



# IDW

**INVESTOR PRESENTATION**

**May 2022**

# SAFE HARBOR STATEMENT



This presentation of IDW Media Holdings, Inc. (IDWMH) contains forward-looking statements. Statements that are not historical facts are forward-looking statements, and such forward-looking statements are statements made pursuant to the Safe Harbor Provisions of the Private Securities Litigation Reform Act of 1995. Examples of forward-looking statements include statements about IDWMH's and its divisions' future performance, projections of IDWMH's and its divisions' results of operations or financial condition, and statements regarding IDWMH's plans, objectives or goals, including those relating to its strategies, initiatives, competition, acquisitions, dispositions and/or its products and offerings.

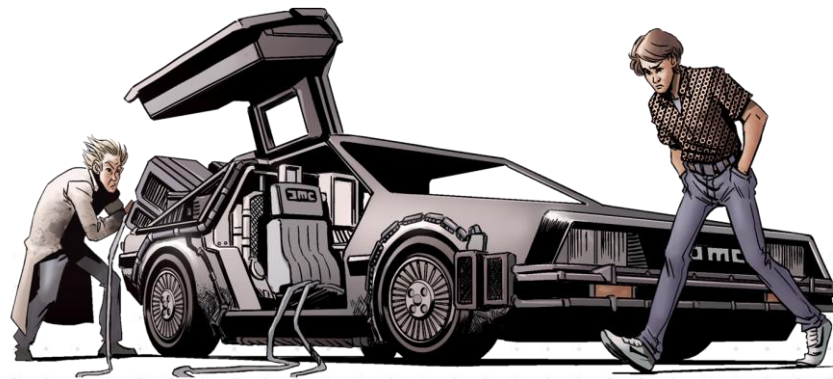
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Forward-looking statements are based on IDWMH's current expectations, estimates and assumptions. Because forward-looking statements address future results, events and conditions, they, by their very nature, involve inherent risks and uncertainties, many of which are unforeseeable and beyond IDWMH's control. Such known and unknown risks, uncertainties and other factors may cause IDWMH's actual results, performance or other achievements to differ

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These factors include those discussed under the headings “Risk Factors” and “Management's Discussion and Analysis of Financial Condition” and “Results of Operations” in IDWMH's filings made with the Securities and Exchange Commission. IDWMH cautions that such factors are not exhaustive, and that other risks and uncertainties may cause actual results to differ materially from those in forward-looking statements.

Forward-looking statements speak only as of the date they are made and are statements of IDWMH's current expectations concerning future results, events and conditions. IDWMH is under no obligation to update any of the forward-looking statements, whether as a result of new information, future events or otherwise.



# INTRODUCING IDW





We create and develop stories  
that captivate audiences,  
and build those stories into  
high-value franchises



## IDW AT A GLANCE



**280**  
Comics  
+  
graphic novels  
published  
(2021)



**5+**  
Streaming  
shows aired



**50+**  
Current  
licensors



**80**  
Employees



**450**  
Authors  
and  
illustrators  
published



**40**  
Eisner Awards



**40** Eisner Awards

**10** Harvey Awards

**4** Kidscreen Awards

**3** American Library  
Association Awards

**2** People's Choice Awards

**1** National Book Award

**1** Printz Award

Critical acclaim in  
publications such as...

