

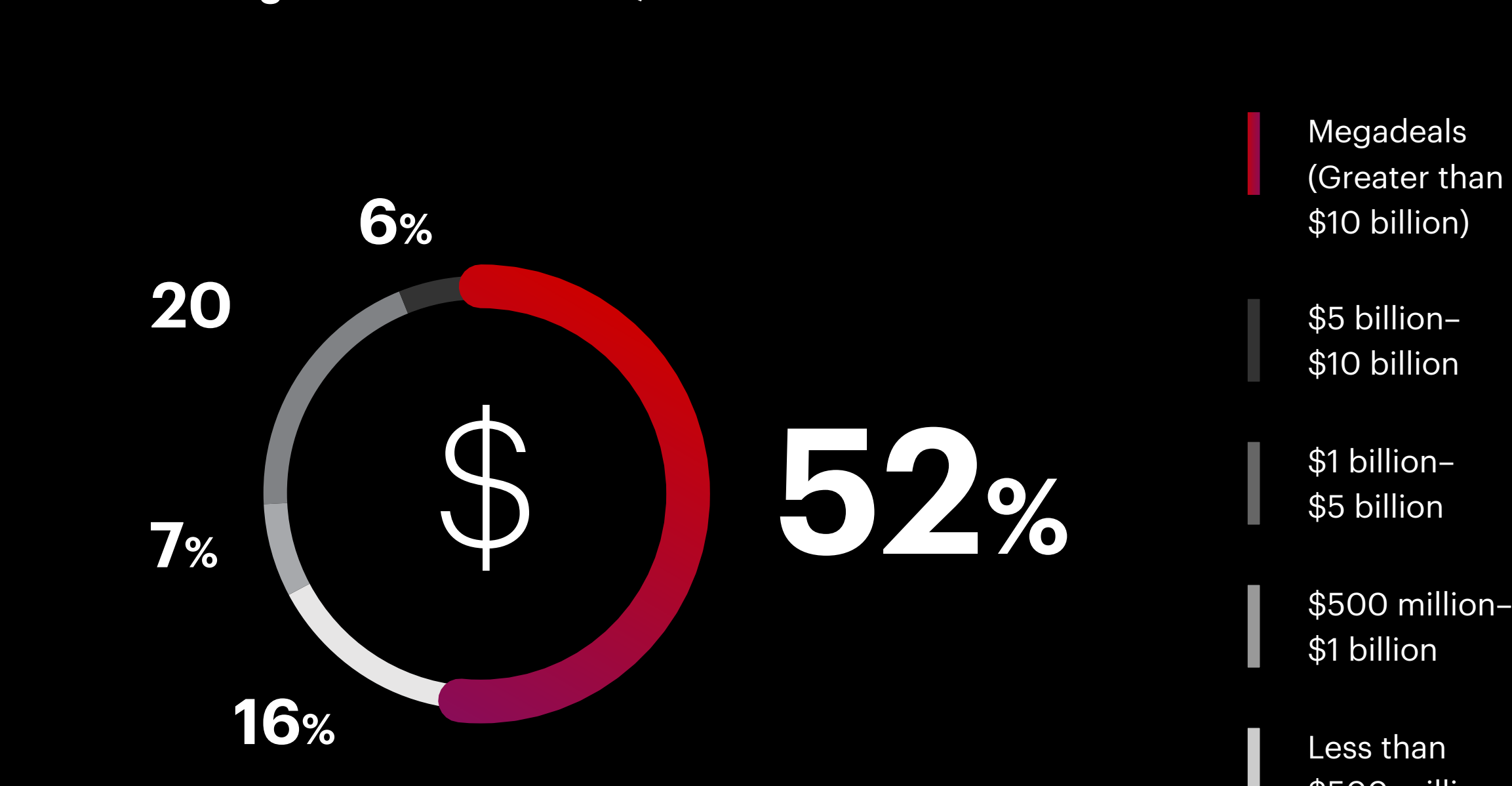
Scale M&A in Video Streaming

Deals that broaden content, audiences, and capabilities help media companies compete in an increasingly global market.

