

**NCM**<sup>SM</sup>  
AMERICA'S MOVIE NETWORK

# Q3'22 Earnings Supplemental Presentation

# Forward-Looking Statements

This presentation contains various forward-looking statements that reflect management's current expectations or beliefs regarding future events and results of operations, including statements concerning the ultimate impact of the COVID-19 pandemic on the Company and future theater attendance levels, among others. 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; 3) the availability and predictability of major motion pictures displayed in theaters; 4) increased competition for advertising expenditures; 5) changes to relationships with NCM LLC's founding members; 6) inability to implement or achieve new revenue opportunities; 7) failure to realize the anticipated benefits of the 2019 amendments to NCM LLC's exhibitor service agreements with Regal and Cinemark; 8) technological changes and innovations; 9) economic conditions, including the level of expenditures on and perception of cinema advertising; 10) our ability to renew or replace expiring advertising and content contracts; 11) reinvestment in our network and product offerings, which 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" sections of the Company's Annual Report on Form 10-K for the year ended December 30, 2021 and subsequent Quarterly Reports on Form 10-Q, for further information about these and other risks. Investors are cautioned not to place undue reliance on any such forward-looking statements, which are presented 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, sales force reorganization costs and advisor fees related to the Cineworld Proceeding). 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). 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, such as the ongoing COVID-19 pandemic, 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.

# National CineMedia Business Update

- In-theater advertising for the third quarter of 2022 improved compared to the third quarter of 2021.
- NCM has the following cash and receivable positions:
  - NCM LLC began the third quarter of 2022 with a cash balance of \$57.7 million and ended the third quarter with a cash balance of \$60.9 million.
  - NCM LLC began the third quarter of 2022 with an accounts receivable balance, net of allowance for doubtful accounts, of \$63.6 million and ended the third quarter with an accounts receivable balance, net of allowance for doubtful accounts, of \$58.8 million.
  - NCM LLC's total liquidity at the end of the third quarter was \$67.7 million.
- 3Q22 Total Revenue of \$54.5 million was in line with management guidance of \$53.0 - \$57.0 million.
  - Sixth straight quarter of year-over-year revenue growth
- 3Q22 Adjusted OIBDA of \$7.0 million was at the top end of management guidance of \$3.0 - \$7.0 million.

# Q3 2022 Highlights versus Q3 2021

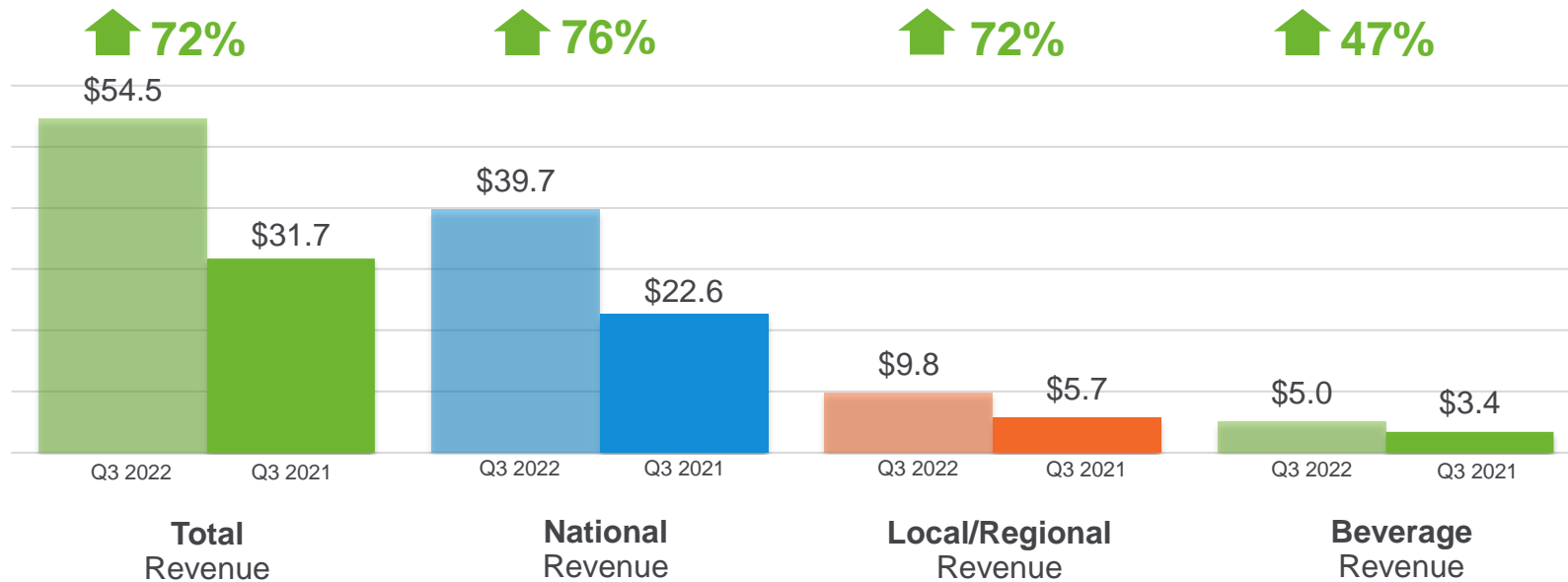
## Financial:

