PARROT ANALYTICS

Streaming Report Card

Q4 2023

NETFLIX

Disney+

hulu

max

Paramount+

peacock

tv+

prime video

Table of Contents

PARROT ANALYTICS

CAPTURING

CONTENT SUPPLY - - - - - - - AUDIENCE DEMAND

100M+ METADATA TAGS
2K+ DISTRIBUTION PLATFORMS
1M+ TITLES & 1M+ TALENT

BEHAVIORAL DATA FROM
2B+ CONSUMERS

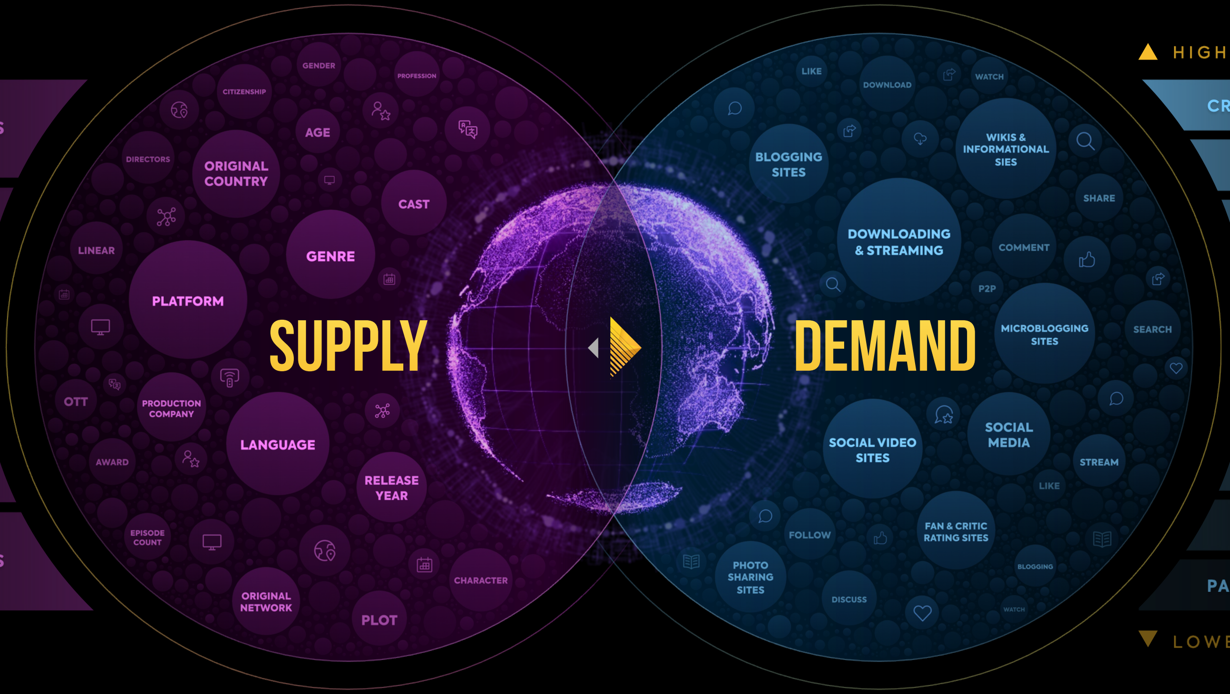
INTERNAL CREATIVE GENES

EXTERNAL INDUSTRY INFORMATION

SEASON & EPISODIC INFORMATION

EXTERNAL IDENTIFIERS TO PUBLIC DATA SOURCES

SOCIAL MEDIA HANDLES



HIGHER WEIGHTING

- CREATIVE PARTICIPATION
- ACTIVE CONSUMPTION
- DEEP RESEARCH
- SOCIAL ENCOURAGEMENT
- PUBLIC POSTING
- EXPRESSING AN OPINION
- SUBSCRIBING TO UPDATES
- INDICATING INTEREST
- PASSIVE IMPRESSIONS

LOWER WEIGHTING

The industry's most advanced
CONTENT TAXONOMY SYSTEM

The world's only global audience
DEMAND MEASUREMENT PLATFORM

PARROT ANALYTICS

Financial and Demand Performance

Quarter 4 - 2023

Netflix – Q2 2023	Number	Rank	Annual Change	Quarterly Change
Total Subscribers (WW)	260.28M	#1	⬆ Up from 230.75M	⬆ Up from 232.5M
New Subscribers (WW)	260.28M	#1	⬆ Up from 7.66M	⬆ Up from 1.5M
Quarterly Revenue (WW)	$8.833B	#1	⬆ Up from $7.852B	⬆ Up from $ 8.61B
Corporate Demand Share (US)	8.8%	#5	⬆ Up from 8.5%	⬇ Down from 8.3%
Originals Demand Share (US)	36.6%	#1	⬇ Down from 40.9%	⬇ Down from 39.1%
On-Platform Demand Share (US)	18.1%	#1	⬆ Up from 16.6%	⬇ Down from 17.9%

