



# Pictures Segment

Sony Pictures Entertainment

Executive Vice President  
Sony Corporation

Chairman & CEO  
Sony Pictures Entertainment

**Tony Vinciguerra**

## Senior Leadership Team

Pictures Segment

June 2017



**Tony Vinciguerra**  
Chairman and CEO

September 2018



**Stacy Green**  
EVP, Chief People  
Officer

August 2018



**Erik Moreno**  
EVP, Corporate  
Development  
And M&A

November 2017



**Mike Hopkins**  
Chairman,  
Sony Pictures  
Television

July 2017



**Jon Hookstratten**  
EVP, Administration &  
Operations

May 2016



**Philip Rowley**  
SEVP & Chief  
Financial Officer

May 2015



**Robert Lawson**  
EVP, Chief  
Communications  
Officer

February 2015



**Tom Rothman**  
Chairman, Motion  
Picture Group

April 2001

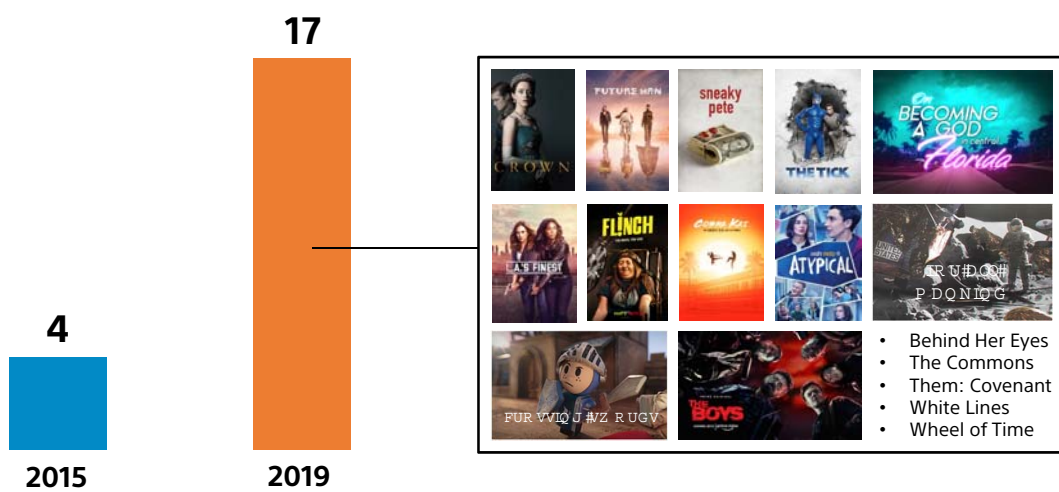


**Leah Weil**  
SEVP & General  
Counsel

Sony Corporation

# State of the Entertainment Industry

## Increase in Sony Pictures Streaming Shows



## **"Reimagine" SPE**

Pictures Segment

- Global Digital Centers for Theatrical Marketing
- Consolidation of Media Networks, TV Distribution and Home Entertainment
- Media Networks Portfolio Review

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Pictures Segment

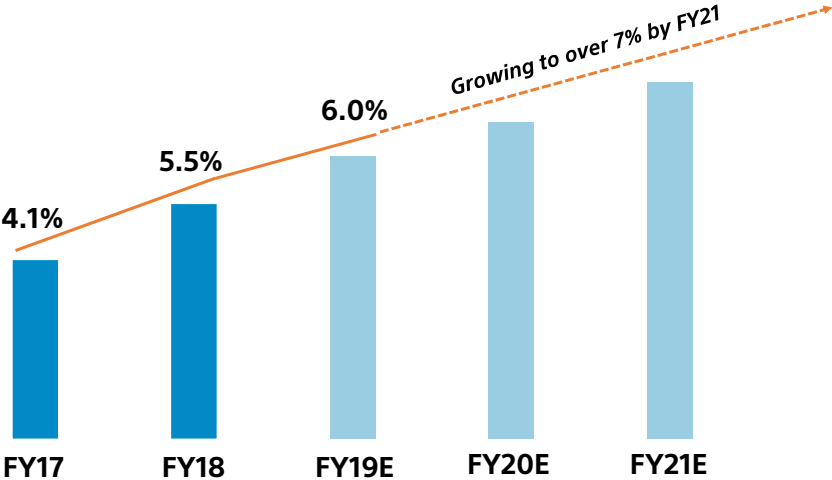
## **"Reimagine" SPE**

*Approximate Annualized Savings of \$135 million*

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# Margin Improvement

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Operating Margin

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# Controlling Cost/Managing Risk

