



# Kinopolis Group

## Business Update Q1 2024

### Regulated information - 25 April 2024

## Business update first quarter 2024

Despite the - anticipated - weaker film offering in the first quarter of 2024 and the lower visitor numbers associated with this, Kinopolis continued to post strong results per visitor and the free cash flow was even stronger than in the first quarter of 2023. Although 'Dune: Part Two', 'Wonka' and 'Kung Fu Panda 4' met expectations as the strongest films in the quarter, they were just about the only star performers in an otherwise rather poor range of movies on offer. In the coming months, we will see a more substantial - and, from May, more conveniently distributed - selection of films, including 'Inside Out 2', 'Deadpool & Wolverine' and 'Despicable Me 4', followed by a number of big hits in the autumn.

The lower number of visitors translated into lower revenue compared with the same period last year, as well as a lower EBITDAL and lower net result. Sales per visitor remained high, thanks to strong demand for premium products, but was occasionally impacted by the product mix in the first quarter, mainly because of the high share of 3D last year due to 'Avatar: The Way of Water'.

Kinopolis maintains its strong confidence in the future, with investments in premium movie experiences (€ 6.2 million in the first quarter) continuing unabated given the strong returns and high customer satisfaction.

At the beginning of 2024, € 80.0 million of debt was repaid via the company's own resources as well as limited use of its revolving credit facility (RCF) and commercial paper (CP). This resulted in a € 1.0 million reduction in financial expenses in the first quarter of 2024 compared with the same period last year. As per 31 March 2024, the net financial debt, excluding lease liabilities, amounted to € 377.2 million.

### Important achievements

- ★ Opening of six new ScreenX theatres (Kinopolis Brussels, Braine-l'Alleud, Liège (BE), Brétigny-sur-Orge, Nancy (FR) and Enschede (NL))
- ★ Opening of Laser ULTRA screens in Thionville (FR) and MJR Westland (US)
- ★ Agreement to operate a cinema in Windsor, Ontario (CA); opening in autumn 2024
- ★ Proposal to appoint two new directors

### Eddy Duquenne, CEO Kinopolis Group, on the first quarter:

"It appears that the studios are absorbing the impact of the strikes mainly in 2024, with the first quarter in particular characterised by a limited number of major film releases. Nevertheless, the top films that were released have performed strongly. While Hollywood is working to restore the film offering, we remain committed to our premiumisation strategy. The recent blockbusters again showed strong results in this regard."



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#### Notes

Despite the success of 'Dune: Part Two', 'Wonka' and 'Kung Fu Panda 4', Kinopolis welcomed 9.6% fewer visitors in the first quarter compared with the first quarter of 2023 (which was dominated by the success of 'Avatar: The Way of Water').

The top five films in the first quarter of 2024 were 'Dune: Part Two', 'Wonka', 'Kung Fu Panda 4', 'Migration' and 'Anyone But You'. The most successful local films were 'La Sociedad de la nieve' and 'Ocho apellidos marroquís' in Spain, 'Cocorico', 'Les Segpa au ski' and 'Maison de retraite 2' in France and Wallonia, 'Skunk' in Flanders and 'Bon Bini Bangkok Nights', 'Verliefd op Bali' and 'De Tatta's 2' in the Netherlands.

Visitors (in millions)	Belgium	France	Canada	Spain	The Netherlands	United States	Luxembourg	Switzerland	Total
Number of cinemas*	11	18	36	10	19	10	3	1	108
Q1 2024	1,39	1,40	1,82	0,86	0,82	0,80	0,19	0,02	7,30
Q1 2023	1,58	1,65	1,88	0,96	0,91	0,89	0,19	0,03	8,08
Q1 2024 vs Q1 2023	-11,8%	-15,1%	-3,4%	-10,4%	-9,9%	-9,2%	-0,6%	-11,3%	-9,6%

\* Number of cinemas at 31/03/2024 operated by Kinopolis. In addition, one cinema (in Poland) is leased to third parties.

**Total revenue** was lower in the first quarter of this year compared to the same period last year. This was mainly due to the decrease in visitor numbers caused by a weaker film offering compared with the same period in 2023. Kinopolis recorded a decrease in both **revenue from ticket sales** (Box Office) and **revenue from the sale of drinks and snacks** (In-theatre Sales). Revenue from other business activities also decreased, with the exception of revenue from real estate.

The decrease in visitors also translated into a lower **EBITDA**, **EBITDAL** (EBITDA adjusted for rent) and a lower **net result** compared with the first quarter of 2023.

Despite the decline in visitor numbers and net result, Kinopolis managed to generate a strong free cash flow for the first quarter of 2024 (€ 8.4 million in Q1 2024 vs. € 6.3 million in Q1 2023).

In addition, € 9.0 million was invested in the first quarter in maintenance as well as internal and external expansion.

**Net financial debt**, excluding lease liabilities, amounted to € 377.2 million at the end of March, a slight decrease compared with € 378.3 million at the end of 2023.

