

IMAX

THE CLEAREST IMAGES ON THE LARGEST SCREENS

IMAX

FILMS TO THE FULLEST

Third Quarter 2019 Financial Results

October 31, 2019

Forward-Looking Statements

This presentation contains forward looking statements that are based on IMAX[®] management's assumptions and existing information and involve certain risks and uncertainties which could cause actual results to differ materially from future results expressed or implied by such forward looking statements. Important factors that could affect these statements include, but are not limited to, references to future capital expenditures (including the amount and nature thereof), business and technology strategies and measures to implement strategies, competitive strengths, goals, expansion and growth of business, operations and technology, plans and references to the future success of IMAX Corporation together with its consolidated subsidiaries (the "Company") and expectations regarding the Company's future operating, financial and technological results.

These forward-looking statements are based on certain assumptions and analyses made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors it believes are appropriate in the circumstances. However, whether actual results and developments will conform with the expectations and predictions of the Company is subject to a number of risks and uncertainties, including, but not limited to, risks associated with investments and operations in foreign jurisdictions and any future international expansion, including those related to economic, political and regulatory policies of local governments and laws and policies of the United States and Canada; risks related to the Company's growth and operations in China; the performance of IMAX DMR[®] films; the signing of theater system agreements; conditions, changes and developments in the commercial exhibition industry; risks related to currency fluctuations; the potential impact of increased competition in the markets within which the Company operates; competitive actions by other companies; the failure to respond to change and advancements in digital technology; risks relating to recent consolidation among commercial exhibitors and studios; risks related to new business initiatives; conditions in the in-home and out-of-home entertainment industries; the opportunities (or lack thereof) that may be presented to and pursued by the Company; risks related to cyber-security and data privacy; risks related to the Company's inability to protect the Company's intellectual property; general economic, market or business conditions; the failure to convert theater system backlog into revenue; changes in laws or regulations; the failure to fully realize the projected cost savings and benefits from any of the Company's restructuring initiatives; and other factors, many of which are beyond the control of the Company. These factors, other risks and uncertainties and financial details are discussed in IMAX's most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. The Company undertakes no obligation to update publicly or otherwise revise any forward looking statements, whether as a result of new information, future events or otherwise.



Strategic Update

Richard Gelfond

Chief Executive Officer

Focus on Growing Our Core Business



... Driving Strong Performance in Q3 Across KPIs¹

Revenue	↑	+5%
Global Box Office	↑	+19%
Global Commercial Theatre Network	↑	+9%
Gross Margin (\$)	↑	+12%
Gross Profit Margin (%)	↑	~+310 bps
GAAP Net Income / EPS	↑	+45% / +50%
Net Income ² / EPS ²	↑	+80% / +88%
Adj. EPS ²	↑	+50%
Adj. EBITDA (\$) ²	↑	+26%
Adj. EBITDA Margin (%) ²	↑	~+570 bps

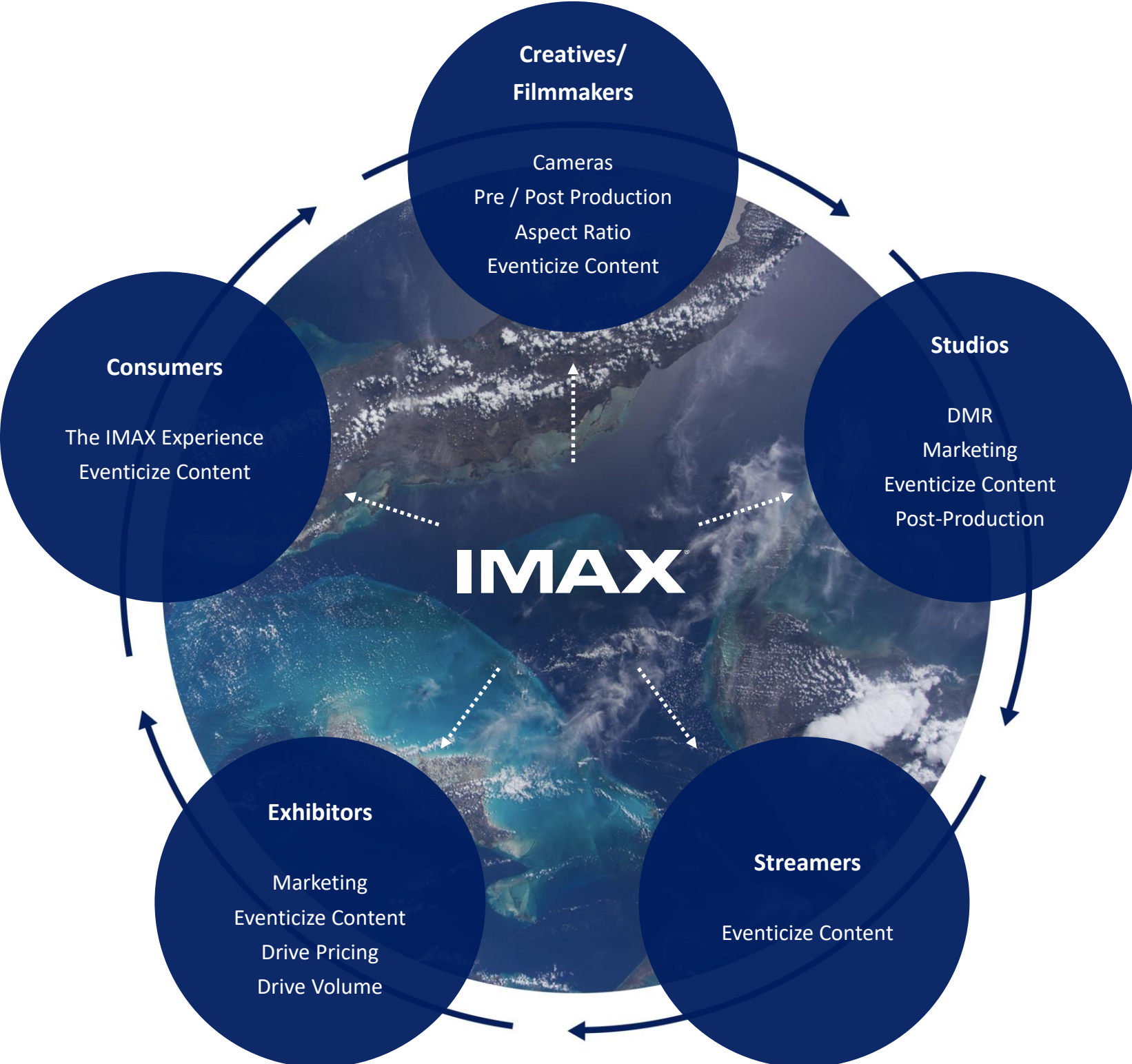
¹ Percentage and other changes refer to third quarter 2019 vs. third quarter 2018 unless otherwise noted.

² Attributable to common shareholders.

