

# Strategic Recommendations

By Jack Halper and Gloria Pintado



# Strategy #1: Capital Intensive/Risk Averse

- The capital-intensive Animation & Adventure categories provide the highest profit of any genre
- Animation & Adventure genres provide some of the highest median equity multiples with low relative downside
- Capital-Intensive
- Longer Runtimes
- Summertime Release



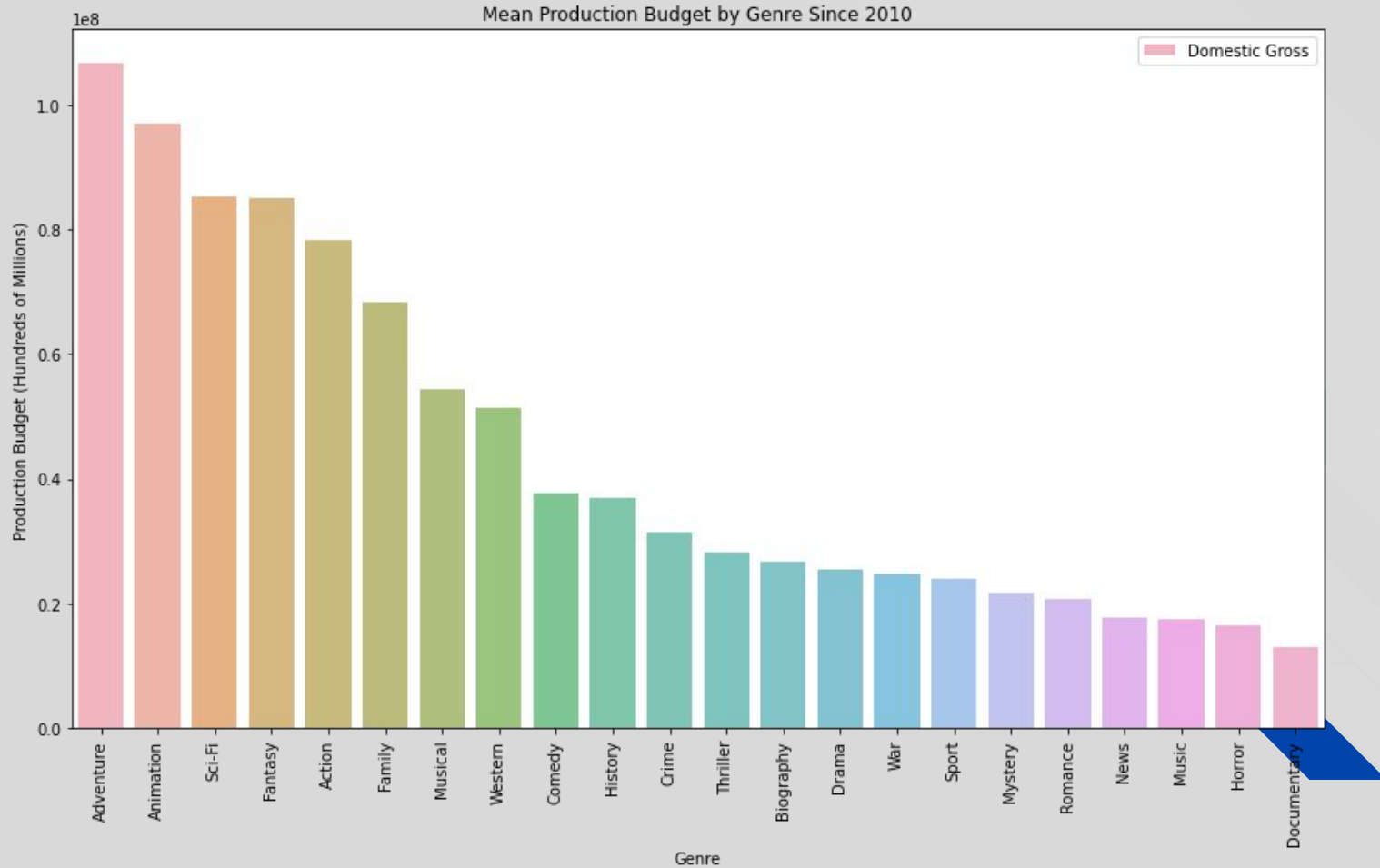
## Strategy #2: Capital-Efficient/Higher Risk

- The capital-efficient categories of Horror & Mystery provide slightly lower median equity multiples than more capital-intensive titles, however, they are riskier and offer substantially more upside than other genres
- Less Capital Required
- Shorter Runtimes
- Summertime Release

