



# Q4'17 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) technological changes and innovations; 4) economic conditions, including the level of expenditures on NCM; 5) our ability to renew or replace expiring advertising and content contracts; 6) our need for additional funding, risks and uncertainties relating to our significant indebtedness; 7) reinvestment in our network product offerings may require significant funding and resulting reallocation of resource; 8) fluctuations in operating costs; 9) changes in interest rates; and 10) changes in accounting principles. 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.

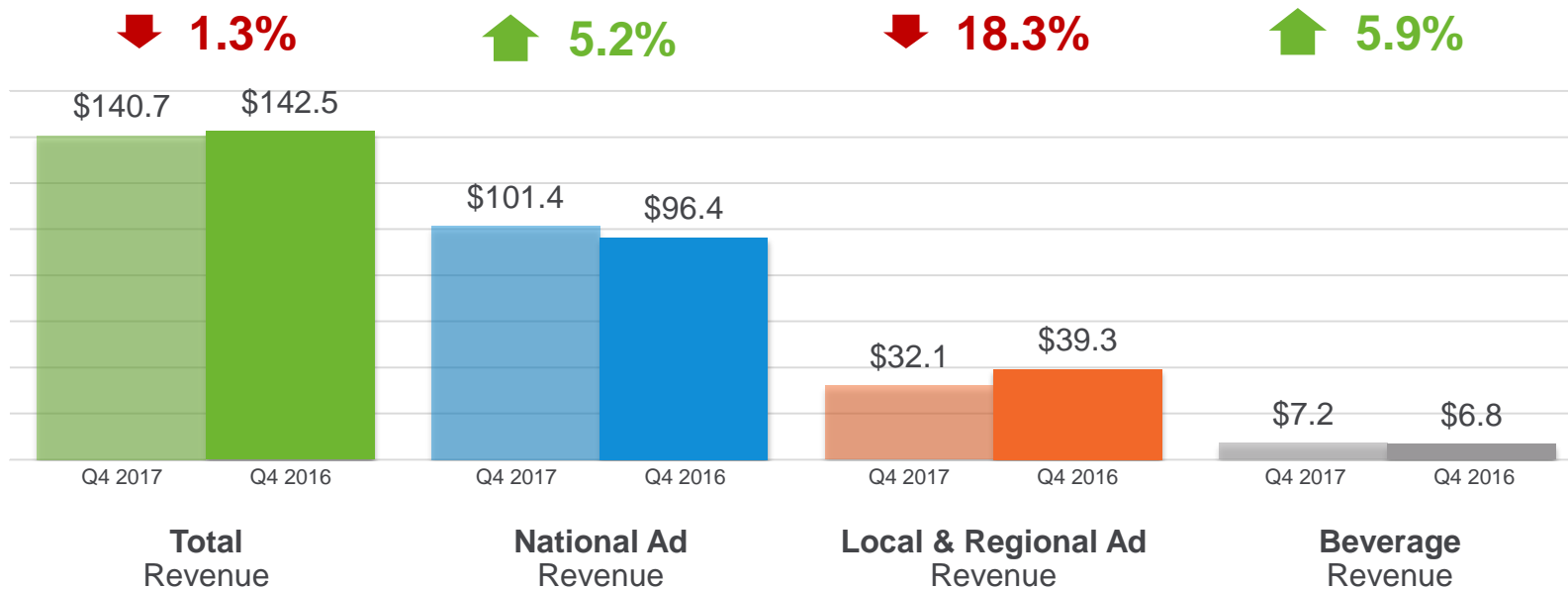
This presentation contains references to Non-GAAP financial measures including Adjusted OIBDA (Operating Income Before Depreciation and Amortization and excluding share based payment costs, merger-related costs, CEO transition costs, early lease termination expense and Fathom operating income). A reconciliation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

