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AMC Entertainment Holdings, Inc.

RESEARCH INITIATION

We initiate research coverage of AMC Entertainment Holdings' (AMC) balance sheet with the Buy recommendation for the following debt tranches:

1) Strong Buy for the company's $1.994.2bn term loan trading at 11.4% YTM.
2) Buy for the company's Movico 15% notes yielding 17.2% to maturity.
3) Speculative Buy for the company's 7.5% notes yielding 20.8% to maturity.

Industry Review

AMC Entertainment (AMC, or the Company) is a movie theater operator in the U.S. and Europe. As of the end of 2025, the company had 855 theaters and 9,640 screens in 11 countries, including 533 theaters and 7.072 screens in the U.S. The company is the largest chain of movie theaters in the U.S., Sweden, Norway, and Finland. It also holds a substantial market share in the U.K., Portugal, Spain, Germany, Ireland, and Italy. In the U.S., the company is the market leader in the top two urban markets, Los Angeles and New York. AMS has 45% market share in the combined LA, NYC, and Chicago markets, and these markets represent 17% of the country's total box office. The majority of 855 theaters operated by AMC are leased, while 64 theaters are only managed or partially owned.

Movie theater attendance has not yet returned to 2019 levels because the pandemic permanently reshaped people's habits, options, and willingness to pay for the theatrical experience, rather than just causing a temporary dip. In the U.S., admissions are still roughly 37% below 2019 volumes even as box-office revenue recovers somewhat due to higher ticket prices and premium formats.

Average industry attendance decline compared to 2019

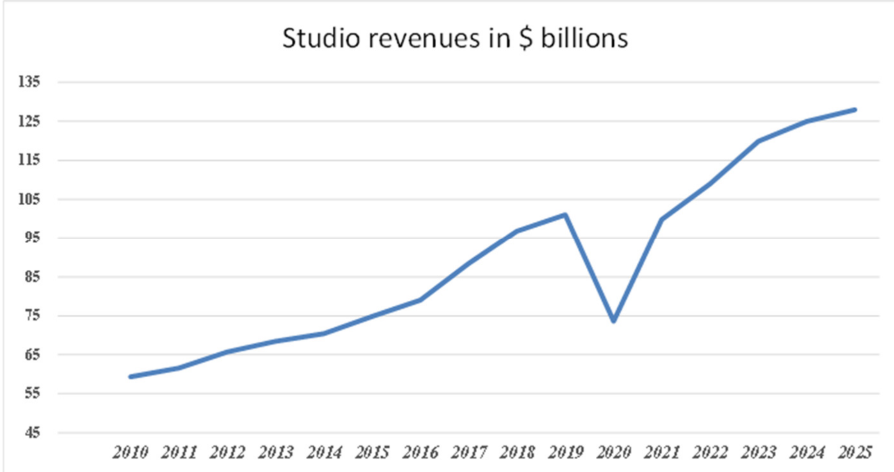
	2020	2021	2022	2023	2024	2025
Europe	*75%*	*65%*	*35%*	*23%*	*24%*	*28%*
U.S. / Canada	*83%*	*62%*	*37%*	*32%*	*37%*	*37%*

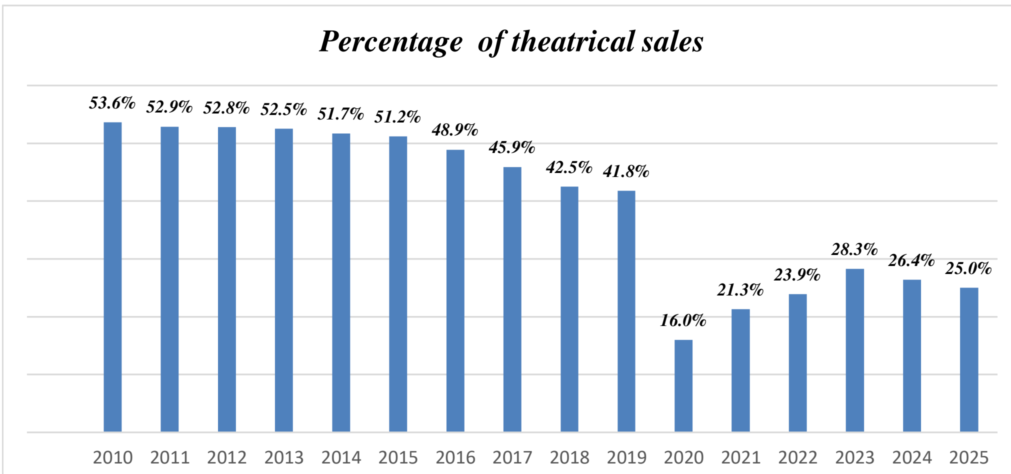
During COVID shutdowns, people got used to watching new-release movies at home via streaming, premium video-on-demand, and bundled services, which made the theater feel less essential. Surveys show that a meaningful share of the audience now treats theatrical going as an occasional "event" (big blockbusters only), not a regular outing, so frequency of visits has dropped sharply. Ticket prices, parking, and concessions have risen, and the total cost of an outing now feels like a luxury for many households. Research indicates that **cost is the top reason** why people attend movies less often than they did in 2019, especially among younger adults and families. Shorter theatrical-to-home windows (45 days or less) and direct-to-streaming releases have cannibalized some theatrical demand, since viewers can watch similar-quality content at home sooner. Experts argue this has eroded the perceived value of the "first-run" window, even though studios see it as necessary to feed their own streaming platforms.

Additionally, but not less importantly, theatrical attendance has become heavily concentrated in a few event-driven categories: big intellectual property (IP) franchises, family animation, horror, anime/gaming adaptations, and special "event cinema" (concerts, etc.). Mid-budget adult dramas and traditional comedies contribute far less to traffic than pre-COVID and are increasingly pushed to streaming.

Tables below show that despite the overall growth in revenues generated by movie studios, the percentage of sales generated by theaters has been declining sharply, particularly after 2015.

Europe has been recovering faster than the U.S. and Canada. Europe has a larger base of domestic productions that keep audiences coming; national market share grew in 17 European markets in 2025, with local hits in Germany, Slovakia, Italy, Greece, and Turkey helping to partially offset Hollywood underperformance. The U.S. market has no equivalent domestic counterweight, and it lives or dies almost entirely on Hollywood output.





Do studios value movie theaters as a distribution channel?

The overall answer is - it depends on studios, and the answer has shifted significantly since 2020. Different studios assign different window deals to brick-and-mortar distribution channel, and overall, the importance of the distribution channel is gradually declining. It will likely become even more dramatic after the acquisition of Paramount by Warner Brothers. The industry seems to have settled into a rough consensus that theatrical remains essential for tentpole, franchise, and event films but is optional or even counterproductive for mid-budget, prestige, and niche movies, which are better served going directly to streaming. This bifurcation is a key reason why Cinemark, AMC, and Marcus all report that their top 10 -15 films now account for a disproportionate share of annual attendance, since the mid-tier films that used to fill screens between blockbusters have largely migrated to streaming.

In 2019, 58 franchise series films earned $22.79 bn at the worldwide box office - more than four times the $4.84 bn earned by the 80 non-franchise original films. In other words, 42% of releases earned 82.5% of worldwide box office. In 2023, the top 10 films accounted for 28% of total global box office revenue. So, the business is already extremely concentrated around blockbusters. The question is whether *more* blockbusters can move the needle meaningfully. It looks like more blockbusters are necessary but not sufficient to restore the theatrical business to health. The movie business needs strong non-franchise films to stay fresh and expand audiences, and new franchises are the lifeblood of the commercial movie business. Without both, the industry is essentially managing a slowly shrinking addressable audience with higher prices, which works until it does not.

The existential risk for exhibitors is not that studios abandon theatrical entirely - it is that the theatrical-worthy universe of films keeps shrinking, concentrating risk on an ever-smaller number of mega-releases per year. That said, in any given year, a large number of blockbusters will likely dramatically improve the attendance of movie theaters. The 2025 was below expectations (for assorted reasons), and the general takeaways is that the industry is still stuck in a post-pandemic plateau - revenue inches up only because ticket prices keep rising, while actual attendance continues to erode compared to pre-2020 norms of over 1 billion tickets annually.

To make the introduction of industry more comprehensive, it is important to mention that Cineworld, the 2nd largest global movie theater company, filed for Chapter 11 in September 2022 to restructure over $5nm of debt. As part of the case, Cineworld shut down over fifty theaters and renegotiated many leases to cut occupancy costs. Currently, Cineworld is a private company.

