



FOR IMMEDIATE RELEASE

## Cineplex Reports First Quarter 2024 Results

**TORONTO, Canada**, May 9, 2024 (TSX: CGX) - Today, Cineplex Inc. (“Cineplex” or the “Company”) released its financial results for the three months ended March 31, 2024. Unless otherwise specified, all amounts are in Canadian dollars.

### **Q1 2024 Highlights:**

- Total revenue increased to \$294.8 million as compared to \$291.4 million in the prior year
- Net income was \$5.2 million in Q1 2024, an increase from a loss of \$30.2 million in the prior year
- All time Q1 record BPP of \$12.74 and CPP of \$8.95, surpassed records set in Q1 2023
- Outpaced the Q1 North American box office relative to Q1 2023 by 664 basis points
- Completed national rollout of online mobile concession ordering
- Increased Digital Place-Based Media revenue by 24% over prior year due to expanded digital-out-of-home network
- Completed sale of Player One Amusement Group (“PIAG”) for \$155 million (subject to customary post-closing adjustments) and recognized a gain of \$67.3 million
- Completed comprehensive refinancing plan which extended debt maturities, reduced restrictions, and reduced potential dilution
- 13% of Q1 box office revenues came from international programming

“In the first quarter, we made tremendous strides towards strengthening our balance sheet with the closing of the strategic sale of PIAG, which accelerated our de-leveraging and comprehensive refinancing plan, designed to improve financial flexibility,” said Ellis Jacob, President and CEO, Cineplex.

“We are now focusing on long-term growth with the path to increasing shareholder returns. Despite slower box office, we have emerged stronger and have much to look forward to. Our diversified businesses are gaining momentum, positioning us favorably for the future. With the addition of Cadillac Fairview and Cominar at the beginning of the year, Cineplex Digital Media has increased its out-of-home shopping network to 94 premium shopping centres, which includes nine of the country’s top ten busiest malls. A new Playdium location in the greater Toronto area was announced to open later this year as part of three new LBE openings slated for Q4 2024. With compelling margins, the LBE business continues to perform strongly with long-term growth potential.”

“Not only do our diversified businesses set us apart from our peers, we also consistently outperform them in North American box office performance. At CinemaCon last month, our studio partners reinforced their commitment to an influx of dynamic content for the remainder of 2024 and into 2025. With new titles continuing to be added and the already strong line up in place, we anticipate a very strong second half of 2024.”

“We’ve laid the groundwork for some of our key growth strategies in the first quarter and feel energized by the upcoming film slate. With our strategic initiatives in place and a promising film lineup on the horizon, we’re excited about the opportunities ahead as we continue to prioritize the interests of our shareholders.”

## First Quarter Financial Results

Financial highlights (in thousands of dollars, except theatre attendance in thousands of patrons and per share and per patron amounts)	First Quarter		
	2024	2023 (i)	Change (ii)
Total revenues	\$294,759	\$291,355	1.2%
Theatre attendance	9,819	9,767	0.5%
Net loss from continuing operations	\$(62,970)	\$(33,177)	89.8%
Net income from discontinued operations, including gain on disposition	\$68,130	\$3,004	NM
Net income (loss) (iii)	\$5,160	\$(30,173)	NM
Net loss as a percentage of sales from continuing operations (iii)	(21.4)%	(11.4)%	-10.0%
Cash provided by (used in) operating activities	\$35,954	\$(7,065)	NM
Box office revenues per patron ("BPP") (iv)	\$12.74	\$12.63	0.9%
Concession revenues per patron ("CPP") (iv)	\$8.95	\$8.85	1.1%
Adjusted EBITDA (iv)	\$46,735	\$52,719	-11.4%
Adjusted EBITDAaL (iv)	\$4,585	\$11,377	-59.7%
Adjusted EBITDAaL from discontinued operations (iv)	\$508	\$8,866	-94.3%
Adjusted EBITDAaL including discontinued operations (iv)	\$5,093	\$20,243	-74.8%
Adjusted EBITDAaL margin from continuing operations (iv)	1.6%	3.9%	-2.3%
Adjusted free cash flow (iv)	\$(6,005)	\$(5,212)	15.2%
Adjusted free cash flow per share (iv)	\$(0.094)	\$(0.082)	14.6%
Loss per share from continuing operations - basic and diluted (iii)	\$(0.99)	\$(0.52)	90.4%
Earnings per share from discontinued operations - basic and diluted	\$1.07	\$0.04	NM
Earnings (loss) per share - basic and diluted (iii)	\$0.08	\$(0.48)	NM