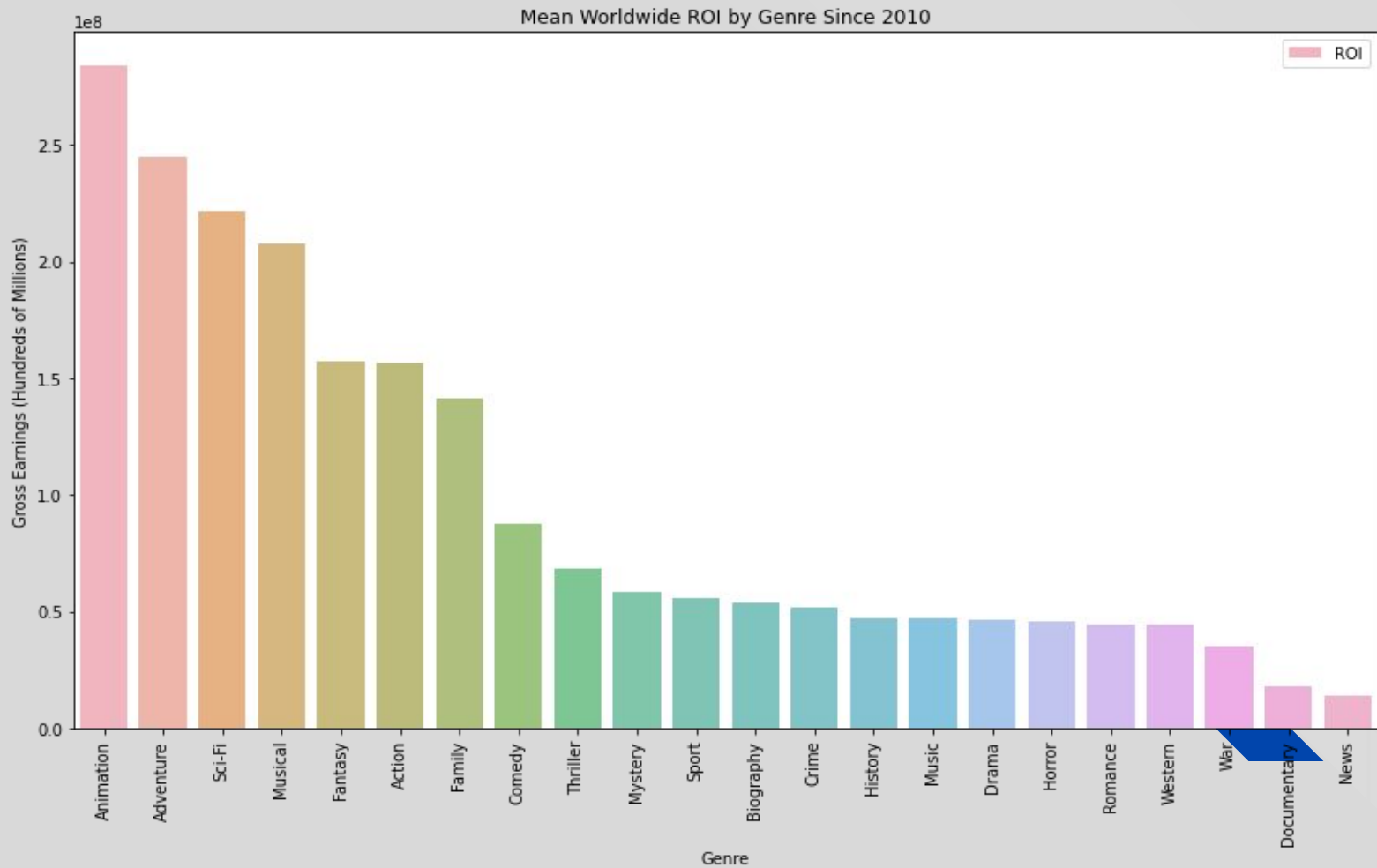


# Genre Strategy

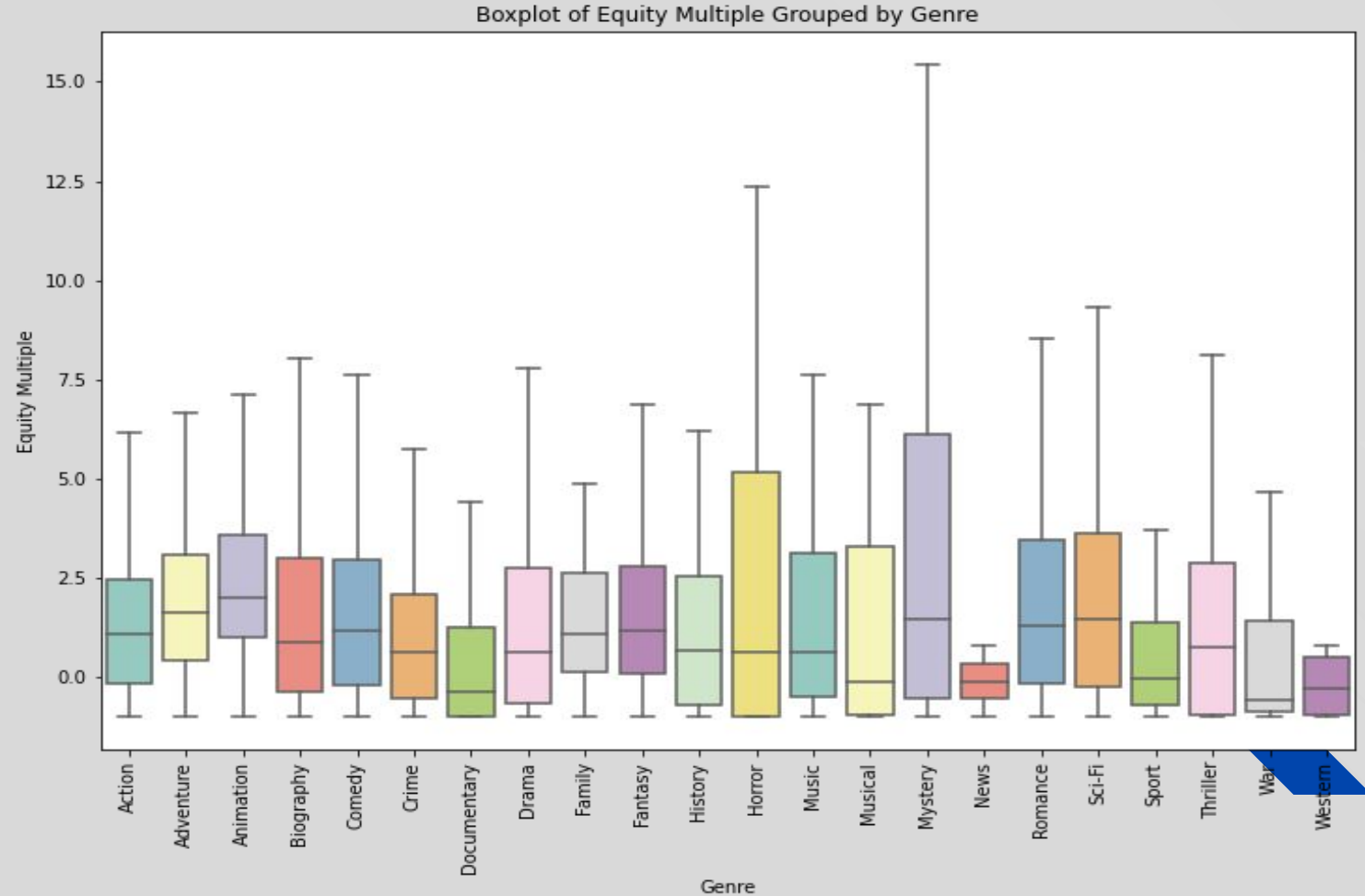
# Mean Production Budget by Genre



# Mean Profit on Investment for US-Released Films By Genre 2010-2019



# Equity Multiple on Investment for US-Released Films By Genre 2010-2019





# Budget Strategy



# .79 Correlation Between Budget and Worldwide Gross

Production Budget is strongly predictive of overall  
