

The outlook for UHD services worldwide

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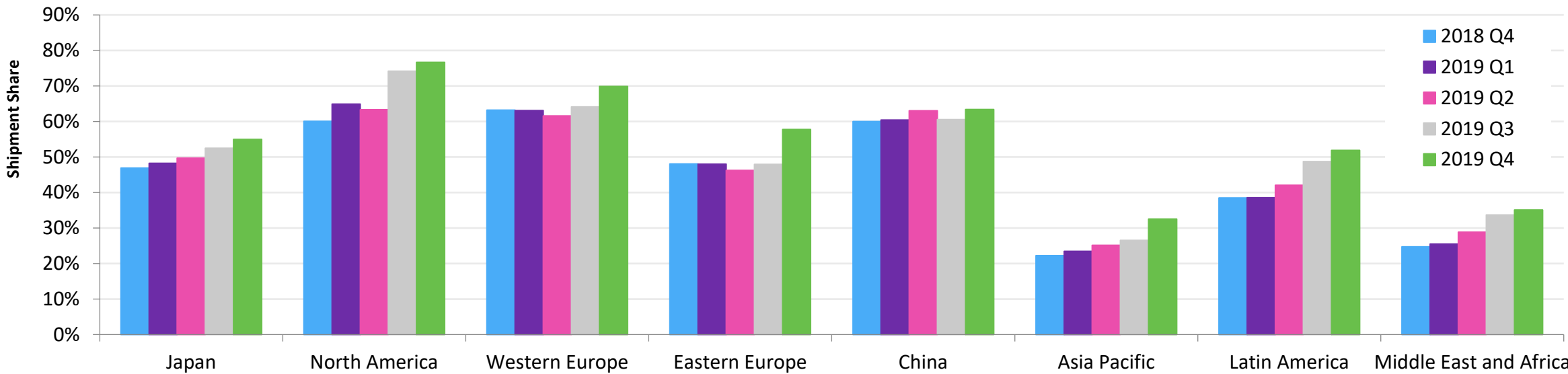
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Almost 60% of TVs selling today are UHD; shipment share by region, Q4 2019

- Globally, UHD resolutions exceeded half of TV shipments for the first time in Q4'18 and were almost 60% in Q4'19.
- Western Europe UHD growth is tied to underlying screen size growth
- North America surged from Q3'19 as smaller, non-UHD set shipments were hit by increased tariffs.
- Japan lags somewhat due to a preference for smaller (non-4K) screen sizes –shipments accelerated since launch of UHD services in Q4'18.

