

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Waiting Game: CommScope Warns Of Rough Times as Cable Buys Wane

CommScope [warned](#) investors last week that its third quarter was going to be a disappointment, and leadership took to the phone lines Thursday to try to explain lower-than-expected net sales and softer demand.

In his opening remarks, CommScope President/CEO *Chuck Treadway* said that the **SCTE** Cable-Tec Expo last month reconfirmed the momentum behind DOCSIS 4.0, the distributors' commitment to making 4.0 upgrades and CommScope's strong position as a vendor in the marketplace. He pointed to the announcement of the company's FDX product range, its collaboration with **Comcast** on an FDX amplifier and its virtual CMTS product already being in customer labs as huge wins and good signs for the future.

CommScope had been very bullish about 4.0 upgrades in 3Q23, but the show put a spotlight on two major short-term developments that are causing disruptions to performance in the near term. "Several customers informed us that they are holding too much inventory and need to make short-term adjustments to orders to rightsize their inventory. In addition, some of our customers are experiencing slower-than-expected ramps on their 4.0 upgrade projects," Treadway said. Both those issues will lead to declines in order rates and revenues for the next few quarters. "The markets will return. We are well positioned when the markets do return, and we are focusing on what we can control," he continued.

CommScope's net sales were \$1.6 billion, a 32.8% drop from the \$2.38 billion it saw in 3Q22. Treadway said that while CommScope is seeing lower order rates, another key issue is higher distribution inventories. The vendor released quite a bit of backlog to its partners, and the distributors are now working on digesting that inventory. Additionally, higher interest rates, inflation and concerns about a global economic slowdown have softened demand across the board for the company's products.

CFO *Kyle Lorentzen* said leadership has the lowest level of visibility in its Connectivity and Cable Solutions and Outdoor Wireless Networks segments. Net sales in the Connectivity and Cable Solutions division fell 37.2% YOY to \$632.5 million. "Although we are in constant dialogue with our customers, trying to get the true understanding of their build plan, I think, is challenging at this point in time," he said. "And I think we are not alone in that position."

And while there is a benefit that is expected to come from the BEAD program in the future, the largest impact from that is likely to hit in 2025. Lorentzen said some customers are reporting project delays to CommScope as they wait for government funding to ramp up.

Core backlog dropped 19% sequentially to \$1.556 billion, and essentially all of CommScope's businesses are now recording normalized backlog levels. Lorentzen said that because the backlogs are normalized, order rates are going to once again be the direct driver of revenue.

CommScope reduced its 2023 core adjusted EBITDA guid-



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ance to \$1-1.05 billion, and while the team isn't yet offering any specific guidance for 2024, Lorentzen said the current view on next year is that it will look similar to 2023. "However, this would indicate some recovery from current demand levels," he said. "Although we have implemented approximately \$150 million on operating expense reduction since the beginning of the year, we are still evaluating additional actions."

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REPORT: VERIZON PREPARING TO BUNDLE NETFLIX, MAX

Another bundle of streaming services is about to hit the market. **Verizon** is preparing to offer its subscribers ad-supported versions of **Netflix** and **Max** for a combined price of \$10/month, [WSJ reports](#). If customers purchased subscriptions to those service tiers individually outside of Verizon's offers, they would pay just under \$17/month. **Warner Bros. Discovery** CEO *David Zaslav* has been talking about the prospect of bundling together streaming services for a while, including on the [company's earnings call](#) earlier this week. **Liberty Media** Chairman *John Malone* also chimed in on the possibility of bundling across streaming during an exclusive interview with **CNBC's** "Squawk on the Street" Thursday. "All of these companies should be talking to each other about whether there are synergies—synergies in total combination, synergies in sharing content, synergies in one guy becoming an output engine and the other guy being the platform," he said. "It could certainly happen if one of the streams was focused on one type of demographic and the other, another type of demographic. So like a **Disney+** together with **Max** might be a pretty decent combination." He went on to say that streaming just isn't working for most of the players that have waded into the space, and the services they have launched aren't providing the cash flow that most hoped for. "And they're seeing attrition of the traditional cash flow streams," he said. "So, you know, whether it's distribution or content, old media is having a hard time with this transition to streaming."

