

A24

Annual
Report

2019





2019

ANNUAL
REPORT

3-WORD SUMMARY:

STACKS ON STACKS

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To our beautiful & dearest stakeholders,

WE'RE TALKING
TO YOU, BABE

We're pleased to report that fiscal 2019 was a year in which we continued to scale our global content platform, deepened our product pipelines, invested in new businesses that make our Company stronger, and extended our reach around the world.

During the year, we added hundreds of valuable properties to our nearly 17,000-title library, diversified our film and television production and distribution businesses, and positioned our Starz premium pay network as a premier global brand.

In May 2019, we acquired a majority stake in the 3 Arts Entertainment management and production company, not only deepening our talent relationships but adding to a portfolio of emerging businesses that include location-based entertainment, interactive ventures and games, eSports, over-the-top (OTT) channels and Atom Tickets. Most of these newer platforms have already reached critical mass and are poised to make meaningful contributions to our bottom line.

Financially, we grew adjusted OIBDA by 11% (on a pro forma combined basis) to a record \$604 million in the year and continued to generate robust free cash flow of \$330 million, with all of our business segments contributing to our strong financial performance. We also strengthened our balance sheet by restructuring our debt to lock in lower interest rates and increase capacity, and we continued to deleverage ahead of schedule, reducing our net debt by \$650 million in the year. In addition, we resumed our quarterly cash dividend of \$0.09 per common share.

We enter fiscal 2020 positioned to accelerate the growth of our consumer-facing platforms while continuing to expand the content pipelines of our traditional businesses, backed by a vast library and a strong balance sheet.

Golden Oscars: 0
Bedazzled Furbys: 1

LOVE,
THE BOIS

ON AN ALL LEVELS EXCEPT PHYSICAL,
WE ARE A FURBY.

BOLD

KINDA
EDGY

BORN OF
MARKETPLACE
GLUTTONY

AN
IRREVERSIBLE
MISTAKE

HAIRY BUT
BEAUTIFUL

POSSIBLY
SATANIC





1

NEW TALENT

We worked alongside A-listers, social activists, & straight up ballers.

a quick recap of 2019...

TURN ON YOUR
"FURBY-VISION"



3

HELLA STORIES

Our team delivered over 100 hours of original content across film & TV.

we gonna brag
for a sec →

2

FRESH PARTNERS

We joined up with new distribution partners, including one that rhymes with "Pet-licks". Also, Hulu & TruTV.



1 —star stacked & loaded

CASTS, THAT IS

ZENDAYA
COLEMAN

HUNTER
SCHAFER

EUPHORIA

DID U KNOW? ... BAD BITCHES NEVER DIE.

Zendaya and Hunter are two of the biggest baddies we met in 2019. The former is an up-and-coming mega star who has already worked across dance, vocals, and a variety of comic and dramatic acting despite her young age.

The latter is a social activist who led the landmark fight for transgender bathroom rights with her father in 2016. These two ladies are a great example of what made the A24 family so awesome in 2019.

ADAM SANDLER

UNCUT GEMS



FLORENCE PUGH

MIDSOMMAR



AWKWAFINA

THE FAREWELL



ROBERT PATTINSON

HIGH LIFE



JOHN MULANEY

JOHN MULANEY & THE
SACK LUNCH BUNCH



ANDREA SAVAGE

I'M SORRY (SEASON 2)



SUNITA MANI

THE DEATH OF DICK LONG



JONATHAN MAJORS

THE LAST BLACK MAN
IN SAN FRANCISCO



JOHN MULANEY & THE SACK LUNCH BUNCH



2 —binge us, baby

WE'RE
NOW STREAMING

RAMY

NETFLIX

Netflix has begun adding dozens of A24 movies to their streaming library, in what's undeniably been a coup for the platform. You could roll up with the filthy, ex-

hilarating charms of Spring Breakers or the Kevin Smith body-horror of Tusk or Tom Hardy delivering a one-man show as a faithless husband in a car by himself in Locke.

