

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 26, 2024

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number 1-12604

THE MARCUS CORPORATION

(Exact name of registrant as specified in its charter)

Wisconsin

39-1139844

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

111 East Kilbourn Avenue, Suite 1200

Milwaukee, Wisconsin

53202-6628

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (414) 905-1000

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common stock, \$1.00 par value	MCS	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. ☒

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the registrant's common equity held by non-affiliates as of June 27, 2024 was approximately \$218,000,340. This value includes all shares of the registrant's common stock, except for treasury shares and shares beneficially owned by the registrant's directors and executive officers listed in Part I below.

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common stock outstanding at February 25, 2025 – 24,764,638

Class B common stock outstanding at February 25, 2025 – 6,984,584

Portions of the registrant's definitive Proxy Statement for its 2025 annual meeting of shareholders, which will be filed with the Commission under Regulation 14A within 120 days after the end of our fiscal year, will be incorporated by reference into Part III to the extent indicated therein upon such filing.

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PART I

Special Note Regarding Forward-Looking Statements

Certain matters discussed in this Annual Report on Form 10-K and the accompanying annual report to shareholders, particularly in Management's Discussion and Analysis, 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 future pandemics or epidemics 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 (including disruptions in the production of films due to events such as a strike by actors, writers or directors or future pandemics); (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 or other incidents of violence in public venues such as hotels and movie theatres; 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 Form 10-K and we undertake no obligation to publicly update such forward-looking statements to reflect subsequent events or circumstances.

Item 1. Business.

General

We are engaged primarily in two business segments: movie theatres and hotels and resorts.

As of December 26, 2024, our theatre operations included 79 movie theatres with 995 screens throughout 17 states (Wisconsin, Illinois, Iowa, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Arkansas, Colorado, Georgia, Kentucky, Louisiana, New York, Pennsylvania, Texas and Virginia), including one movie theatre with 14 screens in Minnesota owned by a third party and managed by us. Our movie theatres operate under the *Marcus Theatres*, *Movie Tavern by Marcus*, and *BistroPlex* brands. We also operate a family entertainment center, *Funset Boulevard*, that is adjacent to one of our theatres in Appleton, Wisconsin. As of the date of this Annual Report, we are the 4th largest theatre circuit in the United States.

As of December 26, 2024, our hotels and resorts operations included seven wholly-owned and operated hotels and resorts in Wisconsin, Illinois, and Nebraska. We also manage nine hotels, resorts and other properties for third parties in Wisconsin, California, Minnesota, Nevada, Nebraska, Illinois, Iowa, and Pennsylvania. As of December 26, 2024, we owned or managed approximately 4,700 hotel and resort rooms.

Both of these business segments are discussed in detail below. For information regarding the revenues, operating income or loss, assets and certain other financial information of these segments for the last three full fiscal years, please see our consolidated financial statements and the accompanying Note 13 in Part II below.

Strategic Plans

Please see our discussion under “Current Plans” in Item 7 – Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Theatre Operations

At the end of fiscal 2024, we owned or operated 79 movie theatre locations with a total of 995 screens in Wisconsin, Illinois, Iowa, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Arkansas, Colorado, Georgia, Kentucky, Louisiana, New York, Pennsylvania, Texas and Virginia. Included in our portfolio is a single movie theatre location with 14 screens in Minnesota that we manage for a third party. We averaged 12.6 screens per location at the end of fiscal 2024 and fiscal 2023 and 12.5 screens per location at the end of fiscal 2022. Our 78 company-owned facilities include 46 megaplex theatres (12 or more screens), representing approximately 71% of our total screens, 31 multiplex theatres (two to 11 screens) and one single-screen theatre.

We invested approximately \$389 million, excluding acquisitions, to further enhance the movie-going experience and amenities in new and existing theatres over the last ten years. These investments include:

New theatres. In October 2019, we opened the eight-screen Movie Tavern[®] by Marcus theatre in Brookfield, Wisconsin. This theatre became the first Movie Tavern by Marcus in Wisconsin. It includes eight auditoriums, each with laser projection and comfortable DreamLoungerSM recliner seating, a full-service bar and food and drink center, and a new delivery-to-seat service model that also allows guests to order food and beverage via our mobile phone application or in-theatre kiosk. We will consider additional sites for potential new theatre locations in both new and existing markets in the future.

Theatre acquisitions. In addition to building new theatres, acquisitions of existing theatres or theatre circuits has also been a viable growth strategy for us. In 2019, we acquired the assets of Movie Tavern[®], a New Orleans-based industry leading circuit known for its in-theatre dining concept featuring chef-driven menus, premium quality food and drink and luxury seating. Now branded Movie Tavern by Marcus, the acquired circuit consisted of 208 screens at 22 locations in nine states – Arkansas, Colorado, Georgia, Kentucky, Louisiana, New York, Pennsylvania, Texas and Virginia. The acquisition of the Movie Tavern circuit increased our total number of screens at that time by an additional 23%. We also have entered into management agreements with third parties which allow us to promote our brand and may lead to opportunities to own additional theatres. In fiscal 2024, we entered into an agreement to assume operations of the West End Cinema, a 14 screen theatre in St. Louis Park, Minnesota.

We will continue to consider potential acquisitions as well as consider management agreements. The movie theatre industry is very fragmented, with approximately 50% of United States screens owned by the three largest theatre circuits and the other 50% owned by an estimated 800 smaller operators, making it very difficult to predict when acquisition opportunities may arise. We do not believe that we are geographically constrained, and we believe that we may be able to add value to certain theatres through our various proprietary amenities and operating expertise.

DreamLounger recliner additions. These luxurious, state-of-the-art recliners allow guests to go from upright to a full-recline position in seconds. These seat changes require full auditorium remodels to accommodate the necessary 84 inches of legroom, resulting in the loss of approximately 50% of the existing traditional seats in an average auditorium. To date, the addition of DreamLoungers has increased attendance at each of our applicable theatres, outperforming nearby competitive theatres and growing the overall market attendance in most cases. During fiscal 2024, we added DreamLounger seating at one acquired Movie Tavern theatre. As of December 26, 2024, we offered all DreamLounger recliner seating in 67 theatres, representing approximately 86% of our company-owned theatres. Including our premium, large format (PLF) auditoriums with recliner seating, as of December 26, 2024, we offered our DreamLounger recliner seating in approximately 88% of our company-owned screens, a percentage we believe to be the highest among the largest theatre chains in the nation.

UltraScreen DLX[®], SuperScreen DLX[®] (DreamLounger eXperience) and ScreenX conversions. We introduced one of the first PLF presentations to the industry when we rolled out our proprietary *UltraScreen[®]* concept over 25 years ago. We later introduced our *UltraScreen DLX* concept by combining our premium, large-format presentation with DreamLounger recliner seating and Dolby[®] Atmos[™] immersive sound to elevate the movie-going experience for our guests. Most of our PLF screens now include the added feature of heated DreamLounger recliner seats. In fiscal 2023, we introduced our first ScreenX auditorium featuring 270-degree projection providing guests with an immersive viewing experience. From fiscal 2019 through fiscal 2024, we converted one existing screen at an acquired theatre to *UltraScreen DLX*, opened one new *UltraScreen DLX* at an acquired theatre, converted 38 existing screens to *SuperScreen DLX*, and opened one new *SuperScreen DLX* auditorium at a newly built Movie Tavern by Marcus theatre. As of December 26, 2024, we had 31 *UltraScreen DLX* auditoriums, one traditional *UltraScreen* auditorium, 89 *SuperScreen DLX* auditoriums (a slightly smaller screen than an *UltraScreen* but with the same DreamLounger seating and Dolby Atmos sound), one ScreenX and three IMAX[®] PLF screens at 65 of our theatre locations. As of December 26, 2024, we offered at least one PLF screen in approximately 83% of our company-owned theatres – once again a percentage we believe to be the highest percentage among the largest theatre chains in the nation. Our PLF screens generally have higher per-screen revenues and draw customers from a larger geographic region compared to our standard screens, and we charge a premium price to our guests for this experience. We expect to convert additional existing screens to ScreenX auditoriums in fiscal 2025, and we continue to evaluate opportunities to convert additional existing screens to *SuperScreen DLX*.

Signature cocktail and dining concepts. We have continued to further enhance our food and beverage offerings within our existing theatres. We believe our 50-plus years of food and beverage experience in the hotel and restaurant businesses provides us with a unique advantage and expertise that we can leverage to further grow revenues in our theatres. The concepts we are expanding include:

- *Take Five[®] Lounge, Take Five Express* and *The Tavern* – These full-service bars offer an inviting atmosphere and a chef-inspired dining menu, along with a complete selection of cocktails, locally-brewed beers and wines. We also offer full liquor service through the concession stand at two theatres. We operate 19 bars known as *The Tavern*. As of December 26, 2024, we offered bars/full liquor service at 49 theatres, representing approximately 63% of our company-owned theatres.
- *Zaffiro's[®] Express* – These outlets offer lobby dining that includes appetizers, sandwiches, salads, desserts and our signature *Zaffiro's THINCREDIBLE[®]* handmade thin-crust pizza. In select locations without a *Take Five Lounge* outlet, we offer beer and wine at the *Zaffiro's Express* outlet. Our number of theatres with this concept totaled 29 as of December 26, 2024, representing approximately 50% of our company-owned theatres (excluding our in-theatre dining Movie Tavern theatres). We also operate three *Zaffiro's[®] Pizzeria and Bar* full-service restaurants.
- *Reel Sizzle* – This signature dining concept serves menu items inspired by classic Hollywood and the iconic diners of the 1950s. We offer Americana fare like burgers and chicken sandwiches prepared on a griddle behind the counter, along with chicken tenders, crinkle-cut fries, ice cream and signature shakes. As of December 26, 2024, we operated nine *Reel Sizzle* outlets at our company-owned theatres.
- Other in-lobby dining – We also operate one *Hollywood Café* at an existing theatre, and three of the Marcus Wehrenberg theatres offer in-lobby dining concepts sold through the concession stand. Including these additional concepts, as of December 26, 2024, we offered one or more in-lobby dining concepts in 40 theatres, representing approximately 69% of our company-owned theatres (excluding our in-theatre dining Movie Tavern theatres).
- In-theatre dining – As of December 26, 2024, we offered a complete menu of drinks and chef-prepared salads, sandwiches, entrées and desserts at 29 theatres, representing approximately 37% of our company-owned theatres, through two service models. At 21 theatres we offer in-theatre dining operating under the *BistroPlex[®]* and *Movie Tavern by Marcus* brands. In addition, at 8 theatres operating under the *Marcus Theatres* brand, we offer the same complete menu available for order at the concession stand, bar, or our online/mobile app with food pickup at the concession stand.
- In-lobby concession stands – In addition to these dining concepts, all of our *Marcus Theatres* locations offer traditional concessions sold through in-lobby concession stands. While all of our *Movie Tavern by Marcus*

locations offer in-theatre dining, in fiscal 2022 we began adding in-lobby concession stands to acquired *Movie Tavern by Marcus* locations to enhance concessions sales and reduce labor costs. As of December 26, 2024, we operated in-lobby concession stands at three of our 20 *Movie Tavern by Marcus* theatres, and we expect to add additional in-lobby concession stands in fiscal 2025.

We offer a “Value Tuesday” promotion at every theatre in our circuit that includes discounted admission and a free complementary-size popcorn to our loyalty program members. We have seen our Tuesday attendance increase dramatically since the introduction of the Tuesday promotion. We believe this promotion has increased movie-going frequency and reached a customer who may have stopped going to the movies because of price. During the second quarter of fiscal 2024, we implemented a change to our Value Tuesday promotion across our theatre circuit by reintroducing a free complimentary-size popcorn for members of our free Magical Movie RewardsSM (MMR) loyalty program, which replaced a 20% discount on all concessions, food and non-alcoholic beverages, a promotion that had been in place for the year prior to the change. Our Value Tuesday promotion features \$6 admission for MMR members, \$7 admission for non-MMR customers, and a free complementary-size popcorn. We also offer a “Student Thursday” promotion at all of our locations that has been well received by that particular customer segment. In addition, we offer a “Young-at-Heart” program for seniors on Friday afternoons that offers promotions on concessions. During fiscal 2024, we also introduced a \$7 Everyday Matinee for seniors and children, offering a discounted \$7 admission for showtimes before 4 p.m.

We offer what we believe to be a best-in-class customer loyalty program called Magical Movie Rewards. We currently have approximately 6.5 million members enrolled in the program. Approximately 48% of all box office transactions and 41% of total transactions in our theatres during fiscal 2024 were completed by registered members of the loyalty program. The program allows members to earn points for each dollar spent and access special offers available only to members. The rewards are redeemable at the box office, concession stand or at the many Marcus Theatres[®] food and beverage venues. In addition, we have partnered with Movio, a global leader in data analysis for the cinema industry, to allow more targeted communication with our loyalty members. The software provides us with insight into customer preferences, attendance habits and general demographics, which we believe helps us deliver customized communication to our members. In turn, members of this program can enjoy and plan for a more personalized movie-going experience. The program also gives us the ability to cost effectively promote non-traditional programming and special events, particularly during non-peak time periods. We believe that this results in increased movie-going frequency, more frequent visits to the concession stand, increased loyalty to Marcus Theatres and ultimately, improved operating results.

In November 2024, we launched our Marcus Movie Club subscription program across our theatre circuit. For \$9.99 per month or \$109.89 annually, moviegoers who join Marcus Movie Club receive a credit to see any 2D movie each month with rollover of unused credits, a 20% discount on food and beverage, unlimited access to additional companion tickets for \$9.99, and waived ticket surcharge fees.

We continue to enhance our mobile ticketing capabilities, our downloadable Marcus Theatres mobile app, and our *marcustheatres.com* website. Our mobile app offers food and beverage ordering capabilities at all of our theatres. We have continued to install additional theatre-level technology, such as new ticketing and food and beverage purchasing kiosks, digital menu boards and concession advertising monitors. Each of these enhancements is designed to improve the customer experience, both at the theatre and through mobile platforms and other electronic devices.

The addition of digital projection technology throughout our circuit has provided us with additional opportunities to obtain non-motion picture alternative content programming from other new and existing content providers, including live and pre-recorded performances of the Metropolitan Opera, as well as sports, concerts and other events, at many of our locations. We offer weekday and weekend alternative content programming at many of our theatres across our circuit. This special programming includes classic movies, live performances, comedy shows and children’s performances. We believe this type of programming is more impactful when presented on the big screen and provides an opportunity to continue to expand our audience base beyond traditional moviegoers.

Revenues for the theatre business, and the motion picture industry in general, are heavily dependent on the general audience appeal of available films, together with studio marketing, advertising and support campaigns, factors over which we have no control. Blockbusters have historically accounted for a significant portion of our total admission revenues – in the years before the COVID-19 pandemic, our top 15 performing films accounted for 48% of our fiscal 2019 total admission revenues and 42% of our fiscal 2018 total admission revenues. With fewer films released in the years following the pandemic, our top 15 films accounted for 63% and 49% of our fiscal 2022 and 2023 total admission revenues, respectively. In fiscal 2024, the lingering impact of the labor strikes by the Writers Guild of America (WGA) and the Screen Actors Guild - American Federation of Television and Radio Artists (SAG-AFTRA) that occurred during fiscal

2023 resulted in a film slate that was slightly more dependent on blockbuster films, with our top 15 films accounting for 54% of total admission revenues.

We obtain our films from several national motion picture production and distribution companies, and we are not dependent on any single motion picture supplier. Our booking, advertising, concession purchases and promotional activities are handled centrally by our administrative staff.

We strive to provide our movie patrons with high-quality picture and sound presentation in clean, comfortable, safe, attractive and contemporary theatre environments. All of our movie theatre complexes feature digital cinema or laser projection technology; Dolby Atmos or other digital sound systems; acoustical ceilings; side wall insulation; engineered drapery folds to eliminate sound imbalance, reverberation and distortion; cup-holder chair-arms; and computer-controlled heating, air conditioning and ventilation. We offer stadium seating, a tiered seating system that permits unobstructed viewing, at substantially all of our screens. Computerized box offices permit all of our movie theatres to sell tickets in advance and all of our theatres offer reserved seating. Our theatres are accessible to persons with disabilities and provide wireless headphones for hearing-impaired moviegoers. Other amenities at certain theatres include touch-screen, computerized, self-service ticket kiosks, which simplify advance ticket purchases. We have an agreement to allow moviegoers to buy tickets on Fandango, the largest online ticket-seller, or directly through our website or app.

Our goals from digital cinema included delivering an improved film presentation to our guests, increasing scheduling flexibility, providing a platform for additional 3D presentations as needed, as well as maximizing the opportunities for alternate programming that may be available with this technology. As of December 26, 2024, we had the ability to offer digital 3D presentations in 338, or approximately 34%, of our company-owned screens, including the vast majority of our *UltraScreens*. We have the ability to increase the number of digital 3D capable screens we offer to our guests in the future as needed, based on the number of digital 3D films anticipated to be released during future periods and our customers' response to these 3D releases.

We sell food and beverage concessions in all of our movie theatres. We believe that a wide variety of food and beverage items, properly merchandised, increases concession revenue per patron. Although popcorn and soda remain the traditional favorites with moviegoers, we continue to upgrade our available concessions by offering varied choices. For example, some of our theatres offer hot dogs, pizza, ice cream, pretzel bites, frozen yogurt, coffee, mineral water and juices. We have also added self-serve soft drink dispensers and grab-and-go candy, frozen treat and bottled drink kiosks to many of our theatres. In recent years, we have added signature cocktail and dining concepts as described above. The response to our food and beverage offerings has been very positive, and we continue to evaluate opportunities to expand these food and beverage concepts at additional locations in the future.

We have a variety of ancillary revenue sources in our theatres, with the largest related to the sale of pre-show and lobby advertising (through our current advertising providers, Screenvision and National CineMedia). We also obtain ancillary revenues from corporate and group meeting sales, sponsorships, ticket surcharge fees, post transaction click-through advertising revenue, and alternate auditorium uses. We continue to pursue additional strategies to increase our ancillary revenue sources.

We also own a family entertainment center, *Funset Boulevard*, adjacent to our 14-screen movie theatre in Appleton, Wisconsin. *Funset Boulevard* features a 40,000 square foot Hollywood-themed indoor amusement facility that includes a restaurant, party room, laser tag center, virtual reality games, arcade, outdoor miniature golf course and batting cages.

Hotels and Resorts Operations

Owned and Operated Hotels and Resorts

The Pfister® Hotel

We own and operate The Pfister Hotel, which is located in downtown Milwaukee, Wisconsin. The Pfister Hotel is a full-service luxury hotel and has 307 guest rooms (including 71 luxury suites), the exclusive *Pfister VIP Club Lounge*, two restaurants (including our signature restaurant, *Mason Street Grill®*), three cocktail lounges, a state-of-the-art WELL Spa® + Salon, a high-tech executive boardroom, high-end retail space leased to tenants and a 275-car parking ramp. The Pfister also has 25,000 square feet of banquet and convention facilities, including one of the largest ballrooms in the Milwaukee metropolitan area. In 2024, The Pfister Hotel earned its 48th consecutive AAA Four Diamond Award from the

American Automobile Association, which represents every year the award has been in existence. *USA Today* 10Best Readers' Choice 2024 named The Pfister Hotel number six on their list of the Top 10 Historic Hotels in the U.S. Also in 2024, The Pfister was recognized for the sixth year in a row as a top hotel in the Midwest in *Condé Nast Traveler's* Readers' Choice Awards and was featured as the number one downtown Milwaukee hotel by *U.S. News & World Report*. The Pfister currently holds the TripAdvisor® Travelers' Choice distinction and is a member of Preferred Hotels and Resorts, an organization of independent luxury hotels and resorts, and Historic Hotels of America. During fiscal 2023, the hotel's ballrooms and meeting space were renovated and, in fiscal 2024, we completed renovations of the lobby and historic tower guest rooms.

Hilton Milwaukee

We own and operate the 729-room Hilton Milwaukee. The hotel has three restaurants (including our first *Miller Time® Pub & Grill* and the award-winning *Milwaukee ChopHouse*), a cocktail lounge, a *Starbucks®* outlet and an 870-car parking ramp. Directly connected to the Wisconsin Center convention facility by skywalk, the hotel offers more than 30,000 square feet of meeting and event spaces with state-of-the-art technologies. In 2024, the Hilton Milwaukee was recognized as a top hotel in Milwaukee by *U.S. News & World Report*. In the fourth quarter of fiscal 2024, we began an extensive renovation of 554 of the hotel's guestrooms, meeting & event spaces, lobby, entrance, and lobby lounge that is expected to be completed in fiscal 2025. Upon completion of the renovation, we expect to remove the remaining 175 guestrooms from available room inventory.

Hilton Madison Monona Terrace

We own and operate the 240 room Hilton Madison Monona Terrace in Madison, Wisconsin. The Hilton Madison Monona Terrace is connected by skywalk to the Platinum LEED and GBAC certified Monona Terrace Community and Convention Center offering over 250,000 square feet of meeting space. The hotel has six meeting rooms totaling approximately 6,000 square feet, an indoor swimming pool and a fitness center. Audrey Kitchen + Bar offers all day dining and the lobby bar also offers food service daily. In fiscal 2024, we completed a renovation of the Executive Lounge, offering complimentary breakfast daily and weekday wine and hors d'oeuvres in the evening to upper-tier Hilton loyalty members and selected guests.

The Grand Geneva® Resort & Spa

We own and operate the Grand Geneva Resort & Spa in Lake Geneva, Wisconsin. This destination resort is located on 1,300 acres and includes 356 guest rooms, 29 studio, one, two and three bedroom villas, the exclusive *Geneva Club Lounge*, over 60,000 square feet of banquet, meeting and exhibit space, including 13,000 square feet of ballroom space, three specialty restaurants, two cocktail lounges, two championship golf courses, a ski hill, indoor and outdoor tennis courts, three swimming pools, a state-of-the-art WELL Spa + Salon and fitness complex, and horse stables. In 2024, Grand Geneva Resort & Spa earned its 28th consecutive AAA Four Diamond Award from the American Automobile Association. The resort was also recognized as a *Condé Nast Traveler's* 2024 Readers' Choice Award winner and named one of the Best Golf Resorts in the Country for Meetings from *Smart Meetings*. Major renovations to Grand Geneva Resort & Spa have been recently completed, including the reception and lobby bar areas in 2021, the guest rooms in 2023, and the resort's ballrooms and meeting space in 2024. The addition of a 10-hole golf short-course is under construction and expected to be completed in spring 2026.

AC Hotel Chicago Downtown

Pursuant to a long-term lease, we operate the AC Hotel Chicago Downtown, a 226-room hotel in Chicago, Illinois. Located in the heart of Chicago's Magnificent Mile, a premier destination for shopping, dining and entertainment, the AC Hotel by Marriott lifestyle brand targets the millennial traveler searching for a design-led hotel in a vibrant location with high-quality service. Amenities include the AC Lounge, a bar area with cocktails, craft beers, wine and tapas, and the AC Kitchen, serving a European-inspired breakfast menu. The AC Hotel Chicago Downtown also features an indoor swimming pool, fitness room, 3,000 square feet of meeting space and an on-site parking facility. The hotel has additional retail or restaurant space available to lease.

The Lincoln Marriott Cornhusker Hotel

We own and operate The Lincoln Marriott Cornhusker Hotel in downtown Lincoln, Nebraska. The Lincoln Marriott Cornhusker Hotel is a 300 room, full service hotel with 45,600 square feet of meeting space and a *Miller Time*

Pub & Grill. We also own the Cornhusker Office Plaza, which is a seven story building with a total of 85,592 square feet of net leasable office space connected to the hotel by a three story atrium that is used for local events and exhibits.

Saint Kate[®] – The Arts Hotel

We own and operate Saint Kate – The Arts Hotel, located in the heart of Milwaukee’s theatre and entertainment district. Saint Kate – The Arts Hotel features 219 art-inspired guestrooms, 13,000 square feet of flexible meeting space, 11 event rooms and two restaurants, as well as two bars and lounge areas. The hotel also includes a theatre with programming that features lectures and theatrical and musical performances, six unique gallery and other event spaces that host rotating exhibitions, screenings, workshops and more. In 2024, Saint Kate – The Arts Hotel earned the AAA Four Diamond Award from the American Automobile Association, was recognized as a top hotel in the Midwest for the fifth year in a row in the *Condé Nast Traveler’s Readers’ Choice Awards* and was highlighted as the number two hotel in Milwaukee by *U.S. News & World Report*.

The Skirvin Hilton

From 2006 through fiscal 2022 we were the 60% principal equity partner and operator of The Skirvin Hilton hotel in Oklahoma City, Oklahoma, a 225 room historic hotel. On December 16, 2022, we sold The Skirvin Hilton for \$36.75 million. See Note 4 in the financial footnotes to the accompanying consolidated financial statements for further discussion of the sale transaction.

Managed Hotels, Resorts and Other Properties

We also manage hotels, resorts and other properties for third parties, typically under long-term management agreements. Revenues from these management contracts may include both base management fees, often in the form of a fixed percentage of defined revenues, and incentive management fees, typically calculated based upon defined profit performance. We may also earn fees for technical and preopening services before a property opens, for renovation project management and for ongoing accounting and technology services.

We manage The Garland hotel in North Hollywood, California. The Garland hotel features 257 guest rooms and suites, over 25,000 square feet of indoor/outdoor meeting and event space - including a 130-seat theater, a ballroom, and an outdoor event venue ideal for weddings and social events, a well-equipped fitness center, an outdoor swimming pool with two hot tubs, and a successful on-site restaurant, The Front Yard. The mission-style hotel is located on seven acres near Universal Studios Hollywood and serves as a preferred hotel for the theme park. The Garland has held the TripAdvisor® Travelers’ Choice Award for nine consecutive years and has been recognized with multiple awards during fiscal 2024 including Travel + Leisure’s Top 500 Hotels and Resorts in the World.

We manage the Hilton Minneapolis/Bloomington in Bloomington, Minnesota. This hotel offers 256 rooms, 11,667 square feet of meeting space, an indoor swimming pool, a fitness center, and the Bloomington ChopHouse and Olive Lounge. The hotel has a contemporary feel and has been a service leader within the industry with recent awards including Hilton’s 2023 Award of Excellence, Hilton’s 2024 Make it Right Award and Wine Spectator’s 2024 Award of Excellence. Additionally in 2024, the hotel was ranked as #3 Best Hotel in Bloomington, Minnesota by U.S. News & World Report and #21 for Best Hotels in Minnesota.

We manage the Omaha Marriott Downtown at The Capitol District hotel. The 333-room, 12-story full service hotel serves as an anchor for the Capitol District, an upscale urban destination dining and entertainment community in downtown Omaha, Nebraska. The hotel currently holds the TripAdvisor® Travelers’ Choice distinction and is ranked the #1 hotel in Omaha by TripAdvisor® and was a top finalist for Best of Omaha and Omaha Choice Awards every year since opening in 2017. In 2021, The Omaha Marriott Downtown was awarded the prestigious Omaha Metropolitan Area Tourism Award for “Best Hotel” by Visit Omaha, as well as The Reader’s Choice for “Best Hotel.” For the past 3 years, the Omaha Marriott Downtown was nominated in the hotel category for *Conde Nast Traveler Readers’ Choice Awards*. The hotel was the 2022 Gold Winner for World Class City Hotel presented by the Muse Hotel Awards. The Omaha Marriott Downtown was also awarded first place in the 2023 Best of B2B for Best Hotel in Omaha and has held the title of Nebraska’s Leading Hotel by World Travel Awards for four consecutive years.

We manage the Hyatt Regency Coralville Hotel & Conference Center in Coralville, Iowa. The 288-room hotel is the anchor for the thriving Iowa River Landing District, which is home to many local shops, restaurants, and event and entertainment venues, including Xtream Arena. Hyatt Regency Coralville, a 2024 TripAdvisor Traveler’s Choice Award

Winner, is located just a few miles from the University of Iowa's college athletic events, museums, and more. The hotel's refreshed conference center includes over 80,000 square feet of event space including two ballrooms, two outdoor terraces, expansive pre-function space, an exhibit hall, and breakout meeting rooms to accommodate many types of events. A comprehensive renovation of the hotel's guestrooms and fitness center was completed in 2023 and its fully renovated restaurant, Watermill Kitchen + Bar, opened in early 2024.

We manage the 248-room Kimpton Hotel Monaco Pittsburgh. This hotel is our first full-service hotel in Pennsylvania and the first Kimpton in the Hotels and Resorts Division's portfolio. The hotel also includes approximately 11,300 square feet of meeting space, The Commoner® full-service restaurant and a seasonal rooftop beer garden. We own a 10% minority equity interest in this hotel. In 2024, the hotel was named the #2 hotel in the Mid-Atlantic by *Conde Nast Traveler* Readers' Choice Awards and listed among the World's 50 Best Hotels by *Conde Nast*. Additionally, the hotel received the 2024 AAA Four Diamond Award from the American Automobile Association.

We manage The Lofton® Hotel in the heart of downtown Minneapolis, Minnesota. The 251-room hotel is ideally located next to sports venues, theatres, shopping, and live music. The full-service lifestyle property features 11,600 square feet of event space along with two dining outlets: Apothecary Bar & Lounge and Cosmos Restaurant. We own a 24.7% minority equity interest in this hotel. The hotel is recognized as a AAA Four Diamond Hotel from the American Automobile Association. Additionally, The Lofton Hotel is scheduled to undergo renovations in 2025 including various updates to guest rooms, outlets, public spaces and event rooms.

We managed the Hyatt Regency Schaumburg in Schaumburg, Illinois through October 2023 when the hotel was sold to new ownership. We managed The DoubleTree by Hilton El Paso Downtown and the Courtyard by Marriott El Paso Downtown/Convention Center through February 2022.

We also provide hospitality management services, including check-in, housekeeping and maintenance, for a vacation ownership development adjacent to the Grand Geneva Resort & Spa branded as the Holiday Inn Club Vacations at Lake Geneva Resort. The development includes 68 two-room timeshare units (136 rooms) and a timeshare sales center.

We also manage two condominium hotels under long-term management contracts. Our share of revenues from the rental of hotel rooms is larger at these locations than typical hotel management contracts because, under agreed-upon rental programs, room revenues are shared at a defined percentage with individual condominium owners. In addition, we generally own the other revenue producing areas of these facilities, including all restaurants, lounges, spas and gift shops, as applicable, and retain all of the revenues from these outlets.

We manage Timber Ridge Lodge & Waterpark, an indoor/outdoor waterpark and condominium hotel complex in Lake Geneva, Wisconsin. Timber Ridge Lodge & Waterpark is a 225-unit condominium hotel on the same campus as the Grand Geneva Resort & Spa. Timber Ridge Lodge & Waterpark also has meeting rooms totaling 3,500 square feet, a general store, a restaurant, a snack bar and an entertainment arcade with mini bowling. The indoor waterpark at the hotel was fully renovated in 2023. In 2024, Timber Ridge was named #1 in Newsweek Reader's Choice Awards for Best Indoor Water Park and Top Ten in *USA Today's* 10Best Indoor Waterparks.

We manage the Platinum Hotel & Spa, a condominium hotel in Las Vegas, Nevada just off the Las Vegas Strip, and own the hotel's public space. The Platinum Hotel & Spa has 255 one and two-bedroom suites. This non-gaming, non-smoking hotel also has a lounge, an indoor-outdoor heated pool and 14,897 square feet of meeting space, including 6,336 square feet of outdoor space. We own 16 previously unsold condominium units at the Platinum Hotel & Spa.

We own the *SafeHouse* restaurant in Milwaukee, Wisconsin. The spy-themed restaurant and bar has operated for over 55 years, making it a Milwaukee icon for locals and tourists alike. We have owned and operated *SafeHouse* since 2015. A second *SafeHouse* location in Chicago, Illinois was closed in March 2023.

Our Wisconsin Hospitality Linen Service (WHLS) business unit provides commercial laundry services for our hotel and resort properties in Wisconsin and for other unaffiliated hotels in the Midwest. WHLS processed over 15 and 16 million pounds of linen in 2024 and 2023, respectively. WHLS has been a leader in commercial laundry services for the hospitality industry in the Midwest for over 25 years.

We operate many award-winning restaurants and lounges within our hotel portfolio that have earned distinctions such as the TripAdvisor® Travelers' Choice, Best Of Awards, OpenTable Diner's Choice Awards, and the *Wine Spectator* Award of Excellence.

Competition

Both of our businesses experience intense competition from national, regional and local chain and franchise operations, some of which have substantially greater financial and marketing resources than we have. Most of our facilities are located in close proximity to competing facilities.

Our movie theatres compete with large national movie theatre operators, such as AMC Entertainment, Cinemark and Regal Cinemas, as well as with a wide array of smaller first-run exhibitors. Movie exhibitors also face competition from a number of other movie exhibition delivery systems, such as streaming services, premium video-on-demand (PVOD), digital downloads, video-on-demand, pay-per-view, network and syndicated television. We also face competition from other forms of entertainment competing for the public's leisure time and disposable income including, but not limited to, sporting events, live performance arts, and concerts.

Our hotels and resorts compete with the hotels and resorts operated and/or franchised by Hyatt Corporation, Marriott Corporation, Hilton Worldwide and others, along with other regional and local hotels and resorts. Increasingly, we also face competition from new channels of distribution in the travel industry, such as peer-to-peer inventory sources that allow travelers to book stays on websites that facilitate short-term rental of homes and apartments from owners, thereby providing an alternative to hotel rooms, such as Airbnb, Vrbo and HomeAway. We compete for hotel management agreements with a wide variety of national, regional and local management companies based upon many factors, including the value and quality of our management services, our reputation, our ability and willingness to invest our capital in joint venture projects, the level of our management fees and our relationships with property owners and investors.

We believe that the principal factors of competition in both of our businesses, in varying degrees, are the price and quality of the product, quality and location of our facilities and customer service. We believe that we are well positioned to compete on the basis of these factors.

Seasonality

Our first fiscal quarter typically produces the weakest operating results in our hotels and resorts division due primarily to the effects of reduced travel during the winter months. Our second and third fiscal quarters often produce our strongest operating results because these periods coincide with the typical summer seasonality of the movie theatre industry and the summer strength of the lodging business. Due to the fact that the week between Christmas and New Year's Eve is historically one of the strongest weeks of the year for our theatre division, the specific timing of the last Thursday in December has an impact on the results of our fiscal first and fourth quarters in that division. See the *General* section within Management's Discussion and Analysis of Financial Condition and Results of Operations in this Form 10-K for further discussion of the change in our fiscal year beginning in fiscal 2025.

Environmental Regulation

Federal, state and local environmental legislation has not had a material effect on our capital expenditures, earnings or competitive position. However, our activities in acquiring and selling real estate for business development purposes have been complicated by the continued emphasis that our personnel must place on properly analyzing real estate sites for potential environmental problems. This circumstance has resulted in, and is expected to continue to result in, greater time and increased costs involved in acquiring and selling properties associated with our various businesses.

