Everyman Media Group PLC

Registered number 08684079

# Interim report and financial statements (unaudited)

26 weeks ended

27 June 2024

EVERYMAN

## Contents

## Chief Executive's Statement

Trading in the first half of 2024 was in line with management expectations, with revenue of £46.9m (H1 2023: £38.3m) and EBITDA of £6.2m (H1 2023: £5.8m).

The results reflect the impact of last year's WGA and SAG-AFTRA strikes, which lasted for several months, and delayed the production and release of a number of key titles during the first half of the year. Chief amongst these was *Deadpool & Wolverine*, originally scheduled for a March 2024 release and subsequently pushed back until July.

The Group has continued to gain significant market share during the first half of the year, increasing to 5.6% (H1 2023: 4.2%), demonstrating the enduring strength of the Everyman proposition.

With the impact of the strikes beginning to ease, the Group expects a strong H2 weighting to the 2024 film slate, with a particularly strong pipeline of titles scheduled for Q4. These include *Joker: Folie à Deux* in October, *Gladiator II*, *Paddington in Peru*, *Wicked* and *Moana 2* in November, and *Mufasa: The Lion King* in December. As a result of this, the Group continues to have confidence in the full year outlook.

### Elevating the Everyman experience

During the period we have remained committed to investing in and elevating the Everyman experience. Recognising that our most loyal customers are our strongest advocates, we identified an opportunity to increase our membership base and increase customer engagement. This has seen remarkable success, with 45,684 active members at the end of H1 2024, up from 26,024 at the end of H1 2023, a 76% increase.

As ever, we continue to invest in technology. Our new iOS and Android app brings a whole host of new features to customers, including the ability to purchase memberships and gift cards, multiple venue and seat-first selection, and the ability to add future releases to a watchlist. With a unique design and simplified framework, the new app promises to deliver a much improved user experience.

We've made exciting innovations in our film programming, introducing new concepts like Everyman Beyond, which showcases lesser-known films that our Film team believe will resonate with the Everyman audience. Additionally, over the Summer, and in partnership with Apple TV+, we invited guests to a series of Children's Hour screenings, complete with juice boxes and popcorn. These successful events introduced the Everyman experience to thousands of young families, expanding this audience ahead of a series of blockbuster family releases later this year.

We focus, as ever, on enhancing the Everyman brand. Our signature partnership with Jaguar Land Rover continues to flourish, as demonstrated by Discovery's sponsorship of our pop-up cinema at The Grove Hotel over the summer. This year, we expanded our popular outdoor venues by launching a new screen at Brentford Lock, setting the stage for the opening of a new cinema in this location in Q1 2025. Screen on the Canal at King's Cross also made another successful comeback, drawing thousands of visitors to Granary Square over the summer and introducing popular new food and beverage options, including crowd-favourite ice cream sundaes.

### Continued organic expansion

Everyman currently has 45 cinemas and 155 screens. During the period, a three-screen venue in Bury St Edmunds opened and is trading in line with management expectations. Additionally, a new five-screen venue will open in Cambridge in November followed by three-screen venue in Stratford International (London) in December 2024. During 2025, new venues are planned to open at The Whiteley in Bayswater, Brentford Lock and Lichfield.

We continually evaluate our rate of expansion whilst maintaining a prudent approach to funding requirements. The reduced number of FY25 openings will ensure availability of capital for a number of key projects scheduled for 2026, whilst maintaining a strong Balance Sheet.

### Performance review

The Group uses the key performance indicators of Admissions, Paid-for Average Ticket Price and Food & Beverage Spend per Head to monitor the progress of the Group's activities.

| | 26 weeks ended 27 June 2024 | 26 weeks ended 29 June 2023 |
|---|---|---|
| Admissions | 1.9m | 1.6m |
| Paid-for Average Ticket Price* | £11.76 | £11.49 |
| Food & Beverage Spend per Head* | £10.47 | £10.25 |

## Chief Executive's Statement (cont.)

*Admissions*

Admissions in H1 2024 were 1.9m, compared to 1.6m in the same period last year. The increase was driven in the main by a strong Q1 awards season, with titles such as Poor Things, The Holdovers, One Life and All of Us Strangers playing particularly well to the Everyman audience. We also saw further benefit from high quality, original content, with key titles being Bob Marley: One Love in February and Dune: Part Two in March. The Group also saw further benefit from the four venues opened in the intervening period (Marlow, Bath, Tivoli Cheltenham and Bury St Edmunds).

