The Marcus Corporation

INVESTOR PRESENTATION| **MARCH 2022**



GRATEFUL | DETERMINED | RESILIENT

# 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 of the COVID-19 pandemic 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 duration of the COVID-19 pandemic and related government restrictions and the level of customer demand following the relaxation of such requirements; (3) the availability, in terms of both quantity and audience appeal, of certain motion pictures for our theatre division (particularly following the COVID-19 pandemic, during which the release dates for motion pictures have been postponed), as well as other 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, including but not limited to, those caused by the COVID-19 pandemic; (5) the effects of adverse economic conditions, including but not limited to, those caused by the COVID-19 pandemic, 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 COVID-19 pandemic and 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 (such as the COVID-19 pandemic); 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, including developments related to the COVID-19 pandemic, 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, including assumptions about our ability to manage difficulties associated with or related to the COVID-19 pandemic; the assumption that our theatre closures, hotel closures and restaurant closures are not expected to be permanent or to re-occur; the continued availability of our workforce; and the temporary and long-term effects of the COVID-19 pandemic on our business. 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 reconciliations 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.

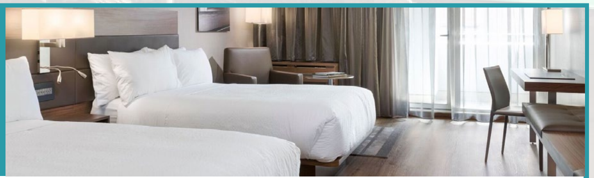
# A Leader in Lodging and Entertainment

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

**MARCUS THEATRES**

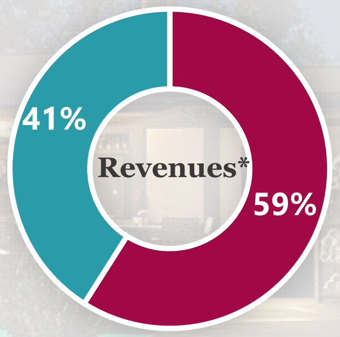
- Fourth largest U.S. exhibitor
- 1,064 screens at 85 locations in 17 states

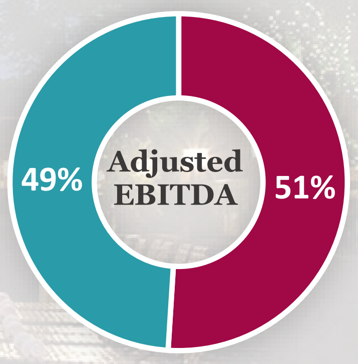
**MARCUS HOTELS & RESORTS**



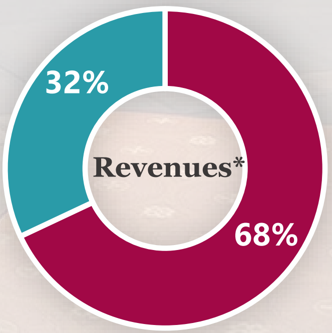
- Portfolio of 17 distinctive properties
- Manage ~5,100 rooms in nine states

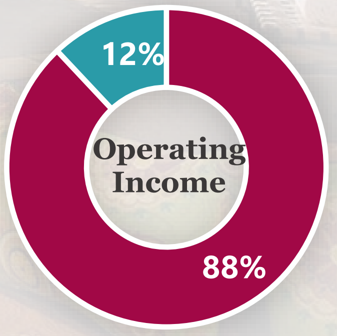
## Fiscal 2021 by Division

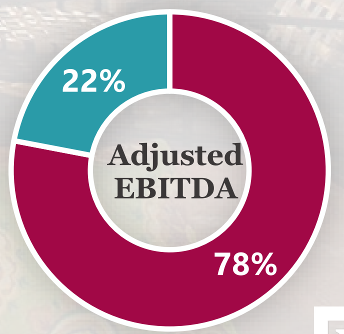



## Fiscal 2019 by Division(1) – Pre-Pandemic




(1) As of December 26, 2019

* Revenues exclude Corporate of 0.1%

# Company Overview

| FY 2019 Revenues: | FY 2021 Revenues: |
|---|---|
| **$820.9M** | **$458.2M** |
| FY 2019 Adjusted EBITDA: **$155.2M**(1) | FY 2021 Adjusted EBITDA: **$35.1M**(1) |
| FY 2019 Adj. EBITDA Margin: **18.9%**(1) | FY 2021 Adj. EBITDA Margin: **7.7%**(1) |
| Market Cap: **~$571.2M** (as of 2/28/2022) | 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

**Douglas A. Neis**
Executive Vice President and Chief Financial Officer
Joined February 1986

**Rolando B. Rodriguez**
Executive Vice President, The Marcus Corporation and Chairman, President and CEO, Marcus Theatres Corporation
Joined August 2013
~40 years industry experience

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

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

**Steve Martin**
Chief Human Resources Officer
Joined in April 2000

# Two Consecutive Quarters of Net Earnings and Positive Full-Year Adjusted EBITDA

Operating income of $14.0 million in Q4 2021

Net income of $6.4 million in Q4 2021;

Adjusted EBITDA of $29.3 million in Q4 2021 and $53.8 million in second half of fiscal 2021; Adjusted EBITDA of $35.1 million for fiscal 2021

## Marcus Theatres

- Reported positive net earnings in Q4 2021; first time since the pandemic
- Positive Adjusted EBITDA in fiscal 2021; driven by $28.5 million in Adjusted EBITDA in Q4 2021

## Marcus Hotels & Resorts

- Returned to profitability during fiscal 2021
- Reported positive Adjusted EBITDA of $24.4 million in fiscal 2021

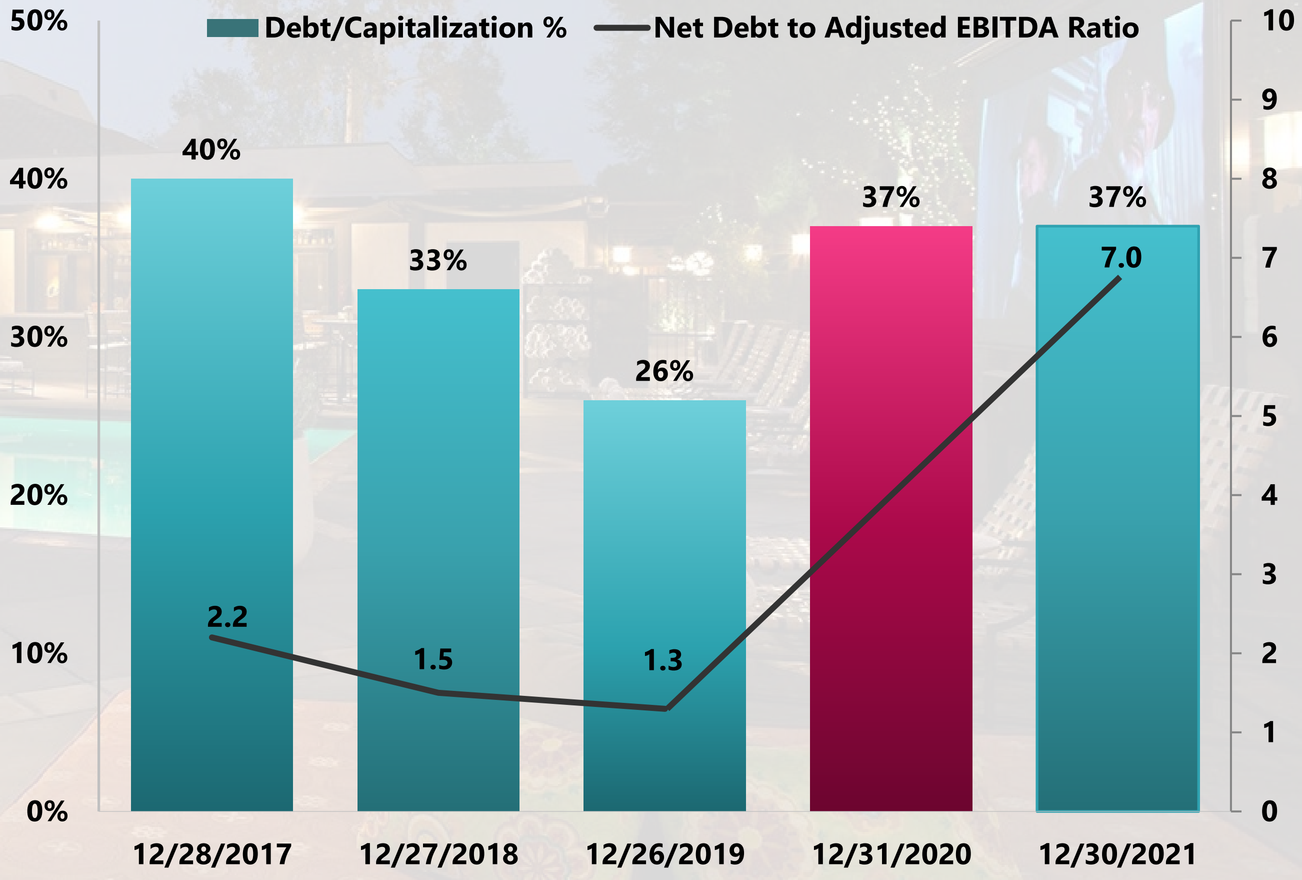
# 85-Year History of Prudent Balance Sheet and Liquidity Management