U.S. / Canada Movies Revenue Data	Sales	*Change*	Attendance	*Change*	Ticket Price	*Change*
2015	$11,120		1,320		$8.42	
2016	$11,372	*2.3%*	1,314	*-0.5%*	$8.65	*2.7%*
2017	$11,091	*-2.5%*	1,236	*-5.9%*	$8.97	*3.7%*
2018	$11,880	*7.1%*	1,304	*5.5%*	$9.11	*1.5%*
2019	$11,400	*-4.0%*	1,244	*-4.6%*	$9.16	*0.6%*
2020	$2,205	*-80.7%*	240	*-80.7%*	$9.19	*0.3%*
2021	$4,544	*106.1%*	447	*86.3%*	$10.17	*10.6%*
2022	$7,454	*64.0%*	708	*58.4%*	$10.53	*3.6%*
2023	$9,034	*21.2%*	833	*17.7%*	$10.85	*3.0%*
2024	$8,746	*-3.2%*	760	*-8.8%*	$11.51	*6.1%*
2025	$8,870	*1.4%*	780	*2.6%*	$11.37	*-1.2%*
2026 base	$9,300	*4.8%*	808	*3.6%*	$11.51	*1.2%*
2026 best	$9,800	*10.5%*	820	*5.1%*	$11.95	*3.8%*

Attendance of movie theters globally	2019	2020	2021	2022	2023	2024	2025
U.S. / Canada	1,244	240	447	708	833	819	780
Change		*-80.7%*	*86.3%*	*58.4%*	*17.7%*	*-1.7%*	*-4.8%*
U.K.	176	44	75	118	124	127	124
Change		*-75.0%*	*69.5%*	*57.5%*	*5.9%*	*1.7%*	*-2.4%*
Germany	120	37	43	79	96	89	91
Change		*-68.9%*	*13.9%*	*84.9%*	*22.5%*	*-7.6%*	*2.6%*
Spain	106	29	42	60	76	71	65
Change		*-72.9%*	*44.6%*	*44.1%*	*26.9%*	*-6.5%*	*-8.3%*
Italy	105	30	27	48	75	75	72
Change		*-71.2%*	*-11.9%*	*80.1%*	*56.6%*	*-0.7%*	*-3.9%*
Sweden	16	5	6	10	12	10	10
Change		*-65.8%*	*13.0%*	*70.5%*	*13.5%*	*-11.9%*	*-6.7%*
Ireland	15	4	6	11	12	12	11
Change		*-74.2%*	*56.4%*	*75.4%*	*8.4%*	*1.7%*	*-10.2%*
Portugal	15	4	5	9	11	11	11
Change		*-76.3%*	*47.2%*	*73.6%*	*21.7%*	*1.8%*	*-7.0%*
Norway	11.3	4.8	5.6	8.8	9.3	8.1	8.4
Change		*-57.5%*	*16.7%*	*57.1%*	*5.7%*	*-12.9%*	*3.7%*
Finland	8	4	3	6	7	7	6
Change		*-53.6%*	*-12.8%*	*70.6%*	*24.1%*	*-5.6%*	*-7.4%*

AMC is telling investors that the industry is expected to deliver significantly stronger performance in 2026, compared to 2025. This bullish stance is fueled by the larger number of blockbuster hits to be delivered in 2026. That said, through early March 2026, domestic box office is running modestly ahead of recent years in nominal dollars: about $1.27 bn versus roughly $1.15 bn at the same point in 2025 and $1.16 bn in 2024. The really bullish 2026 forecasts depend on the back half of the year delivering multiple huge tentpoles (new Avengers, major sequels, etc.), which have not opened yet, so the thesis is still forward-looking. So far, 2026 is tracking a bit stronger in headline dollars than 2024–2025, but mainly thanks to holdovers and nominal price growth; it has not yet demonstrated the step-change that the more aggressive "biggest year since COVID" projections are relying on. The real test will be summer and holiday performance of the new tentpoles.

AMC Revenues Breakdown	2019	2020	2021	2022	2023	2024	2025
U.S.	$4,032	$827	$1,876	$2,962	$3,689	$3,544	$3,706
Change		*-79.5%*	*126.9%*	*57.9%*	*24.5%*	*-3.9%*	*4.6%*
U.K.	$500	$128	$284	$379	$401	$409	$429
Change		*-74.4%*	*121.7%*	*33.7%*	*5.7%*	*2.0%*	*4.8%*
Spain	$200	$52	$82	$115	$148	$143	$153
Change		*-74.0%*	*57.0%*	*40.1%*	*29.3%*	*-3.3%*	*7.0%*
Sweden	$178	$63	$82	$125	$125	$116	$123
Change		*-64.4%*	*30.2%*	*51.9%*	*-0.1%*	*-6.8%*	*5.2%*
Italy	$200	$48	$58	$90	$152	$148	$146
Change		*-76.3%*	*21.1%*	*57.2%*	*68.0%*	*-2.8%*	*-0.9%*
Germany	$135	$38	$54	$96	$126	$112	$124
Change		*-71.7%*	*42.4%*	*76.8%*	*30.8%*	*-11.3%*	*11.4%*
Finland	$103	$43	$49	$74	$98	$90	$85
Change		*-57.9%*	*13.1%*	*50.5%*	*32.5%*	*-8.0%*	*-6.0%*
Ireland	$38	$9	$27	$43	$32	$33	$33
Change		*-75.5%*	*184.9%*	*62.3%*	*-25.1%*	*0.9%*	*1.8%*
Other	$94	$34	$27	$43	$42	$43	$49
Total	$5,480	$1,242	$2,538	$3,927	$4,813	$4,637	$4,848

Our first conclusions after analyzing all the numbers above are that:

- The industry has essentially become a hits-dependent oligopoly where 10 films drive nearly half of all revenue. Indeed, in the early 2000s, the top ten grossing films each year made up about 25% of the total box office. That share has been creeping up since 2015, reaching 45% in 2025, while simultaneously the number of releases from major studios has been declining. Fewer movies are making up a larger portion of the box office each year. Dependence on blockbusters is particularly strong in North America, while it is moderated by local films in Europe. In other words, local movies in Europe fill gaps between blockbusters, while North American market has virtually nothing to fill them with. The category of film matters as much as count. More good movies produced will translate into faster industry recovery. The industry will continue shrinking at accelerating rates without a significant increase in blockbusters. That said, it is challenging to believe that the number of blockbusters will continue to grow consistently. As such, the structural change will likely continue to prevail…
- Movie companies are trying to offset this structural challenge - declining attendance - by raising admission prices and shrinking the number of theaters. In order to support the old reason of industry supporters – going to the movies mainly implies going out, rather than simply watching films – a trip to a movie theater will inevitably become more exquisite (and expensive). However, the industry will likely continue to exist, and its real estate will find alternative ways to generate revenues. In other words, rumors about the industry demise are strongly exaggerated.
- Europe will likely be recovering faster than North America in 2026.
- The size of the new movies window studios provide for theaters continues to be a major uncertainty. However, in the short term, it is unlikely, in our opinion, that studios will be shrinking this window.

AMC versus competitors

AMC is the only exhibitor with meaningful presence in virtually every major U.S. market simultaneously. Cinemark is heavily concentrated in the South, Southwest, and Latin America. Marcus is a Midwest/regional operator. AMC operates in 95% of the top 25 U.S. metro areas, giving studios effectively no choice but to prioritize AMC when planning wide releases. This gives AMC negotiating leverage with studios that neither Cinemark nor Marcus can match. That means that studios need AMC's screens to achieve a true national release.

Movie Theaters	2019	2020	2021	2022	2023	2024	2025
AMC	636	394	593	586	562	544	535
Cinemark	554	531	522	518	501	497	496
Marcus	91	89	85	85	79	79	78

Screens per theater	2019	2020	2021	2022	2023	2024	2025
AMC	11.0	10.7	11.2	11.1	11.0	11.0	10.9
Cinemark	11.1	11.4	11.2	11.3	11.6	11.5	11.4
Marcus	12.2	12.3	12.5	12.5	12.6	12.6	12.6

AMC holds an exclusive U.S. partnership with Dolby for Dolby Cinema - the highest-rated premium large format experience by most consumer surveys. Dolby Cinema at AMC is available across AMC locations in every format. Cinemark has Cinemark XD, Marcus has UltraScreen DLX, but neither has the Dolby brand exclusivity that AMC commands. Dolby Cinema screens generate the highest revenue per screen of any PLF[1] format in the industry.

Through Odeon, AMC is the only U.S. exhibitor with a meaningful international presence. This provides diversification against a weak U.S. box office year, gives AMC access to European film content and co-production opportunities, and makes it the only circuit that can offer studios a single-partner global theatrical strategy. For a major studio planning a worldwide release, AMC is the only exhibitor that can be a meaningful global partner.

Company	Owned Theaters	Leased Theaters	% Leased	Annual Rent Expense
Marcus	65%-70%	30%-35%	30%	$35mm
Cinemark	15%	85%	85%	$600mm
AMC	< 5%	> 95%	95%	$870mm

Being bigger is not the same as being best. In addition to higher debt leverage and lower percentage of owned theaters, AMC is over-exposed to large metropolitan areas, and those markets also have the highest real estate costs, highest labor costs, and were the slowest to recover post-COVID (New York theatres were closed longer than any other major market). Marcus's Midwest concentration looks boring but delivered faster recovery and more stable cash flows. In a growing box office environment, AMC's scale advantages shine. In a flat or declining environment, its cost structure turns those same advantages into vulnerabilities. Cinemark and Marcus are simply better businesses at the current scale and film slate environment.

