



NCMSM
AMERICA'S MOVIE NETWORK

Q2 '21 Earnings

Supplemental Presentation

Liquidity and COVID-19 Update

EXPERIENCE IT IN IMAX
MAY 14

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) the impact of pandemics, epidemics or disease outbreaks, such as the novel coronavirus (COVID-19) and the success of actions taken to mitigate such situations, vaccine rollouts and potential changes to consumer behavior; 3) the availability and predictability of major motion pictures displayed in theaters; 4) increased competition for advertising expenditures; 5) our need for additional funding including the approved unsecured revolving loan agreement between NCM Inc. and NCM LLC, risks and uncertainties relating to our significant indebtedness; 6) changes to relationships with NCM LLC's founding members; 7) inability to implement or achieve new revenue opportunities; 8) failure to realize the anticipated benefits of the 2019 amendments to the Company's exhibitor service agreements with Regal and Cinemark; 9) technological changes and innovations; 10) economic conditions, including the level of expenditures on and perception of cinema advertising; 11) our ability to renew or replace expiring advertising and content contracts; 12) reinvestment in our network and product offerings may require significant funding and resulting reallocation of resources; 13) fluctuations in and timing of operating costs; and 14) 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 31, 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

- NCM entered the global COVID-19 crisis in a strong financial position and maintained that strong position during the second quarter of 2021.
 - NCM LLC began the second quarter of 2021 with a cash balance of \$139.4 million and ended the second quarter with a cash balance of \$98.2 million.
 - The accounts receivable balance, net of allowance for doubtful accounts, at the beginning of the second quarter was \$7.5 million and was \$11.8 million at the end of the second quarter.
- As of July 1, 2021, approximately 97.0% of the theaters within the Company's network were open and multiple, successful major motion pictures were released during the second quarter of 2021 resulting in the highest attendance numbers within the Company's network since the start of the COVID-19 pandemic.
- 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, were not incurred for the duration that the theaters were closed and will be reduced for the period of time that attendance is lower than historical levels.
- The Company has significantly reduced payroll related costs through a combination of temporary furloughs, permanent layoffs and salary reductions. In total, the Company's headcount has been reduced by over 30% as compared to headcount levels prior to the COVID-19 pandemic.

Q2 2021 Highlights versus Q2 2020

Financial:

- Total revenue increased 250.0% to \$14.0 million.
- Adjusted OIBDA⁽¹⁾ decreased 47.2% to negative \$18.7 million.
- National and Regional Sales revenue increased 423.5% to \$8.9 million.
- Local revenue increased 30.4% to \$3.0 million.
- Beverage revenue increased to \$2.1 million from \$0 in the prior year's quarter.

