

IMAX

IMAX China Full-year 2019 Financial Results

February 20, 2020



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Strong Performance in FY19 Across KPIs

Box office

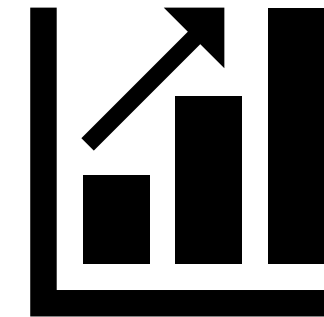


USD366mn box office

+14% YoY
Mainland China (RMB)

+8.7% YoY
Greater China⁽¹⁾ (USD)

Theatre



717 network

+12% YoY

with stable same-store sales in
Mainland China (RMB)

Revenue

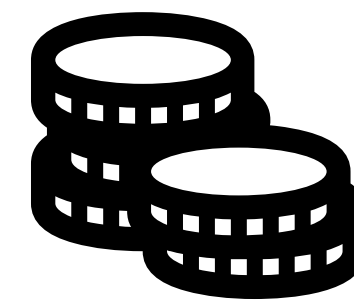


USD124mn revenue

+5.8% YoY

+10% YoY in Mainland China
(RMB)

Profitability



USD45mn adjusted net profit

36% adjusted net margin

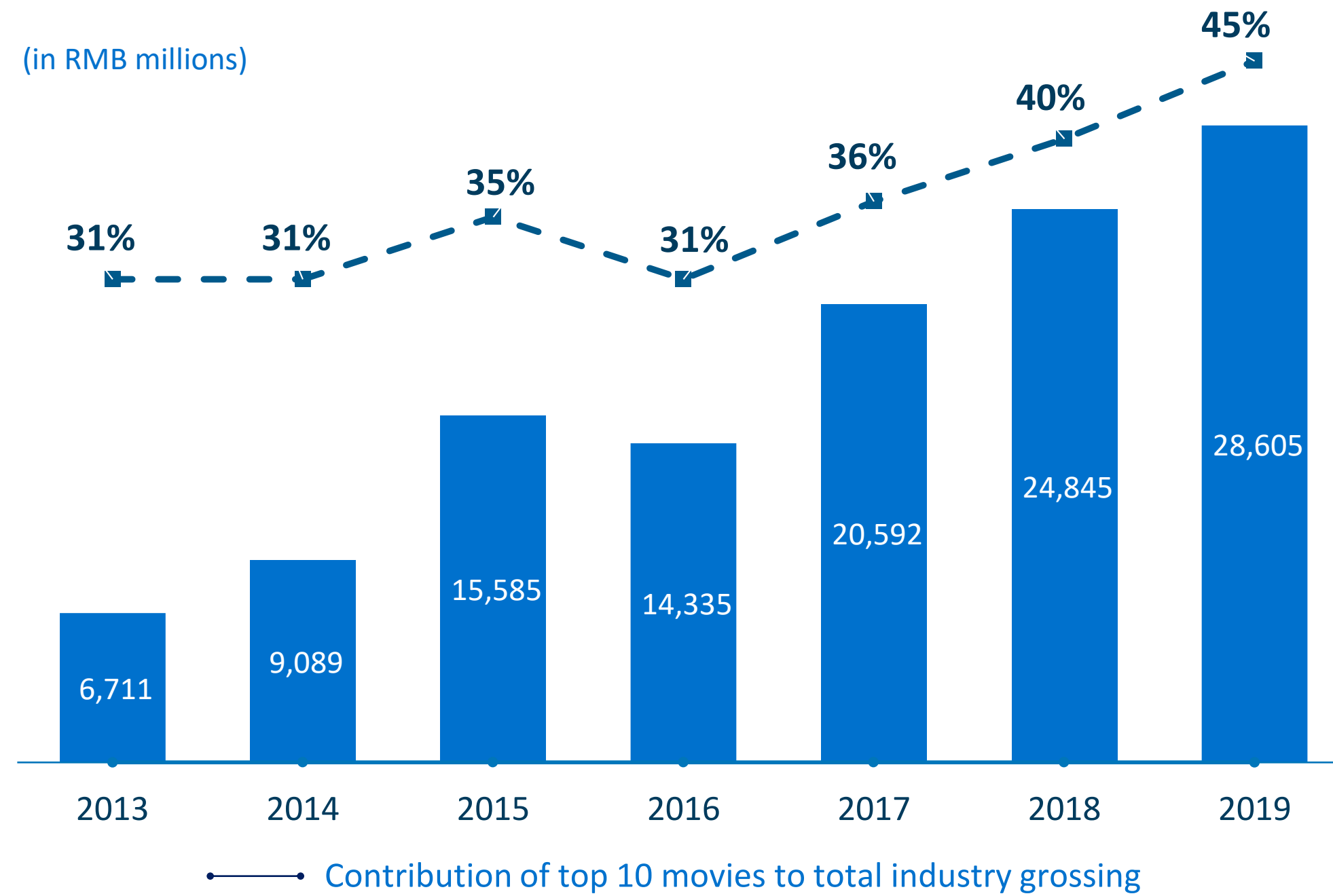
55% adjusted EBITDA margin

Source: Company data

Note 1: Greater China includes Hong Kong and Taiwan region

Favorable Structural Tailwind

Total box office of top-10 grossing movies



Source: TOP Consulting

3 movies achieved RMB4bn+ grossing in 2019

Local content gravitating towards IMAX genres



The Wandering Earth (Feb 2019)
 Highest-grossing local title in IMAX history
 Third highest-grossing title in China's film history



Ne Zha (July 2019)
 Second highest-grossing local title in IMAX history
 Second highest-grossing title in China's film history



The Rescue (2020)
 Exhibited in IMAX special aspect ratio



Detective Chinatown 3 (2020)
 Filmed with IMAX Cameras
 Presents up to 26% more pictures

Industry tailwind of “Blockbusterization” and “IMAX-able” genres plays into our favor

Consistently High Hit-Rate in Programming

Top 10 films, 2019
IMAX = 9 out of 10



Top 10 films, 2018
IMAX = 9 out of 10



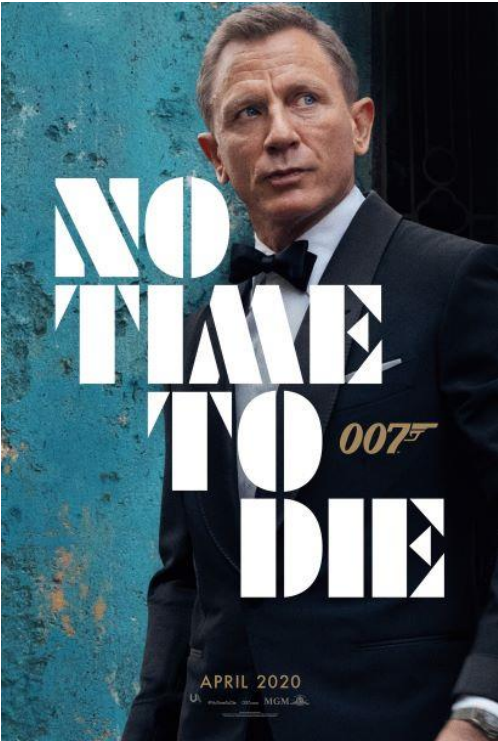
Top 10 films, 2017
IMAX = 8 out of 10



Our local language programming and multi-film strategy drives a consistently high hit-rate

