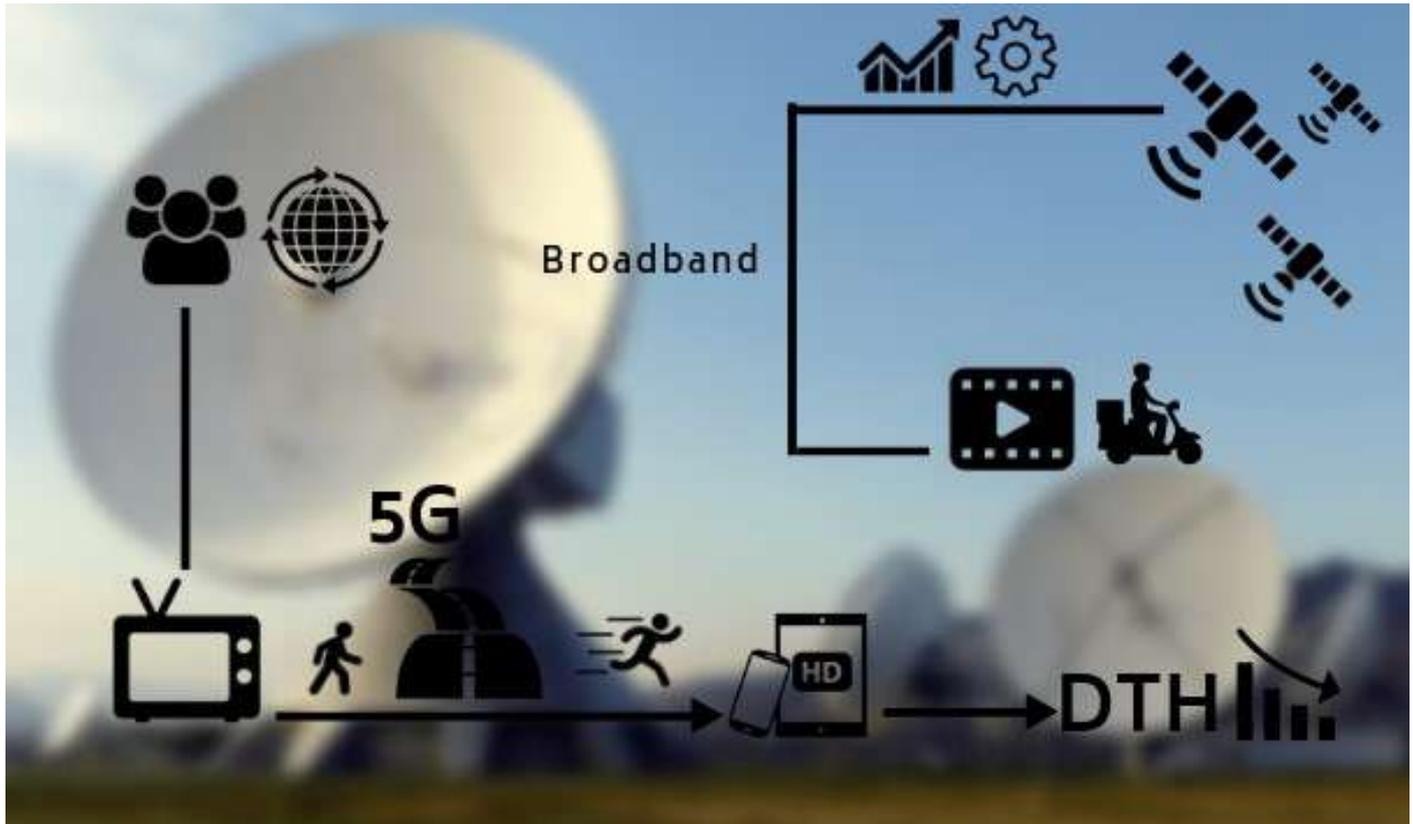


Who benefits as Global DTH revenue set to shed \$ billions

Forecast to 2024

RETHINK TV: THE RESEARCH ARM OF FAULTLINE ONLINE REPORTER



Companies mentioned in this report: Amazon Prime Video, America Movil, Astro All Asia Networks, AT&T, BBC, BeIN Media Group, Berlusconi, Broadcasters' Audience Research Board, CanalSat, Cignal, Claro TV, Cyfrowy Polsat, DigiTurk, DirecTV Now, Dish Network, Disney, Eutelsat, Facebook, Federal Communications Commission, Fetch TV, FIFA World Cup, Foxtel, Intelsat, Islamic Republic of Iran Broadcasting, Kwese, Mediaset, Movistar, MultiChoice, nc+, Netflix, NewsCorp, Oi TV, OneWeb, Orange, RAI, Sky, Sky Life, SKY PerfectTV!, SES, SFR, Sling TV, Space X, Star India, Tata, Telefonica, Tricolor, TrueVisions, Vrio, World Trade Organization, YouTube Premium.