Focusing on Our Strategy, Delivering Solid Results and Setting Foundation For Growth

The IMAX Ecosystem

Deeply Embedded in
the Fabric of the Global
Entertainment Industry

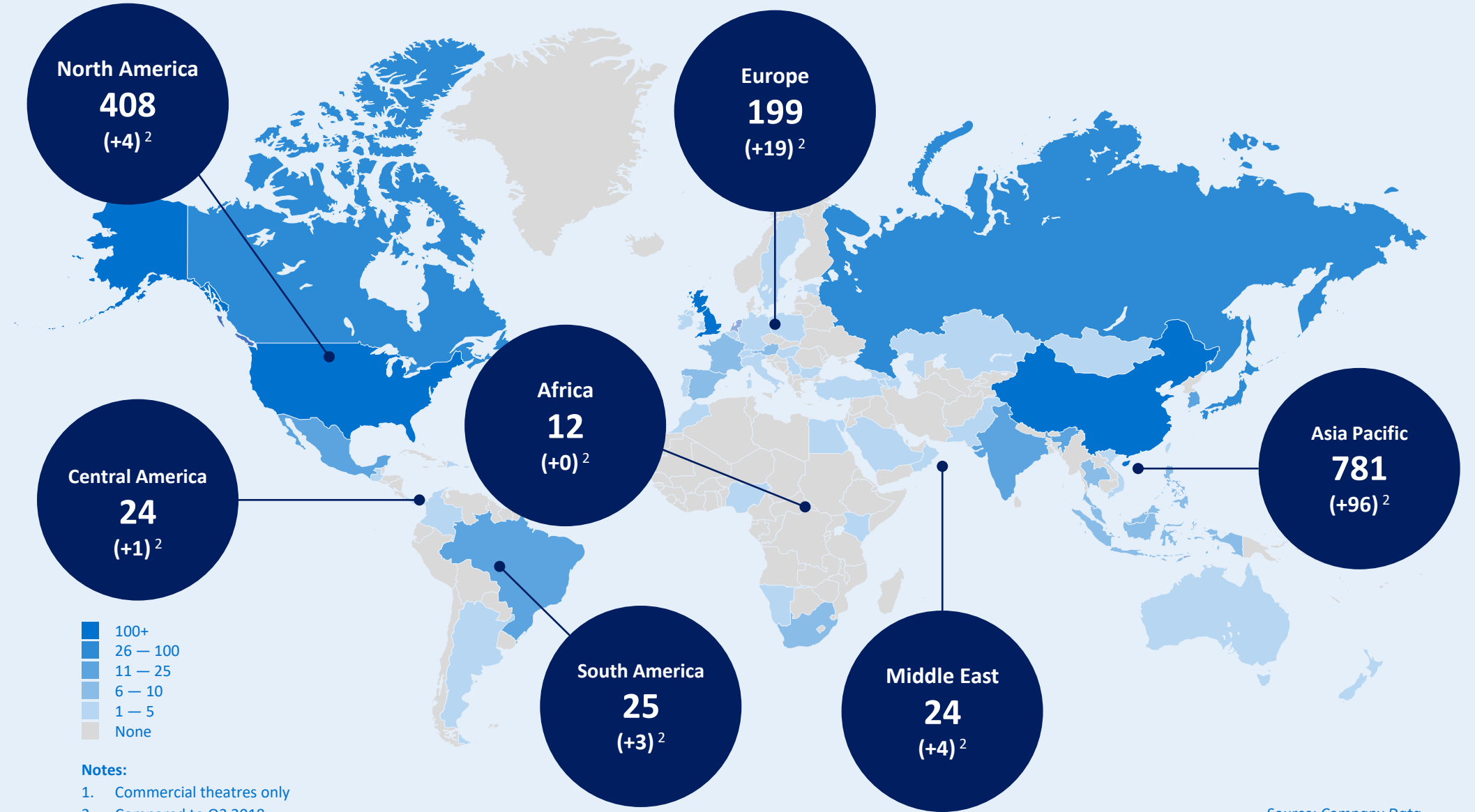


Growing and Diversifying Our Global Network

Q3 2019 Highlights

- Overall Commercial Network Growth of 9%
- Notable Signed Deals:
 - Saudi Arabia, 12 systems (New)
 - China, 6 systems (New)
 - Austria, 2 systems (Upgrades)
 - India, 2 systems (New)
 - Indonesia, 2 systems (Upgrades)