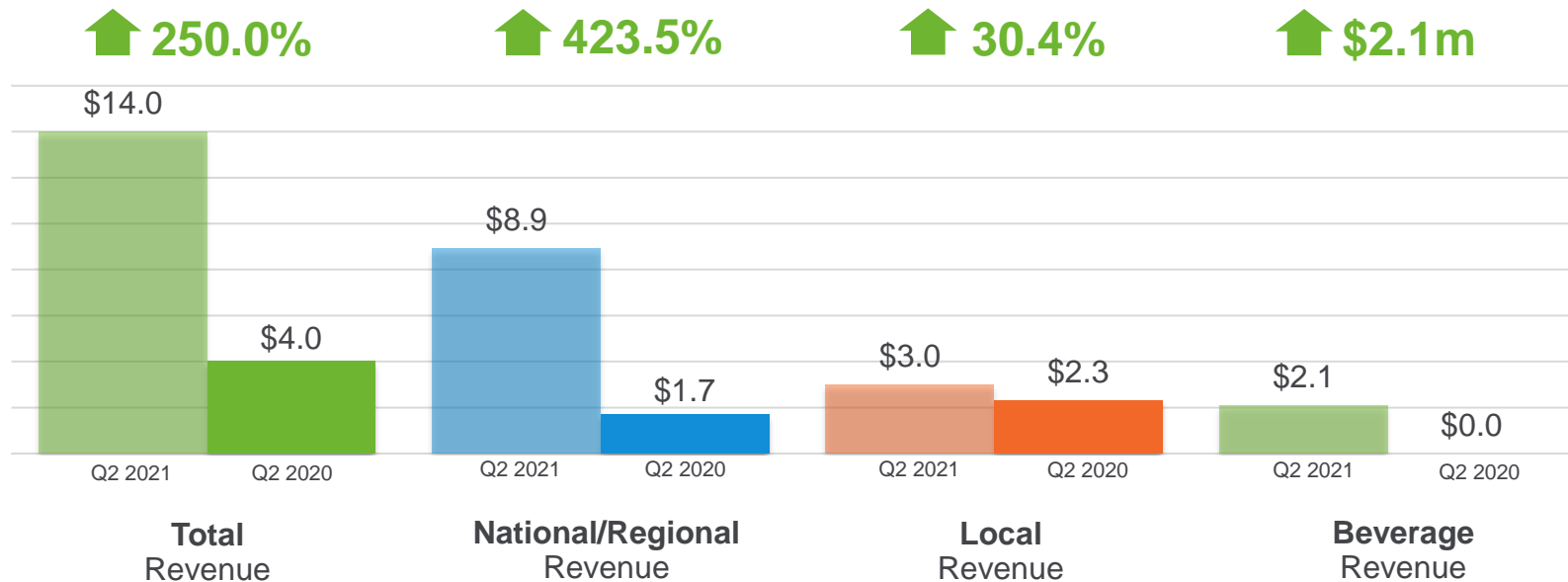
Other:

- Formed exclusive partnerships with world-class consumer tech platforms including YouTube and TikTok that allows NCM to sell advertising alongside their compelling entertainment content
- Recently started a new TikTok custom social influencer offering that we have developed in a unique partnership with the digital specialty group Rad Intelligence
- Recently expanded our DOOH network to include some exciting new venues, including our new Noovie On-Campus network, powered by Trooh, which offers brands a unique way to reach young, Gen Z movie fans and point-of-market-entry consumers in college and university campus locations

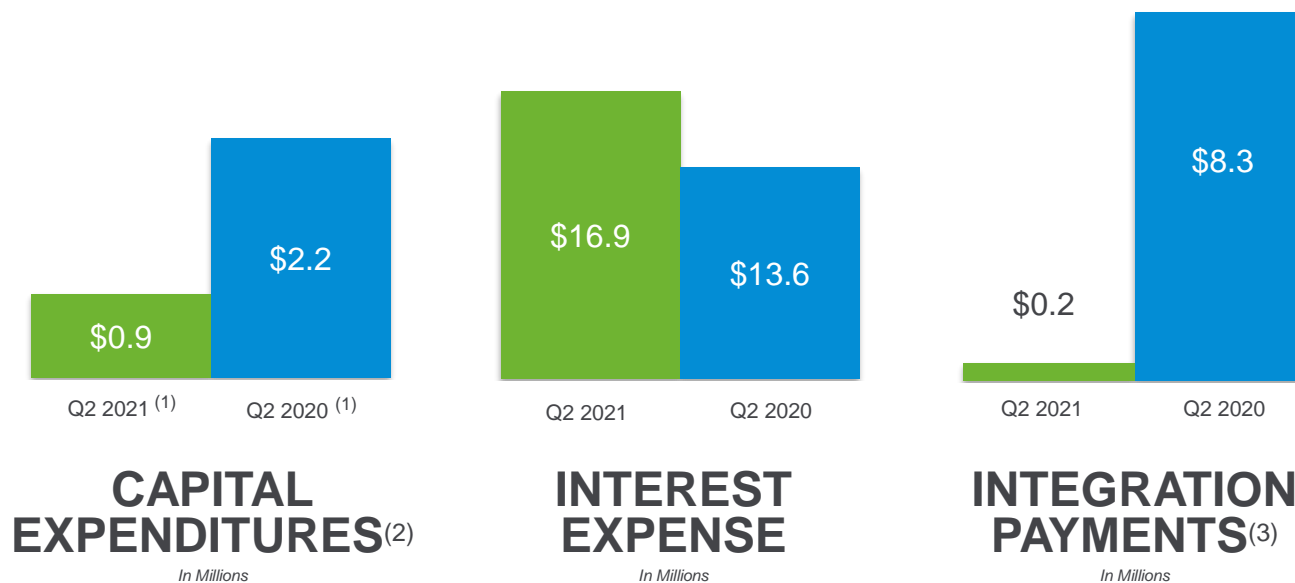
(1) Adjusted OIBDA represents a non-GAAP measure (operating income before depreciation and amortization of intangibles recorded for network theater screen leases and excluding non-cash share based costs and impairment of long-lived assets). See reconciliation to the comparable GAAP measure on slide 13 of this presentation.

