



LEONE
FILM GROUP

2018 Results and 2019 – 2021 business plan

September, 2019

AGENDA

1 The Group

2 Key Facts

3 Our Roadmap

4 Distribution

5 Production

6 2018 Results and
2021 targets



1. THE GROUP

Two mainstream areas of activity



Distribution

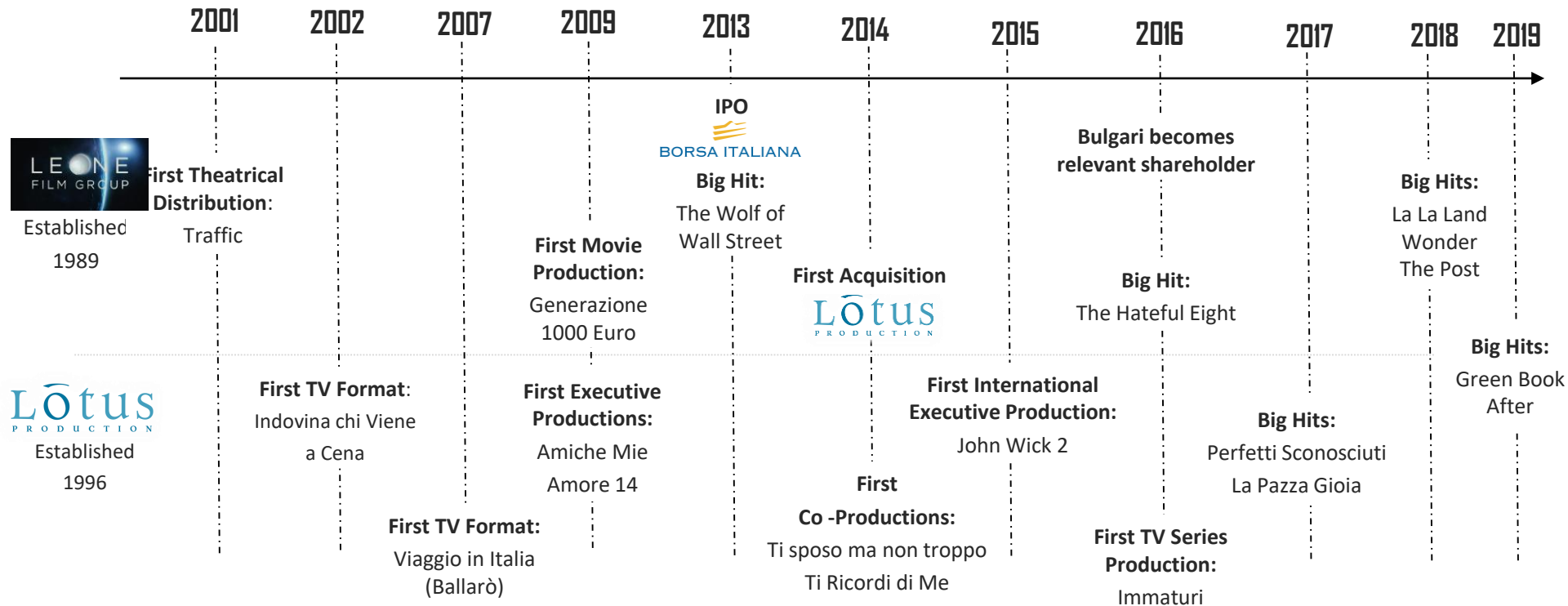
- Theatrical
- Free-TV
- Pay-TV
- Home Video
- Digital



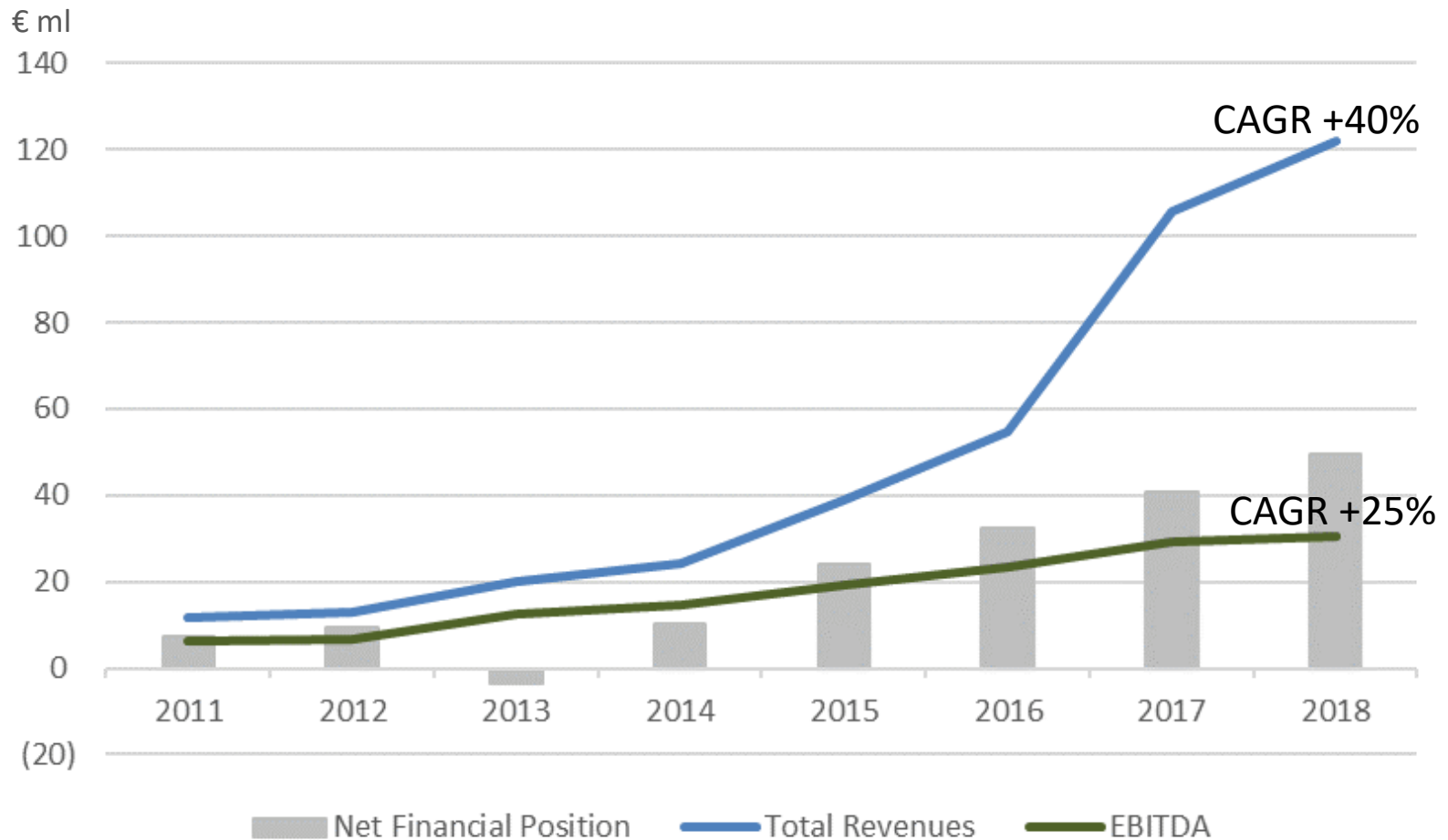
Production

- Production
- Co-production
- Executive production
- International co-production
- TV series production
- International TV series co-production
- International executive production service

