



The Marcus Corporation



INVESTOR PRESENTATION | AUGUST 2024

# Forward Looking Statement

*Certain matters discussed in this presentation are “forward-looking statements” intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements may generally be identified as such because the context of such statements include words such as we “believe,” “anticipate,” “expect” or words of similar import. Similarly, statements that describe our future plans, objectives or goals are also forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties which may cause results to differ materially from those expected, including, but not limited to, the following: (1) the adverse effects future pandemics may have on our theatre and hotels and resorts businesses, results of operations, liquidity, cash flows, financial condition, access to credit markets and ability to service our existing and future indebtedness; (2) the availability, in terms of both quantity and audience appeal, of motion pictures for our theatre division (including disruptions in the production of films due to events such as a strike by actors, writers or directors or future pandemics); (3) the effects of theatre industry dynamics such as the maintenance of a suitable window between the date such motion pictures are released in theatres and the date they are released to other distribution channels; (4) the effects of adverse economic conditions in our markets; (5) the effects of adverse economic conditions on our ability to obtain financing on reasonable and acceptable terms, if at all; (6) the effects on our occupancy and room rates caused by the relative industry supply of available rooms at comparable lodging facilities in our markets; (7) the effects of competitive conditions in our markets; (8) our ability to achieve expected benefits and performance from our strategic initiatives and acquisitions; (9) the effects of increasing depreciation expenses, reduced operating profits during major property renovations, impairment losses, and preopening and start-up costs due to the capital intensive nature of our business; (10) the effects of changes in the availability of and cost of labor and other supplies essential to the operation of our business; (11) the effects of weather conditions, particularly during the winter in the Midwest and in our other markets; (12) our ability to identify properties to acquire, develop and/or manage and the continuing availability of funds for such development; (13) the adverse impact on business and consumer spending on travel, leisure and entertainment resulting from terrorist attacks in the United States, other incidents of violence in public venues such as hotels and movie theatres or epidemics; and (14) a disruption in our business and reputational and economic risks associated with civil securities claims brought by shareholders. 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 and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Our forward-looking statements are based upon our assumptions, which are based upon currently available information. Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are made only as of the date of this presentation and we undertake no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.*



# Non-GAAP Financial Measures

Adjusted EBITDA has been presented in this presentation as a supplemental measure of financial performance that is not required by, or presented in accordance with, GAAP. The company defines Adjusted EBITDA as net earnings (loss) attributable to The Marcus Corporation before investment income or loss, interest expense, other expense, gain or loss on disposition of property, equipment and other assets, equity earnings or losses from unconsolidated joint ventures, net earnings or losses attributable to noncontrolling interests, income taxes, depreciation and amortization and non-cash share-based compensation expense, adjusted to eliminate the impact of certain items that the company does not consider indicative of its core operating performance. A reconciliation of this measure to the equivalent measure under GAAP, along with reconciliations of this measure for each of our operating segments, are set forth in the attached table.

Adjusted EBITDA is a key measure used by management and the company's board of directors to assess the company's financial performance and enterprise value. The company believes that Adjusted EBITDA is a useful measure, as it eliminates certain expenses and gains that are not indicative of the company's core operating performance and facilitates a comparison of the company's core operating performance on a consistent basis from period to period. The company also uses Adjusted EBITDA as a basis to determine certain annual cash bonuses and long-term incentive awards, to supplement GAAP measures of performance to evaluate the effectiveness of its business strategies, to make budgeting decisions, and to compare its performance against that of other peer companies using similar measures. Adjusted EBITDA is also used by analysts, investors and other interested parties as a performance measure to evaluate industry competitors.

Adjusted EBITDA is a non-GAAP measure of the company's financial performance and should not be considered as an alternative to net earnings (loss) as a measure of financial performance, or any other performance measure derived in accordance with GAAP and it should not be construed as an inference that the company's future results will be unaffected by unusual or non-recurring items. Additionally, Adjusted EBITDA is not intended to be a measure of liquidity or free cash flow for management's discretionary use. In addition, this non-GAAP measure excludes certain non-recurring and other charges and has its limitations as an analytical tool. You should not consider Adjusted EBITDA in isolation or as a substitute for analysis of the company's results as reported under GAAP. In evaluating Adjusted EBITDA, you should be aware that in the future the company will incur expenses that are the same as or similar to some of the items eliminated in the adjustments made to determine Adjusted EBITDA, such as acquisition expenses, preopening expenses, accelerated depreciation, impairment charges and other adjustments. The company's presentation of Adjusted EBITDA should not be construed to imply that the company's future results will be unaffected by any such adjustments. Definitions and calculations of Adjusted EBITDA differ among companies in our industries, and therefore Adjusted EBITDA disclosed by the company may not be comparable to the measures disclosed by other companies.



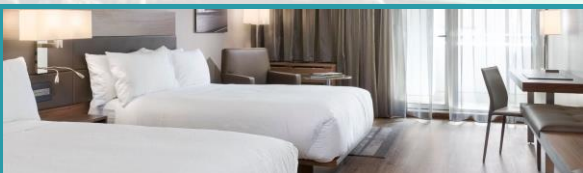


# A Leader in Lodging and Entertainment

*Founded in 1935 and headquartered in Milwaukee, Wisconsin*

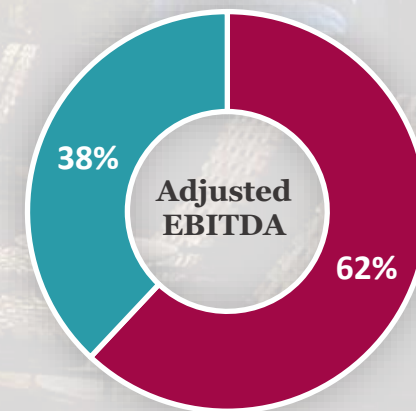
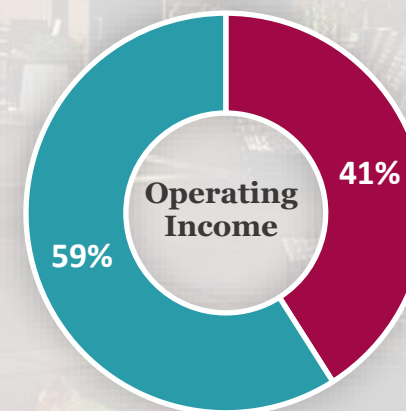
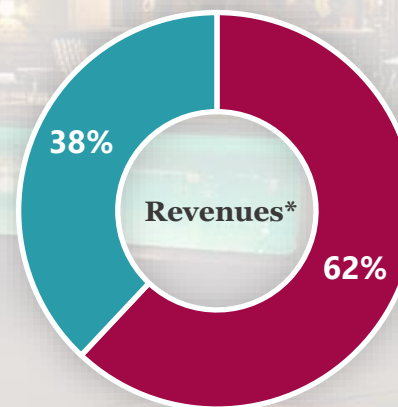


- Fourth largest U.S. exhibitor
- 995 screens at 79 locations in 17 states



- Portfolio of 16 distinctive properties
- Manage ~4,650 rooms in eight states

## LTM by Division



\* Revenues exclude Corporate of 0.1%





# Company Overview

LTM  
Revenues:

**\$684.9M**

LTM Adjusted  
EBITDA:

**\$84.8M<sup>(1)</sup>**

Market Cap:

**~\$423.5M**

(as of 8/2/2024)

LTM Adj.  
EBITDA Margin:

**13.1%<sup>(1)</sup>**

**MCS**  
**LISTED**  
**NYSE**

**Since**  
**1993**

(1) Adjusted EBITDA is a Non-GAAP measurement equal to operating income plus depreciation and amortization, impairment charges, non-cash share-based compensation and certain non-recurring expenses. Adjusted EBITDA Margin excludes revenue from cost reimbursements. Refer to non-GAAP reconciliation in the appendix for further information.





# Investment Thesis

Diversified  
business  
platform

Outperform respective  
markets and industries

Focused and disciplined  
growth strategy

Strong balance sheet  
with significant  
liquidity

Significant real estate  
assets

Long-term track  
record of  
success

Consistent  
shareholder returns



# Strong, Stable Senior Management Team



**Gregory S. Marcus**  
Chairman,  
President and Chief  
Executive Officer  
Joined March 1992



**Thomas F. Kissinger**  
Senior Executive Vice  
President, General  
Counsel and Secretary  
Joined August 1993



**Chad Paris**  
Chief Financial Officer &  
Treasurer  
Joined October 2021



**Mark A. Gramz**  
President, Marcus  
Theatres Corporation  
Joined April 1971



**Michael R. Evans**  
President, Marcus  
Hotels & Resorts  
Joined January 2020



**Kim M. Lueck**  
Chief Information  
Officer  
Joined February 1997



**Steve V. Martin**  
Chief Human  
Resources Officer  
Joined April 2000



# 88-Year History of Prudent Balance Sheet and Liquidity Management

- Approach has been and will remain thoughtful, opportunistic and focused long-term
  - Match our debt portfolio to our asset base
  - Assets primarily of fixed and long-lived assets
  - Strive to have a significant portion of our debt portfolio fixed and long

