Q1 2022

Parrot Analytics: Presents

The Quarterly Report Card

Contents

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CAPTURING

CONTENT SUPPLY

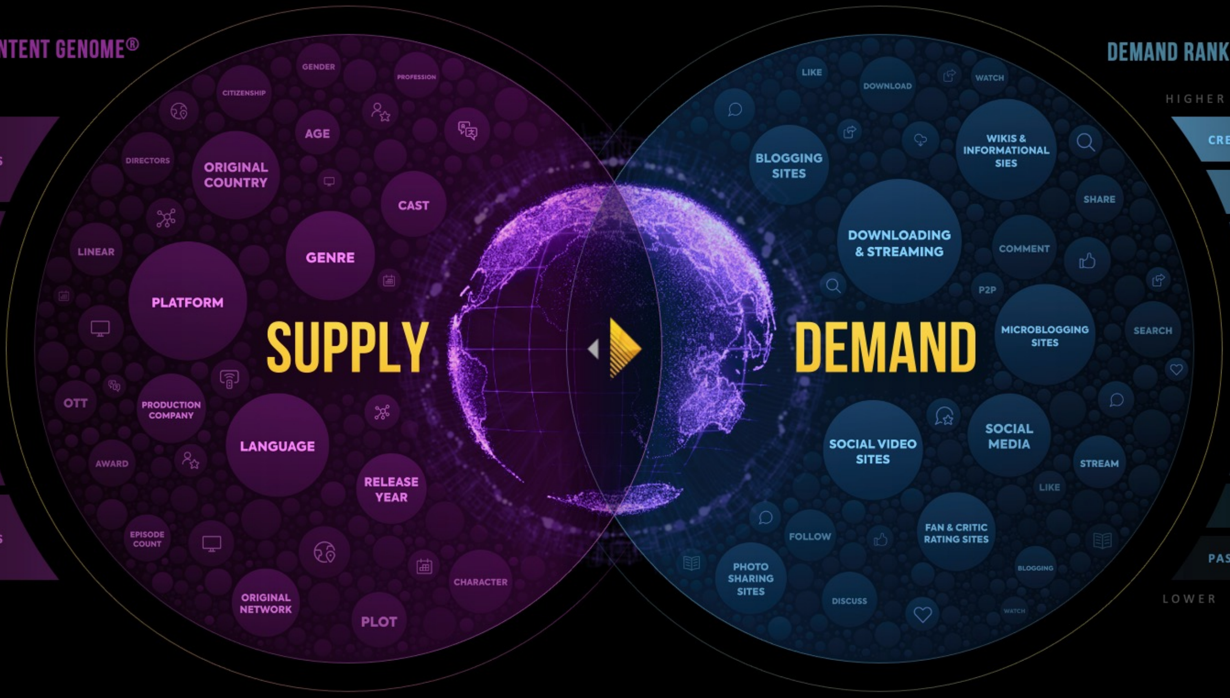
100M+ METADATA TAGS
2K+ DISTRIBUTION PLATFORMS
1M+ TITLES & 1M+ TALENT

AUDIENCE DEMAND

BEHAVIORAL DATA FROM
2B+ CONSUMERS

CONTENT GENOME®

- INTERNAL CREATIVE GENES
- EXTERNAL INDUSTRY INFORMATION
- SEASON & EPISODIC INFORMATION
- EXTERNAL IDENTIFIERS TO PUBLIC DATA SOURCES
- SOCIAL MEDIA HANDLES



DEMAND RANK

HIGHER

- CREATIVE PARTICIPATION
- ACTIVE CONSUMPTION
- DEEP RESEARCH
- SOCIAL ENCOURAGEMENT
- PUBLIC POSTING
- EXPRESSING AN OPINION
- SUBSCRIBING TO UPDATES
- INDICATING INTEREST
- PASSIVE IMPRESSIONS

