The Ecosystem of content production in Europe

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ONE ECOSYSTEM ?

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“Original production”

DIFFERENT ECOSYSTEMS FOR DIFFERENT CONTENT TYPES

TWO DIFFERENT BUSINESS MODELS: RIGHTS MANAGEMENT vs. PRODUCTION FEES

FILM

TV CONTENT

“Stock”

Remaining value after first broadcast

Pre-financing of future revenues

TV fiction
Documentary
Animation

Formats

“Flow”

Value=0 after first exploitation

Production fee 100% of costs

News
Sport
Game shows
Talkshows
Etc.

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Pre-financing of future revenues

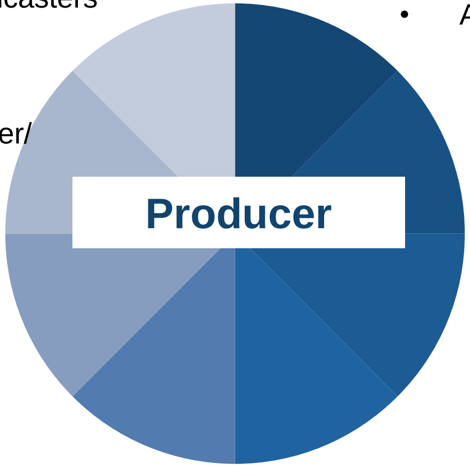
COMPLEXITY OF (PRE-)FINANCING OF « STOCK » WORKS

THE MOVE TO INTERNATIONAL COPRODUCTIONS COMPLEXIFIES EVEN MORE THE "ENGINEERING" OF PRODUCTION

Coproducer(s)
- Production companies/broadcasters
- National /Inter.

Public funding
- Eur/national/regional
- Auto/selective

Pre-sales
- Sales Agent/Distributor/Broadcaster/ SVOD
- National /Inter.
- Collateral/By window



Fiscal incentives
- Rebates/tax credits/tax shelter

In-kind investments

Debt financing

Others
- Sponsoring/Product placement/Donations

Private equity

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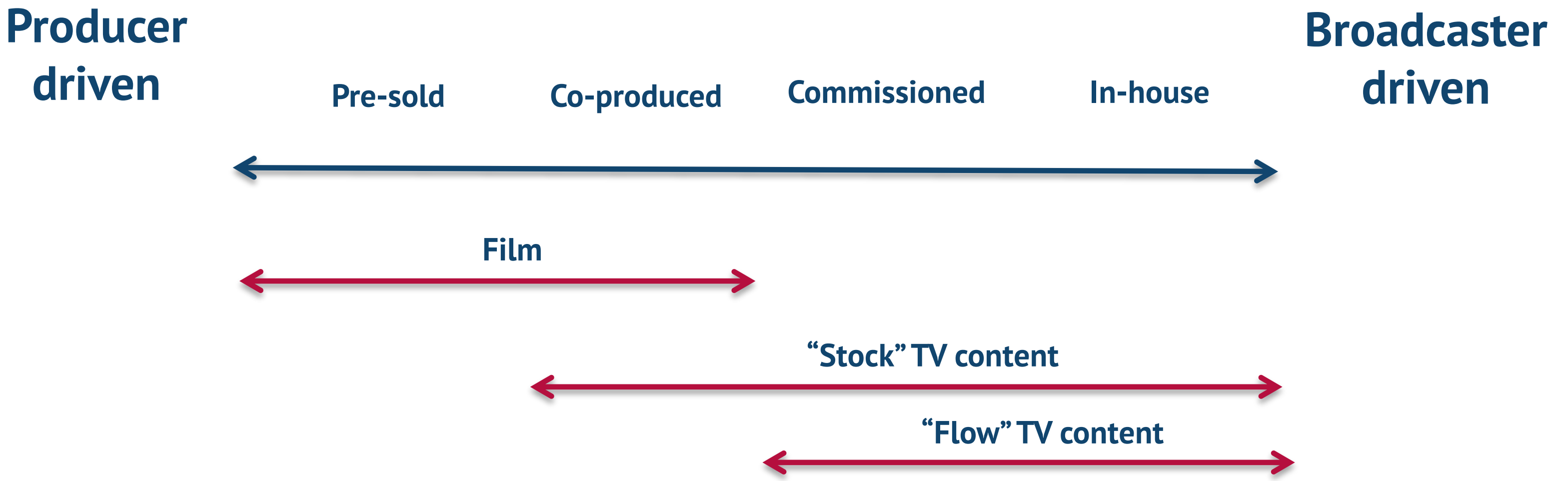
Producers and broadcasters

RELATIONSHIPS BETWEEN PRODUCERS AND BROADCASTERS DIFFER BY CATEGORY OF WORKS… AND SO DOES THE FINANCING

BROADCASTERS: FROM NO IP RIGHTS TO 100% IP RIGHTS (AND MANAGEMENT)



Consolidation?

