Kinepolis Group

Results YTD Q3 2022

November, 2022

KINEPOLIS GROUP

Business review

YTD Q3 2022

KINEPOLIS GROUP

- **Strong recovery of operational result and free cash flow in H1 2022**

- **77,2% of 2019 attendance in H1 2022, resulting in 93,5%[1] of H1 2019 revenue and 74,3% of Q3 2019 attendance in Q3 2022, resulting in 90,1% of Q3 2019 revenue**
  - Weak summer line-up (‘Top Gun: Maverick’ most popular movie in September, almost 4 months after release)
  - Warm weather & many leisure alternatives (post-Covid effect)
  - YTD Q3 2022 attendance: 76,1% vs YTD Q3 2019

- Kinepolis remains **financially solid**, thanks to strong contribution of **Entrepreneurship plan**, strengthening the profitability of the Group and product range development, despite slower recovery of visitor numbers

- **Sales per visitor remain high** due to **a higher demand for experience** and **premium products**, resulting in a faster recovery of turnover vs visitor number

- Promising Q4 in terms of content, but challenging macro-economic context

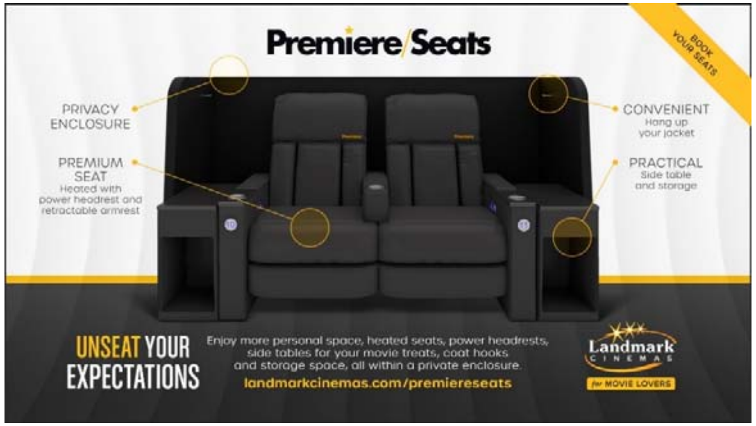
(1) Corrected for one-off Covid-19 related items

- Strategic pillars
  - Best Marketer
  - Best Cinema Operator
  - Best Real Estate Manager

- Highlights H1 2022
  - Q1 still impacted by closures & restrictive measures
  - Further roll-out of premium products in Europe, Canada and preparation for the United States
  - 200 laser upgrades in 2022
  - Entrepreneurship plan fully executed
  - Star plans ongoing
  - Takeover of the operation of two Spanish cinemas, in Marbella and Barcelona (effective from the beginning of November 2022)

- **Investments in a premium moviegoing experience**
  - Introduction of ‘Premiere Seats’ in 10 additional Landmark cinemas (CA)
  - Complete renovation of Landmark St. Catharines, Pen Centre (CA)
  - Preparation to introduce ‘VIP seats’ and Laser ULTRA in USA in Q3 2022

St. Catharines, Pen Centre (CA)



Countries	Complexes		Screens		Complexes in Ownership	
					#	%Visitors
Belgium	11		138		10	98%
France	14		156		9	79%
Canada	40		325		4	1%
Spain	10	+2***	157	+20***	3	34%
The Netherlands	20		147		13	67%
United States	10		164		7	71%
Luxembourg	3		22		1	68%
Switzerland	1		8		1	100%
Poland *	1		18		1	n/a
Total	**110**		**1 135**		**49**	**55%****

* 1 complex in Poland operated by Cineworld

** 55% of H1 2022 visitors

*** As of November 2022 ; Complex and screen additions are compared to 31 December 2021

KEY FINANCIALS H1

€m	H1 2022	H1 2021	% Better / -Worse	H1 2019
Revenue	**228,0**	**36,8**	**519,9%**	**238,1**
Visitors ('000)	*13 668*	*2 188*	*524,7%*	*17 713*
EBITDA	**68,2**	**-7,1**	**1 062,2%**	**69,2**
EBITDA margin	€ 4,99/Vis *29,9%*	€ -3,24/Vis *-19,3%*	*4 920 bps*	€ 3,91/Vis *29,1%*
EBITDAL	**50,4**	**-24,0**	**309,9%**	**55,3**
EBITDAL margin	€ 3,68/Vis *22,1%*	€ -10,97/Vis *-65,2%*	*8 732 bps*	€ 3,12/Vis *23,2%*
EBIT	**27,9**	**-48,0**	**158,1%**	**36,2**
EBIT margin	*12,2%*	*-130,4%*	*14 258 bps*	*15,2%*
Result	**9,1**	**-45,8**	**119,8%**	**18,8**
Result per share (in €)	*0,34*	*-1,70*	*120,0%*	0,70
Free Cash Flow	**25,7**	**-21,4**	**220,2%**	**25,0**

€m	H1 2022	YE 2021	Evolution NFD
Net Financial Debt (NFD) excl. lease liabilities	**450,0**	**474,5**	**-24,4**

QUARTERLY KEY FINANCIALS H1

€m	Q1 2022		Q2 2022		H1 2022		Q1 2019		Q2 2019		H1 2019	
Revenue		**94,4**		**133,6**		**228,0**		**115,7**		**122,4**		**238,1**
Visitors ('000)		*5 936*		*7 732*		*13 668*		*8 820*		*8 893*		*17 713*
EBITDA		**20,7**		**47,6**		**68,2**		**33,1**		**36,1**		**69,2**
EBITDA margin	€ 3,48/Vis	*21,9%*	€ 6,15/Vis	*35,6%*	€ 4,99/Vis	*29,9%*	€ 3,76/Vis	*28,7%*	€ 4,06/Vis	*29,5%*	€ 3,91/Vis	*29,1%*
EBITDAL		**11,9**		**38,5**		**50,4**		**26,3**		**28,9**		**55,3**
EBITDAL margin	€ 2,00/Vis	*12,6%*	€ 4,98/Vis	*28,8%*	€ 3,68/Vis	*22,1%*	€ 2,98/Vis	*22,8%*	€ 3,26/Vis	*23,6%*	€ 3,12/Vis	*23,2%*
EBIT		**0,7**		**27,1**		**27,9**		**17,4**		**18,8**		**36,2**
EBIT margin		*0,8%*		*20,3%*		*12,2%*		*15,0%*		*15,3%*		*15,2%*
Result		**-5,3**		**14,3**		**9,1**		**8,5**		**10,3**		**18,8**
Result per share (in €)		*-0,19*		*0,53*		*0,34*		*0,32*		*0,38*		*0,70*
Free Cash Flow		**0,4**		**25,4**		**25,7**		**9,3**		**15,8**		**25,0**

