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WHAT THE INDUSTRY READS FIRST

Early Impressions: Sinclair Optimistic on Bally Sports+ Sub Numbers

Sinclair's **Diamond Sports Group** isn't sharing early subscriber numbers for its **Bally Sports+** RSN streaming offering, but it is more confident than ever that it can reach its long-term target of 5-10 million subs.

During a 2Q22 earnings call dedicated to discussing Diamond Sports results, Sinclair CEO *Chris Ripley* said early subscription volumes have been better than expected and subscriber engagement on the platform is strong. The company is seeing Bally Sports+ users viewing approximately 33% more minutes than what it has seen from TV Everywhere users. Bally Sports+ has also been offering a seven-day free trial and 74% of those who signed up for that trial to date have converted to paying subscribers after the free trial expires. On the technical front, Ripley said there have been minimal issues and the consumer service team's response time to problems has been excellent thus far.

"There's an affinity of the sports fans that are making the purchase to stay with the product as well as the length of time that they're viewing per game," Sinclair COO *Rob Weisbord* said. Ripley said the company has been testing a slew of new interactive features as well where viewers can participate in polls and trivia while they watch. "The initial findings show that a significant percentage of viewers take advantage of these features, engaging activity beyond just looking at the screen," he said. "That reaffirms our thesis that interactivity, creating

the game within the game, is a key avenue to engaging younger viewers and creating additional revenue streams beyond just watching the game."

Diamond revenues were \$751 million in 2Q22, with distribution revenues making up a significant part of that pie with \$614 million. Sinclair continues to see high single-digit percentage churn across the RSNs. Total ad revenue sat at \$129 million with advertising revenue on a per-game basis for the Bally RSNs growing by a percentage in the mid-teens. Upfront ad sales for the Bally RSNs were up across the board, with digital up 43% and linear up 6% YOY. Weisbord noted that the RSNs typically sell around 75% of their ad inventory during the upfront, so the leadership team found it extremely encouraging to see the strength coming out of this year's sales period. For the third quarter, Sinclair is guiding Diamond distribution revenues to \$575-576 million and advertising revenues will likely fall between \$115-122 million.

Sinclair doesn't have any visibility into how many users of Bally Sports+ are participating in sports betting, but it is watching those trends closely and is developing watch-and-bet products for both the **NBA** and the **NHL**. One positive trend the broadcaster has noticed is that there has been no pullback on the RSNs when it comes to sports betting advertising. That's a phenomenon that has been occurring at other media companies and on the broadcasting side of the business.

"If that's any indication of what the betting activity is and the importance of those viewers/users, the RSN user or viewers

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is the prime target and an avid bettor that these companies covet,” Ripley said.

Sinclair has set Sept. 26 as the full launch date for Bally Sports+ across its 19 RSNs, and the company doesn't see any major hurdles that could force them to delay that launch. It has secured most of the NBA and NHL rights it needs ahead of that date, renewing agreements this year to carry live local games for three NHL times. It is currently in negotiations with two NBA teams as well. They do plan to make upgrades to the app between now and the end of next month, including features like statistics overlays and more in-game engagement features. Ripley said even a delay in the implementation of those upgrades shouldn't impact the launch date as the product is already performing really well.

Don't hold out hope that Bally Sports+ will have DTC distribution rights for all of its RSNs by the start of next year's **MLB** season. At the June 23 soft launch, Bally Sports+ had the rights to MLB teams in Milwaukee, Miami, Tampa, Detroit and Kansas City. None of its MLB contracts come up for renewal this year, and Ripley said current trends seem to indicate that DTC rights will be added to agreements as teams are renewed.

BIG DEAL FOR THE BIG TEN

The Big Ten agreed to the most lucrative conference media rights deal in college sports history through a partnership announced Thursday with **CBS**, **Fox** and **NBCU**. The deal will begin July 1, 2023, and run through the 2029-2030 season. According to *Sports Business Journal*, the conference will receive more than \$1.1 billion/year for the rights—an estimated increase of over \$560 million from its current deal with Fox

and **ESPN** that garners \$440 million/year. ESPN was in talks to renew its partnership with the Big Ten, but it turned down a seven-year, \$380 million offer to carry 13 games per season. “The Big Ten Conference media rights agreements are more than just dollars and deals. They are a mechanism to provide stability and maximum exposure for our student-athletes, member institutions and partners during these uncertain times in collegiate athletics,” Big Ten Commissioner *Kevin Warren* said. The Big Ten also made **Peacock** its DTC destination, having the streamer broadcast eight games each season. Fox will continue to be the conference's main broadcast partner and carry over 30 football games across Fox and **Fox Sports**. For CBS, it'll initially broadcast seven football games and the men's basketball regular and postseason. In 2024, CBS will increase its televised football contests to up to 15 games, which will include an afternoon game on Black Friday. All CBS-produced telecasts will also be streamed on **Paramount+**. NBC will have 14-16 football games on broadcast TV per season and is the home for its primetime event “Big Ten Saturday Night” which will also be simulcast on Peacock. All three networks will rotate carrying the Big Ten Football Championship game each year.