AT HOME WITH AMY SEDARIS



TruTV

TruTV is the home for original, creator-driven comedy series with a distinct point of view. With millions of engaged fans across linear, digital and social channels, the cable network features a growing roster of critically-acclaimed premium scripted, non-scripted and hybrid series.



HULU

Has A24 ever met a coming-of-age-ish story it didn't love and support? Our indie studio has executive produced Ramy, created by and starring Ramy Youssef and executive produced by Jerrod Carmi-

chael. Youssef plays Ramy Hassan, a first-generation Egyptian-American trying to figure out his spiritual life and his love life. Hulu has over 20 million U.S. subscribers and has future work slated for 2020.

3

HOURS & HOURS
OF CONTENT

—up

all

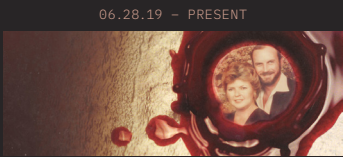
night

While the company initially started with the goal of distributing 8-10 films per year, that number has increased rapidly as they have found their footing and garnered more attention.

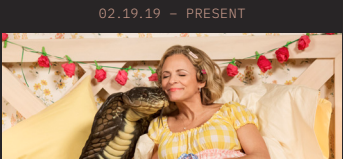
TELEVISION RELEASES



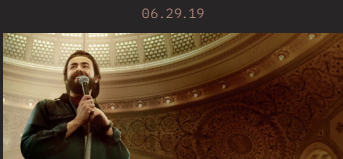
01.09.19 - PRESENT
219 mins (20 episodes / 1 season)
I'm Sorry



06.28.19 - PRESENT
231 mins (4 episodes / 1 season)
Exhibit A



02.19.19 - PRESENT
603 mins (10 episodes / 1 season)
At Home with Amy Sedaris



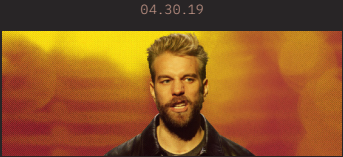
06.29.19
72 mins (1 episode / 1 season)
Ramy Youssef: Feelings



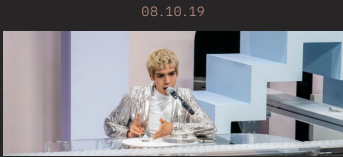
04.19.19 - PRESENT
548 mins (10 episodes / 1 season)
Ramy



01.09.19 - PRESENT
59 mins (1 episode / 1 season)
Frankenstein's Monster's Monster, Frankenstein



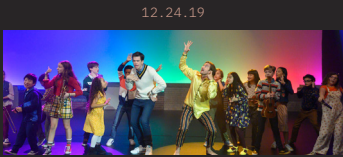
04.30.19
67 mins (1 episode / 1 season)
Anthony Jeselnik: Fire in the Maternity Ward



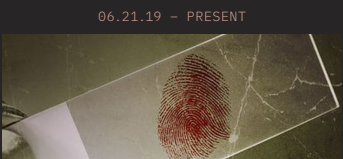
08.10.19
54 mins (1 episode / 1 season)
My Favorite Shapes by Julio Torres



