Audiovisual services spending on original European content
2024 edition

Gilles Fontaine
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Introduction and methodology

Introduction and methodology

- This report analyses spending on content by audiovisual services in Europe* between 2013 and 2023. As the report deals only with spending by audiovisual services, figures do not represent the total financing of original content: other sources (notably public funding, distributors' minimum guarantees, fiscal incentives, etc.) are not considered.

- The report builds on a dataset provided by Ampere Analysis. Ampere Analysis collects data on spending on audiovisual works by the main broadcasters and global streamers in Europe. The dataset combines two different categories of data. Data is reported on a profit and loss basis.

⚠ In the previous edition of this report, spending for global streamers was reported on a cash basis. The figures are therefore not directly comparable.

- Generally speaking, the dataset **excludes** two main categories of spending:
  - News, when produced internally by a broadcaster.
  - Global streamers' acquisitions from their parent company, when this parent company is a Hollywood studio (e.g. Disney+, Paramount+, HBO Max), as these internal transactions cannot be monitored.

- Europe: wider Europe excluding Russia.

Introduction and methodology

- Spending on content is split into three categories:
  - **Original content**, which refers to any programme commissioned, pre-purchased or co-produced by an audiovisual service. As mentioned above, figures in this report do not include news produced internally. As a proxy, spending on original content by audiovisual services active in Europe is considered as spending on original European content. This assumption can be wrong in a very limited number of cases (e.g. minority co-production of a non-European work).
  - **Acquired film & TV programmes,** which refers to any programme acquired without participation in the financing. For broadcasters, "acquired film & TV" content refers to content from any origin, European or not; for streamers, it refers to European content.
  - **Sports rights**, from any origin, European or not.

- The report is organised into three sections:
  - Section 1: "**Spending on <u>European original content</u> by audiovisual services in Europe"** deals only with original content spending, and excludes news, acquired film & TV content and sports rights.
  - Section 2: "**Additional data on broadcaster spending on content"** provides additional data on the overall content spending on data of broadcasters. In this section "acquired film & TV" content and "sports rights" refer to content from any origin.
  - Section 3: **"Additional data on global streamer spending on content"** provides additional data on the overall content spending of global streamers. In this section "acquired film & TV" content refers to European content.

  Data from sections 2 and 3 are not comparable, as definitions vary.

Key findings

A. Spending on European original content

- Total spending on **European original works** (excluding news and sports rights) amounted to EUR 22 bn in 2023, reflecting a slower growth after the post-pandemic rebound.

- Spending on original content has increased faster than European audiovisual sector revenues, while at the same time sports rights spending is increasing sharply. This apparent disconnect can be accounted for by a series of factors: a trade-off between original content and acquisitions; a race for market share rather than profitability for certain players; bundling of SVOD services with other services.

- Global streamer spending increased by 34% in 2023 (vs. 104% in 2022) at EUR 5.7 bn and accounted for 26% of all spending on European original content. Global streamer investments in original European content continued to grow because Europe captures a growing share of global streamer investments in content. Netflix accounted for about 35% of streamer spending on European original content, down from 58% in 2021, as other SVOD services, notably Amazon Prime, increased their investments.

- Global streamer spending has not substituted broadcaster spending. Global streamer spending did not substitute broadcaster spending, which kept on increasing at a moderate pace. This increase of broadcaster spending was driven by private groups, even though there was simultaneously a strong growth in sports rights costs.

- Still, public broadcasters play a key role in the financing of original content in several countries (e.g. Denmark, Belgium or Germany). Conversely, private broadcasters lead in Poland, Italy and France and global streamers in Spain.

Key findings

- The UK and Spain accounted together for 53% of global streamer spending on original European content. The share of global streamers in original content spending is particularly high in Spain (over 50%) and, to a lesser extent, in Italy, and in the United Kingdom.

B. Beyond original content: other insights

- Original content accounts for 33% of broadcaster spending, followed by sports rights and acquired programming, almost at par (28% and 25%, respectively). But sports rights are number one in terms of content spending for private broadcasters and they grew significantly faster than any other category of programming.

- Both private and public broadcasters increased their investments in original content, probably at the expense of acquisitions.

- Overtime, streamer spending has increased both for acquisitions and commissioning of European original content. Original content represented 53% of spending on European content in 2023.

- The share of scripted* programming in streamer spending on original content has slightly decreased over time but scripted programming still accounts for the lion's share (80%).

- Among scripted content, series account for about 90% of global streamer investments vs. 10% for films.

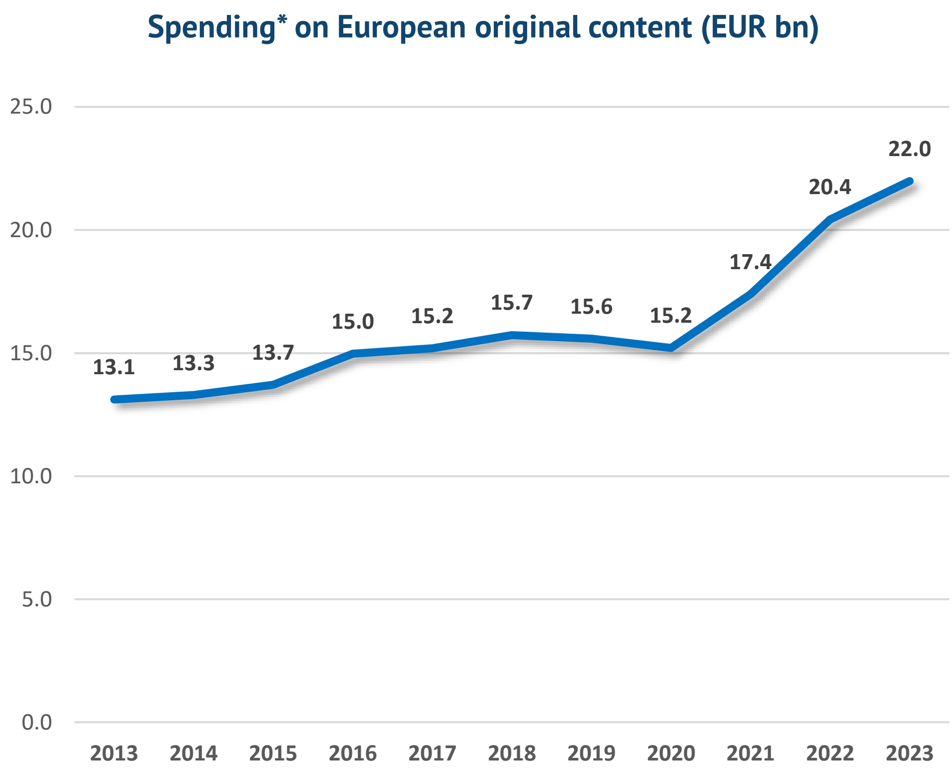
* Ampere Analysis classifies documentaries as unscripted.

