



INVESTOR PRESENTATION

JUNE 2020



Forward Looking Statements Disclaimer Some of the statements in this presentation are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934. The Company generally identifies forward-looking statements in this presentation using words like “believe,” “intend,” “target,” “expect,” “estimate,” “may,” “should,” “plan,” “project,” “contemplate,” “anticipate,” “predict” or similar expressions. You can also identify forward-looking statements by discussions of strategy, plans or intentions. These forward-looking statements are based on the Company’s expectations, assumptions, estimates and projections about its business and the industry in which it operates as of the date of this presentation. These statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s or its industry’s actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. These risks and uncertainties include: our ability to compete effectively in a competitive industry; fluctuations in commodity prices; our ability to appropriately respond to changing merchandise trends and consumer preferences; successful implementation of our store growth strategy; decreases in our Halloween sales; disruption to the transportation system or increases in transportation costs; product recalls or product liability; economic slowdown affecting consumer spending and general economic conditions; loss or actions of third party vendors and loss of the right to use licensed material; disruptions at our manufacturing facilities; and the additional risks and uncertainties set forth in “Risk Factors” in the Company’s latest Form 10-K and in subsequent reports filed with or furnished to the Securities and Exchange Commission. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee future events, outlook, guidance, results, actions, levels of activity, performance or achievements. You are cautioned not to place undue reliance on these forward-looking statements. Except as may be required by any applicable laws, the Company assumes no obligation to publicly update or revise such forward-looking statements, which are made as of the date hereof or the earlier date specified herein, whether as a result of new information, future developments or otherwise.

Non-GAAP Information This presentation includes non-GAAP measures including Adjusted EBITDA and Adjusted Net Income/Loss and Adjusted Earnings per Share. We present these non-GAAP financial measures because we believe they assist investors in comparing our performance across reporting periods on a consistent basis by eliminating items that we do not believe are indicative of our core operating performance. In addition, we use Adjusted EBITDA: (i) as a factor in determining incentive compensation, (ii) to evaluate the effectiveness of our business strategies and (iii) because our credit facilities use Adjusted EBITDA to measure compliance with certain covenants. The Company has reconciled these non-GAAP financial measures with the most directly comparable GAAP financial measures in tables accompanying this release. We also evaluate our results of operations on both an as reported and a constant currency basis. The constant currency presentation, which is a non-GAAP measure, excludes the impact of fluctuations in foreign currency exchange rates. We calculate constant currency percentages by converting our prior-period local currency financial results using the current period exchange rates and comparing these adjusted amounts to our current period reported results. We also provide free cash flow, defined as Adjusted EBITDA less capital expenditures, and net debt leverage, which is calculated by adding Loans and Notes Payable, Current Portion of Long Term Obligations and Long Term Obligations, Excluding Current Portion, subtracting Cash and Cash Equivalents and dividing by Adjusted EBITDA for the trailing twelve month period. Adjusted Earnings per Share is calculated by dividing Adjusted Net Income by the Weighted Average Number of Common Shares-Diluted. We believe providing these non-GAAP measures provides valuable supplemental information regarding our results of operations and leverage, consistent with how we evaluate our performance. In evaluating these non-GAAP financial measures, investors should be aware that in the future the Company may incur expenses or be involved in transactions that are the same as or similar to some of the adjustments in this presentation. The Company’s presentation of non-GAAP financial measures should not be construed to imply that its future results will be unaffected by any such adjustments. The Company has provided this information as a means to evaluate the results of its core operations. Other companies in the Company’s industry may calculate these items differently than it does. Each of these measures is not a measure of performance under GAAP and should not be considered as a substitute for the most directly comparable financial measures prepared in accordance with GAAP. Non-GAAP financial measures have limitations as analytical tools, and investors should not consider them in isolation or as a substitute for analysis of the Company’s results as reported under GAAP.

Our Purpose is to create joy
by making it easy to create
unforgettable memories!



