

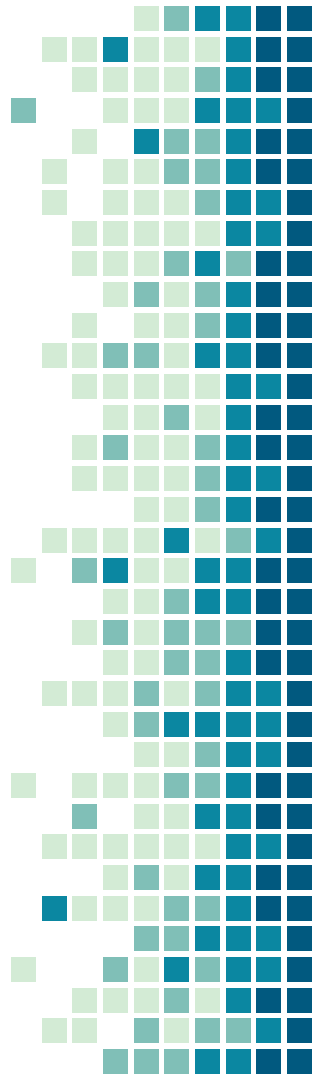
The Movie Making Industry

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Agenda

- **An industry overview**
- **Opportunities**
- **Recommendations**
- **Next steps**

- **Next steps**
- **Recommendations**
- **Opportunities**
- **An industry overview**



1. Industry Overview



MOVIE – MAKING Revenue Streams

Cinemas

- ❖ **50% receipts to studio**
- ❖ **Domestic (30%)**
- ❖ **Foreign (70%)**

Other channels

- ❖ DVD
- ❖ Streaming
- ❖ Straight to video
- ❖ Pay-per-view

Tie-ins

- ❖ Brand mdse
- ❖ MS mdse?
- ❖ games

MOVIE - MAKING Costs

Studio

- ❖ Idea
- ❖ Investors
- ❖ **Studio buys rights to film**
- ❖ Budget

Production

- ❖ Produce film
- ❖ Move to studio
- ❖ Distributor determined
- ❖ Licensing agreement

