
Section 1: 8-K (8-K)

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **February 28, 2019**

AMC ENTERTAINMENT HOLDINGS, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or Other Jurisdiction of
Incorporation)

001-33892
(Commission File Number)

26-0303916
(I.R.S. Employer Identification
Number)

One AMC Way
11500 Ash Street, Leawood, KS 66211
(Address of Principal Executive Offices, including Zip Code)

(913) 213-2000
(Registrant's Telephone Number, including Area Code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On February 28, 2019, we announced our financial results for the fourth quarter and full year ended December 31, 2018. A copy of the press release is furnished as Exhibit 99.1 and a copy of the Supplemental Financial Information is furnished as Exhibit 99.2 to this Current Report on Form 8-K and incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1 [Earnings press release dated February 28, 2019](#)
99.2 [Supplemental Financial](#) Information

The information furnished pursuant to Item 2.02 of this Current Report on Form 8-K, including the exhibits, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, and shall not be deemed to be incorporated by reference into any of our filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof and regardless of any general incorporation language in such filings, except to the extent expressly set forth by specific reference in such a filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

AMC ENTERTAINMENT HOLDINGS, INC.

Date: February 28, 2019

By: /s/ Craig R. Ramsey
Craig R. Ramsey
Executive Vice President and
Chief Financial Officer

3

[\(Back To Top\)](#)

Section 2: EX-99.1 (EX-99.1)

Exhibit 99.1



INVESTOR RELATIONS:
John Merriwether, 866-248-3872
InvestorRelations@amctheatres.com

MEDIA CONTACTS:
Ryan Noonan, (913) 213-2183
rnoonan@amctheatres.com

FOR IMMEDIATE RELEASE

AMC Entertainment Holdings, Inc. Announces Fourth Quarter and Record Full Year 2018 Results

- " 2018 Revenue of \$5.5 billion, up 7.5% from last year
- " 2018 Net earnings of \$110.1 million, up \$597.3 million from last year
- " 2018 Adjusted EBITDA of \$929.2 million, up 13.0% from last year

LEAWOOD, KANSAS - (February 28, 2019) -- AMC Entertainment Holdings, Inc. (NYSE: AMC) ("AMC" or "the Company"), today reported results for the fourth quarter and year ended December 31, 2018.

"AMC continued to deliver strong results in the fourth quarter of 2018, capping a record-setting full year performance, the best-ever in our 98-year history," said Adam Aron, CEO and President of AMC. "The tremendous momentum of the industry box office, which was the fifth record-setting year in the last seven years, combined with AMC's transformative growth initiatives and the popularity of the new AMC Stubs A-List subscription program, drove full year global attendance to an all-time high of 359 million guests, up 6.1% in the U.S. markets, resulting in strong financial performance across the board."

Key Financial Results (presented in millions, except operating data)

	Quarter Ended December 31,			Year Ended December 31,		
	2018	2017	Change	2018	2017	Change
GAAP Results						
Revenue	\$ 1,413.3	\$ 1,416.8	(0.2)%	\$ 5,460.8	\$ 5,079.2	7.5 %
Net earnings (loss)*	\$ 170.6	\$ (276.4)	N/M	\$ 110.1	\$ (487.2)	N/M
Net cash provided by operating activities	\$ 224.4	\$ 307.8	(27.1)%	\$ 523.2	\$ 537.4	(2.6)%
Non-GAAP Results**						
Total revenues (constant currency adjusted)	\$ 1,429.7	\$ 1,416.8	0.9 %	\$ 5,414.0	\$ 5,079.2	6.6 %
Adjusted EBITDA	\$ 264.1	\$ 288.2	(8.4)%	\$ 929.2	\$ 822.5	13.0 %

Adjusted free cash flow	\$	131.7	\$	199.7	(34.1)%	\$	298.2	\$	291.2	2.4 %
Operating Metrics										
Attendance (in thousands)		94,063		92,322	1.9 %		358,901		346,763	3.5 %
U.S. markets attendance (in thousands)		65,194		61,933	5.3 %		255,736		240,974	6.1 %
International markets attendance (in thousands)		28,869		30,389	(5.0)%		103,165		105,789	(2.5)%
Average screens		10,695		10,778	(0.8)%		10,696		10,675	0.2 %

* Please refer to the 10-K for a discussion of notable items included in GAAP net earnings (loss). N/M = Percent change is not meaningful due to the prior year net loss

** Please refer to the tables included later in this press release for definitions and full reconciliations of non-GAAP financial measures.

Selected Fourth-Quarter Financial Results

- Revenue: Fourth-quarter total revenues were \$1.4 billion, down 0.2% on a GAAP basis (up 0.9% on a constant currency basis) from the year-ago quarter. Results were driven by strong food and beverage revenues, up 4.8% primarily due to an increase in U.S. attendance that marked a fourth quarter U.S. attendance record, and other revenues, which grew 11.0% largely from the increases in online ticket fee revenues and the adoption of ASC 606. Total revenues were affected by lower admissions revenues, down 3.9% primarily driven by industry-wide softness in Europe and a 6.7% decline in U.S. average ticket prices, offset by a 5.3% increase in U.S. attendance. The U.S. average ticket price was primarily affected by declines in IMAX and 3D volumes, as well as A-List and promotional pricing. Excluding the impact of A-List, the U.S. average ticket price would have declined 3.3%.
- Net Earnings: Net earnings was \$170.6 million, compared with a net loss of \$276.4 million in the year-ago quarter. The increase in net income included, among other items, \$165.5 million of income related to the quarterly fair-value remeasurement of a derivative liability and derivative asset, and \$310.0 million of prior year tax expense related to the impact of both the change in the U.S. enacted federal income tax rate and a full valuation allowance on AMC's deferred income tax assets.
- Adjusted EBITDA: Total Adjusted EBITDA was \$264.1 million, down 8.4% (down 6.8% on a constant currency basis) from the year-ago quarter. International Adjusted EBITDA grew 0.4% (up 5.1% on a constant currency basis), while U.S. markets Adjusted EBITDA declined 12.9%. The decline in total Adjusted EBITDA was primarily driven by a shift in film slate mix that resulted in fewer 3D and IMAX viewings, a decline in cash distributions from non-consolidated entities related to the sale of AMC's remaining stake in National CineMedia, LLC ("NCM"), and the anticipated impact from the initial ramp up of A-List.
- Cash Flow: Net cash provided by operating activities was \$224.4 million, compared with \$307.8 million in the year-ago quarter. Adjusted free cash flow was \$131.7 million, compared with \$211.5 million in the year-ago quarter. The decrease in adjusted free cash flow was primarily driven by the timing of maintenance capital expenditures, higher cash taxes related to asset sales, higher cash interest, and the decline in Adjusted EBITDA.

Selected Full-Year Financial Results

- Revenue: Full-year total revenues were a record \$5.5 billion, up 7.5% on a GAAP basis (up 6.6% on a constant currency basis) from last year. Results were driven by strength in admissions revenues, up 4.8% primarily from a 6.1% increase in U.S. attendance, and food and beverage revenues, up 8.0% from a combination of attendance increase and higher food and beverage revenues per patron. In addition, other revenues were up 34.2%, the result of higher online ticket fee revenues and the benefit from the adoption of ASC 606. All revenue categories benefited from the full year contribution from Nordic Cinema Group Holdings AB ("Nordic") versus nine months in 2017, which contributed approximately 2.1% of total revenue growth.
 - Net Earnings: Net earnings were \$110.1 million, compared with a net loss of \$487.2 million last year. The increase in net income included, among other items, \$111.4 million of income related to the fair-value remeasurement of a derivative liability and derivative asset, \$208.0 million of prior year impairment charge on AMC's investment in NCM, and \$310.0 million of prior year tax expense related to the impact of both the change in the U.S. enacted federal income tax rate and a full valuation allowance on AMC's deferred income tax assets.
 - Adjusted EBITDA: Total Adjusted EBITDA was \$929.2 million, up 13.0% (up 12.5% on a constant currency basis) from last year as the Company benefited from operating leverage. U.S. markets Adjusted EBITDA grew 14.8%, primarily due to strong attendance, an increase in demand for food and beverage, and the adoption of ASC 606. International Adjusted EBITDA grew 7.6%, primarily driven by the full year contribution from Nordic versus nine months in 2017. Full year 2018 also included additional domestic related items which affected comparability to
-

2017, including a one-time reduction in rent related to a lease modification, the anticipated impact from the initial ramp of A-List, a decrease in cash distributions from non-consolidated entities related to the sale of AMC's remaining stake in NCM, and an increase in other general and administrative costs due to legal settlement payments and incentive compensation payments related to strong 2018 full year performance. The anticipated A-List impact to Adjusted EBITDA in the final six months of 2018 falls within the previously disclosed \$10 million to \$15 million range for a reduction to total Adjusted EBITDA in the second half of 2018; this was achieved despite signing up nearly double the number of subscribers originally anticipated by year-end 2018.

- Cash Flow: Net cash provided by operating activities was \$523.2 million, compared with \$537.4 million last year. Adjusted free cash flow was \$298.2 million, compared with \$329.1 million last year. The decline in adjusted free cash flow was affected by an increase in deferred rent, primarily related to a one-time lease modification, higher cash interest payments, and higher cash taxes related to the sale of assets. Additionally, the 24.1 million shares repurchased from Wanda in September resulted in a \$4.8 million reduction to dividends paid in 2018 and is expected to result in a \$19.3 million reduction to annual dividends paid based on the current quarterly dividend of \$0.20.

