The Marcus Corporation

# INVESTOR PRESENTATION

**MAY 2023**




# Forward Looking Statement

*Certain matters discussed in this presentation are "forward-looking statements" intended to qualify for the safe harbors from liability established by the Private Securities Litigation Reform Act of 1995. These forward-looking statements may generally be identified as such because the context of such statements include words such as we "believe," "anticipate," "expect" or words of similar import. Similarly, statements that describe our future plans, objectives or goals are also forward-looking statements. Such forward-looking statements are subject to certain risks and uncertainties which may cause results to differ materially from those expected, including, but not limited to, the following: (1) the adverse effects the COVID-19 pandemic, or future pandemics, may have on our theatre and hotels and resorts businesses, results of operations, liquidity, cash flows, financial condition, access to credit markets and ability to service our existing and future indebtedness; (2) the availability, in terms of both quantity and audience appeal, of motion pictures for our theatre division (particularly following the COVID-19 pandemic, during which the release dates for certain motion pictures have been postponed); (3) the effects of theatre industry dynamics such as the maintenance of a suitable window between the date such motion pictures are released in theatres and the date they are released to other distribution channels; (4) the effects of adverse economic conditions in our markets; (5) the effects of adverse economic conditions on our ability to obtain financing on reasonable and acceptable terms, if at all; (6) the effects on our occupancy and room rates caused by the relative industry supply of available rooms at comparable lodging facilities in our markets; (7) the effects of competitive conditions in our markets; (8) our ability to achieve expected benefits and performance from our strategic initiatives and acquisitions; (9) the effects of increasing depreciation expenses, reduced operating profits during major property renovations, impairment losses, and preopening and start-up costs due to the capital intensive nature of our business; (10) the effects of changes in the availability of and cost of labor and other supplies essential to the operation of our business; (11) the effects of weather conditions, particularly during the winter in the Midwest and in our other markets; (12) our ability to identify properties to acquire, develop and/or manage and the continuing availability of funds for such development; (13) the adverse impact on business and consumer spending on travel, leisure and entertainment resulting from terrorist attacks in the United States, other incidents of violence in public venues such as hotels and movie theatres or epidemics; and (14) a disruption in our business and reputational and economic risks associated with civil securities claims brought by shareholders. These statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, some of which are beyond our control and difficult to predict and could cause actual results to differ materially from those expressed or forecasted in the forward-looking statements. Our forward-looking statements are based upon our assumptions, which are based upon currently available information. Shareholders, potential investors and other readers are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. The forward-looking statements made herein are made only as of the date of this presentation and we undertake no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.*

# Non-GAAP Financial Measures

Adjusted EBITDA has been presented in this presentation as a supplemental measure of financial performance that is not required by, or presented in accordance with, GAAP. The company defines Adjusted EBITDA as net earnings (loss) attributable to The Marcus Corporation before investment income or loss, interest expense, other expense, gain or loss on disposition of property, equipment and other assets, equity earnings or losses from unconsolidated joint ventures, net earnings or losses attributable to noncontrolling interests, income taxes and depreciation and amortization, adjusted to eliminate the impact of certain items that the company does not consider indicative of its core operating performance. A reconciliation of this measure to the equivalent measure under GAAP is set forth in the attached table.

Adjusted EBITDA is a key measure used by management and the company's board of directors to assess the company's financial performance and enterprise value. The company believes that Adjusted EBITDA is a useful measure, as it eliminates certain expenses and gains that are not indicative of the company's core operating performance and facilitates a comparison of the company's core operating performance on a consistent basis from period to period. The company also uses Adjusted EBITDA as a basis to determine certain annual cash bonuses and long-term incentive awards, to supplement GAAP measures of performance to evaluate the effectiveness of its business strategies, to make budgeting decisions, and to compare its performance against that of other peer companies using similar measures. Adjusted EBITDA is also used by analysts, investors and other interested parties as a performance measure to evaluate industry competitors.

Adjusted EBITDA is a non-GAAP measure of the company's financial performance and should not be considered as an alternative to net earnings (loss) as a measure of financial performance, or any other performance measure derived in accordance with GAAP and it should not be construed as an inference that the company's future results will be unaffected by unusual or non-recurring items. Additionally, Adjusted EBITDA is not intended to be a measure of liquidity or free cash flow for management's discretionary use. In addition, this non-GAAP measure excludes certain non-recurring and other charges and has its limitations as an analytical tool. You should not consider Adjusted EBITDA in isolation or as a substitute for analysis of the company's results as reported under GAAP. In evaluating Adjusted EBITDA, you should be aware that in the future the company will incur expenses that are the same as or similar to some of the items eliminated in the adjustments made to determine Adjusted EBITDA, such as acquisition expenses, preopening expenses, accelerated depreciation, impairment charges and other adjustments. The company's presentation of Adjusted EBITDA should not be construed to imply that the company's future results will be unaffected by any such adjustments. Definitions and calculations of Adjusted EBITDA differ among companies in our industries, and therefore Adjusted EBITDA disclosed by the company may not be comparable to the measures disclosed by other companies.

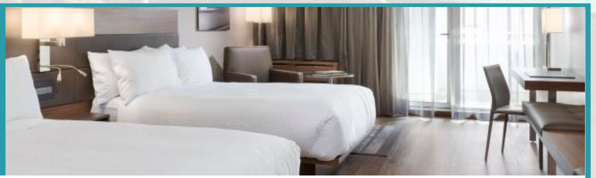
# A Leader in Lodging and Entertainment

***Founded in 1935 and headquartered in Milwaukee, Wisconsin***

MARCUS THEATRES

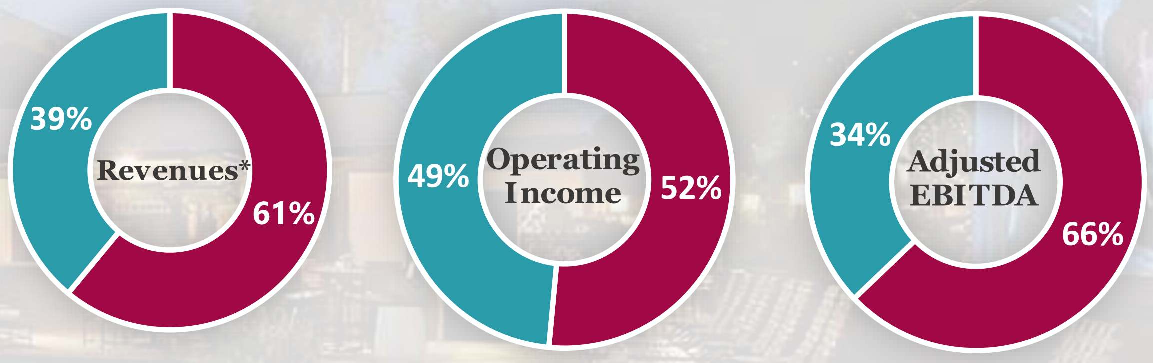
- Fourth largest U.S. exhibitor
- 1,036 screens at 83 locations in 17 states

MARCUS HOTELS & RESORTS

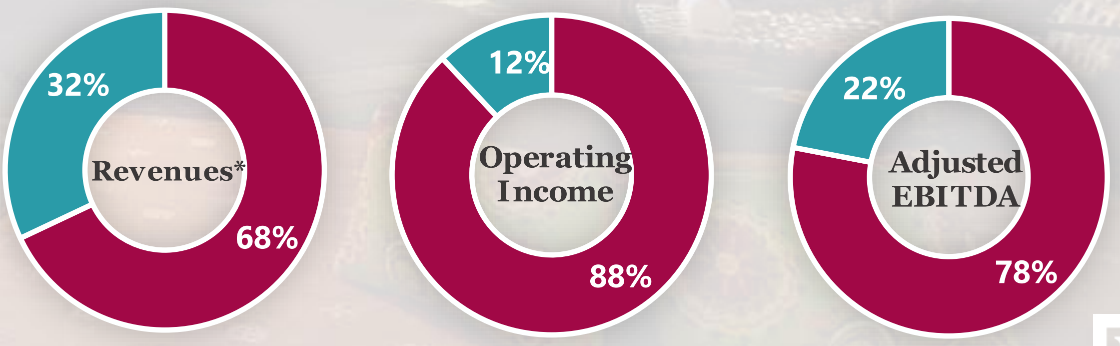


- Portfolio of 16 distinctive properties
- Manage ~4,900 rooms in eight states

## LTM by Division




## Fiscal 2019 by Division(1) – Pre-Pandemic




(1) As of December 26, 2019
* Revenues exclude Corporate of 0.1%

# Company Overview

LTM Revenues:
**$697.4M**

LTM Adjusted EBITDA:
**$91.2M**[1]

Market Cap:
**~$513.4M**
(as of 5/18/2023)

LTM Adj. EBITDA Margin:
**13.1%**[1]

MCS LISTED NYSE **Since 1993**



(1) Adjusted EBITDA is a Non-GAAP measurement equal to operating income plus depreciation and amortization, impairment charges, non-cash share-based compensation and certain non-recurring expenses. Refer to non-GAAP reconciliation in the appendix for further information;

# Investment Thesis

Diversified business platform

Outperform respective markets and industries

Focused and disciplined growth strategy

Strong balance sheet with significant liquidity

Significant real estate assets

Long-term track record of success

Consistent shareholder returns

# Strong, Stable Senior Management Team

**Gregory S. Marcus**
President and
Chief Executive Officer
Joined March 1992

**Thomas F. Kissinger**
Senior Executive Vice
President, General
Counsel and Secretary
Joined August 1993

**Chad Paris**
Chief Financial Officer &
Treasurer
Joined October 2021
More than 17 years of
financial experience

**Mark A. Gramz**
President, Marcus
Theatres Corporation
Joined April 1971

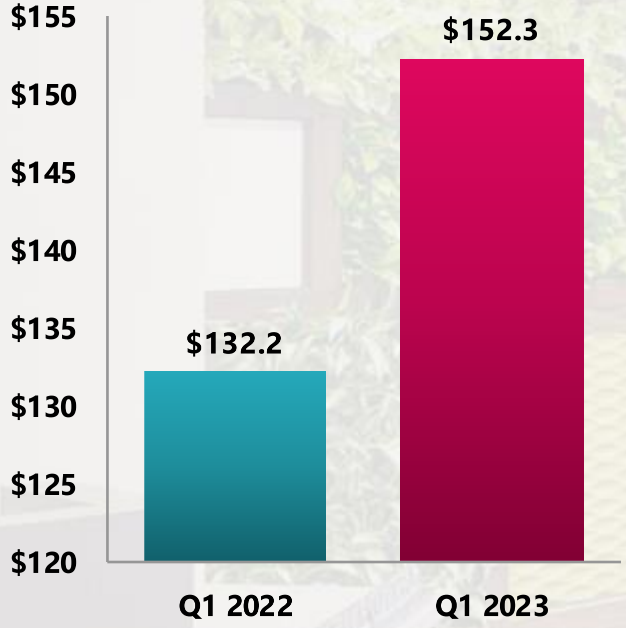
**Michael R. Evans**
President, Marcus
Hotels & Resorts
Joined January 2020
More than 20 years
industry experience

