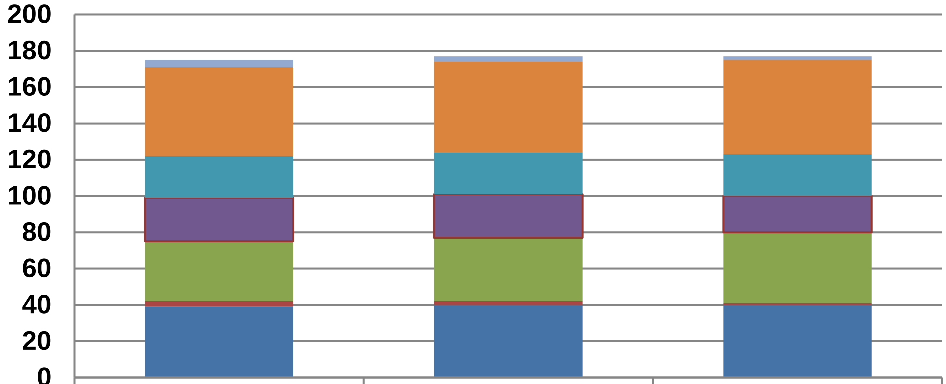
Telcos to dominate Western European pay TV

Reflecting the rising importance of the telcos, IPTV is gaining subscribers in Western Europe at the expense of the other pay TV platforms. IPTV overtook satellite TV in 2015 and will be approaching cable by 2024. IPTV will add 5.5 million subscribers between 2018 and 2024.

Western European TV homes by platform (mil.)



	2018	2019	2024
Pay DTT	4	3	2
Free DTT	49	50	52
Free satellite	23	23	23
Pay Satellite	24	24	20
IPTV	33	35	39
A Cable	3	2	1
D cable	39	40	40

Source: Digital TV Research

Simon Murray, Principal Analyst at Digital TV Research, said: “IPTV operations are owned by telcos. Some telcos also have assets on other platforms. If all of the current proposed deals receive regulatory approval, then telcos will have 18.61 million non-IPTV subscribers by 2024. Adding the 38.72 million IPTV subscribers, telcos will control 56% of Western Europe’s pay TV subscribers by 2024.”

Murray continued: “This marks a sea change for Western Europe’s pay TV sector. Pay TV is not the priority for telcos – broadband and mobile provision are at the forefront.”

Western Europe will have 101.59 million pay TV subscribers by 2024. Germany will contribute a quarter of the total, followed by the UK (15%) and France (14%).

Half of the 18 countries covered in the **Western Europe Pay TV Forecasts** report will lose pay TV subscribers between 2018 and 2024. Italy will decline the most (down by 728,000 subs) from the 1,229,000 overall losses, followed by the UK (down by 621,000).

Cable TV will have 40.28 million subs by 2024 (down by 7 million on 2010). Digital cable TV will gain 1 million subscribers between 2018 and 2024, but analog cable will shed more than 2 million.

Pay satellite TV will lose 4 million subscribers between 2018 and 2024 - usually as homes convert to platforms with bundles – to reach 20.33 million.

Despite the number of Western European pay TV subscribers falling by only 1.2% between 2018 and 2024, revenues will decline by 13.1%. Pay TV revenues will dip by $3.84 billion between 2018 and 2024 to $25.44 billion.

The UK will lose $1 billion over this period, but will remain the most lucrative pay TV market. Italy will fall by $823 million – or 24% - due mainly to Mediaset's conversion from pay DTT to online.

For more information on **the Western Europe Pay TV Forecasts report**, *please contact: Simon Murray, simon@digitaltvresearch.com, Tel: +44 20 8248 5051*

Western Europe Pay TV Forecasts

Table of Contents

Published in May 2019, this 212-page PDF, PowerPoint and excel report comes in three parts:

- Outlook: Forecasts for 18 countries in a 55-page PowerPoint document full of charts, graphs and bullet points;
- Excel workbook covering each year from 2010 to 2024 for 18 countries by household penetration, by pay TV subscribers, by pay TV revenues and by major operator. As well as summary tables by country and by platform;
- Insight: Detailed country-by-country analysis in an 86-page PDF document.

