Information • 51213

Movie Theaters in the US

Extra butter: Revamped theater amenities and highly priced concessions will encourage consumers to spend more money at the movies, even if they attend less frequently

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About

IBISWorld specializes in industry research with coverage on thousands of global industries. Our **comprehensive data and in-depth analysis** help businesses of all types gain quick and actionable insights on industries around the world. Busy professionals can spend less time researching and preparing for meetings, and more time focused on making strategic business decisions

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About This Industry

Definition

This industry comprises businesses that primarily show movies. It includes cinemas, drive-in and outdoor movie theaters and film festival exhibitors.

Codes

2022	51213-Motion Picture and Video Exhibition
2022	512131-Motion Picture Theaters (except Drive-Ins)
2022	512132-Drive-In Motion Picture Theaters
2017	51213-Motion Picture and Video Exhibition
2017	512131-Motion Picture Theaters (except Drive-Ins
2017	512132-Drive-In Motion Picture Theaters

What's Included

- Admissions to feature films
- Food and beverage sales
- Advertising revenue
- Other sales, including arcade, events, loyalty programs and gift cards

Companies

- Amc Entertainment Holdings, inc.
- Cinemark Holdings, Inc.
- Cineworld Group Plc

Related Industries

Domestic industries

Competitors

- DVD, Game & Video Rental in the US
- Cable Providers in the US
- Satellite TV Providers in the US

Complementors

- Movie & Video Distribution in the US

International industries

- Movie Theatres in Canada
- Cinemas in Australia
- Cinemas in the UK
- Cinemas in Germany
- Cinemas in China

Related Terms

BOX OFFICE

The physical point of sale for tickets at a theater, which is used less frequently with the expansion of e-commerce ticketing; also the same term for the total sales of admissions for a specific movie or for a year.

CONCESSIONS

Food or drink sales.

BLOCKBUSTER

A highly successful movie.

VIDEO-ON-DEMAND (VOD)

An internet-based technology that permits subscribers to watch programming in real time or download programs and view them later.

Additional Resources

- Motion Picture Association of America
- Variety
- National Association of Theatre Owners
- BOXOFFICE Pro
- The Classification & Rating Administration
- US Census Bureau

At a Glance

		'21-'26	'26-'31
Revenue	$16.3bn	↑ 8.6 %	↑ 1.2 %
Employees	128k	↑ 16.4 %	↑ 2.0 %
Businesses	2,001	↑ 0.6 %	↑ 0.3 %
Profit	$2.1bn	↑ 11.5 %	
Profit Margin	13.0%	↑ 1.6 pp	
Wages	$2.6bn	↑ 10.8 %	↑ 1.9 %

Five-year growth rates display historic and forecast CAGRs

Products and Services

Item	Revenue	Market Share
Admissions to feature films	$8.7bn	53.1%
Food and beverage sales	$5.8bn	35.6%
Advertising revenue	$195.5m	1.2%
All other	$1.6bn	10.1%

Key External Drivers

Key External Drivers	Impact
Per capita disposable income	Positive
Number of K-12 students	Positive
Number of broadband connections	Negative
Consumer spending	Positive

Key Takeaways

Performance

- Theaters face stiff competition from streaming platforms, driving them to adapt business models. They're offering varied content and investing in subscription models to remain competitive with home-viewing options.
- Shorter theatrical release windows will damage revenue. Vertically integrated production studios increasingly turn to streaming to avoid piracy and boost revenue for other businesses under their ownership.
- Movie theaters are evolving to offer more than just films. From luxury seating to live events and in-theater dining, cinemas are transforming into multi-experience venues to entice audiences and draw them back to the big screen.

Products and Markets

- Tariffs on upstream suppliers of goods such as raw materials and electronics, particularly from countries like China, will likely hike movie theater ticket prices. New tariffs on imported projection and sound equipment, much of which comes from overseas, could raise operational costs.
- Admissions are still the revenue anchor, but premiumization has decoupled ticket revenue from ticket counts. IMAX (Image Maximum) and premium large format (PLF) screens command 30-80% premiums over standard digital, with CinemaCon 2026 certifications widening performance gaps further.
- Concessions are a high-profit product. Many moviegoers see snacks as essential, enabling theaters to charge premium prices, while new dining options and branded merchandise are boosting profit.

SWOT

Strengths	High & Increasing Barriers to Entry
	Low Imports
	Low Customer Class Concentration
Weaknesses	Low & Steady Level of Assistance
	High Competition
	Very High Volatility
	Low Profit vs. Sector Average
	High Product/Service Concentration
	Low Revenue per Employee
	High Capital Requirements
Opportunities	High Revenue Growth (2021-2026)
	High Performance Drivers
	Consumer spending
Threats	Very Low Revenue Growth (2005-2026)
	Low Outlier Growth
	Low Revenue Growth (2026-2031)
	Number of broadband connections

Industry Structure

Characteristic	Level	Trend
Concentration	Moderate	
Barriers To Entry	High	Increasing
Regulation and Policy	Low	Steady
Life Cycle	Mature	
Revenue Volatility	High	
Assistance	Low	Steady
Competition	High	Steady
Innovation	Moderate	

Executive Summary

Extra butter: Revamped theater amenities and highly priced concessions will encourage consumers to spend more money at the movies, even if they attend less frequently

Demand for movie theaters has been threatened by intense competition from online streaming platforms. The industry experienced its most significant drop in performance amid the COVID-19 outbreak, which fueled at-home viewership. While there has been a notable rebound, with the US box office netting over $9.0 billion in 2024, a 20.0% increase from the previous year, it remains $2.0 billion shy of its pre-2020 heyday. The ever-growing popularity of streaming services has driven fierce competition, as studios increasingly release blockbusters through hybrid models or direct-to-streaming options. Revenue has mounted at a CAGR of 8.6% to $16.3 billion through the end of 2026. Following a meteoric start to the period as the industry rebounded from pandemic lows, growth has since returned to typical marginal rates in 2026, when revenue will hike 0.9%. Profitability has been supported by theaters implementing monthly subscription programs and offering premium concessions; however, overall profit remains depressed compared to 2019.

In the face of these pressures, theaters have innovated to draw audiences back. Chains such as AMC have expanded their offerings, embracing subscription-based models and diversifying content to include sports broadcasts and live events. Enhancements to the moviegoing experience, such as introducing state-of-the-art projection systems and luxury seating options, aim to deliver a compelling night out that rivals home watching. The rise of experiential offerings, from IMAX screenings to in-theater dining, underscores the industry's pivot toward creating a unique value proposition that cannot be replicated by streaming services, emphasizing the theater's role as an experiential destination. Rising ticket prices, combined with a focus on delivering a quality theater experience, have supported revenue growth while increasing premium screening ticket sales and promoting higher-value concession items. Concessions have become crucial revenue sources, with expanded options, such as gourmet meals and personalized in-theater services, drawing patrons back to the big screen. These efforts, however, have yet to fully offset the financial impacts of reduced ticket sales.

The next five years promise ongoing innovation and adaptation for US movie theaters. Theaters are set to embrace a more hybrid business model, with subscriptions and partnerships at the forefront. Investment in technology, such as immersive projection and sound systems, is poised to enhance the cinematic experience and entice audiences seeking more than what streaming services offer. Despite this, the prominence of streaming services will contribute to a shrinking theatrical release window, detracting from the value of attending a movie at the theater. Challenges will remain, but as theaters become more multifaceted entertainment options, sustained demand will enable movie theaters' revenue to climb at a CAGR of 1.2% to $17.3 billion through the end of 2031.

Performance

Key Takeaways

Theaters face stiff competition from streaming platforms, driving them to adapt business models. They're offering varied content and investing in subscription models to remain competitive with home-viewing options.

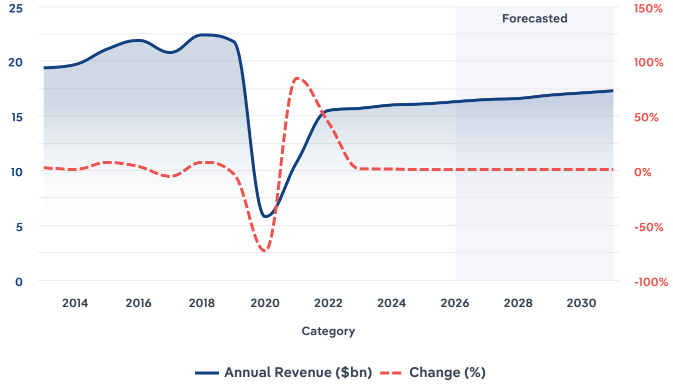
Shorter theatrical release windows will damage revenue. Vertically integrated production studios increasingly turn to streaming to avoid piracy and boost revenue for other businesses under their ownership.

Movie theaters are evolving to offer more than just films. From luxury seating to live events and in-theater dining, cinemas are transforming into multi-experience venues to entice audiences and draw them back to the big screen.

Performance Snapshot

Revenue

Total value ($) and annual change from 2013 – 2031. Includes 5-year outlook.



Revenue

$16.3bn

'21-'26 ↑ 8.6 %

'26-'31 ↑ 1.2 %

2026 Revenue Growth

0.9 % Increasing

Revenue Volatility

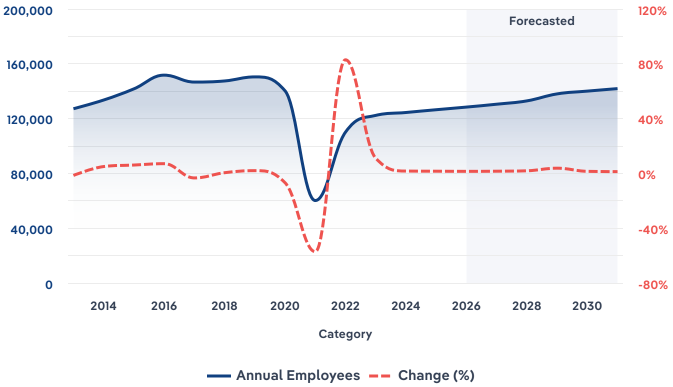
High

IBISWorld

Source: IBISWorld

Employees

Total number of employees and annual change from 2013 – 2031. Includes 5-year outlook.



IBISWorld

Source: IBISWorld

Employees

128k

'21-'26 ↑ 16.4 %

'26-'31 ↑ 2.0 %

Employees per Business

64

'21-'26 ↑ 15.7 %

'26-'31 ↑ 1.8 %

Revenue per Employee

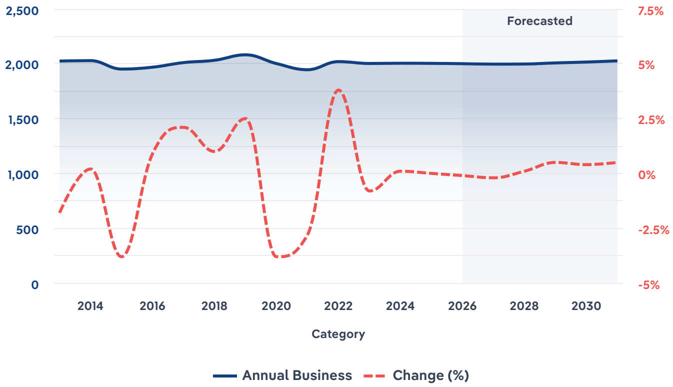
$127k

'21-'26 ↓ 6.6 %

'26-'31 ↓ 0.8 %

Business

Total number of businesses and annual change from 2013 – 2031. Includes 5-year outlook.



IBISWorld

Source: IBISWorld

Businesses

2,001

'21-'26 ↑ 0.6 %

'26-'31 ↑ 0.3 %

Employees per Business

64

'21-'26 ↑ 15.7 %

'26-'31 ↑ 1.8 %

Revenue per Business

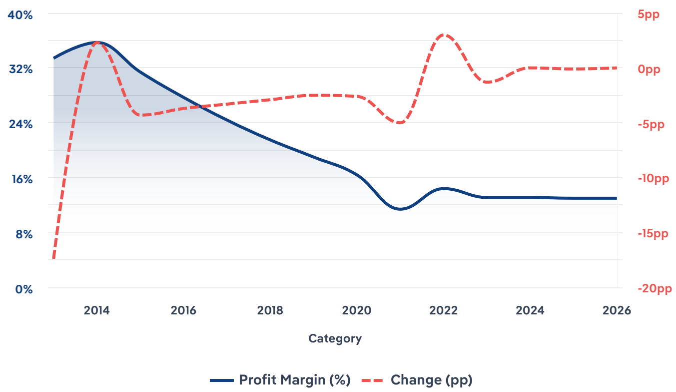
$8.1m

'21-'26 ↑ 8.0 %

'26-'31 ↑ 0.9 %

Profit Margin

Total profit margin (%) and annual change from 2013 – 2031



IBISWorld Source: IBISWorld

Total Profit
$2.1bn '21-'26 ↑ 11.5 %

Profit Margin
13.0% '21-'26 ↑ 1.6 pp

Profit per Business
$1.1m

Current Performance

↑ 2021-26 Revenue CAGR +8.6%

What's driving current industry performance?

Theaters embrace innovative strategies and partnerships to boost recovery

- Although theaters have made significant strides in recovering from the pandemic's impact, their financial performance remains below pre-pandemic levels. Prior to the pandemic, the industry consistently generated around $17.0 billion in 2018 and 2019. Current recovery efforts, while positive, have yet to fully offset the impacts of pandemic-induced theater closures and restore box office revenue to the high levels seen before 2020, prompting theaters to continue exploring new strategies and content offerings to bridge this financial gap.
- The US box office is experiencing a partial recovery post-pandemic, generating over $9.0 billion this year, a 20.0% increase from the previous year, yet still lagging $2.0 billion behind pre-pandemic figures. May 2024 saw a notably weak start to the summer blockbuster season, with box office earnings of $520.0 million, a record low not seen since May 1998's $510.0 million, highlighting ongoing challenges in returning to pre-pandemic levels.
- The US theatrical market entered 2026 with genuine momentum. Through April 13, the US/Canada box office accumulated $2.18 billion, exceeding 2023's comparable $2.14 billion and running nearly 20% ahead of the prior two years. The catalyst was a string of overperforming titles. Universal's "The Super Mario Galaxy Movie" earned $308 million domestically and $629 million globally in its first 12 days, while Amazon MGM's "Project Hail Mary" posted $257 million North American in its first four weeks. By the second weekend of May, a single three-day domestic frame surpassed $161 million, an 88% improvement over the equivalent 2025 weekend. The cumulative year-to-date figure through mid-May stood at $3.02 billion, a 16% jump from the same period last year.
- The wider release count is a structural accelerant. Projected wide releases for 2026 increased from 91 in 2025 to 113, signaling that studios have returned to using the theatrical channel at scale. Movie studios correspondingly invested $283.9 million in national TV advertising through mid-April, a 3% year-over-year spending increase, though with fewer spot airings (46,523 vs 72,795 the year prior), suggesting more targeted digital co-promotion. For context, however, 2025 domestic box office still sat around $9 billion versus a pre-pandemic high above $11 billion, a gap that 2026's pace, if sustained, could narrow but not close in a single year. Ticket volumes (769.2 million tickets sold in 2025) remain well below the 2002 peak of approximately 1.6 billion, suggesting that per-film spending and premium-format upcharges are driving revenue recovery faster than attendance recovery.
- To further invigorate audience turnout, theaters are embracing dynamic pricing models and premium experiences, mirroring tactics that have proven successful in other entertainment sectors. Cineworld's Regal Cinemas has been experimenting with flexible pricing and loyalty programs to encourage frequent visits. Industry executives at chains like Marcus Theatres have stated they are considering flexible, or demand-based, pricing, using data analysis to adjust prices without publishing a fixed, nationwide grid. This indicates at least partial adoption of dynamic concepts in their US locations.
- The rise of "event cinema", including live opera or sporting events, has attracted diverse demographics. Fathom Events, a leader in this niche, reported screening over 1,100 special events to 10.0 million attendees in 2023, marking a 25.0% jump from the previous year. Innovative strategies, such as Taylor Swift and Beyoncé's collaborations with AMC Theaters to release concert films, with Taylor Swift: The Eras Tour

grossing over $260.0 million globally, demonstrate novel pathways to revenue beyond traditional studio models. In response to innovative film distribution methods, cinemas are exploring partnerships and alternative content offerings beyond traditional films. Movie theaters have expanded their offerings to include alternative content, such as live events, sports broadcasts and gaming competitions, to attract a wider audience. The success of Taylor Swift: The Eras Tour has motivated AMC to commit to developing more concert films. By doing so, theaters aim to attract diverse audiences, fill more seats and strengthen concession sales, thereby boosting their financial performance.

The theatrical experience has become critical to success

- In response to the evolving expectations of moviegoers and to justify the cost of movie tickets, movie theaters are expanding their concessions to include alcohol, more dining options and personalized in-theater services. This shift has become essential for generating additional revenue, as traditional ticket sales alone are insufficient to cover operational costs. Major cinema chains like AMC have taken an innovative approach by launching their own lines of branded snacks and collectible items, such as special-edition popcorn buckets, to engage audiences and boost concession revenue. These moves are part of a broader trend in which concessions are not only about selling snacks but also about creating a unique, memorable cinema experience.
- Concession sales have become a significant revenue driver for theaters as they diversify offerings to include premium food and beverage options. But theaters must be cautionary regarding going all in on the luxury experience. iPic Theaters filed for Chapter 11 reorganization in the US Bankruptcy Court for the Southern District of Florida in February 2026, reporting $10–50 million in assets and $1–10 million in liabilities. The Boca Raton–based chain operates eight restaurants and 13 dine-in theaters across California, Florida, Georgia, New Jersey, New York, and Texas. iPic has vowed to continue operating while restructuring.
- The filing adds to a long list of luxury/dine-in cinema casualties since 2020: Studio Movie Grill (Chapter 11, October 2020), Alamo Drafthouse Cinema (Chapter 11, March 2021), ArcLight Cinemas/Pacific Theatres (permanent closure, April 2021), Cineworld/Regal Cinemas (Chapter 11, September 2022), CMX Cinemas (Chapter 11, April 2020; refiled mid-2025), and LOOK Dine-In Cinemas (Chapter 11, late 2024). The pattern suggests that the premium dine-in model's higher fixed cost base, kitchen infrastructure, elevated staffing, expensive leases, is structurally difficult to sustain at current attendance levels, even as overall box office improves. Inflation-driven food and beverage cost increases and rents that have not reset since the pre-pandemic period compound the pressure.
- To entice audiences and provide an experience that cannot be replicated at home, movie theaters have invested significantly in cutting-edge projection systems, immersive sound technology and specialized seating. These premium experiences offer more than just a movie; they provide an event, a night out that justifies the outing and a higher price relative to streaming. The 4DX format, popularized by CJ 4DPLEX, is available in over 800 screens worldwide as of 2023 and integrates seat movement, wind, rain, scents and strobes synchronized with on-screen action, turning blockbuster films into multi-sensory experiences. Meanwhile, ScreenX technology leverages multi-projection systems to extend the image onto auditorium side walls, creating a 270-degree panoramic view exclusive to theaters.
- Chains like AMC and Cinemark have doubled down on their loyalty programs and subscription services, aiming to cultivate a more engaged and regular audience base. By offering enhanced audio-visual experiences, theaters differentiate themselves from home streaming services, positioning cinema visits as an exclusive event. Cinemark reported that its Movie Club subscription program reached a record membership in 2025, with approximately 95.0% of surveyed moviegoers expressing high satisfaction with their visits, suggesting strong engagement among frequent patrons, even as overall admissions declined.
- Major theater chains like AMC, Cineworld and Cinemark are investing in state-of-the-art screen technologies to enhance the visual experience. In 2023, AMC announced a multimillion-dollar deal with Cinionic, a provider of advanced laser projection technology. This investment aims to upgrade nearly 3,500 of its auditoriums with laser projectors by 2026, representing a significant financial commitment to enhancing visual presentations. Cineworld previously announced a $200.0 million investment plan in 2022 to enhance its offerings, part of which focused on upgrading its RPX auditoriums with premium large-format screens and improved projection technology. In 2023, Cinemark continued its investment in XD screen technology, aligning with its 2021 announcement of over $250.0 million in technology upgrades across its network, including the transition to laser projection for enhanced viewing experiences.

Mounting external competition has pressured theaters

- The prominence of streaming has profoundly affected traditional movie theaters, with many audiences opting for the convenience of watching new releases at home. Theaters have been partially left out of the loop as production companies increasingly send their films directly to their streaming services at a premium upcharge. Warner Bros. made headlines in 2021 when it announced that its entire film slate, including major releases like Dune and The Matrix Resurrections, would debut simultaneously in theaters and on HBO Max. Disney has pursued a similar path, premiering blockbusters such as Black Widow on Disney+ for a $30.00 "Premier Access" fee during its theatrical run.
- According to a 2023 report by the National Association of Theatre Owners (NATO), box office revenue declined by around 14.0% compared to pre-pandemic figures. This shift has prompted theaters to explore innovative ways to draw audiences back, recognizing that the big screen's allure must compete with convenience and premium content available at home.
- In a bid to adapt to changing industry dynamics, AMC and Universal Pictures struck a deal to shorten the theatrical release window to just 17 days, after which films can transition to streaming platforms. This agreement, initiated in 2020, allowed AMC to secure a portion of the streaming revenue, illustrating a shift in traditional business models. By 2023, this approach will set a precedent for other theaters and studios looking to balance theatrical and digital releases and maximize profitability in a changing landscape.
- As theaters face the dual pressures of declining attendance and the need to remain competitive with streaming services, one noticeable trend has been fluctuating ticket prices. Many theaters have opted to implement dynamic pricing models that adjust ticket costs based on

demand, time of day or film type (e.g., blockbuster vs. independent). Many theaters offer discounted ticket days, membership perks or tiered pricing to make moviegoing more accessible and appealing to a broader audience, while also balancing operational costs and attracting more patrons.