UHD TV resolution shipment share trend



Source: Omdia

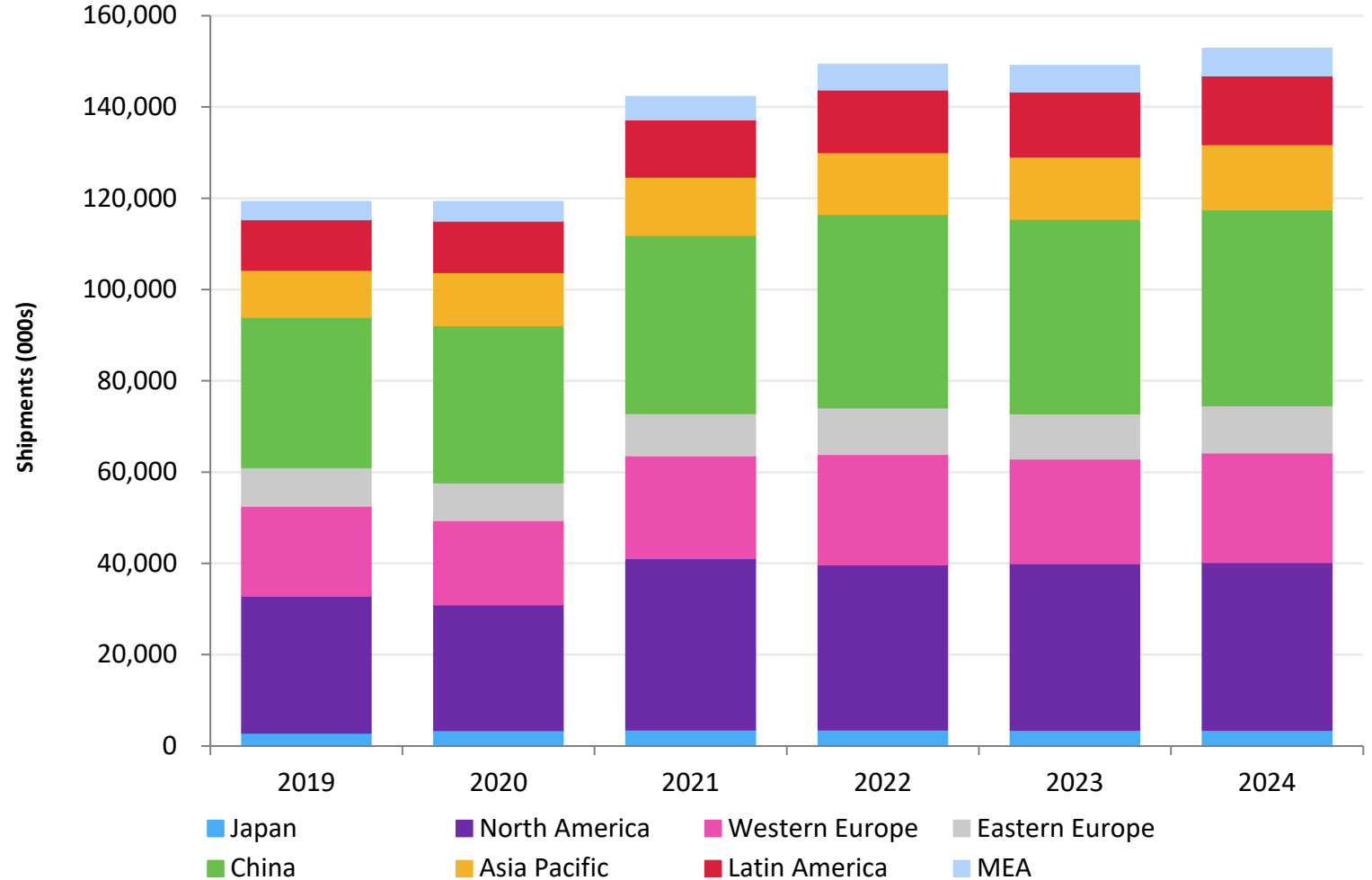
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UHD TV shipment forecast by region

- The Coronavirus outbreak has totally altered the outlook for the TV market in 2020, and UHD is seriously affected.
 - We reduced our overall 2020 TV shipment forecast by 22 million, largely in the first half of the year.
- We forecast static shipments in 2020, with North America and Western Europe already heavily affected in Q2.
- China may see slight growth.
- The biggest question is around emerging markets, depending on whether their early actions to control spread of the pandemic are effective.

UHD TV shipment forecast by region (000s)



