

# What do we know about the structure of film financing in Europe?

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for Market Information

what we have done

It's only a  
sample analysis

# It's only a sample analysis

- Only live-action fiction films
- Released in 2016
- Selection bias
- French bias

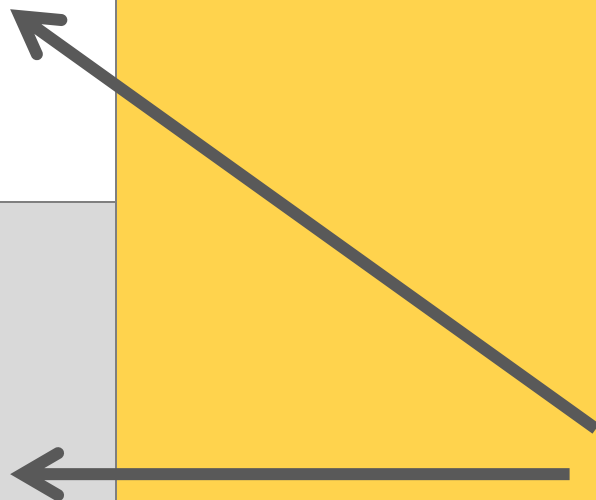
It's only a  
sample analysis

but a  
large one!

42%  
coverage rate

EUR 1.4 bn  
investment volume

but a  
large one!



The image shows a stylized globe with the words 'THE BIG PICTURE' written across it in large, white, three-dimensional block letters. The letters have a black outline and are set against a dark, cloudy sky. The globe is positioned behind the text, and the words 'THE' and 'PICTURE' are on the top line, while 'BIG' is on the bottom line. The overall composition is centered and balanced.

