



3VISION

Disney+
“To Infinity and Beyond”

April 2020

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INSIGHT

Strategy

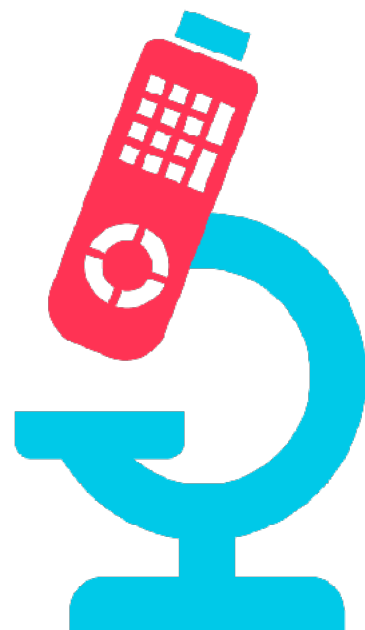
Plotting a course
for success



- Proposition development
- Business model evolution
- Competitor analysis

Research

Uncover intelligent insights



- Market research
- Trend analysis
- Tracking tools
- Show Tracker

Rights Negotiation

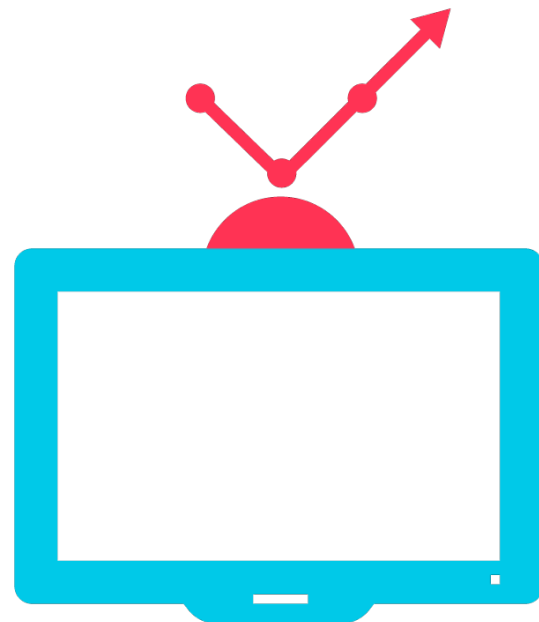
The right content.
On your terms



- Free and pay programming
- SVOD, AVOD, TVOD and EST
- Linear channel carriage
- Third party apps

Business Development

Grow where your ambitions
lead



- Market analysis
- Lead generation
- Partnership negotiation

Our Clients

3VISION

We've worked with global players from every corner of the content industry...

- Pay TV platforms
- Mobile Operators
- Broadcasters
- Producers
- Distributors
- VOD operators
- Trade Associations
- Technology Companies



Disney+

The SVOD direct-to-consumer video streaming service of The Walt Disney Company

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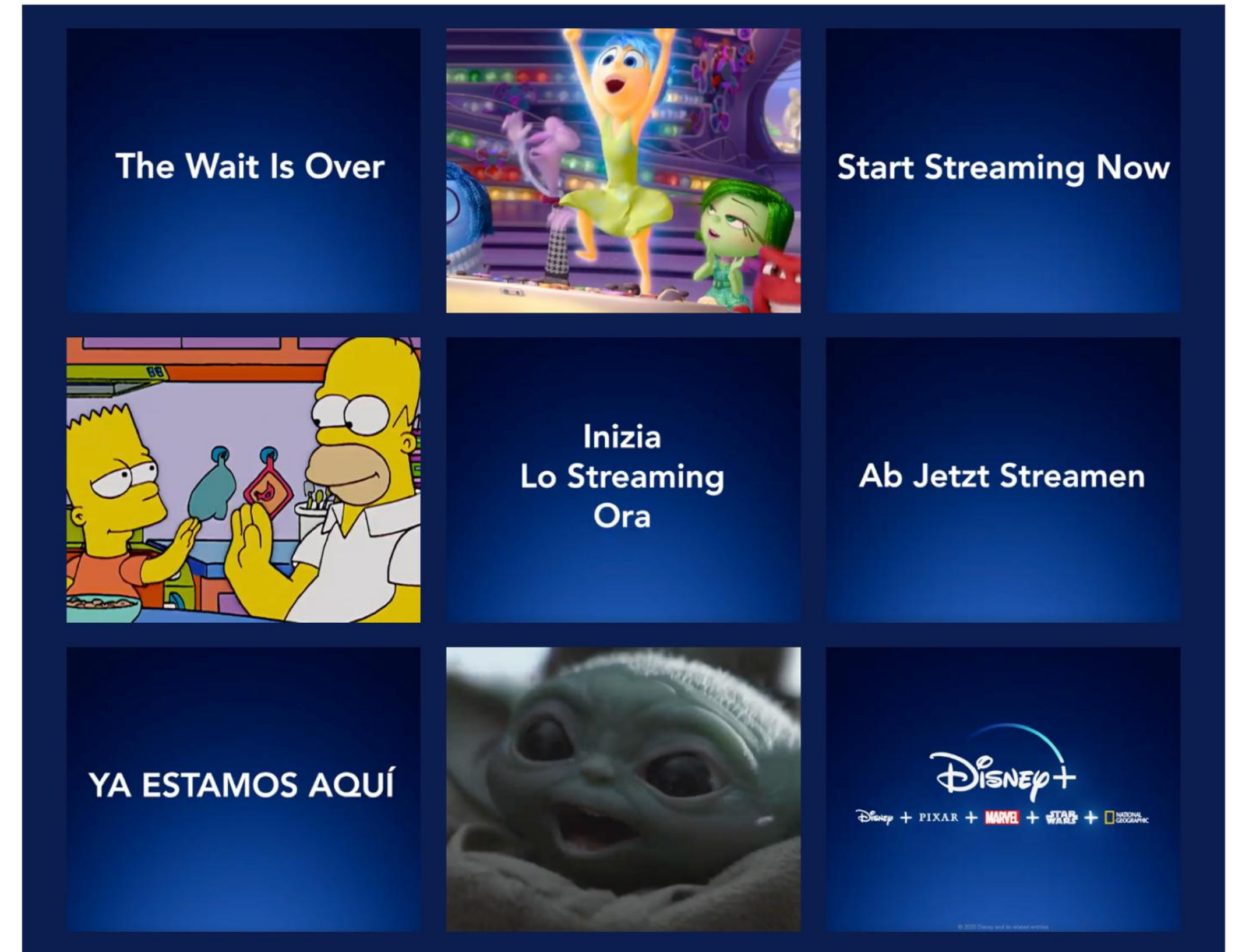
Launched initially in November 2019

