



IMAX CHINA

(HK: 1970)

Investor Presentation

Aug 2019

Disclaimer

This document is not intended to form or provide any basis of any decision in connection with IMAX China Holding, Inc. (the "Company") or any other entity in which it directly or indirectly holds any interest (together with the Company, hereinafter referred to as the "Group"). It does not constitute an offer or an invitation to sell, or an offer or any solicitation of any offer to subscribe for or purchase, any securities in any jurisdiction including but not limited to a jurisdiction in which the making of such offer, invitation, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction or would not otherwise be in compliance with the laws and regulations of such jurisdiction. Nothing contained in this document shall form any basis of any decision, contract or commitment whatsoever.

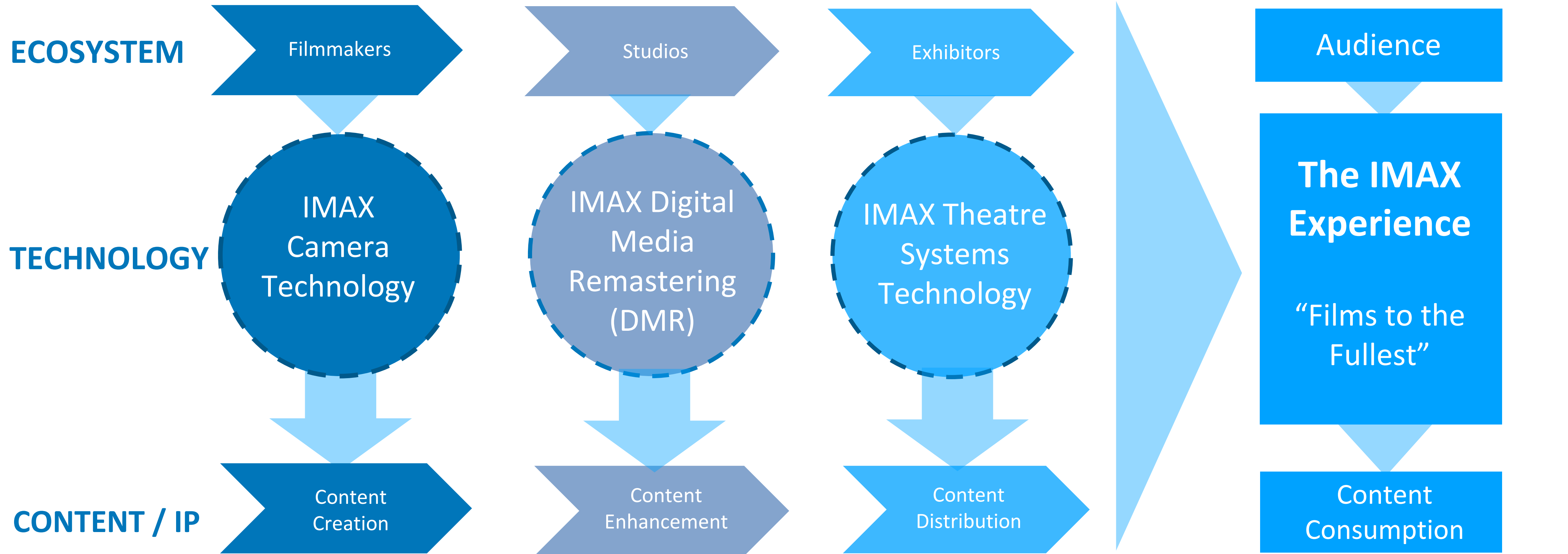
The information in this document has been provided solely for your information. This document does not purport to be comprehensive or to contain all the information that a recipient may need in order to evaluate the Company and/or any other member of the Group. Certain factual or predictive statements in this document are derived from external sources and have not been independently verified by the Group. No representation or warranty, express or implied, is given, and so far as is permitted by law and except in the case of fraud, no responsibility or liability (in connection with negligence or otherwise) is accepted by any person or entity (which, for the avoidance of doubt, includes but not limited to, any Group member or any of its directors, officers, employees, affiliates, advisers or representatives), with respect to the accuracy, reliability, truthfulness, fairness or completeness of this document or any of its contents or any oral or written communication in connection with any content contained in this document. In particular, but without limitation, no representation or warranty, express or implied, is given as to the achievement or reasonableness of, and no reliance should be placed on, any projections, targets, estimates or forecasts contained in this document. None of the Group members or its directors, officers, employees, affiliates, advisers or representatives shall have any liability in respect of the use of, or reliance upon, or any other handling of, any information contained herein by you or any person or entity to whom the information herein is disclosed in any manner. In all cases, each interested party should conduct its/his/her own investigation and analysis of the Group and the information (data or otherwise) contained in this document.

In connection with this document, the Group does not undertake any obligation to provide any additional information or to update this document or any additional information or to correct any inaccuracies which may or may not become apparent. This document does not create any obligation on the Company or any other member of the Group to consider or make any offer.

