

# Kinepolis Group

## Results H1 2020

Analyst Meeting  
August 20, 2020

KINEPOLIS GROUP





# Business review

## H1 2020

CEO, Mr. Eddy Duquenne

KINEPOLIS GROUP



## EXECUTIVE SUMMARY

- ❑ **Until the closure of all cinemas** from mid March, visitor numbers increased (+12,0%) and financial results were in good shape, mainly thanks to the addition of the US activities
- ❑ The closure of all cinemas from mid March, followed by a limited reopening in some territories in the course of June, led to **54,1% less visitors** in the first half of 2020 and a **52,7% decline in total revenue**. Thanks to various measures taken, adjusted EBITDA was € 16,4 million
- ❑ Current climate remains uncertain, but **cash planning remains on track** and visitor numbers are rather encouraging, taken into account the **lack of new Hollywood content** and current **barriers** (e.g. mouth masks during screenings in Belgium)
- ❑ Execution of **new-build projects on track**



## VISITORS

Visitors (000's)	12/03/2020	% of Tot	12/03/2019	% of Tot	% Δ YoY
Belgium	1 610	20,4%	1 564	22,2%	2,9%
France	1 258	15,9%	1 601	22,7%	-21,4%
Canada	1 923	24,3%	1 960	27,8%	-1,9%
Spain	910	11,5%	799	11,3%	13,8%
The Netherlands	1 051	13,3%	912	12,9%	15,2%
United States	952	12,0%			
Luxembourg	177	2,2%	198	2,8%	-10,6%
Switzerland	21	0,3%	22	0,3%	-5,9%
<b>Total</b>	<b>7 901</b>	<b>100,0%</b>	<b>7 056</b>	<b>100,0%</b>	<b>12,0%</b>



## KEY FINANCIALS - YTD FEBRUARY

€m	YTD Feb 2020		YTD Feb 2019		% Better / Worse
<b>Revenue</b>	95,0		75,1		26,6%
<i>Visitors ('000)</i>	7 054		5 645		25,0%
<b>EBITDAL</b>	20,6		16,5		24,7%
<b>Adjusted EBITDAL</b>	20,9		16,6		25,6%
<i>Adjusted EBITDAL margin</i>	€ 2,96/Vis	21,9%	€ 2,94/Vis	22,1%	-19 bps
<b>Profit *</b>	5,6		5,2		7,2%
<b>Adjusted Profit *</b>	5,8		5,3		9,5%
<i>EPS (in €)</i>	0,20		0,19		5,3%
<b>Free Cash Flow</b>	9,8		5,2		88,7%

- BO/VIS: € 7,78 or + 4,3%
- ITS/VIS: € 4,02 or + 11%

\* Figures YTD Feb 2019 excl. IFRS 16 impact

€m	YTD Feb 2020	YE 2019	Evolution NFD
<b>Net Financial Debt (NFD) excl. lease liabilities</b>	410,2	417,0	-1,6%

For all definitions, we refer to the glossary slide.



## IMPACT COVID-19 ON THEATERS

- ❑ Closing of all theatres in all countries between 13<sup>th</sup> and 16<sup>th</sup> of March
  
- ❑ Re-opening of theatres during June / July in most countries with capacity restrictions
  - ❑ The Netherlands: 1<sup>st</sup> of June, all theatres open, in June with max 30 vis/screen, as from the 1<sup>st</sup> of July, social distancing;
  - ❑ Spain: Between 5<sup>th</sup> of June and 3<sup>rd</sup> of July theatres opened, between 50% and 75% of the max. capacity, depending on the region;
  - ❑ Switzerland: 6<sup>th</sup> of June, theatre open, social distancing and max. 300 / auditorium
  - ❑ Luxembourg: 17<sup>th</sup> of June, all theatres open, social distancing
  - ❑ France: 22<sup>nd</sup> of June, all theatres open, social distancing
  - ❑ Canada: Between 26<sup>th</sup> of June and 1<sup>st</sup> of August, gradually open, 11 theatres still closed
    - ❑ BC: no limitations
    - ❑ Alberta: max. 100/screen
    - ❑ Ontario: max. 50/screen
    - ❑ Manitoba: max. 30% or 500 people
    - ❑ Saskatchewan: max. 30/screen
  - ❑ Belgium: 1<sup>st</sup> of July, all theatres open, with max 100 vis/screen, social distancing and face masks when seated
  - ❑ USA: Still closed



## COVID-19 MEASURES: PROTECT THE CUSTOMER, EMPLOYEES, COMPANY

“Prepare for the worst, hope for the best”

- ❑ Manage the closure of the cinemas
  - ❑ Scale down of all operations and employees in one week, in the theatres as well as in the local and international headquarters
  - ❑ Priority was to protect employees with accompanying measures such as economic unemployment, wage subventions, continuing healthcare coverage in the US, financial support,...
  - ❑ Ongoing negotiations and settlement with suppliers for temporary service and cost reductions
  - ❑ Ongoing negotiations and settlements with landlords on rent abatements (per 30<sup>th</sup> of June: € 3,9 million saving for Q2)
  - ❑ Maximizing cost variability up to more than 80%



## COVID-19 MEASURES: PROTECT THE CUSTOMER, EMPLOYEES, COMPANY

“Prepare for the worst, hope for the best”

### Manage the liquidity of the company:

- Maintain the strong financial position of the company
- Cancellation of the 2019 dividend
- Postponed payment of bonuses 2019 and the wages of the Executive management
- Capital expenditures reduced to a minimum except New Builds ‘under construction’
- ‘Covenant Holiday’ negotiated and obtained with banks

### Cash position:

- End of February: € 195,6 million available
- 30th of June : € 143,4 million available
- Limited operational cash burn of € 20,6 million (€ 5,8 m/month in a closed situation) thanks to impactful ‘Covid-19 measures’
- € 15,7 million working capital impact due to lockdown of operations
- € 1,0 million interests paid
- € 14,9 million investments (of which € 12,6 million expansion)





























## COVID-19 MEASURES: PROTECT THE CUSTOMER, EMPLOYEES, COMPANY

- Re-opening of the theatres
  - 'Kinopolis' re-opening protocols defined and adopted per country according to local restrictions and rules
  - Staff has been trained to operate our theatres under the new protocols
  - Welcome marketing campaigns 'Happy to see you again'
  - Visitor numbers since re-opening encouraging with high customer satisfaction



# LINE-UP 2020

Q1	01		02		03					
										
	04		05		06					
Q2	07		08		09					
										
	10		11		12					
Q4										
										



# LINE-UP 2021

Q1	01		02			03		
		 PETER RABBIT 2 THE BUNNYWAY						 MORBIUS IN THE HEART OF SUMMER 
Q2	04		05			06		
		 MONSTER HUNTER Cruella						 Samaritan
Q3	07		08			09		
		 Tom Holland UNCHARTED Tomorrow War C. Pratt Jungle Cruise						
Q4	10		11			12		
			 ELVIS Baz Luhrmann		 SHERLOCK HOLMES 3 CHRIS Z	 Spider-Man: Unlabeled Spider-Man		



## KEY FINANCIALS

€m	H1 2020	H1 2019	% Better / -Worse
<b>Revenue</b>	<b>112,6</b>	<b>238,1</b>	<b>-52,7%</b>
<i>Visitors ('000)</i>	<i>8 139</i>	<i>17 713</i>	<i>-54,1%</i>
<b>EBITDA</b>	<b>16,0</b>	<b>69,2</b>	<b>-76,9%</b>
<b>Adjusted EBITDA</b>	<b>16,4</b>	<b>70,1</b>	<b>-76,6%</b>
<i>Adjusted EBITDA margin</i>	<i>€ 2,01/Vis 14,5%</i>	<i>€ 3,96/Vis 29,4%</i>	<i>-1489 bps</i>
<b>EBITDAL</b>	<b>3,2</b>	<b>55,1</b>	<b>-94,2%</b>
<b>Adjusted EBITDAL</b>	<b>3,6</b>	<b>55,9</b>	<b>-93,6%</b>
<i>Adjusted EBITDAL margin</i>	<i>€ 0,44/Vis 3,2%</i>	<i>€ 3,16/Vis 23,5%</i>	<i>-2029 bps</i>
<b>EBIT</b>	<b>-25,9</b>	<b>36,2</b>	<b>-171,5%</b>
<b>Adjusted EBIT</b>	<b>-25,3</b>	<b>37,0</b>	<b>-168,4%</b>
<i>Adjusted EBIT margin</i>	<i>-22,5%</i>	<i>15,6%</i>	<i>-3807 bps</i>
<b>Profit</b>	<b>-29,7</b>	<b>18,8</b>	<b>-257,7%</b>
<b>Adjusted Profit</b>	<b>-29,3</b>	<b>18,9</b>	<b>-255,3%</b>
<i>EPS (in €)</i>	<i>-1,10</i>	<i>0,70</i>	<i>-257,1%</i>
<b>Free Cash Flow</b>	<b>-29,4</b>	<b>25,0</b>	<b>-217,6%</b>

€m	H1 2020	YE 2019	Evolution NFD
<b>Net Financial Debt (NFD) excl. lease liabilities</b>	<b>462,8</b>	<b>417,0</b>	<b>-45,9</b>



## HIGHLIGHTS H1 2020

### □ Highlights H1 2020

- Further roll-out laser projection, including 4 new Laser ULTRA screens in Canada, and RealD 3D
- Execution new-build projects (Haarlem (NL), Leidschendam (NL), Metz Waves (FR) & South East Edmonton (CA)) is going according to plan
- Remodeling of acquired cinema 'Full' (Barcelona, ES)
- Launch of drive-in concept 'Kinopolis on Tour' in Belgium
- Kinopolis free to open new cinemas in Belgium from August 2021



## VISITORS

Visitors (000's)	H1 2020	% of Tot	H1 2019	% of Tot	% Δ YoY
Belgium	1 610	19,7%	3 467	19,6%	-53,6%
France	1 296	15,9%	3 577	20,2%	-63,8%
Canada	1 992	24,5%	5 480	30,8%	-63,6%
Spain	924	11,4%	2 690	15,2%	-65,7%
The Netherlands	1 135	13,9%	1 996	11,3%	-43,1%
United States	977	12,0%			
Luxembourg	184	2,3%	453	2,6%	-59,4%
Switzerland	22	0,3%	50	0,3%	-56,0%
<b>Total</b>	<b>8 139</b>	<b>100,0%</b>	<b>17 713</b>	<b>100,0%</b>	<b>-54,1%</b>



# KINEPOLIS GROUP

## Kinepolis in North America



## Kinepolis in Europe



Countries	Complexes		Screens		Market Share **	Complexes in Ownership	
						#	%Visitors
Belgium	11		138			10	99%
France	13		150		3%	9	83%
Canada	45	-1	326	-4	13%	9	2%
Spain	8		137		6%	3	37%
The Netherlands	18		130		12%	12	77%
United States	10		164		0,4%	7	71%
Luxembourg	3		22		81%	1	63%
Switzerland	1		8		1%	1	100%
Poland *	1		18			1	n/a
<b>Total</b>	<b>110</b>	<b>-1</b>	<b>1.093</b>	<b>-4</b>		<b>53</b>	<b>58%***</b>

