

# Investor Presentation

August 5, 2022



# 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 25, 2022.

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

One of the largest and most influential movie theatre companies in the world with 521 theaters with 5,855 screens in 16 countries (1)

## U.S. Operations (2)

- 3<sup>rd</sup> largest exhibitor (screen count)
- 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 12 out of the past 13 years
- U.S. operations serviced the debt, domestic growth opportunities and historically the dividend



## International Operations (2)

- First modern theatre experience throughout Latin America
- More than 27 years of operating experience
- 15 countries
- Approximately 30% market share in key countries
- Presence in 15 of top 20 metropolitan cities in the region



1) Theatre and screen counts as of 6/30/22

2) As of 12/31/21

# Highly Experienced Management Team



**Sean Gamble**

*President & CEO*

15+ 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



**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.



**Mike Cavalier**

*EVP General Counsel*

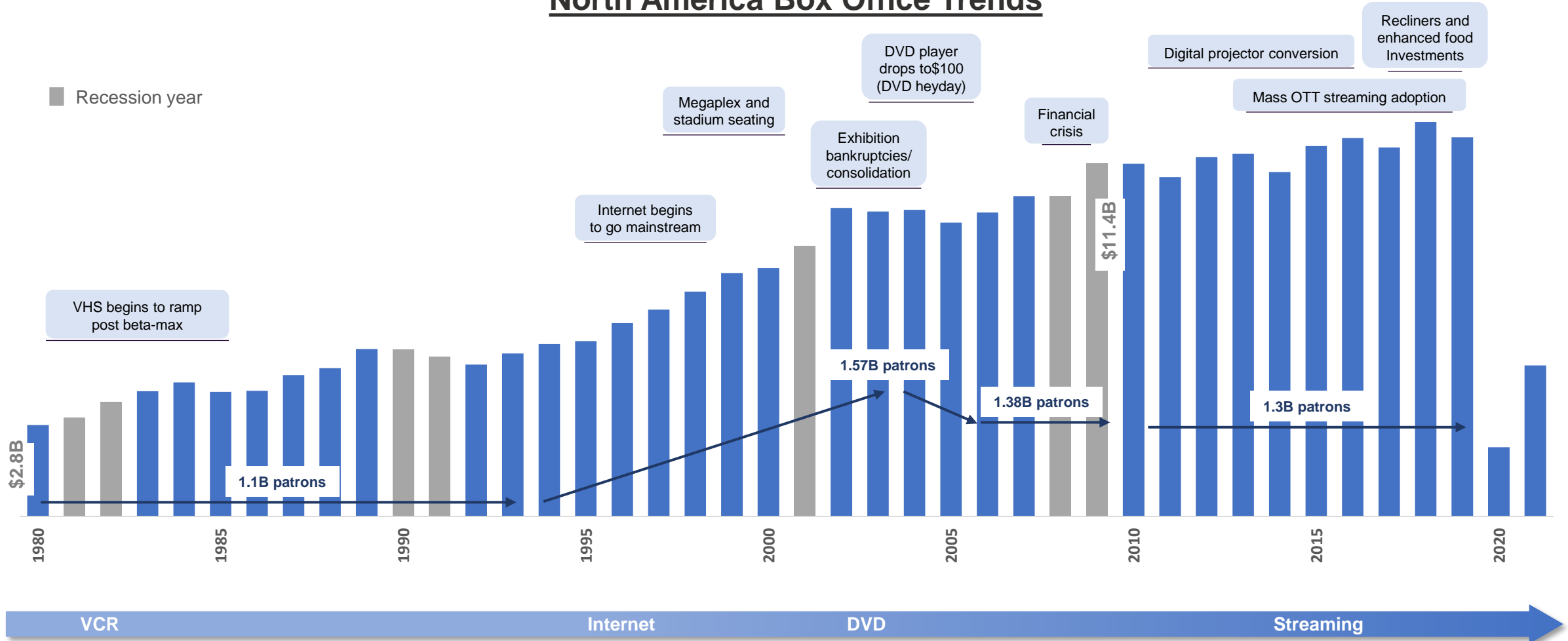
Served as General Counsel since 1997. Helped guide company through various transactions including M&A, IPO and numerous lending agreements

