

# 2019 Third Quarter

As of September 30, 2019

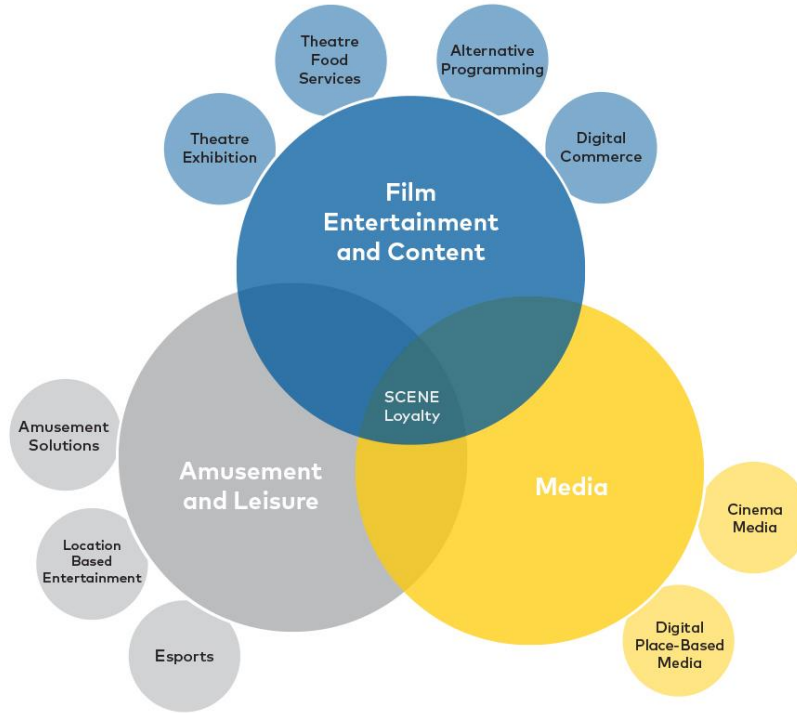
Contact/Inquiries:

Communications & Investor Relations

E: [InvestorRelations@cinplex.com](mailto:InvestorRelations@cinplex.com)



# Diversified Entertainment and Media Company



# Corporate Strategy

- Continue to enhance and expand Cineplex's presence as an entertainment destination for Canadians in-theatre, at-home and on-the-go;
- Capitalize on our core media strengths and infrastructure to provide continued growth of Cineplex's media business, both inside and outside theatres;
- Develop and scale amusement and leisure concepts by extending existing capabilities and infrastructure;
- Drive value within businesses by leveraging opportunities to optimize value, realize synergies, implement customer-centric technology and leverage big data across the Cineplex ecosystems; and
- Pursue opportunities that are strategic, accretive and capitalize on Cineplex's core strengths.

# Film Entertainment and Content

Theatre Exhibition • Theatre Food Service • Alternative Programming • Digital Commerce

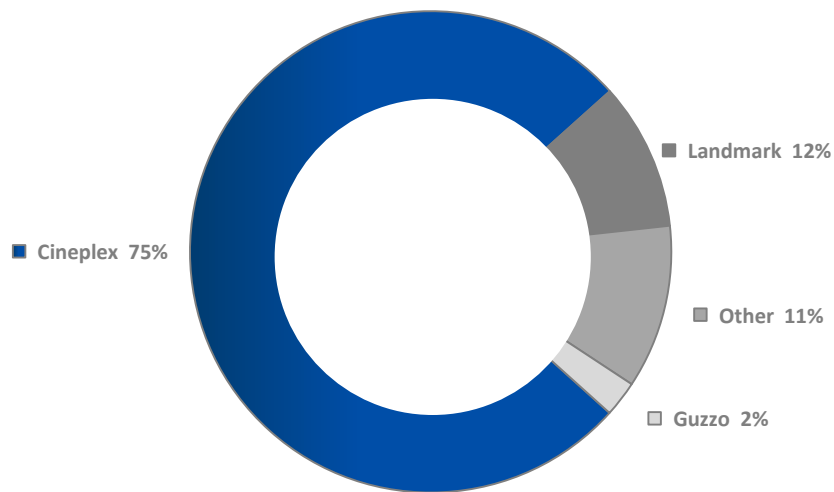
# Box Office Market Share

CINEPLEX  
IS THE  
**LARGEST**  
AND  
**MOST SUCCESSFUL**  
MOTION PICTURE  
EXHIBITION COMPANY  
IN CANADA

**165**  
THEATRES

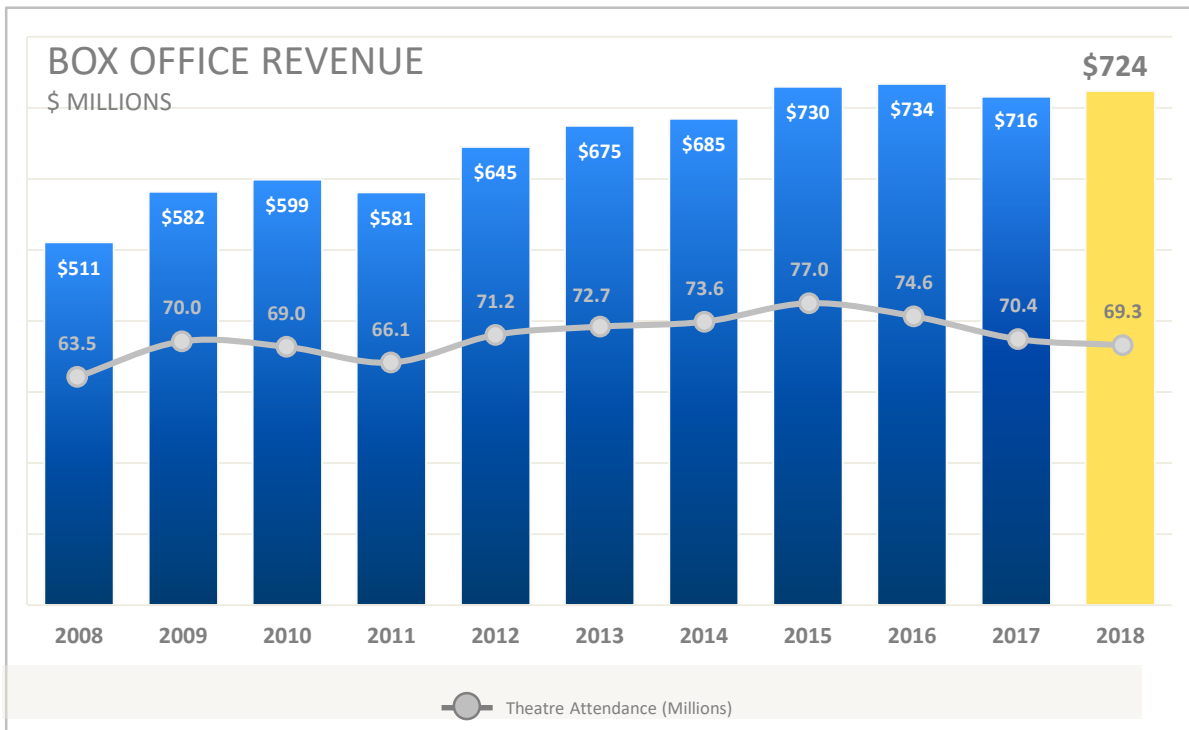
**1,695**  
SCREENS

BOX OFFICE MARKET SHARE  
FOR NINE MONTHS ENDED SEPTEMBER 30, 2019

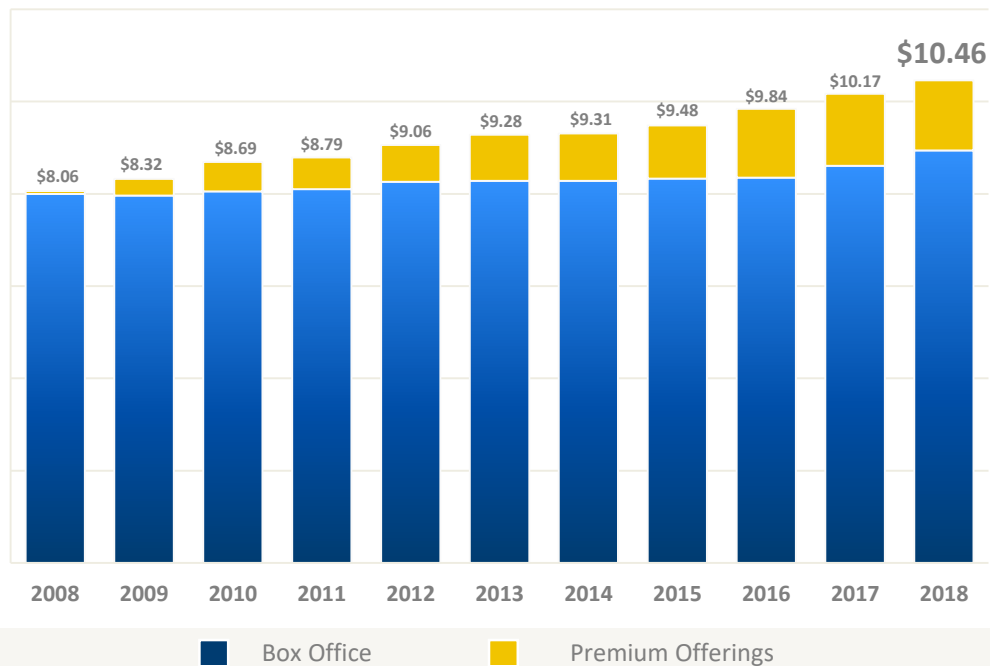


Source: Rentrak

# Box Office Revenue



# Box Office Per Patron (BPP)



## Premium Experiences



**PREMIUM EXPERIENCES**  
ACCOUNTED FOR **42.8%**  
OF BOX OFFICE  
REVENUE

FOR NINE MONTHS ENDED  
SEPTEMBER 30, 2019



# UltraAVX<sup>®</sup>



- Wall-to-wall screens
- Dolby ATMOS surround sound at most locations
- Extra-wide, high back, rocker seats
- Reserved seating
- Premium pricing

