

EANA Meeting

Global Entertainment and Media Outlook

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Agenda

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|--|-----------|
| 1. Overview – Global Entertainment & Media Macro Trends | 04 |
| 2. Broadcaster – Figures and forecasts | 16 |
| 3. Newspaper – Figures and forecasts | 23 |
| 4. Consumer Magazine – Figures and forecasts | 31 |
| 5. Implications for the Entertainment & Media Industry | 36 |

1

Overview – Global Entertainment & Media Macro Trends

Global summary and macro trends

What is the Global Entertainment & Media Outlook?

- Annual 5-year forecast and 5-year historical data of consumer and advertising spending in E&M industry
- In-depth analysis and commentary of 14 segments in 53 territories
- Comes in three formats:
 - Online data tool and commentary requiring subscription
 - Special report highlighting key trends
 - Country editions
- Has been running for 20 years starting in the year 2000



Business-to-business



Cinema



Consumer books



Data consumption



Internet access



Internet advertising



Music, radio and podcasts



Newspaper and consumer magazines



OTT video



Out-of-home



Traditional TV and home video



TV advertising



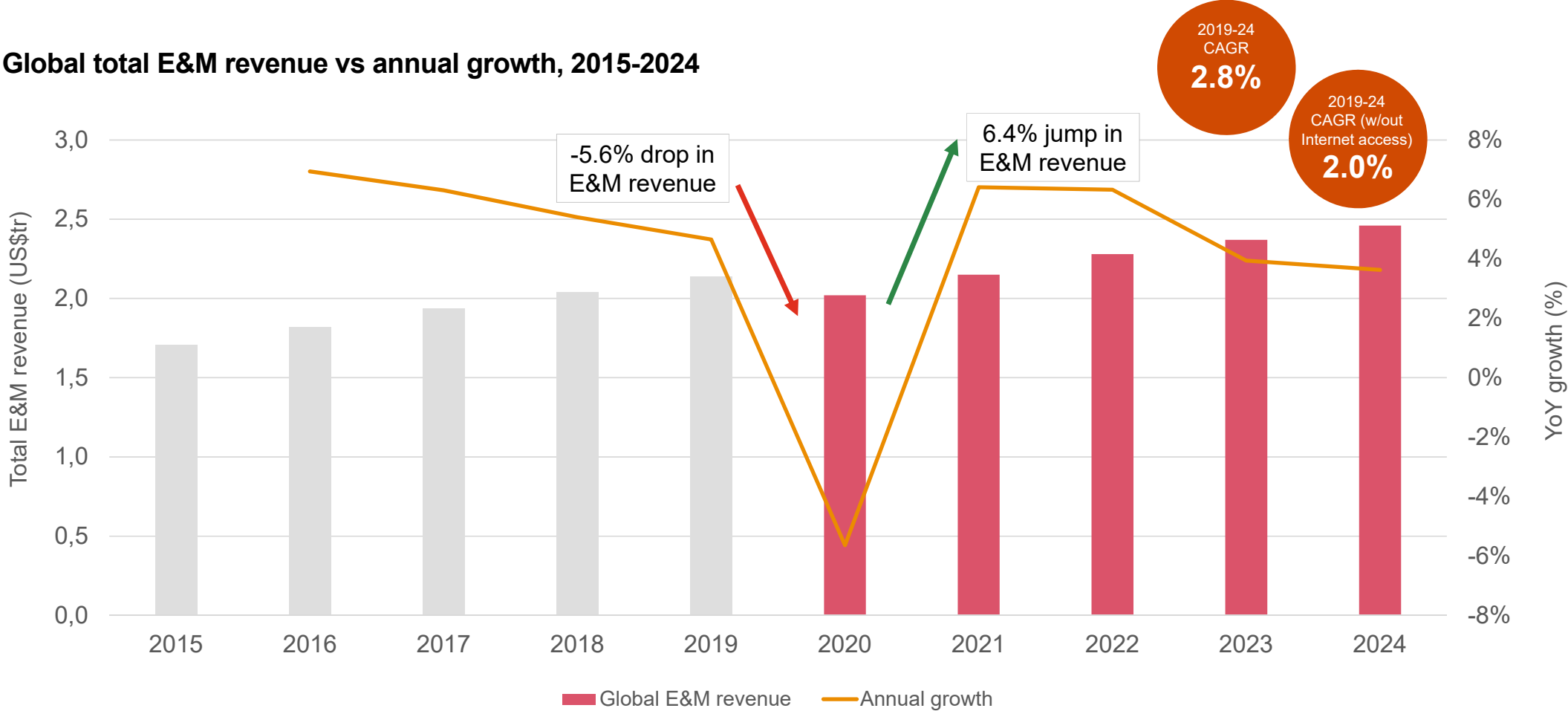
Video games and esports



Virtual reality

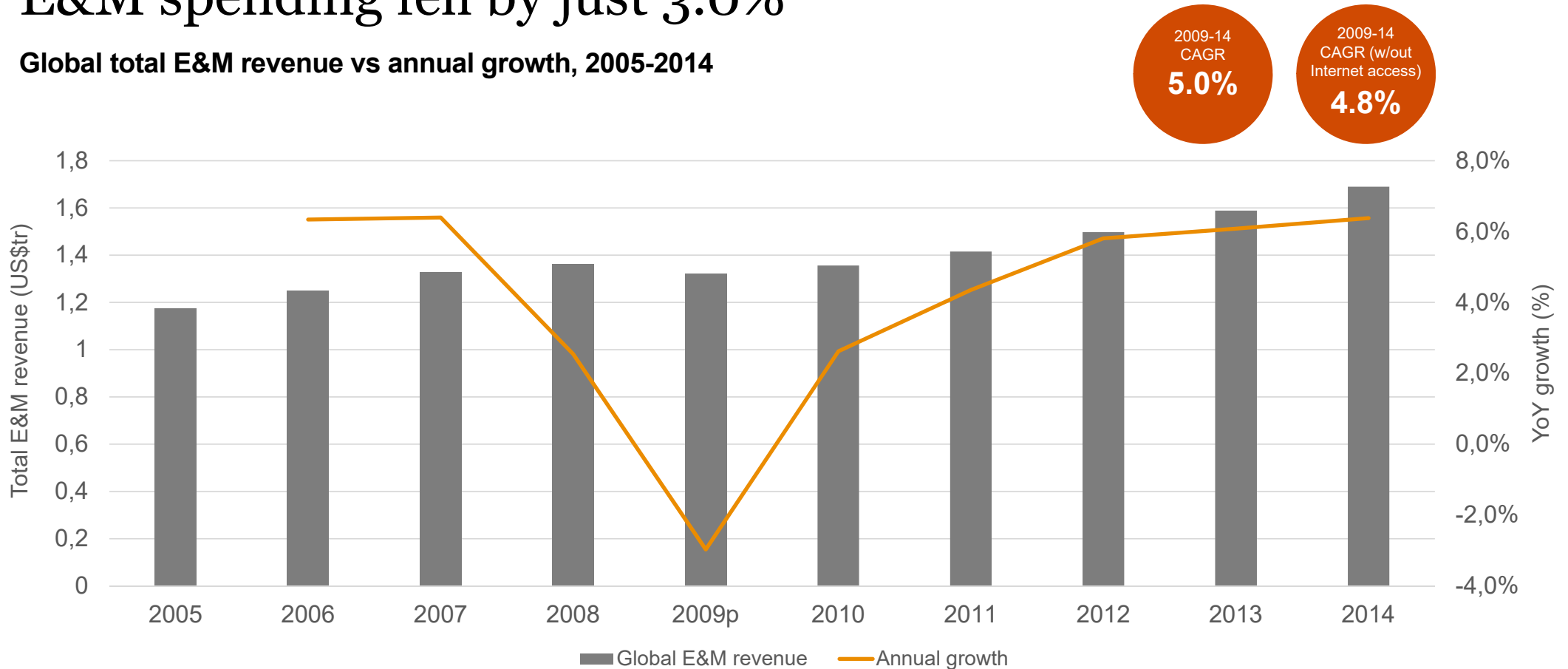
Global total E&M revenue fell by more than US\$120bn in 2020

Global total E&M revenue vs annual growth, 2015-2024



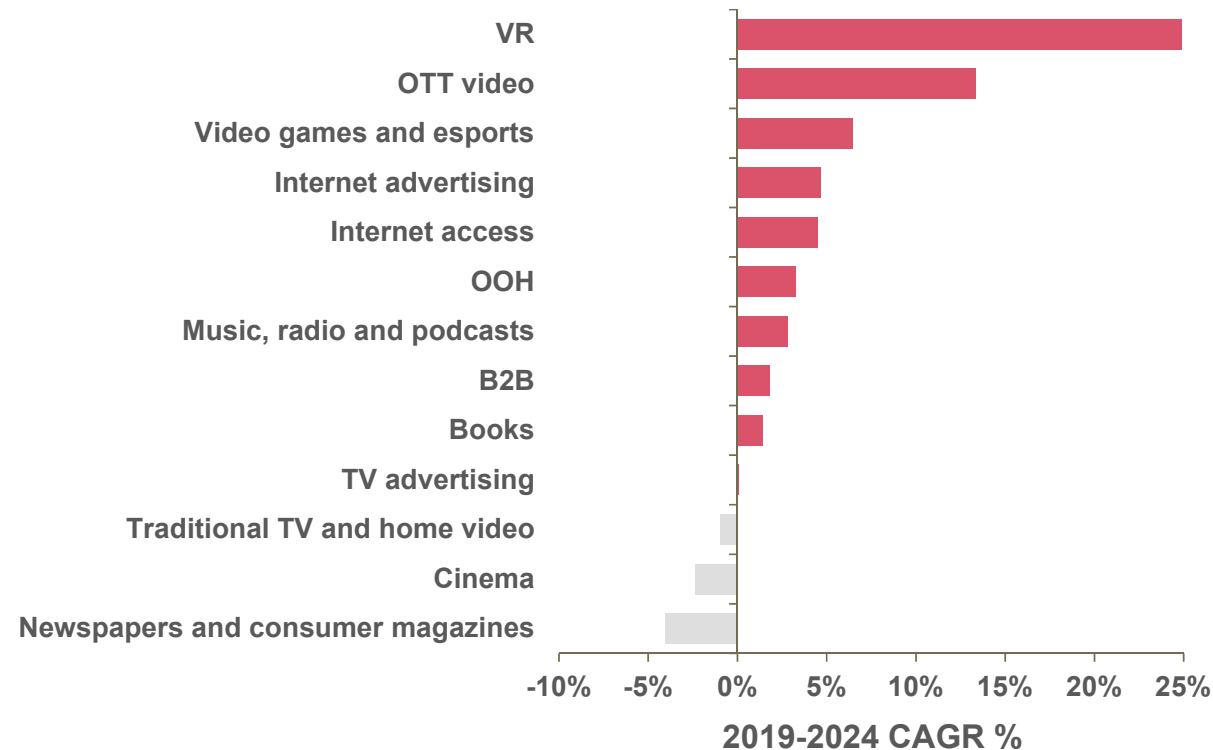
In 2009, the last year the global economy shrank, total global E&M spending fell by just 3.0%

Global total E&M revenue vs annual growth, 2005-2014

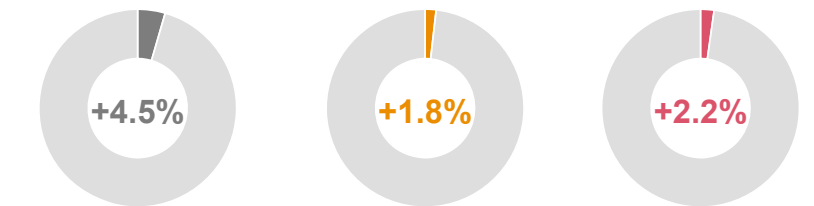
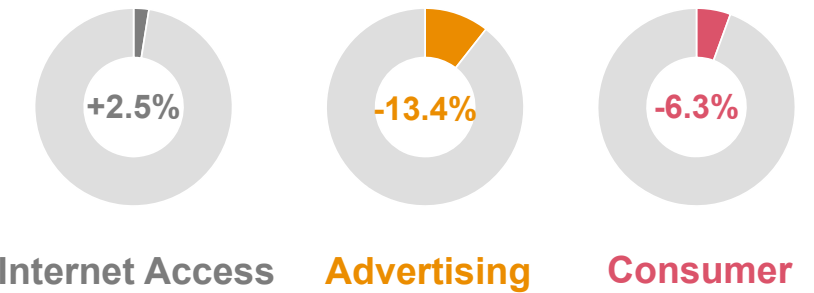


Looking across the individual Entertainment & Media segments, VR continues to top the list, followed by OTT

Segment CAGR % 2019 - 2024



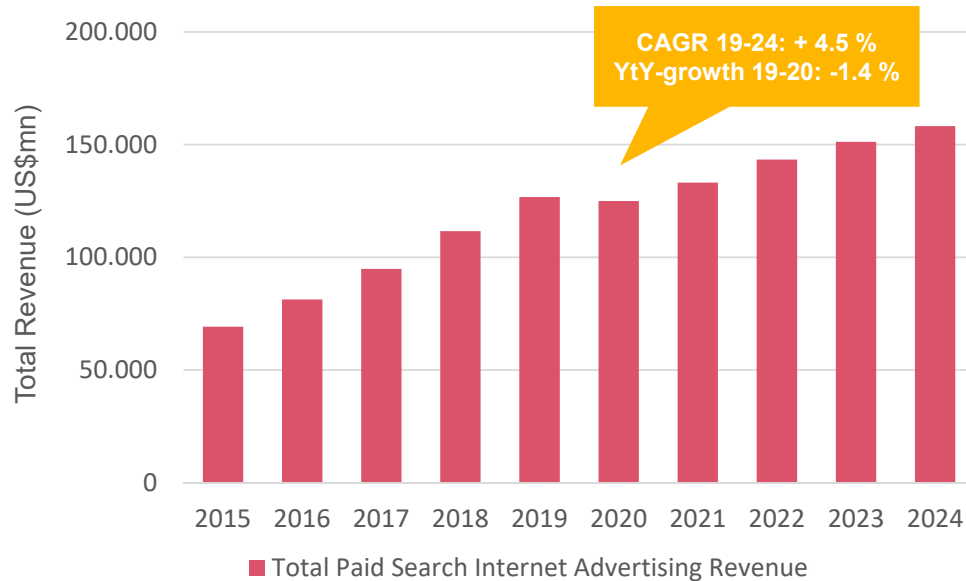
Revenue Streams YtY-Growth % 2019 - 2020