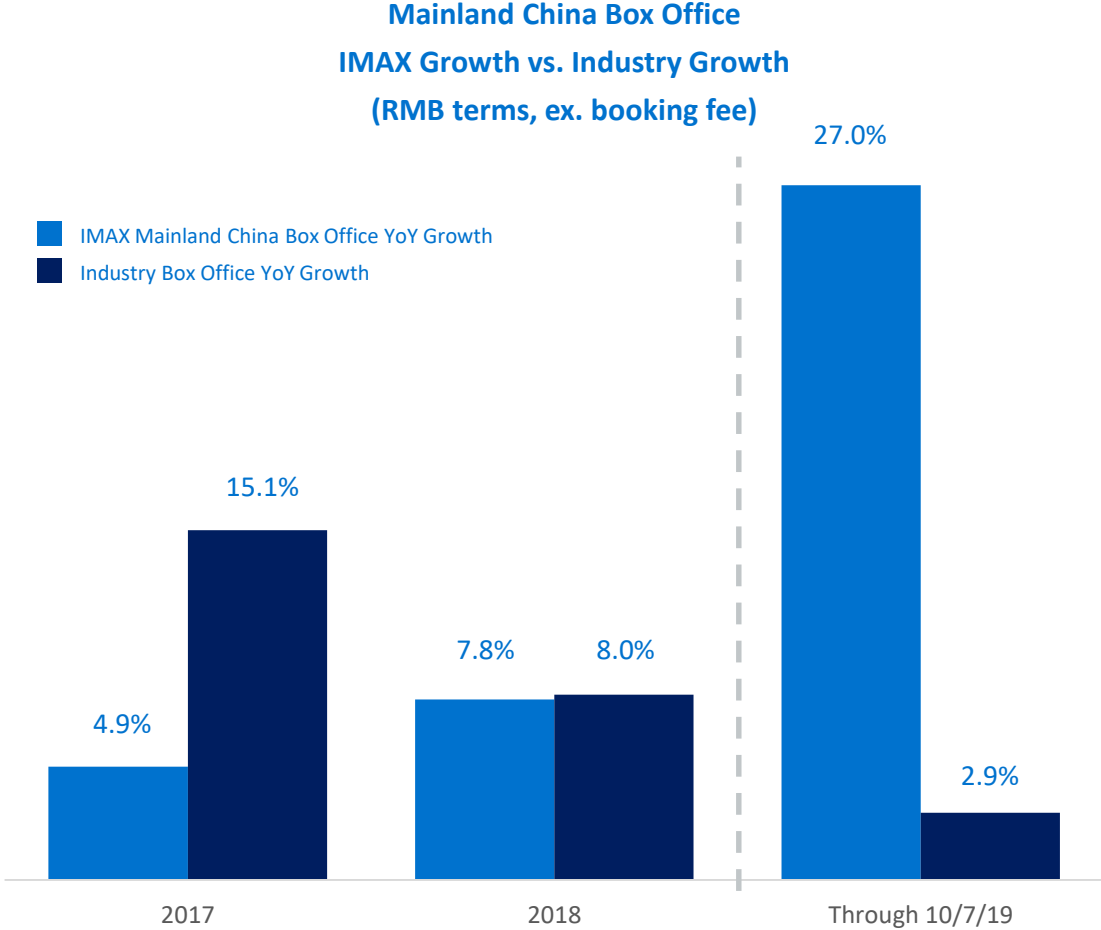
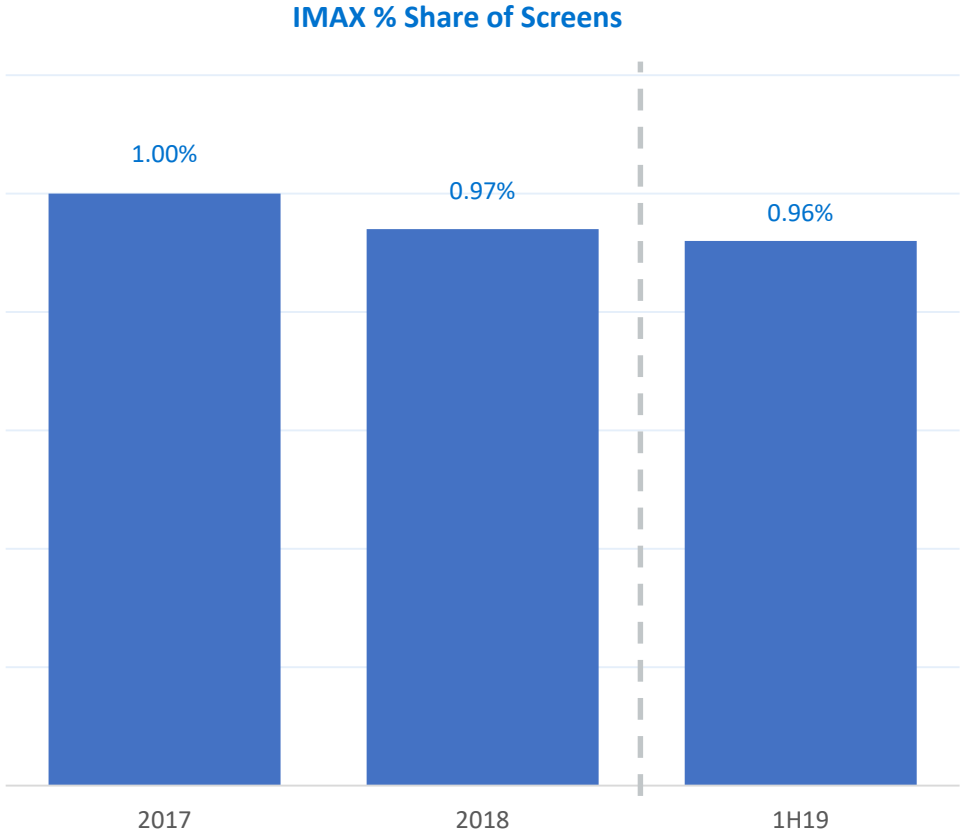
1,473 Commercial Theatres in 81 Countries¹



Source: Company Data

⅓ of GBO Outside North America Providing Strong Geographic Diversification

China – Increasing Market Share



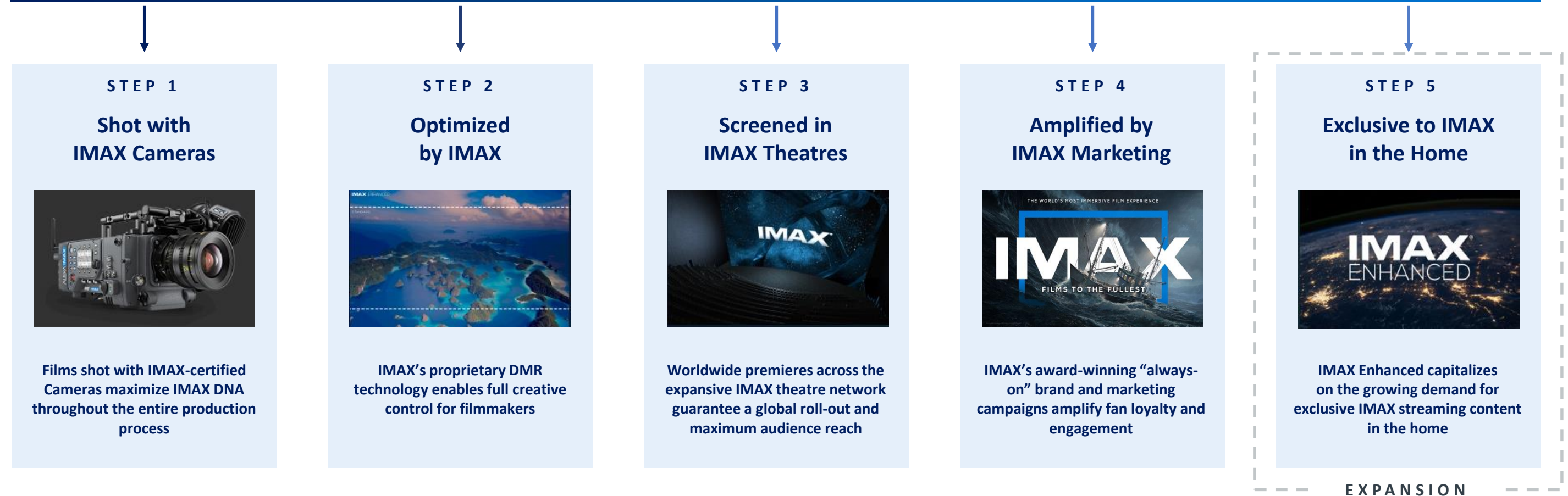
Source: Company Data

Strong Positioning In the Chinese Market Reflected in Outperformance vs. the Industry

Extending *The IMAX Experience*[®]

The IMAX Experience is more than just the world's most immersive theatrical experience. In addition to preserving the filmmaker's full creative intent, IMAX adds value for filmmakers, studios, exhibitors and consumers at every stage of the content lifecycle.

THE IMAX EXPERIENCE



Responding to the Growing Demand For IMAX Enhanced Content

The image shows the interior of a large IMAX theater. The seats are dark and arranged in a curved, tiered fashion, facing a large screen. The screen displays the IMAX logo in a metallic, 3D font, set against a background of a starry space scene with blue nebulae and a large, glowing blue structure that resembles a stylized 'X' or a futuristic architectural element. The theater's walls are dark and textured, and the ceiling has several recessed lights.

