

## Financial Situation Analysis of ST Film and Television Company based on DuPont Analysis Method-Take ST Beijing Jingxi Culture and Tourism Co., Ltd.as an Example

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### ABSTRACT

The arrival of the new crown epidemic has brought an unprecedented blow to my country's cinema market, making the film industry, which has a long payback period and high investment risk, worsened. The cinema industry was suspended for 178 days, causing considerable economic losses to film and television companies. Many listed film and television companies were labeled ST because of poor operating conditions. The continuous and stable development of film and television companies is inseparable from long-term and reliable profitability. The article selects ST Beiwen Film and Television Company as the research object, uses the DuPont analysis system to analyze the company's main financial indicators from 2017 to 2021, and selects relevant indicators to analyze the company's solvency, operating capacity, profitability, and development capabilities. Analyze the financial status and operating status of film and television companies from the aspects of operation, internal control, and finance, and put forward general problems and suggestions to promote the long-term development of the film and television industry and promote the steady progress of my country's national economy.

### Keywords

DuPont Analysis Method, ST Film and Television Company, Beijing Jingxi Culture and Tourism, Index Analysis

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### Introduction

The full name of "Beijing Culture" is Beijing Jingxi Culture Tourism Co., Ltd. Its predecessor is Beijing Tourism. It was listed on the main board of the Shenzhen Stock Exchange in 1998. In 2013, it acquired three companies including Ferris Wheel, World Partners, and Galaxy Culture to enter the film and television industry. Transformed into a whole industry chain film and television entertainment media group. By integrating the upstream and downstream resources of film and television and building a service platform for the whole industry, the company's professionalism and anti-risk capabilities have been further enhanced. Since 2013, he has participated in Beijing Culture and produced films with good box-office reputations such as: "Wolf Warrior 2", "Dying To Survive", "The Wandering Earth", "Hello, Li Huanying", etc., with outstanding performance. In 2017, the phenomenon-level domestically produced main theme movie "Wolf Warriors 2" broke the box office record of Chinese film history with a score of 5.69 billion. Through the guaranteed release of the movie "Wolf Warriors 2", Beijing culture became the object of public attention, and the stock price rose the most. To 22.5 yuan per share, the market value increased by 6.077 billion yuan, after deducting 140 million yuan issuance costs, a net profit of about 160 million yuan was obtained. Although Beijing Culture can always bet on explosive money, it still cannot change the fact that he is facing difficulties. In order to make a way in the film and television industry, he used a radical way to crush the hot money, but this eagerness for success also brought him a lot of problems. A large number of master-controlled projects are facing loss problems, and they are guaranteed to be released. There were also a lot of

failures in the film. Although it hit the hot money, the income obtained as a participating party was limited. The higher expectations of stockholders and unsatisfactory earnings also caused the stock price to fall. By 2019, the performance of Beijing Culture has declined severely, and the net profit attributable to shareholders of listed companies has changed from positive to negative. The amount reached 2.306 billion yuan, a decrease of 1943.12% compared with the same period in 2018. This exposed the problems caused by high-priced mergers and acquisitions of film and television companies for the purpose of corporate transformation in the early stage. On April 26 this year, Zhang Heng reported that ZhengShuang had signed a Yin-Yang contract. Late at night on April 29, Beijing Culture announced that its stock had changed from "Beijing Culture" to "ST Beiwen", which caused an uproar both inside and outside the industry.

The ST system is a risk warning system with Chinese characteristics established for stocks with abnormal financial status or other conditions on the Shanghai and Shenzhen stock exchanges. For the Beijing culture dubbed "ST", removing the risk warning has become the first priority. The article uses the DuPont analysis method to analyze the financial status of ST Beiwen from the four aspects of profitability, solvency, operating capacity, and development capabilities. It evaluates the performance of ST Beiwen from the overall financial level and makes it clear that ST Beiwen's own financial situation is more conducive to ST Beiwen's foothold in the fierce market competition.