- 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

# Entered Pandemic from Position of Strength

- Historically strong and consistent cash flow
- Approx. $239.1 million in cash and revolving credit availability (as of 12/30/2021)
- Received income tax refund of approximately $22 million in first quarter of fiscal 2022
- Amended Credit Agreement, extended term loan and added convertible senior notes to capital structure in Sept. 2020 *(see appendix for details)*
- Amended Credit Agreement on 7/13/2021 and made an early payment on term loan facility, reducing the balance of the facility to $50 million and extending the term loan facility's maturity date to Sept. 2022
- Continue to be positioned to meet obligations as they come due and invest in future growth strategies as appropriate

## Debt Ratios

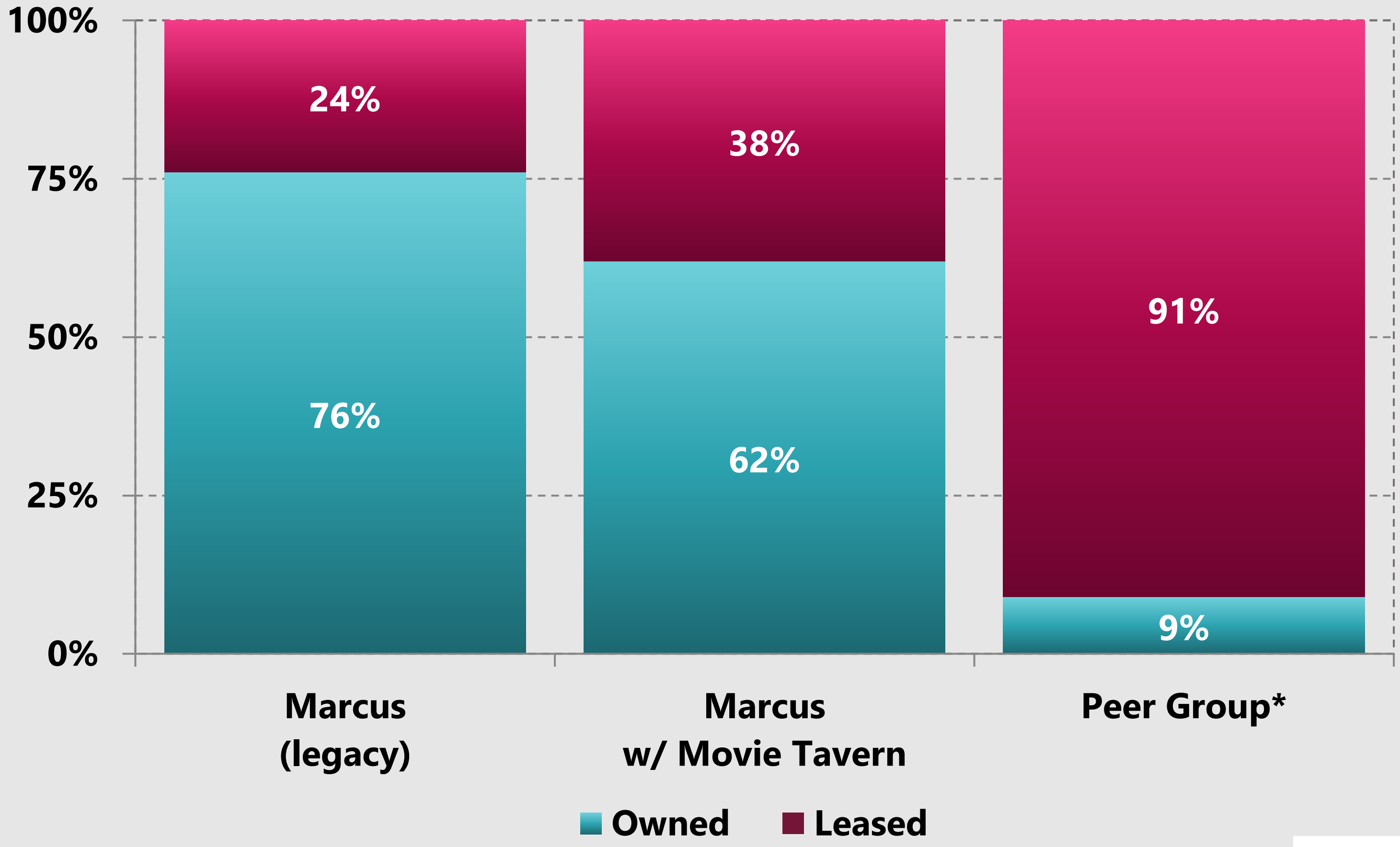



Note: Adjusted EBITDA is a non-GAAP measurement equal to operating income plus depreciation/amortization, impairment charges and certain nonrecurring expenses. Net debt is a non-GAAP measurement equal to short-term borrowings plus long-term debt net of debt issuance costs, minus cash and cash equivalents.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

# 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
    - Possibility of $10-20 million of additional sales of surplus and non-core real estate during next 12 months




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

Note: Marcus percentages based upon number of screens as of 12/30/2021

# Marcus Theatres

# Leading U.S. Theatre Exhibitor

**Fourth largest** U.S. exhibitor

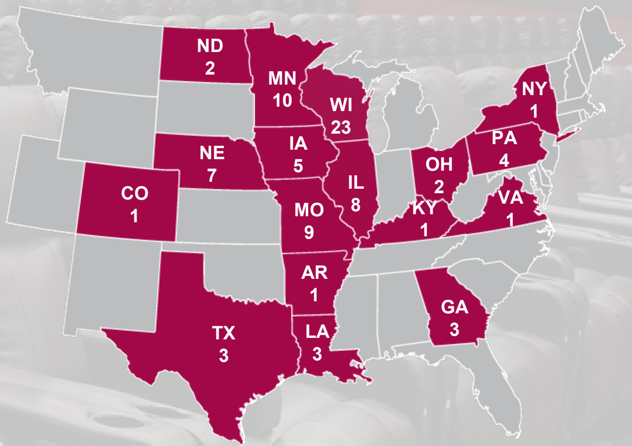
**1,064** screens at **85** locations in **17** states(1)

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

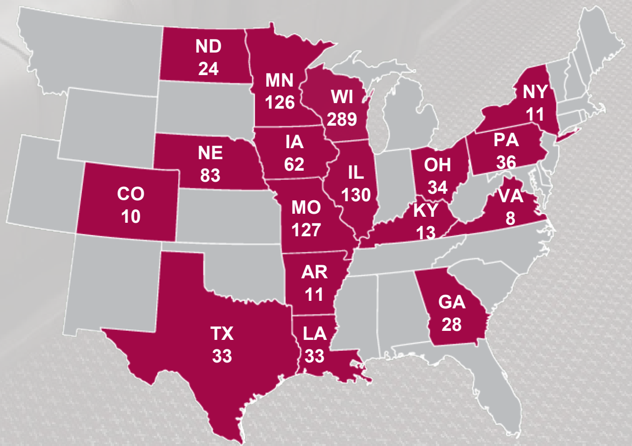
Acquisition of Movie Tavern on February 1, 2019 added **208 screens** in **9 states** in the South/East

