
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): April 30, 2020

National CineMedia, Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-33296
(Commission
File Number)

20-5665602
(IRS Employer
Identification No.)

6300 S. Syracuse Way, Suite 300
Centennial, Colorado 80111
(Address of principal executive offices, including zip code)

(303) 792-3600
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, par value \$0.01 per share	NCMI	The Nasdaq Stock Market LLC
(Title of each class)	(Trading symbol)	(Name of each exchange on which registered)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01 Entry into a Material Definitive Agreement.

On April 30, 2020, National CineMedia LLC (“NCM LLC”) amended its Credit Agreement, dated as of June 20, 2018 (“Credit Agreement Amendment”) to allow for the automatic waiver of any non-compliance with its Consolidated Net Senior Secured Leverage Ratio and Consolidated Total Leverage Ratio financial covenants occurring from the quarter ending June 25, 2020 until and including the quarter ending July 1, 2021 (the “Covenant Holiday Period”). As of March 26, 2020, NCM LLC was in compliance with the foregoing financial covenants. The Credit Agreement Amendment requires that, until the fiscal quarter ending July 1, 2021, NCM LLC must not permit the sum of unrestricted cash on hand at NCM LLC and availability under its Revolving Credit Facility to be less than \$55.0 million. Further, NCM LLC can make available cash distributions to its members (AMC, Cinemark, Regal and NCM, Inc.) during the Covenant Holiday Period only if trailing 12-month Consolidated EBITDA (as defined in the Credit Agreement) equals or exceeds \$277.0 million and outstanding loans under the Revolving Credit Facility is equal to or less than \$39.0 million. NCM LLC can make available cash distributions to its members outside of the Covenant Holiday Period so long as NCM LLC’s Consolidated Net Senior Secured Leverage Ratio are equal to or less than 5.00 to 1.00 and no default or event of default under the Credit Agreement has occurred and is continuing.

The foregoing description of the Credit Agreement Amendment is qualified in its entirety by reference to the complete copy of the Credit Agreement Amendment filed as Exhibit 10.1 to this Current Report on Form 8-K and incorporated by reference herein.

Item 2.02 Results of Operations and Financial Condition

On May 5, 2020, National CineMedia, Inc. (“the Company”) issued a press release announcing its financial results for the fiscal first quarter ended March 26, 2020. A copy of the press release is furnished as Exhibit 99.1 to this report.

In accordance with General Instruction B.2 of Form 8-K, the information in Item 2.02 of this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
10.1	<u>Amendment No. 1 to the Credit Agreement, dated as of April 30, 2020, by and among National CineMedia, LLC, each lender party thereto, and JPMorgan Chase Bank, N.A., as administrative agent.</u>
99.1	<u>Press Release of National CineMedia, Inc. dated May 5, 2020.</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: May 5, 2020

NATIONAL CINEMEDIA, INC.

By: /s/ Thomas F. Lesinski

Thomas F. Lesinski
Chief Executive Officer

AMENDMENT NO. 1 TO CREDIT AGREEMENT

THIS AMENDMENT NO. 1 TO CREDIT AGREEMENT (this "Amendment"), dated as of April 30, 2020, is made by and among **NATIONAL CINEMEDIA, LLC**, a Delaware limited liability company (the "Borrower"), each lender party hereto (each, a "Lender" and collectively, the "Lenders"), and **JPMORGAN CHASE BANK, N.A.**, as administrative agent (in such capacity, the "Administrative Agent"). Capitalized terms not otherwise defined herein shall have the meaning given thereto in the Credit Agreement referenced below.

WHEREAS, the Borrower, the Administrative Agent and the lenders from time to time party thereto have entered into that certain Credit Agreement, dated as of June 20, 2018 (as amended, restated, amended and restated, supplemented or otherwise modified from time to time prior to the date hereof, the "Original Credit Agreement", and as amended by this Amendment, the "Credit Agreement"); and

WHEREAS, the Borrower has requested that the Required Lenders agree to consent to the amendments set forth in Section 1, in each case as provided for herein; and

WHEREAS, each Lender that executes and delivers a signature page to this Amendment on or prior to the Amendment No. 1 Effective Date is willing to amend the Original Credit Agreement and hereby consents to the amendments set forth herein subject only to the satisfaction or waiver of the conditions set forth in Section 2.

NOW, THEREFORE, in consideration of the premises contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. **Amendments to Credit Agreement**. Effective as of the Amendment No. 1 Effective Date, the Original Credit Agreement is hereby amended as follows:

- a. Section 1.1 of the Original Credit Agreement shall be amended to add the following definition in the proper alphabetical order:

"Amendment No. 1 Effective Date" means has the meaning assigned thereto in Amendment No 1.

"Amendment No. 1" means Amendment No. 1 to this Agreement dated as of April 30, 2020, among the Borrower, the Lenders party thereto and the Administrative Agent.

- b. Section 7.1 of the Original Credit Agreement shall be amended to add a proviso at the end of the section as follows:

"provided that, failure to comply with any of the financial covenants set forth above shall be automatically and without any further action of the parties hereto waived from the quarter ended June 25, 2020 until and including the quarter ended July 1, 2021 (such period, the "Covenant Holiday Period"), and no non-compliance or potential non-compliance under clauses (a) or (b) of this Section 7.1 (or notices required in connection therewith) during the Covenant Holiday Period shall be a Default or Event of Default hereunder."