Spending on European original content by audiovisual services in Europe

This section deals only with **original content spending**, and excludes news, acquired film & TV content and sports rights. As a proxy, all original content spending in Europe is considered spending on European content (see section “Introduction and methodology” above).

Spending on European original content accelerated in recent years

- Total spending on European original production amounted to EUR 22 bn in 2023.
- The growth of spending accelerated after the pandemic but slowed down in 2023.



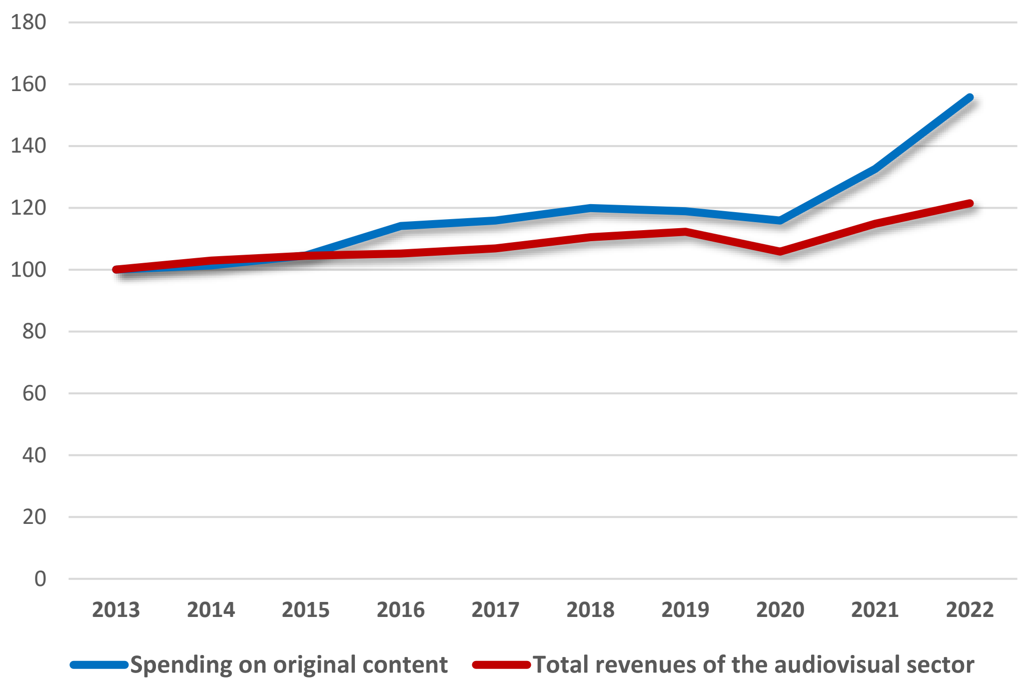
* Excludes news.

Source: EAO analysis of Ampere Analysis data.

The share of the sector's revenues dedicated to original content has increased

- Since 2015, spending on original European content has increased faster than European audiovisual sector revenues, while sports rights spending has also increased sharply. This apparent disconnect can be accounted for by a series of factors: a trade-off between original content and acquisitions; a race for market share rather than profitability for certain players; bundling of SVOD services with other services.

Compared evolution of AV sector revenues and spending*
on original content (base 100 = 2013)



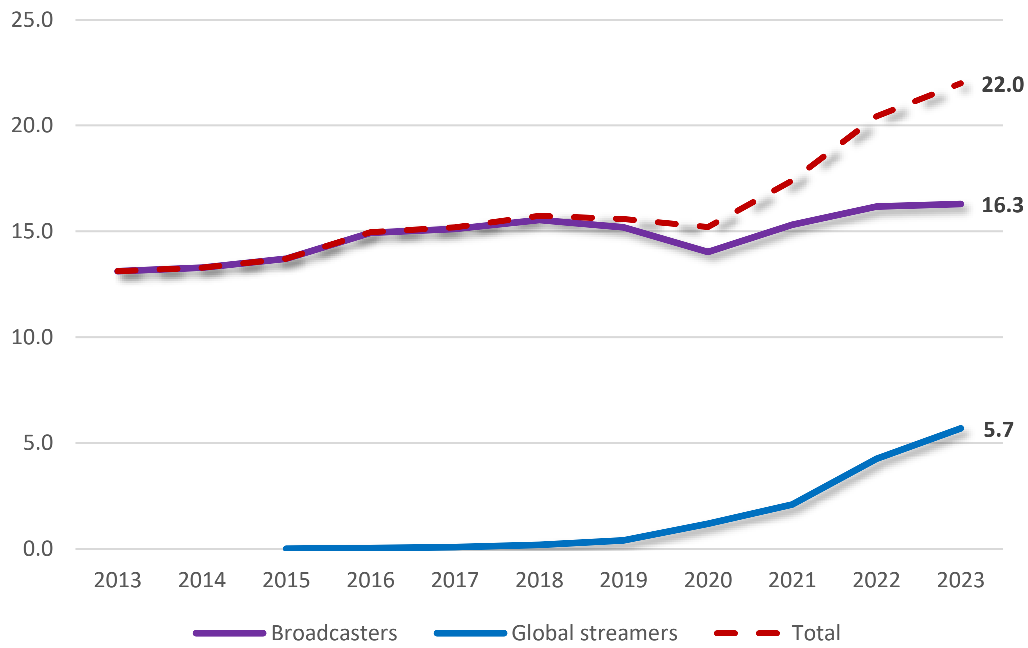
* Excludes news.

Source: EAO analysis of Ampere Analysis data.

Global streamers accounted for most of the growth

- The pandemic did not impact the constant increase of global streamer spending on European content.
- Global streamer spending did not substitute broadcaster spending, which kept on increasing at a moderate pace.
- The growth of global streamer investments slowed down in 2023 (+34% vs. +104% in 2022).