The increase in admissions, revenue and EBITDA would have been greater if it hadn't been for the adverse impact of a reduced Q2 film slate, driven by last year's WGA and SAG-AFTRA strikes.

As was the case in 2023, the Group expects a significant H2 weighting to admissions in 2024.

*Average Ticket Price and Food & Beverage Spend per Head*

Spend per Head increased to £10.47 compared to £10.25 in 2023, a 2.1% increase. This was driven mainly by investment in new functionality to enable our guests to order food and beverage to their seats from mobile devices which has driven a higher proportion of second orders.

Paid-for Average Ticket Price increased to £11.76 compared to £11.49 in 2023, a 2.3% increase. This was pleasing given that four new venues opened between H1 2023 and the end of the period. With some exceptions, new venues open in lower pricing tiers, which can temporarily reduce average ticket price until those venues mature.

### Outlook

We remain optimistic about the future. Performance in the first half of the year has been strong, with growth in admissions, revenue, EBITDA and market share, despite disruption from last year's well documented WGA and SAG-AFTRA strikes, and demonstrating the enduring appeal of the Everyman offer.

Having carefully evaluated our expansion opportunity, we are comfortable that continuing to scale at current levels - three new venues in 2024, and four in 2025 – will provide a robust increase in footprint. Whilst this level of openings will naturally reduce the rate of growth in 2025 from current market expectations, this allows the company to strengthen its balance sheet and reduce net debt moving forward. This will give us the scope and flexibility to take advantage of excellent pipeline opportunities in 2026 and beyond.

The impact of the strikes is now easing, and we are excited about the robust pipeline of content for the remainder of the year. Looking further ahead, we anticipate a return to a full, uninterrupted film slate in 2025. As the volume of content continues to improve, Everyman, with its distinctive, premium offering, remains uniquely positioned to benefit.

Alex W.

Alex Scrimgeour
Chief Executive
25 September 2024

## Finance Director's Statement

| | 26 Weeks Ended 27 June 2024 | 26 Weeks Ended 29 June 2023 |
|---|---|---|
| | £000 | £000 |
| Revenue | 46,856 | 38,253 |
| Gross Profit | 31,166 | 25,101 |
| *Gross Profit Margin* | *66.5%* | *65.6%* |
| Other Operating Income | 243 | 322 |
| Administrative Expenses | (33,181) | (27,038) |
| Operating Profit / (Loss) | (1,772) | (1,615) |
| Financial Expenses | (3,172) | (2,696) |
| Profit / (Loss) Before Taxation | (4,944) | (4,311) |
| Tax Credit / (Charge) | 1,091 | - |
| Profit / (Loss) For the Period | (3,853) | (4,311) |
| | | |
| Adjusted EBITDA* | 6,178 | 5,782 |

**Adjusted EBITDA refers to Operating Profit adjusted for the removal of depreciation, amortisation, profit / loss on disposal of fixed assets, pe-opening expenses, lease termination costs, impairment charges and share-based payment expenses.*

### Revenue and operating profit

Group Revenue in H1 2024 was £46.9m (H1 2023: £38.3m). The increase was driven by higher admissions, which grew to 1.9m (H1 2023: 1.6m), as a result of a strong Q1 awards season and high-quality original releases such as *Dune: Part Two* and *Bob Marley: One Love*. This was compounded by the four new venues that opened in the second half of 2023 and first half of 2024.

Gross Profit Margin increased to 66.5% (H1 2023: 65.6%). This was as a result of a stronger film margin, mainly due to the mix of content, which skewed towards smaller awards titles that typically carry a higher margin than larger blockbuster releases. We also saw improvement in our Food & Beverage margin, owing both to the growth in spend per head, as well as strong cost control by our Procurement team.