- IMAX reported a record $1.3 billion in global box office for 2025, up about 40.0% year-over-year and 13.0% above its prior record from 2019, including $449.0 million of domestic box office, a 14.0% increase over its previous North American high. IMAX's share of global box office reached an all-time high of about 3.8% from just over 1,800 locations worldwide, highlighting the outperformance of premium large format screens relative to the broader exhibition market.
- Movie theater chains increasingly embrace subscription-based models to encourage regular cinema visits and build customer loyalty. AMC's Stubs A-List, for example, allows members to watch multiple movies per week for a fixed monthly fee while enjoying benefits like concession discounts. Similarly, Cinemark Movie Club provides members with monthly movie tickets and discounts. These programs aim to mimic the subscription success seen in streaming services and provide consistent revenue for theater chains facing fluctuating ticket sales.

The industry yearns for a return to pre-pandemic highs

- The financial health of movie theaters is closely tied to the consistent release of new films, which drive foot traffic and revenue. However, labor disputes, such as the 2023 strikes by the Writers Guild of America and the Screen Actors Guild, have led to significant production delays. These stoppages have reduced the number of new films available for theatrical release, disrupting the movie release calendar.
- When major studios alter their release schedules due to these delays, theaters face a shortage of blockbuster content, which is crucial for drawing large audiences. This, in turn, can lead to reduced attendance levels, affecting box office sales during crucial periods like summer and holiday seasons, traditionally the peak times for moviegoing.
- Fewer new releases impact ticket sales, but it also hinders ancillary revenue from concessions and special event screenings. Independent and smaller theaters, which disproportionately rely on high-performing releases to remain profitable, can be particularly vulnerable to these disruptions. To mitigate these risks, some theaters have sought to diversify their offerings by screening classic films, hosting live events or enabling streaming concerts and sports. While these strategies can help offset some losses, they may not fully compensate for the revenue shortfall caused by the lack of new, high-demand films.
- Theatrical revenue is highly seasonal, with peaks during the summer, Thanksgiving and Christmas periods when major blockbusters are typically released. This seasonality creates vulnerabilities, as theaters depend heavily on big-budget films to drive significant portions of their annual revenue. For example, in 2019, Disney's releases accounted for about 38.0% of the annual US box office, underscoring the industry's reliance on blockbusters from major studios to draw large audiences and generate income. This dependency can lead to financial instability if anticipated hits underperform or if unexpected events disrupt key release periods.
- The subdued performance of the domestic box office has led to increased financial strain on theaters, with earnings still not fully recovered to pre-pandemic levels. For instance, in 2022, US box office revenue was approximately 35.0% lower than in 2019. As a result, many theater chains have experienced higher cash burn rates and have had to seek additional financing to maintain operations and service debt. Companies like AMC have issued new stock and explored potential mergers and acquisitions to improve liquidity and stabilize their financial positions amid ongoing challenges.
- To combat ongoing box office declines, such as the 21.0% year-over-year drop in summer 2023 reported by Comscore, theaters are turning to dynamic pricing, event screenings, and premium experiences. Major chains like Cinemark offer discounted "Movie Tuesday" tickets and premium IMAX surcharges, while independents such as Alamo Drafthouse focus on community events and in-theater dining. Despite these efforts, a thin slate of new releases and shifting audience habits continue to challenge the sector's financial stability.

Theaters struggle to balance investment costs amid margin pressures

- AMC Entertainment reported full-year 2025 results showing total revenue growth of 4.6% and Adjusted EBITDA growth of nearly 13% versus 2024, genuine operational improvement. Yet AMC has not recorded an annual net profit since 2018 and continues to carry a heavily leveraged balance sheet. Its debt-to-equity ratio stood at -2.17 with a negative book value per share. The company refinanced $173 million in 2026 debt maturities (pushed to 2029) and equitized $143–183 million of exchangeable debt.
- While AMC's share price recovery has remained elusive, Rival Cinemark has been profitable since 2023 and has been able to invest aggressively in PLF capacity, including its 17-theater IMAX deal, without the same balance sheet constraints. This divergence matters for the competitive landscape: AMC's debt burden limits its ability to invest in premium format conversions and new technology at the pace required to retain premium-seeking audiences. Long-term, if the box office recovery plateaus or slows, as it did in 2024–2025 despite modest growth, AMC's interest expense and debt service costs remain a structural vulnerability. Note that profit margin data here draws primarily on company-reported Adjusted EBITDA and analyst commentary; net income margin trends across the broader industry (beyond named majors) are not well-evidenced in available sources and require corroboration from financial filings.
- The structural economics of exhibition create strong dependence on ancillary revenue. Film rental fees for major studio releases typically represent 50–65% of admissions revenue, leaving thin margins on the core ticket product. By contrast, food and beverage costs as a share of concession sales run at approximately 16% for Cinemark (FY2023), versus 54% film-cost-to-admissions ratio, meaning concessions generate dramatically higher margins per dollar of revenue. Concession snack margins can exceed 85%.
- The strategic calculus has shifted even further over the past 12 months as data on streaming performance has matured. Films that received theatrical-exclusive windows of 26–45 days outperformed on streaming compared to straight-to-streaming releases, theatrical releases

arrive on platforms with established audiences, word-of-mouth momentum, and cultural footprint already built. This finding has influenced Amazon and Apple, both of which have been moving toward theatrical-first as a default strategy. A Deadline analysis in February 2026 argued that breaching the 45-day window threshold would harm studios themselves, not just exhibitors, because theatrical revenue is the most efficient signal of a film's commercial value and helps maximize total lifecycle revenue.

Volatility High

What influences industry volatility?

Demand shocks exposed acute structural fragility in the industry revenue model

- Movie theaters in the United States (US) operate with minimal diversification of revenue away from admissions. A single pandemic-era shutdown drained foot traffic, collapsing revenue to a historic low in 2020 before it rebounded 84.4% in 2021 and a further 43.9% in 2022. Compared with the broader Arts and Entertainment sector, where diversified revenue streams moderate cyclical swings, the industry's high volatility rating reflects this acute structural exposure.
- When the economy is booming and consumer confidence is high, people are more willing to spend on discretionary activities like moviegoing. Conversely, in economic downturns, disposable income tightens and consumers prioritize essential spending over entertainment, causing a hit to theater revenue. Rising costs of living, including increased prices for food, gas and other necessities, can lead to reduced discretionary spending on entertainment. Attendance can drop when ticket prices and concessions become less affordable, adding to revenue unpredictability.
- Higher interest rates can make borrowing more expensive for theater businesses looking to expand or upgrade facilities. This can impact their ability to invest in improvements that draw in crowds, affecting long-term profitability and competitive positioning.
- Going to a movie theater has become increasingly expensive. Over the last decade, ticket prices have climbed steadily, making regular outings less accessible to a broad audience. Concession costs have also risen, further discouraging families and budget-conscious consumers. The National Association of Theatre Owners reported that higher prices have particularly impacted attendance among younger audiences, traditionally a key theater demographic.
- Movie theaters also succumb to some level of seasonality as they are beholden to domestic film slates. Theaters can typically see stronger performance during holiday weekends. AMC reported its highest weekly attendance of 2025 during Thanksgiving week, welcoming about 6.9 million guests globally, including approximately 5.5 million in the United States and generating $1.3 billion of revenue in the third quarter of 2025.

Content supply shocks amplify revenue swings beyond exhibitors' control

- Entertainment industries follow changes in per capita disposable income, consumer confidence and consumer spending, as the public can spend more on events. A movie ticket is considerably cheaper than a ticket to a sporting event or concert, lowering the cost of attending and reducing losses for other industries when disposable income is low.
- Streaming platforms offer a vast library of movies and TV shows at users' fingertips 24/7. This eliminates the need to visit theaters, causing people to choose the comfort of their homes over a trip to the cinema. Services like Netflix regularly release new content, with shrinking theatrical windows making waiting for a film to hit streaming a more viable option. Subscriptions offer an all-you-can-watch buffet at a fixed monthly rate. This is often more economical than buying individual movie tickets, especially for families or frequent watchers, pulling audience attention (and wallets) away from theaters. To compete more effectively on price, theaters have also begun to embrace subscription-based monetization models.
- Streaming platforms have dramatically changed how consumers access films. With services like Disney+ and HBO Max releasing major titles online, sometimes on the same day as theatrical releases, audiences have less incentive to visit theaters. This shift isn't just about convenience; it's about the immediate gratification that consumers prefer. For instance, when Disney released Black Widow on Disney+ simultaneously with its theatrical release, a significant portion of its revenue came from streaming subscriptions rather than box office sales.
- Despite efforts to curb piracy, illegal downloads and streams of new releases remain a widespread issue. This impacts revenue, as potential theatergoers can access films illegally online, reducing audience size and contributing to financial unpredictability for theaters. According to the Motion Picture Association, piracy costs theaters more than $1.0 billion at the box office.

Content supply shocks amplify revenue swings beyond exhibitors' control

- Theaters get most of their revenue from admissions, and most moviegoers only go to the theater when there's a specific film they're interested in seeing. Summer blockbusters and holiday releases typically draw massive crowds, while other periods can be almost deserted. This inconsistency makes revenue highly unpredictable month-to-month.
- Successful marketing strategies for big-name, high-budget sequels to popular movies drive higher admissions sales, but this has become less common as more movies go directly to streaming services. Even blockbuster releases may underperform if consumer confidence is low, increasing revenue unpredictability. The disappointing summer box office performance in 2022, driven by a few underwhelming high-profile releases, illustrates this vulnerability.
- The industry's financial health is often tied to the success of major tentpole films. If expected blockbusters underperform or fail, it significantly depletes overall earnings, making the financial landscape unpredictable. Shifts in what genres or types of films are popular can happen swiftly. What drew crowds last year might flop this time around, making the forecast for success and revenue unreliable.
- Revenue concentration in blockbuster tentpoles means a handful of films each year account for a disproportionate share of annual

admissions. When studio production schedules are disrupted by strikes, production delays, or changes in distribution strategy, exhibitors absorb the shortfall with no mechanism to replace lost foot traffic. The 2023 Hollywood strikes constrained content supply into early 2024, contributing to growth of just 1.6% in 2023 and 1.5% in 2024.

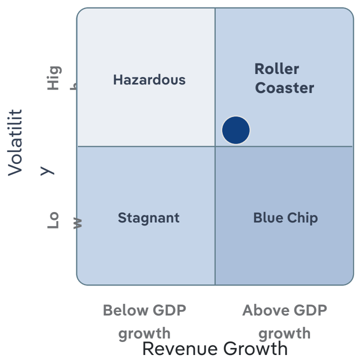
- According to Stephen Follows, the theatrical window has compressed from the pre-pandemic standard of 90 days to approximately 30-45 days. Shorter exclusivity periods concentrate box-office revenue in-office revenue in the opening weeks of a release, elevating the stakes of opening-weekend performance and eliminating the recovery window for films that underperform at launch.
- According to Cinema United's Strength of Theatrical Exhibition report, the number of "habitual moviegoers" (people seeing six or more films per year) grew 8.0% year over year, indicating deeper engagement among the most valuable customers even as overall admissions softened slightly.

Premium pricing masks an underlying attendance fragility that heightens long-run revenue risk

- Total US ticket volumes remain well below pre-pandemic levels, with revenue recovering through raised per-ticket prices rather than restored attendance. A 2024 National Association of Theatre Owners report found that average US ticket prices rose from $9.16 in 2019 to $10.84 in 2023. Unlike volume recovery, price-driven revenue gains provide no cushion when consumers reduce attendance frequency, because no further price lever offsets the loss.
- As deliberate, experience-seeking visitors have displaced habitual attenders, per-visit revenue metrics have improved, but the total addressable audience has contracted. Cinema United (2026) reports that North American exhibitors reinvested more than $1.5 billion in theater upgrades in 2025, focusing capital on large-format screens and premium seating to defend revenue amid flat attendance volumes.

Roller Coaster

Industry volatility vs. revenue growth (2021-2026 CAGR)



IBISWorld

Source: IBISWorld

Key Success Factors

How do successful businesses overcome volatility?

Raise revenue from additional sources

Theaters with diversified revenue streams, including food and beverage sales, event cinema programming, and advertising, are less exposed to box office volatility. Concession margins can exceed 85%, making ancillary revenue critical when admissions soften.

Develop a loyal customer base

Subscription and loyalty programs convert variable admissions revenue into recurring income. AMC Entertainment Holdings (AMC) A-List and Cinemark Movie Club members demonstrate higher visit frequency, dampening the revenue impact of weak-slate periods.

Outlook

↑ 2026-31 Revenue CAGR +1.2%

What's driving the industry outlook?

Renewed investment activity boosts industry services and innovations

- The National Association of Theatre Owners has announced that eight of North America's largest movie theater chains are poised to invest over $2.2 billion within the next three years. This ambitious initiative aims to elevate entertainment experiences by modernizing and upgrading more than 21,000 screens, accounting for nearly 70.0% of the North American box office. Companies such as AMC, Regal Cinemas, Cinemark and Cineplex are leading this transformation, a strategic move essential for revitalizing the industry amid challenges posed by streaming services and the COVID-19 pandemic.
- These theater chains are tackling the intensifying competition from luxury cinema experiences, such as IPIC Theaters and Alamo Drafthouse, which was recently purchased by Sony, by investing in technological and experiential enhancements. Their projects include installing cutting-edge laser projection and immersive sound systems, introducing more comfortable seating and developing family-friendly entertainment options, such as arcades and bowling alleys. This modernization is crucial for maintaining relevance and attracting audiences back to physical cinemas.
- Recovering profitability and a new influx of capital will fund these expansive upgrades. For instance, Regal has committed to a $250.0 million refurbishment of its 400 locations following its parent company's recent emergence from bankruptcy. Such investments signify optimism for the future and reflect a concerted effort to redefine the moviegoing experience in an ever-evolving entertainment landscape, positioning theaters as dynamic venues that offer more than just film screenings.
- As moviegoers increasingly gravitate toward premium large-format experiences, AMC is developing a new strategy. The entertainment giant plans to invest between $1.0 billion and $1.5 billion over the next four to seven years to significantly enhance its offerings in this sector. Central to AMC's Go Plan is a major expansion of its premium large format (PLF) and extra-large format (XLF) theaters, alongside an expansion in Laser at AMC auditoriums. This strategic move reflects a broader trend within the cinema industry, where theaters focus on providing distinctive experiences that cannot be replicated in home viewing setups.
- The most significant recent development was Disney's announcement at CinemaCon 2026 of "Infinity Vision," a new premium theatrical certification designed to compete directly with IMAX and Dolby Cinema. Infinity Vision certifies existing and new PLF auditoriums based on picture size, brightness, and immersive experience. The first film to receive Infinity Vision certification will be Avengers: Doomsday on December 18, 2026, Disney's most anticipated release of the year. By entering the certification space, Disney is effectively taking partial control of the premium exhibition experience rather than leaving it entirely to IMAX or exhibitor-branded formats.
- Several exhibitors are collaborating with streaming platforms and studios for exclusive theatrical windows and event-style programming. For example, Cinemark has partnered with Netflix to host limited-engagement runs for select high-profile releases, capitalizing on the draw of highly anticipated movies to fill seats and generate buzz. Also, theaters are hosting live broadcasts of concerts, sports events and even interactive gaming tournaments to diversify revenue streams, a move that has already shown promise. According to Comscore, live event cinema revenue in North America soared by 25.0% in 2023, reaching $42.0 million. By embracing these alternative programming strategies and pursuing synergistic partnerships, operators aim not only to boost attendance but also to redefine the cinema experience, extending beyond traditional film exhibition.

Streaming service subscriptions will constrain growth

- Rising global internet connectivity poses a threat to the movie theater industry. The surge in affordable, high-quality streaming services, such as Netflix and Disney+, shifts consumer preferences toward home viewing, offering vast content libraries and exclusive releases. Platforms are heavily investing in original content, further drawing viewers away from traditional sources. Enhanced home theater technology offers a cinematic experience right in your own home. Economic pressures encourage this shift as streaming remains a cost-effective entertainment option, challenging theaters to adapt rapidly or face obsolescence.
- The movie theater industry faces threats from rising mobile connectivity and shifts toward small screens and short-form content. With 4.9 billion mobile users globally, consumers find streaming more accessible and convenient. Younger audiences, notably Gen Z, prefer platforms like TikTok and YouTube, where 70.0% spend over three hours daily.
- According to the Motion Picture Association's 2023 THEME Report, global subscriptions to online streaming services surged past 1.7 billion, marking a 17.0% gain from the previous year. This contrasts sharply with cinema attendance, which remains down from pre-pandemic levels in the US. Major releases like Netflix's Glass Onion: A Knives Out Mystery and Disney+'s Turning Red exemplify studios' willingness to skip or shorten traditional theatrical windows entirely, prioritizing streaming premieres that attract millions of global viewers within days. These seismic shifts underscore the urgent need for theaters to innovate and adapt.
- Movie theaters must adapt their business models and collaborate with studios to create mutually beneficial strategies that maintain the theatrical experience while accommodating streaming platforms. However, production companies are gaining significant bargaining power, and movie theaters are losing their leverage to make demands when signing contracts regarding release windows.
- The industry may witness more partnerships between theaters, studios, streaming platforms and content creators to co-produce, co-distribute or cross-promote content, enabling greater consumer flexibility and access.
- The Hollywood Reporter stresses that, even by 2029, the movie theater business will remain more polarized, with a relatively small number of major franchise and event films driving a disproportionate share of box office, while mid-budget titles increasingly migrate to home viewing.

Theaters make adjustments to adapt to new conditions

- Theaters will raise ticket and concession prices to offset reduced attendance. Ticket and concession prices have significantly increased in recent years, testing the loyalty of even the most dedicated moviegoers. Data from the National Association of Theatre Owners reveals that the average US movie ticket price rose from $9.16 in 2019 to $10.53 in 2023, marking a 15.0% climb in just four years.
- These price surges have outpaced inflation, prompting backlash from consumers and fueling the appeal of home-viewing alternatives. In response, some theaters have invested in dynamic seating strategies to maximize the yield of every screening. Cineplex, for instance, introduced a tiered pricing model in 2023, charging a premium for so-called "prime seats" in the middle rows and offering discounts for less desirable locations.
- More exhibitors will fully embrace memberships to navigate volatility. Cinema United notes that North American cinema loyalty programs saw a 15.0% increase in new subscriptions from 2024 to 2025, underscoring theater chains' reliance on membership models to drive repeat business. A 2025 Fandango trends study finds that discount days and ticket-plus-concession bundles are the top motivators for increasing theater trips, with 88.0% of surveyed moviegoers stating they plan to see more movies in theaters in 2025 than in 2024.
- Indie films, documentaries and international movies are gaining more screen time as audiences diversify their tastes. Smaller, specialized theaters are emerging, catering to niche markets and offering a more personalized viewing experience. Theaters are hosting special events, such as director Q&As, classic movie nights and early releases that can't be found on streaming platforms. For example, Fathom Events has partnered with various theaters to bring live performances, operas and exclusive content to the big screen.
- As the trend of creating theater-like experiences at home grows, sales of ultra-large TVs surge, challenging traditional cinemas in the US. Sound and Vision magazine reports a 1,200.0% rise in 85-inch TV sales over the past year. Retailers like Sam's Club, Costco and Best Buy offer televisions that are over 80 inches in size at affordable prices, with financing options available. The 2024 Consumer Electronics Show showcased TVs exceeding 100 inches, further enhancing the allure of home cinema. With the theater industry grappling with high ticket prices, it must innovate to offer experiences beyond what these home advancements can deliver.
- Movie theaters will continue focusing on providing unique and immersive experiences to attract audiences. This could involve further integrating new technologies. The adoption of technologies like Dolby Atmos, Barco Escape and IMAX with Laser has enhanced the audiovisual experience in theaters, offering viewers immersive soundscapes and stunning visuals that surpass traditional setups. Laser projectors have gained popularity in theaters due to their superior image quality, brightness and energy efficiency compared to traditional lamp-based projectors. The development of LED cinema screens also offers theaters greater flexibility in screen size and aspect ratio.

