How to Estimate the Global Value of a Movie or TV Series

April 2024

Agenda

- Riding the Demand Wave

- Introducing Content Valuation

- *Succession*: Drama and Dollars
  A Case Study

- IP Demand Applications

- Unlocking Additional Value

PARROT
ANALYTICS

Riding The Demand Wave

A Quick Recap

WE NOW LIVE IN THE

THE ATTENTION ECONOMY

What is Demand? Quick Recap

ATTENTION ECONOMY

TIME & ATTENTION
ARE A **FINITE** RESOURCE

Existing audience measurement is outdated and disconnected from today's unit economics

Platform Proliferation

Audience Fragmentation

No Unified Measure of Performance

Lack Of Transparency

No Comparison of $ Value Across Platforms

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What is Demand? Quick Recap

ATTENTION ECONOMY

TIME & ATTENTION
ARE A **FINITE**
RESOURCE

PLATFORM PROLIFERATION

AUDIENCE FRAGMENTATION

INEFFECTIVE TRADITIONAL AUDIENCE MEASUREMENT

Social Media

Research

EXPRESSIONS OF DEMAND

Consumption

Social Video

CONSUMER JOURNEY
IS MUCH MORE COMPLEX THAN BEFORE

PARROT ANALYTICS

What is Demand? Quick Recap

ATTENTION ECONOMY

TIME & ATTENTION ARE A __FINITE__ RESOURCE

- **PLATFORM PROLIFERATION**
- **AUDIENCE FRAGMENTATION**
- **INEFFECTIVE TRADITIONAL AUDIENCE MEASUREMENT**

Social Media

Research

EXPRESSIONS OF DEMAND

Consumption

Social Video

CONSUMER JOURNEY IS MUCH MORE COMPLEX THAN BEFORE

We capture the behavior of **2 billion** consumers around the world

We clean, enrich, and combine all digital signals users emit for content into a single metric and weighting by the time and effort it takes for each interaction

We provide the world's only global audience demand measurement system quantifying the value of content, talent & all forms of IP

Demand System:

Higher

Weight of Demand

Lower

| Creative Participation |
| Active Consumption |
| Deep Research |
| Social Encouragement |
| Public Posting |
| Expressing an Opinion |
| Subscribing to Updates |
| Indicating Interest |
| Passive Impressions |

CARTOON NEXT: FUTURE HORIZONS – GAZING INTO ANIMATIONS CRYSTAL BALL
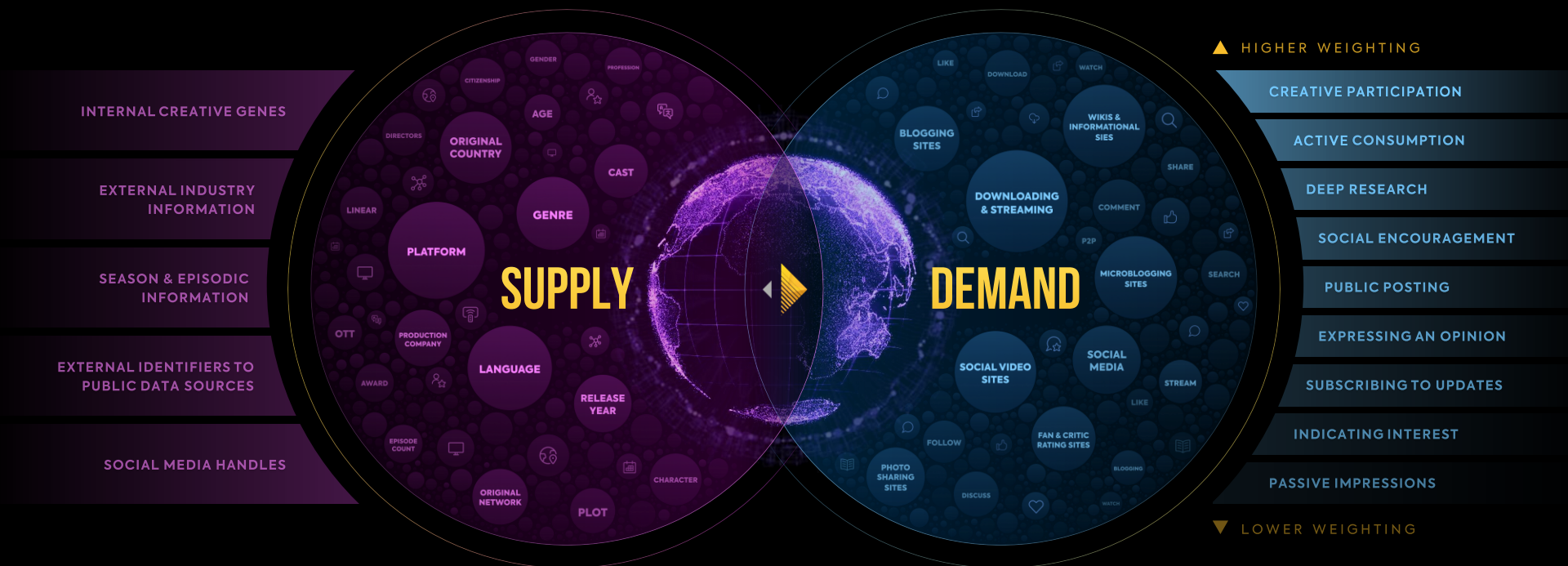
PARROT ANALYTICS
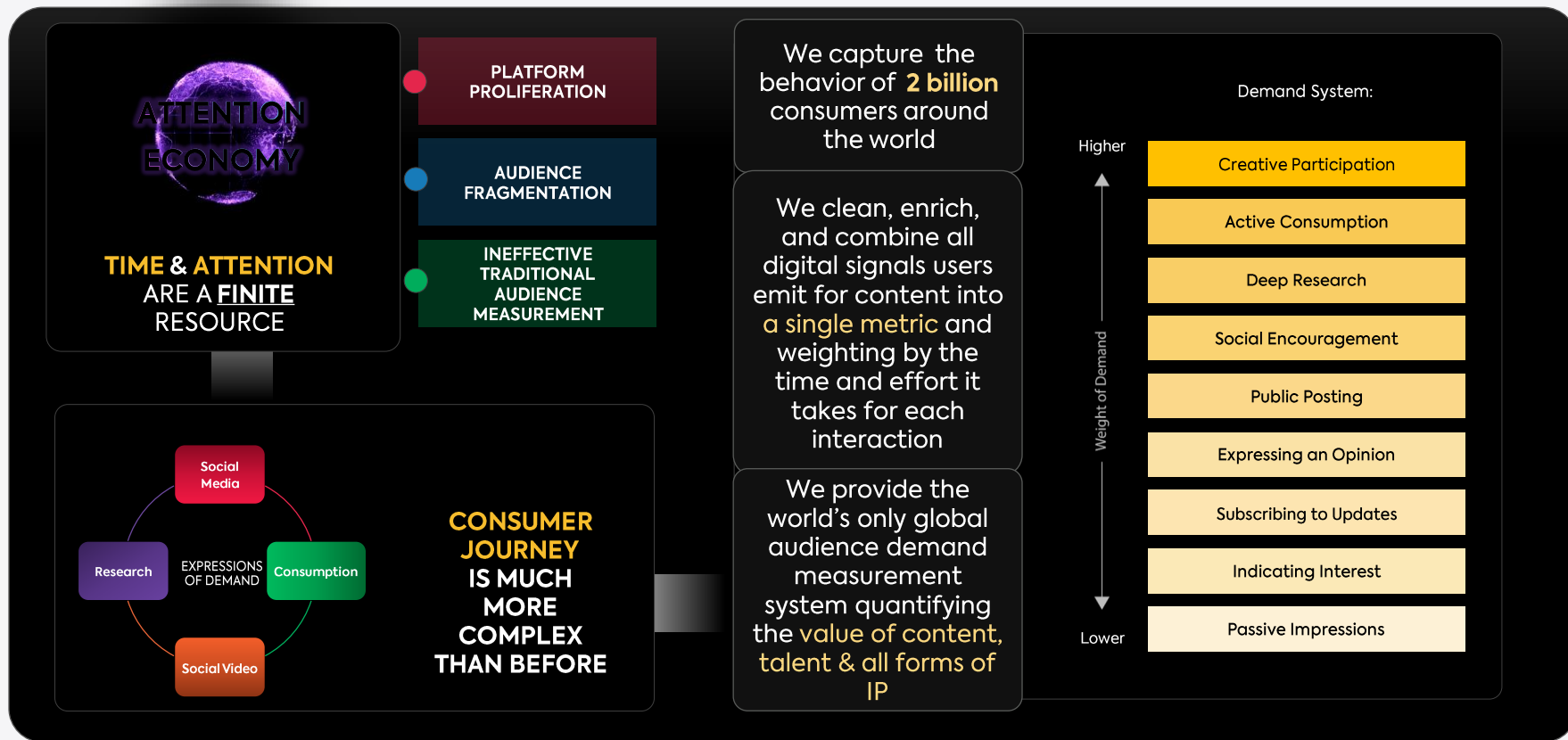
CAPTURING

CONTENT SUPPLY
100M+ METADATA TAGS
2K+ DISTRIBUTION PLATFORMS
1M+ TITLES & 1M+ TALENT

AUDIENCE DEMAND
BEHAVIORAL DATA FROM
2B+ CONSUMERS

INTERNAL CREATIVE GENES

EXTERNAL INDUSTRY INFORMATION

SEASON & EPISODIC INFORMATION

EXTERNAL IDENTIFIERS TO PUBLIC DATA SOURCES

SOCIAL MEDIA HANDLES

SUPPLY

DEMAND

▲ HIGHER WEIGHTING

CREATIVE PARTICIPATION

ACTIVE CONSUMPTION

DEEP RESEARCH

SOCIAL ENCOURAGEMENT

PUBLIC POSTING

EXPRESSING AN OPINION

SUBSCRIBING TO UPDATES

INDICATING INTEREST

PASSIVE IMPRESSIONS

▼ LOWER WEIGHTING

The industry's most advanced
CONTENT TAXONOMY SYSTEM

The world's only global audience
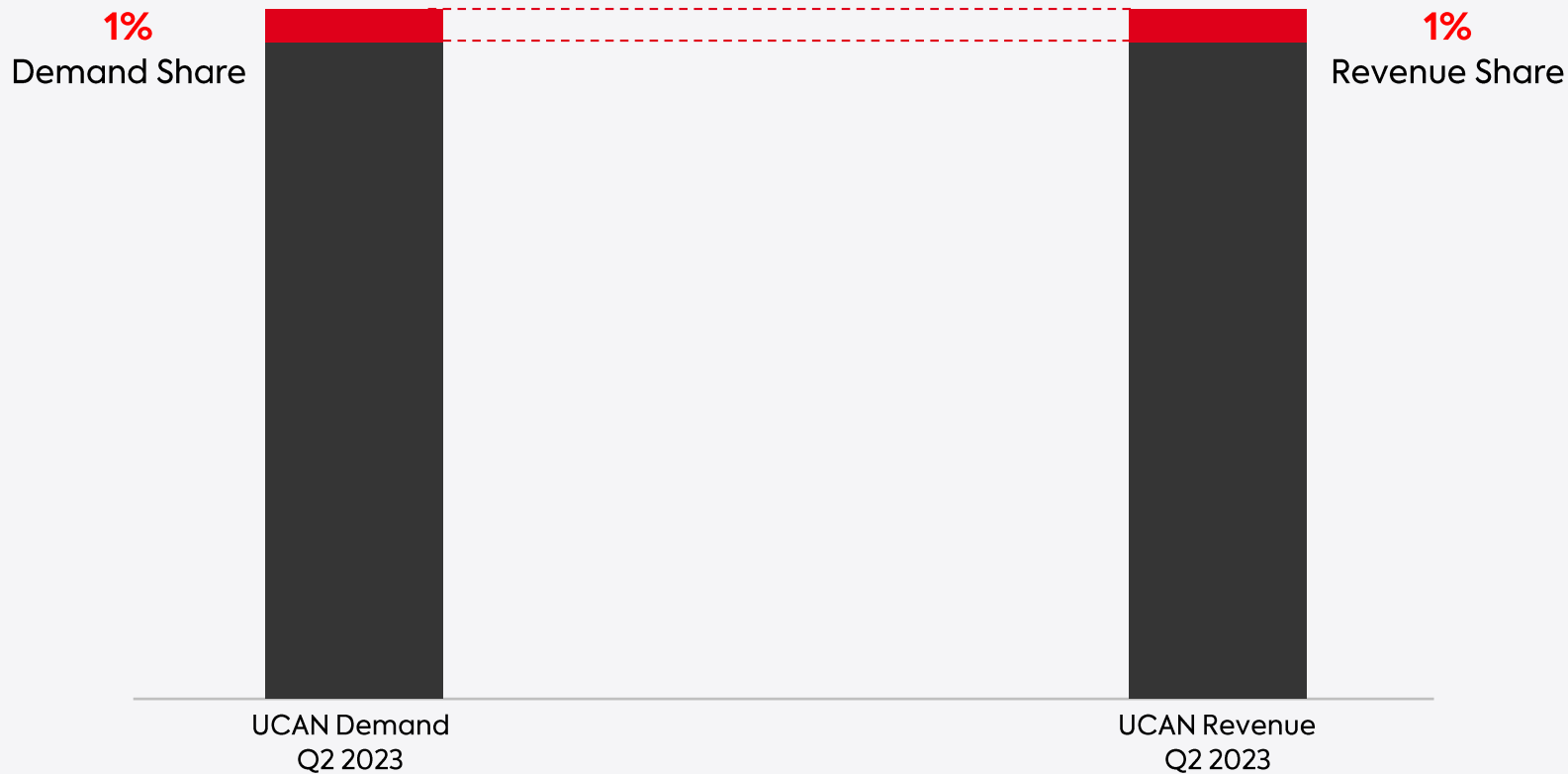**DEMAND MEASUREMENT PLATFORM**