For more information, please click here or contact
lydia@digitaltvresearch.com

Forecasts for the following 18 countries and 80 operators:

Country	No of ops	Operators
Austria	5	Telekom Austria; UPC; Sky; Liwest; HD Austria
Belgium	6	Proximus; SFR; Telenet; VOO; Telesat/TV Vlaanderen; Orange
Denmark	7	Canal Digital; Viasat; You See; Stofa; Boxer; TDC; Telia
Finland	5	Elisa; Telia; DNA; Canal Digital; Viasat
France	6	Orange; SFR; CanalSat; Free; Bouygues; TNT
Germany	7	Vodafone; DT/T-Home; Sky; Unitymedia; Telecolumbus; HD+; Freenet
Iceland	2	Vodafone, Siminn
Ireland	3	Virgin; Sky; eir
Italy	3	Mediaset; Sky; Telecom Italia
Luxembourg	2	Tele des P&T; Eltrona
Malta	2	Melita; Go
Netherlands	5	Ziggo; Canal Digitaal; Tele 2; KPN/Digitenne
Norway	5	Canal Digital; Viasat; Riks TV; Telenor; Get
Portugal	4	Meo/PT; NOS; Nowo; Vodafone
Spain	5	Ono/Vodafone; Telefonica/Movistar; Euskatel; Orange; Telecable
Sweden	6	Canal Digital; Viasat; Com Hem; Telia; Boxer; Telenor
Switzerland	3	Swisscom; UPC; Sunrise
UK	4	Sky; Virgin; BT; TalkTalk

digital TV research

SAMPLE: Denmark pay TV insight

- **Pay TV penetration** already runs at 87% - so it will not grow. Pay TV penetration shot up in 2011 as public broadcaster TV2 moved from the FTA DTT to the pay DTT option. However, pay DTT subscribers are forecast to fall. Competition will intensify, leading to lower TV ARPU figures and falling pay TV revenues from 2015 onwards.

Main assumptions behind the forecasts
• Pay TV penetration is already high.
• Pay TV penetration will fall, but pay TV subs numbers will remain flat.
• Little movement is expected between platforms, although IPTV will see some growth and cable and satellite TV will fall.
• Market maturity will lead to lower ARPUs
• There is a lot of cooperation between SVOD platforms and pay TV operators.
Source: Digital TV Research

- Pay TV revenues will fall by $115 million between 2018 and 2024 – or by 13%. IPTV will continue to grow, cable subs numbers will be flat but satellite TV and pay DTT will fall.

TDC TV and YouSee operational highlights

	2014	2015	2016	2017	2018
TDC TV subs (000)	258	277	297		
YouSee TV subs (000)	1,152	1,099	1,082		
Total TV subs (000)	*1,420*	*1,377*	*1,379*	*1,299*	*1,242*
TDC TV ARPU (DKK)	315	305			
YouSee TV ARPU (DKK)	234	242			
TV ARPU (DKK)		254	256	257	263

Source: TDC

- **TDC** had 972,000 cable TV subs at end-2018; down year-on-year. TDC's cable (YouSee) and IPTV interests accounted for 55% of Denmark's pay TV subscribers at end-2018. **TDC TV** controls about two-thirds of the IPTV market. It had 272,000 subs at end-2018, with 291,000 expected by 2024.

- The company introduced a 300Mbps broadband service in January 2015. Mobile services were added in January 2013. Providing 11 OTT platforms, Netflix, Viaplay, C More and HBO are available.

- The company launched quad-play services in 2011 across its HFC network that covers 1.5 million premises. By 2018, TDC offered 37% of households 1,000Mbps, 70% 100Mbps and 97% 10Mbps. TDC had 1.94 million mobile subs and 1.14 million residential broadband ones by end-2018.

- In February 2018, TDC received a takeover bid from Macquarie and some pension funds. This bid came days after TDC acquired MTG's Nordic entertainment assets for €2 billion. The bid for MTG's assets was dropped following the Macquarie bid.

- Denmark has 1.41 million **cable households,** with saturation point reached. Leading operators TDC's YouSee and Stofa together control about 90% of cable subs.

- **Stofa's** cable subscription growth has been marginal in recent years. The company has 328,000 subs, of which half are counted via third-party local operators (mostly 300 housing associations). We do not expect any TV subscriber growth. Stofa also offers SVOD platforms C More (DKK99/month), TV2 Play (free for Large package subscribers) and Viasat Film (DKK99/month). About 200,000 subs also take broadband services.

