

How to Navigate the Future of Streaming

Future TV Copenhagen, August 2020



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Coming up...

**Intro to
Omdia**

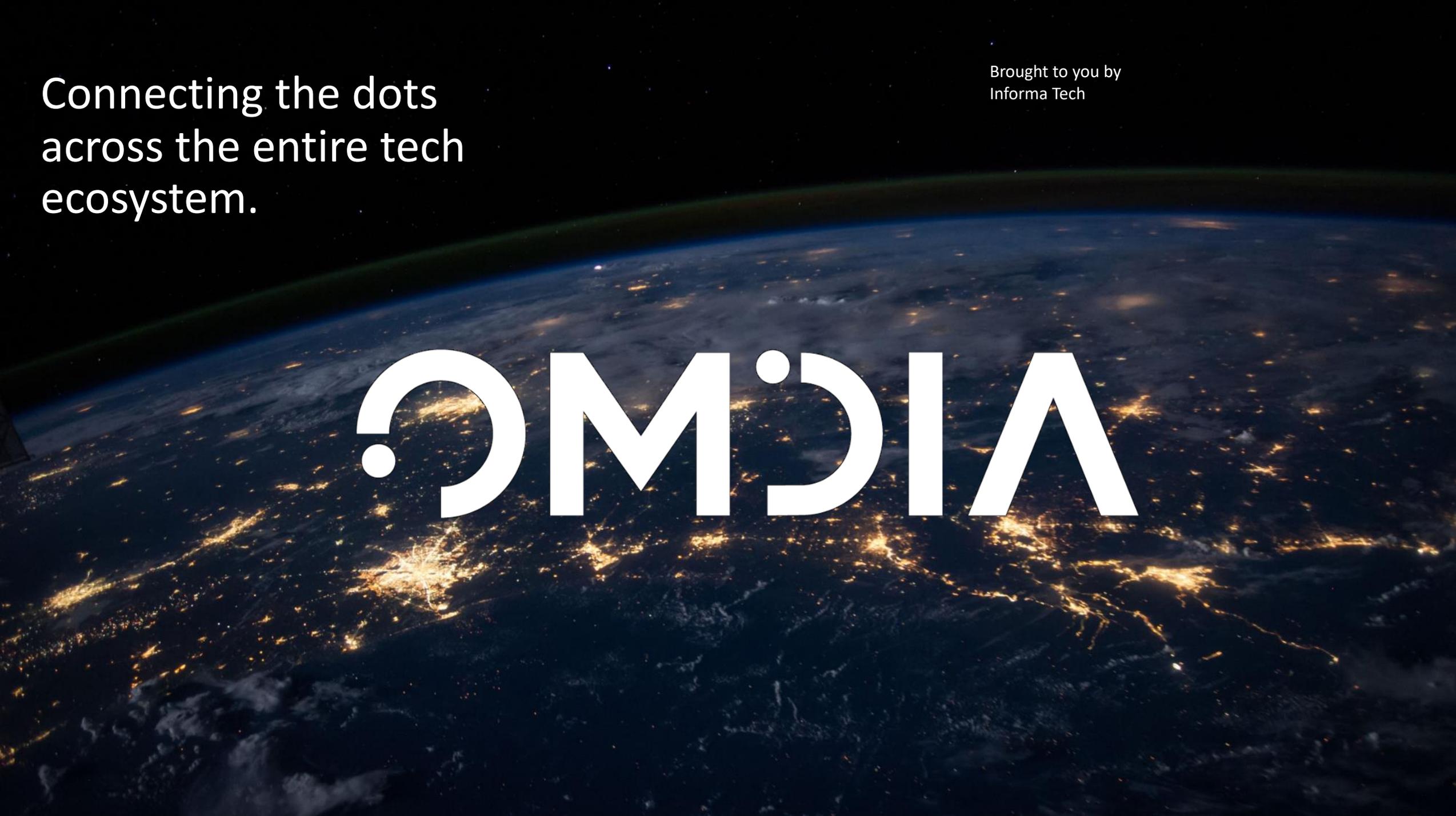
**Video as we
know it**

**Market
reactions**

**Home video
post-COVID**

Connecting the dots
across the entire tech
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The video world as we know it

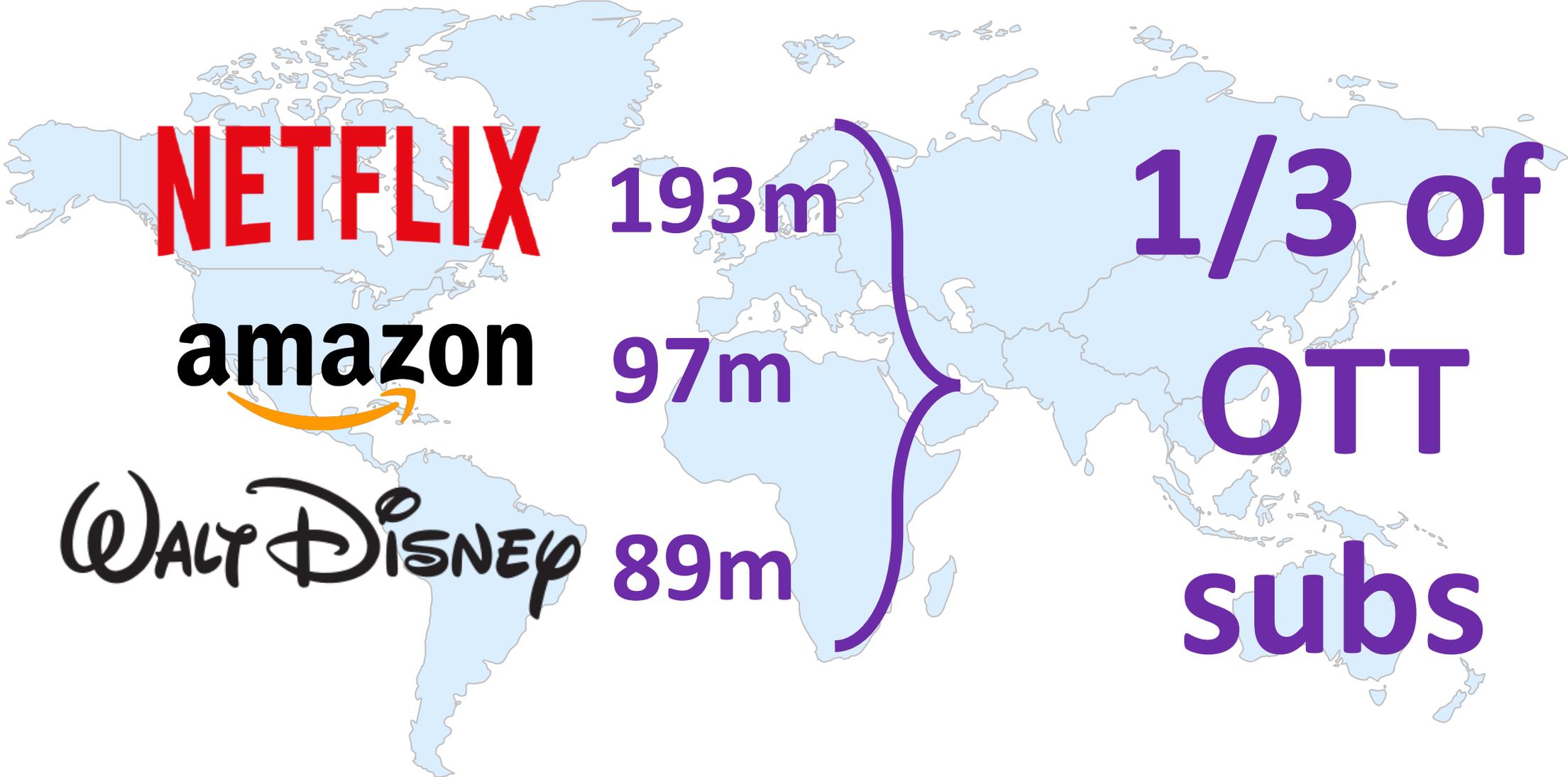
Who are the major global video players?