Additionally, in connection with our ownership, management, and development of properties, we are subject to various federal, state, and local laws, ordinances, and regulations relating to environmental protection. Under some of these laws, a current or former owner or operator of real property may be held liable for the costs of investigating or remediating hazardous or toxic substances or wastes on, under, or in such real property, as well as third-party sites where the owner or operator sent wastes for disposal. Such laws may impose liability without regard to whether the owner or operator knew, or was at fault in connection with, the presence or release of such hazardous substances or wastes. Although we are not aware of any current material obligations for investigating or remediating hazardous substances or wastes at our owned properties, the future discovery of substances or wastes at any of our owned properties, or the failure to remediate such contaminated property properly, could adversely affect our ability to develop or sell such real estate, or to borrow using such real estate as collateral. In addition, the costs of investigating or remediating contamination at our properties or at properties where we sent substances or wastes for disposal, may be substantial.

We are also subject to various requirements, including those contained in environmental permits required for our operations, governing air emissions, effluent discharges, the use, management, and disposal of hazardous substances and wastes, and health and safety. From time to time, we may be required to manage, abate, or remove mold, lead, or asbestos-containing materials at our properties. We believe our properties and operations are in compliance, in all material respects, with all federal, state, and local environmental laws and ordinances. However, additional operating costs and capital expenditures could be incurred if additional or more stringent requirements are enacted in the future.

Human Capital and Corporate Responsibility

Our focus on “People Pleasing People” is at the heart of how we care for our guests, customers and employees. We recognize that our success is dependent on our employees’ commitment to delivering quality service to our guests and customers. Therefore, our strategic priorities include continuing to develop a committed team dedicated to service and fostering a diverse and inclusive culture that prioritizes well-being and emphasizes development and growth for all employees.

Employees

As of December 26, 2024, we had approximately 8,550 employees, approximately 66% of whom were employed on a variable or part-time basis. A number of our employees at The Pfister Hotel and the Hilton Milwaukee are covered by collective bargaining agreements which will expire on December 31, 2025, May 31, 2028, June 30, 2028 and February 14, 2028. A number of our employees at the Lofton Hotel are covered by a collective bargaining agreement which expires November 1, 2026. Four associates at the AC Chicago Hotel are covered by a collective bargaining agreement which expired on December 23, 2024, however, negotiations are underway for a new agreement. As of the end of fiscal 2024, approximately 7% of our employees were covered by collective bargaining agreements, of which approximately 2% were covered by an agreement that will expire on or before December 31, 2025.

Employee Well-being and Retention

We believe our employees are among our most important resources and are critical to our continued success. We focus significant attention on attracting and retaining talented and experienced individuals to manage and support our operations, and our management team routinely reviews employee turnover rates at various levels of the organization. Management also reviews employee engagement and satisfaction surveys to monitor employee morale and receive feedback on a variety of issues. We pay our employees competitively and offer a broad range of company-paid benefits, which we believe are competitive with others in our industry. Both of our operating divisions have experienced challenges related to labor shortages that have arisen as the country emerged from the pandemic. Difficulties in hiring new associates has, at times, impacted our ability to service our increasing customer counts in both theatres and hotels and has increased labor costs.

Culture & Ethics

We are committed to maintaining an equal opportunity workplace. Our management teams and all of our employees are expected to exhibit and promote honest, ethical and respectful conduct in the workplace. All of our employees must adhere to a code of conduct that sets standards for appropriate behavior and includes required annual training on preventing, identifying, reporting and stopping any type of unlawful discrimination.

Website Information and Other Access to Corporate Documents

Our corporate website is www.marcuscorp.com. All of our Form 10-Ks, Form 10-Qs and Form 8-Ks, and amendments thereto, are available free of charge on this website as soon as practicable after they have been filed with the SEC. We are not including the information contained on our website as part of, or incorporating it by reference into, this Annual Report. In addition, our corporate governance guidelines and the charters for our Audit Committee, Compensation Committee and Corporate Governance and Nominating Committee are available free of charge on our website. If you would like us to mail you a copy of our corporate governance guidelines or a committee charter, please contact Thomas F. Kissinger, Senior Executive Vice President, General Counsel and Secretary, The Marcus Corporation, 111 East Kilbourn Avenue, Suite 1200, Milwaukee, Wisconsin 53202.

Item 1A. Risk Factors.

The following risk factors and other information included in this Annual Report on Form 10-K should be carefully considered. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations. If any of the following risks occur, our business, financial condition, operating results, and cash flows could be materially adversely affected.

Operational Risks

The COVID-19 pandemic had material adverse effects 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, and future pandemics or epidemics may have similar material adverse effects in the future.

The COVID-19 pandemic had an unprecedented impact on both of our business segments. As an operator of movie theatres, hotels and resorts, restaurants and bars, each of which consists of spaces where customers and guests gather in close proximity, our businesses were significantly impacted by protective actions that federal, state and local governments took to control the spread of the pandemic. These actions included, among other things, declaring national and state emergencies, encouraging social distancing, restricting freedom of movement and congregation, mandating non-essential business closures and/or capacity restrictions, issuing shelter-in-place, quarantine and stay-at-home orders, and issuing masking and/or vaccination mandates.

We cannot predict if a similar or different pandemic or epidemic may occur again in the future. The longer and more severe the outbreak of infectious disease, including repeat or cyclical outbreaks or future pandemics or epidemics, the more severe the adverse effects will be on our businesses, results of operations, liquidity, cash flows, financial condition, access to credit markets and ability to service our existing and future indebtedness.

Fears and concerns regarding future pandemics could cause our customers to again avoid assembling in public spaces, even in the absence of government directives or restrictions. We would have no control over and cannot predict the length of any future required closure of or restrictions on our theatres and hotels and resorts due to future pandemics or epidemics. If we are unable to generate revenues due to a future prolonged period of closure, this would negatively impact our ability to remain in compliance with our debt covenants, meet our payment obligations and fund capital projects. In such an event, we would either seek covenant waivers or attempt to amend our debt covenants, though there is no certainty that we would be successful in such efforts. If we are not successful in such efforts, our lenders could declare a default and require immediate repayment of amounts owing under our Credit Agreement and senior notes, which could have a material adverse effect on our ability to operate our business. Additionally, we could seek additional liquidity through the issuance of new debt or equity. Our ability to obtain additional financing and the terms of any such additional financing would depend in part on factors outside of our control, and we may be unable to obtain such additional financing on acceptable terms or at all.

The lack of both the quantity and audience appeal of motion pictures may adversely affect our financial results.

The financial results of our movie theatre business and the motion picture industry in general are heavily dependent on the general audience appeal of available films, together with studio marketing, advertising and support campaigns, factors over which we have no control. The relative success of our movie theatre business will continue to be largely dependent upon the quantity and audience appeal of films made available by the movie studios and other producers. Poor performance of films, a disruption in the production of films due to events such as a strike by actors, writers or directors, or a reduction in the marketing efforts of the film distributors to promote their films could have an adverse impact on our business and results of operations. Our industry experienced a significant reduction in the quantity of films available to exhibit in theatres in the years following the COVID-19 pandemic. The quantity of new film releases available for theatrical exhibition during fiscal 2023 and fiscal 2024 was negatively impacted by the shutdown of movie production during the WGA and SAG-AFTRA labor strikes that occurred during fiscal 2023. Studios may also determine that certain types of films will not be released for theatrical exhibition and will go straight to streaming services, further impacting the quantity of films available. Also, our quarterly results of operations are significantly dependent on the quantity and audience appeal of films that we exhibit during each quarter. As a result, our quarterly results may be unpredictable and somewhat volatile.

Our financial results may be adversely impacted by unique factors affecting the theatre exhibition industry, such as the shrinking video release window, the increasing piracy of feature films and the increasing use of alternative film distribution channels and other competing forms of entertainment.

Over the last decade, the average video release window, which represents the time that elapses from the date of a film's theatrical release to the date a film is released to other channels, including streaming services, video on-demand ("VOD") and DVD, has decreased from approximately six months to approximately 45 days and in some more limited instances, films have been immediately released to such alternative channels without any theatrical release. Some studios have created shorter premium VOD ("PVOD") windows, including a 17-day PVOD window for certain films and a 30 to 60-day PVOD window for certain more successful films. In addition, some studios have released certain films theatrically and on their proprietary streaming services on the same day and date. Although other studios have not taken this approach and several have reaffirmed their commitment to an exclusive theatrical distribution window for film releases, we can provide no assurance that these release windows, which are determined by the film studios and are subject to negotiation and acceptance by exhibitors, will not shrink further, which could have an adverse impact on our movie theatre business and results of operations.

In some cases, films produced by streaming services have had limited theatrical releases exclusively with certain theatre exhibitors or exclusively for certain branded premium large format screens, which may significantly limit our ability to exhibit these films. Partnerships between directors, studios and theatrical technology firms have resulted in several wide-release films being marketed and promoted specifically for certain branded premium large format screens, which may negatively impact our market share for such films. The availability of alternative content such as concerts, live sporting events and other special events is subject to exclusive licensing agreements with distributors or other exhibitors who may not license us exhibition rights, or may be distributed exclusively to certain branded premium large format screens where our presence is limited.

Piracy of motion pictures is prevalent in many parts of the world. Technological advances allowing the unauthorized dissemination of motion pictures increase the threat of piracy by making it easier to create, transmit and distribute high quality unauthorized copies of such motion pictures. The day and date release of films to studios' proprietary streaming services has shortened the timing for availability of high quality unauthorized copies of such motion pictures. The proliferation of unauthorized copies and piracy of motion pictures may have an adverse effect on our movie theatre business and results of operations.

We face competition for movie theatre patrons from a number of alternative motion picture distribution channels, such as DVD, network, cable and satellite television, video on-demand, pay-per-view television, digital downloads and streaming services. The number of streaming services has been increasing and, in some cases, streaming services are producing theatrical-quality original content that is bypassing the theatrical release window entirely. Periodically, internet ticketing intermediaries introduce services and products with the stated intention of increasing movie-going frequency. The actual impact these services and products may have on our relationship with the customer and our results of operations is unknown at this time. We also compete with other forms of entertainment competing for our patrons' leisure time and disposable income such as concerts, amusement parks, sporting events, family and sports entertainment centers, home entertainment systems, video games and portable entertainment devices including tablet computers and smart phones. An increase in popularity of these alternative film distribution channels and competing forms of entertainment may have an adverse effect on our movie theatre business and results of operations.

A deterioration in relationships with film distributors could adversely affect our ability to obtain commercially successful films or increase our costs to obtain such films.

We rely on the film distributors for the motion pictures shown in our theatres. Our business depends to a significant degree on maintaining good relationships with these distributors. Deterioration in our relationships with any of the major film distributors could adversely affect our access to commercially successful films or increase our costs to obtain such films and adversely affect our business and results of operations. Because the distribution of motion pictures is in large part regulated by federal and state antitrust laws and has been the subject of numerous antitrust cases and consent decrees, we cannot ensure a supply of motion pictures by entering into long-term arrangements with major distributors. Rather, we must compete for licenses on a film-by-film and theatre-by-theatre basis and are required to negotiate licenses for each film and for each theatre individually. We are periodically subject to audits on behalf of the film distributors to ensure that we are complying with the applicable license agreements.

The relative industry supply of available rooms at comparable lodging facilities may adversely affect our financial results.

Historically, a material increase in the supply of new hotel rooms in a market can destabilize that market and cause existing hotels to experience decreasing occupancy, room rates and profitability. Financial subsidies from local or state government and federal programs, such as EB-5, create incentives for investment in new hotel development that increase the supply of hotel rooms and may subsidize new competition. If such over-supply occurs in one or more of our major markets, we may experience an adverse effect on our hotels and resorts business and results of operations.

Each of our business segments and properties experience ongoing intense competition.

In each of our businesses, we experience intense competition from national, regional and local chain and franchise operations, some of which have substantially greater financial and marketing resources than we have. Most of our facilities are located in close proximity to other facilities which compete directly with ours. The motion picture exhibition industry is fragmented and highly competitive with no significant barriers to entry. Theatres operated by national and regional circuits and by small independent exhibitors compete with our theatres, particularly with respect to film licensing, attracting patrons and developing new theatre sites. Moviegoers are generally not brand conscious and often choose a theatre based on its location, its selection of films and its amenities. With respect to our hotels and resorts division, our ability to remain competitive and to attract and retain business and leisure travelers depends on our success in distinguishing the quality, value and efficiency of our lodging products and services from those offered by others. If we are unable to compete successfully in either of our divisions, this could adversely affect our results of operations.

Changes in the availability of and the cost of labor could adversely affect our business.

Our business could be adversely impacted by increases in labor costs, including wages and benefits (which are two of our most significant costs) including those increases triggered by regulatory actions regarding wages, scheduling and benefits; increased health care and workers' compensation insurance costs; increased wages and costs of other benefits necessary to attract and retain high quality employees with the right skill sets. A constrained labor market may result in increasing levels of employee turnover, making it increasingly difficult to locate and hire sufficient numbers of employees and to train employees to deliver a consistently high-quality customer experience, which could materially harm our business and results of operations. Changes to U.S. immigration policy may negatively impact the overall hourly labor supply and indirectly increase our costs in the hourly labor market. Furthermore, at times we have experienced, and could continue to experience, a shortage of labor for theatres and hotels and resorts positions, which could decrease the pool of available qualified talent for key functions. Labor shortages may also result in an increased use of contractors to perform certain operations and may result in higher costs.

Supply chain disruptions may negatively impact our operating results.

We rely on a limited number of suppliers for certain products, supplies and services. Shortages, delays, or interruptions in the availability of food and beverage items and other supplies to our theatres and restaurants may be caused by adverse weather conditions; natural disasters; governmental regulation; pandemic-related supply chain impacts; recalls; commodity availability; seasonality; public health crises or pandemics; labor issues or other operational disruptions; the inability of our suppliers to manage adverse business conditions, obtain credit or remain solvent; or other conditions beyond our control. Such shortages, delays or interruptions could adversely affect the availability, quality, and cost of the items we buy and the operations of our business. Supply chain risk, including the risk of new tariffs, could increase our costs and limit the availability of products that are critical to our operations.

Adverse weather conditions, particularly during the winter in the Midwest and in our other markets, may adversely affect our financial results.

Poor weather conditions adversely affect business and leisure travel plans, which directly impacts our hotels and resorts division. In addition, theatre attendance on any given day may be negatively impacted by adverse weather conditions. In particular, adverse weather during peak movie-going weekends or holiday periods may negatively affect our results of operations. Adverse winter weather conditions may also increase our snow removal and other maintenance costs in both of our divisions.

Our results are seasonal, resulting in unpredictable and varied quarterly results.

Our first fiscal quarter typically produces the weakest operating results in our hotels and resorts division due primarily to the effects of reduced travel during the winter months. Our second and third fiscal quarters often produce our strongest operating results because these periods coincide with the typical summer seasonality of the movie theatre industry and the summer strength of the lodging business. Due to the fact that the week between Christmas and New Year's Eve is historically one of the strongest weeks of the year for our theatre division, the specific timing of the last Thursday in December has an impact on the results of our fiscal first and fourth quarters in that division.

Our properties are subject to risks relating to acts of God, terrorist activity and war and any such event may adversely affect our financial results.

Acts of God, natural disasters, war (including the potential for war), terrorist activity (including threats of terrorist activity), incidents of violence in public venues such as hotels and movie theatres, pandemics and epidemics (such as COVID-19, SARS, bird flu and swine flu), travel-related accidents, as well as political unrest and other forms of civil strife and geopolitical uncertainty may adversely affect the lodging and movie exhibition industries and our results of operations. Terrorism or other similar incidents may significantly impact business and leisure travel or consumer choices regarding out-of-home entertainment options and consequently demand for hotel rooms or movie theatre attendance may suffer. In addition, inadequate preparedness, contingency planning, insurance coverage or recovery capability in relation to a major incident or crisis may prevent operational continuity and consequently impact the reputation of our businesses.

If the amount of sales made through third-party internet travel intermediaries increases significantly, consumer loyalty to our hotels could decrease and our revenues could fall.

We expect to derive most of our business from traditional channels of distribution. However, consumers now use internet travel intermediaries regularly. Some of these intermediaries are attempting to increase the importance of price and general indicators of quality (such as "four-star downtown hotel") at the expense of brand/hotel identification. These agencies hope that consumers will eventually develop brand loyalties to their reservation system rather than to our hotels. If the amount of sales made through internet travel intermediaries increases significantly and consumers develop stronger loyalties to these intermediaries rather than to our hotels, we may experience an adverse effect on our hotels and resorts business and results of operations.

Financial Risks

Adverse economic conditions in our markets may adversely affect our financial results.

Downturns or adverse economic conditions affecting the United States economy generally, and particularly downturns or adverse economic conditions in the Midwest and in our other markets, adversely affect our results of operations, particularly with respect to our hotels and resorts division. Poor economic conditions can significantly adversely affect the demand of business and group travel customers, which have historically been among the largest customer segments for our hotels and resorts division. Specific economic conditions that may directly impact travel, including financial instability of air carriers and increases in gas and other fuel prices, may adversely affect our results of operations. Additionally, although our theatre business has historically performed well during economic downturns as consumers seek less expensive forms of out-of-home entertainment, a significant reduction in consumer confidence or disposable income in general may temporarily affect the demand for motion pictures or severely impact the motion picture production industry, which, in turn, may adversely affect our results of operations.

Our businesses are heavily capital intensive and preopening and start-up costs, increasing depreciation expenses and impairment charges may adversely affect our financial results.

Both our movie theatre and hotels and resorts businesses are heavily capital intensive. Purchasing properties and buildings, constructing buildings, renovating and remodeling buildings and investing in joint venture projects all require substantial upfront cash investments before these properties, facilities and joint ventures can generate sufficient revenues to pay for the upfront costs and positively contribute to our profitability. In addition, many growth opportunities, particularly for our hotels and resorts division, require lengthy development periods during which significant capital is committed and preopening costs and early start-up losses are incurred. We expense these preopening and start-up costs as incurred. As a result, our results of operations may be adversely affected by our significant levels of capital investments. Additionally, to

the extent we capitalize our capital expenditures, our depreciation expenses may increase, thereby adversely affecting our results of operations. Several of our hotels are scheduled for significant reinvestment in the next one to two years.

We periodically consider whether indicators of impairment of long-lived assets held for use are present. Demographic changes, economic conditions and competitive pressures may cause some of our properties to become unprofitable. Deterioration in the performance of our properties could require us to recognize impairment losses, thereby adversely affecting our results of operations.

Adverse economic conditions, including disruptions in the financial markets, may adversely affect our ability to obtain financing on reasonable and acceptable terms, if at all, and impact our ability to achieve certain of our growth objectives.

We expect that we will require additional financing over time, the amount of which will depend upon a number of factors, including the number of theatres and hotels and resorts we acquire and/or develop, the amount of capital required to refurbish and improve existing properties, the amount of existing indebtedness that requires repayment in a given year and the cash flow generated by our businesses. Downturns or adverse economic conditions affecting the United States economy generally, and the United States equity and credit markets specifically, may adversely impact our ability to obtain additional short-term and long-term financing on reasonable terms or at all, which would negatively impact our liquidity and financial condition. As a result, a prolonged downturn in the equity or credit markets would also limit our ability to achieve our growth objectives.

We may not be able to obtain capital when desired on favorable terms, if at all, and we may not be able to obtain capital or complete acquisitions through the use of equity or without dilution to our shareholders.

We may need additional financing to execute on our current or future business strategies, including to develop new or enhance existing products and services, acquire businesses and technologies, or otherwise to respond to competitive pressures.

If we raise additional funds through the issuance of equity or convertible debt securities, the percentage ownership of our shareholders could be significantly diluted, and newly-issued securities may have rights, preferences or privileges senior to those of existing shareholders. If we accumulate additional funds through debt financing, a substantial portion of our operating cash flow may be dedicated to the payment of principal and interest on such indebtedness, thus limiting funds available for our business activities. We cannot provide assurances that additional financing will be available on terms favorable to us, or at all. If adequate funds are not available or are not available on acceptable terms, when we desire them, our ability to fund our operations, take advantage of unanticipated opportunities, develop or enhance our products and services, or otherwise respond to competitive pressures would be significantly limited. Any of these factors could harm our results of operations.

Our ability to pay dividends or repurchase common stock may be limited or otherwise restricted.

For certain periods during fiscal 2020, all of fiscal 2021 and certain periods during fiscal 2022, we suspended the payment of dividends on shares of our common stock. We resumed paying a quarterly dividend in September 2022. Under our debt agreements, we may pay a cash dividend or repurchase common stock provided we have satisfied certain financial covenants in, and are not in default under, the debt agreements. Ultimately, the declaration of future dividends on our common stock and authorization of common stock repurchases will be at the discretion of our board of directors and will depend upon many factors, including our results of operations, financial condition, earnings, capital requirements, limitations in our debt agreements and legal requirements.

Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our business to repay our debt.

Our ability to make scheduled payments of the principal of, to pay interest on or to refinance our indebtedness depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our businesses may not continue to generate cash flow from operations in the future sufficient to service our debt and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as reducing or delaying investments or capital expenditures, selling assets, restructuring debt or obtaining additional equity capital on terms that may be onerous or highly dilutive. Our ability to refinance our indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in

any of these activities or engage in these activities on desirable terms, which could result in a default on our debt obligations and have an adverse effect on our business and results of operations.

Strategic Risks

We may not achieve the expected benefits and performance of our strategic initiatives and acquisitions.

Our key strategic initiatives in our theatre and hotels and resorts divisions often require significant capital expenditures to implement. We expect to benefit from revenue enhancements and/or cost savings as a result of these initiatives. However, there can be no assurance that we will be able to generate sufficient cash flow from these initiatives to provide the return on investment we anticipated from the required capital expenditures.

There also can be no assurance that we will be able to generate sufficient cash flow to realize anticipated benefits from any strategic acquisitions that we may enter into. Although we have a history of successfully integrating acquisitions into our existing theatre and hotels and resorts businesses, any acquisition may involve operating risks, such as (1) the difficulty of assimilating and integrating the acquired operations, systems and personnel into our current business; (2) the potential disruption of our ongoing business; (3) the diversion of management's attention and other resources; (4) the possible inability of management to maintain uniform standards, controls, policies and procedures; (5) the risks of entering markets in which we have little or no expertise; (6) the potential impairment of relationships with employees; (7) the possibility that any liabilities we may incur or assume may prove to be more burdensome than anticipated; and (8) the possibility the acquired property or properties do not perform as expected.

Our ability to identify suitable properties to acquire, develop and manage will directly impact our ability to achieve certain of our growth objectives.

A portion of our ability to successfully achieve our growth objectives in both our theatre and hotels and resorts divisions is dependent upon our ability to successfully identify suitable properties to acquire, develop and manage. Failure to successfully identify, acquire and develop suitable and successful locations for new lodging properties and theatres will substantially limit our ability to achieve these important growth objectives.

Our ability to identify suitable joint venture partners or raise investment funds to acquire, develop and manage hotels and resorts will directly impact our ability to achieve certain of our growth objectives.

In addition to acquiring or developing hotels and resorts or entering into management contracts to operate hotels and resorts for other owners, we have from time to time invested, and expect to continue to invest, in such projects as a joint venture partner. We have also indicated that we may act as an investment fund sponsor in order to acquire additional hotel properties. A portion of our ability to successfully achieve our growth objectives in our hotels and resorts division is dependent upon our ability to successfully identify suitable joint venture partners or raise investments funds to acquire, develop and manage hotels and resorts. Failure to successfully identify suitable joint venture partners or raise equity for an investment fund will substantially limit our ability to achieve these growth objectives.

Investing through partnerships or joint ventures decreases our ability to manage risk.

Joint venture partners may have shared control or disproportionate control over the operation of our joint venture assets. Therefore, our joint venture investments may involve risks such as the possibility that our joint venture partner in an investment might become bankrupt or not have the financial resources to meet its obligations, or have economic or business interests or goals that are inconsistent with our business interests or goals, or be in a position to take action contrary to our instructions or requests or contrary to our policies or objectives. Consequently, actions by our joint venture partners might subject hotels and resorts owned by the joint venture to additional risk. Further, we may be unable to take action without the approval of our joint venture partners. Alternatively, our joint venture partners could take actions binding on the joint venture without our consent.

Legal, Regulatory and Compliance Risks

Recalls of food products and associated costs could adversely affect our reputation and financial condition.

We may be found liable if the consumption of any of the food products we sell in our theatres or hotels causes illness or injury. We are also subject to recalls by product manufacturers or if food products become contaminated. Recalls

could result in losses due to the cost of the recall, the destruction of the product and lost sales due to the unavailability of the product for a period of time.

We are subject to substantial government regulation, which could entail significant cost.

We are subject to various federal, state and local laws, regulations and administrative practices affecting our business, and we must comply with provisions regulating health and sanitation standards, equal employment, environmental, and licensing for the sale of food and alcoholic beverages. Our properties must also comply with Title III of the Americans with Disabilities Act of 1990 (the “ADA”). Compliance with the ADA requires that public accommodations “reasonably accommodate” individuals with disabilities and that new construction or alterations made to “commercial facilities” conform to accessibility guidelines unless “structurally impracticable” for new construction or technically infeasible for alterations. Non-compliance with the ADA could result in the imposition of injunctive relief, fines or an award of damages to private litigants or additional capital expenditures to remedy such noncompliance. Changes in existing laws or implementation of new laws, regulations and practices could also have a significant impact on our business. For example, a significant portion of our staff level employees are part-time workers who are paid at or near the applicable minimum wage in the relevant jurisdiction. Increases in the minimum wage and implementation of reforms requiring the provision of additional benefits would increase our labor costs.

We are subject to complex taxation and could be subject to changes in our tax rates, the adoption of new tax legislation or exposure to additional tax liabilities.

We are subject to different forms of taxation in the federal, state and local jurisdictions where we operate. Current economic and political conditions make tax rates in any jurisdiction subject to significant change. Our future effective tax rate could be affected by changes in the mix of earnings in jurisdictions with differing tax rates, changes in the valuation of deferred tax assets and liabilities, or changes in tax laws or their interpretation. In addition, the tax authorities may not agree with the determinations we have made and such disagreements could result in lengthy legal disputes and, ultimately, in the payment of additional amounts for tax, interest and penalties. If our effective tax rate were to increase, or if the ultimate determination of our taxes owed in the U.S. or any of our jurisdictions is for an amount in excess of amounts previously accrued, our operating results, cash flows and financial condition could be adversely affected.

General Risks

Our business and operations could be negatively affected if we become subject to any securities litigation or shareholder activism, which could cause us to incur significant expense, hinder execution of our business strategy and impact our stock price.

While we are currently not subject to any securities litigation or shareholder activism, due to the potential volatility of our stock price and for a variety of other reasons, we may in the future become the target of securities litigation or shareholder activism. Securities litigation and shareholder activism, including potential proxy contests, could result in substantial costs and divert the attention of our management and board of directors and resources from our business.

Additionally, such securities litigation and shareholder activism could give rise to perceived uncertainties as to our future, adversely affect our relationships with service providers and make it more difficult to attract and retain qualified personnel. Also, we may be required to incur significant legal fees and other expenses related to any securities litigation or activist shareholder matters. Further, our stock price could be subject to significant fluctuation or otherwise be adversely affected by the events, risks and uncertainties of any securities litigation or shareholder activism.

Our stock price may be volatile, which could result in securities class action litigation against us.

The market price of our common stock could be subject to wide fluctuations in response to, among other things, the risk factors described in this report, and other factors beyond our control, such as fluctuations in the valuation of companies perceived by investors to be comparable to us and research analyst coverage about our business.

Furthermore, the stock markets have experienced price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many companies. These fluctuations often have been unrelated or disproportionate to the operating performance of those companies. These broad market and industry fluctuations, as well as general economic, political and market conditions, such as recessions, interest rate changes or international currency fluctuations, have and may continue to affect the market price of our common stock.

In the past, many companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may become the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could seriously harm our business. See "Risks related to our business and industry—Our business and operations could be negatively affected if we become subject to any securities litigation or shareholder activism, which could cause us to incur significant expense, hinder execution of business strategy and impact our stock price."

Certain provisions of our articles of incorporation and bylaws and of Wisconsin law could prevent a takeover that shareholders consider favorable and could also reduce the market price of our stock.

Our articles of incorporation and our bylaws contain provisions that could delay or prevent a merger, acquisition or other change in control that shareholders may consider favorable, including transactions in which shareholders might otherwise receive a premium for their shares. These provisions may also prevent or delay attempts by shareholders to replace or remove our current management or members of our board of directors.

We rely on our information systems to conduct our business, and any failure to protect our information systems and other confidential information against cyber attacks or other information security breaches or any failure or interruption to the availability of our information systems could have a material adverse effect on our business.

The operation of our business depends on the efficient and uninterrupted operation of our and our service providers' information technology systems. Our information technology systems, and those of our service providers, may become unavailable or may fail to perform as anticipated, for any reason, including cyber attacks, loss of power, or human error. Information security risks have generally increased in recent years because of the proliferation of new technologies and the increased sophistication and activities of perpetrators of cyber attacks. Our and our service providers' information technology systems have experienced, and may experience in the future, cyber attacks and other security incidents, and any significant interruption in or failure of our information systems, or those of our service providers, or any breach of our or their information systems or other confidential information could disrupt our business, result in the disclosure or misuse of confidential or proprietary information, damage our reputation, expose us to litigation, increase our costs or cause losses. As cyber and other information security threats continue to evolve, we may be required to expend additional resources to continue to enhance our information security measures or to investigate and remediate any information security vulnerabilities.

Additionally, the legal and regulatory environment surrounding information security and privacy in the United States is constantly evolving. Violation or non-compliance with any of these laws or regulations, contractual requirements relating to data security and privacy, or with our own privacy and security policies, either intentionally or unintentionally, or through the acts of intermediaries could have a material adverse effect on our brands, reputation, business, financial condition and results of operations, as well as subject us to significant fines, litigation, losses, third-party damages and other liabilities.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.

Cybersecurity Governance

We are committed to protecting our intellectual property, customer and employee data, and the information technology systems critical to keeping our customers, employees, contractors and others aligned and allowing our operations to function properly. Our Board of Directors and its committees are involved on an ongoing basis in the oversight of our material enterprise-related risks, including cybersecurity risks. Our processes for oversight of cybersecurity-related risks are fully integrated into our overall enterprise risk management program, which is led by our General Counsel. We assign a member of our executive management team to report material information to our Board of Directors regarding each of our most significant enterprise risks. We have identified a separate risk for enterprise cybersecurity. The Audit Committee, in consultation with the Chief Information Officer, provides primary oversight for cybersecurity risk for the company.

The information security operations team within our information technology function reports to our Chief Information Officer, who regularly updates our Board of Directors and the Audit Committee. The function is governed by various policies on different aspects of cybersecurity. Our Board of Directors and the Audit Committee, as applicable, then reviews such information, including management's proposed mitigation strategies and plans, to monitor our progress on mitigating the risks.

Our Chief Information Officer and General Counsel meet regularly with the Board of Directors and its committees to review relevant areas including:

- Key metrics of the information security/cybersecurity program;
- The purchase of cybersecurity risk insurance to mitigate exposure to the company;
- Monitoring and testing of backup and disaster recovery process;
- Cybersecurity incident response and remediation procedures; and
- Metrics of the company's training and compliance program on information security and awareness of cyber risk.

In addition, we have a management Cybersecurity Committee, which functions as a steering committee, to provide oversight and strategic direction for the cybersecurity program. The Cybersecurity Committee is comprised of our Chief Information Officer & Theatres Chief Information Technology Officer ("CIO"), Hotels Chief Information Technology Officer, Vice President of Information Security, General Counsel, and Chief Financial Officer. The Cybersecurity Committee meets quarterly to review the cybersecurity program, including risks and the status of key initiatives.

Our CIO has served in various roles in information technology for over 35 years. Our Hotels Chief Information Technology Officer holds an undergraduate degree in business administration and a master's degree in management of information systems and has served in various roles in information technology for over 30 years. Our Vice President of Information Security has served in various roles in information technology and information security for over 15 years. Our General Counsel and Chief Financial Officer each holds undergraduate and graduate degrees in their respective field, and each has significant experience managing risks at the company and at similar companies, including risks arising from cybersecurity threats.

Cybersecurity Risk Management Strategy

In addition to our Cybersecurity Committee, an information security operations team is in place, which monitors the environment for cybersecurity incidents on a continuous basis. We have also established incident response plans to assess and manage cybersecurity incidents. These plans, which are tested at least annually, include escalation procedures based on the nature and severity of the incident. The most critical incidents, which could be material to the company, are escalated to the Cybersecurity Committee. The Cybersecurity Committee, in coordination with internal and external advisors and legal counsel, is responsible for determining the materiality of cybersecurity incidents and coordinating any necessary disclosures. A materiality decision framework, which includes both quantitative and qualitative factors, is in place to guide the materiality decision. Critical cybersecurity incidents which are determined to be material are escalated to the Audit Committee, and when appropriate, to the Board of Directors.

We provide regular, mandatory training for personnel regarding cybersecurity threats as a means to equip our personnel with effective knowledge, tools, and awareness to address cybersecurity threats, and to communicate our evolving information security policies, standards, processes and practices. The personnel training occurs at the time of hiring and at least once annually thereafter. The Cybersecurity Committee, along with other members of executive management, practices the incident response process through an annual tabletop exercise facilitated by external consultants.

We engage in the periodic assessment and testing of our policies, standards, processes and practices that are designed to address cybersecurity threats and incidents. These efforts include a wide range of activities, including audits, assessments, tabletop exercises, threat modeling, vulnerability testing, disaster recovery testing, and other exercises focused on evaluating the effectiveness of our cybersecurity measures and planning. We regularly engage third parties to perform assessments on our cybersecurity measures, including information security maturity assessments, audits and independent reviews of our information security control environment and operating effectiveness. The results of such assessments, audits and reviews are reported to the Audit Committee and the Board of Directors, and we adjust our cybersecurity policies, standards, processes and practices as necessary based on the information provided by these assessments, audits and reviews.

A third-party risk management program is in place to address the risks posed by third parties. Through this program, the company evaluates the type of data that is shared with the third party and gains an understanding of the third party's cybersecurity risk profile. Higher risk third parties complete a vendor security self-assessment designed to provide a deeper level of understanding of the third party's risks and controls. Based on the results of this assessment, the entity may be added to our third-party monitoring solution, which provides updates and alerts related to the company's externally facing security posture.

Cybersecurity Threats

Cybersecurity threats, including as a result of any previous cybersecurity incidents, have not materially affected or are reasonably likely to affect the company, including its business strategy, results of operations or financial condition.

Item 2. Properties.

We own the real estate of a substantial portion of our facilities, including, as of December 26, 2024, The Pfister Hotel, the Hilton Milwaukee, the Hilton Madison at Monona Terrace, the Grand Geneva Resort & Spa, Saint Kate – The Arts Hotel, The Lincoln Marriott Cornhusker Hotel, and the majority of our theatres. We lease the remainder of our facilities. As of December 26, 2024, we also managed two hotels for joint ventures in which we have a minority interest and 8 hotels, resorts, theatres and other properties that are owned by a third party. Additionally, we own surplus land and several former operating properties. All of our properties are suitably maintained and adequately utilized to cover the respective business segment served.