**Increased screen count by 23%**

## Marcus Theatres by Location(1)



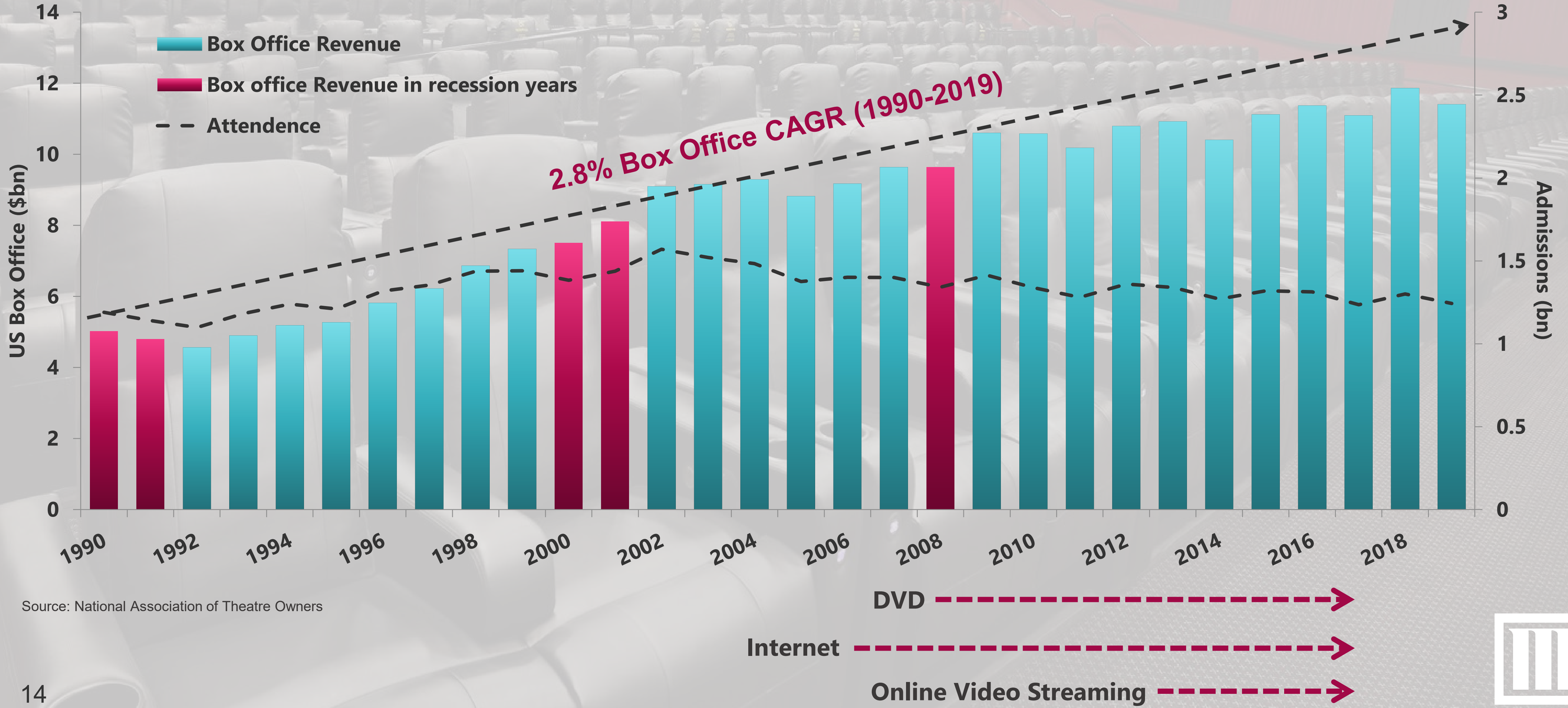

## Marcus Theatres by Screen(1)





(1) As of December 23, 2021

# Domestic Attendance & Box Office (Pre-Pandemic)

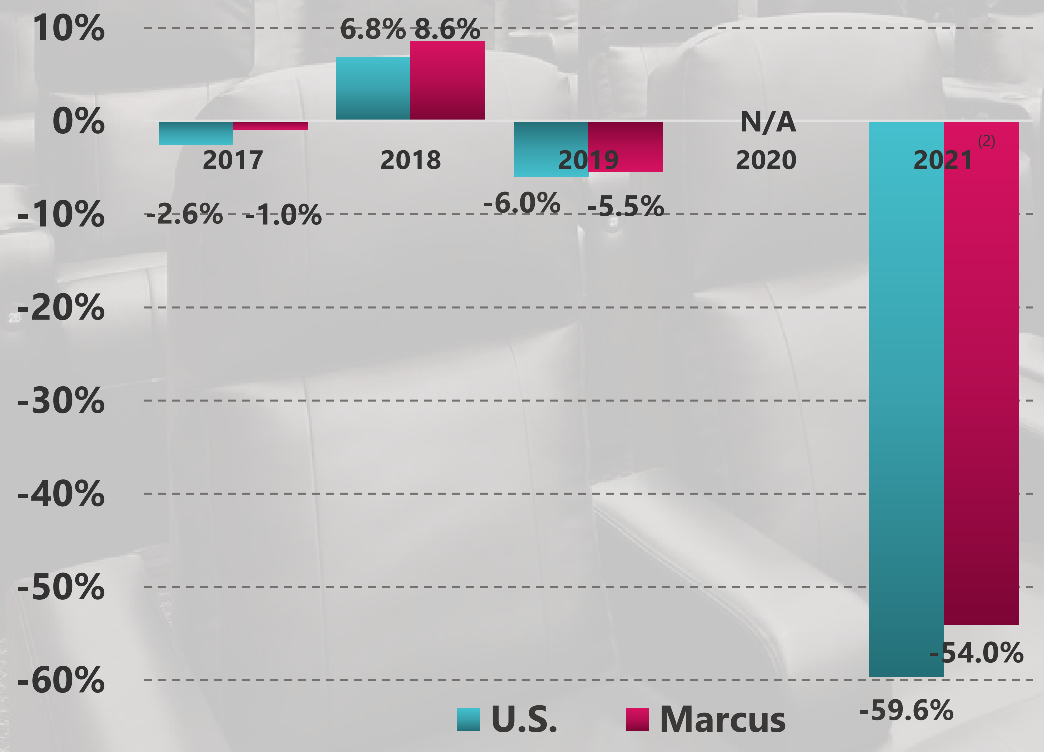



Source: National Association of Theatre Owners

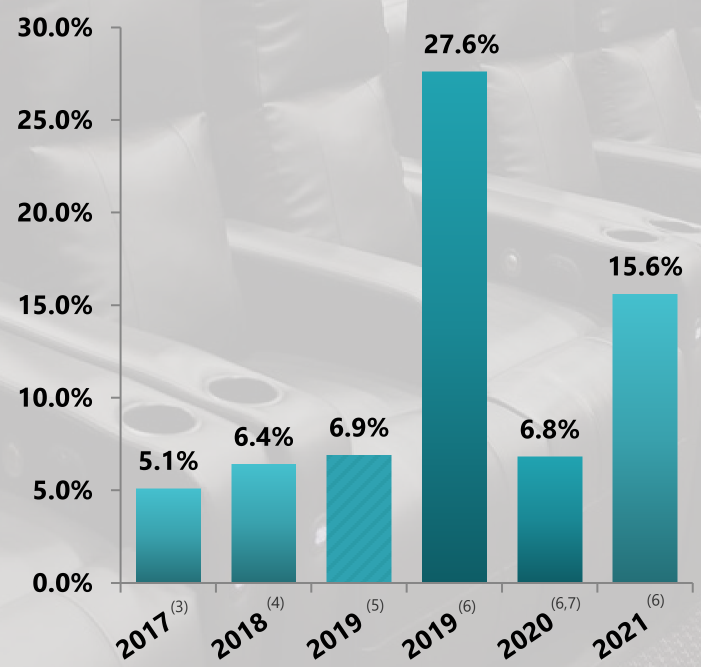
# Long History of Growth and Outperformance

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

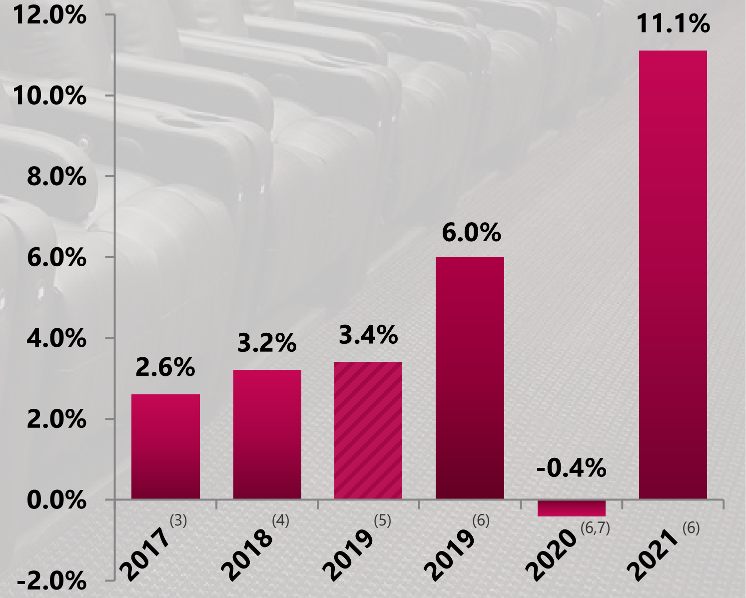
## Box Office Results[1]




## Concessions Revenue per person YoY Growth




## Ticket Revenue per person YoY Growth




(1) Represents change in admission revenues compared to prior year. Source for U.S. numbers: Comscore. Comparisons data for U.S. market was not available for 2020.
(2) Results compared to 2019.
(3) Excludes Marcus Wehrenberg Theatres.
(4) Includes Marcus Wehrenberg Theatres.
(5) Excludes Movie Tavern theatres.
(6) Includes Movie Tavern theatres.
(7) All theatres were closed during most of Q2 and Q3.

# Created Industry-Leading Theatre Guest Experience

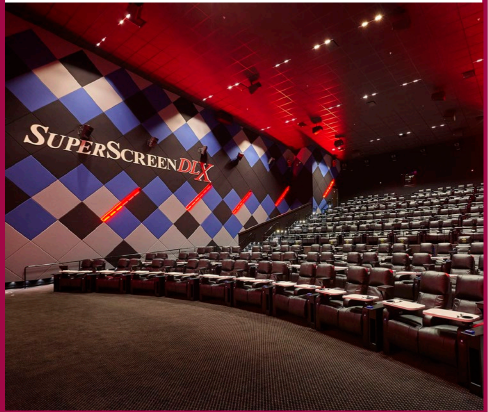
Invested ~$580 Million in New and Existing Assets Since June 2013

## 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
- 120 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 December 30, 2021 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


MOVIE TUESDAYS $5

SUPERSCREEN DLX

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

- Test 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

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

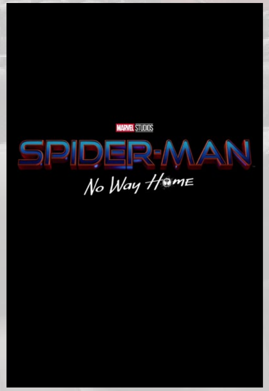
MARCUS THEATRES

WEHRENBERG THEATRES

MOVIE TAVERN by MARCUS

# 2021 Film Slate Ended Very Strong

- Highest grossing films for fiscal 2021 were: "Spider-Man: No Way Home," "Black Widow," "Venom: Let There Be Carnage," "Shang-Chi and the Ten Rings" and "F9: The Fast Saga"
- "Spider-Man: No Way Home" secured the most advance ticket sales since "Avengers: End Game" in 2019 and became the third highest grossing movie ever at the domestic box office beating Avatar
- Limited film product in Q1 2022 due to Omicron variant, but expected to end strong with The Batman

