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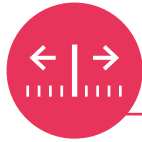
PwC Entertainment & Media Outlook 2017-2021



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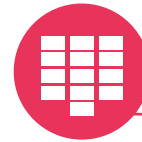
Consumer/end-user & advertising spending



5 Year historical & 5 Year forecast data



54 countries



17 segments



Data consumption



Video games



Internet access



TV advertising



Cinema



Music



Radio



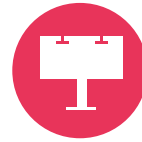
Magazine publishing



Newspaper publishing



Book publishing



Out-of-home advertising



Business-to-business



E-sports



Internet advertising



Internet video



Traditional TV and home video



Virtual reality

A person is silhouetted against a background of bright, out-of-focus yellow lights, likely at a concert or event. They are holding a smartphone horizontally, capturing a photo of the stage. The phone's screen shows a bright scene, possibly the stage itself. The overall atmosphere is vibrant and energetic.

Emerging technologies are enabling companies to differentiate by creating innovative user experiences

The accelerating speed of technological change is opening up large opportunities for innovation in product offerings that revolve around user experience

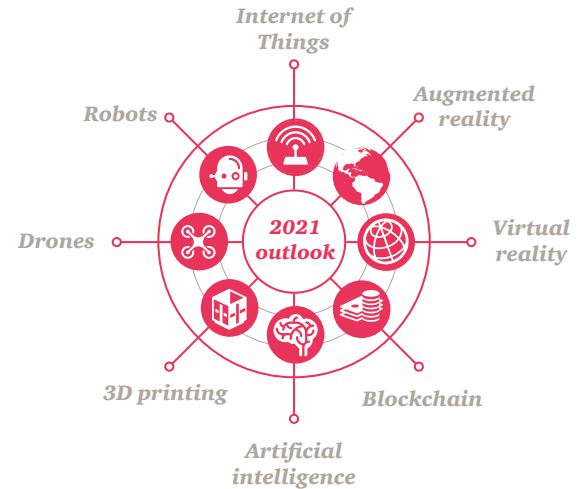


Emerging technologies are changing the E&M industry

1 Technology is the driving force behind new and rapidly growing segments



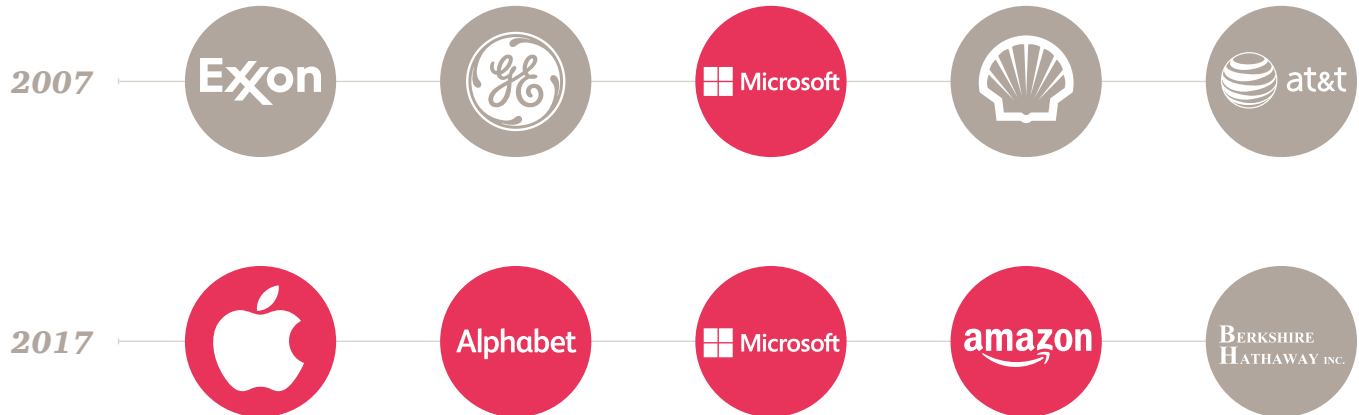
2 Exploitation of data and new technology is enabling innovative user experiences.



