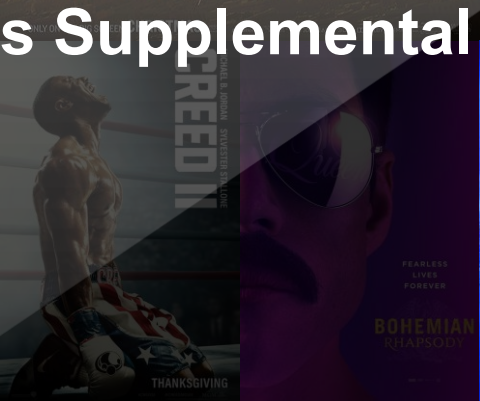


# Q4'18 and Full Year Earnings Supplemental Presentation



# Forward-Looking Statements

This presentation 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 National CineMedia, Inc (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) the 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) inability to implement or achieve new revenue opportunities 5) technological changes and innovations; 6) economic conditions, including the level of expenditures on NCM; 7) our ability to renew or replace expiring advertising and content contracts; 8) our need for additional funding, risks and uncertainties relating to our significant indebtedness; 9) reinvestment in our network product offerings may require significant funding and resulting in reallocation of resource; 10) fluctuations in operating costs; 11) changes in interest rates. In addition, this presentation does not include: 1) the impact of any future unusual or infrequent transactions; 2) any impact of sales and acquisitions of operating assets and investments; 3) any future noncash impairments of intangible and fixed assets; or 4) 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 for further information about these and other risks.

In addition, the pro forma information provided in this presentation is included for informational purposes only and does not purport to reflect the results of operations or financial position of the Company or National CineMedia, LLC ("NCM LLC") that would have occurred had the particular transactions become effective on the dates specified. References in this presentation to "PF" or "Pro Forma" mean that the information is presented as if the IPO, the reorganization and the transactions and material changes to contractual arrangements which occurred in connection with the IPO had become effective on the dates specified.

This presentation contains references to Non-GAAP financial measures including Adjusted OIBDA (Operating Income Before Depreciation and Amortization and excluding share based payment costs, merger-related costs, CEO transition costs, early lease termination expense and Fathom operating income). A reconciliation of these measures is available in this presentation and on the investor page of the Company's website at [www.ncm.com](http://www.ncm.com).

# Q4 2018 Highlights versus Q4 2017

## **Financial:**

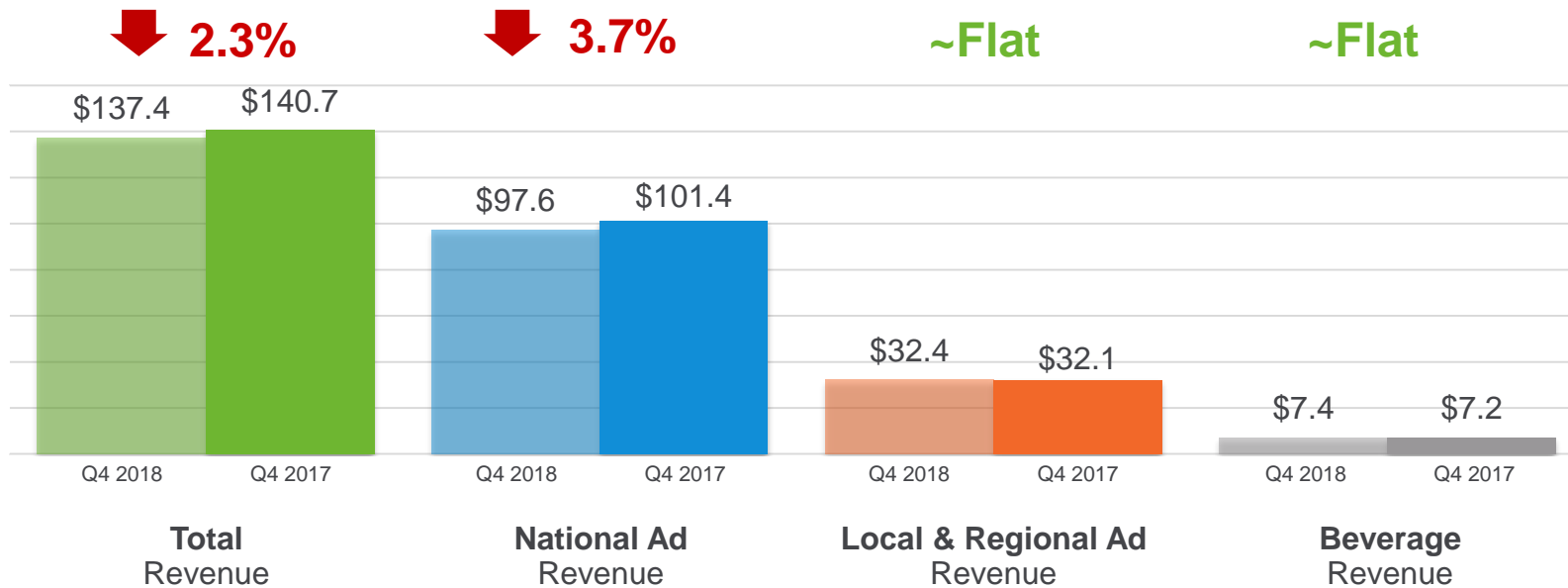
- Total revenue decreased 2.3% to \$137.4 million.
- Adjusted OIBDA decreased 7.7% to \$76.2 million.
- National Sales revenue decreased 3.7% to \$97.6 million.
- Local & Regional revenue increased slightly to \$32.4 million.
- Beverage revenue increased slightly to \$7.4 million.
- Retired \$7.3 million of 5.75% Unsecured Notes due 2026 at a discount (interest savings to maturity of \$3.3 million).
- Record \$8.0 million make-good indicative of strong advertising demand that impressions were not able to be placed due to ratings mix between G/PG and PG13/R movie slate.