First markets included the US, Canada, Puerto Rico, the Netherlands, Australia and New Zealand

It is now rolling out further, with the service in the UK, Austria, Germany, Italy, Spain, Switzerland and India

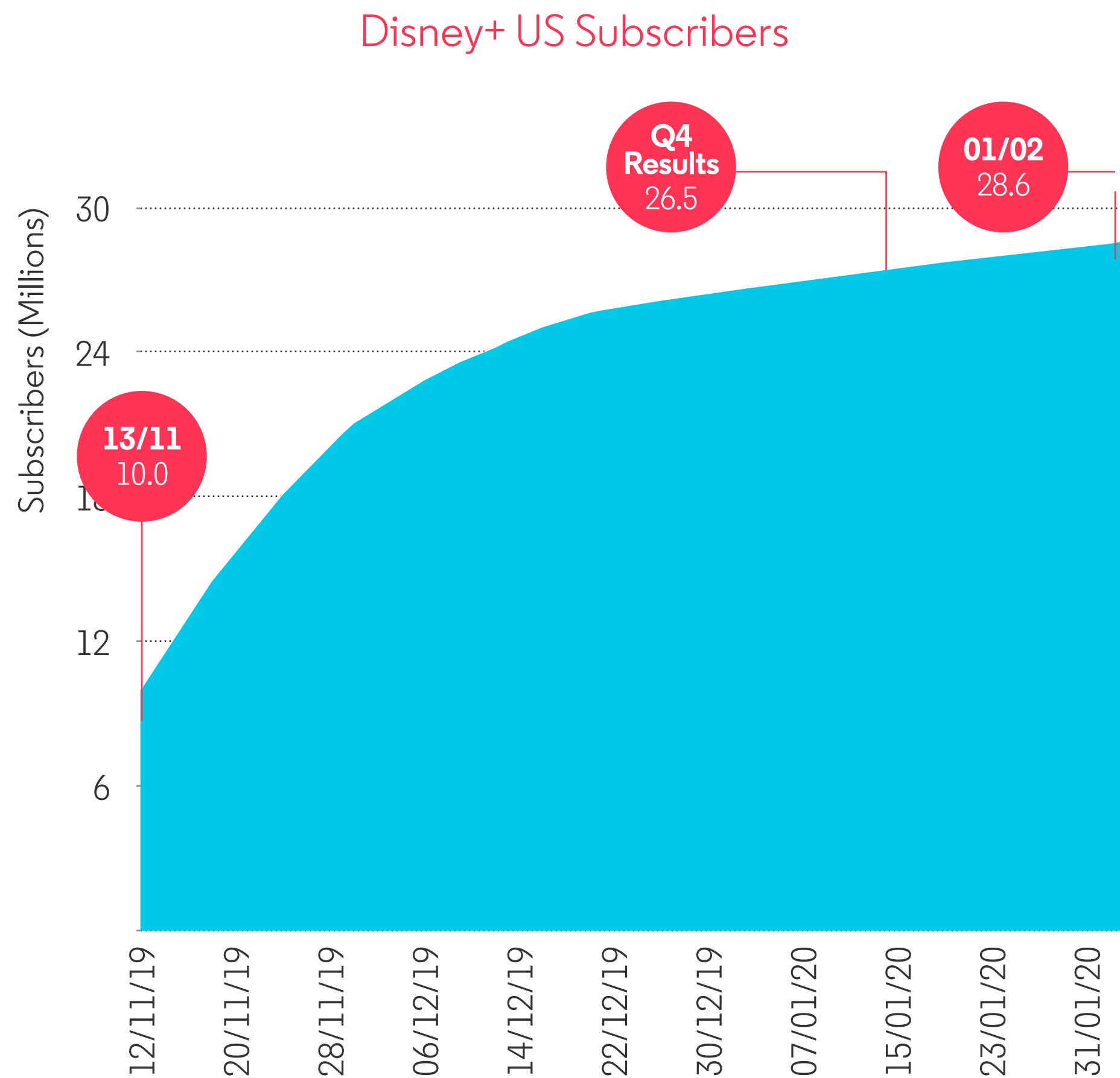
Due to COVID-19 the launches in France and India were delayed - with India now live and France coming this week