- In October 2012, co-operative Syd Energi bought Stofa from Sweden's Ratos for DKK1,900 million. In early 2015, Stofa took a 25% stake in broadband provider Waoo! SE also owns pay DTT platform Boxer.

Viasat Nordic pay TV operations (000)					
	2014	**2015**	**2016**	**2017**	**2018**
Denmark	*86*	*84*	*75*	*67*	*61*
Finland	*36*	*34*	*31*	*28*	*25*
Norway	*120*	*107*	*91*	*78*	*69*
Sweden	*282*	*283*	*259*	*236*	*219*
Premium satellite TV subs	526	508	456	409	374
Wholesale cable & IPTV subs	456	506	544	529	586
Annualized ARPU (SEK)	5,254	5,161	5,508	5,500	5,625
Viaplay			937	1,108	1,258
Source: Modern Times Group. Country-by-country estimates by Digital TV Research					

- **Viasat Nordic** is losing premium pay satellite TV subscribers across Sweden, Denmark, Norway and Finland. On the plus side, Viasat is gaining ARPU. In March 2019, Modern Times Group split out Viasat and Viaplay by floating the Nordic Entertainment Group.

- The company does not break down subscriber figures by country, but we estimate that 61,000 subs were in Denmark at end-2018 – nearly the same as Canal Digital. This total will fall to 52,000 by 2024.

- In October 2013, MTG renewed a deal with UEFA to screen Champions League soccer in Sweden, Denmark and Norway from the 2015/16 season to the 2017/2018 season. The rights were renewed until 2020/21. In October 2015, Viasat also signed up the rights to English Premier League soccer for a further three seasons from 2016/17 in Sweden, Finland and Denmark.

- Viasat and Canal Digital compete for **Scandinavian pay satellite TV subs**, together recording 5.1% penetration in Denmark at end-2018 (down from 8.7% in 2010). However, pay satellite TV subscriber numbers are falling as households opt for the less expensive alternatives on offer.

Canal Digital subscribers by country (000)					
	2014	**2015**	**2016**	**2017**	**2018**
Norway	*467*	*459*	*437*	*419*	*403*
Sweden	*311*	*307*	*298*	*296*	*273*
Finland	*53*	*55*	*53*	*52*	*49*
Denmark	*81*	*77*	*74*	*72*	*68*
Total	**912**	**897**	**862**	**838**	**793**
ARPU (NOK)	377	389	382	410	
Source: Canal Digital. Note: 2016 & 2017 country estimates by Digital TV Research					

- **Telenor-owned Canal Digital** had 793,000 premium satellite TV subscribers across the region by end-2018, falling since 2011. Danish subscriber numbers are falling. Canal Digital has lost subscribers across the region since 2008 due to greater competition and the loss of English Premier League soccer rights. Telenor also has 1.70 million mobile and 123,000 fixed broadband subscribers in Denmark.

Telia subscriber growth (000)					
	2014	**2015**	**2016**	**2017**	**2018**
Sweden broadband	1,275	1,306	1,299	1,286	1,287
Sweden TV	697	730	765	797	865
Sweden TV ARPU SEK	161	167	185	187	186
Sweden mobile				6,118	6,095
Finland broadband	561	527	497	464	457
Finland TV	481	486	489	508	553
Finland TV ARPU €	8.80	9.00	9.60	8.90	8.60
Finland mobile				3,278	3,278
Norway broadband	0	0	0	0	417
Norway TV	0	0	0	0	504
Norway TV ARPU NOK					259
Norway mobile				2,345	2,325
Denmark bband	114	135	128	114	104
Denmark TV	20	28	28	31	24
Denmark TV ARPU DKK	392	376	348	342	349
Denmark mobile				1,479	1,451
Source: Telia					

- **Telia** had 24,000 IPTV subscribers in Denmark by end-2018, down from 31,000 a year earlier. Telia began offering a la carte channel selection in late 2013.

- In November 2009, **Boxer** expanded its pay DTT offer when three MPEG-4 multiplexes were added. Boxer now provides up to 28 pay channels (DKK88-549/month) and the FTA ones.