LOWER

The industry's most advanced

CONTENT TAXONOMY SYSTEM

The world's only global audience

DEMAND MEASUREMENT PLATFORM

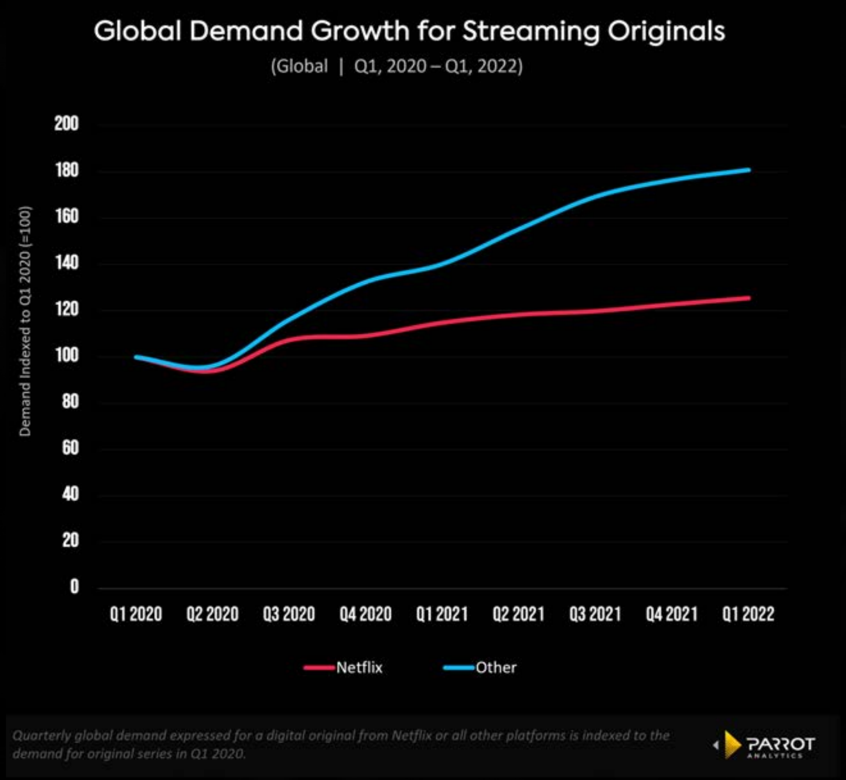
Financial and Demand Performance

Quarter 1 – 2022

Netflix – Q1 2022	Number	Rank	Annual Charge	Quarterly Change
Total Subscribers (WW)	221.6M	#1	6.8% [207.64M IN Q4 '21]	-0.09% [221.8M SUBS IN Q4 '21]
New Subscribers (WW)	-200,000	#7	-105% [3.98M SUBS ADDED BETWEEN Q4 '20 AND Q1 '21]	-102.4% [8.2M ADDS IN Q4 '21]
Quarterly Revenue (WW)	$7.89B	#1	+9.8% [7.16B IN Q1 '21]	+3% [$7.48B BETWEEN Q3 '21 AND Q4 '21]
Guidance	-2M ADDED SUBS		-300% [1M SUBSCRIBERS FORECASTED FOR Q2 '21]	-180% [2.5M SUBS PROJECTED BETWEEN Q4 '21 AND Q1 '22]
Corporate Demand Share (US)	8.2%	#5	+9.3% (7.5% IN Q1 '21)	+1.0% (8.0% IN Q4 '21)
Originals Demand Share (US)	42.2%	#1	-12.3% [48.1% IN Q1 '21)	-3.2% (43.6% IN Q4 '21)
On-Platform Demand Share (US)	18.7%	#2	N/A	-0.7% (19.4% IN Q4 '21)

Methodology note: Demand data is based on average demand for originals and platform share in the US during the company's most recent reported quarter.

One Key Chart



One Key Chart: Netflix's most recent earnings, which saw the customer lose subscribers for the first time since 2011, brought with it a bunch of questions. Did Netflix reach the ceiling on total addressable market for streaming subscribers? Was the competition effect greater than Netflix anticipated? Was Netflix in a position to remain a global leader?

Noting that we're in a bear market, on the precipice of a recession, and inflation has caused everyone to double check their spending habits, the answers to all those questions vary. What remains very clear is that as demand for Netflix originals and the entire catalog continues to fall domestically and globally while demand for originals on other services grows, Netflix has to refocus its content strategy to extract the most value from every series ordered, focusing on the longevity potential of each series for underserved audiences instead of relying on increased content spend.

Looking Forward: Netflix isn't expected a good second quarter, forecasting a loss of two million subscribers. As Netflix continues to navigate a bear market and address content strategy shifts. The changes that Netflix needs to enact now won't occur for some time — 18 months+ — making it difficult to ask Netflix to swiftly change its programming strategy. Introducing an ad-tier should theoretically help slow churn in important regions like UCAN and LATAM, and could possibly bring back customers who canceled for a competitor. In the interim, Parrot Analytics would like to see demand levels either increase slightly or stay level with returning hit titles like *Stranger Things* and *Umbrella Academy*.

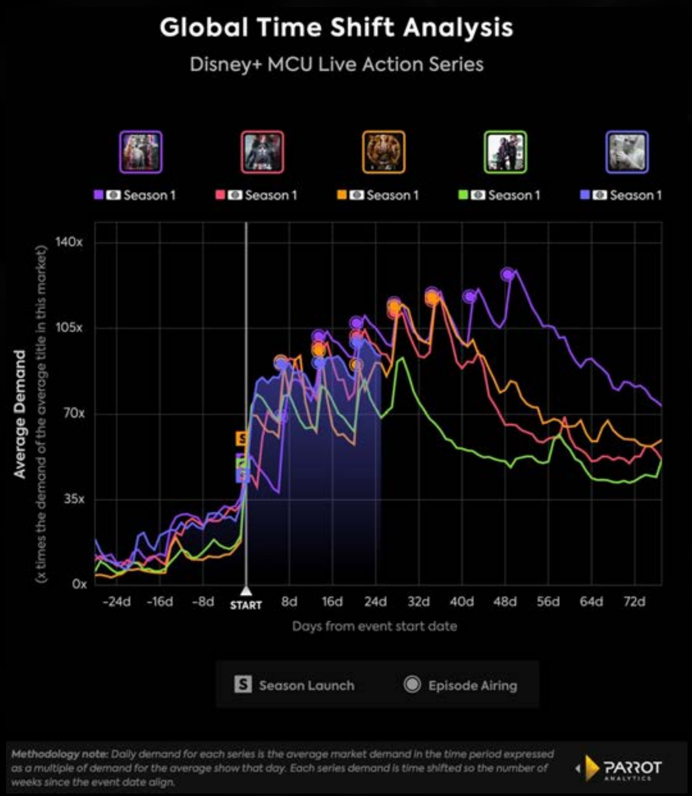
Financial and Demand Performance

Quarter 2 – 2022 *(Jan-Mar 2022)*

Disney – Q2 2022	Number	Rank	Annual Charge	Quarterly Change
Total Subscribers (WW)	137.9M	#2	+33% (103.6M IN Q2 '21)	+%6.2 (129.8M IN Q1 '22)
New Subscribers (WW)	7.9M	#1	-9.2% (8.7M ADDS IN Q2 '21)	+32.5% (11.7M ADDS BETWEEN Q4 '21 AND Q1 '22)
Quarterly Revenue (WW)	$4.9B (DTC SEGMENT)	#2 [WITH HULU]	+22.6% ($3.99B IN Q2 '21)	4.5% ($4.7B IN Q1 '22)
Corporate Demand Share (US)	19.8%	#1	-3.4% (20.5% IN Q2 '21)	+0.5% (19.7% IN Q1 '22)
Originals Demand Share (US)	8.3%	#3	+18.6% (7.0% IN Q2 '21)	+2.5% (8.1% IN Q1 '22)
On-Platform Demand Share (US)	5.5%	#8	N/A	+7.8% (5.1% IN Q1 '22)

Methodology note: *Demand data is based on average demand for originals and platform share in the US during the company's most recent reported quarter.*

One Key Chart



One Big Question: Disney+ added 8 million subscribers worldwide last quarter, well above analyst expectations. Most of these were Hotstar subscribers, who likely signed up in anticipation of the India Premier League cricket competition.

