

A Fresh Take

Staying ahead of evolving dynamics in the marketplace and our culture

I Know What You Did This Summer

Harnessing consumer momentum at the movies





We crave experiences.

As we entered 2022, consumers began to more confidently embrace a post-pandemic future, where they could once again satisfy their hunger for experiences – especially communal, social events.

This ‘celebratory’ environment is seen in many places, but, most notably, at the Cinema. The movie-going experience offers marketers a unique opportunity to engage consumers who are energized, attentive and receptive.

1

**Cinema delivers on people's
'post-pandemic' need for shared,
communal experiences**

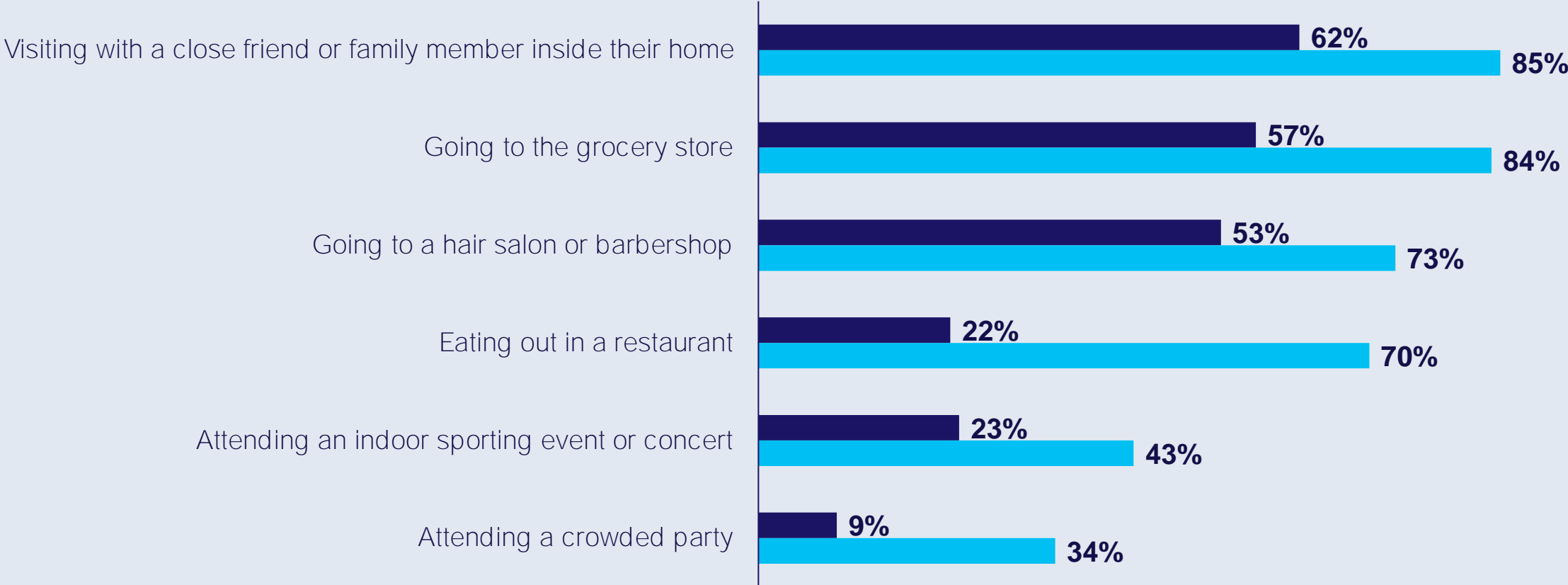


After two years of the pandemic, Americans have become increasingly comfortable with communal experiences and activities

▶ 72% of adults 18-34 and 66% of adults 18-49 are seeking out opportunities for live in-person events and experiences now more than ever before*

% of U.S. adults who say, given the current situation with the coronavirus outbreak, they feel comfortable doing each of the following

■ Mar 2020 ■ Jan 2022

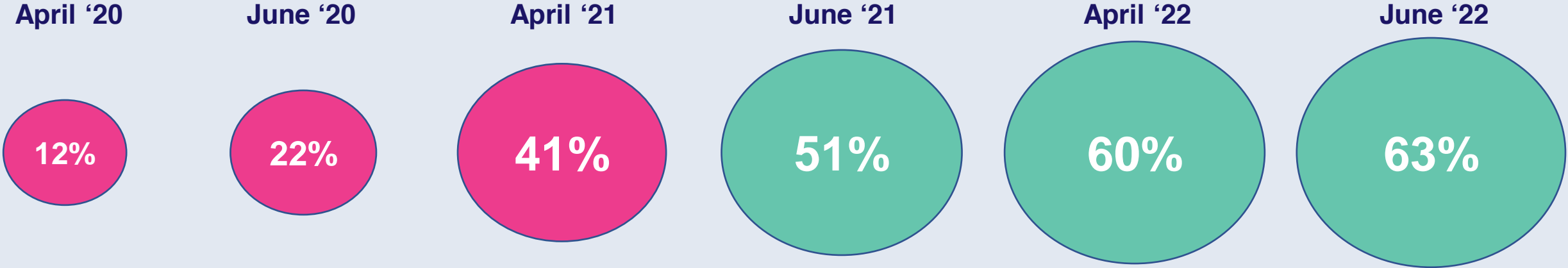


Source: Pew Research Center, 'Increasing Public Criticism, Confusion Over COVID-19 Response in U.S.'. Survey conducted January 24-30, 2022. *Screenvision Custom Study; Screen Engine/ASI, LLC (www.screenengineasi.com), April-May 2022.

Their comfort with returning to normalcy is also extending to movie-going

► Furthermore, there is nearly universal satisfaction from moviegoers specifically - 89% of adult 18+ moviegoers and 93% of adult 18-34 moviegoers are comfortable with attending movie theaters*

% of U.S. adults who said they feel comfortable 'going to the movies'



Gen Z:	77%
Millennials:	70%
Gen Xers:	65%

Source: Morning Consult, 'Tracking the Return to Normal: Entertainment', April '20 = 4/30/20, June '20 = 6/26/20, April '21 = 4/25/21, June '21 = 6/20/21, April '22 = 4/23/22, June '22 = 6/20/22. *Screenvision Custom Study; Screen Engine/ASI, LLC (www.screenengineasi.com), April-May 2022. How comfortable are you attending the movies in the movie theater currently? (very / somewhat / not very / not at all comfortable); %'s reflect 'very' or 'somewhat' comfortable.



“The **cinema is a magical place** to escape.
Total immersion in the film, nobody interrupts me.
I get to have my favorite movie popcorn and Coke Zero.
I get to laugh with friends. Nothing compares!”

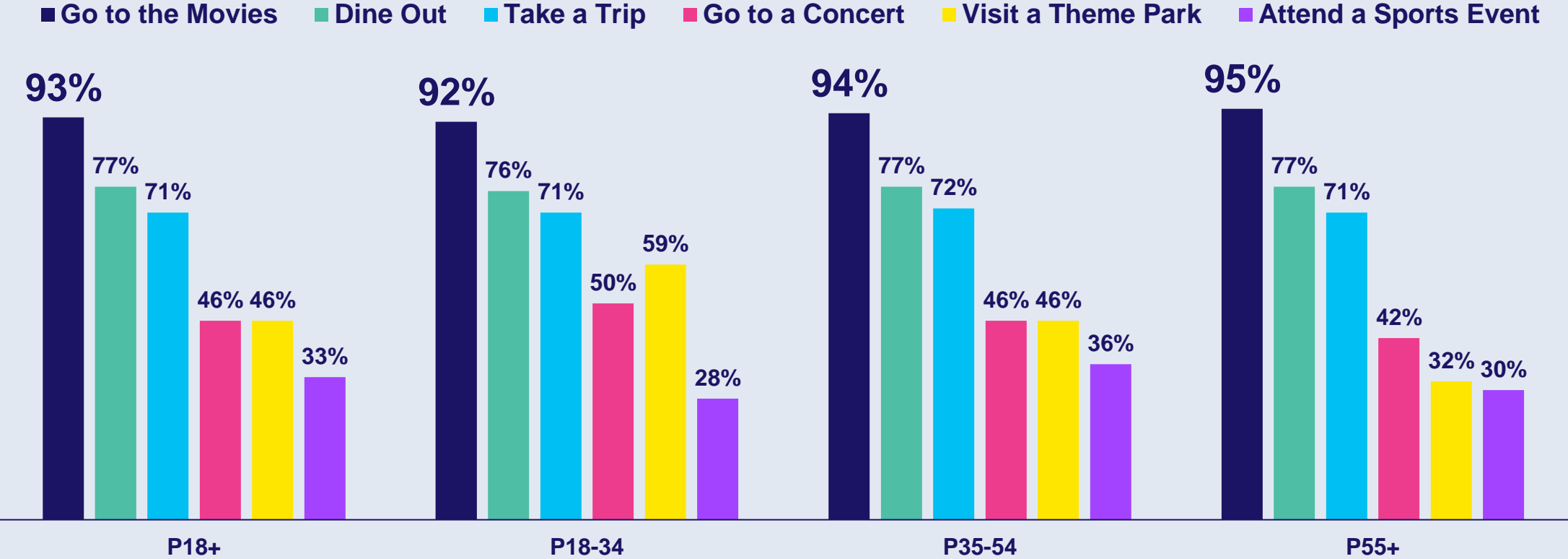
- A verbatim from a current moviegoer
(in response to ‘why they prioritize seeing a movie at a movie theater’)

