

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Rising Up: Altice USA Focusing on Fiber Growth, Migration in 2024

Altice USA saw fiber customer net adds rise by 46,000 in the quarter, giving the customer a total of 341,000 fiber customers. It is Optimum's best quarter yet for fiber net adds, and penetration of the fiber network reached 12.5% at the end of FY23, up from the 8% penetration the company reported at the end of FY22. Altice reached 2.7 million fiber passings by the end of FY23.

CFO *Marc Sirota* said Altice USA plans to keep expanding its fiber passings and reach three million homes by the end of 2024, and a deeper focus will be put on driving customer migrations to the fiber network. "We are taking a more disciplined approach to our fiber construction by targeting markets that yield the best ROIs, recognizing we have a low move environment which limits how quickly we can grow on that front," he said.

Speaking more on the migration effort, CEO *Dennis Mathew* said CTIO *Luciano Ramos* and the field organization have performed an exhaustive audit of the migration process. They've identified a number of opportunities to improve the process and make it more efficient. He also expressed excitement over new builds, noting the operator has also done some work to streamline its ability to identify, approve and execute on new builds. "We're going to start seeing some of the benefits of that and be able to go faster as we enter into this year," he said. "We're going to look to prioritize mi-

grations and new build while continuing to have a balanced approach and building fiber in the east."

Total broadband net losses were 27,000 in the quarter, up from the 9,000 the company lost in 4Q22. Altice USA attributed that to greater competitive pressure at Optimum during the holiday season in addition to the ongoing low move environment.

"We saw some of the competition early in the quarter really outspending us in advertising and marketing, particularly in that October and November timeframe, effectively reducing our share of voice in the market and we also saw some more aggressive promotions during key switching windows and really more aggressive offers driving existing mobile customers to low-end data plans, particularly when you look at some of the fixed wireless providers," Mathew said. "We also saw some impact in the West as we think about fiber overbuilders in the back half of the year." He said Altice USA is now approximately 40% overbuilt.

Total revenue came in at \$2.3 billion for 4Q23, down 2.9% YOY. Residential ARPU was \$136.01, and, excluding political advertising revenue, news and advertising revenue actually grew 8.9% in the fourth quarter.

Optimum Mobile is continuing to grow with mobile net adds reaching 34,000 in the quarter. Mathew said that is an acceleration of more than eight times the company's pace of mobile growth compared to 4Q22. The company now counts 322,000 lines and has achieved 7.1% penetration of its total broadband customer base. The mobile attachment rate has

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increased three times since Altice USA launched Optimum Complete in May.

Sirota commented on Altice USA's participation in the FCC's Affordable Connectivity Program, reporting the operator had 125,000 customers receiving subsidies on their broadband or mobile services at the end of 4Q23. He doesn't expect a significant impact should the program shut down, and leadership plans to be proactive in engaging with those customers and putting forward compelling retention offers.

"We also see this as a potential tailwind and an opportunity to attract new customers with plans in place to go after every jump ball," he said.

Optimum Stream is Altice USA's main video product these days, and Mathew said the leadership team is carefully evaluating how to go to market with it to maximize customer experience and profitability. He also said the company plans to launch new video package options later this year to give customers greater flexibility and choice.

When asked about the jv sports streaming venture announced by Fox, Disney and Warner Bros. Discovery, Mathew stated, not for the first time, that he believes the video model is broken. "We're fighting for more flexibility as well so that our consumers can ultimately have the types of bundles and packages that they're looking for and then as these direct-to-consumer solutions continue to become available, having those conversations and making sure that they're available to our customers," he said. "Ultimately, for all these solutions, you need broadband. So it does strengthen the value of broadband."

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WALMART EYEING VIZIO?

Walmart is in talks to buy Vizio in a deal worth more than \$2 billion, according to a Wall Street Journal report. Discussions are ongoing, but it'd add a new facet to the TV manufacturer competition against the likes of Roku—which saw its stock fall 9% on Tuesday following the news—in addition to Walmart growing its advertising presence. Vizio's stock skyrocketed 25% on Tuesday.

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CHARTER TO PURCHASE KENTUCKY MUNICIPAL SYSTEM

Charter is officially the buyer of Bardstown Connect, a cable and internet business owned by the Kentucky city. The Nelson County Gazette was the first to report the news. The Bardstown City Council approved a sale of the business in November due to the cost of needed infrastructure upgrades, and proceeds will be used to offset debt from current and future utility invest-

