Boston Investment Conference

Buy with a Dec 2018 Price Target of $43

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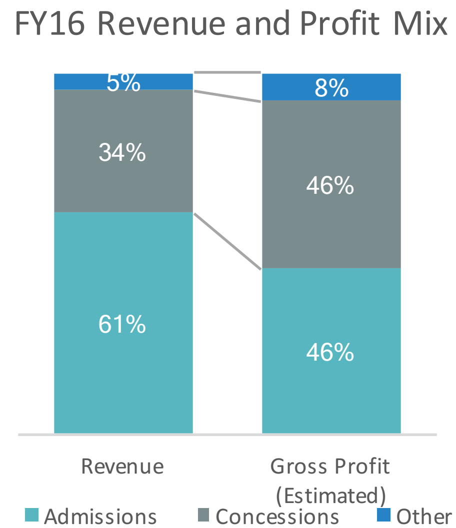
Company Overview

Cinemark Holdings is the third-largest domestic exhibitor and largest Latin American exhibitor. Cinemark has 20 years of operating experience in LatAm across 15 countries

1. Admissions (1789 m, 61% of sales): Outperformed domestic industry on YoY admission revenue growth 30 quarters of the past 34. 2006-2016 CAGR 8.9%

2. Concessions (990 m, 34% of sales): 42 consecutive quarters of concessions per cap growth. 2006-2016 CAGR 10.2%

3. Other (139 m, 5% of sales)



Geography:

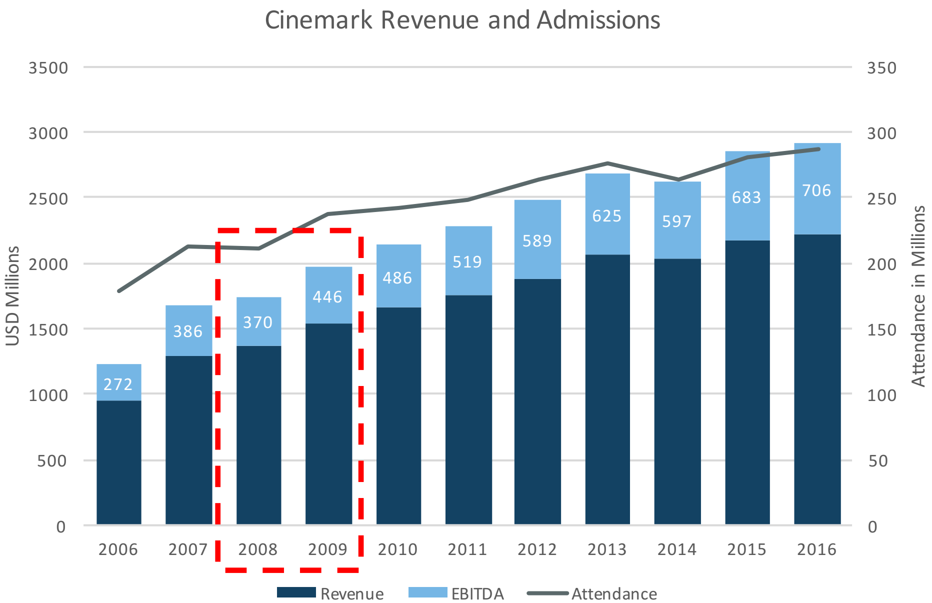
- US: ~75% of Revenue
- LatAm: ~25% of Revenue

Management:

- Mark Zoradi, CEO, previously 30 years at Disney and President of Walt Disney Studios Motion Picture Group
- Sean Gamble, CFO, previously 5 years at Universal Studios

Ownership:

- Insider Ownership 12.4%, CEO purchased ~$320k recently at ~$32.5



Cinemark has demonstrated resilient growth and profitability throughout the economic cycle

Investment Thesis

1. Street unfairly negative on US Box Office and Attendance

- Should focus on annual instead of volatile quarter to quarter box office

2. PVOD (Premium Video On Demand) Threat Overblown

- Agreement between studios and exhibitors will have neutral/positive financial impact

3. Disciplined, best-in-class operator

- Leads industry in operational and financial metrics

4. Broad LatAm recovery to boost Cinemark growth

- Cinemark's LatAm franchise is a positive differentiator as region recovers

Valuation: December '18 target price of $43 based on 7.5x NTM EV/EBITDA, for a 22% return (includes 3% dividend)

Capitalization As of 10/27/17		
Price	$	36.40
Shares Outstanding		116
Market Cap	$	4,222
(-) Cash		561
(+) Total Debt		2043
(+) Minority Interest		11
Enterprise Value		5715

Key Statistics

- Market Cap: 4.2 Billion
- Share Price (as of 10/27/2017): $36.4
- 52 week high: $44.84
- 52 week low: $32.03
- EV/ NTM EBITDA: 7.5x

