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Leichtman Research Group

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MAJOR PAY-TV PROVIDERS LOST ABOUT 410,000 SUBSCRIBERS IN 1Q 2017

First Time the Industry ever had Net Losses in a First Quarter

Durham, NH – May 18, 2017 – Leichtman Research Group, Inc. (LRG) found that the largest pay-TV providers in the US – representing about 95% of the market – lost about 410,000 net video subscribers in 1Q 2017, compared to a gain of about 10,000 subscribers in 1Q 2016.

The top pay-TV providers account for 93.3 million subscribers – with the top six cable companies having over 48.6 million video subscribers, satellite TV services about 33.2 million subscribers, the top telephone companies 9.8 million subscribers, and the top Internet-delivered pay-TV services having about 1.7 million subscribers.

Key findings for the quarter include:

- The top six cable companies lost about 115,000 video subscribers in 1Q 2017 – compared to a gain of about 50,000 subscribers in 1Q 2016
- Satellite TV services lost about 320,000 subscribers in 1Q 2017 – compared to a gain of about 175,000 subscribers in 1Q 2016
 - DIRECTV had no net adds in 1Q 2017 – compared to a gain of 328,000 in 1Q 2016
- The top telephone providers lost about 325,000 video subscribers in 1Q 2017 – compared to a loss of 350,000 subscribers in 1Q 2016
- Internet-delivered services (Sling TV and DIRECTV NOW) added about 350,000 subscribers in 1Q 2017 – compared to about 130,000 net adds in 1Q 2016
 - Traditional pay-TV services (not including Internet-delivered services) lost about 760,000 subscribers in 1Q 2017 – compared to a loss of about 120,000 in 1Q 2016

“The pay-TV market lost about 410,000 subscribers in the first quarter of 2017. This marked the first time that the industry has ever had net subscriber losses in the first quarter of a year,” said Bruce Leichtman, president and principal analyst for Leichtman Research Group, Inc. “The decline in subscribers should not be interpreted as solely driven by a sudden increase in consumers disconnecting services. The net losses are also a function of a decrease in new connects, partially due to some providers less aggressively pursuing lower value customers than in the past.”

Pay-TV Providers	Subscribers at end of 1Q 2017	Net Adds in 1Q 2017
Cable Companies		
Comcast	22,549,000	41,000
Charter	17,147,000	(89,000)
Altice*	3,500,000	(35,000)
Mediacom**	832,000	(3,000)
Cable ONE	307,187	(13,059)
Other major private company***	4,275,000	(15,000)
Total Top Cable	48,610,187	(114,059)
Satellite Services (DBS)		
DIRECTV	21,012,000	0
DISH-DBS^	12,173,000	(318,000)
Total DBS	33,185,000	(318,000)
Phone Companies		
Verizon FiOS	4,681,000	(13,000)
AT&T U-verse	4,048,000	(233,000)
Frontier^^	1,065,000	(80,000)
Total Top Phone	9,794,000	(326,000)
Internet-Delivered		
Sling TV^	1,355,000	175,000
DIRECTV NOW^^^	375,000	175,000
Total Internet-Delivered	1,730,000	350,000
Total Top Providers	93,319,187	(408,059)

Sources: The Companies and Leichtman Research Group, Inc.

* Altice adjusted Suddenlink totals from prior reported amounts to align with Optimum metrics

** Mediacom includes pro forma results from a small system acquisition in January 2017

*** Includes LRG estimate for Cox

^ DISH reports combined DBS and Sling TV subscribers, the individual counts for DISH and Sling TV are LRG estimates

^^ Frontier is revised from prior reporting (does not including DBS subscribers)

^^^ LRG estimate for DIRECTV NOW in 1Q 2017

Company subscriber counts may not solely represent residential households

Top pay-TV providers represent approximately 95% of all subscribers

Top cable companies do not include overbuilder WOW with 474,000 subscribers

Net additions reflect pro forma results from system sales and acquisitions, and reporting adjustments -- therefore, comparing totals in this release to prior releases may not produce accurate findings

About Leichtman Research Group, Inc.

Leichtman Research Group, Inc. (LRG) specializes in research and analysis on the broadband, media and entertainment industries. LRG combines ongoing consumer research studies with industry tracking and analysis, to provide companies with a richer understanding of current market conditions, and the adoption and impact of new products and services. For more information about LRG, please call (603) 397-5400 or visit www.LeichtmanResearch.com.

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