A History of Growth



Consistent financial growth over the years



Italy's largest independent distributor

Box Office 2016 - All Market - LFG pro forma

Distributor	Market Share
Warner Bros Italia SpA	18,7%
Medusa Film SpA	12,3%
Walt Disney SMP Italia	13,7%
Universal Srl	11,7%
20th Century FOX italia SpA	10,4%
Leone Film Group SpA	7,7%
O1 Distribution	4,6%
Lucky Red	5,4%
Eagle Pictures	3,2%
BIM Distribution Srl	1,7%
Notorious Pict. SpA	1,6%
M2 Pictures Srl	1,4%
Others	7,6%
Total	100,0%

Box Office 2017 - All Market - LFG pro forma

Distributor	Market Share
Warner Bros Italia SpA	19,8%
Universal Srl	18,5%
Walt disney SMP Italia	14,0%
20th Century FOX italia SpA	9,8%
Leone Film Group SpA	7,6%
O1 Distribution	6,1%
Lucky Red	4,4%
Medusa Film SpA	4,1%
Eagle Pictures	1,9%
Videa CDE SpA	1,9%
Notorious Pict. SpA	1,9%
Nexo Digital SpA	1,2%
Others	8,8%
Total	100,0%

Box Office 2018 - All Market - LFG pro forma

Distributor	Market Share
WARNER BROS ITALIA	19,4%
WALT DISNEY S.M.P. ITALIA	14,8%
UNIVERSAL	14,7%
20TH CENTURY FOX ITALIA	12,0%
LEONE FILM GROUP S.P.A.	7,5%
LUCKY RED DISTRIB.	5,1%
MEDUSA FILM	4,3%
O1 DISTRIBUTION	4,1%
VISION DISTRIBUTION	3,2%
EAGLE PICTURES	3,1%
NOTORIOUS PICT.	2,5%
NEXO DIGITAL	1,4%
Others	8,0%
Total	100,0%

Box Office 06.2019 - All Market - LFG pro forma

Distributor	Market Share
WALT DISNEY S.M.P. ITALIA	27,5%
WARNER BROS ITALIA	16,1%
LEONE FILM GROUP S.P.A.	9,0%
20TH CENTURY FOX ITALIA	6,9%
O1 DISTRIBUTION	5,9%
LUCKY RED DISTRIB.	5,4%
UNIVERSAL	5,4%
MEDUSA FILM	4,2%
VISION DISTRIBUTION	4,3%
NOTORIOUS PICT.	4,0%
EAGLE PICTURES	2,0%
M2 PICTURES S.R.L.	1,2%
Others	8,3%
Total	100,0%

Box Office 2016 - Italian - LFG pro forma

Distributor	Market Share
Medusa Film SpA	27,1%
Leone Film Group SpA	16,9%
O1 Distribution	10,0%
Lucky Red	11,8%
Eagle Pictures	7,1%
BIM Distribution Srl	3,8%
Notorious Pict. SpA	3,4%
M2 Pictures Srl	3,2%
Others	16,7%
Total	100,0%

Box Office 2017 - Italian - LFG pro forma

Distributor	Market Share
Leone Film Group SpA	20,0%
O1 Distribution	16,2%
Lucky Red	11,6%
Medusa Film SpA	10,9%
Eagle Pictures	5,1%
Videa CDE SpA	5,0%
Notorious Pict. SpA	5,0%
Nexo Digital SpA	3,1%
Others	23,1%
Total	100,0%

Box Office 2018 - Italian - LFG pro forma

Distributor	Market Share
LEONE FILM GROUP S.P.A.	19,3%
LUCKY RED DISTRIB.	12,9%
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EAGLE PICTURES	7,8%
NOTORIOUS PICT.	6,3%
NEXO DIGITAL	3,5%
Others	20,5%
Total	100,0%

Box Office 06.2019 - Italian - LFG pro forma

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LEONE FILM GROUP S.P.A.	20,4%
O1 DISTRIBUTION	13,4%
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VISION DISTRIBUTION	9,8%
NOTORIOUS PICT.	9,0%
EAGLE PICTURES	4,7%
M2 PICTURES S.R.L.	2,7%
Others	17,7%
Total	100,0%

Two companies creating strong synergies



National Distribution



Co-Production



National Movie Production



Executive Production



National TV Series Production



International TV Series Production



International Co-Production



International Executive Production



- Connect production and distribution
- Leverage on same distribution partnerships

- Expand and diversify client base
- Stronger management team

Leone Film Group Top Hits since IPO

Box Office ⁽¹⁾



Wonder (2017)



12,4



The Wolf of Wall Street (2013)



12,0



Green Book (2019)



10,1



The Hateful Eight (2016)



8,5



La La Land (2017)



8,3



The Post (2018)