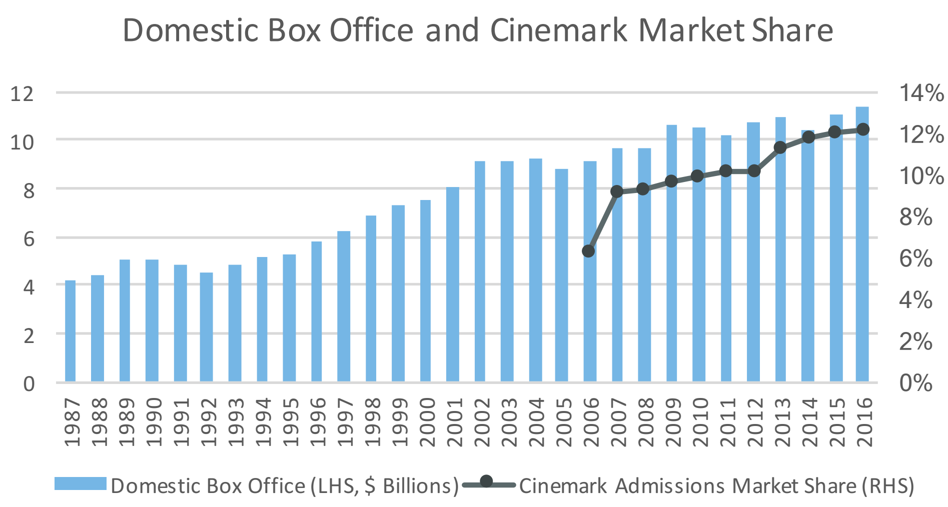
1. Street unfairly negative on US Box Office and Attendance

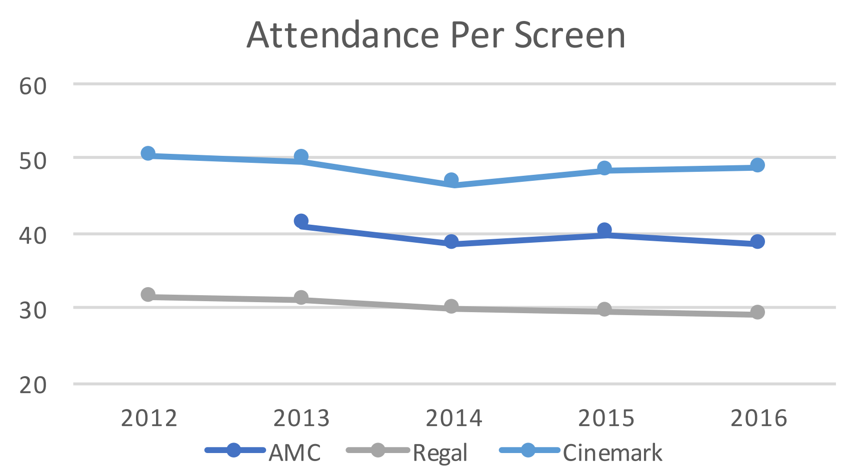
Q3 box office down 14% YoY triggered major selloff in exhibitor stocks, against backdrop of a 16% attendance decline since 2002 attendance peak

The exhibition industry has demonstrated *stable, long term growth* through *multiple technological disruptions* and *economic cycles*

Exhibitors are a highly consolidated and mature industry. AMC, Regal, and Cinemark account for 50% of domestic screens**. High barriers to entry as high fixed cost investments in theaters**

Key driver of returns, Attendance Per Screen, has held steady. Cinemark's average ticket prices and concessions per capita have grown at 5 year CAGR of 3%, 5.6% respectively





2. PVOD (Premium Video on Demand) Threat Overblown

New York Times, **Sep 25, 2010**: "Studio executives say they are going to risk premium V.O.D. anyway, contending that they have little choice, given the DVD downturn."

Is This Time Different? No

1. Roughly 50% of major motion picture revenue for studios are through film exhibitors

2. Theatric success makes the market for ancillary sales, as fees that downstream providers pay for movies, as well as international exhibition, are often **derived from domestic box-office sales**

3. PVOD cannot be effectively priced (generate 2-4x revenue by selling multiple tickets instead of one at home) and could result in TV-like commoditization

Scenarios and Financial Impact

- **Most likely scenario:** Mutual agreement between studios and exhibitors should have ***minimal or even positive*** financial impact with revenue sharing terms
- **Worst case scenario:** Studios unilaterally implement PVOD, but financial impact is still likely to be ***limited*** given only a subset of films will be launched with PVOD, not all studios would participate, and not all attendees will choose to adopt PVOD.

3. Cinemark is a disciplined, best-in-class operator

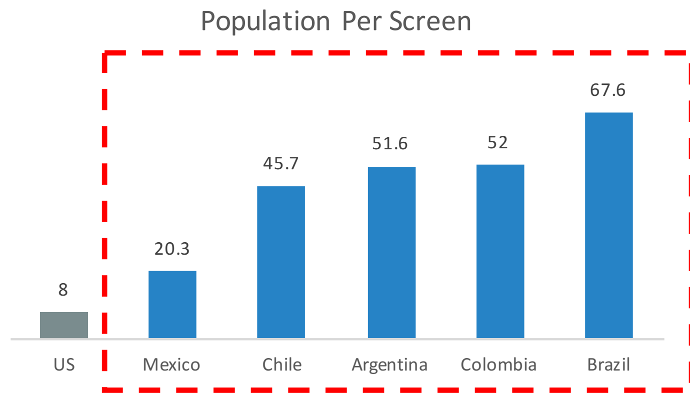
- #1 or #2 market share in 22 of its top 30 US markets.
- Industry leading **EBITDA margins** and **lowest leverage**
- **Cinemark has more theaters in smaller local and suburban areas,** allowing them to focus on incremental attendance and keep ticket prices low
- **Cinemark allowed AMC and Regal to test out Recliner Conversion before quickly catching up**. Initial recliner conversions see returns well above Cinemark's 20% threshold, with average attendance increases of ~40% for the six months after conversion as well as other ancillary benefits