## **Other:**

- Noovie ARcade app over 1.8 million downloads

# Revenue (Q4)

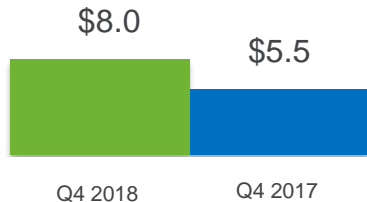
(\$ in millions)



# Network Stats (Q4'18 vs. Q4'17)

↓ 5.2%

**CPMs**  
(NATIONAL)



**MAKE-GOOD**  
*In Millions*

↓ 0.6%

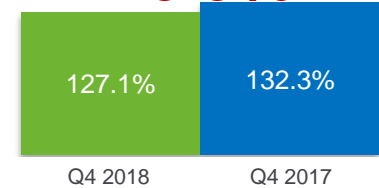


**IMPRESSIONS SOLD**  
(NATIONAL)  
*In Millions*

↑ 3.5%

**NETWORK ATTENDANCE**  
(FOUNDING MEMBERS + AFFILIATES)

↓ 3.9%



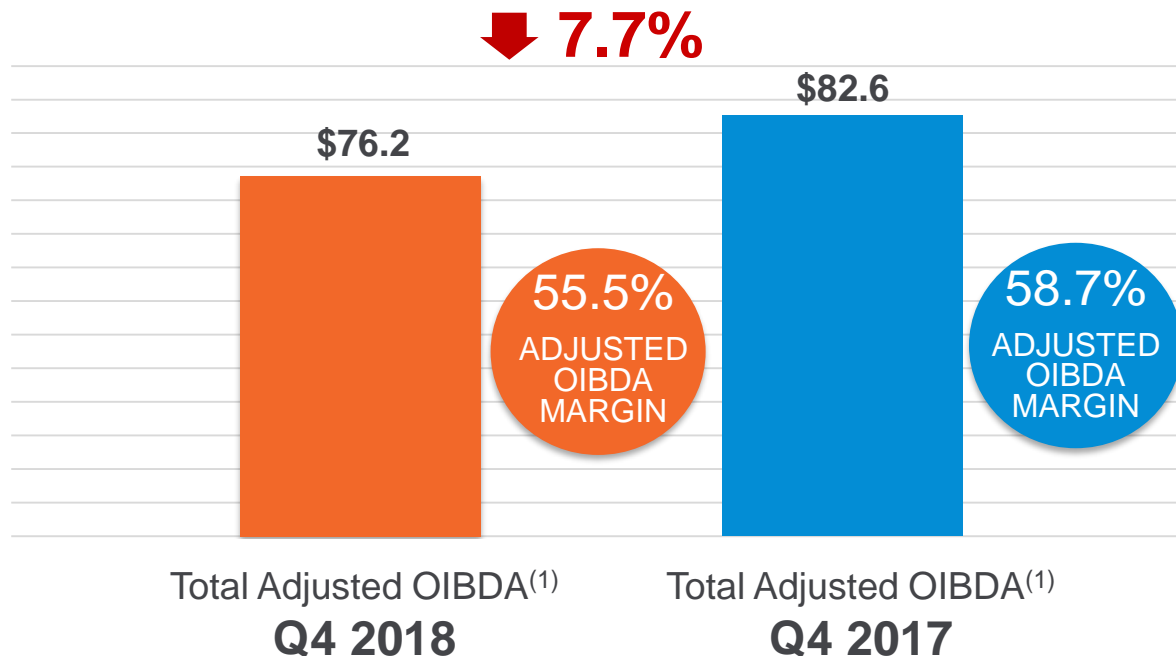
**UTILIZATION**  
(NATIONAL)

↑ 1.5%

**TOTAL SCREENS**  
(FOUNDING MEMBERS + AFFILIATES)

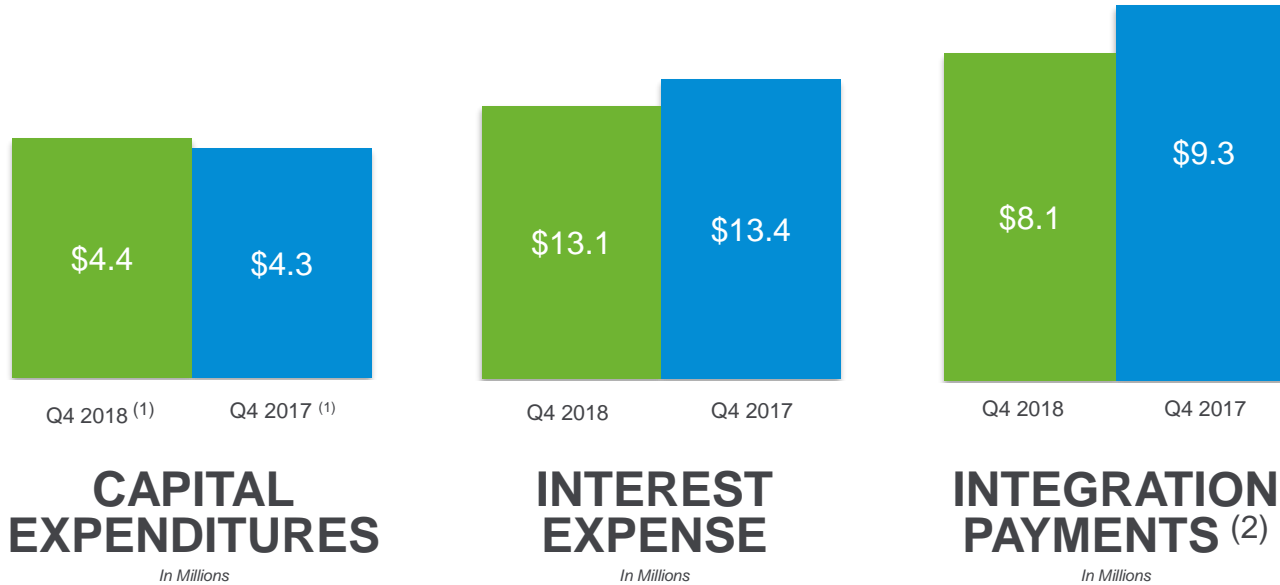
# Financials (Q4'18 vs. Q4'17)

(\$ in millions)



(1) Adjusted OIBDA represents a non-GAAP measure (operating income before depreciation and amortization and excluding non-cash share based costs, CEO transition costs and early lease termination expense). See reconciliation to the comparable GAAP measure on slide 17 of this presentation.