One Key Chart

2023 Recap

Netflix's supply share of global streaming original titles has steadily ticked down since 2020, as new competitors entered the field, falling from 33.1% in Q1 2020 to 25.2% in Q4 2023. Looking at the supply share of new premieres during each quarter, the impact of Netflix's increased competition is even more stark. As recently as Q3 2021, Netflix accounted for 30.2% of all new streaming original titles released globally that quarter. Fast forward to Q3 2023 and Netflix's share of new streaming originals worldwide was down to 14.7%.

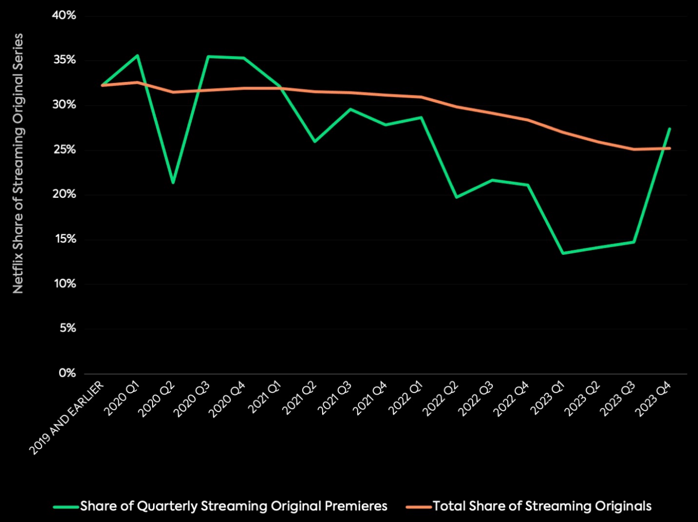
However, Netflix reversed this trend big time in Q4 2023 — accounting for 27.4% of new streaming original premieres, nearly doubling its supply share compared to the previous quarter. This is clearly the result of Netflix having a deeper bench of new content in the can — something co-CEO Ted Sarandos emphasized repeatedly last year — and a more global footprint than most of its competitors. It allowed the streamer to better weather the dual Hollywood strikes over the latter half of 2023.

2024 Outlook

Netflix's password sharing crackdown has reignited subscriber growth, which looks to continue well into 2024. However, at a certain point, the effort will reach saturation. What then? Company executives has been strategically cagey when asked for future plans and, with its push into gaming still immaterial, a new growth narrative will eventually be needed. Perhaps that partially helps explain Netflix's new film strategy which will considerably reduce the studio's annual output, setting up a healthier financial story for when the time comes. Moving into live sporting events with the addition of WWE programming beginning next year will provide regular and reliable titles with international appeal. Perhaps most importantly, it pushed Netflix one step closer to traditional live sports, which some in the industry have been calling for.

Overall though, Netflix boasts a commanding lead in streaming and has more than enough runway to use 2024 as an experimental year to a degree.

Netflix Total Share of Global Streaming Original Series and Quarterly Premieres



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Methodology note: Each quarter, the number of Netflix originals that premiered that quarter is calculated as a percent of all streaming originals that premiered that quarter. Cumulative share is calculated as the percent of Netflix series to premiere in a particular quarter or prior as a share of all streaming original series that premiered as of that quarter.

Financial and Demand Performance

Quarter 1 - 2024

Disney+ - Q1 2024	Number	Rank	Annual Change	Quarterly Change
Total Subscribers (WW)	149.6M	#2	⬆ Up from 230.75M	⬆ Up from 232.5M
New Subscribers (WW)	-600,000	#6	⬆ Up from -2.4M	⬆ Up from 1.5M
Quarterly Revenue (WW)	$5.546B	#2	⬆ Up from $5.3B	⬆ Up from $ 8.61B
Corporate Demand Share (US)	19.6%	#1	⬇ Down from 20.2%	⬇ Down from 8.3%
Originals Demand Share (US)	7.1%	#4	⬇ Down from 8.5	⬇ Down from 39.1%
On-Platform Demand Share (US)	9.5%	#5	⬆ Up from 8.0%	⬇ Down from 17.9%