THE PARTY

- Who We Are
- Unique Differentiated Model
- Experiential Store Format
- The Party Vision



THE PARTY

- Who We Are
- Unique Differentiated Model
- Customer Centric Retail Experience
- The Party Vision



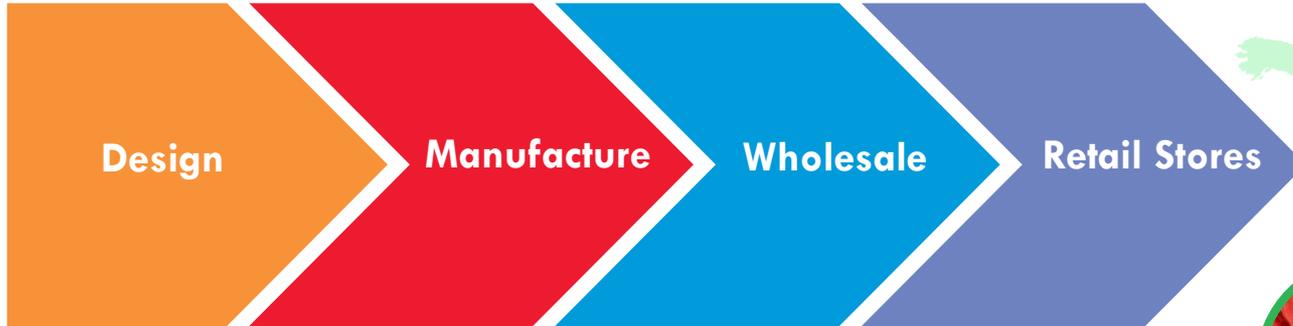
We lead and define the party consumer products category



1 Represents comparison of global sales of the #1 vs. #2 player

Unparalleled capabilities for delivering unforgettable moments

Create *joy* by making *unforgettable* memories.



THE PARTY

- Who We Are
- Unique Differentiated Model
- Customer Centric Retail Experience
- The Party Vision



Uniquely positioned within party goods market

World's largest party good's manufacturer, distributor, retailer



Product design differentiates the customer experience

Unmatched design and innovation capabilities with \approx 200 person team develops proprietary designs and licenses via customer insights