## 93

SCREENS at 77 LOCATIONS  
as of September 30, 2019



# IMAX

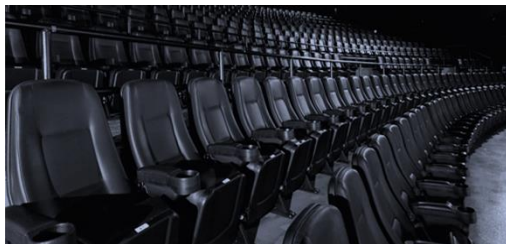


- Immersive movie experience
- Crystal-clear images
- Giant screens
- Powerful digital surround sound
- Reserved seating
- Premium pricing

## 25

SCREENS at 25 LOCATIONS

as of September 30, 2019



# IMAX®

# VIP Cinemas



- Enhanced food and beverage menu
- Adult-only licensed auditoriums
- Reserved luxury seating
- Exceptional service at your seat
- Exclusive licensed lounge
- Premium pricing

## 79

SCREENS at 21 LOCATIONS

as of September 30, 2019



## Other Entertainment Experiences

### D-BOX

- Seats move in synchronization with the action on screen
- Premium pricing
- Reserved seating
- **92 screens at 80 locations as of September 30, 2019**

### 4DX

- Specially designed motion seats set in pods of four and synchronized to on-screen action. Environmental effects like wind, mist, bubbles and more
- Premium pricing
- Reserved seating
- **2 locations as of September 30, 2019**

### SCREEN X

- 270-degree, panoramic movie-watching experience
- Premium pricing
- Reserved seating
- **1 location as of September 30, 2019**

### CLUBHOUSE

- Colourful décor, playful seating, a selection of family-friendly films and an indoor play structure where kids can climb, slide and explore
- In-auditorium food service
- Premium pricing
- Reserved seating
- **2 locations as of September 30, 2019**

### RECLINERS

- Luxury recliners with powered foot rests
- Premium pricing
- General and reserved seating
- **182 screens at 20 locations as of September 30, 2019**

# Selective New Theatre Builds and VIP Expansions



**OPENED OCTOBER 2019**

**Cineplex Cinemas at The Centre  
(Saskatoon, SK)**

**COMING TO A MARKET NEAR YOU**

**Cineplex VIP Cinemas Brentwood  
(Burnaby, BC)**

**Cineplex VIP Cinemas University District  
(Calgary, AB)**

**Cineplex Kildonan  
(Winnipeg, MB)**

**Cineplex VIP Cinemas Royalmount  
(Montreal, QC)**



## Theatre Food Service

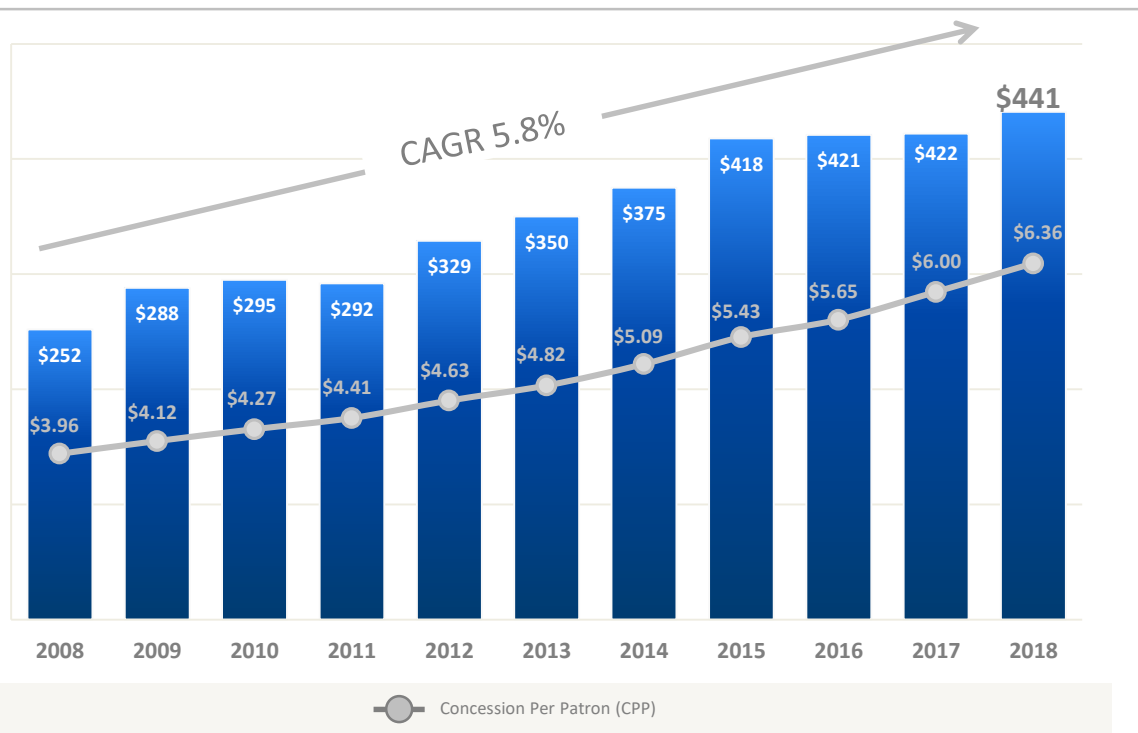


**\$440.7 Million**

**REVENUE 2018**

- Highly diversified product offering
- Digital technology, integrated loyalty and targeted promotions
- Proprietary and third party brands
- Focus on speed of service
- Expanded liquor licensing in Ontario, Alberta and Manitoba
- 78 fully licensed locations as of September 30, 2019

# Theatre Food Service Revenue



## Expanded Food Offerings



Full array of menu items for all meal occasions

**OUTTAKES**

**PIZZA  
PIZZA**

*Tim Hortons*



## Desserts and Coffee



### In-theatre and take-home snack occasions

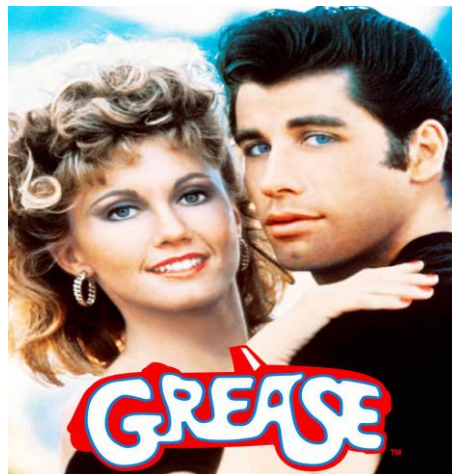


# Alternative Programming

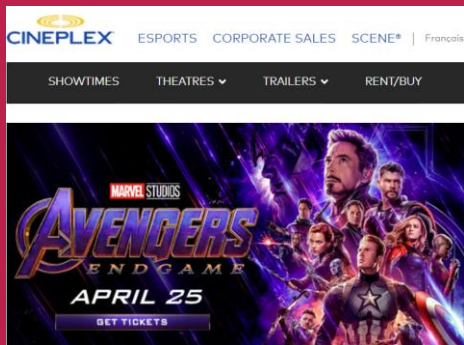
Including, among others:

- Classic Film Series
- Family Favourites
- Flashback Film Series
- In the Gallery Series
- International Film Programming
- National Theatre Live
- NFL at Cineplex
- Sensory Friendly Screenings
- Special Events
- The Met: Live in HD