Strong IMAX DNA in 2020 Film Slate

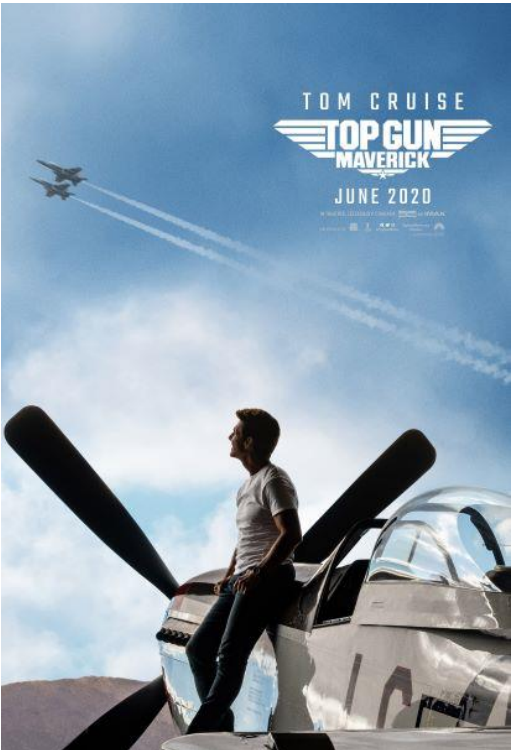
Hollywood⁽¹⁾



No Time to Die (Apr 2020)
Filmed with IMAX Cameras



Wonder Woman 1984 (Jun 2020)
Filmed with IMAX Cameras



Top Gun: Maverick (Jun 2020)
Filmed with IMAX Cameras



Tenet (July 2020)
Filmed with IMAX Cameras

Local language



Detective Chinatown 3 (2020)
Filmed with IMAX Cameras
Presents up to 26% more pictures

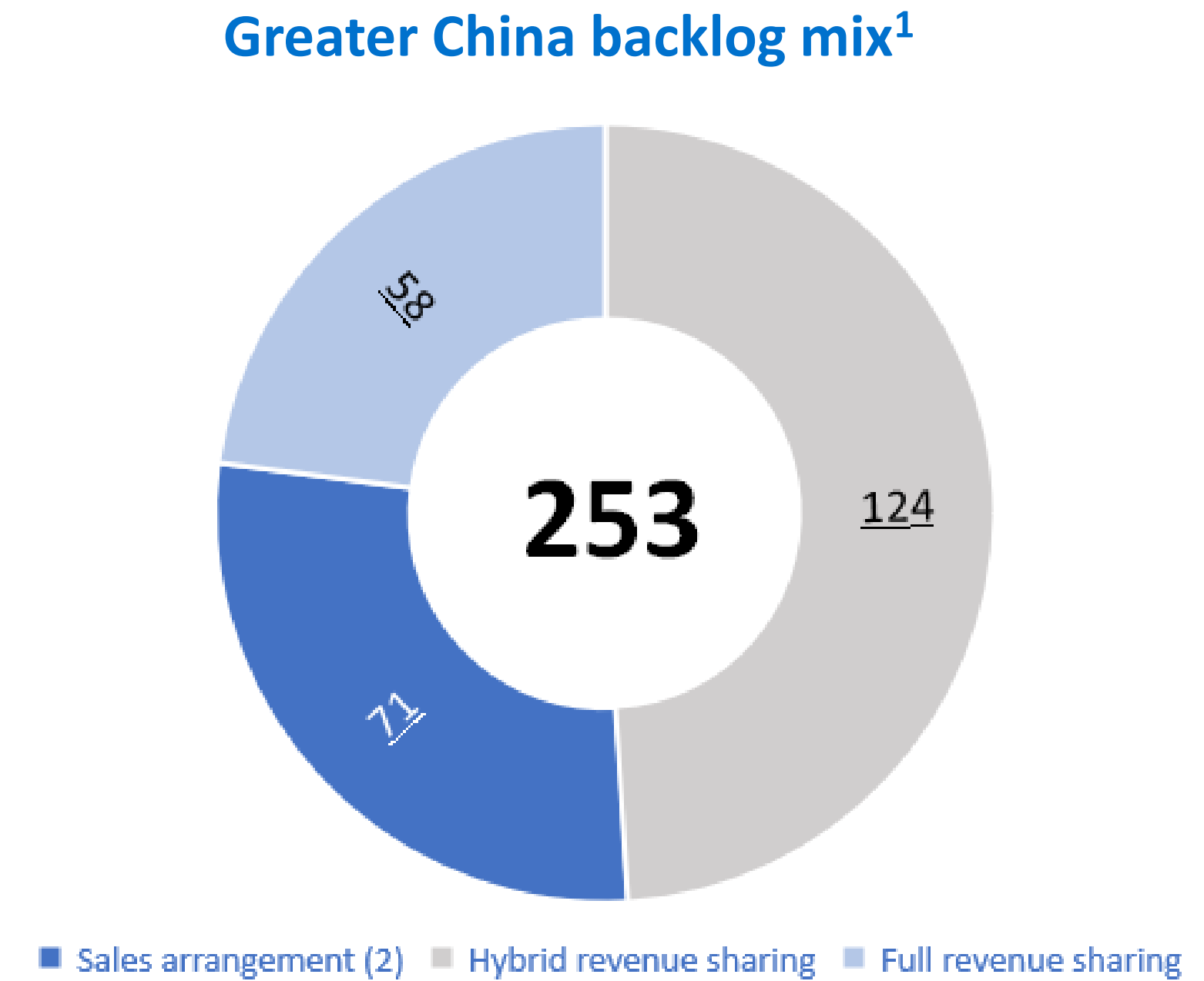
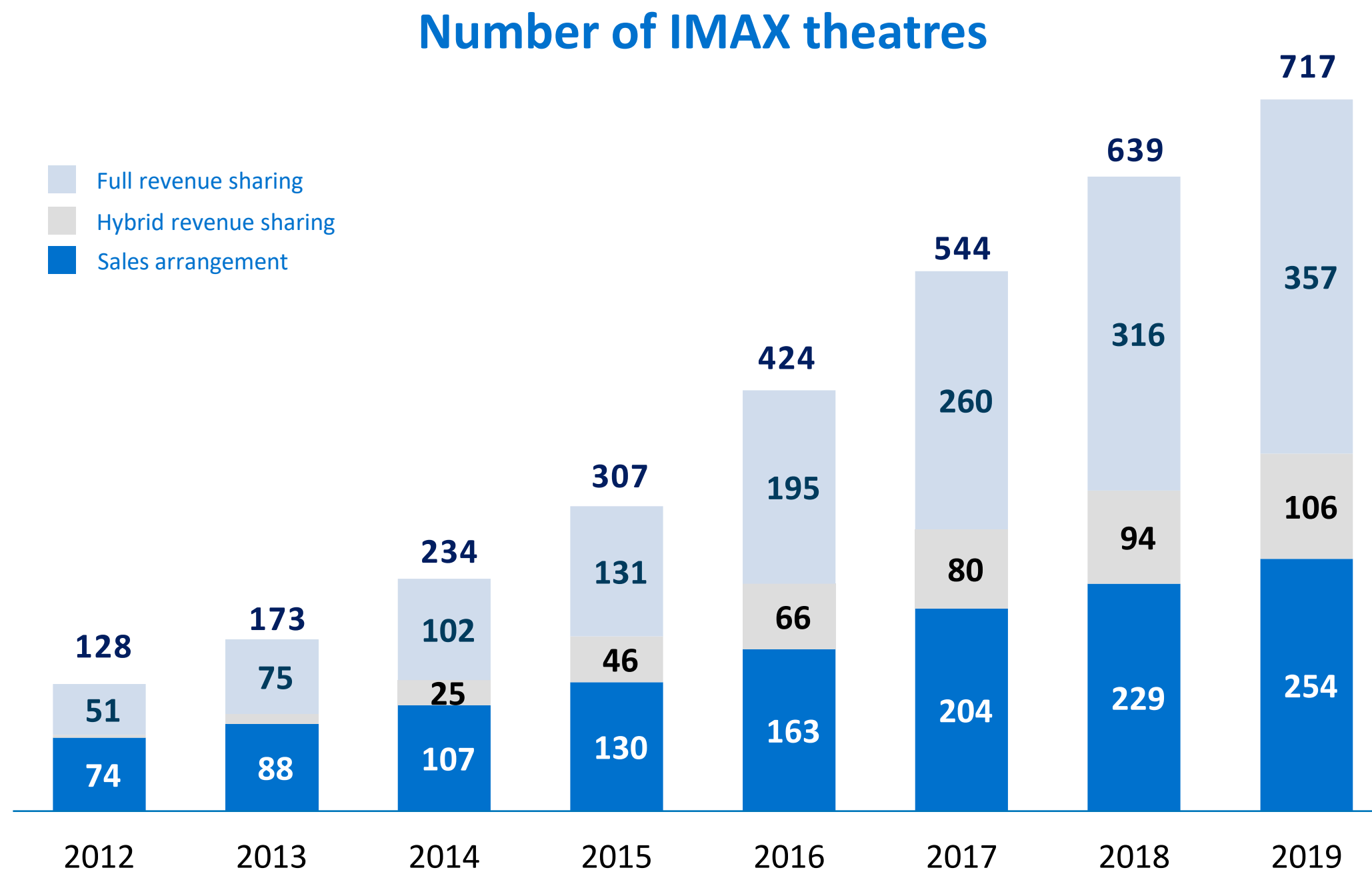