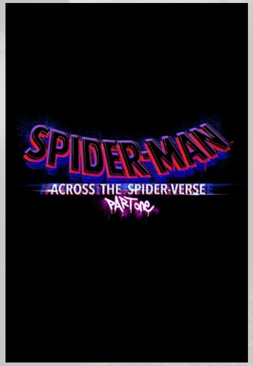


# Remaining 2022 Film Slate Appears Strong*

| Q2 2022 Films | |
|---|---|
| Morbius | Downton Abbey: A New Era |
| Sonic the Hedgehog 2 | DC Super Pets |
| Ambulance | Top Gun: Maverick |
| Fantastic Beasts: The Secrets of Dumbledore | Jurassic World: Dominion |
| Doctor Strange In The Multiverse Of Madness | Lightyear |

| Q3 2022 Films |
|---|
| Minions: The Rise of Gru |
| Thor: Love and Thunder |
| Bullet Train |
| Where the Crawdads Sing |
| Black Adam |
| Puss in Boots: The Last Wish |

| Q4 2022 Films |
|---|
| Spider-Man Across the Spider-Verse |
| Halloween Ends |
| The Flash |
| Black Panther: Wakanda Forever |
| Creed III |
| Avatar 2 |
| Aquaman 2 |
| Mario |

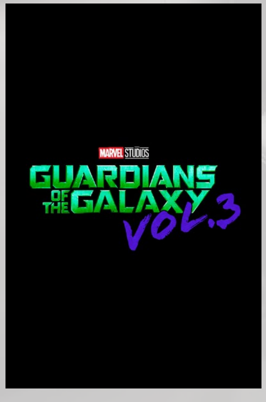


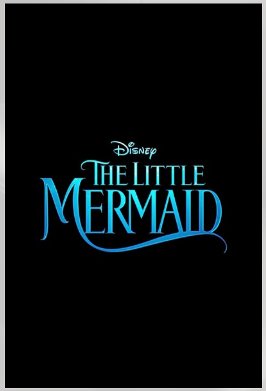


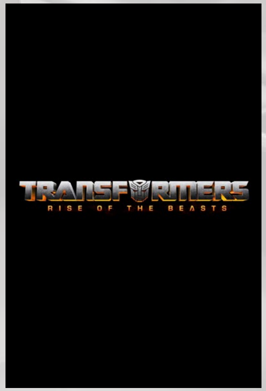

* Film slate subject to change

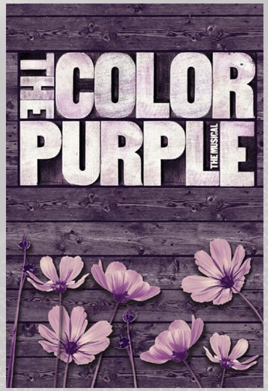
# Encouraging 2023 Film Slate*

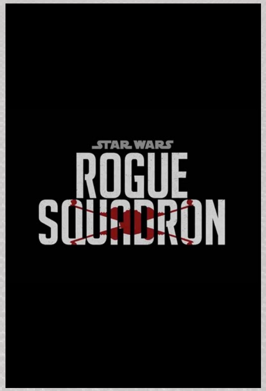
| 2023 Films | | | |
|---|---|---|---|
| The Marvels | The Little Mermaid | Untitled Indiana Jones | Trolls 3 |
| Wonka | Shazam! 2 | Mission: Impossible 7 | The Color Purple |
| John Wick: Chapter 4 | Transformers: Rise of the Beasts | Ant-Man and the Wasp: Quantumania | Rogue Squadron |
| Guardians of the Galaxy Vol. 3 | Untitled Pixar Animation | Untitled A Quiet Place | Untitled Star Trek |
| Tenth Chapter in Fast & Furious Saga | Untitled Sony/Marvel Universe | Dune: Part Two | Legally Blonde 3 |












* Film slate subject to change

# Outlook

- Declining Covid cases, easing of government restrictions has contributed to improved consumer confidence
- Film slate for 2022 is expected to be strong
- Expect distributing films in a movie theatre to remain an important component of studios' business model
- Pent-up demand and vaccination rates bodes well for continued long-term recovery

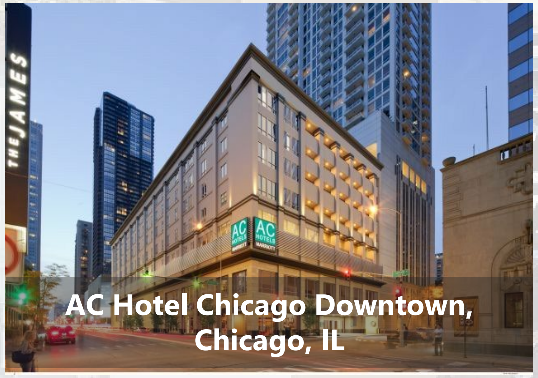
# Marcus Hotels & Resorts

# Diverse Portfolio

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


Grand Geneva Resort,
Lake Geneva, WI


Skirvin Hilton,
Oklahoma City, OK



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
The Skirvin Hilton Oklahoma City
AC HOTELS MARRIOTT
Grand Geneva Resort & Spa
SAINT THE ARTS HOTEL KATE
MARRIOTT THE LINCOLN CORNHUSKER

# 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
- Expands company's footprint into Pennsylvania


# 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 a third "Big Ten" market

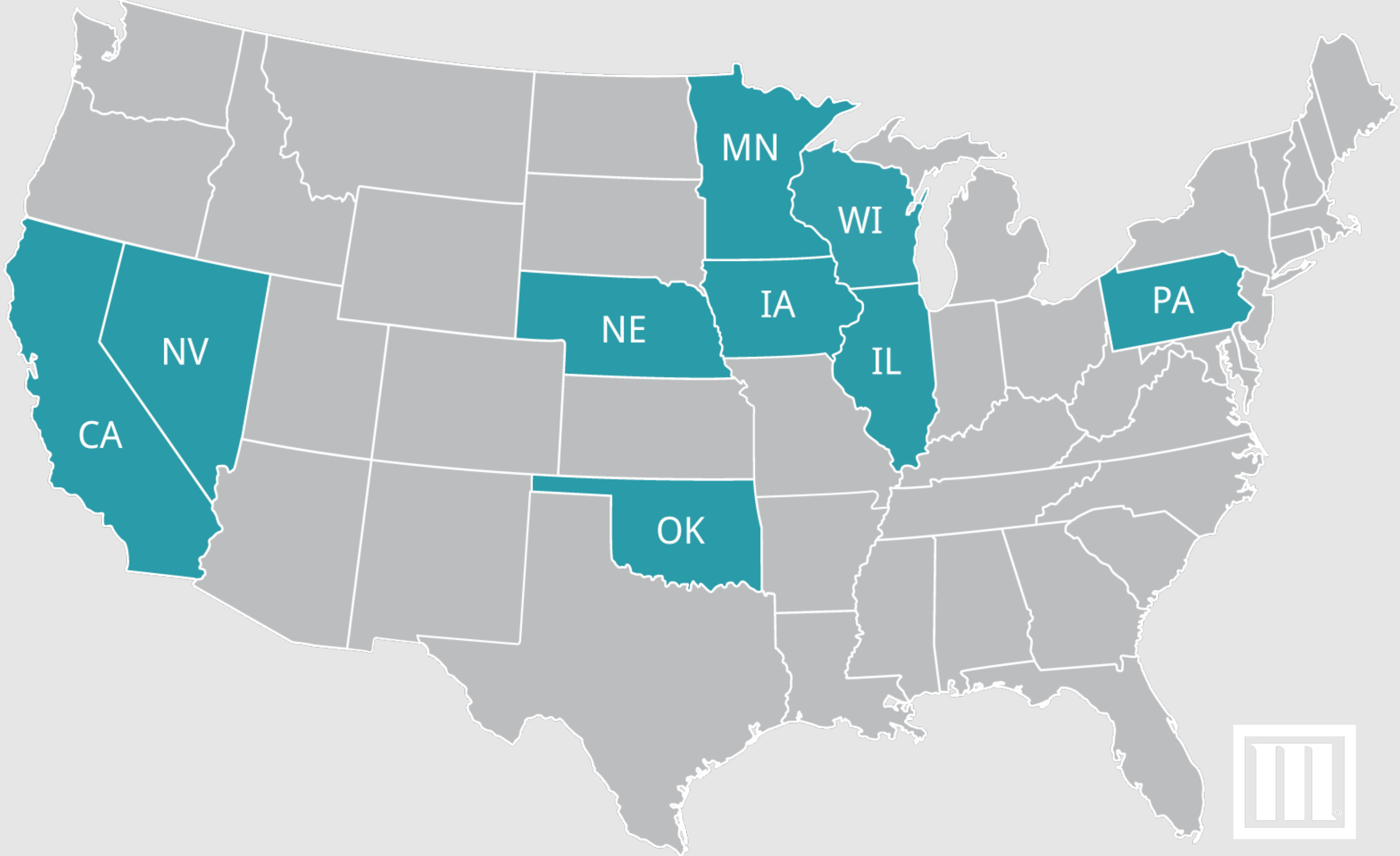
The Coralville Hotel & Conference Center, Coralville, IA

