factors discussed in the “Risk Factors” section or other sections in the Company’s Annual Report on Form 10-K filed February 24, 2023.

All forward-looking statements are expressly qualified in their entirety by these cautionary statements and 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.

Except as otherwise specified or indicated by the context references in this presentation to “we,” “us,” “our,” “Cinemark” or the “Company” are to the combined business of Cinemark Holdings, Inc. and its consolidated subsidiaries.

## **NON-GAAP FINANCIAL MEASURES:**

We include certain non-GAAP financial measures in this presentation, including Free Cash Flow, Adjusted EBITDA and other financial measures utilizing Adjusted EBITDA. These non-GAAP financial measures may not be comparable to those of other companies and may not be comparable to similar measures used in our various filings. 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.

# **Cinemark Overview**





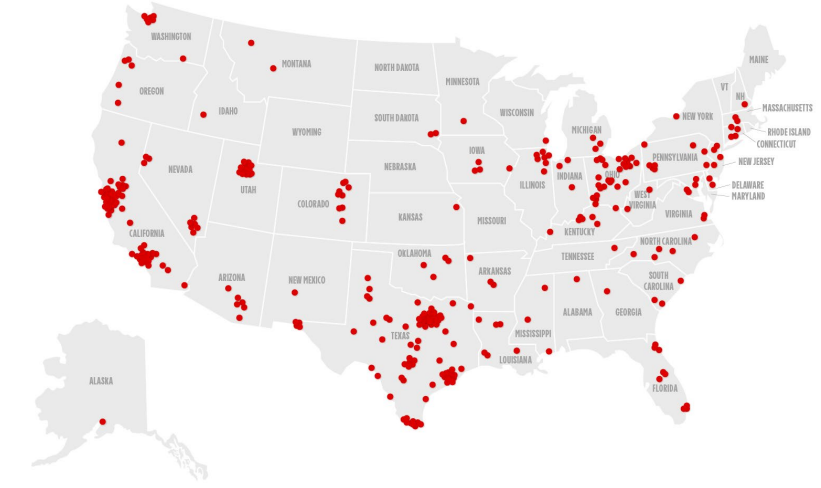
# Cinemark Overview

**CINEMARK™**

One of the largest and most influential theatrical exhibition companies in the world with 516 theaters with 5,833 screens in 15 countries <sup>1)</sup>

## U.S. Operations <sup>1)</sup>

- 3<sup>rd</sup> largest exhibitor (based on screen count)
- Located in 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 9 out of the past 10 years



## International Operations <sup>1)</sup>

- First modern theatre experience throughout Latin America
- Highly seasoned team with 30 years of operating experience
- Located in 14 countries <sup>2)</sup>
- Presence in 15 of top 20 metropolitan cities in the region
- ~30% market share in key countries



<sup>1)</sup> As of 3/31/2023

# Highly Experienced Executive Leadership Team

**CINEMARK™**

Highly experienced management team with significant industry experience and proven track records; Additional key leaders with 20+ years of industry/Cinemark experience in the US and internationally



**Sean Gamble**

*President & CEO*

15+ years of industry experience. Joined Cinemark as CFO in 2014, promoted to COO in 2018 and CEO in 2022. Spent 5+ years as CFO/EVP of Universal Pictures within NBCUniversal prior to Cinemark.



**Melissa Thomas**

*CFO*

Joined as Cinemark's CFO in 2021. Prior to Cinemark, served multiple leadership roles with Groupon, including CFO, CAO & Treasurer, and VP Commercial Finance.



