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**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): **April 24, 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.

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**Item 7.01 Regulation FD Disclosure.**

On April 24, 2019, AMC will conduct a conference call and webcast beginning at 3:15 PM CST/4:15 PM EST/10:15 PM CET titled Lease Accounting Update. To listen to the conference call via the internet, please visit the investor relations section of the AMC website at [www.amctheatres.com](http://www.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. To access the call from the U.S., dial (877) 407-3982. From international locations, the conference call can be accessed at (201) 493-6780. An archive of the webcast will be available at [www.investor.amctheatres.com](http://www.investor.amctheatres.com) for a limited time after the call.

Slides prepared for the conference call on the 2019 Lease Accounting Update are furnished as Exhibit 99.1 to this Current Report on Form 8-K and are incorporated herein by reference. Definitions and reconciliations of non-GAAP financial information and pro forma information included in the slides are furnished as Exhibit 99.2. The slides and the non-GAAP and pro forma information are also available on the AMC investor relations website at [www.investor.amctheatres.com](http://www.investor.amctheatres.com).

**Item 9.01 Financial Statements and Exhibits.**

d) Exhibits.

<u>Exhibit</u>	<u>Description</u>
99.1	<a href="#">Lease Accounting Update Presentation</a>
99.2	<a href="#">Supplemental Non-GAAP and Pro Forma Financial Information</a>

The information furnished pursuant to Item 7.01 of this Current Report on Form 8-K 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: April 24, 2019

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



**Lease Accounting**  
**April 24, 2019**



# Disclaimer

AMC's consolidated financial statements are prepared and presented in accordance with generally accepted accounting principles ("GAAP"). Certain items contained in this presentation, including Adjusted EBITDA, Adjusted EBITDAR, Net Debt, and Adjusted Free Cash Flow, are non-GAAP financial measures and are provided as a supplement and should not be considered an alternative to any GAAP measure of our operating performance, liquidity or profitability. The presentation of these financial measures is not intended to be a substitute for or superior to any financial information prepared and presented in accordance with GAAP. While management believes such non-GAAP measures provide recipients with useful supplemental information, there are material limitations associated with the use of non-GAAP financial measures as an analytical tool, and these measures may be different from non-GAAP financial measures (even those similarly-titled) used by other companies. Such non-GAAP measures are presented here because we believe they are widely used by investors and analysts to measure performance or to value our company. Our management also uses such measures for their internal analysis. The non-GAAP financial measures included in this presentation should be reviewed in conjunction with AMC's financial statements and related footnotes contained in documents filed with the SEC. For definitions and reconciliations of these non-GAAP financial measures to the nearest comparable GAAP measure, see the Non-GAAP Financial Information and Supplemental Pro Forma Information posted on the investor relations section of our website at [www.amctheatres.com](http://www.amctheatres.com), furnished on a Form 8-K earlier today, and presented in the Appendix of this presentation.

This presentation includes "forward-looking statements". Forward-looking statements may be identified by the use of words such as "forecast," "plan," "estimate," "will," "would," "project," "maintain," "intend," "expect," "anticipate," "strategy," "future," "likely," "may," "should," "believe," "continue," 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; AMC Stubs A-List not meeting anticipated revenue projections impacting projected incremental adjusted EBITDA; increased use of alternative film delivery methods or other forms of entertainment; shrinking exclusive theatrical release windows; general and international economic, political, social and financial market conditions and other risks including the effects of the exit of the United Kingdom from the European Union; risks and uncertainties relating to AMC's significant indebtedness; limitations on the availability of capital; certain covenants in the agreements that govern AMC's indebtedness may limit its ability to take advantage of certain business opportunities; 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 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 pending class action lawsuits; dependence on key personnel for current and future performance and our ability to attract and retain senior executives and other key personnel; poor financial results preventing AMC from deploying strategic initiatives; operating a business in unfamiliar international markets; increased costs to comply or resulting from a failure to comply with governmental regulations, including the General Data Protection Regulation ("GDPR") and pending future domestic privacy laws and regulations; and other risks, trends, uncertainties and other facts 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 the documents AMC has filed with the SEC, and the risks, trends and uncertainties identified in their 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.



# Executive Summary

- ✓ ASC 842 new lease accounting rules came into effect on January 1<sup>st</sup>, 2019
- ✓ Accounting change with no impact on the business or total cash flows
- ✓ New rule will result in certain presentation changes to the income and cash flow statements...
- ✓ ... and an increase in both assets and non-debt liabilities on the balance sheet, offset by a reduction in financing lease obligations

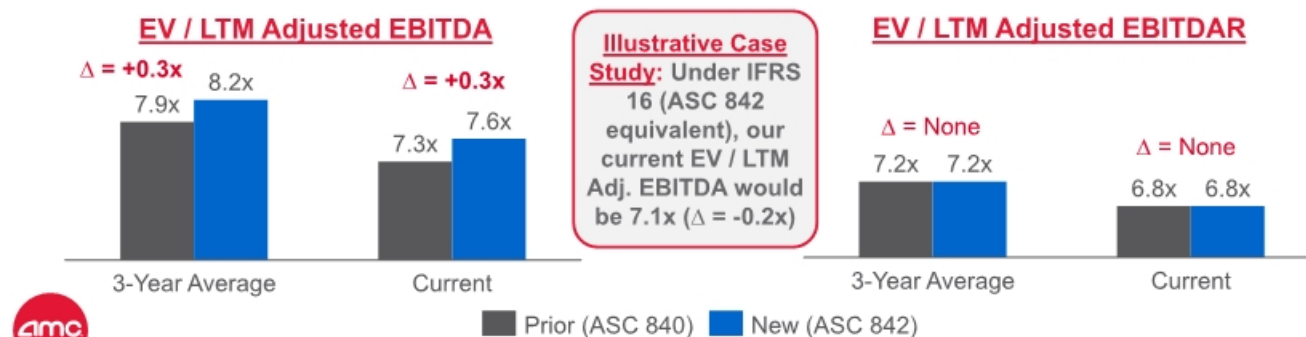


## Executive Summary (Cont'd)

✓ Importantly, this accounting change will have a non-operational impact on several of our key investor metrics. For example, assuming implementation of ASC 842 in 2018:

