

DEG Expo: The State of the Digital Media Industry

2020 Mid-Year Report

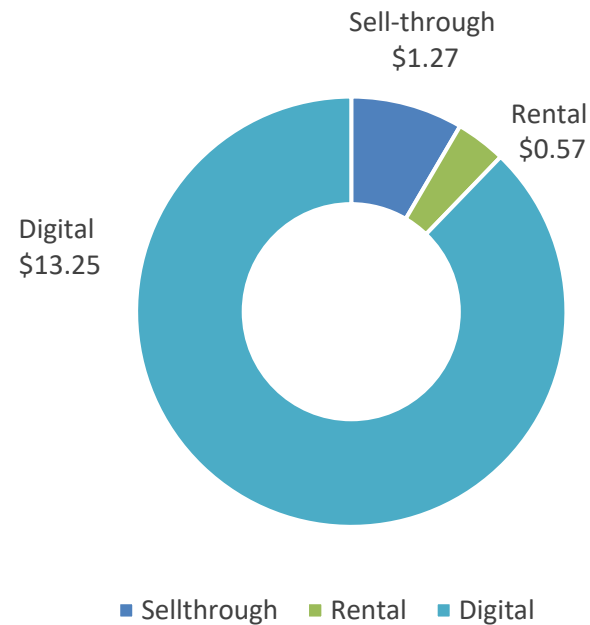
THE DIGITAL ENTERTAINMENT GROUP
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Photo courtesy of Unsplash - Aneta Pawlik

U.S. Consumers Spend \$15.1B in the First Half of 2020 on Home Entertainment

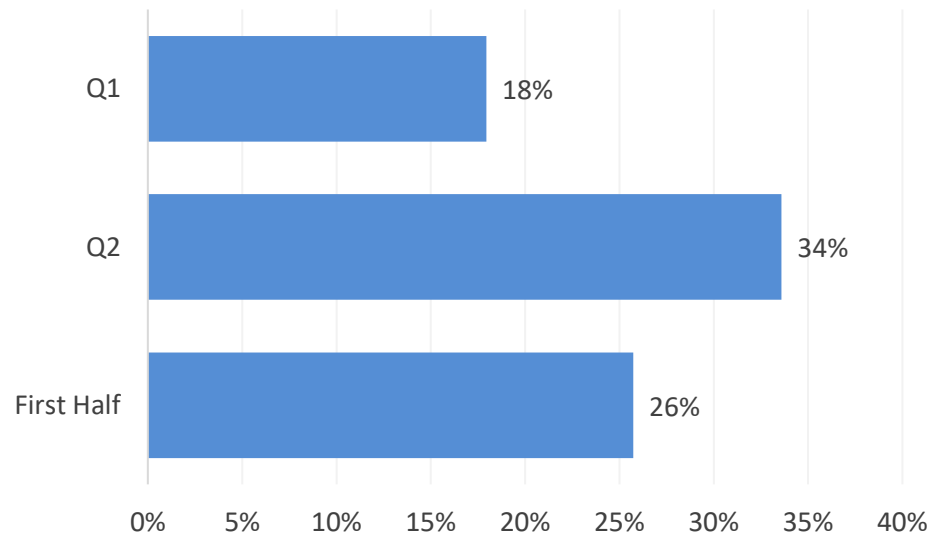
U.S. Consumer Home Entertainment Spending
First-Half 2020
(in billions)



Consumers Shelter-at-Home



Total U.S. Home Entertainment Spending
Year-over-Year 2020



- Stay-at-home orders fueled demand for most home entertainment formats beginning in late-March.
- Demand for theatrical releases was strong across all digital formats
- Numerous wide-release movies debuted early at home
- Cost-conscious consumers rediscovered DVDs

At Home and Spending!