Spending* on European original content by category of players (EUR bn)



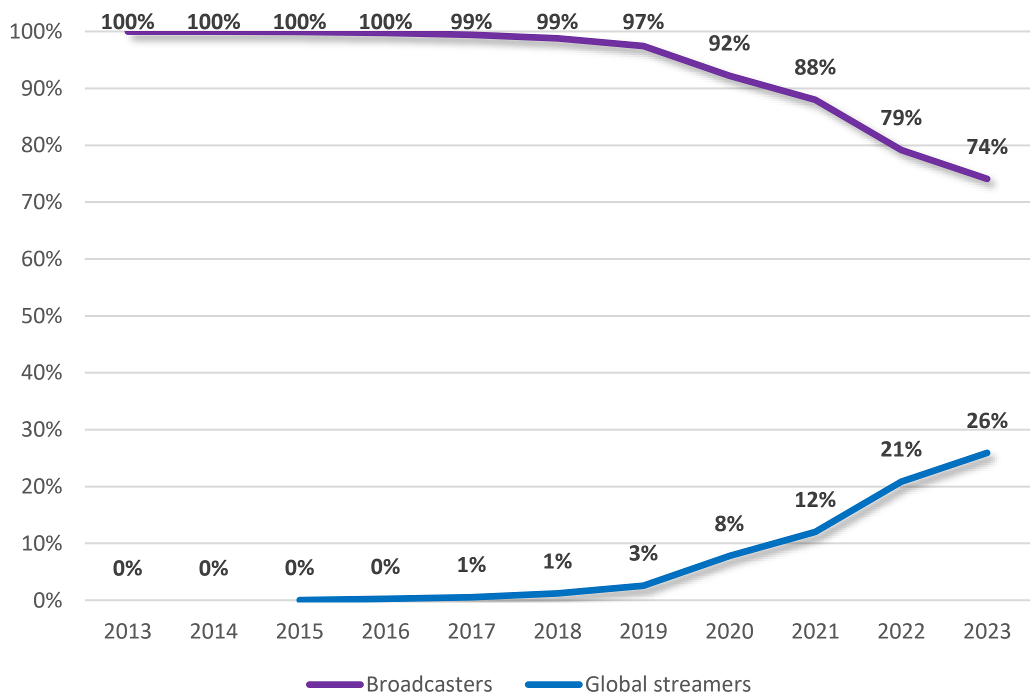
* Excludes news

Source: EAO analysis of Ampere Analysis data.

Global streamers account for 26% of spending on European original content

- The global streamer share of spending on European original content grew rapidly, at 26% in 2023.

Share of spending* on European original content by category of players (EUR bn)



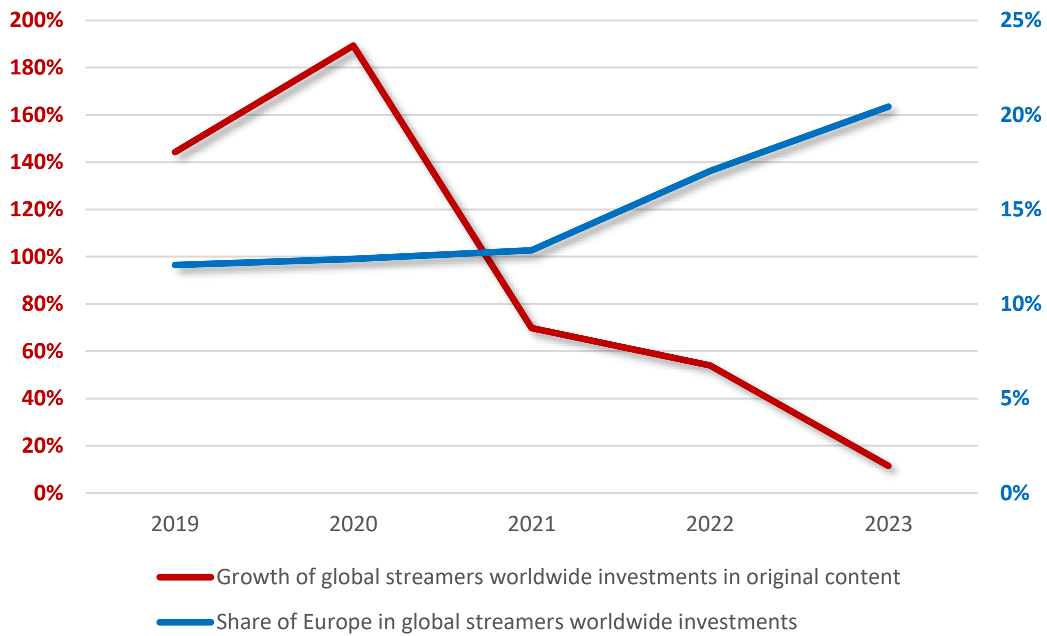
* Excludes news.

Source: EAO analysis of Ampere Analysis data.

The share of European content in global streamer investments increases

- Global streamer investments in original European content continued to grow because Europe captures a growing share of global streamer investments in content.

Growth rate of global streamer worldwide investments in content and share of Europe (%)



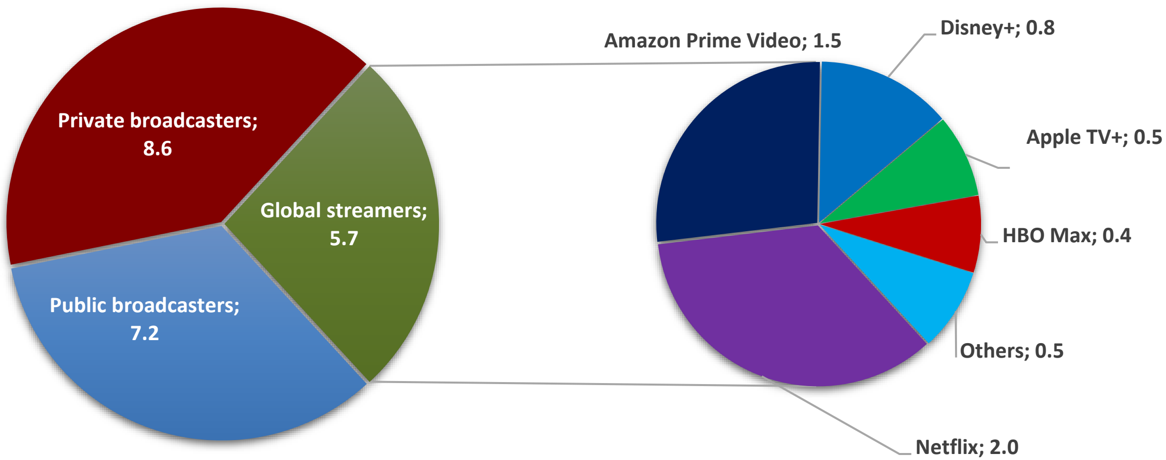
* Excludes news.