Licenses



Trend

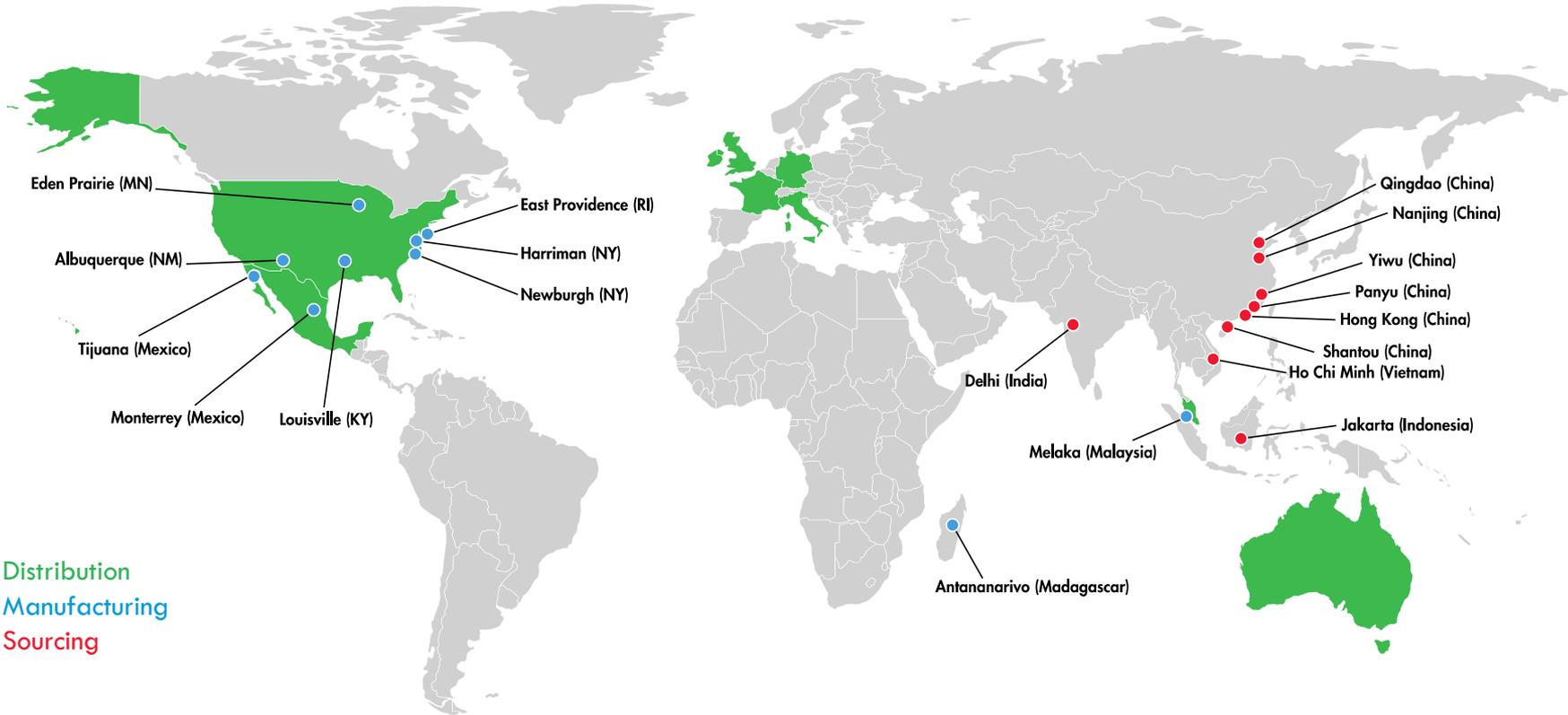


Innovation

Product sourcing & manufacturing excellence drive competitive advantage



Approximately 24% of retail sales is manufactured in-house (largely US based) with strategy to continue to decrease China-based sourced product; Nine sourcing offices



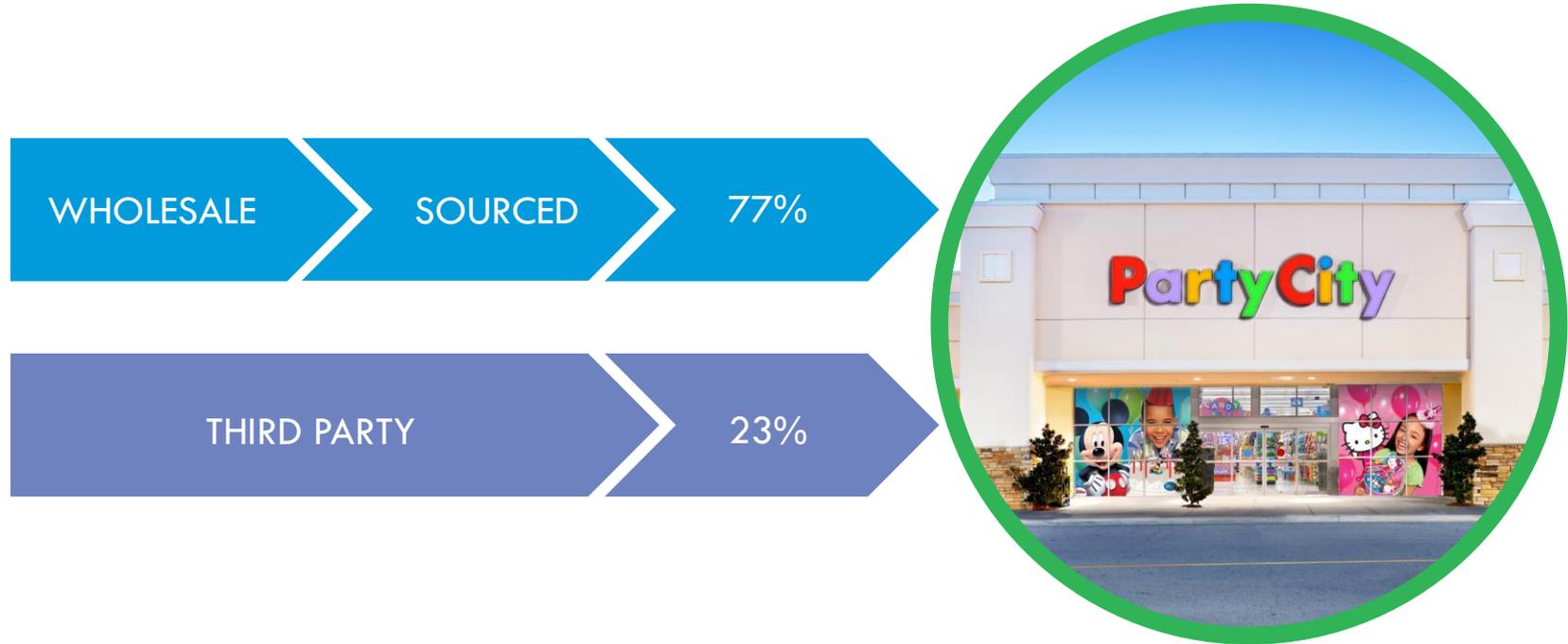
Manufacturing capabilities allow for differentiation, speed to market