Technology companies now dominate the world's largest companies measured by market capitalization

Top 5 public traded companies by market cap (June 30)

● Tech
● Other

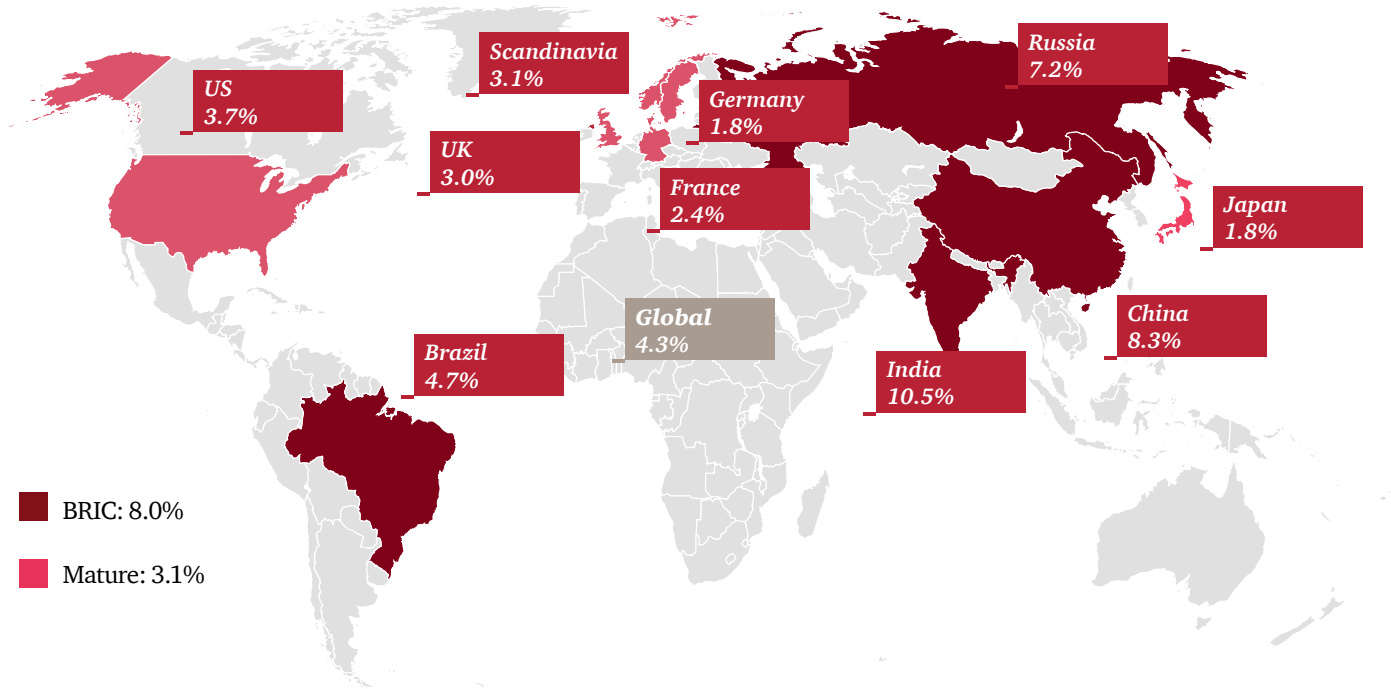


Source: FT Global 500 & Ycharts.com



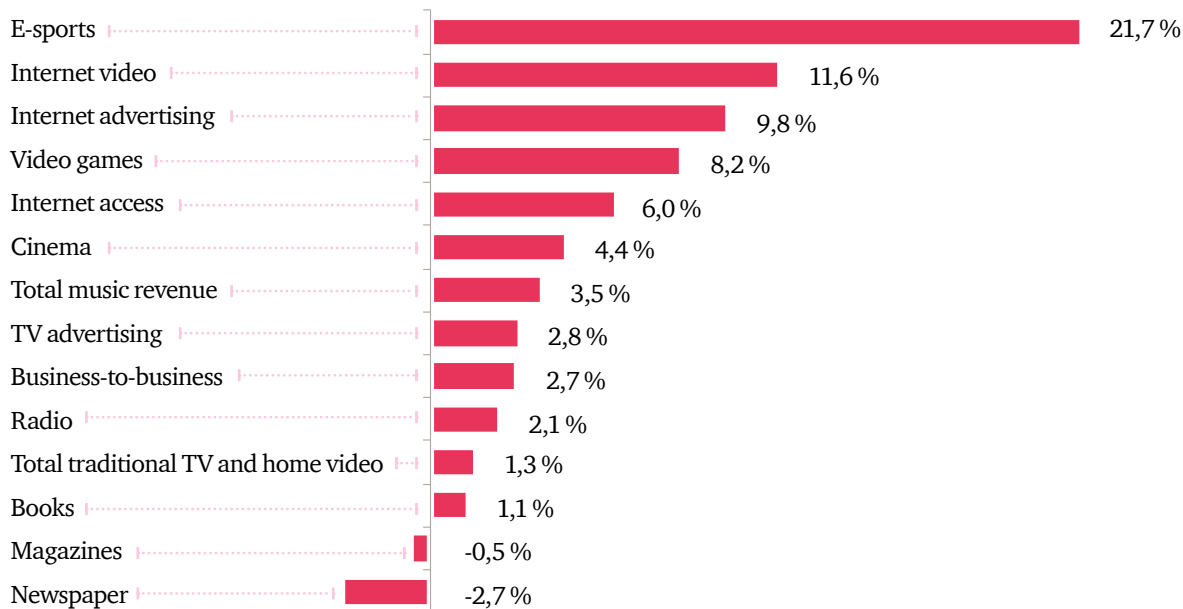
What Are the Global Trends?

Expected global growth in E&M expenditures of 4.3%