Worldwide gross



# -0.031 Correlation Between Budget and Equity Multiple

Production Budget values fails to predict Equity  
Multiple values



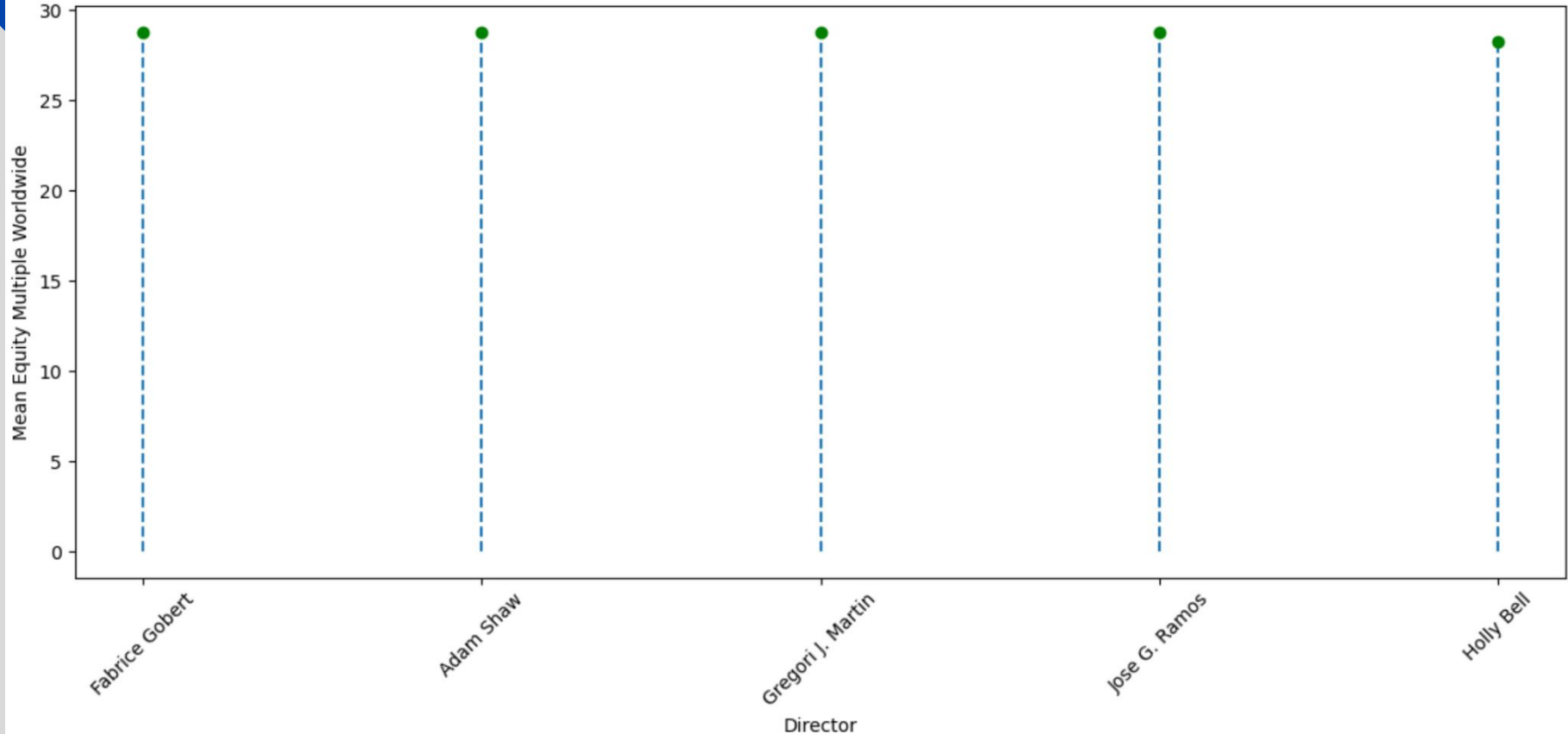
# Director Strategy

# Strategy #1: Top Directors: Adventure Genre



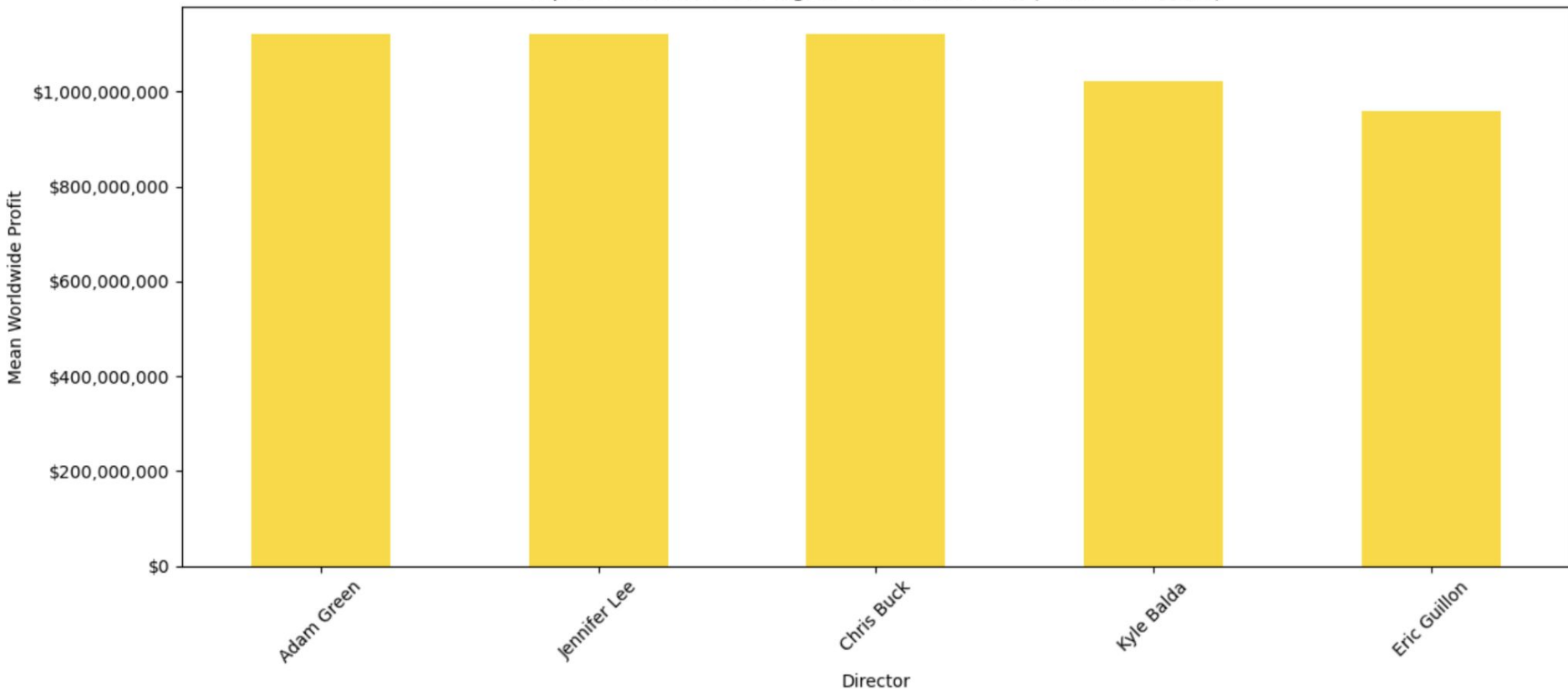
# Strategy #1: Top Directors: Adventure Genre

Top Five Directors with Highest Mean Equity Multiple Worldwide (Adventure Genre)