06.16.19 - PRESENT
510 mins (8 episodes / 1 season)
Euphoria



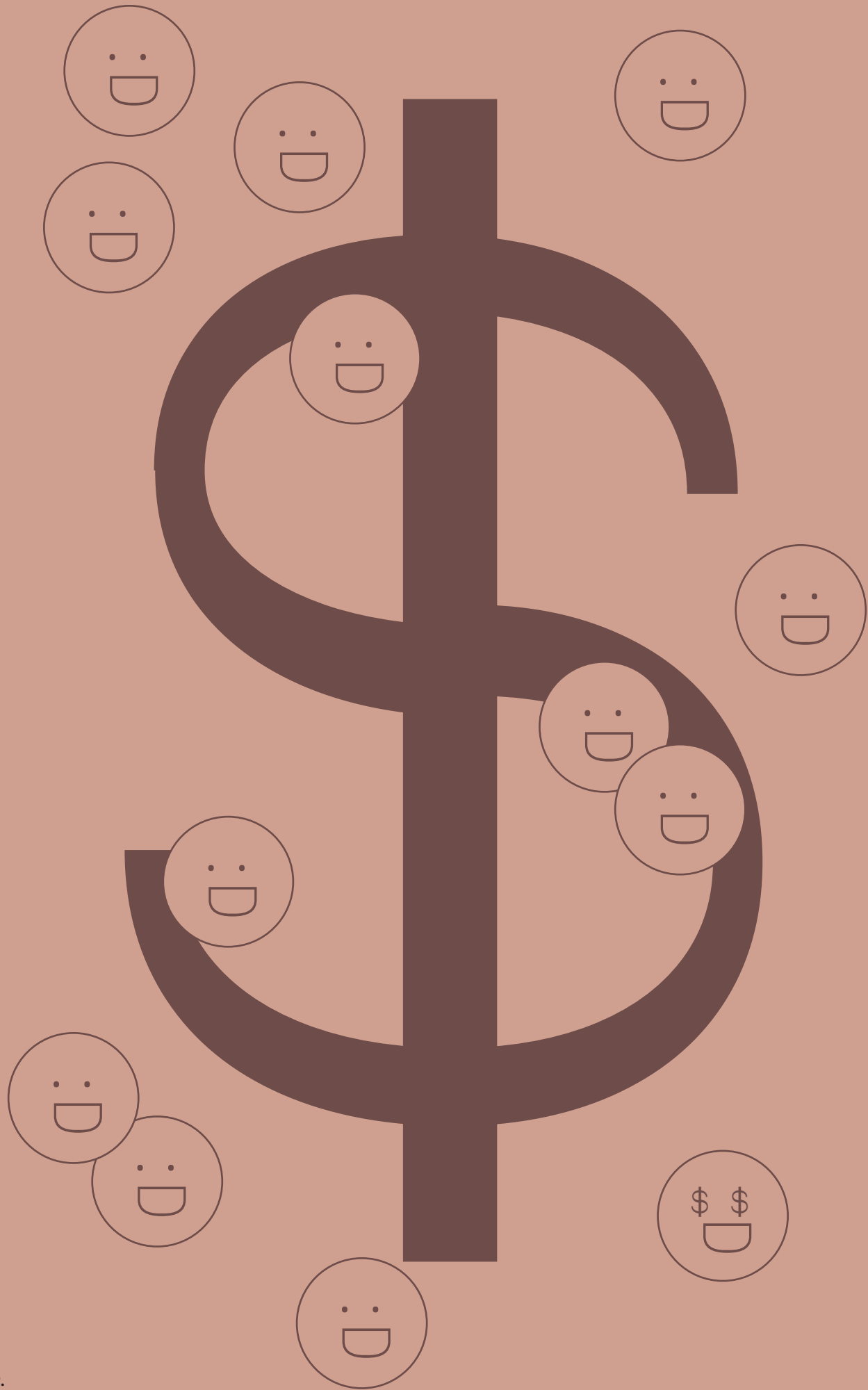
12.24.19
62 mins (1 episode / 1 season)
John Mulaney & the Sack Lunch Bunch