PARROT Analytics

Demand Drives Revenue

Supply & demand drive pricing power & revenue for all platforms. Demand vs Netflix's self-reported subscriber numbers:

NETFLIX Demand drives subscriptions – Netflix figures for the 1st quarter of every year

EMEA

$R^2 = 0.9927$

EMEA Subscribers (M) — vertical axis

Catalog Demand (M) – 2019–2022 — horizontal axis

APAC

$R^2 = 0.9942$

APAC Subscribers (M) — vertical axis

Catalog Demand (M) – 2018–2022 — horizontal axis

LATAM

$R^2 = 0.9882$

LATAM Subscribers (M) — vertical axis

Catalog Demand (M) – 2018–2022 — horizontal axis

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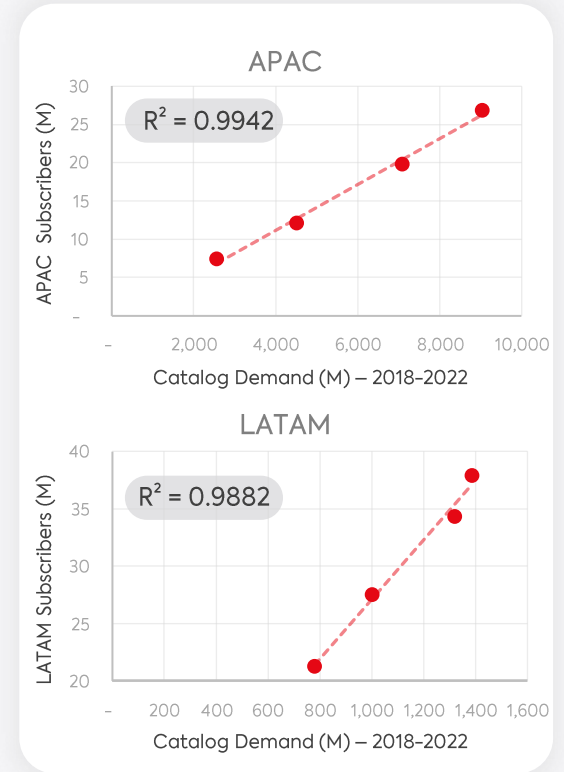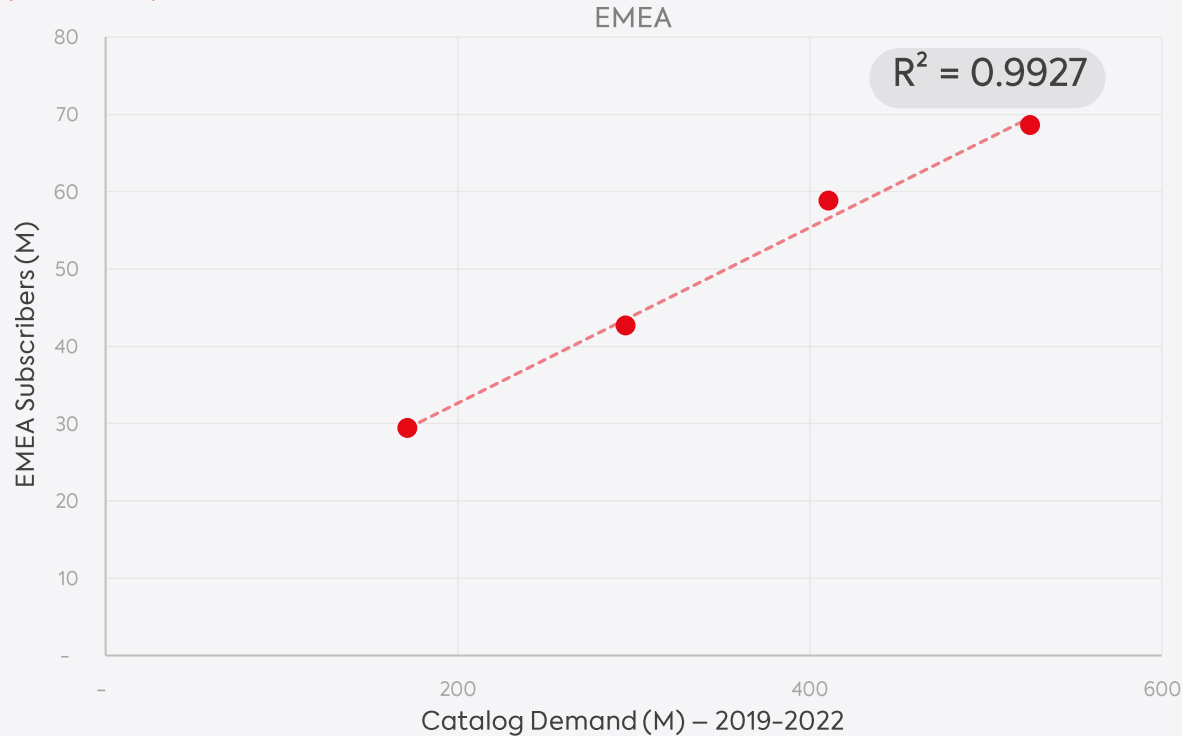
We can attribute 'x'% demand share to ''x'% revenue share

1%
Demand Share

1%
Revenue Share

UCAN Demand
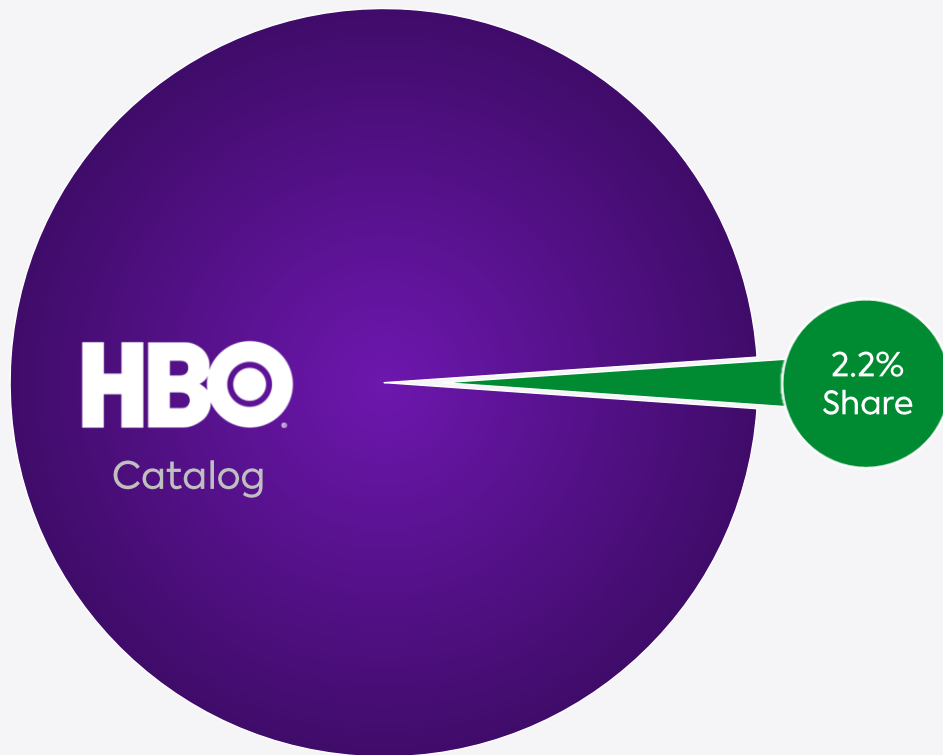Q2 2023

UCAN Revenue
Q2 2023

Drama & Dollars

A *Succession* Case Study

Understanding the share contribution to HBO's catalogue
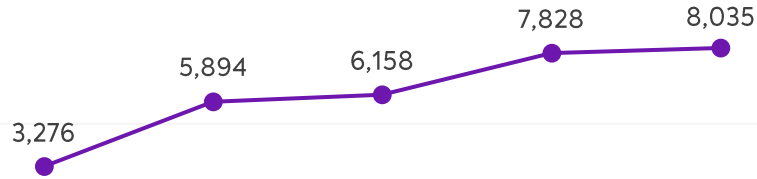
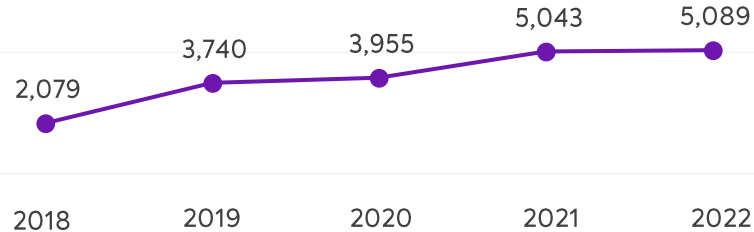Succession | Global Share of Demand vs. HBO Catalog

2.2%
Share

HBO
Catalog

At the end of 2022, Succession made up 2.2% of the total demand generated by HBO/HBO Max TV titles.
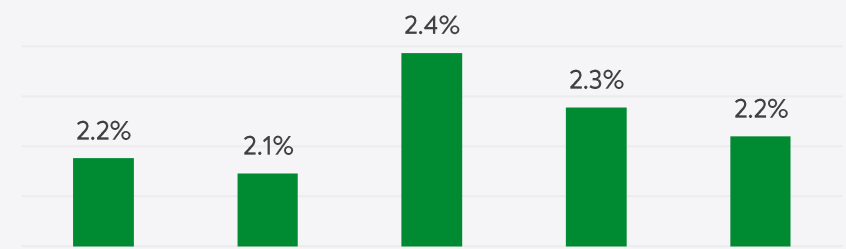
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Converting demand share to revenue contribution

HBO + HBO Max Annual Global Revenue (in $M)

- 3,276
- 5,894
- 6,158
- 7,828
- 8,035

HBO + HBO Max Annual Global Revenue from TV only (in $M)

- 2,079
- 3,740
- 3,955
- 5,043
- 5,089

2018　2019　2020　2021　2022

Succession as a % Share of the Total TV Catalog Demand

- 2.2%
- 2.1%
- 2.4%
- 2.3%
- 2.2%

Succession's Global Revenue Contribution (in $M)

- 45
- 80
- 94
- 115
- 113

2018　2019　2020　2021　2022

PARROT ANALYTICS
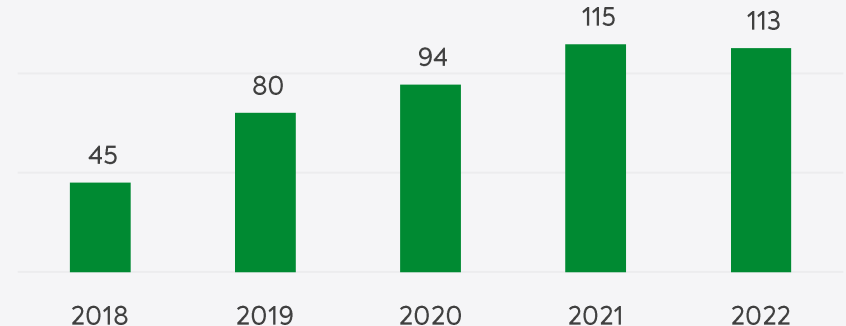
Tracking season on season demand performance of Succession

0–90 Days

Daily Demand (x times the demand of the average title in this market)

