

STRATEGIC UPDATE

Q2 2019

LIONSGATE®

KEY OBJECTIVES

FOCUS:

Choosing the right genre to maximize revenue opportunities

METHOD:

Using data science to determine the optimal *genre*, *director*, and *budget*

RESULT:

What you can expect to generate in profit margin

DATA SNAPSHOT

| | budget | category | directors | imdb_rating | profit | release_date | revenue | runtime | title | votes | year | profit_margin | genre1 | genre2 | genre3 |
|---|-----------|----------|---------------------|-------------|-----------|--------------|------------|---------|---------------------------|---------|------|---------------|--------|-----------|---------|
| 0 | 185000000 | PG-13 | Christopher Nolan | 9.0 | 819558444 | 2008-07-16 | 1004558444 | 152 | The Dark Knight | 2033604 | 2008 | 81.583949 | Action | Crime | Drama |
| 1 | 140000000 | PG-13 | Jon Favreau | 7.9 | 445174222 | 2008-04-30 | 585174222 | 126 | Iron Man | 841289 | 2008 | 76.075501 | Action | Adventure | Sci-Fi |
| 2 | 150000000 | PG-13 | Louis Leterrier | 6.8 | 13712074 | 2008-06-12 | 163712074 | 112 | The Incredible Hulk | 390975 | 2008 | 8.375726 | Action | Adventure | Sci-Fi |
| 3 | 37000000 | PG-13 | Catherine Hardwicke | 5.2 | 355616625 | 2008-11-20 | 392616625 | 122 | Twilight | 390586 | 2008 | 90.576049 | Drama | Fantasy | Romance |
| 4 | 80000000 | PG | Adam Shankman | 6.1 | 132874442 | 2008-12-24 | 212874442 | 99 | Bedtime Stories | 81622 | 2008 | 62.419162 | Comedy | Family | Fantasy |
| 5 | 33000000 | R | Clint Eastwood | 8.1 | 236958228 | 2008-12-09 | 269958228 | 116 | Gran Torino | 663704 | 2008 | 87.775887 | Drama | None | None |
| 6 | 30000000 | R | Nicholas Stoller | 7.2 | 75173115 | 2008-04-17 | 105173115 | 111 | Forgetting Sarah Marshall | 245886 | 2008 | 71.475600 | Comedy | Drama | Romance |

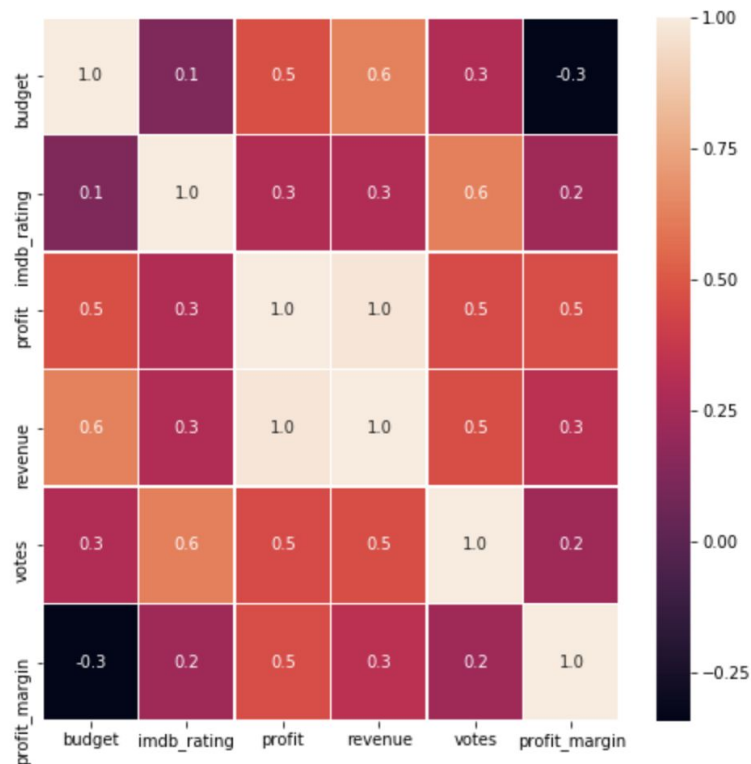
Webscraping from IMDB:

