INSIGHT

A New Studio D2C Partnering Model: Paramount+ launches with Sky

September 2022

- Analysis of the Paramount+ UK launch with Pay TV Operator Sky
- Paramount+ approach to streaming, bundling and windowing
- In-depth look at Paramount+ TV series pipeline, Originals and Sky co-exclusivity



June 2022 launch for Paramount+ in the UK

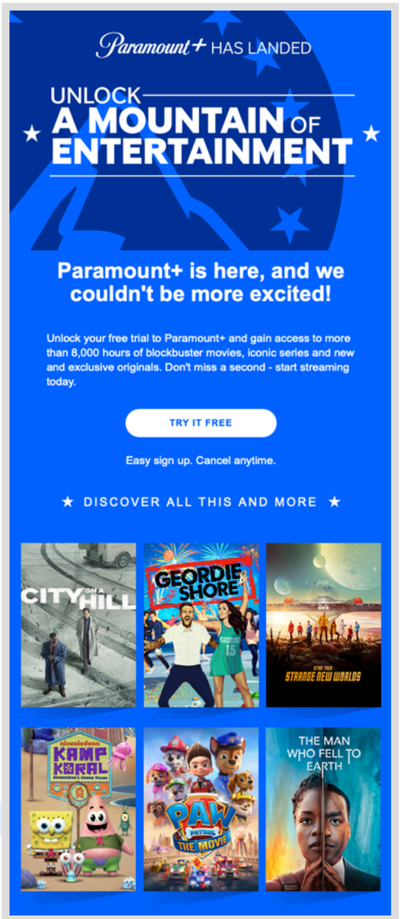
The UK and Ireland launch continues the slow but steady rollout of Paramount+ with the service now available in the US, Canada, LatAm, Australia, Korea and the Nordics*.

Paramount+ is an aggregation of Paramount's existing brands and production studios. It will be a home for brands including Showtime, BET, CBS, Nickelodeon, MTV, Comedy Central, Paramount Pictures and the Smithsonian Channel, in addition to local content.

Paramount's presence varies across markets and they are varying strategies to fit, with Free TV, Pay TV and streaming services in the UK already, and long term content partnerships.

The service is available OTT, but significantly for the UK Paramount are also partnered with Sky, Comcast's UK Pay TV business, bundling the service free to Sky Cinema subs.

Paramount+ will not launch in SkyShowtime markets (their JV with Comcast), whilst it will be partnered for distribution with Sky in the markets where they have a Pay TV presence.



* Paramount will close standalone Paramount+ in the Nordics later in 2022 and will merge it with their SkyShowtime venture when it launches on September 20th.

No single global blueprint for Paramount+

Paramount have been taking a pragmatic approach to the rollout of its streamer - the service can be standalone, bundled with operators or will be part of their Sky Showtime JV in select Euro markets.

In June they launched their first Asian market in South Korea, partnered with CJ ENM where Paramount+ is included in TVING for no extra charge. This mirrors the approach with Claro Video (Mexico) where the service is free for certain tiers of their Telco customers.





Paramount+ Launch Territories*

2021	**North America** (rebrand)	04/03/21
	Latin America	04/03/21
	Nordics (closing '22)	04/03/21
	Australia (rebrand)	11/08/21
2022	**South Korea**	16/06/22
	UK	22/06/22
	Ireland	22/06/22
	Italy	15/09/22
	Germany, France	Q4(e)

* As announced by Paramount

Paramount+ through SkyShowtime

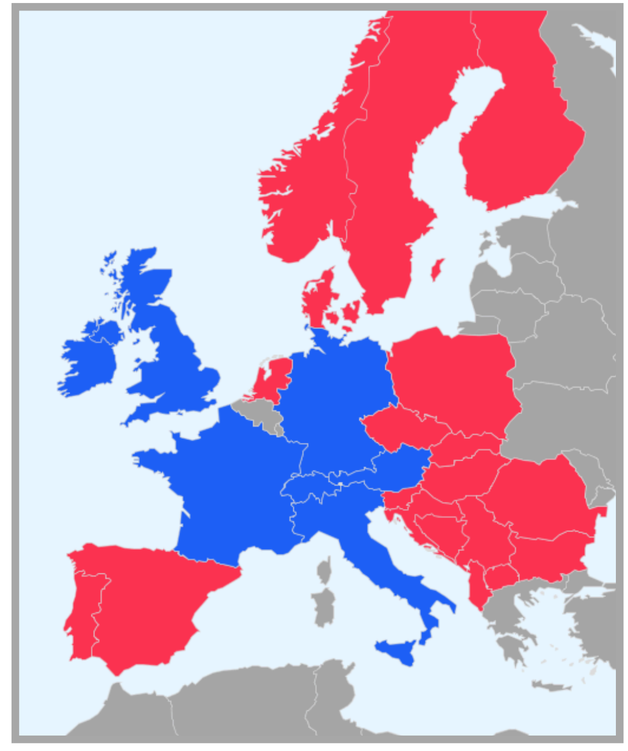
SkyShowtime, the joint venture with Comcast (parent of NBCUniversal and Sky) and Paramount Global, will launch on 20 September 2022 in Nordic markets - with Paramount+ closing as a standalone service as the new service launches. After the Nordic launch, the service will launch in the Netherlands (Q4 2022) and then roll out across Spain, Portugal, and Central & Eastern Europe through Q1 2023 (specific launch dates has not been announced yet).



Standalone (with partnerships)		
UK & Ireland	22/06/22	Bundled with Sky Pay TV
Italy	15/09/22	
Germany, Austria & Switzerland	Q4 2022	
France	Q4 2022	Bundled with Canal+

