



AMC Entertainment (AMC) 2019 Q2 Earnings Summary

August 2019



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# Key Takeaways



## AMC Entertainment Is Developing New Digital Focused Features That Improve The Customer Experience

### A-LIST

- **Have increasing confidence that the A-List program is driving incremental attendance**
  - In the first few weeks upon joining the program, frequency is intense and high, but it quickly settles down to the average of 2.5 to 3 visits per month
  - Haven't seen much different activity amongst the new members who joined with the price increases, than the membership that joined in 2018
- **In October, will launch A-List Entourage, where groups join the program individually but can make their reservations collectively**
  - It is another service enhancement for guests that will allow them to charge a price premium rather than have to institute a price decrease

### PRICING

- **Testing a new pricing initiative that will charge a small premium for select movies that are of the highest appeal to moviegoers**
  - At 30 AMC theaters in 4 cities, they are test marketing a \$0.50, a \$1 and \$1.50 per ticket surcharge for a handful of high-demand blockbusters
  - These pricing strategies have been commonplace across their European theaters for years
- **Price increases will only be successful if consumers are not offended by a nominal surcharge**
  - They can't pile on too many nominal surcharges right on top of each other or they don't become so nominal anymore

### DIGITAL

- **Reaping enormous benefit from their website and smartphone apps, and are on a pace to be visited 1 billion times annually**
  - Delivering a personalized and targeted experience for guests, leveraging data-driven insights and innovative consumer engagement practices
  - Creates a positive flywheel effect that encourages incremental attendance and drives incremental value for customers and studio partners
- **Introduced reserved seating for guests to help take all the anxiety out of going to movies because they know what their seat is**
  - Advanced ticket sales are in the neighborhood of 50% to 55%, which contrasts with 20% of tickets just 3 years ago