Distribution

- ❖ Shows film
- ❖ Negotiates
- ❖ Lease agreement with

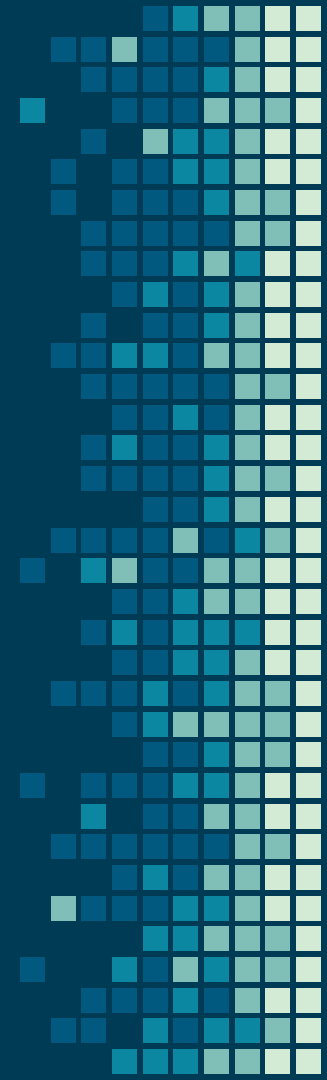
Promotion, marketing and publicity

Outsourced

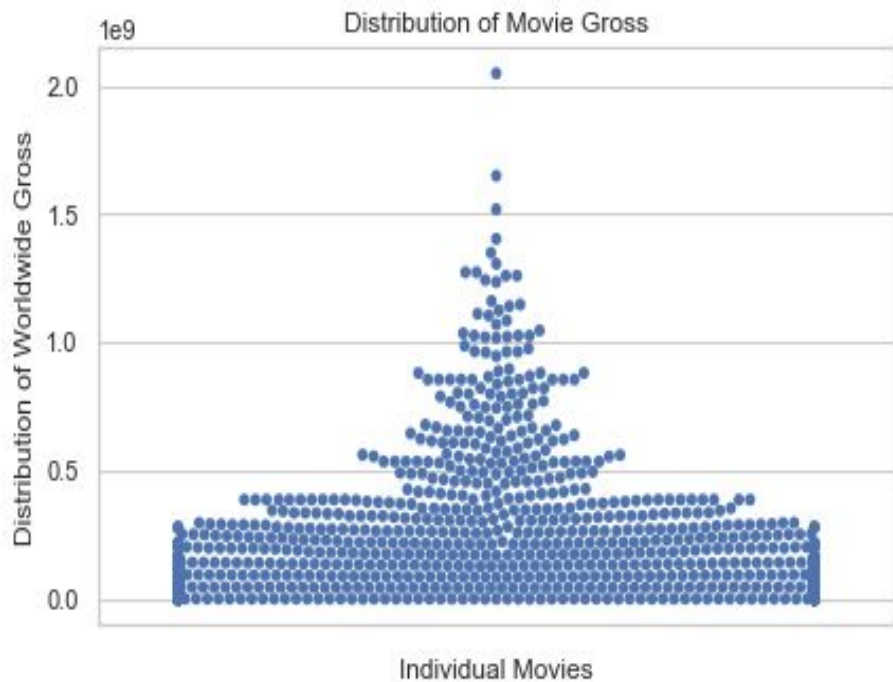


2. Opportunities

Make a Great
Film



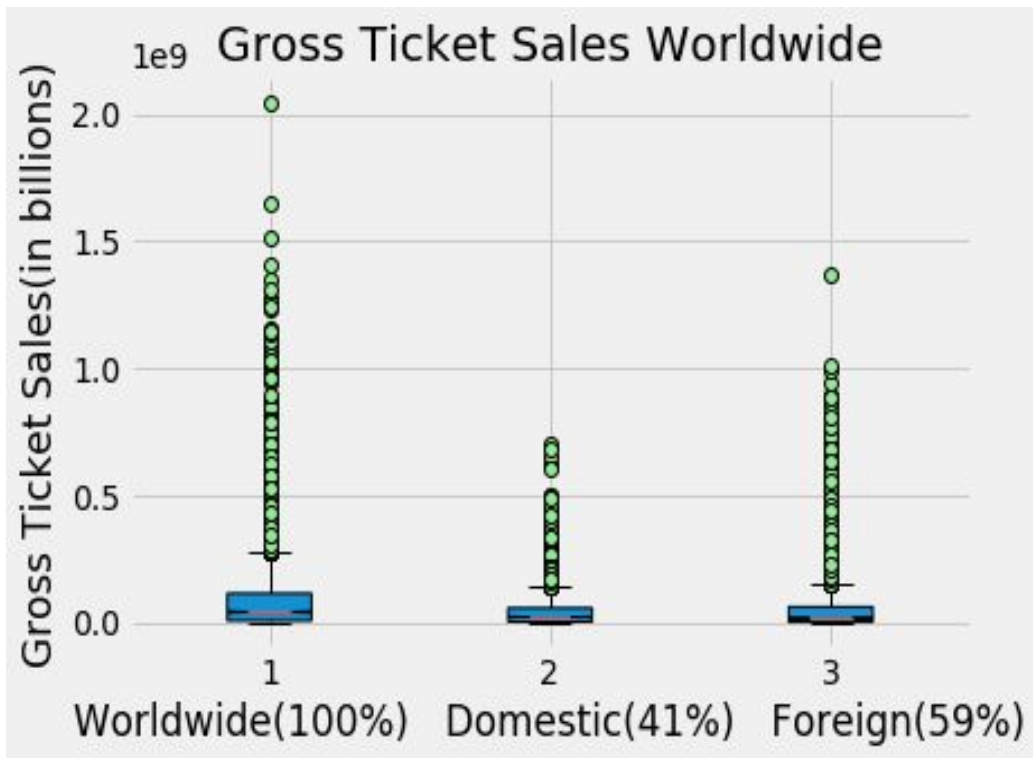
Gross Ticket Sales Data



- Average movie gross = \$129 million (the lower base of the graph)
- Max \$2 billion
- 2,512 movies reviewed from December, 1946 to May 2019