Our owned, leased and managed properties are summarized, as of December 26, 2024, in the following table:

Business Segment	Total Number of Facilities in Operation	Owned ⁽¹⁾	Leased from Unrelated Parties ⁽²⁾	Managed for Related Parties	Managed for Unrelated Parties
Theatres:					
Movie Theatres	79	43	35	—	1
Family Entertainment Center	1	1	—	—	—
Hotels and Resorts:					
Hotels	14	5	1	2	6
Resorts	1	1	—	—	—
Other Properties ⁽³⁾	2	—	1	—	1
Total	97	50	37	2	8

(1) Four of the movie theatres are on land leased from unrelated parties.

(2) The 35 theatres leased from unrelated parties have a total of 378 screens. One *UltraScreen* adjacent to an owned theatre is leased from an unrelated party.

(3) Includes a vacation ownership development adjacent to the Grand Geneva Resort & Spa owned by Orange Lake Resort & Country Club of Orlando, Florida, for which we provide hospitality management services and the *SafeHouse* restaurant located in Milwaukee, Wisconsin which we lease from an unrelated party and is managed by our hotels and resorts division.

Certain of the individual properties or facilities identified above are subject to purchase money or construction mortgages or commercial lease financing arrangements, but we do not consider these encumbrances, individually or in the aggregate, to be material.

All of our operating property leases expire on various dates after the end of fiscal 2025 (assuming we exercise all of our renewal and extension options).

Item 3. Legal Proceedings.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

INFORMATION ABOUT OUR EXECUTIVE OFFICERS

Each of our executive officers is identified below together with information about each officer's age, position and employment history for at least the past five years:

Name	Position	Age
Gregory S. Marcus	Chairman of the Board, President and Chief Executive Officer	60
Thomas F. Kissinger	Senior Executive Vice President, General Counsel and Secretary and Director	64
Chad M. Paris	Chief Financial Officer and Treasurer	43
Mark A. Gramz	President, Marcus Theatres Corporation	70
Michael R. Evans	President, Marcus Hotels & Resorts	54

Gregory S. Marcus joined our company in March 1992 as Director of Property Management/Corporate Development. He was promoted in 1999 to our Senior Vice President – Corporate Development and became an executive officer in July 2005. He has served as our President since January 2008 and was elected our Chief Executive Officer in January 2009. He was elected to serve on our Board of Directors in October 2005 and was elected Chairman of the Board in May 2023. He is the son of Stephen H. Marcus, our Chairman Emeritus.

Thomas F. Kissinger joined our company in August 1993 as our Secretary and Director of Legal Affairs. In August 1995, he was promoted to our General Counsel and Secretary and in October 2004, he was promoted to Vice President, General Counsel and Secretary. In August 2013, he was promoted to Senior Executive Vice President, General Counsel and Secretary. He also formerly served as interim President of Marcus Hotels & Resorts. Prior to August 1993, Mr. Kissinger was an associate with the law firm of Foley & Lardner LLP for five years. He was elected to our Board of Directors in August 2023.

Chad M. Paris joined our company in October 2021 as Corporate Controller and Treasurer. Mr. Paris was promoted to Chief Financial Officer and Treasurer effective May 15, 2022, following the retirement of Douglas A. Neis. Prior to joining The Marcus Corporation, he served as Senior Vice President and Chief Financial Officer at Jason Group, Inc., formerly Jason Industries, Inc. ("Jason Group"), a Milwaukee-based global manufacturing company, from August 2017 to April 2021. Prior to joining Jason Group in June 2014, Mr. Paris was an Audit Senior Manager at the accounting firm of Deloitte & Touche LLP, beginning his career in finance with the firm in August 2005.

Mark A. Gramz joined our company in 1971 as a part time associate. He served in various roles with the company before being named general manager of a theatre in 1976, and continued to serve in this role for other area theatres before being named district manager in 1987. In 1991, he was promoted to vice president of operations for southern Wisconsin and become senior vice president of operations in 1997. In 2012, he was named executive vice president of Marcus Theatres, and was promoted to President of Marcus Theatres in October 2022.

Michael R. Evans joined our company in January 2020 as the President of Marcus Hotels & Resorts. Prior to joining Marcus Hotels & Resorts, Evans was the Chief Executive Officer of Apex Capital Ventures LLC, a real estate company that he founded in 2017 to focus on the development and acquisition of hotels, resorts, and branded residences. Evans previously served as Chief Operating Officer for MGM Hospitality, a division of MGM Resorts International.

Our executive officers are generally elected annually by our Board of Directors after the annual meeting of shareholders. Each executive officer holds office until his successor has been duly qualified and elected or until his earlier death, resignation or removal.

PART II

Item 5. Market for the Company's Common Equity, Related Shareholder Matters and Issuer Repurchases of Equity Securities.

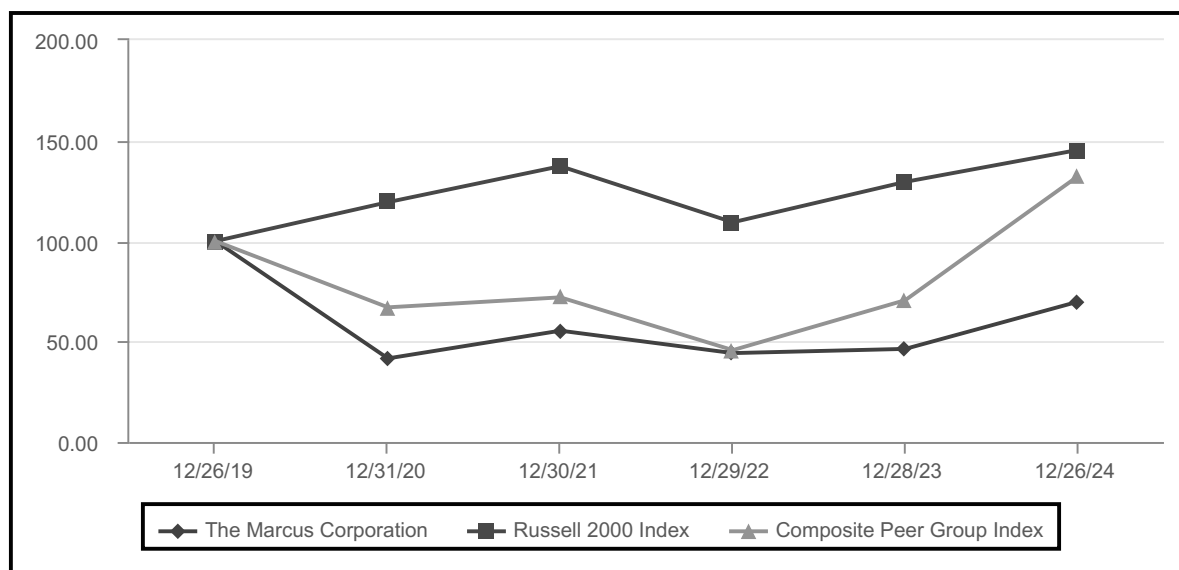
(a) Stock Performance Graph

The following information in this Item 5 of this Annual Report on Form 10-K is not deemed to be “soliciting material” or to be “filed” with the SEC or subject to Regulation 14A or 14C under the Securities Exchange Act of 1934 or to the liabilities of Section 18 of the Securities and Exchange Act of 1934 and will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934, except to the extent we specifically incorporate it by reference into such a filing.

Set forth below is a graph comparing the annual percentage change during our last five full fiscal years in our cumulative total shareholder return (stock price appreciation on a dividend reinvested basis) of our Common Shares to the cumulative total return of: (1) a composite peer group index selected by us, and (2) companies included in the Russell 2000 Index. The composite peer group index is comprised of the Dow Jones U.S. Hotels Index (weighted 35%) and a theatre index that we selected that includes Cinemark Holdings, Inc. (weighted 65%).

The indices within each composite peer group index are weighted to approximate the relative annual revenue contributions of each of our business segments to our total annual revenues over the past several fiscal years. The shareholder returns of the companies included in the Dow Jones U.S. Hotels Index and the theatre index that we selected are weighted based on each company's relative market capitalization as of the beginning of the presented periods.

From December 26, 2019 to December 26, 2024



	12/26/19	12/31/20	12/30/21	12/29/22	12/28/23	12/26/24
The Marcus Corporation	\$ 100.00	\$ 41.61	\$ 55.41	\$ 44.25	\$ 46.34	\$ 69.80
Russell 2000 Index	100.00	119.38	137.28	109.36	129.48	145.34
Composite Peer Group Index ⁽¹⁾	100.00	67.02	72.00	45.73	70.60	132.20

(1) Weighted 35% for the Dow Jones U.S. Hotels Index and 65% for the Company-selected Theatre Index.

(b) Market Information

Our Common Stock, \$1 par value, is listed and traded on the New York Stock Exchange under the ticker symbol “MCS.” Our Class B Common Stock, \$1 par value, is neither listed nor traded on any exchange.

On February 25, 2025, there were 1,482 shareholders of record of our Common Stock and 38 shareholders of record of our Class B Common Stock.

(c) Stock Repurchases

The following table sets forth information with respect to purchases made by us or on our behalf of our Common Stock during the period indicated.

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Programs ⁽¹⁾	Maximum Number of Shares that May Yet be Purchased Under the Plans or Programs ⁽¹⁾
September 27 – October 30	17	\$ 13.85	17	1,714,682
October 31 – November 27	—	—	—	1,714,682
November 28 – December 26	—	—	—	1,714,682
Total	—	\$ —	—	1,714,682

- (1) Through December 26, 2024, our Board of Directors had authorized the repurchase of up to 11.7 million shares of our outstanding Common Stock. Under these authorizations, we may repurchase shares of our Common Stock from time to time in the open market, pursuant to privately negotiated transactions or otherwise. As of December 26, 2024, we had repurchased approximately 10.0 million shares of our Common Stock under these authorizations. The repurchased shares are held in our treasury pending potential future issuance in connection with employee benefit, option or stock ownership plans or other general corporate purposes. These authorizations do not have an expiration date.

Item 6. Reserved.

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

General

For fiscal 2024 and prior periods, we reported our consolidated and individual segment results of operations on a 52- or 53-week fiscal year ending on the last Thursday in December, dividing our fiscal year into three 13-week quarters and a final quarter consisting of 13 or 14 weeks. Fiscal 2022 was a 52-week year, beginning on December 31, 2021 and ending on December 29, 2022. Fiscal 2023 was a 52-week year, beginning on December 30, 2022 and ending on December 28, 2023. Fiscal 2024 was a 52-week year, beginning on December 29, 2023 and ending on December 26, 2024.

Beginning on December 27, 2024, our fiscal year changed from a 52- or 53-week fiscal year ending on the last Thursday in December of each year to a fiscal year ending on December 31 of each year. Accordingly, effective for our fiscal year ending December 31, 2025, our quarterly results will be for three month periods ending March 31, June 30, September 30 and December 31 of each year.

Our first fiscal quarter typically produces the weakest operating results in our hotels and resorts division due primarily to the effects of reduced travel during the winter months. The quality of film product in any given quarter typically impacts the operating results in our theatre division. Our second and third fiscal quarters generally produce our strongest operating results because these periods coincide with the typical summer seasonality of the movie theatre industry and the summer strength of the lodging business. Due to the fact that the week between Christmas and New Year’s Eve is historically one of the strongest weeks of the year for our theatre division, the specific timing of the last Thursday in December impacts the results of our fiscal first and fourth quarters in that division. The first quarter of fiscal 2025 will include five days during the week between Christmas and New Year’s Eve, and will end on March 31, 2025 due to the change in our fiscal year discussed above.

Our primary operations are reported in two business segments: theatres, and hotels and resorts. This Management’s Discussion and Analysis of Financial Condition and Results of Operations (“MD&A”) generally discusses fiscal 2024 and fiscal 2023 items and year-to-year comparisons between fiscal 2024 and fiscal 2023. Discussions of fiscal 2022 items and year-to-year comparisons between fiscal 2023 and fiscal 2022 that are not included in this MD&A can be found in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part II, Item 7 of the Company’s Annual Report on Form 10-K for the fiscal year ended December 28, 2023. Within this MD&A amounts

for totals, subtotals, and variances may not recalculate exactly within tables due to rounding as they are calculated using the unrounded numbers.

The COVID-19 pandemic had an unprecedented impact on the world and both of our business segments from fiscal 2020 through fiscal 2022. Fiscal 2022 results by quarter were significantly impacted by the COVID-19 pandemic during the first half of fiscal 2022. For further discussion regarding the impact of the COVID-19 pandemic and related economic conditions on our results for fiscal 2022, see “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part II, Item 7 of the Company’s Annual Report on Form 10-K for the fiscal year ended December 29, 2022. For discussion regarding potential impacts of future pandemics refer to the discussion of our operational risks and financial risks found above in “Risk Factors” in Part I, Item 1A of this Annual Report on Form 10-K.

Current Plans

Our aggregate cash capital expenditures, acquisitions and net purchases of interests in, and contributions to, joint ventures were \$83.3 million during fiscal 2024, compared to \$38.8 million during fiscal 2023 and \$36.8 million during fiscal 2022. We currently estimate that cash capital expenditures during fiscal 2025 will be in the \$70 - \$85 million range, with significant investments in our hotels division as discussed below. We will, however, continue to monitor our operating results and economic and industry conditions so that we may adjust our plans accordingly.

Our current strategic plans include the following goals and strategies:

Theatres

- Maximize and leverage our current assets. We have invested approximately \$389 million to further enhance the movie-going experience and amenities in new and existing theatres over the last ten years. These investments have included:
 - DreamLoungerSM recliner seating additions. As of December 26, 2024, we offered all DreamLounger recliner seating in 67 theatres, representing approximately 86% of our company-owned theatres. Including our premium, large format (PLF) auditoriums with recliner seating, as of December 26, 2024, we offered our DreamLounger recliner seating in approximately 88% of our company-owned screens, a percentage we believe to be the highest among the largest theatre chains in the nation.
 - *UltraScreen DLX*[®], *SuperScreen DLX*[®] (DreamLounger eXperience) and ScreenX conversions. As of December 26, 2024, we had a total of 125 PLF screens at 65 of our theatre locations (31 *UltraScreen DLX* auditoriums, one traditional *UltraScreen*[®] auditorium, 89 *SuperScreen DLX* auditoriums - a slightly smaller screen than an *UltraScreen* but with the same DreamLounger seating and Dolby Atmos sound - and three IMAX[®] PLF screens). In fiscal 2023, we introduced our first ScreenX auditorium featuring 270-degree projection providing guests with an immersive viewing experience. As of December 26, 2024, we offered at least one PLF screen in approximately 83% of our company-owned theatres, once again a percentage we believe to be the highest percentage among the largest theatre chains in the nation. In addition, as of December 26, 2024 we offered more than one PLF screen in approximately 62% of our company-owned theatres, which we believe gives us significant operational flexibility to maximize revenue by showing more than one major film on PLF screens at a theatre, particularly during opening weekends for films and at peak times during the year. Our PLF screens generally have higher per-screen revenues and draw customers from a larger geographic region compared to our standard screens, and we charge a premium price to our guests for this experience.
 - Signature cocktail and dining concepts. We have continued to further enhance our food and beverage offerings within our existing theatres. We believe our 50-plus years of food and beverage experience in the hotel and restaurant businesses provides us with a unique advantage and expertise that we can leverage to further grow revenues in our theatres. As of December 26, 2024, we offered bars/full liquor service under the concepts *Take Five Lounge*, *Take Five Express* and *The Tavern* at 49 theatres, representing approximately 63% of our company-owned theatres. As of December 26, 2024, we also offered one or more in-lobby dining concepts, including the pizza concept *Zaffiro’s*[®] *Express* and hamburger and other Americana fare concept *Reel Sizzle*, in 40 theatres, representing approximately 69% of our company-owned theatres (excluding our in-theatre dining theatres). In select locations without a

Take Five Lounge outlet, we offer beer and wine at the *Zaffiro's Express* outlet. We also operate three *Zaffiro's® Pizzeria and Bar* full-service restaurants.

- In-theatre dining concepts. As of December 26, 2024, we offered a complete menu of drinks and chef-prepared salads, sandwiches, entrées and desserts at 29 theatres, representing approximately 37% of our company-owned theatres, through two service models. At 21 theatres we offer in-theatre dining operating under the *BistroPlex®* and *Movie Tavern by Marcus* brands. In addition, at 8 theatres operating under the *Marcus Theatres* brand, we offer the same complete menu available for order at the concession stand, bar, or our online/mobile app with food pickup at the concession stand.

During fiscal 2025 and beyond, we expect to execute on a number of strategies to further maximize and leverage our existing assets. These strategies are expected to include:

- Opportunistically expanding the number of our PLF formats described above to meet consumer demand. Our guests have shown a strong preference for viewing blockbuster films on the largest screen available. Our goal is to have multiple PLF auditoriums in as many theatres as physically and financially viable in order to provide PLF formats to our guests for more than one blockbuster film at a time.
- Expanding and evolving our food and beverage operations described above. We will continue to test new concepts and enhance our existing concepts in order to provide further options to our guests and increase our average concession/food and beverage revenues per person. Strategies may also include expanded sports programming, live bingo and other entertainment options in our signature bars. Additionally, we expect to continue refining the service model at our *Movie Tavern* locations to optimize the use of servers and/or add additional concessions stands and maximize our food and beverage revenues.
- Evolving and investing in what we believe to be our best-in-class customer loyalty program called *Magical Movie RewardsSM* (“MMR”). We currently have approximately 6.5 million members enrolled in the program. Approximately 48% of all box office transactions and 41% of total transactions in our theatres during fiscal 2024 were completed by registered members of the loyalty program. We believe that this program contributes to increased movie-going frequency, more frequent visits to the concession stand, increased loyalty to *Marcus Theatres* and, ultimately, improved operating results. In fiscal 2025, we plan to make additional investments in technology that will provide further insights into loyalty data on customer preferences, habits and tendencies, facilitating more targeted and effective marketing efforts that are tailored to MMR members.
- Modernizing pricing strategies based upon consumer demand. We currently offer a number of very successful pricing promotions, including “Value Tuesday,” “Student Thursday” and a “Young-at-Heart” program for seniors on Friday afternoons. During fiscal 2024, we also introduced a \$7 Everyday Matinee for seniors and children, offering a discounted \$7 admission for showtimes before 4 p.m. We believe these promotions have increased movie going frequency and reached a customer who may have stopped going to the movies because of price, without adversely impacting the movie-going habits of our regular weekend customers. Conversely, we charge a higher ticket price for PLF screens and have implemented higher pricing on Friday and Saturday evenings during certain peak moviegoing times of the year. We expect to continue to optimize revenue management and implement additional pricing strategies based upon consumer demand.
- Expanding the use of technology in all facets of our business. We continue to enhance our mobile ticketing capabilities, our downloadable *Marcus Theatres* mobile application and our *marcustheatres.com* website. We added food and beverage ordering capabilities to our mobile application at all of our theatres in fiscal 2020. In fiscal 2025 we plan to make additional investments in both our website and mobile app technology to further improve ease-of-use and the overall customer experience for both ticketing and food and beverage ordering. We have continued to install additional theatre-level technology, such as new ticketing and food ordering kiosks, new digital menu boards and concession advertising monitors. Each of these enhancements is designed to improve customer interactions, both at the theatre and through mobile platforms and other electronic devices, while enhancing add-on food and beverage sales

opportunities through promotion and on-screen offers. We also believe that maximizing the use of these technology enhancements will improve labor productivity and efficiency.

- Exploring new lobby monetization initiatives. Lobby innovations may include, but not be limited to, unique experiential displays, video and redemption games and other interactive options for our guests.
 - Executing multiple strategies designed to further increase revenues and improve the profitability of our existing theatres. These strategies include various cost control efforts, as well as plans to expand ancillary theatre revenues, such as pre-show advertising, lobby advertising, post transaction click-through advertising, additional corporate and group sales and sponsorships.
 - Continually evaluating the financial viability of our existing assets. During fiscal 2023, we made decisions to close several underperforming theatres, including three owned theatres in Minnesota and two owned theatres and one leased theatre in Wisconsin. During fiscal 2024, we closed one underperforming leased location in Iowa. In early fiscal 2025, we closed one underperforming Movie Tavern theatre with an expiring lease in Texas. In evaluating the viability of our theatres we consider financial performance, lease terms (if applicable), future maintenance capital requirements, strategic importance and opportunities to consolidate our operations within local markets, among other factors.
 - Regularly upgrading and remodeling our theatres to keep them fresh. To maintain our existing theatres and accomplish the strategies noted above and below, we currently anticipate that our fiscal 2025 capital expenditures in this division will total approximately \$20 - \$25 million.
- Re-invent and modernize the out-of-home entertainment experience. Our goal continues to be to introduce and create entertainment destinations that further define and enhance the customer value proposition for movie-going and the overall out-of-home entertainment experience. Strategies to achieve this goal are expected to include:
 - Launching a subscription program that encourages more frequent movie-going. In fiscal 2024, we introduced Marcus Movie Club, replacing the previously piloted test programs, MovieFlex[®] and MovieFlex[®]+. For \$9.99 per month or \$109.89 annually, moviegoers who join Marcus Movie Club receive a credit to see any 2D movie each month with rollover of unused credits, a 20% discount on food and beverage, unlimited access to additional tickets for \$9.99, and waived ticket surcharge fees. We plan to promote and grow this program in fiscal 2025, and we believe that the program will drive increased recurring moviegoing and loyalty to Marcus Theatres.
 - Developing promotions that feature and elevate movies beyond blockbuster films. In fiscal 2024, we debuted Marcus Mystery Movie, a promotion that on two Mondays each month gives customers the opportunity to attend a 7 p.m. screening of an upcoming movie before its official release date for a \$5 ticket, while the movie title is not announced until showtime. The program highlights films of all genres and movie types including small and mid-size films, in addition to expected blockbuster releases. Based on our initial experience and customer feedback, we believe the Marcus Mystery Movie program generates additional attendance by bringing customers out to see films that they might not have otherwise chosen to see, yet find themselves enjoying, while building awareness of coming attractions during the preshow trailers.
 - Expanding electronic passports with packaged film series. In fiscal 2023, we launched Marcus Passport, a program that allows customers to purchase a passport ticket with access to every movie that is playing as part of a Marcus Theatres film series, priced at a discount to purchasing tickets for each movie individually. Our film series showcase multiple movies that celebrate specific genres, holidays, franchises, filmmakers and more. The program launched in fiscal 2023 with a Best Picture Passport featuring the ten Academy Awards Best Picture nominees, followed by additional series throughout the year including winter and summer Kids Dream Passports each featuring twelve family films, Flashback Cinema Passport, Hunger Games Passport, The Chosen Passport, Disney Pixar Passport and a holiday Seasons' Screening Passport. In fiscal 2024, we grew the program from 19 to 22 passport series, including a mix of newly released films, retro films, and a combination of newly released and retro films.

In fiscal 2024 we sold 74% more passports than we did in fiscal 2023 and we expect to continue to expand our Marcus Passport offerings in fiscal 2025.

- Testing and subsequently implementing additional entertainment options within theatre auditoriums. Examples of initiatives may include sports bars for viewing live sports (possibly with online gambling where available), sports gaming, and interactive live bingo auditoriums. In fiscal 2022, we introduced a sports viewing auditorium, branded The Wall[®] in our theatre in Gurnee, Illinois as part of our initial test of this strategy. The Wall combines multi-screen sports viewing with our complete in-theatre dining food and beverage menu, providing customers a premium sports bar experience. We continue to evaluate potential expansion of similar sports viewing auditoriums in additional theatres and markets.
- Further socializing the overall experience for our guests. This strategy will include targeting future movie-goers with relevant and desired experiences through new and creative marketing approaches, including the use of technology to tailor communications to individual guest preferences. For example, we have partnered with Movio, a global leader in data analysis for the cinema industry, to allow more targeted communication with our loyalty members. The software provides us with insight into customer preferences, attendance habits and general demographics, which we believe will help us deliver customized communication to our members. In turn, members of this program can enjoy and plan for a more personalized movie-going experience.
- Exploring new viewing experiences for our guests. For example, we currently offer a 4DX auditorium at one of our theatres. 4DX delivers an immersive multi-sensory cinematic experience, including synchronized motion seats and environmental effects such as water, wind, fog, scent and more, to enhance the action on screen. In fiscal 2023, we converted one of our existing auditoriums to a ScreenX auditorium. ScreenX is a panoramic film format that presents films with expanded, dual-sided, 270-degree screens projected on the walls in a theatre. In fiscal 2025, we plan to convert several additional screens to ScreenX and we will consider additional experiential offerings in the future.
- Exploring new content sources and deliveries to supplement existing mainstream movie content. The addition of digital technology throughout our circuit (we offer digital cinema projection on 100% of our screens) has provided us with additional opportunities to obtain non-motion picture programming from other new and existing content providers, including live and pre-recorded performances of the Metropolitan Opera, as well as sports, concerts and other events, at many of our locations. We offer weekday and weekend alternate programming at many of our theatres across our circuit. The special programming includes classic movies, faith-based content, live performances, comedy shows and children's performances. We believe this type of programming is more impactful when presented on the big screen and provides an opportunity to continue to expand our audience base beyond traditional moviegoers. Our MMR program also gives us the ability to cost effectively promote non-traditional programming and special events, particularly during non-peak time periods.

• Strategic growth. Our long-term plans for growth in our theatre division may include evaluating opportunities for new theatres and screens. Growth opportunities that we may explore in the future include:

- Acquisitions. Acquisitions of existing theatres or theatre circuits has been a viable growth strategy for us. In February 2019, we acquired the assets of Movie Tavern[®], a New Orleans-based industry leading circuit known for its in-theatre dining concept featuring chef-driven menus, premium quality food and drink and luxury seating. The acquired circuit consisted of 208 screens at 22 locations in nine states. The acquisition of the Movie Tavern circuit increased our total number of screens at that time by an additional 23%.

Now branded Movie Tavern by Marcus, we subsequently introduced new amenities to select Movie Tavern theatres, including our proprietary PLF screens, DreamLounger recliner seating, and additional concession stands; signature programming, such as Value Tuesday with free complimentary-sized popcorn for loyalty members; and proven marketing, loyalty and pricing programs that benefit customers and leverage the overall scale of our theatre circuit.

The years following the COVID-19 pandemic have been challenging for all theatre operators. We will continue to evaluate the opportunities that these challenging situations create, and will consider potential

acquisitions in the future. The movie theatre industry is very fragmented, with approximately 50% of United States screens owned by the three largest theatre circuits and the other 50% owned by an estimated 800 smaller operators, making it very difficult to predict when acquisition opportunities may arise. We do not believe that we are geographically constrained, and we believe that we may be able to add value to certain theatres through our various proprietary amenities and operating expertise.

- Management contracts and/or taking over existing theatre leases. In some cases, existing theatres have been returned to landlords. We will consider either managing theatres for existing owners/landlords or entering into new, financially viable lease arrangements if such opportunities arise. In fiscal 2024, we entered into an agreement to assume operations of the West End Cinema, a 14 screen theatre in St. Louis Park, Minnesota.

Hotels and Resorts

- Operational excellence and maximizing performance. We have always been, and will continue to be, focused on improving the quality of the guest experience, our portfolio of assets, and our associate working environment, with a long-term view of financial success and profitability. During fiscal 2025 and beyond, we expect to execute on a number of strategies to further maximize and leverage our existing assets. These strategies are expected to include:
 - Multiple strategies that are intended to further grow the division's revenues and profits. Our focus on excellence will continue in fiscal 2025, with guest experience at the forefront. Strategies will include leveraging our food and beverage expertise to further distinguish us from our competition. In addition to growing our banquet and catering business as we continue to target group sales opportunities, we will leverage hotel food and beverage concepts developed by our Marcus Restaurant Group, featuring premier brands such as *Mason Street Grill*[®], *ChopHouse*[®], *Miller Time*[®] Pub & Grill and *SafeHouse*[®] restaurants.
 - Sales, marketing and revenue management strategies designed to further increase our profitability. The priority will be to focus on capitalizing on strong group demand and improving business travel trends, maximizing revenue per available room, optimizing event space and growing ancillary revenues.
 - Human resource and technology strategies designed to achieve operational excellence and improve the associate work environment, while adapting to a changing labor market. We will continue to focus on developing our customer service delivery and technology enhancements to improve customer interactions through mobile platforms and other customer touch points.
 - A continued focus on financial discipline in an inflationary environment through operating efficiency and cost management without sacrificing our commitment to operational excellence.
- Portfolio management. We have invested approximately \$230 million to further enhance our hotels and resorts portfolio over the last 10 years. These investments have included:
 - Hotel renovations. We regularly renovate and update our hotels and resorts. For example, at the Grand Geneva Resort & Spa we renovated the lobby in fiscal 2021, completed guest room renovations in fiscal 2023, completed a meeting space renovation project in fiscal 2024, and started construction on a new 10-hole golf short course late in fiscal 2024. At The Pfister Hotel, we completed a ballroom and meeting space renovation in fiscal 2023 and completed a guest room renovation project in fiscal 2024. Additionally, we began an approximately \$40 million renovation at the Hilton Milwaukee in late fiscal 2024 that will include a transformation of 554 guest rooms, meeting and event spaces, and the hotel lobby, which is expected to be completed in fiscal 2025.
 - Hotel branding changes. We closed the InterContinental Milwaukee in early January 2019 and undertook a substantial renovation project that converted this hotel into an independent experiential arts hotel, Saint Kate - The Arts Hotel. The newly renovated hotel reopened during June 2019.

Our future plans for our hotels and resorts division also include continued reinvestment in our existing properties to maintain and enhance their value. We anticipate additional reinvestment during fiscal 2025 and fiscal 2026 at the Grand Geneva Resort & Spa, Hilton Milwaukee and AC Hotel Chicago. To maintain our existing hotels and

resorts, we currently anticipate that our fiscal 2025 capital expenditures in this division will total approximately \$50 - \$60 million, with significant investment in the renovation at Hilton Milwaukee.

We have been very opportunistic in our past hotel investments as we have, on many occasions, acquired assets at favorable terms and then improved the properties and operations to create value. Unlike our theatre assets where the majority of our return on investment comes from the annual cash flow generated by operations, a portion of the return on our hotel investments is derived from effective portfolio management, which includes determining the proper branding strategy for a given asset, the proper level of investment and upgrades and identifying an effective divestiture strategy for the asset when appropriate. As a result, we may periodically explore opportunities to monetize all or a portion of one or more owned hotels. In December 2022, we sold The Skirvin Hilton for \$36.75 million. We have redeployed the sale proceeds, net of mortgage debt and land lease retirement, into other investment opportunities in our hotel business that we believe will provide more attractive investment returns.

We will consider many factors as we actively review opportunities to execute this strategy, including income tax considerations, the ability to retain management, pricing and individual market considerations. We evaluate strategies for our hotels on an asset-by-asset basis. We have not set a specific goal for the number of hotels that may be considered for this strategy, nor have we set a specific timetable. It is possible that we may sell a particular hotel or hotels during fiscal 2025 or beyond if we determine that such action is in the best interest of our shareholders.

- Strategic growth. Transactional activity in the hotel industry has been limited during the last three years due to the pandemic and its lingering effects and the higher cost of debt capital for financing hotel acquisitions. Our hotels and resorts division expects to continue to seek opportunities to invest in new hotels and increase the number of rooms under management in the future. Growth opportunities that we may explore in the future include:
 - Seeking opportunities where we may act as an investment fund sponsor or joint venture partner in acquiring additional hotel properties. We continue to believe that opportunities to acquire high-quality hotels at reasonable valuations will be present in the future for well-capitalized companies, and we believe that there are partners available to work with us when the appropriate hotel assets are identified. Advantages of this growth strategy include the ability to accelerate our growth through smaller investments in an increased number of properties, while earning management fees and potentially receiving a promoted interest in the hotel investments.

In fiscal 2021, we formed a joint venture with funds managed by Searchlight Capital Partners (“Searchlight”), a leading global private investment firm, to acquire the Kimpton Hotel Monaco Pittsburgh in December 2021, which we manage. In March 2024, we formed a joint venture with Hempel Real Estate (“Hempel”) and Robinson Park (“RP”) to acquire the Loews Minneapolis Hotel, which we manage. The acquired hotel was rebranded as The Lofton Hotel under the Tapestry Collection by Hilton flag. We hope to acquire additional hotels using this strategy in fiscal 2025 and beyond.

- Pursuing additional management contracts for other owners, some of which may include small equity investments similar to the investments we have made in the past with strategic equity partners. Although total revenues from an individual hotel management contract are significantly less than from an owned hotel, the operating margins are generally significantly higher due to the fact that all direct costs of operating the property are typically borne by the owner of the property. Management contracts provide us with an opportunity to increase our total number of managed rooms without a significant investment, thereby increasing our returns on equity. We may also pursue the acquisition of other hotel management companies that would provide our management portfolio with additional scale and capabilities to accelerate our growth.

In fiscal 2021, we assumed management of the Coralville Hotel & Conference Center in Coralville, Iowa. Owned by the City of Coralville, this 286-room hotel was recently rebranded under the Hyatt Regency brand as Hyatt Regency Coralville Hotel & Conference Center. A comprehensive renovation of the

hotel's guestrooms, restaurant and fitness room was completed in fiscal 2023. Conversely, we will occasionally lose management contracts due to various circumstances.

Corporate

- We periodically review opportunities to make investments in long-term growth opportunities that may not be entirely related to our two primary businesses (but typically have some connection to entertainment, food and beverage, hospitality, real estate, etc.). We expect to continue to review such opportunities in the future.
- In addition to operational and growth strategies in our operating divisions, we will continue to seek additional opportunities to enhance shareholder value, including strategies related to our dividend policy and share repurchases. During fiscal 2024, we repurchased 0.7 million shares of our common stock for \$9.7 million in the open market under our existing Board of Directors stock repurchase authorizations and continued our regular quarterly common stock cash dividend of \$0.07 per share of common stock. In prior years, we have periodically paid special dividends.
- We will also continue to evaluate opportunities to sell real estate when appropriate, allowing us to benefit from the underlying value of our real estate assets. When possible, we will attempt to avail ourselves of the provisions of Internal Revenue Code §1031 related to tax-deferred like-kind exchange transactions. We are actively marketing a number of pieces of surplus real estate and other non-core real estate. During fiscal 2023, we sold one surplus land parcel and two former theatres generating total proceeds of \$4.2 million. During fiscal 2024, we sold one former theatre generating total proceeds of \$3.1 million. We believe we may receive total sales proceeds from real estate sales during the next fiscal year totaling approximately \$2 - \$3 million, depending upon demand for the real estate in question.

The actual number, mix and timing of our potential future new facilities and expansions and/or divestitures will depend, in large part, on industry and economic conditions, our financial performance and available capital, the competitive environment, evolving customer needs and trends, and the availability of attractive acquisition and investment opportunities. It is likely that our growth goals and strategies will continue to evolve and change in response to these and other factors, and there can be no assurance that we will achieve our current goals. Each of our goals and strategies are subject to the various risk factors discussed above in this Annual Report on Form 10-K.

