

The IMAX logo is rendered in a bold, white, sans-serif font. The letters are thick and blocky, with a registered trademark symbol (®) positioned at the top right of the 'X'. The logo is set against a dark blue background that features a perspective view of a hallway with glowing light streaks on the walls and ceiling.

IMAX[®]

First Quarter 2019 Results

April 26, 2019

FILMED WITH IMAX® CAMERAS



EXPERIENCE  TO THE FULLEST

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Box Office Highlights

Box Office (M's) ⁽¹⁾

	Q1 2019	Q1 2018
Global	\$ 256	\$ 246
Domestic	\$ 72	\$ 86
Greater China	\$ 106	\$ 89
Other Intl.	\$ 78	\$ 71

(1) 12 new DMR films released in Q1 2019, vs. 14 new films released in Q1 2018

Network Growth Highlights

	<u>Signings</u>		<u>Installations</u>		<u>Backlog</u>	
	Q1 2019	Q1 2018	Q1 2019	Q1 2018	Q1 2019	Q1 2018
Sales and STL	9	15	6	13	179	177
JRSA	2	22	4	3	178	231
Hybrid JRSA	3	8	4	-	108	116
Total New	14	45	14	16	465	524
Upgrades	9	-	3	-	106	5
Total Theatres	23	45	17	16	571	529

Q1 2019 Financial Results

	Q1 2019	Q1 2018
Revenue	80.2	85.0
Gross Margin	45.1	50.7
SG&A (excl. SBC)	23.7	23.7
Stock-Based Comp	3.9	4.4
R&D	1.1	3.6
Operating Expenses ⁽¹⁾	24.9	27.3
Exit costs, restructuring costs & associated impairments	0.9	0.7
Movements in fair value of financial instruments	2.5	0.0
Income from Operations	12.5	12.1
Net Income attributable to non-controlling interests	4.2	3.6
Adj. Net Income ⁽²⁾	10.8	13.4
Adj. EBITDA per Credit Facility ⁽²⁾	28.5	31.5

(1) Includes SG&A plus R&D, excluding stock-based compensation.

(2) Please see appendix for details regarding non-GAAP adjustments and for the definition and reconciliation of Adjusted EBITDA as calculated in accordance with the Company's credit facility.

Other Financial Highlights – Q1 2019

Operating Expenses⁽¹⁾	<ul style="list-style-type: none">▪ Total operating expenses were down 8% year-over-year
Effective Tax Rate	<ul style="list-style-type: none">▪ Q1 2019 tax rate was approximately 27%
Capital Expenditures⁽²⁾	<ul style="list-style-type: none">▪ Capital expenditures of \$16.2M in Q1 2019, compared to \$18.2M in the year ago period
Cash Balance	<ul style="list-style-type: none">▪ Ended Q1 with cash balance of \$123M
Free Cash Flow (used)⁽³⁾	<ul style="list-style-type: none">▪ Total free cash flow was (\$28M) in Q1, primarily a result of the company's equity investment in Maoyan and its continued investment in its joint revenue sharing arrangements with exhibitors

(1) Operating expenses include SG&A, excluding stock based compensation, plus R&D

(2) Includes the Company's investment in joint revenue sharing equipment, purchase of property, plant and equipment, other intangible assets and investments in film assets.

(3) Please see appendix for details regarding the definition and calculation of free cash flow.

APPENDIX

Q1 2019 Non-GAAP Financial Reconciliation- Adjusted Earnings Per Share

	Quarter Ended March 31,			
	2019		2018	
	Net Income	Diluted EPS	Net Income	Diluted EPS
<i>(In thousands of U.S. dollars, except per share amounts)</i>				
Reported net income	\$ 12,487	\$ 0.20	\$ 12,067	\$ 0.19
Adjustments:				
Stock-based compensation	4,362	0.07	4,847	0.08
Exit costs, restructuring charges and associated impairments	850	0.01	702	0.01
Movements in fair value of financial instruments	(2,491)	(0.04)	-	-
Tax impact on items listed above	(881)	(0.01)	(559)	(0.01)
Adjusted net income	14,327	0.23	17,057	0.27
Net income attributable to non-controlling interests ⁽¹⁾	(4,222)	(0.06)	(3,562)	(0.06)
Stock-based compensation (net of tax of less than \$0.1 million and less than \$0.1 million, respectively) ⁽¹⁾	(85)	-	(57)	-
Movements in fair value of financial instruments ⁽¹⁾	791	0.01	-	-
Adjusted net income attributable to common shareholders	<u>\$ 10,811</u>	<u>\$ 0.18</u>	<u>\$ 13,438</u>	<u>\$ 0.21</u>
Weighted average diluted shares outstanding		<u>61,559</u>		<u>64,619</u>

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

Q1 2019 Non-GAAP Financial Reconciliation- Adjusted EBITDA

	For the 3 Months Ended March 31, 2019	For the 12 Months Ended March 31, 2019 ⁽¹⁾
<i>(In thousands of U.S. Dollars)</i>		
Net income	\$ 12,487	\$ 34,015
Add (subtract):		
Provision for income taxes	3,648	8,713
Interest expense, net of interest income	111	936
Depreciation and amortization, including film asset amortization	14,211	58,127
EBITDA	\$ 30,457	\$ 101,791
Stock and other non-cash compensation	4,524	23,106
Movements in fair value of financial instruments	(2,491)	(2,491)
Write-downs, net of recoveries including asset impairments and receivable provisions	697	4,999
Exit costs, restructuring charges and associated impairments	850	9,690
Legal arbitration award	-	11,737
Executive transition costs	-	2,994
Loss from equity accounted investments	84	371
Adjusted EBITDA before non-controlling interests	\$ 34,121	\$ 152,197
Adjusted EBITDA attributable to non-controlling interests ⁽²⁾	(5,598)	(21,994)
Adjusted EBITDA per Credit Facility	\$ 28,523	\$ 130,203
Adjusted revenues attributable to common shareholders ⁽³⁾	\$ 71,724	\$ 332,489
Adjusted EBITDA margin	39.8 %	39.2 %

(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 months ended March 31, 2019	12 months ended March 31, 2019
Total revenues	\$ 80,198	\$ 369,615
Greater China revenues	\$ 26,681	\$ 116,055
Non-controlling interest ownership percentage ⁽⁴⁾	31.76%	31.99%
Deduction for non-controlling interest share of revenues	(8,474)	(37,126)
Adjusted revenues attributable to common shareholders	\$ 71,724	\$ 332,489

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

Q1 2019 Free Cash Flow Reconciliation

(In thousands of U.S. Dollars)

Net cash used in operating activities

Net cash used in investing activities

Net free cash flow

For the
Three months ended
March 31, 2019

\$	(669)
	<u>(27,646)</u>
\$	<u><u>(28,315)</u></u>