\* 1 complex in Poland operated by Cineworld

\*\* Belgium - New platform Cinedata operational, but not all operators are participating yet  
Canada & USA - Market share in Box Office content

\*\*\* 58% of H1 2020 visitors

\*\*\*\* Complex and screen additions are compared to 31 December 2019



## PLANNED GREENFIELDS

Country	Project Name	# Screens	Est. Visitors / Year	Estimated opening
The Netherlands	Schalkwijk Haarlem	6	0,3 mio	Q4 2020
	Mall of The Netherlands	11	0,5 mio	TBC
France	Metz Waves	6	0,3 mio	Q1 2021
	Metz Amphithéâtre	8	0,3 mio	TBC
Canada	SE Edmonton (Alberta)	8	0,4 mio	TBC
<b>Total</b>		<b>39</b>	<b>1,8 mio</b>	







# Financial Review

## H1 2020

CFO, Mr. Nicolas De Clercq

KINEPOLIS GROUP



## FINANCIAL HIGHLIGHTS

- ❑ Revenue down by -52,7% with -54,1% less visitors ; Revenue down by -52,7% at constant FX rate
  - ❑ Decrease Visitors (-54,1%)
  - ❑ Decrease Box Office (-52,5%)
  - ❑ Decrease In-theatre Sales (-52%)
  - ❑ Decrease B2B (-60%)
    - ❑ Decrease Sales and Events (-60,5%)
    - ❑ Decrease Screen Advertising (-57,9%)
  - ❑ Less revenue Brightfish (-71,2%)
  - ❑ Decrease Film Distribution (-17,5%)
  - ❑ Decrease Real Estate (-29,3%)
  
- ❑ Adjusted EBITDAL down by -93,6% with a margin of 3,2% (23,5% last year).
  
- ❑ NFD excl. lease liabilities increased from € 417,0 m per 31/12/2019 to € 462,8 m per 30/06/2020 mainly due to € -1,2 m cash generated from operations and payment of lease liabilities, € -19,1 m working capital, € -20,6 m investments and € -3,8 m interest and charges paid



## FINANCIAL HIGHLIGHTS

- ❑ At the start of the crisis (End of Feb): € 195,6 million available cash + credit lines
  
- ❑ Cash available at 30th of June: € 143,4 million or cash burn of € 52,1 million of which:
  - ❑ € 20,6 million operational cash burn
  - ❑ € 15,7 million working capital
  - ❑ € 1,0 million interests paid
  - ❑ € 14,9 million investments March – June of which € 12,6 million in expansion
  - ❑ Planned investments in new builds in H2 for € 27 million
  
- ❑ Covenant holiday till 30th of June 2021 negotiated with banks
  - ❑ Replaced with liquidity covenant of minimum € 30 million available cash + not drawn committed credit lines
  - ❑ H1 ended with € 143,4 million cash
  - ❑ Average maturity of credit lines > 5 years



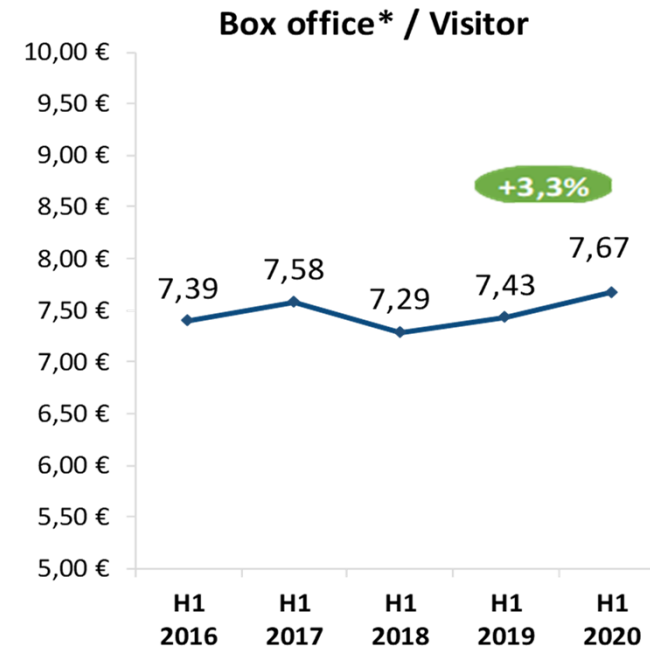
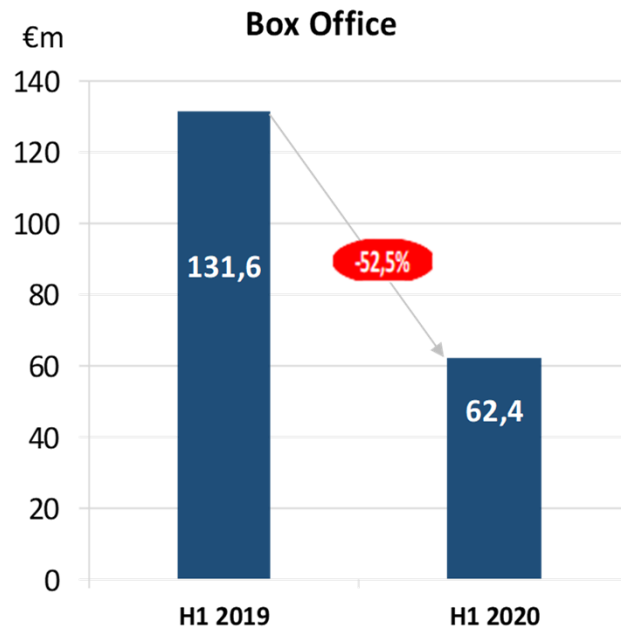
## REVENUE BY COUNTRY

Revenue €m	H1 2020	% of Tot	H1 2019	% of Tot	% Δ YoY	% Δ Y Vis
Belgium	32,4	28,7%	70,0	29,4%	-53,8%	-53,6%
France	15,1	13,4%	38,2	16,0%	-60,5%	-63,8%
Canada	23,3	20,7%	63,4	26,7%	-63,3%	-63,6%
Spain	9,7	8,6%	27,5	11,5%	-64,8%	-65,7%
The Netherlands	16,2	14,4%	28,7	12,1%	-43,7%	-43,1%
United States	11,3	10,0%				
Luxembourg	3,6	3,2%	8,1	3,4%	-55,9%	-59,4%
Other	1,2	1,0%	2,2	0,9%	-48,1%	-56,0%
<b>Total</b>	<b>112,6</b>	<b>100,0%</b>	<b>238,1</b>	<b>100,0%</b>	<b>-52,7%</b>	<b>-54,1%</b>



# EVOLUTION BOX OFFICE

55,5% OF REVENUE



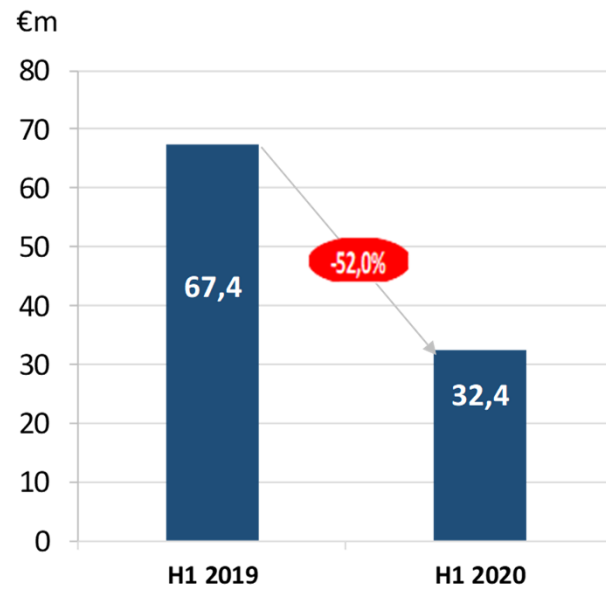
\* Box Office revenue after deduction of indirect taxes, including VPF revenue



