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WHAT THE INDUSTRY READS FIRST

## Shooting Hoops: Comcast Reveals Details of Pending NBA Rights Deal

Comcast NBCUniversal pulled back the curtain on the rights deal it expects to be awarded by the NBA during its Q24 earnings call Tuesday. The package, which would begin in the 2025-26 season, includes 100 NBA games each regular season across NBC and Peacock. When it comes to the playoffs, Comcast NBCU will have first and second round games each year exclusively on its platforms and six NBA conference final series over the course of the term of the deal.

As for what is exclusive to Peacock, that includes 50 national regular season and postseason games, including Monday night match-ups and doubleheaders. Additional elements of the package include the annual NBA All-Star game and All-Star Saturday Night each season, the season-opening NBA tip-off doubleheader each season, a doubleheader on Martin Luther King Jr. Day and select NBA games and every NBA All-Star game on Telemundo. When it comes to the WNBA, the package starting in the spring of 2026 includes more than 50 WNBA regular season and first round playoff games across Peacock, NBC and USA and three WNBA final series.

“The point generally is that we are looking at the NBA as premier content that is culturally relevant, has an excellent audience and widens out the calendar year for us across Peacock and NBC,” Comcast Corp. President Mike Cavanagh said on the call. “But what’s very interesting to us is how significant the viewership is of sports viewers on Peacock of

things other than sports. So when you take a zoom out and think about the total picture of what we’re trying to do, which is to bring our excellent TV media assets into the future, we view the NBA as an excellent piece of that puzzle.”

Comcast’s total revenue fell 2.7% YOY to \$29.7 billion, but Peacock revenue grew 28% with 9% growth in advertising and a 38% YOY increase in the streamer’s paid subscriber base to 33 million.

Broadband continues to be on the decline with Comcast’s domestic broadband customer net losses totaling 120,000, something the company attributed to an intense competitive environment and the typical negative seasonality of the second quarter. Approximately 70% of residential subscribers are taking speeds of 500 Mbps or higher, and one-third are subscribed to plans with one gigabit speeds or higher. It continues to push forward with footprint expansion, adding 302,000 residential and business passings during the quarter. The operator is also continuing to expand deployment of mid-splits, and the technology is now available in 42% of Comcast’s footprint. Comcast Cable President/CEO Dave Watson said the goal is to expand that number to 50% by the end of the year and the expansion of DOCSIS 4.0 will come as that figure grows.

“One of the things that we see is we have the most effective and efficient build that’s ubiquitous, addressing speed, capacity, coverage, and it helps us because as we’re doing this, remember, we’re virtualizing huge parts of the network and avoiding future node splits,” Watson said.


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Wireless net additions came in at 322,000, and **Xfinity Mobile** now touts 7.2 million customer lines. New pricing plans launched in April attracted multi-line customers and Comcast continues to see wins with its buy one, get one line offers. Xfinity Mobile plans to introduce some new mobile offers tied to the Olympics. More to come on those in a few days. Total video customer net losses were 419,000.