# A Formidable Footprint

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

- 5,100 Rooms Managed
- 200+ Meeting & Event Rooms
- 40+ Restaurants & Lounges
- 19 Managed Properties
- 3 Luxurious Spas
- 2 World Class Golf Courses
- 1 Ski Hill
- 1 Airport
- 1 Escape Room Experience

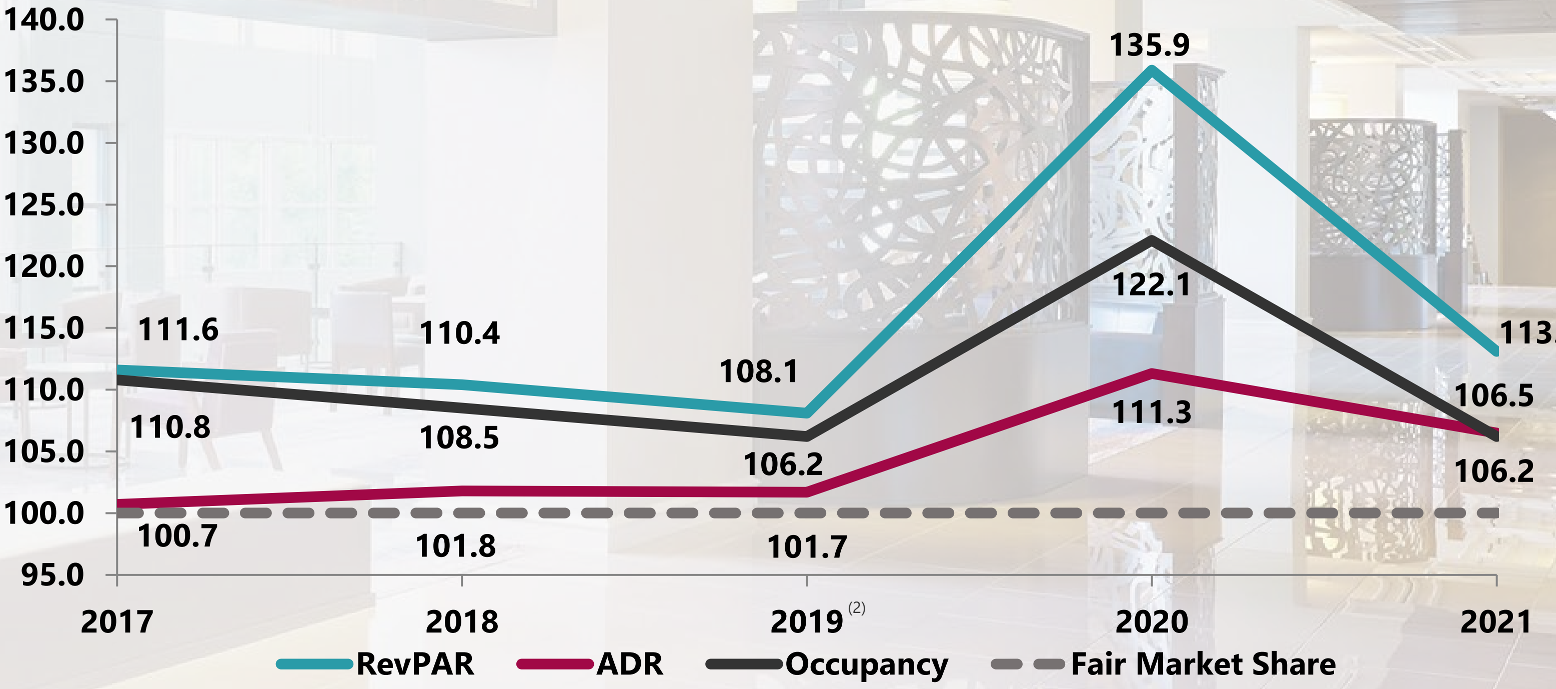
## Marcus Hotels Locations



# 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

## Marcus Owned Market Share[1]

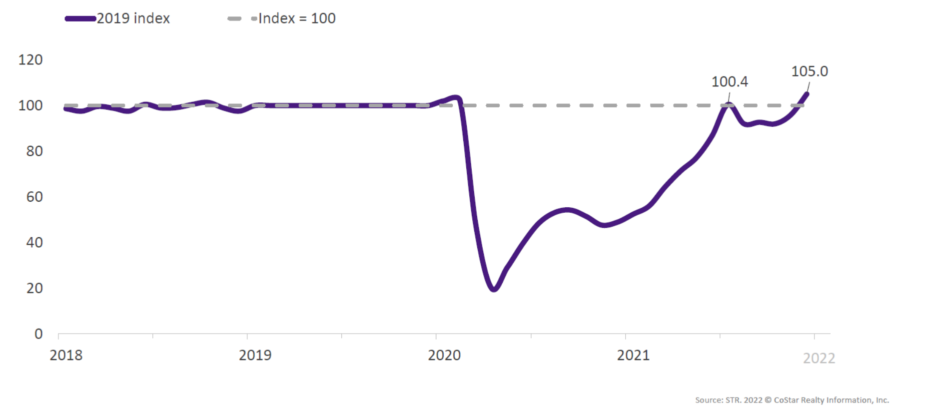



(1) Index value of 100.0 indicates fair market share. Value greater than 100.0 suggests greater than fair share of market.
(2) Excludes Saint Kate – The Arts Hotel, which was closed for five months during the year.

# Industry Performance

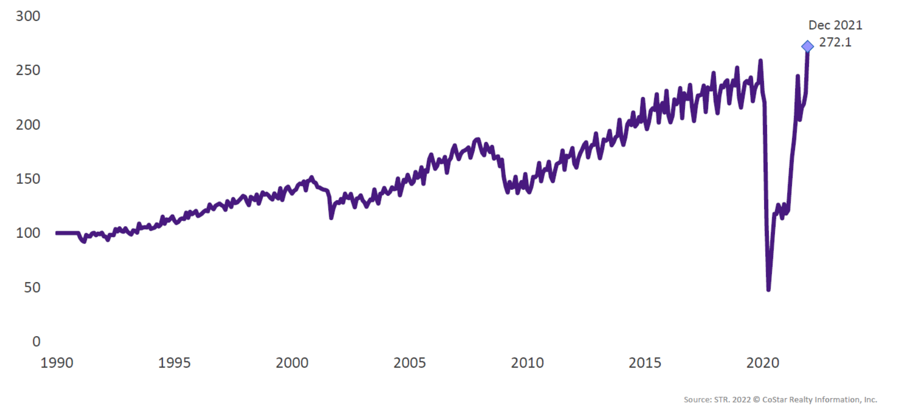
## RevPAR[1] Index, strongest ever

Total U.S., RevPAR indexed to 2019, January 2018 – December 2021



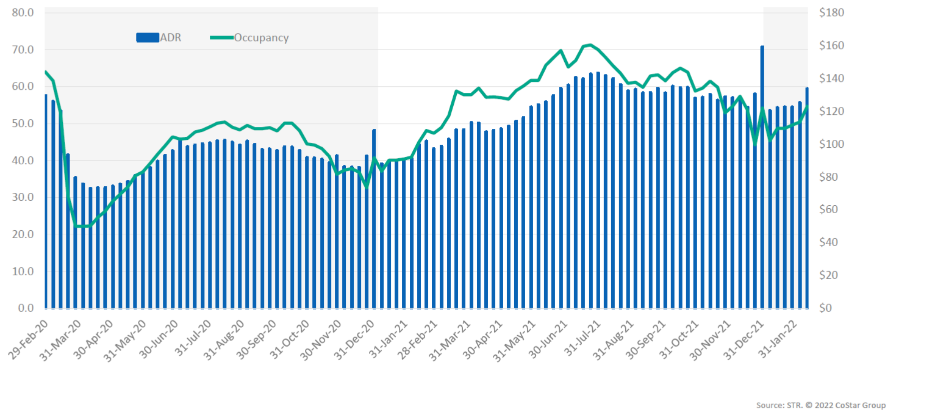

## December RevPAR[1] reaches highest index ever

Total U.S., RevPAR indexed to same month in 1990, January 1990 – December 2021

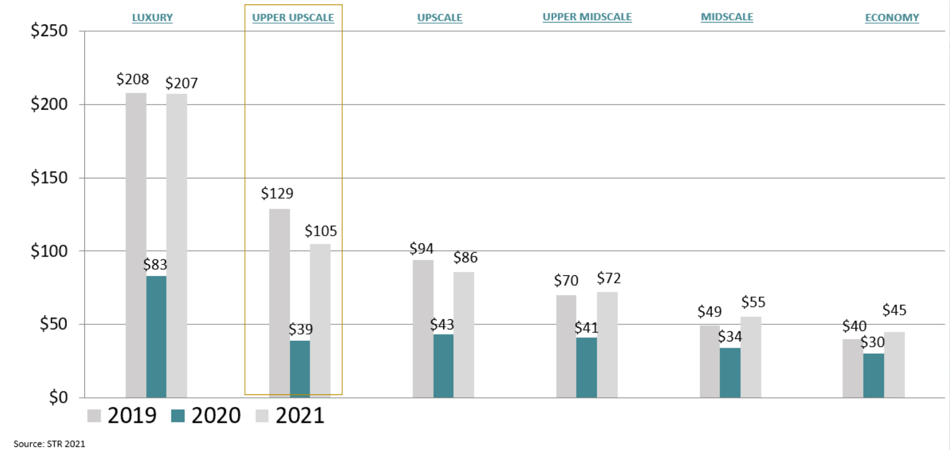



## U.S. Hotel Occupancy[2] and Average Daily Rate

Weeks ending February 29, 2020, through February 12, 2022




## RevPAR[1] by Segment – Q4 Comparison






(1) Revenue per available room ("RevPAR") represents the total room revenue divided by the total number of available rooms

(2) 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

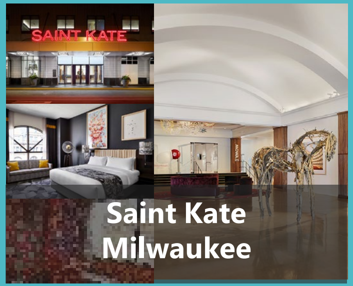
- Leverage strong leisure demand to drive ADR
- Drive group demand and grow ancillary revenues
- Leverage F&B expertise to further distinguish from competition
- Rebuild banquet and catering business to capture growing group demand
- Invest in HR and technology to improve associate work environment and 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

Grand Geneva Resort & Spa

## Strategic Growth

- Acquire hotel properties as investment fund sponsor or joint venture partner
- Seek additional management contracts for other owners (may include small equity investments).