By summer, movie-going was by far the preferred entertainment ‘celebration’ across all key audiences

▶ The communal aspect and accessibility of movie theaters also resonates with diverse audiences as 93% of Black, 91% of Hispanic and 93% of Asian audiences say that ‘going to the movies’ is one of their favorite leisure activities

“Which of the following are among your favorite leisure activities?”

Respondents could choose multiple activities



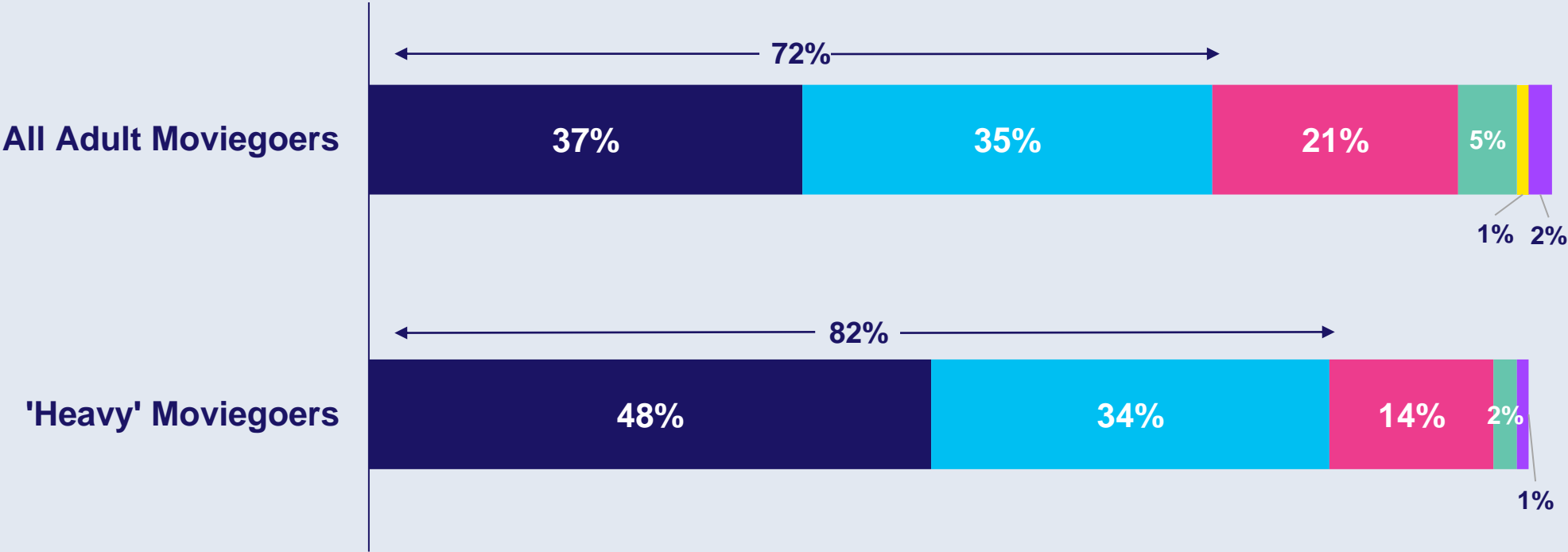
Source: NCM, ‘Behind The Screens’ Panel, August 2022. n=1,402, surveyed between August 3-8, 2022.

Excited for returning to an activity that they enjoyed pre-pandemic, most moviegoers headed out to see the latest summer movie during their first week of release

“When do you typically see a movie you want to see in the theater?”

Respondents had to choose one response

■ Opening Weekend ■ Within First Week (Not Opening Weekend) ■ Week 2 ■ Week 3 ■ Week 4 ■ One Month or More Later



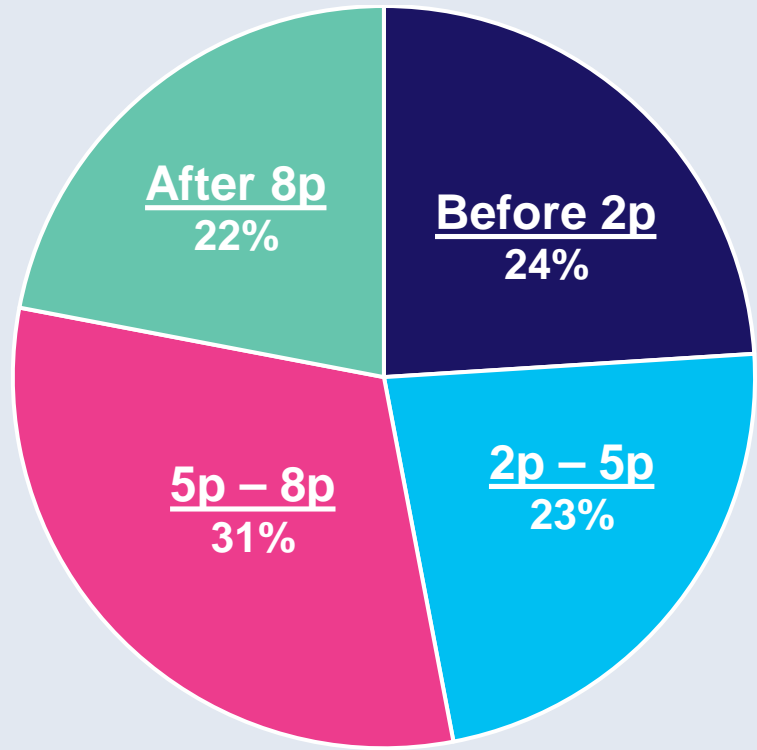
Source: Screenvision Custom Study; Screen Engine/ASI, LLC (www.screenengineasi.com), April-May 2022. “Heavy’ moviegoers are planning to see 14 movies in the theater during 2022 (median average) vs. ‘all adult moviegoers’ who are planning to see eight movies in the theater during 2022 (median average).

People clamor to see the latest releases whenever they can, with audiences heading to the movies throughout the weekend



Share of Cinema Attendance by Time Period

based on the Saturday of opening weekend for select major summer releases*



Source: Screendollars Newsletter, average based attendance figures reported by Screendollars for the following movies: Dr. Strange in the Multiverse of Madness (Screendollars, 5/9/22), Jurassic World: Dominion (Screendollars - 6/12/22), Lightyear (Screendollars - 6/19/22), Minions: The Rise of Gru (Screendollars - 7/3/22), Thor: Love and Thunder (Screendollars - 7/10/22), Nope (Screendollars - 7/24/22).