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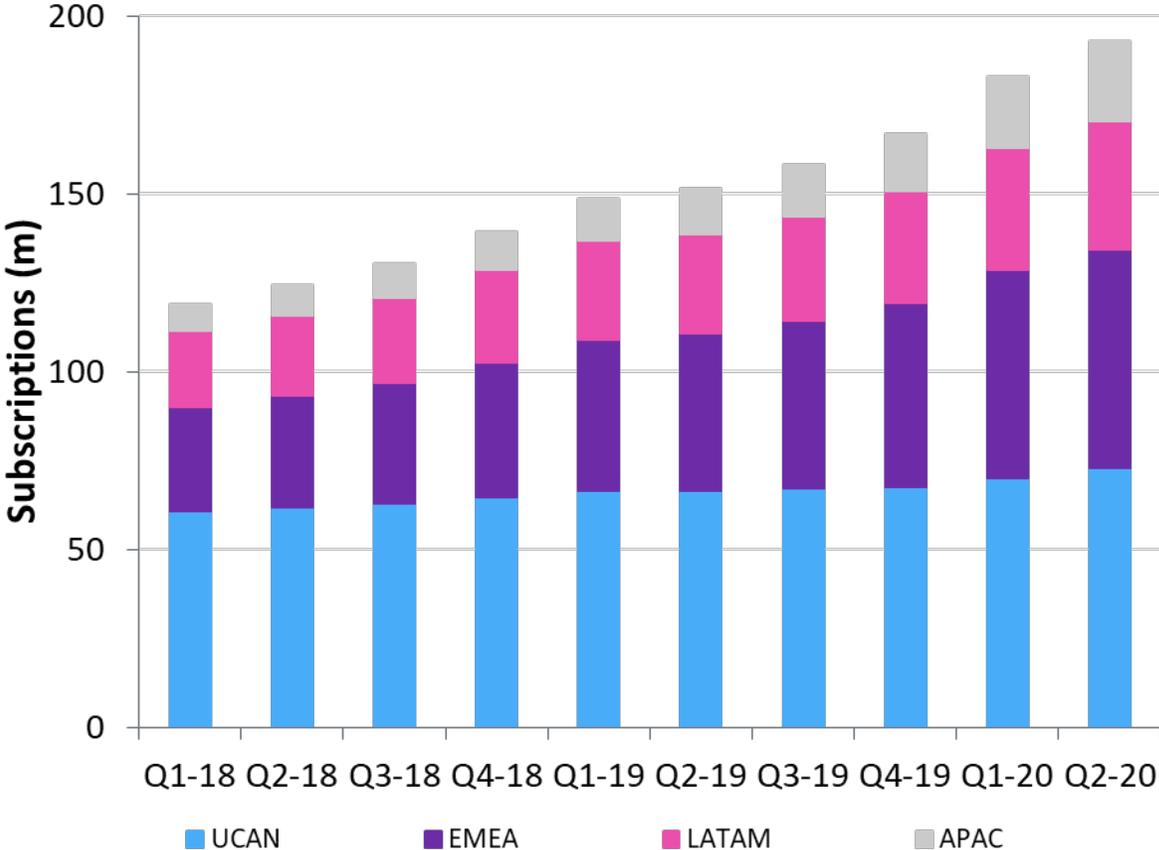


State of Play: Netflix

NETFLIX

- The world’s largest and most prolific subscription video service with 193 million subscriptions.
- Netflix is continuing its content spending spree, increasingly targeting markets in Asia and Africa.
- Netflix’s long term investments will pay off as content providers increasingly move D2C.

Global: Netflix subscriptions by region, Q1 2018-Q2 2020



Source: Netflix, Omdia

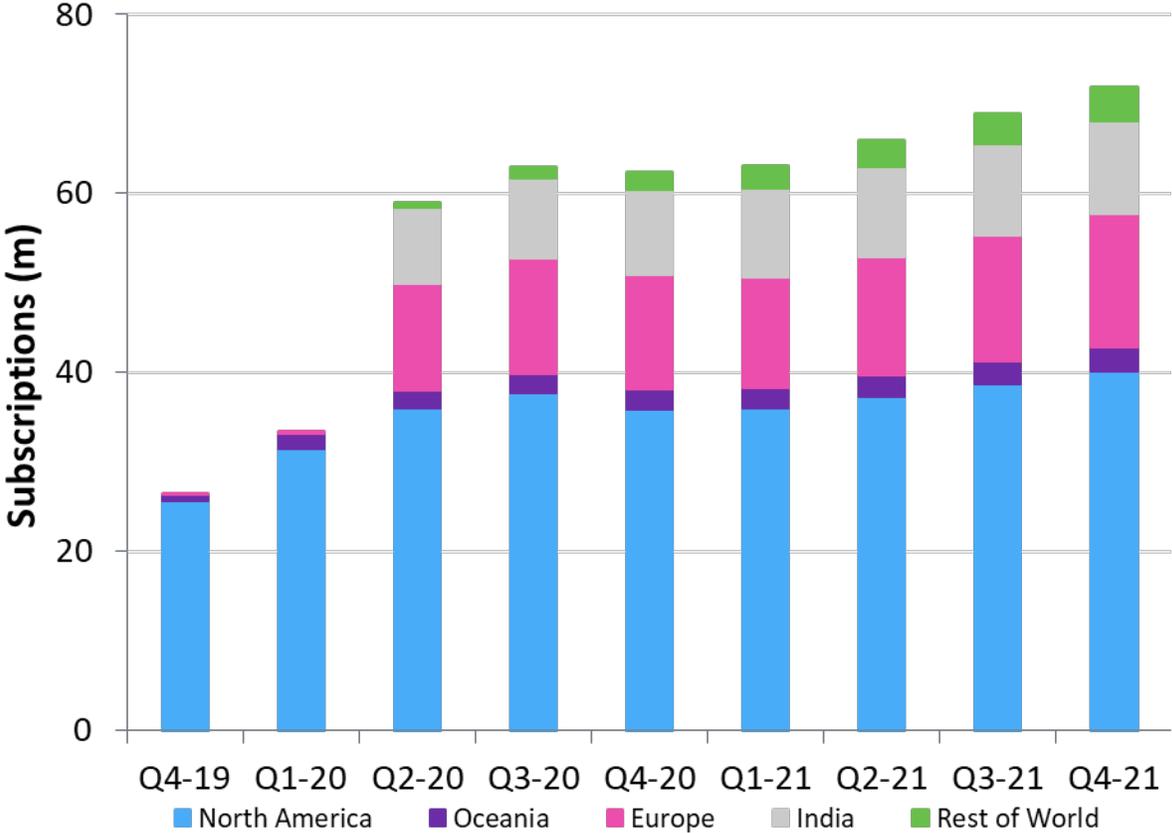
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State of Play: Disney+



- One of the first new age D2C services, Disney+ amassed 50 million subscriptions in six months.
- Launched with numerous partnerships with local telcos and pay TV services.
- Disney will likely maintain momentum even as these initial partnerships end.

Global: Disney+ subscriptions by region, Q4 2019-Q4 2021



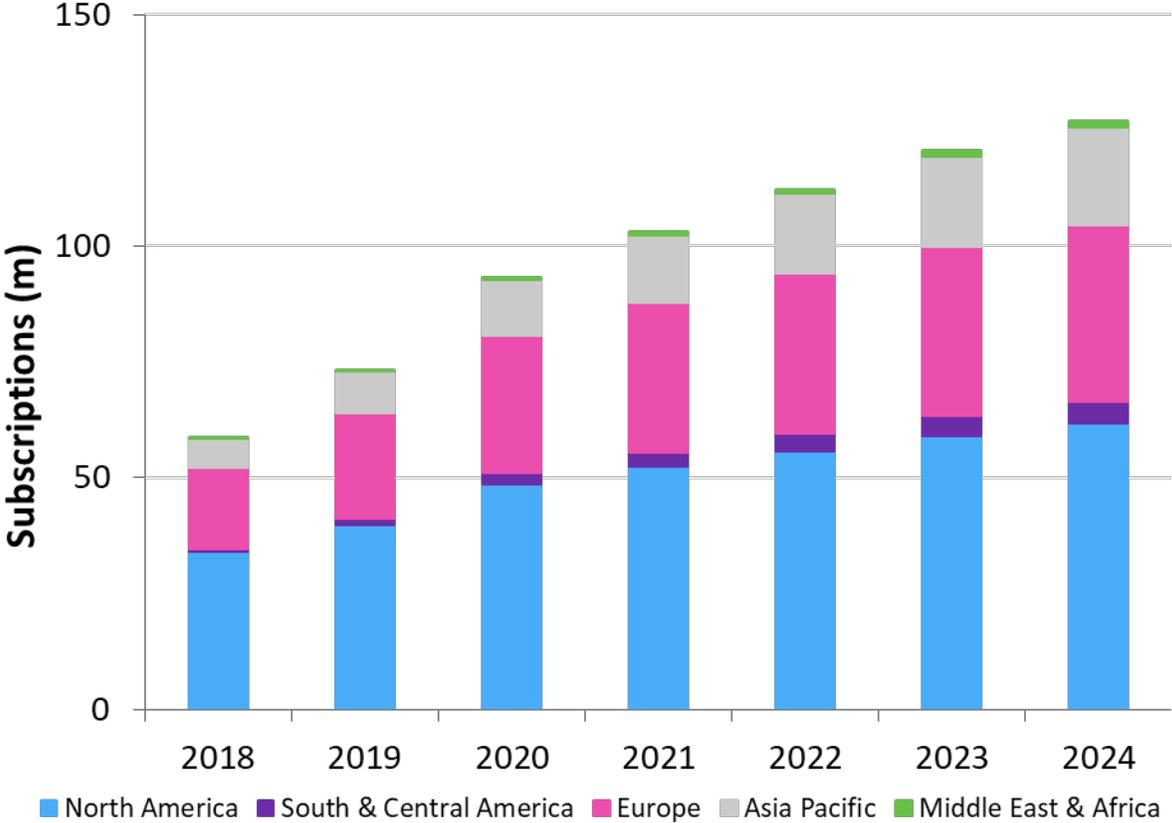
Notes: Includes Disney+/Hulu/ESPN+ subscribers in the USA
Source: Omdia

State of Play: Amazon Prime Video



- Over 90% of Amazon Prime Video users are through the Amazon Prime bundle.
- Amazon’s video offerings now include a la carte subscriptions, transactional and free content.
- Amazon has created one of the world’s most potent ecosystems to support e-commerce and more.