- c. Section 7.6(h) of the Original Credit Agreement shall be amended and restated in its entirety as follows:

“(h) (i) so long as (x) no Default or Event of Default has occurred and is continuing, and (y) the Consolidated Net Senior Secured Leverage Ratio (after giving effect to such Restricted Payment) is equal to or less than 5.00 to 1.00, the Borrower may make Restricted Payments of an amount equal to 100% of Available Cash for the fiscal quarter immediately preceding such Restricted Payment; provided that, notwithstanding the foregoing, the Borrower shall not, and shall not permit any of its Subsidiaries to, directly or indirectly make any Restricted Payments using Available Cash under this clause (h)(i) during the Covenant Holiday Period, and (ii) solely during the Covenant Holiday Period, so long as (x) no Default or Event of Default has occurred and is continuing, (y) Consolidated EBITDA for the trailing twelve month period then ended equals or exceeds \$277,000,000, and (z) the aggregate principal amount of all outstanding Revolving Credit Loans (after giving effect to such Restricted Payment) is equal to or less than \$39,000,000, the Borrower may make Restricted Payments of an amount equal to 100% of Available Cash for the fiscal quarter immediately preceding such Restricted Payment.”

- d. Section 7 of the Original Credit Agreement shall be amended to add a new Section 7.17 at the end of the section as follows:

“7.17 Minimum Liquidity Covenant. Until the fiscal quarter ending July 1, 2021, permit the sum of the Available Revolving Credit Commitments and unrestricted cash on hand to be less than \$55,000,000 at any time.”

- e. The notice address for the Borrower’s counsel set forth in Section 10.2 of the Original Credit Agreement shall be amended and restated in its entirety as follows:

With a copy to:

Wilmer Cutler Pickering Hale and Dorr LLP
1225 Seventeenth St., Suite 2600
Denver, CO 80202
Attention: Chalyse Robinson
Email: chalyse.robinson@wilmerhale.com
Telephone: (720) 598-3442

2. **Representations and Warranties, No Default**. The Borrower hereby represents and warrants that as of the Amendment No. 1 Effective Date, both immediately prior to and immediately after giving effect to this Amendment, (i) no Event of Default or Default has occurred under the Credit Agreement and is continuing, (ii) the representations and warranties of the Borrower and each Loan Party contained in the Credit Agreement and each other Loan Document are true and correct in all material respects as of the Amendment No. 1 Effective Date; provided, that to the extent that such representations and warranties specifically relate to an earlier date, they shall be true and correct in all material respects as of such earlier date; provided, further, that any representation and warranty that is qualified as to “materiality,” “Material Adverse Effect” or similar language shall be true and correct (after giving effect to any qualification therein) in all respects on such respective dates, (iii) each Loan Party has the limited

liability company or other organizational power and authority, and the legal right, to make, deliver and perform its obligations under the Amendment, (iv) no consent or authorization of, filing with, notice to or other act by, any Governmental Authority or any other Person is required on the part of or in respect of any Loan Party in connection with the execution, delivery and performance by the Loan Parties party hereto of this Amendment, (v) this Amendment constitutes a legal, valid and binding obligation of each Loan Party party hereto, enforceable against each such Loan Party in accordance with its terms, except as enforceability may be limited by applicable Debtor Relief Laws and by general equitable principles (whether enforcement is sought by proceedings in equity or at law) and (vi) the Loan Parties, on a consolidated basis and after giving effect to this Amendment, are Solvent.

3. **Effectiveness; Conditions Precedent.** Section 1 of this Amendment shall be effective as of the first date (the “Amendment No. 1 Effective Date”) on which the following conditions precedent have been satisfied:

- a. The Administrative Agent shall have received executed signature pages hereto from the Borrower, each Lender and the Administrative Agent.
- b. The Borrower shall have paid to the Administrative Agent, for the account of each Lender that executes this Amendment by (i) 12:00 p.m. (New York City time) on April 22, 2020, in the case of a Revolving Credit Lender, and (ii) 5:00 p.m. (New York City time) on April 29, 2020, in the case of a Term Loan Lender, an amendment fee in an amount equal to 0.25% of the aggregate principal amount of such Lender’s Revolving Credit Commitment or Term Loans, as applicable, outstanding immediately prior to the Amendment No. 1 Effective Date.
- c. All reasonable and documented out-of-pocket costs and expenses payable to the Administrative Agent (including the fees and disbursements of counsel to the Administrative Agent to the extent due and payable under Section 10.5 of the Credit Agreement) estimated to date and for which reasonably detailed invoices have been presented at least one (1) Business Day in advance of the Amendment No. 1 Effective Date shall have been paid in full (without prejudice to final settling of accounts for such fees and expenses).

For purposes of determining compliance with the conditions specified in this Section 3, each Lender that has signed this Amendment shall be deemed to have consented to, approved or accepted or to be satisfied with, each document or other matter required hereunder to be consented to or approved by or acceptable or satisfactory to a Lender (except with respect to confirmation of receipt of the funds due pursuant to Section 3(b)) unless the Administrative Agent shall have received notice from such Lender prior to the date hereof specifying its objection thereto. The Administrative Agent shall notify the Borrower and the Lenders of the Amendment No. 1 Effective Date, and such notice shall be conclusive and binding.