Source: EAO analysis of Ampere Analysis data.

Netflix clear leader in global streamer spending on original content

- Netflix accounted for about 35% of 2023 global streamer spending on European original content, down from 58% in 2021, as other streamers, notably Amazon Prime, increased their investments.

Breakdown of spending* on European original content (EUR bn, 2023)



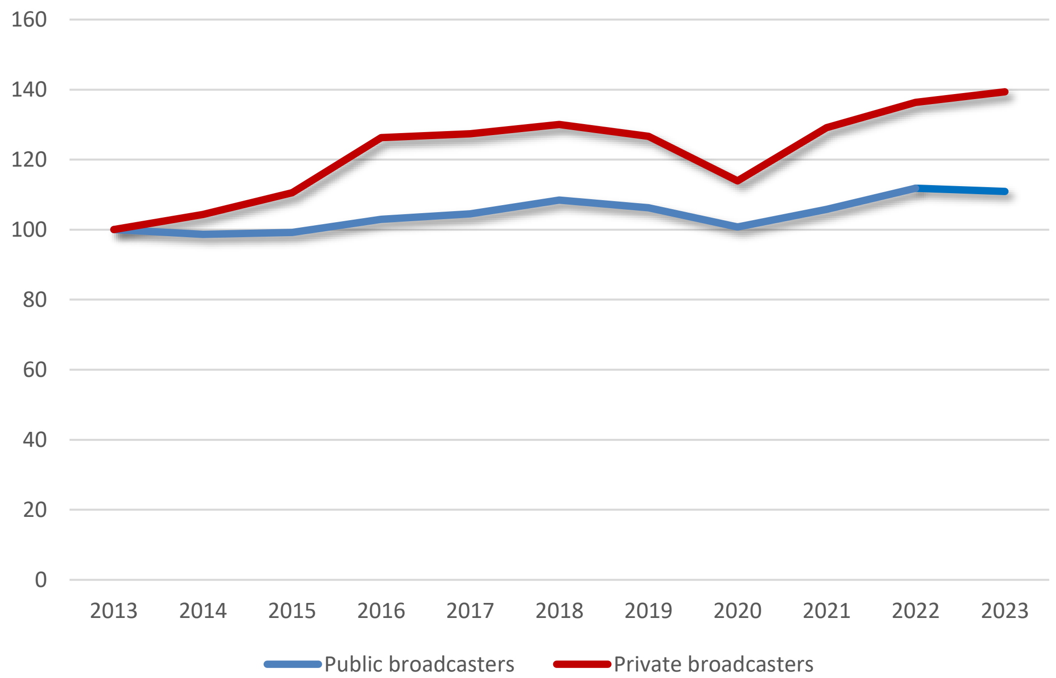
* Excludes news.

Source: EAO analysis of Ampere Analysis data.

The growth of broadcaster spending was driven by private players

- Private broadcasters significantly increased their investments in original content, even though sports rights costs saw strong growth (see slide 24).
- In turn, public broadcaster investments have likely been limited by stagnating resources.

Breakdown of broadcaster spending* on original production (excl. sports) by statute (base 100: 2013)



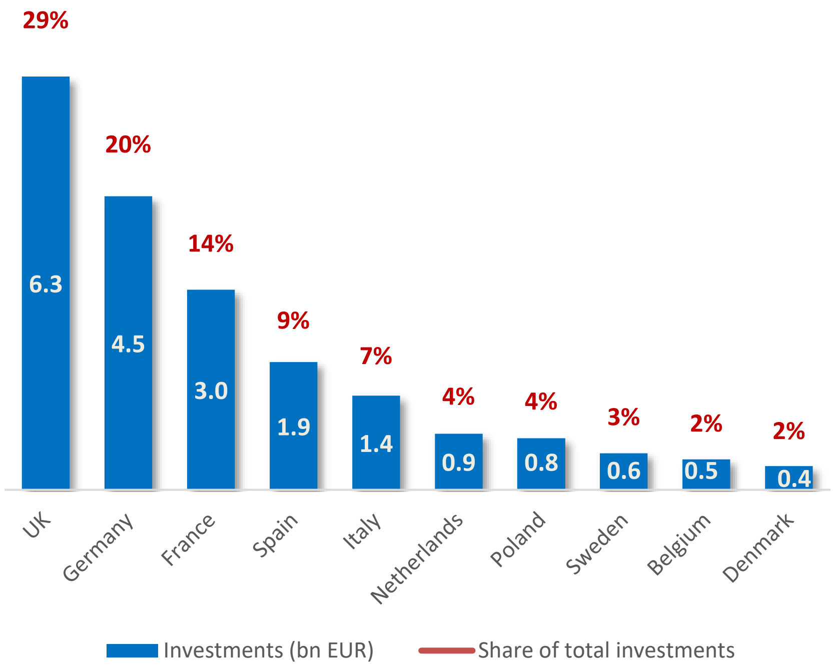
* Excludes news.

Source: EAO analysis of Ampere Analysis data.

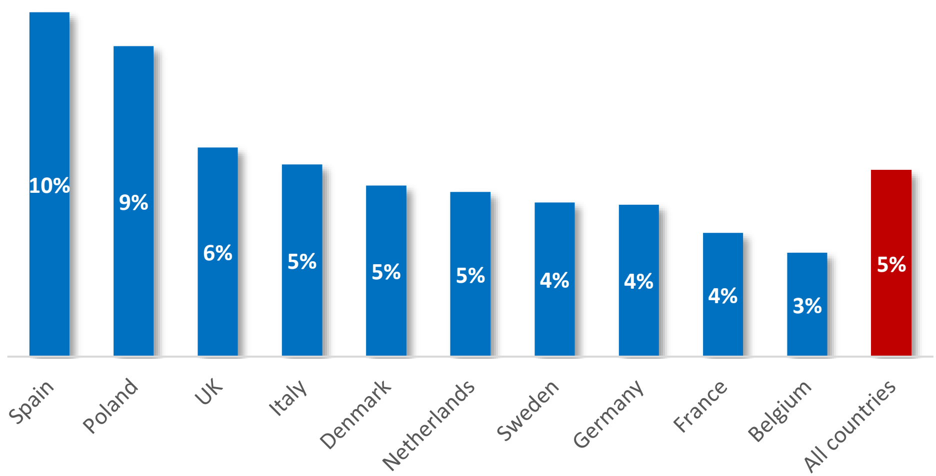
About 29% of spending on European original content went to UK works

- Dynamics differ between countries, with, since 2012, above-average growth in Spain and Poland.