CORRECTED QUARTERLY KEY FINANCIALS*

€m	Q1 2022	Q2 2022	H1 2022	Q1 2019	Q2 2019	H1 2019
Revenue	**95,4**	**127,2**	**222,6**	**115,7**	**122,4**	**238,1**
Visitors ('000)	*5 936*	*7 732*	*13 668*	*8 820*	*8 893*	*17 713*
EBITDA	**18,6**	**37,9**	**56,5**	**33,1**	**36,1**	**69,2**
EBITDA margin	€ 3,13/Vis *19,5%*	€ 4,90/Vis *29,8%*	€ 4,13/Vis *25,4%*	€ 3,76/Vis *28,7%*	€ 4,06/Vis *29,5%*	€ 3,91/Vis *29,1%*
EBITDAL	**9,8**	**28,8**	**38,6**	**26,3**	**28,9**	**55,3**
EBITDAL margin	€ 1,65/Vis *10,3%*	€ 3,73/Vis *22,7%*	€ 2,82/Vis *17,3%*	€ 2,98/Vis *22,8%*	€ 3,26/Vis *23,6%*	€ 3,12/Vis *23,2%*
EBIT	**-1,3**	**17,4**	**16,1**	**17,4**	**18,8**	**36,2**
EBIT margin	*-1,4%*	*13,7%*	*7,2%*	*15,0%*	*15,3%*	*15,2%*
Result	**-6,8**	**7,1**	**0,3**	**8,5**	**10,3**	**18,8**
Result per share (in €)	*-0,25*	*0,26*	*0,01*	*0,32*	*0,38*	*0,70*

* Corrected for one-off Covid-19 related items

Visitors (000's)	H1 2022	% of Tot	H1 2021	% of Tot	% Δ YoY
Belgium	2 629	19,1%	230	10,5%	1 043,0%
France	2 418	17,7%	368	16,8%	557,1%
Canada	3 618	26,5%	231	10,6%	1 466,2%
Spain	1 582	11,6%	487	22,3%	224,8%
The Netherlands	1 474	10,8%	188	8,6%	684,0%
United States	1 608	11,8%	579	26,5%	177,7%
Luxembourg	297	2,2%	99	4,5%	200,0%
Switzerland	41	0,3%	5	0,2%	720,0%
Total	**13 668**	**100,0%**	**2 188**	**100,0%**	**524,7%**

HIGHLIGHTS Q3 2022

- Take-over operation of two Spanish cinemas (Barcelona and Marbella), effective from 3 and 7 November 2022 respectively
- TMS system Eikona Cinema Manager implemented in Belgium & the Netherlands (Spain and France planned for 2023)
- Launch CINE K in Belgium (September 2022)
- Launch Movie Club in Belgium & the Netherlands (October 2022)
- Laser upgrades on track (circa 200 in 2022)
- Finishing of Kinepolis Metz Amphithéâtre (FR): opening 9 November 2022

CINE K
CINEMA MET EEN GOUDEN RANDJE

KINEPOLIS MOVIE CLUB

VISITORS Q3

Visitors (000's)	YTD Q3 2022	% of Tot	YTD Q3 2021	% of Tot	% Δ YoY
Belgium	3 816	18,1%	1 723	18,7%	121,5%
France	3 559	16,9%	1 617	17,5%	120,1%
Canada	5 817	27,6%	1 716	18,5%	239,0%
Spain	2 578	12,2%	1 457	15,7%	77,0%
The Netherlands	2 324	11,0%	1 242	13,4%	87,1%
United States	2 513	11,9%	1 251	13,5%	100,9%
Luxembourg	443	2,1%	226	2,4%	96,0%
Switzerland	62	0,3%	29	0,3%	116,8%
Total	**21 113**	**100,0%**	**9 260**	**100,0%**	**128,0%**

LINE-UP 2022

Q4

10	11	12

Postponed from 2022 to 2023

12/22 -> 03/23 | 09/22 -> 04/23 | 12/22 -> 04/23 | 10/22 -> 06/23 | 11/22 -> 06/23 | 10/22 -> 07/23 | 12/22 -> 12/23

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LINE-UP – LOCAL CONTENT 2022

Q4	10	11	12
	ZILLION, REBEL, NELLY & NADINE, Yuku & de bloem van de Himalaya, REWIND	CLOSE, VOUS N'AUREZ PAS MA HAINE	LE OTTO MONTAGNE, DE ZONEN VAN VAN AS, BUURT-POLITIE
	DE GROTE Sinterklaas FILM, MISFIT, Kwestie van geduld, WILD PORT OF EUROPE	CASA COCO	PIECE OF MY HEART, HOTEL SINESTRA, DE TATTA'S, FAITHFULLY YOURS
	NOVEMBRE, SIMONE, Le Petit Nicolas, JACK MIMOUN, LE NOUVEAU JOUET, Belle et Sébastien Nouvelle Génération	L'INNOCENT, MASCARADE, COULEURS DE L'INCENDIE, CET ÉTÉ LA	LE TORRENT, LE PETIT PIAF
	LOS RENGLONES TORCIDOS DE DIOS, CERDITA, AÑO, NOCHE	NO MIRES A LOS OJOS, AS BESTAS, SANTA, IRATI, STORIES NOT TO BE TOLD	A TODO TREN

Financial Review

H1 2022

KINEPOLIS GROUP

FINANCIAL HIGHLIGHTS

- Revenue of € 228,0 million with 13,7 million visitors
  - 93,5% of revenue H1 2019, corrected for one-off Covid-19 related items
  - 77,2% of visitors H1 2019

- EBITDAL of € 50,4 million

- NFD excl. lease liabilities decreased from € 474,5 million per 31/12/2021 to € 450,0 million per 30/06/2022 or € -24,4 million, mainly due to:
  - € +25,7 m free cash flow, of which:
    - € +45,4 m from operations and payment of lease liabilities
    - € -10,7 m working capital
    - € -4,6 m interests paid
    - € -3,8 m maintenance capex
    - € -0,6 m income taxes paid
  - € -3,9 m investments in internal and external expansion
  - € +1,0 m sale of treasury shares
  - € -0,3 m amortization of refinancing transaction costs
  - € +0,1 m proceeds from sales of property, plant and equipment
  - € +1,7 m FX effect on cash

- YE 2021 ended with € 199,8 million cash + credit lines

- H1 2022 ended with € 163,2 million cash + credit lines. Difference explained by:
  - € +25,7 m free cash flow, of which:
    - € +45,4 m from operations and payment of lease liabilities
    - € -10,7 m working capital
    - € -4,6 m interests paid
    - € -3,8 m maintenance capex
    - € -0,6 m income taxes paid
  - € -61,4 m repayment of bonds
  - € -3,9 m investments in internal and external expansion
  - € +1,0 m sale of treasury shares
  - € +0,1 m proceeds from sales of property, plant and equipment
  - € +1,7 m FX effect on cash

- Weighted average maturity of credit lines per 30/06/2022: 3,67 years

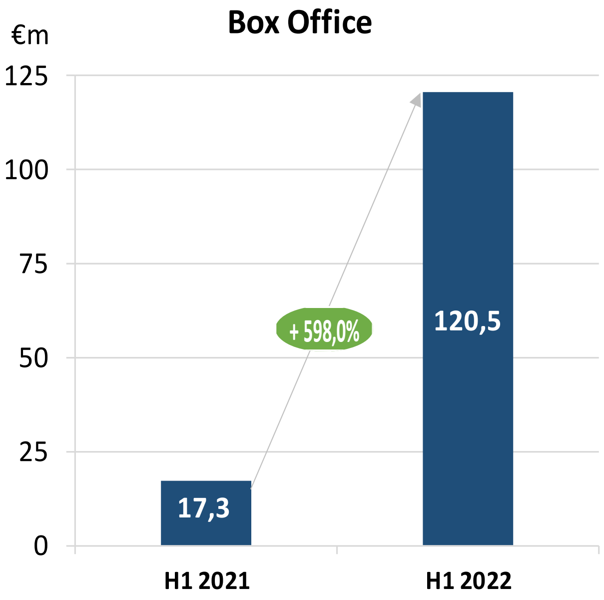
- Planned investments in new builds in 2022 for € 4,9 million

