

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Fast Forward: WBD Moves Up Combined Streamer Launch to Spring

Warner Bros. Discovery has moved up the launch date of its combined **HBO Max-discovery+** and is now planning for a spring release in the U.S. The company had previously expected to bring the service to life during the summer of 2023. A Latin American launch is now also planned before the end of next year with Europe and APAC to come after. There will be no further international expansions of the standalone HBO Max and discovery+ services ahead of the spring combined launch.

As for where the product stands right now, various features are being tested on the new platform and the existing services that would address the deficiencies of the individual offerings, and much of those are focused on improving user experience and content discovery. We'll have to wait for details on where pricing will fall, but leadership is optimistic about the strategy that's being formed.

"By 2023 HBO Max will not have raised prices since its launch, so it'll have been three years since pricing has moved, which we think is an opportunity, particularly in this environment," Warner Bros. Discovery Global Streaming and Interactive Entertainment President/CEO *J.B. Perrette* said on the company's 3Q22 earnings call. "When we look internationally, our wholesale and retail ARPUs are meaningfully lower than the market leaders, and for us that spells opportunity and ability as we think about the new product coming to market and even some initiatives before the product comes to market for growth in ARPU internationally."

The combined company ended the third quarter with 94.9

million global DTC subscribers, up 2.8 million sequentially, with streaming revenues declining 6% to \$2.317 billion. Warner Bros. Discovery CEO *David Zaslav* also reiterated WBD's plans to launch a FAST offering in 2023, which will give it a presence in the already-crowded AVOD space alongside **Paramount's Pluto TV** and **Fox Corp's Tubi**. "There's a huge amount of content that's not even on a platform that's sitting with us that hasn't been put out to monetize in the marketplace. Some of that we'll sell non-exclusively. But we have the ability on the FAST side to build a service without buying content," he said.

Total revenues for the quarter fell 8% on a constant currency basis to \$9.823 billion. Networks revenues also dropped 8% to \$5.214 billion due to declines across distribution revenue, advertising and content that came thanks to increases in contractual affiliate rates, audience declines and the sublicensing of the broadcast rights for the Olympics in Europe in 2021.

In good news for the bottom line but a perhaps tough hit for Warner Bros. Discovery employees, the company is committing to finding \$3.5 billion in synergies across its operations after further assessments and refinements to various workstreams. That includes content workflows where decisions have been made to centralize a number of critical functions to harmonize processes across the organizations.

"In some cases, we'll collapse 10 to 12 versions of essentially the same process across the company into one best practice, unlocking hundreds of millions of dollars in efficiency gains," CFO *Gunnar Wiedenfels* said. The company has also been marrying

Cablefax
MOST POWERFUL WOMEN
Celebration Luncheon

Thursday, December 8 | 11am - 2pm
 Edison Ballroom, NYC

Join us as we salute the women who have made their mark on the industry with their leadership and innovation.

Register Your Team at
www.CablefaxWomen.com

teams together from across the previous HBO Max and international businesses, bringing together folks from both divisions in areas like product engineering, marketing, distribution and content creation. “This has already led to a clearer strategic direction, streamlined processes and decision-making while at the same time reducing significant duplicative costs,” he added. WBD now expects to have realized approximately \$750 million in synergies by the end of this year and an incremental YOY \$2 billion in 2023.

Zaslav acknowledged there are a lot of opinions and criticisms on how his leadership team has managed the combination of **WarnerMedia** with **Discovery**, calling the merger process messy. But he also said it takes courage to restructure and reimagine a company for the future, particularly one that hasn’t been reimaged in 15 years.

“We have the ability to look across our cable channels, what are we spending on shows, where are they working and where are we getting a good return,” he said. “We didn’t take one show off a platform that was going to help us in any way. It’s going to help us to get it off the platform so that we could now invest, with the knowledge of what is working, and replace those shows with content that has a chance to be more successful and have a larger audience.”

