

Investor Presentation

Liquidity and COVID-19 Update

April 15, 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 liquidity position as of March 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 March 31, 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 March 31, 2020. Those differences may be significant and adverse. Readers should consider this possibility in reviewing the liquidity information as of March 31, 2020 herein. You should not place undue reliance on these estimates.

The presentation does not constitute an offer to sell or a solicitation of an offer to buy any securities.



Agenda

- Cinemark Overview
- 2019 Summary
- COVID-19 Impact
- CARES Act Overview
- A Look Ahead

Cinemark Overview

- **Geographically diverse worldwide exhibitor**

- 554 theatres with 6,132 screens in 16 countries ⁽¹⁾

- **U.S. Operations**

- Third largest exhibitor in terms of market share ⁽¹⁾
- 42 states, 105 DMAs
- #1 or #2 in 80% of our top 25 markets ⁽¹⁾
- Highest attendance per screen among leading exhibitors ⁽¹⁾
- 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 ⁽¹⁾
- Presence in 14 of the top 20 metropolitan cities in the region ⁽¹⁾
- 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 4,645 Screens



209 Theatres 1,487 Screens



1) 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 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), (2)}	\$745	3.9%
Adj. EBITDA % ⁽¹⁾	22.7%	
Free Cash Flow ^{(2), (3)}	\$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) Adjusted EBITDA as presented is for Cinemark Holdings, Inc., which is approximately \$1.6 less than Adjusted EBITDA for Cinemark USA, Inc. due to certain standalone company expenses.

2) See Appendix page 21 for reconciliation of Adjusted EBITDA and Free Cash Flow to the most directly comparable GAAP measures.






3) Free Cash Flow as presented is for Cinemark Holdings, Inc., which is approximately \$0.9 more than Free Cash Flow for Cinemark USA, Inc.

- As a result of a consistent focus on maintaining a healthy balance sheet and low leverage, Cinemark entered the global COVID-19 crisis in a strong financial position
 - As of March 31, 2020, the Company had a global cash balance of \$479.4MM ⁽¹⁾
- Due to the COVID-19 pandemic, all U.S. and Latin America theaters were temporarily closed as of March 18
- Cinemark has been working proactively to preserve cash and ensure sufficient liquidity to endure the impacts of the global crisis, even if prolonged, and emerge from it in an advantaged position. Actions to date include:
 - Halted all non-essential operating and capital expenditures
 - Implemented a formal daily CFO review and approval for all outgoing procurement and payment requests
 - Laid-off over 17,500 of our domestic hourly theater employees, furloughed 50% of our Service Center employees at 20% of salary (covering full benefits) and reduced salaries of remaining staff to 50% ⁽²⁾
 - Board of Directors and CEO elected to take no salary; numerous executives voluntarily reduced to 20% salary
 - Actively working with landlords and suppliers to modify timing of contractual payments
 - Drew down \$98.8MM of revolving facility as precautionary measure due to macro-economic concerns
 - Expect varied tax-related cash benefits (timing and credits) from recently passed CARES Act
- To further support liquidity, Cinemark's Board of Directors has temporarily suspended its quarterly dividend (~\$42MM a quarter). The Company also priced \$250MM in Senior Secured Notes due 2025 and obtained approval on a waiver for the net senior secured leverage ratio covenant associated with its revolving credit facility
- Cinemark believes it has sufficient cash to sustain its operations into 2021 (even with theatres fully closed)
- Historically the exhibition industry has been recession-resilient and we believe it will rebound and benefit from pent-up social demand as home sheltering subsides and people seek a communal experience with a return to normalcy

1) Includes \$98.8MM of drawn revolving credit line on March 25, 2020.