**Kim M. Lueck**
Chief Information
Officer
Joined February 1997

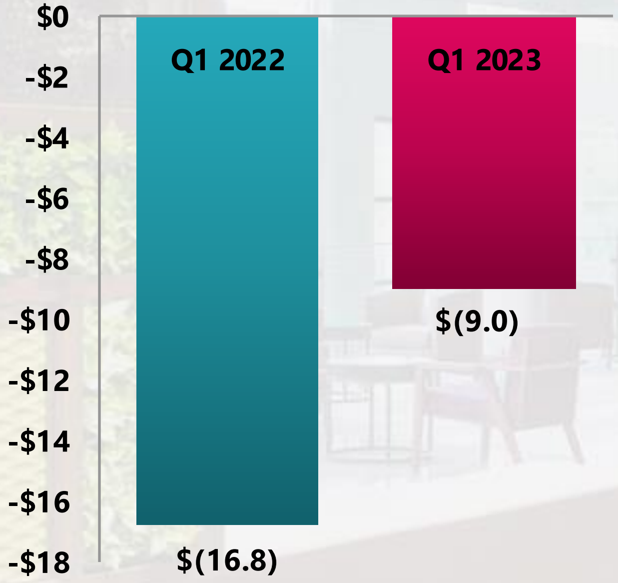
**Steve V. Martin**
Chief Human
Resources Officer
Joined April 2000

# Significant Q1 Improvement Over Prior Year

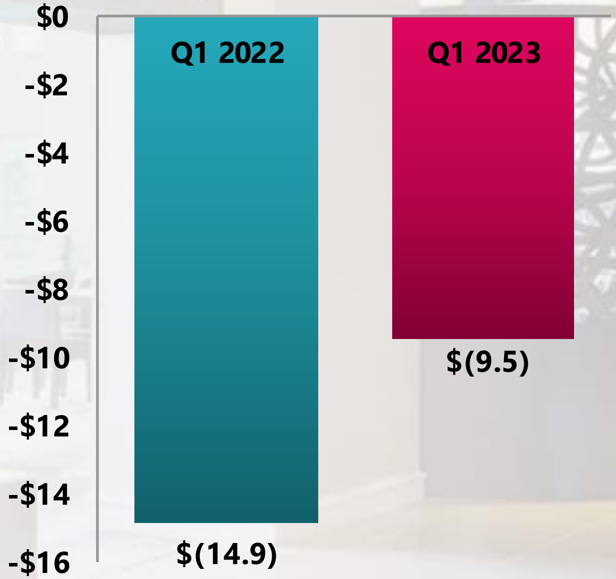
## Revenues
(in millions)



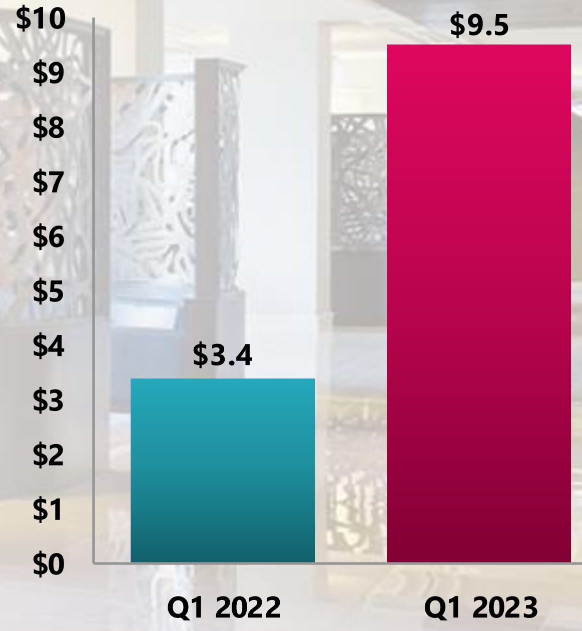

## Operating Income (Loss)
(in millions)




## Net Earnings (Loss)
(in millions)




## Adjusted EBITDA
(in millions)



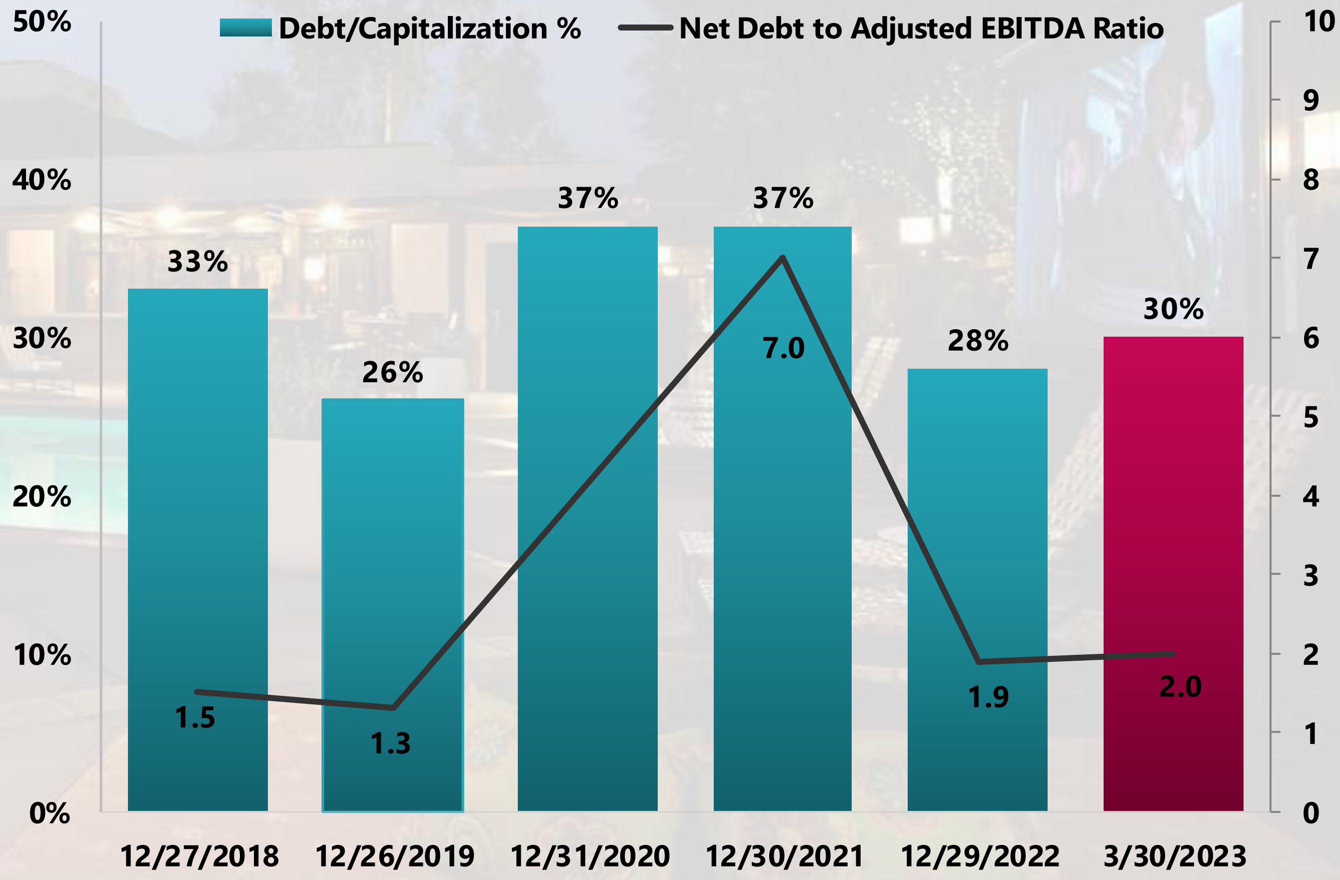
# 85-Year History of Prudent Balance Sheet and Liquidity Management

- Approach has been and will remain thoughtful, opportunistic and focused long-term
  - Match our debt portfolio to our asset base
  - Assets primarily of fixed and long-lived assets
  - Strive to have a significant portion of our debt portfolio fixed and long

# Strong Balance Sheet and Access to Capital

- Historically strong and consistent cash flow
- $222.8 million in cash and revolving credit availability (as of 3/30/2023)
- In fiscal 2022, repaid $46.6 million of short-term borrowings, repaying in full and retiring the term loan facility
- Continue to be positioned to meet obligations as they come due and invest in future growth strategies as appropriate

## Debt Ratios

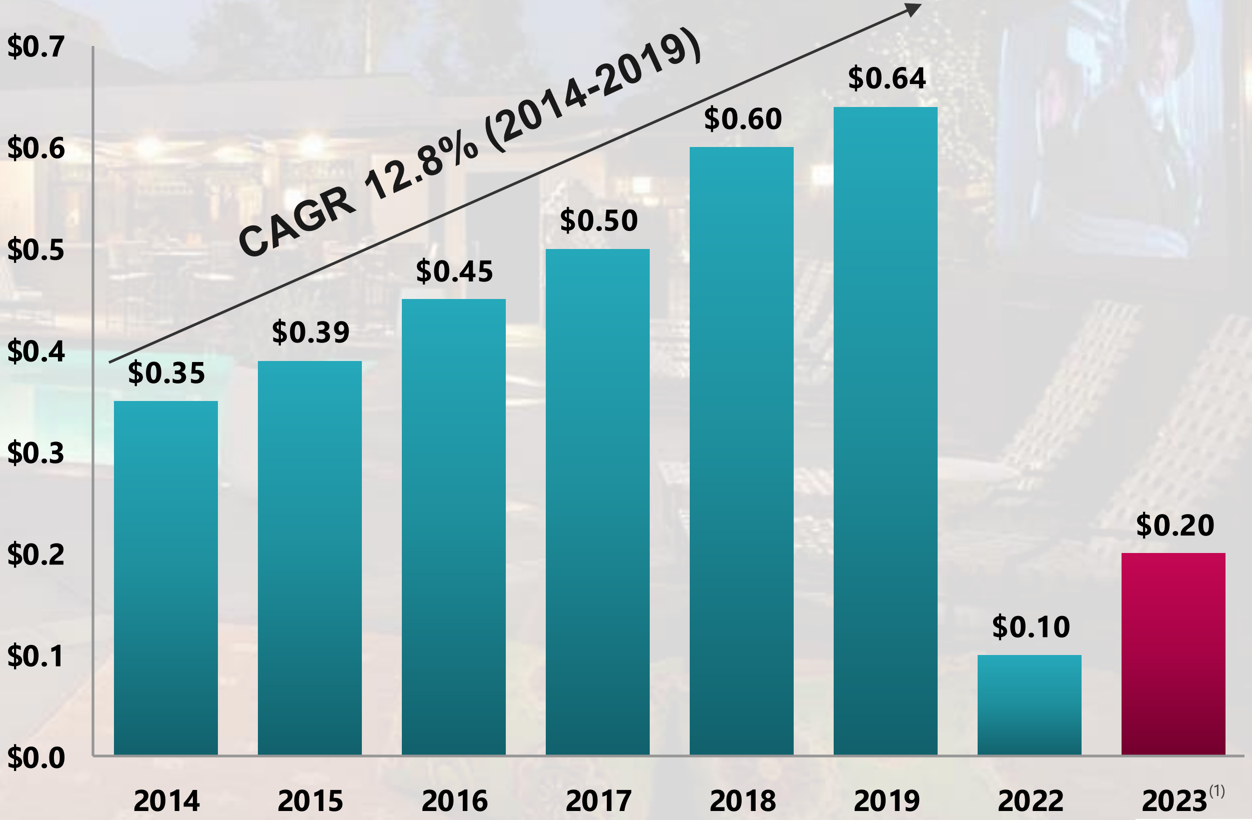



Note: Adjusted EBITDA is a non-GAAP measurement equal to operating income plus depreciation/amortization, impairment charges and certain nonrecurring expenses. Net debt is a non-GAAP measurement equal to short-term borrowings plus long-term debt net of debt issuance costs, minus cash and cash equivalents. Refer to non-GAAP reconciliation in the appendix for further information.

