

# 2Q'24 Earnings

## Supplemental Presentation

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# Forward-looking Statements

This presentation contains various forward-looking statements that reflect management's current expectations or beliefs regarding future events, including statements regarding the Company's anticipated future financial performance. Investors are cautioned that reliance on these forward-looking statements involves risks and uncertainties. Although the Company believes that the assumptions used in the forward-looking statements are reasonable, any of these assumptions could prove to be inaccurate and, as a result, actual results could differ materially from those expressed or implied in the forward-looking statements. The factors that could cause actual results to differ materially from those expressed or implied in the forward-looking statements are, among others, 1) level of theater attendance or viewership of the Noovie® show; 2) the availability and predictability of major motion pictures displayed in theaters, including as a result of strikes or other production delays in the entertainment industry; 3) increased competition for advertising expenditures; 4) changes to the ESAs or network affiliate agreements and the relationships with NCM LLC's ESA Parties and network affiliates; 5) inability to implement or achieve new revenue opportunities; 6) failure to realize the anticipated benefits of the post-showtime inventory in our network; 7) technological changes and innovations; 8) economic conditions, including the level of expenditures on and perception of cinema advertising; 9) our ability to renew or replace expiring advertising and content contracts; 10) the ongoing effects of NCM LLC's recent emergence from bankruptcy; 11) reinvestment in our network and product offerings may require significant funding and resulting reallocation of resources; and 12) fluctuations in and timing of operating costs. In addition, the outlook provided does not include the impact of any future unusual or infrequent transactions; sales and acquisitions of operating assets and investments; any future non-cash impairments of intangible and fixed assets; amounts related to litigation or the related impact of taxes that may occur from time to time due to management decisions and changing business circumstances. The Company is currently unable to forecast precisely the timing and/or magnitude of any such amounts or events. Please refer to the Company's Securities and Exchange Commission filings, including the "Risk Factor" section of the Company's Annual Report on Form 10-K for the year ended December 28, 2023, for further information about these and other risks. Investors are cautioned not to place undue reliance on any such forward-looking statements, which speak only as of the date they are made. The Company undertakes no obligation to update any forward-looking statement, whether as a result, of new information, future events or otherwise, except as required by law.

This presentation contains references to Non-GAAP financial measures including Adjusted OIBDA (Operating Income Before Depreciation and Amortization expense, adjusted to exclude non-cash share-based payment costs, workforce reorganization costs, satellite transition costs and fees and expenses related to involvement in the Cineworld proceeding and Chapter 11 case). A reconciliation of these measures is available in this press release and on the investor page of the Company's website at [www.ncm.com](http://www.ncm.com).

# NCM LLC 2Q'24 & YTD'24 Key Highlights

- **2Q'24 revenue of \$54.7M (vs. \$64.4M in the prior year) exceeded our revenue guidance range of \$49.5M to \$51.5M**
  - Despite a 31% y/y decrease in 2Q'24 network attendance, inventory utilization continued to improve which resulted in 23% y/y growth in total revenue per attendee monetization
  - 2Q'24 advertising revenue per attendee reaching \$0.56, marking the highest second quarter revenue per attendee since 2017
- **2Q'24 adj. OIBDA of \$7.6M (vs. \$12.5M in the prior period) exceeded our guidance range of \$3.5M to \$4.5M**
  - Adj. operating expenses of \$47.1M (excluding non-cash charges and one-time items) decreased 9% y/y driven by a decrease in network attendance and affiliate fees and lower SG&A expenses resulting from cost saving initiatives
- **YTD'24 total revenue of \$92.1M decreased 7% compared to \$99.3M in the prior year**
  - Increase in national advertising revenue driven by improved inventory utilization was more than offset by decreases in local and regional advertising couple with lower beverage revenue due to the termination of the Regal ESA in 2023 and discontinuation of their beverage revenue
- **YTD'24 adj. OIBDA of \$1.9M increased 18% compared to \$1.6M the prior year primarily driven by decreases in attendance-related fees and SG&A expenses, partially offset by lower revenues**
- **Share repurchase program update**
  - Since the launch of this program, NCM, Inc. repurchased 2.1M shares, including a redemption of Cinemark common membership units of 0.1M shares, for \$9.8M at an average share price of \$4.78.