Other Key Highlights

- Industry Performance: In full year 2018, the U.S. industry box office was up 6.9% to \$11.9 billion, marking the highest grossing year ever recorded with February, April, June, and October setting all-time box office monthly records. Internationally, the industry box office in countries served by Odeon and Nordic's theatres witnessed a 5.2% decline and a 1.6% increase, respectively, on a constant currency basis. The industry box office across Europe was affected by underperforming Hollywood titles, weak local product, and competing viewership from the FIFA World Cup.
 - Circuit Update: As of December 31, 2018, AMC owned, operated, or had interests in 637 theatres in the U.S. and 369 theatres internationally. In 2018, the Company added premium recliner seating to 58 theatres in the U.S. and 19 theatres internationally. Included in those theatre counts, AMC opened 8 new build theatres and made 3 spot acquisitions of single theatre locations throughout the year. Furthermore, in the fourth quarter of 2018, AMC re-opened the iconic Odeon Leicester Square Theatre in London after an extensive, multi-million-GBP luxury refurbishment. As part of the renovations, AMC introduced the first ever Dolby Cinema auditorium in the UK. 2018 also marked the opening of a new world-class luxury theatre in Oslo, Norway, which has become the highest attendance theatre in Norway.
 - Stubs A-List Program: Since its launch in June 2018, the A-List VIP tier of the successful AMC Stubs loyalty program has already attracted more than 700,000 subscribers, far in excess of initial internal expectations. At this membership level, the subscriber base is expected to generate more than \$150 million of annual recurring revenue and, based on historical performance, in excess of \$300 million when factoring in food and beverage purchases and full fare tickets purchased by bring-along guests such as family and friends. The A-List subscription program represents a meaningful opportunity to shift a portion of AMC's business to a recurring subscription model, thereby increasing revenue visibility, reducing box office volatility, and driving long-term customer loyalty. We expect the program to become accretive to Adjusted EBITDA in 2019, a year earlier than originally anticipated.
 - Adjusted Free Cash Flow: Starting in the fourth quarter of 2018, AMC is disclosing a new "Adjusted Free Cash Flow" metric as a measure of our liquidity. We believe this measure is indicative of our ability to generate cash from operations in excess of maintenance capital expenditures and certain other non-operating costs, and for other uses including repayment of our corporate borrowings and generating cash for growth opportunities. Adjusted Free Cash Flow is a non-GAAP financial measure and is defined as (i) cash flow from operations, plus (ii) merger and acquisition expenses, less (iii) maintenance capital expenditures, less (iv) landlord contributions. In 2018, the Company generated adjusted free cash flow of \$298.2 million and invested an additional \$459.8 million into growth capital expenditures (\$320.0 million, net of \$127.6 million of landlord contributions and \$12.2 million of changes in construction payables). These investments relate to the Company's strategic growth
-

initiatives (e.g., recliner renovations, premium large formats, premium food and beverage) and may be adjusted in the future depending on the Company's strategic priorities and general economic conditions. See the tables included later in this press release for further information on adjusted free cash flow.

- Cash Dividend: The Company paid approximately \$20.7 million of dividends in the fourth quarter of 2018 and approximately \$258.1 million in the full year, inclusive of a special dividend of approximately \$160.5 million in September.

Conference Call / Webcast Information

The Company will host a conference call via webcast for investors and other interested parties beginning at 4:00 p.m. CST/5:00 p.m. EST on Thursday, February 28, 2019. To listen to the conference call via the internet, please visit the investor relations section of the AMC website at www.investor.amctheatres.com for a link to the webcast. Investors and interested parties should go to the website at least 15 minutes prior to the call to register, and/or download and install any necessary audio software.

Participants may also listen to the call by dialing (877) 407-3982, or (201) 493-6780 for international participants. An archive of the webcast will be available on the Company's website after the call for a limited time.

About AMC Entertainment Holdings, Inc.

AMC is the largest movie exhibition company in the U.S., in Europe and throughout the world with more than 1,000 theatres and nearly 11,100 screens across the globe. AMC has propelled innovation in the exhibition industry by: deploying its Signature power-recliner seats; delivering enhanced food and beverage choices; generating greater guest engagement through its loyalty program, web site and mobile apps; offering premium large format experiences and playing a wide variety of content including the latest Hollywood releases and independent programming. AMC operates among the most productive theatres in the United States' top markets, having the #1 or #2 market share positions in 21 of the 25 largest metropolitan areas of the United States, including the top three markets (NY, LA, Chicago). AMC operates in the U.S. and through its Odeon subsidiary in 13 European countries and the Middle East and is the #1 theatre chain in Estonia, Finland, Italy, Latvia, Lithuania, Norway, Spain, Sweden and UK & Ireland. For more information, visit www.amctheatres.com.

Website Information

This press release, along with other news about AMC, is available at www.amctheatres.com. We routinely post information that may be important to investors in the Investor Relations section of our website, www.investor.amctheatres.com. We use this website as a means of disclosing material, non-public information and for complying with our disclosure obligations under Regulation FD, and we encourage investors to consult that section of our website regularly for important information about AMC. The information contained on, or that may be accessed through, our website is not incorporated by reference into, and is not a part of, this document. Investors interested in automatically receiving news and information when posted to our website can also visit www.investor.amctheatres.com to sign up for email alerts.

Forward-Looking Statements

This press release includes "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as "forecast," "plan," "estimate," "will," "would," "project," "maintain," "intend," "expect," "anticipate," "prospect," "strategy," "future," "likely," "may," "should," "believe," "continue," "opportunity," "potential," and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements are based on information available at the time the statements are made and/or management's good faith belief as of that time with respect to future events, and are subject to risks, trends, uncertainties and other facts that could cause actual performance or results to differ materially from those expressed in

or suggested by the forward-looking statements. These risks, trends, uncertainties and facts include, but are not limited to, risks related to: motion picture production and performance; AMC's lack of control over distributors of films; intense competition in the geographic areas in which AMC operates; increased use of alternative film delivery methods or other forms of entertainment; shrinking exclusive theatrical release windows; international economic, political, regulatory and other risks, including risks related to the United Kingdom's exit from the European Union; risks and uncertainties relating to AMC's significant indebtedness; AMC's ability to execute cost cutting and revenue enhancement initiatives; box office performance; limitations on the availability of capital; risks relating to AMC's inability to achieve the expected benefits and performance from its recent acquisitions; AMC's ability to refinance its indebtedness on favorable terms; optimizing AMC's theatre circuit through construction and the transformation of its existing theatres may be subject to delay and unanticipated costs; failures, unavailability or security breaches of AMC's information systems; risks relating to impairment losses, including with respect to goodwill and other intangibles, and theatre and other closure charges; AMC's ability to utilize net operating loss carryforwards to reduce its future tax liability or valuation allowances taken with respect to deferred tax assets; review by antitrust authorities in connection with acquisition opportunities; risks relating to unexpected costs or unknown liabilities relating to recently completed acquisitions; risks relating to the incurrence of legal liability including costs associated with recently filed class action lawsuits; general political, social and economic conditions and risks, trends, uncertainties and other factors discussed in the reports AMC has filed with the SEC. Should one or more of these risks, trends, uncertainties or facts materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by the forward-looking statements contained herein. Accordingly, you are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date they are made. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved. For a detailed discussion of risks, trends and uncertainties facing AMC, see the section entitled "Risk Factors" in AMC's reports on Forms 10-K and Form 10-Q filed with the SEC, and the risks, trends and uncertainties identified in its other public filings. AMC does not intend, and undertakes no duty, to update any information contained herein to reflect future events or circumstances, except as required by applicable law.

(Tables follow)

AMC Entertainment Holdings, Inc.
Consolidated Statements of Operations
For the Fiscal Periods Ended December 31, 2018 and December 31, 2017

(dollars in millions, except share and per share data)
(unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
Revenues				
Admissions	\$ 862.3	\$ 897.1	\$ 3,385.0	\$ 3,229.5
Food and beverage	435.1	415.3	1,671.5	1,548.4
Other theatre	115.9	104.4	404.3	301.3
Total revenues	<u>1,413.3</u>	<u>1,416.8</u>	<u>5,460.8</u>	<u>5,079.2</u>
Operating costs and expenses				
Film exhibition costs	433.5	440.1	1,710.2	1,604.3
Food and beverage costs	68.9	69.5	270.9	252.1
Operating expense, excluding depreciation and amortization below	417.8	419.2	1,654.7	1,548.0
Rent	204.7	203.5	797.8	794.4
General and administrative:				
Merger, acquisition and transaction costs	4.2	5.8	31.3	63.0
Other, excluding depreciation and amortization below	43.7	20.2	179.3	133.2
Depreciation and amortization	139.4	144.7	537.8	538.6
Impairment of long-lived assets	13.8	43.6	13.8	43.6
Operating costs and expenses	<u>1,326.0</u>	<u>1,346.6</u>	<u>5,195.8</u>	<u>4,977.2</u>
Operating income	87.3	70.2	265.0	102.0
Other expense (income):				
Other expense (income)	(165.6)	0.4	(108.1)	(1.5)
Interest expense:				
Corporate borrowings	74.1	59.9	262.3	231.6
Capital and financing lease obligations	9.0	10.7	38.5	42.4
Non-cash NCM exhibitor services agreement	10.3	—	41.5	—
Equity in (earnings) loss of non-consolidated entities	(12.7)	(13.9)	(86.7)	185.2
Investment (income) expense	1.2	(1.0)	(6.2)	(22.6)
Total other expense (income)	<u>(83.7)</u>	<u>56.1</u>	<u>141.3</u>	<u>435.1</u>
Earnings (loss) before income taxes	171.0	14.1	123.7	(333.1)
Income tax provision	0.4	290.5	13.6	154.1
Net earnings (loss)	<u>\$ 170.6</u>	<u>\$ (276.4)</u>	<u>\$ 110.1</u>	<u>\$ (487.2)</u>
Diluted earnings (loss) per share	<u>\$ 0.43</u>	<u>\$ (2.14)</u>	<u>\$ 0.41</u>	<u>\$ (3.80)</u>
Average shares outstanding diluted (in thousands)	<u>135,450</u>	<u>129,265</u>	<u>130,105</u>	<u>128,246</u>

Consolidated Balance Sheet Data (at period end):
(dollars in millions)
(unaudited)

	As of December 31, 2018	As of December 31, 2017
Cash and cash equivalents	\$ 313.3	\$ 310.0
Corporate borrowings	4,722.9	4,235.3
Other long-term liabilities	963.1	903.8
Capital and financing lease obligations	560.3	651.4
Stockholders' equity	1,397.6	2,112.4
Total assets	9,495.8	9,805.9

Consolidated Other Data:
(in millions, except operating data)
(unaudited)

Consolidated	Quarter Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
Net cash provided by operating activities	\$ 224.4	\$ 307.8	\$ 523.2	\$ 537.4
Net cash used in investing activities	\$ (202.9)	\$ (150.0)	\$ (317.2)	\$ (959.3)
Net cash provided by (used in) financing activities	\$ (39.5)	\$ 128.7	\$ (194.8)	\$ 492.3
Adjusted free cash flow	\$ 131.7	\$ 199.7	\$ 298.2	\$ 291.2
Capital expenditures	\$ (201.4)	\$ (159.1)	\$ (576.3)	\$ (626.8)
Screen additions	43	32	89	96
Screen acquisitions	—	16	39	736
Screen dispositions	34	1	211	258
Construction openings, net	111	76	5	37
Average screens	10,695	10,778	10,696	10,675
Number of screens operated	11,091	11,169	11,091	11,169
Number of theatres operated	1,006	1,014	1,006	1,014
Screens per theatre	11.0	11.0	11.0	11.0
Attendance (in thousands)	94,063	92,322	358,901	346,763

