



Microsoft

Movie Studios

3 Ways to Ensure Success

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Agenda

01 Overview

02 Data Understanding & Analysis

03 Recommendations

04 Thank You

OVERVIEW

Business Objectives

- Focus on investing in projects that have low investment costs, and high rates of return
- Generate a lot of content quickly to grow streaming viewership



Proposed Recommendations

- Focus on genres that typically have low investment costs per movie and offer high returns
- Establish strong international presence
- Acquire existing studio to onboard content quickly for streaming

DATA UNDERSTANDING & ANALYSIS

Data Sources & Metric Definitions



Data Sources

- **IMDB Movie Data Base**
 - 2000 – 2020
 - 74K Movies
- **The Numbers**
 - 2000 – 2020
 - 4.4K Movies



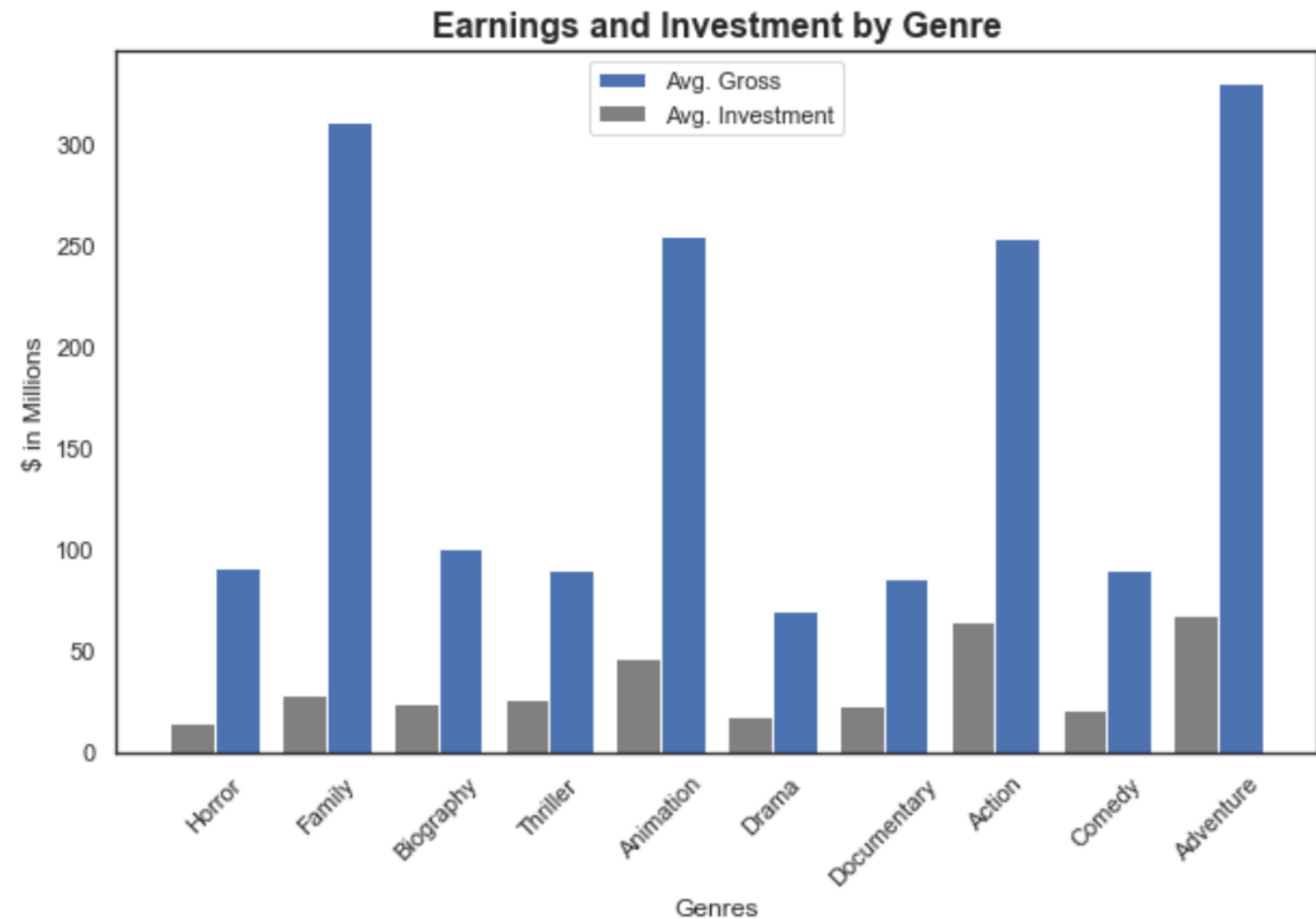
Metric Definitions

- **Earnings** : Gross Movie Revenue
- **Return/Margin**: $\text{Earnings} - \text{Initial Investment}$
- **ROI** : $\text{Return (margin)} / \text{Earnings}$
- **Popularity**: $\text{Avg. IMBD Rating} / \text{Num. of Votes}$

Genre Financials

Key Takeaways

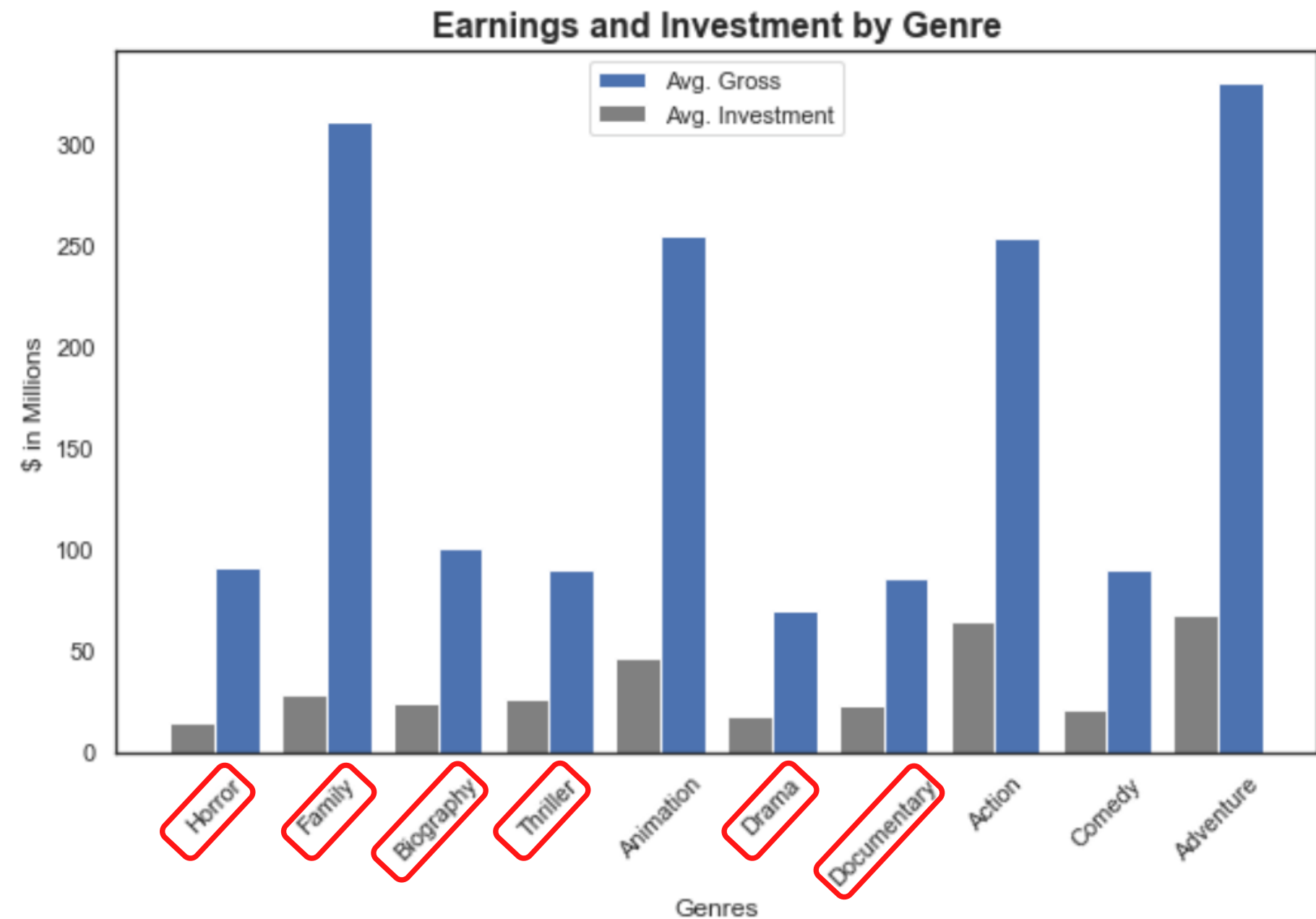
- Target Genres:
 - Family
 - Horror & Thriller
 - Biography & Documentary
 - Drama
- Action and Adventure movies have above average investment costs