Administrative Expenses increased to £33.2m (H1 2023: £27.0m). This was driven by the number of venues growing from 41 at the end of H1 2023 to 45 at the end of H1 2024, contributing to an increase in the Group's fixed cost base, depreciation, and associated pre-opening expenses. It is also worth noting that new venues in Salisbury, Northallerton and Plymouth opened during May and June 2023, and as a result did not have a significant impact on the Group's fixed cost base in the first half of last year.

The Group's largest cost increase was labour, a £2.6m increase vs. H1 2023, due to the aforementioned new openings, as well as a 9.8% increase in the National Living Wage driving pay increases across our teams

### Net finance costs

The Group's finance charge included £2.1m (H1 2023 £1.6m) representing interest charges relating to the unwinding of the IFRS 16 lease liability during the period and £1.1m of bank interest (H1 2023: £1.0m). The increase is due predominantly due to the number of new venues opened in the intervening period.

### Taxation

The Group's tax credit was £1.1m (H1 2023: Nil) and relates to the recognition of an increase in the Group's deferred tax asset as a result of further unrelieved carried forward taxable losses. The recognition of the deferred tax asset is supported by sufficient forecast future taxable profits.

### Share based payments

The share-based payment expense for the period was £0.6m (H1 2023: £0.6m) reflecting share option incentives provided to the Group's management and employees

### Cash flows

Cash held at the end of the period was £2.2m (H1 2023: £1.7m).

## Finance Director's Statement (cont.)

Net cash generated in operating activities was £3.3m (H1 2023: £7.2m). The higher prior year balance was mainly driven by a £3.3m working capital movement relating to an increase in trade and other payables. This arose due to the high level of capital expenditure at the end of H1 2023, with three new venues opening during May and June 2023, as well as the timing of payments.

Net cash used in investing activities was £5.3m (H1 2023: £8.5m) and mainly represents spend on the new venue in Bury St Edmunds, which opened in February 2024, as well as initial payments for venues currently under construction in Cambridge and Stratford International.

Net cash used in financing activities was £2.4m (H1 2023: £0.6m). The higher balance is predominantly driven fewer landlord contributions received during the period, as a result of the lower level of capital activity in the current year and the timing of receipts.

As a result of the above, the net cash outflow for the period was £4.5m (H1 2023: £2.0m outflow).

The Board does not recommend the payment of a dividend at this stage in the Group's development.

### Net Debt

Net debt at the end of the period was £25.8m, mainly as a result of the timing of content, with the Group expecting a strong H2 weighting to the 2024 film slate. As a result, the Group is forecasting net debt and leverage at year end to be reduced from the current position.

Will Worsdell
Finance Director
25 September 2024

## Consolidated statement of profit and loss and other comprehensive income for the period ended 27 June 2024 (unaudited)

| | Note | 26 weeks ended 27 June 2024 £000 | 26 weeks ended 29 June 2023 £000 | Year ended 28 December 2023 £000 |
|---|---|---|---|---|
| Revenue | 3 | 46,856 | 38,253 | 90,859 |
| Cost of sales | | (15,690) | (13,152) | (32,724) |
| **Gross profit** | | **31,166** | **25,101** | **58,135** |
| Other Operating Income | | 243 | 322 | 647 |
| Administrative expenses | | (33,181) | (27,038) | (58,834) |
| **Operating profit /(loss)** | | **(1,772)** | **(1,615)** | **(52)** |
| Financial expenses | | (3,172) | (2,696) | (5,449) |
| **Profit/(loss) before tax** | | **(4,944)** | **(4,311)** | **(5,501)** |
| Tax charge | 4 | 1,091 | - | 2,805 |
| **Total comprehensive income for the period** | | **(3,853)** | **(4,311)** | **(2,696)** |
| Basic loss per share (pence) | 5 | **(4.23)** | (4.73) | (2.96) |
| Diluted loss per share (pence) | 5 | **(4.23)** | (4.73) | (2.96) |

Non-GAAP measure: adjusted EBITDA

| | £000 | £000 | £000 |
|---|---|---|---|
| Adjusted EBITDA | 6,178 | 5,782 | 16,180 |
| Before: | | | |
| Depreciation and amortisation | (7,088) | (6,328) | (13,152) |
| Disposal of Property, Plant & Equipment | - | 149 | (121) |
| Impairment | - | - | (724) |
| Pre-opening expenses | (225) | (588) | (934) |
| Exceptional | (70) | (39) | (481) |
| Share-based payment expense | (567) | (591) | (820) |
| Operating profit / (loss) | (1,772) | (1,615) | (52) |

All amounts relate to continuing activities.