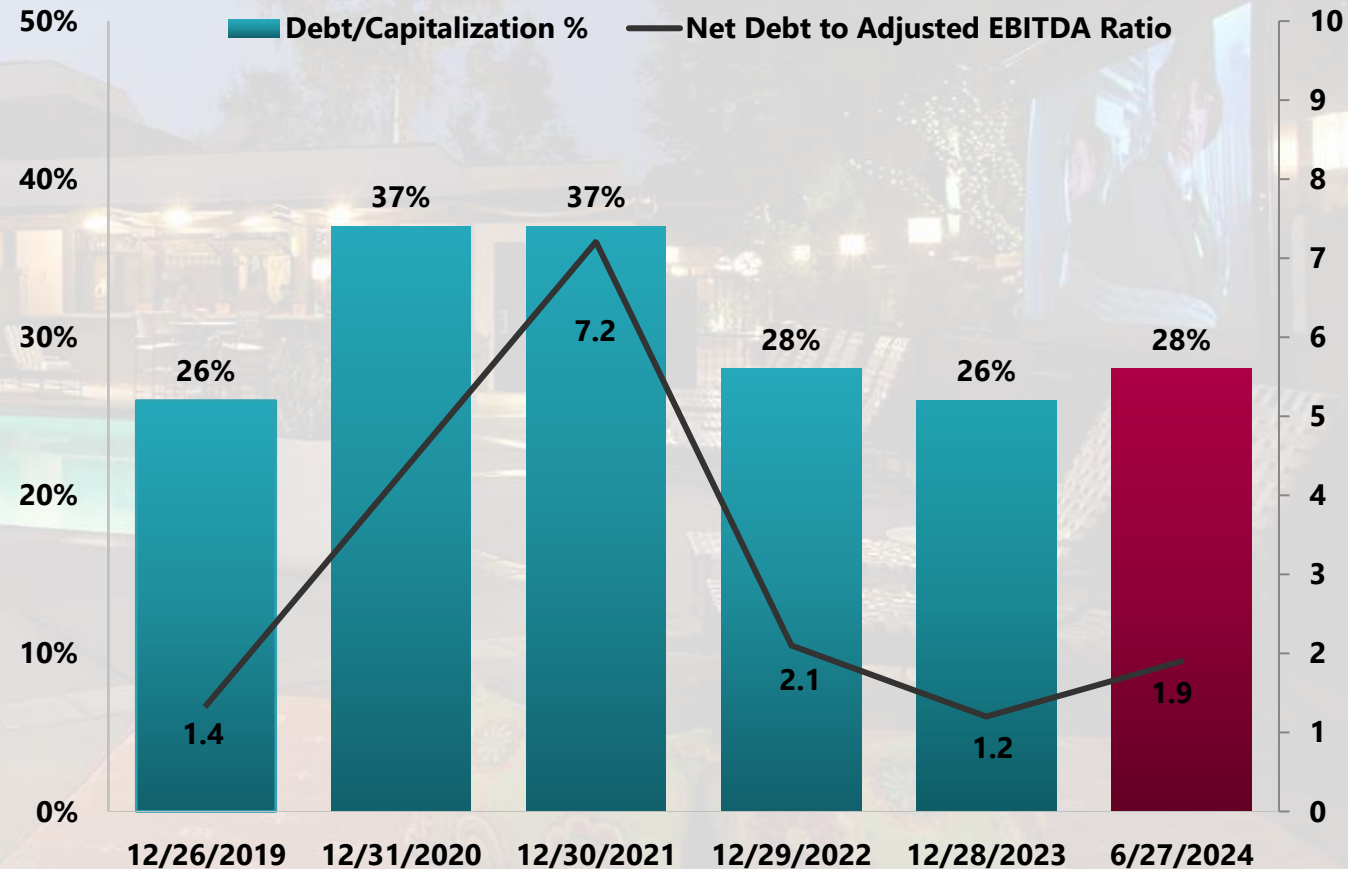




# Strong Balance Sheet and Access to Capital

- Historically strong and consistent cash flow
  - \$102.6 million of net cash flow from operations in fiscal year 2023
- \$208.0 million in cash and revolving credit availability (as of 6/27/2024)
- New \$225 million five-year revolving credit facility maturing in October 2028
- Recently completed \$86.4 million of convertible senior notes repurchases and a private placement offering of \$100 million of senior notes
- Significant liquidity and financial flexibility to invest in our long-term future growth

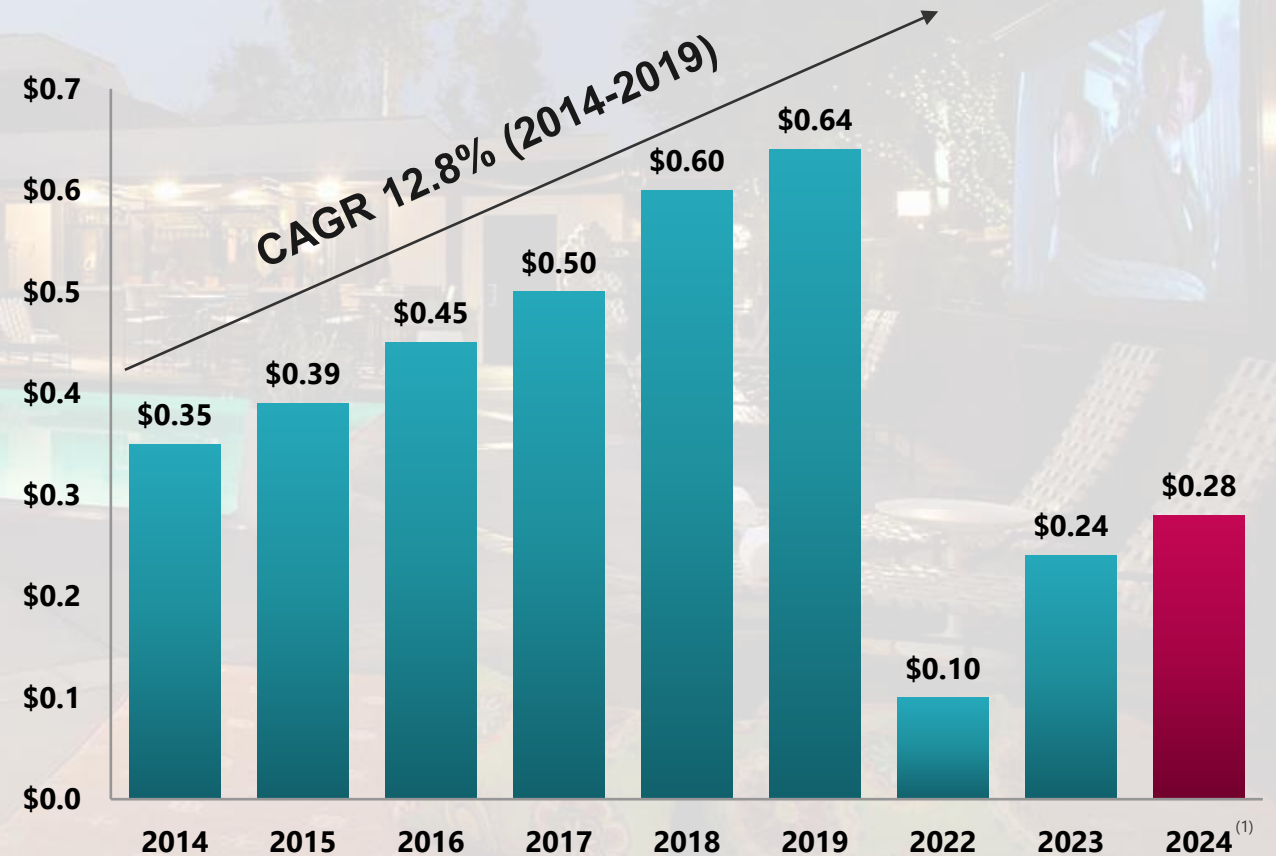
## Debt Ratios



# Increasing Dividend; Long History of Returning Capital to Shareholders

- Increased quarterly cash dividend to \$0.07 in Q3 2023
- Annual cash dividend was \$0.68 prior to suspension on 4/29/20 (3-year average yield of 1.7%)
- 45 years of consecutive dividends pre-COVID
- Special dividends in 2006 (\$7.00) and 2012 (\$1.00)
- Repurchased over 3.9 million shares between 2012 and 2016 at an average price of approximately \$12

## Annual Cash Dividends

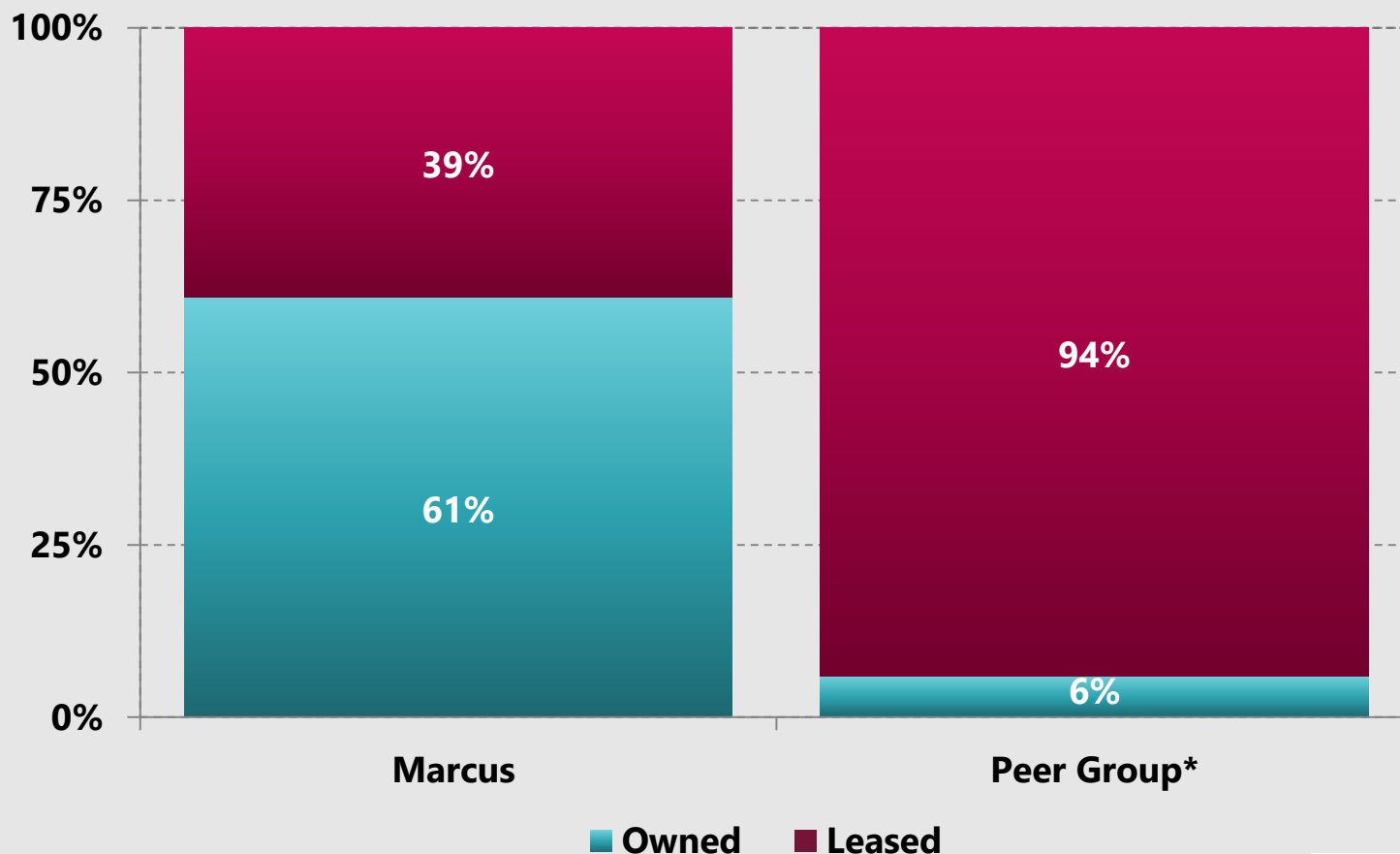




# Unique Real Estate Ownership Profile

*In addition to our owned hotels, unlike most of our peers, we own the underlying real estate for the majority of our theatres*

- Real estate ownership enables us to quickly react to changing theatre trends
- Reduces our monthly fixed lease payments and enhances free cash flow
- Provides significant underlying credit support
- Surplus real estate may be monetized if opportunities arise
  - \$31 million of asset sales proceeds in fiscal 2021-2023
  - Potential for \$3-5 million of additional sales of surplus and non-core real estate during fiscal 2024



\*Represents an estimate of AMC and Cinemark combined, based upon available public filings.