*The Washington Post*

**DEADLINE**

**Entertainment**  
WEEKLY

*THE*  
**Hollywood**  
REPORTER

# SELECT BOARD & EXECUTIVE LEADERSHIP

A team with the experience, drive and passion to expand IDW's market impact



**Howard Jonas**

*Chairman of the Board*



**Allan Grafman**

*Board Member*

Former President, Archie Comics;  
EVP & CFO of Hallmark  
Entertainment



**Chris McGurk**

*Board Member*

Chairman & CEO of Cinedigm Digital  
Cinema; Former Vice Chair & COO of MGM

**Ezra Rosensaft**

*Chief Executive Officer*

20 years at HBO and KPMG



**Brooke Feinstein**

*Chief Financial Officer*

CPA; Grant Thornton;  
Buchbinder Tunick



**Nachie Marsham**

*Publisher, IDW Publishing*

Executive Editor, Disney Publishing  
Worldwide; Editor, DC Comics



**Paul Davidson**

*EVP, IDW Entertainment*

EVP Film and TV, The Orchard;  
Microsoft Xbox Video





# IDW

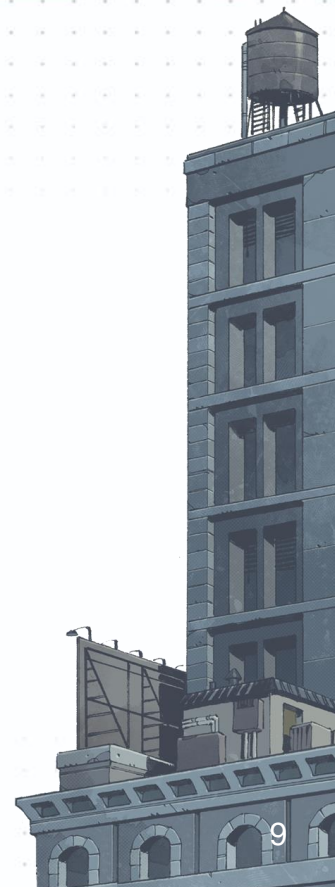
PUBLISHING

# LEADING INDEPENDENT PUBLISHER OF COMICS AND GRAPHIC NOVELS



- “Fourth largest” direct market publisher of comics and graphic novels\*
- Award-winning titles with renowned and emerging authors and illustrators
- Ramping up development of original IP-based titles
- Market leader in licensed publishing, with iconic brands including Disney, Marvel, DC Comics, SEGA, Viacom, Lucasfilm and Hasbro

\*In the US. Source: [Diamond Comic Distributors: 2020 year-end market share report](#); Direct Market defined as retailers bypassing existing distributors to make “direct” purchases from publishers, of which the defining characteristic of the direct market, however, is non-returnability.



# HOME TO RENOWNED AND UP & COMING CREATORS



**George Takei**  
**Kevin Eastman**  
**McElroy Brothers**  
**Congressman John Lewis**

**Stephen King**  
**Joe Hill**  
**Alan Moore**  
**Stan Sakai**

Kim Dwinell  
AJ Mendez  
Marieke Nijkamp  
Steve Niles  
Mairghread Scott  
Scott Snyder  
Matthew Klein  
Scott Bryan Wilson

John Layman  
Nick Bradshaw  
Gale Galligan  
Katie Cook  
Sam Maggs  
Cavan Scott  
Matthew Erman  
Lonnie Nadler

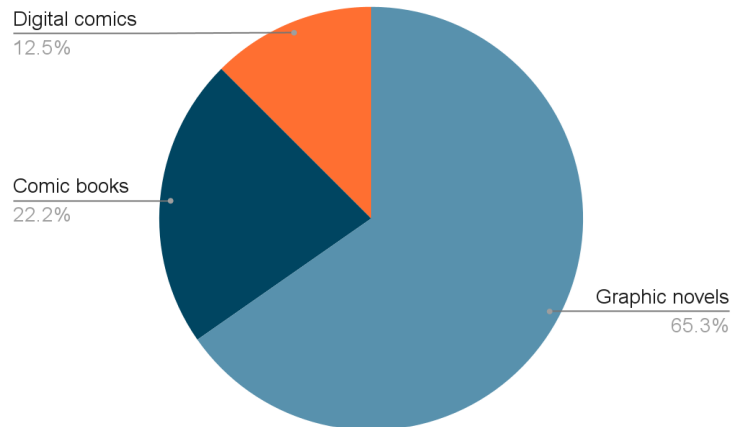
Dan Schoening  
Alan Robert  
Delilah S. Dawson  
Bernie Wrightson  
Ian Flynn  
Van Jensen  
Robbie Thompson  
G. Willow Wilson



## Addressing the Insatiable Appetite for Content Beyond Superheroes to a Wider Consumer Base

- Diversifying genres, story types, voices and formats
- Developing exciting new graphic novel offerings for young readers to meet exceptional demand
- Extending book market reach through opportunities in eCommerce and mass market
- Expanding investment in original IP with focus on high-growth genres and channels