# Q4 2017 Highlights

- Total revenue decreased 1.3% to \$140.7 million. It was the company's second-highest Q4 ever
- Adjusted OIBDA decreased 4.4% to \$82.6 million
- National Sales revenue increased 5.1% to \$101.4 million
- Local & Regional revenue decreased 18.3% to \$32.1 million
- Digital and other revenue increased 37.9%
- NCM local market audience data from Nielsen's monthly Cinema Audience Reports now available in Mediaocean
- Began *Noovie ARcade* testing

# Revenue (Q4)

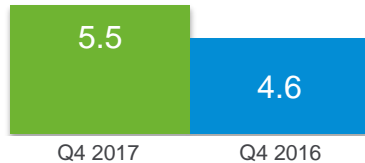
(\$ in millions)



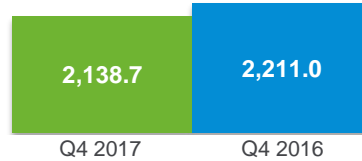
# Network Stats (Q4)

↑ 4.5%

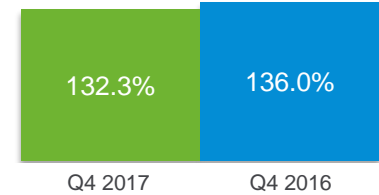
**CPMs**  
(NATIONAL)



**MAKE-GOOD**  
*In Millions*



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



**UTILIZATION**  
(NATIONAL)

↓ 0.6%

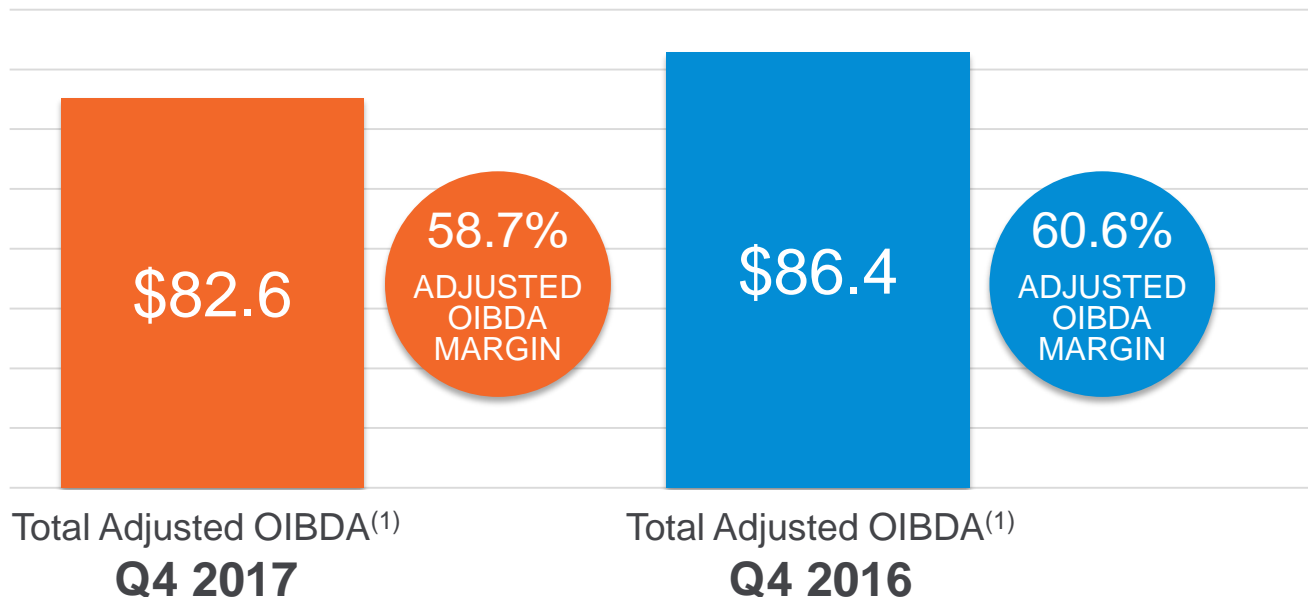
**NETWORK ATTENDANCE**  
(FOUNDING MEMBERS + AFFILIATES)