ROKU PREPS FOR TOUGH HOLIDAY SEASON

Roku hasn’t been immune to the inflationary and economic pressures facing the media marketplace with advertisers pulling back their spending in 3Q22. Though the belief is that the impacts are temporary and the ad market will surge back, the company is moving ahead on plans to reduce its operating expenses and funnel more funds into the projects that promise the most growth for the

entire company. There was no talk of layoffs on Roku’s earnings call late Wednesday, but there will be a slowdown in hiring until the future becomes clearer. “Our opportunity as a streaming TV platform is very large and remains intact despite the current ad pullback,” CEO *Anthony Wood* said. “We are not idly waiting for the ad market to improve.” He made it clear that while Roku will be cautious moving forward, leadership believes pulling back too much would hurt the business segments of the company far more than it would help its bottom line. Through the economic uncertainties, Roku succeeded in adding 2.3 million active accounts in 3Q22, beating both 2019 and 2021, with streaming hours on the ad-supported **Roku Channel** growing by more than 90% YOY. Total net revenue increased 12% YOY to \$761 million thanks to growth in platform revenue that was partially offset by the decline in ad sales. The holiday season is typically strong for Roku, but it is expecting the inflationary pressures to put a damper on this one. It anticipates lower player sales YOY and significantly lower margins due to promotional pricing. Roku could see some upside from the launches of **Netflix** and **Disney+**’s ad-supported tiers before the end of the year thanks to its role as a platform owner. “As soon as they have ads, engagement becomes even more important for them because obviously the more people watch content, the more ads they can watch and the more money that can be made,” Wood said. “Those companies know that we can help them a lot in that area.”

WOW! LOWERS HSD OUTLOOK

WOW! had a mixed bag of news to share for 3Q22. It lowered its FY22 guidance for HSD net adds to a range of +2,000 to a loss of -2,000 after setting it at 12,000-15,000 adds after 2Q22. But

Help Save Lives. Donate Blood.

Schedule at RedCrossBlood.org



American Red Cross

Cablefax Daily (ISSN 1069-6644) is published daily by Access Intelligence, LLC | www.cablefax.com | 301.354.2101 | Editorial Director: Amy Maclean, 301.354.1760, amaclean@accessintel.com | VP/Group Publisher, Cablefax and Cynopsis: Robbie Caploe, 917.974.0640, rcaploe@accessintel.com | Managing Editor: Sara Winegardner, 301.354.1701, swinegardner@accessintel.com | Associate Editor: Noah Ziegler, 301.354.1704, nziegler@accessintel.com | Director of Business Development, Cablefax: Ellen Kamhi, 917.626.5574, ekamhi@accessintel.com | Dir of Marketing: Kate Schaeffer, kschaeffer@accessintel.com | Production Manager: Joann Fato, jfato@accessintel.com | Kerry Smith, Divisional President, Marketing & Media Group, ksmith@accessintel.com | Group Subs/Subscription Questions, Client Services: 301.354.2101, clientservices@accessintel.com | Annual subscription price: \$1,799.00/year | Access Intelligence, LLC, 9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

the company did reveal its board approved a \$50 million share repurchase program to be completed over the next 18 months. CEO *Teresa Elder* said that'll impact its leverage profile, which she said is one of the lowest in the industry. "We have so much confidence in our ability to execute for growth for the future, and that's really unaffected by the current challenging operating environment," Elder said. "The strength of our balance sheet is absolutely key, and we're really investing in our growth strategy without increasing our leverage profile." WOW! lowered HSD expectations due to higher inflation driving up interest rates more than anticipated and customers feeling economic pressures. The impacts from disconnects, Elder said, are flowing into 4Q. WOW!'s total revenue decreased 6% YOY to \$173.7 million, with HSD revenue also falling 1% YOY to \$102.3 million. CFO *John Rego* attributed that predominantly to \$2.9 million of deferred revenue attributed to construction completed in Dothan, Alabama, as part of the Connect America Fund. That revenue was recognized in 3Q21. As of Sept. 30, WOW!'s total subscriber count is 538,100, with HSD RGUs totaling 518,600 after adding 1,400 this quarter. As for its greenfield projects, WOW! is expecting customers in 1Q23 despite interruptions from Hurricane Ian. While it didn't impact the markets WOW! serves as much, it did cause constraints on the public power utilities. This quarter, greenfields accounted for \$5.8 million of added spend, which is primarily split between engineering and construction cost.

FCC MODERNIZES WITH TWO NEW BUREAUS

FCC Chair *Jessica Rosenworcel* is reorganizing the agency's International Bureau, splitting it into a new Space Bureau and a standalone Office of International Affairs. The escalation of the importance of space communications issues is largely what triggered the move with the Commission believing those are now key to the advancement of domestic communications policy and broadband deployment. The newly-separated Office of International Affairs will solely focus on international regulation and licensing and serve as an expert body for the other bureaus.

