



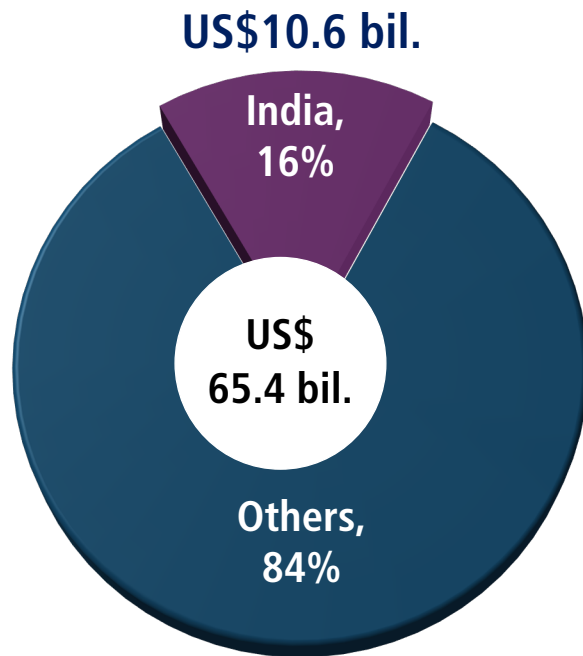
THE FUTURE OF VIDEO IN INDIA

APRIL 2021

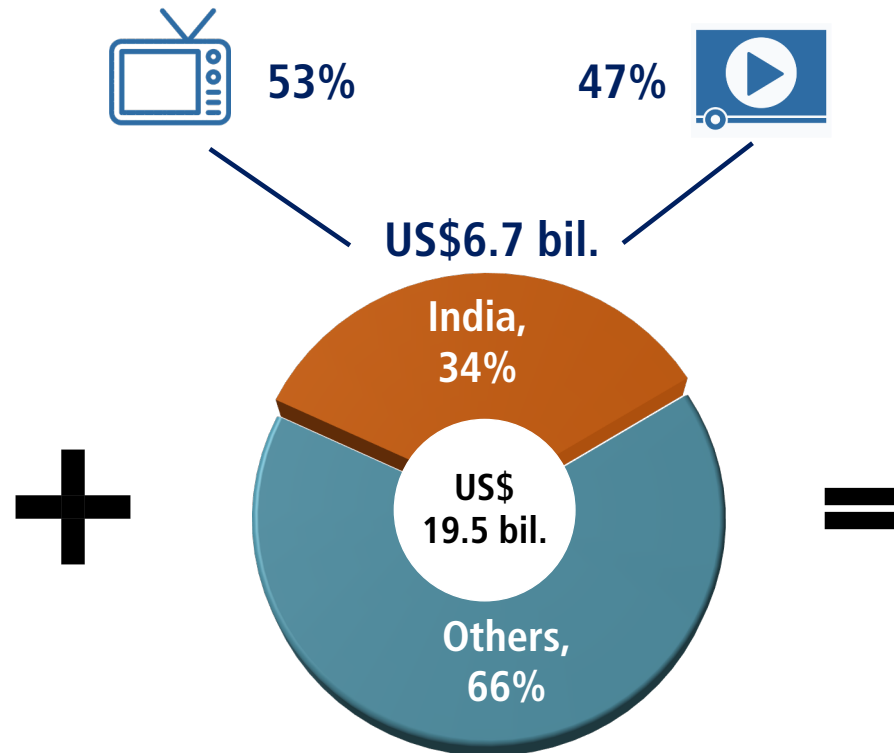
INDIA OFFERS A MASSIVE OPPORTUNITY FOR VIDEO GROWTH

APAC Video Revenues (Ex. China)

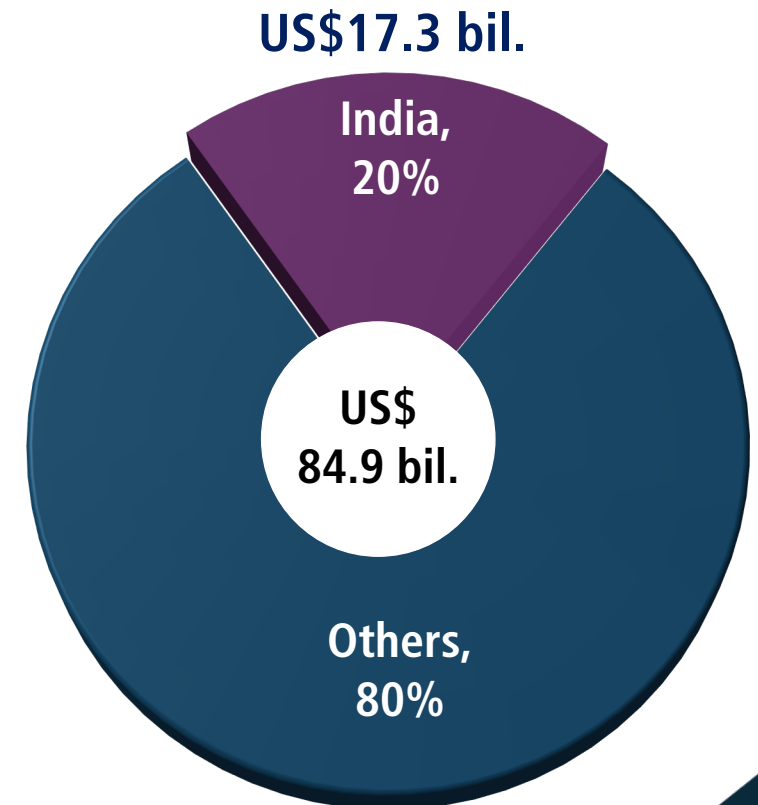
2020



Incremental Revenues (2020-25)

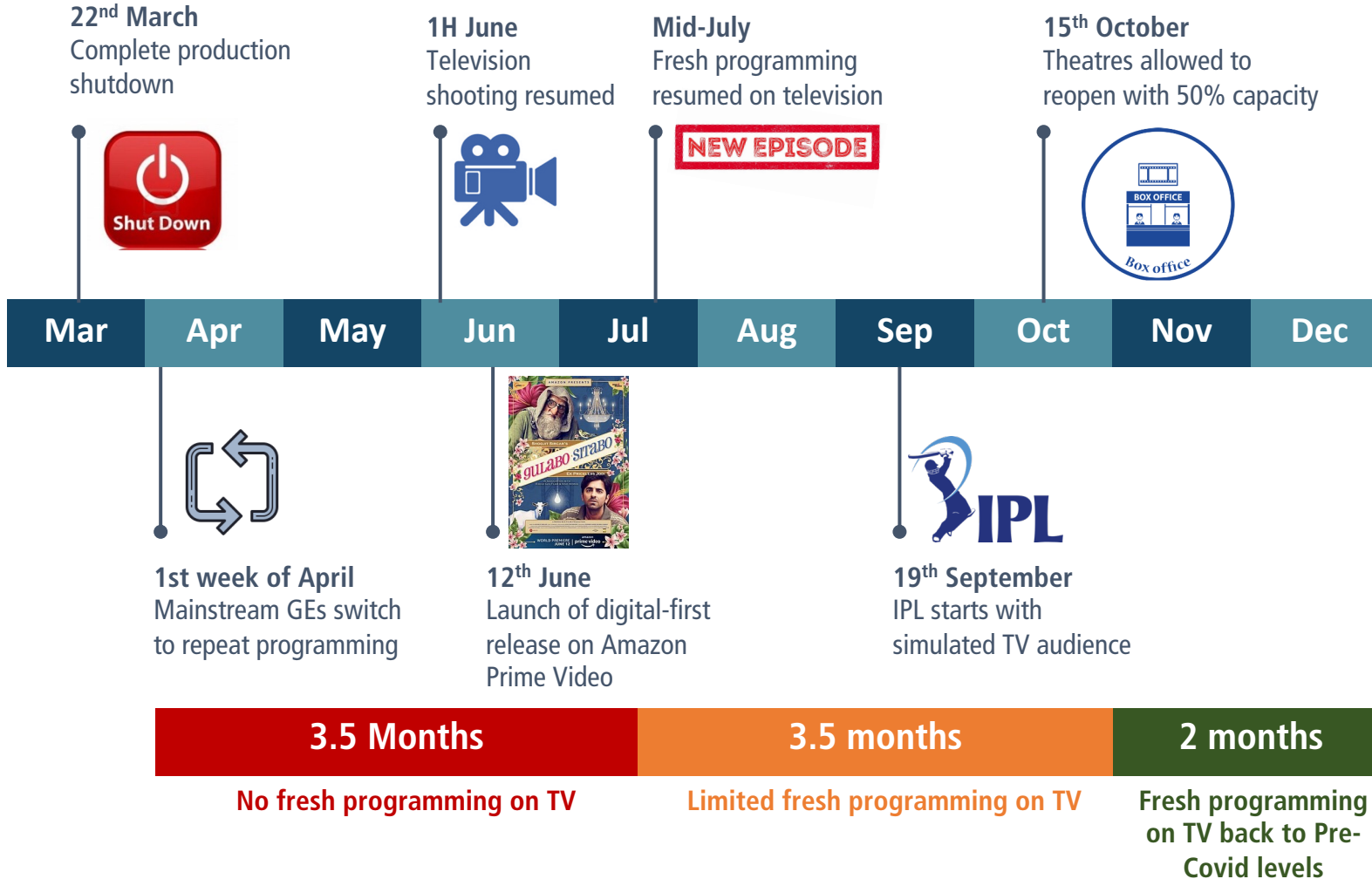


2025

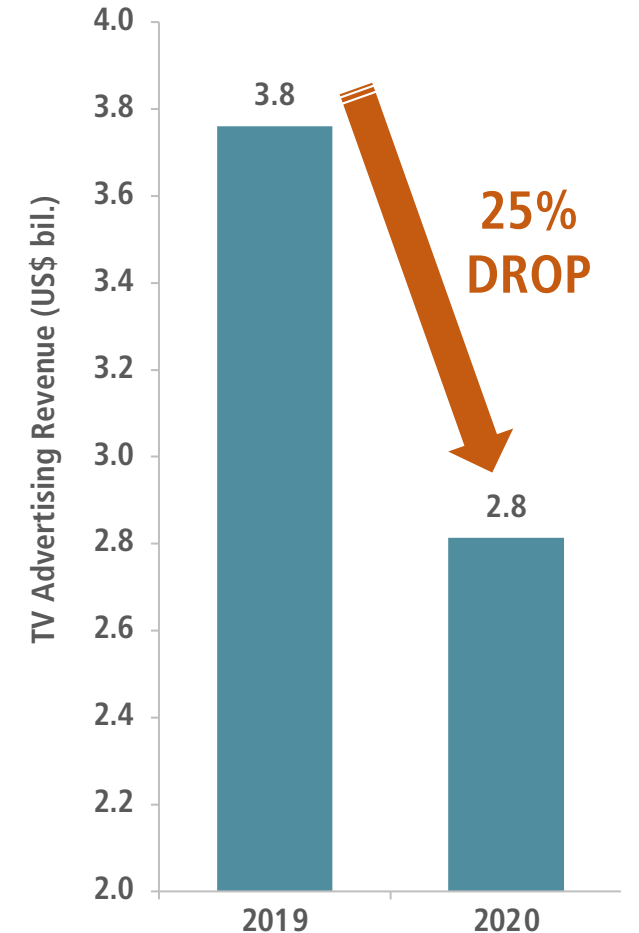


2020 – A PAINFUL YEAR FOR THE VIDEO INDUSTRY

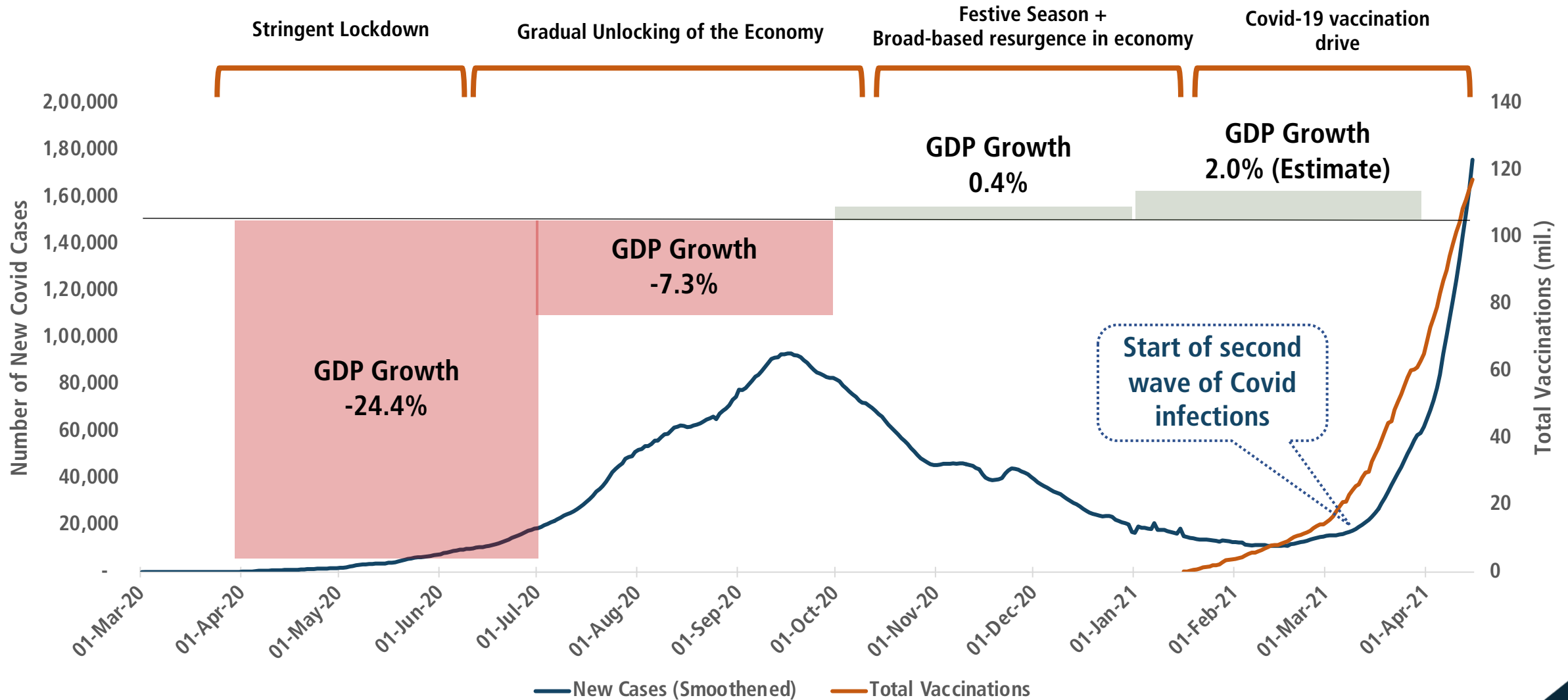
► Key Events Impacting the Video Industry in 2020