Season 1 — 27 Apr, 2018
Season 2 — 11 Aug, 2019
Season 3 — 15 Oct, 2021

60x
45x
30x
15x
0x

-8d START 8d 16d 24d 32d 40d 48d 56d 64d 72d 80d 88d 96d

Days from event start date

Succession

SUCCESSION

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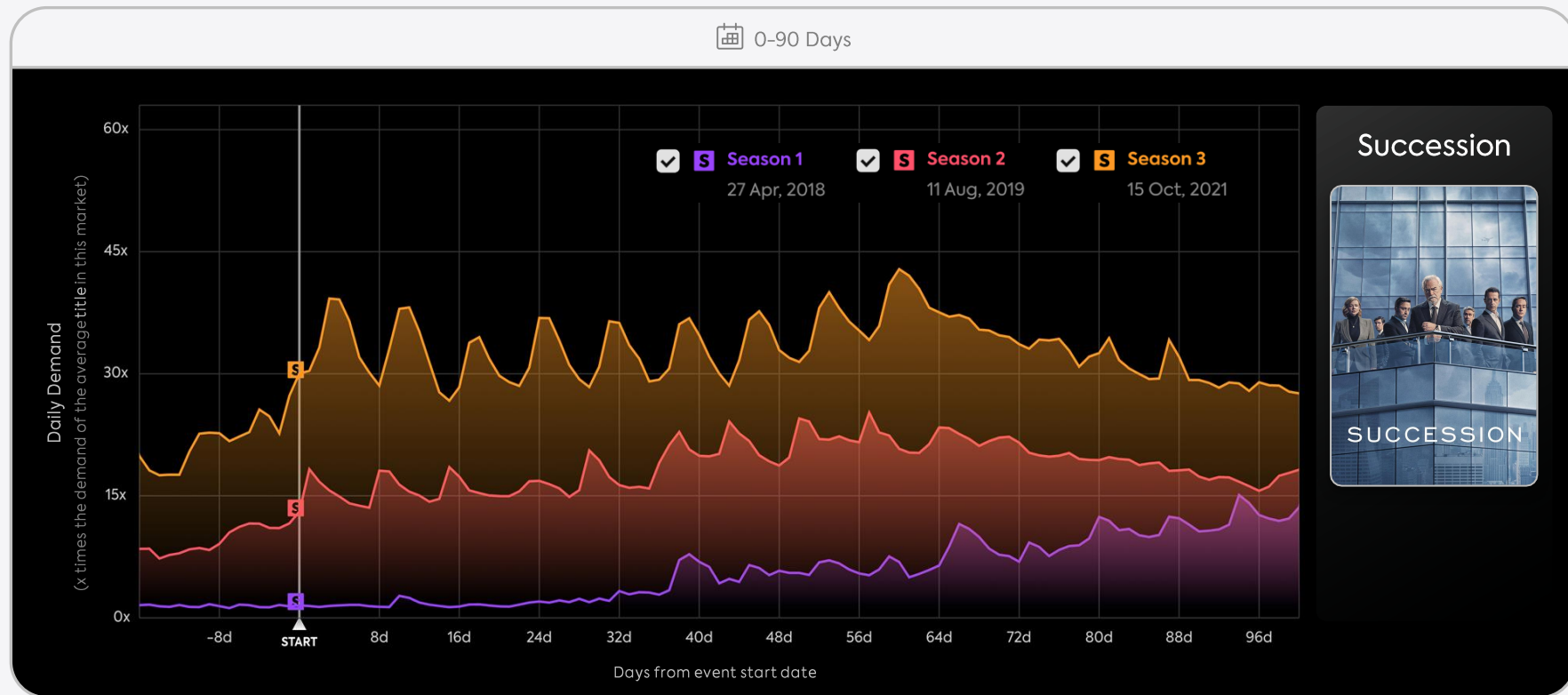
Global Revenue Contribution to HBO by *Succession* per Season

Quarterly Averages by Season in $M

- **Season** (first 13 weeks)
- **Post-Season** (next 13 weeks)
- **Off-Season** (next 13 weeks)

Quarterly Revenue in Millions of USD

SEASON 1
- 25.1
- 15.8
- 12.4

SEASON 2
- 36.4
- 29.9
- 27.6

SEASON 3
- 47.3
- 32.9
- 27.9

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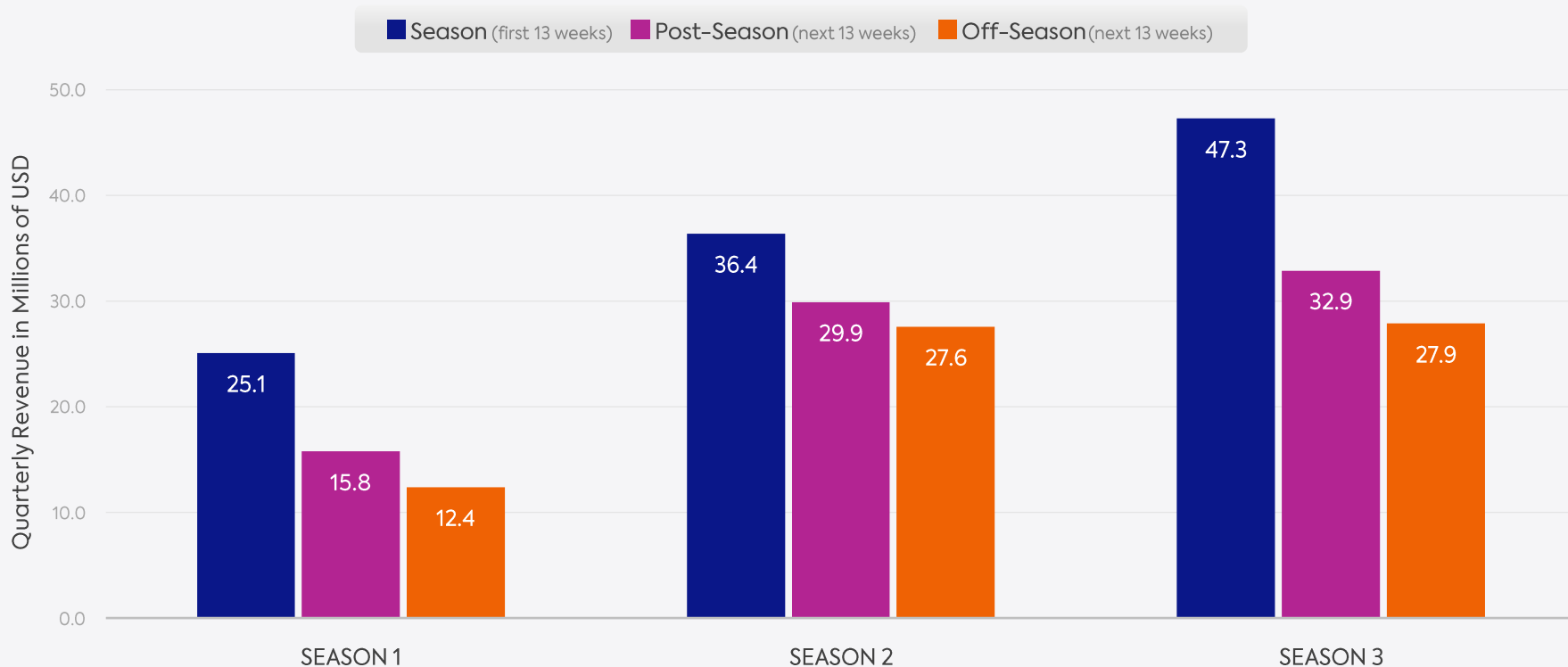
Succession contributed more than **$447M** to HBO as of Q4 2022

Historic weekly revenue contribution, by region

2018 – 2022

Season 3

Season 2

Season 1

Region

- UCAN
- APAC
- LATAM
- EMEA

Weekly Revenue Contribution to HBO by Succession (in $M)
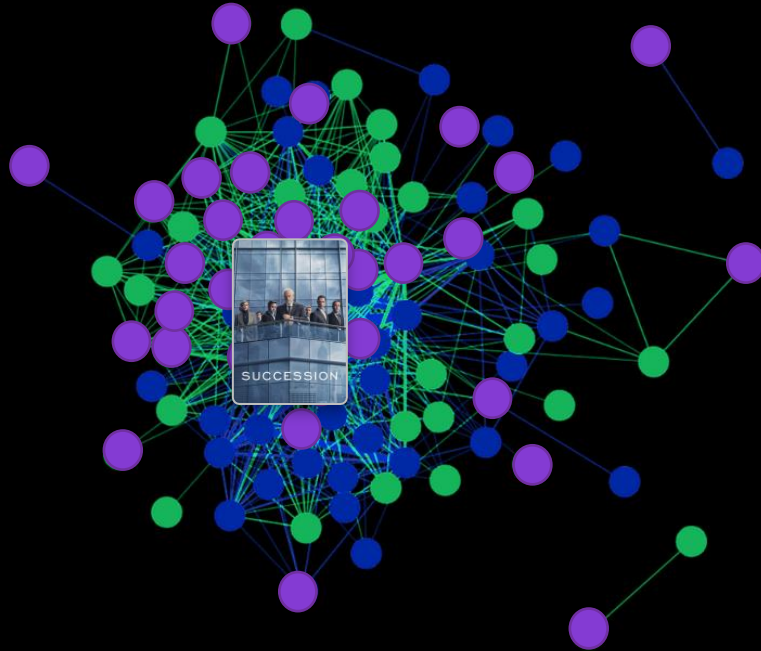
Weeks since debut of first season

PARROT ANALYTICS
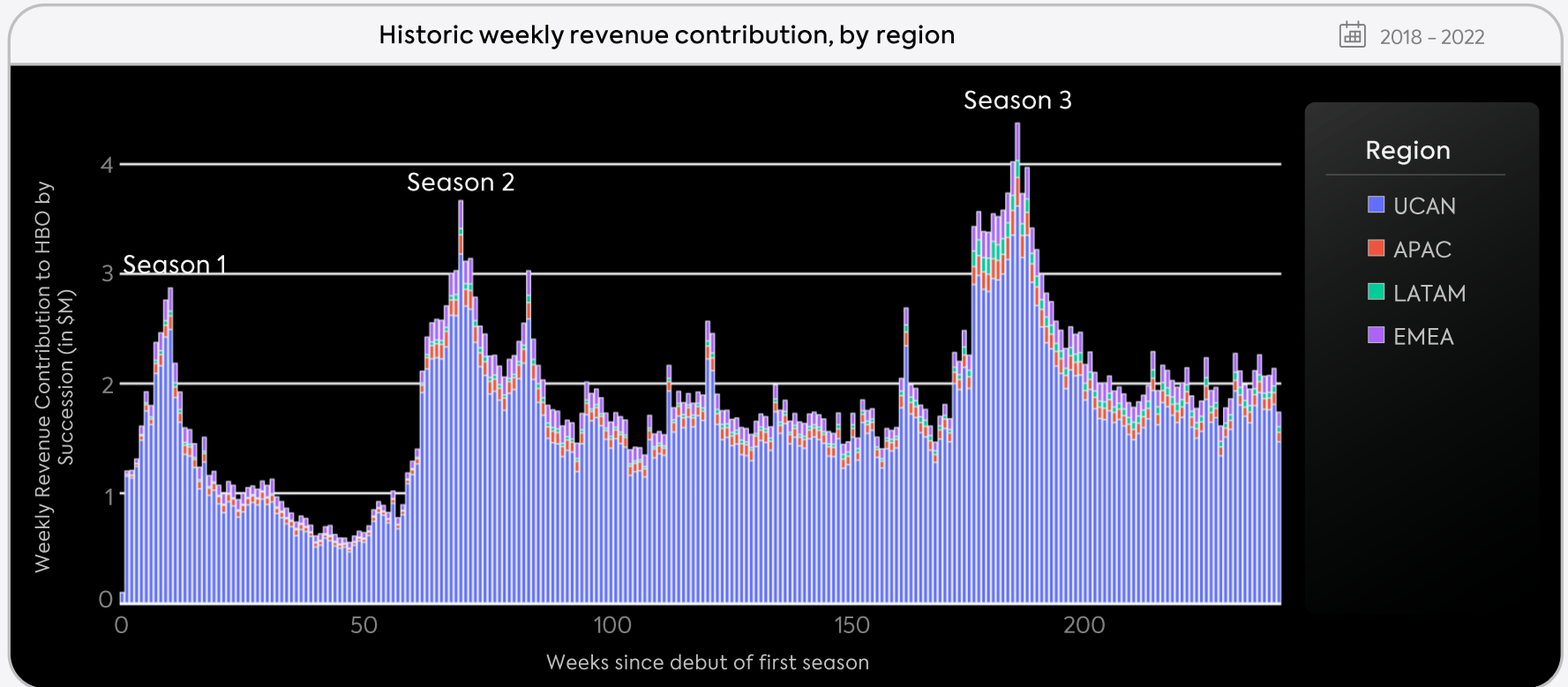
Unlocking Platform Subscriber Value

Analysing Subscriber Retention, & Acquisition

Using Parrot's open layer of consumption affinity, we can gain a better understanding of viewer retention, engagement & subscriber metrics

Content Affinity – Representative example

Evaluating TV shows watched before and after *Succession*

Acquisition Power

Content watched prior to Succession

Retention Power

Content watched after Succession

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Content watched prior to *Succession,* by platform

prime video **11%**

tv+ **8%**

HBO max **32%**

Disney+ **4%**

N **32%**

hulu **8%**

Paramount+ **5%**

|

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HBO are doing a great job of retaining & engaging their own *Succession* viewers

prime video **11%**

tv+ **8%**

HBO max **32%**

Disney+ **4%**

Netflix **32%**

hulu **8%**

Paramount+ **5%**

Retention **32%**

PARROT ANALYTICS

A title like *Succession* could help *Apple TV+* grow its subscriber base

prime video — 11%
apple tv+ — 8%
HBO max — 32%
Disney+ — 4%
Netflix — 32%
hulu — 8%
Paramount+ — 5%

