

GOWER
STREET

State Of The Market

Global Summary

Tuesday 25th July, 2023

This report was updated by Gower Street Analytics on Tuesday 25th July, 2023, at 16:43:00 UK time, using the latest information from Comscore Movies.

Editorial

Dear industry partners,

In these challenging times, all of us at Gower Street felt it was our duty to support the theatrical industry by doing what we do best: use data to understand where we are right now, look for ways to objectively measure recovery and make recommendations on the steps we have to take to accelerate it.

This report was created by the following Gower Street Labs team members:

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On our website at gower.st/reports you can buy the latest reports or you can purchase subscriptions to receive them regularly. Please get in touch if you have any specific comments or questions.

Best Regards,
Dimitrios Mitsinikos

Founder & CEO, Gower Street Analytics

Data Sources

Our source for theatrical data is Comscore Movies.

We have found that the best source for epidemiological data for COVID-19 is the John Hopkins University website. They started tracking the progress of the disease by country on January 22 on a daily basis and they make the data available in CSV formats.

Main page: bit.ly/GSA_JHU

Dashboard: bit.ly/GSA_JHU_dashboard

State of the Global Theatrical Industry

The 'Barbenheimer' phenomenon delivered this past weekend as Greta Gerwig's BARBIE and Christopher Nolan's OPPENHEIMER combined for an astonishing \$536.7 million. The Domestic market delivered a \$311.25 million weekend - the 4th biggest weekend ever and the biggest since the release of AVENGERS: ENDGAME at the end of April 2019.

BARBIE ruled both Domestic and International charts scoring a global launch of \$356.3 million. It scored the third biggest ever global opening for Warner Bros, behind only the final HARRY POTTER and BATMAN VSUPERMAN: DAWN OF JUSTICE, and set all-time opening records for the studio in 26 International markets, including Australia, Mexico, and Brazil.

The opening weekend alone was enough to see BARBIE rocket past the lifetime totals of earlier summer releases including INDIANA JONES AND THE DIAL OF DESTINY (\$335m to date) and Warner Bros' own THE FLASH (\$268m). With Japan (Aug. 11) among markets still to come BARBIE's opening puts it well on course to become the first live action directed by a female director to gross over \$1 billion worldwide. Only Jennifer Lee, director of Disney animated hits FROZEN and FROZEN II, had previously achieved the \$1 billion mark. The 2023 summer has been in need of a \$1 billion hit.

The Domestic result (\$162m) was the biggest ever opening for a female directed film and snuck into the all-time top 20 ahead of, ironically, Nolan's THE DARK KNIGHT RISES. The top international markets were UK/Ireland (\$23.8m), Mexico (\$23m), Brazil (\$17.8m), Australia (\$14.6m), and France (\$10.2m). The UK launch was the #18 all-time opening, and #1 opening for a female director.

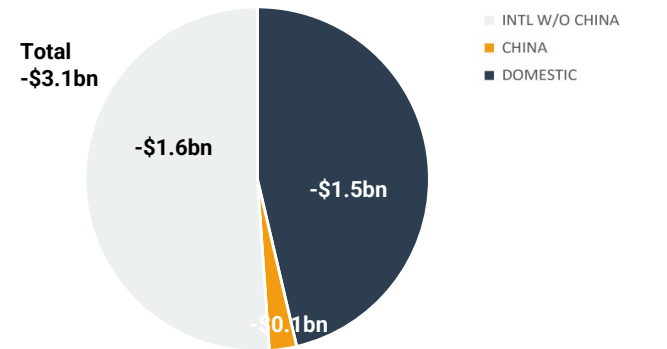
OPPENHEIMER was no slouch in second place with a \$180.4 million launch that will bring hope back after a number of box office disappointments for dramas from big name directors. The opening weekend alone was bigger than the combined lifetime totals of the latest films from Steven Spielberg (THE FABELMANS - \$45.6m), Darren Aronofsky (THE WHALE - \$54.8m), and Damien Chazelle (BABYLON - \$63.4m). It also delivered more than the lifetime of Ridley Scott's HOUSE OF GUCCI in 2021 (\$153.3m) - one of the few adult dramas to deliver post-pandemic.

The Domestic result (\$82.5m) gave Christopher Nolan his biggest opening for a non-sequel, coming in ahead of INCEPTION (\$62.8m). In Nolan's entire back catalogue only Batman sequels THE DARK KNIGHT (\$158.4m) and THE DARK KNIGHT RISES (\$160.9m) came in higher!