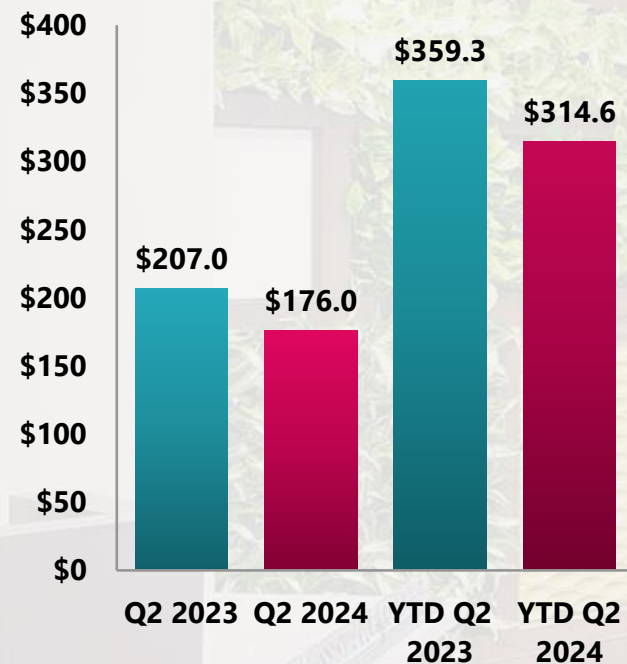
Note: Marcus percentages based upon number of screens as of 6/27/2024.



# Second Quarter and First Half of 2024 Results

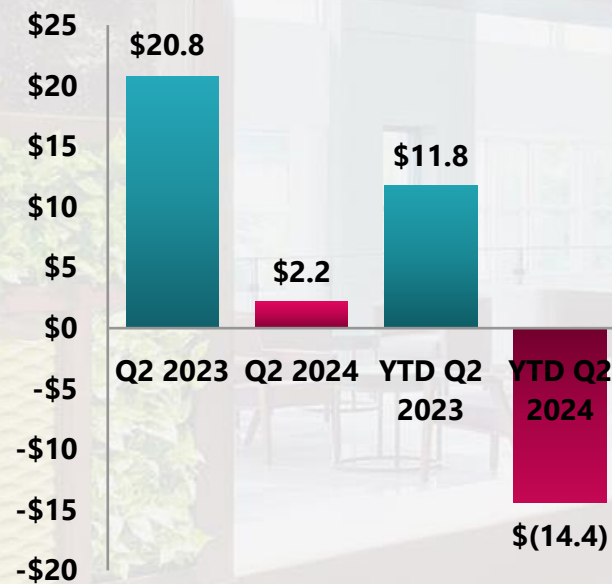
## Revenues

(in millions)



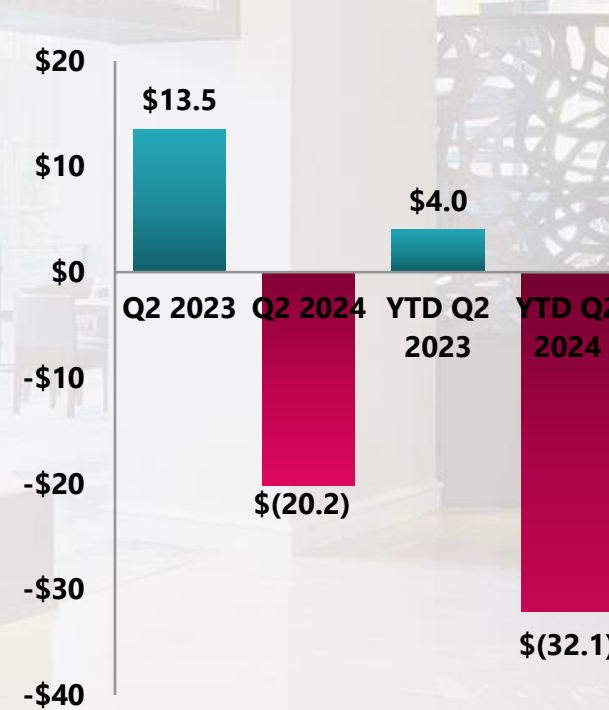
## Operating Income (Loss)

(in millions)



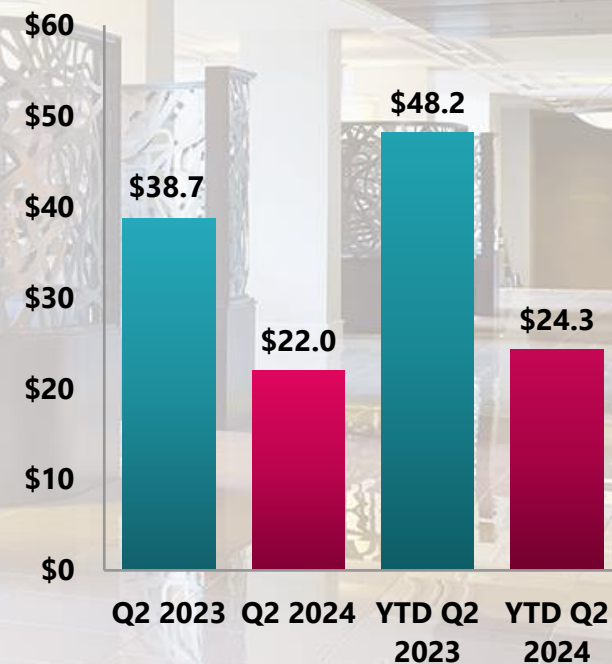
## Net Earnings (Loss)

(in millions)



## Adjusted EBITDA<sup>(1)</sup>

(in millions)





A photograph of three people—two women and one man—standing in a modern theater lobby. They are all smiling and looking towards the camera. The woman on the left has blonde hair and is wearing a dark blue top and jeans. The woman in the middle has dark hair and is wearing a white top and jeans. The man on the right has dark hair and is wearing a maroon shirt and jeans, holding a glass of beer. A semi-transparent maroon banner is overlaid across the middle of the image, containing the text "Marcus Theatres".

# Marcus Theatres

# Leading U.S. Theatre Exhibitor

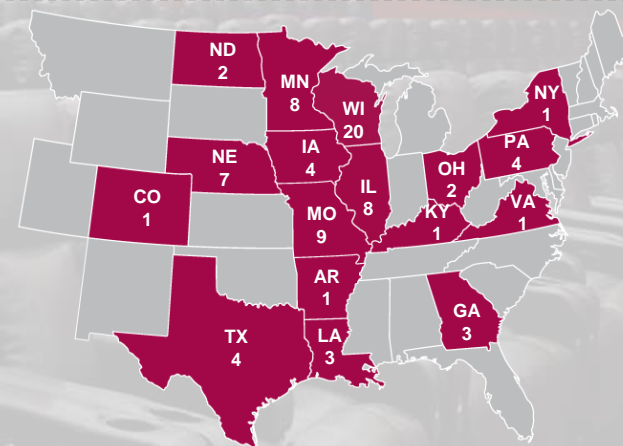
**Fourth  
largest**  
U.S. exhibitor

**995** screens at  
**79** locations in  
**17** states<sup>(1)</sup>

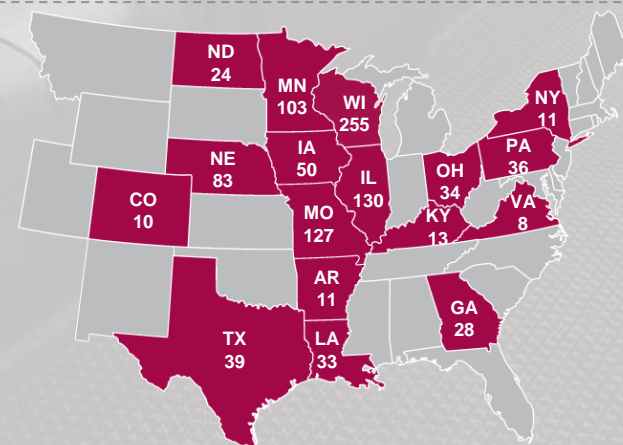
Added **37**  
**theatres, 439**  
**screens** and **10**  
**states** during the  
past **decade**

Acquisition of Movie  
Tavern on February 1, 2019  
added **208 screens**  
in **9 states** in the  
South/East  
**Increased screen  
count by 23%**

