

The rise of streaming platforms like Netflix, Amazon Prime, and Disney+ has transformed media consumption by offering on-demand access that untethers audiences from traditional schedules and physical formats.

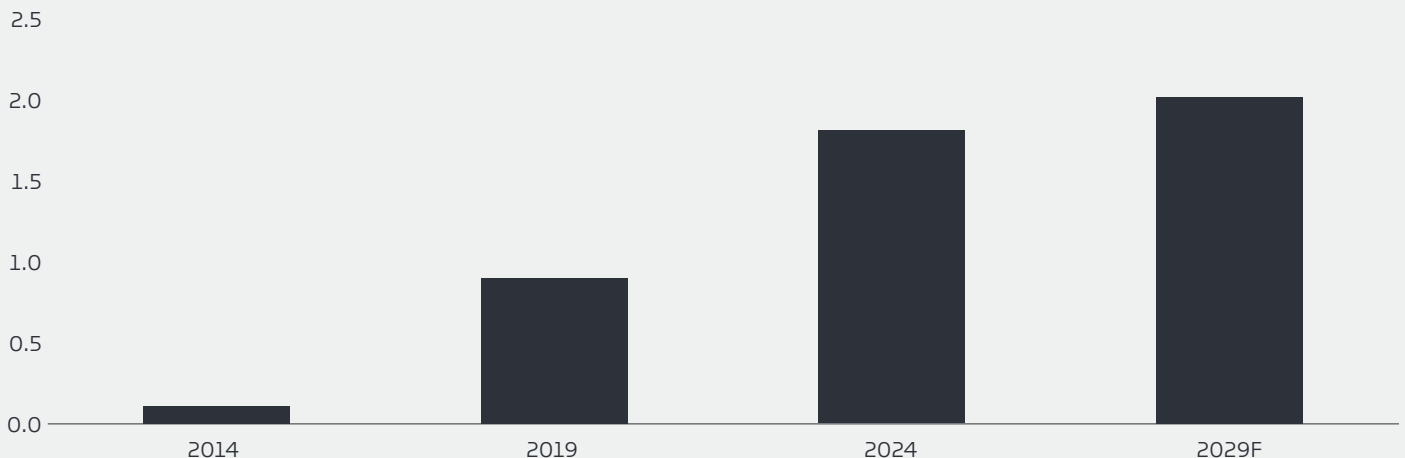
Enabled by smartphones, tablets, and smart TVs, these platforms provide unparalleled convenience and flexibility. Additionally, similar to other online content, they leverage AI-driven algorithms to deliver personalized recommendations, enhancing engagement by catering to individual preferences. Currently there are an estimated 1.8 billion paid online streaming subscriptions worldwide and projected to reach over two billion globally in the next five years. The current trajectory is a marked slow-down from the doubling in global subscriptions from 2019 to 2024, accelerated by pandemic viewing shifts. The rise of digital content and streaming platforms increased demand for studio space, as streamers ramped up original content production to compete for subscribers. This surge in production added a new layer of demand to an already competitive market, with traditional studios and streamers vying for limited space. Consequently, the need for modern, scalable facilities has fueled investments in studio expansion and infrastructure upgrades.

After a full shutdown of production activity during the pandemic that impacted 2020 and 2021, the industry's recovery faced significant headwinds in 2023 and 2024, due to strikes and other labor issues that corresponded with significant pressure from Wall Street for the content providers to pivot from a "growth at any cost" approach to an approach focused on ROI and profitability.



However, demand for original content has remained resilient and we continue to believe premier studio properties in the top global markets are well-positioned to capitalize on the recovery. The future of this sector will be shaped by evolving technologies that favor vertically integrated platforms. These platforms combine operational expertise with ownership of the most strategically located and technologically advanced facilities, creating a competitive advantage that goes beyond scale. This integration enables faster production cycles, better resource utilization, and seamless alignment with evolving consumer demands, particularly in a world increasingly dominated by streaming and global distribution.

NUMBER OF PAID GLOBAL VIDEO STREAMING SUBSCRIPTIONS (BILLIONS)



Source: Ampere Analysis, December 2024



JUSTIN HILDEBRANDT

Senior Managing Director,
Head of Europe

justin.hildebrandt
[@affiniuscapital.com](mailto:justin.hildebrandt@affiniuscapital.com)



MAX VON BELOW

Managing Director,
Global Investors Group

max.vonbelow
[@affiniuscapital.com](mailto:max.vonbelow@affiniuscapital.com)



KAREN MARTINUS

Senior Vice President,
Research and Investments

karen.martinus
[@affiniuscapital.com](mailto:karen.martinus@affiniuscapital.com)



SHAUN CONNERY

Managing Director,
Head of European Debt

shaun.connery
[@affiniuscapital.com](mailto:shaun.connery@affiniuscapital.com)

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WTC Amsterdam, H-Tower,
Zuidplein 94, 1077 XV
Amsterdam, The Netherlands

+31(0)20 235 17 00
affiniuscapital.com