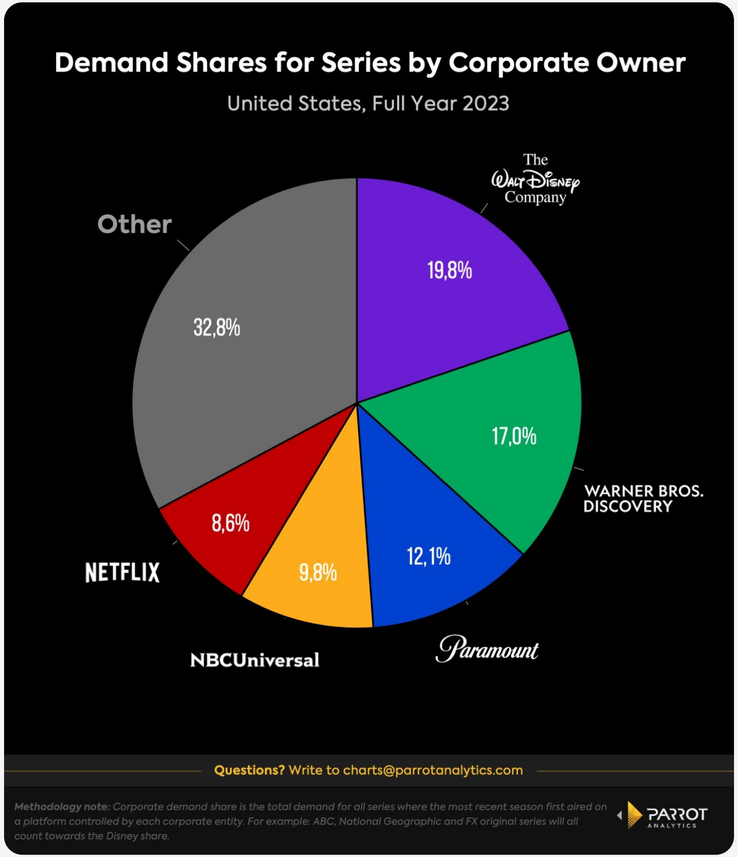
One Key Chart

2023 Recap

The Walt Disney Company saw it Corporate Demand Share — which assesses the long-term viability of the top media companies as they look to consolidate their original content's availability exclusively onto their own platforms, and can effectively help value a conglomerate's legacy and library content in aggregate as the external licensing market continues to re-open — decline in 2023. After serving as one of the first high-profile companies to stop licensing its content to Netflix, Disney has finally reversed course in an effort to generate more revenue. At the same time, it has reduced the annual output for major franchise IP on the streamer and largely de-emphasized Disney+ Hotstar internationally. Subscriber losses have followed, though that is partially offset by shrinking D2C losses.

2024 Outlook

Can Disney re-establish Marvel and Star Wars as blockbuster brands that drive subscription growth and command elite levels of consumer attention? Can the originals team build on the success of Percy Jackson and deliver new titles outside of Disney's core franchises that resonate en masse? Will the integration of Hulu into Disney+ make a material impact? How about the announced sports-centric joint venture between Disney, Fox and Warner Bros. Discovery? Disney faces immense questions this year with few certainties on the horizon. Yet the enduring strength of the Disney brand, the breadth of IP at the company's disposal, and an acknowledgment that the status quo cannot be maintained are good foundations for creative problem solving in the coming year.



Financial and Demand Performance

Quarter 1 - 2024

Hulu – Q1 2024	Number	Rank	Annual Change	Quarterly Change
Total Subscribers (WW)	49.7M	#5	Up from 48M	Up from 48.5M
New Subscribers (WW)	1.2M	#5	Up from 800,000	Up from 200,000
Quarterly Revenue (WW)	$5.546B (Same as Disney)	#2	Up from $5.3B (Same as Disney)	Up from $5.036B (Same as Disney)
Corporate Demand Share (US)	19.6% (Same as Disney)	#1	Down from 20.2% (Same as Disney)	Down from 19.9% (Same as Disney)
Originals Demand Share (US)	6.8%	#5	Down from 6.9%	Down from 7.6%
On-Platform Demand Share (US)	15.6%	#2	Up from 14.5%	Up from 15.3%

