

Kepler Cheuvreux

**Reverse
Roadshow**

9 May 2023



Business Review 2022 – Q1 2023

Eddy Duquenne, CEO



KINEPOLIS GROUP



EXECUTIVE SUMMARY

- ❑ **72,7% of 2019 attendance in 2022 (+70,7% vs 2021), resulting in 90,6% of 2019 revenue and visitors Q1 2023 +36,1% compared to Q1 2022; 91,6% of Q1 2019 visitors**
 - Confirmation that strong films drive further recovery of visitor numbers
 - Hollywood content still in recovery mode, line up Q2 and Q3 very promising
- ❑ **Sales per visitor remain record high**, resulting in a faster recovery of turnover vs visitor numbers
- ❑ High **demand for premium movie experiences**
- ❑ Kinepolis gains in **profitability** and **financial strength**, thanks to the contribution of the Entrepreneurship plan, yearly budget exercise and expansion
- ❑ **Higher EBITDA and EBITDAL** compared to Q1 2022 and Q1 2019
- ❑ Positive net result each month, leading to strong cash flow generation in Q1 2023
- ❑ **Net financial debt**, excluding lease liabilities, slightly increases to € 424,8 million per 31 March 2023, due to significant investments and impact of working capital

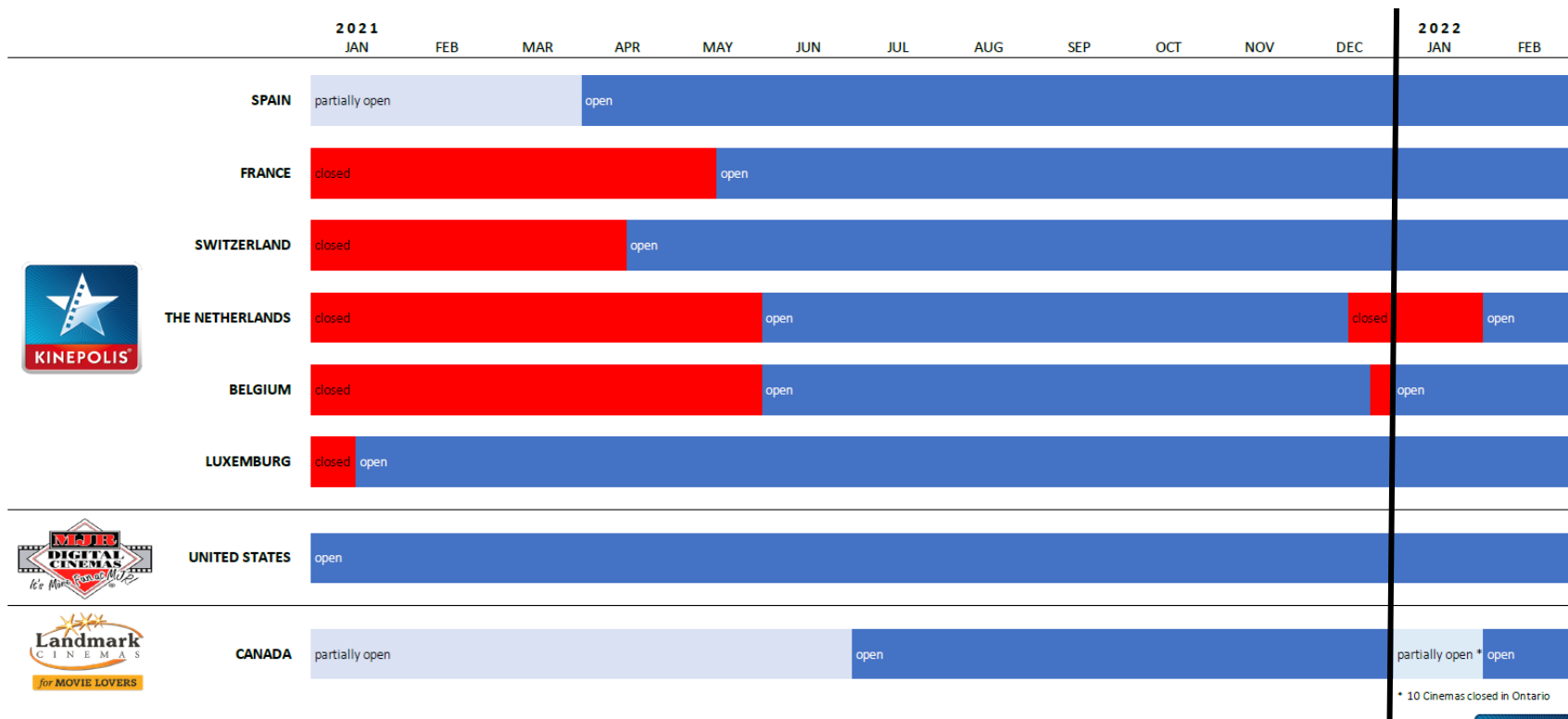


HIGHLIGHTS 2022 & Q1 2023

- ❑ Strategic pillars
 - ❑ Best Marketer
 - ❑ Best Cinema Operator
 - ❑ Best Real Estate Manager
- ❑ Opening Kinopolis Metz Amphithéâtre (FR)
- ❑ Acquisition of cinemas in **Barcelona and Marbella (ES)** and successful integration of acquired cinema in **Amnéville (FR)**
- ❑ Acquisition and successful integration of cinema in **Belfort (FR)**
- ❑ **Progress laser transition:** 220 installations in 2022, 171 laser installations ordered for 2023