VERTICAL INTEGRATION AND HORIZONTAL CONSOLIDATION

MANY NUANCES AS REGARDS CAPITALISTIC LINKS BETWEEN PRODUCERS AND BROADCASTERS

	Independent	Minor links to a large broadcasting group	Strong links to minor broadcasting group (in Europe)	Subsidiary of large broadcasting group
Endemol Shine			√	
ITV Studios				√
Fremantlemedia				√
Mediaproduccion SLU		√		
Banijay		√		
ProSiebenSat.1				√
StudioCanal				√
Lagardère Active			√	
Tele-Muenchen Produktions			√	
Gaumont		√		
EuropaCorp	√			
Tinopolis	√			
TF1 Production				√
Pathé Films	√			

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4 QUESTIONS

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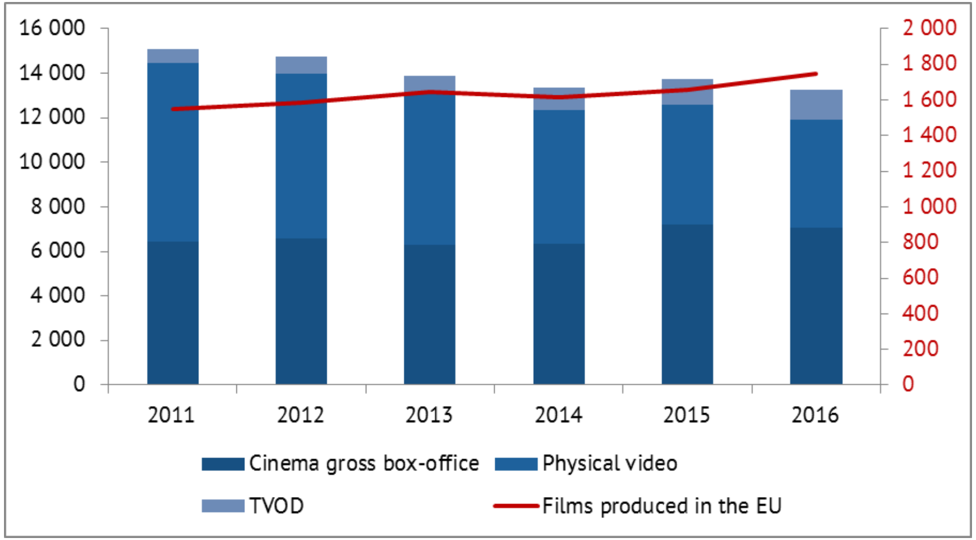
Direct spendings for films

1. IS THE GROWTH OF THE NUMBER OF FILMS PRODUCED SUSTAINABLE?

DIRECT SPENDINGS FOR FILMS ARE DECREASING. FUNDING BY AV SERVICES PROBABLY MORE AND MORE IMPORTANT. BUT DO FILM AND TV CONTENT COMPETE FOR BROADCASTERS AND SVOD MONEY ?



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Films vs. TV fiction

2. IS TV CONTENT THE NEXT GROWTH RELAY FOR THE EUROPEAN AV INDUTRY ?

(THE VOLUME OF) TV FICTION PRODUCTION IS ALREADY HIGH IN EUROPE

FILM

1 107 fiction films
≈ 2 200 hours

Vs. ?

TV FICTION

1 000 titles
16 600 episodes
11 000 hours

TV FICTION
(excluding soaps and telenovelas)