**Valmir Fernandes**

*President, International*

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



**Mike Cavalier**

*EVP General Counsel & Business Affairs*

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



**Phillip Couch**

*EVP - Food & Beverage*



**Wanda Gierhart**

*EVP - Chief Marketing & Content Officer*



**Jay Jostrand**

*EVP - Real Estate & Construction*



**Sid Srivastava**

*EVP - Human Resources, DEI/CSR*



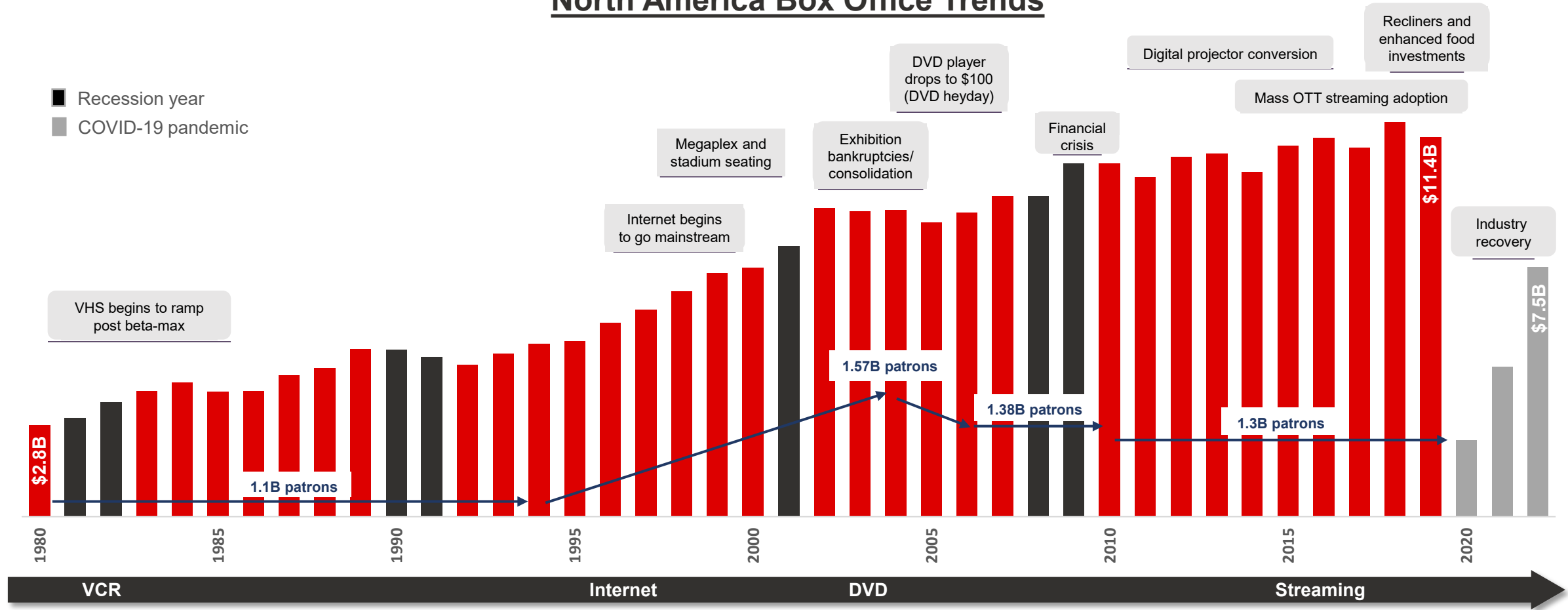
**Damian Wardle**

*EVP - Theater & Technical Operations*

# Exhibition Industry Trends

Stable, long-term industry growth trends across technology innovations and economic cycles with box office growth in 6 of the last 8 recessionary periods

