

AMC ENTERTIANMENT HOLDINGS, INC. 2019

INVESTOR DAY TRANSCRIPT

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MANAGEMENT DISCUSSION SECTION

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Good morning. I'm John Merriwether, Vice President of Investor Relations at AMC Entertainment, and it's my pleasure to welcome you to our 2019 AMC Investor Day. Lots of familiar faces here today and some new ones, too, and I am aware there are many following along online. Welcome! To give you...an idea of where we're headed today, let me provide some details on the agenda and the ground rules. Adam Aron, AMC's CEO and President will kick things off this morning followed by CFO, Craig Ramsey; Chief Content and Programming Officer, Elizabeth Frank; Chief Marketing Officer, Stephen Colanero; and President of AMC Europe, Mark Way. Craig will wrap up our formal remarks and then we will have a question-and-answer session. We ask that you hold your questions until the Q&A session begins. We will be taking questions from both attendees and those on the webcast. For those attending, please wait for the microphone before you ask your question. If you're on the webcast and wish to ask a question, please enter your question – excuse me, email your question to investorrelations@atamctheaters.com and we will select several to post to the presenters. Our presentation this morning may contain forward-looking statements, which are based on management's current expectations and are subject to uncertainty and changes in circumstances. Actual results and other financial conditions may differ materially from what we are presenting today. The slide you are now seeing gives you information about some of the risks regarding those forward-looking statements as well as where to go to get more information about risk factors. That wraps up the housekeeping issues. So, let's get started. On behalf of all of us, thank you for taking the time out of your busy schedules to join us

today to learn more about AMC.

Adam M. Aron President

Chief Executive Officer & Director, AMC Entertainment Holdings, Inc.

So, at AMC we like to live our life with movie quotes. So, I've always wanted to do this. Good morning, Vietnam. Good morning one and all. Welcome today. We're thrilled you're with us. We have an important conversation about where AMC is and where AMC is going. Whether you're here with us in New York or joining us from the far by live stream or reviewing this presentation and to the fact, we genuinely appreciate you taking time out of your day to be with us and especially, as well your willingness to spend some real time thinking in detail about the strategies and prospects ahead for AMC Entertainment. As you know I'm Adam Aron, CEO of AMC, having served in my role since January 4 of 2016. In addition to John Merriwether, our head of IR, we're all joined today by four of my AMC colleagues, all of them are members of our senior leadership team. Honestly, I couldn't be more proud of the depth and breadth. Thank you and bingo. The depths and breadth – good job, if I do that again, you just come right back up and save it for me. The depth and breadth of the expertise, dedication, work ethic and desire to achieve and innovate within AMC's senior management group, a view I hope that you'll share after you get more exposure to some of these key leaders of our company. Of course, with me today is someone many of you know well is Craig Ramsey; AMC's longstanding Executive Vice President and Chief Financial Officer, a CPA. Craig has been CFO of AMC for more than 20 years, one of my closest colleagues and advisors and in addition to skillfully managing all that any finance and IT activities of our company. Importantly Craig knows where everybody is buried at AMC and where most of the treasure chest of opportunity can be found. Stephen Colanero is our Executive Vice President and Chief Marketing Officer of AMC, a Wharton MBA. Stephen has considerable experience in thing how best to market movies. Having previously served as Head of marketing of Blockbuster Video back in its heyday when it was roaring hot and for the past 10 years having served as a AMC's CMO. Stephen has been driving force behind so many of our industry leading efforts in customer engagement and in conceiving so much of our product offerings. Elizabeth Frank is Executive Vice President of Global Programming and our Chief Content Officer, a job that's very important in a movie theater company where Lord knows we have a lot of content. A Harvard MBA, Elizabeth was previously a partner at McKinsey & Company for almost a decade and served as well as Vice President of Corporate Strategic

Planning at Time Warner. She joined AMC nine years ago in a Strategic Planning role at AMC and some seven years ago got promoted to become our Head of Programming & Content responsible for all of AMC's movie studio relationships as well as...I would mention the relationships, the strength and nature of which I think are real competitive advantage for AMC, because we've got a such a close relationship with literally all of the major studios in Hollywood. In addition to the studio relationship, of course, Elizabeth is in charge of programming all the content that each year goes on our many thousands of screens and watched by our literally hundreds of millions of movie guests. And finally, Mark Way, Managing Director of the Odeon Cinemas Group and President of AMC Europe, who came in from London to be with you today. A graduate of Oxford, Mark holds an ACA the British equivalent of the CPA and spent his formative years in a long career at Hilton Hotels based mostly in London and ultimately rising to the post of Senior Vice President of Global Finance, until about five years ago when he joined Odeon as its CFO. We first met him during our acquisition of Odeon and we're so impressed with Mark that immediately upon our confirming the acquisition, we put him in charge of all of our efforts in Europe. You could say that we are so impressed with you Mark that we blew through a \$1 billion to convince him to join AMC. We're here today to discuss AMC's market leading position and the strategies we're implementing to drive financial results and to move our company forward. We hope today to give you a framework to better understand our thinking as to what we are doing, where we're headed and why. We also will give you some multi-year targets for our financial strategies and financial results as to what we believe this company is capable of generating and what we are working tirelessly to deliver. Of course, we also look forward to hearing from you and to fielding your questions. As it progresses through the day, we're not going to cover two particular subjects in any detail. First, we are not planning to cover today, the changes to any modeling of AMC as a result of the new lease accounting rules, which went into effect on January 1. Given the complexity of the subject, we have already scheduled a call on this topic, on this topic solely for next Wednesday, April 24 at 4:15 Eastern Time, where we will exhaustively walk you through all the particulars. What we will say today is to remind you that, while this accounting change will alter the presentation of certain items on our income statement and balance sheet, these are all changes and charges that are non-cash. Essentially, they have no impact on our underlying business, our operations and the actual cash we have been and will be generating going forward. What's more looking backward and going forward as the rules permit and for as long as we prudently can, we intend to give investors some kind of pro forma comparisons, so you and other investors can fully understand our historic and future financial results and market valuations. Secondly, we will not be announcing first quarter financial results

because in just a couple of weeks in early May, we will be doing our normal quarterly earnings announcement and quarterly conference call. Therefore, we'll not be saying anything today that could be construed to be pre-announcing our first quarter 2019 results. Having said that, industry box office data on a week-to-week basis is readily available publicly and if you follow our industry closely or even not so closely, and we all know that exactly as expected all along, given the calendar of which movies are released when, the year 2019 has gotten off to an enormously slow start. We're both quite successful. So far in 2019, we have not as of yet had an opening of a Beauty and the Beast like we had in March of 2017 or a Black Panther like we had in February of 2018. But this is what we always knew. Also, what we know is that when we look at the movies slates that's coming for the balance of this year, quarters two, three and four, we continue to be astounded and I picked that adjective carefully by the appeal of so many movies that will be released within this year 2019. You'd probably already heard that advanced bookings for Avengers, which went on sale two weeks ago yesterday, that for Avengers: Endgame have shattered all previous records by a country mile, 50% larger than the advanced bookings for any movie heretofore and that was Star Wars: The Force Awakens. And I'm talking with U.S. numbers here. The bookings for Avengers: Endgame were so strong that they exceeded the bookings for Avengers: Infinity War, the movie of the same series that came out a year earlier. Black Panther, Captain Marvel and Star Wars: The Last Jedi combined. For the full year, we have every confidence, not only in Avengers: Endgame, but so many of the movies that will be coming out this year. It's our view that 2019 is going to be a huge year for the box office, both domestically and internationally. We expect the year will build momentum as we go, leading to a particularly strong last trimester, September to December of 2019. It's too early to know for sure, but this could very well be the first year in history that the domestic industry box office ever crosses \$12 billion. That in turn means that for full year 2019, AMC should be able to deliver adjusted EBITDA meaningfully greater than that of 2018, which in itself was a record year for us. But that EBITDA is likely to be backend loaded in the year. The conclusion of all this is that in thinking about people's expectations, we find that some are considerably overstating, probable first quarter results and probable first quarter performance, but those same people are also considerably underestimating probable fourth quarter performance and probable fourth quarter results. We have previously said as recently as our fourth quarter conference call and quarterly earnings that there are natural fluctuations in the box office between quarters within a year, resulting solely from the timing of slate releases from week-to-week and month-to-month and quarter-to-quarter. That's why as we manage the business, we tend to focus much more on yearly performance in total rather than drawing too many conclusions from a particular quarter individually and we

would encourage you to do so as well. In short, while 2019 will be starting out very slowly, it gives every sign that this will be an incredible year and we could not be more bullish or more optimistic about the performance of our industry and the performance of our company for the full year 2019, backend loaded though it maybe. With that preamble out of the way, let's now take a deep dive into AMC, our place in the sun, our strategies underway and our prospects ahead. I'd like to start out by saying that there are three Over Arching Principles that every well-managed company should have top of mind and which are all high priorities for AMC. First is to do all that a company can to wisely drive long-term adjusted EBITDA and adjusted free cash flow growth. Second is to strive for a strong sustainable and flexible balance sheet. In our case, having consciously levered up over the past 36 months to opportunistically make major acquisitions and to reinvest in our business, capturing particularly compelling high ROI returns. That desire for approving capital structure now requires that AMC deleverage our balance sheet to get back down to and to conform with our medium to long term target levels of leverage. And third for any company and us is to evaluate, how to return capital to shareholders and when it makes the best sense to do so. Doing all three of these things well, is what creates long-term value to shareholders. But oftentimes these objectives are internally conflicting and compete with each other for the allocation of capital. As we look at AMC – I think, as you would look at AMC, over the past seven years, we have heavily invested in growth both through acquisition and internal reinvestment. In the past year-and-a-half by contrast, we've returned see significant moneys to shareholders both through our rich dividends, common and special and substantial stock buybacks. But looking ahead to the next three years and then beyond, clearly, our focus has shifted to deleveraging and strengthening our balance sheet. We get there in part as our CapEx investments returned to more normalized levels as we have approached the conclusion of our theatre reinvestment cycle domestically. This has the added benefit of causing significant increases to adjust the free cash flow, the recognition and acknowledgement of that undoubtedly being welcome news for investors. Thanks to past investment in growth. Look at the company that AMC has built; built over a 100 years of history and built over the last three years of substantial change and transformation. AMC has become the biggest company in our industry on a global basis giving us the greatest opportunity to benefit from all aspects of having commanding scale advantages. AMC now has to slightly more than 1,000 theaters in 15 countries with 11,000 screens. No one in our industry comes close to 1,000 theaters or 11,000 screens. We're the number one operator in the United States. We're the number one operator in Europe. We're the number one operator on the planet. Within the United States, we are number one or two in 21 of the 25 largest cities and metropolitan areas in this country. In Europe, we're number one or two in 11

of 14 countries and in the Middle East. In the U.S., where we operate in the major metropolitan markets and cities, where three quarters of AMC can be found, more than half the U.S. population lives within 10 miles of an AMC theater. And thanks to our commitment to scale, our commitment to the technology, our commitment to customer engagement and our commitment to world-class marketing, we've also got the largest customer database of avid moviegoers by anyone on this earth not just of cinema operators, but anyone in the field of entertainment. That database is rich with information, not only contact information and demographic information, but specific purchase histories of what movies people have seen in theaters in recent years. Movie by movie, title by title, we develop a better understanding of our guests' preferences and behavior. This data gives us the ability to deliver laser like campaigns that are more personalized and targeted efficiently in our engagement efforts. We're a big shop, we sold almost 360 million tickets last year. We created the world's largest loyalty programs, specifically, here in the United States. Our AMC Stubs program with 19 million U.S. member households, and with 2.6 people per household for the U.S. average that means our database has detailed movie-going information about just right around 50 million moviegoers added in the United States. And if that's not enough, we have another 6 million members in Europe in our loyalty programs across the pond. This gives us unique data in the guest preferences, guest behavior and gives us an incredible opportunity to market films to people, so as they come back to our theaters again and again and again. Take these two items together, scale advantages and database advantages. The largest operator of cinemas and the biggest number of customer relationships. Throw in a real commitment to delivering outstanding ticket sales results for the maker add to that a massive commitment of executive time and a little bit of charm in building deep professional relationships with movie makers, and you'll see that AMC now enjoys and benefits from what are considered genuinely to be the strongest, best, the most imaginative partnerships possible with literally all the major studios and makers of film, especially in Hollywood. In the unprompted written words of one true studio luminary, a giant who I really shouldn't name by name, but if you knew the name, you'd really be impressed. Just in the past week, wrote me to say and quote "thanks for the great support your company gives us. We really have a great relationship", exclamation point, so-and-so. But that's typical of all our relationships in Hollywood. In next slide, slide 8, is an important graphic because it shows you what we call the AMC platform. Essentially demonstrating the interconnected and self reinforcing nature of so many of our various strategies at AMC. That extend way beyond our also having commanding economies of scale advantages. Stated simply, AMC is a very different company now when we contrasted against ourselves in an earlier incarnation not to mention when compared to so many in our industry,

especially our smaller competitors, who feel like old fashioned and out of date operators of movie theaters. Instead at AMC we've transformed ourselves in the being the experiential leader, the technology leader, the digital leader, the engagement leader; all of this enabling AMC to deliver the ultimate movie-going experience on our hundreds of millions of customer visits each year. So much so in fact that we believe AMC already is far down the road of being the quintessential 21st century provider of out-of-home entertainment. What's more? Our passion and penchant for innovation will drive us down this road even faster in the months and years ahead cementing our position as a 21st century player. What do we mean by all this? In a seamless, frictionless manner, AMC is serving our guests end-to-end from before they get to our theaters through to their consuming and enjoying film content at our theater locations and then being back with them again when they're home. In so doing, we do all these things: one, leveraging data and modern technology interfaces to increase patronage and to increase guest satisfaction; two, communicating often and in a highly personalized and targeting manner to our guests; three, introducing business model innovations related to royalty and subscription to increase our guest brand stickiness; four, charging premium prices when we can and offering bargains when we should; five, offering the best possible but nonetheless affordable theatrical experiences basically differentiating AMC by our offering a modicum of luxury to the masses. Let's look at the relationships we're building with our U.S. guests through the AMC platform. Visually, I want to start at that top center box, the one that with the big AMC Stubs logo, our loyalty program. As previously mentioned, we now have a rich sophisticated consumer database of 19 million households, about 50 million people, all members of our rapidly growing frequent moviegoer loyalty program, growing I might add at the rate of about a 0.5 million members a month. Our database as I've said before, it lets us know who these members are, what makes them tick, what movies they've seen and that allows us to engage with them in significant numbers, a few mutations in a targeted way with digital outreach, which catalyzes meaningful demand and engagement through email text, our website and our mobile smartphone apps. Especially, amongst our most avid moviegoers, our A-list members, those people who are committed to spend about \$250 a year with us in movie ticket admissions through their monthly subscription fees on an annualized basis. All these people can and do book their tickets with us in advance online in significantly increasing numbers. More than 50% of our guests are now buying their tickets online in advance through the web, the smartphone app or other channels of distribution. We're in the process right now of rolling out a new initiative for these people, allowing them not only to book their tickets advance online, but allowing them to pre-order their food and beverage ones in advance online. There's real guest convenience here, because this allows them to reduce the