- **Ecosystem**
- **Business Model**
- **Investment Thesis**
- **Financials**

Unique Position in the Greater China Entertainment Ecosystem

Upstream ➔ Downstream

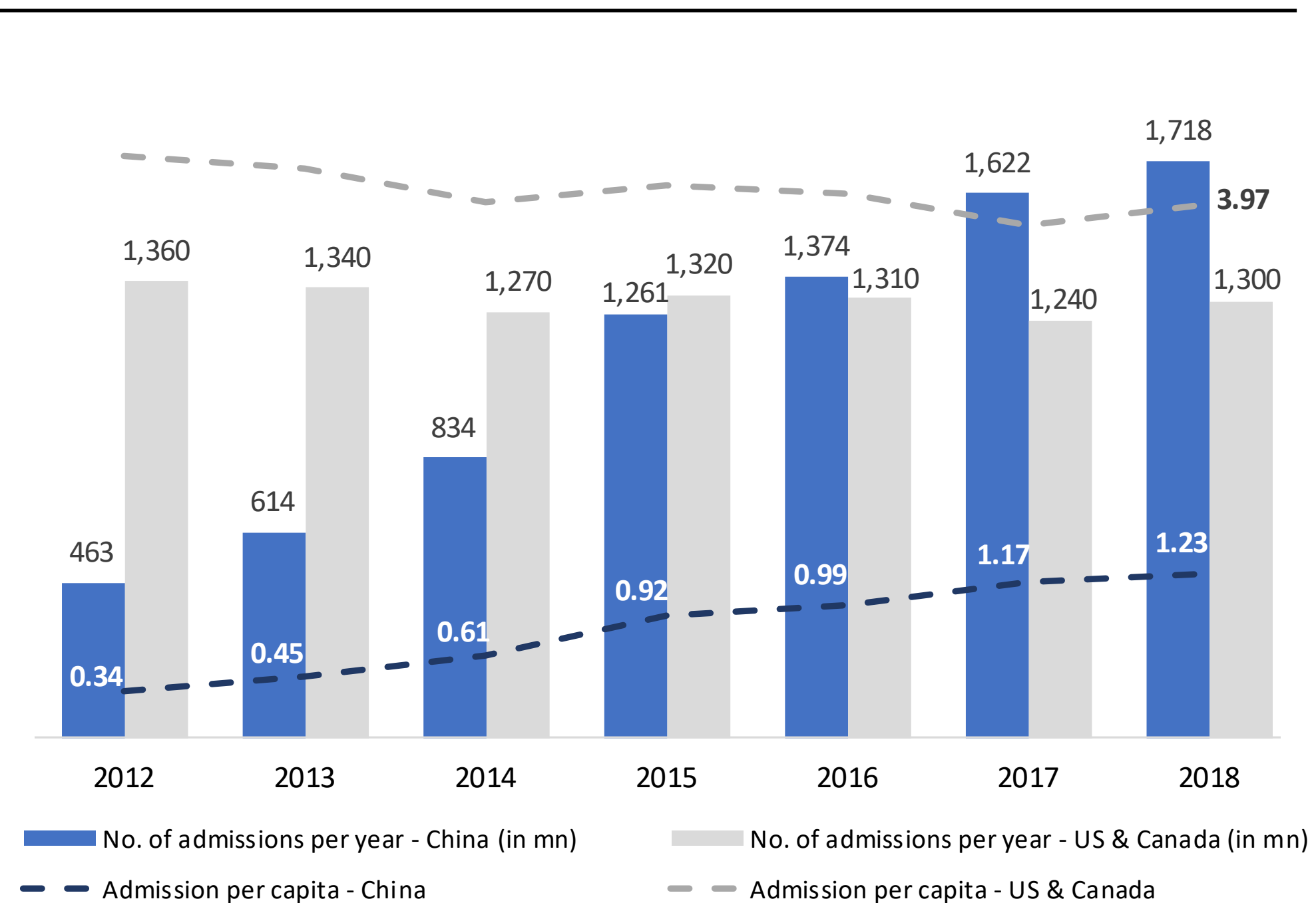


OUR PARTNERS

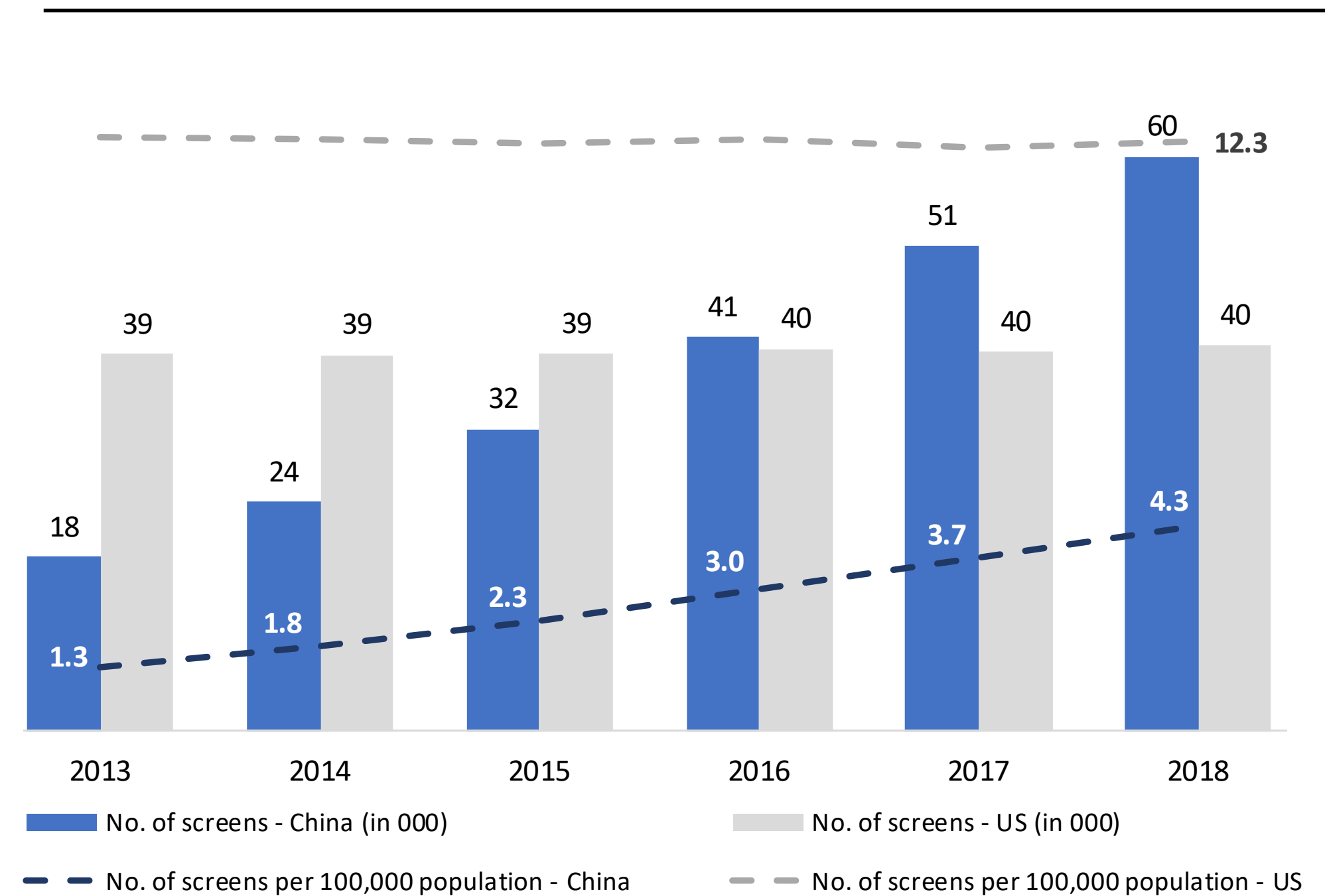


Chinese Film Market Sees Room for Growth From Both Demand and Supply Perspective

Movie admission per capita



No. of cinema screen per 100,000 population

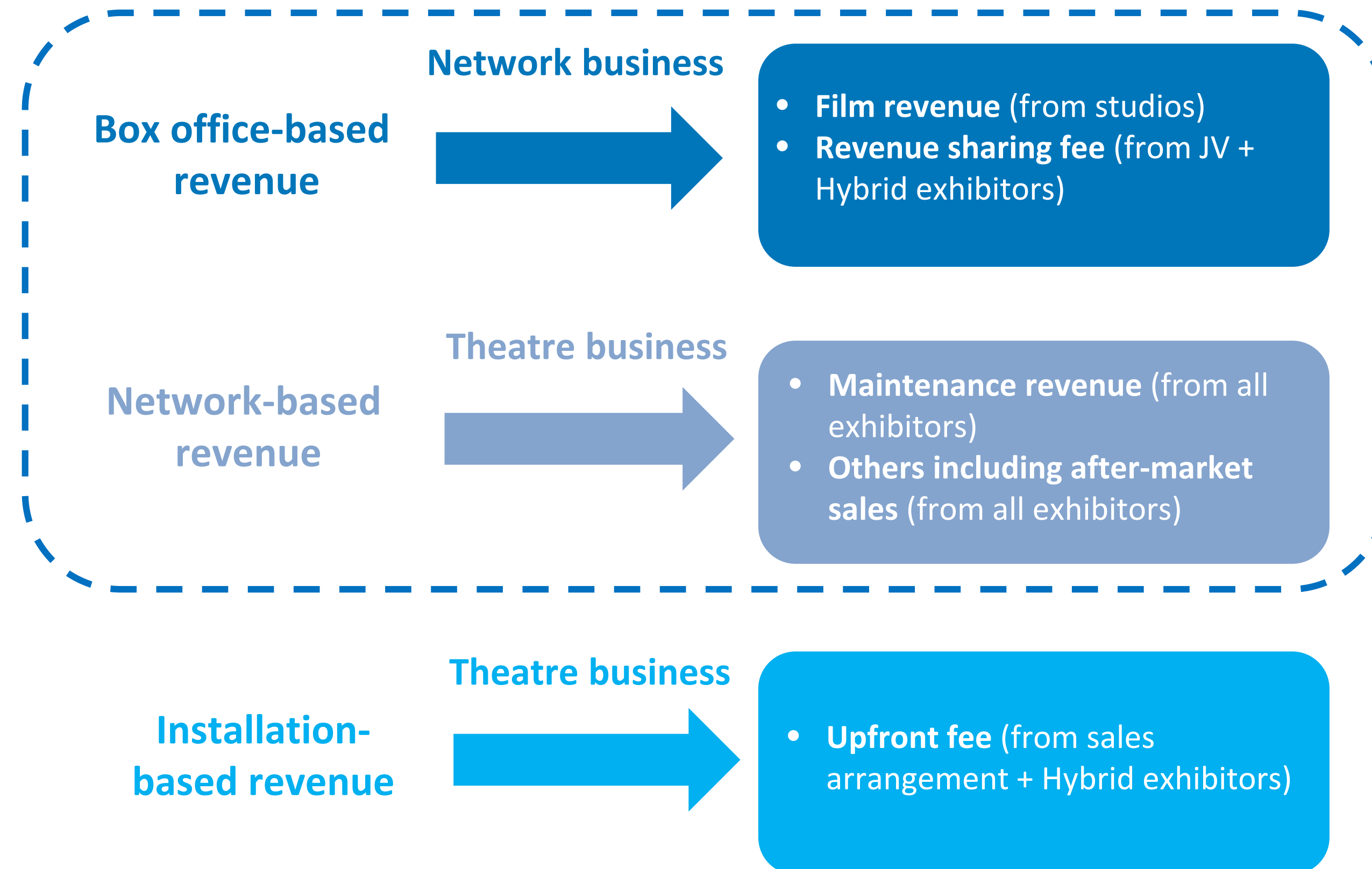


Source: National Bureau of Statistics, EntGroup, US Census National Association of Theatre Owners

- Ecosystem
- **Business Model**
- Investment Thesis
- Financials

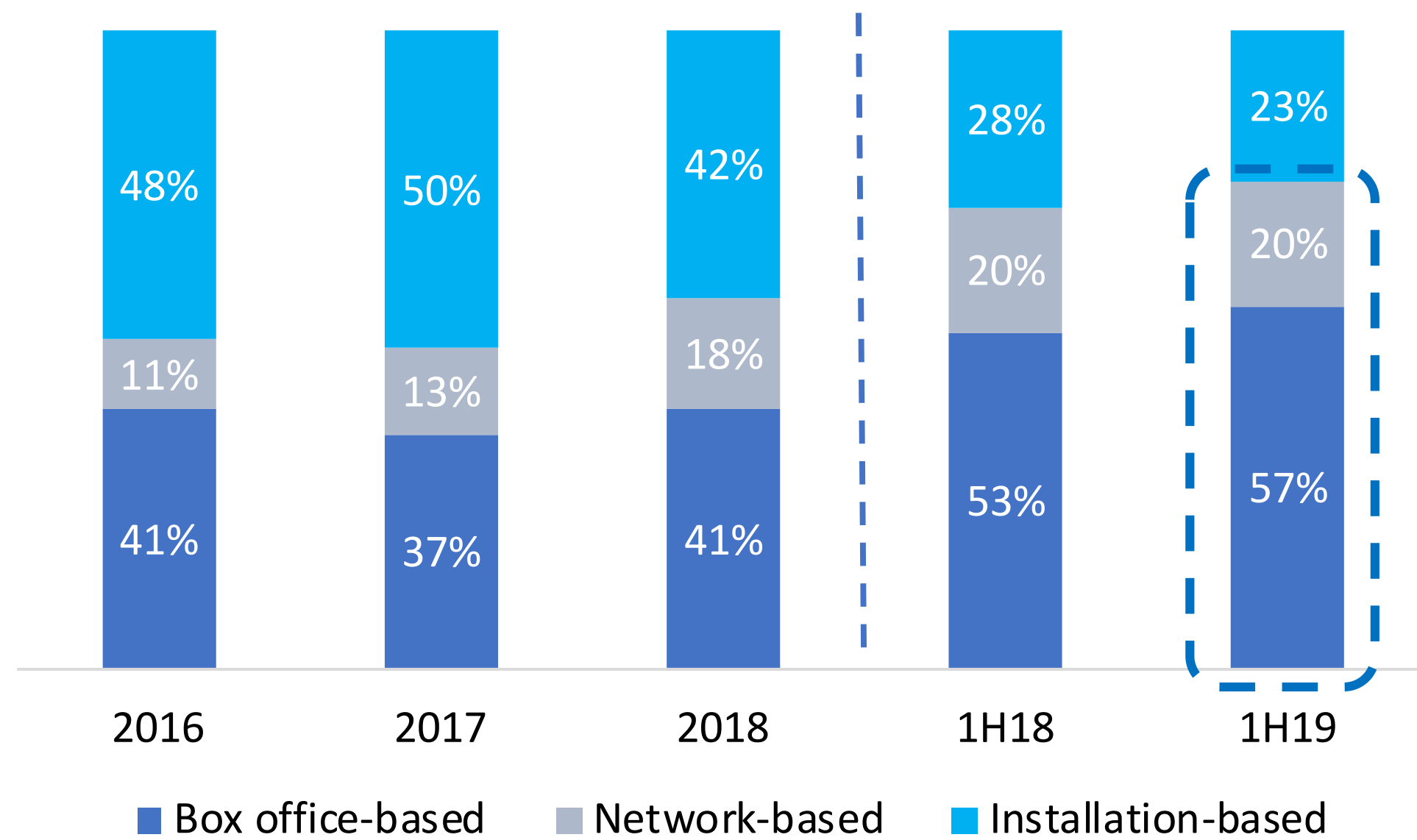
Our Business Model - Diversifying Monetization

IMAX China business models

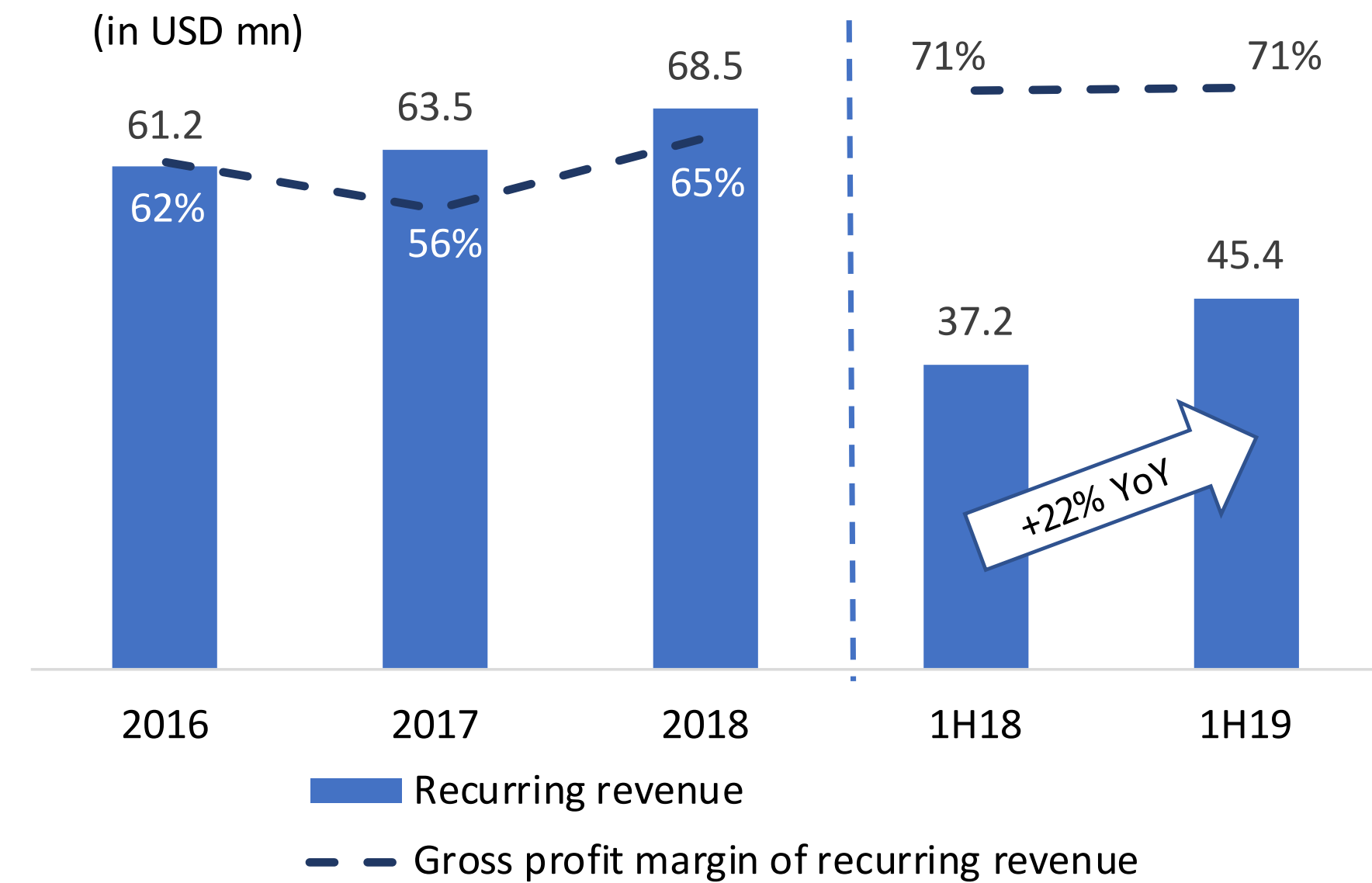


Our Network Effect Drives Higher Recurring Revenue Mix

Increasing mix of recurring revenue¹...