Disney+ released another massive Marvel TV hit in *Moon Knight*, but as our 'one key chart' shows, there is a clear (albeit high) ceiling on the potential audience demand for any given Marvel live action series. This data suggests that the MCU TV series serve more as a subscriber retention play as opposed to being a major driver of subscriber growth for Disney+ during a key turning point in the industry as questions about the UCAN TAM become more urgent.

Looking Forward: With the IPL season in full swing during Disney's Q3 2022, the House of Mouse should be able to post big subscriber gains again. This could be the last season that Disney has rights to this massive sporting audience, which accounts for many of the biggest live streamed events in history. Amazon, which has been making significant inroads in Indian entertainment of late, as well as Google and SONY are all poised to make competitive bids.

The biggest streaming original debut for Disney+ will be *Obi-Wan Kenobi*, the third Star Wars live action series. If *Obi-Wan Kenobi* can approach *The Mandalorian*'s global demand levels, then Star Wars could be a growth driver for Disney+ moving forward. If it's closer to *The Book of Boba Fett*, Star Wars should be considered a powerful retention play ala Marvel.

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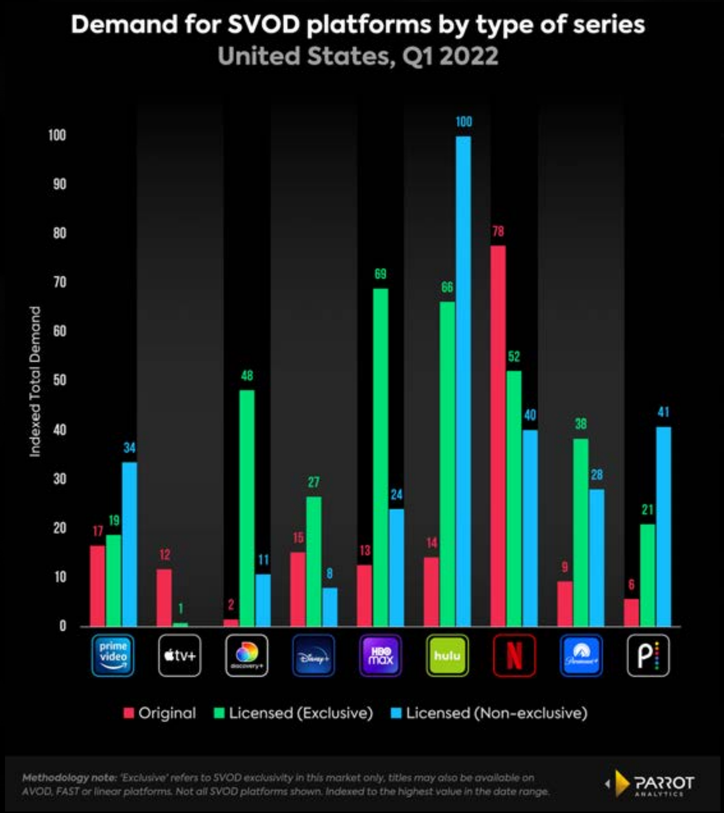
Financial and Demand Performance

Quarter 2 – 2022 *(Jan-Mar 2022)*

Hulu – Q2 2022	Number	Rank	Annual Charge	Quarterly Change
Total Subscribers (WW)	41.4M [SVOD ONLY]	#4	+10% (37.4M SVOD ONLY, Q2 '21)	+1.2% (40.9M SUBS SVOD ONLY, Q1 '22)
New Subscribers (WW)	500,000	#6	-80% (+2.5M SUBS IN Q1 '21)	-58.3% (1.2M SUBS IN Q1 '22)
Quarterly Revenue (WW)	$4.7B	#2 [WITH DISNEY+]	+34% ($3.7B IN Q1 '21)	+2.2% ($4.6B IN Q4 '21)
Corporate Demand Share (US)	19.8% (DISNEY)	#1	-3.4% (20.5% IN Q2 '21)	+0.5% (19.7% IN Q1 '22)
Originals Demand Share (US)	7.0%	#4	-6.7% (7.5% IN Q2 '21)	-7.9% (7.6% IN Q1 '22)
On-Platform Demand Share (US)	19.8%	#1	N/A	-1.0% (20.0% IN Q1 '22)

__Methodology note:__ Demand data is based on average demand for originals and platform share in the US during the company's most recent reported quarter.

One Key Chart



One Key Chart: Hulu remained the number one SVOD with US audiences for total on-platform demand — the combination of streaming originals and all licensed content. This is a good barometer of which streaming services can serve as a default home for consumers.

Hulu continued to carve out its niche as the home to some of the most in-demand and high quality miniseries in the business, with *The Dropout* and *The Girl From Plainville* launching towards the end of the quarter. Also home of FX's original content, Hulu originals and FX series mark Disney's efforts in the "premium content" space against Warner Bros. Discovery's HBO and Paramount Global's Showtime.