Acquisition — 15%

Retention — 32%

PARROT ANALYTICS

After watching *Succession,* a viewer is less inclined to engage with another Netflix title

prime video 11%
apple tv+ 8%
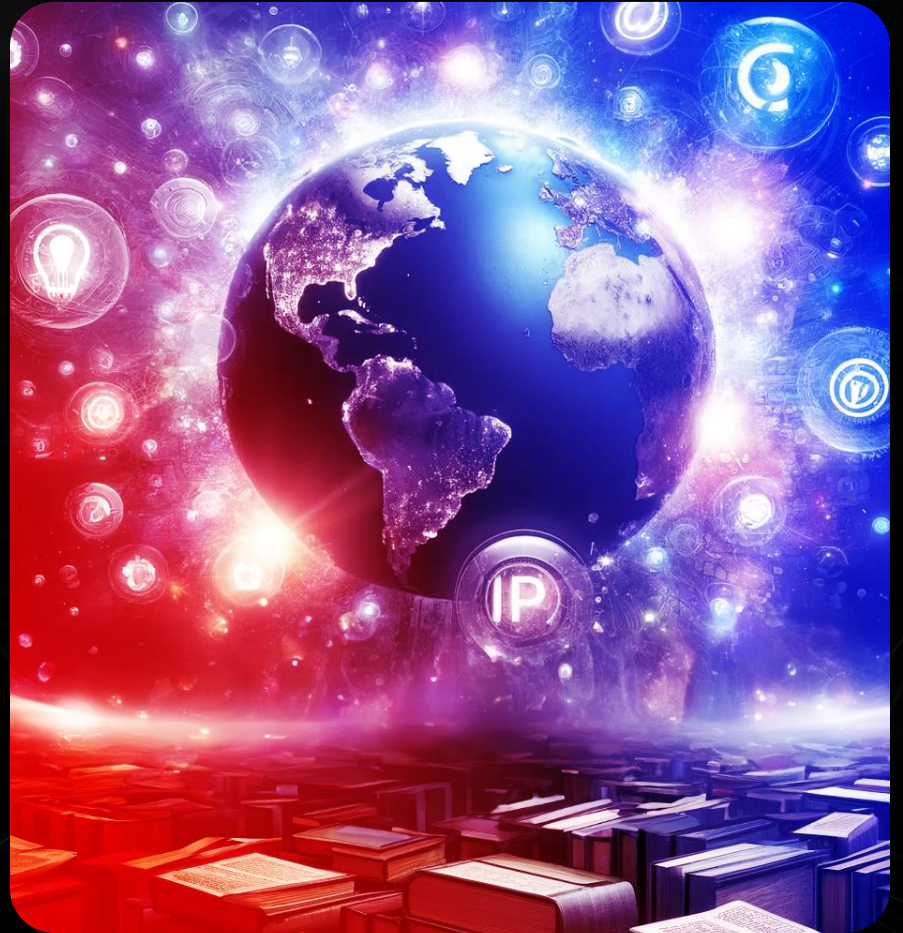HBO max 32%
Disney+ 4%
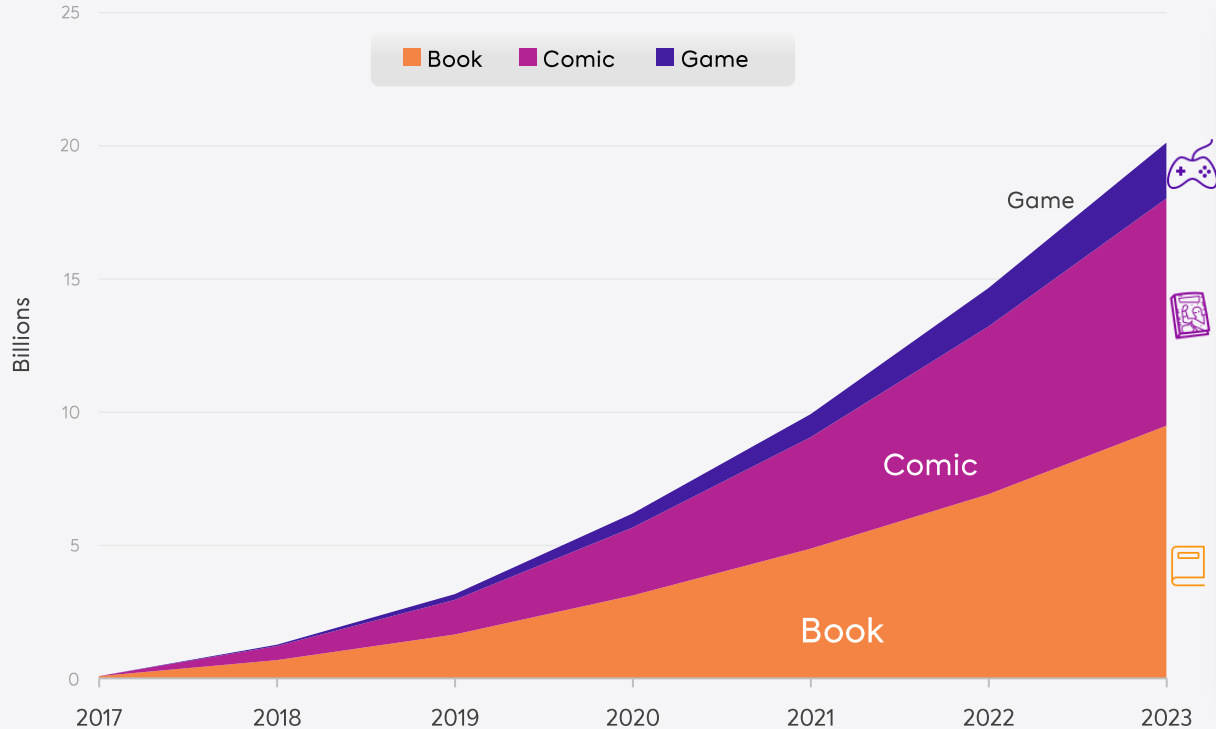Netflix 32%
hulu 8%
Paramount+ 5%

Disengaged 9%
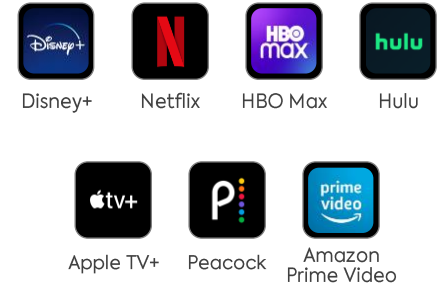Acquisition 15%
Retention 32%

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IP Demand Applications

Since 2018, original productions based on Book, Comic and Game IPs have added $20B in streaming revenue worldwide.

Global Streaming Rev from TV Adaptations

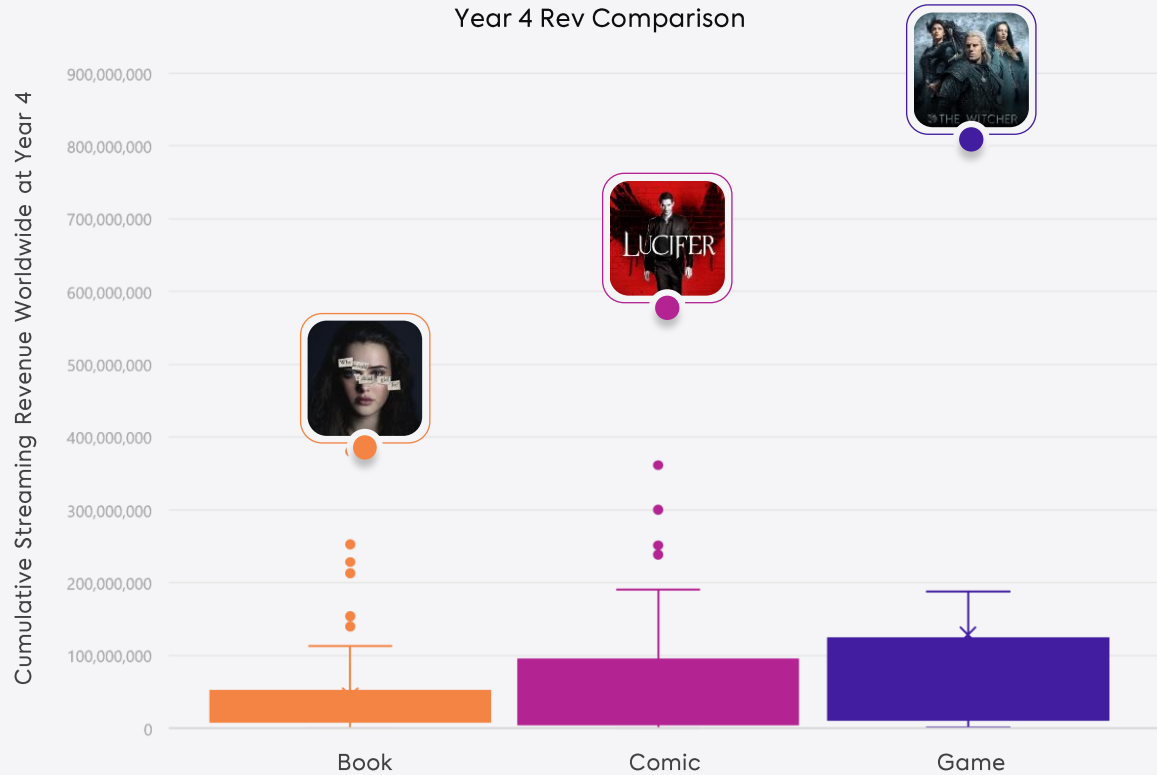+850 Original productions from:

Disney+   Netflix   HBO Max   Hulu

Apple TV+   Peacock   Amazon Prime Video
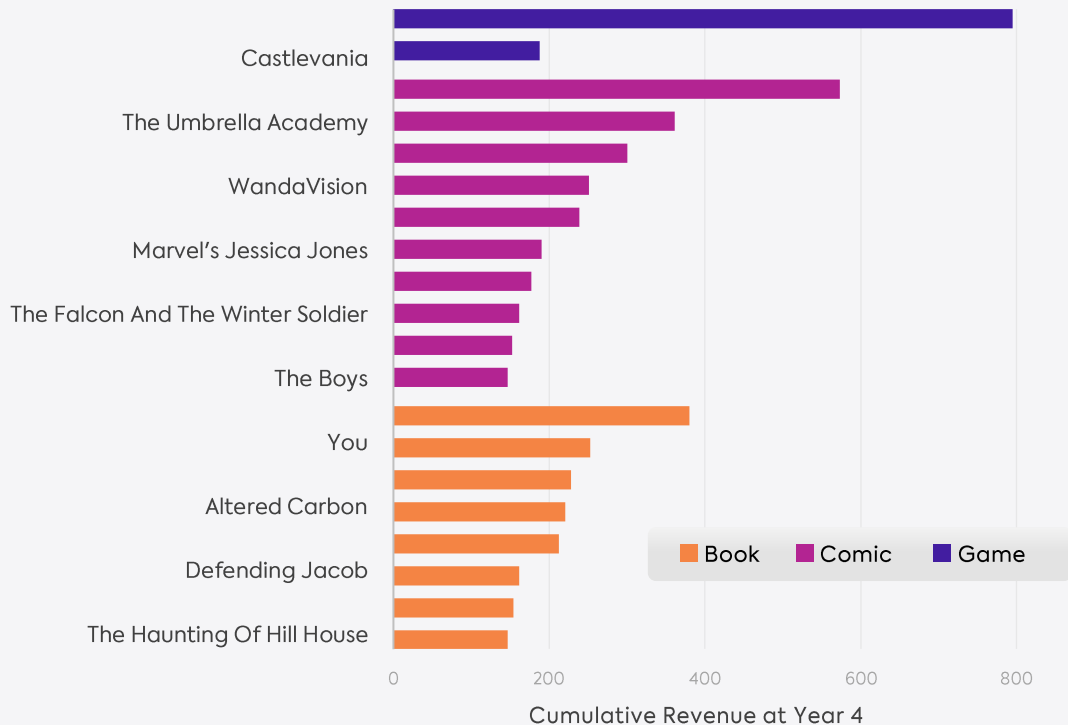
Represents revenue directly attributed from subscribers added or retained to each service

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On average, productions based on Game and Comic IPs outperform Book IP.