E-sports and internet video are expected to outperform the other segments in the global E&M market in terms of percentage growth

Global growth by segment 2016-2021F

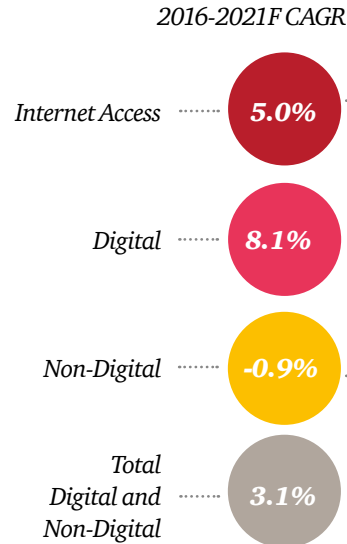
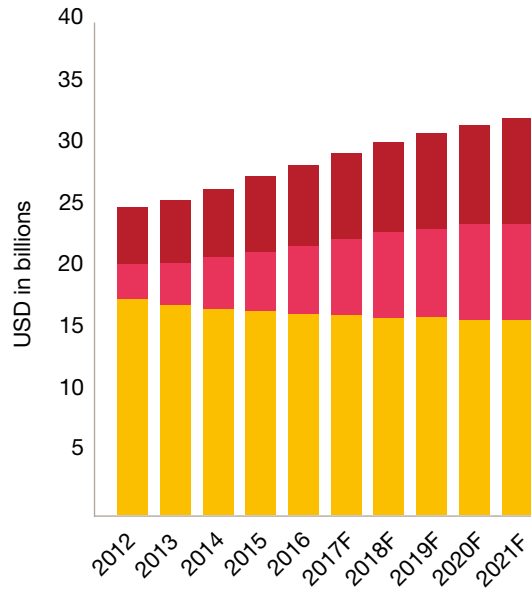




The Scandinavian E&M market



Spending on digital channels is expected to drive growth in the Scandinavian E&M market