Sales per Screen (000s)	2019	2020	2021	2022	2023	2024	2025
AMC	$496	$153	$242	$373	$489	$484	$517
Cinemark	$535	$115	$257	$420	$528	$535	$552
Marcus	$503	$121	$255	$383	$462	$450	$470

Adj EBITDA Margin	2019	2020	2021	2022	2023	2024	2025
AMC	*14.1%*	*-80.4%*	*-11.6%*	*1.2%*	*9.4%*	*7.4%*	*8.0%*
Cinemark	*22.7%*	*-39.8%*	*5.3%*	*4.5%*	*19.4%*	*19.4%*	*12.7%*
Marcus	*27.9%*	*-54.1%*	*9.2%*	*14.7%*	*18.8%*	*17.4%*	*16.5%*

You can see that Cinemark's 2025 sales have almost returned to the 2019 level. However, the company has achieved this accomplishment mainly by increasing ticket prices, while the number of theaters has declined. However, sales recovery for AMC and Marcus has been less impressive, since they have shut down larger percentage of theaters.

[1] PLF stands for Premium Large Format, referring to specialized movie auditoriums.

Capex/Sales	2019	2020	2021	2022	2023	2024	2025
AMC	*9.5%*	*14.0%*	*3.7%*	*5.2%*	*4.7%*	*5.3%*	*5.1%*
Cinemark	*9.2%*	*12.1%*	*6.3%*	*4.5%*	*4.9%*	*4.9%*	*7.0%*
Marcus	*13.5%*	*90.7%*	*62.7%*	*6.3%*	*8.3%*	*11.2%*	*14.0%*

Capex / Theater	2019	2020	2021	2022	2023	2024	2025
AMC	$516,036	$230,504	$99,355	$214,894	$251,225	$281,860	$286,163
Cinemark	$548,063	$158,060	$182,950	$213,707	$298,403	$303,421	$441,331
Marcus	$824,176	$134,831	$200,000	$303,529	$481,013	$632,911	$833,333

Comparables	2019	2020	2021	2022	2023	2024	2025
Cinemark revenues	$3,283	$695	$1,511	$2,455	$3,067	$3,050	$3,115
Change		*-78.8%*	*117.2%*	*62.5%*	*24.9%*	*-0.6%*	*2.1%*
Movie Theaters	554	531	522	518	501	497	496
Screens	6,132	6,045	5,868	5,847	5,803	5,698	5,646
Change		*-1.4%*	*-2.9%*	*-0.4%*	*-0.8%*	*-1.8%*	*-0.9%*
ScreensTheater	11.1	11.4	11.2	11.3	11.6	11.5	11.4
Total Sales/Screen	$535	$115	$257	$420	$528	$535	$552
Change		*-78.5%*	*123.8%*	*63.1%*	*25.9%*	*1.3%*	*3.1%*
Total Capex/Screen	$548,063	$158,060	$182,950	$213,707	$298,403	$303,421	$441,331
Adjusted EBITDA	$745.1	($276.9)	$80.0	$110.7	$594.1	$590.2	$396.1
Adj. EBITDA margin	*22.7%*	*-39.8%*	*5.3%*	*4.5%*	*19.4%*	*19.4%*	*12.7%*
Capex/Sales	*9.2%*	*12.1%*	*6.3%*	*4.5%*	*4.9%*	*4.9%*	*7.0%*
AMC revenues	$5,471	$1,242	$2,528	$3,911	$4,813	$4,637	$4,849
Change		*-77.3%*	*103.5%*	*54.7%*	*23.0%*	*-3.6%*	*4.6%*
Movie Theaters	1,004	754	930	940	898	871	860
Screens	11,041	8,103	10,448	10,474	9,850	9,582	9,374
Change		*-26.6%*	*28.9%*	*0.2%*	*-6.0%*	*-2.7%*	*-2.2%*
ScreensTheater	11.0	10.7	11.2	11.1	11.0	11.0	10.9
Total Sales/Screen	$496	$153	$242	$373	$489	$484	$517
Change		*-69.1%*	*57.8%*	*54.3%*	*30.8%*	*-0.9%*	*6.9%*
Total Capex/Theater	$516,036	$230,504	$99,355	$214,894	$251,225	$281,860	$286,163
Adjusted EBITDA	$771	($999)	($292)	$47	$454	$344	$388
Adj. EBITDA margin	*14.1%*	*-80.4%*	*-11.6%*	*1.2%*	*9.4%*	*7.4%*	*8.0%*
Capex/Sales	*9.5%*	*14.0%*	*3.7%*	*5.2%*	*4.7%*	*5.3%*	*5.1%*
Marcus Theaters revenues	$556	$132	$271	$408	$458	$448	$463
Change		*-76.2%*	*105.0%*	*50.3%*	*12.4%*	*-2.3%*	*3.4%*
Movie Theaters	91	89	85	85	79	79	78
Screens	1,106	1,097	1,064	1,064	993	995	985
Change		*-0.8%*	*-3.0%*	*0.0%*	*-6.7%*	*0.2%*	*-1.0%*
ScreensTheater	12.2	12.3	12.5	12.5	12.6	12.6	12.6
Sales/Screen	$502.9	$120.6	$254.9	$383.2	$461.6	$449.9	$469.7
Change		*-76.0%*	*111.3%*	*50.3%*	*20.5%*	*-2.5%*	*4.4%*
Total Capex/Theater	$824,176	$134,831	$200,000	$303,529	$481,013	$632,911	$833,333
Adjusted EBITDA	$155	($72)	$25	$60	$86	$78	$77
Adj. EBITDA margin	*27.9%*	*-54.1%*	*9.2%*	*14.7%*	*18.8%*	*17.4%*	*16.5%*
Capex/Sales	*13.5%*	*90.7%*	*62.7%*	*6.3%*	*8.3%*	*11.2%*	*14.0%*