time they spend waiting in the theater. We promise that through an express pick-up location, their food order will be ready for them when they get to the theater or alternatively in many of our theaters, for a small modest service charge, we'll actually deliver their F&B to their seat at a pre-scheduled time of their choosing. And it's not just any old concession stand fair that AMC is now delivering. Of course, at our Dine-in Theaters, we're offering full casual restaurant menus, but even at the 80%, 90% of our theaters that are just concession stand theaters. We have the most expansive food offerings of any major operator, branded through an introduction in 2017 of Feature Fare. Let's turn to drink, I personally counted more than 180 different soft drink flavor choices coming out of our Coke Freestyle machines which are now installed at a 100% of our U.S. theaters were the only large chain to offer Coca-Cola Freestyle. And should you like your drinks a tad harder we have full alcoholic bars and more than half of our theaters in the AMC and AMC Dine-in brands and they are in place at the vast majority of our high traffic theaters. As movie begins, guests can stretch out and enjoy our signature recliner seats from the company AMC that has more recliner-equipped theaters than anyone else. And to remove anxiety from the process of securing a good seat location, we started introducing reserved seating several years back and we are in the process right now of another significant enhancer for AMC guests, introducing reserve seating at literally all of our AMC branded and all of our AMC Dine-in branded theaters in the United States this year continuing the theme of having so many competitive advantages at AMC. AMC doesn't just lead the way with more interesting food choices or drink choices or better seats, we're also leading the way with insight and sound technology. We are the largest IMAX operator in North America with almost 50% of all IMAX locations on this continent being just at AMC theaters. We are the sole operator of Dolby Cinema across the United States and already have about 130 Dolby Cinema locations installed throughout the country, the great critical acclaim. We also have a proprietary premium large format brand called Prime, which Stephen Colanero will talk a little bit more about, when he gets up on the podium. Put all this together, more and more guests are becoming brand loyalty and see, because of all of these reasons that gives us more members, that gives us more customer relationships, that gives us more data and then the cycle repeats. Fully circular than it is. In summary, personalizable data drives increased engagement, resulting in higher attendance, which supports investments to create a guest pleasing, end-to-end experience, which in turn drives more Stubs members and that in turn drives even more data. This illustrates the flywheel effect that gets us excited about the power and potential of the AMC platform. AMC's investments in innovation and growth all have been designed, realizing that the circular interconnected nature and self-fulfilling success of our implementing all of these strategies. The more we sell, the

more we reach, the more we do, the faster the flywheel spins. That's why the growth in Stubs membership and A-List membership, the growth in website and smartphone app visits, the growth in online ticketing, have all been so robust in the past few years and why attendance growth for AMC in 2018 considerably outpaced our industry. In short, AMC has been investing in initiatives that are making us a digital and engagement leader, in initiatives upgrading and enhancing our theaters that make us the experiential leader and in initiatives expanding our footprint in the U.S., Europe and the Middle East that increase our scale, delivering our high-quality movie-going experiences to more consumers and more places and amplifying the network effect that exists between a larger network of better theatres and our guests. Before going deeper still in our discussion today, I'd like to specifically call out two topics because we know that they've been areas of particular interest among investors throughout the past year, A-List and leverage. More so, these two matters have sometimes caused apprehension about AMC and what we believe are potential misperceptions of the bright prospects ahead for our company. So, I'd like to talk about both in a little detail. We launched our subscription tier, AMC Stubs our relatively new A-List program on June 26th of 2018 a little more than nine months ago. When we launched A-List, we got on the phone immediately with investors to brief you all and on each of our quarterly conference calls since we've tried to be particularly transparent with you about what we've seen in the program's early months. We clearly articulated that we thought we were off to a superb start for A-List and we've certainly put forward a case with you that our company has significant experience and expertise in this area and that at the highest levels of our company, we've been very closely monitoring A-List metric-after-metric-after-metric on literally a daily basis. Still, some AMC observers have been nervous about A-List, given, one, the newness of the program. Two, the fully anticipated and disclosed investment spend required upfront and the heaviest users logically would come onboard A-List first. Three, the likely conclusion that margin per visit amongst A-Listers would be tighter, and that profitability of the program would come if the number of incremental visits grew to the right levels and if their ancillary spending in F&B showed up and if they brought along guests with them at full ticket prices, as we expected that they will. And the fourth reason of concern is the fact that others in this space flamed out so spectacularly. Well, do we have enough good news for you today? Stephen Colanero is going to go into – provide you with much more information in a few minutes on A-List. But here's the headline. What a smashing success AMC has in A-List. No caveats, no equivocations. Here are six key points about A-List. One, membership continues to grow steadily and way ahead of our expectations. You'll recall that we hit our one-year membership goal in only 4.5 months, even at higher prices that are double what others are charging. A Listers like the value that we

offer and the flexibility and ease-of-use we designed in has core elements of our program. As of this morning, we are right around 757,000 A-List subscribers and that statistic is net of membership churn and that membership number continues to grow. Two, theater visits among these memberships is highly incremental. On average, more than tripling the AMC theater visits prior to the program being in place. Which means we also are seeing a considerable increase in full revenue ticket bring-along and we're also benefitting from considerably more each month in F&B spend from these members. Three, frequency of theater visits has settled in nicely to a sweet spot, not too hot and not too cold, where our guests, AMC and our studio partners, all can win. Average visits per months by A-List members in the now completed first quarter of 2019 was 2.6% right where we wanted it to be. Point four, on January 16 of this year we successfully introduced an average 13% price increase in the monthly subscription cost to new members of A-List, without taking any meaningful flak. That price increase will roll out through the entire membership on the one-year anniversary of each individual member's enrollment date. Five. A-List, just nine months old, already is producing approximately \$200 million of annual recurring subscription fee revenues and approximately \$400 million of total revenue including their bring-alongs at full price and their F&B purchases. And that's at the current membership levels but remember the program is still growing at a healthy clip. Six. As we said on the last quarterly call, we fully expect that A-list is going to be profitable for AMC in 2019 a full-year ahead of schedule. More impressive, we originally thought that the program would drive \$15 million to \$25 million in incremental EBITDA for 1 million members starting in the year 2020. We now are increasingly confident that by the end of 2019, a year earlier, the incremental run rate EBITDA will actually be much more like \$3 per member per month, that's \$36 per member per year that would be \$36 million incrementally per million members. This program is a hit. It's successful. We're doing great ahead expectations and we are very much committed to continuing to reap the rewards of having gotten out in front as the industry leader and first mover in this area amongst the theater operators. AMC A-List is driving attendance for AMC. A-List is locking in brand loyalty for AMC. A-List is profitable for AMC. We have a winner on our hands, no caveats, no equivocations. This is great news for us. Now, let's turn to leverage. As far as leverage levels, on our last quarterly call, for the first time ever, we gave you multiple year CapEx forecasts. We continue to have highly attractive internal investment opportunities that exceed our 25% hurdle returns. For the benefit of the shareholders of our company, we'll continue to deploy capital to help spur our growth, especially looking at high return projects in Europe and the Middle East where the expected return parameters appear to be incredibly encouraging. Still given that we are coming to a natural conclusion of our investment strategies domestically here in

the United States, over a three to five-year period from now, we see CapEx coming down. We see free cash flow going up and our leverage levels coming down markedly. This is now a very high priority for us. In the interim, in just the past several weeks, we're able to successfully refinance \$2 billion of our debt for seven years as well as to extend the life of our undrawn revolving credit line. As a result, AMC has no debt maturities over the next five years. This certainly gives us staying power and peace of mind. As I end this executive summary of our presentation today, we'd like to share with you how we think of AMC and what we think AMC is capable of delivering as we look ahead to the medium-term and the long-term. And since these guidelines are those that we are working very hard to achieve and deliver, let's make some news today by discussing these targets with you some of which have not been distributed before. Remember we're not talking about this week, this month or even potentially this year, but these are the targets we're setting for AMC over the medium to long-term. We encourage you to write these goals down and to hold us to delivering on them. Well, there may be an occasional fluctuation in the box office in a particular quarter, possibly even in a particular year, over a multiple year timeframe, we believe AMC is perfectly capable of posting a CAGR and revenue growth of 3% to 5% per annum even in what some people think is a mature industry. With the operating leverage that's inherent in our business as a high fixed cost, low variable cost operation. With growing revenues, we also believe we can deliver adjusted EBITDA margins of 17% to 19% delivering up to a 200 basis point margin expansion. As we do so, higher revenues, higher margins, we would expect to create substantial equity value for AMC shareholders. Meanwhile as previously discussed, we think that CapEx will fall from the \$500 million level of two years ago and the \$450 million level projected for this year; we believe that our CapEx spend would come down to a range of about \$250 million to \$300 million three to five years from now. About a \$150 million of that is from maintenance CapEx, which still leaves us \$100 million to \$150 million annually to put in the growth initiatives available to us at that time. All this taken together means that within three years, we ought to be able to lower our leverage level to a range of 3.5 times to 4.5 times, which is considerably below our current 5.5 times net leverage. Beyond that timeframe, beyond 36 months, we believe that we should continue to work AMC's leverage level down to a target goal of three times EBITDA to net debt. Over the next 36 months, you will see us make significant progress in de-leveraging, putting us on the path to hit these various targets. This will be comforting to many, especially in combination with our just having successfully pushed out all of our near-term maturities. I'm going to reinforce just a few more points before handing the floor to my colleagues. You can't really think about AMC without reminding yourself that we have become the clear and undisputed leader in the world cinema industry. AMC

is the largest cinema operator in the U.S., the largest cinema operator in Europe, the largest cinema operator in the world with more than 1,000 theaters, more than 11,000 screens with some \$5.5 billion in annual revenue and more than 350 million admission tickets sold at our theaters annually. To put that number of ticket sales in perspective, 350 million tickets, that's more than double the tickets sold for every home game, of all the teams in Major League Baseball, of all the teams in National Football League, of all the teams in the NHL, of all the teams in the NBA combined, combined, AMC is number one or two in 21 of the 25 largest metropolitan areas in the United States. We're not only number one or two in 11 of the 14 countries serving Europe and the Middle East, we're also number one or two in three of the five largest economies of Europe and four of the six largest economies in Western Europe. We have almost a century of tradition and heritage under our belts. Our 100th anniversary is next year in 2020. And yet over the past few years we've been reborn, adding the Odeon, Nordic and Carmike circuits to what had been AMC, doubling our company in size and significantly expanding our geographic reach. And while this next slide is subjective and therefore open to argument, we'd also like to think that we're not only the biggest operator in the world, but we're also the best. No one has invested in upgrading the overall quality of their theaters as has AMC over the past several years. And no one else has seen the surge in popularity of our loyalty programs, our subscription programs, our web and smartphone portals as has AMC, transforming AMC with world-class prowess in digital engagement. The numbers illustrate our transformation whether through acquisition or organic growth. Over the past decade, AMC's attendance is up 73%. AMC's revenue is up 139% and AMC's adjusted EBITDA is up 150%. We've been able to raise ticket prices by 21% even though at the same time, we've moved into low price countries like Italy and Spain and the Baltics. Our holistic commitment to more innovative food and beverage items, has caused food and beverage revenue growth to soar, with food and beverage revenue per patron up 49% and of course the number of patrons being up 73%. And you've already heard me talk our loyalty story. AMC Stubs for example is a program that did not exist 10 years ago, A-List was a program that did not exist one year ago, just in the last three years looking at Stubs, our membership has grown seven-fold to about 2.5 million households of 36 months ago to more than 19 million households today. There are seven reasons to believe that AMC is a bright future. Craig, Elizabeth, Steven and Mark are going to take you through this but let me just point out that first. AMC is, as I just said, the number one theatrical exhibitor in the world. Two, theatrical exhibition is a stable and growing industry, has been for two decades with interactive and enduring value proposition to consumers. Three, AMC is the industry leader in experiential and business model improvements with a proven track record of success. Four, we're building the AMC

platform to deliver the best end-to-end movie going experience, driving demand and driving spend. Five, there is substantial opportunity for us still to invest in high ROI initiatives and enhancements and footprint expansion. Six, we demonstrated a history of revenue growth, EBITDA growth, free cash flow growth which we expect will continue. And seven, we are absolutely committed through a sustainable, but flexible capital structure supported by a disciplined approach to capital allocation and conforming to the target levels of leverage that we have set for ourselves. Thank you for listening. It's now my pleasure to bring Craig up and take the mic

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Craig R. Ramsey

Executive Vice President & Chief Financial Officer, AMC Entertainment Holdings, Inc.