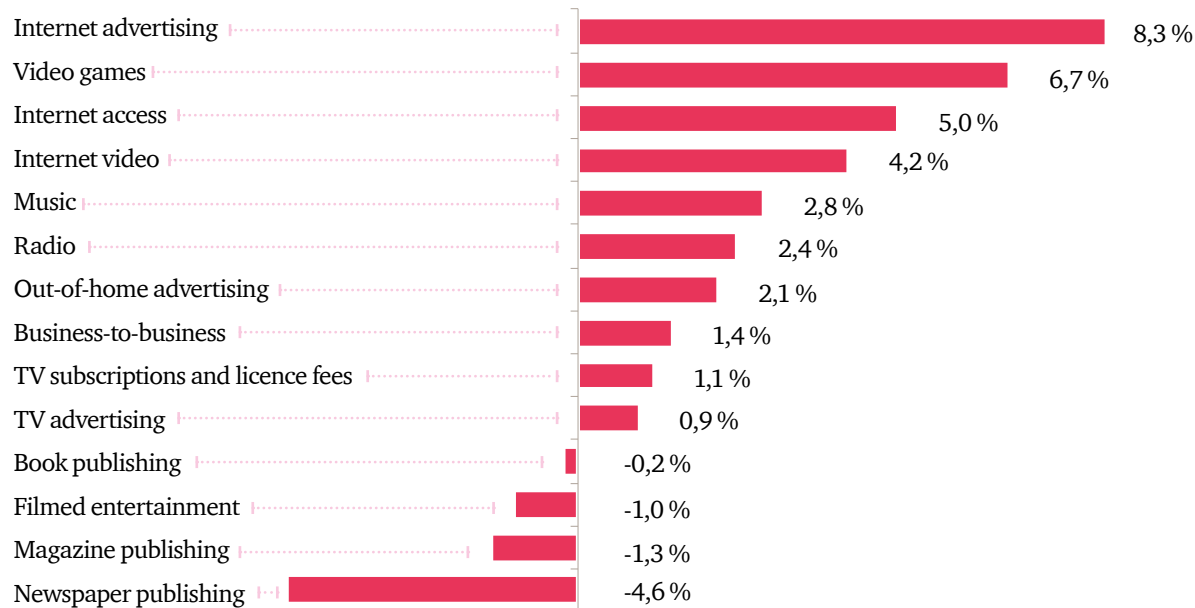
Digital is defined as:

- Online and mobile internet advertising
- Mobile TV subscription
- Digital music
- Electronic home video
- Online and wireless video games
- Digital consumer magazines circulation spending
- Digital newspaper circulation spending
- Digital trade magazine circulation spending
- Electronic consumer, educational, and professional books
- Satellite radio subscriptions



Internet advertising is expected to lead growth across media segments in the Scandinavian E&M market towards 2021

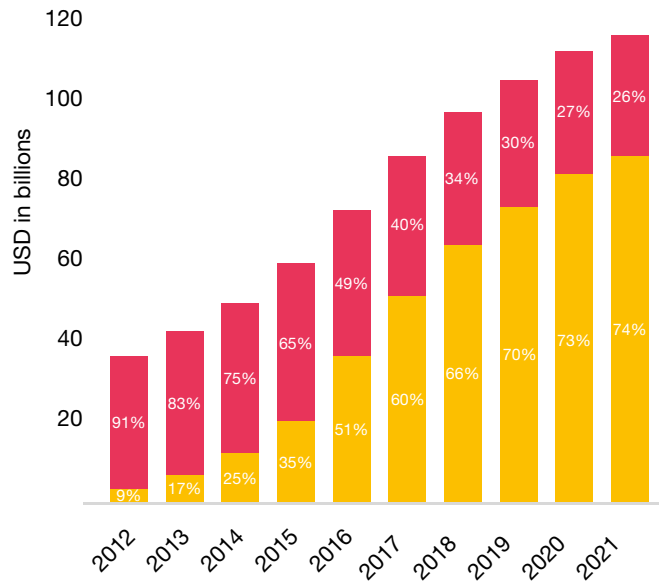
Scandinavian growth by segment 2016-2021F





Mobile is expected to make up more than 70 % of internet advertising revenue in US by 2021