# Reinstated Dividend; Long History of Returning Capital to Shareholders

- Reinstated $0.05 quarterly cash dividend Q3 2022
- Annual cash dividend was $0.68 prior to suspension on 4/29/20 (3-year average yield of 1.7%)
- 45 years of consecutive dividends pre-COVID
- Special dividends in 2006 ($7.00) and 2012 ($1.00)
- Repurchased over 3.9 million shares between 2012 and 2016 at an average price of approximately $12

## Annual Cash Dividends

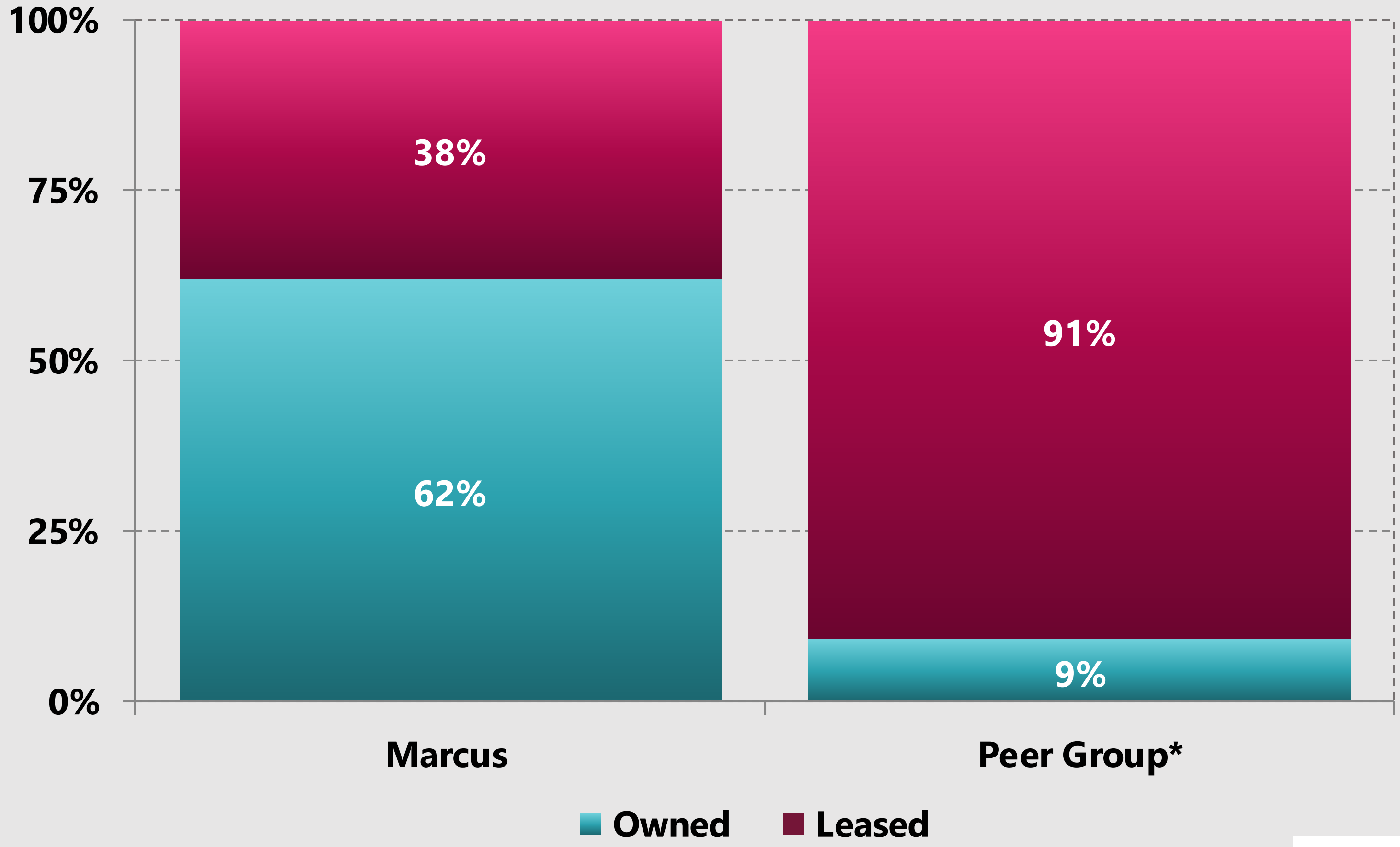



(1) Projected annual dividend at current quarterly dividend rate.

# Unique Real Estate Ownership Profile

*In addition to our owned hotels, unlike most of our peers, we own the underlying real estate for the majority of our theatres*

- Real estate ownership enables us to quickly react to changing theatre trends
- Reduces our monthly fixed lease payments
- Provides significant underlying credit support
- Surplus real estate may be monetized if opportunities arise
    - $22 million of asset sales proceeds in fiscal 2021, $4.9 million in fiscal 2022
    - Potential for $5-10 million of additional sales of surplus and non-core real estate during fiscal 2023




*Represents an estimate of AMC, Regal and Cinemark combined, based upon available public filings.

Note: Marcus percentages based upon number of screens as of 12/29/2022.

# Marcus Theatres

# Leading U.S. Theatre Exhibitor

**Fourth largest** U.S. exhibitor

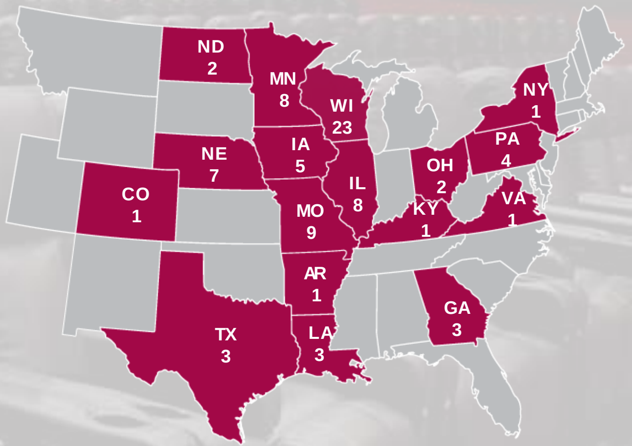
**1,036** screens at **83** locations in **17** states[1]

Added **36 theatres, 425 screens** and **10 states** during the past **six years**

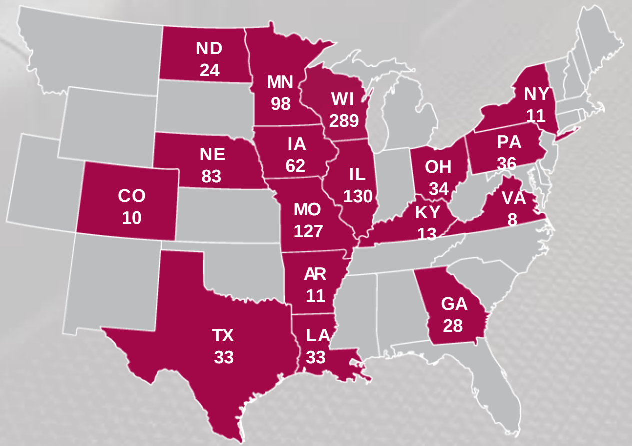
Acquisition of Movie Tavern on February 1, 2019 added **208 screens** in **9 states** in the South/East