Results of Operations

Consolidated Financial Comparisons

The following table sets forth revenues, operating income, other income (expense), net earnings (loss) attributable to The Marcus Corporation and net earnings (loss) per diluted common share for the past three fiscal years (in millions, except for per share and percentage change data) :

	F2024	F2023	F24 v. F23		F2022	F23 v. F22	
			Amt.	Pct.		Amt.	Pct.
Revenues	\$ 735.6	\$ 729.6	\$ 6.0	0.8 %	\$ 677.4	\$ 52.2	7.7 %
Operating income	16.2	33.9	(17.8)	(52.3)%	8.3	25.6	308.5 %
Other income (expense), net	(26.4)	(12.3)	(14.1)	(114.9)%	(10.3)	(2.0)	(19.5)%
Net earnings attributable to noncontrolling interests	—	—	—	— %	2.9	(2.9)	(100.0)%
Net earnings (loss) attributable to The Marcus Corporation	\$ (7.8)	\$ 14.8	\$ (22.6)	(152.6)%	\$ (12.0)	\$ 26.8	223.6 %
Net earnings (loss) per common share - diluted	\$ (0.25)	\$ 0.46	\$ (0.71)	(154.3)%	\$ (0.39)	\$ 0.85	217.9 %

Fiscal 2024 versus Fiscal 2023

Revenues increased during fiscal 2024 compared to fiscal 2023, with increased revenues from our hotel division offsetting a decrease in revenues from our theatre division.

Operating income decreased during fiscal 2024 compared to fiscal 2023, primarily due to a decrease in operating income from our theatre division and an increase in corporate operating losses, partially offset by increased operating income from our hotels and resorts division. Operating expenses from our corporate items, which include amounts not allocable to the business segments, increased during fiscal 2024 compared to fiscal 2023 due primarily to increased long-term incentive compensation expenses, professional fees related to convertible debt repurchase transactions and tax planning, and expenses related to the relocation of our corporate office.

Our operating income during fiscal 2024 was negatively impacted by impairment charges of approximately \$6.8 million, or approximately \$0.16 per diluted common share, related to four operating theatres, one operating theatre that we closed in early fiscal 2025, and one permanently closed theatre. Our operating income during fiscal 2023 was negatively impacted by impairment charges of approximately \$1.1 million, or approximately \$0.02 per diluted common share, primarily related to two permanently closed theatres and surplus real estate. Operating income during fiscal 2024 was also negatively impacted by \$2.2 million, or \$0.05 per diluted common share, related to settlement and legal expenses in connection with an equipment lease agreement impacted by the COVID-19 pandemic in our theatre division.

Net earnings (loss) attributable to The Marcus Corporation and net earnings (loss) per diluted common share decreased during fiscal 2024 compared to fiscal 2023, primarily due to decreases in operating income and investment income, an increase in equity losses from unconsolidated joint ventures, and the negative impact of debt conversion expense, partially offset by decreases in interest expense, other expense, and income tax expense compared to fiscal 2023.

Investment income was \$2.2 million during fiscal 2024 compared to \$2.4 million of investment income during fiscal 2023. Investment income (loss) includes interest earned on cash and cash equivalents, as well as increases/decreases in the value of marketable securities and increases in the cash surrender value of a life insurance policy. Investment income (loss) during fiscal 2025 may vary compared to fiscal 2024, primarily dependent upon changes in the value of marketable securities.

Interest expense totaled \$11.0 million during fiscal 2024, a decrease of \$1.7 million, or 13.7%, compared to interest expense of \$12.7 million during fiscal 2023. The decrease in interest expense during fiscal 2024 was due primarily to \$1.1 million of additional interest payable on our convertible notes during fiscal 2023 that did not recur, a decrease in noncash amortization of debt issuance costs, and lower borrowing levels during fiscal 2024, partially offset by an increase in our average interest rate, as discussed in the Liquidity section of this MD&A below. Interest expense during fiscal 2024

included approximately \$1.1 million in noncash amortization of debt issuance costs. During fiscal 2025, we estimate that noncash amortization of debt issuance costs will be approximately \$0.6 million, excluding the impact of any new debt issuance costs. We currently expect our total interest expense during fiscal 2025 to remain consistent with interest expense in fiscal 2024. Changes in our borrowing levels due to variations in our operating results, capital expenditures, acquisition opportunities (or the lack thereof) and asset sale proceeds, among other items, may impact, either favorably or unfavorably, our actual reported interest expense in future periods, as may changes in short-term interest rates.

We incurred other expense of \$1.5 million during fiscal 2024, a decrease of approximately \$0.3 million compared to other expense of \$1.8 million during fiscal 2023. Other expense consists primarily of the non-service cost components of our periodic pension costs. Based upon information from an actuarial report for our pension plans, we expect other expense to be approximately \$1.8 million during fiscal 2025.

We incurred debt conversion expense of \$15.5 million during fiscal 2024 in connection with the \$100.1 million aggregate principal amount of Convertible Notes Repurchases. See *Convertible Senior Notes* in the “Liquidity and Capital Resources” section of this MD&A for further discussion.

We reported equity losses from two unconsolidated joint ventures of approximately \$0.6 million during fiscal 2024, compared with equity losses from one unconsolidated joint venture of approximately \$0.1 million during fiscal 2023. The equity losses in both years consist of our pro-rata share of losses from the Kimpton Hotel Monaco Pittsburgh in Pittsburgh, Pennsylvania, acquired in December 2021 and in which we have a 10% minority ownership interest. The equity losses in fiscal 2024 also include our pro-rata share of losses from The Lofton Hotel in Minneapolis, Minnesota, acquired in March 2024 and in which we have a 24.7% minority ownership interest.

We reported income tax benefit during fiscal 2024 of \$2.4 million compared to income tax expense of \$6.9 million in fiscal 2023. Our fiscal 2024 income tax benefit was favorably impacted by a \$6.1 million release of valuation allowances previously recorded against deferred tax assets for state net operating loss carryforwards (net of federal benefit), partially offset by \$3.9 million of negative impact from nondeductible debt conversion expense resulting from the Convertible Notes Repurchases and related termination of the Capped Call Transactions (as described below), and \$1.8 million of negative impact primarily from excess compensation subject to deduction limitations. Our fiscal 2024 effective income tax rate was 23.7%. The effective income tax rate was favorably impacted 60.0 percentage points due to the valuation allowance adjustment (net of federal benefit), and was negatively impacted 38.1 percentage points due to the Convertible Notes Repurchases and termination of the Capped Call Transactions, and 17.5 percentage points due to excess compensation deduction limitations.

Our fiscal 2023 income tax expense was favorably impacted by \$0.8 million release of valuation allowances previously recorded against deferred tax assets for state net operating loss carryforwards (net of federal benefit), offset by \$1.2 million of negative impact primarily from excess compensation subject to deduction limitations. Our fiscal 2023 effective income tax rate was 31.7%. The effective income tax rate was favorably impacted 3.8 percentage points due to the valuation allowance adjustment (net of federal benefit), and was negatively impacted 5.4 percentage points due to excess compensation deduction limitations. We currently anticipate that our fiscal 2025 effective income tax rate may be in the 26-30% range, excluding any potential further changes in federal or state income tax rates, valuation allowance adjustments or other one-time tax adjustments.

Weighted-average diluted shares outstanding was 31.9 million during fiscal 2024. Weighted-average diluted shares outstanding was 41.0 million during fiscal 2023, and included shares from the conversion of the convertible notes (which were repurchased and retired in fiscal 2024). All per share data in this MD&A is presented on a fully diluted basis, however, for periods when we report a net loss, common stock equivalents are excluded from the computation of diluted loss per share as their inclusion would have an anti-dilutive effect.

Theatres

Our oldest and historically most profitable division is our theatre division. The theatre division contributed 60.9% of our consolidated revenues and 54.5% of our consolidated operating income, excluding corporate items, during fiscal 2024, compared to 62.8% and 67.4%, respectively, during fiscal 2023 and 60.2% and 30.2%, respectively, during fiscal 2022. As of December 26, 2024, the theatre division operated theatres in Wisconsin, Illinois, Iowa, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Arkansas, Colorado, Georgia, Kentucky, Louisiana, New York, Pennsylvania, Texas and

Virginia, and a family entertainment center in Wisconsin. The following tables set forth revenues, operating income, operating margin, screens and theatre locations for the last three fiscal years:

	F2024	F2023	F24 v. F23		F2022	F23 v. F22	
			Amt.	Pct.		Amt.	Pct.
(in millions, except percentages)							
Revenues	\$ 447.7	\$ 458.4	\$ (10.7)	(2.3)%	\$ 407.7	\$ 50.7	12.4 %
Operating income	22.1	36.2	(14.0)	(38.8)%	8.1	28.1	346.2 %
Operating margin	4.9 %	7.9 %			2.0 %		

Number of screens and locations at period-end	F2024	F2023	F2022
Theatre screens	995	993	1,064
Theatre locations	79	79	85
Average screens per location	12.6	12.6	12.5

The following table provides a further breakdown of the components of revenues for the theatre division for the last three fiscal years:

			F24 v. F23			F23 v. F22	
	F2024	F2023	Amt.	Pct.	F2022	Amt.	Pct.
	(in millions, except percentages)						
Admission revenues	\$ 214.4	\$ 229.2	\$ (14.8)	(6.4)%	\$ 198.5	\$ 30.7	15.5 %
Concession revenues	192.0	197.7	(5.7)	(2.9)%	180.2	17.5	9.7 %
Other revenues	40.0	31.6	8.4	26.8 %	29.1	2.5	8.5 %
Total revenues before cost reimbursements	446.4	458.4	(12.0)	(2.6)%	407.7	50.7	12.4 %
Cost reimbursements	1.3	—	1.3	— %	—	—	— %
Total revenues	\$ 447.7	\$ 458.4	\$ (10.7)	(2.3)%	\$ 407.7	\$ 50.7	12.4 %

Fiscal 2024 versus Fiscal 2023

Our theatre division revenues and operating income decreased during fiscal 2024 compared to fiscal 2023 primarily due to lower attendance in the first half of fiscal 2024 compared to the first half of fiscal 2023. The film slate during the first half of fiscal 2024 was negatively impacted by the content supply chain disruption from the shutdown of movie production during the WGA and SAG-AFTRA labor strikes in 2023, which contributed to a weaker slate of available films compared to the first half of fiscal 2023. Our operating income during fiscal 2024 was also negatively impacted by impairment charges of \$6.8 million related to four operating theatres, one operating theatre that we closed in early fiscal 2025, and one permanently closed theatre, compared to impairment charges of \$1.1 million during fiscal 2023 related to two permanently closed theatres and surplus real estate.

The following table sets forth our percentage change in comparable theatre attendance during each quarter of fiscal 2024 compared to the same periods during fiscal 2023. In addition, the table compares the percentage change in our fiscal 2024 comparable theatre admissions revenues to the corresponding percentage change in the United States box office revenues (as compiled by us from data received from Comscore, a national box office reporting service for the theatre industry) during each quarter of fiscal 2024 compared to the same quarter during fiscal 2023:

(comparable theatres)	F24 v. F23				
	1 st Qtr.	2 nd Qtr.	3 rd Qtr.	4 th Qtr.	Total
Pct. change in Marcus theatre attendance	-17.5%	-26.3%	7.1%	29.1%	-3.7%
Pct. change in Marcus admission revenues	-13.8%	-28.8%	9.5%	15.4%	-5.6%
Pct. change in U.S. box office revenues	-9.0%	-26.9%	3.8%	22.9%	-4.0%
Marcus performance vs. U.S. box office	-4.8 pts	-1.9 pts	+5.7 pts	-7.5 pts	-1.6 pts

According to the data received from Comscore, our comparable theatres underperformed the industry during fiscal 2024 compared to fiscal 2023 by 1.6 percentage points. We believe our underperformance was due to an unfavorable mix of films during the first half of fiscal 2024 that was more appealing to audiences in other parts of the U.S. than our Midwestern markets, compared to a favorable film mix during the first half of fiscal 2023. In addition, we believe our underperformance in the fourth quarter of fiscal 2024 was attributable to strategic pricing decisions made during the release of blockbuster films and holiday periods (we did not raise prices on blockbuster films, unlike many national exhibitors), resulting in lower average ticket prices compared to other exhibitors. We believe our pricing strategy promoted moviegoing by not raising ticket prices on blockbuster films in a year with a weaker film slate, which we believe will benefit our long-term theatre attendance moving forward. Additional data received and compiled by us from Comscore indicates our admission revenues during fiscal 2024 represented approximately 3.0% of the total admission revenues in the U.S. during the period (commonly referred to as market share in our industry) compared to 3.1% during fiscal 2023. Our goal is to continue our past pattern of outperforming the industry, but our ability to do so in any given quarter or fiscal year will likely be partially dependent upon film mix, weather and the competitive landscape in our markets.

Our highest grossing films during fiscal 2024 included *Inside Out 2*, *Deadpool & Wolverine*, *Wicked*, *Moana 2* and *Despicable Me 4*. The film slate during fiscal 2024 was more weighted towards our top movies compared to fiscal 2023, as evidenced by the fact that our top ten films during fiscal 2024 accounted for 45% of our total box office results, compared to 39% for the top ten films during fiscal 2023, expressed as a percentage of the total admission revenues for the period. An increased reliance on just a few blockbuster films often has the effect of increasing our film rental costs during the period, as there is a less diverse mix of films to offset the higher cost blockbuster films. Generally, the greater a film performs, the greater the film rental cost tends to be as a percentage of box office receipts. As a result of a less diverse film slate, our overall film rental percentage increased during fiscal 2024 compared to fiscal 2023.

The quantity and quality of films available for theatrical exhibition, including wide-release films, was negatively impacted during fiscal 2024 following the shutdown of movie production resulting from the WGA and SAG-AFTRA labor strikes that occurred during fiscal 2023. While the labor strikes were resolved in the fourth quarter of fiscal 2023 with film production resuming thereafter, the quantity and quality of new film releases available for theatrical exhibition during fiscal 2024 was negatively impacted by the prolonged shutdown of movie production, resulting in several blockbuster film release dates shifting to fiscal 2025. While lead times for movie production to theatrical release are lengthy, based upon projected film and alternate content availability, we currently estimate that we will show an increased number of films and alternate content events on our screens during fiscal 2025 compared to fiscal 2024.

Total theatre attendance at comparable theatre locations decreased 3.7% during fiscal 2024 compared to fiscal 2023, primarily due to a decrease in the quality of wide release films in the first half of fiscal 2024, resulting in decreases in both admission revenues and concession revenues. In total, we played 529 films and 304 alternate content attractions at our theatres during fiscal 2024 compared to 465 films and 283 alternate content attractions during fiscal 2023. The increase in films played in fiscal 2024 compared to fiscal 2023 is primarily due to an increase in limited-release films. In general, following the COVID-19 pandemic we have increased the number of limited-release films and alternative content that we play, including independent films, retro series, faith-based content and live events, in response to the slower recovery in the quantity of wide-release films and to promote moviegoing.

The industry generally considers a film to be a “wide release” if it is shown on over approximately 1,500 theatres nationally, and these films generally have the greatest impact on box office receipts. The quantity of wide-release films shown in our theatres and number of wide-release films provided by the six major studios increased during fiscal 2024 compared to fiscal 2023, but remained below pre-pandemic levels. We played 113 wide-release films at our theatres during fiscal 2024 compared to 110 wide-release films during fiscal 2023. Prior to the pandemic, we played 117 wide-release films at our theatres during fiscal 2019. Although the number of wide-releases increased during fiscal 2024 compared to fiscal 2023, the performance of wide-release films decreased in fiscal 2024 as there were fewer major franchise titles and an overall lower quality of film product as a result of the impact from the WGA and SAG-AFTRA labor strikes, particularly in the first half of fiscal 2024. Film product quality significantly improved during the second half of fiscal

2024, with several blockbuster films performing well with audiences and four of our top five grossing films opening in the second half of fiscal 2024.

Our average ticket price decreased 1.6% during fiscal 2024 compared to fiscal 2023, and was unfavorably impacted by the introduction of our \$7 Everyday Matinee promotion, an increase in the percentage of our weekly attendance on Value Tuesday, and a lower proportion of admission revenues from event cinema, in particular due to the prior year impact of *Taylor Swift: The Eras Tour* which played at higher ticket prices. During the second quarter of fiscal 2024, we implemented a change to our Value Tuesday promotion across our theatre circuit by reintroducing a free complimentary-size popcorn for members of our free Magical Movie Rewards® (MMR) loyalty program, which replaced a 20% discount on all concessions, food and non-alcoholic beverages, a promotion that had been in place for the year prior to the change. Our Value Tuesday promotion features \$6 admission for MMR members, \$7 admission for non-MMR customers, and a free complimentary-size popcorn. These changes were well received by guests, contributing to the increase in percentage of our weekly attendance on Tuesday. These unfavorable decreases in our average ticket price were partially offset by an increased proportion of admission revenues from our PLF screens as a result of a film slate during the year that was more concentrated on blockbuster films compared to fiscal 2023. The overall decrease in average ticket price unfavorably impacted our admission revenues of our comparable theatres by \$4.1 million during the fiscal 2024 compared to fiscal 2023. We currently expect our average ticket price during fiscal 2025 to remain consistent with fiscal 2024, but film mix and the impact of pricing strategies discussed in the “Current Plans” section above will likely impact our final result.

Our average concession revenues per person increased by 2.1% during fiscal 2024 compared to fiscal 2023, which was primarily due to inflationary increases in concession prices in response to increases in food and labor costs, partially offset by a decrease in the number of concession items purchased per person. Our average concession revenues per person was also positively impacted by higher attendance growth coming from our dine-in Movie Tavern theatres that have a higher concessions revenue per person. The increase in average concession revenues per person favorably impacted our concession revenues of our comparable theatres by \$3.4 million during the fiscal 2024 compared to fiscal 2023. We expect to continue to report similar average concession revenues per person in future periods, but the impact of pricing strategies discussed in the “Current Plans” section above will likely impact our final result.

Other revenues, which include management fees, pre-show advertising income, family entertainment center revenues, surcharge revenues, mobile app revenues, rental income and gift card breakage income, increased by \$8.4 million during fiscal 2024 compared to fiscal 2023. The fluctuation in other revenue was primarily due to the impact of changes in the criteria for waiving internet surcharge ticketing fees for our MMR members introduced late in the first quarter of fiscal 2024, resulting in an increase in ticketing fees per person during fiscal 2024.

The film product release schedule for fiscal 2025 has solidified in recent months. Several films that have contributed to our early fiscal 2025 first quarter results include the carryover impact of releases during the fourth quarter of fiscal 2024 including *Mufasa: The Lion King*, *Sonic the Hedgehog 3*, *Moana 2*, and *Nosferatu*, and new releases during the first quarter of fiscal 2025 including *Captain America: Brave New World*, *One of Them Days*, *Wolf Man*, *Flight Risk* and *Dog Man*. Although it is possible that schedule changes may occur, new films scheduled to be released during the remainder of fiscal 2025 that have potential to perform very well include: *Snow White*, *A Minecraft Movie*, *The Accountant 2*, *Mickey 17*, *Thunderbolts*, *Mission: Impossible - The Final Reckoning*, *Karate Kid*, *Elio*, *How to Train Your Dragon*, *From the World of John Wick: Ballerina*, *F1*, *Jurassic World Rebirth*, *Megan 2.0*, *Naked Gun*, *Superman: Legacy*, *The Fantastic Four: First Steps*, *I Know What you Did Last Summer*, *The Bad Guys 2*, *The Conjuring: Last Rites*, *Downton Abbey 3*, *Saw XI*, *The Bride*, *The Black Phone 2*, *Tron: Ares*, *Mortal Kombat 2*, *Blade*, *Now you See Me 3*, *Wicked Part 2*, *Zootopia 2*, *Five Nights at Freddy's 2*, *The SpongeBob Movie: Search for SquarePants* and *Avatar: Fire and Ash*.

We made decisions to close several underperforming theatres during fiscal 2023 and fiscal 2024. During fiscal 2023, we closed three owned theatres in Minnesota and two owned theatres and one leased theatre in Wisconsin. During fiscal 2024, we closed one leased theatre in Iowa. Additionally, early in fiscal 2025 we closed one leased Movie Tavern theatre in Texas. During fiscal 2023, we converted one existing screen to *SuperScreen* DLX and converted one existing screen to *ScreenX* to add additional PLF screens at two of our theatres. During fiscal 2024, we converted all auditoriums at a single location to *DreamLounger* recliners.

Hotels and Resorts

The hotels and resorts division contributed 39.1% of our consolidated revenues during fiscal 2024, compared to 37.1% and 39.8%, respectively, during fiscal 2023 and fiscal 2022. The hotels and resorts division contributed 45.5% of

consolidated operating income, excluding corporate items, during fiscal 2024 compared to 32.6% and 69.8%, respectively, during fiscal 2023 and fiscal 2022. As of December 26, 2024, the hotels and resorts division owned and operated three full-service hotels in downtown Milwaukee, Wisconsin, a full-service destination resort in Lake Geneva, Wisconsin and full-service hotels in Madison, Wisconsin, Chicago, Illinois, and Lincoln, Nebraska. In addition, the hotels and resorts division managed nine hotels, resorts and other properties for other owners. Included in the nine managed properties are two hotels owned by joint ventures in which we have a minority interest and two condominium hotels in which we own some or all of the public space. The following tables set forth revenues, operating income, operating margin and rooms data for the hotels and resorts division for the past three fiscal years:

	F2024	F2023	F24 v. F23		F2022	F23 v. F22	
			Amt.	Pct.		Amt.	Pct.
(in millions, except percentages)							
Revenues	\$ 287.5	\$ 270.8	\$ 16.7	6.2 %	\$ 269.3	\$ 1.5	0.6 %
Operating income	18.5	17.5	1.0	5.5 %	18.7	(1.2)	(6.3)%
Operating margin	6.4 %	6.5 %			6.9 %		

Available rooms at period-end	F2024	F2023	F2022
Company-owned	2,406	2,406	2,406
Management contracts with joint ventures	499	248	248
Management contracts with condominium hotels	480	480	480
Management contracts with other owners	1,269	1,269	1,737
Total available rooms	4,654	4,403	4,871

The following table provides a further breakdown of the components of revenues for the hotels and resorts division for the last three fiscal years:

			F24 v. F23		F2022	F23 v. F22		
	F2024	F2023	Amt.	Pct.		Amt.	Pct.	
	(in millions, except percentages)							
Room revenues	\$ 113.3	\$ 106.6	\$ 6.7	6.3 %	\$ 107.7	\$ (1.1)	(1.0)%	
Food/beverage revenues	78.1	73.3	4.8	6.6 %	74.8	(1.6)	(2.1)%	
Other revenues	56.9	53.5	3.4	6.3 %	53.1	0.4	0.8 %	
Total revenues before cost reimbursements	248.3	233.4	14.9	6.4 %	235.7	(2.2)	(0.9)%	
Cost reimbursements	39.2	37.4	1.7	4.6 %	33.6	3.8	11.3 %	
Total revenues	\$ 287.5	\$ 270.8	\$ 16.7	6.2 %	\$ 269.3	\$ 1.5	0.6 %	

Fiscal 2024 versus Fiscal 2023

Total hotels and resorts revenues increased 6.2% during fiscal 2024 compared to fiscal 2023. Hotels and resorts operating income during fiscal 2024 increased 5.5% compared to fiscal 2023, with higher revenues driven primarily from higher overall occupancy and increased average daily rates, including a positive impact from the Republican National Convention (RNC) held in Milwaukee during July 2024. The RNC favorably impacted our group room revenue and banquet and catering revenue at our three hotels in downtown Milwaukee by approximately \$3.3 million in fiscal 2024.

Total revenues before cost reimbursements increased 6.4% during fiscal 2024 compared to fiscal 2023. Six of our seven company-owned hotels and resorts contributed to the improved revenue during fiscal 2024, with occupancy and average daily rate increasing at four of our seven owned hotels compared to fiscal 2023. Strong growth in group business, driven partially by the RNC, as well as a shift in pricing strategy as we optimized pricing to drive higher weekday occupancy and overall RevPAR through lower daily rates at certain properties, resulted in increased revenues compared to fiscal 2023. While leisure travel softened slightly in fiscal 2024 compared to fiscal 2023, it remained near pre-pandemic demand levels. The increase in group revenues during fiscal 2024 has consequently led to an increase in banquet and catering revenues, positively impacting our food and beverage revenues as compared to fiscal 2023.

Other revenues during fiscal 2024 and fiscal 2023 included ski, spa and golf revenues at our Grand Geneva Resort & Spa, management fees, laundry revenues, parking revenues and rental revenues. Other revenues increased during fiscal 2024 compared to fiscal 2023 primarily due to increased occupancy at our owned and managed hotels and resorts and higher golf and resort fees, partially offset by lower laundry revenues. Cost reimbursements increased during fiscal 2024 compared to fiscal 2023 primarily due to the addition of The Lofton Hotel joint venture in March 2024 as a managed property.

The following table sets forth certain operating statistics, including our average occupancy percentage (number of occupied rooms as a percentage of available rooms), our average daily room rate (“ADR”), and our total revenue per available room (“RevPAR”), for company-owned properties:

Operating Statistics ⁽¹⁾	F2024	F2023	F24 v. F23	
			Amt.	Pct.
Occupancy percentage	66.1 %	63.7 %	2.4 pts	3.8 %
ADR	\$ 190.80	\$ 186.43	\$ 4.37	2.3 %
RevPAR	\$ 126.13	\$ 118.72	\$ 7.41	6.2 %

(1) These operating statistics represent averages of our comparable seven distinct company-owned hotels and resorts, branded and unbranded, in different geographic markets with a wide range of individual hotel performance. The statistics are not necessarily representative of any particular hotel or resort.

RevPAR increased at five of our seven company-owned properties during fiscal 2024 compared to fiscal 2023. Growth in group business primarily during weekdays resulted in occupancy increasing approximately 2 percentage points in fiscal 2024 compared to fiscal 2023. During fiscal 2024, our group business represented approximately 41.9% of our total rooms revenue, or 40.4% excluding the impact of the Republican National Convention (RNC), compared to approximately 37.2% during fiscal 2023, and 39.9% during fiscal 2019 prior to the pandemic – an indication that group business is trending above pre-pandemic levels. Non-group retail pricing remained strong in the majority of our markets, contributing to increased ADR.

According to data received from Smith Travel Research and compiled by us in order to analyze our fiscal 2024 results, comparable “upper upscale” hotels throughout the United States experienced an increase in RevPAR of 2.1% during fiscal 2024 compared to fiscal 2023. Thus, we believe our RevPAR growth of 6.2% out-performed the industry during fiscal 2024 by approximately 4.1 percentage points. We believe our outperformance during fiscal 2024 was due primarily to our strong performance in the group customer segment, incremental revenue from the RNC, as well as improved revenue management and rate optimization resulting in higher occupancy growth compared to the rest of the industry.

Data received from Smith Travel Research for our various “competitive sets” – hotels identified in our specific markets that we deem to be competitors to our hotels – indicates that these hotels experienced an increase in RevPAR of 6.8% during fiscal 2024 compared to fiscal 2023. Thus, we believe we underperformed our competitive sets during fiscal 2024 by approximately 0.6 percentage points. We believe the underperformance to our competitive sets during fiscal 2024 results primarily due to our higher mix of lower rate contractual airline crew business during the RNC compared to our competitive sets, as well as new hotel room supply within one of our markets. Additionally, due to the renovation of Hilton Milwaukee that began in fourth quarter of fiscal 2024, some rate displacement occurred within our Milwaukee market hotels due to shifting of business between properties that we believe negatively impacted our RevPAR growth compared to our competitive sets.

We generally expect our revenue trends to track or exceed the overall industry trends for our segment of the industry, particularly in our respective markets. Hotel revenues have historically tracked very closely with traditional macroeconomic statistics, such as the Gross Domestic Product. Looking to future periods, while overall occupancy in the U.S. continues to slowly increase, ADR growth has slowed following several years of significant growth and we expect nominal ADR growth in fiscal 2025. In the near term, we expect group business demand to remain strong and leisure travel to soften. Leisure travel in our markets has a seasonal component, peaking in the summer months and slowing down as children return to school and the weather turns colder. We continue to experience gradual increases in business travel as corporate training events, meetings, and conferences return and workers continue to increase the number of days in downtown offices.

As of the date of this report, our group room revenue bookings for fiscal 2025 - commonly referred to in the hotels and resorts industry as “group pace” - is running approximately 6% ahead of where we were at the same time last year, and approximately 22% ahead of where we were at the same time last year excluding the impact of the RNC. Group room revenue bookings for fiscal 2026 is running approximately 50% ahead of where we were at the same time in early fiscal 2024 for fiscal 2025. Banquet revenue pace for fiscal 2025 and fiscal 2026 is similarly running ahead of where we would typically be at this same time last year. Catering revenue pace for fiscal 2025 is running slightly behind where we would typically be at this same time last year, while catering revenue pace for fiscal 2026 is running slightly ahead of where we would typically be at this same time last year. We are encouraged by continuing positive trends in group bookings for fiscal 2025 and beyond.

During the fourth quarter of fiscal 2023, we ceased management of Hyatt Regency Schaumburg in Schaumburg, Illinois when the hotel was sold to new ownership. During fiscal 2024 we formed a joint venture with investment partners to acquire the Loews Minneapolis Hotel in March 2024, which we manage. The acquired hotel was rebranded as The Lofton Hotel under the Tapestry Collection by Hilton flag. As of the date of this filing, our current portfolio of hotels and resorts includes 16 owned and managed properties across the country.

As discussed in the “Current Plans” section of this MD&A, we are considering a number of potential growth opportunities that may impact fiscal 2025 and future period operating results. In addition, if we were to sell one or more hotels during fiscal 2025, our fiscal 2025 operating results could be significantly impacted. The extent of any such impact will likely depend upon the timing and nature of the growth opportunity (pure management contract, management contract with equity, joint venture investment, or other opportunity) or divestiture (management retained, equity interest retained, etc.).

Adjusted EBITDA

Adjusted EBITDA is a measure used by management and our board of directors to assess our financial performance and enterprise value. We believe that Adjusted EBITDA is a useful supplemental measure for us and investors, as it eliminates certain expenses that are not indicative of our core operating performance and facilitates a comparison of our core operating performance on a consistent basis from period to period. We also use 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 our business strategies, to make budgeting decisions, and to compare our 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 our 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. Additionally, Adjusted EBITDA is not intended to be a measure of liquidity or free cash flow for management’s discretionary use. Adjusted EBITDA has its limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP.

We define 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, impairment charges, 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 we do not consider indicative of our core operating performance. These further adjustments are itemized below. You are encouraged to evaluate these adjustments and the reasons we consider them appropriate for supplemental analysis. In evaluating Adjusted EBITDA, you should be aware that in the future we 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. Our presentation of Adjusted EBITDA should not be construed to imply that our 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 us may not be comparable to the measures disclosed by other companies.

The following table sets forth Adjusted EBITDA by reportable operating segment for the last three fiscal years (in millions, except for variance percentage):

	F24 v. F23				F23 v. F22			
	F2024	F2023	Amt.	Pct.	F2022	Amt.	Pct.	
<i>(in millions, except percentages)</i>								
Theatres	\$ 78.1	\$ 86.4	\$ (8.3)	(9.7)%	\$ 60.0	\$ 26.5	44.1 %	
Hotels and resorts	41.6	37.7	3.9	10.2 %	38.9	(1.2)	(3.0)%	
Corporate items	(17.2)	(15.4)	(1.8)	11.8 %	(13.8)	(1.6)	11.9 %	
Adjusted EBITDA	<u>\$ 102.4</u>	<u>\$ 108.7</u>	<u>(6.3)</u>	<u>(5.8)%</u>	<u>\$ 85.1</u>	<u>23.6</u>	<u>27.8 %</u>	

Our theatre division Adjusted EBITDA decreased during fiscal 2024 compared to fiscal 2023 due to lower revenue resulting from a weaker film slate and lower attendance, as described in the Theatres section above. Our hotels and resorts division Adjusted EBITDA increased during fiscal 2024 due to higher revenue resulting from improved occupancy percentages and ADR, as described in the Hotels and Resorts section above. Adjusted EBITDA attributable to corporate items decreased during fiscal 2024 compared to fiscal 2023 due primarily to increased long-term incentive compensation expenses, professional fees related to tax planning, and personnel and benefits cost inflation.

The following table sets forth our reconciliation of Adjusted EBITDA (in millions):

	F2024	F2023	F2022
Net income (loss) attributable to The Marcus Corporation	\$ (7.8)	\$ 14.8	\$ (12.0)
Add (deduct):			
Investment income	(2.2)	(2.4)	—
Interest expense	11.0	12.7	15.3
Other expense (income)	1.5	1.8	2.1
Gain on disposition of property, equipment and other assets	0.4	—	(1.1)
Gain on sale of hotel	—	—	(6.3)
Equity losses from unconsolidated joint ventures, net	0.6	0.1	0.1
Net earnings attributable to noncontrolling interests	—	—	2.9
Income tax expense (benefit)	(2.4)	6.9	7.1
Depreciation and amortization	68.0	67.3	67.1
Share-based compensation expenses ⁽¹⁾	8.2	6.4	8.2
Impairment charges ⁽²⁾	6.8	1.1	1.5
Theatre exit costs ⁽³⁾	0.1	—	—
Insured losses (recoveries) ⁽⁴⁾	0.2	—	—
Debt conversion expense ⁽⁵⁾	15.5	—	—
Other non-recurring ⁽⁶⁾	2.5	—	—
Total Adjusted EBITDA	<u>\$ 102.4</u>	<u>\$ 108.7</u>	<u>\$ 85.1</u>

The following tables sets forth our reconciliation of Adjusted EBITDA by reportable operating segment (in millions):

	F2024				F2023			
	Theatres	Hotels & Resorts	Corp. Items	Total	Theatres	Hotels & Resorts	Corp. Items	Total
Operating income	\$ 22.1	\$ 18.5	\$ (24.5)	\$ 16.2	\$ 36.2	\$ 17.5	\$ (19.8)	\$ 33.9
Depreciation and amortization	45.4	21.9	0.7	68.0	48.4	18.6	0.4	67.3
Loss (gain) on dispositions of property, equipment and other assets	0.3	0.1	—	0.4	(0.1)	0.7	(0.5)	—
Share-based compensation ⁽¹⁾	0.9	1.1	6.2	8.2	0.9	1.0	4.5	6.4
Impairment charges ⁽²⁾	6.8	—	—	6.8	1.1	—	—	1.1
Theatre exit costs ⁽³⁾	0.1	—	—	0.1	—	—	—	—
Insured losses (recoveries) ⁽⁴⁾	0.2	—	—	0.2	—	—	—	—
Other non-recurring ⁽⁶⁾	2.2	—	0.3	2.5	—	—	—	—
Adjusted EBITDA	<u>\$ 78.1</u>	<u>\$ 41.6</u>	<u>\$ (17.2)</u>	<u>\$ 102.4</u>	<u>\$ 86.4</u>	<u>\$ 37.7</u>	<u>\$ (15.4)</u>	<u>\$ 108.7</u>

	F2022			
	Theatres	Hotels & Resorts	Corp. Items	Total
Operating income (loss)	\$ 8.1	\$ 18.7	\$ (18.5)	\$ 8.3
Depreciation and amortization	47.6	19.2	0.4	67.1
Share-based compensation ⁽¹⁾	2.8	1.0	4.4	8.2
Impairment charges ⁽²⁾	1.5	—	—	1.5
Adjusted EBITDA	<u>\$ 60.0</u>	<u>\$ 38.9</u>	<u>\$ (13.8)</u>	<u>\$ 85.1</u>

- (1) Non-cash expense related to share-based compensation programs.
- (2) Non-cash impairment charges in fiscal 2024 related to three operating theatres, one operating theatre that closed in early fiscal 2025, and one permanently closed theatre. Non-cash impairment charges in fiscal 2023 related to one permanently closed theatre. Non-cash impairment charges in fiscal 2022 related to two operating theatres.
- (3) Non-recurring costs related to the closure and exit of one theatre location in fiscal 2024.
- (4) Repair costs and insurance recoveries that are non-operating in nature related to insured property damage at one theatre location.
- (5) Debt conversion expense resulting from repurchases of \$100.1 million aggregate principal amount of Convertible Notes. See *Convertible Senior Notes* in the “Liquidity and Capital Resources” section of this MD&A for further discussion.
- (6) Other non-recurring includes settlement and legal expenses related to an equipment lease agreement impacted by the COVID-19 pandemic in Theatres, and professional fees related to convertible debt repurchase transactions and corporate office relocation expenses in Corporate Items.