...with higher margin and faster growth



Note 1: Recurring revenue refers to box office and network-based revenue

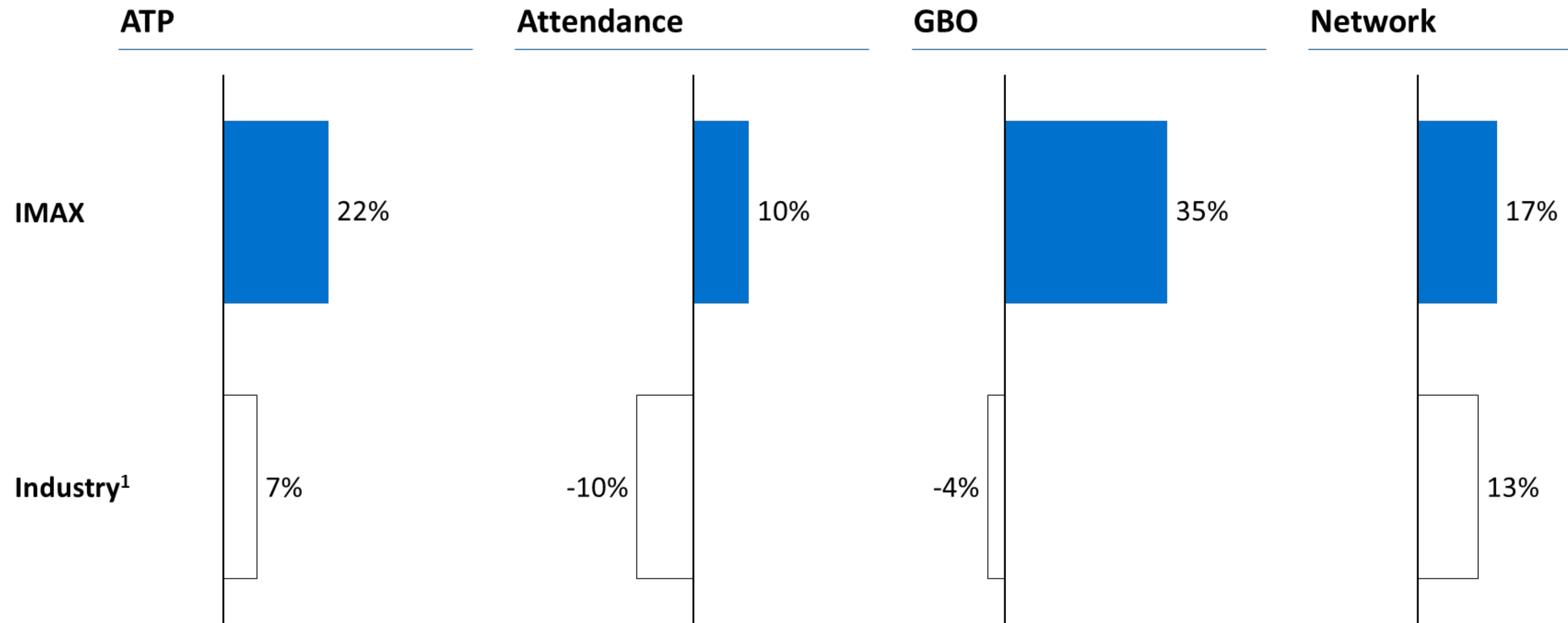
- Ecosystem
- Business Model
- **Investment Thesis**
- Financials

IMAX China Investment Thesis

- 1 The Premium offering with proven industry-leading metrics
- 2 Continued network expansion and healthy backlog supported by asset-light and capital-efficient model
- 3 Refined programming strategy with consistently high hit-rate
- 4 “Blockbusterization” of the Chinese film market drives higher indexing
- 5 Strong slate to sustain continued box office growth
- 6 Market share gain underpinned by outperforming box office growth

IMAX Outperforms Industry Across Key Metrics

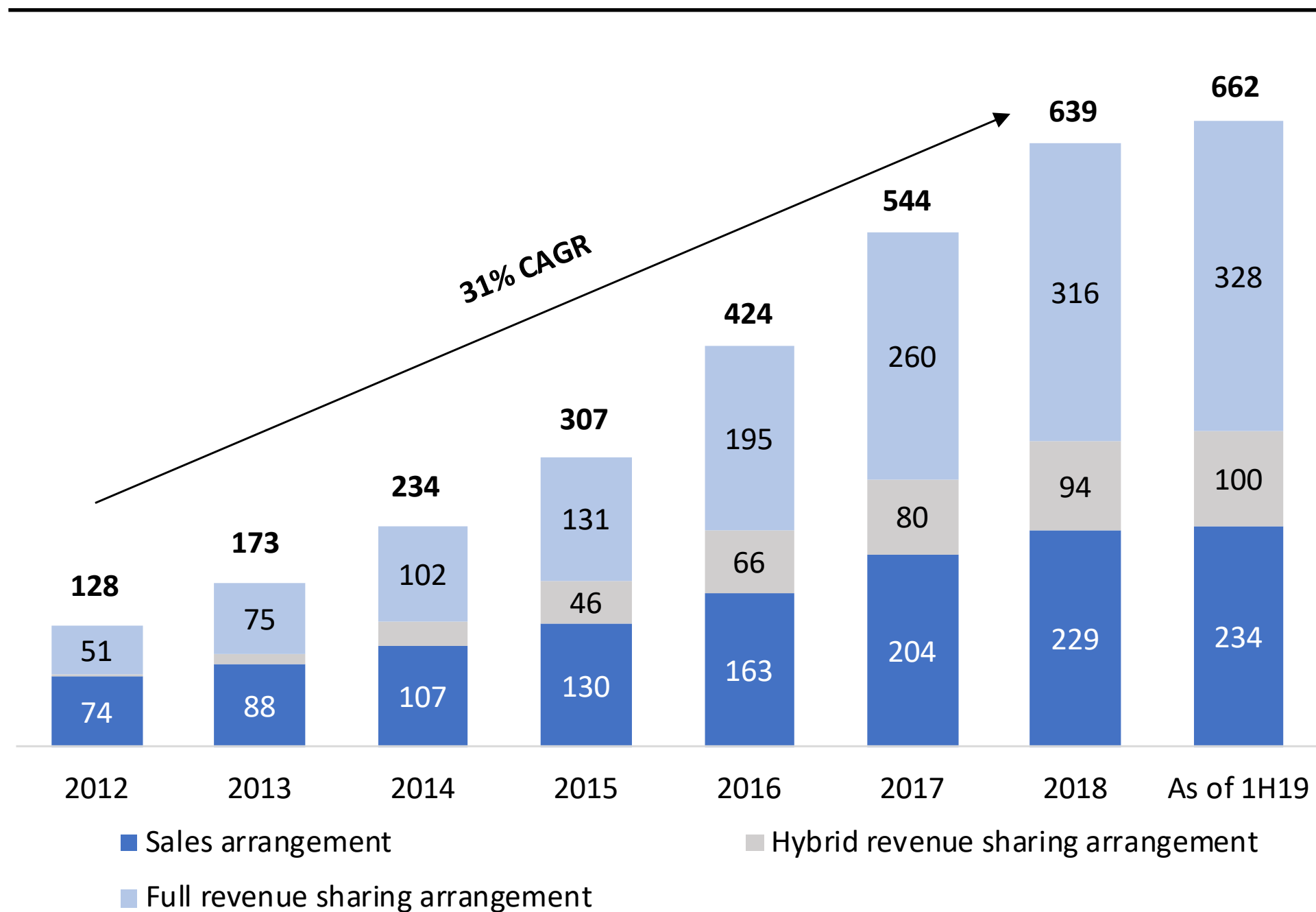
YoY growth comparison between IMAX and industry (1H2019 vs. 1H2018)



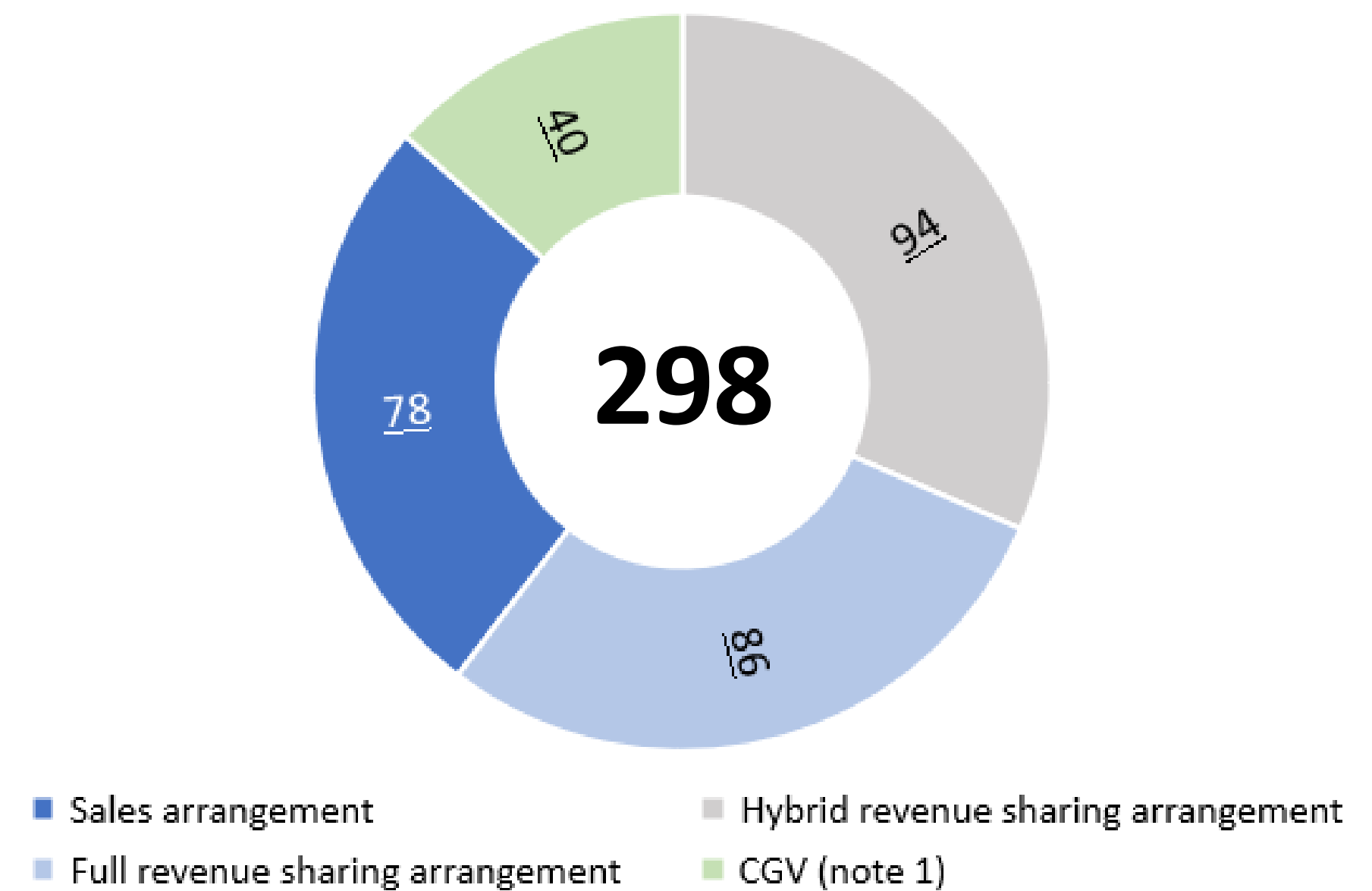
Note 1: Only includes commercial theaters in operation in mainland China
Source: EntGroup

Unique Asset-light and Capital-efficient Model Allows Continued Network Expansion

Number of IMAX theatres



Greater China backlog mix²



Note 1: Refers to 40-theatre deal agreement with CGV announced on July 16, 2019

Note 2: As of June 30, 2019

Our Refined Programming Strategy...