Photo courtesy of Unsplash – Rupixen

U.S. Shuttered Population
Estimated by Week

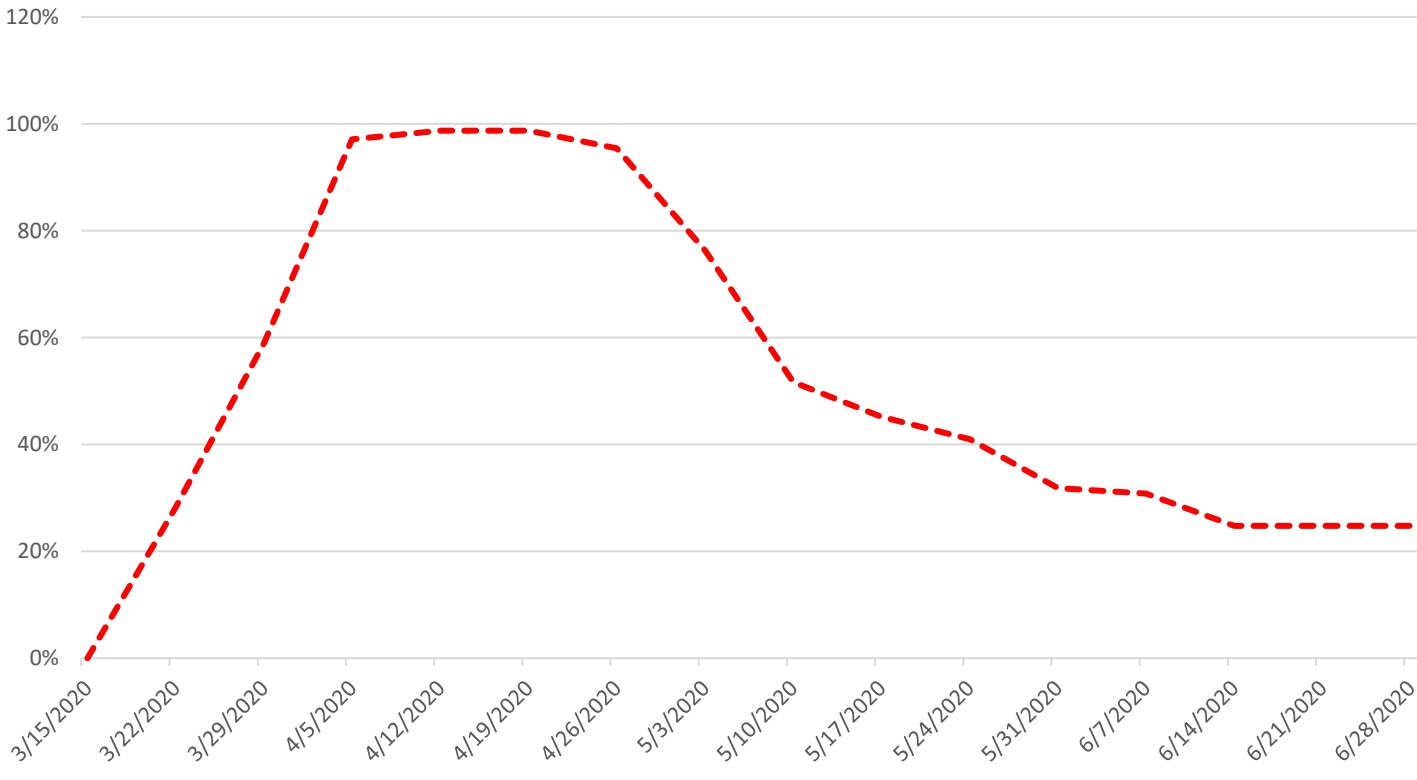




Photo courtesy of Unsplash – Derick Anies

Digital Entertainment Spending Up In All Categories

Electronic Sell-through (EST) - Priced for Sale Unlimited Viewing

Video-on-Demand (VOD) - Transactional VOD, Limited Viewing Period

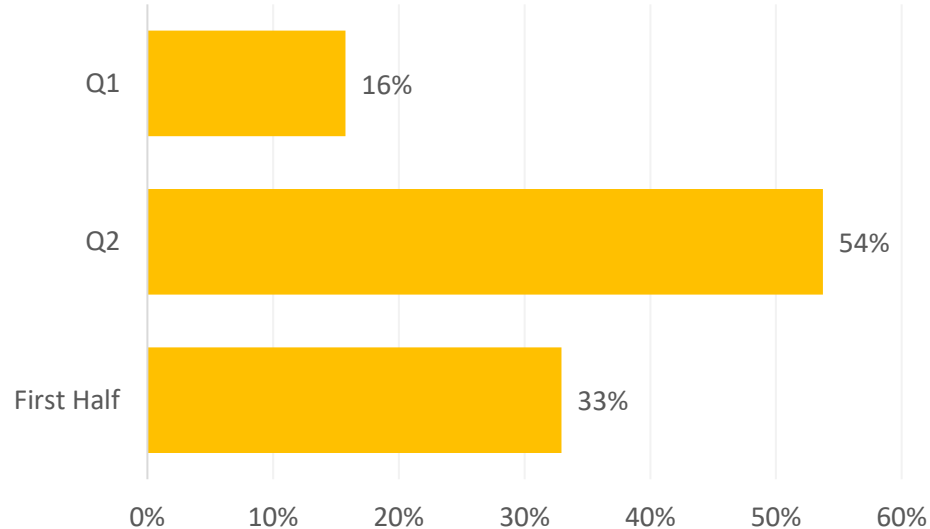
	Delivered via	Examples	Included
iVOD	Internet Service	iTunes, Amazon Prime, Google Play, FandangoNow	Yes
cVOD	Cable/Satellite		Yes
pVOD	Internet	Premium priced rental transactions in an early HE window	No