↑ 1.5%

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

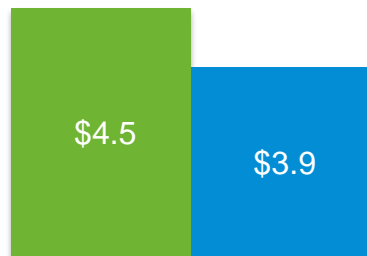
# Financials (Q4)

(\$ in millions)



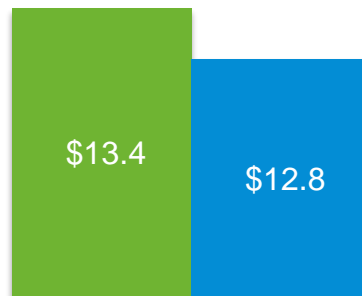
(1) Adjusted OIBDA represents a non-GAAP measure (operating income before depreciation and amortization and excluding share based payment costs, merger-related costs, CEO transition costs, early lease termination and Fathom operating income). See reconciliation to the comparable GAAP measure on slide 15 of this presentation.

## Other Financial Metrics (Q4)



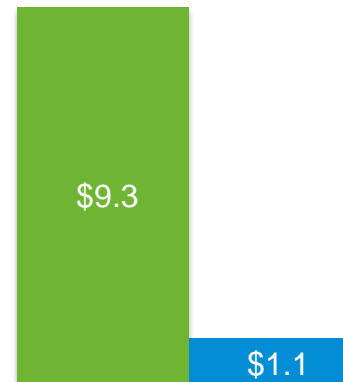
### CAPITAL EXPENDITURES

*In Millions*



### INTEREST EXPENSE

*In Millions*



### INTEGRATION PAYMENTS

*In Millions*

# Full Year Highlights — 2017

- Total revenue decreased 4.8% to \$426.1 million, despite a near-record second half of the year
- Adjusted OIBDA decreased 11.1% to \$205.1 million
- National Sales revenue decreased 5.0% to \$296.3 million
- Local & Regional revenue decreased 6.6% to \$99.9 million
- Digital revenue increased 30% year-over-year
- Grew national theater footprint 1.5% to 20,850 screens
- Launched new *Noovie* pre-show featuring exclusive looks at upcoming films from The Walt Disney Studios

