

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Election Boom: Tubi, Major Events Boost Fox's Earnings

The advertising revenue was flowing at **Fox Corp.** to start the 2025 fiscal year. With the company gearing up for Election Day on Tuesday and the Super Bowl in February, Fox achieved record political advertising in 1Q25 and for the full fiscal year while also selling out inventory for the big game at record pricing. That fueled \$1.33 billion in ad revenue for the quarter, which was also boosted by **Tubi** growth, higher ratings and pricing in the direct response marketplace for **Fox News** and the impact of **Fox Sports'** "Summer of Soccer."

Executive Chair/CEO *Lachlan Murdoch* said Fox saw a few different trends in political ad spending this cycle. In 2020, there was a sizeable shift toward spending on national campaigns rather than local. This election has seen things revert back to a more local and targeted approach, which has helped Fox's station group in addition to Tubi with its capability to geotarget audience segments.

Murdoch made sure to sing the AVOD streamer's praises during Monday's earnings call for being a boon of strong political spending during the quarter. He noted that strong engagement and direct response growth led to 19% revenue growth for Tubi during 1Q25, adding that based on the current revenue run rate, Fox is looking for Tubi to eclipse the \$1 billion revenue mark this fiscal year.

"This cycle, we have seen Tubi become a material recipient

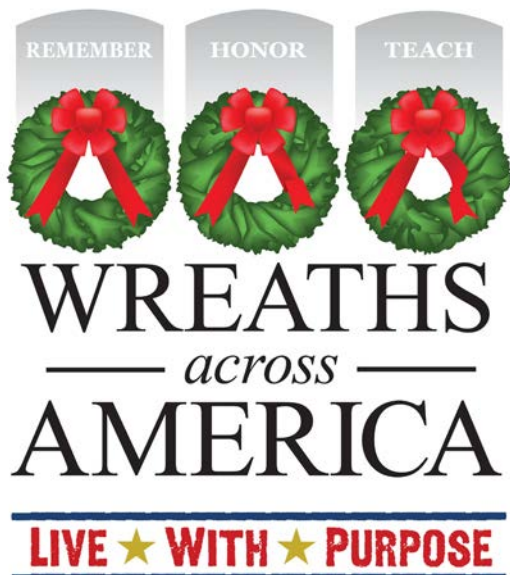
of political advertising," Murdoch said. "Tubi's large but hard-to-reach audience, coupled with its advanced targeting and geotargeting capabilities, have clearly differentiated Tubi as campaigns look to maximize reach and efficiency."

Murdoch also played down any concerns of cannibalization between Tubi and Fox's linear assets when it comes to advertising, indicating that actually the opposite is happening. "Tubi was able to capture money that, frankly, we couldn't take entirely on the station. There's such a tidal wave of political dollars to have much of that captured by Tubi as well—it's really pleasing to see," he said.

Speaking of Fox's linear portfolio, Murdoch was asked for his take on last week's news that **Comcast NBCUniversal** was looking into [spinning off its cable networks](#). With Fox being a consistent defender of the video bundle, Murdoch pointed to the live sports it has on its networks—once again mentioning the Super Bowl ad sellout—as well as the programming Fox Entertainment produces as reasons for the company to remain confident in linear TV.

"I don't think it affects us in any way at all," the exec said. "From my perspective, I don't see how we could ever do that. I think breaking apart part of the business would be very difficult, both from a cost point of view and from a revenue and a promotional synergy point of view."

**MoffettNathanson** is also of the belief Fox will be just fine even if one of its partners looks to pivot its own strategy. "While the bulk of Fox still sits within the fading world of



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linear, its narrow focus on sports and news places it within islands of stability and even growth,” the firm said in a note. “As such Fox has captured, and should continue to capture, an increasing share of overall linear economics, both in terms of ad dollars and affiliate/retrans fees, as evidenced again by F1Q 2025 results.”

Murdoch briefly touched on the ongoing battle to get the **Venu Sports** jv off the ground following **Fubo**'s successful injunction. “Obviously we are awaiting our appeal of the injunction, and we'll see where we go from there. We continue to believe Venu is a tremendous pro-consumer, pro-competition platform. We're very excited to launch it when we have the ability to do so.”

Total revenue for 1Q25 came in at \$3.56 billion, up 11% YOY. Affiliate fee revenues improved by 6% to \$1.84 billion thanks to 10% growth in the TV segment and 3% growth in the cable network programming category. Net income was \$832 million compared to the \$415 million that was reported in 1Q24. Quarterly adjusted EBITDA was \$1.05 billion—up 21% YOY.

