

NCMSM
AMERICA'S MOVIE NETWORK

Q2 '20 Earnings Supplemental Presentation Liquidity and COVID-19 Update

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 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 anticipated benefits of the 2019 amendments to the Company's exhibitor service agreement with Regal and Cinemark; 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 Annual Report on Form 10-K for the year ended December 26, 2019, and the Company's Quarterly Reports on Form 10-Q for the quarters ended March 26, 2020 and June 25, 2020 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, Amortization of intangibles recorded for network theater screen leases, excluding share based payment costs, impairment of long-lived assets, and CEO transition costs). A reconciliation of these measures is available in this presentation and on the investor page of the Company's website at www.ncm.com.

National CineMedia Business Update – Covid-19 Impact

- Due to the COVID-19 pandemic, all theaters in the NCM network were temporarily closed as of the beginning of the second quarter of 2020. The vast majority of these closures continued throughout the entirety of the Company's second quarter of 2020.
- Due to the theater closures and the COVID-19 Pandemic, the Company was unable to advertise in the theaters, and thus did not generate any in-theater revenue, during the three months ended June 25, 2020.
- NCM LLC's theater access fees and revenue share payments are driven by attendance, active screens and revenue, and were not incurred while theaters were closed.
- NCM entered the global COVID-19 crisis in a strong financial position and maintained that strong position during the second quarter.
 - NCM LLC began the second quarter of 2020 with a cash balance of \$132.2 million and ended the second quarter with a cash balance of \$168.1 million.
 - The accounts receivable balance at the beginning of the second quarter was \$113.7 million and was \$26.7 million at the end of the second quarter.
 - NCM believes it has sufficient liquidity to sustain its operations for 18 months (even with theaters in its network fully closed) based on the run rate exiting second quarter.
- The Company has continued to work to preserve cash and ensure sufficient liquidity to endure the impacts of the COVID-19 pandemic, even if prolonged. Among other measures, in April the Company began to temporarily furlough or reduce the pay of all employees, suspend non-essential operating expenditures, terminate or defer certain non-essential capital expenditures, and work with our landlords, vendors, and other business partners to manage, defer, and/or abate certain costs during the disruptions caused by the COVID-19 pandemic.
- On April 30, 2020, NCM obtained approval on an 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 ended June 25, 2020 until and including the quarter ended July 1, 2021. The Credit Agreement Amendment requires that, until the fiscal quarter ending July 1, 2021, NCM LLC must not permit the sum of restricted cash on hand at NCM LLC and availability under its Revolving Credit Facility to be less than \$55.0 million.

Q2 2020 Highlights versus Q2 2019

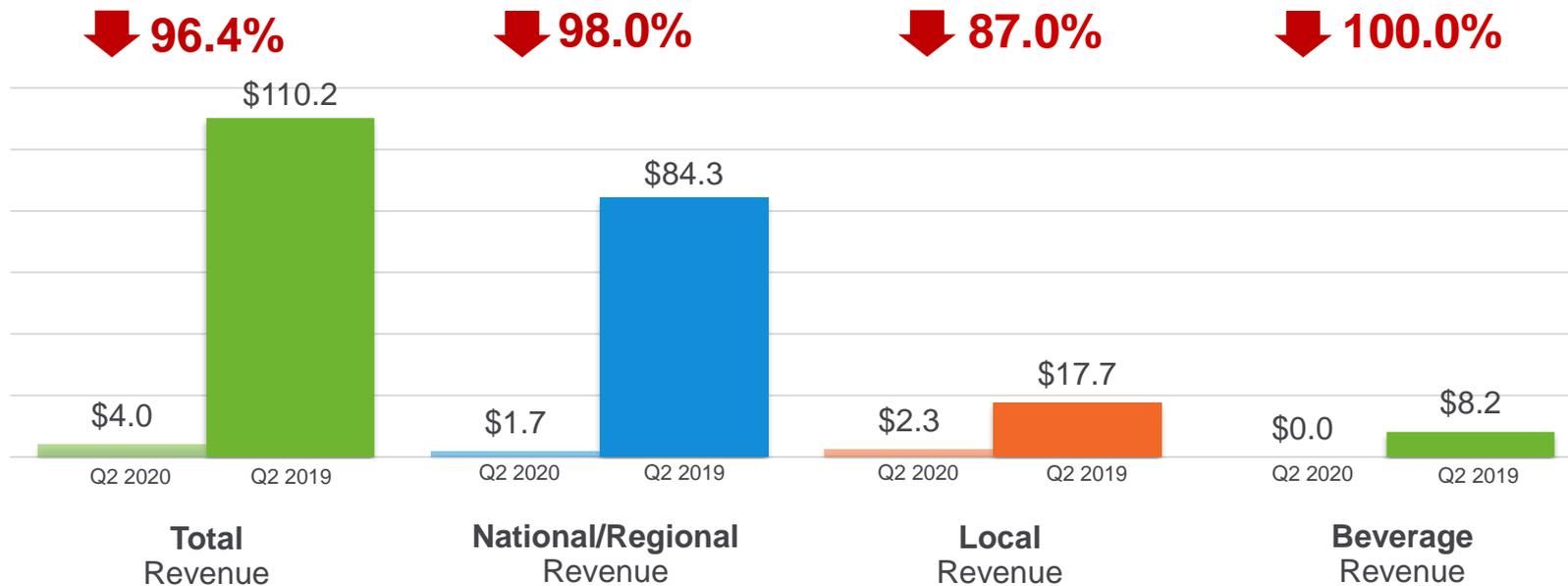
Financial:

- Total revenue decreased 96.4% to \$4.0 million.
- Adjusted OIBDA⁽¹⁾ decreased 125.3% to -\$12.7 million.
- National and Regional Sales revenue decreased 98.0% to \$1.7 million.
- Local revenue decreased 87.0% to \$2.3 million.
- Beverage revenue decreased ~100.0% to \$0.0 million related to no founding member attendance due to theater closures from the COVID-19 pandemic.

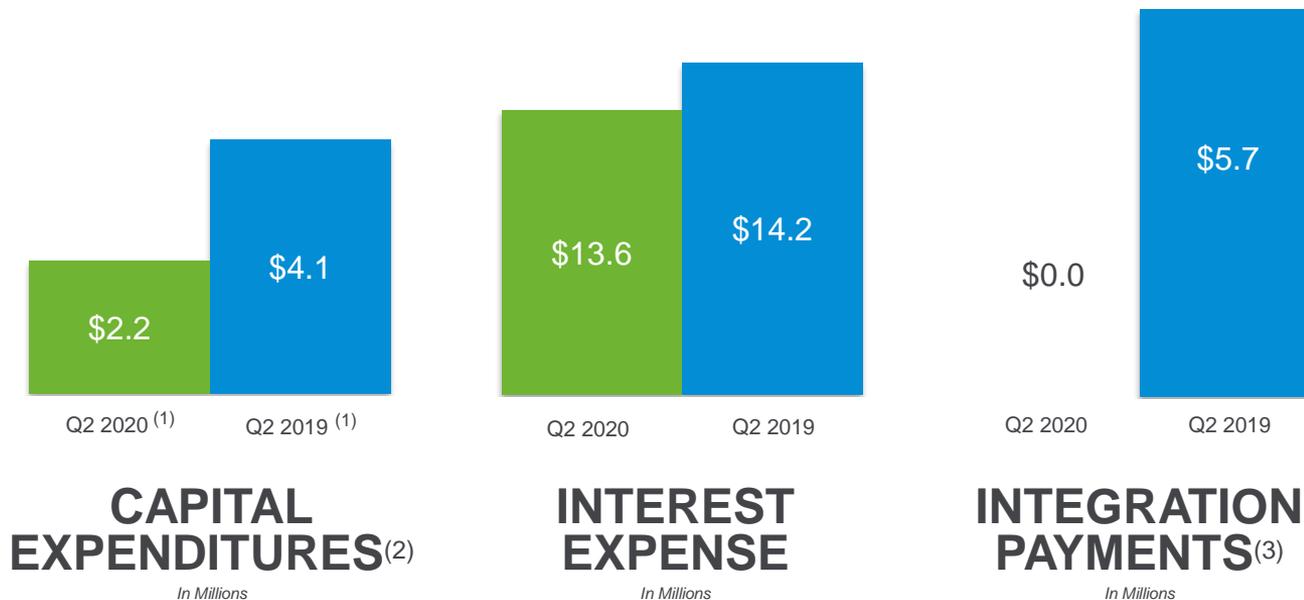
(1) Adjusted OIBDA represents a non-GAAP measure (operating income before depreciation and amortization and excluding non-cash share based costs, impairment of long-lived assets and CEO transition costs). See reconciliation to the comparable GAAP measure on slide 13 of this presentation.

Revenue (Q2)

(\$ in millions)



Other Financial Metrics (Q2)



(1) Includes capital expenditures of \$1.2 million in Q2 2020 related to our digital product investment versus \$2.1 million in Q2 2019.

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

(3) Integration and other encumbered theater payments. These payments were recorded as a reduction of an intangible asset and are excluded from Adjusted OIBDA.