## Marcus Theatres by Location<sup>(1)</sup>



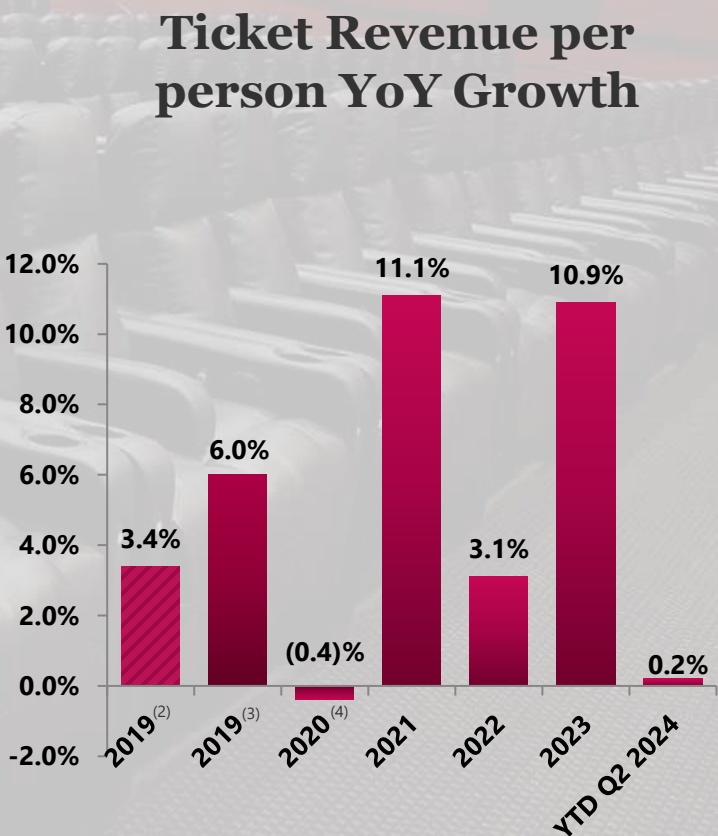
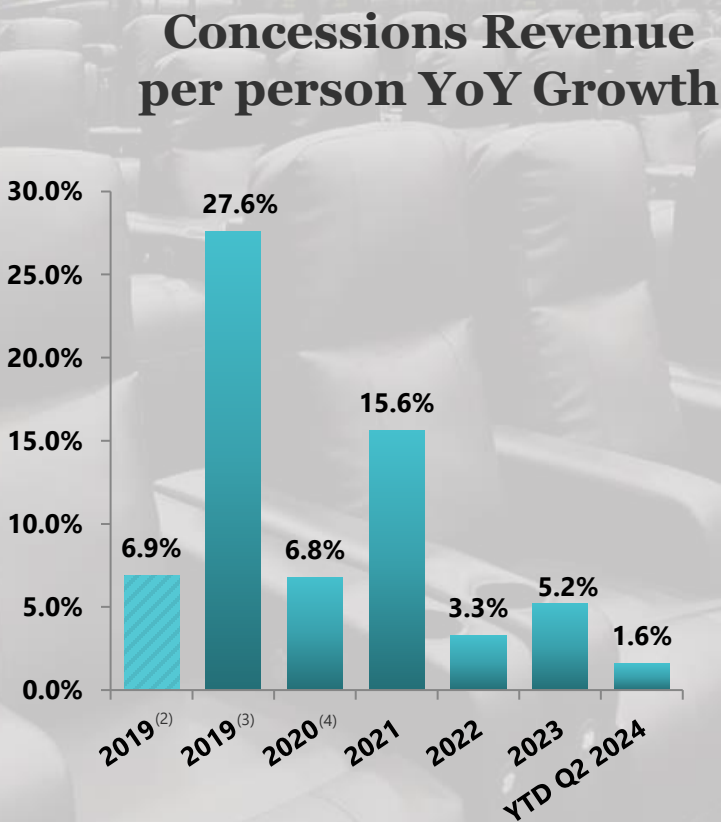
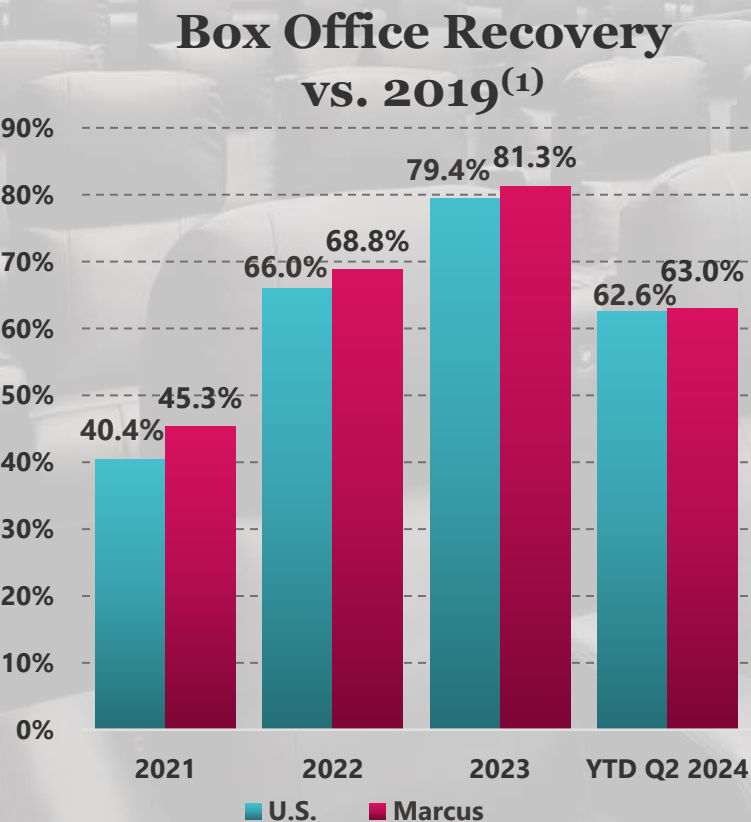
## Marcus Theatres by Screen<sup>(1)</sup>





# Long History of Growth and Outperformance

*Our investments in amenities and implementation of innovative operating and marketing strategies resulted in historically strong performance*



(1) Represents change in comparable theatres admission revenues in each period compared to 2019 on a pro forma basis for the Movie Tavern acquisition as of the first day of fiscal 2019. Source for U.S. numbers: Comscore. Comparisons data for U.S. market was not available for 2020.

(2) Excludes Movie Tavern theatres.

(3) Includes Movie Tavern theatres.

(4) All theatres were closed during most of Q2 and Q3 of 2020.

# Created Industry-Leading Theatre Guest Experience

*Invested ~\$594 Million in New and Existing Assets Over the Last Decade*

## Recliner Seating

- 85% of company-owned theatres
- 88% of screens
- Highest percentage among the top chains



## PLF Screens

- 83% of company-owned, first run theatres
- Highest among top chains
- 125 PLF screens, including proprietary **UltraScreen DLX®**, **SuperScreen DLX®** and ScreenX brands



## Food and Beverage

- 67% of first-run theatres offer one or more in-lobby dining concepts (excluding Movie Tavern theatres)
- 37% offer in-theatre dining
- 63% offer bars and lounges



## Acquisitions

- ~60% of existing circuit via acquisitions
- **Movie Tavern:** 208 Screens in nine states (Feb. 2019)
- **Wehrenberg Theatres:** 197 Screens in four states (Dec. 2016)



## New Theatres

- **BistroPlex** in-theatre dining concept: Greendale, Wis. (June 2017)
- **Movie Tavern by Marcus** – Brookfield, Wis. (Oct. 2019)





# Current Plans

## Maximize Assets in a Post-Pandemic World

- Expand industry leading amenities – PLF's, F&B concepts.
- Reenergize Marcus Movie Rewards customer loyalty program.
- Modernize pricing strategies.
- Expand the use of technology in all facets of business.
- Further monetize lobby, screens, website and mobile app.
- Regularly upgrade and remodel theatres.



**SUPERSCREEN DLX**

## Re-invent Out-of-Home Entertainment Experience

- Test new entertainment options within auditoriums (i.e, sports viewing, gaming auditoriums).
- Use technology to further tailor communications to guests and improve overall experience for our guests.
- Expand new viewing experiences for our guests (ScreenX auditoriums, etc.).
- Expand the use of new content sources and deliveries.



## Strategic Growth

- Assume new management contracts and/or take over existing leases.
- Acquire existing theatres or circuits.
- Build new theatres.

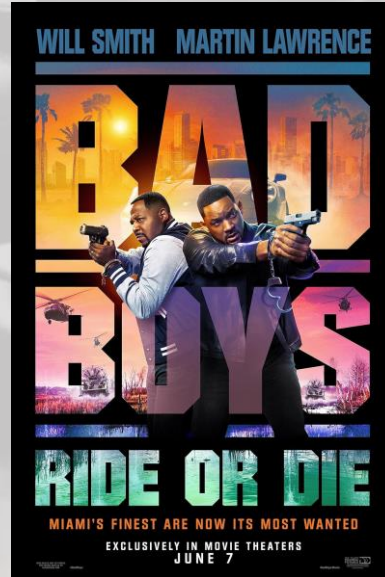


Movie Tavern Brookfield Square



# Several Films Performed Well During Q2 Fiscal 2024

- *Inside Out 2* was a huge success as the highest grossing animated film ever
- Several other films performed well, including *Godzilla x Kong: The New Empire*, *Bad Boys: Ride or Die*, *Kingdom of the Planet of the Apes* and *IF*





# Q3 Fiscal 2024 Films Off to a Good Start

- Several films have contributed to early third quarter fiscal 2024 results, including *Despicable Me 4*, *Twisters* and *Deadpool & Wolverine*
- *Deadpool & Wolverine* beat expectations as the biggest opening weekend of the year and the largest ever for an R-rated film
- *Inside Out 2* continued its strong run into July

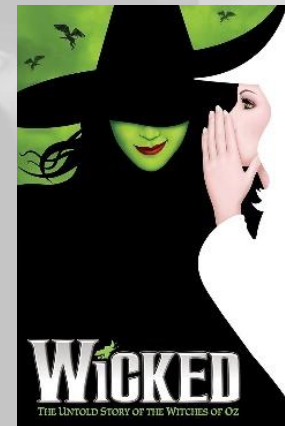




# Exciting Films Planned for the Remainder of 2024\*

Q3	
Deadpool & Wolverine	The Crow
Trap	Afraid
Borderlands	Beetlejuice Beetlejuice
It Ends With Us	Speak No Evil
Alien: Romulus	Transformers One
Blink Twice	Wolfs

Q4	
The Wild Robot	Wicked
Joker: Folie à Deux	Moana 2
Smile 2	Lord of the Rings: The War of Rohirrim
Venom: The Last Dance	Kraven The Hunter
Red One	Mufasa: The Lion King
Gladiator II	Sonic The Hedgehog 3



# 2025 Film Slate Includes Highly Anticipated Films\*

2025 Films		
Paddington in Peru	Mission: Impossible	The Bad Guys 2
Mickey 17	Elio	The Black Phone 2
Smurfs Animated	How To Train Your Dragon	Blade
Captain America: Brave New World	M3GAN 2.0	Wicked – Part Two
Disney’s Snow White	F1	Zootopia 2
Minecraft	Jurassic World Sequel	Spongebob Movie: Search for Squarepants
Michael	Superman: Legacy	Five Night’s at Freddy’s 2
Thunderbolts	Fantastic Four	Avatar 3





# First Half Fiscal 2024 Highlights

- Production delays caused by the WGA and SAG-AFTRA labor strikes in 2023 resulted in weaker film performance. Noticeable positive shift began in June with improving slate of films
- As a result, revenue, operating income and Adjusted EBITDA decreased in the first half of fiscal 2024 compared to the first half of fiscal 2023
- Average ticket price up 0.2% and average concession revenues per person increased 1.6% during the first half of fiscal 2024 compared to the same period last year, due to Value Tuesday program changes





# Outlook

- Customers across all ages and audience types have shown continue preference for moviegoing experience
- Strong demand for blockbuster films, small and mid-sized films as well as alternative programming
- Expect theatrical exhibition to remain an important component of studios' business model as studios commit to an exclusive theatrical window
- Early 2024 film slate negatively impacted by Hollywood strikes, rebound in content supply to continue in second half of 2024 and 2025
- Long-term theatrical exhibition outlook remains positive





A woman with long brown hair, wearing a bright orange dress, stands in a hotel room looking out a window. She is holding the light-colored curtains. To her left is a floor lamp with a warm yellow glow. In the foreground, a bed with white linens is visible, along with a small table holding a silver bucket, a glass, and an orange flower. A bouquet of purple and yellow flowers is in the bottom right foreground. A semi-transparent maroon banner with white text is centered across the image.