Revenue (Q2)

(\$ in millions)



Other Financial Metrics (Q2)



(1) Includes capital expenditures of \$0.4 million in Q2 2021 related to our digital product investment versus \$1.1 million in Q2 2020.

(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. There were no integration payments during Q2 2021 because the Company generated negative Adjusted OIBDA during this period due to the closure of the encumbered theaters in response to the COVID-19 pandemic. There were \$0.2 million in encumbered beverage payments during Q2 2021.

YTD 2021 Highlights versus YTD 2020

Financial:

- Total revenue decreased 71.8% to \$19.4 million.
- Adjusted OIBDA⁽¹⁾ decreased to negative \$34.9 million from \$1.7 million.
- National and Regional Sales revenue decreased 75.5% to \$12.6 million.
- Local revenue decreased 64.1% to \$4.2 million.
- Beverage revenue decreased 52.7% to \$2.6 million.

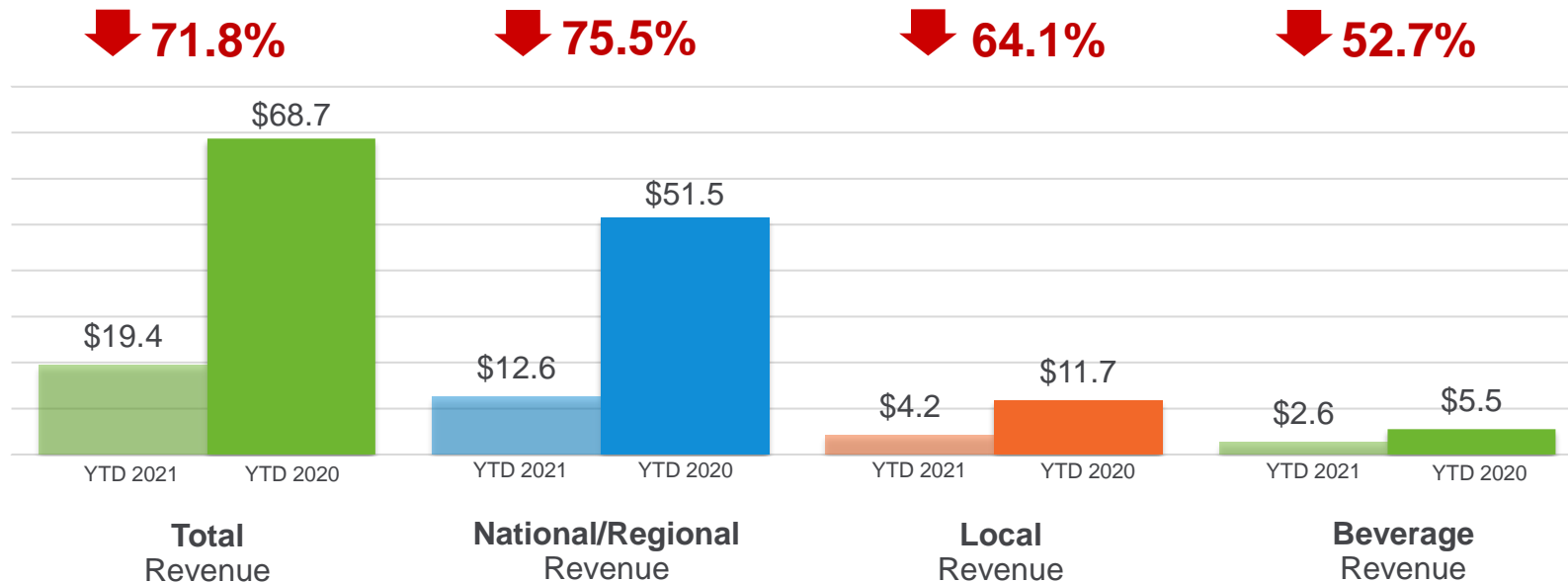
Other:

- On August 8, 2021, the Board of Directors of NCM, Inc. and required NCM LLC founding members approved the material terms of a \$20.0 million unsecured revolving loan agreement between NCM Inc. and NCM LLC. Borrowings by NCM LLC will be available from October 1, 2021 through March 31, 2022. The final definitive loan agreement is expected to be completed in the third quarter of 2021. Once entered into, this revolving loan facility will provide NCM LLC with short-term working capital loans as we rebuild our advertising revenue base and collect the related accounts receivable balances and will provide additional cushion with respect to the NCM LLC debt covenants.

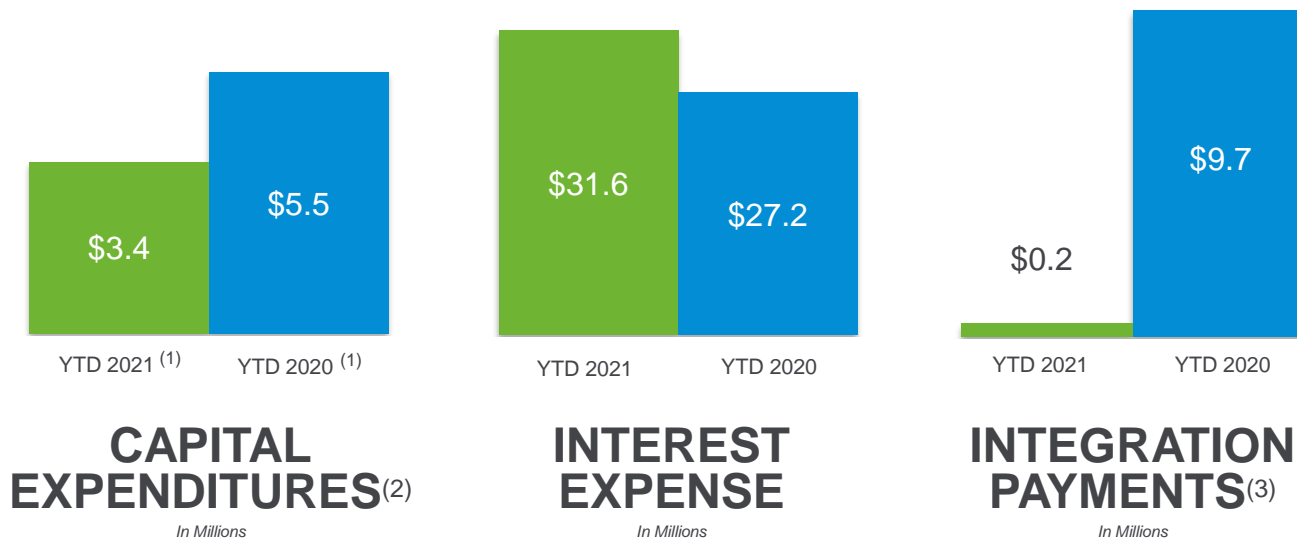
(1) Adjusted OIBDA represents a non-GAAP measure (operating income before depreciation and amortization of intangibles recorded for network theater screen leases and excluding non-cash share based costs and impairment of long-lived assets). See reconciliation to the comparable GAAP measure on slide 13 of this presentation.