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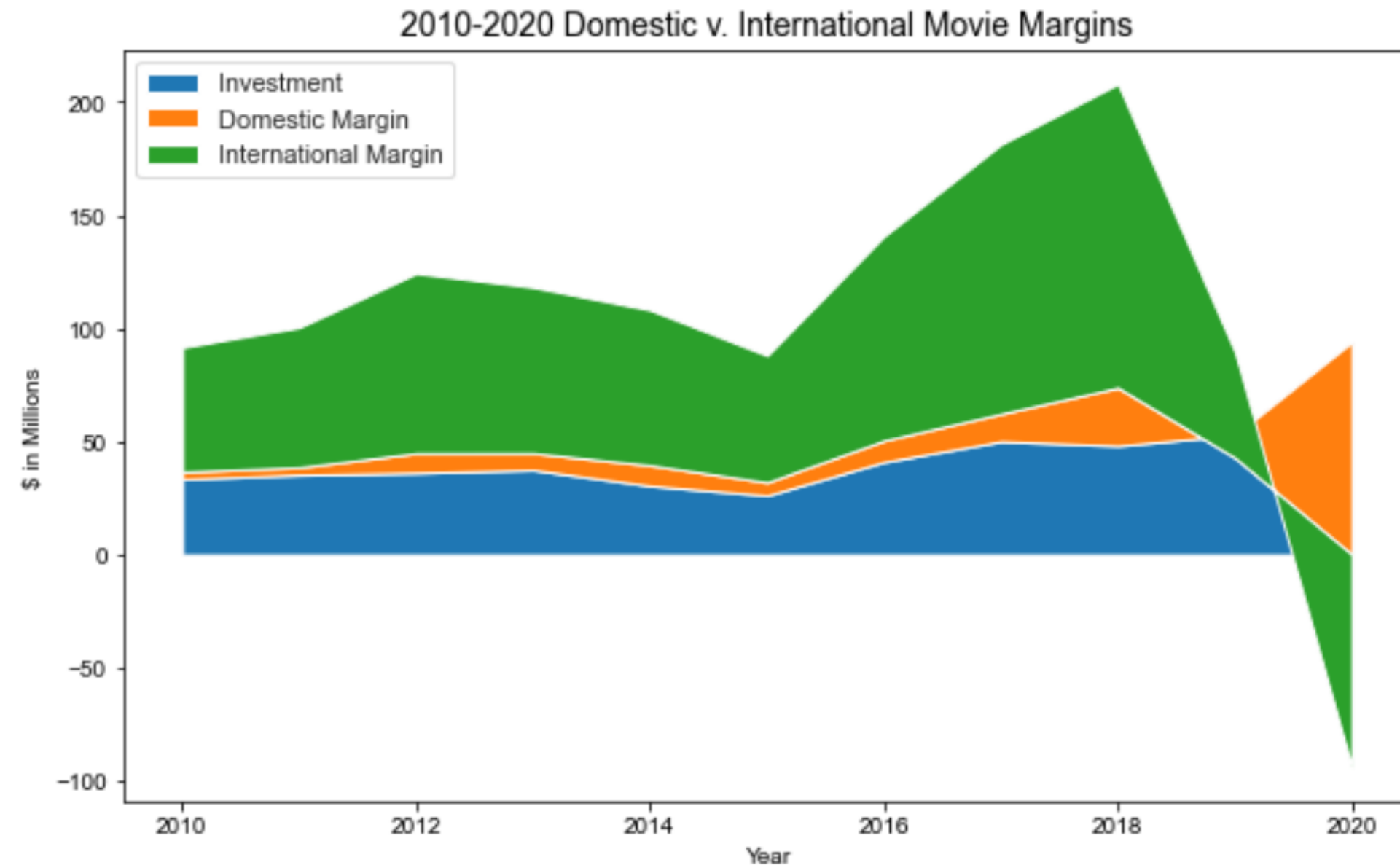
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Film Economics: Domestic v. International