# National CineMedia, Inc. Q2 & YTD 2024 Financial Results

## National CineMedia, Inc. Condensed Statements of Income

(dollars in millions)

(unaudited)

	<i>Quarter ended</i>		<i>Year to date</i>
	<u>March 28, 2024</u>	<u>June 27, 2024</u>	<u>Six Months Ended</u>
<b>REVENUE</b>	\$ 37.4	\$ 54.7	\$ 92.1
<b>OPERATING EXPENSES</b>			
Network operating costs	3.6	3.7	7.3
ESA Parties and network affiliate fees	22.5	26.7	49.2
Selling and marketing costs	10.0	9.6	19.6
Administrative and other costs	13.5	13.4	26.9
Depreciation expense	1.1	1.1	2.2
Amortization expense	9.4	9.5	18.9
Total	60.1	64.0	124.1
<b>OPERATING LOSS</b>	\$ (22.7)	\$ (9.3)	\$ (32.0)

# National CineMedia, Inc. Q2 & YTD 2024 Financial Results

Adjusted OIBDA Reconciliation (unaudited)	Quarter ended		Year to date
	March 28, 2024	June 27, 2024	Six Months Ended
<b>Operating (loss) income</b>	\$ (22.7)	\$ (9.3)	\$ (32.0)
Depreciation expense	1.1	1.1	2.2
Amortization expense	9.4	9.5	18.9
Share-based compensation costs (1)	2.6	3.5	6.1
Workforce reorganization costs (2)	1.5	1.4	2.9
Satellite transition costs (3)	-	0.3	0.3
Fees and expenses related to the Cineworld Proceeding and Chapter 11 Case included within Operating Income (4)	2.4	1.1	3.5
<b>Adjusted OIBDA</b>	<b>\$ (5.7)</b>	<b>\$ 7.6</b>	<b>\$ 1.9</b>

Revenue Results (unaudited)	Quarter ended		Year to date
	March 28, 2024	June 27, 2024	Six Months Ended
National advertising revenue	\$ 29.5	\$ 41.7	\$ 71.2
Local and regional advertising revenue	5.2	9.8	15.0
Total advertising revenue excluding beverage	34.7	51.5	86.2
ESA advertising revenue from beverage concessionaire agreements	2.7	3.2	5.9
<b>TOTAL REVENUE</b>	<b>\$ 37.4</b>	<b>\$ 54.7</b>	<b>\$ 92.1</b>