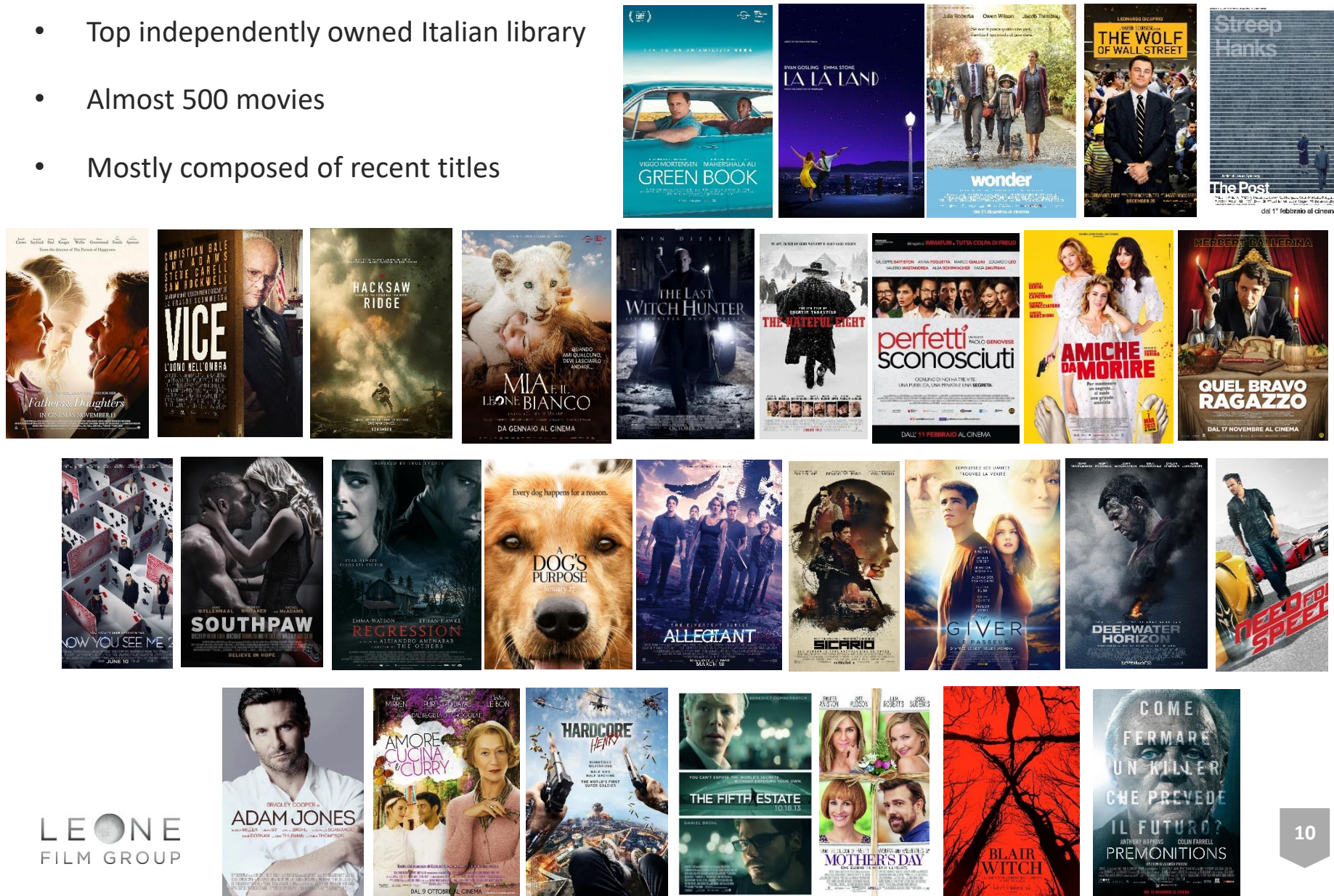


6,5

(1) Source: Cinetel, data as of August 26th 2019 in € ml

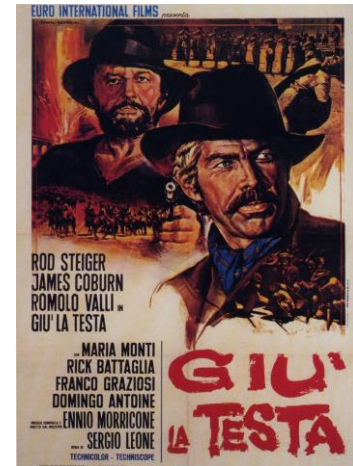
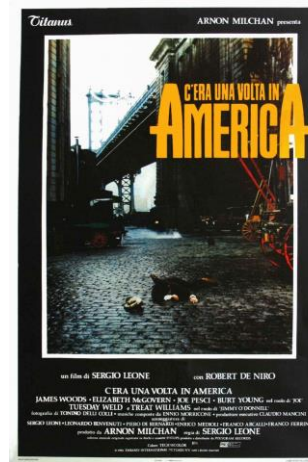
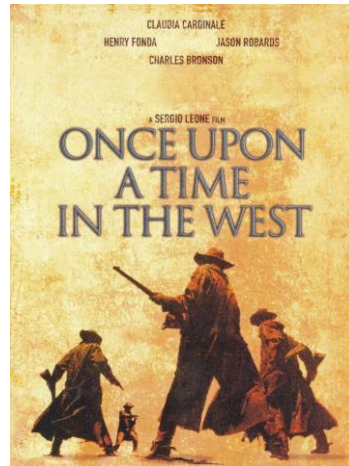
Leone Film Group Library

- Top independently owned Italian library
- Almost 500 movies
- Mostly composed of recent titles



Snapshot on Sergio Leone's library

- Cult movies on which LFG commercializes perpetual distribution rights (1)



Lotus Top Hits



Perfetti Sconosciuti (2016)



Box Office ⁽¹⁾

17,4



Immaturi (2011)



15,2



Immaturi – Il Viaggio (2012)



11,8



A Casa Tutti Bene (2018)



9,2



Tutta Colpa di Freud (2014)



7,9



La Pazza Gioia (2016)



6,2

Lotus TV Series Production



IMMATURI - LA SERIE

January 12th 2018

19,3% share
4.6M audience

Under Development



TUTTA COLPA DI FREUD
Paolo Genovese



SUI GENERI
Maccio Capatonda



BLACK MACCIO
Maccio Capatonda

Sales Distribution Cycle



Past 3 years



now



Out Goals:

**Maintaining the leadership among Italians
Independent movie producers and distributors**

Scaling our successful business model

**Distribute top US
independent
blockbusters**

**Produce top
commercial and
high-quality movie,
TV series, along
top-notch Italian
directors**

**Continue
expanding our
production and
distribution
agreements**

Infrastructure

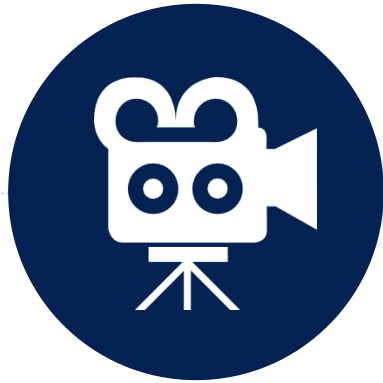
Content

Brand



2. KEY FACTS

Key highlights



Content Acquisition

Strong relationships with all US independent producers, including Lionsgate, Amblin and others.

Acquisition team devoted to select and negotiate the best movies on the market



Content Distribution

Multi-year agreement with RAI for at least 10 movies per year

Long-term sales output deal with Amazon and Telecom Italia

Sales to Sky, NETFLIX, Telecom Italia, iTunes, Google Play, etc.