Year 4 Rev Comparison

Cumulative Streaming Revenue Worldwide at Year 4

900,000,000	
800,000,000	
700,000,000	
600,000,000	
500,000,000	
400,000,000	
300,000,000	
200,000,000	
100,000,000	
0	

Book   Comic   Game

+850 Original productions from:

Disney+   Netflix   HBO Max   Hulu
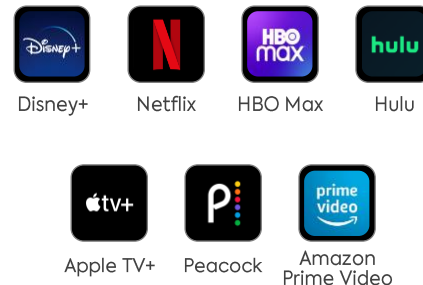
Apple TV+   Peacock   Amazon Prime Video

Represents revenue directly attributed from subscribers added or retained to each service

PARROT ANALYTICS

10 of the Top 20 Titles are TV adaptations based on Comics
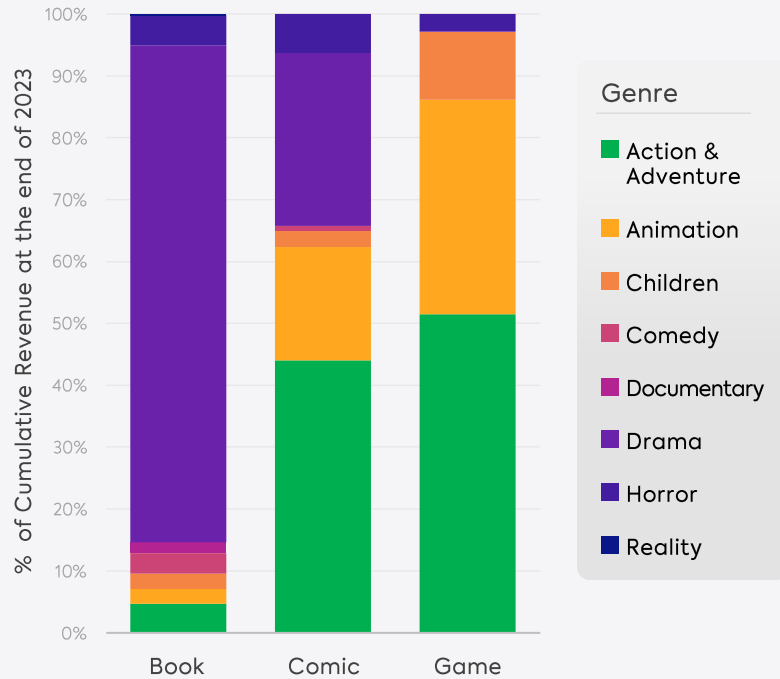
Top 20 Titles by Cumulative Rev at Year 4

Legend: Book, Comic, Game

X-axis: Cumulative Revenue at Year 4

Y-axis labels: Castlevania, The Umbrella Academy, WandaVision, Marvel's Jessica Jones, The Falcon And The Winter Soldier, The Boys, You, Altered Carbon, Defending Jacob, The Haunting Of Hill House

+850 Original productions from:

Disney+   Netflix   HBO Max   Hulu
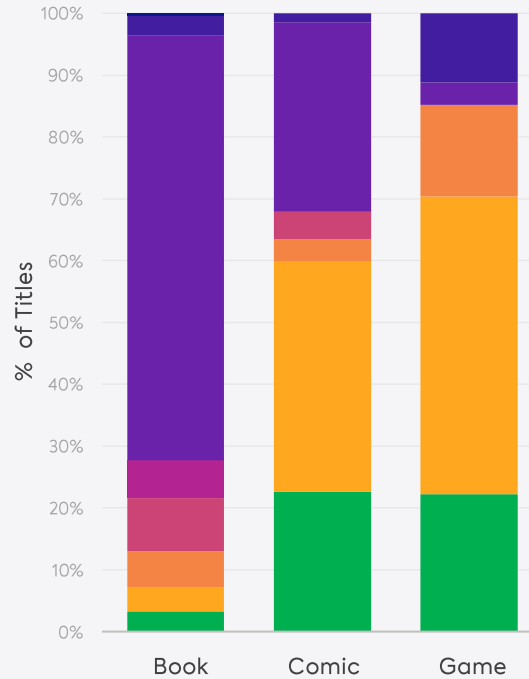
Apple TV+   Peacock   Amazon Prime Video

Represents revenue directly attributed from subscribers added or retained to each service

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Action and adventure lead comic and game adaptation revenues while animation dominates the volume; drama is the mainstay for book adaptations.
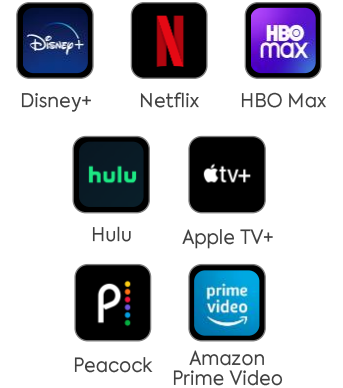
Share of Cumulative Revenue at YE 2023

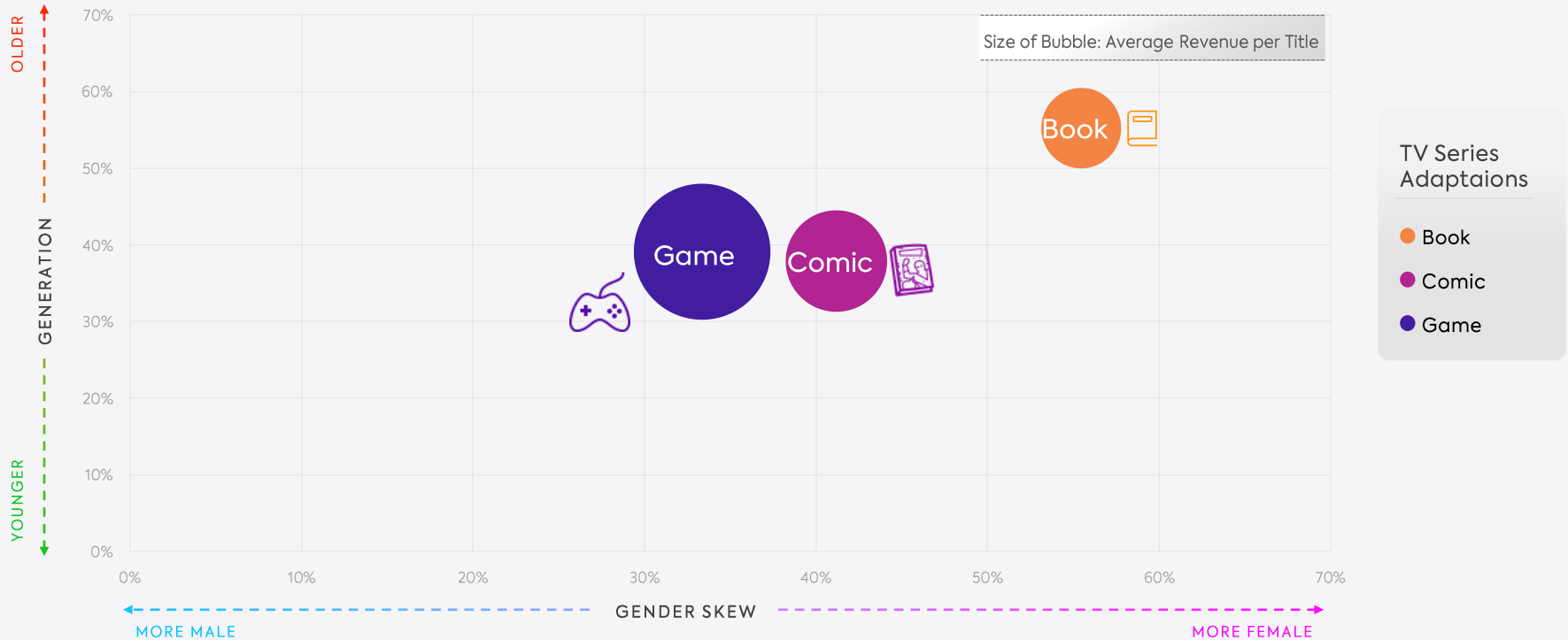% of Cumulative Revenue at the end of 2023

(Bar chart showing Book, Comic, Game)

Genre
- Action & Adventure
- Animation
- Children
- Comedy
- Documentary
- Drama
- Horror
- Reality

Share of Titles

% of Titles

(Bar chart showing Book, Comic, Game)

+850 Original productions from:

Disney+   Netflix   HBO Max

Hulu   Apple TV+

Peacock   Amazon Prime Video

Represents revenue directly attributed from subscribers added or retained to each service

PARROT ANALYTICS

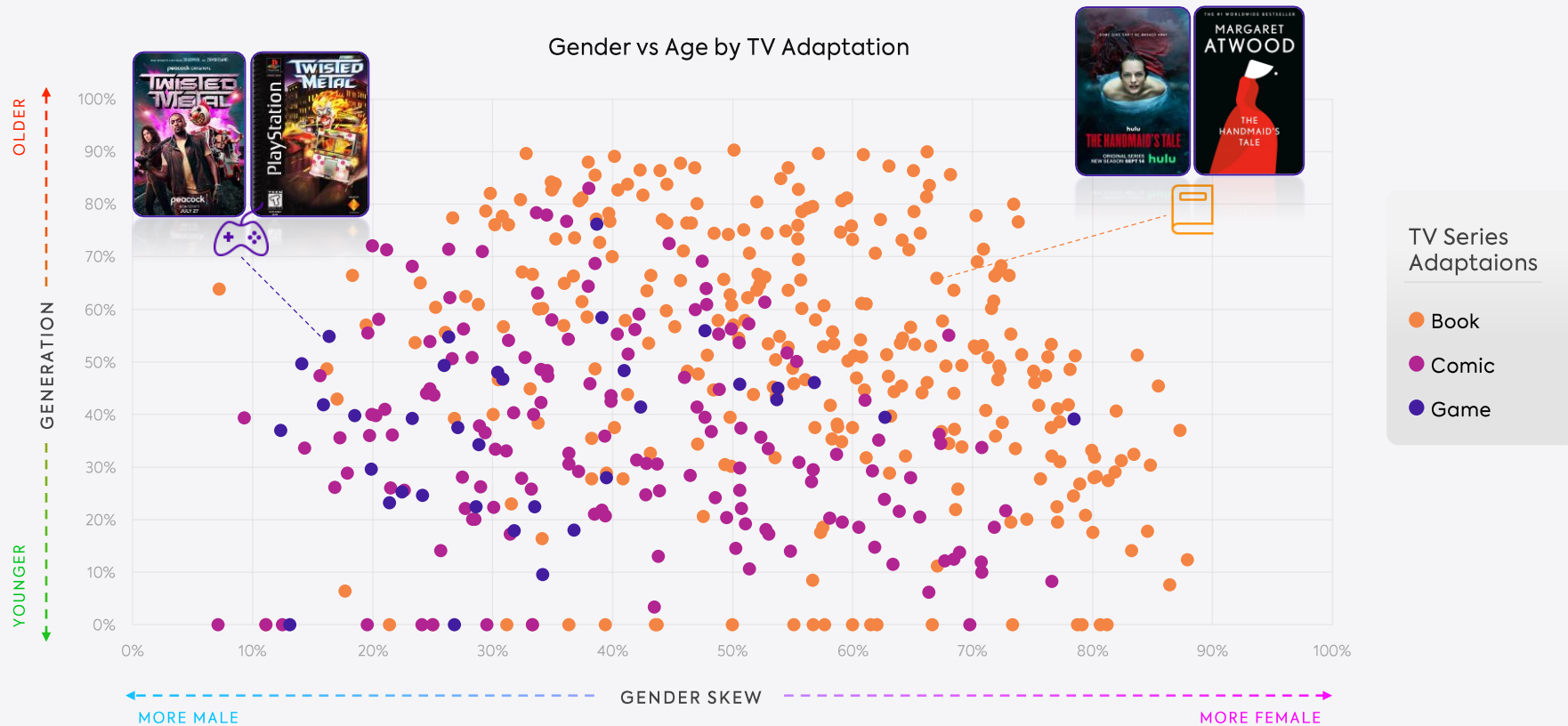# Book adaptations skew older and more female whilst Game and Comic adaptations resonate with a younger, more male demographic.

Gender vs Age vs Revenue by IP Type

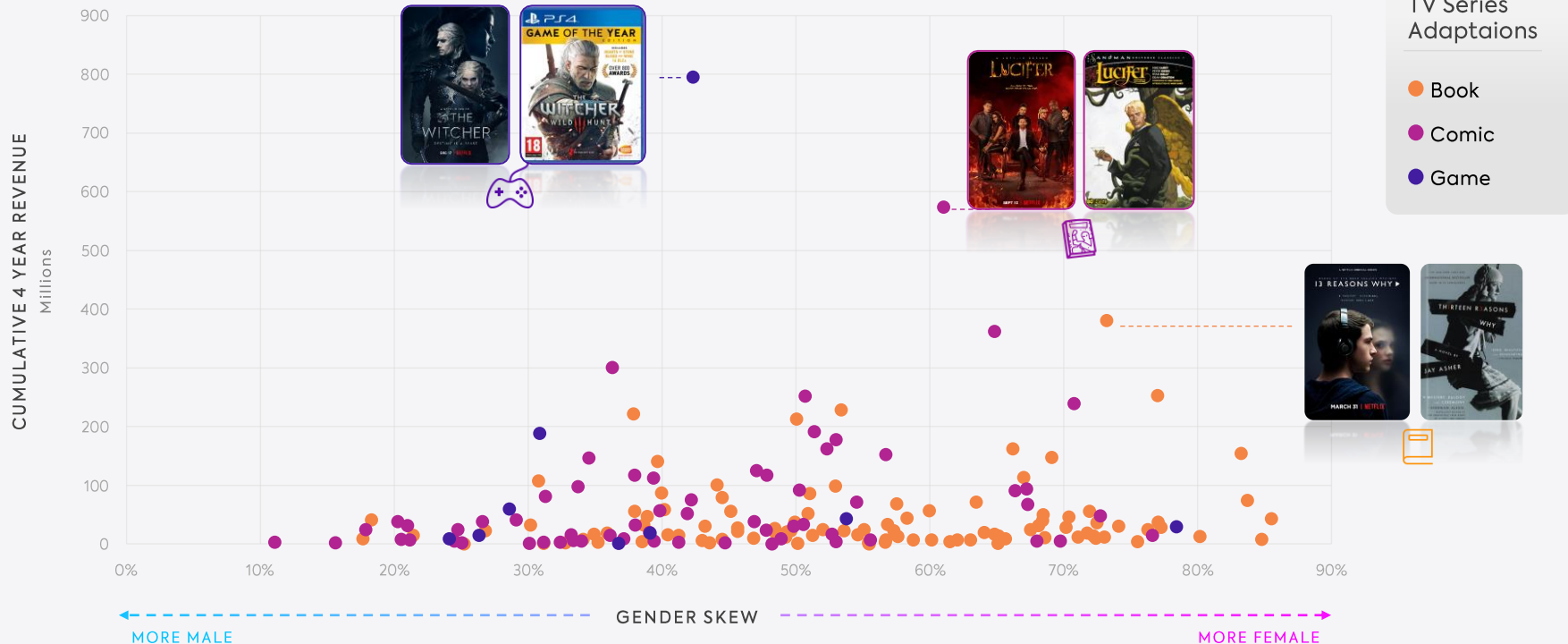Size of Bubble: Average Revenue per Title