Liquidity and Capital Resources

Liquidity

Our movie theatre and hotels and resorts businesses each generate significant and relatively consistent daily amounts of cash, subject to previously-noted seasonality, because each segment’s revenue is derived predominantly from consumer cash purchases. We believe that these relatively consistent and predictable cash sources, as well as the availability of unused credit lines, are adequate to support the ongoing operational liquidity needs of our businesses.

Maintaining and protecting a strong balance sheet has always been a core philosophy of The Marcus Corporation during our 89-year history, and our financial position remains strong. As of December 26, 2024, we had a cash balance of

\$40.8 million, \$220.2 million of availability under our \$225.0 million revolving credit facility, our debt-to-capitalization ratio was 0.26, and our net leverage was 1.3 times net debt to Adjusted EBITDA. With our strong liquidity position, combined with cash generated from operations, we believe we are positioned to meet our obligations as they come due and continue to sustain our operations throughout fiscal 2025 and beyond, as well as our longer-term capital requirements.

The following table sets forth our reconciliations of Net Debt and Net Leverage (Net Debt to Adjusted EBITDA) (in millions, except leverage ratio):

	December 26, 2024	December 28, 2023
Long-term debt (GAAP measure) ⁽¹⁾	\$ 159.1	\$ 169.9
Finance lease obligations (GAAP measure) ⁽²⁾	13.0	15.3
Less: Cash and cash equivalents	(40.8)	(55.6)
Net Debt	\$ 131.3	\$ 129.6
Net Debt	\$ 131.3	\$ 129.6
Adjusted EBITDA	102.4	108.7
Net Leverage (Net Debt to Adjusted EBITDA)	1.28x	1.19x

(1) Represents total long-term debt, including the current portion of long-term debt.

(2) Represents total finance lease obligations, including the current portion of finance lease obligations.

We believe Net Leverage is a useful measure, as it provides management and investors an indication of our indebtedness less unrestricted cash relative to our earnings performance.

Credit Agreement

On January 9, 2020, we entered into a Credit Agreement with several banks, including JPMorgan Chase Bank, N.A., as Administrative Agent, and U.S. Bank National Association, as Syndication Agent. On April 29, 2020, we entered into the First Amendment, on September 15, 2020, we entered into the Second Amendment, on July 13, 2021, we entered into the Third Amendment, on July 29, 2022, we entered into the Fourth Amendment, on February 10, 2023, we entered into the Fifth Amendment, and on October 16, 2023, we entered into the Sixth Amendment (the Credit Agreement, as amended by the First Amendment, the Second Amendment, the Third Amendment, the Fourth Amendment, the Fifth Amendment and the Sixth Amendment, hereinafter referred to as the “Credit Agreement”).

The Credit Agreement provides for a five-year revolving credit facility that matures on October 16, 2028 with an initial maximum aggregate amount of availability of \$225.0 million. We may request an increase in the aggregate amount of availability under the Credit Agreement by an aggregate amount of up to \$125.0 million by increasing the revolving credit facility or adding one or more tranches of term loans. Our ability to increase availability under the Credit Agreement is subject to certain conditions, including, among other things, the absence of any default or event of default or material adverse effect under the Credit Agreement.

The Sixth Amendment amended the Credit Agreement to, among other things: (i) revise the applicable interest rates for benchmark and ABR (defined below) loans to be determined by a net leverage ratio, rather than the previously used debt to capitalization ratio; (ii) revise the definition of consolidated EBITDA to exclude certain non-recurring costs and one-time expenses and exclude certain non-recurring recognized gains; (iii) exclude our hotel properties and certain theatre properties from the collateral under the Credit Agreement; (iv) revise the financial covenants to eliminate covenants regarding the consolidated fixed charge coverage ratio and consolidated debt to capitalization ratio and replace these covenants with a requirement that our consolidated net leverage ratio not exceed 3.50:1.00, provided that, with some limitations, such ratio may be increased to 4.00:1.00 for the full fiscal quarter in which a material acquisition (in which aggregate consideration equals or exceeds \$30.0 million) is consummated and the three fiscal quarters immediately thereafter; (v) replace the required consolidated fixed charge coverage ratio with a covenant that our interest coverage ratio at the end of any fiscal quarter not be less than 3.00:1.00; (vi) revise permitted indebtedness under the agreement to include, among other items, (a) borrowings or finance lease obligations to finance capital expenditures up to \$40.0 million at any time outstanding, (b) indebtedness under our senior notes up to \$100.0 million at any time outstanding; (c)

indebtedness of up to \$25.0 million in any new restricted subsidiaries at the time such entity becomes a restricted subsidiary, (d) other indebtedness not exceeding \$50.0 million at any time outstanding and (e) other indebtedness as long as the consolidated net leverage ratio is at least 0.25 less than otherwise required under the Credit Agreement; and (vii) revise the covenants to allow us to make investments as long as no default has occurred under the Credit Agreement, or would occur as a result of the investment, as long as the consolidated net leverage ratio is at least 0.25 less than otherwise required under the Credit Agreement.

Borrowings under the Credit Agreement bear interest at a variable rate equal to (i) the term SOFR, plus a credit spread adjustment of 0.10%, subject to a 0% floor, plus a specified margin based upon our net leverage ratio as of the most recent determination date, or (ii) the alternate base rate (“ABR”) (which is the highest of (a) the prime rate, (b) the greater of the federal funds rate and the overnight bank funding rate plus 0.50% or (c) the sum of 1% plus one-month SOFR plus a credit spread adjustment of 0.10%), subject to a 1% floor, plus a specified margin based upon our net leverage ratio as of the most recent determination date; provided, however, as of the effective date of the Sixth Amendment, in respect of revolving loans, the applicable margin is 1.75% for SOFR borrowings and 0.75% for ABR borrowings. We are required to pay a variable rate facility fee depending on our consolidated net leverage ratio.

In connection with the Credit Agreement: (i) we and certain of our subsidiaries have pledged, subject to certain exceptions, security interests and liens in and on (a) substantially all of their respective personal property assets and (b) certain of their respective real property assets, in each case, to secure the Credit Agreement and related obligations; and (ii) certain of our subsidiaries have guaranteed our obligations under the Credit Agreement.

The Credit Agreement contains customary events of default. If an event of default under the Credit Agreement occurs and is continuing, then, among other things, the lenders may declare any outstanding obligations under the Credit Agreement to be immediately due and payable and exercise rights and remedies against the pledged collateral.

Senior Notes

On June 27, 2013, we entered into a Note Purchase Agreement (the “4.02% Senior Notes Agreement”) with the several purchasers party to the 4.02% Senior Notes Agreement, pursuant to which we issued and sold \$50.0 million in aggregate principal amount of our 4.02% Senior Notes due August 14, 2025 (the “4.02% Notes”) in a private placement exempt from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”). We used the net proceeds from the issuance and sale of the 4.02% Notes to reduce existing borrowings under our revolving credit facility and for general corporate purposes. On December 21, 2016, we entered into a Note Purchase Agreement (the “4.32% Senior Notes Agreement”) with the several purchasers party to the 4.32% Senior Notes Agreement, pursuant to which we issued and sold \$50.0 million in aggregate principal amount of our 4.32% Senior Notes due February 22, 2027 (the “4.32% Notes” and the 4.02% Notes, are together referred to hereafter as the “Notes”) in a private placement exempt from the registration requirements of the Securities Act. We used the net proceeds of the sale of the 4.32% Notes to repay outstanding indebtedness and for general corporate purposes.

Interest on the 4.02% Notes is payable semi-annually in arrears on the 14th day of February and August in each year and at maturity. Interest on the 4.32% Notes is payable semi-annually in arrears on the 22nd day of February and August in each year and at maturity. Beginning on August 14, 2021 and on the 14th day of August each year thereafter to and including August 14, 2024, we will be required to prepay \$10 million of the principal amount of the 4.02% Notes. The entire outstanding principal balance of the 4.32% Notes will be due and payable on February 22, 2027. The entire unpaid principal balance of the 4.02% Notes will be due and payable on August 14, 2025. The Notes rank pari passu in right of payment with all of our other senior secured debt.

In connection with entering into the Sixth Amendment to the Credit Agreement, on October 16, 2023, we and certain purchasers entered into the Sixth Amendment to: (i) the Note Purchase Agreement, dated December 21, 2016, for our 4.32% Senior Notes due February 22, 2027, and (ii) the Note Purchase Agreement, dated June 27, 2013, for our 4.02% Senior Notes due August 14, 2025 (collectively, the “Note Amendments” and such Note Purchase Agreements, as previously amended and as amended by the Note Amendments, the “Amended Senior Note Agreements”). The Note Amendments revise the Note Purchase Agreements so that the Amended Senior Note Agreements’ covenants and collateral provisions are consistent with those set forth in the Credit Agreement.

On July 9, 2024, we entered into a Master Note Purchase Agreement with several purchasers party to the agreement, pursuant to which we issued and sold \$100.0 million aggregate principal amount of senior notes in two tranches: (i) \$60.0 million in aggregate principal amount of the Company’s 6.89% Series 2024 Senior Notes, Tranche A

due July 9, 2031 (the “Tranche A Notes”) and (ii) \$40.0 million in aggregate principal amount of the Company’s 7.02% Series 2024 Senior Notes, Tranche B due July 9, 2034 (the “Tranche B Notes” and, collectively with the Tranche A Notes, the “2024 Senior Notes”). The net proceeds were used to refinance the Convertible Notes Repurchases of \$99.9 million aggregate principal amount of Convertible Notes and for general corporate purposes.

Interest on the 2024 Senior Notes is payable semi-annually in arrears on the 9th day of January and July each year, commencing on January 9, 2025, and on the applicable maturity date. The Tranche A Notes require annual principal amortization payments beginning in fiscal 2027 with a final maturity in fiscal 2031. The Tranche B Notes require annual principal amortization payments beginning in fiscal 2028 with a final maturity in fiscal 2034. The 2024 Senior Notes rank pari passu in right of payment with all of our other senior secured debt. The Master Note Purchase Agreement contains various restrictions and covenants applicable to the Company and certain of its subsidiaries that are consistent with the restrictions, covenants and collateral provisions in the Company’s existing Credit Agreement and Note Purchase Agreements. Among other requirements, the Master Note Purchase Agreement requires us to maintain (i) a ratio of consolidated net debt (as defined in the Master Note Purchase Agreement) to consolidated EBITDA (as defined in the Master Note Purchase Agreement) of 3.50 to 1.00 or less, with some temporary exceptions for material acquisitions, and (ii) a minimum ratio of consolidated EBITDA to consolidated interest expense (as defined in the Master Note Purchase Agreement) for each period of four consecutive fiscal quarters (determined as of the last day of each fiscal quarter) of 3.00 to 1.00 or more.

In connection with the Amended Senior Notes Agreements and Master Note Purchase Agreement: (i) we and certain of our subsidiaries have pledged, subject to certain exceptions, security interests and liens in and on (a) substantially all of their respective personal property assets and (b) certain of their respective real property assets, in each case, to secure the Notes and related obligations; and (ii) certain subsidiaries of ours have guaranteed our obligations under the Amended Senior Notes Agreements, Master Note Purchase Agreement, Notes, and the 2024 Senior Notes.

The Amended Senior Notes Agreements and Master Note Purchase Agreement also contain customary events of default. If an event of default under the Amended Senior Notes Agreements or Master Note Purchase Agreement occurs and is continuing, then, among other things, the purchasers may declare any outstanding obligations under the Amended Senior Notes Agreements, Master Note Purchase Agreement, Notes, and the 2024 Senior Notes to be immediately due and payable and the note holders may exercise their rights and remedies against the pledged collateral.

Convertible Senior Notes

In September 2020, we entered into a purchase agreement with J.P. Morgan Securities LLC, as representative of the several initial purchasers (the “Initial Purchasers”), to issue and sell \$100.1 million aggregate principal amount of our 5.00% Convertible Senior Notes due 2025 (the “Convertible Notes”). In connection with the pricing of the Convertible Notes we entered into privately negotiated Capped Call Transactions (the “Capped Call Transactions”) with certain of the Initial Purchasers and/or their respective affiliates and/or other financial institutions (the “Capped Call Counterparties”). The Capped Call Transactions were expected generally to reduce potential dilution of our common stock upon any conversion of the Convertible Notes and/or offset any cash payments we were required to make in excess of the principal amount of such converted Convertible Notes, as the case may be, in the event that the market price per share of our common stock, as measured under the terms of the Capped Call Transactions, was greater than the strike price of the Capped Call Transactions, which initially corresponded to the conversion price of the Convertible Notes and was subject to anti-dilution adjustments substantially similar to those applicable to the conversion rate of the Convertible Notes.

During fiscal 2024, we entered into separate, privately negotiated purchase agreements (the “Purchase Agreements”) with the holders of our Convertible Notes. Under the terms of the Purchase Agreements, the holders agreed to exchange \$100.1 million in aggregate principal amount of Convertible Notes for cash consideration of \$121.8 million (or \$103.5 million net of the cash we received in connection with the unwind of a portion of the Capped Call Transactions as discussed below) effected over four separate repurchase tranches (the “Convertible Notes Repurchases”). Upon settlement of the Convertible Note Repurchases all of the Convertible Notes were retired.

In connection with the Convertible Notes Repurchases, we entered into unwind agreements with the Capped Call Counterparties to terminate a portion of the Capped Call Transactions equal to the notional amounts of the Convertible Notes Repurchases, and to receive aggregate cash of \$18.3 million effected over four separate unwind tranches.

During the fiscal 2024, we incurred debt conversion expense of \$15.5 million in connection with the Convertible Notes Repurchases. The unwind of the Capped Call Transactions resulted in a \$17.6 million increase in capital in excess of par within shareholders' equity during fiscal 2024.

Summary

The Credit Agreement and the Senior Notes impose various financial covenants applicable to The Marcus Corporation and certain of our subsidiaries. As of the date of this filing, we are in compliance with all of the financial covenants imposed by the Credit Agreement and the Senior Notes. Our long-term debt has scheduled annual principal payments, net of amortization of debt issuance costs, of \$10.4 million in fiscal 2025 and no principal payments in fiscal 2026. We believe that we will have sufficient liquidity to meet our obligations as they come due and to comply with our debt covenants for at least 12 months from the issuance date of the consolidated financial statements and beyond.

Financial Condition

Fiscal 2024 versus Fiscal 2023

Net cash provided by operating activities totaled \$103.9 million during fiscal 2024, compared to net cash provided by operating activities of \$102.6 million during fiscal 2023, an increase of \$1.3 million. The increase in net cash provided by operating activities in fiscal 2024 was due primarily to favorable timing of payment of accounts payable, accrued compensation, other assets, and operating leases, partially offset by a decrease in net earnings and unfavorable timing in the collection of accounts receivable and payment of other accrued liabilities as compared to fiscal 2023.

Net cash used in investing activities during fiscal 2024 totaled \$81.9 million, compared to net cash used in investing activities during fiscal 2023 of \$36.7 million, an increase of \$45.1 million. The increase in net cash used by investing activities was primarily the result of an increase in capital expenditures (as described below) and a \$5.6 million purchase of joint venture interests in The Lofton Hotel, partially offset by a \$1.5 million sale of joint venture interests in The Lofton Hotel to other minority investors.

Total cash capital expenditures (including normal continuing capital maintenance and renovation projects) totaled \$79.2 million during fiscal 2024 compared to \$38.8 million during fiscal 2023, an increase of \$40.4 million, or 104.3%. We incurred approximately \$21.0 million of capital expenditures in our theatre division during fiscal 2024, including costs associated with the conversion of one theatre location to DreamLounger seating, the purchase of previously leased projectors and normal maintenance capital projects. We incurred approximately \$15.1 million of capital expenditures during fiscal 2023 in our theatre division, including costs associated with the conversion of two existing auditoriums to a SuperScreen DLX[®] and a ScreenX auditorium and normal maintenance capital projects. We incurred approximately \$48.9 million of capital expenditures in our hotels and resorts division during fiscal 2024, including costs related to ballroom and meeting space renovations, associate housing construction and golf short course construction at the Grand Geneva Resort & Spa, guest room and lobby renovations at The Pfister Hotel, guest room renovations at the Hilton Milwaukee and normal maintenance capital projects at our other company-owned hotels and resorts. We incurred capital expenditures in our hotels and resorts division during fiscal 2023 of approximately \$22.9 million, including costs related to the second phase of a guest rooms renovation at the Grand Geneva Resort & Spa, ballroom and meeting space renovations at The Pfister Hotel and normal maintenance capital projects at our other company-owned hotels and resorts. Our current estimated fiscal 2025 cash capital expenditures, which we anticipate may be in the \$70 - \$85 million range, are described in greater detail in the "Current Plans" section of this MD&A.

Net cash used in financing activities during fiscal 2024 totaled \$37.3 million, compared to net cash used in financing activities during fiscal 2023 of \$30.5 million. During fiscal 2024, we increased our borrowings under our revolving credit facility as needed to fund our cash needs and used excess cash to reduce our borrowings under our revolving credit facility. As short-term revolving credit facility borrowings became due, we replaced them as necessary with new short-term revolving credit facility borrowings. As a result, we added \$119.0 million of new short-term revolving credit facility borrowings, and we made \$119.0 million of repayments on short-term revolving credit facility borrowings during fiscal 2024. We ended fiscal 2024 with no outstanding borrowings under our revolving credit facility.

During fiscal 2023, we increased our borrowings under our revolving credit facility as needed to fund our cash needs and used excess cash to reduce our borrowings under our revolving credit facility. As a result, we added \$38.0 million of new short-term revolving credit facility borrowings, and we made \$38.0 million of repayments on short-term

revolving credit facility borrowings during fiscal 2023. We ended fiscal 2023 with no outstanding borrowings under our revolving credit facility.

Principal payments on long-term debt were approximately \$11.4 million during fiscal 2024, including a \$10.0 million installment payment on senior notes, compared to payments of \$11.4 million during fiscal 2023, which included a \$10.0 million installment payment on senior notes. During fiscal 2024 we received \$100.0 million of cash proceeds from the issuance of senior notes in July 2024. See *Senior Notes* section above for further discussion.

During fiscal 2024 we paid \$123.5 million in cash for the Convertible Notes Repurchases (as defined above) and related transaction costs, with no repurchases in fiscal 2023. We received \$18.3 million in cash from the proportionate unwind of the Capped Call Transactions in connection with the Convertible Notes Repurchases during fiscal 2024. See *Convertible Senior Notes* section above for further discussion.

Our debt-to-capitalization ratio (excluding our finance and operating lease obligations) was 0.26 at December 26, 2024, compared to 0.26 at December 28, 2023. Based upon our current expectations for our fiscal 2025 operating results and capital expenditures, we anticipate that our total long-term debt and debt-to-capitalization ratio will remain at our current relatively low levels during fiscal 2025. Our actual total long-term debt and debt-to-capitalization ratio at the end of fiscal 2025 are dependent upon, among other things, our actual operating results, capital expenditures, asset sales proceeds and potential equity transactions during the year.

During fiscal 2024 we repurchased 0.7 million shares of our common stock for \$9.7 million in the open market, compared to no share repurchases of our common stock in the open market in fiscal 2023. As of December 26, 2024, approximately 1.7 million shares of our common stock remained available for repurchase under prior Board of Directors repurchase authorizations. Under these authorizations, we may repurchase shares of our common stock from time to time in the open market, pursuant to privately-negotiated transactions or otherwise, depending upon a number of factors, including prevailing market conditions.

We paid regular quarterly dividends totaling \$8.8 million during fiscal 2024, compared to \$7.4 million in fiscal 2023. During the third quarter of fiscal 2023, we increased our regular quarterly common stock cash dividend by 40% to \$0.07 per common share.

Contractual Obligations, Commercial Commitments and Future Uses of Cash

The following schedule details our contractual obligations at December 26, 2024 (in thousands):

	Payments Due by Period				
	Total	Less Than 1 Year	2-3 Years	4-5 Years	After 5 Years
Total debt	\$ 160,392	\$ 10,392	\$ 62,000	\$ 35,428	\$ 52,572
Interest on fixed-rate long term debt ⁽¹⁾	41,745	9,354	15,949	9,774	6,668
Pension obligations	34,983	2,377	4,755	5,894	21,957
Operating lease obligations	234,260	23,963	48,292	43,544	118,461
Finance lease obligations	14,883	3,144	5,081	3,501	3,157
Construction commitments	31,569	31,569	—	—	—
Total contractual obligations	<u>\$ 517,832</u>	<u>\$ 80,799</u>	<u>\$ 136,077</u>	<u>\$ 98,141</u>	<u>\$ 202,815</u>

(1) Interest on variable-rate debt obligations is excluded due to significant variations that may occur in each year related to the amount of variable-rate debt and the accompanying interest rate. As of December 26, 2024 we had zero variable interest rate debt outstanding.

Additional detail describing our long-term debt is included in Note 6 to our consolidated financial statements.

As of December 26, 2024, we had no additional material purchase obligations other than those created in the ordinary course of business related to property and equipment, which generally have terms of less than 90 days. We had long-term obligations related to our employee benefit plans, which are discussed in detail in Note 9 to our consolidated

financial statements. We have not included uncertain tax obligations in the table of contractual obligations set forth above due to uncertainty as to the timing of any potential payments.

As of December 26, 2024, we had no debt or lease guarantee obligations.

In connection with the mortgage loan obtained by the Kimpton Hotel Monaco Pittsburgh (“Monaco”) joint venture, we provided an environmental indemnity and a “bad boy” guaranty that provides that the lender can recover losses from us for certain bad acts of the Monaco joint venture, such as but not limited to fraud, intentional misrepresentation, voluntary incurrence of prohibited debt, prohibited transfers of the collateral, and voluntary bankruptcy of the Monaco joint venture. Under the terms of the Monaco joint venture operating agreement, Searchlight has agreed to fully indemnify us under the “bad boy” guarantees for any losses other than those attributable to our own bad acts and has agreed to indemnify us to its proportionate liability under the environmental liability. Additional detail describing the Monaco joint venture is included in Note 12 to our consolidated financial statements.

In connection with the mortgage loan obtained by a wholly-owned subsidiary of The Lofton Hotel joint venture entity, we provided an environmental indemnity and a several payment guaranty that provides that the lender can recover losses from us, a principal in Hempel, and a principal in RP for certain events of default of the borrower up to \$6,200,000 for the Company. Under the terms of a cross-indemnity agreement among the guarantors, the other two guarantors have fully indemnified us under the guarantees for any losses in excess of its proportionate liability under the several payment guaranty and environmental indemnity.

Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risk related to changes in interest rates, and we manage our exposure to this market risk by monitoring available financing alternatives.

As of December 26, 2024 we had zero variable interest rate debt outstanding. Our revolving credit facility, which has no outstanding borrowings as of December 26, 2024, is our only existing credit facility that bears interest based on a variable rate. Our earnings may be affected by changes in short-term interest rates as a result of our borrowings under our revolving credit facility to the extent we have any such borrowings.

Fixed interest rate debt totaled \$160.4 million as of December 26, 2024, carried a weighted-average interest rate of 5.93% and represented 100.0% of our total debt portfolio. Fixed interest rate debt included the following: senior notes bearing interest semiannually at fixed rates ranging from 4.02% to 7.02%, maturing in fiscal 2025 through 2034; and other debt instruments bearing interest at 5.75%, maturing in fiscal 2025, and PPP loans bearing interest at 1.0%, maturing in fiscal 2025. The fair value of our fixed interest rate debt is subject to interest rate risk. Generally, the fair market value of our fixed interest rate debt will increase as interest rates fall and decrease as interest rates rise. As of December 26, 2024, the fair value of our \$160.0 million of senior notes was approximately \$157.2 million.

The variable interest rate debt and fixed interest rate debt outstanding as of December 26, 2024 matures as follows (in thousands):

	F2025	F2026	F2027	F2028	F2029	Thereafter	Total
Variable interest rate	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Fixed interest rate	10,392	—	62,000	17,714	17,714	52,572	160,392
Total debt	<u>\$ 10,392</u>	<u>\$ —</u>	<u>\$ 62,000</u>	<u>\$ 17,714</u>	<u>\$ 17,714</u>	<u>\$ 52,572</u>	<u>\$ 160,392</u>

We periodically enter into interest rate swap agreements to manage our exposure to interest rate changes. These swaps involve the exchange of fixed and variable interest rate payments. Payments or receipts on the agreements are recorded as adjustments to interest expense. As of December 26, 2024 there were no interest rate swap agreements outstanding.

Critical Accounting Policies and Estimates

This MD&A is based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of our financial statements requires us to

make estimates and judgments that affect our reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities.

On an on-going basis, we evaluate our estimates associated with critical accounting policies. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following critical accounting policies affect the most significant judgments and estimates used in the preparation of our consolidated financial statements.

- ***Long-lived & Other Intangible Assets:*** We review long-lived assets, including property and equipment, operating lease right-of-use assets and our trade name intangible asset, for impairment at least annually, or whenever events or changes in circumstances indicate that the carrying amount of any such asset may not be recoverable. Such review is primarily done at the individual theatre or hotel property level, which represents the lowest level for which identifiable cash flows are largely independent of the cash flows of other asset groups. We use judgment to determine whether indicators of impairment exist. The determination of the occurrence of a triggering event is based upon our knowledge of the theatre and hospitality industries, historical experience such as recent operating results, location of the property, market conditions, recent events or transactions, and property-specific information available at the time of the assessment. When a triggering event occurs, judgment is also required in determining the assumptions and estimates to use within the recoverability analysis and when calculating the fair value of the asset if it is determined that the long-lived asset is not recoverable. In performing these analyses, we must make assumptions regarding the estimated future cash flows and other factors that a market participant would make to determine the fair value of the respective assets. The estimate of cash flows is based upon, among other things, certain assumptions about expected future operating performance and anticipated sales prices. Our estimates of cash flows are sensitive to assumed revenue growth rates and may differ from actual cash flows due to factors such as economic conditions, changes to our business model or changes in our operating performance and anticipated sales prices. For long-lived assets other than goodwill, if the sum of the undiscounted estimated cash flows is less than the current carrying value, we then prepare a fair value analysis of the asset. If the carrying value of the asset exceeds the fair value of the asset, we recognize an impairment loss, measured as the amount by which the carrying value exceeds the fair value of the asset. During fiscal 2024, we recorded before-tax impairment charges totaling \$6.8 million related to four operating theatres, one operating theatre that we closed in early fiscal 2025, and one permanently closed theatre. During fiscal 2023, we recorded before-tax impairment charges totaling \$1.1 million related to two permanently closed theatres and surplus real estate that was sold in fiscal 2024. During fiscal 2022, we recorded a before-tax impairment charge of \$1.5 million related to two operating theatres.

Depreciation expense is based on the estimated useful life of our assets. The life of the assets is based on a number of assumptions, including cost and timing of capital expenditures to maintain and refurbish the asset, as well as specific market and economic conditions. While management believes its estimates are reasonable, a change in the estimated lives could affect depreciation expense and net earnings or the gain or loss on the sale of any of the assets.

- ***Goodwill:*** We review goodwill for impairment annually or more frequently if certain indicators arise. We perform our annual impairment test on the first day of our fiscal fourth quarter. Goodwill is tested for impairment at a reporting unit level, determined to be at an operating segment level. When reviewing goodwill for impairment, we consider the amount of excess fair value over the carrying value of the reporting unit, the period of time since the last quantitative test, and other factors to determine whether or not to first perform a qualitative test. When performing a qualitative test, we assess numerous factors to determine whether it is more likely than not that the fair value of our reporting unit is less than its carrying value. Examples of qualitative factors that we assess include our share price, our financial performance, market and competitive factors in our industry, and other events specific to the reporting unit. If we conclude that it is more likely than not that the fair value of our reporting unit is less than its carrying value, we perform a quantitative test by comparing the carrying value of the reporting unit to the estimated fair value. Primarily all of our goodwill relates to our theatre segment.

During the first three quarters of fiscal 2024, we determined that there were no indicators of impairment that would require an additional quantitative analysis during these interim periods. We performed our annual goodwill impairment test as of September 27, 2024 and determined that a quantitative analysis would be appropriate. In order to determine fair value, we used assumptions based on information available to us as of September 27, 2024, including both market data and forecasted cash flows. We then used this information to determine fair value and determined that the fair value of our theatre reporting unit exceeded our carrying value by a substantial amount and deemed that no impairment was indicated as of September 27, 2024. If we are unable to achieve our forecasted cash flow or if market conditions worsen, our goodwill could be impaired at a later date.

- **Income Taxes:** We are subject to U.S. federal and state income taxes in numerous state jurisdictions. Significant judgment is required in determining both our key assumptions utilized in the accounting for income taxes and the recording of the provision for income taxes and the related deferred tax assets and liabilities. We assess our income tax positions and record tax liabilities for all years subject to examination based upon management's evaluation of the facts and circumstances and information available at the reporting dates. For those income tax positions where it is more-likely-than-not that a tax benefit will be sustained upon the conclusion of an examination, we have recorded the largest amount of tax benefit having a cumulatively greater than 50% likelihood of being realized upon ultimate settlement with the applicable taxing authority assuming that it has full knowledge of all relevant information. For those tax positions that do not meet the more-likely-than-not threshold regarding the ultimate realization of the related tax benefit, no tax benefit has been recorded in the financial statements. We recognize deferred tax assets and liabilities for the future tax consequences attributable to differences between financial statement carrying amounts of existing assets and liabilities and their respective tax bases, net operating losses, tax credits and other carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. We regularly review our deferred tax assets for recoverability and establish a valuation allowance based on historical losses, projected future taxable income and the expected timing of the reversals of existing temporary differences. As a result of this review, we have established valuation allowances against certain of our deferred tax assets relating to state net operating loss carryforwards. As of December 26, 2024, valuation allowances against our deferred tax assets were \$3.6 million, and were \$11.3 million as of December 28, 2023. Future tax authority rulings and changes in tax laws, changes in projected levels of taxable income and future tax planning strategies could affect the actual effective tax rate and tax balances recorded.

Implementation of New Accounting Standards

In March 2020, the Financial Accounting Standards Board (FASB) issued ASU No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The amendments in this update provide optional expedients and exceptions to the existing guidance on contract modifications and hedge accounting to ease the financial reporting burdens of the expected market transition from the London Interbank Offered Rate (LIBOR), or other interbank offered rates, to alternative reference rates such as the Secured Overnight Financing Rate (SOFR). During the first quarter of fiscal 2023, in conjunction with the execution of the fifth amendment to our credit agreement (see Note 6), we elected SOFR as our ongoing reference rate. The adoption of the new standard did not have a material effect on our consolidated financial statements.

In fiscal 2024, we adopted ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures (ASU No. 2023-07)*, which requires disclosure of incremental segment information on an annual and interim basis. The annual requirements of ASU No. 2023-07 are included in our Business Segment footnote (see Note 13) and prior year information has been recast to conform to the current year presentation. The interim requirements of ASU No. 2023-07 are effective for us the first quarter of fiscal 2025. The adoption of the new standard did not have a material effect on our consolidated financial statements.

Accounting Changes

For a description of recent accounting pronouncements, See Note 1 of the notes to our consolidated financial statements included in Part II, Item 8 of this annual report on Form 10-K.

Item 7A. **Quantitative and Qualitative Disclosures About Market Risk.**

The information required by this item is set forth in “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations – Quantitative and Qualitative Disclosures About Market Risk” above.

Item 8. Financial Statements and Supplementary Data.

MANAGEMENT’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Exchange Act. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the framework in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under the framework in *Internal Control – Integrated Framework (2013)*, our management concluded that our internal control over financial reporting was effective as of December 26, 2024. The Company’s auditors, Deloitte & Touche LLP, have issued an attestation report on our internal control over financial reporting. That attestation report is set forth in this Item 8.

Gregory S. Marcus
President and Chief Executive Officer

Chad M. Paris
Chief Financial Officer and Treasurer

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of The Marcus Corporation

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of The Marcus Corporation and subsidiaries (the "Company") as of December 26, 2024 and December 28, 2023, the related consolidated statements of operations, comprehensive income (loss), shareholders' equity and cash flows, for each of the three years in the period ended December 26, 2024, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 26, 2024 and December 28, 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 26, 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 26, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 27, 2025, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Long-Lived Assets – Theatres segment property and equipment, net and operating lease right-of-use assets - Assessment and Evaluation of Impairment – Refer to Note 1 and Note 3 to the financial statements.

Critical Audit Matter Description

The Company assesses long-lived assets, including property and equipment, net and operating lease right-of-use assets for impairment at the individual theatre or surplus real estate property level whenever events or changes in circumstances indicate the carrying amount of an asset group may not be recoverable. During the year ended December 26, 2024, the Company recorded an impairment loss of \$6.8 million.

In assessing the Theatres segment property and equipment, net and operating lease right-of-use assets for indicators of potential impairment, the Company considered quantitative and qualitative factors, including evaluating the historical actual operating performance of the properties and assessing the impact of recent economic and industry events impacting the properties. Evaluating whether these quantitative and qualitative factors represented an indicator of potential impairment required significant judgment by management.

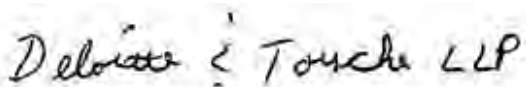
When indicators of impairment were present, the Company determined if the individual theatre, or surplus real estate properties were recoverable by assessing whether the sum of the estimated undiscounted future cash flows attributable to such assets was less than their carrying amounts. In instances where the estimated undiscounted future cash flows attributable to these assets were less than the carrying amounts, the Company determined the fair value of the individual theatre, or surplus real estate properties and recorded an impairment loss based on the excess of the carrying amount over the fair value. The most significant assumption inherent in these recoverability and impairment analyses was the forecasted future cash flows (primarily driven by revenue growth rates for theatre properties and estimated sales prices for surplus real estate properties).