Content Production

Signed agreements with top directors and screen players like Paolo Genovese, Gabriele Muccino, Maccio Capatonda, Giuseppe Tornatore, Rolando Ravello



2018 – 2019 Main Releases - Distribution

	Title	Box Office ⁽¹⁾
	After	6.4 M €
	Green Book	10.1 M €
	Mia and The White Lion	5.7 M €
	Wonder	12.3 M €
	The Post	6.5 M €



3. OUR ROADMAP

Distribution - Titles snapshot

(1/2)

AFTER 2

Director: Roger Kumble

Cast: Josephine Langford, Hero Tiffin



GOODYEAR

Director: Miguel Sapochnik

Cast: Tom Hanks



THE GENTLEMEN

Director: Guy Ritchie

Cast: Matthew McConaughey, Collin Farrel, Hugh Grant

KILLER OF THE FLOWERS MOON

Director: Martin Scorsese

Cast: Leonardo Di Caprio



THE LOST PRINCE

Director: Michel Hazanavicius

Cast: Omar Sy, Berenice Bejo



MISSING LINK

Director: Chris Butler

Cast: Hugh Jackman, Zach Galifianakis

DIEGO MARADONA

Director: Asif Kapadia

Cast: Maradona



LONG SHOT

Director: Jonathan Levine

Cast: Charlize Theron, Seth Rogen



A DOG'S JOURNEY

Director: Gail Mancuso

Cast: Dannis Quaid, Betty Gilpin

Distribution - Titles snapshot

(2/2)



ANNA

Director: Luc Besson

Cast: Sasha Luss, Luke Evans, Helen Mirren



CHAOS WALKING

Director: Doug Liman

Cast: Tom Holland, Daisy Ridley



COME AWAY

Director: Brenda Chapman

Cast: Angelina Jolie, Michael Caine



BOMBSHELL

Director: Jay Roach

Cast: Charlize Theron, Nicole Kidman, Margot Robbie



KNIVES OUT

Director: Rian Johnson

Cast: Daniel Craig, Chris Evans, Michael Shannon



1917

Director: Sam Mendes

Cast: Benedict Cumberbatch, Colin Firth

Production – selection of Movies completed or in production



Supereroi

Director: Paolo Genovese

Script: Paolo Genovese

Cast: Jasmine Trinca, Alessandro Borghi



LA VOLTA BUONA

Director: Vincenzo Marra

Cast: Massimo Ghini, Max Tortora, Ramiro Garcia, Francesco Montanari, Antonio Gerardi



GLI ANNI Più BELLI

Director: Gabriele Muccino

Cast: Kim Rossi Stuart, Pierfrancesco Favino, Claudio Santamaria, Micaela Ramazzotti