SVOD - Monthly Fee to access content i.e. Netflix, Hulu, CBS All Access and Disney+			Yes
AVOD - Includes Advertising , i.e. PlutoTV, Tubi			No

https://www.degonline.org/portfolio_page/deg-digital-entertainment-definitions/

Digital Spending Soars (EST and VOD)



Digital without Streaming



- Consumers spent \$3 billion on EST and VOD transactions in the full first-half of 2020
- Drivers:
 - Wide release movies
 - Theatrical catalog
 - TV category

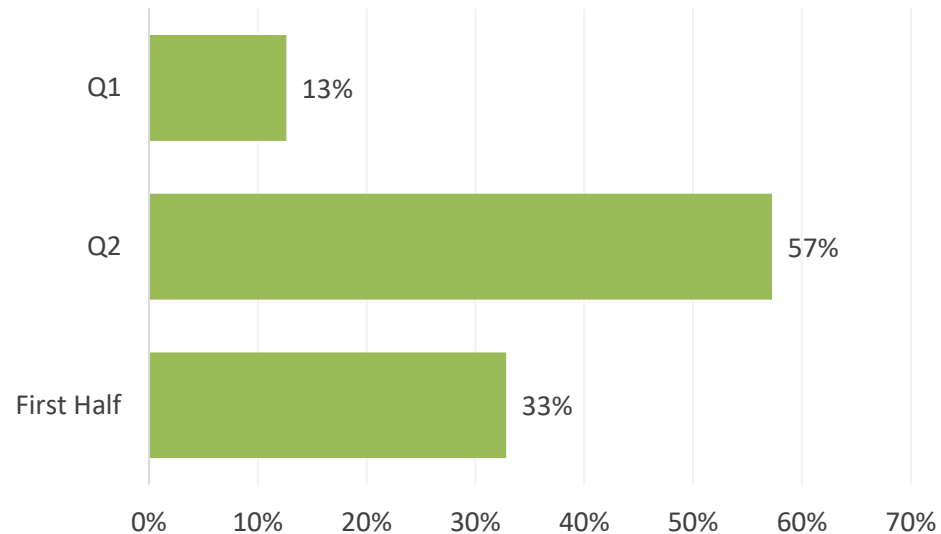
Electronic Sell-through (EST)