Thank you, Adam and good morning, everyone. As he said, we're going to drill down a little bit on the seven key investment highlights for you starting now. On a business where scale is important, I think this slide kind of says it all. AMC is the largest exhibitor in the world. We're currently the number one operator in the U.S. number one and two in 12 of the 15 countries where we operate globally. AMC today is the result of both organic growth and three major acquisitions, the combination of which has created enhanced scale and also a diversification of our revenue base, that's taken place over time. As you recall, we acquired three circuits during the 2016-2017 period, we acquired domestically the Carmike circuit and internationally both Odeon and Nordic which resulted in the largest exhibitor in the world. We're also the leader in the customer experience for movie going. We'll take you through a lot of that – a lot of the details around that later, consistent with our strong growth historically. We continue to execute against the long runway, of organic growth opportunities including the AMC platform that Adam introduced and reviewed with you today, which we'll also take a look at in more detail going forward. This demonstrates our global footprint. Again, we hold the number 1 and 2 positions in 21 of the top 25 U.S. markets in the U.S., by the way those have to be pretty important markets to our studio partners for the display of their product. We also hold the number one and two positions in 11 of the 14 countries we operate in Europe and then again as well in the Middle East. Because of our number one position globally, we benefit from significant scale – here we go – significant scale, particularly in three areas. The first being the breadth of our reach. For example, and Adam touched on this earlier, in the U.S., our theaters are easily accessible by the majority of Americans with 50% of the U.S. population living within a 10-mile radius of an AMC theater. And in Europe, we operate in one – as the number one or two exhibitor in three of the

largest European economies. Second is economies of scale. We are the largest global procurer of theatrical films, food and beverage items sold in our concession stands and lighting and theater supplies utilizing our theaters. And as the biggest player, we also happened to be driving the most revenue dollars for our partners. And then, third is the network effect that Adam talked about as well and we'll spend more time on discussing and discuss this a little later in our presentation. But a high level, our AMC Stubs membership base is the core of the transformation of our transformation to a more personalized movie going experience powered by data analytics, which increases engagement. The more AMC Stubs members, the more data, the more engagement and hence the positive feedback loop. Together these factors make AMC the most valuable ecosystem partner for our studios, our vendors, our suppliers, our advertisers and importantly our landlords. Change in topic and talk about our industry a little bit, and to do so I'd like to introduce our Chief Content and Programming Officer, Elizabeth Frank.

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Elizabeth Furst Frank

Executive Vice President, Worldwide Programming & Chief Content Officer, AMC Entertainment Holdings, Inc.

Thank you, Craig. Theatrical exhibition is a stable and growing industry with 20 years, actually far more than 20 years at steady growth. As you can see from this chart, the domestic box office continues to set a new record about every year-and-a-half. Remarkably six of the 10 most recent years have been record domestic box office years. Theatrical industry stability is noteworthy because while these box office records have been broken, technology disruption has dramatically reshaped the whole entertainment marketplace. The widespread consumer adoption of DVD players in the early 2000s and more recently the rapid growth of streaming video services, the domestic box office has averaged 2.5% compound annual growth. It's equally noteworthy that the domestic box office grows through times of economic recession. In the periods 2001, 2002 and also 2008, 2009, U.S. and Canadian consumers increased their spending on movie tickets. The greatest source of our industry stability is the consistent stream of exciting new movies marketed very broadly to consumers across our markets. Every Friday we present new movies, plus a variety of the most popular films from prior weeks. In 2018, Hollywood Studios released over 250 movies that generated a \$1 million or more at the box office, and of those about 120 movies generated more than \$10 million at the domestic box office. Hollywood brings the widest range of movies story to our big screen, from superheroes to comedies, some shoot them up actions to tear-jerking romances, animated family films to thought provoking dramas.

We aim to serve as both Adam and Craig had described the broadest of audiences across North America and across Europe, and Hollywood brings us films, compelling stories that attract those audiences into our theaters. We have something to play for everyone. And increasingly Hollywood is incorporating diversity into its movies in a way that reflects each of our market's broad movie-going audience and gives them the opportunity to see their stories on the big screen with their friends and their family. This creative content breadth makes our industry strong and stable for many years. As Adam said, it does bring variability week-to-week and month-to-month. Some films become massy and others fail to reach their full audience. One quarter success becomes the next quarter's tough comp, but every single Friday we have the opportunity to open new movies that attract a broader new audience and to return the box office growth back to its pace. Over 20 years and thousands and thousands of movies despite extended content available to consumers on ever larger television and ever more enhanced mobile devices, consumer spending in movie theaters has continued to grow. The same is true internationally where the box office has displayed long growth with records over 13 years of the past 14 years. Overall, industry growth outside the U.S. has outpaced the North American growth as cinemas to continue to open in many markets making movie going accessible for more consumers. Hollywood blockbusters that we've talked about making such an important difference in North America drive huge audiences in markets around the world, especially family films. And in addition to this Hollywood fare, locally produced movies in many, many markets generate considerable box office and continue to bring creative content for us to each of our markets in a way that keeps our product fresh and our industry strong. Importantly, as Adam described, movie going has an extremely attractive and enduring value proposition as affordable out-of-home entertainment. The value of movie going has endured for decades. The average movie ticket price has increased an average of 2.6% a year in North America, and there's an industry, as Adam described, we've been earning that higher price through premium formats and localized increases, modest increases in pricing where local demand is strong. At the same time, we as an industry have ensured that moviegoing has remained affordable for the most price sensitive of consumers by having special pricing for some groups like children, seniors and partnering with Hollywood studios to create attractive promotional programs. It's worth pausing for a minute and thinking about the entertainment experience of movie-going. The experience that consumers are buying from us is 2 hours or so in a theatre out of their home with friends and family completely immersed in an auditorium like this with big site and loud sound without their devices, it's a date night for some, it's an evening out with friends for others, it's a Sunday family outing, which often is a real worry to the kids for some good behavior that the parents needed to extract out of them

earlier in the week. It's birthday celebrations and anniversaries. Individual recreation for some. Consumers have a very wide variety of reasons, they come to the theatres to be entertained, broadened by the latest films and brought back again and again with the widest offering that we have. It goes without saying that the streaming services deliver a very different type of consumer experience and even different type of consumer demand. For entertainment in the home and on the go. The enduring value proposition that has enabled theatrical movie-going to grow for over 20 years and decades before that has succeeded in spite of streaming services growing dramatically and now reaching levels of maturation, and we're confident that this trend, the stability of the theatrical business will continue into the future. The most common misconception about the movie theater business is that attendance has been steadily declining for many, many years, and it's simply not true as you can see from the specs on this chart. While North American theater attendance did decline in the early 2000, it stabilized many years ago after 2011 as you can see on the chart. AMC has played an outsized role in the stabilization of industry attendance through the investments that Adam and Craig described in theater experiences and also in marketing. In 2018, as Adam described, AMC's attendance growth per screen outpace the industry by 340 basis points. We envision that continuing in the future. It's hard not to be excited about the fundamentals of consumer demand for movie-going. This most recent survey that you can see on this chart was conducted by the Motion Picture Association of America, shows that 75% of American surveyed described having gone to see a movie in the past 12 months. And so, the younger demographic on the other side of the screen that participation rate is significantly higher over 90% and that younger demographic that age 12 to 24 cohort went to see the movies as they report over five times in the past 12 months. They in fact were more avid moviegoers both in participation rate and in frequency than older generation in spite of our concern that you read about so often in the press, that young people, young Americans are too busy with their video games and their YouTube and their Snapchat to come see which considered more old fashion entertainment. For people who've been in a theater recently seeing the biggest exciting new movies and also experiencing all the investments we put in place know that there's nothing old fashioned about what we provide. Equally exciting to these demographics, a research that AMC conducts week in and week out with many, many numbers of our loyalty program showing that moviegoers want to go to the movies more than they're going today. And there's an opportunity for us in that. On many Fridays, we'll survey a group of moviegoers about their upcoming weekend plan, what movies are they aware of, what are they interested in, what are they planning to see. And for that group that have specific movie-going plan, we go back on the Monday by email and ask them what they did over the weekend. We know actually many of them

were in a theater are not based on the robust databases we have. So, we asked them, did you make it to the theater or not and why. And the vast majority of people when we survey them either say, yes, I went to the movie or almost an equal part, I melted over the movie, I wanted to go see that movie. My friends saw the movie, I'm going to get there, but I missed it. And that opportunity of converting that interest and excitement about a movie into attendance through much of the AMC platform that Adam highlighted, and Stephen will describe in much more detail is the core of our partnership with Hollywood Studios, the opportunity for growth in the industry and the investment thesis behind the AMC platform. You might be asking yourself, whether that demand for movies that want to see interest that we see on a Friday is going to be satisfied by video streaming? And the research makes clear that it's not. That both because the experience that we are delivering is unique as-out of-home entertainment and also because, in research that basically proves out what we already know, what we commonly believed, movie lovers love movies and rather than having one platform shift movie lovers from one thing to another, what we see in this most recent research by Ernst and Young shows that our most frequent moviegoers, people who come to the movie theatre 9 or more times over the past 12 months, stream on average spent 11 hours a week. So, you can see a distribution of their streaming use, hours per week. At 11 hours per week, those most frequent moviegoers are streaming almost 50% more often, more content than the infrequent moviegoers who report going to the theater once or twice a year. And given this research and so many other studies that are proving out this very same point, it's no surprise that Disney and Warner Brothers and Universal, all see their soon to be launching video streaming services as strategically complimentary to their theatrical business, Distribution businesses require compelling content to attract consumer spending and attention and the most attractive content generates disproportionate financial returns, the most valuable content is often by definition scarce, expensive to produce and capable of creating enduring brand value. Over a million hours of new video content are available to consumers each year in the U.S. ranging from user generated content and video shared sites, low budget reality television, traditional TV sitcom or premium TV series, and at the very top of that value chain, theatrical movies. More narrowly, movies run across a similar segment, from homemade movies, made for TV movies, straight to video movies began at the top, on a totally different league, feature films that are promoted and distributed to theaters. And so while we believe strongly that content is king, we also appreciate that all the distribution plays as kingmaker. Theatrical distribution, in particular, can differentiate movies. It can elevate them and put them front and center culturally. Last month at Cinemacon, our annual trade show, Universal Studios shared a testimonial video of industry-leading filmmakers and actors talking about "the power of cinema". Consumers

are touched more deeply seeing movies with others in theaters presented louder and larger than life in the dark with no communications devices and distractions. Theatrical movies draw us in, leave us thinking, get us cheering – and sometimes singing along. Theatrical movies create cultural moments where it seems that everyone we know is asking have you seen it yet. Theatrical distribution launches popular and profitable brand franchises, and that's the core of the partnerships that Adam described between exhibition, AMC in particular, and Hollywood. Tentpole films built exclusively on theatrical distribution and the mass marketing that supports it create enduring brand value. Franchise films like Despicable Me and Fast & Furious launch movie sequels and spin-off licensed merchandise, theme park rides, video games, online properties and TV shows and so much more. These theatrical films, these franchises are also playing out on a global basis with synchronized theatrical releases in markets around the world followed by a combination of both global brand extension and localized brand extension. And as Hollywood Studio speak to launch and maximize very profitable entertainment brand franchises, theatrical distribution is key, and exhibitors are their most critical partners. So, as you know, and as Adam has said, the box office has never been stronger. In 2018, the North American box office set a record with \$11.9 billion in box office representing 7% year-on-year growth and the global box office hit a new record as well at \$41.1 billion. That year featured many blockbusters, including superhero fan favorites of Black Panther and Deadpool and Venom and Antman and the Wasp, and Aquaman, the same time we had films that played super broad to a family audience with Incredibles 2 and Grinch, and we had movies that, that surprised, that drew in huge audiences, A Star is Born, Bohemian Rhapsody and Mamma Mia!, captivating adult audiences with original takes on character-driven stories and obviously music that captured everyone's attention. No one film though drove the record set in 2018, and in fact across the full year, the largest box office gross was in movies between that in aggregate in North America generated between \$50 million and \$100 million. This combination of programming breadth, plus the blockbusters have played as the broadest audience generates for us the opportunity to bring in infrequent moviegoers who want to be in that big cultural moment and feel compelled to join their friends and family in that discussion, as well as the very most avid moviegoers who are looking to see what's new playing this weekend. That is the strength that we see in the box office going forward. Adam mentioned the strong start to 2019 borne out largely by the success of Q1 in 2018 that had the launches like Black Panther and the tremendous holdover success of Jumanji that has been a holiday 2017 title. In fact, 80% of our Q1 difference between 2019 and 2018 is driven by those two films Black Panther and Jumanji. As we said though, every week brings an opportunity to launch new movies and attract a broader audience,

and that has never been more true right now with Avengers, which will open in eight days across the U.S. and around the world. As Adam highlighted, when we launched ticket sales a couple of weeks ago on April 2 fan demand literally broke the Internet. We had more traffic and more ticket sales across our ticketing platforms and those of our partners than we'd ever seen for any film. They'll continue to ramp up in the time since April 2 for this must-see film, and to satisfy record-setting opening weekend demand, we've got a team in Kansas City that's been adding shows and helping theaters across the country to extend operating hours serving moviegoers in many cases at show times around the clock. Craig highlighted the operating leverage and our business model, and while this challenge our profitability in a slow Q1, you can imagine that same leverage working to our tremendous advantage as we extend operating hours for existing theaters with existing marketing programs and existing management teams, and spread that cost base over many, many, many consumers. More broadly 2019 looks to be a tremendous year. We believe that in spite of its slow start we have the opportunity to set a new record in the industry both in the U.S. and in international. We've talked about Avengers: Endgame releasing on April 26 and promising to fill theatres, not just around the clock opening weekend, but for many, many weeks then into the future. We have equal excitement coming out of Chicago earlier this month for Star Wars celebration, and the announcement that the next Star Wars that release is on December 20th will be called Star Wars: The Rise of Skywalker. And again, the Internet blew up on that news, with people sharing their excitement, and though there weren't tickets on sale yet, we have many, many people in the flywheel that set out and Stephan will describe telling us of their interest in making sure that we notice them as soon as tickets go on sale. That movie opening on December 20th will play well well into 2020. So, between those films, every single month has a big new title coming out. Godzilla in May, Men in Black in June, Spider Man in July, Fast & Furious in August, It: Chapter Two in September, Joker in October, I lost track, Terminator: Dark Fate in November, Cats in December. And for those big films, there are also dozens of films of original stories that are coming to theaters by both Hollywood major studios and many independent studios and film makers that we started to see and to promote moviegoers again providing a diverse a broad and a strong movie slate. Importantly, for families, and we've talked about how family film in many ways carries the strongest around the world. We will have a tremendous lineup for the year. With Secret Life of Pets 2, Toy Story 4, Lion King, Angry Birds 2, Frozen 2 and Jumanji 2 coming in June, July, August, November and December of 2019, these six franchises with proven characters and established fan bases, the last film for each of those titles in North American box office totaled \$1.7 billion. And so for us the opportunity that we see that how those proven properties presented and promoted to

consumers and then in turn exposed them to all kinds of other films that we're going to playing, presenting unique and exciting opportunity for 2019 and puts us on super strong ground with a lot of momentum headed into 2020. We really couldn't be more confident about the box office going forward. And with that, I'd like to turn it over to Stephen Colanero, our Chief Marketing Officer to talk about how the AMC platform aims to convert that industry opportunity into AMC business.