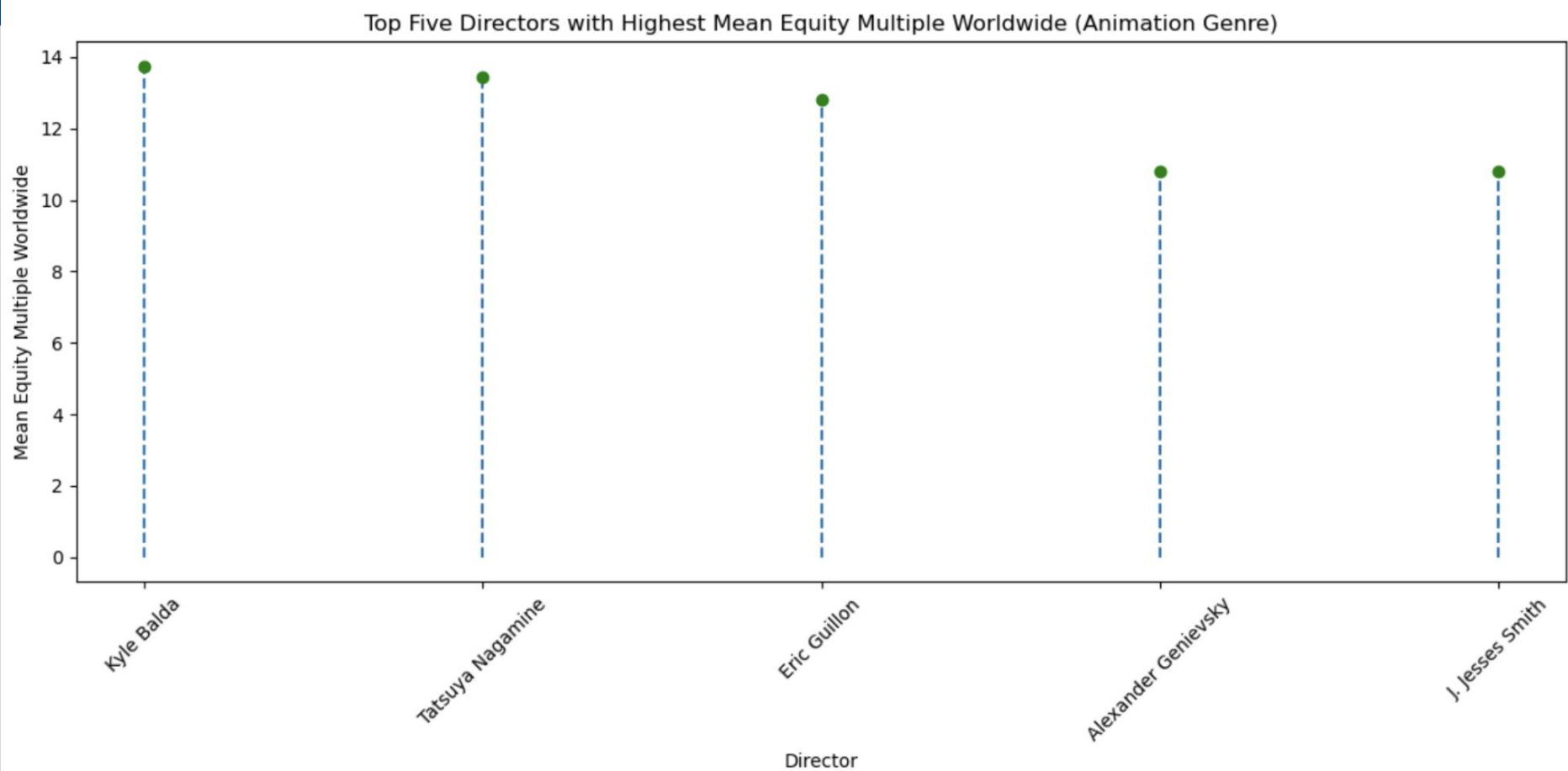


# Strategy #1: Top Directors: Animation Genre

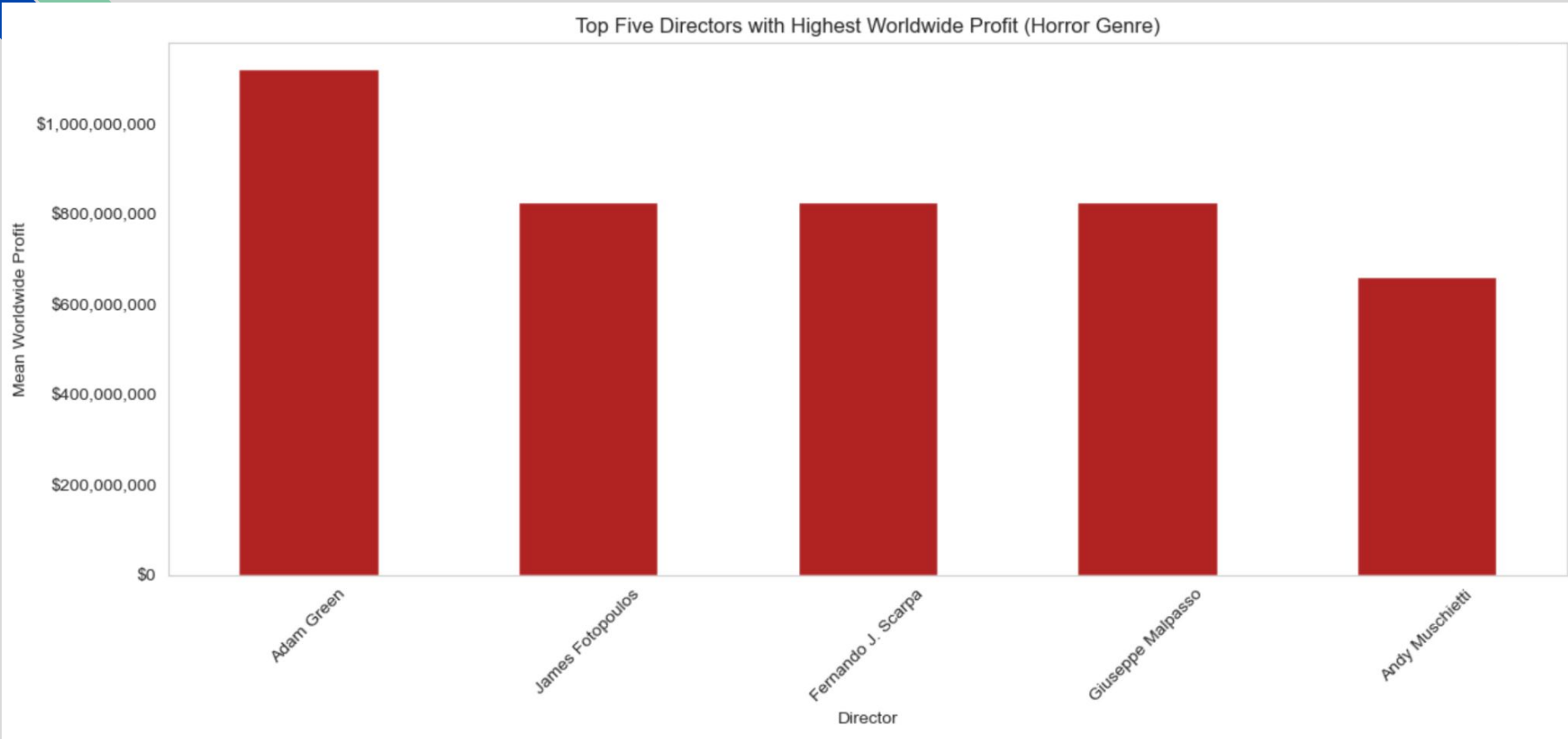
Top Five Directors with Highest Worldwide Profit (Animation Genre)



# Strategy #1: Top Directors: Animation Genre



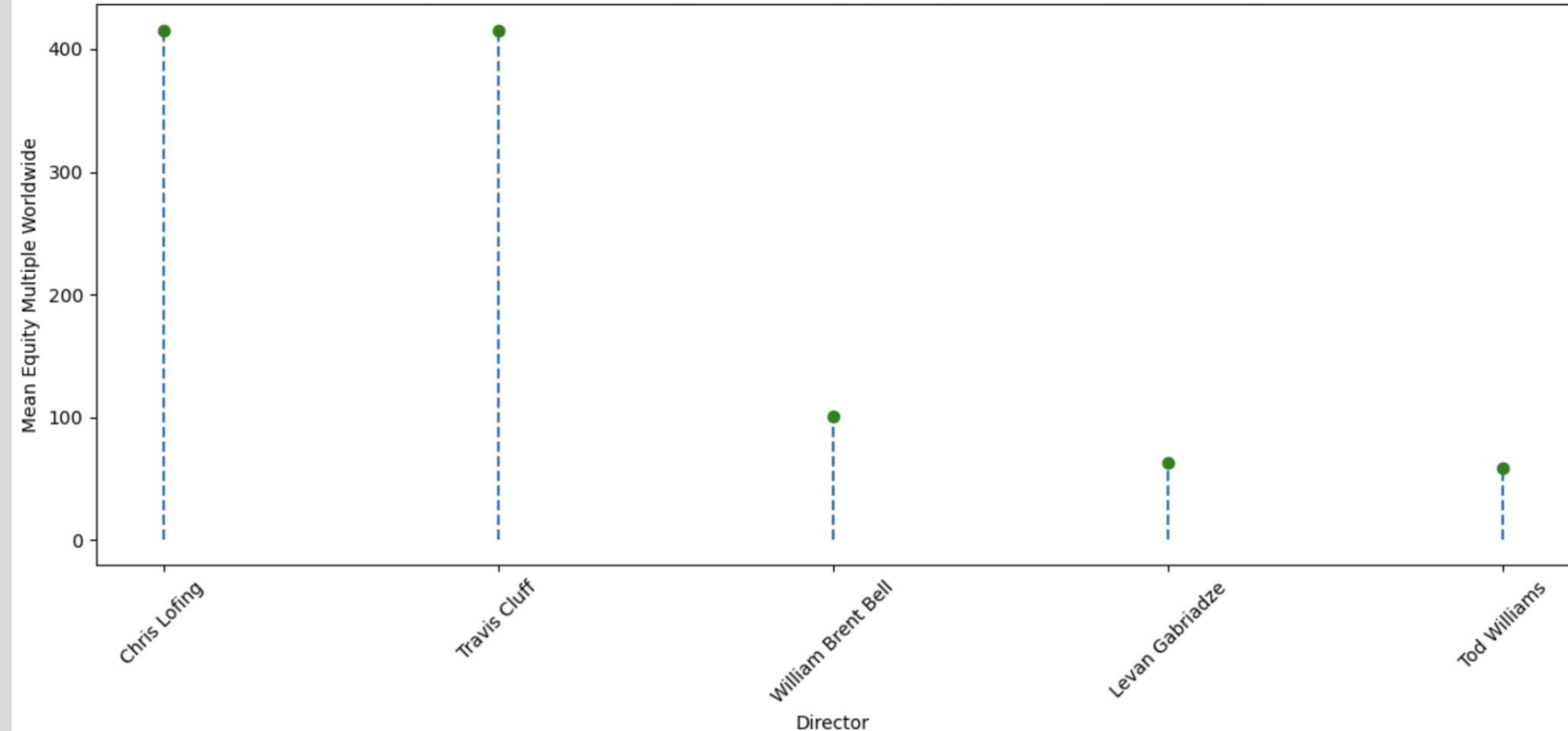
# Strategy #2: Top Directors: Horror Genre