Bandwidth utilisation was reduced in Europe following discussions with the European Commission



Disney+

US growth and international prospects



Early US growth has been nothing short of massive

Longer term Disney forecasted **two thirds** of subscribers (another 40M) will come from international markets - presenting a different challenge than growing the US market within their US ecosystem

April 11th statement that total subs were at 50 million (with 8 million coming from existing Hotstar Premium subs in India)

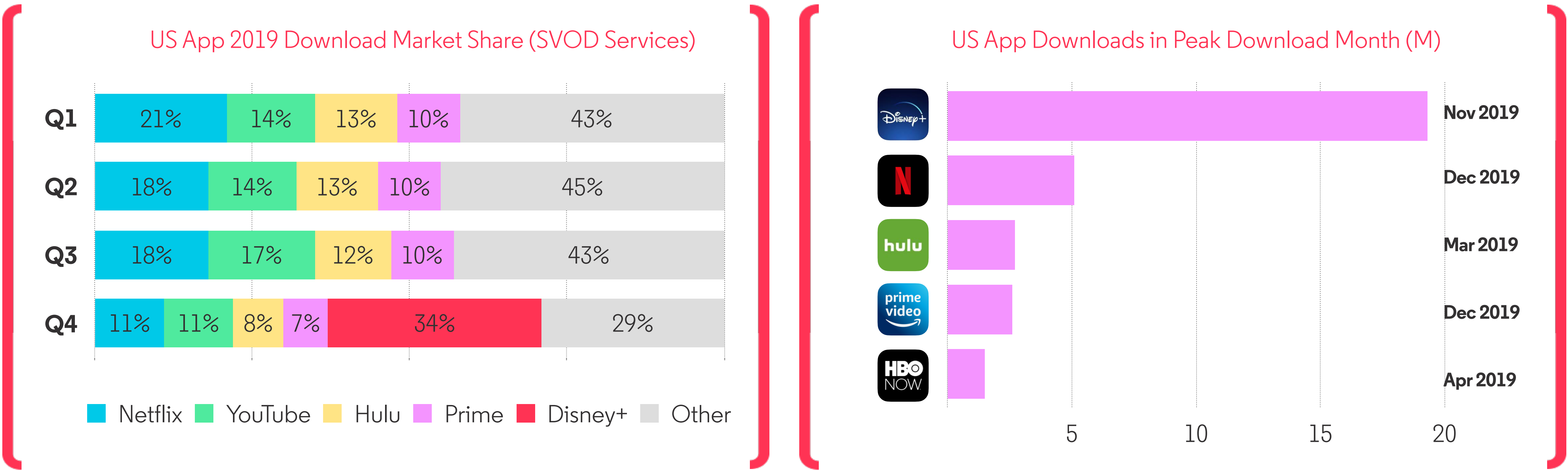
“[Disney+] has exceeded even our greatest expectations. Thanks to our incredible collection of brands, outstanding content from our creative engines and state-of-the-art technology, we believe our direct-to-consumer services, including Disney+, ESPN+ and Hulu, position us well for continued growth in today’s dynamic media environment.”