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Stephen A. Colanero

Chief Marketing Officer & Executive Vice President, AMC Entertainment Holdings, Inc.

And good morning everyone. So yes, let's shift gears back from the global industry which is in very good shape for 2019 and talk specifically about AMC and particularly domestically with some of the things that we're talking about with the platform that we've built. In addition to being the largest exhibitor, we are also committed to delivering the best movie going experience to our consumers. Over the last five years to six years we've invested over \$1.7 billion in our recliner upgrades, in our premium format large screens and enhanced food and beverage options. These investments have paid big dividends with respect to our movie going for our guests. We started early on these investments. We've invested the most, and we are close to saturation as Adam mentioned before, which is why we're expecting the capital expense to moderate over the coming years. Additionally, we continue to innovate in terms of how we engage with our consumers. We re-launched our AMC Stubs program in 2016, coming off of a base of 2.5 million AMC Stubs members growing to our current member base of 19 million member households, easily going to be getting to 20 million in a not too distant future. And then as Adam mentioned, back in June of last year we launched AMC Stubs A-List and that has quickly become a success reaching 750,000 members, much quicker than we ever anticipated. As a reminder, our initial goal was to get to 500,000 by June of this coming year, and we're already at over 750,000 now. All of this investment has led to industry-leading theatre productivity where we're afforded the opportunity to have the highest average ticket price in the industry. But despite that we're still able to drive the highest attendance per screen growth 2018 year over- year to the prior year where the industry grew 3.5% in 2018 and AMC was able to grow 6.9%. That's because of the strength of the foundation we've built with those investments that we've made in the actual theatre experience and now beyond. So, let's take a step back in time, and we don't have to go back 99 years to the birth of AMC, we can just go back just literally 10 years ago. It may

seem a very, very long time ago, but it was only about 10 years ago where the movie going experience was very different than it is today. We relied on people to see advertising, whether it was on a billboard or more likely in a newspaper to see what movies were playing and what showtimes were available at different theaters. From that we hope they were motivated enough to come to the theater where they would need to stand in line to buy tickets, and then get into another line to buy popcorn and soda, and usually just popcorn and soda, maybe a little bit of milk duds. And then, they'd have to get there to the theater early to make sure they got tickets but also to get good seats, and they would queue up in long lines for the big movies in the lobby, which is a reason why we have big lobbies, was to be able to have these long lines so people could wait there and then get let in and get to fight for their seat. And then they would view the movie on 35 millimeter film projector with analog sound, and I know that we all can remember this because it's not that long ago, but it has changed dramatically, and AMC has led the way. So, AMC has led the way. As Adam took you through this platform that we've built, this foundation we've created, it has created a new way of going to the movies. Now, instead of waiting for someone to see an ad in the newspaper, we can engage directly with where guests are, which as many of you know is online all the time. So we can engage with our members where they are, which is online. So, we could either send them e-mails to let them know, or we could be on social media where they follow us in great numbers, or we could even have advertising on some of the websites that they visit and browse, and that gives us a chance to target them with personalized communications on the movies that they would most likely see because we have a database of movies that they've already seen. Instead of having to wait to buy their tickets, they can have the confidence that they will get a ticket because they can buy their ticket online than instead of having to wait in line when they go to the theater, they can go right to the drop box and scan their phone to be able to get in right away, than instead of having to wait in line to order their food and wait for it to be prepared, they can go to a pickup counter and pick up their food that's already been prepared because they were able to order it online. And then instead of ending the experience there and waiting for them to get inspired by another advertisement that they saw, we're able to continue the conversation after the show via our communications. So, all this platform as built has enabled us to have this flywheel effect, where the more communications we have, the more likely people are able to come to the movie. We've built the foundation of a great in-theater experience, as well as getting to the theater experience the way they order online both food and beverage as well as their tickets, the experience that they have on screen with an IMAX or a Dolby or Prime at AMC, as well as just our recliners and many of our fine theaters. And then finally when we remind them of what a great time they had with a thank you

email or communication that also help lead to future movie going by closing the loop there. As part of the platforms that we've built, and part of this foundation that we've built that we now have the power to activate. Three years ago we re-launched the AMC website and mobile app. At that time, it was an industry-leading website and app, it wasn't really broken, it was effective at converting someone who knew what they wanted to do. Someone who wanted to buy a ticket to Avengers, we made it very easy for them to find the movie theater, the showtime and be able to click and buy the ticket in very few steps. It was very efficient, but a little bit clinical. What we did with the re-launch was we created an environment that could inspire people to even want to go to more movies than they originally thought. We're giving them more information. It is much more graphically rich and more dynamic that gives people the – that exposes them to all that they could see and have been inspiring, and the effect has been much better than ever expected. We are now – just last week we had our first week with over 50% of tickets being sold online through AMC properties and those of our partners, with nearly 70% of our tickets being sold through our own proprietary mobile app and website. AMC Stubs, which was also re-launched in 2016, has been highly successful, as Adam mentioned, with the program now boasting over 19 million member households, which represents over 50 million Americans that participate through AMC Stubs. These connections offered us the unique insight into our guest preferences, enabled us to interact with them in a more personalized way in our communications. And just to give you a scale of how many communications we're talking about that we can impact with this personalization, in 2019, we're expecting to send out over 1.5 billion, that's with a B, 1.5 billion consumer messages via email, text messages, and mobile push notifications, all of these messages being personalized to the different consumers based on what they've seen and what we believe that they would be most likely to see going forward. All of this gives us the world-leading theatrical loyalty program in the world as a great foundation for us to activate and move on and continue to build as we move forward. So, we're not done. We're never going to be done. We are constantly trying to innovate and make our moviegoing experience better, both in theater and outside of theater. Two of the new initiatives that we're currently activating, one is we're introducing reserved seating across all of our AMC Dine-In and AMC branded theaters, and we will have that finished by Memorial Day, where virtually all of those theaters will then be online with reserved seating. Reserved seating gives people yet another reason to buy their tickets online, to plan in advance, because they get seat certainty. So, it just continues to motivate people to buy online, which is another reason to join AMC Stubs to get their online ticket fees waived and to do all the things that come with it, and it just creates more data for them to continue to activate against going forward. Second, we are expanding our testing of the mobile ordering of

food and beverage. It has been successful where we have tested it in small – a small amount of theaters and we're seeing early results that indicate an uplift of a \$1.40 on average for each preorder versus the average ticket at our concession stands. So, we're expecting to have nearly 150 theaters be online with this amenity by the end of this summer. So, all this also reduces the friction for buying online for either tickets or food and beverage, because with the tickets they know they're not going to get sold out because they can see what's literally available in the auditorium, and with food and beverage, if they get to the theater a little late and they're concerned about the line being too long, they've already made their purchase and the food is already prepared, whether it's at a pickup station or delivered to their seat. So, additionally, let's get back to AMC Stubs' subscription offering of A-list which was introduced in June of last year. Just to remind, as Adam talked about, we are now over 750,000 members who are contributing over \$200 million in annual recurring box office revenue with their membership fee and over \$400 million in total spend when you add in other food and beverage and what we refer to as bring-along spend. Let's go the next page which has some of the key information. You heard Adam talk about the incrementality and the visit growth, the frequency of our members. One of the key things on this slide I want to point to is there is a line at 0.75, that is the – what we've learned to be the baseline of members – movie-going frequency for the members of AMC Stubs A-List. So, what that means is that all the people who've have joined before they joined A-List their run-rate was about 0.7 movies per month which is around 9 times a year. And we know this not because of survey of our guest reported numbers. We know this because many of these members were AMC Stubs before and we have multiple years of their movie-going history and we can match up what they did before to what they did after. This is actual member-by-member pre and post measurement that gives us the confidence that this is what the baseline was for the members who have joined, 0.75 or about 9 times a year. What we've seen with the actual frequency of A-List is that it has consistently dropped since the early days when the heaviest members joined, and as expected, it's fallen into a sweet spot in the mid 2s – mid to high 2s. Adam talked about the quarter was 2.6 for Q1, which had a 2.8 in January, a 2.4 in February and a 2.6 in March. We expect that number will fluctuate month by month with box office, as well as the fact that some months have four weekends and some months have five weekends. But this is what we expected based on our understanding of our program in Europe that has been running for three years. And then, as we talked about, when we launched the program, that this was modeled and based on our learning and experience in Europe, and we have continued to validate those things that we've done and we're happy to see that with the lift from about 0.75 to in the mid-2s, we're over 3 times – driving frequency over 3 times their baseline, which has been very, very

beneficial to AMC. With that said, I want to also say that frequency is not the most important factor in the profitability of the program. And in fact, driving frequency down is not our goal. There are two key components in addition to their box office revenue and their membership subscription fee revenue. One is food and beverage spend and the other is bring-along revenue. When we drive more frequency, we're looking for guests to spend more food and beverage, maybe not per visit but per month. So, what we're seeing is per month, they're going from 0.75 visits to 2.5, 2.6, 2.7 visits. That's over 3 times. We are also seeing that their food and beverage spend goes up 2.5 times per month, not per visit, so it's a little less per visit to get to that 2.5 times for the month. We also look at the additional tickets that come along with that guest, and from the base period, we're seeing that they're bringing twice as many members – twice as many guests with them as before who are paying full price. When they go to the premium formats, they're paying full price. When they see movies in 3-D, they're paying full price. These Bring-along guests, so we not only have that certainty of the membership fee every month, but we now have an elevated food and beverage spend as well as an elevated bring-along revenue spend. All of these combined speed into the financial circumstances that Adam reported earlier, where we now expect more than \$3 per member/per month in incremental adjusted EBITDA would be achieved by the end of 2019 as we continue – as the program continues to grow and mature. And obviously, this exceeded our initial expectations. The program offers a host of other benefits, including new demand generation by consumer attendance. It gives us the first mover advantage; it's something we've achieved along the way by growing that membership base very early in what we believe the industry will move to. We have improved customer stickiness through the value of the program and the seamless customer experience we've built that we also believe is unparalleled in the industry. It gives us the normalization against box office variability. And just as a final point, we expect A-List to be dollar adjusted EBITDA accretive possibly, but dilutive to margin in 2019. However, it is now a key component of our feedback loop of increased engagement leading to more data analytics, getting to more personalization which leads to more guest engagement and visitation to our theaters, which is a good thing. So, to kind of tie it together, membership admissions revenue that is committed to through a subscription program is very positive. When you layer on the positives of increased food and beverage spend per month, as well as layering in the bring-along attendance per month, the frequency then is sometimes a plus and sometimes a minus. We are not actively trying to suppress frequency of A-List members, because it's something we have to look at on a guest-by-guest basis. There are guests we know that are spending more on food and beverage and bring-along, and those we make money every additional time they come, so on their frequency to continue to grow. And there are other guests

who are less profitable, and we try to manage that. So, our frequency isn't correlated to the profitability where the frequency needs to be as low as possible. We're looking to be in that sweet spot and we feel like we've got there recently well ahead of schedule. All of these things together, member admissions revenue, food and beverage, bring-along attendance, and the range of frequency of visits being in that sweet spot for the overall group, we believe leads to profitability, and the goal is to drive profitability, not to reduce frequency. So, that is a summary of what we've built with the AMC platform based on the website, based on our loyalty program, and most recently supplemented with our A-List program. And with that, I'd like to turn it back to Craig to talk about our own financials.

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Craig R. Ramsey

Executive Vice President & Chief Financial Officer, AMC Entertainment Holdings, Inc.

Thanks, Stephen. Well, you remember that slide where Stephen went through the previous areas of movie-going; I've lived through most of that having been here for about 25 years. So, I've actually seen this transformation kind of take place over time. And the thing that strikes me about it is that we're driving growth in this business of attendance again and we're doing at a low capital investment through this AMC platform and really the exceptional marketing and guest engagement practices that Stephen and his group of associates are responsible for, I think it's one of the more exciting things that we have. But I would like to talk about both domestically and internationally, there are some other exciting opportunities that we're pursuing along runway of organic growth opportunities that we're executing again, so I alluded to that earlier, the vast majority of which lead to growth in both attendance and incremental spend per guest. We think about them in kind of two different buckets; one, experiential enhancements that kind of incorporate things like our recliner remodels, our premium food and beverage upgrades, both of which enhance the movie-going experience. We also think of it in terms of our footprint expansion which is the opportunistic deployment of capital to selectively build new theaters in attractive locations and/or to acquire underperforming independent theater operations in high quality locations. Importantly, we have a disciplined approach to determining which projects to pursue, and it's demonstrated by our return on investment that we've achieved in making these investments. We've earned in excess of a 25% return on investment for the U.S. upgrades we pursued and over a 50% return on investment on the international upgrades that are completed to date. We'll talk about these growth initiatives in a little bit more detail now. You've heard of us talk about our recliner upgrades and for good reason.