**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



# **Pre-COVID Summary & Financials**



# Initiatives to Drive Growth and Outperformance

Utilized balance sheet strength to pursue ROI-generating opportunities which led to peak capex cycles from 2015 – 2019, with investments that drove long-term customer engagement and positioned the company for ongoing success



66% U.S. recliner penetration - highest among major circuits <sup>(1)</sup>



Heightened focus on the guest experience; guest service scores consistently in excess of 90%



#1 private-label premium large format in the world with more than 275 auditoriums



75% of U.S. circuit features expanded food & beverage offerings, 50% offers alcohol



More than 125 auditoriums feature D-BOX motion seats synchronized with on-screen action



First domestic exhibitor to launch subscription program; ongoing evolution of loyalty program



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



Developed omni-channel marketing platform and significantly enhanced digital and social capabilities

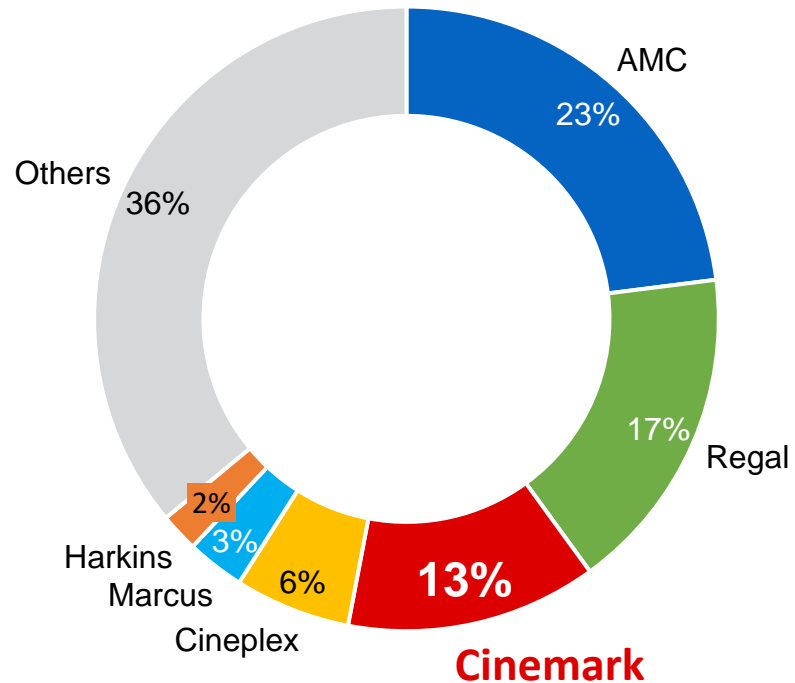
1) As of 6/30/2022; U.S. recliner penetration 60% as of 12/3/2019