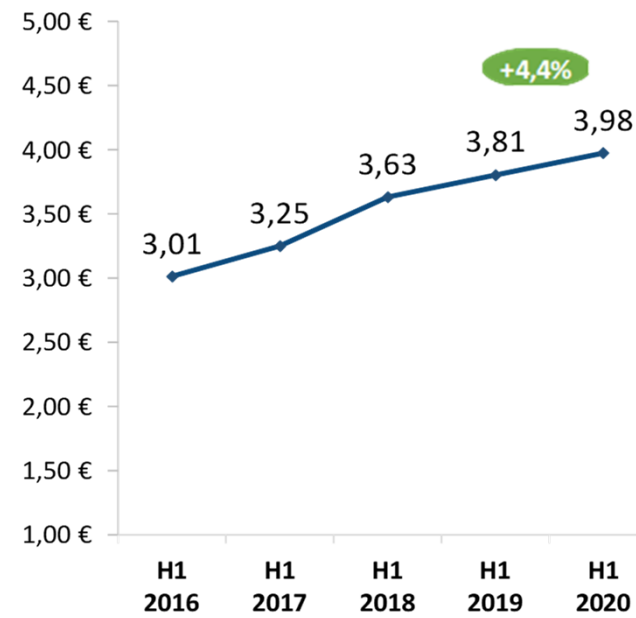
# EVOLUTION ITS

28,7% OF REVENUE

### In-theatre Sales

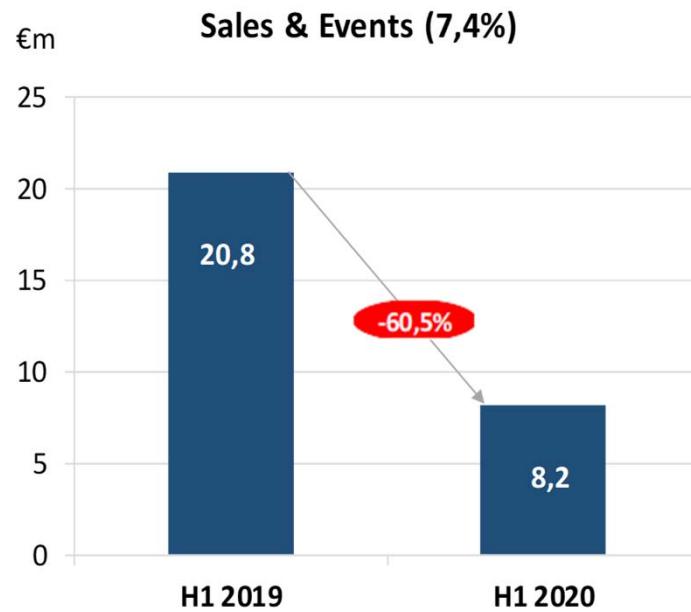


### ITS / Visitor

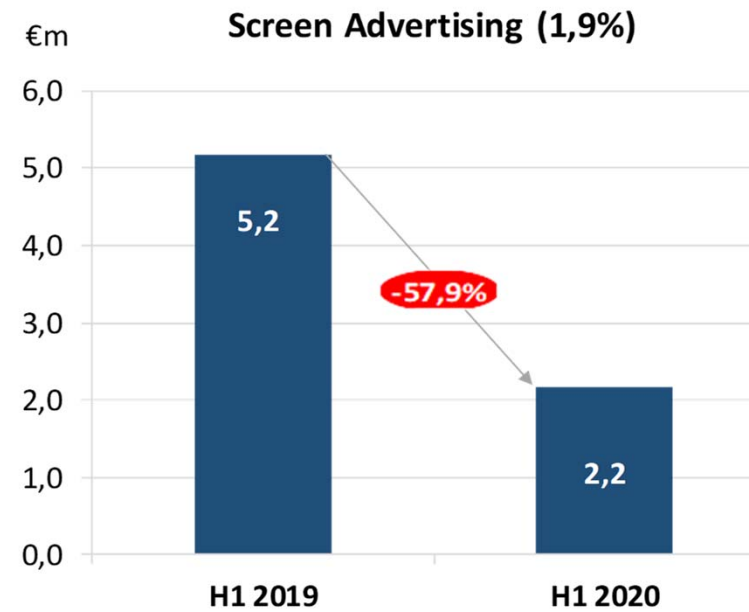


## B2B REVENUE\*

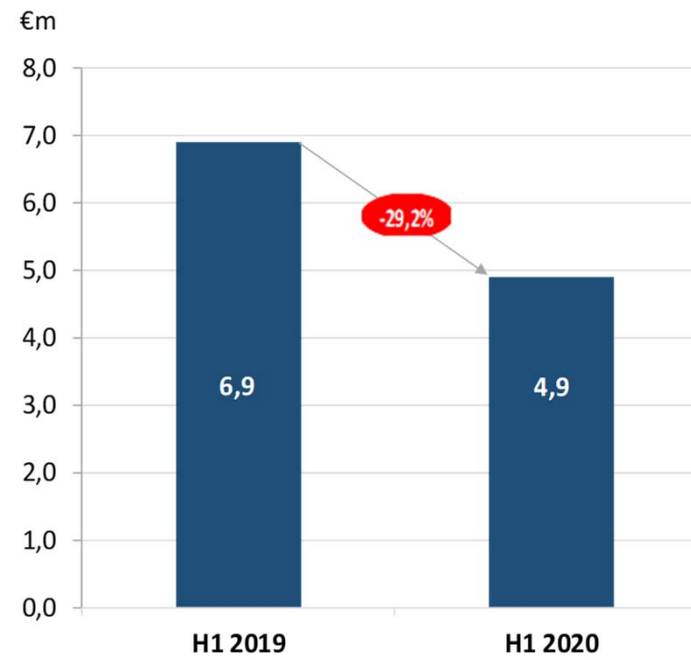
9,3% OF REVENUE



\* Excluding Brightfish



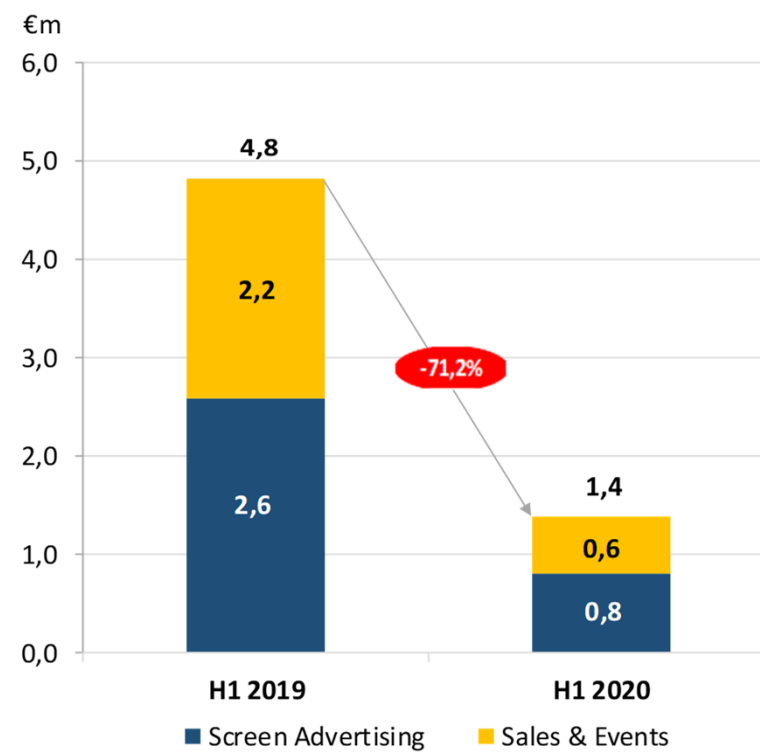
REAL ESTATE AT FLAT FX  
4,3% OF REVENUE





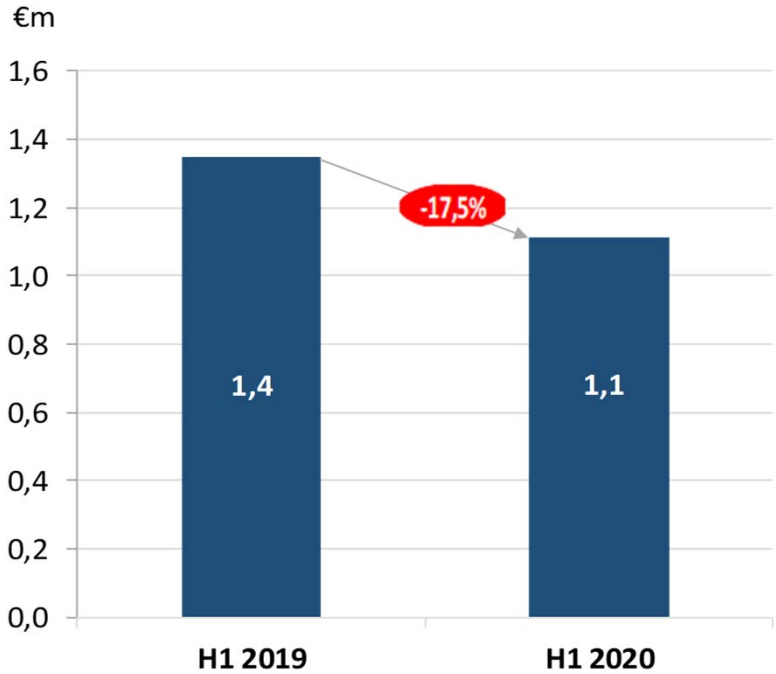
# BRIGHTFISH

1,2% OF REVENUE



# FILM DISTRIBUTION

1% OF REVENUE



# releases	11	4
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## ADJUSTED OPERATING COSTS

€m	H1 2020	H1 2019	% Better / -Worse
Adjusted Marketing and Selling expenses	-7,0	-11,7	40,1%
Adjusted Administrative Expenses	-10,7	-13,4	20,2%
Adjusted Other Operating Income / Cost	5,0	0,2	2417,3%
<b>Adjusted Operating Costs</b>	<b>-12,7</b>	<b>-24,9</b>	<b>49,1%</b>
Adjustments Operating Costs	-0,3	-0,4	16,7%
<b>Total Operating Costs</b>	<b>-13,0</b>	<b>-25,3</b>	<b>48,5%</b>



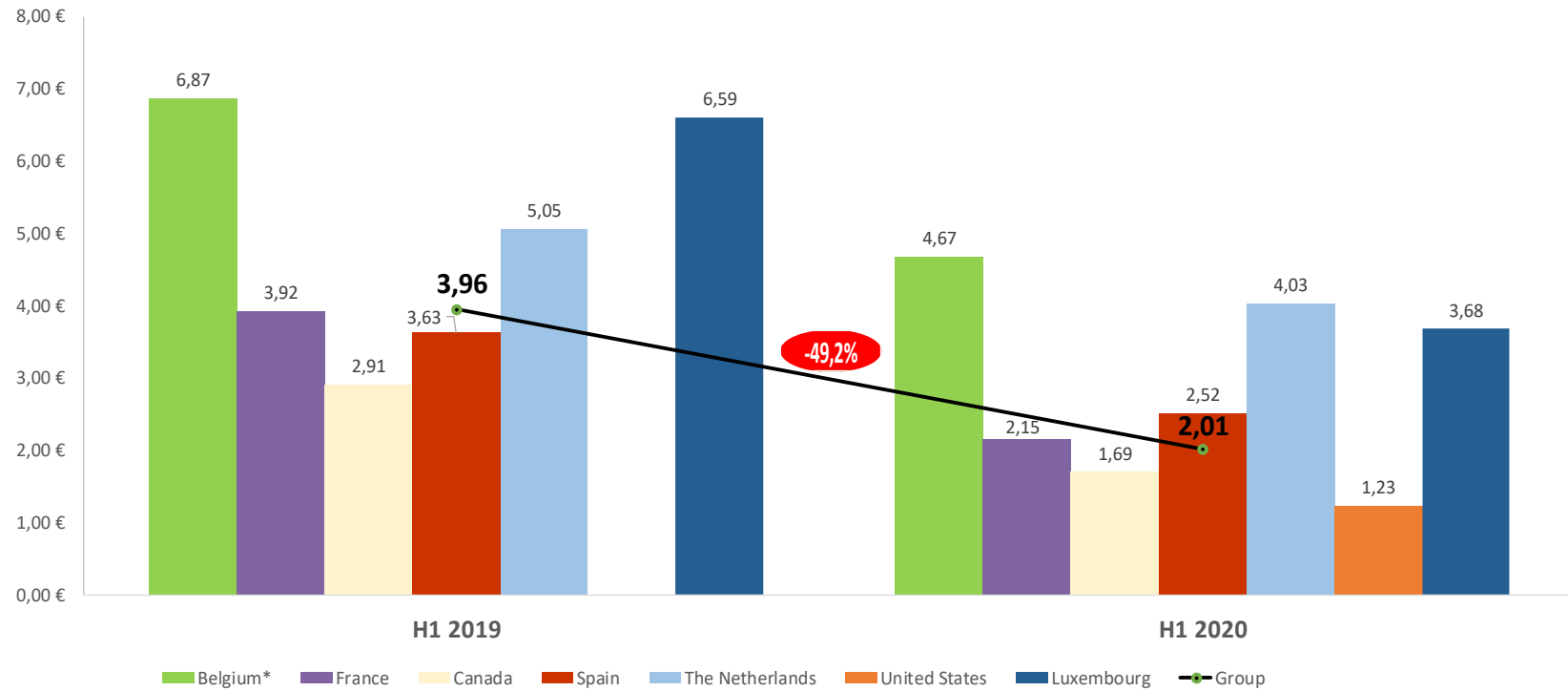
## ADJUSTMENTS

€m	H1 2020	H1 2019
EBITDA	-0,4	-0,8
Depreciations and impairment losses	-0,3	
Provisions	0,1	
Income tax expense	0,1	0,8
<b>Net impact of adjustments</b>	<b>-0,4</b>	<b>0,0</b>



# EVOLUTION ADJUSTED EBITDA\* PER VISITOR

Adjusted EBITDA per visitor evolution: -49,2%



\* Per country excluding corporate entities, KFD & Brightfish revenue ; total all including.