24 Event Screens dedicated 100%  
to alternative programming



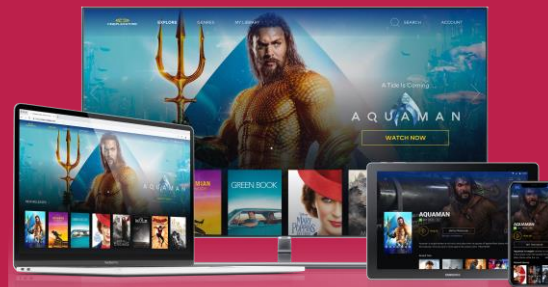
# Digital Commerce - Platforms and Products



Cineplex.com



Mobile App



Cineplex Store

## Improving the Guest Experience

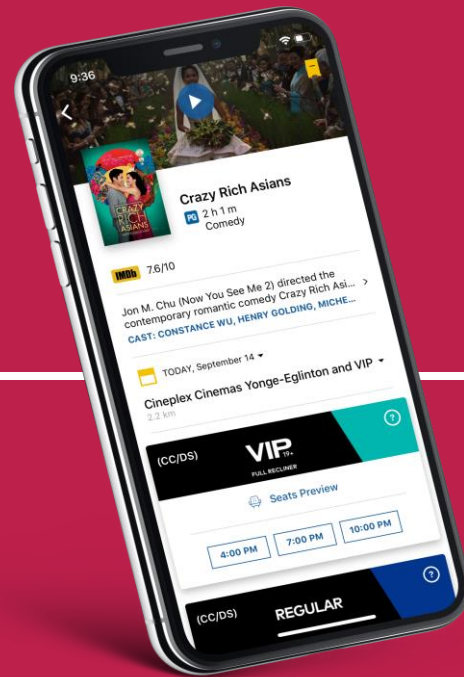
- Provides entertainment content before the show
- Mobile ticketing - no lines
- Mobile food ordering at VIP Cinemas

### CINEPLEX.COM

- Online ticketing and showtimes, exclusive entertainment content

### CINEPLEX MOBILE

- One of Canada's most popular mobile brands
- Cineplex apps: iOS, iPad OS, and Android OS



# Cineplex Store

- Premier destination for Canadians to buy, rent and download digital movies
- At home and on-the-go viewing
- Over 8,600 titles
- Available on largest number of devices
- SCENE members earn and redeem points



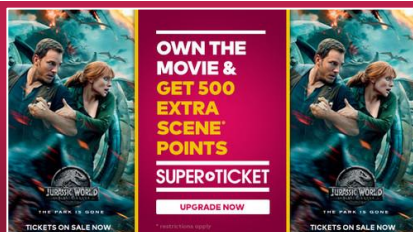
**Roku** **SAMSUNG** **LG**



**chromecast**

# SuperTicket

- Bundled offering from multiple studios
- Purchase movie ticket and pre-order digital download at the same time
- Movies available for earliest possible home entertainment release date
- Now available for essentially all major titles



CINEPLEX  
**SUPEROTICKET**

# Media

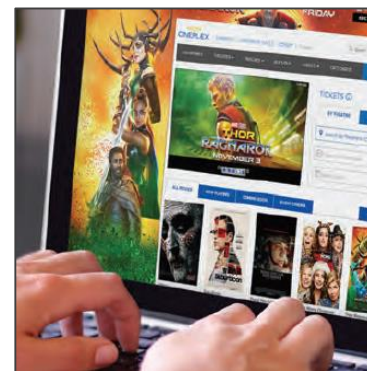
Cinema Media • Digital Place-Based Media



# Cinema Media

## Extensive portfolio of Cinema Media Assets:

- **On-screen advertising:** Show-Time, Pre-Show and TimePlay
- **Digital Lobby:** Digital Backlights and Digital Lobby Screens
- **Cineplex.com** and **Cineplex Mobile** advertising
- **Interactive Media Zones (IMZ):** Interactive screens for clients to engage with guests in theatre lobbies
- **Cineplex Magazine:** #3 most read magazine in Canada; #1 most read entertainment magazine in Canada



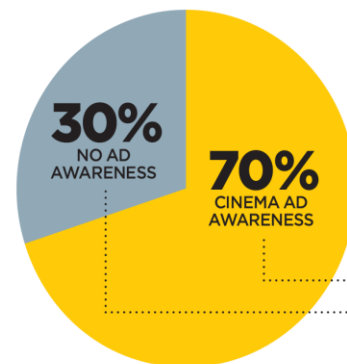


# High Impact Offerings

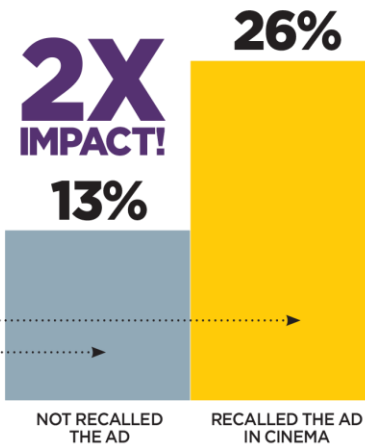
- Average impact of cinema advertising is greater than on TV
- Reaches sought after demographics and unique audiences
- Engaged and attentive audiences focused on the big screen
- Prolonged campaigns with mobile app interactivity
- Higher recall with 3D campaigns and added mobile content



## Cinema Show-Time Ad Awareness



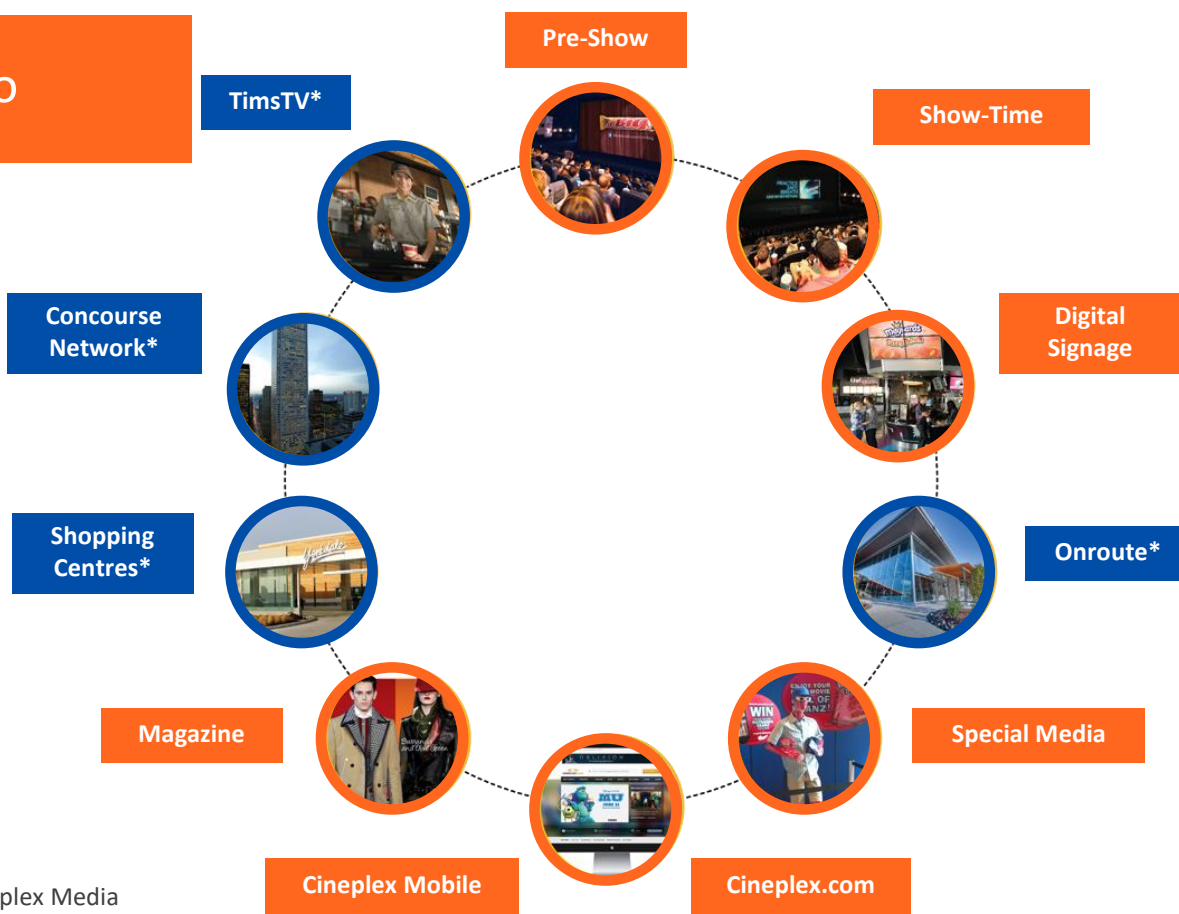
PURCHASE INTENT  
(ACROSS ALL CATEGORIES)



Cinema Advertising Show-Time Impact Study 2018  
Cineplex Insight via Vision Critical and Strategic Marketing Counsel

