

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Come Together: WBD Chief Predicts M&A Wave After Trump Win

Warner Bros. Discovery CEO David Zaslav continues to believe the content industry needs to meaningfully consolidate if the consumer experience is going to positively change. On the company's 3Q24 earnings call Thursday, he noted that the new administration taking over the White House in January could spark a wave of M&A or even further bundling offers between different programmers.

"It's too early to tell, but it may offer a pace of change and an opportunity for consolidation that may be quite different, that would provide a real positive and accelerated impact on this industry that's needed," Zaslav said. "These are great companies and if the best content is going to win, there needs to be some consolidation in order to have these businesses be stronger and to have a better consumer experience."

WBD stock closed up nearly 12% on Thursday on the back of its results and an overall market lift in the wake of the election. Zaslav said the three prongs of attack for WBD moving forward are: to deploy Max globally and unlock its full potential in reach and profit; to optimize the networks business and the U.S. linear television business within it; and to return the company's studios to industry leadership. He shouted out the programmer's early renewal agreement with Charter, which included the distribution of the ad-supported tier of Max to all Spectrum TV Select customers, as a sign that WBD's linear networks business continues to be valuable.

"We love [Charter CEO] Chris Winfrey's strategy. It's a strategy of embracing multichannel to the home through the cable distributors and, at the same time, giving a very contemporary consumer experience," Zaslav said. "I was encouraged to hear their earnings call and hear Chris talk about investing significantly more money in marketing it because it's all about the consumer... that was really an innovative deal. We hope other distributors will do it. We're in some discussions with some that are quite interested in doing it. We'll just have to see."

Total revenues in the quarter were \$9.6 billion, a 3% decline YOY. The count of global DTC subscribers reached 110.5 million by the close of 3Q, marking a sequential increase of 7.2 million subscribers for the company's streaming products. Later this month, Max will launch in seven markets across southeast Asia before arriving in Australia and more than a dozen additional markets next year. Networks revenues rose 3% with WBD's exit from AT&T SportsNet negatively impacting the segment. Distribution revenue fell 7% primarily due to a 9% drop in domestic linear pay TV subscribers.

Leadership was asked about whether it still made sense for Warner Bros. Discovery to own all of its businesses inside of one entity and if there could be different permutations of the company that would make sense to unlock value. In his opening remarks, Zaslav said WBD's unique ability to create, distribute and market great content is what will allow it to stand apart from the pack long into the future. CFO Gunnar Wiedenfels reinforced that later, saying there's a long-term



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growth story ahead for the various parts of the business.

“Especially when it comes to content, this is an area where we see the benefits of running this company on an integrated basis every single day,” Wiedenfels said. “We’re also still in the early innings. We are definitely getting a return from running WBD as one integrated company.”

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## BROADCASTERS ON HOW FUTURE COULD SHAKE OUT

It’s no secret broadcasters in the U.S. are hoping for less regulation that would open the door for M&A activity and other items following the election. **Nexstar** Chairman/CEO *Perry Sook* welcomed the idea of deregulation on the company’s 3Q24 earnings call Thursday morning, saying it was “the number one legislative priority” of the company and **NAB**. “Our industry’s real competition comes from big tech companies who have unfettered access to every screen in America, from phones, desktops to the TV in the living room, yet our ability to compete with those behemoths is stymied by regulations that were last updated in 2004,” he said. “To preserve local journalism, this industry needs strong companies who can compete on a level playing field for both viewers and advertisers on every screen in America—not just some of them. And the time is now to seek this reform.” Sook talked about ownership caps multiple times throughout the call and affirmed his belief in adjusting those rules, saying he views it as a bipartisan issue since Republicans would view it as business-friendly deregulation and Democrats would see it as a way to “preserve local journalism.” But there’s one issue Nexstar faces: getting lawmakers to want to act. “One of the hardest things to do because of all of the competition for time and mindshare of the regulators and legislators is to get someone to care,” Sook said. New **TEGNA** President/CEO/Director *Michael Steib* echoed the desire for less regulation in the broadcast industry during the company’s 3Q24 earnings call Thursday. Like Sook, he targeted big tech companies and social media platforms being competitors in the modern broadcast landscape. “Google makes 50X the advertising revenue than any broadcaster does in our markets, and TikTok has greater share of news viewing by young audiences than any single broadcaster and is owned by a foreign adversary. And yet today, we’re not allowed to buy a Fox station in Waco, Texas,” Steib said.