# THE BIG PICTURE

pan-European perspective

# The European film landscape



is very fragmented

market size

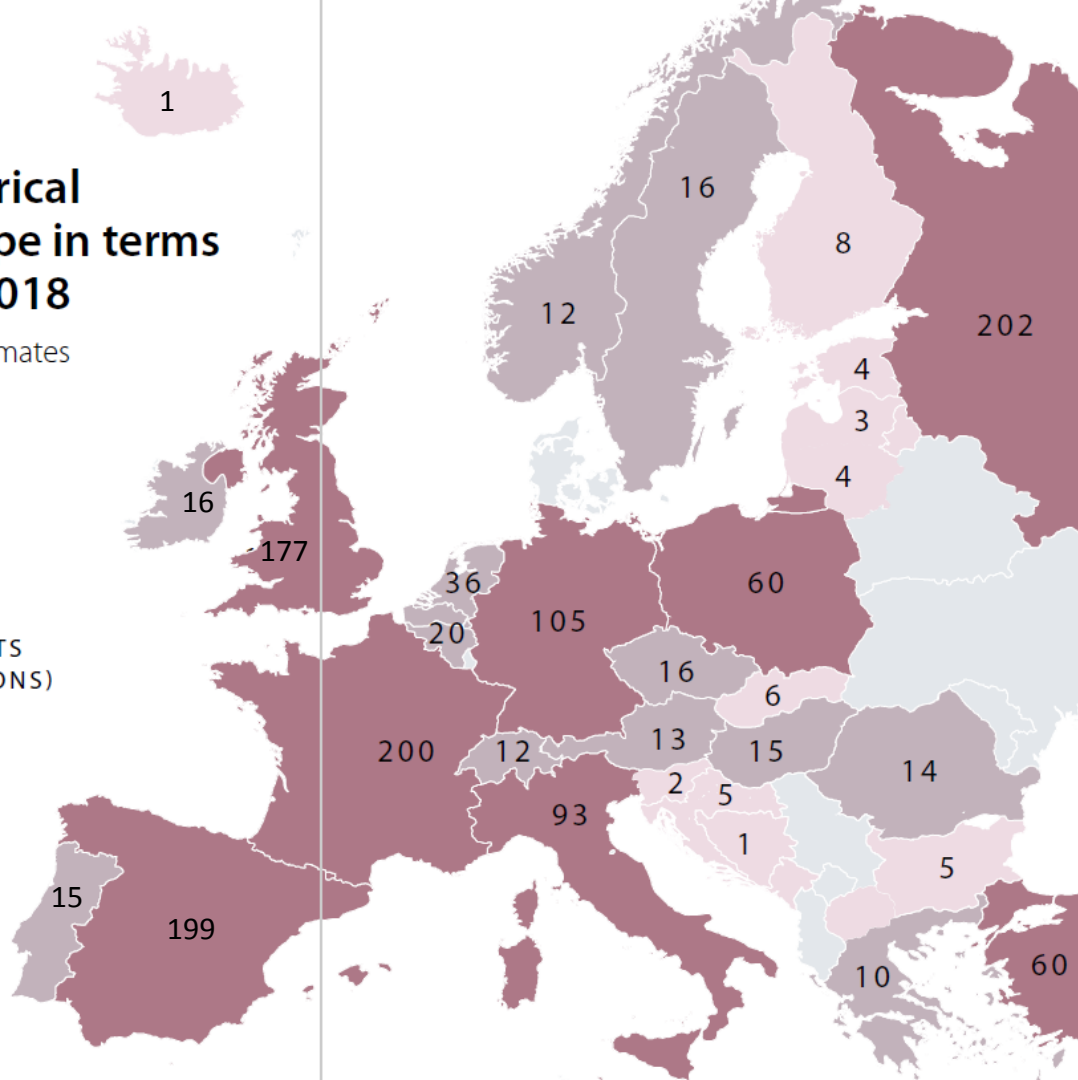
market potential

average budgets

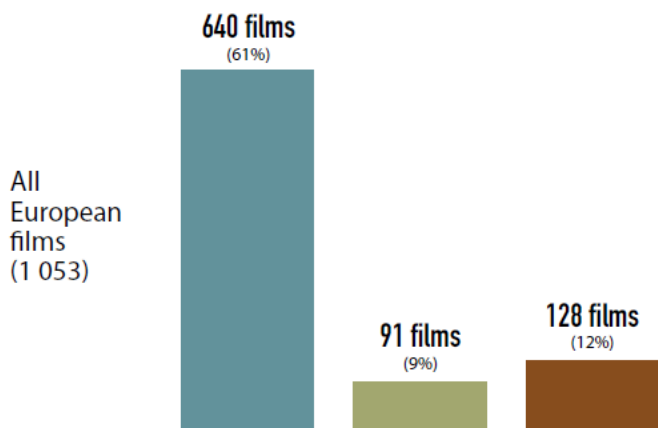
# European theatrical market landscape in terms of admissions 2018

In million. Provisional estimates

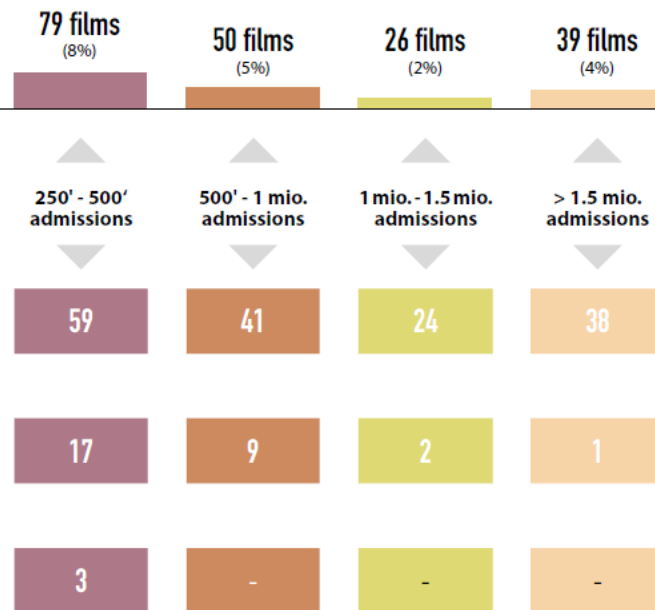
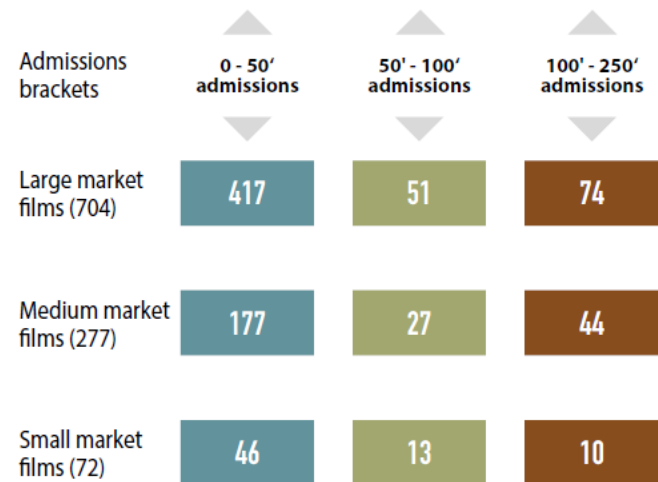
-  LARGE MARKETS (> 50 MIO. ADMISSIONS)
-  MEDIUM-SIZED MARKETS (10 – 50 MIO. ADMISSIONS)
-  SMALL MARKETS (< 10 MIO. ADMISSIONS)
-  NOT COVERED BY OBS