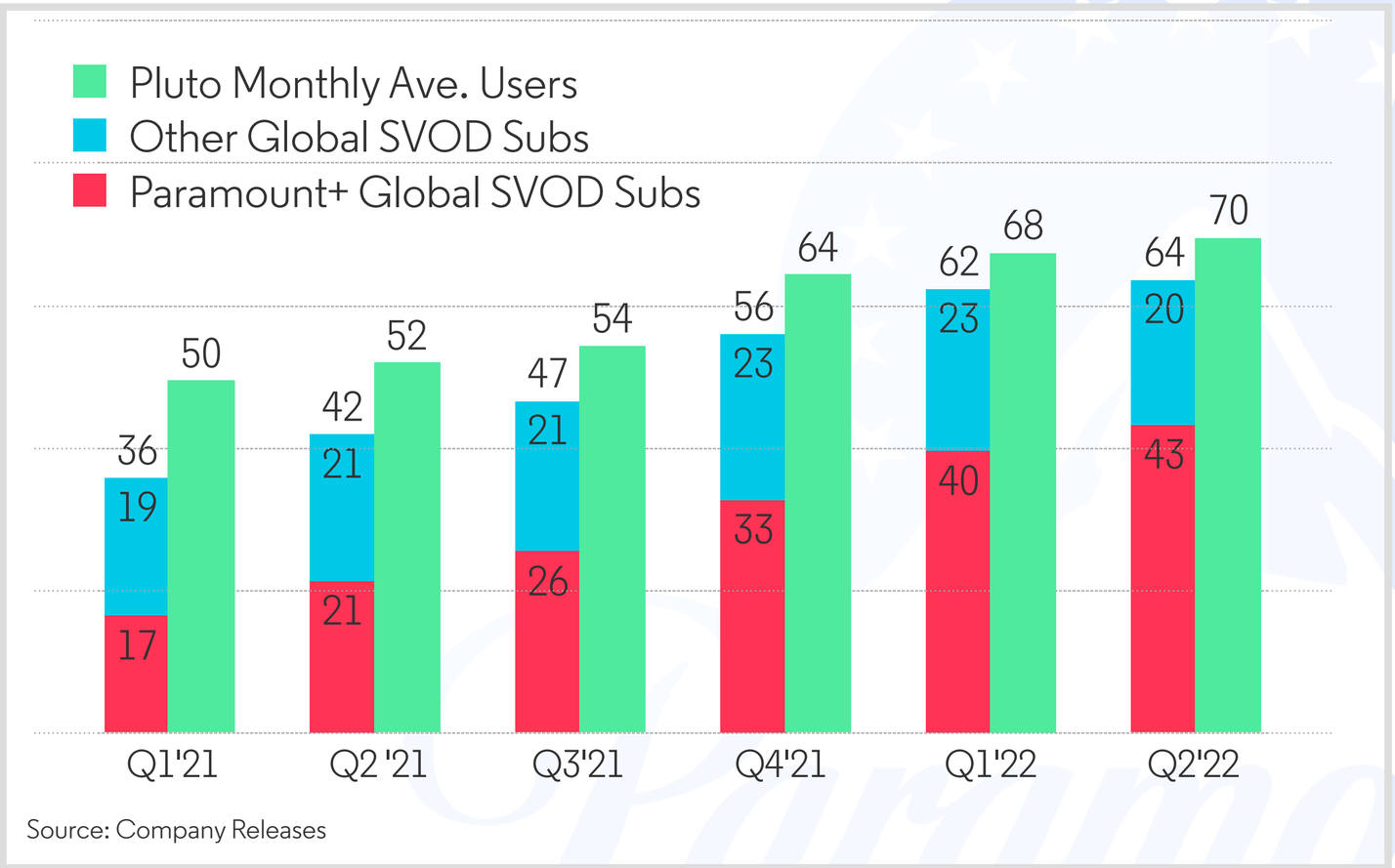


Included in Sky Showtime	
Nordics	20/09/22
Netherlands	Q4 2022
Spain & Portugal	Q1 2023
CEE Markets	Q1 2023



* CEE markets announced by Paramount include; Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Hungary, Kosovo, Montenegro, North Macedonia, Poland, Romania, Serbia, Slovakia and Slovenia

Paramount Global Streaming KPIs



Source: Company Releases

"It is a great time for us to be launching. Our service and brand has tremendous momentum worldwide"
Bob Bakish, Chief Executive Officer, Paramount

Rollout and subscriber growth will be closely watched, but has to be with the context of Paramount's businesses.

With AVOD (Pluto), Free and Pay TV interests, the SkyShowtime JV, other regional streamers and content sales to 3rd parties, Paramount will continue to explore the best way to monetise their content and IP.

They remain one of the most innovative in terms of content windowing, as demonstrated in the UK with their relationship with Sky.

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UK Launch Proposition

£6.99 / £69.90
Monthly/Annual cost

7 Day
Free Trial

3
Concurrent streams per account

6
Custom profiles

4K & HDR
For selected content (none at launch)

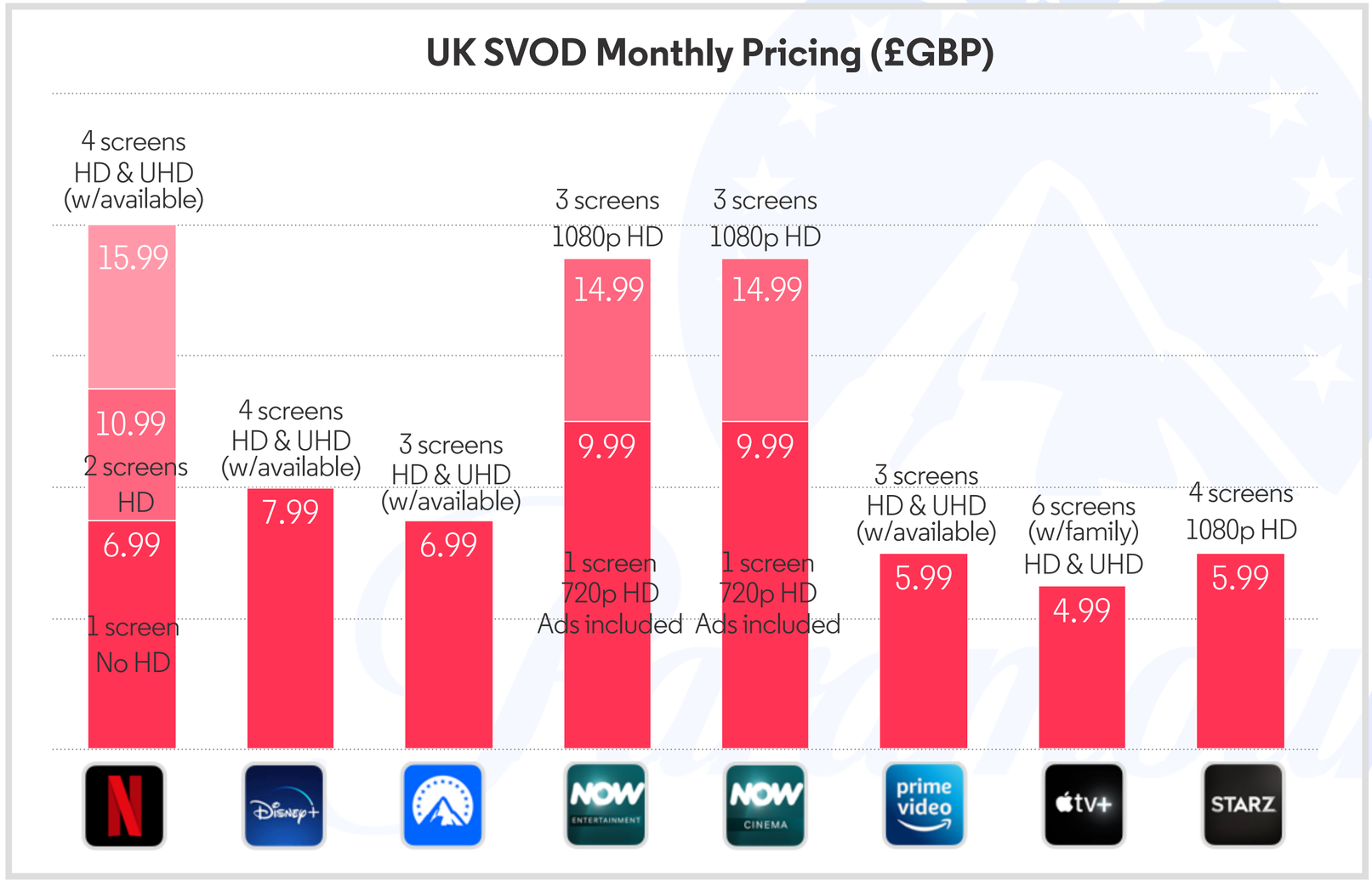
25 Titles
Downloads of shows and movies to watch offline later



"The addition of Paramount+ to our strong portfolio of free-to-air, pay TV and streaming services will broaden the range of choice available to our audiences in the UK and Ireland. Paramount+ will be a one-stop destination for Paramount's biggest brands, where fans of all ages can find exclusive original premium content, global hits, and discover a world of favourites from Paramount's vast catalogue."