- (i) The results of discontinued operations (PIAG) have been excluded from prior period figures as applicable per IFRS 5 to conform to the current period presentation. All amounts are from continuing operations unless noted.
- (ii) Period over period change calculated based on thousands of dollars except percentage and per share values. Changes in percentage amounts are calculated as 2024 value less 2023 value.
- (iii) 2024 includes the loss on the 2024 Refinancing of \$53.9 million, and expenses related to other transactions or litigation outside the normal course of business in the amount of \$1.9 million (2023 - \$0.9 million).
- (iv) Adjusted EBITDA, adjusted EBITDAaL, adjusted EBITDAaL margin, adjusted free cash flow per common share of Cineplex, BPP and CPP are measures that do not have a standardized meaning under generally accepted accounting principles ("GAAP"). These measures as well as other Non-GAAP other financial measures reported by Cineplex are defined in the 'Non-GAAP and Other Financial Measures' section at the end of this news release.

## First Quarter and April Box Office Results

The following table compares 2024 monthly box office revenues to 2019 and 2023 monthly box office revenues:

Month	2019 Box office (i)	2023 Box office (i)	2024 Box office (i)	2024 as a percentage of 2019	2024 as a percentage of 2023
January	\$52,034	\$45,744	\$37,620	72%	82%
February	\$41,892	\$36,950	\$28,222	67%	76%
March	\$62,571	\$40,644	\$59,219	95%	146%
<b>Q1 Total</b>	<b>\$156,496</b>	<b>\$123,338</b>	<b>\$125,061</b>	<b>80%</b>	<b>101%</b>
April	\$63,759	\$61,278	\$29,183	46%	48%

(i) Amounts are in thousands of dollars.

## KEY DEVELOPMENTS IN THE FIRST QUARTER OF 2024

The following describes certain key business initiatives undertaken and results achieved during 2024 in each of Cineplex's core business areas:

### FILM ENTERTAINMENT AND CONTENT

#### *Theatre Exhibition*

- Reported first quarter box office revenues of \$125.1 million, an increase of \$1.7 million or 1.4% from \$123.3 million, due to a 0.5% increase in theatre attendance as a result of the success of highly anticipated films released during the quarter, including *Dune: Part Two* and *Kung Fu Panda 4*.
- Reported a first quarter record BPP of \$12.74, \$0.11 or 0.9% higher than the \$12.63 reported during the prior year.
- Enhanced the theatre circuit with an IMAX screen at *Cineplex Cinemas Yonge-Eglinton and VIP* and UltraAVX screen at *Scotiabank Theatre Saskatoon and VIP*.

#### *Theatre Food Service*

- Reported first quarter theatre food service revenues of \$87.9 million, an increase of \$1.4 million or 1.6% compared to the prior year, primarily due to a 0.5% increase in theatre attendance.
- Reported a first quarter record CPP of \$8.95, an increase of \$0.10 or 1.1% compared to the prior year, primarily due to an increase in average spend.
- Completed the national rollout of mobile food and beverage ordering, across the entire theatre circuit during the first quarter, allowing guests to pre-order prior to the beginning of the movie.