Top 10 countries by spending* on European original content (2023)



Average annual spending* growth rate 2013-2023 for the top 10 countries (2023)



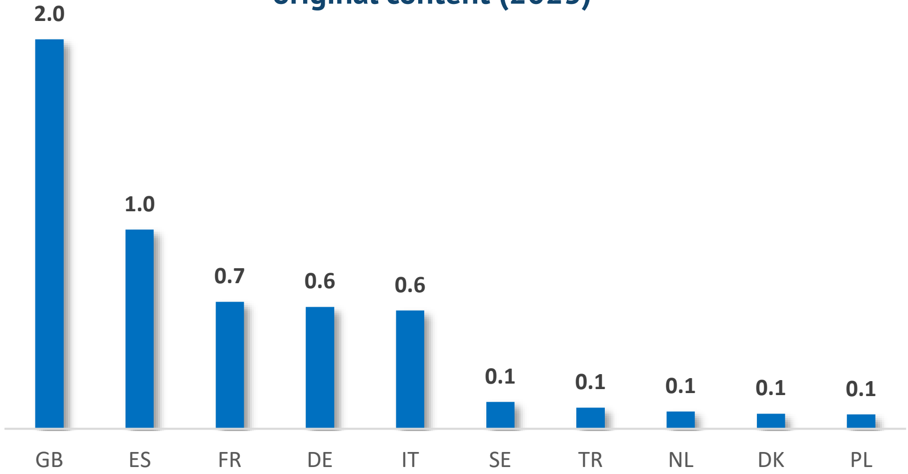
* Excludes news.

Source: EAO analysis of Ampere Analysis data.

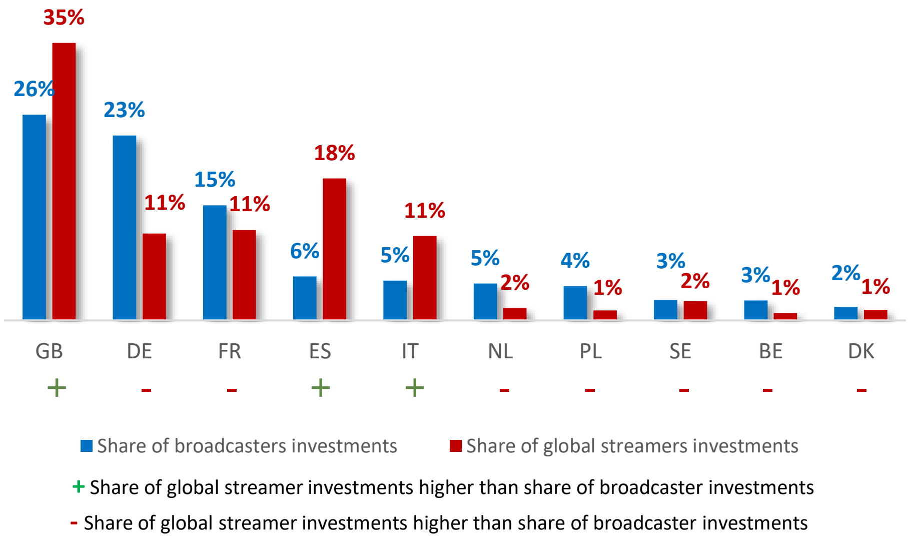
SVOD impacts the geography of European original content production

- The UK and Spain accounted together for 53% of global streamer spending on European original content.
- Germany and, to a lesser extent, the Netherlands and Poland, appear to be lagging behind regarding their ability to capture global streamer investments.

Top 10 countries by global streamer spending on original content (2023)



Top 10 countries* compared share of broadcaster and streamer spending in Europe (2023)**



* Excludes news.

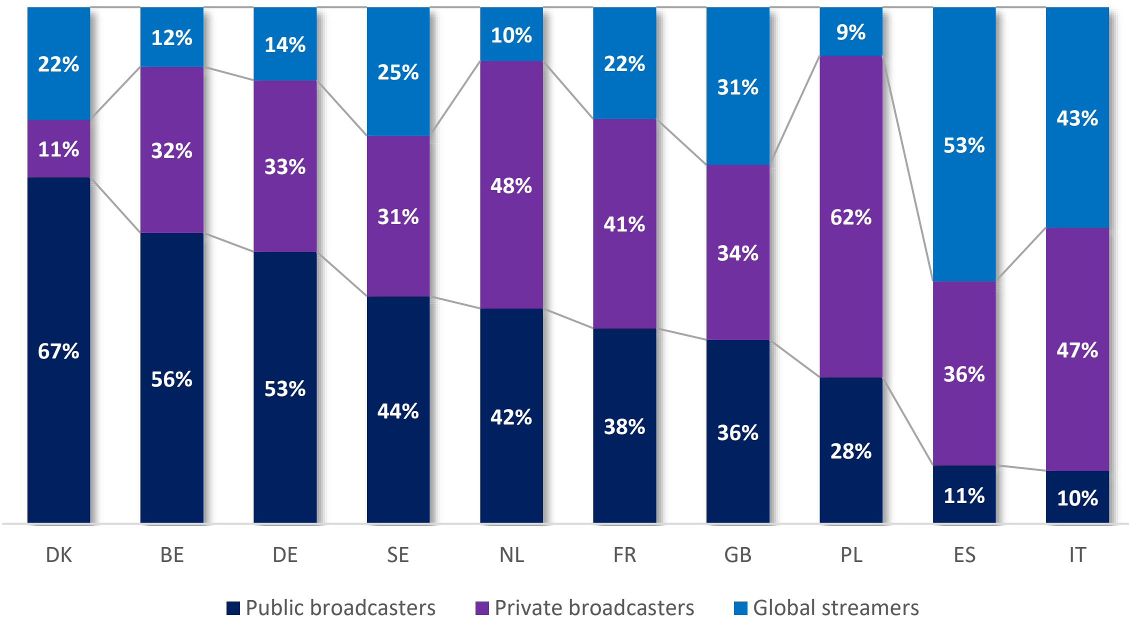
** Top 10 countries by total spending on original content (broadcasters + global streamers)

Source: EAO analysis of Ampere Analysis data.

Weight of players varies between countries

- Public broadcasters proportionally invest particularly strongly in original content in Denmark, Belgium and Germany.
- Private broadcasters are key to original content in Poland, Italy and France.
- Global streamers represent the bulk of spending in Spain.

Breakdown of spending by category of players in the top 10 countries (2023)



* Excludes news.