# Cinema Media Portfolio

- Integrated campaigns
- Tremendous reach
- À la carte menu of media options



**\*External Networks**  
Sales representation managed by Cineplex Media

# Digital Place-Based Media

- Full-service, digital place-based ecosystems
- Experiential technologies
- Global footprint

## Revenue Streams

- Technology Licensing
- Network Management
- Creative Services
- Advertising Sales
- Design and Installation

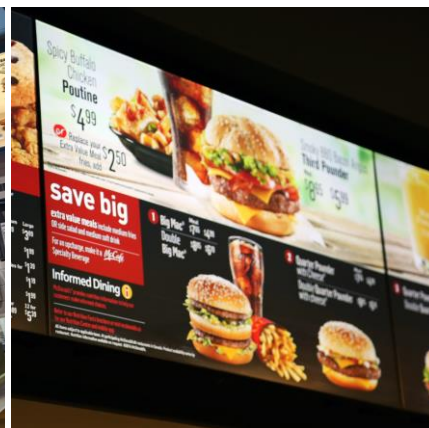
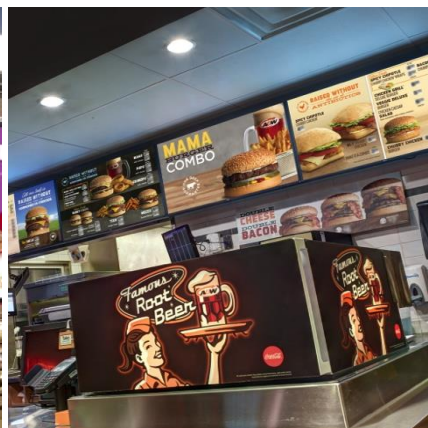
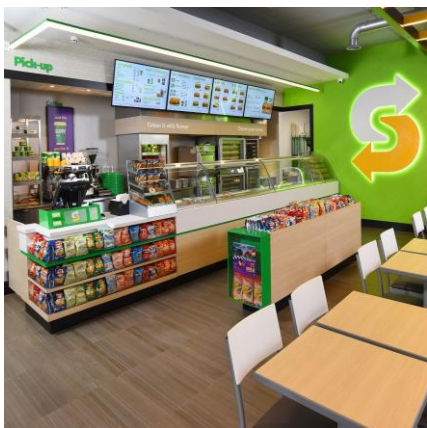
## Verticals

- Quick Service Restaurants
- Financial
- Retail
- Digital Out of Home (Malls)



# Quick Service Restaurants

## Working with top-tier brands around the globe



**SUBWAY**



# Financial

## Canada



**RBC**  
Royal Bank



**Scotiabank**

## United States

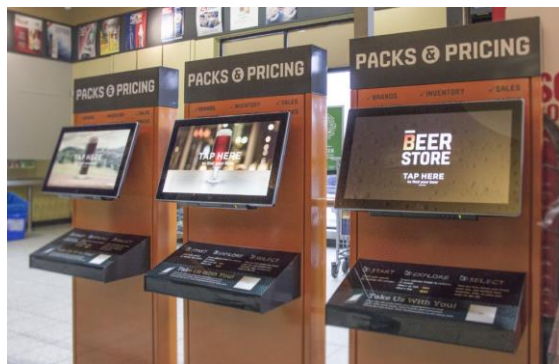


**Citizens Bank®**





# Retail

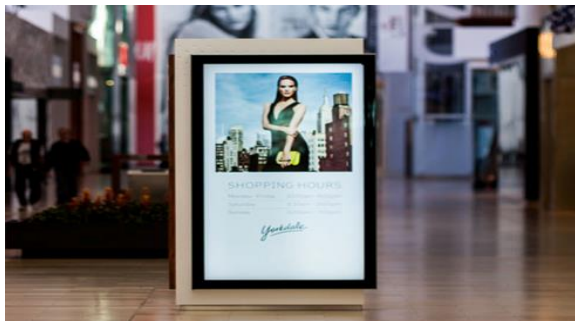


**BEER  
STORE**

**Walmart** 

**MEC** 

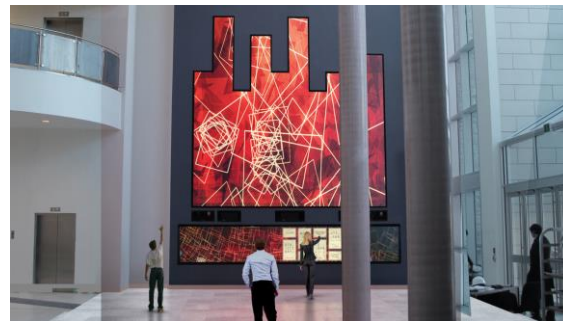
## Digital Out of Home



Oxford Properties



Ivanhoe Cambridge



Morguard Investments

- Award-winning digital signage company
- Designs, installs, manages, supports and consults on digital merchandising networks across North America
- Cineplex reaches approximately 50% of all mall traffic in Canada