Global: Amazon Prime Video subscriptions by region, 2018-24



Source: Omdia

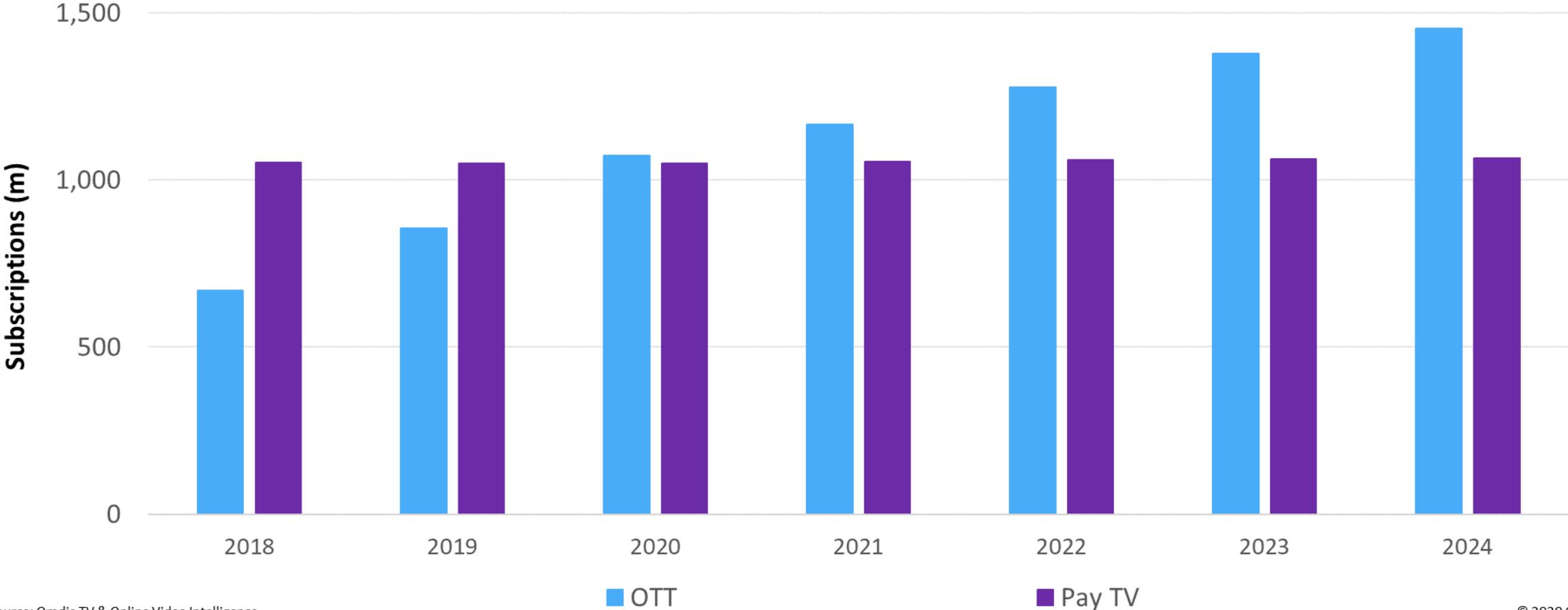
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These are just a few names in an ever-expanding list...



Global Pay TV and OTT subscriptions have now converged

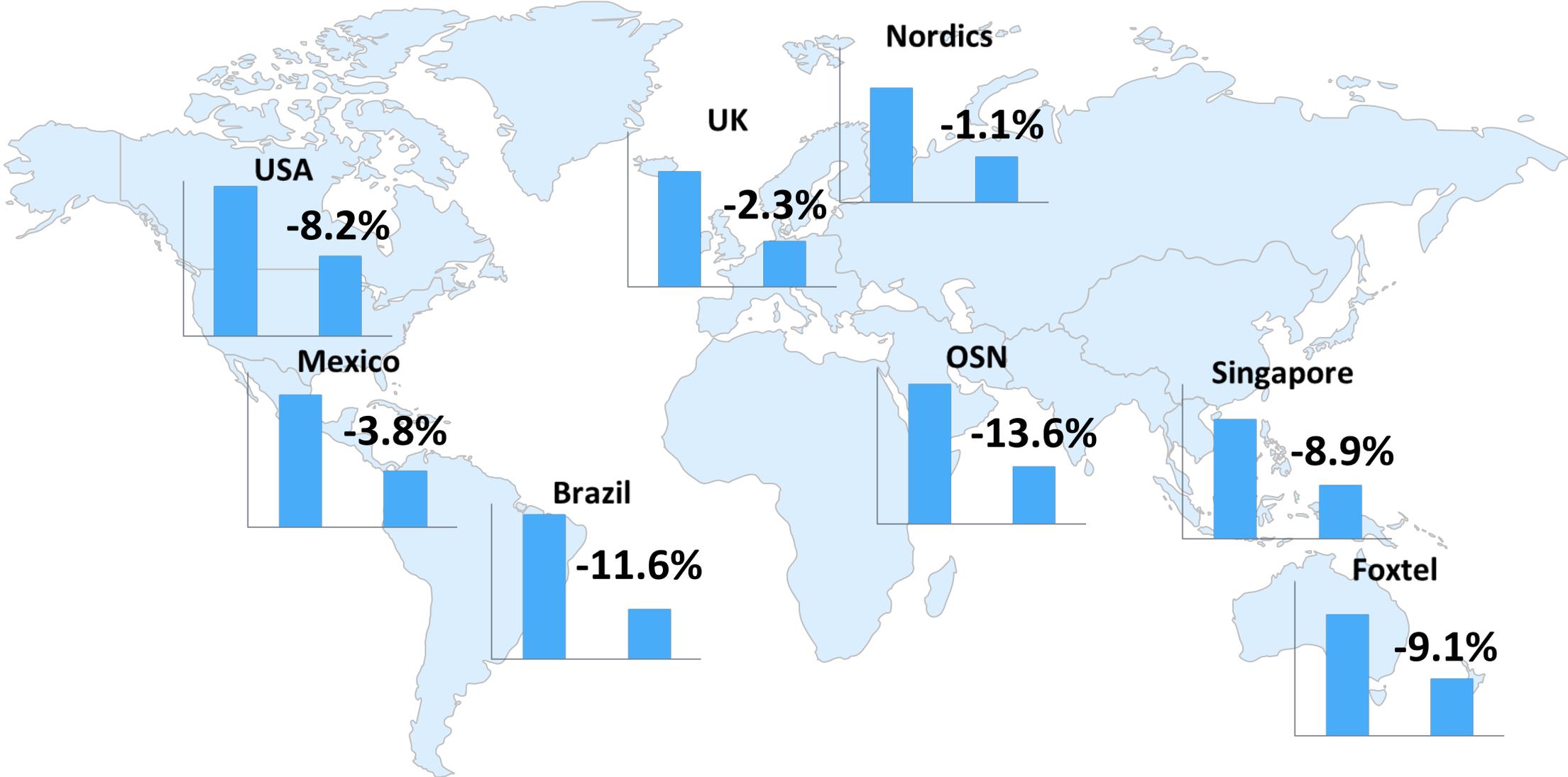
Global: Pay TV and OTT video subscriptions by sector, 2018-24