## North America Box Office Trends

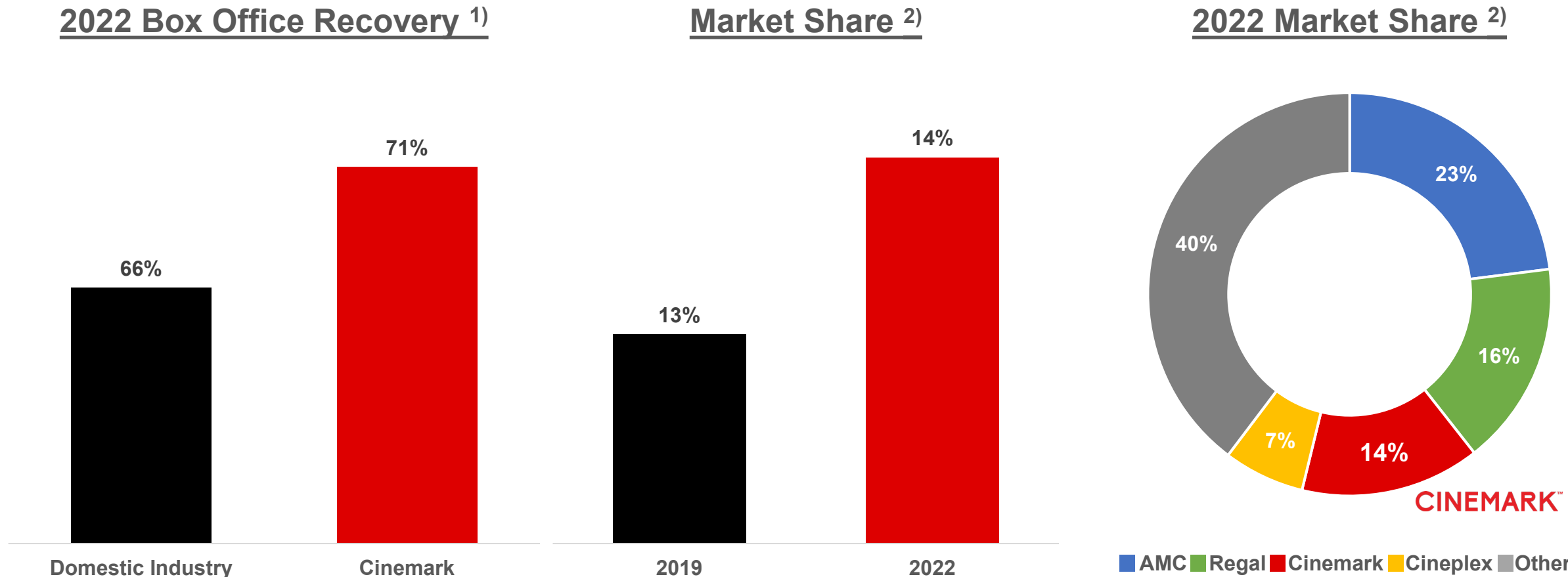


# **Cinemark Overview**



# North American Industry Outperformance

Cinemark’s operational excellence and execution of strategic priorities has driven faster domestic box office recovery and market share gains, which continued into the first quarter of 2023



1) North American industry versus 2019 per comScore based on gross box office  
2) Market share data per ComScore based on gross box office

