

4Q'24 & FY'24 Earnings

Supplemental Presentation

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 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 26, 2024, 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 compensation costs, impairment of long-lived assets, workforce reorganization costs, system optimization costs, satellite transition costs, termination of Regal ESA and advisor fees related to involvement in the Cineworld proceeding and Chapter 11 case), unlevered free cash flow and adjusted operating expense. 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, LLC 4Q'24 & FY'24 Key Highlights

- **4Q'24 revenue of \$86.3M (vs. \$90.9M in the prior year) exceeded our revenue guidance range of \$82.0M to \$86.0M**
 - Total advertising revenue of \$82.7M was down 6% driven by a decrease in utilization while pricing remained flat.
 - While the overall advertising marketplace was unfavorably impacted by a challenged upfront market, our scatter participation was up 45% y/y
- **4Q'24 Adj. OIBDA of \$35.0M (vs. \$39.8M in the prior year) also exceeded our guidance range of \$28.0M to \$30.0M**
 - The decrease in Adj. OIBDA was due to lower revenue and higher attendance related fees, partially offset by successful cost savings initiatives.
- **FY'24 total revenue of \$240.8M decreased 7% compared to \$259.8M in the prior year**
 - Total advertising revenue decreased primarily due to a weaker movie slate in the first half of 2024 coupled with lower beverage revenue due to the termination of the Regal ESA in 2023 and discontinuation of their beverage revenue.
- **FY'24 Adj. OIBDA of \$45.7M decreased 13% compared to \$52.7M the prior year primarily driven by the attendance loss, partially offset by strong scatter market performance and lower operating costs.**
- **Share repurchase program update**
 - Since the launch of this program, NCM, Inc. repurchased 2.5M shares, for \$13.4M at an average share price of \$5.28, as of December 26, 2024.

National CineMedia, LLC 4Q'24 & FY'24 Financial Results

Condensed Statements of Income

(dollars in millions)

(unaudited)

	Quarter Ended				Year Ended
	March 28, 2024	June 27, 2024	September 26, 2024	December 26, 2024	December 26, 2024
REVENUE	\$ 37.4	\$ 54.7	\$ 62.4	\$ 86.3	\$ 240.8
OPERATING EXPENSES					
Network operating costs	3.6	3.7	3.3	3.1	13.7
ESA Parties and network affiliate fees	22.5	26.7	32.9	29.8	111.9
Selling and marketing costs	10.0	9.5	10.2	11.9	41.6
Administrative and other costs	13.4	13.5	12.9	10.9	50.7
Depreciation expense	1.1	1.1	1.3	1.1	4.6
Amortization expense	9.5	9.4	9.4	9.5	37.8
Total	60.1	63.9	70.0	66.3	260.3
OPERATING LOSS	\$ (22.7)	\$ (9.2)	\$ (7.6)	\$ 20.0	\$ (19.5)

Revenue Results

(unaudited)

	Quarter Ended				Year Ended
	March 28, 2024	June 27, 2024	September 26, 2024	December 26, 2024	December 26, 2024
National advertising revenue	\$ 29.5	\$ 42.1	\$ 47.3	\$ 69.2	\$ 188.0
Local and regional advertising revenue	5.2	9.5	11.0	13.5	39.1
Total advertising revenue excluding beverage	34.7	51.5	58.2	82.7	227.1
ESA advertising revenue from beverage concessionaire agreements	2.7	3.2	4.2	3.6	13.7
TOTAL REVENUE	\$ 37.4	\$ 54.7	\$ 62.4	\$ 86.3	\$ 240.8

Non-GAAP Financial Measures:

Adjusted OIBDA, Unlevered Free Cash Flow and Adjusted Operating Expense

Adjusted Operating Income Before Depreciation and Amortization (“Adjusted OIBDA”), Unlevered free cash flow and Adjusted Operating Expense are not financial measures calculated in accordance with GAAP in the United States.

Adjusted OIBDA represents operating income before depreciation and amortization expense adjusted to also exclude non-cash share-based compensation costs, workforce reorganization costs, system optimization costs, satellite transition costs, termination of the Regal ESA and advisor fees related to involvement in the Cineworld Proceeding and Chapter 11 Case. Our management use this non-GAAP financial measure to evaluate operating performance, to forecast future results and as a basis for compensation. The Company believes this is an important supplemental measure of operating performance because it eliminates items that have less bearing on its operating performance and 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 this measure 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 and amortization policies, non-cash share-based payment costs, workforce reorganization costs, system optimization costs, satellite transition costs, termination of the Regal ESA and advisor fees related to involvement in the Cineworld Proceeding and Chapter 11 Case, interest rates, debt levels or income tax rates.