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

CARES Act Overview

Provision		Provision Overview	Illustrative Cinemark Benefit
Qualified Improvement Property		Correction 'retail glitch' in 2017 tax reform legislation that eliminated accelerated depreciation for Qualified Improvement Property (QIP)	Anticipate ~\$20MM cash tax refund in 2020 related to QIP expenditures from 2018 and 2019
Delay of Social Security Payroll Taxes		Social security payroll tax match of 6.2% paid by employers will be deferred until Dec 2021 and Dec 2022 for wages paid Mar 27-Dec 31, 2020	Cinemark expects to benefit from deferring these payroll taxes in 2020
Employee Retention Credits		Qualified companies subject to closure and/or reduced receipts from COVID-19, that continue to pay wages/health benefits to employees who are not working, are eligible for a credit to be applied against employer portion of social security taxes	Cinemark expects to receive a payroll tax credit in 2020 for such expenses that were paid during the year
Other Tax Provisions		(a) Net operating losses incurred in 2020 can be carried back five years; and (b) interest expense deductibility rules were loosened reducing the risk of limiting the deduction of such costs during 2020	To the extent an overall tax loss is incurred in 2020 it can be applied to prior year income for a refund when the 2020 tax return is filed
Distressed Segment Assistance		\$454B has been authorized to provide access to capital for eligible businesses affected by COVID-19 to pay their fixed costs while unable to generate revenue through normal business operations	Potential benefit to Cinemark is still being determined
Additional Provisions		<i>Cinemark is reviewing additional provisions of the CARES Act that may provide further relief</i>	

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 20-30% on average, 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
- Maintaining relationships with Cinemark Rewards members, including Movie Club

Top Releases Already Re-Dated in 2H20

3Q20



Jul 17



Jul 24



Aug 7



Aug 14



Sep 4



Sep 11

4Q20



Oct 16



Nov 6



Nov 20



Nov 27

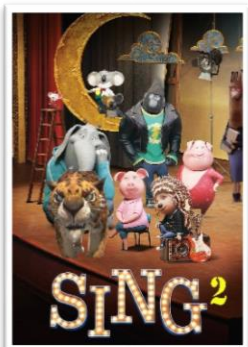


Dec 18



Dec 25

2021 Film Slate





Appendix

Actions to Enhance Liquidity

P&L Actions	Film Rental and Advertising	– Film rental is 100% variable; advertising has been suspended while theaters are closed
	Concession Supplies	– Concession supplies are 100% variable
	Salaries & Wages	– US: 17.5K hourly employees laid off; General Managers remain at 50% salary Intl: Reducing wages/staff within constraints of government regulations
	Facility Lease Expense	– Negotiating with landlords to modify timing of contractual payments
	Utilities & Other	– Highly reduced utilities; janitorial, security, credit card fees, etc. are variable expenses
	General and Administrative	– Significant payroll reductions for corporate employees; halted all other non-essential expenses
Other Cash Actions	Working Capital	– Working with suppliers and vendors to negotiate alternative payment agreements
	CapEx	– New Builds: Working with developers to delay new builds that are not currently in-process – Maintenance: Suspended all non-essential maintenance capex – ROI Generating: Suspended all non-essential capex that were not in-process at time of closure
	Financing Obligations	– Making principal and interest payments as scheduled
	Income Tax Expense	– Refund of ~\$20M from QIP; US Government/States allowing certain tax payment deferrals and credits; Opportunity to carryback any NOLs that may be incurred
	Shareholder Dividends	– Temporarily suspended

