THE CONVERGENCE RESEARCH GROUP LTD.

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

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Commentary

Since 2003, we have published our Couch Potato Report series every year. **The Battle for the American/Canadian Couch Potato: Bundling, TV, Internet, Telephone, Wireless**, **March 2025**, (209 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, CRTC, ISED & Statistics Canada, US Census.

US Commentary (Canadian Commentary follows), please see Table of Contents for what is included in this Report:

We estimate 2024 saw a decline of 6.5 million US Cable, Satellite, Telco TV subscribers, and we forecast a decline of 5.6 million TV subs in 2025; US TV subscribers declined by 12% in 2024 and we forecast on average 12% declines/annum through 2027.

We estimate 2024 US Cable, Satellite, Telco TV access (subscription) revenue declined 10% to $70 billion and forecast on average 10% declines/annum through 2027, with ARPU growth remaining in the X%/annum range.

As illustrated in our US Cord Cutter/Never Household Model, as of YE2024 we estimate X million US households (64% of HHs) did not have a TV subscription with a Cable, Satellite, or Telco TV access provider, and we forecast a rise to 76% of HHs YE2027.

Extending out forecasts to YE2030 from YE2024, demonstrates a decline of more than X of TV subs and annual TV access revenue, and an over X% increase in cord cutter/never households. Net-net traditional TV access is well into becoming a niche product.

We estimate over 1.7 million US residential broadband subscribers were added in 2024 (far lower than 2023 and previous recent years), and revenue grew 5% to $95 billion. Our 2025-2027 sub forecasts see slightly higher sub additions and slightly lower revenue growth. 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 high-teen percentage range, with Cable and Telco splitting market share. Wireless-only household penetration continues to rise, we estimate over 87% of US households will no longer have a landline YE2027.

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

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

We estimate 2024 saw a decline of 4% of Canadian Cable, Satellite, Telco TV subscribers, and forecast similar declines through 2027. Both Cable and Satellite continue to lose market share to Telco. At current run-rate there will be more Telco TV subs than Cable by X.

We estimate 2024 Canadian Cable, Satellite, Telco TV access (subscription) revenue declined 5% to $6.51 billion and forecast X%/annum declines on average through 2027 and negative ARPU growth.

As illustrated in our Canadian Cord Cutter/Never Household Model, as of YE2024 we estimate X million Canadian households (46% of HHs) did not have a TV subscription with a Cable, Satellite, or Telco TV access provider, and forecast a rise to 54% YE2027.

Canadian TV subscribers and access revenue are currently not seeing as steep a rate of decline as the US, but this could change, dependent on new or expanded OTT offers in Canada.

2019-2024 were banner years for Canadian residential broadband subscriber additions, with 2008 and prior being the last time Canada saw better additions. We forecast 2025-2027 will continue to see robust additions (X/annum on average) as well as sustained broadband revenue & ARPU growth (in the X% and X% range respectively), however not as strong as the previous period. Although Cable continues to lead on residential broadband market share, Telco continues to chip away and is on pace to have more residential broadband subs than Cable by X.

Canadian residential annual wireline telephone lines continue to decline in the upper single digit range, while Cable market share continues to decline. Wireless-only household penetration continues to rise, we estimate X% of Canadian households will no longer have a landline YE2027.

2024 Canadian wireless service (weighted) ARPU growth was negative and wireless service revenue grew at a modest pace. We forecast continued ARPU pressure through 2027 and moderate annual subscriber additions.