Cinemark Global	2019	2020	2021	2022	2023	2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	2025
Average number of screens	6,132	6,045	5,868	5,847	5,803	5,698	5,644	5,647	5,644	5,637	5,646
Average number of theaters	554	531	522	518	501	497	497	497	497	496	496
Attendance (000s)	280	54	73	109	210	201	37	58	54	44	193
Per theater per day	*1,402*	*284*	*388*	*586*	*1,163*	*1,124*	*818*	*1,294*	*1,212*	*992*	*1,081*
Revenues											
Admissions	$1,805.3	$365.5	$780.0	$1,246.9	$1,555.6	$1,522.5	$264.1	$467.1	$429.7	$383.8	$1,544.7
Per screen (000s)	*$294.4*	*$60.5*	*$132.9*	*$213.3*	*$268.1*	*$267.2*	*$46.8*	*$82.7*	*$76.1*	*$68.1*	*$273.6*
Change		*-79.5%*	*119.8%*	*60.4%*	*25.7%*	*-0.3%*					*2.4%*
Per theater (000s)	*$3,258.7*	*$688.3*	*$1,494.3*	*$2,407.1*	*$3,105.0*	*$3,063.4*	*$531.4*	*$939.8*	*$864.6*	*$773.8*	*$3,114.3*
Change		*-78.9%*	*117.1%*	*61.1%*	*29.0%*	*-1.3%*					*1.7%*
Food & Beverage	$1,161.1	$231.1	$561.7	$938.3	$1,192.0	$1,197.8	$210.4	$377.7	$336.7	$302.4	$1,227.2
Per theater (000s)	$2,095.8	$435.2	$1,076.1	$1,811.4	$2,379.2	$2,410.1	$423.3	$760.0	$677.5	$609.7	$2,474.2
Change		*-79.2%*	*147.2%*	*68.3%*	*31.3%*	*1.3%*					*2.7%*
Other revenues	$316.7	$98.7	$168.8	$269.5	$319.1	$329.2	$66.2	$95.7	$91.1	$90.1	$343.1
Total sales	$3,283.1	$695.3	$1,510.5	$2,454.7	$3,066.7	$3,049.5	$540.7	$940.5	$857.5	$776.3	$3,115.0
COGS of film exhibition	$1,003.8	$186.8	$425.0	$704.4	$865.7	$859.6	$141.4	$270.8	$245.5	$219.3	$877.0
COGS of food	$206.4	$48.6	$97.9	$169.3	$221.3	$225.4	$44.3	$73.1	$65.6	$57.5	$240.5
Gross Profit films	$801.5	$178.7	$355.0	$542.5	$689.9	$662.9	$122.7	$196.3	$184.2	$164.5	$667.7
Margin	*44.4%*	*48.9%*	*45.5%*	*43.5%*	*44.3%*	*43.5%*	*46.5%*	*42.0%*	*42.9%*	*42.9%*	*43.2%*
Gross Profit food	$954.6	$182.5	$463.8	$769.0	$970.7	$972.4	$166.1	$304.6	$271.1	$244.9	$986.7
Margin	*82.2%*	*79.0%*	*82.6%*	*82.0%*	*81.4%*	*81.2%*	*78.9%*	*80.6%*	*80.5%*	*81.0%*	*80.4%*
Total gross profit	$1,756.1	$361.2	$818.8	$1,311.5	$1,660.6	$1,635.3	$288.8	$500.9	$455.3	$409.4	$1,654.4
Total gross margin	*53.5%*	*51.9%*	*54.2%*	*53.4%*	*54.1%*	*53.6%*	*53.4%*	*53.3%*	*53.1%*	*52.7%*	*53.1%*
Opex (excl. D&A)	$1,058.2	$502.1	$676.9	$957.5	$1,068.7	$1,079.3	$250.5	$288.2	$295.6	$297.7	$1,132.0
Per screen (000s)	*$172,569*	*$83,060*	*$115,354*	*$163,759*	*$184,163*	*$189,417*	*$44,383*	*$51,036*	*$52,374*	*$52,812*	*$200,496*
Rent	$346.1	$279.8	$280.0	$308.3	$329.7	$325.3	$78.3	$82.9	$81.9	$78.7	$321.8
Rent per Theater	*$624,718*	*$526,930*	*$536,398*	*$595,174*	*$658,084*	*$654,527*	*$157,545*	*$166,801*	*$164,789*	*$158,669*	*$648,790*
Adjustments	$393.2	$143.8	$218.1	$65.0	$331.9	$359.5	$76.4	$102.4	$99.8	($83.1)	$195.5
Adjusted EBITDA	$745.1	($276.9)	$80.0	$110.7	$594.1	$590.2	$36.4	$232.2	$177.6	($50.1)	$396.1
Adj. EBITDA Margin	*22.7%*	*-39.8%*	*5.3%*	*4.5%*	*19.4%*	*19.4%*	*6.7%*	*24.7%*	*20.7%*	*-6.5%*	*12.7%*
Adjusments to cash EBITDA	$366.2	$260.1	$23.2	$292.5	$286.8	$357.8	$94.3	$83.1	$135.0	$34.4	$346.8
Cash EBITDA	$718.0	($160.6)	($114.9)	$338.2	$549.0	$588.5	$54.3	$212.9	$212.8	$67.4	$547.4
Minus cash interest	($93.9)	($102.9)	($108.2)	($140.7)	($151.3)	($141.8)	($60.9)	($12.1)	($59.1)	($19.2)	($151.3)
Minus cash taxes	($88.7)	$116.9	$136.5	($4.6)	($22.3)	($45.5)	($3.0)	($16.2)	($7.3)	$4.2	($22.3)
Minus WC changes	$26.5	($183.5)	$252.8	($56.9)	$68.9	$64.8	($109.5)	$91.3	($54.9)	$95.4	$22.3
Proxy for CF from oper.	$561.9	($330.1)	$166.2	$136.0	$444.3	$466.0	($119.1)	$275.9	$91.5	$147.8	$396.1
CF from operations	$562.0	($330.1)	$166.2	$136.0	$444.3	$466.0	($119.1)	$275.9	$91.5	$147.8	$396.1
Capex	$303.6	$83.9	$95.5	$110.7	$149.5	$150.8	$22.1	$30.1	$53.4	$113.3	$218.9
Per theater (000s)	*$548,063*	*$158,060*	*$182,950*	*$213,707*	*$298,403*	*$303,421*	*$177,867*	*$242,254*	*$429,779*	*$913,710*	*$441,331*

The IMAX – AMX JV and other PLF contributors

The entire industry is aggressively expanding into PLF. In December 2007, IMAX and AMC signed a landmark 100-theatre joint venture agreement to install IMAX digital projection systems across 33 major U.S. markets — a deal that effectively doubled IMAX's commercial theatre footprint in North America overnight. The commercial relationship is built around a Joint Revenue Sharing Agreement. Here's how it works:

- IMAX installs and owns the projection/sound system into AMC-owned theaters.
- IMAX pockets between 10% and 15% of box office receipts per screen.
- AMX pays between $50,000 and $100,000 annually per theater in technology maintenance fees.

This structure means IMAX shares in AMC's upside on every blockbuster, while AMC gets world-class premium technology without the full capital outlay. It aligns both parties' interests - both benefit from blockbuster performance.

As of end of 2025, the IMAX – AMC JV has grown to over 180 theaters, making AMC the largest IMAX exhibitor in North America and Europe. It had 185 U.S. theaters and 38 international theaters with IMAX screens installed. IMAX screens command $24 - $28 ticket price, essentially a double from regular ticket prices. Dolby also is a substantial revenue enhancer since AMC has it installed in 174 U.S. theaters and 7 international theaters. Dolby theaters contribute $22-$24 per ticket, which is also a significant premium to regular ticket prices.

Despite AMC's precarious credit metrics, IMAX has been continuing expanding the relationships.

Operations

The chart below outlines the company's attendance patterns since 2019. You can see that all operating metrics have declined compared to those of 2019, the last pre-Covid year. While the number of screens in the U.S. and Europe has declined by annual average of 2.2% and 2.3%, respectively, attendances in the U.S. and Europe have declined on average by 7.6% and 8.2%, respectively. Similarly, attendances per theater have declined on average annually by 4.8% and 6.1% per year since 2019. The only bright spot in 2025 was related to improved attendance per theater in the U.S.

Statistics	2019	2020	2021	2022	2023	2024	2025	*Average 2019-2025 annual decline*	*2024-2025 change*
U.S. Theaters	636	590	593	586	562	544	533	-2.9%	-2.0%
U.S. Screens	8,094	7,668	7,755	7,648	7,369	7,185	7,072	-2.2%	-1.6%
Average U.S. screens/theater	12.7	13.0	13.1	13.1	13.1	13.2	13.3	0.7%	0.5%
Europe Theaters	368	360	353	354	336	327	322	-2.2%	-1.5%
Europe Screens	2,947	2,875	2,807	2,826	2,690	2,613	2,568	-2.3%	-1.7%
Average Europe screens/theater	8.0	8.0	8.0	8.0	8.0	8.0	8.0	-0.1%	-0.2%
Total theaters	1,004	950	946	940	898	871	855	-2.6%	-1.8%
Total Screens	11,041	10,543	10,562	10,474	10,059	9,798	9,640	-2.2%	-1.6%
Average total screens/theater	11.0	11.1	11.2	11.1	11.2	11.2	11.3	0.4%	0.2%
U.S. attendance (mm)	250.4	46.5	95.0	144.9	169.4	156.9	155.8	-7.6%	-0.7%
U.S. attendance theater/day	1,093.6	218.9	445.0	686.9	837.3	801.2	812.0	-4.8%	**1.4%**
U.S. attendance screen/day	85.9	16.8	34.0	52.6	63.9	60.7	61.2	-5.5%	**0.9%**
Europe attendance (mm)	106	29	34	56	70	67	64	-8.2%	-5.5%
Europe attendance theater/day	800.9	221.5	263.6	440.2	579.5	571.7	548.7	-6.1%	-4.0%
Europe attendance screen/day	100.0	27.7	33.2	55.1	72.4	71.5	68.8	-6.0%	-3.8%
Total attendance (mm)	357	75	129	201	240	224	219	-7.8%	-2.1%
Total attendance theater/day	1,895	440	709	1,127	1,417	1,373	1,361	-5.4%	-0.9%
Europe attendance screen/day	89.7	19.8	33.8	53.3	66.1	63.6	63.2	-5.7%	-0.5%

AMC has substantial operating leverage, so if sales grow by 10% in 2026, EBITDA can potentially grow by 30%. AMC sales have been recovering at a similar pattern compared to the overall U.S. / Canada trend. The company is saying the sales in Europe at the beginning of 2026 have been growing faster than the general market. Additionally, AMC sales growth in U.S. in 2025 outperformed the general industry. We are using all these considerations to project AMS sales growth in 2026:

Change of sales YOY	2020	2021	2022	2023	2024	2025	2026 Base	2026 Best
U.S. / Canada total	*-80.7%*	*106.1%*	*64.0%*	*21.2%*	*-3.2%*	*1.4%*	*4.8%*	*10.5%*
AMC U.S.	*-79.5%*	*126.9%*	*57.9%*	*24.5%*	*-3.9%*	*5.3%*	*5.0%*	*12.0%*
AMC ROW	*-71.3%*	*16.0%*	*97.0%*	*18.3%*	*-2.7%*	*2.3%*	*6.0%*	*9.0%*

Let's examine the company's operations by digging into U.S, and European operations separately. Average 2025 attendance per theater in the U.S. and Europe, compared to the one in 2019 was 74% and 68%, respectively. However, average admission price has grown in these areas by 35% and 19%, respectively. As a result, average admission revenue per theater in the U.S. and Europe in 2025 was 100% and 81% of the 2019 revenue. Similarly, food & beverage revenues per theater have improved, compared with the 2019 level in the U.S. and Europe.

