

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## No Questions: Paramount Confirms Bakish's Out, Hosts Brief Earnings Call

In one of the shorter earnings calls in recent memory, **Paramount Global** confirmed that *Bob Bakish* would be stepping down as CEO a half hour before hosting its 1Q24 results call Monday. Going forward, the company has established an Office of the CEO that consists of *George Cheeks*, President and CEO of **CBS**; *Chris McCarthy*, President and CEO, **Showtime/MTV Entertainment Studios** and **Paramount Media Networks**; and *Brian Robbins*, President and CEO of **Paramount Pictures** and **Nickelodeon**. Bakish has agreed to stay on as an advisor through the end of October, per the company's quarterly SEC filing.

The leadership change-up comes as Paramount is in the midst of merger talks, with Bakish reportedly clashing with Board Chair *Shari Redstone* by objecting to a deal with **Skydance**. [CNBC reports](#) that Redstone wanted to remove Bakish before Paramount's **Charter** carriage negotiation, which is integral in setting the company's value in merger talks. The Charter-Paramount deal is set to expire tomorrow, but given all the hubbub, it seems likely the two will agree to an extension.

The Office of the CEO trio made a brief statement on the call, with EVP/CFO *Naveen Chopra* leading analysts through results and no questions being taken. Cheeks thanked Bakish at the top of the call before McCarthy reassured investors about the company's pathway moving forward.

"We've all worked together collaboratively for years and have

known each other for decades. It's a true partnership. We have a deep respect for one another and we're going to lead and manage this company together," McCarthy said. "On that note, we're finalizing a long-term strategic plan to best position this storied company to reach new and greater heights in a rapidly changing world."

The three pillars of said plan include making the most of Paramount's hit content, strengthening its balance sheet and optimizing its streaming strategy. Of course, there were no mentions of whether that outlook includes a change in company structure as a result of a merger, but for now, Paramount at least addressed the balance sheet aspect of the three-pronged plan.

Total revenue for 1Q24 increased 6% YOY to \$7.69 billion while adjusted OIBDA spiked 80% to \$987 million. TV media revenue grew 1% to 5.23 billion thanks to the Super Bowl, which also paid dividends within the TV media advertising segment that saw a 14% bump to \$2.58 billion. Affiliate and subscription revenue decreased by 3% from continued subscriber declines. Total costs and expenses also came in at \$8.1 billion.

On the direct-to-consumer side, Paramount saw revenue increase YOY from \$1.51 billion to \$1.88 billion during the quarter. Subscription revenue improved by 22% to \$1.36 billion on the heels of pricing increases to **Paramount+**, and advertising revenue was up 31% at \$520 million with help from **Pluto TV**. Paramount+ hit 71.2 million subscribers this quarter as



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it recorded 3.7 million net additions in 1Q24.

Chopra announced that Paramount agreed to sell its equity interest in the Indian-based media company Viacom 18 for approximately \$500 million based on current exchange rates. The after-tax proceeds will benefit Paramount's leverage when the deal officially closes at the end of 2024 or in early 2025.

"We are proud of our first quarter results," Chopra said. "Although the operating environment continued to be dynamic. We remain focused on execution."

News of Bakish's possible departure was first reported Friday by the *WSJ*. He joined **Viacom** in 1997 and became CEO in 2016, guiding it through the combination of Viacom and CBS into Paramount Global, which he became CEO of in 2016. "The Board and I thank Bob for his many contributions over his long career, including in the formation of the combined company as well as his successful efforts to rebuild the great culture Paramount has long been known for. We wish him all the best," Redstone said in a statement.

In addition to all the questions surrounding Paramount's path forward, it's worth noting that Bakish is on the board of **NCTA**. Should he resign from the board, it would be filled by either board appointment or election for Paramount or another programmer as it is not a Paramount-designated seat.

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## DIAMOND, DIRECTV NEAR DEAL

**Diamond Sports Group** may just be the little engine that could. The company and **DirectTV** are nearing a multi-year renewal to keep the **Bally Sports** RSNs on the MVPDs lineup, and while a deal isn't officially past the finish line yet, **CFX** has confirmed with a source all key terms have been agreed on. Puck's *John Ourand* was the first to report. The news comes nearly a month since Diamond inked another multi-year renewal with **Charter**. Next up on Diamond's carriage carousel is **Comcast**, which will see its deal expire tomorrow.