#### *Alternative Programming and Distribution*

- As part of the theatrical distribution partnership with Lionsgate, Cineplex's distribution business (Cineplex Pictures) distributed *Ordinary Angels* and *Imaginary* during the first quarter.
- Continued a leadership position in alternative programming, with 13.0% of first quarter box office revenues coming from international films, including strong performing titles, *Warning 2* (Punjabi), *Jatt Nuu Chudail Takri* (Punjabi) and *Oye Bhole Oye* (Punjabi), of which Cineplex represented over 75%, of the total North American box office market share.
- Event Cinema programming consisted of a variety of successful initiatives including *Queen Rock Montreal*, the early 80's concert presented exclusively in IMAX, *Nabucco* and *Carmen* plus others from the Metropolitan Opera, and some notable family fare including *Trolls*, *Super Mario Bros.*, *Paw Patrol*, and *Peppa's Cinema Party* driving audiences during spring break.

#### *Digital Commerce*

- Celebrated Black History Month with a collection of films available on the Cineplex Store, with an accompanying donation to The Black Academy, an organization that celebrates, empowers and showcases Black Canadian talent.

### MEDIA

- Reported first quarter media revenues of \$22.4 million, an increase of \$0.1 million or 0.2% compared to the prior year.
- Continued leveraging expertise in data and analytics to drive revenues.

#### *Cinema Media*

- Reported first quarter cinema media revenues of \$12.4 million, a decrease of \$1.9 million or 13.1% over the prior year, due to the prior year including advertising deals related to expanding the Scene+ loyalty program, and revenue related to advertising campaigns that were previously deferred during pandemic periods.
- In March of 2024, Cineplex Media released the results of its proprietary Canadian Cinema Attention Results from Lumen, a well-known and respected global research company. These results far outperform any other video media option in the marketplace, and highlight the strength of the Cinema advertising channel.

#### *Digital Place-Based Media*

- Reported first quarter revenues of \$9.9 million, an increase of \$1.9 million or 24.0% over the prior year.

- Began operating a network of 200 digital displays in 18 Cadillac Fairview shopping centres and selling digital and static media, sponsorships, and activations for Cadillac Fairview’s extensive network of highly desirable shopping destinations across Canada.
- Signed an agreement with Cominar to develop, install, and maintain a state-of-the-art digital signage network in five Cominar managed shopping centres across Quebec. The addition of Cominar’s shopping centres grows Cineplex’s reach in the greater Montreal area to 117 million shoppers annually, and to over 750 million shoppers annually, across Canada.

#### **LOCATION-BASED ENTERTAINMENT**

- Reported first quarter revenues of \$34.5 million, a decrease of \$0.6 million or 1.7% compared to the prior year due to inclement weather in key regions.
- Reported first quarter adjusted store level EBITDAaL of \$9.7 million, a decrease of \$2.4 million or 20.1% compared to the prior year, primarily due to an increase in payroll related costs.

#### **LOYALTY**

- Membership in the Scene+ loyalty program increased to over 15 million members as at March 31, 2024.
- Celebrated National Popcorn Day on January 19, 2024, by treating Scene+ members across the country to a free bag of popcorn. Additionally, theatre teams across Canada gifted first responders with popcorn as a show of appreciation.