► TV Advertising Revenue Nosedive



ECONOMIC PERFORMANCE COMING OUT OF PANDEMIC



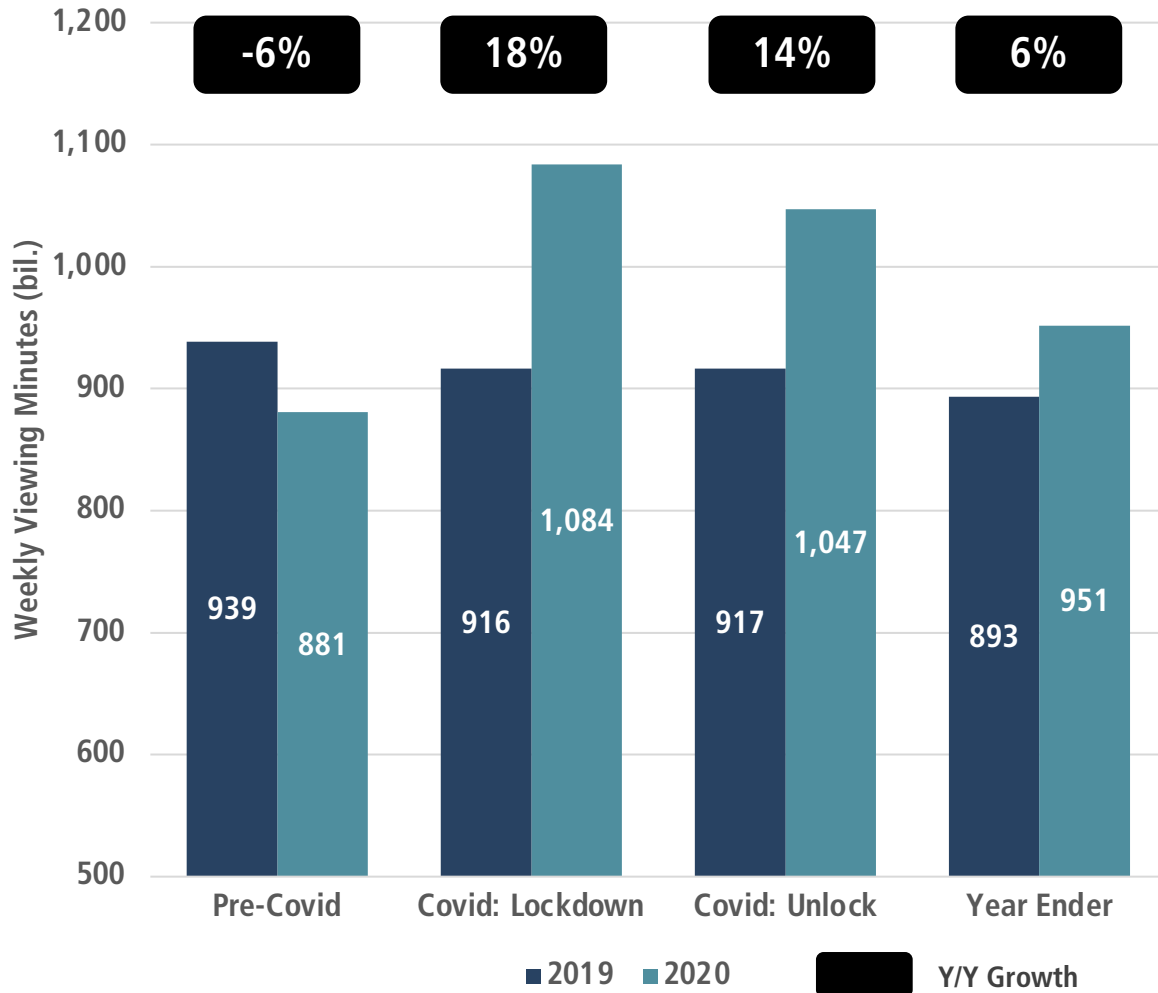
ECONOMIC RESURGENCE WITH PICK UP IN SECTORAL ACTIVITIES

► High-Frequency Macroeconomic Indicators

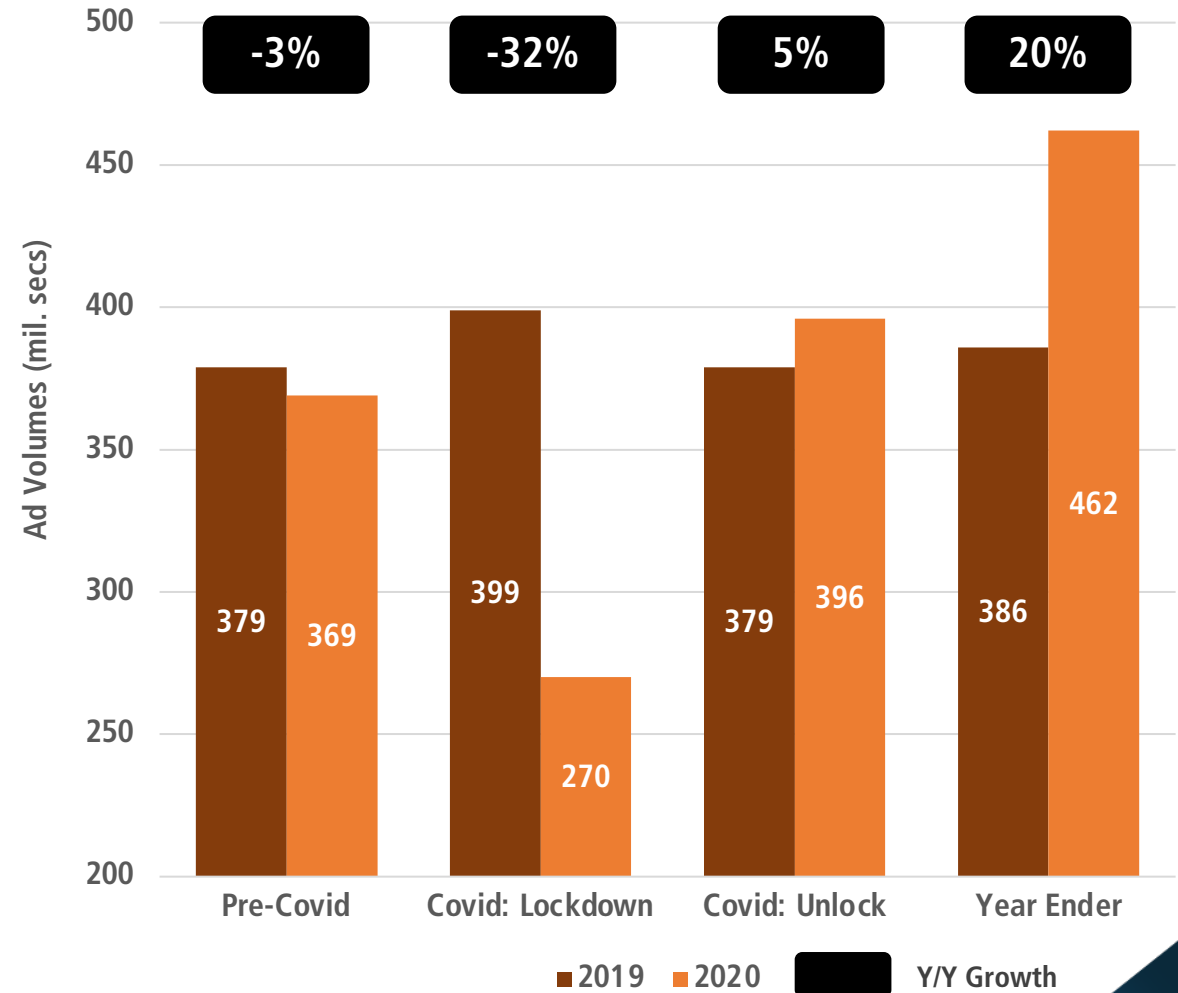
Parameter	Unit	April	May	June	July	August	September	October	November	December	January	February
Consumer Economy												
Passenger Vehicle Sales	YoY growth	-	-87.0%	-38.3%	-25.2%	-7.1%	9.8%	-8.8%	4.2%	24.0%	-4.5%	10.6%
Two Wheeler Sales	YoY growth	-	-88.8%	-40.9%	-37.5%	-28.7%	-12.6%	-26.8%	-21.4%	11.9%	-8.8%	-16.1%
Tractor Sales	YoY growth	-	-75.6%	10.9%	37.2%	27.8%	80.4%	55.5%	8.5%	35.5%	11.1%	18.9%
Domestic Air Passengers	YoY growth	-	-97.7%	-83.5%	-83.0%	-77.0%	-66.0%	-57.0%	-51.0%	-43.7%	-39.6%	-37.0%
Industrial Sector												
IIP	Index	-57.3	-33.4	-16.6	-10.5	-7.1	0.5	4.2	-2.1	1.0	-1.6	-3.6
PMI Manufacturing	Index	27.4	30.8	47.2	46.0	52.0	56.8	58.9	56.3	56.4	57.7	57.5
Core Growth	YoY growth	-37.9%	-21.4%	-12.4%	-7.6%	-6.9%	0.6%	-0.5%	-1.1%	0.2%	0.9%	-4.6%
Bank credit	YoY growth	7.0%	5.9%	5.9%	6.7%	5.9%	5.5%	5.7%	6.0%	6.2%	5.9%	-
Rail Freight (revenue)	YoY growth	-41.5%	-29.2%	-13.1%	-6.7%	2.7%	18.6%	13.7%	10.2%	9.4%	8.7%	7.7%
Power Consumption	YoY growth	-23.2%	-14.9%	-10.9%	-3.7%	-1.7%	4.5%	11.6%	3.2%	6.1%	10.2%	0.9%
Cement Production	YoY growth	-85.2%	-21.4%	-6.8%	-13.5%	-14.5%	-3.4%	3.2%	-7.3%	-7.2%	-5.8%	-5.5%
Finished Steel Consumption	YoY growth	-90.9%	-65.2%	-40.8%	-29.1%	-18.5%	-0.8%	-2.0%	11.0%	4.9%	9.0%	6.7%
Petroleum Products Consumption	YoY growth	-48.7%	-20.0%	-9.0%	-13.3%	-15.7%	-4.4%	2.4%	-3.5%	-1.8%	-3.7%	-4.6%
External Sector												
Import	YoY growth	-59.6%	-52.4%	-47.6%	-29.6%	-26.0%	-19.6%	-11.5%	-13.3%	7.6%	2.0%	6.9%
Export	YoY growth	-60.2%	-36.2%	-12.4%	-9.9%	-12.7%	6.0%	-5.1%	-8.7%	-0.8%	6.2%	-0.3%
Ease of Living												
Consumer Price Index	YoY growth	-	6.3	6.1	6.7	6.7	7.3	7.6	6.9	4.6	4.1	5.0

HEALTHY TV VIEWERSHIP AND ECONOMIC RECOVERY GET ADVERTISERS BACK ON BOARD

▶ Average Weekly TV Viewership



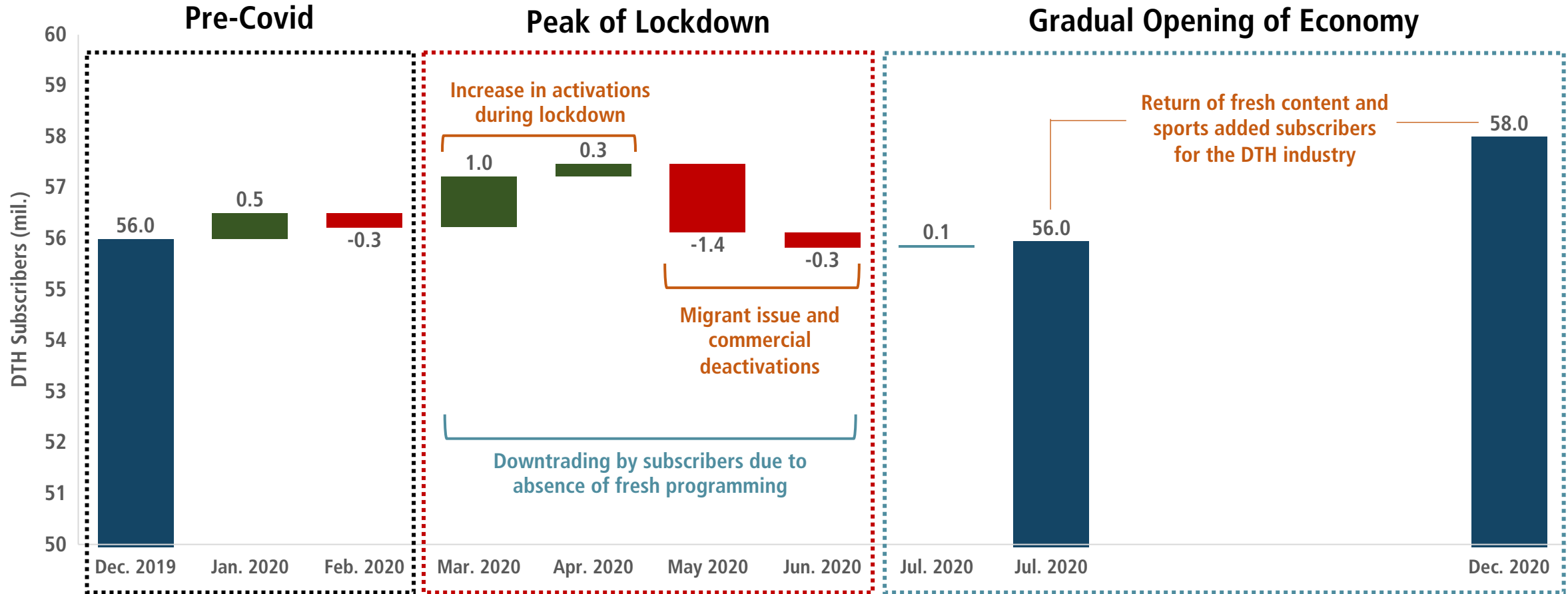
▶ Advertising Volumes



Note: Pre-Covid – Jan-Mar; Covid: Lockdown – Apr-Jun; Covid: Unlock – Jul-Sep; Year Ender – Oct-Dec