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- Controlling Production Costs
- Managing Marketing Spend
- Co-financing/Strategic Partnerships

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## Managing Risk & Volatility

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Expanded relationships, co-financing partners

**PERFECT  
WORLD**

**Tencent 腾讯**

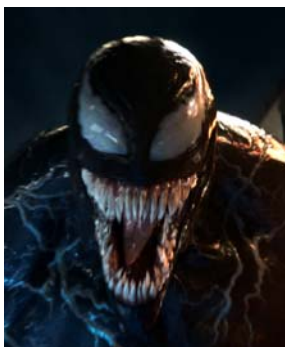
**Alibaba Group**  
阿里巴巴集团

**BONA**

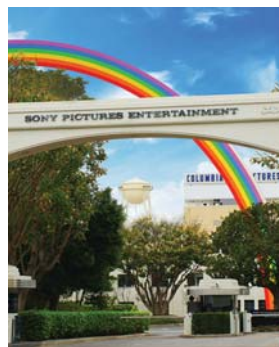
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## Four Pillars

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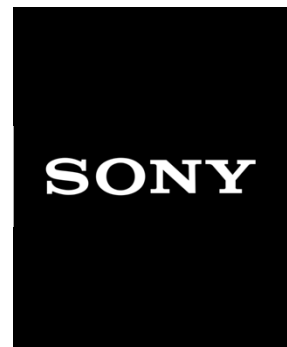
**Strong I.P.**



**Independent Studio**



**Content Library**



**One Sony  
Collaboration**

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## Strong I.P.

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Sony Pictures Universe of Marvel Characters



Extending SPE's Library I.P.



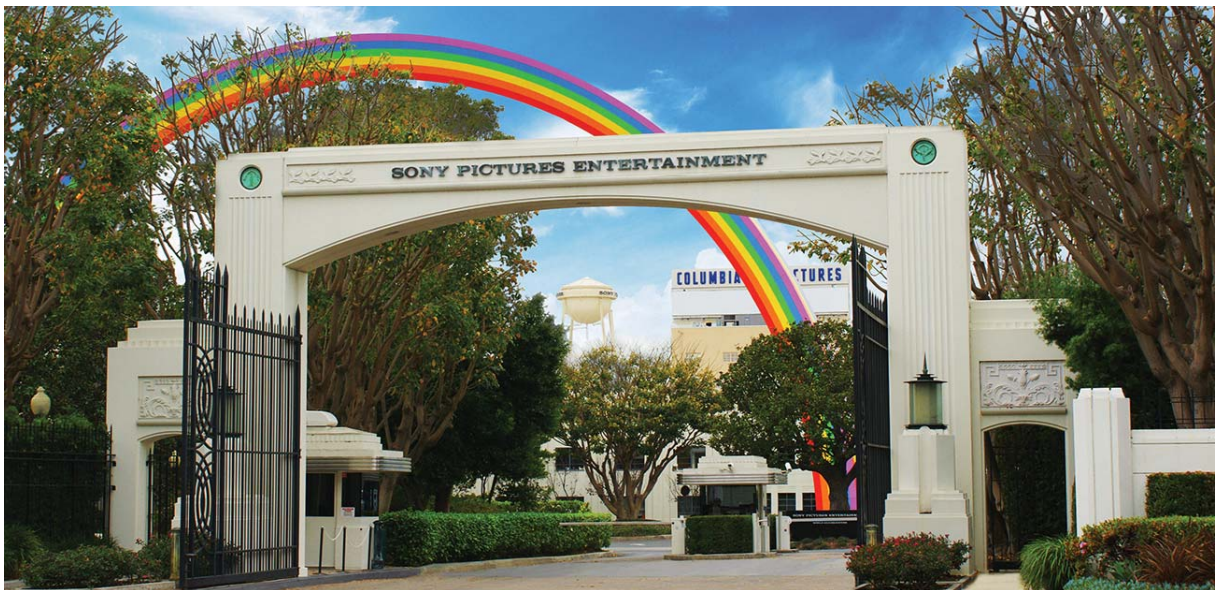
Focus on I.P.-Based Material and Franchises