YTD 2020 Highlights versus YTD 2019

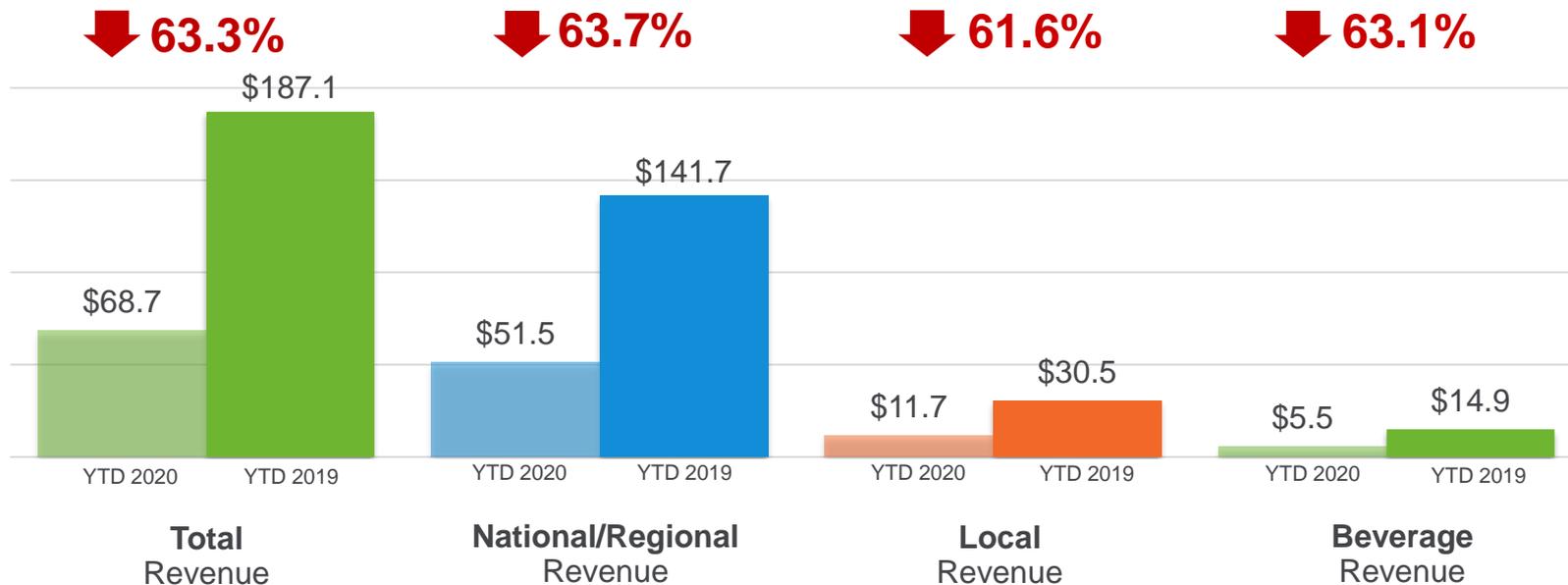
Financial:

- Total revenue decreased 63.3% to \$68.7 million.
- Adjusted OIBDA⁽¹⁾ decreased 97.6% to \$1.7 million.
- National and Regional Sales revenue decreased 63.7% to \$51.5 million.
- Local revenue decreased 61.6% to \$11.7 million.
- Beverage revenue decreased 63.1% to \$5.5 million related to no founding member attendance during the second quarter due to theater closures from the COVID-19 pandemic.