“The Wandering Earth” – Feb 2019

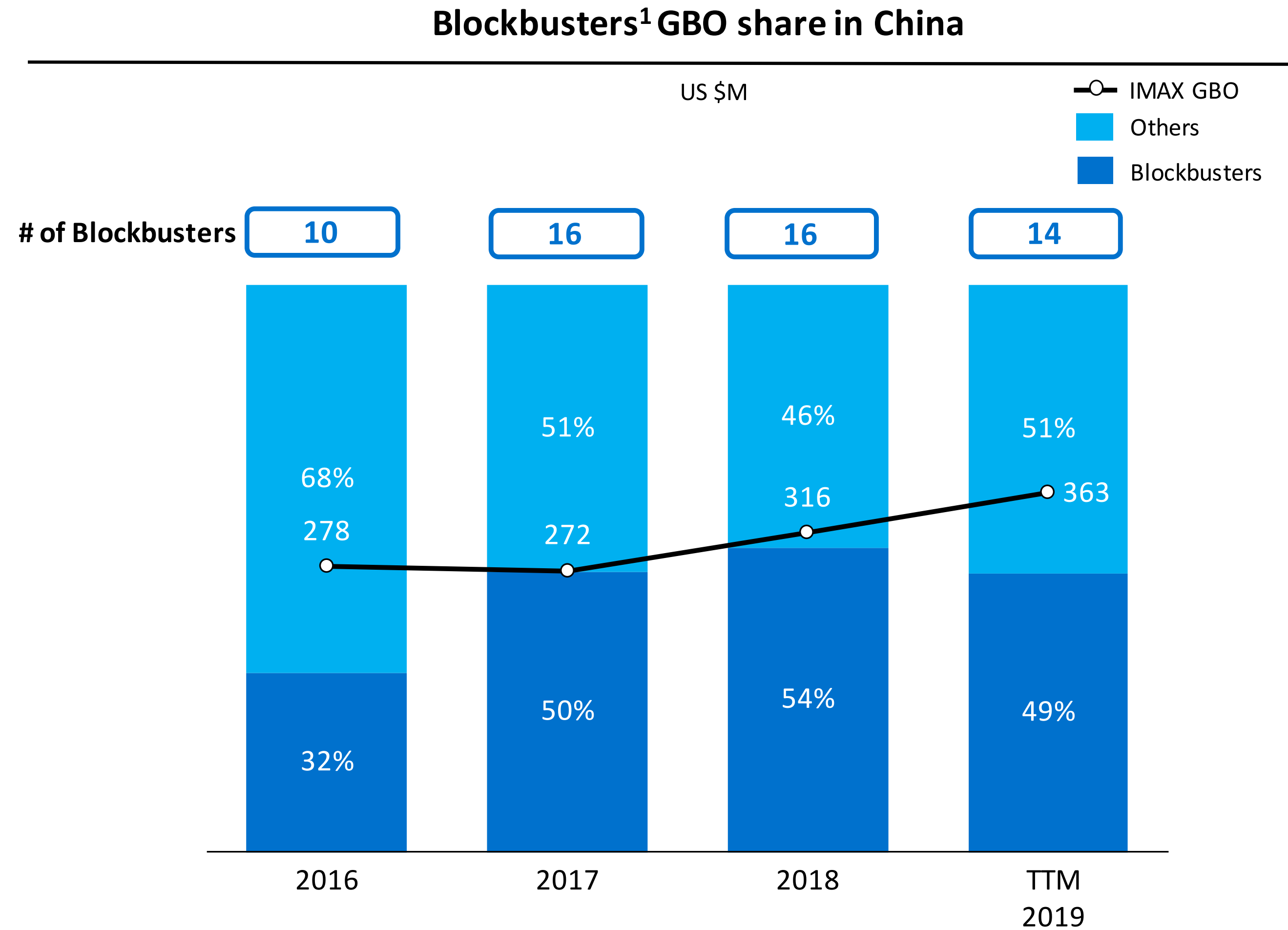
- Milestone Chinese sci-fi movie with RMB4.66 billion GBO
- First local title to break RMB300 million IMAX GBO in China – second highest-grossing movie in IMAX China history
- **Close to 10% indexing during Chinese New Year**

“Ne Zha” – July 2019

- First local animated film released in IMAX theatre
- Surpassed RMB100 million IMAX China GBO within first week of release
- Highest-grossing animation at all times in China
- **8% indexing in opening weekend**



...And “Blockbusterization” of the Chinese Film Market



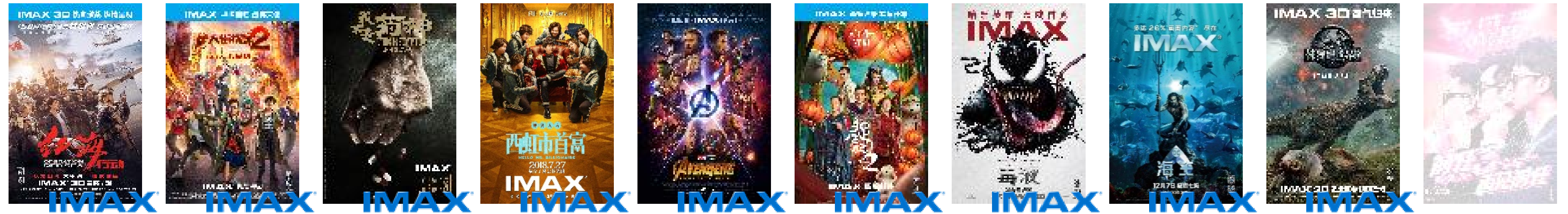
Note 1: Gross box office (GBO) over RMB 1 bn, excluding Hong Kong and Taiwan.
Source: EntGroup, including service fee

Drives a Consistently High Hit-Rate...

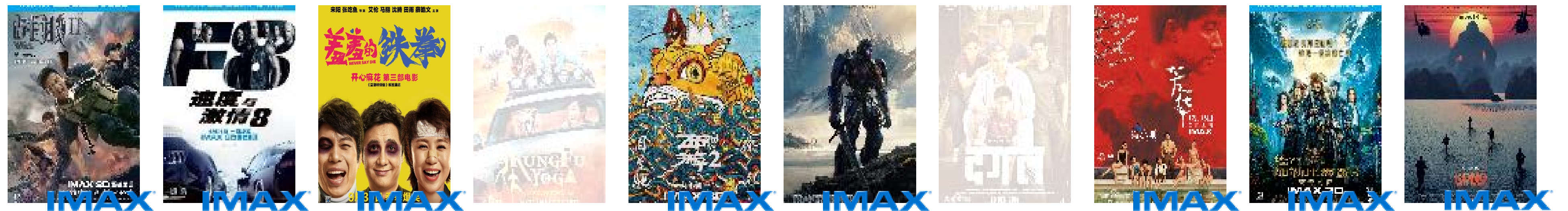
Top 5 films, 2019 YTD
IMAX = 5 out of 5



Top 10 films, 2018
IMAX = 9 out of 10

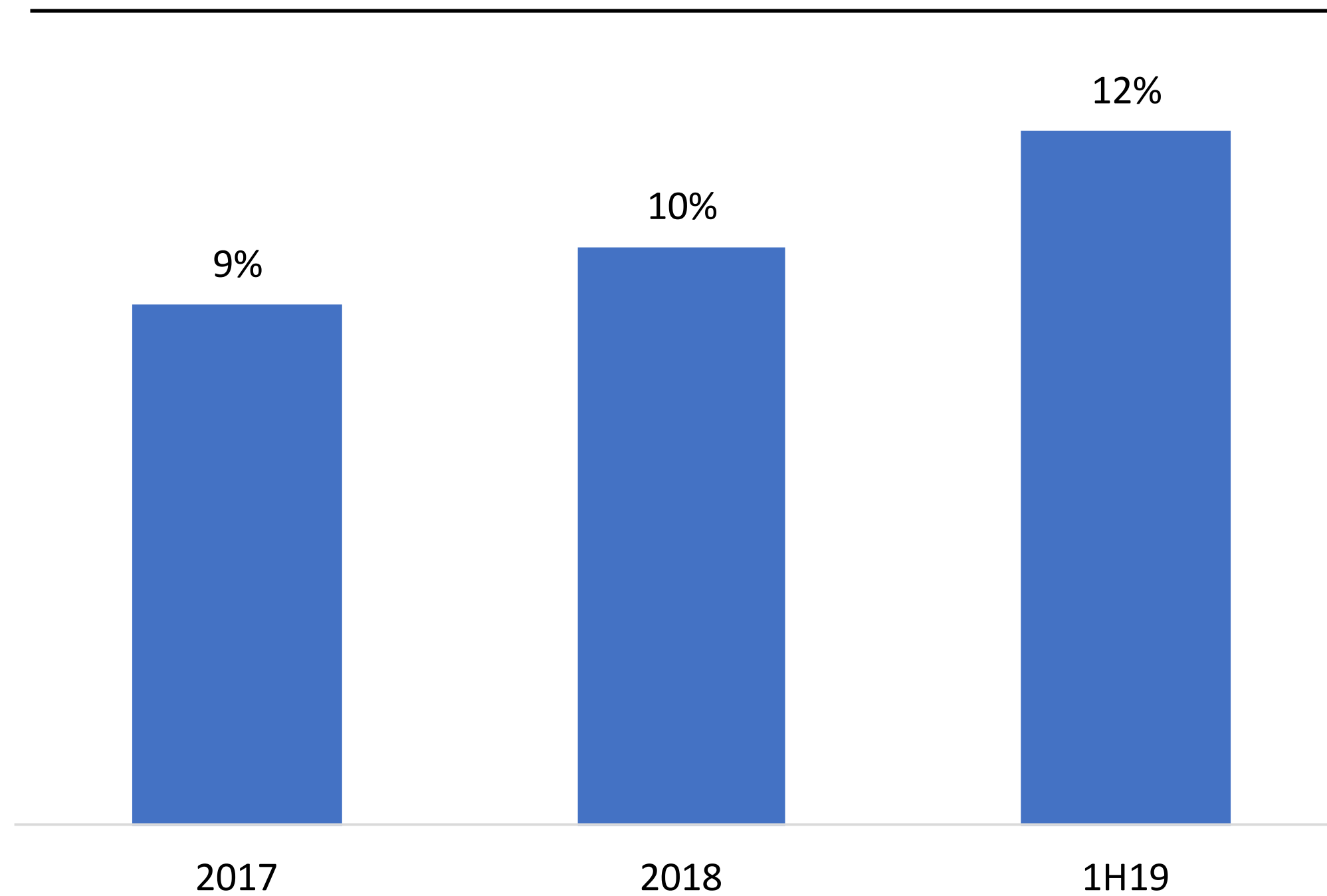


Top 10 films, 2017
IMAX = 8 out of 10

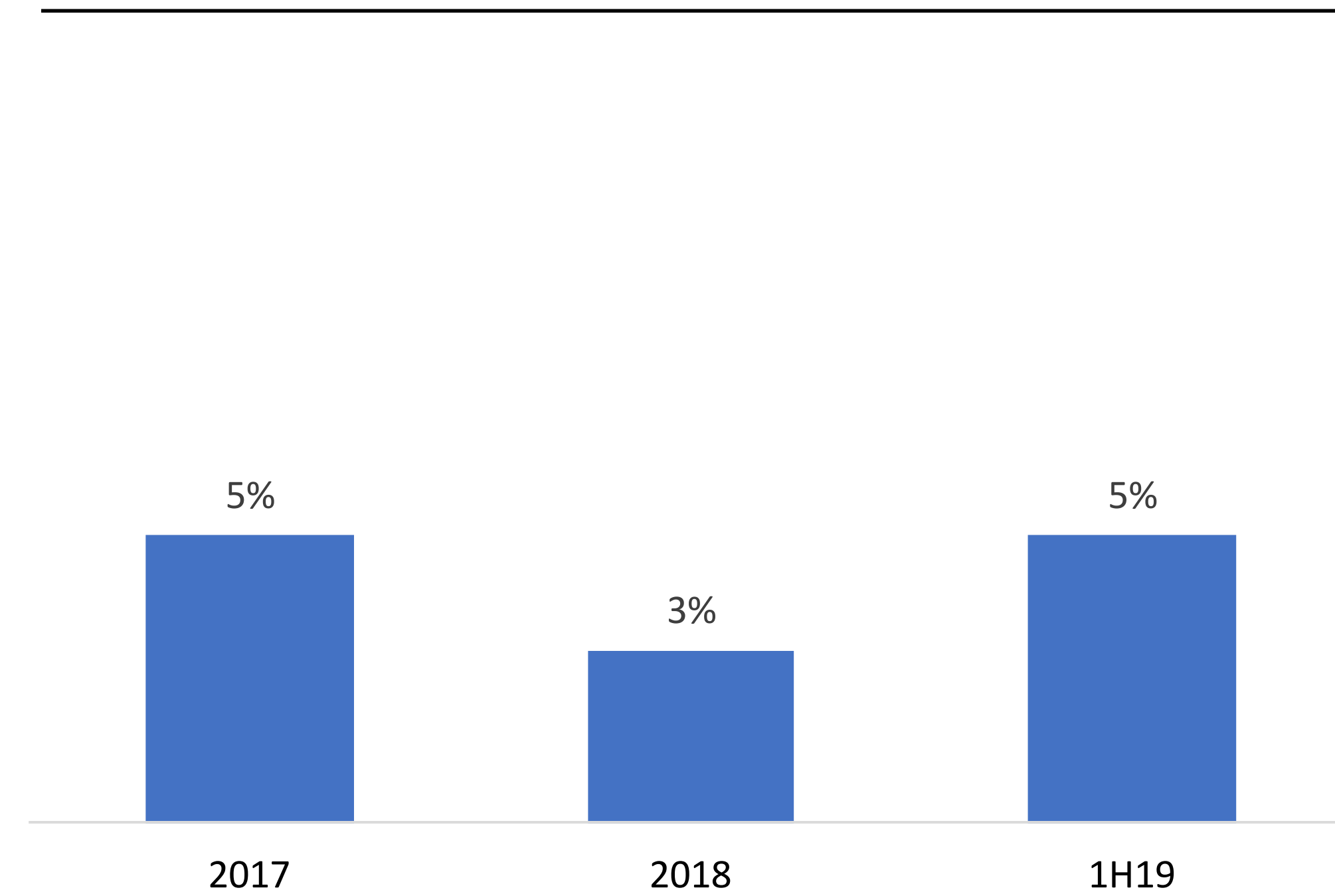


...And Improving Indexing Across Hollywood and Domestic Titles

Indexing on opening weekend, Hollywood films¹



Indexing on opening weekend, local films¹



Note 1: Gross box office (GBO) over RMB 1 bn, excluding Hong Kong and Taiwan.
Source: EntGroup, including service fee