O|X|F|O|R|D



Morguard

Brookfield

ONroute

# Amusement and Leisure

Amusement Solutions • Location Based Entertainment • Esports



# Amusement Solutions

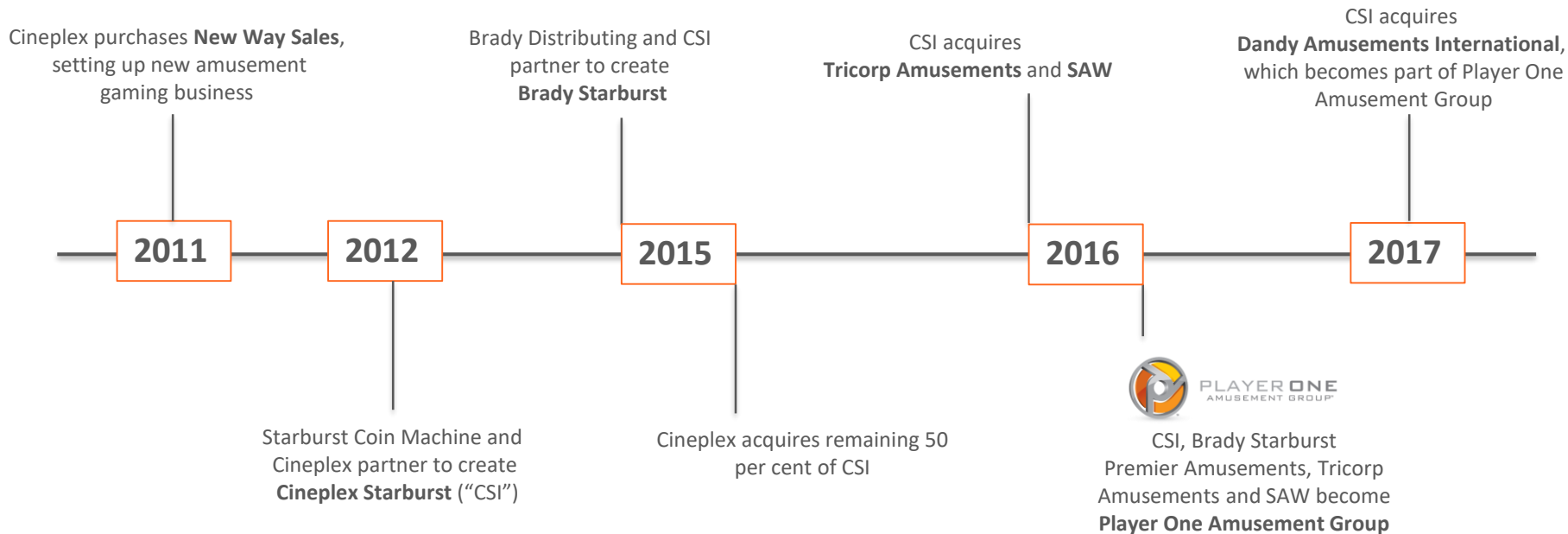


**PLAYER ONE**  
AMUSEMENT GROUP™

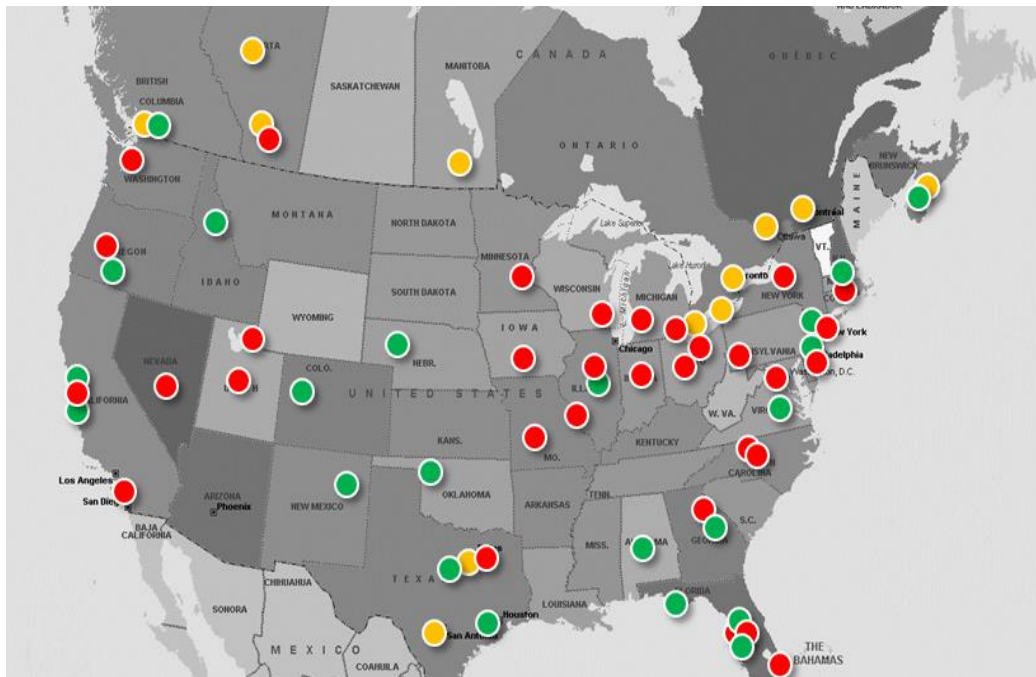
- One of the top amusement gaming companies in North America
- Supplies arcade equipment to Cineplex theatres, The Rec Room, other circuits and numerous entertainment venues
- LTM revenue as of September 30, 2019: \$181.6M
- B2B Amusement Solutions:
  - Route Operations
  - Distribution and Sales
  - Family Entertainment Centres (FECs)



# Player One Amusement Group



# Player One Amusement Group



## Route Business

Cineplex provides the equipment and shares the revenue with third party operators such as theme parks and FECs

Customers: Cineplex, Cinemark, Regal, Walmart, AMF, Punch Bowl Social, etc.

## Distribution Business

Customers purchase games through Cineplex sales and service representation of more than 70 leading game manufacturers

Customers: Norwegian Cruise Lines, Disney Cruise Lines, etc.

## P1AG Offices

# XSCAPE and FECs

- Well positioned for future growth in this area
- Own and operate Playdium Mississauga

## XSCAPE Entertainment Centres

- Entertainment concepts in Cineplex theatres featuring the latest video and interactive games with redemption pricing

## FECs

- Owned and revenue-share FECs across North America



# Esports



Leading video gaming tournaments platform and community for competitive gamers

**Building:**

- Impressions and Engagement
- Programming
- Content
- Partnerships

The #1 player focused on the collegiate esports segment with over 1,000 college campuses in North America

- Expanded leagues portfolio
- College teams compete and earn prize pools of scholarship funds

Canadian Championship Series (Tier 1 campaigns)

Developing secondary events channel via The Rec Room and other third party venues

Custom tournaments programming for partners and brands





# Location-Based Entertainment



Canada's newest destination for 'Eats & Entertainment'

Amusement gaming, live entertainment, feature attractions and unforgettable dining experiences, all under one roof

Large attractions area, bar, auditorium-style space for live entertainment and casual and upscale dining

Target: Millennials and baby boomers with kids, and groups



Reimagined entertainment complexes in mid-sized communities across Canada

Indoor play, fun and fresh food and modern, technology-enhanced amenities

Affordable entertainment for everyday play, casual dining or special occasions

Target: Teens, their friends and family



Joint venture partnership to bring sports entertainment experience to Canada

Dynamic entertainment experience catering to all demographics

Target: People of all ages and skill levels, including non-golfers

# The Rec Room

## TARGET

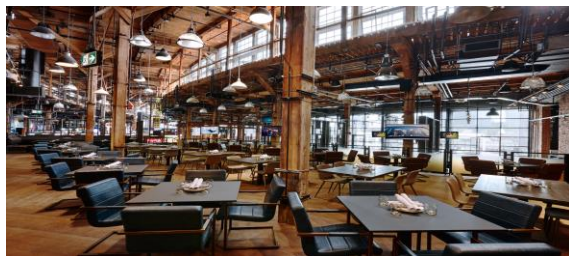
- 10-15 locations across Canada

## NOW OPEN

- South Edmonton Common: September 2016
- Toronto's Historic Roundhouse: June 2017
- West Edmonton Mall: August 2017
- Deerfoot City, Calgary: October 2017
- CF Masonville Place, London: April 2018
- Square One, Mississauga: March 2019
- Avalon Mall, St. John's: April 2019

## ANNOUNCED

- Seasons of Tuxedo, Winnipeg
- Brentwood, Burnaby
- Park Place, Barrie
- Granville, Vancouver
- Royalmount, Montreal



# Playdium

## TARGET

- 10-15 locations across Canada

## NOW OPEN

- Brampton, Ontario: September 2019
- Whitby, Ontario: November 2019

## ANNOUNCED

- Dartmouth, Nova Scotia





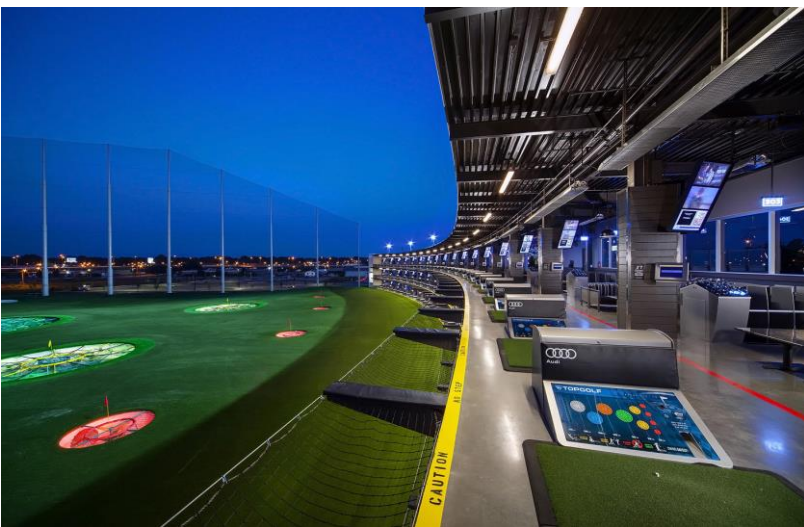
# Topgolf Canada

## TARGET

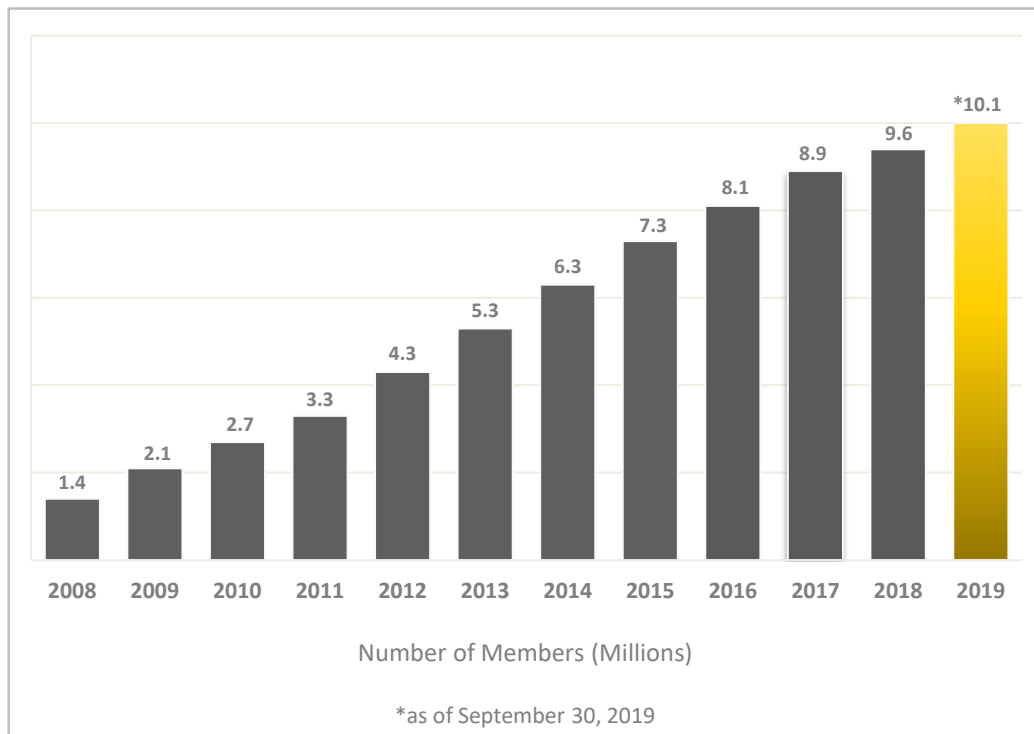
- 6-8 locations across Canada

## COMING SOON

- Locations TBA - 2020



# SCENE<sup>™</sup> Loyalty Program



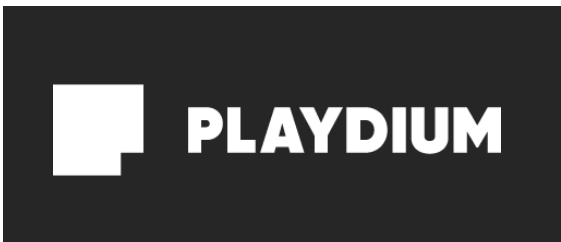
- Canada's top loyalty program for movie lovers with over 10 million members
- Leader in loyalty program member satisfaction in Canada
- Members are represented in 45% of Canadian households
- One in five Canadians are SCENE members