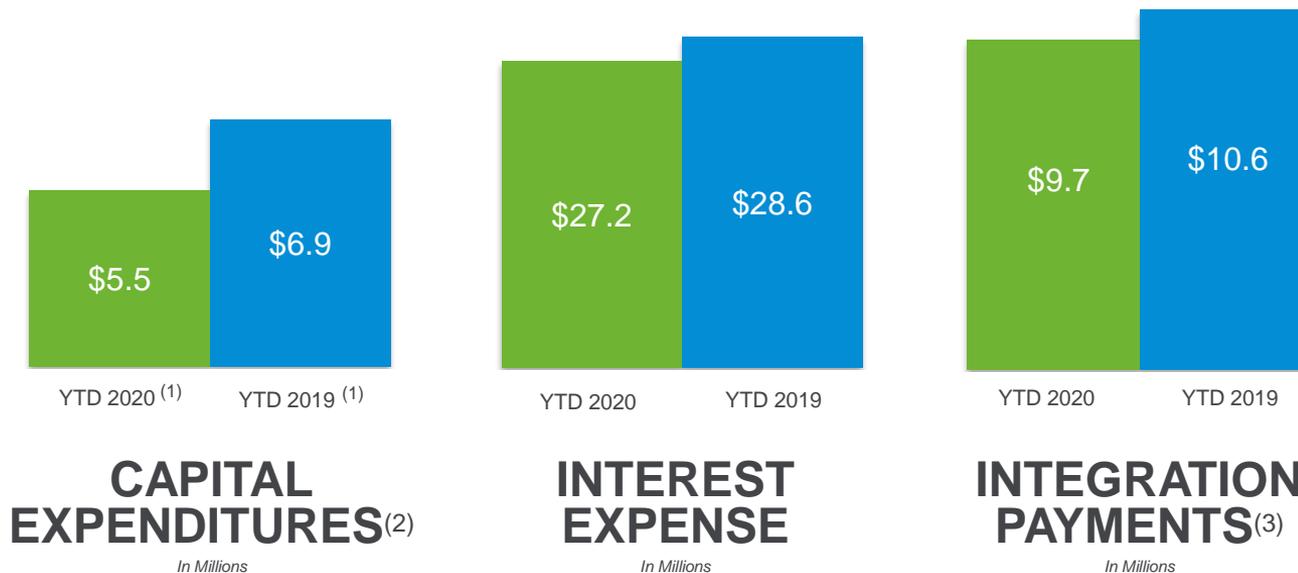
(1) Adjusted OIBDA represents a non-GAAP measure (operating income before depreciation and amortization and excluding non-cash share based costs, impairment of long-lived assets and CEO transition costs). See reconciliation to the comparable GAAP measure on slide 13 of this presentation.

Revenue (YTD)

(\$ in millions)



Other Financial Metrics (YTD)



- (1) Includes capital expenditures of \$2.9 million in YTD 2020 related to our digital product investment versus \$3.2 million in YTD 2019.
- (2) Includes certain other implementation costs associated with Cloud Computing Arrangements.
- (3) Integration and other encumbered theater payments. These payments were recorded as a reduction of an intangible asset and are excluded from Adjusted OIBDA.

Diversified Debt Structure

	Q2 2020	Q2 2019
Total Debt Outstanding	 \$1,062.3M	\$925.0M
Outstanding Revolver Balance	 \$167.0M	\$27.0M
Consolidated Cash and Investment Balances⁽¹⁾	 \$249.9M	\$61.7M
Average Interest Rate on All Debt	 4.9%	5.8%
Consolidated Total Leverage Ratio⁽²⁾⁽³⁾ (Total Debt / Adjusted OIBDA + Integration Payments)	 6.0X	4.2X

(1) \$81.8 million of this balance is at NCM at June 25, 2020 and \$57.2 million at June 27, 2019.

(2) On April 30, 2020, NCM obtained approval on an 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 ended June 25, 2020 until and including the quarter ended July 1, 2021.

(3) The current Consolidated Net Senior Secured Leverage Ratio is 4.6X versus a covenant of 4.5X.

Cash Dividends in Q3'20 and Annualized FY '20 Dividend

The dividend was reduced from 2019 quarterly dividend amounts 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 entered into on April 30, 2020.



- (1) The dividend declared on August 3, 2020 is \$0.07 per share for payment in Q3 2020 and represents an annualized dividend of \$0.28 per share.
- (2) Dividend yield based on NCMI closing stock price on August 3, 2020 of \$2.65.

2020 Annual Guidance

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 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 not providing updated guidance for the fiscal year ending December 31, 2020.

Operating Income to Adjusted OIBDA and Adjusted OIBDA Margin

\$ in millions

	Quarter Ended		Six Months Ended	
	June 25, 2020	June 27, 2019	June 25, 2020	June 27, 2019
Operating (loss) income	\$ (23.8)	\$ 37.7	\$ (18.9)	\$ 48.6
Depreciation expense	3.2	3.3	6.4	6.6
Amortization of intangibles recorded for network theater screen leases	6.1	7.0	12.2	13.9
Share-based compensation costs (1)	0.1	2.1	0.3	2.9
Impairment of long-lived assets (2)	1.7	—	1.7	—
CEO transition costs	—	0.1	—	0.3
Adjusted OIBDA	\$ (12.7)	\$ 50.2	\$ 1.7	\$ 72.3
Total revenue	\$ 4.0	\$ 110.2	\$ 68.7	\$ 187.1
Adjusted OIBDA margin	(317.5)%	45.6 %	2.5 %	38.6 %

(1) Share-based compensation costs are included in network operations, selling and marketing and administrative expense.

(2) The impairments of long-lived assets primarily relate to the write off of certain internally developed software.

Thank You!

National CineMedia, Inc.

Investor Contact:

Ted Watson

800-844-0935

investors@ncm.com