



Moving iMage Technologies, Inc.
Fiscal 2025 Third Quarter Conference Call
May 15, 2025

C O R P O R A T E P A R T I C I P A N T S

Christopher Eddy, *Catalyst IR*

Francois Godfrey, *President and Chief Operating Officer*

William Greene, *Chief Financial Officer*

P R E S E N T A T I O N

Operator

Good morning, everyone and welcome to the Moving iMage Technologies Fiscal 2025 Third Quarter Conference Call.

At this time, all participants are in a listen-only mode. A question-and-answer session will follow the formal presentation. If anyone should require Operator assistance, please press star zero on your telephone keypad. As a reminder, this conference is being recorded.

I will now turn the call over to Chris Eddy, Investor Relations to begin.

Christopher Eddy

Thank you, Operator, and good morning to everyone joining today's call.

With me today are Francois Godfrey, President and COO, with an industry overview and business update, and CFO, Bill Greene to cover some financial highlights.

Following Management's prepared remarks, we will open the call to Investor questions. Today's conference is being recorded, and an audio replay and written transcripts will be posted to the Investors section of the Moving iMage website in the next few days.

As a reminder, except for historical information, the matters discussed in this presentation are forward-looking statements that involve several risks and uncertainties. Words like believe, expect, and anticipate mean that these are our best estimates as of this writing. But there can be no assurances that expected or anticipated results or events will actually take place. Actual future results could differ materially from those statements. Further information on the Company's risk factors is contained in the Company's quarterly and annual reports filed with the SEC.

I will now turn the call over to the Moving iMage President, Francois Godfrey.

Francois Godfrey

Thanks, Chris, and thank you all for your interest in our Company.

Today's press release touches on some economic industry headwinds that are impacting revenue in the second half of our fiscal year. But the longer-term outlook for Moving iMage remains very encouraging. While we are seeing some customer project delays, our team's operational and financial discipline enable us to deliver improved bottom line results and to preserve our cash position in the third quarter. Analysts project the 2025 calendar year domestic box office to rise 9% to approximately \$9.7 billion as the film industry continues to build momentum from past production disruptions and consumers demonstrate enthusiasm for vibrant out-of-home content experiences.

A few recent films have greatly outperformed box office expectations, including Sinners and A Minecraft Movie with wide audience appeal that should continue to have legs. The summer blockbuster season is anchored by powerful proven franchises, Mission Impossible, Jurassic World and a solid base of other titles. Consumer enthusiasm for the movie going experience is a key driver of our growth trajectory as exhibitors turn to Moving iMage to refurbish legacy projectors, servers, audio equipment, lighting and other elements with cutting-edge technology that keeps audiences attuned and eager to return, while also delivering operational efficiencies to the exhibitor.

Our team remains focused on the development of longer-term revenue opportunities at the same time we work to deliver the highest levels of expertise, products and service to our current customer projects. Unfortunately, our business is being impacted by economic and other uncertainties, causing many of our customers to slow their decision-making on needed cinema infrastructure investments, as well as delays in the start times and pace of already approved projects.

It's important to note that we have not lost any business from this customer hesitancy. In fact, we have won and completed some great projects from both new and long-term customers. However, some projects within our approved contracted and development pipeline have been delayed as customers evaluate the impact of changing government policies on their businesses, as well as anticipated consumer spending trends.

Our Q3 '25 revenue of \$3.57 million was impacted by these factors, which have also caused us to reduce our Q4 2025 revenue outlook as several expected projects have slipped into our next fiscal year, starting July 1. Our Q3 2025 revenue included a projection and AV integration at the UCSB Pollock Theatre, and a complete projection, sound, and screen system build-out for Flix Brewhouse's Albuquerque Tramway location, their second location in New Mexico.

Our nationwide ability and strong reputation have kept us at the forefront of conversations with all manner of multiplex operators, independent exhibitors and an expanded base of specialty entertainment venues. Our base of recurring revenue stemming from proprietary products such as pedestals, dimmers, and LED lighting continue to strengthen.