Strong Slate to Sustain Continued Box Office Growth

IMAX®

2019 精彩不停



双子煞星



好莱坞往事



哪吒之魔童降世



徒手攀岩



烈火英雄



终结者：黑暗命运



星际探索



勇敢者游戏 2：再战巅峰



冰雪奇缘 2



银河补习班



速度与激情：特别行动



星球大战 9：天行者崛起



上海堡垒



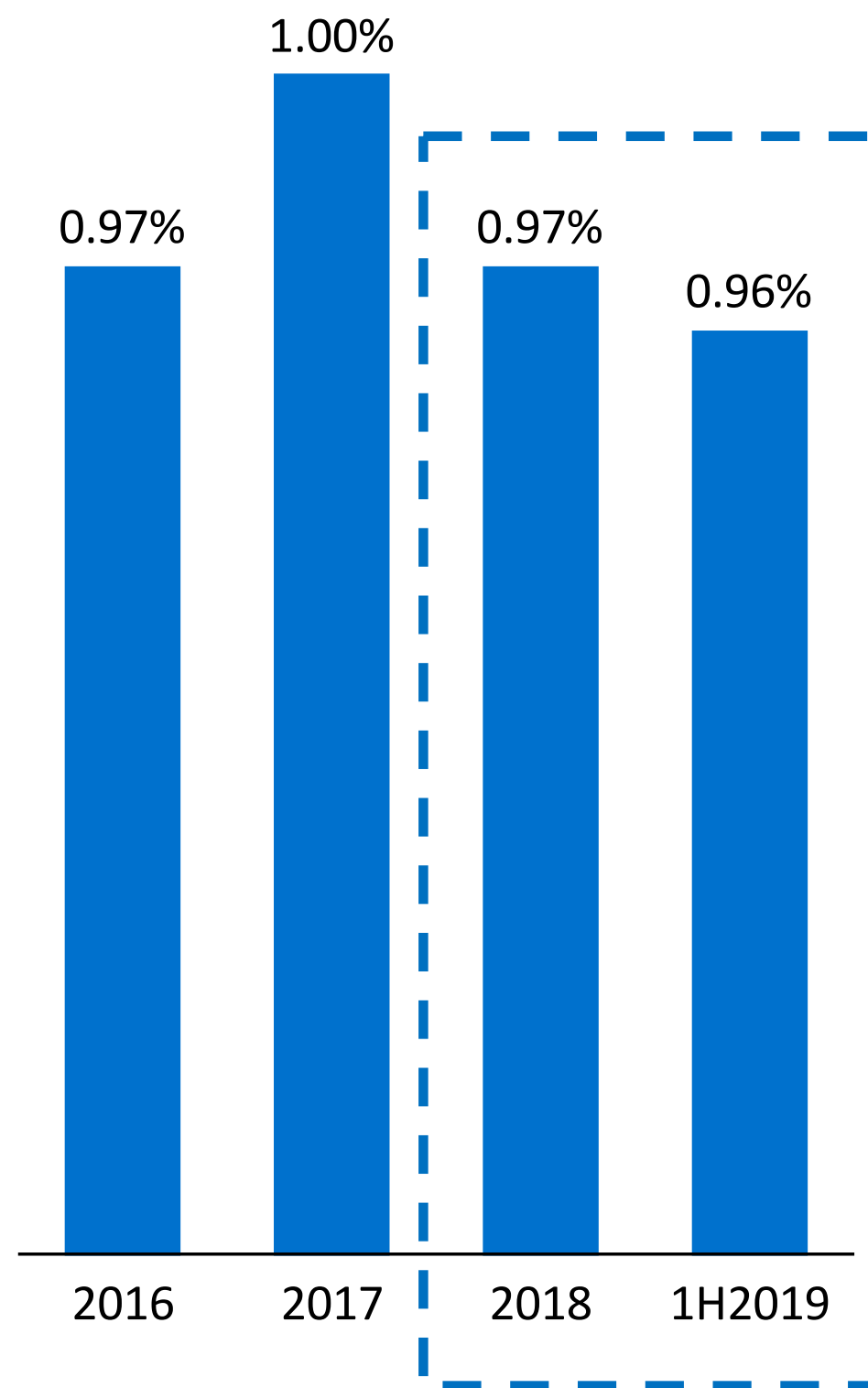
沉睡魔咒 2：恶魔夫人

上图仅为IMAX全球部分片单（片名暂译）请以实际上映影片及档期为准，更多影片陆续公布中。

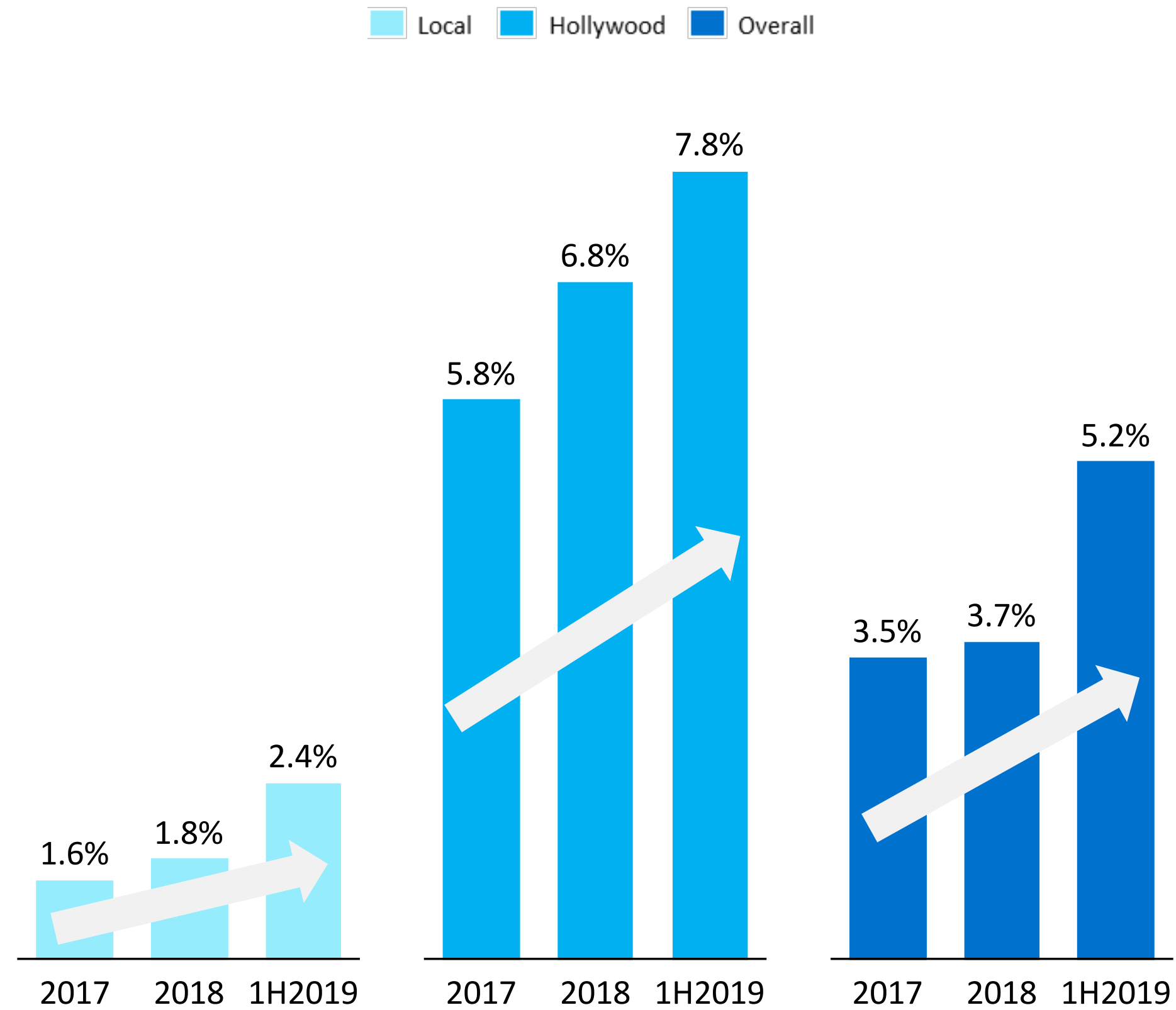
IMAX® is a registered trademark of IMAX Corporation.

Proven Execution in Consistent Market Share Gain

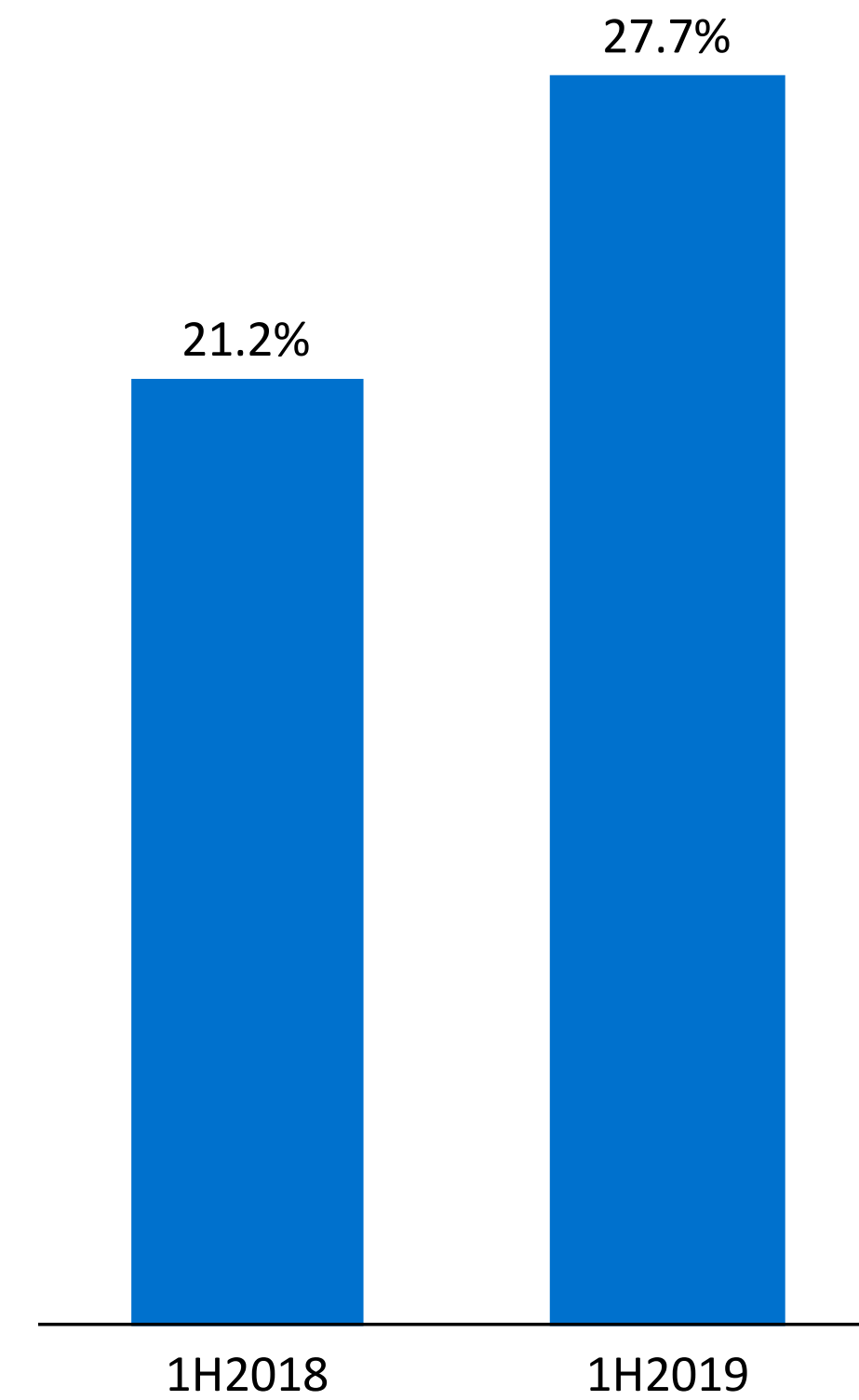
IMAX China Screen Count Share



IMAX China Box Office Share



IMAX GBO % of Complex GBO



Note: IMAX GBO as % of complex GBO refers to the average IMAX box office contribution to multiplexes with IMAX theatres

- Ecosystem
- Business Model
- Investment Thesis
- **Financials**

Strategic Steps Taken Result in Positive Returns...

Strategic actions taken...