These renovations are significant improvements to the movie-going experience. They help drive traffic, they help drive premium pricing, and the results are evident in the numbers. Our upgrades across our global circuit – across the global circuit have driven average attendance increases in excess of 25% and theater level operating cash flow increases of over a 100% in the year following renovation. This has led to the 25% or greater than 25% ROI investments, our return on investments in our U.S. domestic upgrades and over 50% ROI on the international upgrades. Now importantly, 2018 is kind of marked a year of transition for us as our domestic capital cycle has begun to moderate and we're now focused more on international. By that I mean our recliners are now about 75% penetrated domestically with respect to the upgrade opportunity, while we are in the early stages of the cycle for the international circuit with only about 15% of the opportunity penetrated. We have a case study a little bit later that will demonstrate the power – further demonstrate the power of these recliners. Another experiential enhancement is our Premium Large Format screens, we've talked a little bit about earlier that being Dolby, IMAX, Prime at AMC, and iSense in Europe, they also enhanced the movie-going experience for our guests and thereby help us generate higher average tickets anywhere from 50% to 70% premium depending upon the format. We've said before that it's worth repeating we're the largest IMAX and Dolby exhibitor in the U.S. Prime is AMC's proprietary large format experience and it's kind of designed for smaller locations where a higher level of investment is not prudent, and even though the ticket premiums aren't maybe quite as large or as significant as IMAX and Dolby, the lack of revenue sharing in this model means really pretty strong economics for AMC and in some cases actually better than what they are for Dolby and IMAX. The combination of high definition, a big screen presentation and unbelievable sound makes for a truly world class – worldwide guest experience for our guests in each of these formats. And as I mentioned, iSense is our European format – large format that earns the price premiums that are really comparable to what we see in IMAX and Dolby in the domestic circuit. One important aspect of the AMC transformation is the diversification of our revenue through the introduction of a variety of premium food and beverage offerings for our guests, and this is primarily domestically at this point in time. These initiatives primarily focusing on offering our guests gourmet selections not traditionally found in theaters, such as artisanal pizzas, thank you, or delicious hamburgers, beer, wine and cocktails, and also convenience, whether it's ordering ahead or delivering food to your seat. Our investment in these offerings has driven couple of very important statistics, higher take rates on food and beverage, that's an increase from 64% take rate in 2011 to a 71% take rate in 2018, also a broader diversification of our revenue base, food and beverage revenue having increased from about 20% of revenue in 2011 to 33% in 2018,

and remember that is at a higher margin or the highest margin between it and admissions revenue. In addition to enhanced food and beverage, we've also rolled out a number of pricing initiatives that have helped to drive profitable increases in attendance and admissions revenue, again principally in our U.S. markets, a discount Tuesday promotion which offers or enables AMC Stubs members the opportunity to attend the movie on Tuesday at a discounted price and the price is typically \$5 to \$6, which has meaningfully increased attendance and theater utilization on Tuesday which prior to its introduction was the slowest weekday, now it's second only to Saturday. Discount Tuesdays have had a minimal impact on attendance in other days of the week. We've also implemented a surcharge on Friday, Saturday and Sunday evenings that increased ticket price by about 10% and those theaters were implemented with only minimal impact on attendance. Next up, we're looking at tentpole surcharge for large, most popular high demand movies, and potentially a zone pricing strategy initiative to optimize price by seat location. We take great care when we implement these initiatives to ensure that the programs drive incrementality and create incremental profitability. We constantly evaluate the optimizations and typically roll them out over time to give guests a chance to kind of process and absorb the changes. And an example of that is that two of the initiatives I mentioned, the tentpole surcharge and seat location optimization would probably or likely be rolled out over the next three to five years in the U.S. However, it's interesting to note that both of these initiatives are already deployed in our European circuit. Now, the last initiative on experiential enhancements is focused on giving back to the communities where we serve and promoting – and promoting the cultural aspect of movie-going as part of our broader goal of a socially – becoming a socially responsible company. In early April, we provided a 100 free screenings of an award winning documentary on Dr. Martin Luther King Jr. to honor the 51st anniversary of his passing, well received in over 100 AMC theaters in 56 different cities. We are also deploying green initiatives, piloting many in throughout Europe that you can see whether it'd be replacing plastic straws with paper to more waste reclamation and recycling throughout our European circuit, where we are leaning into those initiatives as well. Let's talk for a second about growing our circuit. When it makes the economic sense and strategic sense, we seek to increase the reach of our network with selected new theater additions. The footprint expansion is currently contemplated across three geographic areas, three core geographic areas, domestic, Europe and Saudi Arabia. In the U.S. and Europe, the strategy generally involves opportunistic deployment of capital to selectively build new theaters in attractive locations or acquiring underperforming theatres in highly – high quality locations. And we do so at an ROI historically over about 25% to 30% return. Saudi Arabia, our new build strategy is in partnership with the

Saudi Arabia's Public Investment Fund. We, as you know, are the first exhibitor to open and operate in the country after Saudi Arabia lifted a longtime 37-year ban on cinemas as part of their far-reaching liberalization drive. Our approach is a CapEx-light model. We'll invest about 10% of the capital or about a \$1 million of theater with a 10% equity interest and we plan to open between 40 and 50 theaters over the next three to five years with similar return profiles as what we see in our other European new build expansions. Speaking of Europe, I'd like to ask our President of AMC Europe, Mark Way, to provide his perspective on some of the growth opportunities we have in that part of the world.

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Mark Jonathan Way

President AMC Europe & Managing Director, ODEON Cinemas Ltd.

Thank you, Craig. Good morning. I'm Mark Way, President of AMC Europe. As Adam said, I'm delighted to be here with you this morning to share brief details of two of the 26 cinemas that we either refurbished or opened brand new during 2018. When you add to the 10 that we did the previous year, that over 10% of our stake in Europe now that is either brand new or I'd argue in a better than brand new condition in our refurbished cinemas over the last two years alone since we joined the AMC family. So, we've been moving at quite a pace to transform our state within Europe. This first slide that I want to share with you is one of those opportunistic new builds that Craig mentioned. This one is in Oslo in Norway, cinema called Storo in downtown Oslo, an incredible cinema. It is the biggest, and in our belief, the best cinema in Norway. And thankfully our guests, who also agree, we're welcoming probably over 700,000 guests to the cinema during this year, making it the number one cinema in the whole of Norway and it continues to this this day having opened a year ago to continue to grow its market share. It's a big cinema. We have 14 screens in total. One of those screens is an incredible IMAX screen. All IMAX screens are incredible, but this one has a particular wow factor, 478 seats, you enter from the rear and you see a fantastic, sweeping great auditorium, an incredible large screen ahead of you. We have 13 other screens which are a mix of luxury screens with recliner seats. This cinema is not totally recliner seats. It was a site that was under development when we acquired Nordic. So, we put in recliner seats where we could and around 20% of the seats there are recliners and pretty incredibly popular. We have a couple of recliner seats. We have our own proprietary iSense screen and we have standard screens with a mix of recliners and ordinary seats within it. Outside of the auditorium, this is also a step change in the

cinema experience within Norway. We have a great bar, 350 square meter bar, not sure what is that in square feet but pretty big. It's an incredible bar. We're seeing people actually coming to the cinema just to experience the bar rather than just attend the cinema which is great to see. We have a great food and beverage area that introduced Coca-Cola Freestyle to Norway for the first time and this cinema now address the highest food and beverage spend in the whole of Norway for us. So, it's incredible cinema, but it's also delivering incredible results as you can see on the screen. The annualized ROI in its first year of operation is around 45%, which is pretty staggering to see. We also opened – I flick on, I think there's a couple more pictures, it's the IMAX screen and the bar, much more of that you see in a high-end hotel rather than you see in most cinemas. And also interestingly, in Norway last year, we opened a smaller cinema, just to show you that not all these opportunistic – the opportunities that we get are about significant scale. This one, this is a six-screen cinema in a small town in the northern part of Norway. Alesund Cinema that has gone up against a local pretty complacent competitor. Six screens there including an iSense, again about 20% of the seats are recliner. Since the day of opening early last year, we have taken 92% of the local market, which is pretty staggering. And those two screens – those two cinemas together in Norway has catapulted us to the number one position in the whole country by the end of last year. The second example that I wanted to share with you is one this is a little bit closer to home for me in London, this is a cinema in North London and admittedly not the best area of North London, somewhere off the beaten track in the outskirts of London, it's a cinema in Lee Valley, the ODEON Luxe Lee Valley. Odeon LUXE Lee Valley. Luxe is our brand name that we are using at sub-brands within Europe to differentiate or refurbish the state within Europe. As we opened our refurbished recliner sites, we are calling these Cinesa Luxe, UCI Luxe, ODEON Luxe depending on the various countries and various brands as in this case. This is a pretty typical example of what we are doing in our core strategy within Europe of rolling-out recliners. This is an old cinema, 2004, 12 screens, it has performed pretty well when it opened, albeit declined pretty much since then and placed into some new competition. We took the cinema and we followed the model that AMC had pioneered in the U.S. and we rolled out recliner seats into every screen. We have upgraded the lobby. I'll show you a couple of pictures in a just a moment and it's performing incredibly well. You can see the results on your screen. This one opened last, I think it was the end of June last year, and since then we have seen an incredible attendance, an uplift of 87% in this site. We've seen ticket price stay flat because this is where we've chosen to drive attendance rather than ticket price. In some of our other Luxe's we've taken a slightly different strategy and I'd say the typical approach might be 20% increase in average ticket price, making sure this is a luxurious proposition but a very

affordable proposition. Food and beverage sales up here at 24% increase, again pretty staggering increase. And thanks to the fact that our landlord invested alongside us. We've delivered a staggering ROI to date, and again, this is a cinema that continues to improve, a 59%, well above our target range. There are few more pictures before and after in the screens. So, before, pretty tired, pretty uncomfortable seats, in reality the people have known and maybe not loved for very long time, and taken that to the recliner seats for fantastic luxury they are sitting in today with a lot more space and tables, it's about the food and beverage sales on. That's our iSense screen in the bottom with its black seats and fabulous screen. In the lobby, the lobby now has a real wow factor, which was not there before. This is a pretty empty dead space beforehand. Good exciting lighting in the ceiling. We've introduced Oscar's bar, Oscar Deutsch who's the founder of ODEON. Everyone in the UK knows the acronym Oscar Deutsch entertains our nation, and it's great to build on our Oscar in this way, and I'm sure he'd be incredibly proud of what we're now doing in the cinemas. We also have a very successful Costa Coffee franchise in the UK that we operate in about 60 of our sites. We introduced that here as well, which is doing a great job of driving additional sales. Just to give you an example by the side of how popular this cinema is proving. A year ago, we launched into the market a small film called Avengers: Infinity War, around about this time a year ago. And on the first day of presales, we sold six tickets to the cinema in it's pretty refurbished state. That was on a year, and we all know that Avengers: Endgame is selling incredibly well online. On the first day of pre-sales for Avengers: Endgame, this cinema, we sold 1,700 tickets, which is a pretty staggering increase. I know that film is doing incredibly well, as Elizabeth said earlier, but I think in this case most of that increase is down to what we have done in the cinema. And I think it's an example of how excited our guests are about what we're doing in Europe for the refurbishment program. And I hope these case studies give you a real idea of just why we are so excited about the opportunity that we have ahead of ourselves. With that, I will pass back to Craig.

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Craig R. Ramsey

Executive Vice President & Chief Financial Officer, AMC Entertainment Holdings, Inc.

Thanks, Mark. Okay, turning to financials, our global financials, AMC has had a long history of revenue and adjusted EBITDA growth as we have achieved scale through a combination of both organic growth and acquisitions. We are focused on continuing to grow adjusted EBITDA in the coming years, growth that will benefit from a combination of

the continued deployment of those, the AMC platform that we reviewed with you and the long runway of initiatives that we just took you through. We've also generated significant adjusted free cash flow historically. Importantly, these financials include the impact of interest expense, so they're levered, which experienced a significant uptick or upcharge in 2017 of about \$150 million related to the incremental debt we took on in connection with the acquisitions. And just to give you some perspective on that, if you look at 2018 adjusted – excluding interest expense or unlevered, you'd find that we had about \$500 million – delivered about \$580 million of cash flow – adjusted cash flow before interest compared to about \$320 million in 2014. So, you can get an idea of the growth that we've experienced and as our CapEx moderates over the coming years, we plan to utilize the increasing cash generation to delever our balance sheet and let's talk about that a little bit more. We talked – mentioned earlier that in March of 2017 we completed our refinancing. We've priced and allocated \$2 billion of term loans and extended the maturity of the revolver. A refinancing transaction that extended duration and provided incremental document flexibility. As a result, AMC's capital structure is now free of any significant debt maturities until 2024 or in other words, no material debt payments due for over five years, the transaction was net leverage neutral, and increased the weighted average maturity from about 5.5 years to a little over 6.8 years. Adam touched on our approach to capital allocation earlier in the presentation and given the importance of the topic, I want to spend just a couple of more minutes on it to reiterate a couple of important points. First, we will prudently invest in high ROI projects and as we have talked about before, we utilized a 25% threshold to underwrite projects, minimum threshold and we will do that to grow our future cash generation capacity that this has been our priority over the past number of years due to the significant recliner opportunity which as I said earlier will begin to moderate to more normalized level over the next several years. And the second point, we'll utilize the increasing cash to pay down debt and to leverage the balance sheet and improving our long-term strategic flexibility. This is our priority today and especially as we moderate CapEx over the coming years. Once we've satisfied those two objectives or those two priorities, we'll then opportunistically evaluate returning capital to shareholders through dividends or share buybacks. As we said before, AMC has been on an elevated capital deployment state as the company invested in high ROI opportunities over the last couple of years. We're now close to reaching saturation for the recliner seating opportunity in our domestic circuit, while the opportunity in our European circuit, although it's smaller in size than the domestic opportunity, we will continue to deploy against at the ROIs that we talked about earlier in excess of 50%. So, what I think you'll see going forward is a bit of a natural shift in how we allocate capital, and we kind of started that process in 2018, and it gives you a good example. And due to

the size of the domestic and international businesses, the relative size of the two domestic larger than international, we would expect CapEx to fall as this shift takes place from domestic to international. International CapEx is also expected to moderate over time as the highest ROI projects are completed. And if you put it all together, as we've said, we expect net CapEx to fall to a normalized level \$250 million to \$300 million over the next three to five years. One other point I'd like to make is that we elected to sell about \$500 million of non-core assets over the last couple of years, 2017-2018. As a result, our 2017 and 2018 CapEx will look elevated when you compared to the more typical year where we wouldn't have asset sales. And while 50% of the asset sales were mandated through that Carmike acquisition, we viewed this as an opportunity to proactively engage in portfolio optimization and reallocate capital to those high ROI investments. As you already know, we've talked about 2018 was the best year in our 98-year history with record breaking financial results. Since we've covered those details in our Q4 earnings announcement press release, we'd encourage you to look at those if you need additional information, but kind of at a high level, full year at 3.5% year-over-year, revenue increased 7.5% and EBITDA was up 13%. Okay. Let's go back. Okay. Let's go back and talk a little bit about walk you again through the medium-term, long-term financial targets and this is the way we think about the AMC opportunity internally and I think it's a helpful framework for you to think about us as well. For revenue growth, we expect top line growth between 3% to 5% per annum. We think that's 1% to 2% above the broader industry growth pattern that we think we'll see and we've seen historically and that outperformance will be driven by growth initiatives, including the additional continued deployment of the AMC platform. Adjusted EBITDA, we expect adjusted EBITDA to reach a 17% to 19% margin percentage over the next several years. We had a 17% in 2018, but we think there is continued expansion opportunity given the fixed nature of cost in our business and the leverage in our operating model. I do want to note however that due to the ramp up of A- List through 2019, or at least the first half, 2019 is expected to be a transitional year where it will be accretive to EBITDA, but I think limited in terms of the margin expansion in 2019, again because of the ramp up. We've talked about CapEx, achieving a normalized \$250 million to \$300 million over the next three to five years, which reflects the \$150 million of maintenance CapEx and about \$100 million to \$150 million of net growth CapEx or about \$150 million to \$200 million on a gross CapEx – growth CapEx basis including landlord contributions. We've talked about leverage, our priority to bring down leverage. Leverage management is important to us, it's top priority. As such, we expect that to be in the 3.5 to 4.5 times range over the next three years. And then longer term, we believe an approximate 3 times target is the prudent amount of leverage for our company. In terms of the investment opportunity, the combination of the 3%

to 5% revenue growth, and the operating and leverage in our business should produce high single-digit EBITDA growth year-over-year, that alone should deliver highly attractive equity returns even before considering the potential multiple expansion opportunity we think is there, as we deliver – delever the balance sheet going forward. So, with that, I think that's the end of our formal remarks. And I think we'll turn it back to Adam for closing remarks. Thank you.