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## CMG, DISH BURY RETRANS HATCHET AFTER 17 MONTHS

**Cox Media Group** stations returned to **DISH**'s lineup over the weekend, ending a 17-month-long retransmission blackout. "DISH and CMG greatly appreciate the patience of their subscribers and viewers," the companies said in a brief statement. While DISH lost the stations—which include Atlanta's **ABC** affiliate and the **FOX** affiliate in Jacksonville, Florida—in late November 2022, the saga between the two stretches even longer. DISH lost the same Cox Media stations during a retrans dispute in July 2020 after a temporary restraining order was dissolved that enjoined **Apollo Global Management** from interfering with DISH's

right to transmit the stations (this was a complicated one with Apollo acquiring the Cox stations in late 2019). Neither side is talking about what finally ended the most recent stalemate.

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## FCC FINES WIRELESS CARRIERS OVER LOCATION DATA

The **FCC** announced fines of nearly \$200 million for the nation's largest wireless carriers for sharing customers' location information without consent and for not taking reasonable measures to protect that info from unauthorized disclosures. **AT&T** is fined more than \$57 million and **Verizon** is fined nearly \$47 million. **Sprint** and **T-Mobile**, which merged since the inspection began, face fines of more than \$12 million and \$80 million, respectively. Today's notice [finalizes](#) Notices of Apparent Liability issued against the carriers in February 2020. AT&T and Sprint's fines were unchanged, but T-Mobile and Verizon's were reduced from \$91 million and \$48 million, respectively. The FCC Enforcement Bureau investigations of the four carriers found that each sold access to its customers' location information to "aggregators," who then resold access to such information to third-party location-based service providers. "As we resolve these case—which were first proposed by the last Administration—the Commission remains committed to holding all carriers accountable and making sure they fulfill their obligations to their customers as stewards of this most private data," FCC Chairwoman *Jessica Rosenworcel* said in a statement. The size of the proposed fines differs based on the length of time each carrier apparently continued to sell access to the location without reasonable safeguards and the number of entities to which each carrier sold the access.

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## CIRCLE CITY LOSES APPEAL IN DISH, DIRECTV CASES

The U.S. Appeals Court for the Seventh District affirmed a lower court ruling that found **DISH** and **DirectTV** presented race-neutral reasons for not striking a retransmission consent deal with **Circle City Broadcasting**. In separate racial discrimination lawsuits filed in 2020, Circle City claimed DISH and DirecTV offered it what it believes are only a tiny fraction of the fees the satellite provider paid to **Nexstar**. The federal court agreed that the companies paid fees to Nexstar for WISH and WNDY to ensure access to other Nexstar stations, and that there was no reason to continue paying such fees for access to the two local Indianapolis stations once they were under new ownership that lacked comparable station holdings. "To survive summary judgment, Circle City needed to produce evidence permitting a finding that any pretextual explanations masked racial discrimination. The district court could

hardly have been more careful and thorough in its review of the evidence, and, on this point, it saw nothing pretextual about DISH and DirecTV's decisions. Nor do we," read the Seventh Circuit opinion, issued earlier this month.

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## ESPN, PRIME VIDEO LEAD NBA MEDIA RIGHTS RUMORS

It's fitting that the **NBA** postseason is happening while league executives have their own "playoff." The NBA's current media rights deal is set to expire after the 2024-25 season, and right now the signs are pointing to the league's primary package sticking with **ESPN/ABC**. The NBA and ESPN/ABC have the framework in place for a deal that'd keep the NBA Finals on ABC, per *John Ourand of Puck*. Nothing is signed yet, but it's expected that the deal will cross the finish line. ESPN's number of games would be trimmed from around the 100 mark to the 80-game range. It would dispel the potential for another player—namely **Prime Video**—to step in and grab a piece of the NBA Finals, however, that doesn't mean Prime Video is totally out of the running for a different package. *The Athletic*, citing executives with direct knowledge of talks, [indicates](#) that Prime Video and the NBA have the blueprint of a deal that'd make the streamer the home of a big chunk of regular- and post-season games. There's also still the possibility Prime Video will stream some Conference Finals games. That potential deal is anticipated to extend for at least 10 years starting in the 2025-26 campaign. Another important note with Prime Video is that it's expressed interest in obtaining international rights. Now, **TNT Sports** and **NBC** are on the clock to solidify their spot in the NBA's next media deal.

