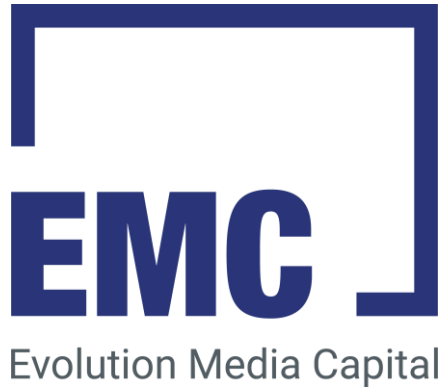


AMC Entertainment (AMC) 2019 Q1 Earnings Summary

May 2019



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# Key Takeaways



## AMC Entertainment Is Utilizing Their Digital Platforms To Deepen The Relationship With Customers

### BOX OFFICE

- **The film slate from April to December of this year could be the busiest 9-month period in the 106-year history of cinema**
  - Would not be surprised in any way if 2019 becomes the first year ever in which the domestic industry box office exceeds \$12 billion
- **2019 film slate has something for everyone, young and old alike, and when Hollywood turns out quality movies, moviegoers come in throngs to the theaters**
  - Family-friendly movies tend to perform better for both international and non-urban domestic markets

### PRICING

- **Introduced weekend surcharges at hundreds of their most visited theaters and those have been in place now for a long time**
  - Have been taking price increases on “Discount Tuesdays,” pushing prices to anywhere between \$5 and \$7 depending upon the theater
- **Pricing department looks at every theater on a constant basis, and moves pricing around building by building to optimize pricing**
  - Continue to think hard about zone pricing, where they charge different prices for different seats, as they already do in Europe
  - Looking at the timing of pricing and the possibility of charging more at the beginning of a movie's run when obviously demand is at its peak

### ENGAGEMENT

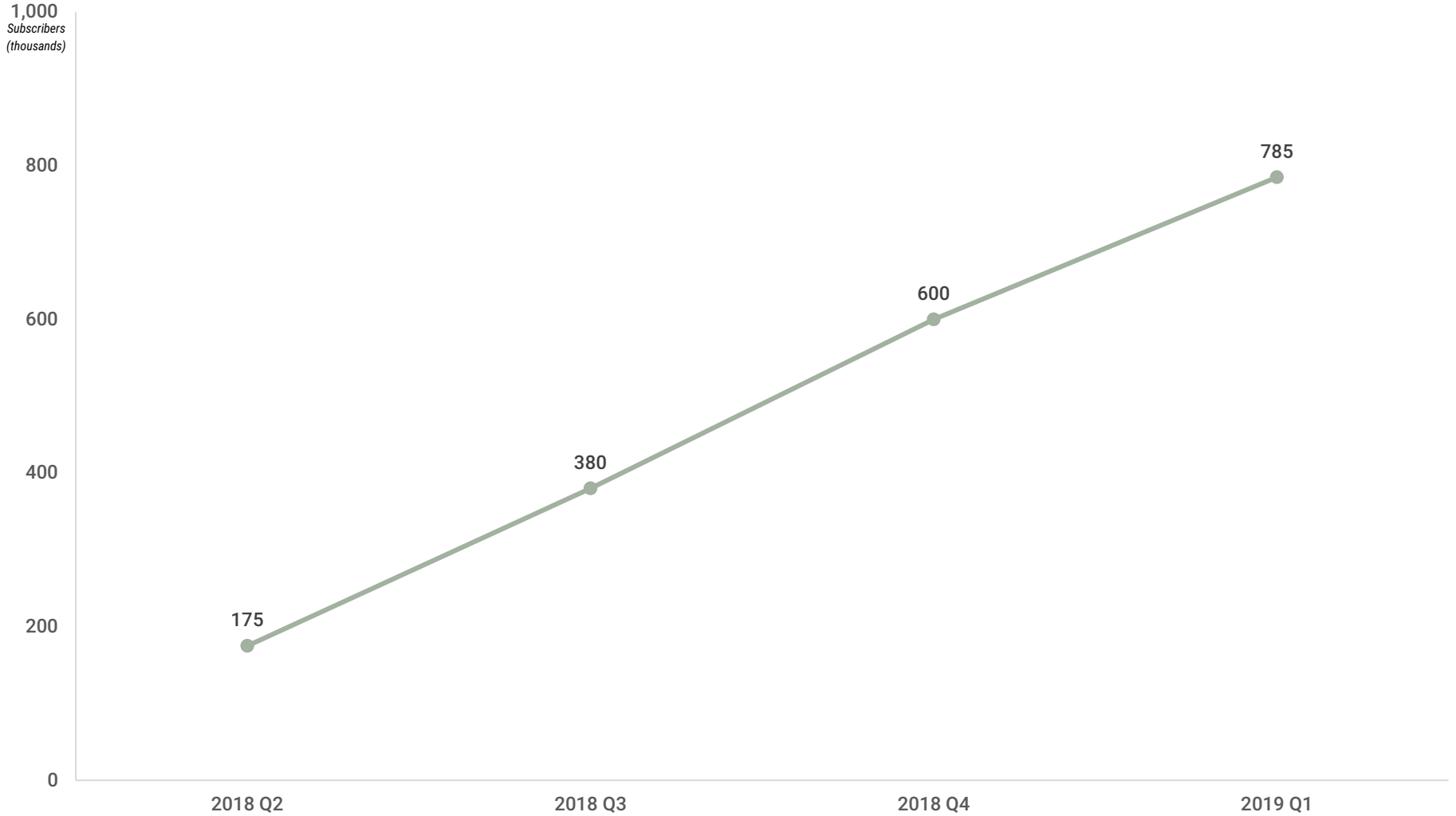
- **Stubs allows them to collect unique data around viewing preferences and purchasing behavior of their customers**
  - Enables them to personalize the customer experience as they engage with them, both inside and outside the theater
  - Will cross 20 million member households in AMC Stubs in the next few weeks, up from 2.5 million member households only 3 years ago
- **Between the smartphone app and the website, getting somewhere between 50 million and 80 million visits a month**
  - Can promote the A-List program practically for free and get a lot of exposure to a very targeted audience

