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WHAT THE INDUSTRY READS FIRST

Not Giving Up: Fubo Adamant About Keeping Gaming

FuboTV is going back to the drawing board on sports betting after shuttering its gaming division and the Fubo Sportsbook. But don't think that the vMVPD is ready to abandon a long-term strategy that is centered on the marriage of gaming and content. It's holding conversations now with a number of other sportsbooks to continue bringing those integrations to its users, but there's no timeline yet on when a deal with the likes of a **FanDuel** or **DraftKings** could come to fruition.

For now, CEO **David Gandler** is calling the discussions "pretty healthy" and described on the company's 3Q22 earnings call why Fubo would be the right fit for a partnership like that in an already-crowded streaming marketplace. "If you think about it, 90% of our audience watches sports... That's pretty amazing, especially relative to an Amazon where if you think about the 150 million Prime customers and the latest ratings, whether you take Nielsen or you take their own numbers, it's still about 7-8% of the audience," Gandler said. "We'll have some really solid discussions over the next few months and we'll look for a way to maximize the value of our assets."

The company reported \$219.2 million in revenue for North America, up 40% YOY, with paid subscribers growing 31% YOY to reach a record high 1.231 million. For the rest of the world, revenue came in at \$5.8 million while the vMVPD counted 358,000 paid subscribers. That segment includes

Molotov, the French live TV streaming service Fubo acquired in December.

In a quarter when media companies across the board have spoken at length about challenges with the ad market, Fubo surprised with 21% YOY growth in North America and \$22.5 million in revenues. Advertisers will have more places to purchase inventory before the end of the year thanks to the launches of the ad-supported tiers of **Netflix** and **Disney+**, but Gandler is of the mind that Fubo will remain insulated from much of the disruption. That's partially because Fubo offers live programming and boasts a drastically different content library from SVODs that are more focused on general entertainment. "The positive side of Netflix and Disney is that they're actually going to take our message to market, and so we think that buyers will probably be more active in the connected TV space. And again, roughly 95% of our inventory is connected TV inventory," Gandler said. "So with premium content and a premium demographic, I feel very good about our ability to differentiate from other offerings out there and to continue to drive sales."

Fubo has also been investing in bringing FAST channels to its platform and currently offers approximately 60 channels to viewers. It hopes to increase that number to 100 by the time it holds its analyst day later this year. The general strategy around embracing FAST channels came after observing SVODs having to try to migrate potential customers off of bundles and onto their own services. Fubo wanted to

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add FAST channels as a way to push consumers into spaces where the vMVPD actually has more ad inventory than on its live networks.

“For the third quarter, about 3% of our viewership was on FAST channels. What this also allows us to do is create better leverage for ourselves when we start to negotiate deals, and over time, we obviously have more inventory in the FAST channels,” CFO *John Janedis* said. “It should also be able to help us drive more ad revenue, albeit at lower CPMs, but still really allow us to leverage all of the data capabilities on the ad business in general.”

AMCN REVENUE DOWN DESPITE SUB BUMP

Streaming subscriber counts continue to rise for **AMC Networks**. After enjoying a 1.3 million bump in subs in the previous quarter, AMCN added 300,000 in 3Q22—a 44% YOY jump—bringing the total to 11.1 million and bringing it close to meeting its outlook of obtaining 12 million subscribers by the year’s end. That helped subscriber and streaming revenues see an 8% and 41%, respectively, with the former being driven by subscriber growth and affiliate rate increases and the latter being aided by price increases to **Acorn TV** and **ALLBLK** in May. CEO *Christina Spade* said on the company’s 3Q22 earnings call AMCN didn’t see significant churn following the price change as she doubled down on her previously stated stance that they could’ve increased the price by \$2. “I think that was a good move for us, and we continue to look at pricing and how the pricing relates to our subscribers. We obviously want to have the best value proposition we can for our subscribers, but we also want to maximize

our top-line performance. And so churn... is a key part of that,” Spade said. The network’s net revenue fell 16% YOY to \$682 million, which it attributes to the timing of content licensing deliveries and lower affiliate and ad revenues. This is AMC Networks’ second consecutive quarter of decreased net revenue. Operating income also dropped, falling 20% YOY to \$151 million. The company also noted a 16% decrease in domestic distribution and other revenues. Moving forward, AMCN is optimistic about its expanded partnership with **Roku** to bring 11 FAST channels to **The Roku Channel** starting Nov. 15. Chief Commercial Officer *Kim Kelleher* said the channels are drawing in a younger audience, opening more opportunities for growth down the line. Domestic ad revenue decreased 10% to \$180 million due to lower linear ratings, softer scatter and direct response markets. “The climate of economic uncertainty has really resulted in our marketing partners, and everyone’s marketing partners, being more conservative with their spend,” Kelleher said.