Segment Other Data:
(in millions, except per patron amounts and operating data)
(unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
Other operating data:				
Attendance (patrons, in thousands):				
U.S. markets	65,194	61,933	255,736	240,974
International markets	28,869	30,389	103,165	105,789
Consolidated	<u>94,063</u>	<u>92,322</u>	<u>358,901</u>	<u>346,763</u>
Average ticket price (in dollars):				
U.S. markets	\$ 9.26	\$ 9.92	\$ 9.55	\$ 9.67
International markets	\$ 8.96	\$ 9.29	\$ 9.15	\$ 8.49
Consolidated	\$ 9.17	\$ 9.72	\$ 9.43	\$ 9.31
Food and beverage revenues per patron (in dollars):				
U.S. markets	\$ 5.20	\$ 5.09	\$ 5.17	\$ 5.06
International markets	\$ 3.33	\$ 3.29	\$ 3.40	\$ 3.10
Consolidated	\$ 4.63	\$ 4.50	\$ 4.66	\$ 4.47
Average Screen Count (month end average):				
U.S. markets	8,014	8,087	8,028	8,084
International markets	2,681	2,691	2,668	2,591
Consolidated	<u>10,695</u>	<u>10,778</u>	<u>10,696</u>	<u>10,675</u>

Segment Information:
(unaudited, in millions)

	Quarter Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
Revenues				
U.S. markets	\$ 1,006.1	\$ 978.3	\$ 4,013.2	\$ 3,723.5
International markets	407.2	438.5	1,447.6	1,355.7
Consolidated	<u>\$ 1,413.3</u>	<u>\$ 1,416.8</u>	<u>\$ 5,460.8</u>	<u>\$ 5,079.2</u>
Adjusted EBITDA				
U.S. markets	\$ 164.9	\$ 189.4	\$ 700.5	\$ 610.0
International markets	99.2	98.8	228.7	212.5
Consolidated	<u>\$ 264.1</u>	<u>\$ 288.2</u>	<u>\$ 929.2</u>	<u>\$ 822.5</u>
Capital Expenditures				
U.S. markets	\$ 130.7	\$ 127.1	\$ 395.6	\$ 543.7
International markets	70.7	32.0	180.7	83.1
Consolidated	<u>\$ 201.4</u>	<u>\$ 159.1</u>	<u>\$ 576.3</u>	<u>\$ 626.8</u>

Reconciliation of Adjusted EBITDA:
(dollars in millions)
(unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
Net loss	\$ 170.6	\$ (276.4)	\$ 110.1	\$ (487.2)
Plus:				
Income tax provision (benefit)	0.4	290.5	13.6	154.1
Interest expense	93.4	70.6	342.3	274.0
Depreciation and amortization	139.4	144.7	537.8	538.6
Impairment of long-lived assets	13.8	43.6	13.8	43.6
Certain operating expenses (2)	7.8	8.1	24.0	20.6
Equity in (earnings) loss of non-consolidated entities (3)	(12.7)	(13.9)	(86.7)	185.2
Cash distributions from non-consolidated entities (4)	4.3	12.3	35.2	45.4
Attributable EBITDA (5)	3.6	1.6	7.3	3.4
Investment income	1.2	(1.0)	(6.2)	(22.6)
Other expense (income) (6)	(165.9)	0.5	(108.2)	(1.3)
General and administrative expense—unallocated:				
Merger, acquisition and transaction costs (7)	4.2	5.8	31.3	63.0
Stock-based compensation expense (income) (8)	4.0	1.8	14.9	5.7
Adjusted EBITDA(1)	<u>\$ 264.1</u>	<u>\$ 288.2</u>	<u>\$ 929.2</u>	<u>\$ 822.5</u>

- 1) We present Adjusted EBITDA as a supplemental measure of our performance. We define Adjusted EBITDA as net earnings (loss) plus (i) income tax provision (benefit), (ii) interest expense and (iii) depreciation and amortization, as further adjusted to eliminate the impact of certain items that we do not consider indicative of our ongoing operating performance and to include attributable EBITDA from equity investments in theatre operations in international markets and any cash distributions of earnings from other equity method investees. These further adjustments are itemized above. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating Adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Adjusted EBITDA is a non-U.S. GAAP financial measure commonly used in our industry and should not be construed as an alternative to net earnings (loss) as an indicator of operating performance (as determined in accordance with U.S. GAAP). Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies. We have included Adjusted EBITDA because we believe it provides management and investors with additional information to measure our performance and estimate our value.

Adjusted EBITDA has important limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under U.S. GAAP. For example,

Adjusted EBITDA:

- does not reflect our capital expenditures, future requirements for capital expenditures or contractual commitments;
- does not reflect changes in, or cash requirements for, our working capital needs;

- does not reflect the significant interest expenses, or the cash requirements necessary to service interest or principal payments, on our debt;
 - excludes income tax payments that represent a reduction in cash available to us;
 - does not reflect any cash requirements for the assets being depreciated and amortized that may have to be replaced in the future; and
 - does not reflect the impact of divestitures that were required in connection with recently completed acquisitions.
- 2) Amounts represent preopening expense related to temporarily closed screens under renovation, theatre and other closure expense for the permanent closure of screens including the related accretion of interest, non-cash deferred digital equipment rent expense, and disposition of assets and other non-operating gains or losses included in operating expenses. The Company has excluded these items as they are non-cash in nature, include components of interest cost for the time value of money or are non-operating in nature.
 - 3) During the year ended December 31, 2018, we recorded equity in earnings related to our sale of all remaining NCM units of \$28.9 million and a gain of \$30.1 million related to the Screenvision merger. Equity in loss of non-consolidated entities also includes loss on the surrender (disposition) of a portion of our investment in NCM of \$1.1 million during the year ended December 31, 2018. Equity in (earnings) loss of non-consolidated entities includes a lower of carrying value or fair value impairment loss of the held-for sale portion of our investment in NCM of \$16.0 million for the year ended December 31, 2018. Equity in (earnings) loss of non-consolidated entities includes an other-than-temporary impairment charge of \$208.0 million to reduce the carrying value of our investment in NCM to Level 1 fair value during the year ended December 31, 2017. An other-than-temporary impairment charge of \$204.5 million was recorded on our units and shares at the publicly quoted per share price on June 30, 2017, of \$7.42 and an other-than-temporary impairment charge of \$3.5 million was recorded on our units and shares at the publicly quoted per share price on December 31, 2017 of \$6.86, based on our determination that the decline in the price per share during the respective quarters was other than temporary. Equity in (earnings) loss of non-consolidated entities includes loss on the sale of a portion of our investment in NCM of \$22.2 million during the year ended December 31, 2017.
 - 4) Includes U.S. non-theatre distributions from equity method investments and International non-theatre distributions from equity method investments to the extent received. The Company believes including cash distributions is an appropriate reflection of the contribution of these investments to its operations.
 - 5) Attributable EBITDA includes the EBITDA from minority equity investments in theatre operators in certain international markets. See below for a reconciliation of the Company's equity (earnings) loss of non-consolidated entities to attributable EBITDA. Because these equity investments are in theatre operators in regions where the Company holds a significant market share, the Company believes attributable EBITDA is more indicative of the performance of these equity investments and management uses this measure to monitor and evaluate these equity investments. The Company also provides services to these theatre operators including information technology systems, certain on-screen advertising services and our gift card and package ticket program. As these investments relate only to our Nordic acquisition, the second quarter of 2017 represents the first time the Company has made this adjustment and does not impact prior historical presentations of Adjusted EBITDA.
-

Reconciliation of Attributable EBITDA (Unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
Equity in (earnings) loss of non-consolidated entities	\$ (12.7)	\$ (13.9)	\$ (86.7)	\$ 185.2
Less:				
Equity in (earnings) loss of non-consolidated entities excluding international theatre JV's	(9.8)	(12.6)	(81.9)	187.0
Equity in earnings (loss) of International theatre JV's	2.9	1.3	4.8	1.8
Income tax provision	0.2	—	0.4	—
Investment income	(0.2)	—	(0.5)	—
Depreciation and amortization	0.7	0.3	2.6	1.6
Attributable EBITDA	<u>\$ 3.6</u>	<u>\$ 1.6</u>	<u>\$ 7.3</u>	<u>\$ 3.4</u>

- 6) Other expense (income) for the quarter and year ended December 31, 2018 includes financing losses and financing related foreign currency transaction losses. During the quarter and year ended December 31, 2018, we recorded a gain of \$165.5 million and \$111.4 million, respectively, as a result of a decrease in fair value of our derivative liability and an increase in fair value of our derivative asset for the Convertible Notes due 2024. Other income for the year ended December 31, 2017 includes \$3.0 million financing related foreign currency transaction gains, partially offset by \$1.3 million in fees relating to third-party fees related to the Third Amendment to our Senior Secured Credit Agreement, and a \$0.4 million loss on the redemption of the Bridge Loan Facility.
 - 7) Merger, acquisition and transition costs are excluded as they are non-operating in nature.
 - 8) Stock-based compensation expense is non-cash or non-recurring expense included in General and Administrative: Other.
-

Select Consolidated Constant Currency financial data (see Note 9):
Three Months Ended December 31, 2018 and Twelve Months Ended December 31, 2018
(dollars in millions) (unaudited)

