

TV Station Industry Overview

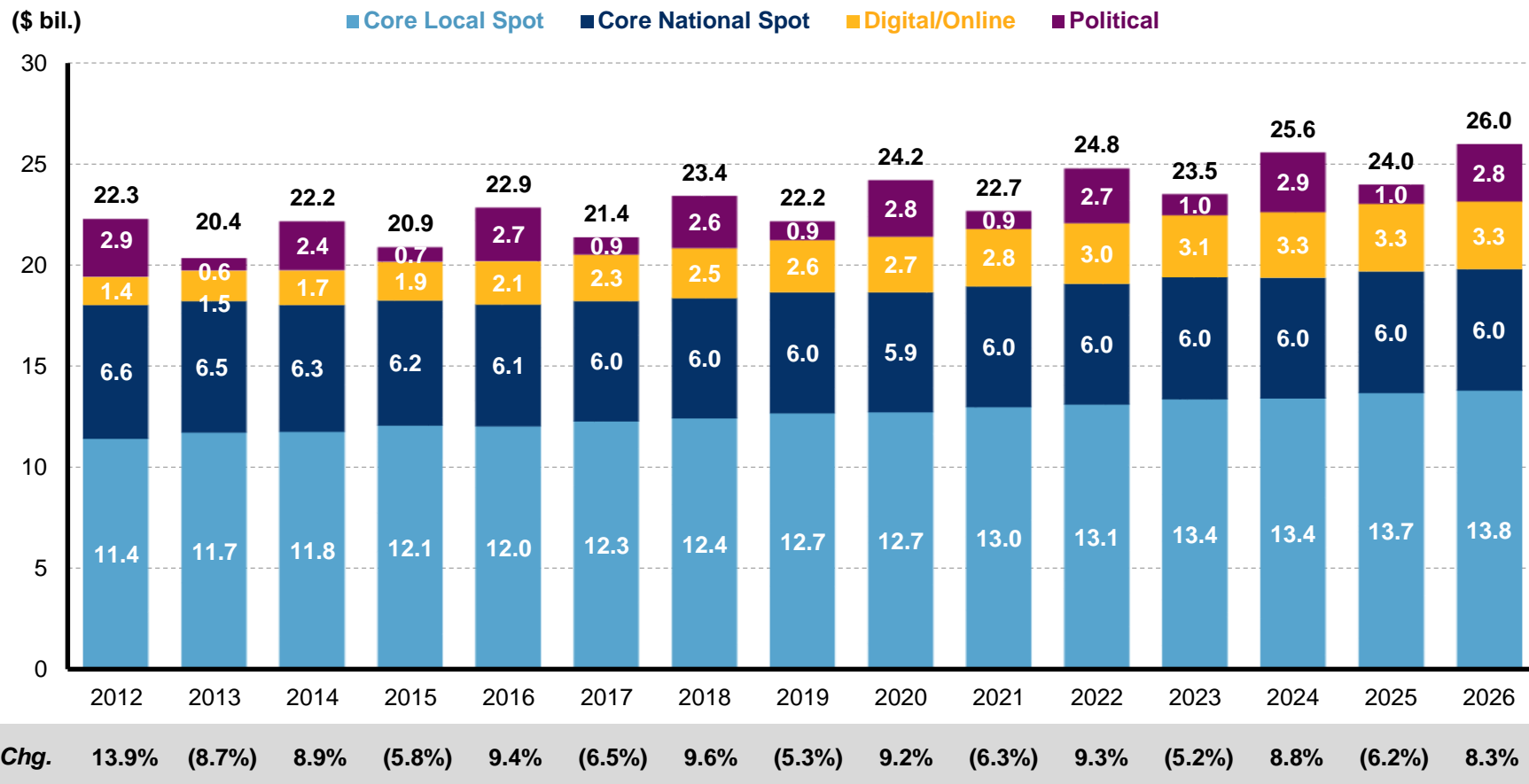
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