The WHO and the WHY

CFX's spotlight on recent new hires & promotions



MICHAEL
Grau
EVP, FINANCE
MSG ENTERTAINMENT

3 THINGS TO KNOW

- Michael found the next stop in his career as he joined MSG Entertainment's executive team. He'll begin his duties as EVP, Finance during a transition period before adding the CFO title come April 1. Michael will report to MSGE Executive Chairman/CEO James Dolan.
- He'll work with the executive management team to help steer the company's long-term direction, providing financial over matters such as investor relations, financial planning and analysis, treasury and procurement functions. "Just started [Monday] so I'm definitely drinking from the fire hose, but I am super jazzed about landing here," Michael wrote on LinkedIn. "I'm very fortunate to have gotten this role with a great company and great colleagues."
- Michael boasts nearly 40 years of financial experience. He stepped into the telecommunications realm in 1994 when he joined New York-based Winstar Communications, eventually becoming VP Finance & Controller of its entertainment and media arm Winstar New Media. Michael made the move to Cablevision in 2001 and remained there until 2019 as he rose to SVP Financial Planning. That's when he joined Altice USA—which had acquired Cablevision in 2015—as its CFO, a role Michael would hold for 3.5 years.

ments, among other things. On Tuesday, the Bardstown City Council and Mayor Dick Heaton held a closed executive session where the decision was made to sell to Charter. No timeline has been set for when Charter will acquire the customer base and infrastructure, but a contract nailing down the details is set to be signed at a council meeting in the near future.

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UPFRONT SEASON IS NEAR

Hallmark Media switched things up with its upfronts last year, and it's keeping that strategy in 2024. The company will roll out an array of curated immersive events in NYC from April 2-11. The events include a private tour and cocktail party, hosting and entertaining classes, dinner at a Michelin-rated restaurant and more. Attendees will be able to interact with Hallmark Media's creative teams in addition to gaining early access to upcoming content. – Fox unveiled the date of its in-person upfront: May 13. The company is returning to The Hammerstein Ballroom

in Manhattan for the presentation. Fox President, Advertising Sales, Marketing and Brand Partnerships *Jeff Collins* will host.

WSN GETS PWHL RIGHTS

The newly launched **Professional Women's Hockey League** has its first U.S. broadcast home. The PWHL and **Women's Sports Network** signed a deal to have live game coverage throughout the regular and post-season. The first game will take place tonight at 7pm with Boston vs Toronto. WSN already has a few sports partners such as the **LPGA, NWSL, Big East Conference** and **World Surf League**. The network has distribution on **The Roku Channel, Tubi, Amazon Freevee, Sling Freestream, Fubo, Plex, LG Channels** and **XumoPlay**.

DIRECTV REWARDING LOYALTY

DirecTV introduced a membership program for all existing and new residential DirecTV satellite and internet customers. Dubbed DirecTV Perks, it offers customers virtual tokens based on their tenure and actions such as on-time bill payments or a weekly spin-to-win wheel. It's starting the perks program with a "14 Days of Love" event that'll run until Feb. 27 and allow customers the chance to enter each day to win prizes including gift cards, tech upgrades, food delivery programs, hotel stays and more.

CARRIAGE

Fox Weather grew its distribution list as the FAST channel was added to **Hulu + Live TV** and **TCLtv+** on Tuesday. It's part of Hulu + Live TV's core lineup and under the "news and opinion" category on the TCLtv+ app, which comes with over 300 FAST channels. – **Pluto TV** is continuing the momentum from the Super Bowl with the addition of **Hearst Media Production Group's** FAST channel **The Jack Hanna Channel**. HMPG acquired the library of TV series hosted by Jack Hanna in December. The channel includes around 400 episodes of "Jack Hanna's Wild Countdown" and "Jack Hanna's Into the Wild." – **DirecTV** launched four new FAST channels for streaming customers this week: **Alien Nation by DUST**, home for all things aliens, paranormal, and unknown phenomena (Ch. 4490), home design channel **The Design Network** (Ch. 4365), news and public affairs channel **TIME** (Ch. 4012) and **Yahoo Finance** (Ch. 4021).

TCA NOTEBOOK

Next up on the **TCA** docket was **NBCUniversal**, which dished straight-to-series orders for four new scripted projects for **Peacock**. It'll have a limited series "Devil in Disguise: *John Wayne Gacy*," which will chronicle the notorious serial killer and what led to his downfall. "All Her Fault" will be based on *Andrea Mara's* novel about the disappearance of a four-year-

old from a wealthy Chicago area. **Peacock** will also have an untitled project from *James Wan* and *Simu Liu* as well as "Mr. Throwback," a mockumentary comedy series with **NBA** star *Stephen Curry* and *Adam Pally*.

RATINGS

It was a solid playoff season and Super Bowl for **ESPN's NFL** studio shows. "Postseason NFL Countdown" averaged 1.5 million viewers across its two Super Wild Card, Divisional and Championship round episodes. That led to the show's best Super Bowl edition in four seasons with an average of 1.3 million viewers. "NFL Primetime" had 1.9 million viewers on Super Bowl Sunday, adding to the 1.1 million viewers it garnered for its Conference Championship episode Jan. 28. Lastly, the weekday "NFL Live" had its most-watched playoffs since 2015 after averaging 486,000 viewers throughout the 14 shows it had from Jan. 9-26.