Bob Iger, Ex-Chairman & Chief Executive Officer
The Walt Disney Company

Disney+ Immediate awareness and demand in the US

There were more than 30M App downloads in the US (34% share of SVOD Apps) in Q4 '19

Since 2014 no SVOD achieved as many monthly downloads and although the market is different Disney+ outperformed









Disney+

UK Pricing competitive in the market

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European pricing for Disney+ is £5.99/€6.99 per month, or £59.99/€69.99 for a year
Disney also offered a £49.99/€59.99 annual offer price for early sign-ups

UK Streaming Service Pricing - Standard Tier (£GBP)

	2 screens Higher tier needed for HD (+£3 for HD and 3 screens)	8.99
	2 screens, HD, Higher tier needed for UHD	Basic Plan @ £5.99 1 screens, no HD 8.99
	3 screens, HD and UHD (where available)	No Shipping @ £5.99 7.99 *
	4 screens, HD and UHD (where available)	5.99
	Multiple screens (no limit declared), HD	5.99
	6 screens (with family sharing), HD and UHD	4.99



Disney+ Distribution Partnerships

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The strategic importance of distributors in markets is highly valued by Disney - with a number of different types of relationship



DIE HELDEN KOMMEN NACH HAUSE

AB DEM 24. MÄRZ BEI DER TELEKOM
Schon jetzt registrieren unter telekom.de/disneyplus

DISNEY+
6 MONATE
OHNE AUFPREIS

Disney+ on Sky Q

Sky TV & Disney+ shows side by side



sky



Disney+
llega a
Movistar.

Disney + PIXAR + MARVEL + STAR WARS + NATIONAL GEOGRAPHIC

Disney+ | BIENTOT AVEC CANAL+

Get six months of Disney+ on us

With our latest plans. Not ready to upgrade? Add Disney+ to your current plan and we'll give you £2 a month off your bill.

O₂

Disney + PIXAR + MARVEL + STAR WARS + NATIONAL GEOGRAPHIC

TIM SUPER FIBRA^E
con Mondo Disney+ in esclusiva

24,90€ al mese
MONDO DISNEY+ INCLUSO PER 3 MESI
poi 3€/mese in più



Disney + PIXAR + MARVEL + STAR WARS + NATIONAL GEOGRAPHIC



Disney+



TV and Telco Partnerships



Disney have approached partnerships differently, leveraging their current position and renegotiating some Pay TV deals as part of a new relationship - some deals involve bundling, whilst others are having just a retail relationship

France	UK	UK	Germany	Spain	Italy
Canal+	O2	Sky	Deutsche Telekom	Movistar (Telefonica)	Telecom Italia
Exclusive Distribution partner	Exclusive Mobile Telco partner	Non-Exclusive Distribution partner	Exclusive Distribution partner	Exclusive Distribution partner	Exclusive Distribution partner
Retailed through Canal+ Bundled in multiple options including Ciné Séries Pack	Six months free for all customers £2 off for existing subs	Retailed through Sky No discounts or bundling	Six months free €2 saving for TV, fixed-line and mobile subs*	Bundled in some Movistar Fusion packs Added to “Cine” pack with six months promo	Three months free €3 saving with TIMVision & Fibre bundles

Exclusive Disney+ Originals







One bill
for both

Sky TV & Disney+ shows side by side



Personalised viewing with
up to seven profiles



Tom



Sarah



David




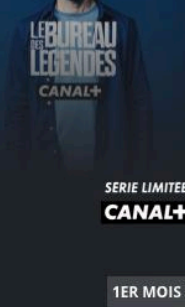
Add Profile

Watch on four screens at once

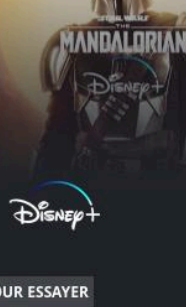


Download on 10 devices
to watch on the go





**LE BUREAU
DES LÉGENDES**
CANAL+



MANDALORIAN
Disney+

SÉRIE LIMITÉE

CANAL+

Disney+

1ER MOIS POUR ESSAYER

<

26 ans

19

€90/MOIS*

pendant 2 ans



Choisir cette offre

Voir le détail de l'offre

CANAL+

Disney+

CANAL+
Disney+

MANDALORIAN

Disney+

Vous les VEULENT
les **HOMMES**

CANAL+
CINEMA

CANAL+

et le pack + DE CANAL +

1ER MOIS POUR ESSAYER

34^{ans} **24** €90/MOIS*
pendant 2 ans

Choisir cette offre

[Voir le détail de l'offre](#)

CANAL+ family

CANAL+ CINEMA

CANAL+ SPORT

CANAL+ SERIES

CANAL+ family

CANAL+ DECAL

Disney+

...




CANAL+ **et le pack CINE SERIES+**

1ER MOIS POUR ESSAYER

49^{euros} **34** €90/MOIS*
 pendant 2 ans

Choisir cette offre

[Voir le détail de l'offre](#)

CANAL+

CANAL+
CINEMA

CANAL+
SERIES



Disney+

NETFLIX

CCS
 MAX

CCS
 City

...