One event that should have drawn more attention and analysis last quarter was Disney+'s decision to put its more adult-oriented Netflix Marvel shows on Disney+, and not Hulu. If Disney+ is willing to put more racy content on its service, then why not move critically acclaimed and highly in-demand FX and Hulu adult-oriented originals onto Disney+ in order to pump up subscriber numbers?

Looking Forward: While Hulu has more on-platform demand than any of its competitors, a breakdown of the *types* of demand shows why Hulu isn't as big of a force as it could be. A majority of demand for content on Hulu is for non-exclusive licensed content, and are less likely to draw in and retain subscribers.

One of Hulu's most ambitious miniseries yet launches in Q3 2022 — *Under The Banner of Heaven*. This glossy scripted true crime series is designed to remind viewers of HBO's *True Detective,* and is clearly timed to get the attention of Emmy voters.

One more thing to keep an eye on is Hulu's expiring deal with NBCUniversal. Over the coming months and years many of the most in-demand content available on Hulu - NBC's *SNL*, *The Voice*, *Chicago Fire*, etc - will be removed and put exclusively on NBCU's Peacock. How will this impact Hulu's subscribers? It's hard to imagine this won't negatively impact Hulu's on-platform demand share.

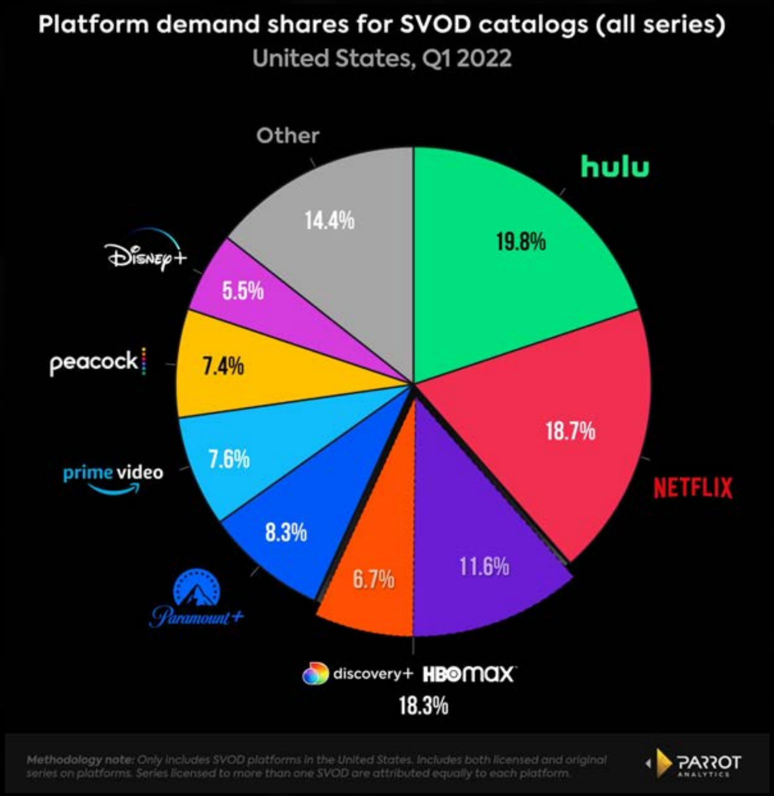
Financial and Demand Performance

Quarter 4 – 2021

HBO Max – Q4 2021	Number	Rank	Annual Charge	Quarterly Change
Total Subscribers (WW)	76.8M	#	+73.75% (44M SUBS IN Q4 '21 (DOMESTIC ONLY))	+135% (73.6M SUBS IN Q4'21)
New Subscribers (WW)	3M	#	-25% [4M SUBS ADDED BETWEEN Q4 '20 AND Q1 '21]	-28.57% [4.2M SUBS ADDED BETWEEN Q3 AND Q4 '21]
Quarterly Revenue (WW)	$4B (SUBSCRIPTION REVENUES)	NA	+4% ($1.7B IN SUBSCRIPTION REVENUE IN Q1 '21)	+5.3% ($3.8B IN SUBSCRIPTION REVENUE IN Q4 '21)
Corporate Demand Share (US)	11.9%	#3	+1.7% (11.7% IN Q4 2020)	-1.7% (12.1% IN Q3 2021)
Originals Demand Share (US)	6.2%	#6	+32% (4.7% IN Q4 2020)	+1.6% (6.1% IN Q3 2021)
On-Platform Demand Share (US)	10.9%	#3	N/A	-3.5% (11.3% IN Q3 2021)

Methodology note: *Demand data is based on average demand for originals and platform share in the US during the company's most recent reported quarter.*

One Key Chart



One Key Chart: HBO Max is about to get a whole lot bigger, with a slate of programming that customers didn't necessarily sign up for. While that gives Warner Bros. Discovery control of 18.3% of total platform demand in the United States when compared to other SVOD catalogs, HBO Max's demand has grown on its own consistently thanks to its focus on crafting dramas, comedies, and animated series that appeal to fans of genre entertainment (DC series), previously underserved audiences on its platform (teen girls), and high impact series that grew through word of mouth (*Station Eleven*).

Looking Forward: A crucial part of HBO Max's strength is the ability to curate the next hit by relying on tastemakers, prescribing what the next trend in entertainment is rather than respond to it. HBO Max feels lean, but strong, built on shows from the best creators that fulfill a necessary space for different taste clusters and the overarching mainstream audience.

With Discovery+ now entering the fold, the biggest question about HBO Max isn't so much subscriber growth but subscriber satisfaction — what is the value of the platform that moves from curation to scale as a core philosophy? These questions will be answered in overall demand share over the next 24 months, but HBO Max is one of the few streaming services that has cemented itself as a must-have in people's homes; now it has to figure out how to stay that way without feeling like a cluttered platform that accounts for everyone but not necessarily anyone.