Theaters will incorporate AI to boost profit and operational efficiency

- The future of movie theaters lies in hyper-targeted advertising campaigns. In collaboration with Movio, AMC Theatres is leading this charge by leveraging data from social media and loyalty programs. This approach enables the creation of personalized content tailored to individual film interests, particularly benefiting the independent film sector. By addressing content overload and targeting niche audiences, AMC aims to increase visibility for independent films.
- The integration of AI in ticket pricing is set to redefine cinemas' revenue strategies. Regal Cinemas exemplifies this by employing AI to adjust ticket prices based on real-time factors such as demand, show timings and seating choices. This dynamic pricing model not only maximizes revenue but also improves occupancy rates.
- AI is transforming customer service models to enable seamless, efficient interactions. Cinemark Theaters use chatbots to assist with ticket bookings, showtime queries and complaint management. This automation streamlines processes and enhances customer experiences. As audiences demand faster solutions, movie theaters must embrace AI-powered tools to meet these expectations and maintain high customer satisfaction.
- Predictive maintenance is emerging as a game-changer for theater operations, minimizing equipment downtime and disruptions. By analyzing performance data from projectors and sound systems, theaters can anticipate maintenance needs before breakdowns occur. This proactive approach ensures uninterrupted high-quality viewing experiences, fostering customer loyalty.

Theater owners mobilize against Paramount–Warner Bros. Discovery merger

- The merger that has most captured exhibitor attention in 2026 is not the Netflix–WBD deal that briefly dominated headlines in late 2025, but the Paramount–Warner Bros. Discovery combination announced in February 2026 after Netflix withdrew its competing bid. Warner Bros. Discovery shareholders approved the deal on April 23, 2026; the transaction still requires sign-off from European regulators and is expected to close before Q4 2026.
- Cinema United, the world's largest exhibition trade association, representing more than 31,000 US screens, has led the opposition, with chair Michael O'Leary vowing to fight the deal in letters sent simultaneously to the National Association of Attorneys General, the Democratic Attorneys General Association, and the Republican Attorneys General Association. Over 1,000 industry signatories, including directors J.J. Abrams and Denis Villeneuve, joined in opposition.
- The core exhibitor argument is consolidation risk, reducing major film distributors from five to four gives the combined entity disproportionate power to dictate "terms, windows, scheduling, screen-placement of movies and access to historic film catalogs." Cinema United specifically cited the Disney–20th Century Fox acquisition as a cautionary precedent, noting that Fox's annual theatrical output dropped from over a dozen films to just six following the 2019 closure. Paramount CEO David Ellison's promise of "at least 30 films per year"

from the merged entity has been received skeptically, as the combined Paramount–WBD share of the domestic box office currently stands at approximately 25%, with Disney, Universal, Sony, Amazon MGM, and Lionsgate as competing distributors.

- The theatrical window dimension is particularly sensitive. The current average window for the top 100 US films is 37 days. Cinema United has been advocating for a minimum 45-day window (which would lift the average to 49 days), ideally extending to Disney's existing 62-day average. Exhibitors fear a combined Paramount–WBD entity, under pressure to feed streaming platforms, would push windows shorter rather than longer.

Trump's proposed 100% tariff on foreign-made films creates industry uncertainty

- In early 2026, President Trump announced intent to impose a 100% tariff on "any and all movies coming into our Country that are produced in Foreign Lands," framing the policy around the claim that US film production has declined by over a third in Los Angeles over the past decade as states and foreign countries offer competitive tax credits and incentives. Trump has simultaneously proposed low-interest bonds for Hollywood productions.
- Legal analysts and industry groups note that implementing the tariff faces substantial obstacles: films are specifically listed as an exception to presidential authority under the International Emergency Powers Act (IEEPA), and the Supreme Court is expected to rule shortly on the scope of Trump's broader tariff authority. The studio executive class is broadly opposed to the measure, calling it impractical, while some below-the-line crew members, whose work has migrated to UK, Australia, Canada, and other locations offering production incentives, are more receptive.
- For theatrical exhibitors, the direct near-term impact is limited. US-released films are typically domestic productions or co-productions structured through US entities. The larger risk is disruption to studio production slates and potential retaliatory measures from international film markets that could affect global box office performance of US films.

Life Cycle Mature

Why is the industry mature?

Contribution to GDP

The industry's contribution to GDP remains steady, highlighting its importance. This reflects the broader shift in entertainment consumption, as much of the economic activity once generated by theaters is now directed toward home entertainment and streaming services. Theaters endeavor to maintain their economic relevance by enhancing value and diversifying offerings.

Market Saturation

Movie theaters are widely accepted and present in nearly every town across the US, and the industry's localized regional nature prevents the market from experiencing heavy concentration. Still, the once-expanding network of theaters has reached market saturation, especially in metropolitan areas. This saturation results in cutthroat competition as theaters vie for the same pool of customers. With high screen numbers relative to demand, the challenge becomes differentiating the cinematic experience to draw in viewers.

Innovation

Digital projection has emerged as the latest industry innovation. Compared with traditional analog film, digital films are recorded and stored as computer files and can be distributed as hard drives or via satellite or broadband internet connection. Introducing technologies such as 4D seating, laser projection and immersive sound systems seeks to create a value proposition that cannot be matched by at-home viewing. Theaters are also exploring content diversification, hosting events like live sports broadcasts and performances to attract a broader audience.

Consolidation

Nearly half the market is controlled by three corporations that continue to buy out smaller theaters and absorb the competition. This trend reflects the competitive pressure to streamline operations and fortify their position against digital competition. Reducing redundancies offers these conglomerates competitive leverage in a financially challenging landscape.

Technology & Systems

Enhanced technology and systems, such as online ticketing, dynamic pricing models and advanced sound and projection technologies, continue to evolve. Theaters and distributors have greatly reduced costs by eliminating the physical storage and transportation of films. Adapting to digital trends is crucial as consumer interaction increasingly shifts to mobile and online platforms.

Life Cycle

Indication of the industry's stage in its life cycle compared to similar industries

*Growth is based on change in share of economy combined with change in establishment numbers

Source: IBISWorld

Products and Markets

Key Takeaways

Tariffs on upstream suppliers of goods such as raw materials and electronics, particularly from countries like China, will likely hike movie theater ticket prices. New tariffs on imported projection and sound equipment, much of which comes from overseas, could raise operational costs.

Admissions are still the revenue anchor, but premiumization has decoupled ticket revenue from ticket counts. IMAX (Image Maximum) and premium large format (PLF) screens command 30-80% premiums over standard digital, with CinemaCon 2026 certifications widening performance gaps further.

Concessions are a high-profit product. Many moviegoers see snacks as essential, enabling theaters to charge premium prices, while new dining options and branded merchandise are boosting profit.

Largest Market
$8.7bn Admissions to feature films

Product Innovation
Moderate

Products and Services

How are the industry's products and services performing?

Most revenue is made from admissions

- This segment includes admissions to 3D, drive-in and IMAX movie showings of domestic and foreign films. Box office ticket sales involve the revenue generated from movie viewings at theaters and ticket sales from physical and online platforms. While physical ticket sales still comprise most of this segment, online sales have surged following the pandemic and increasingly account for a larger share of theater revenue.
- Though attendance does fluctuate with changes in disposable income, revenue from this segment is generally stable. As ticket prices have risen, revenue from this segment has increased. Recent trends show recovering demand post-pandemic, encouraging theaters to focus on offering premium experiences like IMAX and Dolby Atmos to enhance audience appeal and justify ticket prices.
- According to an EntTelligence report, approximately 780.0 million movie tickets were sold domestically in 2025, a 5.0% dip from 2024, underscoring that revenue gains are driven more by price than by volume. Exhibitors have raised prices materially since 2019, with average US ticket prices up about 18.0% between 2019 and 2023 (from $9.16 to $10.84), a trend that continued to support the 2025 box office even as admissions lagged.
- Driving this revenue recovery is a structural shift toward higher-yield tickets rather than attendance-volume growth. At 769.2 million in 2025, total US ticket sales remain roughly half the 2002 peak, confirming that per-ticket pricing carries the segment forward. Across the industry, PLF investment has become the primary lever for deepening per-visit revenue as attendance stagnates. According to Screen Daily/Omdia, approximately 1,585 PLF screens operate across North America, with IMAX holding the dominant share of premium format locations. Premium format tickets command a 30–80% price premium over standard digital tickets, and exhibitors retain higher PLF margins because film rental fees are assessed as a percentage of admissions.
- Most theaters are first-run film exhibitions, though some host budget-friendly showings after films have debuted; these theaters rely more on concessions for revenue. Shifts in business models, with most major players implementing monthly subscription services, such as AMC A-list, have altered the landscape of this segment. These services incentivize repeat visits, boost audience retention and offer additional value through perks like free tickets and discounts. Subscriptions aim to create a stable revenue stream by encouraging frequent attendance and increasing ancillary sales from concessions.
- While admissions revenue drives foot traffic, theaters must share a substantial portion of ticket sales (often around 48.0%) with film distributors, limiting profitability. Recent US box office revenue remains below pre-pandemic levels, with $8.9 billion in revenue in 2024 compared to $10.8 billion in 2018. This highlights ongoing challenges from shifts in entertainment consumption and fewer high-profile film releases.

Concessions deliver the industry's most profitable revenue stream as per-patron spend sets records

- Candy, popcorn, soda and other snack item sales through concession stands and vending machines account for over one-quarter of revenue. Many theaters have rolled out full-service, dine-in options that serve a variety of entrees, plus the sale of alcoholic beverages has become increasingly popular. According to a 2024 Retail Stat analysis, film rental costs typically consume 50–65% of admissions revenue for major studio releases, while concession cost structures enable far higher per-dollar returns.
- For many moviegoers, snacks from the concessions are a must-have to complete the experience. The convenience of lobby snack services allows movie theaters to charge much higher prices for food products and to strengthen their profit. Industry major player AMC has recently implemented its own branded concession items, merchandise and collectible popcorn buckets.

- There is an increasing demand for high-quality offerings, prompting theaters to diversify menus, enhancing customer satisfaction and repeat visits. An increasing number of theaters are incorporating dining and alcoholic beverage options, following the Alamo Drafthouse model, to attract diverse clientele and enhance the overall moviegoing experience.
- These items deliver better profit than ticket sales, with gross profit on concessions regularly exceeding 80.0%, far outstripping the profitability of ticket revenue. On average, theaters make more from concessions per customer than from admissions, using strategies like combo deals and premium offerings to boost spending.
- Per-patron concession spending reached record levels at the two largest chains in 2025, with AMC Entertainment Holdings Inc. (AMC) and Cinemark Holdings Inc. management each describing domestic per-caps as all-time highs. The serial failure of luxury dine-in operators (iPic Theaters filed for Chapter 11 in early 2026, joining CMX Cinemas and ArcLight) has led mainstream exhibitors to selectively integrate food and beverage upgrades into premium auditoriums rather than pursue full conversions.
- In Q3 2025, AMC reported food and beverage revenue per patron of $7.74, the second-highest in the company's 105-year history and up 2.8% from $7.53 a year earlier. AMC also disclosed that its consolidated food and beverage revenue per guest reached a separate quarterly record of $7.95 earlier in 2025, helping drive total revenue per patron to an all-time high. Similarly, for Q2 2025, Cinemark reported worldwide concession revenue per patron of $6.52, with company commentary highlighting "all-time high" food and beverage per caps domestically and internationally.

Theaters look to monetize a captive audience

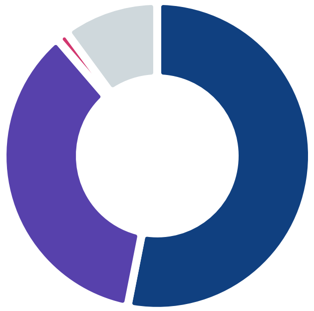
- Advertising revenue is sourced from ads shown before films and sponsored promotions within theaters. It offers a supplementary income stream with the potential for high returns when attendance is strong. Major brands seek this platform to capture the attention of millions of engaged moviegoers, utilizing targeted advertising based on film demographics. As theater attendance grows, operators are leveraging advanced data analytics to offer tailored ad packages, thus maximizing ad revenue potential amid an increasingly competitive marketing landscape.
- Advertising revenue, while not as large as ticket or food sales, taps into a lucrative model, as brands vie for exposure to captive audiences. In recent years, with the resurgence of theater attendance, advertisers see increased value in targeting audiences during peak movie releases like summer blockbusters or holiday films.
- Theaters collaborate with brands to create custom content that aligns with movie themes or genres. This could include branded short films or interactive ads that play before the main feature, seamlessly integrating brand messages into the moviegoing experience.
- While advertising currently accounts for a minuscule share of industry income relative to concessions and admissions, it has risen since 2020 as theaters look to diversify revenue streams. Though this segment is smaller, it provides steady, high-margin income independent of box office performance.
- AMC, the largest US theater chain, implemented a new policy as of July 1, 2025, adding additional commercials before film screenings. This move has frustrated some moviegoers but reflects theaters' search for new revenue streams. AMC's Q3 2025 results show advertising and other theater revenue of about $39.7 million, representing a relatively small but fast-growing slice (around 3.0%) of its $1.3 billion in quarterly revenue, with advertising up more than 25.0% year over year.

Theaters turn toward other sources to diversify income streams

- Arcade games, theater rentals, parking lots for special events, fees from customer loyalty programs and gift card sales also make up a small share of revenue. As theaters attempt to recoup business losses incurred during the pandemic, many have sought creative avenues to diversify their business, leading to this segment's growth.
- This category includes revenue from non-traditional sources such as private event rentals, merchandise and interactive experiences. While offering a smaller piece of the revenue pie, these segments enhance overall profitability and customer retention. Events like theater rental offers and special live broadcasts create unique value propositions. Private screenings and event rentals have gained popularity, especially for corporate events and private celebrations, which use theater space during off-peak hours, optimizing venue utilization and income.
- Growing consumer interest in interactive and personalized experiences is driving theaters to invest in these areas, providing diverse entertainment options beyond the silver screen, thereby building a loyal patron base. Interactive experiences, such as gaming areas and virtual reality pods, cater to younger audiences and technology enthusiasts, creating additional attractions that encourage longer visits and increased spending per customer.
- Licensed merchandise represents the segment's fastest-building component, with AMC selling two-thirds of a 500,000-unit Super Mario merchandise run within three days of release and generating an estimated $15–21 million from associated collectibles and branded popcorn buckets. Private event rentals have similarly strengthened, improving venue utilization during off-peak hours without requiring additional film bookings.
- The pursuit of alternative revenue reflects the industry's adaptation to changing consumer habits and the need to supplement core business segments as streaming and home entertainment continue to disrupt the market.

Products & Services Segmentation

Industry revenue in 2026 broken down by key product and service lines.



Source: IBISWorld

What are innovations in industry products and services? Moderate

New projector tech cuts costs

- Film used to be the standard for showing motion pictures, but has largely been replaced by digital projectors, as significantly lower transportation costs and easier use have boosted profit. Using laser technology to replace lamp projection has reduced energy costs and enabled brighter, more color-accurate movie screenings. However, these expensive projectors have yet to be implemented in most theaters.
- Digital projection has enabled the creation of 3D viewing technologies, which have become more prevalent in recent years. Movie theaters want to provide viewers with an experience that's as immersive as possible, and 3D technologies and IMAX theaters offer this. These technologies generate higher revenue and further differentiate movie theaters from other forms of home entertainment, such as online streaming and DVDs.
- Theaters have integrated advanced technologies like IMAX, 4DX and Dolby Atmos to enhance cinematic experiences with high-quality sound and immersive visuals. IMAX screens provide larger-than-life images, while 4DX adds motion seats and sensory effects, creating an engaging, multi-sensory environment. These enhancements attract tech-savvy audiences and justify higher ticket prices, helping boost revenue as standard ticket sales decline. Cinemark, for instance, reported increased attendance in locations offering these technologies, emphasizing their role in the industry's strategic shift.

Monthly subscription models ensure customer loyalty

- Monthly subscription models make moviegoing more accessible by offering unlimited screenings for a fixed monthly fee. They entice frequent movie lovers and directly compete with streaming service monetization models. Subscribers tend to visit theaters more regularly, increasing customer loyalty and potentially creating a steadier revenue stream for cinemas.
- AMC, the most prominent player in this industry, has found success with its subscription-based AMC A-list program and more theaters are expected to follow suit. AMC's Stubs A-List, launched in 2018, quickly surpassed 900,000 subscribers within its first year, contributing significantly to a 10.0% rise in overall attendance for the chain.
- These programs aim to combat declining ticket sales by offering an attractive alternative to traditional ticket purchasing, enhancing customer value and fostering brand loyalty among frequent moviegoers. The predictable pricing structure appeals to budget-conscious consumers, encourages more visits and increases concession sales, ultimately boosting overall theater revenue amid a competitive entertainment landscape.

Luxury seating and enhanced viewing experiences elevate audience engagement

- Movie theaters across the US have invested heavily in upgrading their seating to offer reclining chairs and spacious seating. This trend aims to offer a more comfortable and personal viewing experience, enticing viewers to choose cinemas over home streaming services.

- AMC Theatres and Regal Cinemas are at the forefront, installing luxury seating in many of their locations. According to data from the National Association of Theatre Owners, theaters that incorporate luxury seating see a significant increase of approximately 15.0% in ticket sales compared to those that stick with traditional seating. This increase highlights the growing demand for an upscale movie-viewing environment.
- Many theaters now offer gourmet food options and alcoholic beverages, transforming movie nights into an all-inclusive experience. Chains like Alamo Drafthouse and Studio Movie Grill have popularized this model, drawing in audiences who enjoy dining while watching their favorite films. This additional revenue stream complements ticket sales and provides a unique differentiation from at-home viewing.
- By offering a premium experience, theaters can better compete with at-home streaming services. Luxury seating and more dining options transform a simple movie outing into a high-value experience that justifies higher ticket prices and encourages patrons to return for repeated visits.

Key Success Factors

What products or services do successful businesses offer?

Ability to quickly adopt new technology

Movie theaters must adopt LED and laser projection systems to take advantage of lower energy costs and higher-quality audio and video. In addition, upgrading screens to 3D or IMAX capability permits companies to justify higher ticket prices and distinguishes theaters from at-home streaming options.

Vary services to suit different needs

Successful exhibitors match their product mix to audience composition. PLF auditoriums for high-spend premium viewers, dine-in options for occasion visits, loyalty programs for frequent attendees, and event screenings for group bookings. Breadth across service types maximizes venue utilization and reduces dependence on any single revenue source.

Provide a related range of goods and/or services

Theaters that expand into licensed merchandise, private event hosting, and branded concession items supplement core ticket and food revenue with higher-margin ancillary income streams, reducing exposure to box office volatility driven by content quality and release slate timing.

Major Markets

What's influencing demand from the industry's markets?

Animated films targeted at kids dominate the box office

- Consumers aged 17 and younger account for a similar share of revenue proportional to their share of the population. This group has more leisure time to indulge in movies, and blockbusters usually target them. Younger demographics have displayed significant interest in 3D movies in recent years.
- Movie theaters are increasingly adopting an "experiential" approach to enhance viewing events, hoping to entice young moviegoers beyond passive viewing. Chains like AMC and Regal have introduced sensory elements, such as vibrating seats and scent emitters, to complement on-screen action, especially for superhero films and animated features. This effort to create immersive experiences aims to compete with the at-home streaming environment.
- Seeing a movie is a popular pastime for parents and children, and many movies are made specifically to target an audience of kids. This age group includes early high schoolers who are first getting their driver's licenses, which enables them to hang out with friends at the movies. Young adults within this bracket view movies as an affordable form of entertainment and a social event, but are increasingly turning to streaming services due to their convenience.
- Recent trends show a strong rebound in demand for family films as parents seek shared entertainment experiences post-pandemic, with theaters increasingly scheduling family-focused programming during school holidays and weekends. Movie theater operators are capitalizing on platforms like TikTok and Instagram to reach younger audiences through targeted marketing campaigns. Trailers, behind-the-scenes content and influencer partnerships are employed to create buzz around new releases.
- Families flock to theaters for animated blockbusters like Disney and Pixar films, which consistently drive significant box office sales through group ticket purchases and concessions. The industry relies on this group for high attendance during school holidays and weekends, with studios timing releases like Frozen II or Minions to coincide with school breaks for maximum impact. Although ticket prices for children are typically lower, add-on sales such as kids' snack packs and birthday party bookings strengthen revenue, especially for PG and G-rated showings.
- Animated films and family-friendly blockbusters continued to draw large crowds, underscoring their perennial popularity among younger audiences. In 2024, the animated and family-friendly film sector retained its stronghold on the US box office, with Inside Out

2 and Moana 2 emerging as two of the top three highest-grossing movies of the year, according to data from Box Office Mojo.