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## TEGNA, NEXSTAR BY THE EARNINGS NUMBERS

**TEGNA**’s total company revenue for the quarter decreased 3% YOY to \$710 million, primarily due to lower subscription and ad-

vertising marketing services revenues partially offset by higher political ad dollars. Subscription revenue also dropped 7% YOY to \$367 million, and adjusted EBITDA decreased 10% YOY to \$176 million. *Michael Steib*, who became **TEGNA**’s President/CEO/Director in August, shared his thoughts on the company after nearly three months at the helm, laying out an outline of five specific focus areas he has for the company. First, he wants to instill a culture of moving with urgency on all organizational fronts. “Number two, we’re reviewing org structures and processes across the enterprise to ensure we’re doing our jobs as effectively and efficiently as possible. I hypothesize that there are synergies across stations that we have not fully exploited,” he said. Third on Steib’s list is a nose-to-tail review of every process from content creation to sales and marketing. Fourth is to look at how **TEGNA** can expand reach through digital channels, and fifth is scrutinizing every expense under the company’s umbrella. **Nexstar** finished 3Q24 with a net revenue of \$1.37 billion, with distribution revenue coming in at a quarterly record of \$719 million and advertising revenue reaching \$622 million. As of election day, Nexstar booked political advertising revenue of \$491 million year-to-date—a record presidential year—which is up from the \$479 million recorded through Election Day in 2020. Additionally, Nexstar reduced YOY quarterly losses from CW Network by \$36 million, and as of the end of 3Q24 CW had \$22 million of cash on its balance sheet.

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## AT&T SWIPES SPECTRUM FROM USCELLULAR

**UScellular** entered into a deal with **AT&T** to sell a portion of its retained spectrum licenses for \$1.018 billion. The proposal includes the sale of 1,250 million MHz-Pops of 3.45 GHz and 331 million MHz-Pops of 700 MHz B/C block licenses. Substantially all of the transaction is contingent upon the closing of the sale of the UScellular wireless operations and select spectrum assets to **T-Mobile** as well as regulatory approvals. After this sale and other previously announced agreements with **Verizon** and two other mobile network operators, UScellular will have monetized approximately 55% of the spectrum holdings that were excluded from its proposed acquisition by T-Mobile.

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## ROGERS COMMUNICATIONS TO BRING XFINITY NAME TO CANADA

**Rogers Communications** is beginning its deployment of **Comcast**’s entertainment and connectivity products with the launch of a new brand. Rogers Xfinity will begin appearing online, on the Rogers mobile app, on customers’ televisions and on other consumer-facing platforms. As part of the launch, the operator

is also introducing Rogers Xfinity Streaming. The platform will give Rogers customers an integrated interface with on-demand and streaming apps in one place.

## DIAMOND SPORTS SECURES ST. LOUIS CARDINALS DEAL

**Diamond Sports** has another win in its record book, striking a multi-year linear and digital rights agreement with the St. Louis Cardinals that will also make it the baseball team's exclusive local media partner. **FanDuel Sports Network Midwest** will remain the home of the Cardinals, broadcasting all games that are not exclusively televised nationally as well as pre- and postgame shows and original programming. DTC subscribers to **FanDuel Sports Network** will have access to games, and pay TV customers will be able to stream games and other programming on the FanDuel Sports Network app by authenticating with their pay TV credentials. More information around DTC subscriptions, including pricing, will be announced at a later time.