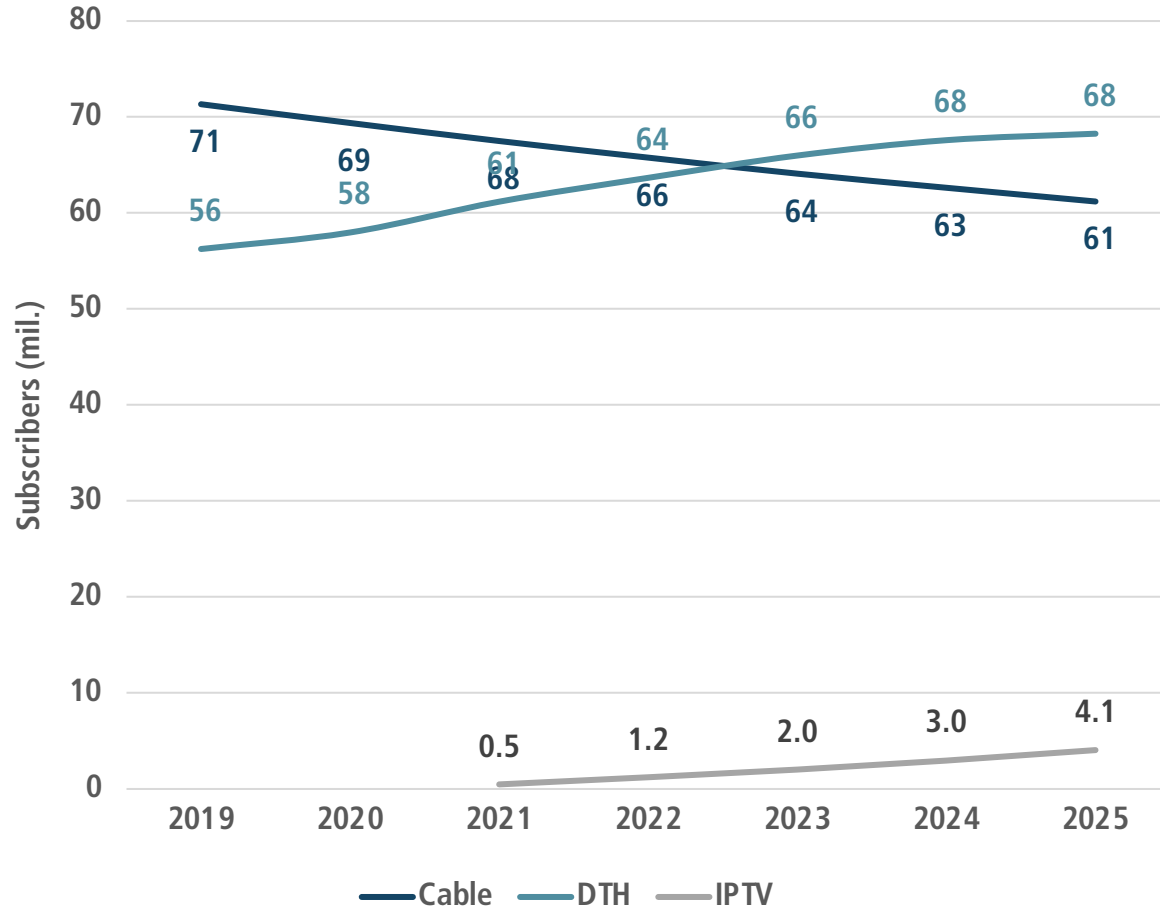
2020 – A MIXED BAG FOR DTH

► DTH Subscriber Additions Back on Track

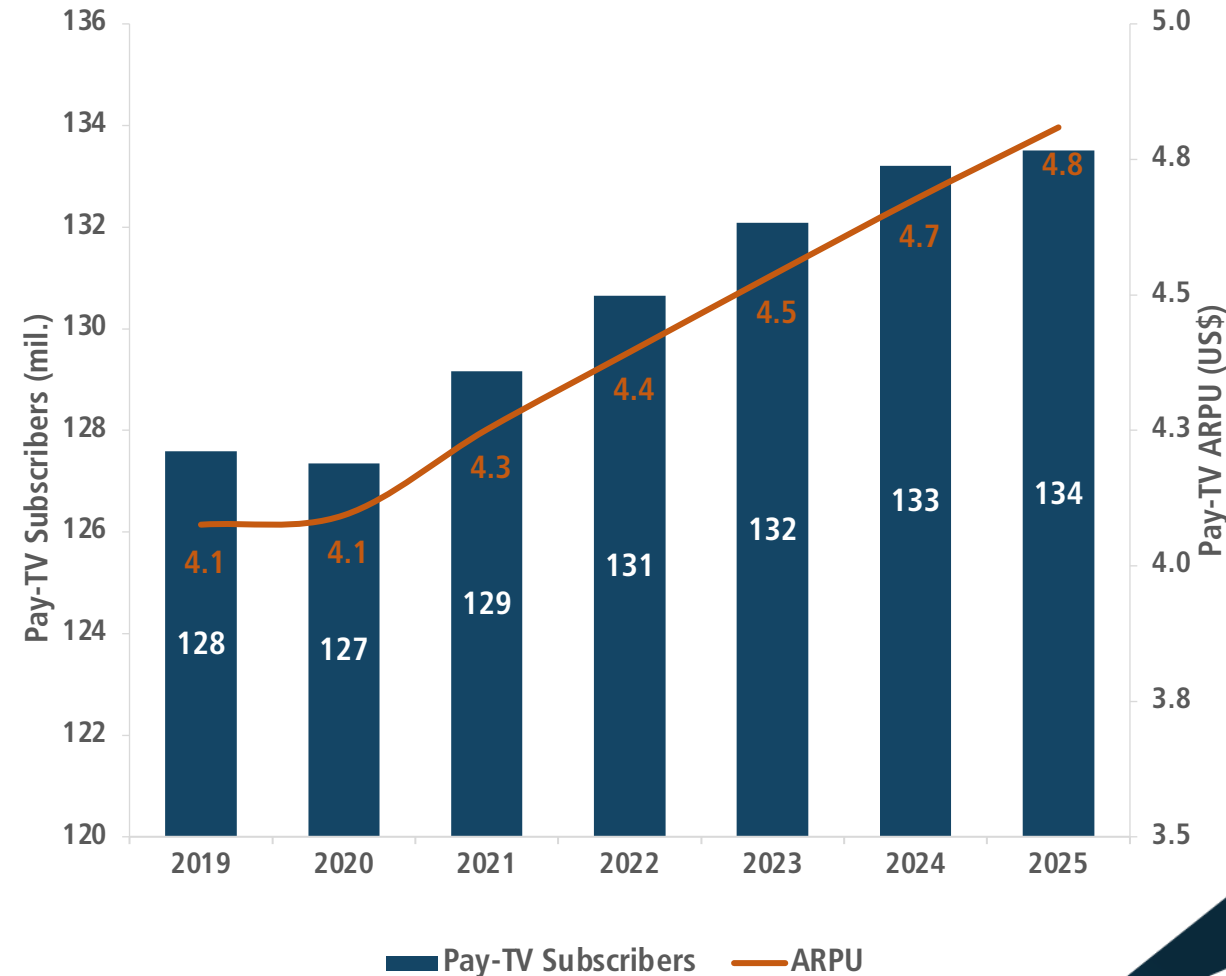


DTH WILL GAIN AS CABLE CONTINUES TO SEE A STRUCTURAL DECLINE

► Pay-TV Subscribers by Platform

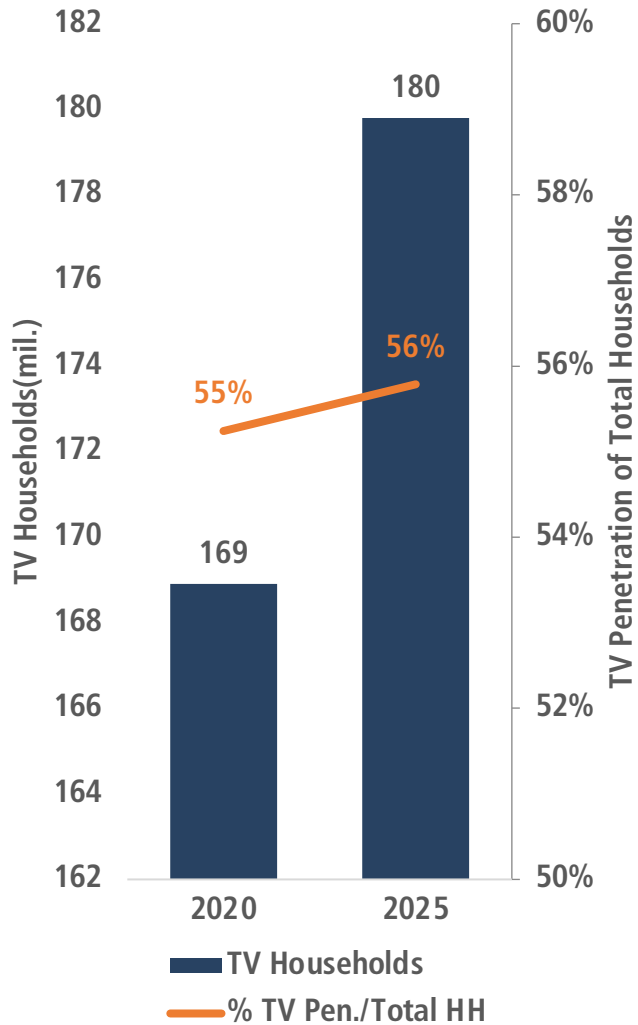


► Pay-TV Subscribers and ARPU

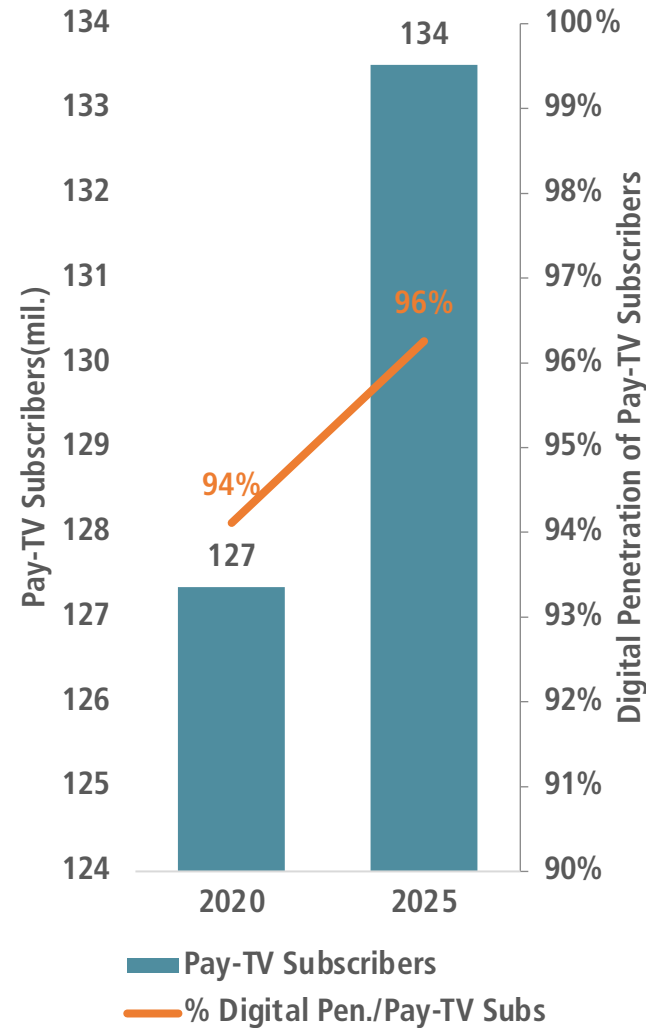


INDIA'S PAY-TV MARKET CONTINUES TO OFFER SCALE

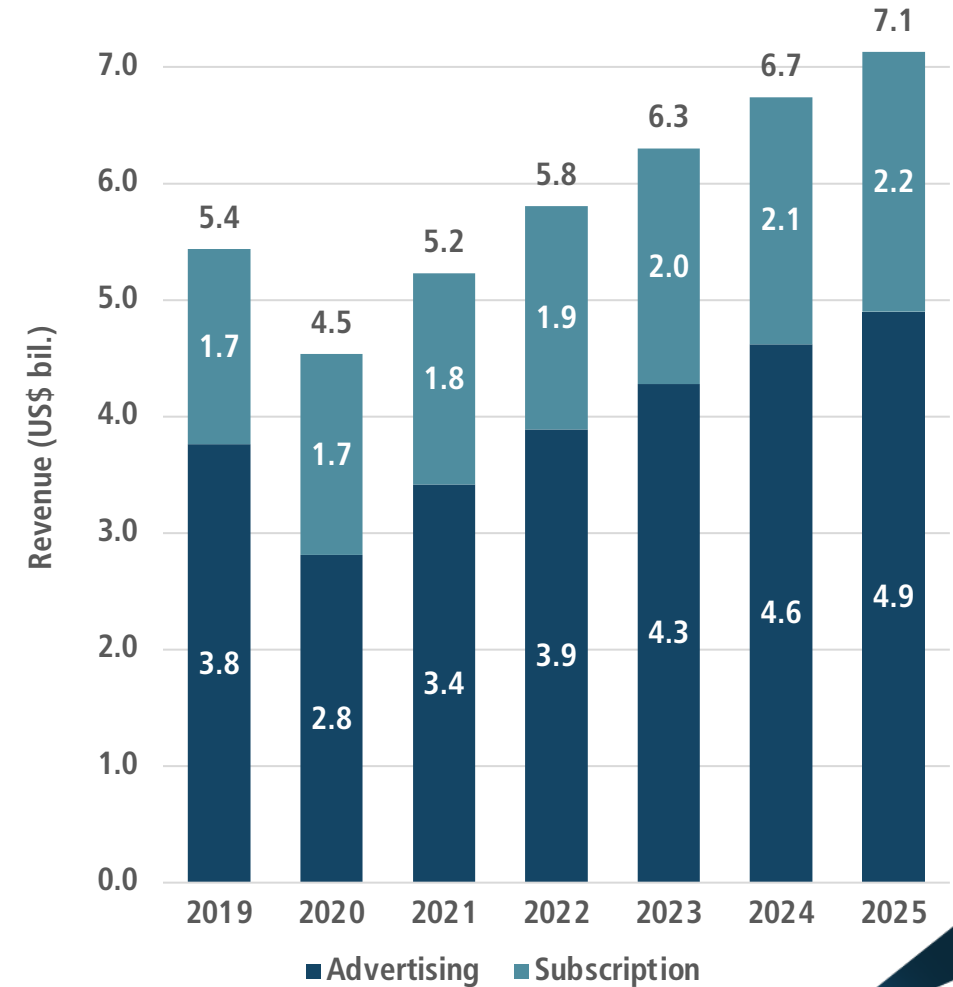
▶ TV Households



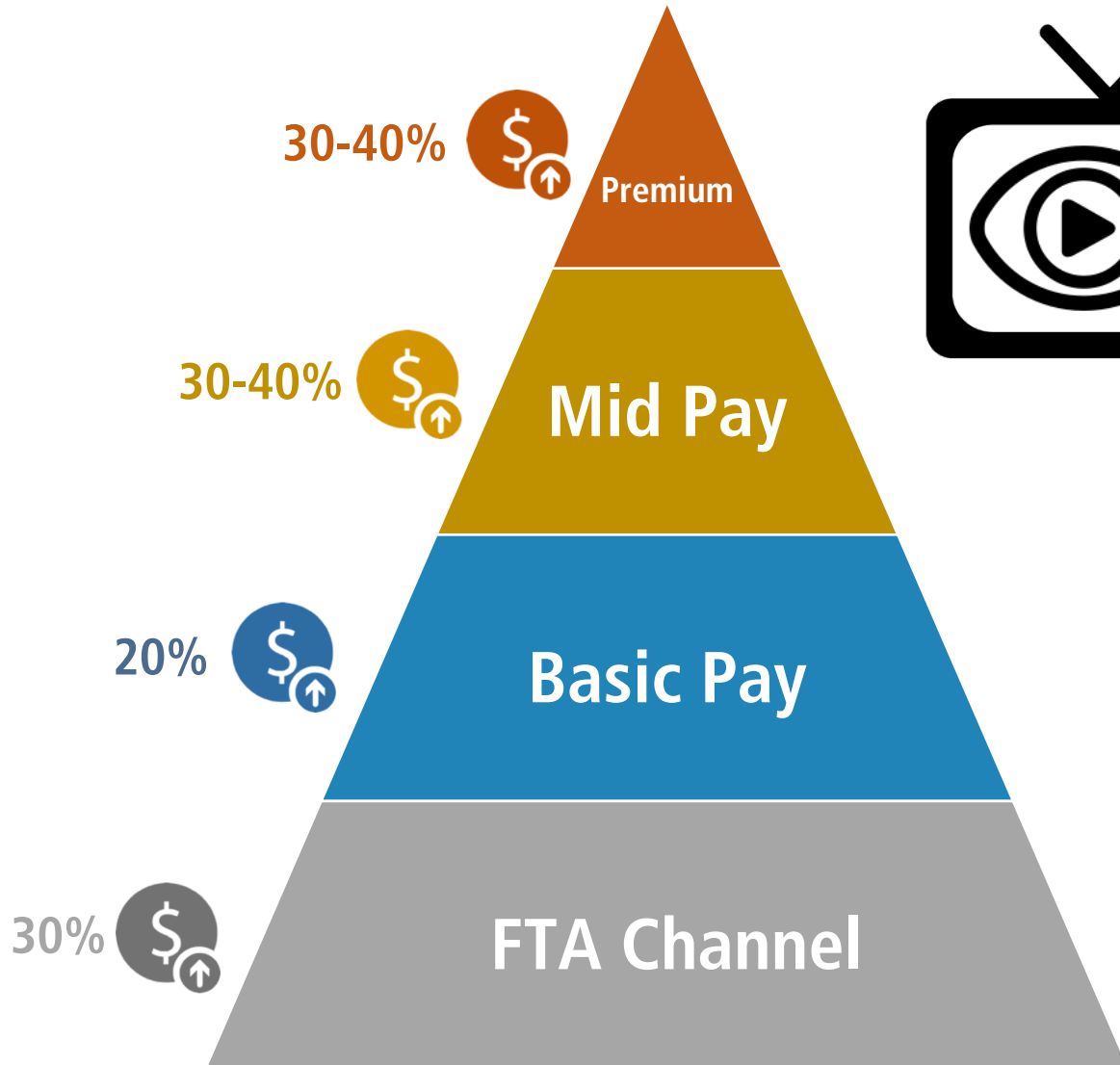
▶ Pay-TV Subscribers



▶ Channel Business Revenues



NTO IMPACTS NICHE CHANNEL ECONOMICS



Drop in Channel Reach and Viewership



Broadcaster

Go OTT