4. **Reaffirmation of the Guarantee and Security Interest.**

- a. Each Loan Party hereby expressly acknowledges the terms of this Amendment and reaffirms, as of the date hereof, (i) the covenants and agreements contained in each Loan Document to which it is a party, including, in each case, such covenants and agreements as in effect immediately after giving effect to this Amendment and the transactions contemplated hereby, (ii) its guarantee of the Obligations under the Guarantee and

Collateral Agreement and (iii) its grant of Liens on the Collateral to the Collateral Agent for the benefit of the Lenders to secure the prompt payment and performance in full when due of the Obligations pursuant to the Collateral Documents.

- b. Each Loan Party acknowledges and agrees that each of the Loan Documents to which it is a party or otherwise bound shall continue in full force and effect as amended on the date hereof and that all of its obligations thereunder shall be valid and enforceable (except as enforceability may be limited by applicable Debtor Relief Laws and by general equitable principles (whether enforcement is sought by proceedings in equity or at law)) and shall not be impaired or limited by the execution or effectiveness of this Amendment. On and after the Amendment No. 1 Effective Date, the parties confirm and acknowledge with respect to each Loan Document not amended or modified restated in connection with the Amendment that unless the context otherwise requires (i) each reference in such Loan Documents to “Credit Agreement”, “thereunder”, “thereof” or words of like import shall be a reference to the Credit Agreement as amended by the Amendment, and as such agreement may be otherwise amended, amended and restated, modified or supplemented and in effect from time to time and (ii) the definition of any term defined in any such Loan Document by reference to the terms defined in the “Credit Agreement” shall reference the defined terms in the Credit Agreement, as amended hereby, as the same may be otherwise amended, amended and restated, modified or supplemented and in effect from time to time.

5. **Counterparts.** This Amendment may be executed in any number of counterparts and by different parties hereto on separate counterparts, each of which when so executed and delivered shall be deemed to be an original, but all of which when taken together shall constitute a single instrument. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or any other electronic transmission shall be effective as delivery of a manually executed counterpart hereof.

6. **GOVERNING LAW. THIS AMENDMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES UNDER THIS AMENDMENT SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.**

7. **Notices; Submission to Jurisdiction; Consent to Service of Process; Waiver of Jury Trial.** The provisions set forth in Sections 10.2, 10.12 and 10.18 of the Credit Agreement are hereby incorporated *mutatis mutandis* with all references to the “Agreement” therein being deemed references to this Amendment.

8. **Headings.** The headings of this Amendment are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

9. **Effect of Amendment.** Except as expressly set forth herein, (i) this Amendment shall not by implication or otherwise limit, impair, constitute a novation or waiver of or otherwise affect the rights and remedies of the Lenders, the Administrative Agent or any other Agent, in each case under the Credit Agreement or any other Loan Document, and (ii) shall not alter, modify, amend or in any way affect any of the terms, conditions, obligations, covenants or agreements contained in the Credit Agreement or any other provision of either such agreement or any other Loan Document. This Amendment shall constitute a Loan Document for purposes of the Credit Agreement and from and after

the Amendment No. 1 Effective Date, all references to the Credit Agreement in any Loan Document and all references in the Credit Agreement to “this Agreement”, “hereunder”, “hereof” or words of like import referring to the Credit Agreement, shall, unless expressly provided otherwise, refer to the Credit Agreement as amended hereby. The Borrower hereby consents to this Amendment and confirms that all obligations of the Borrower under the Loan Documents to which it is a party shall continue to apply to the Credit Agreement as amended hereby.

[Signature pages follow]

IN WITNESS WHEREOF, the undersigned has caused this Amendment to be executed and delivered by a duly authorized officer as of the date first written above.

NATIONAL CINEMEDIA, LLC,
as Borrower

By: National CineMedia, Inc., its Manager

By: /s/ Tom Lesinski

Name: Tom Lesinski

Title: Chief Executive Officer

JPMORGAN CHASE BANK, N.A.,
as Administrative Agent and Lender

By: /s/ Peter Christensen
Name: Peter Christensen
Title: Executive Director

ROYAL BANK OF CANADA,
as Lender

By: /s/ Kevin Quan
Name: Kevin Quan
Title: Authorized Signatory

BARCLAYS BANK PLC,
as Lender

By: /s/ Martin Corrigan
Name: Martin Corrigan
Title: Vice President

Zions Bancorporation, N.A. dba Vectra Bank Colorado,
as Lender

By: /s/ Michael Moreno
Name: Michael Moreno
Title: Senior Vice President

AIB Debt Management, Limited,
as Lender

By: /s/ Ellen Kenneally
Name: Ellen Kenneally
Title: Vice President
Investment Advisor to
AIB Debt Management, Limited

AIB Debt Management, Limited,
as Lender

By: /s/ Joan Chen
Name: Joan Chen
Title: Vice President
Investment Advisor to
AIB Debt Management, Limited

AMMC CLO 16, LIMITED,
as Lender
By: American Money Management Corp.,
as Collateral Manager

By: /s/ David P. Meyer
Name: David P. Meyer
Title: Senior Vice President

AMMC CLO 18, LIMITED,
as Lender
By: American Money Management Corp.,
as Collateral Manager