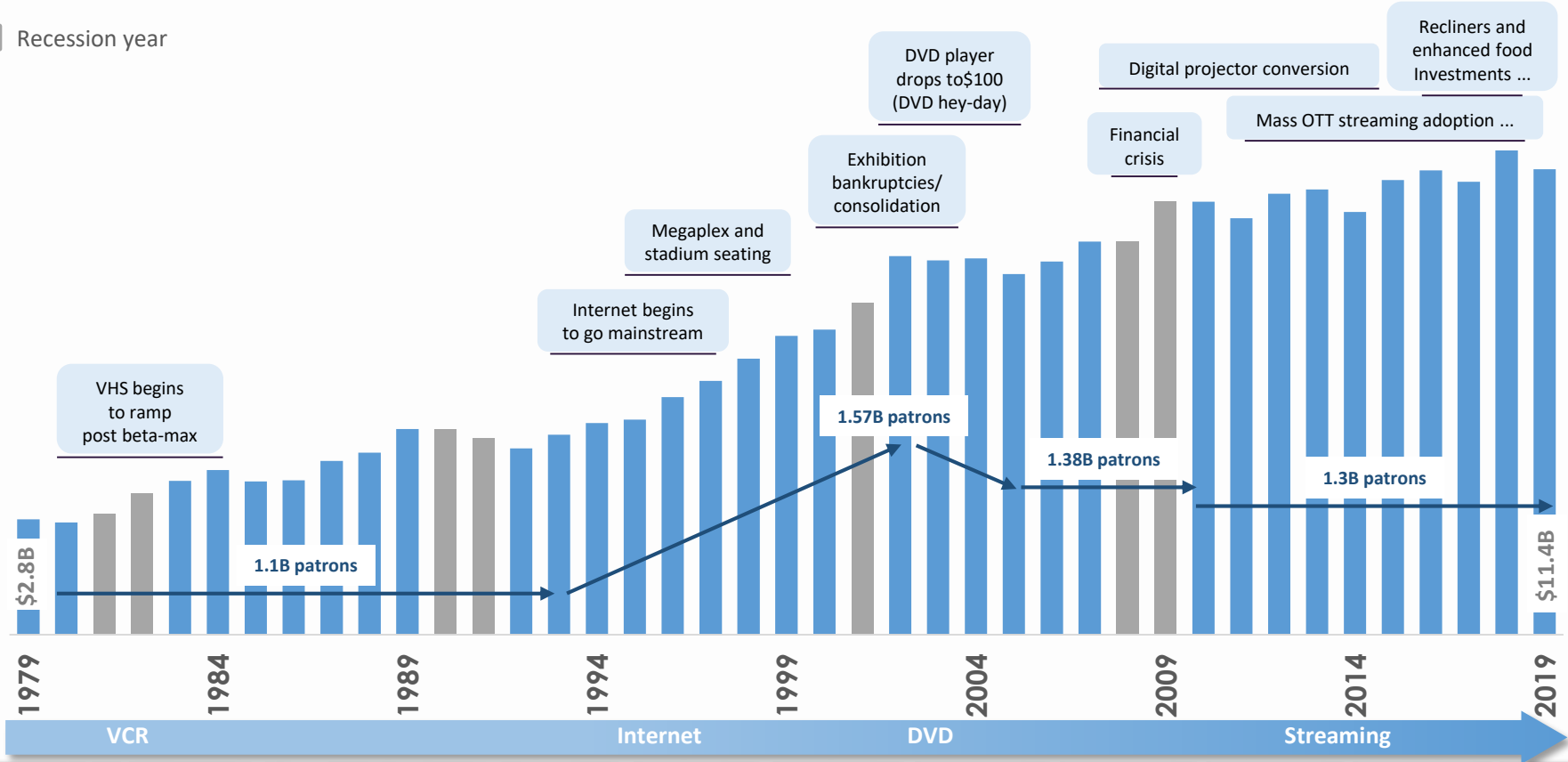
Note: Details above reflect cash-based actions while reported P&L expenses will reflect GAAP accrual-based accounting

Exhibition Industry Trends

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

North America Industry Box Office Trends

■ Recession year



Sources: North America: Rentrak, NATO

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 ⁽⁵⁾	\$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 ⁽⁶⁾	\$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 NationalCinemedia, 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.

(5) Adjusted EBITDA as presented is for Cinemark Holdings, Inc., which is approximately \$1.6M less than Adjusted EBITDA for Cinemark USA, Inc. due to certain standalone company expenses.

(6) Free Cash Flow as presented is for Cinemark Holdings, Inc., which is approximately \$0.9M more than Free Cash Flow for Cinemark USA, Inc.



Thank You