MOFFETT NATHANSON REVISES VERIZON, AT&T

MoffettNathanson downgraded **Verizon** to “Underperform” with a revised target price of \$41 and cut its target price for **AT&T** to \$17 in a Thursday report on wireless industry results in the second quarter. It acknowledged AT&T for accelerating its sub growth over the last two years by adopting an extremely promotion-focused stance, but the costs of such a strategy include the provider continually curing its FCF and dividend cov-

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erage forecasts. “They are left with a larger, but arguably lower quality, customer base whose preservation is more dependent than ever on lucrative giveaways,” it said. “With industry growth now showing signs of moderation, AT&T’s path to real growth is no clearer now than it was then.” Even with those struggles at AT&T, MoffettNathanson is of the mind that Verizon has emerged as the biggest loser. That’s in large part because of its lack of commitment to any strategy, often jumping between approaches without committing wholeheartedly to any one action. In the meantime, **T-Mobile** has continued to bolster its 5G network and cable operators are making headlines with their ever-increasing number of subscriber additions. “Verizon has done its best to avoid being dragged into AT&T’s promotional abyss, but their efforts have been met with only limited success. They have seesawed between periods of promotionality and financial restraint, optimizing neither,” the firm said. “They have recently pulled back sharply on promotions, a reversal of their approach in Q2, and have introduced a suite of lower priced plans instead. There are no easy answers.”

SENATORS ASK FOR STAY OF LIGADO ORDER

A bipartisan group of eight senators sent a letter to the **FCC** on Wednesday urging Chair *Jessica Rosenworcel* to stay and reconsider the Commission’s 2020 order granting the applications of **Ligado** to deploy a terrestrial wireless network in the L-band. The group, which included Senators *Jim Inhofe* (R-OK) and *Kyrsten Sinema* (D-AZ), said they remain extremely concerned that terrestrial operations in the L-band would cause “unacceptable risk” to the **Department of Defense**, GPS and Satellite Communications operations. They also reminded Rosenworcel that prior to the issuance of the Ligado order, 14 federal agencies and departments strongly opposed the applications over interference concerns. “We remain gravely concerned that the Ligado Order fails to adequately protect adjacent band operations—including those related to GPS and satellite communications—from harmful interference impacting countless military and commercial activities,” the letter read. “We urge you to set aside the Ligado Order and give proper consideration to the widely held concerns across the Executive Branch, within Congress, and from the private sector regarding the expected impact of the Ligado Order on national security and other systems.”

LINEAR REACH CONTINUES TO DECLINE

Just 56 million U.S. households watched linear TV daily in 2Q22, according to TV technology and audience analytics company **Samba TV**. In its [State of Viewership report](#), it noted households under the age of 35 watched 23% less linear TV per week than households over 35-years-old, further showcasing the trend of younger viewers opting for OTT services. Approximately 83% of U.S. households are subscribed to at least one SVOD offering and 27% use at least one AVOD service. The report also found 40 of the top 50 most-watched linear programs in 2Q were related to sports, and that only four programs brought over 10 million household tune-ins—all of them being sporting events. When it comes to advertis-

ing, 95% of linear ads reached 55% of U.S. households, with only one of four impressions reaching households under 35. Domino’s, Liberty Mutual, Progressive and Walmart are among the quarter’s top advertisers based on impressions, with **T-Mobile** and Geico also continuing to spend in the linear ad realm. **Netflix** held five of the top-seven most-watched season premieres among SVODs led by Season 4 of “Stranger Things” and Season 2 of “Bridgerton.” Samba TV also revealed Spanish-language linear networks are seeing an increase in average daily reach. Univision saw a 124% YOY bump in 2Q, with **Telemundo**, **ESPN Deportes** and **UniMás** also seeing growth. – Streaming was the largest segment of TV viewership in July, checking in with 34.8% of total consumption compared to cable’s 34.4% mark according to **Nielsen**’s monthly TV and streaming [insights](#). Streaming viewers consumed an average of 190.9 billion minutes total per week, with usage growing 22.6% YOY and 3.2% compared to June. Broadcast TV was 21.6% of July’s viewership but saw a 9.8% loss YOY.

CARRIAGE

Allen Media Group’s digital service **HBCU GO** struck a deal with **CBS** O&O duopoly stations, bringing its presence to 60% of U.S. households. HBCU GO will be available in markets such as Atlanta, Los Angeles, New York and Philadelphia and is available on **Roku**, **Amazon Fire TV** and **Apple TV**. The platform also made distribution agreements with group-owned stations including **Nexstar**, **Gray**, **Cox**, **Tegna** and **Sinclair**.

IBM, USTA EXTEND PARTNERSHIP

IBM and the **U.S. Tennis Association** agreed to a five-year renewal of their partnership that has spanned 30 years. IBM will continue to build on features such as Match Insights with Watson and Win Factors, where both measure millions of data points to help viewers understand what’s impacting players’ performances during a match. For this year’s U.S. Open, users can make predictions on match outcomes and compare those picks to IBM’s AI-powered Likelihood to Win feature. The tournament runs Aug. 29-Sept. 11.