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"Leading the way with independent thought and no regurgitated analysis"

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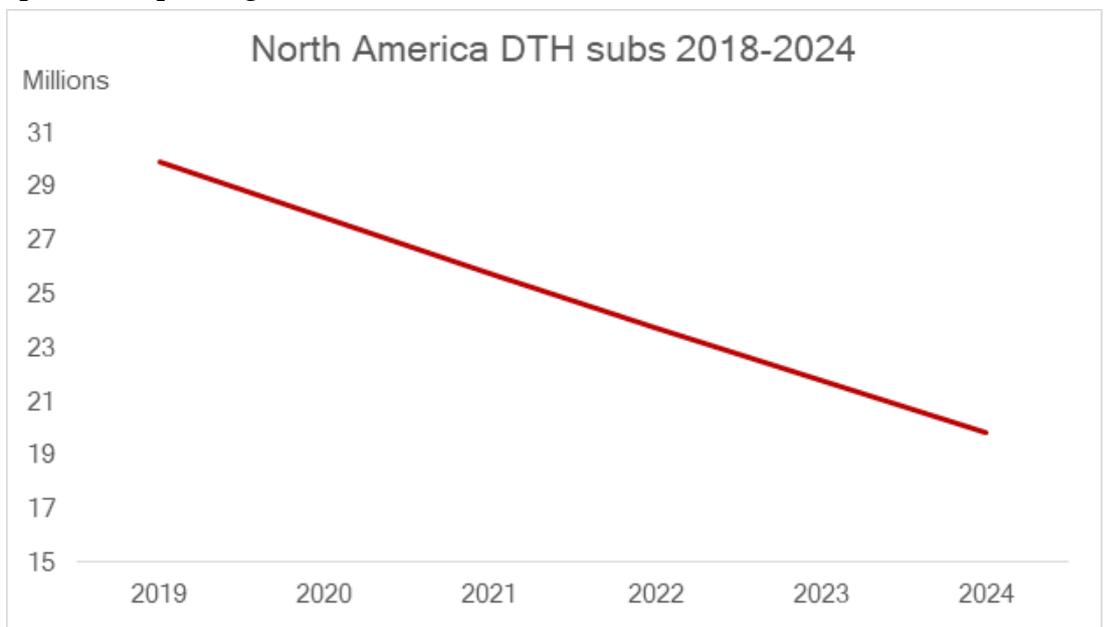
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INTRODUCTION

Operators rush to OTT life raft as DTH mother ship begins to sink

Terminal DTH decline has its roots in US cable churn starting around 2010, spreading to North American satellite operators a few years later. The exodus is still gathering speed and spreading to Europe, leaving operators scrambling to mop up their departing customers via the life rafts of OTT.

The problem is they can never charge the high subscriptions they used to so that it will be difficult or impossible to maintain ARPUs at historical levels, even if they succeed in catching all those churning subscribers. While Sky in Europe has been quite successful



holding up overall subscriber numbers with its Now TV skinny bundle in Europe, the wheels have come off for AT&T in the US as even DirecTV Now, its stand-alone OTT alternative to the main DTH service, has been losing subs after initial gains.

DTH thrives where there is no competitive alternative for receiving premium content, or where one operator succeeds in hogging the most sought-after rights. The latter is how DTH acquired its dominant position in so many markets, such as Sky in its European markets especially the UK, while becoming at least a substantial force in many others such as the US, France and Germany. Meanwhile DTH has provided the engine of growth for pay TV in a number of developing markets for pay TV, notably India, but in

these cases it has been hamstrung by low ARPU rather than churn. Many Indian satellite operators have faced the challenge of becoming profitable even though they are sustaining rapid growth and that will remain the case during the forecast period. Some Indian operators will be more successful than others in raising ARPU to boost the bottom line.

Latin America has rather more in common with the US than Asia, with DTH having led a rapid growth in pay TV over the period 2008 to 2014 on the back of an expanding middle class in key markets, including the big two of Brazil and Mexico. The charge was led by DirecTV Latin America and Sky Brasil, now both folded into Vrio under AT&T's ownership, along with America Movil's Claro TV and Dish Mexico, all of which now face a swing towards broadband delivery as infrastructures expand.