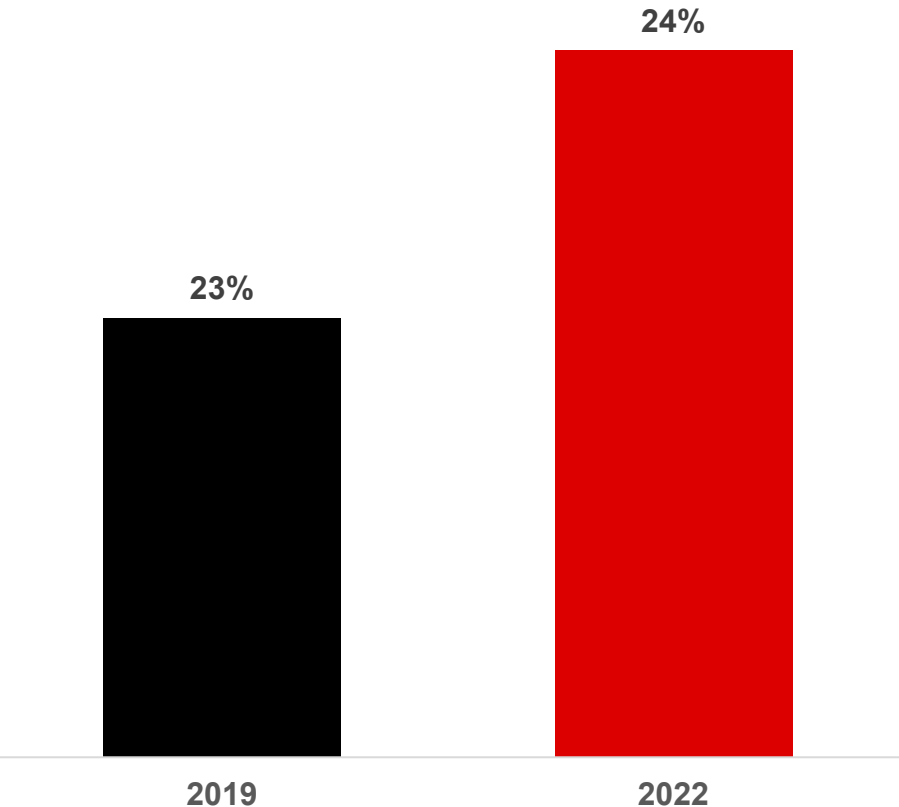


# Latin American Industry Outperformance

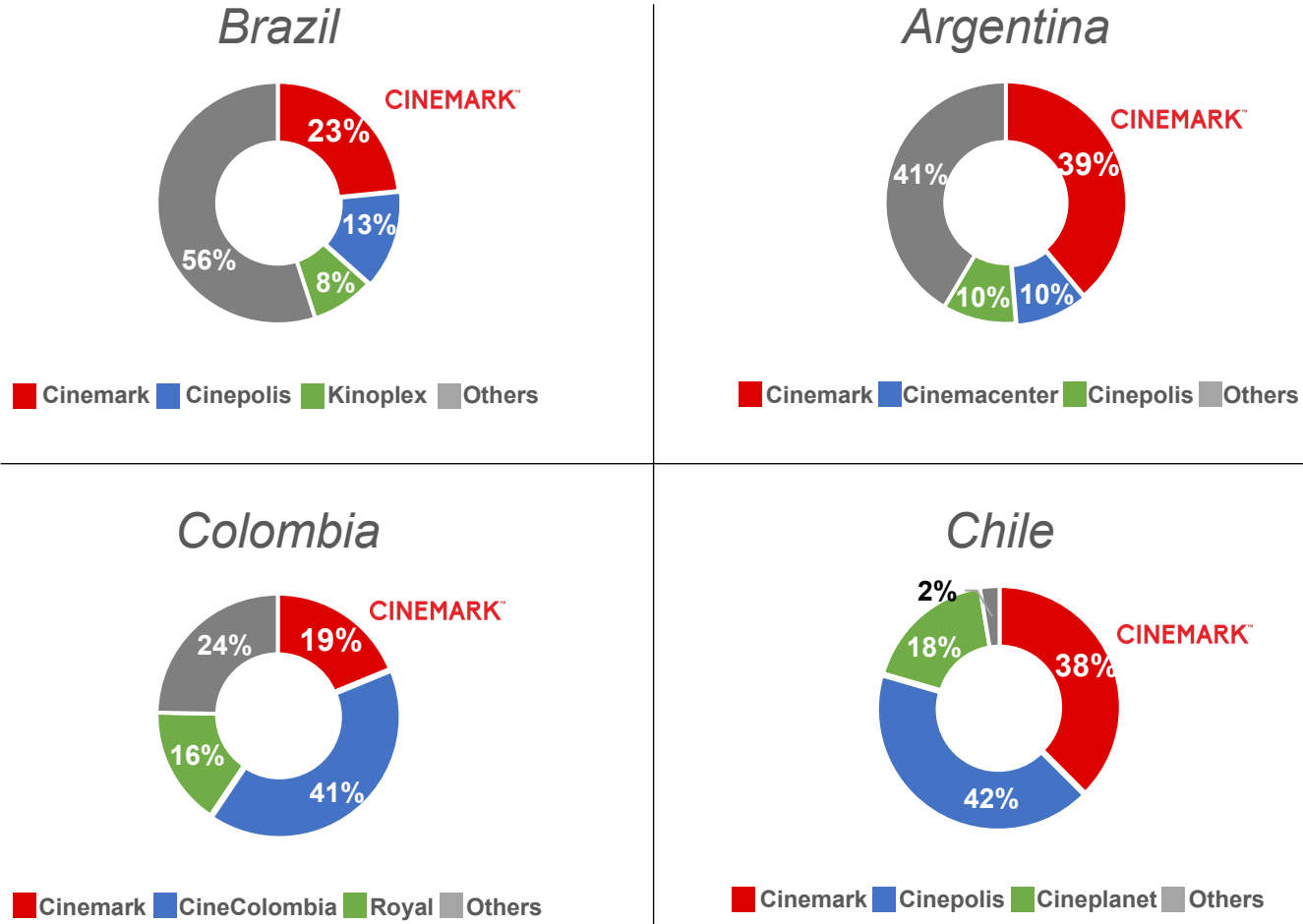


Strong international presence throughout Latin America provides diversification, increased scale, cross-company synergies, and promotional opportunities with global partners

2022 Market Share <sup>1)</sup>



2022 Market Share - Key Latin American Markets <sup>1)</sup>



1) All Latin American countries compiled based on FY 2022 admissions; source: comScore