## ADVERTISING, DTC CARRY TELEVISION TO 2H24

**TelevisaUnivision's** 2Q24 earnings call Tuesday was a positive one, and it was one that came with confidence as it looked toward the future. The company saw total advertising revenue grow 6% YOY to \$785 million (U.S. grew 2% to \$462.4 million and Mexico increased 13% to \$284.9 million), which helped bolster total revenue to improve 3% YOY to \$1.3 billion. That success in advertising came as TU looked to attack certain areas like pharma and financial services. "Year to date, we've activated more new zero share clients than we did in the entire year in 2023," CEO *Wade Davis* said. "Although we're seeing—on average—new client activations come in at smaller sizes, strategically, when we think about the KPIs that drive the long-term health of the advertising business in the U.S., the rate of activation and diversity of clients are far more important than the initial campaign sizes." Of course, no ad talk can come without the mention of political ads, in which Davis reiterated the peculiar nature of this year's presidential election. While spending was low amid a non-competitive primary, the dropout of President *Joe Biden* and the presumptive nomination of Vice President *Kamala Harris* has rapidly accelerated spend. For TU, another plus it has for advertisers is the ad tier on its streaming service **ViX**. The platform reached the 50-million mark for global monthly active users. Davis added that the company saw "huge increases" in engagement and usage, with growth in total streamed hours outpacing growth in MAUs. ViX's premium tier grew 65% during the quarter thanks to its content slate and flywheel of user acquisition coming from its free funnel. ViX also saw churn fall to an all-time low in 2Q24 since the product's launch two years ago. "We continue to pace at or ahead of our plan on all major KPIs as we drive to profitability in the second half of the year," Davis said regarding TU's DTC sector. ViX Premium, which now runs at \$6.99/month or \$49.99/year, has room for some price changes as well. "It's going to take us a few more months to really focus and digest the data, but the early data does suggest that the opportunity exists for pricing power on the ad-free tier," Davis said. "We started at a super low price and the rest of the industry has raised their prices, so both

by the math and the data, as we think about aggregate ARPUs from subscription plus ad sales relative to ad-supported and ad-free, that suggests that the ad-free product should be at a higher price." U.S. subscription and licensing revenue fell 1% YOY for the quarter to \$320.6 million, while the Mexico segment also fell 3% to \$124.1 million. Total subscription and licensing revenue fell 2% to \$444.7 million.

## CALIX READY TO HELP WITH BEAD

**Calix** is one of the many vendors eagerly waiting to help out customers participating in **NTIA's** \$42.45 billion BEAD program, but patience is a virtue as states receive approvals on plans. CEO *Michael Weening* emphasized that the company's customers are navigating a complex process. He views BEAD as a vehicle that can pull Calix's platform, cloud and managed services model forward, but in terms of actual impacts on revenue, Weening doesn't anticipate anything until next year. "While there's others out there that are talking about orders and revenues starting this year, we've been consistent regarding our thoughts around BEAD. We expect to start receiving orders in the first quarter of 2025," Weening said on Calix's 2Q24 earnings call. "On our last call, I suggested that as long as there were at least 10 to 15 states approved that we would get enough to actually start seeing a meaningful impact in 2025. We're sitting here today with 20." Revenue came in at \$198 million for the company, which fell within guidance it gave back in April. 2Q24 saw platform adoption with 17 customers, 19 new cloud deployments and 22 additional customers deploying a managed service for the first time. Remaining performance obligation grew 9% sequentially (or \$22 million) to \$267 million. That's also good for a \$54 million or 25% YOY improvement. Operating expenses were down \$4 million from the prior quarter to \$104 million, mostly attributable to lower outside services and professional fees. Cash and investments came in at over \$261 million at the end of the quarter—a sequential increase of roughly \$22 million. Looking forward, Calix expects 3Q24 revenue to be between \$198 million and \$204 million.

## NTIA APPROVES TRIO OF BEAD INITIAL PROPOSALS

**NTIA** shook hands with Utah, the Northern Mariana Islands and the U.S. Virgin Islands on their Initial Proposals for the BEAD program. The Beehive State can now request more than \$317 million for the execution of the plan while the Northern Mariana Islands and the U.S. Virgin Islands can ask for more than \$80 million and over \$27 million, respectively.

## BULK BILLING ALLIANCE TO PROTECT ISP ARRANGEMENTS

In the wake of the **FCC's** pending proposal to ban bulk billing arrangements, groups with members that could be impacted have formed the **Bulk Broadband Alliance**. The group is composed of **EducationSuperHighway**, the **Community Associations Institute**, **National Multifamily Housing Council**, **National Apartment Association** and **ACA Connects**, and its goal is to educate lawmakers and the public on the benefits of such arrangements. The Alliance claims monthly bulk billing pricing is typically 50% lower than promotional rates for comparable retail packages and the plans normally do not include extra nonrecurring fees like installation charges. The Bulk Broadband Alliance argues the arrangements reduce barriers to broadband adoption and can incentivize infrastructure updates.