	Three Months Ended December 31, 2018			Year Ended December 31, 2018		
	Constant Currency (9)			Constant Currency (9)		
	US	International	Total	US	International	Total
Revenues						
Admissions	\$ 603.5	\$ 269.0	\$ 872.5	\$ 2,441.5	\$ 911.6	\$ 3,353.1
Food and beverage	339.1	99.8	438.9	1,321.2	338.8	1,660.0
Other theatre	63.5	54.8	118.3	250.5	150.4	400.9
Total revenues	1,006.1	423.6	1,429.7	4,013.2	1,400.8	5,414.0
Operating costs and expenses						
Film exhibition costs	326.5	111.2	437.7	1,323.1	374.5	1,697.6
Food and beverage costs	47.8	21.9	69.7	190.2	77.9	268.1
Operating expense	296.2	126.6	422.8	1,162.2	476.0	1,638.2
Rent	153.6	52.9	206.5	584.4	205.5	789.9
General and administrative:						
Merger, acquisition and transaction costs	1.5	2.8	4.3	16.8	14.7	31.5
Other	27.9	16.5	44.4	112.6	63.7	176.3
Depreciation and amortization	98.5	43.0	141.5	384.0	149.3	533.3
Impairment of long-lived assets	8.1	6.0	14.1	8.1	6.0	14.1
Operating costs and expenses	960.1	380.9	1,341.0	3,781.4	1,367.6	5,149.0
Operating income (loss)	46.0	42.7	88.7	231.8	33.2	265.0
Other expense (income)	(165.0)	(0.8)	(165.8)	(108.7)	0.3	(108.4)
Interest expense	75.0	8.5	83.5	273.6	26.3	299.9
Non-cash NCM exhibitor service agreement	10.3	—	10.3	41.5	—	41.5
Equity in earnings of non-consolidated entities	(10.5)	(2.4)	(12.9)	(81.5)	(5.6)	(87.1)
Investment income	1.2	—	1.2	(6.2)	0.1	(6.1)
Total other expense	(89.0)	5.3	(83.7)	118.7	21.1	139.8
Loss before income taxes	135.0	37.4	172.4	113.1	12.1	125.2
Income tax provision (benefit)	1.5	(1.3)	0.2	16.1	(2.9)	13.2
Net loss	\$ 133.5	\$ 38.7	\$ 172.2	\$ 97.0	\$ 15.0	\$ 112.0
Attendance						
Attendance	65,194	28,869	94,063	255,736	103,165	358,901
Average Screens	8,014	2,681	10,695	8,028	2,668	10,696
Average Ticket Price	\$ 9.26	\$ 9.32	\$ 9.28	\$ 9.55	\$ 8.84	\$ 9.34

Reconciliation of Consolidated Constant Currency Adjusted EBITDA (see Note 9):
 Three Months Ended December 31, 2018 and Twelve Months Ended December 31, 2018
 (dollars in millions) (unaudited)

	Three Months Ended December 31, 2018 Constant Currency (9)	Year Ended December 31, 2018 Constant Currency (9)
Net loss	\$ 172.2	\$ 112.0
Plus:		
Income tax benefit	0.2	13.2
Interest expense	93.8	341.4
Depreciation and amortization	141.5	533.3
Impairment of long-lived assets	14.1	14.1
Certain operating expenses (2)	8.2	24.0
Equity in earnings of non-consolidated entities (3)	(12.9)	(87.1)
Cash distributions from non-consolidated entities (4)	4.3	35.2
Attributable EBITDA (5)	3.9	7.6
Investment income	1.2	(6.1)
Other income (6)	(166.1)	(108.6)
General and administrative expense—unallocated:		
Merger, acquisition and transaction costs (7)	4.3	31.5
Stock-based compensation expense (8)	4.0	14.9
Adjusted EBITDA (1)	<u>\$ 268.7</u>	<u>\$ 925.4</u>
Adjusted EBITDA (in millions) (1)		
U.S. markets	\$ 164.9	\$ 700.5
International markets	103.8	224.9
Total Adjusted EBITDA	<u>\$ 268.7</u>	<u>\$ 925.4</u>

- 1) We present Adjusted EBITDA as a supplemental measure of our performance. We define Adjusted EBITDA as net earnings (loss) plus (i) income tax provision (benefit), (ii) interest expense and (iii) depreciation and amortization, as further adjusted to eliminate the impact of certain items that we do not consider indicative of our ongoing operating performance and to include attributable EBITDA from equity investments in theatre operations in international markets and any cash distributions of earnings from other equity method investees. These further adjustments are itemized above. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating Adjusted EBITDA, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of Adjusted EBITDA should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Adjusted EBITDA is a non-U.S. GAAP financial measure and should not be construed as an alternative to net earnings (loss) or net earnings (loss) margin as an indicator of operating performance or as an alternative to cash flow provided by operating activities as a measure of liquidity (as determined in accordance with U.S. GAAP). Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies. We have included Adjusted EBITDA because we believe it provides management and investors with additional information to measure our performance and estimate our value.

Adjusted EBITDA has important limitations as analytical tools, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under U.S. GAAP. For example,

Adjusted EBITDA:

- does not reflect our capital expenditures, future requirements for capital expenditures or contractual commitments;
 - does not reflect changes in, or cash requirements for, our working capital needs;
 - does not reflect the significant interest expenses, or the cash requirements necessary to service interest or principal payments, on our debt;
 - excludes income tax payments that represent a reduction in cash available to us;
 - does not reflect any cash requirements for the assets being depreciated and amortized that may have to be replaced in the future; and
 - does not reflect the impact of divestitures that were required in connection with recently completed acquisitions.
- 2) Amounts represent preopening expense related to temporarily closed screens under renovation, theatre and other closure expense for the permanent closure of screens including the related accretion of interest, non-cash deferred digital equipment rent, and disposition of assets and other non-operating gains or losses included in operating expenses. We have excluded these items as they are non-cash in nature, include components of interest cost for the time value of money or are non-operating in nature.
 - 3) During the year ended December 31, 2018, we recorded equity in earnings related to our sale of all remaining NCM units of \$28.9 million and a gain of \$30.1 million related to the Screenvision merger. Equity in loss of non-consolidated entities also includes loss on the surrender (disposition) of a portion of our investment in NCM of \$1.1 million during the year ended December 31, 2018. Equity in (earnings) loss of non-consolidated entities includes a lower of carrying value or fair value impairment loss of the held-for sale portion of our investment in NCM of \$16.0 million for the year ended December 31, 2018. Equity in (earnings) loss of non-consolidated entities includes an other-than-temporary impairment charge of \$208.0 million to reduce the carrying value of our investment in NCM to Level 1 fair value during the year ended December 31, 2017. An other-than-temporary impairment charge of \$204.5 million was recorded on our units and shares at the publicly quoted per share price on June 30, 2017, of \$7.42 and an other-than-temporary impairment charge of \$3.5 million was recorded on our units and shares at the publicly quoted per share price on December 31, 2017 of \$6.86, based on our determination that the decline in the price per share during the respective quarters was other than temporary. Equity in (earnings) loss of non-consolidated entities includes loss on the sale of a portion of our investment in NCM of \$22.2 million during the year ended December 31, 2017.
 - 4) Includes U.S. non-theatre distributions from equity method investments and International non-theatre distributions from equity method investments to the extent received. We believe including cash distributions is an appropriate reflection of the contribution of these investments to our operations.
 - 5) Attributable EBITDA includes the EBITDA from equity investments in theatre operators in certain international markets. See below for a reconciliation of our equity (earnings) loss of non-consolidated entities to attributable EBITDA. Because these equity investments are in theatre operators in regions where we hold a significant market share, we believe attributable EBITDA is more indicative of the performance of these equity investments and management uses this measure to monitor and evaluate these equity investments. We also provide services to these theatre operators including information technology systems, certain on-screen advertising services and our gift card and package ticket program. As these investments relate only to our Nordic acquisition, the second quarter of 2017 represents the first time we have made this adjustment and does not impact prior historical presentations of Adjusted EBITDA.
-

Reconciliation of Constant Currency Attributable EBITDA (Unaudited)

(In millions)	Three Months Ended December 31, 2018 <u>Constant Currency</u>	Year Ended December 31, 2018 <u>Constant Currency</u>
Equity in (earnings) loss of non-consolidated entities	\$ (12.9)	\$ (87.1)
Less:		
Equity in (earnings) loss of non-consolidated entities excluding international theatre JV's	(9.7)	(82.0)
Equity in earnings of International theatre JV's	3.2	5.1
Income tax provision	0.2	0.4
Investment income	(0.2)	(0.5)
Depreciation and amortization	0.7	2.5
Attributable EBITDA	<u>\$ 3.9</u>	<u>\$ 7.6</u>

- 6) Other expense (income) for the quarter and year ended December 31, 2018 includes financing losses and financing related foreign currency transaction losses. During the quarter and year ended December 31, 2018, we recorded a gain of \$165.5 million and \$111.4 million, respectively, as a result of a decrease in fair value of our derivative liability and an increase in fair value of our derivative asset for the Convertible Notes due 2024. Other income for the year ended December 31, 2017 includes \$3.0 million financing related foreign currency transaction gains, partially offset by \$1.3 million in fees relating to third-party fees related to the Third Amendment to our Senior Secured Credit Agreement, and a \$0.4 million loss on the redemption of the Bridge Loan Facility.
- 7) Merger, acquisition and transition costs are excluded as it is non-operating in nature.
- 8) Stock-based compensation expense is Non-cash or non-recurring expense included in General and Administrative: Other.
- 9) The International segment information for the three months and year ended December 31, 2018 has been adjusted for constant currency. Constant currency amounts, which are non-GAAP measurements were calculated using the average exchange rate for the corresponding period for 2017. We translate the results of our international operating segment from local currencies into U.S. dollars using currency rates in effect at different points in time in accordance with U.S. GAAP. Significant changes in foreign exchange rates from one period to the next can result in meaningful variations in reported results. We are providing constant currency amounts for our international operating segment to present a period-to-period comparison of business performance that excludes the impact of foreign currency fluctuations.

Reconciliation of Adjusted Free Cash Flow(1)
(dollars in millions)
(unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
Net cash provided by operating activities	\$ 224.4	\$ 307.8	\$ 523.2	\$ 537.4
Plus:				
Merger, acquisition and transaction costs(2)	4.2	5.8	31.3	63.0
Less:				
Loss on NCM recorded in Merger, acquisition and transaction costs(2)	—	—	—	22.6
Maintenance capital expenditures(3)	69.4	57.0	128.7	153.3
Landlord contributions(5)	27.5	56.9	127.6	133.3
Adjusted free cash flow	<u>\$ 131.7</u>	<u>\$ 199.7</u>	<u>\$ 298.2</u>	<u>\$ 291.2</u>
Reconciliation of Capital Expenditures				
Capital expenditures				
Growth capital expenditures(4)	\$ 147.9	\$ 121.9	\$ 459.8	\$ 480.9
Maintenance capital expenditures(3)	69.4	57.0	128.7	153.3
Change in construction payables(6)	(15.9)	(19.8)	(12.2)	(7.4)
Total capital expenditures	<u>\$ 201.4</u>	<u>\$ 159.1</u>	<u>\$ 576.3</u>	<u>\$ 626.8</u>

Starting in the fourth quarter of 2018, AMC will disclose a new "Adjusted Free Cash Flow" metric as a measure of our liquidity. We believe this measure is indicative of our ability to generate cash in excess of maintenance capital expenditures and certain other non-operating costs and for other uses including repayment of our corporate borrowings and generating cash for growth opportunities.