### Index Data Selection

In order to be able to study the financial performance of ST film and television listed companies more objectively, this

article selects ST Beiwen's financial statement data from 2017 to September 2021 from the four aspects of profitability, solvency, operating ability, and development ability, and calculates Obtain working capital, current ratio, quick ratio, cash ratio, asset-liability ratio, equity ratio, total asset turnover, fixed asset turnover, accounts receivable turnover days, accounts receivable turnover rates, inventory turnover days, inventory Financial indicator data such as turnover rate, sales growth rate, total asset growth rate, and year-on-year growth rate of attributable net profit.

### Analysis of Financial Indicators

#### 3.1 Solvency analysis

Table 1 Beijing Culture's short-term solvency index

Financial Indicator	2021.9	2021.6	2021.3	2020.12	2020.6	2019.12	2019.6	2018.12	2018.6	2017.12	2017.6
Working Capital	29340	23364	18647	20321	99843	135669	256720	288293	284286	291491	272047
Current Ratio	1.14	1.09	1.07	1.07	1.43	1.69	2.72	2.89	5.73	5.08	6.3
Quick Ratio	1.01	0.89	0.91	0.86	0.98	1.25	2.03	2.35	4.7	4.2	5.68
Cash Ratio	1.61	4.92	4.00	2.00	1.92	8.92	14.65	59.15	113.95	168.91	235.27

Working capital = current assets-current liabilities. From June 2017 to June 2019, Beijing Culture had a large working capital base and showed a relatively good overall situation, indicating that Beijing Culture was in good operating condition and had a good solvency during this period. However, from December 2019 to September 2021, the amount of working capital decreased significantly, indicating that the enterprise encountered some problems in its operation, and its debt-paying ability decreased, thus the enterprise was under great pressure.

The current ratio of an enterprise is the ratio of current assets to current liabilities. It is used to measure the ability of an enterprise's current assets to turn into cash to pay off its liabilities before the short-term debts fall due. Generally speaking, the higher the ratio, the stronger the liquidity of corporate assets and the stronger the short-term solvency. On the contrary, it is weak. It is generally believed that it is more appropriate to maintain the current ratio at 2. Table 1 shows that from June 2017 to June 2018, the liquidity ratio of the enterprise was too high, indicating that the liquidity of the enterprise's assets was relatively high at this time. The appearance of "Wolf Warriors 2" in July 2017 brought huge dividends to Beijing Culture as one of the producers, which enabled the enterprise to accumulate rich capital, not only reaped high net profit, but also greatly raised the stock price of Beijing Culture and further widened the financing channels. From December 2018 to December 2019 to December 2019 was in a state of relative balance. From June 2019 to September 2021, the current ratio was at a low level. First, the current assets decreased. In recent years, the major films of Beijing culture failed frequently. The film "Heroic Color 2018" only earned 62.99 million yuan at the box office, while the film "The Second Generation Goblin" with an investment of 210 million only earned 292 million yuan at the box office. All these reduced the amount of current assets of Beijing culture. Second, the current liabilities increased. Beijing Culture has taken advantage of the advantages of Sino-US cooperation to further expand its

#### 3.1.1 Analysis of Short-term Debt Compensation Ability

The solvency of an enterprise can be analyzed through two aspects: short-term solvency and long-term solvency. Short-term solvency is a measure of the company's ability to repay current liabilities in a relatively short period of time. The strength of its solvency is mainly determined by the liquidity of assets. Therefore, this article uses the four types of working capital, current ratio, quick ratio, and cash ratio. This indicator is used to comprehensively measure short-term debt solvency, and the specific content is shown in Table 1.

financing scale and invest in several projects at the same time. The recovery period of film and television projects is relatively long, and the current liabilities have a certain period of time, which increases the pressure of enterprises on the liabilities.

Quick-frozen ratio refers to the ratio of quick assets to current liabilities of an enterprise, including monetary funds, short-term investments, bills receivable, trade receivables and other receivables, which can be realized in a relatively short period of time. Generally, it is more appropriate to maintain the amount at 1. From December 2017 to December 2019, the ratio of liquid assets was greater than 1 and the overall performance was good. While the quick ratio between December 2019 and September 2021 is less than 1, the assets that the enterprise can realize in the short term decrease. For film and television companies, some intangible assets, or the related copyright income and IP derivatives brought by the development of film and television projects are all realized, and the continuous decline of this indicator indicates that the core creative ability of the company has decreased.