Kimpton Hotel Monaco Pittsburgh

Coralville Hotel & Conference Center

# Joint Venture with Searchlight Capital Partners

- Formed a joint venture with funds managed by Searchlight Capital Partners, a leading global private investment firm who has a long history of owning and managing hotels
- This is Marcus Hotels & Resorts' first joint venture focused on acquiring multiple hotels
- The plan is to co-invest in lifestyle hotels, resorts and high-quality full-service properties, like the Kimpton Hotel Monaco Pittsburgh
- By working with a strategic capital partner, Marcus Hotels & Resorts can accelerate its growth at this pivotal moment in the hotel industry recovery

SEARCHLIGHT

# Outlook

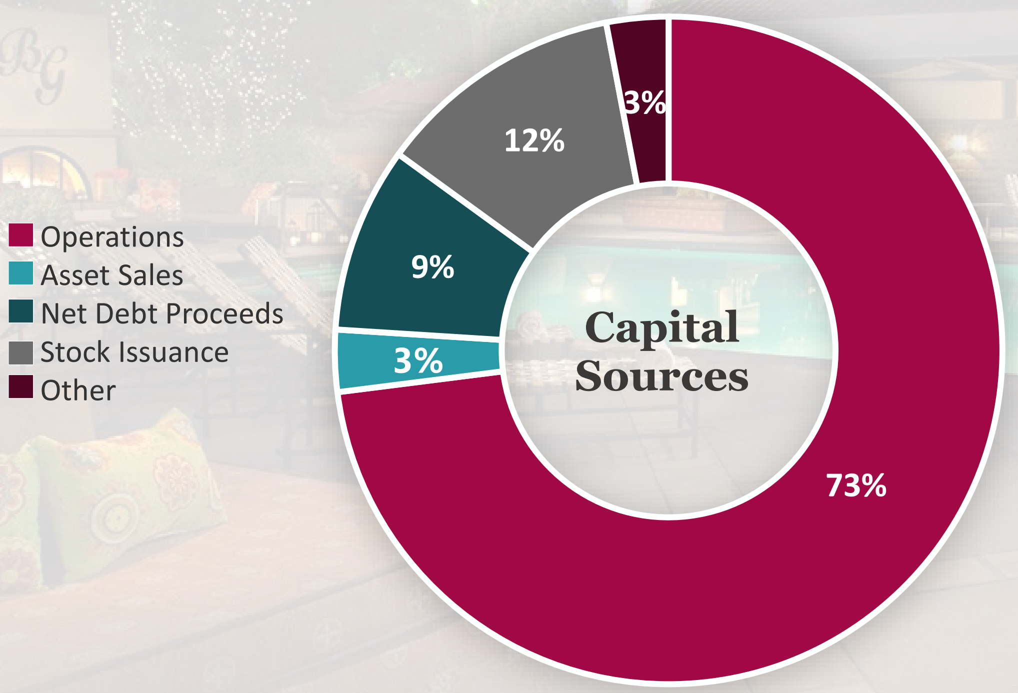
- Economic environment will impact future RevPAR trends; hotel revenues have historically tracked closely with GDP
- History (9/11, financial crisis) suggests business and group travel might take longer to recover
- Drive-to leisure demand expected to remain strong; Continued declining Covid cases may help future bookings
- Hotel supply growth will likely be limited – favorable for existing hotels
- Several hotels scheduled for reinvestment in next one to two years

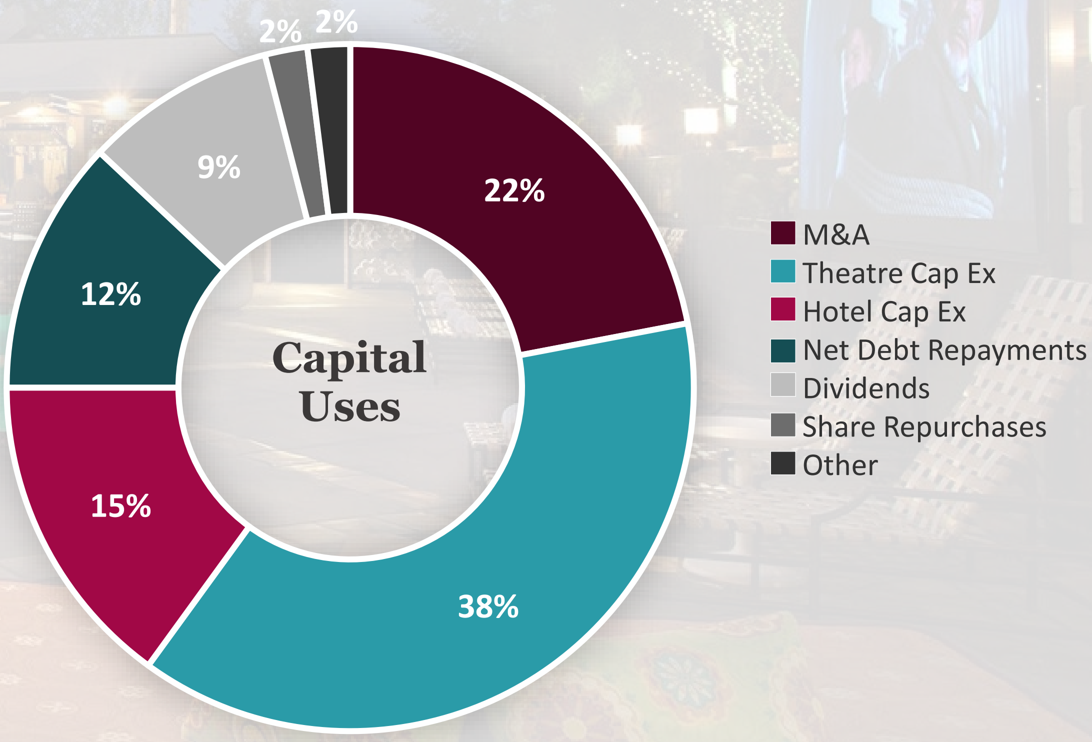
The Garland, Los Angeles, CA

# Shareholder Value Creation

# Disciplined Historical Capital Allocation Strategy

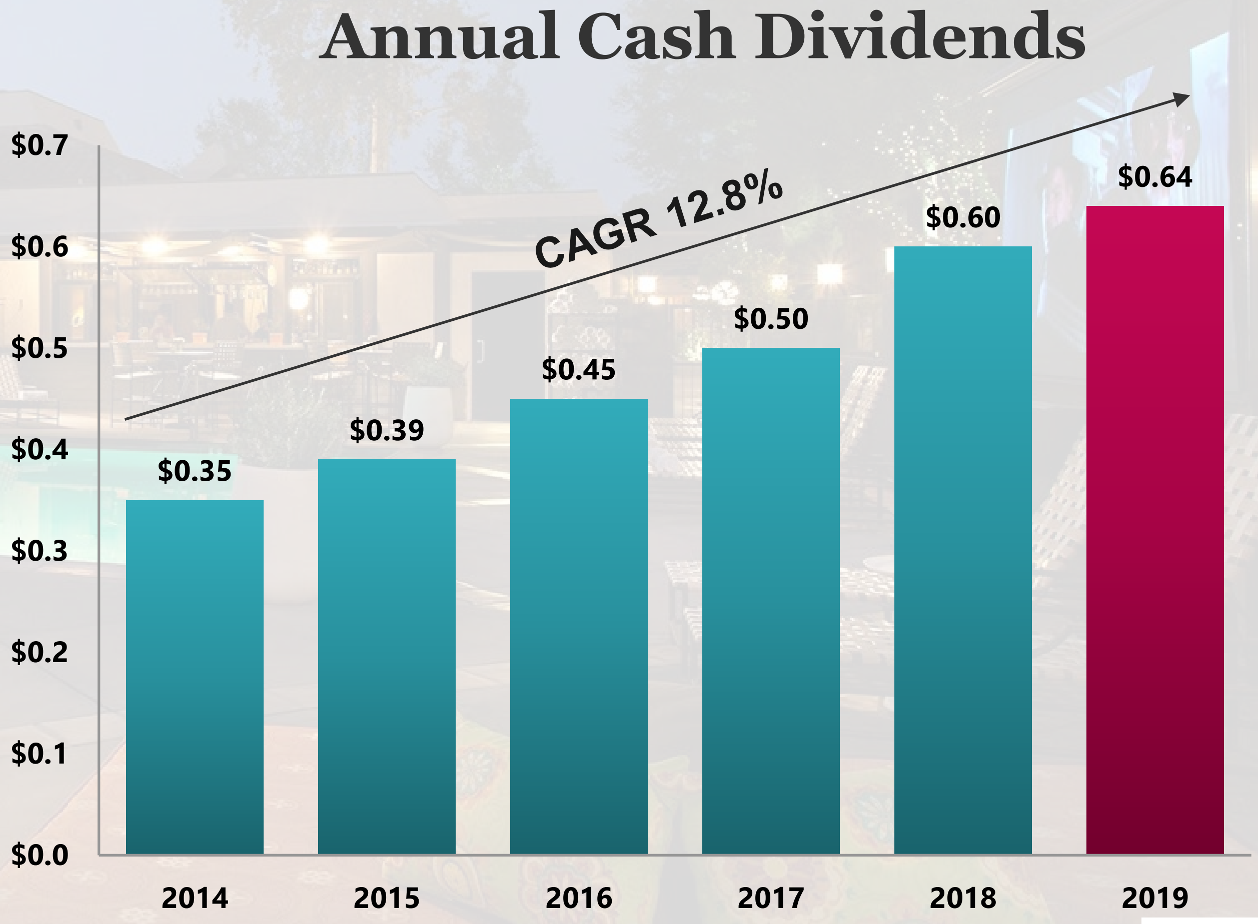
- Opportunistically allocated over $925 million in capital from June 2013 to December 2019