# NUMBER OF EUROPEAN LIVE-ACTION FILMS PRODUCED IN 2016 BY ADMISSION BRACKETS



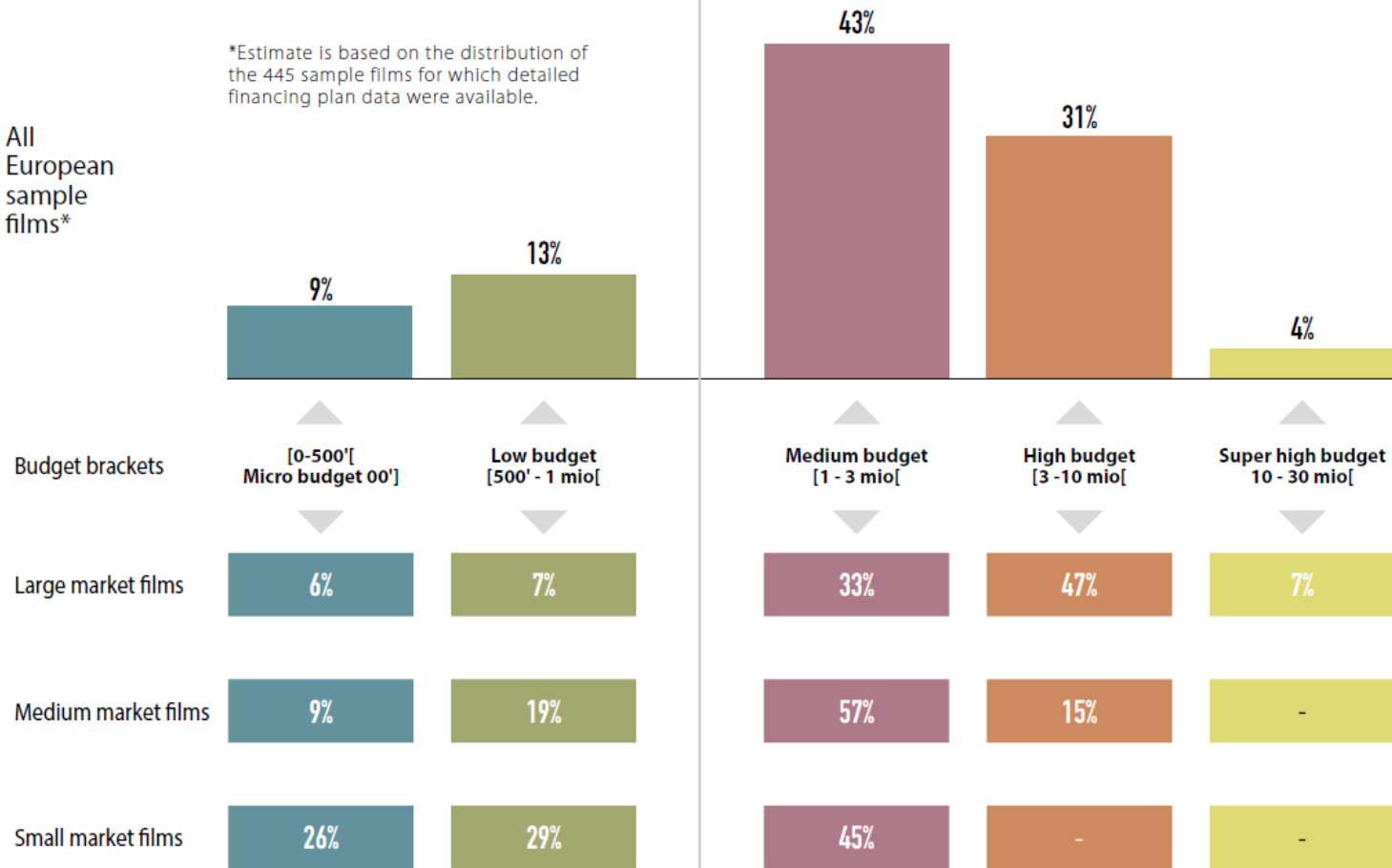
Remark: Admission brackets refer to cumulative worldwide admissions (2016 to 2018) to films produced in 2016. Worldwide admissions refer to admissions in more than 30 European and 12 non-European markets (US, CA, CN, KR, AU, NZ, AR, BR, CO, CL, MX, VE) as tracked in LUMIERE.



# ESTIMATED\* BREAKDOWN OF EUROPEAN LIVE-ACTION FILMS RELEASED IN 2016 BY BUDGET BRACKETS

\*Estimate is based on the distribution of the 445 sample films for which detailed financing plan data were available.

