

Project Luther

By Kyle Mix

PREDICTING RETURN ON INVESTMENT

Facts

Films are often financed using an equity model
Generally profits are split into pools



Facts

Earliest investors get the best terms

Paid first

25-50% equity

15-20% interest on principle

Get in early on successful films =



Goals

Determine what variables are indicative of high ROI

Build model to allow testing of these variables prior to making an investment decision

Current Results

Utilizing the highly respected and extra scientific
Makayla Marooney Index of Indifference (MMII)

Strong
Meh.



1446 films
Between 2006-2016

Random forest regressor
 $R^2 = .540$

Features that worked

- Budget
- Binned mean ROI values*
- Tenure

Features that didn't

- Genre
- Release year
- Season

Insights

Thought #1

Revenue on it's own is meaningless.

If you brought in \$240 million, but it cost \$250 million to make, you have failed.

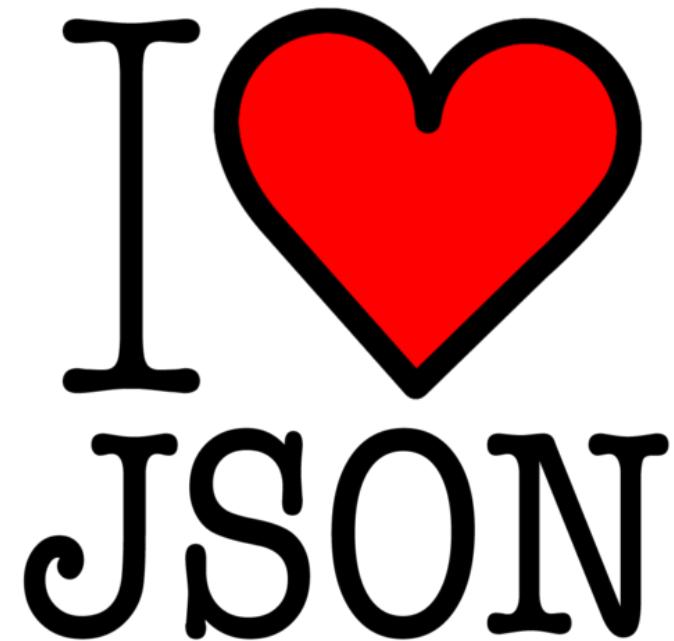
Insights

Thought #2

Structured API's are
truly magnificent!

Sub-thought #2

HTML makes me
want a cocktail



Future Gainz

Social network analysis

Great films are made by great teams

Quantify team greatness in terms of profitability

Look at how a project changes the social networks of the featured players/ crew



Future Gainz

Experience metrics

Actor genre experience

Bruce Willis + Action

Johnny Depp + literally everything

Actor genre inverse experience

Bruce Willis + Romantic comedy

Future Gainz

Merchandising Merchandising Merchandising

Pixar's "Cars" widely regarded as their weakest film franchise in terms of content

Printing money via merchandizing

Cars: \$ 10 Billion

Frozen: \$5.3 Billion

Star Wars: \$12 billion

Merchandising =



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