# Initiatives Driving Growth and Outperformance

**CINEMARK™**

Continuing to benefit from sustained investments in guest experience; prioritizing investments in strategic initiatives that position Cinemark for ongoing success



67% U.S. recliner penetration - highest among major circuits <sup>1)</sup>



#1 private-label premium large format in the world with nearly 300 auditoriums across US and LatAm



~300 auditoriums feature D-BOX motion seats that are synchronized with the on-screen action



Industry-leading technology and technological capabilities; first exhibitor to initiate Cinionic laser conversion



Heightened focus on the guest experience with guest service scores that consistently exceed 90%



~80% of U.S. circuit features expanded food & beverage offerings, ~60% with alcohol



Industry-leading subscription programs; ongoing evolution of loyalty programs



Sophisticated omni-channel marketing platform with significantly enhanced digital and social capabilities

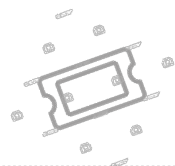
# **Financial Results**



# Highlights of Q1 2023 Results

**CINEMARK™**

We continue to make significant progress recovering from the lingering effects of the pandemic and are extremely well-positioned to benefit from an ongoing resurgence of theatrical moviegoing



## Box Office

- Domestic box office outperformed the North American industry results by more than 700 bps comparing 1Q23 against 1Q19 with the largest share gain among the major U.S. exhibitors (~100 bps)
- International admissions also surpassed Latin American industry benchmarks by over 700 bps comparing 1Q23 against 1Q19



## Premium Formats

- Box office generated from premium large format auditoriums (XD and IMAX) increased more than 20% year-over-year
- As a percentage of global box office, XD and IMAX remain over 400 bps higher than 1Q19
- Box office revenue generated by DBOX motion seats grew nearly 80% year-over-year



## Food & Beverage

- Generated a robust food & beverage per cap of \$7.41 domestically, an increase of 9% compared with 1Q22; international per cap increased 29% versus 1Q22 in constant currency
- Continued to offset inflationary pressures through product alternatives, category management and strategic pricing actions



## Loyalty

- Movie Club exceeded 1.1 million members – an increase of 15% from 2019; represented 23% of 1Q23 box office
- Grew consumer reach to over 25M global addressable customers



## Profitability

- Delivered worldwide Adj. EBITDA<sup>1)</sup> of \$86.2M in 1Q23 with a 14.1% Adj. EBITDA margin
- Generated positive operating cash flow during the first quarter

1) See Appendix for reconciliation of Adjusted EBITDA to the most directly comparable GAAP measures



# Capital Structure and Allocation

Our balance sheet remains a strategic asset and key differentiator, providing ample flexibility

| (in \$ millions)                    | As of Mar. 31, 2023 |
|-------------------------------------|---------------------|
| Long-term debt <sup>1)</sup>        | \$2,514             |
| Cash balance                        | <u>\$650</u>        |
| Net Debt                            | \$1,865             |
| TTM Adj. EBITDA                     | \$398               |
| Net Debt/ Adj. EBITDA               | 4.7x                |
| Target Leverage Ratio <sup>2)</sup> | 2.0 - 3.0x          |

- Covenant-lite debt
- Company has a history of proactively managing debt with nearest maturity in 2024/2025 <sup>3)</sup>
- Redeemed \$100M of 8.75% Senior Secured Notes due May 2025 on May 1, 2023
- Repaid substantially all remaining deferred lease obligations incurred over the course of the pandemic
- Continue to invest in high-confidence ROI initiatives with \$150M of CapEx planned during 2023
- Long-term target leverage ratio of 2.0 – 3.0x, dependent upon timing and extent of box office recovery, as well as strategic investment opportunities

1) The company has an undrawn revolver of \$100M; Gross long-term debt excluding capital lease obligations

2) Historic leverage ratio ~2.0 – 2.5x

3) Revolver matures in November 2024

# **A Look Ahead**

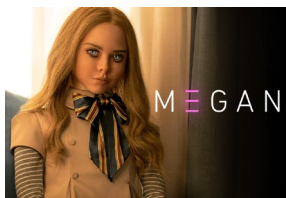


# 2023 Notable Titles

CINEMARK™

2023 expected to be a further year of recovery and improvement in content volume and box office