## FCC LAUNCHES MOBILE SPEED TEST APP

Got dead zones? Go download the **FCC's** new Mobile Speed Test app to measure mobile broadband speeds and participate in the FCC's National Broadband Map challenge process. The new app, available in the Apple app store and Google Play store, replaces the old FCC Speed Test app and is part of the agency's Broadband Data Collection program. Users can submit their tests to the FCC either as challenges to provider-reported coverage, or as crowdsource data that is used to inform the Commission's verification and audit work, as well as other policy decisions.

## S&P'S M&E MID-YEAR EVALUATION

This year has certainly felt like a rollercoaster, but what's changed since 2024 began? **S&P Global Ratings Media & Entertainment** said in its mid-year outlook that it spots diverging trends for advertising, noting how overall ad growth has returned and digital advertising has returned to low-teens percentage growth. Legacy media, however, continues to decline in that area. While content pipelines were impacted by the writers' and actors' strikes in 2023, S&P sees spending growth returning—but with the amount of content itself being lower overall. Looking ahead, S&P predicts streaming advertising to grow among the top media companies. A key part of that is the streaming services that don't yet have enough ad-tier subscribers to deliver scaled audiences to advertisers (with the exception of Prime Video). Speaking of streamers, the potential **Paramount-Skydance** merger could spark M&A activity despite a harsh regulatory environment. The risks S&P sees around its prediction baseline include secular trends for legacy media worsening, domestic streaming maturing and potential macroeconomic weakness from a recession or major geopolitical event.

## FUBO NABS SOCCER EVENT RIGHTS IN CANADA

**Fubo** is getting the live streaming rights to the 2024 **DirectTV Soccer Champions Tour** in Canada. The event will have six matches played in the U.S. featuring five top European clubs Real Madrid, FC Barcelona, AC Milan, Manchester City and Chelsea. The first match will take place July 27 at 6pm in New York, before the event's conclusion Aug. 6 at 7pm in Charlotte.

## COMMSCOPE SELLING OUTDOOR WIRELESS BIZ TO AMPHENOL

**CommScope** will sell its Outdoor Wireless Networks segment as well as the Distributed Antenna Systems business unit to **Amphenol Corporation** for approximately \$2.1 billion in cash. The sale is expected to close in the first half of 2025. The Outdoor Wireless Networks segment provides wireless infrastructure for mobile networks, including macro and small cell site solutions. The DAS business provides solutions for cellular infrastructure inside venues, campuses and enterprises. The combined businesses are currently expected to have full-year 2024 sales and EBITDA margins of approximately \$1.2 billion and 25%, respectively. In May, CommScope beat out **Vecima Networks** with a \$45.1 million bid for **Casa Systems'** cable business assets in a bankruptcy proceeding auction.

## CARRIAGE

**Curiosity** launched its FAST channel **Curiosity Now** on **Vizio Smart TVs** through **WatchFree+**. Curiosity Now comes with films and series such as "Engineering the Future," "Beyond the Spotlight" and "Butterfly Effect."

## RATINGS

The four-day Republican National Convention boosted the news nets in last week's cable ratings. **Fox News** swept the primetime and total-day charts, but posted a striking average of 5 million viewers P2+ in prime. **MSNBC** and **CNN** had 1.12 million and 1.01 million, respectively, to take the Nos. 3 and 4 rankings, and **Newsmax** cracked the top 10 (No. 9) with 580,000. **ESPN** was the closest network to Fox News in prime at 1.3 million thanks to the **MLB's** Home Run Derby while **Hallmark Channel** came fifth with 775,000. Fox News (2.51 million), MSNBC (716,000) and CNN (571,000) occupied the top three spots on the total-day chart. Hallmark was fourth with 431,000 and ESPN was fifth with 397,000.

## PROGRAMMING

Canadian actor **Paul Sun-Hyung Lee** is joining the cast of **CBC's** original series "Murdoch Mysteries" ahead of its 18th season. Production is currently underway, and the exact fall premiere date for both **CBC** and **Ovation TV** is still to be determined.