**Increased screen count by 23%**

## Marcus Theatres by Location[1]

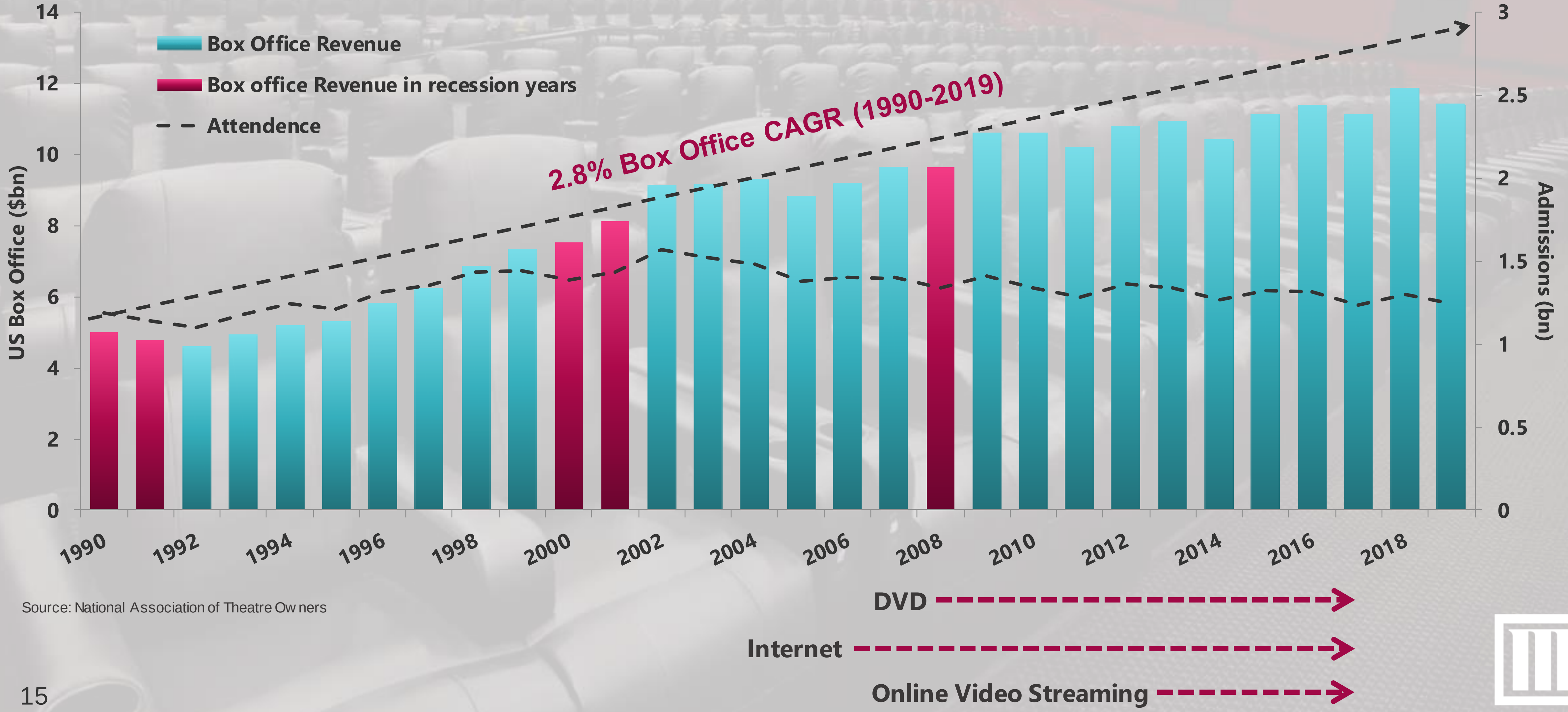



## Marcus Theatres by Screen[1]




(1) As of 4/18/2023

# Domestic Attendance & Box Office (Pre-Pandemic)

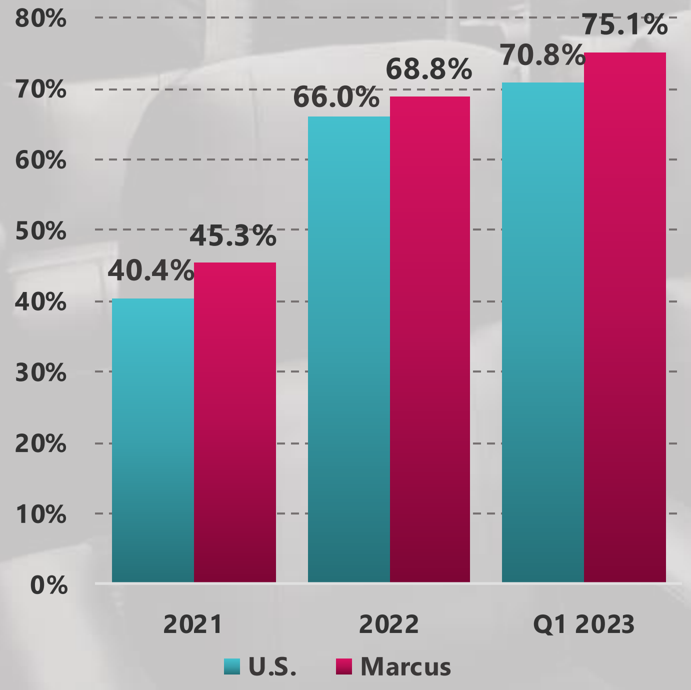



Source: National Association of Theatre Owners

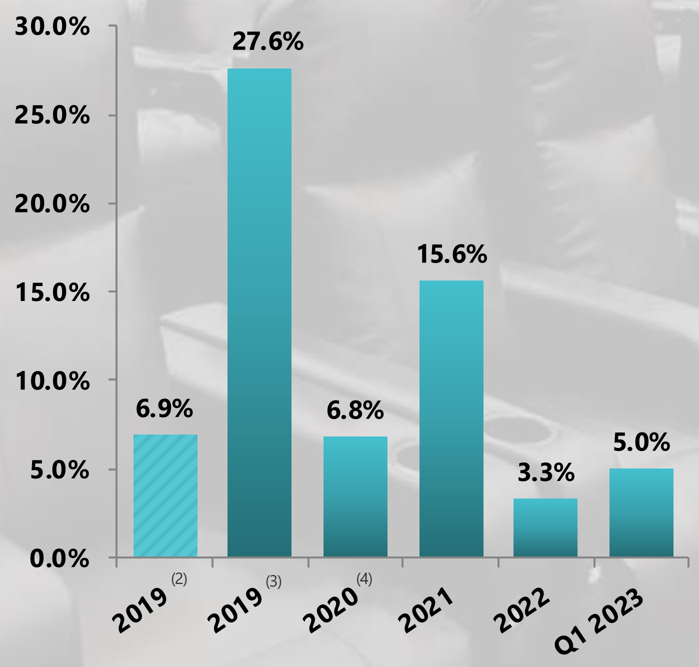
# Long History of Growth and Outperformance

***Our investments in amenities and implementation of innovative operating and marketing strategies resulted in historically strong performance***

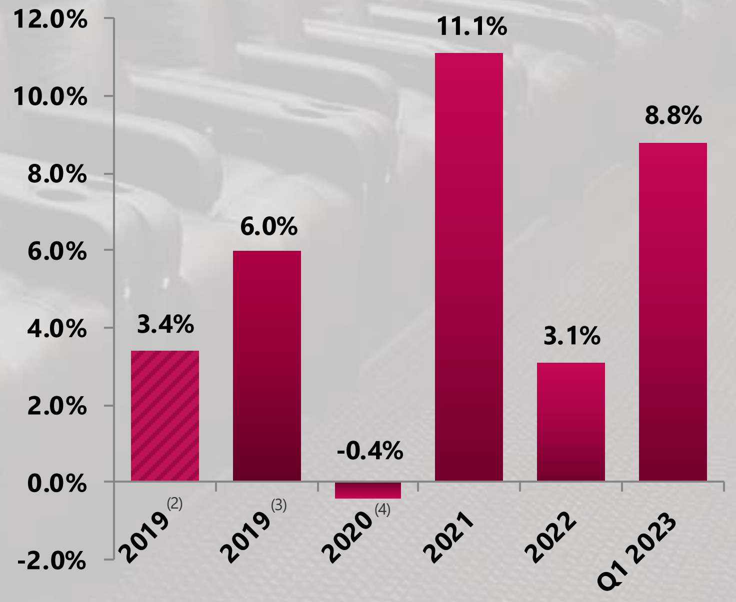
## Box Office Recovery vs. 2019(1)




## Concessions Revenue per person YoY Growth




## Ticket Revenue per person YoY Growth




(1) Represents change in admission revenues in 2021 and 2022 compared to 2019 on a pro forma basis for the Movie Tavern acquisition as of the first day of fiscal 2019. Source for U.S. numbers: Comscore. Comparisons data for U.S. market w as not available for 2020.
(2) Excludes Movie Tavern theatres.
(3) Includes Movie Tavern theatres.
(4) All theatres w ere closed during most of Q2 and Q3 of 2020.

# Created Industry-Leading Theatre Guest Experience

*Invested ~$594 Million in New and Existing Assets Over the Last Decade*

## Recliner Seating

- 78% of company-owned theatres
- 81% of screens
- Highest percentage among the top chains

## PLF Screens

- 78% of company-owned, first run theatres
- Highest among top chains
- 124 PLF screens, including proprietary *Ultra*Screen DLX® and *Super*Screen DLX® brands


## Food and Beverage

- 60% of first-run theatres offer one or more in-lobby dining concepts (excluding Movie Tavern theatres)
- 34% offer in-theatre dining
- 58% offer bars and lounges


## Acquisitions

- ~60% of existing circuit via acquisitions
- Movie Tavern: 208 Screens in nine states (Feb. 2019)
- Wehrenberg Theatres: 197 Screens in four states (Dec. 2016)


## New Theatres

- Bistro*Plex* in-theatre dining concept: Greendale, Wis. (June 2017)
- Movie Tavern by Marcus – Brookfield, Wis. (Oct. 2019)




Note: Data as of March 30, 2023 unless otherwise noted

# Current Plans

## Maximize Assets in a Post-Pandemic World

- Expand industry leading amenities – PLF's, F&B concepts.
- Reenergize Marcus Movie Rewards customer loyalty program.
- Modernize pricing strategies.
- Expand the use of technology in all facets of business.
- Further monetize lobby, screens, website and mobile app.
- Regularly upgrade and remodel theatres.

Magical Movie Rewards Loyalty Program

VALUE TUESDAY

SUPERSCREEN DLX

## Re-invent Out-of-Home Entertainment Experience

- Test MovieFlex subscription program to encourage more frequent movie going.
- Consider new entertainment options within auditoriums (i.e, sports viewing, gaming auditoriums).
- Use technology to further tailor communications to guests and improve overall experience for our guests.
- Explore new viewing experiences for our guests (4DX auditoriums, etc.).
- Expand the use of new content sources and deliveries.

Movie Flex

THE WALL


MARCUS PRIVATE CINEMA


## Strategic Growth

- Build new theatres.
- Assume new management contracts and/or take over existing leases.
- Acquire existing theatres or circuits.


Movie Tavern Brookfield Square

MARCUS THEATRES

WEHRENBERG THEATRES

MOVIE TAVERN by MARCUS

# 2023 Starting Off Strong

- Fiscal 2023 is off to a strong start with the high performing “Avatar: The Way of Water,” “The Super Mario Bros. Movie” and “Guardians of the Galaxy Vol. 3”
- Several films performed well during the first quarter of fiscal 2023, including “Ant Man & the Wasp: Quantumania,” “Creed III,” “Puss in Boots: The Last Wish” and “M3GAN”

# Encouraging 2023 Film Slate*

| Q2 2023 |
| --- |
| Fast X |
| The Little Mermaid |
| Spider-Man: Across the Spider-Verse |
| The Flash |

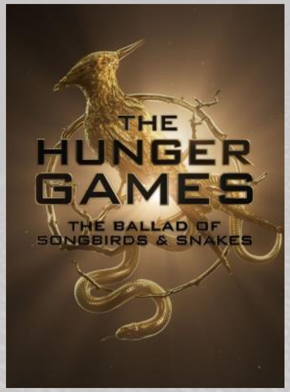
| Q3 2023 |
| --- |
| Indiana Jones and the Dial of Destiny |
| Mission: Impossible – Dead Reckoning Part One |
| Oppenheimer |
| Barbie |
| Haunted Mansion |
| Blue Beetles |
| The Expendables 4 |

| Q4 2023 |
| --- |
| Dune: Part Two |
| The Marvels |
| Hunger Games: The Ballad of Songbirds and Snakes |
| Wish |
| Wonka |
| Ghostbusters Sequel |
| Aquaman and the Lost Kingdom |









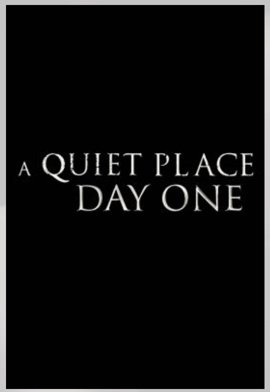


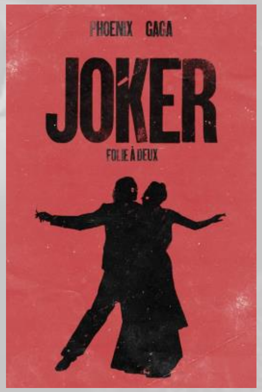


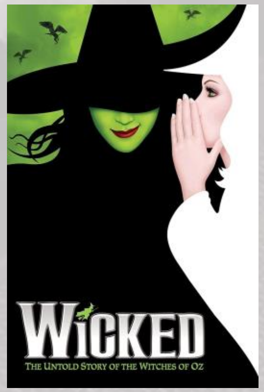
* Film slate subject to change

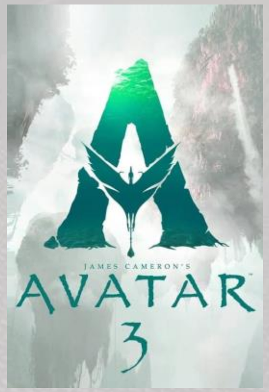
# 2024 Film Slate Includes Highly Anticipated Films*

| 2024 Films | | |
|---|---|---|
| El Muerto | Captain America: New World Order | Mufasa: The Lion King |
| Madame Web | Furiosa | Joker: Folie a Deux |
| A Quiet Place: Day One | IF | Untitled Deadpool Movie |
| Kung Fu Panda 4 | Kingdom of the Planet of the Apes | Untitled Gladiator Sequel |
| Disney's Snow White | Inside Out 2 | Wicked- Part 1 |
| Spider-Man: Beyond the Spider-Verse | Mission Impossible 8 | Sonic The Hedgehog 3 |
| Lord of the Rings: The War of the Rohirrim | Despicable Me 4 | Avatar 3 |










* Film slate subject to change

# Q1 2023 Highlights

- **Reported revenue of $96.4 million for first quarter of fiscal 2023, a 21.2% increase compared to first quarter of fiscal 2022**
- **Increasing number of new high quality, wide release films increased attendance by 13.9%, average ticket price by 8.8% and concession revenues by 5.0% compared to the prior year period**
- **Introduced new Value Tuesday promotion at the end of first quarter**

# Outlook

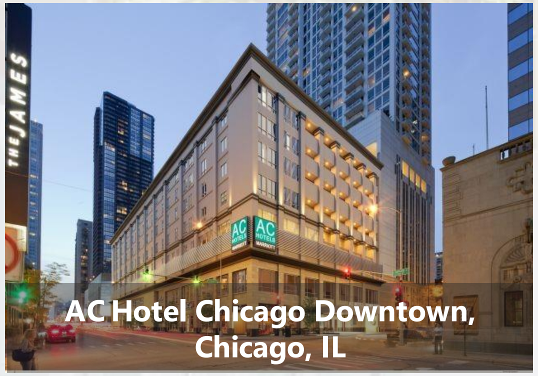
- Customers across all ages and audience types have shown strong demand for moviegoing with blockbuster films as well as small to mid-sized films
- Expect theatrical exhibition to remain an important component of studios' business model as more studios commit to a theatrical window; top 5 films of first quarter fiscal 2023 debuted with exclusive theatrical run
- Pleased by growing pace and quality of film releases

