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MPA Report: ReelShort on Track for US$1.05 Billion in Revenue and First Profit at Scale

Micro-drama revenue outside China forecast to grow from US$3.6 billion in 2026 to US$9.5 billion by 2031

SINGAPORE, 6 August 2026 — Media Partners Asia (MPA) today published *ReelShort / Crazy Maple Studio: Inside the US$1B Micro-Drama Machine*, an independent assessment of the international micro-drama category and its revenue leader. The report sets out ReelShort's financial trajectory to 2028 and the competitive structure of a market MPA sizes at US$3.6 billion ex-China.

KEY FINDINGS

- **Category scale.** Micro-drama revenue outside China reached US$2.7 billion in 2025 and is forecast to reach US$3.6 billion in 2026 and US$9.5 billion by 2031, a 21% CAGR. The US grows from US$1.5 billion to US$3.7 billion over the period. Asia Pacific ex-China triples to US$2.4 billion.
- **Revenue and profitability.** ReelShort revenue grew from US$97 million in 2023 to US$400 million in 2024 and US$785 million in 2025. MPA forecasts US$1,050 million in 2026, up 34%, followed by US$1.4 billion in 2027 and US$1.7 billion in 2028. After an estimated US$12 million net loss in 2025, MPA projects US$63 million of EBITDA and around US$40 million of net profit in 2026, rising to US$306 million of EBITDA at an 18% margin and US$225 million of net profit by 2028.
- **Marketing costs are falling.** User acquisition and marketing declines from 55% of revenue in 2025 to 44% by 2028, a shift worth around US$10.5 million of EBITDA for every percentage point. MPA identifies five reasons: (1) Hit franchises and their sequels draw a growing share of demand without paid support, and supply much of the advertising creative used to acquire the rest; (2) Telco and strategic local market partnerships add subscribers at little acquisition cost; (3) More billing is moving to ReelShort's own web store and direct channels; (4) Faster creative testing and a hit rate MPA expects to improve raise the return on each dollar spent; and (5) The paid-social auction is maturing after several years of new entrants bidding up prices.
- **Revenue mix.** Consumer payments and subscriptions remain the majority of the business, contributing 85–90% of revenue throughout the forecast period, with subscriptions already making up 60–70% of what viewers pay. Two shifts within that mix drive profitability. Advertising, a small stream before 2024, grows to around 15% of revenue by 2028 — and because it pays no app-store commission, roughly 65–70 cents of each advertising dollar flows through to earnings. At the same time, more consumer billing is moving to ReelShort's own web store, reducing platform and payment fees. Together these two shifts account for close to half of the projected margin expansion.
- **Asia.** The region contributes 12% of revenue in 2026 and is the fastest-growing in MPA's forecast, reaching around US$200 million and 14% of revenue in 2027. The AIS partnership in Thailand, live since April, has delivered significant subscriber and engagement momentum. Further partnerships in Indonesia and the Philippines are expected to be operational by the end of 2026 and to contribute for a full year in 2027. Local production and distribution deals in Japan and Korea, including a Showbox co-production, launch in the fourth quarter and onwards.
- **Users versus revenue.** Latin America and Asia Pacific account for around 60% of an estimated 70 million global monthly users in 2026 but 19% of revenue. North America contributes US$620 million, or 59%. Narrowing that gap is the main source of upside in the forecast.
- **A five-player market.** ReelShort leads on an estimated 29% share, ahead of DramaBox on 21%, DramaWave on 13%, NetShort on 10% and GoodShort on 6%. The remainder is spread across some 300 smaller apps.

COMMENTS ON THE REPORT'S FINDINGS

"Micro-drama has begun to be an earnings story rather than a growth story. Marketing costs are coming down as hit franchises bring audiences in without paid support, platform fees are falling as operators move billing onto their own web stores, and advertising is entering the mix at high margin. ReelShort is showing that the model can scale and make money at the same time. What decides the next phase is distribution and unit economics, not necessarily content volume."

Vivek Couto — CEO & Executive Director, MPA

"User acquisition is the swing factor. It falls from 55% of revenue in 2025 to 44% by 2028 on our model, and every percentage point is worth around US$10.5 million of EBITDA at this year's scale. The reason is that less of the growth now has to be bought in the paid-social auction. Franchises bring audiences in on their own, and telco distribution adds subscribers at almost no acquisition cost. Thailand has shown that quickly, and the partnerships in Indonesia and the Philippines, along with Japan and Korea from the fourth quarter, should contribute for a full year in 2027."

Myat Pan Phyu (May) — Lead Analyst, Micro-Drama & Vertical Video, MPA

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