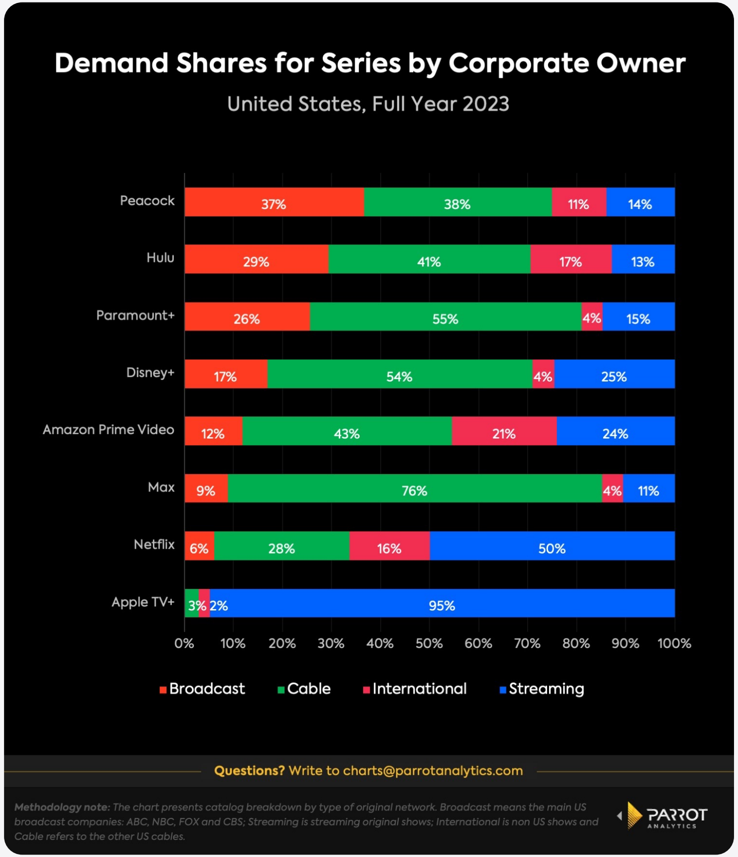
One Key Chart

2023 Recap

After several quarters of Hulu + Live TV enjoying small but incremental growth while Hulu's core SVOD seemed to plateau, the script was flipped last quarter as the latter was entirely responsible for the streamer's new subscribers. Whether you interpret this as a positive sign for Hulu's eclectic library or a negative sign in the shadow of vMVPD competitor YouTube TV is entirely up to you. What is clear is that Hulu remains one of the largest streaming platforms in the US largely thanks to its over-reliance on linear programming. Around 71% of the platform's TV catalog demand is generated by titles from broadcast (30%) and cable (41%), suggesting the streamer could cut costs by reducing investment in originals.

2024 Outlook

Hulu is in the process of being fully integrated into Disney+ after the Walt Disney Company agreed to pay at least $9 billion to acquire Comcast's remaining ownership stake in the streamer. But similar to how Disney's once celebrated acquisition of 20th Century Fox has now come under hindsight-boosted scrutiny, the value of this move will be dependent on strategic execution and innovative thinking. There is a narrow path forward in which Disney can unlock the full value of a combined super streamer that elevates the company's direct-to-consumer segment to Netflix's tier. However, this path is littered with pitfalls and landmines on either side. Can Disney CEO Bob Iger and D2C President Joe Earley navigate that tightrope walk after Disney's initial streaming efforts hit a wall in recent years?



PARROT ANALYTICS

Financial and Demand Performance

Quarter 4 - 2023

Max – Q4 2023	Number	Rank	Annual Change	Quarterly Change
Total Subscribers (WW)	97.7M (Total WBD DTC)	#3	⬆ Up from 96.1M	⬆ Up from 95.1M
New Subscribers (WW)	2.6M	#4	⬆ Up from 1.1M	⬆ Up from -700,000
Quarterly Revenue (WW)	$2.529B	#3	⬆ Up from $2.45B	⬆ Up from $2.43B
Corporate Demand Share (US)	16.9%	#2	⬇ Down from 17.3%	⬇ Down from 17.2%
Originals Demand Share (US)	5.8%	#6	⬇ Down from 6.2%	= Equal to 5.8%
On-Platform Demand Share (US)	15.3%	#3	⬆ Up from 14.2%	⬇ Down from 15.4%