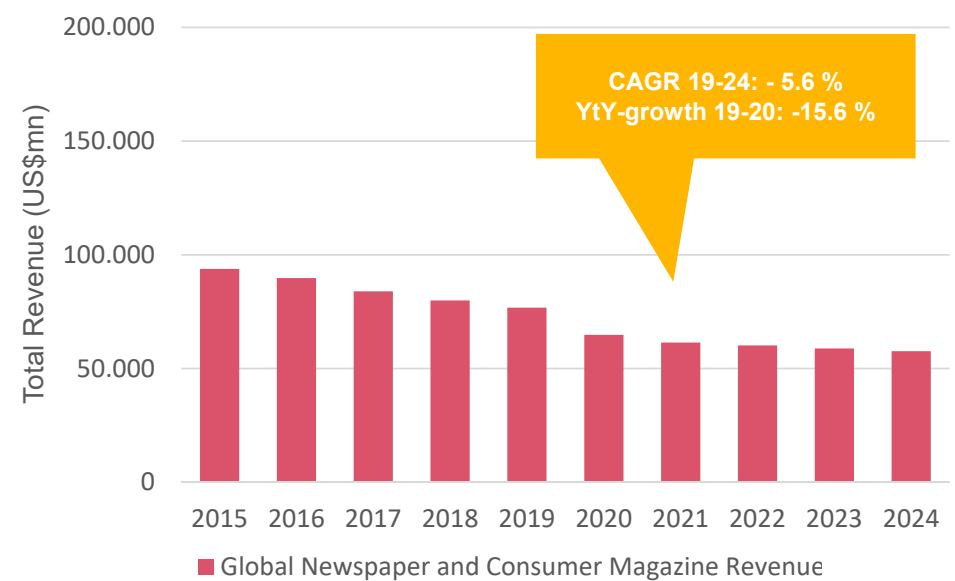
Revenue Streams CAGR % 2019 - 2024

The E&M Industry is subject to major changes facing the highly dynamic development of economy and society

Total Paid Search Internet Advertising



Total Newspaper & Consumer Magazine Advertising



Relatively neutral effects of COVID-19 on digital segments

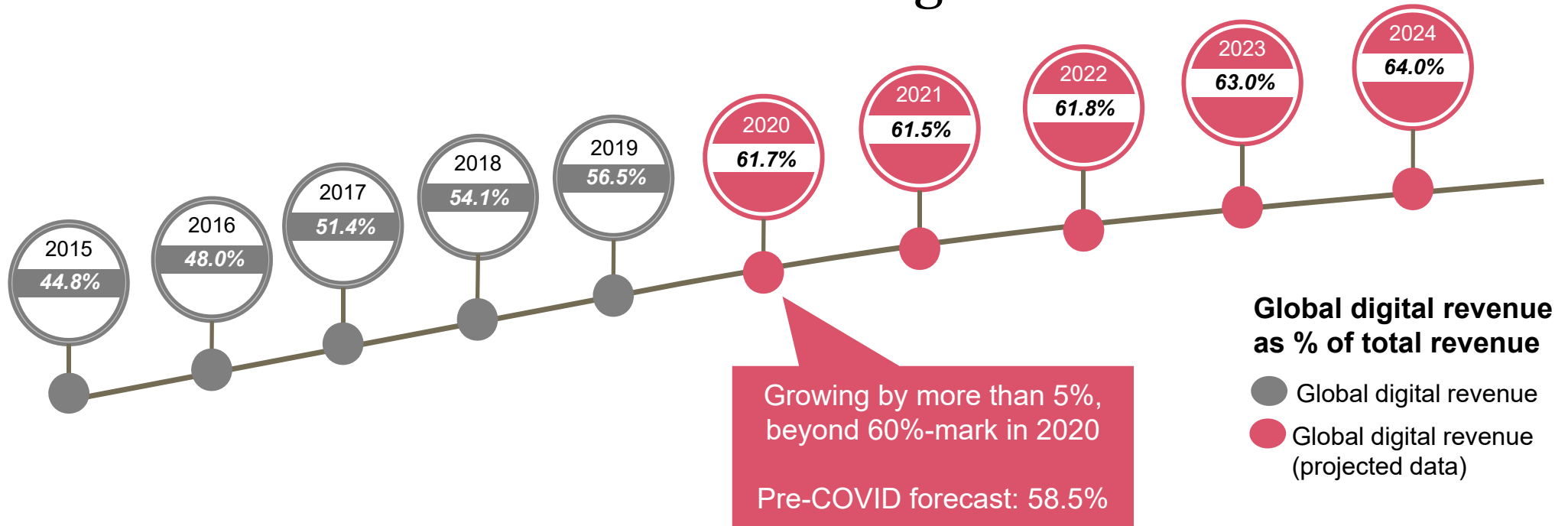


Physical segments of the industry suffer the most



Like in last crises: Some traditional E&M segments will not recover

The COVID-19-crisis accelerated the ongoing shift to digital in consumer behavior → It will never go back!



Digital consumption at home



Agile consumers, creating individual media bundles



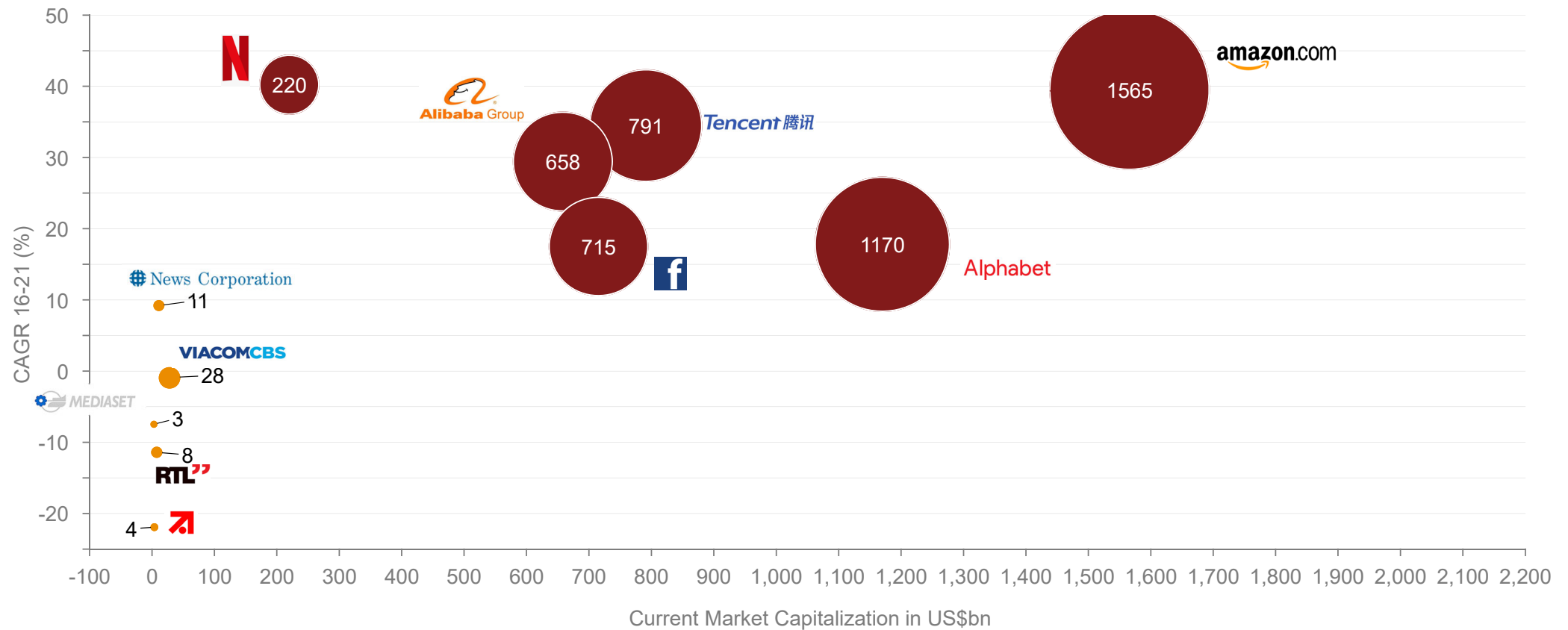
Hastened arrival of industry tipping points



Pressure to create digital offerings

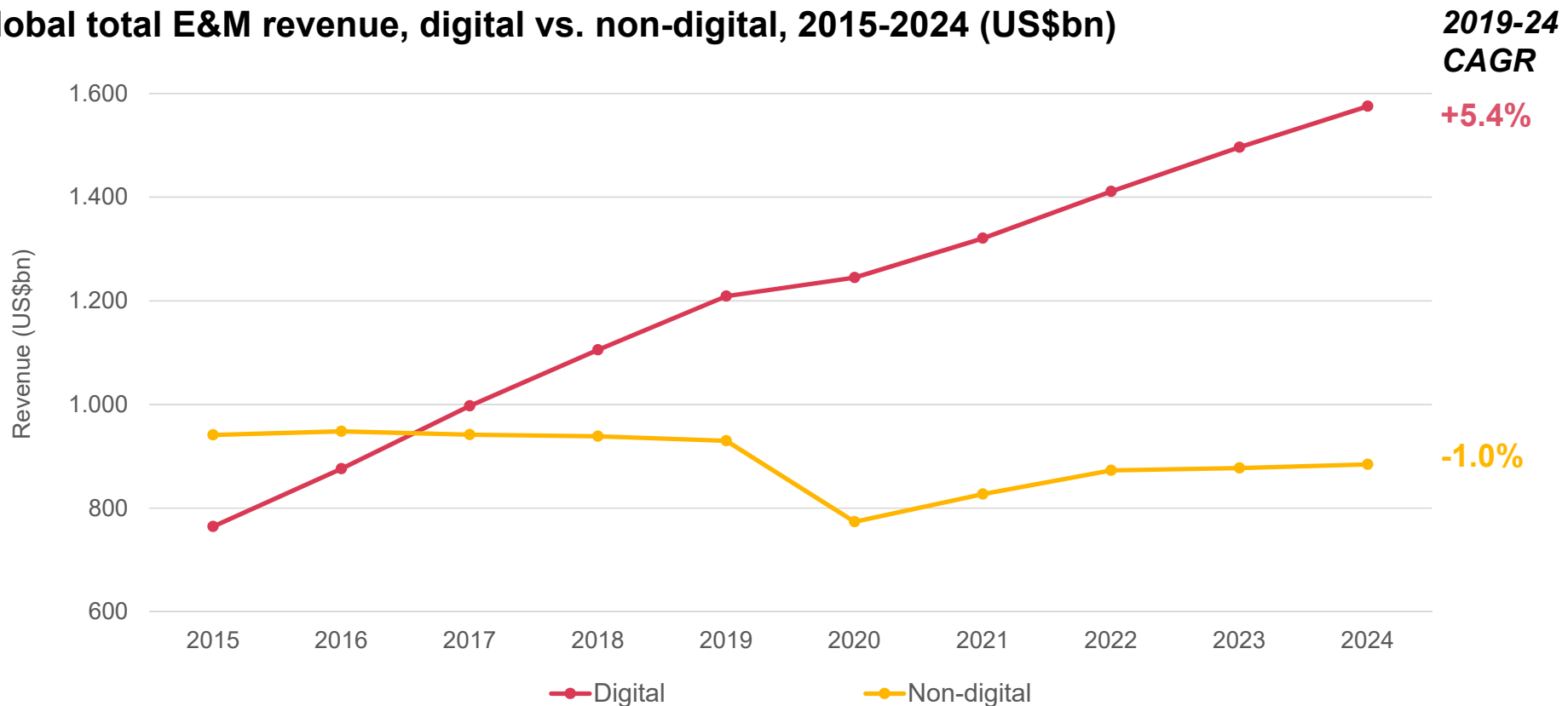
While the market capitalization of traditional E&M players is shrinking, tech giants seem to grow unstoppably

Current market capitalization (US\$bn) & CAGR 16-21, traditional E&M vs global platform companies



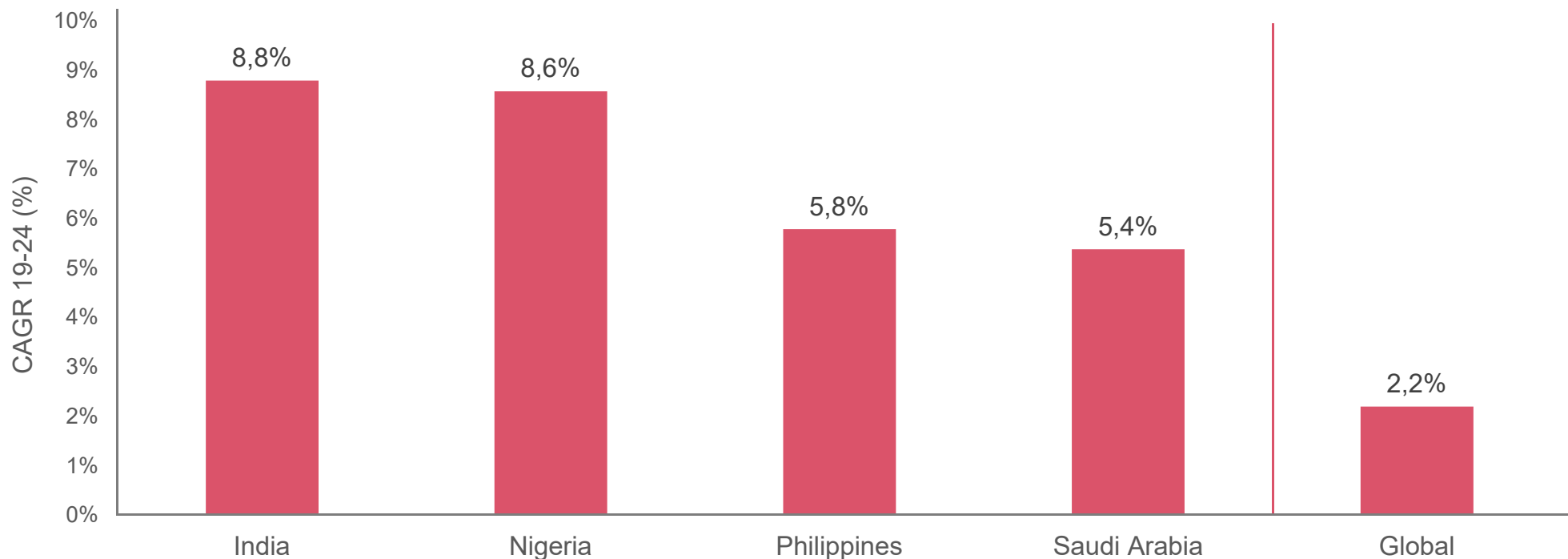
The domination of digital revenues in the industry expands and is set to grow further