- ✓ **Net Debt:** \$427.3M decrease → legacy financing lease obligations (FLOs) reclassified as operating lease liabilities
- ✓ **Adjusted EBITDA:** \$93.3M decrease → principal payments and interest expense from legacy FLOs reclassified as rent expense
- ✓ **Adjusted Free Cash Flow:** \$57.6M decrease → legacy FLO principal payments in cash flow used in financing activities reclassified and captured in cash flow used in operating activities
- ✓ **Net Change in Cash:** \$0 → no impact

✓ This change will cause a shift in our Adjusted EBITDA valuation multiple (re-rate), despite no change to the underlying business or total cash flows:



Note: Current as of 4/19/19 and wholly based on 2018A financials, except share price (as of 4/19/19) and outstanding shares (as of 3/13/19)  
3-Year average based on average of valuation multiples at year-end 2016, 2017, and 2018 (see appendix, website, and 8-K for definitions and reconciliations)

# Changes Under New Lease Accounting Standard

Under ASC 842, AMC's operating leases will be reported on the balance sheet and its legacy financing lease obligations will be reclassified as operating leases

Prior GAAP (ASC 840)			New GAAP (ASC 842)	
Operating Leases	<ul style="list-style-type: none"> <li>• B/S: None</li> <li>• P&amp;L: Rent expense</li> </ul>	→	Operating Leases	<ul style="list-style-type: none"> <li>• B/S: ROU Asset &amp; Operating Lease Liability</li> <li>• P&amp;L: Rent expense</li> </ul>
Financing Lease Obligations / FLOs	<ul style="list-style-type: none"> <li>• B/S: PP&amp;E &amp; Debt</li> <li>• P&amp;L: Interest &amp; Depreciation</li> </ul>	↗	Financing Leases	<ul style="list-style-type: none"> <li>• B/S: PP&amp;E &amp; Debt</li> <li>• P&amp;L: Interest &amp; Depreciation</li> </ul>
Capital Leases / CLOs	<ul style="list-style-type: none"> <li>• B/S: PP&amp;E &amp; Debt</li> <li>• P&amp;L: Interest &amp; Depreciation</li> </ul>	↗		

- **Operating leases** are now capitalized on the balance sheet as right-of-use assets and operating lease liabilities
- **Financing lease obligations / FLOs** are reclassified as operating leases, shifting interest expense and principal payments to rent expense
- **Capital leases** are renamed as financing leases; no changes in accounting

ASC 842 has no impact on AMC's operations, cash generation, or compliance with debt covenants / rating agency considerations





## ASC 842 Adjustments: Income Statement

Reclassification of legacy financing lease obligations to operating leases shifts interest expense and principal payments to rent expense, thereby reducing Adjusted EBITDA

Line Item	2018A PF Impact (\$M)	Commentary
Revenue	–	<ul style="list-style-type: none"> <li>No revenue impact</li> </ul>
Rent Expense	\$93.3	<ul style="list-style-type: none"> <li>Reclassification of legacy financing leases (FLOs<sup>(1)</sup>) to operating leases shifts interest expense and principal payments to rent expense, thereby reducing Adjusted EBITDA</li> </ul>
<b>Adjusted EBITDA</b>	<b>(\$93.3)</b>	
D&A	(\$105.7)	<ul style="list-style-type: none"> <li>FLO building assets are written off to retained earnings and replaced with an operating right-of-use asset, eliminating previous depreciation expense → this drives the preponderance of the D&amp;A impact</li> </ul>
Interest Expense	(\$29.5)	
Non-Cash Rent Expense – Purchase Accounting	\$38.5	<ul style="list-style-type: none"> <li>Non-cash rent expense is the amortization of purchase accounting rent adjustments that have no effect on Adjusted EBITDA</li> </ul>
<b>Net Income</b>	<b>\$3.4</b>	



Note: Positive value reflects increase in line item and vice versa. See the appendix, website, and Form 8-K for definitions and reconciliations of non-GAAP financial measures.

(1) FLOs were largely assumed as part of AMC's acquisition of Odeon and Carmike whose build-to-suit lease arrangements requiring deemed accounting ownership resulted in failed sale leaseback transactions

## ASC 842 Adjustments: Cash Flow Statement

While ASC 842 has no impact on total change in cash, principal payments for legacy financing lease obligations in cash flow from financing are reclassified and captured in cash flow from operations

Line Item	2018A PF Impact (\$M)	<u>Commentary</u>
Net Income	\$3.4	
Deferred Rent <sup>(1)</sup>	\$6.2	<ul style="list-style-type: none"> <li>▪ Reclassification of legacy FLOs to operating leases shifts FLO principal payments to cash flow used in operating activities</li> </ul>
D&A	(\$105.7)	
Non-Cash Rent Expense – Purchase Accounting <sup>(1)</sup>	\$38.5	<ul style="list-style-type: none"> <li>▪ Adjusted Free Cash Flow is reduced, commensurate with the reduction in operating cash flows</li> </ul>
<b>Cash Flow Used In Operating Activities</b>	<b>(\$57.6)</b>	
Principal Payment Under FLO	\$57.6	<ul style="list-style-type: none"> <li>▪ Non-cash rent and depreciation adjust net income to a cash basis equal to the principal payment amount</li> </ul>
<b>Cash Flow Provided By Financing Activities</b>	<b>\$57.6</b>	
<b>Change In Cash</b>	<b>–</b>	<ul style="list-style-type: none"> <li>▪ <b>No impact on change in cash</b></li> </ul>