Q1



January 6



February 17



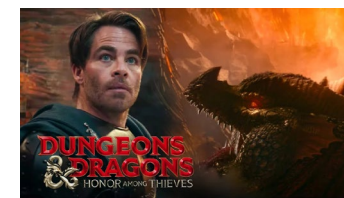
March 3



March 17



March 24

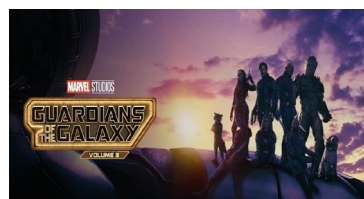


March 31

Q2



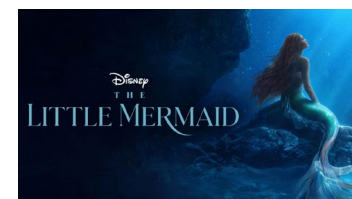
April 7



May 5



May 19



May 26



June 2



June 16

Q3



June 30



July 14



July 21



July 21



July 28

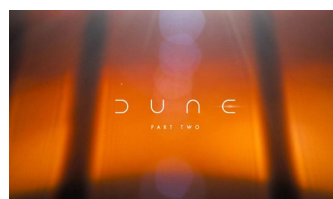


August 4

Q4



October 20



November 3



November 10



November 17



November 17



December 20

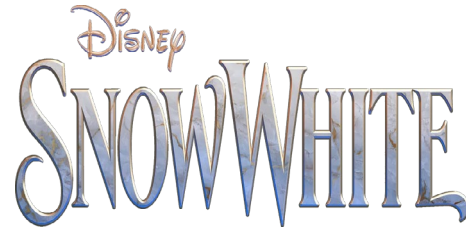
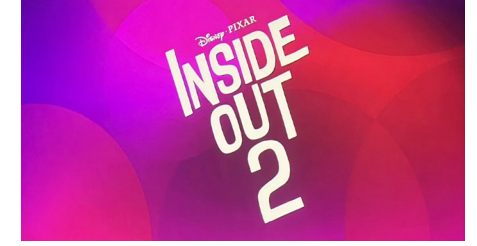


# 2024 Compelling Film Slate

CINEMARK™



DESPICABLE  
ME 4





# Value of an Exclusive Theatrical Window

CINEMARK™

A theatrical release enhances a film's promotional impact and overall asset value



Increases **consumer awareness**, interest and recognition



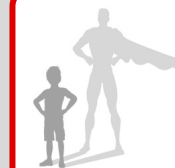
Elevates **perception** of films by eventizing them



Satisfies **consumer/creative desires** to see films on big screen



Creates **stronger emotional connections** with characters/stories



Produces **bigger brands**, franchises and cultural moments



Provides **incremental monetization** channel expanding revenue



Generates **stronger results** in downstream channels



Delays sizable jump in **piracy** upon in-home availability

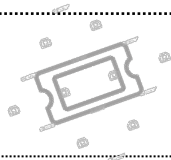
# Strategic Priorities for Long-Term Operating Success

CINEMARK™

Cinemark maintains an advantaged position to capitalize on the ongoing recovery of theatrical exhibition through varied experiential consumer-based, revenue-generating, and productivity initiatives



Create an **exceptional guest experience** through premium amenities and offerings that cannot be replicated at home, as well as an ongoing focus on top-notch customer service



**Maximize attendance and box office** through pricing strategies, sophisticated showtime planning, and pursuit of alternative content that appeals to a broader consumer base



Utilize **advanced digital and social marketing capabilities** to build audiences, increase moviegoing frequency, and strengthen loyalty to Cinemark



**Grow food and beverage consumption** through expanded offerings and enhancements that simplify the ease of purchase, including the online food and beverage ordering platform



**Simplify and streamline theater practices** through technology, workforce management, and enhanced inventory procedures



Utilize **enhanced data management, analytics, and process enhancements** to drive margin expansion through company-wide Continuous Improvement programs



**Pursue disciplined strategic investments in long-term growth** while re-fortifying balance sheet

# Appendix



# 1Q23 Financial Summary



## Worldwide Results <sup>1) 2)</sup>

|                      | <u>1Q23</u>  | <u>1Q22</u> | <u>Variance</u> |
|----------------------|--------------|-------------|-----------------|
| Attendance           | 42.9         | 33.1        | 30%             |
| Revenue              | \$610.7      | \$460.5     | 33%             |
| Adj. EBITDA          | \$86.2       | \$25.2      | 242%            |
| <i>Adj. EBITDA %</i> | <i>14.1%</i> | <i>5.5%</i> | <i>860 bps</i>  |
| Operating Cash Flow  | \$7.9        | \$(118.8)   |                 |
| End Cash Balance     | \$650.1      | \$568.6     |                 |