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Adam M. Aron

President and Chief Executive Officer & Director, AMC Entertainment Holdings, Inc.

Thank you, Craig. This is a good place to be as we're going to do Q&A from here in a minute. I subscribed to the presenter's handbook. Tell them what you're going to tell them and then tell them what you told them. So, I'm just going to end this part of our presentation by reminding you what the vision of AMC is at its highest, most basic level. Benefits from economies of scale by being the size leader in our industry. Make sure that we offer the best product of any company in our industry of the major operators of our size with big innovations and small innovations, expensive innovations and inexpensive innovations. Whether that means we're putting \$5 million into a theater to overhaul and renovate the entire theater or happily since we're so far down that road at least domestically of having already invested in our fleet of theatres. Now a lot of the product innovations that we're taking forward are really very inexpensive for us to pull off like introducing reserve seating is something like \$15,000 or \$20,000 a theater and it's a major upgrade for our guests. Third, be bold and looking how we can innovate in business models as Stubs and A-List are improving. We've become a leader in loyalty and subscription and we're reaping significant economic returns already early in the life cycle of A-List and of course we've been reaping returns from Stubs for years now. We certainly believe that more than anybody else in our industry, we are – because of the size of the database that we built, we're able to leverage data, we're able to leverage technology levered, we're able to lever the strength of our IT organization, creating technologic interfaces that really serve us well, serve our guest well and that's good news for anybody associated with AMC, whether that's our studio partners or our investors, who are shareholders in our business. And finally, with all that, it's incumbent on us that we deliver on the financial promises that we're making over the next period of time. We deliver on revenue growth, we deliver on margin expansion, we deliver on constraining CapEx and normalizing it back down to where we think it will be a few years from now and that we

delever the balance sheet to levels that we think we're comfortable with for the long-haul. I will end on like the happiest note I can think of. Elizabeth shared with you some of the big movies that are coming out this year. While 2019 may start out slow, this is going to be quite a year. And I do believe that when the end of the year comes, we will all look back on 2019 and be smiling broadly about our success this year making us all the more confident in our prospects going forward. With that, we thank you for listening to all of us. We ask we bring the house lights up as best we can. We would love to move to your feedback, comments, questions, both in the room here in New York and John will get us whatever the live streamers want to ask us as well. So hopefully, we can get house lights up. That's it for house lights? That's yes. All right. Somebody is going to have to raise their hand or stand or something so we know where you are and what you're saying. Also, if you can tell us who you are, if you're not – if you're shy, that will be a good thing.

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QUESTION AND ANSWER SECTION

Q We've got a question on A-List. I appreciate the incrementality of bring along and F&B, it's a huge opportunity. Can you help us understand how film rents work for an A-List customer? Is it the same percentage for A-List revenue, recurring revenue, that you pay for film rent or is it based off of what the retail pricing is?

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Adam M. Aron President, Chief Executive Officer & Director, AMC Entertainment Holdings, Inc.

A That's one where I don't think we can help you, because we're in – we've been having detailed conversations with our friends at studios about what the film rent should be and we've got a longstanding practice of not disclosing externally individual proprietary discussions with studio by studio by studio.

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Q So without getting into granularity, if we would have think about the A-List business separately from AMC with film rents as a percentage of that recurring revenue be higher or lower than your domestic business?

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Adam M. Aron President, Chief Executive Officer & Director, AMC Entertainment Holdings, Inc.

They would logically be higher because you already know – I mean even though if you've assumed that we're paying normal film rent right, and you know what the subscription price is at somewhere between \$20 and \$24 a month in depending on what state you live in as well. And if we're paying film rent, we're going to pay – we do pay the film rent on a visit by visit basis to see this. So, we're going 2.6 times, we're going 2.6 film rents out of the \$20 to \$24 subscription price. The difference in film rent was marginally higher, not that much higher. If you take it in total, I'll talk about an individual studio. But the food and beverage spend is so much higher, you remember those people who are coming nine times a year and now they're coming 30 times a year, and the same is true with take along. If they were bringing the same number of people with them nine times a year and they bring the same number of people with them 30 times a year, there is a lot of extra revenue in that for us. So that's what you've got to weigh, you've got to weigh the subscription revenue, Take along revenue in, the food and beverage revenue in less all the cost along the way, minus the slight increase in film rent because they are coming three times more frequently than they did before the program. And put it another way of if there – I mean, it's like we did disclose the frequency right, if they're coming 2.6 times and they're paying us \$20 a month or \$22 a month or \$24 a month, if you look at what our average ticket revenue is and you multiply that by 2.6, you'd see it's a little bit more than the \$20 to \$22 to \$24 we're charging. And that's why this is such a good program for everybody. The studios are benefiting because there's increased attendance, which means an increased number of film rents regardless of whatever the price may be which I don't want to get into publicly about what the price may be. You can assume it's about a bulk for retail I think.

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Q Right, just on that point.

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Adam M. Aron President, Chief Executive Officer & Director, AMC Entertainment Holdings, Inc.

A So, let me finish the answer and then I'll give you a follow-up. So, the studios are benefiting because we're getting more film rents. The guest is benefitting because he or she is paying for two movies a month and coming to 2.6 movies a month and we're benefiting because we used to get 9 F&B spends a year and we're now getting 30, we used to get 9 bring along a year, we're now getting 30. So, this is one where we're creating value to our heaviest users, go ahead..

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Q I was just going to ask, your point on average ticket price times frequency, that product is greater than the subscription price that you're paying. How is the distribution of that 757,000 A-List stubs different than let's say your distribution of tickets geographically across the country?

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Stephen A. Colanero Chief Marketing Officer & Executive Vice President, AMC Entertainment Holdings, Inc.

A It's more concentrated in some of the larger markets, but we have A-List members in every one of our theaters across the country. It has appeal to many people in many different markets. So, while it does skew towards the larger markets, it's very well distributed.

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James Charles Goss Analyst, Barrington Research Associates, Inc.

Q Jim Goss, Barrington Research. You've outlined the next biggest potential upside I think is the European receiving that. So maybe might go into a little bit more of the aggressiveness in that program. And beyond that, I think there are a couple of things that are bubbling up that will be valuable in the future, including the dynamic ticket pricing and some of the other initiatives you talked about, which of those sort of things do you think will carry on the growth and accelerated the growth once this whole platform renovation has sort of run its course?

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Adam M. Aron President, Chief Executive Officer & Director, AMC Entertainment Holdings, Inc.

A Okay. Hi, Jim. Let me talk about the pricing stuff first and I'll see if anyone else wants to chime in and what else you ask. One of the beauties of having a large network, especially across geographic territories is essentially, we got a thousand laboratories in our company where we can test and pilot ideas to see what works and what doesn't work, without necessarily putting the whole system at risk because we take something and we roll it out with 1,000 theatres and we see if it works or not. In fact, they've had tentpole pricing in the UK for years, they have zone pricing in the UK and across Europe for years. And it works in Europe and it produces real incremental spend, because people are willing to pay up to sit in that seat right there instead of sitting in that seat right there, because you're a little too close

to the screen, so those people can pay just a tad more. The risk though in doing all this is you can't layer price increase on top of price increase all at the same time and think that no one's going to notice. So, we've already quietly introduced weekend surcharges, I bet very few consumers actually realize that we've got \$1 surcharges at probably two thirds of our US theatres, branded AMC, across the United States on Friday, Saturday and Sunday nights. We just put in nine months ago a major pricing strategy change with A-List, as an example. We want to be careful that we don't hit them with a tent pole surcharge, hit them with a zone pricing surcharge because our general theory is nobody is going to notice \$0.50 or \$1. That's our general theory. So, if you believe in, anybody take Econ 10 in college, they like trained us a long time ago, charge more in the peak than you do in the off-peak. And if you charge too much, people will resist it because they think you are gouging, but we charge a little bit more in the peak, you automatically get away – get it away with it. And so we think we can charge an extra – we're charging an extra \$1 basically on the weekend surcharge in most theaters where it's in place. While no one might notice the \$1, we did test in dozens of theaters what happens if the weekend charge was – surcharge was \$2. They noticed that and attendance suffered. Similarly, if at the same time we're doing weekend surcharges, we then do tent-pole surcharges, we then do zone price surcharges, we then do another which is not on screen is, do we do a higher price for the earliest time in the run. Remember that a third of total box-office essentially comes opening weekend. You could make a strong case that we ought to charge an extra or an extra \$0.50 or an extra \$1.50 whatever works in the marketplace for opening week or opening weekend as contrasted with the ninth week in the movies run. There's a lot more visitation in upfront, charge more in the peak, charge less in the off-peak. But we do know there is like layered ray on top of each other. I think then people will notice – well, jeez, this one and this one and this one and this one, you add it all together, that turns out it's a 30% or 40% price increase. And that probably does break the bank. So, I think what you're going to see on these areas pricing initiatives is we're kind of rolling out every 12 to 18 to 24 months when we – A, when we think the markets are right for it, and after we test and to make sure that we're not making a mistake by doing it. So, hello Minneapolis, I mean I don't know that Minneapolis will be the city where we test stuff, but it will be Minneapolis or Phoenix or St. Louis or Dallas or Atlanta or someplace where we'll try these things and oftentimes we will test in a multitude of cities, see what works and see what the pace of change can be, anybody else want to answer anything else.

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Mark Jonathan Way President AMC Europe & Managing Director, ODEON Cinemas Ltd.

A To your point on pricing, I mean my background is, as Adam said at the beginning, is the hotel industry, 17 years at Hilton, in that time I saw the growth of revenue management as a discipline, so probably become, aside from the brand, the biggest revenue earning opportunity that they had. And coming into this industry I think we are still in the foothills of what is possible. I think it's a huge amount we can do it, Adam said we got to tread carefully, it's not the same as an airline or a car hire or a hotel. But we're experimenting in Europe and I think there's a lot of upside to be mined in terms of managing and optimizing revenue ,not necessarily always through higher prices.

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Adam M. Aron President, Chief Executive Officer & Director, AMC Entertainment Holdings, Inc.

A And you may recall back in 2016, when we put Robert in place, we created the first pricing department. Not only that AMC has ever had, but the first pricing department to our knowledge that any company in the movie theater industry has ever had which is sort of mind-boggling that not until 2016 did someone think when pricing is so important to have a professional organization looking at it full-time to see how we can optimize price whether that's optimizing up or optimizing down, optimizing price so we can surcharge, optimizing down, off-peak pricing on Tuesdays. And our pricing organization has been all over each initiative and a lot of others along the way that we haven't talked about, but we think we're really good at this as a company and we're certainly light years ahead of anyone else in our industry.

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James Charles Goss Analyst, Barrington Research Associates, Inc.

Q The other question that related to the European renovation. How much do you think would be renovated and how – over what period of time? Give any sense of that?

.....
..
Mark Jonathan Way President AMC Europe & Managing Director, ODEON Cinemas Ltd.

A So, I think Craig had a startup relative, we think we're about 15% of the way through on the recliner refurb at the moment. We're currently at about 26, so roughly maybe another 100 or so to go, but that depends. We'll see what returns we will get and see how fast we go according to those returns and the capital availability that Craig will let me spend in Europe

Adam M. Aron President, Chief Executive Officer & Director, AMC Entertainment Holdings, Inc.

A Well, I think there is one other caveat, which is strategically. These markets in Europe are very different from each other. And based on what we've seen on the early results and also remembering that the stake of the fleet of theatres that we bought was pretty rundown in the UK. Odeon, as a circuit, has an incredible history in legacy. It's an 89-year-old brand and very well-known brand. But the theaters themselves were pretty rundown and tired. I think one of the places we assure to have spectacular returns in the United Kingdom. And some of the other countries like Italy and Spain, we're also the largest movie theater circuit. Italy was large movie theater circuit in chain – movie theater circuit in Spain. Pricing is really low. It costs the same amount to renovate the theater, but my ticket prices are half in Southern Europe what they are in Northern Europe. So, you could make a case that we could gain our renovation capital in Europe into the U.K. where the theaters should benefit the most from improvement in their inherent quality. We've got a strong brand with entire fleet of theaters. And the prices that we charge generally tend to be higher than we do in Southern Europe. So, I think we'll make a nice healthy run in the UK. As a company, I don't think we've decided yet how deeply we'll go in Italy or Spain with theater renovations.

Chad Beynon Analyst, Macquarie Capital (USA), Inc.

Q Hi. Chad Beynon from Macquarie. Thanks for everything today. Two-part around F&B, actually one is a follow-up to what you were just saying there, Adam. The difference between the price or the concession per head in UK versus the U.S., is that mainly a product issue or is that habit or anything else that you can kind of talk to why the difference is so large? And then the second thing on F&B, when you roll out this advanced online purchasing, how big can that be? Have you looked at other consumer companies that have rolled this out? And do you generally see like an uplift in frequency or what are your expectations once that's rolled out? Thanks.

.....
Adam M. Aron President, Chief Executive Officer & Director, AMC Entertainment Holdings, Inc.

A Chad, at least we might do some twofers on this and give you modeling perspective, But why don't you start on the European consumer in F&B versus the American consumer, and I want to chime in that one too.

.....
Mark Jonathan Way President AMC Europe & Managing Director, ODEON Cinemas Ltd.