# SCENE<sup>™</sup>

# SCENE<sup>™</sup> Loyalty Program

## COMPETITIVE ADVANTAGE

- Drives theatre attendance frequency
- Encourages concession spend
- Better target offers to guests
- The Rec Room and Playdium: Encourages spend on food and beverage, gaming and entertainment
- Cineplex Store: Builds awareness and promotes trial
- Great opportunity for film studios and promotional partners
- Marketing automation platforms
- Valuable data and insight

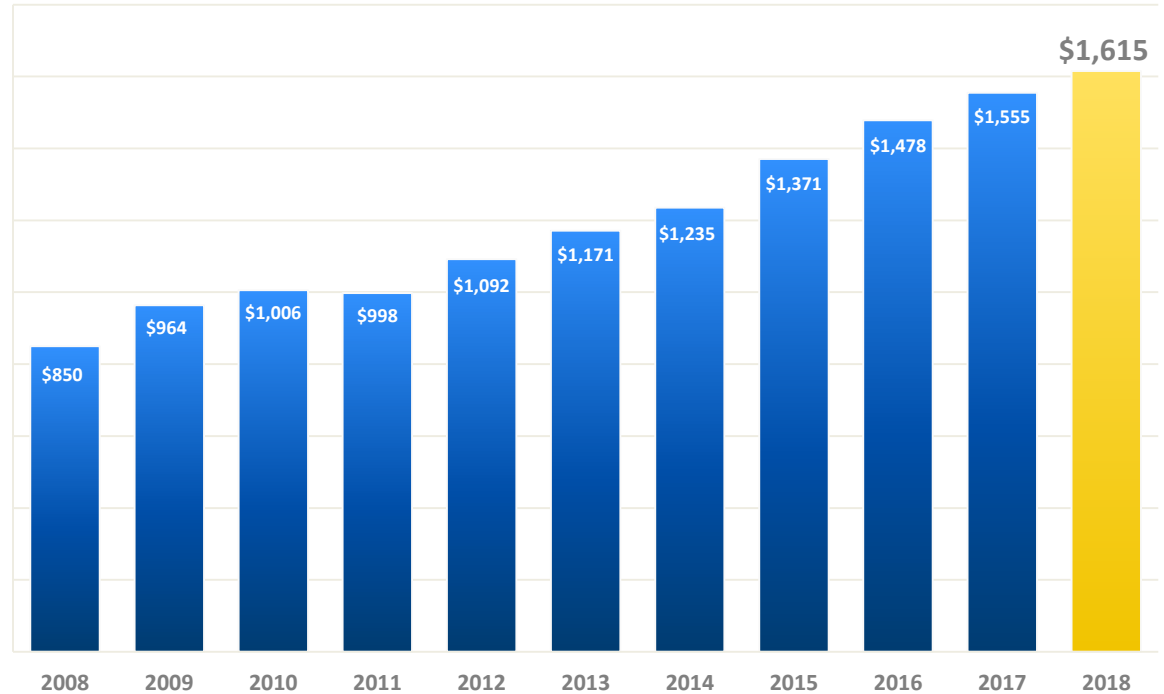


# Financial Highlights



## TOTAL REVENUE

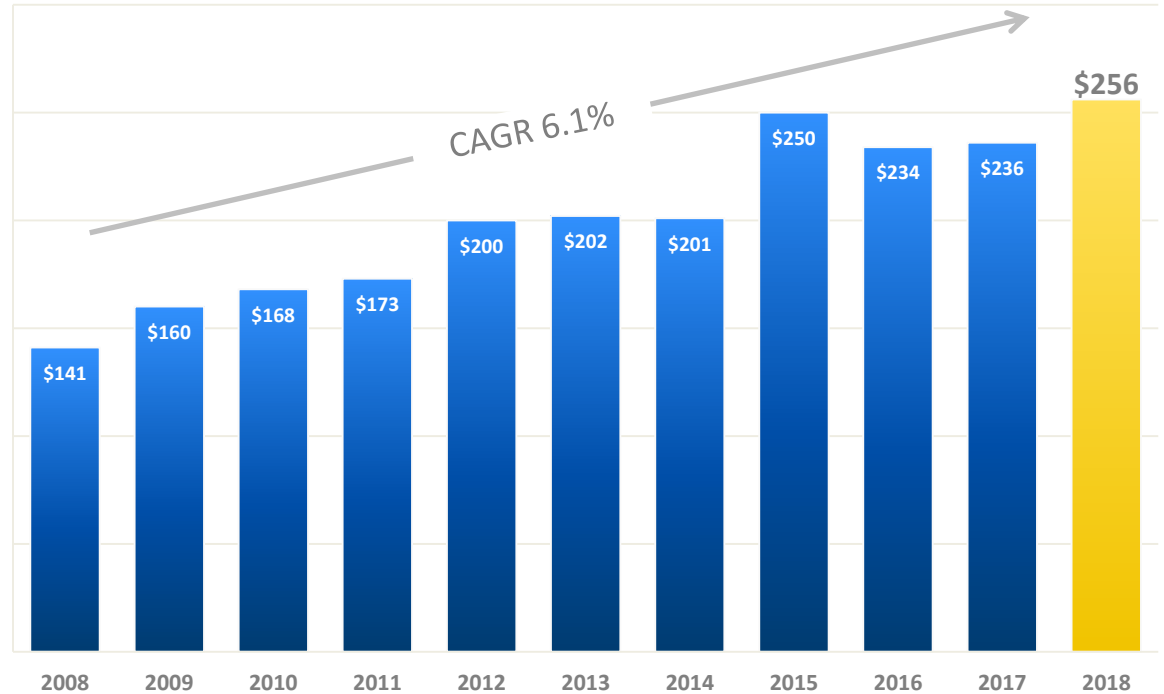
\$ MILLIONS





## ADJUSTED EBITDA\*

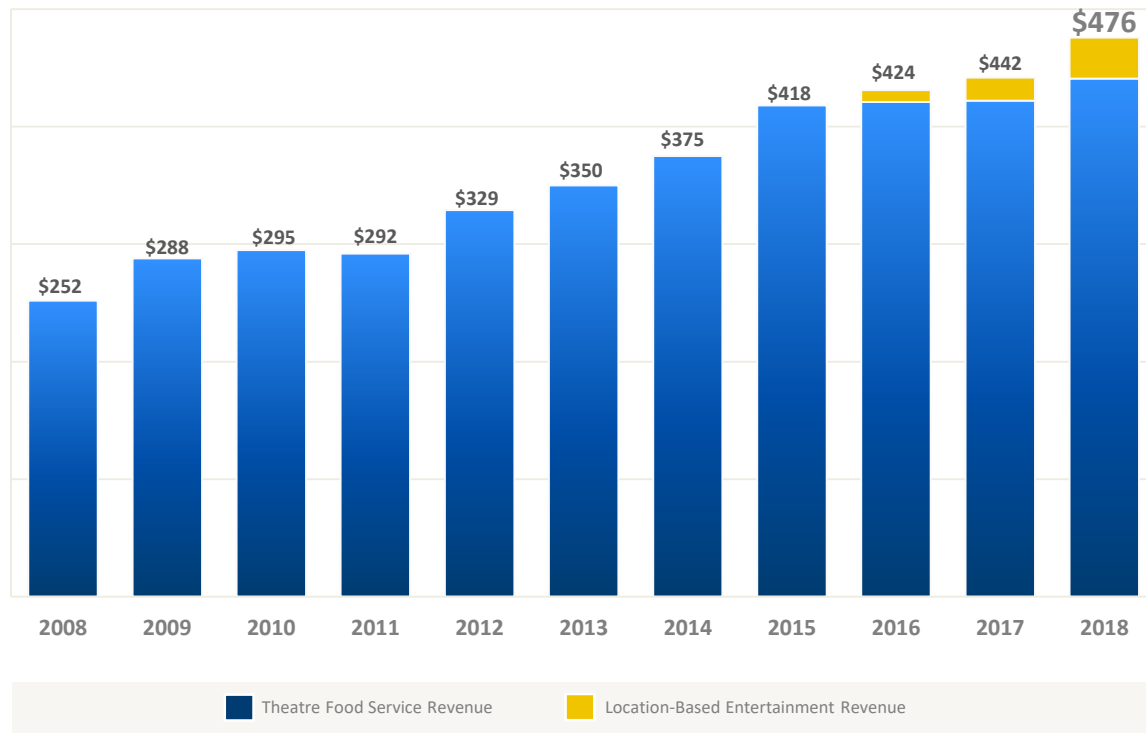
\$ MILLIONS



\*as reported prior to adoption of IFRS 16 – Leases



## TOTAL FOOD SERVICE REVENUE \$ MILLIONS

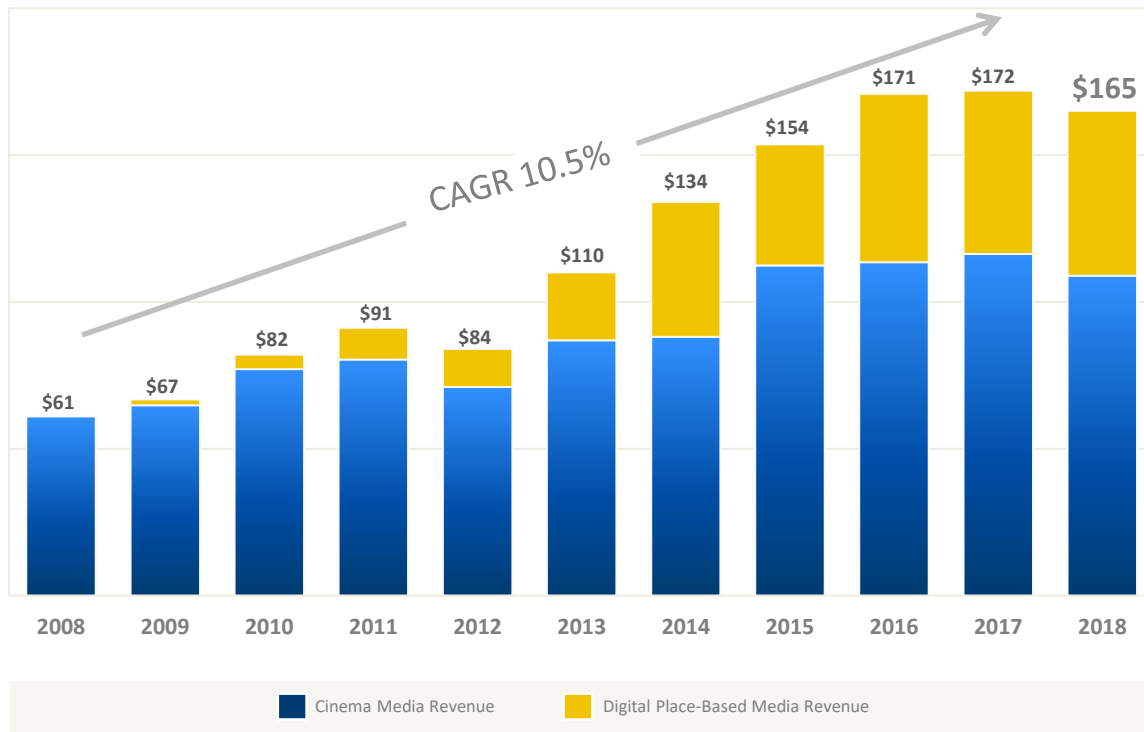






## MEDIA REVENUE

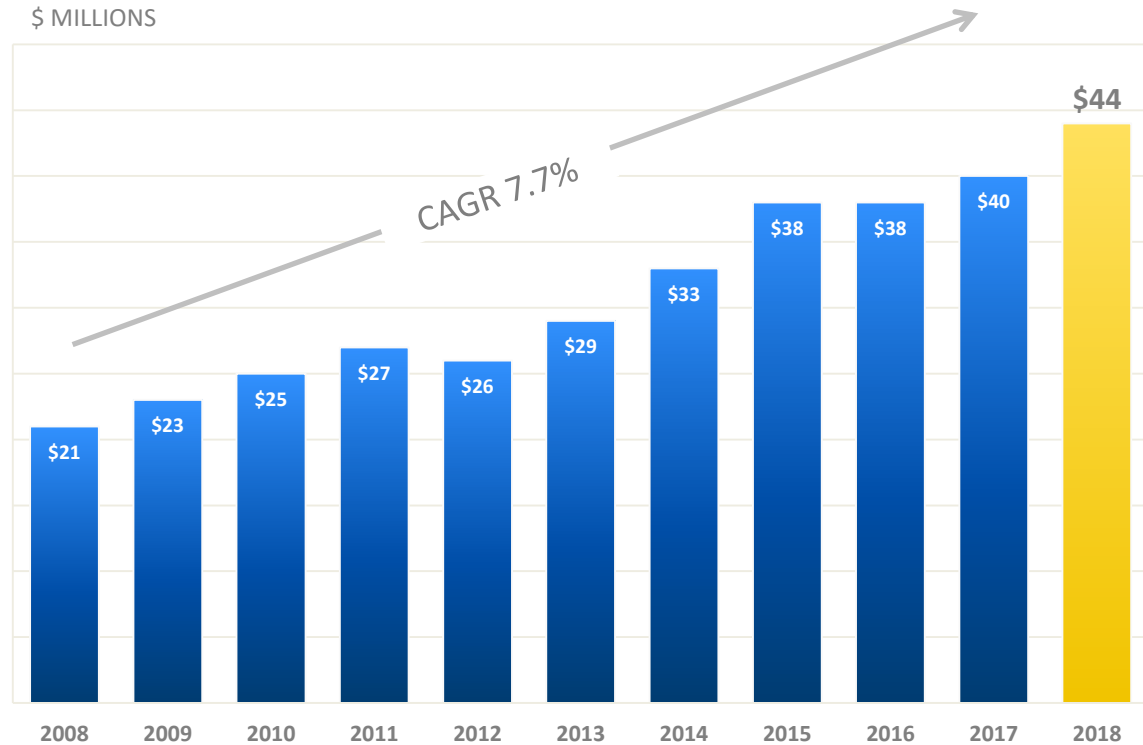
\$ MILLIONS





## OTHER REVENUE

\$ MILLIONS



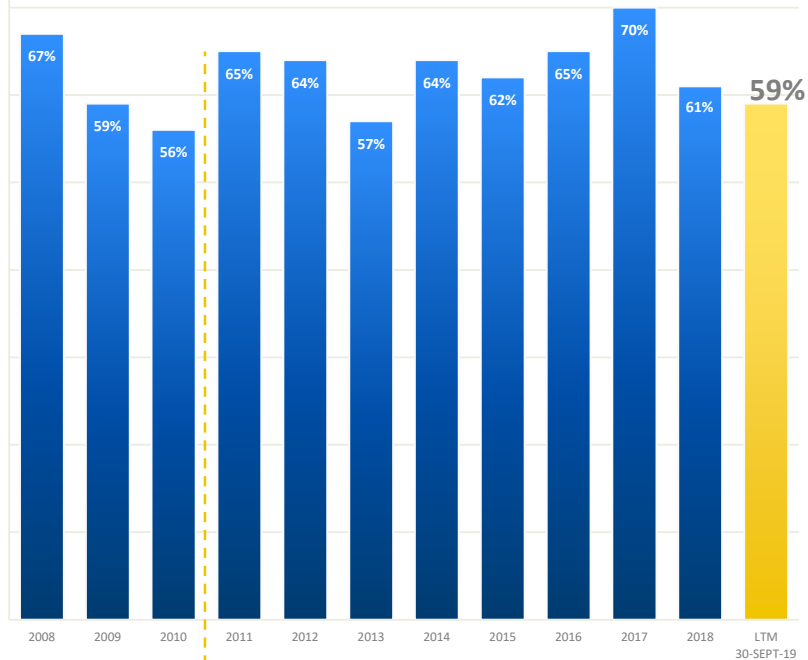
## Q3 AND Q3 YEAR TO DATE 2019 RESULTS

MILLIONS, EXCEPT ADJUSTED EBITDAaL MARGIN AND PER PATRON AMOUNTS

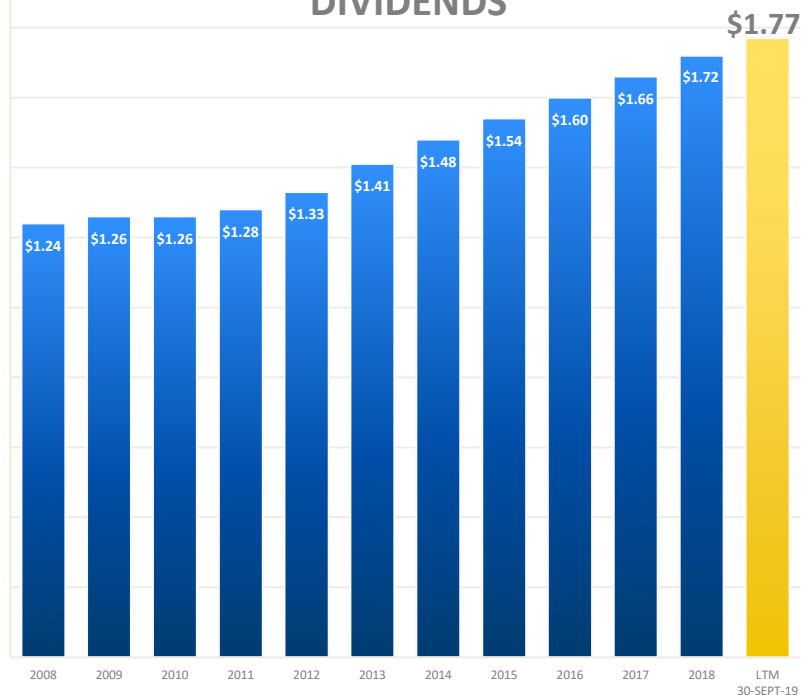
Q3 2019	Q3 2018	%		Q3 YTD 2019	Q3 YTD 2018	%
\$177.9	\$173.3	2.6%	Box Office	\$523.7	\$541.9	-3.4%
\$125.6	\$115.6	8.6%	Food Service	\$358.2	\$354.8	1.0%
\$43.3	\$33.2	30.6%	Media	\$127.2	\$104.9	21.3%
\$58.1	\$53.8	8.0%	Amusement	\$174.8	\$152.3	14.7%
\$13.6	\$10.6	28.7%	Other	\$38.1	\$30.7	24.0%
\$418.4	\$386.4	8.3%	Total Revenue	\$1,221.9	\$1,184.6	3.2%
\$106.1	\$55.0	93.1%	Adjusted EBITDA	\$299.3	\$179.0	67.2%
\$62.3	\$51.4	21.2%	Adjusted EBITDAaL	\$168.2	\$167.3	0.6%
14.9%	13.3%	1.6%	Adjusted EBITDAaL Margin	13.8%	14.1%	-0.3%
17.5	17.2	1.8%	Theatre Attendance	49.5	52.3	-5.3%
\$10.16	\$10.07	0.9%	BPP	\$10.58	\$10.37	2.0%
\$6.68	\$6.25	6.9%	CPP	\$6.70	\$6.31	6.2%

\*For non-GAAP measures, refer to slides 53-54

## PAYOUT RATIO



## DIVIDENDS

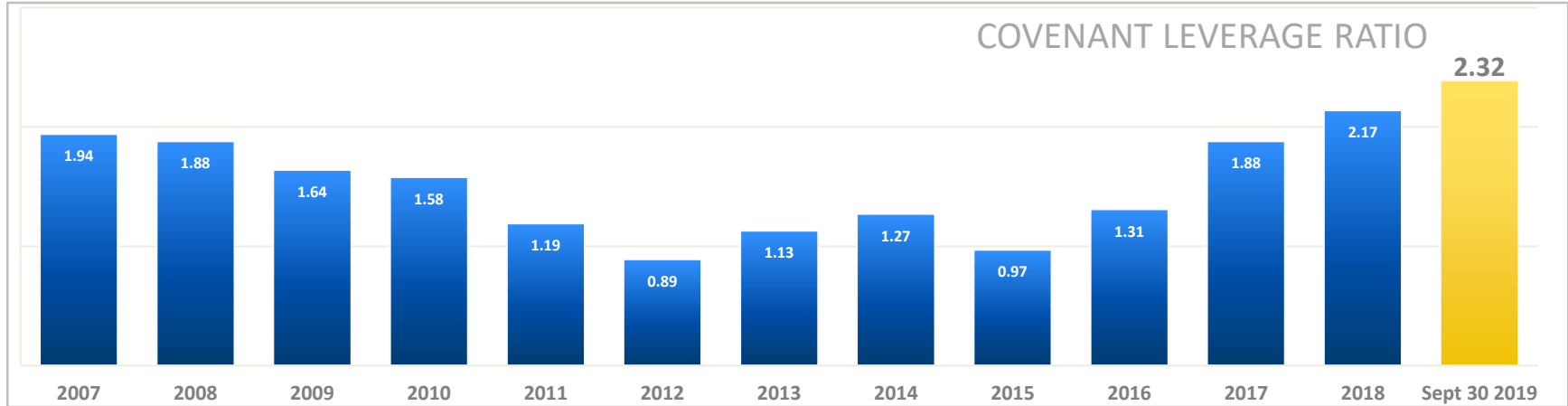


**Corporate Conversion Jan. 1, 2011**

## CREDIT FACILITIES

(MILLIONS)

	Maturity	Capacity	Drawn (as of Sept 30/19)	Reserved (as of Sept 30/19)	Remaining
Term Facility	Nov 2025	\$150.0	\$150.0	—	—
Revolving Facility	Nov 2023	\$650.0	\$499.0	\$8.7	\$142.3