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## Consolidated balance sheet at 27 June 2024 (unaudited)

Registered in England and Wales
Company number: 08684079

| | 26 weeks ended 27 June 2024 £000 | 26 weeks ended 29 June 2023 £000 | Year ended 28 December 2023 £000 |
|---|---|---|---|
| **Assets** | | | |
| *Non-current assets* | | | |
| Property, plant and equipment | 101,701 | 99,784 | 101,544 |
| Right-of-use assets | 66,613 | 61,841 | 68,088 |
| Deferred Tax Assets | 3,896 | - | 2,805 |
| Intangible assets | 9,485 | 9,231 | 9,388 |
| Trade and other receivables | 258 | 173 | 173 |
| | 181,953 | 171,029 | 181,998 |
| *Current assets* | | | |
| Inventories | 779 | 757 | 858 |
| Trade and other receivables | 7,518 | 7,113 | 5,216 |
| Cash and cash equivalents | 2,190 | 1,702 | 6,645 |
| | 10,487 | 9,572 | 12,719 |
| **Total assets** | **192,440** | **180,601** | **194,717** |
| **Liabilities** | | | |
| *Current liabilities* | | | |
| Trade and other payables | 19,177 | 20,884 | 19,455 |
| Lease liabilities | 3,751 | 2,511 | 2,824 |
| | **22,928** | **23,395** | **22,279** |
| *Non-current liabilities* | | | |
| Other interest bearing loans and borrowings | 28,000 | 22,750 | 26,000 |
| Other provisions | 1,631 | 1,362 | 1,631 |
| Lease liabilities | 98,774 | 90,545 | 100,414 |
| | 128,405 | 114,657 | 128,045 |
| **Total liabilities** | **151,333** | **138,052** | **150,324** |
| **Net assets** | **41,107** | **42,549** | **44,393** |
| *Equity attributable to owners of the Company* | | | |
| Share capital | 9,118 | 9,118 | 9,118 |
| Share premium | 57,112 | 57,112 | 57,112 |
| Merger reserve | 11,152 | 11,152 | 11,152 |
| Other reserve | 83 | 83 | 83 |
| Retained earnings | (36,358) | (34,916) | (33,072) |
| **Total equity** | **41,107** | **42,549** | **44,393** |

These financial statements were approved by the Board of Directors and authorised for issue on 25 September 2024 and signed on its behalf by:

Will Worsdell
Finance Director

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## Consolidated statement of changes in equity for the period ended 27 June 2024 (unaudited)

| | Share capital £000 | Share premium £000 | Merger reserve £000 | Other reserve £000 | Retained earnings £000 | Total Equity £000 |
|---|---|---|---|---|---|---|
| **Balance at 28 December 2023** | 9,118 | 57,112 | 11,152 | 83 | (33,072) | 44,393 |
| Loss for the period | - | - | - | - | (3,853) | (3,853) |
| Total comprehensive income | - | - | - | - | (3,853) | (3,853) |
| Share-based payments | - | - | - | - | 567 | 567 |
| Total transactions with owners of the parent | - | - | - | - | 567 | 567 |
| **Balance at 27 June 2024** | 9,118 | 57,112 | 11,152 | 83 | (36,358) | 41,107 |
| **Balance at 29 December 2022** | 9,118 | 57,112 | 11,152 | 83 | (31,196) | 46,269 |
| Loss for the year | - | - | - | - | (2,696) | **(2,696)** |
| Total comprehensive income | - | - | - | - | (2,696) | **(2,696)** |
| Share-based payments | - | - | - | - | 820 | **820** |
| Total transactions with owners of the parent | - | - | - | - | 820 | 820 |
| **Balance at 28 December 2023** | 9,118 | 57,112 | 11,152 | 83 | (33,072) | 44,393 |