CANAL+




et le pack FAMILLE+





1ER MOIS POUR ESSAYER

34[€] **29** €90/MOIS*
pendant 2 ans

Choisir cette offre

[Voir le détail de l'offre](#)

CANAL+ CANAL+ SPORT beIN SPORTS EUROSPORT

CANAL+
et le pack SPORT+



1ER MOIS POUR ESSAYER

56€ **39** €90/MOIS*
pendant 2 ans

Choisir cette offre

[Voir le détail de l'offre](#)

CANAL+ CANAL+ SPORT Disney+ beIN SPORTS EUROSPORT AUTOMOTRO

INTEGRALE +


1ER MOIS POUR ESSAYER

9,9^{€90} **89** **€90/MOIS***
pendant 2 ans


>


Choisir cette offre


[Voir le détail de l'offre](#)






CANAL+
SPORT









Disney have been utilising the promotional value of linear channels in the markets when they launch



US Market - Disney Owned Channels

Premiered first episode (simulcast) across the three Disney owned channels on 8th Nov before the launch of Disney+ on the 12th



France - Canal+

Planned premiere of the first episode on four of its channels (both Pay and Free TV) ahead of the postponed launch of Disney+ in the market



Germany - ProSieben

Free TV Premiere of the first episode two days ahead of launch and alongside the 'Star Wars: The Last Jedi' Free TV premiere

Asian and LatAm rollouts will come later, but other launches are imminent - Africa remains unclear (rumoured late 2021) and Middle East is unlikely in the foreseeable future with Disney selling Disney+ content to local Pay TV operator OSN



Disney+ International Rollout		
North America		Launched Nov 19th 2019
Netherlands		
Australia & New Zealand		
UK & Ireland		Launched March 24th
Germany, Austria & Switzerland		
Spain		
Italy		April 3rd
India (through Hotstar)		
France		April 7th
Belgium		Summer 2020
Nordics		
Portugal		
Asia		Late 2020 and through 2021
Latin America		H1 2021

Disney+
India - Disney+ Hotstar

Disney’s purchase of Star India's parent company Fox has led to the strategy of integrating Disney+ with Hotstar

The Disney+ Hotstar VIP Premium tier has increased in price from Rs 999 to 1,499 (\$20) and includes all Disney+ content

The lower tier will include Marvel movies, but not Disney+ Originals, and is priced at Rs 399 (\$5.3)

India remains a key growth market for Netflix and Amazon, and the addition of Disney+ to what was already a service containing significant content will increase competition



Disney+ Hotstar VIP (Basic)	Rs. 399
Marvel Movies, Live Sports, Hotstar Originals and library catalogue - no Disney+ Originals	
Disney+ Hotstar VIP Premium	Rs. 1,499
All of the basic tier plus shows from HBO, Fox, Showtime and Disney+ Originals	

Wide accessibility of the app and a truly excellent experience within the service has been a key priority

4

Concurrent streams per account

7

Custom profiles

10

Devices registered at any one time

16

Languages subtitled and dubbed for Disney+ original content

4K & HDR

For selected content

Unlimited

Downloads of shows and movies to watch offline later

Personalisation

Personal recommendations alongside curated content & franchise areas



Disney+
Originals key to content proposition

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Content Plan (April 2019)

	Full Year 2020	Full Year 2024
ORIGINALS		
TV	25+	50+
Movies	10+	10+
Cost	→\$1 Billion	\$2-3 Billion
OTHER		
TV	7,500+	10,000+
Movies	100+ recent, 400+ lib.	120+ recent, 500+ lib.
Cost	\$1-1.5 Billion	\$2-3 Billion

Disney+ has around 7,500 TV episodes and 500 movies from Disney, Pixar, Marvel, Star Wars and National Geographic alongside The Simpsons and other Fox content

Y1 will see 30+ exclusive original series and 15+ exclusive original movies and specials, with originals and theatrical films key