Their excitement and treatment of movie-going as an ‘event’ has even led them to splurge on concession items to further enhance their shared experience with others



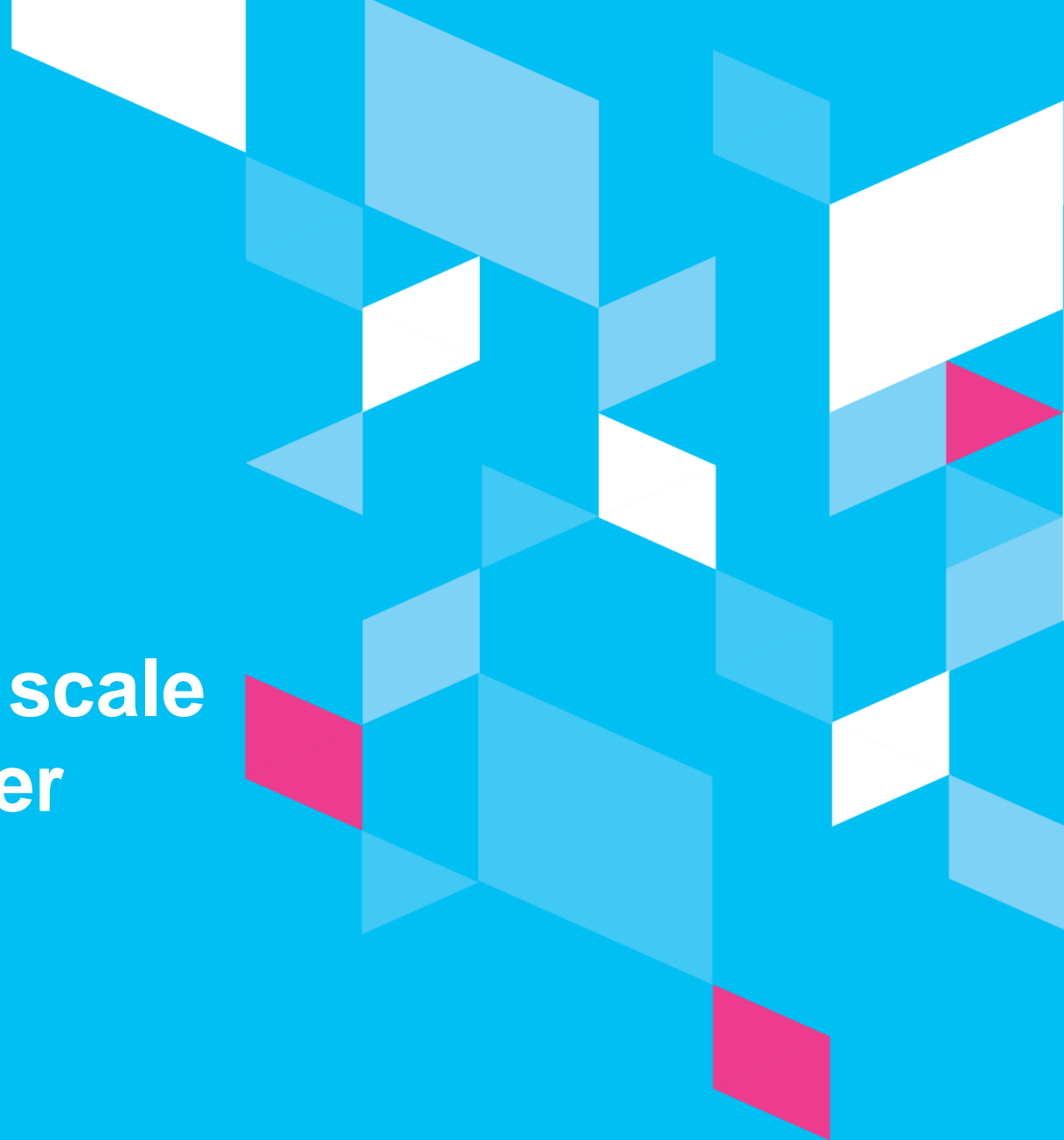
Average Spending on Concessions
per admission ticket



Source: Kagan, a media research group within the TMT offering of S&P Global Market Intelligence, Exhibition Market Projections, as of July 15, 2022.

2

**Cinema successes delivered scale
across audiences this summer**



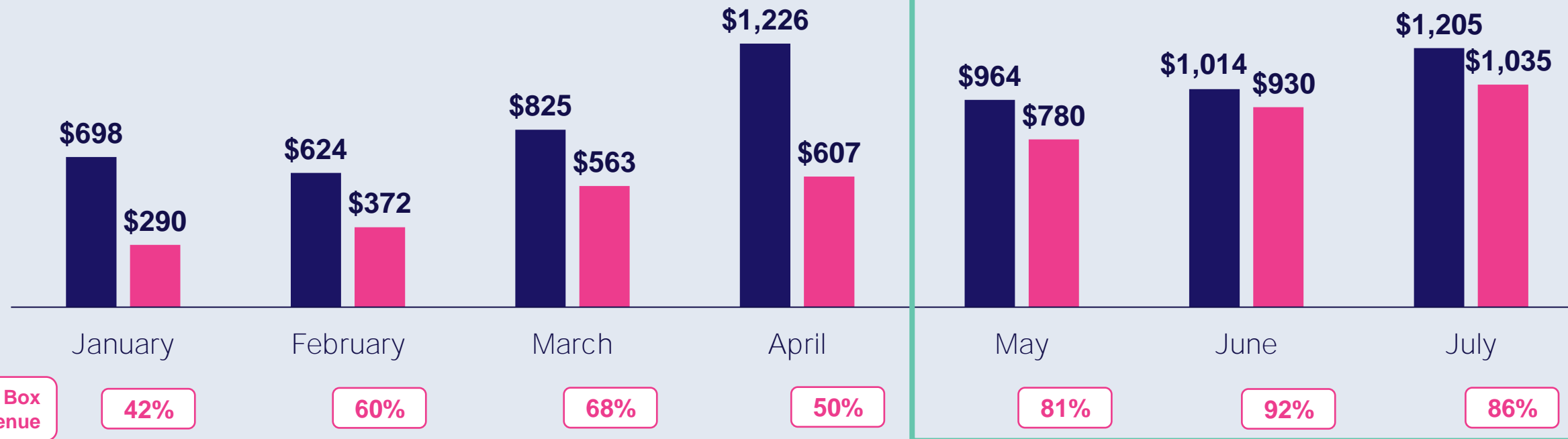
Cinema grosses nearly returned to pre-pandemic levels during the summer even though there were less than half the number of films in theaters

▶ During the average week between January - July, there were 114 films playing in movie theaters in 2019 vs. 52 in 2022, with a very similar comparison during the summer*