Maria Kyriacou, President, Australia, Canada, Israel and UK, Paramount

UK Subscription Services Monthly Pricing - Paramount+ affordably priced…



It is £6.99 per month or £69.90 per annum after a free seven-day trial. The same annual saving as Disney (12 months for the price of 10)

It is the same price as Netflix Basic (three screens versus Netflix's one), £1 less than Disney+, £1 more than Prime and Starz and £2 more than Apple TV+.

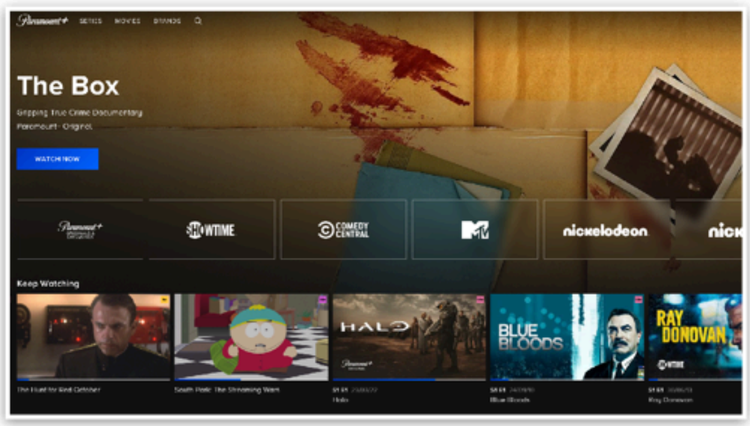
There are currently no stated plans for a lower priced tier that includes advertisements, (as in the US), but this may change as Disney+ and Netflix change.

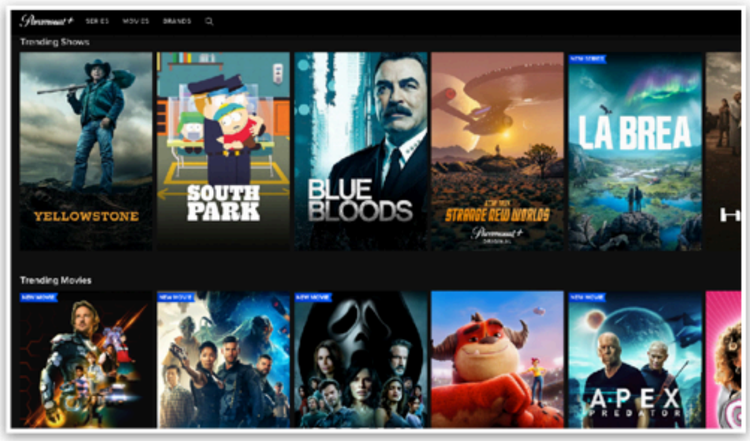
Source: Company Websites (September 2022)

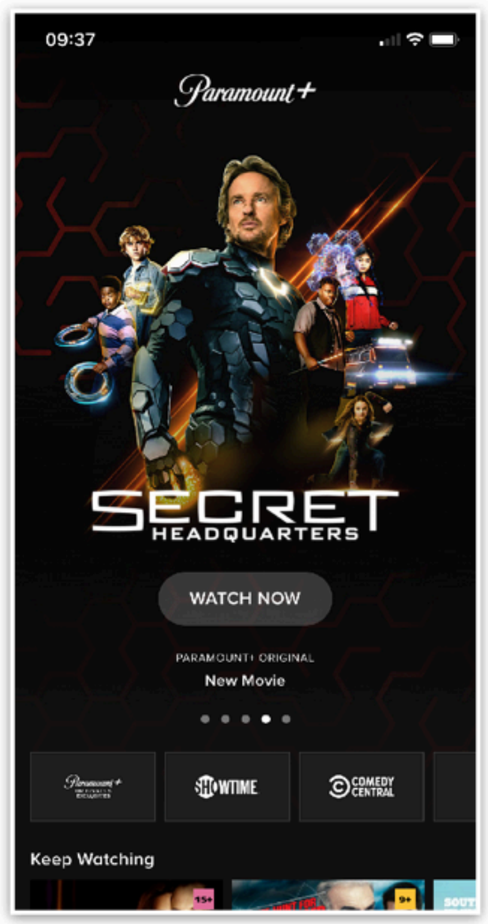
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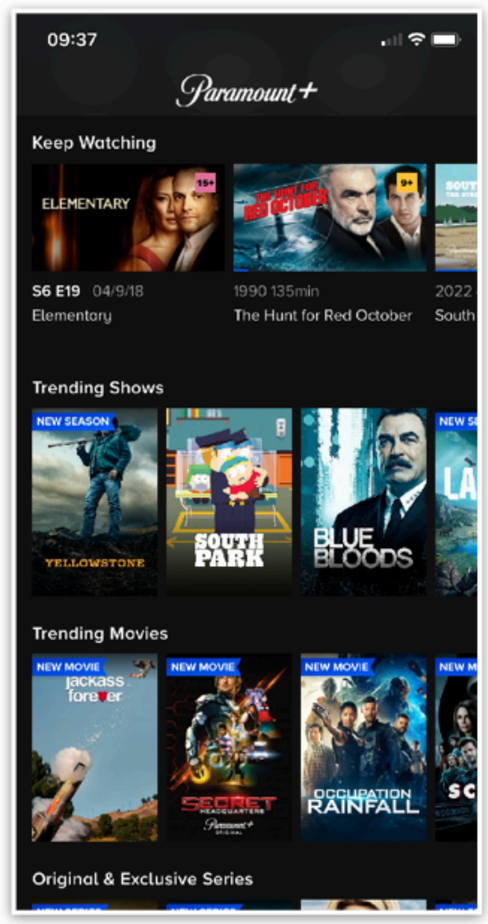
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Paramount+ User Interface - Home Screen









The service follows a straightforward approach to the user interface and navigation.

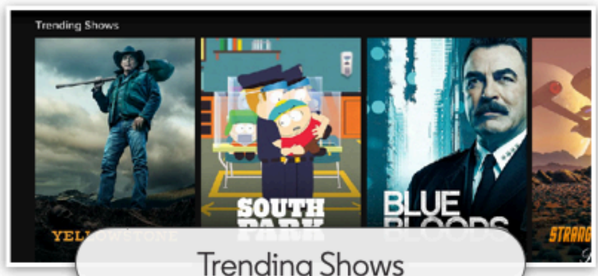
Service navigation is standard, with a carousel of featured content on the home screen offered in rails, one section for movies, one for TV series and a menu for their different brands.

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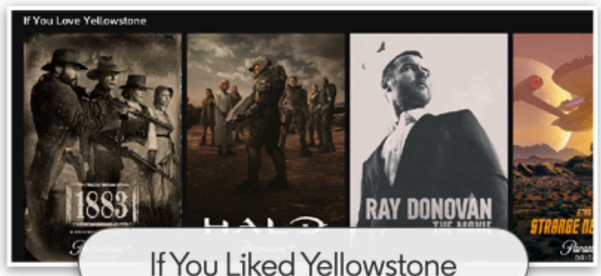
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Paramount+ User Interface - Home Screen Rails

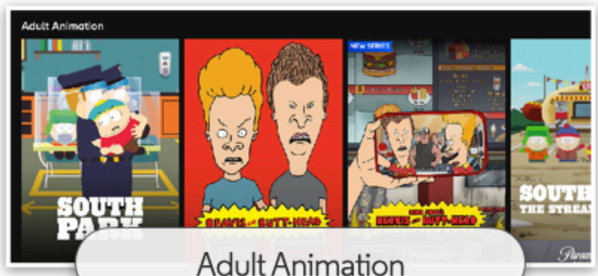
Home Screen rails offer a variety of curated selections of TV and Movie content, notably including the Channel Five programming block “Milkshake”.