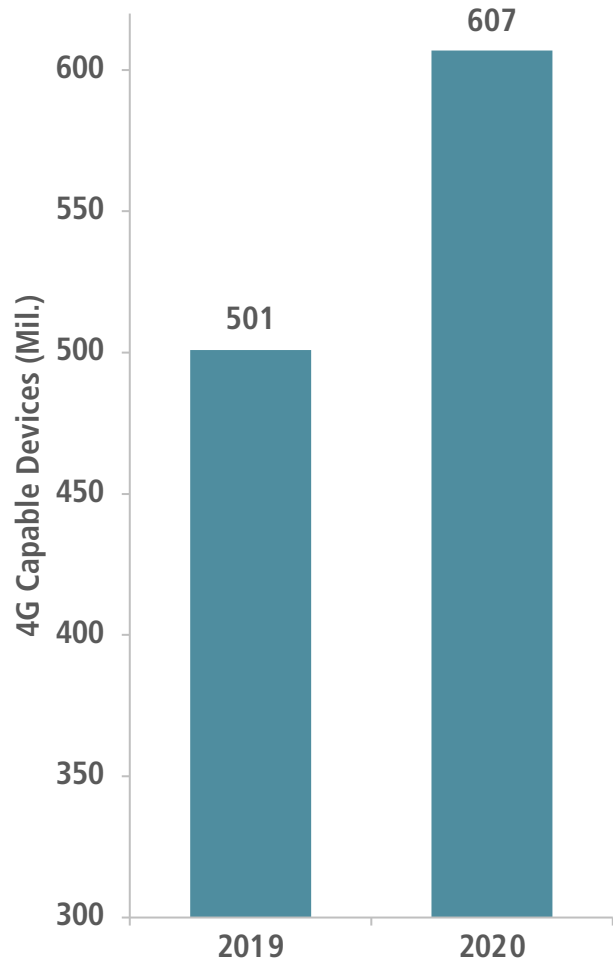


Channel Shutdown

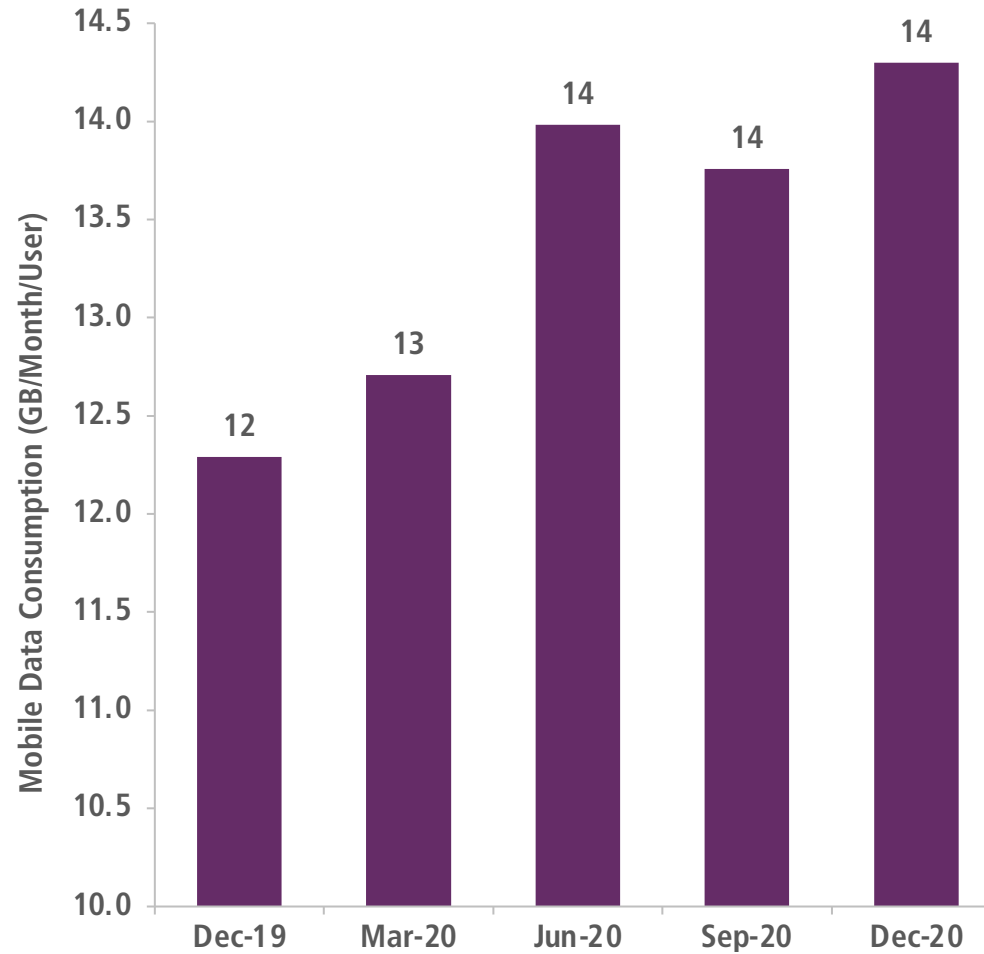


COVID TAILWINDS FOR OTT PLATFORMS

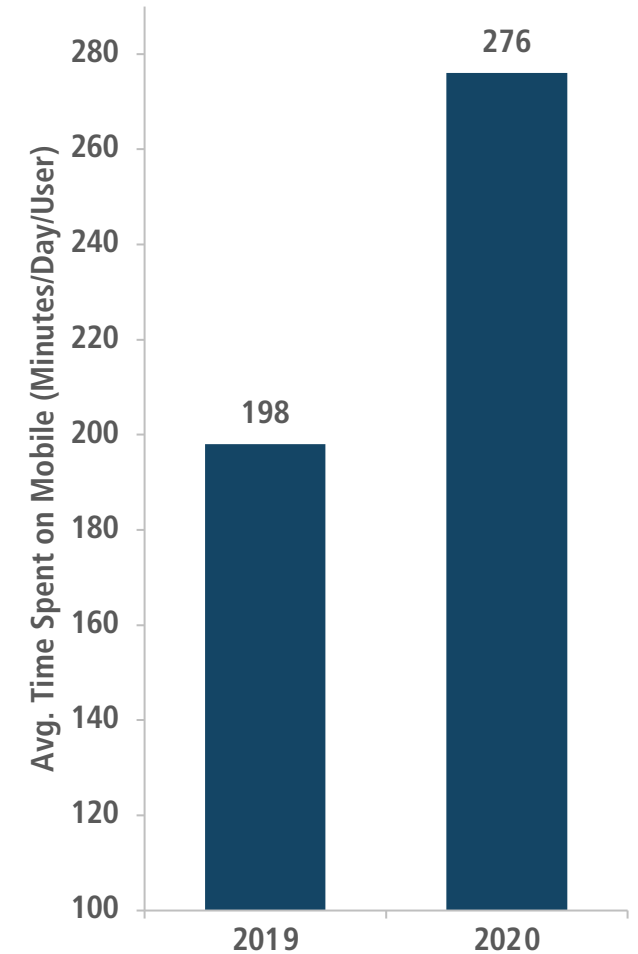
► Proliferation of 4G Devices



► Growth in Data Consumption

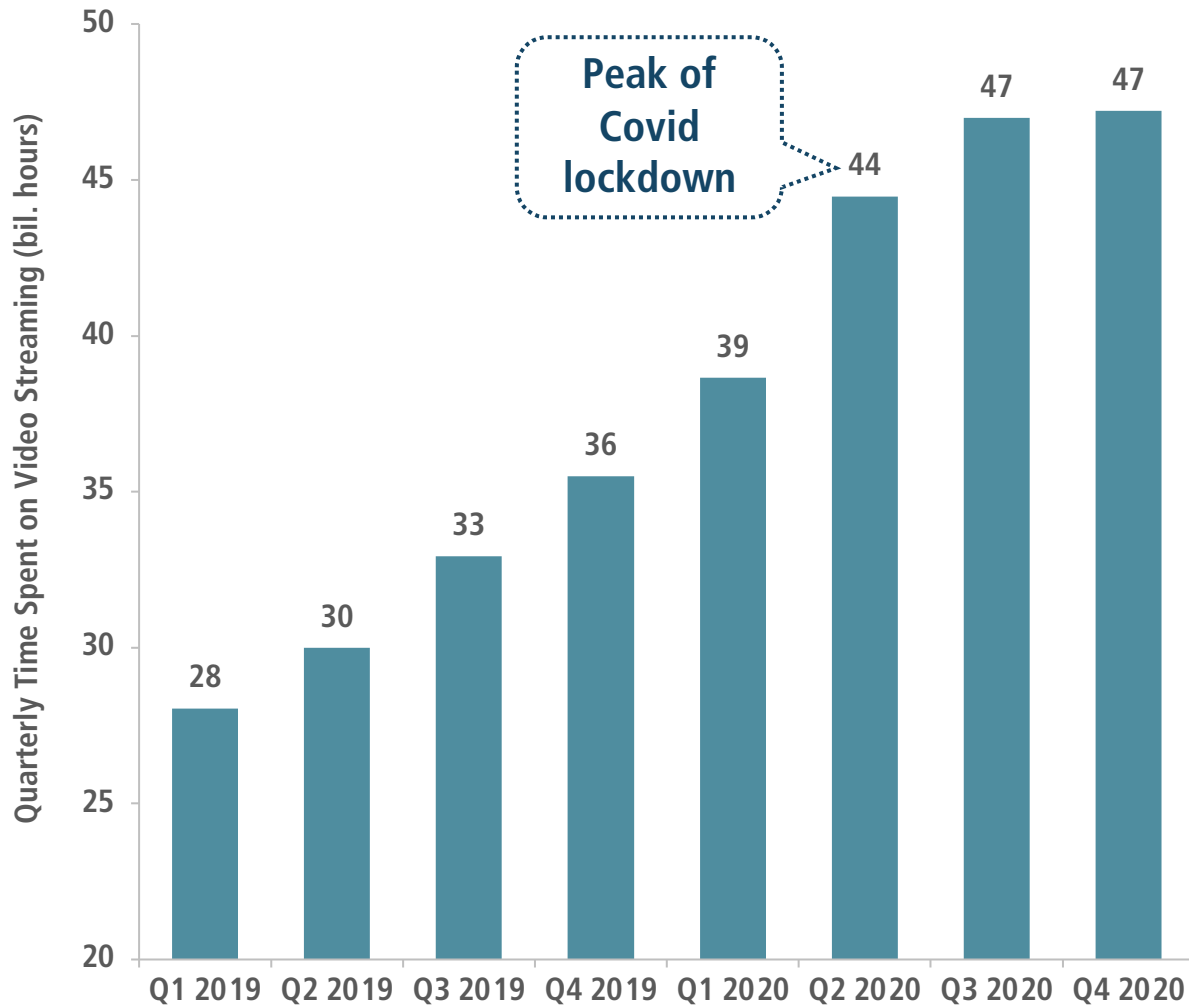


► Increase in Time Spent on Mobile



COVID PUSH FOR ONLINE VIDEO CONSUMPTION

► Increase in Consumption of Online Video

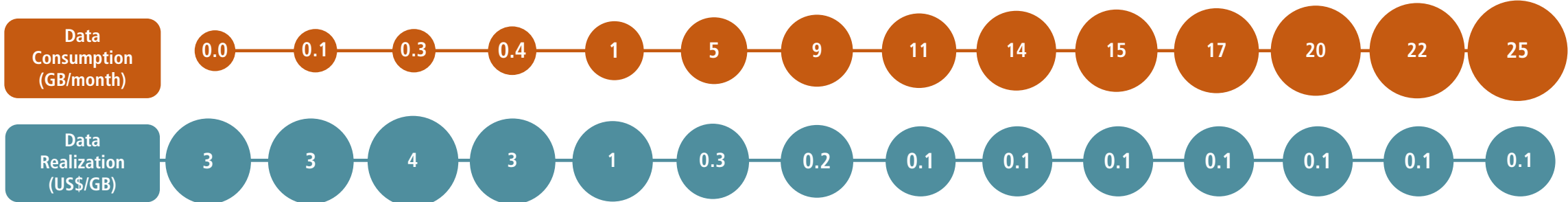
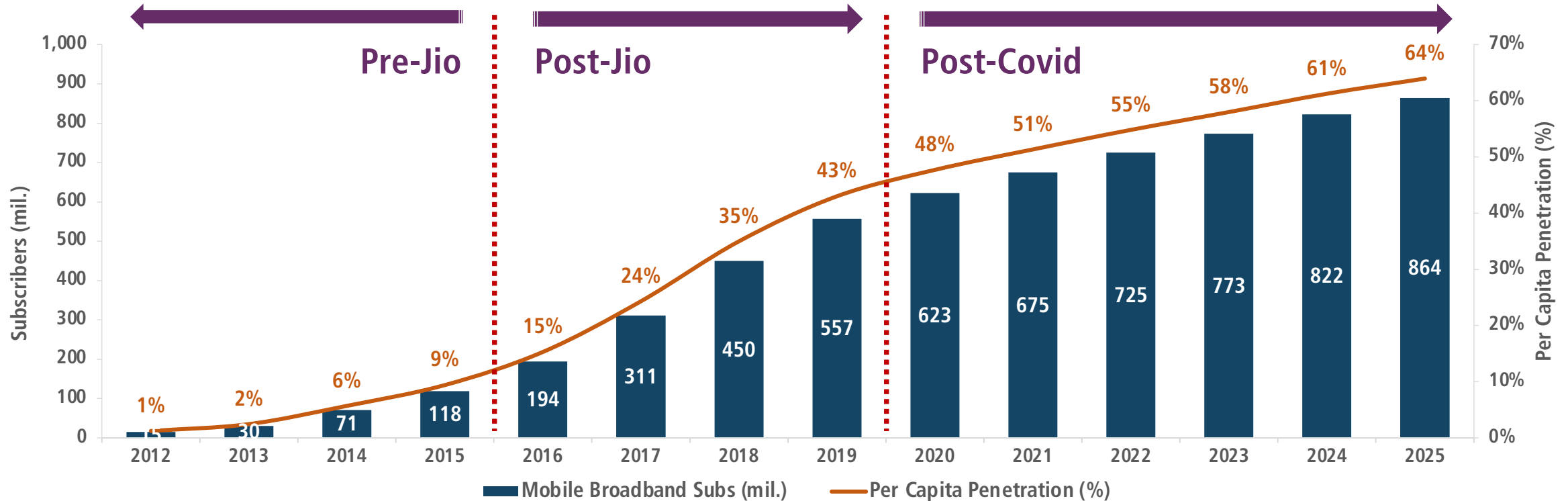


► Increase in Number of Online Video Platforms



POST JIO, COVID WILL ACCELERATE GROWTH IN MOBILE CONNECTIVITY

▶ Three-fourth of India's population will have access to high-speed broadband by 2025