- ❑ Roll-out of Kinopolis concepts in Canada and US
 - ❑ **Premiere Seats** installed in 5 additional Landmark Cinemas (CA)
 - ❑ **Renovation of Landmark Waterloo**, Ontario (CA) to include recliners, Premiere Seats and Laser ULTRA
 - ❑ VIP seats in the US



CLOSURES AND REOPENINGS THEATRES



KEY FINANCIALS 2022

€m	YE 2022	YE 2021	% Better / -Worse	YE 2019
Revenue	499,9	266,4	87,7%	551,5
<i>Visitors ('000)</i>	29 323	17 181	70,7%	40 341
EBITDA	150,2	72,7	106,8%	172,3
<i>EBITDA margin</i>	€ 5,12/Vis 30,1%	€ 4,23/Vis 27,3%	278 bps	€ 4,27/Vis 31,3%
EBITDAL	114,0	38,5	196,0%	142,7
<i>EBITDAL margin</i>	€ 3,89/Vis 22,8%	€ 2,24/Vis 14,5%	834 bps	€ 3,54/Vis 25,9%
EBIT	68,0	-6,5	1 138,6%	101,0
<i>EBIT margin</i>	13,6%	-2,5%	1 606 bps	18,3%
Result	27,5	-25,5	208,0%	54,4
<i>Result per share (in €)</i>	1,02	-0,94	208,2%	2,02
Free Cash Flow	70,1	48,9	43,4%	90,2

€m	YE 2022	YE 2021	Evolution NFD
Net Financial Debt (NFD) excl. lease liabilities	423,5	474,5	-50,9

VISITORS FY 2022

Visitors (000's)	YE 2022	% of Tot	YE 2021	% of Tot	% Δ YoY
Belgium	5 800	19,8%	3 209	18,7%	80,7%
France	5 117	17,5%	3 224	18,8%	58,7%
Canada	7 553	25,8%	3 597	20,9%	110,0%
Spain	3 617	12,3%	2 519	14,7%	43,6%
The Netherlands	3 205	10,9%	1 957	11,4%	63,8%
United States	3 298	11,2%	2 198	12,8%	50,0%
Luxembourg	644	2,2%	420	2,4%	53,4%
Switzerland	89	0,3%	57	0,3%	57,0%
Total	29 323	100,0%	17 181	100,0%	70,7%

MOVIES

Top 5 Movies 2022	3D	Visitors (000's)
1. Top Gun: Maverick		2 133
2. Avatar: The Way of Water	✓	1 599
3. Minions: The Rise of Gru	✓	1 410
4. Jurassic World: Dominion	✓	1 194
5. Doctor Strange in the Multiverse of Madness	✓	1 108
Top 5		7 444
Weight Top 5		25,4%