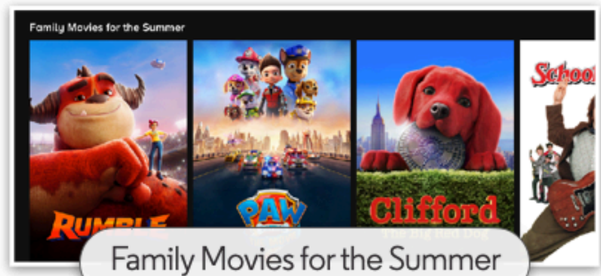
Trending Shows



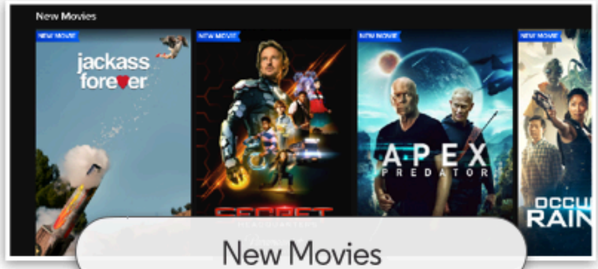
If You Liked Yellowstone



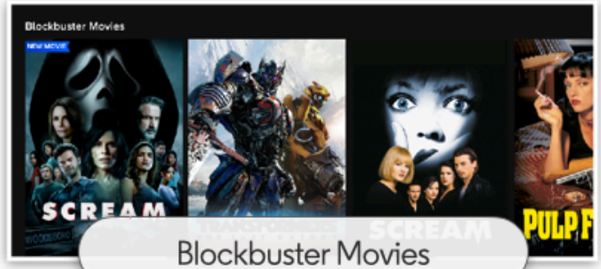
Adult Animation



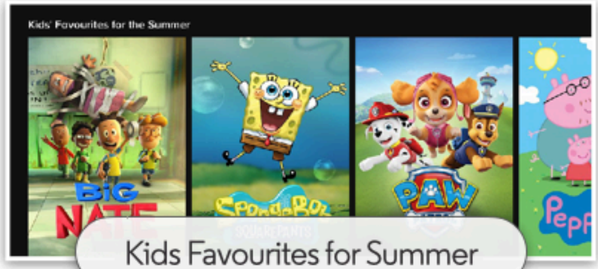
Family Movies for the Summer



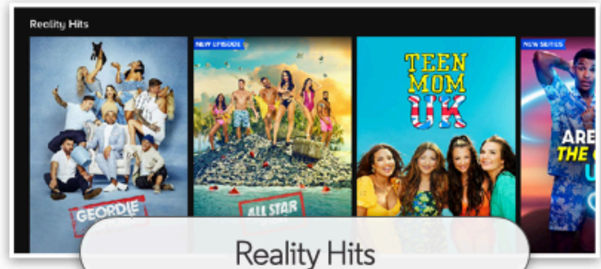
New Movies



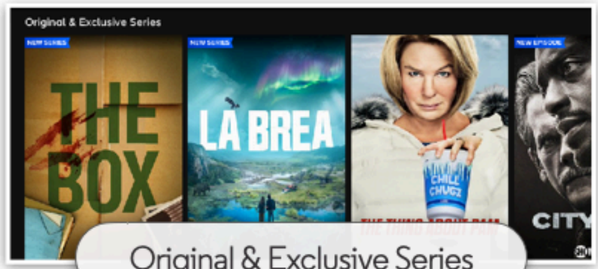
Blockbuster Movies



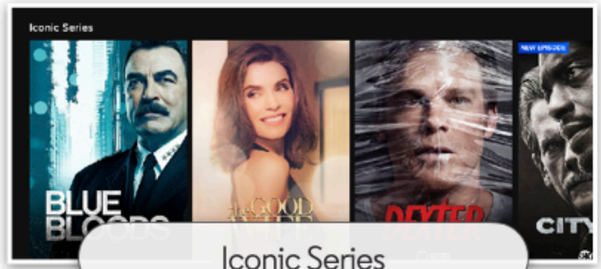
Kids Favourites for Summer



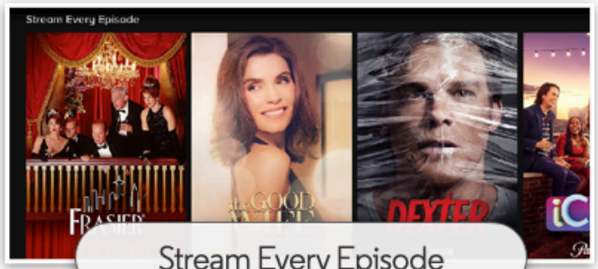
Reality Hits



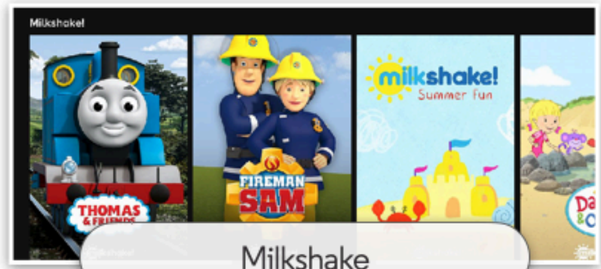
Original & Exclusive Series



Iconic Series



Stream Every Episode

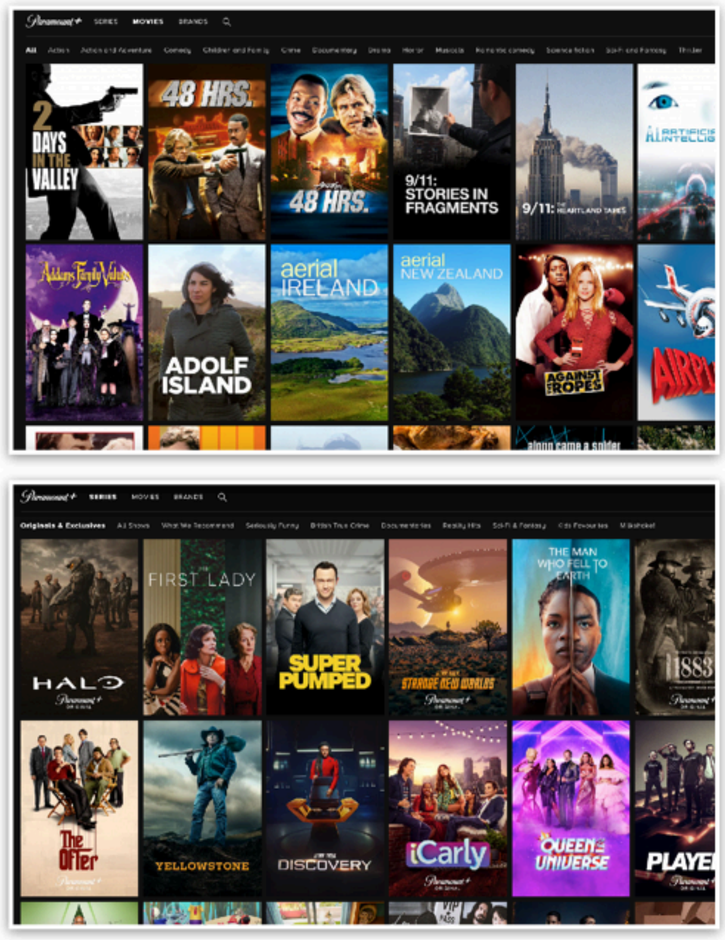


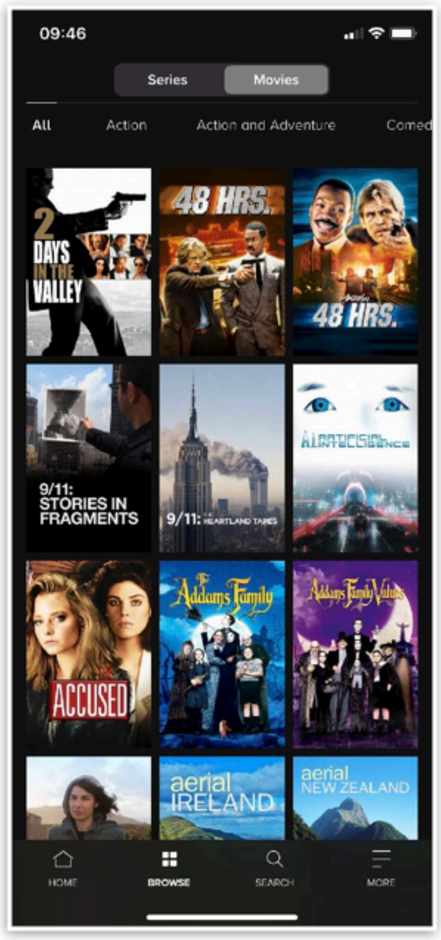
Milkshake

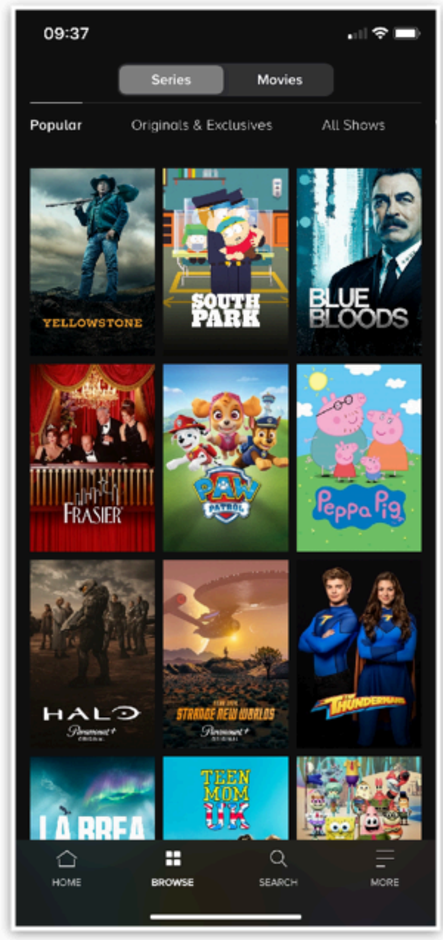
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Paramount+ User Interface - Series & Movies