MARKET SEGMENTATION OF INDIA'S ONLINE VIDEO INDUSTRY

INDIVIDUALS BY AUDIENCE CATEGORY

ONLINE VIDEO SERVICES



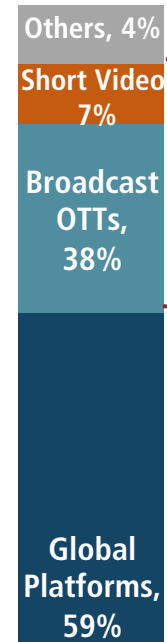
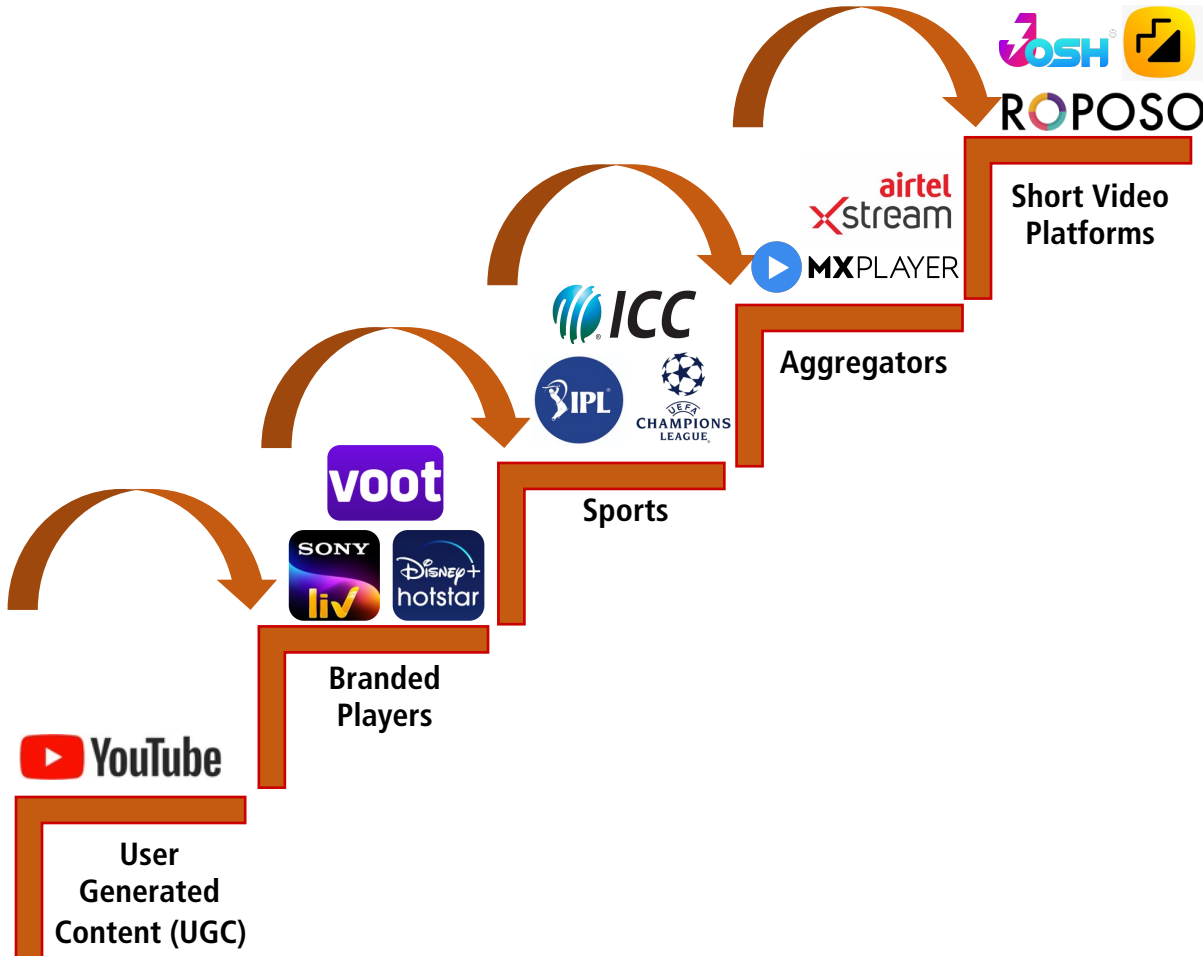
CONTENT SEGMENTATION EXPANDS THE ONLINE VIDEO AD PIE

US\$295 mil. ← Online Video Ad Market → US\$2.7 bil.



Initially, YouTube and Facebook are well entrenched in the ecosystem giving them an advantage over others

2017

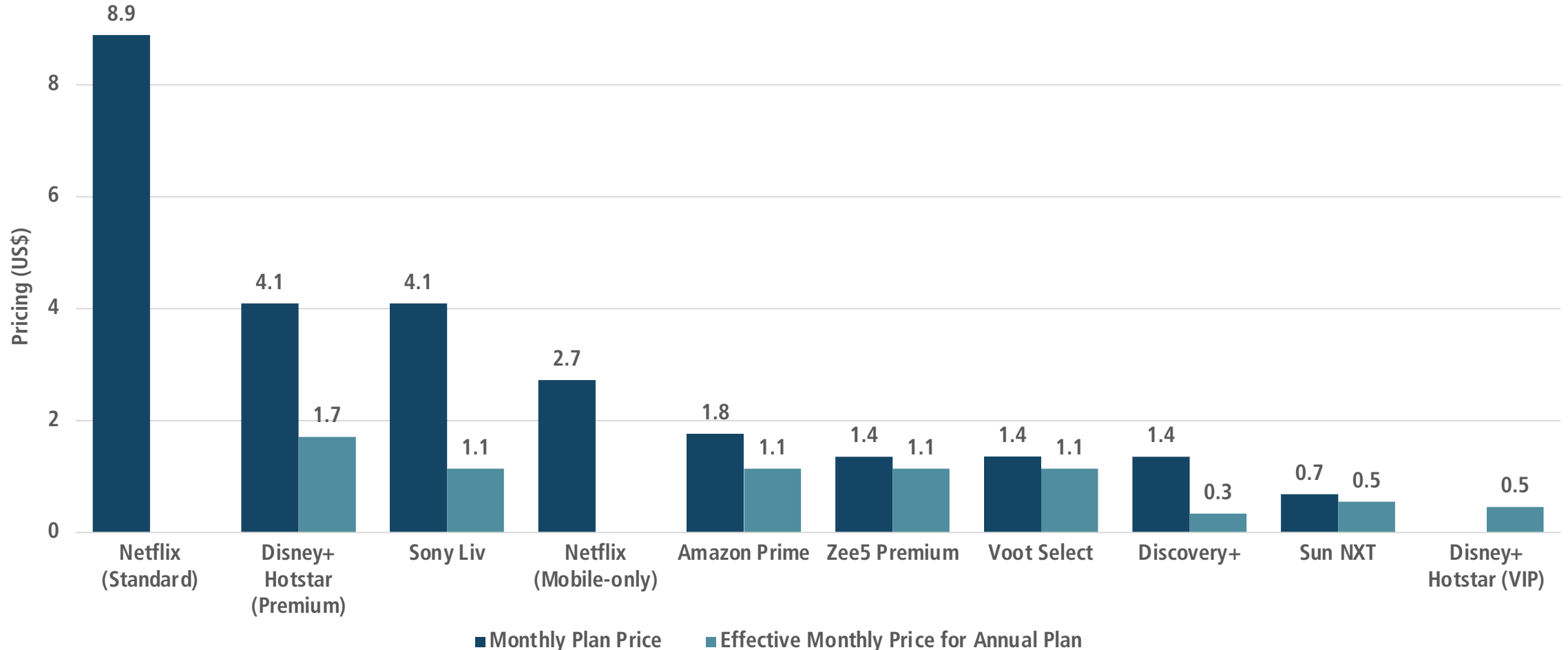


High user engagement will help broadcast OTTs and short video platforms gain share

2025E

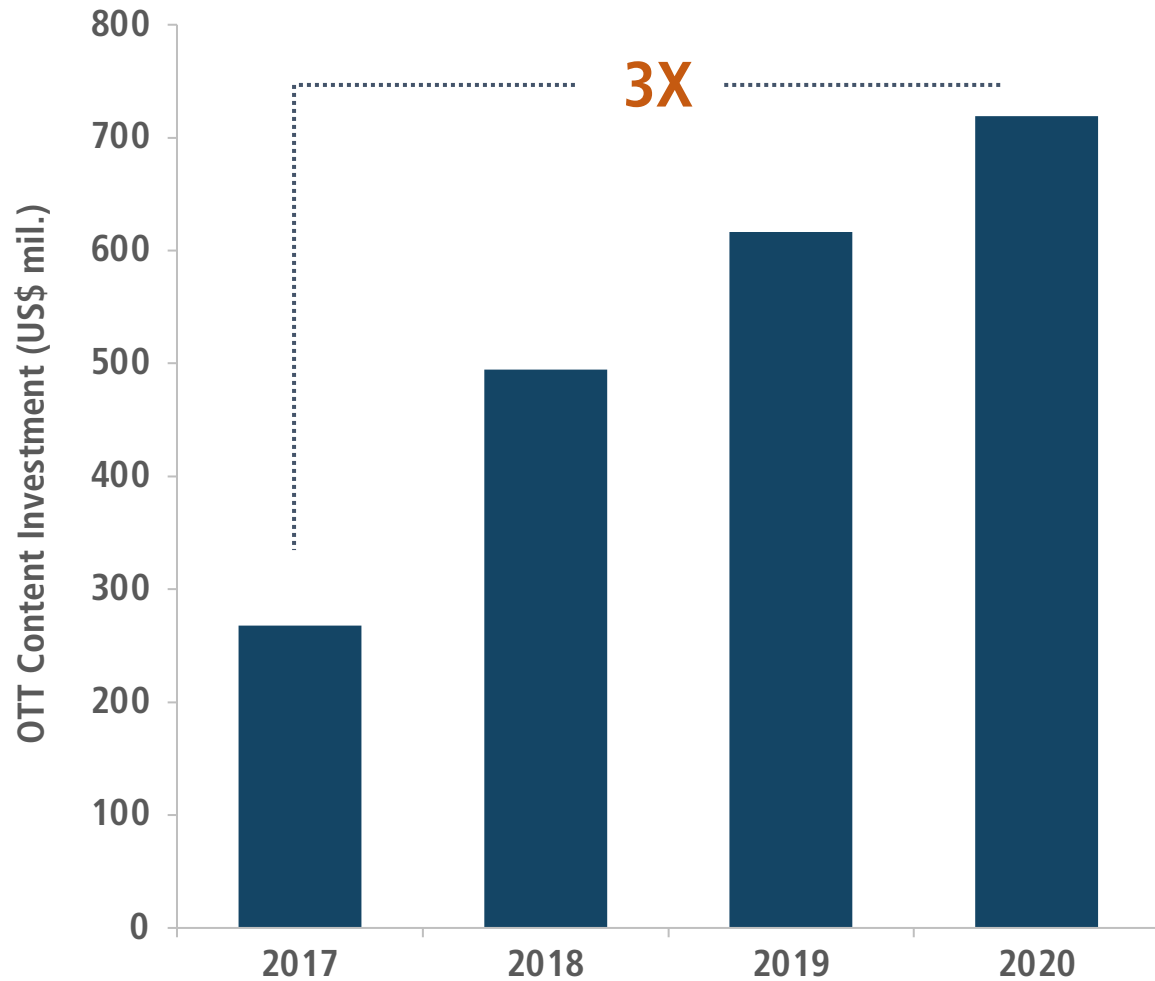
AFFORDABLE PRICING LEADS TO BETTER UPTAKE OF SVOD SUBSCRIPTIONS