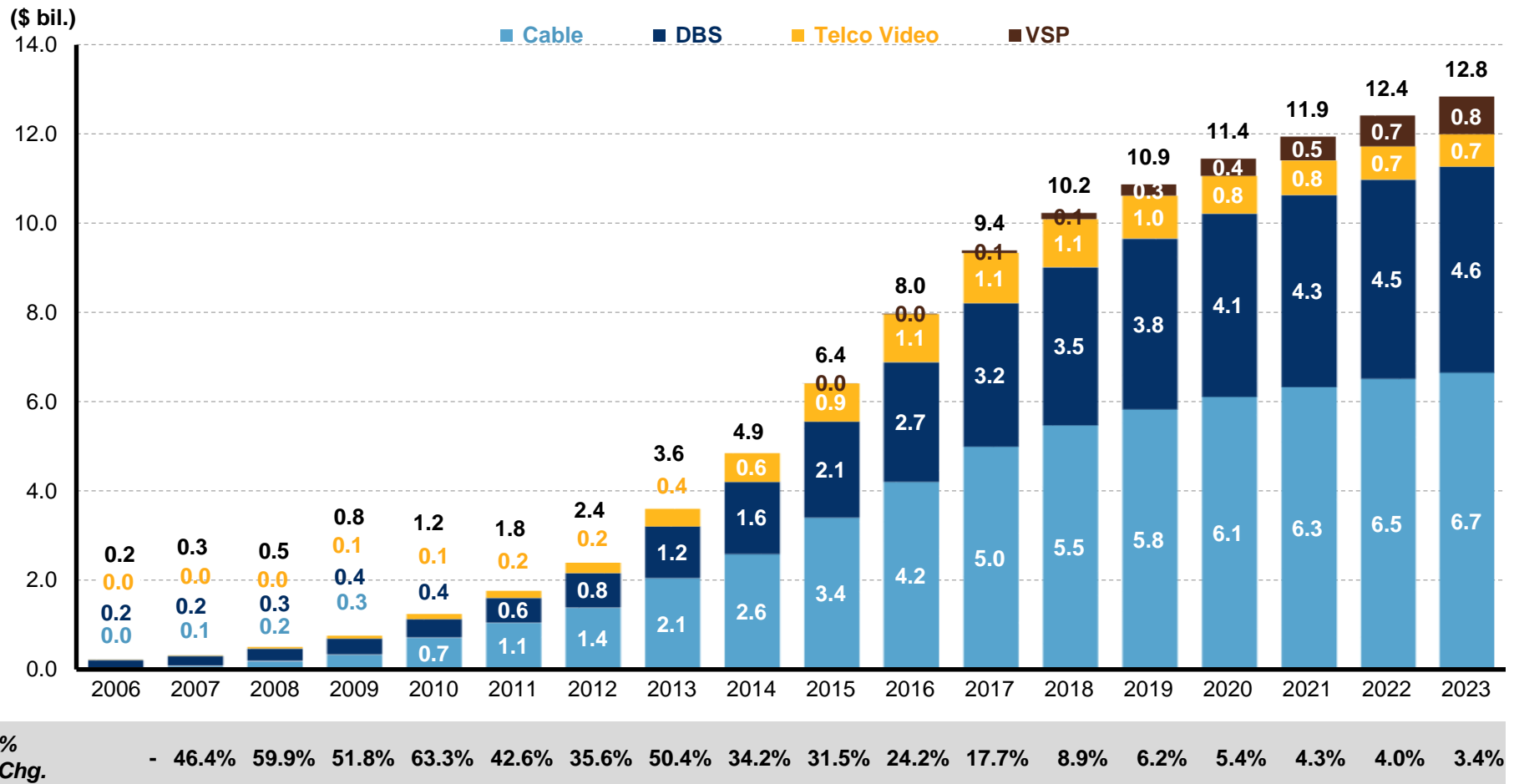
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TV Station Advertising Revenue Projections