Source: Omdia TV & Online Video Intelligence

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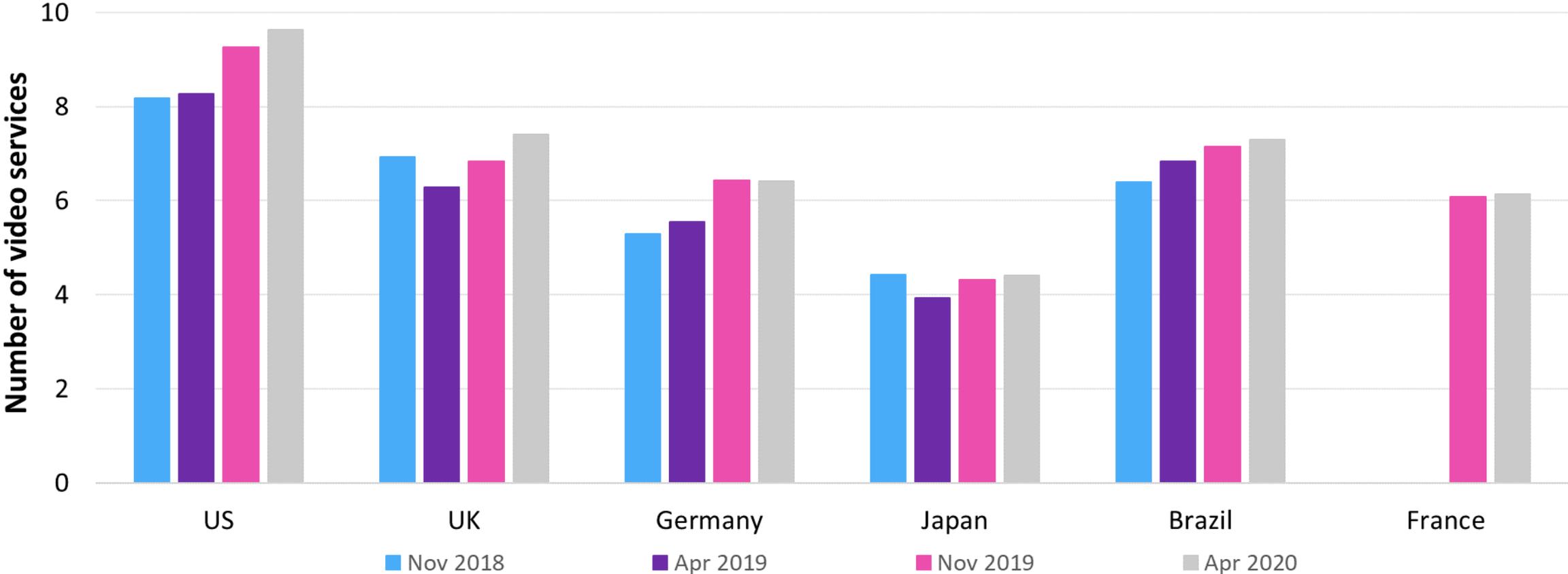
Cord cutting is no longer a US-only phenomenon



Consumer and corporate reactions

Across all business models, consumer appetite for video content is growing

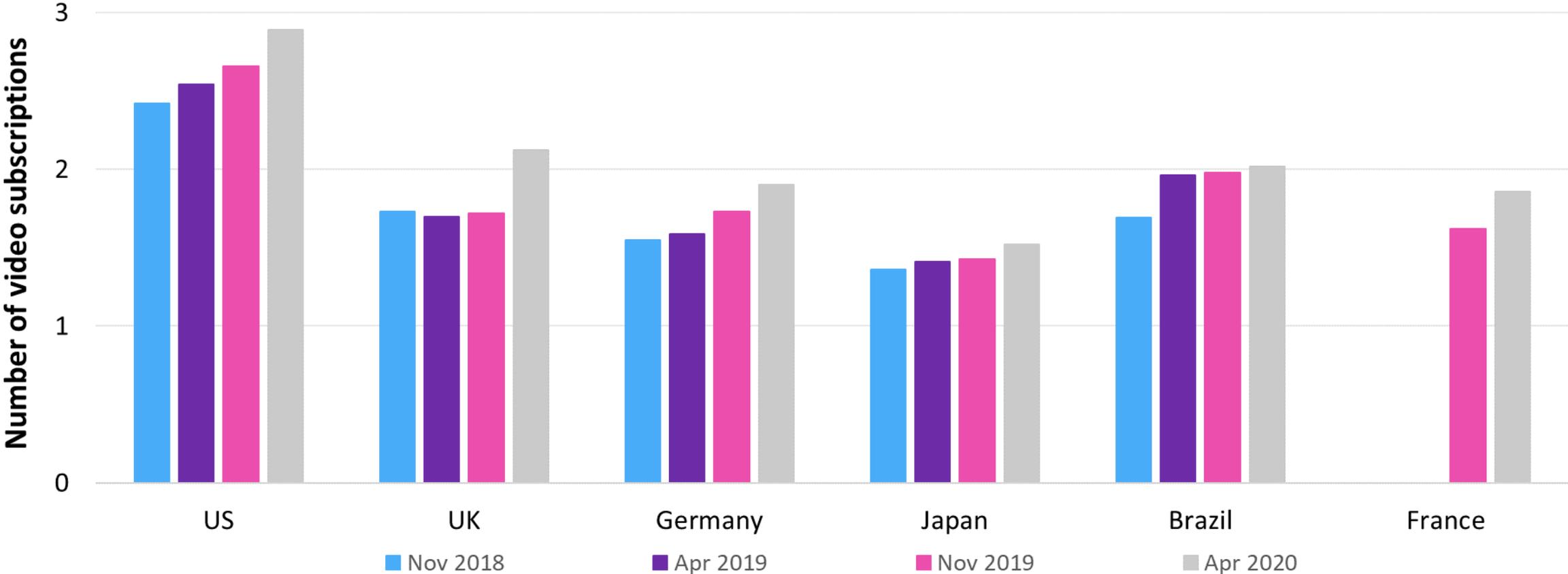
Average number of video services used per video user*, 2018-20



Notes: *Includes free, subscription and transactional video services
 Source: Omdia Consumer Research - Devices, Media & Usage Intelligence Service – Premium

OTT subscription stacking is a key part of this upward trend

Average number of paid OTT subscriptions per OTT household, 2018-20



Source: Omdia Consumer Research - Devices, Media & Usage Intelligence Service – Premium

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How are media companies reacting?



Studio responses to Netflix are not the same

The *WALT DISNEY* Company

- Ending Netflix content deals as Disney+ launches
- Also expanding Hulu, ESPN+ and more

NBCUniversal

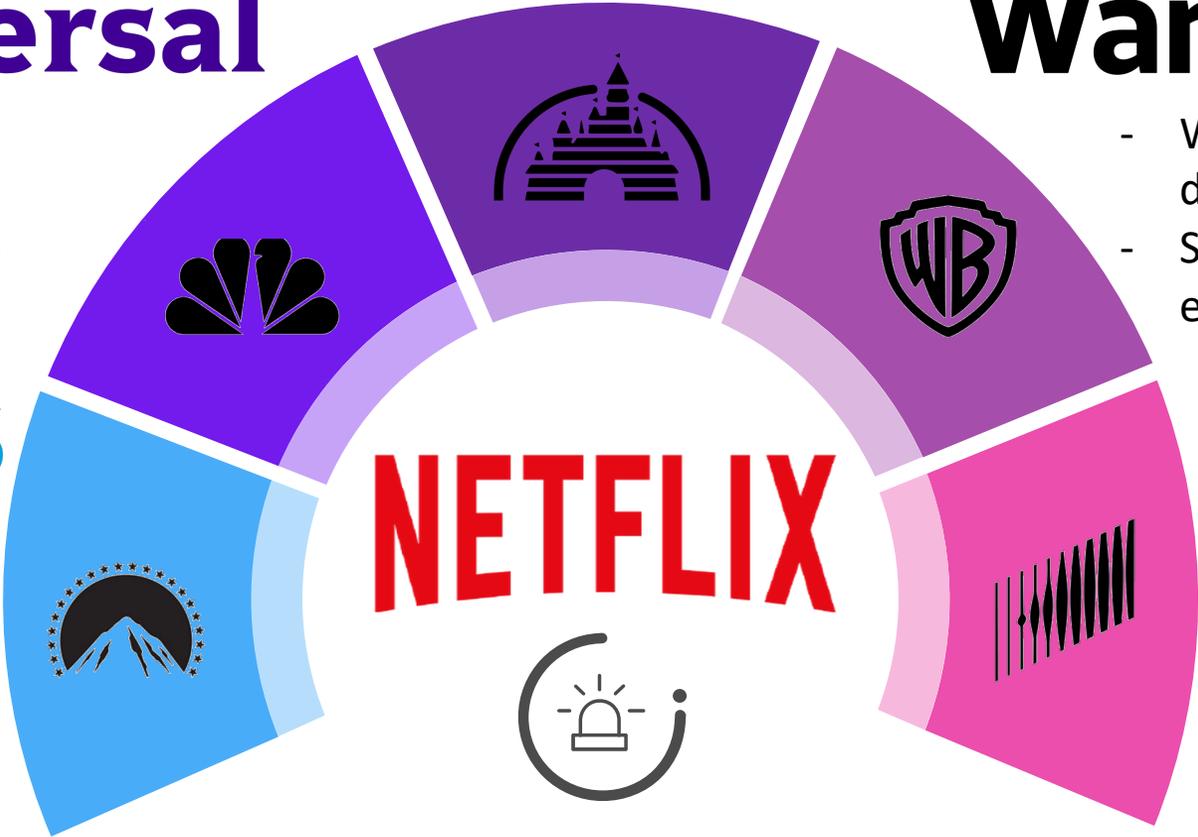
- Ended Netflix content deals
- Peacock hybrid platform now launched in USA

WarnerMedia

- Warner Bros ending content deals
- Still partnering/co-producing elsewhere

VIACOMCBS

- CBS All Access D2C platform & Pluto TV
- Producing for Netflix via Paramount, MTV