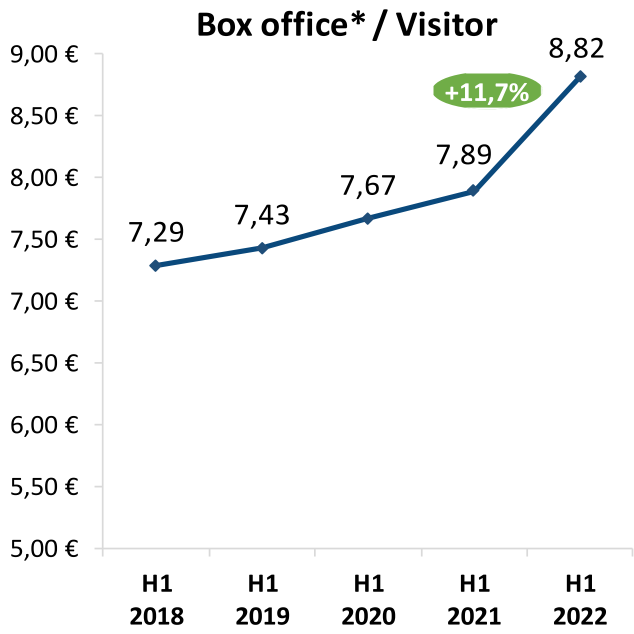
REVENUE BY COUNTRY

Revenue €m	H1 2022	% of Tot	H1 2021	% of Tot	% Δ YoY	% Δ Y Vis	H1 2019
Belgium	62,8	27,5%	7,9	21,5%	696,4%	1 043,0%	70,0
France	31,4	13,8%	4,7	12,9%	561,0%	557,1%	38,2
Canada	56,7	24,9%	5,5	15,0%	925,6%	1 466,2%	63,4
Spain	18,1	7,9%	5,1	13,8%	255,1%	224,8%	27,5
The Netherlands	26,6	11,7%	3,4	9,2%	686,5%	684,0%	28,7
United States	23,8	10,4%	7,7	20,8%	210,4%	177,7%	
Luxembourg	6,7	2,9%	2,0	5,4%	235,6%	200,0%	8,1
Other	2,0	0,9%	0,5	1,4%	293,0%	720,0%	2,2
Total	**228,0**	**100,0%**	**36,8**	**100,0%**	**519,9%**	**524,7%**	**238,1**