Internet advertising in US advertising revenue



2016 -2021F CAGR

Mobile internet advertising in USA **18.7%**

Non-Mobile internet advertising in USA **-3.7%**

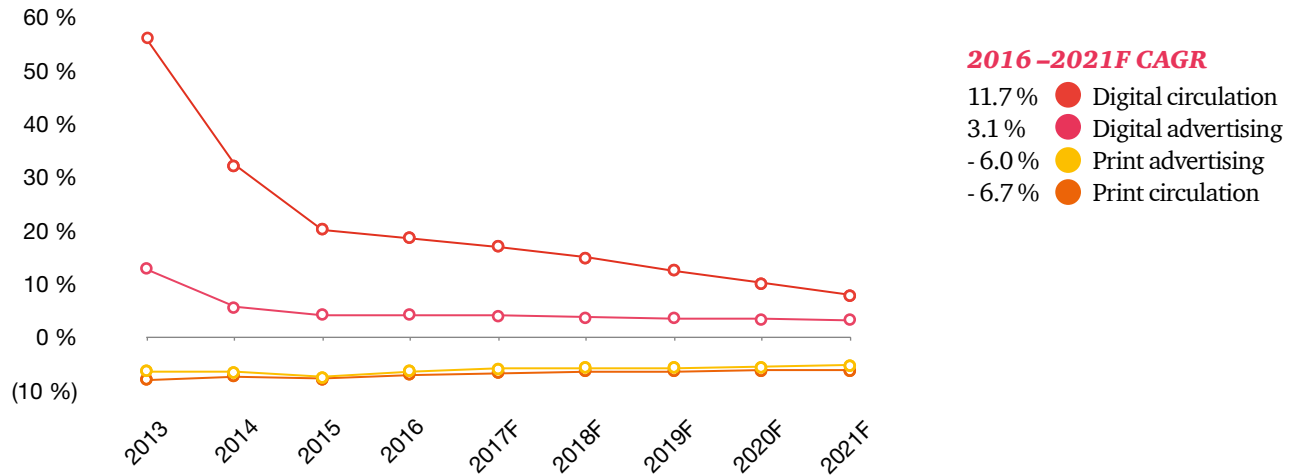


User Experience Driving Growth



Print will continue to see a negative growth rate and digital will not compensate for this loss

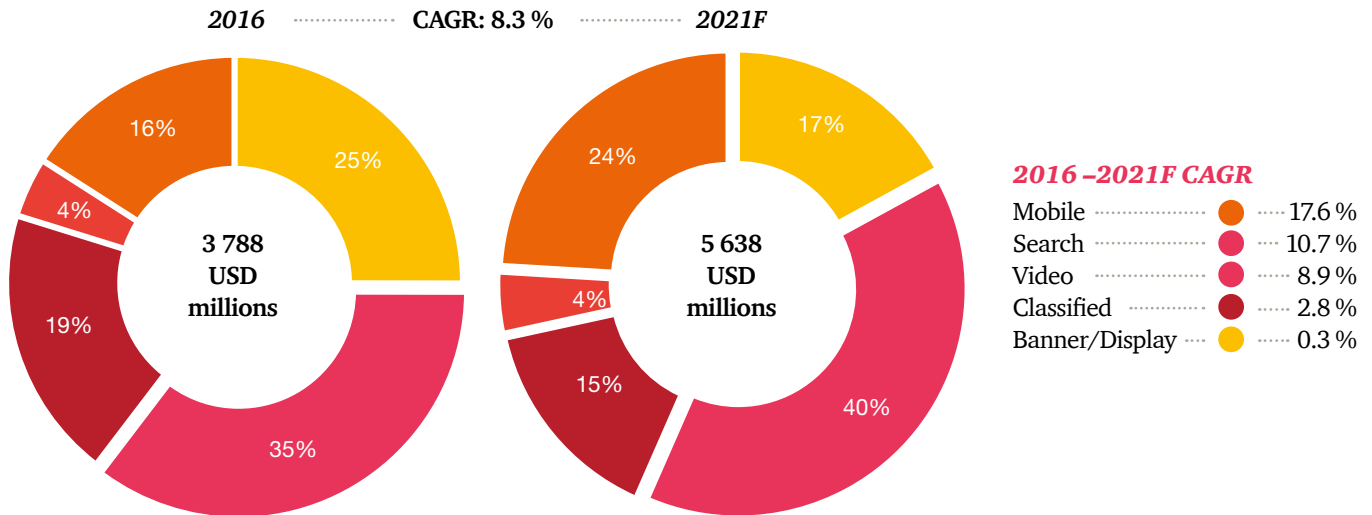
Year-over-year % growth rate in Scandinavia