Key Takeaway

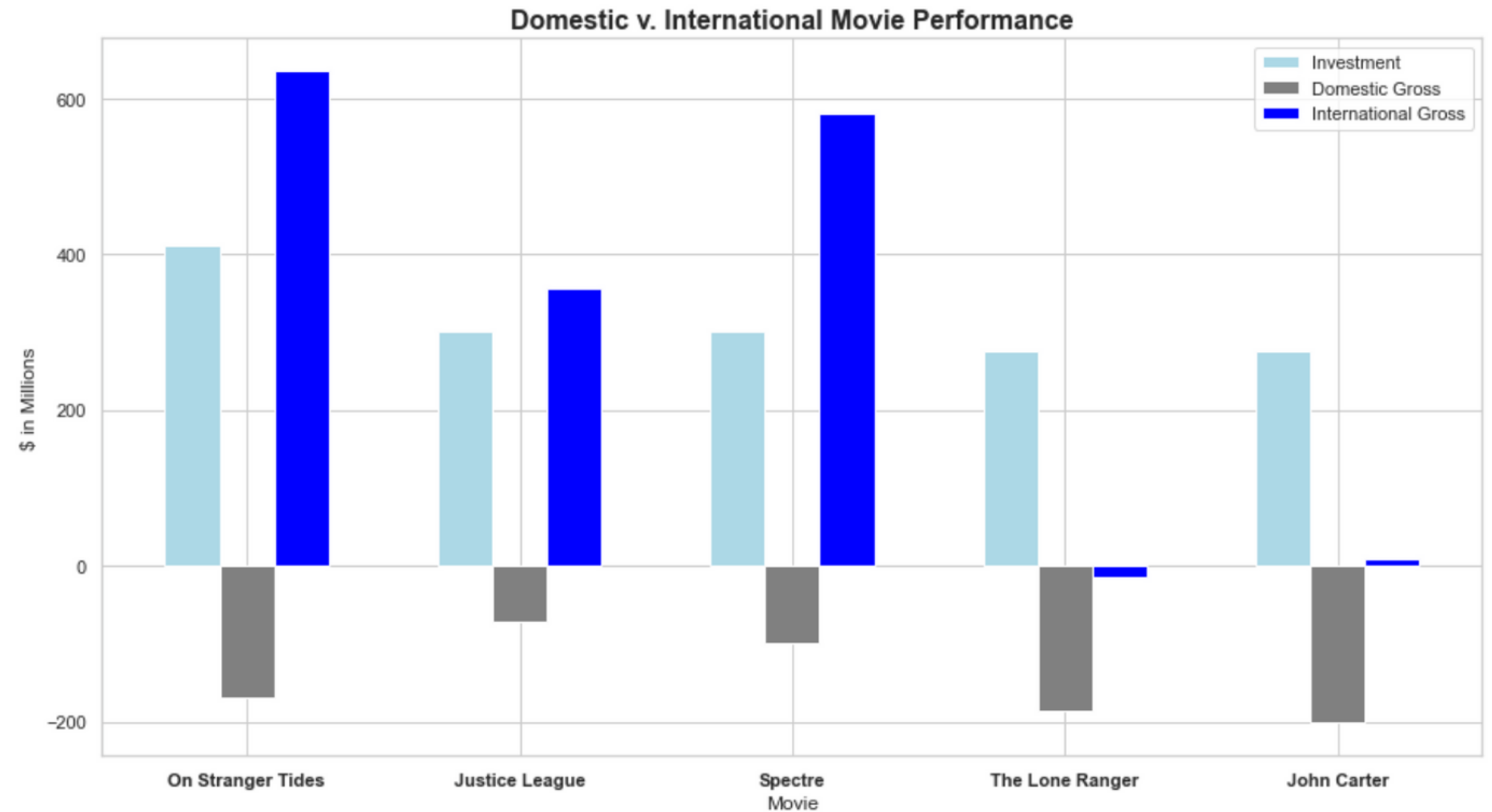
International sales are critical for turning a profit on a film investment