# Marcus Hotels & Resorts



# Diverse Portfolio

7 company majority-owned properties; manage 9 properties for other owners

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# Strategic Growth

## *Added New Joint-Venture Property with Management Contract*

- Through joint venture with Hempel Real Estate and Robinson Park, acquired Loews Minneapolis Hotel as minority investor
- Completed hotel acquisition and assumed management of property in March 2024
- Lifestyle hotel featuring 251 guest rooms, over 15,000 square feet of meeting and event space and a full dining experience
- Rebranded as The Lofton Hotel under the Tapestry Collection by Hilton flag

THE  
**LOFTON**  
HOTEL

**TAPESTRY**  
**COLLECTION**  
by Hilton™





# Portfolio Management

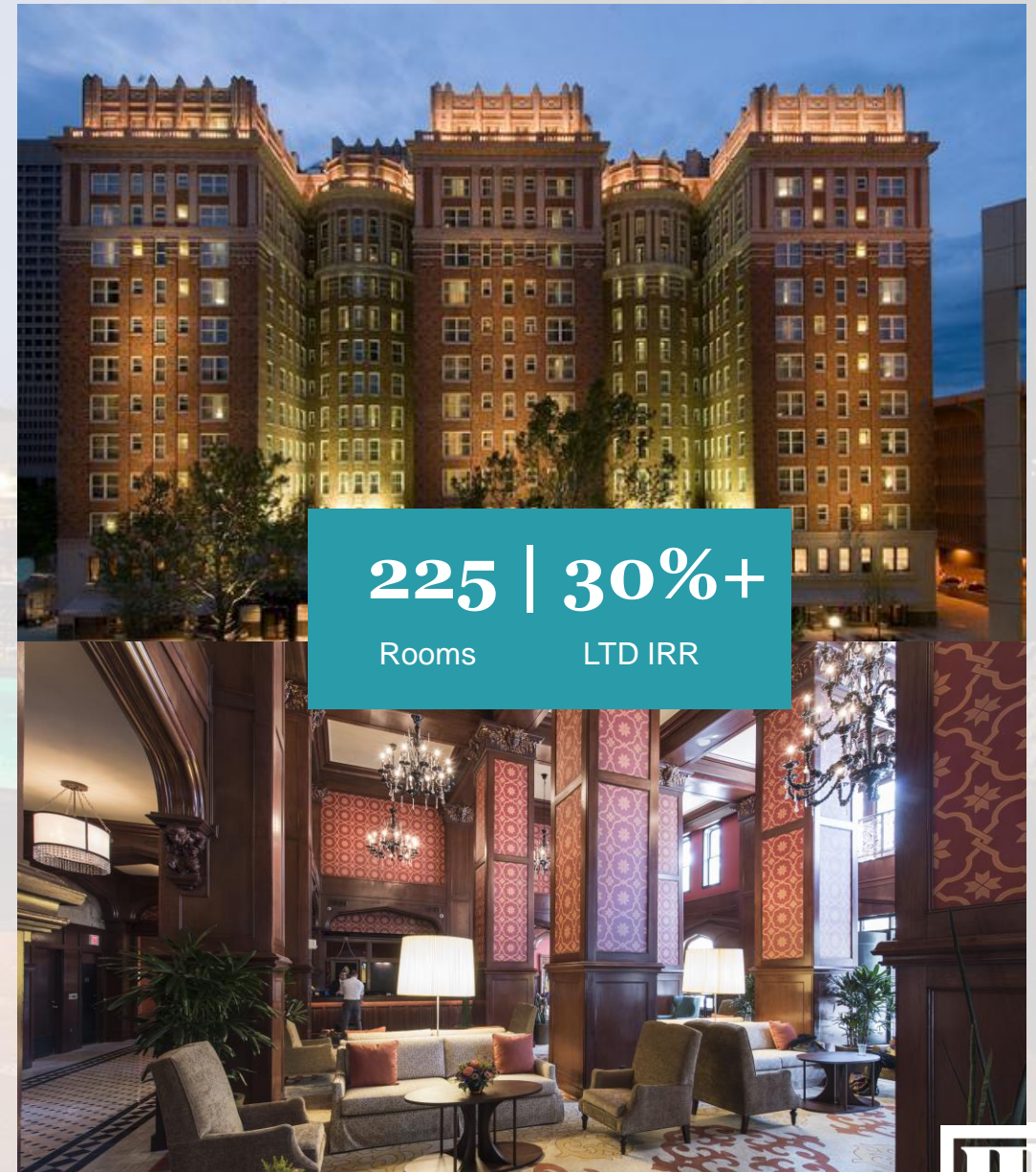
## *The Skirvin Hilton, Oklahoma City – Disposition*

- Historic hotel located in the heart of downtown Oklahoma City
- Acquired a 60% interest through a joint venture in 2006, reopening the hotel in 2007 following an extensive historic renovation
- Divested in December 2022
- Capital redeployed in Hotels investments and growth

**\$36.8M**  
Sale Price<sup>1</sup>

**13.6x**  
2019  
EBITDA<sup>2</sup>

**19.7x**  
LTM  
EBITDA<sup>2</sup>



**225 | 30%+**  
Rooms LTD IRR

(1) Sale price of \$36.8 million resulted in \$24.2 million of property-specific debt and \$4.1 million of lease obligations retired and \$6.9 million of net cash proceeds to the Company.

(2) We calculate the EBITDA multiple as the ratio of the sale price (plus avoided capital expenditures for dispositions) to the property's EBITDA. Avoided capital expenditures represent \$14 million of estimated spend requirements for the property over the next two years, excluding escrow funding. The comparable GAAP metric utilizing 2019 net income is the ratio of the sale price to net income of 108x. Reconciliation of net income to EBITDA is available at the end of this presentation.



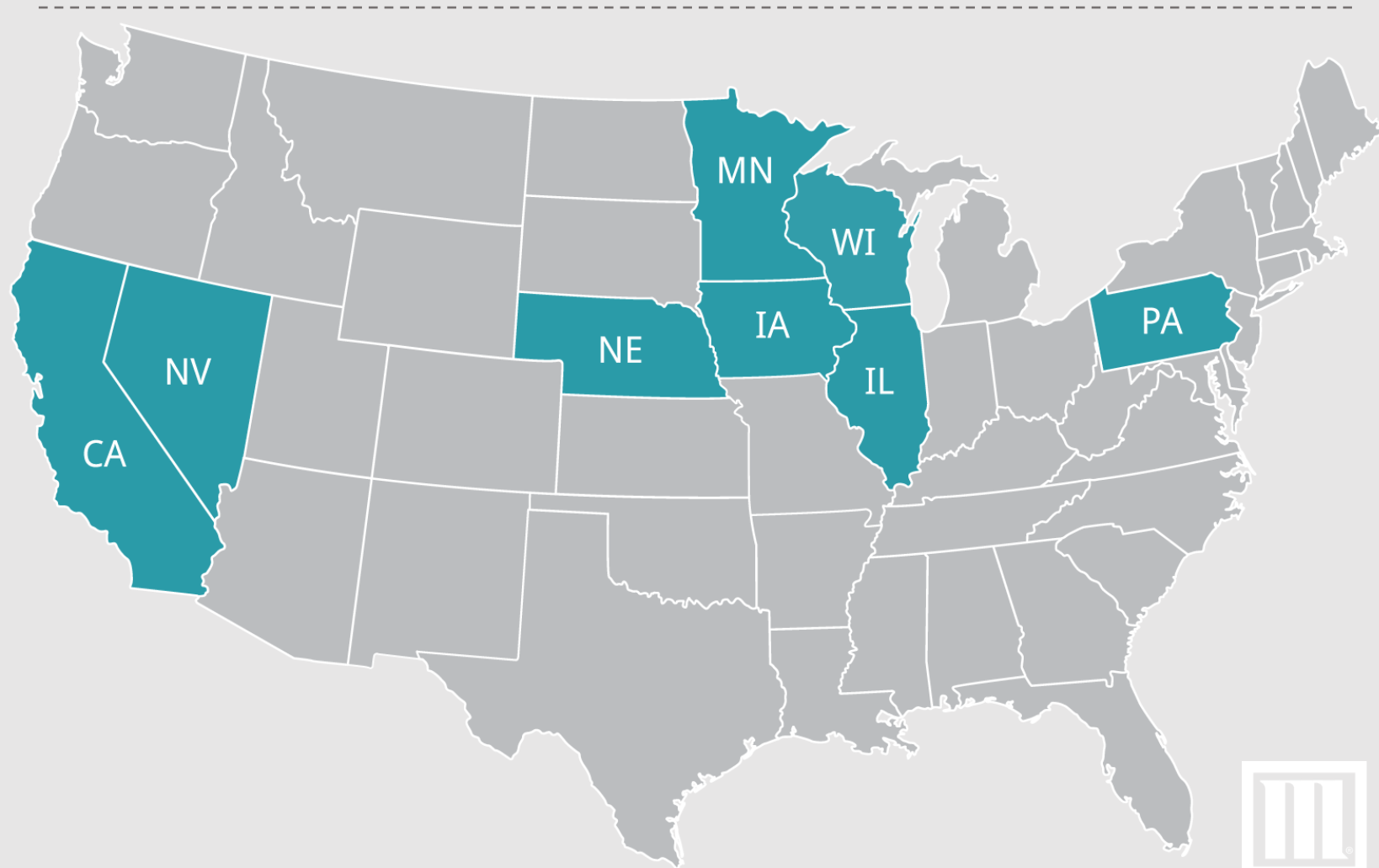


# A Strategic Footprint

- Branded and independent first-class hotels
- Nearly 60 years of hotel management experience

- 4,650+ Rooms Managed
- 345,000+ Square Feet of Meeting & Event Space
- 40+ Restaurants, Bars, Lounges & Other F&B Outlets
- 16 Managed Properties
- 3 Luxurious Spas
- 2 World Class Golf Courses
- 1 Ski Hill
- 1 Airport