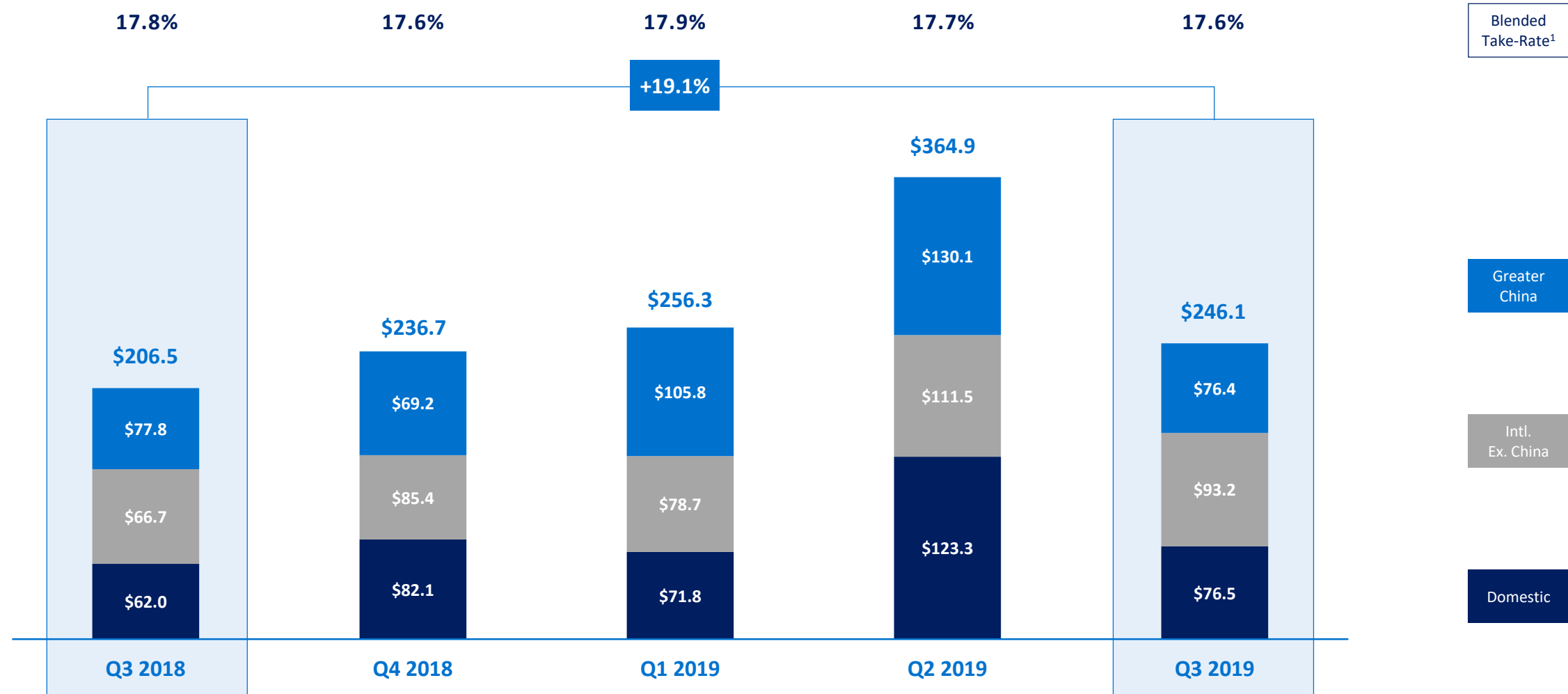
IMAX[®]

Financial Review

Patrick McClymont
Chief Financial Officer

Global Box Office & Take-Rate¹

\$ in Millions



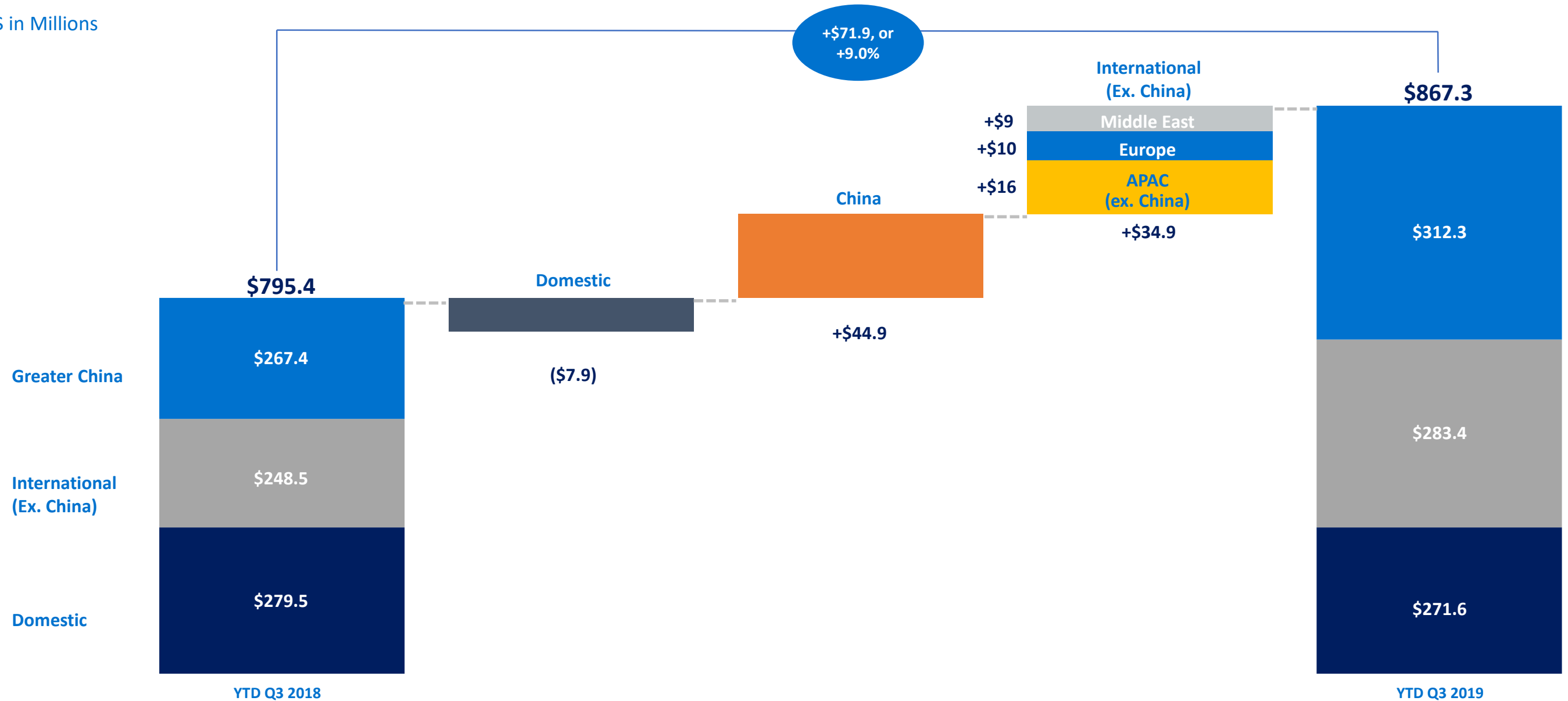
¹ Blended take-rate defined as total Network business revenue divided by global box office.