Adjusted Operating Expense represents operating expense adjusted to exclude depreciation and amortization expense, non-cash share-based compensation costs, workforce reorganization costs, system optimization costs, satellite transition costs, termination of the Regal ESA and advisor fees related to involvement in the Cineworld Proceeding and Chapter 11 Case. Our management use this non-GAAP financial measure to evaluate operating performance, and to forecast future results. The Company believes this is an important supplemental measure of operating performance because it eliminates items that have less bearing on its operating performance and 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 this measure 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 and amortization policies, non-cash share-based payment costs, impairment of long-lived assets, workforce reorganization costs, system optimization costs, satellite transition costs, termination of the Regal ESA, advisor fees related to involvement in the Cineworld Proceeding and Chapter 11 Case, interest rates, debt levels or income tax rates.

A limitation of both of these measures, however, is that they exclude depreciation and amortization, which represent a proxy for the periodic costs of certain capitalized tangible and intangible assets used in generating revenues in NCM LLC’s business. In addition, Adjusted OIBDA and Adjusted Operating Expense have the limitation of not reflecting the effect of the Company’s depreciation, amortization, non-cash share-based compensation costs, workforce reorganization costs, system optimization costs, satellite transition costs, termination of the Regal ESA and advisor fees related to involvement in the Cineworld Proceeding and Chapter 11 Case. Adjusted OIBDA should not be regarded as an alternative to operating income, net income or as indicators of operating performance, nor should it be considered in isolation of, or as substitutes 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, and operating expense is the most directly comparable GAAP financial measure to Adjusted Operating Expense. 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 NCM LLC’s debt agreement.

Unlevered free cash flow is net cash provided by or used in operating activities reduced by purchases of property and equipment, adjusted to exclude cash interest expense. Our management use this non-GAAP financial measure to evaluate operating performance, to forecast future results and as a basis for compensation. The Company believes this is an important supplemental measure of operating performance because it eliminates items that have less bearing on its operating performance and 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 this measure 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 cash flow policies.

A limitation of this measure, however, is that it excludes purchases of property and equipment and cash interest expense. Unlevered free cash flow has the limitation of not reflecting the effect of the Company’s cash interest expense and purchases of property and equipment. Unlevered free cash flow should not be regarded as an alternative to net cash provided by or used in operating activities or as indicators of operating performance, nor should it be considered in isolation of, or as substitutes for financial measures prepared in accordance with GAAP. The Company believes that net cash provided by or used in operating activities is the most directly comparable GAAP financial measure to unlevered free cash flow. 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 NCM LLC’s debt agreement.

The Company has not provided a reconciliation of the forward-looking non-GAAP Adjusted OIBDA measure to forward-looking GAAP operating income due to the inability to predict the amount and timing of impacts outside of the Company’s control on certain items, including the timing of revenue and charges reflected in our reconciliation of historic numbers, the amount of which, based on historical experience, could be significant and are difficult to reasonably predict. Accordingly, a reconciliation of this non-GAAP measure is not available without unreasonable effort.

Adjusted OIBDA and Unlevered Free Cash Flow Reconciliation for NCM, LLC

(dollars in millions)

(unaudited)

	Quarter Ended				Year Ended
	March 28, 2024	June 27, 2024	September 26, 2024	December 26, 2024	December 26, 2024
Operating loss	\$ (22.7)	\$ (9.2)	\$ (7.6)	\$ 20.0	\$ (19.5)
Depreciation expense	1.1	1.1	1.3	1.1	4.6
Amortization expense	9.5	9.4	9.4	9.5	37.8
Share-based compensation costs (1)	2.6	3.5	3.1	3.0	12.2
Workforce reorganization costs (2)	1.5	1.4	-	-	2.9
Satellite transition costs (3)	-	0.3	0.3	0.2	0.8
System optimization costs (4)	-	-	0.2	0.2	0.4
Fees and expenses related to the Cineworld Proceeding and Chapter 11 Case included within Operating Income (5)	2.3	1.1	2.1	1.0	6.5
Adjusted OIBDA	\$ (5.7)	\$ 7.6	\$ 8.8	\$ 35.0	\$ 45.7
Net cash provided by/(used in) operating activities	\$ 24.1	\$ 7.7	\$ (2.0)	\$ 30.5	\$ 60.3
Purchases of property and equipment	(1.5)	(1.3)	(0.6)	(2.4)	(5.8)
Cash interest expense	0.2	0.3	0.2	0.2	0.9
Unlevered free cash flow	\$ 22.8	\$ 6.7	\$ (2.4)	\$ 28.3	\$ 55.4