Theaters modernize to appeal to the 18- to 24-year-old market

- Young adults often view movies as a social event, rather than a family one, which encourages them to attend the theater more frequently. Consumers in this age range have grown up with technology and are often more interested in pop culture than older folks. A Cinema United report highlights a 25.0% increase in Gen Z moviegoing frequency in 2025, the largest uptick of any age group, with Gen Z becoming the most frequent moviegoing generation.
- As frequent moviegoers, college-age consumers represent a robust source of repeat revenue. They commonly attend premieres, late-night showings and group outings, sharply boosting opening weekend sales for films like those in the Marvel Cinematic Universe. College-age consumers are price-sensitive but receptive to loyalty programs, student discounts and limited-event screenings – strategies that theaters leverage to fill seats.
- To attract this segment, theaters emphasize loyalty programs, offer midnight premieres and engage on digital platforms like Instagram and TikTok to create buzz and community. Seamless integration with digital platforms is also vital. Recognizing the digital-savvy nature of Gen Z, theaters are enhancing their online presence and providing seamless ticket purchasing experiences via apps and social media. AMC Theatres, for example, effectively uses its digital channels to engage younger audiences with promotions, exclusive content and interactive campaigns, such as virtual reality previews of upcoming films.
- Advancements in technology are also reshaping the theater experience for young adults. IMAX and 4DX formats have seen a resurgence, offering highly immersive and sensory-rich experiences that cannot be replicated at home. Dolby Cinema, with its enhanced audio and visual technology, reports a growing preference among younger audiences for premium experiences. A Gallup poll from 2023 reveals that 68.0% of moviegoers aged 18 to 24 prefer theaters with advanced technological enhancements, suggesting that investment in these formats can be a draw for this age group.
- Post-pandemic, theaters have observed a resurgence in attendance from this demographic, driven by a hunger for in-person group experiences and blockbuster events, signaling a healthy recovery in mainstream cinema outings. Theaters have appealed to this segment's combination of disposable income and robust demand by adjusting their business models to include monthly subscriptions, looking to capitalize on young adults' fervor for moviegoing.
- One of the most significant trends is the increasing popularity of event cinema and interactive experiences. The traditional moviegoing experience has evolved, as theaters transform into multifaceted entertainment venues. According to a 2023 report by the National Association of Theatre Owners (NATO), there is a marked rise in theaters offering special events like interactive screenings, live-streamed concerts and gaming events. Alamo Drafthouse, for example, has successfully attracted younger audiences by hosting themed movie nights, where attendees dress as characters from the film and participate in related activities before and after the screening. This experiential approach is crucial for attracting Gen Z moviegoers, who value unique and engaging experiences over passive viewing.

Consumers aged 25 to 39 are a core market for movie theaters

- Pew Research Center published comprehensive moviegoing data in March 2026, revealing a clear demographic structure to US theatrical attendance. Overall, 53% of American adults attended a movie theater in the past year; 7% reported never having seen a film in a theater.
- Pew finds that 67% of 18–29-year-olds attended, falling to 60% for 30–49-year-olds, 48% for 50–64-year-olds, and just 39% for those 65 and older. This gradient has direct implications for genre and franchise strategy: young adult audiences are most receptive to superhero, sci-fi, and franchise sequels, the backbone of the 2026 blockbuster slate. The risk is long-term demand ceiling: as the 18–29 cohort ages and the older cohort that grew up as habitual moviegoers continues to contract, sustaining the attendance base requires continuous engagement with younger audiences.
- Consumers in this age group often have more disposable income, which enables them to see more movies. This segment tends to initiate family-related moviegoing. They are frequent moviegoers, often seeing a movie once a month or more. This market is increasingly seeking more than just a film; they crave a fully immersive experience. This shift has been evident in the rise of luxury theaters such as AMC's Dolby Cinema and Cinemark's XD. These venues offer superior sound, video quality and comfort, creating an environment that justifies premium ticket prices. The financial success of these formats is notable; AMC Theatres has reported that, despite having fewer seats, these premium screens contribute disproportionately to box office revenue.
- Adults aged 25 to 39 are overrepresented among moviegoers and ticket sales, meaning they likely account for a similarly outsized share of concession revenue, since most moviegoers buy concessions. Fandango's moviegoing insights show that younger adults (aged 34 and under) are especially likely to be interested in pre-ordering concessions via app, with interest significantly above the overall average, suggesting higher engagement with concessions among this younger-adult cohort.
- Theaters target this lucrative segment by showcasing a blend of mainstream hits and indie releases, complemented by luxury seating and dining options to elevate the viewing experience. Nostalgia remains a powerful draw for this demographic. Special screenings of classic films, often tied to anniversaries or significant cultural events, attract significant interest.
- Their interest in adult-oriented films, such as Oscar contenders and auteur-driven projects, sustains box office outside of family and franchise fare. For example, Oppenheimer thrived with this cohort, becoming the third-highest-grossing film of 2023, according to Box Office Mojo.

Ticket sales fall as consumers age

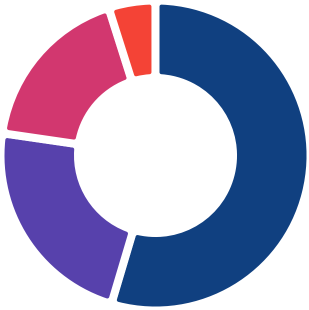
- A lack of pressure to keep up with new movies and pop culture decreases the frequency at which older adults go to the movies. The elderly haven't grown up with technology and are less connected to the primary marketing strategies for movies, so they're often unaware of new films.
- Consumers aged 40 and older account for less revenue than their share of the population would suggest. Elderly demographics use substitutes for movie theaters, such as streaming services, less frequently. However, the pandemic has increased this sector's digital technology adoption rate.
- The pandemic has left its mark on the older patrons' psyche, prompting theaters to maintain rigorous cleanliness standards and

flexible refund policies. Initiatives like AMC Safe & Clean have been instrumental in reassuring health-conscious moviegoers. The National Research Group found that 73.0% of frequent moviegoers over the age of 40 value these efforts when choosing their cinema destination.

- To appeal to this group, movie theaters host retro screenings, offer gourmet concessions and invest in plush, comfortable seating and intimate screening rooms. Promotions such as senior discounts, matinee showings and specialized programming like film clubs draw in this budget-conscious yet high-value segment.
- This segment drives sales for films with star power or prestige, like biopics and award contenders, contributing to the consistent revenue of movies such as Top Gun: Maverick, the second-highest-grossing movie in 2022, as reported by Box Office Mojo.
- Comfort and amenities take center stage for the 40+ demographic. Operators like AMC Theatres and Regal Cinemas are responding by upgrading seating arrangements to offer reclining chairs and ample legroom. The addition of enhanced food and beverage services, including alcohol offerings, also significantly attracts this audience, aligning with trends toward a more upscale viewing experience.

Major Markets Segmentation

Industry revenue in 2026 broken down by key markets



- Consumers aged 40 and older ($8.9bn) 54.6%
- Consumers aged 25 to 39 ($3.7bn) 22.7%
- Consumers aged 17 and younger ($2.9bn) 17.8%
- Consumers aged 18 to 24 ($798.4m) 4.9%

IBISWorld

Source: IBISWorld

International Trade

Some industries don't directly import or export goods. See reports at the manufacturing level for international trade data on relevant products.

Geographic Breakdown

Key Takeaways

Movie theater distribution follows the population. The region with the largest population, the Southeast, has the most movie theaters. Regions with dense cities have fewer locations due to high real estate costs, limited space and high competition for prime locations.

The West, especially California, has the second-highest number of theaters thanks to its film industry roots. Hollywood's influence and higher disposable incomes make the region a hub for moviegoers and industry professionals alike.

Regions with larger cities, like the Mid-Atlantic, have fewer but bigger theaters to serve concentrated populations. Conversely, sparsely populated areas like the Rocky Mountains need more theaters to meet the needs of geographically dispersed moviegoers.

Business Locations

State	Estab. Units	Estab. %	Revenue $m	Revenue %	Wages $m	Wages %	Employment Units	Employment %	Population %
California	505	11.6	2,842.6	17.4	493.0	19.3	17,370	13.5	11.5
Texas	336	7.7	2,107.4	12.9	306.4	12.0	15,035	11.7	9.4
Florida	215	5.0	1,094.7	6.7	144.3	5.6	7,709	6.0	7.0
New York	230	5.3	867.1	5.3	155.0	6.1	6,165	4.8	5.8
Illinois	154	3.5	620.6	3.8	106.6	4.2	5,194	4.0	3.7
Arizona	92	2.1	546.1	3.4	85.2	3.3	3,985	3.1	2.2
Ohio	150	3.5	410.0	2.5	62.2	2.4	3,615	2.8	3.5
Georgia	125	2.9	459.0	2.8	62.9	2.5	3,612	2.8	3.3
Pennsylvania	144	3.3	409.5	2.5	73.7	2.9	3,775	2.9	3.8
Michigan	136	3.1	416.5	2.6	67.6	2.6	3,981	3.1	3.0
Washington	131	3.0	436.0	2.7	73.4	2.9	3,107	2.4	2.3
New Jersey	70	1.6	432.8	2.7	65.2	2.6	3,142	2.4	2.8
Virginia	99	2.3	431.4	2.6	63.7	2.5	3,408	2.7	2.6
North Carolina	120	2.8	338.1	2.1	41.4	1.6	2,851	2.2	3.3
Indiana	102	2.4	253.8	1.6	39.1	1.5	2,631	2.0	2.0
Minnesota	101	2.3	217.8	1.3	39.3	1.5	2,310	1.8	1.7
Colorado	99	2.3	374.0	2.3	62.4	2.4	3,054	2.4	1.8
Utah	72	1.7	242.9	1.5	47.3	1.9	2,999	2.3	1.0
Massachusetts	81	1.9	316.1	1.9	61.2	2.4	2,361	1.8	2.1
Tennessee	95	2.2	253.5	1.6	38.2	1.5	2,379	1.9	2.1
Maryland	74	1.7	306.0	1.9	44.0	1.7	2,109	1.6	1.8
Iowa	90	2.1	128.0	0.8	20.0	0.8	1,684	1.3	0.9
Missouri	89	2.1	234.9	1.4	35.5	1.4	2,238	1.7	1.8
Wisconsin	87	2.0	197.3	1.2	36.1	1.4	2,329	1.8	1.7
Nevada	55	1.3	237.5	1.5	31.8	1.2	1,702	1.3	1.0
Oregon	84	1.9	197.8	1.2	32.5	1.3	1,580	1.2	1.2

State	Estab. Units	Estab. %	Revenue $m	Revenue %	Wages $m	Wages %	Employment Units	Employment %	Population %
Kansas	62	1.4	178.7	1.1	23.9	0.9	1,720	1.3	0.9
Connecticut	43	1.0	109.8	0.7	26.5	1.0	1,092	0.9	1.1
Oklahoma	56	1.3	171.5	1.1	18.9	0.7	1,603	1.2	1.2
Kentucky	44	1.0	128.2	0.8	17.9	0.7	1,255	1.0	1.3
Nebraska	46	1.1	83.4	0.5	11.7	0.5	931	0.7	0.6
Louisiana	39	0.9	125.6	0.8	19.5	0.8	1,287	1.0	1.3
South Carolina	38	0.9	125.8	0.8	15.4	0.6	965	0.8	1.6
Arkansas	43	1.0	82.0	0.5	11.5	0.4	853	0.7	0.9
Alabama	38	0.9	99.5	0.6	18.1	0.7	1,055	0.8	1.5
New Mexico	34	0.8	123.7	0.8	12.0	0.5	859	0.7	0.6
Montana	39	0.9	49.1	0.3	5.5	0.2	491	0.4	0.3
Hawaii	22	0.5	97.6	0.6	10.7	0.4	712	0.6	0.4
Idaho	30	0.7	71.9	0.4	9.9	0.4	755	0.6	0.6
Maine	32	0.7	41.5	0.3	8.0	0.3	522	0.4	0.4
Delaware	15	0.3	68.5	0.4	8.5	0.3	475	0.4	0.3
South Dakota	31	0.7	36.6	0.2	4.9	0.2	510	0.4	0.3
Wyoming	31	0.7	23.5	0.1	3.6	0.1	289	0.2	0.2
Mississippi	31	0.7	64.9	0.4	7.6	0.3	558	0.4	0.9
New Hampshire	27	0.6	46.9	0.3	8.8	0.3	450	0.4	0.4
West Virginia	27	0.6	45.2	0.3	4.9	0.2	404	0.3	0.5
Alaska	17	0.4	29.1	0.2	5.4	0.2	290	0.2	0.2
Rhode Island	14	0.3	39.1	0.2	5.2	0.2	305	0.2	0.3
North Dakota	25	0.6	27.8	0.2	4.2	0.2	341	0.3	0.2
Vermont	21	0.5	14.9	0.1	2.6	0.1	177	0.1	0.2

You can access and download additional years of data, including district-level data, at my.ibisworld.com.

Where are industry businesses located?

The Southeast ranks highest, with the largest population leading to the most movie theaters

- Movie theater distribution is tied to population, and the Southeast is the most populous region in the US. It contains the highest number of movie theaters in the country, corresponding to its share of the total population. A higher population density equates to a broader audience base for movie theatres, providing a consistent stream of patrons. For example, Atlanta's metropolitan area houses over 6.0 million people, ensuring a robust market for cinema. Urban centers provide ample opportunities for movie theatres to thrive, as concentrated populations seek entertainment options that are easily accessible and within close proximity.
- Given that movie theaters operate largely on a regional basis, consumers can expect to find a theater in their locality, depending on the area's population size. More people means more moviegoers. The region's warm climate encourages year-round tourism, with visitors often looking for additional entertainment and leisure activity options like movie theaters.
- Southern states regularly top lists for business climate, offering lower corporate taxes, less regulation and attractive incentives for new development. Georgia, for example, has built a national reputation as a film-friendly state, largely thanks to tax credits that have helped Atlanta become the "Hollywood of the South." These incentives not only support film production but also encourage

related businesses, including theaters, to set up shop.

- Real estate economics strongly favor Southeast expansion. Retail rents in Atlanta and Charlotte are generally lower than those in New York and Los Angeles, thereby improving theater chains' operating margins and enabling operators to maintain viable attendance thresholds in secondary and tertiary markets. Southern states, including Georgia, have also offered favorable business climates with lower corporate taxes and reduced regulatory burdens, lowering the fixed costs for new entrants.
- Unlike the densely populated Northeast or highly urbanized West Coast, much of the Southeast remains relatively underserved by premium and boutique movie theater experiences. This leaves ample room for new investment. The rise of luxury concepts like Alamo Drafthouse and Cinebistro in Florida and Texas demonstrates a growing appetite for enhanced moviegoing experiences. Marcus Theatres and Regal Cinemas have both expanded aggressively in mid-sized Southeast markets where attendance often outpaces national averages.
- Beyond population and cost advantages, year-round warm weather and tourism amplify the natural patronage base. Orlando and Miami attract tens of millions of visitors annually, many of whom include a theater visit as part of broader leisure itineraries, generating demand independent of local residential density. Cinemark has pursued expansion in mid-sized Southeast markets where per-screen attendance exceeds the national average, capitalizing on underserved suburban demand for premium large-format experiences. Serial luxury chain bankruptcies, including iPic Theaters' 2026 Chapter 11 filing, have demonstrated that dine-in concepts with high fixed cost structures carry elevated risk at current attendance levels, creating consolidation opportunities for well-capitalized multiplex operators.

The West is a staple for the film industry

- The West Coast, especially California, is the heart of the US entertainment industry, with Hollywood as its epicenter of film production. California's historical connection to the film industry contributes to the region's prominence in movie theaters. For example, premieres and exclusive screenings often take place in Los Angeles, driving up the interest and need for more movie theaters that can accommodate these events.
- Higher disposable income in this region enables more consumers to participate in leisure activities such as moviegoing. This, along with the West's film culture, naturally leads to a higher density of movie theaters to cater to movie enthusiasts.
- The Western US is home to some of the most densely populated and urban cities, such as Los Angeles, San Francisco and Seattle. These urban hubs not only have large populations but also serve as cultural and entertainment centers that attract audiences in search of leisure activities such as moviegoing.
- The Western US hosts several prestigious film festivals that showcase independent films and act as cultural hubs for filmmakers and audiences alike. For instance, the Sundance Film Festival in Utah is one of the largest and most influential festivals for independent films, drawing thousands of attendees and industry professionals every year.
- According to the 2025 American TV Cost Guide, ticket prices in California rank among the highest nationwide, driven by elevated commercial rents, minimum wage legislation and operational overhead costs. That cost structure compresses profit for smaller independent operators but supports per-visit revenue for chains that can command premium pricing. AMC Entertainment Holdings (AMC) and Regal have maintained flagship California locations precisely because the premium-paying audience density justifies the elevated real estate commitment.
- Across Southern California, a structural challenge has emerged: film production in Los Angeles (LA) has declined more than 30% over the past decade as competing state and international incentive programs have drawn productions to Georgia, New Mexico and the United Kingdom, per PBS News. Theater patronage has held steady despite this shift, though the local premiere calendar has weakened, removing the ancillary foot traffic that historically differentiated LA venues. Theater operators in Southern California have responded by increasing their reliance on national blockbuster slate programs rather than LA-specific premiere events to sustain attendance.

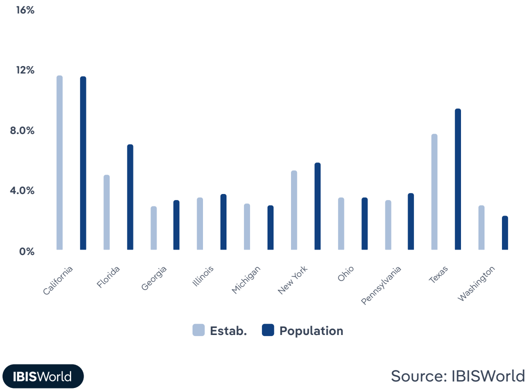
Other regions vary by population density in terms of movie theater establishments

- Regions with large cities have a more concentrated population, leading these areas to have fewer but larger theaters, such as the Mid-Atlantic. More sparse regions, such as the Rocky Mountains, require more movie theaters to service the moviegoing needs of the area's geographically dispersed consumers. Unlike suburban or rural regions where access can be limited, the Mid-Atlantic's extensive public transit network (notably NYC's MTA, NJ Transit and SEPTA in Philadelphia) makes theaters accessible to millions without the need for personal vehicles. High walkability scores in cities further support steady foot traffic, essential for theaters operating in competitive urban real estate environments.
- New York City, the largest metropolitan area in the United States, provides a vast audience base for cinematic experiences. With millions of residents and tourists seeking entertainment options, movie theaters can operate with a steady stream of patrons, thereby justifying a larger number of establishments.
- The Mid-Atlantic region is a cultural and economic powerhouse, hosting a vibrant arts scene that naturally supports an extensive network of movie theaters. Cities like New York are global centers of culture, offering diverse film festivals such as the Tribeca Film Festival, which enhance public interest in cinema. Moreover, the region's affluence means that consumers have discretionary income to spend on leisure activities, including moviegoing, which supports both independent theaters and large cinema chains.
- Households in the Mid-Atlantic region rank among the highest in median income nationwide. According to the US Census Bureau, Maryland, for instance, leads with a median household income of over $87,000. Higher disposable income often correlates with greater spending on entertainment. AMC and Regal have long favored the region for their premium cinema experiences, including luxury recliners and dine-in theaters, because local moviegoers are willing to pay a premium price.
- Theater chains regularly leverage the region's media infrastructure. For instance, AMC Lincoln Square and Alamo Drafthouse Brooklyn are popular venues for major movie premieres, cast Q&As and influencer events, a level of exposure that smaller cities can't match. The concentration of press and industry insiders in the Mid-Atlantic amplifies word-of-mouth promotions.
- One major factor contributing to the low number of movie theater establishments in the Rocky Mountain and Plains regions is the sparse population density. States like Wyoming, Montana and the Dakotas feature vast expanses of land with relatively few residents. For example, according to the US Census Bureau in 2020,

Wyoming has a population density of about six people per square mile. This low density makes it economically challenging to sustain multiple theaters, as the potential audience size is not large enough to support frequent showings and the operational costs involved.

Plains has the largest spread of businesses compared to its population

Share of Estab. (%) vs. share of population (%)



Source: IBISWorld

Key Success Factors

How do businesses use location to their advantage?

Carry out all necessary maintenance to keep facilities in good condition

Well-maintained facilities ensure a positive and safe customer experience, making theaters inviting and comfortable, attracting repeat customers and generating positive word-of-mouth. Neglecting maintenance can result in costly repairs and potential safety issues.

Operate in a highly visible location

Movie theaters thrive in locations that are accessible and easy to spot. A prime location in a bustling area draws foot traffic and makes it convenient for moviegoers to stop by.

Ensure car parking availability

Convenient parking is crucial for attracting audiences. Ample parking reduces the hassle for customers, making their moviegoing experience more enjoyable and encouraging repeat visits.

Competitive Forces

Key Takeaways

Popular films attract audiences, so movie theaters must ensure they have the rights to the season's biggest hits. Movie theaters must also compete with projects released directly to streaming, which has become more prestigious than before and popular with general audiences.

Streaming services have removed the exclusivity of movie theaters. Many consumers are happy to wait a few months for a popular film to come out on Netflix or HBO Max, so they can watch it from the comfort and convenience of their homes.

Major chains control much of the market, but small theaters find their niche. While AMC, Cinemark and Cineworld dominate more than half of the market, independent theaters thrive by offering unique experiences and catering to community interests.