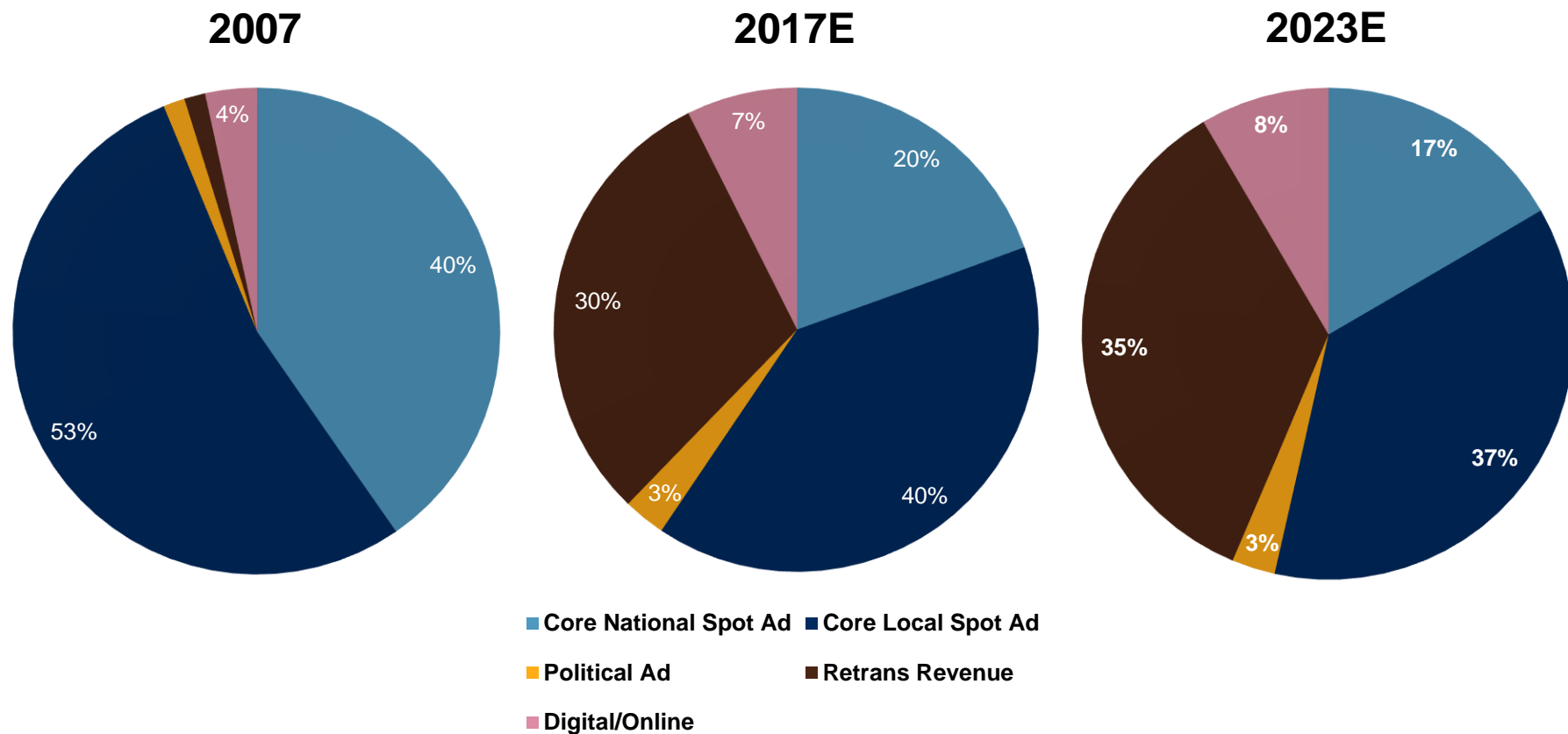
Source: Kagan, an offering of S&P Global Market Intelligence as of May 2017.