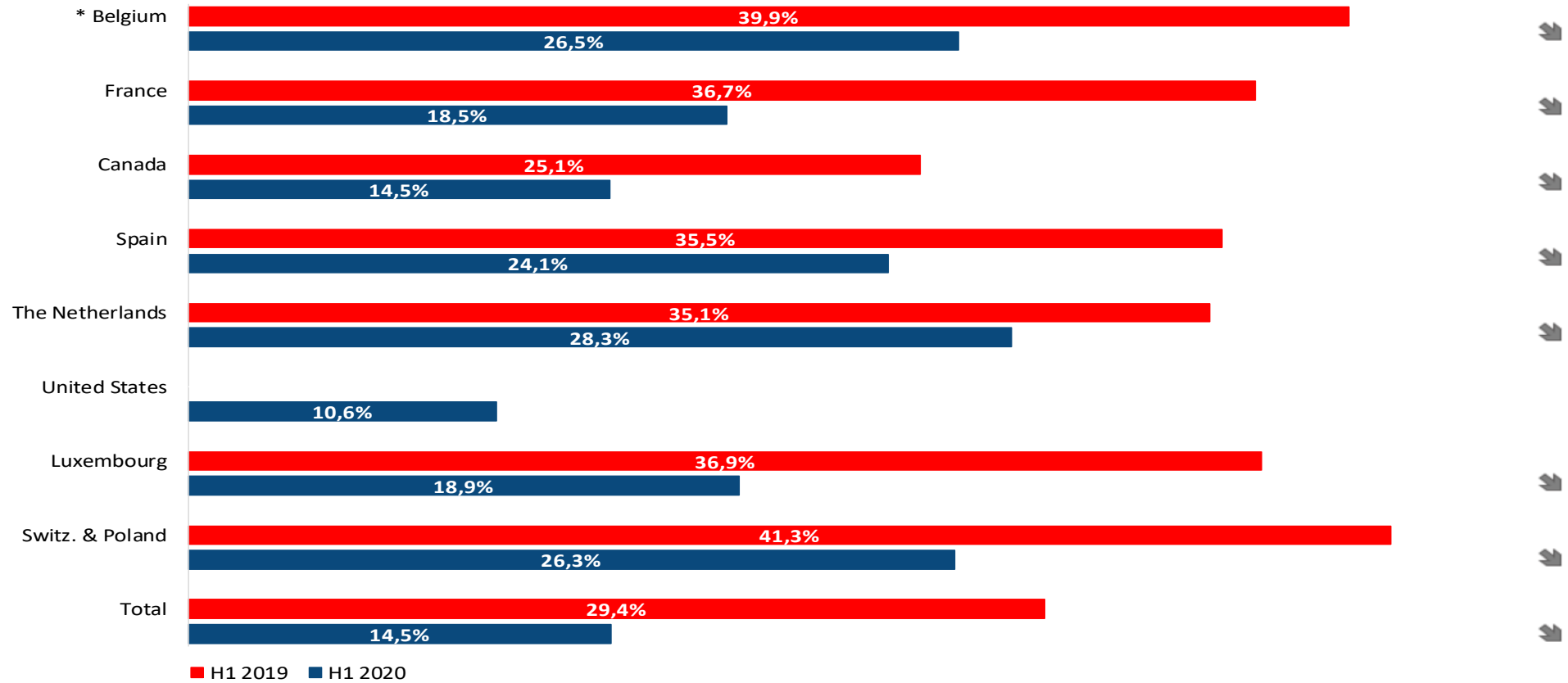


## ADJUSTED EBITDA BY COUNTRY

€m	H1 2020	% of Total	H1 2019	% of Total	% Better / -Worse	% Δ Y Vis
Belgium	1,1	6,9%	16,4	23,4%	-93,1%	-53,6%
France	2,8	17,0%	14,0	20,0%	-80,1%	-63,8%
Canada	3,4	20,6%	15,9	22,8%	-78,8%	-63,6%
Spain	2,3	14,2%	9,8	13,9%	-76,2%	-65,7%
The Netherlands	4,6	28,0%	10,1	14,4%	-54,6%	-43,1%
United States	1,2	7,3%				
Luxembourg	0,7	4,1%	3,0	4,3%	-77,4%	-59,4%
Switzerland & Poland	0,3	1,8%	0,9	1,3%	-66,9%	-56,0%
<b>TOTAL</b>	<b>16,4</b>	<b>100,0%</b>	<b>70,1</b>	<b>100,0%</b>	<b>-76,6%</b>	<b>-54,1%</b>



## ADJUSTED EBITDA

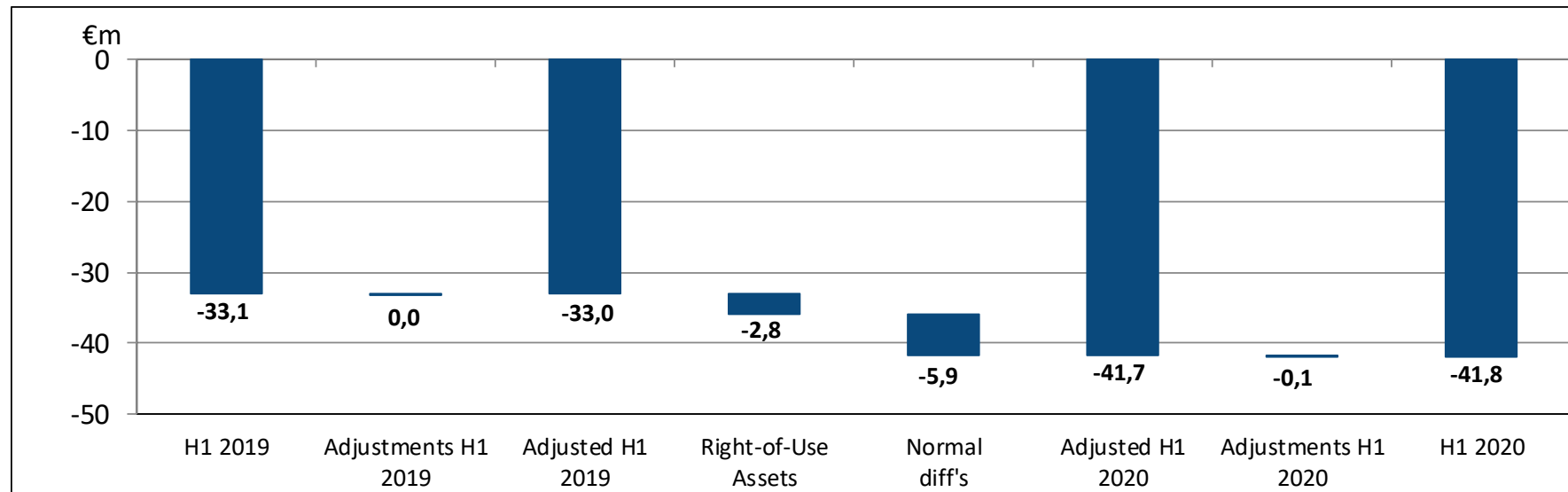


\*Excluding corporate entities, KFD & Brightfish



## DEPRECIATION, AMORTIZATION, PROVISIONS

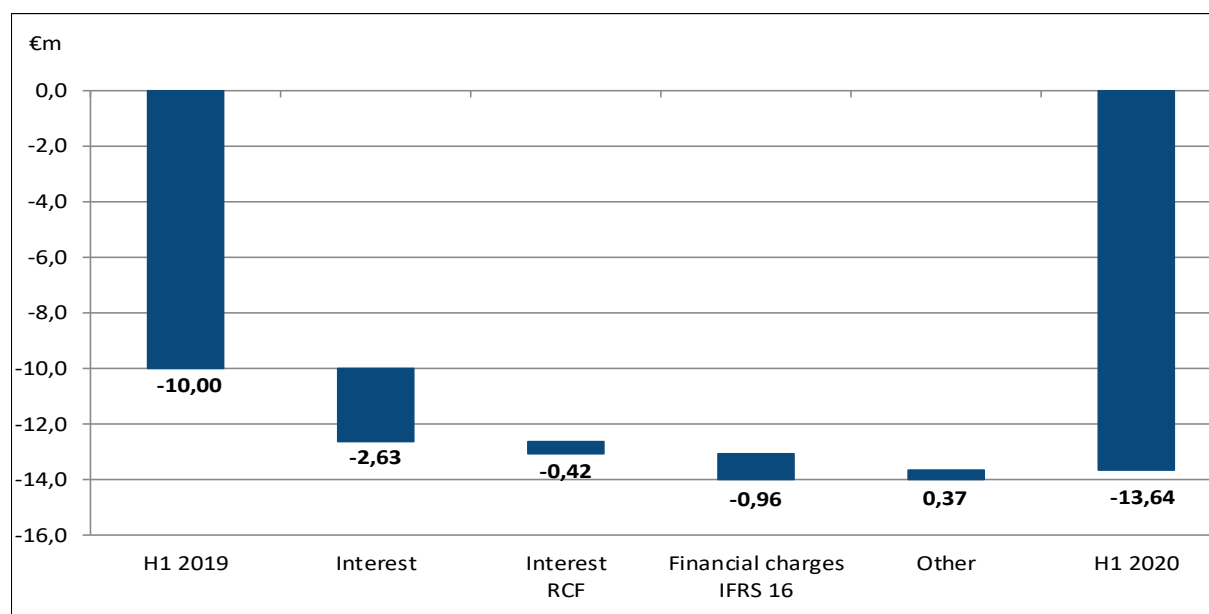
€m	H1 2020	H1 2019	% Better / -Worse
Depreciation, amortization and provisions	-27,9	-22,0	-27,0%
Depreciations on Right-of-Use Assets	-13,9	-11,1	-25,4%
<b>Total Depreciation, amortization and provisions</b>	<b>-41,8</b>	<b>-33,1</b>	<b>-26,5%</b>