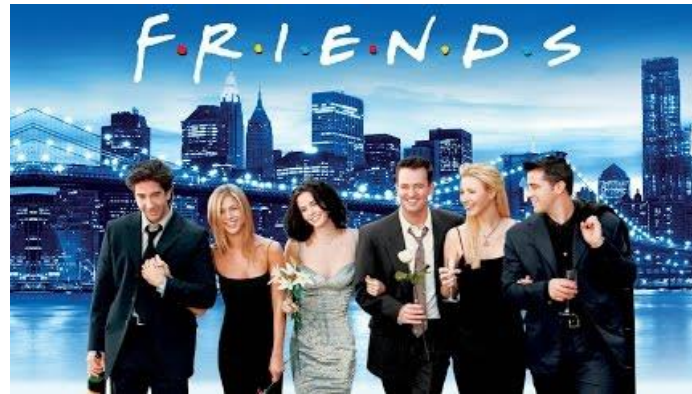
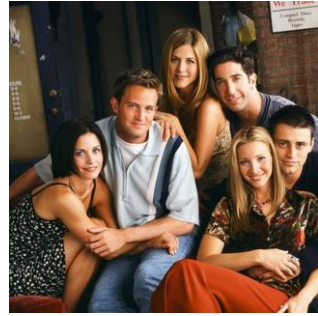
EST Up 57% in Second Quarter

EST Year-Over-Year 2020 vs 2019



Robust growth in consumer consumption of:

- Theatrical titles up 48% in Q2 and 26% for first half.
- TV content up 72% in Q2 and 47% for the first half



EST Consumer Spending and Covid-19 Pandemic

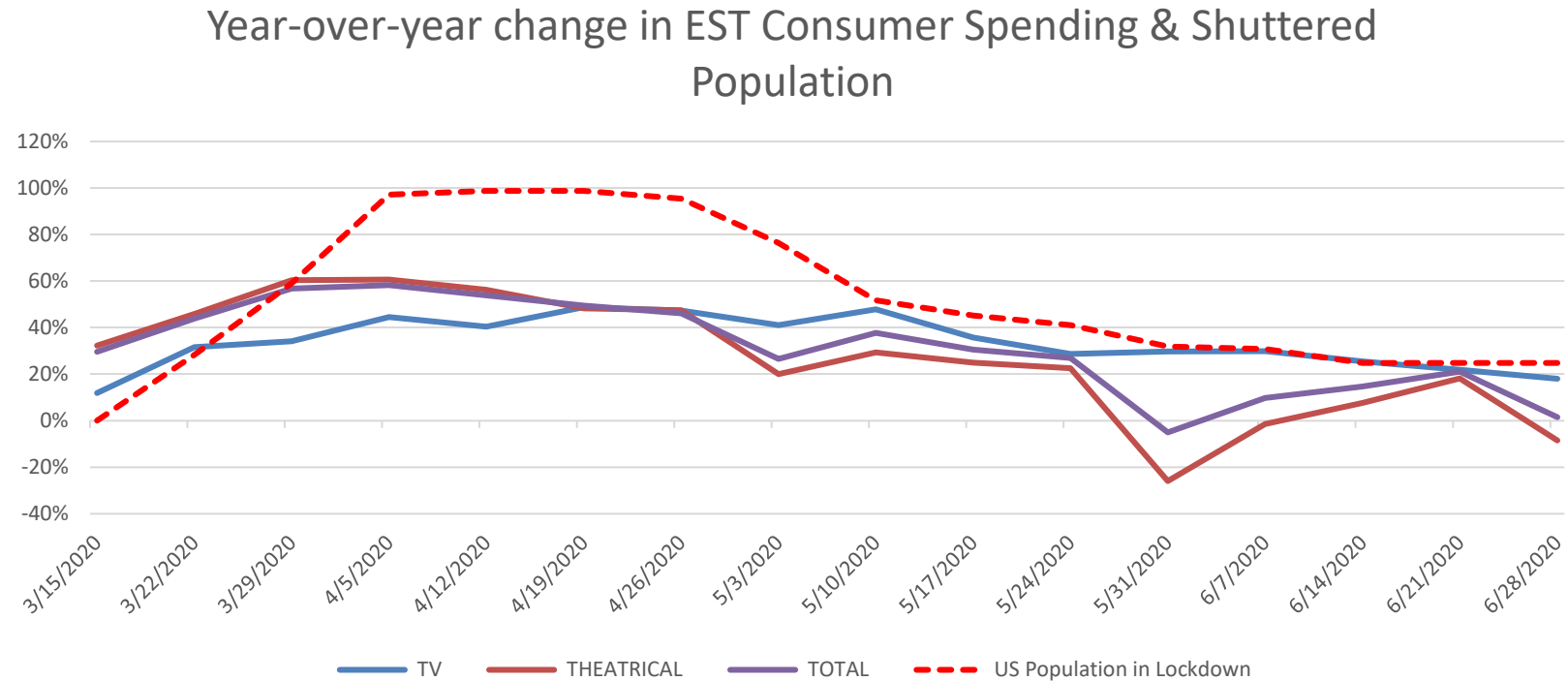
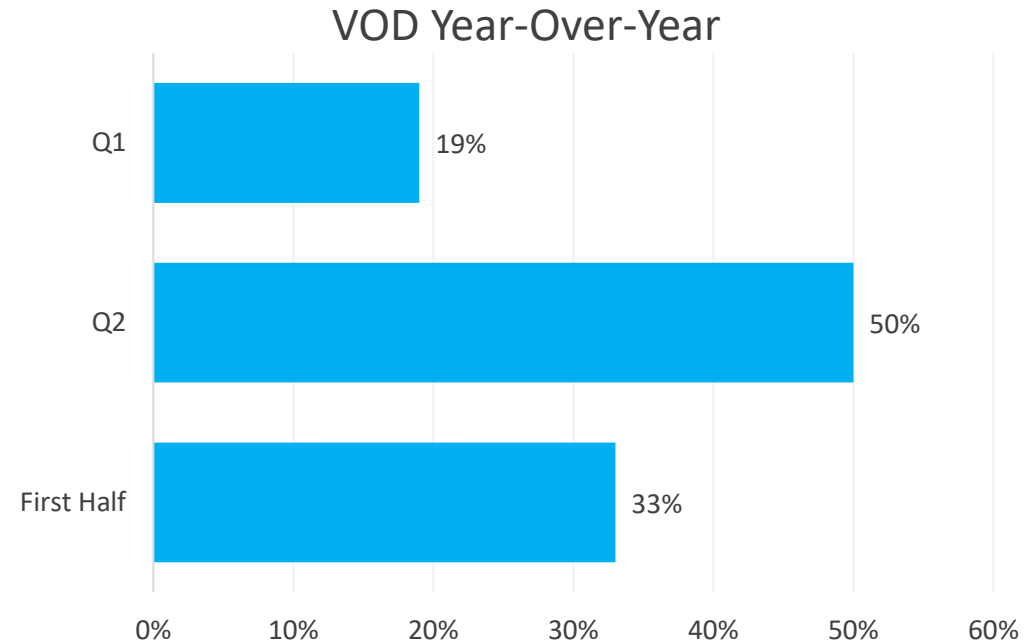