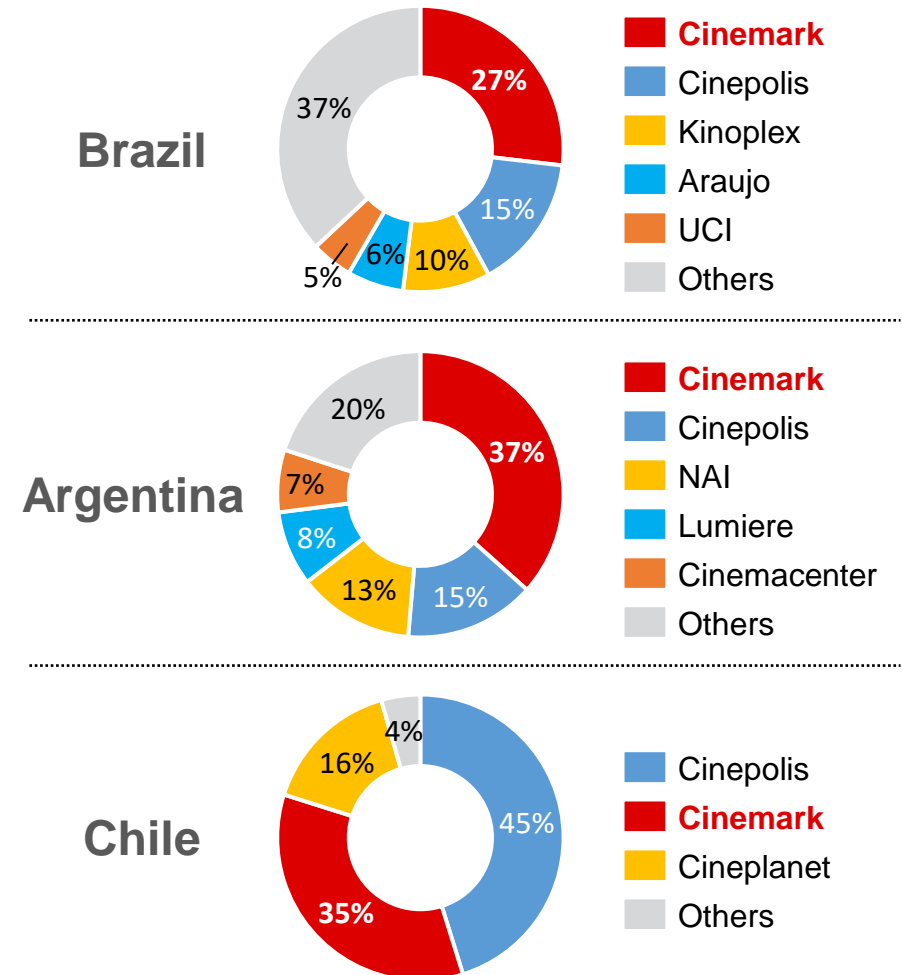
# Broad and Leading Presence in the Americas