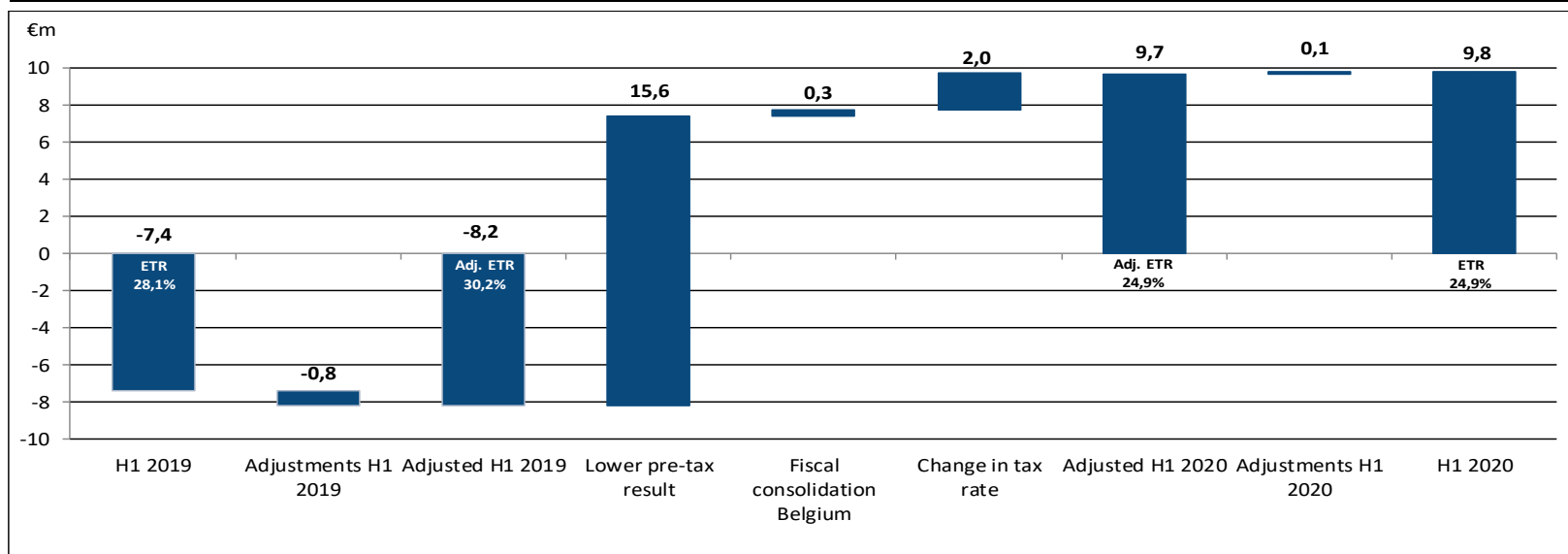
## FINANCIAL RESULT

€m	H1 2020	H1 2019	% Better / -Worse
Interest Expense	-7,22	-4,17	-73,1%
Financial charges IFRS 16	-5,32	-4,36	-22,0%
FX	0,07	-0,08	180,2%
Other (CNC, bank charges,...)	-1,16	-1,38	16,1%
<b>Financial (Cost) / Income</b>	<b>-13,64</b>	<b>-10,00</b>	<b>-36,3%</b>

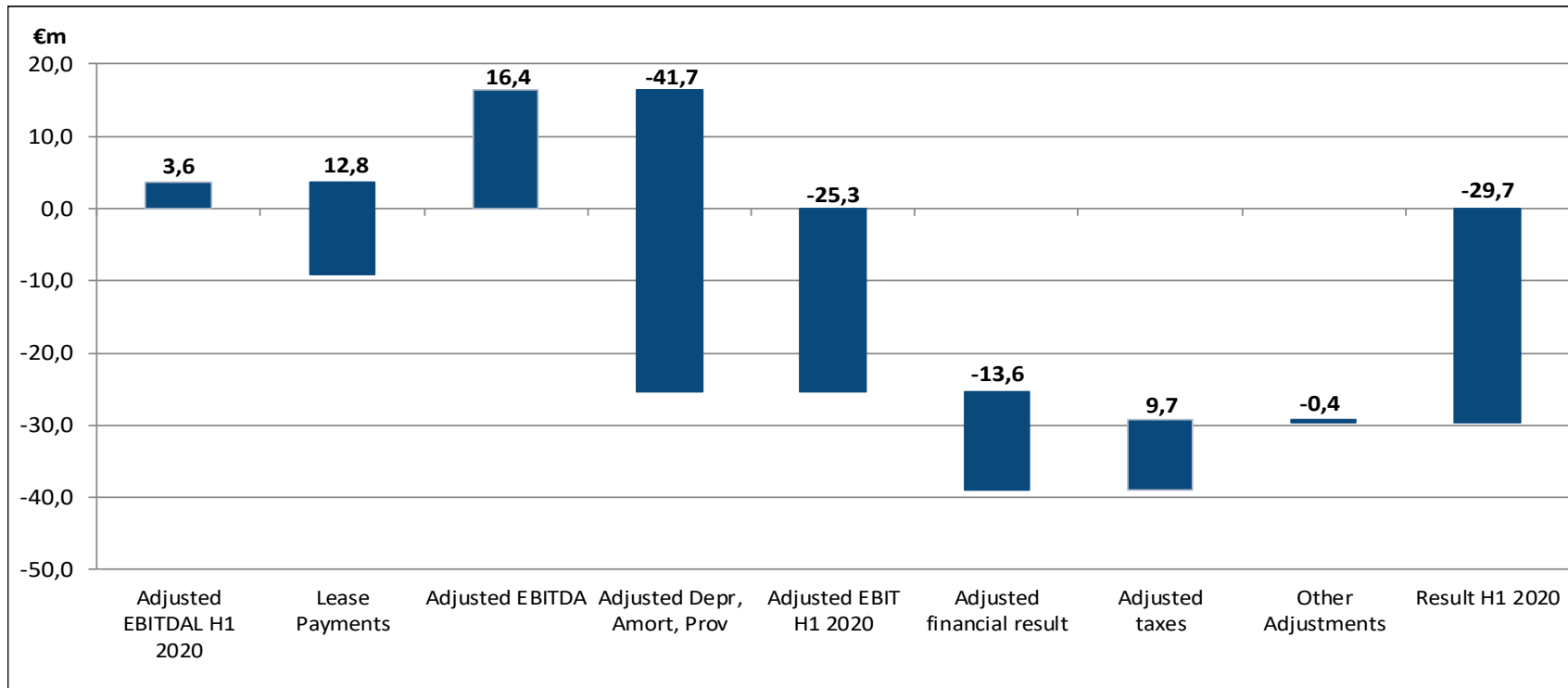


## TAXES

€m	H1 2020	H1 2019	% Better / -Worse
Profit before taxes	-39,5	26,2	-250,9%
<b>Taxes</b>	<b>9,8</b>	<b>-7,4</b>	<b>233,7%</b>
Profit	-29,7	18,8	-257,7%
<b>Effective Tax Rate ('ETR')</b>	<b>24,9%</b>	<b>28,1%</b>	<b>-320 bps</b>
Tax effect on adjustments	0,1	0,8	-84,2%
<b>Adjusted Effective Tax Rate ('Adj. ETR')</b>	<b>24,9%</b>	<b>30,2%</b>	<b>-536 bps</b>

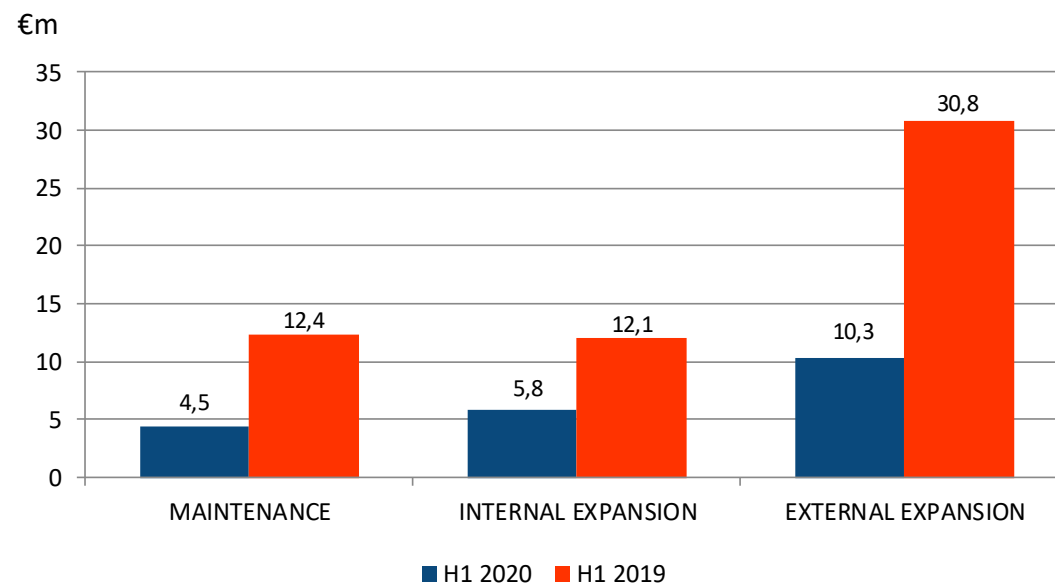


## ADJUSTED EBITDAL TO NET RESULT

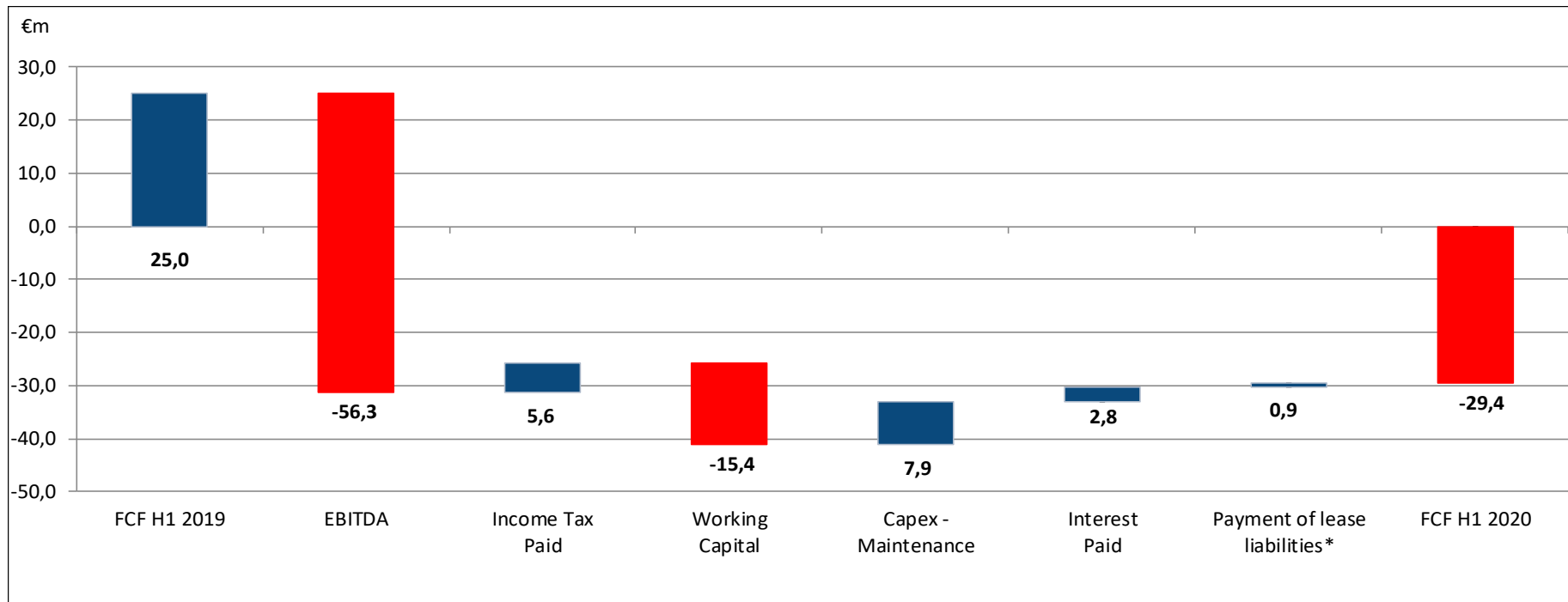


## INVESTMENTS

€m	H1 2020	H1 2019
Belgium	3,4	7,6
France	1,1	4,2
Canada	3,1	6,8
Spain	1,0	1,7
The Netherlands	1,1	2,3
United States	0,1	
Luxembourg	0,4	1,5
Other		0,3
<b>Maintenance &amp; Internal Expansion</b>	<b>10,3</b>	<b>24,5</b>
<b>External Expansion</b>	<b>10,3</b>	<b>30,8</b>
<b>TOTAL</b>	<b>20,6</b>	<b>55,3</b>