#### Important events since 1 January 2024

##### Opening of new ScreenX screens

Kinopolis has opened six new ScreenX screens since the beginning of this year, namely in Kinopolis Brussels, Braine-l'Alleud, Liège (BE), Brétigny-sur-Orge, Nancy (FR) and Enschede (NL). These openings are part of the agreement that Kinopolis concluded with CJ 4DPLEX at the end of 2023 for 21 new ScreenX theatres spread over 2024 and 2025. More openings are planned in the coming weeks, including in Kinopolis Bruges and Kortrijk (BE). ScreenX is the world's first multi-projection cinema technology to take the traditional cinema experience to the next level by seamlessly extending the screens to the side walls of the auditorium and providing a 270-degree viewing experience.



## **Kinopolis Group**

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#### **Opening of new Laser ULTRA screens**

Kinopolis opened two new Laser ULTRA screens in the first quarter of 2024, namely in Thionville (FR) and MJR Westland (US). With Laser ULTRA, Kinopolis combines the unique picture quality of Barco's 4K laser projector with the immersive sound system of Dolby Atmos.

#### **Kinopolis adds another cinema to its Canadian circuit**

Landmark Cinemas Canada, subsidiary of Kinopolis Group, will open a cinema at the Mikhail Centre in Windsor, Ontario in the autumn of 2024. Kinopolis will be renovating the existing cinema building over the coming months. It concerns a modern eight-screen, 800-seat cinema, which will be remodeled to meet Kinopolis' and Landmark's quality standards.

#### **End of share buyback program**

On 22 September 2023, Kinopolis Group announced the launch of its share buyback program to cover stock options. Under this program, Kinopolis Group could buy back, through the appointed independent intermediary, up to 151,000 shares on Euronext Brussels for a total maximum amount of € 8 million. The program ended on 14 February 2024, as a total of 151,000 shares had been purchased at that time for a total amount of € 6,697,595.35. After this buyback program and after option exercises, the total number of own shares is 616,582.

#### **Departure of Jeroen Mouton as CFO of Kinopolis Group**

CFO Jeroen Mouton has decided to leave the company for a new professional challenge. Mr. Mouton will remain in office until 30 April 2024. More details about his replacement will be announced at a later date, once the ongoing selection process to recruit a new CFO has been completed.

#### **Proposal for the appointment and reappointment of directors Kinopolis Group NV**

At the Ordinary General Meeting of 8 May 2024, the Board of Directors of Kinopolis Group NV will nominate the company EDK Management, with Ms Els De Keukelaere as its permanent representative and Lupus AM BV, with Mr Jo De Wolf as its permanent representative, to be appointed as independent directors. In view of the extensive experience of both, the Real Estate expertise of Mr De Wolf as well as Ms De Keukelaere's special interest in the ESG domain, these appointments will not only result in a renewal but also a particular strengthening of the Board of Directors.

In addition, the Board of Directors will also propose to reappoint Pentascoop NV (with Mr Joost Bert as permanent representative), as well as Mr Eddy Duquenne, Pallanza Invest BV (with Mr Geert Vanderstappen as permanent representative) and Mavac BV (with Ms Marleen Vaesen as permanent representative) as directors, and this for a period running until the General Meeting in 2026.

#### **Line-up for 2024**

Current hits include 'Godzilla x Kong: The New Empire', 'The Fall Guy' and 'Kung Fu Panda 4'. The following blockbusters, among others, are on the program in the coming weeks and months: 'Kingdom of the Planet of the Apes' 'Furiosa', 'If', 'Inside Out 2', 'Bad Boys 4', 'A Quiet Place: Day One', 'Despicable Me 4', 'Deadpool & Wolverine', 'Joker: Folie à Deux' and 'Gladiator 2'. The local film program includes 'Expeditie Cupido' and 'De Break-up Club' in the Netherlands, 'Ducobu passe au vert!', 'Largo Winch: Le prix de l'argent' and 'Monsieur Aznavour' in France, 'Waarom Wettelen', 'Young Hearts' and 'K3 en Het Lied van de Zeemeermin' in Flanders and 'Menudas Piezas' and 'Dragonkeeper' in Spain. As always, the program is complemented by world cinema, live opera, art exhibitions, sports and concerts, among other things.



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#### Financial calendar

Wednesday, 8 May 2024  
Thursday, 22 August 2024  
Thursday, 24 October 2024  
Thursday, 20 February 2025

General Meeting  
Half-yearly results 2024  
Business update third quarter 2024  
Annual results 2024

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#### About Kinopolis

Kinopolis Group NV was formed in 1997 as a result of the merger of two family-run cinema groups and was listed on the stock exchange in 1998. Kinopolis offers an innovative cinema concept which serves as a pioneering model within the industry. In addition to its cinema business, the Group is also active in film distribution, event organisation, screen publicity and property management.

In Europe, Kinopolis Group NV has 63 cinemas spread across Belgium, the Netherlands, France, Spain, Luxembourg, Switzerland and Poland. Since the acquisition of Canadian movie theatre group Landmark Cinemas and American movie theatre group MJR Theatres, Kinopolis also operates 36 cinemas in Canada and 10 in the US.

In total, Kinopolis Group currently operates 109 cinemas worldwide, with a total of 1,131 screens and more than 200,000 seats. Kinopolis' employees are all committed to giving millions of visitors an unforgettable movie experience. More information on [www.kinopolis.com/corporate](http://www.kinopolis.com/corporate).