THE CONVERGENCE RESEARCH GROUP LTD.

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The Battle for the American Couch Potato: Bundling, Television, Internet, Telephone, Wireless

March 2024

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Contents

Commentary

Since 2003, we have published our Couch Potato Report series every year. **The Battle for the American Couch Potato: Bundling, TV, Internet, Telephone, Wireless**, **March 2024**, (89 pages), contains analysis of product offers (including prices), strategy, subscriber & financial performance metrics (including forecasts) by Company & Market. In addition to Convergence analysis, sources include company interviews, annual/quarterly reports & presentations, US Census.

Commentary, please see Table of Contents for what is included in this Report:

We estimate 2023 saw a decline of 7.76 million US Cable, Satellite, Telco TV subscribers, and we forecast a decline of 7.1 million TV subs in 2024; hence US TV subscribers declined by 12% in 2023, and we forecast 13% in 2024 and 15% in 2026. Satellite/Telco continue to lose market share to Cable.

We estimate 2023 US Cable, Satellite, Telco TV access revenue declined 10% to $77.6 billion and forecast a 11% decline in 2024 (ARPU should grow 2%) and 13% in 2026.

As illustrated in our US Cord Cutter/Never Household Model, as of YE2023 we estimate X million US households (60% of HHs) did not have a TV subscription with a Cable, Satellite, or Telco TV access provider, and we forecast a rise to 75% of HHs YE2026.

Extending out forecasts to YE2029 from YE2023, demonstrates a decline of X% of TV subs and annual TV access revenue, and a X% increase in cord cutter/never households. Net-net traditional TV access is well into becoming a niche product.

We estimate over 3.7 million US residential broadband subscribers were added in 2023, higher than 2022, and revenue grew 6% to $90 billion. Our 2024-2026 sub forecasts are more moderate. While Cable continues to maintain the lions' share of residential broadband subs, Cable's annual share of net additions has fallen precipitously due primarily to T-Mobile and Verizon.

Residential US wireline telephone annual line loss is declining in the mid-teen percentage range, with Cable and Telco splitting market share. Wireless-only household penetration continues to rise, we estimate 83% of US households will no longer have a landline YE2026.

T-Mobile continues to lead AT&T and Verizon on annual organic subscriber additions. Cable's small market share continues to rise.