

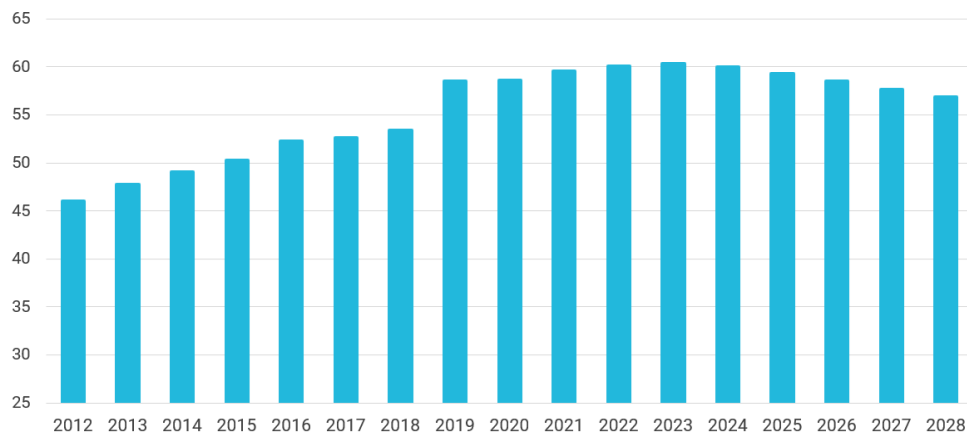
Global pay TV penetration to fall for the first time in 2024

All regions will see pay TV penetration decline by 2025

London, 21st November 2023: The latest research from Ampere Analysis finds that global pay TV penetration (the number of pay TV subscriptions relative to the number of households) will see its first yearly decline ever next year. This will follow pay TV penetration peaking at 60.3% in Q4 2023. By 2028, global pay TV penetration will have fallen by almost 4 percentage points by Ampere’s forecasts.



Global pay TV penetration (subscriptions per 100 households)



Source: Ampere Markets – Operators

Pay TV decline has been driven by North America, but all regions will be in decline by 2025

In North America, pay TV penetration has almost halved from a high of 84% in 2009 to 45% in 2023 caused by a combination of high costs and competition from a mature Subscription Video on Demand (SVoD) market. Despite this decline, the annual revenue generated per user will sit at over \$1,100 in 2023 across North America, the highest across any region.

Latin America has also shown large declines in penetration since 2016. This is largely led by Brazil, which has posted a drop of roughly 10 percentage points since its peak pay TV penetration of 42% in 2016.

Although North America and Latin America are driving this shift, all regions will be in pay TV penetration decline by 2025.

Growth in pay TV has come primarily from Asia-Pacific and Europe

Asia Pacific and Europe have seen the highest penetration growth in recent years, with large gains coming from China Mobile after it acquired an IPTV license in 2018. This growth has mostly been driven by low-cost IPTV services, which are often bundled into broadband packages for a low or nominal cost. While these regions will also fall into decline after 2025, there are still some growth markets, such as Portugal, Serbia, Hungary which are expected to see further growth in the forecast period.

Rory Gooderick, Senior Analyst at Ampere Analysis says: “Growth in global pay TV uptake has been driven over the last five years by Asia Pacific and Central & Eastern Europe. However, declines coming from the Americas, which are driven by streaming competition and the high price of pay TV in North America, currently sitting at over \$90 a month, will contribute to global pay TV penetration declining for the first time in 2024. However, despite the projected decline in the reach of pay TV products, cable and satellite platforms will remain a powerful force in the TV world, and important distribution partners for streaming products, as evidenced by the recent distribution deal between Disney and Charter in the US, which saw select Disney streaming services bundled into Charter’s TV packages. This package structure, already increasingly common in Europe and parts of Asia, offers a framework for traditional cable TV companies to transition their business into a streaming aggregation play, and stabilise subscriber trajectories.

Ends

Note to Editors

Ampere Analysis currently surveys 96 countries globally. Additionally, pay TV penetration is measured as revenue-generating units per 100 households.

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About Ampere Analysis

Founded in January 2015, Ampere Analysis is a new breed of media analyst firm. The company's experienced team of sector-leading industry analysts specialises in sport, games, pay and multiscreen TV and next-generation content distribution. Our founders have more than 60 years combined experience of providing data, forecasts and consulting to the major film studios, telecoms and pay TV operators, technology companies, TV channel groups and investment banks.

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