

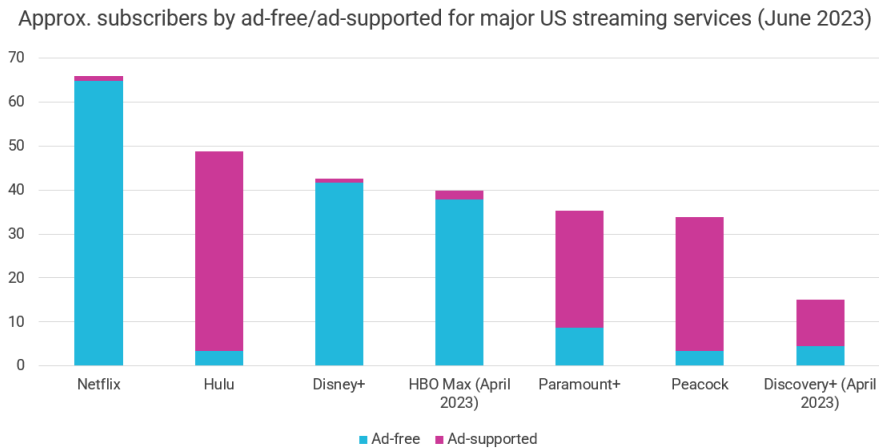
Subscribers to ad-supported tiers have surpassed 100m in the US

Ad-supported subs tiers in the US will earn more than \$10bn in ad revenue in 2027

London, 31st July 2023: The latest research from Ampere Analysis shows that ad-supported tiers are growing in the US. Currently, Hulu, Peacock and Paramount+ represent the bulk of subscriptions. However, uptake is growing for players like Netflix, driven in no small part by its account-sharing crackdown, and for Disney+, which increased its price alongside launching the ad tier.

Here's the current state of ad-supported subscriptions according to Ampere's own estimates:

- Currently, more than 1m US Netflix accounts are on the ad-supported tier, representing nearly 2% of the entire subscriber base, whilst around 800k Disney+ accounts are on the ad-supported tier, representing around 2% of its subscriber base.
- Prior to the launch of Max, Discovery+ had in the region of 10m ad-supported accounts. HBO Max had around 2m.
- Ampere expects that more than 90% of Hulu subscribers are on the ad-supported tier, representing around 45m subscriptions. Hulu launched as an ad-supported subscription service in 2010, before launching its ad-free tier in 2015.
- Peacock has the most ad-supported subscribers of any new US OTT service, with more than 30m ad-supported subscribers.
- Paramount+ is not far behind Peacock, with more than 25m ad-supported subscribers to its service in the US.
- Ampere expects that ad-supported subscription tiers in the US will generate more than \$10bn in advertising revenue in 2027.



Source: Ampere Subscription Video Economics, Markets - Operators

Ampere’s view is that hybrid services are an increasingly important element of streaming service monetisation, and hybrid tiers often generate more revenue per subscription than their ad-free counterparts – a key reason why Netflix has begun to remove the option for new subscribers to take the ad-free basic tier in many of its markets. The tiers also represent a way for consumers to maintain a wider array of subscriptions while economic times remain tough.

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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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