

Anisha Krottapalli

A LOOK INTO HOW THE COMPANY IS DISRUPTING HOLLYWOOD

OVERVIEW

FOUNDERS



David Fenkel

Daniel Katz

John Hodges

Anisha Krottapalli

PREVIOUS POSITIONS

David Fenkel: President of Oscilloscope
Daniel Katz: Film financing at Guggenheim Partners
John Hodges: Head of production and development at Big Beach Films

INCEPTION

Constructed around one notion: There has to be a better way

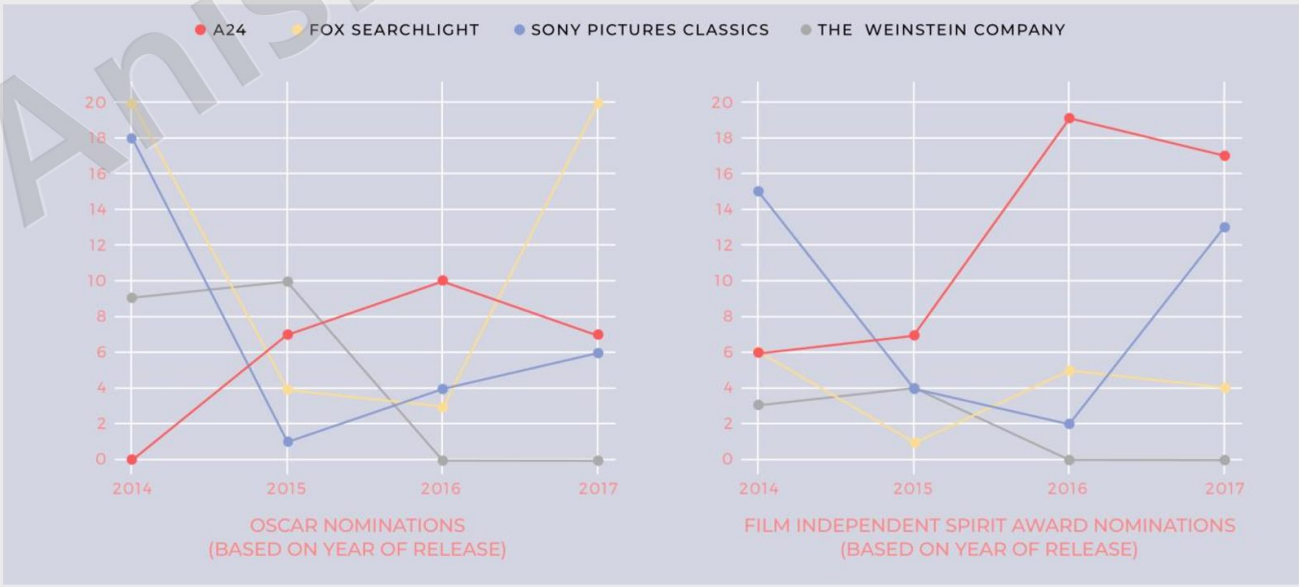
A24's initial funding came via an infusion of capital from Guggenheim Partners, the investment firm at which Katz previously oversaw film financing