We identified the assessment and evaluation of impairment for the Theatres segment property and equipment, net and operating lease right-of-use assets as a critical audit matter because of the subjectivity used by management when identifying and evaluating potential impairment indicators, and when estimating forecasted future cash flows in their recoverability and impairment analyses. A high degree of auditor judgment was required when performing audit procedures to evaluate whether management appropriately identified and evaluated potential impairment indicators, and when evaluating the reasonableness of management's forecasted future cash flows that were used in their recoverability and impairment analyses.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to management's assessment and evaluation of impairment for the Theatres segment property and equipment, net and operating lease right-of-use assets included the following, among others:

- We tested the effectiveness of internal controls over the Company's assessment and evaluation of potential impairment for long-lived assets and over forecasted future cash flows that were used in their recoverability and impairment analyses.
- We evaluated the reasonableness of the information in the Company's impairment indicators analyses, and the corresponding forecasted future cash flows used in their recoverability and impairment analyses, by comparing the forecasts to (1) historical actual information, (2) internal communications between management and the Board of Directors and (3) forecasted information included in analyst and industry reports for the Company.
- For surplus real estate properties, we evaluated the reasonableness of the Company's forecasted cash flows resulting from planned sale of assets by (1) obtaining sales agreements executed after December 26, 2024, where applicable, (2) obtaining negotiated letters of intent to purchase, where applicable, and (3) comparing the Company's estimates to relevant real estate market data.
- We evaluated the Company's forecasted future cash flows for consistency with evidence obtained in other areas of the audit.



Milwaukee, Wisconsin
February 27, 2025

We have served as the Company's auditor since 2008.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the shareholders and the Board of Directors of The Marcus Corporation

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of The Marcus Corporation and subsidiaries (the “Company”) as of December 26, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 26, 2024, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 26, 2024, of the Company and our report dated February 27, 2025, expressed an unqualified opinion on those financial statements.

Basis for Opinion

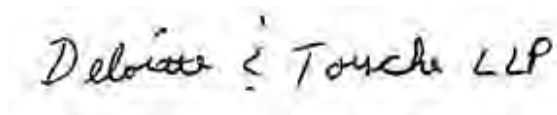
The Company’s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management’s Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company’s internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company’s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

A handwritten signature in dark ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

Milwaukee, Wisconsin
February 27, 2025

THE MARCUS CORPORATION
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share data)

	December 26, 2024	December 28, 2023
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents <i>(Note 1)</i>	\$ 40,841	\$ 55,589
Restricted cash <i>(Note 1)</i>	3,738	4,249
Accounts receivable, net of reserves <i>(Note 5)</i>	21,457	19,703
Assets held for sale <i>(Note 1)</i>	1,199	—
Other current assets <i>(Note 1)</i>	24,915	22,175
Total current assets	92,150	101,716
PROPERTY AND EQUIPMENT, NET <i>(Note 5)</i>	685,734	682,262
OPERATING LEASE RIGHT-OF-USE ASSETS <i>(Note 7)</i>	159,194	179,788
OTHER ASSETS:		
Investments in joint ventures <i>(Note 12)</i>	5,166	1,718
Goodwill <i>(Note 1)</i>	74,996	74,996
Deferred income taxes <i>(Note 10)</i>	3,956	—
Other <i>(Note 5)</i>	23,332	24,623
Total other assets	107,450	101,337
Total assets	<u>\$ 1,044,528</u>	<u>\$ 1,065,103</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Accounts payable	\$ 50,690	\$ 37,384
Taxes other than income taxes	18,696	18,585
Accrued compensation	24,976	22,598
Other accrued liabilities <i>(Note 1)</i>	53,830	57,685
Current portion of finance lease obligations <i>(Note 7)</i>	2,591	2,579
Current portion of operating lease obligations <i>(Note 7)</i>	15,765	15,290
Current maturities of long-term debt <i>(Note 6)</i>	10,133	10,303
Total current liabilities	176,681	164,424
FINANCE LEASE OBLIGATIONS <i>(Note 7)</i>	10,360	12,753
OPERATING LEASE OBLIGATIONS <i>(Note 7)</i>	164,776	178,582
LONG-TERM DEBT <i>(Note 6)</i>	149,007	159,548
DEFERRED INCOME TAXES <i>(Note 10)</i>	32,619	32,235
OTHER LONG- TERM OBLIGATIONS <i>(Note 9)</i>	46,219	46,389
COMMITMENTS AND LICENSE RIGHTS <i>(Note 11)</i>		
EQUITY <i>(NOTE 8)</i> :		
Shareholders' equity attributable to The Marcus Corporation		
Preferred Stock, \$1 par; authorized 1,000,000 shares; none issued	—	—
Common Stock:		
Common Stock, \$1 par; authorized 50,000,000 shares; issued 25,237,374 at December 26, 2024 and 24,691,548 shares at December 28, 2023	25,237	24,692
Class B Common Stock, \$1 par; authorized 33,000,000 shares; issued and outstanding 6,984,584 at December 26, 2024 and 7,078,410 at December 28, 2023	6,985	7,078
Capital in excess of par	177,172	160,642
Retained earnings	265,028	281,599
Accumulated other comprehensive loss	(181)	(1,336)
	474,241	472,675
Less cost of Common Stock in treasury (604,914 shares at December 26, 2024 and 47,916 shares at December 28, 2023)	(9,375)	(1,503)
Total equity	464,866	471,172
Total liabilities and shareholders' equity	<u>\$ 1,044,528</u>	<u>\$ 1,065,103</u>

See accompanying notes.

THE MARCUS CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Year Ended		
	December 26, 2024	December 28, 2023	December 29, 2022
REVENUES:			
Theatre admissions	\$ 214,421	\$ 229,186	\$ 198,485
Rooms	113,344	106,618	107,699
Theatre concessions	191,989	197,653	180,180
Food and beverage	78,102	73,278	74,836
Other revenues	97,230	85,420	82,560
	695,086	692,155	643,760
Cost reimbursements	40,474	37,420	33,634
Total revenues	735,560	729,575	677,394
COSTS AND EXPENSES:			
Theatre operations	225,472	230,770	212,410
Rooms	43,425	41,071	41,561
Theatre concessions	78,406	75,903	73,124
Food and beverage	60,419	57,871	59,272
Advertising and marketing	24,559	22,838	23,877
Administrative	88,958	78,565	74,755
Depreciation and amortization	67,958	67,301	67,073
Rent (Note 7)	25,911	26,154	26,037
Property taxes	14,716	17,871	17,955
Other operating expenses (Note 2)	42,269	38,824	37,865
Impairment charges (Note 3)	6,823	1,061	1,525
Reimbursed costs	40,474	37,420	33,634
Total costs and expenses	719,390	695,649	669,088
OPERATING INCOME	16,170	33,926	8,306
OTHER INCOME (EXPENSE):			
Investment income (loss)	2,231	2,426	(45)
Interest expense	(10,972)	(12,721)	(15,299)
Other income (expense), net	(1,513)	(1,832)	(1,060)
Gain on sale of hotel	—	—	6,274
Debt conversion expense	(15,521)	—	—
Equity losses from unconsolidated joint ventures, net (Note 12)	(604)	(149)	(143)
	(26,379)	(12,276)	(10,273)
EARNINGS (LOSS) BEFORE INCOME TAXES	(10,209)	21,650	(1,967)
INCOME TAX EXPENSE (BENEFIT) (Note 10)	(2,422)	6,856	7,137
NET EARNINGS (LOSS)	(7,787)	14,794	(9,104)
NET EARNINGS ATTRIBUTABLE TO NONCONTROLLING INTERESTS	—	—	2,868
NET EARNINGS (LOSS) ATTRIBUTABLE TO THE MARCUS CORPORATION	\$ (7,787)	\$ 14,794	\$ (11,972)
NET EARNINGS (LOSS) PER SHARE – BASIC:			
Common Stock	\$ (0.25)	\$ 0.48	\$ (0.39)
Class B Common Stock	(0.23)	0.43	(0.35)
NET EARNINGS (LOSS) PER SHARE – DILUTED:			
Common Stock	\$ (0.25)	\$ 0.46	\$ (0.39)
Class B Common Stock	(0.23)	0.43	(0.35)

See accompanying notes.

THE MARCUS CORPORATION
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)

	Year Ended		
	December 26, 2024	December 28, 2023	December 29, 2022
NET EARNINGS (LOSS)	\$ (7,787)	\$ 14,794	\$ (9,104)
OTHER COMPREHENSIVE INCOME (LOSS):			
Pension gain arising during the period, net of tax effect of \$425, \$171 and \$2,967, respectively <i>(Note 9)</i>	1,202	485	8,401
Amortization of the net actuarial loss and prior service credit related to the pension, net of tax effect (benefit) of \$(17), \$(17) and \$269, respectively <i>(Note 9)</i>	(47)	(47)	760
Fair market value adjustment of interest rate swaps, net of tax effect (benefit) of \$0, \$(8) and \$144, respectively <i>(Note 6)</i>	—	(22)	407
Reclassification adjustment on interest rate swaps included in interest expense, net of tax effect (benefit) of \$0, \$(20) and \$64 respectively <i>(Note 6)</i>	—	(58)	182
Other comprehensive income	1,155	358	9,750
COMPREHENSIVE INCOME (LOSS)	(6,632)	15,152	646
COMPREHENSIVE INCOME ATTRIBUTABLE TO NONCONTROLLING INTERESTS	—	—	2,868
COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO THE MARCUS CORPORATION	<u>\$ (6,632)</u>	<u>\$ 15,152</u>	<u>\$ (2,222)</u>

See accompanying notes.

THE MARCUS CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
(in thousands, except per share data)

	Common Stock	Class B Common Stock	Capital in Excess of Par	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Shareholders' Equity Attributable to The Marcus Corporation	Non- Controlling Interests	Total Equity
BALANCES AT DECEMBER 30, 2021	\$ 24,345	\$ 7,130	\$ 145,656	\$ 289,306	\$ (11,444)	\$ (1,379)	\$ 453,614	\$ —	\$ 453,614
Cash dividends:									
\$0.09 per share Class B Common Stock	—	—	—	(640)	—	—	(640)	—	(640)
\$0.10 per share Common Stock	—	—	—	(2,440)	—	—	(2,440)	—	(2,440)
Exercise of stock options	—	—	(196)	—	—	1,089	893	—	893
Purchase of treasury stock	—	—	—	—	—	(2,286)	(2,286)	—	(2,286)
Savings and profit-sharing contribution	56	—	900	—	—	—	956	—	956
Reissuance of treasury stock	—	—	(5)	—	—	57	52	—	52
Issuance of non-vested stock	78	—	(731)	—	—	653	—	—	—
Share-based compensation	—	—	8,170	—	—	—	8,170	—	8,170
Conversions of Class B Common Stock	19	(19)	—	—	—	—	—	—	—
Distribution to noncontrolling interest	—	—	—	—	—	—	—	(2,044)	(2,044)
Comprehensive income (loss)	—	—	—	(11,972)	9,750	—	(2,222)	2,868	646
BALANCES AT DECEMBER 29, 2022	24,498	7,111	153,794	274,254	(1,694)	(1,866)	456,097	824	456,921
Cash dividends:									
\$0.22 per share Class B Common Stock	—	—	—	(1,543)	—	—	(1,543)	—	(1,543)
\$0.24 per share Common Stock	—	—	—	(5,906)	—	—	(5,906)	—	(5,906)
Exercise of stock options	—	—	(210)	—	—	1,295	1,085	—	1,085
Purchase of treasury stock	—	—	—	—	—	(1,453)	(1,453)	—	(1,453)
Savings and profit-sharing contribution	79	—	1,180	—	—	—	1,259	—	1,259
Reissuance of treasury stock	—	—	(213)	—	—	300	87	—	87
Issuance of non-vested stock	82	—	(303)	—	—	221	—	—	—
Share-based compensation	—	—	6,394	—	—	—	6,394	—	6,394
Conversions of Class B Common Stock	33	(33)	—	—	—	—	—	—	—
Distribution to noncontrolling interest	—	—	—	—	—	—	—	(824)	(824)
Comprehensive income	—	—	—	14,794	358	—	15,152	—	15,152
BALANCES AT DECEMBER 28, 2023	24,692	7,078	160,642	281,599	(1,336)	(1,503)	471,172	—	471,172
Cash dividends:									
\$0.28 per share Class B Common Stock	—	—	—	(1,790)	—	—	(1,790)	—	(1,790)
\$0.26 per share Common Stock	—	—	—	(6,994)	—	—	(6,994)	—	(6,994)
Exercise of stock options	—	—	52	—	—	1,932	1,984	—	1,984
Purchase of treasury stock	—	—	—	—	—	(10,366)	(10,366)	—	(10,366)
Reissuance of treasury stock	—	—	(285)	—	—	353	68	—	68
Issuance of non-vested stock	452	—	(661)	—	—	209	—	—	—
Share-based compensation	—	—	8,206	—	—	—	8,206	—	8,206
Convertible senior note repurchase	—	—	(8,423)	—	—	—	(8,423)	—	(8,423)
Capped call unwind	—	—	17,641	—	—	—	17,641	—	17,641
Conversions of Class B Common Stock	93	(93)	—	—	—	—	—	—	—
Comprehensive income (loss)	—	—	—	(7,787)	1,155	—	(6,632)	—	(6,632)
BALANCES AT DECEMBER 26, 2024	\$ 25,237	\$ 6,985	\$ 177,172	\$ 265,028	\$ (181)	\$ (9,375)	\$ 464,866	\$ —	\$ 464,866

See accompanying notes.

THE MARCUS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended		
	December 26, 2024	December 28, 2023	December 29, 2022
OPERATING ACTIVITIES			
Net Earnings (loss)	\$ (7,787)	\$ 14,794	\$ (9,104)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Losses on investments in joint ventures	604	149	143
Distributions from joint ventures	68	200	125
(Gain) loss on disposition of property, equipment and other assets	386	41	(1,071)
Gain on sale of hotel	—	—	(6,274)
Impairment charges	6,823	1,061	1,525
Debt conversion expense	15,521	—	—
Depreciation and amortization	67,958	67,301	67,073
Amortization of debt issuance costs	1,080	1,467	1,614
Share-based compensation	8,206	6,394	8,170
Deferred income taxes	(3,981)	5,561	7,033
Other long-term obligations	1,854	(95)	(209)
Contribution of the Company's stock to savings and profit-sharing plan	—	1,259	956
Changes in operating assets and liabilities:			
Accounts receivable	(1,754)	1,893	6,838
Government grants receivable	—	—	4,335
Other assets	1,158	(2,662)	(1,874)
Operating leases	4,605	(785)	(1,768)
Accounts payable	10,434	4,229	(3,262)
Income taxes	131	(480)	22,722
Taxes other than income taxes	111	637	(1,621)
Accrued compensation	2,378	63	2,038
Other accrued liabilities	(3,855)	1,602	(4,180)
Total adjustments	111,727	87,835	102,313
Net cash provided by operating activities	103,940	102,629	93,209
INVESTING ACTIVITIES			
Capital expenditures	(79,210)	(38,774)	(36,843)
Proceeds from disposals of property, equipment and other assets	3,121	4,234	4,850
Net proceeds from sale of hotel	—	—	31,101
Capital contribution in joint venture	(5,620)	—	—
Subscription and sale of joint venture interests	1,500	—	—
Proceeds from sale of trading securities	178	40	141
Purchase of trading securities	(2,249)	(839)	(263)
Property insurance recoveries	—	—	1,215
Other investing activities	382	(1,410)	(547)
Net cash used in investing activities	(81,898)	(36,749)	(346)
FINANCING ACTIVITIES			
Debt transactions:			
Proceeds from borrowings on revolving credit facility	119,000	38,000	100,000
Repayment of borrowings on revolving credit facility	(119,000)	(38,000)	(100,000)
Proceeds from issuance of long-term debt	100,000	—	—
Repayment on short-term borrowings	—	—	(47,499)
Principal payments on long-term debt	(11,370)	(11,433)	(35,740)
Repayment of borrowing on insurance policy	—	(6,700)	—
Repurchase of convertible senior notes	(123,526)	—	—
Proceeds from capped call unwind	18,281	—	—
Principal payments on finance lease obligations	(2,470)	(2,527)	(2,670)
Debt issuance costs	(1,119)	(1,334)	(37)
Equity transactions:			
Treasury stock transactions, except for stock options	(9,987)	(503)	(1,467)
Exercise of stock options	1,674	222	126
Dividends paid	(8,784)	(7,449)	(3,080)
Distributions to noncontrolling interest	—	(824)	(2,044)
Net cash used in financing activities	(37,301)	(30,548)	(92,411)
Net increase (decrease) in cash, cash equivalents and restricted cash	(15,259)	35,332	452
Cash, cash equivalents and restricted cash at beginning of year	59,838	24,506	24,054
Cash, cash equivalents and restricted cash at end of year	\$ 44,579	\$ 59,838	\$ 24,506
Supplemental Information:			
Interest paid, net of amounts capitalized	\$ 8,683	\$ 9,738	\$ 13,442
Income taxes refunded (paid), including interest earned	\$ (1,428)	\$ (1,776)	\$ 21,935
Change in accounts payable for additions to property and equipment	\$ 2,872	\$ 956	\$ (348)

See accompanying notes.

THE MARCUS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share data)

1. Description of Business and Summary of Significant Accounting Policies

Description of Business - The Marcus Corporation and its subsidiaries (the “Company”) operate principally in two business segments:

Theatres: Operates multiscreen motion picture theatres in Wisconsin, Illinois, Iowa, Minnesota, Missouri, Nebraska, North Dakota, Ohio, Arkansas, Colorado, Georgia, Kentucky, Louisiana, New York, Pennsylvania, Texas and Virginia and a family entertainment center in Wisconsin.

Hotels and Resorts: Owns and operates full service hotels and resorts in Wisconsin, Illinois and Nebraska and manages full service hotels, resorts and other properties in Wisconsin, Illinois, Minnesota, Iowa, Nevada, Pennsylvania, California and Nebraska.

Principles of Consolidation - The consolidated financial statements include the accounts of The Marcus Corporation and all of its subsidiaries. The Company had ownership interests greater than 50% in one joint venture that was considered a Variable Interest Entity (VIE) that was also included in the accounts of the Company. The primary asset of this VIE, The Skirvin Hilton, was sold on December 16, 2022 as discussed in Note 4 - Asset Sale.

Investments in affiliates which are 50% or less owned by the Company for which the Company exercises significant influence but does not have control are accounted for on the equity method.

All intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash Equivalents - The Company considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. Amounts due from third-party credit card processors for the settlement of debit and credit card transactions are included in cash equivalents as they are generally collected within three business days. Cash equivalents are carried at cost, which approximates fair value.

Restricted Cash - Restricted cash consists of bank accounts related to capital expenditure reserve funds, sinking funds, operating reserves and replacement reserves and may include amounts held by a qualified intermediary agent to be used for tax-deferred, like-kind exchange transactions. Restricted cash also includes funds held within the Company's captive insurance entity that are designated to pay expenses related specifically to the captive.

Fair Value Measurements - Certain financial assets and liabilities are recorded at fair value in the financial statements. Some are measured on a recurring basis while others are measured on a non-recurring basis. Financial assets and liabilities measured on a recurring basis are those that are adjusted to fair value each time a financial statement is prepared. Financial assets and liabilities measured on a non-recurring basis are those that are adjusted to fair value when a significant event occurs. A fair value measurement assumes that a transaction to sell an asset or transfer a liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability.

THE MARCUS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share data)

1. Description of Business and Summary of Significant Accounting Policies (continued)

The Company's assets and liabilities measured at fair value are classified in one of the following categories:

Level 1 - Assets or liabilities for which fair value is based on quoted prices in active markets for identical instruments as of the reporting date. At December 26, 2024 and December 28, 2023, respectively, the Company's \$8,142 and \$5,364 of debt and equity securities classified as trading were valued using Level 1 pricing inputs and were included in other current assets. At December 26, 2024 and December 28, 2023, the Company had investments in money market funds of \$19,002 and \$37,018, respectively, that were valued using Level 1 pricing inputs and were included in cash and cash equivalents.

Level 2 - Assets or liabilities for which fair value is based on valuation models for which pricing inputs were either directly or indirectly observable as of the reporting date. At each of December 26, 2024 and December 28, 2023, none of the Company's recorded assets or liabilities were measured using Level 2 pricing inputs.

Level 3 - Assets or liabilities for which fair value is based on valuation models with significant unobservable pricing inputs and which result in the use of management estimates. At each of December 26, 2024 and December 28, 2023, none of the Company's recorded assets or liabilities that are measured on a recurring basis at fair market value were valued using Level 3 pricing inputs. Assets and liabilities that are measured on a non-recurring basis are discussed in Note 3.

The carrying value of the Company's financial instruments (including cash and cash equivalents, restricted cash, accounts receivable and accounts payable) approximates fair value. The fair value of the Company's \$160,000 of senior notes, valued using Level 2 pricing inputs, is approximately \$157,155 at December 26, 2024, determined based upon discounted cash flows using current market interest rates for financial instruments with a similar average remaining life. The carrying amounts of the Company's remaining long-term debt approximate their fair values, determined using current rates for similar instruments, or Level 2 pricing inputs.

Accounts Receivable - The Company evaluates the collectability of its accounts receivable based on a number of factors. For larger accounts, an allowance for doubtful accounts is recorded based on the applicable parties' ability and likelihood to pay based on management's review of the facts. For all other accounts, the Company recognizes an allowance based on length of time the receivable is past due based on historical experience and industry practice.

Inventory - Inventories, consisting of food and beverage and concession items, are stated at the lower of cost or market. Cost has been determined using the first-in, first-out method. Inventories of \$6,971 and \$5,914 as of December 26, 2024 and December 28, 2023, respectively, were included in other current assets.

Assets Held for Sale - Long-lived assets that are expected to be sold within the next 12 months and meet the other relevant held-for-sale criteria are classified as assets held for sale and included within current assets on the consolidated balance sheet. Assets held for sale are measured at the lower of their carrying value or their fair value less costs to sell the asset. As of December 26, 2024, assets held for sale consisted primarily of land.

Property and Equipment - The Company records property and equipment at cost. Major renewals and improvements are capitalized, while maintenance and repairs that do not improve or extend the lives of the respective assets are expensed currently. Included in property and equipment are assets related to finance leases. These assets are depreciated over the shorter of the estimated useful lives or related lease terms.

THE MARCUS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share data)

1. Description of Business and Summary of Significant Accounting Policies (continued)

Depreciation and amortization of property and equipment are provided using the straight-line method over the shorter of the following estimated useful lives or any related lease terms:

	Years
Land improvements	10 - 20
Buildings and improvements	12 - 39
Leasehold improvements	3 - 40
Furniture, fixtures and equipment	2 - 20
Finance lease right-of-use assets	4 - 15

Depreciation expense totaled \$67,964, \$67,269 and \$67,041 for fiscal 2024, fiscal 2023 and fiscal 2022, respectively.

Long-Lived Assets - The Company periodically considers whether indicators of impairment of long-lived assets held for use are present. This includes quantitative and qualitative factors, including evaluating the historical actual operating performance of the long-lived assets and assessing the potential impact of recent events and transactions impacting the long-lived assets. If such indicators are present, the Company determines if the long-lived assets are recoverable by assessing whether the sum of the estimated undiscounted future cash flows attributable to such assets is less than their carrying amounts. If the long-lived assets are not recoverable, the Company recognizes any impairment losses based on the excess of the carrying amount of the assets over their fair value. During fiscal 2024, fiscal 2023 and fiscal 2022, the Company determined that indicators of impairment were present. As such, the Company evaluated the value of its property and equipment and the value of its operating lease right-of-use assets and recorded impairment charges as discussed in Note 3.

Acquisition - The Company recognizes identifiable assets acquired, liabilities assumed and noncontrolling interests assumed in an acquisition at their fair values at the acquisition date based upon all information available to it, including third-party appraisals. Acquisition-related costs, such as due diligence and legal fees, are expensed as incurred. The excess of the acquisition cost over the fair value of the identifiable net assets is reported as goodwill.

Goodwill - The Company reviews goodwill for impairment annually or more frequently if certain indicators arise. The Company performs its annual impairment test on the first day of the fiscal fourth quarter. Goodwill is tested for impairment at a reporting unit level, determined to be at an operating segment level. When reviewing goodwill for impairment, the Company considers the amount of excess fair value over the carrying value of the reporting unit, the period of time since its last quantitative test, and other factors to determine whether or not to first perform a qualitative test. When performing a qualitative test, the Company assesses numerous factors to determine whether it is more likely than not that the fair value of its reporting unit is less than its carrying value. Examples of qualitative factors that the Company assesses include its share price, its financial performance, market and competitive factors in its industry, and other events specific to the reporting unit. If the Company concludes that it is more likely than not that the fair value of its reporting unit is less than its carrying value, the Company performs a quantitative impairment test by comparing the carrying value of the reporting unit to the estimated fair value.

During fiscal 2024 and fiscal 2023, the Company performed a quantitative analysis for its annual goodwill impairment test as of September 27, 2024 and September 29, 2023, respectively. In order to determine fair value, the Company used assumptions based on information available to it as of the date of the quantitative test, including both market data and forecasted cash flows (Level 3 pricing inputs). The Company determined that the fair value of its goodwill was greater than its carrying value and deemed that no impairment was indicated in either fiscal 2024 or fiscal 2023. At December 26, 2024 and December 28, 2023, the Company's goodwill balance was \$74,996.

Trade Name Intangible Asset – The Company recorded a trade name intangible asset in conjunction with the Movie Tavern acquisition that was determined to have an indefinite life. The Company reviews its trade name intangible asset for impairment at least annually or whenever events or changes in circumstances indicate the carrying value may not be fully recoverable.

THE MARCUS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share data)

1. Description of Business and Summary of Significant Accounting Policies (continued)

Capitalization of Interest - The Company capitalizes interest during construction periods by adding such interest to the cost of constructed assets. Interest of approximately \$195, \$43 and \$18 was capitalized in fiscal 2024, fiscal 2023 and fiscal 2022, respectively.

Debt Issuance Costs - The Company records debt issuance costs on short-term borrowings and long-term debt as a direct deduction from the related debt liability. Debt issuance costs related to the Company's revolving credit facility are included in other long-term assets. Debt issuance costs are deferred and amortized over the term of the related debt agreements. Amortization of debt issuance costs totaled \$1,080, \$1,467 and \$1,614 for fiscal 2024, fiscal 2023 and fiscal 2022, respectively, and were included in interest expense on the consolidated statements of operations.

Leases - The Company follows Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-02, *Leases*, (Accounting Standards Codification (ASC) 842), when accounting for leases. See Note 7 - Leases.

Investments - The Company has investments in debt and equity securities. These securities are stated at fair value based on listed market prices, where available, with the change in fair value recorded as investment income or loss within the consolidated statements of operations. The cost of securities sold is based upon the specific identification method.

Revenue Recognition - The Company recognizes revenue in accordance with ASC 606, *Revenue from Contracts with Customers*. See Note 2 - Revenue Recognition.

Advertising and Marketing Costs - The Company expenses all advertising and marketing costs as incurred.

Insurance Reserves - The Company uses a combination of insurance and self insurance mechanisms, including participation in captive insurance entities, to provide for the potential liabilities for certain risks, including workers' compensation, healthcare benefits, general liability, property insurance, director and officers' liability insurance, cyber liability, employment practices liability and business interruption. Liabilities associated with the risks that are retained by the company are not discounted and are estimated, in part, by considering historical claims experience, demographic factors and severity factors.

Income Taxes - The Company recognizes deferred tax assets and liabilities based on the differences between the financial statement carrying amounts and the tax basis of assets and liabilities. Deferred tax assets represent items to be used as a tax deduction or credit in the future tax returns for which the Company has already properly recorded the tax benefit in the income statement. The Company regularly assesses the probability that the deferred tax asset balance will be recovered against future taxable income, taking into account such factors as earnings history, carryback and carryforward periods, and tax strategies. When the indications are that recovery is not probable, a valuation allowance is established against the deferred tax asset, increasing income tax expense in the year that conclusion is made.

The Company assesses income tax positions and records tax benefits for all years subject to examination based upon management's evaluation of the facts, circumstances and information available at the reporting dates. For those tax positions where it is more-likely-than-not that a tax benefit will be sustained, the Company records the largest amount of tax benefit with a greater than 50% likelihood of being realized upon ultimate settlement with a taxing authority that has full knowledge of all relevant information. For those income tax positions where it is not more-likely-than-not that a tax benefit will be sustained, no tax benefit is recognized in the financial statements. See Note 10 - Income Taxes.

Earnings (Loss) Per Share - Net earnings (loss) per share (EPS) of Common Stock and Class B Common Stock is computed using the two class method. Basic net earnings (loss) per share is computed by dividing net earnings (loss) by the weighted-average number of common shares outstanding. Diluted net earnings (loss) per share is computed by dividing net earnings (loss) by the weighted-average number of common shares outstanding, adjusted for the effect of dilutive stock options, restricted stock units, performance stock units and convertible debt instruments using the if-converted method. Convertible Class B Common Stock and convertible debt instruments are reflected on an if-converted basis when dilutive to Common Stock. The computation of the diluted net earnings (loss) per share of Common Stock assumes the conversion of Class B Common Stock in periods that have net earnings since it would be dilutive to Common Stock earnings per share, while the diluted net earnings (loss) per share of Class B Common Stock does not assume the conversion of those shares.

THE MARCUS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share data)

1. Description of Business and Summary of Significant Accounting Policies (continued)

Holders of Common Stock are entitled to cash dividends per share equal to 110% of all dividends declared and paid on each share of Class B Common Stock. As such, the undistributed earnings (losses) for each period are allocated based on the proportionate share of entitled cash dividends.

The following table illustrates the computation of Common Stock and Class B Common Stock basic and diluted net earnings (loss) per share, provides a reconciliation of the number of weighted-average basic and diluted shares outstanding, when applicable, and provides the weighted-average number of anti-dilutive shares excluded from the computation of diluted weighted-average shares outstanding:

	Year Ended		
	December 26, 2024	December 28, 2023	December 29, 2022
Net earnings (loss) per share – Basic:			
Common Stock	\$ (0.25)	\$ 0.48	\$ (0.39)
Class B Common Stock	\$ (0.23)	\$ 0.43	\$ (0.35)
Net earnings (loss) per share- Diluted:			
Common Stock	\$ (0.25)	\$ 0.46	\$ (0.39)
Class B Common Stock	\$ (0.23)	\$ 0.43	\$ (0.35)
Numerator:			
Net earnings (loss) attributable to The Marcus Corporation	<u>\$ (7,787)</u>	<u>\$ 14,794</u>	<u>\$ (11,972)</u>
Denominator (in thousands):			
Denominator for basic EPS	31,887	31,658	31,488
Effect of dilutive employee stock options	—	44	—
Effect of restricted stock units	—	—	—
Effect of convertible senior notes	—	9,287	—
Diluted weighted-average shares outstanding	<u>31,887</u>	<u>40,989</u>	<u>31,488</u>
Weighted-average number of anti-dilutive shares excluded from denominator (in thousands):			
Employee stock options	2,776	2,933	2,622
Restricted stock units	48	—	—
Performance stock units	141	—	—
Convertible senior notes	—	—	9,141
Total	<u>2,965</u>	<u>2,933</u>	<u>11,763</u>

For the periods when the Company reports a net loss, common stock equivalents, restricted stock units, performance stock units, and shares related to the convertible senior notes are excluded from the computation of diluted loss per share as their inclusion would have an anti-dilutive effect. Performance stock units are considered anti-dilutive if the performance targets upon which the issuance of the shares are contingent have not been achieved and the respective performance period has not been completed as of the end of the current period. Shares related to the convertible senior notes were excluded from the computation of diluted earnings per share in the periods when the effect had an anti-dilutive effect using the if-converted method.

THE MARCUS CORPORATION
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(in thousands, except share and per share data)

1. Description of Business and Summary of Significant Accounting Policies (continued)

Accumulated Other Comprehensive Loss – Accumulated other comprehensive loss presented in the accompanying consolidated balance sheets consists of the following, all presented net of tax:

	December 26, 2024	December 28, 2023
Net unrecognized actuarial loss for pension obligation	\$ (181)	\$ (1,336)
	<u>\$ (181)</u>	<u>\$ (1,336)</u>

New Accounting Pronouncements

In fiscal 2023, the Company adopted Accounting Standard Update (ASU) No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The amendments in this update provided optional expedients and exceptions to the then existing guidance on contract modifications and hedge accounting to ease the financial reporting burdens of the expected market transition from the London Interbank Offered Rate (LIBOR), or other interbank offered rates, to alternative reference rates such as the Secured Overnight Financing Rate (SOFR). Upon adoption, the Company elected SOFR as its ongoing reference rate. The adoption of the new standard did not have a material effect on the Company's consolidated financial statements.

In fiscal 2024, the Company adopted ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures (ASU No. 2023-07)*, which requires disclosure of incremental segment information on an annual and interim basis. The annual requirements of ASU No. 2023-07 are included in the Company's Business Segment footnote (Note 13) and prior year information has been recast to conform to the current year presentation. The interim requirements of ASU No. 2023-07 are effective for the Company the first quarter of fiscal 2025. The adoption of the new standard did not have a material effect on the Company's consolidated financial statements.

In December 2023, the Financial Accounting Standards Board (FASB) issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures (ASU No. 2023-09)*, which requires improvements to income tax disclosures primarily related to rate reconciliation and income taxes paid information. ASU No. 2023-09 will be effective for the Company in fiscal 2025 and must be applied prospectively with retrospective application permitted. The Company is evaluating the impact that ASU No. 2023-09 will have on its consolidated financial statement disclosures.

On November 4, 2024, the FASB ASU No. 2024-03, *Disaggregation of Income Statement Expenses (DISE)*, which requires disaggregated disclosure of income statement expenses for public business entities. ASU No. 2024-03 does not change the expense captions an entity presents on the face of the income statement; rather, it requires disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. ASU No. 2024-03 is effective for the Company in fiscal 2027. The Company is evaluating the effect the guidance will have on its consolidated financial statement disclosures.

2. Revenue Recognition

Revenue from contracts with customers is recognized when, or as, the Company satisfies its performance of obligations by transferring the promised services to the customer. A service is transferred to a customer when, or as, the customer obtains control of that service. A performance obligation may be satisfied over time or at a point in time. Revenue from a performance obligation satisfied over time is recognized by measuring the Company's progress in satisfying the performance obligation in a manner that depicts the transfer of the services to the customer. Revenue from a performance obligation satisfied at a point in time is recognized at the point in time that the Company determines the customer obtains

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share data)

2. Revenue Recognition (continued)

control over the promised service. The amount of revenue recognized reflects the consideration entitled to in exchange for those services.