Source: Company Data

Strength in Box Office Driven by Strong Film Slate and Expanding Network

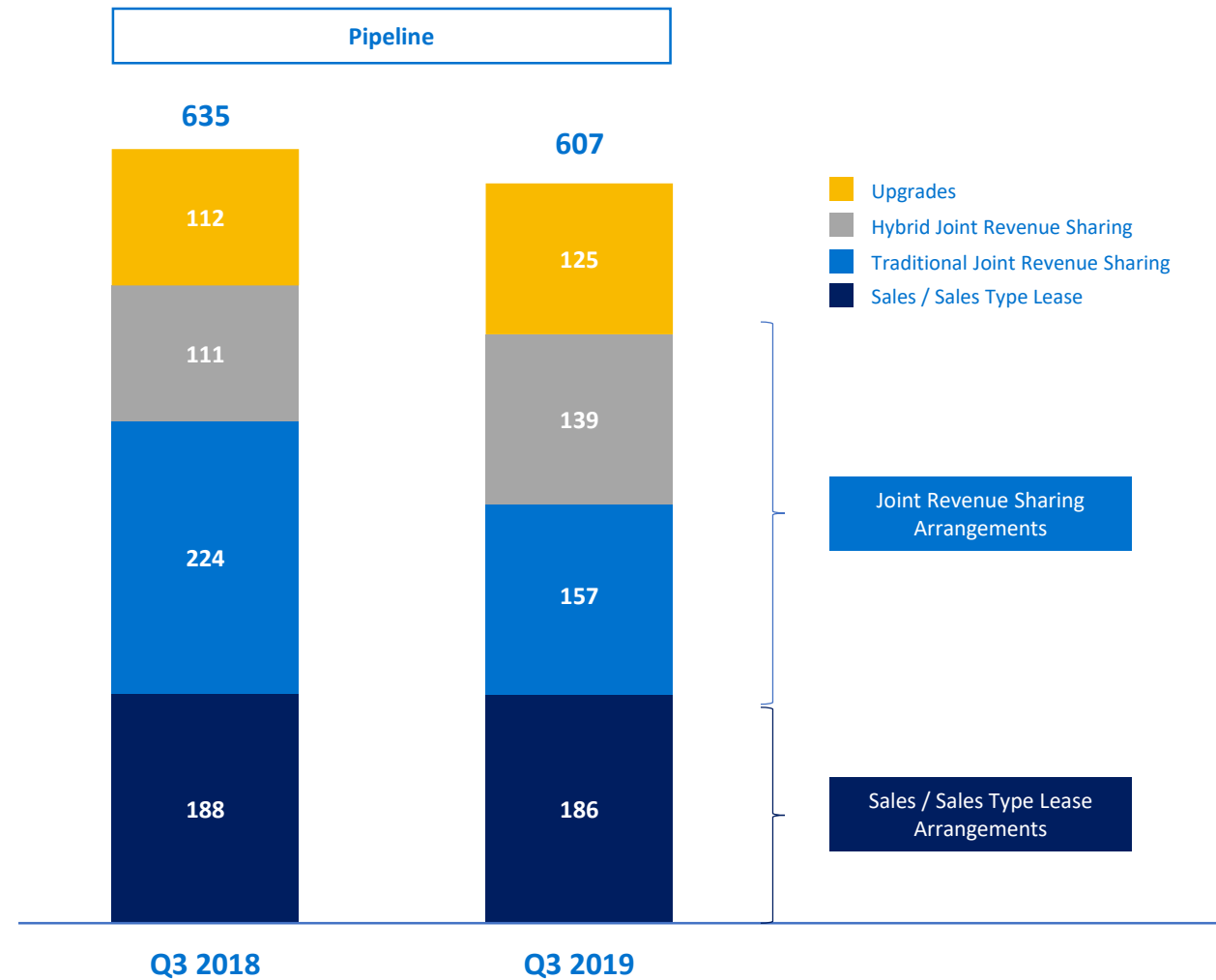
Q3 YTD Box Office - Benefits of Global Diversification

\$ in Millions



The Benefits of Global Diversification Offsetting Tougher Comps in Domestic Market

Network Update – IMAX Systems Pipeline



Source: Company Data

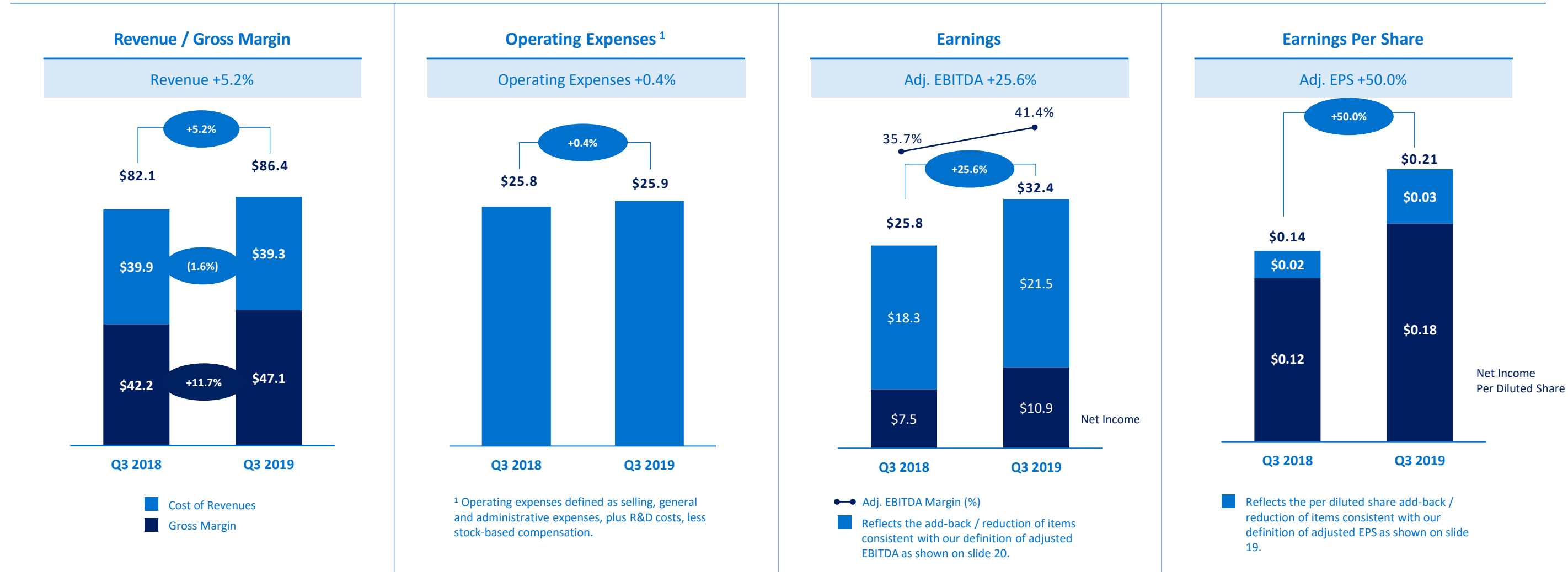
	Q3 2019	
	Signings	Installations
Sales and STL	22	14 ¹
JRSA	–	12
Hybrid JRSA	–	4
Total New	22	30
Upgrades	8	9
Total Theatres	30	39

¹ Includes one IMAX digital theater system that was relocated from a previous location. This installation is incremental to the IMAX theater network, but full revenue for the digital theater system was not received.