International markets were, unsurprisingly, led by UK/Ireland (\$14m). In local currency the £10.9 million debut was also Nolan's best non-sequel launch, this time

ahead of DUNKIRK (£10.05m), and behind only THE DARK KNIGHT (£11.2m) and THE DARK KNIGHT RISES (£14.3m). Other top markets were India (\$7m), France (\$6.85m), Germany (\$6.69m), and Australia (\$6.36m). OPPENHEIMER scored #1s in the Netherlands and Hong Kong ahead of BARBIE, as well as in Saudi Arabia and UAE (neither of which released BARBIE). It also finished ahead of BARBIE in Taiwan, but still had to settle for second place behind a still dominant MISSION: IMPOSSIBLE - DEAD RECKONING, PART ONE.

While the 'Barbenheimer' marketing proved a boon for both titles it made life difficult for Tom Cruise and co. as MISSION: IMPOSSIBLE - DEAD RECKONING, PART ONE saw sizeable drops in many markets for a second weekend of \$74.4 million globally. The Domestic market saw it drop to 4th place with a -65% dive that was by far the biggest drop in the franchise's history! There was good news in Japan where the film opened #1 (\$7.8m), quickly dethroning Hayao Miyazaki's THE BOY AND THE HERON, with the biggest opening in the franchise to date. The worldwide total stands at \$370.7 million after two weekends.

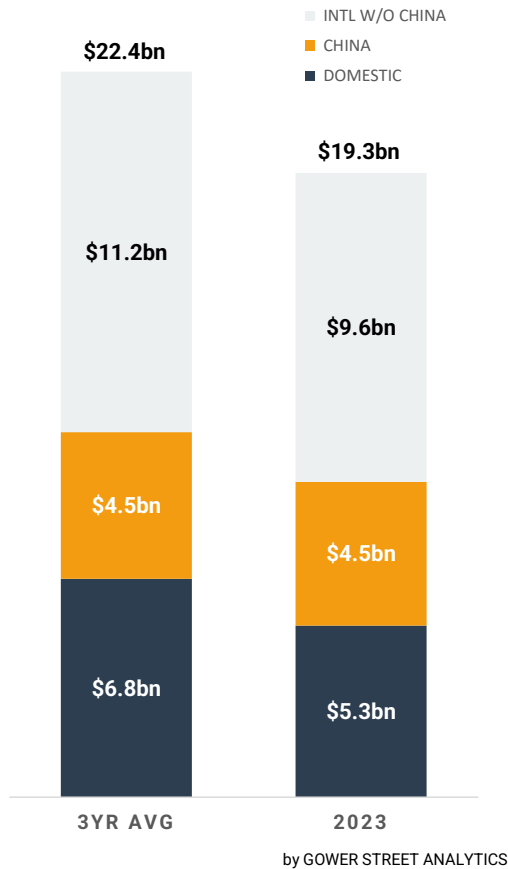


by GOWER STREET ANALYTICS

Global total GBO Gains and Losses (in \$B)

The three featured graphics display how business tracked in 2023 in the Domestic market, in China, and internationally (excluding China), with focus not only on global cumes but also where the losses came from.

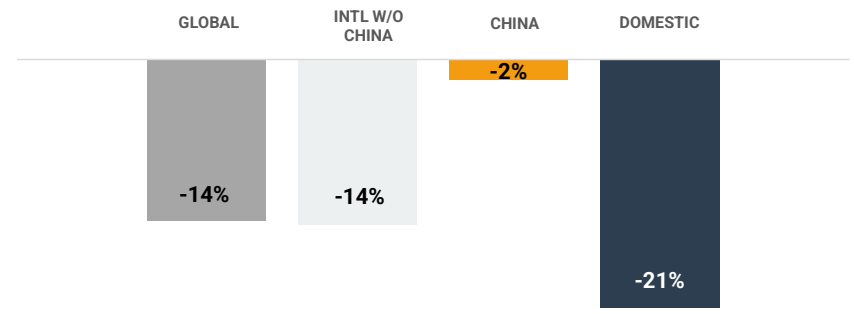
The market share of global cinemas operating currently stands at 87%.



Global GBO* Cume (in \$B)

In Latin America, having stood on par with its pre-pandemic three-year average a month ago (+0.2%), Mexico has fallen back to -6%.

Both major International English-language markets now show a deficit against 2022 at the same stage: UK/Ireland -4% and Australia -7%, though both have shown an improvement week-on-week. All other major International territories show significant gains, while the the Domestic market is currently +15% on 2022).



by GOWER STREET ANALYTICS

Global % GBO Gains and Losses

As of July 22, Gower Street estimates that global box office in 2023 currently stands at approximately \$19.3 billion. This is tracking 28% ahead of 2022 at the same stage (\$15.1bn), and is -14% behind the average of the last three pre-pandemic years (2017-2019).