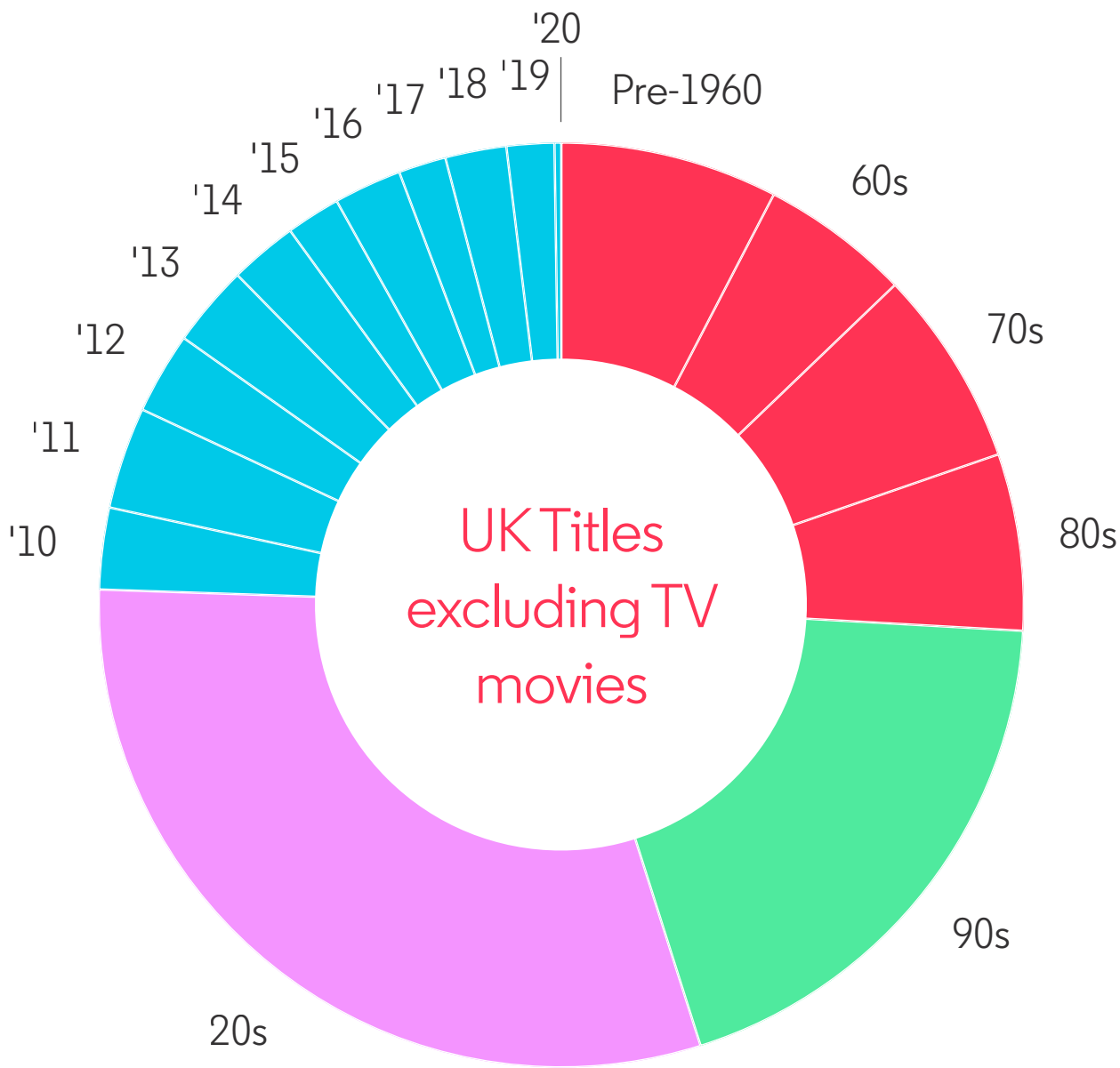
The Mandalorian received acclaim (95% 🍅) and has been renewed, and Marvel TV originals are being positioned alongside blockbuster movie releases, using the same film talent

Existing properties and library are a big part, with The Disney Vault (previously used to control the home video market for Disney movies) now retired, with all of its content coming to Disney+

The film proposition is supported by Theatrical, Straight-to-DVD and TV movies, with a significant number of very successful theatrical titles available from key franchises

Scripted Theatrical Releases available on Disney+ UK (2017-2020)		
Star Girl	2020	Disney+ Original
Aladdin	2019	Disney Live Action
Avengers: Endgame	2019	Marvel Live Action
Captain Marvel	2019	Marvel Live Action
Dumbo	2019	Disney Live Action
Lady And The Tramp	2019	Disney Animation
Lion King, The	2019	Disney Live Action
Toy Story 4	2019	Pixar Animation
Ant-Man And The Wasp	2018	Marvel Live Action
Avengers: Infinity War	2018	Marvel Live Action
Black Panther	2018	Marvel Live Action
Christopher Robin	2018	Disney Live Action
Incredibles 2, The	2018	Pixar Animation
Mary Poppins Returns	2018	Disney Live Action
Nutcracker And The Four Realms, The	2018	Disney Live Action
Ralph Breaks The Internet	2018	Disney Animation
Solo: A Star Wars Story	2018	Lucasfilm Live Action
Wrinkle In Time, A	2018	Disney Live Action
Beauty And The Beast	2017	Disney Live Action
Cars 3	2017	Pixar Animation
Coco	2017	Pixar Animation
Guardians Of The Galaxy: Volume 2	2017	Disney Animation