#### **CORPORATE**

- On February 1, 2024, Cineplex completed the sale of 100% of the issued and outstanding shares of PIAG for a purchase price of \$155.0 million in cash, subject to customary post-closing adjustments. In connection with the sale of PIAG, Cineplex recognized a material gain of \$67.3 million during the first quarter.
- On March 4, 2024, Cineplex completed a comprehensive refinancing plan (the “2024 Refinancing”), which included the following components:
  - The closing of a private placement offering of \$575 million aggregate principal amount of 7.625% senior secured notes (the “2024 Notes”) due March 31, 2029 (the “2024 Notes Offering”).
  - The redemption in full of Cineplex’s existing 7.5% senior secured second lien notes due February 26, 2026 (the “2021 Notes”) using a portion of the proceeds from the 2024 Notes Offering.
  - The repayment in full and termination of the Eighth Amended and Restated Credit Agreement using a portion of the proceeds from the 2024 Notes Offering.
  - The Corporation entering into of a new \$100 million "covenant-lite" revolving credit facility with a maturity date of March 4, 2027, with a syndicate of banks led by The Bank of Nova Scotia (the “2024 Credit Facility”).
  - Amendments to the Corporation’s 5.75% convertible unsecured subordinated debentures due September 30, 2025 (the “Convertible Debentures”).
  - A redemption, on a pro rata basis, of \$100 million of the outstanding Convertible Debentures at a price of 102.35% of par plus accrued and unpaid interest thereon to, but excluding, the date of the redemption (the “Partial Redemption”).

#### **NON-GAAP AND OTHER FINANCIAL MEASURES**

National Instrument 52-112, Non-GAAP and Other Financial Measures Disclosure (“NI 52-112”) imposes obligations regarding disclosure of non-GAAP financial measures, non-GAAP ratios, and other financial measures. Cineplex reports on certain non-GAAP measures, non-GAAP ratios, supplementary financial measures and total segment measures that are used by management to evaluate Cineplex’s performance. The following measures included in this news release do not have a standardized meaning under GAAP and may not be comparable to similar measures provided by other issuers. Cineplex includes these measures because management believes that they assist investors in assessing financial performance. These non-GAAP and other financial measures are used throughout this news release and are defined below.

#### **NON-GAAP FINANCIAL MEASURES**

Non-GAAP financial measures are defined in 52-112 as a financial measure disclosed that (a) depicts the historical or expected future financial performance, financial position or cash flow of an entity, (b) with respect to its composition, excludes an amount that is included in, or includes an amount that is excluded from, the composition of the most directly comparable financial measure disclosed in the primary financial statements of the entity, (c) is not disclosed in the financial statements of the entity, and (d) is not a ratio, fraction, percentage or similar representation.

## **NON-GAAP RATIOS**

A non-GAAP ratio is defined by 52-112 as a financial measure disclosed that (a) is in the form of a ratio, fraction, percentage or similar representation, (b) has a non-GAAP financial measure as one or more of its components, and (c) is not disclosed in the financial statements.

Below are non-GAAP financial measures or non-GAAP ratios for continuing operations that are reported by Cineplex.

## **EBITDA, ADJUSTED EBITDA AND ADJUSTED EBITDAaL**

Management defines EBITDA as earnings before interest income and expense, income taxes and depreciation and amortization expense. Adjusted EBITDA excludes the change in fair value of financial instrument, loss (gain) on disposal of assets, foreign exchange, the equity income of CDCP, and impairment, depreciation, amortization, interest and taxes of Cineplex's other joint ventures and associates. Adjusted EBITDAaL modifies adjusted EBITDA to deduct current period cash rent paid or payable related to lease obligations.

Subsequent to the adoption of IFRS 16, Leases, by Cineplex effective January 1, 2019, the calculation of EBITDA no longer includes a charge for amounts paid or payable with respect to leased property and equipment. Given the majority of Cineplex's businesses are carried on in leased premises, Cineplex introduced the measure of adjusted EBITDAaL which includes a deduction for cash rent paid/payable related to lease obligations. Cineplex's management believes that adjusted EBITDAaL is an important supplemental measure of Cineplex's profitability at an operational level and provides analysts and investors with comparability in evaluating and valuing Cineplex's performance period over period. EBITDA, adjusted for various unusual items, is also used to define certain financial covenants in Cineplex's Credit Facilities. Management calculates adjusted EBITDAaL margin by dividing adjusted EBITDAaL by total revenues.