# Other Financial Metrics (Q4)



(1) Includes capital expenditures of \$1.6 million in 2018 related to our digital ecosystem versus \$0.9 million in 2017 .

(2) Integration and other encumbered theatre payments due. These payments were recorded as a reduction of an intangible asset.

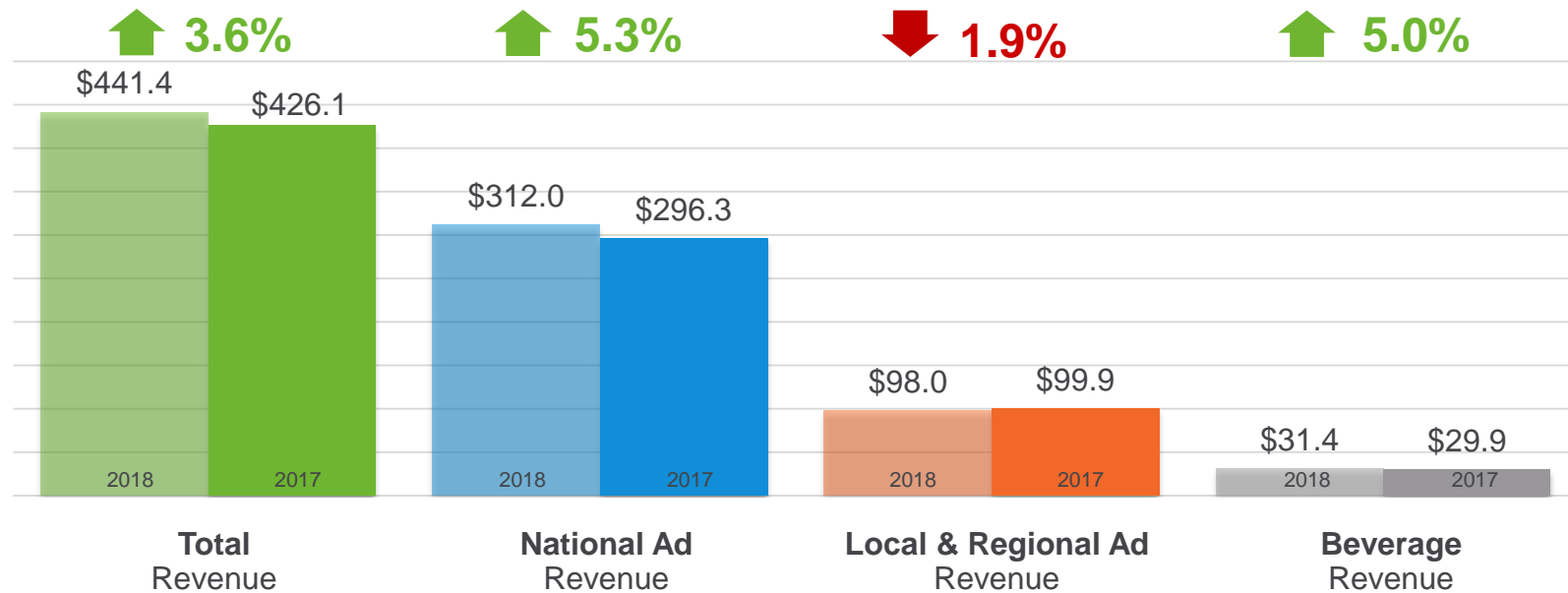
# Full Year Highlights — 2018

- Total revenue increased 3.6% to \$441.4 million.
- Adjusted OIBDA increased slightly to \$205.4 million.
- National Sales revenue increased 5.3% to \$312.0 million.
- Local & Regional revenue decreased 1.9% to \$98.0 million.
- Beverage revenue increased 5.0% to \$31.4 million.
- 43% of our National on-screen revenue now comes from campaigns with Digital extensions, up from 40% in 2017.
- Retired \$15.0 million of 5.75% Unsecured Notes due 2026 at a discount (interest savings to maturity of \$6.7 million or \$870,000 annually).
- Strong growth in scatter as revenue increased 27% in this category.
- Added customers in new ad categories including Telecom, Digital & Online Media, Military and Pharmaceutical.