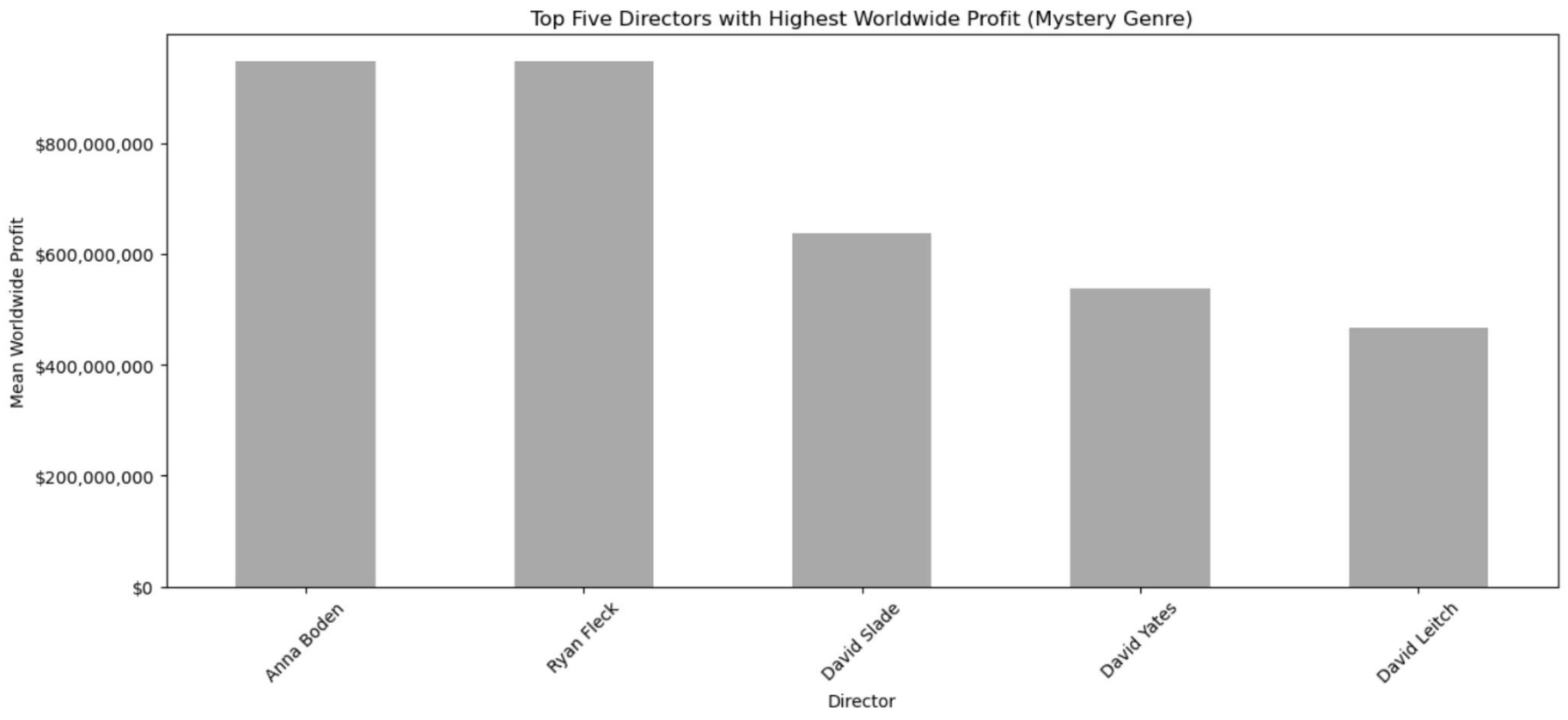


# Strategy #2: Top Directors: Horror Genre

Top Five Directors with Highest Mean Equity Multiple Worldwide (Horror Genre)

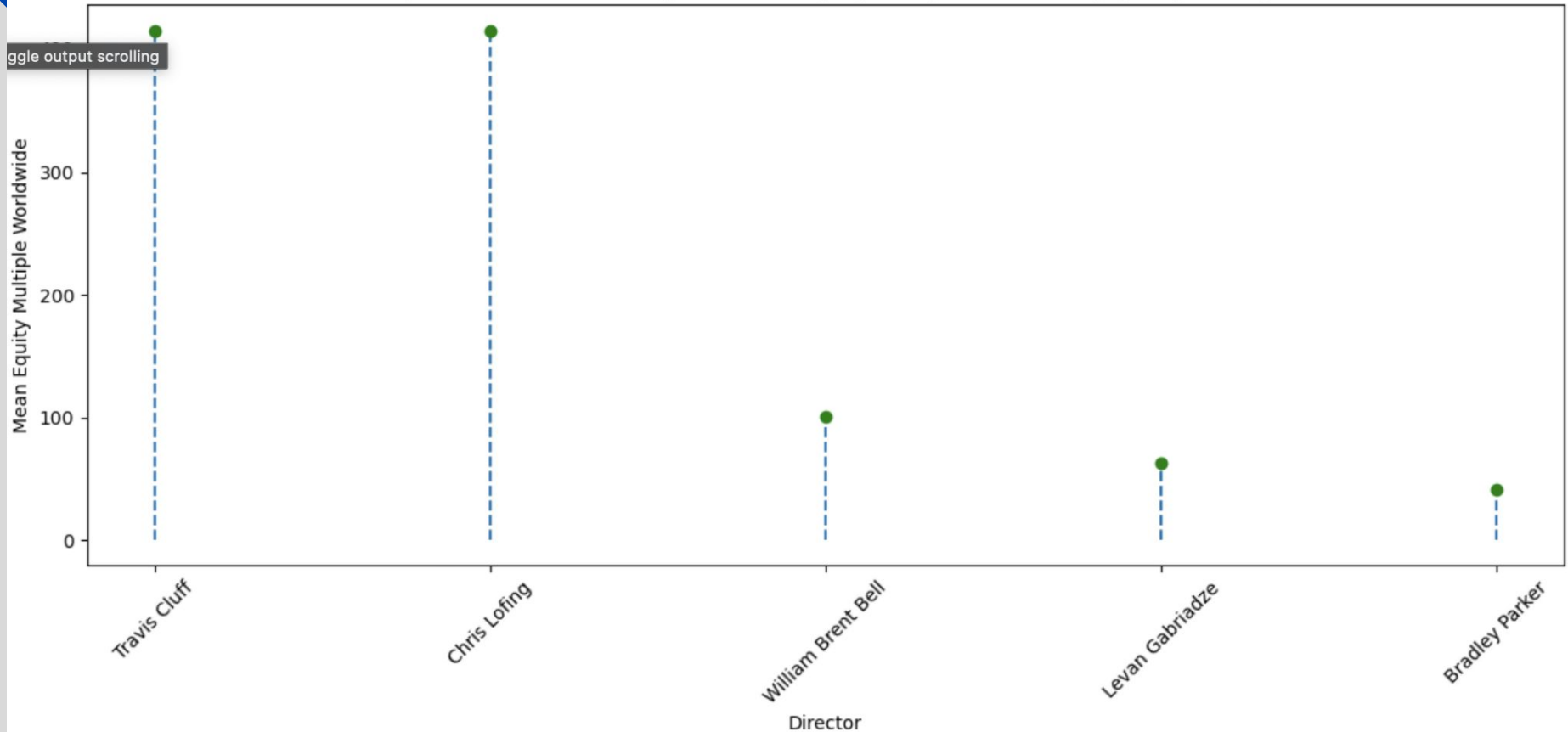


# Strategy #2: Top Directors: Mystery Genre



# Strategy #2: Top Directors: Mystery Genre

Top Five Directors with Highest Mean Equity Multiple Worldwide (Mystery Genre)