PROGRAMMING

ESPN and **ESPN+** will combine to air 10 **MLB** Spring Training games starting Feb. 22. The **Dodgers** and **Padres** will open with the first of four games on the flagship network next week at 3pm. That same matchup will follow Feb. 23 at 3pm, before the **Yankees-Mets** (March 5 at 1pm) and **Braves-Red Sox** (March 7 at 1pm) round out ESPN's spring training slate. The remaining six games will stream on **ESPN+** every day at 1pm from March 21-26. **ESPN's** **MLB** Opening Night is set for March 28 at 7pm with the **Rangers-Cubs**. – *Geraldo Rivera* is joining **NewsNation** as correspondent-at-large. He'll appear in daytime and prime-time programming, with his debut coming tonight at 8pm on "Cuomo." – It's the 2024 **PGA Tour** debut of *Tiger Woods* this weekend at The Genesis Invitational. **Golf Channel** and **Peacock** will share coverage duties, airing the tournament Thursday and Friday from 4-8pm before shifting to 1-3pm for Saturday and Sunday. – **Paramount+** will debut the fifth and final season of "Star Trek: Discovery" on April 4 in several countries including the U.S., Canada, Latin America and the U.K. The first two episodes will initially be released before new episodes drop weekly on Thursdays.

PEOPLE

Nexstar named *Stacey Lynn Schulman* to the newly created role of EVP, Platform Marketing and Intelligence. She'll oversee the development of creative opportunities for advertisers on the local and national levels. Schulman will also lead Nexstar Advertising's integrated marketing efforts and oversee the sales intelligence business unit. Her previous stops include being CMO at **Katz Media Group** as well as a senior executive at **Turner Broadcasting** and the **Television Bureau of Advertising**.

Think about that for a minute...

A Bigger Pie

Commentary by Steve Effros

I was one of the 123-plus million Americans who watched the Super Bowl last Sunday, or at least some of it. That's a darn impressive number. The largest number of folks watching (in all forms, over the air, streaming, etc.) a Super Bowl on record. Indeed, the single largest viewership number of any program to date. That's a lot of people! But if you watched a little more closely, you may have noticed that a lot of the programming, particularly the commercials, were aimed at a very narrow part of that huge audience. That seems a little crazy to me.

Let's start with the obvious; the Super Bowl is first and foremost an advertising and promotional vehicle. Sure, there's a football game attached to it, and at least the last quarter of the game, as well as overtime, was great to watch. But there have been great games all season long, and this one had a predicted plot for quite some time: San Francisco, with a well oiled, well balanced "machine," versus "man," well, in this case at least two or three men; Patrick Mahones, Travis Kelce and Andy Reid. In the end, the "men" beat the "machine," but not by much. It was fun to watch.

And that's what it was meant to be. An attraction. Same thing with the "halftime show." It was all about selling advertising, which went for an astonishing \$7 million per minute. But that was just for buying the time. That didn't include the price for larding up the commercials with "stars" or at least "celebrities" such as Schwarzenegger, Beyonce, Walken, DeVito, Affleck, Damon, Lopez and the like. Please know, that list is nowhere near all encompassing, and that's part of my point here.

There were a whole lot of folks in those commercials, some of whom got paid millions of dollars, yes, millions, to appear in a one minute ad. And in many cases this old viewer had no idea who they were! In fact, some of the commercials moved so fast and included so many inside jokes and references that I wasn't even clear on who the advertisers were, or what they were advertising! I wasn't alone. There were even articles written the next day asking the question of what the heck "Temu" is.

And some of the product references got totally lost in the celebrity mosh pit. Sure, I noticed that Walken drove away in a BMW...but how many millions drove away with him and his buddies who were almost the total focus, not the product.

And while I'm being a curmudgeon about all this, do they really think I can read the text messages on a phone held up for a few seconds? Or understand the lyrics of a rap song? Yes, I know, I'm old and this stuff is not "aimed" at me. It's for the golden groups that the advertisers and companies now seem to think are the only ones they need to attract and speak to.

Well, I disagree. I like peanut butter cups too, and my money is just as good as a 20-year-olds. My generation goes on vacations too, and we buy stuff. How has it happened that the "creatives" in advertising have decided that we should just be left to try to figure out what the ad was for? It just doesn't make sense.

So here's the message; if you're trying to gain buyers, or subscribers or adherents, don't just focus your message and your service on one select group. If you want to get a bigger part of the pie, the smarter thing to do is broaden your message and service to all the potential folks you want to convince. That goes for businesses, for politics, for just about everything. Don't leave folks out.



Steve

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(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry. His views do not necessarily reflect the views of Cablefax.)



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