- Top 200 movies from each year by popularity
- Sample size of 2,200 movies from the past 11 years (2008 - 2018)

API Call from TheMovieDB:

- Top 60 most revenue-generated movies from each year
- Sample size of 660 movies from the past 11 years (2008 - 2018)

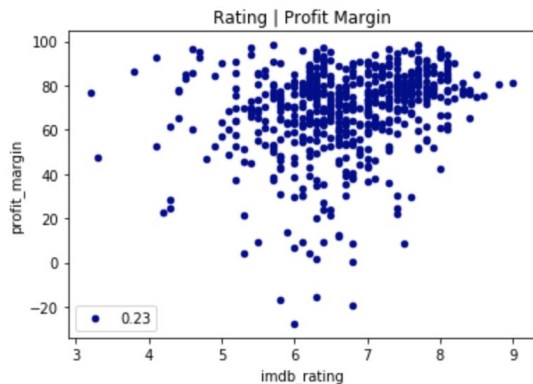
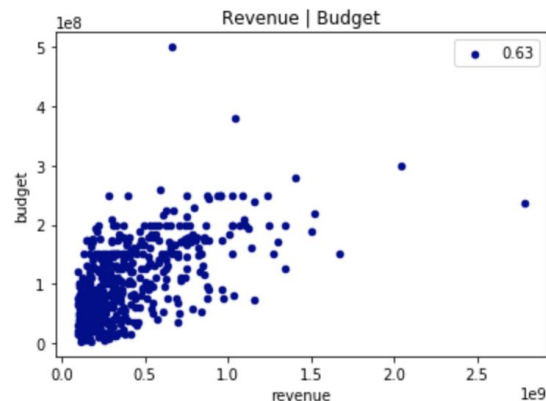
RELATIONSHIP OVERVIEW



As Expected...

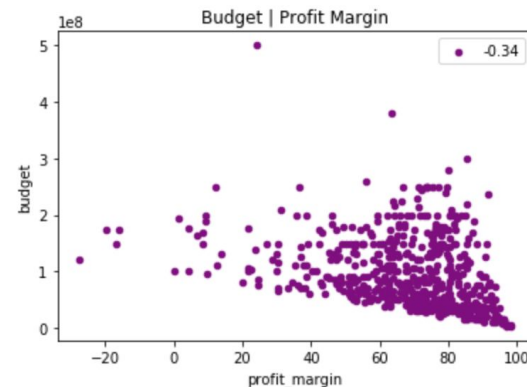
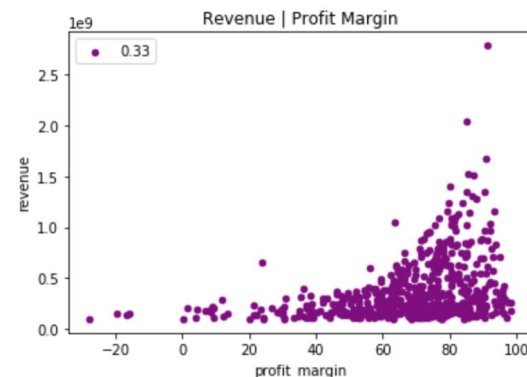
- 100% correlations between Profit, Revenue, and Budget
 - ◆ This makes sense as Profit is a calculation based on Profit and Revenue
- Profit Margin has a higher correlations with Revenue and Budget
 - ◆ Profit Margin calculated as Profit / Revenue
 - ◆ Margins has a positive correlation with Revenue and a negative correlation with Budget
- Ratings do not seem to have significant correlations with Budget, but does have a slight positive correlation with Revenue

DEEPER INSPECTION

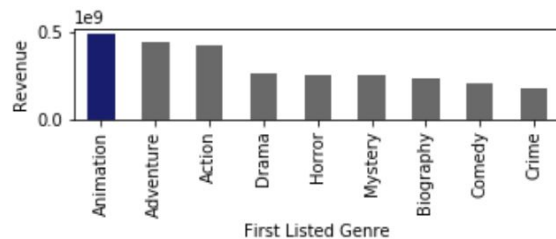


Confirming What We've Just Seen...