Global total E&M revenue, digital vs. non-digital, 2015-2024 (US\$bn)



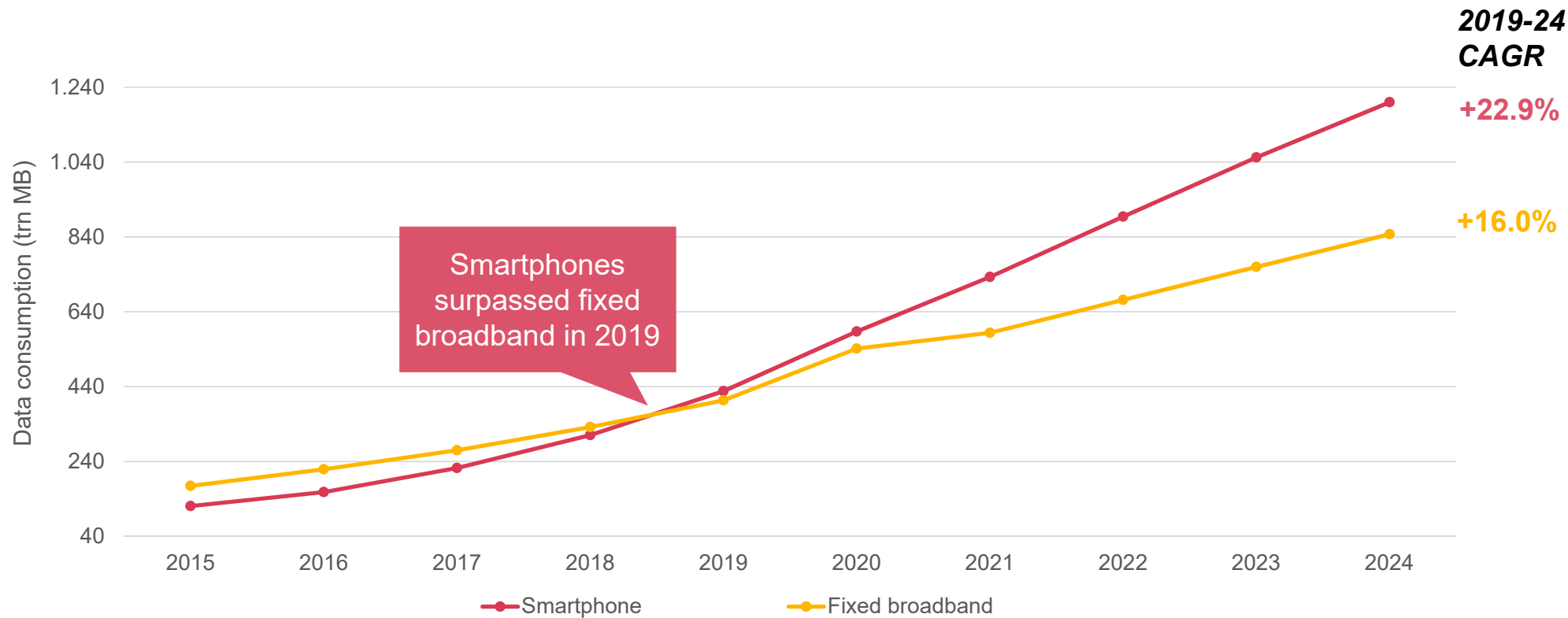
India leads as the fastest-growing consumer market when looking at pure consumer E&M revenue

Four fastest-growth consumer markets, CAGR 2019-2024 (%)



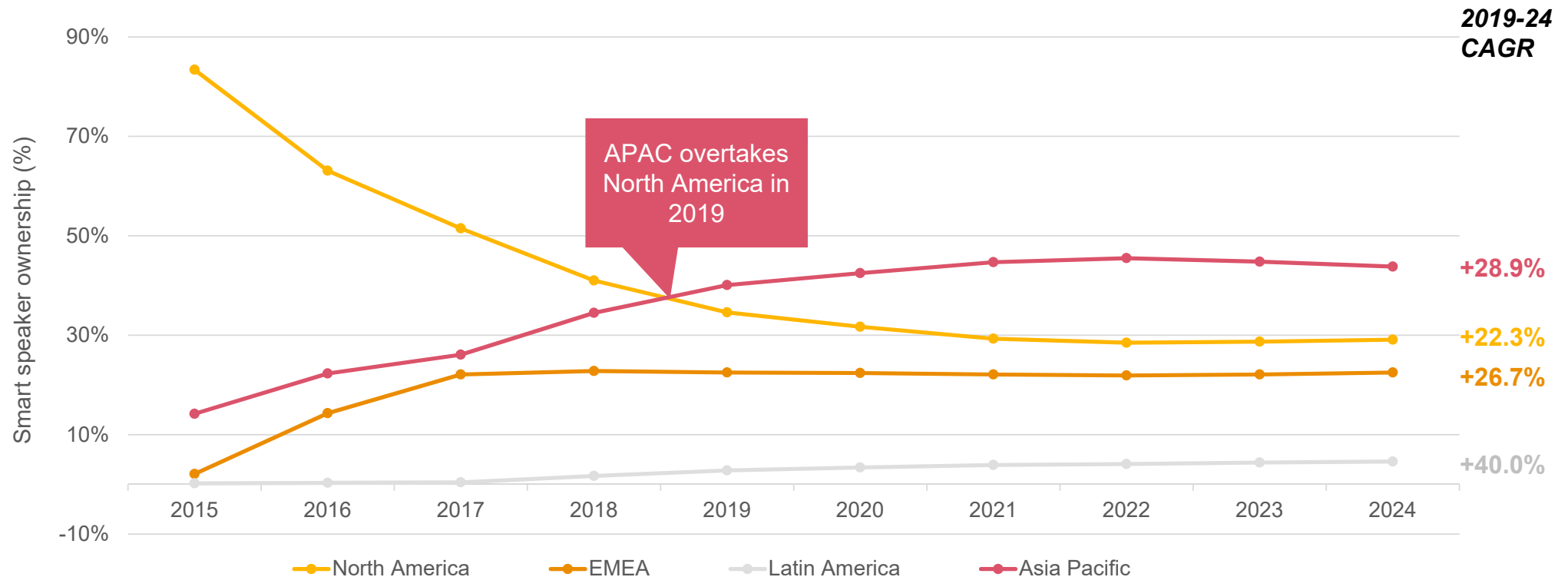
Tipping point: Data consumed by smartphones overtook fixed broadband in 2019

Global data consumption, smartphones vs fixed broadband, 2015-2024 (trn MB)



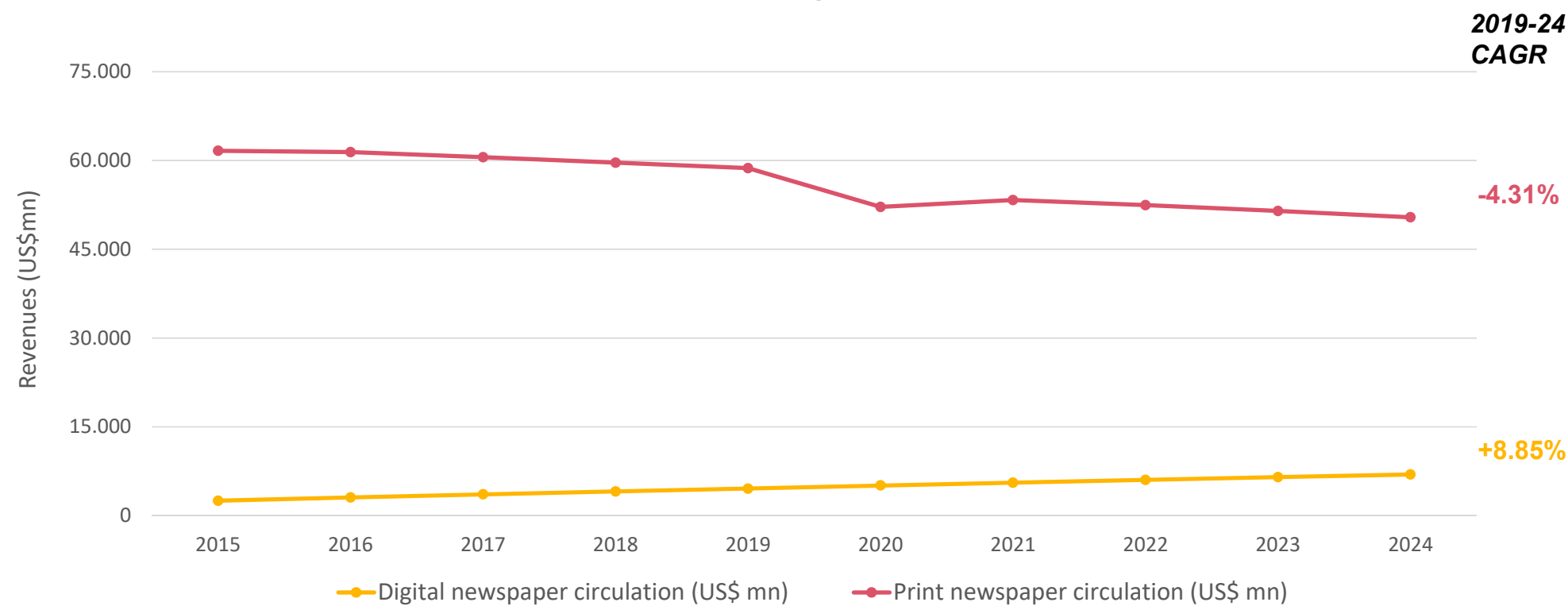
Global adoption of in-home AI devices such as smart speakers will necessitate robust data security

Global smart speaker ownership by region, 2015 and 2024 (%)



As declining revenues threaten traditional journalism, algorithms accelerate spread of untrustworthy information

Global newspaper circulation (US\$m), print vs digital, 2015-2024



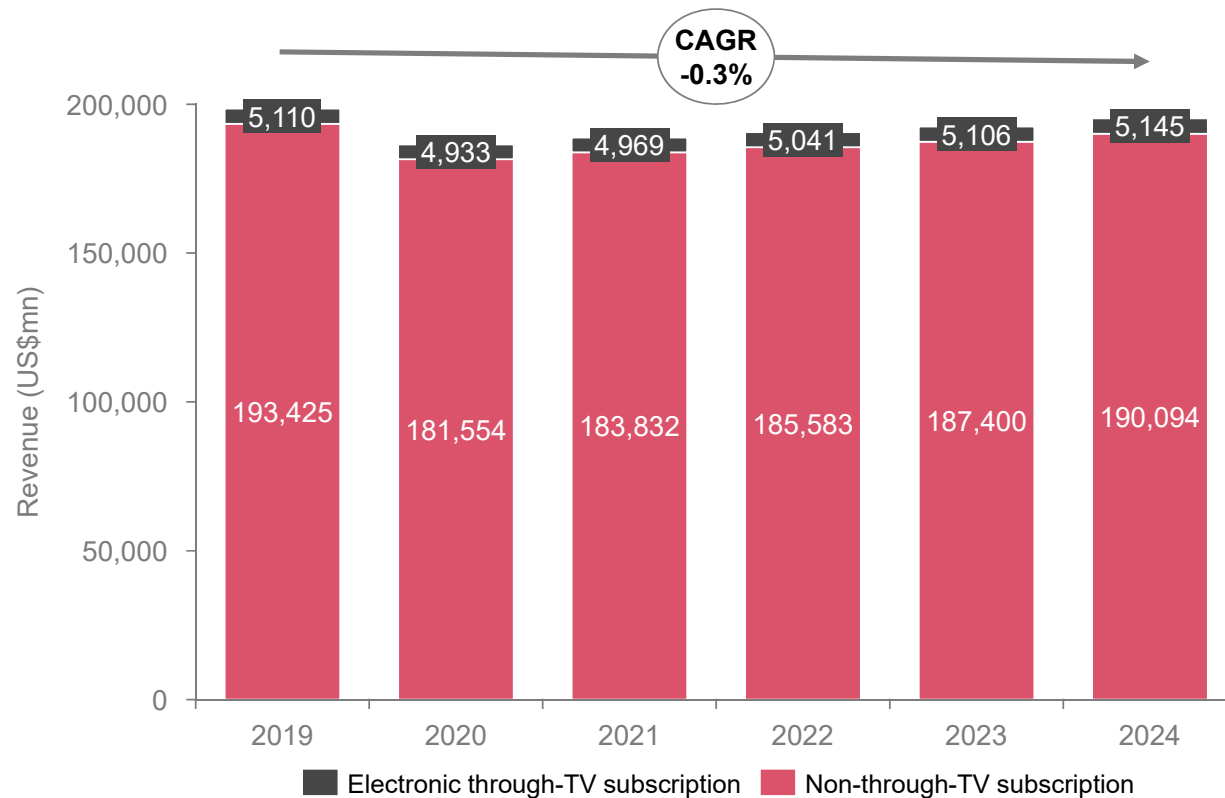
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Broadcaster

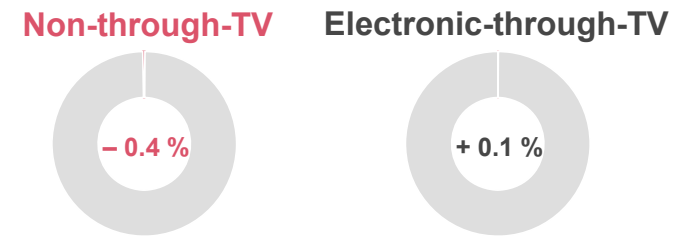
Figures and forecasts

Global TV subscription revenues are stagnating as growth slowed down due to intensified competition with VoD