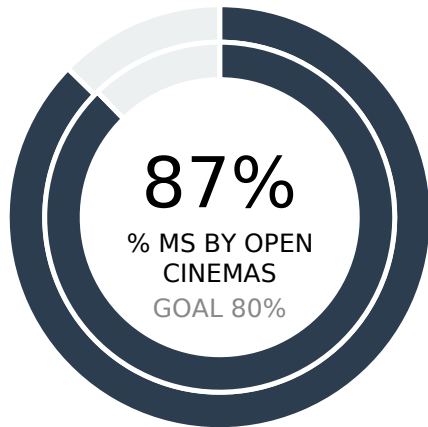
China has fallen behind its pre-pandemic three-year average, but the recent success of Dragon Boat Festival release LOST IN THE STARS and several strong releases in the past three weeks have narrowed the deficit from -13% four weeks ago to just -2% this past weekend. In the EMEA region, the Netherlands (+3%) and Austria (+7%) remain ahead of their pre-pandemic averages.

Japan is once again tracking ahead of its 2017-2019 average again (+3%), up from a negative -5% at the start of May.

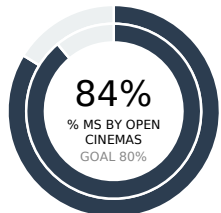
The Domestic market is now tracking -21% behind the three-year average. Most US states are tracking up on 2022 with New York, Rhode Island and Maryland (all +24%) showing the biggest improvement. However 4 states have now fallen behind 2022: Montana, South Dakota, and Wyoming (all -4%), and Idaho (-1%). Compared to the pre-pandemic average the strongest performing states in 2023 are Texas (-13% behind), Rhode Island (-14%), and Tennessee (-15%), while Vermont shows the biggest gap compared to pre-pandemic years (-39%).

The International market (exc. China) is currently +22% ahead of 2022, while the deficit compared to the 2017-2019 average is at -14%.

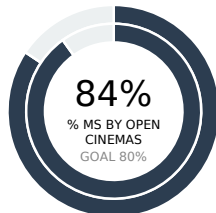
Global cases of the virus have now topped 691 million (691.8m).



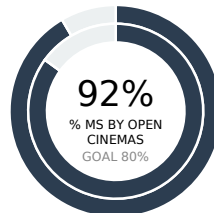
GLOBAL



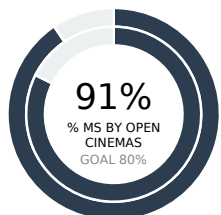
DOMESTIC



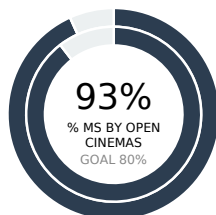
CHINA



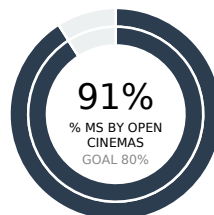
INTL W/O CHN



EMEA



APAC (w/o CHN)



LATAM

Regional Trackers

5-Stage Blueprint to Recovery

Every successful building project must start with a blueprint; before foundations are laid or a first brick can be set in place.

Everyone across our industry witnessed the devastating impact COVID-19 had around the world in 2020 and 2021. Its impact continues, though not with the same severity or consistency. Even so the ebb and flow of cases causes consternation among nervous distributors and resulting changes in the release calendar (as well as changes to distribution models) cause additional concerns for exhibition.

Though all markets have now re-opened at some point many have seen re-closures, often multiple times, impacting national and regional box office.

With these constant changes it has never been more important to identify and understand the signs of potential recovery. It is also vital to reset those signs when necessary, as well as track sustainability of business in markets that have achieved important recovery benchmarks.

It is with this in mind that Gower Street created a considered blueprint to recovery, marking five key and identifiable stages which can be applied on city, county, state, territory, regional or global scales, depending on your focus:

Stage 1: Open Day

The foundation point at which a significant majority, 80% by market share, of cinemas are ready to begin operation providing a base from which to build on.

Stage 2: Base Day

The first day of operation in which box office reaches the lowest day's box office result from the past two years. This would signify a core audience willingness to return to cinemas irrespective of the product offering.

Stage 3: Base Week

The first full-week of operation in which box office reaches the lowest week's box office result from the past two years. This would signify consistency of audience engagement over a minimum period.

Stage 4: Material Week

A significant milestone from which to build on. This would be the first full-week to achieve a median level of the weekly business seen across the past two years. This would signify broader customer comfort with returning to the cinema environment and require compelling content to bring them in.

Stage 5: Recovery Week

This would be a week with equivalent performance to those in the top quartile of weekly business in the past two years. This would be dependent on a robust release calendar.

From this point it would be hoped the market should react as normal, with an ebb and flow dependent on the release calendar.

However, with reclosers and a still inconsistent calendar we have seen many markets struggle to maintain consistent levels of business. Ideally, once achieved, a market should maintain business above a Stage 3 level with frequent Stage 4 play-weeks and some Stage 5 play-weeks.