Continued Strong Demand for IMAX Systems; High Visibility into Multi-Year Network Growth

Q3 2019 Financial Summary

\$ in Millions, Except EPS Data

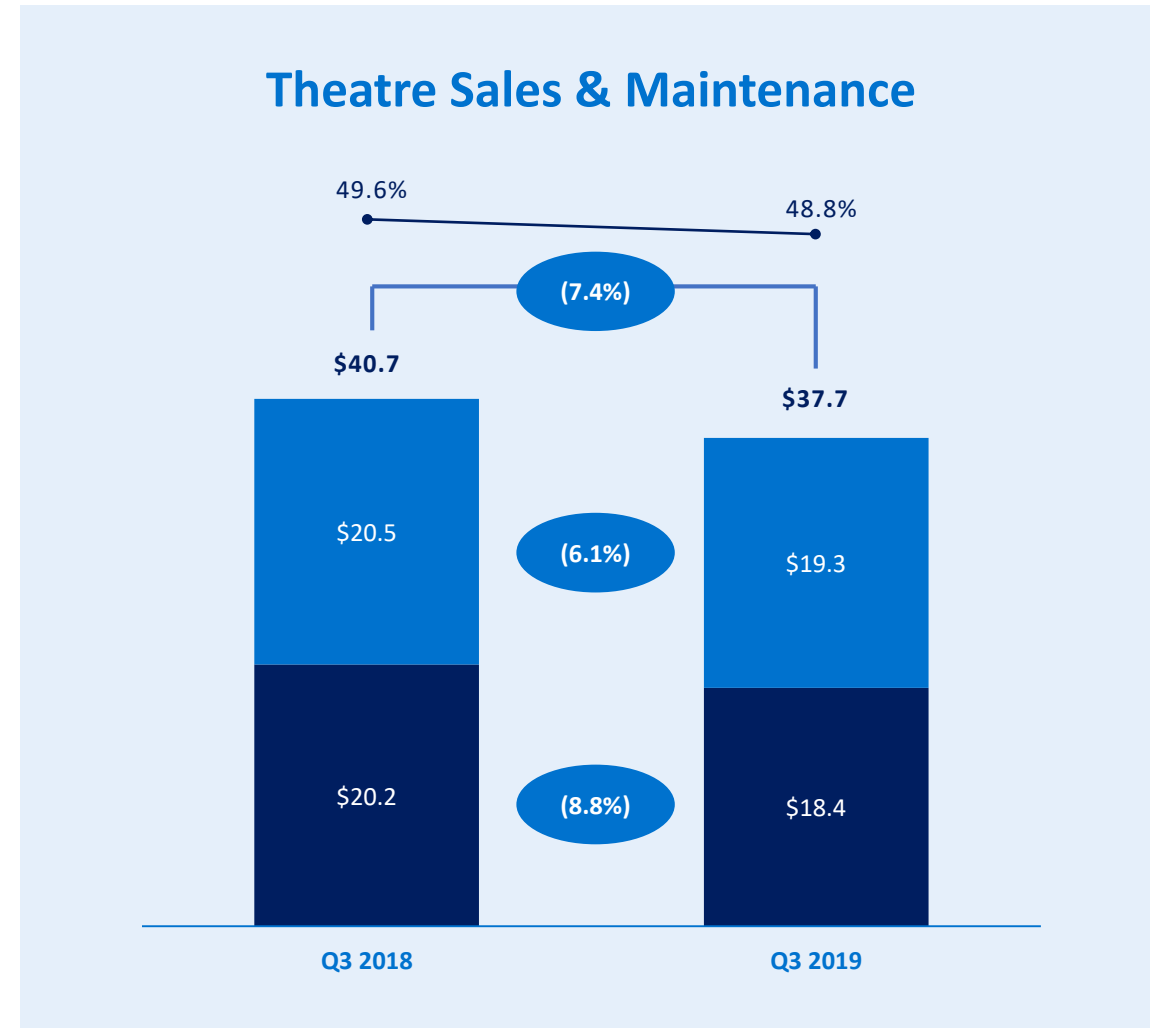
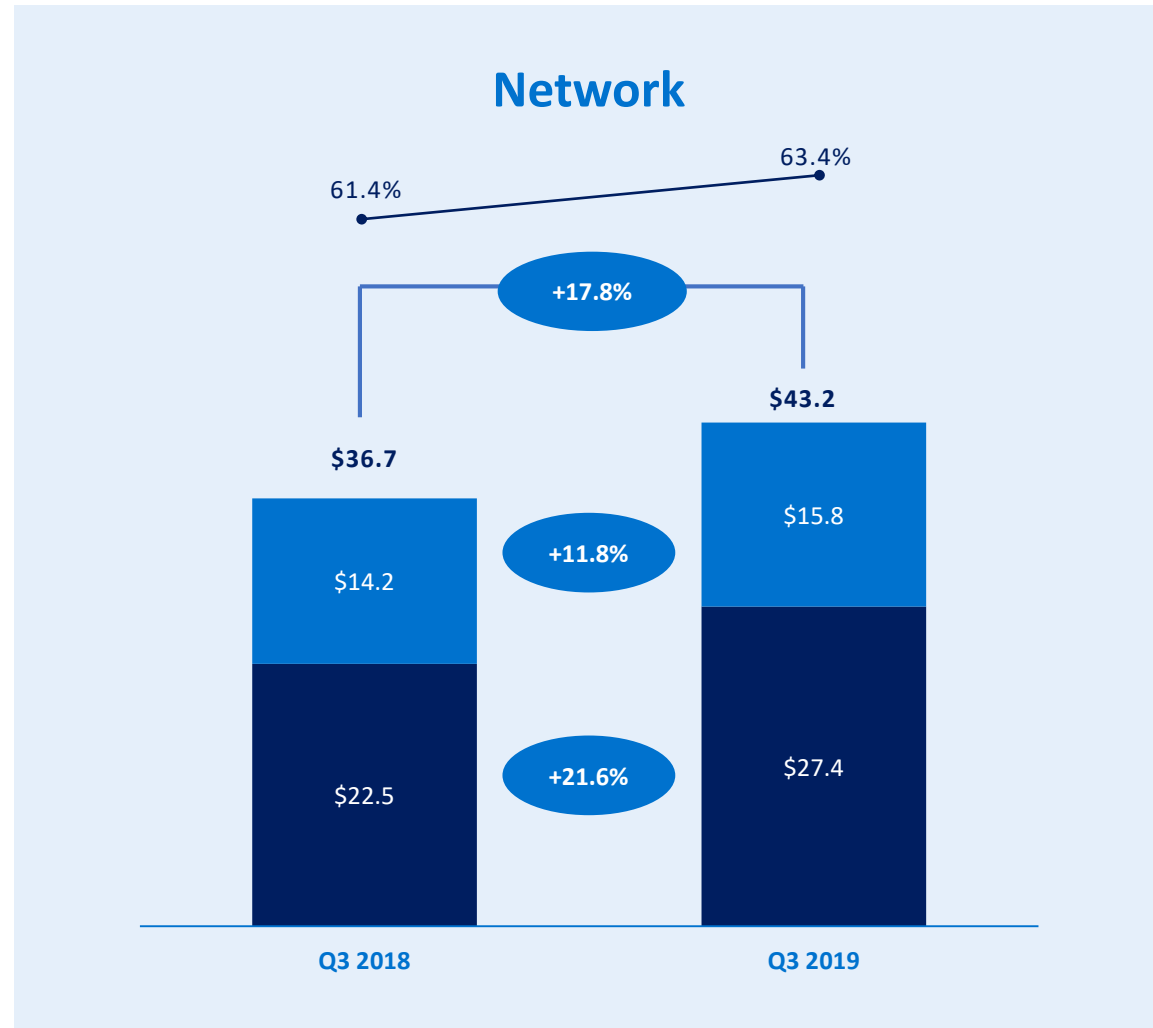