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## ALTICE USA SETS SIGHTS ON 2024 FIBER MILESTONE

**Altice USA** plans to reach a milestone of 500,000 fiber customers by the end of the year, according to CEO *Dennis Mathew*. He made the proclamation during the operator's 3Q24 earnings call Monday, where he also said there's a path to grow the company's fiber base to more than one million customers, or 30% penetration, by the close of 2026. As of the quarter's end, Altice USA had 2.9 million fiber passings and 482,000 fiber customers thanks to 47,000 net additions in the quarter. Approximately 73% of those additions were driven by migrations of existing customers. Total broadband net losses were 50,000 due to a lack of switching activity, different competitive pressures and a growing number of non-pay disconnects from prior ACP customers. Early next year, Altice USA will begin offering customers Whole Home WiFi as well as give them the ability to purchase subscriptions to streaming services directly through Optimum. More is coming for business customers, particularly in 4Q as Altice prepares to launch its new connection backup service, an enhanced security offering and an upgraded WiFi solution. CFO *Mark Sirota* also expressed excitement over how the operator is rolling out AI tools across the footprint. “Upwards of 6,000 agents are now leveraging AI to guide every single conversation we have with our customers. We're about to launch new AI platforms on why did my bill change, and so simply things like that, we're going to be able to answer in seconds versus minutes,” Sirota said. “Today, I'm so excited about where we're heading with AI, how we're going to be able to deflect noise out

of our network operations using AI technology.” Both Mathew and Sirota also expressed optimism about how being able to offer a converged offering with Optimum Mobile could put the operator on a positive path forward. Optimum Mobile line net adds were 36,000 compared to 24,000 in the year ago quarter. 5.2% of the broadband base was converged with mobile at the end of the third quarter. Total revenue in the quarter came in at \$2.2 billion, falling 3.9% YOY, driven primarily by a 5.6% decline in residential revenue primarily due to a smaller customer base and video subscriber losses of 77,000. Mathew hopes Optimum's revamped video packages launching now and the rollout of the Optimum Stream set-top box will open the door for Altice USA to complete deals with programmers to bundle streaming services into its existing offers.

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## BELL CANADA TO ACQUIRE ZIPLY IN \$5.1 BILLION DEAL

Canadian telecom firm **BCE** announced Monday its wholly-owned subsidiary **Bell Canada** entered into an agreement to acquire **Zipty Fiber**. Bell Canada would pay approximately \$3.65 billion in cash for Zipty and assume outstanding net debt to be rolled over at the close of the transaction, bringing the total transaction value to approximately \$5.1 billion. During a call discussing the proposed deal, BCE President/CEO *Mirko Bibic* said Zipty Fiber would give the company a foothold in what he sees as an underpenetrated U.S. market while increasing the company's overall scale, diversifying its operating footprint and setting the stage for future expansion opportunities. “The U.S. has low fiber availability compared to Canada. It has attractive fiber economics with a low cost to build and strong ARPU growth as well as favorable competitive dynamics, particularly in Zipty Fiber's footprint,” Bibic said. CFO *Curtis Millen* declared the transaction multiple to be around 14.3x after adjusting for tax benefits and synergies. **MoffettNathanson** took a look at the values cited and, at first glance, they would seem to be good news for folks like **Frontier** shareholders that argue **Verizon**'s merger proposal undervalues the company. But a dig a little deeper reveals something completely different. “When presented with an apples-to-apples basis, the implied value per passing for Zipty is almost identical to what Verizon agreed to pay for Frontier. Rather than providing ammunition that Frontier was bamboozled, the Zipty deal suggests that it agreed to a solid bid,” the firm said. “And rather than suggesting that **Lumen**'s mass markets/FTTH/ILEC assets are a source of substantial latent upside, it suggests that one needs to be cautious when assessing the value of that part of its business.”