The Rescue (2020)
Exhibited in IMAX special aspect ratio

At Least Five “Filmed-in-IMAX” Titles in 2020

Note 1: Titles have been confirmed to be released in North America according to the abovementioned schedule. Release schedule in China to be determined.

Key Milestone in Network and Partnership Expansion

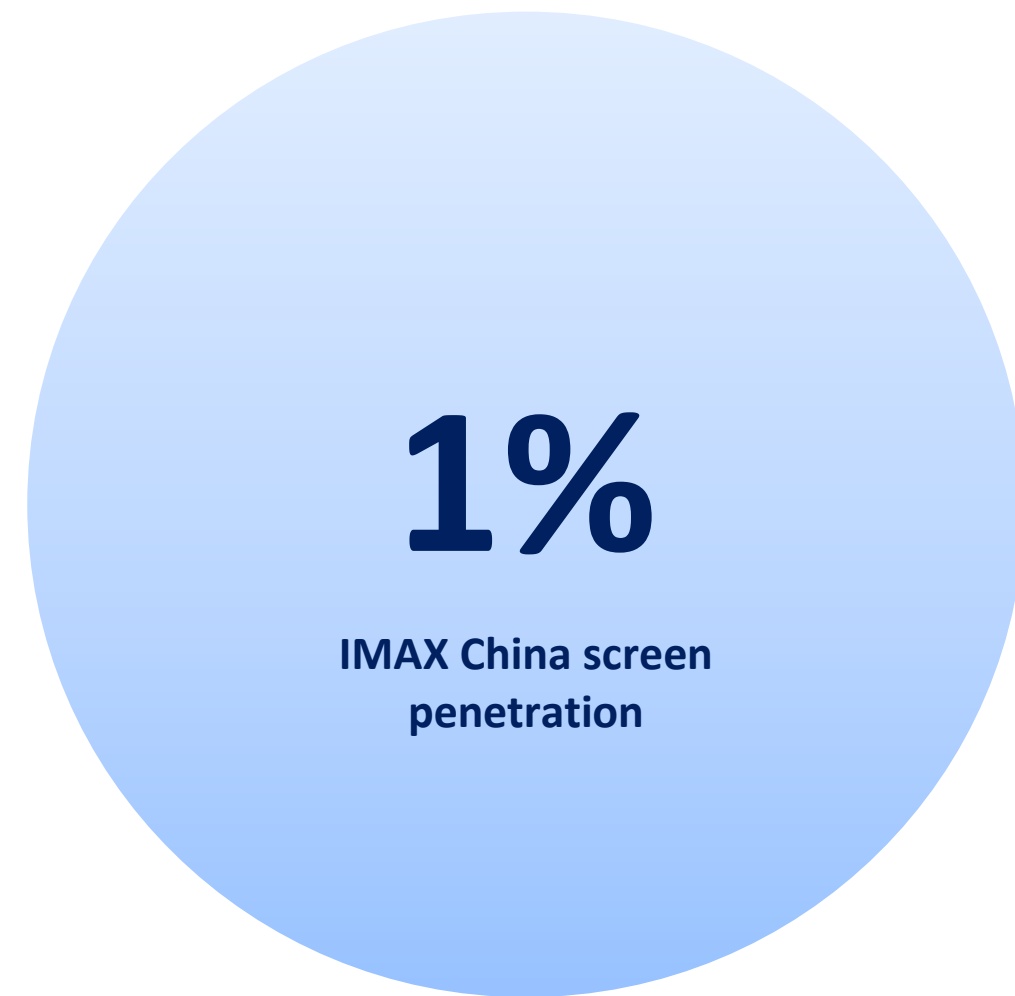


Note 1: As of Dec 31, 2019
 Note 2: Includes 1 IMAX with Laser upgrade
 Source: Company Data