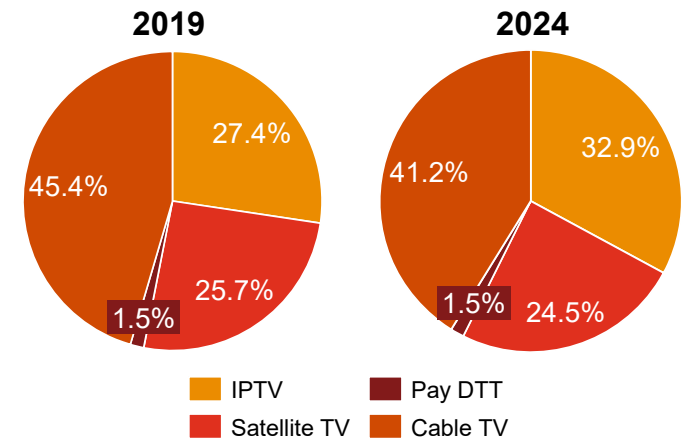
Total global TV subscription revenue in US\$mn, 2019-2024



CAGR 19-24

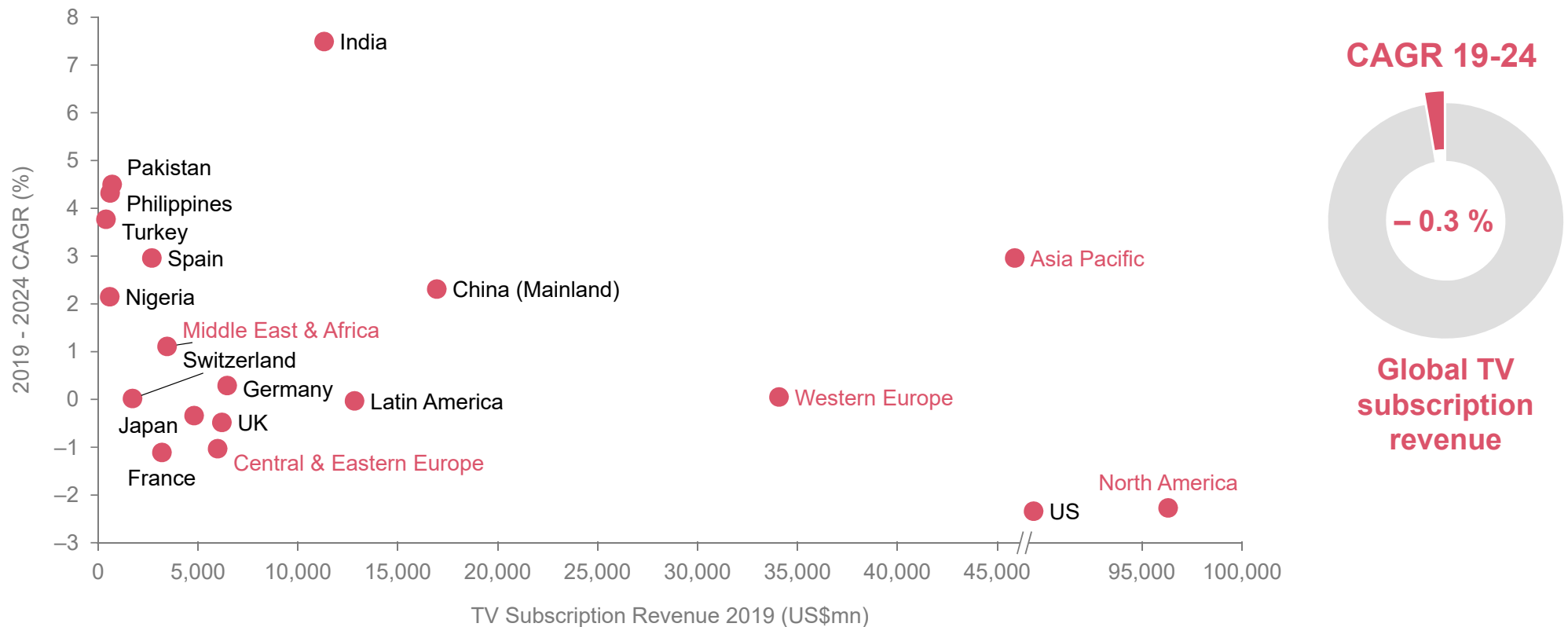


Types of subscription TV households



TV subscription revenues are growing in emerging countries, developed markets reach maturity

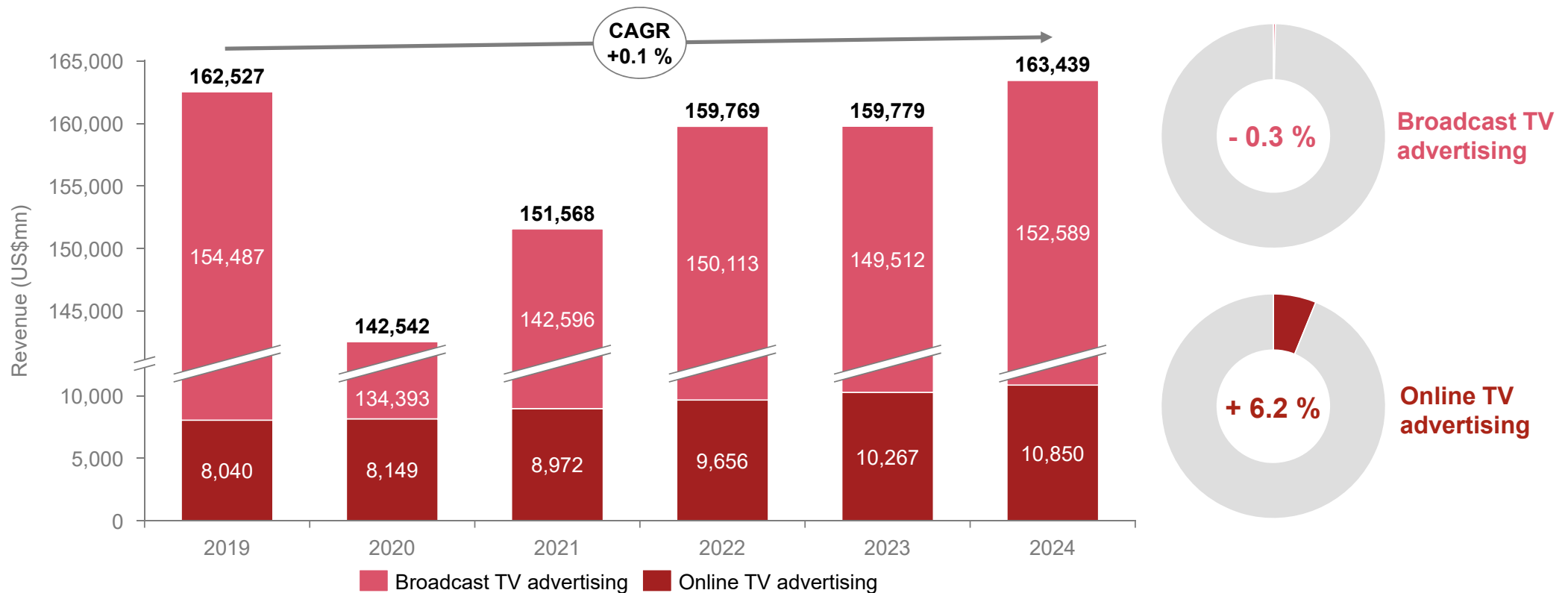
Total global TV subscription revenue in US\$mn & CAGR 2019-2024



Broadcast advertising revenues have been badly impacted by the pandemic while online revenues continued to grow

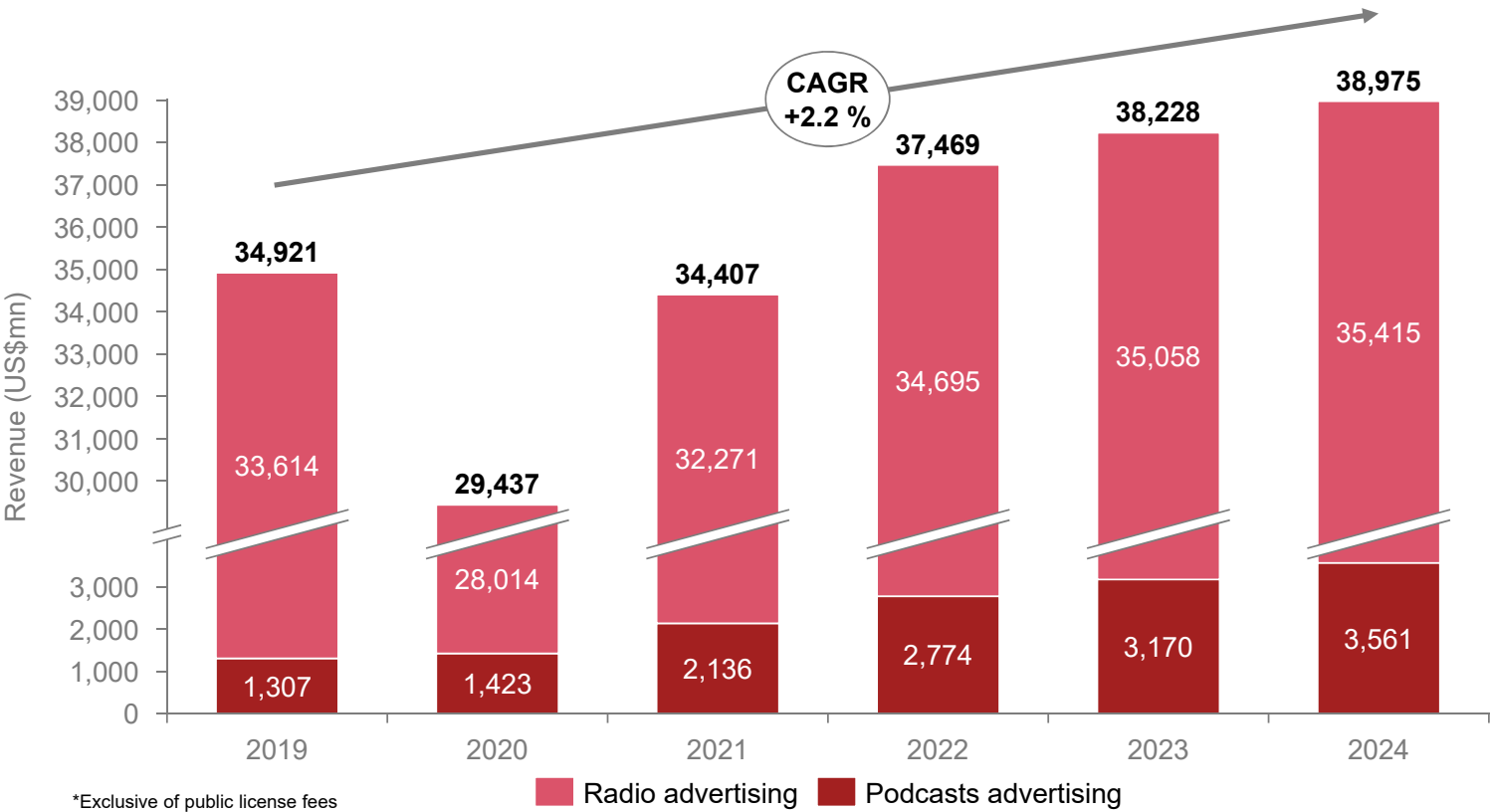
Total global TV advertising revenue in US\$mn, 2019-2024

CAGR 19-24

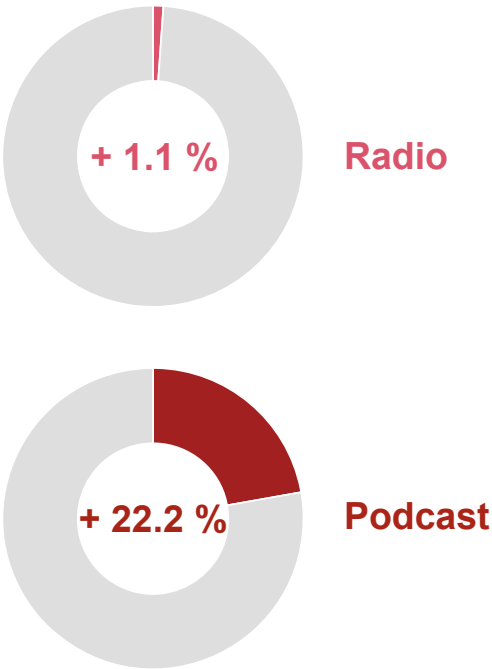


Traditional radio revenues* show moderate growth while Podcasts are growing very fast