## 1Q23 Highlights

- Worldwide attendance increased 30% year-over-year driven by a steady recovery of film volume and a diverse slate of high-quality films
- Executed upon strategy to maximize attendance and box office and further monetize through ancillary revenue opportunities
  - Average ticket price increased 5% in the U.S. and 25% internationally in constant currency
  - Concession per cap increased 9% in the U.S. and 29% internationally in constant currency
- Gained operating leverage over fixed costs and delivered an increase in Adj. EBITDA of 242%
- Delivered positive operating cash flow and modestly negative free cash flow in the quarter despite working capital headwinds, property tax payments and interest payments

1) in Millions

2) See Appendix reconciliation of Adjusted EBITDA and Free Cash Flow to the most directly comparable GAAP measures



# 1Q 2023 Non-GAAP Measure Reconciliations



## Reconciliation of Net Income/(Loss) to Adjusted EBITDA <sup>1)</sup>

|  | 1Q 2023        | 1Q 2022         | 1Q 2019        |
|--|----------------|-----------------|----------------|
| <b>Net Income/(Loss)</b>                               | <b>(\$2.5)</b> | <b>(\$72.5)</b> | <b>\$33.2</b>  |
| Add (deduct):  |                |                 |                |
| Income taxes   | (3.9)          | (1.8)           | 11.9           |
| Interest expense <sup>2) 3)</sup>                      | 36.8           | 38.1            | 25.1           |
| Other (income) expense, net <sup>4)</sup>              | (1.9)          | 3.2             | (8.3)          |
| Cash distributions from equity investees <sup>5)</sup> | -              | 0.6             | 14.3           |
| Depreciation and amortization                          | 54.9           | 61.7            | 64.5           |
| Impairment of long-lived and other assets              | 0.7            | -               | 5.6            |
| (Gain)/Loss on disposal of assets and other            | 0.3            | (6.9)           | 3.8            |
| Non-cash rent expense                                  | (3.9)          | (2.3)           | (0.8)          |
| Share based awards compensation expense                | 5.7            | 5.1             | 3.0            |
| <b>Adjusted EBITDA</b>                                 | <b>\$86.2</b>  | <b>\$25.2</b>   | <b>\$152.3</b> |

## Reconciliation of Cash Flows Provided by Operating Activities to Free Cash Flow <sup>1)</sup>

|   | 1Q 2023         | 1Q 2022          | 1Q 2019        |
|---|-----------------|------------------|----------------|
| <b>Cash flows provided by (used for) operating activities</b> | <b>\$7.9</b>    | <b>(\$118.8)</b> | <b>\$104.3</b> |
| Deduct:   |                 |                  |                |
| Capital Expenditures  | 26.3            | 18.7             | 57.6           |
| <b>Free Cash Flow</b>   | <b>(\$18.4)</b> | <b>(\$137.5)</b> | <b>\$46.7</b>  |

|                                     | 1Q 2023        | 1Q 2022        | 1Q 2019        |
|-------------------------------------|----------------|----------------|----------------|
| <b>Total Revenues <sup>1)</sup></b> | <b>\$610.7</b> | <b>\$460.5</b> | <b>\$714.7</b> |
| Adjusted EBITDA <sup>1)</sup>       | 86.2           | 25.2           | 152.3          |
| <b>Adjusted EBITDA Margin</b>       | <b>14.1%</b>   | <b>5.5%</b>    | <b>21.3%</b>   |

1) In millions

2) Includes amortization of debt issue costs.

3) Amounts for the three months ended March 31, 2019 were impacted by the adoption of ASC Topic 842 and the resulting change in the classification of certain of the Company's leases.

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

5) Reflects cash distributions received from equity investees that were recorded as a reduction of the respective investment balances. These distributions are reported entirely within the U.S. operating segment.