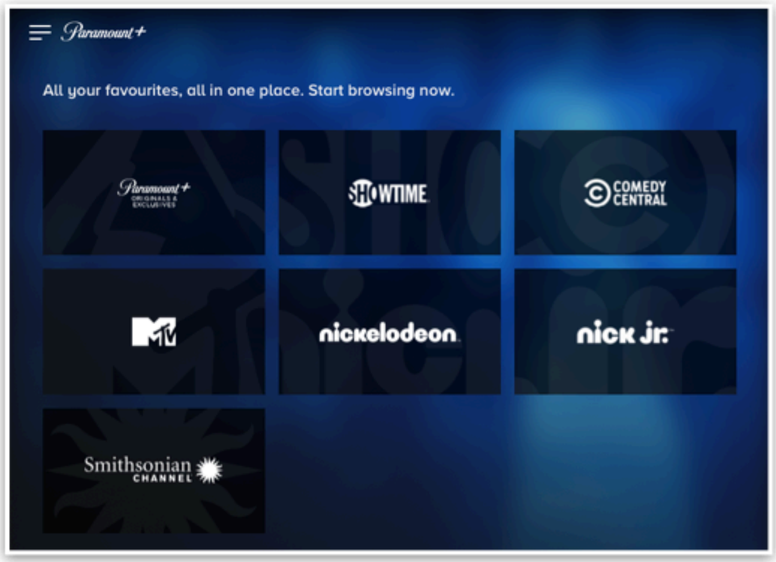


Series and Movie sections rely on straightforward A-Z listings.

Being the default method of navigation this has the unfortunate consequence that titles are often buried amongst very varying quality, era and types.

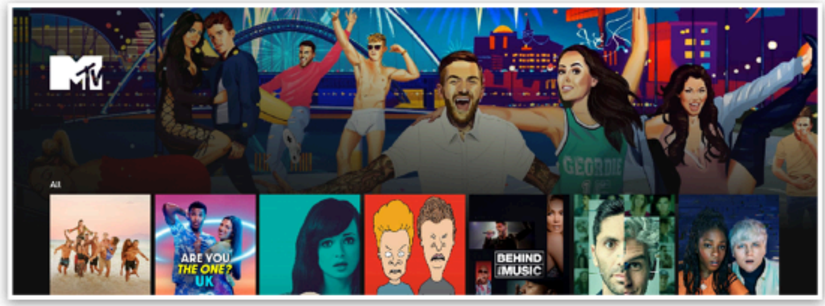
Paramount+ User Interface - Brand Areas

After Home, Movies and TV Series there is a menu for searching by brands.

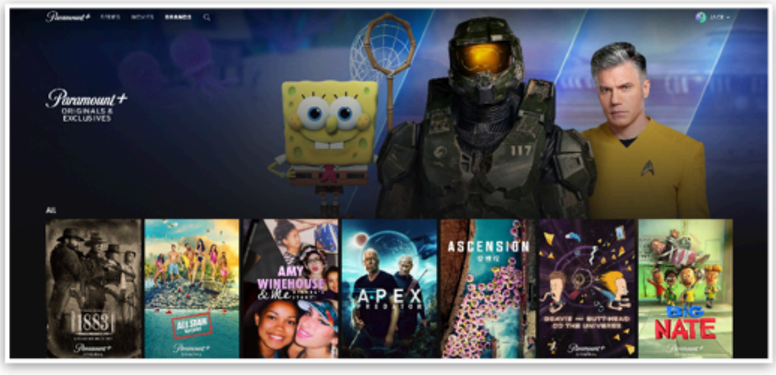


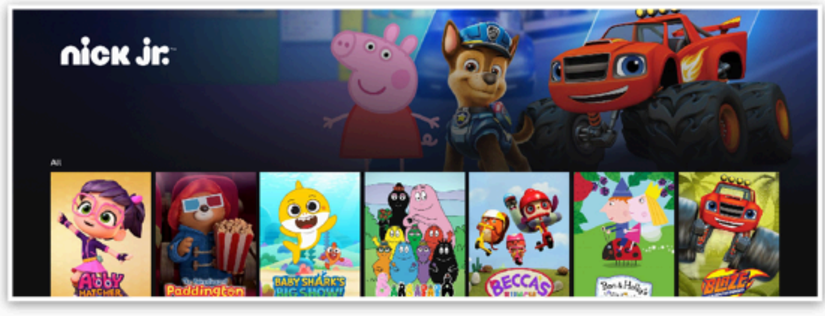


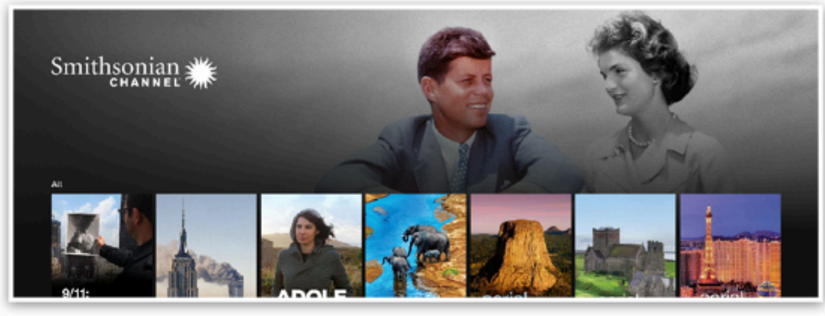












Paramount+ Launch Campaign

Along with a VIP launch event in London launch was supported with a campaign including a mixture of out-of-home, TV, cinema, print, digital & social media, influencer activity and experiential stunts.