## Marcus Hotels Locations

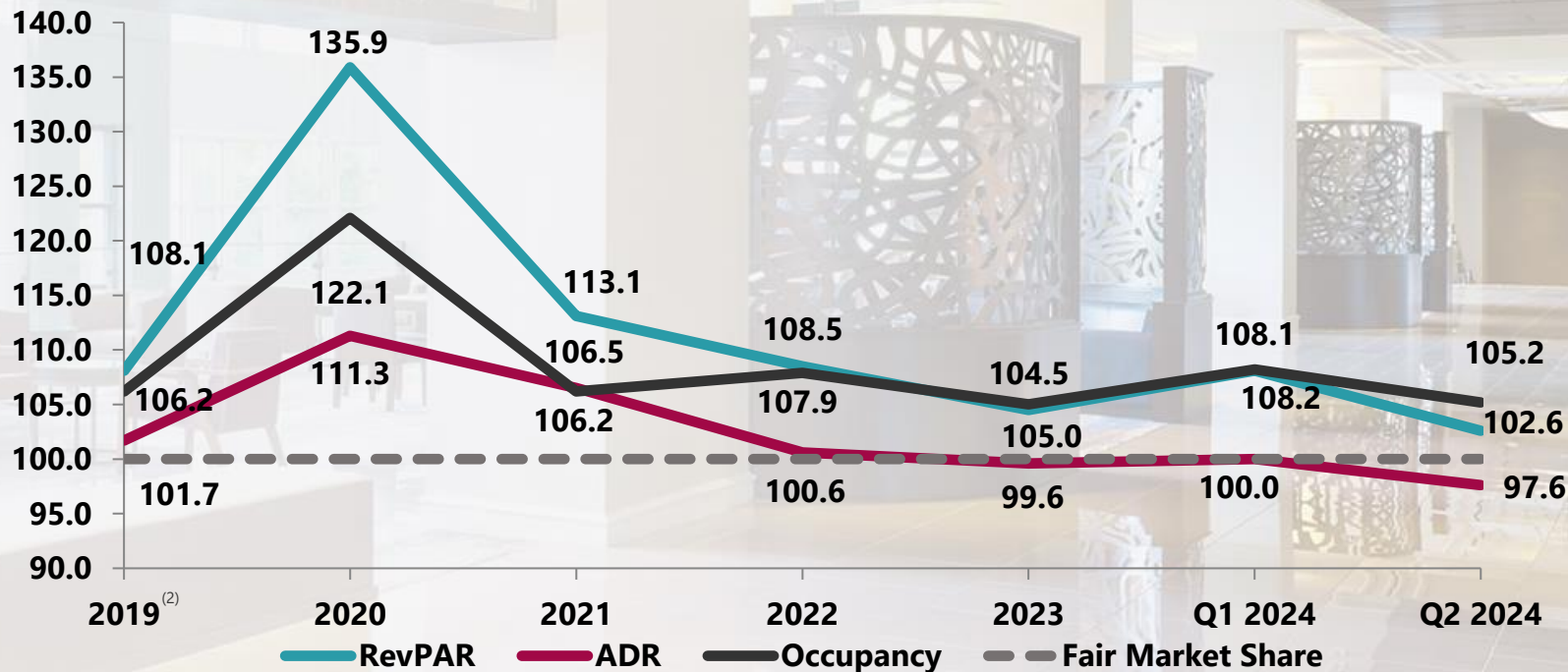


# A Leader in Our Markets and Industry

- Consistently outperforming our competitive sets
- Expertise in management, development, historic renovations, asset repositioning and F&B
- Operational excellence – consistently earn industry awards



## Marcus Owned Market Share<sup>(1)</sup>



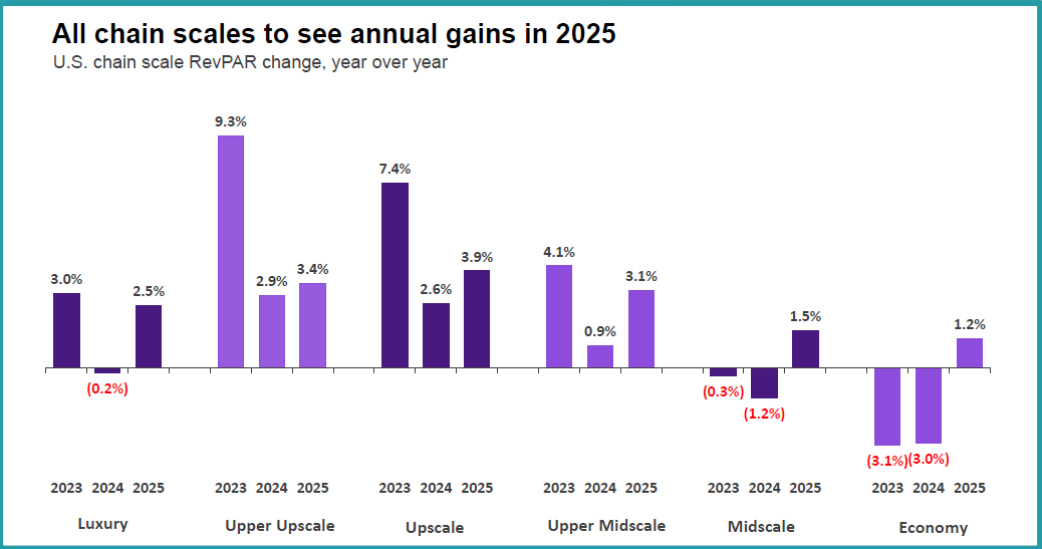
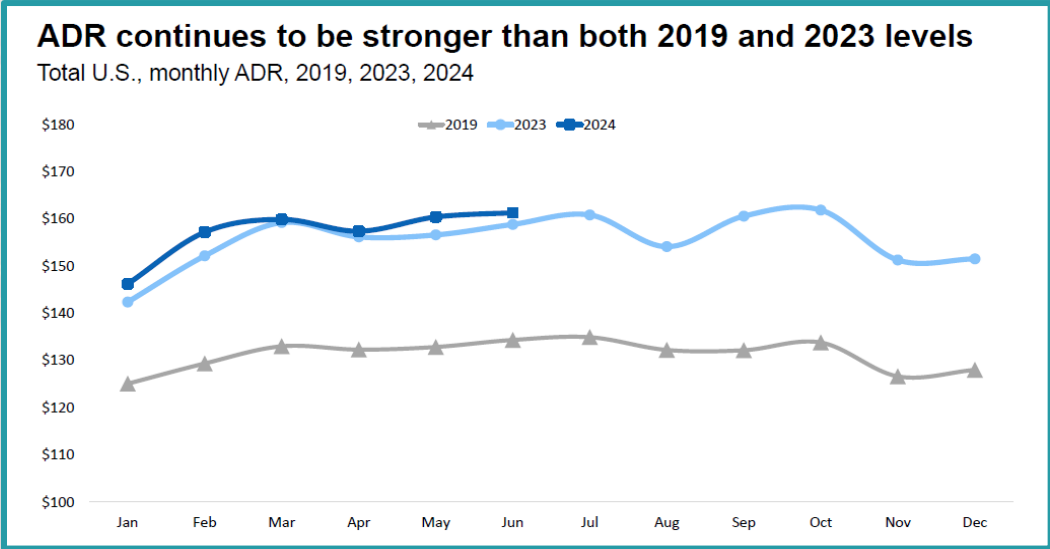
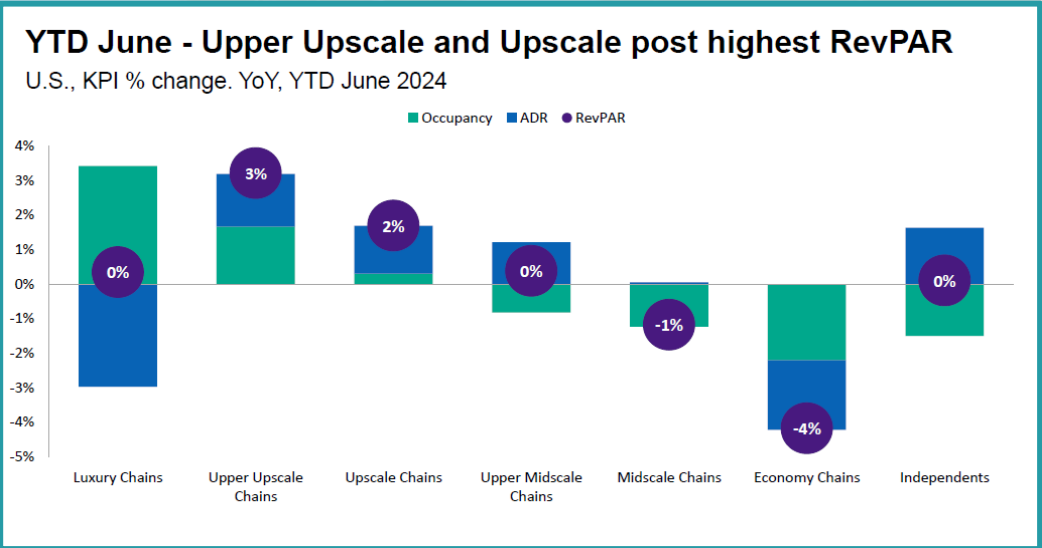
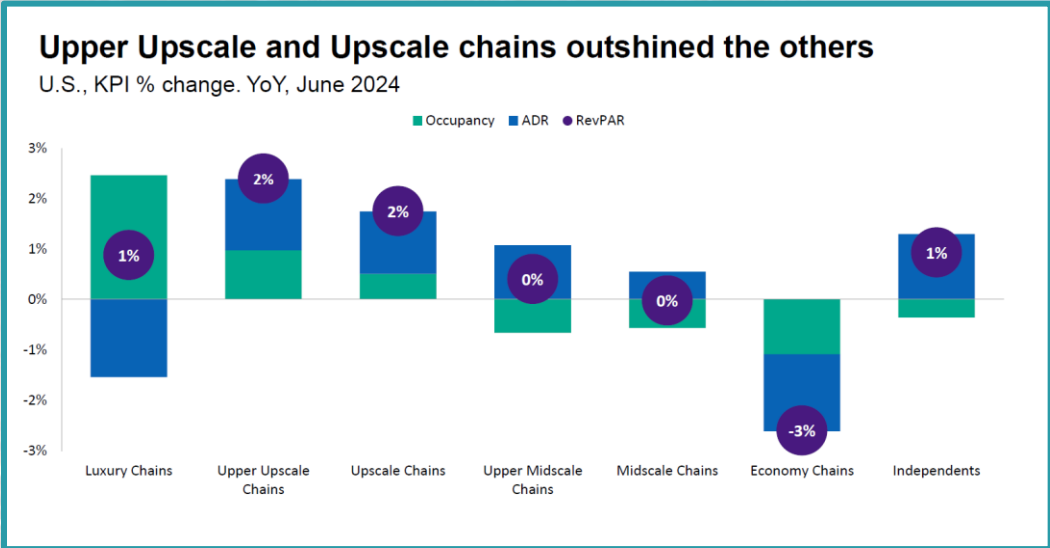
(1) Index value of 100.0 indicates fair market share. Value greater than 100.0 suggests greater than fair share of market.

(2) Excludes Saint Kate – The Arts Hotel, which was closed for five months during the year.