Domestic Box Office Revenue

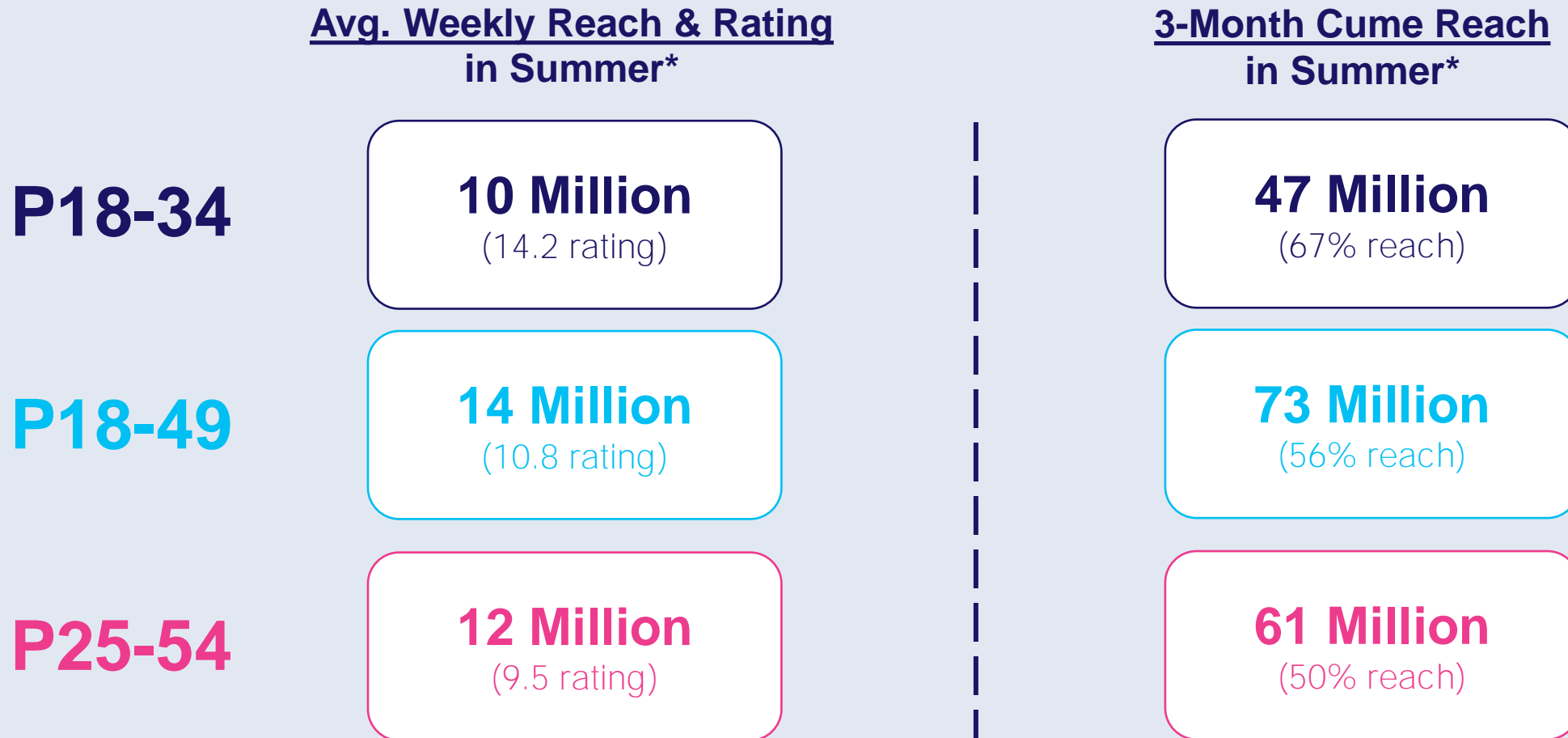
\$ in MM

■ 2019 ■ 2022



Source: VAB analysis of Box Office Mojo, Domestic Box Office Revenue, Jan '19 = 1/4-1/31/19, Feb '19 = 2/1-2/28/19, Mar '19 = 3/1-3/28/19, Apr '19 = 3/29-5/2/19, May '19 = 5/3-5/30/19, Jun '19 = 5/31-6/27/19, Jul '19 = 6/28-7/25/19, Jan '22 = 1/7-2/3/22, Feb '22 = 2/4-3/3/22, Mar '22 = 3/4-3/31/22, Apr '22 = 4/1-5/5/22, May = 5/6-6/2/22, Jun '22 = 6/3-6/30/22, Jul '22 = 7/1-7/28/22. *As for wide releases (those opening in 2K+ theater locations), there were 75 movies in 2019 vs. 46 in 2022 between January – August of each respective year, and 42 movies in 2019 vs. 22 movies in 2022 between May – August of each respective year, according to Comscore Box Office Essentials.

Millions of Americans flocked to movie theaters during the summer, with cinema as a platform reaching over two-thirds of adults 18-34 and over half of adults 18-49 and 25-54



Source: Box Office Mojo, Epicenter Cinema Data, Summer = May-July 2022, ratings calculations based on the Nielsen Universe Estimates. Domestic box office (May 1 – July 31, 2022). Ratings and reach were converted to absolute numbers (millions) within each demographic based on the 2021-2022 Nielsen Universe Estimates.

Cementing itself as ‘must see’ social events, more adults attended the opening weekend of new movie releases than participated in other popular summertime activities like baseball, bars, beaches or listening to beats

Cinema: Estimated 3-Day Opening Weekend Adult 18+ Admissions



13.5 MM



10.8 MM



10 MM+



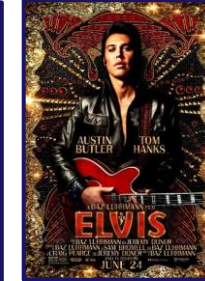
9.1 MM*



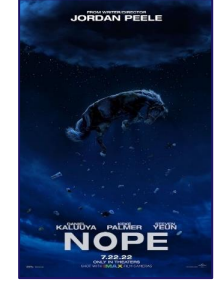
8.4 MM*



4 MM+



2.4 MM



1.4 MM

Other ‘Out-of-Home’ Activities by Comparison (Adult 18+)



Went to an MLB regular season or playoff game in last 12 months: 7.3 MM



Went to a bar / club in last week: 5.8 MM



Went to the beach in last week: 5.8 MM



Went to a concert / live music in last week: 942K

Source: Screendollars Newsletter, based on data from EntTelligence. * Top Gun: Maverick's estimated 4-day opening weekend over Memorial Day weekend – 11.4 MM; Minions: The Rise of Gru's estimated 4-day opening weekend over July 4th weekend – 9.7 MM. 'Other activities' based on MRI-Simmons Fall 2021 Doublebase USA study, P18+, 'concert / live music' includes country, rock, classical, or other.

The summer box office was hot, driven by the latest chapters from fan favorite franchises and other long-awaited movies



August 7, 2022

'Top Gun: Maverick' Passes 'Titanic' as Seventh-Highest Grossing Release in Domestic Box Office History

DEADLINE

June 16, 2022

'Doctor Strange In The Multiverse Of Madness' Domestic Box Office Crosses \$400M, 10th MCU Title To Do So