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## PEACOCK PRICE HIKE

**Peacock** is raising its prices again as the Olympics are on the horizon. The streamer's monthly rates will increase by \$2, with the ad-supported tier moving from \$5.99/month to \$7.99/month and the ad-free version upping from \$11.99/month to \$13.99/month. Yearly rates will run at \$79.99/year with ads and \$139.99/year to get no ads. New prices will go into effect July 18 for new customers. Existing subscribers will see the hikes on or after Aug. 17. Peacock last raised its pricing back in July.

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## PARROTT MOVES TO CEO AT VYVE

**Mega Broadband Investments**, which serves customers under the market name **Vyve Broadband**, promoted *Andy Parrott* to CEO, effective May 1. Current CEO *Phil Spencer* will transition to Senior Advisor. Parrott joined the company in 2019 as COO and added the role of President in 2021. **Cable One** paid \$575 million for a 45% stake in Mega Broadband in 2020 and has the option to buy all of it. **Moody's** has predicted Cable One is likely to acquire the remaining 55% interest in Mega Broadband from its private equity owner GTCR in 2025. "We have been

very impressed with Andy's impact on the business during our time as investors over the last several years, and his thoughtful leadership alongside Phil has been core to MBI's strong performance," Cable One CEO *Julie Laulis* said in a statement. "Andy has a community-first mindset and a management style that fosters a culture of continuous improvement – these attributes align well with our values at Cable One, and we are excited to continue to partner with Andy and his team for the next chapter of growth for MBI."

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## CARRIAGE

**Allen Media Group's Local Now FAST** channel is growing nationally. AMG signed a deal with LG to roll out 223 Local Now channels to the free **LG Channels** platform. Local Now comes with 24/7 news and entertainment programming from its nationwide local affiliate network, news partners including the broadcast nets and proprietary news technology that creates 500,000 video stories each day. – **TCLtv+** and **Hearst Media Production Group** entered a joint content partnership that'll see a trio of FAST channels join the TCLtv+ lineup beginning this month. **The Jack Hanna Channel**, **Xplore** and **Rovr Pets** will be added to the Animals and Nature as well as Travel and Outdoors categories. TCLtv+ now has more than 330 FAST channels from several studios such as **Scripps Media**, **NBCUniversal**, **Sony** and **Lionsgate**.

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## AFFORDABLE BROADBAND WEEK

Broadband affordability will be under the microscope this week with **Senate Commerce's Communications** subcommittee set to tackle the issue at a hearing Thursday that includes New Street Research's Blair Levin and Pew Charitable Trusts' Kathryn de Wit. With the Affordable Connectivity Program set to expire in May, a public rally is planned for tomorrow to support the program and look at what lies ahead as it loses funding. Rep *Yvette Clarke* (D-NY), FCC Commissioners *Anna Gomez* and *Geoffrey Starks* and Sen. *Peter Welch* (D-VT) are among those slated to participate. Meanwhile, there have been some rumblings over whether NY's court victory last week for its affordable broadband law could be pre-empted by the FCC's new Title II order. On Wednesday, Senate Commerce is scheduled to markup Chair *Maria Cantwell's* (D-WA) spectrum bill, which includes allocating \$5 billion in auction revenues to ACP.

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## PROGRAMMING

**Fox Nation** grabbed the exclusive rights to the hour-long film "Deep in the Heart." Narrated by *Matthew McConaughey*, the program will be available through the fall. It looks at nature and wildlife that can be found across the state of Texas. – **HBO** is coming out with a new original documentary about actress *Faye Dunaway*. "Faye" will premiere later this year and be available to stream on **Max**. The doc will have its global debut at the 2024 Cannes Film Festival which begins May 14.