The disaggregation of revenues by business segment for fiscal 2024, fiscal 2023 and fiscal 2022 is as follows:

Fiscal 2024				
Reportable Segment				
	Theatres	Hotels/Resorts	Corporate	Total
Theatre admissions	\$ 214,421	\$ —	\$ —	\$ 214,421
Rooms	—	113,344	—	113,344
Theatre concessions	191,989	—	—	191,989
Food and beverage	—	78,102	—	78,102
Other revenues ⁽¹⁾	39,999	56,900	331	97,230
Revenue before cost reimbursements	446,409	248,346	331	695,086
Cost reimbursements	1,314	39,160	—	40,474
Total revenues	<u>\$ 447,723</u>	<u>\$ 287,506</u>	<u>\$ 331</u>	<u>\$ 735,560</u>

Fiscal 2023				
Reportable Segment				
	Theatres	Hotels/Resorts	Corporate	Total
Theatre admissions	\$ 229,186	\$ —	\$ —	\$ 229,186
Rooms	—	106,618	—	106,618
Theatre concessions	197,653	—	—	197,653
Food and beverage	—	73,278	—	73,278
Other revenues ⁽¹⁾	31,555	53,519	346	85,420
Revenue before cost reimbursements	458,394	233,415	346	692,155
Cost reimbursements	—	37,420	—	37,420
Total revenues	<u>\$ 458,394</u>	<u>\$ 270,835</u>	<u>\$ 346</u>	<u>\$ 729,575</u>

Fiscal 2022				
Reportable Segment				
	Theatres	Hotels/Resorts	Corporate	Total
Theatre admissions	\$ 198,485	\$ —	\$ —	\$ 198,485
Rooms	—	107,699	—	107,699
Theatre concessions	180,180	—	—	180,180
Food and beverage	—	74,836	—	74,836
Other revenues ⁽¹⁾	29,076	53,117	367	82,560
Revenue before cost reimbursements	407,741	235,652	367	643,760
Cost reimbursements	—	33,634	—	33,634
Total revenues	<u>\$ 407,741</u>	<u>\$ 269,286</u>	<u>\$ 367</u>	<u>\$ 677,394</u>

(1) Included in other revenues is an immaterial amount related to rental income that is not considered contract revenue from contracts with customers under ASC 606.

The Company recognizes revenue from its rooms as earned on the close of business each day. Revenue from theatre admissions, theatre concessions and food and beverage sales are recognized at the time of sale.

THE MARCUS CORPORATION
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(in thousands, except share and per share data)

2. Revenue Recognition (continued)

Revenues from advanced ticket and gift card sales are recorded as deferred revenue and are recognized when tickets or gift cards are redeemed. Gift card breakage income is recognized based upon historical redemption patterns and represents the balance of gift cards for which the Company believes the likelihood of redemption by the customer is remote. Gift card breakage income is recorded in other revenues in the consolidated statements of operations.

Other revenues include management fees for theatres and hotels under management agreements. The management fees are recognized as earned based on the terms of the agreements. The management fees include variable consideration that is recognized based on the Company's right to invoice as the amount invoiced corresponds directly to the value transferred to the customer. Other revenues also include family entertainment center revenues and revenues from Hotels/Resorts outlets such as spa, ski, golf and parking, each of which are recognized at the time of sale. In addition, other revenues include pre-show advertising income in the Company's theatres. Pre-show advertising revenue includes variable consideration, primarily based on attendance levels, that is allocated to distinct time periods that make up the overall performance obligation.

Cost reimbursements primarily consist of payroll and related expenses at managed properties where the Company is the employer and may include certain operational and administrative costs as provided for in the Company's contracts with owners. These costs are reimbursed back to the Company. As these costs have no added markup, the revenue and related expense have no impact on operating income (loss) or net earnings (loss).

The timing of the Company's revenue recognition may differ from the timing of payment by customers. However, the Company typically receives payment within a very short period of time of when the revenue is recognized. The Company records a receivable when revenue is recognized prior to payment and it has an unconditional right to payment. Alternatively, when payment precedes the provision for the related services, deferred revenue is recorded until the performance obligation is satisfied.

Revenues do not include sales tax as the Company considers itself a pass-through conduit for collecting and remitting sales tax.

The Company had deferred revenue from contracts with customers of \$36,353, \$38,034 and \$37,046 as of December 26, 2024, December 28, 2023 and December 29, 2022, respectively. The Company had no contract assets as of December 26, 2024 and December 28, 2023. During fiscal 2024, the Company recognized revenue of \$22,488 that was included in deferred revenues as of December 28, 2023. During fiscal 2023, the Company recognized revenue of \$18,587 that was included in deferred revenues as of December 29, 2022. The majority of the Company's deferred revenue relates to non-redeemed gift cards, advanced ticket sales and the Company's loyalty program.

As of December 26, 2024, the amount of transaction price allocated to the remaining performance obligations under the Company's advanced ticket sales was \$2,033 and is reflected in the Company's consolidated balance sheet as part of deferred revenues, which is included in other accrued liabilities. As of December 26, 2024, the amount of transaction price allocated to the remaining performance obligations related to the amount of Theatres non-redeemed gift cards was \$16,002 and is reflected in the Company's consolidated balance sheet as part of deferred revenues. The Company recognizes revenue as the tickets and gift cards are redeemed, which is expected to occur within the next two years.

As of December 26, 2024, the amount of transaction price allocated to the remaining performance obligations related to the amount of Hotels and Resorts non-redeemed gift cards was \$4,784 and is reflected in the Company's consolidated balance sheet as part of deferred revenues, which is included in other accrued liabilities. The Company recognizes revenue as the gift cards are redeemed, which is expected to occur within the next two years.

The majority of the Company's revenue is recognized in less than one year from the original contract.

3. Impairment Charges

During fiscal 2024, fiscal 2023 and 2022, the Company determined that indicators of impairment were present at certain theatre asset groups. For certain of the theatre asset groups evaluated for impairment, the sum of the estimated undiscounted future cash flows attributable to certain theatre assets was less than their carrying amounts. The Company

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3. Impairment Charges (continued)

evaluated the fair value of these assets, consisting primarily of land, building, leasehold improvements and furniture, fixtures and equipment, and operating lease right-of-use assets less lease obligations, and determined that the fair value, measured using Level 3 pricing inputs (using estimated discounted cash flows over the life of the primary assets, including estimated sale proceeds) was less than their carrying value and recorded impairment losses of \$6,823, \$1,061 and \$1,525 in fiscal 2024, fiscal 2023 and fiscal 2022, respectively, reducing certain property and equipment and certain operating lease right-of-use assets. The remaining net book value of the impaired assets was \$16,137 as of December 26, 2024, \$6,429 as of December 28, 2023, and \$5,229 as of December 29, 2022, excluding any applicable remaining lease obligations.

4. Asset Sale

On December 16, 2022, the Company, together with its noncontrolling interest joint venture partner, Skirvin Partners in Development, sold The Skirvin Hilton hotel in Oklahoma City, Oklahoma for a total sale price of \$36,750. The assets sold consisted primarily of land, building, equipment and other assets. Net proceeds from the sale were approximately \$31,101, net of transaction costs of \$609 and retirement of a ground lease obligation of \$5,040. The retirement of the ground lease obligation resulted in the Company owning the land, which was then conveyed to the buyer. Additionally, \$24,111 in mortgage debt was retired. The transaction resulted in a gain on sale of \$6,274. The Skirvin Hilton revenues for fiscal 2022 through the date of sale were \$15,979. The Skirvin Hilton operating loss was \$387 for fiscal 2022. Pursuant to the terms of the partnership agreement, \$824 and \$2,044 was distributed to noncontrolling interests during fiscal 2023 and fiscal 2022, respectively, representing the partner's share of net sales proceeds and partnership liquidation proceeds.

5. Additional Balance Sheet Information

The composition of accounts receivable is as follows:

	December 26, 2024	December 28, 2023
Trade receivables, net of allowances of \$141 and \$115, respectively	\$ 6,900	\$ 7,636
Other receivables	14,557	12,067
	<u>\$ 21,457</u>	<u>\$ 19,703</u>

The composition of property and equipment, which is stated at cost, is as follows:

	December 26, 2024	December 28, 2023
Land and improvements	\$ 129,991	\$ 131,833
Buildings and improvements	736,408	719,521
Leasehold improvements	166,149	166,245
Furniture, fixtures and equipment	424,807	397,150
Finance lease right-of-use assets	29,061	30,106
Construction in progress	15,590	11,432
	<u>1,502,006</u>	<u>1,456,287</u>
Less accumulated depreciation and amortization	816,272	774,025
	<u>\$ 685,734</u>	<u>\$ 682,262</u>

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5. Additional Balance Sheet Information (continued)

The composition of other assets is as follows:

	December 26, 2024	December 28, 2023
Intangible assets	\$ 6,900	\$ 6,904
Cash surrender value of insurance policy	8,709	8,276
Other assets	7,723	9,443
	<u>\$ 23,332</u>	<u>\$ 24,623</u>

Included in intangible assets is a trade name valued at \$6,900 as of December 26, 2024 and December 28, 2023 that has an indefinite life.

6. Long-Term Debt

Long-term debt is summarized as follows:

	December 26, 2024	December 28, 2023
Senior notes	\$ 160,000	\$ 70,000
Unsecured term note due February 2025, with monthly principal and interest payments of \$39, bearing interest at 5.75%	78	528
Convertible senior notes	—	100,050
Payroll Protection Program loans	314	1,233
Revolving credit agreement	—	—
Total debt	160,392	171,811
Debt issuance costs	(1,252)	(1,960)
Total debt, net of debt issuance costs	159,140	169,851
Less current maturities, net of issuance costs	10,133	10,303
Long-term debt	<u>\$ 149,007</u>	<u>\$ 159,548</u>

Scheduled annual principal payments on long-term debt for the years subsequent to December 26, 2024, are as follows:

Fiscal Year	
2025	\$ 10,392
2026	—
2027	62,000
2028	17,714
2029	17,714
Thereafter	52,572
	<u>\$ 160,392</u>

Credit Agreement

On January 9, 2020, the Company replaced its then-existing credit agreement with several banks. On April 29, 2020, the Company entered into the First Amendment, on September 15, 2020, the Company entered into the Second Amendment, on July 13, 2021, the Company entered into the Third Amendment, on July 29, 2022, the Company entered into the Fourth Amendment, on February 10, 2023, the Company entered into the Fifth Amendment and on October 16, 2023, the Company entered into the Sixth Amendment (the Credit Agreement, as amended by the First Amendment, the Second

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6. Long-Term Debt (continued)

Amendment, the Third Amendment, the Fourth Amendment, the Fifth Amendment and the Sixth Amendment, hereinafter referred to as the “Credit Agreement”).

The Credit Agreement provides for a new five-year revolving credit facility that matures on October 16, 2028 with an initial maximum aggregate amount of availability of \$225,000. At December 26, 2024, there were no borrowings outstanding on the revolving credit facility, which when borrowed, bear interest at SOFR plus a margin (as discussed further below), effectively 7.28% at December 26, 2024. Availability under the \$225,000 revolving credit facility was \$220,185 as of December 26, 2024 after taking into consideration outstanding letters of credit that reduce revolver availability.

Borrowings under the Credit Agreement bear interest at a variable rate equal to (i) the term secured overnight financing rate (“SOFR”), plus a credit spread adjustment of 0.10%, subject to a 0% floor, plus a specified margin based upon our net leverage ratio as of the most recent determination date, or (ii) the alternate base rate (“ABR”) (which is the highest of (a) the prime rate, (b) the greater of the federal funds rate and the overnight bank funding rate plus 0.50% or (c) the sum of 1% plus one-month SOFR plus a credit spread adjustment of 0.10%), subject to a 1% floor, plus a specified margin based upon our net leverage ratio as of the most recent determination date; provided, however, as of the effective date of the Sixth Amendment, in respect of revolving loans, the applicable margin is 1.75% for SOFR borrowings and 0.75% for ABR borrowings. The revolving credit facility also requires an annual facility fee equal to 0.175% to 0.275% of the total revolving commitments depending on our consolidated net leverage ratio.

The Credit Agreement includes, among other restrictions and covenants applicable to the Company, a requirement that our consolidated net leverage ratio not exceed 3.50:1.00, provided that, with some limitations, such ratio may be increased to 4.00:1.00 for the full fiscal quarter in which a material acquisition (in which aggregate consideration equals or exceeds \$30,000) is consummated and the three fiscal quarters immediately thereafter, and a requirement that our interest coverage ratio at the end of any fiscal quarter not be less than 3.00:1.00.

In connection with the Credit Agreement: (i) the Company has pledged, subject to certain exceptions, security interests and liens in and on (a) substantially all of its respective personal property assets and (b) certain of its respective real property assets, in each case, to secure the Credit Agreement and related obligations; and (ii) certain of the Company’s subsidiaries have guaranteed the Company’s obligations under the Credit Agreement.

The Credit Agreement contains customary events of default. If an event of default under the Credit Agreement occurs and is continuing, then, among other things, the lenders may declare any outstanding obligations under the Credit Agreement to be immediately due and payable and exercise rights and remedies against the pledged collateral.

Senior Notes

The Company’s \$160,000 of senior notes consist of two Note Purchase Agreements and one Master Note Purchase Agreement (collectively the “Senior Notes Agreements”) maturing in 2025 through 2034, require annual principal payments in varying installments and bear interest payable semi-annually at fixed rates ranging from 4.02% to 7.02%, with a weighted-average fixed rate of 5.94% at December 26, 2024 and 4.23% at December 28, 2023.

On July 9, 2024, the Company and certain purchasers entered into a Master Note Purchase Agreement pursuant to which the Company issued and sold \$100,000 aggregate principal amount of senior notes in two tranches: (i) \$60,000 in aggregate principal amount of 6.89% Series 2024 Senior Notes, Tranche A due July 9, 2031 and (ii) \$40,000 in aggregate principal amount of 7.02% Series 2024 Senior Notes, Tranche B due July 9, 2034.

In connection with the Senior Notes Agreements: (i) the Company has pledged, subject to certain exceptions, security interests and liens in and on (a) substantially all of their respective personal property assets and (b) certain of their respective real property assets, in each case, to secure the Senior Notes Agreements and related obligations; and (ii) certain subsidiaries of the Company have guaranteed the Company’s obligations under the Senior Notes Agreements. The Senior Notes Agreements rank pari passu in right of payment with all of our other senior secured debt. The Senior Notes Agreements contain covenants and collateral provisions that are consistent with the amended covenants and collateral provisions referenced in the Credit Agreement section above.

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6. Long-Term Debt (continued)

The Senior Notes Agreements contain customary events of default. If an event of default under the Senior Notes Agreements occurs and is continuing, then, among other things, all senior notes then outstanding become immediately due and payable and the note holders may exercise their rights and remedies against the pledged collateral.

Convertible Senior Notes

On September 17, 2020, the Company entered into a purchase agreement to issue and sell \$100,050 aggregate principal amount of its 5.00% Convertible Senior Notes due 2025 (the “Convertible Notes.”) In connection with the pricing of the Convertible Notes the Company entered into privately negotiated Capped Call Transactions (the “Capped Call Transactions”) with certain financial institutions (the “Capped Call Counterparties”).

During fiscal 2024, the Company entered into separate, privately negotiated purchase agreements (the “Purchase Agreements”) with the holders of the Convertible Notes. Under the terms of the Purchase Agreements, the holders agreed to exchange \$100,050 in aggregate principal amount of Convertible Notes for cash consideration of \$121,828 (or \$103,547 net of the cash the Company received in connection with the unwind of a portion of the Capped Call Transactions as discussed below) effected over four separate repurchase tranches (the “Convertible Notes Repurchases”). As of December 26, 2024 all of the Convertible Notes were repurchased and retired.

In connection with the Convertible Notes Repurchases, the Company entered into unwind agreements with the Capped Call Counterparties to terminate a portion of the Capped Call Transactions equal to the notional amounts of the Convertible Notes Repurchases, and to receive aggregate cash of \$18,281 effected over four separate unwind tranches. As of December 26, 2024 all of the Capped Call Transactions were unwound and settled.

During the fiscal 2024, the Company incurred debt conversion expense of \$15,521 in connection with the Convertible Notes Repurchases. The unwind of the Capped Call Transactions resulted in a \$17,641 increase in capital in excess of par within shareholders’ equity during fiscal 2024.

Derivatives

The Company utilizes derivatives principally to manage market risks and reduce its exposure resulting from fluctuations in interest rates. The Company formally documents all relationships between hedging instruments and hedged items, as well as its risk-management objectives and strategies for undertaking various hedge transactions. The Company recognizes derivatives as either assets or liabilities on the consolidated balance sheets at fair value. The accounting for changes in the fair value (i.e., gains or losses) of a derivative instrument depends on whether it has been designated and qualifies as part of a hedging relationship and on the type of hedging relationship. Derivatives that do not qualify for hedge accounting must be adjusted to fair value through earnings. For derivatives that are designated and qualify as a cash flow hedge, the effective portion of the gain or loss on the derivative is reported as a component of accumulated other comprehensive income (loss) and reclassified into earnings in the same period or periods during which the hedged transaction affects earnings. The Company’s interest rate swap agreements were considered effective and qualified as cash flow hedges. The Company assesses, both at the inception of each hedge and on an on-going basis, whether the derivatives that are used in its hedging transactions are highly effective in offsetting changes in cash flows of the hedged items.

The Company entered into an interest rate swap agreement on March 1, 2018 with a notional amount of \$25,000 that required the Company to pay interest at a defined rate of 2.687% while receiving interest at a defined variable rate of one-month LIBOR that expired March 1, 2023. There were no interest rate swaps outstanding at December 26, 2024.

7. Leases

The Company determines if an arrangement is a lease at inception. The Company evaluates each lease for classification as either a finance lease or an operating lease according to accounting guidance ASC 842. The Company performs this evaluation at the inception of the lease and when a modification is made to a lease. The Company leases real estate and equipment with lease terms of one year to 45 years, some of which include options to extend and/or terminate the lease. The exercise of lease renewal options is done at the Company’s sole discretion. When deemed reasonably certain of exercise, the renewal options are included in the determination of the lease term and related right-of-use asset and lease

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7. Leases (continued)

liability. The depreciable life of the asset is limited to the expected term. The Company's lease agreements do not contain any residual value guarantees or any restrictions or covenants.

Right-of-use assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at commencement date of the lease based on the present value of lease payments over the lease term. When readily determinable, the Company uses the implicit rate in the lease in determining the present value of lease payments. When the lease does not provide an implicit rate, the Company uses its incremental borrowing rate based on the information available at the lease commencement date, including the fixed rate the Company could borrow for a similar amount, over a similar lease term with similar collateral. The Company recognizes right-of-use assets for all assets subject to operating leases in an amount equal to the operating lease liabilities, adjusted for the balances of long-term prepaid rent, favorable lease intangible assets, deferred lease expense, unfavorable lease liabilities and deferred lease incentive liabilities. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

The majority of the Company's lease agreements include fixed rental payments. For those leases with variable payments based on increases in an index subsequent to lease commencement, such payments are recognized as variable lease expense as they occur. Variable lease payments that do not depend on an index or rate, including those that depend on the Company's performance or use of the underlying asset, are also expensed as incurred. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

Total lease cost consists of the following:

Lease Cost	Classification	Fiscal 2024	Fiscal 2023	Fiscal 2022
Finance lease costs:				
Amortization of finance lease assets	Depreciation and amortization	\$ 2,274	\$ 2,760	\$ 2,789
Interest on lease liabilities	Interest expense	664	759	850
		<u>\$ 2,938</u>	<u>\$ 3,519</u>	<u>\$ 3,639</u>
Operating lease costs:				
Operating lease costs	Rent expense	\$ 23,953	\$ 24,126	\$ 25,381
Variable lease cost	Rent expense	1,724	1,892	514
Short-term lease cost	Rent expense	234	136	142
		<u>\$ 25,911</u>	<u>\$ 26,154</u>	<u>\$ 26,037</u>

Additional information related to leases is as follows:

Other Information	Fiscal 2024	Fiscal 2023
Cash paid for amounts included in the measurement of lease liabilities:		
Financing cash flows from finance leases	\$ 2,470	\$ 2,527
Operating cash flows from finance leases	664	759
Operating cash flows from operating leases	25,183	25,391
Right of use assets obtained in exchange for new lease obligations:		
Finance lease liabilities	232	357
Operating lease liabilities, including from acquisitions	3,394	276

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7. Leases (continued)

	December 26, 2024	December 28, 2023
Finance leases:		
Property and equipment – gross	\$ 29,061	\$ 30,106
Accumulated depreciation and amortization	(19,078)	(17,956)
Property and equipment - net	<u>\$ 9,983</u>	<u>\$ 12,150</u>

Remaining lease terms and discount rates are as follows:

Lease Term and Discount Rate	December 26, 2024	December 28, 2023
Weighted-average remaining lease terms:		
Finance leases	6 years	7 years
Operating leases	11 years	12 years
Weighted-average discount rates:		
Finance leases	4.69%	4.62%
Operating leases	4.79%	4.52%

Maturities of lease liabilities as of December 26, 2024 are as follows:

Fiscal Year	Operating Leases	Finance Leases
2025	\$ 23,963	\$ 3,144
2026	24,951	3,027
2027	23,341	2,054
2028	22,478	1,923
2029	21,066	1,578
Thereafter	118,461	3,157
Total lease payments	234,260	14,883
Less: amount representing interest	(53,719)	(1,932)
Total lease liabilities	<u>\$ 180,541</u>	<u>\$ 12,951</u>

Deferred rent payments of approximately \$562 for the Company's operating leases have been included in the total operating lease obligations as of December 26, 2024, of which approximately \$113 is included in long-term operating lease obligations.

8. Shareholders' Equity and Share-Based Compensation

Shareholders may convert their shares of Class B Common Stock into shares of Common Stock at any time. Class B Common Stock shareholders are substantially restricted in their ability to transfer their Class B Common Stock. Holders of Common Stock are entitled to cash dividends per share equal to 110% of all dividends declared and paid on each share of the Class B Common Stock. Holders of Class B Common Stock are entitled to ten votes per share while holders of Common Stock are entitled to one vote per share on any matters brought before the shareholders of the Company. Liquidation rights are the same for both classes of stock.

Through December 26, 2024, the Company's Board of Directors has approved the repurchase of up to 11,687,500 shares of Common Stock to be held in treasury. The Company intends to reissue these shares upon the exercise of stock options and the issuance of restricted stock, restricted stock units and performance stock units. The Company repurchased 713,456,

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8. Shareholders' Equity and Share-Based Compensation (continued)

94,508 and 134,694 shares pursuant to these authorizations during fiscal 2024, fiscal 2023 and fiscal 2022, respectively. At December 26, 2024, there were 1,714,682 shares available for repurchase under these authorizations.

In fiscal 2024, the Company discontinued its Associate Stock Purchase Plan and amended its Dividend Reinvestment Plan. Under the amended plan, the Company's Board of Directors has authorized the issuance of up to 250,000 shares of Common Stock. At December 26, 2024, there were 245,330 shares available under this authorization.

Shareholders have approved the issuance of up to 7,437,500 shares of Common Stock under various equity incentive plans. At December 26, 2024, there were 159,370 shares available for grants of various equity awards under the current plan, each discussed below.

Total pre-tax share-based compensation expense was \$8,206, \$6,394 and \$8,170 in fiscal 2024, fiscal 2023 and fiscal 2022, respectively. The recognized tax benefit on share-based compensation was \$1,879, \$1,000 and \$1,338 in fiscal 2024, fiscal 2023 and fiscal 2022, respectively.

Stock Options

Stock options granted under the plans to employees generally become exercisable either 40% after two years, 60% after three years, 80% after four years and 100% after five years of the date of grant, or 50% after two years, 75% after three years and 100% after four years of the date of grant, depending on the date of grant. The options generally expire ten years from the date of grant as long as the optionee is still employed with the Company. The Company ceased issuing stock options beginning in fiscal 2024.

A summary of the Company's stock option activity and related information follows (shares in thousands):

	Year Ended					
	December 26, 2024		December 28, 2023		December 29, 2022	
	Options	Weighted-Average Exercise Price	Options	Weighted-Average Exercise Price	Options	Weighted-Average Exercise Price
Outstanding at beginning of period	3,173	\$ 22.69	2,866	\$ 23.76	2,533	\$ 24.84
Granted	—	—	525	15.96	501	16.99
Exercised	(129)	15.34	(83)	13.05	(68)	13.15
Forfeited	(160)	18.94	(135)	25.11	(100)	24.89
Outstanding at end of period	2,884	23.22	3,173	22.69	2,866	23.76
Exercisable at end of period	2,125	\$ 25.48	1,989	\$ 25.53	1,613	\$ 25.70
Weighted-average fair value of options granted during the period	n/a		\$ 7.86		\$ 7.71	

Exercise prices for options outstanding as of December 26, 2024 ranged from \$12.71 to \$41.90. The weighted-average remaining contractual life of those options is 5.4 years. The weighted-average remaining contractual life of options currently exercisable is 4.6 years. There were 2,868,580 options outstanding, vested and expected to vest as of December 26, 2024, with a weighted-average exercise price of \$23.26 and an intrinsic value of \$6,723. Additional

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8. Shareholders' Equity and Share-Based Compensation (continued)

information as of December 26, 2024 related to options outstanding segregated by exercise price range is as follows (shares in thousands):

	Exercise Price Range		
	\$12.71 to \$17.05	\$17.06 to \$27.00	\$27.01 to \$41.90
Options outstanding	1,095	943	846
Weighted-average exercise price of options outstanding	\$ 15.97	\$ 22.61	\$ 33.30
Weighted-average remaining contractual life of options outstanding	7.4	4.0	4.2
Options exercisable	422	857	846
Weighted-average exercise price of options exercisable	\$ 15.46	\$ 22.70	\$ 33.30

The intrinsic value of options outstanding at December 26, 2024 was \$6,804 and the intrinsic value of options exercisable at December 26, 2024 was \$3,155. The intrinsic value of options exercised was \$725, \$171 and \$164 during fiscal 2024, fiscal 2023 and fiscal 2022, respectively. As of December 26, 2024, total remaining unearned compensation cost related to stock options was \$1,582, which will be amortized to expense over the remaining weighted-average life of 1.8 years.

Restricted Stock

Awarded shares of restricted stock cumulatively vest either 25% after three years of the grant date, 50% after five years of the grant date, 75% after ten years of the grant date and 100% upon retirement, or 50% after two years of the grant date and 100% after four years of the grant date, or 50% after two years of the grant date and 100% after three years of the grant date, depending on the date of grant. A special long-term incentive and retention award of restricted stock with a vesting period of 100% after four years of the grant date, or upon retirement after three years of the grant date, was awarded to certain executives in fiscal 2024. The restricted stock may not be sold, transferred, pledged or assigned, except as provided by the vesting schedule included in the Company's equity incentive plan. During the period of restriction, the holder of the restricted stock has voting rights and is entitled to receive all dividends and other distributions paid with respect to the stock. Restricted stock awards may be issued from previously acquired treasury shares. The Company expenses the cost of restricted stock awards over the vesting period based on the fair value of the award at the date of grant.

A summary of the Company's restricted stock activity and related information follows (shares in thousands):

	Year Ended					
	December 26, 2024		December 28, 2023		December 29, 2022	
	Shares	Weighted-Average Fair Value	Shares	Weighted-Average Fair Value	Shares	Weighted-Average Fair Value
Outstanding at beginning of period	238	\$ 17.41	212	\$ 21.07	357	\$ 23.32
Granted	476	15.18	107	15.68	100	17.63
Vested	(47)	21.37	(81)	23.77	(242)	22.95
Forfeited	—	—	—	—	(3)	22.93
Outstanding at end of period	667	\$ 15.54	238	\$ 17.41	212	\$ 21.07

As of December 26, 2024, total remaining unearned compensation cost related to restricted stock was \$4,565, which will be amortized over the weighted-average remaining service period of 2.9 years.

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8. Shareholders' Equity and Share-Based Compensation (continued)

Restricted Stock Units

Restricted stock units (RSUs) cumulatively vest 50% after two years of the grant date and 100% after three years of the grant date. RSU awards are payable in common stock upon vesting. The Company expenses the cost of RSU awards over the vesting period based on the fair value of the awards at the date of grant.

A summary of the Company's RSU activity and related information follows (shares in thousands):

	RSUs	
	Shares	Weighted-Average Fair Value
December 28, 2023	—	\$ —
Granted	52	14.79
Vested	(5)	14.84
Forfeited	—	—
December 26, 2024	47	\$ 14.79

As of December 26, 2024, total remaining unearned compensation cost related to RSUs was \$500, which will be amortized over the weighted-average remaining service period of 2.2 years.

Performance Stock Units

Performance stock units (PSUs) vest subject to the Company's achievement of performance goals expressed in terms of (i) earnings before interest, taxes, depreciation and amortization, or EBITDA, growth rate ranking relative to the Russell 2000 Index with respect to 25% of the total number of performance stock unit awards, and (ii) the Company's average return on invested capital, or ROIC, ranking relative to the Russell 2000 Index with respect to 75% of the total number of performance stock unit awards. For grants awarded in fiscal 2024, the PSU performance goals relate to the three-year performance period from fiscal 2024-2026. PSU awards are payable at the end of their respective performance period in common stock, and the number of PSUs awarded can range from zero to 150% depending on the Company's achievement of the relative performance metrics. The Company expenses the cost of PSU awards based on the fair value of the awards at the date of grant and the estimated achievement of the performance metric, ratable over the performance period of three fiscal years.

A summary of the Company's PSU activity and related information follows (shares in thousands):

	PSUs	
	Shares	Weighted-Average Fair Value
December 28, 2023	—	\$ —
Granted	143	14.84
Vested	—	—
Forfeited	(4)	14.84
December 26, 2024	139	\$ 14.84

As of December 26, 2024, total remaining unearned compensation cost related to PSUs was \$1,375, which will be amortized over the weighted-average remaining service period of 2.0 years.

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9. Employee Benefit Plans

The Company has a qualified profit-sharing retirement savings plan (401(k) plan) covering eligible employees. The 401(k) plan provides a matching contribution equal to 100% of the first 3% of compensation and 50% of the next 2% of compensation deposited by an employee into the 401(k) plan. During fiscal 2023 and fiscal 2022, the first 2% of the matching contribution was made with the Company's common stock. Retirement savings plan expense was \$2,326, \$2,179 and \$2,233 for fiscal 2024, fiscal 2023 and fiscal 2022, respectively.

The Company also sponsors unfunded, nonqualified, defined-benefit and deferred compensation plans. The Company's unfunded, nonqualified retirement plan includes two components. The first component is a defined-benefit plan that applies to certain participants. The second component applies to all other participants and provides an account-based supplemental retirement benefit.

The Company recognizes actuarial losses and prior service costs related to its defined benefit plan in the consolidated balance sheets and recognizes changes in these amounts in the year in which changes occur through comprehensive income.

The status of the Company's unfunded nonqualified, defined-benefit and account-based retirement plan based on the respective December 26, 2024 and December 28, 2023 measurement dates is as follows:

	December 26, 2024	December 28, 2023
Change in benefit obligation:		
Benefit obligation at beginning of period	\$ 36,349	\$ 36,324
Service cost	248	487
Interest cost	1,778	1,811
Actuarial gain	(1,627)	(656)
Benefits paid	(1,765)	(1,617)
Benefit obligation at end of year	<u>\$ 34,983</u>	<u>\$ 36,349</u>
Amounts recognized in the statement of financial position consist of:		
Current accrued benefit liability (included in Other accrued liabilities)	\$ (2,315)	\$ (2,060)
Noncurrent accrued benefit liability (included in Other long-term obligations)	(32,668)	(34,289)
Total	<u>\$ (34,983)</u>	<u>\$ (36,349)</u>
Amounts recognized in accumulated other comprehensive loss consist of:		
Net actuarial loss	\$ 377	\$ 2,004
Prior service credit	(132)	(196)
Total	<u>\$ 245</u>	<u>\$ 1,808</u>

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9. Employee Benefit Plans (continued)

	Year Ended		
	December 26, 2024	December 28, 2023	December 29, 2022
Net periodic pension cost:			
Service cost	\$ 248	\$ 487	\$ 1,055
Interest cost	1,778	1,811	1,341
Net amortization of prior service cost and actuarial loss	(64)	(64)	1,028
	<u>\$ 1,962</u>	<u>\$ 2,234</u>	<u>\$ 3,424</u>

The \$181 loss, net of tax, included in accumulated other comprehensive loss at December 26, 2024, consists of the \$279 net actuarial loss, net of tax, and the \$98 unrecognized prior service credit, net of tax, which have not yet been recognized in the net periodic benefit cost. The \$1,336 loss, net of tax, included in accumulated other comprehensive loss at December 28, 2023, consists of the \$1,481 net actuarial loss, net of tax, and the \$145 unrecognized prior service credit, net of tax, which have not yet been recognized in the net periodic benefit cost.

The accumulated benefit obligation was \$34,480 and \$34,788 as of December 26, 2024 and December 28, 2023, respectively.

The pre-tax change in the benefit obligation recognized in other comprehensive loss was as follows:

	Year Ended	
	December 26, 2024	December 28, 2023
Net actuarial gain	\$ (1,627)	\$ (656)
Amortization of the prior year service credit	64	64
Total	<u>\$ (1,563)</u>	<u>\$ (592)</u>

The weighted-average assumptions used to determine the benefit obligations as of the measurement dates were as follows:

	December 26, 2024	December 28, 2023
Discount rate	5.45%	5.00%
Rate of compensation increase	4.00%	4.00%

The weighted-average assumptions used to determine net periodic benefit cost were as follows:

	Year Ended		
	December 26, 2024	December 28, 2023	December 29, 2022
Discount rate	5.00%	5.05%	2.85%
Rate of compensation increase	4.00%	4.00%	4.00%

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9. Employee Benefit Plans (continued)

Benefit payments expected to be paid subsequent to December 26, 2024, are as follows:

Fiscal Year	
2025	\$ 2,377
2026	2,384
2027	2,371
2028	2,621
2029	3,273
Years 2030 – 2034	15,560

10. Income Taxes

The components of the net deferred tax liability are as follows:

	December 26, 2024	December 28, 2023
Deferred tax assets		
Accrued employee benefits	\$ 13,171	\$ 13,653
Operating lease liabilities	47,121	50,601
Gift card liabilities	6,030	6,490
Net operating loss, disallowed interest & tax credit carryforwards	18,784	21,069
Other	130	2,378
Total	85,236	94,191
Less valuation allowance	(3,583)	(11,338)
Deferred tax assets	81,653	82,853
Deferred tax liabilities		
Depreciation and amortization	(68,767)	(68,164)
Operating lease assets	(41,549)	(46,924)
Deferred tax liabilities	(110,316)	(115,088)
Net deferred tax liability	<u>\$ (28,663)</u>	<u>\$ (32,235)</u>
Amounts recognized in the consolidated balance sheets consist of:		
Deferred income taxes - other assets	\$ 3,956	\$ —
Deferred income taxes - liabilities	(32,619)	(32,235)
Net amount recognized	<u>\$ (28,663)</u>	<u>\$ (32,235)</u>

As of December 26, 2024 and December 28, 2023, the Company had federal tax credit carryforwards of \$3,010 and \$4,150, respectively. As of December 26, 2024 and December 28, 2023, the Company has state net operating loss carryforwards of \$200,279 and \$209,866, respectively, which will expire primarily in the next 12 to 20 years. As of December 28, 2023, the valuation allowance for a portion of the Company's state net operating loss carryforwards that are not more likely than not to be realized was \$11,338. In fiscal 2024, the Company decreased the valuation allowance by \$7,755 to \$3,583. The amount of the state net operating loss carryforwards considered realizable could be adjusted if, among other factors, estimates of future taxable income during the carryforward periods are reduced or increased.