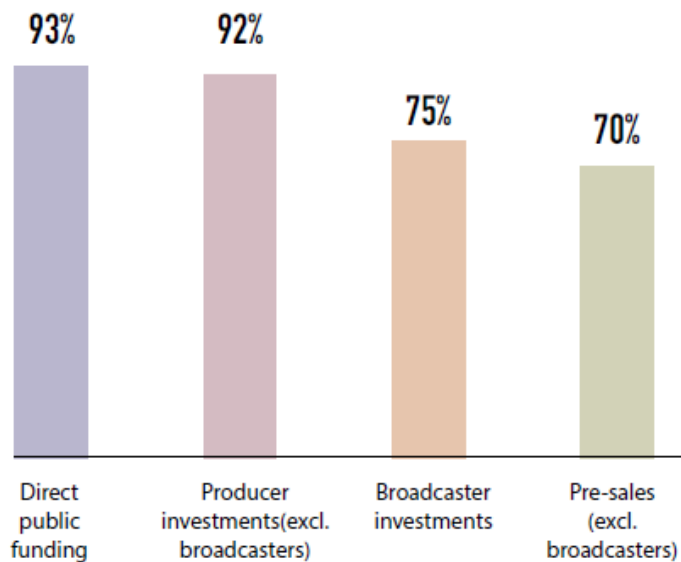
All European sample films\*



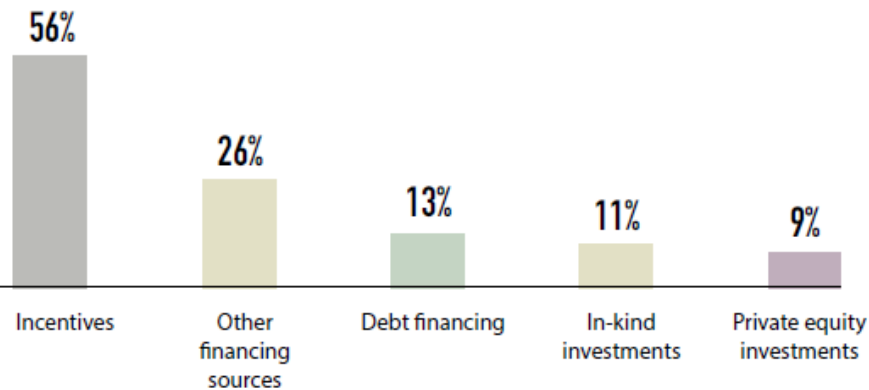
The financing

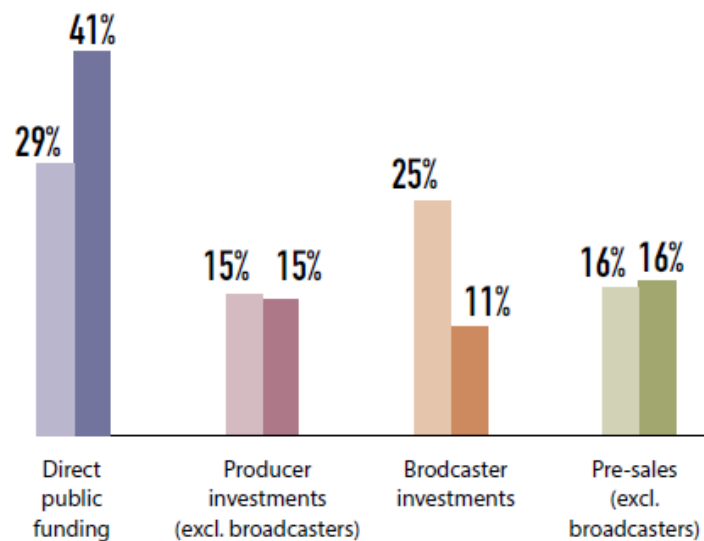
Five financing  
sources are  
essential...

...but  
direct public  
funding stands out

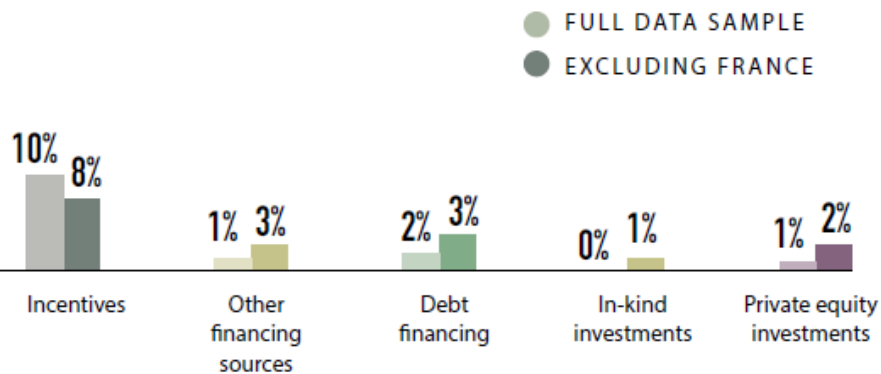


PERCENTAGE SHARE OF SAMPLE FILMS USING INDIVIDUAL FINANCING SOURCES (2016)





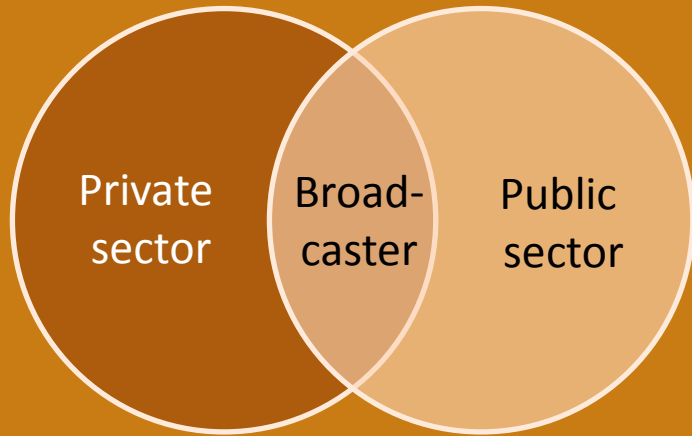
### BREAKDOWN OF TOTAL SAMPLE FINANCING VOLUME BY INDIVIDUAL FINANCING SOURCES (2016)



Source: OBS, Fiction film financing in Europe: A sample analysis of films released in 2016 (2018)

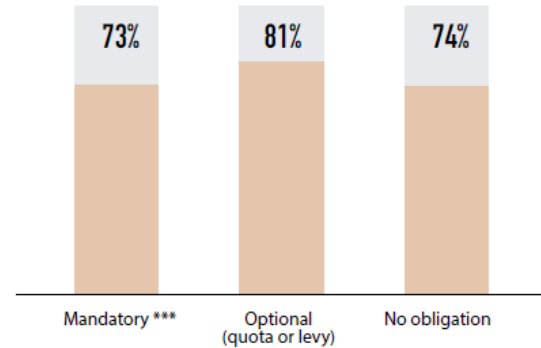


as broadcasters are  
obliged to invest

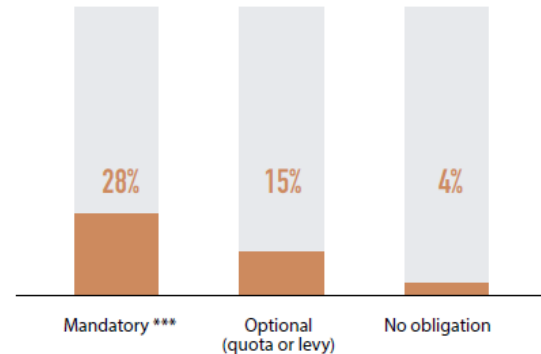


giving them  
a semi-public character

SHARE OF SAMPLE FILMS  
WITH BROADCASTER FINANCING  
BY OBLIGATION CLUSTERS



BROADCASTER SHARE  
IN SAMPLE FINANCING VOLUME  
BY OBLIGATION CLUSTERS



\*\*\* for public and / or private broadcasters

VOD

financing

is (still)

insignificant

at least, for films  
released in 2016

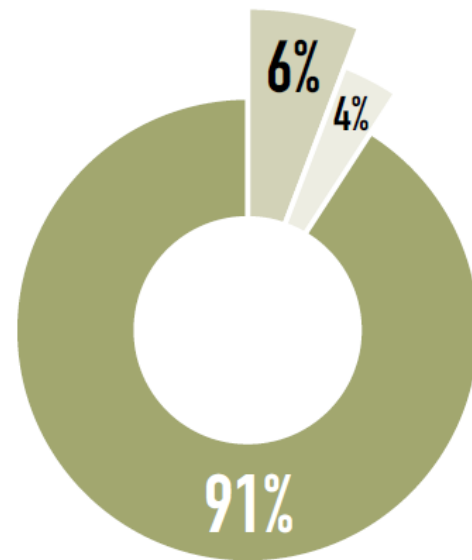
6 out of 445  
sample films  
financed by VOD