WICT DC/BALTIMORE POWERBROKERS RETURNS

The WICT Network Washington D.C./Baltimore Chapter's PowerBrokers Breakfast honoring its Touchstones of Leadership Award winners returned in person Thursday, with nine women recognized at the National Press Club. The chapter's *Geraldine B. Laybourne* Fearless Award was bestowed on *Svetlana Gans*, Partner, **Gibson, Dunn & Crutcher** and former **NCTA** VP/Associate General Counsel. She immigrated to the U.S. from the Soviet Union when she was a young girl. "Fast forward 40 years and that same four-year-old girl stepping off the plane bewildered and scared was the first in her family to graduate law school, become Chief of Staff at the **Federal Trade Commission** and break through stereotypes and other barriers to be here today," Gans told attendees. "My story probably is no different than yours and stresses the importance of being bold and brave and courageous. Get imposter syndrome out of your vocabulary." The Glenn Britt Emerging Leader Award was awarded to *Corinne Kirkland-Mercedes*, Director, Legal and Business Affairs for **TV One**. Kirkland-Mercedes talked about how she began her career as a single mother of three living in transitional housing. She went on to get her law degree, working for several years at

National Geographic before joining TV One last fall. "As I get my seat at the table, I'm making room for others to have theirs," she said. This year, the Chapter bestowed its first-ever Rob Stoddard Mentor Award, named in honor of the former NCTA SVP for Industry & Association Affairs and longtime WICT DC/Baltimore board member who retired at the end of 2021. *Mary Pratt-Henaghan*, Chief Technology Officer for **WETA**, is the inaugural recipient. In addition to being a technology-focused mentor for The WICT Network and the RISE Technology Mentorship Program, Pratt-Henaghan mentors many NCAA student athletes. She noted that Stoddard was one of her mentors. "Rob's gentle demeanor, his thoughtful words of wisdom matched with his brilliant smile and warm laughter have inspired so many of us throughout our entire careers," she said. Also recognized during the event were *Lisa White*, VP, OSP Construction and Planning for **Cox Virginia** (Inspire Award), **C-SPAN** Managing Producer *Greta Brawner* (Communicate Award) **CTAM** VP, Consumer Marketing *Deepa Venkataraman* (Connect Award), *Candace McIntyre*, HR Director, Engagement & Employee Relations, **Comcast** (Catalyst Award), *Jackie MayBeck*, Regional Vice President, Sales & Marketing Beltway Region, Comcast (Listen Award) and *Loretta Polk*, VP and Deputy General Counsel, NCTA (Know Yourself Award).

CARRIAGE

Roku expanded its partnership with **AMC Networks** to add 11 FAST channels that are created and programmed by the network to **The Roku Channel**. The FAST channels will include exclusive channel **AMC Showcase**, which the programmer said will feature "many of AMC's signature dramas, including 'Mad Men.'" Roku Channel already has **AMC+**, **Shudder** and **Acorn TV** available in the premium subscriptions section, and **HIDIVE** will be joining that group at a later time.

RATINGS

ESPN's "First Take" saw October viewership jump 16% YOY as it averaged 507,000 viewers P2+. That's the program's most-watched month since December 2019, and it also grew 25% YOY in the P18-49 demo. Elsewhere on the network, "NBA Today" saw monthly viewership in October increase 10% YOY. It's seen YOY bumps in all 13 months since the show originally premiered.

PROGRAMMING

Season 6 of **HGTV's** "Home Town" with *Erin* and *Ben Napier* will begin Dec. 4 at 8pm. The program garnered 26 million viewers in Season 5 and has already been picked up for 20 more episodes scheduled to release in 2023. Additionally, a holiday special "Home Town: Christmas in Laurel" will air Nov. 27 at 8pm. – "Homicide Hunter: Devil in the Mountains," a two-hour documentary about the hunt for a serial killer in Colorado Springs will premiere on **ID** on Nov. 27 at 9pm. – **ESPN** completed production of a doc highlighting **WNBA** star *Candace Parker*. Further details including release date will be announced at a later time. – **Tennis Channel** will have live coverage of the Billie Jean King Cup Finals, an annual competition among 12 countries. The tournament—held this year in Glasgow, Scotland—will run Nov. 8-13, with matches also appearing on **Tennis Channel Plus** and its FAST channel **T2**.