Top 5 Movies 2021	3D	Visitors (000's)
1. Spider-Man: No Way Home	✓	1 352
2. No Time to Die	✓	1 193
3. Dune (2021)	✓	704
4. Fast & Furious 9	✓	668
5. Shang-Chi and the Legend of the Ten Rings	✓	610
Top 5		4 528
Weight Top 5		26,4%

VISITORS Q1 2023

Visitors (000's)	Q1 2023	% of Tot	Q1 2022	% of Tot	% Δ YoY	Q1 2019
Belgium	1 580	19,6%	1 286	21,7%	22,9%	1 843
France	1 645	20,4%	1 175	19,8%	40,0%	1 987
Canada	1 882	23,3%	1 371	23,1%	37,3%	2 555
Spain	960	11,9%	700	11,8%	37,2%	1 088
The Netherlands	907	11,2%	604	10,2%	50,3%	1 084
United States	885	11,0%	650	10,9%	36,3%	
Luxembourg	191	2,4%	133	2,2%	43,6%	238
Switzerland	27	0,3%	19	0,3%	44,2%	25
Total	8 078	100,0%	5 936	100,0%	36,1%	8 820

NEW BUILDS OPENED IN 2022



Kinepolis Metz
Amphithéâtre



ACQUISITIONS IN 2022



Kinepolis Mataró (Barcelona)



Kinepolis La Cañada (Marbella)

ACQUISITIONS IN 2022



Kinepolis Amnéville (FR)



ACQUISITIONS IN 2023



Kinepolis Belfort (FR)

KINEPOLIS GROUP TODAY

Kinepolis in North America



Kinepolis in Europe



Countries	Complexes ***		Screens ***		Market Share	Complexes in Ownership	
						#	%Visitors
Belgium	11		138			10	98%
France	17	+1	190	+14	4%	11	82%
Canada	38		312		13%	3	1%
Spain	10		157		7%	3	32%
The Netherlands	20		147		11%	13	66%
United States	10		164		0%	7	71%
Luxembourg	3		22		84%	1	64%
Switzerland	1		8		1%	1	100%
Poland *	1		18			1	n/a
Total	111		1 156			50	57%**

* 1 complex in Poland operated by Cineworld

** 57% of Q1 2023 visitors

*** Complex and screen additions are compared to 31 December 2022



Customer experience excellence	Wellbeing & development of employees	Green building & infrastructure
• CSI: 424 K surveys completed in 2022 (+35% vs. 2021); partial implementation in Canada (full roll-out in 2023) • € 21,5 million invested in maintenance & roll-out premium moviegoing experiences • Acceleration laser transition • Introduction Movie Club loyalty formula, roll-out CINE K, ... • 43% of content programmed in 2022 (Kinopolis Europe) was local content • 20% of 2022 titles programmed was alternative content (2% of BO)	• PSI: 81% response rate (+5% vs. 2021) • Relaunch of self-learning organization & bottom-up budget exercise: 11,2% of fixed employees are budget owners; US budget owners participated in budget planning process for the first time • Yearly performance cycle for 100% of employees • Internal mobility: 1 out of 2 vacancies filled internally • Provided first work experience to more than 710 students in 2022 in BeLux • Highly diverse workforce, with 35 to 52% women in middle & higher management	• Carbon footprint measured since 2021 but evolution not relevant due to Covid-19 impact • Energy consumption: significant efficiency gains through intelligent building management systems and laser transition • Laser transition: 220 upgrades in 2022, resulting in 41% laser screens (62% in Europe) vs. 25% per end of 2021. 154 additional upgrades foreseen in 2023 (target: 56% laser per end of 2023)



LINE-UP 2023

Q2
2023

04



SUPER
MARIO BROS

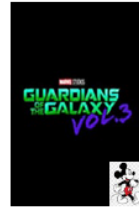


DUNGEONS
& DRAGONS



EVIL DEAD

05



GUARDIANS
OF GALAXY 3



FAST X



THE LITTLE
MERMAID



THE BOOK CLUB
2



LOVE
AGAIN

06



TRANSFORMERS



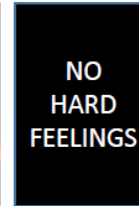
THE FLASH



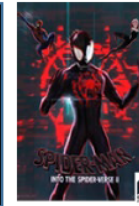
INDIANA
JONES



ELEMENTAL



NO HARD
FEELINGS

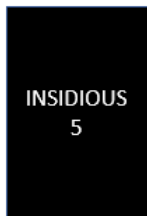
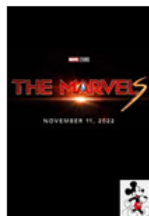