# Revenue (Full Year 2018)

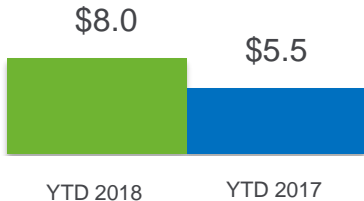
(\$ in millions)



# Network Stats (Full Year 2018)

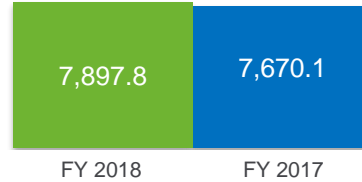
↑ 2.2%

**CPMs**  
(NATIONAL)



**MAKE-GOOD**  
*In Millions*

↑ 3.0%

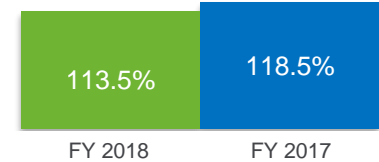


**IMPRESSIONS SOLD**  
(NATIONAL)  
*In Millions*

↑ 7.5%

**NETWORK ATTENDANCE**  
(FOUNDING MEMBERS + AFFILIATES)

↓ 4.2%



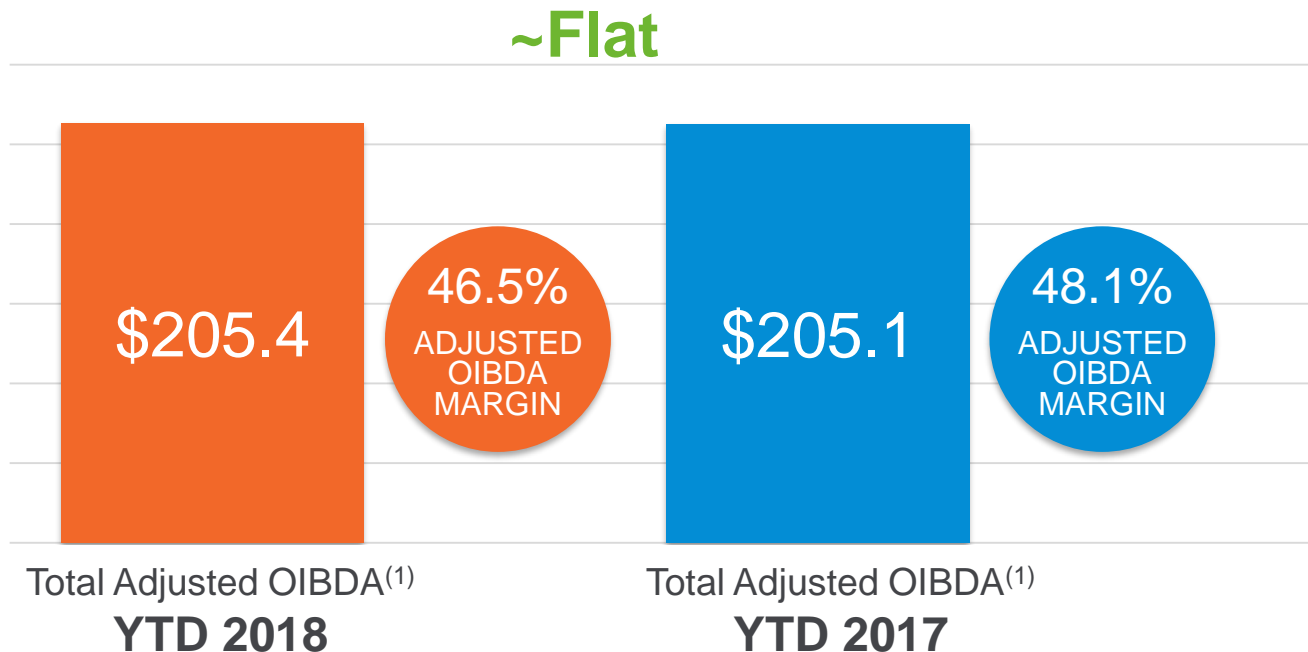
**UTILIZATION**  
(NATIONAL)