- Total revenue increased 72% to \$54.5 million.
- Adjusted OIBDA<sup>(1)</sup> improved from negative \$8.2 million to positive \$7.0 million.
- National Sales revenue increased 76% to \$39.7 million.
- Local and Regional revenue increased 72% to \$9.8 million.
- Beverage revenue increased 47% to \$5.0 million.

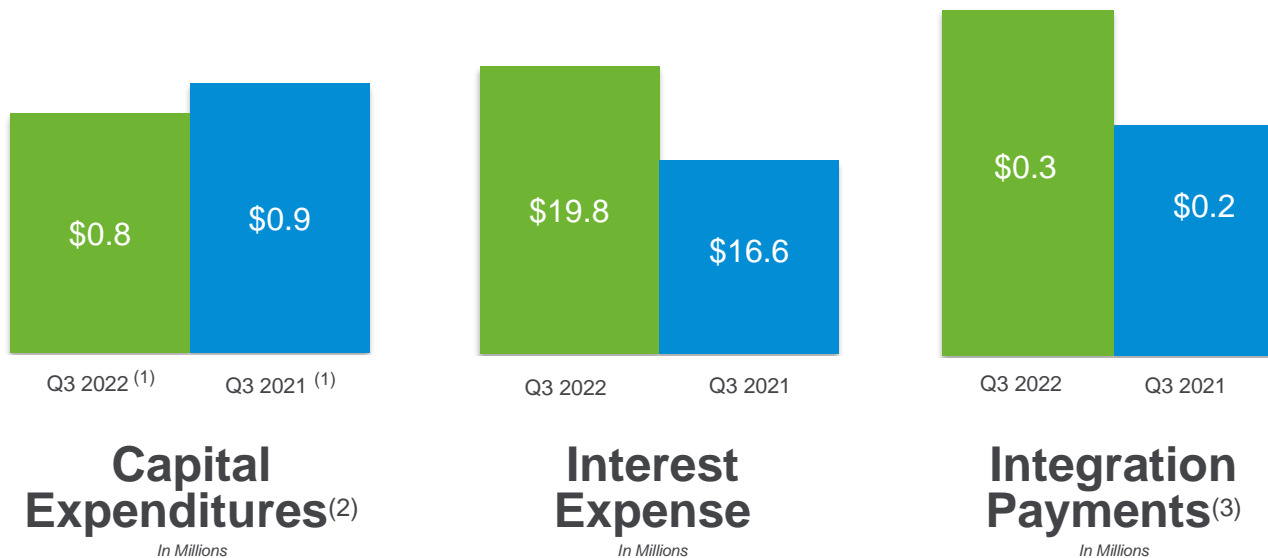
(1) Adjusted OIBDA represents a non-GAAP measure (operating income before depreciation and amortization of intangibles recorded for network theater screen leases and excluding non-cash share based costs, impairment of long-lived assets, sales force reorganization costs and advisor fees related to the Cineworld Proceeding). See reconciliation to the comparable GAAP measure on slide 12 of this presentation.

# Revenue (Q3)

(\$ in millions)



# Other Financial Metrics (Q3)



- (1) Includes capital expenditures of \$0.5 million in each of Q3 2022 and Q3 2021 related to our digital product investment.
- (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 2022 Highlights versus YTD 2021