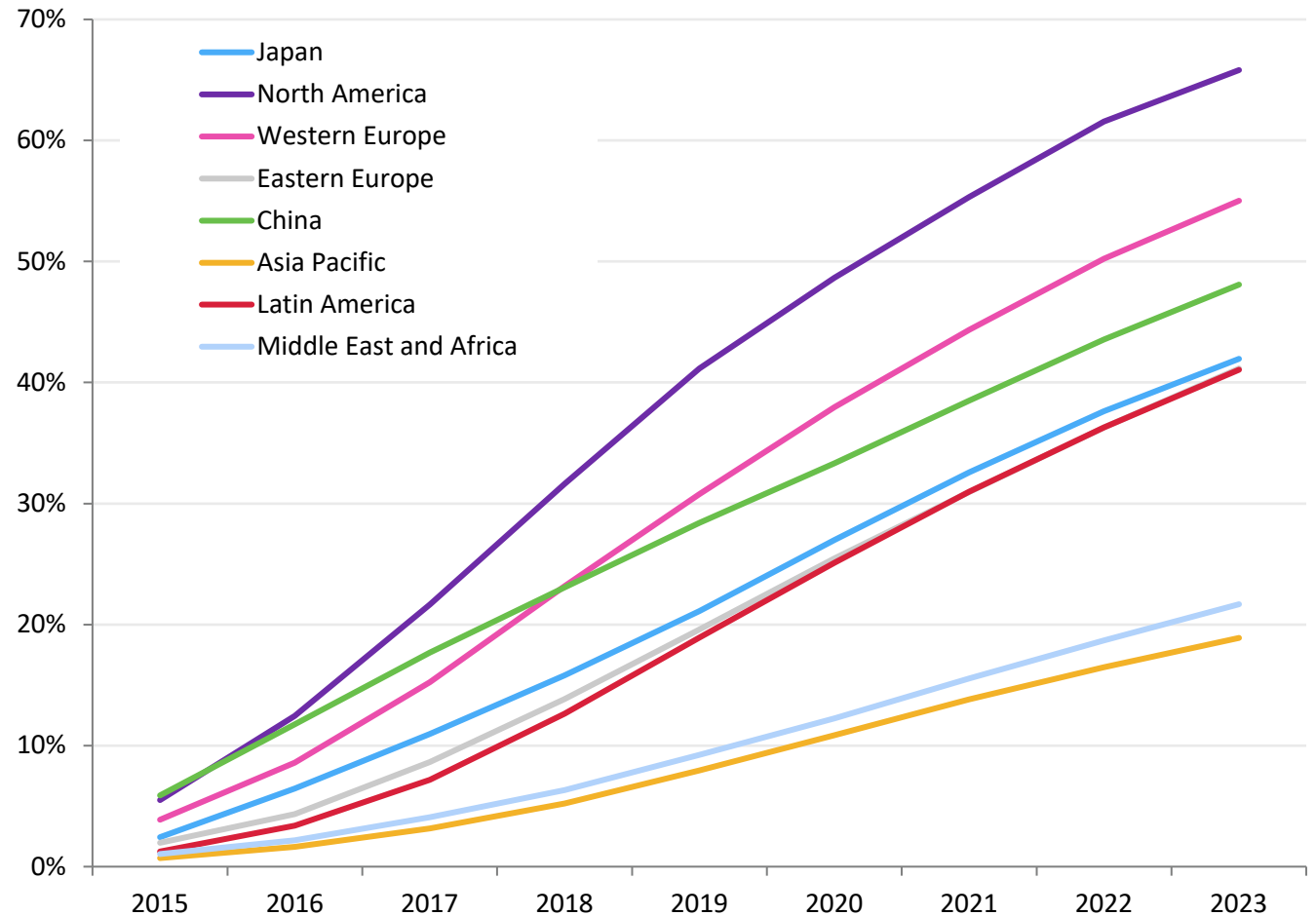
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UHD households

- We define a UHD household as having at least one UHD TV.
- We factor into the estimates new TV shipments, retirement of old units, replacement cycles, and households with more than one UHD TV.
- North America will lead, 40% of households had a UHD set by the end of 2019, over 50% in 2021, and 71% in 2024.
- China leads on shipments, but its huge number of households means a slower shift to a UHD installed base, achieving 41% in 2023.
- Western Europe will reach 60% by 2024, with a faster growth rate than China due to a more rapid TV annual replacement rate.
- Japan's preference for smaller screen sizes means only a quarter of households own a UHD set by the end of 2020 and 47% by 2024, despite UHD broadcasts already being available.