Source: EAO analysis of Ampere Analysis data.

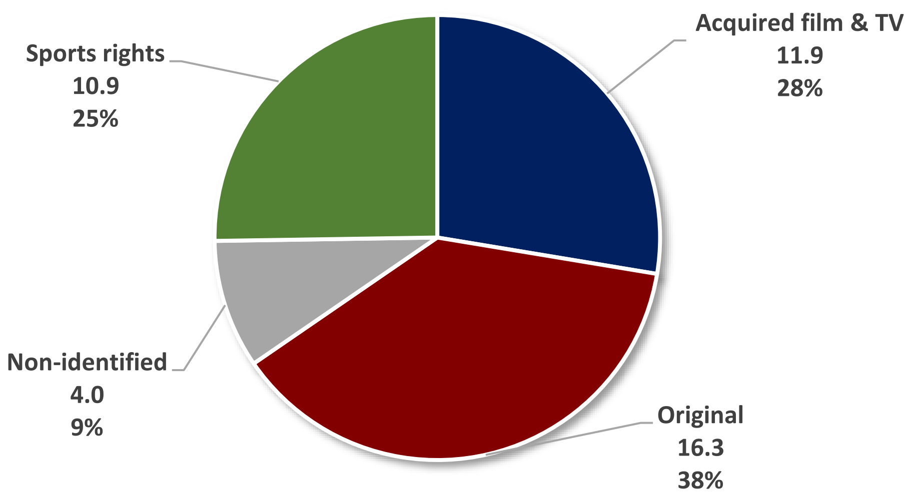
Additional data on broadcaster spending on content

Beyond investment in original content, this section provides additional data on the **overall content spending on data by broadcasters**. In this section, "Acquired film & TV" and "Sports rights" refer to content from any origin.

Original content accounts for largest chunk of broadcaster spending

- Original content accounts for 38% of broadcaster spending, followed by, almost at par, sports rights and acquired programming.

Breakdown of broadcaster spending* on content (2023, EUR bn and share in %)



Total broadcaster spending on content: 43,1 EUR bn

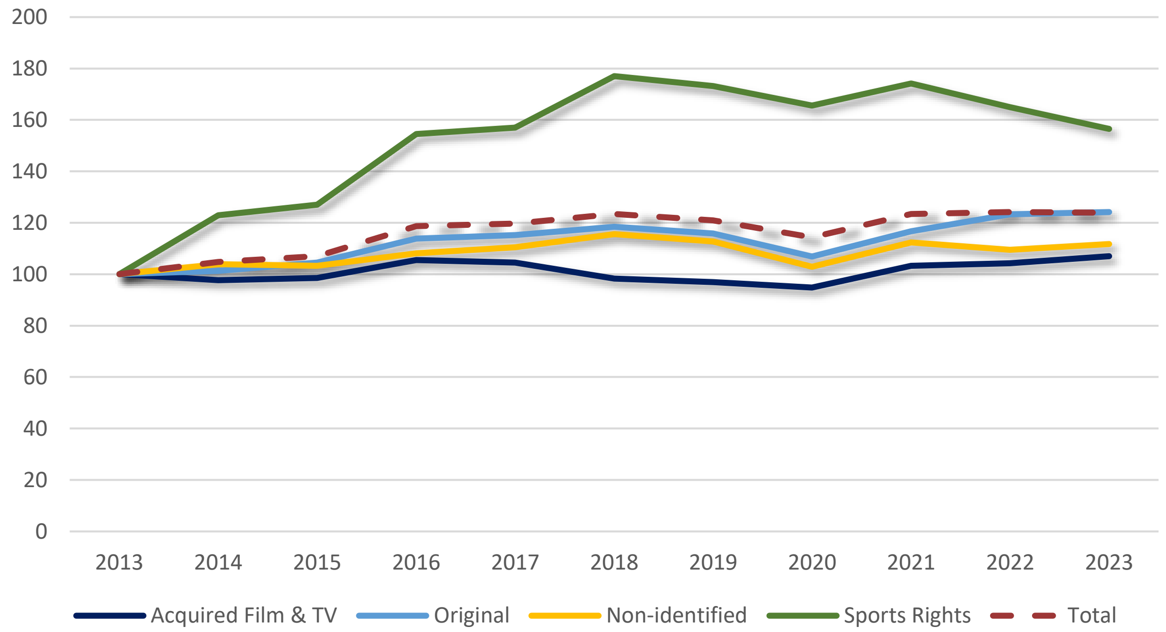
* Excludes news; content from all origin.

Source: EAO analysis of Ampere Analysis data.

Sports rights spending increased at pace

- Sports rights spending grew significantly faster than any other category of programming.
- Original content is likely to have substituted acquired programmes.

Evolution of broadcaster spending* on content (base 100 = 2013)



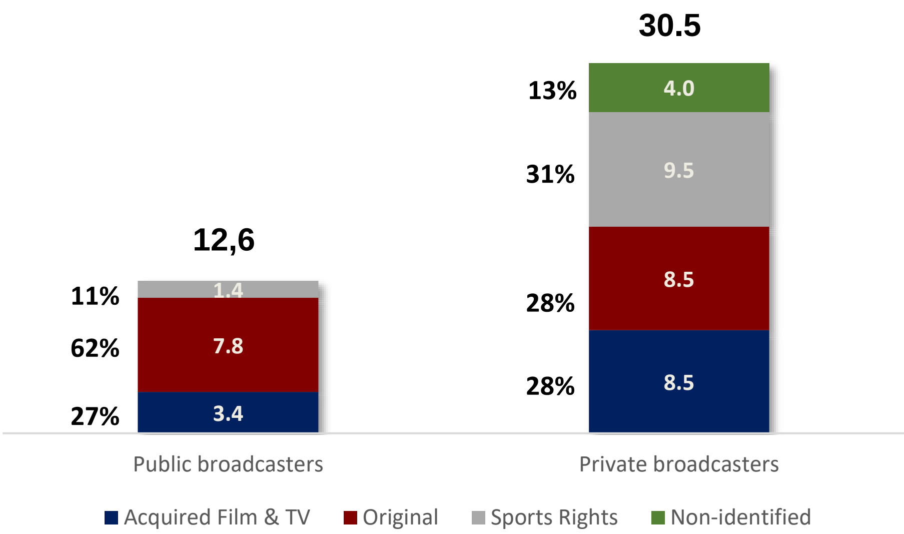
* Excludes news; content from all origin.

Source: EAO analysis of Ampere Analysis data.