Note: Positive value reflects increase in line item and vice versa  
 (1) Increase in add-back primarily related to P&L impact of non-cash items / amounts

# ASC 842 Adjustments: Balance Sheet

Operating leases are capitalized on the balance sheet; while net debt is reduced, leverage ratio remains approximately unchanged

	Line Item	2018A PF Impact (\$M)	Commentary
Assets	ROU Operating Lease Assets	\$4,832.0	<ul style="list-style-type: none"> <li>Operating leases are capitalized on the balance sheet, resulting in the creation of right-of-use (ROU) assets and operating lease liabilities                             <ul style="list-style-type: none"> <li>ROU operating lease assets are reported net of deferred rent, landlord allowances, and any related purchase accounting adjustments</li> </ul> </li> </ul>
	Operating Lease Liabilities	\$5,358.0	
Liabilities	Lease Obligations (Legacy FLO)	(\$427.3)	<ul style="list-style-type: none"> <li>Reclassification of legacy FLOs to operating leases reduces outstanding FLOs and net debt</li> </ul>
	<b>Net Debt</b>	<b>(\$427.3)</b>	
<b><u>Memo: Leverage Ratio</u></b>			
	2018A	Adj.	PF 2018A
Net Debt	\$5,114.7	(\$427.3)	\$4,687.4
Adjusted EBITDA	\$929.2	(\$93.3)	\$835.9
<b>Leverage Ratio</b>	<b>5.5x</b>		<b>5.6x</b>

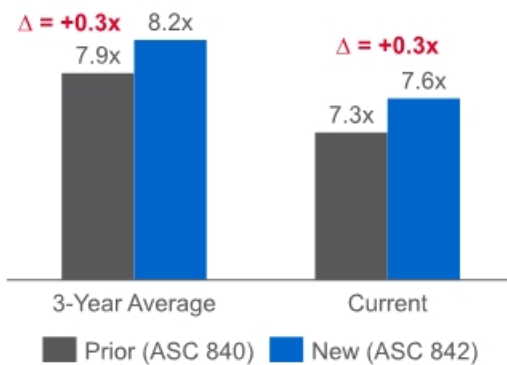


Note: Positive value reflects increase in line item and vice versa. See the appendix, website, and Form 8-K for definitions and reconciliations of non-GAAP financial measures.

# Valuation Multiples

To adjust for non-cash lease accounting changes, Adjusted EBITDA valuation multiples should re-rate upwards by 0.3x; Adjusted EBITDAR multiples remain consistent pre- and post-change

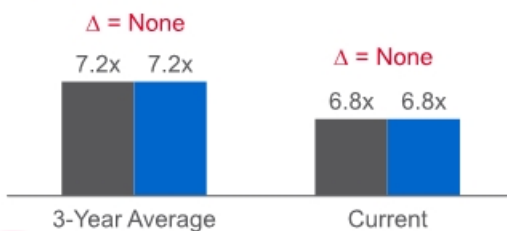
## TEV / LTM Adjusted EBITDA



Adjusted EBITDA multiples should increase by 0.3x

**Illustrative Case Study:** Under IFRS 16 (ASC 842 equivalent), our current EV / LTM Adj. EBITDA would be 7.1x ( $\Delta = -0.2x$ )

## TEV / LTM Adjusted EBITDAR



No change under Adjusted EBITDAR multiple approach

EBITDAR provides a more consistent valuation pre- and post-change

## Current TEV & Multiple Calculation

	Current
Share Price	\$16.05
(x) Fully Diluted Shares	105.8
Equity Value	\$1,697.7
(+) Net Debt	\$5,114.7
<b>TEV (Adj. EBITDA)</b>	<b>\$6,812.4</b>
(+) Operating Lease Liab.	\$4,930.7
<b>TEV (Adj. EBITDAR)</b>	<b>\$11,743.1</b>
2018 Adj. EBITDA	\$929.2
2018 Adj. EBITDAR	\$1,727.0
<b>TEV / LTM Adj. EBITDA</b>	<b>7.3x</b>
<b>TEV / LTM Adj. EBITDAR</b>	<b>6.8x</b>

**Prior (ASC 840)**

Equity Value	\$1,697.7
(+) Net Debt (Adj. for FLO)	\$4,687.4
<b>TEV (Adj. EBITDA)</b>	<b>\$6,385.1</b>
(+) Operating Lease Liab. (Adj. for FLO)	\$5,358.0
<b>TEV (Adj. EBITDAR)</b>	<b>\$11,743.1</b>
2018 Adj. EBITDA (New)	\$835.9
2018 Adj. EBITDAR (New)	\$1,727.0
<b>TEV / LTM Adj. EBITDA</b>	<b>7.6x</b>
<b>TEV / LTM Adj. EBITDAR</b>	<b>6.8x</b>

**New (ASC 842)**



Note: Current as of 4/19/2019 and based on 2018A financials; 3-Year average based on average of valuation multiples at year-end 2016, 2017, and 2018; See the appendix, website, and Form 8-K for definitions and reconciliations of non-GAAP financial measures.