# History of Returning Capital to Shareholders

- 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
- Amended credit agreement allows reduced dividends and/or share repurchases beginning in the first quarter of 2022 and all restrictions on capital returns to shareholders are removed entirely after the term loan is repaid and the company is in compliance with prior covenants
- Board of Directors elected to not declare a dividend during first quarter of fiscal 2021 but will continue to evaluate for future quarters



# 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

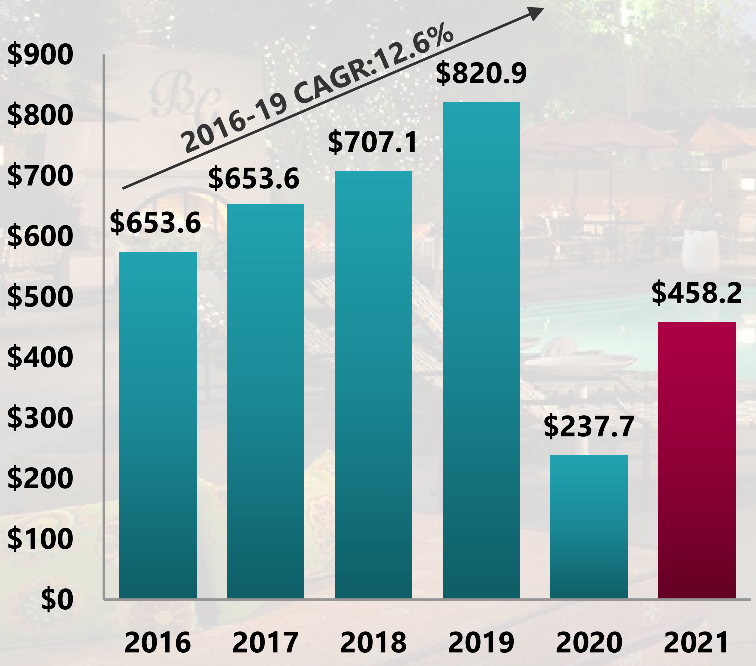
- Share Repurchases
- Dividend Policy
- Balance Sheet Management

# Focused on Long-Term Shareholder Value

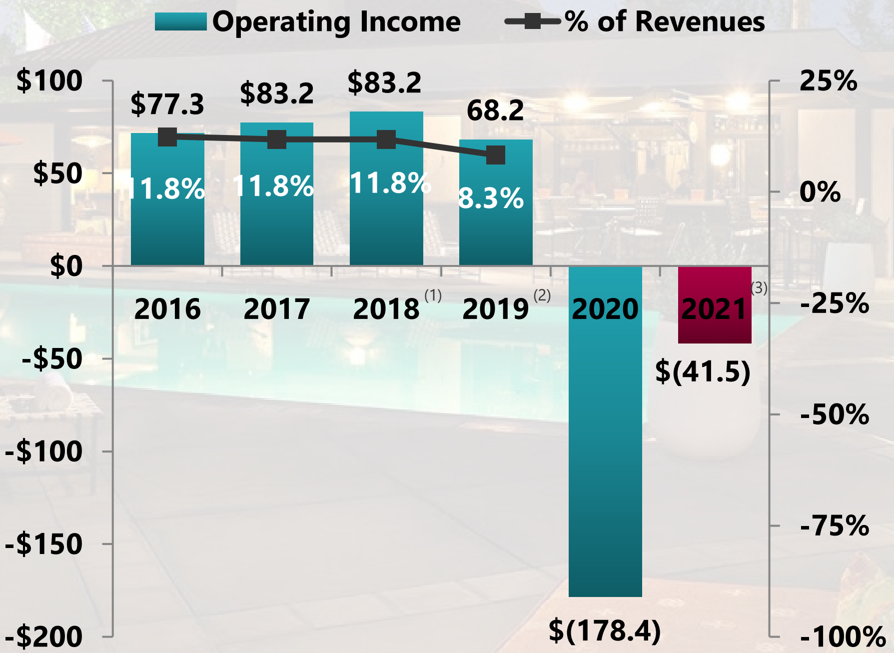
# Financial Performance

# Historical Financial Performance

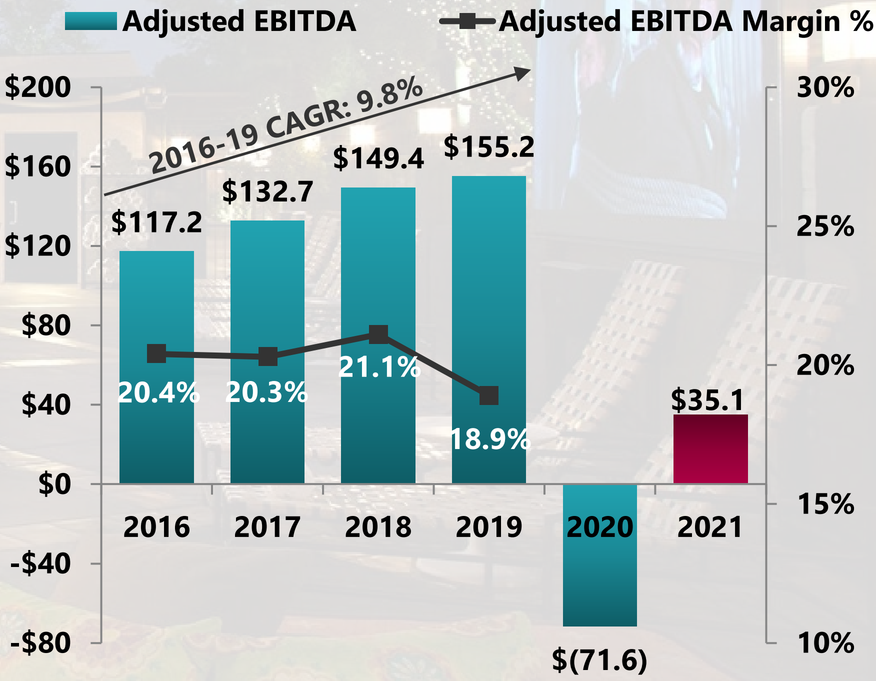
## Revenues
(in millions)




## Operating Income
(in millions)



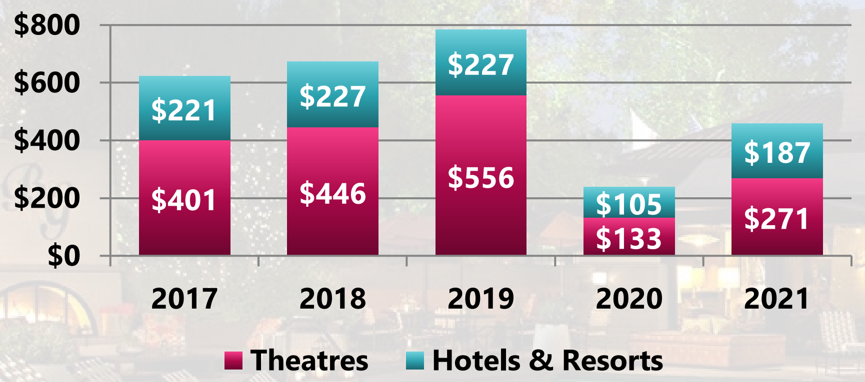

## Adjusted EBITDA[4]
(in millions)




(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 $7.4 million.
(4) 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)