The Paramount Consent Decrees' 2022 termination has permanently shifted competitive power toward large chains. Under the restored block booking and circuit dealing rules, AMC (American Multi-Cinema) and Cinemark access content on better terms than new entrants and independents.

Concentration	Competition	Barriers to Entry
Moderate	High (Steady)	High (Increasing)
Substitutes	**Buyer Power**	**Supplier Power**
High (Increasing)	High (Steady)	Moderate (Increasing)

Concentration Moderate

What impacts the industry's market share concentration?

Acquisition activity has persisted, even amid economic woes

- Massive revenue drops due to COVID-19 paused acquisitions as major players ensured their own success first and foremost. Acquisitions of smaller competitors have resumed, with three companies – AMC, Cinemark and Cineworld – currently controlling more than half of the market. In a move to expand its footprint, AMC Theatres acquired several locations from Bow Tie Cinemas in late 2022. This acquisition marked AMC's continued strategy to capitalize on opportunities arising from pandemic-related disruptions, allowing it to enhance its presence on the East Coast.
- Struggling with financial difficulties, Cineworld, the parent company of Regal Cinemas, explored restructuring options in 2023. This involved discussions of potential mergers or acquisitions to help stabilize the company. The situation drew interest from potential buyers and highlighted ongoing volatility within the industry.
- Major chains like AMC and Regal, a subsidiary of Cineworld, dominate significant portions of the market. They own many screens and secure exclusive deals with big studios. Despite their strong presence, these chains don't entirely blanket the industry. Smaller, independent theaters manage to carve out niches, particularly in regions offering unique viewing experiences or catering to specific community interests.
- Many regional theater chains operate successfully in specific areas, focusing on local consumer preferences and cultural nuances. This regional focus prevents national chains from exerting dominant control nationwide. Independent and regional theaters often provide unique experiences, such as film festivals, arthouse films and special events, differentiating themselves from mainstream theaters. This eclectic mix attracts diverse audiences, sustaining a fragmented market.
- According to Variety, North America has lost over 5,600 screens since 2019, as underperforming locations have closed and some major chains have filed for or emerged from bankruptcy.
- Warner Bros. Discovery shareholders approved the Paramount–Skydance merger in April 2026, with European regulatory clearance pending and deal closure expected before the end of 2026. If completed, the merger would reduce major Hollywood distributors from five to four, giving the combined entity an estimated 25% of domestic box office at the distribution level.
- The precedent from Disney's acquisition of 21st Century Fox is instructive. Fox's theatrical output fell from more than 12 films annually to approximately six following the merger, compressing exhibitors' programming options. Cinema United submitted testimony to Congress in early 2026, arguing that reduced studio output would disadvantage exhibitors, particularly smaller independent operators who cannot absorb a reduction in major-studio wide releases.

Quality and variety keep competition alive

- Below the major chains, a fragmented tail of approximately 2,001 enterprises, stable year over year, operates across 4,341 establishments, serving regional and specialty audiences that large national chains do not efficiently target. Through arthouse programming, film festival exhibitions, community events and dine-in hospitality, independent and regional theaters sustain a competitive presence that prevents any single operator from dominating nationally.
- Diverse consumer preferences drive the market, allowing independent theaters and smaller chains to thrive by offering unique amenities such as luxury seating, dine-in options or specialized film selections. The variety of cinema experiences offered, from luxury theaters providing gourmet dining to traditional movie houses with bargain prices, ensures that theaters compete not just on pricing but on the overall experience.
- Moviegoers appreciate both the blockbuster experiences provided by the big chains and the personalized touch and atmosphere often found in smaller, local theaters. This balance helps maintain a competitive yet collaborative market structure. Various theaters adopt specialized models to attract specific consumer demographics. Alamo Drafthouse offers a unique cinema experience with dining services and themed screenings, while Landmark Theatres focuses on independent and foreign films, appealing to cinephiles and niche audiences. These unique offerings ensure a broad market share distribution across different theater models.
- With the prominence of platforms like Netflix, Disney+ and Amazon Prime Video, audiences have shifted to on-demand home viewing. This has lessened the dominance of traditional cinemas, making it harder for any theater chain to capture a large audience share.
- Consumers increasingly seek moviegoing experiences that offer more than just the film itself, such as IMAX, dine-in cinemas, retro screenings and community events. Smaller theaters can quickly adapt to these trends, keeping the market decentralized. The proliferation of affordable, high-quality home entertainment systems has led many to opt for the comfort of watching movies at home. This preference has eroded the market power of theaters, leading to less concentration among the biggest players.
- The luxury dine-in sub-segment has proven structurally precarious. At operators including CMX Cinemas (CMX) and iPic Theaters, serial Chapter 11 filings demonstrate that high fixed costs, specifically kitchen infrastructure, elevated staffing and pre-pandemic lease obligations, cannot be sustained at current attendance levels. These exits have consolidated the dine-in sub-segment, ceding audience share back to traditional multiplexes.

Film licensing practices discourage concentration

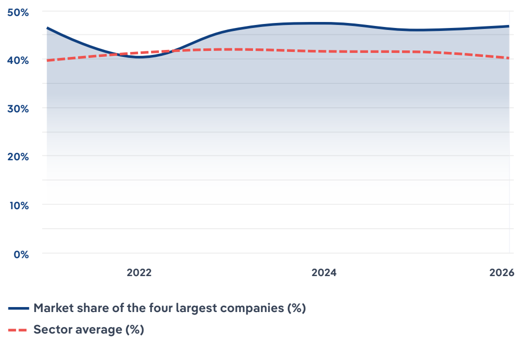
- North American film distributors establish geographic film licensing zones and license on a film-by-film basis to one theater in each zone. In zones with higher competition, distributors generally allocate their films to the exhibitors based on screen capacity, grossing potential and licensing terms. Geographic film licensing zones provide a strong advantage to large establishments within the zones that have many screens and higher ticket sales, but they can also be quite damaging for small and independent theater operators.
- Film studios aim to generate as much box office revenue as possible from their releases. To achieve this, they adopt broad licensing agreements that distribute films across a wide range of theaters, from large national chains to small independent cinemas. This approach ensures their movies are accessible to a broad audience, thereby increasing total ticket sales. Studios generally don't limit their film releases to specific theater chains. Unlike some industries where exclusivity can drive concentration, non-exclusive licensing in film distribution allows multiple operators to screen the same movie. For instance, a blockbuster release from a major studio might simultaneously premiere in AMC, Regal and Cinemark theaters, as well as in numerous independent venues across the country.
- Independent theaters often have the flexibility to negotiate directly with distributors, especially for films that cater to niche or specialized audiences. This position allows them to differentiate themselves from larger chains by offering unique, curated content, which in turn supports their market share by attracting patrons interested in independent or foreign films.
- By distributing films across a wide range of theater types and locations, studios foster a competitive market environment. The diversity of available content helps maintain a dynamic industry in which no single provider dominates, fostering healthy competition among both large and small theater operators.

Termination of the Paramount Decrees has shifted content access advantages toward large chains

- A January 2023 Columbia Undergraduate Law Review analysis found that full termination of the Paramount Consent Decrees in November 2022 ended prohibitions on block booking, blind bidding and circuit dealing that had historically protected independent exhibitors from preferential studio terms. Post-termination, major studios may bundle film packages, forcing smaller theaters to license unwanted titles alongside tentpoles, and may negotiate preferential content terms directly with large chains.
- Since the 2022 termination, independent theater operators face a structural negotiating disadvantage: major chains such as AMC and Cinemark can secure circuit-deal terms unavailable to single-location operators, concentrating effective content access power even as headline market share figures show fragmentation. Independent operators have responded by deepening affiliations with specialty distributors and strengthening niche-content programming to reduce dependence on major studio tentpoles for their revenue base.

Market Share Concentration

Combined market share of the four largest companies in this industry



IBISWorld Source: IBISWorld

Key Success Factors

How do successful businesses handle concentration?

Generate repeat customers

Movie theaters rely on returning patrons for sustainable revenue. Offering loyalty programs, amenities, exclusive screenings and excellent customer service helps sustain attendance during slower periods. Customer retention can lead to increased long-term profitability by reducing the need for costly customer acquisition efforts.

Provide a related range of goods and/or services

A range of product offerings creates a more engaging and profitable entertainment experience. Providing more than just movies, special events and private screenings – like gourmet snacks, arcade games and rentable event spaces – caters to diverse customer needs and boosts overall revenue.

Barriers to Entry

High

Increasing

What challenges do potential industry entrants face?

Legal

- Since the Paramount Consent Decrees expired in November 2022, studios may bundle films and offer preferential circuit-dealing terms to large chains such as AMC Entertainment (AMC) and Cinemark. New entrants cannot match the volume commitments required for these terms, creating a structural content-access disadvantage. State and local zoning codes restrict commercial entertainment uses in many jurisdictions, further constraining site selection.

Start-up Costs

- A minimum-viable multiplex requires substantial upfront capital for screens, digital projection systems, high-fidelity audio and large-format real estate leases. According to Cinema United, North American exhibitors reinvested more than $1.5 billion in theater upgrades in 2025, setting the performance benchmark new entrants must match. Securing comparable financing without an established credit history or cashflow makes entry prohibitively expensive.

Differentiation

- Differentiation is a minor factor for movie theaters since they provide the same service at a similar cost. Showing different individual movies may influence a consumer's choice of one theater over another. Established chains like AMC and Cinemark offer a variety of experiences, including IMAX, 3D screenings and luxury seating. New entries face the challenge of finding unique selling points that resonate with audiences. For example, Alamo Drafthouse carved out a niche by combining film screenings with dining services, thus differentiating itself from traditional theaters and capturing a distinct audience.

Capital Expenses

- Capital investments include screens and projection systems, audio systems, licenses and studio renovations. Capital expenditures have been focused on upgrading projection systems to be IMAX and 3D-capable. In addition, the proliferation of dine-in theaters and the popularity of reclined seating have prompted some movie theaters to perform significant renovations to their establishments. Large chains can spread these costs across multiple locations, while single-site operations face higher per-unit costs, which reduces their profitability.

Key Success Factors

How can potential entrants overcome barriers to entry?

Secure economies of scale

Operators who expand to multiple locations reduce per-screen capital costs, distribute overhead more efficiently, and negotiate stronger content-access terms with distributors, partially offsetting the volume disadvantage faced by smaller, independent entrants.

Produce a differentiated product

New entrants can reduce direct competition with major chains by targeting underserved formats or content niches, including indie film programming, anime screenings, or community-event cinema, generating attendance without replicating the PLF arms race.

Operate in a highly visible location

Securing a high-traffic retail or entertainment district site drives walk-in patronage and reduces marketing spend, mitigating a portion of the operational disadvantage relative to established chains with recognized brand presence.

Substitutes High Increasing

What are substitutes for industry services?

Consumers have new ways to watch movies

- The prominence of platforms like Netflix, Amazon Prime Video and Disney+ has transformed how audiences consume movies. These services offer subscribers a massive catalog of films, high-quality original series and documentaries, often at a fraction of the cost of regular theater visits. This model allows for binge-watching and instant access to new releases shortly after theatrical runs, making them popular among consumers.
- Streaming services that boast expansive catalogs of new and old movies alike have lessened demand for movie theaters. Studios make many blockbuster films with their own streaming service, so big-name movies that used to be exclusive to theatrical releases and eventually DVD purchases are now often available on demand a short time later.
- The subscription model of streaming services is very successful at retaining consumers, and some companies, such as AMC with A-list, have experimented with similar programs. Monthly subscriptions for streaming services are often less than the price of two cinema tickets. Consumers appreciate the ability to choose from different subscription tiers; for example, Disney+ offers a variety of pricing plans to cater to different viewing habits and budgets, which entice cost-conscious consumers away from theaters.
- Studios are increasingly allowing consumers to rent or purchase newly released films via digital platforms like Apple iTunes, Google Play and Amazon, sometimes even on the day of their theatrical release. This offers viewers the option of watching the latest releases at home, without having to visit a cinema.
- Streaming services are not only platforms for existing movies but also significant producers of original content. Netflix, for instance, released over 70 original movies in 2022, and several premier film projects debuted on these platforms rather than in theaters. This shift has redefined audience expectations for first-run movie viewing.
- To counter streaming's convenience advantage, exhibitors have deepened their investment in premium large-format (PLF). Cinemark signed a 17-theater IMAX deal and is installing three new IMAX 70mm projection systems ahead of The Odyssey in July 2026, targeting the audience segments least substitutable by home viewing.

Other forms of entertainment are popular

- Consumers have a variety of non-moviegoing ways to spend their free time and disposable income, including sports events, concerts and video games. The emergence of video streaming has created a viable alternative for consumers looking for film entertainment. TV networks and streaming services invest heavily in high-quality series that capture audience attention.
- Apps like TikTok and Instagram have popularized short-form content, keeping users engaged with brief, creative videos that offer quick entertainment hits throughout the day. The ephemeral nature of such content means users frequently return to these platforms, possibly offsetting the time spent on more extended media like movies.
- According to the Harvard Gazette, moviegoing has shifted toward event-film programs rather than habitual attendance, reflecting short-form content's displacement of the routine leisure demand that theaters previously captured.
- Short-form content competes for discretionary time rather than content depth, narrowing the total leisure budget available for cinema visits by filling gaps that would otherwise convert to ticket purchases.

Key Success Factors

How do successful businesses compete with substitutes?

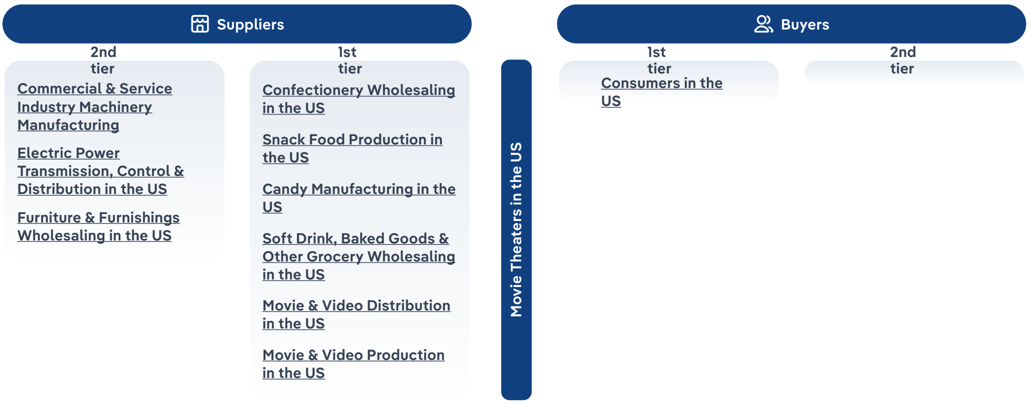
Provide superior after-sales service

Offering perks like membership rewards or advanced booking options for future visits based on activity makes the theater experience unique compared to streaming services. Attendance benefits create ongoing engagement that will have a cyclical effect in building the customer relationship, resulting in customer loyalty.

Promote products effectively

Highlighting the unique aspects of the theater experience – such as gourmet concessions, IMAX screenings or special events – can draw audiences away from substitute entertainment options like streaming and gaming.

Buyer & Supplier Power



IBISWorld

Source: IBISWorld

What power do buyers and suppliers have over the industry?

High Steady

Buyers: Attendance is everything

- Moviegoers wield considerable power due to the myriad entertainment options at their disposal. Streaming giants like Netflix offer vast libraries of on-demand content, prompting theaters to differentiate themselves. As consumers increasingly favor the comfort and convenience of home viewing, theaters are competing by enhancing the in-cinema experience with exclusive releases and immersive technologies.
- Consumers' sensitivity to ticket prices and concession costs gives them leverage over theaters. During economic downturns, moviegoers become even more price-conscious when discretionary spending tightens. This compels theaters to employ aggressive pricing strategies such as discounts, loyalty rewards and family packages to draw audiences.
- Modern audiences are gravitating towards enriched viewing experiences that streaming cannot replicate. As a result, theaters are investing in innovations such as reclining leather seats, luxury dine-in services and sensory technologies like 4DX. For example, chains such as Alamo Drafthouse offer a dining-and-viewing experience that distinguishes them from home viewing, catering to a niche market that values atmosphere and immersion. These enhancements have become a crucial tactic for theaters striving to retain patronage.

Moderate Increasing

Suppliers: Marketing failures

- Major film studios, including Disney and Warner Bros., hold substantial sway over movie theaters. These studios control the release of blockbuster films, often setting stringent terms that impact theater revenues. Theaters must agree to specific screening conditions and revenue splits, sometimes relinquishing significant box office shares to secure top-tier content.
- Film studios control release schedules and dictate exclusive first-run windows, forcing theaters to rely heavily on their blockbuster slate. By managing when and where new films are released, studios effectively control the flow of content, placing theaters in a position to adapt to studio-driven timelines to maintain audiences and ensure access to lucrative film offerings.
- Theaters rely on specialized technology providers for high-quality projection and sound systems, creating a dependency on suppliers like IMAX and Dolby Laboratories. These companies have the power to set terms that theaters must adhere to to provide cutting-edge experiences. Theater locations often fall in areas with high real estate costs, especially in urban areas, giving landlords leverage in lease negotiations. The balance between operational costs and profitability is thus partially dictated by these supplier arrangements.

Key Success Factors

How do successful businesses manage buyer & supplier power?

Being part of a group buying, promotion and marketing scheme

Theaters can obtain bulk discounts using group buying and coordinated marketing plans, reducing costs and increasing bargaining power against suppliers to ensure better profitability.

Offer a competitively priced product

Competitive pricing keeps customers coming back, lessening the impact of high supplier costs for new movie releases and helping sustain a theater's profitability.

Companies

Key Takeaways

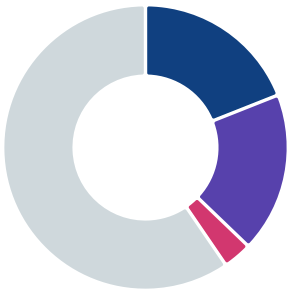
Three companies control more than half the market. AMC, Cinemark, and Cineworld dominate the industry and have done so through acquisitions.

Many small theaters have updated their amenities, such as full bars and reclining seats, to attract more moviegoers and revenue. Smaller, independent theaters tend to generate a loyal, localized customer base.

Market Share

Industry Market Share by Company

Industry-specific company revenue as a share of total industry revenue.



- **Amc Theatres ($3095.7m) 19.0%**
- **Cinemark ($2962.9m) 18.2%**
- **Cineworld ($534.4m) 3.3%**
- **Other Companies ($9702.2m) 59.5%**

IBISWorld

Sources: IBISWorld

Chart displays current year only in the PDF version of this report. You can view and download chart for all other years associated with this industry on my.ibisworld.com.

Company	Market Share (%)	Employees	Locations	Company Type	Headquarters
Amc Theatres	19.00	10,000+	860	Public	Leawood, Kansas
Cinemark	18.18	10,000+	497	Public	Plano, Texas
Cineworld	3.28	10,000+	790	Private	San Diego, California
Studiomoviegrill	0-2.5	1,000-5,000	17	Private	Dallas, Texas
The Marcus Corporation	0-2.5	5,001-10,000	2	Public	Milwaukee, Wisconsin
Harkins Theatres	0-2.5	1,000-5,000	33	Private	Scottsdale, Arizona
Star Cinema Grill	0-2.5	1,000-5,000	13	Private	Sugar Land, Texas

Company	Market Share (%)	Employees	Locations	Company Type	Headquarters
Alamo Drafthouse	0-2.5	1,000-5,000	68	Private	Austin, Texas
Marcus Theatres	0-2.5	1,000-5,000	81	Private	Milwaukee, Wisconsin
Premiere Cinemas	0-2.5	1,000-5,000	24	Private	Plant City, Florida
Emagine Entertainment	0-2.5	1,000-5,000	49	Private	Troy, Michigan
Reading International	0-2.5	1,000-5,000	4	Public	New York, New York
Santikos	0-2.5	1,000-5,000	35	Private	San Antonio, Texas
Landmark Theatres	0-2.5	501-1,000	42	Private	West Hollywood, California
Chunky's Cinema Pub	0-2.5	501-1,000	1	Private	Manchester, New Hampshire
Schulman Theatres	0-2.5	501-1,000	10	Private	Weatherford, Texas
Metropolitan Theatres	0-2.5	201-500	11	Private	Los Angeles, California
Showcase Cinemas	0-2.5	201-500	38	Private	Norwood, Massachusetts
Gqt Movies	0-2.5	201-500	24	Private	Kentwood, Michigan
Classic Cinemas	0-2.5	201-500	17	Private	Downers Grove, Illinois

Company Details

Amc Theatres

Company Total Revenue (2026)

$4.8bn

Industry Specific Revenue (2026)

$3.1bn

Industry Market Share (2026)

19.00%

Employees (2026)

10,000+

Headquarters

Leawood, Kansas

Company Type

Public

Locations (Top 10)

- Albany, Georgia
- Albuquerque, New Mexico
- Alexandria, Virginia
- Allentown, Pennsylvania
- Alpharetta, Georgia
- Altamonte Springs, Florida
- Amherst, New York
- Anaheim, California
- Anderson Township, Ohio
- Annapolis, Maryland

Other Industries

- Information in the US

A Full Locations list can be accessed in Atlas.