- Boxer had 235,000 subscribers by end-2018. We believe that this total will continue to fall; reaching 212,000 by 2024. In December 2016, SE, owner of cable operator Stofa, acquired Boxer from Sweden's Teracom.

- **Analog switch-off** was completed in November 2009. About 1.4 million homes have a DTT settop box, although most use them for secondary sets. A little less than a fifth of homes are considered primary DTT. The public service broadcasters operate two multiplexes, which trade as **Digi-TV** and offer eight FTA national channels.

Fixed IPTV subs by operator (000)									
	2010	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**1H18**
TDC	122	156	194	228	269	287	305	288	281
Energi	16	22	29	28	30	34	34	43	50
Fibia	-	-	-	-	29	28	25	26	26
Telia	-	-	-	-	-	13	13	11	10
Others	80	87	98	104	75	78	62	54	60
Total	**218**	**265**	**321**	**360**	**403**	**440**	**439**	**422**	**427**

Source: ENS

Fixed broadband subscribers (000)		
	Residential	**Total**
2010	1,681	2,151
2011	1,737	2,186
2012	1,775	2,219
2013	1,864	2,300
2014	1,950	2,380
2015	2,035	2,436
2016	2,086	2,461
2017	2,169	2,512
1H18	2,212	2,530

Source: ENS

Denmark pay TV forecasts

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Households (000)															
TV households (000)															
Digital cable subs (000)															
Analog cable subs (000)															
Pay IPTV subscribers (000)															
Pay Satellite TV subs (000)															
Free-to-air Satellite TV HH (000)															
Analog terrestrial hholds (000)															
Primary FTA DTT hholds (000)															
Primary Pay DTT hholds (000)															
Digital homes (000)															
Analog homes (000)															
Pay TV subscribers (000)															
Total DTT homes (000)															
Digital cable subs/TV HH															
Analog cable subs/TV HH															
Pay IPTV subs/TV HH															
Pay Satellite TV/TV HH															
Free-to-air Satellite TV/TV HH															
Analog terrestrial/TVHH															
Primary FTA DTT/TV HH															
Primary pay DTT/TV HH															
TVHH/Total HH															
Digital/TV HH															
Analog/TV HH															
Pay TV Subs/TV HH															
Total DTT homes/TVHH															
Standalone dig cable subs (000)															
Double-play dig cab subs (000)															
Triple-play dig cable subs (000)															
Stand-alone pay IPTV subs (000)															
Double-play pay IPTV subs (000)															
Triple-play pay IPTV subs (000)															

Denmark pay TV forecasts

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenues (US$ million)															
Stand-alone digital cable revs															
Double-play dig cable TV revs															
Triple-play digital cable TV revs															
Digital cable TV subs revenues															
Digital cable TV on-demand revs															
Digital cable TV revenues															
Analog cable TV subs revs															
Cable TV revenues															
Stand-alone IPTV revenues															
Double-play IPTV revenues															
Triple-play IPTV revenues															
IPTV subscription revenues															
IPTV on-demand revenues															
IPTV revenues															
Satellite TV subs revenues															
Satellite TV on-demand revs															
Satellite TV revenues															
DTT subscription revs															
DTT on-demand revenues															
DTT revenues															
Subscription revenues															
On-demand revenues															
Total revenues															
Average Revenue Per User (ARPU - US$)															
Stand-alone digital cable subs															
Double-play digl cable TV subs															
Triple-play digital cable TV subs															
Average dig cable (subs & VOD)															
Analog cable TV subs															
Stand-alone IPTV subs															
Double-play IPTV subs															
Triple-play IPTV subs															
Average IPTV (subs and VOD)															
Pay Satellite TV (subs)															
Pay Satellite TV (subs and PPV)															
Pay DTT (subs)															
Pay DTT (subs and PPV)															
Average monthly ARPU															