## EQUAL TIME RULE IN PLAY AFTER 'SNL' CAMEOS

Live from New York, this week's edition of "Saturday Night Live" had some regulators up in arms due to a last-minute 90-second appearance by Vice President *Kamala Harris*. **NBC** stations filed notices in their public **FCC** files over the weekend to comply with Commission rules requiring that broadcasters give comparable time placement to all legally qualified candidates should those candidates request equal time. FCC Commissioner *Brendan Carr* was among those criticizing NBC for allowing Harris to appear on the program, particularly because of a provision that allows those qualified candidates one week to request their equal time from the broadcast station. Because Harris's appearance was mere days before Election Day, he believes other candidates have been denied their procedural right. "Maybe they don't have material in the can or maybe they want to cut a new ad or maybe they want a couple of days to prepare for their Equal Time. They would need some time for that. And the rule does not require candidates to choose between a snap response or none at all," Carr said in a series of posts on X. "Nonetheless, NBC structured the SNL candidate appearance (just hours before an election) in a way that denies all other candidates their one week procedural right." Notices were also filed tied to the appearance of Senator *Tim Kaine* (D-VA), who is also running for re-election and appeared without charge on SNL for one minute and 55 seconds. His GOP challenger *Hung Cao* has requested equal time, and NBC is reportedly accommodating that request. A similar last-minute appearance by *John McCain* on SNL in 2008 also drew Equal Time [questions](#).

## TCA SKIPPING 2025 WINTER TOUR

The **Television Critics Association** will not host a winter press tour in 2025 due to a lack of participation from programmers and studios. TCA President *Jacqueline Cutler* told members in a statement that while there were a number of streamers, networks and others that did commit to the event, there weren't enough participants to warrant a full press tour. She did note there continues to be enthusiasm among executives for the summer 2025 press tour and the organization has already pivoted its focus to ensuring that event goes on.

## WOW! 3Q24 EARNINGS REPORT

Despite growth in ARPU and continued expansion in 3Q24, **WOW!** sustained YOY drops across multiple categories. The company reported that quarterly total revenue was \$158 million, down by \$15.1 million or 8.7% compared to 3Q23. HSD revenue fell \$2.3 million from the same quarter the prior year to \$107.5 million, and net loss came in at \$22.4 million as of Sept. 30. Total subscription revenue for 3Q24 was \$146 million—down 8.9% YOY—and WOW! had a net loss of 4,400 HSD RGUs, including 1,900 stemming from the discontinuation of the Affordable Connectivity Program, for a total of

480,600 as of the end of the quarter. Additionally, WOW!'s total subscriber mark came in at 490,500 at the end of the quarter, which is down by 26,900 YOY and 4,700 sequentially. It wasn't all negative for WOW! this quarter. Its market expansion projects passed an additional 1,700 homes in 3Q24, including 100 more homes in greenfield markets and 1,600 additional homes in edge-out projects. As of the end of the quarter, WOW!'s greenfield initiatives have passed 52,600 homes and 9,200 subscribers, which represents 31% penetration. Adjusted EBITDA also increased by \$6.4 million YOY to \$77.3 million. Looking toward the future, WOW!'s full-year 2024 guidance expects HSD revenue to fall between \$422-\$426 million, total revenue to be between \$629-\$633 million and adjusted EBITDA to be between \$284-\$288 million.

## XUMO HITS BULLSEYE WITH NEW TARGET DEAL

**Xumo** has partnered with **Target** to offer Hisense Xumo TVs in stores nationwide and online starting next week. The 4K UHD smart TVs will be available in 55" and 65" models priced at \$249.99 and \$359.99, respectively. With this deal in place, Xumo TVs will now be available in nearly 8,000 U.S. locations across nine national and local retailers.

## CARRIAGE

Hispanic-owned **Canela Media** is growing its footprint on **Samsung TV Plus** after launching a few FAST channels in the U.S. and Mexico. In the U.S., the company rolled out Turkish-telenovela-dedicated **Novelas Turcas** and **Que Culpa Tiene Fatmagul**, a 24-hour network showcasing the show "Que Culpa Tiene Fatmagul?" **Canela.TV** and **Novelas Turcas – El Secreto de Feriha** arrived in Mexico to bring viewers "El Secreto de Feriha."

## FIBER FRENZY

**Race Communications** is expanding into the California communities of Merced, Turlock, Porterville and Atwater. The project will bring service to 82,000 homes and businesses. Construction is underway, and some residents will get service as soon as early 2025.

## VETERANS DAY

**Spectrum** is letting TV subscribers celebrate Veterans Day with an on-demand portal of military-themed movies. The collection will be available for rent through Veterans Day—next Monday—and include documentaries, dramas and more such as "Jarhead," "13 Hours: The Secret Soldiers of Benghazi," "Pearl Harbor" and "Dunkirk." The portal can be found in the Veterans Day category via the On Demand portal within the Spectrum Guide.