What's impacting Amc Theatres's performance?

Financial restructuring and debt refinancing continue as AMC navigates box-office recovery

- In January 2026, AMC announced an agreement with its financial stakeholders and a commitment letter to refinance its Odeon notes and other debt, signaling another step in its ongoing capital structure management following the pandemic. The company outlined plans to use proceeds from new first-lien notes and a term loan facility, along with cash on hand, to redeem existing secured notes due 2027 and refinance its current term loan, aiming to extend maturities and reduce interest burden.
- Management has indicated that 2025 free cashflow and modest North American box-office growth supported these efforts, although industry revenue remained below pre-pandemic levels and overall leverage stayed elevated.

Premium formats, recliner upgrades and food and beverage innovations have underpinned AMC's experiential focus

- AMC has continued to emphasize and expand amenities such as power-recliner seating, broader food-and-beverage offerings and premium large-format auditoriums to differentiate its theaters from competitors and home entertainment options. The company has invested in partnerships with IMAX, Dolby Cinema, Cinionic and CJ 4DPLEX. Concession strategies increasingly feature alcoholic beverages, made-to-order meals and collectible items, seeking to increase per-guest spending alongside ticket revenue.
- This approach is intended to position theater visits as differentiated outings beyond purely functional ways to watch films. Within the movie theater industry, large chains that scale premium formats and in-seat comfort tend to capture higher average revenue per patron, though they face higher capital expenditures and operating costs.

Cinemark

Company Total Revenue (2026)

$3.0bn

Industry Specific Revenue (2026)

$3.0bn

Industry Market Share (2026)

18.18%

Employees (2026)

10,000+

Headquarters

Plano, Texas

Company Type

Public

Locations (Top 10)

Abilene, Texas

Ada, Oklahoma

Albuquerque, New Mexico

Allen, Texas

Amarillo, Texas

Anchorage, Alaska

Apple Valley, California

Asheville, North Carolina

Ashland, Kentucky

Athens, Texas

Other Industries

Information in the US

A Full Locations list can be accessed in Atlas.

What's impacting Cinemark's performance?

Revenue recovery and a record 2025 box office strengthen Cinemark's financial position

- In February 2026, Cinemark reported its fourth-quarter and full-year 2025 results, highlighting its highest domestic box office since before the pandemic and record company revenue. Management indicated that the 2025 domestic box office for Cinemark exceeded its previous post-COVID high set in 2023 and outpaced overall North American industry performance, reflecting market share gains. The company also noted record concession revenue, improved profit and repayment of remaining pandemic-era debt, while noting that overall net income was lower than in 2024 due to a softer fourth-quarter film slate.
- Cinemark's results indicate that well-capitalized exhibitors with efficient footprints and successful premium and loyalty strategies can restore profitability even with an uneven release calendar. Continued box-office volatility still presents risk, but the reduction of pandemic-related debt gives Cinemark more flexibility to manage downturns and invest in its circuit.

Cinemark Movie Club and loyalty initiatives drive repeat visitation and market share gains

- Cinemark operates Cinemark Movie Club, a monthly subscription program that provides members with credits for movie tickets, discounts on concessions and other benefits. By early 2026, the company reported that the Movie Club program reached a record level of subscriptions. Movie Club and related marketing and pricing actions are aimed at attracting more frequent moviegoers and maximizing the performance of both major releases and specialty content.
- Programs such as Cinemark's Movie Club provide a recurring revenue base and a mechanism to smooth attendance patterns, which is valuable in an environment where release timing can produce pronounced peaks and troughs. This move aligns with the continued promotion of competitor programs such as AMC A-List and Regal Unlimited.

Cineworld

Description

Cineworld Group is a privately owned British cinema operator that runs multiplex theaters and related businesses under brands including Cineworld, Picturehouse, Cinema City, Yes Planet, Rav-Chen and Regal. Founded in 1995 and headquartered in the United Kingdom, the group operates cinemas and screens across the United Kingdom, Ireland, Central and Eastern Europe, Israel and the United States. Cineworld's activities encompass theatrical exhibition, concession and retail sales, cinema property leasing, advertising, ticket booking and film distribution and promotional services.

Company Type

Private

Company Total Revenue (2026)

$1.8bn

Industry Specific Revenue (2026)

$534.4m

Industry Market Share (2026)

3.28%

Employees (2026)

10,000+

Headquarters

San Diego, California

What's impacting Cineworld's performance?

Ongoing restructuring highlights operational challenges and uncertainties for future investment

- Even after exiting Chapter 11, Cineworld's UK business required additional external funding and formal restructuring plans to meet obligations such as rents, service charges, and insurance payments due in 2024. Trading performance at some sites was noted as weaker than projected, influenced by factors including the film pipeline, increases in labor costs such as the national living wage and lower-than-anticipated attendance at certain cinemas. Approved plans involve new equity injections, further adjustments to lease terms and mechanisms to impose restructuring outcomes on dissenting creditor classes.
- For the cinema exhibition industry, this extended sequence of restructurings highlights that addressing financial debt alone may not be sufficient if structural challenges – such as long leases, changing consumer habits and variable content supply – persist. Cineworld's situation contrasts with some peers that restored profitability earlier and used stronger balance sheets to accelerate investment in premium formats and amenities. The company's ability to allocate capital to modernization and new concepts is likely to depend on the effectiveness of these restructuring steps in stabilizing cash flows and reducing fixed obligations.

Premium formats and loyalty products remain central to the growth strategy

- Cineworld and Regal continue to rely on premium formats such as IMAX, 4DX, ScreenX and laser-enhanced auditoriums to differentiate their offer and lift average ticket prices. Tickets for premium formats are consistently higher than standard admissions, contributing to higher per-guest revenue when adoption is strong. Alongside formats, Cineworld Unlimited and Regal Unlimited subscription programs provide unlimited or high-frequency access for a monthly fee, while Regal Crown Club and other loyalty schemes reward spending with points and offers.
- These programs have been readily adopted by Cineworld in efforts to encourage repeat visits, increase concession spending and build a more predictable revenue base from frequent moviegoers. Cineworld's growth strategy includes sizable capital expenditures for recliner-seat upgrades in the US, aimed at further improving comfort and strengthening the appeal of Unlimited memberships.

External Environment

Key Takeaways

Alcohol sales boost theater revenue. Due to new laws, many theaters can now serve beer, wine and spirits. This change gives moviegoers another reason to make going to the movies a night out, resulting in a significant hike in revenue from concessions.

Government grants and tax incentives help movie theaters cover costs and upgrade facilities. These support programs allow theaters to enhance their offerings and maintain local cinema culture despite financial challenges.

Industry trade organizations help film exhibitors by researching and lobbying for pro-business laws. They advocate for the film industry's interests, addressing piracy issues and promoting policies that benefit theaters.

Regulation & Policy
Low Steady

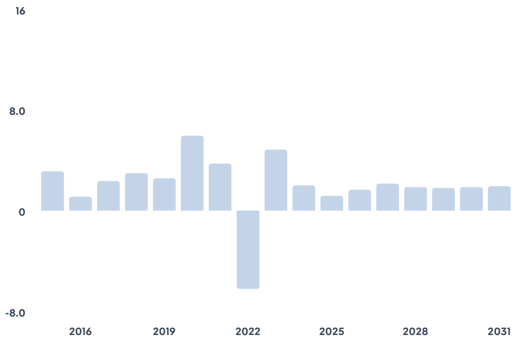
Assistance
Low Steady

External Drivers

What demographic and macroeconomic factors impact the industry?

Per capita disposable income

Growth

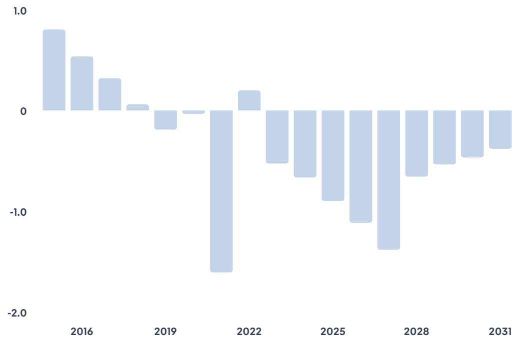


IBISWorld Source: IBISWorld

Per capita disposable income determines how much households can allocate to leisure after meeting fixed obligations. Moviegoing sits in the postponable tier of entertainment; income gains allow consumers to attend more frequently and trade up to premium-format experiences, while income shocks reduce visits first among lower- and middle-income households. Because premium formats command materially higher ticket prices, income growth amplifies revenue gains beyond simple attendance changes.

Number of K-12 students

Growth

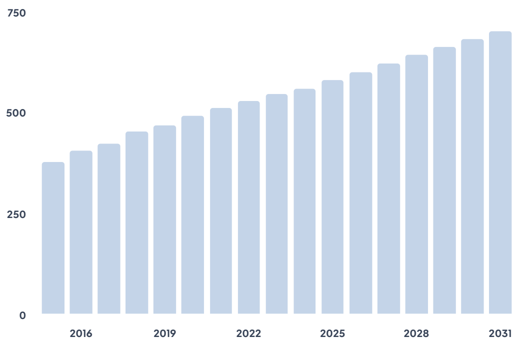


IBISWorld Source: IBISWorld

The number of K-12 students reflects the size of the youth audience, which skews toward animated, family and franchise content that anchors school-holiday release windows. A larger student population expands the addressable market for family-oriented programming, sustaining demand during peak school-break periods. Enrollment declines reduce the demographic base for this content category, exerting mild downward pressure on family-film attendance.

Number of broadband connections

Million



IBISWorld Source: IBISWorld

The number of broadband connections measures household access to high-speed internet, which enables streaming platforms to serve as direct substitutes for theatrical viewing. As broadband penetration expands, more consumers gain the technical means to replace cinema trips with on-demand home viewing, eroding attendance for films that do not benefit from the large-screen, communal experience premium. This driver represents a threat because continued broadband expansion widens the substitution pool available to the industry's core audience.

Consumer spending is the primary demand engine for movie theaters, as ticket purchases and concession sales are discretionary outlays that households expand or contract with their overall spending confidence. When aggregate consumer spending rises, households allocate more to non-essential leisure, directly lifting both admissions revenue and per-visit concession spend. This driver represents an opportunity for the industry because broad spending expansions translate quickly into higher attendance frequency and elevated in-theater purchases.

Regulation & Policy

Low Steady

What regulations impact the industry?

The Americans with Disabilities Act (ADA)

Independent theater operators bear disproportionate compliance costs under the Americans with Disabilities Act's (ADA) dual accessibility framework, which governs both physical access and assistive technology across a combined retrofit and operational burden. Under the 2010 ADA Standards, stadium-style theaters must configure wheelchair spaces within the rear 60% of auditorium seats or within a measured vertical viewing-angle zone, a requirement that forces seating layout decisions at the design stage and concentrates retrofit expense on single-location independents who cannot spread that capital outlay across a multi-location estate. A separate final rule signed by the Department of Justice in November 2016 (effective January 17, 2017) requires theaters to provide closed captioning and audio description equipment at patron seats for all digital films offered with those features, with staff required to assist patrons with the devices. Together, these obligations represent an ongoing operational overhead that is proportionally heavier for smaller operators absent the scale economies of national chains.

The Motion Picture Association's film rating system

Theaters must display and adhere to the Motion Picture Association's film rating system and ensure that underage moviegoers don't view content for more mature audiences. Staff are trained to enforce restrictions, such as barring underage entry into NC-17 or R-rated films unless accompanied by an adult. The movie rating system is intended to inform the public about what is and isn't suitable for children and prevent minors from being exposed to content geared toward older viewers. By adhering to these guidelines, theaters help ensure appropriate audience viewing and avoid legal liability. This system plays a crucial role in content regulation and is widely recognized and followed by theaters nationwide.

Film licensing and copyright laws

Movie theaters must obtain proper licensing to publicly screen films. This involves negotiating rights and length of time to show the film, with the movie theater company paying fees to the film's distributor(s) and the studio(s) that own(s) the rights to the film. Unauthorized screenings expose operators to copyright infringement liability under federal law, including statutory damages that can reach $150,000 per work for willful infringement. Licensing and copyright laws are meant to ensure that content creators and distributors are fairly compensated for their work and that possession of copyright is honored, which contributes to maintaining a sustainable industry. For example, theaters typically earn a percentage of ticket sales, with varying percentages often contingent upon the film's release duration and popularity. These agreements also govern screening schedules, promotional obligations and the theatrical exclusivity window, restricting an operator's ability to schedule repeat screenings or replace underperforming titles mid-run.

Food and beverage licensing

Theaters that sell concessions must comply with local and state licensing laws, including obtaining the necessary permits to sell food and beverages. Food service areas must meet health and safety standards, such as safe food storage and handling practices. Theaters offering alcohol face strict licensing regulations from state liquor control boards. These laws govern where and when alcohol can be sold and consumed within theater premises. Theaters must implement robust age-verification processes and train staff in responsible service protocols. Violating these laws can result in significant fines or loss of alcohol-selling privileges, so understanding and adhering to local liquor regulations is imperative for theaters wishing to offer this amenity.

The US Department of Justice antitrust division and the Paramount decrees

Since November 2022, independent exhibitors have operated without the structural protections that the Paramount Consent Decrees provided for over 70 years, following the Department of Justice's 2020 two-year sunset period. As of that termination, studios are legally free to engage in block booking (bundling access to tentpole films with less commercially attractive titles), circuit dealing (offering preferential content access to large chains such as AMC Entertainment Holdings and Cinemark Holdings) and blind bidding. According to the Columbia Undergraduate Law Review, post-termination circuit dealing creates a structural negotiating disadvantage for independent exhibitors, who lack the screen footprint to attract the preferential terms that major chains can secure. Residual state-level protections remain in California and Wisconsin, which retain blind bidding prohibition statutes; general antitrust law under the Sherman Act also continues to apply nationally.

Paramount-Warner Bros. Discovery merger

Studio consolidation has drawn direct regulatory attention from Congress, creating a policy risk for exhibitors that extends beyond existing antitrust frameworks. Opposing the proposed Paramount-Warner Bros. Discovery (WBD) merger, Cinema United submitted testimony to both the House and Senate Judiciary Subcommittees in January and February 2026, arguing the combined entity would hold approximately 25% of domestic box office and exacerbate content-access leverage over exhibitors. WBD shareholders approved the merger on April 23, 2026, with European regulatory clearance still pending as of mid-2026. Industry advocates draw a parallel to the Disney acquisition of 21st Century Fox, after which Fox's annual theatrical output declined from more than 12 films to approximately 6, warning that reduced studio slate diversity would widen the scheduling gap that alternative content, such as anime, video game adaptations and event cinema, currently fills.

Assistance Low Steady

What assistance is available to this industry?

Government
Tax incentives for facility upgrades and historic preservation

State and federal tax incentives reduce operating costs for movie theater owners who invest in facility upgrades or preserve historic venues. Administered by the National Park Service, the Federal Historic Preservation Tax Credit provides a 20.0% credit on qualified rehabilitation expenditures for certified historic structures, enabling operators to revitalize landmark theaters with partial federal subsidy. States including Georgia and New York offer production tax credits that indirectly expand the regional film pipeline available to local exhibitors, making those markets more attractive for studio releases and supporting footfall. These incentives are most consequential for independent and boutique operators undertaking capital-intensive renovations, as larger chains typically access debt markets for comparable investments. Some states maintain dedicated grant programs recognizing theaters as cultural infrastructure. Michigan's Economic Development Corporation reportedly funds historic theater refurbishment, prioritizing venues that host community events or screen independent films, and links investment to downtown revitalization objectives. Regional arts councils and private foundations supplement these programs, frequently requiring operators to demonstrate public-access program commitments or support for local filmmakers as a condition of funding. Eligibility criteria tend to favor smaller, independent operators over major chains, making these grants most material to the long tail of theaters outside the top-three exhibitor groups.

Government
Local legislation regarding alcohol sales

New legislation has permitted movie theaters in many states to serve beer, wine and spirits. These new product offerings generate higher revenue and give customers a new reason to leave the house and go to a movie theater. For example, in Texas, legislation permits establishments like the Alamo Drafthouse to serve drinks to patrons while they watch films, creating a unique and competitive edge in the market. Concessions account for nearly one-third of revenue, and the rollout of products that cater to more markets will boost this segment over the next few years.

Government

National Endowment for the Arts and other grant programs

The National Endowment for the Arts (NEA) provides grants to arts and entertainment organizations that serve public-access functions, including nonprofit and community-focused movie theaters. For qualifying operators, NEA grants defray equipment costs, support special screenings and fund educational program costs, thereby reducing dependence on box-office income alone. State and regional arts councils extend this support tier, often targeting theaters in underserved or rural communities. The practical impact is limited to a narrow segment of the exhibition market, as commercially oriented multiplexes do not typically qualify; for independent and community theaters operating on thin margins, profit and grant income can represent the difference between viability and closure. Programs like the Federal Historic Preservation Tax Incentives, managed by the National Park Service, provide financial incentives for rehabilitating historic movie theaters, ensuring these landmarks remain operational and accessible.

Government
Americans with Disabilities Act accessibility and compliance support programs

The federal government provides tax incentives specifically designed to offset accessibility upgrade costthe costs of accessibility upgrades for theaters. The Disabled Access Credit (IRS, Section 44) allows eligible small businesses to claim a 50.0% credit on accessibility expenditures between $250 and Section 44) allows eligible small businesses to claim a 50.0% credit on accessibility expenditures of up to $10,250 annually. Covered costs include installing assistive listening systems, closed captioning equipment and accessible seating modifications consistent with the Americans with Disabilities Act (ADA) captioning rule, finalized by the Department of Justice (DOJ) in 2017, requiring digital venues to provide in-seat audio description and captioning devices. Smaller, independent operators with revenues below $1.0 million or fewer than 30 full-time employees are eligible, making this credit particularly relevant given the fragmented long tail of theater operators outside the major chains.

Government
Shuttered Venue Operators Grant (SVOG)

The SVOG was created specifically to aid live venues, museums and movie theaters that were financially affected by the pandemic. This grant provided significant aid, with money earmarked for maintaining payroll, paying rent and covering critical operational costs. Theaters could apply for grants that matched up to 45.0% of their 2019 gross earned revenue, with some receiving up to $10.0 million. This assistance allowed many cinemas to stay afloat during the prolonged closure periods. The SVOG's focus on venues like the historic Oriental Theatre in Milwaukee helped preserve cultural heritage sites central to community identity and arts engagement.

Government
Proposed federal production incentives

A proposed federal low-interest bond scheme for US film productions would expand the domestic content pipeline available to exhibitors, addressing an upstream constraint on the theatrical release calendar. The Trump administration framed the initiative as a response to a 30.0% decline in Los Angeles production activity over the prior decade, driven by competing state and international production incentives. The proposal remains at an early stage, with no formal legislative instrument introduced as of mid-2026 and its ultimate scope and eligibility criteria are unclear. Exhibitors have not received direct financial support under this framework; the benefit, if it materializes, would flow indirectly through a fuller studio production slate.

Non-government
The Motion Picture Association of America

The Motion Picture Association (MPA), formerly known as the Motion Picture Association of America (MPAA), comprises major Hollywood studios, including Disney, Warner Bros. Discovery, Sony Pictures, 20th Century Studios, Paramount and Universal City Studios. By pursuing legal action and partnering with digital platforms, the MPA protects the intellectual property that underpins theatrical attendance. The association collaborates with government bodies to maintain content distribution standards and publishes research on box-office trends and streaming behavior, providing exhibitors with market intelligence to support business planning. Sustaining legal frameworks that defend exclusive theatrical releases from unauthorized distribution, the MPA indirectly protects the demand environment on which theater operators depend.

Non-government
Cinema United (formerly The National Association of Theatre Owners)

Cinema United, which rebranded from the National Association of Theatre Owners (NATO), is the largest exhibition trade organization in the United States, representing more than 31,000 screens across all 50 states. Members benefit from policy advocacy, industry research and collective representation on content access negotiations. According to Cinema United's December 2025 Strength of Theatrical Exhibition report, North American exhibitors reinvested more than $1.5 billion in theater upgrades in 2025, equipping members with evidence for legislative and studio negotiations. Cinema United submitted testimony to both the House and Senate Judiciary Subcommittees in early 2026, opposing the proposed Paramount–Warner Bros. Discovery merger and representing exhibitor interests against distributor consolidation (Cinema United, 2026). These advocacy activities provide structural value to all members, with independent operators especially reliant on the organization's collective voice, given their limited individual lobbying capacity.

Non-government
Corporate sponsorship and brand partnerships

Long-standing corporate sponsorship relationships between consumer brands and theater chains provide supplemental revenue and marketing support. As a well-established industry practice, companies including Coca-Cola and PepsiCo maintain multi-decade exclusive pouring rights agreements with major chains, supplying marketing funds and promotional incentives tied to film releases and special events. At the screen level, corporate sponsorships subsidize premieres, film festival screenings and branded event nights, partly offsetting the cost of hosting non-standard program content. For smaller operators, locally negotiated brand partnerships with regional businesses can provide a modest but meaningful revenue stream outside standard admissions and concession income, helping diversify earnings when box-office performance is weak.