A Okay. So, our food and beverage take in the UK is generally a bit lower than in the U.S. and I think you mentioned the word habit, I think that's largely what it is. The difference is not really in product. We sell a very similar product range, at the core of that is Coca-Cola, fizzy drinks and popcorn. We weekly have a lot of film so we sell chicken tenders, nachos just as you do over here. So, the very similar product range, we're always trying to refine that product range, improve it and we're doing more of that as I speak. But the primary thing is habit in terms of people typically buy less when they come into the cinema and when you look across Europe that is true across different territories. So, the UK is actually one of our higher pickup rates, this is roundabout 50-odd percent, but that is considerably lower than you might see in the U.S. When you get on to Southern Europe, it's even lower again largely going to habit through the same range. So we think we're addressing that, some of that is through pricing, some of it might be through bundled pricing, some of it through product, some of it through training of our staff and trying to just change our paradigm and we are having some success. We have driven some pretty significant growth in food and beverage spend per person and our pick rates across our states. In all other countries in the last couple of years, that's going to continue.

.....
Adam M. Aron President, Chief Executive Officer & Director, AMC Entertainment Holdings, Inc.

A So, on that, just staying on that point, Chad. So, I do agree that habit is the primary driver, but I think the imagination of the supplier, meaning the cinema operator also is a factor at what has either driven habit or has not driven habit. When we bought the Nordic circuit in Scandinavia, a lot of us who are sitting here today towards the – a lot of theaters in Scandinavia to the side whether we want to go forward. One of the things that was striking was how

much better a job Nordic as a company had done in creating its concession areas than other operators in Europe, not just talking about ODEON, not just broadly across Europe. So, guess what they are going to sell more and that's what they did. When we renovated these 26 theaters that we've already done, we didn't just put in recliner seats, which as comfortable and attractive as they are and spacious as they are. We also went into the lobbies and I don't want to say stacked up the lobbies, but we made it, the lobbies much more appealing and much more glamorous. We have a lot more area for the concession operation to exist and made it such a more attractive handy that you would think that regardless of habit, the fact that you got a nicer confectionary and nicer food area that should over time increase food – the habit of patronizing that thing, whereas if it's a small dingy counter which really is the case in a lot of theaters in Europe, not just at our company, but across the continent, it's much easier to walk by that counter because it's not appealing. And we just did a massive, we got to the stubs, redo of the ODEON Leicester Square which is the most important theater in all of Europe, the most prestigious theater in all of Europe, opened in the 1930s, and so 700, 800 world premieres or European premieres of movies there was the theatre of the royal family for decades and decades. Like literally everybody in the UK has heard about the ODEON Leicester Square, I think you heard in that – for some of you were in the room at the beginning that director who talked about the first movie theatre he had ever been to was at the ODEON Leicester Square. Well, one of things we did in the renovation not just to improve the seating inside the auditorium and not just improve the sound technology in the auditorium, but we expanded the size of lobby, made it much more attractive, probably a quadrupling in the real estate allocated to the concession operation, and as sure as we're sitting here over time regardless of what the habits are in the UK that new improved concessionaire is going to outsell the old one. With respect to what can mobile preorder do, do you want to lead with that, Stephen?

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Stephen A. Colanero Chief Marketing Officer & Executive Vice President, AMC Entertainment Holdings, Inc.

A Yeah. We've been active with mobile preorder in a few dozen theaters kind of scattered across the country, not consolidated, and that's what gave us the \$1.40 per spend for the people who have been participating. What we are now looking to do is take it to next step, because we don't know how high is high. Even looking at other industries, we're just not sure what it can be. But we do know there is some there, there. And so what the next phase is, is to put it into whole market, such as New York City and Boston and Los Angeles, and all of that is happening this spring

which will be followed by market-wide – marketing campaigns where we can talk about it, because all theaters in the market will have it, and we believe that that will help to drive the results even higher in terms of take rate and in terms of incremental spend. So, we think we're at the early stages of what this could do, but we're not exactly sure how high is high.

.....
Adam M. Aron President, Chief Executive Officer & Director, AMC Entertainment Holdings, Inc.

A And yes, there are other industries, as well, some companies in the pizza space are selling two-thirds of their pizza orders or pizza orders online through their mobile app and their website and mobile app, but mostly their app, I don't think we're going to get that high, I don't necessarily know in other words we can get close to that high, but the point is the world is moving to the telephone and people are dealing on their phones far more than they ever imagined 5 years ago or 10 years ago, and we want to make sure that we have a really well functioning smartphone app, so that whatever we can take to market on the app, we can take to market on the app and do it well. And you know we've already done it with ticket sales. When you look at A-listers for example, they're just glued to their smartphone, that's how they're buying their tickets. Same with Stubs, I'll give you an incredible stat. I believe we sell more tickets on the app than on the web, is that right?

.....
Stephen A. Colanero Chief Marketing Officer & Executive Vice President, AMC Entertainment Holdings, Inc.

A 50% more

.....
Adam M. Aron President, Chief Executive Officer & Director, AMC Entertainment Holdings, Inc.

A Right. And 97% of the people buying their tickets on the app are members of Stubs, 97%. And it just shows you that we've created this, what we said before is seamless, frictionless experience where a customer gets load to AMC and we leverage technology to make it even easier for them to stay stickier with AMC, and they like it. We've done it with ticket sales. Stephen mentioned that we've just crossed 50% for the first time with ticket sales with 35 points of the 50 points coming from AMC's proprietary channels. 5, 7 years ago that was in 5% of our business would've been

coming from our proprietary channels, it's up to 35% today. So, like, we are already doing ticket sales, the next frontier is food and beverage.

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Mark Jonathan Way President AMC Europe & Managing Director, ODEON Cinemas Ltd.

A And just to underscore the importance of the mobile app, it's interesting to see anecdotally many, it was subscribers actually refer to it as AMC's new app as opposed to new loyalty program or subscription program, we'll refer to it as the app and they see it as interchangeable with the whole A-List is just the app.

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Adam M. Aron President, Chief Executive Officer & Director, AMC Entertainment Holdings, Inc.

A You know I spent 11 years in the airline industry, and I remember the first airline who tried to put kiosks at airports to either check – let' say the check in. And they weren't used. The kiosks went in, they were not used, and there – it was mostly the East Coast around the old Eastern Shuttle for those who were really home. Most of you don't even know Eastern Airlines existed, and the kiosks weren't used. And now, we all have good airports, and I think most would rather check, most would rather check in the machine than talk to a human, it's more reliable. And so you know we're – as a company within our category we've been leading the charge on leveraging technology to advantage our guests, and therefore, advantage ourselves. Someone else, go ahead right here. Let's get the man a mic.

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Alan Gould Analyst, Loop Capital Markets LLC

Q Hi there. Alan Gould from Loop Capital. I've got two questions please. First, the age-old question on Windows. And secondly for John, it looks like you're projecting about 2.5%. Maintenance CapEx remains about 2.5% of revenue, \$150 million that would probably be \$6 billion of revenue in a few years. Just seems awfully low. So if you could just address those two questions

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Adam M. Aron President, Chief Executive Officer & Director, AMC Entertainment Holdings, Inc.

A Elizabeth, why don't you start on Windows and then I'll pile on. Go ahead.

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Elizabeth Furst Frank Executive Vice President, Worldwide Programming & Chief Content Officer, AMC Entertainment Holdings, Inc.

A So, as you say, the Windows conversation has been coming and going for years, and driven almost exclusively by economic pressure on the home entertainment business while as we talked about the theatrical business continues to grow, slowly and steadily over a long time. We are based on the potential of the AMC platforms almost exclusively focused with studios on upside on the theatrical business and at this time, we're having no active conversations about changing the Windows for the home entertainment business.

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Adam M. Aron President, Chief Executive Officer & Director, AMC Entertainment Holdings, Inc.

A So, I want to take this back. So, on the Windows conversation, I want to take this back three years because for about two and a half or two years, we had active dialogue. So, this is, I'm talking 2016 and 2017. We had active dialogue with studios about possible changes in windowing. And some of them thought this was a real opportunity for them. They were nervous about their home entertainment business shrinking and maybe they could do something to get to the home faster. And some of them put out information into the market that this was going to happen imminently. And I think being the largest exhibitor of in the world. We've got a seat at that table. That's not something that's going to be imposed upon us unilaterally by studios. That's a discussion and I do think people who are afraid of PVID as it was called, who are really concerned about it, they weren't necessarily listening to what we were saying. What we were saying is we were willing to think creatively, we AMC that is, we – and I'm honestly saying this is true of our competition. We're willing to think creatively, we're willing to think out of the box, we're willing to see if there were alternative ideas to the status quo, but we would only sign on to something if it advantaged our shareholders, and we would not sign on anything that would disadvantage our shareholders, and guess what, since no deal was reached, they didn't launch. A lot of people thought they might launch anyway, but they didn't launch and they couldn't launch because it wasn't something that they were prepared to ram down our throat and they knew that our

response, if they did, would be visceral and severe. And I'll say it again, while, Elizabeth is correct that there are no discussions taking place and haven't been for quite some time on changes to the window. I still think AMC should think creatively and think out of the box. It's in our interest for studios to be profitable. If studios are more profitable, they'll make more movies. If they make more movies, we'll show more movies. If we show more movies, we'll make more money. So, if there is some alternative to the current status quo which is good for us or alternately no skin off our teeth, okay, it's worth looking at. On the other hand, if this is going to be bad for us, why would we ever say, yes? Unfortunately because we're the largest player around, like we got a seat in the table and then there is one other development, it just so happens that the studio that is most supportive of the current window, meaning the status quo, is Disney. And it makes sense, right, that Disney has made high grossing movies, they are the leader in the tentpole strategy, their movies are event movies, their movies are made to be seen on screens like this, and they are doing very well, their movies are like bringing in billions of dollars, they are very happy with status quo and they don't want to see a change, and they just bought Fox and they have been very loud and very vocal publicly and privately that they flipped Fox from being let's change the windows status quo, so we're not changing the windows status quo. Disney now has 40% market share when you add in Fox, and the fact that Disney has morphed into a very strong advocate for the status quo, probably suggests that the status quo is not going to move all that easily unless as I said we come up with a creative way to do it where it's in their interest and our interest.

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Elizabeth Furst Frank Executive Vice President, Worldwide Programming & Chief Content Officer, AMC
Entertainment Holdings, Inc.

A So, it's – in so many of the points we've made today, the status quo is something we're looking to innovate and be creative beyond. But the theatrical windows are the smartest strategy that the studio distribution executives ever evolved. They allow a studio to put fixed production costs, creative investment into a film to continue to sell it, bring it to market in new and different formats and sell it again and again and again, fresh each time. And so, while we are of course willing to and do innovate with our studio partners with every film that they bring to market, we also respect that that the theatrical business, this exclusive window, this platform we described today has never been more economically important to them and all of their investors and it's why we're investing in it more and more over time.

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Adam M. Aron President, Chief Executive Officer & Director, AMC Entertainment Holdings, Inc.

A And look at what's happened, there's a lot of discussions about let's not kill the golden goose that laid the golden egg. Fortunately, 2018, the industry box office was at \$11.9 billion or just under. First time in the history, it's ever been \$11 billion – been above the \$11.5 billion. And one studio exec, after another studio exec is ruining around, smiling, but how much money they got out of theaters, up \$800 million more domestically than the year prior. They're very cautious about wanting to do something that might put that – all that production coming out of the theatrical network at risk.

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Craig R. Ramsey Executive Vice President & Chief Financial Officer, AMC Entertainment Holdings, Inc.

A The question is on the 2.5% level of maintenance CapEx. I think my response would be that there are so many similarities between the capital deployment cycle that we just finished and the one that the industry experienced from 1995 to 2000, I think, Adam, you may have been around at that point in time. And what we found when we looked at the two was, for our company, the similarities where we were building new theaters in that deployment cycle that enhanced the guest experience in many, many ways, our leverage increased to a point of about 5.8 times in 2000 as we went through that cycle. So, there is a similarity as we've gone through this cycle, our leverage has gone up as we've deployed in high ROI guest-enhancing investments. The other thing that we saw happen in around 2000 was that the new model of theater build, mature and was saturated in the markets and that we saw a decline in CapEx by all exhibitors from 2000 forward. That's the point we're making again today, we think that we're there in this recliner remodel phase or deployment cycle at this point in the U.S. and the CapEx is naturally ready to decline because that with re-saturation, so there's another similarity. The other thing we saw was CapEx levels are that we were a smaller company. I think we spent \$200 million – almost \$300 million in capital, CapEx in 2000, there was a \$100 million two years later. Leverage three or four years later, I think was down in the 3.5 times. That's why we think and believe strongly that our capital – CapEx can get decline going forward and that we can bring leverage down as we harvest the cash flows from the investments made, just like we did in 2000. Now to your question, what did maintenance CapEx go to as we looked at this period subsequent to 2000? 2.5% of revenue. So, we think that it's, there's different seats, more expensive seats but where we're putting in new seats, is the cost going to be more, whether it's half as

many seats. So, in fact, the cost is about the same. We think that 2.5% of revenue level is going to be enough to maintain the circuit going forward just as it was kind of in the last deployment cycle.

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Adam M. Aron President, Chief Executive Officer & Director, AMC Entertainment Holdings, Inc.

A And since you raised this issue of history, it's important to talk about how the capital is different these days than it was in prior years. In prior years, when people were building a lot of new theaters, we committed to a new theater. It was a three-year construction project. We signed on the dotted line at the beginning of the three years. We spent all that money. The construction projects that we're doing when we renovate a theater is four to six months or three to six months. If we need to cut back on a construction effort, we have the ability to do it on a dime. Last year, not 2018 – 2017, yeah, two years back, when the box office cratered in the summer, not because there is anything structurally going on in demand for movie-going, just Hollywood had a few clunkers -- we took, in June we decided to lower our CapEx when we took a \$100 million out of the CapEx plan in 60 days. We didn't have that flexibility in different areas. We do have that flexibility now. So, everything that we've talked about today in terms of how long it's going to take to ramp down the CapEx spend from what was \$500 million down to \$250 million to \$300 million. That's assuming that everything stays strong and robust and bullish and our allies on the projects which we're investing are still attractive and tempting, but one of the best projections we have, if things were too slow which is what give people pause about the CapEx spend, we would slash the CapEx spend like that, because by definition the ROIs would not be as attractive in a non-robust period, where we're now in a robust period where we get some really attractive – excuse me, really attractive projects that we still think we should pursue, like the 59% ROI in Scandinavia, like – or Lee Valley, what – you've got to be hard pressed not to want to spend capital to turn down a project with a 59% unlevered ROI, and that we still do want to produce growth and that's one of the many ways we can do so.

