



May 6, 2020

*DEG: The Digital Entertainment Group today released its First Quarter 2020 Home Entertainment Report compiled by DEG members, tracking sources and retail input.\**

## **Consumer Purchases and Rentals of Digital Entertainment Near \$600 Million in March**

### **Digital Transactional Home Entertainment Grows 48% in Biggest Month Ever**

Driven by entertainment-hungry consumers sheltering at home during the COVID-19 pandemic, digital home entertainment transactions through electronic sell through (EST) and video on demand (VOD) hit \$596 million in March 2020, an increase of 48 percent over March 2019 and the sector's highest monthly revenue to date. Stay at home orders rolled out across the U.S. beginning in mid-March, though some consumers had started to limit social activity even earlier in response to the spread of the novel coronavirus.

During March, theatrical product was especially strong, rising 57 percent on EST and 67 percent on VOD\*\*, as numerous wide release movies came early to the home.

Overall U.S. consumer home entertainment spending in the first three months of 2020 was \$6.9 billion, a 15 percent increase from the \$6 billion consumers spent on home entertainment product in the same period a year earlier.

Among the highlights for the First Quarter 2020:

- The 15 percent increase in U.S. home entertainment spending in the quarter came amid a nearly 5 percent drop in box-office performance for the films released in the period.
- For the full quarter, total digital spending, including transactional rentals and purchases and subscription streaming, was up 24 percent over the first three months of 2019, coming to \$6 billion.
- Consumer spending on subscription streaming increased 27 percent in the quarter from the year earlier period.
- Overall EST spending rose nearly 13 percent in the quarter compared to the year earlier period, with strong sales of television product, up almost 19 percent.
- Overall VOD\*\* spending rose almost 20 percent in the quarter.

If you would like to discuss the DEG's First Quarter 2020 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.*

*\*\* VOD spending does not include premium video on demand (PVOD).*

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2020**

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<b><u>U.S. Consumer Spending</u></b>			
(\$ in millions)	Q1-2019	Q1-2020	YOY
<b>Sell-Thru</b>			
Sell-Thru Packaged Goods All	\$ 822.25	\$ 637.78	-22.43%
Sell-Thru Including EST	\$ 1,487.72	\$ 1,387.21	-6.76%
<b>Rental</b>			
Brick & Mortar/Physical Subscription	\$ 154.49	\$ 119.54	-22.63%
Kiosk	\$ 244.10	\$ 204.92	-16.05%
Total Rental (excluding VOD)	\$ 398.59	\$ 324.46	-18.60%
Total Rental (including VOD)	\$ 962.73	\$ 998.41	3.71%
<b>Digital</b>			
Electronic Sell-Thru (EST)	\$ 665.47	\$ 749.43	12.62%
VOD*	\$ 564.14	\$ 673.95	19.47%
Subscription Streaming (SVOD)**	\$ 3,585.88	\$ 4,556.37	27.06%
Total Digital	\$ 4,815.49	\$ 5,979.75	24.18%
<b>Total U.S. Home Entertainment Spending</b>	<b>\$ 6,036.33</b>	<b>\$ 6,941.99</b>	<b>15.00%</b>
<b>Box Office in Billions</b>	<b>\$2.89</b>	<b>\$2.76</b>	<b>-4.55%</b>

\*VOD spending does not include premium video on demand (PVOD)

\*\*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. Preliminary pending final reporting

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