### PREMIUM SCREENS

- **Would like to add as many IMAX and Dolby Cinema locations as they can and have room in about 150 more theaters worldwide**
  - Are the largest IMAX exhibitor in North America and have about half of all IMAX installations in North America
  - Are the only Dolby Cinema operator in the United States
- **Looking at other large-format ideas that might not require as much capital as an IMAX or Dolby or Prime installation**
  - Because consumers are willing to pay premiums, working hard to figure out how to maximize the number of premium sight and sound technology auditoriums

*As a price leader, it is important to be ahead of the curve with new technology that improves the big screen experience*

## Despite Its High Price Point, The A-List Subscription Program Continues To Attract New Members

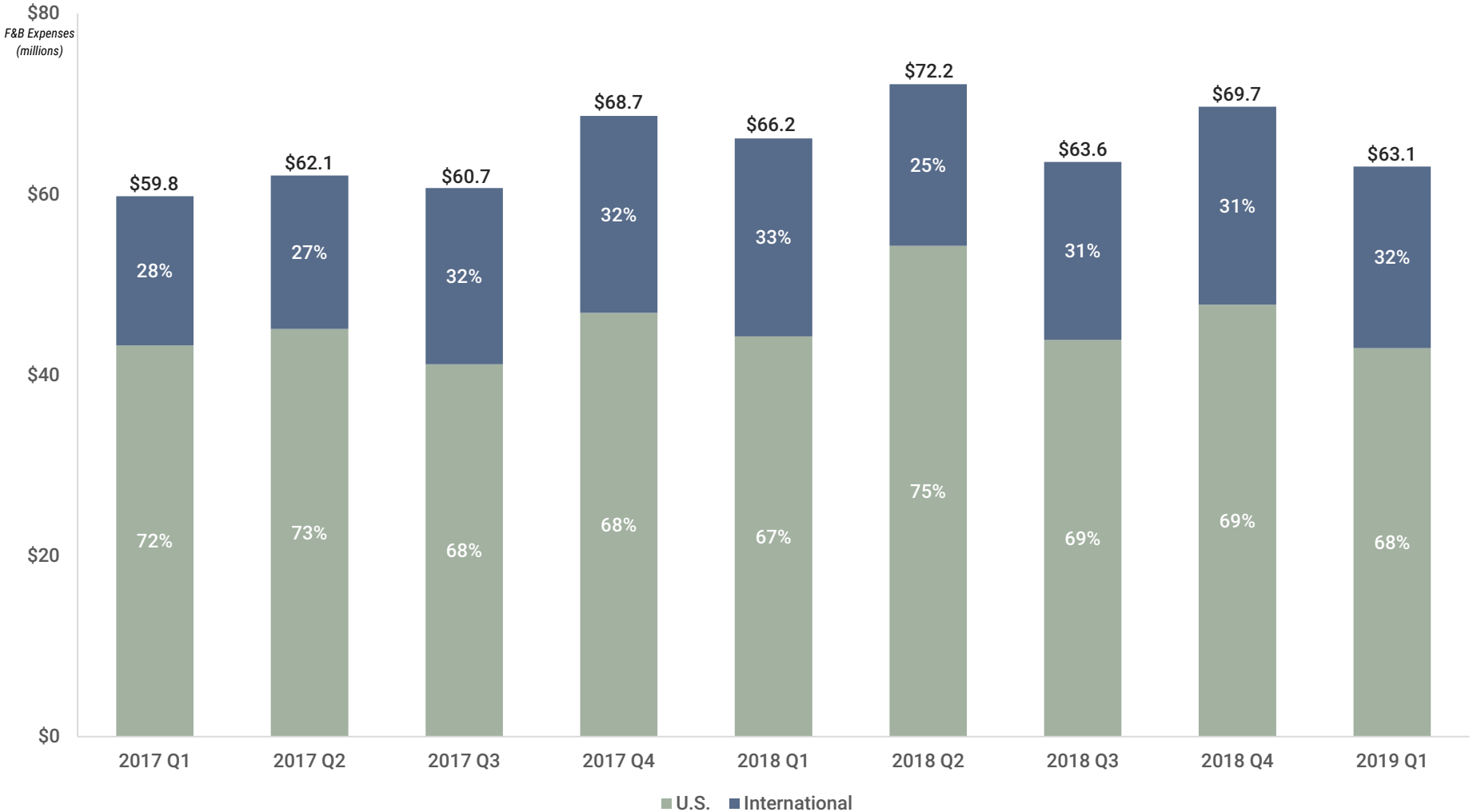


*With highly anticipated films, there is a need to closely monitor visit frequency to ensure they are maintaining profitability*