# Medium to Long-Term Financial Targets: Original

	Medium to Long-Term Target	Rationale
Total Revenue Growth	<p><b>3% – 5%</b>  <i>(2% – 3% box office growth +                      1% – 2% industry outperformance)</i></p>	Outperformance driven by the AMC Platform (e.g., Stubs, A-List, premium food & beverage, high ROI growth capex)
Adjusted EBITDA Margin	<p><b>17% – 19%</b>  <i>(Up to ~200 bps of margin expansion)</i></p>	Margin expansion from operating leverage
Capital Expenditures	<p><b>\$250-300M of net capex within 3-5 years</b>  <i>(\$150M maintenance +                      \$100-150M net growth capex)</i></p>	Reversion to normalized capex level as highest ROI projects are executed
Net Leverage	<p><b>3.5x – 4.5x 3-year target</b>  <b>~3x long-term target</b></p>	Cash generation and Adjusted EBITDA growth enable deleveraging

**Due to ramp of A-List program, 2019 is expected to be a transitional year with dollar Adjusted EBITDA growth / accretion, but limited margin expansion**



## Med. to Long-Term Financial Targets: Revised for ASC 842

	Medium to Long-Term Target	Revisions
Total Revenue Growth	<p><b>3% – 5%</b></p> <p><i>(2% – 3% box office growth + 1% – 2% industry outperformance)</i></p>	None
Adjusted EBITDA Margin	<p><b>16% – 18%</b></p> <p><i>(Up to ~200 bps+ of margin expansion)</i></p>	Non-operational reduction in Adjusted EBITDA as a result of rent expense increase from lease reclassification
Capital Expenditures	<p><b>\$250-300M of net capex within 3-5 years</b></p> <p><i>(\$150M maintenance + \$100-150M net growth capex)</i></p>	None
Net Leverage	<p><b>3.5x – 4.5x 3-year target</b></p> <p><b>~3x long-term target</b></p>	No material changes to leverage ratio under ASC 842 (reduction in debt commensurate with Adjusted EBITDA decrease)

Due to ramp of A-List program, 2019 is expected to be a transitional year with dollar Adjusted EBITDA growth / accretion, but limited margin expansion



# Appendix



# Summary of Key ASC 842 Adjustments

	Key Inputs	Impact
Income Statement	• Rent Expense ↑	• Adjusted EBITDA ↓
	• Depreciation & Amortization ↓	• Net Income <sup>(1)</sup> ↑
	• Interest Expense ↓	
Cash Flow Statement	• Net Income <sup>(1)</sup> ↑	• CF Used In Operations ↓
	• Depreciation & Amortization ↓	• Adjusted Free Cash Flow ↓
	• FLO Principal Payments ↓	• CF Provided By Financing ↑
Balance Sheet	• ROU Assets ↑	• Balance Sheet Size ↑
	• Operating Lease Liabilities ↑	• Net Debt ↓
	• Financing Lease Obligations ↓	



(1) New lease accounting standard has a nominal impact on net income



# Summary Valuation Multiple Reconciliation (Pre-ASC 842)

Pre- ASC 842				
	Year Ended: PF 2016	PF 2017	2018A	2018A
	Share Price as of: 12/30/2016	12/29/2017	12/31/2018	4/19/2019
Share Price	\$33.65	\$15.10	\$12.28	\$16.05
<b>Shares Outstanding</b>				
Class A (Total)	34.3	51.9	51.7	52.1
Class B	75.8	75.8	51.8	51.8
Total Shares	110.2	127.7	103.5	103.8
Non-Vested Restricted Stock Units	0.6	1.1	1.9	1.9
Convertible Note Dilution			-	-
Fully Diluted Shares Outstanding	110.7	128.8	105.4	105.8
<b>Equity Value</b>	<b>\$3,725.8</b>	<b>\$1,944.9</b>	<b>\$1,294.9</b>	<b>\$1,697.7</b>
Corporate Borrowings & CLOs / FLOs	\$4,436.3	\$4,886.7	\$5,283.2	\$5,283.2
(+) Debt issuance costs	82.9	103.7	104.4	104.4
(-) Net discounts / (premiums)	(9.4)	(26.8)	64.4	64.4
(-) Derivative liability	-	-	(24.0)	(24.0)
Total Debt (Face Value)	\$4,509.8	\$4,963.6	\$5,428.0	\$5,428.0
<i>Memo: Capital and financing lease obligations (CLOs / FLOs)</i>	\$675.4	\$651.4	\$560.3	\$560.3
Cash and cash equivalents	\$207.1	\$310.0	\$313.3	\$313.3
<b>Net Debt</b>	<b>\$4,302.7</b>	<b>\$4,653.6</b>	<b>\$5,114.7</b>	<b>\$5,114.7</b>
<b>TEV (Adj. EBITDA)</b>	<b>\$8,028.5</b>	<b>\$6,598.5</b>	<b>\$6,409.6</b>	<b>\$6,812.4</b>
Operating lease adjustment	\$5,213.0	\$5,247.1	\$4,930.7	\$4,930.7
<b>TEV (Adj. EBITDAR)</b>	<b>\$13,241.5</b>	<b>\$11,845.6</b>	<b>\$11,340.3</b>	<b>\$11,743.1</b>
<b>Adj. EBITDA</b>	<b>\$903.9</b>	<b>\$843.6</b>	<b>\$929.2</b>	<b>\$929.2</b>
Rent Expense	\$796.4	\$800.3	\$797.8	\$797.8
<b>Adj. EBITDAR</b>	<b>\$1,700.3</b>	<b>\$1,643.9</b>	<b>\$1,727.0</b>	<b>\$1,727.0</b>
<b>TEV / LTM Adj. EBITDA</b>	<b>8.9x</b>	<b>7.8x</b>	<b>6.9x</b>	<b>7.3x</b>
<b>TEV / LTM Adj. EBITDAR</b>	<b>7.8x</b>	<b>7.2x</b>	<b>6.6x</b>	<b>6.8x</b>

Convertible note was issued in Sept. 2018; only dilutive to equity value if share price is in the money (>\$18.95); otherwise debt treatment

3-Year Average
7.9x
7.2x



Note: 3-Year average based on average of valuation multiples at year-end 2016, 2017, and 2018

4/19/19 valuation wholly based on 2018A financials, except share price (as of 4/19/19) and outstanding shares (as of 3/13/19)