PROMINENT FILMS

Rank	Movie Title (click to view)	Studio	Total Gross / Theaters		Opening / Theaters		Open
1	**Lady Bird**	A24	**$48,958,273**	1,557	$364,437	4	11/3/17
2	**Hereditary**	A24	**$40,860,630**	2,998	$13,575,172	2,964	6/8/18
3	**Moonlight (2016)**	A24	**$27,854,932**	1,564	$402,075	4	10/21/16
4	**Ex Machina**	A24	**$25,442,958**	2,004	$237,264	4	4/10/15
5	**The Witch**	A24	**$25,138,705**	2,204	$8,800,230	2,046	2/19/16
6	**The Disaster Artist**	A24	**$21,120,616**	1,010	$1,211,345	19	12/1/17
7	**Room**	A24	**$14,677,654**	862	$118,298	4	10/16/15
8	**Spring Breakers**	A24	**$14,124,284**	1,379	$263,002	3	3/15/13
9	**It Comes At Night**	A24	**$13,985,117**	2,533	$5,988,370	2,533	6/9/17
10	**The Lobster (US Release)**	A24	**$8,700,374**	560	$190,252	4	5/13/16
11	**Amy**	A24	**$8,413,144**	435	$222,500	6	7/3/15
12	**While We're Young**	A24	**$7,587,485**	762	$227,688	4	3/27/15
13	**The Spectacular Now**	A24	**$6,854,611**	770	$197,415	4	8/2/13
14	**The Florida Project**	A24	**$5,904,366**	229	$157,553	4	10/6/17
15	**The Bling Ring**	A24	**$5,845,732**	650	$214,395	5	6/14/13
16	**A Most Violent Year**	A24	**$5,749,134**	818	$172,788	4	12/31/14
17	**20th Century Women**	A24	**$5,664,764**	650	$111,200	4	12/28/16
18	**Swiss Army Man**	A24	**$4,210,454**	636	$105,453	3	6/24/16
19	**First Reformed**	A24	**$3,255,676**	334	$97,562	4	5/18/18
20	**Green Room**	A24	**$3,220,371**	777	$87,984	3	4/15/16

Source: Box Office Moio

Lady Bird – Golden Globe Award for Best Motion Picture
Moonlight – Oscar for Best Picture
Ex Machina – Best Visual Effects
Room – Brie Larson – Best Actress Oscar
Amy – Oscar for Best Documentary



Source: Ceros

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MARKET SHARE

Year by Year Market Share

Year	Movies in Release	Market Share	Gross	Tickets Sold	Inflation-Adjusted Gross	Top-Grossing Movie	Gross that Year
2013	5	0.26%	$27,871,548	3,428,232	$30,751,241	Spring Breakers	$14,124,286
2014	11	0.12%	$12,303,718	1,505,955	$13,508,416	Obvious Child	$3,122,616
2015	12	0.47%	$52,531,911	6,231,538	$55,896,896	Ex Machina	$25,440,971
2016	19	0.59%	$65,885,207	7,616,776	$68,322,481	The Witch	$25,138,705
2017	17	0.93%	$101,703,502	11,338,176	$101,703,439	Lady Bird	$31,432,463
2018	9	1.04%	$66,782,257	7,445,063	$66,782,215	Hereditary	$40,860,630

Source: Nash Information Services, LLC

In 2017, A24 surpassed Fox Searchlight and like-minded upstart Annapurna

Yearly Studio Market Share: Box Office Mojo

January 1–July 4, 2018

Rank	Distributor	Market Share	Total Gross*	Movies Tracked	2018 Movies**
1	Buena Vista	36.1%	$2,288.3	8	5
2	20th Century Fox	11.5%	$727.3	10	5
3	Universal	11.4%	$722.6	10	8
4	Warner Bros.	11.3%	$718.5	24	13
5	Sony / Columbia	7.1%	$451.2	12	7
6	Paramount	5.4%	$344.5	7	5
7	Lionsgate	3.3%	$209.3	11	10
8	STX Entertainment	2.4%	$152.8	6	4
9	Fox Searchlight	1.7%	$110.4	3	1
10	Roadside Attractions	1.6%	$102.8	6	5
11	Focus Features	1.3%	$85.4	8	5
12	A24	1.0%	$66.5	9	6
13	Entertainment Studios	0.8%	$53.2	3	2
14	MGM/UA	0.5%	$34.0	1	1
15	Global Road	0.5%	$33.7	3	3
16	Neon	0.4%	$28.4	5	4
17	Sony Classics	0.4%	$25.2	12	7
18	Aviron	0.4%	$24.6	1	1
19	Bleecker Street	0.3%	$17.5	7	6
20	Magnolia	0.2%	$13.9	15	12

* In millions. ** # of total movies tracked that were released in 2018.

Source: Box Office Mojo

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SUCCESS ATTRIBUTES

GQ INTERVIEW

GQ writer Zach Baron "spoke with the company's friends, collaborators, and employees to make sense of how A24 became the most interesting, creative, and reliable film company of the 21st century"

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Harmony Korine (director, 'Spring Breakers'): They have balls.