July 6, 2022

Latest 'Minions' movie set a box office record for the July 4th weekend



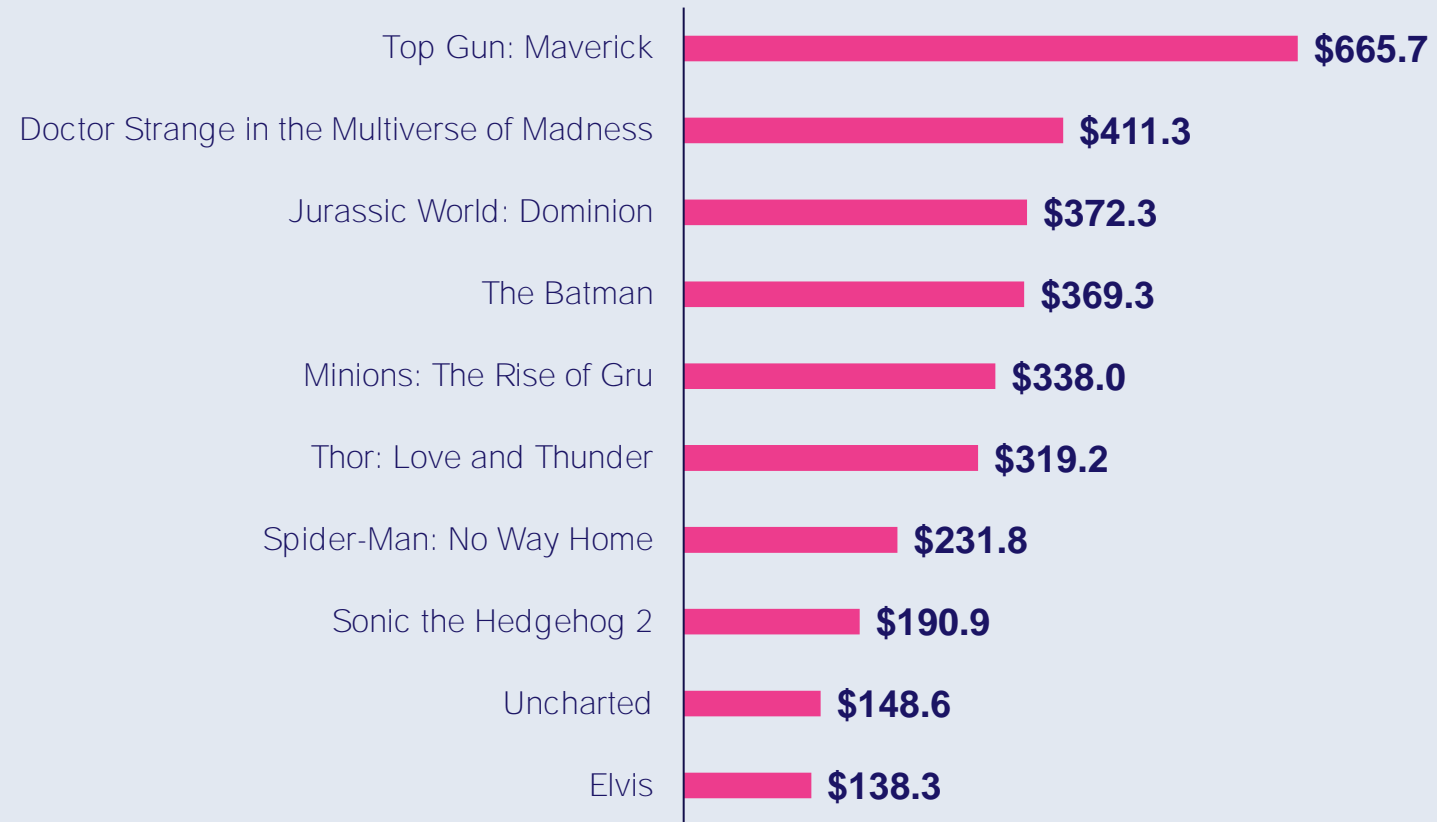
June 12, 2022

WEEKEND BOX OFFICE RESULTS: JURASSIC WORLD HOLDS DOMINION WITH \$143 MILLION DEBUT

THE FINAL CHAPTER OF THE JURASSIC FRANCHISE POSTS A STRONG OPENING WHILE TOP GUN CONTINUES TO SOAR ON THE WEEKEND OF JUNE 10-12, 2022.

Domestic Box Office: Top 10 Movies of 2022 YTD

\$\$\$ in millions



Source: Box Office Mojo, 'Domestic Box Office for 2022' as of 8/15/22.

Many 'specialty' films also performed well at the box office as cinephiles sought out independent pictures with unique storylines and complex character development



July 31, 2022

'Everything Everywhere All at Once' Is A24's First Movie to Hit \$100 Million Globally

DEADLINE

July 10, 2022

A24 Has Another Indie Hit, As 'Marcel The Shell' Slides Into Top 10 – Specialty Box Office

DEADLINE

July 17, 2022

'Mrs. Harris' Dresses Up With \$1.9M Opening; 'Marcel The Shell' Keeps On Steppin' – Specialty Box Office



July 17, 2022

HOLLYWOOD & ENTERTAINMENT
Box Office:
'Where The
Crawdads Sing'
Nabs Solid \$17
Million Debut

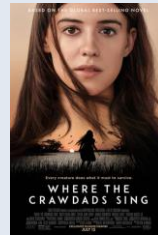


April 4, 2022

Mia Goth-Starring
'X' Passes \$10 Million
at the Domestic Box Office

Domestic Box Office: Top 10 Specialty Films of 2022 YTD

MM = millions



Where the
Crawdads Sing
(\$72.7MM)



Everything Everywhere
All at Once
(\$69.7MM)



The Northman
(\$34.2 MM)



Father Stu
(\$20.9MM)



X
(\$11.8MM)

Highest opening weekend
per-screen average of any
2022 film so far (\$51K)*



Mrs. Harris Goes
to Paris
(\$8.9MM)



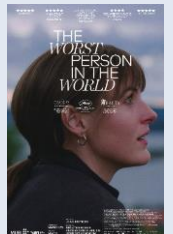
Men
(\$7.6MM)



Marcel the Shell
with Shoes On
(\$5.4MM)



The Outfit
(\$3.3MM)



The Worst Person
in the World
(\$3.0MM)

Highest opening weekend
per-screen average of any foreign film
on the last two years (\$33.7K)*

Source: Spotlight Cinema Networks and Box Office Mojo, 'Domestic Box Office for 2022' as of 8/15/22. Reflects films that open in less than 1K theater locations.

Between blockbusters and specialty films, there was something for everyone at the movies this summer with a cross section of releases geared towards the ‘Elusives’ and ‘Sophisticates’ audiences

‘Elusives’

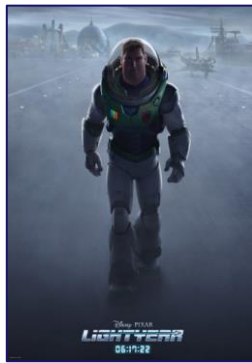
(young, diverse, ‘cordless’)

% of P18-34 opening weekend attendance



The Black Phone

64%



Lightyear

61%



Doctor Strange: MoM

61%



Thor: Love and Thunder

53%

‘Sophisticates’

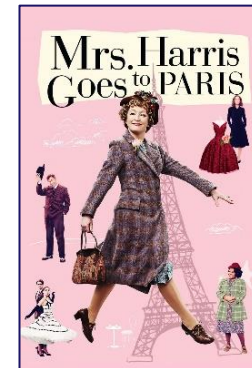
(influential, cultured, adults 25-44)

% of P25+ opening weekend attendance



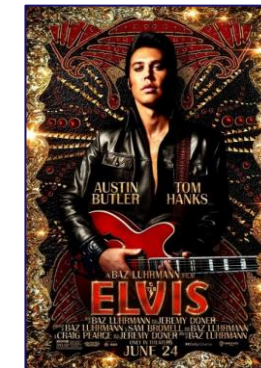
Top Gun

87%



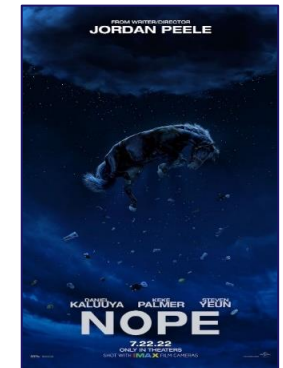
Mrs. Harris Goes to Paris

87%



Elvis

80%



Nope

63%

Click here to download [“Capturing the ‘Elusives’ at the Cinema”](#) to learn about the opportunities to reach this audience

Click here to download [“Engaging the ‘Sophisticates’ at the Cinema”](#) to learn about the opportunities to reach this audience

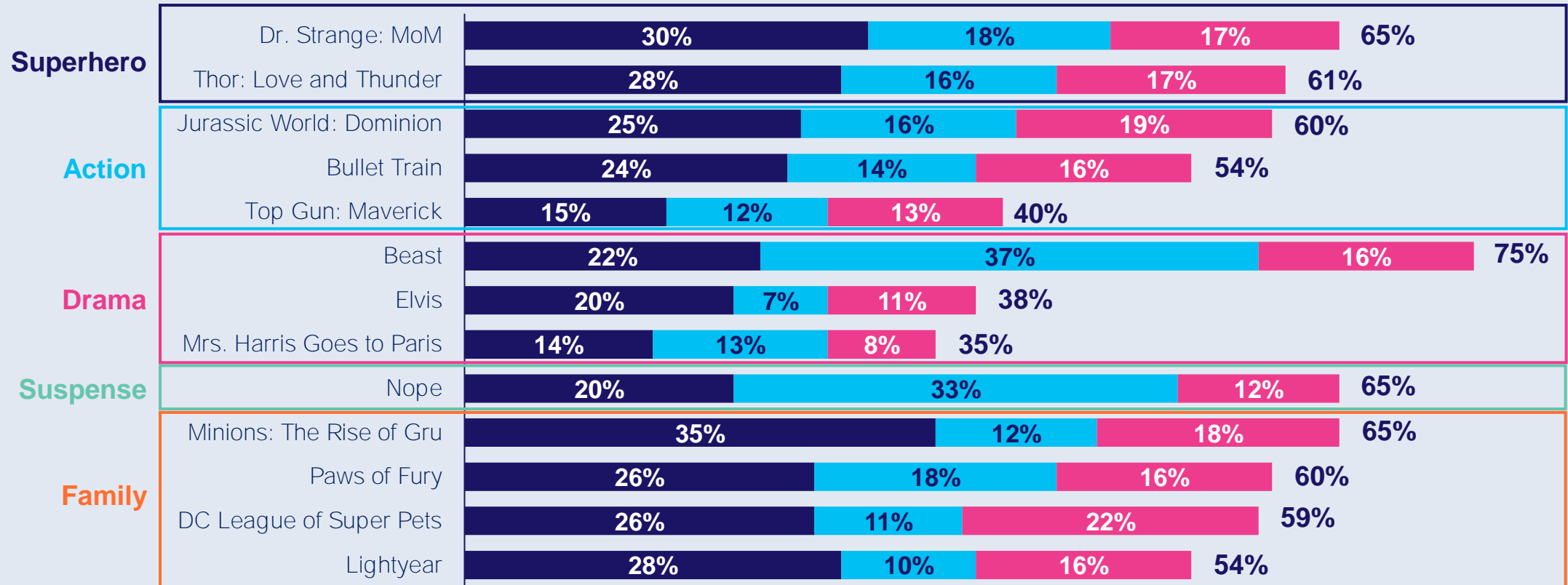
Source: 2022 Comscore Post-Trak reported box office demographics for opening weekend of above movies, with supplemental data from deadline.com.