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

2019 Market Share - North America (1)



2019 Market Share - Key Latin American Markets (1)

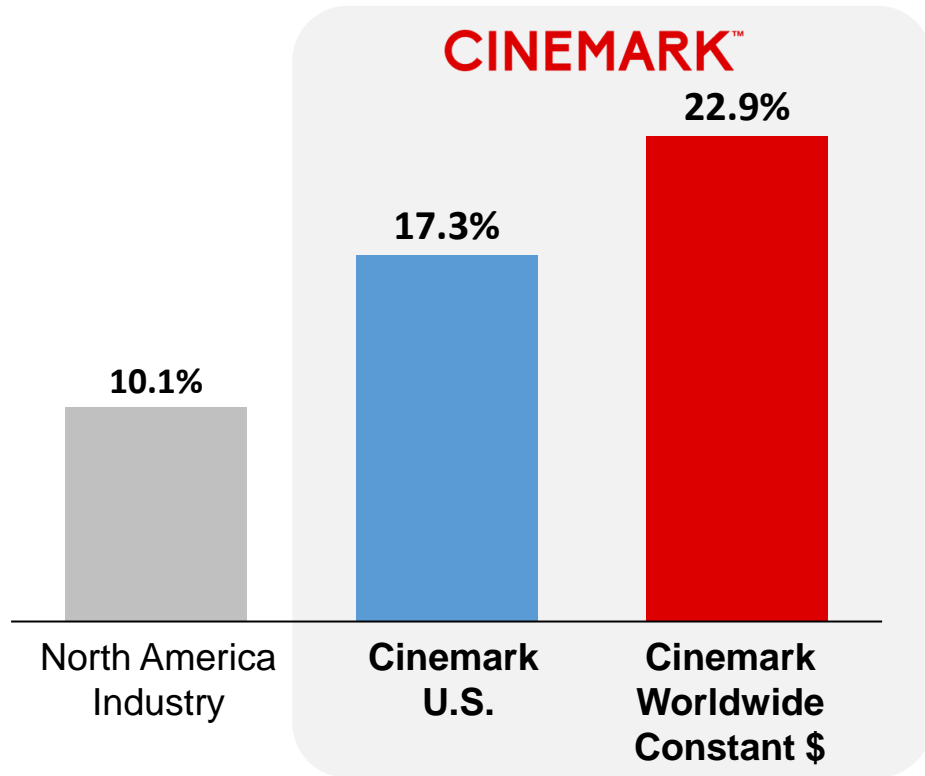


1) Based on FY 2019 box office

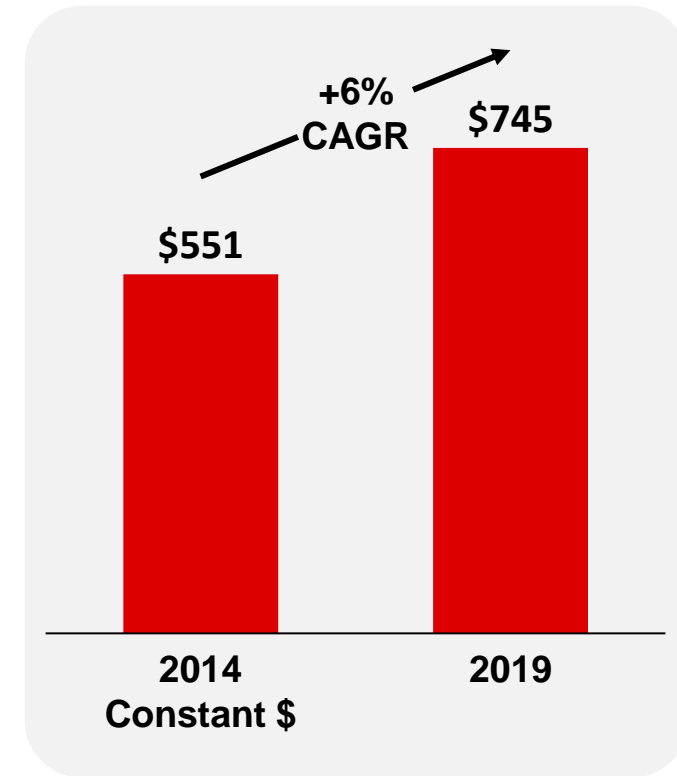
# Consistent Industry Outperformance

Cinemark has surpassed North American industry box office growth 12 out of the past 13 years and has consistently led the industry in profitability<sup>(1)</sup>

**2014 - 2019 Admission Revenue Growth <sup>(2)</sup>**



**CNK Worldwide Adjusted EBITDA Growth <sup>(2,3)</sup>**



1) As of 12/31/2021

2) 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. See schedule of non-GAAP measures and financial metrics at [investors.Cinemark.com](http://investors.Cinemark.com)

3) Adjusted EBITDA has been presented including all cash distributions from equity investees for all years presented. See Appendix for reconciliation of Adjusted EBITDA to the most directly comparable GAAP measures.

Source: MPA and Public Filings.

# 2019 Financial Summary

## 2019 Worldwide Results<sup>(1)</sup>

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

## Highlights

- Served ~280 million patrons globally
- Achieved 5<sup>th</sup> consecutive year of record revenue with top-line growth in U.S. and International<sup>3</sup> 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 as peak capex cycle stepped down
- 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, representing 60% of U.S. circuit at year-end
- Expanded highly successful Movie Club subscription program to 950K members

1) In millions

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

3) Intl segment growth in constant \$

# **Recovery Update and Financial Results**





# Highlights of Second Quarter 2022 Results

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



## Box Office

- Domestic box office outperformed the N. American industry results by more than 300 bps comparing 2Q22 against 2Q19 and resulted in the largest share gain among the major U.S. players
- Int'l admissions surpassed respective LatAm industry benchmarks by more than 400 bps comparing 2Q22 against 2Q19