Total global radio and podcast advertising revenues in US\$m, 2019-2024

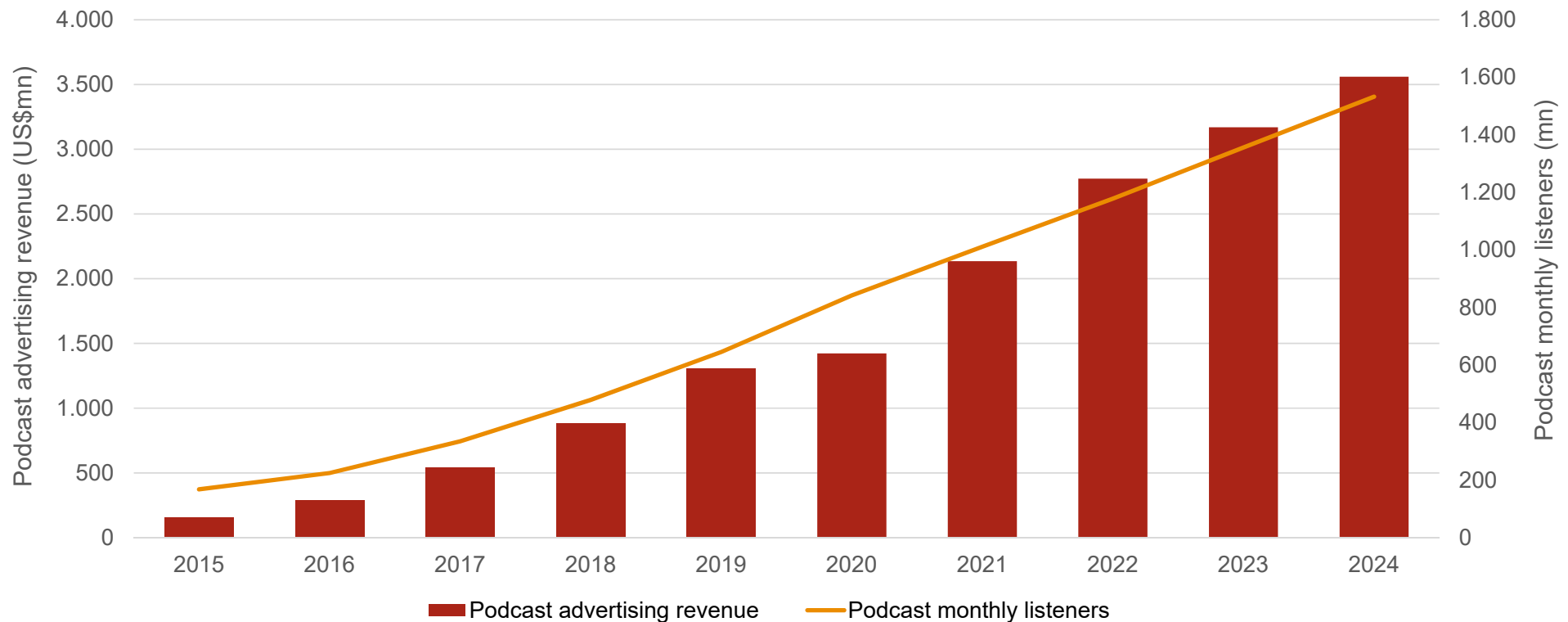


CAGR 19-24



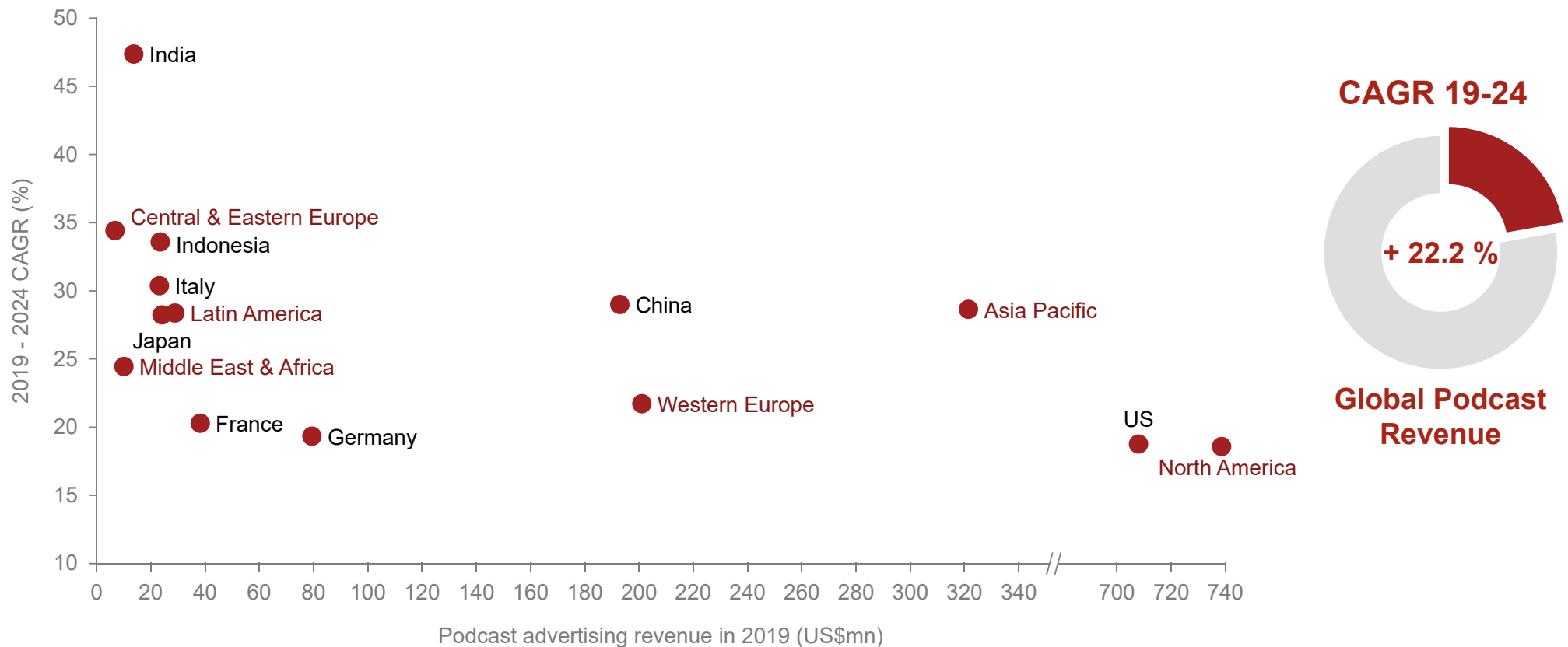
Podcasts remain resilient during COVID-19, with growth in monthly listeners and steady advertising revenue

Global podcast advertising revenue (US\$m) & monthly listeners (mn), 2015-2024



US, China and Germany are the biggest podcast markets in terms of advertising revenues – and they keep growing

Global podcast advertising revenues in US\$mn in 2020 & CAGR 2019-2024



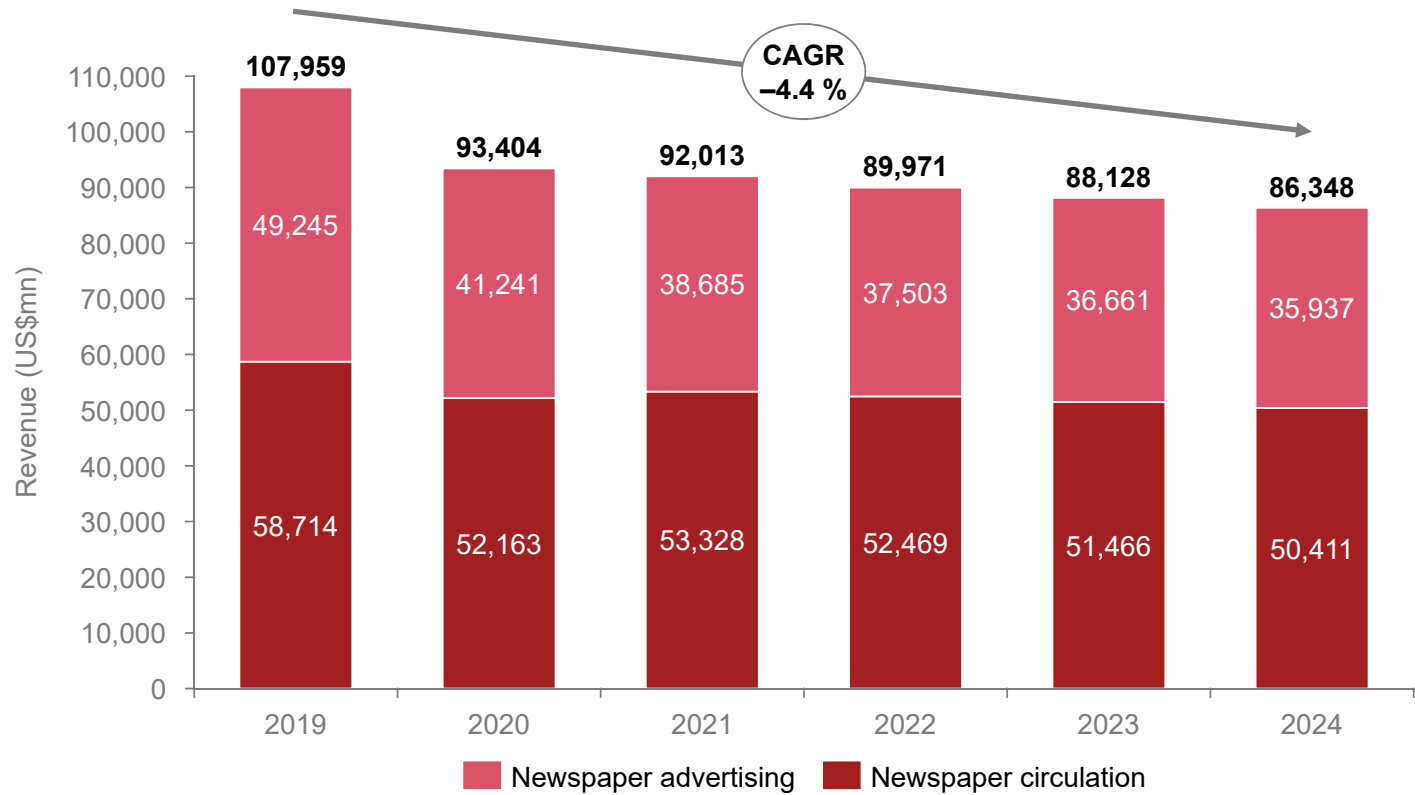
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Newspaper

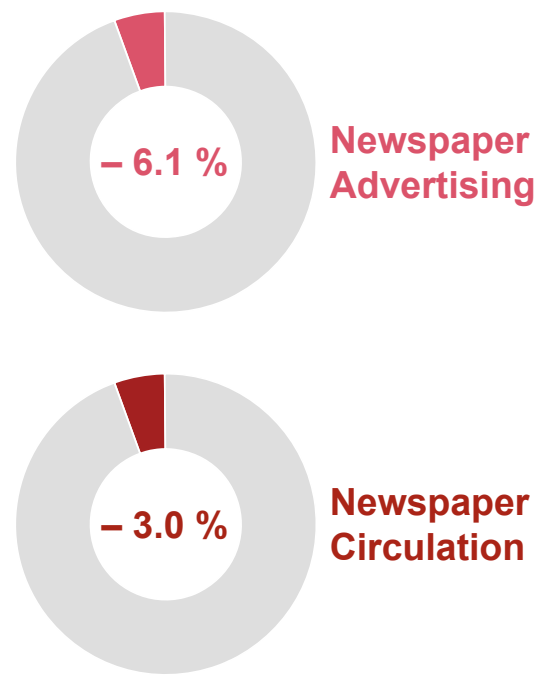
Figures and forecasts

The newspaper industry is subject to declining revenues both in advertising and circulation

Total global newspaper revenue in US\$mn, 2019-2024

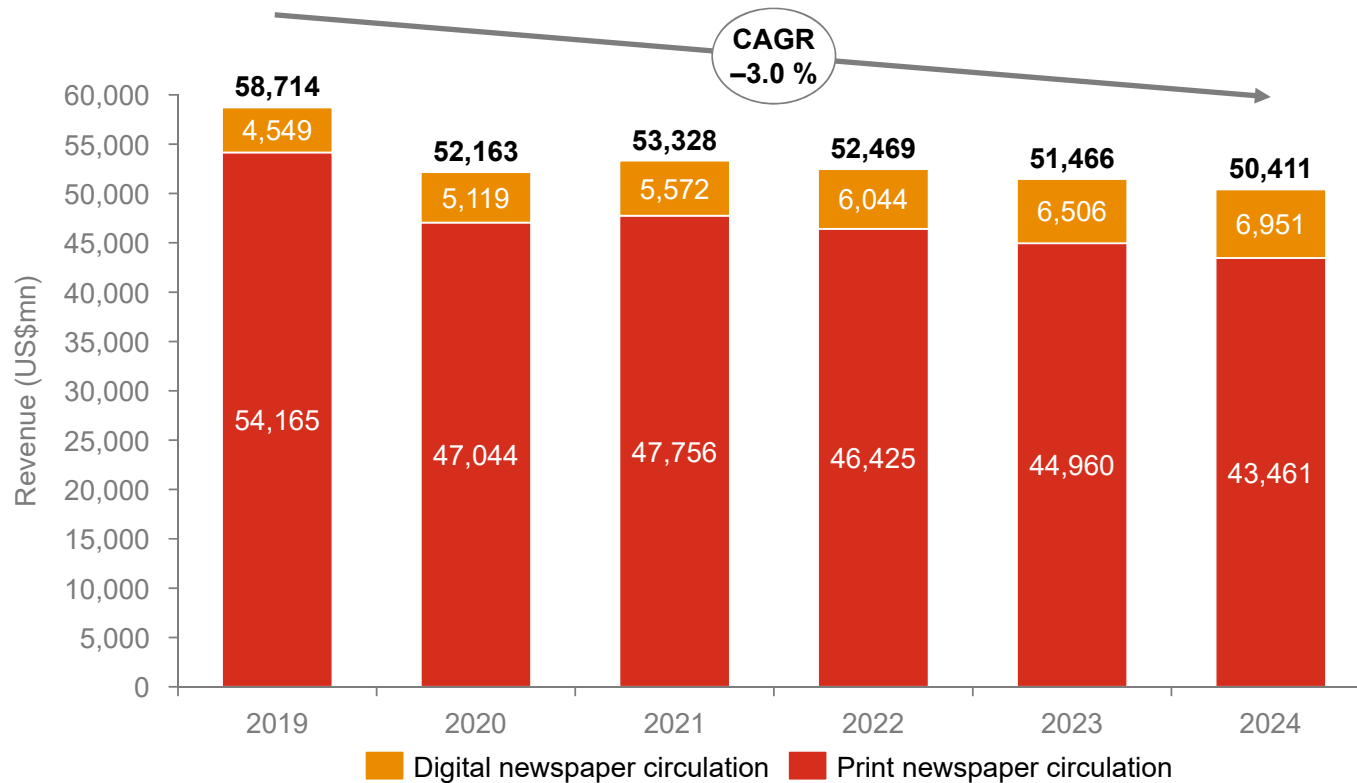


CAGR 19-24

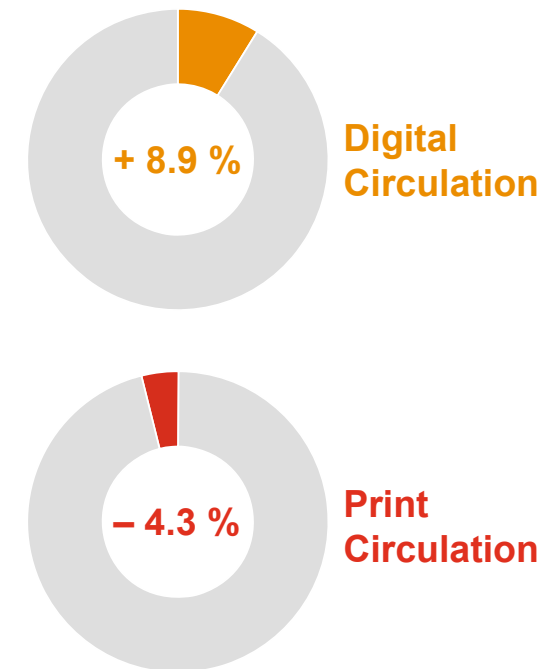


The digital newspaper market is growing fast but only takes up a small proportion of the total global newspaper market