## FREE CASH FLOW: H1 2020 VS H1 2019



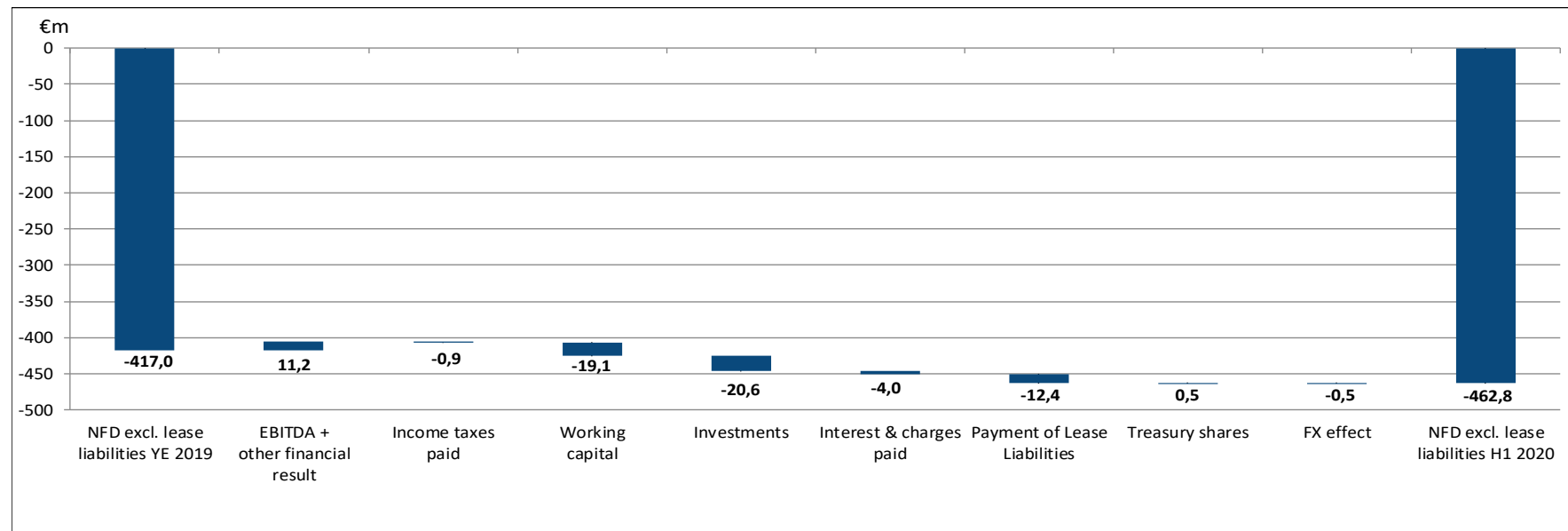
\* The payment of lease liabilities is included in the free cash flow for comparison purposes. In light of IFRS 16 the payment of rent expenses is no longer presented as operating cash flow but as financing cash flow. The effects from IFRS 16 have an impact on EBITDA, working capital and the payment of lease liabilities. However the sum of these impacts have no effect on cash.

The decrease from € 25,0 million FCF to € -29,4 million FCF is mainly caused by a decrease in EBITDA and working capital, slightly compensated by lower capex – maintenance and lower interest and income taxes paid.



## NET FINANCIAL DEBT EVOLUTION

€m	H1 2020	YE 2019	Better/-Worse	NFD Evolution
<b>Net Financial Debt (NFD) excl. lease liabilities</b>	<b>462,8</b>	<b>417,0</b>	<b>-45,9</b>	<b>-11,0%</b>
Net Financial Debt (NFD) incl. lease liabilities	863,3	833,1	-30,2	-3,6%
Leverage ratio*: NFD / Adj. EBITDA	7,17	4,78		
<b>Leverage ratio*: NFD excl. lease liabilities / Adj. EBITDAL</b>	<b>5,04</b>	<b>2,89</b>		

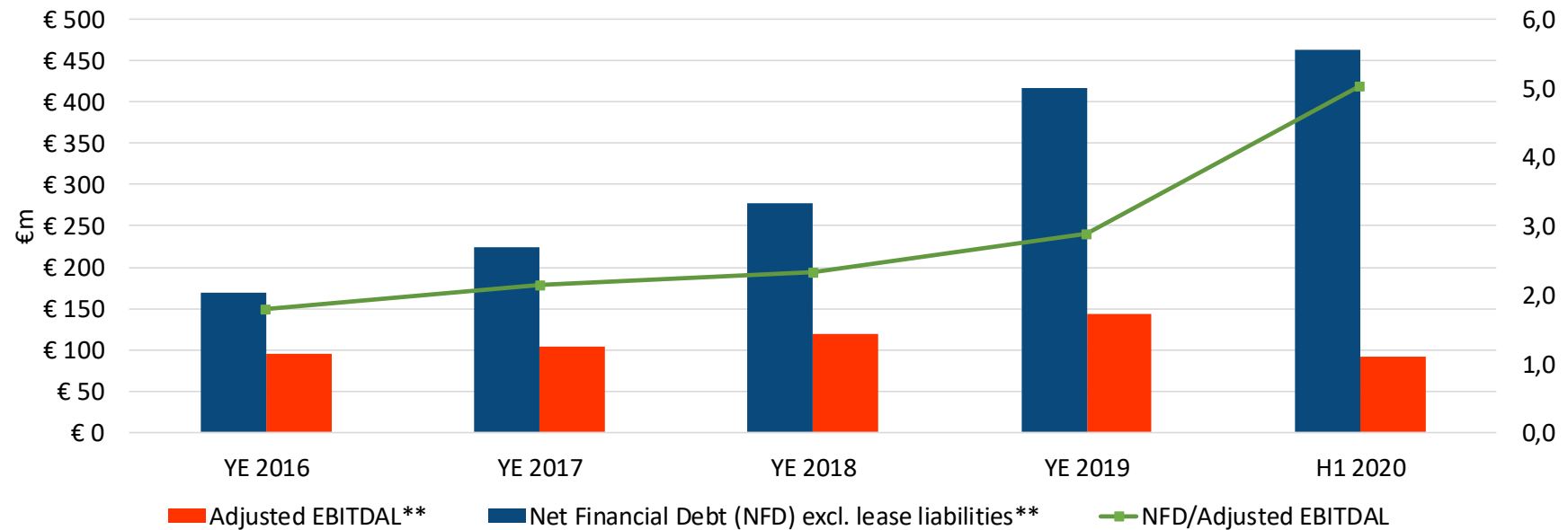


\* Not club deal definition



## NET FINANCIAL DEBT EVOLUTION

€m	H1 2020	YE 2019	Better/-Worse	NFD Evolution
<b>Net Financial Debt (NFD) excl. lease liabilities</b>	<b>462,8</b>	<b>417,0</b>	<b>-45,9</b>	<b>-11,0%</b>
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\* Not club deal definition

\*\* Adjusted EBITDAL and NFD excl. lease liabilities are applicable as of 1 January 2019 due to implementation of IFRS 16. Before 2019, Adjusted EBITDA and NFD are mentioned.



## RATIOS

	H1 2020	2019	H1 2020 excl. lease payments	2019 excl. lease payments
Adjusted EBITDA	16 366	70 069	3 602	55 926
Revenue	112 575	238 080	112 575	238 080
<b>Adjusted EBITDA margin</b>	<b>14,5%</b>	<b>29,4%</b>	<b>3,2%</b>	<b>23,5%</b>

Note that all ratios are compared to the ratios per 31/12/2019 except for the adjusted EBITDA margin which is compared to 30/06/2019.

Adjusted operating profit	41 582	103 959	42 048	100 229
Capital employed	975 904	804 362	627 566	605 490
<b>ROCE</b>	<b>4,3%</b>	<b>12,9%</b>	<b>6,7%</b>	<b>16,6%</b>

Capital employed excl. lease payments = Capital employed excl. lease liabilities and deferred tax impact

	H1 2020	2019	H1 2020 excl. lease liabilities	2019 excl. lease liabilities
NFD	863 325	833 093	462 809	416 950
Equity	177 883	211 253	177 883	211 253
<b>Gearing ratio</b>	<b>4,85</b>	<b>3,94</b>	<b>2,60</b>	<b>1,97</b>

Current assets	180 488	134 779	180 488	134 779
Current liabilities	246 738	179 168	214 960	146 077
<b>Current ratio</b>	<b>0,73</b>	<b>0,75</b>	<b>0,84</b>	<b>0,92</b>

Equity	177 883	211 253	177 883	211 253
Total equity and liabilities	1 299 311	1 283 822	898 795	867 679
<b>Solvency ratio</b>	<b>13,7%</b>	<b>16,5%</b>	<b>19,8%</b>	<b>24,3%</b>