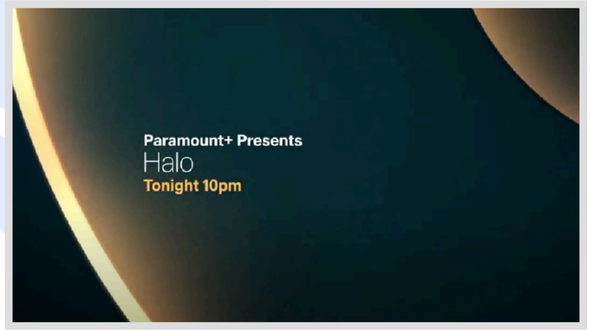
Fronted by Uma Thurman the campaign gave viewers an intro to the line-up of titles and stars on the service, based on the "Mountain of Entertainment" theme. Launch included peak time TV adverts, broadcaster VOD and YouTube.

Paramount is leveraging the reach of its own media in the UK including Channel 5, MTV, Nickelodeon and Comedy Central as well as digital services My5 and Pluto TV.

Following Disney's example with the Mandalorian in some territories Paramount aired the first episode of their Original Halo on Channel Five as "Paramount+ Presents".













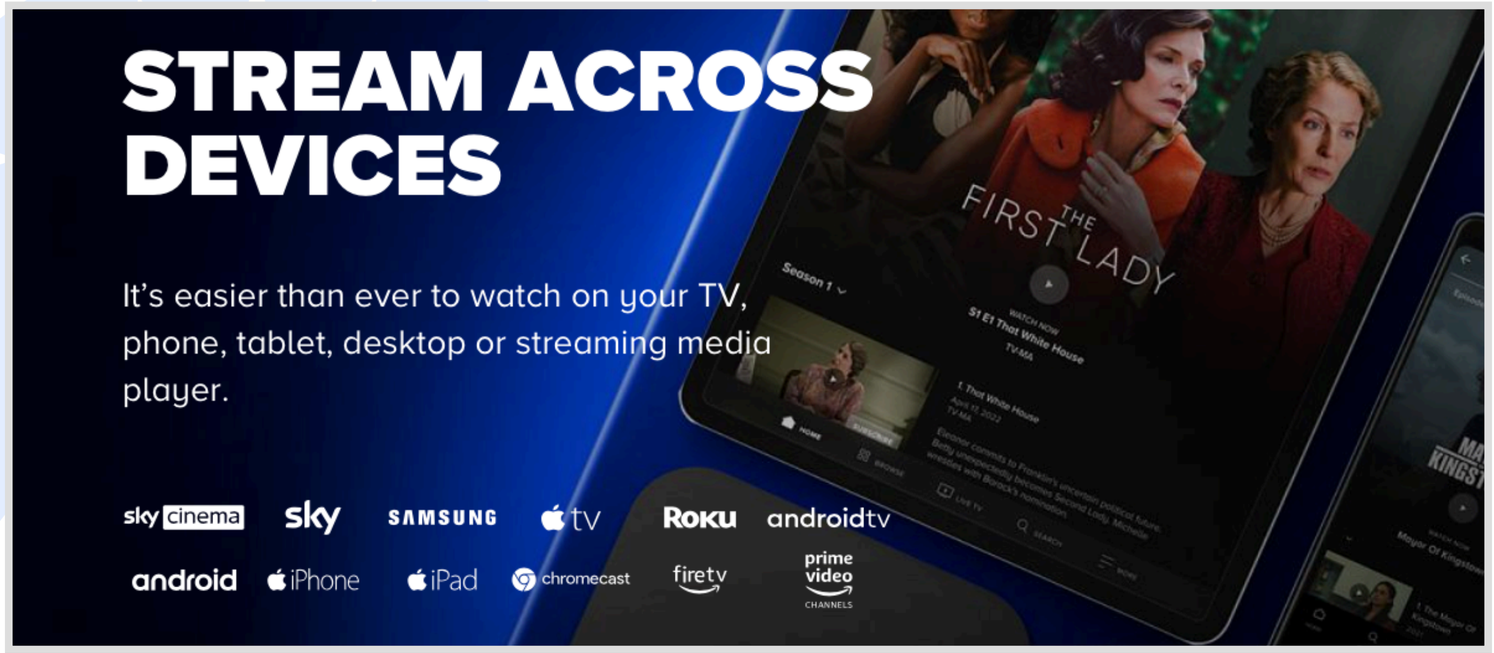
Paramount+ UK Distribution - Significantly bundled with Sky Cinema

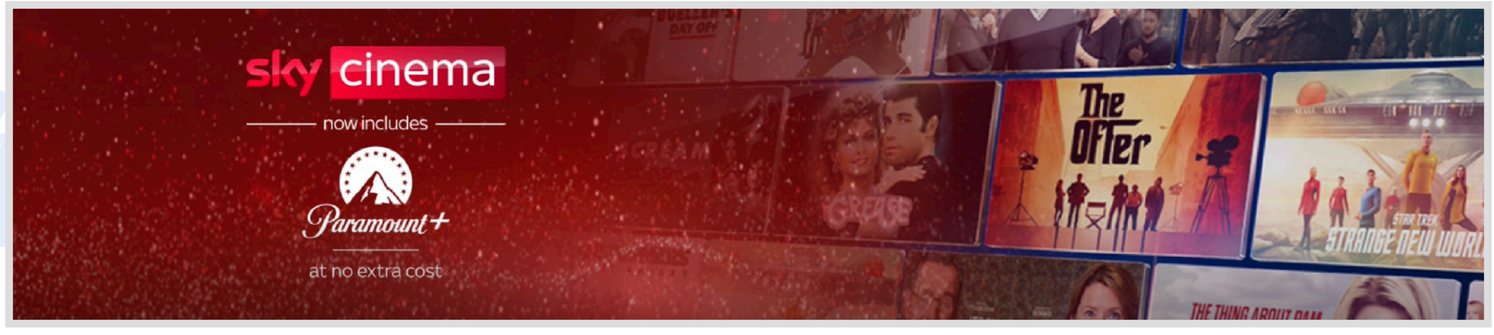
In the UK, Paramount+ is available OTT through numerous connected TV devices.

The service has distribution through key gateways, including Apple, Amazon, Google, Roku and Samsung, with more said to be coming later.

The service is available as a Prime Video Channel and an Apple TV Channel, with a significant presence on the user interfaces of both gateways over the launch period.

Of more significance is the fact that through its Sky partnership Paramount+ is also bundled for no extra cost to all Sky Cinema Subscribers.