Gross margin has improved in 2025, compared with the one in 2019. That said, while adjusted EBITDA margin in the U.S. has been gradually improving, it was still exceptionally low in Europe:

Adjusted EBITDA Margin	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
U.S.	*14.3%*	*-92.9%*	*-13.4%*	*2.0%*	*10.6%*	*8.5%*	*9.4%*
ROW	*13.5%*	*-55.6%*	*-8.5%*	*-1.4%*	*5.6%*	*3.9%*	*3.2%*

Despite the company's ability to close around 10% of its theaters annually, we think that this number will stop shrinking in 2026, manly due to the expectations of improved attendance rates. We **CONSERVATIVELY** estimate that U.S. and European adjusted EBITDA margin will grow to 11.8% and 6.5%, respectively. However, these numbers can be substantially higher…Under our base case scenario, the consolidated cash EBITDA margin will grow to 9.6%, delivering total cash EBITDA of $497mm in 2026.

This number is still not going to cover the company's annual fixed charges of ~ $650mm. However, in case AMC continues delivering improved operating performance in 2027, it may easily reach the $700mm level. If it does not address this level of cash EBITDA in 2027, future debt refinancing will become challenging, since the company has virtually exhausted its collateral enhancements used to accomplish previous refinancing during the last 4 years. As such, it is feasible to assume that in cash of weak operating performance in 2027, AMC will have no alternative but to knock the door of the bankruptcy court – luckily, it has plenty of eager advisors to accommodate the introduction. That said, it is unlikely that the company will be liquidated – there is a high level of confidence that AMC will be restructured as an ongoing business concern, and the real question will be to identify the fulcrum security.

We will show below that the company's term loan will likely represent the fulcrum security, and considering its YTM of 11.4%, we think that it represents the most attractive part of the capital structure on a risk/adjusted basis. Despite the likely high cost of bankruptcy, AMC will gain the ability to reject or renegotiate unprofitable leases thus improving margins.

Our general bullish stance on several other parts of the balance sheet is mostly driven by speculative assumptions of improved sales and EBITDA in 2026-2027. As such, we suggest that investors mostly focus on the term loan.

AMC	2019	2020	2021	2022	2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	2025	2026e
Total Net Revenue	5,471	1,242	2,528	3,911	4,813	951	1,031	1,349	1,306	4,637	863	1,398	1,300	1,288	4,849	5,201
Growth Y/Y		*-77.3%*	*103.5%*	*54.7%*	*23.0%*	*-0.3%*	*-23.5%*	*-4.1%*	*18.3%*	*-3.6%*	*-9.3%*	*35.6%*	*-3.6%*	*-1.4%*	*4.6%*	*7.3%*
COGS	1,978	412	746	1,280	1,606	302	342	471	429	1,545	262	488	441	411	1,602	1,764
Gross Profit	3,493	831	1,782	2,631	3,206	649	688	878	877	3,092	601	910	859	877	3,247	3,437
Gross Margin	*63.8%*	*66.9%*	*70.5%*	*67.3%*	*66.6%*	*68.2%*	*66.8%*	*65.1%*	*67.1%*	*66.7%*	*69.6%*	*65.1%*	*66.1%*	*68.1%*	*67.0%*	*66.1%*
Opex	1,687	856	1,142	1,528	1,692	394	390	455	442	1,679	393	458	465	470	1,786	1,837
%-ge of sales	*30.8%*	*68.9%*	*45.2%*	*39.1%*	*35.1%*	*41.4%*	*37.8%*	*33.7%*	*33.8%*	*36.2%*	*45.6%*	*32.8%*	*35.7%*	*36.5%*	*36.8%*	*35.3%*
Rent	968	884	828	886	874	225	218	216	214	874	218	223	224	223	887	873
%-ge of sales	*48.9%*	*214.8%*	*111.1%*	*69.2%*	*54.4%*	*74.3%*	*63.8%*	*45.9%*	*49.9%*	*56.6%*	*83.2%*	*45.6%*	*50.8%*	*54.1%*	*55.4%*	*49.5%*
G&A	153	157	227	208	242	58	49	54	66	227	56	58	55	61	230	230
Adjustments to EBITDA	48	(42)	(44)	(173)	(82)	(11)	26	(17)	(26)	(28)	(14)	6	(37)	(2)	(48)	0
Cash EBITDA	734	(1,108)	(458)	(164)	318	(38)	57	136	129	285	(81)	176	78	122	295	497
EBITDA Margin	*13.4%*	*-89.2%*	*-18.1%*	*-4.2%*	*6.6%*	*-4.0%*	*5.6%*	*10.1%*	*9.9%*	*6.1%*	*-9.4%*	*12.6%*	*6.0%*	*9.5%*	*6.1%*	*9.6%*
Company's Adj. EBITDA	$771	($999)	($292)	$47	$454	($21)	$39	$162	165	$344	($58)	$189	$122	$134	$388	
Adjusted EBITDA Margin	*14.1%*	*-80.4%*	*-11.6%*	*1.2%*	*9.4%*	*-2.2%*	*3.7%*	*12.0%*	*12.6%*	*7.4%*	*-6.7%*	*13.5%*	*9.4%*	*10.4%*	*8.0%*	
Liquidity																
EBITDA	734	(1,108)	(458)	(164)	318	(38)	57	136	129	285	(81)	176	78	122	295	497
Capex	(518)	(174)	(92)	(202)	(226)	(51)	(45)	(61)	(90)	(246)	(47)	(50)	(66)	(83)	(246)	(200)
Acquisitions, divestitures	2	19	24	(22)	46	1	1	0	1	3	0	1	(2)	26	25	0
Interest Expense	(285)	(238)	(275)	(379)	(421)	(78)	(115)	(106)	(103)	(402)	(93)	(97)	(95)	(121)	(407)	(400)
Income Taxes	2	11	7	(1)	(4)	(0)	(1)	2	(1)	(1)	(1)	(2)	(2)	2	(3)	0
Change in Working Capitlal	128	205	111	(85)	(107)	(73)	24	(63)	178	67	(195)	62	4	125	(5)	(45)
Free Cash Flow	63	(1,284)	(682)	(853)	(395)	(238)	(78)	(92)	115	(294)	(417)	90	(83)	69	(341)	(148)
Cash flow from operations	579	(1,130)	(614)	(629)	(215)	(188)	(35)	(32)	204	(51)	(370)	138	(15)	127	(120)	52
Cash flow from investments	(516)	(155)	(68)	(224)	(180)	(50)	(44)	(61)	(89)	(243)	(47)	(49)	(68)	(58)	(222)	(200)
Cash flow from financing	(111)	1,330	1,181	(113)	652	(9)	233	(150)	(11)	63	158	(37)	25	(21)	125	148
Total cash flow	(49)	46	499	(966)	257	(247)	155	(242)	104	(231)	(259)	53	(58)	48	(216)	0

AMC	2019	2020	2021	2022	2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	2025	2026e
Balance Sheet																
Cash	276	321	1,620	654	911	661	819	577	681	681	428	475	417	477	477	350
Accounts Receivable	254	91	169	167	204	140	156	108	168	168	93	124	102	156	156	165
Days Accounts Receivable	*16.7*	*26.4*	*24.0*	*15.3*	*15.2*	*13.4*	*13.8*	*7.3*	*11.7*	*13.1*	*9.8*	*8.0*	*7.2*	*11.0*	*11.6*	*11.4*
Other Current Assets	143	75	82	81	88	112	101	104	98	98	114	18	100	97	97	100
Days other assets	*9.4*	*21.6*	*11.6*	*7.5*	*6.6*	*10.7*	*8.9*	*7.0*	*6.8*	*7.6*	*12.1*	*1.2*	*7.0*	*6.9*	*7.2*	*6.9*
Accounts Payable	543	299	377	331	321	250	301	248	378	378	233	305	279	383	383	425
Days Accounts Payable	*98.9*	*261.4*	*182.1*	*92.9*	*71.8*	*75.3*	*80.1*	*47.8*	*80.2*	*88.2*	*80.9*	*56.9*	*57.6*	*84.8*	*86.0*	*86.8*
Accrued Liabilities	1,370	1,260	1,391	1,340	1,287	1,228	1,227	1,236	1,302	1,302	1,215	1,296	1,304	1,370	1,370	1,350
Days Accrued Liabilities	*249.3*	*1,102.0*	*671.5*	*376.7*	*288.4*	*365.5*	*322.7*	*236.1*	*273.1*	*303.5*	*417.5*	*238.9*	*266.2*	*299.9*	*307.7*	*275.6*
Debt																
Total Debt	4,753	5,716	5,428	5,141	4,577	4,543	4,336	4,144	4,075	4,075	4,038	4,009	4,010	4,039	4,039	4,019
Net Debt (net of excess cash)	4,478	5,394	3,808	4,486	3,666	3,882	3,517	3,567	3,394	3,394	3,611	3,534	3,593	3,561	3,561	3,669
LTM EBITDA	734	(1,108)	(458)	(164)	318					285	241	360	303	295	295	497
LTM Interest Expense, cash	285	238	275	379	421					402	417	400	389	407	407	400
LTM Capex	518	174	92	202	226					246	242	247	252	246	246	200
Ratios																
Leverage	6.5x	-5.2x	-11.9x	-31.3x	14.4x					14.3x	16.7x	11.1x	13.2x		13.7x	8.1x
Net Leverage (net of excess)	6.1x	-4.9x	-8.3x	-27.4x	11.5x					11.9x	15.0x	9.8x	11.9x		12.1x	7.4x
EBITDA / LTM Interest Expe	2.6x	-4.7x	-1.7x	-0.4x	0.8x					0.7x	0.6x	0.9x	0.8x		0.7x	1.2x
(LTM EBITDA - LTM Capex	0.8x	-5.4x	-2.0x	-1.0x	0.2x					0.1x	0.0x	0.3x	0.1x		0.1x	0.7x
Capex/Sales	*9.5%*	*14.0%*	*3.7%*	*5.2%*	*4.7%*	*5.3%*	*4.3%*	*4.5%*	*6.9%*	*5.3%*	*5.4%*	*3.5%*	*5.1%*	*6.5%*	*5.1%*	*3.8%*