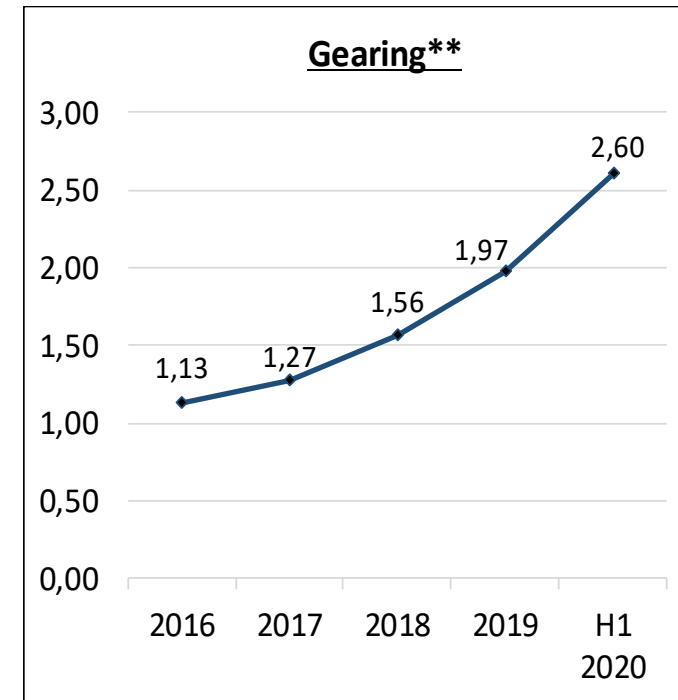
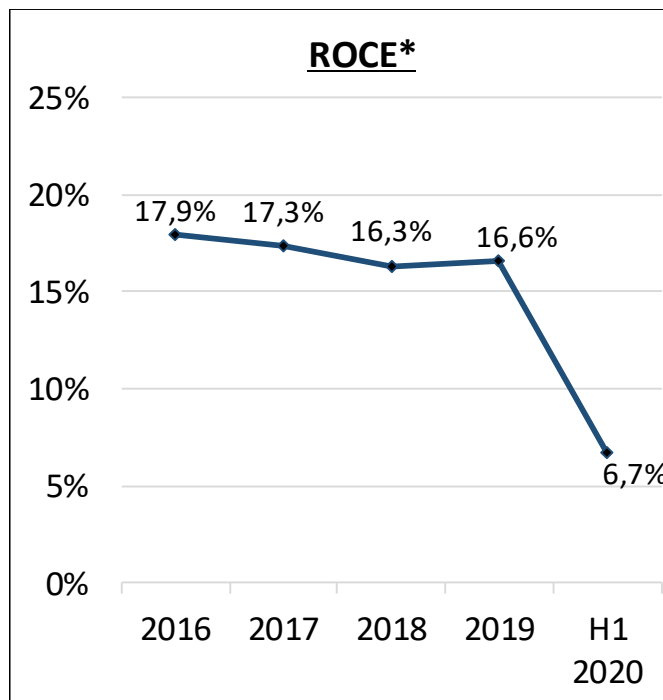
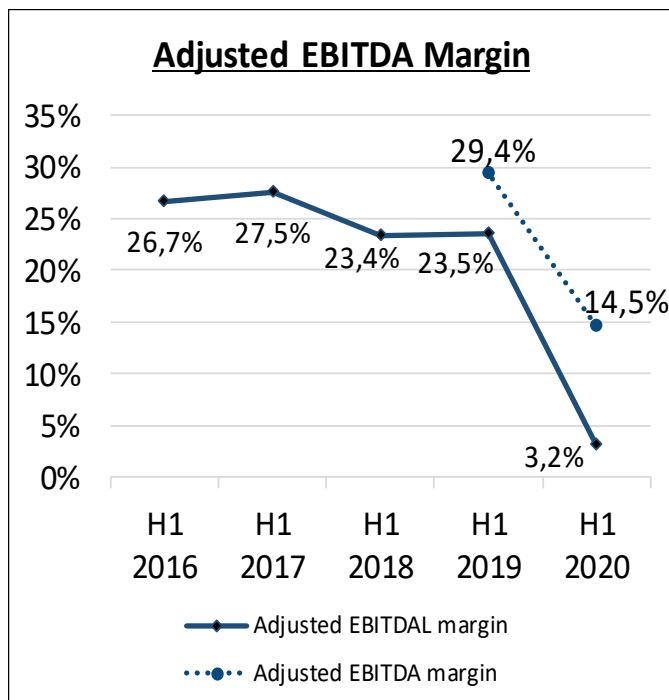
NFD	863 325	833 093	462 809	416 950
Adj. EBITDA 12 months	120 445	174 148	91 842	144 166
<b>Leverage ratio</b>	<b>7,17</b>	<b>4,78</b>	<b>5,04</b>	<b>2,89</b>

Adj. EBITDA 12 months excl. lease liabilities = excl. lease payments





# RATIOS

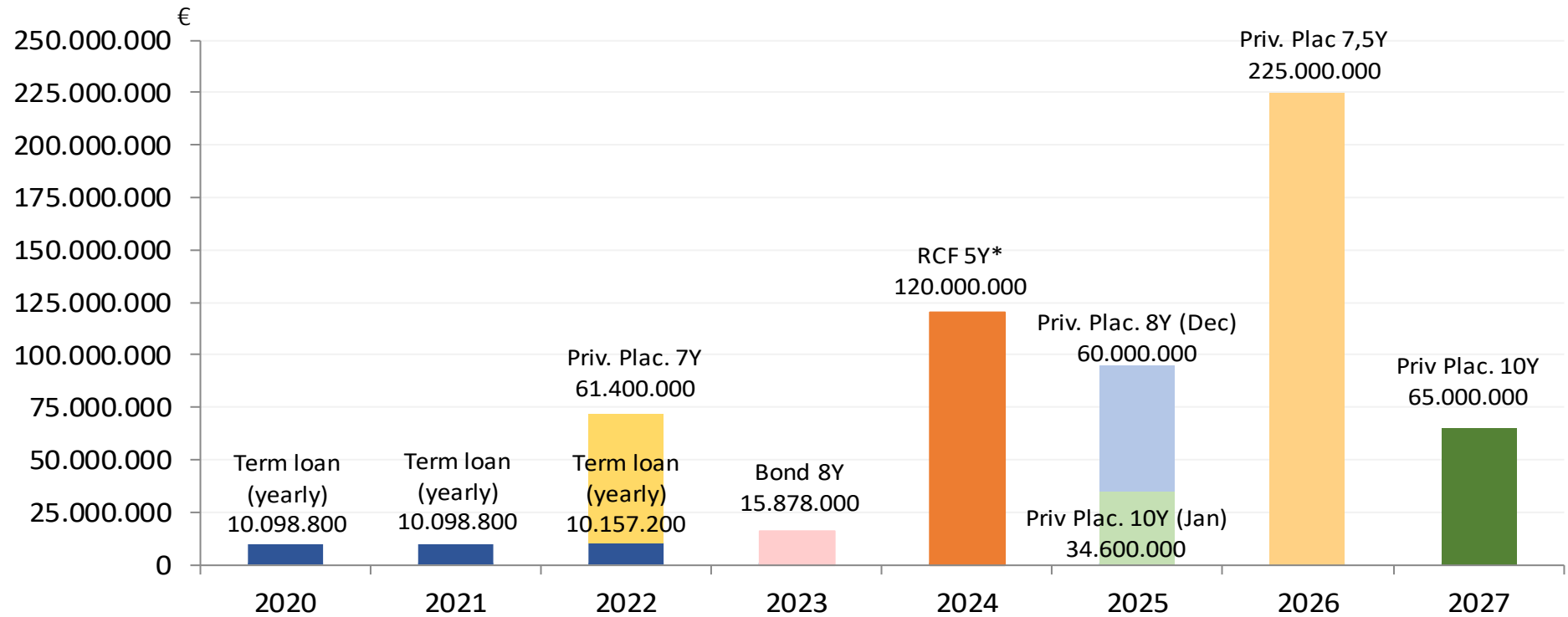


\* ROCE YE 2019 and H1 2020: Adjusted operating profit excl. lease payments / Capital employed excl. lease liabilities and deferred tax impact

\*\* Gearing YE 2019 and H1 2020 are excluding lease liabilities



## MATURITY PROFILE FINANCIAL DEBT\*\*



\* Revolving credit facility: final maturity 2024 with an option to extend to 2026; 116,5M EUR drawn per 30/06/2020. (3,5 M EUR ancillary facilities)

\*\* Excluding IFRS 16 lease liabilities

Weighted average maturity 30/06/2020: 5,14 years



## BALANCE SHEET

€m	30/06/2020	% of Total	31/12/2019	% of Total
Intangible assets	12,7	1,0%	13,0	1,0%
Goodwill	168,1	12,9%	169,4	13,2%
Property, plant & equipment	532,1	41,0%	542,3	42,2%
Right-of-use assets	379,4	29,2%	397,2	30,9%
Investment property	16,3	1,3%	16,9	1,3%
Deferred tax assets	2,5	0,2%	1,2	0,1%
Other receivables	7,5	0,6%	9,0	0,7%
<b>Non-current assets</b>	<b>1 118,8</b>	<b>86,1%</b>	<b>1 149,0</b>	<b>89,5%</b>
Inventories	4,9	0,4%	5,9	0,5%
Trade & other receivables	23,5	1,8%	53,4	4,2%
Current tax assets	7,0	0,5%	1,3	0,1%
Cash & cash equivalents	143,4	11,0%	72,5	5,6%
Assets classified as held for sale	1,7	0,1%	1,8	0,1%
<b>Current assets</b>	<b>180,5</b>	<b>13,9%</b>	<b>134,8</b>	<b>10,5%</b>
<b>TOTAL ASSETS</b>	<b>1 299,3</b>	<b>100,0%</b>	<b>1 283,8</b>	<b>100,0%</b>

€m	30/06/2020	% of Total	31/12/2019	% of Total
Share capital & share premium	20,1	1,5%	20,1	1,6%
Consolidated reserves	162,6	12,5%	191,4	14,9%
Translation reserve	-5,0	-0,4%	-0,6	0,0%
<b>Equity attributable to the owners of the Company</b>	<b>177,7</b>	<b>13,7%</b>	<b>211,0</b>	<b>16,4%</b>
Non-controlling interests	0,1	0,0%	0,3	0,0%
<b>Total Equity</b>	<b>177,9</b>	<b>13,7%</b>	<b>211,3</b>	<b>16,5%</b>
Loans and borrowings	479,7	36,9%	479,5	37,4%
Lease liabilities	368,7	28,4%	383,1	29,8%
Provisions and provisions for employee benefits	3,1	0,2%	3,3	0,3%
Deferred tax liabilities	15,9	1,2%	20,4	1,6%
Other payables	7,2	0,6%	7,1	0,6%
<b>Non-current liabilities</b>	<b>874,7</b>	<b>67,3%</b>	<b>893,4</b>	<b>69,6%</b>
Loans and borrowings	126,8	9,8%	10,2	0,8%
Lease liabilities	31,8	2,4%	33,1	2,6%
Trade and other payables	84,6	6,5%	132,7	10,3%
Provisions	0,5	0,0%	0,5	0,0%
Current tax liabilities	3,0	0,2%	2,6	0,2%
<b>Current liabilities</b>	<b>246,7</b>	<b>19,0%</b>	<b>179,2</b>	<b>14,0%</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1 299,3</b>	<b>100,0%</b>	<b>1 283,8</b>	<b>100,0%</b>

	30/06/2020	31/12/2019
Gearing ratio*	2,60	1,97
Current ratio**	0,73	0,75
Solvency ratio***	13,7%	16,5%
ROCE****	6,7%	16,6%

\*: Gearing ratio (excluding IFRS 16): Net Financial Debt excl. lease liabilities / Equity

\*\* : Current ratio (including IFRS 16): Current Assets / Current Liabilities

\*\*\*: Solvency ratio (including IFRS 16): Total Equity / Total Equity & Liabilities

\*\*\*\*: ROCE (excluding IFRS 16): Adjusted operating profit excl. lease payments / Capital employed excl. lease liabilities and deferred tax impact



## SHAREHOLDERS

	20/08/2020		18/02/2020	
	# Shares	%	# Shares	%
Total shares outstanding	27 365 197	100%	27 365 197	100%

Reference Shareholders & Free Float	# Shares	%	# Shares	%
Kinehold Bis, Pentascoop and Mr. Joost Bert	13 192 268	48,21%	13 192 268	48,21%
Treasury shares (own shares)	480 851	1,76%	480 851	1,76%
Free Float	13 692 078	50,03%	13 692 078	50,03%

Other*	# Shares	%	# Shares	%
Axa SA	1 376 397	5,03%	1 376 397	5,03%
BNP Paribas Investment Partners SA	1 366 585	4,99%	1 366 585	4,99%
Blackrock Investment Mgt Ltd	774 998	2,83%	1 115 517	4,08%