By: /s/ David Meyer
Name: David Meyer
Title: Senior Vice President

AMMC CLO XIII, LIMITED,
as Lender
By: American Money Management Corp.,
as Collateral Manager

By: /s/ David P. Meyer
Name: David P. Meyer
Title: Senior Vice President

AMMC CLO XIV, LIMITED,
as Lender

By: /s/ David P. Meyer
Name: David P. Meyer
Title: Senior Vice President

Arch Street CLO, Ltd.,
as Lender

By: /s/ Scott D'Orsi
Name: Scott D'Orsi
Title: Portfolio Manager

BARINGS CLO LTD. 2013-I, as Lender
By: Barings LLC as Collateral Manager

By: /s/ Karl Hermann
Name: Karl Hermann
Title: Director

BARINGS CLO LTD. 2018-I, as Lender
By: Barings LLC as Collateral Manager

By: /s/ Karl Hermann
Name: Karl Hermann
Title: Director

BARINGS CLO LTD. 2018-II, as Lender
By: Barings LLC as Collateral Manager

By: /s/ Karl Hermann
Name: Karl Hermann
Title: Director

BARINGS CLO LTD. 2018-III, as Lender
By: Barings LLC as Collateral Manager

By: /s/ Karl Hermann
Title: Director

BARINGS CLO LTD. 2019-II, as Lender
By: Barings LLC as Collateral Manager

By: /s/ Karl Hermann
Name: Karl Hermann
Title: Director

BARINGS CLO LTD. 2019-III, as Lender
By: Barings LLC as Collateral Manager

By: /s/ Karl Hermann
Name: Karl Hermann
Title: Director

Bronco Trading, LLC,
as Lender
By: Truist Bank, as Manager

By: /s/ Connie Bailey-Blake
Name: Connie Bailey-Blake
Title: Vice President

Citi Loan Funding CRD TX I LLC,
as Lender,
By: Citibank N.A.,

By: /s/ Lauri Pool
Name: Lauri Pool
Title: Associate Director

Credit Opportunities Fund,

as Lender

By: Loomis, Sayles & Company, L.P.,

Its Investment Adviser

By: Loomis, Sayles & Company, Incorporated,

Its General Partner

By: /s/ Mary McCarthy

Name: Mary McCarthy

Title: Vice President, Legal and Compliance Analyst

Honeywell International Inc Master Retirement Trust,
as Lender

By: /s/ Justin Monteith
Name: Justin Monteith
Title: Portfolio Manager

JMP CREDIT ADVISORS CLO IV LTD.,
as Lender
By: Medalist Partners Corporate Finance LLC,
As Attorney-in-Fact

By: /s/ Jeremy Phipps
Name: Jeremy Phipps
Title: Managing Director

JMP CREDIT ADSIVORS CLO V LTD.,
as Lender
By: Medalist Partners Corporate Finance LLC,
As Attorney-in-Fact

By: /s/ Jeremy Phipps
Name: Jeremy Phipps
Title: Managing Director

Longfellow Place CLO, Ltd.,
as Lender

By: /s/ Scott D'Orsi
Name: Scott D'Orsi
Title: Portfolio Manager

Loomis Sayles, CLO II, LTD.,
as Lender
By: Loomis, Sayles & Company, L.P.,
Its Collateral Manager
By: Loomis, Sayles & Company, Incorporated,
Its General Partner

By: /s/ Mary McCarthy
Name: Mary McCarthy
Title: Vice President, Legal and Compliance Analyst

MEDALIST PARTNERS CORPORATE FINANCE CLO VI LTD.,
as Lender
By: Medalist Partners Corporate Finance LLC,
As Attorney-in-Fact

By: /s/ Jeremy Phipps
Name: Jeremy Phipps
Title: Managing Director

Metropolitan West Floating Rate Income Fund,
as Lender
By: Metropolitan West Asset Management as Investment Manger

By: /s/ Ruth Yu
Name: Ruth Yu
Title: Vice President

Nassau 2017-II Ltd.,
as Lender

By: /s/ Edward Vietor
Name: Edward Vietor
Title: Director

Nassau 2018-II Ltd.,
as Lender

By: /s/ Edward Vietor
Name: Edward Vietor
Title: Director

Natixis Loomis Sayles Senior Loan Fund,
as Lender
By: Loomis, Sayles & Company, L.P.,
Its Investment Manager
By: Loomis, Sayles & Company, Incorporated,
Its General Partner

By: /s/ Mary McCarthy
Name: Mary McCarthy
Title: Vice President, Legal and Compliance Analyst

RAYMOND JAMES BANK, N.A.
as a Lender

By: /s/ Joseph A. Ciccolini
Name: Joseph A. Ciccolini
Title: Senior Vice President

Seldon Limited,
as Lender

By: /s/ Pavel Antonov
Name: Pavel Antonov
Title: Attorney In Fact

Senior Floating Rate Fund LLC,
as Lender
By: Loomis, Sayles & Company, L.P.,
Its Investment Manager
By: Loomis, Sayles & Company, Incorporated,
Its General Partner

By: /s/ Mary McCarthy
Name: Mary McCarthy
Title: Vice President, Legal and Compliance Analyst