Notes:

- 1) Share-based compensation costs are included in network operations, selling and marketing and administrative expense in NCM LLC's unaudited Condensed Consolidated Financial Statements.
- 2) Workforce reorganization costs represents redundancy costs associated with changes to the Company's workforce primarily implemented during 2024, as well as related office relocations.
- 3) One-time costs of transitioning satellite providers during 2024.
- 4) System optimization costs incurred related to a one-time assessment of the technology surrounding the Company's programmatic offerings beginning in 2024.
- 5) Advisor and legal fees and expenses incurred in connection with the Company's involvement in the Cineworld Proceeding and Chapter 11 Case and related appeals, as well as insurance and retention related expenses and retainers to the members of the special and restructuring committees of the Company's Board of Directors.

Adjusted Operating Expense Reconciliation for NCM, LLC

(dollars in millions)

(unaudited)

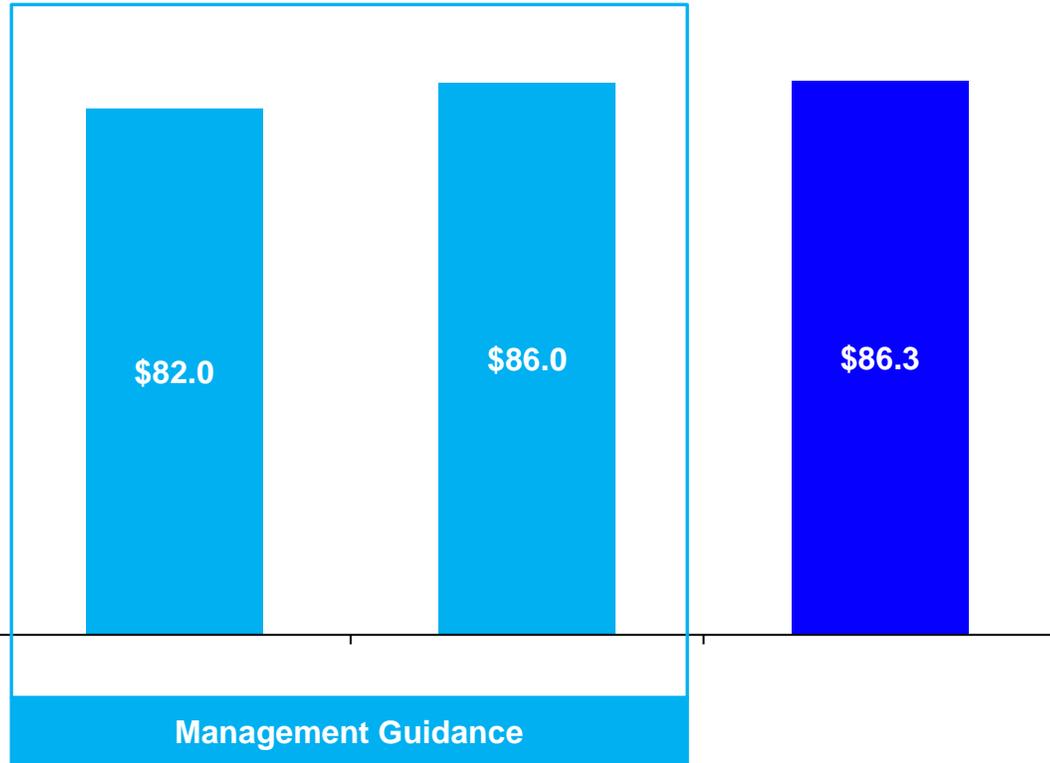
	Quarter Ended				Year Ended
	March 28, 2024	June 27, 2024	September 26, 2024	December 26, 2024	December 26, 2024
Operating Expense	\$ 60.1	\$ 63.9	\$ 70.0	\$ 66.3	\$ 260.3
Depreciation expense	(1.1)	(1.1)	(1.3)	(1.1)	(4.6)
Amortization expense	(9.5)	(9.4)	(9.4)	(9.5)	(37.8)
Share-based compensation costs (1)	(2.6)	(3.5)	(3.1)	(3.0)	(12.2)
Workforce reorganization costs (2)	(1.5)	(1.4)	-	-	(2.9)
Satellite transition costs (3)	-	(0.3)	(0.3)	(0.2)	(0.8)
System optimization costs (4)	-	-	(0.2)	(0.2)	(0.4)
Fees and expenses related to the Cineworld Proceeding and Chapter 11 Case included within Operating Income (5)	(2.3)	(1.1)	(2.1)	(1.0)	(6.5)
Adjusted Operating Expense	\$ 43.1	\$ 47.1	\$ 53.6	\$ 51.3	\$ 195.1