Source: Company Data

Solid Operating Results, Cost Discipline & Strong Operating Leverage

Q3 2019 Segment Detail

\$ in Millions



- Gross Margin (%)
- Cost of Revenues
- Gross Margin

Source: Company Data

Network Growth on Higher Box Office; Lower TSM on Fewer Installs

Capital & Liquidity

\$ in Millions

	As of September 30, 2019	
Cash & Cash Equivalents		\$102.5
Cash & Cash Equivalents in IMAX China	\$83.4	
Revolver Facility (Due June 2023) ¹		\$300.0
Facility Utilized	\$20.0 ²	
Available Facility		\$280.0
Total Available Liquidity		\$382.5

- Corp: Total of 47 thousand shares repurchased at average price of \$20.35 for a total of approximately \$950 thousand
- China: Total of 1.0 million shares repurchased at average price of \$17.90 for a total of approximately \$2.3 million
- Investing in the global network to drive future growth
- No change in approach to capital deployment

¹ Does not include uncommitted accordion feature which would allow Company to expand borrowing capacity to a total of \$440 million.

² Excludes impact of \$1.9 million of deferred financing fees.

Source: Company Data

Strong Balance Sheet Provides Flexibility; Key Point of Differentiation of Our Model

FY 2019 Guidance as of October 31, 2019¹

\$ in Millions

Metric	2018 Actuals	Previous FY 2019 Guidance	New FY 2019 Guidance
Global Box Office	\$1,032.1	Low Double-Digit Growth vs. 2018	✓
Operating Expenses ²	\$110.7	In-Line with 2018	✓
Stock-Based Compensation	\$20.1	~\$22.5	✓
Effective Tax Rate	21.8%	~23%	✓
Adjusted EBITDA Margin (%)	39.6%	41% – 42%	✓
Total Theatre Installs	172	185 – 190	<i>At High-End of the Range</i>
<i>New System Installs</i>	<i>149</i>	<i>140 – 145</i>	<i>Slightly Below Low-End of the Range</i>
<i>Upgrades to IMAX With Laser</i>	<i>23</i>	<i>~45</i>	<i>Slightly Above</i>
Total Theatres Equipped with IMAX With Laser	37	~140	<i>Slightly Below</i>

¹ The forward-looking statements herein are made as of October 31, 2019. The Company undertakes no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

² Operating expenses defined as selling, general and administrative expenses, plus R&D costs, less stock-based compensation.

Source: Company Data

Expected at the High-End of Total Theatre Installation Guidance;
Mix Shift Expected to be Revenue Neutral in Q4 Due to Margin Profile of Upgrades

Q & A



Appendix



Q3 2019 Non-GAAP Financial Reconciliation — Adj. Earnings Per Share

\$ in Millions, Except EPS Data

	Three Months Ended September 30, 2019		Three Months Ended September 30, 2018	
	Net Income	Diluted EPS	Net Income	Diluted EPS
Reported net income	\$ 10,896	\$ 0.18	\$ 7,502	\$ 0.12
Adjustments:				
Stock-based compensation	5,527	0.09	5,562	0.08
Change in fair value of equity investment	490	—	—	—
Tax impact on items listed above	(1,984)	(0.03)	(1,500)	(0.02)
Adjusted net income	14,929	0.24	11,564	0.18
Net income attributable to non-controlling interests ⁽¹⁾	(1,863)	(0.03)	(2,482)	(0.04)
Stock-based compensation (net of tax of less than \$0.1 million and less than \$0.1 million, respectively) ⁽¹⁾	(106)	—	(75)	—
Change in fair value of equity investment ⁽¹⁾	(149)	—	—	—
Adjusted net income attributable to common shareholders	\$ 12,811	\$ 0.21	\$ 9,007	\$ 0.14
Weighted average diluted shares outstanding		61,479		62,793

(1) Reflects amounts attributable to non-controlling interests.

	Nine Months Ended September 30, 2019		Nine Months Ended September 30, 2018	
	Net Income	Diluted EPS	Net Income	Diluted EPS
Reported net income	\$ 37,219	\$ 0.61	\$ 29,824	\$ 0.47
Adjustments:				
Stock-based compensation	16,916	0.27	17,165	0.26
Exit costs, restructuring charges and associated impairments	850	0.01	1,158	0.02
Legal arbitration award	—	—	7,500	0.12
Change in fair value of equity investment	2,543	0.03	—	—
Tax impact on items listed above	(4,519)	(0.06)	(5,287)	(0.08)
Adjusted net income	53,009	0.86	50,360	0.79
Net income attributable to non-controlling interests ⁽¹⁾	(8,524)	(0.14)	(8,674)	(0.14)
Stock-based compensation (net of tax of \$0.1 million and \$0.1 million, respectively) ⁽¹⁾	(368)	(0.01)	(279)	—
Change in fair value of equity investment	(801)	(0.01)	—	—
Adjusted net income attributable to common shareholders	\$ 43,316	\$ 0.70	\$ 41,407	\$ 0.65
Weighted average diluted shares outstanding		61,509		63,580

(1) Reflects amounts attributable to non-controlling interests.

Q3 2019 Non-GAAP Financial Reconciliation — Adj. EBITDA

\$ in Millions

	Three Months Ended September 30, 2019	Three Months Ended September 30, 2018	12 Months Ended September 30, 2019 ⁽¹⁾	12 Months Ended September 30, 2018 ⁽¹⁾
Net income	\$ 10,896	\$ 7,502	\$ 40,990	\$ 38,522
Add (subtract):				
Provision for income taxes	3,030	1,452	11,964	25,445
Net interest (income) expense	(133)	327	(68)	1,440
Depreciation and amortization, including film asset amortization	15,696	13,950	60,953	69,025
EBITDA	\$ 29,489	\$ 23,231	\$ 113,839	\$ 134,432
Stock and other non-cash compensation	5,687	6,320	22,880	23,042
Movements in fair value of financial instruments	490	—	2,543	—
Write-downs, net of recoveries including asset impairments and receivable provisions	1,118	855	5,781	6,489
Exit costs, restructuring charges and associated impairments	—	—	9,234	3,637
Legal arbitration award	—	—	4,237	7,500
Executive transition costs	—	—	2,994	—
Loss from equity accounted investments	(166)	202	41	373
Adjusted EBITDA before non-controlling interests	\$ 36,618	\$ 30,608	\$ 161,549	\$ 175,473
Adjusted EBITDA attributable to non-controlling interests ⁽²⁾	(4,188)	(4,789)	(22,797)	(22,682)
Adjusted EBITDA per Credit Facility	\$ 32,430	\$ 25,819	\$ 138,752	\$ 152,791
Adjusted EBITDA per Credit Facility, excluding impact from "Marvel's Inhumans"	\$ 32,430	\$ 25,819	\$ 138,752	\$ 128,922
Adjusted revenues attributable to common shareholders ⁽³⁾	\$ 78,354	\$ 72,333	\$ 342,232	\$ 352,434
Adjusted EBITDA margin	41.4 %	35.7 %	40.5 %	36.6 %

