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Theater Owners Celebrate A Robust 2019 Box Office And Note Strength Of Upcoming Films

- *2019 second-highest box office ever*
- *2020 and 2021 offer a broader and more diverse slate; more tentpoles from wider range of distributors*
- *Movies grossing under \$100 million grossed the same in 2018; unaffected by streaming*
- *What disruption really looks like*

(January 10, 2020 -Los Angeles, Calif.) Theater owners today celebrated the confirmation of the second highest domestic box office in history \$11.4 billion - with the release of official 2019 domestic box office data from Comscore, and expressed confidence and optimism in prospects for the 2020 and 2021 movie slates.

“As we knew all year, despite a really large deficit in the first quarter, 2019 was a strong year for movie theaters and moviegoing, as we roared back with the second-highest box office ever,” said Cineplex CEO and NATO Chairman Ellis Jacob. “A vigorous year-end period will carry over - note this weekend’s wide expansion of *1917* - into a 2020 calendar packed with an even wider range of movie choices than we had in 2019.”

NATO President and CEO John Fithian noted “Through every challenge, through every new technology innovation over the last twenty years, theatrical admissions have been stable and box office has consistently grown. We look forward to 2020 when a wider range of studios and filmmakers offer audiences more opportunities for even more moviegoing.”

2019 second-highest box office ever

While there has been a lot of focus on studio market share and the large share of box office for the top 10 titles, it is important to note that box office composition changes every year, and audiences, not pundits, tell us whether it works. Despite a lack of strong Q4 carry-over from 2018 (the single biggest factor in the difference between 2018 and 2019, accounting for more than \$300 million), 2019’s domestic box office was the second-highest of all time (\$11.4 billion), and it marked the fifth year in a row that the domestic box office exceeded \$11 billion.

2020 and 2021 offer a broader and more diverse slate; more tentpoles from wider range of distributors

Looking ahead at the release slates in 2020 and 2021, it's clear that there's a strong mix of established franchises and exciting original films from talented filmmakers. A wide range of options is exactly what moviegoers ask for, and as a result we remain incredibly confident about the strength of the theatrical space. There are 10 more "event titles" on the 2020 schedule than there were in 2019, which will offer more choices to moviegoers from a wider range of distributors.

To name just a few highly anticipated titles: *Birds Of Prey (And The Fantabulous Emancipation Of One Harley Quinn)*, *A Quiet Place Part II*, *Mulan*, *The New Mutants*, *Peter Rabbit 2: The Runaway*, *Black Widow*, *The Spongebob Movie: Sponge On The Run*, *Untitled Saw Film*, *Fast & Furious 9*, *Wonder Woman 1984*, *Soul*, *Top Gun Maverick*, *In The Heights*, *Minions: The Rise Of Gru*, *Free Guy*, *Ghostbusters: Afterlife*, *Tenet*, *Jungle Cruise*, *Bill & Ted Face The Music*, *The Hitman's Wife's Bodyguard*, *The King's Man*, *The Many Saints Of Newark*, *Venom 2*, *Death On The Nile*, *The Eternals*, *Godzilla vs. Kong*, *Dune*, *Coming To America Sequel*, and *West Side Story* are all coming in 2020.

Already slated for the still developing 2021 calendar are: *Mortal Kombat*, *Cinderella*, *Shang Chi And The Legend Of The Ten Rings*, *Untitled M. Night Shyamalan Thriller*, *Masters Of The Universe*, *Tomb Raider 2*, *Fast & Furious 10*, *Doctor Strange In The Multiverse Of Madness*, *John Wick: Chapter 4*, *Untitled The Matrix Film*, *Cruella*, *Jurassic World 3*, *Untitled Pixar Animation*, *The Batman*, *Untitled Indiana Jones*, *Space Jam 2*, *Untitled Spider-Man Far From Home Sequel*, *Mission: Impossible 7*, *The Suicide Squad*, *Thor: Love And Thunder*, *Untitled Fantastic Beasts 3*, *Dungeons & Dragons*, *Avatar 2*, *Wicked*, *Hotel Transylvania 4*, and *Black Adam*.

Movies grossing under \$100 million grossed the same in 2018; unaffected by streaming

Despite the focus on the share of the top 10 movies in 2019, movies grossing over \$100 million actually accounted for the same share of the total box office in 2019 as in 2018 (63.8% v 63.9%). More significantly, titles grossing under \$100 million accounted for essentially the same revenue at the box office in 2019 as in 2018 (\$4.41 billion v \$4.43 billion). These are the exact type of movies that streaming is said to be harming.

With numbers like that, it's clear that the impact of streaming on our business is greatly exaggerated. Surveys conducted by NATO, MPA, and Screen Engine/ASI show that the most frequent moviegoers are also the consumers who stream the most. Fandango found that younger moviegoers who subscribed to streaming services intended to see more movies in theaters over the holiday period than non-subscribers. In short: there is room for both to prosper.

What disruption really looks like

Disruption is a word that is thrown around a lot in this industry, but let's look at what disruption looks like:

- In 2004, prior to the advent of streaming, transactional home video revenue stood at \$24.7 billion. In 2018, it was \$10.366 billion (-58%). That number is expected to fall well below \$10 billion in 2019.
- By contrast domestic theatrical box office in 2004 was \$9.29 billion and hit a record \$11.88 billion in 2018 (+27.8%). 2019 box office will be up 23% from 2004. Over that period, yearly attendance has fluctuated, based on the movies in the market, from down 7.4% to up 6.2%, but has moved within a range between 1.23 billion and 1.41 billion.

NATO will release official 2019 Q4 and full year admissions later in January.

ABOUT NATO

The National Association of Theatre Owners is the largest exhibition trade organization in the world, representing more than 33,000 movie screens in all 50 states, and more than 32,000 additional screens in 103 countries worldwide.

Headquartered in Washington, D.C., with a second office in Los Angeles, California, NATO represents its members in the heart of the nation's capital as well as the center of the entertainment industry. From these vantage points, NATO helps exhibition influence federal policy-making and work with movie distributors on all areas of mutual concern, from new technologies to legislation, marketing, and First Amendment issues. www.natoonline.org

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