



National Association of Theatre Owners

Advancing the Moviegoing Experience

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CinemaCon State of the Industry

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Welcome to CinemaCon 2023, everyone!

We have an amazing week ahead of us. Let's give Sony another round of applause for kicking it off last night in a big way!

ALL of the studios here this week have incredible presentations in store.

Warner Bros. is on deck this morning, and they will screen *The Flash* later this afternoon. Their growing slate in '23 and beyond proves their strong commitment to theatrical.

Tomorrow morning, Disney will show off their slate full of immensely popular brands right before screening *The Boogeyman*, which is one of several recent titles that was switched from a streaming play to a theatrical play.

Tomorrow afternoon, Universal—fresh off the massive success of *The Super Mario Bros. Movie*—will show us what else they have lined up, and Focus' presentation will prove again that prestigious films with mid-range budgets belong in theaters.

Paramount will kick things off on Thursday morning with an energetic presentation. There is no questioning whether their slate looks strong. The only real question is: what outfit will Chris Aronson wear this year?

Finally, Lionsgate will close out the week with a slate presentation followed by a screening of the highly anticipated new comedy *Joy Ride*, which currently has a 100% approval rating on Rotten Tomatoes.

The enthusiasm of our studio partners is matched by our vendors and attendees. This is going to be the best show we've ever hosted!

I want to take a moment to thank our partners: ICTA, led by Frank Tees, and NAC, led by Denise de Zutter. Thank you as well to NCM for designing today's presentation.

We would not be here today without the tireless leadership of NATO's Executive Board, led by Chairman Rolando Rodriguez—this morning's NATO Marquee Award recipient—and Vice Chairman Bob Bagby. Please join me in a round of applause to

I also want to give a quick shout out to all Regal GMs in attendance!

One of the key themes that will emerge this week is OPTIMISM. Our industry is off to an incredible start in 2023. And why are we off to such a great start? Well, the explanation is a simple one: we have more movies to play.

In 2022, we had 71 movies open on 2,000+ screens. This year, we will have more than 100, and new titles are being added at a steady pace.

Our optimism grows further beyond '23, because the major studios are all aggressively claiming release dates for major titles in 2024 & beyond.

It is now more irrefutable than ever that theatrical is the keystone of the movie industry. Releasing major films with massive budgets directly to streaming platforms is not a sustainable business model. The return on investment is non-existent.

Movie fans want a theatrical release to help them decide on what their best viewing options are. According to data released by The Cinema Foundation in their first State of the Cinema Industry report, 9-out-of-10 people are aware when a movie was

released theatrically and 50% are more likely to watch theatrically released titles when considering their options on streaming platforms.

That's why we are encouraged by the commitment to theatrical that Apple and Amazon are showing, and we will be celebrating that commitment this week. Last night, we saw incredible footage from Apple's *Napoleon* from legendary director Ridley Scott and Oscar-winning star Joaquin Phoenix, which Sony will release in November. Later this week, we will hear about the theatrical release of Apple's *Killers of the Flower Moon*—a historic collaboration that teams the iconic Martin Scorsese with two of his best collaborators: Robert De Niro and Leonardo DiCaprio. Paramount releases the film in October.

As for Amazon, we celebrate the recent success of *Air* and their commitment to the theatrical experience and bringing people back to theaters. Though *Air* was sold as a streaming movie, Ben Affleck and the entire filmmaking team really delivered a crowd-pleaser with universal themes, transcending a typical sports, deal, or business movie. It's a film deserving a true theatrical experience and Amazon Studios gave it just that.

I want to take a moment to talk about the value of this industry we have devoted ourselves to. The words product and content are still used far too often, and they diminish the value this industry provides. We are not in the widget business. We are in the movie business, and movies are what we bring to our audiences. Movies are fun, entertaining, and sometimes art. When we speak of that art – the art of cinema - let's use that word. It is the word we use to describe the greatest artform of all time. Product is something that you use to keep your hair styled. Content makes something sound disposable; content may have shifted during transit. MOVIES are about pleasure, and CINEMA signifies lasting power and cultural relevancy.

I want to talk a bit about what we have accomplished at NATO, and why we're so excited about the future.

We have built up an incredibly engaged and passionate membership over the last few decades. There are so many in our industry who selflessly devote the little free time they have to ensure our industry stays strong. The numbers don't lie:

2,829 recipients of general NATO updates

643 members of various committees and task forces

23% individual committee participation

304 Member Companies represented on Committees & Task Forces out of 849 Member companies

36% Member Companies represented on Committees & Task Forces

As a demonstration of the volunteer army of members that keeps NATO strong and continues to advance cinema, I would like all the members who participate in NATO in some way to stand up!

We have built valuable alliances with major trade bodies and guilds in order to ensure cinema's crucial role in this industry.

Our government relations efforts helped saved this industry as it faced an existential crisis. A letter signed by more than 100 leading directors and producers led to grants and tax benefits that provided much needed support during a difficult time. Our government relations work is ongoing and more important than ever.

We have launched The Cinema Foundation, which is currently led by President Jackie Brenneman and Executive Director Bryan Braunlich. You will hear a lot more about The Cinema Foundation throughout the week. I promise that the impact it will have on this industry is going to be substantial. Indeed, with the launch of National Cinema Day and the release of the first-ever comprehensive theatrical data report, the Foundation is already moving the industry forward. The Cinema Foundation will continue to bring together stakeholders across the industry to work toward a shared goal.

I am excited to see what Michael O'Leary will accomplish as the next President & CEO of NATO when he takes over in a just few days. I have known Michael for many years, and he is a born leader with extensive experience in government relations and knowledge of the movie industry too. As I ask Michael to stand up won't you please join me in a big CinemaCon welcome!

Finally, I have a personal request. If you can stay at CinemaCon through the final night on Thursday that would mean a great deal to me. I have the honor that evening to say a few goodbyes and to present an award to Chris Nolan and Emma Thomas - two of the most dedicated champions of cinema.

Thank you all so much!