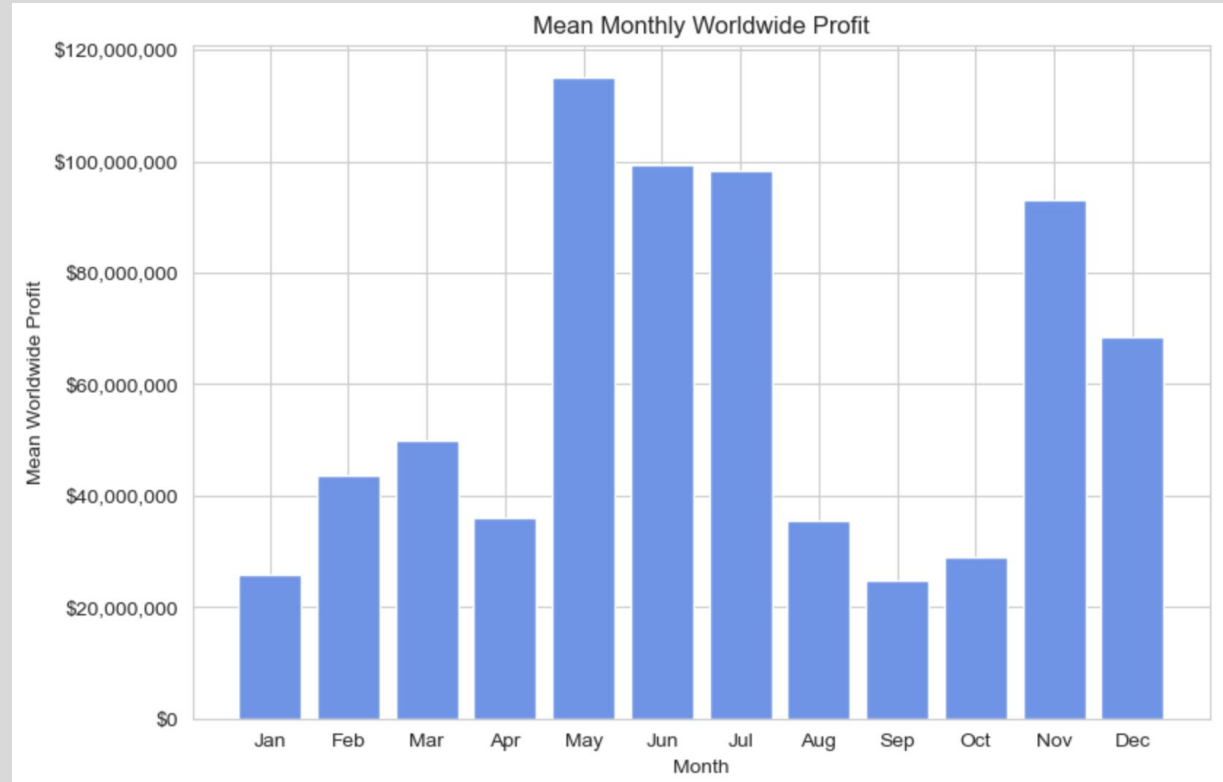




# Release Date Strategy

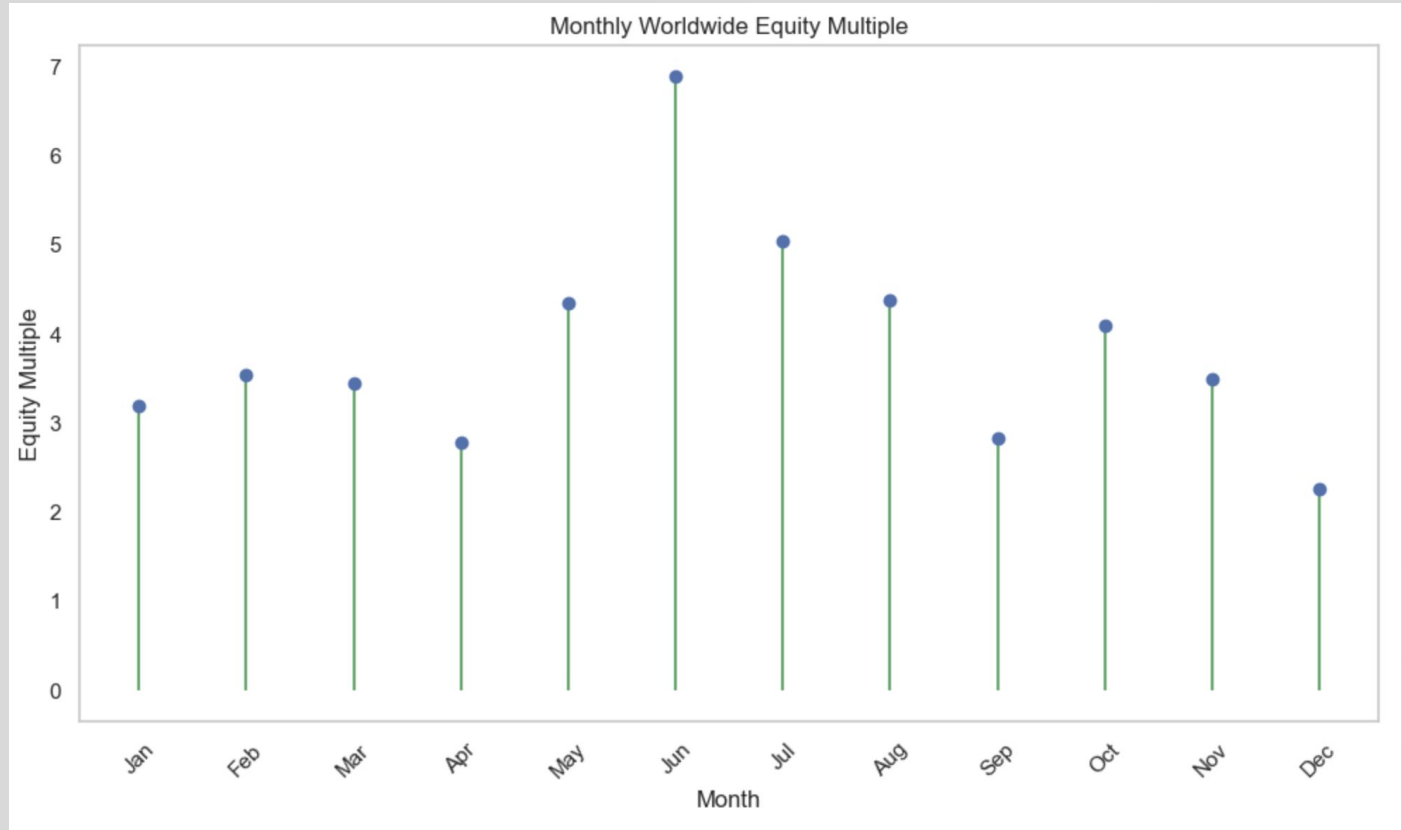
# Mean Monthly Worldwide Profits

The best time for more profits either domestically or worldwide is in summer and holidays at the end of the year.