FIBER FRENZY

Ritter Communications is nearly finished with its \$12 million investment to bring high-speed internet and telephone services to businesses in Fort Smith, Van Buren, Alma and Ozark, Arkansas. Construction began last summer and is expected to wrap up this fall. Once done, customers can get speeds of up to 10 Gbps. Additionally, businesses and schools will have access to the Ritter Communications Data Technology Center which offers cloud solutions for information, storage and other needs.

PROGRAMMING

Tubi is bringing a new unscripted docuseries called “TMZ No BS” starting Aug. 24. There will be 12 episodes total in the series, and each will dive into the untold stories of various celebrities. The premiere will center on *Britney Spears*, with future episodes focusing on *Jennifer Lopez*, *Conor McGregor* and others. – **Showtime** has renewed “The Chi” for a sixth season that’ll begin in 2023. Season 5 streams on Fridays on-demand and on-air Sundays at 9pm.

PROGRAMMER'S PAGE

Mahogany Promises 'Unthinkably Good Things'

Hallmark Media has spent recent years expanding the diversity and inclusivity of its stories, and it will reach a major milestone in that effort with the debut of "Unthinkably Good Things," the first movie under the network's **Mahogany** banner. Debuting Aug. 28 at 9pm on **Hallmark Movies & Mysteries**, the film centers on three friends that reunite in Tuscany to make tough decisions on how they're going to approach their next season of life. The Mahogany banner promises to showcase stories about human connection through the lens of Black culture, and that responsibility was one the creative team behind the film took seriously. "We've had a beautiful opportunity thanks to [Mahogany SVP, Programming *Toni Judkins*] to bring us together to work together. But I think what was important for us as creatives and filmmakers was to tell a story that was representative of who we are and our friendships," Executive Producer *Korin Williams* said during a **TCA** Summer Press Tour panel. "Toni saw that immediately and wanted to do a movie that would represent Black women that saw themselves on the screen and their friends and sort of the journeys that they were able to take." Director *Terri Vaughn* said it was crucial for the entire creative team to stay true to the Hallmark brand, but also introduce something that authentically represented people of color. "The ease that you felt or that you witnessed was kind of rooted in the pillars of what Mahogany is—sisterhood, friendship, connection and community," Judkins added. The panelists had purchased Hallmark Mahogany cards prior to starting work on the film, and seeing a product that was made for them made them feel optimistic about the future of representation for Black women. "I would see cards that were created for women that looked like me, that had similar experiences that I did... I felt that our time was coming." Judkins said. "That this was a pathway to a time where we would be fully seen, fully recognized and fully appreciated." – *Sara Winegardner*

REVIEWS

"Redemption," streaming on **BritBox**. For viewers with a bad case of "Ray Donovan" withdrawal, there's hope for you beyond a string of evenings crying in your beer as you reminisce about **Showtime's** erstwhile hit. While "Redemption" on BritBox is far from an upbeat miniseries—well, hold on, you're a Donovan fan, accustomed to dark-ish plotlines—its lead, *Paula Malcomson*, is the late Ms. Donovan. As Detective Inspector Collette Cunningham, Malcomson shows she's more than capable of leading an ensemble. Here she's a transplanted London police officer, back home in Dublin after police there summon her about a dead, 35-year-old woman Cunningham says she doesn't know. Not long in, Cunningham realizes the deceased is her long-lost daughter, gone for nearly 20 years. As such, Cunningham finds she's now guardian of two teens. She wrangles a transfer to a Dublin police unit where she struggles to raise teens and attempts to fit in with her new, younger colleagues. These include a play-it-by-the-books sergeant (*Siobhán McSweeney*) and a feisty partner (*Thaddea Graham*). Unlike many series, Redemption is as tight as they come, with few wasted scenes or unnecessary characters. Unfortunately, Cunningham is saddled with making a living, instead of solving her daughter's death. As such, each ep includes a crime, usually insignificant. Still, Malcomson's superior performance makes Redemption a great watch or binge. – *Seth Arenstein*

BASIC CABLE P2+ PRIME RANKINGS* (08/08/22-08/14/22)		
MON-SUN	MC US AA%	MC US AA (000)
FNC	0.855	2664
MSNBC	0.479	1492
HGTV	0.312	972
CNN	0.284	885
HALL	0.249	776
ESPN	0.249	775
TLC	0.230	715
INSP	0.222	691
TBSC	0.198	616
DISC	0.190	592
FOOD	0.182	566
USA	0.171	532
TVLAND	0.166	518
NFL	0.165	513
HIST	0.157	489
ID	0.152	475
HMM	0.138	431
WETV	0.135	420
BRAVO	0.132	413
A&E	0.129	403
LIFE	0.128	399
FX	0.128	398
TNT	0.121	378
AMC	0.121	376
REELZ	0.119	372
SYFY	0.118	367
GSN	0.112	348
BET	0.111	345
APL	0.099	309
OXY	0.099	307
TRAVEL	0.096	299
NAN	0.092	286
DSNY	0.088	275
IFC TV	0.086	267
ADSM	0.082	257

*P2+ L+SD rankers are based on national Nielsen numbers, not coverage.

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