EVOLUTION BOX OFFICE

52,9% OF REVENUE

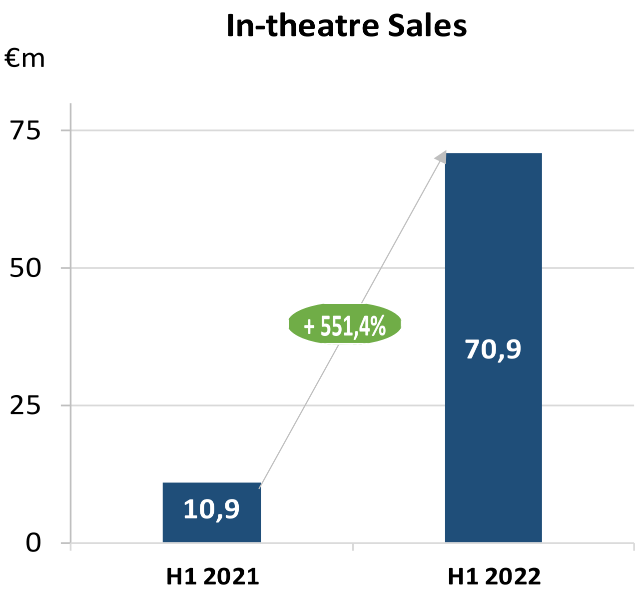


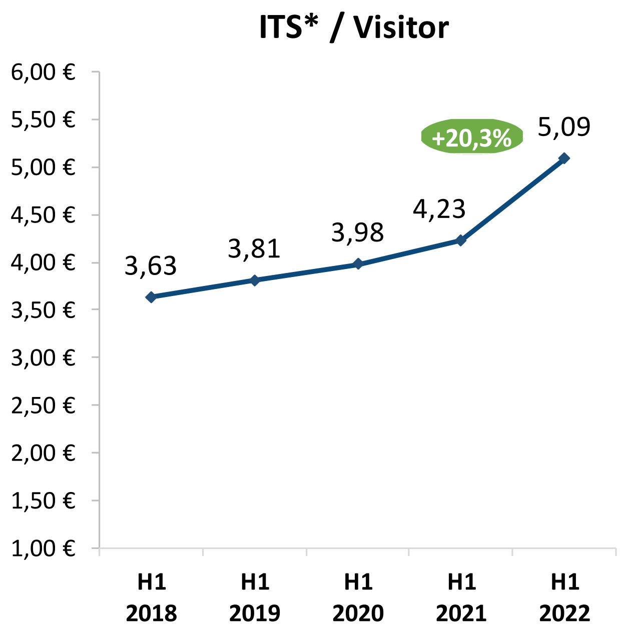


* Box Office revenue after deduction of indirect taxes

EVOLUTION ITS

31,1% OF REVENUE

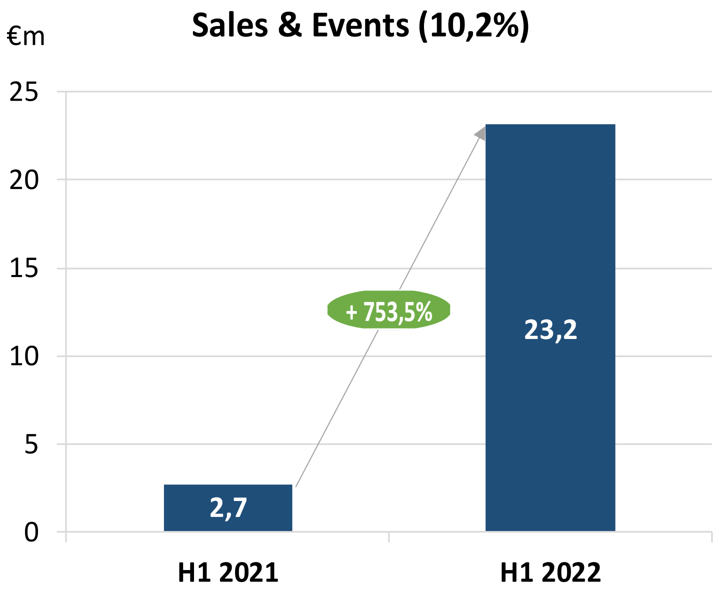




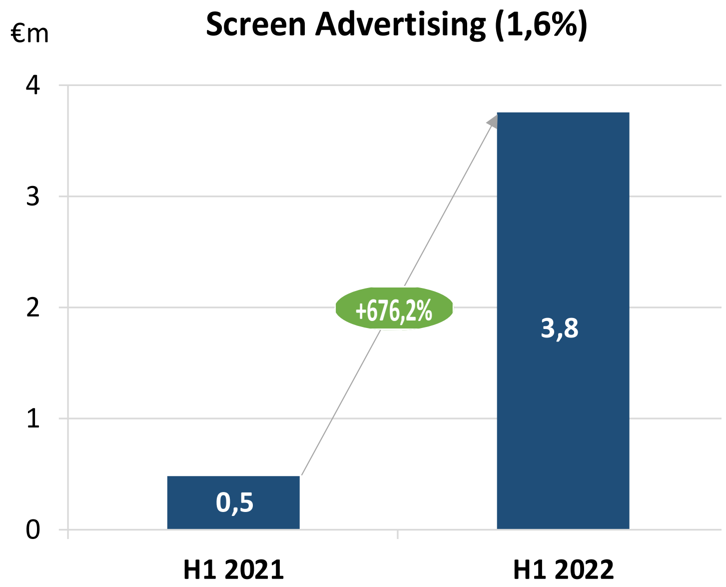
* Excl. ITS Delivery sales

B2B REVENUE*

11,8% OF REVENUE



+11,3% compared to H1 2019

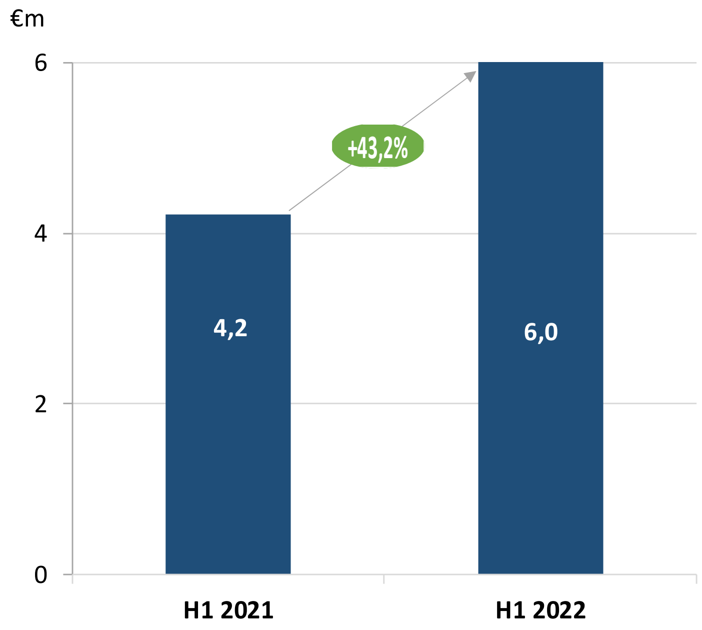


-27,5% compared to H1 2019

* Excluding Brightfish

REAL ESTATE AT FLAT FX

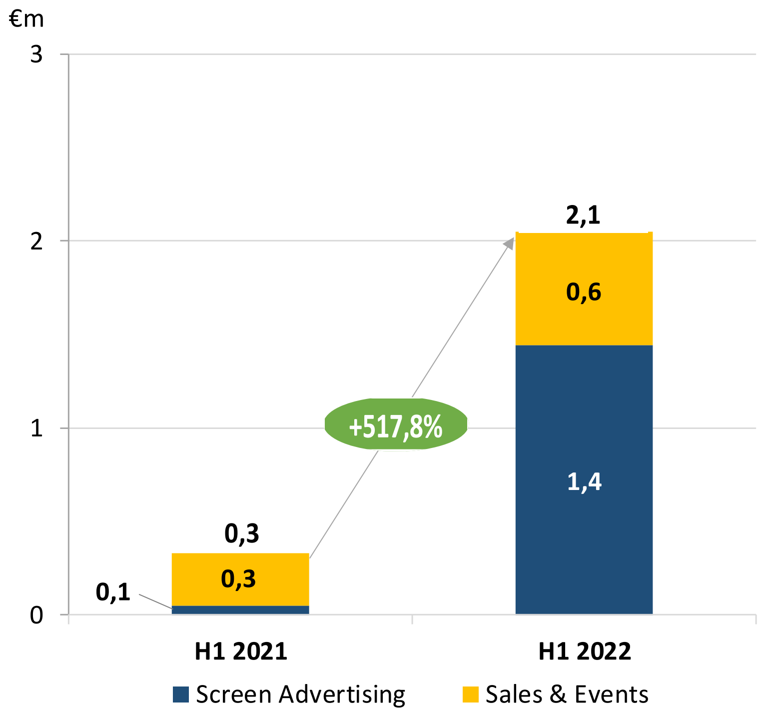
2,6% OF REVENUE



-12,6% compared to H1 2019

BRIGHTFISH

0,9% OF REVENUE

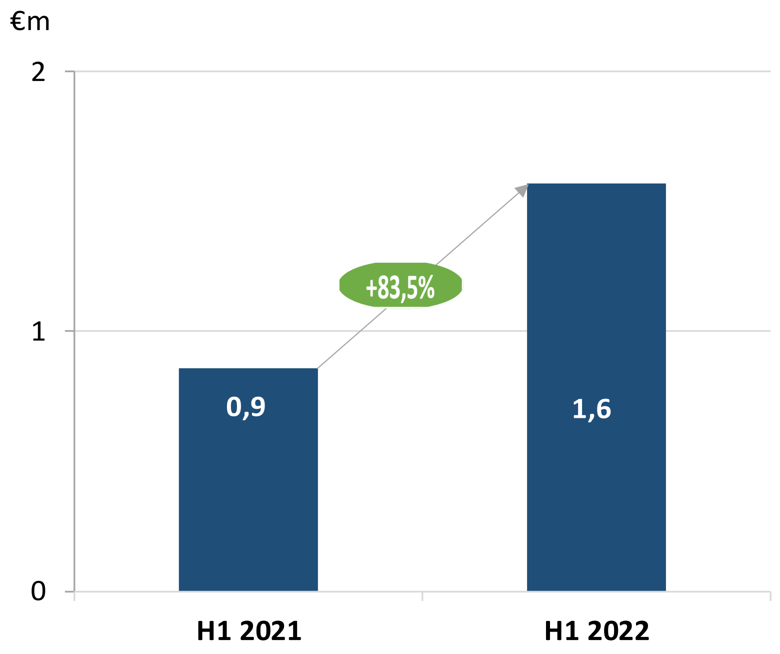


-57,4% compared to H1 2019

- Screen Advertising: -44,3%
- Sales & Events: -72,7%

FILM DISTRIBUTION

0,7% OF REVENUE



+16,3% compared to H1 2019

OPERATING COSTS

€m	H1 2022	H1 2021	% Better / -Worse	H1 2019
Marketing and selling expenses	-9,4	-4,5	-109,5%	-11,7
Administrative expenses	-13,2	-9,8	-34,4%	-14,2
Other operating income / cost	3,6	10,3	-64,8%	0,6
Operating Costs	**-19,0**	**-4,0**	**-372,1%**	**-25,3**