Non-government
Film distributors' revenue-sharing models

Some film distributors have reportedly modified their revenue-sharing agreements to support exhibitors operating below normal attendance thresholds, particularly independent theaters and smaller markets. Under these arrangements, distributors agree to a higher proportion of box office receipts being retained by the exhibitor, reducing the financial pressure of-office receipts being retained by the exhibitor, reducing the financial pressure from below-average-attendance weeks. The practice is not universal and is typically negotiated bilaterally rather than through standardized industry terms; major chains with scale have greater leverage to secure favorable splits. These modified terms sustain exhibition in markets that would otherwise be commercially marginal for studio content, maintaining geographic distribution breadth for studios that rely on wide-release footprints to maximize opening-weekend revenue.

Non-government
Private equity and investment

Private equity firms often view movie theaters as growth opportunities, especially when theaters are in distress or show potential for modernization. Firms like Silver Lake have invested heavily in chains such as AMC Theatres, providing the capital needed for digital transformation and expansion plans. These firms provide capital to theaters to revamp their offerings, such as installing luxury seating, expanding concession choices, or enhancing digital projection capabilities. While these investments typically seek profitable returns, they also support theaters' long-term sustainability by allowing them to modernize and adapt to changing market dynamics.

Financial Benchmarks

Key Takeaways

The industry is labor-intensive, so wage expenses exceed purchase costs. A moderately sized labor force is required since employees are needed to clean theaters and run concession stands. Rising wages are squeezing theater profit.

Theaters are bouncing back from pandemic losses, albeit at a slow pace. Major chains like AMC benefit from economies of scale, but overall profit growth remains sluggish due to 2020's lingering impact.

Licensing fees are a big expense for theaters. They account for a significant share of revenue and are often higher for blockbuster films, forcing theaters to rely more on concession sales.

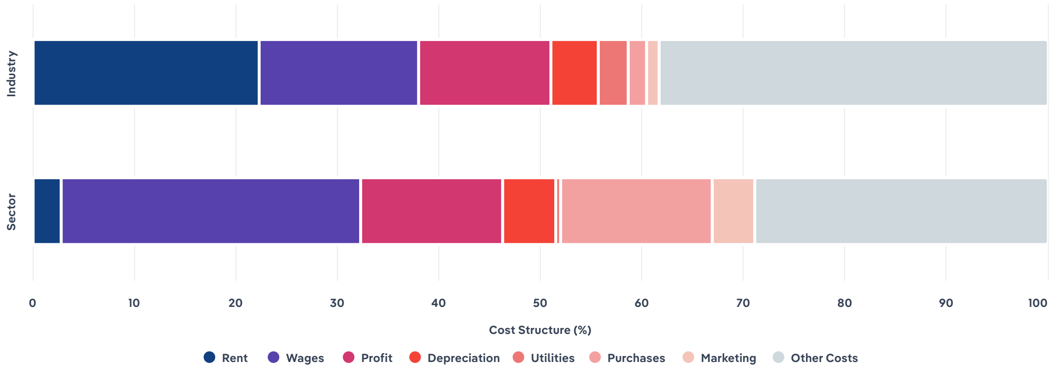
Profit Margin
13.0 % Lower than sector

Average Wage
$19,920 Lower than sector

Largest Cost
Rent 22.3% of Revenue

Cost Structure Benchmarks

Average operating costs by industry and sector as a share (%) of revenue 2026



IBISWorld Source: IBISWorld

Cost Structure Benchmarks

Operating costs	Industry (%)	Sector (%)
Rent	22.3	2.77
Machinery and equipment	35.4	-
Land, Building and Structure	64.6	-
Other	0	-
Wages	15.7	29.54
Other	100	-
Profit	13	14.02
Depreciation	4.7	5.23

Operating costs	Industry (%)	Sector (%)
Utilities	3	0.48
Purchases	1.8	14.92
Contracted labor	1.9	-
Other	98.1	-
Marketing	1.2	4.19
Other Costs	38.3	28.85
Taxes	0.5	-
Repair and Maintenance	1.3	-
IT services and related spend	0.1	-
Research and Development	7.4	-
Professional Services	1	-
Temporary employees	1.6	-
Waste Management	0.2	-
Telecommunications	0.1	-
Vehicle Costs	0.1	-
Other	87.7	-

What trends impact industry costs?

Sustained cost inflation has kept profit margins structurally thin

- Profit in the movie theater industry has held steady year on year, but this stability masks the structural pressure that has prevented margins from recovering in line with revenue. During the post-pandemic rebound, operating costs grew in line with admission and concession receipts, leaving operators unable to narrow the gap between revenues and expenditures.
- Typically, larger movie theater chains like AMC and Cinemark benefit from economies of scale and vertical integration, which materialize through higher profit. These theaters have increasingly adopted premium formats like IMAX, 4DX and Dolby Cinema, which offer superior audiovisual experiences. For instance, IMAX alone grossed over $1.0 billion globally in 2022. These high-ticket offerings attract cinephiles seeking an immersive experience, elevating per-ticket revenue.
- Theaters have also integrated in-house dining and luxury seating, creating a more enticing environment. AMC's dine-in cinemas, for example, reported a 15.0% gain in profitability. This trend increases ticket and concession sales as patrons indulge in full-service dining while watching movies.
- Subscription models, such as Regal's Unlimited Pass, are redefining consumer engagement. Since their launch, these programs have encouraged frequent visitation, and membership numbers have grown approximately 25.0% annually. This steady patronage ensures a consistent revenue stream, irrespective of individual movie performance.

Premium experiences and expanding spaces drive up rent costs

- Many US theaters have embraced the luxury cinema trend in response to a shifting market and evolving consumer expectations. Chains like AMC have invested heavily in Dolby Cinema technology, which significantly enhances the sound and visual experiences. Cinemark has expanded its XD theaters, featuring upgraded screens and audio systems. Providing such high-quality experiences often entails renovating current spaces or acquiring new properties that can handle these complex installations, leading to increased rental expenditures. For instance, recliner seats, which are now a staple in many modern theaters, require more space than standard seating, pushing theaters to lease larger areas.
- To counteract the slump in attendance theaters have prioritized creating enticing environments to lure audiences back. AMC's investment plan to enhance 650 locations exemplifies the industry's commitment to reinvention. These efforts to retrofit theaters with state-of-the-art technology have resulted in heightened operational and capital costs, which are reflected in the rising rents theater operators are willing to pay to secure well-located and well-equipped venues.
- Surviving major chains are emerging as net beneficiaries as boutique competitors exit via bankruptcy. With iPic, CMX, and ArcLight having partly collapsed under the weight of high fixed-lease commitments, chains holding existing long-term leases at pre-pandemic rates face reduced competition for premium real estate as of 2026. The luxury chain failure wave has effectively ceded high-footfall locations to AMC and Cinemark at no incremental rent cost
- The movie theater experience is increasingly being integrated with broader entertainment and leisure activities. Modern theater designs often incorporate dining, bars and gaming zones, transforming them into multi-faceted entertainment destinations.

This trend not only expands the physical footprint of theaters but also places them in more mixed-use developments that command higher rent. As theaters vie for spots in popular lifestyle centers, rental costs naturally escalate, driven by demand for these high-traffic, high-visibility locations that promise higher returns.

Even amid shifts in service, theaters still rely on labor

- Labor is a key operational cost within the industry, encompassing duties such as ticketing, concessions sales, cleaning and maintenance. Rising wages nationwide have pressured theater operators to pay their employees more, constraining profit growth.
- Paid labor is necessary to operate concession stands and maintain tidy theaters, especially amid heightened cleaning protocols during the COVID-19 pandemic. As theaters seek ways to expand their offerings by incorporating premium services, such as gourmet food and alcohol, customer service has become a key point of differentiation.
- Although automated ticketing and online purchases have gained popularity, pressuring wage costs, a growing focus on concessions and other activities has sustained growth in overall wages. National Association of Theatre Owners data shows a 12.0% climb in average wages from improved service offerings and technical advancements, reflecting a need for more specialized skills.
- Employees are often required to multitask, combining customer service roles with technical and maintenance tasks, such as ensuring the functionality of high-end seating and equipment. This dual capability is compensated with higher wages due to the breadth of knowledge and flexibility demanded of staff. The prominence of specialized screenings such as IMAX and Dolby Cinema necessitates staff trained in complex projection and sound systems. Cinemas have invested in technical staff who understand and operate these advanced systems, leading to higher compensation due to the specialized skill set required.
- The push for enhanced in-theater experiences aligns with broader economic and legislative shifts, such as the increasing minimum wage in many states, which contributes to overall wage growth. These factors work together to ensure that cinema staff are both skilled and compensated accordingly, reflecting their role in executing these enhanced customer experiences.
- State-level minimum wage increases in California, New York, and other high-cost markets have raised the labor-cost floor for chains with large urban footprints. Wage costs rose by 0.1 percentage points in 2026, reflecting modest upward pressure rather than a sharp spike, with average pay across the industry at $19,920 per employee, consistent with a predominantly part-time, entry-level workforce.

Luxury renovations inflate depreciation costs

- Over the past five years, the US movie theater industry has witnessed a substantial climb in depreciation costs due to a widespread trend of luxury renovations. These renovations include installing plush reclining seats, advanced projection systems like IMAX and cutting-edge sound technologies such as Dolby Atmos, significantly raising the value and complexity of theater assets.
- Major theater chains, including AMC Theatres and Regal, have invested heavily in these upgrades. AMC, for instance, embarked on a $600.0 million upgrade initiative aiming to counteract the rising competition from streaming services and small boutique theaters trying to create a more immersive viewing experience for audiences.
- While these luxury upgrades have the potential to boost ticket sales and customer satisfaction, they also come with a high price. The gain in tangible asset values means that theaters now incur higher depreciation costs. The National Association of Theatre Owners has reported a steady rise in these costs, growing approximately 2.5% annually, as the new assets entail significant and ongoing depreciation charges.
- According to Cinema United, North American exhibitors invested more than $1.5 billion in theater upgrades in 2025, including larger screens, enhanced sound systems, and dynamic seating. Cinemark's 17-theater IMAX expansion and IMAX 70mm installation ahead of The Odyssey in July 2026 are expected to contribute to rising depreciation charges. Each new PLF installation creates a multi-year depreciation obligation that must be serviced even in weaker content years.

Premium formats come at the cost of higher utility expenses

- Utility costs have soared among movie theaters as they grow more technologically demanding. The adoption of premium format screens, such as IMAX and Dolby Cinema, has significantly impacted utility costs over the past five years. These formats provide superior audiovisual experiences, which require advanced technical infrastructure and thus consume more energy.
- The architectural demands of larger screens and specialized seating increase the square footage of cinema spaces. This expansion necessitates more intensive heating, ventilation and air conditioning (HVAC) systems to maintain comfort, particularly when these technologies produce additional heat.
- As movie theaters increasingly embrace these formats to enhance viewing experiences and boost ticket sales, they face the challenge of managing the resultant spike in operational costs, particularly utilities. This trend reflects the industry's effort to balance evolving consumer preferences with financial sustainability.

Technological investments elevate costs for movie theaters

- Purchase costs have risen to exceed their pre-pandemic proportion of revenue as theaters invest in their screens and other service offerings, hoping to lure consumers back. The industry has seen a marked shift toward offering premium movie formats such as IMAX and 4DX, which provide enhanced visual and sensory experiences. According to a National Association of Theatre Owners report, premium format screens have increased by approximately 30.0% over the last five years. This proliferation allows theaters to charge significantly higher prices for these enhanced viewing options, contributing to increased revenue and ticket costs overall.
- Major capital has been allocated toward upgrading theaters with cutting-edge technology, such as laser projection systems and immersive sound experiences like Dolby Atmos. These advancements improve picture and audio quality and create a more engaging audience experience. Such technology requires significant upfront investment, which theaters balance out by incrementally raising ticket prices, thereby impacting the purchase cost structure.
- As competition from streaming services increases, theaters have pivoted to offering more luxurious experiences. Chains like AMC and Cinemark have invested heavily in redesigning theaters to include features such as recliner seating, expanded concession

offerings and dine-in services. AMC's recliner renovations reportedly increased ticket sales by an average of 60.0% at renovated locations. This indicates that consumers are willing to pay more for these added comforts, allowing theaters to offset renovation expenses through higher ticket prices.

- There is a discernible trend of moviegoers valuing the premium experience enough to justify increased expenditure. Industry surveys have highlighted that a growing segment prefers the quality and novelty of high-tech cinematic environments over standard options, leading theaters to prioritize and charge for these premium experiences. This shift is reflected in higher average ticket prices, which have increased by approximately 6.0% over the last five years, a statistic supported by the MPAA's annual reports on cinema economics.

Theaters use marketing as a tool for differentiation

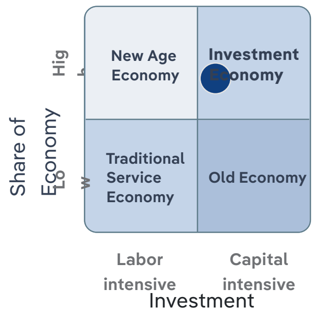
- The introduction of premium formats like IMAX, 4DX and Dolby Cinema has revolutionized the moviegoing experience. Marketing strategies have shifted to emphasize the superior sensory experiences these formats provide. This involves costly, targeted advertising efforts focusing on digital media and social platforms to engage specific audience segments who are more likely to value high-quality, immersive viewing.
- Movie theaters have increasingly partnered with film studios to co-promote content specifically produced for or converted into premium formats. For instance, films like Oppenheimer and Dune have featured prominently in IMAX promotions, with joint marketing campaigns leveraging enhanced viewing technology to draw audiences. This collaboration elevates marketing budgets as both theaters and studios invest in massive promotional efforts to highlight their technological advancements, focusing on visually stunning films that benefit from these formats.
- Theaters like AMC, Regal and Cinemark have invested heavily in promoting subscription services such as AMC Stubs A-List, Regal Unlimited and Cinemark Movie Club. These services are designed to entice frequent moviegoers with the promise of reduced ticket prices and other perks. To attract and retain subscribers, theater chains allocate substantial marketing resources highlighting the convenience and cost savings these programs offer. This includes digital marketing strategies, email campaigns and in-app promotions to effectively target potential subscribers.
- Marketing efforts now often bundle unique concessions, such as specialty or gourmet snacks, with subscription offers. These strategies aim to enhance the value proposition for customers. For example, theaters might offer exclusive discounts on concession items to subscribers, increasing the marketing budget to communicate these added incentives clearly and enticingly. AMC and other theater chains have tapped into the allure of exclusive merchandise to enhance the theater-going experience, such as AMC's collectible popcorn buckets themed around major film releases.

Licensing fees pose a challenge to theaters

- A significant part of a movie theater's expenditure is the licensing or renting of a film from distributors such as Warner Media LLC or Disney. Revenue from admissions is shared among both parties following a stipulated contract.
- The proportion of revenue shared can either be fixed throughout the film's first run or change during its run. Typically, prominent distributors negotiate a greater proportion of opening-week ticket sales, causing many theaters to rely more on concession sales.
- On average, license fees distributed according to these agreements account for a third of the industry's overall revenue. This cost, however, is likely to be lower for smaller theaters that don't primarily focus on showcasing blockbuster films.
- Data from the National Association of Theatre Owners indicates that licensing fees for blockbuster films have increased by approximately 30.0% over the past five years. This trend reflects theaters' willingness to invest more to secure high-grossing films that promise increased foot traffic and higher concession sales, offsetting rising costs.
- Taxes also place a heavy burden on movie theaters. Cinema United (representing theater owners) outlined 2024–25 legislative priorities that continued into 2025, including seeking tax relief for capital improvements, reforms to credit-card "swipe fees," and exemptions from broad "all-in ticket price" disclosure mandates. The group argues that targeted tax relief on capital expenditures (for recliners, premium formats and accessibility upgrades) and lower card-processing fees would materially reduce operating costs for exhibitors, helping to offset rising rent and utilities and supporting profit even as admissions remain below pre-COVID levels.

Investment Economy

Share of economy vs. Investment



IBISWorld Source: IBISWorld

Financial Ratios

Days' Receivables
55.6 Higher than sector

Interest Coverage
5.7 Higher than sector

Debt/Net Worth
3.4 Higher than sector

Earnings Ratios

Ratio	2020	2021	2022	2023	2024	3-Year	5-Year	10-Year
EBIT/Revenue	16.3	26.3	35.0	24.5	20.5	22.5	26.6	25.2
EBITDA/Revenue	24.2	29.9	41.1	33.4	25.3	29.3	32.4	30.5
Leverage Ratio	1.7	1.7	2.4	3.0	4.0	3.5	2.8	2.6

Industry Tax Structure

Ratio	2020	2021	2022	2023	2024	3-Year	5-Year	10-Year
Taxes Paid/Revenue	7.8	6.4	10.0	4.8	4.8	4.8	6.5	5.1

Income Statement

Ratio	2020	2021	2022	2023	2024	3-Year	5-Year	10-Year
Total Revenue	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Business receipts	90.9	91.9	90.6	94.7	94.7	94.7	93.0	91.7
Cost of goods	39.7	20.7	21.4	29.6	29.0	29.3	25.2	30.6
Gross Profit	60.3	79.3	78.6	70.4	71.0	70.7	74.8	69.4
Expenses								
Salaries and wages	4.2	17.8	10.5	7.7	7.6	7.6	10.9	7.3
Advertising	1.8	1.8	5.6	2.1	1.9	2.0	2.9	1.9
Depreciation	7.0	2.9	2.9	2.6	2.4	2.5	2.7	3.5
Depletion	0.3	0.0	0.0	0.8	0.4	0.6	0.3	0.2
Amortization	0.7	0.7	3.2	5.4	1.9	3.7	2.8	1.6
Rent paid	1.1	3.1	1.8	1.7	1.7	1.7	2.1	1.8
Repairs	1.8	1.1	0.3	0.6	0.6	0.6	0.6	0.7
Bad debts	0.5	0.6	3.0	1.1	2.6	1.8	1.8	2.1
Employee benefit programs	0.6	1.3	1.2	0.6	2.7	1.7	1.5	1.1
Compensation of officers	1.3	0.9	0.6	0.3	2.2	1.3	1.0	1.0
Taxes paid	7.8	6.4	10.0	4.8	4.8	4.8	6.5	5.1
Interest Income	0.7	0.5	1.4	2.2	1.7	1.9	1.5	1.0
Other Income								
Royalties	2.8	2.9	3.8	1.4	1.0	1.2	2.3	2.0
Rent Income	0.2	0.1	0.1	0.3	0.5	0.4	0.2	0.2
Net Income	1.5	16.0	17.7	11.9	12.1	12.0	14.4	15.7
Charitable contributions	0.2	0.2	0.1	0.2	0.2	0.2	0.2	0.2
Dividends	0.2	0.5	0.4	0.0	0.6	0.3	0.4	0.8
Interest paid	7.0	3.9	7.2	7.9	3.6	5.7	5.7	4.3
Net gain, noncapital assets	0.4	0.3	0.0	0.0	0.3	0.1	0.2	0.4
Net long-term capital gain less net short-term loss	1.3	1.5	0.6	1.0	0.2	0.6	0.8	1.5
Net loss, noncapital assets	0.7	0.1	2.9	2.0	1.2	1.6	1.6	1.3
Net short-term capital gain less net long-term loss	1.3	0.0	1.0	0.0	0.4	0.2	0.4	0.7
Other deductions	23.2	21.1	11.0	20.2	23.0	21.6	18.8	21.0
Other receipts	2.2	2.2	2.2	0.4	0.6	0.5	1.3	1.8
Pension, profit-sharing, etc., plans	0.6	1.4	0.4	0.5	1.9	1.2	1.0	0.6