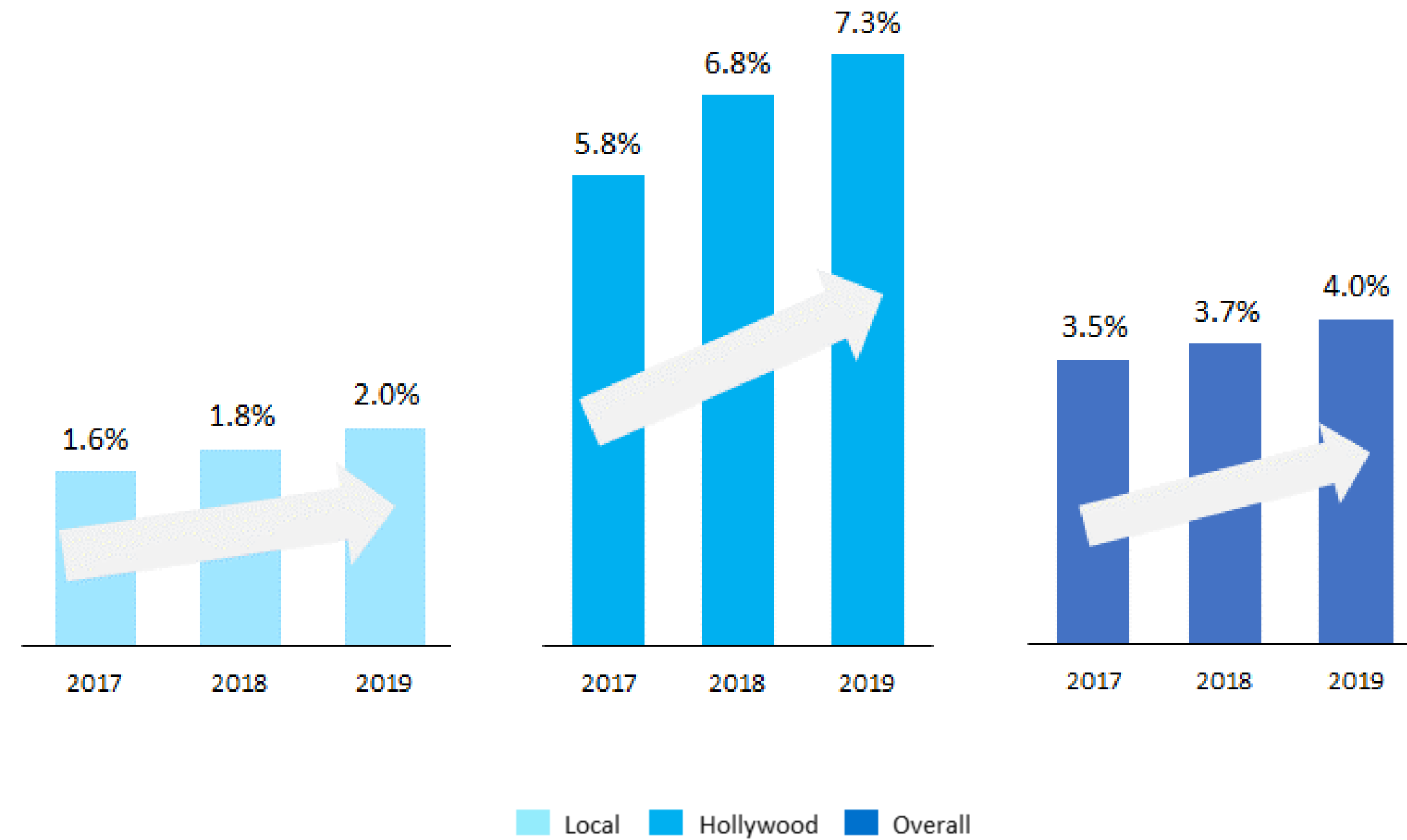
Robust backlog and accelerating signings provides good visibility to our installation pipeline