Revenue (YTD)

(\$ in millions)



Other Financial Metrics (YTD)







(1) Includes capital expenditures of \$0.8 million in YTD 2021 related to our digital product investment versus \$2.9 million in YTD 2020.

(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. There were no integration payments during YTD 2021 because the Company generated negative Adjusted OIBDA during this period due to the closure of the encumbered theaters in response to the COVID-19 pandemic. There were \$0.2 million in encumbered beverage payments YTD 2021.

Diversified Debt Structure

Q2 2021	 \$1,108.8M	\$167.0M	 \$149.0M	 5.6%	 N/A
Q2 2020	\$1,062.3M	\$167.0M	\$249.9M	4.9%	6.0X
	Total Debt Outstanding	Outstanding Revolver Balance	Consolidated Cash and Investment Balances⁽¹⁾	Average Interest Rate on All Debt	Consolidated Total Leverage Ratio⁽²⁾⁽³⁾ (Total Debt / Adjusted OIBDA + Integration Payments)

(1) \$50.8 million of this balance is at NCMi at July 1, 2021 and \$81.8 million at June 25, 2020.

(2) On March 8, 2021, NCM obtained approval of a waiver of any non-compliance with its Consolidated Net Senior Secured Leverage Ratio and Consolidated Total Leverage Ratio financial covenants through the quarter ended June 30, 2022.

(3) The Company's leverage ratios are N/A as the company generated negative Adj. OIBDA during the four fiscal quarters ended July 1, 2021.

Cash Dividends in Q3'21 and Annualized FY '21 Dividend

The dividend was reduced from 2020 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 March 8, 2021.



- (1) The dividend declared on August 9, 2021 is \$0.05 per share for payment in Q3 2021 and represents an annualized dividend of \$0.20 per share.
- (2) Dividend yield based on NCMI closing stock price on August 9, 2021 of \$3.08.

2021 Annual Guidance

Due to the continued uncertainties related to the COVID-19 pandemic over the near term and the impact of changes in consumer behavior on attendance following the reopening of the theaters, the Company is not providing revenue and Adjusted OIBDA guidance for the fiscal year ending December 30, 2021. The Company anticipates reviewing this guidance policy when it has more visibility into theater attendance trends and the level of commitments received in the national scatter market and as a result of our participation in the television upfront selling process.

Following network attendance levels picking up in the second quarter of 2021 and theatrical release schedules firming-up for the remainder of 2021 but contingent upon sales within the scatter market given our limited upfront commitments in the third quarter of 2021, the Company expects its revenue exiting the third quarter of 2021 to be at a run rate of approximately half of 2019 levels and to achieve breakeven cash flow after debt service on an accrual basis. By the end of 2021 the Company expects to be trending back towards 2019 revenue levels and positive fourth quarter 2021 Adjusted OIBDA after debt service, assuming that the theatrical release schedule remains firm, box office attendance continues to rebound and the upfront is consistent with the Company's expectations.

Operating Income to Adjusted OIBDA and Adjusted OIBDA Margin

\$ in millions

	Quarter Ended		Six Months Ended	
	July 1, 2021	June 25, 2020	July 1, 2021	June 25, 2020
Operating loss	\$ (29.6)	\$ (23.8)	\$ (57.9)	\$ (18.9)
Depreciation expense	2.6	3.2	5.9	6.4
Amortization of intangibles recorded for network theater screen leases	6.2	6.1	12.3	12.2
Share-based compensation costs (1)	2.1	0.1	4.8	0.3
Impairment of long-lived assets (2)	—	1.7	—	1.7
Adjusted OIBDA	\$ (18.7)	\$ (12.7)	\$ (34.9)	\$ 1.7
Total revenue	\$ 14.0	\$ 4.0	\$ 19.4	\$ 68.7
Adjusted OIBDA margin	(133.6)%	(317.5)%	(179.9)%	2.5 %

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

(2) The impairment expense was related to the write-off of certain long-lived assets during the second quarter of 2020.

Thank You!

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