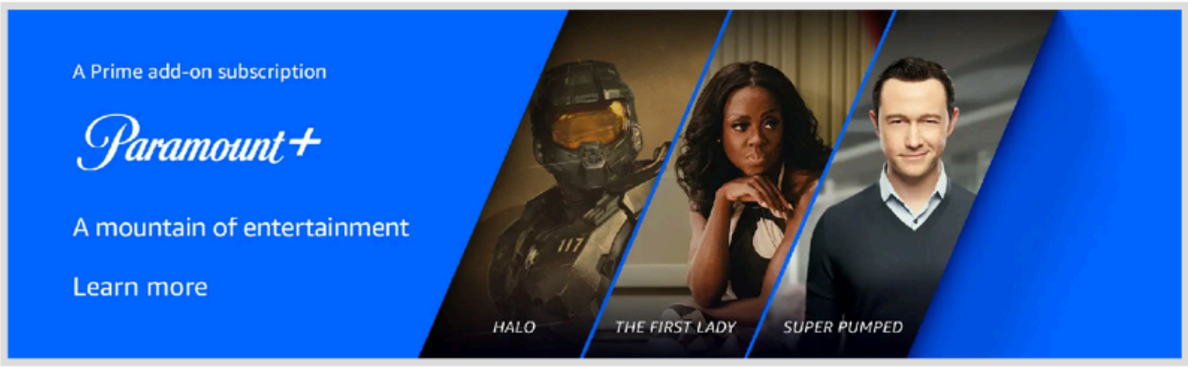




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Amazon Channel availability



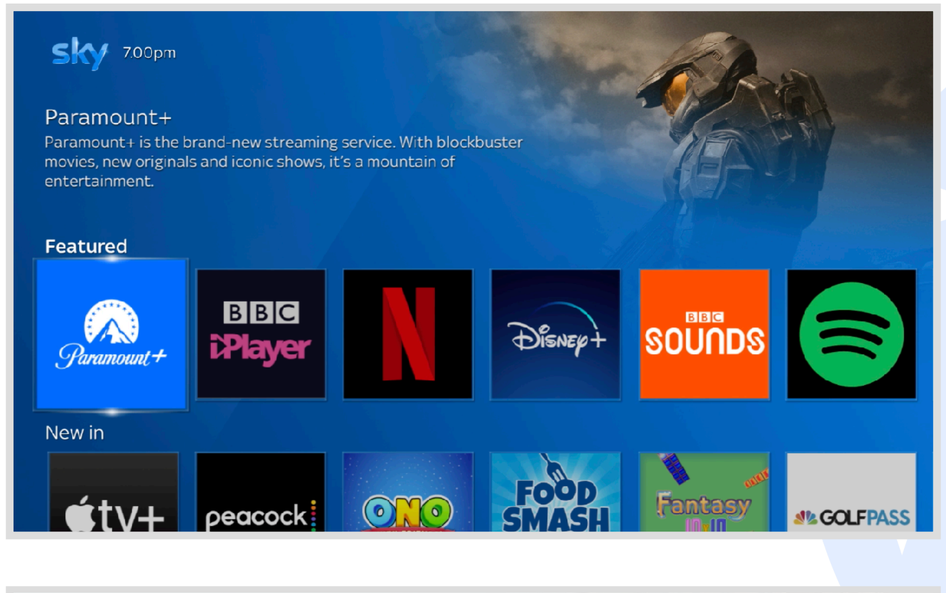


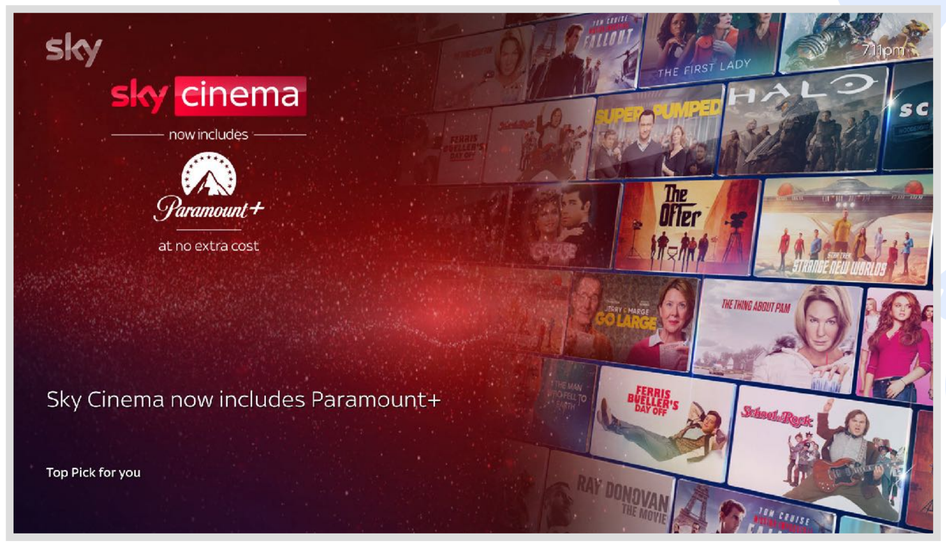












Paramount+ and Sky

Paramount and Comcast have included Paramount+ on Sky platforms in the U.K., Ireland, Italy, Germany, Switzerland and Austria as part of a new multi-year distribution agreement. The deal includes carriage of Paramount's pay TV channels as well as the renewal of Sky as an ad sales partner in select markets.

Paramount+ is included in the Sky Cinema pack (historically the home of Paramount's Pay 1 Movies) for no extra cost. Only Sky Glass or Sky Q subs are able to access the Paramount+ app on their TV and other devices. Sky Cinema subs with older Sky+ boxes will be able to access some Paramount+ content but won't be able to access the full service (potentially supporting upgrades).

Now (Sky's streaming service) also offers Sky Cinema but they do not get Paramount+. They will be able to watch Paramount films that will still be on Sky Cinema, illustrating the realities of Paramount's windowing strategy in the market.

Paramount+ Movie Windows

Pre-launch, the Paramount movies 1st Pay window was with Sky. Netflix had the 2nd Pay and then a Free TV window was on Channel 4.

Sky effectively now share 1st Pay, with Paramount+ included in Sky Cinema subscriptions. Individual titles will also flow onto Sky Cinema channels and Now TV but this has been inconsistent since launch, with some going on to Sky/Now and those released straight onto Paramount+ still only there.

The deal is talked of in terms of Paramount securing distribution with Sky, but the synergies are clear and this is important for Sky. Having already lost other 1st Pay Movie deals they need to maintain Sky Cinema's appeal to subscribers, which means they need to retain Studio deals.