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One Key Chart

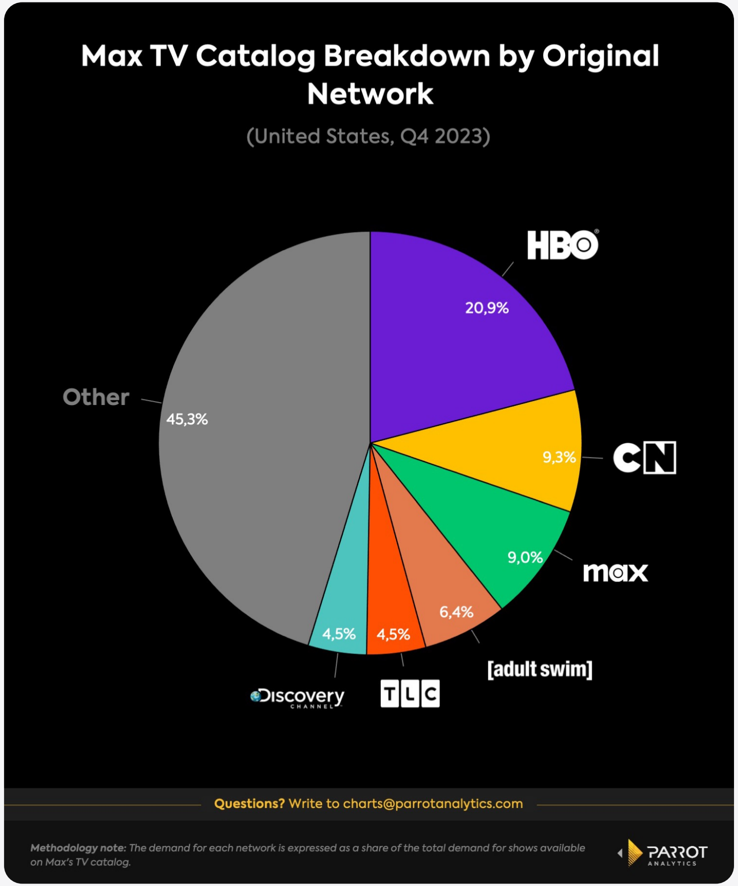
2023 Recap

Max serves as the first-run platform for HBO's renowned legacy series, new releases, and original content created specifically for streaming. HBO network content accounts for approximately 21% of the demand for Max's TV catalog, with Max originals contributing another 9%. Max enriches its offerings by including content from several subsidiary networks, such as Cartoon Network, Adult Swim, TLC and Discovery Channel, collectively accounting for 25% of the platform's television demand. This chart also highlights the massive reliance the Max platform has on series that originate on its linear channels. In fact, 76% of the demand for content on Max is from cable-originating series. This is partially by design as WBD's extreme cost-cutting measures have reduced what it can invest in new streaming originals.

2024 Outlook

Warner Bros. Discovery is in desperate need of some good news. Its small reported direct-to-consumer profit last year is misleading as it also includes linear HBO money. Despite the combination of HBO Max and Discovery+, WBD lost US subscribers in 2023 (and its company wide increase is largely due to the acquisition of BlueTV and its 1.3M subs). The company's share price has cratered 66% since April 2022. Though CEO David Zaslav has managed to pay off billions in debt, it has come at the cost of thousands of jobs. As of now, there is no tangible innovation or growth strategy to build off of moving forward.

Speculations rages regarding another merger and/or acquisition for WBD, but that strategy has not proven to be a problem solver for media's main issues in recent years. The company is facing a mountain of unknowns from a challenged position that will require significant overhauls this year.



Financial and Demand Performance

Quarter 3 - 2023

Max – Q4 2023	Number	Rank	Annual Change	Quarterly Change
Total Subscribers (WW)	67.5M	#4	⬆ Up from 56M	⬆ Up from 63M
New Subscribers (WW)	4.1M	#2	⬇ Down from 9.9M	⬆ Up from 2.7M
Quarterly Revenue (WW)	$1.869B	#4	⬆ Up from $1.396B	⬆ Up from $1.692B
Corporate Demand Share (US)	11.9%	#3	⬇ Down from 12.0%	= Equal to 11.9%
Originals Demand Share (US)	5.7%	#7	⬆ Up from 5.3%	⬇ Down from 5.8%
On-Platform Demand Share (US)	8.2%	#7	⬇ Down from 8.4%	⬇ Down from 10.2%

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One Key Chart

2023 Recap

Breaking down Paramount+'s TV catalog by original network shows the continued value of its linear brands, similar to Max, Hulu and other streamers that still rely on broadcast and cable TV. Paramount Global's three leading cable channels — Nickelodeon, MTV, and Comedy Central — account for more than a third of the demand for TV on Paramount+, while broadcast network CBS accounts for a full one fifth of the demand, and Paramount+ originals stand at at 14.7%. However, as linear TV continues to bleed subscribers and scripted TV becomes increasingly de-emphasized, such a reliance leaves the streamer vulnerable.

Paramount+ aims to be profitable in 2025, yet unlike Disney and NBCU, cannot rely on significant supplemental revenue (such as from theme parks and broadband) to subsidize continued streaming investment. This begs the question of what the ultimate fate for Paramount+ might be.