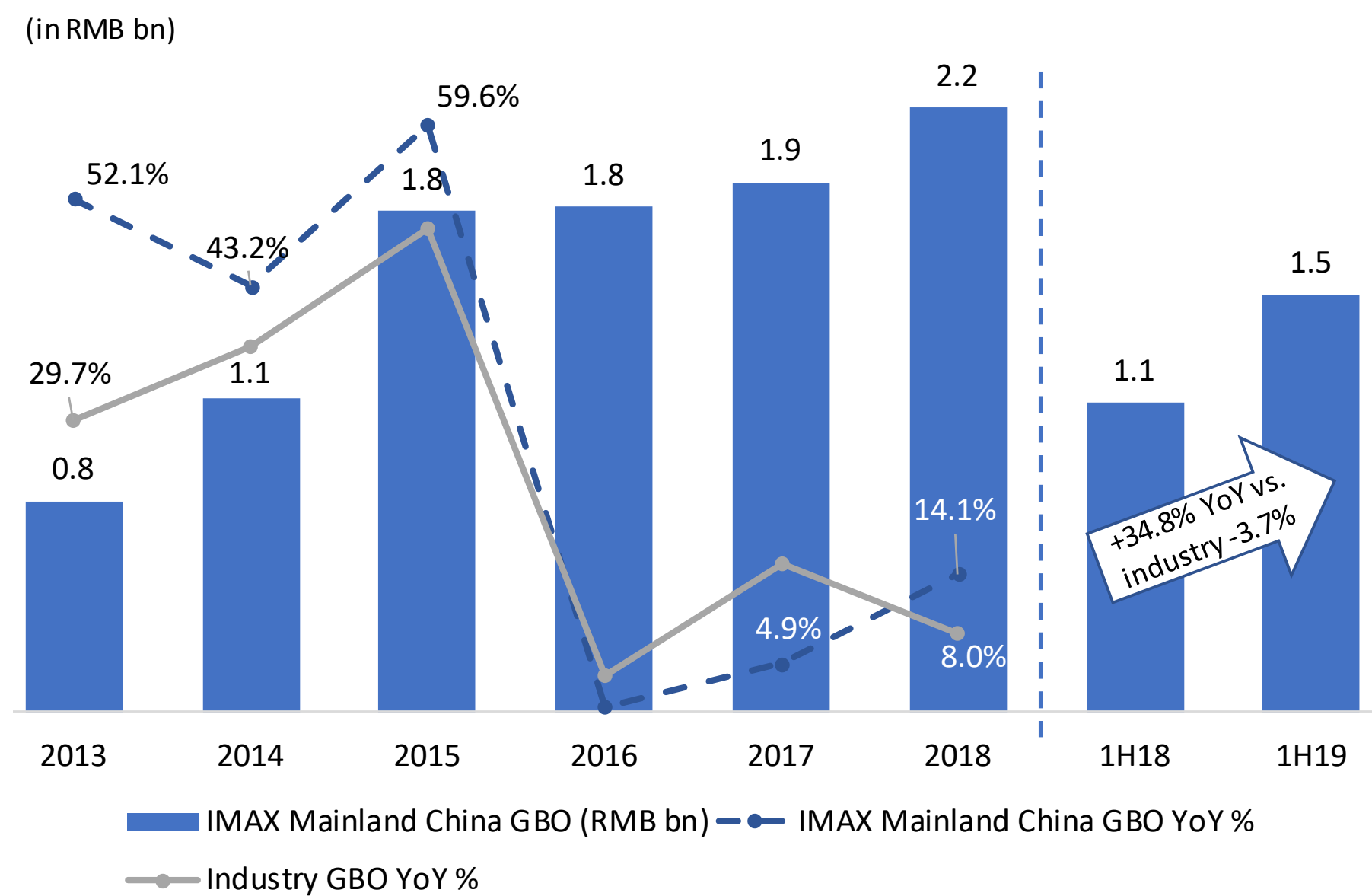
...driving record performance YTD across KPIs

Revenue	↑	+15%
Greater China Box Office	↑	+24%
Mainland China Box Office	↑	+35% (RMB)
Greater China Network	↑	+16%
Greater China Same Store Sales	↑	+9%
Mainland China Same Store Sales	↑	+17% (RMB)
Adjusted Net Income	↑	+17%
Adjusted EBITDA	↑	+14%

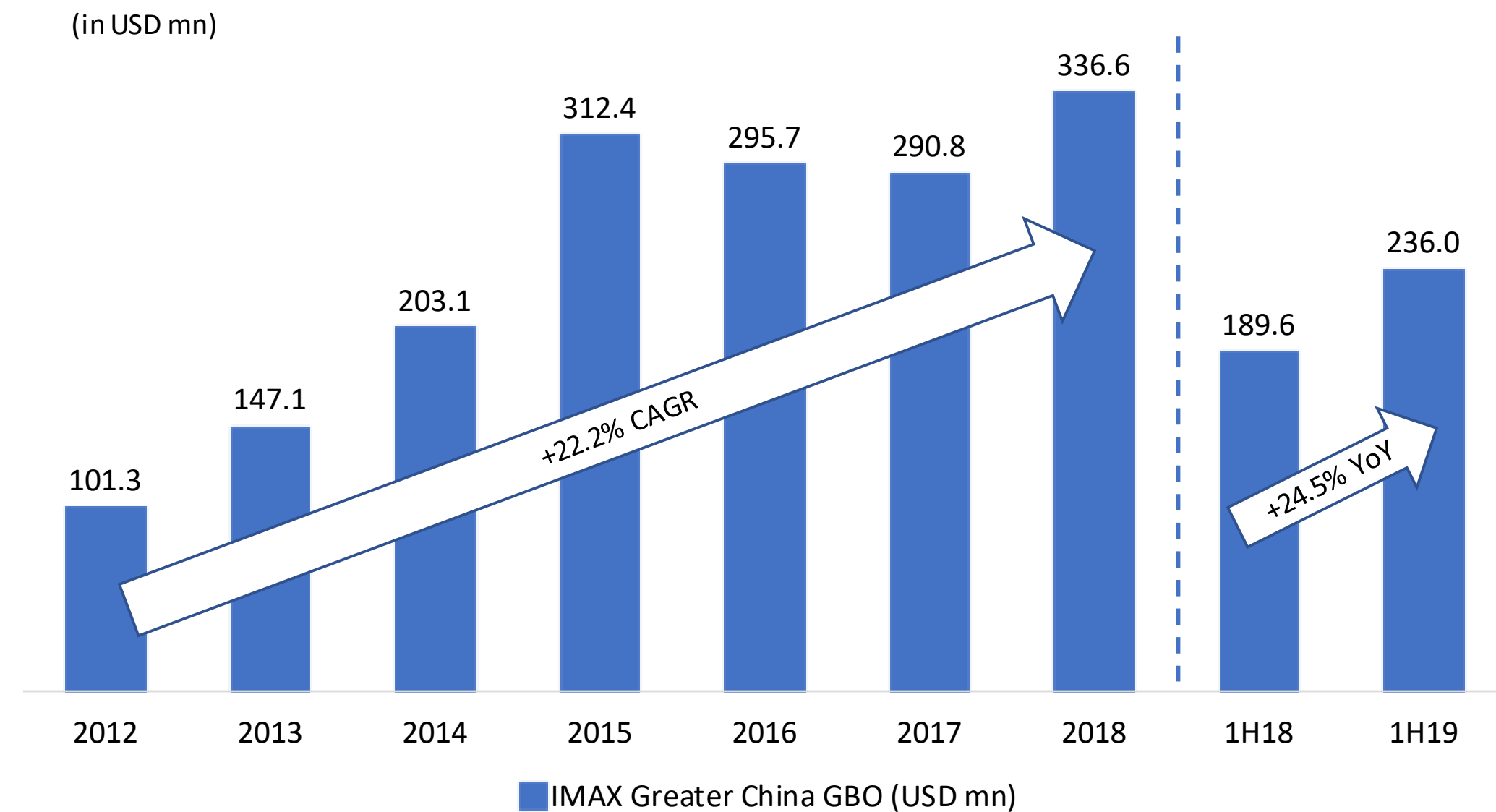
Note: Percentage changes refer to half-year 2019 vs. half-year 2018 unless otherwise stated.