0.1%  
investment volume

at least, for films  
released in 2016

# Territoriality matters

in two respects



- Pre-sales - main country of origin
- Pre-sales - minority co-producing / financing countries
- Pre-sales - multi-territory

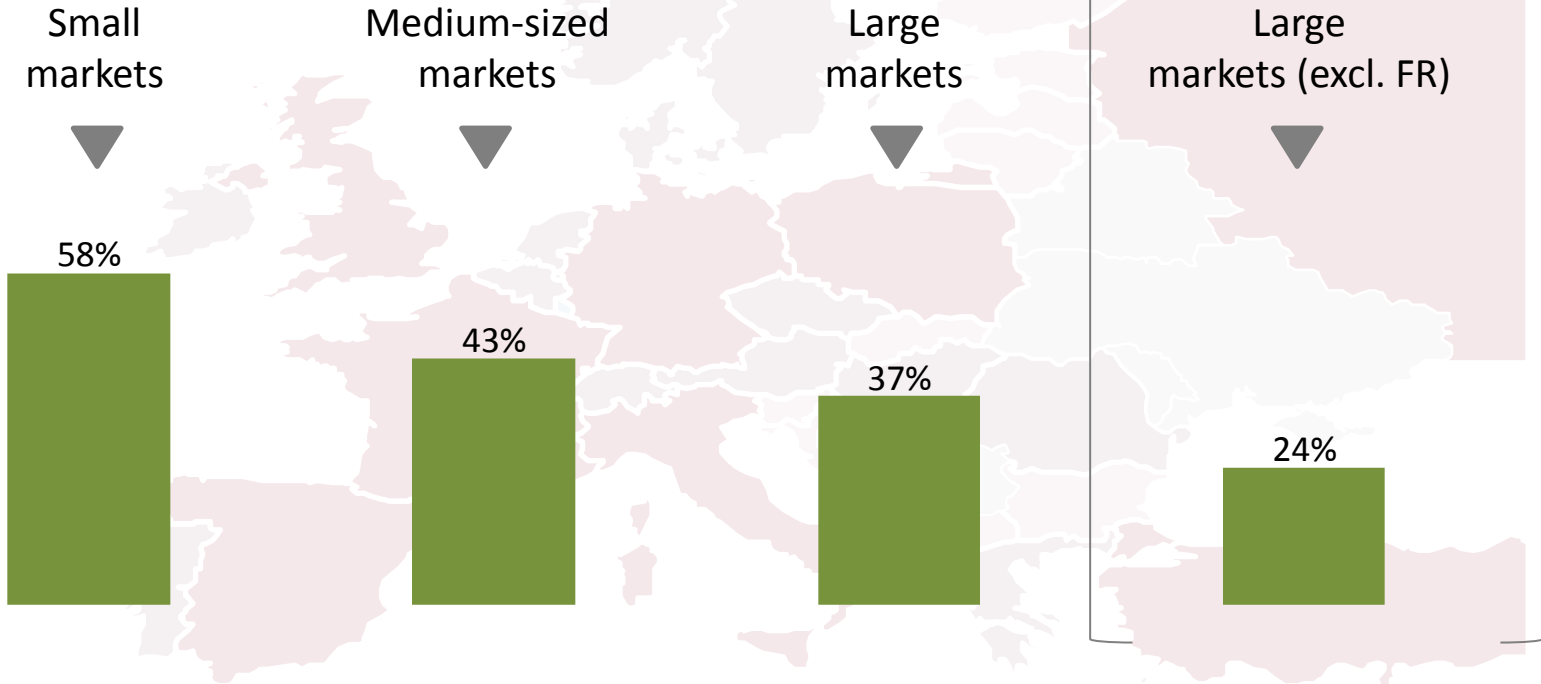
BREAKDOWN OF PRE-SALE  
FINANCING VOLUME BY ORIGIN