For detailed definitions and reconciliations of all non-GAAP financial measures, see the investor relations section of our website at [www.amctheatres.com](http://www.amctheatres.com) and our Form 8-K furnished earlier today

## Summary Valuation Multiple Reconciliation (Post-ASC 842)

Post-ASC 842				
Year Ended:	PF 2016	PF 2017	2018A	2018A
Share Price as of:	12/30/2016	12/29/2017	12/31/2018	4/19/2019
Equity Value	\$3,725.8	\$1,944.9	\$1,294.9	\$1,697.7
Historical Net Debt	\$4,302.7	\$4,653.6	\$5,114.7	\$5,114.7
FLO Adjustment (ASC 842 Adj.)	(533.6)	(499.5)	(427.3)	(427.3)
Net Debt (Post-ASC 842)	\$3,769.1	\$4,154.1	\$4,687.4	\$4,687.4
<b>TEV (Adj. EBITDA)</b>	<b>\$7,494.9</b>	<b>\$6,099.0</b>	<b>\$5,982.3</b>	<b>\$6,385.1</b>
Operating Lease Liability	\$5,746.6	\$5,746.6	\$5,358.0	\$5,358.0
<b>TEV (Adj. EBITDAR)</b>	<b>\$13,241.5</b>	<b>\$11,845.6</b>	<b>\$11,340.3</b>	<b>\$11,743.1</b>
Historical Adj. EBITDA	\$903.9	\$843.6	\$929.2	\$929.2
Rent Expense Adj. (ASC 842 Adj.)	(\$88.4)	(\$95.5)	(\$93.3)	(\$93.3)
<b>Adj. EBITDA (Post-ASC 842)</b>	<b>\$815.5</b>	<b>\$748.1</b>	<b>\$835.9</b>	<b>\$835.9</b>
Rent Expense (GAAP Rent with ASC 842 Adj.)	\$884.8	\$895.8	\$891.1	\$891.1
<b>Adj. EBITDAR (Post-ASC 842)</b>	<b>\$1,700.3</b>	<b>\$1,643.9</b>	<b>\$1,727.0</b>	<b>\$1,727.0</b>
<b>TEV / LTM Adj. EBITDA</b>	<b>9.2x</b>	<b>8.2x</b>	<b>7.2x</b>	<b>7.6x</b>
<b>TEV / LTM Adj. EBITDAR</b>	<b>7.8x</b>	<b>7.2x</b>	<b>6.6x</b>	<b>6.8x</b>

3-Year Average
8.2x
7.2x



Note: 3-Year average based on average of valuation multiples at year-end 2016, 2017, and 2018

4/19/19 valuation wholly based on 2018A financials, except share price (as of 4/19/19) and outstanding shares (as of 3/13/19)

For detailed definitions and reconciliations of all non-GAAP financial measures, see the investor relations section of our website at [www.amctheatres.com](http://www.amctheatres.com) and our Form 8-K furnished earlier today

## ASC 842 Adjustments By Quarter

Adjustments to Income Statement					
	Three Months Ended March 31, 2018	Three Months Ended June 30, 2018	Three Months Ended Sept. 30, 2018	Three Months Ended Dec. 31, 2018	Year Ended Dec. 31, 2018
<b>Rent Expense:</b>					
Cash rent expense legacy FLO's	\$ 22.4	\$ 22.1	\$ 21.4	\$ 21.2	\$ 87.1
Deferred rent from deferred gain amortization	1.3	1.3	1.8	1.8	6.2
<b>Subtotal: Adjusted EBITDA Impact</b>	<b>23.7</b>	<b>23.4</b>	<b>23.2</b>	<b>23.0</b>	<b>93.3</b>
Non-cash rent expense - purchase accounting	9.9	9.7	9.5	9.4	38.5
Rent Expense	33.6	33.1	32.7	32.4	131.8
<b>Depreciation &amp; Amortization:</b>					
Non-cash rent expense - purchase accounting	(3.7)	(3.5)	(3.4)	(3.3)	(13.9)
FLO building asset depreciation	(24.4)	(23.6)	(23.1)	(20.7)	(91.8)
Depreciation & Amortization	(28.1)	(27.1)	(26.5)	(24.0)	(105.7)
<b>Interest Expense:</b>					
FLO interest expense	(7.8)	(7.7)	(7.1)	(6.9)	(29.5)
Interest Expense	(7.8)	(7.7)	(7.1)	(6.9)	(29.5)
Net income impact	\$ 2.3	\$ 1.7	\$ 0.9	\$ (1.5)	\$ 3.4

Adjustments to Cash Flow Statement					
	Three Months Ended March 31, 2018	Three Months Ended June 30, 2018	Three Months Ended Sept. 30, 2018	Three Months Ended Dec. 31, 2018	Year Ended Dec. 31, 2018
Cash flow used in operating activities	\$ (14.6)	\$ (14.4)	\$ (14.3)	\$ (14.3)	\$ (57.6)
Cash flow provided by financing activities	14.6	14.4	14.3	14.3	57.6
<b>Change in Cash</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



For detailed definitions and reconciliations of all non-GAAP financial measures, see the investor relations section of our website at [www.amctheatres.com](http://www.amctheatres.com) and our Form 8-K furnished earlier today



A WANDA GROUP COMPANY

11500 Ash Street  
Leawood, Kansas 66211

April 24, 2019

## Lease Accounting Update Supplemental Non-GAAP and Pro Forma Financial Information

### **Financial Information**

Reconciliations and definitions of non-GAAP financial measures (Adjusted EBITDA, Adjusted EBITDAR and Net Debt amounts) included in Exhibit 99.1 Lease Accounting Update are provided in the financial schedules included below and available at <http://investor.amctheatres.com>.