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## Independent Studio

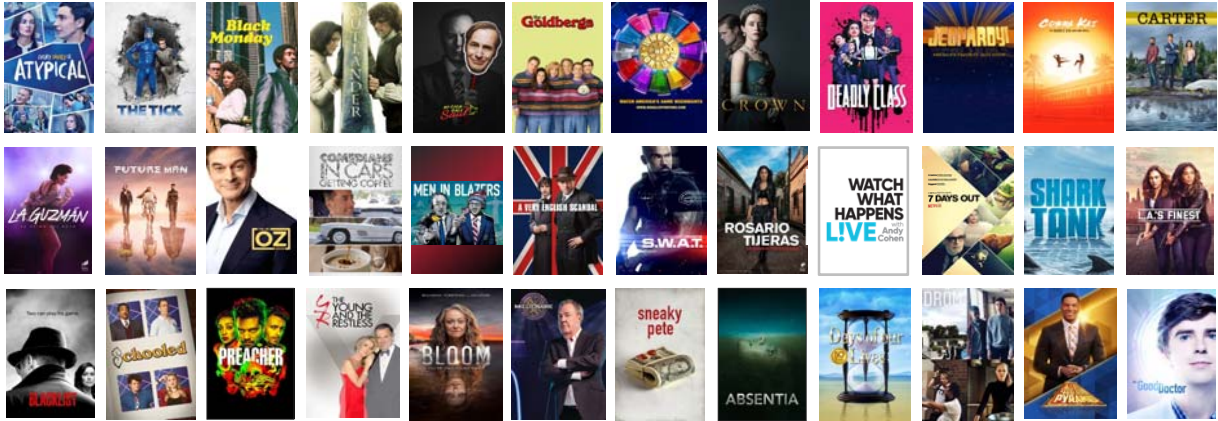
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## Diversified Portfolio of Shows...

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## ...Across All Platforms

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**Content Library**

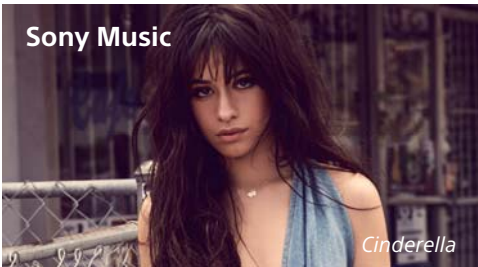
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**One Sony Collaboration**

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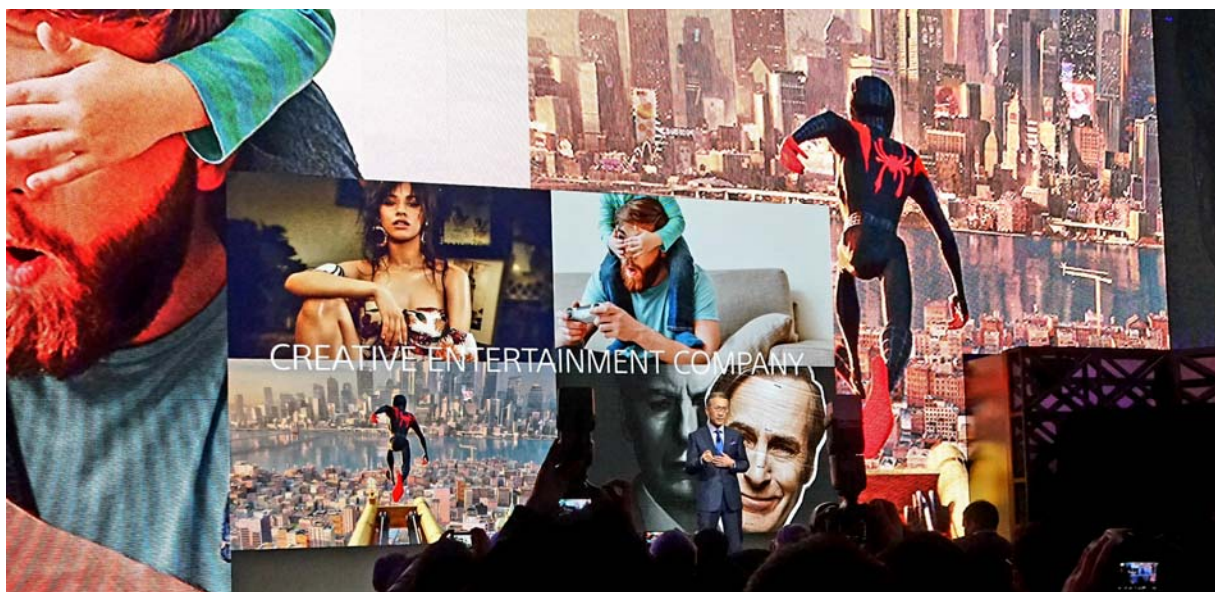
# Sony's Breadth and Scale