## Robust \$1.3 Billion Market for Comics and Graphic Novels<sup>1</sup>



**8% CAGR led by children's graphic novels  
and book channel sales**



## Expanding adult and kids original IP titles to feed the entertainment slate



### **ADULT: Drama, Horror, Sci-fi**

IDW titles similar to:

*Locke & Key* by Joe Hill &

Gabriel Rodriguez

*Wynonna Earp* by Beau Smith

*30 Days of Night* by Steve Niles



### **KIDS: Young Adult, Middle Grade**

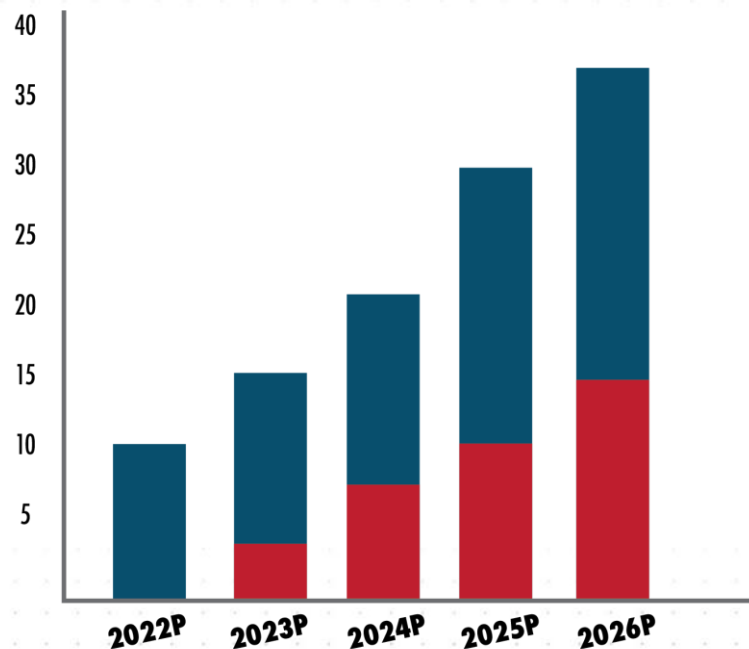
IDW titles similar to:

*Johnny Boo* by James Kolchalka

*Surfside Girls* by Kim Dwinell

*Monster on the Hill* by Rob Harrell

Expansion of Original Titles Planned by  
Target Market





Licensed content  
generates stable cash  
flows for investment  
in original content  
development

