

# Cineworld blames lack of blockbusters after ticket sales disappoint

Cineworld shares collapsed 40% this morning after the chain delivered a car-crash trading update that blamed disappointing post-pandemic ticket sales on a lack of blockbuster releases.

The cinema operator said it was seeking new sources of liquidity to shore up its balance sheet which could result in “very significant dilution of existing equity interests” for shareholders.

Its update stated: “Lower levels of admissions are due to a limited film slate that is anticipated to continue until November 2022 and are expected to negatively impact trading.”

The firm, which also owns the Picturehouse cinema chain in the UK and the Regal chain in the US, has seen its net debt swell to £7.4 billion as months of lockdowns and pandemic restrictions forced the company to secure more loans to stay afloat. In March, the firm warned it would not have enough liquidity to pay a potential multi-million-dollar fine relating to a legal dispute with Canadian chain Cineplex, while in February Cineworld said it owed \$79 million (£65 million) to the former shareholders of Regal after a dispute in relation to Cineworld’s takeover of the company.

The global film industry has released fewer films in recent months as it struggles after pandemic restrictions suspended the production of several major films. Avatar: The Way of Water is not set to premier until December 2022 after Covid-related issues delayed its release by over a year. [Tom Cruise’s Top Gun: Maverick](#), one of the few major releases in the first half of 2022, made £65.3 million in the UK in June

alone and its worldwide gross has topped £1 billion to date.

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