

## Service bulletin

# Motion Picture Theatres

2012



### Highlights

- Total operating revenue in the motion picture theatre industry reached \$1.7 billion in 2012, an 8.4% increase from two years ago in 2010. This increase was mainly the result of growth in box office and concession revenue. Combined, these accounted for 91.9% of total industry operating revenue.
- Total operating expenses reached \$1.5 billion in 2012, up 5.2% from 2010.
- The largest expense reported by the surveyed theatres was film rental and royalty payments which represented 36.6% of total operating expenses. Film rental costs and royalty payments increased by 3.5% from 2010.
- The industry posted an operating profit margin of 14.0% in 2012, compared to 11.4% in 2010.
- In 2012, box-office revenue was just over \$1.0 billion, up 5.6% from 2010, due mainly to the increase in the number of paid admissions (tickets sold). Over the same period, concession revenue rose 8.7% to \$494.8 million.
- Cinemas, including indoor theatres, drive-ins and film festivals, sold 115.3 million tickets in 2012, up 4.1% from 2010.
- Four provinces accounted for 87.9% of operating revenue in 2012. Ontario theatres earned 42.3% of total operating revenue in 2012, followed by those in Quebec, Alberta and British Columbia, with 17.5%, 15.0% and 13.1% respectively.

## Statistical tables

Table 1

Summary statistics for motion picture theatres, by province and territory, 2009, 2010 and 2012

|                           | Operating<br>revenue | Operating<br>expenses | Salaries,<br>wages and<br>benefits | Operating<br>profit<br>margin |
|---------------------------|----------------------|-----------------------|------------------------------------|-------------------------------|
|                           | thousands of dollars |                       |                                    | percent                       |
| <b>2012 p</b>             |                      |                       |                                    |                               |
| Newfoundland and Labrador | x                    | x                     | x                                  | x                             |
| Prince Edward Island      | x                    | x                     | x                                  | x                             |
| Nova Scotia               | x                    | x                     | x                                  | x                             |
| New Brunswick             | x                    | x                     | x                                  | x                             |
| Quebec                    | 299,112              | 282,454               | 46,573                             | 5.6                           |
| Ontario                   | 722,521              | 634,411               | 99,032                             | 12.2                          |
| Manitoba                  | x                    | x                     | x                                  | x                             |
| Saskatchewan              | 45,756               | 33,624                | 5,145                              | 26.5                          |
| Alberta                   | 256,248              | 194,686               | 29,151                             | 24.0                          |
| British Columbia          | 223,648              | 192,586               | 27,586                             | 13.9                          |
| Yukon                     | x                    | x                     | x                                  | x                             |
| Northwest Territories     | x                    | x                     | x                                  | x                             |
| Nunavut                   | x                    | x                     | x                                  | x                             |
| <b>Canada</b>             | <b>1,707,487</b>     | <b>1,469,084</b>      | <b>229,421</b>                     | <b>14.0</b>                   |
| <b>2010 r</b>             |                      |                       |                                    |                               |
| Newfoundland and Labrador | x                    | x                     | x                                  | x                             |
| Prince Edward Island      | x                    | x                     | x                                  | x                             |
| Nova Scotia               | x                    | x                     | x                                  | x                             |
| New Brunswick             | x                    | x                     | x                                  | x                             |
| Quebec                    | 291,324              | 275,640               | 46,106                             | 5.4                           |
| Ontario                   | 642,769              | 588,544               | 90,528                             | 8.4                           |
| Manitoba                  | x                    | x                     | x                                  | x                             |
| Saskatchewan              | 43,559               | 33,573                | 5,195                              | 22.9                          |
| Alberta                   | 230,157              | 182,181               | 27,148                             | 20.8                          |
| British Columbia          | 221,151              | 193,103               | 25,281                             | 12.7                          |
| Yukon                     | x                    | x                     | x                                  | x                             |
| Northwest Territories     | x                    | x                     | x                                  | x                             |
| Nunavut                   | x                    | x                     | x                                  | x                             |
| <b>Canada</b>             | <b>1,575,835</b>     | <b>1,396,362</b>      | <b>214,959</b>                     | <b>11.4</b>                   |
| <b>2009 r</b>             |                      |                       |                                    |                               |
| Newfoundland and Labrador | x                    | x                     | x                                  | x                             |
| Prince Edward Island      | x                    | x                     | x                                  | x                             |
| Nova Scotia               | x                    | x                     | x                                  | x                             |
| New Brunswick             | x                    | x                     | x                                  | x                             |
| Quebec                    | 275,670              | 253,933               | 44,113                             | 7.9                           |
| Ontario                   | 617,992              | 569,539               | 87,915                             | 7.8                           |
| Manitoba                  | x                    | x                     | x                                  | x                             |
| Saskatchewan              | 42,636               | 32,450                | 4,978                              | 23.9                          |
| Alberta                   | 224,592              | 175,420               | 25,946                             | 21.9                          |
| British Columbia          | 222,741              | 193,524               | 25,588                             | 13.1                          |
| Yukon                     | x                    | x                     | x                                  | x                             |
| Northwest Territories     | x                    | x                     | x                                  | x                             |
| Nunavut                   | x                    | x                     | x                                  | x                             |
| <b>Canada</b>             | <b>1,533,611</b>     | <b>1,351,732</b>      | <b>210,288</b>                     | <b>11.9</b>                   |