Additional information detailing select unaudited pro forma financial data for the year ended December 31, 2016 and December 31, 2017 included in Exhibit 99.1 Lease Accounting Update is included below and is available 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 and March 1, 2018. The Company believes the pro forma information provides a more comparable view of its results relative to prior periods.

### **Website Information**

This Supplemental Financial Information, along with other news about AMC, is available at [www.amctheatres.com](http://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](http://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](http://www.investor.amctheatres.com) to sign up for E-mail Alerts.

(tables follow)

**The following table sets forth a reconciliation of net earnings (loss) to Adjusted EBITDA and Adjusted EBITDAR:**  
(dollars in millions) (unaudited)

	Year Ended		
	Historical December 31, 2018	Pro Forma December 31, 2017	Pro Forma December 31, 2016
Net earnings (loss)	\$ 110.1	\$ (455.4)	\$ (15.2)
Plus:			
Income tax provision (benefit)	13.6	162.1	1.9
Interest expense	342.3	284.5	292.9
Depreciation and amortization	537.8	544.9	505.0
Impairment of long-lived assets	13.8	43.6	10.4
Certain operating expenses (3)	24.0	23.4	23.0
Equity in (earnings) loss of non-consolidated entities (4)	(86.7)	183.4	(58.1)
Cash distributions from non-consolidated entities (5)	35.2	45.4	40.1
Attributable EBITDA (6)	7.3	5.3	6.4
Investment income	(6.2)	(22.5)	(9.6)
Other expense (income) (7)	(108.2)	(1.3)	90.8
General and administrative expense—unallocated:			
Merger, acquisition and transaction costs (8)	31.3	24.5	1.7
Stock-based compensation expense (9)	14.9	5.7	14.6
Adjusted EBITDA (1)	<u>\$ 929.2</u>	<u>\$ 843.6</u>	<u>\$ 903.9</u>
Rent	797.8	800.3	796.4
Adjusted EBITDAR (2)	<u>\$ 1,727.0</u>	<u>\$ 1,643.9</u>	<u>\$ 1,700.3</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) We define Adjusted EBITDAR as Adjusted EBITDA plus Rent. Adjusted EBITDAR is not a substitute for, or more meaningful than, net income (loss) or cash flows from operating activities or any other measure prescribed by GAAP. Adjusted EBITDAR is presented for limited purposes solely as a valuation metric used to estimate the Company's total enterprise value and should not be viewed as a measure of overall performance because it excludes rent, which is a normal, recurring cash operating expense that is necessary to operate our business. For the foregoing reason, Adjusted EBITDAR has significant limitations which affect its use as an indicator of our profitability. Accordingly, you are cautioned not to place undue reliance on this information. Additionally, other companies may define Adjusted EBITDAR differently than the Company does, and as a result, it may be difficult to use Adjusted EBITDAR or similarly named non-GAAP measures that other companies may use to compare the performance of those companies to its performance. Because of these limitations, Adjusted EBITDAR should not be considered a measure of the income generated by the Company's business or discretionary cash available to it to invest in the growth of its business.
- 3) Amounts represent reopening 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.
- 4) 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) losses of non-consolidated entities includes an impairment of the Company's investment in NCM of \$204.5 million for the year ended December 31, 2017. The impairment charge reflects recording our units and shares at the publicly quoted per share price on June 30, 2017 of \$7.42 based on the company's determination that the decline in the price per share during the quarter was other than temporary. Equity in (earnings) loss of non-consolidated entities includes loss on the sale of a portion of the Company's investment in NCM of \$22.2 million during the year ended December 31, 2017.

- 5) 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.
- 6) 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)

	Historical Year Ended December 31, 2018	Pro Forma Year Ended December 31, 2017	Pro Forma Year Ended December 31, 2016
Equity in (earnings) loss of non-consolidated entities	\$ (86.7)	\$ (58.1)	\$ 183.4
Less:			
Equity in (earnings) loss of non-consolidated entities excluding international theatre JV's	(81.9)	(54.5)	186.7
Equity in earnings (loss) of International theatre JV's	4.8	3.6	3.3
Income tax provision	0.4	0.7	0.1
Investment income	(0.5)	(0.4)	(0.1)
Interest expense	—	0.1	—
Depreciation and amortization	2.6	2.4	2.0
Attributable EBITDA	<u>\$ 7.3</u>	<u>\$ 6.4</u>	<u>\$ 5.3</u>

- 7) 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.
- 8) Merger, acquisition and transition costs are excluded as they are non-operating in nature.
- 9) Stock-based compensation expense is non-cash or non-recurring expense included in General and Administrative: Other.

**AMC Entertainment Holdings, Inc.**  
**Consolidated Statement of Operations**

(in millions, except share and per share amounts)	Year Ended	
	December 31, 2018	
<b>Revenues</b>		
Admissions	\$	3,385.0
Food and beverage		1,671.5
Other theatre		404.3
Total revenues		5,460.8
<b>Operating costs and expenses</b>		
Film exhibition costs		1,710.2
Food and beverage costs		270.9
Operating expense, excluding depreciation and amortization below		1,654.7
Rent		797.8
<b>General and administrative:</b>		
Merger, acquisition and transaction costs		31.3
Other, excluding depreciation and amortization below		179.3
Depreciation and amortization		537.8
Impairment of long-lived assets		13.8
Operating costs and expenses		5,195.8
Operating income		265.0
<b>Other expense (income):</b>		
Other income		(108.1)
<b>Interest expense:</b>		
Corporate borrowings		262.3
Capital and financing lease obligations		38.5
Non-cash NCM exhibitor services agreement		41.5
Equity in earnings of non-consolidated entities		(86.7)
Investment income		(6.2)
Total other expense		141.3
Earnings before income taxes		123.7
Income tax provision		13.6
Net earnings	\$	110.1
<b>Earnings per share:</b>		
Basic	\$	0.91
Diluted	\$	0.41
<b>Average shares outstanding:</b>		
Basic (in thousands)		120,621
Diluted (in thousands)		130,105