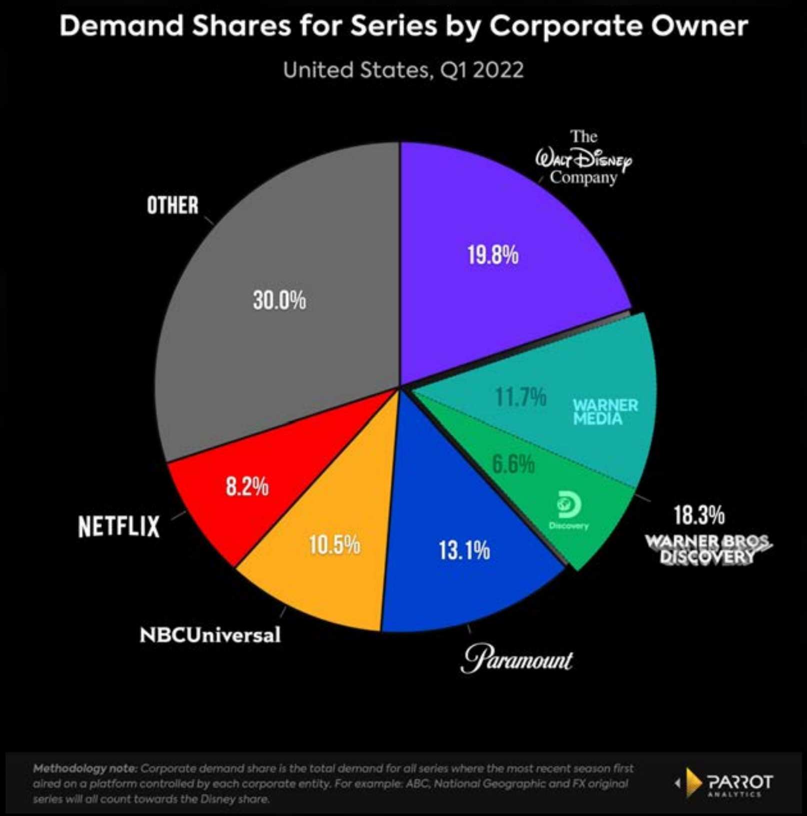
Financial and Demand Performance

Quarter 1 – 2022

Discovery+ – Q1 2022	Number	Rank	Annual Charge	Quarterly Change
Total Subscribers (WW)	24M (ALL DISCOVERY DTC PLATFORMS)	#6	+60% [15M IN Q1 '21]	+9% [22M IN Q4 '21]
New Subscribers (WW)	2M	#5	-50% [4M SUBS ADDED BETWEEN Q4 '20 AND Q1 '21]	0% [2M SUBS ADDED BETWEEN Q3 AND Q4 '21]
Quarterly Revenue (WW)	$3.16B (TOTAL DISCOVERY REVENUE)	#4	+12.86% [$2.8B IN Q1 '21]	-0.9% [$3.19B IN Q4 '21]
Corporate Demand Share (US)	18.3% (WARNER BROS DISCOVERY)	#2 (+4)	+154% (7.2% IN Q1 '21) *DUE TO MERGER WITH WARNERMEDIA*	+165% (6.9% IN Q4 '21) *DUE TO MERGER WITH WARNERMEDIA*
Originals Demand Share (US)	1.0%	#11 (+1)	+900% (0.1% IN Q1 '21)	+42.9% (0.7% IN Q4 '21)
On-Platform Demand Share (US)	6.7%	#7	N/A	+1.5% (6.6% IN Q4 '21)

Methodology note: *Demand data is based on average demand for originals and platform share in the US during the company's most recent reported quarter.*

One Key Chart



One Key Chart: Discovery continues to add an incremental number of subscribers to its streaming services, led by Discovery+. The bigger story, however, is the combination of Discovery and Warner Bros., with the eventual likely merging of Discovery+ and HBO Max into one streaming service. As a combined entity, Warner Bros. Discovery controls 18.3% of total demand shares for series when examining the corporate owner.

If the vast majority of those titles wind up as exclusives on the platform, with some titles being licensed exclusively and non-exclusively to other competitors, Warner Bros. Discovery's unified platform would overnight be a compelling competitor against two of the biggest players in the space right now: Netflix and Disney.

Looking Forward: Just because CEO David Zaslav is inheriting an exuberant amount of content, including some of the strongest IP in entertainment today, doesn't mean success is fool proof. Integrating all of those series, specials, and films from a technical standpoint is one thing — doing so without creating a cluttered space that creates more frustration than value for its subscribers, many of whom didn't sign up for the reality programming fair Discovery will bring, is another.

The opportunity available to Zaslav and his teams is tremendous; but so is the potential to recreate a bloated cable package without the core advantages of cable (sports and news).