EBITDA, adjusted EBITDA and adjusted EBITDAaL are non-GAAP measures generally used as an indicator of financial performance and they should not be seen as a measure of liquidity or a substitute for comparable metrics prepared in accordance with GAAP. Cineplex's EBITDA, adjusted EBITDA and adjusted EBITDAaL may differ from similar calculations as reported by other entities and accordingly may not be comparable to EBITDA, adjusted EBITDA or adjusted EBITDAaL as reported by other entities.

### Adjusted Store Level EBITDAaL Metrics

Cineplex reviews and reports adjusted EBITDAaL at the location level for the LBE which is calculated as total LBE revenues from all locations less the total of operating expenses of LBE, which excludes pre-opening costs and overhead relating to the management of LBE.

### Adjusted Store Level EBITDAaL Margin

Calculated as adjusted store level EBITDAaL divided by total revenues for LBE for the period.

## **SUPPLEMENTARY FINANCIAL MEASURES**

Supplementary financial measures are financial measures that are not (a) presented in the financial statements and (b) is, or is intended to be, disclosed periodically to depict the historical or expected future financial performance, financial position or cash flow, that is not a non-GAAP financial measure or a non-GAAP ratio as defined in the instrument. Below are supplementary financial measures that Cineplex uses to depict its financial performance, financial position or cash flows.

### Earnings (loss) per Share Metrics

Cineplex has presented basic and diluted earnings (loss) per share net of this item to provide a more comparable loss per share metric between the current periods and prior year periods. In the non-GAAP and other financial measure, earnings is defined as net income or net loss attributable to Cineplex excluding the change in fair value of financial instruments.

### Per Patron Revenue Metrics

Cineplex reviews per patron metrics as they relate to box office revenue and theatre food service revenue such as BPP, CPP, BPP excluding premium priced product, and concession margin per patron, as these are key measures used by investors to value and assess Cineplex's performance, and are widely used in the theatre exhibition industry. Management of Cineplex defines these metrics as follows:

**Theatre Attendance:** Theatre attendance is calculated as the total number of paying patrons that frequent Cineplex's theatres during the period.

**BPP:** Calculated as total box office revenues divided by total paid theatre attendance for the period.

**BPP excluding premium priced product:** Calculated as total box office revenues for the period, less box office revenues from 3D, 4DX, UltraAVX, VIP ScreenX and IMAX product; divided by total paid theatre attendance for the period, less paid theatre attendance for 3D, 4DX, UltraAVX, VIP, ScreenX and IMAX product.

**CPP:** Calculated as total theatre food service revenues divided by total paid total theatre attendance for the period.

**Premium priced product:** Defined as 3D, 4DX, UltraAVX, IMAX, ScreenX and VIP film product.

**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 Analysis**

Cineplex reviews and reports same theatre metrics relating to box office revenues, theatre food service revenues, theatre rent expense and theatre payroll expense, as these measures are widely used in the theatre exhibition industry as well as other retail industries.

Same theatre metrics are calculated by removing the results for all theatres that have been opened, acquired, closed or otherwise disposed of subsequent to the start of the prior year comparative period. For the three months ended March 31, 2024 the impact of one location that has been opened or acquired and one location that has been closed or otherwise disposed of have been excluded, resulting in 156 theatres being included in the same theatre metrics.

#### **Cost of sales percentages**

Cineplex reviews and reports cost of sales percentages for its two largest revenue sources, box office revenues and food service revenues as these measures are widely used in the theatre exhibition industry. These measures are reported as film cost percentage and concession cost percentage, respectively, and are calculated as follows:

**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 theatre food service costs 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.