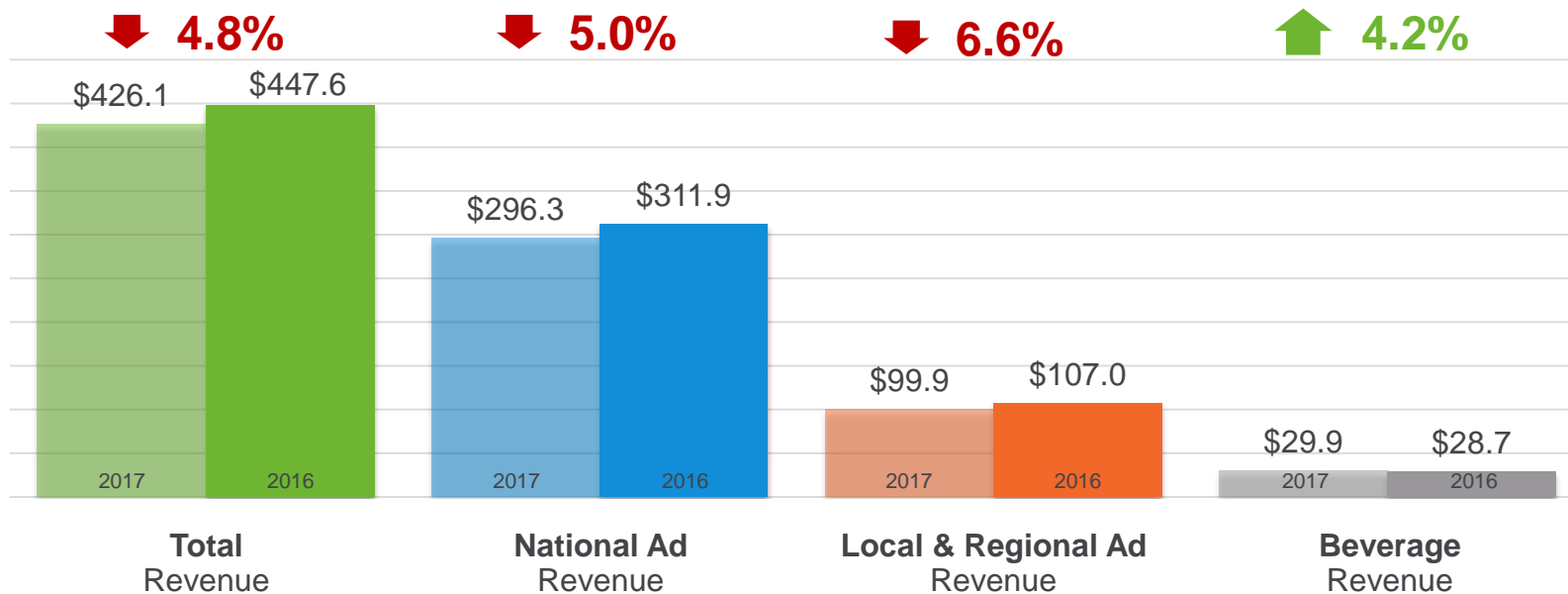


## Full Year Highlights — 2017 (continued)

- Launched in Mediaocean, the leading software provider for the advertising world, to expand into the Spot TV market.
- Introduced the *Ask The Audience* column in Film Journal International, highlighting NCM's proprietary research panel of over 5,000 hard-core movie fans.
- Strengthened leadership team with the addition of Chief Revenue Officer Scott Felenstein and Chief Digital Officer Lawrence Snapp.

# Revenue (Full Year 2017)

(\$ in millions)



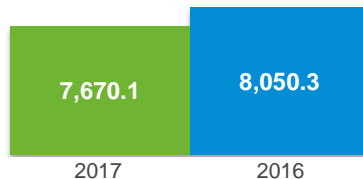
# Network Stats (Full Year 2017)

↓ 4.2%

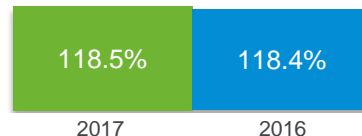
**CPMs**  
(NATIONAL)



**MAKE-GOOD**  
*In Millions*



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



**UTILIZATION**  
(NATIONAL)

↓ 4.8%

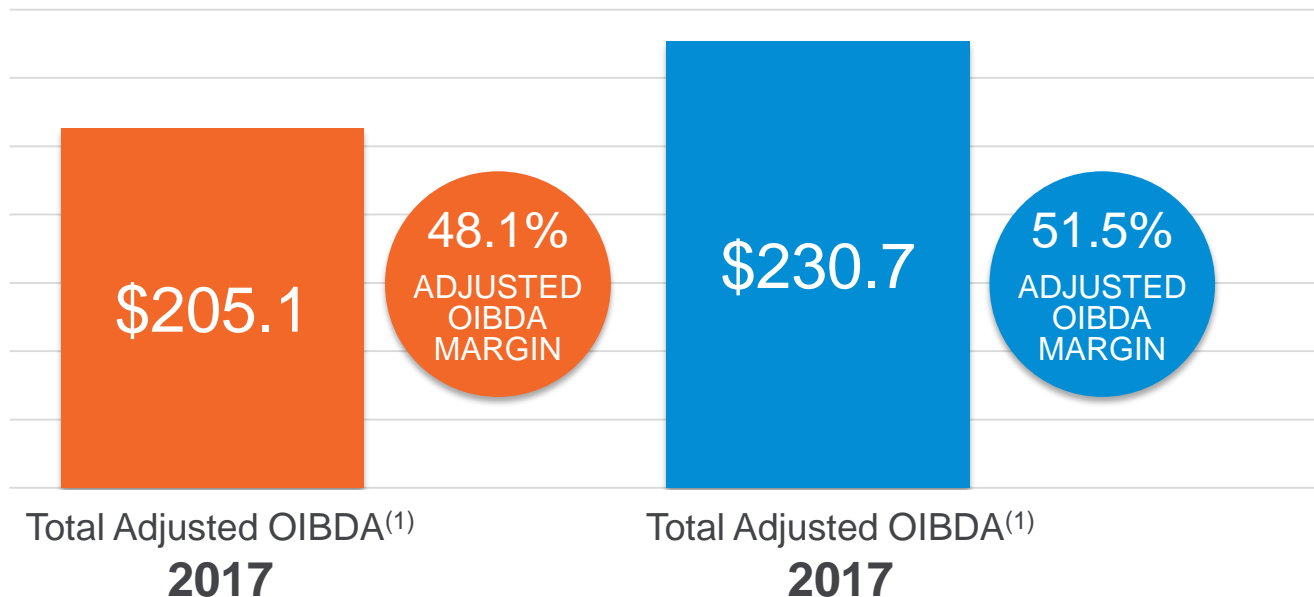
**NETWORK ATTENDANCE**  
(FOUNDING MEMBERS + AFFILIATES)