SPIDER-MAN INTO
THE SPIDER-VERSE

LINE-UP 2023

Q3

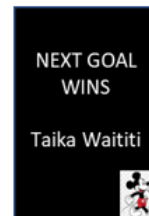
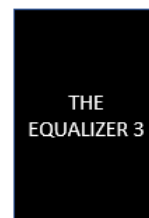
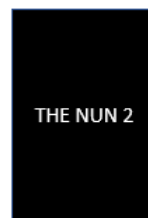
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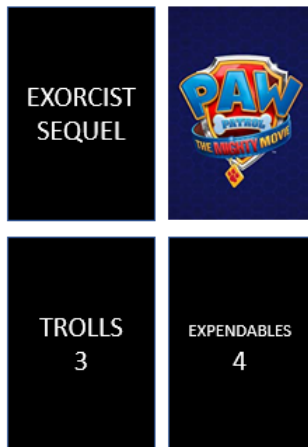
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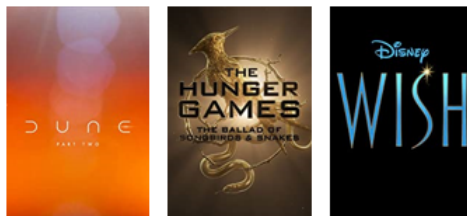
LINE-UP 2023

Q4

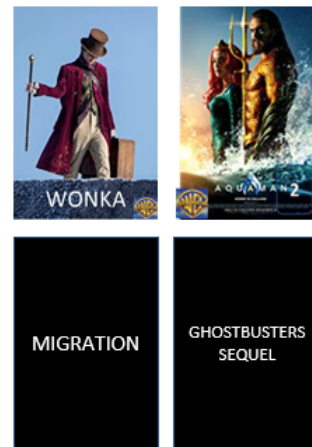
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Financial Review 2022 – Q1 2023

Jeroen Mouton, CFO



KINEPOLIS GROUP



FINANCIAL HIGHLIGHTS YTD Q1 2023

- ❑ **Revenue of € 499,9 million with 29,3 million visitors in 2022**
 - ❑ 90,6% of revenue 2019
 - ❑ 72,7% of visitors 2019
- ❑ **Revenue up by 87,7% with 70,7% more visitors compared to 2021**
 - ❑ Increase box office (+82,6%)
 - ❑ Increase In-theatre sales (+89,4%)
 - ❑ Increase B2B (+150,8%)
 - ❑ Increase Sales and Events (+168,3%)
 - ❑ Increase Screen Advertising (+91,3%)
 - ❑ Increase Brightfish (+16,3%)
 - ❑ Increase Film Distribution (+127,5%)
 - ❑ Increase Real Estate (+26,3%)
- ❑ **EBITDAL up by 196,0% with a margin of 22,8% (14,5% last year), EBITDAL margin of 25,9% in 2019**
- ❑ **Net financial debt**, excluding lease liabilities, slightly increases to € 424,8 million or + € 1,3 million per 31/03/2023, due to significant investments and impact of working capital
- ❑ **Covenants met per 31/03/2023, covenant holiday extended until 30/06/2023**

OPERATING COSTS

€m	YE 2022	YE 2021	% Better / -Worse	YE 2019
Marketing and selling expenses	-23,5	-14,3	-64,5%	-27,9
Administrative expenses	-28,1	-22,4	-25,7%	-30,3
Other operating income / cost	5,1	23,7	-78,3%	1,6
Operating Costs	-46,5	-12,9	-259,7%	-56,6