# IDW

ENTERTAINMENT



# BUILDING FANDOM ACROSS ENTERTAINMENT PLATFORMS



Develop, produce, and distribute

**SURFSIDE GIRLS**

Apple TV+

**LOCKE & KEY**

NETFLIX

**WYNONNA EARP**

SYFY NETFLIX

**V WARS**

NETFLIX

**OCTOBER FACTION**

NETFLIX

**DIRK GENTLY**

BBC  
AMERICA

AMC

# THE CONTENT ARMS RACE

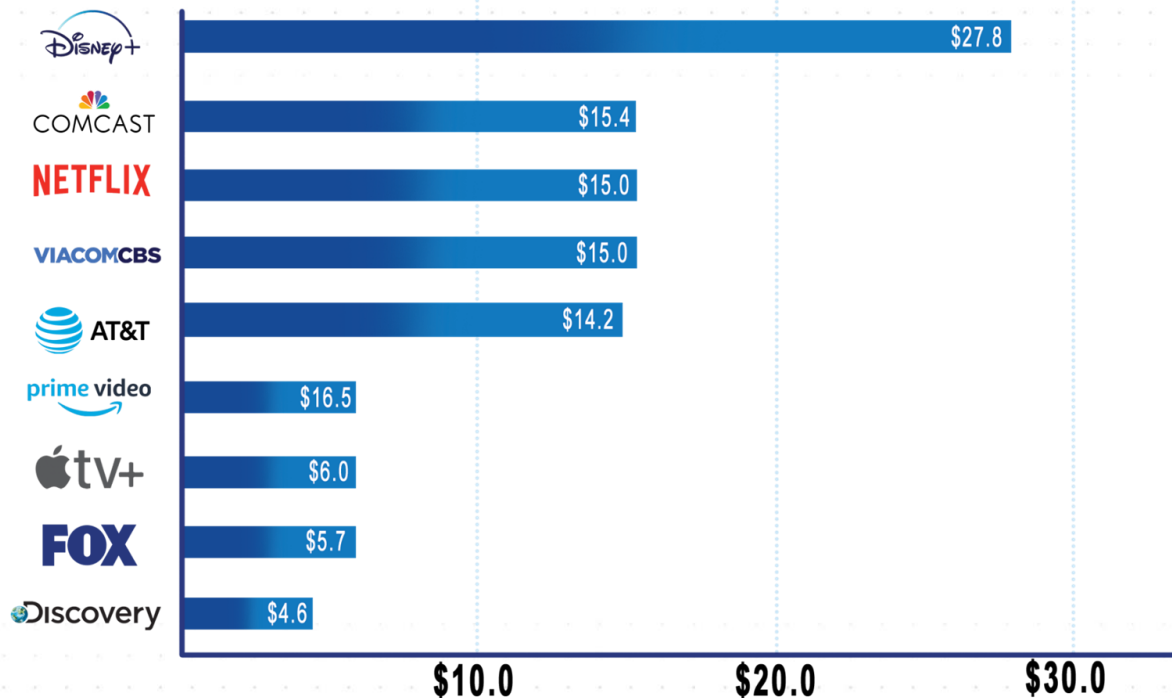
Driving Massive Investment in IP & Video Content



Global content investment is expected to exceed \$230 billion in 2022, primarily driven by subscription streaming services<sup>1</sup>

## CONTENT SPEND BY SERVICE<sup>2</sup>

2019 in billions.



Streaming services on this list are potential customers. Netflix has streamed 4 of IDW Entertainment's shows.

<sup>1</sup>Ampere Analysis

<sup>2</sup>Variety Intelligence Platform



AUGUST  
MOON



D4VE



INCREDIBLE  
CHANGE  
BOTS



INFINITE  
KUNG FU



DOC MACABRE



JOHNNY  
BOO



LODGER



ALEISTER  
ARCAINE



ASSASSINISTAS



PINOCCHIO:  
VAMPIRE  
SLAYER



PIRATE PENGUIN  
VS  
NINJA CHICKEN



RADICAL SHIFT  
OF  
GRAVITY



SPACEBAT  
& THE  
FUGITIVES



BATS IN THE  
BELFRY



HOMETIME

# DE-RISKED BUSINESS MODELS

For Predictable Cash Flows



## ON BUDGET PRODUCER FEES

- Fees paid on project production budget
- Often includes a share of back-end profits and limited merchandising rights

## COST PLUS

- Primarily offered by global OTT & streamers
- Covers production budget plus a percentage
- Producer may retain some ancillary and merchandising rights

## STUDIO

- Proceeds from one or more network sales fund production
- Studio generally retains control of global territories and merchandising rights

# IDW

## INVESTOR THESIS





## A disciplined process for identifying rising creative talent for originals

- Developing the “machine” for franchise discovery and creation
- Focus on original pitches from current and aspiring comic creators
- Criteria-based approach allows flexibility to sign best creators, in premium genres; at win-win rates

**500-1000**  
SUBMISSIONS

IDW Publishing reviews 500-1000 submissions annually

**20-40**  
PUBLISHED  
ORIGINALS

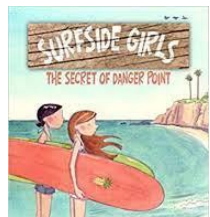
20-40 submissions are published each year

**4-6**  
GREENLIT  
TV

In 2+ years, goal is to generate 4-6 greenlit TV projects per annum

**1-2**  
FILM

Within 3-5 years, goal is for studios to greenlight 1-2 film projects per annum



**PUBLISHING:**  
IP Machine that Pays for Itself

- 100+ fully developed original titles with over 1000 characters in the IDW library
- Adding 40+ fully developed titles and 400+ characters per year

**Economics**

- Each title costs ~\$100k to publish
- 75+% of titles more than cover their costs; losses on others are de minimis



**ENTERTAINMENT:**  
Significant ROI on Select IDW Titles

- Targeting 3-5 new titles per year to generate repeating high-margin revenue
- Growing pipeline of entertainment projects