\* Resulting from transparency notices received



## FINANCIAL CALENDAR

Thursday	12/11/2020	Business Update Q3 2020
Thursday	25/02/2021	Annual results 2020 Press & Analyst meeting
Wednesday	12/05/2021	Business update Q1 2021 Annual Shareholders' Meeting Kinopolis Group





Q & A

Thank you

KINEPOLIS GROUP





# Annexes

# Financial Statements

## Results H1 2020

KINEPOLIS GROUP



## REALIZED ACQUISITIONS AND GREENFIELDS (2014 – 2020)

Country	City	# Complexes	# Screens	Est. Visitors / Year	Realized
Spain	Alicante	1	16	1,0 mio	Q2 2014
	Alcobendas - Madrid	1	12		
	Nevada – Granada	1	8	0,4 mio	Q4 2016
	El Punt	2	38	1,6 mio	Q1 2019
The Netherlands	Wolff Bioscopen	9	46	1,6 mio	Q3 2014
	Acq. Building Enschede (Wolff)				Q2 2015
	Dordrecht (greenfield)	1	6	0,3 mio	Q1 2016
	Breda (greenfield)	1	10	0,5 mio	Q3 2016
	Utrecht (greenfield)	1	14	1,2 mio	Q1 2017
	NH Bioscopen	2	13	0,6 mio	Q1 2018
	's Hertogenbosch (greenfield)	1	7	0,4 mio	Q2 2018
	Acq. Building Utrecht (City)				Q3 2018
NL, LUX, FR	Utopolis Group	9	63	2,4 mio	Q4 2015
	Arcaplex	1	9	0,2 mio	Q4 2019
France	Bourgoin	1	12	0,6 mio	Q3 2015
	Rouen	1	14	0,4 mio	Q1 2016
	Fenouillet (greenfield)	1	8	0,4 mio	Q4 2016
	Metz (Palace) (greenfield)	1	7	0,2 mio	Q3 2018
	Brétigny-sur-Orge (greenfield)	1	10	0,5 mio	Q3 2018
	Servon (greenfield)	1	9	0,4 mio	Q3 2019
Canada	Landmark	44	303	10,2 mio	Q4 2017
	St. Albert (greenfield)	1	8	0,6 mio	Q1 2018
	Saskatoon (greenfield)	1	7	0,4 mio	Q2 2018
	Fort McMurray *	1	8	0,1 mio	Q4 2018
	Calgary Market Mall (greenfield)	1	5	0,3 mio	Q4 2019
	Regina (greenfield)	1	8	0,4 mio	Q4 2019
USA	MJR	10	164	6,2 mio	Q4 2019
<b>Total</b>		<b>95</b>	<b>805</b>	<b>30,9 mio</b>	



\* Replacement of existing 6 screen theatre in ownership by rented one



## CONSOLIDATED INCOME STATEMENT

€m	H1 2020	H1 2019	% Better / -Worse
Revenue	112,6	238,1	-52,7%
Cost of Sales	-125,4	-176,6	29,0%
<b>Gross profit</b>	<b>-12,8</b>	<b>61,5</b>	<b>-120,9%</b>
<i>Gross profit %</i>	<i>-11,4%</i>	<i>25,8%</i>	
Marketing and selling expenses	-7,0	-11,7	40,1%
Administrative expenses	-11,0	-14,2	22,5%
Other operating income and expenses	5,0	0,6	692,6%
<b>EBIT</b>	<b>-25,9</b>	<b>36,2</b>	<b>-171,5%</b>
<i>EBIT %</i>	<i>-23,0%</i>	<i>15,2%</i>	
Financial result	-13,6	-10,0	-36,3%
<b>Profit before tax</b>	<b>-39,5</b>	<b>26,2</b>	<b>-250,9%</b>
Income tax expense	9,8	-7,4	233,7%
<b>Profit</b>	<b>-29,7</b>	<b>18,8</b>	<b>-257,7%</b>
<i>Profit %</i>	<i>-26,3%</i>	<i>7,9%</i>	
<b>EBITDA</b>	<b>16,0</b>	<b>69,2</b>	<b>-76,9%</b>
<i>EBITDA %</i>	<i>14,2%</i>	<i>29,1%</i>	
<b>EBITDAL</b>	<b>3,2</b>	<b>55,1</b>	<b>-94,2%</b>
<i>EBITDAL %</i>	<i>2,9%</i>	<i>23,1%</i>	



## CONSOLIDATED BALANCE SHEET

€m	30/06/2020	31/12/2019	% Better / -Worse
Intangible assets	12,7	13,0	-2,2%
Goodwill	168,1	169,4	-0,7%
Property, plant & equipment	532,1	542,3	-1,9%
Right-of-use assets	379,4	397,2	-4,5%
Investment property	16,3	16,9	-3,3%
Deferred tax assets	2,5	1,2	104,7%
Other receivables	7,5	9,0	-16,4%
<b>Non-current assets</b>	<b><u>1 118,8</u></b>	<b><u>1 149,0</u></b>	<b>-2,6%</b>
Inventories	4,9	5,9	-16,6%
Trade & other receivables	23,5	53,4	-56,0%
Current tax assets	7,0	1,3	439,8%
Cash & cash equivalents	143,4	72,5	97,8%
Assets classified as held for sale	1,7	1,8	-4,7%
<b>Current assets</b>	<b><u>180,5</u></b>	<b><u>134,8</u></b>	<b>33,9%</b>
<b>TOTAL ASSETS</b>	<b><u>1 299,3</u></b>	<b><u>1 283,8</u></b>	<b>1,2%</b>



## CONSOLIDATED BALANCE SHEET

€m	30/06/2020	31/12/2019	% Better / -Worse
Share capital & share premium	20,1	20,1	0,0%
Consolidated reserves	162,6	191,4	-15,0%
Translation reserve	-5,0	-0,6	-760,3%
<b>Equity attributable to the owners of the Company</b>	<b>177,7</b>	<b>211,0</b>	<b>-15,8%</b>
Non-controlling interests	0,1	0,3	-48,0%
<b><u>Total equity</u></b>	<b><u>177,9</u></b>	<b><u>211,3</u></b>	<b><u>-15,8%</u></b>
Loans and borrowings	479,7	479,5	0,0%
Lease liabilities	368,7	383,1	-3,7%
Provisions and provisions for employee benefits	3,1	3,3	-7,8%
Deferred tax liabilities	15,9	20,4	-22,0%
Derivative financial instruments	0,1	0,2	-23,7%
Other payables	7,1	6,9	2,6%
<b><u>Non-current liabilities</u></b>	<b><u>874,7</u></b>	<b><u>893,4</u></b>	<b><u>-2,1%</u></b>
Loans and borrowings	126,8	10,2	1141,2%
Lease liabilities	31,8	33,1	-4,0%
Provisions	0,5	0,5	-2,0%
Trade and other payables	84,6	132,7	-36,3%
Current tax liabilities	3,0	2,6	18,1%
<b><u>Current liabilities</u></b>	<b><u>246,7</u></b>	<b><u>179,2</u></b>	<b><u>37,7%</u></b>
<b><u>TOTAL EQUITY &amp; LIABILITIES</u></b>	<b><u>1 299,3</u></b>	<b><u>1 283,8</u></b>	<b><u>1,2%</u></b>



## CASH FLOW STATEMENT

€m	H1 2020	H1 2019	Better / -Worse
Profit before tax	-39,5	26,2	-65,6
<b>Adjustments for:</b>			
Depreciation, amortization & provisions	41,7	33,1	8,7
Government grants	-0,4	-0,4	
Gains / losses on sale of PPE & financial assets		-0,3	0,3
Financial result & Share based payments	13,2	9,0	4,2
Forgiveness of lessee's lease payments	-3,9		-3,9
<b>Cash generated from operations</b>	<b>11,2</b>	<b>67,5</b>	<b>-56,3</b>
Working capital movements	-19,1	-3,7	-15,4
Income taxes (paid)/ received	-0,9	-6,4	5,6
<b>Net cash from operating activities</b>	<b>-8,8</b>	<b>57,3</b>	<b>-66,1</b>
Acquisition of intangible assets, PPE or investment property	-20,5	-28,8	8,3
Acquisition of subsidiary, net of cash acquired	-0,1	-26,0	25,9
Proceeds from sales of (in)tangible assets		0,7	-0,7
<b>Net cash used in investing activities</b>	<b>-20,6</b>	<b>-54,1</b>	<b>33,5</b>
Investment contributions	0,4		0,4
Payment of lease liabilities (incl. forgiveness of lessee's lease payments)	-7,5	-9,2	1,7
New loans / payment of loans	116,5	0,6	115,9
Interests (paid)/ received	-3,8	-6,6	2,8
Interests IFRS 16	-5,3	-4,2	-1,1
Treasury shares	0,5		0,5
Dividends paid		-24,7	24,7
<b>Net cash used in financing activities</b>	<b>100,8</b>	<b>-44,0</b>	<b>144,8</b>
<b>Net cash flow</b>	<b>71,4</b>	<b>-40,8</b>	<b>112,2</b>



## FREE CASH FLOW

€m	H1 2020	H1 2019	Better / -Worse
<b>Cash Flow before WC movements &amp; tax paid</b>	<b>11,2</b>	<b>67,5</b>	<b>-56,3</b>
Income taxes paid	-0,9	-6,4	5,6
Working capital	-19,1	-3,7	-15,4
Capital exp – maintenance	-4,5	-12,4	7,9
Interest paid	-3,8	-6,6	2,8
Payment of lease liabilities (capital portion + interest), investment contribution & forgiveness of lessee's lease payments	-12,4	-13,4	0,9
<b>Free cash flow</b>	<b>-29,4</b>	<b>25,0</b>	<b>-54,5</b>
Capital Exp - Digitalization & Remodeling, Expansion & Acq AHFS	-16,1	-16,5	0,4
Proceeds from sales of financial and intangible assets and PPE		0,7	-0,7
Acquisition of subsidiary, net of cash acquired	-0,1	-26,0	25,9
Treasury shares	0,5		0,5
Dividend payments		-24,7	24,7
<b>FCF after expansion exp, dividends &amp; treasury shares</b>	<b>-45,1</b>	<b>-41,4</b>	<b>-3,7</b>



## GLOSSARY

The glossary below contains *Alternative Performance Measures (APMs)* that are aimed to improve the transparency of the financial information. For the full glossary, we refer to the corporate website of Kinopolis.

- ❑ **Adjusted operating profit:** Operating profit after elimination adjustments; is used to reflect the operating profit from normal operating activities.
  
- ❑ **Adjusted EBITDA:** EBITDA after eliminating adjustments; is used to reflect the EBITDA from normal operating activities.
  
- ❑ **Adjusted profit:** Profit for the period after eliminating adjustments; is used to reflect the profit from normal operating activities.
  
- ❑ **Adjustments:** This category includes primarily results from the disposal of fixed assets, impairments losses on assets, provisions, costs from restructuring and acquisitions and other exceptional income and expenses.
  
- ❑ **EBITDAL:** EBITDA less rent