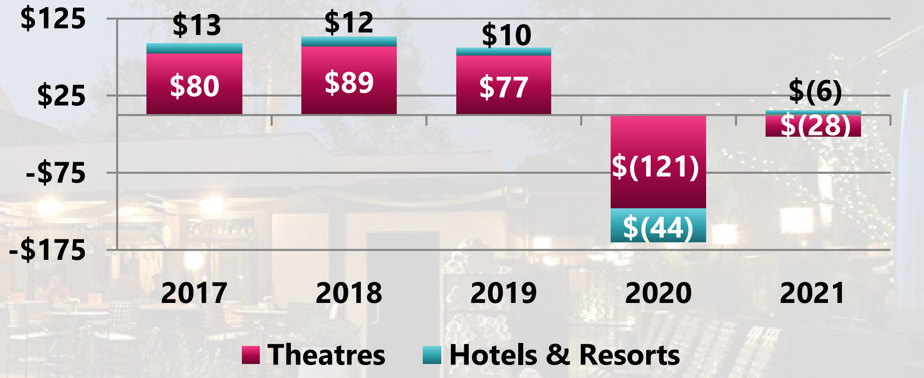



2016-19 CAGR

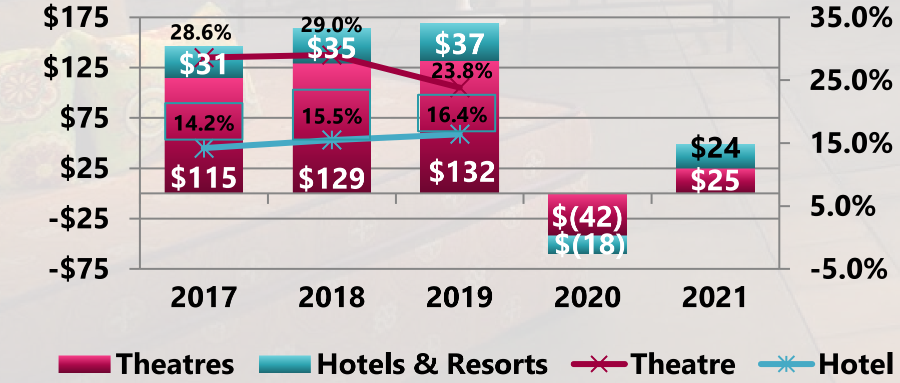
1.8%

19.2%

## Operating Income (in millions)




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

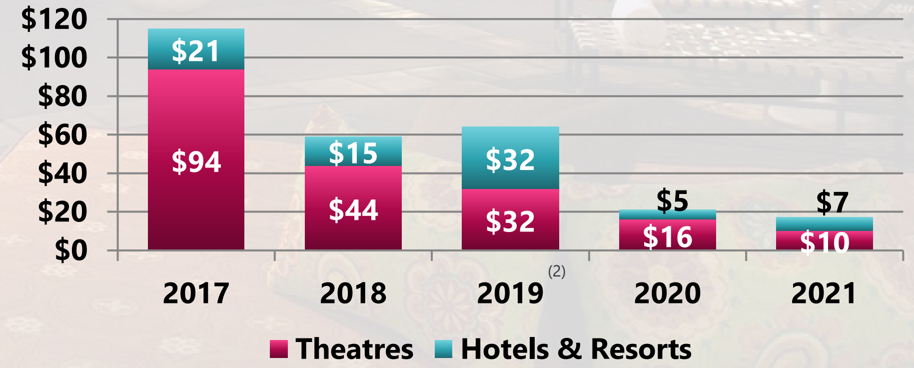



2016-19 CAGR

5.8%

10.4%

## Capital Expenditures (in millions)






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

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.

The Marcus Corporation

APPENDIX


GRATEFUL | DETERMINED | RESILIENT

# Credit Agreement Amendment and Convertible Debt Issuance

- Amended bank agreements, extended term loan by 5 months and adjusted covenants to provide for near- and medium-term uncertainly
  - Key component of amended bank agreements was opportunistically raising attractive capital that could ultimately replace the short-term term loan
- September 2020 issuance of 5% convertible unsecured notes due September 2025 has the following advantages:
  - Effectively replaces short-term borrowings with 5-year junior capital
  - Cash interest payments will be significantly lower than other long-term options
  - Able to size the issuance appropriately, particularly for a company our size
  - Purchased a capped call in conjunction with our issuance to effectively increase the strike price of the convertible from 22.5% of our closing stock price to 100% of our closing stock price, significantly reducing any dilution concerns
  - Option to settle these notes at maturity with cash, equity or a combination thereof, providing further ability to reduce any actual dilution at maturity

# Future Dilution Minimized by Capped Call and Repayment Options

## Dilution cost for various future stock price scenarios

**$100.05mm convertible principal size (incorporates exercise-in-full of 15% greenshoe)**

| | |
|---|---|
| Stock price at issuance | $8.99 |
| Base conversion premium / conversion price | 22.5% / $11.01 |
| Total underlying shares | 9.1mm |
| Effective conversion premium with capped call | 100.0% |
| Effective conversion price with capped call | $17.98 |

| Stock price at maturity (5yrs) | Dilution: shares / (%) |
|---|---|
| $10.00 | 0.0 / 0.0% |
| $15.00 | 0.0 / 0.0% |
| $20.00 | 0.9 / 3.0% |
| $25.00 | 2.6 / 8.2% |
| $30.00 | 3.6 / 11.7% |
| $35.00 | 4.4 / 14.2% |
| $40.00 | 5.0 / 16.1% |

No dilution until stock is above $17.98; only dilution on "in-the-money" value beyond that

Note: Assumes principal value ($100.05mm) is settled in cash and in-the-money value settled in shares

MARCUS

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J.P.Morgan

# Fourth Quarter and Full Year 2021 Financial Highlights

**Fourth Quarter and Full Year Fiscal 2021 Financial Highlights**
(In thousands, except per share data)

| | 13 Weeks Ended | | 52 Weeks Ended | |
|---|---|---|---|---|
| | **Dec. 30, 2021** | **Dec. 31, 2020** | **Dec. 30, 2021** | **Dec. 31, 2020** |
| Total revenues | **$ 169,048** | $ 36,704 | **$ 458,244** | $ 237,688 |
| Operating income (loss) | **14,046** | (55,173) | **(41,452)** | (178,422) |
| Net earnings (loss) | **6,444** | (39,022) | **(43,293)** | (124,866) |
| Net earnings (loss) per share | **0.18** | (1.29) | **(1.42)** | (4.13) |
| Adjusted EBITDA[1] | **29,250** | (27,770) | **35,080** | (71,574) |



(1) Adjusted loss attributable to The Marcus Corporation, Adjusted loss per diluted common share attributable to The Marcus Corporation and Adjusted EBITDA reflect adjustments made by the company to eliminate the favorable impact of government grants and federal tax credits received and the impact of impairment charges during fiscal 2021, as well as the impact of a nonrecurring income tax adjustment and certain nonrecurring income, expenses and impairment charges during fiscal 2020.

# Fourth Quarter and Full Year 2021 Financial Highlights

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

| | 13 Weeks Ended Dec 30, 2021 | 14 Weeks Ended Dec 31, 2020 | 52 Weeks Ended Dec 30, 2021 | 53 Weeks Ended Dec 31, 2020 |
|---|---|---|---|---|
| Net earnings (loss) attributable to The Marcus Corporation | $ 6,444 | $ (39,022) | $ (43,293) | $ (124,843) |
| Add (deduct): | | | | |
| Investment income | (446) | (357) | (599) | (564) |
| Interest expense | 4,352 | 6,098 | 18,702 | 16,275 |
| Other expense (income) | 629 | (785) | 2,510 | 986 |
| Gain on disposition of property, equipment and other assets | (255) | (1,155) | (3,163) | (856) |
| Equity losses from unconsolidated joint ventures | 92 | — | 92 | 1,539 |
| Net loss attributable to noncontrolling interests | — | — | — | (23) |
| Income tax expense (benefit) | 3,230 | (19,952) | (15,701) | (70,936) |
| Depreciation and amortization | 17,924 | 18,484 | 72,127 | 75,052 |
| Share-based compensation expenses (a) | 2,643 | 1,099 | 9,316 | 4,385 |
| Property closure/reopening expenses - theatres (b) | — | 1,174 | — | 5,804 |
| Property closure/reopening expenses - hotels (c) | — | 230 | — | 5,714 |
| Impairment charges (d) | 2,034 | 15,199 | 5,766 | 24,676 |
| Government grants and federal tax credits (e) | (7,397) | (6,955) | (10,677) | (6,955) |
| Insurance proceeds (f) | — | (1,828) | — | (1,828) |
| Adjusted EBITDA | $ 29,250 | $ (27,770) | $ 35,080 | $ (71,574) |

a) Non-cash charges related to share-based compensation programs.
b) Reflects nonrecurring costs (primarily payroll) related to the required closure of all of the company's movie theatres due to the COVID-19 pandemic, plus subsequent nonrecurring costs related to reopening theatres.
c) Reflects nonrecurring costs related to the closure of the company's hotels and resorts due to reduced occupancy as a result of the COVID-19 pandemic, plus subsequent nonrecurring costs related to reopening hotels.
d) Non-cash impairment charges related to two operating theatres, three permanently closed theatres and surplus theatre real estate for the fiscal 2021 periods and intangible assets (trade name) and several theatre locations for the fiscal 2020 and fiscal 2019 periods.
e) Reflects nonrecurring state government grants and federal tax credits awarded to our theatres and hotels for COVID-19 relief.
f) Reflects nonrecurring net insurance proceeds received for COVID-19 related insurance claims.

# The Marcus Corporation

INVESTOR PRESENTATION | **MARCH 2022**



GRATEFUL | DETERMINED | RESILIENT