**Economics**

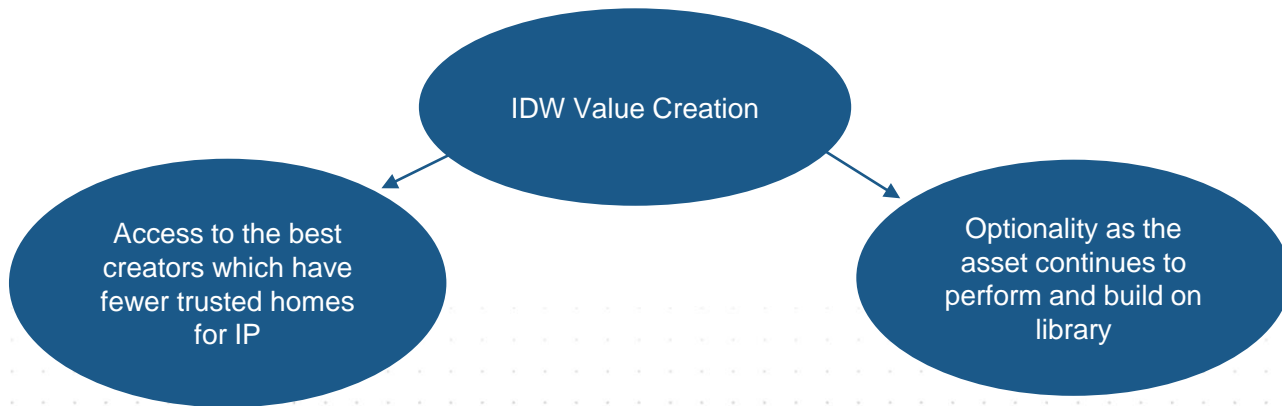
- IDW receives fees from distributors in the form of pure incremental profit ranging from \$1M to >\$3M per season

The Future:  
Further Upside  
Generated by  
Reciprocal Use of IP  
in Both Divisions

Virtuous Cycle:  
Entertainment Drives  
Increased Publishing  
Sales



- Most content creators have been acquired by companies such as Disney, DC Comics, Valiant, etc.
- Competitor Dark Horse Comics, for example, was recently acquired by Embracer Group, a multi-billion-dollar gaming conglomerate
- Consolidation is expected to continue as companies look to drive value by owning/expanding their IP libraries; the value of owned IP is further increased for consolidators in streaming, gaming, Web3, etc. as they can essentially decide which assets in their library are “winners” by having control over distribution and available spend on production





## A Case Study

### Building a Successful Cross-Platform Franchise

**2008 - 2013** IDW publishes original 37 *Locke & Key* comics in six story arcs

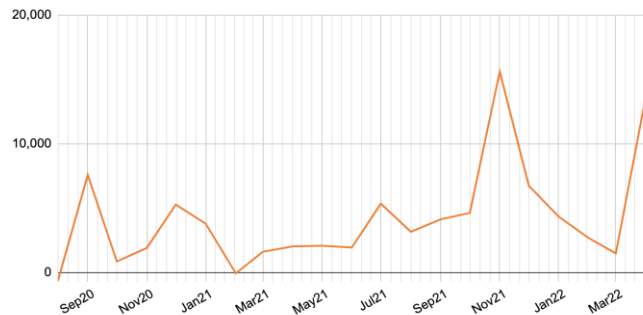
**2008 - 2017** IDW publishes Standard & Master collections

**2020** Netflix Premiere  
Netflix orders Seasons 2 and 3

**2021** IDW Publishing teams with DC Comics for crossover event with Neil Gaiman's *The Sandman Universe*  
Netflix airs Season 2

**2022** Netflix scheduled to air Season 3

Locke & Key Monthly Sales (Units): June 2020 - April 2022



Halo effect of Season 1 and 2 on book sales.  
Anticipate similar halo effects after Season 3