- 1) We present "Adjusted Free Cash Flow" as a supplemental measure of our liquidity. Management uses this measure and we believe it is helpful to investors as an indication of our ability to generate cash in-excess-of maintenance capital expenditures and certain other non-operating and costs and for other uses including repayment of our corporate borrowings and generating cash for growth opportunities. Adjusted Free Cash Flow is a non-U.S. GAAP financial measure and is defined as net cash provided by operating activities, plus merger, acquisition and transaction costs, less maintenance capital expenditures and landlord contributions. Adjusted free cash flow does not represent the residual cash flow available for discretionary expenditures. It should be considered in addition to, not a substitute for or superior to net cash provided by operating activities. The term adjusted free cash flow may differ from similar measures reported by other companies. Also provided is a reconciliation of Capital Expenditures disclosed in the Consolidated Statement of Cash Flows made up of growth capital expenditures, maintenance capital expenditures and change in construction payables as further explanation of the components of adjusted free cash flow.
- 2) Merger, acquisition and transition costs are excluded as they are non-operating. We excluded the 2017 Loss on NCM that was recorded in Merger, acquisition and transaction costs since it was non-cash.
- 3) Maintenance capital expenditures are amounts required to keep our existing theatres in compliance with regulatory requirement and in a sustainable good operating condition, including expenditures for repair of HVAC, sight and sound systems, compliance with ADA requirements and technology upgrades of existing systems.
- 4) Growth capital expenditures are investments that enhance the guest experience and grow revenues and profits and include initiatives such as theatre remodels, acquisitions, newly built theatres, premium large formats, enhanced food and beverage offerings and service models and technology that enable efficiencies and additional revenue opportunities. We did not deduct these from adjusted free cash flow because they are discretionary, and the related benefits may not be fully reflected in our net cash provided by operating activities.

- 5) Landlord contributions represent reimbursements in our strategic growth initiatives by our landlords.
- 6) Change in construction payables are changes in amounts accrued for capital expenditures and are not deducted or added back to Adjusted Free Cash Flow as they fluctuate significantly from period to period based on the timing of actual payments.

###



[\(Back To Top\)](#)

Section 3: EX-99.2 (EX-99.2)

Exhibit 99.2



A WANDA GROUP COMPANY

11500 Ash Street
Leawood, Kansas 66211

February 28, 2019

Supplemental Financial Information for Fourth Quarter and Full Year 2018

Financial Information

Reconciliations and definitions of non-GAAP financial measures (Adjusted EBITDA, Adjusted EBITDA Margin and constant currency amounts) are provided in the financial schedules included below and in our financial tables that accompany our fourth quarter and full year 2018 earnings press release issued February 28, 2019 and available at <http://investor.amctheatres.com>.

Additional information detailing select unaudited pro forma financial data for the quarter and year ended December 31, 2017 and December 31, 2018 is included below in this Supplemental Financial Information which has been published in the investor relations section of AMC's website located at <http://investor.amctheatres.com> and furnished with the SEC on Form 8-K dated February 28, 2019. The Company believes the pro forma information provides a more comparable view of its results relative to prior periods. The select unaudited pro forma data for the year ended December 31, 2017 combines the historical financial data of AMC and Nordic, giving effect to the acquisition, financings and theatre divestitures related to our acquisition of Carmike Cinemas, Inc. ("Carmike") as if they had been completed on January 1, 2017. The pro forma data for the year ended December 31, 2017 also removes the non-recurring direct incremental costs of the Odeon acquisition, the Carmike acquisition and the Nordic acquisition. The unaudited proforma data for the quarter ended December 31, 2017 removes the non-recurring direct incremental costs of the Odeon acquisition, the Carmike acquisition and the Nordic acquisition. The historical consolidated financial information for Nordic has been adjusted to comply with U.S. GAAP. The classification of certain items presented by Nordic under IFRS has been modified in order to align with the presentation used by AMC under U.S. GAAP. In addition to the U.S. GAAP adjustments and the reclassifications, amounts have also been translated to U.S. Dollars. The unaudited pro forma financial information is provided for informational purposes only and is not necessarily indicative of what our results of operations would actually have been had the acquisitions occurred on the date indicated. Please refer to the August 1, 2017 Form 8-K and 8-K/A on December 4, 2017 for additional information on pro forma financial statement adjustments.

Additional constant currency information adjusting unaudited historical financial data for the quarter and year ended December 31, 2018 using average monthly currency rates from the quarter and year ended December 31, 2017 is also presented for comparative purposes.

Website Information

This Supplemental Financial Information, along with other news about AMC, is available at www.amctheatres.com. We routinely post information that may be important to investors in the Investor Relations section of our website, www.investor.amctheatres.com. We use this website as a means of disclosing material, non-public information and for complying with our disclosure obligations under Regulation FD, and we encourage investors to consult that section of our website regularly for important information about AMC. The information contained on, or that may be accessed through, our website is not incorporated by reference into, and is not a part of, this document. Investors interested in automatically receiving news and information when posted to our website can also visit www.investor.amctheatres.com to sign up for E-mail Alerts.

(tables follow)

Reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin:
(dollars in millions) (unaudited)

	Quarter Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
Net loss	\$ 170.6	\$ (276.4)	\$ 110.1	\$ (487.2)
Plus:				
Income tax provision	0.4	290.5	13.6	154.1
Interest expense	93.4	70.6	342.3	274.0
Depreciation and amortization	139.4	144.7	537.8	538.6
Impairment of long-lived assets	13.8	43.6	13.8	43.6
Certain operating expenses (2)	7.8	8.1	24.0	20.6
Equity in (earnings) loss of non-consolidated entities (3)	(12.7)	(13.9)	(86.7)	185.2
Cash distributions from non-consolidated entities(4)	4.3	12.3	35.2	45.4
Attributable EBITDA (5)	3.6	1.6	7.3	3.4
Investment income	1.2	(1.0)	(6.2)	(22.6)
Other expense (income) (6)	(165.9)	0.5	(108.2)	(1.3)
General and administrative expense—unallocated:				
Merger, acquisition and transaction costs (7)	4.2	5.8	31.3	63.0
Stock-based compensation expense (income) (8)	4.0	1.8	14.9	5.7
Adjusted EBITDA(1)	\$ 264.1	\$ 288.2	\$ 929.2	\$ 822.5
Adjusted EBITDA Margin(1)	18.7%	20.3%	17.0%	16.2%
Total revenues	\$ 1,413.3	\$ 1,416.8	\$ 5,460.8	\$ 5,079.2
Net earnings (loss) margin (9)	12.1%	-19.5%	2.0%	-9.6%

Select historical and pro forma financial data:
 Three Months Ended December 31, 2018 and Three Months Ended December 31, 2017:
 (dollars in millions), (unaudited)

	Three Months Ended December 31, 2018			Three Months Ended December 31, 2017		
	Actual			Pro Forma (10)		
	US	International	Total	US	International	Total
Revenues						
Admissions	\$ 603.5	\$ 258.8	\$ 862.3	\$ 614.6	\$ 282.5	\$ 897.1
Food and beverage	339.1	96.0	435.1	315.3	100.0	415.3
Other theatre	63.5	52.4	115.9	48.3	56.1	104.4
Total revenues	1,006.1	407.2	1,413.3	978.2	438.6	1,416.8
Operating costs and expenses						
Film exhibition costs	326.5	107.0	433.5	320.0	120.2	440.2
Food and beverage costs	47.8	21.1	68.9	46.8	22.6	69.4
Operating expense	296.2	121.6	417.8	276.3	142.9	419.2
Rent	153.6	51.1	204.7	148.4	55.1	203.5
General and administrative:						
Merger, acquisition and transaction costs	1.5	2.7	4.2	—	—	—
Other	27.9	15.8	43.7	17.0	3.0	20.0
Depreciation and amortization	98.5	40.9	139.4	110.0	34.8	144.8
Impairment of long-lived assets	8.1	5.7	13.8	43.6	—	43.6
Operating costs and expenses	960.1	365.9	1,326.0	962.1	378.6	1,340.7
Operating income (loss)	46.0	41.3	87.3	16.1	60.0	76.1
Other expense (income)	(165.0)	(0.6)	(165.6)	0.1	0.4	0.5
Interest expense	75.0	8.1	83.1	64.9	5.7	70.6
Non-cash NCM exhibitor service agreement	10.3	—	10.3	—	—	—
Equity in (earnings) loss of non-consolidated entities	(10.5)	(2.2)	(12.7)	(12.2)	(1.7)	(13.9)
Investment (income) expense	1.2	—	1.2	(0.8)	(0.1)	(0.9)
Total other expense	(89.0)	5.3	(83.7)	52.0	4.3	56.3
Loss before income taxes	135.0	36.0	171.0	(35.9)	55.7	19.8
Income tax provision (benefit)	1.5	(1.1)	0.4	292.3	(1.8)	290.5
Net loss	\$ 133.5	\$ 37.1	\$ 170.6	\$ (328.2)	\$ 57.5	\$ (270.7)
Attendance						
Attendance	65,194	28,869	94,063	61,933	30,389	92,322
Average Screens	8,014	2,681	10,695	8,087	2,691	10,778
Average Ticket Price	\$ 9.26	\$ 8.96	\$ 9.17	\$ 9.92	\$ 9.30	\$ 9.72

The select unaudited pro forma data for the three-month period ended December 31, 2017 removes the non-recurring direct incremental costs of the Odeon acquisition, the Carmike acquisition and the Nordic acquisition. The unaudited pro forma financial information is provided for informational purposes only and is not necessarily indicative of what our results of operations would actually have been had the acquisition occurred on the date indicated. Reconciliations of the pro forma information to our historical financial information are provided in the tables below titled "Unaudited Pro Form Condensed Combined Financial Information." Please refer to the August 1, 2017 Form 8-K and December 4, 2017 Form 8-K/A for additional information on pro forma financial statement adjustments.