# Marcus Hotels & Resorts

# Diverse Portfolio

## 7 company majority-owned properties; manage 9 properties for other owners

Grand Geneva Resort, Lake Geneva, WI


AC Hotel Chicago Downtown, Chicago, IL

Saint Kate – The Arts Hotel, Milwaukee, WI

Lincoln Marriott Cornhusker, Lincoln, NE

Hilton Milwaukee City Center, Milwaukee, WI


The Pfister Hotel, Milwaukee, WI


Hilton Madison Monona Terrace, Madison, WI

The Pfister
Hilton Milwaukee City Center
Hilton Madison Monona Terrace
AC HOTELS MARRIOTT
Grand Geneva Resort & Spa
SAINT KATE THE ARTS HOTEL
MARRIOTT THE LINCOLN CORNHUSKER

# Portfolio Management

*The Skirvin Hilton, Oklahoma City – Disposition*

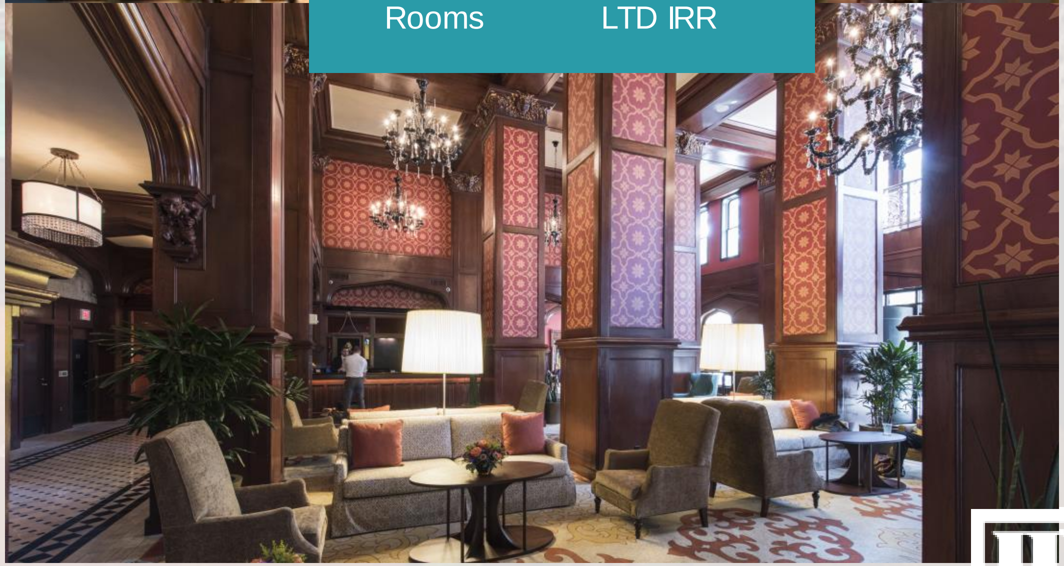
- Historic hotel located in the heart of downtown Oklahoma City
- Acquired a 60% interest through a joint venture in 2006, reopening the hotel in 2007 following an extensive historic renovation
- Capital to be redeployed in Hotels investments and growth

**$36.8M**
Sale Price[1]

**13.6x**
2019 EBITDA[2]

**19.7x**
LTM EBITDA[2]

**225** | **30%+**
Rooms | LTD IRR



(1) Sale price of $36.8 million resulted in $24.2 million of property-specific debt and $4.1 million of lease obligations retired and $6.9 million of net cash proceeds to the Company.
(2) We calculate the EBITDA multiple as the ratio of the sale price (plus avoided capital expenditures for dispositions) to the property's EBITDA. Avoided capital expenditures represent $14 million of estimated spend requirements for the property over the next two years, excluding escrow funding. The comparable GAAP metric utilizing 2019 net income is the ratio of the sale price to net income of 108x. Reconciliation of net income to EBITDA is available at the end of this presentation.

# Strategic Growth

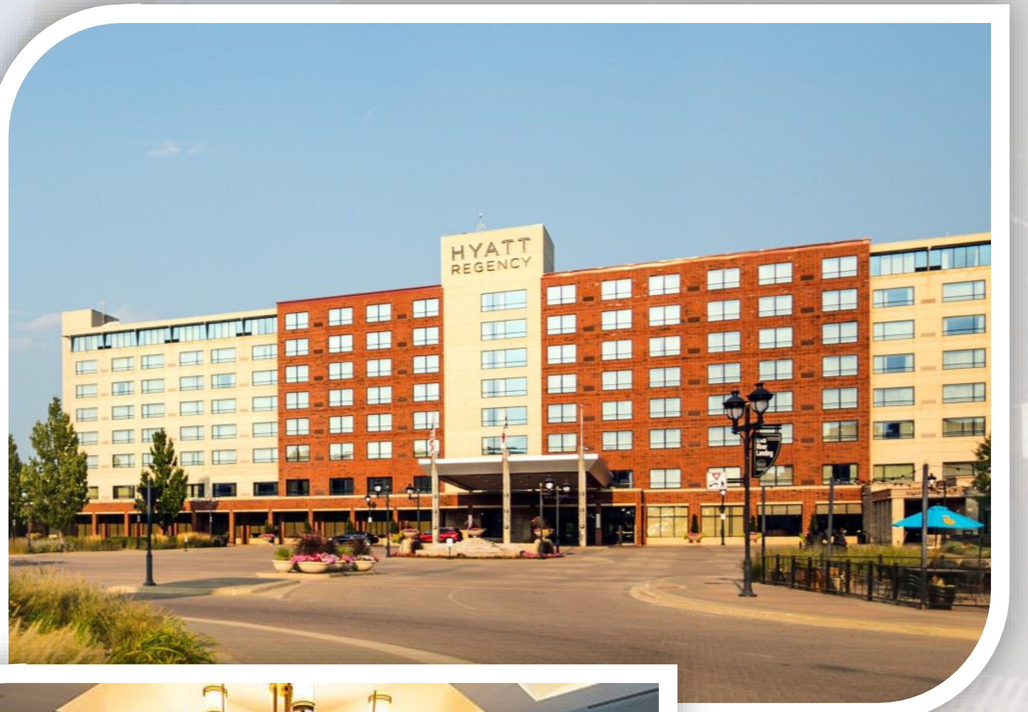
***Added New Joint-Venture Property with Management Contract***

- **Through joint venture with Searchlight Capital Partners, acquired Kimpton Hotel Monaco Pittsburgh as minority investor**
- **Assumed management of property, effective 12/16/2021**
- **Features 248 guest rooms, over 11,300 square feet of meeting and event space and a full dining experience with seasonal rooftop Biergarten**
- **Expanded company’s footprint into Pennsylvania**


# Strategic Growth

*Added New Management Contract*

- Assumed management of The Coralville Hotel & Conference Center in Coralville, Iowa, effective 8/18/2021
- Hotel has been rebranded to Hyatt Regency Coralville Hotel & Conference Center
- Features 286 guest rooms, 57,588 square feet of meeting and convention space and a full dining experience
- Property will undergo a phased renovation following the brand transition focused on the guest rooms and hotel restaurant
- Expands company's footprint into Iowa and another "Big Ten" market

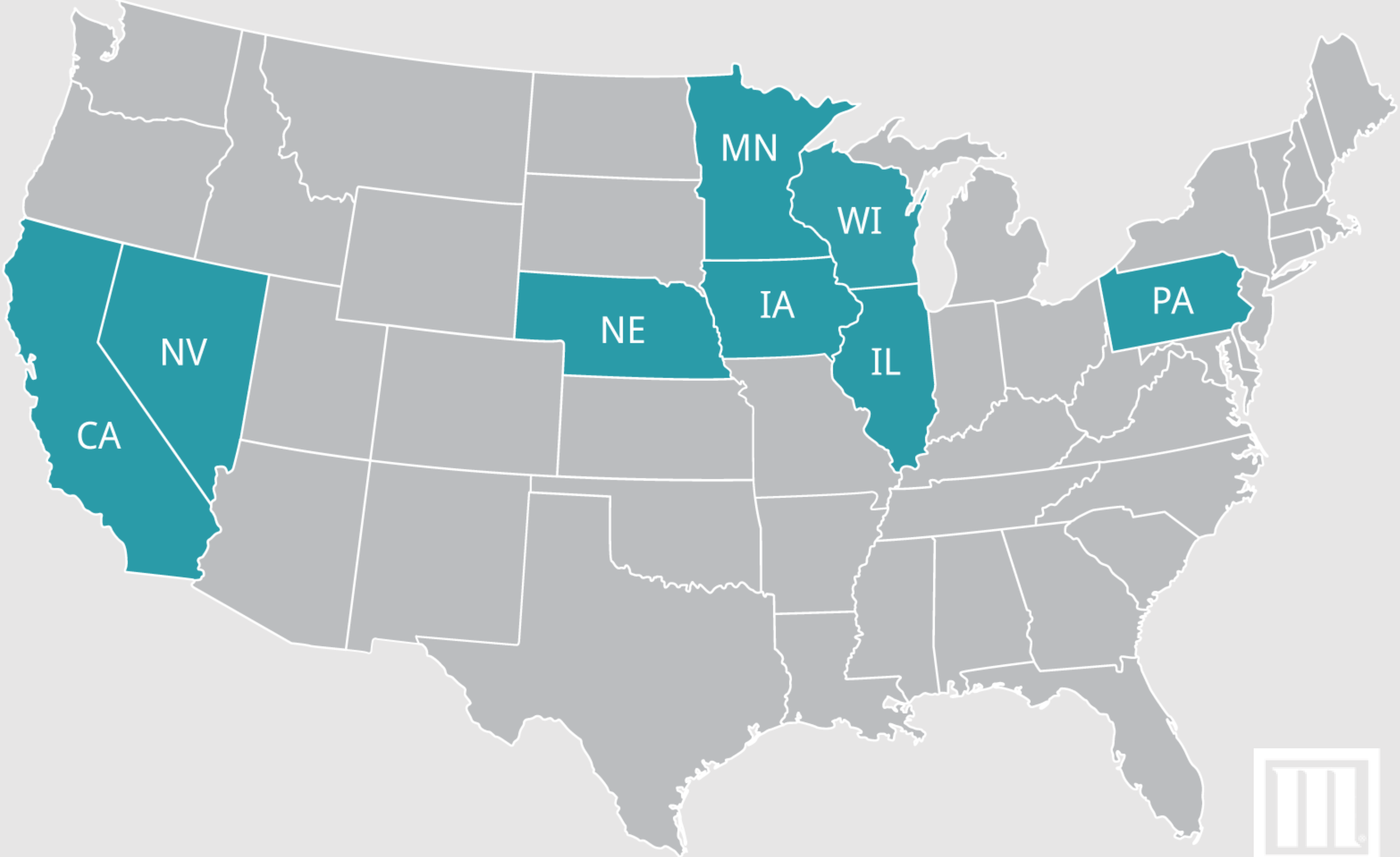



# A Growing Footprint

- Branded and independent first-class hotels
- Nearly 60 years of hotel management experience

- 4,800+ Rooms Managed
- 330,000+ Square Feet of Meeting & Event Space
- 50+ Restaurants, Bars, Lounges & Other F&B Outlets
- 17 Managed Properties
- 3 Luxurious Spas
- 2 World Class Golf Courses
- 1 Ski Hill
- 1 Airport