Book

Game

Comic

TV Series Adaptaions

- ● Book
- ● Comic
- ● Game

OLDER

GENERATION

YOUNGER

GENDER SKEW

MORE MALE

MORE FEMALE

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Zooming in on the demographic skews of TV adaptations

Gender vs Age by TV Adaptation

OLDER

YOUNGER

GENERATION

100%
90%
80%
70%
60%
50%
40%
30%
20%
10%
0%

0%   10%   20%   30%   40%   50%   60%   70%   80%   90%   100%

GENDER SKEW

MORE MALE

MORE FEMALE

TV Series Adaptaions

- Book
- Comic
- Game

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Assessing TV adaptation earnings by <u>Gender</u> preferences

Gender vs Rev by TV Adaptation

CUMULATIVE 4 YEAR REVENUE
Millions

900
800
700
600
500
400
300
200
100

0%   10%   20%   30%   40%   50%   60%   70%   80%   90%

GENDER SKEW

← MORE MALE   MORE FEMALE →

TV Series Adaptaions

- Book
- Comic
- Game

Assessing TV adaptation earnings by <u>Generational</u> preferences

Age vs Rev by TV Adaptation
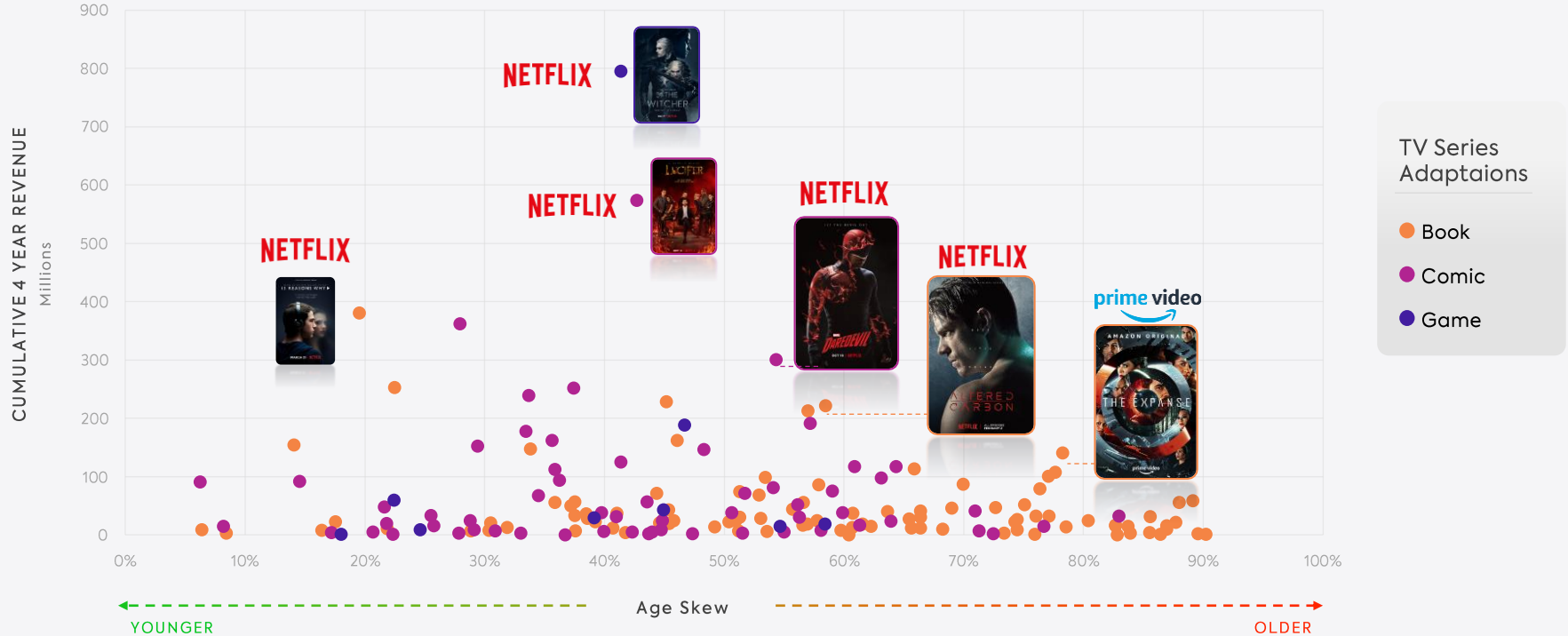
Unlocking Further Value

# Historical & Projected Revenue Contribution – Franchise
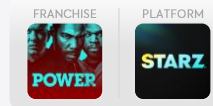
Determine the historical and project revenue of a movie or movie library.

The entire Power franchise is worth $1.34 billion to Starz.

Half the value is expected to come from the premieres of Power IV in 2022 and Power V in 2023 and the other half from series that have already debuted. _The next streamer that can extract the most value from it is HBO Max at $911M._
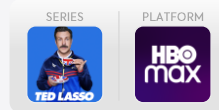
Revenue Contribution to Starz by Franchise Installment

USD (Millions)

2019 2020 2021 2022 2023 2024 2025 2026
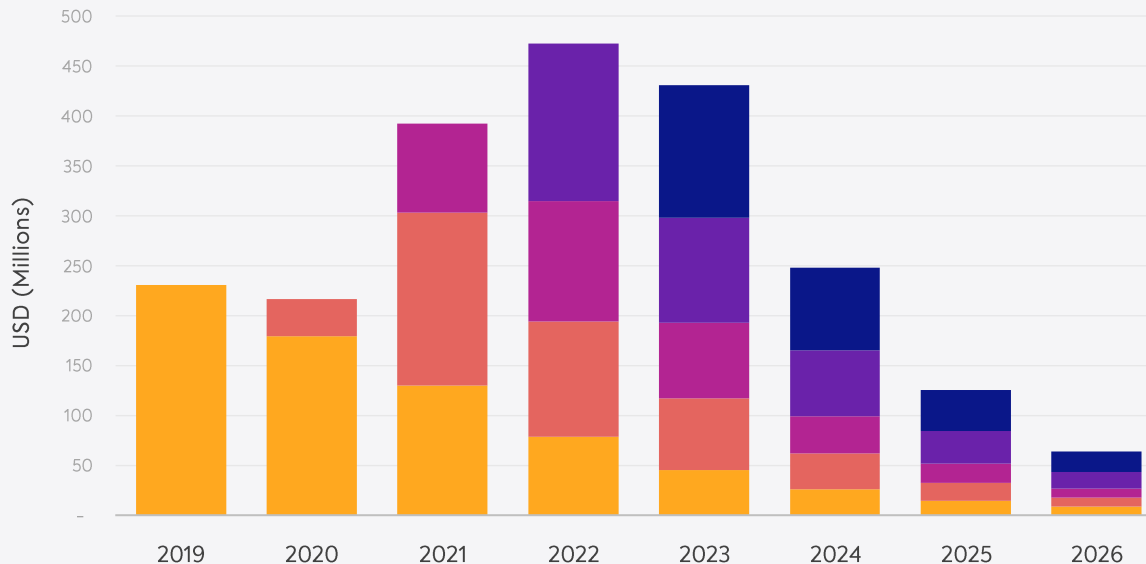
5-Year Forward-Looking Value (2022–2026)

| ■ Power $172M | ■ Power Book II $251M | ■ Power Book III $261M | ■ Power Book IV $379M | ■ Power Book V $277M | $1.34B |

What-If Scenarios

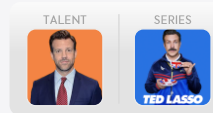**Determine the the hypothetical value of a title on different platforms.**

Ted Lasso is more valuable to a platform like HBO Max because it has a larger shared audience with other titles on the platform and engages an audience that is more likely to churn than hyper engaged subscribers.

Value of Library by Platform
Expected 5-Year Revenue Contribution of Ted Lasso (2024–2029)

USD (Millions)

- NETFLIX: $116M
- HBO max: $188M
- prime video: $74M
- tv+: $111M

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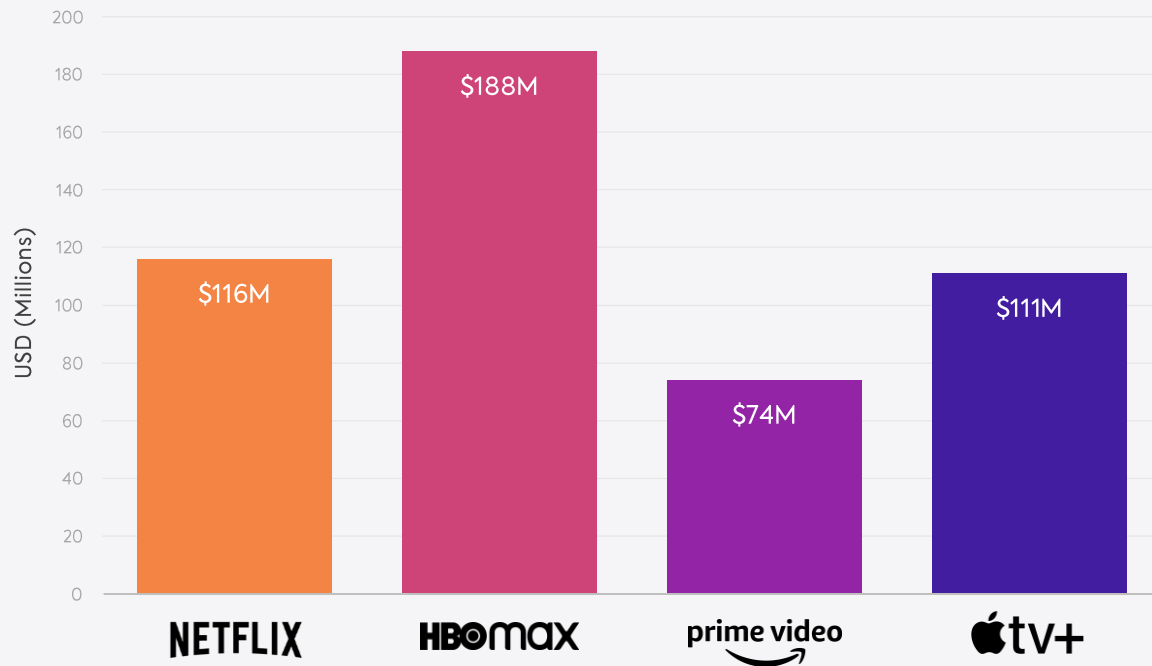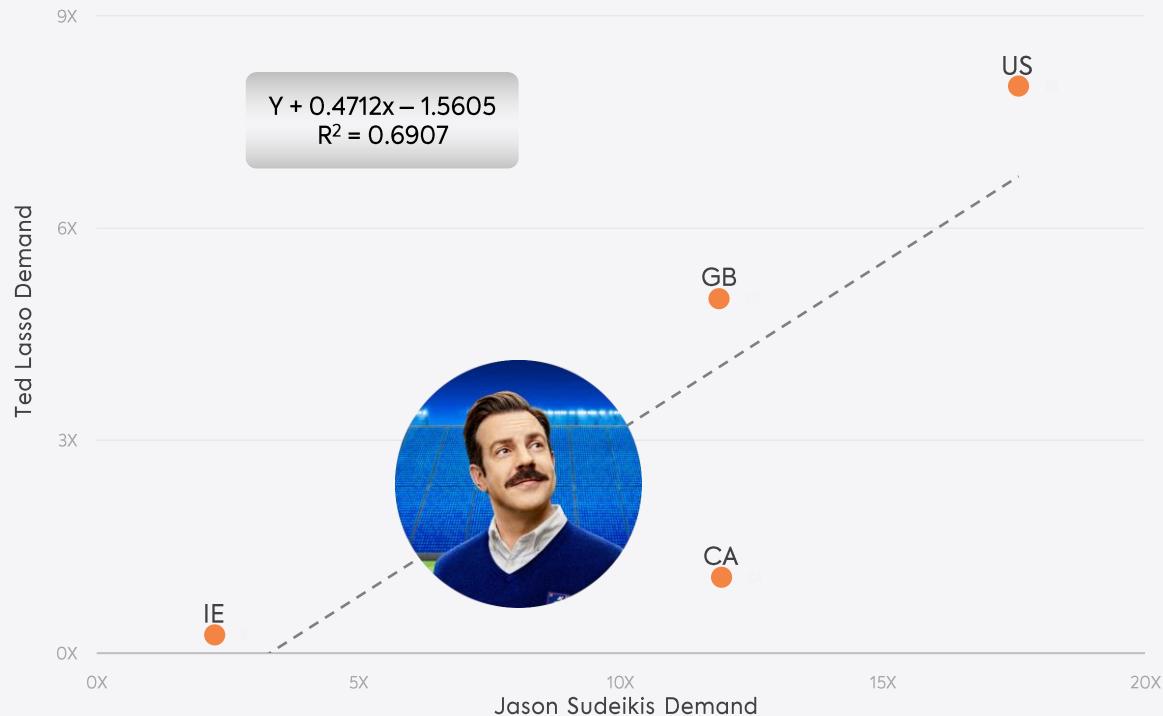
Talent Value Contribution

Compare the demand for a title with the demand for the talent to determine the correlation and therefore contribution to value.
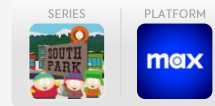
Jason Suedeikis' revenue contribution is close to $3M per episode.