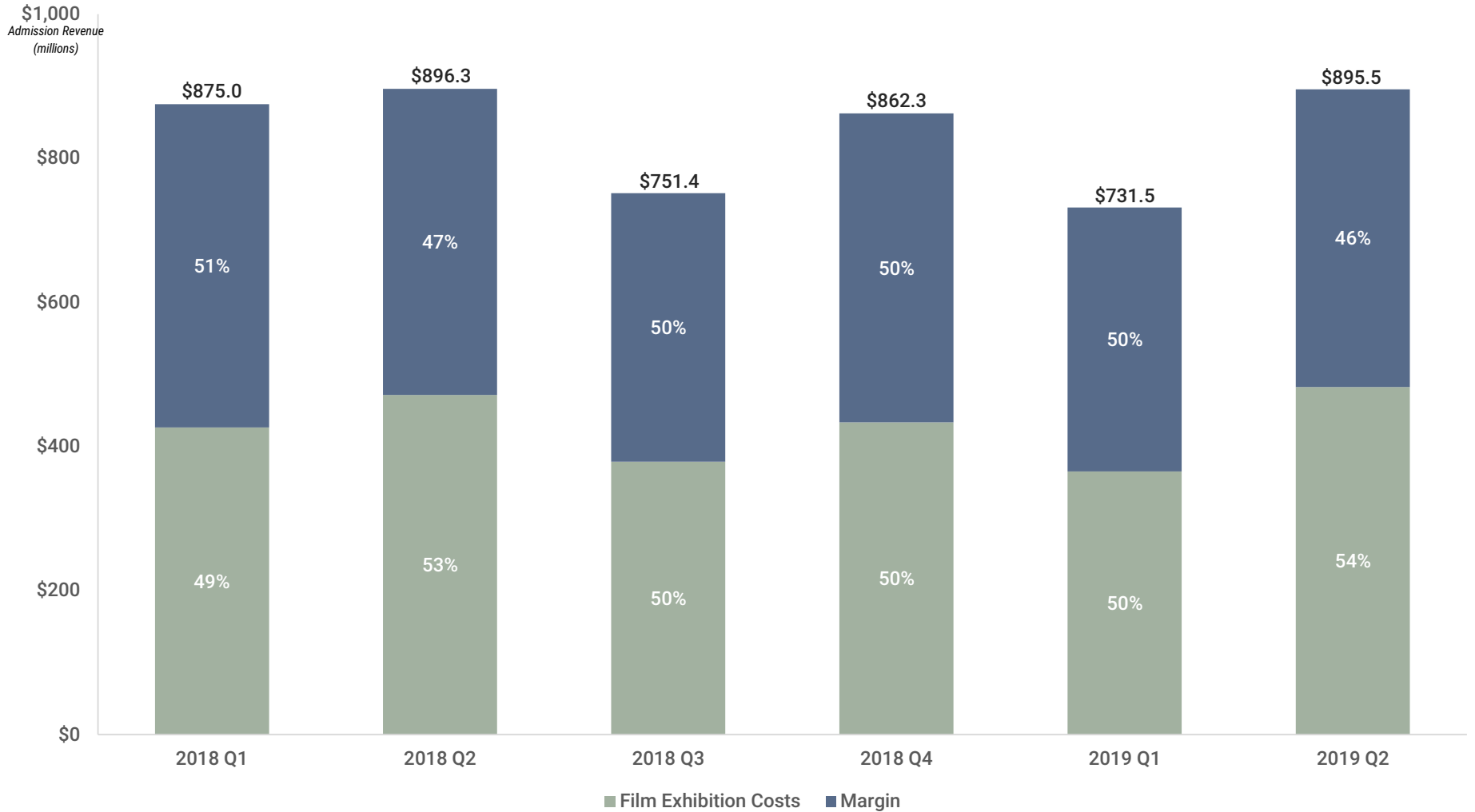
### OTHER CONTENT

- **Introduced Artisan Films at AMC, a marketing effort by their company to highlight and promote more specialized movies**
  - Curating a collection of intriguing cinema products that might get lost in an era where blockbuster movies are grabbing considerable attention
- **Starting this fall, they expect to broadcast a meaningful number of live sporting events from 1 of the 4 major sports leagues**
  - Will be at a select number of theaters across the country, and across all 3 of their brands, on weekend afternoons
  - If consumers respond favorably to seeing live sports on a 30-foot screen this could be the start of considerably more live sports programming

*Pace of renovation is slowing down domestically, but it is starting to accelerate across their international circuits*

# Film Rents

The Focus Is On Driving Industry Demand To Grow The Total Market, Rather Than Hagglng Over Film Splits

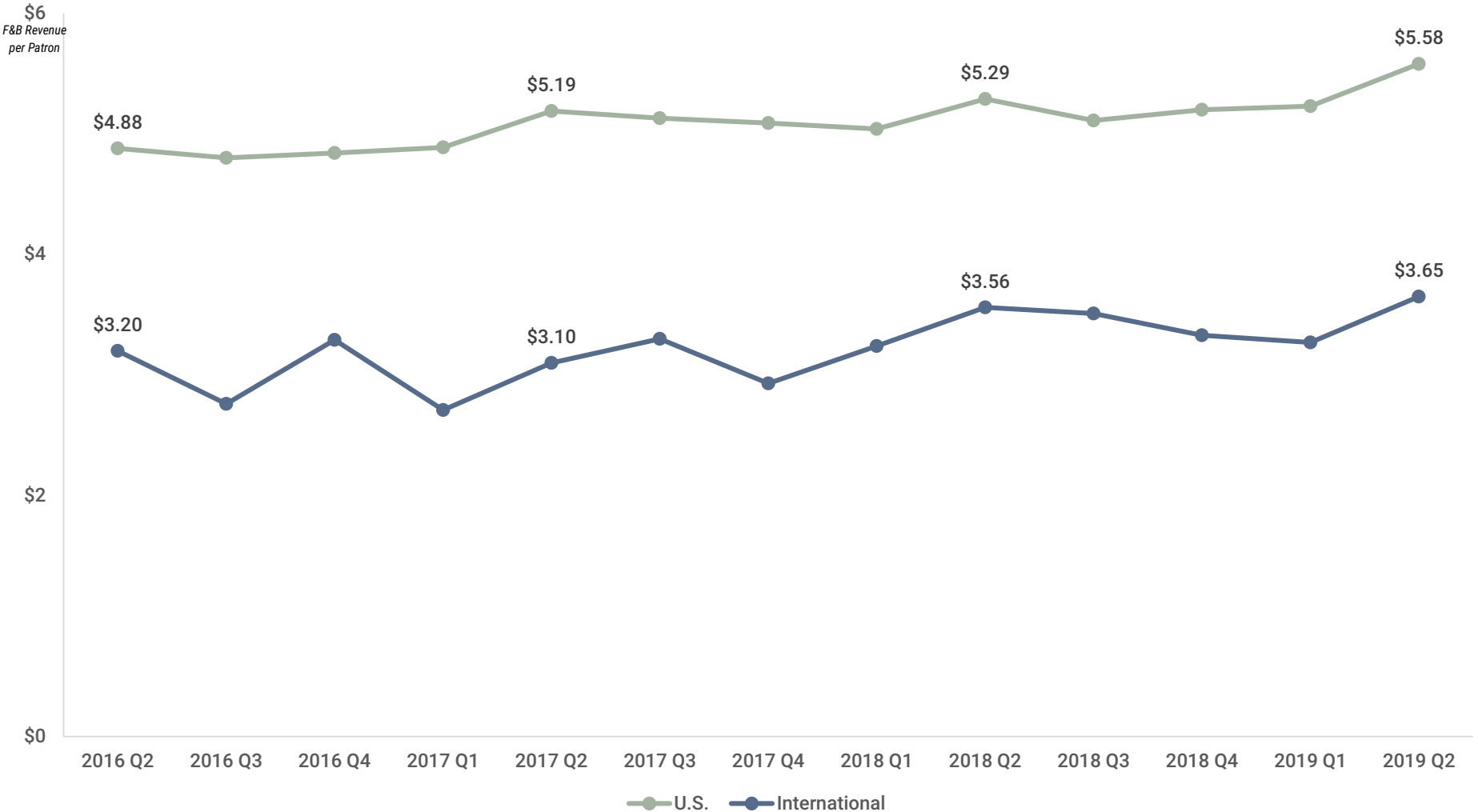


*Dynamic pricing initiatives can help capture more revenue from the increasing number of blockbuster movies*

# Food & Beverage



Concession Strategies That Have Been Working Domestically Are Being Implemented In European Theaters



*New mobile ordering initiatives are still relatively new, but provide more data insights into their valuable customer base*



# Other Revenue



Programming Experiments With Non-Film Content Can Help Drive Revenue During Off-Peak Periods



*Enhancements to the digital platform will give moviegoers the convenience of purchasing items ahead of time*