Consistent Market Share Gain

IMAX China Screen Count Share



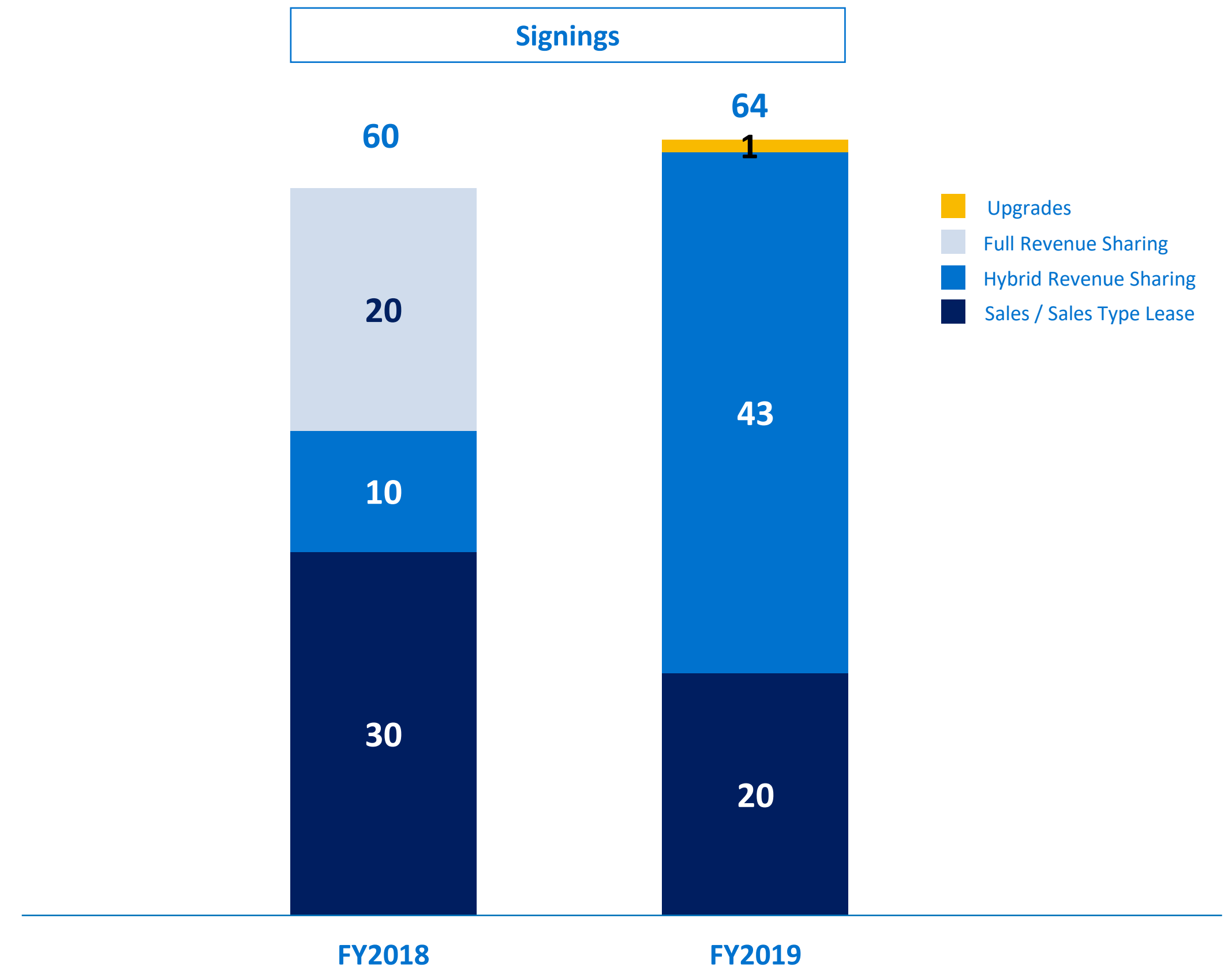
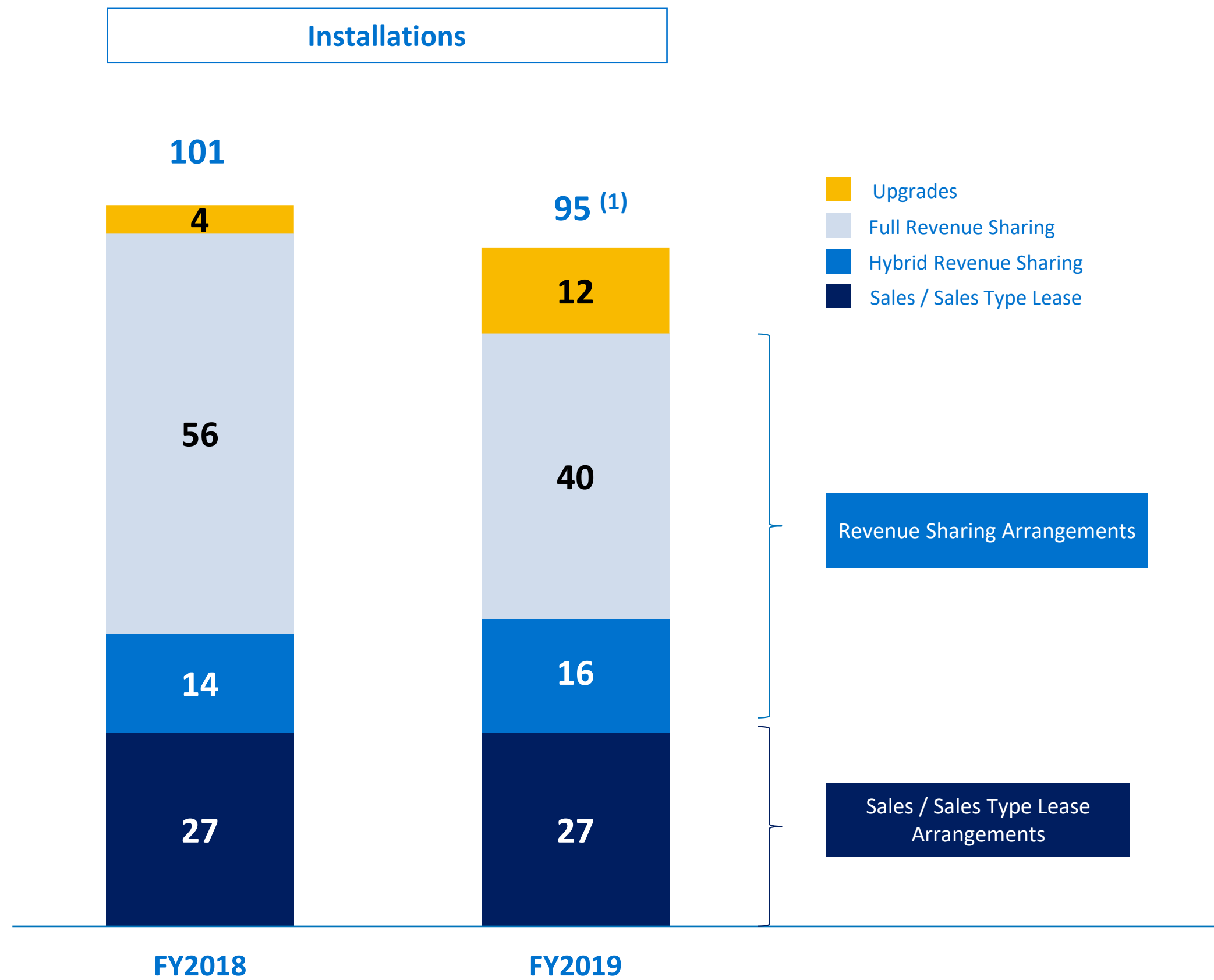
IMAX China Box Office Market Share