In domestic markets, his contribution can be as large as 47%. Given that the value per episode for the first three seasons tops $14 million and that 42% of the value is generated in domestic markets, we estimate Jason Sudeikis' contribution to be at clos to $3 million per episode (14 million x 42% x 47%).

Value Contributed by Jason Sudeikis

$$Y + 0.4712x - 1.5605$$
$$R^2 = 0.6907$$

Ted Lasso Demand (y-axis): 0X, 3X, 6X, 9X

Jason Sudeikis Demand (x-axis): 0X, 5X, 10X, 15X, 20X

Data points: US, GB, CA, IE

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Revenue Drivers

Understand if a title is driving subscriber acquisition or retention.

South Park is primarily a subscriber retention driving title for Max.
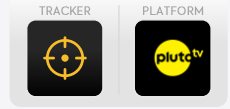
The historical and projected number of acquired and retained subscribers can be determined for each quarter from 2021–2025.

Historical and Projected Acquired and Retained Subscribers

■ Subs Acquired ■ Subs Retained
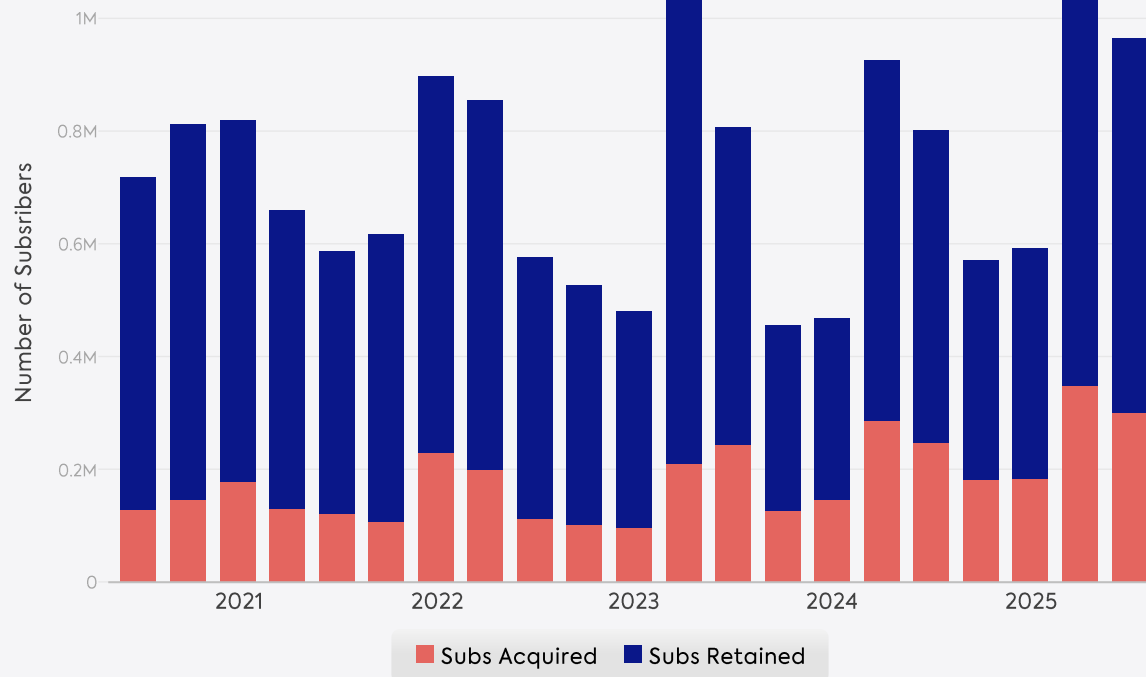
Content Acquisition ROI

Programming teams inform content acquisition decisions by identifying the ROI of a title to a streaming service or network.

The film The Rock is a profitable acquisition target for Pluto TV, providing $1,747,200 in incremental revenue at an acquisition cost of $503,162.

Content Prioritization Shortlist

Pluto ARPU
1.82

	Title	Year	Distribution Company	Current Platforms	Cost	Pluto Engagement	Pluto Incremental Rev	Pluto ROI
1	The Rock	1996	Buena Vista Pictures	AMC+	$503,162	2.4%	$1,747,200	347.24%
2	Prisoners Of The Ghostla	2021	Bitters End	AMC+, Shudder	$509,839	2.7%	$1,965,600	385.53%
3	Trespass	2011	Ascot Elite Entertain	Peacock, Freeve	$581,375	3.2%	$2,111,200	363.14%
4	Ghost Rider: Spirit Of Veng	2011	Columbia Pictures	AMC+	$535,120	2.3%	$1,674,400	312.9%
5	A Score To Settle	2019	Highland Film Group (HFG)	Tubi, Roku	$535,620	1.8%	$1,310,400	244.65%
6	Raising Arizona	1987	Twentieth Century Fox	Hulu	$509,692	2.9%	$2,111,200	414.21%
7	Willy's Wonderland	2021	Movie Cloud	Crackle, Plex, Hulu, Fubo TV	$510,874	1.6%	$1,164,800	228%
8	The Old Way	2023	ACE Entertainment	Hulu	$690,849	3.2%	$2,329,600	337.21%
9	Grand Isle	2019	Screen Media Films	Crackle, Roku, Vudu, Freefee, Plex, Peacock, Fubo TV	$663,203	2.3%	$1,674,400	252.47%
10	Snake Eyes	1998	Paramount Pictures	Showtime	$641,222	2.2%	$1,601,600	249.77%
...	...	...	...	...	...	...	...	...

PARROT
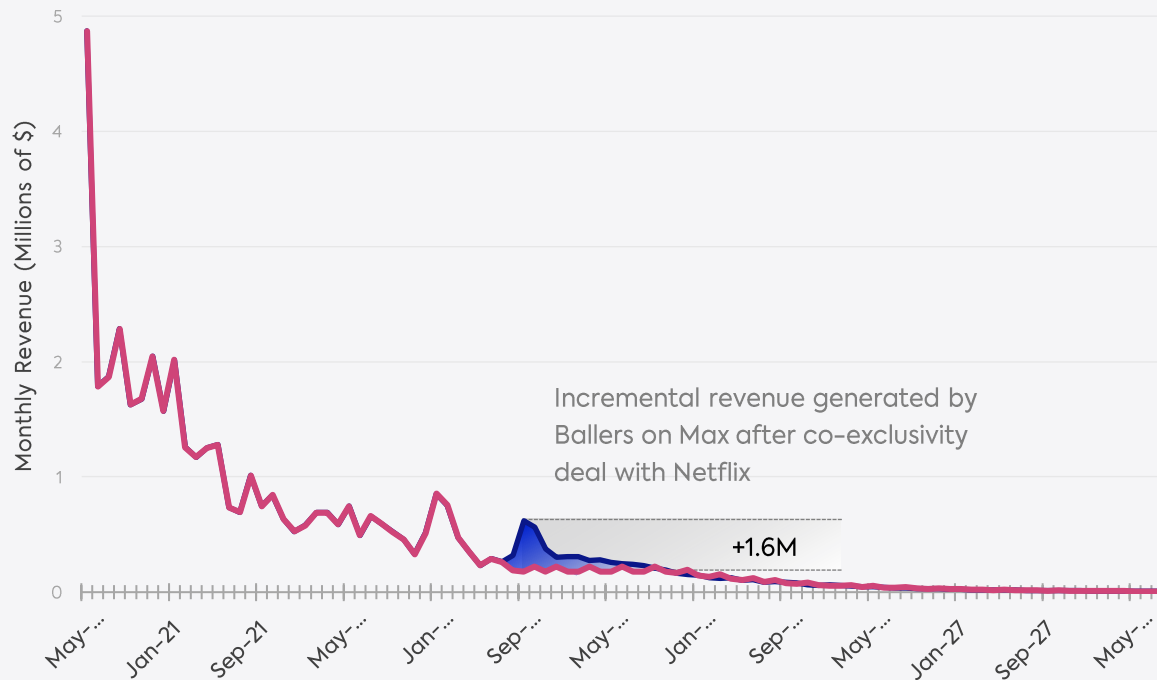ANALYTICS

Exclusivity / Co-Exclusivity
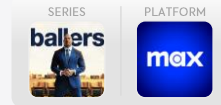
Understand the impact of cannibalization or awareness lift from titles being available on multiple platforms.

The awareness lift from Ballers being available on Netflix after a co-exclusivity deal with Max was $1.6 million.

Revenue Contribution of Ballers to Max
Co-Exclusive with Netflix, United States 2023–2028

Incremental revenue generated by Ballers on Max after co-exclusivity deal with Netflix

+1.6M

Monthly Revenue (Millions of $)

May-... Jan-21 Sep-21 May-... Jan-... Sep-... May-... Jan-... Sep-... May-... Jan-27 Sep-27 May-...

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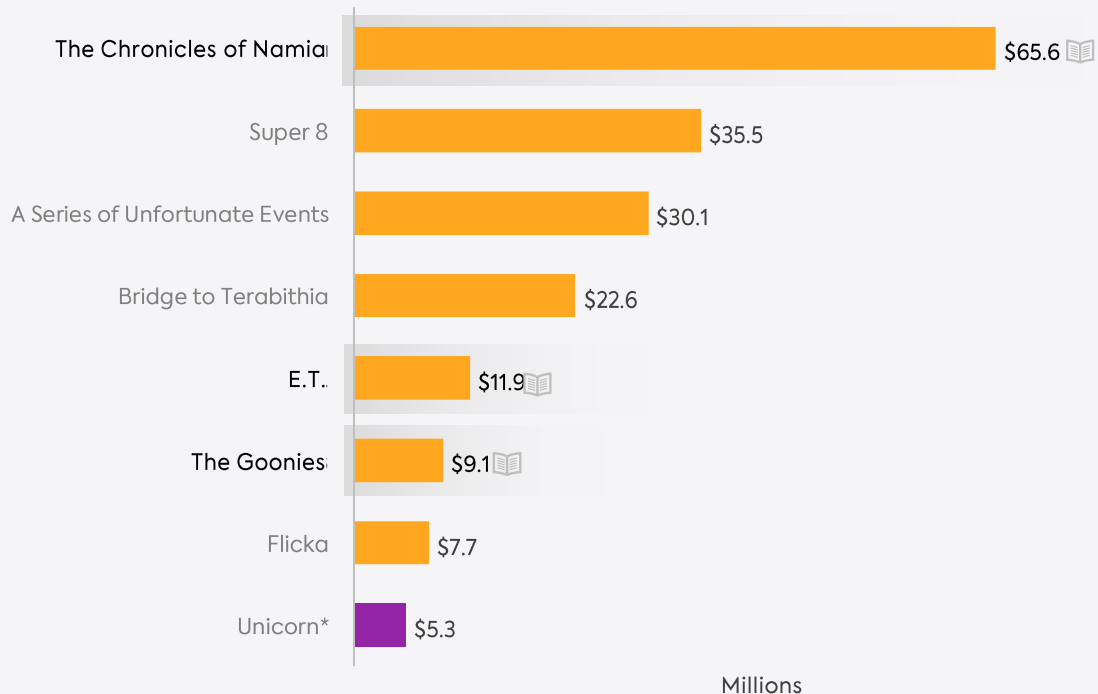
Box Office Predictions

Opening weekend box office estimates.

Compared to comp titles, The Unicorn Concept's projected opening weekend box office is on the low end with a maximum estimated value of $5.3M.

OWBO for a *Unicorn Concept* and Movie Comps

Title	Value
The Chronicles of Narnia	$65.6
Super 8	$35.5
A Series of Unfortunate Events	$30.1
Bridge to Terabithia	$22.6
E.T.	$11.9
The Goonies	$9.1
Flicka	$7.7
Unicorn*	$5.3

Millions

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Concept Testing – OWBO

**Assess opening weekend box office estimates for concepts.**

The M&M concept would achieve a higher opening weekend box office if produced as a family/kids animated or live action movie compared to an R-rated adult film.