Disney+ UK Film Offer by Era



Content driven by US supply chains and impacted by COVID-19

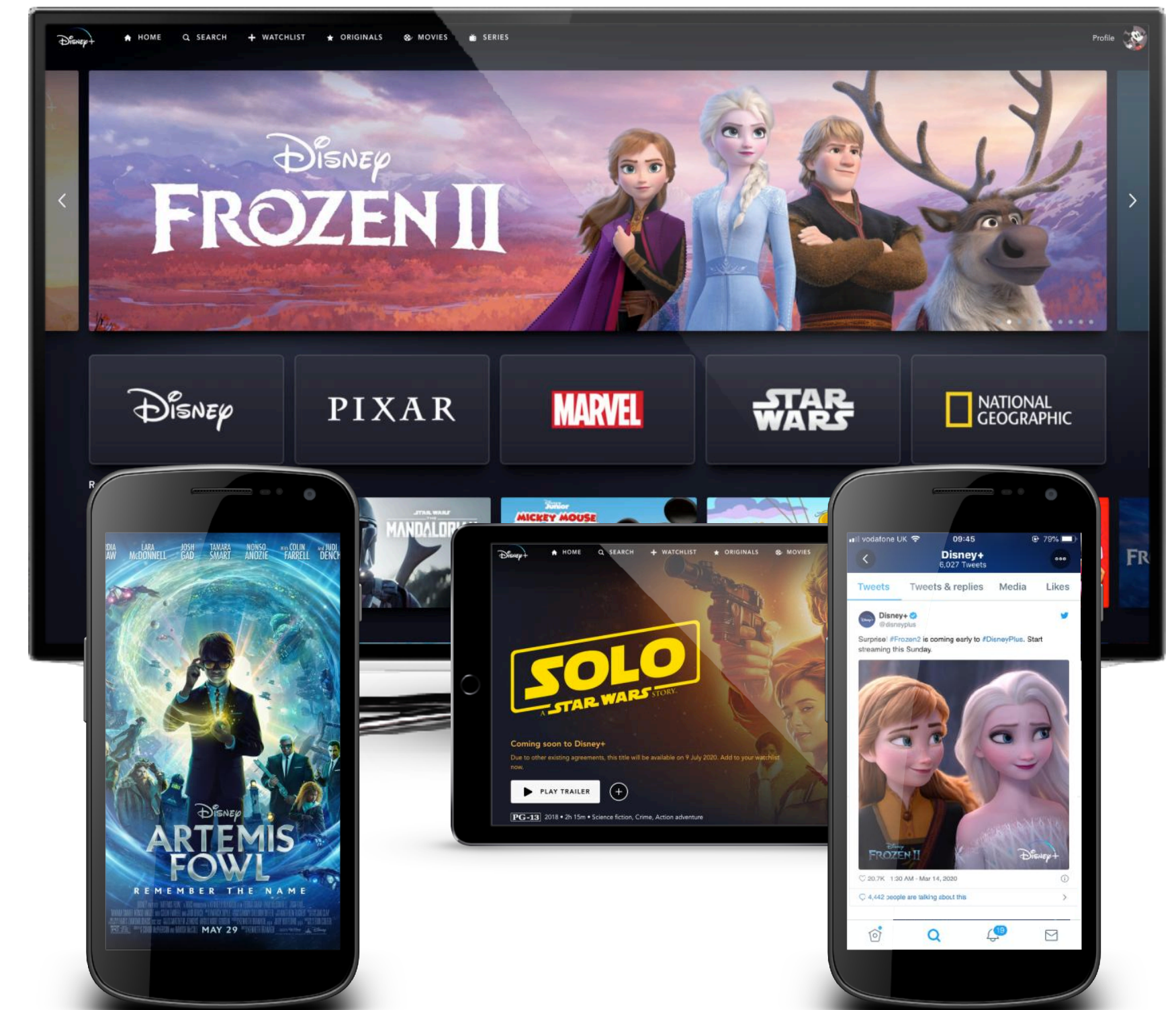
The content offer across the territories are broadly similar but there are some variations coming from market factors:

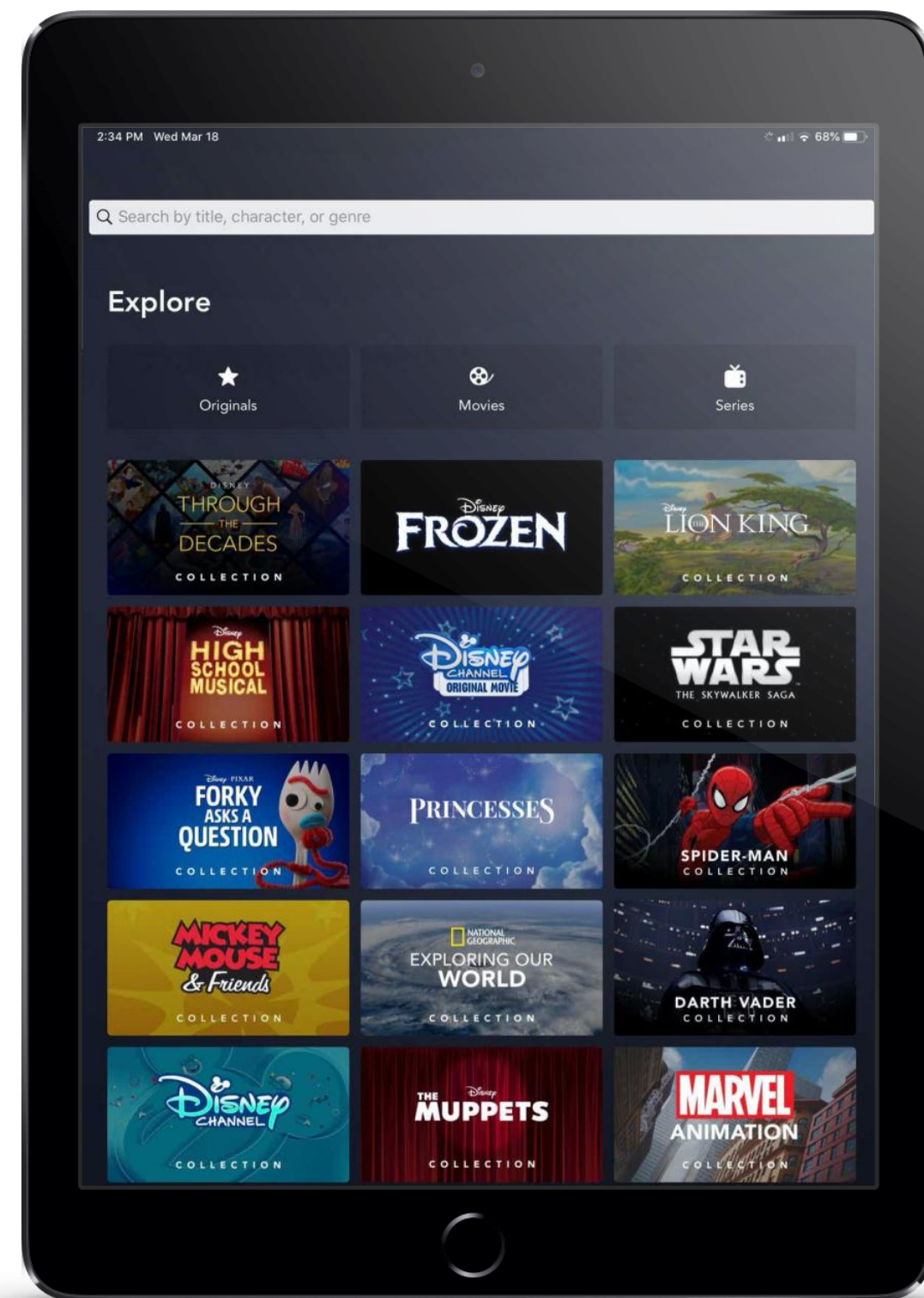
The presence of existing content deals with third-parties (e.g. Netflix in the US)

Some distribution partnerships have driven content variations (e.g. sharing the 1st Pay Movie window in the UK)

Local market regulations are impacting offers in some countries (e.g. French laws on release windows)

Retail/rental windows were to stay, however in lockdown the company is disrupting windows - releasing 'Frozen II' and 'Onward' early and now moving Artemis Fowl to a Disney+ premiere





The offer includes almost the entire Disney catalogue, with Disney's belief that removing their branded content from the licensing market and going D2C is the way forward

On the surface they are employing significant curation, but Originals are key and may suffer production delays that could create an issue on the anniversary of US launch

The key challenge for Disney is the same for all SVODs - will they have enough new content flowing through to prevent churn and retain subscribers

The Disney library has huge appeal, but despite the tent-poles and big franchises it is inevitably limiting to restrict the offer to their own library and remain US-centric

The Simpsons and other Fox content is appearing, and no doubt negotiations will go on to secure Spider-Man from Sony, but more considerations are undoubtedly being worked on, in particular when it comes to local regulatory requirements that may force their approach, such as the EU's Audiovisual Media Services Directive

Disney+ got off to an incredible start in the US, but the proposition is currently US centric and the content proposition may limit the target segments internationally

The unprecedented impact from the COVID-19 pandemic will mean growth comparison and analysis are of little value, but international growth will be key

Disney have been establishing key distribution partnerships and invested in making the app as accessible as possible - with Pay TV operator STB integration coming

Its impact will change the Pay TV market and inject new competition into the SVOD market, but alongside engagement with the Pay TV stakeholders



Wall Street's valuation of D2C businesses is such that Disney's current strategy will help drive the share price and keep investors happy, but as they move on from the first phase of rollout and start having to meet the challenges of a competitive market (and demanding consumers) maintaining their momentum and flow of content will be critical to success

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Strategy. Research. Rights Negotiation. Business development.
If you're a business with ambition in the content world, 3Vision's consultancy services can help



Upcoming CTAM Webinars

29th April 15:00 BST

Movies and theatrical releases: COVID 19:
Is this an opportunity to transform transactional VOD?
Hear how to leverage your TVOD service

Nathalie Lethbridge, Founder & MD, Atonik Digital
Adam Cunningham, Chief Global Strategist, Allied
Global Marketing

6th May 15:00 BST

European OTT & Pay TV Forecasts and how will Covid-19
hit the TV Sector?

Simon Murray, Principal Analyst, Digital TV

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If you would like a presentation of these results and our insights to your team, please get in touch.

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