Mobile will continue to be the biggest growth story towards 2021 in internet advertising

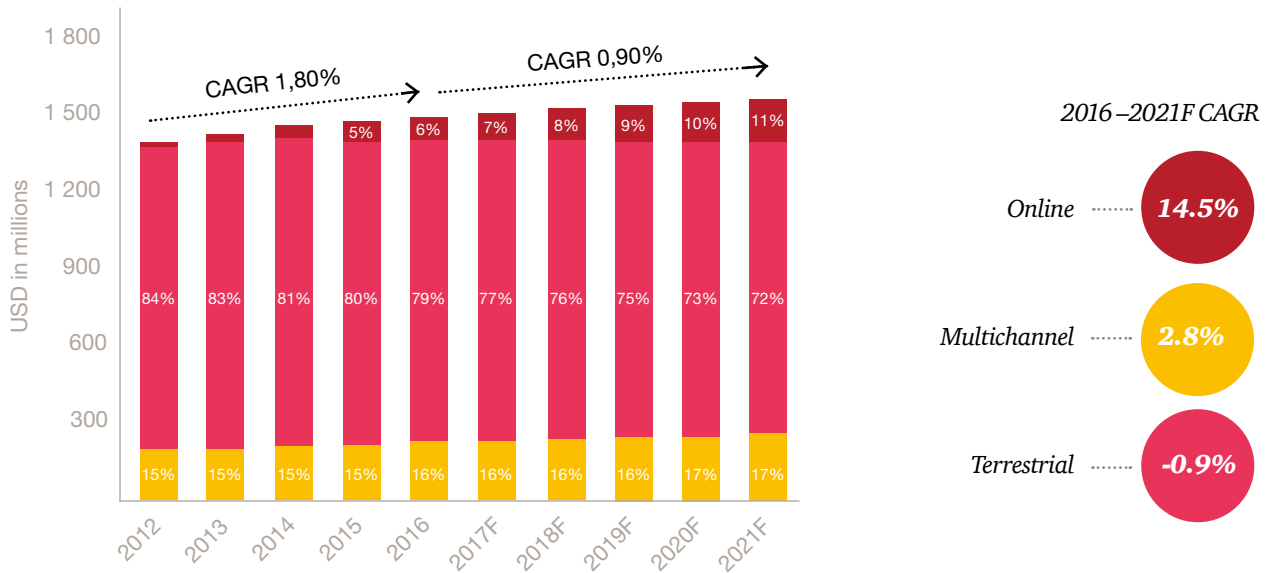
Internet advertising market by sub segment in Scandinavia





Traditional losing ground to online streaming services focusing on user experience