The Land of Dreams

Director: Nicola Abbatangelo

Cast: TBD

Production - selection of Movies and TV Series in development



Alfredino Rampi

Director: Marco Tullio Giordana

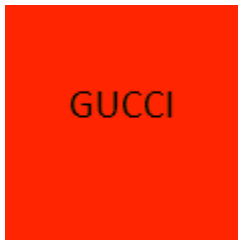
Cast: TBD



56k

Director: Maccio Capatonda

Cast: Maccio Capatonda



Gucci

Director: TBD

Cast: TBD



Profondo Rosso

Director: TBD

Cast: TBD

Production – International TV Series and Movies Under Development Snapshot



LES ITALIENS

Script: Barbara Petronio

Director: TBD

Cast: TBD

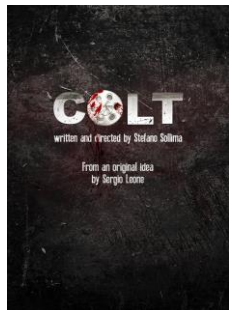


GIPSY QUEEN

Script: Barbara Petronio and TBD

Director: TBD

Cast: TBD



COLT

Original Idea: Sergio Leone

Script: Dennis Lehane

Director: Stefano Sollima

Cast: TBD



BEATI PAOLI

Original Idea: Luigi Natoli

Script: TBD

Director: TBD

Cast: TBD



L'AMERICANO

Script: Massimiliano Virgilio, Marco Sani

Director: TBD

Cast: TBD



Profondo Rosso

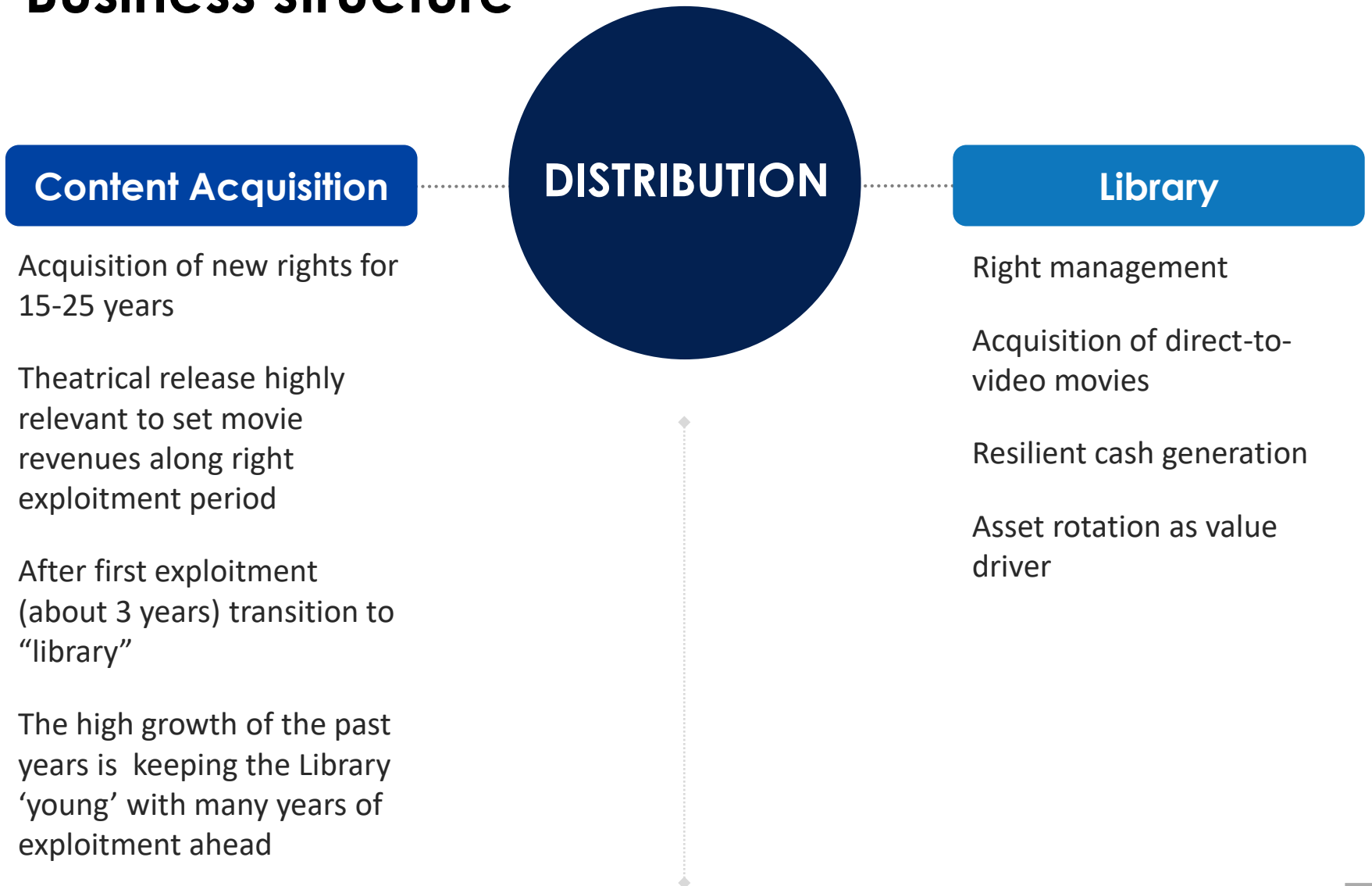
Director: TBD

Cast: TBD

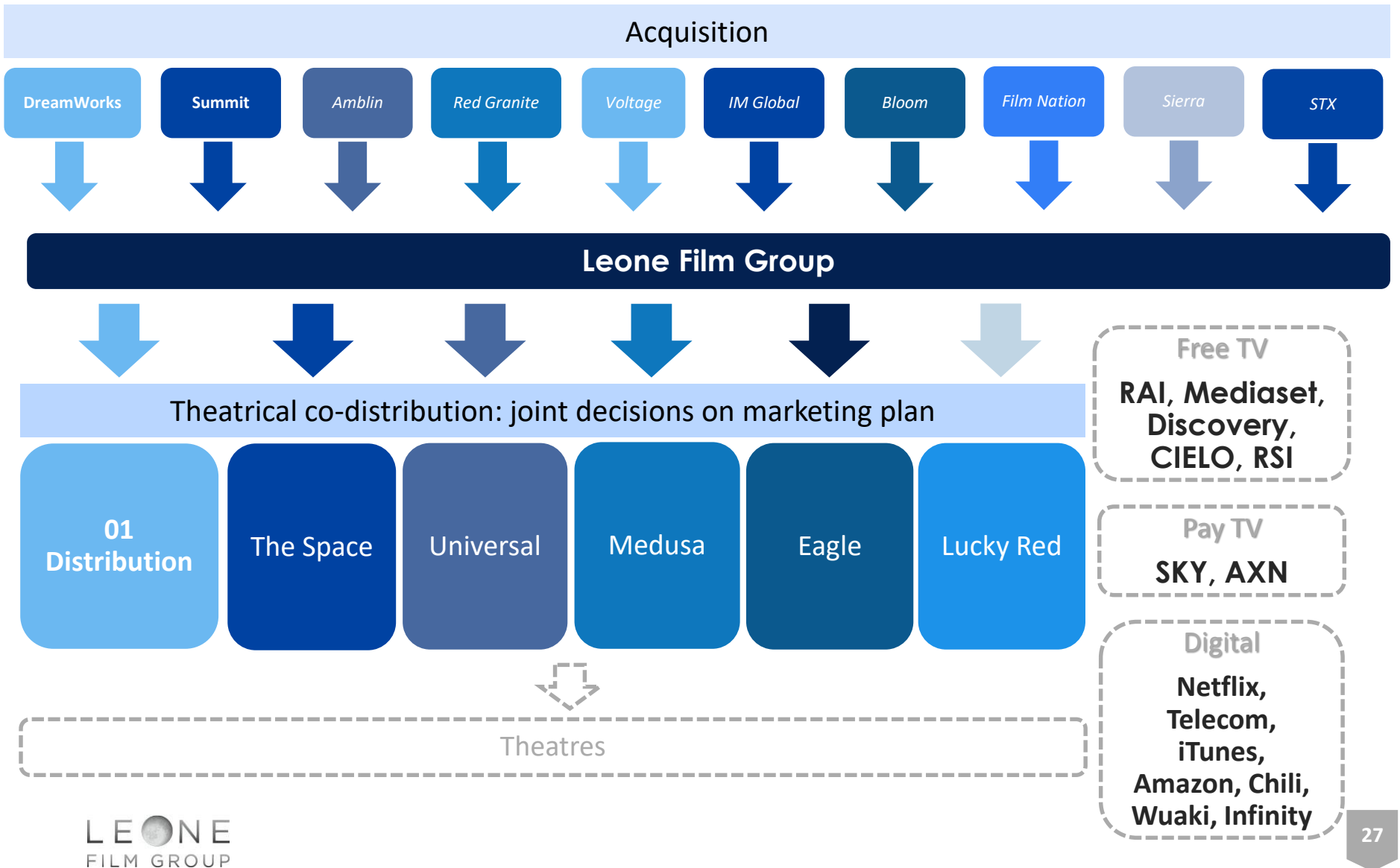


4. DISTRIBUTION

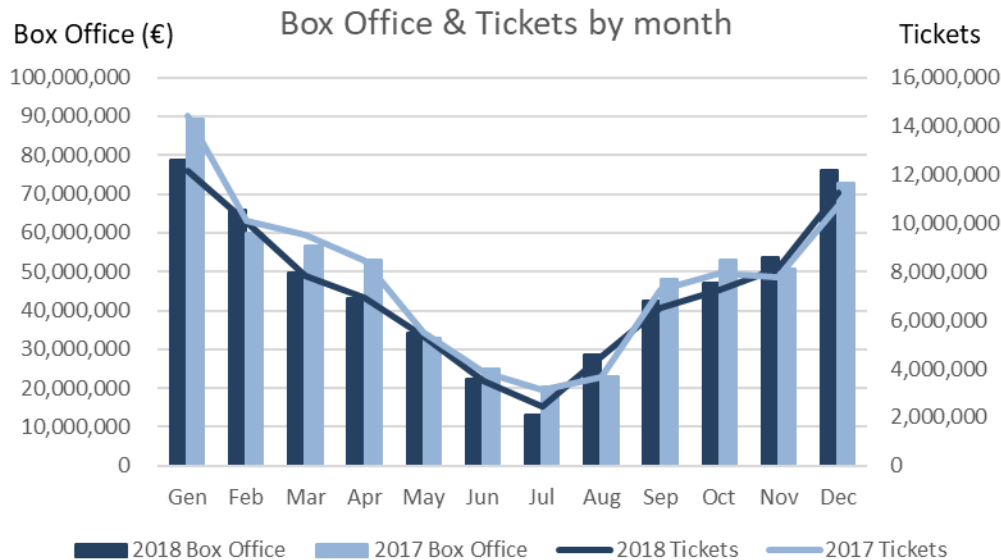
Business structure



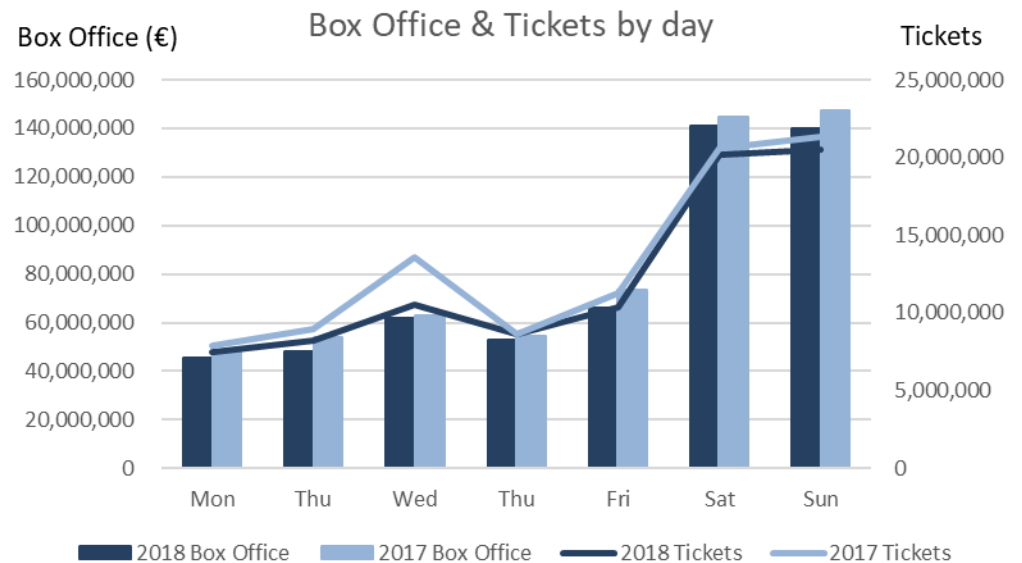
Theatrical Distribution structure



Theatrical Distribution market update



- Total Box Office 2018: 555.4 ml
(-5.0% vs 2017)
- Total Tickets 2018: 85.9 ml
(-6.9% vs 2017)



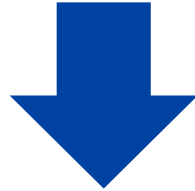
1st Cycle Distribution structure

Library



Home video

- 4 months after theatrical



Pay-TV

- 1 year after theatrical
- Exhibition weeks negotiated case by case
- Exclusive basis
- Flat fee



Free-TV

- 24 months after theatrical
- Re-runs negotiated case by case
- Exclusive basis
- No holdback
- Flat fee



Digital

- PPV: 7 months after theatrical on exclusive basis
- S-VoD: 12/27 months after theatrical depending on contract agreement
- Other VoD: negotiated case by case



5. PRODUCTION

Lotus business model hedges its risks pre-covering production budgets