06.21.19 - PRESENT
243 mins (4 episodes / 1 season)
The Confession Tapes

THEATRICAL RELEASES

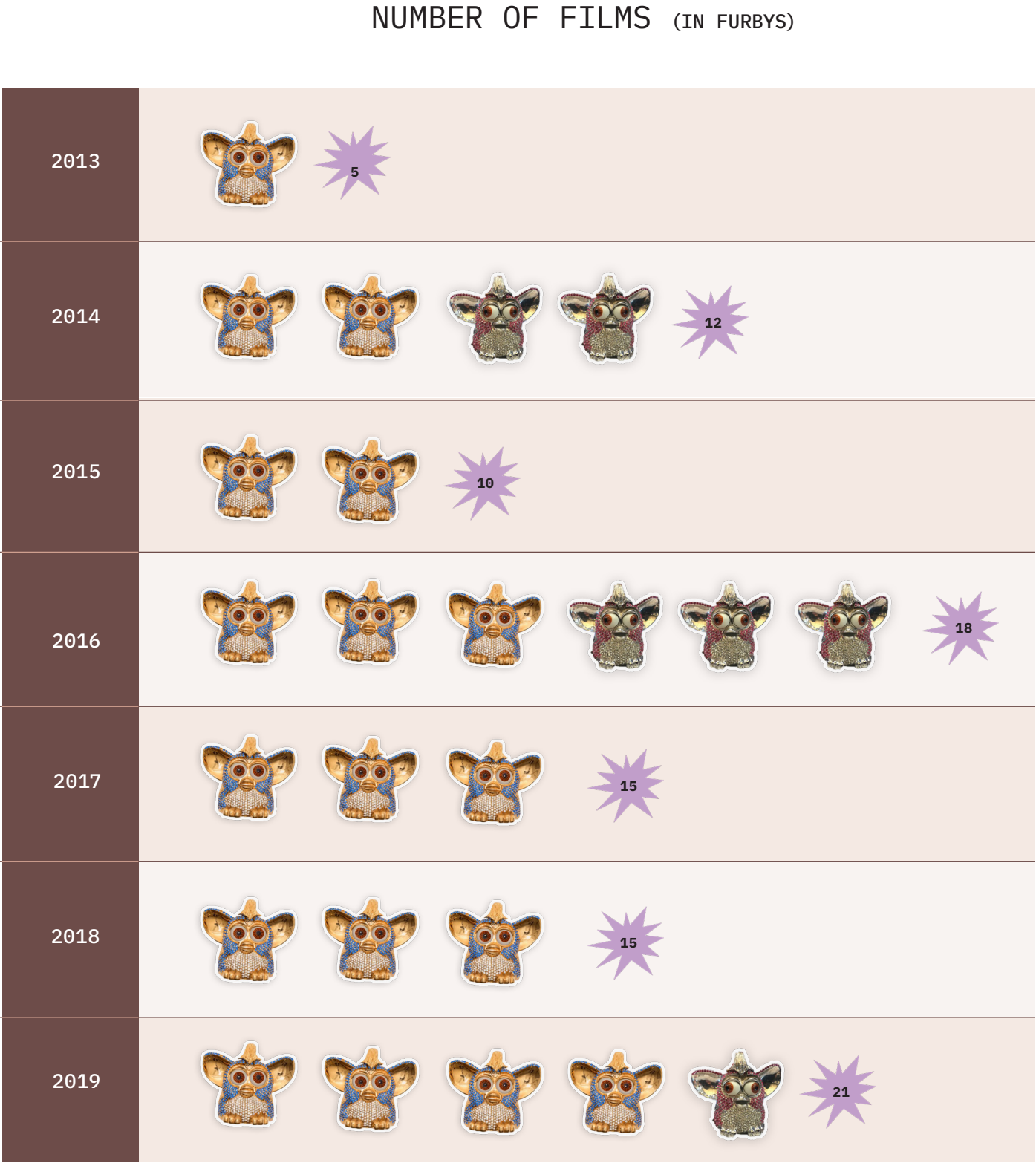
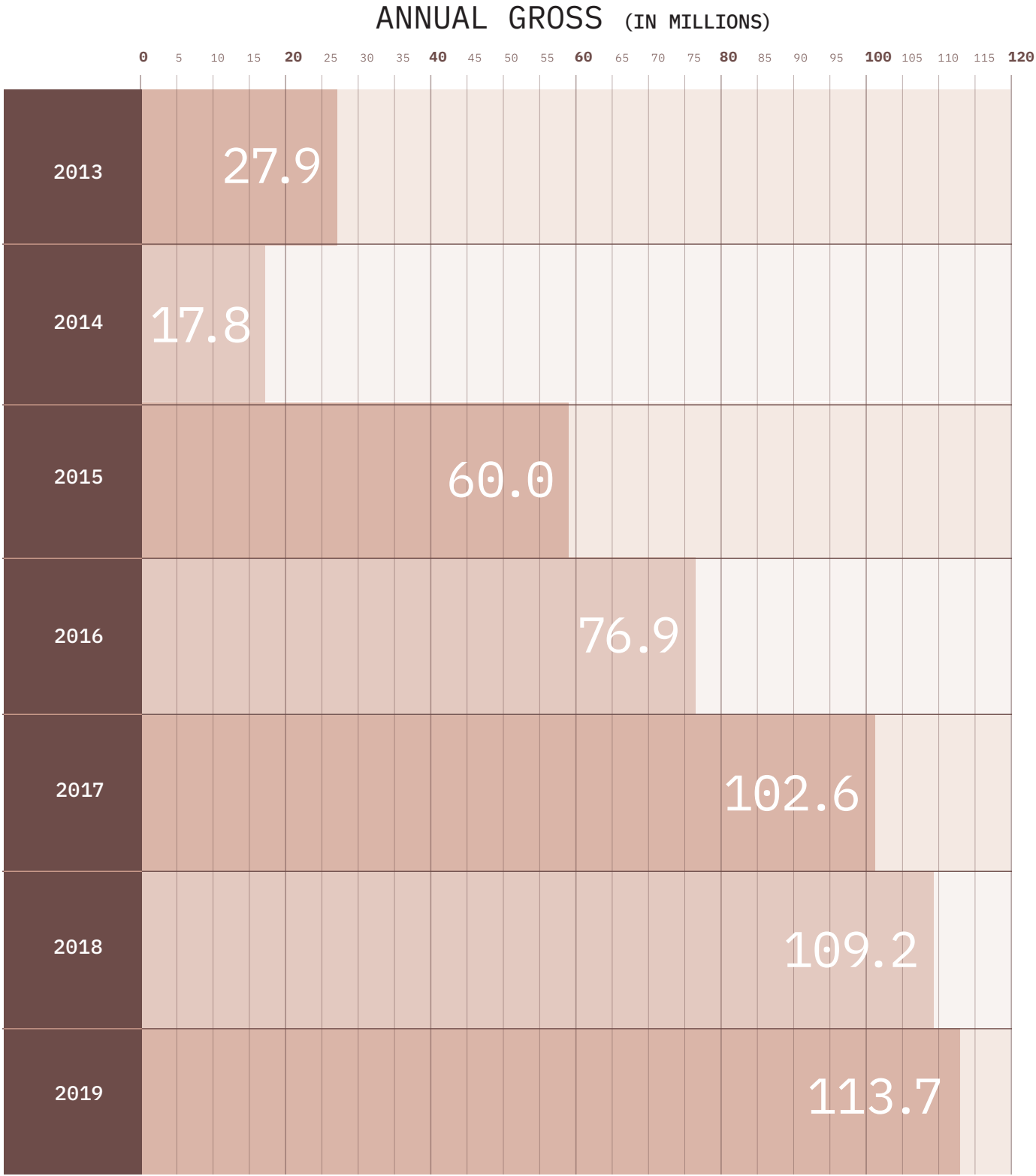
TITLE	RELEASE DATE	INCOME	LENGTH
Outlaws	Feb 1, 2019	\$42,300,000	95 mins
Climax	March 1, 2019	\$42,300,000	102 mins
The Hole in the Ground	March 1, 2019	\$42,300,000	88 mins
Gloria Bell	March 8, 2019	\$42,300,000	92 mins
High Life	April 5, 2019	\$42,300,000	107 mins
Native Son	April 6, 2019	\$42,300,000	120 mins
Under the Silver Lake	May 17, 2019	\$42,300,000	83 mins
The Souvenir	June 7, 2019	\$42,300,000	98 mins
The Last Black Man in San FrancWisco	July 3, 2019	\$42,300,000	109 mins
Midsommar	July 3, 2019	\$42,300,000	104 mins
The Farewell	July 12, 2019	\$42,300,000	92 mins
Skin	July 26, 2019	\$42,300,000	87 mins
Share	July 27, 2019	\$42,300,000	79 mins
The Death of Dick Long	Sept 27, 2019	\$42,300,000	118 mins
Low Tide	Oct 4, 2019	\$42,300,000	102 mins
The Lighthouse	Oct 18, 2019	\$42,300,000	95 mins
The Elephant Queen	Oct 18, 2019	\$42,300,000	102 mins
The Kill Team	Oct 25, 2019	\$42,300,000	94 mins
Waves	Nov 15, 2019	\$42,300,000	121 mins
In Fabric	Dec 6, 2019	\$42,300,000	81 mins
Uncut Gems	Dec 13, 2019	\$42,300,000	88 mins