Total global newspaper circulation revenues in US\$mn, 2019-2024

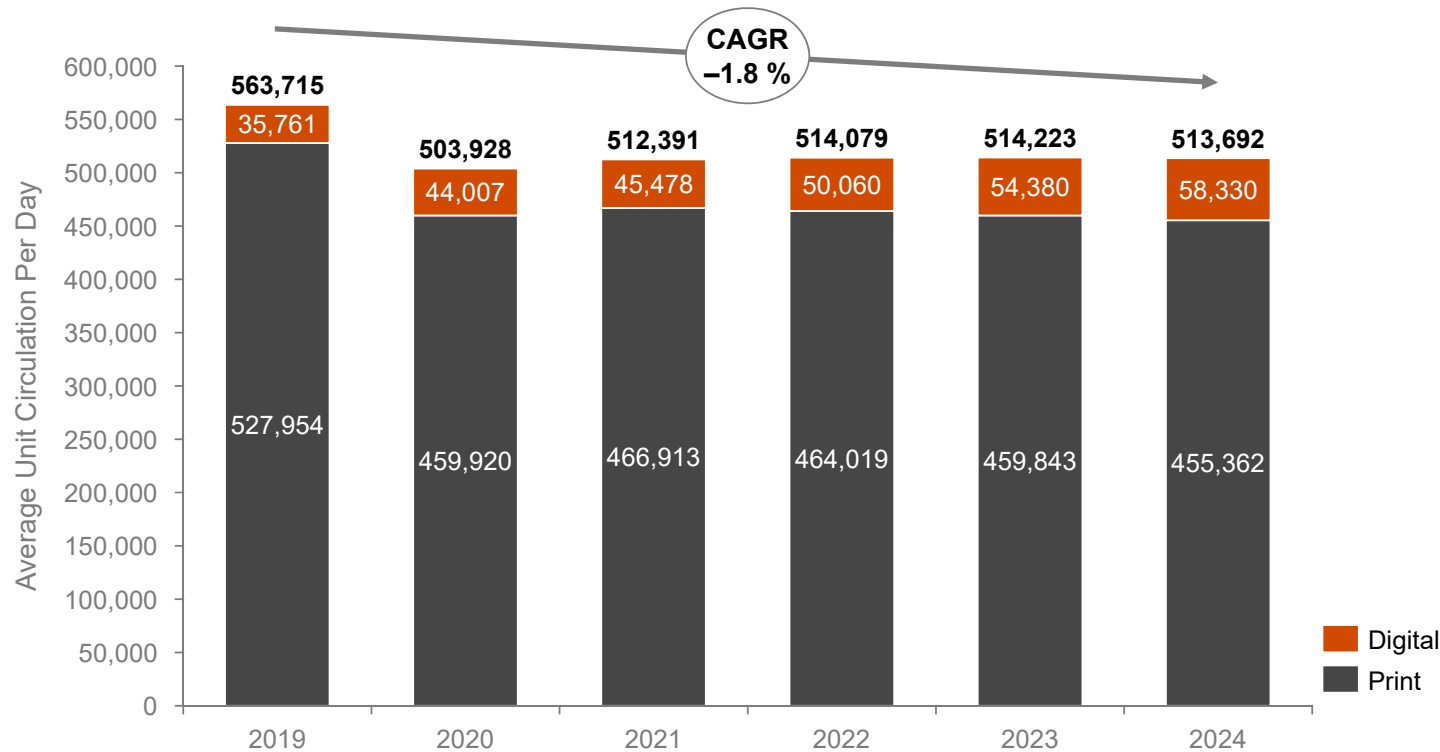


CAGR 19-24

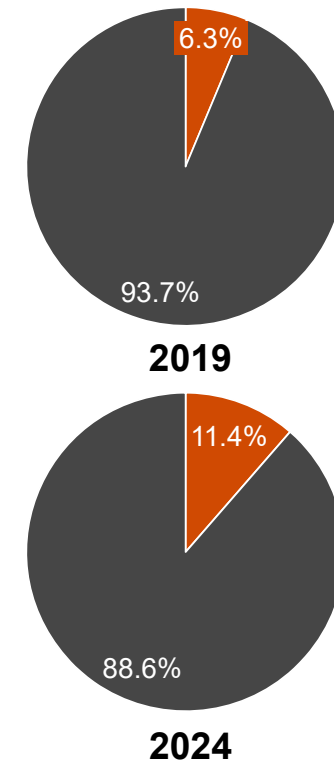


Digital newspaper units per day are increasing, but are still by far the smaller part of the total average daily unit circulation

Total global newspaper average daily unit circulation, 2019-2024

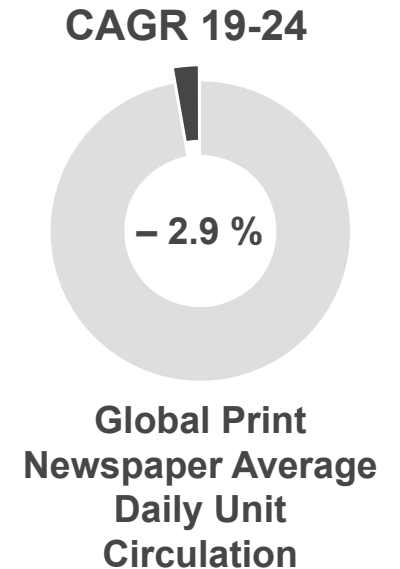
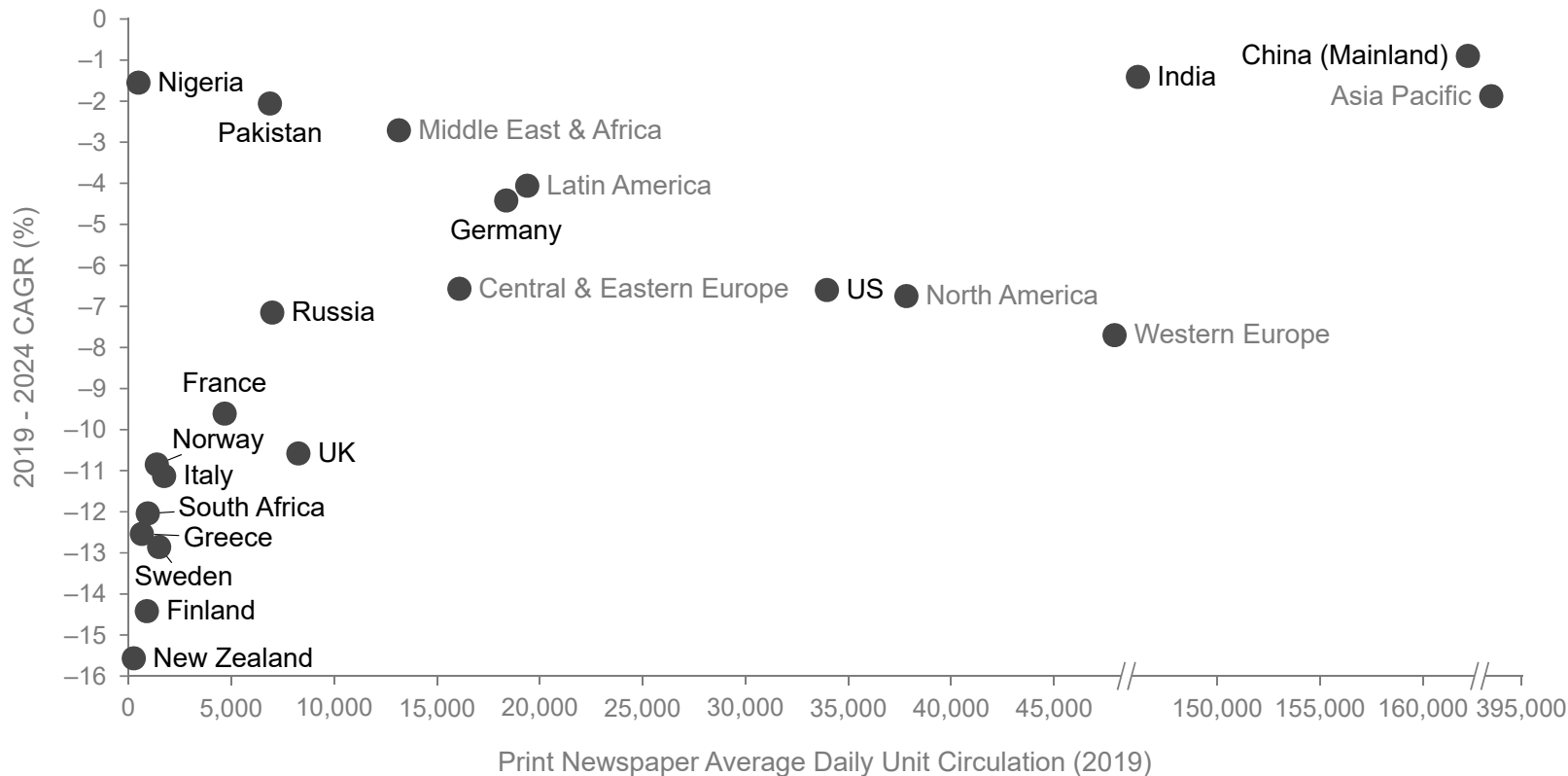


Print – digital split



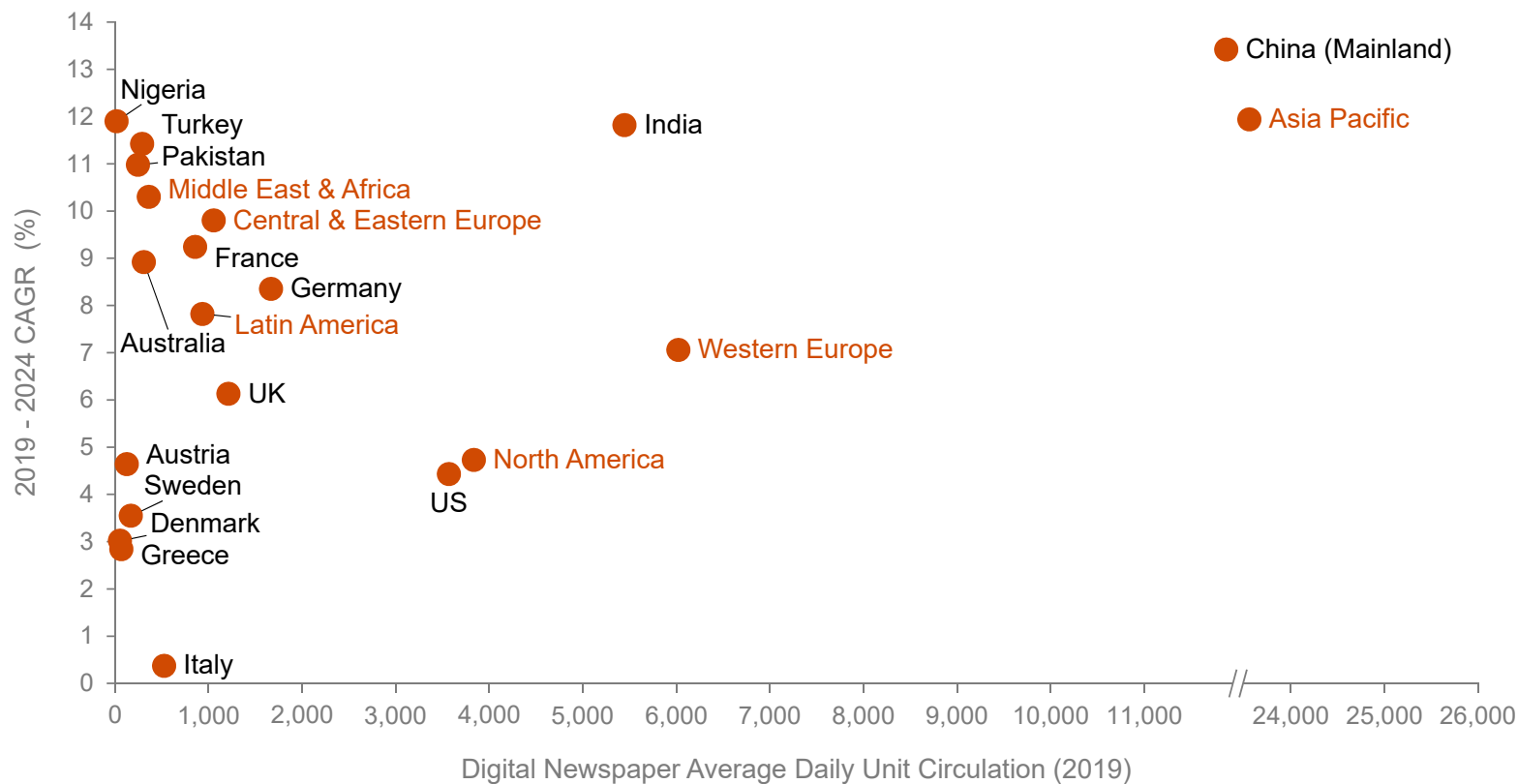
Print newspaper average daily unit circulation is decreasing on global level and especially fast in Western countries

Total global print newspaper average daily unit circulation 2019 & CAGR 2019 - 2024

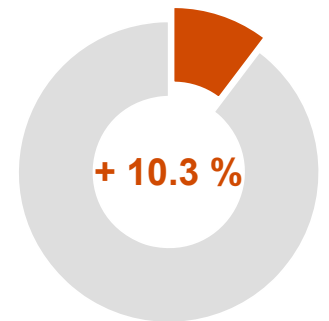


Digital newspaper average unit circulations per day are increasing strongly, particularly in emerging regions

Total global digital newspaper average daily unit circulation 2019 & CAGR 2019-2024