SONY

- No D2C video platform yet
- Still licensing rights (incl. Seinfeld) to Netflix

Studio responses to Netflix are not the same



- Extended multi-year channel and movie deals with NENT Group
- Disney+ launching in September

- Standalone HBO Nordic OTT service
- Warner Bros has 1st window deal with Netflix, 2nd window with C More

- Multi-year deal with Sky UK/Ireland
- Disney+ partnered with Sky and O2

- HBO output/co-production deal with Sky UK

- Canal Plus sole distributor of Disney+
- Canal continues to have exclusive rights to Disney films

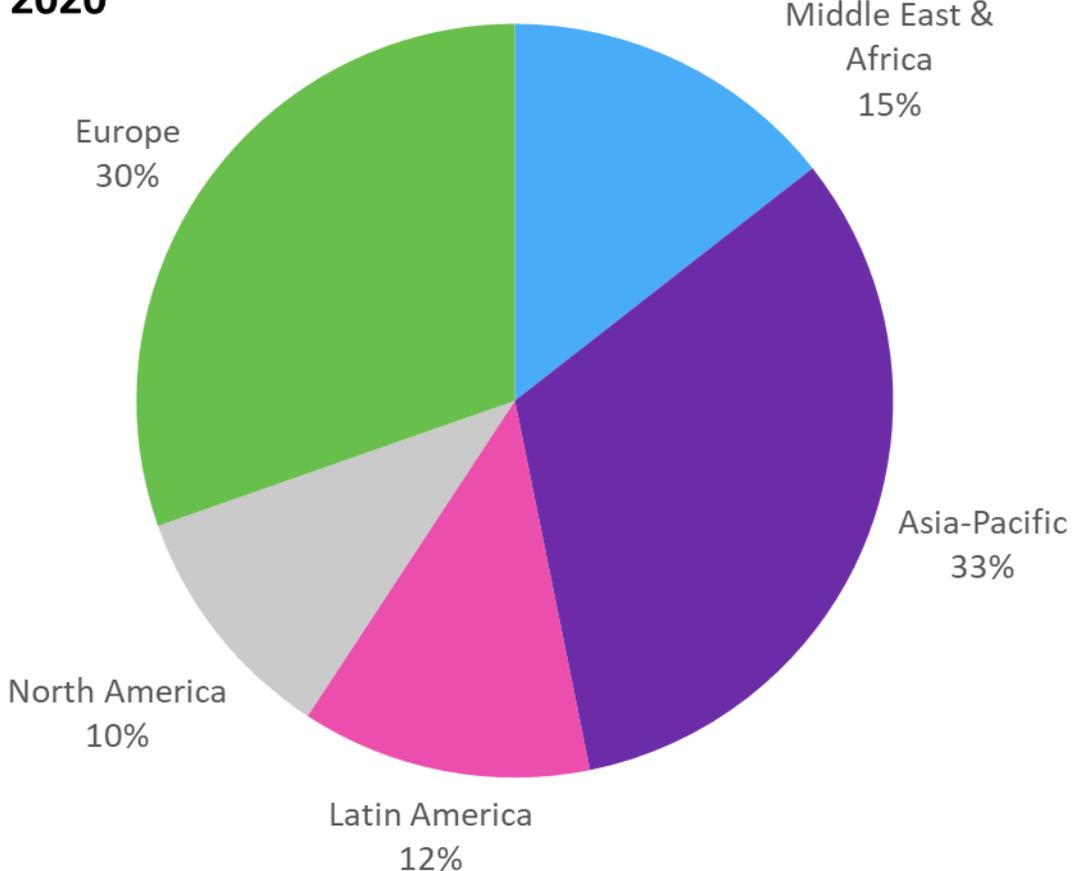
- Exclusive output deal with Orange Cinéma Séries renewed in March 2017, running from 2018

- Deutsche Telekom is exclusive sales partner of Disney+

- HBO output/co-production deal with Sky Deutschland

Pay TV operators and telcos are becoming 'super aggregators' of content

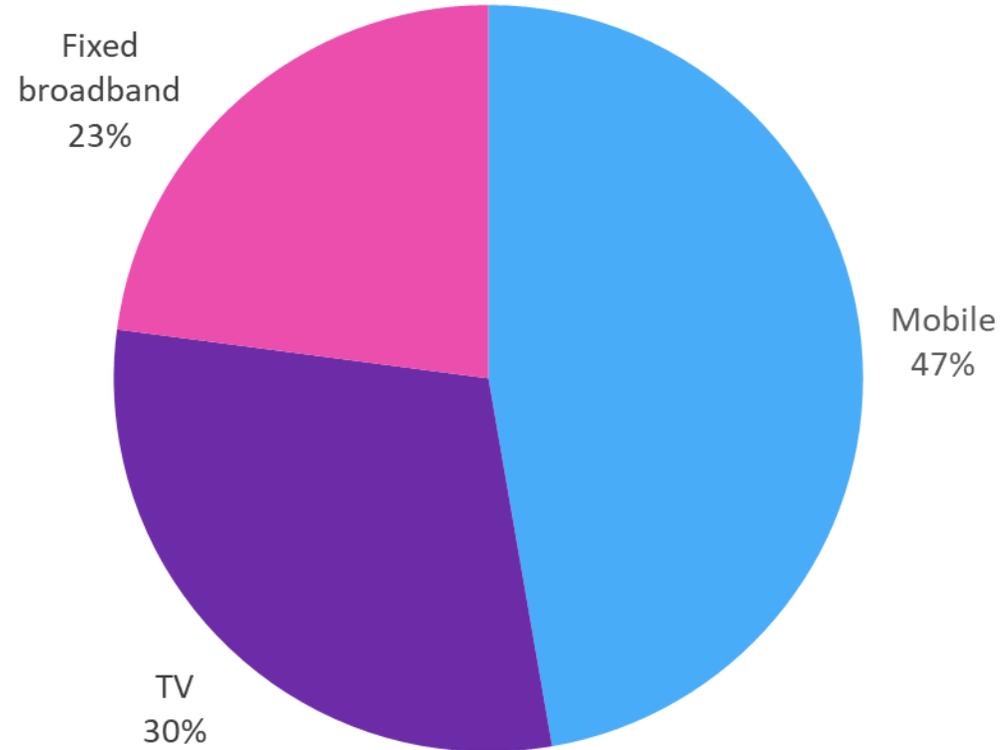
Operator-OTT video partnership shares by region, Q1 2020



Source: Omdia

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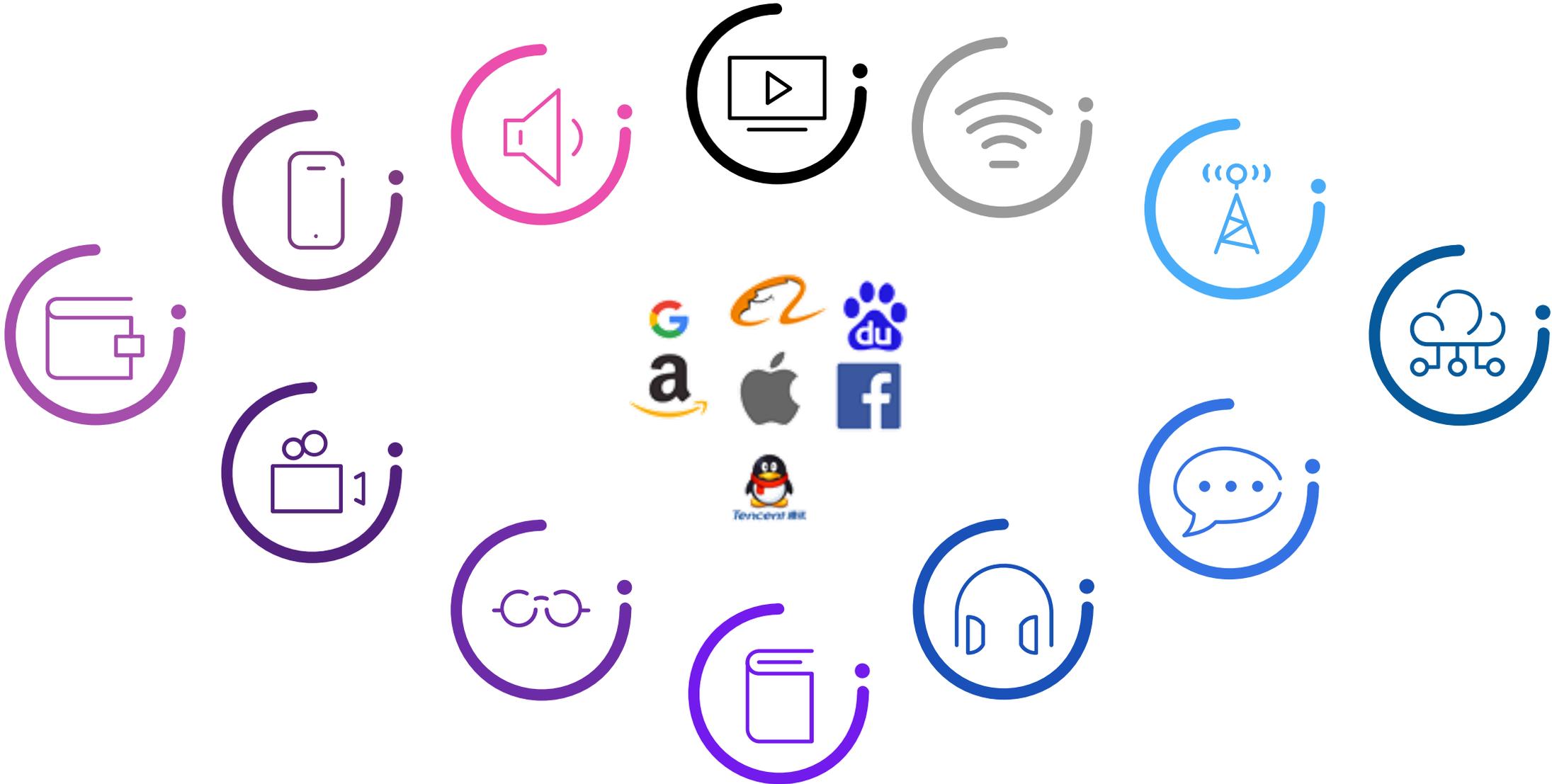
Operator-OTT video partnership shares by type, Q1 2020