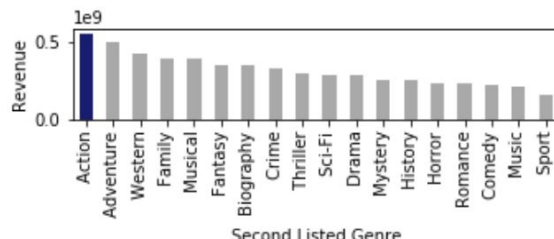
- Revenue and Budget has the highest correlation of all possible value-pairs
- Whereas Ratings and Profit Margins are not indicative enough
- In comparison, it seems that **Budget is a greater driver of Profit Margin** than Revenue



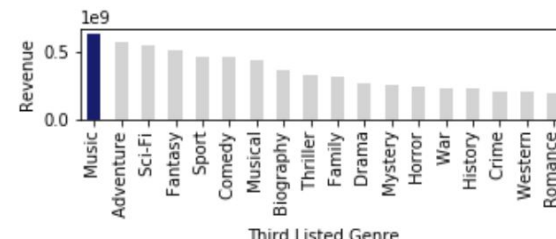
WHICH GENRE?



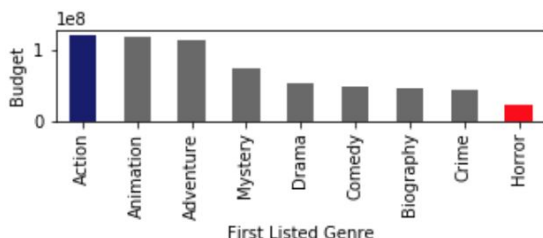
First Listed Genre



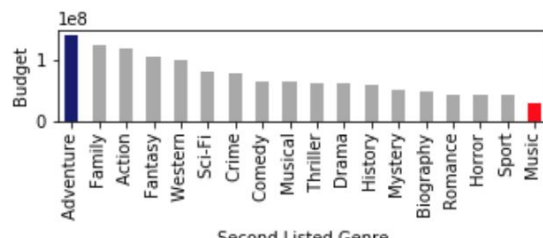
Second Listed Genre



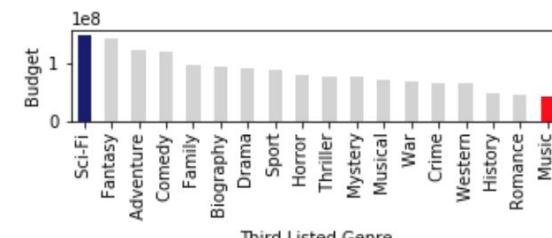
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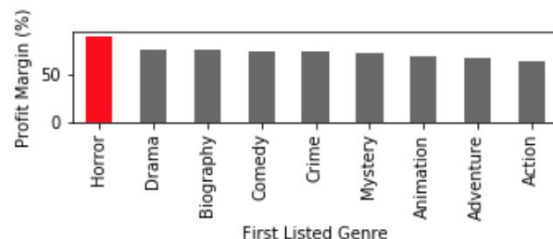
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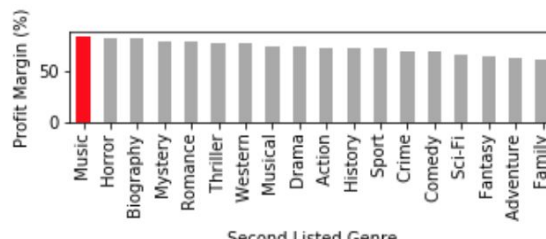
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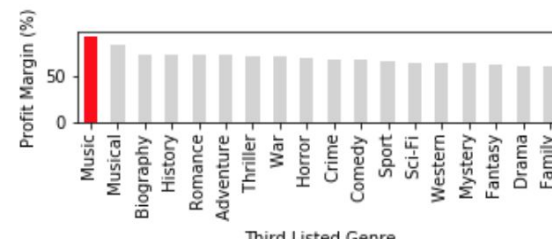
Third Listed Genre