Notes:

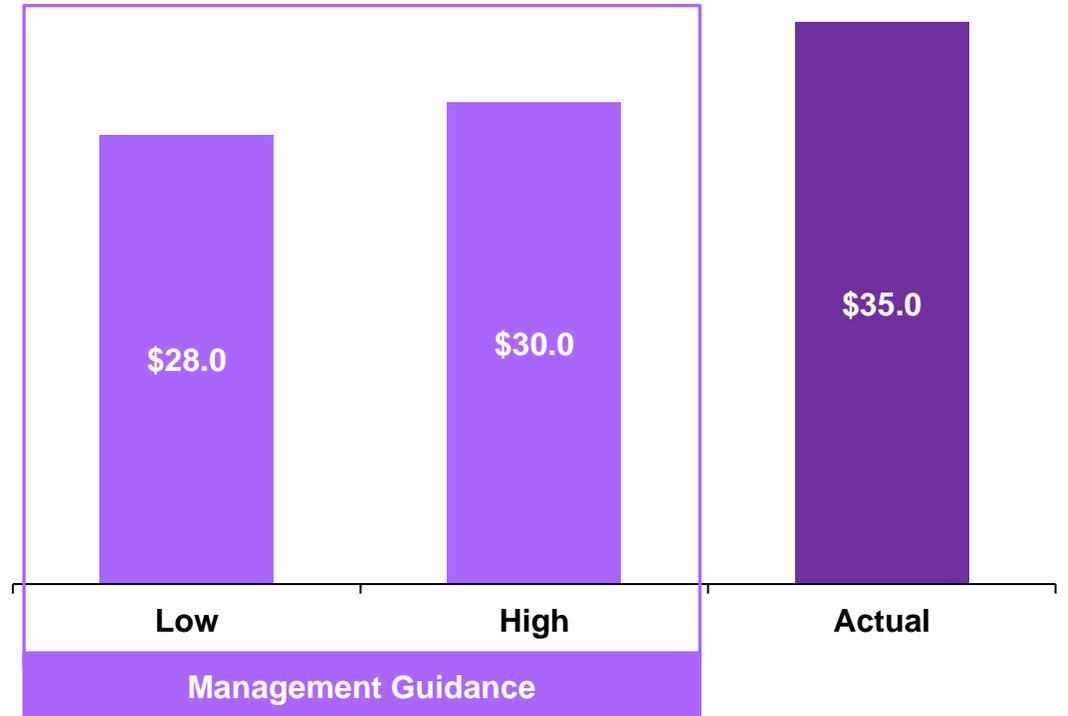
- 1) Share-based compensation costs are included in network operations, selling and marketing and administrative expense in NCM LLC's unaudited Condensed Consolidated Financial Statements.
- 2) Workforce reorganization costs represents redundancy costs associated with changes to the Company's workforce primarily implemented during 2024, as well as related office relocations.
- 3) One-time costs of transitioning satellite providers during 2024.
- 4) System optimization costs incurred related to a one-time assessment of the technology surrounding the Company's programmatic offerings beginning in 2024.
- 5) Advisor and legal fees and expenses incurred in connection with the Company's involvement in the Cineworld Proceeding and Chapter 11 Case and related appeals, as well as insurance and retention related expenses and retainers to the members of the special and restructuring committees of the Company's Board of Directors.

4Q'24 Results vs. Guidance

4Q'24 Revenue



4Q'24 Adjusted OIBDA



Investor Contact

Chan Park
investors@ncm.com

Media Contact

Doug Serton
press@ncm.com