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Leichtman Research Group

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MAJOR PAY-TV PROVIDERS LOST ABOUT 795,000 SUBSCRIBERS IN 2016

Cable had the Fewest Losses Since 2006; Internet-Delivered Services Playing a Larger Role

Durham, NH – March 16, 2017 – Leichtman Research Group, Inc. (LRG) found that the largest pay-TV providers in the US – representing about 95% of the market – lost about 795,000 net video subscribers in 2016, compared to a pro forma loss of about 445,000 subscribers in 2015.

The top pay-TV providers account for 93.6 million subscribers – with the top six cable companies having over 48.6 million video subscribers, satellite TV services about 33.5 million subscribers, the top telephone companies 10.1 million subscribers, and the top Internet-delivered pay-TV services having about 1.4 million subscribers.

Key findings include:

- The top six cable companies lost about 280,000 video subscribers in 2016 – compared to a loss of about 410,000 subscribers in 2015, and 1,200,000 subscribers in 2014
 - Losses for the top cable providers were the fewest in any year since 2006 (the year Telcos introduced video services)
- Satellite TV services added about 190,000 subscribers in 2016 – compared to a loss of about 450,000 subscribers in 2015
 - DIRECTV added 1,228,000 subscribers in 2016 – compared to 167,000 net adds in 2015
- The top telephone providers lost 1,555,000 video subscribers in 2016 – compared to a loss of about 120,000 in 2015, and a gain of about 1,065,000 subscribers in 2014
 - U-verse lost 1,359,000 subscribers in 2016 (largely due to AT&T's focus on higher margin DIRECTV subscribers) – compared to a loss of about 300,000 subscribers in 2015

- Internet-delivered services (Sling TV and DIRECTV NOW) added about 845,000 subscribers in 2016 – compared to about 535,000 net adds in 2015
 - Traditional pay-TV services (not including Internet-delivered services) lost about 1,640,000 subscribers in 2016 – compared to a loss of about 980,000 in 2015
- In 4Q 2016, the top pay-TV providers added about 140,000 subscribers – similar to about 145,000 net adds in 4Q 2015
 - Traditional pay-TV services lost about 330,000 subscribers in 4Q 2016 – compared to a small gain of about 1,000 in 4Q 2015

“The pay-TV market has seen significant change in the past two years, with the introduction of Internet-delivered services, and share shifts among traditional providers that are driven as much by providers’ decisions as by changes in consumer demand,” said Bruce Leichtman, president and principal analyst for Leichtman Research Group, Inc. “When analyzing the pay-TV market, it is now essential to include Internet-delivered services as part of the industry, just as it was important to include satellite and Telco services when those new forms of delivery were introduced.”

Pay-TV Providers	Subscribers at end of 4Q 2016	Net Adds in 2016
Cable Companies		
Comcast	22,508,000	161,000
Charter	17,236,000	(187,000)
Altice*	3,469,000	(111,000)
Mediacom	828,000	(27,000)
Cable ONE	320,246	(43,904)
Other major private company**	4,290,000	(70,000)
Total Top Cable	48,651,246	(277,904)
Satellite Services (DBS)		
DIRECTV	21,012,000	1,228,000
DISH-DBS^	12,491,000	(1,037,000)
Total DBS	33,503,000	191,000
Phone Companies		
Verizon FiOS	4,694,000	59,000
AT&T U-verse	4,281,000	(1,359,000)
Frontier^^	1,125,000	(255,000)
Total Top Phone	10,100,000	(1,555,000)
Internet-Delivered		
Sling TV^	1,180,000	645,000
DIRECTV NOW^^	200,000	200,000
Total Internet-Delivered	1,380,000	845,000
Total Top Providers	93,634,246	(796,904)

Sources: The Companies and Leichtman Research Group, Inc.

* Altice no longer includes non-residential subscribers for Cablevision

** Includes LRG estimate for Cox

^ DISH reports combined DBS and Sling TV subscribers, the individual counts for DISH and Sling TV are LRG estimates

^^ AT&T reported "more than" 200,000 subscribers for DIRECTV NOW following its introduction in 4Q 2016

^^^ Frontier is revised from prior reporting (not including DBS subscribers) and includes LRG estimates

Company subscriber counts may not solely represent residential households

Top pay-TV providers represent approximately 95% of all subscribers

Top cable companies do not include overbuilder WOW with 486,400 subscribers

Net additions reflect pro forma results from system sales and acquisitions, and reporting adjustments -- therefore, comparing totals in this release to prior releases may not produce accurate findings

About Leichtman Research Group, Inc.

Leichtman Research Group, Inc. (LRG) specializes in research and analysis on the broadband, media and entertainment industries. LRG combines ongoing consumer research studies with industry tracking and analysis, to provide companies with a richer understanding of current market conditions, and the adoption and impact of new products and services. For more information about LRG, please call (603) 397-5400 or visit www.LeichtmanResearch.com.

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