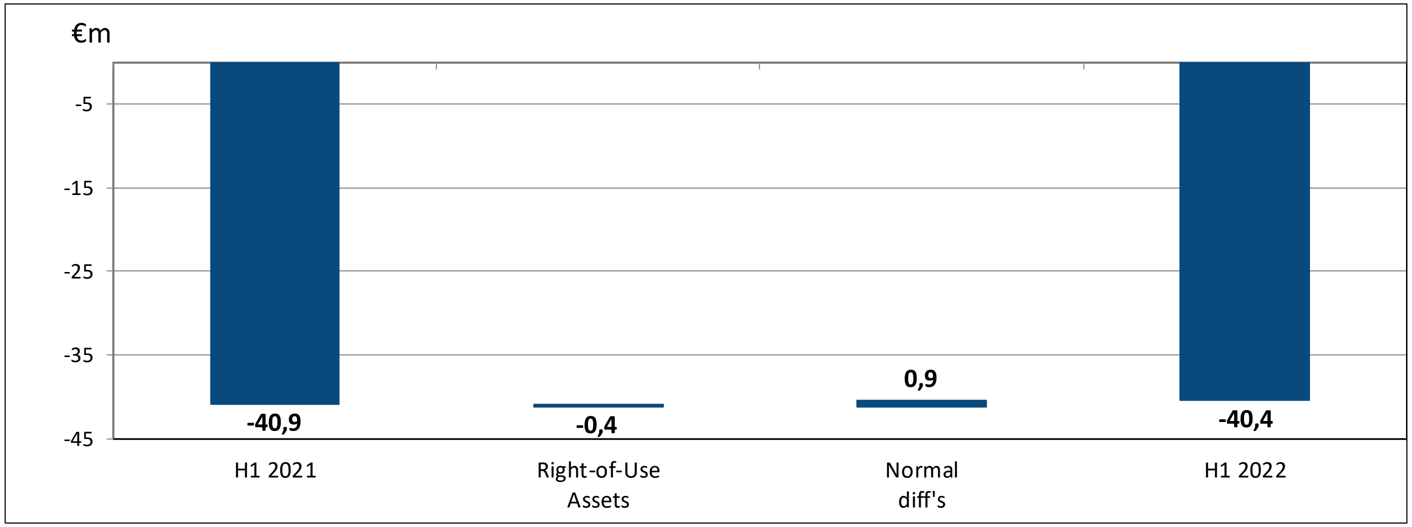
EBITDA(L) BY COUNTRY

EBITDA - €m	H1 2022	% of Total	H1 2021	% of Total	% Better / -Worse	% Δ Y Vis
Belgium	15,7	23,0%	-8,4	118,7%	286,4%	1 043,0%
France	10,7	15,7%	1,1	-15,7%	864,9%	557,1%
Canada	17,7	25,9%	2,2	-30,9%	707,3%	1 466,2%
Spain	4,4	6,4%	0,1	-2,1%	2 896,0%	224,8%
The Netherlands	9,9	14,5%	-2,6	36,6%	481,1%	684,0%
United States	7,0	10,3%	0,0	-0,1%	72 482,8%	177,7%
Luxembourg	2,2	3,2%	0,3	-4,8%	557,1%	200,0%
Switzerland & Poland	0,7	1,0%	0,1	-1,8%	420,3%	720,0%
TOTAL	**68,2**	**100,0%**	**-7,1**	**100,0%**	**1 062,2%**	**524,7%**

EBITDAL - €m	H1 2022	% of Total	H1 2021	% of Total	% Better / -Worse	% Δ Y Vis
Belgium	14,5	28,9%	-9,6	40,0%	251,7%	1 043,%
France	9,6	19,1%	0,0	0,1%	27 068,1%	557,1%
Canada	7,9	15,7%	-6,9	28,9%	214,0%	1 466,2%
Spain	2,5	4,9%	-1,7	7,2%	242,1%	224,8%
The Netherlands	8,0	15,9%	-4,5	18,6%	279,5%	684,%
United States	5,2	10,4%	-1,5	6,1%	456,0%	177,7%
Luxembourg	2,0	3,9%	0,1	-0,4%	2 173,7%	200,%
Switzerland & Poland	0,7	1,3%	0,1	-0,5%	420,3%	720,%
TOTAL	**50,4**	**100,0%**	**-24,0**	**100,0%**	**309,9%**	**524,7%**

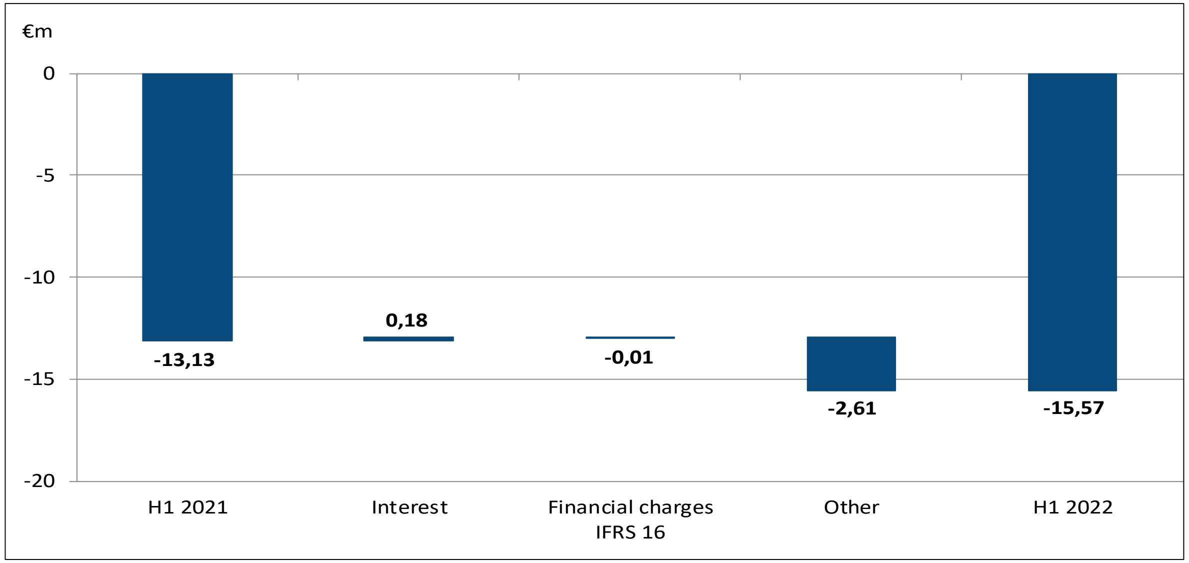
DEPRECIATION, AMORTIZATION, PROVISIONS

€m	H1 2022	H1 2021	% Better / -Worse
Depreciation, amortisation and provisions	-26,3	-27,1	3,2%
Depreciations on right-of-use assets	-14,1	-13,7	-2,8%
Total depreciation, amortization and provisions	**-40,4**	**-40,9**	**1,2%**