The normal range of cash ratio should be more than 20%, which is normal. The cash ratio of the enterprise exceeded 100% from June 2017 to June 2018, showing great vitality. It showed a relatively normal trend from June 2018 to December 2018, and showed a significant decline from December 2018 to September 2021, which was only 1.61% by September 2021. The enterprise had little cash flow.

#### 3.1.2 Analysis of long-term solvency

The long-term solvency of an enterprise is judged mainly by the rationality and stability of its capital structure and the long-term profitability and continuity of the enterprise. In the practical work of financial performance, we mainly judge the proportional relationship between assets and liabilities in enterprises through the relative relationship of indicators, so as to judge the long-term solvency of enterprises. The main indicators selected in this paper are

asset-liability ratio, property right ratio and equity multiplier, as shown in Table 2.

**Table 2 Long-term solvency indicators of Beijing culture**

financial target	2021.9	2021.6	2021.3	2020.12	2020.6	2019.12	2019.6	2018.12	2018.6	2017.12	2017.6
Asset-liability ratio	57.73	61.06	62.31	62.48	50	45.55	24.06	23.07	11.18	14.74	15.03
Property right ratio	128.58	148.62	162.95	163.68	95.54	79.09	29.85	29.92	12.46	14.84	11.66
Equity multiplier	2.37	2.57	2.65	2.67	2	1.84	1.32	1.30	1.13	1.17	1.18

The asset-liability ratio of enterprises is generally kept at 40%-60%, which is relatively healthy, and it is generally advisable not to exceed 40%. As shown in Table 2, the asset-liability ratio of Beijing culture is relatively low from June 2017 to December 2019, which shows that enterprises have strong long-term debt ability and certain activity. From December 2019 to December 2020, the debt ratio of enterprises was at a relatively normal level, while from December 2020 to June 2021, the asset-liability ratio was higher than the normal level, indicating that enterprises were facing greater debt pressure.

Property right ratio is the ratio of total liabilities to total owner's equity in joint-stock enterprises, and it is an index to evaluate the rationality of capital structure. The general standard of property right ratio is 1: 1. From June 2017 to June 2020, the property right ratio is less than 100%, which means that there are enough shareholders' equity to pay off the debts at this time. However, from June 2020 to September 2021, it is obvious that the property right ratio exceeds 100%, and the enterprises can't make ends meet, and there is not enough money to pay off the debts. On January 26th, 2021, due to the financial difficulties of Beijing culture, Industrial Bank Beijing Anhua Sub-branch agreed to provide the company with a comprehensive credit line of no more than 500 million yuan to supplement the company's working capital. The credit period is one year. If

the company faces the expected problems again, it will have an adverse impact on the company's main business.

Equity multiplier, also known as equity multiplier, refers to the multiple of total assets equal to shareholders' equity. From June 2017 to June 2020, the amount of equity multiplier of the enterprise is less than or equal to 2, which indicates that the debt level of the enterprise is relatively low, and the owner's investment accounts for a large proportion of all assets. From June, 2020 to September, 2021, the amount of equity multiplier is between 2 and 3, and it is decreasing year by year, which shows that in December, 2020, the overall debt level is high, and the proportion of owner's investment in all assets is small, but the overall situation is gradually improving, and the proportion of owner's investment in all assets is gradually rising.

### 3.2 Profitability analysis

Profitability refers to the ability of an enterprise to make profits under the condition of continuous operation. Actually, there are many indicators that can reflect the profitability of the company. However, we often use four indicators: net sales rate, gross sales rate, net assets rate and return on net assets rate, as shown in Table 3.