UHD share of regional households



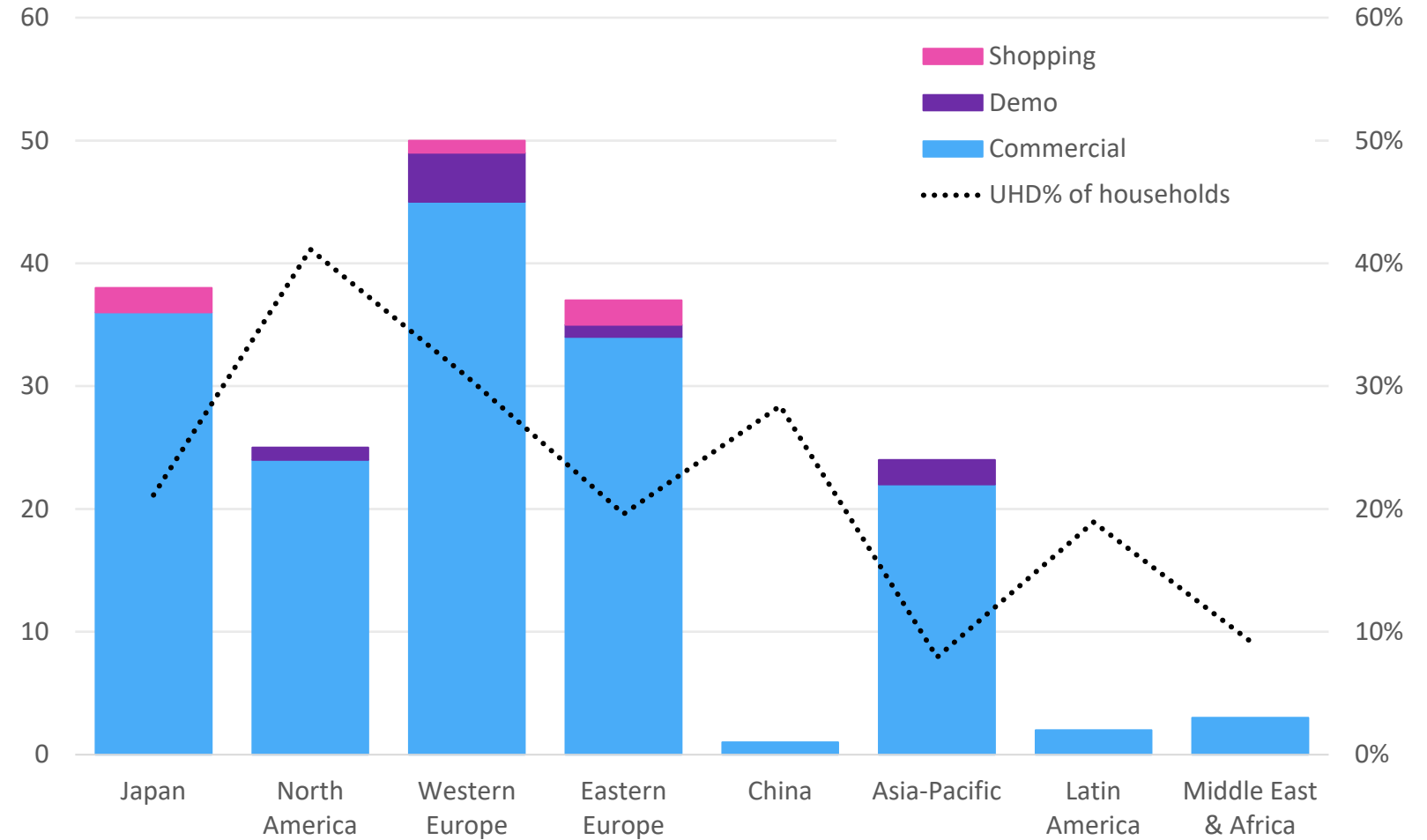
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UHD channels

- Our count is of the number of unique channels available in each region
 - Any country will have a subset of channels
 - A service will have a combination of channels
- Unsurprisingly, Japan is the single country with most UHD channels
 - However UHD TV uptake remains slow.
- Russia and India have surprisingly high UHD channel counts
- China’s UHD channel count is extremely low.

Unique linear UHD channels



Source: Omdia

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