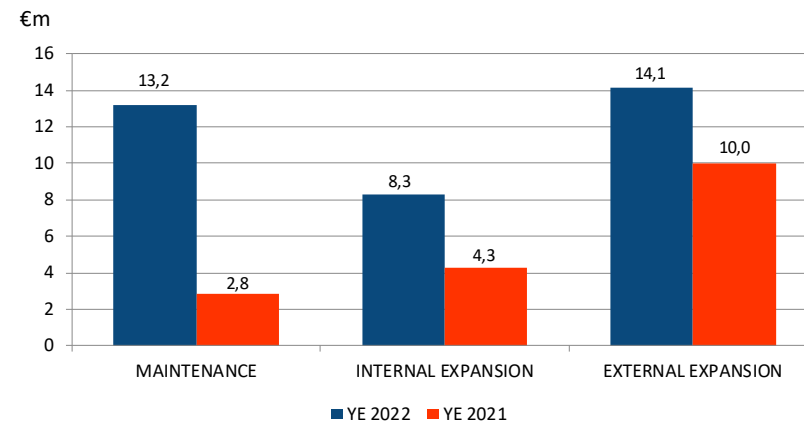
EBITDA(L) BY COUNTRY

EBITDA - €m	YE 2022	% of Total	YE 2021	% of Total	% Better / -Worse	% Δ Y Vis
Belgium	37,9	25,3%	9,4	12,9%	305,5%	80,7%
France	25,5	17,0%	19,0	26,2%	33,9%	58,7%
Canada	33,1	22,0%	16,5	22,7%	100,5%	110,0%
Spain	11,7	7,8%	7,8	10,7%	50,5%	43,6%
The Netherlands	21,5	14,3%	11,6	15,9%	85,9%	63,8%
United States	14,2	9,5%	4,7	6,5%	202,5%	50,0%
Luxembourg	5,6	3,8%	2,7	3,8%	106,9%	53,4%
Switzerland & Poland	0,7	0,4%	1,0	1,4%	-33,3%	57,0%
TOTAL	150,2	100,0%	72,7	100,0%	106,8%	70,7%

EBITDAL - €m	YE 2022	% of Total	YE 2021	% of Total	% Better / -Worse	% Δ Y Vis
Belgium	35,6	31,2%	7,0	18,2%	407,1%	80,7%
France	23,3	20,4%	16,8	43,5%	38,9%	58,7%
Canada	13,2	11,6%	-1,9	-5,0%	787,9%	110,0%
Spain	7,9	6,9%	4,0	10,4%	96,3%	43,6%
The Netherlands	17,7	15,5%	7,9	20,4%	124,9%	63,8%
United States	10,5	9,2%	1,6	4,0%	574,7%	50,0%
Luxembourg	5,1	4,5%	2,2	5,8%	130,2%	53,4%
Switzerland & Poland	0,7	0,6%	1,0	2,6%	-33,3%	57,0%
TOTAL	114,0	100,0%	38,5	100,0%	196,0%	70,7%

INVESTMENTS

€m	YE 2022	YE 2021	YE 2019
Belgium	5,6	2,2	14,4
France	2,4	0,9	6,7
Canada	5,6	1,8	11,5
Spain	1,7	0,3	2,7
The Netherlands	1,7	0,7	5,3
United States	3,7	0,3	
Luxembourg	0,6	0,8	3,0
Other	0,1		0,4
Maintenance & Internal Expansion	21,5	7,1	43,9
External Expansion	14,1	10,0	198,3
TOTAL	35,6	17,1	242,2