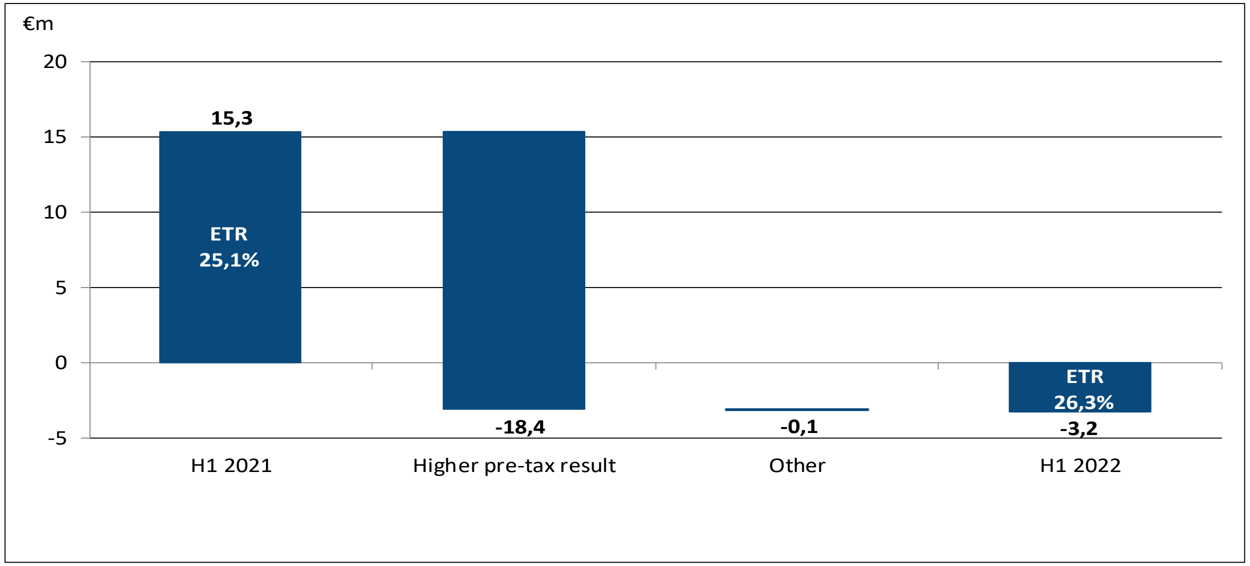
FINANCIAL RESULT

€m	H1 2022	H1 2021	% Better / -Worse
Interest expense	-7,45	-7,63	2,4%
Financial charges IFRS 16	-5,21	-5,20	-0,2%
FX	-0,66	0,41	-263,3%
Other (CNC, bank charges,...)	-2,24	-0,70	-220,1%
Financial (Cost) / Income	**-15,57**	**-13,13**	**-18,6%**

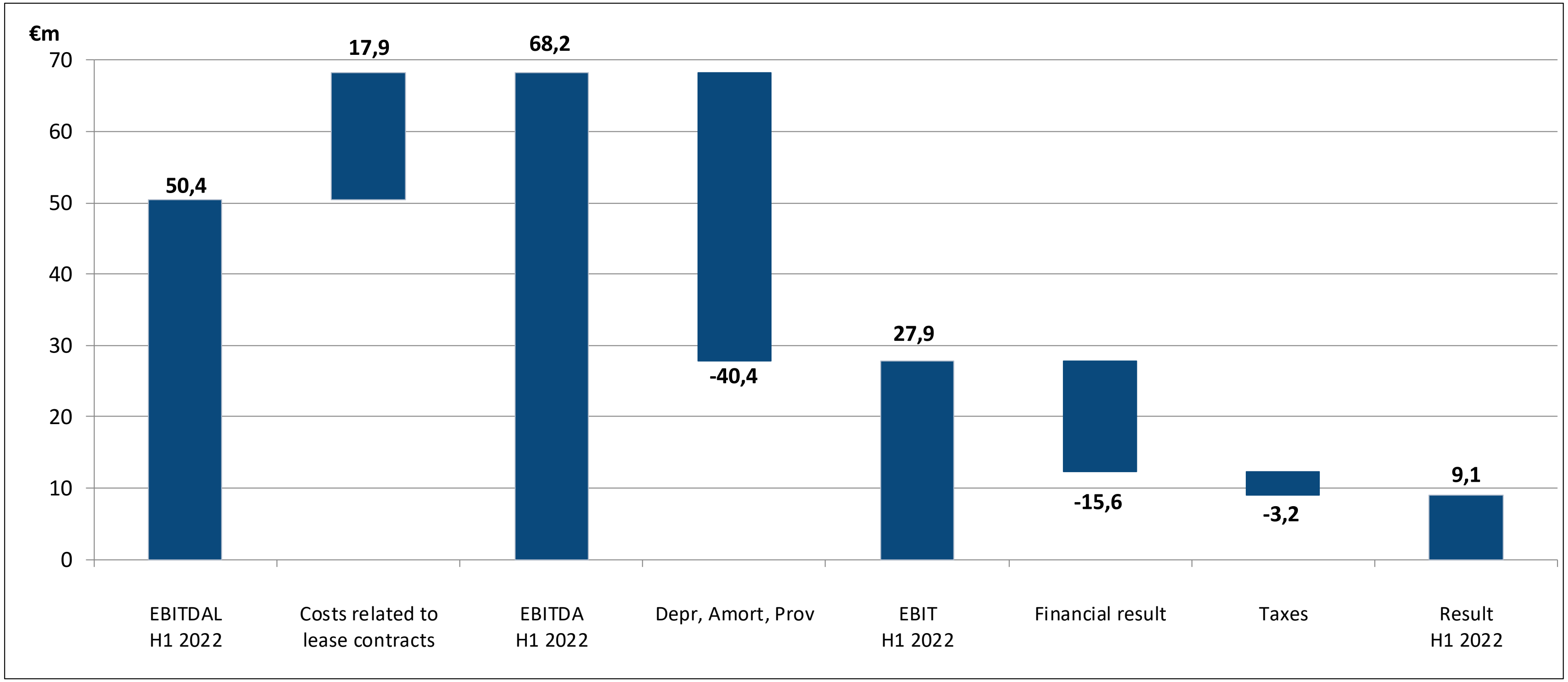


TAXES

€m	H1 2022	H1 2021	% Better / -Worse
Result before taxes	12,3	-61,1	**120,1%**
Taxes	**-3,2**	**15,3**	**-121,1%**
Result	9,1	-45,8	119,8%
Effective Tax Rate ('ETR')	**26,3%**	**25,1%**	**117 bps**