Barry Jenkins (director, 'Moonlight'): A24's the kind of company where they say, "Yeah, they don't need to know what it's about. They just need to know how it feels."

James Franco (actor, 'Spring Breakers,' 'The Adderall Diaries'): This is one of the things they're great at: taking something small and delicate and giving it the kind of support that other people can't.

Sofia Coppola (director, 'The Bling Ring'): I really like those guys. They don't have the personality of movie executives.

Asif Kapadia (director, 'Amy'): I suppose most filmmakers have had bad experiences in the past where you do all the hard work, and then these guys in slick suits come along and they're like, "We know what we're doing now! We'll handle it!" And if it works, it's them; if it doesn't work, it's all your fault anyway. And I felt with these guys it was a dialogue. I felt like we were all on the same team.

Alex Garland (director, 'Ex Machina'): They make things work that according to standard procedures really shouldn't work. And I'm not saying they're magicians. I think what they've understood is there's a sufficient number of people out there who want more challenging or different material. And they're aiming at them

GQ INTERVIEW CONTINUED

Brie Larson (actress, 'Room,' 'The Spectacular Now'): A24 has the unique ability to find and champion authentic narratives that cut to the core in a raw and honest way.

David Fenkel (co-founder, A24): We find movies [for which] our perspective, our system, our people, can act to make it something special. If it's gonna be released the same way by another company, we usually don't go after it.

Katz: There's all these really, really smart, capable, ambitious people that love movies. And they were like the third guy at the company. No one had a voice. I felt like there was a huge opportunity to create something where the talented people could be talented.

Pattinson: I mean, with Twilight, the first tour we did was literally going to suburban shopping malls and doing local-news stuff. And I think that really helped the movie. But I think in experiences since then, doing mid-budget or relatively low-budget movies, if you try to do a toned-down version of that—I've just seen it not work, again and again and again. And so with [The Rover], they took that into account, and instead of blowing loads of money, [they did] more targeted marketing and also really sophisticated online campaigns and stuff. They just seem like they're the first company that's really abandoned a lot of the

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SUCCESS ATTRIBUTES OF A24 FROM INTERVIEW

- ✓ They are trusted filmmakers
- ✓ They keep the creativity alive
- ✓ They place the quality of the films above all else, including whether or not the film makes any money
- ✓ They are inspiring
- ✓ They have good values
- ✓ They aim at people who want more challenging or different material
- ✓ They go after something different and special that cannot be replicated
- ✓ They are risk takers
- ✓ They have distinctive, successful marketing strategies
- ✓ A24 has a successful collaborative nature

CULTURE

"I felt like there was a huge opportunity to create something where the talented people could be talented," Mr. Katz

THE LITTLE MOVIE STUDIO THAT COULD BY BROOKS BARNES

Read the Full Article Here

Insiders say that the A24 culture bears more similarities to Silicon Valley than Hollywood. It's run like a collective. Nobody has a formal title. Young staff members are empowered to challenge the founders.

Ms. Aizenberg, who focuses on publicity, caught "The Florida Project" at last year's Cannes Film Festival and made a passionate case for A24 to buy the stylized drama. The New York Times critic A.O. Scott called it "risky and revelatory"

IS A24 THE NEXT MIRAMAX ? BY YOHANA DESTA

Read the Full Article Here

Jonah Hill, who is working on his directorial debut with A24, has painted a picture of an engaged, tightly knit office, recently telling The Wall Street Journal Magazine that he was invited to come in and "walk the whole staff through the movie," so that everyone was fully invested in and familiar with his vision.

Miranda Bailey, one of six producers for *Swiss Army Man,* said in an interview with *V.F.* that the company involved all of them—and the film's two directors—throughout the marketing process. Typically, she said, once a distributor takes a film, the creative team gets "pushed to the side." "[But] we don't want to have sell it and go, 'Bye! There goes three years of our lives! Hope you do a good job with it!' " she explained with a laugh. This notion—that A24 really *listens* to its creative partners—is one that comes up often with collaborators.