## Food & Beverage

- Generated another all-time high domestic food & beverage per cap of \$6.90
- Continued to combat inflationary pressures to COGS that are expected to continue throughout the year



## Movie Club

- Program membership base is over 1 million – well above its pre-pandemic peak
- 100K+ members in the premium tier Movie Club Platinum status



## Premium Large Formats

- Consumers continue to upgrade to premium large formats (PLF) with nearly 15% of global box office generated from PLF – an increase of more than 400 bps since 2Q19
- Total admission revenue from PLF auditoriums continue to exceed 2019 levels



## Profitability

- Generated positive WW Adj. EBITDA<sup>(1)</sup> (+\$138MM) in 2Q22 with an 18.6% Adj. EBITDA margin
- Generated Free Cash Flow of \$143M; Anticipate positive Free Cash Flow for FY22 based on current industry trends

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

# Second Quarter 2022 Financial Summary



## Q2 Worldwide Results <sup>(1)</sup>

## Q2 2022 Highlights

	<u>2Q</u> <u>2022</u>	<u>2Q</u> <u>2021</u>	<u>2Q</u> <u>2019</u>
Attendance	52.0	19.1	80.2
Revenue	\$744.1	\$294.6	\$957.8
Adj. EBITDA <sup>(1)</sup>	\$138.3	(\$11.8)	\$244.7
Adj EBITDA % <sup>(1)</sup>	18.6%	NM	25.6%
Free Cash Flow <sup>(1)</sup>	\$143	\$88	\$142
End Cash Balance	\$695.1	\$595.9	\$511.4

- A more consistent cadence of new film content with broad consumer appeal drove moviegoing momentum
- Delivered 152% year-over-year revenue growth to \$744MM, representing the highest quarterly revenue posted since the onset of the pandemic
- Generated Adj. EBITDA of \$138MM – Fourth consecutive quarter of positive Adj. EBITDA reported - yielded an Adj. EBITDA margin of 18.6%
- Healthy balance sheet enables continued prudent investments in strategic initiatives to position the company for the long-term

1) in Millions

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

# **A Look Ahead**



# Ongoing Focus on Operational Excellence

Sustained progress in advancing our consumer, growth, and productivity initiatives to capitalize on the ongoing recovery of theatrical exhibition and position the company for long-term success



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



**Maximize attendance and box office** with enhanced in-theater experiences and pursuit of alternative content to appeal to a broader audience while focused on showtime optimization



Significantly **advance digital and social marketing capabilities** to reignite theatrical moviegoing, increase loyalty to Cinemark and build our audiences



**Prioritize food and beverage offerings** through simplifications that enhance the guest experience, including the online food and beverage ordering platform, Snacks In A Tap



**Simplify and streamline numerous theater practices** through incorporating technology, workforce management, and inventory procedures to operate leaner and more efficiently



**Utilize enhanced data management and analytics** and pursue margin expansion projects through **company-wide Continuous Improvement**



**Ongoing investments** in strategic initiatives while re-fortifying the balance sheet



# 2022 Notable Film Titles

## Quarter 3



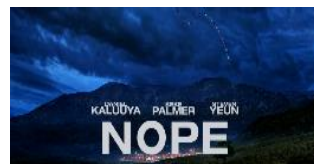
July 1



July 8



July 15



July 22



July 29



August 5



August 19



September 16



September 23



Re-Release September 23

## Quarter 4



October 14



October 21



October 21



November 4



November 11



November 25



December 16



December 23



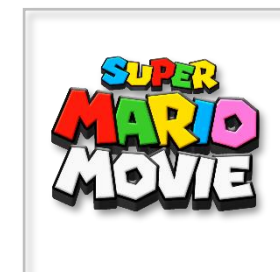
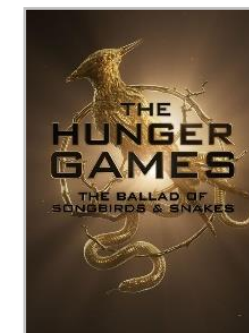
December 23