► Benchmarking SVOD Pricing

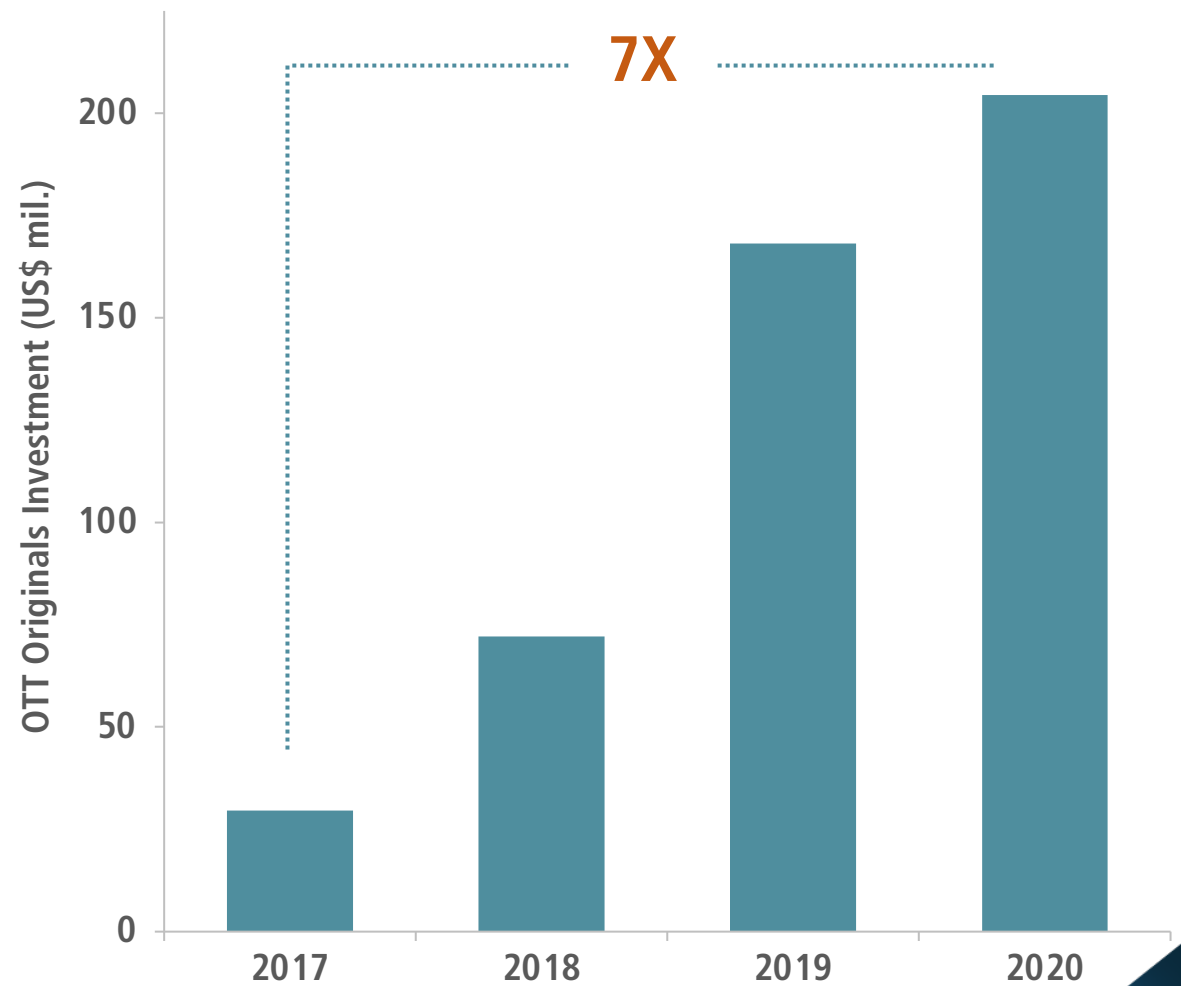


CONTENT INVESTMENT CONTINUE TO TREND UP

▶ Online Video Content Investments

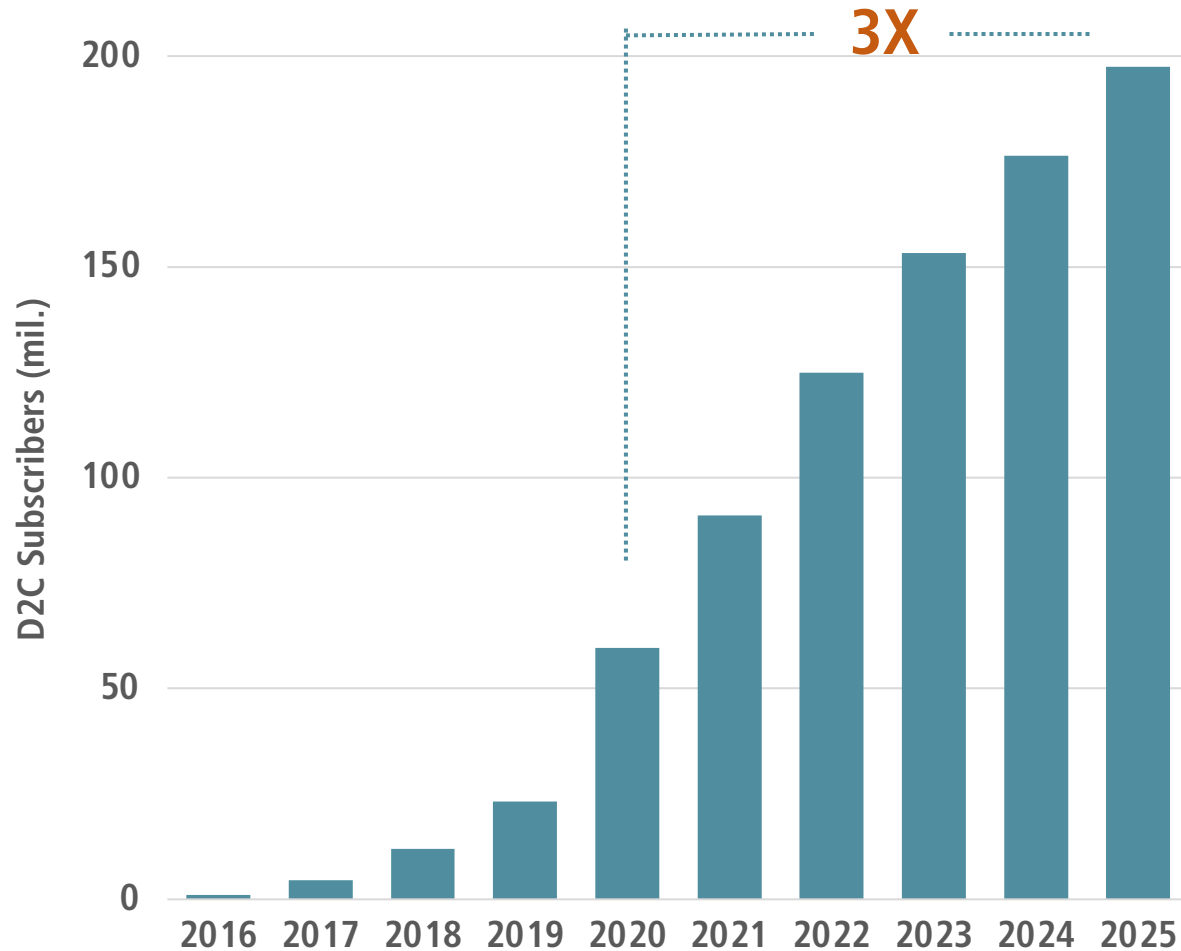


▶ Investment in Originals

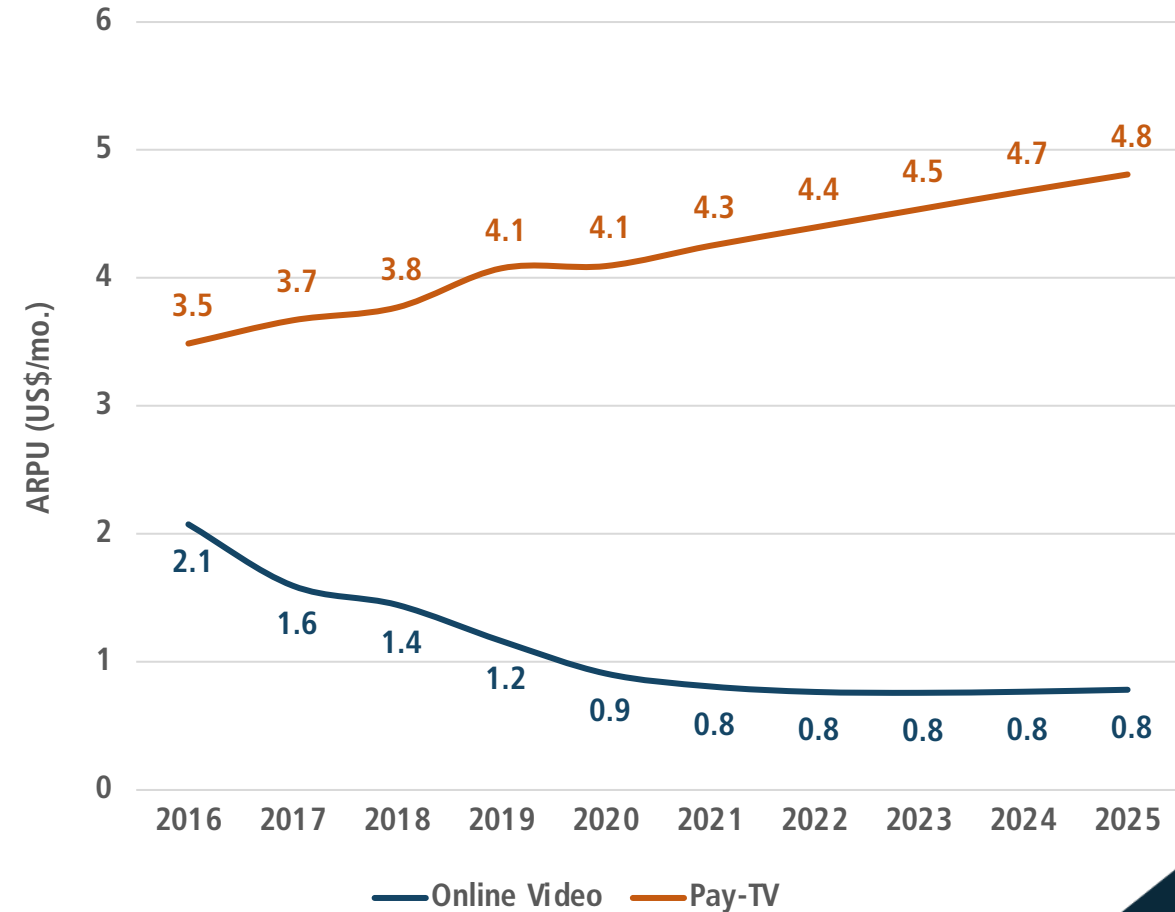


SVOD MARKET OPENS UP

▶ Multi-fold Growth in SVOD Subscriptions

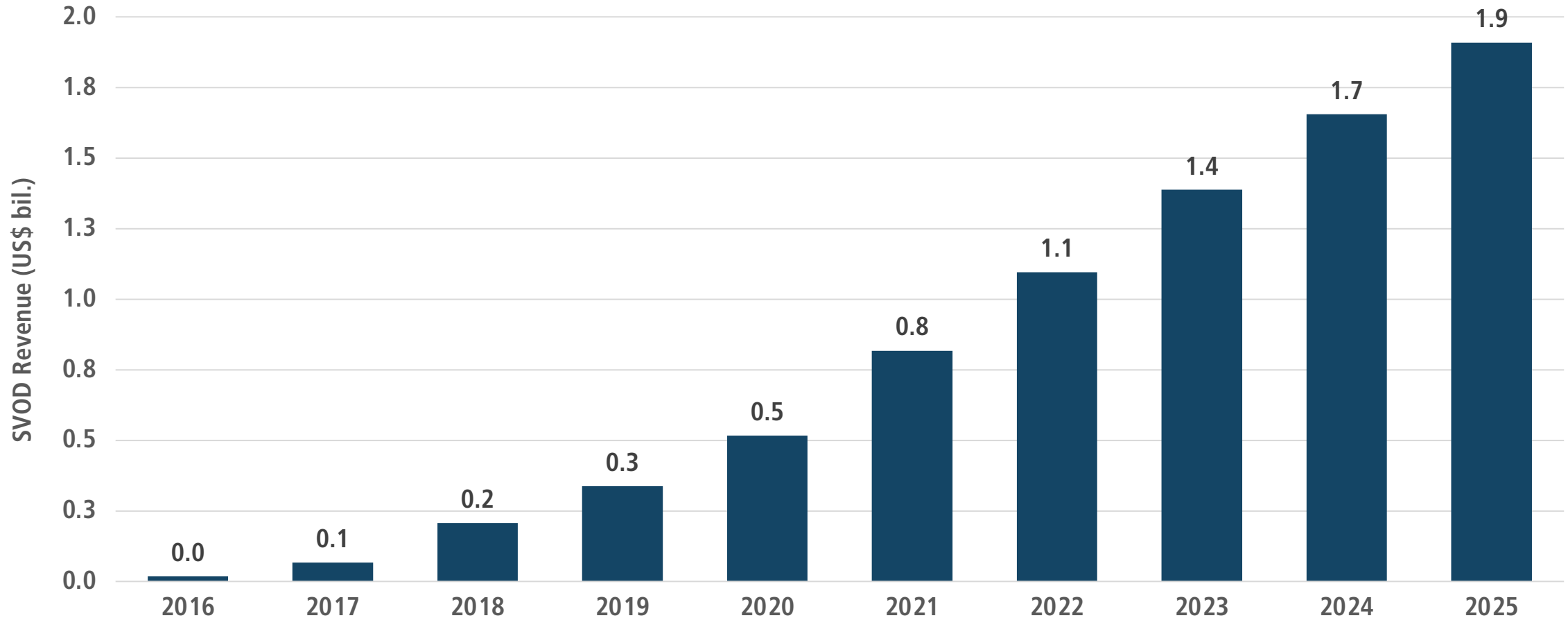


▶ OTT ARPU will Remain at a Discount to Pay-TV



SVOD SET TO BE A US\$2B OPPORTUNITY BY 2025

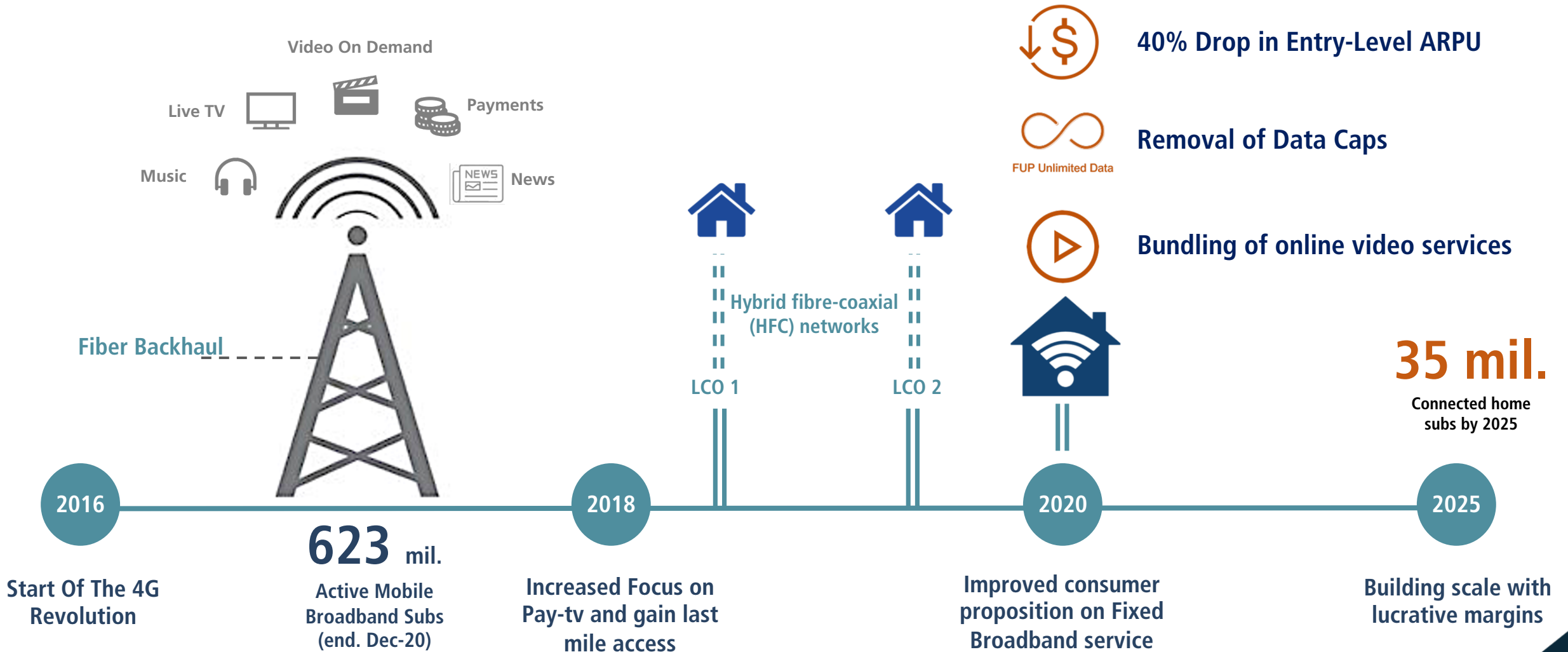
► Online Video Subscription Revenues