Denmark pay TV forecasts

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Pay TV subscribers by operator (000)															
Stofa (digital cable)															
Stofa (analog cable)															
Stofa (total)															
You See (digital cable)															
You See (analog cable)															
You See (total)															
TDC (IPTV)															
Canal Digital (satellite)															
Viasat (satellite)															
Boxer (DTT)															
Telia (IPTV)															
Others															
Share of pay TV subscribers by operator %															
Stofa (digital cable)															
Stofa (analog cable)															
Stofa (total)															
You See (digital cable)															
You See (analog cable)															
You See (total)															
TDC (IPTV)															
Canal Digital (satellite)															
Viasat (satellite)															
Boxer (DTT)															
Telia (IPTV)															
Others															
Subscription & VOD revenues (US$ million)															
Stofa (digital cable)															
Stofa (analog cable)															
Stofa (total)															
You See (digital cable)															
You See (analog cable)															
You See (total)															
TDC (IPTV)															
Canal Digital (satellite)															
Viasat (satellite)															
Boxer (DTT)															
Telia (IPTV)															
Others															

Denmark pay TV forecasts

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Share of pay TV revenues by operator (%)															
Stofa (digital cable)															
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Stofa (digital cable)															
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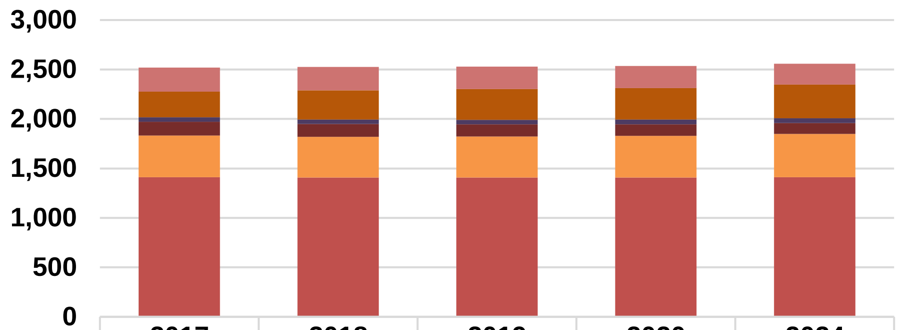
Canal Digital (satellite)															
Viasat (satellite)															
Boxer (DTT)															
Telia (IPTV)															
Source: digital TV research															

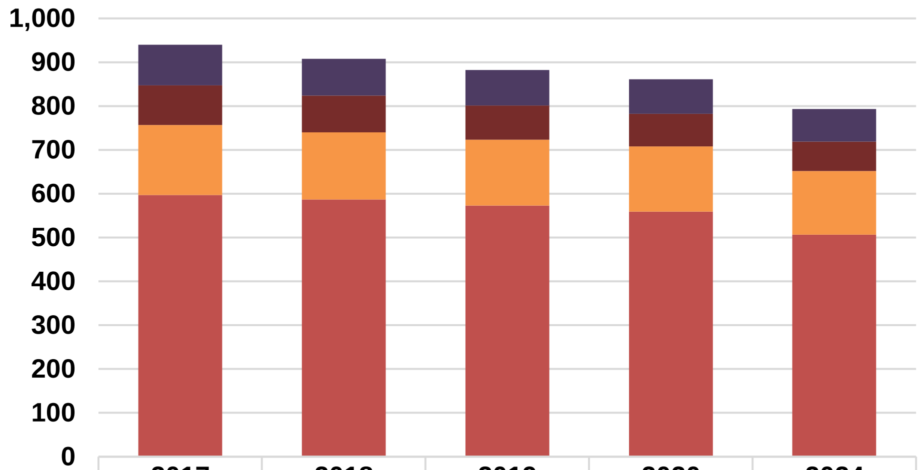
Denmark pay TV outlook

Homes by platform (000)



	2017	2018	2019	2020	2024
A terres	0	0	0	0	0
Pay DTT	244	235	228	223	212
Free DTT	259	295	311	319	340
Free satellite	45	45	46	46	46
Pay Satellite	139	129	121	117	110
IPTV	422	412	417	423	440
A Cable	0	0	0	0	0
D cable	1,411	1,409	1,407	1,407	1,410