China, as in other departments of pay TV, is a unique case, even more so for DTH where there are large numbers of FTA viewers of regional channels, but few opportunities for global providers to move in, given regulatory constraints and government paranoia. China then is a black hole when it comes to pay DTH and does not feature in these forecasts, although we have counted the total FTA subscriber population for those commercial FTA services funded by advertising.

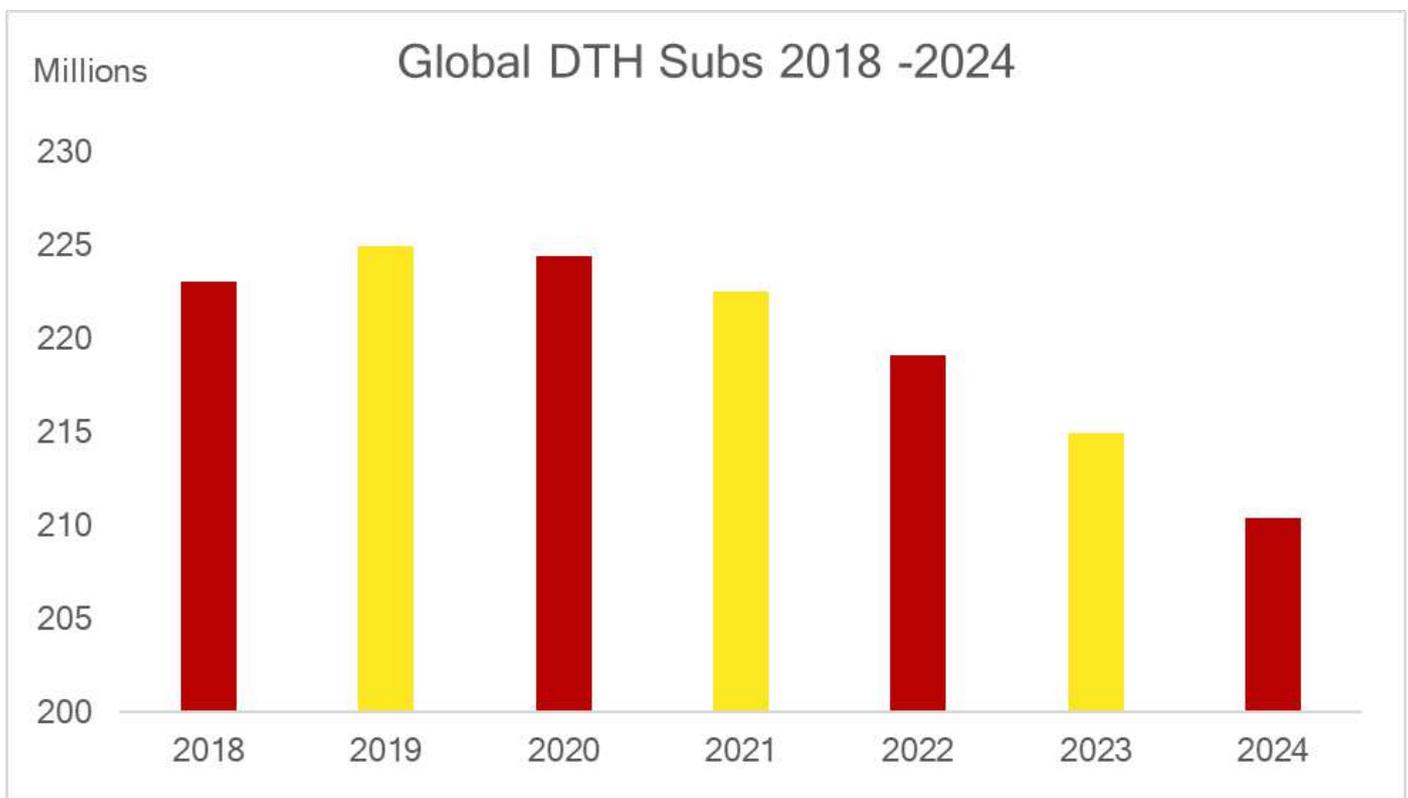
China apart, we identify three DTH categories by geography, the Americas, Europe, and then developing countries largely in Asia Pacific and Africa along with Oceania. The Americas are leading the decline such that DTH will be well on the way towards extinction by the end of the forecast period, at least in the US.