Megadeals reshape the media landscape

Deals valued at **\$10 billion** or more have accounted for a majority of media M&A activity over the past five years

Global strategic media deal value, 2015–2020

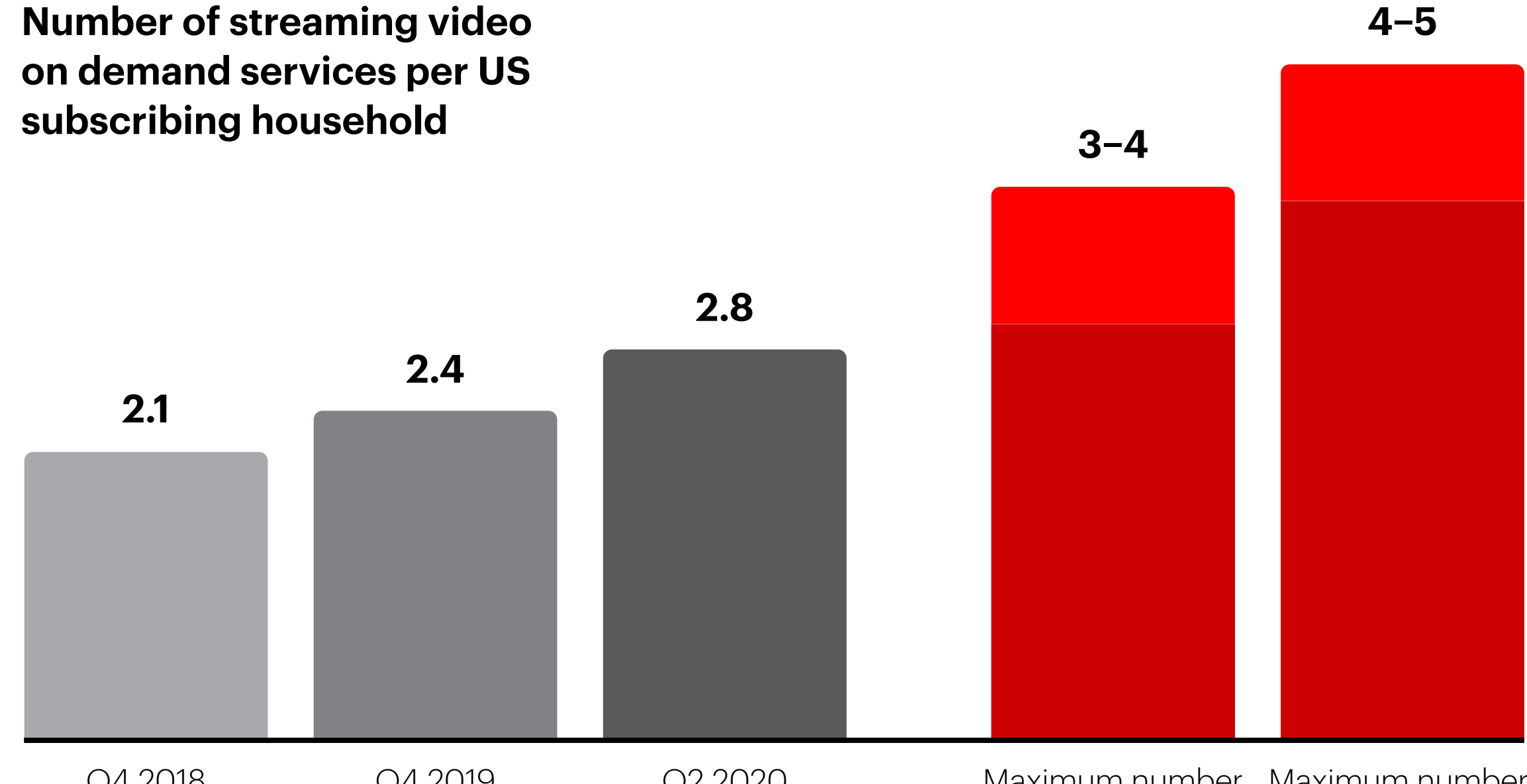


Notes: Strategic deal value reflects deals made by corporate acquirers, not by private equity firms; does not include media deals in which deal value was not disclosed. Source: Dealogic