**Note(s):** The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 512130. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Scaling may also affect the calculation of ratios.

**Table 2**  
**Profile of the motion picture theatre industry, by province and territory, 2009, 2010 and 2012**

|                                  | Atlantic provinces <sup>1</sup> | Quebec     | Ontario    | Manitoba | Saskatchewan | Alberta    | British Columbia | Territories <sup>2</sup> | Canada      |
|----------------------------------|---------------------------------|------------|------------|----------|--------------|------------|------------------|--------------------------|-------------|
| thousands of dollars             |                                 |            |            |          |              |            |                  |                          |             |
| <b>Operating revenue</b>         |                                 |            |            |          |              |            |                  |                          |             |
| Total admission receipts         |                                 |            |            |          |              |            |                  |                          |             |
| 2012 P                           | x                               | 183,387    | 429,328    | x        | 24,183       | 149,457    | 137,618          | x                        | 1,018,178   |
| 2010 r                           | x                               | 184,660    | 389,974    | x        | 23,660       | 137,879    | 139,538          | x                        | 963,733     |
| 2009 r                           | x                               | 167,107    | 368,232    | x        | 23,646       | 133,735    | 142,268          | x                        | 924,628     |
| Sales of food and beverages      |                                 |            |            |          |              |            |                  |                          |             |
| 2012 P                           | x                               | 69,671     | 204,391    | x        | 17,314       | 86,221     | 62,288           | x                        | 494,818     |
| 2010 r                           | x                               | 67,045     | 184,117    | x        | 15,965       | 76,679     | 61,262           | x                        | 455,216     |
| 2009 r                           | x                               | 66,662     | 176,789    | x        | 15,109       | 73,138     | 61,544           | x                        | 445,053     |
| All other operating revenue      |                                 |            |            |          |              |            |                  |                          |             |
| 2012 P                           | x                               | 30,415     | 66,489     | x        | 2,653        | 12,792     | 14,160           | x                        | 134,170     |
| 2010 r                           | x                               | 32,068     | 54,350     | x        | 3,052        | 12,525     | 13,416           | x                        | 121,881     |
| 2009 r                           | x                               | 28,395     | 48,401     | x        | 2,383        | 12,240     | 11,911           | x                        | 109,936     |
| <b>Total operating revenue</b>   |                                 |            |            |          |              |            |                  |                          |             |
| 2012 P                           | x                               | 283,473    | 700,208    | x        | 44,150       | 248,469    | 214,067          | x                        | 1,647,165   |
| 2010 r                           | x                               | 283,773    | 628,441    | x        | 42,677       | 227,083    | 214,216          | x                        | 1,540,830   |
| 2009 r                           | x                               | 262,163    | 593,422    | x        | 41,138       | 219,114    | 215,722          | x                        | 1,479,617   |
| <b>Operating expenses</b>        |                                 |            |            |          |              |            |                  |                          |             |
| Salaries, wages and benefits     |                                 |            |            |          |              |            |                  |                          |             |
| 2012 P                           | x                               | 43,231     | 93,946     | x        | 4,869        | 27,368     | 25,317           | x                        | 215,825     |
| 2010 r                           | x                               | 44,435     | 87,081     | x        | 4,980        | 26,563     | 23,707           | x                        | 206,877     |
| 2009 r                           | x                               | 40,922     | 81,536     | x        | 4,746        | 25,126     | 23,983           | x                        | 197,587     |
| Cost of goods sold               |                                 |            |            |          |              |            |                  |                          |             |
| 2012 P                           | x                               | 15,847     | 46,997     | x        | 4,134        | 18,416     | 13,724           | x                        | 110,741     |
| 2010 r                           | x                               | 17,980     | 41,515     | x        | 3,869        | 16,898     | 15,108           | x                        | 106,672     |
| 2009 r                           | x                               | 16,319     | 36,581     | x        | 2,745        | 14,849     | 14,300           | x                        | 96,067      |
| Film rental and royalty payments |                                 |            |            |          |              |            |                  |                          |             |
| 2012 P                           | x                               | 92,540     | 213,945    | x        | 12,210       | 77,652     | 72,027           | x                        | 517,280     |
| 2010 r                           | x                               | 88,650     | 202,765    | x        | 12,044       | 73,176     | 76,741           | x                        | 499,909     |
| 2009 r                           | x                               | 82,202     | 195,845    | x        | 12,204       | 70,566     | 78,623           | x                        | 486,340     |
| All other operating expenses     |                                 |            |            |          |              |            |                  |                          |             |
| 2012 P                           | x                               | 115,771    | 258,731    | x        | 10,957       | 63,964     | 72,607           | x                        | 568,643     |
| 2010 r                           | x                               | 117,440    | 243,765    | x        | 11,711       | 62,804     | 71,056           | x                        | 550,053     |
| 2009 r                           | x                               | 101,561    | 232,043    | x        | 11,578       | 60,260     | 70,167           | x                        | 521,076     |
| <b>Total operating expenses</b>  |                                 |            |            |          |              |            |                  |                          |             |
| 2012 P                           | x                               | 267,389    | 613,619    | x        | 32,169       | 187,401    | 183,675          | x                        | 1,412,490   |
| 2010 r                           | x                               | 268,504    | 575,126    | x        | 32,604       | 179,442    | 186,612          | x                        | 1,363,511   |
| 2009 r                           | x                               | 241,004    | 546,005    | x        | 31,273       | 170,802    | 187,073          | x                        | 1,301,070   |
| number                           |                                 |            |            |          |              |            |                  |                          |             |
| <b>Theatre operations</b>        |                                 |            |            |          |              |            |                  |                          |             |
| Paid admissions (attendance)     |                                 |            |            |          |              |            |                  |                          |             |
| 2012 P                           | x                               | 22,738,003 | 48,395,300 | x        | 3,154,142    | 14,248,559 | 15,006,722       | x                        | 115,272,779 |
| 2010 r                           | x                               | 22,846,159 | 45,996,025 | x        | 3,271,672    | 14,314,026 | 13,291,739       | x                        | 110,689,784 |
| 2009 r                           | x                               | 23,080,019 | 46,308,519 | x        | 3,428,359    | 15,142,057 | 16,038,138       | x                        | 114,847,186 |
| Screens                          |                                 |            |            |          |              |            |                  |                          |             |
| 2012 P                           | x                               | 715        | 1,129      | x        | 85           | 333        | 373              | x                        | 2,927       |
| 2010 r                           | x                               | 707        | 1,084      | x        | 82           | 363        | 342              | x                        | 2,860       |
| 2009 r                           | x                               | 636        | 1,025      | x        | 87           | 338        | 342              | x                        | 2,711       |
| percent                          |                                 |            |            |          |              |            |                  |                          |             |
| <b>Operating profit margin</b>   |                                 |            |            |          |              |            |                  |                          |             |
| 2012 P                           | x                               | 5.7        | 12.4       | x        | 27.1         | 24.6       | 14.2             | x                        | 14.2        |
| 2010 r                           | x                               | 5.4        | 8.5        | x        | 23.6         | 21.0       | 12.9             | x                        | 11.5        |
| 2009 r                           | x                               | 8.1        | 8.0        | x        | 24.0         | 22.0       | 13.3             | x                        | 12.1        |