**Table 3 Indicators of Beijing Cultural Profitability**

financial target	2021.9	2021.6	2021.3	2020.12	2020.6	2019.12	2019.6	2018.12	2018.6	2017.12	2017.6
Net sales interest rate	-18.88	-217.36	-172.25	-180.76	-1177.97	-271.15	-96.04	26.9	14.53	24.25	22.56
Gross sales margin	--	--	--	--	--	--	75.15	--	46.44	48.78	74.81
Total assets net interest rate	-0.7	-1.07	-0.6	-16.88	-1.41	-41.35	-0.9	5.28	0.8	5.87	0.72
Return on net assets	-1.63	-2.7	-1.59	-44.8	-2.64	-92.24	-1.11	6.4	0.92	6.48	0.88

Since December, 2018, Beijing culture's net sales interest rate began to be negative. In June, 2020, it fell to the bottom of -1177.97% due to the epidemic situation. In September, 2021, although the net sales interest rate was still negative, the loss ratio declined, and the profitability of Beijing culture was gradually improving. In this period, films such as Our The National SouthWest Associated University, KeepCool and AFamily, which have been hoarded for a long time, entered the distribution state, and it is expected that the profit situation will ease in December 2021. Since December, 2018, the gross profit rate of sales has not been shown for many times, and it was only 75.15% in June,

2019. It may be because the master film of Beijing culture, The Wandering Earth, was released on February 5th, 2019, and this science fiction film earned 4.686 billion box office revenue, which brought 632 million operating income and about 260 million profit to Beijing culture, so it had a relatively high gross profit rate of sales in this range, but it was a pity. Many films, such as Elephant and Macao this City, have not achieved good results, which leads to less net profit and negative sales net profit margin.

Generally speaking, since December 2018, the business situation has been unstable. Since June 2019, although the gross profit margin of sales has increased, the net profit

margin of sales, the net profit margin of total assets and the return on net assets are showing a negative growth trend, and the profitability of enterprises is weak.

**3.3 Operational capacity analysis**

Enterprise operation ability refers to the efficiency and benefit of enterprise operating assets, that is, the ability to make profits by using existing resources, which is mainly manifested in the turnover period or turnover speed of

enterprise operation. In research, total assets turnover, accounts receivable turnover and inventory turnover are often used to measure. Through the analysis of operational capability, we can find out the problems existing in the asset operation of enterprises, innovate and improve the operation process and optimize the allocation of resources, as shown in Table 4.

Table 4 Indicators of Beijing's cultural operation ability

Financial target	2021.9	2021.6	2021.3	2020.12	2020.6	2019.12	2019.6	2018.12	2018.6	2017.12	2017.6
Total turnover	0.04	0	0	0.09	0	0.15	0.01	0.2	0.05	0.24	0.05
Accounts receivable turnover days	897.9	4044.94	3474.9	495.05	11042.94	284.29	1975.85	231.85	396.65	158.77	402.59
Accounts receivable turnover rate	0.3	0.04	0.03	0.73	0.02	1.27	0.09	1.55	0.45	2.27	0.45
Days sales of inventory	3146.85	6250	4918.03	1139.96	128571.43	400.8	11250	444.44	694.98	238.62	1247.4
Inventory turnover rate	0.09	0.03	0.02	0.32	0	0.9	0.02	0.81	0.26	1.51	0.14

By observing Table 4, we can find that from June 2017 to September 2021, although the turnover rate of total assets fluctuated slightly, it was close to 0, indicating that the turnover capacity of enterprises was extremely poor. Whether in 2017, there were many high-quality film and television works in the fire period or in September 2021, the film and television enterprises themselves would face the characteristics of long investment cycle and high risk. We can find that at the beginning, Beijing culture planned the layout of business sectors from TV dramas, movies, variety shows and so on. Now, only the revenue of movies is the standard, and the output of variety shows and TV dramas is small. Compared with movies, TV dramas and variety shows have easier return of funds and relatively smaller risks, especially variety shows, which can recover a large amount of money through advertising. Although Beijing culture can always be overwhelmed by explosions, it is not the main investment project, and the recovered funds are still not enough to support the development of enterprises. From the inventory turnover rate and inventory turnover days, it is not ideal. The inventory turnover rate is still close

to 0, and the inventory turnover days are relatively long. Generally speaking, compared with other film and television companies, the layout of Beijing's cultural industry is relatively simple. The main profit income depends on movies, which can't be extended to the downstream of the industrial chain, and the capital can't be well circulated, so the operation ability is weak.