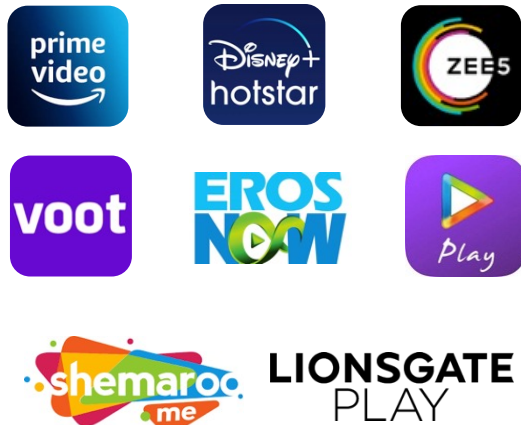

Top three platforms will continue to account for 80% of the OTT subscription revenues over the next five years

EMERGING TRENDS

TREND #1: ONLINE VIDEO ENTERS URBAN TV HOMES

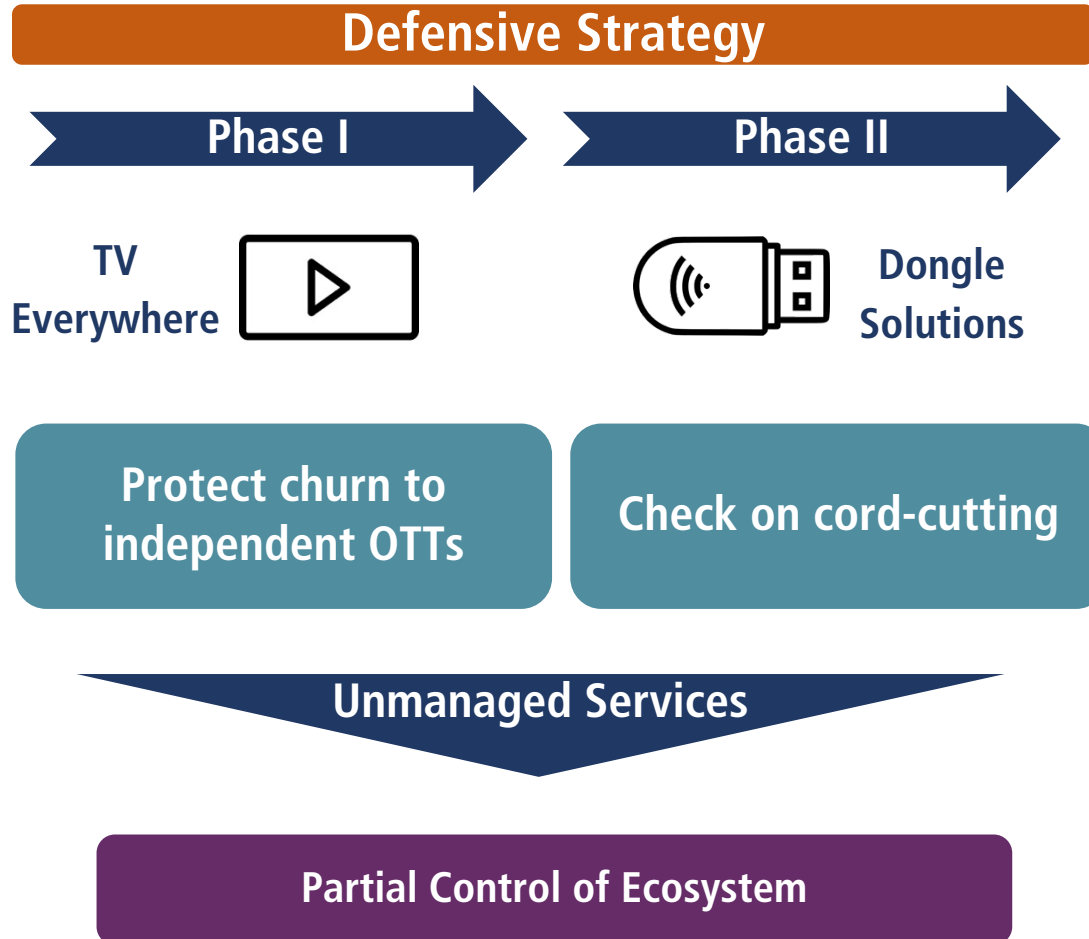


TELCOS AND DTH MAJORS GIVE PUSH TO HYBRID-TV OFFERING

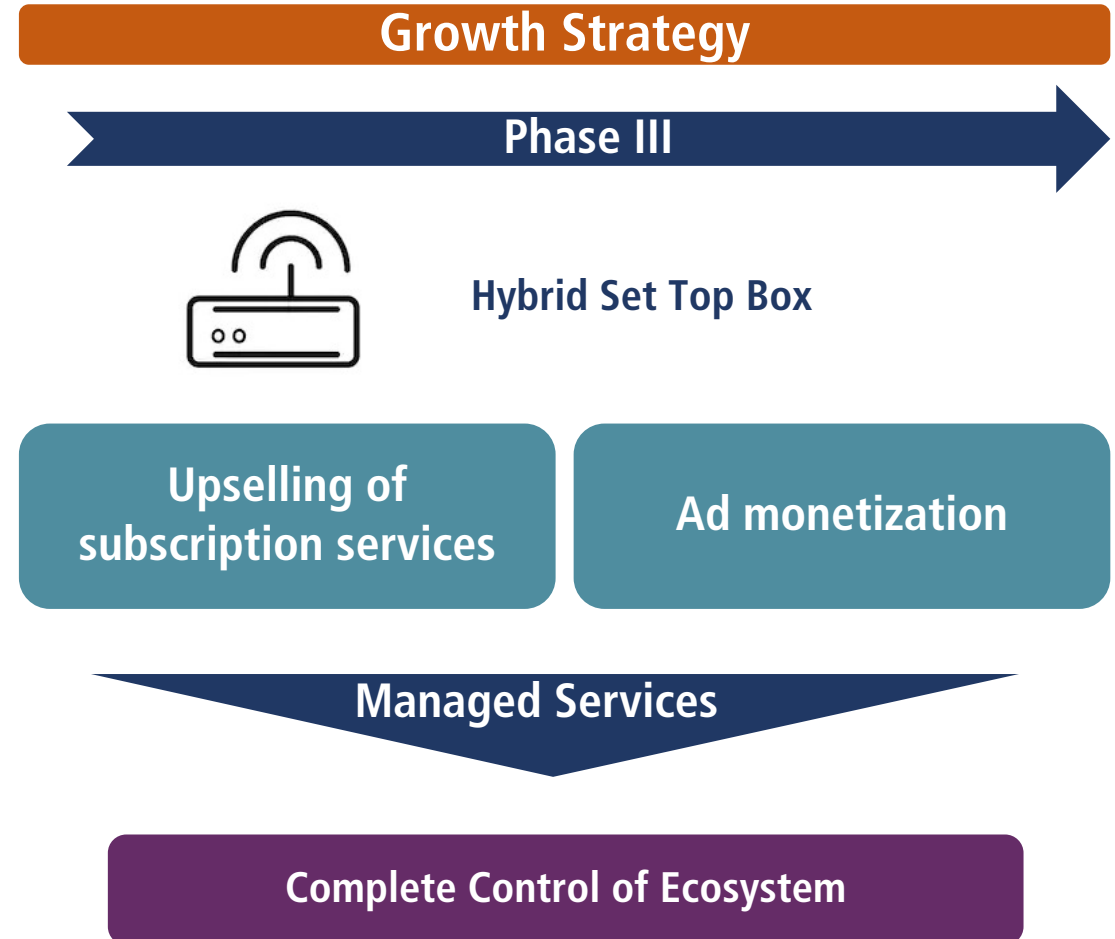
PLAYER					
HARDWARE OFFERING	 Hybrid STB	 Hybrid STB	 Dongle	 Hybrid STB	 Dongle
OTT PARTNERSHIP					

EVOLUTION OF CONNECTED TV OFFERINGS

(Initial Offerings)

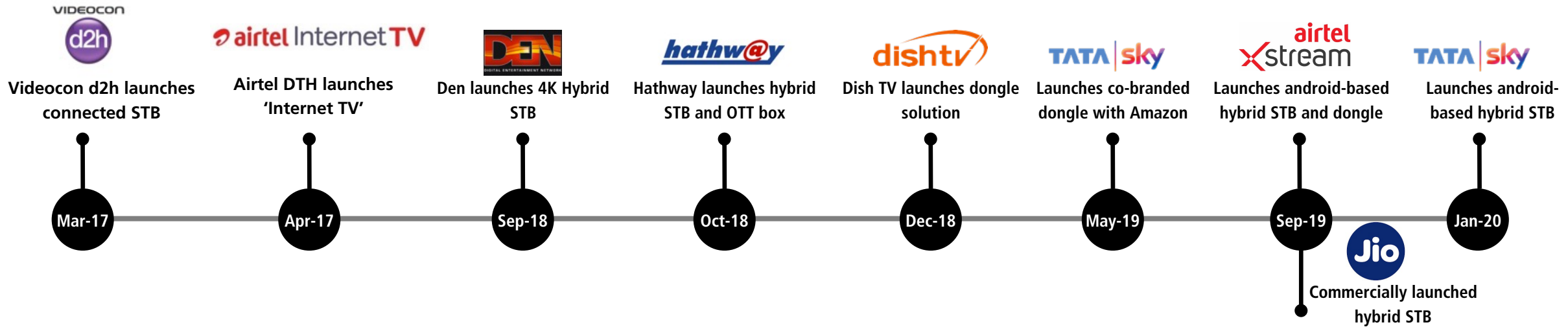


(Current Plans)