**The following table sets forth a reconciliation of Net Debt:**  
(dollars in millions) (unaudited)

	Year Ended		
	Historical December 31, 2018	Pro Forma December 31, 2017	Pro Forma December 31, 2016
Corporate borrowings	\$ 4,722.9	\$ 4,235.3	\$ 3,761.0
Capital and financing lease obligations	560.3	651.4	675.4
Debt issuance costs included in corporate borrowings	104.4	103.7	82.8
Net discounts (premiums) included in corporate borrowings	64.4	(26.8)	(9.4)
Derivative liability included in corporate borrowings	(24.0)	-	-
cash	(313.3)	(310.0)	(207.1)
<b>Net Debt (1)</b>	<b>\$ 5,114.7</b>	<b>\$ 4,653.6</b>	<b>\$ 4,302.7</b>

(1) We present Net Debt as a supplemental measure for purposes of estimating total enterprise value. We define Net Debt as Corporate borrowings plus capital and financing lease obligations, debt issuance costs for corporate borrowings, discounts (premiums) for corporate borrowings less the derivative liability related to the senior unsecured convertible notes due 2024 less cash.

**Definition of Adjusted Free Cashflow**

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.

**ASC 842 Adjustments: Income Statement**

(In millions)	Three Months Ended March 31, 2018	Three Months Ended June 30, 2018	Three Months Ended September 30, 2018	Three Months Ended December 31, 2018	Year Ended December 31, 2018
<b>Rent Expense:</b>					
Cash rent expense legacy FLO's	\$ 22.4	\$ 22.1	\$ 21.4	\$ 21.2	\$ 87.1
Deferred rent from deferred gain amortization	1.3	1.3	1.8	1.8	6.2
subtotal Adjusted EBITDA Impact	23.7	23.4	23.2	23.0	93.3
Non-cash Rent Expense-Purchase Accounting	9.9	9.7	9.5	9.4	38.5
Rent Expense	33.6	33.1	32.7	32.4	131.8
<b>Depreciation &amp; Amortization:</b>					
Non-Cash Rent Expense-Purchase Accounting	(3.7)	(3.5)	(3.4)	(3.3)	(13.9)
FLO building asset depreciation	(24.4)	(23.6)	(23.1)	(20.7)	(91.8)
Depreciation & Amortization	(28.1)	(27.1)	(26.5)	(24.0)	(105.7)
<b>Interest Expense:</b>					
FLO interest expense	(7.8)	(7.7)	(7.1)	(6.9)	(29.5)
Interest Expense	(7.8)	(7.7)	(7.1)	(6.9)	(29.5)
Net income impact	\$ 2.3	\$ 1.7	\$ 0.9	\$ (1.5)	\$ 3.4

**ASC 842 Adjustments: Cash Flow Statement**

	Three Months Ended March 31, 2018	Three Months Ended June 30, 2018	Three Months Ended September 30, 2018	Three Months Ended December 31, 2018	Year Ended December 31, 2018
Cash Flow Used In Operating Activities	\$ (14.6)	\$ (14.4)	\$ (14.3)	\$ (14.3)	\$ (57.6)
Cash Flow Provided by Financing Activities	14.6	14.4	14.3	14.3	57.6
Change in Cash	\$ -	\$ -	\$ -	\$ -	\$ -

**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 year ended December 31, 2017 and the year ended December 31, 2016, 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**  
**YEAR ENDED DECEMBER 31, 2016**  
(dollars in thousands)

	AMC Historical Year Ended December 31, 2016	Odeon Historical Eleven Months Ended November 30, 2016	Carmike Historical Nine Months Ended September 30, 2016	Carmike Historical 81 Days Ended December 20, 2016	Nordic Historical Year Ended December 31, 2016	Pro Forma Adjustments Note (5)	AMC Pro Forma
Revenues	\$ 3,235,846	\$ 961,919	\$ 620,592	\$ 149,668	\$ 360,531	(1,167) (d)	\$ 5,256,450
						(11,709) (d)	
						(23,583) (e)	
						(35,647) (e)	
Cost of operations	2,105,124	625,374	423,744	108,647	232,011	(14,922) (e)	3,455,848
						(24,130) (e)	
Rent	505,463	155,175	79,381	22,308	39,286	9,101 (d)	796,292
						3,835 (d)	
						(4,880) (d)	
						550 (d)	
						(2,780) (d)	
						(4,451) (e)	
						(6,696) (e)	
General and administrative:							
Merger, acquisition and transaction costs	47,895	14,145	14,453	35,515	96	(46,353) (b)	1,716
						(13,971) (b)	
						(49,968) (b)	
						(96) (b)	
Other	90,719	43,183	22,269	11,132	18,859	(1,144) (d)	185,018
Depreciation and amortization	268,243	84,321	45,594	13,003	20,046	35,035 (d)	505,009
						33,461 (d)	
						9,288 (d)	
						(2,487) (e)	
						(1,495) (e)	
Impairment of long-lived assets	5,544	823	2,669	—	1,322	—	10,358
Operating costs and expenses	3,022,988	923,021	588,110	190,605	311,620	(82,103)	4,954,241
Operating income	212,858	38,898	32,482	(40,937)	48,911	9,997	302,209
Other expense (income)	(446)	87,976	—	—	—	2,821 (d)	90,351
Interest expense	121,537	174,302	37,131	11,707	33,519	(144,846) (a)	292,876
						74,693 (a)	
						6,932 (a)	
						(34,733) (a)	
						30,755 (a)	
						(907) (a)	
						(9,284) (d)	