## NAD HANDS VERIZON DECISION

The **National Advertising Division** is recommending **Verizon** either discontinue certain claims about satellite-supported texting services in remote locations or modify advertising to clearly disclose the necessary conditions for its customers to use the feature. The decision comes after a fast-track SWIFT challenge lobbied by **T-Mobile**, who claimed Verizon's advertising reasonably conveyed the message that Verizon offers satellite-supported texting services in remote locations regardless of the type of phone a customer has. The advertising was showcased on Verizon's website in addition to three commercials titled "[Wonder](#)," "[Triumph](#)" and "[Love](#)." Each spot ended with "Text Anywhere via Satellite" with a small disclosure stating "Satellite connectivity requires select smartphones. Must be outside w/ line of sight to satellite; might not work in parts of Alaska." NAD concluded that the disclosure is unlikely to be read and understood by consumers, and web disclosures were not clear and didn't specify that the feature is limited to Apple devices that operate the latest iOS software. Verizon said it "appreciates NAD's attention to this matter and will comply with the SWIFT decision."

## LIBERTY BROADBAND HIGHLIGHTS

**Liberty Broadband** was also among those releasing earnings results on Thursday. **GCI** checked in with revenues up 9% YOY to \$262 million. Consumer revenue rose 2% thanks to growth in data revenue, but where the operator saw a huge boost was in the business segment. Revenue on that side of the business skyrocketed 16% thanks to a strong upgrade cycle in schools and healthcare operations across remote areas in Alaska. It continues to invest in middle and last mile connectivity projects and is expected to see net capital

expenditures of approximately \$200 million for the full year 2024 with continued network expansions. Those include the Bethel and AU-Aleutians fiber projects.

## SHOWSEEKER ADDS PREDICTIVE PROGRAMMING TO PILOT

Ad tech company **ShowSeeker** revealed an enhancement to its cloud-based campaign and order management platform Pilot. It's adding predictive programming to the product to bring advanced programming data that enables the ability to generate custom proposals well into the future. Programming data from providers like **Gracenote** typically is limited to a 56-day confirmed window, but Pilot's predictive programming lets customers forecast and schedule programming data 12-14 months in advance. Predictive programming also uses machine learning to improve the offering via algorithms that analyze large sets of data.

## WOMEN'S SOCCER MOVES

**ION** had its first season of **NWSL** matches and studio broadcasts, and the regular-season results show the network reached over 20.5 million total unique viewers and 13.5 million viewers unique to ION. The season had 50 matches and 53 studio shows aired on the network. ION, which is among multiple networks as part of the league's current media rights deal, had the highest female percentage audience of any network with 55% P2+ and 57% P25-54. Matches drew an average of 145,000 P2+ per game, with the highest coming July 6 with 234,000 for Orlando vs Kansas City. Matches on ION also led to over 3.6 million hours of viewing on FAST channels across **Roku, Samsung TV, LG, Vizio, Plex, Amazon Fire TV and Pluto**. – The first **Barclay's Women's Soccer League** match to be televised live on **ESPN** platforms this season will come Friday at 2:30pm when Manchester City takes on Tottenham. The match will air on **ESPN2** and is the first from the network's agreement with Women's Professional Leagues Limited to be the home of BWSL matches in the U.S. this 2024/25 season. Most games will be streamed on **ESPN+**, but a minimum of four matches will be simulcast on ESPN linear platforms. ESPN and WPLL's deal also was extended to include distribution in South America and the Caribbean.

## POST-ELECTION RATINGS

**Fox News** continued to lead cable news nets as post-election coverage unfolded Wednesday. The network had 7.9 million viewers P2+ and 1.4 million P25-54 during Vice President **Kamala Harris'** concession speech in the 4:15-4:45pm window. **MSNBC** had 2.3 million viewers and 353,000 P25-54, while **CNN** had 2.2 million viewers and 555,000 P25-54. Fox News took Wednesday night's primetime news crown with 5.1 million viewers P2+, followed by MSNBC with 1 million and CNN with 749,000.