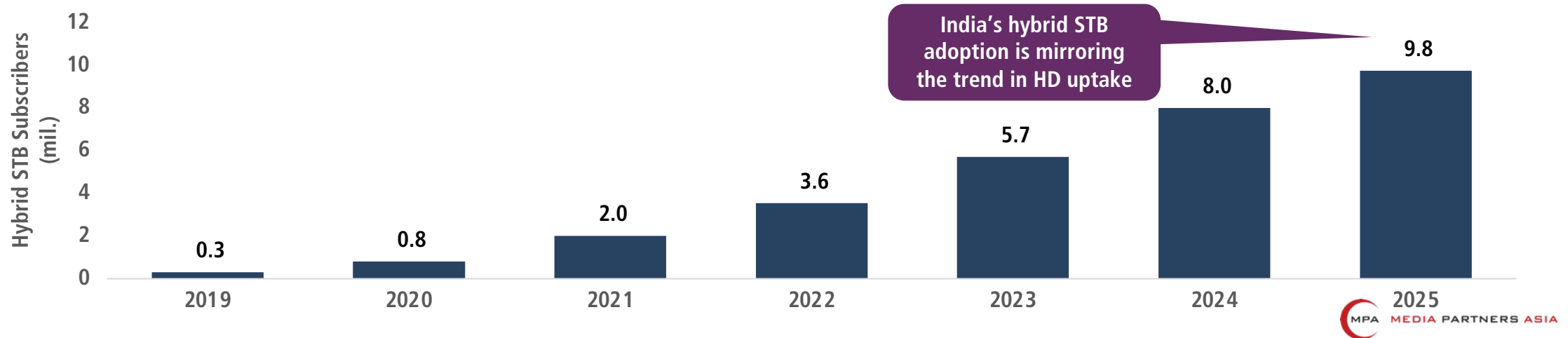


RAPID UPTAKE OF HYBRID STBs

▶ Connected TV Solution Launch by Pay-TV Operators

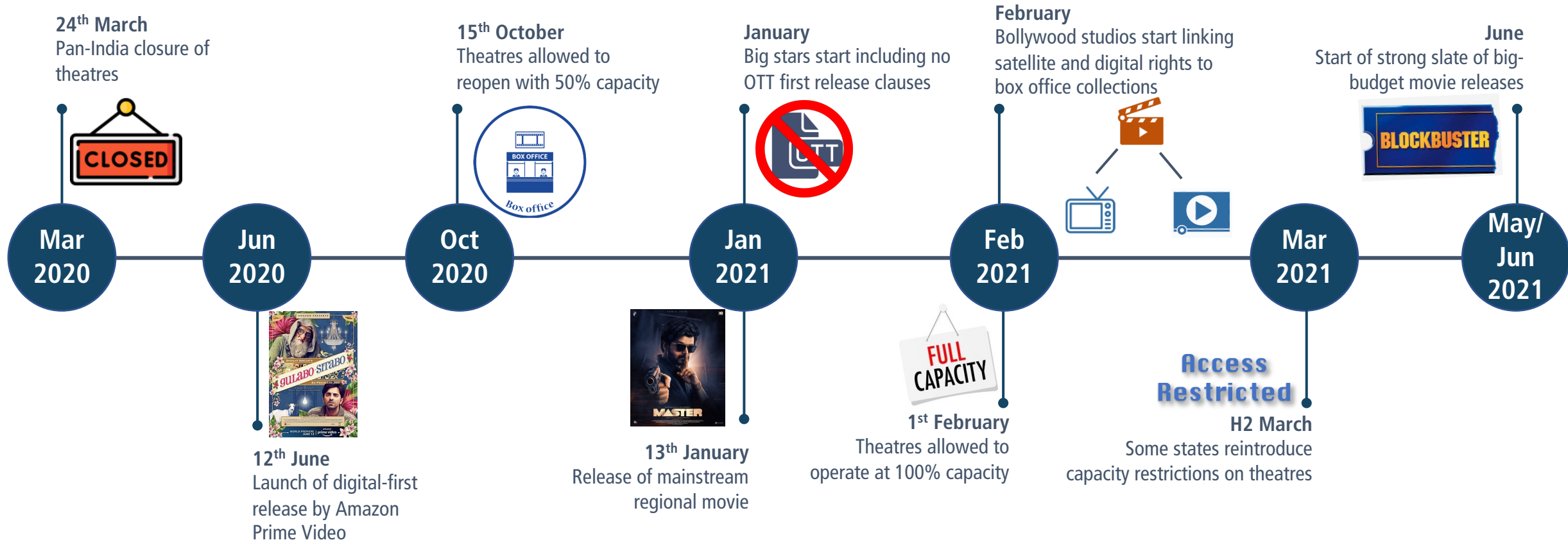


▶ India Hybrid STB Outlook



TREND #2: MOVIE BIZ TO MAKE A STRONG COMEBACK

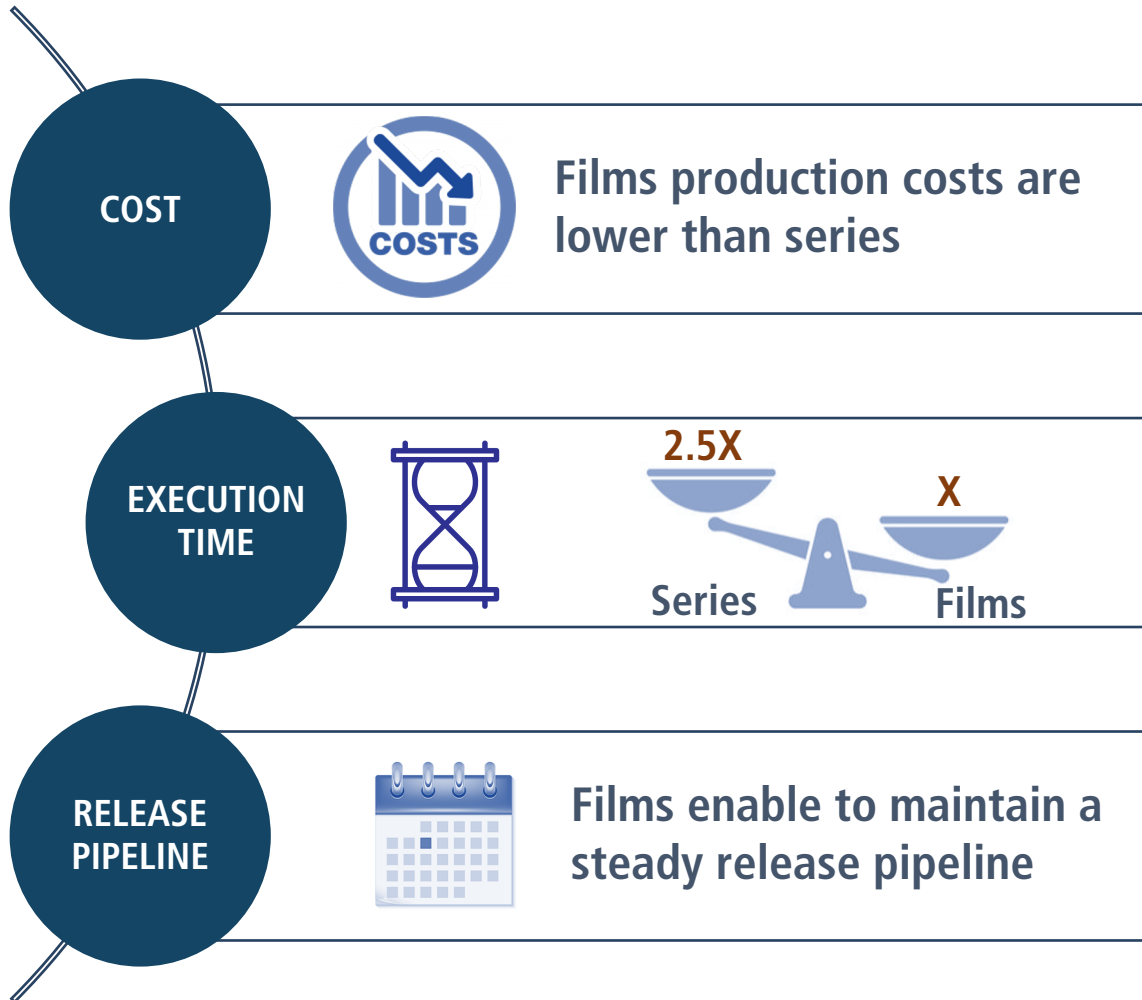
► Resetting of Box Office Window



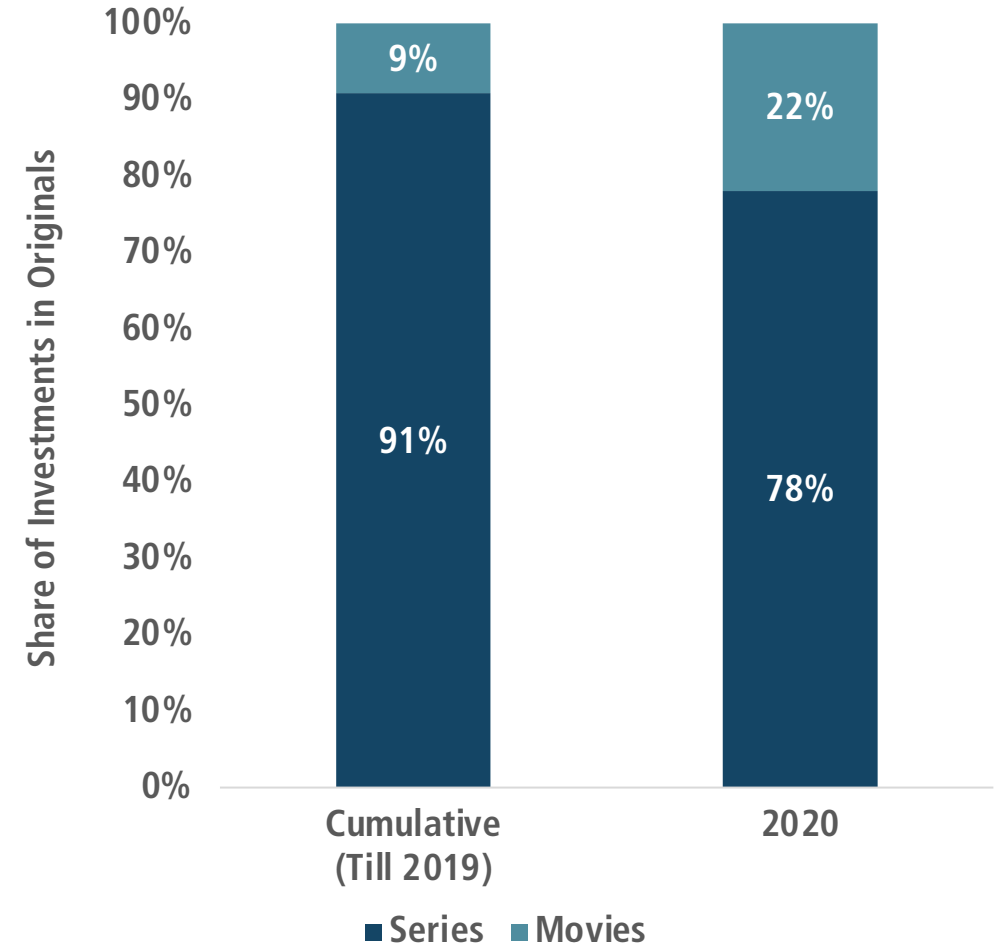
Box office window resets back to theatrical first movie releases in 2021

FILMS START TO GAIN PREFERENCE OVER SERIES FOR OTT PLATFORMS

► Advantages of Commissioning Films over Series



► Platforms Start to Favor Movies Over Series



TREND #3: INFLUX OF STRATEGIC CAPITAL FROM EXISTING AND NEW FOREIGN PLAYERS



Content Investments

> US\$1.0 bil.



Strategic Investments and Restructuring

NETFLIX

Post-production outsourcing facility



Direct reporting to US HQ



Investment in strategic assets



Test-bed



Tech-stack developed in India



Introduced first ever mobile-only plan

Upcoming Launches

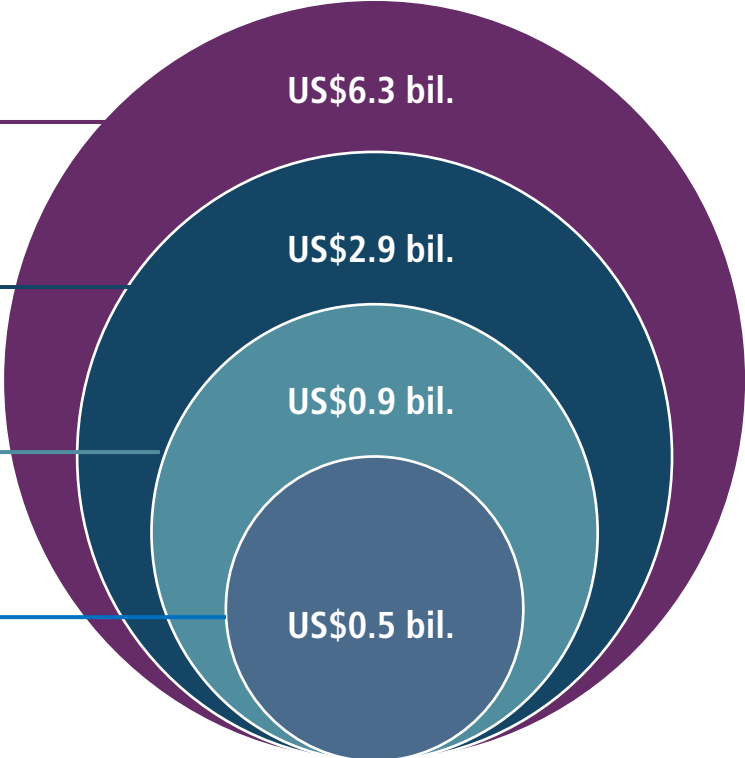
COMING SOON



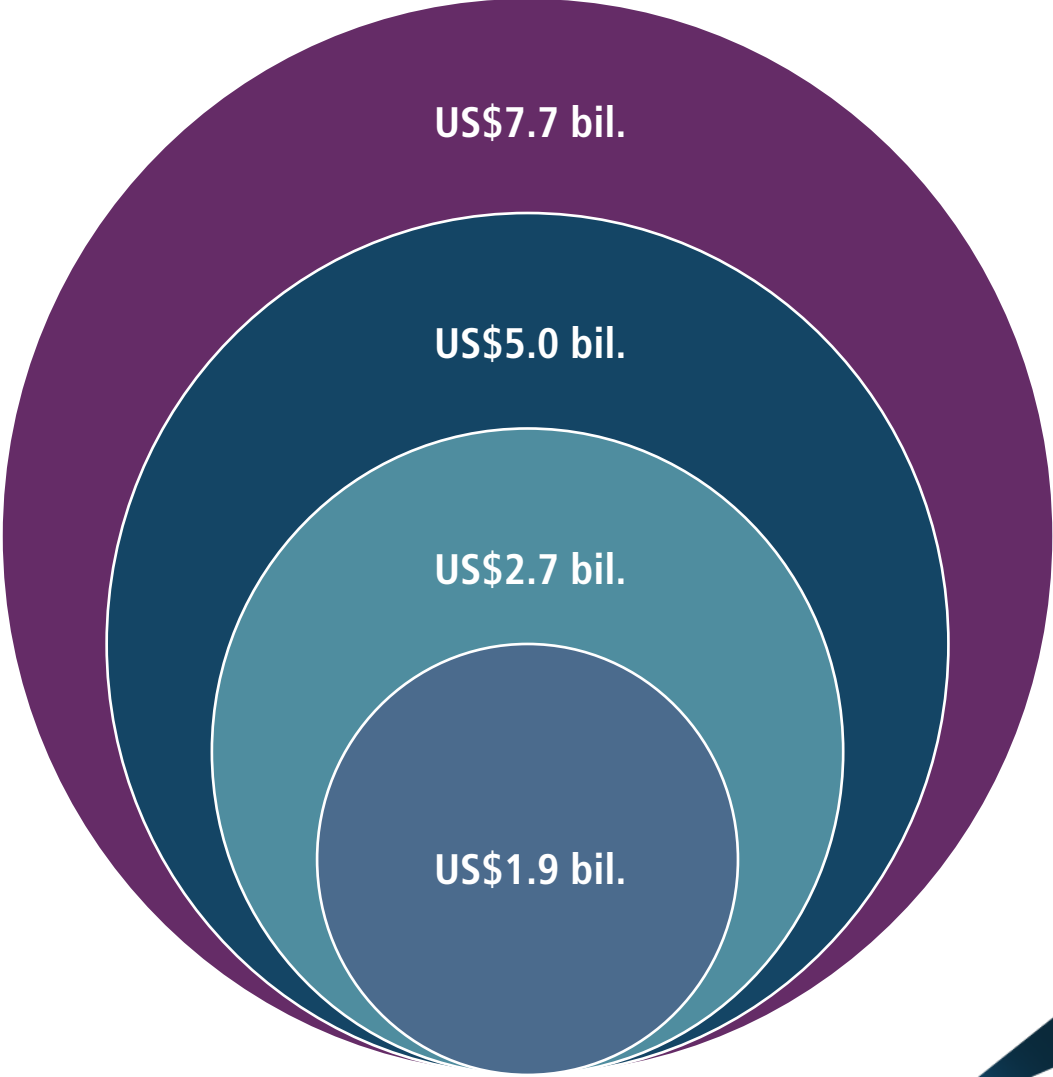
INDIA'S VIDEO MARKET WILL BE A US\$17 BIL. OPPORTUNITY BY 2025

2020

- Pay-TV Sub.
- Pay-TV Ad
- OTT AVOD
- OTT SVOD



2025



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Research and analysis – two words that inspire us. At MPA, we are passionate about providing insights and strategies for the media & telecoms industry across Asia Pacific.

MPA India is the local affiliate of Media Partners Asia. MPA India has delivered multiple projects to strategic and financial investors across the media and telecoms industry. MPA India has provided research and commercial DD for a number of M&A and IPOs across the TMT sector. Our public research covers the entire spectrum of media, telecoms, sports and entertainment.

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- With more than 15 years of experience of evaluating trends in India's media, telecommunications, broadband and digital media industries, Mihir leads MPA's Mumbai-based team in research and consulting.
- He has advised numerous global clients on launch, growth and investment strategies in the Indian marketplace.

Contact

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