PROGRAMMER'S PAGE

'The Culpo Sisters' Brings Family Drama to TLC

If like their parents, you don't quite understand what *Olivia, Aurora* and *Sophia Culpo* do, **TLC's** new reality series "The Culpo Sisters" should educate and entertain you (premieres Monday on **discovery+** and at 9pm on TLC). Olivia, the 2012 Miss Universe who went on to become a *Sports Illustrated* swimsuit model, a social media influencer and the girlfriend of 49ers running back *Christian McCaffrey*, shares center stage with her sisters as they navigate their careers, family and loves in Los Angeles. Yes, the trio is trendy and full of drama, but it was the family dynamic that convinced TLC to greenlight the reality series. "We were drawn to the sisterly bond between Olivia, Aurora and Sophia and their close relationship with their parents and brothers," TLC VP of Production *Wendy Douglas* told **CFX**. "They are incredibly honest and transparent which is critical to the success of any television series. The family's closeness, positivity and sense of humor is fun and entertaining to watch." Episodes feature the sisters doing everything from planning their parents' 35th anniversary party to attending the opening of a family restaurant in Rhode Island—with a dash of sibling rivalry thrown in for fun. It's easy to draw comparisons to another sister-themed reality show with the name *Kardashian* in it, but Douglas promises the series is unlike any other out there. And she reminded us that TLC is no stranger to the reality game. "TLC has been producing unscripted family shows for over 20 years, and it always boils down to who you are and what's your story," she said. "At TLC, we love authentic stories and extraordinary families. This tight-knit family of seven fits right into our wheelhouse. The series celebrates fun and family with a splash of drama and we feel that our audiences will be invested in all the happenings of this sisterhood." – *Amy Maclean*

REVIEWS

"The White Lotus," Season 2, 9pm, Sunday, **HBO**. We wouldn't necessarily say if you enjoy "Stanley Tucci: Searching for Italy" on **CNN**, you'll like Season 2 of "The White Lotus." On the other hand, the views of the Sicilian countryside, where this season's White Lotus resort is based, are incredible. Ditto the other production values, including the Italian soundtrack, which is excellent. Yet, offering a plot summary might result in slumber. As was so in Lotus Season 1, this is a character study, mostly of relatively wealthy young people. In large part, their problems are solidly First World: an airline lost your bag, your marriage has slight peaks and valleys, your elderly father is having balance issues, though his libido seems ship shape. Yet, like last season, White Lotus is a pleasant, somewhat mindless escape into the minor problems of people enjoying themselves in a 5-star hotel. It certainly beats the quotidian of inflation, divisive politics, lingering COVID and war in Ukraine. And there's not a weak link in the cast. *Jennifer Coolidge*, who grabbed an Emmy last year for her role as goofy Tanya, is back, though more centered. Two Italian actors are top notch: *Sabrina Impacciatore* as Valentina, the dictatorial hotel manager, and *Simona Tabasco* as Lucia, one of Valentina's enemies. *F. Murray Abraham* is devilishly delightful as Bert. – *Seth Arenstein*

| BASIC CABLE | | |
|---------------------|--------------|-------------|
| P2+ PRIME RANKINGS* | | |
| (10/24/22-10/30/22) | | |
| MON-SUN | MC | MC |
| | US | US AA |
| | AA% | (000) |
| FNC | 0.805 | 2513 |
| ESPN | 0.706 | 2204 |
| HALL | 0.362 | 1130 |
| MSNBC | 0.326 | 1017 |
| HGTV | 0.246 | 766 |
| TLC | 0.210 | 655 |
| TNT | 0.208 | 648 |
| FOOD | 0.188 | 586 |
| HIST | 0.182 | 570 |
| INSP | 0.181 | 566 |
| DISC | 0.180 | 563 |
| CNN | 0.177 | 551 |
| TBSC | 0.173 | 540 |
| USA | 0.167 | 522 |
| ESPN2 | 0.165 | 514 |
| TVLAND | 0.151 | 471 |
| HMM | 0.146 | 457 |
| LIFE | 0.128 | 401 |
| ID | 0.127 | 397 |
| BRAVO | 0.123 | 384 |
| A&E | 0.121 | 378 |
| AMC | 0.114 | 357 |
| FX | 0.111 | 345 |
| REELZ | 0.106 | 331 |
| GSN | 0.104 | 326 |
| BET | 0.098 | 305 |
| FRFM | 0.097 | 303 |
| WETV | 0.094 | 295 |
| NATGEO | 0.088 | 274 |
| OXY | 0.086 | 270 |
| TRAVEL | 0.082 | 256 |
| NAN | 0.080 | 250 |
| CMT | 0.074 | 232 |
| FS1 | 0.073 | 229 |
| FXX | 0.073 | 227 |

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

NAMIC
 NETWORKING ACCESS MENTORING INVOLVEMENT COMMUNITY
 Embrace Diversity. Embrace Success.

JOIN OR RENEW NOW

FOLLOW THE CONVERSATION [namic.com](https://www.namic.com)