The scramble for subscribers

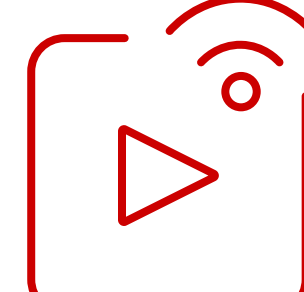
Our research shows that there will be few scale winners as consumers settle on **three or four paid streaming services**

Number of streaming video on demand services per US subscribing household



Sources: Bain OTT Consumer Survey, conducted Q4 2018 (N=10,007); Bain OTT Consumer Survey, conducted Q4 2019 (N=3,435); Bain/Google Streaming Video Consumer Survey, conducted Q2 2020 (N=3,772)

In this land grab phase of streaming, M&A is a clear way to grow offerings, which is why it will spur a new wave of activity over the next **two to three years**



Having global scale is critical

Streaming ambitions should be global, so any capabilities that a company can offer to achieve that ambition, including those highlighted below, are particularly valuable



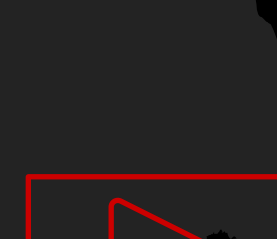
Content engines, including both libraries and studios



Key technologies, such as advanced advertising and predictive analytics



Existing streaming services and their customer bases

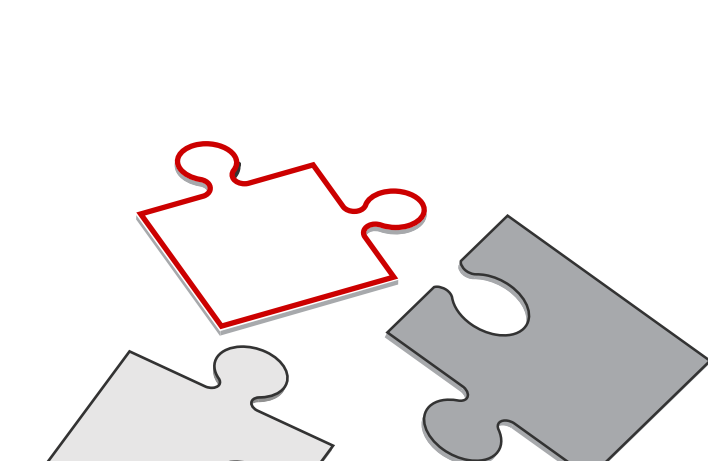
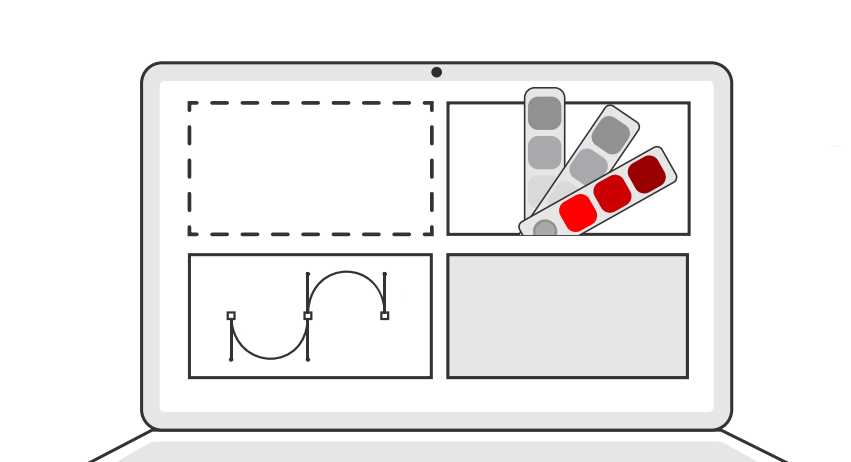


Video adjacencies, such as video games and e-commerce

Getting the most out of deals

Companies that get the most out of acquisitions

1 Support creative talent while integrating operating models that allow content creation to flow across an enterprise



Increase the diversity of creative voices by forming new creative partnerships across markets

3 Frame the integration as the beginning of a transformational journey through turbulence over the next three to five years



Reshape the cost structure to maximize the ability to invest in streaming and other key capabilities