Source: Omdia

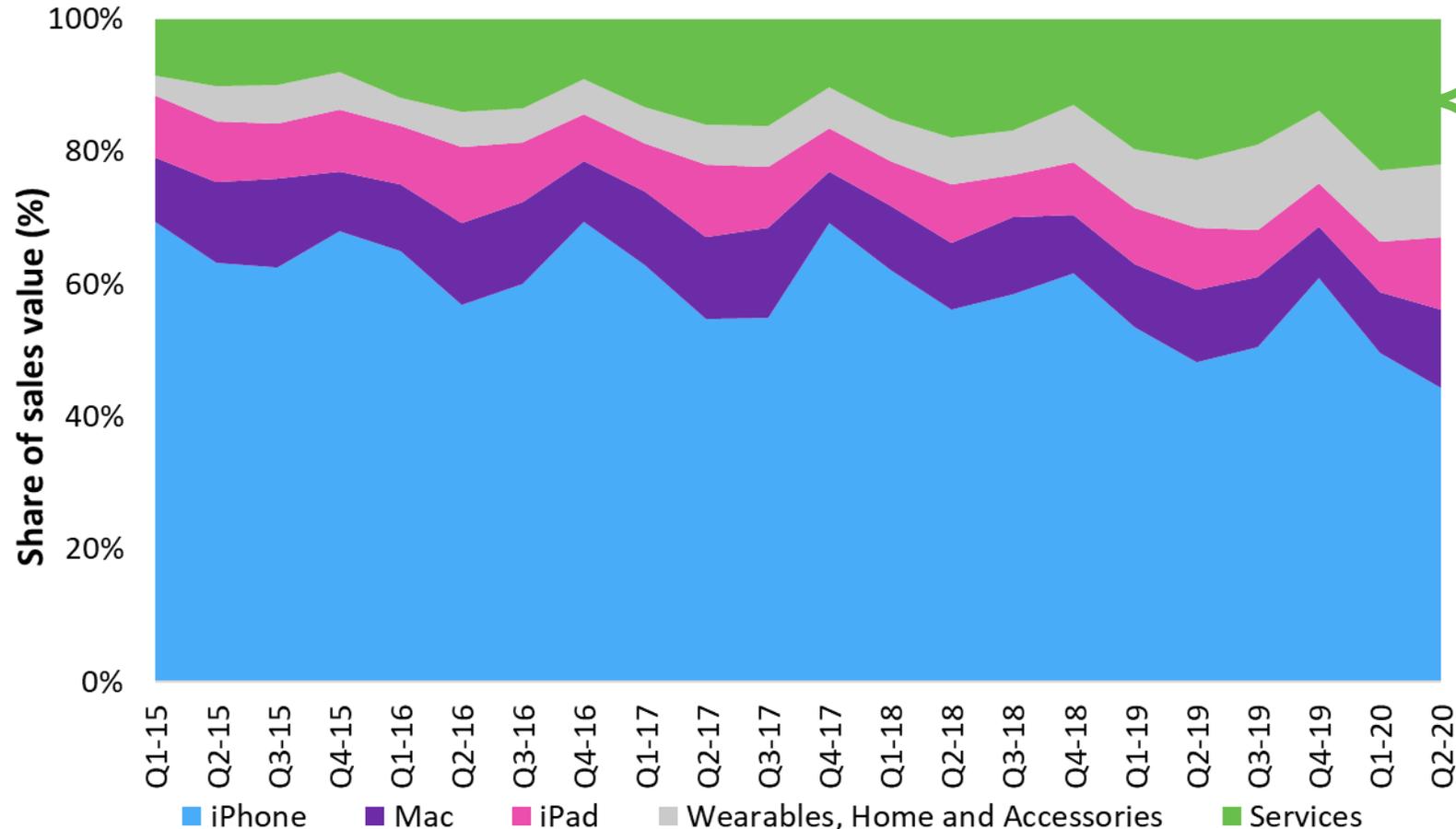
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The OTT world is a series of overlapping ecosystems



Apple exemplifies this move to services

Apple share of sales value by sector, Q1 2015 – Q2 2020



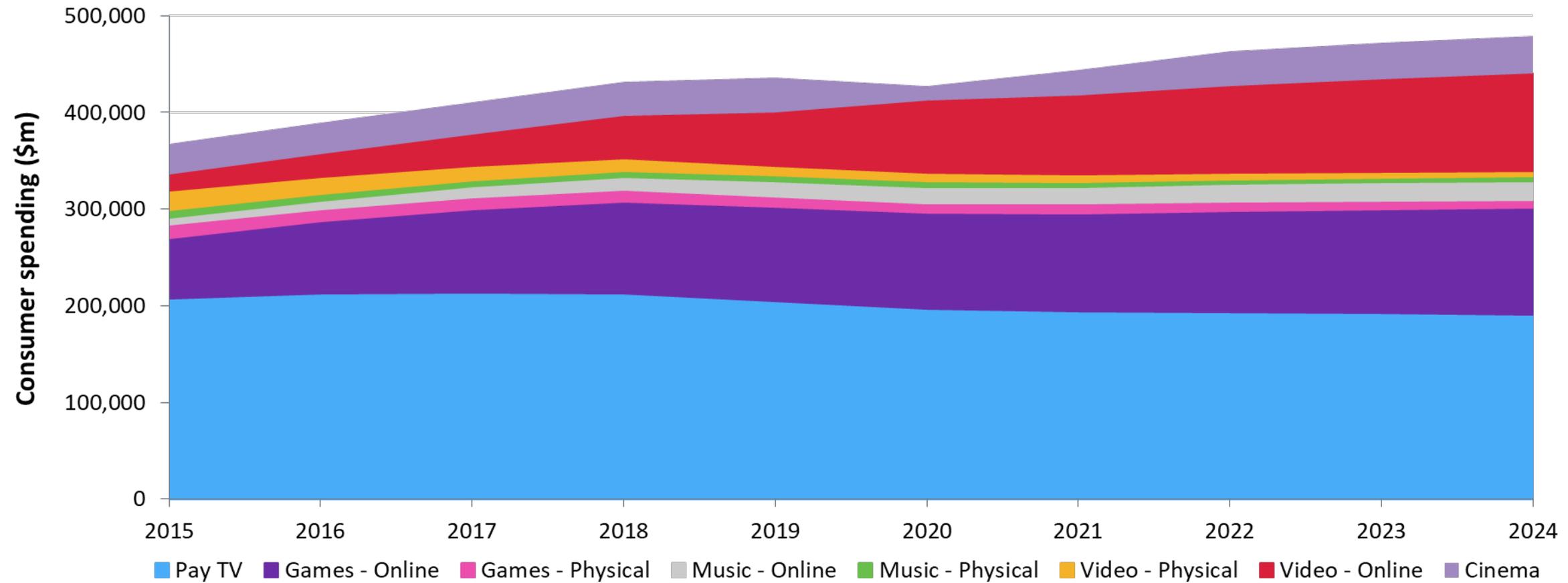
Apple tv+
Apple Arcade
Apple Music
Apple Card

Source: Apple, Omdia

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Which parts of the entertainment industry are growing?