Production

Project identification

Selection of director and cast

Sign agreements with all key players

Cost coverage

Production and co-production

Cost covered by pre-sales of rights, international sales, tax credit, governmental and regional incentives, equity

Executive Production

Costs entirely up-fronted by the client

Lotus receives a fee and a bonus depending on box office (plus other incentives)

No balance sheet nor P&L risk

Commercialization

Perpetual sale of content across all distribution channels
Library build-up as rights are retained

Sale of the entire product to a single client

Little or no rights are retained

Executive Production services for international producers

Many projects already completed

Our investment criteria in movie production

Stand-out

We focus on products which can be immediately recognized by the audience (director, cast, story, etc.)

Marketability

Commercial appeal is the key driver

Financial discipline

No cash-out until all movie costs are covered

Internationalization

Products that can be sold outside national borders are of particular interest

A Solid contracted pipeline



Paolo Genovese

Exclusivity contract up to 2023

- Screenwriter and Director on "THE PLACE" and "Perfetti sconosciuti"
- 6 additional movies as director
- 5 screenplays
- 1 TV Series as Showrunner



Paolo Virzì

2 movies as screenwriter and director

- "Notti Magiche"
- "La pazza gioia"



Rolando Ravello

- Exclusivity agreement as screenwriter and director till 2019



Maccio Capatonda

- Exclusivity agreement as screenwriter, director and actor till 2020



Herbert Ballerina

- Exclusivity agreement as actor till 2020



Giuseppe Tornatore

- Exclusivity agreement as screenwriter and director



Nicola Abbatangelo

- Exclusivity agreement as director



Gabriele Muccino

- Exclusivity agreement as screenwriter and director
- "A casa tutti bene"