# Equity Multiple Worldwide Monthly

June has the highest multiple equity.



# Release Date Recommendations

1. Summer movies performed significantly better than seasons
  - a. June possessed the highest mean profit and equity multiple of all months
  - b. Movies released during the summer months outperformed winter and fall releases significantly in terms of gross profits and equity multiples

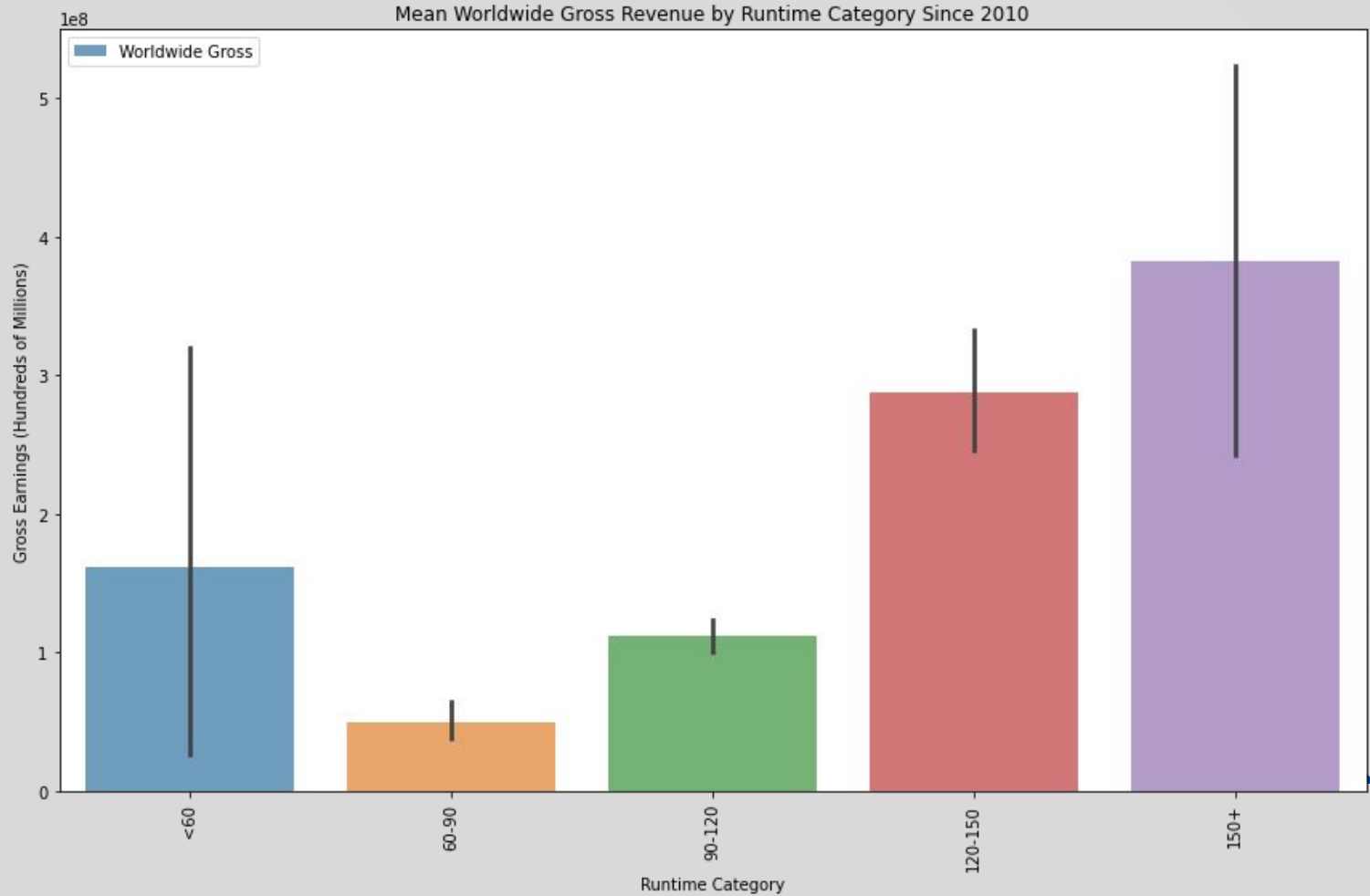




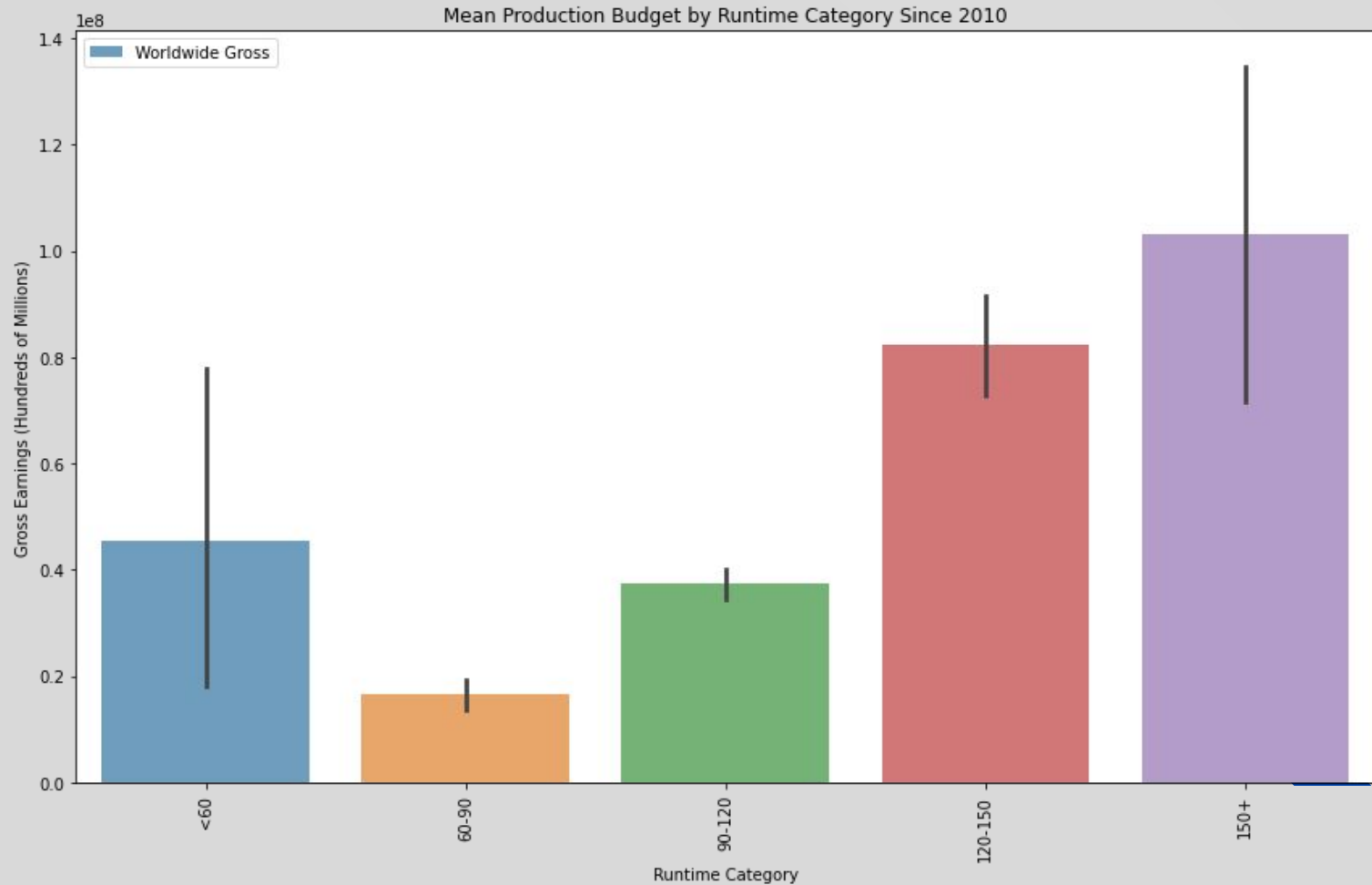
# Runtime Strategy



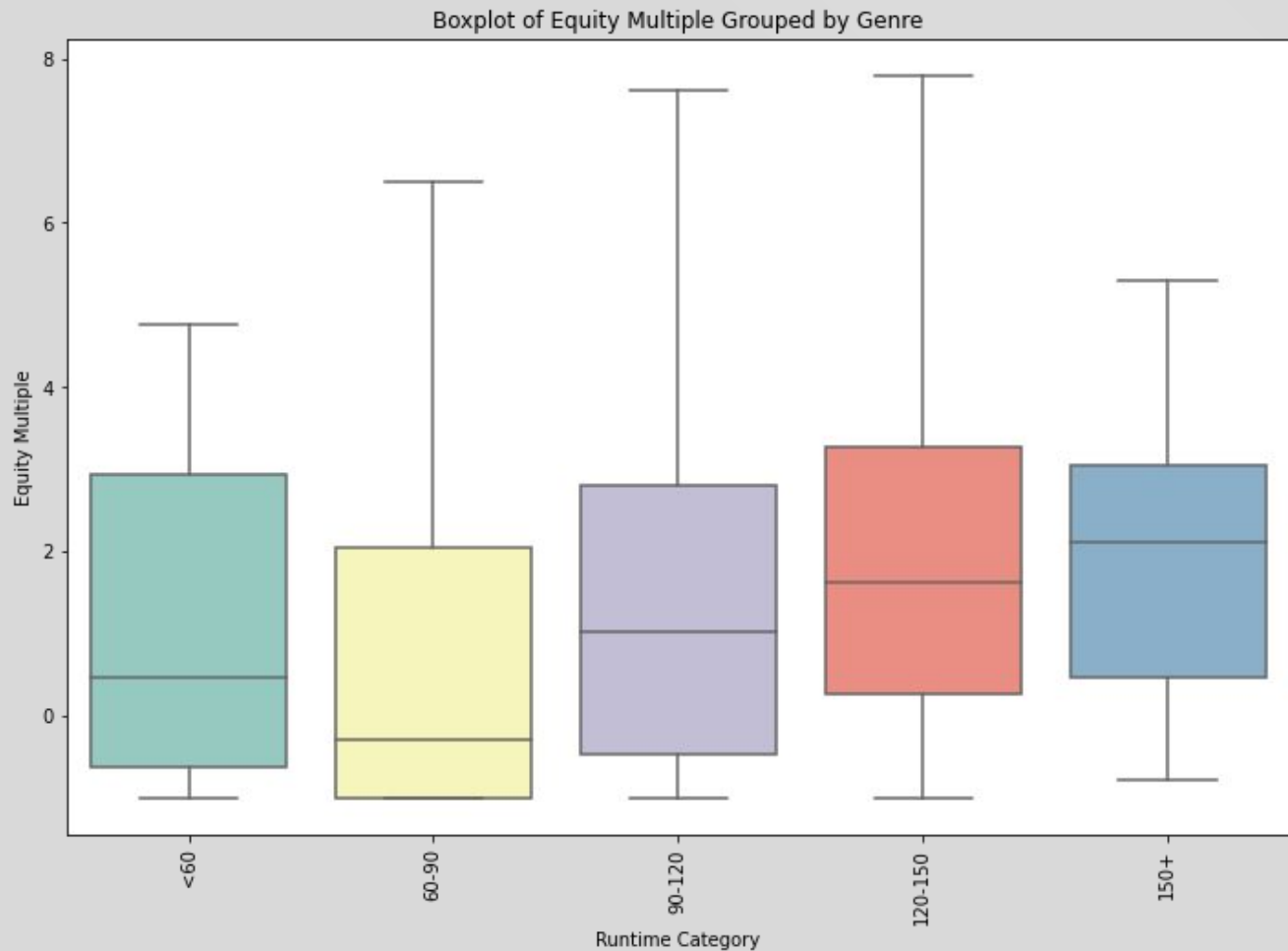
# Mean Worldwide Gross Revenue for US-Released Films By Runtime 2010-2019



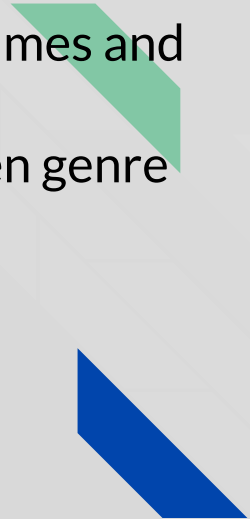
# Mean Production Budget for US-Released Films By Runtime 2010-2019



# Mean Equity Multiple by Runtime Category 2010-2019



# Runtime Recommendations

1. No clear strong correlation between runtime and equity multiples