Reconciliation of pro forma Adjusted EBITDA
Three Months Ended December 31, 2017:
(dollars in millions) (unaudited)

	Three Months Ended December 31, 2017 <u>Pro Forma (10)</u>
Net loss	\$ (270.7)
Plus:	
Income tax benefit	290.5
Interest expense	70.6
Depreciation and amortization	144.8
Impairment of long-lived assets	43.6
Certain operating expenses (2)	8.0
Equity in loss of non-consolidated entities (3)	(13.9)
Cash distributions from non-consolidated entities (4)	12.3
Attributable EBITDA (5)	1.6
Investment expense	(0.9)
Other expense (6)	0.5
General and administrative expense—unallocated:	
Merger, acquisition and transaction costs (7)	—
Stock-based compensation expense (8)	1.8
Adjusted EBITDA (1)	<u>\$ 288.2</u>
Adjusted EBITDA Margin (1)	<u>20.3%</u>
Total Revenues	<u>\$ 1,416.8</u>
Net Earnings Margin (9)	<u>-19.1%</u>
Adjusted EBITDA (in millions) (1)	
U.S. markets	\$ 189.4
International markets	98.8
Total Adjusted EBITDA	<u>\$ 288.2</u>

The select unaudited pro forma data for the three-month period ended December 31, 2017 removes the non-recurring direct incremental costs of the Odeon acquisition, the Carmike acquisition and the Nordic acquisition. The unaudited pro forma financial information is provided for informational purposes only and is not necessarily indicative of what our results of operations would actually have been had the acquisition occurred on the date indicated. Reconciliations of the pro forma information to our historical financial information are provided in the tables below titled "Unaudited Pro Form Condensed Combined Financial Information." Please refer to the August 1, 2017 Form 8-K and December 4, 2017 Form 8-K/A for additional information on pro forma financial statement adjustments.

Select historical and pro forma financial data:
Year Ended December 31, 2018 and Year Ended December 31, 2017:
(dollars in millions), (unaudited)

	Year Ended December 31, 2018			Year Ended December 31, 2017		
	Actual			Pro Forma (10)		
	US	International	Total	US	International	Total
Revenues						
Admissions	\$ 2,441.5	\$ 943.5	\$ 3,385.0	\$ 2,321.8	\$ 959.9	\$ 3,281.7
Food and beverage	1,321.2	350.3	1,671.5	1,214.1	346.0	1,560.1
Other theatre	250.5	153.8	404.3	172.1	142.1	314.2
Total revenues	4,013.2	1,447.6	5,460.8	3,708.0	1,448.0	5,156.0
Operating costs and expenses						
Film exhibition costs	1,323.1	387.1	1,710.2	1,219.7	407.0	1,626.7
Food and beverage costs	190.2	80.7	270.9	175.7	79.9	255.6
Operating expense	1,162.2	492.5	1,654.7	1,099.0	473.0	1,572.0
Rent	584.4	213.4	797.8	591.4	208.9	800.3
General and administrative:						
Merger, acquisition and transaction costs	16.8	14.5	31.3	24.5	—	24.5
Other	112.6	66.7	179.3	84.8	53.1	137.9
Depreciation and amortization	384.0	153.8	537.8	403.7	141.3	545.0
Impairment of long-lived assets	8.1	5.7	13.8	43.6	—	43.6
Operating costs and expenses	3,781.4	1,414.4	5,195.8	3,642.4	1,363.2	5,005.6
Operating income	231.8	33.2	265.0	65.6	84.8	150.4
Other expense (income)	(108.7)	0.6	(108.1)	(2.0)	0.3	(1.7)
Interest expense	273.6	27.2	300.8	260.7	23.8	284.5
Non-cash NCM exhibitor service agreement	41.5	—	41.5	—	—	—
Equity in (earnings) loss of non-consolidated entities	(81.5)	(5.2)	(86.7)	187.9	(4.5)	183.4
Investment income	(6.2)	—	(6.2)	(23.0)	0.5	(22.5)
Total other expense	118.7	22.6	141.3	423.6	20.1	443.7
Earnings (loss) before income taxes	113.1	10.6	123.7	(358.0)	64.7	(293.3)

Income tax provision (benefit)	16.1	(2.5)	13.6	164.0	(1.9)	162.1
Net earnings (loss)	\$ 97.0	\$ 13.1	\$ 110.1	\$ (522.0)	\$ 66.6	\$ (455.4)

Attendance	255,736	103,165	358,901	239,741	112,288	352,029
Average Screens	8,028	2,668	10,696	8,031	2,691	10,722
Average Ticket Price	\$ 9.55	\$ 9.15	\$ 9.43	\$ 9.68	\$ 8.55	\$ 9.32

The select unaudited pro forma data for the year ended December 31, 2017 gives effect to the Nordic acquisition and theatre divestitures related to our Carmike acquisition, as if they had been completed on January 1, 2017. The pro forma data also removes the non-recurring direct incremental costs of the Odeon acquisition, the Carmike acquisition and the Nordic acquisition. The unaudited pro forma financial information is provided for informational purposes only and is not necessarily indicative of what our results of operations would actually have been had the acquisition occurred on the date indicated. Reconciliations of the pro forma information to our historical financial information are provided in the tables below titled "Unaudited Pro Form Condensed Combined Financial Information." Please refer to the August 1, 2017 Form 8-K and December 4, 2017 Form 8-K/A for additional information on pro forma financial statement adjustments.

Reconciliation of pro forma Adjusted EBITDA
Year Ended December 31, 2017:
(dollars in millions) (unaudited)

	Year Ended December 31, 2017 Pro Forma (10)
Net loss	\$ (455.4)
Plus:	
Income tax benefit	162.1
Interest expense	284.5
Depreciation and amortization	545.0
Impairment of long-lived assets	43.6
Certain operating expenses (2)	23.2
Equity in loss of non-consolidated entities (3)	183.4
Cash distributions from non-consolidated entities (4)	45.4
Attributable EBITDA (5)	5.3
Investment income	(22.5)
Other income (6)	(1.2)
General and administrative expense—unallocated:	
Merger, acquisition and transaction costs (7)	24.5
Stock-based compensation expense (8)	5.7
Adjusted EBITDA (1)	\$ 843.6
Adjusted EBITDA Margin (1)	16.4%
Total Revenues	\$ 5,156.0
Net Earnings Margin (9)	-8.8%
Adjusted EBITDA (in millions) (1)	
U.S. markets	\$ 607.4
International markets	236.2
Total Adjusted EBITDA	\$ 843.6

The select unaudited pro forma data for the year ended December 31, 2017 gives effect to the Nordic acquisition and theatre divestitures related to our Carmike acquisition, as if they had been completed on January 1, 2017. The pro forma data also removes the non-recurring direct incremental costs of the Odeon acquisition, the Carmike acquisition and the Nordic acquisition. The unaudited pro forma financial information is provided for informational purposes only and is not necessarily indicative of what our results of operations would actually have been had the acquisition occurred on the date indicated. Reconciliations of the pro forma information to our historical financial information are provided in the tables below titled "Unaudited Pro Form Condensed Combined Financial Information." Please refer to the August 1, 2017 Form 8-K and December 4, 2017 Form 8-K/A for additional information on pro forma financial statement adjustments.

- 1) We present Adjusted EBITDA and Adjusted EBITDA Margin as a supplemental measure of our performance. We define Adjusted EBITDA as net earnings (loss) plus (i) income tax provision (benefit), (ii) interest expense and (iii) depreciation and amortization, as further adjusted to eliminate the impact of certain items that we do not consider indicative of our ongoing operating performance and to include attributable EBITDA from equity investments in theatre operations in international markets and any cash distributions of earnings from other equity method investees. These further adjustments are itemized above. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. Adjusted EBITDA Margin is defined as Adjusted EBITDA

divided by Total Revenues. In evaluating Adjusted EBITDA and Adjusted EBITDA Margin, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments in this presentation. Our presentation of Adjusted EBITDA and Adjusted EBITDA Margin should not be construed as an inference that our future results will be unaffected by unusual or non-recurring items. Adjusted EBITDA and Adjusted EBITDA Margin are non-U.S. GAAP financial measures and should not be construed as an alternative to net earnings (loss) or net earnings (loss) margin as an indicator of operating performance or as an alternative to cash flow provided by operating activities as a measure of liquidity (as determined in accordance with U.S. GAAP). Adjusted EBITDA and Adjusted EBITDA Margin may not be comparable to similarly titled measures reported by other companies. We have included Adjusted EBITDA and Adjusted EBITDA Margin because we believe they provide management and investors with additional information to measure our performance and estimate our value.

Adjusted EBITDA has important limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under U.S. GAAP. For example,

Adjusted EBITDA and Adjusted EBITDA Margin:

- do not reflect our capital expenditures, future requirements for capital expenditures or contractual commitments;
 - do not reflect changes in, or cash requirements for, our working capital needs;
 - do not reflect the significant interest expenses, or the cash requirements necessary to service interest or principal payments, on our debt;
 - exclude income tax payments that represent a reduction in cash available to us;
 - do not reflect any cash requirements for the assets being depreciated and amortized that may have to be replaced in the future; and
 - do not reflect the impact of divestitures that were required in connection with recently completed acquisitions.
- 2) Amounts represent preopening expense related to temporarily closed screens under renovation, theatre and other closure expense for the permanent closure of screens including the related accretion of interest, non-cash deferred digital equipment rent, and disposition of assets and other non-operating gains or losses included in operating expenses. We have excluded these items as they are non-cash in nature, include components of interest cost for the time value of money or are non-operating in nature.
- 3) During the year ended December 31, 2018, we recorded equity in earnings related to our sale of all remaining NCM units of \$28.9 million and a gain of \$30.1 million related to the Screenvision merger. Equity in loss of non-consolidated entities also includes loss on the surrender (disposition) of a portion of our investment in NCM of \$1.1 million during the year ended December 31, 2018. Equity in (earnings) loss of non-consolidated entities includes a lower of carrying value or fair value impairment loss of the held-for sale portion of our investment in NCM of \$16.0 million for the year ended December 31, 2018. Equity in (earnings) loss of non-consolidated entities includes an other-than-temporary impairment charge of \$208.0 million to reduce the carrying value of our investment in NCM to Level 1 fair value during the year ended December 31, 2017. An other-than-temporary impairment

charge of \$204.5 million was recorded on our units and shares at the publicly quoted per share price on June 30, 2017, of \$7.42 and an other-than-temporary impairment charge of \$3.5 million was recorded on our units and shares at the publicly quoted per share price on December 31, 2017 of \$6.86, based on our determination that the decline in the price per share during the respective quarters was other than temporary. Equity in (earnings) loss of non-consolidated entities includes loss on the sale of a portion of our investment in NCM of \$22.2 million during the year ended December 31, 2017.