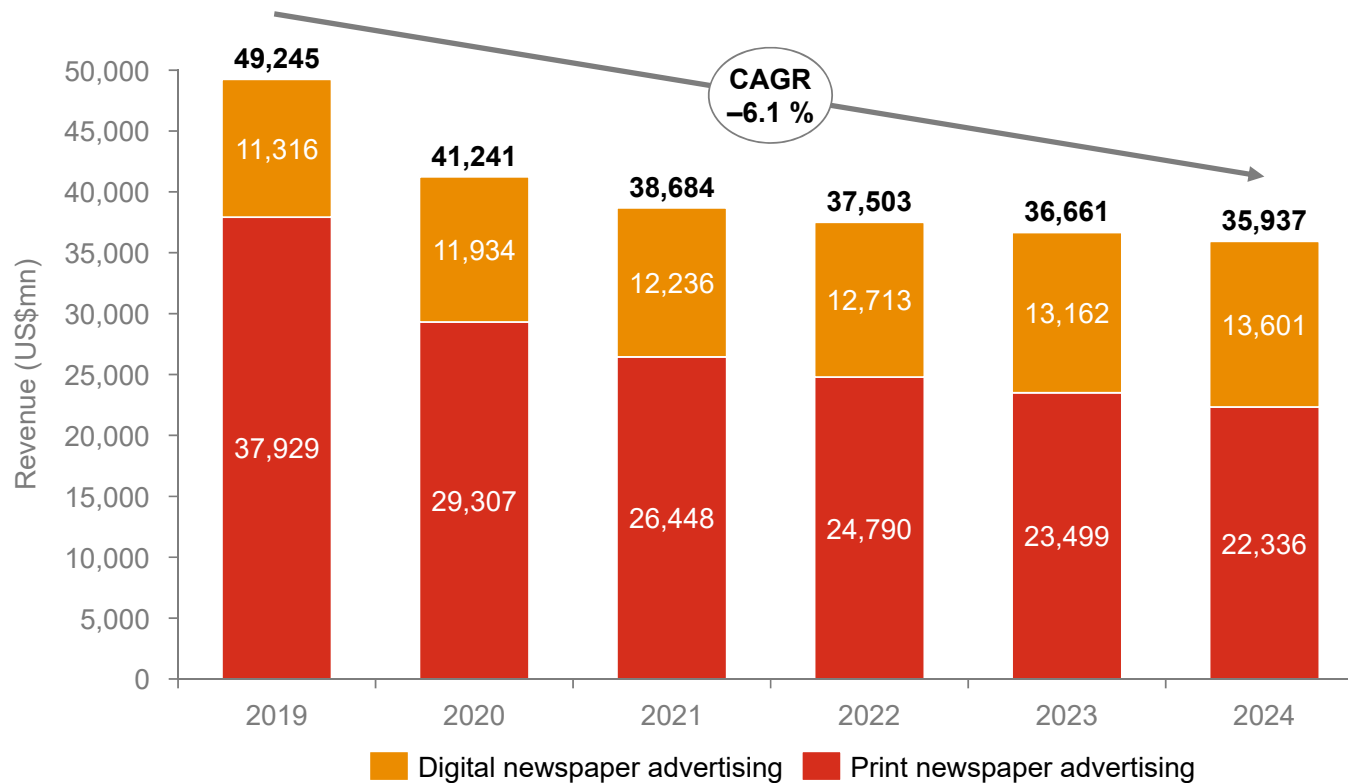
CAGR 19-24



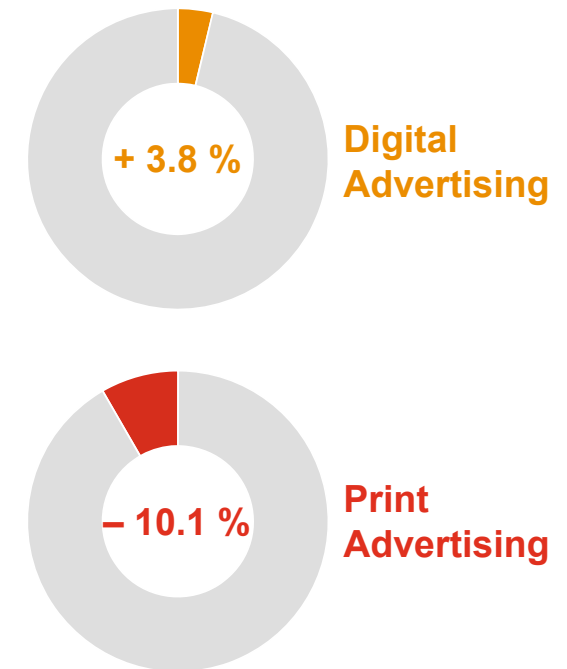
Global Digital Newspaper Average Daily Unit Circulation

Global newspaper advertising revenues are shrinking fastly, further accelerated by the COVID-19 crisis

Total global newspaper advertising revenue in US\$mn, 2019-2024

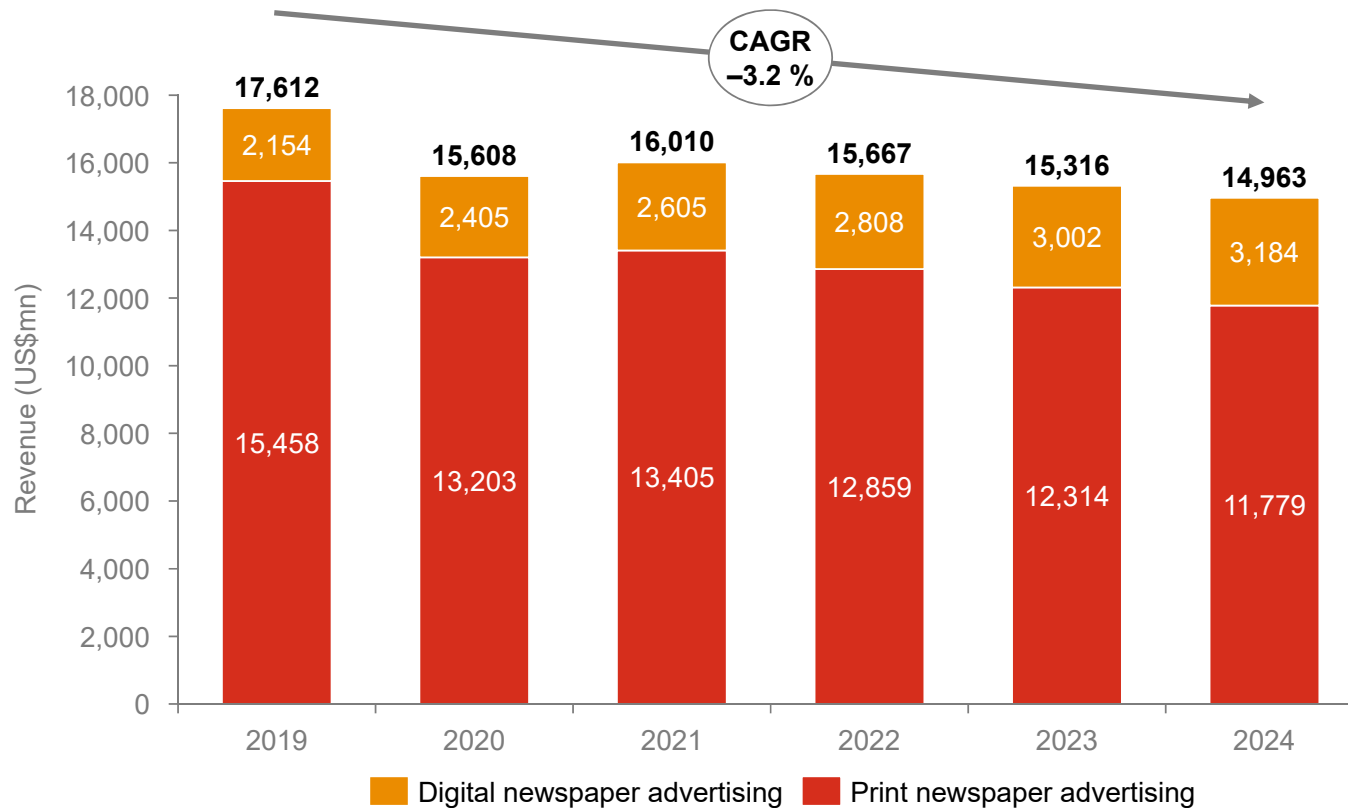


CAGR 19-24

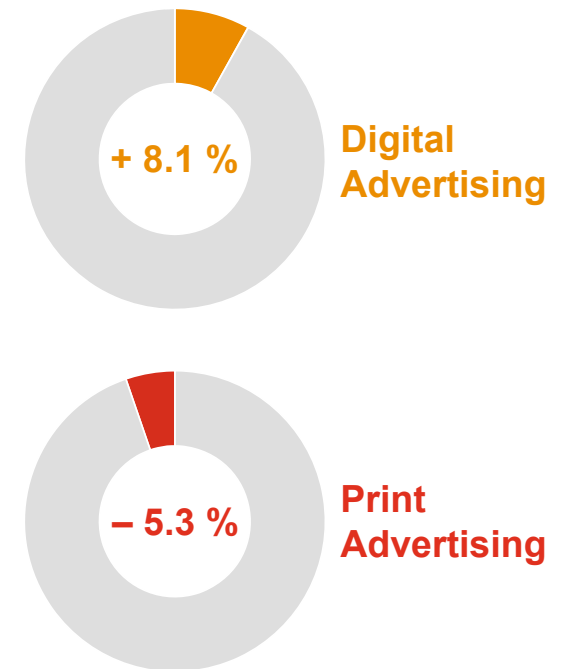


European newspaper advertising revenue is decreasing at a lower pace – and is still mainly print-based

Total European newspaper advertising revenue in US\$mn, 2019-2024



CAGR 19-24



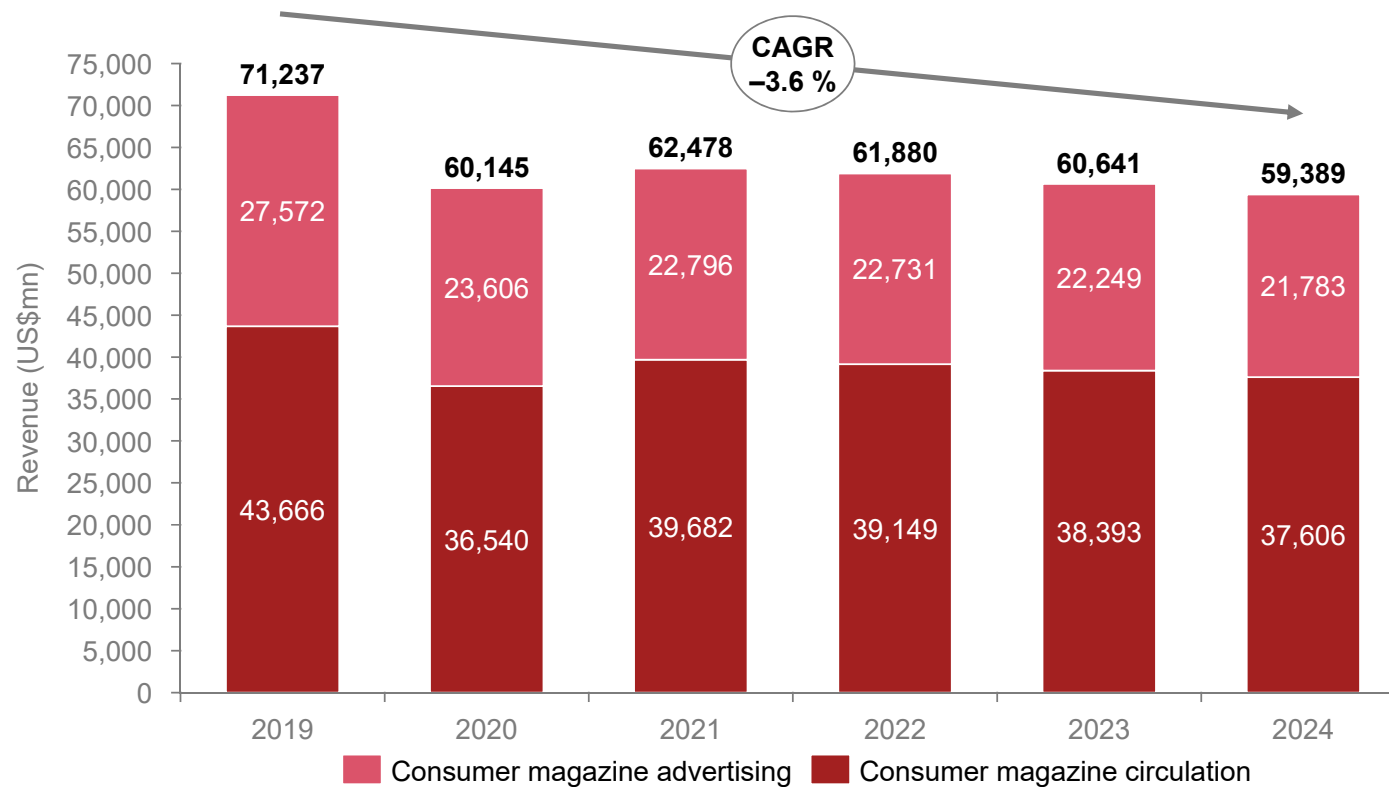
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Consumer Magazines

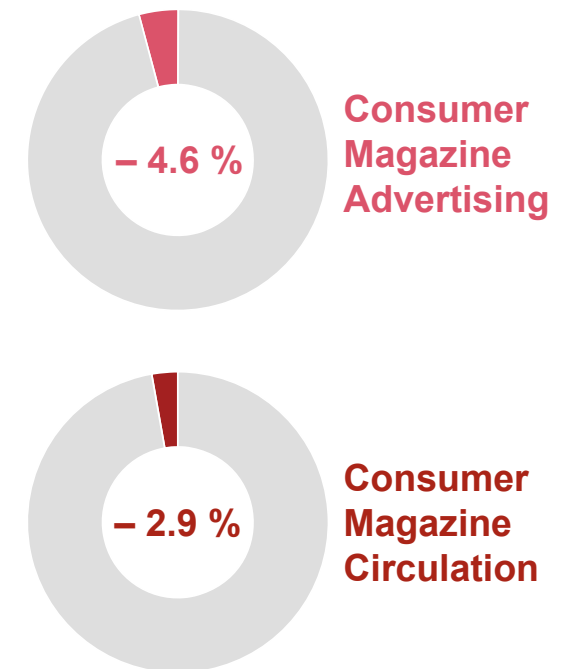
Figures and forecasts

Global consumer magazine revenue continues to fall – both in advertising and circulation