# Industry Performance



# Current Plans

## Operational Excellence and Financial Discipline

- Leverage strong leisure demand to drive ADR
- Drive group demand and grow ancillary revenues
- Leverage F&B expertise to further distinguish from competition
- Rebuild banquet and catering business to capture growing group demand
- Invest in HR and technology to improve associate work environment and adapt to labor market
- Improve customer interactions and service with technology enhancements.
- Retain financial discipline without sacrificing quality

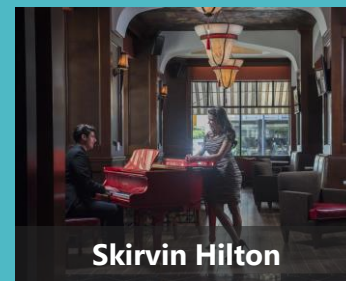
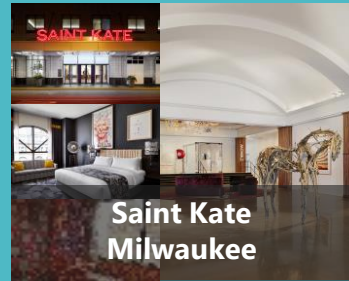
  
MARCUS  
RESTAURANT  
GROUP

 **MARCUS**  
*Catering & EVENTS*



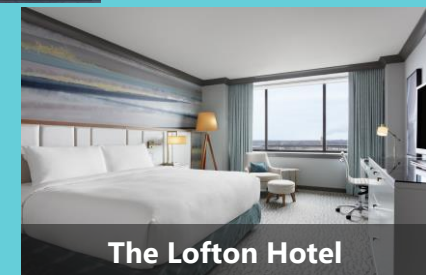
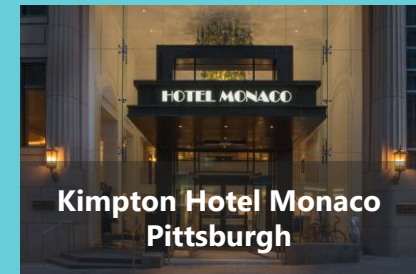
## Portfolio Management

- Reinvest in hotels to maintain and enhance their value
- Elevate branding and investment strategy for each property
- Explore monetization opportunities for select hotels, when appropriate



## Strategic Growth

- Acquire hotel properties as investment fund sponsor or joint venture partner
- Acquire hotel management companies to provide additional scale to our management platform and accelerate growth
- Seek additional management contracts for other owners (may include small equity investments)





# First Half Fiscal 2024 Highlights

- Revenues before cost reimbursements increased 4.8% in the first half of fiscal 2024 compared to the prior year period
- RevPAR increased 4.8% during the first half of fiscal 2024 compared to the same period in fiscal 2023
- Outperformed the industry and competitive sets by 2.4 and 1.1 percentage points in the first half of fiscal 2024
- Group booking pace for remainder of fiscal 2024 and fiscal 2025 running ahead of comparable pace during the same time last year; increasing occupancy by 6.2% in first half of fiscal 2024 compared to the prior year period





# Outlook

- Economic environment will impact future RevPAR trends; hotel revenues have historically tracked closely with GDP
- Leisure demand remains healthy with an increasing mix of group business driving F&B revenues
- Hotel supply growth will likely be limited – favorable for existing hotels
- Well-positioned assets following renovations at The Pfister Hotel and Grand Geneva Resort & Spa





A modern office interior featuring vertical gardens on the walls, glass partitions, and decorative metal screens. The space is bright and contemporary, with a polished floor reflecting the overhead lights.

# Shareholder Value Creation



# Long-Term Value Maximization



## Theatre Expansion

- Management Contracts & Take Over Restructured Leases
- Acquisitions
- New Builds

## Hotel Expansion

- Joint Ventures
- Management Contracts
- Creation of a Fund

## Reinvesting in Existing Assets

- Hotel & Theatre Renovations
- New Amenities & Features
- F&B Innovations
- DreamLoungers, UltraScreen DLX, SuperScreen DLX

## Divestitures of Assets

- Sale of Selected Hotels (may retain management)
- Selected Theatre Replacement

## Operating Strategies

- Revenue Enhancements
- Cost Rationalization
- Management

## Capital Structure Strategies

- Share Repurchases
- Dividend Policy
- Balance Sheet Management



**Focused on Long-Term Shareholder Value**





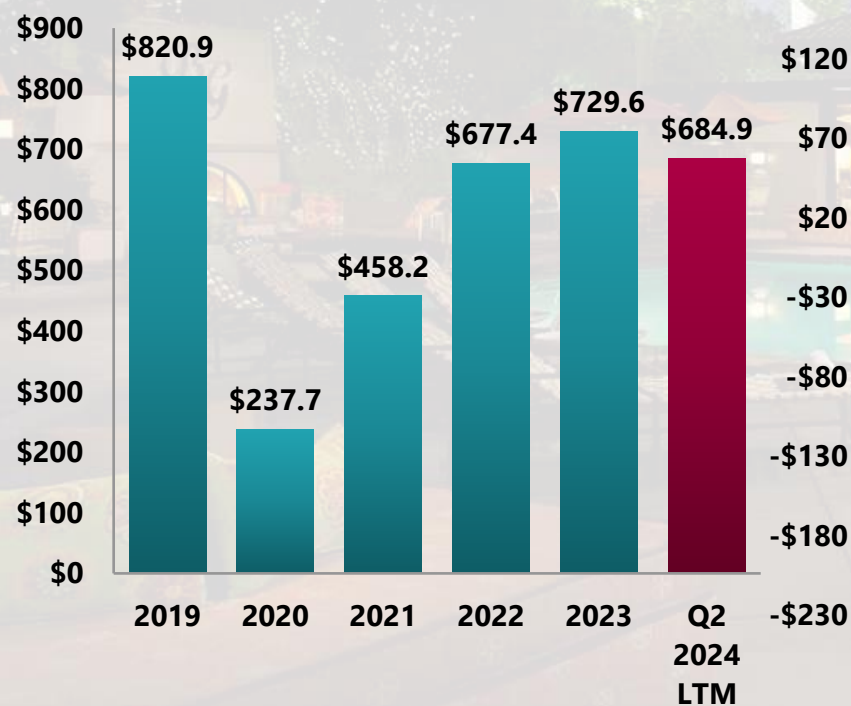
A photograph of a modern hotel lobby with a red banner across the middle. The lobby features a large, multi-level design with a prominent circular chandelier hanging from the ceiling. The ground floor has a mix of light-colored wood paneling and stone walls. There are several seating areas, including a large white sofa and a smaller white armchair. In the background, there is a bar area with a counter and stools. The overall atmosphere is clean and contemporary.

# **Financial Performance**

# Historical Financial Performance

## Revenues

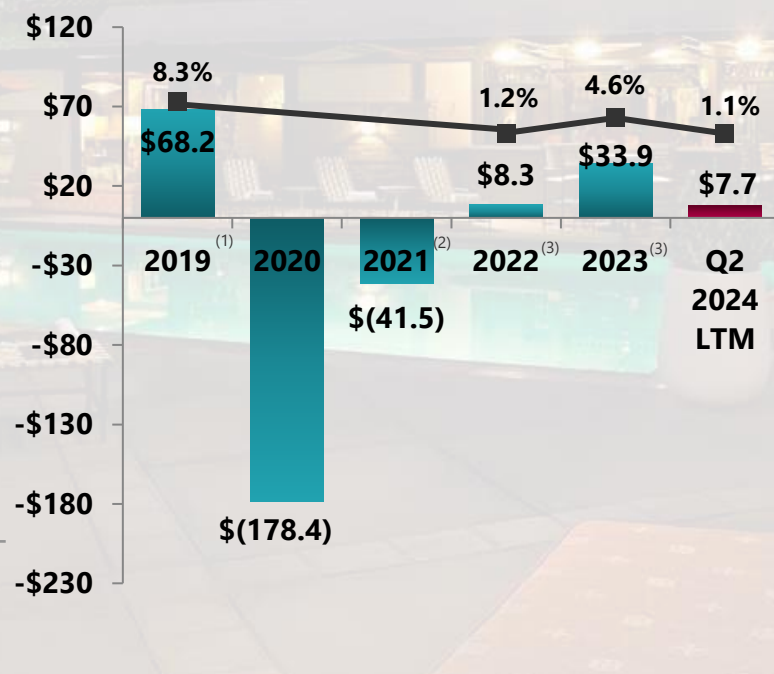
(in millions)



## Operating Income (Loss)

(in millions)

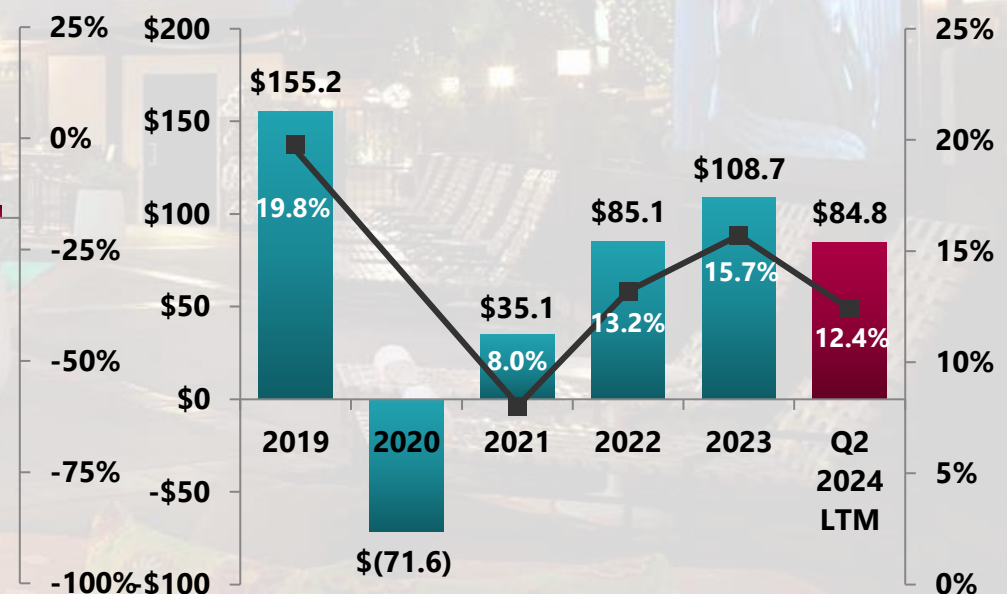
Operating Income    % of Revenues



## Adjusted EBITDA<sup>(4)</sup>

(in millions)

Adjusted EBITDA    Adjusted EBITDA Margin %



(1) Includes impairment charge of \$5.8 million and \$9.3M of nonrecurring acquisition, preopening and initial startup losses.

(2) Includes impairment charges of \$5.8 million and net nonrecurring COVID-related favorable adjustments of \$10.7 million.

(3) Includes impairment charges of \$1.5 million in 2022 and \$1.1 million in 2023.

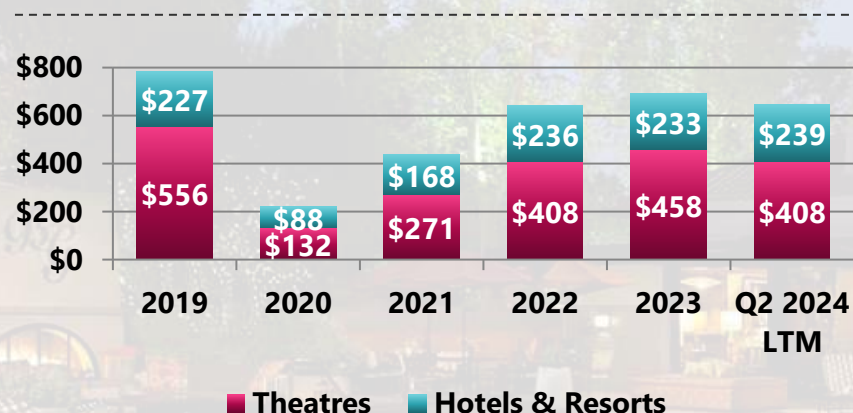
(4) Non-GAAP measurement equal to operating income plus depreciation and amortization, impairment charges, non-cash share-based compensation and certain non-recurring expenses. Adjusted EBITDA Margin without cost reimbursements. Refer to the non-GAAP reconciliation in the appendix for further information.