Photo courtesy of Unsplash – Priscilla du Preez

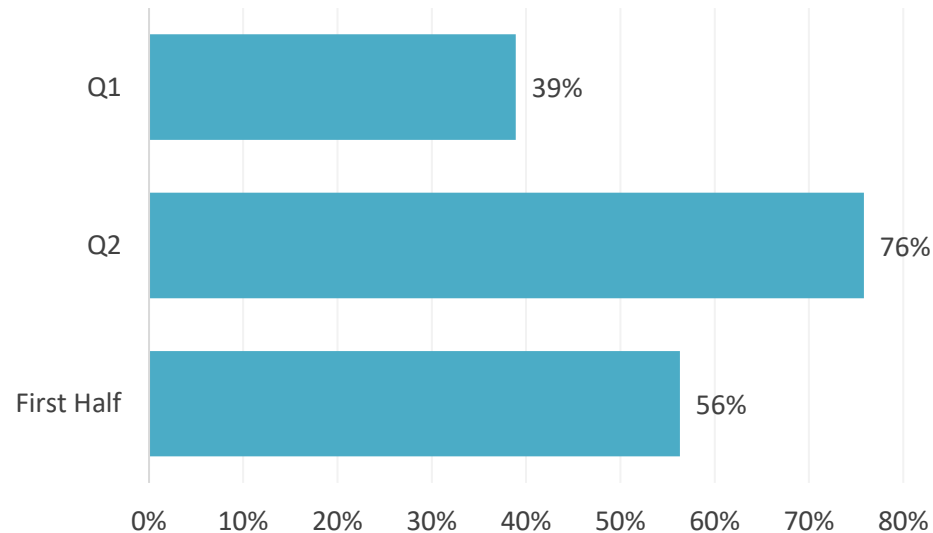
Video on Demand (VOD)