↑ 1.5%

**TOTAL SCREENS**  
(FOUNDING MEMBERS + AFFILIATES)

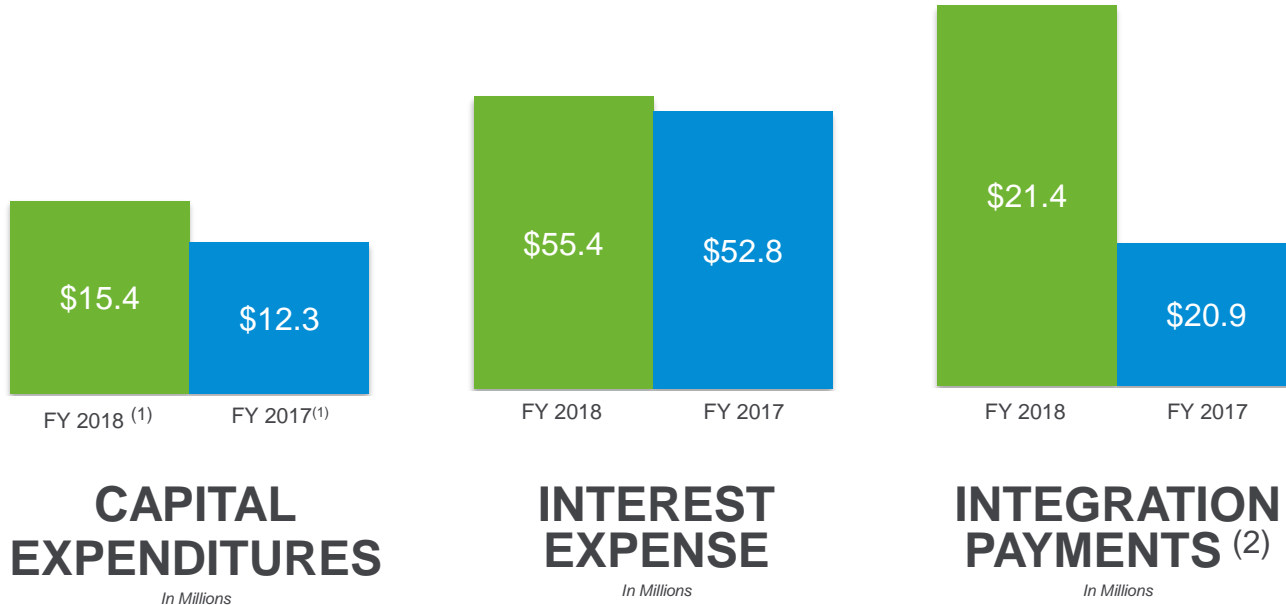
# Financials (Full Year 2018)

(\$ in millions)



(1) Adjusted OIBDA represents a non-GAAP measure (operating income before depreciation and amortization and excluding non-cash share based costs, CEO transition costs and early lease termination expense). See reconciliation to the comparable GAAP measure on slide 17 of this presentation