Davide Gentile

- Exclusivity agreement as screenwriter and director for 3 movies or TV series



6. 2018 RESULTS AND 2021 TARGETS

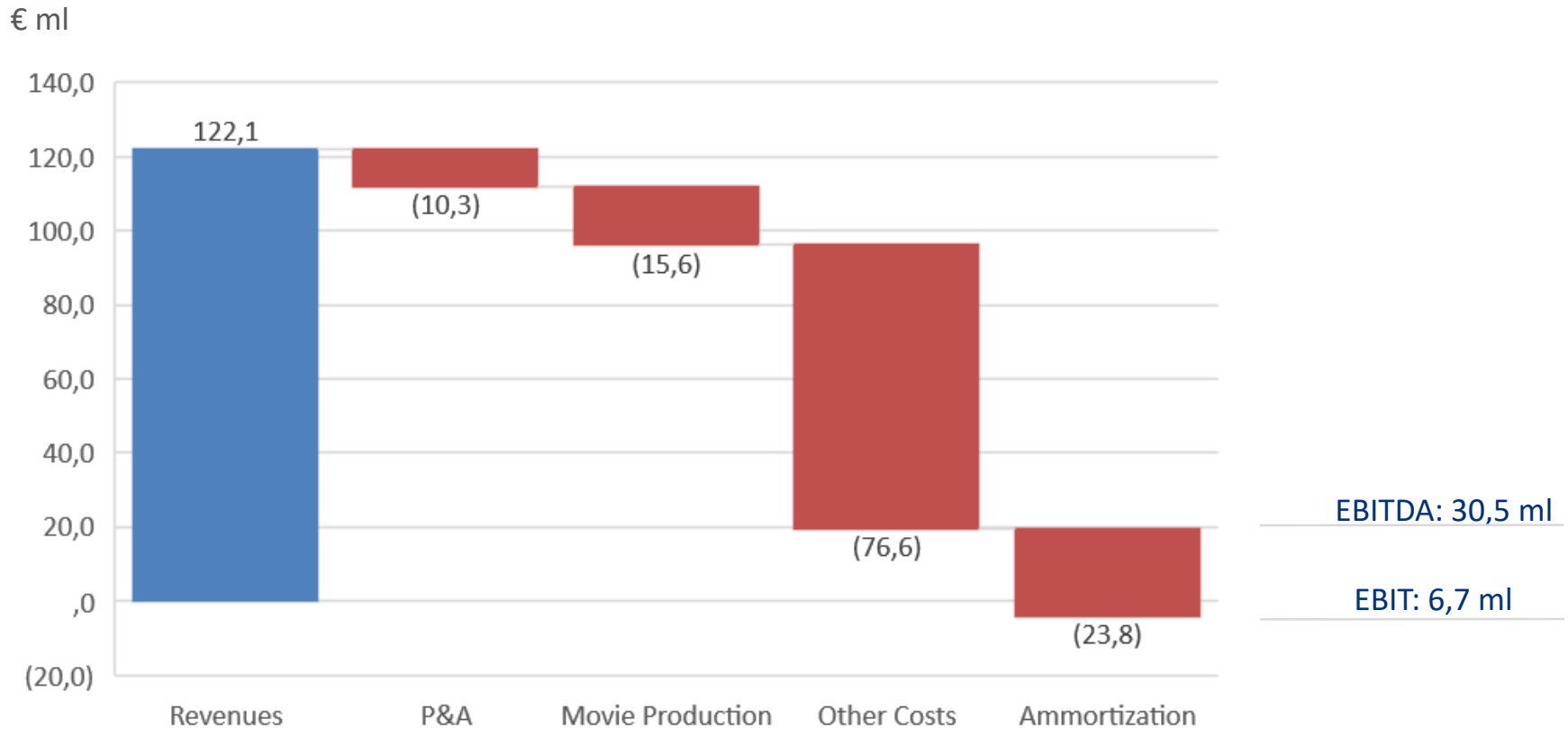
2018 Financial highlights

€ ml	2017A ⁽¹⁾	2018A ⁽¹⁾	growth
Revenues	105,8	122,1	+15%
EBITDA	29,4	30,5	+4%
EBIT	5,4	6,7	+23%
NET INCOME	3,9	6,8	+73%
CAPEX	33,6	23,2	-10,4
NET FINANCIAL POSITION	40,5	49,4	+8,9

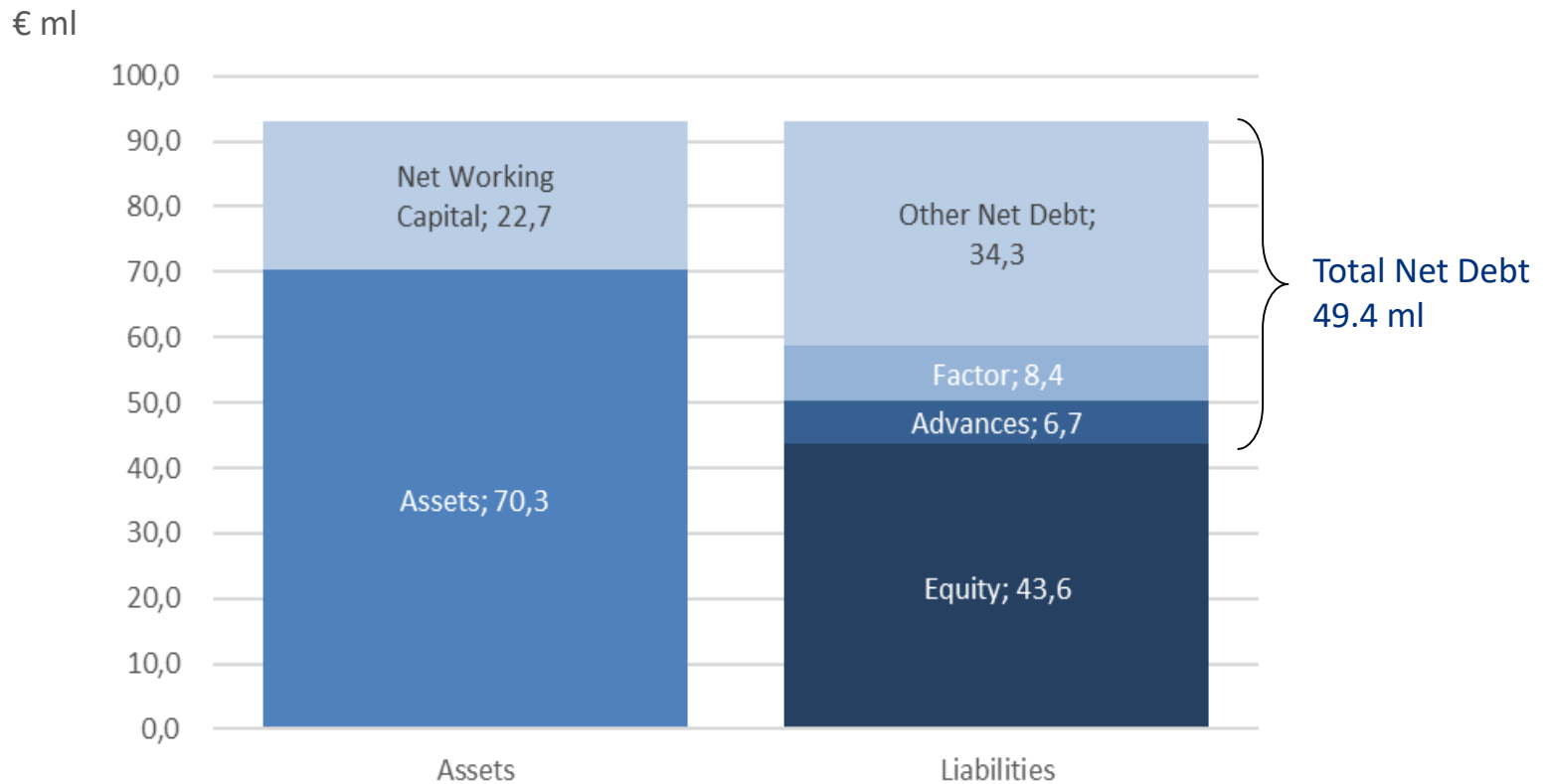
Our (old) targets for 2018

€ ml	2018E ⁽¹⁾	2018A ⁽²⁾	Δ	Δ%
Revenues	107,6	122,1	14,5	13,5
EBITDA	30,3	30,5	0,2	0,7
EBIT	6,5	6,7	0,2	3,1
Net Income	5,0	6,8	1,8	36,0
Net Financial Position/(Cash)	44,2	49,4	5,2	-11,8
Net Debt / EBITDA	1,5x	1,6x		
Total releases (#)	29	23	-6	
Distribution	22	16	-6	
Production	7	7	0	
Investments	27,3	23,2	-4,1	-15,0