						(48,838)	(d)	
						11,320	(d)	
						12,016	(d)	
						(33,159)	(d)	
						30,508	(d)	
						20,879	(d)	
						(656)	(e)	
Equity in (earnings) loss of non-consolidated entities	(47,718)	434	(3,358)	(1,305)	(6,131)	—		(58,078)
Investment (income) expense	(10,154)	—	—	—	9,381	(8,851)	(d)	(9,624)
Total other expense	63,219	262,712	33,773	10,402	36,769	(91,350)		315,525
Earnings (loss) before income taxes	149,639	(223,814)	(1,291)	(51,339)	12,142	101,347		(13,316)
Income tax provision (benefit)	37,972	1,784	(500)	(14,206)	4,328	(17,269)	(c)	1,890
						(10,219)	(d)	
Net earnings (loss)	\$ 111,667	\$ (225,598)	\$ (791)	(37,133)	\$ 7,814	\$ 128,835		\$ (15,206)

**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>

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, 2016 for statement of operations purposes.

- (a) Adjustments to interest expense and other expense have been made to reflect the elimination of the Odeon Shareholder Loans due 2019 and refinancing of the Odeon 9% Senior Secured Note GBP due 2018 and the Floating Rate Senior Secured Note due 2018 as follows:

	Year Ended December 31, 2016	Year Ended December 31, 2017
Eliminate historical interest expense for amounts extinguished for Odeon Indebtedness	\$ (144,846)	\$ —
Cash interest on new indebtedness incurred	\$ 74,693	—
Amortization of deferred charges on new indebtedness incurred	6,932	—
Eliminate historical interest on Term Loans due 2022	(34,733)	—
Interest on Term Loans due 2022 based on amended pricing	30,755	—
Eliminate historical interest on bridge loan	(907)	—

- (b) 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.

	Year Ended December 31, 2016	Year Ended December 31, 2017
Remove the Company's costs (including \$815k for 1 month Odeon Q4-16)	\$ (46,353)	\$ (33,840)
Remove Odeon's costs	(13,971)	(3,429)
Remove Carmike's costs	(49,968)	—
Remove Nordic's costs	(96)	(4,379)

- (c) 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 Odeon 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.

	Year Ended December 31, 2016	Year Ended December 31, 2017
Record tax effect in U.S. tax jurisdiction	\$ (17,269)	\$ 9,760



## (d) Adjustment to Odeon expenses as a result of fair value.

	Year Ended December 31, 2016	Year Ended December 31, 2017
Rent (1)	\$ 9,101	\$ —
Depreciation and amortization	35,035	—
Eliminate non-recurring direct incremental costs of the Odeon acquisition for share-based compensation expense related to the Junior LTIP	(1,144)	—
Eliminate deferred gain amortization	2,821	—
Interest Expense for capital and financing lease obligations primarily due to a lower incremental borrowing rate upon re-measurement	(9,284)	—
(1) Detail of Odeon rent adjustments above:		
Unfavorable lease amortization	(3,416)	—
Incremental financing lease obligation ground rent	2,631	—
Eliminate deferred rent credit from landlord incentives	8,554	—
Straight line rent expense	1,332	—
Total	\$ 9,101	\$ —

## Adjustments to Carmike revenues and expenses as a result of adjustments to fair value.

	Year Ended December 31, 2016	Year Ended December 31, 2017
Revenues from Screenvision deferred revenues	\$ (1,167)	\$ —
Straight line rent expense	3,835	—
Unfavorable lease amortization	(4,880)	—
Depreciation and amortization	33,461	—
Remove Carmike historical interest expense	(48,838)	—
Interest expense on capital and financing lease obligations reflecting a lower incremental borrowing rate upon re-measurement	11,320	—
Interest expense on 6.0% Senior Secured Notes due 2023	12,016	—

## Adjustments to Nordic revenues and expenses as a result of adjustments to fair value.

	Year Ended December 31, 2016	Year Ended December 31, 2017
Revenues related to breakage income (adjustments are components of Other Revenues)	\$ (11,709)	\$ 32
Straight line rent expense	550	39
Unfavorable lease amortization	(2,780)	(652)
Depreciation and amortization	9,288	2,107
Remove Nordic historical interest expense	(33,159)	(14,886)
Remove Nordic historical investment income	(8,851)	116
Interest expense on \$475 million 6.125% Senior Subordinated Notes due 2027	30,508	6,441
Interest expense on £250 million 6.375% Senior Subordinated Notes due 2024	20,879	4,032
Income tax adjustment related to Nordic adjustments	(10,219)	(2,928)

(e) 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):

	Year Ended	
	December 31, 2016	December 31, 2017
<b>AMC Theatres</b>		
Revenues	\$ (23,583)	\$ (6,782)
Cost of operations	(14,922)	(965)
Rent	(4,451)	(1,080)
Depreciation and amortization	(2,487)	(226)
Admissions	\$ 14,003	\$ 4,007
Food & beverage	8,902	2,526
Other	678	249
Total revenues (1)	\$ 23,583	\$ 6,782
Film exhibition costs	\$ 7,473	\$ 2,168
Food & beverage costs	1,047	309
Operating expense	6,402	(1,512)
Cost of operations (2)	\$ 14,922	\$ 965
<b>Carmike Theatres</b>		
Revenues	\$ (35,647)	\$ (8,760)
Cost of operations	(24,130)	(6,487)
Rent	(6,696)	(1,503)
Depreciation and amortization	(1,495)	(349)
Interest expense	(656)	(48)
Admissions	\$ 20,898	\$ 5,155
Food & beverage	13,738	3,469
Other	1,011	136
Total revenues (3)	\$ 35,647	\$ 8,760
Film exhibition costs	\$ 11,653	\$ 2,797
Food & beverage costs	2,037	592
Operating expense	10,440	3,098
Cost of operations (4)	\$ 24,130	\$ 6,487

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

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