



AMC Entertainment (AMC) 2018 Q2 Earnings Summary

August 2018

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AMC Entertainment Key Takeaways



Despite The High Price, AMC Entertainment Is Seeing Positive Signs From Their Subscription Offering

A-LIST SUBSCRIPTION

- **In the first 5 weeks of enrollment, A-List already has over 180,000 paying subscribers**
 - Program will be a permanent feature, but it will be small and will probably only get up to 10% of all tickets sold
 - Designed it to be profitable for the company and their studio partners, as well as being sustainable for guests
- **Purposely launched it as a VIP tier within the AMC Stubs program as opposed to making it a separate program**
 - 20% of the people who have signed up came from the free tier of the AMC Stubs program and 40% of people were not current members at all

RENOVATIONS

- **Theater renovation projects and new build theaters are still getting impressive financial returns**
 - Renovation projects in Europe are generating double and triple the returns that they are seeing currently in the U.S.
 - In Europe, they will have 25 to 30 theaters with recliner seats by the end of 2018 and think there's runway for 5 years of recliner theaters
- **Many domestic renovations will occur within the Carmike circuit where there is still considerable low-hanging fruit**
 - At least half of the Carmike circuit is too small to be renovated for recliner seating

PLF SCREENS

- **Largest operator of premium large-format screens in the U.S. and will be significantly increasing those screen counts**
 - Upgrading more than 100 of their IMAX screens and the former Carmike Big D screens and expect to have 400 PLF screens by year end
 - Volumes for 3D showings have been down pretty substantially
- **PLFs over-index by about 3:1 against traditional screen for attendance, and price premiums are 70% for IMAX and Dolby and 45% for PRIME**
 - As they anticipated, PLFs are performing very well within the new Stubs A-List subscriber base

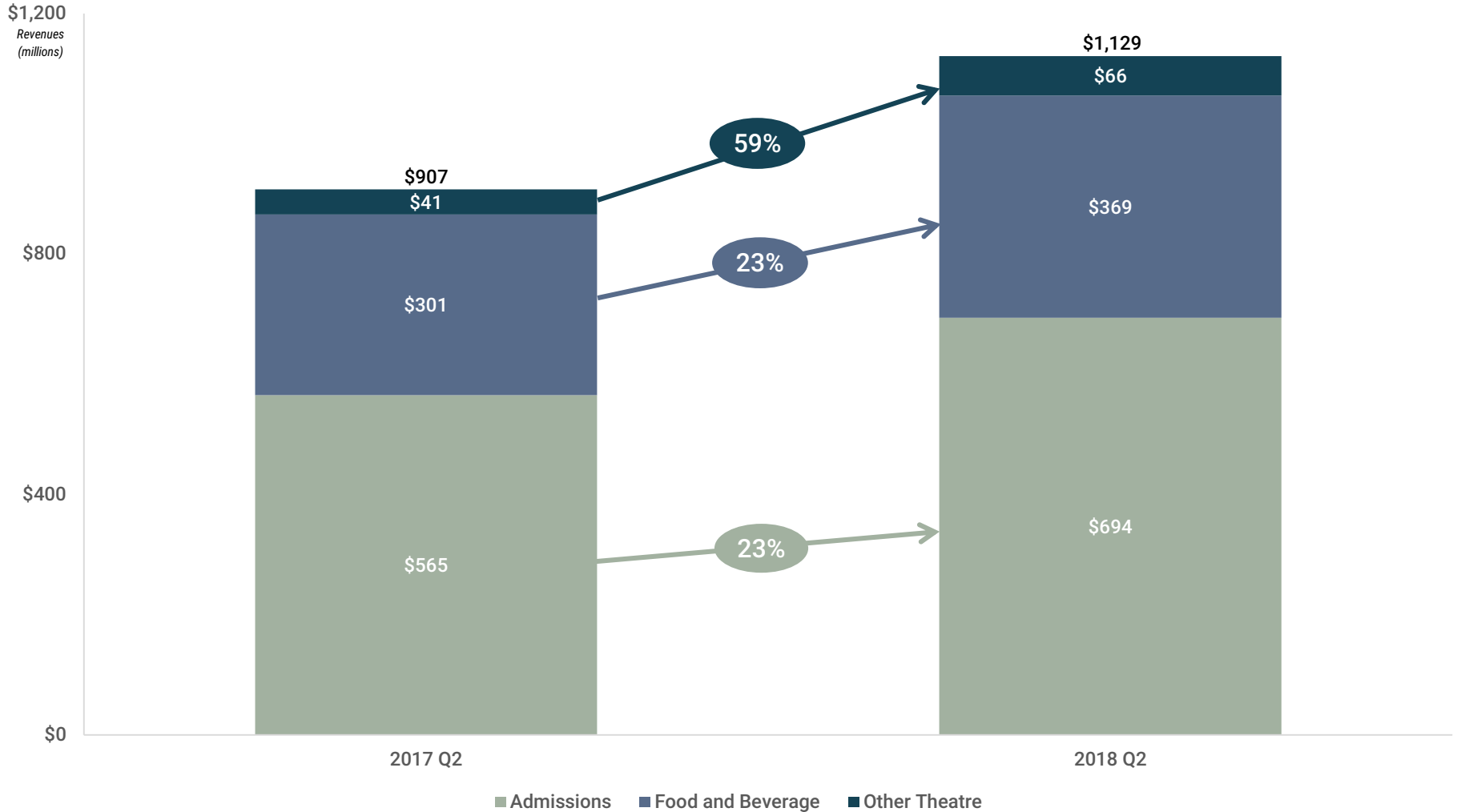
INTERNATIONAL

- **Opened the first movie theater to operate in Saudi Arabia in 37 years and are working to expand to 50 to 100 theaters there over the next decade**
 - European presence gave them demonstrated experience and don't think they would have gotten into Saudi Arabia if they had not been in Europe
- **Not going crazy looking at other geographic territories at the moment because they are focused on the 16 countries that they are already in**
 - Have not made a decision yet on the European IPO but it's something they are thinking about and taking the necessary steps to prepare for