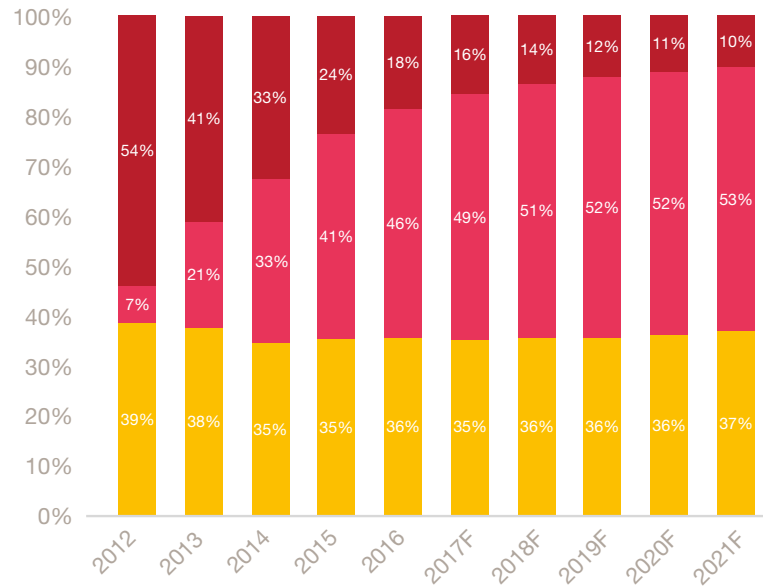
Traditional TV advertising is losing ground to online streaming services.



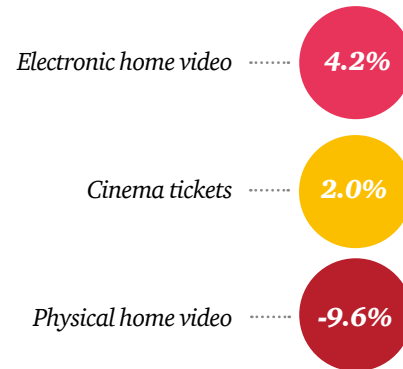


Electronic home video is expected to grow, but cinema is still keeping up

Scandinavian filmed entertainment revenue



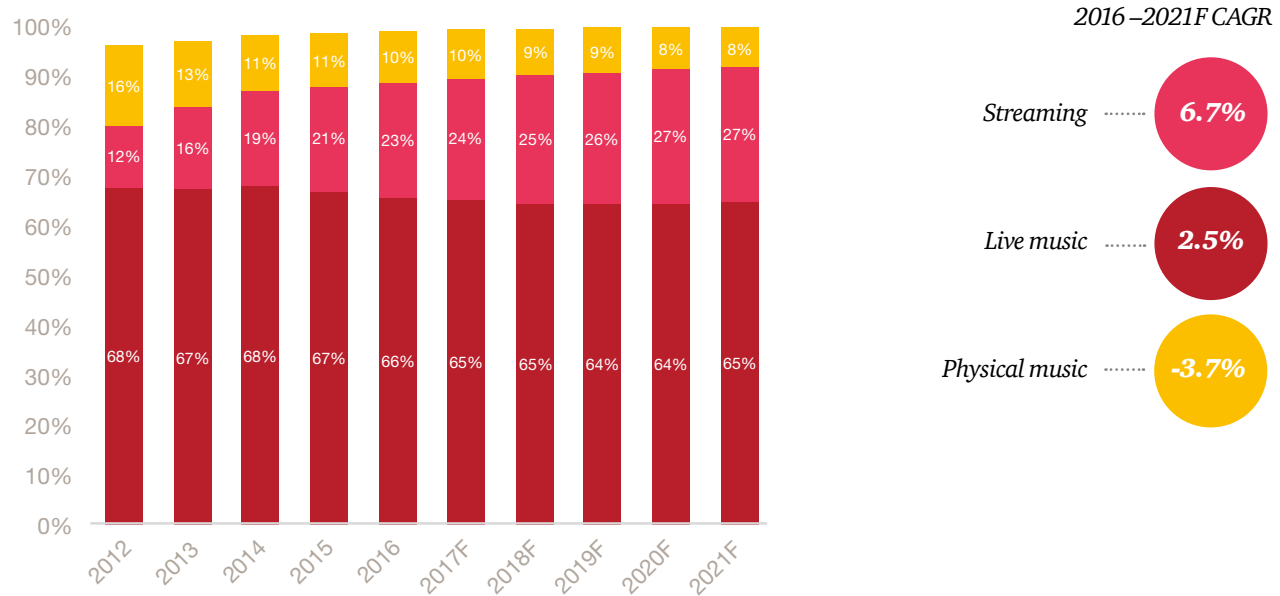
2016–2021F CAGR





Despite growth in streaming, live music will continue to be the main revenue stream in the music industry