2018 EBITDA and EBIT generation⁽¹⁾



2018 financial structure ⁽¹⁾



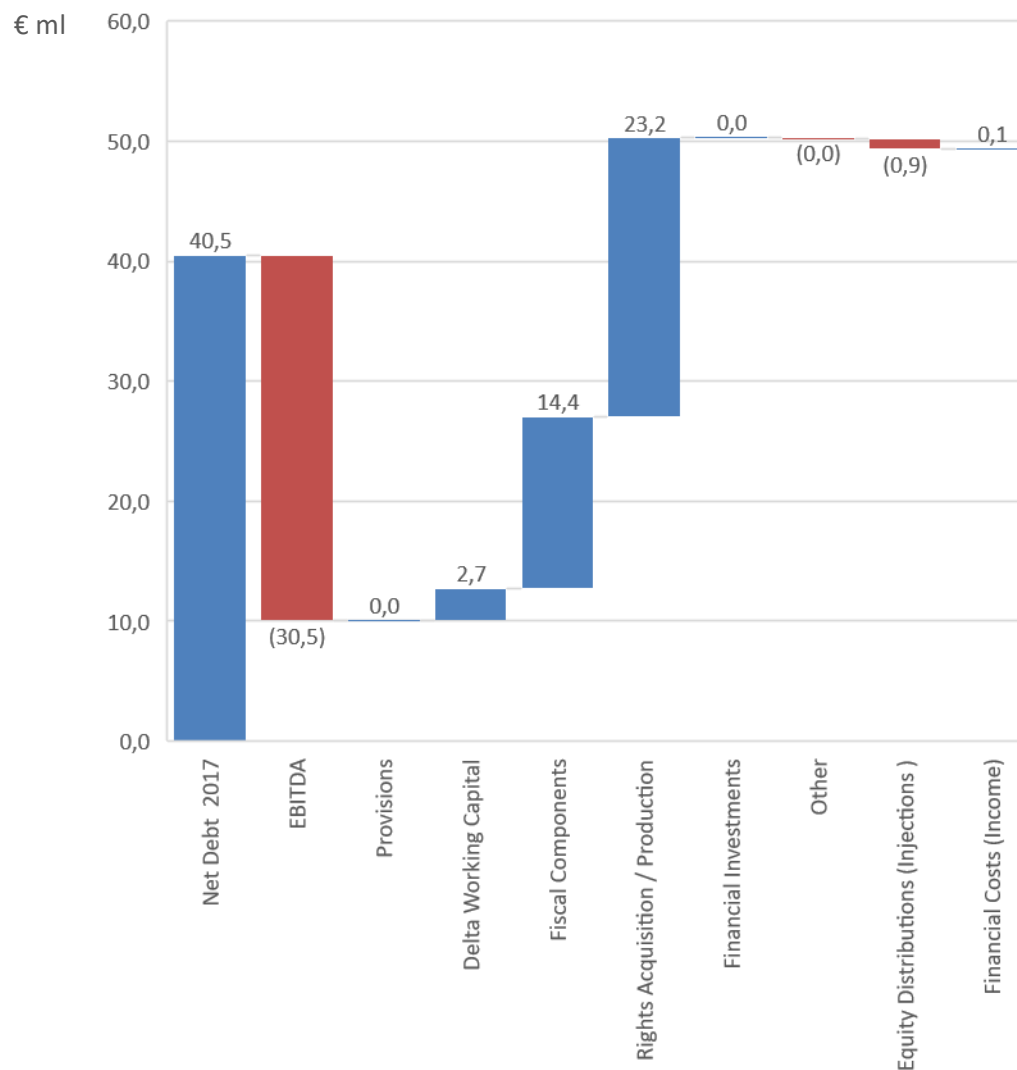
Net Financial Position evolution ⁽¹⁾

EBITDA 2018 exceeded investments by Eur 7,3ml

Fiscal components are responsible for the debt increase. As of December 2018 the Group accounted the following:

- VAT Credits: Eur 7,2 ml
- Production Tax Credits: Eur 10,2 ml

All other items are less relevant



Our targets for 2021

(€/m)	2018A	2019E	2020E	2021E	CAGR
Revenues	122,1	65,3	91,1	105,9	-3%
EBITDA	30,5	25,9	42,6	47,9	12%
EBIT	6,6	6,6	9,1	10,8	13%
Net Income	6,8	4,3	6,6	8,1	4%
Net Financial Position/(Cash)	49,4	57,6	60,8	70,3	
Net Debt / EBITDA	1,6	2,2	1,4	1,5	
Total releases (#)	23	19	26	26	3%
Distribution	16	16	20	17	2%
Production	7	3	6	9	6%
Investments	23,2	29,9	30,2	46,4	19%

The net financial position assumes an annual dividend distribution to shareholders equal to €1,278,000. The drop in production revenues in 2019 is mainly due to 1) the reduction in international executive productions, which since 2019 onwards is reduced from €60m to €20m/year due to the uncertainty of the tax credit process and 2) strong production activities in 2019 for movies that will be distributed only from 2020 onwards.

2021 targets by business

(€/m)	2018A	2019E	2020E	2021E
Revenues	122,1	65,3	91,1	105,9
Distribution	33,2	33,9	37,7	44,1
Production	88,9	31,4	53,4	61,8
Ebitda	30,4	25,9	42,6	47,9
Distribution	17,3	18,7	20,9	26,4
Production	13,1	7,1	21,6	21,4
Ebit	6,6	6,6	9,1	10,8
Distribution	0,6	4,9	3,1	3,0
Production	6,0	1,8	6,0	7,8

Distribution

(€/m)	2018A	2019E	2020E	2021E
Theatrical Releases (#)	16	16	20	17
Theatrical Revenues	7,2	7,9	8,6	8,0
Sale of Rights	2,7	1,9	2,2	4,8
Free TV	7,1	6,0	9,0	15,2
Digital + Pay-TV	10,8	16,1	15,7	14,5
Home Video	1,1	1,6	1,9	1,3
Others	4,4	0,3	0,3	0,3
Revenues	33,2	33,9	37,7	44,1
P&A and Other Costs	(15,9)	(15,2)	(16,8)	(17,6)
EBITDA	17,3	18,7	20,9	26,4
Amortizations	(16,7)	(13,9)	(17,8)	(23,4)
EBIT	0,6	4,9	3,1	3,0

Production

(€/m)	2018A	2019E	2020E	2021E
Productions	7	3	6	9
Revenues	88,9	31,4	53,4	61,8
Production, Corporate & P&A costs	(75,8)	(24,3)	(31,7)	(40,4)
EBITDA	13,1	7,1	21,6	21,4
D&A	(7,1)	(5,4)	(15,7)	(13,6)
EBIT	6,0	1,8	6,0	7,8

Our 2019 – 2021 expected releases

2019

- ✓ Vice
- ✓ Mia And The White Lion
- ✓ Green Book
- ✓ Remi Sans Famille
- ✓ After
- ✓ John Wick 3
- ✓ The Current War
- ✓ Hotel Artemis
- ✓ Booksmart
- ✓ Maradona
- Long Shot
- Where d’you go Bernadette
- Knives Out

2020

- The Gentlemen
 - 1917
 - Bombshell
 - Anna
- Missing Link
- Anna
- A Dog’s Journey
- The Lost Prince
 - Bios
 - After 2
- Saw: The Organ Donor
- The Turning
- Can You Keep A Secret

2021

- Killers of the Flower Moon
 - 355
 - Instrumental
- Rich Old Broads
 - Larry
 - Ruin
- Let There Be Rock
- Come Away
- The Minute Man
 - Unhinged
- Supereroi
 - Colt
- Virzì Untitled Project
 - Le Vendicatrici
 - 56k
 - Profondo Rosso
- Profondo Rosso – la serie
 - Gucci – La Serie



Distribution



Production



A lifetime commitment

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