Financial and Demand Performance

Quarter 1 – 2022

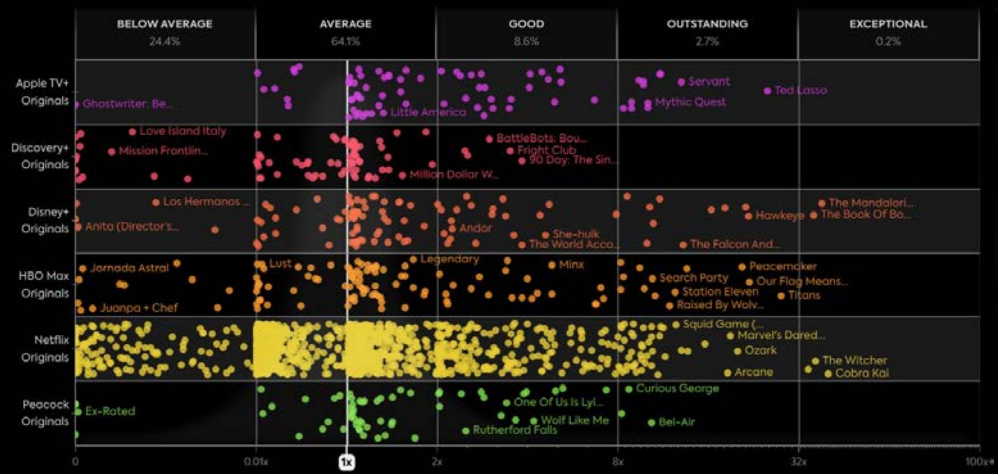
Peacock – Q1 2022	Number	Rank	Annual Charge	Quarterly Change
Total Subscribers (WW)	13M PAID SUBSCRIBERS	#7	PREVIOUSLY DIDN'T REPORT	44.4% (9M IN Q4 '21)
New Subscribers (WW)	4M	N/A	PREVIOUSLY DIDN'T REPORT	DIDN'T REPORT PAID SUBS IN Q3 '21
Quarterly Revenue (WW)	$6.87B (MEDIA DIVISION INCLUDING OLYMPICS AND SUPER BOWL)	N/A	+36.1% ($5.047B IN Q1 '21 FOR THE MEDIA DIVISION)	+18.4% ($5.8B IN Q4 '21 FOR THE MEDIA DIVISION)
Corporate Demand Share (US)	10.5%	#4	-2.8% (10.8% IN Q1 '21)	-2.8% (10.8% IN Q4 '21)
Originals Demand Share (US)	2.7%	#8	+167% (0.9% IN Q1 '21)	+12.5% (2.4% IN Q4 '21)
On-Platform Demand Share (US)	7.4%	#6	N/A	+4.2% (7.1% IN Q4 '21)

Methodology note: Demand data is based on average demand for originals and platform share in the US during the company's most recent reported quarter.

PARROT ANALYTICS

One Key Chart

Hit Ratio for Peacock Series in the US Compares to Other OTT Platforms
(Q1 2022)



The above chart is generated by looking at demand for the top shows on Paramount+, including original series exclusive to the platform and those available on the platform from other sources, including Paramount's networks like NTV, VH1, and others. The above shows are from Q1 2022 in the United States.

One Key Chart: Peacock added four million new paying customers in its first quarter, showing strong growth led by major events like the Winter Olympics, the Super Bowl, and the debut of series like *Bel-Air*. The scatter chart shows the demand for original series on various platforms, including Peacock. *Bel-Air* is Peacock's most in-demand show, sitting in the outstanding category, which 2.7% of shows reach globally. This puts *Bel-Air* in the same category as *Peacemaker, Ted Lasso, Hawkeye,* and *Ozark*. As Peacock continues to invest in strong dramas that can help grow customer acquisition rates, there's promise in seeing a show like *Bel-Air* find an audience even with the smaller subscriber size compared to competitors like Disney+ and Netflix, and can help Peacock scale at a stronger pace.

Looking Forward: Peacock saw strong subscriber growth over the last two quarters, but the Street will want to see continued growth away from major events. Without an Olympics or a Super Bowl, Peacock's original series will come under a microscope, alongside partnerships with organizations like the WWE and Premier League. Peacock has proven there is demand for originals — even *One of Us is Lying* and *Wolf Like Me* are hovering closer to the outstanding category. Now it just needs to reiterate that creating those outstanding series can be replicated once or twice a quarter.