# Other Financial Metrics (Full Year 2018)



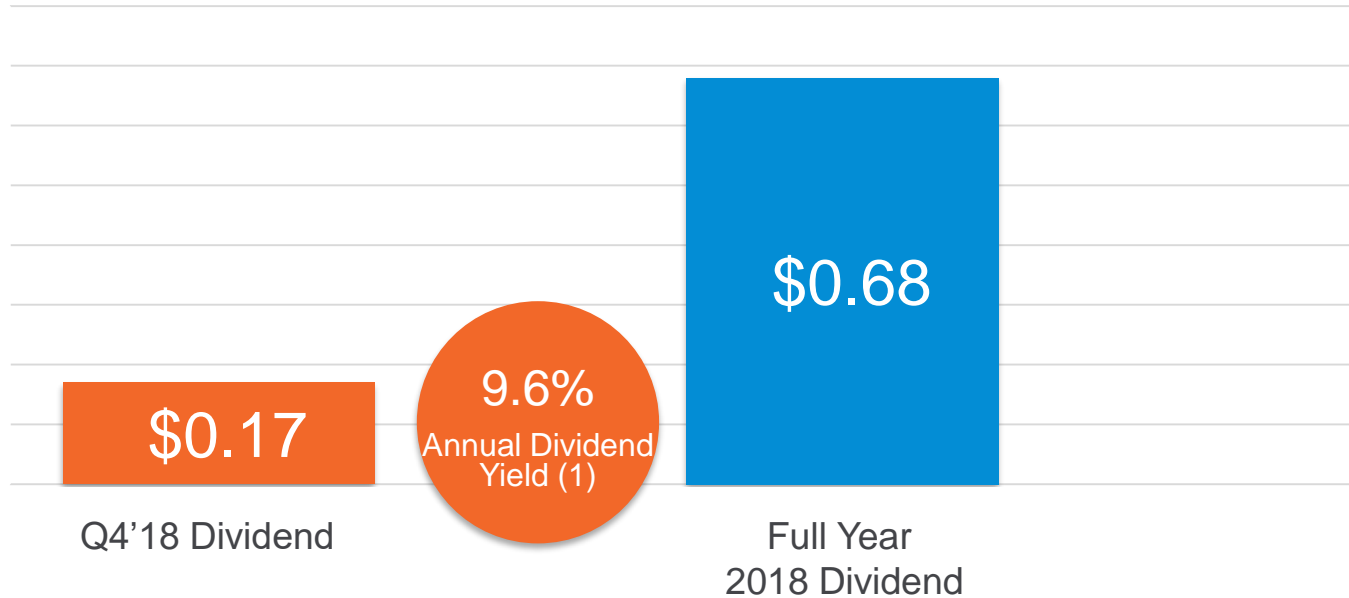
(1) Includes capital expenditures of \$6.9 million in 2018 related to our digital ecosystem versus \$1.0 million in 2017.

(2) Integration and other encumbered theatre payments due. These payments were recorded as a reduction of an intangible asset.

# Diversified Debt Structure

FY 2018	 \$931.4M	 \$27.0M	 \$75.6M	 5.7%	 4.2X