Diverse audiences who enjoy the fun, communal, 'event-like' feel of the cinema gravitated towards superhero, family and suspense/horror genres

Race/Ethnicity Composition by Movie

Based on Opening Weekend Audience

■ Hispanic ■ Black ■ Asian/Other



Source: 2022 Comscore Post-Trak reported box office demographics for opening weekend of above movies, with supplemental data from deadline.com. Ratings by Movie Genre: Superhero (PG-13), Action (PG-13 = Jurassic World, Top Gun; R = Bullet Train), Drama (PG = Mrs. Harris Goes to Paris, PG-13 = Elvis, R = Beast), Suspense (R), Family (PG).

3

Cinema's momentum is driven largely by video streamers who are also frequent moviegoers



Cinema achieved summertime success even amid a backdrop of popular content released exclusively on streaming services, signifying that movie-going and home streaming is not an ‘either / or’ proposition, it’s ‘both’

Exclusive, Original Movies

(released during the summer)



Hustle
Netflix

(release date: 6/3/22)



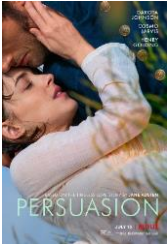
Spiderhead
Netflix

(release date: 6/11/22)



Father of the Bride
HBO Max

(release date: 6/16/22)



Persuasion
Netflix

(release date: 7/5/22)



The Gray Man
Netflix

(release date: 7/22/22)



Prey
Hulu

(release date: 8/5/22)

Exclusive, Original TV Series

(released during the summer)



Stranger Things

Season 4 on Netflix
(7 episodes released on 5/27/22 and 2 episodes released on 7/1/22)



The Boys

Season 3 on Amazon Prime
(3 episodes released on 6/3/22, next 5 episodes weekly through 7/8/22)



Obi-Wan Kenobi

Season 1 on Disney+
(3 episodes released on 5/27/22, next 4 weekly through 6/22/22)



Westworld

Season 4 on HBO Max
(8 episodes released between 6/26-8/14/22)



Ms. Marvel

Season 1 on Disney+
(6 episodes released between 6/8 - 7/13/22)



Only Murders in the Building

Season 2 on Hulu
(10 episodes released between 6/28 - 8/23/22)



The Summer I Turned Pretty

Season 1 on Amazon Prime
(7 episodes released on 6/17/22)



Black Bird

Season 1 on Apple TV+
(6 episodes released between 7/18 - 8/5/22)

Although we live in an ‘on-demand’ world, consumers overwhelmingly support theatrical releases for new movies

“How do you prefer movies to be released?”

Respondents had to choose one response



78% prefer that movies receive a theatrical release vs. 6% who think movies should be released exclusively through streaming



Source: Morning Consult, survey conducted April 30 – May 3, 2022, among a representative sample of 2,210 U.S. adults, with an unweighted margin of error of +/- 2 percentage points. The balance to 100% not included reflects respondents who answered, ‘don’t know / no opinion.’ ‘Any Movie’ represents ‘movies in general’

Even with an option to stream a new release, people are prioritizing going to the movie theater over streaming at home

98%

of moviegoers say that new releases on streaming platforms **do not** hinder their plans to go to the movie theater



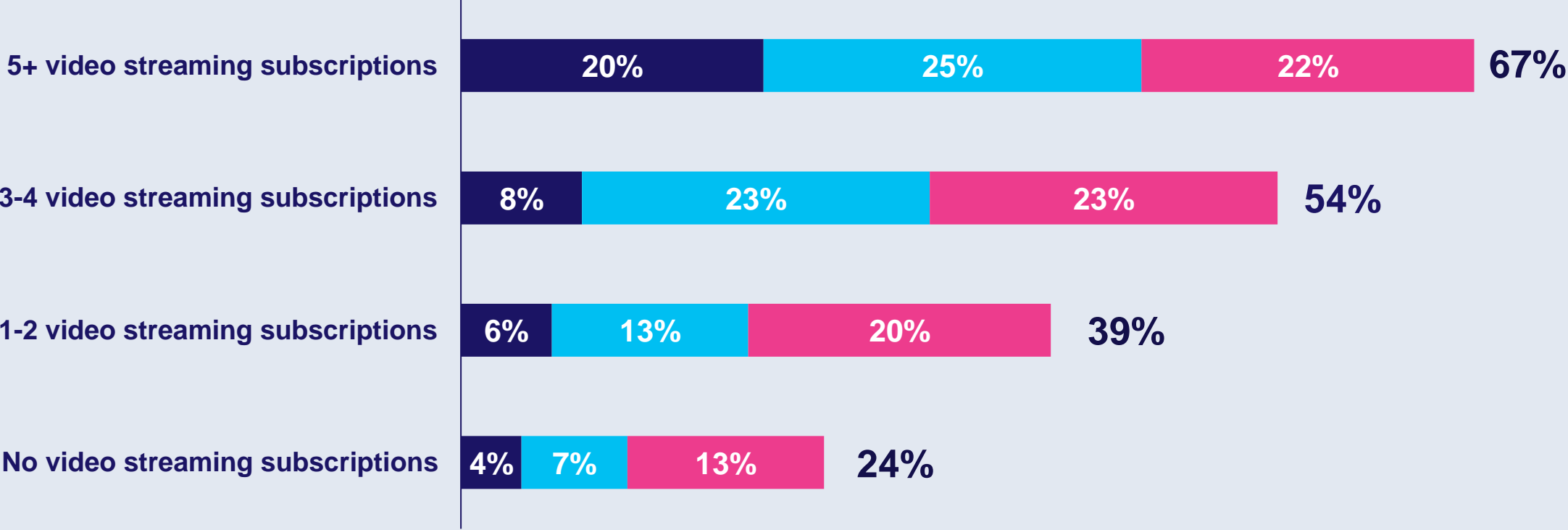
Source: NCM, 'Behind The Screens' Panel, August 2022. n=1,402, surveyed between August 3-8, 2022, A18+.

Streamers crave video entertainment and heavy streamers are more likely to be frequent moviegoers

Movie Theater Attendance Over The Last Month

By number of streaming services subscribed to

■ At least once a week ■ A few times in the past month ■ Once in the past month



Source: Morning Consult, 'Why Video Streaming's Impact on Theater Attendance Is Overblown' 7/13/22. Numbers may not add up to 100% due to rounding.