Balance Sheet

Ratio	2020	2021	2022	2023	2024	3-Year	5-Year	10-Year
Assets								
Cash and Equivalents	15.3	13.8	9.1	9.7	10.1	9.9	10.7	10.4
Notes and accounts receivable	18.0	16.2	14.2	13.7	15.2	14.5	14.8	14.5
Allowance for bad debts	3.2	0.2	0.3	0.7	0.6	0.7	0.4	1.1
Inventories	0.9	1.2	3.9	9.3	9.5	9.4	6.0	5.4
Other current assets	10.0	8.9	8.2	5.3	5.1	5.2	6.9	6.3
Other investments	18.3	16.5	28.1	19.9	18.6	19.3	20.8	22.3
Property, Plant and Equipment	37.6	32.0	19.7	29.8	37.8	33.8	29.8	29.0
Accumulated depreciation	27.1	24.0	15.2	22.3	28.4	25.4	22.5	21.4
Intangible assets (Amortizable)	7.3	16.2	27.5	17.7	14.4	16.1	19.0	19.1
Accumulated amortization	1.6	10.2	10.6	6.1	5.4	5.8	8.1	7.3
Other assets	11.7	10.4	3.2	5.4	4.9	5.2	6.0	7.3
Total assets	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Accounts payable	4.4	10.9	8.6	9.5	11.0	10.3	10.0	6.2
Liabilities and Net Worth								
Mort, notes, and bonds under 1 yr	7.3	2.1	2.6	7.6	8.1	7.9	5.1	5.1
Other current liabilities	18.0	19.4	11.0	16.6	15.9	16.2	15.7	13.4
Loans from shareholders	9.8	8.9	5.7	9.7	9.7	9.7	8.5	8.7
Mort, notes, bonds, 1 yr or more	31.9	27.2	25.1	18.5	18.9	18.7	22.4	25.8
Other liabilities	15.2	16.3	16.3	7.1	6.7	6.9	11.6	14.0
Total liabilities	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Capital stock	-14.7	-3.4	-11.9	15.5	15.5	15.5	3.9	2.0
Additional paid-in capital	73.4	76.7	82.5	48.5	43.9	46.2	62.9	56.0
Retained earnings, appropriated	-29.6	-28.2	-21.9	-12.7	-13.0	-12.8	-19.0	-18.2
Retained earnings-unappropriated	-9.2	-22.7	-11.1	-5.2	-2.8	-4.0	-10.5	-4.5
Cost of treasury stock	6.7	7.0	6.9	15.2	13.9	14.6	10.8	8.4
Net worth	13.3	15.3	30.6	30.9	29.7	30.3	26.6	26.9
Accumulated depletion	0.0	0.0	0.4	1.4	1.4	1.4	0.8	0.5
Depletable assets	0.1	0.1	1.0	5.2	5.4	5.3	2.9	1.6
Government Obligations	0.0	0.0	2.2	2.0	1.8	1.9	1.5	1.7
Land	9.6	8.6	6.0	6.8	7.3	7.0	7.2	7.4
Loans to shareholders	3.0	10.2	1.4	1.8	2.0	1.9	3.8	2.9
Mortgage and real estate loans	0.0	0.0	0.0	1.5	1.4	1.4	0.7	0.3
Tax Exempt Securities	0.2	0.1	2.1	2.4	2.4	2.4	1.8	2.1

Liquidity Ratios

Ratio	2020	2021	2022	2023	2024	3-Year	5-Year	10-Year
Current Ratio	1.6	1.3	1.8	1.3	1.3	1.3	1.4	1.8
Quick Ratio	1.6	1.2	1.6	1.0	1.0	1.0	1.2	1.6
Sales/Receivables	5.5	6.2	7.0	7.3	6.6	6.9	6.8	7.0
Days' Receivables	65.8	59.0	51.8	50.0	55.6	52.8	54.1	53.0
Days' Inventory	3.2	11.0	65.9	114.7	119.1	116.9	77.7	52.6
Inventory Turnover	113.3	33.2	5.5	3.2	3.1	3.1	11.2	37.5
Payables Turnover	22.0	3.7	2.5	3.1	2.6	2.9	3.0	12.7
Days' Payables	16.6	98.7	146.8	117.5	138.4	127.9	125.3	65.7
Sales/Working Capital	3.1	4.9	5.1	10.1	9.8	10.0	7.5	5.5

Coverage Ratios

Ratio	2020	2021	2022	2023	2024	3-Year	5-Year	10-Year
Interest Coverage	2.3	6.7	4.8	3.1	5.7	4.4	5.1	35.9
Debt Service Coverage Ratio	2.3	3.2	3.3	3.2	2.4	2.8	3.0	7.2

Leverage Ratios

Ratio	2020	2021	2022	2023	2024	3-Year	5-Year	10-Year
Fixed Assets/Net Worth	6.3	6.0	2.6	2.9	3.4	3.1	3.7	3.6
Debt/Net Worth	7.5	6.5	3.3	3.2	3.4	3.3	4.1	4.1
Tangible Net Worth	13.3	15.3	30.6	30.9	29.7	30.3	26.6	26.9

Operating Ratios

Ratio	2020	2021	2022	2023	2024	3-Year	5-Year	10-Year
Return on Net Worth, %	301.4	334.3	114.5	79.4	69.0	74.2	149.3	166.9
Return on Assets, %	16.3	26.3	35.0	24.5	20.5	22.5	26.6	25.2
Sales/Total Assets	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
EBITDA/Revenue	24.2	29.9	41.1	33.4	25.3	29.3	32.4	30.5
EBIT/Revenue	16.3	26.3	35.0	24.5	20.5	22.5	26.6	25.2

Cash Flow & Debt Service Ratios (% of sales)

Ratio	2020	2021	2022	2023	2024	3-Year	5-Year	10-Year
Cash from Trading	64.5	75.8	71.1	63.6	70.8	67.2	70.3	67.1
Cash after Operations	54.0	53.8	50.1	59.7	56.3	58.0	55.0	54.5
Net Cash after Operations	52.9	47.0	44.2	55.0	54.1	54.5	50.1	52.7
Debt Service P&I Coverage	4.8	5.8	3.8	3.2	4.0	3.6	4.2	10.9
Interest Coverage (Operating Cash)	7.6	12.0	6.1	7.0	15.1	11.0	10.0	61.6

Valuation Multiples

Ratio	2020	2021	2022	2023	2024	3-Year	5-Year	10-Year
EV/Revenue	0.7	0.5	0.6	0.6	0.6	0.6	0.6	0.6
EV/EBITDA	1.2	0.7	0.7	0.9	0.9	0.8	0.9	0.9
EV/EBIT	1.7	0.9	0.8	1.2	1.1	1.0	1.1	1.1

Key Ratios

Year	Revenue per Employee ($)	Revenue per Enterprise ($ Million)	Employees per Estab. (Units)	Employees per Enterprise (Units)	Average Wage ($)	Wages/ Revenue (%)	Estab. per Enterprise (Units)	IVA/ Revenue (%)
2005	138,994	8.8	26.1	63.5	15,357	11.0	2.4	32.0
2006	142,037	9.0	26.6	63.5	14,783	10.4	2.4	34.8
2007	146,659	8.6	25.6	58.3	15,593	10.6	2.3	37.9
2008	138,364	8.4	26.2	60.5	15,443	11.2	2.3	47.3
2009	138,843	9.1	27.7	65.4	15,401	11.1	2.4	47.7
2010	139,027	9.1	27.7	65.5	15,417	11.1	2.4	59.7
2011	139,933	8.6	26.3	61.6	15,934	11.4	2.3	60.0
2012	146,715	9.2	27.1	62.6	15,467	10.5	2.3	66.0
2013	152,907	9.6	27.1	62.8	16,378	10.7	2.3	45.5
2014	147,353	9.7	28.6	65.8	16,169	11.0	2.3	53.4
2015	149,143	10.8	30.7	72.6	15,987	10.7	2.4	44.0
2016	144,585	11.1	32.8	77.1	16,668	11.5	2.3	41.3
2017	141,877	10.3	31.9	72.9	16,956	12.0	2.3	44.0
2018	151,859	11.0	31.8	72.6	18,751	12.3	2.3	35.0
2019	144,757	10.5	32.2	72.3	18,324	12.7	2.2	37.4
2020	41,637	2.9	31.0	70.1	8,958	21.5	2.3	44.4
2021	178,846	5.5	13.9	30.9	25,467	14.2	2.2	29.4
2022	140,721	7.7	25.1	54.5	20,097	14.3	2.2	32.5
2023	128,708	7.9	28.1	61.1	19,977	15.5	2.2	33.0
2024	128,368	8.0	28.6	62.1	19,967	15.6	2.2	33.3
2025	127,681	8.1	29.1	63.1	19,946	15.6	2.2	32.9
2026	126,896	8.1	29.6	64.2	19,920	15.7	2.2	33.4
2027	126,243	8.3	30.1	65.4	19,900	15.8	2.2	33.3
2028	125,200	8.3	30.7	66.5	19,867	15.9	2.2	33.0
2029	122,188	8.4	31.7	68.7	19,771	16.2	2.2	33.2
2030	121,865	8.5	32.0	69.5	19,761	16.2	2.2	33.2
2031	121,893	8.5	32.2	70.0	19,762	16.2	2.2	33.3

Year	Revenue per Employee ($)	Revenue per Enterprise ($ Million)	Employees per Estab. (Units)	Employees per Enterprise (Units)	Average Wage ($)	Wages/ Revenue (%)	Estab. per Enterprise (Units)	IVA/ Revenue (%)
2032	121,829	8.6	32.4	70.4	19,759	16.2	2.2	33.2

Key Statistics

Industry Data

Values

Year	Revenue ($ Million)	IVA ($ Million)	Estab. (Units)	Enterprises (Units)	Employment (Units)	Wages ($ Million)
2005	18,622.6	5,951.6	5,129	2,111	133,981	2,057.5
2006	19,107.1	6,642.5	5,049	2,120	134,522	1,988.7
2007	19,174.5	7,262.1	5,104	2,241	130,742	2,038.6
2008	18,639.3	8,810.3	5,140	2,226	134,712	2,080.4
2009	18,996.3	9,054.6	4,947	2,093	136,819	2,107.1
2010	18,710.4	11,162.7	4,865	2,054	134,581	2,074.9
2011	17,747.9	10,640.6	4,819	2,060	126,831	2,020.9
2012	18,942.7	12,497.5	4,765	2,062	129,112	1,996.9
2013	19,448.6	8,854.5	4,690	2,025	127,192	2,083.2
2014	19,679.7	10,510.6	4,668	2,029	133,555	2,159.5
2015	21,134.3	9,308.3	4,620	1,952	141,705	2,265.4
2016	21,935.5	9,065.0	4,620	1,969	151,714	2,528.8
2017	20,809.3	9,156.1	4,603	2,011	146,672	2,486.9
2018	22,393.9	7,840.9	4,630	2,032	147,465	2,765.1
2019	21,775.9	8,143.1	4,668	2,082	150,431	2,756.5
2020	5,840.4	2,590.4	4,532	2,002	140,269	1,256.5
2021	10,767.8	3,170.2	4,335	1,946	60,207	1,533.3
2022	15,495.8	5,030.8	4,390	2,020	110,117	2,213.0
2023	15,746.0	5,198.7	4,347	2,003	122,339	2,443.9
2024	15,975.8	5,327.4	4,350	2,005	124,453	2,484.9
2025	16,148.6	5,319.0	4,349	2,004	126,476	2,522.6
2026	16,293.9	5,441.8	4,341	2,001	128,404	2,557.8
2027	16,475.3	5,479.6	4,334	1,997	130,505	2,597.0
2028	16,642.9	5,495.3	4,336	1,998	132,930	2,640.9
2029	16,865.4	5,591.1	4,359	2,008	138,028	2,729.0
2030	17,068.5	5,674.4	4,378	2,016	140,061	2,767.7
2031	17,295.5	5,752.4	4,404	2,027	141,891	2,804.0
2032	17,483.2	5,810.1	4,427	2,037	143,506	2,835.6

Note

Figures are inflation adjusted to 2026

Industry Data

Annual Change

Year	Revenue %	IVA %	Estab. %	Enterprises %	Employment %	Wages %
2005	N/A	N/A	N/A	N/A	N/A	N/A
2006	2.6	11.6	-1.6	0.4	0.4	-3.3
2007	0.4	9.3	1.1	5.7	-2.8	2.5
2008	-2.8	21.3	0.7	-0.7	3.0	2.0
2009	1.9	2.8	-3.8	-6.0	1.6	1.3
2010	-1.5	23.3	-1.7	-1.9	-1.6	-1.5
2011	-5.1	-4.7	-0.9	0.3	-5.8	-2.6
2012	6.7	17.5	-1.1	0.1	1.8	-1.2
2013	2.7	-29.1	-1.6	-1.8	-1.5	4.3
2014	1.2	18.7	-0.5	0.2	5.0	3.7
2015	7.4	-11.4	-1.0	-3.8	6.1	4.9
2016	3.8	-2.6	0.0	0.9	7.1	11.6
2017	-5.1	1.0	-0.4	2.1	-3.3	-1.7
2018	7.6	-14.4	0.6	1.0	0.5	11.2
2019	-2.8	3.9	0.8	2.5	2.0	-0.3
2020	-73.2	-68.2	-2.9	-3.8	-6.8	-54.4
2021	84.4	22.4	-4.3	-2.8	-57.1	22.0
2022	43.9	58.7	1.3	3.8	82.9	44.3
2023	1.6	3.3	-1.0	-0.8	11.1	10.4
2024	1.5	2.5	0.1	0.1	1.7	1.7
2025	1.1	-0.2	0.0	0.0	1.6	1.5
2026	0.9	2.3	-0.2	-0.1	1.5	1.4
2027	1.1	0.7	-0.2	-0.2	1.6	1.5
2028	1.0	0.3	0.0	0.1	1.9	1.7
2029	1.3	1.7	0.5	0.5	3.8	3.3
2030	1.2	1.5	0.4	0.4	1.5	1.4
2031	1.3	1.4	0.6	0.5	1.3	1.3
2032	1.1	1.0	0.5	0.5	1.1	1.1

Note

Figures are inflation adjusted to 2026

How do successful businesses overcome volatility?

Raise revenue from additional sources

Theaters with diversified revenue streams, including food and beverage sales, event cinema programming, and advertising, are less exposed to box office volatility. Concession margins can exceed 85%, making ancillary revenue critical when admissions soften.

Develop a loyal customer base

Subscription and loyalty programs convert variable admissions revenue into recurring income. AMC Entertainment Holdings (AMC) A-List and Cinemark Movie Club members demonstrate higher visit frequency, dampening the revenue impact of weak-slate periods.

What products or services do successful businesses offer?

Ability to quickly adopt new technology

Movie theaters must adopt LED and laser projection systems to take advantage of lower energy costs and higher-quality audio and video. In addition, upgrading screens to 3D or IMAX capability permits companies to justify higher ticket prices and distinguishes theaters from at-home streaming options.

Vary services to suit different needs

Successful exhibitors match their product mix to audience composition. PLF auditoriums for high-spend premium viewers, dine-in options for occasion visits, loyalty programs for frequent attendees, and event screenings for group bookings. Breadth across service types maximizes venue utilization and reduces dependence on any single revenue source.

Provide a related range of goods and/or services

Theaters that expand into licensed merchandise, private event hosting, and branded concession items supplement core ticket and food revenue with higher-margin ancillary income streams, reducing exposure to box office volatility driven by content quality and release slate timing.

How do businesses use location to their advantage?

Carry out all necessary maintenance to keep facilities in good condition

Well-maintained facilities ensure a positive and safe customer experience, making theaters inviting and comfortable, attracting repeat customers and generating positive word-of-mouth. Neglecting maintenance can result in costly repairs and potential safety issues.

Operate in a highly visible location

Movie theaters thrive in locations that are accessible and easy to spot. A prime location in a bustling area draws foot traffic and makes it convenient for moviegoers to stop by.

Ensure car parking availability

Convenient parking is crucial for attracting audiences. Ample parking reduces the hassle for customers, making their moviegoing experience more enjoyable and encouraging repeat visits.

How do successful businesses handle concentration?

Generate repeat customers

Movie theaters rely on returning patrons for sustainable revenue. Offering loyalty programs, amenities, exclusive screenings and excellent customer service helps sustain attendance during slower periods. Customer retention can lead to increased long-term profitability by reducing the need for costly customer acquisition efforts.

Provide a related range of goods and/or services

A range of product offerings creates a more engaging and profitable entertainment experience. Providing more than just movies, special events and private screenings – like gourmet snacks, arcade games and rentable event spaces – caters to diverse customer needs and boosts overall revenue.

How can potential entrants overcome barriers to entry?

Secure economies of scale

Operators who expand to multiple locations reduce per-screen capital costs, distribute overhead more efficiently, and negotiate stronger content-access terms with distributors, partially offsetting the volume disadvantage faced by smaller, independent entrants.

Produce a differentiated product

New entrants can reduce direct competition with major chains by targeting underserved formats or content niches, including indie film programming, anime screenings, or community-event cinema, generating attendance without replicating the PLF arms race.

Operate in a highly visible location

Securing a high-traffic retail or entertainment district site drives walk-in patronage and reduces marketing spend, mitigating a portion of the operational disadvantage relative to established chains with recognized brand presence.

How do successful businesses compete with substitutes?

Provide superior after-sales service

Offering perks like membership rewards or advanced booking options for future visits based on activity makes the theater experience unique compared to streaming services. Attendance benefits create ongoing engagement that will have a cyclical effect in building the customer relationship, resulting in customer loyalty.

Promote products effectively

Highlighting the unique aspects of the theater experience – such as gourmet concessions, IMAX screenings or special events – can draw audiences away from substitute entertainment options like streaming and gaming.

How do successful businesses manage buyer & supplier power?

Being part of a group buying, promotion and marketing scheme

Theaters can obtain bulk discounts using group buying and coordinated marketing plans, reducing costs and increasing bargaining power against suppliers to ensure better profitability.

Offer a competitively priced product

Competitive pricing keeps customers coming back, lessening the impact of high supplier costs for new movie releases and helping sustain a theater's profitability.

Call Prep Questions

Role Specific Questions

Sales & Marketing

How have changes in consumers' electronic usage habits changed your operations?

- As more people use a variety of electronic devices to view movies, admissions have declined.

How does your company promote its movies and offerings?

- Industry operators rely significantly on the hype surrounding new movie releases, much of which is created through the studios' advertising. Industry operators may also engage in advertising to communicate their offerings to consumers.

Strategy & Operations

Has your company been exposed to rising wages in recent years? Has it had a noticeable effect on your bottom line?

- Several states have increased their minimum wage during the period and most industry employees are part-time, minimum wage earners. This increases wage costs for industry operators.

Is your company strategically located in a beneficial region?

- Establishments located in urban areas typically generate higher revenue since they serve a larger population. These are sought-after locations, particularly in New York and Los Angeles.

Technology

Does your company plan to invest or increase investments in 3D movie technology over the next several years?

- Industry operators have been able to capitalize on the growing popularity of 3D movies by investing in more 3D-capable theaters. This has created an opportunity for theaters to differentiate the theater-viewing experience from the home-viewing experience, allowing them to better compete with streaming services.

How is your company leveraging new technology, particularly as it pertains to data storage, computing power and other factors?

- Operators have been investing in 3D theaters, seating upgrades, and full-service dining operations. Revenue struggles have restricted theaters' ability to invest in the technologies that have been keeping them afloat and in competition with their highest sources of external competition.

Compliance

How does your company stay ahead of new regulations like FCC policy changes?

- Industry operators can look to industry organizations such as the Motion Picture Association of America and the National Association of Theater Owners for industry news, such as upcoming policy changes.

Are there any regulations in place that currently benefit your company? Are you concerned about the possibility of a shortening theatrical release window?

- The theatrical release window benefits industry operators by giving them a period of exclusivity to show new releases before movies are released to streaming or DVD. This window is under constant downward pressure from studios, streaming providers and even other theaters (AMC recently reduced its window in exchange for a share of Universal's streaming revenue).

Finance

How does your company's profit compare with your main competitors' profit?

- Profit can vary between operators depending on the level of concessions and admissions sales or the film rental rate set by a distributor. Concessions, 3D tickets, and full-service dining services all command higher margins.

Do you have any big projects on the horizon that will require capital financing?

- Many theaters are engaging in upgrades to projection systems and seating areas that are usually capitalized expenditures. Motion seats and full-service dine-in theaters are some examples of upgrades that major players have undertaken during the period.

External Impacts Questions

Number of broadband connections

What strategies does your company have in place that aim to compete with streaming services? Do you expected this kind of competition to ramp up?

- With the rapid rise in broadband connection numbers, more consumers are using the internet to download or stream movies, which directly reduces demand for the Movie Theaters industry.

Technological change for Television Networks and Providers

What technological investments has your company made lately? What technological priorities do you have moving forward?

- As movie theaters continue to switch to digital and 3D projection systems, ticket prices typically rise, enabling industry revenue gains. Advances in movie-making and projection technologies have helped to stimulate demand for cinematic screenings.

Consumer spending

Do you track fluctuations in consumer spending? When consumer spending declines, what promotions or campaigns have you used to promote movie theater attendance?

- Movie theaters experience higher attendance and revenues during periods of higher consumer spending. Industry enterprises can run promotions to incentivize consumers during times of economic uncertainty.

Internal Issues Questions

Ability to quickly adopt new technology

How quickly can new technology be adopted? Does your company keep up to date with the latest technology?

- Industry operators need to adopt digital projection systems to take advantage of lower distribution costs and higher-quality audio and video. Upgrading screens to 3D capability permits companies to justify higher ticket prices for some films, offsetting declining attendance.

Access to multiskilled and flexible workforce

What portion of your staff are part-time? What advantages are gained by maintaining a large share of part-time staff?

- Movie theaters must have access to a steady stream of young casual employees to cover daily, weekly and annual demand peaks and for cost considerations. Generally, having more part-time staff enables companies to more adeptly and flexibly adjust staffing in line with demand and revenue.

Proximity to key markets

Is your company dominant in any particular regional markets? What are your primary considerations when choosing to expand into new locations? What factors might play into a decision to leave a market or close a location?

- It is important to identify key local market segments for movies to drive audience growth, and operators need to offer easy access to auditoriums, including access to parking.