930 titles
4 500 episodes
3 800 hours

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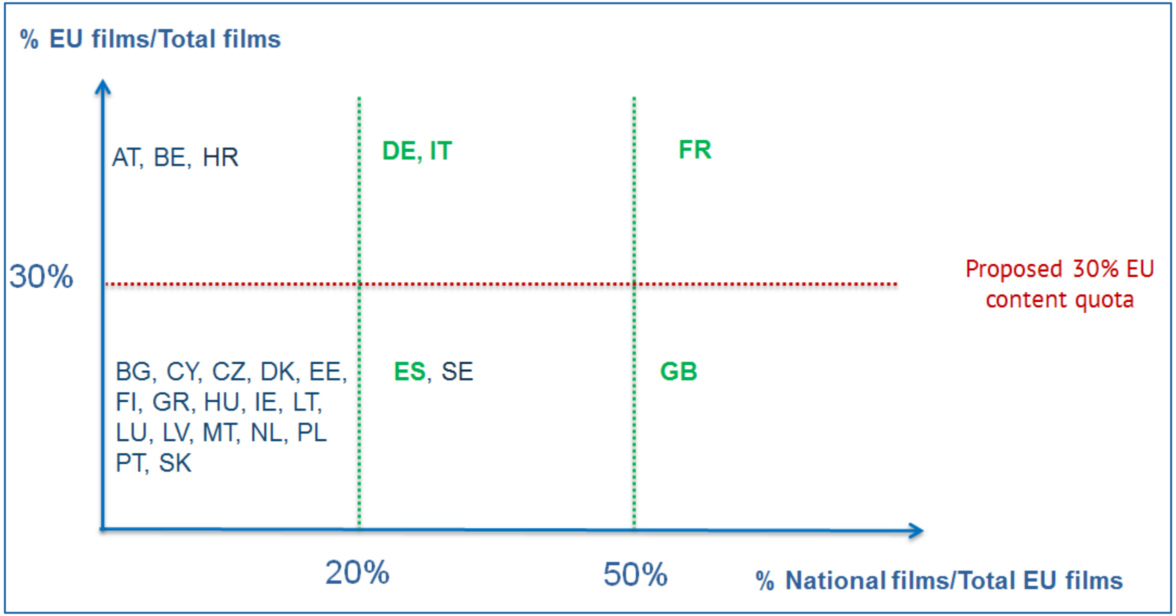
Films vs. TV fiction

3. IS THERE AN UNTAPPED POTENTIAL FOR NON-NATIONAL AV CONTENT IN EUROPE ? CAN (S)VOD HELP ?

DIFFERENT LEVELS OF NON-NATIONAL EU FILMS IN EUROPE: SUPPLY OR DEMAND ISSUE ?



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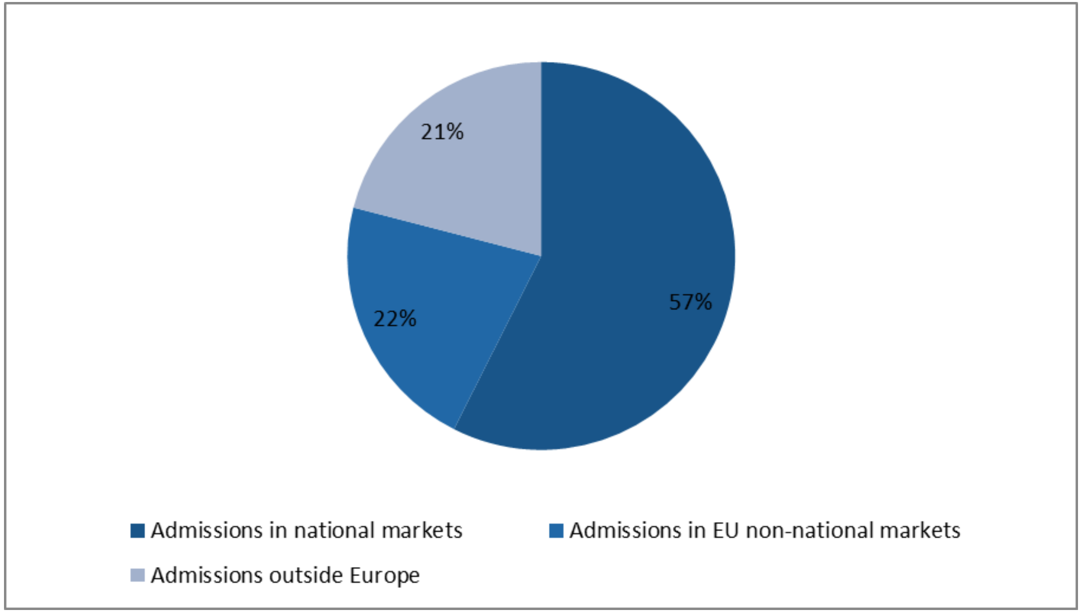
Exports outside Europe

4. IS THERE AN UNTAPPED POTENTIAL FOR NON-NATIONAL AV CONTENT OUTSIDE EUROPE ?

50% OF NON-NATIONAL ADMISSIONS TO EU FILMS ARE OUTSIDE EUROPE

Breakdown of admissions to EU films - 2016



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Thank you!

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