Dig deeper into the gross to understand ticket gross drivers

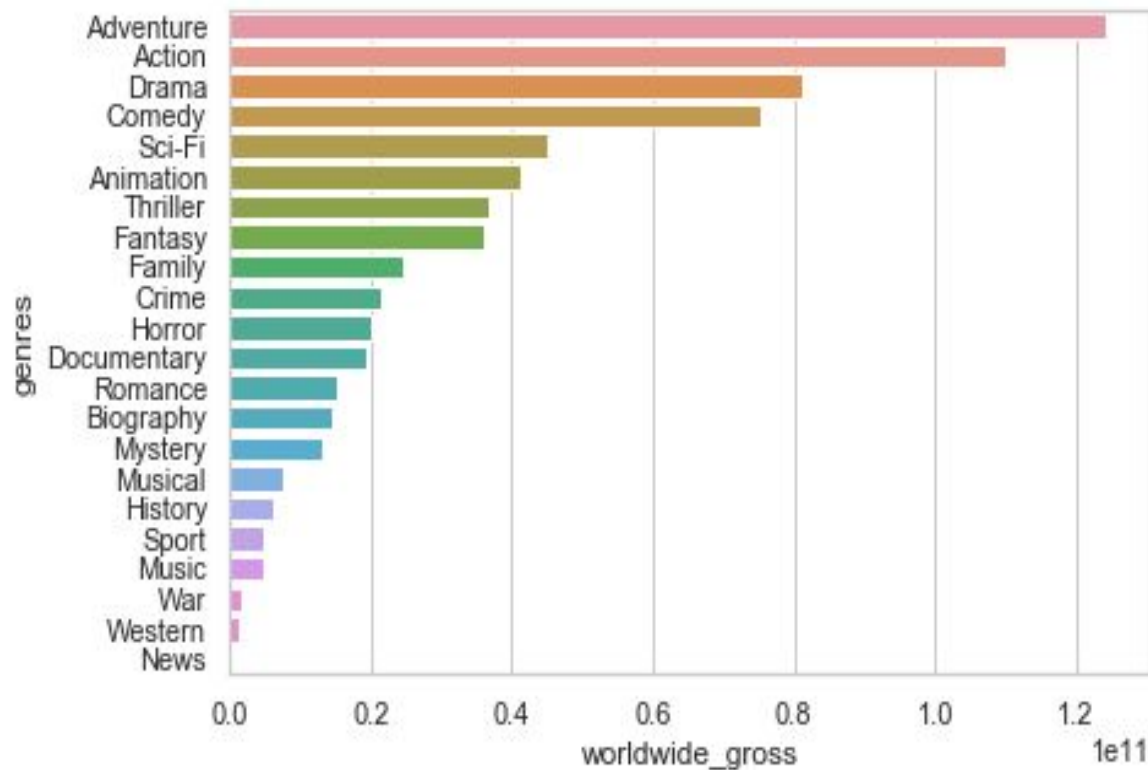
Foreign/Domestic Sales



- 60 % / 40 % split of foreign to domestic vs. 70%/30% industry average
- Higher upside with foreign distribution

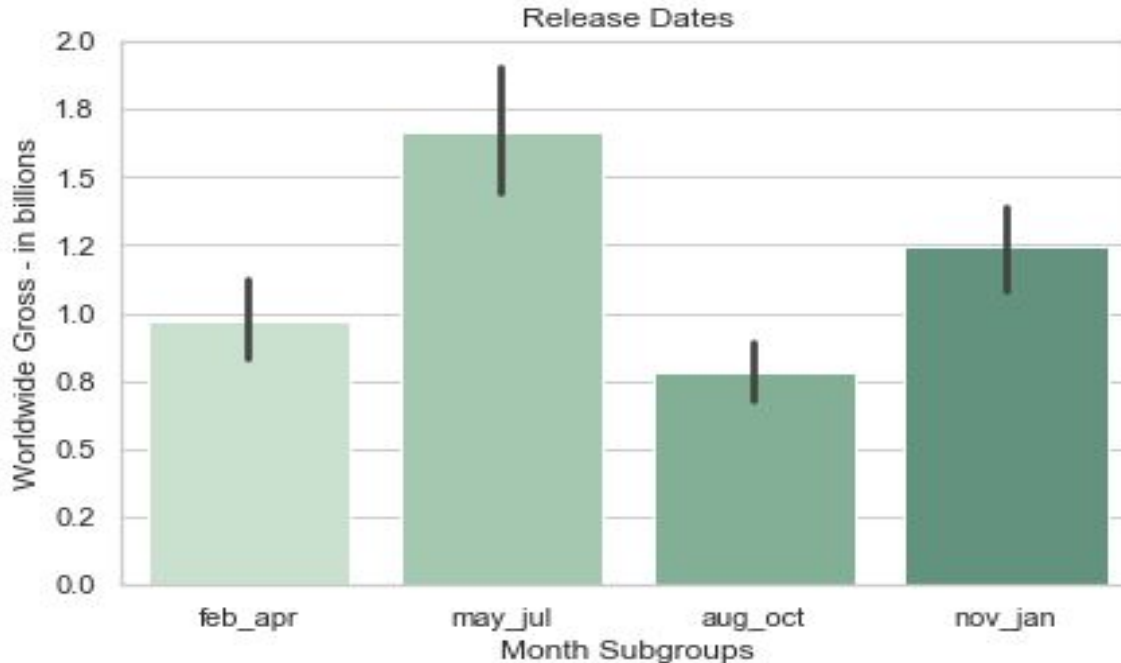
Recommendation: Foreign brings in more gross at higher values.
Concentrate on movies that appeal globally