1. Atlantic provinces include: Newfoundland and Labrador, Prince Edward Island, Nova Scotia, and New Brunswick.

2. Territories include: Yukon, Northwest Territories and Nunavut.

**Note(s):** The results in this table are for firms classified under the North American Industry Classification System (NAICS) category 512130. Data presented in this table are from the surveyed portion only. The survey portion excludes the smallest firms in terms of revenues earned. These firms account for a relatively small portion of total industry revenues and are not included in the estimates of this table. See "Data sources, definitions and methodology" at the end of tables for definition of terms. Due to rounding, components may not add to total. Scaling may also affect the calculation of ratios.

## Data sources, definitions and methodology

### Description

This survey collects data required to produce economic statistics for the Motion Picture Theatres industry in Canada.

Data collected from businesses are aggregated with information from other sources to produce official estimates of national and provincial economic production for this industry.

Survey estimates are made available to businesses, governments, investors, associations, and the public. The data are used to monitor industry growth, measure performance, and make comparisons to other data sources to better understand this industry.

### Target population

The target population consists of all establishments classified to the motion picture theatre industry (NAICS 512130) according to the North American Industry Classification System (NAICS) during the reference year. This industry comprises establishments primarily engaged in exhibiting motion pictures. Establishments primarily engaged in providing occasional motion picture exhibition services, such as those provided during film festivals, are also included.