Source: Company Data

IMAX represents 4% of box office share despite 1% screen presence

Network Update



Source: Company Data

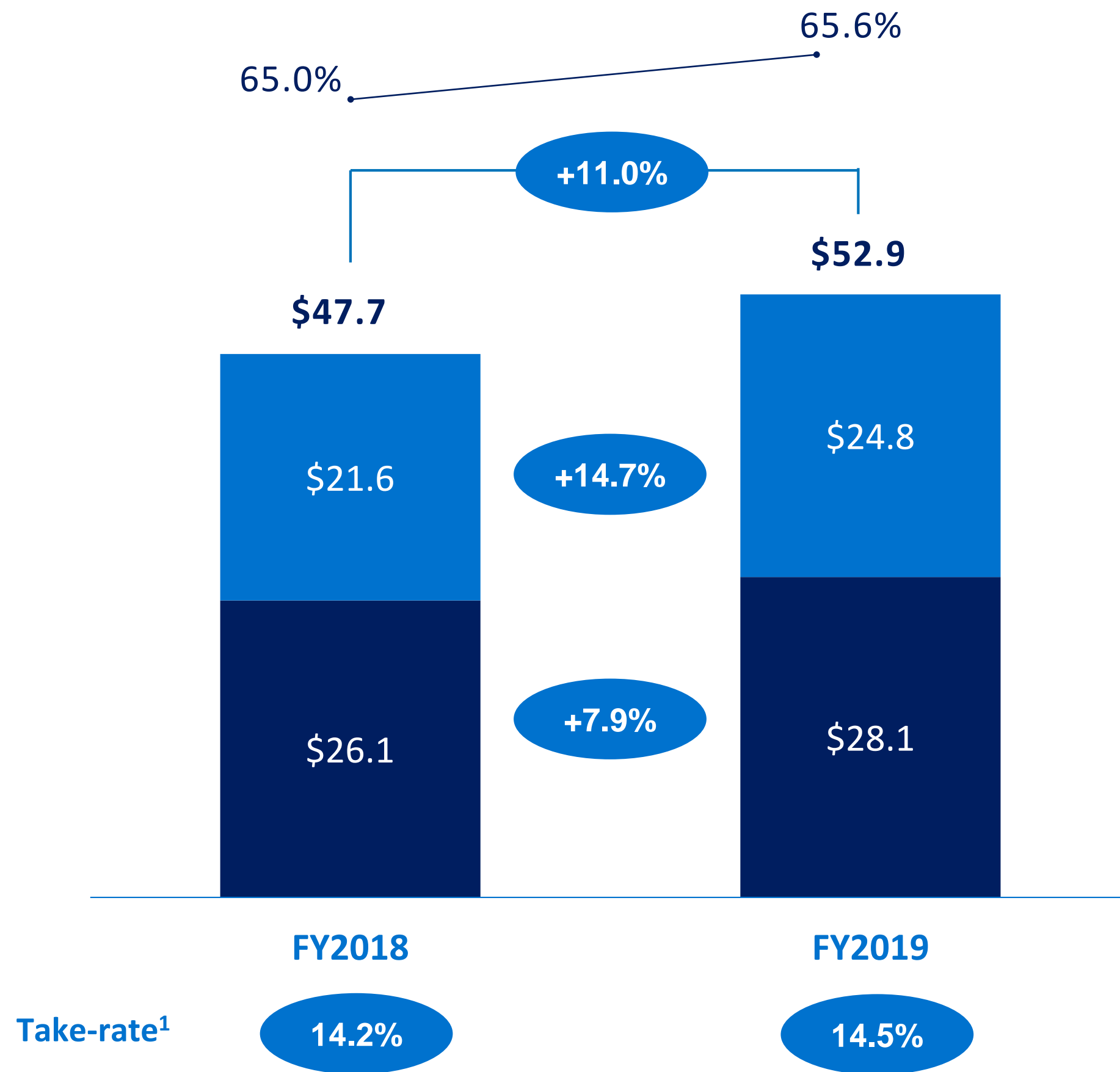
Note 1: We installed 83 new IMAX theatre systems plus 12 IMAX with Laser upgrades (1 sales and sales-type lease upgrade and 11 revenue sharing upgrades) in FY2019.

Robust signing and installation momentum; expect higher contribution from tier-1 city installation in 2020

Network Business

\$ in Millions

- Gross Margin (%)
- Revenue sharing arrangements – contingent rent
- Film Revenue



Note 1: Take-rate defined as network revenue divided by total IMAX box office
Source: Company data

Network revenue of \$53 million, up 11% YoY

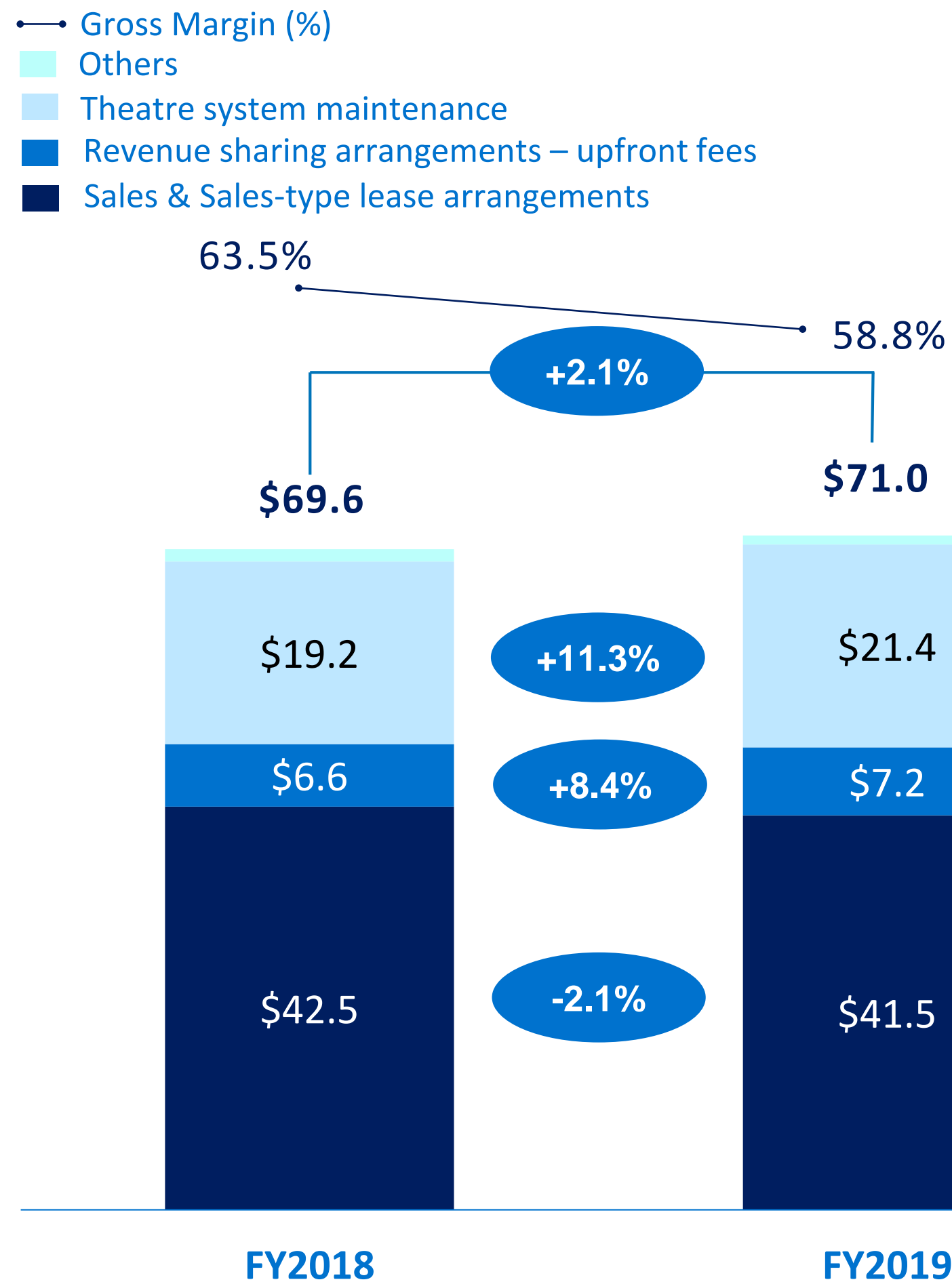
- Greater China box office of \$366 million, up 8.7% YoY, or up 14% YoY in mainland China in local currency
- 30 Hollywood and 14 local titles are programmed in mainland China in FY19
- Improving box office take-rate to 14.5%, +30bps, with local language contributing 31% of IMAX box office