\$\$\$\$\$\$

BUT NOW
FOR DA
MONEY

Films Released



Consolidated Balance Sheet

LINE ITEM	2019	2018
Cash and cash equivalents	378.1	321.9
Restricted cash	—	2.8
Accounts receivable, net	946.0	908.1
Program rights	53.2	261.7
Other current assets	195.8	195.9
Total current assets	1,773.1	1,690.4
Investment in films and television programs and program rights, net	1,692.0	1,729.5
Property and equipment, net	161.7	165.5
Investments	164.9	371.5
Intangible assets	1,937.7	2,046.7
Goodwill	2,740.8	2,700.5
Other assets	458.6	472.8
Deferred tax assets	38.8	20.0
TOTAL ASSETS	8,967.6	9,196.9

Statement of Cash Flows



LINE ITEM	2019	2018	2017
Operating Activities:			
Net income	468.1	14.5	42.7
Adjustments to reconcile net income to net cash provided by (used in) operating activities:			
Depreciation and amortization	159.0	63.1	13.1
Amortization of films and television programs and program rights	1,641.7	1,414.0	1,029.1
Interest on dissenting shareholders' liability	56.5	15.5	—
Amortization of debt discount and financing costs	14.3	12.9	9.2
Non-cash share-based compensation	88.4	76.9	77.9
Other non-cash items	20.1	4.3	2.0
Distribution from equity method investee	—	14.0	—
Gain on Starz investment	—	(20.4)	—
Loss on extinguishment of debt	35.7	40.4	—
Equity interests loss (income)	52.8	(10.7)	(44.2)
Gain on sale of equity interest in EPIX	(201.0)	—	—
Impairment of long-term investments and other assets	29.2	—	—
Deferred income tax benefit	(299.5)	(163.4)	(85.1)



Income Statement

LINE ITEM	2019	2018	2017
Operating income (loss)	248.7	(16.3)	(25.0)
Interest expense			
Interest expense	(137.2)	(99.7)	(54.9)
Interest on dissenting shareholders' liability	(56.5)	(15.5)	—
Total interest expense	(193.7)	(115.2)	(54.9)
Interest and other income	10.4	6.4	1.9
Loss on extinguishment of debt	(35.7)	(40.4)	—
Gain on sale of equity interest in EPIX	201.0	—	—
Gain on Starz investment	—	20.4	—
Impairment of long-term investments and other assets	(29.2)	—	—
Equity interests income (loss)	(52.8)	10.7	44.2
Income (loss) before income taxes	148.7	(134.4)	(33.8)
Income tax benefit	319.4	148.9	76.5
Net income	468.1	14.5	42.7
Net loss attributable to noncontrolling interests	5.5	0.3	7.5

NOTE ON REVENUE

Revenue from the theatrical release of feature films is recognized at the time of exhibition based on the Company's participation in box office receipts. Revenue from the sale of DVDs and Blu-ray discs in the retail market, net of an allowance for estimated returns and other allowances, is recognized on the later of receipt by the customer or "street date"