International Film Financial Examples

Key Takeaways

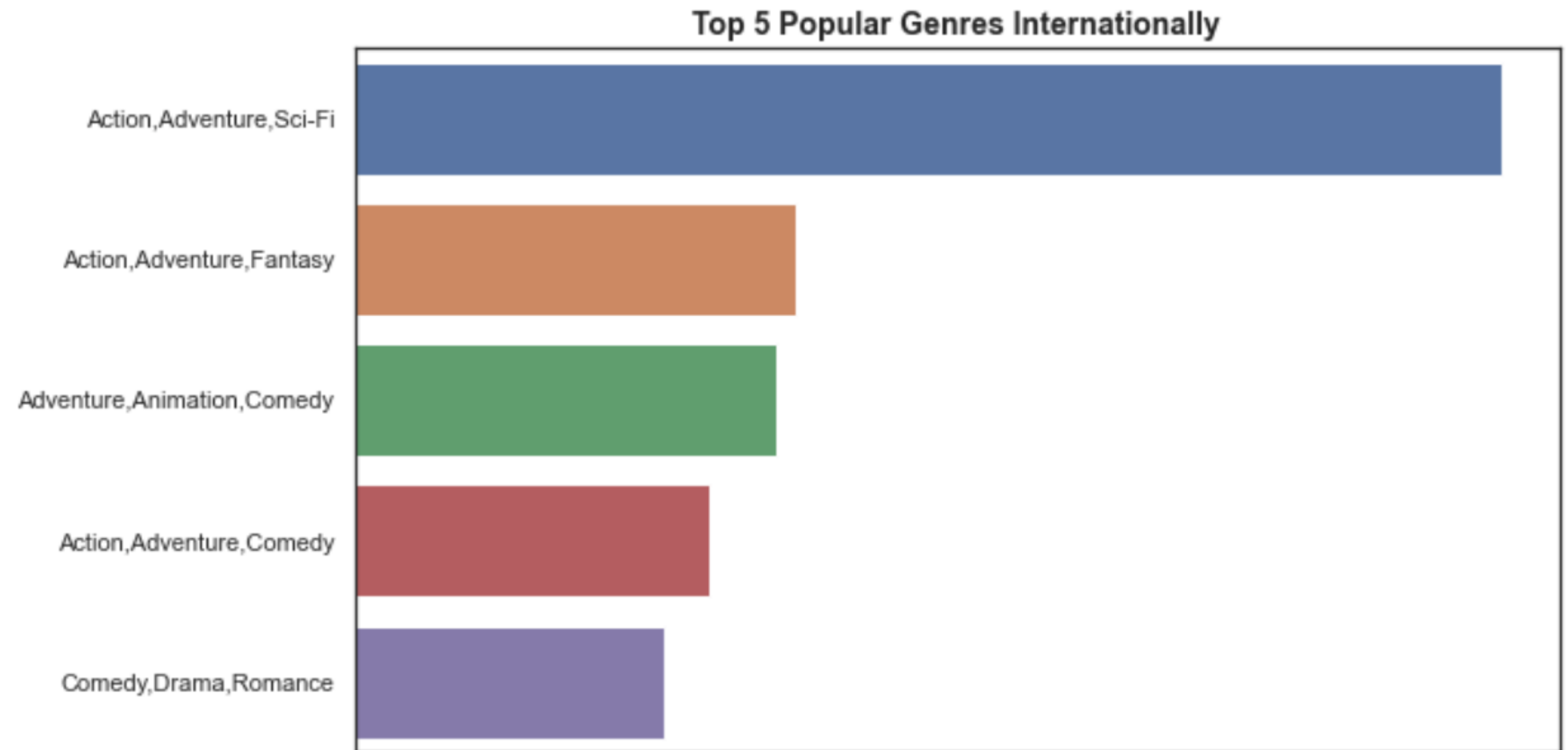
- Even the highest grossing films struggle to make a profit domestically
- Expanding internationally protects initial investment



International Genres

Key Takeaway

Action and Adventure appear in 4 out of the top 5 most popular genres abroad



Studio Financials

Studio	Avg. Investment per Movie (mm)	Avg. Worldwide Gross per Movie	Avg. Return per Movie (mm)	Avg. Margin % per Movie
Tri-Star	\$26.1	\$88.2	\$62.1	238%
Studio Gems	\$29.0	\$89.8	\$60.8	210%
Dimension Films	\$24.6	\$84.7	\$60.1	244%
Relativity Media	\$25.4	\$53.5	\$28.1	111%
Overture Films	\$24.0	\$37.8	\$13.8	57%

Key Takeaway

Screen Gems Studios has low average investment costs per movies, high ROI, and operates in key target genre (Horror)