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## Consolidated cash flow statement for the period ended 27 June 2024 (unaudited)

| | 26 weeks ended 27 June 2024 £000 | 26 weeks ended 29 June 2023 £000 | Year ended 28 December 2023 £000 |
|---|---|---|---|
| Cash flows from operating activities | | | |
| Loss for the period | (3,853) | (4,311) | (2,696) |
| Adjustments for: | | | |
| Financial expenses | 3,172 | 2,696 | 5,449 |
| Tax credit | (1,091) | - | (2,805) |
| Operating profit/(loss) | (1,772) | (1,615) | (52) |
| | | | |
| Depreciation and amortisation | 7,088 | 6,328 | 13,152 |
| Loss/(gain) on disposal of property, plant and equipment | - | (149) | 122 |
| Impairment | - | - | 724 |
| Loss/ (gain) on modification | - | - | 15 |
| Equity settled share-based payment expense | 567 | 591 | 820 |
| | 5,883 | 5,155 | 14,781 |
| *Changes in working capital:* | | | |
| Decrease/ (Increase) in inventories | 79 | (67) | (168) |
| Decrease/(Increase) in trade and other receivables | (2,387) | (1,273) | 850 |
| (Decrease)/Increase in trade and other payables | (304) | 3,349 | 2,423 |
| Net cash generated from operating activities | 3,271 | 7,164 | 17,886 |
| | | | |
| **Cash flows from investing activities** | | | |
| Proceeds from freehold sale | - | 3,900 | 6,490 |
| Business combinations | - | - | (1,250) |
| Acquisition of property, plant and equipment | (5,050) | (12,148) | (18,586) |
| Acquisition of intangible assets | (263) | (300) | (829) |
| Net cash used in investing activities | (5,313) | (8,548) | (14,175) |
| | | | |
| Cash flows from financing activities | | | |
| Repayment of existing loan facility | - | - | (24,000) |
| Drawdown of bank borrowings | 2,000 | 750 | 28,000 |
| Lease payments – interest | (2,116) | (1,645) | (3,410) |
| Lease payments – capital | (1,840) | (1,549) | (3,103) |
| Landlord capital contributions received | 575 | 2,826 | 4,054 |
| Loan arrangement fee | - | - | (263) |
| Interest paid | (1,032) | (997) | (2,045) |
| Net cash generated from/ (used in) financing activities | (2,413) | (615) | (767) |
| | | | |
| Net (decrease)/ increase in cash and cash equivalents | (4,455) | (1,999) | 2,944 |
| Cash and cash equivalents at the beginning of the period | 6,645 | 3,701 | 3,701 |
| | | | |
| Cash and cash equivalents at the end of the period | 2,190 | 1,702 | 6,645 |

## Notes to the financial statements

### 1 General information

Everyman Media Group PLC and its subsidiaries (together, 'the Group') are engaged in the ownership and management of cinemas in the United Kingdom. Everyman Media Group PLC (the Company) is a public company limited by shares domiciled and incorporated in England and Wales (registered number 08684079). The address of its registered office is Studio 4, 2 Downshire Hill, London NW3 1NR.

### 2 Basis of preparation and accounting policies

These condensed interim financial statements of the Group for the period ended 27 June 2024 have been prepared using accounting policies consistent with UK adopted International Accounting Standards. The same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as applied in the Group's latest audited financial statements for the year ended 28 December 2023.

The financial statements presented in this report have been prepared in accordance with IFRSs applicable to interim periods. However, as permitted, this interim report has been prepared in accordance with the AIM Rules for Companies and does not seek to comply with IAS34 "Interim Financial Reporting".

These condensed interim financial statements have not been audited, do not include all of the information required for full annual financial statements and should be read in conjunction with the Group's statutory consolidated annual financial statements for the year ended 28 December 2023. The auditor's opinion on these financial statements was unqualified, did not draw attention to any matters by way of emphasis and did not contain a statement under s498(2) or s498(3) of the Companies Act 2006.

Going Concern

Current trading is in line with management expectations. Given the increased number of wide releases year-on-year, commitment to the theatrical window from distributors and new investment from streamers in content for cinema, management expect admissions to continue to recover towards pre-pandemic levels. Paid for Average Ticket Price and Spend per Head have continued to grow steadily despite well-publicised concerns over consumer spends.