Scandinavian music revenue



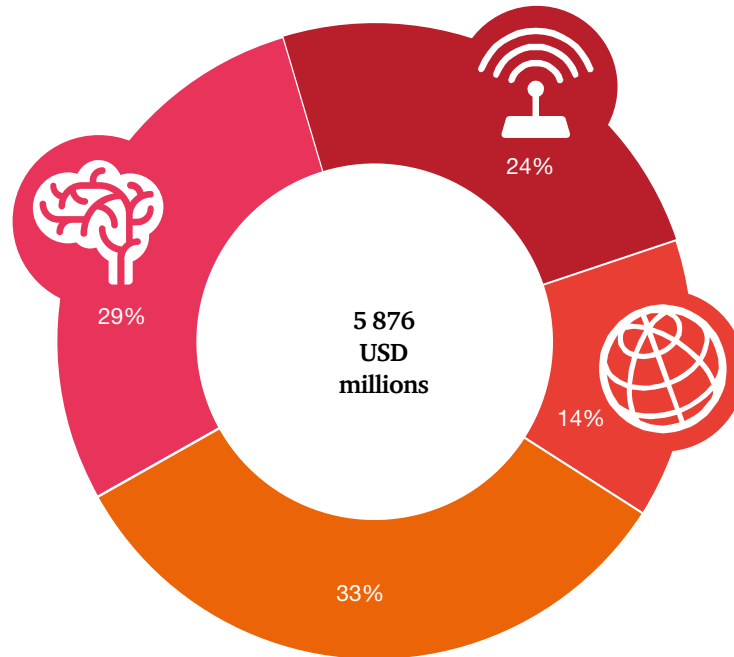


Emerging technologies will change how companies generate, distribute and control content

Among emerging technologies, AI, IoT and VR received most funding in 2016

Global VC funding, Essential
Eight technologies

AI
IoT
VR
Other
(Robots, AR,
Drones, 3D
Printing and
Blockchain)



Source: CB Insights, PwC, VC Funding



Scandinavia is better positioned to create value from Internet Of Things compared to the rest of the world

Key drivers for the Scandinavian IoT value creation potential

- 1** Well developed fiber- and internet- infrastructure.
- 2** 4G coverage is widely spread across Scandinavia. Sweden is leading in testing 5G coverage.
- 3** On average, each person in the Nordics has almost 3 devices connected to the internet in 2016. By 2021, this is expected to grow to 6 devices per capita, which represents four times as many devices as in the rest of the world.

Source: Connected Things: New digital ecosystems – unlocking the growth potential of IoT (2017) Arthur D. Little and Telia

By expanding to new or even non-existing entertainment platforms, E&M companies can unlock the potential of IoT

PwC AI-report: Sizing the prize



67M USD
IoT Scandinavian market size 2016

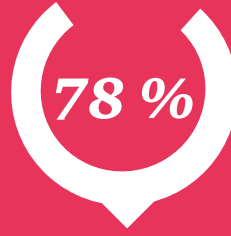


20 %
Nordic IoT CAGR 2016-2021 in the Nordics 2016 - 2021

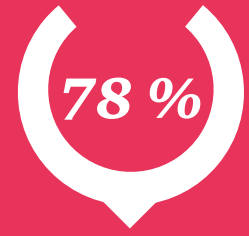
CEO perspective: E&M CEOs are mostly concerned about changing consumer behaviour



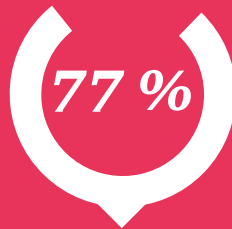
of E&M CEOs are concerned about changing consumer behaviour



of E&M CEOs are concerned about availability of key skills



of E&M CEOs are concerned about volatile energy costs



of E&M CEOs are concerned about uncertain economic growth



of E&M CEOs are concerned about the speed of technological change

A pair of hands is shown holding a light grey tablet computer. The tablet screen is white and displays red text. The background is plain white.

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