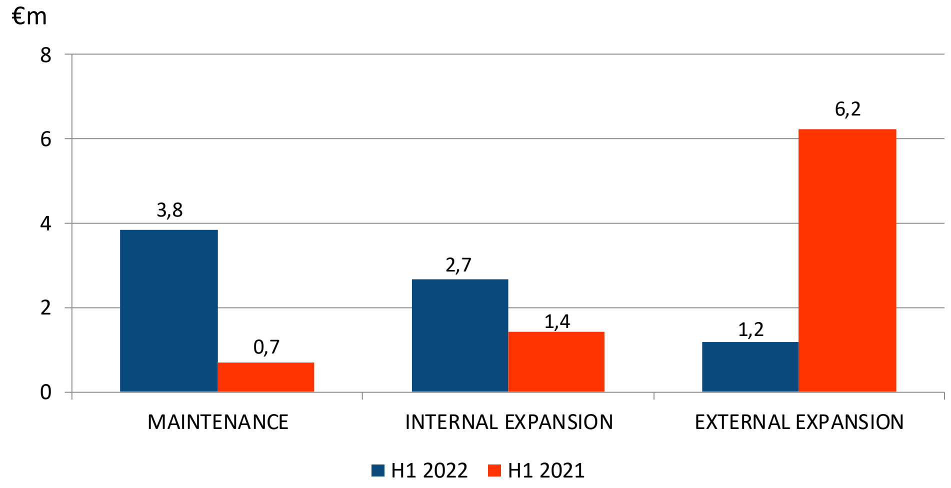


EBITDA(L) TO NET RESULT

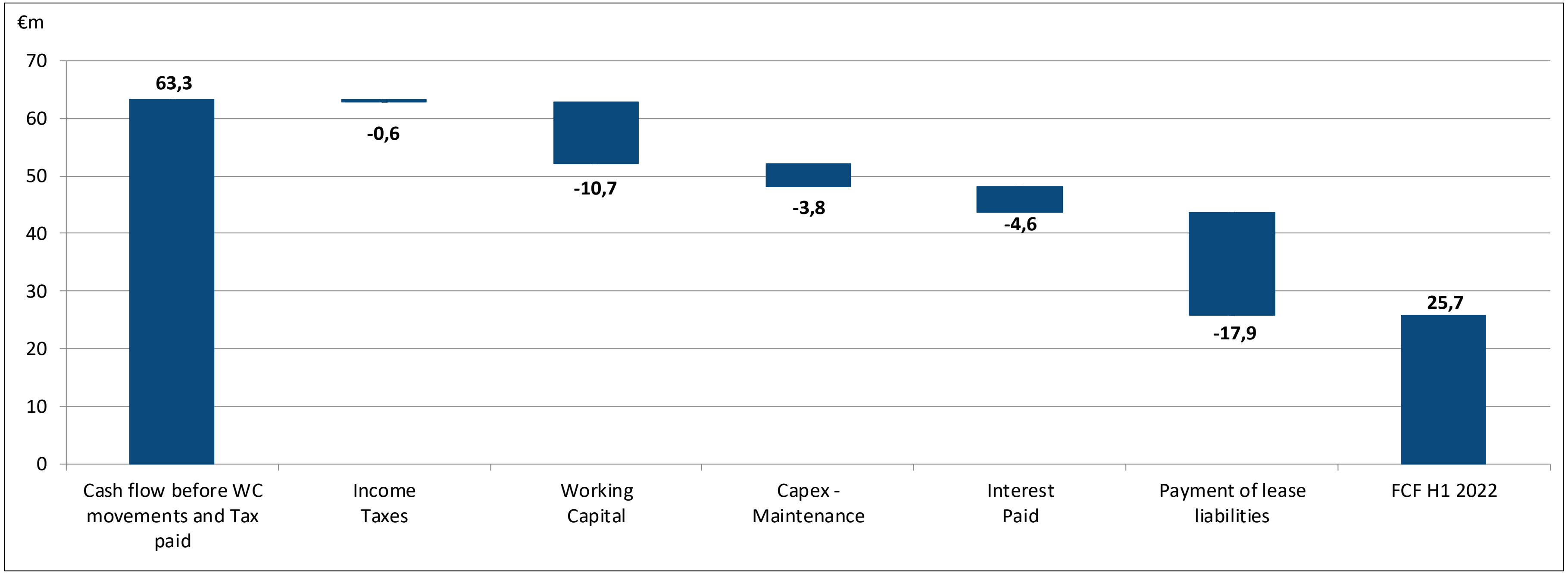


INVESTMENTS

€m	H1 2022	H1 2021	H1 2019
Belgium	1,7	0,8	7,6
France	0,8	0,3	4,2
Canada	2,1	0,2	6,8
Spain	0,7	0,2	1,7
The Netherlands	0,2	0,3	2,3
United States	0,8	0,1	
Luxembourg	0,2	0,2	1,5
Other			0,3
Maintenance & Internal Expansion	**6,5**	**2,1**	**24,5**
External Expansion	**1,2**	**6,2**	**30,8**
TOTAL	**7,7**	**8,4**	**55,3**



FREE CASH FLOW



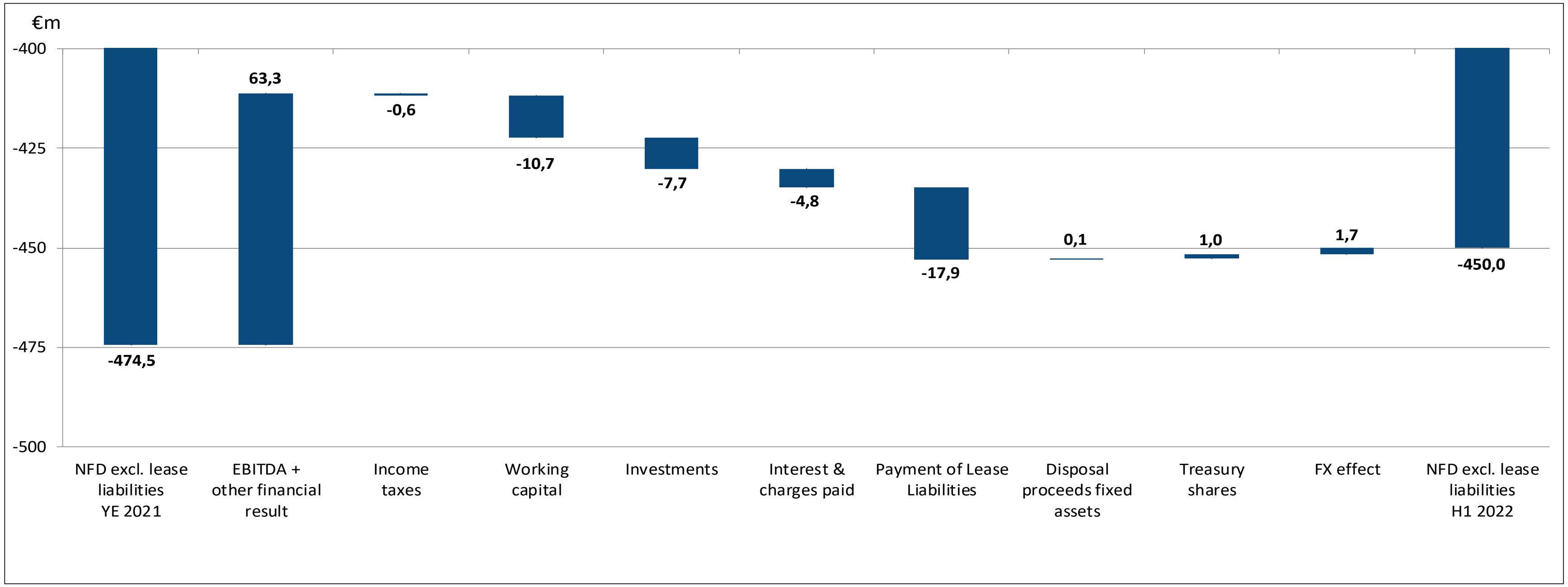
FREE CASH FLOW EVOLUTION

	Q1 2022	Q2 2022	H1 2022	H1 2019
OCF after lease payments	10 743	34 645	45 387	54 166
Working capital	-5 583	-5 126	-10 709	-3 747
Income Taxes Paid	-525	-38	-563	-6 443
Capital Exp – Maintenance	-946	-2 896	-3 842	-12 372
Interest Paid	-3 337	-1 215	-4 552	-6 568
Free Cash Flow	**353**	**25 369**	**25 722**	**25 036**
Capital Exp - Digitalization & Remodeling, Expansion	-1 459	-2 392	-3 851	-16 450
Proceeds from sales of financial and intangible assets, PPE and businesses	162	-15	148	723
Acquisition of subsidiary, net of cash acquired				-26 024
Treasury Shares	983	62	1 045	
Dividend Payments				-24 723
FCF after Expansion Exp, Dividends & Treasury Shares	**39**	**23 025**	**23 064**	**-41 438**