	2024 Restricted Subs	2025 Restricted Subs	2024 Movico Unrestr. Subs	2025 Movico Unrestr. Subs	2024 Eliminations	2024 Total	2025 Eliminations	2025 Total
Number of theaters	698	683	173	172	0	871	0	855
Number of screens	7,559	7,416	2,239	2,224	0	9,798	0	9,640
Average screens / theater	10.8	10.9	12.9	12.9		11.2	0	11.3
Attendance	195,573	160,606	28,582	58,806	0	224,155	0	219,412
Change		*-17.9%*		*105.7%*				*-2.1%*
Average ticket price	$11.2	$11.6	$13.1	$13.4		$11.4		$12.1
Change		*4.1%*		*1.7%*				*5.8%*
Per theater per day	778	871	459	1,266		715		950
Revenues								
Admissions	$2,184.9	$1,867.1	$375.6	$785.7	$0.0	$2,560.5	$0.0	$2,652.8
Change		*-14.5%*		*109.2%*				*3.6%*
Per theater (000s)	*$3,130.2*	*$2,733.7*	*$2,171.1*	*$4,568.0*		*$2,939.7*		*$3,102.7*
Food and beverage	$1,427.3	$1,262.6	$197.6	$408.7	$0.0	$1,624.9	$0.0	$1,671.3
Change		*-11.5%*		*106.8%*				*2.9%*
Per theater (000s)	*$2,044.8*	*$1,848.6*	*$1,142.2*	*$2,376.2*		*$1,865.6*		*$1,954.7*
Other revenues	$424.4	$459.0	$44.5	$94.9	($17.1)	$451.8	($29.1)	$524.8
Total revenues	$4,036.6	$3,588.7	$617.7	$1,289.3	($17.1)	$4,637.2	($29.1)	$4,848.9
Change		*-11.1%*		*108.7%*				*4.6%*
COGS of films	$1,043.1	$877.3	$196.1	$397.9	$0.0	$1,239.2	$0.0	$1,275.2
COGS of food	$272.8	$254.6	$32.8	$72.4	$0.0	$305.6	$0.0	$327.0
Gross Profit films	$1,315.9	$1,131.9	$228.9	$470.3	$0.0	$1,544.8	$0.0	$1,602.2
Margin	*60.2%*	*60.6%*	*60.9%*	*59.9%*		*60.3%*		*60.4%*
Gross Profit food	$1,154.5	$1,008.0	$164.8	$336.3	$0.0	$1,319.3	$0.0	$1,344.3
Margin	*80.9%*	*79.8%*	*83.4%*	*82.3%*		*81.2%*		*80.4%*
Total gross profit	$2,470.4	$2,139.9	$393.7	$806.6	$0.0	$2,864.1	$0.0	$2,946.5
Total gross margin	*61.2%*	*59.6%*	*63.7%*	*62.6%*		*61.8%*		*60.8%*
Opex (excl. D&A)	$1,481.4	$1,359.3	$198.0	$426.7	$0.0	$1,679.4	$0.0	$1,786.0
Rent	$775.4	$663.9	$98.2	$223.4	$0.0	$873.6	$0.0	$887.3
Rent per Theater/Month	*$92,574.0*	*$81,002.9*	*$47,302.5*	*$108,236.4*		*$83,582.1*		*$86,481.5*
Adjustments	$46.7	$119.1	($13.9)	($4.8)	$0.0	$32.8	$0.0	$114.3
Adjusted EBITDA	$260.3	$235.8	$83.6	$151.7	$0.0	$731.4	$0.0	$387.5
Margin	*6.4%*	*6.6%*	*13.5%*	*11.8%*		*15.8%*		*8.0%*
Adjustments to cash EBITDA	($25.4)	$144.0	$6.6	($15.6)	($7.6)	($26.4)	($106.4)	$22.0
Cash EBITDA	$188.2	$260.7	$104.1	$140.9	$0.0	$284.7	$0.0	$295.2
Interest	($327.9)	($250.4)	($79.7)	($156.5)	$6.0	($401.6)	$0.0	($406.9)
Cash taxes	($2.1)	($4.5)	$0.0	$0.0	$0.0	($2.1)	$0.0	($4.5)
Changes in WC	$60.3	($159.5)	$6.3	$154.2	$1.6	$68.2	$1.7	($3.6)
CF from operations	($81.5)	($153.7)	$30.7	$138.6	$7.6	($50.8)	$1.7	($119.8)
CF from investments	($220.7)	($174.5)	($22.2)	($47.1)	$0.0	($242.9)	$0.0	($221.6)
Cash	$388.2	$298.6	$292.6	$178.7	$0.0	$680.8	$0.0	$477.3
Intercompany receivables	$0.0	$0.0	$1,416.5	$2,139.9	($1,416.5)	$0.0	($2,139.9)	$0.0
Debt	$2,646.0	$1,831.0	$1,429.1	$2,207.5	$0.0	$4,075.1	$0.0	$4,038.5
Net Debt	$2,257.8	$1,532.4	$1,136.5	$2,028.8		$3,394.3		$3,561.2
Leverage	12.0x	5.9x	10.9x	14.4x		11.9x		12.1x
Adjusted EBITDA / theater	$372,923	$345,242	$483,237	$881,977				$453,216