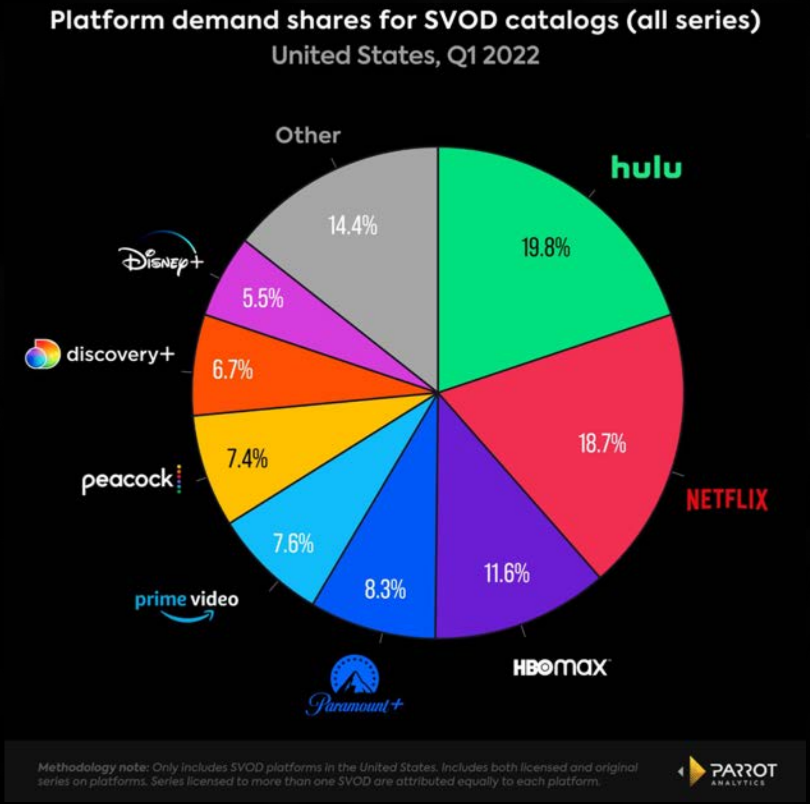
Financial and Demand Performance

Quarter 1 – 2022

Paramount+ – Q1 2022	Number	Rank	Annual Charge	Quarterly Change
Total Subscribers (WW)	40M	#5	PARAMOUNT+ INFO WASN'T AVAILABLE AT THE TIME	PARAMOUNT+ INFO WASN'T AVAILABLE AT THE TIME
New Subscribers (WW)	7.2M	#3	PARAMOUNT+ INFO WASN'T AVAILABLE AT THE TIME	1.37% [7.3M ADDED IN Q4 '21]
Quarterly Revenue (WW)	$1.1B (STREAMING)	#5	+34.8% ($816M IN Q1 '21)	-21.4% ($1.38B IN Q4 '21)
Corporate Demand Share (US)	13.1%	#3 (-1)	-4.4% (13.7% IN Q1 '21)	-1.5% (13.3% IN Q4 '21)
Originals Demand Share (US)	5.0%	#7	+31.6% (3.8% IN Q1 '21)	+13.6% (4.4% IN Q4 '21)
On-Platform Demand Share (US)	8.3%	#4 (+1)	N/A	-1.2% (8.4% IN Q4 '21)

__Methodology note:__ Demand data is based on average demand for originals and platform share in the US during the company's most recent reported quarter.

One Key Chart



One Key Chart: Paramount Global is finally starting to close the gap between its strong position in corporate demand share (13.3% — third place behind Disney and WBD) and Paramount+'s lagging demand share for both original and on-platform demand.

Paramount+ now accounts for 5.0% of the US demand for streaming originals, up from 4.4% last quarter and 3.8% a year ago. While smaller than Marvel and Star Wars, Paramount+ is establishing its own franchises with Star Trek and the (Taylor) 'Sheridan-verse,' both of which are core to Paramount+'s growth plans.

Paramount+ is also seeing success in its 'Sheridan-verse' series such as *Yellowstone* spinoff *1883*, and the Jeremy Renner fronted *Mayor of Kingstown*. Once they can claw back *Yellowstone* from Peacock, that will be a game changer.

Looking Forward: Paramount+ is showing impressive, healthy growth rates in the US, but Paramount Global licenses many of its top franchises to competitors non-exclusively and exclusively.

As Paramount+ continues its trajectory, exclusive content like *Yellowstone* will become a core part of the value equation for consumers. Paramount needs to better its exclusive strategy while determining what content can be licensed to competitors that provides short term revenue needed to grow Paramount+ while also not hurting its own growth in the process.

Globally, all eyes are on whether consumers are willing to add another streaming service to household budgets, especially as a recession looms.

Demand Performance

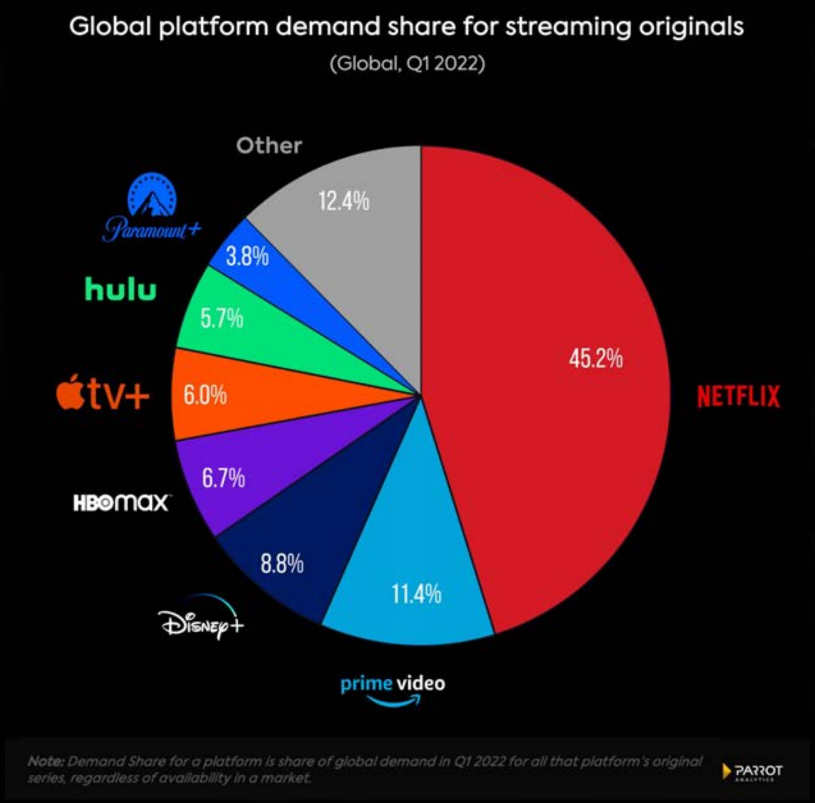
Quarter 1 – 2022

Amazon Prime Video – Q1 2022	Number	Rank	Annual Charge	Quarterly Change
Corporate Demand Share (US)	1.6%	#8	+23.1% (1.3% IN Q1 '21)	+6.7% (1.5% IN Q4 '21)
Originals Demand Share (US)	9.0%	#2	+1.1% (8.9% IN Q1 '21)	+1.1% (8.9% IN Q4 '21)
On-Platform Demand Share (US)	7.6%	#5 (-1)	N/A	-15.6% (9.0% IN Q3 '21)

[Editorial Note: For both Amazon Prime Video and Apple TV+, collected below, we've removed financial results as neither Amazon or Apple break out its media segments in their results. Amazon Prime Video saw "more than 200 million Prime Video members stream TV shows and movies," according to the company's results. This is difficult to verify without further information as it could amount to more than 200 million subscribers potentially streaming titles from Prime Video. Apple has never released official Apple TV+ subscriber numbers. We have included demand information for both services to provide insight into how the actual services, not just the overarching companies, are performing.]