Total		\$800.0	\$649.0	\$8.7	\$142.3



As of September 30, 2019

# Non-GAAP Financial Measures

Management of Cineplex uses certain non-GAAP financial measures to evaluate performance. These measures are either comparable to similar measures presented by other issuers or are widely used in the theatre exhibition industry. For a detailed discussion of these non-GAAP financial measures, please refer to Cineplex's management's discussion and analysis filed on [www.sedar.com](http://www.sedar.com). Non-GAAP financial measures used in investor presentations included the following:

<b>EBITDA</b>	EBITDA is calculated by adding back to net income, income tax expense, depreciation, amortization and interest expense net of interest income
<b>Adjusted EBITDA</b>	Adjusted EBITDA excludes change in fair value of financial instrument, loss on disposal of assets, foreign exchange loss (gain), the equity income of CDCP, the non-controlling interests' share of adjusted EBITDA of TGLP, and depreciation, amortization, interest and taxes of Cineplex's other joint ventures and associates.
<b>Adjusted EBITDAaL</b>	Adjusted EBITDAaL modifies adjusted EBITDA to deduct current period cash rent related to lease obligations.
<b>Adjusted Free Cash Flow</b>	Adjusted free cash flow is calculated by adjusting cash provided by operating activities by total capital expenditures excluding growth capital expenditures net of proceeds on sale of assets, changes in operating assets and liabilities, changes in operating assets and liabilities of joint ventures, tenant inducements, change in fair value of financial instruments, principal component of finance lease obligations, share of income of joint ventures net of non-cash depreciation, non-controlling interests share of adjusted EBITDA of TGLP, and net cash received from CDCP.
<b>Theatre Attendance</b>	Theatre attendance is calculated as the total number of paying guests that frequent Cineplex's theatres during the period.
<b>BPP</b>	Calculated as total box office revenues divided by total paid theatre attendance for the period.