**3.4 Analysis of development ability**

The development ability of enterprises is the growth of enterprises, which refers to the potential development ability of enterprises to continuously form scale effect, improve quality and increase efficiency through their own production and operation activities. The core index to measure the development ability of enterprises is the growth rate of enterprise value. This paper uses the growth rate of sales, the growth rate of total assets and the new rate of fixed assets to analyze the development ability of YTO Express.

Table 5 Indicators of Beijing's cultural development ability

Financial Target	2021.9	2021.6	2021.3	2020.12	2020.6	2019.12	2019.6	2018.12	2018.6	2017.12	2017.6
Growth rate of main business income	1114.02	281.79	1225.63	-50.22	-90.91	-29.02	-79.54	-8.78	82.03	42.57	6.81

Growth rate of net profit	--	--	--	--	--	-815.35	-235.27	1.22	17.22	-38.89	451.13
Growth rate of net assets	-28.76	-31.72	-32.22	-31.66	-51.42	-51.21	3.46	6.23	9.54	8.62	12.52
Growth rate of total assets	-20.46	-12.33	-10.28	-0.83	-26.22	-31.07	21.02	17.74	4.79	6.88	17.32

From June 2017 to June 2019, the net asset growth rate and total asset growth rate of Beijing culture have been growing steadily, which indicates that enterprises have expanded to a certain extent. Since December 2019, the net asset growth rate of Beijing culture has continued to be negative, which indicates that enterprises have some problems. Due to the high debt and low solvency of enterprises, they began to sell assets and copyrights to a certain extent. From the financial report, it can be seen that Beijing culture is facing a loss due to too many previous investment projects and frequent failures of the main control projects. Moreover, the "ZhengShuang surrogacy" incident and the "sky-high pay" incident have caused the original "Ghost of a Beautiful Girl" to lose all its money, and even have to face some compensation. Therefore, the social credibility of Beijing culture, which has always been optimistic, continues to decrease. The performance in the growth rate of main business income shows a fluctuating trend, from the continuous increase of main business income to the negative growth rate from December 2018 to December 2020, and then to March 2021, which shows that the business is slowly

picking up, but the net profit growth is declining or even negative year after year, which shows that the enterprise is operating but does not make any money at all.

At this time, on the one hand, Beijing Culture throws out bad assets and reorganizes the industrial structure; on the other hand, in order to repay a certain amount of loans, Beijing Culture sells the investment shares of Hi, Mom at a low price, and also transfers the copyright of the most promising project "Fengshen Trilogy". Because Beijing Culture transfers and sells the most valuable copyright and project investment shares of film and television enterprises, although its main business has eased in the short term, it also loses more possibilities. At present, the continuous negative growth shows that enterprises are now eating old money to a certain extent, and relying on once accumulated assets to maintain their existing business, which is not a healthy business model. Generally speaking, the development ability of Beijing culture is poor.

**3.5 ROE (%) analysis of return on equity**

Table 6 Dupont analysis of Beijing culture

age	net profit margin on sales	turnover of total assets	Equity multiplier	Return on equity ROE
2017.06	23.19%	0.03	1/(1-15.03%)=1.18	0.88%
2017.12	23.49%	0.24	1/(1-14.74%)=1.17	6.48%
2018.06	14.57%	0.05	1/(1-11.18%)=1.13	0.92%
2018.12	27.04%	0.2	1/(1-23.07%)=1.30	6.4%
2019.06	-89.53%	0.01	1/(1-24.06%)=1.32	-1.11%
2019.12	-269.58%	0.15	1/(1-45.55%)=1.84	-92.24%
2020.06	-1138.32%	0	1/(1-50%)=2	-2.64%
2020.12	-180.23%	0.09	1/(1-62.48%)=2.67	-44.8%
2021.03	-172.22%	0	1/(1-62.31%)=2.65	-1.59%
2021.06	-208.96%	0	1/(1-61.06%)=2.57	-2.7%
2021.09	-17.46%	0.04	1/(1-57.73%)=2.37	-1.63%