...And Outperforming Box Office Growth

IMAX Mainland China box office trend



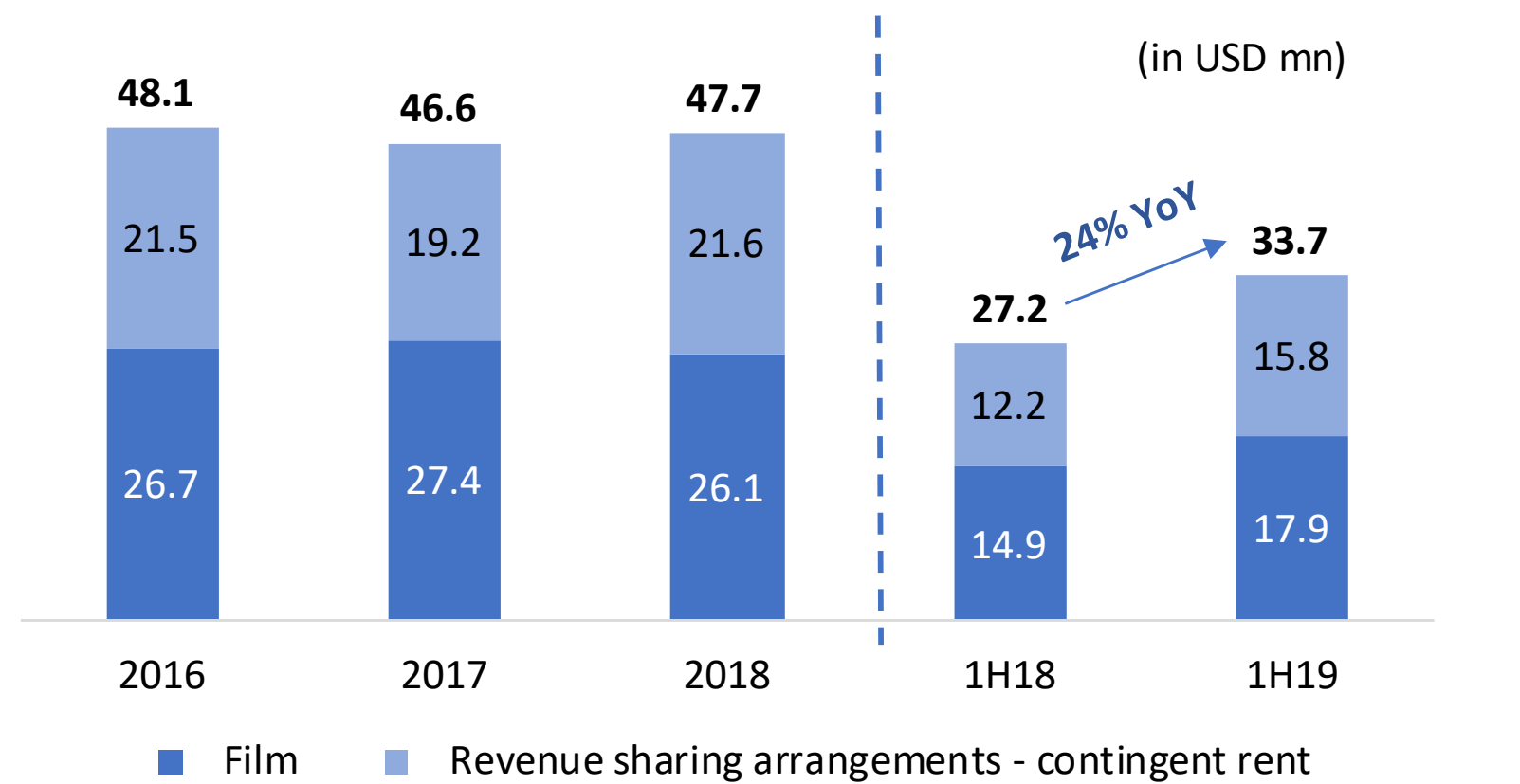
IMAX Greater China box office trend



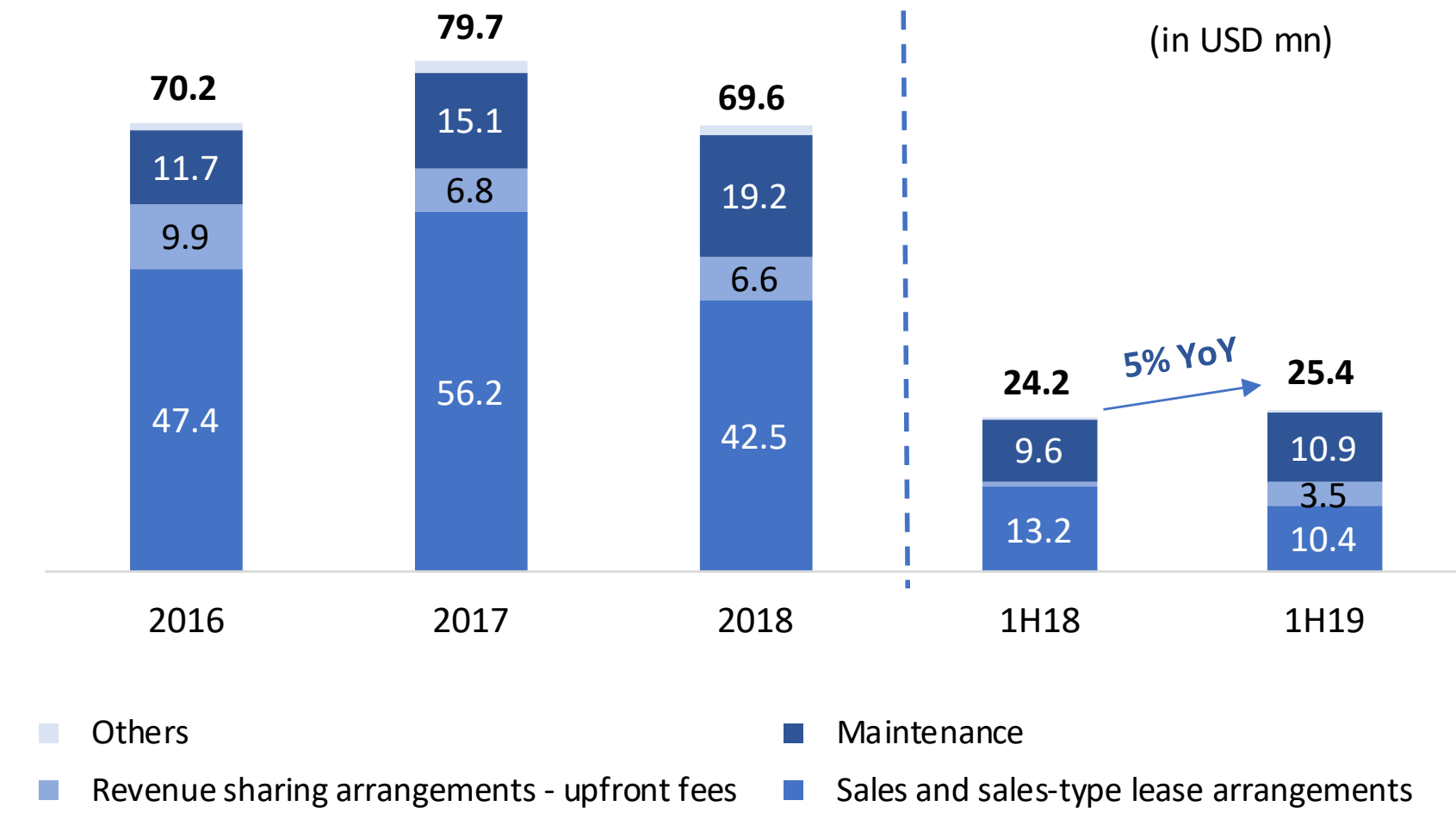
Note: Greater China includes Hong Kong and Taiwan.