<b>BPP excluding premium priced product</b>	Calculated as total box office revenues for the period, less box office revenues from 3D, UltraAVX, VIP, 4DX and IMAX product divided by total paid theatre attendance for the period less paid theatre attendance for 3D, UltraAVX, VIP, 4DX and IMAX product.
<b>CPP</b>	Calculated as total theatre food service revenues divided by total paid theatre attendance for the period.
<b>Premium Priced Product</b>	Defined as 3D, UltraAVX, VIP, 4DX and IMAX product.



# Non-GAAP Financial Measures

Theatre concession margin per patron	Calculated as total theatre food service revenues less total theatre food service cost, divided by theatre attendance for the period.
Same theatre metrics	Same theatre metrics are calculated by removing the results for all theatres that have been opened, acquired, closed or otherwise disposed of during the periods.
Film cost percentage	Calculated as total film cost expense divided by total box office revenues for the period.
Theatre concession cost percentage	Calculated as total cost of theatre food service divided by total theatre food service revenues for the period.
LBE food cost percentage	Calculated as total LBE food costs divided by total LBE food service revenues for the period.
P1AG Adjusted EBITDAaL	Calculated as amusement revenues of P1AG less the total operating expenses, cash rent related to lease obligations and non-cash rent of P1AG, which excludes foreign exchange.
P1AG Adjusted EBITDAaL Margin	Calculated as P1AG Adjusted EBITDAaL divided by total amusement revenues for P1AG for the period.
Adjusted Store Level EBITDAaL Metrics	Calculated as total LBE revenues from all locations less the total of operating expenses, cash rent related to lease obligations and non-cash rent of LBE, which excludes pre-opening costs and overhead relating to the management of the LBE businesses.
Adjusted Store Level EBITDAaL Margin	Calculated as adjusted store level EBITDAaL divided by total revenues for LBE for the period.
Non-cash rent	Calculated as the total amortization of tenant inducements, rent averaging liabilities, density rights and fair-value lease contract liabilities. This accounting treatment was applicable under IAS 17 in 2018 but not applicable under IFRS 16 in 2019 and onwards.

**Thank you!**