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STORMY FORECAST FOR WOW!

It wasn't an ideal 3Q23 for **WOW!**, and the company indicated 4Q23 might not be much better. **WOW!** lost 5,000 total subscribers from the prior quarter to bring it to 517,400, also losing 4,400 HSD RGUs from the previous quarter for a current total of 503,400. "This reflects challenges in our legacy footprint exacerbated by macroeconomic environmental issues that further plague our industry, such as ongoing high interest rates, inflation and low move activity. We are also seeing some more aggressive competitive pressure than previous quarters," CEO *Teresa Elder* said on the company's 3Q23 earnings call.

Because of the lower-than-expected results and pressures **WOW!** is facing in legacy markets, **WOW!** expects 4Q23 to be "significantly worse" than the third, also removing its 4Q outlook. *Elder* added that there are simply fewer opportunities for new connects in the current market while more competitors remain involved. While confident in its expansion projects and its goal of hitting 50,000 new homes passed by 2024, the pace of construction in new markets is below the company's internal forecast, which is reducing the number of gross connects **WOW!** expected. Additionally, rate increases throughout the year have led to churn

Cablefax Executive Round Up

How has your network evolved its approach to election coverage in response to changing media consumption habits?



Abigail Crutchfield

VP, Washington Programming & Special Events Programming
CNN

"As media evolves at a break-neck pace, we've invested aggressively not only in our comprehensive linear content with seasoned anchors, correspondents, commentators and analysts, but also in digital and, most recently, streaming

on **CNN Max**. That dedication to both new and traditional mediums has paid off: our election coverage is reaching audiences of all demographics, who consume news on every platform—from TVs to phones, from cable to TikTok, coming to **CNN** when it matters."



Cherie Grzech

SVP, News & Politics
NewsNation

"**NewsNation** entered the cable network landscape knowing that viewers are craving breaking, fact-based, and up-to-the-minute information, including on election nights. That's why **NewsNation** immediately teamed up with **Decision**

Desk HQ, a voting data powerhouse with a record of being first to make calls in the key races across the country. We let the data drive the decisions and our reporting. As an upstart, we have the advantage of being nimble and the ability to evolve. We also understand the way people consume news has also changed with a focus on watching television while surfing online. For that reason, in our latest **NewsNation** townhalls we provided viewers with a second screen experience expanding our digital footprint and providing factoid boxes and commentary information."



Jessica Loker

VP, Politics/Sr. EP "Fox News Sunday"
Fox News

"We've integrated our resources to reach the audience no matter where they are. The content from our political news-gathering teams is not only accessible to our linear channels, but also to our digital, streaming and audio services.

We benefit from teams who excel in distinct areas, and we actively seek to improve coordination across platforms. This allows us to synergize our content in a way that meets the needs of our viewers/listeners/readers no matter their preference for consuming it."

rates that were higher than previously anticipated, particularly among subscribers to its lower-speed tiers. Total revenue came in at \$173.1 million for the quarter, while total subscription revenue was \$160.3 million—both YOY decreases of \$600,000 and \$100,000, respectively. Net loss for the quarter was \$104.5 million compared to a net income of \$500,000 in 3Q22. Nonetheless, Elder and WOW! remain confident moving forward as it continues on its greenfield expansion after announcing new markets in Minnesota, Michigan and Hernando County, Florida, this quarter. WOW! also transitioned to offering **YouTube TV** as its video service for customers, which has brought in initial returns of 13% of new subscribers signing up for the service. Elder said turning to the vMVPD means WOW! can accelerate the reclamation of bandwidth previously used for its legacy video service.

LAYOFFS COMING AT DISH

DISH is laying off over 500 employees in Colorado by the end of this week. “Like most businesses, we continually evaluate and make adjustments to ensure we’re set up for long-term success,” a DISH spokesperson said in a statement to **CFX**. “We made the difficult decision to part ways with some team members due to changing business demands on some teams.” The move follows a bleak 3Q23 earnings call that took place Monday, where DISH reported YOY drops in revenue and retail wireless subscribers.