Global: Total Entertainment consumer spending by sector and type, 2015-24



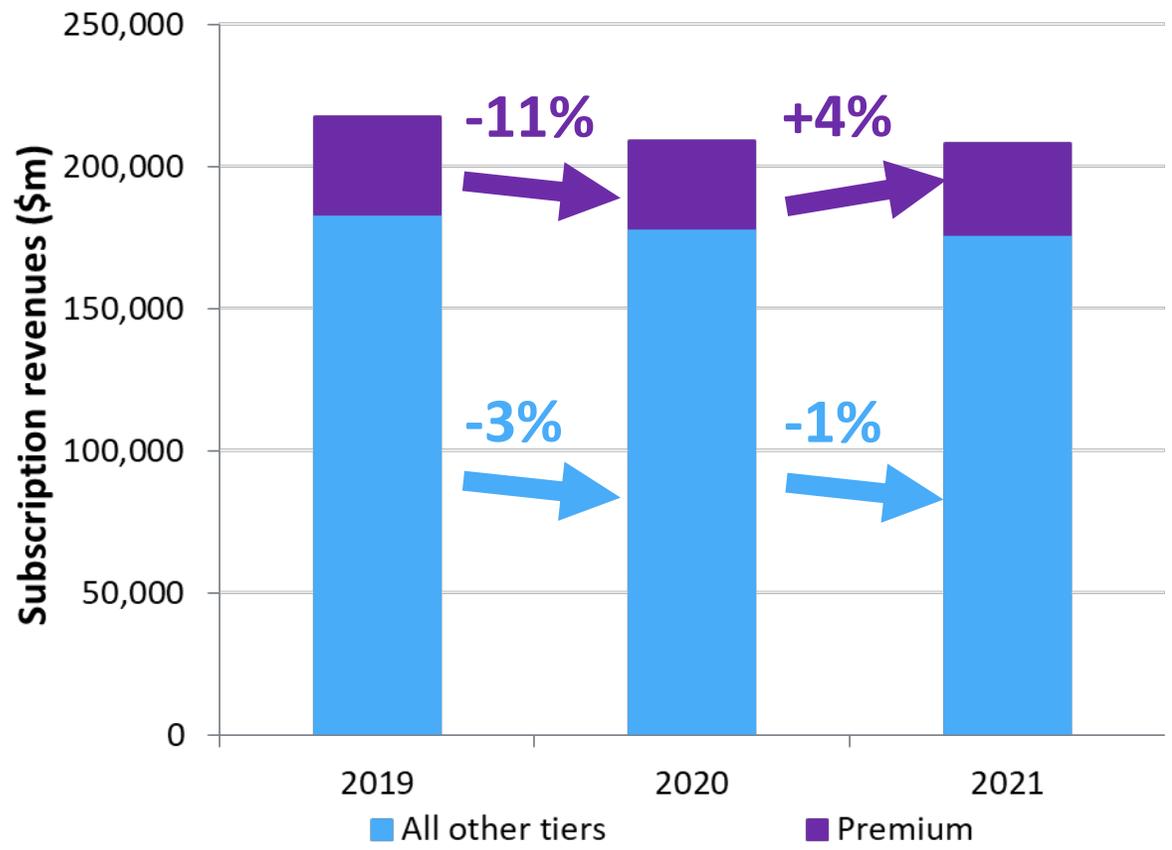
Source: Omdia Entertainment & Video KPIs Intelligence

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Streaming video in a post-COVID world

Direct COVID impact is mostly temporary for pay TV but systemic for OTT

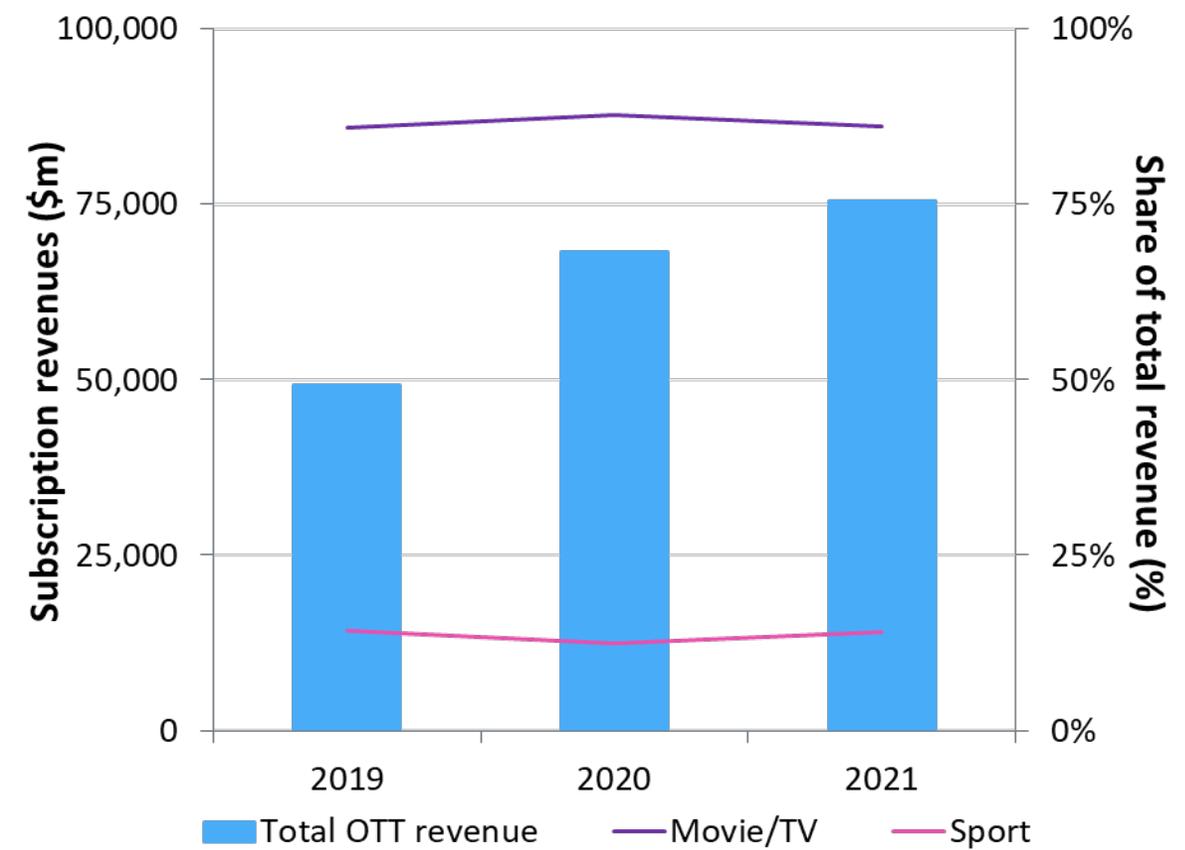
Global: Pay TV subscription revenues by tier, 2019-21



Source: Omdia

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Global: OTT subscription video revenue and genre shares, 2019-21

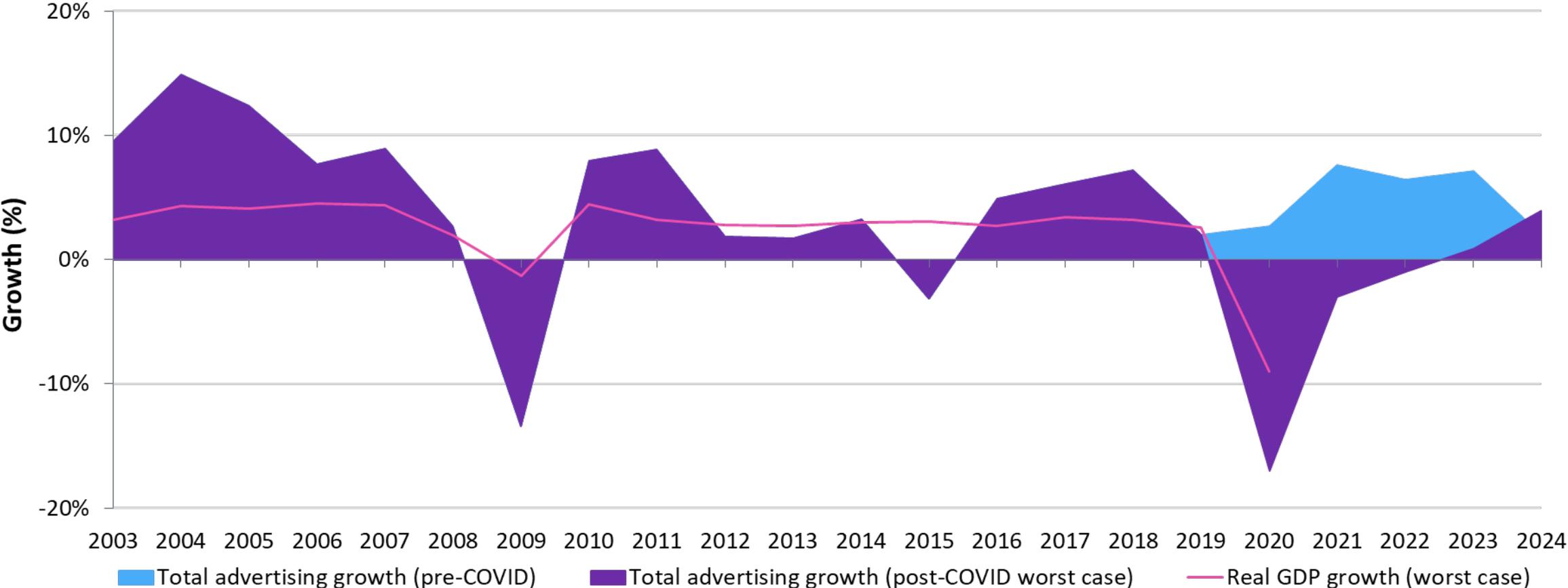


Source: Omdia

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2020 will be a turbulent year for advertising