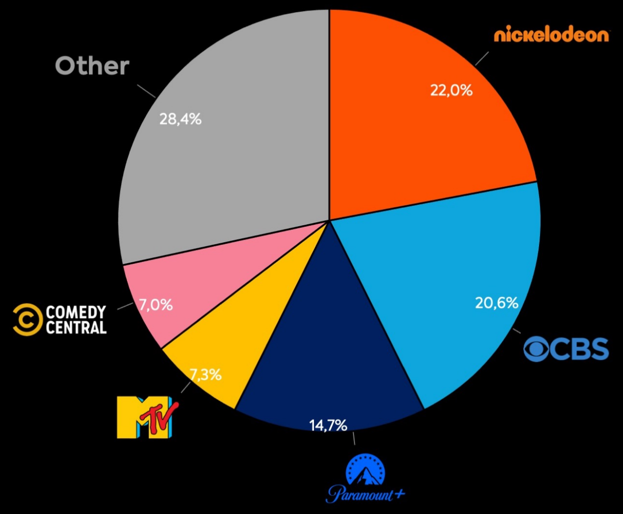
2024 Outlook

Paramount Global find itself in perhaps the most compromised position of any major media company. It has lost roughly two thirds of its value since re-merging Viacom and CBS in December 2019. The first and last storyline to monitor with this company in 2024 is how and when it sells itself, either in pieces or as a whole. Despite its 100-plus year old studio, storied brands, and multifaceted media assets, Paramount Global simply cannot continue as is — at least according to Wall Street. Media attention will revolve around playing hypothetical matchmaker and chasing down each and every M&A rumor that surfaces.

WBD has publicly backed out of the running for the company. A theoretical combination with NBCU would result in a leading Corporate Demand Share (21.9%), the second-largest on-platform US demand share (17%), and the third-largest US streaming originals demand share (9.5%).

Paramount+ TV Catalog Breakdown by Original Network

United States, Q4 2023



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Methodology note: The demand for each network is expressed as a share of the total demand for shows available on Paramount+'s catalog.

Financial and Demand Performance

Quarter 3 - 2023

Peacock – Q4 2023	Number	Rank	Annual Change	Quarterly Change
Total Subscribers (WW)	31M	#6	⬆ Up from 20M	⬆ Up from 28M
New Subscribers (WW)	3M	#3	⬇ Down from 5M	⬇ Down from 4M
Quarterly Revenue (WW)	$1.0B	#5	⬇ Down from $2.1B	⬆ Up from $830M
Corporate Demand Share (US)	9.8%	#4	⬇ Down from 10.0%	⬆ Up from 9.6%
Originals Demand Share (US)	3.8%	#8	⬆ Up from 3.0%	⬇ Down from 3.9%
On-Platform Demand Share (US)	8.8%	#6	⬆ Up from 8.3%	⬆ Up from 7.9%

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One Key Chart

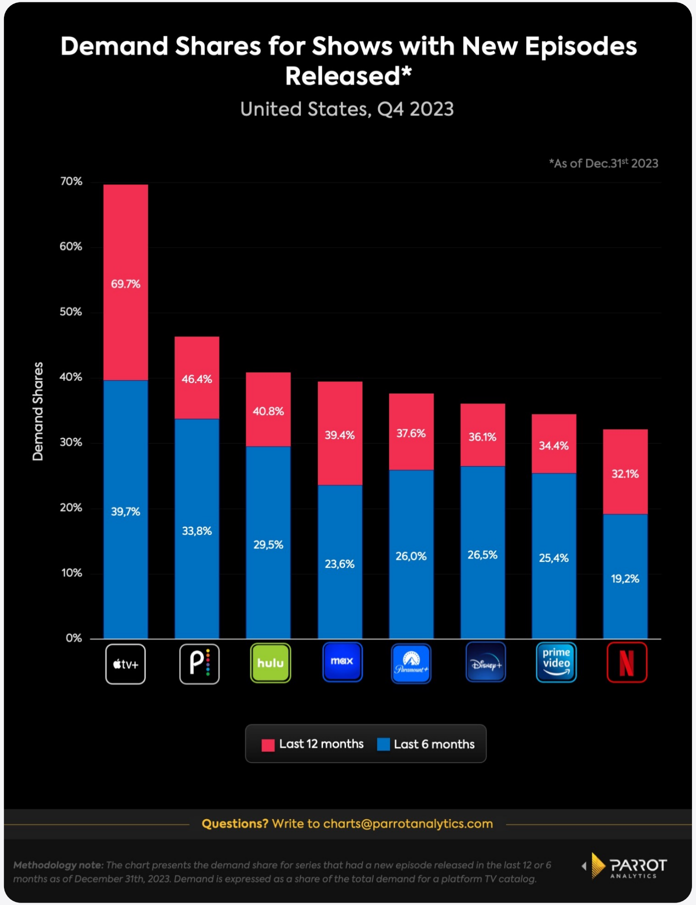
2023 Recap

Peacock built on its 2022 momentum by maintaining impressive growth (11 million), delivering hit new originals (Poker Face, The Traitors) and recently scoring a big victory with its exclusive NFL playoff game. What will be most telling, however, is what percentage of these new subscribers stay with the service longer-term. Streaming original content only accounts for a fraction of the overall demand for Peacock, which relies heavily on next-day NBC broadcast content, showing why many legacy companies are now re-opening up their libraries to licensing deals after trying to build up walled gardens earlier this decade.