To track this we have additionally introduced a market tracker to each market-view page of this report. This shows where play-weeks over the past year sit within the Stage 3-5 target levels.

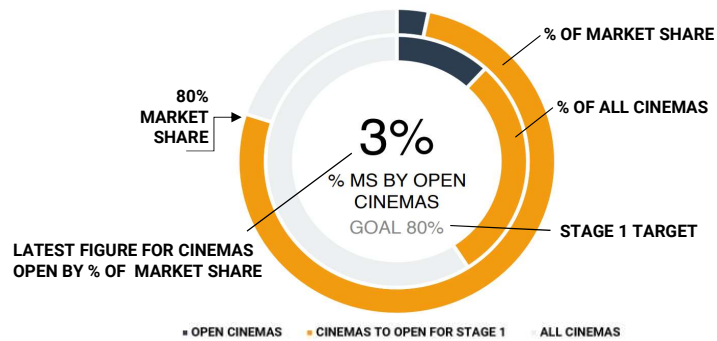
China was the first market to achieve Stage 5, back in August 2020. Japan also did so in 2020, while Russia became the first European market to achieve Stage 5 in the first play-week of 2021 (beginning Dec. 31, 2020). By the close of 2021 all but one (South Korea) of the 30 major markets tracked in this report had achieved Stage 5. 18 only did so for the first time in December 2021, including the Domestic market, while UAE and Colombia only managed it in the final week of November.

Market Growth Trackers Explained

Each market-specific page of this report features our Growth Trackers; 5 donut graphs that measure progress towards each of the 5 identified stages of our Blueprint To Recovery (see previous page for detail). With these donut graphs we aim to help individual markets measure their own growth and identify others that might provide planning guidance.

So, how do they work?

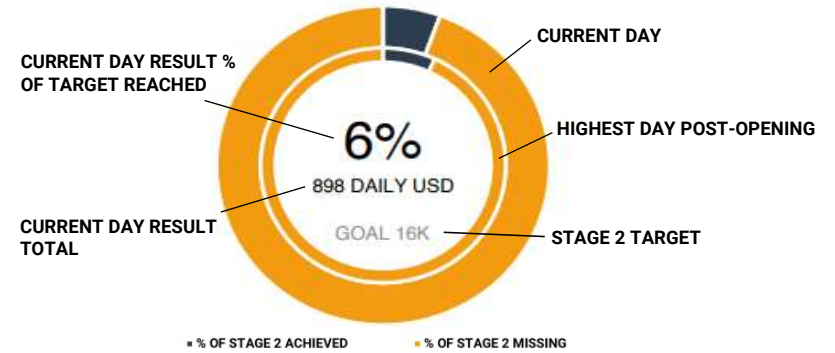
The stage 1 donut looks at cinemas open. The outer edge measures normal market share of the cinemas currently open (in blue) and progress toward the 80% requirement (orange). The grey is the remaining 20%.



Stage 1

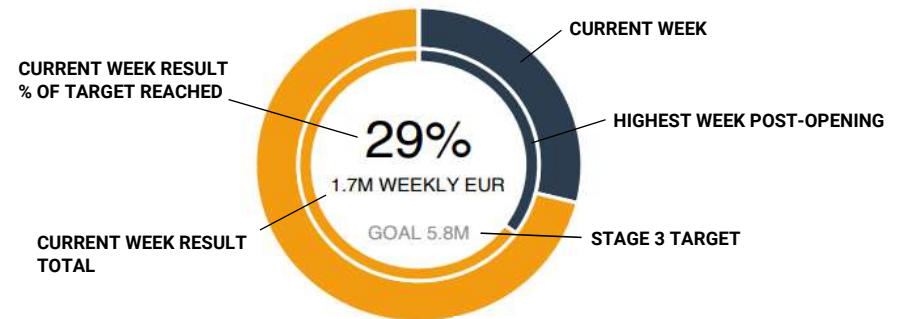
The inner edge measures the actual number of open cinemas. Here the blue section is cinemas reporting; orange is minimum number of cinemas required to hit 80% market share in a normal year; grey is total number of cinemas in the market that report to Comscore.

The latest week's figures for cinemas open by market share (and the goal) are displayed in the donut hole.



Stage 2

The stage 2-5 donuts measure box office targets. The donut hole shows the day (stage 2) or week (stages 3-5) goals alongside the result for the current day or week and the percentage of the target reached. If the target has been reached then the date this was first achieved is displayed in the donut hole.



Stage 3

Here, the outer edge of the donut shows the current day or week percentage result. The inner edge shows the best day or week result recorded so far since recovery began. This is useful in seeing any regression as well as improvement.

Additionally each market-specific page also features a graph, below the donuts, that tracks how well each market has sustained its recovery over the past year. Each play-week shows which, if any, of the full play-week stages (stages 3-5) have been achieved and where business is falling short of a "base" level.