FY 2017	\$932.0M	\$12.0M	\$59.5M	5.4%	4.4X
	<b>Total Debt Outstanding</b>	<b>Outstanding Revolver Balance</b>	<b>Consolidated Cash and Investment Balances</b>	<b>Average Interest Rate on All Debt</b>	<b>Gross Leverage Ratio</b> (Total Debt / Adjusted OIBDA + Integration Payments)

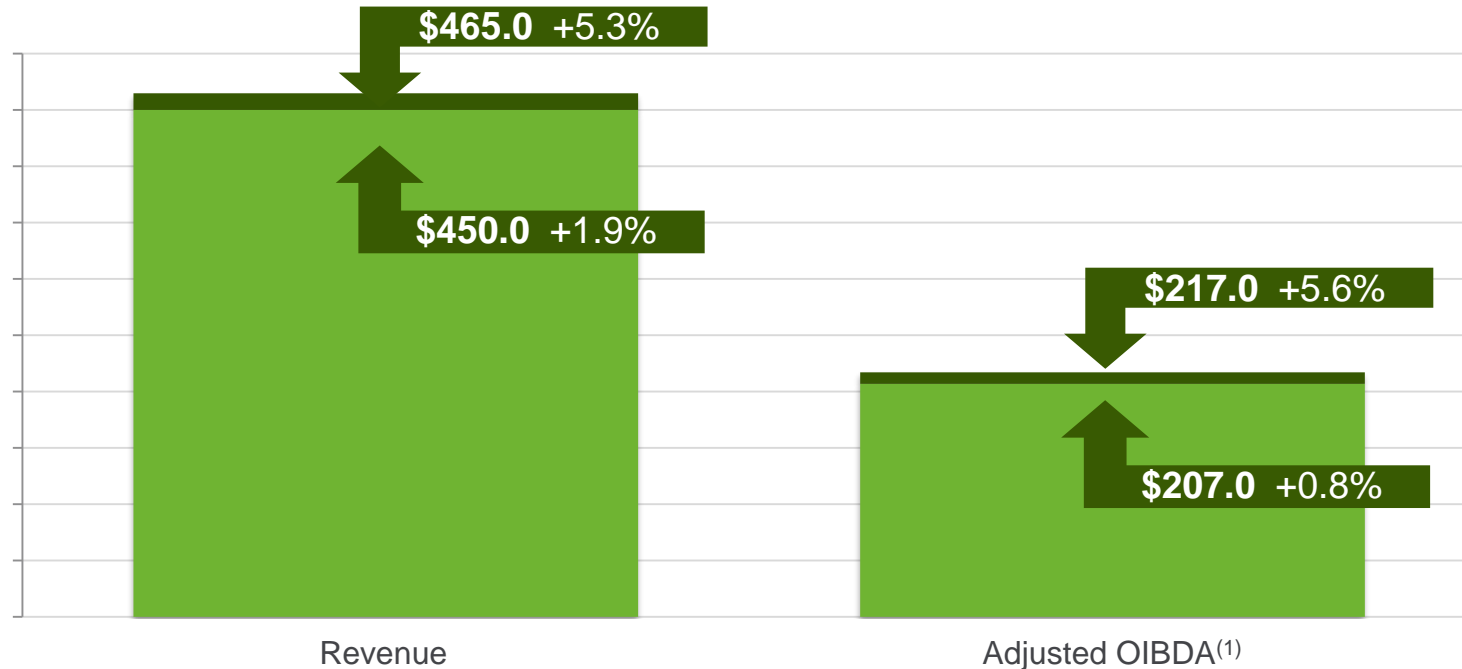
# Cash Dividends Paid Q4'18 and Annualized FY 2018