On 17 August 2023, the Group signed a new three-year loan facility of £35m with Barclays Bank Plc and National Westminster Bank Plc, repayable on 16 August 2026. The facility is extendable by up to a further two years, subject to lender consent. The RCF has leverage and fixed charge cover covenants. The Board has reviewed forecast scenarios and is confident that the business can continue to operate with sufficient headroom.

In light of the above, the Board consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements
.

### 3 Revenue

| | 26 weeks ended 27 June 2024 £000 | 26 weeks ended 29 June 2023 £000 | Year ended 28 December 2023 £000 |
|---|---|---|---|
| Film and entertainment | 22,506 | 17,644 | 44,718 |
| Food and beverages | 19,772 | 16,085 | 38,563 |
| Other income | 4,578 | 4,524 | 7,578 |
| | 46,856 | 38,253 | 90,859 |

In the 26-week period ended 27 June 2024, £0.2m Other Operating Income was received (H1 2023: £0.3m). This consisted mainly of landlord compensation payments

## 4 Taxation

| | 26 weeks ended 27 June 2024 £000 | 26 weeks ended 29 June 2023 £000 | Year ended 28 December 2023 £000 |
|---|---|---|---|
| Current tax | - | - | - |
| Adjustment in respect of prior years | - | - | - |
| Total current tax credit | - | - | - |
| *Deferred tax (credit)/expense* | | | |
| Origination and reversal of temporary differences | 455 | - | 7,242 |
| Available losses | (1,425) | - | (10,302) |
| Adjustment in respect of prior years | (222) | - | - |
| Other temporary and deductible differences | 101 | - | 255 |
| Effect of tax rate change | - | - | - |
| Total tax (credit)/expense | (1,091) | - | (2,805) |

The reasons for the difference between the actual tax charge for the period and the standard rate of corporation tax in the United Kingdom applied to the loss for the period are as follows:

| Reconciliation of effective tax rate | 26 weeks ended 27 June 2024 £000 | 26 weeks ended 29 June 2023 £000 | Year ended 28 December 2023 £000 |
|---|---|---|---|
| Loss before tax | (4,944) | (4,311) | (5,501) |
| Tax at the UK corporation effective tax rate of 25% (H1 2023: 23.5%) | (1,236) | (1,013) | (1,293) |
| Permanent differences (expenses not deductible for tax purposes) | 367 | 662 | 1,313 |
| Deferred tax not previously recognised | - | - | (2,632) |
| Impact of difference in overseas tax rates | - | - | 3 |
| De-recognition of losses | - | 351 | - |
| Other short term timing differences | - | - | - |
| Effect of change in expected future statutory rates on deferred tax | - | - | (196) |
| | - | - | - |
| Impact of a drop in share-based payments intrinsic value | - | - | - |
| Adjustment in respect of previous periods | (222) | - | - |
| Other | - | - | - |
| Total tax (credit)/expense | (1,091) | - | (2,805) |

## Notes to the financial statements (cont.)

### 5 Earnings per share

| | 26 weeks ended 27 June 2024 | 26 weeks ended 29 June 2023 | Year ended 28 December 2023 |
|---|---|---|---|
| | £000 | £000 | £000 |
| Profit/(loss) used in calculating basic and diluted earnings per share | (3,853) | (4,311) | (2,696) |
| Number of shares (000's)<br>Weighted average number of shares for the purpose of basic earnings per share | 91,178 | 91,178 | 91,178 |
| Number of shares (000's)<br>Weighted average number of shares for the purpose of diluted earnings per share | 91,178 | 91,178 | 91,178 |
| Basic earnings per share (pence) | (4.23) | (4.73) | (2.96) |
| Diluted earnings per share (pence) | (4.23) | (4.73) | (2.96) |

Basic earnings per share amounts are calculated by dividing net profit/(loss) for the period attributable to Ordinary equity holders of the parent by the weighted average number of Ordinary shares outstanding during the year.

The Company has 7.7m potentially issuable shares (H1 2023: 7.8m) all of which relate to the potential dilution from the Group's share options issued to the Directors and certain employees and contractors, under the Group's incentive arrangements. In the current period these options are anti-dilutive as they would reduce the loss per share and so haven't been included in the diluted earnings per share.