# 2022 Financial Summary



## Annual Worldwide Results <sup>1) 2)</sup>

## 2022 Highlights

|                  | <u>2022</u> | <u>2021</u>        | <u>2019</u> |
|------------------|-------------|--------------------|-------------|
| Attendance       | 173         | 106                | 280         |
| Revenue          | \$2,455     | \$1,511            | \$3,283     |
| Adj. EBITDA      | \$336       | \$80               | \$745       |
| Adj. EBITDA %    | 13.7%       | 5.3%               | 22.7%       |
| Free Cash Flow   | \$25        | \$71 <sup>3)</sup> | \$258       |
| End Cash Balance | \$675       | \$707              | \$488       |

- Worldwide total revenue grew 63% year-over-year, demonstrating another positive step in the industry's recovery, as well as sustained consumer enthusiasm for theatrical moviegoing
- Delivered 75% of FY19 total revenue with only 62% of the attendance, underscoring our ability to flex and adapt in a dynamic environment
- Generated \$336M of Adj. EBITDA, resulting in a healthy Adj. EBITDA margin of 13.7%
- Delivered positive Free Cash Flow of \$25M despite a reduction in working capital and settling substantially all pandemic-related deferred rent
- Maintained a healthy cash balance as the business recovers while continuing to prudently invest in ROI generating opportunities to position the company for long-term success

1) in Millions

2) See Appendix reconciliation of Adjusted EBITDA and Free Cash Flow to the most directly comparable GAAP measures

3) Includes \$137M of CARES Act-related tax refunds

# 2022 Non-GAAP Measure Reconciliations



## Reconciliation of Net Income/(Loss) to Adjusted EBITDA <sup>1)</sup>

|  | FY 2022          | FY 2021          | FY 2019        |
|--|------------------|------------------|----------------|
| <b>Net Income/(Loss)</b>                                     | <b>(\$268.0)</b> | <b>(\$422.2)</b> | <b>\$193.8</b> |
| Add (deduct):  |                  |                  |                |
| Income taxes   | 3.0              | (16.8)           | 80.0           |
| Interest expense <sup>2)</sup>                               | 155.3            | 149.7            | 99.9           |
| Loss on extinguishment of debt                               | -                | 6.5              | -              |
| Other (income) expense, net <sup>3)</sup>                    | 23.6             | 43.5             | (22.4)         |
| Cash distributions from other equity investees <sup>4)</sup> | 6.9              | 0.2              | 53.3           |
| Depreciation and amortization                                | 238.2            | 265.4            | 261.2          |
| Impairment of long-lived assets and investments              | 174.1            | 20.8             | 57.0           |
| (Gain)/Loss on disposal of assets and other                  | (6.8)            | 8.0              | 12.0           |
| Restructuring costs  | (0.5)            | (1.0)            | -              |
| Non-cash rent expense  | (10.8)           | (3.4)            | (4.4)          |
| Share based awards compensation expense                      | 21.5             | 29.3             | 14.6           |
| <b>Adjusted EBITDA</b>                                       | <b>\$336.5</b>   | <b>\$80.0</b>    | <b>\$745.0</b> |

## Reconciliation of Cash Flows Provided by Operating Activities to Free Cash Flow <sup>1)</sup>

|  | FY 2022        | FY 2021        | FY 2019        |
|--|----------------|----------------|----------------|
| <b>Cash flows provided by operating activities</b> | <b>\$136.0</b> | <b>\$166.2</b> | <b>\$562.0</b> |
| Deduct:  |                |                |                |
| Capital Expenditures                               | 110.7          | 95.5           | 303.6          |
| <b>Free Cash Flow</b>                              | <b>\$25.3</b>  | <b>\$70.7</b>  | <b>\$258.4</b> |

|                                     | FY 2022          | FY 2021          | FY 2019          |
|-------------------------------------|------------------|------------------|------------------|
| <b>Total Revenues <sup>1)</sup></b> | <b>\$2,454.7</b> | <b>\$1,510.5</b> | <b>\$3,283.1</b> |
| Adjusted EBITDA <sup>1)</sup>       | 336.5            | 80.0             | 745.0            |
| <b>Adjusted EBITDA Margin</b>       | <b>13.7%</b>     | <b>5.3%</b>      | <b>22.7%</b>     |

1) In millions

2) Includes amortization of debt issue costs.

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

4) Reflects cash distributions received from equity investees 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  
SVP Investor Relations  
[cbrashears@cinemark.com](mailto:cbrashears@cinemark.com)  
972-665-1671

# CINEMARK™