Benefit from operating excellence driven by end to end control over product life cycle and pricing

LATEX BALLOONS			FOIL BALLOONS
PAPER PLATES & BOWLS			COSTUMES
PRINTED PAPER DÉCOR & ACCESSORIES			PERSONALIZED PARTY PRODUCTS
PLASTIC TABLEWARE			PIÑATAS, PARTY KITS
INJECTED MOLDED PLASTICS			PAPER CUPS, STRAWS & NAPKINS

Leveraging internal strength to improve retail profitability

Powerful vertically integrated model is a unique competitive advantage that enables margin expansion



THE PARTY

- Who We Are
- Unique Differentiated Model
- **Customer Centric Retail Experience**
- The Party Vision



Customer centric capabilities

Customer first mind-set with the addition of relevant services distinguishes Party City and enables the premier destination for parties and special events



Developing trend-right and ownable assortments

Consumer insights drive our go-to market strategy enabling a personalized experience across touch points

Inspiration



Digital

Trend



Merchandising

Value



Marketing

Halloween destination to inspire customization

Authoritative assortments, merchandising, value and convenience supports easy do-it-yourself experience



Décor



Costumes & Accessories

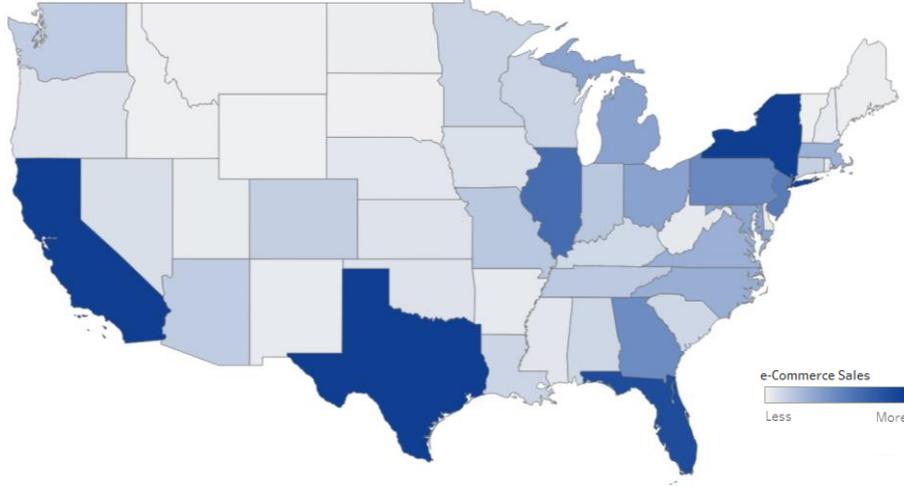


Balloons

Dominant omnichannel platform

E commerce penetration

2019 Core Web + BOPIS Sales

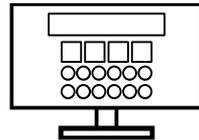


Store Locations

800+ Stores



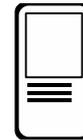
800 Retail Stores
63M customers



PartyCity.com
162M visitors



Email
13M subscribers