Network gross margin of 66%

- Benefitting from inherent operating leverage

Theatre Business

\$ in Millions



Source: Company data

Note *: Incremental to the IMAX theatre network, but full revenue for system was not received

Theatre revenue of \$71 million, up 2% YoY

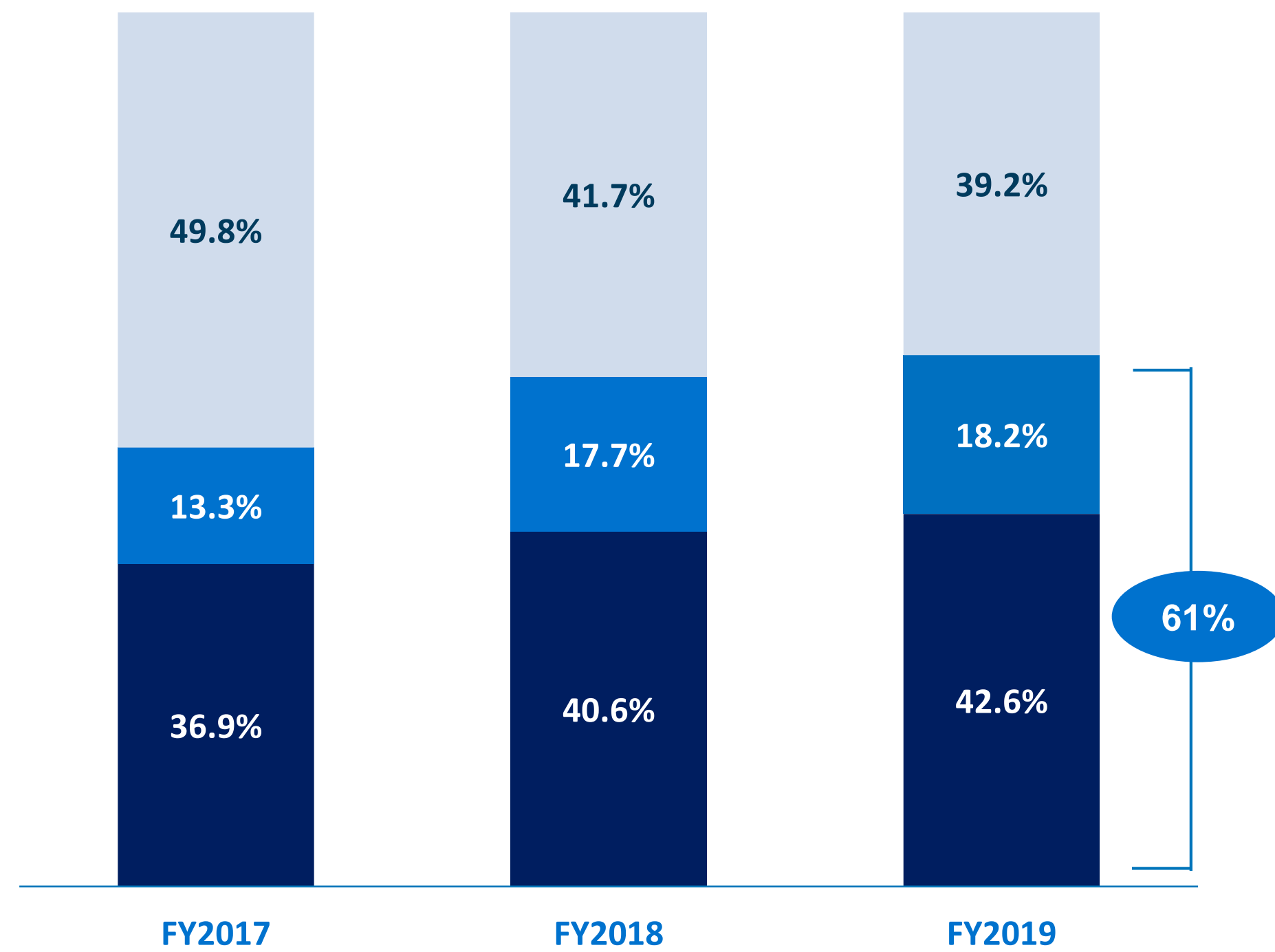
- 11% growth in maintenance revenue on the back of network expansion
- 2 incremental hybrid installations
- Stable full sales installations but lower sales revenue due to: 1) 1 higher-revenue but lower-margin IMAX GT Laser system installed in FY2018; 2) 1 sales installation using re-deployed system in FY2019*
- Excluding the GT Laser and re-deployed system, average revenue per system increased to \$1.4 million in FY2019 up from \$1.3 million in FY2018 due to 8 additional IMAX with Laser systems installed

Theatre gross margin of 59%

- Increased equipment costs related to 15 IMAX with Laser sales installations; Higher recurring economics of Laser systems in terms of box office take-rate and maintenance fees over the contract term