Strong differences in the structure of broadcaster spending on content

- Sports rights account for the biggest slice of spending by private broadcasters, whereas they represent a comparatively small share of spending for public broadcasters.
- In turn, public broadcasters are in a position to dedicate a larger share of their spending to original content.

Breakdown of broadcaster total spending* on content by statute (2023)



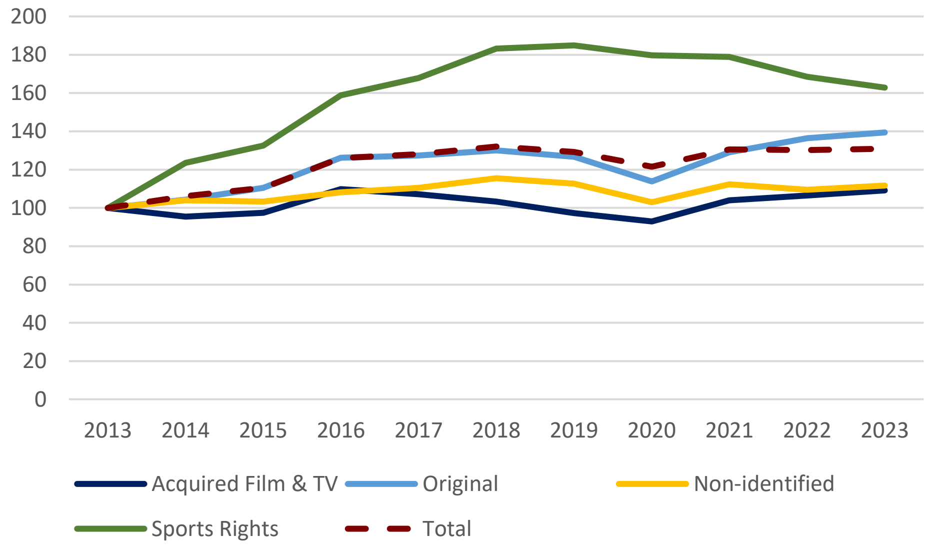
* Excludes news – content from all origin.

Source: EAO analysis of Ampere Analysis data.

Despite booming sports rights, more investment in original content

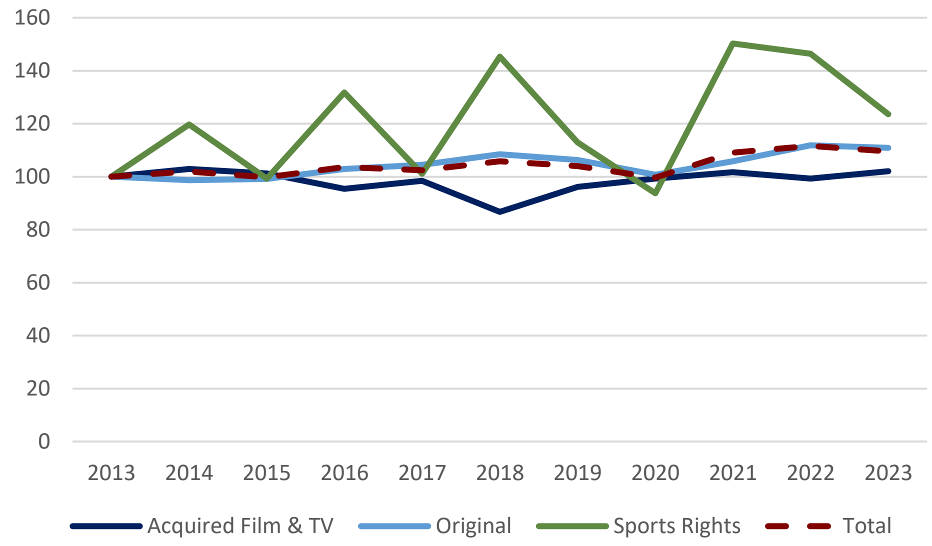
- Both private and public broadcasters increased their investments in original content, probably at the expense of acquisitions.
- Private broadcasters had to cope with the increase in sports rights spending; sports rights spending is much more variable for public broadcasters, depending on the sports events calendar.

Evolution of private broadcaster spending* on content (base 100 = 2013)



* Excludes news. content from all origin.

Evolution of public broadcaster spending* on content (base 100 = 2013)



* Excludes news; content from all origin.

Source: EAO analysis of Ampere Analysis data.

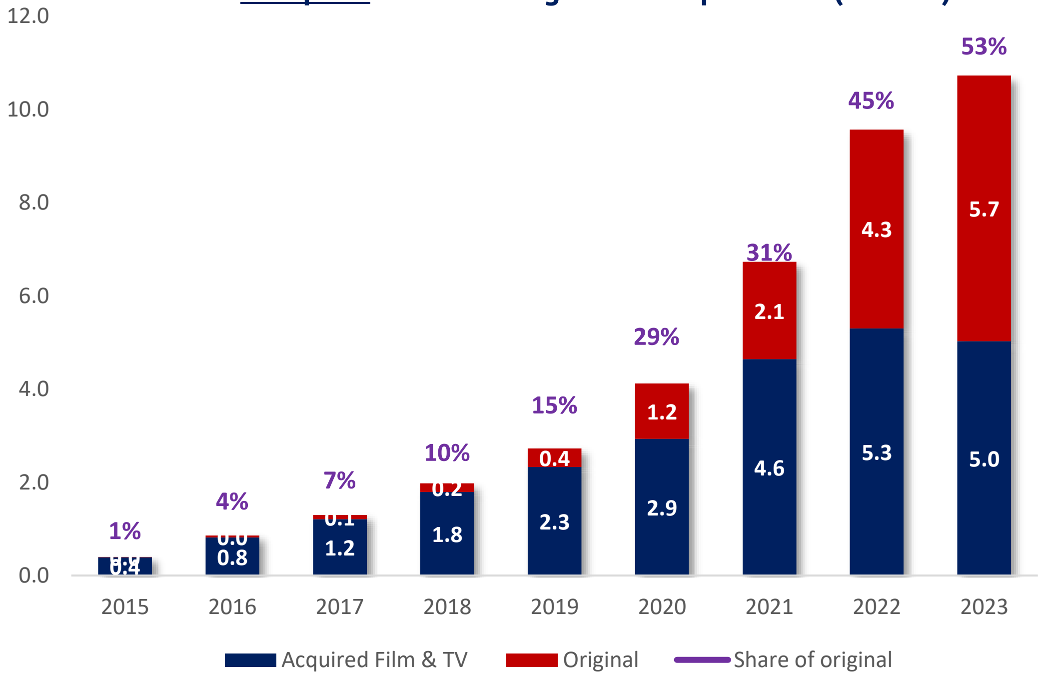
Additional data on global streamer spending on content

Beyond investment in original content, this section provides additional data on the **overall content spending of global streamers**. In this section, “acquired film & TV” refers to European content.