Continuous upgrades of theaters will attract new customers that can be funneled through their loyalty program

U.S. Revenue

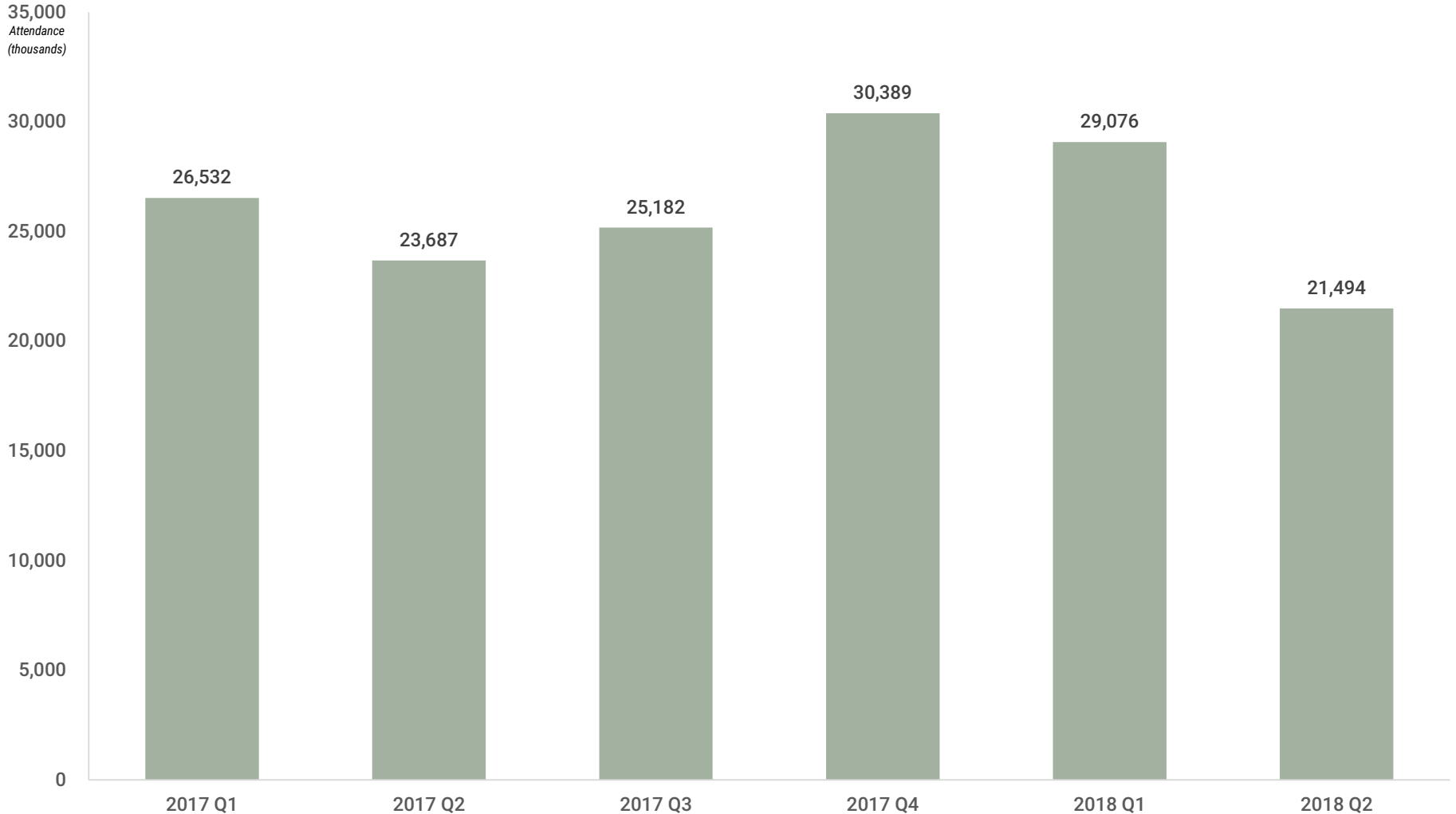
After Last Summer's Slump, The U.S. Movie Business Is Thriving And Seeing Record Monthly Revenues



While film quality is still imperative, new ticketing options can help boost attendance amongst younger generations

International Attendance

Unlike The Domestic Box Office, The International Circuit Suffered Steep Attendance Declines This Quarter



Dynamic pricing models can be further customized by leveraging the customer data from their loyalty programs

Food & Beverage



Further Adoption Of Online Ticketing And Reserved Seating Will Help Drive More Concession Spending



Premium options, such as alcohol, will increase revenue while still maintaining the high margins