TOP PLACES FOR WOMEN TO WORK

The WICT Network unveiled this year’s Top Companies for Women to Work list. For the top operators for women to work, **Cable One, Charter, Comcast, Cox** and **Midco** made the list. **A+E Networks, AMC Networks, NBCU, REVOLT** and **Warner Bros. Discovery** were those named to the top programmers section. The results were based off a recent PAR workplace diversity survey that looked at pay equity, advancement opportunities and resources for a work/life balance. The survey found representation of women increased to 38% of the workforce, up 5% YOY, and make up 47% of all new hires in media,

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entertainment and technology, a 15% boost from 2019. The overall workforce of women of color rose 6% from 2019 and the turnover rate for women is 9% lower than it is for the overall industry workforce.

CARRIAGE

Redbox Free Live TV eclipsed 150 FAST channels on its platform after adding “Fear Factor,” “Deal or No Deal,” “The Biggest Loser” and “Wipeout Xtra FAST” to its lineup. The service—owned by **Chicken Soup for the Soul Entertainment**—can be found on the Redbox streaming app on **Samsung, LG** and **Vizio** TVs, as well as **Roku** and other devices.

THROWING PUNCHES

The **Professional Fighters League** (PFL) launched a FAST channel that’ll feature video content from the league’s events, episodes of PFL Vault and other archival original programming. The PFL partnered with platforms **Xumo, Local Now, Sports.TV** and the European-based SportsTribal for the initial rollout of PFL FAST. The channel is already live on Xumo and Local Now, with the remaining two set to launch before the PFL World Championship on Nov. 25.

NETCRACKER BACKS FIBER

Netcracker launched a solution Thursday designed to bolster the IT environments of wholesale fiber operators. The product, called Netcracker Fiber Cloud Solution, automates a fiber build through its lifecycle from planning to customer onboarding and problem solving. Through its Open API integration layer, requests for service upgrades, initiation and other lifecycle management requests are also fully automated to ensure quick response times.

SPIN THE WHEEL

To bolster ad resources to improve integration with brands, **Fox Corp.** partnered with the ad-tech platform **FreeWheel** to help enable the OneFOX video inventory across the company’s portfolio. FreeWheel will work in conjunction with Fox to manage direct sold ad campaigns for brands including Fox News, Fox Sports, Fox Entertainment and the FAST service **Tubi**.

CABLEFAX DASHBOARD

Twitter Hits

Interactive Case Competition @ItvWorks

Thanks to @CTAM for inviting Interactive Case Competition students to hear media experts speak at CTAM Think. New York University students Akshay Hanumegowda & Kshitij Khare joined competition host Craig Leddy and NYU Coach Howard Horowitz of Horowitz Research.

#NYU #ctam #tech



James Gunn @JamesGunn

When people ask how Peter Safran & I settle our differences while running DC, I tell them I do it how we’ve always done it, as this photo from a few years ago shows.



Shirley Bloomfield @sbloomfield15

First visit to the new @FCC location to share thoughts on #mapping #broadband deployment #ACP #USF and agency coordination with @GeoffreyStarks. Zoom is great but nothing beats in person discussions! #BuildBroadbandWithUs #SmartRuralCommunity



Research

(Source: [EffecTV](#))

- > In the 2022 primaries, political advertisers reached 81% of frequent voters through traditional TV only. Another 9% were reached through streaming only, and 10% were reached through a mix of TV and streaming.
- > Streaming impressions are 1.7x more likely to be seen within “light news” viewing households compared to traditional TV.
- > The optimal reach and frequency for political campaigns was achieved when advertisers allocated 10-20% of their investment to streaming with the rest going to traditional TV.

Up Ahead

NOVEMBER 6-8: [ANA Multi-cultural Marketing & Diversity Conference](#), Hollywood, Florida & virtual

NOVEMBER 10: [WICT Rocky Mountain Tech It Out; Glendale, CO](#)

DECEMBER 8: [Cablefax Most Powerful Women Celebration Luncheon](#); The Edison Ballroom, NYC

Quotable

“I’ve always thought it would just slowly attrite. It just keeps getting more and more expensive. Programming costs are actually declining because customers are declining, which means that the whole ecosystem is shrinking from a value proposition. And there’s a lot of assets that are held up by that system—sports programming, athletes’ pay, the development of content. And most content is relatively inexpensive to develop, comparatively speaking to sports... there will still be live TV, and there will still be on-demand premium services like we have, and there’ll be ad-supported products that work. But getting wide distribution gets more and more difficult going forward. So whether we can reaggregate some of that in the direct-to-consumer products, which will have low penetrations relatively speaking to the historic system, I’m not sure.”

– **Charter Executive Chairman Tom Rutledge** speaking to [CNBC](#) about the future of video in an exclusive interview