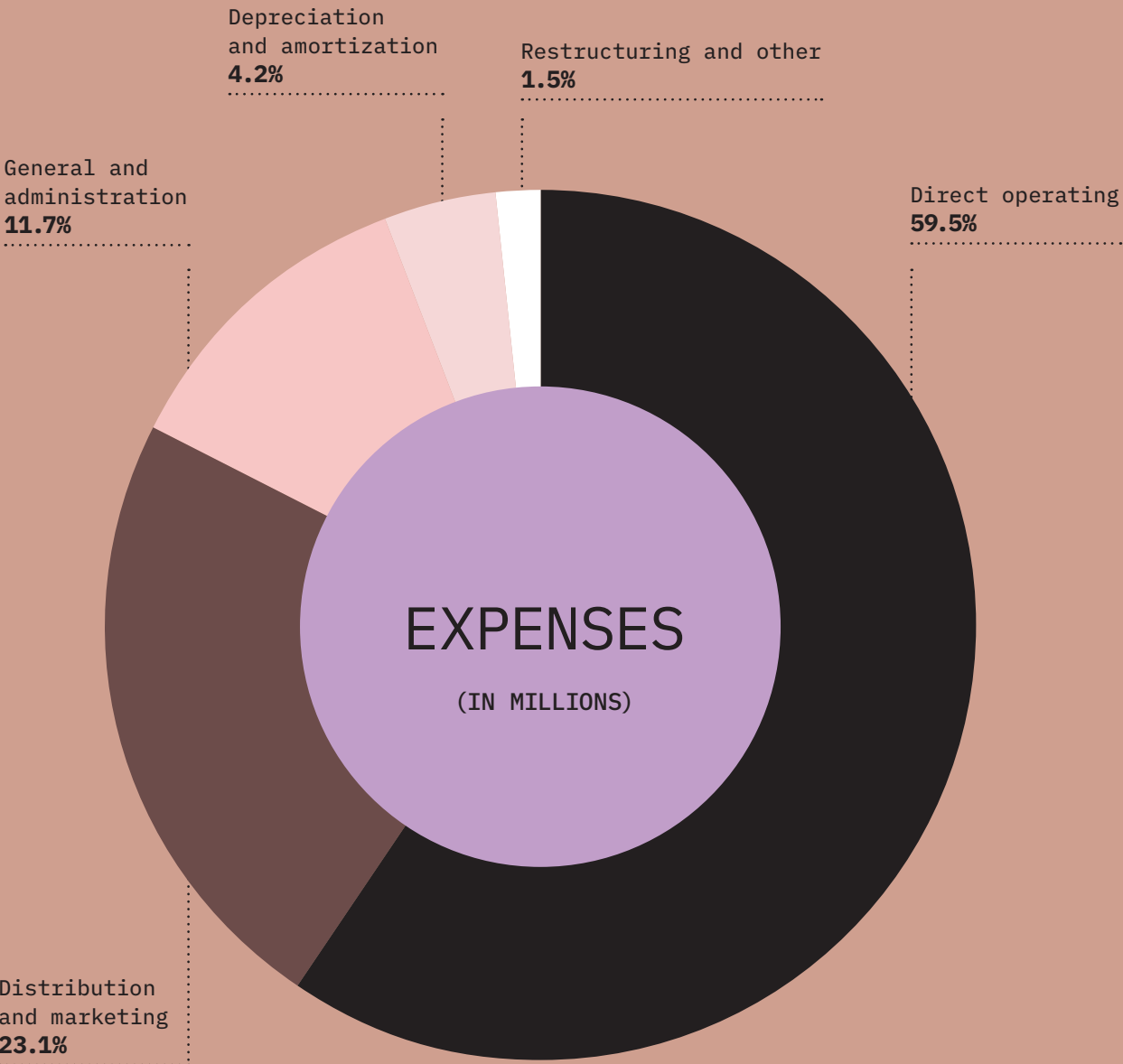
(when it is available for sale by the customer). Under revenue sharing arrangements, including digital and electronic-sell-through ("EST") arrangements, such as download-to-own, download-to-rent, video-on-demand and subscription video-on-demand, revenue is recognized when the Company is entitled to receipts and such receipts are determinable.

TOTAL REVENUE
(IN MILLIONS)

\$ 4,129.1

NET INCOME
(IN MILLIONS)

\$ 468.1



colophon

TYPOGRAPHY

Phase - Headlines / display
IBM Plex Mono - Body

PAPER

Cover - Mohawk Options,
Vellum, Crystal white, 130DTC
P1-14 - Arjowiggins Keaykolour,
Vellum, Old rose, 80T
P15-23 - Strathmore Premium,
Wove, Platinum, 80T

PRINTING

AllMedia Art Supply - Kent, OH