In Europe the picture is more mixed, with the decline well advanced for some operators such as France's Canal+, whose base will be halved by 2024 compared with 2018. But some Eastern European markets have profiles more like developing countries, most notably Cyfrowy Polsat in Poland, set to continue gaining subs for the next few years. However, even these operators will run out of rope towards the end of the forecast and join the rest of the field in DTH decline.

In Asia Pacific DTH subscriber growth will be sustained throughout the period, but with signs of flattening off later in preparation for decline setting in there too around 2024, as at Tata Sky and Dish TV India. We an-

anticipate some Asia Pac operators that are still growing subs now reaching a turning point during the forecast period with decline setting in before 2024, examples being Cignal in the Philippines and India's Tata Sky. Yet others are in decline already, usually where other factors come into play, such as a loss of key rights especially sports.

Squaring all regions together we note that the recent global rise in DTH will come to an end in 2020 with an accelerating decline by the close of the forecast period as more and more DTH operators in Asia Pacific pass their summit.



Methodology

The methodology for this report begins with data we have collected on the top 100 pay TV operators globally and in particular those who are delivering directly from a satellite to each home (DTH). We then count their customers mostly through officially published results data, and we have our own records on the technologies they use and their strategic plans, mostly from executive statements made to investors.

We have then forecast subscribers and ARPU forward for five years based on the current and recent economic trends in both the pay TV market, the economies generally and the competition from fresh OTT video launches in those territories and the pricing pressure this puts pay TV under.

We then show this in subscribers numbers and finally in operator revenues. The major satellite platforms are also forecast forward in the same way at the end of this report.

Who should read this report and what should they get out of it?

People have been trying to pretend that Direct To Home paid satellite TV delivery (DTH) is not going away for years, but our research shows definitively how fast subscribers and revenues will fall, and paints the picture of where that money will be spent instead.

It's pretty clear from the title "Who benefits as Global DTH revenue set to shed \$ billions - Forecast to 2024" that a wide slice of the video economy will gain from the demise of DTH – be they rival pay TV services, fresh OTT live and SVoD services or broadband services and video services from MNOs.

In the meantime most pay TV operators rushing to introduce their own OTT video services, which in turn is accelerating the trend. This will affect every single technology provider to DTH operations; it will affect all pay TV software services from video QoS to Android TV to billing services in every part of the world.

C suite individuals at pay TV players, technology suppliers, investors and satellite platforms should all read this report.

This report will;

Show how rapidly DTH revenues will fall

Show where that money is most likely to be spent in future

Show which DTH markets will slides fastest, and tell you why

This report will help you plan and price a rival pay TV or OTT strategy

A direct [eCommerce purchase can be made here](#) or you can contact client services at natalia@rethinkresearch.biz to be put in touch with one of our account managers to get more details and a walk through our service offerings

Rethink TV: Forecasting disruption in video

Rethink TV is our video research team, producing market forecasts, technology white papers and tracking operator-technology vendor relationships in pay TV, OTT video and have documented the transition of TV services from the TV set, onto laptops, tablets, phones and smart TVs and other devices.

Our sister publication Faultline Online Reporter has been Rethinking the ideas behind TV for the past 20 years. We thought it was time we gave you a reliable source of business forecasts for the underlying technologies which have made that transition possible.

Rethink TV also tracks the top 100 paid OTT service providers and their suppliers, providers monthly updates to their key providers whether that is Adaptive Bit Rate packaging, encoding, DRM, recommendation systems, analytics or programmatic advertising systems.

It comprises of two parts:

- 1) 12 forecasts a year, delivered once a month, related to OTT and video
- 2) 100 up-to-date profiles on the top 100 operators globally.

Here are some sample titles of reports we have produced recently:

- Disney, AT&T, Comcast stumble in the Netflix slipstream
- The Rise in SVoD Viewing to Swamp Traditional TV by 2023
- How and when traditional TV advertising value collapses

SUBSCRIPTION COSTS

Annual 1-5 User license - \$3,800 (*A group license permits up to 5 users*).

Annual corporate license—\$5,100 (*unlimited distribution inside your organization*).



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About Rethink Technology Research

Rethink is a thought leader in quadruple play and emerging wireless and IoT technologies. It offers consulting, advisory services, research papers, plus three weekly research services; Wireless Watch, a major influence among wireless operators and equipment makers; Faultline, which tracks disruption in the video ecosystem, and OTT video. Riot on enterprise disruption from the combination of AI/IoT and cloud.



'giving people in leadership the news and predictions they need to hear, not want to hear'

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