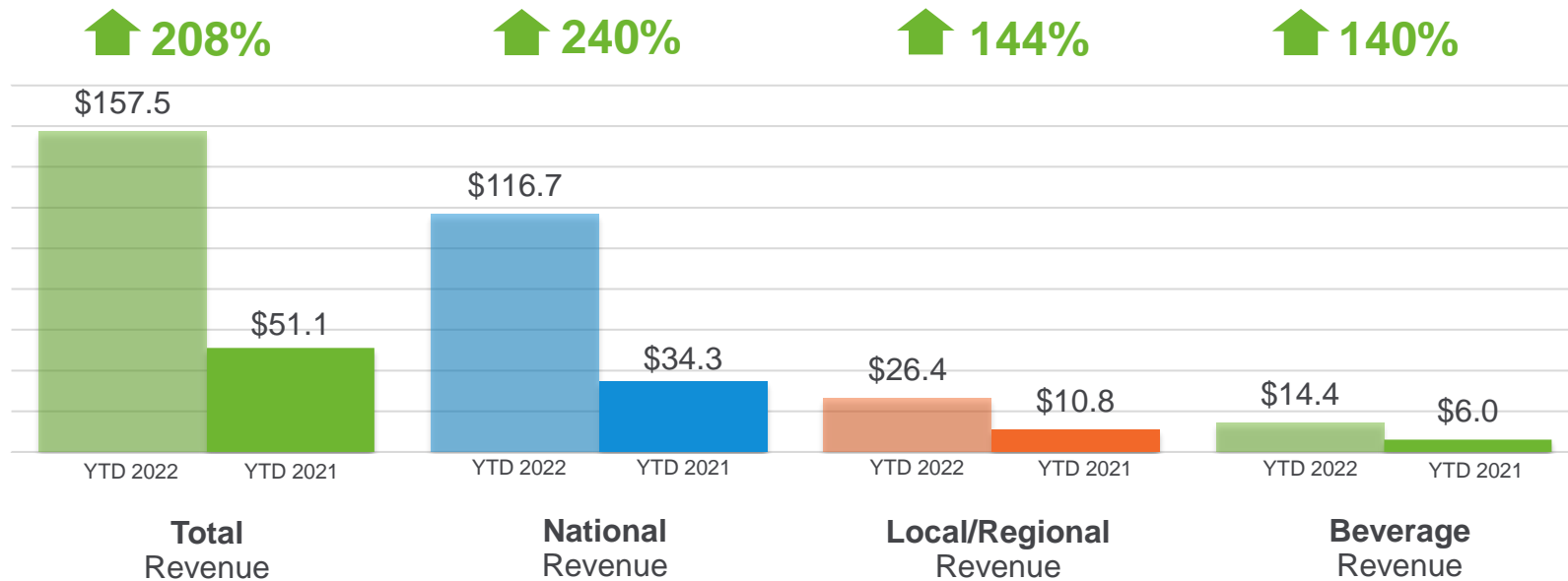
## Financial:

- Total revenue increased 208% to \$157.5 million.
- Adjusted OIBDA<sup>(1)</sup> increased from negative \$43.1 million to positive \$15.2 million.
- National Sales revenue increased 240% to \$116.7 million.
- Local and Regional revenue increased 144% to \$26.4 million.
- Beverage revenue increased 140% to \$14.4 million.

(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, impairment of long-lived assets and sales force reorganization costs). See reconciliation to the comparable GAAP measure on slide 12 of this presentation.

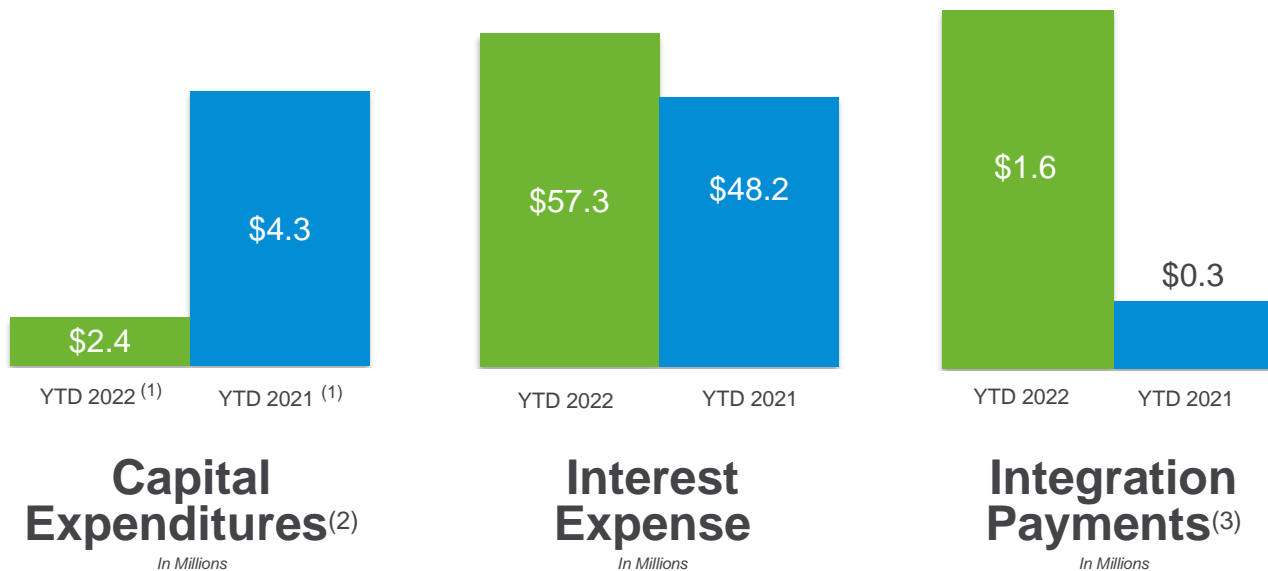
# Revenue (YTD)