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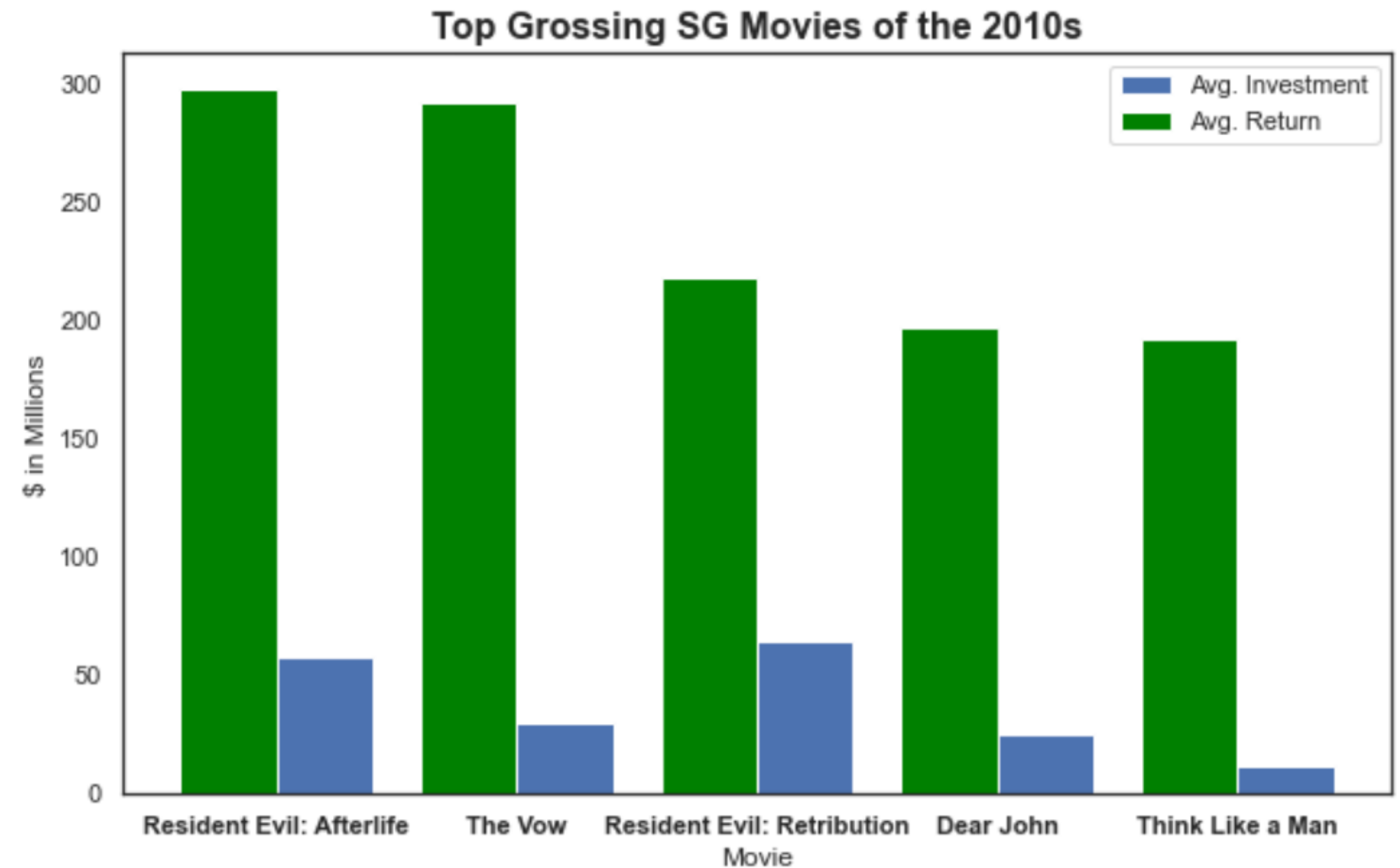
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Screen Gems: A Closer Look

Key Takeaways

- Screen Gems specializes in key target genres, notably Horror/Thriller
- Successful and popular content for streaming



RECOMMENDATIONS

Summary of Recommendations



**Invest in Low Cost,
High Return Film
Genres**



**Focus on Global
Partnerships &
Distribution**



**Acquire
ScreenGems
Studios**



THANK YOU

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