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MARKETING

RESOURCES

For most of its releases, A24 spends roughly 95% of its marketing money online to gather data and analytics that help them market the films in the social media space in ways that encourage movie viewers to pass the message on organically

Companies utilized:

- theAudience
- Operam
- Watson/DG

THE LITTLE MOVIE STUDIO THAT COULD BY BROOKS BARNES

The following snippet from the article describes A24's marketing philosophy and strategy:

Across Hollywood, all most executives talk about are franchises and "tent poles," movies with edges sanded off so they can play to the widest possible global audience. Even most art house companies, struggling to fill seats in the age of Netflix, have become more dependent on stars and marketable concepts.

At A24, the talk is about artistic impulses first and foremost — how do we make a really cool movie — and then the studio tries to lean into whatever that may be in its marketing campaign, even if it's weird. "They seem like they are relying only on their taste and instinct, and that confidence makes everyone want to work with them," said Scott Neustadter, who is nominated with Michael H. Weber for an adapted screenplay Oscar for "The Disaster Artist."

"We're always cognizant of trying to sell the film by not selling it," said marketing executive Patrone-Werdiger, speaking to A24's rare faculty for promoting around the product its trying to push, shifting the tectonic plates of culture in the hopes of giving rise to a

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SUCCESSFUL MARKETING CAMPAIGNS

Spring Breakers Campaign:

Rather than carpet-bomb the whole country with prohibitively expensive television ads, A24 partnered with a social marketing agency called theAudience in order to more precisely reach its target demographic. Beginning with hedonistic images of Disney starlets gone wild, the campaign consisted of producing Facebook ads that could also function as content—people wanted to share this stuff. Your eyes don't gloss over James Franco as a trap music Jesus.

Of the 174 million impressions that the movie made in the weeks leading up to its debut, 49 percent were organic, meaning that you were just as likely to learn about a new Harmony Korine film from your weird aunt's personal page as you were from a promoted update in your news feed. (For context, the Spring Breakers Facebook page has 1.1 million likes, while that for Fox Searchlight's Best Picture-winning Birdman has only 289,000.) How do you know when an ad campaign is working? When your audience does the work for you.

The director of the film, Harmony Korine, complimented A24's approach, stating, "They saw that marketing was a creative act that could be entertaining in and of itself. They were thinking in a different way, trying something newer and maybe more radical with their approach…"

Ex Machina's Marketing Campaign:

- The campaign was aided by Watson/DG
- Used Tinder to promote movie during SXSW

Swiss Army Man's Marketing Campaign:

- Sent a message in a bottle with an SOS text number to media outlets

KEY TAKEAWAYS OF A24 MARKETING

- Targeted marketing
- Sophisticated campaigns
- Abandoned many of the old models
- Creative, bold, and unconventional marketing efforts
- Strive to pass the message on organically - use of word of mouth

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SUSTAINABILITY

COMPETITOR THREAT

Neon

- Also focused on using social media to target millennials
- Behind "I, Tonya," the darkly comedic Tonya Harding biopic that collected about $30 million

Blumhouse Productions

- Focused auteur-driven horror movies
- Low-cost, share-in-the-rewards business model
- Behind "Get Out", "Whiplash", and the TV series "The Jinx: The Life and Deaths of Robert Durst"

STATE OF INDUSTRY THREAT

- Distribution companies are undergoing declining profits over the past few years with the introduction of streaming services
- Even giant studios such as Paramount are struggling
- Especially hard for small distributors

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SMART DECISIONS BY A24 TO SUSTAIN AND PROSPER

Built a strong brand identity

- Introduced its own podcast
- Publishes an A24 magazine that is distributed free to trendy hotels
- Sell limited-edition merchandise
- Planning special musical events

Entered lucrative deals

- DirecTV Cinema - a partnership to co-finance independent films in exchange for the rights to offer them exclusively before they hit theaters
- Amazon Prime - multiyear deal to make its movies available solely for Amazon subscribers after they're released on DVD and Blu-ray

A24 TV: Entered television market with positive reviews

- Playing House
- The Carmichael Show
- Comrade Detective
- Agents say that A24 hopes to self-finance four to six new series annually
- Latest News: Drake to Executive Produce A24 Series "Euphoria" Starring Zendaya

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