

AMC Entertainment Holdings

13:18 14 Dec 2020

AMC Entertainment secures lifeline investment but bankruptcy risk still looms

AMC Entertainment Holdings Inc (NYSE:AMC) said it has secured a lifeline investment of US\$100m from private equity group Mudrick Capital, however, the cash injection is still well short of the amount the cinema chain said it needs to stay afloat through 2021.

Last Friday, the company, which owns the Odeon cinema chain in the UK alongside its US operations, said it will need a minimum of US\$750m of additional liquidity to fund its operations through 2021 and is currently considering selling shares and renegotiating its rents to avoid going bust.

READ: Cinema operators set to be collateral damage in Warner Bros and Disney streaming wars

Mudrick will also receive 22m shares in the company through the conversion of US\$100m of debt into stock.

At the end of November, AMC said it had around US\$320m in cash, a sum it expects to be depleted by January as the coronavirus (COVID-19) pandemic continues to ravage the entertainment sector and force cinemas to close their doors. AMC reported previously that attendance at its US movie theatres fell 92% year-on-year between October 1 and November 30.

The problem is likely to be compounded by the decision of film studios to more seriously consider releasing films directly to their consumers through their streaming platforms, depriving cinema operators of the content they need to lure moviegoers back in once the pandemic subsides.

Warner Bros found itself singled out for criticism by AMC in its fundraising announcement, as the company said its troubles have been "exacerbated" by the studio's decision to release its entire 2021 film schedule onto its HBO Max streaming service rather than in theatres.

AMC shares were 1.5% higher at US\$3.98 in pre-market trading in New York on Monday.

Price: 8.01

Market Cap: \$2.72 billion

1 Year Share Price Graph



February 2020 August 2020 February 2021

Share Information

Code: AMC

Listing: NYSE

| | | |
|----------------|-------------|------------|
| 52 week | High | Low |
| | 19.9 | 1.92 |

Sector: Leisure, gaming and gambling

Website: www.amctheatres.com

Company Synopsis:

AMC (NYSE: AMC) is the largest movie exhibition company in the U. S. , in Europe and throughout the world with 1,014 theatres and 11,169 screens across the globe. AMC operates among the most productive theatres in the United States' top markets, having the #1 or #2 market share positions in 22 of the 25 largest metropolitan areas of the United States, including the top three markets (NY, LA, Chicago).

action@proactiveinvestors.com

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts, journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 action@proactiveinvestors.com

No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.