# Food & Beverage



With A “Free” Admission Ticket, A-List Subscribers Are Spending More Money On Food And Beverage

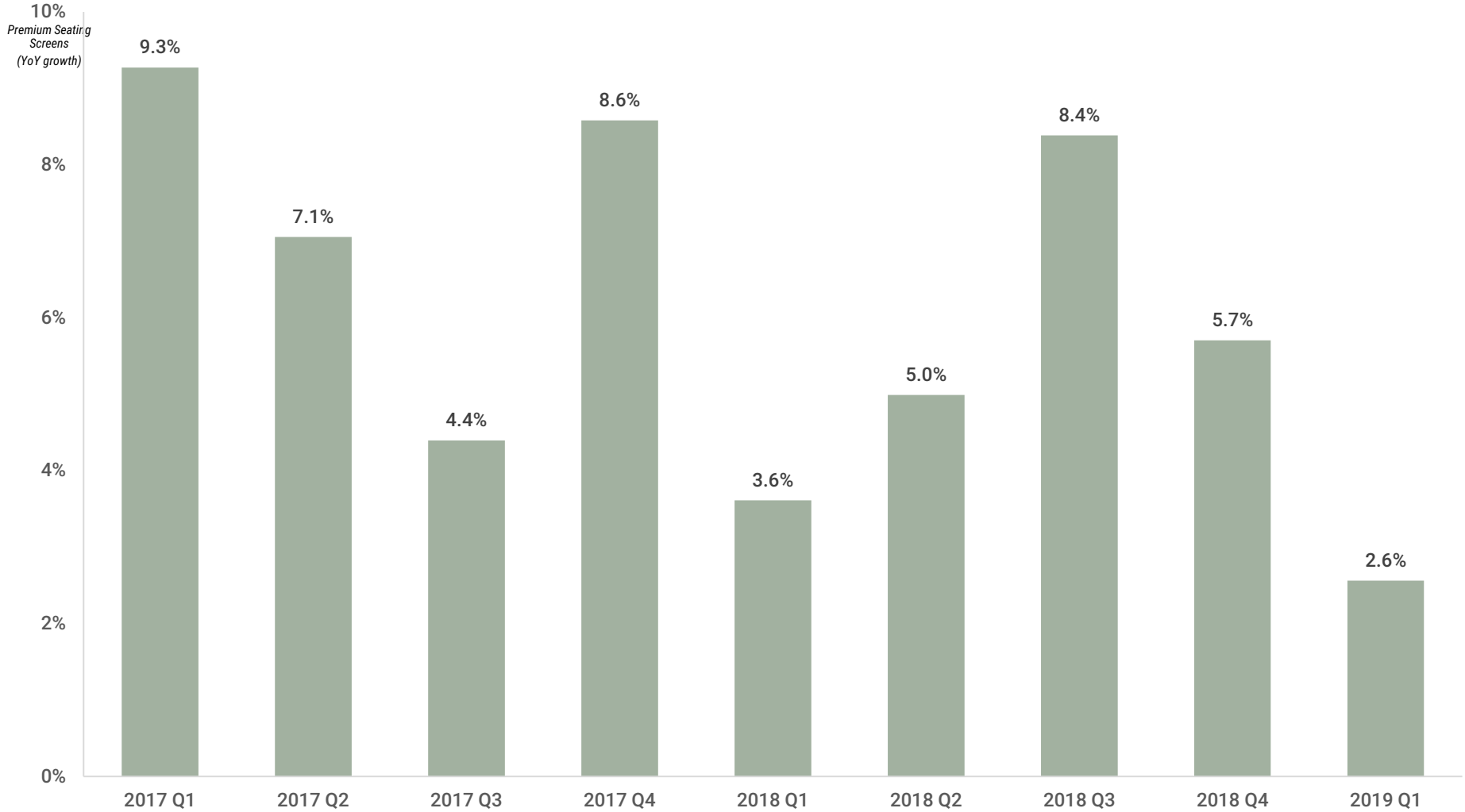


Improvements to the mobile app can expedite the ordering process, which is especially useful during peak hours



# Premium Seating

The Rate Of Renovations Is Starting To Slow After Quickly Capturing All Of The Low Hanging Fruit



*As blockbuster films gain more importance, theaters may need to have longer hours to accommodate audience demand*