Total global consumer magazines revenue in US\$mn, 2019-2024

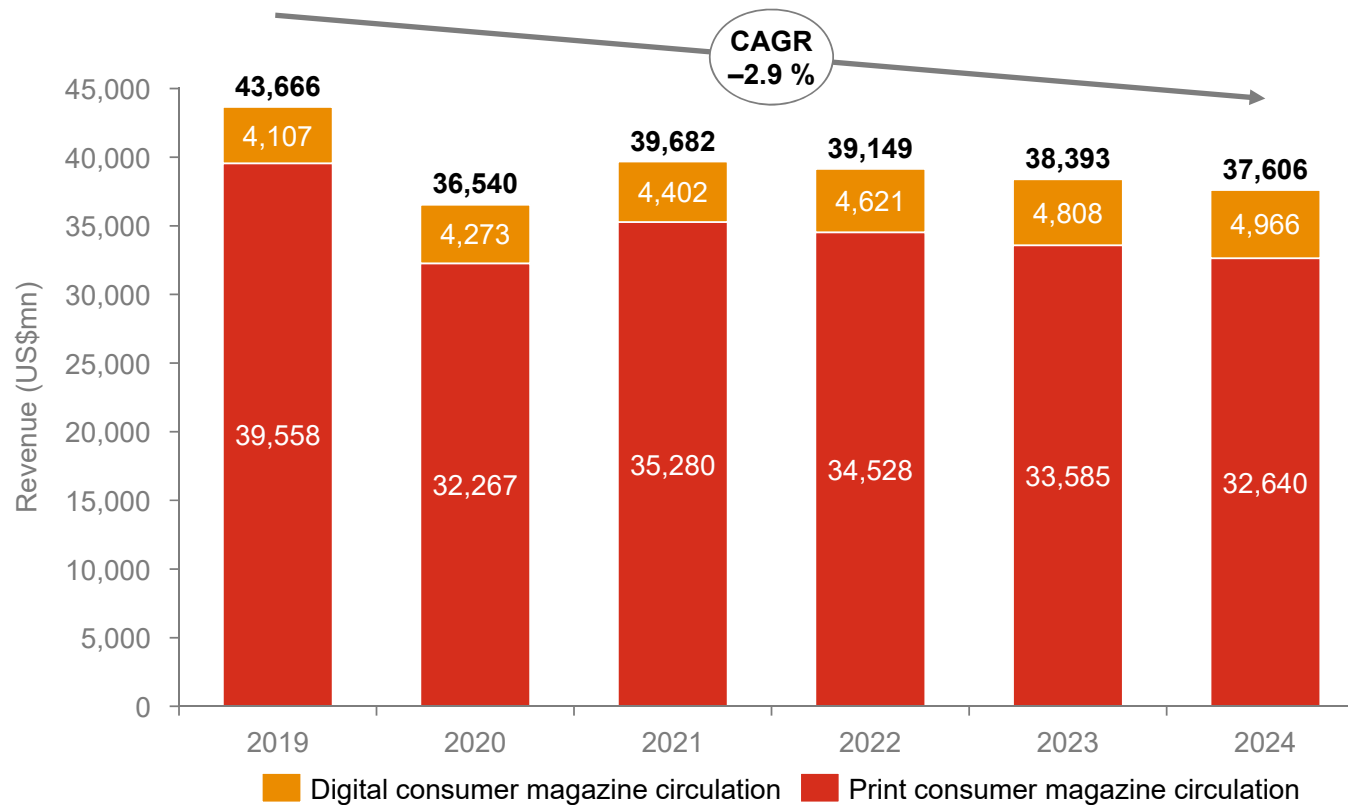


CAGR 19-24

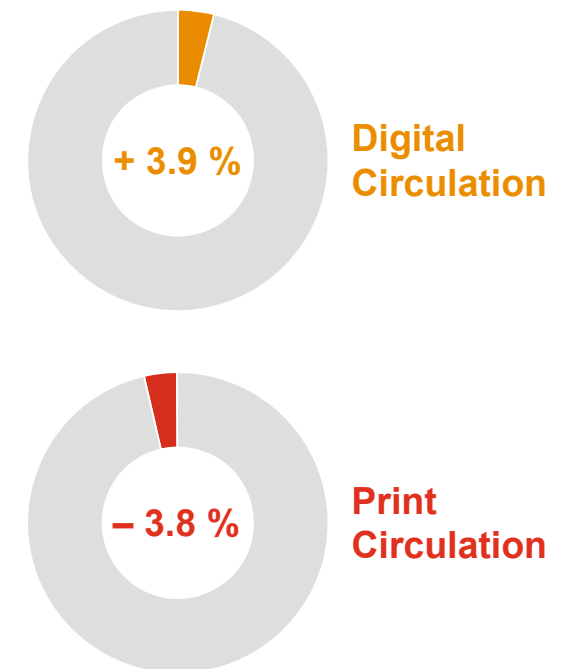


Circulation revenues will recover from the drop due to the COVID-19-pandemic, but are still declining in the long term

Total global consumer magazines revenue in US\$mn, 2019-2024

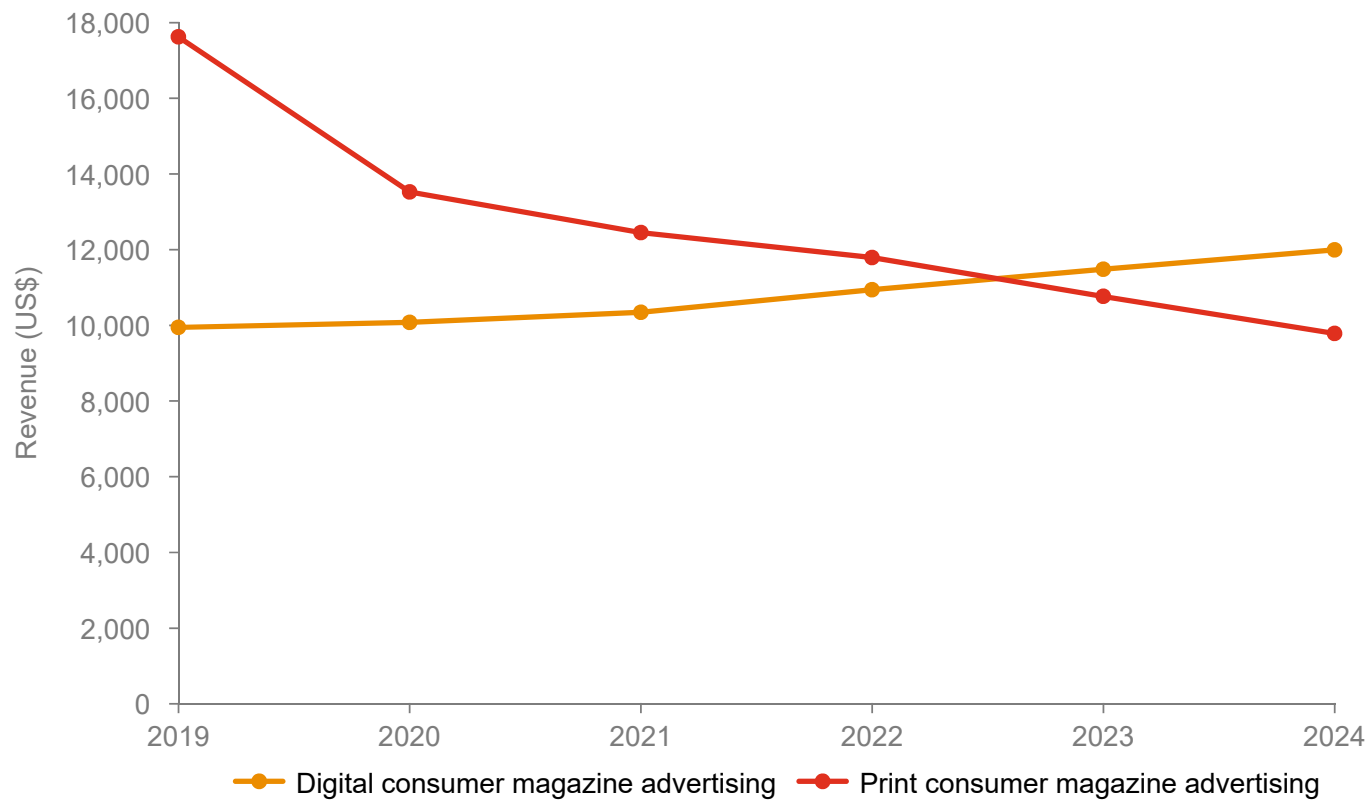


CAGR 19-24

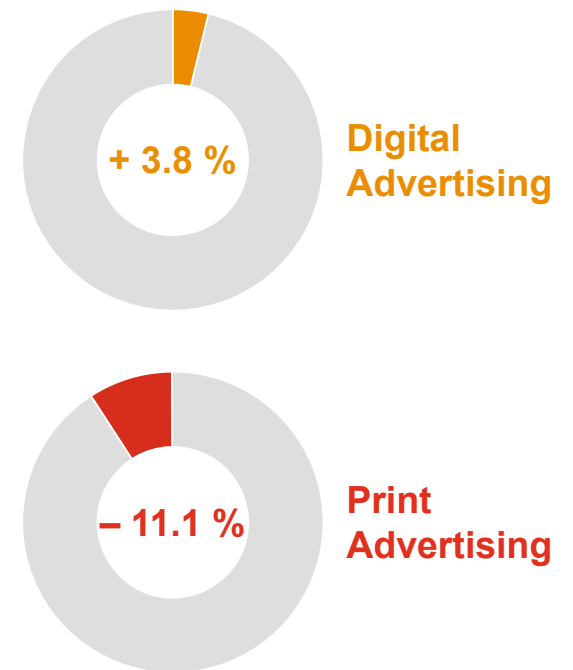


Global consumer magazine digital advertising revenues are set to overtake print advertising revenues in 2023

Total global consumer magazines revenue in US\$mn, 2019-2024

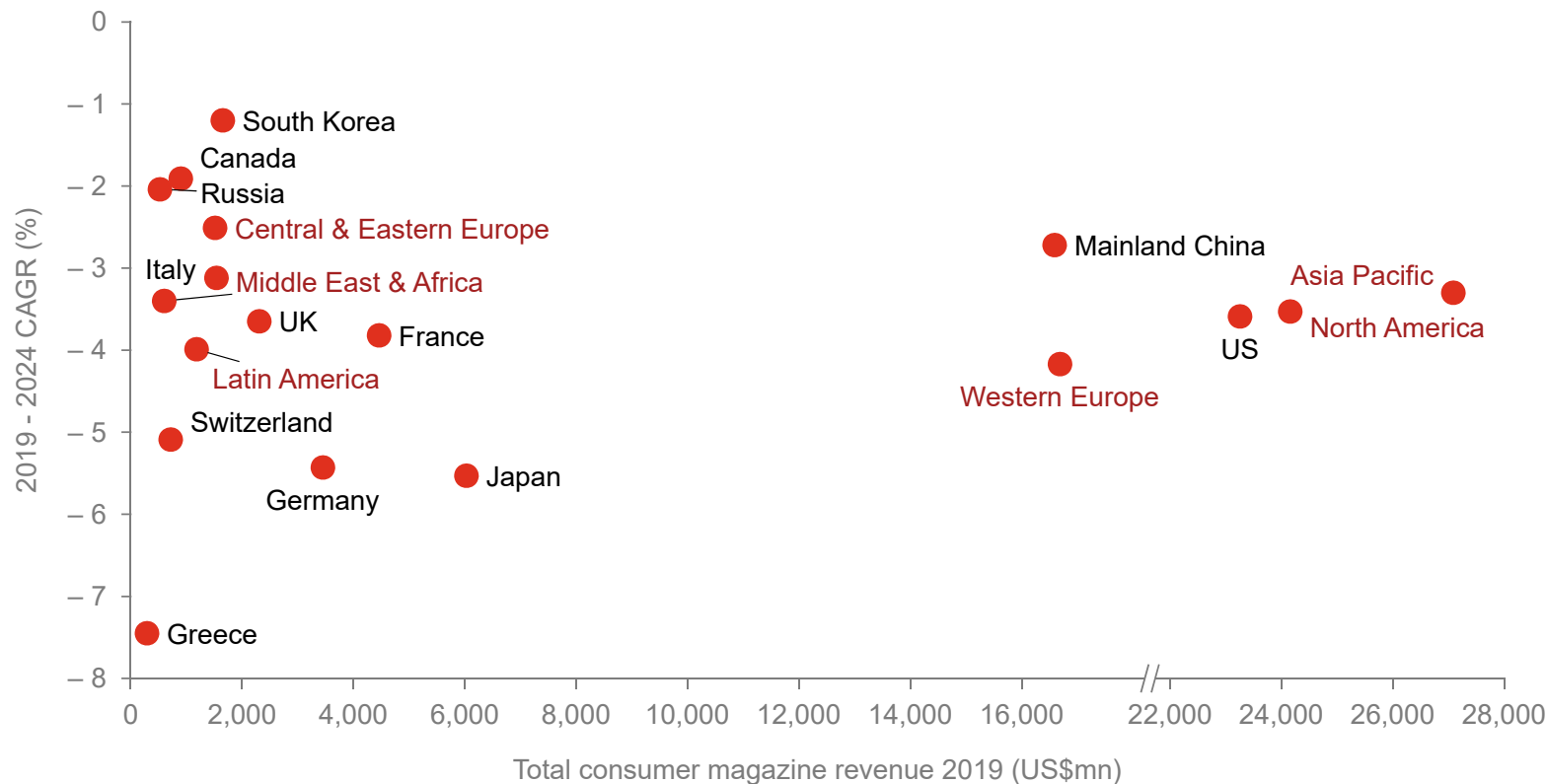


CAGR 19-24



Global consumer magazine revenue growth is negative on global level as well as on country levels

Total global consumer magazines revenue 2019 in US\$mn & CAGR 2019-2024












5

Implications

E&M Industry

The future has been pulled forward – and it is time to use and embrace the opportunities that arise thereof

-  Power of **direct-to-consumer products**
-  Build a **trustworthy image** and contain it
-  **Smartphone** as device of choice
-  **Mashups** as opportunities for **new business models**
-  Find new arrangements and set incentives for **willingness to pay**
-  Build and maintain **direct-to-customer relationships**
-  **Young and emerging markets** as **targets** to figure out and test trends
-  Meet customers **where they are** – and where they will be **5 years from now**
-  Recognize the opportunities that **new technologies** are bringing into the industry

Thank you.

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