Churn rates were on the rise industry wide in 2023 and there's only so much that a steady stream of Universal movies and live sports can do. While shrinking D2C losses is a good sign for Peacock, a viable timeline to sustainable profitability remains vague at best.

2024 Outlook

Peacock has been punching above its weight recently, even moving out of seventh place in US On Platform Demand Share in Q4 for the first time ever. The recent arrival of Christopher Nolan's blockbuster Oscars heavyweight Oppenheimer and the upcoming Summer Olympic games give it some strong ammunition for the first half of the year. Yet it might be time to make some hard decisions at NBCU, namely whether or not to largely exit costly scripted originals and double down on Bravo, sports, and news in streaming. And if Paramount Global does wind up selling itself piece-by-piece, could Nickelodeon become an attractive kids entertainment target for NBCU? With one of the healthiest balance sheets in media, parent company Comcast is in a position to take advantage of depressed assets on the market.



PARROT ANALYTICS

Financial and Demand Performance

Quarter 1 - 2024

Apple TV+ – Q1 2024	Number	Rank	Annual Change	Quarterly Change
Corporate Demand Share (US)	1.8%	#8	⬆ Up from 1.4%	⬆ Up from 1.9%
Originals Demand Share (US)	7.9%	#3	⬇ Down from 6.9%	⬇ Down from 8.4%
On-Platform Demand Share (US)	1.6%	#8	⬇ Down from 1.3%	⬆ Up from 1.7%

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One Key Chart

2023 Recap

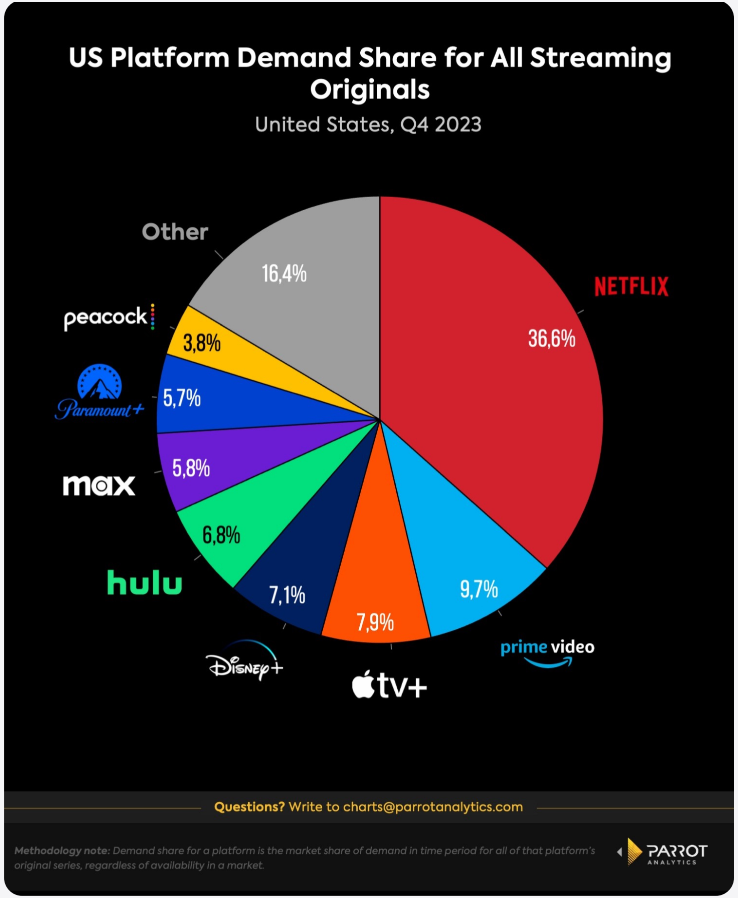
The final season of Ted Lasso proved to be a massive success at 67.06x more in-demand worldwide than the average title while releasing new episodes, among the top 0.2% of all shows. New titles such as Silo and Hijack performed well enough to score Season 2 renewals, returning originals such as For All Mankind delivered, and films such as Killers of the Flower Moon provided a boost. From a content standpoint, Apple TV+ continues to deliver, rising to third in US streaming original demand share.

Yet the critical goodwill and select breakout performances of certain titles has not presumably led to significant subscriber growth. Industry estimates suggest Apple TV+ remains the smallest premium SVOD in paid subscribers. It remains to be seen how much value Apple TV+ is driving to the company's growing services business and how much longer it will continue to invest billions into a painfully slow growth initiative.