Domestic OWBO Prediction Scenarios for an M&M's-based Movie as of September 20th, 2022

Scenario	Production Budget*	MPAA Rating	# Opening Weekend Theaters	Opening weekend box office projection
A Kids Animated	$40–$50M	PG	4,075	$29.01M ($23.36M – $36.34M)
B Adult Animated	$40–$50M	R	4,075	$25.29M ($20.32M – $31.45M)
C Kids Live–Action	$40–$50M	PG	4,075	$28.50M ($23.08M – $35.76M)
D Adult Live–Action	$40–$50M	R	4,075	$24.89M ($20.19M – $30.71M)

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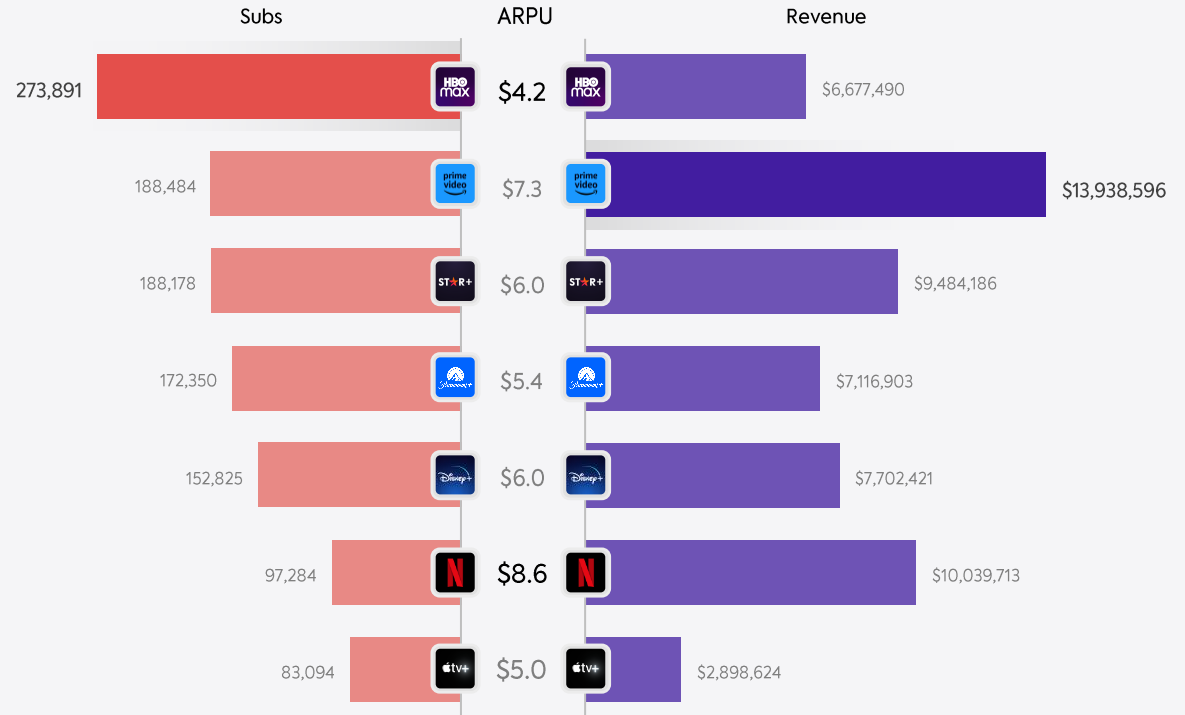
Concept Testing - Streaming Valuation
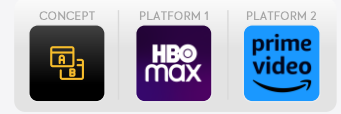
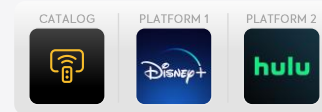**Assess the streaming value of concepts pre-development based on plot, cast and more.**

The pre-release value of a series can be assessed based on a list of comp titles.

The pre-release title would make a greater contribution to subscriber acquisition or retention for HBO Max, while it has the potential to yield the highest revenue contribution for Amazon Prime Video.

Subscriber and Revenue Impact by Streaming Service

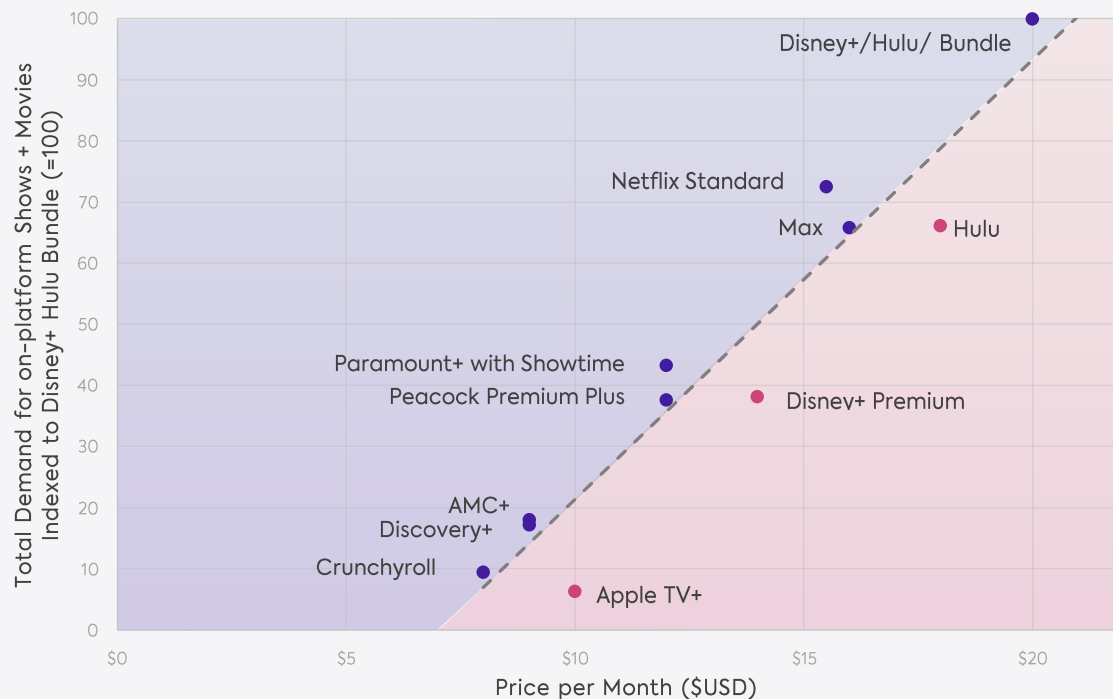|	Subs	ARPU	Revenue
HBO max	273,891	$4.2	$6,677,490
prime video	188,484	$7.3	$13,938,596
ST★R+	188,178	$6.0	$9,484,186
Paramount	172,350	$5.4	$7,116,903
Disney+	152,825	$6.0	$7,702,421
N (Netflix)	97,284	$8.6	$10,039,713
tv+	83,094	$5.0	$2,898,624

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Pricing Strategy

Determine competitive pricing based on catalog demand, churn patterns & acquisition power.

After Disney raised the monthly price of ad-free Hulu (+20%) and Disney+ (+27%) the standalone platforms look steeply priced compared to other services. Hulu and Max have nearly the same demand but Max costs $2 less per month. This could be a way to more strongly incentivize subscribers to upgrade to the pricier Disney+/Hulu bundle. The bundle provides users with the most in-demand catalog of content at a competitive price.

Platform Movie + TV Demand vs. Monthly Cost
United States, October 2023, Ad-free tiers

Scatter plot: Total Demand for on-platform Shows + Movies Indexed to Disney+ Hulu Bundle (=100) vs. Price per Month ($USD). Data points: Disney+/Hulu/ Bundle (~$20, 100), Netflix Standard (~$12, 73), Max (~$16, 66), Hulu (~$18, 66), Paramount+ with Showtime (~$12, 43), Peacock Premium Plus (~$12, 38), Disney+ Premium (~$14, 38), AMC+ (~$9, 18), Discovery+ (~$9, 17), Crunchyroll (~$8, 9.5), Apple TV+ (~$10, 6.5).

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Content Valuation Summary

Assess the historical & projected $ value of any title – in any market, on any platform
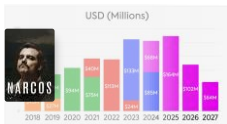
What type of content can we value?

TV Show
- Season
- Episode

Movie

Library

Franchise
- Franchise installment
- Spin-off potential
- Merchandising
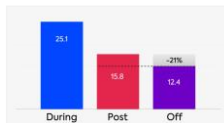
How can we break down the value?

Talent value contribution
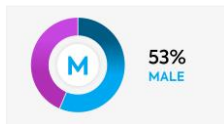How much value is driven by the demand for a title's cast?

Streaming value drivers
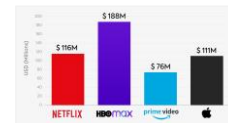Is a title attracting, engaging or retaining viewers?

Season window
How does the value grow and decay across seasons?
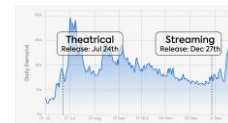

Audience demographics
Rank value by gender, generation and ethnicity

What scenarios can we model?

Platform scenarios
Actual and hypothetical value on different platforms

Release windows
Which release strategy maximizes ROI?

Missed opportunities
What is the unrealized value from blackout periods?

Exclusive vs non-exclusive
Impact of cannibalization on multiple platforms

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Thank You
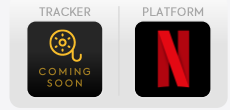
For questions please contact:

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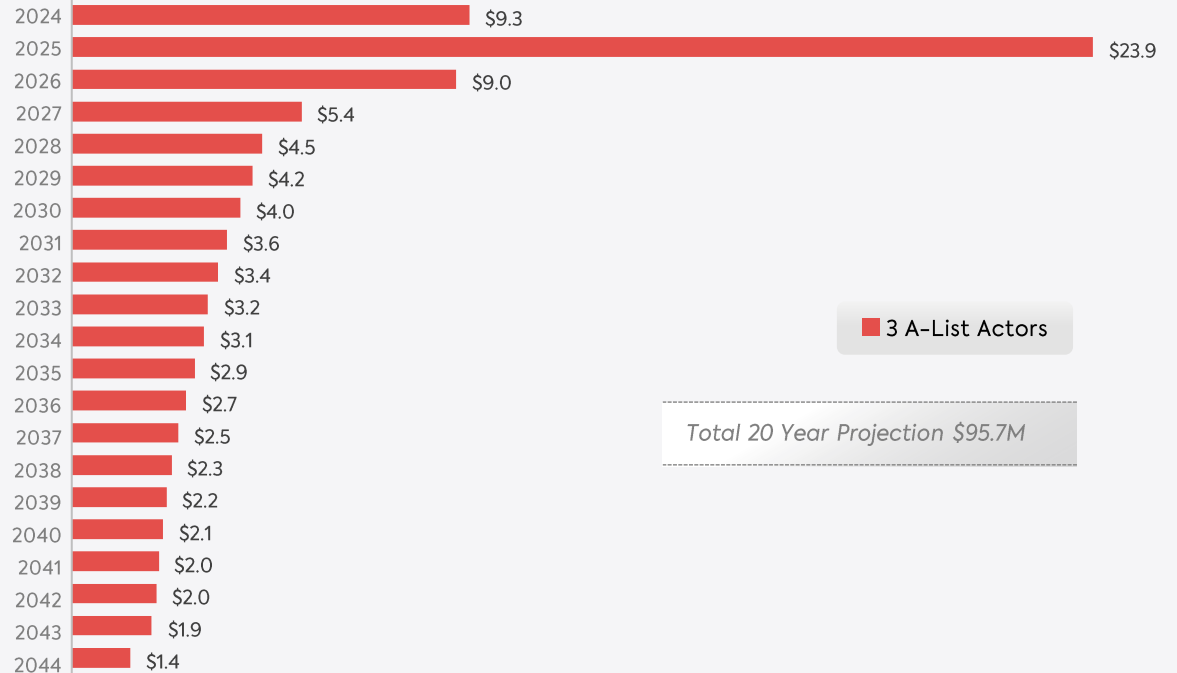
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Optimal Licensing Periods

Optimize deal structure based on a 20-year trajectory.

The pre-release title, in the scenario where distributed globally on Netflix, is projected to generate $95.7M revenue contribution to Netflix over the next 20 years. 44% ($42.2 M) of its 20 year revenue projection is expected to be generated in the first three years (2024-2026). Though there is a relatively steep decay curve initially, the global scale and audience consumption preferences which signify high affinity to the thriller genre and A-List content on Netflix ensure the longevity of revenue contribution over the 20 years.

Revenue Contribution of Pre-Release Title on Netflix (In $M USD)
Global, 20 Year-License (4Q 2024 – 3Q 2044)

Year	Value
2024	$9.3
2025	$23.9
2026	$9.0
2027	$5.4
2028	$4.5
2029	$4.2
2030	$4.0
2031	$3.6
2032	$3.4
2033	$3.2
2034	$3.1
2035	$2.9
2036	$2.7
2037	$2.5
2038	$2.3
2039	$2.2
2040	$2.1
2041	$2.0
2042	$2.0
2043	$1.9
2044	$1.4

■ 3 A-List Actors

Total 20 Year Projection $95.7M

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Unlocking the magic of content in the attention economy

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