Senior Floating Rate Loan Fund,
as Lender
By: Loomis, Sayles & Company, L.P.,
Its Investment Advisor
By: Loomis, Sayles & Company, Incorporated,
Its General Partner

By: /s/ Mary McCarthy
Name: Mary McCarthy
Title: Vice President, Legal and Compliance Analyst

Sunsuper Pooled Superannuation Trust,
as Lender
By: Bain Capital Credit, LP, as Manager

By: /s/ Andrew Viens
Name: Andrew Viens
Title: Managing Director

TCW CLO 2018-1, LTD,
as Lender
TCW Asset Management Company LLC,
as Asset Manager

By: /s/ Ruth Yu
Name: Ruth Yu
Title: Vice President

TCW CLO 2019-1 ARM, LTD.,
as Lender

By: /s/ Ruth Yu
Name: Ruth Yu
Title: Vice President

TCW CLO 2019-2, Ltd.,
as Lender

TCW Asset Management Company LLC, as Asset Manager

By: /s/ Ruth Yu
Name: Ruth Yu
Title: Vice President

Wells Fargo Bank, NA,
as Lender

By: /s/ Greg Roux
Name: Gregory Roux
Title: Managing Director



**National CineMedia, Inc. Reports Results for
Fiscal First Quarter 2020**

*Announced Quarterly Cash Dividend of \$0.07 per Share
Withdraws Full Year 2020 Outlook
Amends Credit Facility*

Centennial, CO - May 5, 2020 - National CineMedia, Inc. (NASDAQ: NCMI) (the Company), the managing member and owner of 48.0% of National CineMedia, LLC (NCM LLC), the operator of the largest cinema advertising network reaching movie audiences in the U.S., announced today consolidated results for the fiscal first quarter ended March 26, 2020.

Beginning in mid-March 2020, all of the theater circuits in the Company's network announced that their theaters would be temporarily closed to address the COVID-19 pandemic. Several major motion picture releases were delayed until later in 2020 or 2021 and some other studios shortened the "release window" between the release of motion pictures in theaters and an alternative delivery method or released motion pictures directly to alternative delivery methods bypassing the theater entirely. The results of the first quarter of 2020 were significantly impacted by these temporary closures as theater attendance was less than expected beginning in March, initially as the public was told to practice social distancing, and then further when theaters were closed following stay at home orders issued by state and local governments. As of the date of this press release, almost all theaters remain closed across the United States.

Q1 2020 Results

Total revenue for the first quarter ended March 26, 2020 decreased 15.9% to \$64.7 million as compared to \$76.9 million for the comparable quarter last year. Operating income decreased 55.0% to \$4.9 million for the first quarter of 2020 from \$10.9 million for the first quarter of 2019. Adjusted OIBDA decreased 34.8% to \$14.4 million for the first quarter of 2020 from \$22.1 million for the first quarter of 2019. Net loss for the first quarter of 2020 was \$3.7 million, or \$0.05 per diluted share, compared to net loss of \$1.1 million, or \$0.01 per diluted share, for the first quarter of 2019. See the tables at the end of this release for the reconciliations to the closest GAAP basis measurement.

COVID-19 Pandemic and Related Liquidity Measures

In March 2020, NCM LLC drew down an additional \$110.0 million on its revolving credit facility increasing the Company's cash and marketable securities balance to \$215.3 million as of March 26, 2020 (\$132.2 million at NCM LLC). The \$132.2 million of cash at NCM LLC will be used to fund operations during the period of expected reduced cash flows from the temporary theater closures. Further, as of March 26, 2020, the Company had approximately \$113.7 million of trade accounts receivable outstanding from customers, of which the Company has collected approximately \$66.7 million as of May 4, 2020.

On April 30, 2020, NCM LLC amended its Credit Agreement to allow for the automatic waiver of any non-compliance with its Consolidated Net Senior Secured Leverage Ratio and Consolidated Total Leverage Ratio financial covenants occurring from the quarter ending June 25, 2020 until and including the quarter ending July 1, 2021. As of March 26, 2020, NCM LLC was in compliance with these financial covenants. The Credit Agreement amendment has requirements for the amount of NCM LLC unrestricted cash on hand and availability under the Revolving Credit Facility during the waiver period, as well as, restrictions on available cash distributions from NCM LLC to NCM, Inc., during the waiver period, all of which are further described in the Company's Form 8-K filed with the SEC on May 5, 2020.

Since NCM LLC is unable to advertise in theaters, it will not generate any in-theater revenue for the duration of time that the theaters are closed. NCM LLC's theater access fees, network affiliate payments and Platinum Spot revenue share payments are driven by attendance, active screens and revenue, and therefore, will not be incurred for the duration the theaters are closed. The Company has been working to preserve cash and ensure sufficient liquidity to endure the impacts of the COVID-19 Pandemic, even if prolonged. Among other measures, the Company has:

- Temporarily furloughed approximately one-third of staff and temporarily reduced the pay of the remaining employees by up to 50%, which in aggregate reduced wage expense by 50%;
- Temporarily reduced cash compensation of the Company's Board of Directors by 20%;
- Suspended non-essential operating expenditures;
- Implemented a hiring freeze;
- Temporarily suspended the 401K employee match program;
- Terminated or deferred certain non-essential capital expenditures;
- Reached out to our landlords, vendors, and other business partners to manage, defer, and/or abate certain costs during the disruptions caused by the COVID-19 Pandemic; and
- Introduced an active cash management process, which, among other things, requires CEO approval of all outgoing payments.