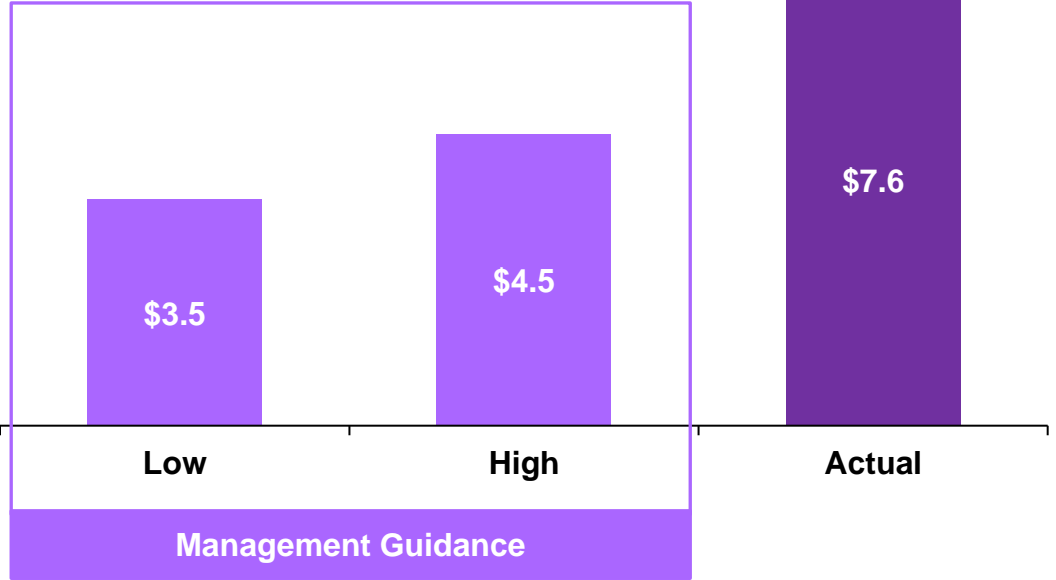
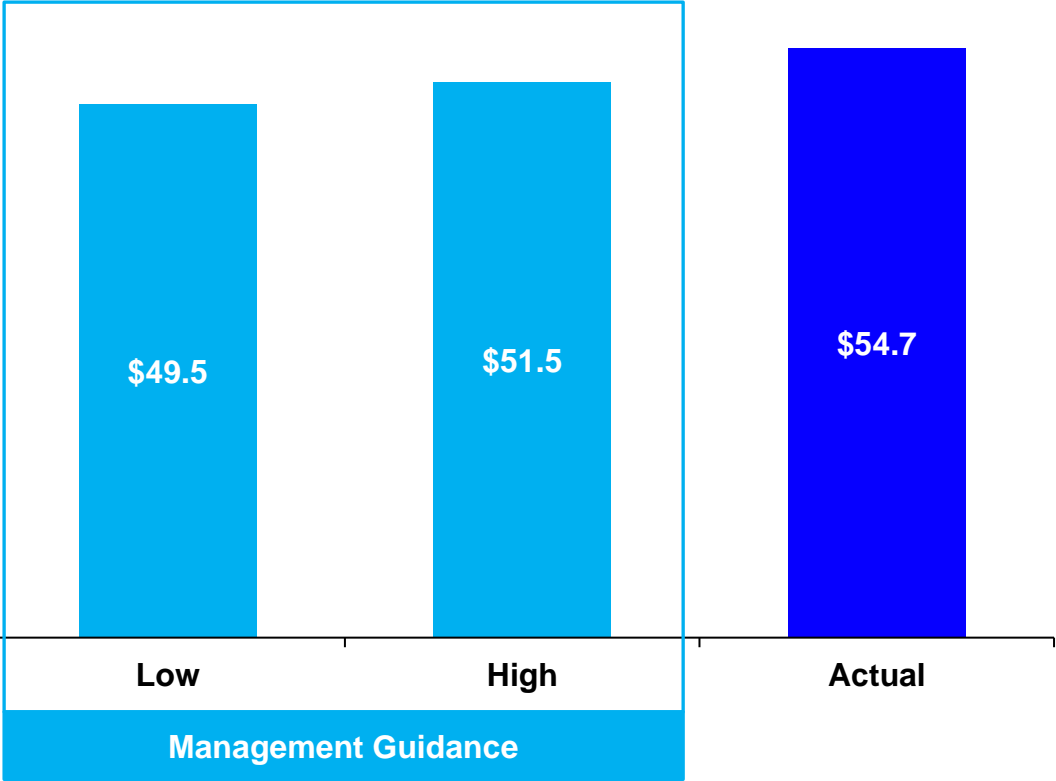
## Notes:

- 1) Share-based compensation costs are included in network operations, selling and marketing and administrative expense in the accompanying unaudited Condensed Consolidated Financial Statements.
- 2) Workforce reorganization costs represents redundancy costs associated with changes to the Company's workforce primarily implemented during the first quarter of 2024.
- 3) One-time costs of transitioning satellite providers in the second quarter of 2024.
- 4) Advisor and legal fees and expenses incurred in connection with the Company's involvement in the Cineworld Proceeding and Chapter 11 Case and related litigation during the first and second quarter of 2024, as well as retention related expenses and retainers to the members of the special and restructuring committees of the Company's Board of Directors.

# Q2'24 Results vs. Guidance

**Q2'24 Revenue**

**Q2'24 Adjusted OIBDA**



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