(1) Dividend yield based on NCMI closing stock price on February 20, 2019 of \$7.09.

# 2019 Annual Guidance

(\$ in millions)



(1) Adjusted OIBDA represents a non-GAAP measure (operating income before depreciation and amortization and excluding non-cash share based costs, CEO transition costs and early lease termination expense. See reconciliation to the comparable GAAP measure on slide 17 of this presentation.

# 2019 Annual Guidance – Operating Income to OIBDA and Adjusted OIBDA

Annual Guidance (\$ in millions)

Year Ending  
December 26, 2019

NCM, Inc.

	Low	High
Operating income	\$ 163.5	\$ 168.0
Depreciation and amortization	38.0	42.0
OIBDA	199.5	213.0
Share-based compensation costs (1)	5.0	6.0
CEO transition costs (2)	0.5	1.0
Adjusted OIBDA	\$ 207.0	\$ 217.0
Total revenue	\$ 450.0	\$ 465.0

- (1) Share-based compensation costs are included in network operations, selling and marketing and administrative expense.
- (2) Chief Executive Offer transition costs represent severance, consulting and related other costs and are included in administration expense.



# Operating Income to OIBDA, Adjusted OIBDA and Adjusted OIBDA Margin

\$ in millions

	Quarter Ended		Year Ended	
	December 27, 2018	December 28, 2017	December 27, 2018	December 28, 2017
Operating income	\$ 60.8	\$ 70.2	\$ 154.3	\$ 153.9
Depreciation and amortization	10.4	9.4	39.9	37.6
OIBDA	\$ 71.2	\$ 79.6	\$ 194.2	\$ 191.5
Share-based compensation costs (1)	1.6	2.9	7.8	11.2
CEO transition costs (2)	3.4	0.1	3.4	0.6
Early lease termination expense (3)	—	—	—	1.8
Adjusted OIBDA	\$ 76.2	\$ 82.6	\$ 205.4	\$ 205.1
Total revenue	\$ 137.4	\$ 140.7	\$ 441.4	\$ 426.1
Adjusted OIBDA margin	55.5 %	58.7 %	46.5 %	48.1 %
Adjusted OIBDA	\$ 76.2	\$ 82.6	\$ 205.4	\$ 205.1

- (1) Share-based compensation costs are included in network operations, selling and marketing and administrative expense.
- (2) Chief Executive Offer transition costs represent severance, consulting and related other costs and are included in administration expense.
- (3) Early lease termination expense represents an expense recorded upon the early termination of the lease of our previous corporate headquarters because the early termination payment made by the Company was reimbursed by the landlord of the new building. This expense is included in administrative expense.

# Thank You!

National CineMedia, Inc.

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[investors@ncm.com](mailto:investors@ncm.com)