Revenue Structure

- Installation-driven
- Maintenance and others
- Box office-driven



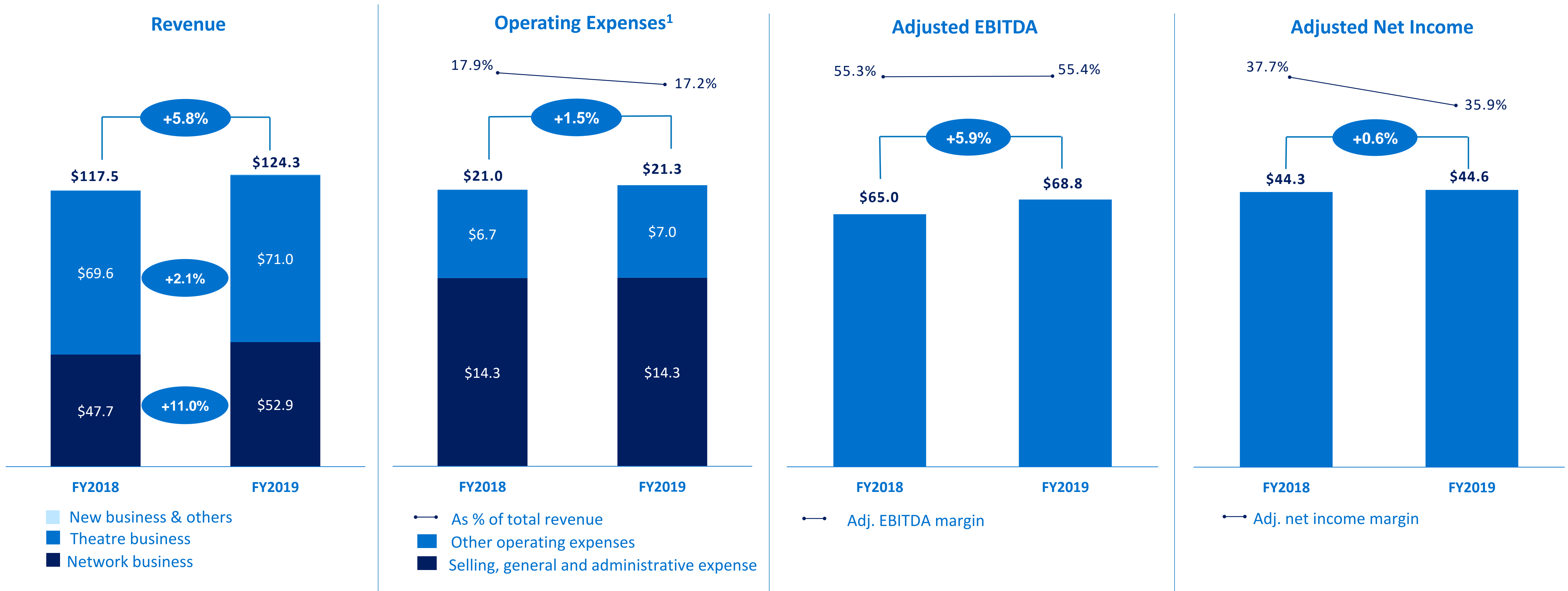
Rising contribution from recurring revenue

- Recurring revenue, predominantly box office and maintenance-based, contributed 61% of total revenue in FY19, up from 58% in FY18
- Enhances business visibility and speaks to an increasingly well-balanced revenue structure

Source: Company data

FY2019 Financial Summary

\$ in Millions, Except EPS Data

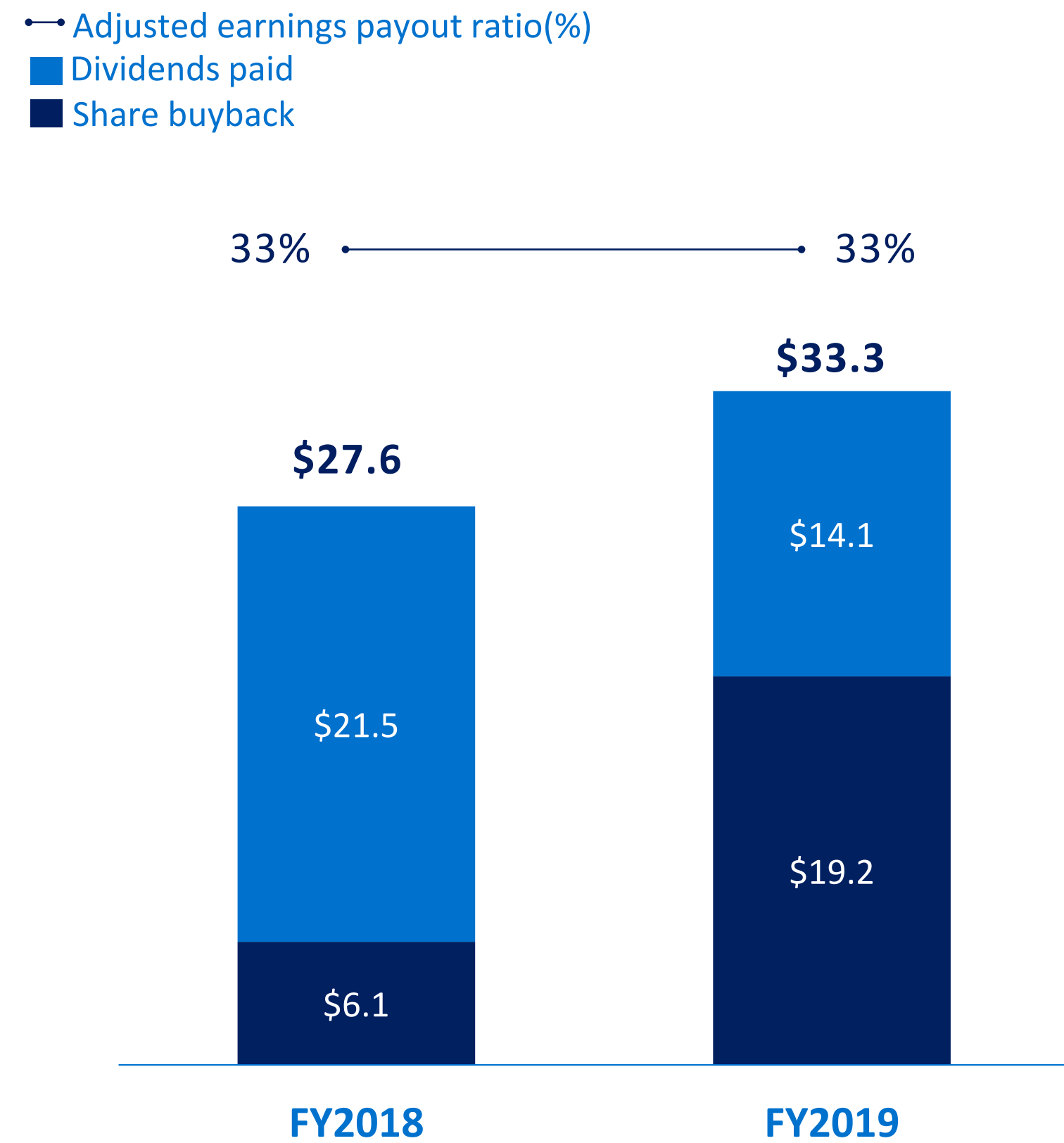


Note: Operating expenses defined as selling, general and administrative expenses and others, less stock-based compensation

Source: Company data

Shareholder Return

\$ in Millions



Propose a final dividend payment of \$0.02 per share, or HKD0.156 per share, representing a stable earnings payout ratio of 33%

- Total dividend paid to shareholders of \$14 million in 2019
- Including share buyback, we returned a total of \$33 million to shareholders

Source: Company data