'Frequent' video streamers plan to see as many movies in the theater as overall 'frequent' moviegoers

of Movies Planned to See in Theaters in 2022
 median average by segment

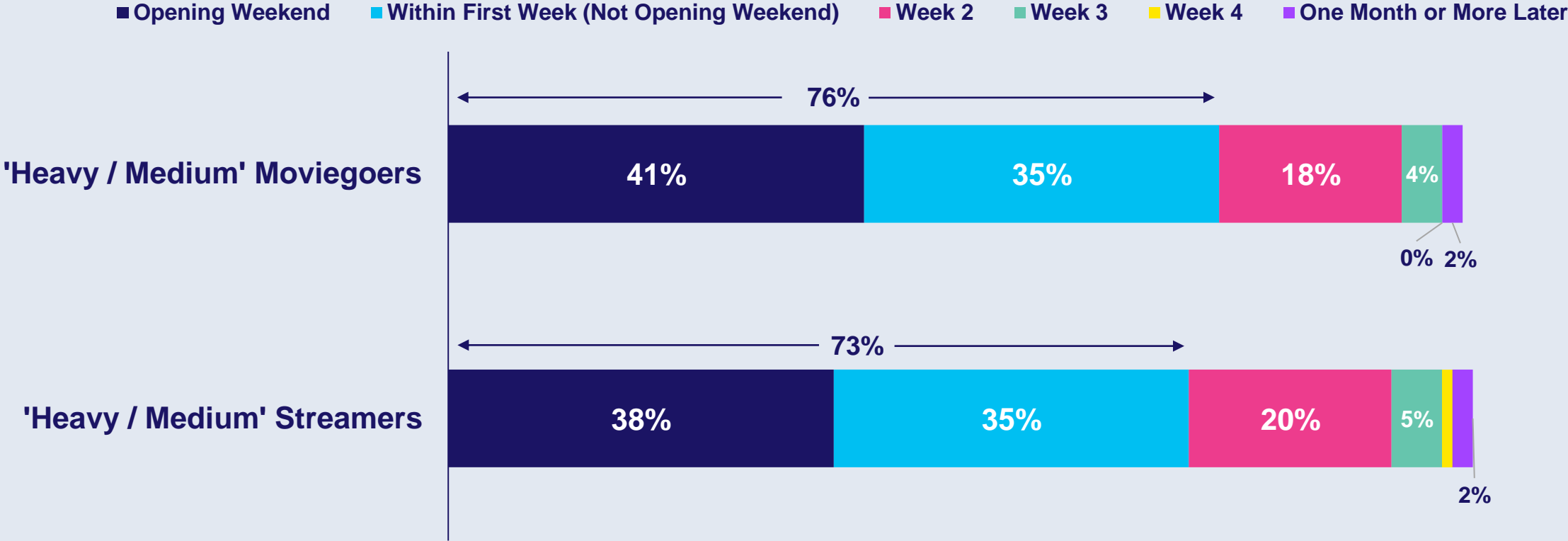


Source: Screenvision Custom Study; Screen Engine/ASI, LLC (www.screenengineasi.com), April-May 2022. 'Heavy / Medium' moviegoers is an average of the # of movies planned to see in 2022 between 'Heavy' and 'Medium' moviegoers. 'Light' streamers stream 5 hours per week (median average), 'Medium' streamers stream 10 hours per week (median average), 'Heavy' streamers stream 25 hours per week (median average) and 'Heavy / Medium' streamers stream 16 hours per week (median average).

Frequent streamers were just as excited as frequent moviegoers to head out to their local cineplex to see the latest summer movie during their first week of release

“When do you typically see a movie you want to see in the theater?”

Respondents had to choose one response



Source: Screenvision Custom Study; Screen Engine/ASI, LLC (www.screenengineasi.com), April-May 2022. “Heavy / Medium” moviegoers are planning to see 10 movies in the theater during 2022 (median average) vs. ‘Heavy / Medium’ streamers who are also planning to see 10 movies in the theater during 2022 (median average). ‘Because I’m excited’ is the #1 reason why both ‘Heavy / Medium’ moviegoers and ‘Heavy / Medium’ streamers say they see a movie within the first couple weeks of release. ‘Heavy / Medium’ streamers stream 16 hours per week (median average).

Frequent moviegoers and frequent streamers both agree that cinema creates the most immersive, exciting, memorable, attentive experiences which enables marketers to uniquely engage these consumers

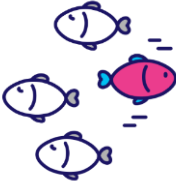
% who said 'watching movies in a theater' best delivers on the following...
 vs. 'watching original movies / shows on streaming platforms (respondents had to select only one platform)



Most immersive experience

94%

'Heavy / Medium' Moviegoers



Most unique experience

94%

Most excitement / anticipation of content

89%



Memorability of content

86%



Most attention paid to content

83%

'Heavy / Medium' Streamers

93%

93%

87%

83%

81%

Source: Screenvision Custom Study; Screen Engine/ASI, LLC (www.screenengineasi.com). April-May 2022. "Heavy / Medium" moviegoers are planning to see 10 movies in the theater during 2022 (median average). 'Heavy / Medium' streamers stream 16 hours per week (median average).

Why do people prioritize the theater over the home?

The social currency provided by cinema – the exclusiveness and FOMO – the communal atmosphere and the viewing experience on the largest screen possible

“If a new show debuts on a streaming platform at the same time a new movie debuts in theaters, which are you likely to prioritize seeing and why?”

Respondents who prioritize seeing a new movie in theaters

Answers relating to having a limited time in-theaters or a fear of missing out

“Because I want to experience it with all the other people excited for the movie. I love the **camaraderie of us fans at opening night!**”

“I can stream whenever I feel like it. **Movies are limited-time offers.** They are also just more of an experience, **more exciting**”

“I like to be the **first one** to see a movie **without having anything spoiled.**”

Answers relating to the experience

“I can always watch the show that’s streaming at home any time. I am a **huge fan of movies** and love to be at the premiere the exact night it hits theaters and **I love the atmosphere of the audience.**”

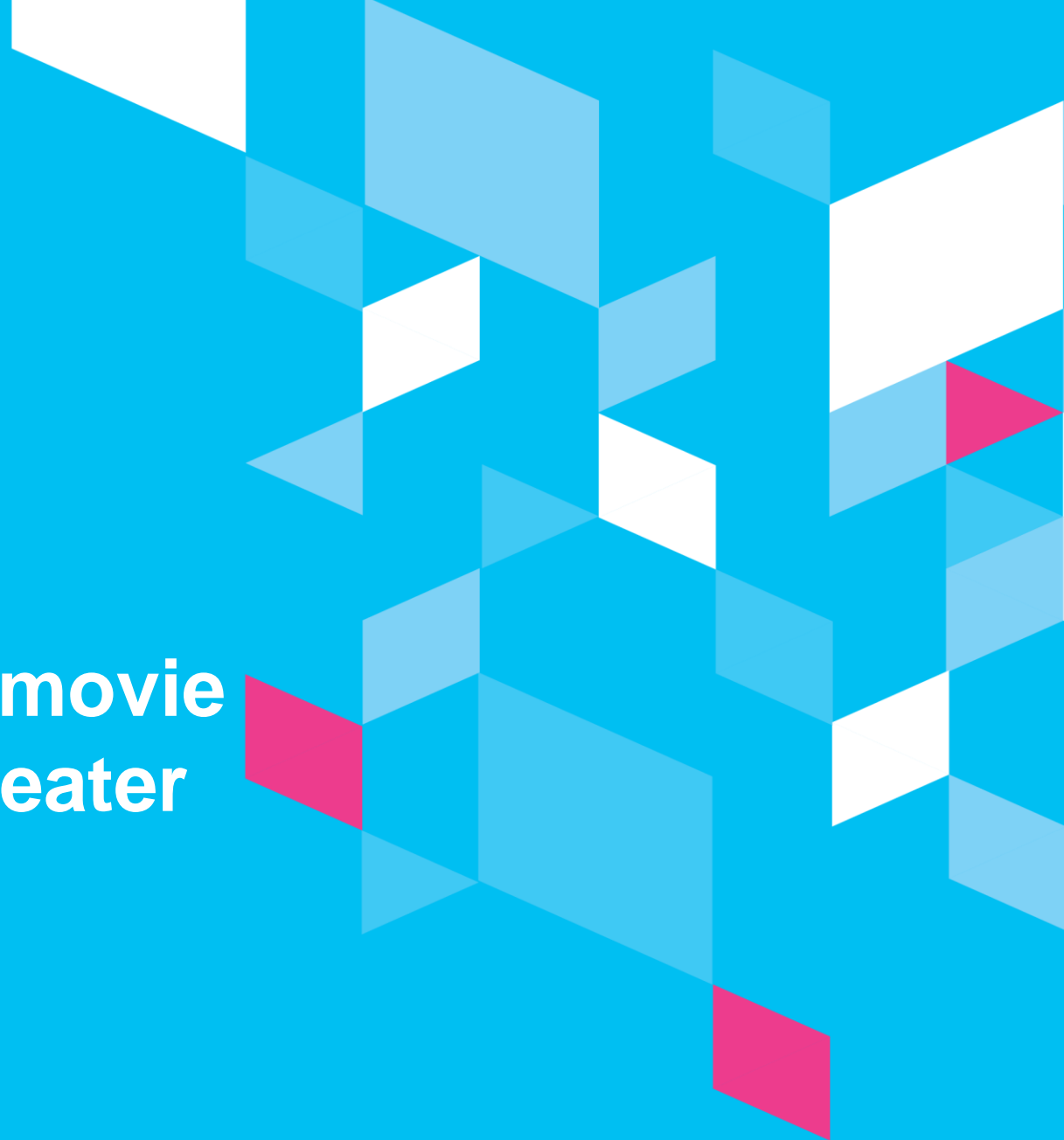
“There's just something **magical** about the big screen and seeing it with a crowd is better because of the **shared reactions.**”

“I prefer new movies at the theater because of the theater experience. I love the **bigger screens** and **surround sounds**. Also, the **interaction** with other moviegoers can be **exciting.**”

Source: NCM, 'Behind The Screens' Survey, June 2022. n=528, surveyed between June 7-13, 2022. Verbatims based on answers to the open-ended question 'why are you likely to prioritize going to see a new movie at the movie theater?'