FCF excl. working capital	**5 935**	**30 496**	**36 431**	**28 783**

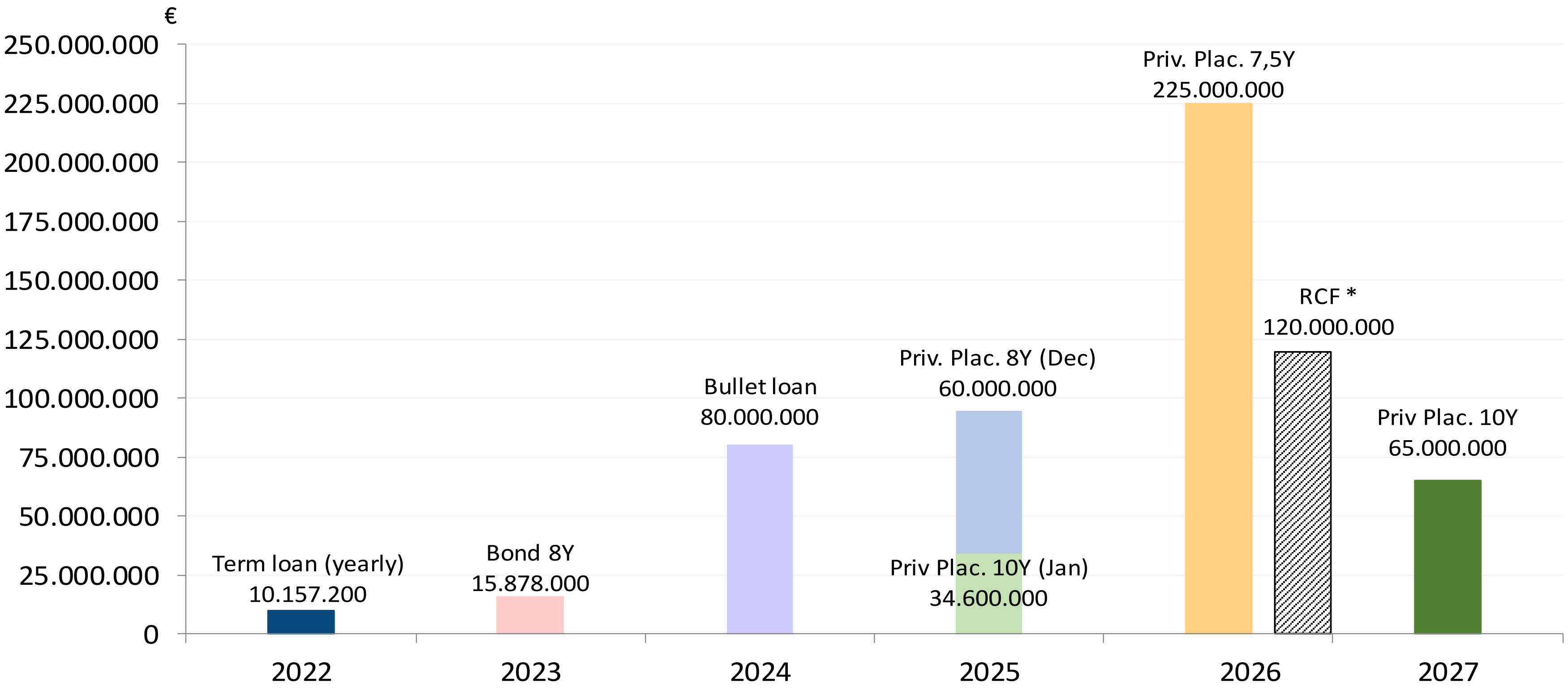
NET FINANCIAL DEBT EVOLUTION

€m	H1 2022	YE 2021	Better/-Worse	NFD Evolution
Net Financial Debt (NFD) excl. lease liabilities	**450,0**	**474,5**	**24,4**	**5,2%**
Net Financial Debt (NFD) incl. lease liabilities	852,9	865,0	12,1	1,4%
Leverage ratio*: NFD / EBITDA	5,76	11,90		
Leverage ratio*: NFD excl. lease liabilities / EBITDAL	**3,99**	**12,32**		



* Not club deal definition

MATURITY PROFILE FINANCIAL DEBT **



* Revolving credit facility not drawn per 30/06/2022 (€ 3,5 million ancillary facilities)
** Excluding IFRS 16 lease liabilities
Weighted average maturity of credit lines per 30/06/2022: 3,67 years

BALANCE SHEET

€m	30/06/2022	% of Total	31/12/2021	% of Total
Intangible assets	11,2	1,0%	11,1	0,9%
Goodwill	176,3	15,0%	169,5	14,2%
Property, plant & equipment	493,0	42,0%	498,1	41,7%
Right-of-use assets	364,9	31,1%	353,3	29,6%
Investment property	17,1	1,5%	17,4	1,5%
Deferred tax assets	25,9	2,2%	23,8	2,0%
Other receivables	6,5	0,6%	6,4	0,5%
Non-current assets	**1 094,9**	**93,3%**	**1 079,6**	**90,3%**
Inventories	6,0	0,5%	5,0	0,4%
Trade & other receivables	32,6	2,8%	33,8	2,8%
Current tax assets	0,7	0,1%	1,4	0,1%
Cash & cash equivalents	38,7	3,3%	75,3	6,3%
Current assets	**78,0**	**6,7%**	**115,4**	**9,7%**
TOTAL ASSETS	**1 173,0**	**100,0%**	**1 195,1**	**100,0%**

	30/06/2022	31/12/2021
Gearing ratio*	3,00	3,93
Current ratio**	0,45	0,52
Solvency ratio***	12,8%	10,1%
ROCE****	9,0%	-1,9%

*: 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 result excl. lease payments / Capital employed excl. lease liabilities and deferred tax impact

€m	30/06/2022	% of Total	31/12/2021	% of Total
Share capital & share premium	20,1	1,7%	20,1	1,7%
Consolidated reserves	110,9	9,5%	100,7	8,4%
Translation reserve	18,9	1,6%	-0,1	0,0%
Equity attributable to the owners of the Company	**149,9**	**12,8%**	**120,7**	**10,1%**
Non-controlling interests	-0,07	0,0%	-0,08	0,0%
Total Equity	**149,9**	**12,8%**	**120,6**	**10,1%**
Loans and borrowings	462,9	39,5%	478,5	40,0%
Lease liabilities	367,2	31,3%	354,3	29,6%
Provisions and provisions for employee benefits	3,4	0,3%	3,4	0,3%
Deferred tax liabilities	11,8	1,0%	12,2	1,0%
Derivative financial instruments	0,0	0,0%	0,0	0,0%
Other payables	5,1	0,4%	5,4	0,5%
Non-current liabilities	**850,4**	**72,5%**	**853,8**	**71,4%**
Loans and borrowings	26,2	2,2%	71,6	6,0%
Lease liabilities	35,7	3,0%	36,3	3,0%
Trade and other payables	106,0	9,0%	111,5	9,3%
Provisions	0,4	0,0%	0,4	0,0%
Current tax liabilities	4,5	0,4%	0,9	0,1%
Current liabilities	**172,6**	**14,7%**	**220,7**	**18,5%**
TOTAL EQUITY AND LIABILITIES	**1 173,0**	**100,0%**	**1 195,1**	**100,0%**

SHAREHOLDERS

	25/10/2022		16/08/2022	
	# 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	13 092 268	47,84%	13 092 268	47,84%
Treasury shares	397 396	1,45%	397 396	1,45%
Free Float	13 875 533	50,71%	13 875 533	50,71%

Other*	# Shares	%	# Shares	%
BNP Paribas Investment Partners SA	1 366 585	4,99%	1 366 585	4,99%

** Resulting from transparency notices received*

FINANCIAL CALENDAR

Thursday	16/02/2023	Annual results 2022 Press & Analyst Meeting
Thursday	27/04/2023	Business update Q1 2023
Wednesday	10/05/2023	Annual Shareholders’ Meeting Kinepolis Group

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