- 4) Includes U.S. non-theatre distributions from equity method investments and International non-theatre distributions from equity method investments to the extent received. We believe including cash distributions is an appropriate reflection of the contribution of these investments to our operations.
- 5) Attributable EBITDA includes the EBITDA from equity investments in theatre operators in certain international markets. See below for a reconciliation of our equity (earnings) loss of non-consolidated entities to attributable EBITDA. Because these equity investments are in theatre operators in regions where we hold a significant market share, we believe attributable EBITDA is more indicative of the performance of these equity investments and management uses this measure to monitor and evaluate these equity investments. We also provide services to these theatre operators including information technology systems, certain on-screen advertising services and our gift card and package ticket program. As these investments relate only to our Nordic acquisition, the second quarter of 2017 represents the first time we have made this adjustment and does not impact prior historical presentations of Adjusted EBITDA.

Reconciliation of Pro Forma Attributable EBITDA (Unaudited)

(In millions)	Three Months Ended December 31, 2017 Pro Forma	Year Ended December 31, 2017 Pro Forma
Equity in (earnings) loss of non-consolidated entities	\$ (13.9)	\$ 185.2
Less:		
Equity in (earnings) loss of non-consolidated entities excluding international theatre JV's	(12.6)	187.0
Equity in earnings (loss) of International theatre JV's	1.3	1.8
Income tax provision	—	—
Investment Income	—	—
Depreciation and amortization	0.3	1.6
Attributable EBITDA	<u>\$ 1.6</u>	<u>\$ 3.4</u>

- 6) Other expense (income) for the quarter and year ended December 31, 2018 includes financing losses and financing related foreign currency transaction losses. During the quarter and year ended December 31, 2018, we recorded a gain of \$165.5 million and \$111.4 million, respectively, as a result of a decrease in fair value of our derivative liability and an increase in fair value of our derivative asset for the Convertible Notes due 2024. Other income for the year ended December 31, 2017 includes \$3.0 million financing related foreign currency transaction gains, partially offset by \$1.3 million in fees relating to third-party fees related to the Third Amendment to our Senior Secured Credit Agreement, and a \$0.4 million loss on the redemption of the Bridge Loan Facility.
- 7) Merger, acquisition and transition costs are excluded as it is non-operating in nature.

- 8) Stock-based compensation expense is Non-cash or non-recurring expense included in General and Administrative: Other.
- 9) Net Earnings (Loss) Margin is defined as Net Earnings (Loss) divided by Total Revenues
- 10) The pro forma numbers and related reconciliation to historical numbers for the three months and year ended December 31, 2017 appear elsewhere in these tables. The International segment information for the three months and year ended December 31, 2018 has been adjusted for constant currency. Constant currency amounts, which are non-GAAP measurements were calculated using the average exchange rate for the corresponding period for 2017. We translate the results of our international operating segment from local currencies into U.S. dollars using currency rates in effect at different points in time in accordance with U.S. GAAP. Significant changes in foreign exchange rates from one period to the next can result in meaningful variations in reported results. We are providing constant currency amounts for our international operating segment to present a period-to-period comparison of business performance that excludes the impact of foreign currency fluctuations.

UNAUDITED PRO FORMA
CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined financial information of AMC Entertainment Holdings, Inc. ("AMC" or the "Company") is presented to illustrate the estimated effects of (i) the acquisition of Nordic Cinema Group Holdings AB ("Nordic" or the "Nordic Acquisition"); (ii) the issuance of \$475,000,000 aggregate principal amount of 6.125% Senior Subordinated Notes due 2027 and £250,000,000 aggregate principal amount of 6.375% Senior Subordinated Notes due 2024 used to fund the Nordic Acquisition (clauses (ii), referred to as the "Financings"); (iii) the issuance of 20,330,874 shares (\$640,423,000 at an offering price of \$31.50 per share of the Company's Class A Common Stock to repay the \$350,000,000 aggregate principal amount of Bridge Loans incurred to partially finance the Carmike acquisition and for general and corporate purposes (the "2017 Equity Offering") and (iv) the settlement the Company entered into with the United States Department of Justice, pursuant to which the Company agreed to divest theatres in 15 local markets where it has an overlap with Carmike (the "Theatre Divestitures").

The pro forma financial information is based in part on certain assumptions regarding the foregoing transactions that we believe are factually supportable and expected to have a continuing impact on our consolidated results. The unaudited pro forma condensed combined statements of operations for the three and twelve months ended December 31, 2017 combine the historical consolidated statements of operations of the Company and Nordic, giving effect to the Nordic Acquisition, the Financings, the Theatre Divestitures and the 2017 Equity Offering as if they had been completed on January 1, 2017. The historical consolidated financial information for Nordic has been adjusted to comply with U.S. Generally Accepted Accounting Principles ("U.S. GAAP"). The classification of certain items by Nordic under International Financial Reporting Standards ("IFRS") has been modified in order to align with the presentation used by the Company under U.S. GAAP. In addition to the U.S. GAAP adjustments and the reclassifications, amounts for Nordic have also been translated to U.S. dollars.

The unaudited pro forma condensed combined financial information has been prepared by the Company, as the acquirer, using the acquisition method of accounting in accordance with U.S. GAAP. The acquisition method of accounting is dependent upon certain valuation and other studies that have yet to commence or progress to a stage where there is sufficient information for a definitive measurement. The assets and liabilities of Nordic have been measured based on various preliminary estimates using assumptions that the Company believes are reasonable based on information that is currently available. The pro forma adjustments have been made solely for the purpose of providing unaudited pro forma condensed combined financial information prepared in accordance with the rules and regulations of the Securities and Exchange Commission.

The unaudited pro forma condensed combined financial information does not purport to represent the actual results of operations that the Company and Nordic would have achieved had the companies been combined during the periods presented in the unaudited pro forma condensed combined financial statements and is not intended to project the future results of operations that the combined company may achieve after the Nordic Acquisition. The unaudited pro forma condensed combined financial information does not reflect any potential cost savings that may be realized as a result of the Nordic Acquisition and also does not reflect any restructuring or integration-related costs to achieve those potential cost savings. No historical transactions between Nordic and the Company during the periods presented in the unaudited pro forma condensed combined financial statements have been identified at this time.

The unaudited pro forma condensed combined financial information does not give effect to the settlement we entered into with the United States Department of Justice, pursuant to which we agreed to divest most of our holdings and relinquish all of our governance rights in NCM, our joint venture for cinema screen advertising, and (ii) agreed to transfer 24 theatres with a total of 384 screens to the network of Screenvision LLC, the cinema screen advertising business in which Carmike participates.

The Company previously filed unaudited pro forma condensed combined statements of operations in its 8-K/A on March 13, 2017, Form 8-K on August 1, 2017, August 4, 2017, and November 6, 2017 and Form 8-K/A on December 4, 2017 and has updated Note 5 from the previously file 8-K/A and 8-K to include the pro forma impacts of the Nordic Acquisition, the Nordic Financing and the Theatre Divestitures for 2017.

AMC ENTERTAINMENT HOLDINGS, INC.
 UNAUDITED CONDENSED COMBINED PRO FORMA STATEMENT OF OPERATIONS
 THREE MONTHS ENDED DECEMBER 31, 2017
 (dollars in thousands)

	AMC Historical Three Months Ended December 31, 2017	Nordic Historical Three Months Ended December 31, 2017	Pro Forma Adjustments Note (5)	AMC Pro Forma
Revenues	\$ 1,416,827	\$ —	\$ — (e)	\$ 1,416,827
			— (c)	
			— (d)	
			— (d)	
Cost of operations	928,785	—	— (e)	928,785
			— (d)	
			— (d)	
Rent	203,456	—	— (f)	203,456
			— (c)	
			— (c)	
			— (d)	
			— (d)	
General and administrative:				
Merger, acquisition and transaction costs	5,724	—	(100) (a)	50
			(3,931) (a)	
			(1,643) (a)	
Other	20,046	—	— (e)	20,046
Depreciation and amortization	144,783	—	— (e)	144,783
			— (c)	
			— (d)	
			— (d)	
Impairment of long-lived assets	43,621	—	—	43,621
Operating costs and expenses	1,346,415	—	(5,674)	1,340,741
Operating income	70,412	—	5,674	76,086
Other expense (income)	540	—	—	540

Interest expense	70,614	—	— (e)	70,614
			— (c)	
			— (c)	
			— (c)	
			— (d)	
Equity in (earnings) loss of non-consolidated entities	(13,878)	—	—	(13,878)
Investment income	(931)	—	— (c)	(931)
Total other expense	56,345	—	—	56,345
Earnings (loss) before income taxes	14,067	—	5,674	19,741
Income tax provision (benefit)	290,464	—	— (b)	290,464
Net earnings (loss)	<u>\$ (276,397)</u>	<u>\$ —</u>	<u>\$ 5,674</u>	<u>\$ (270,723)</u>

AMC ENTERTAINMENT HOLDINGS, INC.
 UNAUDITED CONDENSED COMBINED PRO FORMA STATEMENT OF OPERATIONS
 YEAR ENDED DECEMBER 31, 2017
 (dollars in thousands)

	AMC Historical Year Ended December 31, 2017	Nordic Historical Year Ended December 31, 2017	Pro Forma Adjustments Note (5)	AMC Pro Forma
Revenues	\$ 5,079,212	\$ 94,850	\$ (2,544) (e)	\$ 5,156,008
			32 (c)	
			(6,782) (d)	
			(8,760) (d)	
Cost of operations	3,404,393	59,418	(2,030) (e)	3,454,329
			(965) (d)	
			(6,487) (d)	
Rent	794,364	9,562	(446) (e)	800,284
			39 (c)	
			(652) (c)	
			(1,080) (d)	
			(1,503) (d)	
General and administrative:				
Merger, acquisition and transaction costs	62,963	3,162	(4,379) (a)	24,477
			(33,840) (a)	
			(3,429) (a)	
Other	133,413	4,553	(52) (e)	137,914
Depreciation and amortization	538,649	4,919	(172) (e)	544,928
			2,107 (c)	
			(226) (d)	
			(349) (d)	
Impairment of long-lived assets	43,621	—	—	43,621
Operating costs and expenses	4,977,403	81,614	(53,464)	5,005,553
Operating income	101,809	13,236	35,410	150,455
Other expense (income)	(1,718)	—	—	(1,718)