U.S. Markets	2019	2020	2021	2022	2023	2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	2025	2026e
Average number of screens	8,094	5,228	7,755	7,648	7,403	7,206	7,103	7,131	7,040	6,950	7,056	6,891
Average number of theaters	636	394	593	586	562	544	540	540	534	527	535	520
Attendance (000s)	250,370	46,453	91,102	141,376	169,378	156,866	26,907	46,889	42,276	39,738	155,810	162,864
Per theater per day	*1,094*	*328*	*427*	*670*	*837*	*801*	*554*	*965*	*880*	*839*	*809*	*870*
Screens per theater	*12.7*	*13.3*	*13.1*	*13.1*	*13.2*	*13.2*	*13.2*	*13.2*	*13.2*	*13.2*	*13.2*	*13.3*
<u>Revenues</u>												
Admissions	$2,388.2	$455.5	$1,016.5	$1,642.2	$2,015.7	$1,916.7	$331.2	$598.7	$543.8	$537.0	$2,010.7	$2,200.0
Per screen (000s)	*$295.1*	*$87.1*	*$131.1*	*$214.7*	*$272.3*	*$266.0*	*$46.6*	*$84.0*	*$77.2*	*$77.3*	*$285.0*	*$295.0*
Change		*-70.5%*	*50.4%*	*63.8%*	*26.8%*	*-2.3%*					*7.1%*	*3.5%*
Per theater (000s)	*$3,755.0*	*$1,156.1*	*$1,714.2*	*$2,802.4*	*$3,586.7*	*$3,523.3*	*$613.4*	*$1,108.7*	*$1,018.4*	*$1,019.9*	*$3,757.5*	*$4,230.8*
Change		*-69.2%*	*48.3%*	*63.5%*	*28.0%*	*-1.8%*					*6.6%*	*12.6%*
Average admission price	$9.5	$9.8	$11.2	$11.6	$11.9	$12.2	$12.3	$12.8	$12.9	$13.5	$12.9	$13.5
Change		*2.8%*	*13.8%*	*4.1%*	*2.5%*	*2.7%*					*5.6%*	*4.7%*
Food & Beverage	$1,348.0	$258.5	$677.1	$1,055.7	$1,347.3	$1,301.6	$217.1	$411.4	$361.4	$358.0	$1,347.9	$1,385.0
Per theater (000s)	$2,119.5	$656.1	$1,141.8	$1,801.5	$2,397.3	$2,392.6	$402.1	$761.9	$676.8	$679.9	$2,518.9	$2,663.5
Change		*-69.0%*	*74.0%*	*57.8%*	*33.1%*	*-0.2%*					*5.3%*	*5.7%*
Other revenues	<u>$287.0</u>	<u>$112.7</u>	<u>$182.2</u>	<u>$263.8</u>	<u>$325.7</u>	<u>$325.9</u>	<u>$68.6</u>	<u>$104.1</u>	<u>$100.7</u>	<u>$100.0</u>	<u>$373.4</u>	<u>$400.0</u>
Total sales	$4,023.2	$826.7	$1,875.8	$2,961.7	$3,688.7	$3,544.2	$617.0	$1,114.2	$1,005.9	$995.0	$3,732.1	$3,985.0
Change		*-79.5%*	*126.9%*	*57.9%*	*24.5%*	*-3.9%*					*5.3%*	*6.8%*
COGS of film exhibition	$1,311.5	$223.0	$460.6	$831.4	$1,023.3	$988.8	$151.2	$325.6	$284.6	$280.0	$1,041.4	$1,141.8
COGS of food	<u>$193.8</u>	<u>$59.1</u>	<u>$95.9</u>	<u>$165.1</u>	<u>$233.9</u>	<u>$225.7</u>	<u>$41.0</u>	<u>$72.8</u>	<u>$65.4</u>	<u>$65.0</u>	<u>$244.2</u>	<u>$250.7</u>
Gross Profit films	$1,076.7	$232.5	$555.9	$810.8	$992.4	$927.9	$180.0	$273.1	$259.2	$257.0	$969.3	$1,058.2
Margin	*45.1%*	*51.0%*	*54.7%*	*49.4%*	*49.2%*	*48.4%*	*54.4%*	*45.6%*	*47.7%*	*47.9%*	*48.2%*	*48.1%*
Gross Profit food	<u>$1,154.2</u>	<u>$199.4</u>	<u>$581.2</u>	<u>$890.6</u>	<u>$1,113.4</u>	<u>$1,075.9</u>	<u>$176.1</u>	<u>$338.6</u>	<u>$296.0</u>	<u>$293.0</u>	<u>$1,103.7</u>	<u>$1,134.3</u>
Margin	*85.6%*	*77.1%*	*85.8%*	*84.4%*	*82.6%*	*82.7%*	*81.1%*	*82.3%*	*81.9%*	*81.8%*	*81.9%*	*81.9%*
Total gross profit	$2,230.9	$431.9	$1,137.1	$1,701.4	$2,105.8	$2,003.8	$356.2	$611.7	$555.2	$550.0	$2,073.1	$2,192.5
Total gross margin	*55.5%*	*52.2%*	*60.6%*	*57.4%*	*57.1%*	*56.5%*	*57.7%*	*54.9%*	*55.2%*	*55.3%*	*55.5%*	*55.0%*
Opex (excl. D&A)	$1,215.5	$588.9	$833.9	$1,110.5	$1,261.8	$1,252.1	$287.1	$343.1	$353.5	$350.0	$1,333.7	$1,387.0
Rent	$708.2	$650.7	$614.2	$666.5	$651.5	$649.9	$162.6	$162.7	$163.4	$164.2	$652.9	$634.0
Rent per Theater	*$1,113,522*	*$1,651,523*	*$1,035,750*	*$1,137,372*	*$1,159,253*	*$1,194,669*	*$301,111*	*$301,296*	*$305,993*	*$311,862*	*$1,220,080*	*$1,219,231*
Adjustments	<u>$268.4</u>	<u>$39.5</u>	<u>$60.4</u>	<u>$135.2</u>	<u>$198.6</u>	<u>$199.7</u>	<u>$36.1</u>	<u>$75.1</u>	<u>$72.6</u>	<u>$82.0</u>	<u>$265.8</u>	<u>$300.0</u>
Adjusted EBITDA	$575.6	($768.2)	($250.6)	$59.6	$391.1	$301.5	($57.4)	$181.0	$110.9	$117.8	$352.3	$471.5
Adj. EBITDA Margin	*14.3%*	*-92.9%*	*-13.4%*	*2.0%*	*10.6%*	*8.5%*	*-9.3%*	*16.2%*	*11.0%*	*11.8%*	*9.4%*	*11.8%*

ROW Markets	2019	2020	2021	2022	2023	2024	Q1 2025	Q2 2025	Q3 2025	Q4 2025	2025	2026e
Average number of screens	2,947	2,875	2,693	2,826	2,447	2,376	2,327	2,325	2,314	2,303	2,317	2,303
Average number of theaters	368	360	337	354	336	327	325	324	322	320	323	321
Attendance (000s)	106,073	28,737	37,445	59,589	70,107	67,289	14,996	15,918	16,101	16,587	63,602	70,492
Per theater per day	*801*	*222*	*309*	*468*	*580*	*572*	*513*	*546*	*556*	*576*	*547*	*610*
Screens per theater	*8.0*	*8.0*	*8.0*	*8.0*	*7.3*	*7.3*	*7.2*	*7.2*	*7.2*	*7.2*	*7.2*	*7.2*
Revenues												
Admissions	$913.1	$256.6	$377.7	$559.2	$674.8	$643.8	$142.5	$163.9	$171.3	$171.3	$650.0	$715.0
Per screen (000s)	*$309.8*	*$89.3*	*$140.3*	*$197.9*	*$275.8*	*$271.0*	*$61.2*	*$70.5*	*$74.0*	*$74.4*	*$280.5*	*$310.4*
Change		*-71.2%*	*57.1%*	*41.1%*	*39.4%*	*-1.7%*					*3.5%*	*10.7%*
Per theater (000s)	*$2,481.3*	*$712.8*	*$1,120.8*	*$1,579.7*	*$2,008.3*	*$1,968.8*	*$438.3*	*$505.9*	*$532.0*	*$535.5*	*$2,014.2*	*$2,227.4*
Change		*-71.3%*	*57.2%*	*40.9%*	*27.1%*	*-2.0%*					*2.3%*	*10.6%*
Average admission price	$8.6	$8.9	$10.1	$9.4	$9.6	$9.6	$9.5	$10.3	$10.6	$10.3	$10.2	$10.1
Change		*3.7%*	*13.0%*	*-7.0%*	*2.6%*	*-0.6%*					*6.8%*	*-0.8%*
Food & Beverage	$371.6	$103.9	$10.2	$258.0	$322.5	$323.3	$66.1	$88.2	$90.4	$90.0	$334.7	$356.0
Per theater (000s)	*$1,009.8*	*$288.6*	*$30.3*	*$728.8*	*$959.8*	*$988.7*	*$203.5*	*$272.2*	*$280.7*	$281.4	$1,037.2	$1,109.0
Change		*-71.4%*	*-89.5%*	*2307.9%*	*31.7%*	*3.0%*					*4.9%*	*6.9%*
Other revenues	$163.1	$55.2	$94.2	$132.5	$126.6	$125.9	$36.9	$31.6	$32.6	$32.0	$133.1	$145.0
Total sales	$1,447.8	$415.7	$482.1	$949.7	$1,123.9	$1,093.0	$245.5	$283.7	$294.3	$293.3	$1,117.8	$1,216.0
Change		*-71.3%*	*16.0%*	*97.0%*	*18.3%*	*-2.7%*					*2.3%*	*8.8%*
COGS of film exhibition	$387.6	$99.7	$147.1	$220.3	$267.8	$250.4	$53.6	$66.5	$67.8	$67.0	$254.9	$280.3
COGS of food	$84.9	$29.7	$42.0	$63.5	$81.4	$79.9	$16.2	$23.3	$23.2	$23.0	$85.7	$90.8
Gross Profit films	$525.5	$156.9	$230.6	$338.9	$407.0	$393.4	$88.9	$97.4	$103.5	$104.3	$395.1	$434.7
Margin	*57.6%*	*61.1%*	*61.1%*	*60.6%*	*60.3%*	*61.1%*	*62.4%*	*59.4%*	*60.4%*	*60.9%*	*60.8%*	*60.8%*
Gross Profit food	$286.7	$74.2	($31.8)	$194.5	$241.1	$243.4	$49.9	$64.9	$67.2	$67.0	$249.0	$265.2
Margin	*77.2%*	*71.4%*	*-311.8%*	*75.4%*	*74.8%*	*75.3%*	*75.5%*	*73.6%*	*74.3%*	*74.4%*	*74.4%*	*74.5%*
Total gross profit	$812.2	$231.1	$198.8	$533.4	$648.1	$636.8	$138.8	$162.3	$170.7	$171.3	$644.1	$699.9
Total gross margin	*56.1%*	*55.6%*	*41.2%*	*56.2%*	*57.7%*	*58.3%*	*56.5%*	*57.2%*	*58.0%*	*58.4%*	*57.6%*	*57.6%*
Opex (excl. D&A)	$471.1	$267.1	$307.9	$417.9	$429.7	$427.3	$103.3	$115.3	$111.2	$110.2	$440.0	$450.0
Rent	$259.6	$233.4	$213.8	$219.7	$222.0	$223.7	$55.5	$59.9	$60.7	$61.0	$237.1	$239.0
Rent per Theater	*$705,435*	*$648,333*	*$634,421*	*$620,621*	*$660,714*	*$684,098*	*$170,769*	*$184,877*	*$188,509*	*$190,708*	*$734,703*	*$744,548*
Adjustments	$114.3	$38.4	$281.8	$91.2	$66.8	$56.6	$19.4	$20.9	$12.5	$16.2	$69.0	$68.0
Adjusted EBITDA	$195.8	($231.0)	($41.1)	($13.0)	$63.2	$42.4	($0.6)	$8.0	$11.3	$16.3	$36.0	$78.9
Adj. EBITDA Margin	*13.5%*	*-55.6%*	*-8.5%*	*-1.4%*	*5.6%*	*3.9%*	*-0.2%*	*2.8%*	*3.8%*	*5.6%*	*3.2%*	*6.5%*