# Historical Results by Segment (in millions)

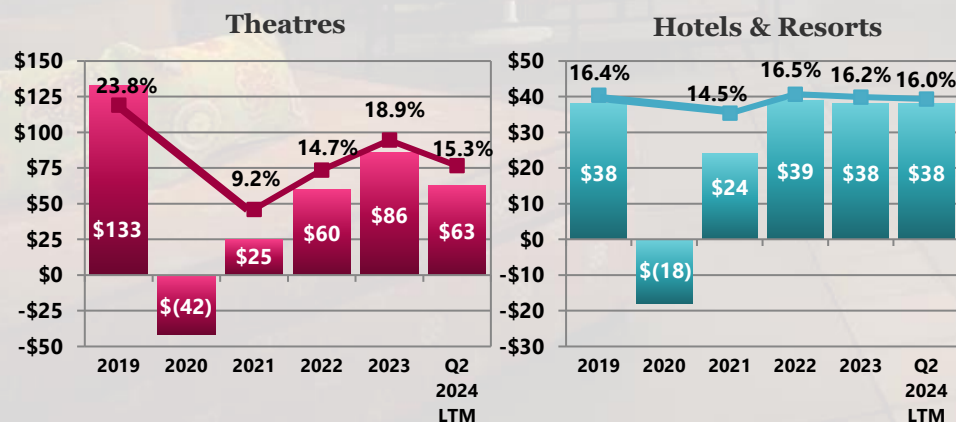
**Revenues<sup>(1)</sup>** (in millions)



**Operating Income (Loss)** (in millions)



**Adjusted EBITDA** (in millions)  
& **Adjusted EBITDA Margin<sup>(1)</sup>**



**Capital Expenditures** (in millions)

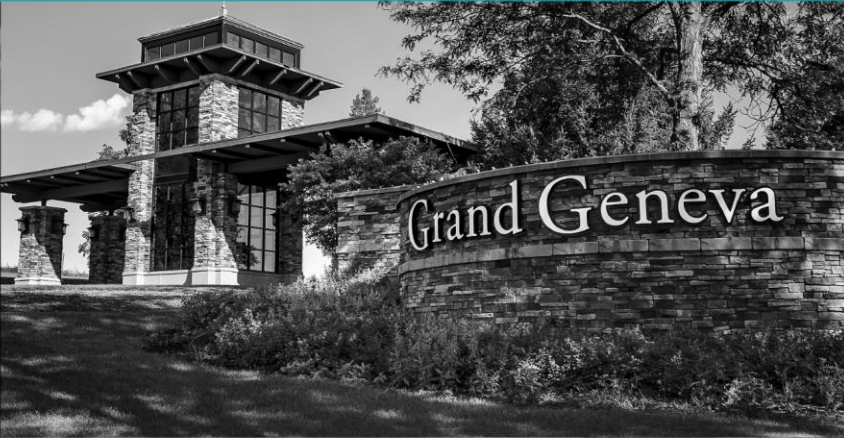


Note: Above charts do not include corporate segment. Adjusted EBITDA is a non-GAAP measurement equal to operating income plus depreciation/amortization, impairment charges and nonrecurring acquisition, preopening expenses and initial startup losses. Refer to non-GAAP reconciliation in the appendix for further information.





The Marcus Corporation



APPENDIX



# Q2 and First Half 2024 Financial Highlights

## Q2 and First Half 2024 Financial Highlights

(In thousands, except per share data)

	<u>13 Weeks Ended</u>		<u>26 Weeks Ended</u>	
	<u>June 27,</u> <u>2024</u>	<u>June 29,</u> <u>2023</u>	<u>June 27,</u> <u>2024</u>	<u>June 29,</u> <u>2023</u>
Total revenues	\$ 176,032	\$ 207,007	\$ 314,579	\$ 359,283
Operating income (loss)	2,237	20,810	(14,428)	11,822
Net earnings (loss)	(20,221)	13,466	(32,087)	4,000
Net earnings (loss) per share	(0.64)	0.35	(1.03)	0.13
Adjusted EBITDA <sup>(1)</sup>	21,960	38,698	24,251	48,156



# Non-GAAP Reconciliation

<b>Reconciliation of Net Earnings (Loss) to Adjusted EBITDA</b> <b>(Unaudited)</b> (In thousands)				
	<b>13 Weeks Ended</b>		<b>26 Weeks Ended</b>	
	<b>June 27, 2024</b>	<b>June 29, 2023</b>	<b>June 27, 2024</b>	<b>June 29, 2023</b>
Net earnings (loss) attributable to The Marcus Corporation	\$ (20,221)	\$ 13,466	\$ (32,087)	\$ 4,000
Add (deduct):				
Investment income	(173)	(359)	(865)	(619)
Interest expense	2,564	3,093	5,098	6,101
Other expense (income)	390	477	731	878
(Gain) Loss on disposition of property, equipment and other assets	(43)	379	(20)	777
Equity losses from unconsolidated joint ventures	50	31	437	202
Income tax benefit	5,719	4,102	(1,650)	1,260
Depreciation and amortization	16,699	15,994	32,714	31,870
Share-based compensation (a)	2,418	1,515	4,932	3,687
Impairment charges (b)	472	-	472	-
Theatre exit costs (c)	136	-	136	-
Insured losses (d)	41	-	445	-
Loss on debt extinguishment (e)	13,908	-	13,908	-
Adjusted EBITDA	<u>\$ 21,960</u>	<u>\$ 38,698</u>	<u>\$ 24,251</u>	<u>\$ 48,156</u>

a) Non-cash expense related to share-based compensation programs.

b) Repair costs related to insured property damage at one theatre location that are non-operating in nature.

c) Non-recurring costs related to the closure and exit of one theatre location in the second quarter of fiscal 2024.

d) Repair costs that are non-operating in nature related to insured property damage at one theatre location.

e) Loss on extinguishment of \$86.4 million aggregate principal amount of Convertible Notes. See Convertible Senior Notes Repurchases in the "Liquidity and Capital Resources" section of MD&A included in the fiscal 2024 second quarter 10Q for further discussion.





# Non-GAAP Reconciliation

## Reconciliation of Operating income (loss) to Adjusted EBITDA by Reportable Segment (Unaudited) (In thousands)

	13 Weeks Ended June 27, 2024				26 Weeks Ended June 27, 2024			
	<u>Theatres</u>	<u>Hotels &amp; Resorts</u>	<u>Corp. Items</u>	<u>Total</u>	<u>Theatres</u>	<u>Hotels &amp; Resorts</u>	<u>Corp. Items</u>	<u>Total</u>
Operating income (loss)	\$ 2,781	\$ 6,117	\$ (6,661)	\$ 2,237	\$ (2,958)	\$ 955	\$ (12,425)	\$ (14,428)
Depreciation and amortization	11,520	5,048	131	16,699	22,553	9,912	249	32,714
(Gain) loss on disposition of property, equipment and other assets	(45)	2	-	(43)	(27)	7	-	(20)
Share-based compensation (a)	164	259	1,995	2,418	604	541	3,787	4,932
Impairment charges (b)	472	-	-	472	472	-	-	472
Theatre exit costs (c)	136	-	-	136	136	-	-	136
Insured losses (d)	41	-	-	41	445	-	-	445
Adjusted EBITDA	<u>\$ 15,069</u>	<u>\$ 11,426</u>	<u>\$ (4,535)</u>	<u>\$ 21,960</u>	<u>\$ 21,225</u>	<u>\$ 11,415</u>	<u>\$ (8,389)</u>	<u>\$ 24,251</u>

	13 Weeks Ended June 29, 2023				26 Weeks Ended June 29, 2023			
	<u>Theatres</u>	<u>Hotels &amp; Resorts</u>	<u>Corp. Items</u>	<u>Total</u>	<u>Theatres</u>	<u>Hotels &amp; Resorts</u>	<u>Corp. Items</u>	<u>Total</u>
Operating income (loss)	\$ 19,811	\$ 6,105	\$ (5,106)	\$ 20,810	\$ 21,330	\$ 1,073	\$ (10,581)	\$ 11,822
Depreciation and amortization	11,317	4,588	89	15,994	22,805	8,889	176	31,870
(Gain) loss on disposition of property, equipment and other assets	(19)	398	-	379	304	473	-	777
Share-based compensation (a)	142	245	1,128	1,515	615	491	2,581	3,687
Adjusted EBITDA	<u>\$ 31,251</u>	<u>\$ 11,336</u>	<u>\$ (3,889)</u>	<u>\$ 38,698</u>	<u>\$ 45,054</u>	<u>\$ 10,926</u>	<u>\$ (7,824)</u>	<u>\$ 48,156</u>

a) Non-cash expense related to share-based compensation programs.

b) Repair costs related to insured property damage at one theatre location that are non-operating in nature.

c) Non-recurring costs related to the closure and exit of one theatre location in the second quarter of fiscal 2024.

d) Repair costs that are non-operating in nature related to insured property damage at one theatre location.

e) Loss on extinguishment of \$86.4 million aggregate principal amount of Convertible Notes. See Convertible Senior Notes Repurchases in the "Liquidity and Capital Resources" section of MD&A included in the fiscal 2024 second quarter 10Q for further discussion.



# Non-GAAP Reconciliation

## Reconciliation of Hotel net earnings to Hotel EBITDA - Skirvin Hilton

(unaudited)

(in thousands)

Sale price	\$	36,750	
Avoided capital expenditures		14,000	
	\$	50,750	
		<b><u>FY2019</u></b>	<b><u>LTM Nov. 2022</u></b>
Hotel net income (loss)	\$	470	\$ (78)
Add (deduct):			
Interest expense		1,063	1,041
Income tax expense <sup>(a)</sup>		-	-
Depreciation		1,811	1,673
Loss on disposition of property, equipment and other assets		10	-
Ground lease rent <sup>(b)</sup>		385	(56)
Hotel EBITDA	\$	<u>3,739</u>	\$ <u>2,580</u>
EBITDA Multiple <sup>(c)</sup>		13.6	19.7
Net Income Multiple <sup>(c)</sup>		108.1	n/m

a) Income tax expense is not allocated to individual properties.

b) Ground lease rent expense is excluded from Hotel EBITDA as the purchase price of the hotel reflected conveying a fee-simple interest in the hotel and land.

c) We calculate the EBITDA multiple as the ratio of the sale price (plus avoided capital expenditures for dispositions) to the property's EBITDA. We calculate the Net Income multiple as the ratio of the sale price (plus avoided capital expenditures for dispositions) to the property's GAAP net income.







The Marcus Corporation



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