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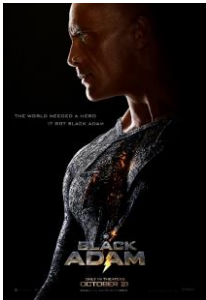
A consistent pipeline of new movie releases coming soon to a theater near you



The theatrical release schedule is filled with high-profile, buzzed-about movies and familiar favorite franchises upcoming in 4Q '22 and beyond...



Halloween Ends
October 14, 2022



Black Adam
October 21, 2022



Black Panther 2
November 11, 2022



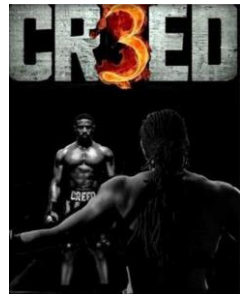
**Avatar:
The Way of Water**
December 16, 2022



**Ant-Man and the
Wasp: Quantumania**
February 17, 2023



**Dungeons and
Dragons**
March 3, 2023



Creed III
March 3, 2023



John Wick 4
March 24, 2023



**Guardians of the
Galaxy, Vol 3**
May 5, 2023



Fast X
May 19, 2023



**Spider-Man: Across
the Spider-Verse**
June 2, 2023



**Transformers:
Rise of the Beasts**
June 9, 2023



**Untitled
Indiana Jones**
June 30, 2023



**Mission: Impossible
Dead Reckoning**
July 14, 2023

Note: Release dates as of 8/23/22 per Comscore Release Calendar, dates are subject to change

...And theaters will also feature a steady mix of award-winning, high-quality, sophisticated, specialty films with compelling storylines



Triangle of Sadness
October 7, 2022

Winner of the Palme d'Or at the Cannes Film Festival



Tar
October 7, 2022

Best Picture Oscar contender according to Variety



Decision to Leave
October 14, 2022

Cannes Film Festival Best Director Winner



The Banshees of Inisherin
October 21, 2022

Best Picture Oscar contender according to Variety



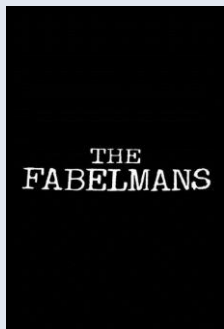
My Policeman
October 21, 2022

Toronto Film Festival's Tribute Award for Performance



Armageddon Time
October 28, 2022

Best Picture Oscar contender according to Variety



The Fabelmans
November 11, 2022

Best Picture Oscar contender according to Variety



She Said
November 18, 2022

Based on a New York Times best-selling book



Nanny
November 25, 2022

Sundance Film Festival U.S Grand Jury Prize: Dramatic



Women Talking
December 2, 2022

Best Picture Oscar contender according to Variety



Empire of Light
December 9, 2022

Toronto Film Festival's Ebert Director Award Winner



Corsage
December 23, 2022

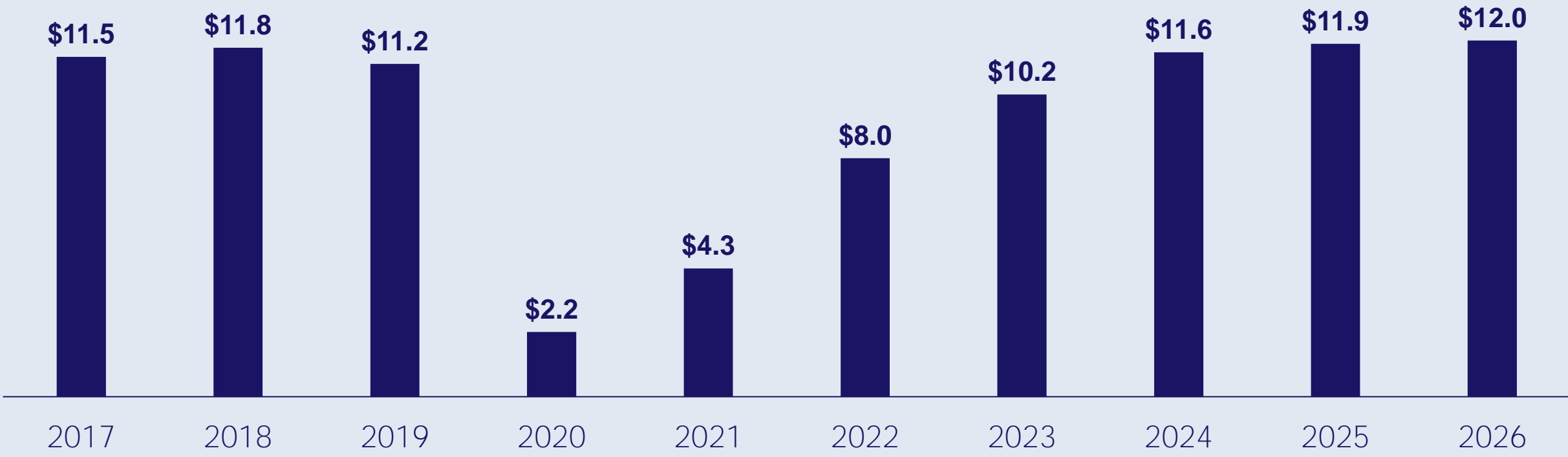
Cannes Film Festival Best Performance Winner

Source: Release dates as of 8/23/22 per Comscore Release Calendar, subject to change. Reflects films that are projected to open in less than 1K theater locations.

A consistent pipeline of upcoming major theatrical releases, complemented by a steady release of specialty films, will continue the movie momentum with a projected return to pre-pandemic box office grosses by 2024

U.S. Cinema Box Office Ticket Sales with Projections

\$ in Billions



Source: Kagan, a media research group within the TMT offering of S&P Global Market Intelligence, Exhibition Market Projections, estimates as of July 15, 2022.

Key Marketer Takeaways

- ▶ Cinema offers marketers an opportunity to align their brands with an energized, lean-in, **equity-building content environment** for diverse audiences of all ages
- ▶ Marketers looking for **immediate audience reach** (e.g., new product launch, a consumer promotion, seasonal campaign) would benefit from the proven ability of cinema to **quickly amass scale** and reach of a campaign
- ▶ Cinema campaigns offer marketers a way to reach frequent video streamers, who are also frequent moviegoers, at unique moments when they are **fully immersed** in, and **highly attentive** to, video content outside of the home

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Capturing the 'Elusives' at the Cinema

How Brands Can Reach Young, Diverse and Cordless Consumers



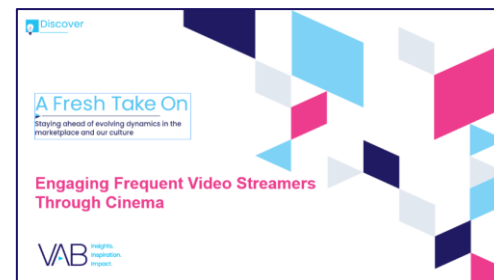
Engaging the 'Sophisticates' at the Cinema

How Brands Can Reach Adults 25-44 That Value Premium Experiences



The Power of Super Cinema Goers

Super Spenders, Social and Active Consumers



A Fresh Take On Engaging Frequent Video Streamers Through Cinema

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