Genres – Worldwide Gross



Recommendation: Top five: Adventure, Action, Drama, Comedy Sci-Fi

Release Dates



Summer(blockbusters)
and winter holiday
releases

Recommendation: Release dates in the summer or holiday seasons

3. Summary of Recommendations



Summary of Recommendations

- ❏ **Produce movies that appeal globally. Some movies now adding foreign cast, merchandise, etc.**
- ❏ **Produce movies in these genres: Adventure, Action, Drama, Comedy, Sci-Fi**
- ❏ **Release movies in summer or winter holidays**

5. Next Steps



Next steps

- Deeper dive into revenues including:
 - Genre average breakout - blockbuster, range of ticket gross in genre
 - other than ticket gross
- Production costs
- Distribution cost
- Mix of large/small movies

THANKS!

Any questions?

You can find me at:
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What is a blockbuster?

Gross	
Movie	Gross
Avengers Endgame 2019 - Action	\$2.8 billion
Avatar 2009 - Action	\$2.8 billion
Titanic 1997 Thriller/Susp	\$2.2 bilion
Jurassic World 2015 - Action	\$1.7 million
The Lion King 2005 - Adventure	\$623 million

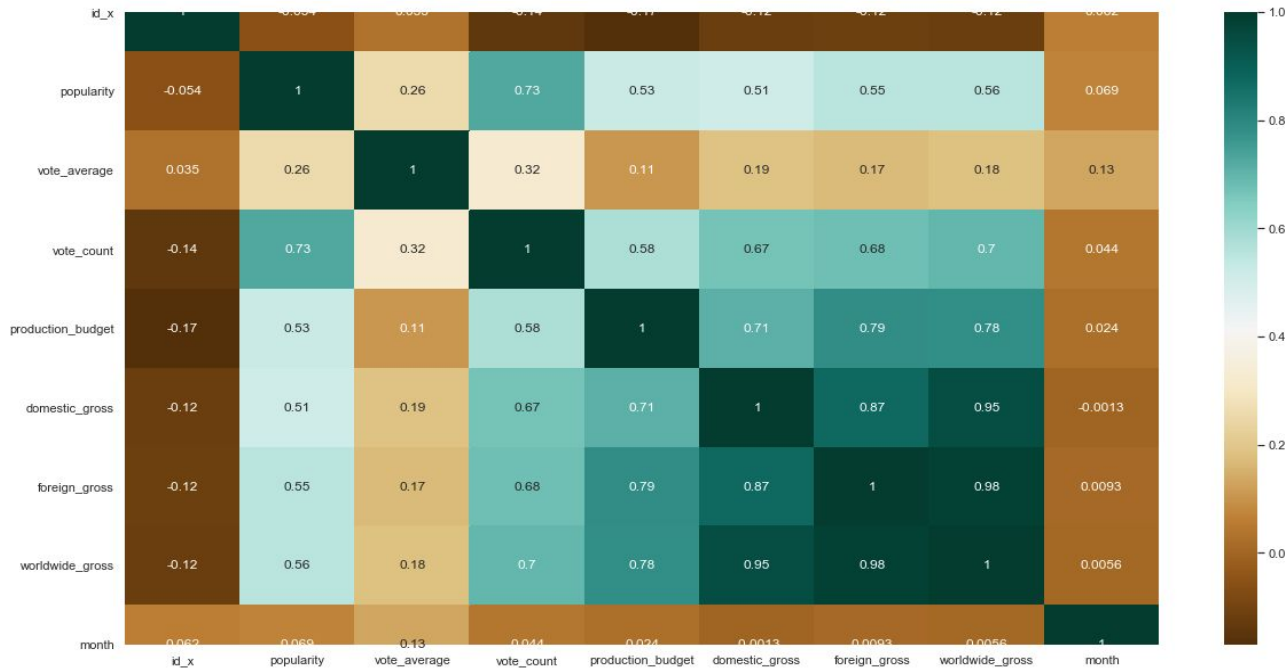
Inflation Adjusted Gross	
Movie	Gross
Gone with the Wind 1939 - Drama	\$3.7 billion
Avatar 2009 - Action	\$3.3 billion
Titanic 1997 - Thriller/Susp	\$3.0 bilion
Star Wars 1977 - Adventure	\$3.0 billion
Avengers End Game 2019 - Action	\$2.8 billion

Appendix

Risks

- ❏ Covid-19 may change the entire landscape
- ❏ Cost control - production and distribution
- ❏ Big flops blockbusters that make little net income
- ❏ Mix of smaller movies and large blockbusters

What drives ticket sales



Recommendation: Analyze the contents of gross ticket sales : data distribution - average gross per movie, domestic vs. foreign, genres, release dates