Market  
potential  
affects  
financing  
structure

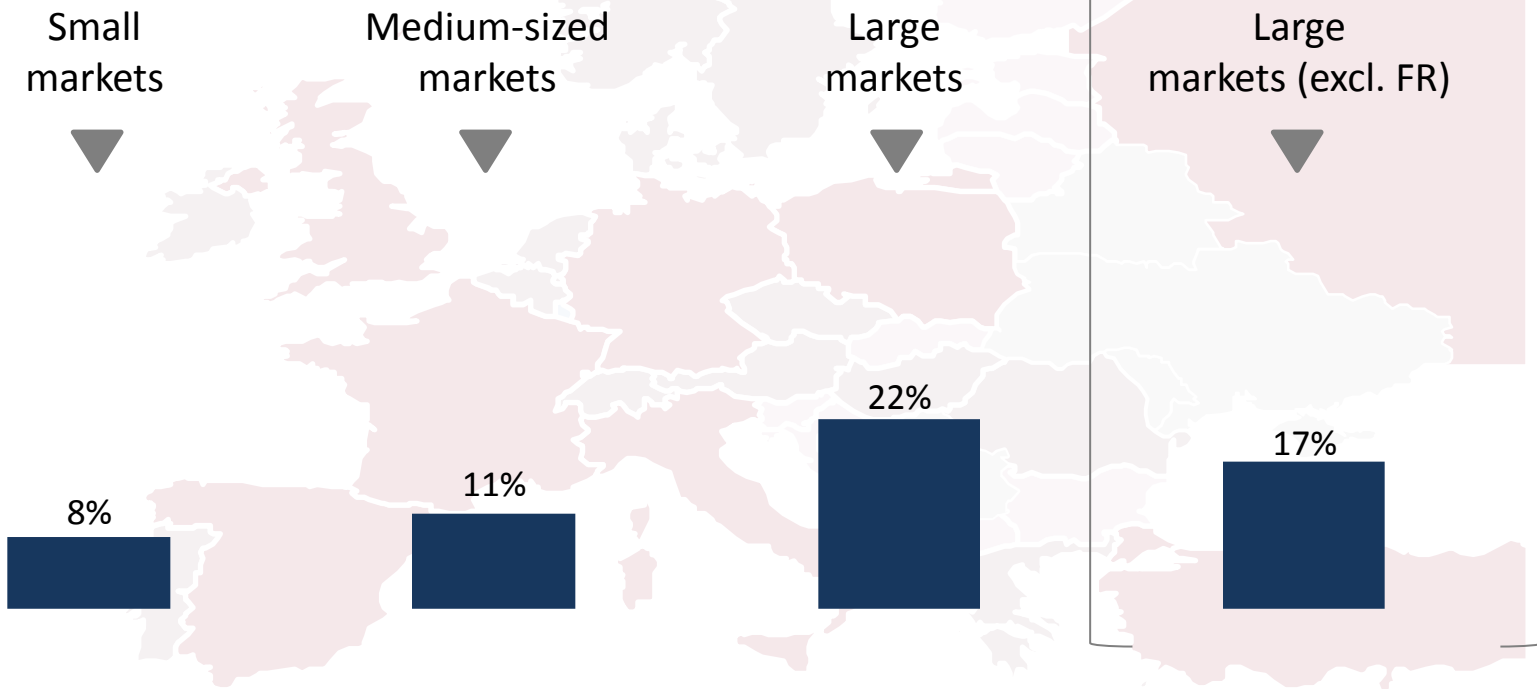


the lower the  
market potential,  
the more important  
is direct public funding