## Marcus Hotels Locations

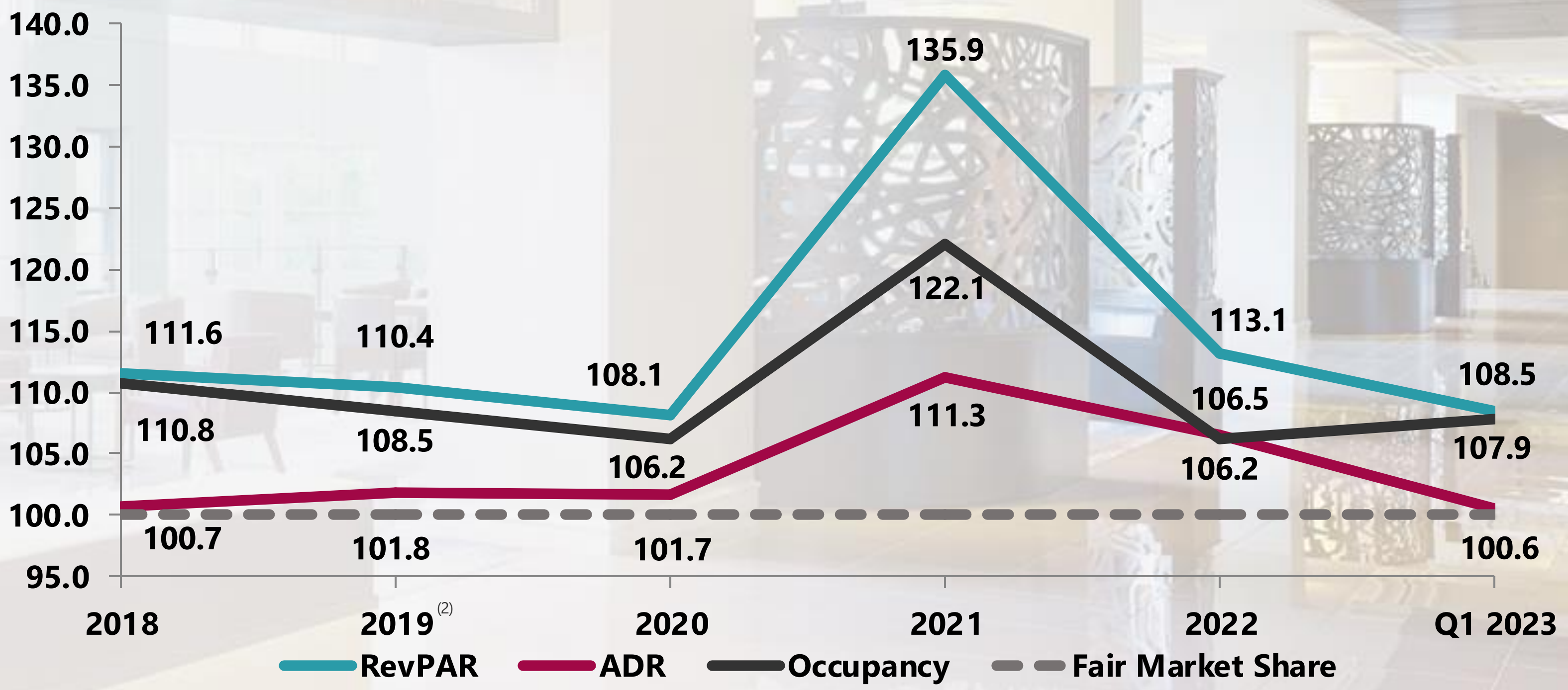


# A Leader in Our Markets and Industry

- Consistently outperforming our competitive sets
- Expertise in management, development, historic renovations, asset repositioning and F&B
- Operational excellence – consistently earn industry awards

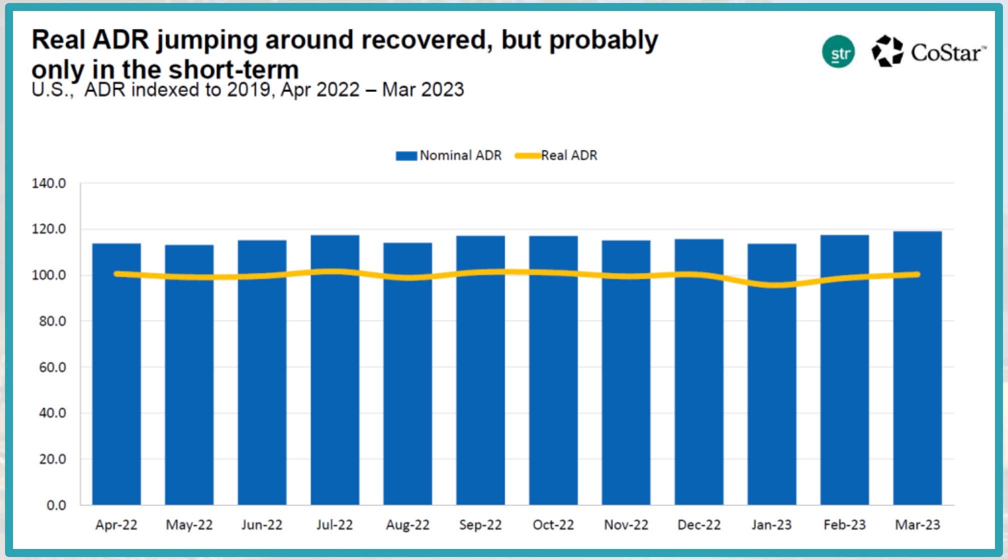
tripadvisor

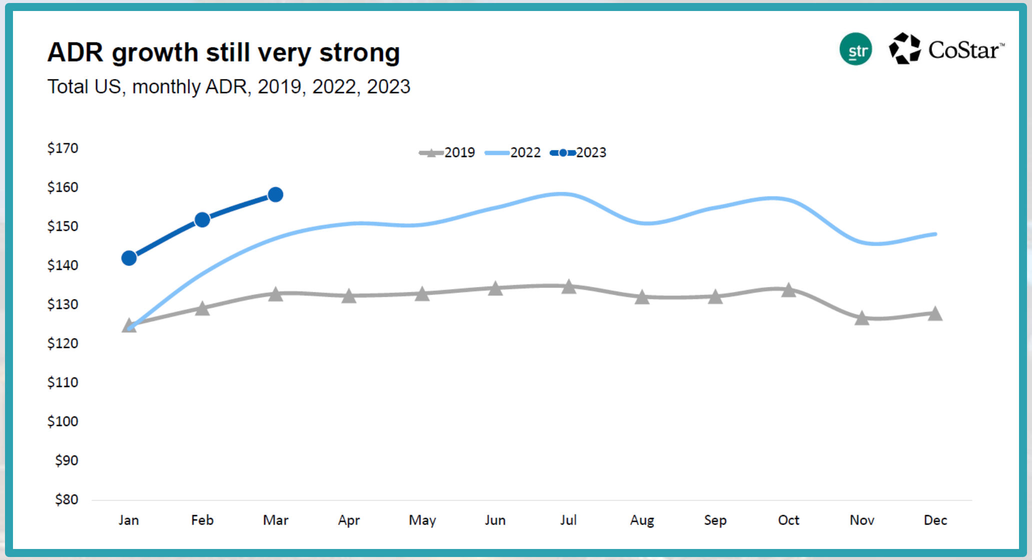
### Marcus Owned Market Share(1)

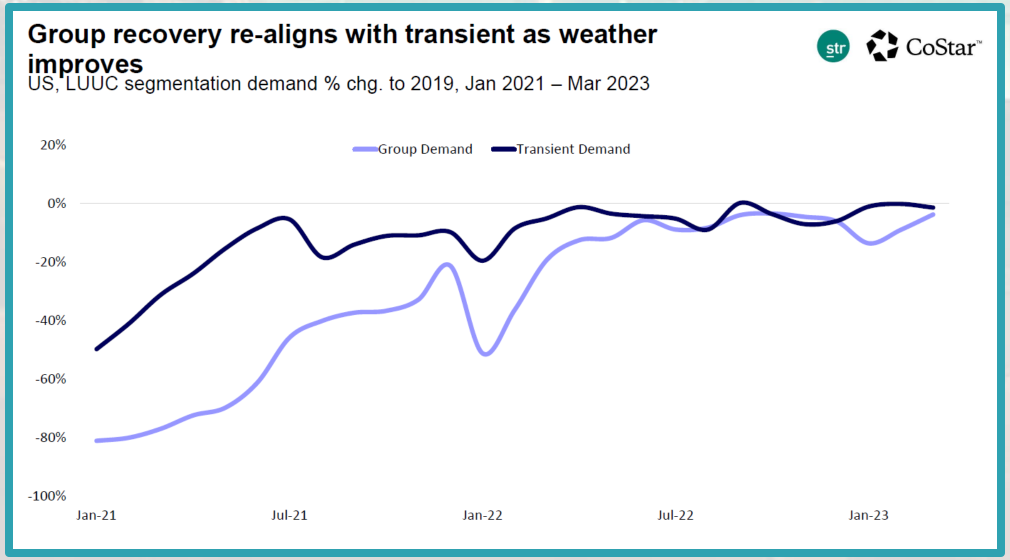


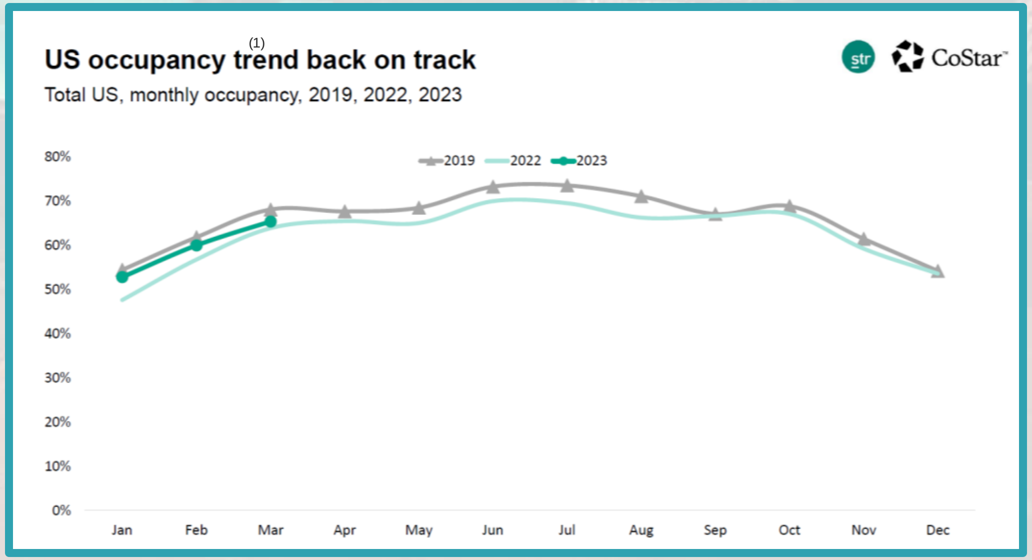

(1) Index value of 100.0 indicates fair market share. Value greater than 100.0 suggests greater than fair share of market.
(2) Excludes Saint Kate – The Arts Hotel, which was closed for five months during the year.

# Industry Performance






(1) Occupancy represents the percentage of available rooms sold during a specified time period. Occupancy is calculated by dividing the number of rooms sold by rooms available.