Balance Sheet

The original AMC credit agreement (dated April 30, 2013, when the company went public) followed standard leveraged finance covenant architecture. All significant domestic subsidiaries, including American Multi-Cinema, Inc., AMC-GCT, Inc., and AMC Entertainment International, Inc., were guarantors of the credit facility, with covenants limiting investments, additional indebtedness, liens, dividends, and asset sales in the usual fashion. This credit facility was secured by all tangible and intangible personal property located in the United States only. As you can see from the charts above, AMC covered its fixed charges in 2019 and generated free cash flow. As a result, there was no need for extra financial engineering that would help the company to address its debt maturities.

The pandemic caused a series of amendments that would later enable the drop-down strategy. To jump ahead, the company has not used the drop-down strategy to reduce the total amount of debt or cash interest expense. It has used it **ENTIRELY** to buy itself more time by pushing existing debt maturities by several years. The recovery of AMC's business has not arrived as promptly as creditors and the company hoped. As such, it continues to extending its debt maturities, and this process has been ongoing for 5 years. The price for all refinancings has been mainly tied to granting creditors more security. The amount of unencumbered (and non-guarantor) assets has shrunk.

Specifically, in 2021, AMC amended covenants of its debt until March 2023. It extended this amendment later until March 31, 2024.

In July 2024, AMC transferred 175 domestic theaters representing 31% of its domestic portfolio but generating approximately 50% of domestic EBITDA, along with the AMC brand name and material intellectual property assets, into a newly created unrestricted subsidiary called Muvico, LLC. This allowed AMC to raise new debt at Movico, secured by transferred assets. The chart on the next page shows the operations of Movico and restricted subsidiaries separately. It becomes clear that the most likely candidates for future closures belong to the restricted group, since their EBITDA margins are drastically lower than those of Movico.

In September 2024. an ad hoc group of AMC first lien noteholders, including Anchorage Capital, Carronade Capital, and Deutsche Bank, collectively claiming to hold more than 50.1% of the face value of the 7.5% first lien notes due 2029, filed suit in New York state court alleging AMC and junior notes agent GLAS Trust violated the intercreditor agreement. The plaintiffs argued the transaction improperly vaulted a handful of second lien noteholders to senior status, depriving the first lien holders of their collateral rights to the theater and IP assets. The result: in 2025, a multi-tranche lien structure across two borrower groups, AMC parent and Muvico, with the former adversaries now effectively co-investors in the restructured entity.

The 2024 drop-down transaction was successful in pushing out close to $2.4bn of 2026 debt maturities to 2029-2030. Following the 2025 LME, the only maturity left before 2029 is $126mm of the 6.125% subordinated notes.

The most attractive portion of the balance sheet is represented by the term loan maturing in early 2029. Its most unique feature is related to the fact that it carries the 1st-lien on all assets of moth HoldCo and Movico. Additionally, it has $200mm preferred equity claim on Odeon subsidiaries. The term loan has 1% annual amortization. For simplicity, we broke down the term loan into two pieces (AMC HoldCo and Movico), commensurate with the total amount of debt allocated to Movico at the end of 2025.

More importantly, it holds the keys from the company in case of bankruptcy. Specifically, its holders entirely control which entity will file for bankruptcy. In case of AMC Holdings filing for Chapter 11 protection, Movico does not have to file. However, it will be up to the term loan holders to make this decision.

Although the remaining $360mm of the 7.5% AMC HoldCo notes are virtually covenant-free, they still carry their 1st-lien claim on the collateral of restricted subsidiaries. In case AMC files in 2028 (does not make sense to file earlier), this filing will likely be caused by the weakness at AMC restricted operations, rather than at Movico. As such, we assign a Speculative Buy to the 7.5% notes. In the meantime, we think that the 15% notes of Movico have slightly better recovery chances, mainly due to the high probability that Movico may not need to file in 2028.

Issuer	Coupon	Guarantor	Maturity		Face Value	*Market Price*	Market Price	2025 Cash EBITDA Leverage	2026 est. Cash EBITDA Leverage	Cash interest	*YTM*
				Total Consolidated Cash	$477.3						
AMC HoldCo + Movico	TSFR1M+7.0%	1st-lien on all AMC and Movico assets	4-Jan-29	Term Loan allocated to HoldCo	$1,063.0	*98.25%*	$1,044.4			$114.1	*11.4%*
				Est. cash at HoldCo	$218.6						
				Net Term Loan allocated to HoldCo	$844.4		$825.8	6.1x	3.7x		
				Est. 2025 cash EBITDA at AMC	$114.3						
				Est. 2026 cash EBITDA at AMC	$232.5						
Odeon Cinemas Group	12.75%	HoldCo-unsecured gurantor	1-Nov-27	1st-lien notes secured by Odeon	$400.0	*103.125%*	$412.5			$51.0	*7.6%*
				Est. cash at Odeon	$80.0						
				Net debt at Odeon	$320.0		$332.5	8.3x	4.4x		
				Est. 2025 Cash EBITDA at Odeon			$40.0				
				Est. 2026 Cash EBITDA at Odeon			$75.0				
AMC HoldCo + Movico	TSFR1M+7.0%	1st-lien on all AMC and Movico assets	4-Jan-29	Term Loan allocated to Movico	$931.2	*98.25%*	$914.9	6.1x	3.7x	$99.9	*11.4%*
Movico (1), (3)	1.50%	1st-lien guaranteed by HoldCo	30-Apr-30	1.25-lien (on Movico assets) secured notes	$155.8	*105.00%*	$163.6	6.5x	4.8x	$2.3	*7.9%*
Movico (3)	9% cash + 6% PIK	HoldCo-unsecured gurantor	19-Feb-29	1.5-lien (on Movico assets) secured notes	$877.1	*95.00%*	$833.2	12.4x	9.2x	$52.6	*17.2%*
Movico (3)	6% cash + 8% PIK	1st-lien guaranteed by HoldCo	30-Apr-30	2nd-lien (on Movico assets) secured notes	$111.6	*64.50%*	$72.0	13.2x	9.8x	$6.7	*18.5%*
				Total Movico Debt	$2,075.7		$1,983.7			$161.6	
				Cash at Movico	$178.7						
				Net debt at Movico	$1,897.0			13.2x	9.8x		
				2025 cash EBITDA at Movico	$140.9						
				Est. 2026 cash EBITDA at Movico	$190.0						
AMC HoldCo	7.5%	U.S. subsidiaries (2)	15-Feb-29	1st-lien secured notes	$360.0	*72.00%*	$259.2	9.7x	4.7x	$27.0	*20.8%*
AMC HoldCo				Finance Leases & other	$52.5	*100.00%*	$52.5			$3.7	
AMC HoldCo	6.125%	HoldCo-unsecured gurantor	15-May-27	Sr. Subordinated Notes	$125.5	*88.00%*	$110.4	12.0x	5.9x	$7.7	*18.0%*
		(added TL allocated to HoldCo)		AMC HoldCo debt	$1,601.0		$1,466.5			$152.4	
				Est. cash at HoldCo	$218.6						
				Net debt at HoldCo	$1,382.4						
				Est. 2025 cash EBITDA at AMC	$114.3						
				Est. 2026 cash EBITDA at AMC	$232.5						
				Total Net Debt	$3,599.4						
				Common shares	529.5	*$1.06*	$561.3				
				Enterprise Value			$4,160.7	14.09x	8.36x		
				Total Cash interest, excluding PIK interest		$365.0					
				Total Cash interest, including PIK interest		$426.6					

(1) The bonds are convertible into the stock at a 87.5% of the unadjusted exchange rate price defined as an average volume-weghted price overcertain period
(2) Movico and Odeon are not guarantors.
(3) Movico is an unrestricted subsidiary

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