We believe that the exhibition industry has historically fared well during recessions, and management remains optimistic, though cannot guarantee, that the founding members and network affiliates will rebound and attendance figures will benefit from pent-up social demand as home sheltering subsides and people seek togetherness with a return to normalcy. However, the ultimate significance of the COVID-19 pandemic, including the extent of the adverse impact on the Company's financial and operational results, will be dictated by the currently unknowable duration and the effect on the overall economy and of responsive governmental regulations, including shelter-in-place orders and mandated business closures. Our business also could be significantly affected should the disruptions caused by the COVID-19 pandemic lead to changes in consumer behavior (such as social distancing), which we believe will be temporary, or further reductions to the customary theatrical release window. The COVID-19 pandemic also makes it more challenging for management to estimate the future performance of our business, particularly over the near to medium term. The Company is monitoring the rapidly evolving situation and its potential impacts on its financial position, results of operations, liquidity and cash flows.

Dividend

The Company announced today that its Board of Directors has authorized the Company's quarterly cash dividend of \$0.07 per share of common stock. The dividend will be paid on June 1, 2020 to stockholders of record on May 18, 2020. The dividend was reduced from previous quarters due to the reduced cash flows to NCM LLC from the theater closures from the COVID-19 pandemic and the corresponding limitations on available cash distributions from NCM LLC to NCM, Inc. under the Credit Agreement amendment. The Company intends to pay a regular quarterly dividend for the foreseeable future at the discretion of the Board of Directors consistent with the Company's intention to distribute substantially all its free cash flow to stockholders through its quarterly dividend. The declaration, payment, timing and amount of any future dividends payable will be at the sole discretion of the Board of Directors who will consider general economic and advertising market business conditions, the Company's financial condition, available cash, current and anticipated cash needs, and any other factors that the Board of Directors considers relevant which includes short-term and long-term impacts to the Company related to the temporary theater closures for the COVID-19 pandemic and restrictions under the NCM LLC Credit Agreement.

From the CEO

Commenting on the Company's first quarter 2020 operating results and response to the COVID-19 pandemic, NCM CEO Tom Lesinski said, "While 2020 was off to a strong start, the COVID-19 pandemic and resulting temporary theater closures have placed unprecedented challenges on our business, and our cinema partners. The crisis has required us to adjust our business focus to both building liquidity and continuing to aggressively compete in the video advertising marketplace so we can hit the ground running when theaters reopen. Fortunately, we believe, our cash on hand, combined with outstanding receivables and the highly variable nature of our operating costs, we are well positioned to be able to weather this disruption to our business."

Tom Lesinski also added, "Since the theaters closed, our sales teams have been busy rescheduling existing ad commitments and seeking to increase our video advertising market share by filling a void left by the cancellation of sports and other premium video programming. Our sales, operating and financial teams have been working tirelessly to preserve the valuable relationships we have with our exhibitor partners, advertising clients and their agencies, our lenders and our stockholders. I want to thank all of our NCM team, including those that have been temporarily furloughed, as none of this would have been possible without their hard work and resilience during this unprecedented time. Due to everyone's effort and support, I am confident that NCM will not only make it through this crisis together, but come out on the other side stronger than ever."

2020 Outlook

Due to the current unprecedented market conditions related to the coronavirus (COVID-19) and the resulting uncertainty regarding the duration and ultimate impact of governmental regulations, including shelter-in-place orders and mandated business closures including our network theaters and clients, as well as the impact of changes in consumer behavior (such as social distancing) on attendance following the reopening of the theaters, the Company is withdrawing its previously published financial guidance related to revenue, Adjusted OIBDA and integration payments for the fiscal year ending December 31, 2020.

Supplemental Information

Integration and other encumbered theater payments due from AMC associated primarily with Carmike Theaters for the quarter ended March 26, 2020 and from Cinemark and AMC associated primarily with Rave Theaters and Carmike Theaters for the quarter ended March 28, 2019 were \$1.4 million and \$2.5 million respectively. Integration and other encumbered theater payments decreased \$1.1 million from the quarter ended March 28, 2019 to the quarter ended March 26, 2020 due to Rave Cinemas coming onto our network and no longer being encumbered and the decrease in Adjusted OIBDA quarter over quarter. These payments were recorded as a reduction of an intangible asset on the Balance Sheet and are not included in operating results or Adjusted OIBDA.

Conference Call

The Company will host a conference call and audio webcast with investors, analysts and other interested parties May 5, 2020 at 5:00 P.M. Eastern Time. The live call can be accessed by dialing 1-877-407-9716 or for international participants 1-201-493-6779. Participants should register at least 15 minutes prior to the commencement of the call. Additionally, a live audio webcast will be available to interested parties at www.ncm.com under the Investor Relations section. Participants should allow at least 15 minutes prior to the commencement of the call to register, download and install necessary audio software.

The replay of the conference call will be available until midnight Eastern Time, May 19, 2020, by dialing 1-844-512-2921 or for international participants 1-412-317-6671, and entering conference ID 13702125.

About National CineMedia, Inc.