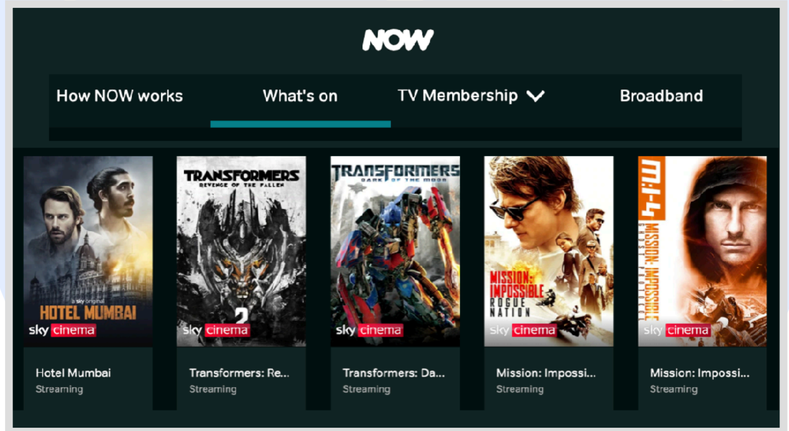
	UK		1W		2W		3W	
Mission: Impossible – Fallout	13/07/18	➤	Sky	24/05/19	➤ NFX	03-Jul-20	➤ C4	20/02/21
Nobody's Fool	25/07/18	➤	Sky	10/08/19	➤ NFX	18/10/20	➤ C4	18/03/21
Overlord	23/11/18	➤	Sky	19/07/19	➤ NFX	11/10/20	➤ C4	02/04/21
Bumblebee	18/05/18	➤	Sky	20/12/19	➤ NFX	13/12/20	➤ C4	30/03/21
What Men Want	15/03/19	➤	Sky	29/12/19	➤ NFX	22/02/21	➤ C4	19/12/21
Wonder Park	15/03/19	➤	Sky	28/12/19	➤ NFX	19/03/21	➤ C4	22/05/21
Pet Sematary	04/04/19	➤	Sky	07/02/20	➤ NFX	12/03/21	➤ C4	02/05/21
Rocketman	22/05/19	➤	Sky	27/03/20	➤ NFX	30/04/21	➤ C4	05/01/22
Dora and the Lost City…	12/07/19	➤	Sky	08/05/20	➤ NFX	08/07/21	➤ C4	19/12/21
Crawl	23/08/19	➤	Sky	29/05/20	➤ NFX	16/07/21	➤ C4	10/07/22
Gemini Man	10/10/19	➤	Sky	19/06/20	➤ NFX	17/09/21	➤ C4	29/01/22
Playing with Fire	26/12/19	➤	Sky	19/09/20	➤ NFX	27/11/21	➤ C4	17/02/22
Sonic the Hedgehog	31/05/19	➤	Sky	18/12/20	➤ NFX	27/11/21	➤ C4	09/12/21
Spontaneous	14/02/20	➤	Sky	18/02/21	➤ NFX	12/05/22	tbc	
PAW Patrol: The Movie	09/08/21	➤	Sky	16/04/22	➤ P+	22/06/22	tbc	
Clifford the Big Red Dog	10/12/21	➤	P+	22/06/22	➤ Sky	24/06/22	tbc	
Jerry & Marge Go Large	N/a		P+	22/06/22	➤ tbc			
Rumble	N/a		P+	20/07/20	➤ tbc			
Scream 5	14/01/22	➤	P+	29/07/22	➤ Sky	12/09/22	tbc	
Secret Headquarters	N/a		P+	12/08/22	➤ tbc			
Jackass Forever	04/02/22	➤	P+	16/08/22	➤ Sky	19/08/22	tbc	
Sonic the Hedgehog 2	01/04/22	➤	P+	tbc	➤ tbc			
The Lost City	25/03/22	➤	P+	tbc	➤ tbc			
Top Gun: Maverick	27/05/22	➤	P+	tbc	➤ tbc			

Source: 3Vision Movie Tracker (July 2022)

Mission Impossible franchise remains available in multiple places currently

As the service launched, legacy content deals where in place, and unlike Disney with Disney+, extensive buy backs to obtain exclusivity have not been done. Time will tell what the impact will be on 3rd Party licensing values and on consumer value perception when content is spread across multiple services - in particular with key franchises.







	Paramount+	Sky Cinema/Now Movies	Film4 (Free TV) & All4 (AVOD)
Mission: Impossible I	Yes	No	Sun 24 Jul / Yes
Mission: Impossible II	Yes	No	Mon 25 Jul / Yes
Mission: Impossible III	Yes	No	Tue 26 Jul / Yes
Mission: Impossible IV – Ghost Protocol	Yes	Yes	Wed 27 Jul / Yes
Mission: Impossible V – Rogue Nation	No	Yes	Thu 28 Jul / Yes
Mission: Impossible VI – Fallout	Yes	No	Fri 29 Jul / Yes

Paramount+ TV Series pipeline and Sky Co-Exclusivity

Paramount want to optimise sales windows to best monetise the content, and in the UK their long term partner has been Sky, who before Paramount+ took 39% of TV Series since 2017.

Most Paramount's TV series used to be on Sky's TV channels, but now they will be on Paramount+. Sky subs who used to get these shows and are not on the Sky Cinema bundle, such as the Sky Ultimate TV bundle, will lose out on content that Paramount withholds for Paramount+.

Some content will be co-exclusive with Sky, but it remains to be seen how much content will leave Sky Channels, including CBS Shows and Showtime titles.

From six recent Showtime titles four premiered on Sky pre-Paramount+ and are still available on Sky co-exclusive with Paramount+. The two most recent, ,"Super Pumped: The Battle for Uber" and "The Man Who Fell to Earth", never went on Sky and have gone straight to Paramount+ on launch, hinting at a shift.

Recent Showtime titles

		Current Access	
Title	**Premiere & Release Date**	**Sky**	**Paramount+**
American Rust	Sky Atlantic	28-Nov-21	Yes	Yes
Dexter: New Blood	Sky Atlantic	08-Nov-21	Yes	Yes
Flatbush Misdemeanors	Sky Comedy	12-Aug-21	Yes	Yes
Yellowjackets	Sky Atlantic	02-Dec-21	Yes	Yes
Super Pumped: The Battle For Uber	Paramount+	22-Jun-22	No	Yes
Man Who Fell to Earth, The	Paramount+	22-Jun-22	No	Yes

Source: 3Vision Show Tracker (July 2022)

Paramount+ Originals

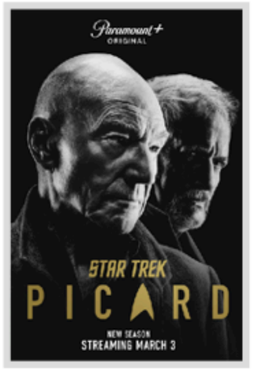
Paramount+ has launched with a number of key Originals and they plan to commission 150 international originals by 2025. Originals announced from around the world, include: Sexy Beast (UK), A Gentleman in Moscow (UK), The Chemistry of Death (Germany), The Envoys (Mexico), Cecilia (Mexico), Bosé (Spain), Fallaci (Italy), At Midnight (Mexico), The Signal (France), Impact (France), and more.

































Wrap-up

Paramount+ ticks all the critical boxes, being available on most streaming devices, competitively priced, offering strong brands and high value original content and blockbuster movies. It has secured wholesale subs though a Sky deal and is leveraging its UK businesses through content and other means.



All of this means we are less focused on what is essentially a relatively small content catalogue on offer currently. At this early stage it relies on limited number of Originals and a small selection of high-quality TV - but the list of titles includes many that were recently (or still) available elsewhere.

It is an underwhelming user experience with no 4K / HDR, no Dolby Atmos and restrictive download capabilities. Limited information is available on titles and overall it survives through its curated (and limited) offer. Omissions from the archives are puzzling in places. Rights issues undoubtedly provide answers, but why would the Original TV series telling the story of the making of the Godfather "The Offer" not be accompanied by the Godfather movies? Why would a key promotable franchise like "Mission Impossible" be missing one film, whilst within a month of launch have all titles offered in a "Mission Impossible Week" on Free TV?

However, the service is rich in kids titles and has a growing library of high quality titles. If efforts to window content don't dilute the proposition then the service is likely to carve out its unique position, with the Sky deal another example of how distribution partnerships are changing as the role of Pay TV Aggregators evolves at pace.

3VISION

3Vision is a global content and TV consultancy specialising in content acquisition, strategy, research, business development and marketing in the TV industry.

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3Vision's services include 'Show Tracker', which monitors where TV shows are being sold around the world and the rights attached to each deal.



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