VOD Spending up 33% in First Half



iVOD Spending Up 56% in First Half

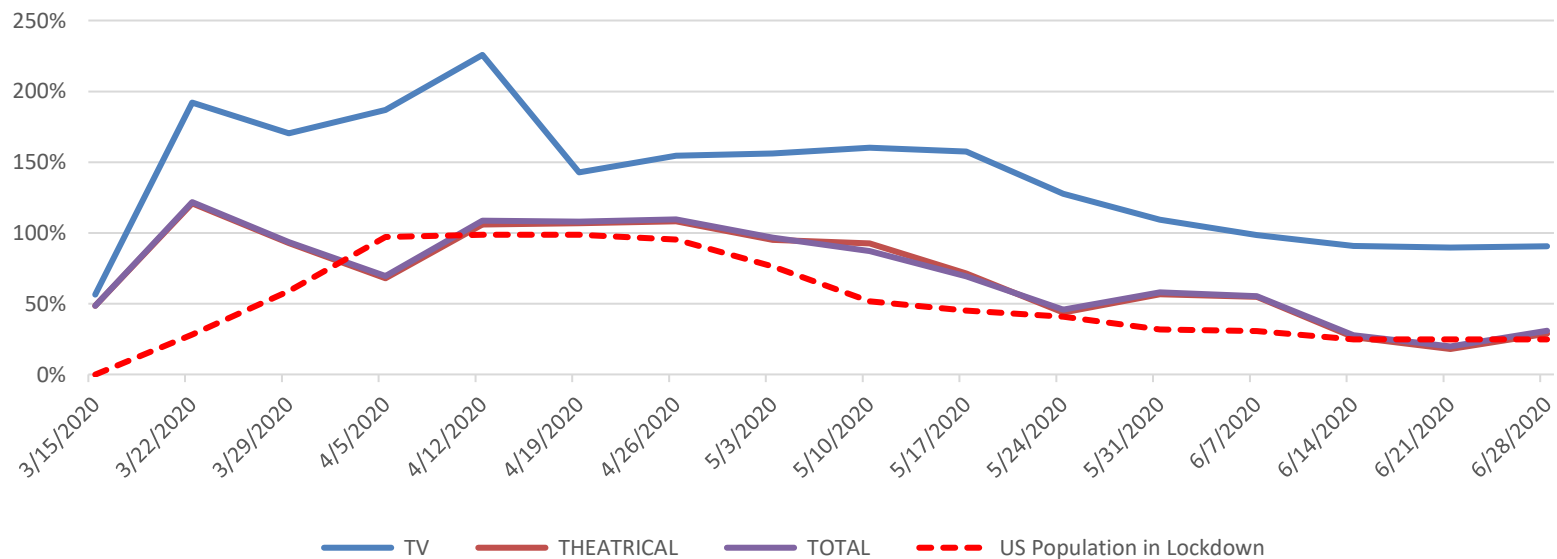
iVOD- Year-Over-Year 2020 vs 2019



- Theatrical titles up 73% in Q2 and 56% for first half.
- TV content up 119% in Q2 and 85% for the first half