December 23

# 2023 Compelling Film Slate

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# Appendix





# FY 2021 Non-GAAP Measure Reconciliations



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

	FY 2021	FY 2019
<b>Net Income/(Loss)</b>	<b>(\$422.2)</b>	<b>\$193.8</b>
Add (deduct):		
Income taxes	(16.8)	79.9
Interest expense <sup>(2)</sup>	149.7	99.9
Loss on extinguishment of debt	6.5	-
Other (income) expense, net <sup>(3)</sup>	43.5	(22.4)
Cash distributions from DCIP <sup>(4)</sup>	-	23.7
Cash distributions from other equity investees <sup>(5)</sup>	0.2	29.7
Non-cash distribution from equity investee <sup>(6)</sup>	-	-
Depreciation and amortization	265.4	261.2
Impairment of long-lived assets and investments	20.8	57.0
Restructuring costs	(1.0)	-
(Gain)/Loss on disposal of assets and other	8.0	12.0
Non-cash rent expense	(3.5)	(4.4)
Share based awards compensation expense	29.3	14.6
<b>Adjusted EBITDA</b>	<b>\$80.0</b>	<b>\$745.0</b>

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

	FY 2021	FY 2019
<b>Cash flows (used for) provided by operating activities</b>	<b>\$166.2</b>	<b>\$562.0</b>
Deduct:		
Capital Expenditures	95.5	303.6
<b>Free Cash Flow</b>	<b>\$70.7</b>	<b>\$258.4</b>
	<b>FY 2021</b>	<b>FY 2019</b>
<b>Total Revenues</b>	<b>\$1,510.5</b>	<b>\$3,283.1</b>
Adjusted EBITDA	80.0	745.0
<b>Adjusted EBITDA Margin</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) 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 Annual Report on Form 10-K filed February 25, 2022. These distributions are reported entirely within the U.S. operating segment.

5) Reflects 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.



# 2Q 2022 Non-GAAP Measure Reconciliations



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

	2Q 2022	2Q 2021	2Q 2019
<b>Net Income/(Loss)</b>	<b>(\$72.8)</b>	<b>(\$142.3)</b>	<b>\$101.9</b>
Add (deduct):			
Income taxes	4.7	8.0	38.2
Interest expense <sup>(2)(3)</sup>	38.1	37.0	24.9
Other (income) expense, net <sup>(4)</sup>	11.4	7.9	(6.8)
Other cash distributions from equity investee	0.9	-	5.3
Depreciation and amortization	61.0	66.9	64.6
Impairment of long-lived and other assets	92.3	-	12.5
Restructuring costs	(0.2)	(0.7)	-
Loss on extinguishment of debt	-	3.9	-
(Gain)/Loss on disposal of assets and other	(0.7)	2.3	1.8
Non-cash rent expense	(2.4)	(0.8)	(1.3)
Share based awards compensation expense	6.0	5.9	3.7
<b>Adjusted EBITDA</b>	<b>\$138.3</b>	<b>(\$11.8)</b>	<b>\$244.7</b>

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

	2Q 2022	2Q 2021	2Q 2019
<b>Cash flows (used for) provided by operating activities</b>	<b>\$164.9</b>	<b>\$102.7</b>	<b>\$199.3</b>
Deduct:			
Capital Expenditures	21.9	15.1	57.6
<b>Free Cash Flow</b>	<b>\$143.0</b>	<b>\$87.6</b>	<b>\$141.7</b>

	2Q 2022	2Q 2021	2Q 2019
<b>Total Revenues</b>	<b>\$744.1</b>	<b>\$294.6</b>	<b>\$957.8</b>
Adjusted EBITDA	\$138.3	(11.8)	244.7
<b>Adjusted EBITDA Margin</b>	<b>18.6%</b>	<b>NM</b>	<b>25.6%</b>

1) In millions

2) Includes amortization of debt issue costs.

3) Amounts for the three months ended June 30, 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.

# Thank You



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# CINEMARK™