### Un-Locke-ing Value

#### **BUILD:**

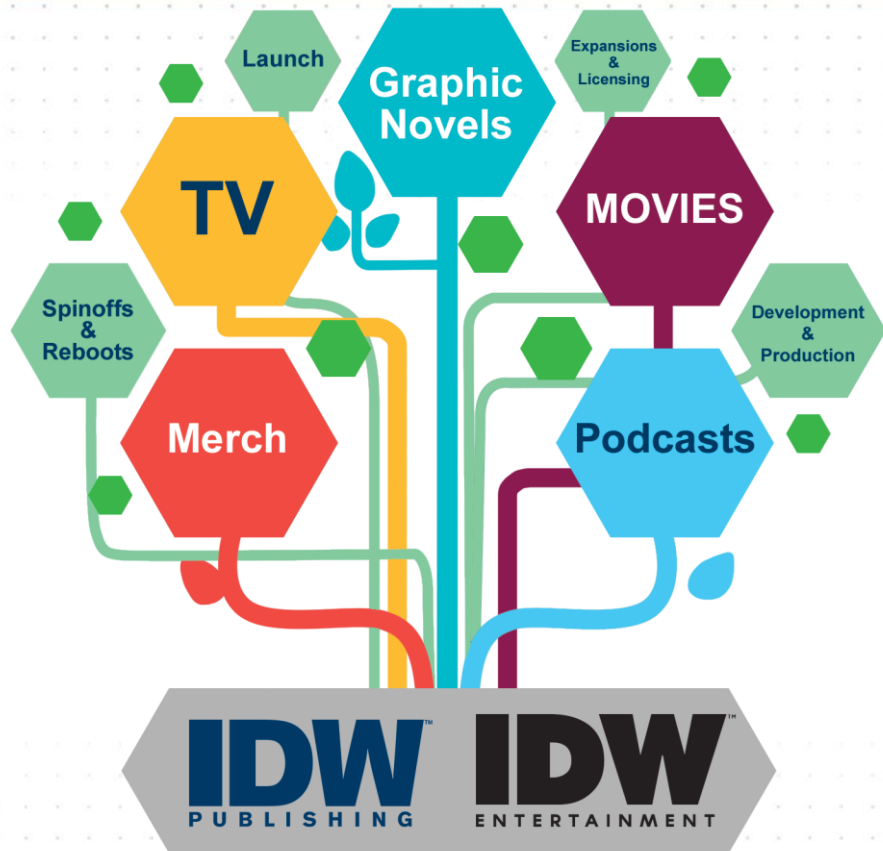
Develop and maintain brand IP in-house with premiere creative talent.

#### **OWN:**

Capture all rights for potential exploitation opportunities.

#### **MONETIZE:**

Create marketplace leading content in publishing and media spaces and beyond.



- Creation and development of unique IP:
  - Invest \$2–3M initially, then \$1–2M+ each year thereafter
  - Generate 20–40 new IP each year
- “All rights” agreements through win-win approach with creators
- IP library feeds publishing and entertainment segments
- Additional monetization potential as network effect generates opportunities across platforms: games, films, podcasts, etc.



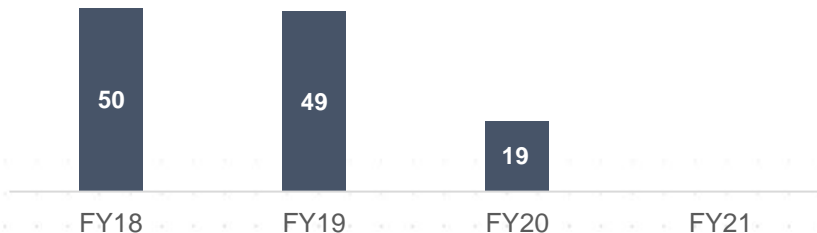
### Business Overview

- IDW capitalizes on the insatiable appetite for content through its synergistic publishing and entertainment platforms
- We invest in original IP and creators
- Leveraging de-risked entertainment financing models and “asset-light” balance sheet to drive consistently attractive results
- Our expanding IP portfolio, broad revenue streams, and multi-platform expansion uniquely position IDW to grow market share

### Asset-Light Balance Sheet

\$M

IDW Debt



### Investment Highlights

- **Investing** in original IP from high-profile creators and emerging talent
- **Expanding** catalog of diverse licensed content
- **Feeding** content into a powerful entertainment pipeline
- **Utilizing** network effects to monetize and re-monetize our IP portfolio over time
- **Driving** operations to the next level with world-class team

# IDW

## THANK YOU