Broadcast Retransmission Fee Projections Through 2023



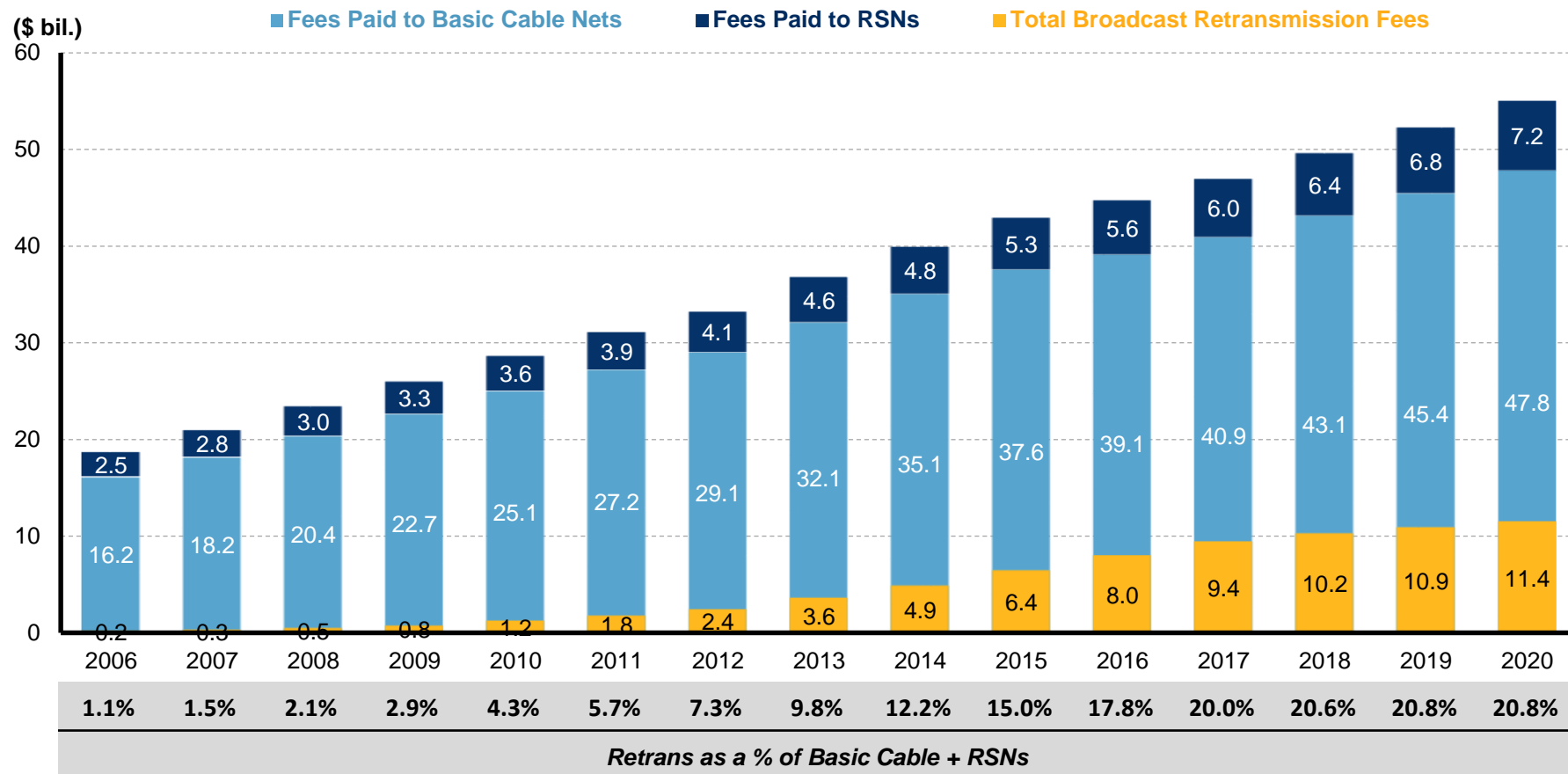
Source: Kagan, an offering of S&P Global Market Intelligence as of June 2017.
 VSP=Virtual Service Provider, DBS=Direct Broadcast Satellite