The rate of return on net assets roe (%) = return on total assets \* equity multiplier = net profit rate of sales \* total assets turnover rate \* equity multiplier, which reflects the level of return of shareholders' equity and is used to measure the efficiency of the company in using its own capital. The higher the index value, the higher the income brought by investment, which can reflect the ability of self-owned capital to obtain net income. On the whole, the return on net assets of Beijing culture fluctuates sharply. From June to December 2017 and June to December 2018, the return on net assets of Beijing culture showed an upward trend, which increased by 5.6% and 5.48% respectively, and then showed a substantial decline. Its capital turnover rate also increased by 0.21 and 0.15 respectively from June to December 2017

and June to December 2018. Although the equity multiplier has changed slightly, the overall performance is relatively stable, which may be related to the overall planning and layout of enterprises in a year. At the beginning of the year, more attention was paid to the investment and development of film and television projects. For example, in the first half of 2017, Beijing culture began to lay out new businesses, and jointly invested in the announcement of the TV program Happy Tribe and the film The True Color of Heroes 4, pointing out 22.5 million and 35 million respectively, and began to plan the film The Trilogy of Sealing the Gods. Investment in film and television needs a certain period. Because the funds can't be recovered as soon as possible, the number of projects invested in the early stage is limited,

which makes the business situation better improved in the second half of the year. In the second half of the year, some films invested by the company will be released in the popular period, which will bring certain benefits to the company.

Secondly, at the end of the year, some investment funds are gradually withdrawn from circulation, and the generated benefits are also increased, which will increase the asset turnover rate and the return on net assets. From June to December 2017, the net growth rate of sales increased by 0.3%, while from June to December 2018, it increased by 12.47%. According to the analysis, in the second half of 2018, the film and television projects *Dying to Survive* and *Nobody* invested by Beijing Culture won 3.075 billion and 788 million box office respectively, and these two films were given by the way of making a big difference. According to the data analysis, the ROE as of June is generally lower than that in December for the above reasons.

However, the difference is that before 2019, the ROE was positive, and since 2019, the ROE has been negative, which is closely related to the operating conditions of the subsidiaries invested by Beijing Culture. In 2014, he entered the film and television culture industry, completed the non-public offering in 2016, and acquired three film and television culture companies, namely Beijing Ferris Wheel Media Culture Co., Ltd., Century Partner and Xinghe Culture, to realize the transformation of the main business, and signed a gambling agreement. Century Partner promised that the annual net profit from 2014 to 2017 would be no less than 90 million, 110 million, 130 million and 150 million respectively. Xinghe Culture promises that the annual net profit from 2014 to 2017 will be no less than 49.7 million and 100.4 million respectively; Ferris Wheel promises that the annual net profit from 2014 to 2017 will be no less than 15.2703 million, 24.419 million, 30.4308 million and 40.2244 million respectively, and the gambling agreement will be completed by the end of 2017. Since then, the motivation of its subsidiaries has been insufficient, and problems have started to operate one after another. In 2019, problems in its financial report were cancelled several times, and the financial data was postponed.

In 2019, although the films such as *The Wandering Earth* invested by Beijing Culture had a good market performance, they suffered a great loss in TV dramas, artists' brokers, new media, tourist attractions and other businesses, and the operating income decreased by 95.14%, 63.96%, 83.12%, 50.81% and 87.51% compared with the same period of last year, which undoubtedly brought a painful blow to Beijing culture. The loss of the core team members has caused the devaluation of TV series projects, while the credit loss caused by the debtor's breach of contract has caused the assets and goodwill to be devalued one after another, and enterprises have begun to fall into financial crisis. Secondly, since 2019, the state's restrictions on "Gongdou Opera" and "remake Opera" have also brought certain influence to Beijing culture in content production. In order to reduce

losses, Beijing culture transferred 100% equity of Century Partners at a price of 48 million yuan.