Sustaining Stable Growth Through Diversified Revenue Streams

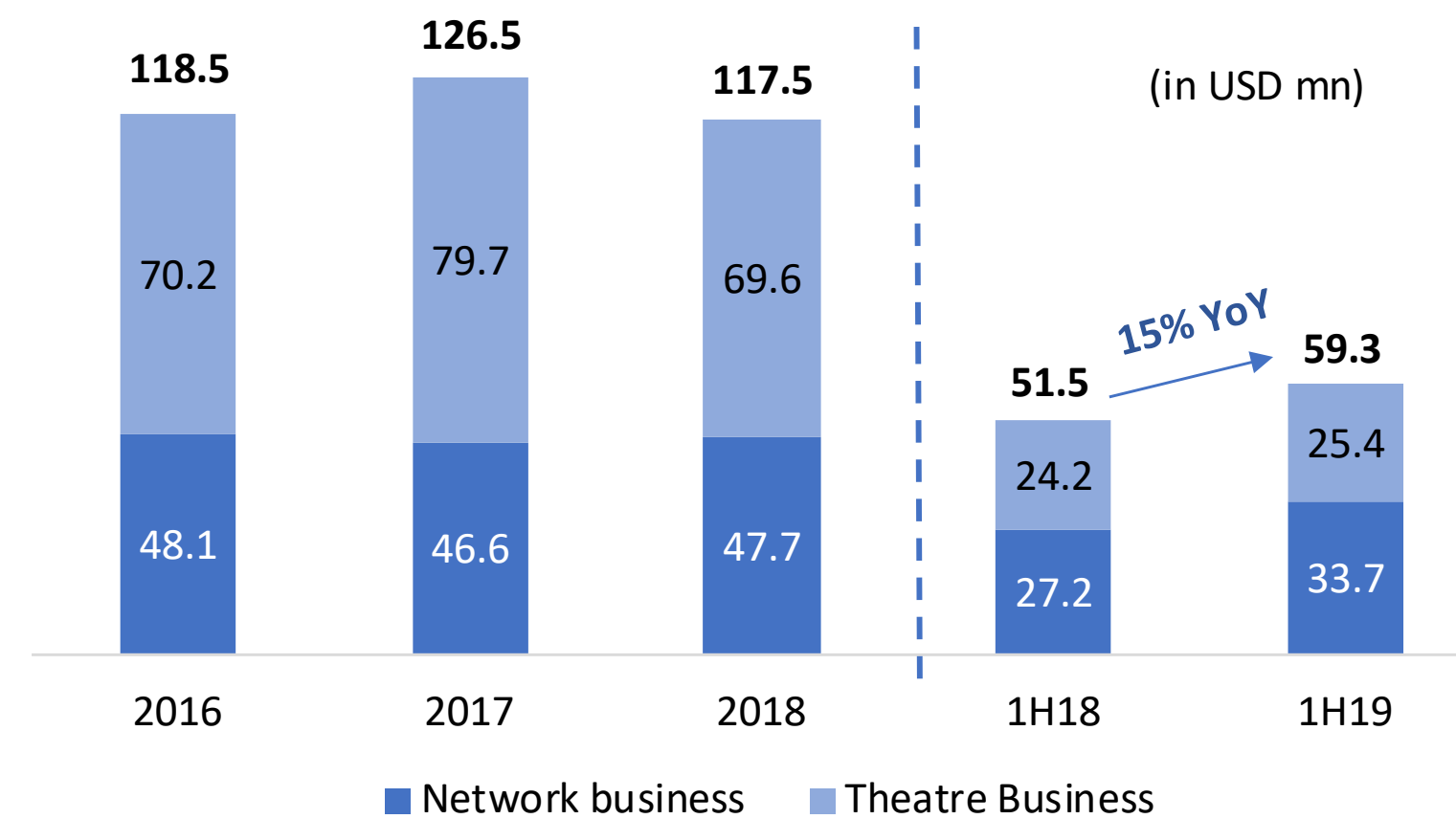
Network business



Theatre business

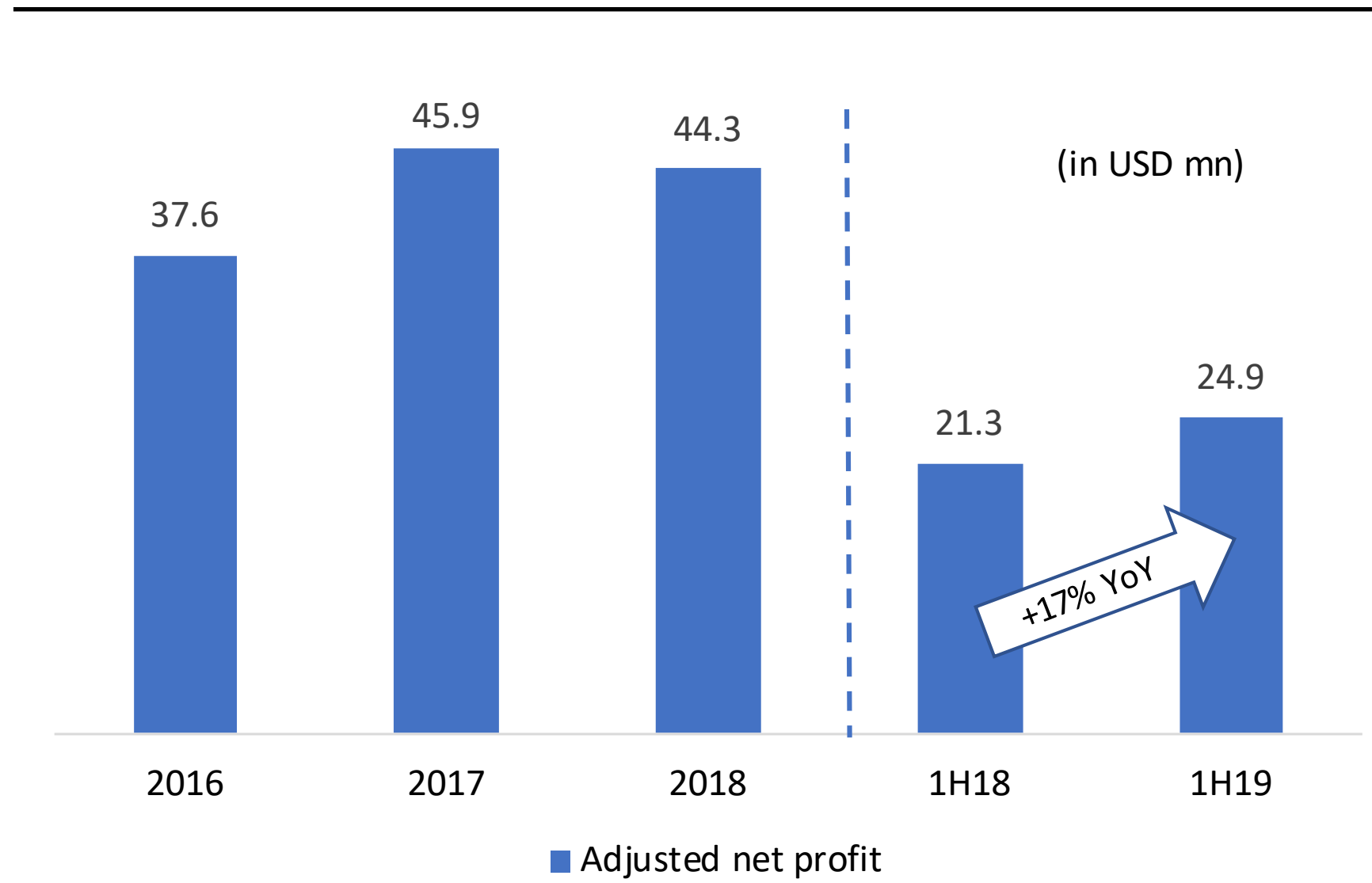


Total revenue

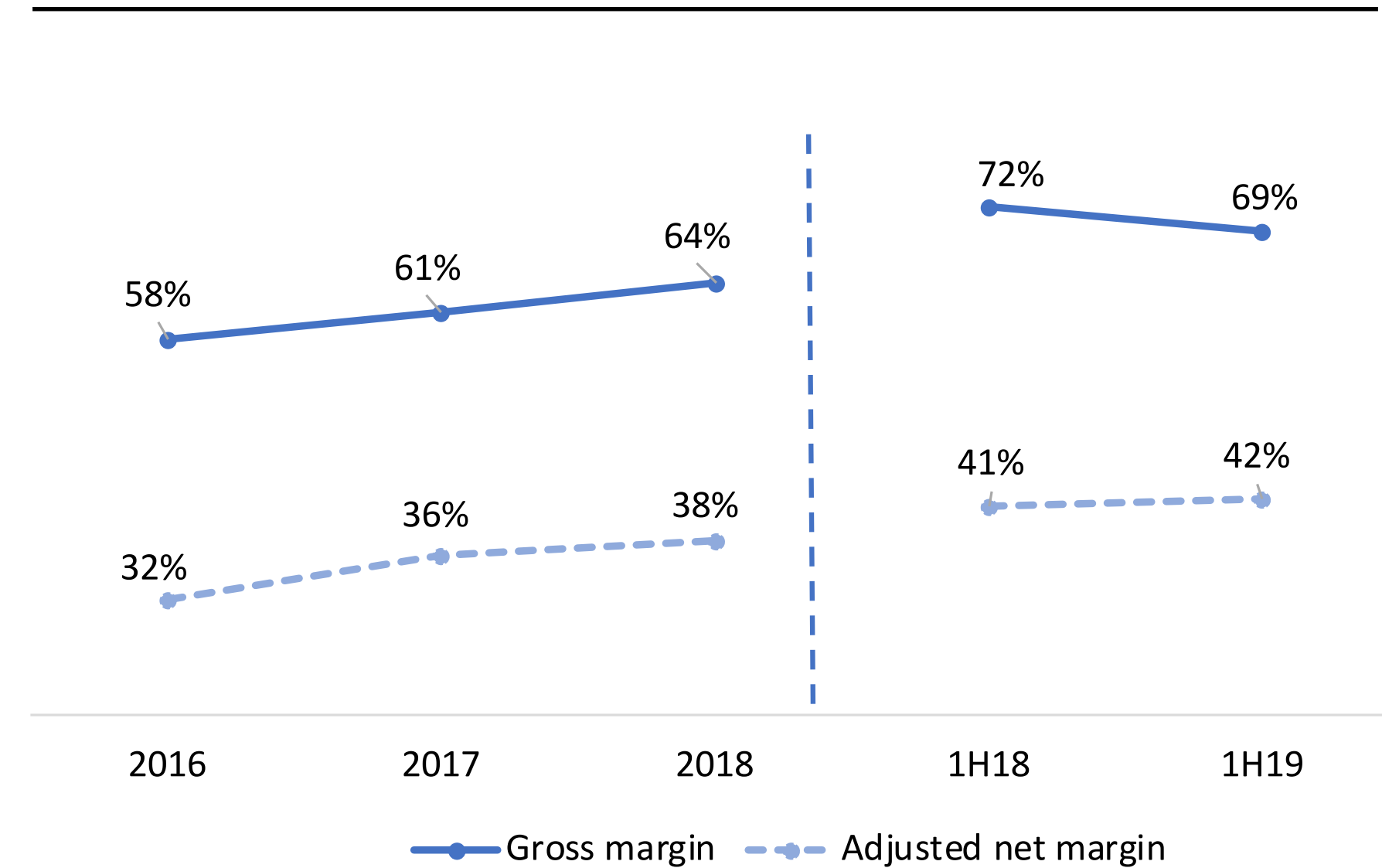


Delivering Profitable Growth With Cost Discipline and Network Effect

Adjusted net profit

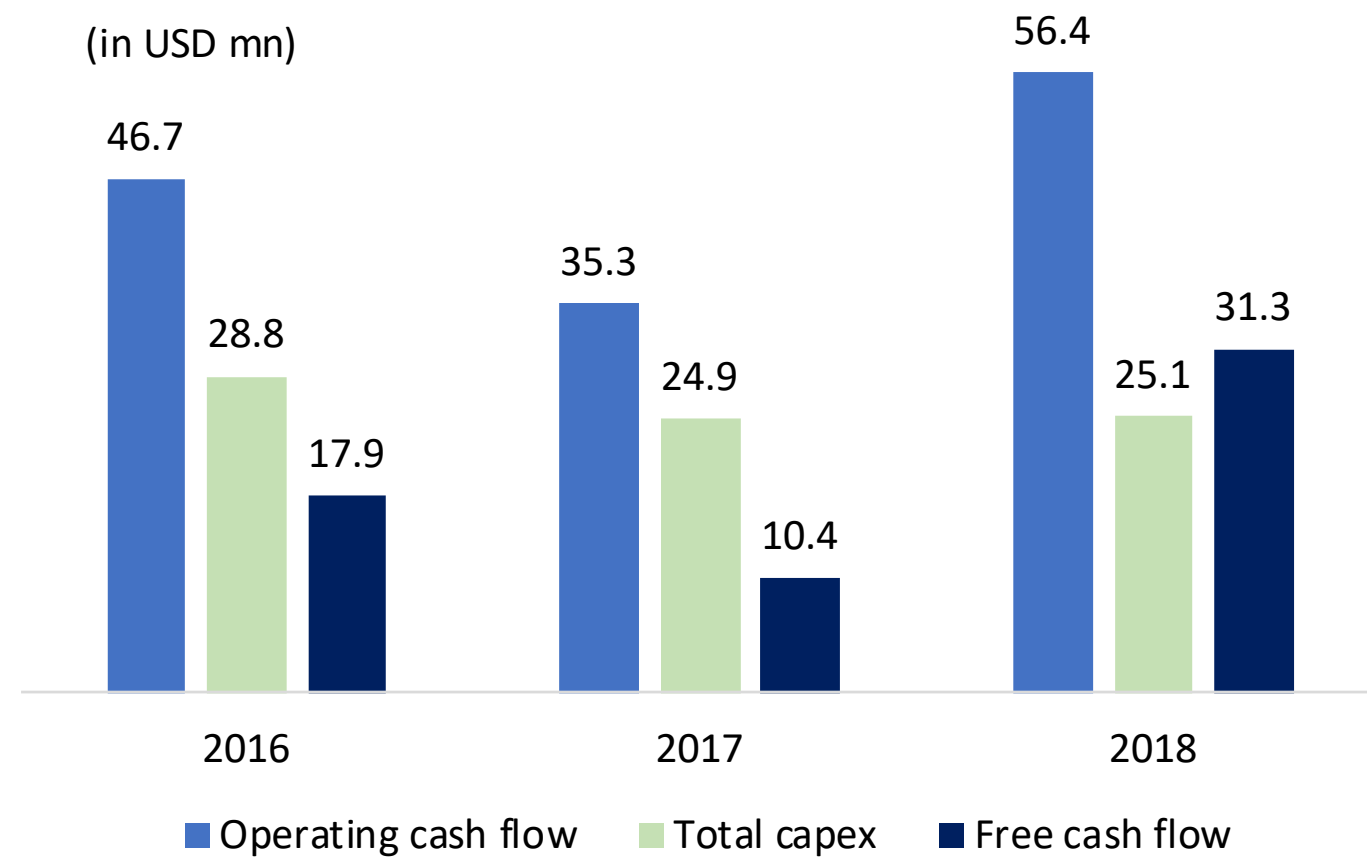


Margin profile

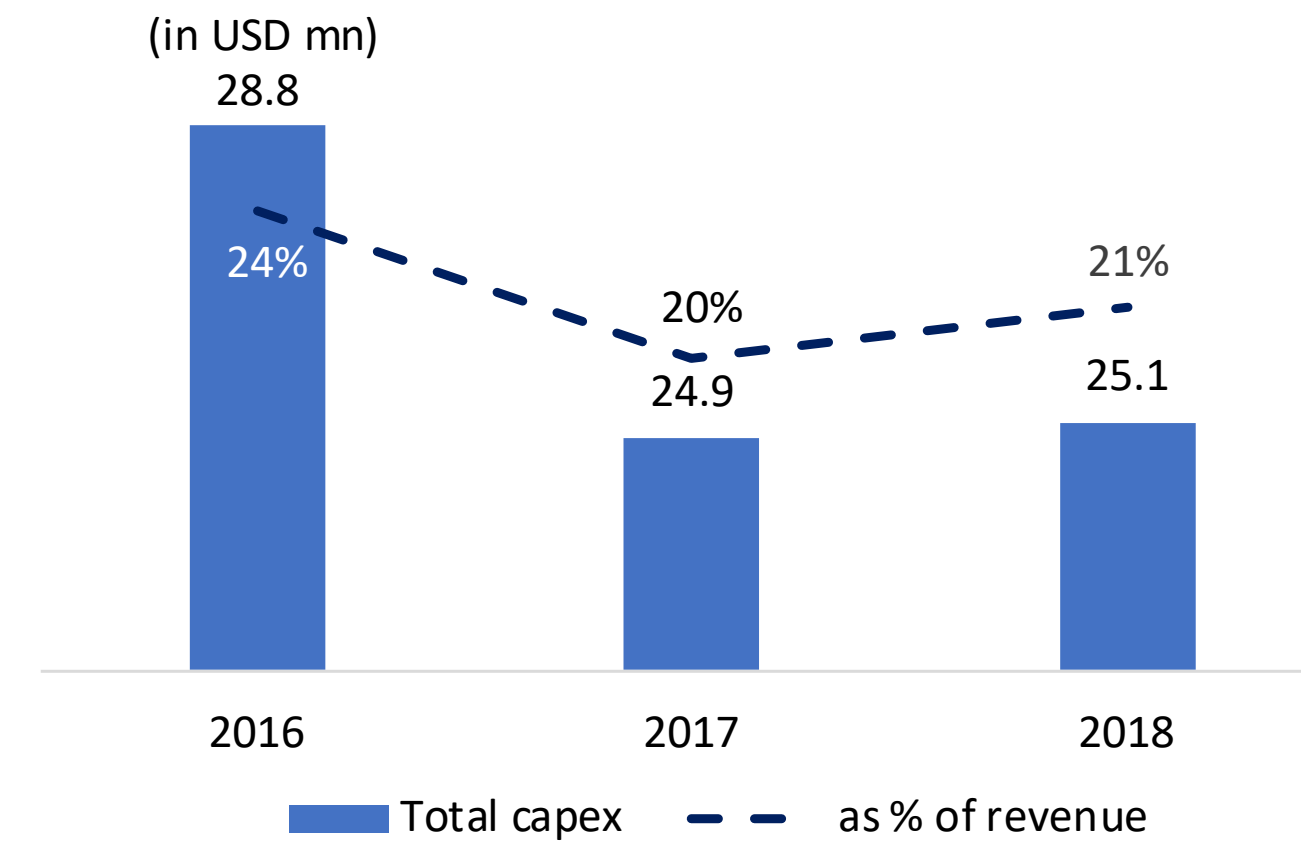


Strong Cash Flow Generation Drives Shareholder Value Creation

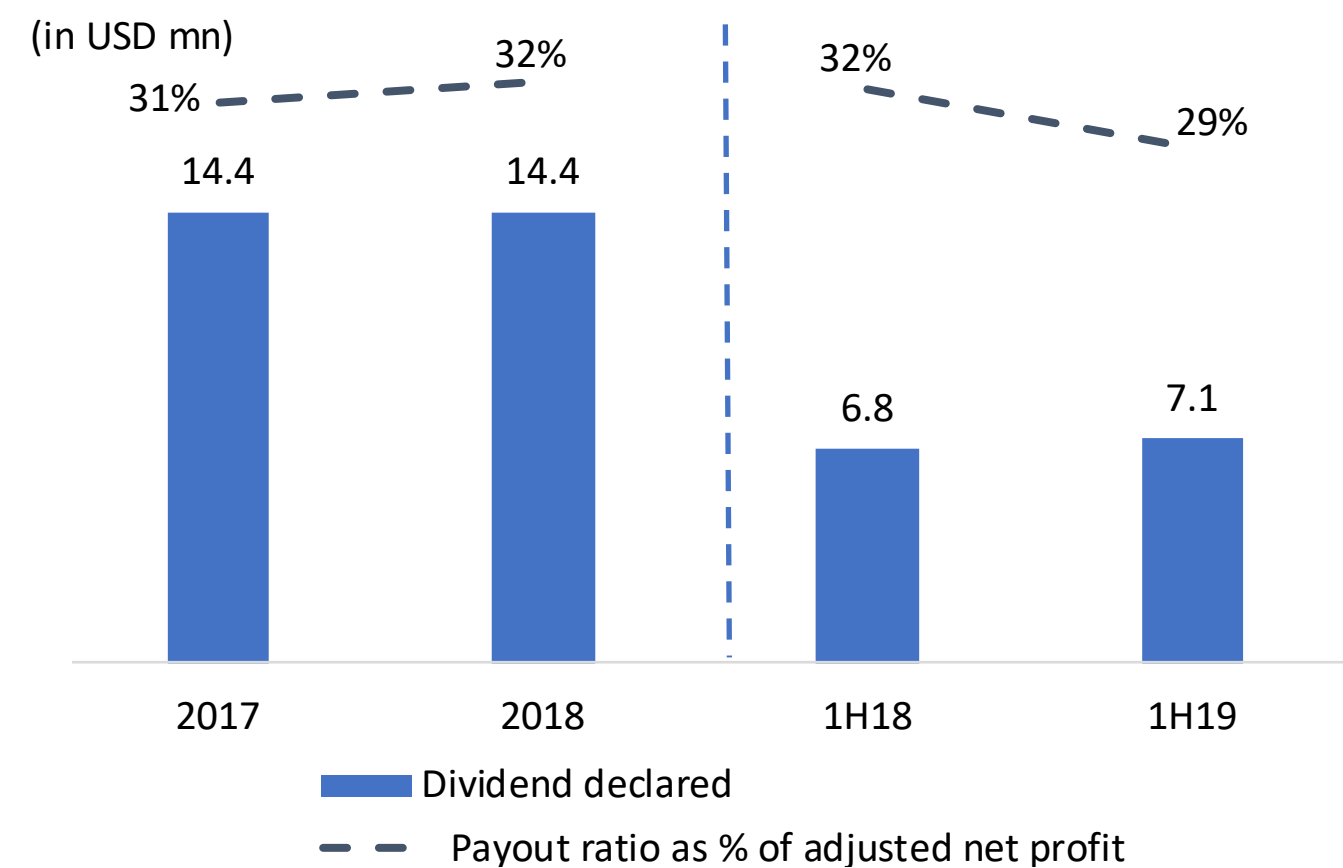
Operating cash flow



Capital expenditure



Dividend



Capital returned to shareholders