*Certain information included in this news release contains forward-looking statements within the meaning of applicable securities laws. These forward-looking statements include, among others, statements with respect to Cineplex's objectives and goals, and the strategies to achieve those objectives and goals, as well as statements with respect to Cineplex's beliefs, plans, objectives, expectations, anticipations, estimates and intentions. The words "may", "will", "could", "should", "would", "suspect", "outlook", "believe", "plan", "anticipate", "estimate", "expect", "intend", "forecast", "objective" and "continue" (or the negative thereof), and words and expressions of similar import, are intended to identify forward-looking statements.*

*By their very nature, forward-looking statements involve inherent risks and uncertainties, including those described in Cineplex's Annual Information Form ("AIF"), Cineplex's management's discussion and analysis for the year ended December 31, 2023 ("Annual MD&A") and in this news release, which is incorporated herein by reference and available on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)). These risks and uncertainties, both general and specific, give rise to the possibility that predictions, forecasts, projections and other forward-looking statements will not be achieved. Certain material factors or assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements. Cineplex cautions readers not to place undue reliance on these statements, as a number of important factors, many of which are beyond Cineplex's control, could cause actual results to differ materially from the beliefs, plans, objectives,*

*expectations, anticipations, estimates and intentions expressed in such forward-looking statements, including: Cineplex's expectations with respect to liquidity and capital expenditures; its ability to meet its ongoing capital, operating and other obligations, and anticipated needs for, and sources of, funds; Cineplex's ability to execute cost-cutting and revenue enhancement initiatives; risks generally encountered in the relevant industry, competition, customer, legal, taxation and accounting matters.*

*The foregoing list of factors that may affect future results is not exhaustive. When reviewing Cineplex's forward-looking statements, readers should carefully consider the foregoing factors and other uncertainties and potential events. Additional information about factors that may cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the "Risks and Uncertainties" section of Cineplex's Annual MD&A.*

*Cineplex does not undertake to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable Canadian securities law. Additionally, Cineplex undertakes no obligation to comment on analyses, expectations or statements made by third parties in respect of Cineplex, its financial or operating results or its securities. All forward-looking statements in this news release are made as of the date hereof and are qualified by these cautionary statements. Additional information, including Cineplex's AIF and Annual MD&A, can be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).*

You are cordially invited to participate in a conference call with the management of Cineplex (TSX: CGX) to review our first quarter results. **Ellis Jacob, President and Chief Executive Officer and Gord Nelson, Chief Financial Officer**, will host the call scheduled for:

Cineplex Inc. Q1 2024 Earnings Webcast:

Date: Thursday, May 9, 2024

Time: 10:00 a.m. Eastern Daylight Time

Audio Webcast: Audience URL <https://events.q4inc.com/attendee/668369312>

Pre-registration available.

An archive of the webcast will be available at <https://corp.cineplex.com/investors> after the webcast for a limited time.

Please note, analysts who cover the Company, should use the dial-in option to participate in the live question period: 1-226-828-7575 (Local) or 1-833-950-0062 (Canada Toll-free), access code 483097.

All attendees should join the event 5-10 minutes prior to the scheduled start time. Media are welcome to join the call in listen-only mode.

## **About Cineplex**

Cineplex (TSX:CGX) is a top-tier Canadian brand that operates in the Film Entertainment and Content, Amusement and Leisure, and Media sectors. Cineplex offers a unique escape from the everyday to millions of guests through its circuit of over 170 movie theatres and location-based entertainment venues. In addition to being Canada's largest and most innovative film exhibitor, the company operates Canada's favourite destination for 'Eats & Entertainment' (The Rec Room), complexes specially designed for teens and families (Playdium), and an entertainment concept that brings movies, amusement gaming, dining, and live performances together under one roof (Cineplex Junxion). It also operates successful businesses in digital commerce (CineplexStore.com), alternative programming (Cineplex Events), motion picture distribution (Cineplex Pictures), cinema media (Cineplex Media), digital place-based media (Cineplex Digital Media) and, until February 1, 2024, amusement solutions (Player One Amusement Group). Providing even more value for its guests, Cineplex is a partner in Scene+, Canada's largest entertainment and lifestyle loyalty program.

Proudly recognized as having one of the country's Most Admired Corporate Cultures, Cineplex employs over 10,000 people in its offices and venues across Canada and the United States. To learn more, visit [Cineplex.com](http://Cineplex.com).

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