RATINGS

The third Republican presidential primary debate had 6.86 million viewers and 1.31 million A25-54 on **NBC**, according to **Nielsen**. The debate—which also was available on NBC News Now, NBC News’ website as well as **Peacock** and other streamers—had viewership fall from the second edition on **Fox Business** and **Fox News**, which recorded 9.32 million viewers and 1.89 A25-54. – Last Saturday’s edition of **ESPN’s** “College GameDay” came in with an average of 1.92 million viewers, down from last week’s mark of 2.03 million. The final hour of Saturday’s show rose to an average of 2.6 million viewers.

ESPN REACHES DEAL WITH NWSL

ESPN and the **National Women’s Soccer League** struck a multi-year deal for the English-, Spanish- and Portuguese-language media rights in the U.S. and Latin America. Starting in the 2024 season, ESPN will air 17 regular-season matches and three play-off matches each season, and ESPN in Latin America will have the NWSL Championship live each season. NWSL matches in the U.S. will be available in English across ESPN, **ESPN2** and **ABC**, and all matches will also be available on ESPN platforms. The 20 matches will be available in both English and Spanish on **ESPN+**.

CARRIAGE

The **NBA G League** reached a multi-year agreement to make

G League games available on **Tubi**. The league is launching **NBA G League TV** on the platform, which will feature over 75 live games each season, over a dozen G League Ignite games and select G League Playoff games—all exclusive to Tubi. Each Friday and Saturday throughout the season will feature a doubleheader. The channel will be available for 48 hours on Fridays and Saturdays during Tubi Games Days, which begins on Fridays at 9am. – **Tennis Channel** and the **Professional Pickleball Association** launched **Pickleball TV** on **Amazon Freevee** and **Fubo**. The new 24-hour PBTB will air over 30 top-level live PPA Tour and Major League Pickleball team events in addition to original programming and a weekly studio news show.

FIBER FRENZY

Google Fiber brought symmetrical 8 Gig service to customers in Huntsville, Alabama. Customers can sign up for the service for \$150/month. The 8 Gig plan also includes a WiFi 6 router, up to two mesh extenders and professional installation.

PROGRAMMING

Netflix’s four-part docuseries “Under Pressure: The U.S. Women’s World Cup Team” will make its global debut Dec. 12. It’ll follow the U.S. women’s national soccer team and their journey through the 2023 World Cup. – “The Black Hamptons” is returning for a sophomore season Dec. 7 on **BET+**. New episodes will be released weekly. – **Monumental Sports Network** is adding to its college basketball portfolio. The network is teaming up with George Washington University, Howard, Richmond and Towson to air live games during the 2023-24 season. Monumental’s college basketball slate currently holds 50 games (21 women’s and 29 men’s). Additionally, Monumental is partnering with **HBCU GO** to air over 20 taped men’s and women’s basketball games from HBCUs across the country. Monumental’s college hoops coverage starts Sunday at 7pm with Towson vs Robert Morris. – The fourth 2024 Republican presidential primary debate will be on **NewsNation**. It’ll take place Dec. 6 from 8-10pm and be moderated by *Megyn Kelly*, *Elizabeth Vargas* and *Eliana Johnson*. The debate will be simulcast on **The CW Network** in the U.S.’ Eastern and Central time zones, while viewers in the Mountain and Pacific time zones can watch on NewsNation or an encore presentation on their local CW affiliate from 7-9pm MT and 8-10pm PT. Additionally, it can be watched on [NewsNation’s website](#) or on **Rumble**.

PEOPLE

Tubi named *Sameer Balgi* as its CFO, joining from **Amazon** where he was CFO of **Freevee** and Head of Finance for **Prime Video’s** U.S. marketplace business. – **TEGNA** picked *Lauren Fisher* as its next SVP/CLO effective Nov. 27. Fisher joins from **Vox Media** and has held roles at **Hulu** and **AOL** prior.