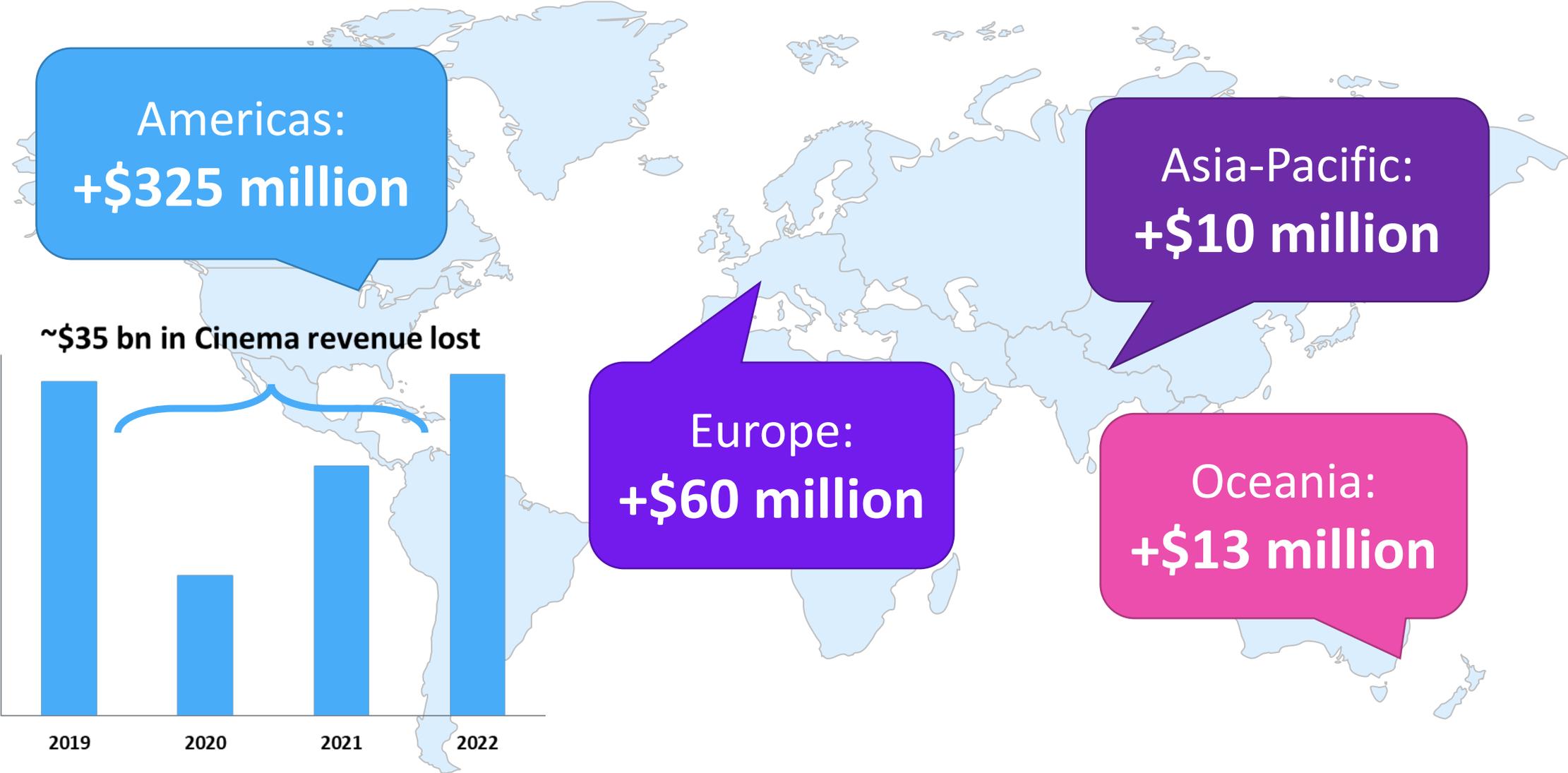
Global: Total world advertising revenue growth pre and post COVID (worst case scenario), 2003-24



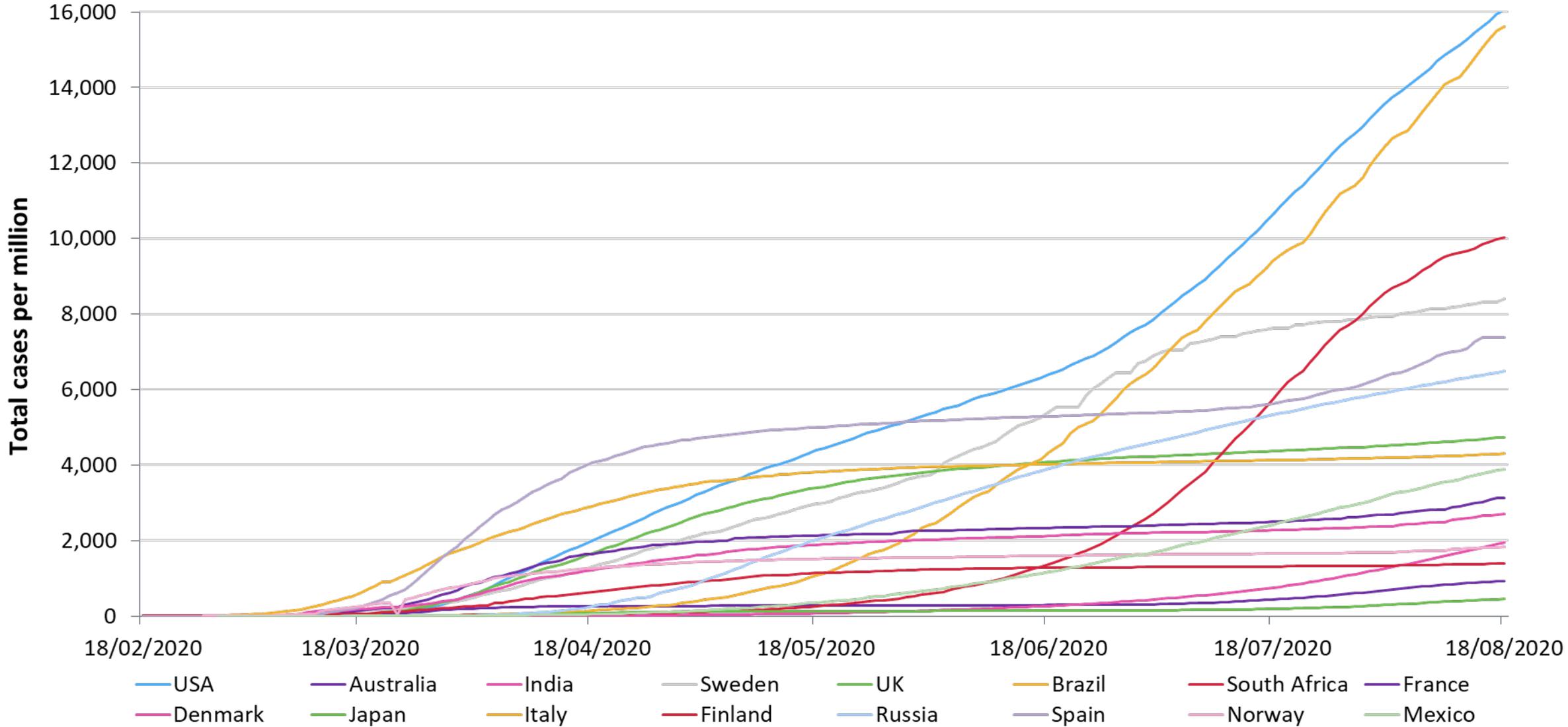
Source: Omdia Advertising Intelligence

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Premium VOD: a momentary trend or here to stay?



Total COVID-19 cases per million capita by country, 2020



Source: WHO, Omdia

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Ongoing COVID trends will be subject to several socio-economic factors



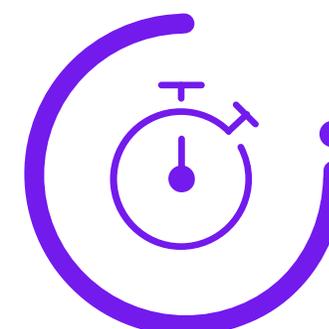
Government responses

Easing of social distancing and shelter in place policies as well as restrictions on travel, education and furlough schemes.



Direct economic impact

Impact on basic macro-economic factors such as GDP and exchange rates but also on consumer disposable income and spending.



Recovery Time

The severity of imposed measures and their effects on the economy may extend and amplify consumer habitual change.

Thank you!



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