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Q Okay. Just a follow up, why is your maintenance CapEx as a percent of revenue is so much lower than your primary public competitor in the U.S.?

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Craig R. Ramsey Executive Vice President & Chief Financial Officer, AMC Entertainment Holdings, Inc.

A Well, a large part of maintenance has been taken care of in the recent remodeled cycle that we've gone through. We remodeled theaters, we performed a lot of maintenance. So maybe there were some deferred in there, but I think generally our circuit is more modern, and we've maintained it on a more current basis going forward, and we build in a lot of maintenance remodel into these remodel projects.

.....
Adam M. Aron President, Chief Executive Officer & Director, AMC Entertainment Holdings, Inc.

A Well, also remember, if you made a theater all but new 36 months ago, inside at least, it's kind of new, it's not going to need money for quite some time. And we've already spruced up a lot of our circuit far more than one of our largest public competitors. Someone else?

.....
Ryan Sundby Analyst, William Blair & Co. LLC

Q Yeah, right here. Ryan Sundby, William Blair.

.....
Adam M. Aron President, Chief Executive Officer & Director, AMC Entertainment Holdings, Inc.

A I don't see, where are you Ryan?

.....
Ryan Sundby Analyst, William Blair & Co. LLC

Q Right here.

.....
Adam M. Aron President, Chief Executive Officer & Director, AMC Entertainment Holdings, Inc.

A I see you, go ahead.

.....

Ryan Sundby Analyst, William Blair & Co. LLC

Q So, Adam going from nine trips a year up to 30 is a pretty massive change in consumer behavior, perhaps more so than the value prop of let's say 2.5 movies for the price of two. Could you talk about just why you're seeing this kind of consumer buying interchange and behavior outside of that?

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Adam M. Aron President, Chief Executive Officer & Director, AMC Entertainment Holdings, Inc.

A Stephen, Elizabeth, do you want to answer that?

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Stephen A. Colanero Chief Marketing Officer & Executive Vice President, AMC Entertainment Holdings, Inc.

A Yeah, because people love going to the movies, and if they are now able to have a fixed price and be able to go they will explore, they will go to movies that they're on the fence about. They'll go to smaller independent films. They'll try premium formats that they hadn't tried before, and they explore, and they talked about it with their friends and it feeds itself in their own personal life. The more they go to the movies the more trailers they see, and the more trailers they see the more movies are on their list that they want to see upcoming. And so it really just speaks to how much people love going to the movies. And it unlocks the capability that so many moviegoers have of being able to go to many more given the opportunity. And once you have the fixed price that becomes one less obstacle to going more often. And we think that's really the key.

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Adam M. Aron President, Chief Executive Officer & Director, AMC Entertainment Holdings, Inc.

A And if I can add – go ahead Elizabeth.

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Elizabeth Furst Frank Executive Vice President, Worldwide Programming & Chief Content Officer, AMC Entertainment Holdings, Inc.

A One of the surprising things though within that for us has been the degree to which we've seen a lift in repeat going to the same movie. And often we see with different people who are other AMC Stubs members. And so that's also exciting and surprising, it's probably 20% of the growth in increased frequency of people seeing their favorite movies a second time bringing other friends.

Adam M. Aron President, Chief Executive Officer & Director, AMC Entertainment Holdings, Inc.

A Because it's free. They don't have to pay for it to see the same movie, and they'd have first of all, why am I paying another \$10 to see the movie I saw two weeks ago. With A-List didn't cost them anymore to see movies, it's the time they really enjoyed it really good. The other comment I've going to make though is, I'd tell you, we probably should had the head of our IT department up on this stage too, because we have a sensational IT organization. And it's working so well in interdisciplinary ways with our other departments. So, as we were developing the A-List program, literally every department, marketing, ops, programing, pricing, IT, finance, I mean, just everybody was in the room designing what the program was going to be and designing how the guest was going to access it. And what if you go into the chat rooms, I've got A-List, as I did and he did, thus I stopped actually, but I was in the Reddit chat rooms for months reading literally hundreds of comments from guests about A-List from probably the June launch, I probably checked out around December-January, I'm glad you're still reading them all. But I must have read thousands and thousands and thousands of comments, and what they were saying, it's so easy to use. And so it's not just – this is not just an issue about price, and one that they love the movies. This is also that we've built something that's quite unique, that the other guys who have systems don't have, the other guys who are saying they're going to white label for other players in the industry don't have, and those players won't have. It's so easy to get into our theatre using the IT platform that we built either on the web, mobile web or app, I think that's one of the reasons why people are using A-List so much, because it's just like such a breeze. The other thing is, we decided in the pricing to include 3D, IMAX, Dolby and Prime, and we raised the pricing accordingly knowing that a significant chunk of people were going to go into the premium format screens. Well, that's an enormous competitive advantage for AMC because we've got more IMAX screens than anybody else, we got more Dolby screens than anybody else, we have more 3D screens than anybody else, and that's one more reason to sign on into our system, and then once you sign on to the system, it sort of takes on a life itself.

.....
Stephen A. Colanero Chief Marketing Officer & Executive Vice President, AMC Entertainment Holdings, Inc.

A Yeah. And Adam is absolutely correct, that user experience is all, all that technology is the platform that we were speaking about during the presentation. That platform foundation that we have is now leverageable across many other things. And I didn't say it was unparalleled, I think it's an unparalleled ease-of-use experience from a customer experience, and something we're proud of and something that we think facilitates movie going for both A-List members, AMC Stubs members and beyond. It makes it easy for everyone.

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Adam M. Aron President, Chief Executive Officer & Director, AMC Entertainment Holdings, Inc.

A And it's no accident that we decided to put in reserve seating in all of our theaters. Our strategy until this year had been that we would have reserved seating at those theaters with recliner seats. And that we wouldn't have reserved seating at theaters without recliner seats, and we'll give you 20 minutes of discourse on why someone came with that conclusion, but that was the conclusion corporately we came to. And in a post A-List environment, in an environment where half the people are choosing their seats online in advance instead of 12% are booking their tickets online in advance, it's just natural that that's going to morph into, hey, we are off reserved seating in all of our theaters. And guess what, we're doing that, and nobody is matching this. It's going to be another competitive advantage that we have against the rest of our industry.

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Ryan Sundby Analyst, William Blair & Co. LLC

Q Okay. And just one follow up, given the three months commitment to A-List, I get your visibility on churn is probably still somewhat new. But just wondering, if you're seeing any change in churn as you kind of increase your penetration, and also the benefits of tagalong in food and beverage has that changed as you've kind of grown their participation in the group?

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Stephen A. Colanero Chief Marketing Officer & Executive Vice President, AMC Entertainment Holdings, Inc.

A It's still early to really get long-term trends. Know that we are watching all of those metrics weekly, daily. The churn is within the model branch of what we expected as so many of the other things are. We have the benefit of Europe running program for several years that gave us a foresight into what we thought the frequency would be, but also what we thought the churn would be and we're within that range as well. So, no specific details to share, but we're confident that it's what we expected, and as Adam said that the current membership levels reflect that net of the churn. So, the growth is very, very strong and much higher than what anybody would be leaving boat, well within range of what's expected.

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Adam M. Aron President, Chief Executive Officer & Director, AMC Entertainment Holdings, Inc.

A By the way, I may not be reading the Reddit chat rooms anymore, but I assure you I'm looking at membership accounts, churn rates, food and beverage vendor patron, weekly if not daily, how many conversations we had on weekends and late at nights on where we're going and what we're doing. I actually think I'm going to share with you one little data point that I love actually. I actually saw some evidence that our food and beverage spend is rising amongst the population, and that early in the program back when the usage was in those August, September, October days when the frequency was closer to 3.5 times a month and 2.5 times a month, there was less food and beverage spend per visit not per month per member but per visit, in part because like if you came last week and you had 80-ounce tub of popcorn like how much more popcorn can you eat six days later. And one of the things that we've done, including really overhaul the whole of the organization to start thinking about the clients who are coming in on Tuesdays because there are more price sensitive, by definition, they're paying less to get in, turning Tuesday into the second business day of the week, whoever would have thought that could happen or A-List people who are coming over and over again is what things can we put in our concession operations to get those people to continue to buy. And actually, I've seen food and beverage spend per patron amongst A-list clientele rise dramatically, recently as contrasted with, let's say, September and that's not an accident, that's just – it's not happening on its own. I think it's happening in part, because their frequency is falling a little bit, so they are willing to have the 72-ounce Diet Coke and that 85-ounce thing of popcorn. But also because we're experimenting the sizes and specials and deals so that we can lure them into making purchase as opposed to blocking past the concession spend – concessions and the non-spend.

.....
John C Merriwether Vice President, Investor Relations, AMC Entertainment Holdings, Inc.

A Let's take one from the Internet.

.....
Adam M. Aron President, Chief Executive Officer & Director, AMC Entertainment Holdings, Inc.

A Sure.

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John C Merriwether Vice President, Investor Relations

Q From the webcast. Can you talk about the current relationship between you and Silver Lake, any insights they might be bringing?

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.....
Adam M. Aron President, Chief Executive Officer & Director, AMC Entertainment Holdings, Inc.

A Yeah, I'd be happy to. That wasn't – that didn't come Menlo Park, California, did it?

.....
John C Merriwether Vice President, Investor Relations

A It did not.

.....
Adam M. Aron President, Chief Executive Officer & Director, AMC Entertainment Holdings, Inc.

A So, I'm going to speak personally for a second, if I can, professionally too, but personally. So, by fluke until 1996, I had no real involvement with private equity and I got hired by a private – major private equity firm, one of the largest with over \$200 billion under management to run one of their portfolio companies as their CEO and I lasted 10 years.

I do believe that is a world record at that particular PE shop of someone serving as a CEO of a portfolio company and incredibly and – it was Vail, in the mountains for 10 years, 135 miles from the city when can you do that? So I stepped down on my 10th anniversary. And that same private equity firm said, well, we fooled you for 10 years and you fooled us for 10 years, so why don't you join our firm as a senior operating partner and be part of our firm. So I became the senior operating partner, this is Apollo for another 10 years. So my association with that firm lasted 20 years and I'm still on the board of directors of one other company for profit and that's Norwegian Cruise Line which until a few months ago Apollo was the largest shareholder. The point of all that is, so I've done a lot of dealings with PE and I just cannot believe how lucky I am that we found Silver Lake in 2018 to come in and be a significant source of currently debt capital, but potentially equity capital, when it converts as you know, it's got to convert future at about 19 bucks a share. These are the smartest, nicest people I've ever come across and they're paying a lot of attention to us. They like us, they like our company, they like our industry, and they – I don't want to put words in their mouth. But talk about hurdles rates being high. A PE shop as successful as Silver Lake is did not put \$600 million into AMC, because they'd like to get a 2.95% interest rate. They have very high hurdle returns and expectations and if you do the modeling that we certainly talked about it in the presentation. If we can drive this revenue growth and if we can drive margin expansion just look at the equity value that will be created in this company, add to that, and I don't really want to talk multiples very much today. But add to that that we're trading at a trough multiple, way below the average multiple that we traded at over the past many years. So, add multiple expansions on top of that, you're talking about the opportunity for a dramatic increase in the equity share price at AMC. I can say that because I am an AMC shareholder. I own a lot of stock, some of which is part of my compensation and some which I bought in the open market, just because I actually believe the kind of things that we have been doing and telling you today. And I will tell you Silver Lake has a really nice bedside manner. They don't tell us what to do, they don't own a share, so they can't really tell us what to do. But they're so smart and they're giving us so much time, I really think that we've got the benefit. It's almost like we hired one of the smartest consulting firms in the world to give us advice on what to pay attention to and what to do. And yet in this case, they're not charging us for it. So, it's free advice and they're not insisting that we take it. I said, it's a very nice bedside manner. So, I just really count myself so fortunate that we've got some smart people who really believe in our future and the prospects ahead, to pay attention to us, to give us advice. And so, you know it's only been seven months, but so far, every piece of those they've given us has been good, if not very good. So that's how I would respond to the – Silver Lake question that came in from the internet.

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John C Merriwether Vice President, Investor Relations

Q Great, Adam. That's going to take us to just a little bit past the top of the hour, why don't you finish up here with any closing remarks that you might have.

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Adam M. Aron President, Chief Executive Officer & Director, AMC Entertainment Holdings, Inc.

I just want to make sure if there anyone in the room who wants to ask the question that didn't, because like, we've got nothing else to do today. We're not in Kansas City, we're here. And we're here for you. But I'm happy to wrap if you would like. And I will say that all of us are prepared to stay up here upfront and engage with you one-on- one as you would wish for essentially as long as you would like to go today. You know my wrap now is, I mean my wrap up is exactly what I said just a few minutes ago when we finished Q&A. The prospects for this company are so bright. Just look at our market position. The scale leader, the quality leader, the innovation leader, the technology leader, the digital engagement leader, that's a good position to have. And you know we think we've got a very strong team running the company. Honestly, we believe our shares are – shall we say handsomely priced, meaning, we think there's a lot of bargain to be had right now. And as we post the kind of results that we believe we're capable of posting, we did just come off a record year, where first quarter began with a slow start, but boy, this year should be a strong one. We think as we continue to put strong results, Kansas City, which is our corporate headquarters, it's in Missouri. Show-me state, right? And that's what we believe AMC needs to do. we need to – we posted great results in 2018. We're going to – I hope to post great results in 2019. We hope to keep this going as we described in the presentation and for the reasons that we described in the presentation and if we can deliver, which we've every confidence we'll be able to – this ought to be a happy time ahead for AMC shareholders. So, with that, we thank you for participating today. Your time is precious. We appreciate that so many of you spent with us. As I said, we all going to stay here upfront and look forward to engagement with you one-on-one.

John C Merriwether Vice President, Investor Relations, AMC Entertainment Holdings, Inc. Thanks, Adam, for those remarks. That concludes AMC's 2019 Investor Day. Again, on behalf of all of us, thank you for joining us to learn more about AMC.