↑ 1.5%

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

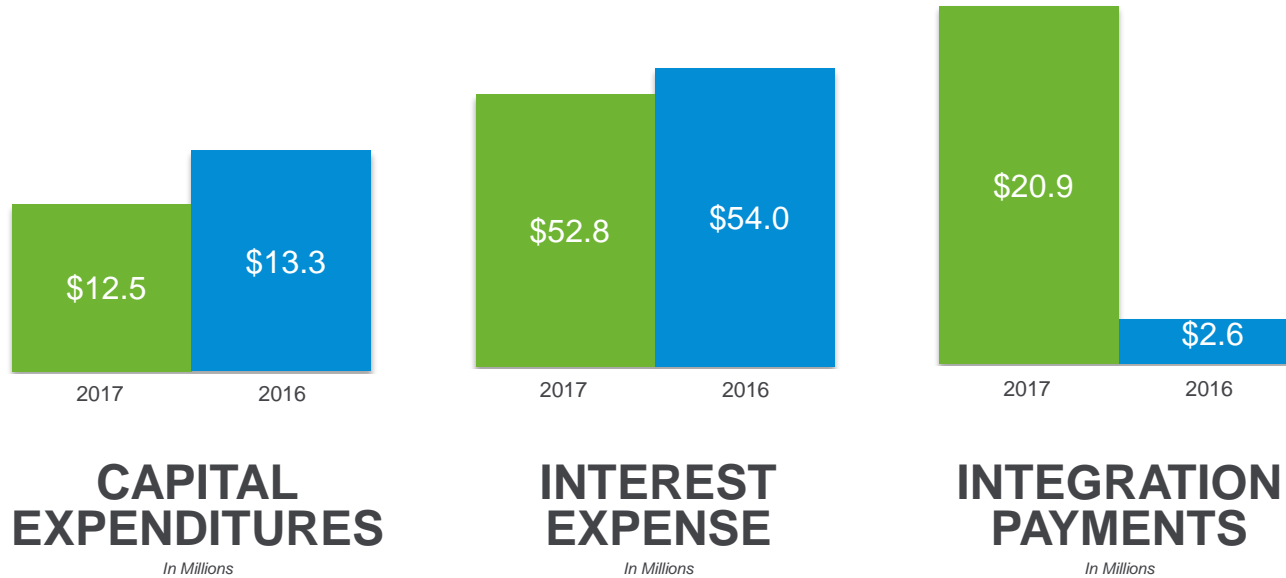
# Financials (Full Year 2017)

(\$ in millions)








(1) Adjusted OIBDA represents a non-GAAP measure (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). See reconciliation to the comparable GAAP measure on slide 15 of this presentation.