National CineMedia (NCM) is America's Movie Network. As the largest cinema advertising network in the U.S., we unite brands with the power of movies and engage movie fans anytime and anywhere. NCM's *Noovie* pre-show is presented exclusively in 57 leading national and regional theater circuits including AMC Entertainment Inc. (NYSE:AMC), Cinemark Holdings, Inc. (NYSE:CNK) and Regal Entertainment Group (a subsidiary of Cineworld Group PLC, LON: CINE). NCM's cinema advertising network offers broad reach and unparalleled audience

engagement with over 21,100 screens in over 1,700 theaters in 190 Designated Market Areas® (all of the top 50). NCM Digital goes beyond the big screen, extending in-theater campaigns into online and mobile marketing programs to reach entertainment audiences. National CineMedia, Inc. (NASDAQ:NCMI) owns a 48.0% interest in, and is the managing member of, National CineMedia, LLC. For more information, visit www.ncm.com and www.noovie.com.

Forward-Looking Statements

This press release contains various forward-looking statements that reflect management's current expectations or beliefs regarding future events. 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 pre-show; 2) increased competition for advertising expenditures; 3) changes to relationships with NCM LLC's founding members; 4) the impact of pandemics, epidemics or disease outbreaks, such as the novel coronavirus (COVID-19); 5) inability to implement or achieve new revenue opportunities; 6) failure to realize the anticipated benefits of the 2019 ESA Amendments; 7) technological changes and innovations; 8) economic conditions, including the level of expenditures on cinema advertising; 9) our ability to renew or replace expiring advertising and content contracts; 10) our need for additional funding, risks and uncertainties relating to our significant indebtedness; 11) reinvestment in our network and product offerings may require significant funding and resulting reallocation of resources; 12) fluctuations in operating costs; and 13) changes in interest rates. 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 Quarterly Report on Form 10-K for the year ended December 26, 2019, 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.

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NATIONAL CINEMEDIA, INC.
Condensed Consolidated Statements of Income Unaudited
(\$ in millions, except per share data)

	Quarter Ended	
	March 26, 2020	March 28, 2019
Revenue	\$ 64.7	\$ 76.9
OPERATING EXPENSES:		
Advertising operating costs	6.2	7.3
Network costs	2.9	3.5
Theater access fees and revenue share to founding members	17.7	19.1
Selling and marketing costs	13.9	15.2
Administrative and other costs	9.8	10.7
Depreciation expense	3.2	3.3
Amortization of intangibles recorded for network theater screen leases	6.1	6.9
Total	59.8	66.0
OPERATING INCOME	4.9	10.9
NON-OPERATING EXPENSES:		
Interest on borrowings	13.6	14.4
Interest income	(0.2)	(0.5)
Gain on early retirement of debt, net	—	(0.3)
Loss on re-measurement of the payable to founding members under the tax receivable agreement	0.2	0.7
Other non-operating income	(0.1)	(0.2)
Total	13.5	14.1
LOSS BEFORE INCOME TAXES	(8.6)	(3.2)
Income tax benefit	(0.4)	(0.6)
CONSOLIDATED NET LOSS	(8.2)	(2.6)
Less: Net loss attributable to noncontrolling interests	(4.5)	(1.5)
NET LOSS ATTRIBUTABLE TO NCM, INC.	\$ (3.7)	\$ (1.1)
NET LOSS PER NCM, INC. COMMON SHARE		
Basic	\$ (0.05)	\$ (0.01)
Diluted	\$ (0.05)	\$ (0.01)
WEIGHTED AVERAGE SHARES OUTSTANDING:		
Basic	77,763,967	77,179,777
Diluted	77,763,967	77,179,777
Dividends declared per common share	\$ 0.19	\$ 0.17

NATIONAL CINEMEDIA, INC.
Selected Condensed Balance Sheet Data
Unaudited (\$ in millions)

	As of	
	March 26, 2020	December 26, 2019
Cash, cash equivalents and marketable securities	\$ 215.3	\$ 80.9
Receivables, net	113.7	170.8
Property and equipment, net	32.8	33.2
Total assets	1,204.6	1,130.0
Borrowings, gross	1,063.0	935.6
Total equity/(deficit)	(136.3)	(121.2)
Total liabilities and equity	1,204.6	1,130.0

NATIONAL CINEMEDIA, INC.
Operating Data
Unaudited

	Quarter Ended	
	March 26, 2020	March 28, 2019
Total Screens (100% Digital) at Period End (1)(6)	21,102	20,944
Founding Member Screens at Period End (2)(6)	16,973	16,715
DCN (Digital Content Network) Screens at Period End (3)(6)	20,863	20,536

<i>(in millions)</i>	Quarter Ended	
	March 26, 2020	March 28, 2019
Total Attendance for Period (4)(6)	120.4	148.7
Founding Member Attendance for Period (5)(6)	99.8	123.8
Capital Expenditures (7)	\$ 3.3	\$ 2.8

(1) Represents the total screens within NCM LLC's advertising network.

(2) Represents the total founding member screens.

(3) Represents the total number of screens that are connected to the Digital Content Network.

(4) Represents the total attendance within NCM LLC's advertising network.

(5) Represents the total attendance within NCM LLC's advertising network in theaters operated by the founding members.