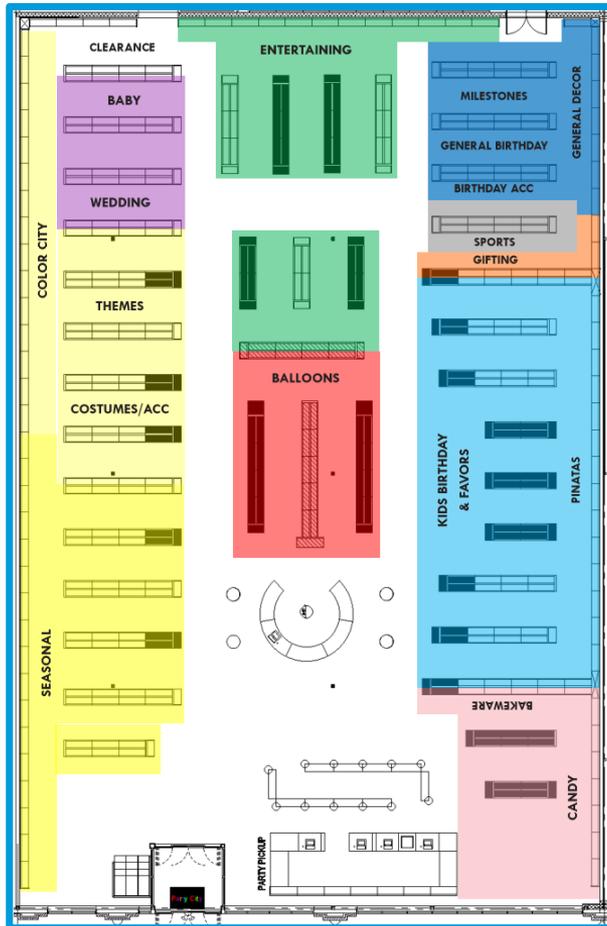
Social Media
4.7M Followers



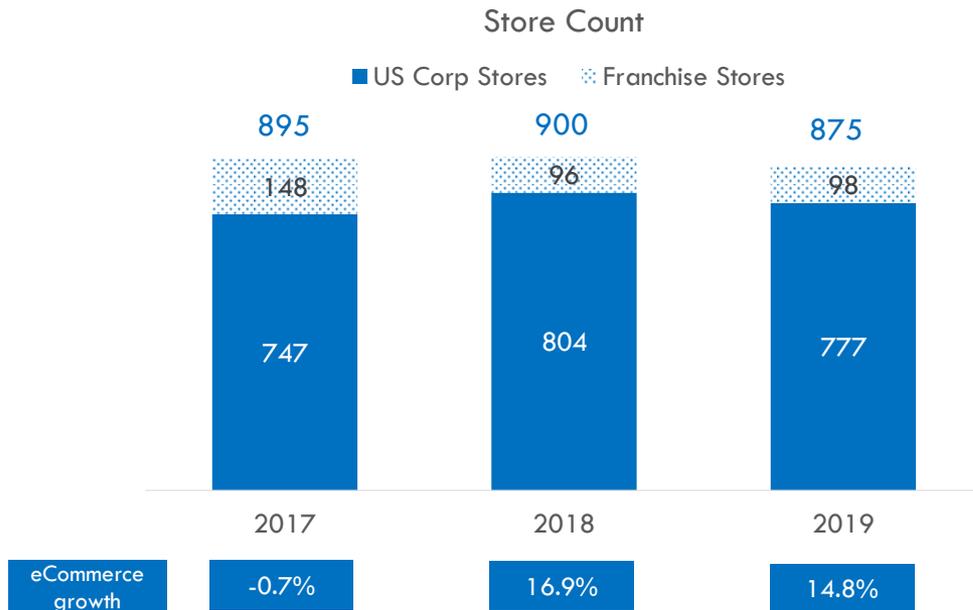
Buy online pick up in store
≈40% of online orders

Piloting experiential store format

- Race track shop-in-shop layout
- Enhanced Balloon shopping experience
- Category adjacencies to improve party solution selling
- Testing low capital investment format



Optimizing store fleet to drive retail profitability



COMPELLING NEW STORE ECONOMICS

Store Size ≈ 12,000 square feet

Net Investment \$450K

Payback Period ≈ 2 years

THE PARTY

- Who We Are
- Unique Differentiated Model
- Customer Centric Retail Experience
- The Party Vision



The Path to a Party Platform



PARTY SUPPLIES COMPANY

- Party product manufacturer, wholesaler and distributor
- Convenient retail locations
- E-Commerce basics



FULLY INTEGRATED VERTICAL RETAILER

- Optimized inventory, assortment and space
- Efficient enterprise supply chain
- Selling culture focused on customer needs
- Enhanced omni-channel



MEMORY MAKERS & PLANNING EXPERTS

- In-store and online integrated party planning services
- Dedicated local services platform
- Highly personalized engagement needs
- Fully omni-channel



A PARTY PLATFORM

- Technology enabled
- One-stop-shop
- End-to-end services
- Predictor of needs & wants



2020 Priorities to stabilize retail performance



Pilot in-store
experience
enhancements



WIN with
balloons



Address
price value
perception



Improve
in-store customer
engagement



Enhance digital
omni-channel
capabilities



PCHI

PARTY CITY HOLDINGS, INC.