## Other Financial Metrics (Full Year 2017)



# Diversified Debt Structure

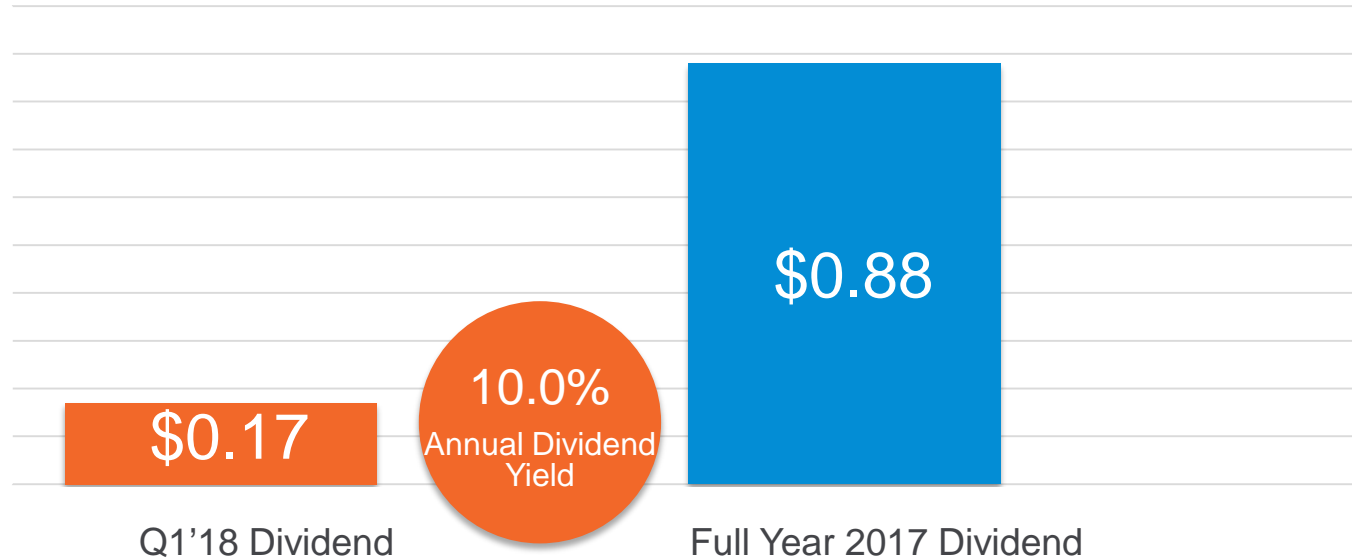
FY 2017		\$932.0M		\$12.0M		\$59.4M		5.4%		4.4X
FY 2016		\$935.0M		\$15.0M		\$68.7M		5.2%		4.1X
		Total Debt Outstanding		Outstanding Revolver Balance		Consolidated Cash and Investment Balances		Average Interest Rate on All Debt		Gross Leverage Ratio (Total Debt / Adjusted OIBDA + Integration Payments)

# Operating Income to OIBDA, Adjusted OIBDA and Adjusted OIBDA Margin (Excluding Fathom Events)

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
Operating income	\$ 202.0	\$ 151.7	\$ 148.0	\$ 173.0	\$ 153.9
Depreciation and amortization	26.6	32.4	32.2	35.8	37.6
OIBDA	228.6	184.1	180.2	208.8	191.5
Fathom operating income	(6.5)	-	-	-	-
Share-based compensation costs (1)	5.9	7.7	14.8	18.3	11.2
Merger-related administrative costs (2)	-	7.5	34.3	-	—
CEO transition costs (3)	-	-	0.6	3.6	0.6
Early lease termination expense (4)	-	-	-	-	1.8
Adjusted OIBDA excluding Fathom Events	\$ 228.0	\$ 199.3	\$ 229.9	\$ 230.7	\$ 205.1
Total advertising revenue	\$ 426.3	\$ 394.0	\$ 446.5	\$ 447.6	\$ 426.1
Adjusted OIBDA margin excluding Fathom Events	53.5%	50.6%	51.5%	51.5%	48.1%