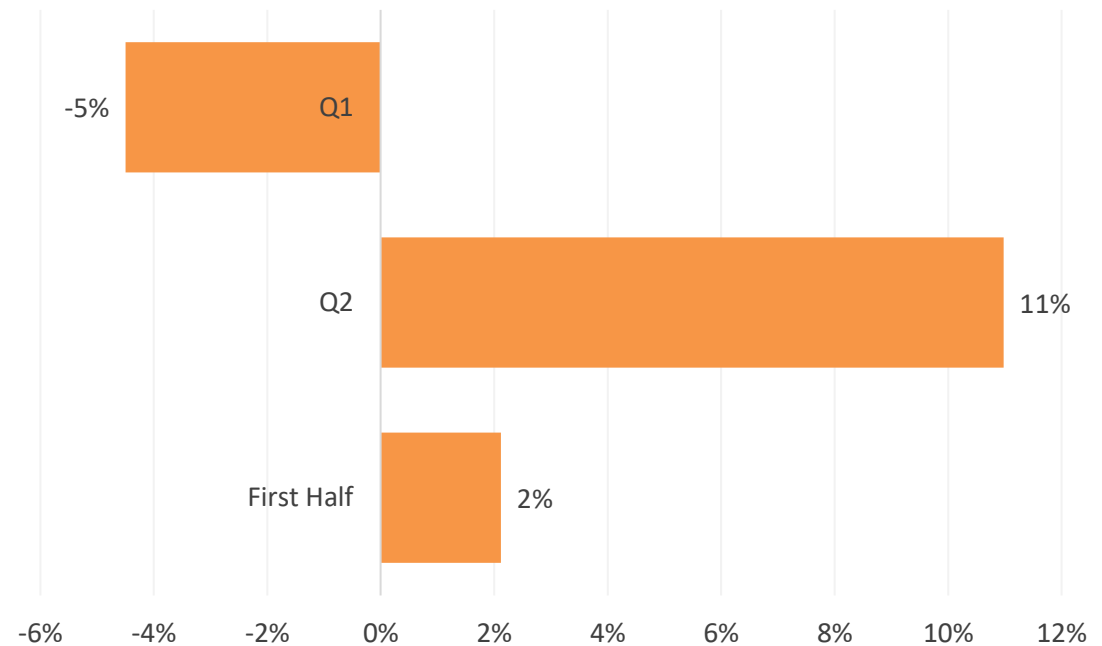
Consumers Catch up on TV and Explore New Content

iVOD - Year-Over-Year change in iVOD Consumer Spending



Cable Video on Demand (cVOD)

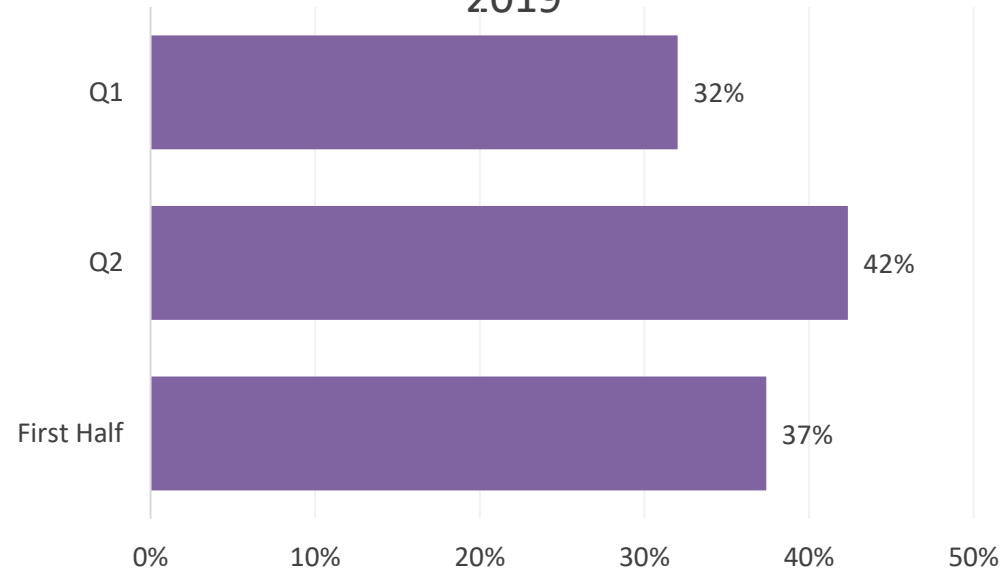
cVOD- Year-Over-Year 2020 vs 2019



Consumers Embrace Consumer Streaming Options



Subscription Streaming* - Year-Over-Year 2020 vs 2019



**SVOD data sourced from Omdia (technology.informa.com). Disclaimer: The data is not an endorsement and reliance is at a third party's own risk.*

Note Q1-2020 upward revision



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