### Sampling

This is a sample survey with a cross-sectional design.

The frame is the list of establishments from which the portion eligible for sampling is determined and the sample is taken. The frame provides basic information about each firm including address, industry classification, and information from administrative data sources. The frame is maintained by Statistics Canada's Business Register Division and is updated using administrative data.

The basic objective of the survey is to produce estimates for the whole industry - incorporated and unincorporated businesses. The data come from two different sources: a sample of all businesses with revenue above or equal to a certain threshold (note: the threshold varies between surveys and sometimes between industries and provinces in the same survey) for which either survey or administrative data may be used; and administrative data only for businesses with revenue below the specified threshold. It should be noted that only financial information is available from businesses below the threshold; e.g., revenue, and expenses such as depreciation and salaries, wages and benefits. Detailed characteristics are collected only for surveyed establishments.

Prior to the selection of a random sample, establishments are classified into homogeneous groups (i.e., groups with the same NAICS codes and same geography). Quality requirements are targeted, and then each group is divided into sub-groups called strata: take-all, must-take, and take-some.

The take-all stratum represents the largest firms in terms of performance (based on revenue) in an industry. The must-take stratum is comprised of units selected based on complex structural characteristics (multi-establishment, multi-legal, multi-NAICS, or multi-province enterprises). All take-all and must-take firms are selected to the sample. Units in the take-some strata are subject to simple random sampling.

The effective sample size for reference year 2012 was 131 collection entities.

### Definition

**Operating revenue** excludes investment income, capital gains, extraordinary gains and other non-recurring items.

**Operating expenses** exclude write-offs, capital losses, extraordinary losses, interest on borrowing and other non-recurring items.

**Operating profit margin** is derived as follows: operating revenue minus operating expenses, expressed as a percentage of operating revenue. The derived figure excludes corporation income tax paid by incorporated businesses and individual income tax paid by unincorporated businesses. For unincorporated businesses, operating profit margin includes unpaid remuneration to partners and proprietors, which is not recorded as salaries, wages and benefits. Therefore, the profit estimate will be higher in industries where unincorporated proprietorships and partnerships are significant contributors.

**Salaries, wages and benefits** include vacation pay and commissions for all employees for whom a T4 slip was completed. This category also includes the employer portion of employee benefits for items such as Canada/Quebec Pension Plan or Employment Insurance premiums. Salaries and wages do not include working owners' dividends nor do they include the remuneration of owners of unincorporated business. Therefore, the relative level of salaries, wages and benefits will be lower in industries where unincorporated businesses are significant contributors.

An active **statistical establishment** is one production entity or the smallest grouping of production entities which produces as homogeneous a set of goods and/or services as possible; which does not cross provincial boundaries; and for which records provide data on the value of output together with the cost of principal intermediate inputs used and cost and quantity of labour resources used to produce the output.

### Quality evaluation

Prior to dissemination, combined survey results are analyzed for overall quality; in general, this includes a detailed review of individual responses (especially for the largest companies), an assessment of the general economic conditions portrayed by the data, historic trends, and comparisons with other data sources.

### Disclosure control

Statistics Canada is prohibited by law from releasing any information it collects which could identify any person, business, or organization, unless consent has been given by the respondent or as permitted by the Statistics Act. Various confidentiality rules are applied to all data that are released or published to prevent the publication or disclosure of any information deemed confidential. If necessary, data are suppressed to prevent direct or residual disclosure of identifiable data.

### Data accuracy

Of the units contributing to the estimate, the weighted response rate was 77.1%. CVs were calculated for each estimate and are available upon request.

## Related products

### Selected CANSIM tables from Statistics Canada

361-0012: Motion picture theatres, summary statistics, by North American Industry Classification System (NAICS), annual (dollars unless otherwise noted) (70 series)

361-0028: Motion picture theatres, operating expenses, by North American Industry Classification System (NAICS), annual (percent) (21 series)

### Survey(s)

Definitions, data sources and methods: survey number 2416 - Annual Survey of Service Industries: Motion Picture Theatres

Release date: February 2014

#### Symbols

The following standard symbols are used in Statistics Canada publications:

|                |  |
|----------------|--|
| .              | not available for any reference period   |
| ..             | not available for a specific reference period  |
| ...            | not applicable   |
| 0              | true zero or a value rounded to zero   |
| 0 <sup>s</sup> | value rounded to 0 (zero) where there is a meaningful distinction between true zero and the value that was rounded |
| P              | preliminary  |
| r              | revised  |
| X              | suppressed to meet the confidentiality requirements of the <i>Statistics Act</i>                                   |
| E              | use with caution   |
| F              | too unreliable to be published   |
| *              | significantly different from reference category ( $p < 0.05$ )   |

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