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*DEG: The Digital Entertainment Group today released its First Quarter 2021 Home Entertainment Report compiled by DEG members, tracking sources and retail input.**

Home Entertainment Spending Rose 10% to \$7.8 Billion in 2021 First Quarter

TV and Film Catalog Titles Offset Pandemic Decline in New Release Transactions; Subscription Streaming Jumps 27%

Consumers spent \$7.8 billion on movies and television shows consumed at home and on the go in the first quarter of 2021. Spending rose 10 percent from the \$7.1 billion consumers spent in the first three months of 2020, a growth period during which consumers had started to limit social activity in response to the spread of the novel coronavirus even before stay at home guidance began to roll out across the U.S. in mid-March. The 2021 increase – including a 16 percent increase across all digitally delivered formats including electronic sell-through (EST), video on demand (VOD**) and subscription streaming – came despite a dearth of new theatrical releases during the pandemic.

Among the highlights for the First Quarter 2021:

- During the quarter, entertainment loving consumers shifted their spending to library titles, which more than doubled their share of digital transactional spending: older titles captured 76 percent of all consumer spending on digital purchases (EST) and rentals (VOD) in the first three months of 2021, compared to 37 percent in the first quarter of 2020. Spending on digital transactions of library titles rose more than 35 percent, to \$608 million. Among the top catalog titles of the period were *Harry Potter: Complete 8-Film Collection*, *Spider-Man: Homecoming*, *The Wolf of Wall Street*, *Godzilla: King of the Monsters* and *Harry Potter and the Sorcerer's Stone*.
- Consumers also were keen to purchase TV titles, with TV EST rising almost 35 percent during the quarter to \$215 million. Top selling TV series included *Yellowstone*, *The Office*, *The Big Bang Theory*, *When Calls the Heart* and *RuPaul's Drag Race*.
- Subscription streaming rose 27 percent in the quarter from the year earlier period, as consumer choice continued to grow with the launches of Paramount+ and Discovery+ in March, and some major new releases sent to streaming on HBO Max, Amazon and other services simultaneous with or very shortly after theatrical release.
- Premium Video-on-Demand (PVOD) results currently are not included in industry reporting; however, early insights suggest that interest is high, and results are strong. Popular titles released on PVOD in the first quarter include: *The Croods: A New Age*, *Greenland*, *News of the World*, *Promising Young Woman*, *Fatale*, *The SpongeBob Movie: Sponge on the Run* and *Wonder Woman 1984*.



- The 10 percent increase in U.S. digital entertainment spending in the quarter came amid a nearly 94 percent drop in box-office performance for the films released in the period, due to prolonged movie theater closures as a result of COVID-19 pandemic restrictions.

If you would like to discuss DEG's First Quarter 2021 Home Entertainment Report, please email Marcy Magiera at marcy@degonline.org.

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

*** VOD spending does not include premium video on demand (PVOD). Including PVOD would increase the total consumer spend on digital.*

For reference, DEG provides a list of digital entertainment terms and definitions on its web site, at [www. https://www.degonline.org/portfolio_page/deg-digital-entertainment-definitions/](https://www.degonline.org/portfolio_page/deg-digital-entertainment-definitions/).

FOR EXTERNAL DISTRIBUTION**Q1- 2021****Prepared by:** J. McCourt**Email:** jmccourt@redhillgroup.com**Phone:** 949.752.5900 ext. 1**Date:** 5.7.2021

2021- Q1			
<u>U.S. Consumer Spending</u>			
(\$ in millions)	Q1-2020	Q1-2021	YOY
Sell-Thru			
Sell-Thru Packaged Goods All	\$ 637.78	\$ 479.31	-24.85%
Sell-Thru Including EST	\$ 1,387.21	\$ 1,095.13	-21.06%
Rental			
Total Rental (excluding VOD)	\$ 324.46	\$ 235.98	-27.27%
Total Rental (including VOD)	\$ 998.41	\$ 729.94	-26.89%
Digital			
Electronic Sell-Thru (EST)	\$ 749.43	\$ 615.82	-17.83%
VOD	\$ 673.95	\$ 493.96	-26.71%
Subscription Streaming (SVOD)*	\$ 4,675.42	\$ 5,946.31	27.18%
Total Digital	\$ 6,098.80	\$ 7,056.09	15.70%
Total U.S. Home Entertainment Spending	\$ 7,061.04	\$ 7,771.38	10.06%
Box Office in Billions	\$2.97	\$0.19	-93.60%

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

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