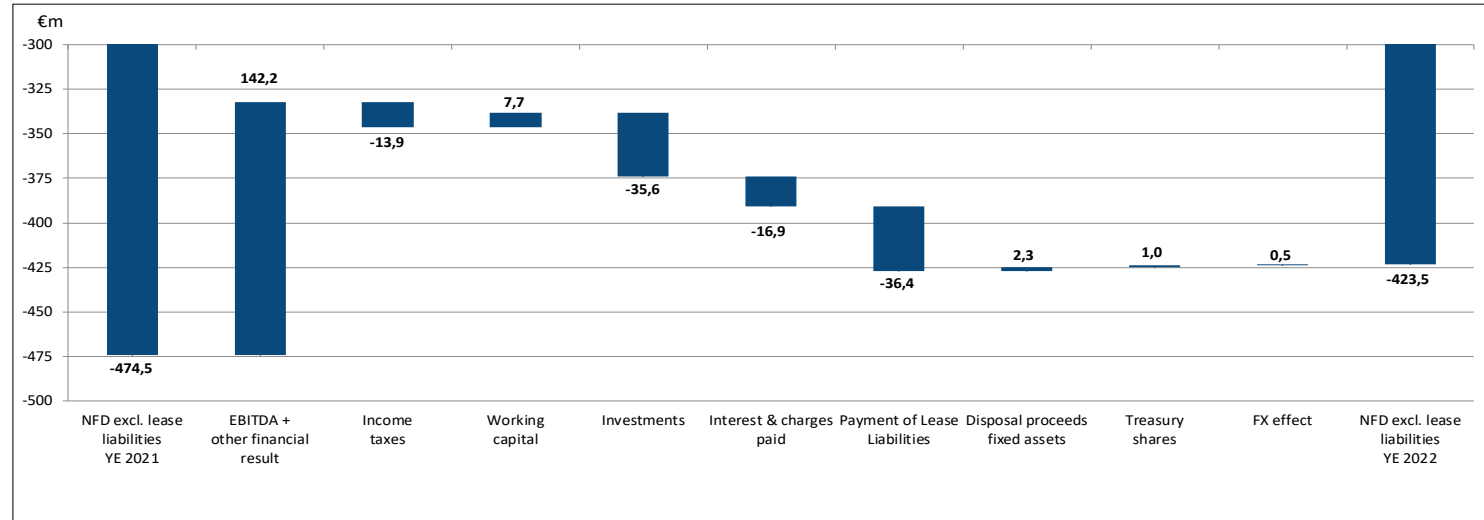


FREE CASH FLOW EVOLUTION

	H1 2022	Q3 2022	Q4 2022	H2 2022	YE 2022	YE 2019
OCF after lease payments	45 387	23 311	37 066	60 377	105 765	140 949
Working capital	-10 709	-13 522	31 980	18 458	7 749	8 776
Income taxes paid	-563	-9 666	-3 651	-13 317	-13 880	-25 718
Capital exp – maintenance	-3 842	-4 892	-4 463	-9 356	-13 197	-20 956
Interest paid	-4 552	-580	-11 188	-11 768	-16 319	-12 882
Free cash flow	25 722	-5 349	49 744	44 395	70 117	90 169
Capital exp - digitalization, remodeling & expansion	-3 851	-5 230	-5 479	-10 708	-14 559	-45 267
Proceeds from sales of financial and intangible assets and PPE	148	29	2 101	2 130	2 278	5 942
Acquisition of subsidiary, net of cash acquired			-7 858	-7 858	-7 858	-173 930
Treasury shares	1 045				1 045	
Dividend payments						-24 723
FCF after expansion exp, dividends & treasury shares	23 064	-10 550	38 508	27 959	51 023	-147 809
FCF excl. working capital	36 431	8 173	17 764	25 937	62 368	81 393

NET FINANCIAL DEBT EVOLUTION

€m	YE 2022	YE 2021	Better/-Worse	NFD Evolution
Net Financial Debt (NFD) excl. lease liabilities	423,5	474,5	50,9	10,7%
Net Financial Debt (NFD) incl. lease liabilities	793,9	865,0	71,1	8,2%
Leverage ratio*: NFD / EBITDA	5,28	11,90		
Leverage ratio*: NFD excl. lease liabilities / EBITDAL	3,72	12,32		



* Not club deal definition

MATURITY PROFILE FINANCIAL DEBT **



* Commercial paper drawn for € 12,5 million per 31/12/2022 – this lowers the availability of the RCF for the same amount (€ 3,5 million ancillary facilities)

** Excluding IFRS 16 lease liabilities

Weighted average maturity of credit lines per 31/12/2022: 3,23 years

FINANCIAL CALENDAR

Thursday	17/08/2023	Semestrial results 2023 Press & Analyst Meeting
Thursday	26/10/2023	Business update Q3 2023
Thursday	22/02/2024	Annual results 2023 Press & Analyst Meeting

Q&A

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Thank you

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