	Cinemark	AMC	Regal
US Market Position	#3	#1	#2
US Screens	4544	8293	7379
Attendance Per Screen	48.6	38.4	29.0
Average Ticket Price	$7.55	$9.59	$9.43
Concessions per Cap	$4.18	$4.82	$4.42
% Screens Converted to Recliner	32%	38%	23%
EBITDA Margin	25%	17.5%	19.7%
Net Debt to EBITDA	2.1	3.7	3.5
NTM EV/EBITDA	7.5	7.3	7.4

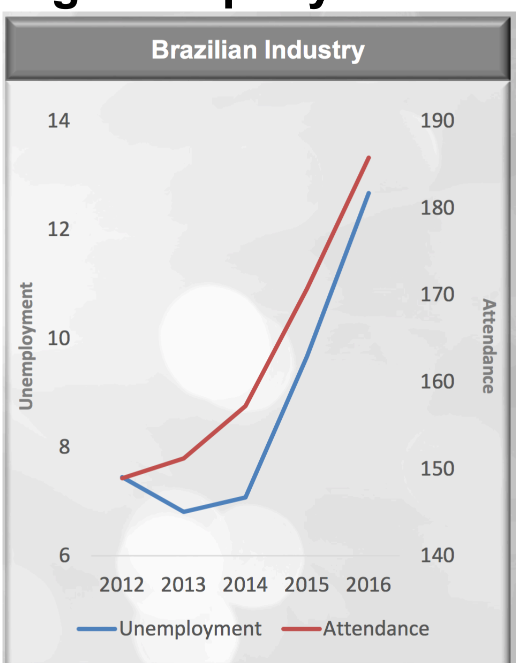
Cinemark's multiple indicates muted expectations for its LatAm franchise

4. Broad LatAm recovery to boost Cinemark organic growth

LatAm remains **significantly underpenetrated,** with 2x incremental screens in underserved countries to reach Mexico levels



Slowing LatAm economies hit mall construction which hampered Cinemark's expansion, **but attendance still grew rapidly…**



- LatAm remains a **strong organic growth opportunity**: box office grew at a 10% CAGR the past 10 years vs. a 2% CAGR in the US
- Cinemark is now on track to add 50-75 new screens in LatAm in 2017, with long term 5% screen growth.
- FX turned around in the first half of 2017 and delivered a ~3% tailwind to second quarter.

Real GDP Annual Growth Rate (OECD)

	Screens	2014	2015	2016	2017E	2018E
Brazil	*587*	0.50%	-3.77%	-3.60%	0.68%	1.60%
Argentina	*184*	1.91%	2.25%	1.59%	1.60%	2.76%
Colombia	*170*	-2.51%	2.65%	-2.30%	2.54%	3.05%
Chile	*118*	4.39%	3.05%	1.96%	2.25%	3.00%

Valuation, Risks, and Catalysts

Valuation Scenarios			
	BASE	BEAR	BULL
2019E EBITDA	830	760	880
EV/NTM EBITDA	7.5	6.4	8
2018 Price Target	$ 42.9	$ 31.3	$ 49.9
Return	19%	(13%)	39%
Dividend Yield	3%	1%	3%
Total Return	22%	(12%)	42%

Base Case: 22% Upside
7.5x EV/EBITDA, *discount to historical average*, in-line with current valuation. *Declining* US Admissions Revenue, overall 12% topline increase due to 8% increase in Admissions and 20% increase in Concessions, EBITDA Margins 25%

Bear Case: 12% Downside
6.4x EV/EBITDA, bottom of Q3 valuation. PVOD shaves 300 bps off revenues, dividend slashed, LatAm growth slow, EBITDA margins stay at 24%

Bull Case: 42% Upside
8x EV/EBITDA, in-line with 3 year historical average as market prices in improved LatAm growth, 300bps boost to top line, EBITDA margins expand to 26%

Key Risks and Catalysts

- **Volatile box office and reliance on studio content**: Admissions is driven by content, not the economy, and quarterly box office is difficult to predict. Poor tracking in LatAm markets. ***Q4 could be positive catalyst***, with Star Wars and Justice League release
- **FX and International Risk:** Although FX volatility and sluggish LatAm growth priced in, further worsening of economic conditions would impact expectations
- **PVOD:** Significant collapse in theater window without revenue sharing will result in further multiple compression, however, studio experiments have had limited success. ***Mutual agreement could be positive catalyst***, as overhang on multiple is released