



April 30, 2019

*DEG: The Digital Entertainment Group today released its First Quarter 2019 Home Entertainment Report compiled by DEG members, tracking sources and retail input.**

Home Entertainment Spending Rises 6.4% to \$6 Billion in 2019 First Quarter

Theatrical Sell-Through Up 14% in Quarter; Subscription Streaming Jumps 21%

Consumers spent \$6 billion on movies and television shows for home entertainment in the first quarter of 2019. Spending rose 6.4 percent from the \$5.7 billion consumers spent on home entertainment product in the first three months of 2018. The increase came even though the 2019 quarter did not include the Easter holiday, traditionally a strong sales period. Easter spending was included in the comparable period a year earlier.

Digital transactions through electronic sell through (EST) and video on demand (VOD) helped counter declines in the sale of physical discs. Theatrical product EST was especially strong, rising nearly 14 percent in the quarter from a year earlier.

Among the highlights for the First Quarter 2019:

- The 6 percent increase in U.S. home entertainment spending in the quarter came amid a nearly 20 percent drop in box-office performance for the films released in the period.
- Subscription streaming rose 21 percent in the quarter from the year earlier period. (Numbers include revenue from services specializing in delivering films and TV shows over the internet such as Netflix, Amazon Prime and Hulu, among others.)
- Overall EST spending rose nearly 7 percent in the quarter compared to the year earlier period, with the strong theatrical sales more than offsetting a drop in the sale of television product. VOD was up 2 percent as demand for theatrical product remained strong.
- There is continued significant growth among 4K Ultra HD hardware products. There are currently an estimated 53.4 million households, an increase of 55 percent versus last year, and 14 million 4K UHD Blu-ray player households, an increase of 63 percent over last year.

If you would like to discuss the DEG's First Quarter 2019 Home Entertainment Report, please contact DEG at 424-248-3809.

**Please note, these numbers are preliminary. Final numbers will be available in early June. Please contact DEG for an updated version.*

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U.S. Consumer Spending					
(\$ in millions)	Q1-2018		Q1-2019		YOY
Sell-Thru					
Sell-Thru Packaged Goods All	\$	1,058.93	\$	822.25	-22.35%
Sell-Thru Including EST	\$	1,682.64	\$	1,487.72	-11.58%
Rental					
Brick & Mortar	\$	87.97	\$	72.99	-17.03%
Subscription (Physical Only)	\$	99.75	\$	81.50	-18.29%
Kiosk	\$	278.97	\$	244.10	-12.50%
Total Rental (excluding VOD)	\$	466.69	\$	398.59	-14.59%
Total Rental (including VOD)	\$	1,018.29	\$	962.73	-5.46%
Digital					
Electronic Sell-Thru (EST)	\$	623.71	\$	665.47	6.70%
VOD	\$	551.60	\$	564.14	2.27%
Subscription Streaming (SVOD)*	\$	2,971.98	\$	3,585.88	20.66%
Total Digital	\$	4,147.29	\$	4,815.49	16.11%
Total U.S. Home Entertainment Spending	\$	5,672.91	\$	6,036.33	6.41%
Box Office in Billions		\$3.59		\$2.89	-19.63%

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

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