Interest expense	273,964	15,033	(69) (e)	284,467
			(14,886) (c)	
			6,441 (c)	
			4,032 (c)	
			(48) (d)	
Equity in (earnings) loss of non-consolidated entities	185,241	(1,813)	—	183,428
Investment income	(22,562)	(45)	116 (c)	(22,491)
Total other expense	434,925	13,175	(4,414)	443,686
Earnings (loss) before income taxes	(333,116)	61	39,824	(293,231)
Income tax provision (benefit)	154,075	1,180	9,760 (b)	162,139
			(2,928) (c)	
			52 (e)	
Net earnings (loss)	<u>\$ (487,191)</u>	<u>\$ (1,119)</u>	<u>\$ 32,940</u>	<u>\$ (455,370)</u>

AMC ENTERTAINMENT HOLDINGS, INC.
 UNAUDITED CONDENSED COMBINED PRO FORMA STATEMENT OF OPERATIONS BY SEGMENT
 THREE MONTHS ENDED DECEMBER 31, 2017
 (dollars in thousands)

	AMC Historical Three Months Ended December 31, 2017	Historical Nordic, Odeon & Legacy AMC International Theatre	U.S. Markets Pro Forma Adjustments	Pro Forma U.S. Markets	Historical Nordic, Odeon & Legacy AMC International Theatre	International Markets Pro Forma Adjustments	Pro Forma International Markets
			Note (5)			Note (5)	
Revenues	\$ 1,416,827	\$ (438,581)	\$ — (d)	\$ 978,246	\$ 438,581	\$ — (f)	\$ 438,581
			— (d)			— (d)	
Cost of operations	928,785	(285,660)	— (d)	643,125	285,660	— (f)	285,660
			— (d)				
Rent	203,456	(55,080)	— (d)	148,376	55,080	— (f)	55,080
			— (d)			— (d)	
						— (d)	
General and administrative:							
Merger, acquisition and transaction costs	5,724	(1,743)	(3,931) (a)	50	1,743	(100) (b)	—
						(1,643)	
Other	20,046	(3,018)	—	17,028	3,018	— (f)	3,018
Depreciation and amortization	144,783	(34,826)	— (d)	109,957	34,826	— (f)	34,826
			—			— (d)	
Impairment of long-lived assets	43,621	—	—	43,621			—
Operating costs and expenses	1,346,415	(380,327)	(3,931)	962,157	380,327	(1,743)	378,584
Operating income	70,412	(58,254)	3,931	16,089	58,254	1,743	59,997
Other expense (income)	540	(437)	—	103	437		437
Interest expense	70,614	(5,748)	— (c)	64,866	5,748	— (f)	5,748
			— (c)			— (d)	
			— (d)				
Equity in (earnings) loss of non-consolidated entities	(13,878)	1,691	—	(12,187)	(1,691)		(1,691)
Investment income	(931)	176	—	(755)	(176)	— (d)	(176)

Total other expense	<u>56,345</u>	<u>(4,318)</u>	<u>—</u>	<u>52,027</u>	<u>4,318</u>	<u>—</u>	<u>4,318</u>
Earnings (loss) before income taxes	14,067	(53,936)	3,931	(35,938)	53,936	1,743	55,679
Income tax provision (benefit)	290,464	1,800	— (b)	292,264	(1,800)	— (f)	(1,800)
Net earnings (loss)	<u>\$ (276,397)</u>	<u>\$ (55,736)</u>	<u>\$ 3,931</u>	<u>\$ (328,202)</u>	<u>\$ 55,736</u>	<u>\$ 1,743</u>	<u>\$ 57,479</u>

AMC ENTERTAINMENT HOLDINGS, INC.
 UNAUDITED CONDENSED COMBINED PRO FORMA STATEMENT OF OPERATIONS BY SEGMENT
 YEAR ENDED DECEMBER 31, 2017
 (dollars in thousands)

	AMC		Historical		Historical		Nordic		International	
	Historical	Nordic, Odeon &	U.S. Markets		Nordic, Odeon &	Historical	International	Markets		
	Year Ended December 31, 2017	Legacy AMC International Theatre	Pro Forma Adjustments Note (5)	Pro Forma U.S. Markets	Legacy AMC International Theatre	Historical Nine Months Ended December 31, 2017	Pro Forma Adjustments Note (5)	Pro Forma International Markets	Pro Forma International Markets	
Revenues	\$ 5,079,212	\$ (1,355,722)	\$ (6,782)(d)	\$ 3,707,948	\$ 1,355,722	\$ 94,850	\$ (2,544)(e)	\$ 1,448,060		
Cost of operations	3,404,393	(902,507)	(8,760)(d)	2,494,434	902,507	59,418	(965)(d)	959,895		
			(6,487)(d)							
Rent	794,364	(200,365)	(1,080)(d)	591,416	200,365	9,562	(1,503)(d)	208,868		
General and administrative:										
Merger, acquisition and transaction costs	62,963	(4,646)	(33,840)(a)	24,477	4,646	3,162	(446)(e)	—		
Other	133,413	(48,617)	—	84,796	48,617	4,553	(3,429)(a)	53,118		
Depreciation and amortization	538,649	(134,425)	(226)(d)	403,649	134,425	4,919	(52)(e)	141,279		
			(349)(d)							
Impairment of long-lived assets	43,621	—	—	43,621	—	—	2,107 (c)	—		
Operating costs and expenses	4,977,403	(1,290,560)	(44,450)	3,642,393	1,290,560	81,614	(9,014)	1,363,160		
Operating income	101,809	(65,162)	28,908	65,555	65,162	13,236	6,502	84,900		
Other expense (income)	(1,718)	(246)	—	(1,964)	246	—	—	246		
Interest expense	273,964	(24,191)	6,441 (c)	260,198	24,191	15,033	(69)(e)	24,269		
			4,032 (c)							
			(48)(d)							
Equity in (earnings) loss of non-consolidated entities	185,241	2,635	—	187,876	(2,635)	(1,813)		(4,448)		
Investment income	(22,562)	5	—	(22,557)	(5)	(45)	116 (c)	66		
Total other expense	434,925	(21,797)	10,425	423,553	21,797	13,175	(14,839)	20,133		
Earnings (loss) before income taxes	(333,116)	(43,365)	18,483	(357,998)	43,365	61	21,341	64,767		
Income tax provision (benefit)	154,075	194	9,760 (b)	164,029	(194)	1,180	52 (e)	(1,890)		
Net earnings (loss)	\$ (487,191)	\$ (43,559)	\$ 8,723	\$ (522,027)	\$ 43,559	\$ (1,119)	\$ 24,217	\$ 66,657		

5. Pro Forma Adjustments (dollars in thousands)

The accompanying unaudited pro forma condensed combined financial statements have been prepared as if the Nordic acquisition, the Financings, the Theatre Divestitures and the 2017 Equity Offering were completed on January 1, 2017 for statement of operations purposes.

(a) Adjustment to remove the non-recurring direct incremental costs of the Odeon acquisition, the Carmike acquisition and the Nordic Acquisition which are reflected in the historical financial statements of the Company, Odeon, Carmike and Nordic.

	Three Months Ended December 31, 2017	Year Ended December 31, 2017
Remove the Company's costs	\$ (3,931)	\$ (33,840)
Remove Odeon's costs	(1,643)	(3,429)
Remove Nordic's costs	(100)	(4,379)

(b) Adjustment to record tax benefit in U.S. tax jurisdictions for the Company at the Company's effective income tax rate of 39%. Income and expenses recorded historically by Nordic were not significantly tax effected in foreign jurisdictions as a result of available unrecorded deferred tax assets including net operating loss carryforwards. As a result pro forma adjustments do not result in significant amounts of additional income tax expense or benefit in these foreign jurisdictions.

	Three Months Ended December 31, 2017	Year Ended December 31, 2017
Record tax effect in U.S. tax jurisdiction	\$ —	\$ 9,760

(c) Adjustment to Nordic revenues and expenses as a result of fair value.

	Three Months Ended December 31, 2017	Year Ended December 31, 2017
Revenues related to breakage income (adjustments are components of Other Revenues)	\$ —	\$ 32
Straight line rent expense	—	39
Unfavorable lease amortization	—	(652)
Depreciation and amortization	—	2,107
Remove Nordic historical interest expense	—	(14,886)
Remove Nordic historical investment income	—	116
Interest expense on \$475 million 6.125% Senior Subordinated Notes due 2027	—	6,441
Interest expense on £250 million 6.375% Senior Subordinated Notes due 2024	—	4,032
Income tax adjustment related to Nordic adjustments	—	(2,928)

(d) Adjustment Relating to Department of Justice Proposed Divestitures

Adjustments to remove Carmike and AMC historical revenues and expenses for theatres in markets that must be divested in connection with the Department of Justice proposed final judgement whereby we expect to sell certain of our theatres and certain Carmike theatres are reflected in the pro forma financial statements as those planned disposals are identifiable and factually supportable at this time. We believe that the reasonably possible effects on the financial statements for the divestitures are as follows (\$ in thousands):

	Three Months Ended December 31, 2017	Year Ended December 31, 2017
AMC Theatres		
Revenues	\$ —	\$ (6,782)
Cost of operations	—	(965)
Rent	—	(1,080)
Depreciation and amortization	—	(226)
Admissions	\$ —	\$ 4,007
Food & beverage	—	2,526
Other	—	249
Total revenues (1)	\$ —	\$ 6,782
Film exhibition costs	\$ —	\$ 2,168
Food & beverage costs	—	309
Operating expense	—	(1,512)
Cost of operations (2)	\$ —	\$ 965
Carmike Theatres		
Revenues	\$ —	\$ (8,760)
Cost of operations	—	(6,487)
Rent	—	(1,503)
Depreciation and amortization	—	(349)
Interest expense	—	(48)
Admissions	\$ —	\$ 5,155
Food & beverage	—	3,469
Other	—	136
Total revenues (3)	\$ —	\$ 8,760
Film exhibition costs	\$ —	\$ 2,797
Food & beverage costs	—	592
Operating expense	—	3,098
Cost of operations (4)	\$ —	\$ 6,487

(e) Adjustment to remove revenues and expenses included in the AMC historical period from the date of the Nordic Acquisition on March 28, 2017 through December 31, 2017.

###