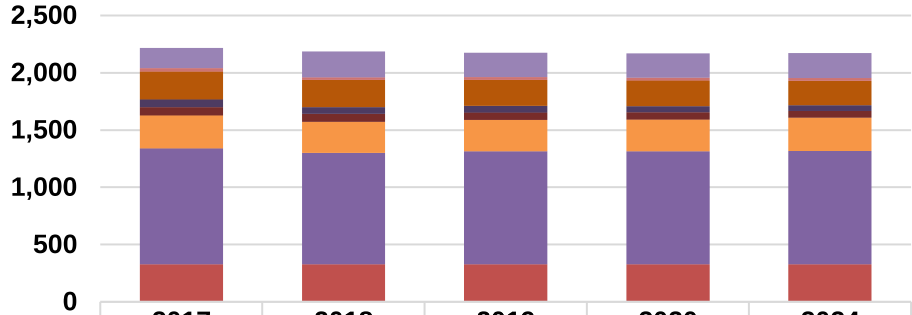
Pay TV revenues by platform ($m)



	2017	2018	2019	2020	2024
Pay DTT	93	84	81	79	74
Pay Satellite	90	84	78	74	67
IPTV	160	153	150	149	145
A Cable	0	0	0	0	0
D cable	597	587	573	559	507

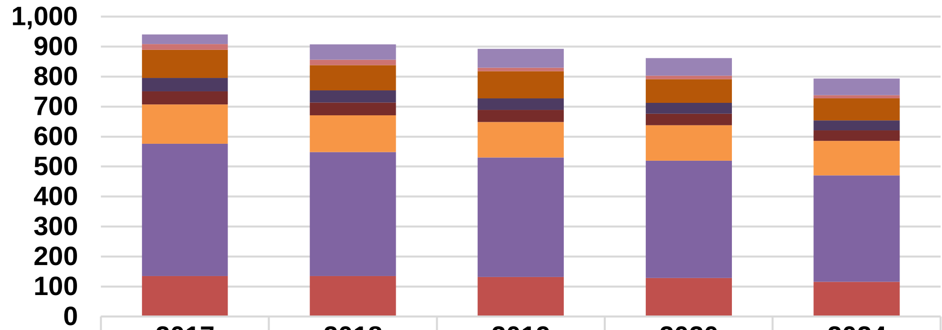
Denmark pay TV outlook

Pay TV subs by operator (000)



	2017	2018	2019	2020	2024
Others	175	225	211	213	218
Telia	31	24	25	25	26
Boxer	244	235	228	223	212
Viasat	67	61	57	55	52
Canal Digital	72	68	64	62	58
TDC	288	272	276	279	291
YouSee	1,011	972	985	985	987
Stofa	329	328	328	328	329

Pay TV revenues by operator ($m)



	2017	2018	2019	2020	2024
Others	32	51	63	59	55
Telia	19	18	12	12	11
Boxer	93	84	91	79	73
Viasat	45	41	38	36	33
Canal Digital	44	42	40	38	35
TDC	131	123	119	118	115
YouSee	441	413	398	392	355
Stofa	135	135	132	128	116

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Digital TV Research publication schedule		
2019		
Western Europe Pay TV Forecasts	*May*	£1000/€1200/$1300
Eastern Europe OTT TV & Video Forecasts	*May*	£1000/€1200/$1300
Eastern Europe Pay TV Forecasts	*May*	£1000/€1200/$1300
North America OTT TV & Video Forecasts	*April*	£500/€600/$650
North America Pay TV Forecasts	*April*	£500/€600/$650
Latin America OTT TV & Video Forecasts	*April*	£1000/€1200/$1300
Latin America Pay TV Forecasts	*April*	£1000/€1200/$1300
Asia Pacific OTT TV & Video Forecasts	*March*	£1000/€1200/$1300
Asia Pacific Pay TV Forecasts	*March*	£1000/€1200/$1300
Middle East & North Africa OTT TV & Video Forecasts	*February*	£1000/€1200/$1300
Middle East & North Africa Pay TV Forecasts	*January*	£1000/€1200/$1300
Sub-Saharan Africa Pay TV Forecasts	*January*	£1000/€1200/$1300
Sub-Saharan Africa OTT TV & Video Forecasts	*January*	£1000/€1200/$1300
2018		
Western Europe OTT TV & Video Forecasts	*September*	£1000/€1200/$1300
Global OTT TV & Video Forecasts	*September*	£1800/€2160/$2340
Global SVOD Forecasts	*September*	£1500/€1800/$1950
Global Pay TV Subscriber Forecasts	*April*	£1500/€1800/$1950
Global Pay TV Revenue Forecasts	*April*	£1500/€1800/$1950
Global Pay TV Operator Forecasts	*April*	£1500/€1800/$1950

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