# Current Plans

## Operational Excellence and Financial Discipline

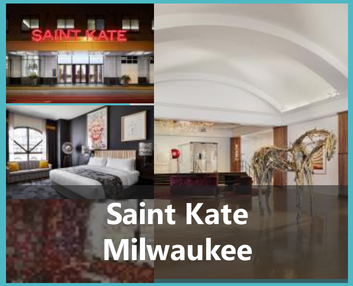
- Leverage strong leisure demand to drive ADR
- Drive group demand and grow ancillary revenues
- Leverage F&B expertise to further distinguish from competition
- Rebuild banquet and catering business to capture growing group demand
- Invest in HR and technology to improve associate work environment and adapt to labor market
- Improve customer interactions and service with technology enhancements.
- Retain financial discipline without sacrificing quality

MARCUS RESTAURANT GROUP

MARCUS Catering & EVENTS

## Portfolio Management

- Reinvest in hotels to maintain and enhance their value
- Elevate branding and investment strategy for each property
- Explore monetization opportunities for select hotels, when appropriate



Saint Kate Milwaukee


Skirvin Hilton


Grand Geneva Resort & Spa

## Strategic Growth

- Acquire hotel properties as investment fund sponsor or joint venture partner
- Acquire hotel management companies to provide additional scale to our management platform and accelerate growth
- Seek additional management contracts for other owners (may include small equity investments)

Kimpton Hotel Monaco Pittsburgh


Coralville Hotel & Conference Center

# Q1 2023 Highlights

- Historically weakest quarter given slower winter travel season
- Leisure travel continues to drive demand, contributing to increased occupancy and average daily rate
- RevPAR increased at all company-owned properties during first quarter of fiscal 2023 compared to same period of fiscal 2022
- Revenues before cost reimbursements increased during the first quarter of fiscal 2023 compared to the first quarter of fiscal 2022
- Operating income during first quarter of fiscal 2023 was negatively impacted by the sale of Skirvin Hilton in Q4 2022 and increased staffing levels

# Outlook

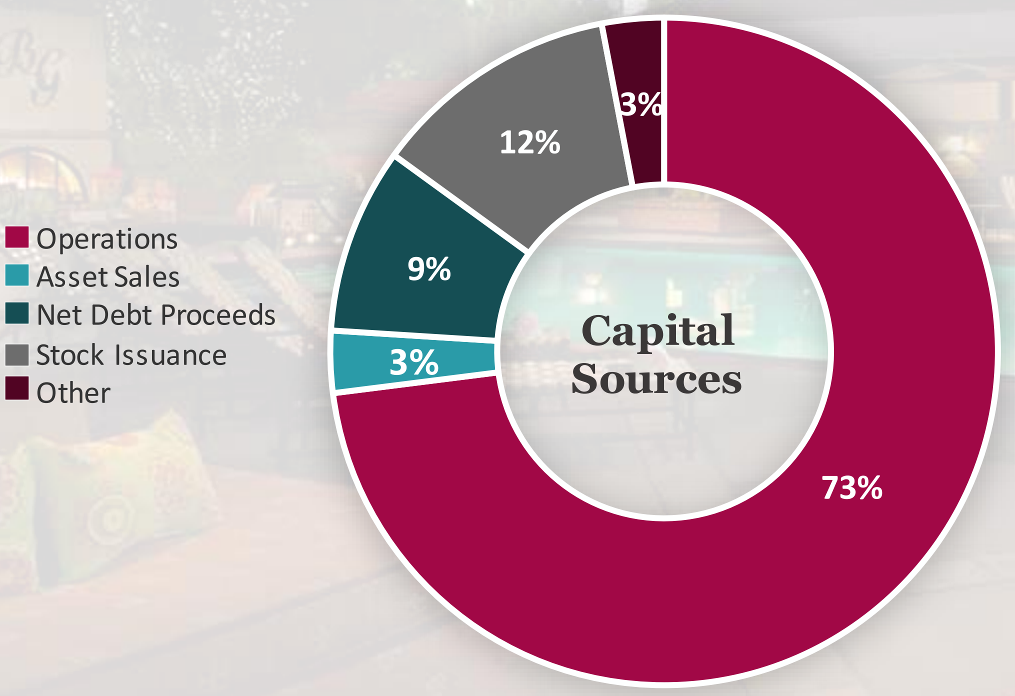
- Economic environment will impact future RevPAR trends; hotel revenues have historically tracked closely with GDP
- Increasing mix of group business is driving F&B revenues; group travel continues to grow
- Hotel supply growth will likely be limited – favorable for existing hotels
- Several hotels scheduled for reinvestment in fiscal 2023

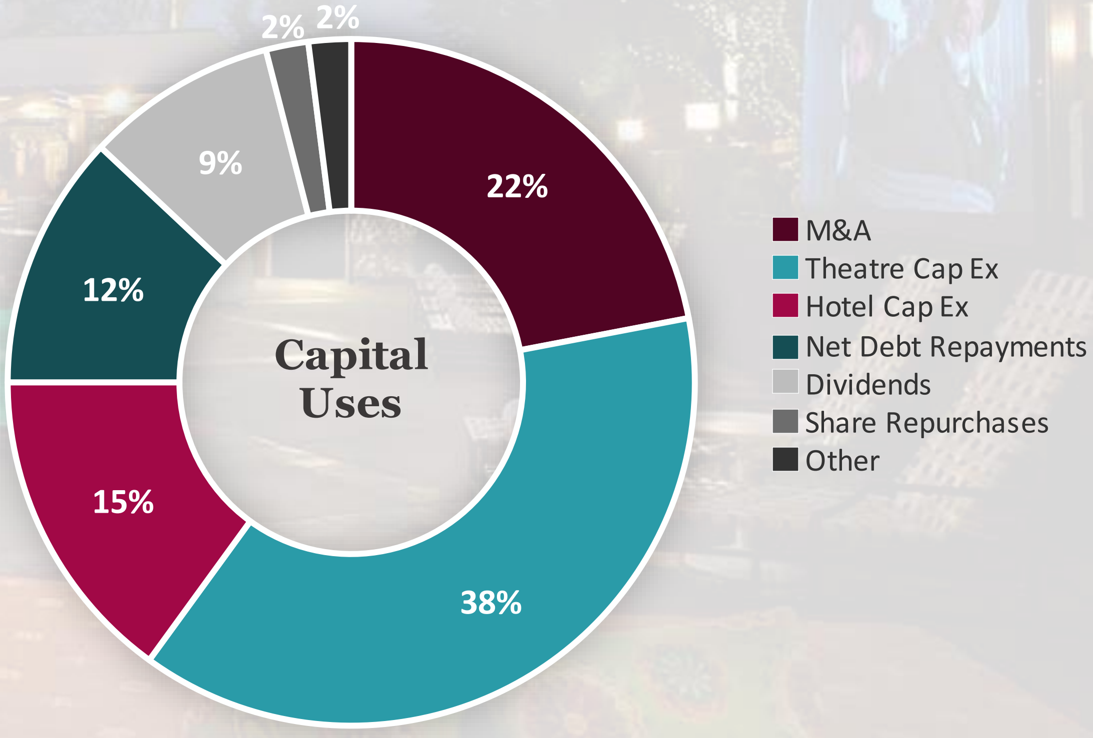
The Garland, Los Angeles, CA

# Shareholder Value Creation

# Disciplined Historical Capital Allocation Strategy

- Opportunistically allocated over $925 million in capital from June 2013 to December 2019



# Long-Term Value Maximization

### Theatre Expansion
- Acquisitions
- New Builds

### Hotel Expansion
- Joint Ventures
- Management Contracts
- Creation of a Fund

### Reinvesting in Existing Assets
- Hotel & Theatre Renovations
- New Amenities & Features
- F&B Innovations
- DreamLoungers, UltraScreen DLX, SuperScreen DLX

### Divestitures of Assets
- Sale of Selected Hotels (may retain management)
- Selected Theatre Replacement

### Operating Strategies
- Revenue Enhancements
- Cost Rationalization
- Management

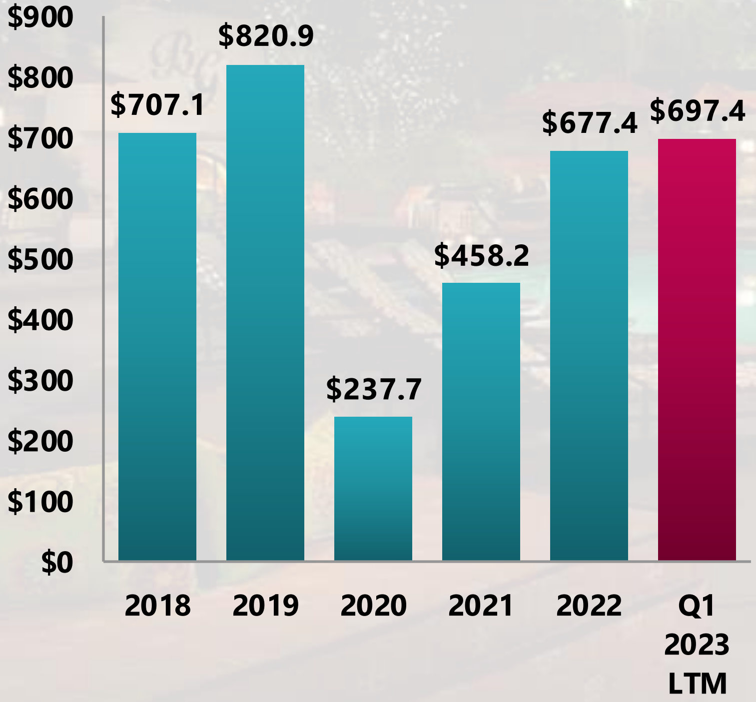
### Capital Structure Strategies
- Share Repurchases
- Dividend Policy
- Balance Sheet Management

# Focused on Long-Term Shareholder Value

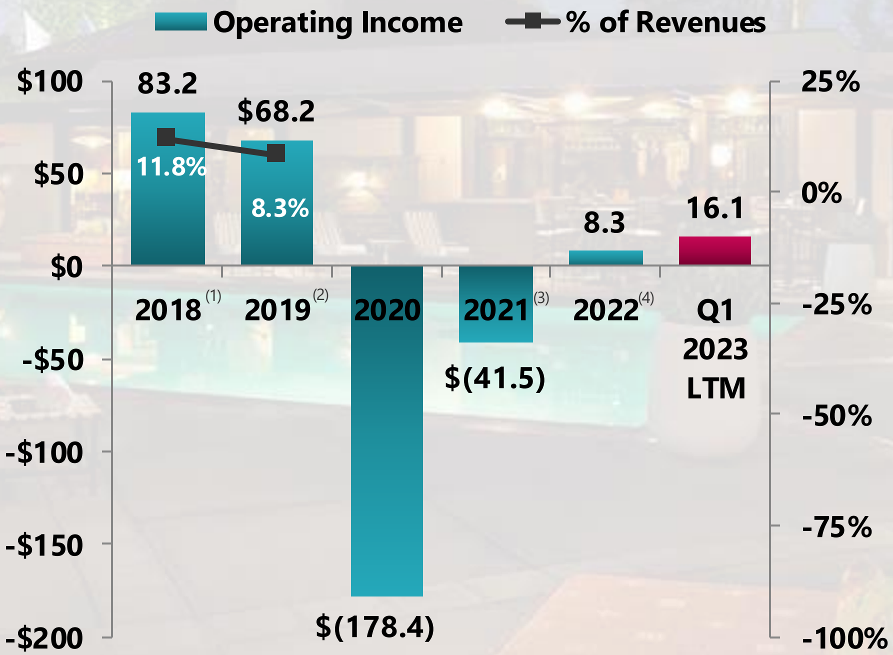
# Financial Performance

# Historical Financial Performance

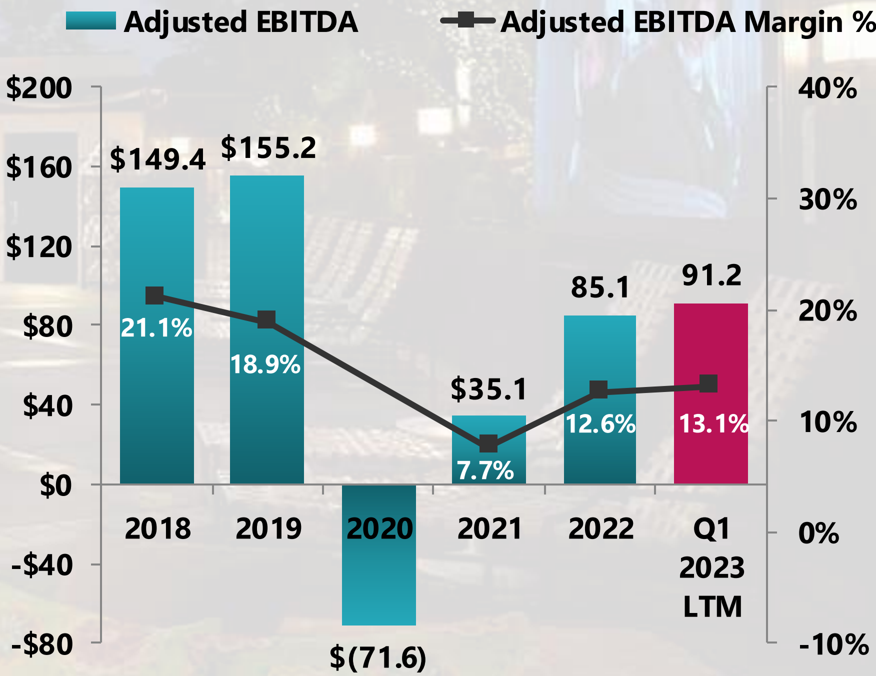
## Revenues
(in millions)