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Pictures Segment



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## Sony Tech in Production

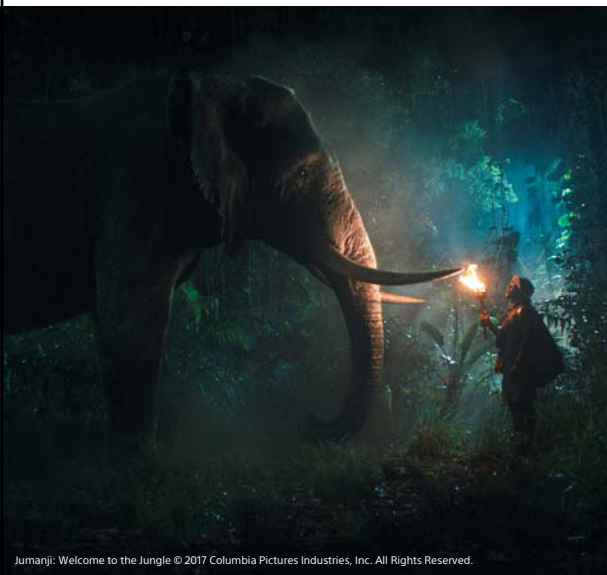
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## Creating & Delivering High Quality Content

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## Sony Tech in Delivery

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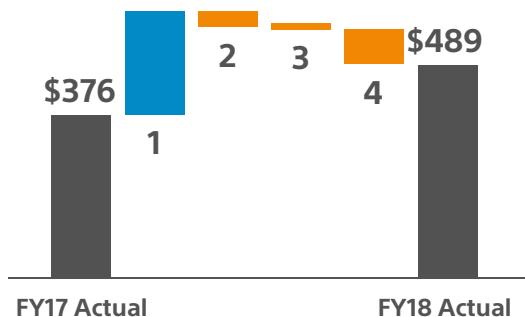
## SPE FY18 Review

(\$ in millions)

Sales revenue  $\xrightarrow{-2.9\%}$

**\$9,133**  $\rightarrow$  **\$8,870**

Operating income



Note: FY17 Revenues and OI are under Old GAAP. FY18 Revenues and OI are under New GAAP.  
Source: Pictures Segment Supplemental Data, March 31, 2019

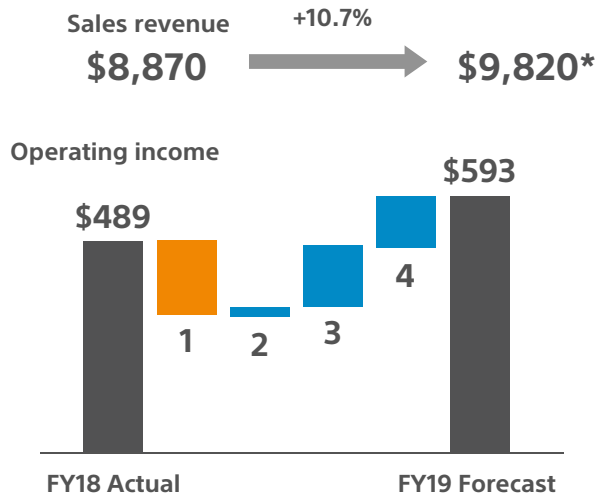
**Revenue Decreased 3% To \$8.9 Billion;  
OI Grew 30% To \$489 Million**

1. Substantial increase in Motion Pictures' OI driven by the carryover performance in FY18 of higher margin FY17 titles such as *Jumanji: Welcome to the Jungle* and *Peter Rabbit* (no comparable carryover performance in FY17 from FY16 titles), higher television/home entertainment sales and margins, and development/overhead savings
2. In Television Productions, lower revenues in the current year from various current and prior U.S. television series
3. Media Networks had lower advertising and subscription revenues at SPNI and various international channels
4. One-off charges due to Media Networks portfolio review costs, partially offset by impact of GAAP rules change

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## SPE FY19 Forecast

(\$ in millions)



Note: Revenues and OI are under New GAAP  
Source: Pictures Segment Supplemental Data, March 31, 2019 and SPE Management  
\* FY19 sales forecast converted at 110 JPY/USD to ¥1,080 billion

## Assumptions for FY19:

1. Projected decrease in Motion Pictures OI is due primarily to slate mix and timing (e.g., larger 4th quarter theatrical marketing expense in FY19) and less carryover performance from the FY18 slate than the carryover into FY18 from the FY17 slate
2. Television Productions is forecasting an increase in OI related to the 3rd season of The Crown and assumed new and returning series, partially offset by increased development expense
3. Media Networks growth primarily from India as well as the projected improvement in earnings from the MN portfolio review undertaken in FY18
4. One-off charges in FY18 due to Media Networks portfolio review costs

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# SONY