# Importance of direct public funding



# Importance of pre-sales (excl. broadcasters)

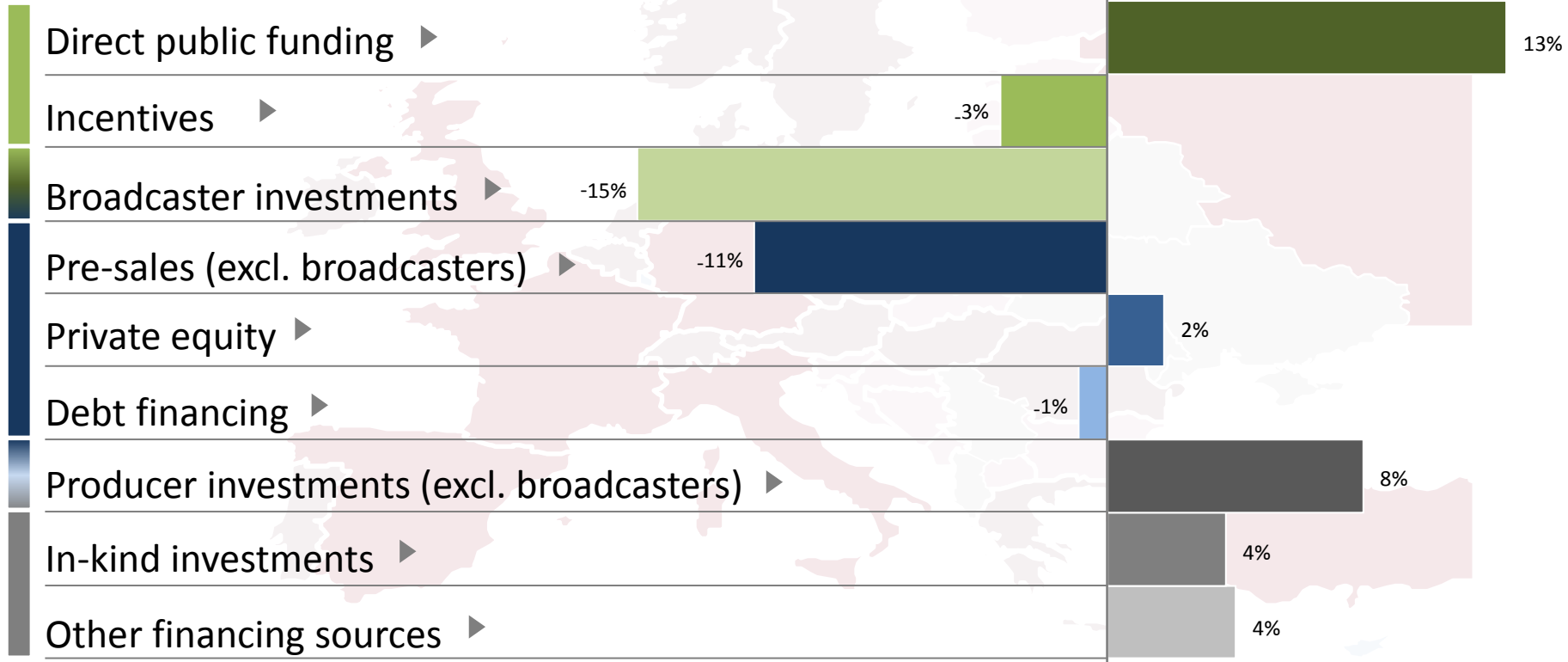




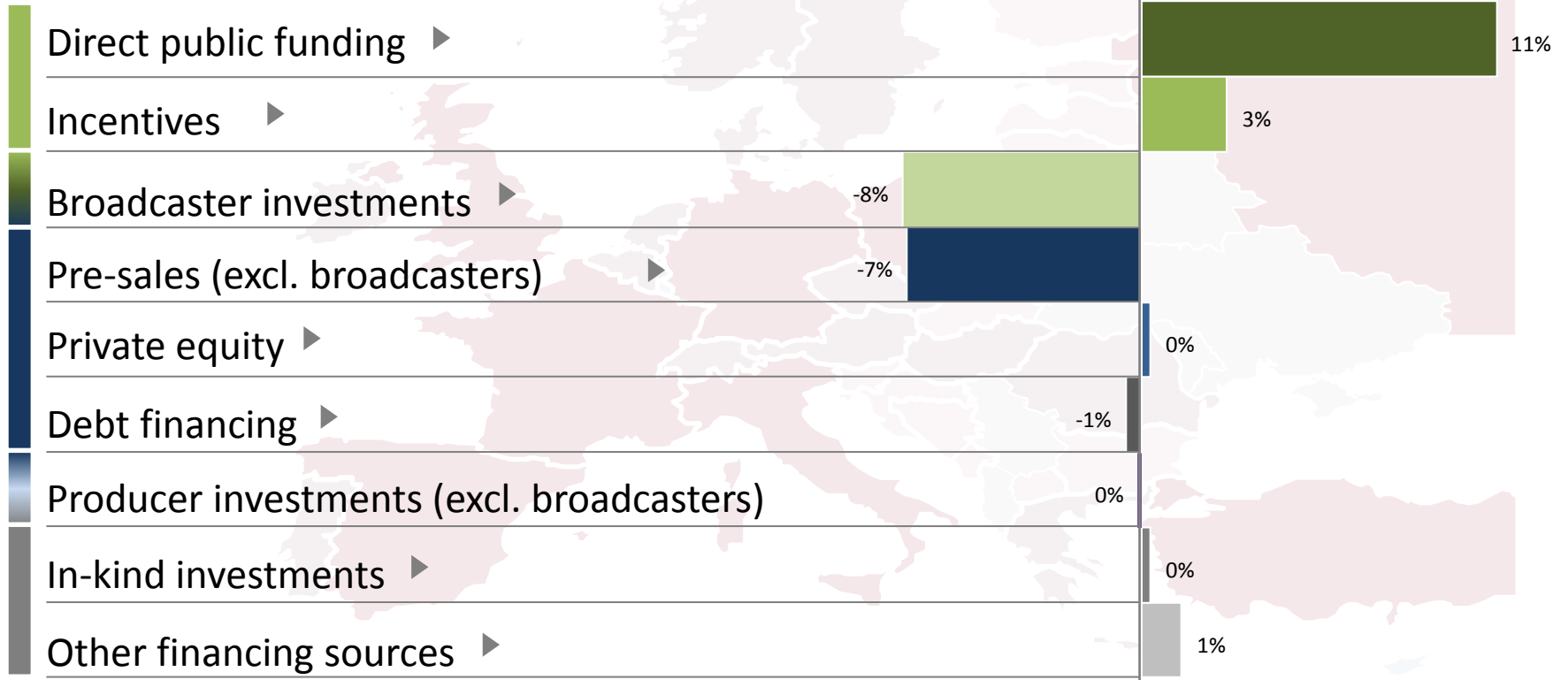
Budget  
size



# Relative importance of financing sources in the case of **micro-/low budget films**

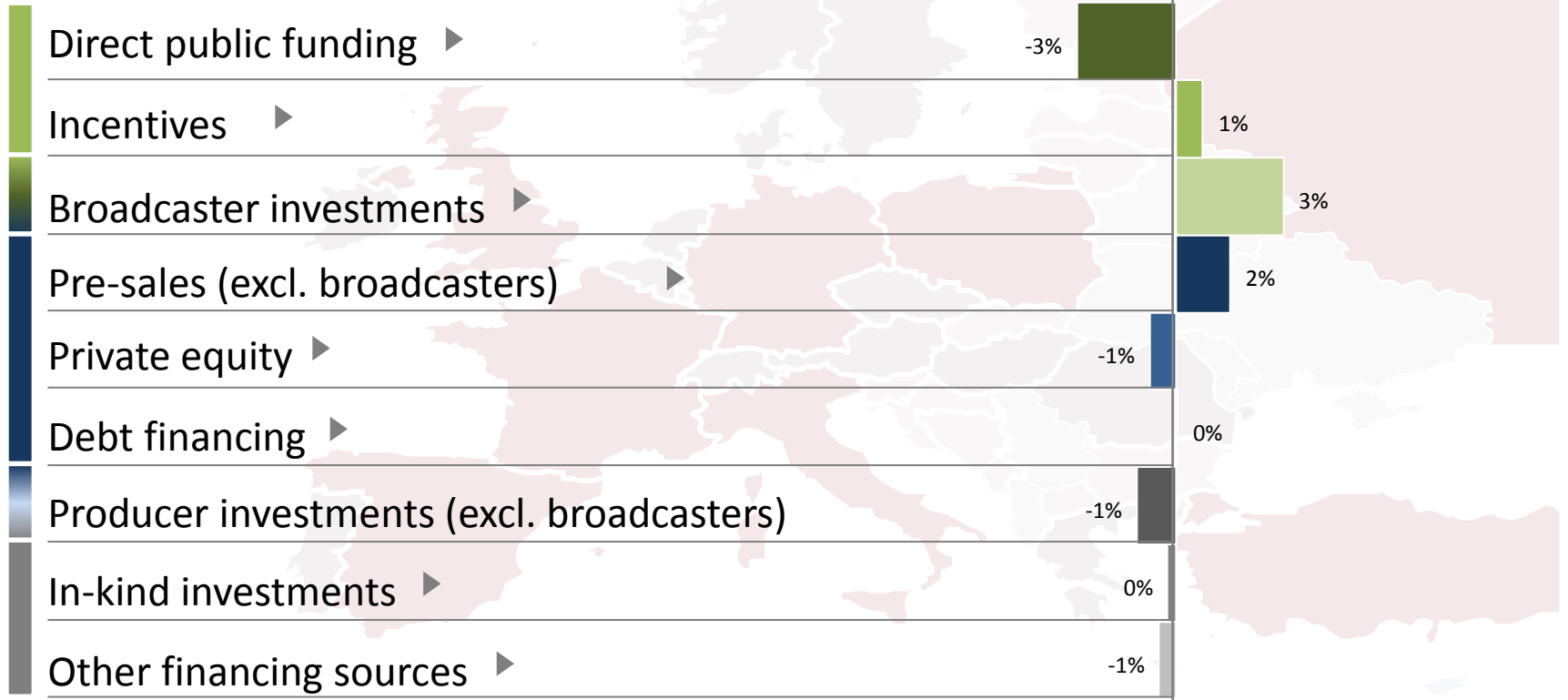


# Relative importance of financing sources in the case of **medium budget films**



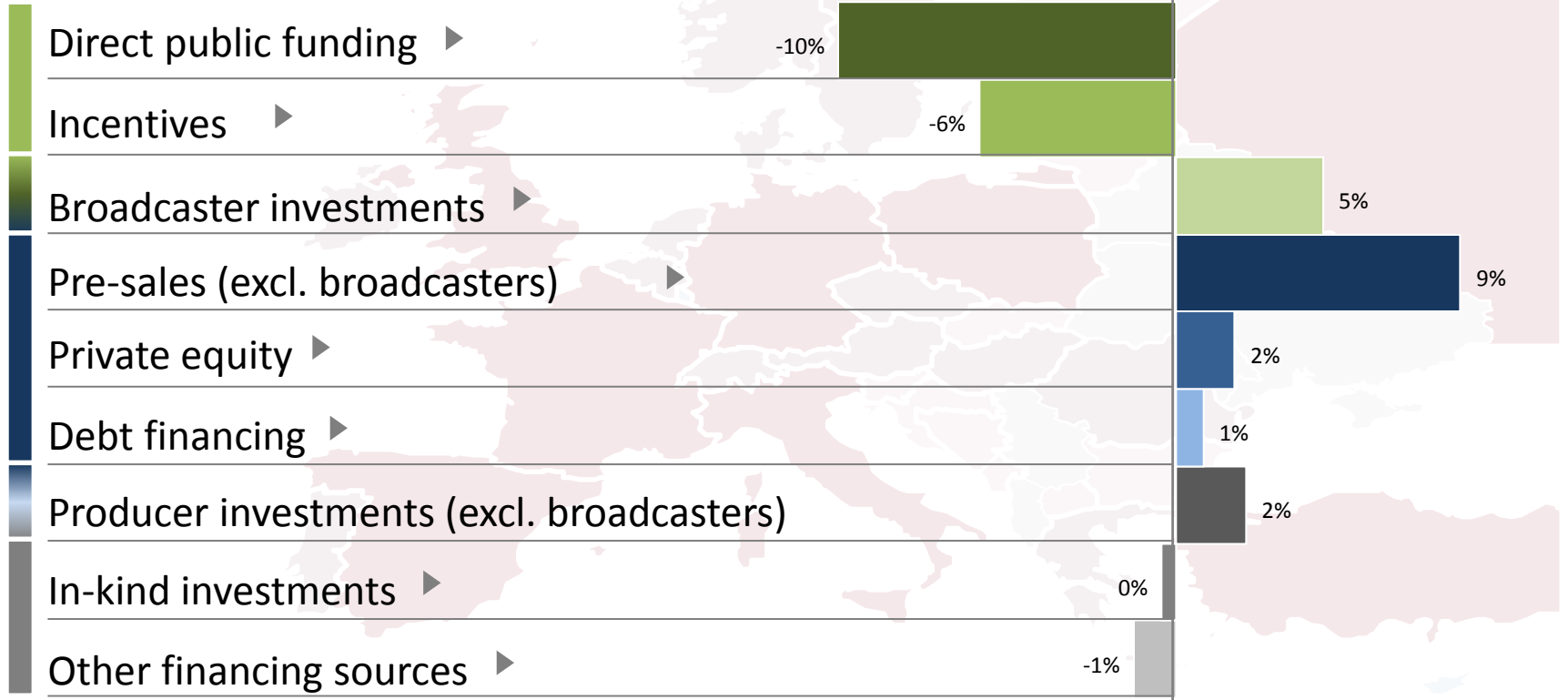
Relative importance of financing sources in the case of

# high budget films



Relative importance of financing sources in the case of

# super high budget films



The crucial  
question is:

How will digital  
distribution  
affect this  
complex  
financing  
system?

for instance

## in France 2018

Broadcaster investments	-21%
Pre-sales (excl. TV)	-26%
Total film investment	-12%



Trend or  
exception?