## Operating Income
(in millions)



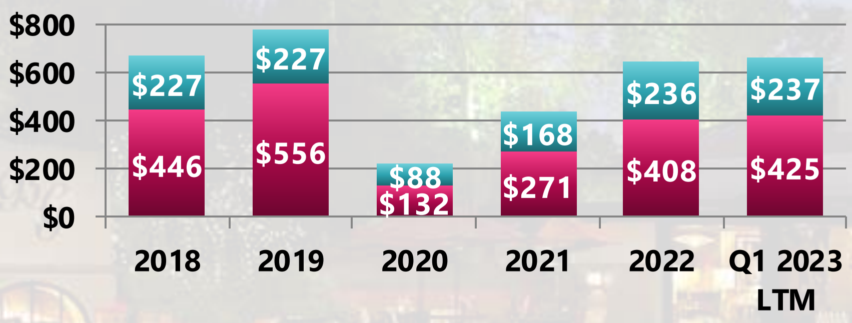

## Adjusted EBITDA[5]
(in millions)



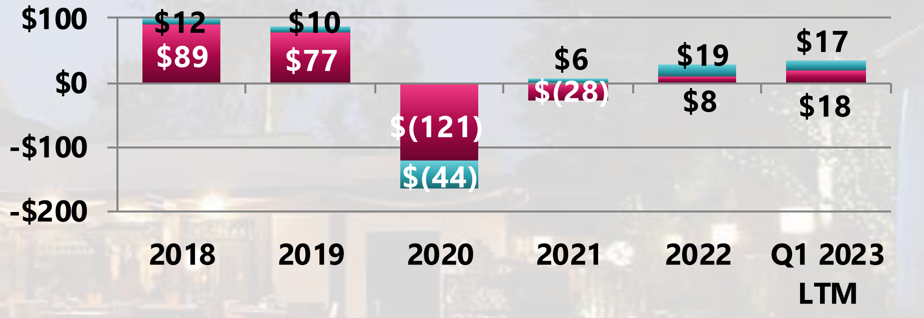

(1) Includes $2.2M of nonrecurring acquisition and preopening expenses and $3.7M of nonrecurring depreciation.
(2) Includes impairment charge of $5.8 million and $9.3M of nonrecurring acquisition, preopening and initial startup losses.
(3) Includes impairment charges of $5.8 million and net nonrecurring COVID-related favorable adjustments of $10.7 million.
(4) Includes impairment charges of $1.5 million.
(5) Non-GAAP measurement equal to operating income plus depreciation and amortization, impairment charges, non-cash share-based compensation and certain non-recurring expenses. Refer to the non-GAAP reconciliation in the appendix for further information.

# Historical Results by Segment (in millions)

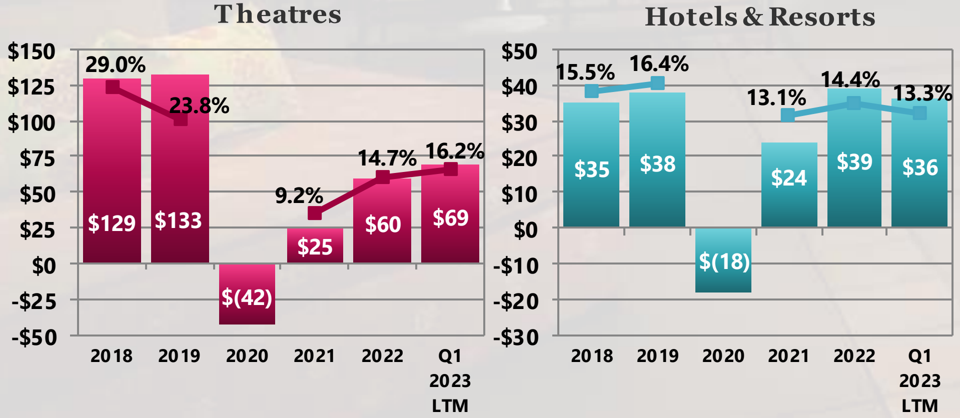
## Revenues[(1)] (in millions)



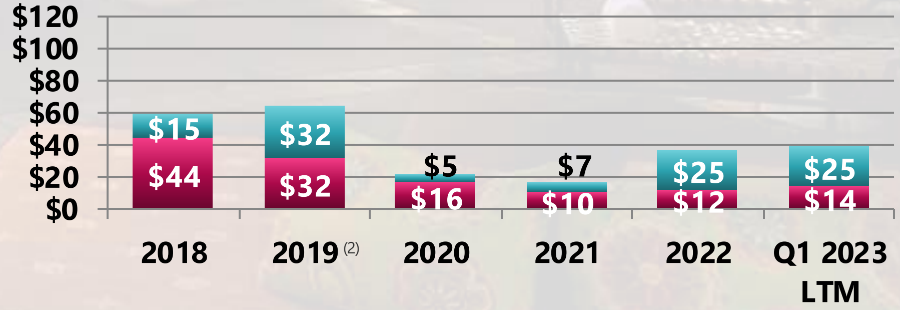

## Operating Income (Loss) (in millions)




## Adjusted EBITDA (in millions) & Adjusted EBITDA Margin




## Capital Expenditures (in millions)




Note: Above charts do not include corporate segment. Adjusted EBITDA is a non-GAAP measurement equal to operating income plus depreciation/amortization, impairment charges and nonrecurring acquisition, preopening expenses and initial startup losses. Refer to non-GAAP reconciliation in the appendix for further information.

(1) Excludes cost reimbursements
(2) Excludes Movie Tavern acquisitions.

The Marcus Corporation

# APPENDIX




# First Quarter 2023 Financial Highlights

**First Quarter 2023 Financial Highlights**
(In thousands, except per share data)

| | 13 Weeks Ended | |
|---|---|---|
| | **March 30, 2023** | **March 31, 2022** |
| Total revenues | **$ 152,276** | $ 132,242 |
| Operating loss | **(8,988)** | (16,797) |
| Net loss | **(9,466)** | (14,902) |
| Net loss per share | **(0.31)** | (0.48) |
| Adjusted EBITDA[(1)] | **9,458** | 3,351 |

(1) Adjusted EBITDA reflects adjustments made by the company to eliminate the impact of noncash impairment charges during fiscal 2022 and fiscal 2021 and the favorable impact of government grants and federal tax credits received during fiscal 2021 for COVID-19 relief.

# Non-GAAP Reconciliation

**Reconciliation of Net earnings (loss) to Adjusted EBITDA**
**(Unaudited)**
(In thousands)

| | 13 Weeks Ended | |
|---|---|---|
| | **March 31, 2023** | **March 31, 2022** |
| Net loss attributable to The Marcus Corporation | $ (9,466) | $ (14,902) |
| Add (deduct): | | |
| Investment (income) loss | (260) | 268 |
| Interest expense | 3,008 | 4,092 |
| Other expense (income) | 401 | 577 |
| (Gain) loss on disposition of property, equipment and other assets | 398 | (424) |
| Equity losses from unconsolidated joint ventures | 171 | 141 |
| Income tax benefit | (2,842) | (6,549) |
| Depreciation and amortization | 15,876 | 17,231 |
| Share-based compensation expenses (a) | 2,172 | 2,917 |
| Adjusted EBITDA | $ 9,458 | $ 3,351 |



a) Non-cash charges related to share-based compensation programs.

# Non-GAAP Reconciliation

**Reconciliation of Operating income (loss) to Adjusted EBITDA by Reportable Segment**
**(Unaudited)**
(In thousands)

| | 13 Weeks Ended March 30, 2023 | | | |
|---|---|---|---|---|
| | **Theatres** | **Hotels & Resorts** | **Corp. Items** | **Total** |
| Operating income (loss) | $ 1,519 | $ (5,032) | $ (5,475) | $ (8,988) |
| Depreciation and amortization | 11,488 | 4,301 | 87 | 15,876 |
| Loss (gain) on disposition of property, equipment and other assets | 323 | 75 | - | 398 |
| Share-based compensation expenses (a) | 473 | 246 | 1,453 | 2,172 |
| Adjusted EBITDA | $ 13,803 | $ (410) | $ (3,935) | $ 9,458 |

| | 13 Weeks Ended March 31, 2022 | | | |
|---|---|---|---|---|
| | **Theatres** | **Hotels & Resorts** | **Corp. Items** | **Total** |
| Operating loss | $ 8,020 | $ (2,974) | $ (5,803) | $ 16,797 |
| Depreciation and amortization | 12,191 | 4,950 | 90 | 17,231 |
| Share-based compensation expenses (a) | 608 | 408 | 1,901 | 2,917 |
| Adjusted EBITDA | $ 4,779 | $ 2,384 | $ (3,812) | $ 3,351 |



a) Non-cash charges related to share-based compensation programs.

# Non-GAAP Reconciliation

**Reconciliation of Hotel net earnings to Hotel EBITDA - Skirvin Hilton (unaudited)**

(in thousands)

| | |
|---|---|
| Sale price | $ 36,750 |
| Avoided capital expenditures | 14,000 |
| | $ 50,750 |

| | FY2019 | LTM Nov. 2022 |
|---|---|---|
| Hotel net income (loss) | $ 470 | $ (78) |
| Add (deduct): | | |
| Interest expense | 1,063 | 1,041 |
| Income tax expense[(a)] | - | - |
| Depreciation | 1,811 | 1,673 |
| Loss on disposition of property, equipment and other assets | 10 | - |
| Ground lease rent[(b)] | 385 | (56) |
| Hotel EBITDA | $ 3,739 | $ 2,580 |
| EBITDA Multiple[(c)] | 13.6 | 19.7 |
| Net Income Multiple[(c)] | 108.1 | n/m |

a) Income tax expense is not allocated to individual properties.
b) Ground lease rent expense is excluded from Hotel EBITDA as the purchase price of the hotel reflected conveying a fee-simple interest in the hotel and land.
c) We calculate the EBITDA multiple as the ratio of the sale price (plus avoided capital expenditures for dispositions) to the property's EBITDA. We calculate the Net Income multiple as the ratio of the sale price (plus avoided capital expenditures for dispositions) to the property's GAAP net income.

# The Marcus Corporation

INVESTOR PRESENTATION

**MAY 2023**