2024 Outlook

Will Apple throw in the towel on its Hollywood experiment? If not and assuming it could sneak past regulators, might Apple want to acquire a studio asset to bolster its streaming business? No one is quite sure what to expect from the tech giant. But as the entertainment industry endures a painful contraction, the elimination of another deep-pocketed buyer would prove costly for talent and consumers.

Should Apple TV+ forge ahead, it may have to relinquish its steadfast commitment to high end premium programming. Only HBO has managed to turn that content approach into a viable business model. Elsewhere, middle and low brow programming complements high-minded material.



Financial and Demand Performance

Quarter 4 – 2023

Prime Video – Q4 2023	Number	Rank	Annual Change	Quarterly Change
Corporate Demand Share (US)	2.2%	#7	⬆ Up from 1.8%	⬆ Up from 2.1%
Originals Demand Share (US)	9.7%	#2	⬇ Down from 8.8%	⬇ Down from 9.2%
On-Platform Demand Share (US)	13.1%	#4	⬇ Down from 10.9%	⬆ Up from 12.8%

One Key Chart

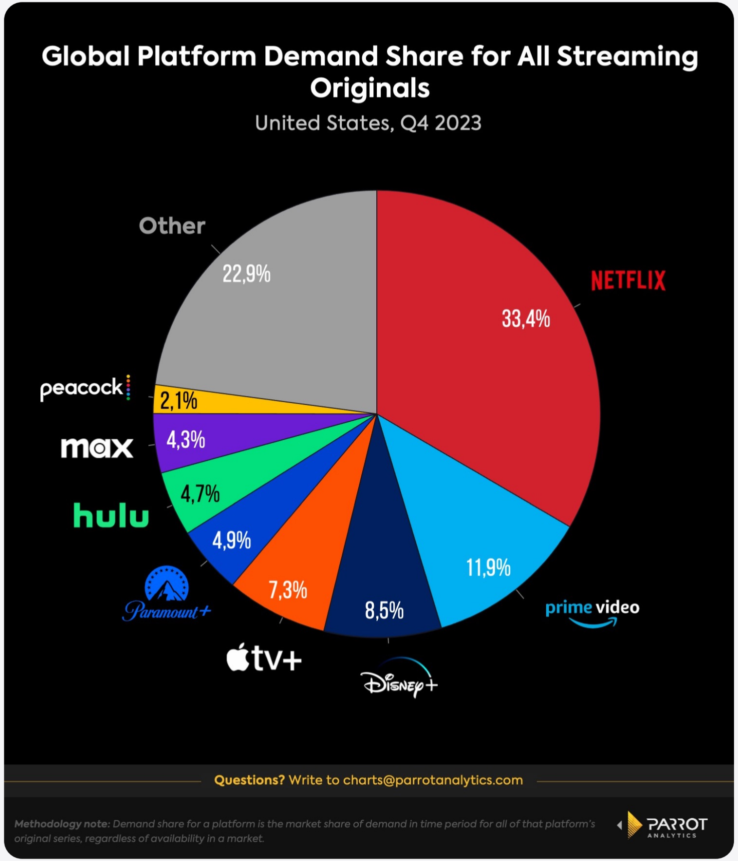
2023 Recap

One company's pain point is another company's benefit. As Disney, Warner Bros. Discovery and others have either temporarily halted or retreated from an international streaming emphasis, it has left Netflix and Amazon as the only two true premium global SVOD programmers. As such, Amazon Prime Video — with significant investment in non-English content — is second behind Netflix in global streaming original demand share (11.9%). Non-English series Mirzapur, Aspirants and Hostel Daze were all among Amazon's 10 most in-demand originals worldwide last year.

Domestically, Amazon's second season exclusively hosting Thursday Night Football went even better than its first. Slowly but surely, the platform is carving out a brand identity as a destination for Dad TV (serialized procedurals such as Reacher), mature superhero titles (The Boys, Invincible) and splashy spectacle (Lord of the Rings: Rings of Power, NFL).

2024 Outlook

Amazon recently converted all subscribers to an ad-supported tier that required an extra $3 per customer for ad-free access. Immediately, this establishes the higher ARPU ad-tier as a strong global presence as rivals such as Netflix, Disney+ and Max continue to try and juice ad-supported sub growth. Related, Prime Video may become slightly beefier with the expected shuttering of Amazon's FAST service Freevee. Moving forward, Amazon has stated its desire to deliver up to a dozen films in theaters per year, which could help generate a larger subsequent streaming footprint. All in all, Amazon has successfully been strategically building out its ecosystem of access points as a primary programmer and third-parter re-seller.



PARROT ANALYTICS

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