Methodology note: Demand data is based on average demand for originals and platform share in the US during the company's most recent reported quarter.

One Key Chart



One Key Chart: Amazon Prime Video is still the second strongest competitor in the SVOD streaming landscape, but its global demand share for streaming originals dropped by half a percent between Q4 2021 and Q1 2022. Similar to Netflix, Amazon Prime Video is no longer one of a few key players in the space, and every show that premieres now has an alarming amount of more competition than ever.

As streaming services like Paramount+, Hulu, and HBO Max pick up speed, Amazon Prime Video will have to refocus its programming strategy, leaning into core IP picked up through the MGM sale and better understanding underserved audiences that Prime Video can appeal to in the face of strong competition.

Looking Forward: Amazon previously didn't have the necessary IP to compete with WarnerMedia (now Warner Bros. Discovery), Disney, and Paramount on A1 titles. Now, however, with *Lord of the Rings*, *Robocop,* and the continuation of key series like *The Wilds* and *Invincible*, Amazon is ready to become a notable competition even without the retail arm helping to bring in customers and viewers.

The next big question will be whether or not *Lord of the Rings*, which cost Amazon more than $550 million to make, can hold its own against HBO's *House of the Dragon*, and if Amazon has found its first true franchise that can cross film, television, retail, and experiences.

Demand Performance

Quarter 2 – 2022 *(Jan-Mar 2022)*

Apple TV+ – Q2 2022	Number	Rank	Annual Charge	Quarterly Change
Corporate Demand Share (US)	1.2%	#11 (-1)	+50% (0.8% IN Q1 '21)	NO CHANGE (1.2% IN Q4 '21)
Originals Demand Share (US)	6.5%	#6 (-1)	+30% (5.0% IN Q1 '21)	-8.5% (7.1% IN Q4 '21)
On-Platform Demand Share (US)	1.4%	#11	N/A	NO CHANGE (1.4% Q4 '21)

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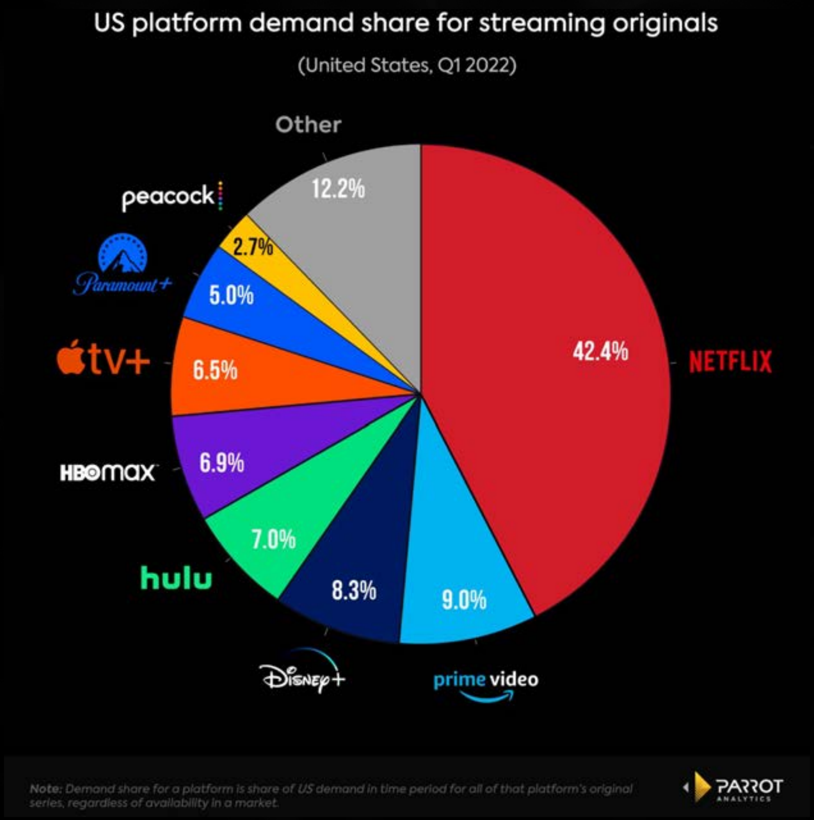

One Key Chart: Without any new Ted Lasso episodes, Apple TV+ dropped from 7.1% to 6.5% in streaming original demand share, ceding fifth place in the category back to HBO Max, which jumped up from 6.2% to 6.9%.

Apple TV+ was still able to generate significant buzz and critical acclaim for new originals *Severance* and *Pachinko*. But neither of those drew a breakout mainstream audience the way *Ted Lasso* did. The most significant event for Apple TV+ in Q1 2022 was its original film *CODA* winning the Best Picture at the Oscars. Apple TV+ became the first streaming service to win this iconic award. This was a truly historic victory, and getting there before Netflix , which has been gunning hard for winning that category for almost a decade, was a major victory for less than three-year-old streamer.

Looking Forward: Both Pachinko and Severance debuted towards the end of of Q1 2022, so most of their audience demand will be seen in the upcoming quarter, which could help Apple TV+ bounce back in streaming originals demand share.

Look for Apple TV+ to begin marketing its upcoming World War II mega-series *Masters of the Air*. This is the third in the trilogy of Playtone (Tom Hanks)-produced WWII epics, after *Band of Brothers* and *The Pacific*, both of which aired on HBO. The fact that *Masters of the Air* is on Apple TV+, and not HBO, is telling of how competitive the entertainment and streaming industry has become.

It is also led by Austin Butler, who is poised to rocket to superstardom this summer following his appearance as Elvis in the Baz Luhrmann biopic.

PARROT ANALYTICS