PROGRAMMER'S PAGE

Back in Business: SAG-AFTRA Strike Over

After 118 days, **SAG-AFTRA** and **AMPTP** approved a tentative agreement and all striking was officially suspended. SAG-AFTRA's negotiating committee told members that the contract is valued at more than \$1 billion and includes minimum compensation increases, unprecedented provisions for consent, protections against generative AI and a streaming participation bonus. "Our Pension & Health caps have been substantially raised, which will bring much needed value to our plans," it said. "In addition, the deal includes numerous improvements for multiple categories including outside compensation increases for background performers, and critical contract provisions protecting diverse communities." Actors took to social media to celebrate not only the new deal, but the work they had been prohibited from promoting over the last several months. *Lizze Broadway*, who is featured in **Amazon Prime Video's** "The Boys" spinoff "Gen V," posted "hi, I play 'Emma' on @GenV" on **X** before sharing behind-the-scenes content on the making of the show. *Rahul Kohli*, a British actor known particularly for his work in *Mike Flanagan's* projects for **Netflix**, posted the poster for the recently released "The Fall of the House of Usher" on his Instagram with the caption "Was good, innit?" We'll have to wait until the tentative agreement to be reviewed by the SAG-AFTRA National Board before the full details of the agreement are reached, but the negotiating committee promised that SAG-AFTRA members from every category will be able to build sustainable careers under the new deal. "We also thank our union siblings—the workers that power this industry—for the sacrifices they have made while supporting our strike and that of the Writers Guild of America," the committee said. "We stand together in solidarity and will be there for you when you need us." – *Sara Winegardner*

REVIEWS

"The Gilded Age," Season 2, 9pm, Sunday, **HBO Max**. Sometimes less is more, other times more is better. With Season 1 of "The Gilded Age" receiving a mostly mixed reception from viewers and critics, it was clear the series' sophomore season needed more, at least in certain elements. But let's begin with positives: the costumes and sets were outstanding in Season 1 and they remain so this season. You wouldn't expect it to be different considering the series' creator is *Julian Fellowes*, of "Downton Abbey" fame. While we won't go as far as we did when reviewing another **HBO** series, "White Lotus" (Season 2), whose production values were so good that they tempted us to shut off the sound and just watch its footage of the Italian coast and beachline. Of course, without sound, we'd have missed Lotus's terrifically eclectic soundtrack, which would have been a shame. The footage and soundtrack of "The Gilded Age" aren't in that league, though its costumes and certain interior shots of mansions are tremendous. Fortunately, development of several characters goes beyond what viewers saw in Season 1. In addition to spinster Ada Brook (a fine *Cynthia Nixon*), the plotline for Peggy Scott (*Denée Benton*) and her parents, especially her mother (the wonderful *Audra McDonald*), thankfully offers much more than in the freshman season. – *Seth Arenstein*

BASIC CABLE		
P2+ PRIME RANKINGS*		
(10/30/23-11/05/23)		
MON-SUN	MC	MC
	US	US AA
	AA%	(000)
ESPN	0.631	1988
FNC	0.578	1821
MSNBC	0.357	1125
HALL	0.321	1011
HGTV	0.241	759
INSP	0.185	585
HMM	0.182	573
TLC	0.181	570
CNN	0.173	546
TBSC	0.170	536
FOOD	0.164	516
USA	0.164	516
HIST	0.152	478
TVLAND	0.142	449
DISC	0.142	447
TNT	0.130	410
ID	0.128	404
BRAVO	0.109	344
GSN	0.109	343
PRMNT	0.109	343
LIFE	0.106	334
AMC	0.099	313
A&E	0.096	302
WETV	0.094	295
BET	0.092	290
NAN	0.088	277
NATGEO	0.085	269
FRFM	0.085	268
REELZ	0.085	267
OXY	0.084	264
FX	0.080	252
FETV	0.071	223
SYFY	0.067	210
ADSM	0.066	208
NWSMX	0.065	205

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