Ongoing customer dialogues, including those at CinemaCon last month, reinforce our belief in the ability of MITQ to capture additional market share from new and existing customers for preeminent exhibition technology products and services. Exhibition customers are moving cautiously given the current economic uncertainties, but clearly recognize our experience and value proposition across our array of products and services.

There really is no room for mistakes or missed timelines when it comes to the complexity of cinema build-outs or technology refreshes. Our ability to manage remodels, new construction, and complete FF&E packages is a key differentiator. Our 20-plus year track record in delivering these complex projects on time and on budget continues to be a critical factor in winning new business.

Selling additional products to our existing customer base is a key part of our plan to increase revenue at the same time we cultivate new relationships. Given our deep understanding of customers' current needs,

we are well positioned to recommend complementary products beyond sound systems and projectors that align with their operational goals. This approach not only drives sales, but also enhances our value as a trusted partner. The combination of these revenue strategies along with our operating cost discipline should enable us to make progress on our profitability goals.

Consumers look to cinema today for a high-quality immersive visual and sound experience, and we are proud to play a key role in this modern equipment ecosystem. We're taking the right steps to position the Company for future growth and profitability while also managing cash to maintain a sound financial runway that can withstand business headwinds or volatility as well as to ramp up new product development investments and consider complementary M&A opportunities.

As always, we appreciate your trust and investment in our ability to help incorporate the next era of technology upgrades across the exhibition industries and other venues that can benefit from our product offering.

Now I'll turn the call over to Bill Greene, our CFO, for some Q3 financial highlights.

William Greene

Thanks, Francois.

We published our Q3 financial statements in our press release this morning and expect to file our Form 10-Q by the end of business this afternoon.

As we have discussed, Q3 2025 revenue declined 8.2% to \$3.571 million. However, we were able to meaningfully reduce our operating loss to \$270,000 from \$649,000 due to a substantial improvement in our gross margin percentage. Gross margin dollars increased 57% to \$1.063 million in Q3 2025 versus \$676,000 in Q3 2024. The improvement reflected a focus on higher margin opportunities in the current period due to the absence of lower margin cinema facility equipment revenue that impacted the year ago period and the benefit of higher margin Caddy product sales in Q3 2025.

We were able to hold the Q3 2025 operating expenses essentially flat at \$1.333 million compared to \$1.325 million in Q3 2024 for headcount and other cost reductions put in place a few quarters ago. That should put us in a stronger position going forward. We continue to achieve savings and payroll and Public Company compliance costs that were offset somewhat by bad debt and rent increases. We do have some ideas on additional expense reduction initiatives but expect the current pace of operating expense to be a reasonable estimate for the next few quarters.

Our Q3 2025 operating loss improved to \$270,000 versus \$649,000 loss in Q3 2024 principally due to the gross margin percentage increase. We also trimmed our Q3 2025 net loss by more than half to \$240,000 loss or \$0.02 per share versus \$601,000 loss or \$0.06 per share in Q3 2024. Importantly, we were able to keep our net cash position steady at \$5.37 million or approximately \$0.54 per common share and we had no long term debt at the close of the Q3 period. Our working capital continues to exceed \$4.4 million which puts us in a very strong position to fund our operations through fiscal 2026 and beyond.

Turning to the fourth quarter outlook and with roughly half of the period still to come, we currently anticipate revenue of approximately \$5.2 million in Q4 2025. This includes a Caddy product sale for an NFL installation to further strengthen our presence in the professional sports market.

Our stadium and arena construction and remodel segment remains robust. Finally, we expect solid progress in the reduction of our net loss on a sequential and on a year-over-year basis.

With that over to you, Operator, we are ready to begin the Q&A session.

Operator

Thank you. We will now be conducting a question-and-answer session. If you would like to ask a question please press star, one on your telephone keypad. A confirmation tone will indicate your line is in the question queue. You may press star, two to remove yourself from the queue. For participants using speaker equipment it may be necessary to pick up the handset before pressing the star keys.

It appears there are no questions. Therefore, we thank you very much. This does conclude today's teleconference. You may disconnect your lines at this time. Thank you again for your participation.