  2. More expensive movies tend to possess longer runtimes and higher gross revenues
  3. Runtime is dependent on genre and budget of chosen genre
- 
- A green parallelogram is positioned to the right of the second list item, and a blue parallelogram is positioned to the right of the third list item. Both shapes are slanted and point towards the bottom right corner of the slide.

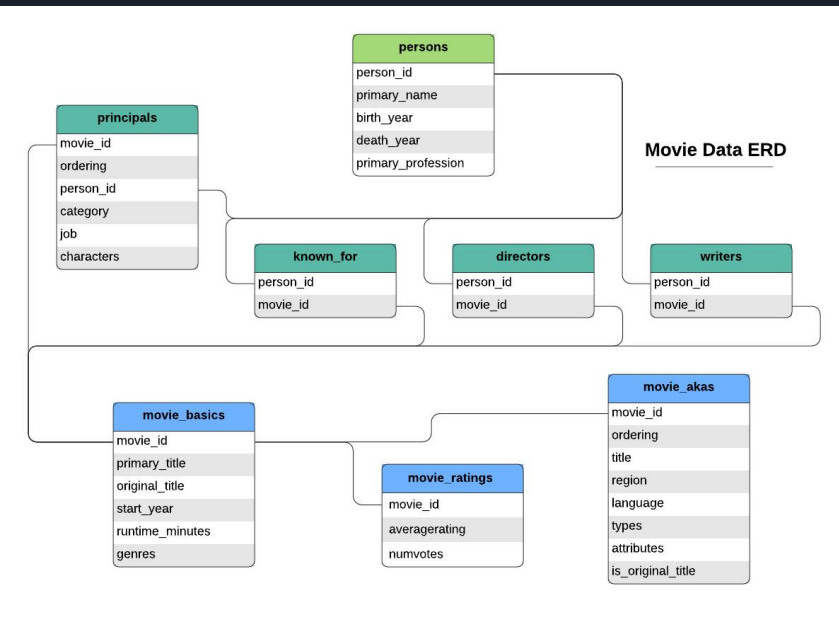


# Further Considerations & Uncertainties

1. Production Budget as defined in this analysis does not include marketing & distribution costs and therefore the equity multiples here may not portray a full comprehensive picture of investor returns
2. Procuring marketing budget information would provide a fuller picture of historical investor returns

# Data Sources

- Budgets Table  
Cvs file : 'tn.movie\_budgets.csv'



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