### Suggestions

#### 4.1 Return to the main business and improve the core competitiveness

For film and television projects, content is the core competitiveness. It is not difficult to find that there is a lack of polishing of film and television content in the master control business of Beijing culture. Most of them attract audiences through IP content with stars and gimmicks. But in fact, after the market test, stars and IP have certain influencing factors, but they are not decisive factors. Finally, film and television projects still need to return to the script. At present, due to the limited operational capacity of Beijing culture, it may be difficult to invest in large-scale film and television projects. We can polish small-cost film and television dramas, slowly incubate high-quality projects and return to the market. In addition, it is recommended to adopt a few but refined strategies in investment, which will reduce the pressure of debt for Beijing culture.

#### 4.2 Gradually broaden the industrial chain

It is not difficult to find that many film and television companies have started a new round of industrial layout after listing, in exchange for their irreplaceable advantages in this industry, such as Huayi Brothers began to lay out film and television towns; Light Media buys cat's eye layout and buys tickets on the Internet, creating the whole animation industry chain; Bona Film began to extend the industrial chain layout cinema and film and television production business; Although Beijing culture is laid out in the industrial chains such as artists' brokerage and IP, the overall layout is film production and content-oriented, so the overall layout is relatively simple, and film and television is an extremely risky industry. Once something goes wrong, it will face great risks. Therefore, Beijing culture can extend to the downstream of the industrial chain, and the post-cinema market can be properly developed, which is closer to what the audience needs. The expansion of the industrial chain can increase the competitive advantage of Beijing culture.

#### 4.3 Do a good job in the risk assessment of film and television projects

Film and television project evaluation is a film and television project that evaluates it artistically and commercially before it starts, so as to avoid some risks at the beginning. For example, if you don't cooperate with inferior artists, you should know about the artists before you cooperate with them, and sign a contract to guarantee the rights and interests of both parties. Choose subjects that do not conform to the socialist core values for shooting; Whether the film is needed by the market, can be loved by the audience and willing to pay for watching it, etc., are all issues that need to be considered. If the project is risky, it should be abandoned at the beginning, instead of waiting until the project is facing a loss to know that it can't be done.

#### 4.4 scientific financial management methods, find professionals to do professional things

There are big problems in film and television finance in Beijing culture. One of the reasons is that scientific financial management methods have not been adopted, and financial decisions have not been strictly implemented according to the financial management methods under the system. Therefore, professionals should be invited to conduct financial management. When investing in projects, we should not only pursue artistry but ignore financial risks.

#### 4.5 Absorb film and television talents and improve talent training plan

The core competitiveness of film and television projects is content, and the production of content depends on talents. Therefore, it is extremely important to attract competent film and television talents to deliver fresh blood to enterprises. We can establish and improve the talent training mechanism, incubate talents, and establish long-term cooperation after successful incubation, so that we can actually get the blessing of outstanding talents at a lower cost. For example, director Ning Hao's "Bad Monkey Project" has hatched many new directors, and now long-term binding with the bad monkeys has also brought a huge profit to the company.

### Conclusion

In recent years, film and television companies frequently face certain financial crises. For example, Wanda Film and Television, Beijing Culture and other leading film and television companies are facing the problem of loss and are in danger of delisting. Beijing's culture is ST, which makes enterprises face great financing difficulties and financial difficulties. How to solve the current difficulties and improve the business difficulties of enterprises is our concern. Due to the weak probability that enterprises will break away from ST by means of major asset restructuring at present, only by adjusting their own weaknesses, improving their profitability, solvency, operational capacity and development capacity, and making all the indicators more balanced, can the "ST" hat be removed as soon as possible. In the capital market, many excellent film and television companies have been listed. If Beijing culture wants to maintain its position in the fierce market competition, it needs to constantly adjust its strategy according to the external environment and take advantage of its own advantages, which should change with the times.

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