- (1) Share-based compensation costs are included in network operations, selling and marketing and administrative expense in the financial statements.
- (2) Merger-related costs primarily include the merger termination payment and legal, accounting, advisory and other professional fees associated with the terminated merger with Screenvision.
- (3) Chief Executive Officer transition costs represent severance, consulting and other costs.
- (4) Early lease termination expense represents a non-cash expense recorded upon the early termination of the lease to our corporate headquarters. The early termination payment was reimbursed by the landlord of the new building

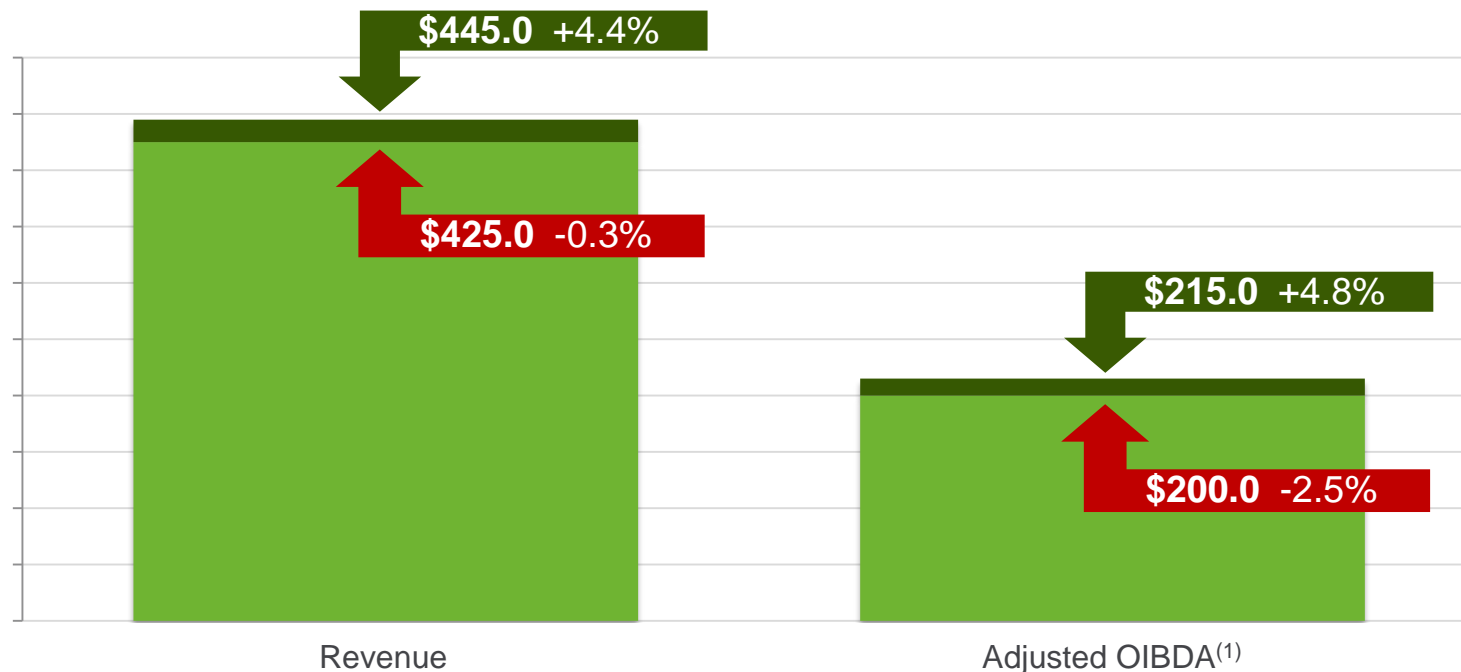
# Cash Dividends Paid Q1'18 and FY 2017





# 2018 Wall Street Guidance

(\$ in millions)



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# Thank You!

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