Total TV Station Revenue Share



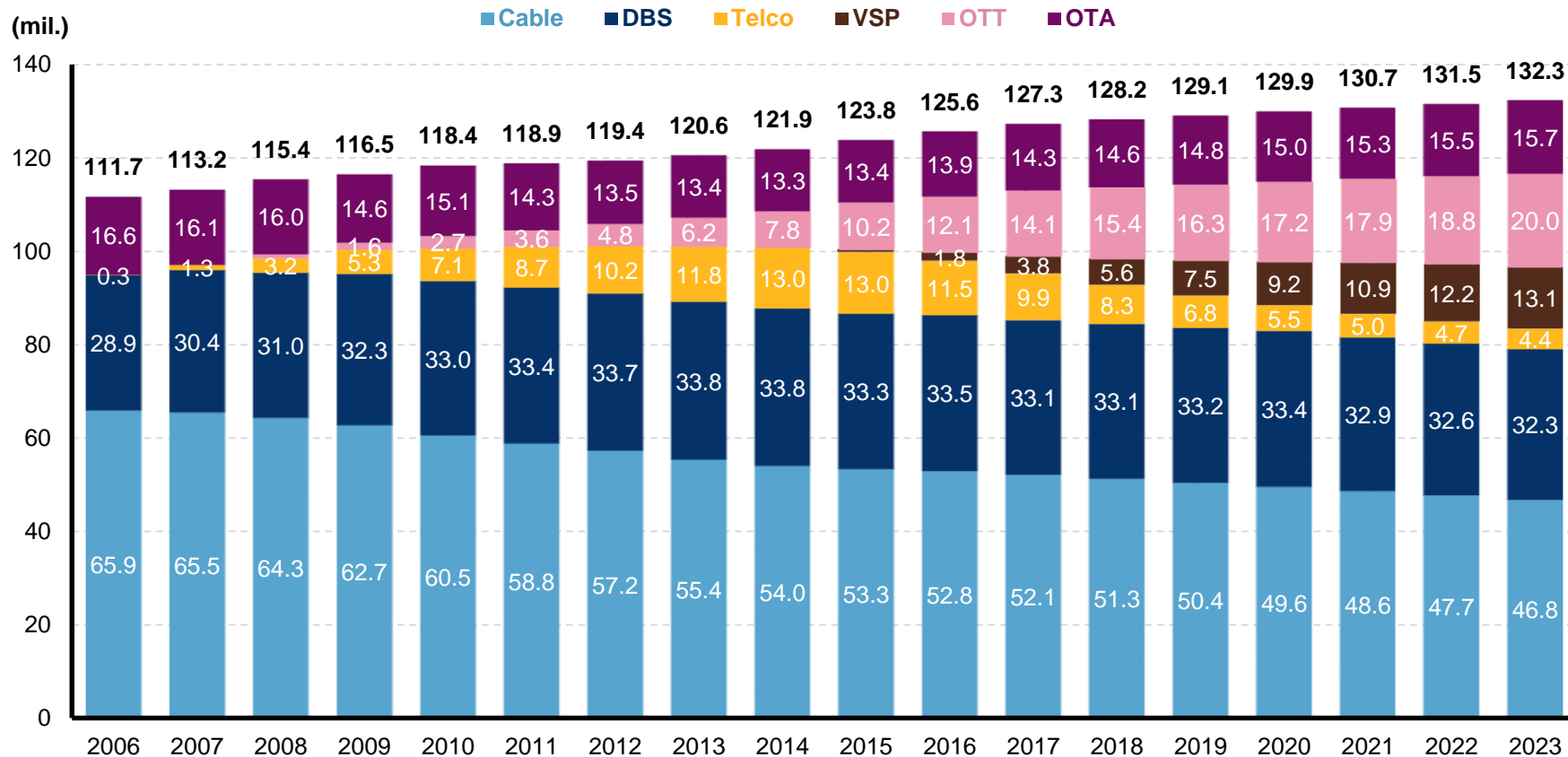
Source: Kagan, an offering of S&P Global Market Intelligence as of June 2017.

Broadcast Retransmission Fees (Retrans) vs. Basic Cable And Regional Sports Network (RSN) Programming Fees



Source: Kagan, an offering of S&P Global Market Intelligence as of June 2017. RSN=Regional Sports Network.

U.S. Video Household (HH) By Delivery Method 2006–2023



Source: Kagan, an offering of S&P Global Market Intelligence as of June 2017. Multichannel Service - managed delivery of aggregated live, linear networks and on-demand content for a monthly subscription. Potential overlap with OTT video. VSP - unmanaged (Online/Internet) delivery of aggregated live, linear networks and on-demand content mimicking a traditional multichannel video offering for a monthly subscription. Potential overlap with OTA and OTT video. OTT - unmanaged (Online/Internet) delivery of subscription on-demand services and direct-to-consumer live linear networks, including monthly subscription and ad-supported content. OTA- Over-the-air delivery of live linear broadcast stations.