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10. Income Taxes (continued)

Income tax expense (benefit) consists of the following:

	Year Ended		
	December 26, 2024	December 28, 2023	December 29, 2022
Current:			
Federal	\$ 846	\$ 603	\$ (452)
State	713	692	556
Deferred:			
Federal	2,833	3,900	(3,222)
State	(6,814)	1,661	10,255
	<u>\$ (2,422)</u>	<u>\$ 6,856</u>	<u>\$ 7,137</u>

The Company's effective income tax rate, adjusted for earnings from noncontrolling interests, was 23.7%, 31.7% and (147.6)% for fiscal 2024, fiscal 2023 and fiscal 2022, respectively. A reconciliation of the statutory federal tax rate to the effective tax rate on earnings attributable to The Marcus Corporation follows:

	Year Ended		
	December 26, 2024	December 28, 2023	December 29, 2022
Statutory federal tax rate	21.0 %	21.0 %	21.0 %
State income taxes, net of federal income tax benefit	(7.4)	11.4	4.3
Tax credits, net of federal income tax benefit	12.7	(5.6)	22.9
Valuation allowance	76.0	(4.8)	(205.9)
Federal income tax benefit on state valuation allowance	(16.0)	1.0	53.7
Excess tax benefits on share-based compensation	(3.3)	2.8	(22.1)
Other compensation and benefits	(17.5)	5.4	(15.6)
Meals and entertainment	(2.6)	1.1	(4.1)
Debt conversion	(38.1)	—	—
Other	(1.1)	(0.6)	(1.8)
	<u>23.7 %</u>	<u>31.7 %</u>	<u>(147.6)%</u>

The Company's effective income tax rate during fiscal 2024 was positively impacted by a \$7,755 decrease in the valuation allowance for state net operating loss carryforwards, partially offset by a corresponding decrease in the federal benefit on the valuation allowance of \$1,629, and was negatively impacted by a nondeductible debt conversion expense resulting from the Convertible Notes Repurchases and related termination of the Capped Call Transactions.

The Company's effective income tax rate during fiscal 2022 was negatively impacted by a \$9,956 increase in the valuation allowance for state net operating loss carryforwards, partially offset by a corresponding increase in the federal benefit on the valuation allowance of \$2,598. Excluding the negative impact of the valuation allowance adjustment (net of federal benefit), the Company's effective income tax rate during fiscal 2022 was 4.6%. The Company has not included the income tax expense related to the net earnings attributable to noncontrolling interests in its income tax expense as the entity is considered a pass-through entity and, as such, the income tax expense is attributable to its owners.

Net income taxes paid in fiscal 2024 and 2023 were \$1,428 and \$1,776, respectively. Net income taxes refunded in fiscal 2022 were \$21,935. Net income taxes refunded in fiscal 2022 included \$22,300 related to federal net operating loss carrybacks to prior years, as allowed under the provisions of the CARES Act.

THE MARCUS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share data)

10. Income Taxes (continued)

The Company had no unrecognized tax benefits as of December 26, 2024, December 28, 2023 and December 29, 2022. The Company had no accrued interest or penalties at December 26, 2024 or December 28, 2023. The Company classifies interest and penalties relating to income taxes as income tax expense. For the year ended December 26, 2024, no interest income or expense was recognized in the consolidated statement of operations, compared to \$1 of interest expense for the year ended December 28, 2023 and \$683 of interest income for the year ended December 29, 2022.

The Company's federal income tax returns for fiscal 2020 and prior are no longer subject to examination. With certain exceptions, the Company's state income tax returns are no longer subject to examination prior to fiscal 2019. At this time, the Company does not expect the results from any income tax audit or appeal to have a significant impact on the Company's financial statements.

11. Commitments and License Rights

Commitments - The Company has commitments for the completion of construction at various properties totaling approximately \$31,569 at December 26, 2024.

License Rights – As of December 26, 2024, the Company had license rights to operate two hotels using the Hilton trademark and two hotels using the Marriott trademark. Under the terms of the licenses, the Company is obligated to pay fees based on defined gross sales.

12. Joint Venture Transactions

At December 26, 2024 and December 28, 2023, the Company held investments with aggregate carrying values of \$5,166 and \$1,718, respectively. Investments at December 26, 2024 included two joint ventures and investments at December 28, 2023 included one joint venture, all accounted for under the equity method.

In March 2024, the Company formed a joint venture with Hempel Real Estate (“Hempel”) and Robinson Park (“RP”) to acquire the Loews Minneapolis Hotel, a 251 guest room and suite full-service lifestyle hotel located in downtown Minneapolis, Minnesota. The acquired hotel was rebranded as The Lofton Hotel (“Lofton”) under the Tapestry Collection by Hilton flag. The Company invested \$5,620 for a 33.3% equity interest in the Lofton joint venture and entered into a management agreement for the hotel. Subsequent to its initial investment in the joint venture, the Company sold an 8.6% interest to a minority investor for \$1,500, reducing its equity interest in the Lofton joint venture to 24.7%. The Company accounts for its investment in the Lofton joint venture on the equity method.

A wholly-owned subsidiary of the Lofton joint venture entity, as the borrower, financed the acquisition of and future improvements to the hotel with a mortgage loan. In connection with this mortgage loan, the Company provided an environmental indemnity and a several payment guaranty that provides that the lender can recover losses from the Company, a principal in Hempel, and a principal in RP for certain events of default of the borrower up to \$6,200 for the Company. Under the terms of a cross-indemnity agreement among the guarantors, the other two guarantors have fully indemnified the Company under the guarantees for any losses in excess of its proportionate liability under the several payment guaranty and environmental indemnity.

In December 2021, the Company formed a joint venture with Searchlight Capital Partners (“Searchlight”) to acquire the Kimpton Hotel Monaco Pittsburgh (“Monaco”), a 248-room upper upscale hotel in downtown Pittsburgh, Pennsylvania. The Company has a 10% equity interest in the Monaco joint venture and has a management agreement with the hotel. The Monaco joint venture entity, as the borrower, financed the acquisition of Monaco with a non-recourse mortgage loan. In connection with this mortgage loan, the Company provided an environmental indemnity and a “bad boy” guaranty that provides that the lender can recover losses from the Company for certain bad acts of the Monaco joint venture, such as but not limited to fraud, intentional misrepresentation, voluntary incurrence of prohibited debt, prohibited transfers of the collateral, and voluntary bankruptcy of the Monaco joint venture. Under the terms of the Monaco joint venture operating agreement, Searchlight has fully indemnified the Company under the “bad boy” guarantees for any losses other than those attributable to the Company’s own bad acts and has indemnified the Company to its proportionate liability under the environmental liability.

THE MARCUS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share data)

13. Business Segment Information

The Company's primary operations are reported in the following two business segments: movie theatres and hotels and resorts. The Marcus Corporation's chief operating decision maker (CODM) is the Company's Chief Executive Officer. The measure of segment profit and loss the CODM uses to evaluate performance is operating income of each segment. The CODM uses this measure to evaluate trends and assess segment operating performance as compared to budget, historical periods, the industries each segment operates in and their competition in order to determine how to allocate resources to each segment. The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies.

Following is a summary of business segment information for fiscal 2024, fiscal 2023 and fiscal 2022:

	Theatres		Hotels/Resorts		Total	
Fiscal 2024						
Total Revenues	\$	447,723	\$	287,506	\$	735,229
Less: Costs and expenses						
Theatre operations		225,472		—		225,472
Rooms		—		43,425		43,425
Theatre concessions		78,406		—		78,406
Food and beverage		—		60,419		60,419
Advertising and marketing		5,485		18,903		24,388
Administrative		23,304		42,540		65,844
Depreciation and amortization		45,352		21,917		67,269
Rent		23,551		1,899		25,450
Property taxes		9,607		5,029		14,636
Impairment charges		6,823		—		6,823
Reimbursed costs		1,314		39,160		40,474
Other segment items ⁽²⁾		6,262		35,737		41,999
Total costs and expenses		425,576		269,029		694,605
Operating income	\$	22,147	\$	18,477	\$	40,624
Investment income						2,231
Interest expense						(10,972)
Other income (expense), net						(1,513)
Debt conversion expense						(15,521)
Equity losses from unconsolidated joint ventures, net						(604)
Corporate items ⁽¹⁾						(24,454)
Net loss before income taxes					\$	(10,209)
		Theatres		Hotels/ Resorts		Corporate Items ⁽¹⁾
						Total
Additional Disclosures						
Share-based compensation	\$	932	\$	1,053	\$	6,221
Assets		643,488		310,856		90,184
Capital expenditures		20,961		48,930		9,319

THE MARCUS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share data)

13. Business Segment Information (continued)

	Theatres	Hotels/Resorts	Total
Fiscal 2023			
Total Revenues	\$ 458,394	\$ 270,835	\$ 729,229
Less: Costs and expenses			
Theatre operations	230,770	—	230,770
Rooms	—	41,071	41,071
Theatre concessions	75,903	—	75,903
Food and beverage	—	57,871	57,871
Advertising and marketing	4,277	18,362	22,639
Administrative	23,609	35,423	59,032
Depreciation and amortization	48,378	18,569	66,947
Rent	23,952	1,801	25,753
Property taxes	12,253	5,583	17,836
Impairment charges	1,061	—	1,061
Reimbursed costs	—	37,420	37,420
Other segment items ⁽²⁾	2,015	37,222	39,237
Total costs and expenses	422,218	253,322	675,540
Operating income	<u>\$ 36,176</u>	<u>\$ 17,513</u>	<u>\$ 53,689</u>
Investment income			2,426
Interest expense			(12,721)
Other income (expense), net			(1,832)
Equity losses from unconsolidated joint ventures, net			(149)
Corporate items ⁽¹⁾			(19,763)
Net earnings before income taxes			<u>\$ 21,650</u>

	Theatres	Hotels/ Resorts	Corporate Items ⁽¹⁾	Total
Additional Disclosures				
Share-based compensation	\$ 900	\$ 979	\$ 4,515	\$ 6,394
Assets	696,128	280,568	88,407	1,065,103
Capital expenditures	15,131	22,890	753	38,774

THE MARCUS CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(in thousands, except share and per share data)

13. Business Segment Information (continued)

	Theatres	Hotels/Resorts	Total	
Fiscal 2022				
Total Revenues	\$ 407,741	\$ 269,286	\$ 677,027	
Less: Costs and expenses				
Theatre operations	212,410	—	212,410	
Rooms	—	41,561	41,561	
Theatre concessions	73,124	—	73,124	
Food and beverage	—	59,272	59,272	
Advertising and marketing	5,159	18,505	23,664	
Administrative	22,355	34,669	57,024	
Depreciation and amortization	47,560	19,160	66,720	
Rent	23,335	2,298	25,633	
Property taxes	11,754	6,052	17,806	
Impairment charges	1,525	—	1,525	
Reimbursed costs	—	33,634	33,634	
Other segment items ⁽²⁾	2,411	35,436	37,847	
Total costs and expenses	399,633	250,587	650,220	
Operating income	\$ 8,108	\$ 18,699	\$ 26,807	
Investment income				(45)
Interest expense				(15,299)
Other income (expense), net				(1,060)
Gain on sale of hotel				6,274
Equity losses from unconsolidated joint ventures, net				(143)
Corporate items ⁽¹⁾				(18,501)
Net loss before income taxes				\$ (1,967)
	Theatres	Hotels/ Resorts	Corporate Items ⁽¹⁾	Total
Additional Disclosures				
Share-based compensation	\$ 2,757	\$ 1,045	\$ 4,368	\$ 8,170
Assets	750,941	277,990	35,667	1,064,598
Capital expenditures	12,087	24,515	241	36,843

⁽¹⁾ Corporate items include amounts not allocable to the business segments. Corporate revenues consist principally of rent and the corporate operating loss includes general corporate expenses. Corporate information technology costs and accounting shared services costs are allocated to the business segments based upon several factors, including actual usage and segment revenues. Corporate assets primarily include cash and cash equivalents, furniture, fixtures and equipment, investments and land held for development.

⁽²⁾ Other segment items includes losses or gains on disposition of property, equipment and other assets, preopening expenses, and other operating expenses.

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

(a) Evaluation of disclosure controls and procedures.

Based on their evaluations, as of the end of the period covered by this Annual Report on Form 10-K, our principal executive officer and principal financial officer have concluded that our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the “Exchange Act”)) are effective to ensure that information required to be disclosed by us in reports that we file or furnish under the Exchange Act is accumulated and communicated to our management and recorded, processed, summarized and reported within the time periods specified in Securities and Exchange Commission rules and forms.

(b) Management’s report on internal control over financial reporting.

The report of management required under this Item 9A is contained in the section titled “Item 8 – Financial Statements and Supplementary Data” under the heading “Management’s Report on Internal Control over Financial Reporting.”

(c) Attestation Report of Independent Registered Public Accounting Firm.

The attestation report required under this Item 9A is contained in the section titled “Item 8 – Financial Statements and Supplementary Data” under the heading “Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting.”

(d) Changes in internal control over financial reporting.

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(b) of the Exchange Act during the fourth quarter of our fiscal 2024 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other information.

During the thirteen weeks ended December 26, 2024, no director or Section 16 officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by Item 10 is incorporated herein by reference to the relevant information set forth under the captions “Election of Directors” and “Board of Directors and Corporate Governance” in the definitive Proxy Statement for our 2025 Annual Meeting of Shareholders scheduled to be held on May 7, 2025 (our “Proxy Statement”). Information regarding our executive officers may be found in Part I of this Form 10-K under the caption “Executive Officers of the Company.” Except as otherwise specifically incorporated by reference, our Proxy Statement is not deemed to be filed as part of this Form 10-K. Information required under this Item with respect to our Insider Trading Policy is contained in the Proxy Statement under the caption “Prohibition Against Insider Trading” and is also incorporated herein by reference.

Item 11. Executive Compensation.

The information required by Item 11 is incorporated herein by reference to the relevant information set forth under the caption “Compensation Discussion and Analysis” in our Proxy Statement.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Shareholder Matters.

The following table lists certain information about our two stock option plans, our 1995 Equity Incentive Plan and our 2004 Equity and Incentive Awards Plan, all of which were approved by our shareholders. We do not have any equity-based compensation plans that have not been approved by our shareholders, though we intend to submit The Marcus Corporation 2025 Omnibus Incentive Plan for shareholder approval at our 2025 Annual Meeting of our Shareholders..

Number of securities to be issued upon the exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under current equity compensation plan (excluding securities reflected in the first column)
2,884,000	\$23.22	159,370

The other information required by Item 12 is incorporated herein by reference to the relevant information set forth under the caption “Stock Ownership of Management and Others” in our Proxy Statement.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by Item 13, to the extent applicable, is incorporated herein by reference to the relevant information set forth under the caption “Policies and Procedures Governing Related Person Transactions” in our Proxy Statement.

Item 14. Principal Accounting Fees and Services.

The information required by Item 14 is incorporated by reference herein to the relevant information set forth under the caption “Other Matters” in our Proxy Statement.

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a)(1) Financial Statements.

Unless otherwise indicated, references to “fiscal 2024” refer to the fiscal year ended December 26, 2024; references to “fiscal 2023” refer to the fiscal year ended December 28, 2023; and references to “fiscal 2022” refer to the fiscal year ended December 29, 2022. References to fiscal 2024 and fiscal 2023 year end refer to December 26, 2024 and December 28, 2023, respectively.

The following consolidated financial statements of The Marcus Corporation and the Report of Independent Registered Public Accounting Firm thereon, are filed as part of this report:

- Report of Independent Registered Public Accounting Firm (PCAOB ID No. 34)
- Consolidated Balance Sheets as of fiscal 2024 and 2023 year end
- Consolidated Statements of Operations for the 2024, 2023, and 2022 fiscal years
- Consolidated Statements of Comprehensive Income (Loss) for the 2024, 2023, and 2022 fiscal years
- Consolidated Statements of Shareholders’ Equity for the 2024, 2023, and 2022 fiscal years
- Consolidated Statements of Cash Flows for the 2024, 2023, and 2022 fiscal years
- Notes to Consolidated Financial Statements

(a)(2) Financial Statement Schedules.

All schedules are omitted because they are inapplicable, not required under the instructions or the financial information is included in the consolidated financial statements or notes thereto.

(a)(3) Exhibits.

The exhibits filed herewith or incorporated by reference herein are set forth on the attached Exhibit Index. Exhibits to this Form 10-K will be furnished to shareholders upon advance payment of a fee of \$0.25 per page, plus mailing expenses. Requests for copies should be addressed to Thomas F. Kissinger, Senior Executive Vice President, General Counsel and Secretary, The Marcus Corporation, 111 East Kilbourn Avenue, Suite 1200, Milwaukee, Wisconsin 53202.

EXHIBIT INDEX

- 2.1 Asset Purchase Agreement, dated as of November 1, 2018, by and among MMT Texnv, LLC, MMT Lapagava, LLC, The Marcus Corporation, Movie Tavern, Inc., Movie Tavern Theaters, LLC, TGS Beverage Company, LLC, and VSS-Southern Theatres LLC. [Schedules and exhibits have been omitted and The Marcus Corporation agrees to furnish supplementally to the Securities and Exchange Commission a Copy of any omitted schedules and exhibits upon request.] [Incorporated by reference to Exhibit 2.1 to our Quarterly Report on Form 10-Q for the quarterly period ended September 27, 2018].
- 3.1 Restated Articles of Incorporation. [Incorporated by reference to Exhibit 3.2 to our Quarterly Report on Form 10-Q for the quarterly period ended November 13, 1997.]
- 3.2 By-Laws of The Marcus Corporation, as amended. [Incorporated by reference to Exhibit 3 to our Current Report on Form 8-K dated February 21, 2024.]
- 4.1 Credit Agreement, dated January 9, 2020, by and among The Marcus Corporation and the several banks party thereto, including JPMorgan Chase Bank, N.A., as Administrative Agent, and U.S. Bank National Association, as Syndication Agent. [Incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K dated January 9, 2020.]
- 4.2 First Amendment to Credit Agreement, dated April 29, 2020, among The Marcus Corporation, the lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent. [Schedules and exhibits have been omitted and The Marcus Corporation agrees to furnish supplementally to the Securities and Exchange Commission a Copy of any omitted schedules and exhibits upon request.] [Incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K dated April 30, 2020.]
- 4.3 Second Amendment to Credit Agreement, dated September 15, 2020, among The Marcus Corporation, the lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent. [Schedules and exhibits have been omitted and The Marcus Corporation agrees to furnish supplementally to the Securities and Exchange Commission a Copy of any omitted schedules and exhibits upon request.] [Incorporated by reference to Exhibit 4.3 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2020.]
- 4.4 Third Amendment to Credit Agreement, dated July 13, 2021, among The Marcus Corporation, the lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent. [Schedules and exhibits have been omitted and The Marcus Corporation agrees to furnish supplementally to the Securities and Exchange Commission a Copy of any omitted schedules and exhibits upon request.] [Incorporated by reference to Exhibit 4.1 to our Quarterly Report on Form 10-Q for the quarter ended July 1, 2021.]
- 4.5 Fourth Amendment to Credit Agreement, dated July 27, 2022, among The Marcus Corporation, the lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent. [Schedules and exhibits have been omitted and The Marcus Corporation agrees to furnish supplementally to the Securities and Exchange Commission a Copy of any omitted schedules and exhibits upon request.] [Incorporated by reference to Exhibit 4.1 to our Quarterly Report on Form 10-Q for the quarter ended September 29, 2022.]
- 4.6 Fifth Amendment to Credit Agreement, dated February 10, 2023, among The Marcus Corporation, the lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent. [Schedules and exhibits have been omitted and The Marcus Corporation agrees to furnish supplementally to the Securities and Exchange Commission a Copy of any omitted schedules and exhibits upon request.] [Incorporated by reference to Exhibit 4.6 to our Annual Report on Form 10-K for the fiscal year ended December 29, 2022.]
- 4.7 Sixth Amendment to Credit Agreement, dated October 16, 2023, among The Marcus Corporation, the lenders party thereto and JPMorgan Chase Bank, N.A., as Administrative Agent. [Schedules and exhibits have been omitted and The Marcus Corporation agrees to furnish supplementally to the Securities and Exchange Commission a Copy of any omitted schedules and exhibits upon request.] [Incorporated by reference to Exhibit 4.1 to our Quarterly Report on Form 10-Q for the quarter ended September 28, 2023.]

- 4.7 The Marcus Corporation Note Purchase Agreement, dated June 27, 2013. [Incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K dated June 27, 2013.]
- 4.8 The First Amendment to Note Purchase Agreement, dated June 27, 2013, dated April 29, 2020. [Schedules and exhibits have been omitted and The Marcus Corporation agrees to furnish supplementally to the Securities and Exchange Commission a Copy of any omitted schedules and exhibits upon request.] [Incorporated by reference to Exhibit 4.2 to our Current Report on Form 8-K dated April 30, 2020.]
- 4.9 The Second Amendment to Note Purchase Agreement, dated June 27, 2013, dated June 26, 2020. [Schedules and exhibits have been omitted and The Marcus Corporation agrees to furnish supplementally to the Securities and Exchange Commission a Copy of any omitted schedules and exhibits upon request.] [Incorporated by reference to Exhibit 4.6 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2020.]
- 4.10 The Third Amendment to Note Purchase Agreement, dated June 27, 2013, dated September 15, 2020. [Schedules and exhibits have been omitted and The Marcus Corporation agrees to furnish supplementally to the Securities and Exchange Commission a Copy of any omitted schedules and exhibits upon request.] [Incorporated by reference to Exhibit 4.7 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2020.]
- 4.11 The Fourth Amendment to Note Purchase Agreement, dated June 27, 2013, dated July 13, 2021. [Schedules and exhibits have been omitted and The Marcus Corporation agrees to furnish supplementally to the Securities and Exchange Commission a Copy of any omitted schedules and exhibits upon request.] [Incorporated by reference to Exhibit 4.2 to our Quarterly Report on Form 10-Q for the quarter ended July 1, 2021.]
- 4.12 The Fifth Amendment to Note Purchase Agreement, dated June 27, 2013, dated February 10, 2023. [Schedules and exhibits have been omitted and The Marcus Corporation agrees to furnish supplementally to the Securities and Exchange Commission a Copy of any omitted schedules and exhibits upon request.] [Incorporated by reference to Exhibit 4.12 to our Annual Report on Form 10-K for the fiscal year ended December 29, 2022.]
- 4.13 The Sixth Amendment to Note Purchase Agreement, dated June 27, 2013, dated October 16, 2023. [Schedules and exhibits have been omitted and The Marcus Corporation agrees to furnish supplementally to the Securities and Exchange Commission a Copy of any omitted schedules and exhibits upon request.] [Incorporated by reference to Exhibit 4.2 to our Quarterly Report on Form 10-Q for the quarter ended September 28, 2023.]
- 4.14 The Marcus Corporation Note Purchase Agreement, dated December 21, 2016. [Incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K dated February 22, 2017.]
- 4.15 The First Amendment to Note Purchase Agreement, dated December 21, 2016, dated April 29, 2020. [Schedules and exhibits have been omitted and The Marcus Corporation agrees to furnish supplementally to the Securities and Exchange Commission a Copy of any omitted schedules and exhibits upon request.] [Incorporated by reference to Exhibit 4.3 to our Current Report on Form 8-K dated April 30, 2020.]
- 4.16 The Second Amendment to Note Purchase Agreement, dated December 21, 2016, dated June 26, 2020. [Schedules and exhibits have been omitted and The Marcus Corporation agrees to furnish supplementally to the Securities and Exchange Commission a Copy of any omitted schedules and exhibits upon request.] [Incorporated by reference to Exhibit 4.10 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2020.]

- 4.17 The Third Amendment to Note Purchase Agreement, dated December 21, 2016, dated September 15, 2020. [Schedules and exhibits have been omitted and The Marcus Corporation agrees to furnish supplementally to the Securities and Exchange Commission a Copy of any omitted schedules and exhibits upon request.] [Incorporated by reference to Exhibit 4.11 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2020.]
- 4.18 The Fourth Amendment to Note Purchase Agreement, dated December 21, 2016, dated July 13, 2021. [Schedules and exhibits have been omitted and The Marcus Corporation agrees to furnish supplementally to the Securities and Exchange Commission a Copy of any omitted schedules and exhibits upon request.] [Incorporated by reference to Exhibit 4.3 to our Quarterly Report on Form 10-Q for the quarter ended July 1, 2021.]
- 4.19 The Fifth Amendment to Note Purchase Agreement, dated December 21, 2016, dated February 10, 2023. [Schedules and exhibits have been omitted and The Marcus Corporation agrees to furnish supplementally to the Securities and Exchange Commission a Copy of any omitted schedules and exhibits upon request.] [Incorporated by reference to Exhibit 4.18 to our Annual Report on Form 10-K for the fiscal year ended December 29, 2022.]
- 4.20 The Sixth Amendment to Note Purchase Agreement, dated December 21, 2016, dated October 16, 2023. [Schedules and exhibits have been omitted and The Marcus Corporation agrees to furnish supplementally to the Securities and Exchange Commission a Copy of any omitted schedules and exhibits upon request.] [Incorporated by reference to Exhibit 4.3 to our Quarterly Report on Form 10-Q for the quarter ended September 28, 2023.]
- 4.21 Master Note Purchase Agreement, dated as of July 9, 2024, by and among The Marcus Corporation and the several purchasers party thereto. [Incorporated by reference to Exhibit 4.1 to our Current Report on Form 8-K, dated 9, 2024.]
- Other than as set forth in Exhibits 4.1 through 4.21, we have numerous instruments which define the rights of holders of long-term debt. These instruments, primarily promissory notes, have arisen from the purchase of operating properties in the ordinary course of business. These instruments are not being filed with this Annual Report on Form 10-K in reliance upon Item 601(b)(4)(iii) of Regulation S-K. Copies of these instruments will be furnished to the Securities and Exchange Commission upon request.
- 4.22 Description of the Registrant's Securities. [Incorporated by reference to Exhibit 4.5 to our Annual Report on Form 10-K for the fiscal year ended December 26, 2019.]
- 10.1* The Marcus Corporation Non-Employee Director Compensation Plan. [Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K dated May 10, 2022.]
- 10.2* The Marcus Corporation Variable Incentive Plan, as amended. [Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K dated July 7, 2009.]
- 10.3* The Marcus Corporation Deferred Compensation Plan. [Incorporated by reference to Exhibit 10.8 to our Annual Report on Form 10-K for the fiscal year ended May 25, 2006.]
- 10.4* The Marcus Corporation Retirement Income and Supplemental Retirement Plan, as amended and restated. [Incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q for the quarterly period ended August 29, 2013.]
- 10.5 Administrative Services Agreement between Marcus Investments, LLC and The Marcus Corporation, as amended. [Incorporated by reference to Exhibit 99.1 to our Annual Report on Form 10-K for the fiscal year ended May 31, 2007.]

- 10.6* The Marcus Corporation 1995 Equity Incentive Plan, as amended and restated. [Incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K dated October 4, 2006.]
- 10.7* Form of The Marcus Corporation 1995 Equity Incentive Plan Restricted Stock Agreement. [Incorporated by reference to Exhibit 10.6 to our Annual Report on Form 10-K for the fiscal year ended May 26, 2005.]
- 10.8* The Marcus Corporation 2004 Equity and Incentive Awards Plan. [Incorporated by reference to Attachment A to the Company's definitive proxy statement filed with the Securities and Exchange Commission on Schedule 14A on September 2, 2011.]
- 10.9* Form of The Marcus Corporation 2004 Equity and Incentive Awards Plan Restricted Stock Agreement. [Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K dated August 15, 2006.]
- 10.10* Form of Cover Letter to The Marcus Corporation 2004 Equity and Incentive Awards Plan Restricted Stock Agreement. [Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K dated August 15, 2006.]
- 10.11* Form of The Marcus Corporation 2004 Equity and Incentive Awards Plan Stock Option Award Agreement for awards granted after October 11, 2011 (Employees). [Incorporated by reference to Exhibit 4.2 to our Registration Statement on Form S-8 dated October 28, 2011.]
- 10.12* Form of The Marcus Corporation 2004 Equity and Incentive Awards Plan Restricted Stock Agreement for awards granted after October 11, 2011 (Employees). [Incorporated by reference to Exhibit 10.15 to our Annual Report on Form 10-K for the fiscal year ended May 31, 2012.]
- 10.13* Form of Cover Letter to The Marcus Corporation 2004 Equity and Incentive Awards Plan Restricted Stock Agreement for awards granted after October 11, 2011 (Employees). [Incorporated by reference to Exhibit 10.16 to our Annual Report on Form 10-K for the fiscal year ended May 31, 2012.]
- 10.14* Form of The Marcus Corporation 2004 Equity and Incentive Awards Plan Stock Option Award Agreement for awards granted after January 8, 2013 (Employees). [Incorporated by reference to Exhibit 10 to our Quarterly Report on Form 10-Q for the quarterly period ended November 28, 2013.]
- 10.15* Form of The Marcus Corporation 2004 Equity and Incentive Awards Plan Stock Option Award for awards granted after October 11, 2011 (Non-Employee Directors). [Incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q for the quarterly period ended February 23, 2012.]
- 10.16* Form of The Marcus Corporation 2004 Equity and Incentive Awards Plan Restricted Stock Agreement for awards granted after October 11, 2011 (Non-Employee Directors). [Incorporated by reference to Exhibit 10.2 to our Quarterly Report on Form 10-Q for the quarterly period ended February 23, 2012.]
- 10.17* The Marcus Corporation Long-Term Incentive Plan Terms, as Amended. [Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K dated February 21, 2024.]
- 10.18* Form of The Marcus Corporation 2004 Equity and Incentive Awards Plan Restricted Stock Agreement (Non-Employee Directors) for awards granted after February 22, 2018. [Incorporated by reference to Exhibit 10.20 to our Annual Report on Form 10-K for the fiscal year ended December 28, 2017.]

10.19*	Form of The Marcus Corporation 2004 Equity and Incentive Awards Plan Restricted Stock Agreement for awards granted after February 22, 2018 (Employees). [Incorporated by reference to Exhibit 10.21 to our Annual Report on Form 10-K for the fiscal year ended December 28, 2017.]
10.20*	Form of The Marcus Corporation 2004 Equity and Incentive Awards Plan Restricted Stock Agreement for awards granted after August 1, 2018 (Employees). [Incorporated by reference to Exhibit 10.1 to our Quarterly Report on Form 10-Q for the quarter ended June 28, 2018.]
10.21*	Form of The Marcus Corporation 2004 Equity and Incentive Awards Plan Restricted Stock Agreement for awards granted after February 21, 2024 (Employees). [Incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K dated February 21, 2024.]
10.22*	Form of The Marcus Corporation 2004 Equity and Incentive Awards Plan Restricted Stock Agreement (Special Grant). [Incorporated by reference to Exhibit 10.6 to our Current Report on Form 8-K dated February 21, 2024.]
10.23*	Form of The Marcus Corporation 2004 Equity and Incentive Awards Plan Stock Option Award Agreement for awards granted after May 6, 2020 (Employees). [Incorporated by reference to Exhibit 10.2 to our Quarterly Report on Form 10-Q for the quarterly period ended September 24, 2020.]
10.24*	Form of The Marcus Corporation 2004 Equity and Incentive Awards Plan Stock Option Award Agreement for awards granted after February 23, 2022 (Employees). [Incorporated by reference to Exhibit 10.22 to our Annual Report on Form 10-K for the fiscal year ended December 30, 2021.]
10.25*	Form of The Marcus Corporation 2004 Equity and Incentive Awards Plan Performance Share Award Agreement (Executives). [Incorporated by reference to Exhibit 10.2 to our Current Report on Form 8-K dated February 21, 2024.]
10.26*	Form of The Marcus Corporation 2004 Equity and Incentive Awards Plan Performance Share Award Agreement (Leadership). [Incorporated by reference to Exhibit 10.3 to our Current Report on Form 8-K dated February 21, 2024.]
10.27*	Form of The Marcus Corporation 2004 Equity and Incentive Awards Plan Restricted Stock Unit Agreement for awards granted after February 21, 2024 (Employees). [Incorporated by reference to Exhibit 10.5 to our Current Report on Form 8-K dated February 21, 2024.]
10.3	Employee Advisory Services Agreement, dated May 23, 2023, between the Company and Stephen H. Marcus. [Incorporated by reference to Exhibit 10.1 to our Current Report on Form 8-K dated May 23, 2023.]
14.1	The Marcus Corporation Code Of Conduct, as amended February 18, 2020. [Incorporated by reference to Exhibit 14.1 to our Annual Report on Form 10-K for the fiscal year ended December 31, 2020.]
19	The Marcus Corporation Insider Trading Policy.
21	Our subsidiaries as of December 26, 2024.
22	List of guarantor subsidiaries.
23	Consent of Deloitte & Touche LLP.

- 31.1 Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 31.2 Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
- 32 Written Statement of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. §1350.
- 97 The Marcus Corporation Incentive Compensation Clawback Policy.
- 99 Proxy Statement for the 2025 Annual Meeting of Shareholders. (The Proxy Statement for the 2025 Annual Meeting of Shareholders will be filed with the Securities and Exchange Commission under Regulation 14A within 120 days after the end of our fiscal year.)
- 101 The following materials from The Marcus Corporation's Annual Report on Form 10-K for the fiscal year ended December 26, 2024 are filed herewith, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Earnings, (iii) the Consolidated Statements of Comprehensive Income, (iv) the Consolidated Statements of Cash Flows, and (v) Notes to Consolidated Financial Statements.
- 104 Cover Page Interactive Data File. (Formatted as Inline XBRL and contained in Exhibit 101).

** This exhibit is a management contract or compensatory plan, contract or arrangement in which a director or named executive officer of the Company participated.*

Item 16. Form 10-K Summary.

None.

SIGNATURES

Pursuant to the requirements of Section 13 of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

THE MARCUS CORPORATION

Date: February 27, 2025

By: /s/ Gregory S. Marcus

Gregory S. Marcus,
President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of us and in the capacities as of the date indicated above.

By: /s/ Gregory S. Marcus

Gregory S. Marcus, President and Chief Executive
Officer (Principal Executive Officer) and Chairman

By: /s/ Diane Marcus Gershowitz

Diane Marcus Gershowitz, Director

By: /s/ Chad M. Paris

Chad M Paris, Chief Financial Officer and Treasurer
(Principal Financial Officer and Accounting Officer)

By: /s/ Timothy E. Hoeksema

Timothy E. Hoeksema, Director

By: /s/ Stephen H. Marcus

Stephen H. Marcus, Director

By: /s/ Allan H. Selig

Allan H. Selig, Director

By: /s/ Philip L. Milstein

Philip L. Milstein, Director

By: /s/ Brian J. Stark

Brian J. Stark, Director

By: /s/ Bruce J. Olson

Bruce J. Olson, Director

By: /s/ Austin M. Ramirez

Austin M. Ramirez, Director

By: /s/ Thomas F. Kissinger

Thomas F. Kissinger, Director