(6) Excludes screens and attendance associated with certain AMC Carmike, AMC Rave and Cinemark Rave theaters for certain periods presented.

(7) Includes certain other implementation costs associated with Cloud Computing Arrangements.

NATIONAL CINEMEDIA, INC.
Operating Data
Unaudited
(In millions, except advertising revenue per attendee, margin and per share data)

	Quarter Ended	
	March 26, 2020	March 28, 2019
Revenue breakout:		
National and regional advertising revenue	\$ 49.8	\$ 57.4
Local advertising revenue	9.4	12.8
Total advertising revenue (excluding beverage)	\$ 59.2	\$ 70.2
Total revenue	\$ 64.7	\$ 76.9
Per attendee data:		
National and regional advertising revenue per attendee	\$ 0.414	\$ 0.386
Local advertising revenue per attendee	\$ 0.078	\$ 0.086
Total advertising revenue (excluding beverage) per attendee	\$ 0.492	\$ 0.472
Total revenue per attendee	\$ 0.537	\$ 0.517
Total attendance (1)	120.4	148.7
Other operating data:		
Operating income	\$ 4.9	\$ 10.9
Adjusted OIBDA (2)	\$ 14.4	\$ 22.1
Adjusted OIBDA margin (2)	22.3 %	28.8 %
Loss per share - basic	\$ (0.05)	\$ (0.01)
Loss per share - diluted	\$ (0.05)	\$ (0.01)

(1) Represents the total attendance within NCM LLC's advertising network. Excludes screens and attendance associated with certain AMC Carmike, AMC Rave and Cinemark Rave theaters for certain periods presented.

(2) Adjusted OIBDA and Adjusted OIBDA margin are not financial measures calculated in accordance with GAAP in the United States. See attached tables for the non-GAAP reconciliations.

NATIONAL CINEMEDIA, INC.
Non-GAAP Reconciliations
Unaudited

Adjusted OIBDA and Adjusted OIBDA Margin

Adjusted Operating Income Before Depreciation and Amortization (“Adjusted OIBDA”) and Adjusted OIBDA margin are not financial measures calculated in accordance with GAAP in the United States. Adjusted OIBDA represents operating income before depreciation expense adjusted to also exclude amortization of intangibles recorded for network theater screen leases, non-cash share-based compensation costs and Chief Executive Officer transition costs. Adjusted OIBDA margin is calculated by dividing Adjusted OIBDA by total revenue. Our management uses these non-GAAP financial measures to evaluate operating performance, to forecast future results and as a basis for compensation. The Company believes these are important supplemental measures of operating performance because they eliminate items that have less bearing on the Company’s operating performance and so highlight trends in its core business that may not otherwise be apparent when relying solely on GAAP financial measures. The Company believes the presentation of these measures is relevant and useful for investors because it enables them to view performance in a manner similar to the method used by the Company’s management, helps improve their ability to understand the Company’s operating performance and makes it easier to compare the Company’s results with other companies that may have different depreciation policies, amortization of intangibles recorded for network theater screen leases, non-cash share based compensation programs, CEO turnover, interest rates, debt levels or income tax rates. A limitation of these measures, however, is that they exclude depreciation and amortization of intangibles recorded for network theater screen leases, which represent a proxy for the periodic costs of certain capitalized tangible and intangible assets used in generating revenues in the Company’s business. In addition, Adjusted OIBDA has the limitation of not reflecting the effect of the Company’s share based payment costs or costs associated with the resignation of the Company’s former Chief Executive Officer. Adjusted OIBDA should not be regarded as an alternative to operating income, net income or as an indicator of operating performance, nor should it be considered in isolation of, or as a substitute for, financial measures prepared in accordance with GAAP. The Company believes that operating income is the most directly comparable GAAP financial measure to Adjusted OIBDA. Because not all companies use identical calculations, these non-GAAP presentations may not be comparable to other similarly titled measures of other companies, or calculations in the Company’s debt agreement.

The following tables reconcile operating income to Adjusted OIBDA for the periods presented (dollars in millions):

	Quarter Ended	
	March 26, 2020	March 28, 2019
Operating income	\$ 4.9	\$ 10.9
Depreciation expense	3.2	3.3
Amortization of intangibles recorded for network theater screen leases	6.1	6.9
Share-based compensation costs (1)	0.2	0.8
CEO transition costs	—	0.2
Adjusted OIBDA	\$ 14.4	\$ 22.1
Total revenue	\$ 64.7	\$ 76.9
Adjusted OIBDA margin	22.3 %	28.8 %
Adjusted OIBDA	\$ 14.4	\$ 22.1
Carmike and Rave Theaters integration and encumbered theater payments	1.4	2.5
Adjusted OIBDA after integration and encumbered theater payments	\$ 15.8	\$ 24.6

(1) Share-based compensation costs are included in network operations, selling and marketing and administrative expense in the accompanying financial tables as shown in the following table (dollars in millions).

	Quarter Ended	
	March 26, 2020	March 28, 2019
Share-based compensation costs included in network costs	\$ 0.1	\$ 0.1
Share-based compensation costs included in selling and marketing costs	0.1	0.3
Share-based compensation costs included in administrative and other costs	—	0.4
Total share-based compensation costs	<u>\$ 0.2</u>	<u>\$ 0.8</u>