Definitions Of Video Delivery Methods

Multichannel Service

Definition: Managed delivery of aggregated live, linear networks and on-demand content for a monthly subscription. Does not exclude OTT video consumption.

Cable (Ex. Comcast Xfinity, and Xfinity Stream - managed, not Internet delivery), DBS (DIRECTV and Dish Network but not the unmanaged SlingTV or DIRECTV Now) Telco (U-verse and FIOS)

Video Service Provider (VSP)

Definition: Unmanaged (Online/Internet) delivery of aggregated live, linear networks and on-demand content mimicking a traditional multichannel video offering for a monthly subscription. Does not exclude OTT video consumption.

SlingTV, Sony Vue, (Excludes direct-to-consumer such as HBO Now or CBS All Access. Also excludes managed IP service such as Xfinity Stream)

Over-The-Top (OTT) Substitution

Definition: Unmanaged (Online/Internet) delivery of subscription on-demand services and direct-to-consumer live linear networks, including monthly subscription and ad supported content. OTA households excluded.

Online Subscription Video on Demand (SVOD) (Netflix, Amazon, Hulu)
Direct-to-Consumer (HBO Now, CBS All Access)
Online On-demand (YouTube etc.)

Over-The-Air (OTA)

Definition: Over-the-air delivery of live linear broadcast stations. Does not exclude OTT video consumption.

NBC, CBS, ABC, Fox PBS

Cord Cutting And The Effects On Broadcast TV

Video Cord Cutter/Never HH Estimates

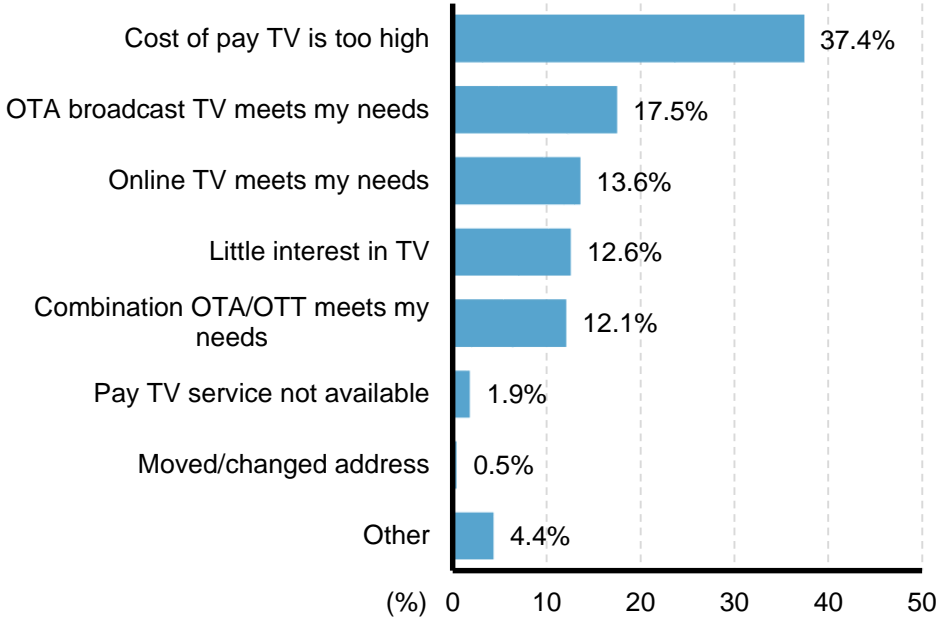
	YE 2015 Revised	YE 2016
	----- (M) -----	
Total video cord cutter HHs	12.8	13.9
Total video cord never HHs	13.3	15.3
Total non-multichannel TV HHs	26.1	29.2

How Video Cord Never HHs Receive TV

	Total (%)
Over-the-air-broadcast TV	57
OTT video	56
Online multichannel TV service	2
No TV	12

Q: Which of the following are methods your household uses to receive television? Base: 206.

Reasons for Not Subscribing to a Multichannel TV Service



Q: Which of the following statements best reflects why you do not have a pay TV (cable, satellite or company) service subscription? Base: 206.

Source: Kagan, an offering of S&P Global Market Intelligence as of June 2017.

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