(\$ in millions)









# Other Financial Metrics (YTD)



- (1) Includes capital expenditures of \$1.4 million in YTD 2022 related to our digital product investment versus \$1.3 million in YTD 2021.
- (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.

# Capital Structure Update

Q3 2022	 \$1,129.8M	 \$217.0M	 \$74.8M	 6.5%	N/A
Q3 2021	\$1,108.8M	\$167.0M	\$111.3M	5.6%	N/A
	<b>Total Debt Outstanding<sup>(1)</sup></b>	<b>Outstanding Revolver Balance</b>	<b>Consolidated Cash and Investment Balances<sup>(2)</sup></b>	<b>Average Interest Rate on All Debt</b>	<b>Consolidated Total Leverage Ratio<sup>(3)(4)</sup></b> <b>(Total Debt / Adjusted OIBDA + Integration Payments)</b>

(1) Q3 2022 excludes \$25.8 million face value of the Notes due 2028 held by NCM, Inc excluded for GAAP purposes.

(2) \$13.9 million of this balance is at NCMI at September 29, 2022 and \$46.9 million at September 30, 2021.

(3) On January 5, 2022, NCM obtained a waiver of any non-compliance with its Consolidated Net Senior Secured Leverage Ratio and Consolidated Total Leverage Ratio financial covenants until and including the quarter ending December 29, 2022.

(4) The Company's leverage ratios are N/A as the Company generated negative Adj. OIBDA during the four fiscal quarters ended September 29, 2022.

# Financial Outlook

For the fourth quarter of 2022, the Company expects to earn total revenue of \$85 million to \$95 million, compared to total revenue for the fourth quarter 2021 of \$63.5 million and Adjusted OIBDA in the range of \$32 million to \$42 million for the fourth quarter of 2022 compared to Adjusted OIBDA for the fourth quarter 2021 of \$18.4 million.

For the full year 2022, the Company expects to earn total revenue of \$242.5 million to \$252.5 million, compared to total revenue for the full year 2021 of \$114.6 million and Adjusted OIBDA in the range of \$47.3 million to \$57.3 million for the full year 2022 compared to Adjusted OIBDA for the full year 2021 of negative \$24.7 million.

# Operating Income to Adjusted OIBDA and Adjusted OIBDA Margin

\$ in millions

	Quarter Ended		Nine Months Ended	
	September 29, 2022	September 30, 2021	September 29, 2022	September 30, 2021
Operating loss	\$ (4.2)	\$ (18.7)	\$ (21.2)	\$ (76.6)
Depreciation expense	1.5	2.5	5.1	8.4
Amortization of intangibles recorded for network theater screen leases	6.3	6.2	18.7	18.5
Share-based compensation costs (1)	2.1	1.7	5.1	6.5
Impairment of long-lived assets (2)	—	—	5.8	—
Sales force reorganization costs (3)	—	—	0.4	—
Executive transition costs (4)	—	0.1	—	0.1
Advisor fees related to the Cineworld proceeding (5)	1.3	—	1.3	—
Adjusted OIBDA	\$ 7.0	\$ (8.2)	\$ 15.2	\$ (43.1)
Total revenue	\$ 54.5	\$ 31.7	\$ 157.5	\$ 51.1
Adjusted OIBDA margin	12.8 %	(25.9)%	9.7 %	(84.3)%

- (1) Share-based compensation costs are included in network operations, selling and marketing and administrative expense.
- (2) The impairment of long-lived assets primarily relates to the write-off of certain internally developed software no longer in use.
- (3) Sales force reorganization costs represent redundancy costs associated with changes to the Company's sales force implemented during the first quarter of 2022.
- (4) Executive transition costs represent costs associated with the search for a new Company CFO during the third quarter of 2021.
- (5) Advisor and legal fees incurred in connection with the Company's involvement in the Cineworld proceeding during the third quarter of 2022.

# Thank You!

National CineMedia, Inc.

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