* Adjusted EBITDA per Credit Facility of \$25.8 million and \$152.8 million for the three and twelve months ended September 30, 2018 respectively, includes the impact of the Company's investment in "Marvel's Inhumans", which resulted in a \$nil and \$1.1 million loss, respectively. However, as permitted by the Credit Facility, this loss was offset by addbacks of \$nil and \$13.3 million for amortization and by addbacks of \$nil and \$11.7 million for impairment charges relating to the investment, in each case for the three and twelve months ended September 30, 2018, respectively. The net effect of these addbacks was to increase Adjusted EBITDA per Credit Facility by \$nil and \$23.9 million for the three and twelve months ended September 30, 2018, respectively. This investment represents the Company's first foray into a commercial television property, and therefore the Adjusted EBITDA per Credit Facility metric presented above may not be reflective of the Company's typical operational activity. Further, the Company does not expect to make meaningful direct investments in original content going forward. As a result, the Company is also presenting Adjusted EBITDA per Credit Facility excluding the impact of "Marvel's Inhumans" to better facilitate comparisons to prior and future periods.

(1) Senior Secured Net Leverage Ratio calculated using twelve months ended Adjusted EBITDA per Credit Facility.

(2) The Adjusted EBITDA per Credit Facility calculation specified for purpose of the minimum Adjusted EBITDA covenant excludes the reduction in Adjusted EBITDA from the Company's non-controlling interests.

(3)

	Three months ended September 30, 2019	Three months ended September 30, 2018	12 months ended September 30, 2019	12 months ended September 30, 2018
Total revenues	\$ 86,390	\$ 82,108	\$ 380,349	\$ 390,989
Greater China revenues	\$ 26,557	\$ 30,480	\$ 121,366	\$ 120,306
Non-controlling interest ownership percentage ⁽⁴⁾	30.26%	32.07%	31.41%	32.05%
Deduction for non-controlling interest share of revenues	(8,036)	(9,775)	(38,117)	(38,555)
Adjusted revenues attributable to common shareholders	\$ 78,354	\$ 72,333	\$ 342,232	\$ 352,434

(4) Weighted average ownership percentage for change in non-controlling interest share

Q3 2019 Free Cash Flow Reconciliation

\$ in Millions

	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2019
Net cash provided by operating activities	\$ 18,740	\$ 67,257
Net cash used in investing activities	(10,970)	(53,654)
Free cash flow	<u>\$ 7,770</u>	<u>\$ 13,603</u>

Use of Non-GAAP Financial Measures

In this earnings presentation, the Company presents adjusted net income, adjusted net income per diluted share, adjusted net income attributable to common shareholders and adjusted net income attributable to common shareholders per diluted share, EBITDA, Adjusted EBITDA per Credit Facility, adjusted EBITDA margin and free cash flow as supplemental measures of performance of the Company, which are not recognized under U.S. GAAP. The Company presents adjusted net income and adjusted net income per diluted share because it believes that they are important supplemental measures of its comparable controllable operating performance and it wants to ensure that its investors fully understand the impact of its stock-based compensation (net of any related tax impact) and non-recurring charges on net income. In addition, the Company presents adjusted net income attributable to common shareholders and adjusted net income attributable to common shareholders per diluted share because it believes that they are important supplemental measures of its comparable financial results and could potentially distort the analysis of trends in business performance and it wants to ensure that its investors fully understand the impact of net income attributable to non-controlling interests and its stock-based compensation (net of any related tax impact) and non-recurring charges in determining net income attributable to common shareholders. Management uses these measures to review operating performance on a comparable basis from period to period. However, these non-GAAP measures may not be comparable to similarly titled amounts reported by other companies. Adjusted net income, adjusted net income per diluted share, adjusted net income attributable to common shareholders and adjusted net income attributable to common shareholders per diluted share should be considered in addition to, and not as a substitute for, net income and net income attributable to common shareholders and other measures of financial performance reported in accordance with U.S. GAAP.

The Company is required to maintain a minimum level of "EBITDA", as such term is defined in the Company's credit agreement (and which is referred to herein as "Adjusted EBITDA per Credit Facility", as the credit agreement includes additional adjustments beyond interest, taxes, depreciation and amortization). EBITDA and Adjusted EBITDA per Credit Facility (each as defined above) should not be construed as substitutes for net income or as better measures of liquidity as determined in accordance with U.S. GAAP. The Company believes that EBITDA, Adjusted EBITDA per Credit Facility and Adjusted EBITDA margin are relevant and useful information widely used by analysts, investors and other interested parties in the Company's industry. Accordingly, the Company is disclosing this information to permit a more comprehensive analysis of its operating performance and to provide additional information with respect to the Company's ability to comply with its credit agreement requirements.

Free cash flow is defined as cash provided by operating activities minus cash used in investing activities (from the condensed consolidated statements of cash flows). Cash provided by operating activities consist of net income, plus depreciation and amortization, plus the change in deferred income taxes, plus other non-cash items, plus changes in working capital, less investment in film assets, plus other changes in operating assets and liabilities. Cash used in investing activities includes capital expenditures, acquisitions and other cash used in investing activities. Management views free cash flow, a non-GAAP measure, as a measure of the Company's after-tax cash flow available to reduce debt, add to cash balances, and fund other financing activities. Free cash flow does not represent residual cash flow available for discretionary expenditures. A reconciliation of cash provided by operating activities to free cash flow is presented on slide 21 of this earnings presentation.

Primary Reporting Groups

The Company has four primary reporting groups identified by nature of product sold or service provided: (1) Network Business, representing variable revenue generated by box-office results and which includes the reportable segments of IMAX DMR and contingent rent from the JRSAs and IMAX systems segments; (2) Theater Business, representing revenue generated by the sale and installation of theater systems and maintenance services, primarily related to the IMAX Systems and Theater System Maintenance reportable segments, and also includes fixed hybrid revenues and upfront installation costs from the JRSA segment; (3) New Business, which includes home entertainment, and other new business initiatives that are in the development, start-up and/or wind-up phases, and (4) Other; which includes the film post-production and distribution segments and certain IMAX theaters that the Company owns and operates, camera rentals and other miscellaneous items.

The background of the entire image is a cinematic view from a spacecraft window, showing the Earth's horizon and a large celestial body in the distance. A blue rectangular frame is centered on the image, containing the IMAX logo and the tagline. The logo itself is a large, white, stylized font where the letters are cut out to reveal the background scene.

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FILMS TO THE FULLEST