First Listed Genre



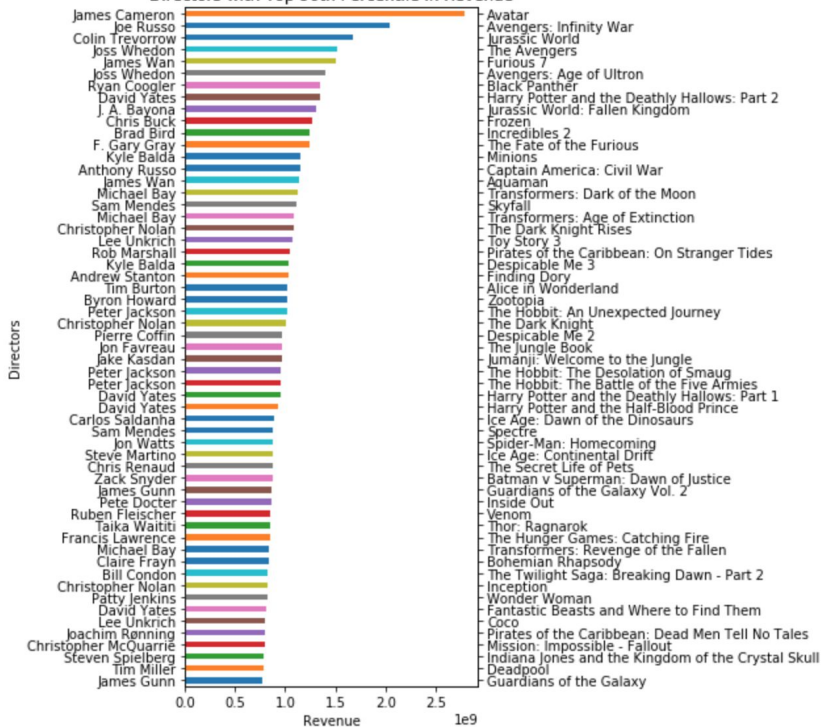
Second Listed Genre



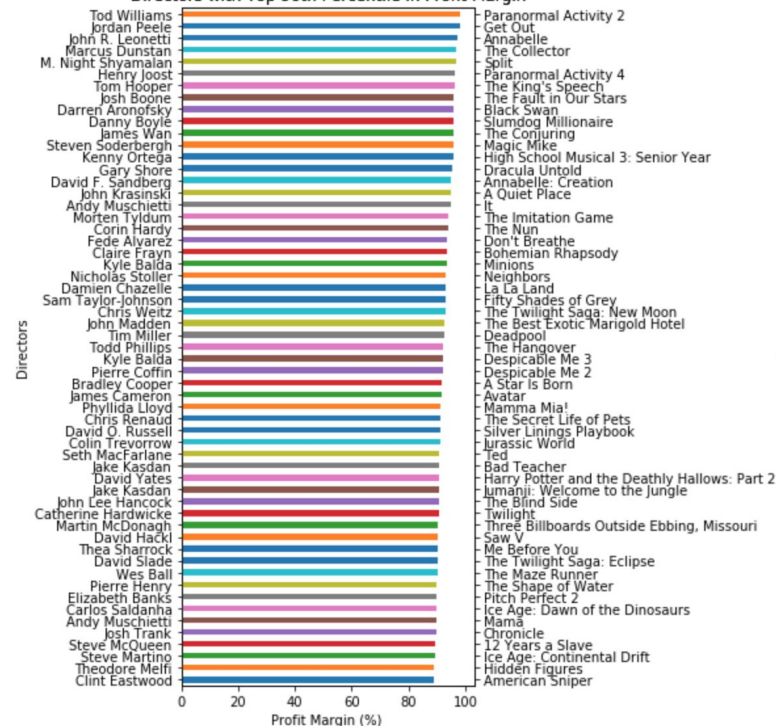
Third Listed Genre

WHICH DIRECTOR?

Directors with Top 90th Percentile in Revenue



Directors with Top 90th Percentile in Profit Margin



RECOMMENDATIONS

WHAT

Highest Revenue:

Animation, Action/Adventure, Sci-Fi

Highest Profit:

Horror, Musical

HOW MUCH

Large Budget Productions:

~\$1BN

Low Budget Productions:

~\$40MM

WHO

Animation:

Carlos Saldanha // Genndy Tartakovsky // Mike Mitchell

Action/Adventure/Sci-Fi:

David Yates // Michael Bay // Roland Emmerich

Horror:

Andy Muschietti // Paul W.S. Anderson

Musical:

Jon M. Chu