Original content accounts for 53% of global streamer spending in Europe

- Over time, streamer* spending has increased on both acquisitions** and original content.
- But, whereas acquisitions represented the majority of spending until 2022, original content became the lead category for spending in 2023.

Breakdown of global streamer spending on European content - original vs. acquisitions (EUR bn)



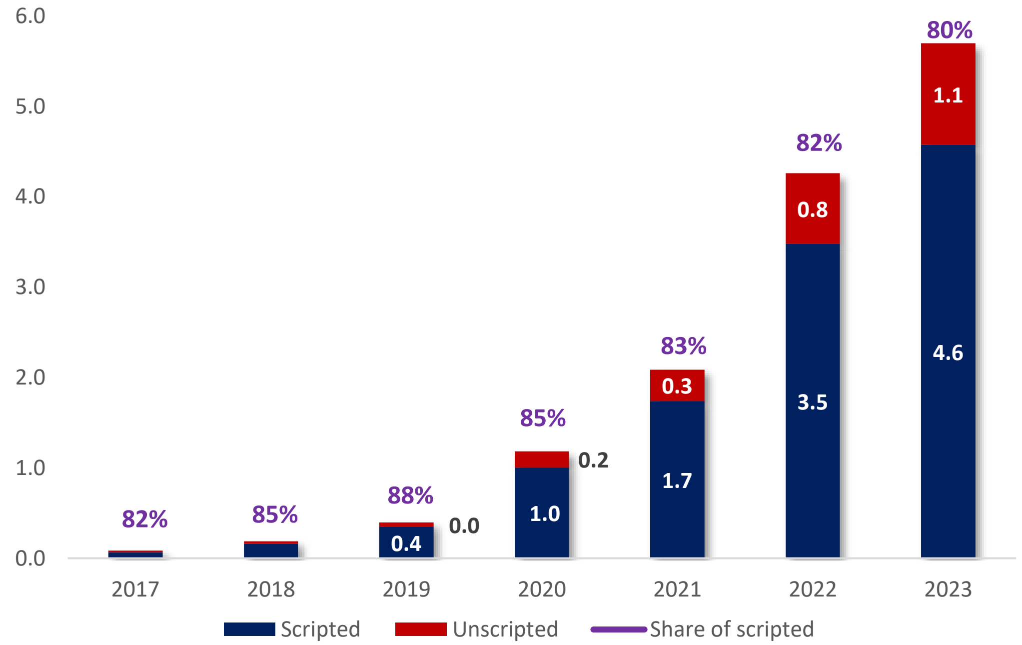
* Excludes acquisitions from parent companies. Excludes Dazn.
** Acquisition of European content.

Source: EAO analysis of Ampere Analysis data.

Scripted content accounts for the bulk of streamer spending on original content

- The share of scripted* programming in streamer spending on original content has slightly decreased over time but scripted programming still accounts for the lion's share.

Breakdown of global streamer spending* on European original content – scripted vs. unscripted (EUR bn)

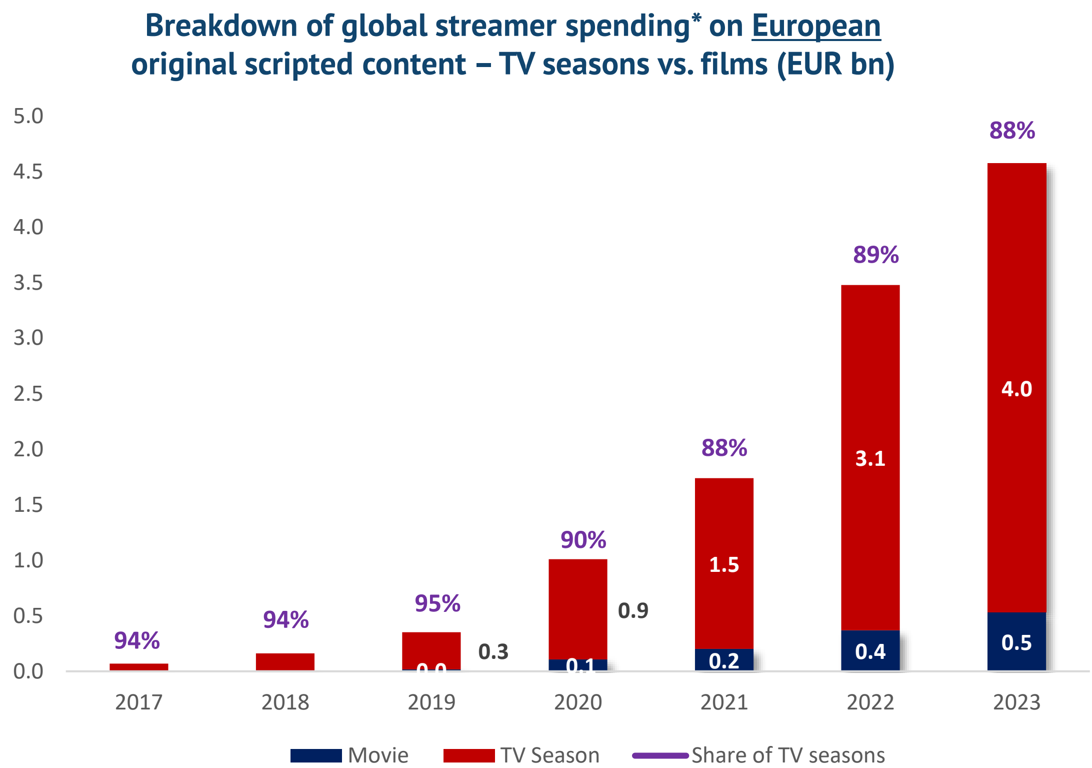


* Documentaries are classified as "unscripted" in the Ampere Analysis dataset.

Source: EAO analysis of Ampere Analysis data.

Series accounts for the bulk of streamer spending on scripted original content

- Among scripted content, series account for about 90% of global streamer investments.



* Documentaries are classified as "unscripted" in the Ampere Analysis dataset.

Source: EAO analysis of Ampere Analysis data.

List of graphs

More information:

www.obs.coe.int
gilles.fontaine@coe.int