# PROGRAMMER'S PAGE

## 'Buy It Now' Reshapes the Product Pitch Genre

Move over, "Shark Tank"—Prime Video is bringing a new perspective to the product pitch genre, this time with the consumer in mind. "Buy It Now," hosted by comedian *JB Smoove*, is Prime Video's newest game show that gives entrepreneurs the chance to pitch their products to an audience of seasoned Amazon shoppers before presenting to a panel of celebrities for a chance to make it to the "Buy It Now" storefront. A reprise of the 2018 series, executive producer *Jack Burgess* said Prime Video was the perfect destination for the show, especially with the element of selling on Amazon. "If you look on Amazon, most of what you're buying is from a small business," Burgess said. "Over 700 businesses applied to be on the first show...I think that's because everyone recognizes the huge power of Amazon as a retail platform." Entrepreneurs have 90 seconds to present their product to an audience called "The Wall," which is made up of 100 Amazon shoppers who vote on the appeal of each product. If a majority of the audience votes favorably, the contestant can then pitch to a panel of celebrities and business experts, who ultimately decide whether or not the products get added to the storefront. This fast-paced format resembles the appeal of video shopping networks such as **HSN** and **QVC**. "Things like QVC...that's an inspiration for the show. When you're up on stage, we want that to feel like it is a performance of some kind. Can you persuade people to buy it?" While the celebrity panel's role may seem abstract, Burgess assured it's not about their status but rather their business acumen. "If you think of someone like *Tabitha Brown*, she is selling products, including on Amazon, on the biggest platforms in the world. She understands what it takes to bring something to market. *Gwyneth Paltrow* is not only an Oscar-winning actress and a huge celebrity, but she runs an incredibly successful business," he said – *Noah Odige*

### REVIEWS

"The Diplomat," Season 2, streaming on **Netflix**. There are several things we could say about Season 2 of Netflix's dashing political thriller "The Diplomat," which centers on Kate Wyler, a non-traditional U.S. Ambassador to the U.K. (*Keri Russell*), and husband Hal (a devilish *Rufus Sewell*), a former diplomat now a semi-retired mischief maker. These include how the sophomore slump has no place here. If anything, Season 2 is even better than Season 1. A quibble, which applies often these days — it's difficult for viewers to remember the story after a long hiatus from the previous season. It's especially taxing with multiple characters and plot lines that are strengths of "The Diplomat." Moreover, the authenticity of dialogue sometimes is a hurdle. For example, when embassy staff discuss someone, they rarely mention her title, instead using her first name. It's done this way IRL, but it's a slight burden for viewers. Nonetheless, a few eps in, viewers are ensconced, partly by excellent storytelling, gorgeous scenery and Russell and Sewell's chemistry. Moreover, the brief 6-ep season makes for a great binge watch. And Season 3 is already shooting. We can't wait. – "Wise Guy: David Chase and The Sopranos," streaming on **Max**. A short masterpiece. Doc superstar *Alex Gibney* picks *David Chase's* brain and expertly offers "The Sopranos" footage. A must-see for fans. – *Seth Arenstein*

BASIC CABLE P2+ PRIME RANKINGS* (10/28/24-11/03/24)		
MON-SUN	MC US AA%	MC US AA (000)
<b>FNC</b>	<b>0.857</b>	<b>2717</b>
<b>ESPN</b>	<b>0.512</b>	<b>1625</b>
<b>MSNBC</b>	<b>0.443</b>	<b>1404</b>
<b>CNN</b>	<b>0.249</b>	<b>790</b>
<b>HALL</b>	<b>0.240</b>	<b>762</b>
<b>HGTV</b>	<b>0.153</b>	<b>486</b>
<b>USA</b>	<b>0.139</b>	<b>441</b>
<b>INSP</b>	<b>0.139</b>	<b>439</b>
<b>DISC</b>	<b>0.132</b>	<b>418</b>
<b>TBSC</b>	<b>0.131</b>	<b>416</b>
<b>TLC</b>	<b>0.126</b>	<b>399</b>
<b>HALLMYS</b>	<b>0.115</b>	<b>363</b>
<b>ESPN2</b>	<b>0.111</b>	<b>351</b>
<b>HIST</b>	<b>0.110</b>	<b>349</b>
<b>FOOD</b>	<b>0.110</b>	<b>348</b>
<b>NWSMX</b>	<b>0.107</b>	<b>339</b>
<b>TVLAND</b>	<b>0.096</b>	<b>306</b>
<b>TNT</b>	<b>0.093</b>	<b>296</b>
<b>PRMNT</b>	<b>0.083</b>	<b>264</b>
<b>ID</b>	<b>0.083</b>	<b>264</b>
<b>GSN</b>	<b>0.079</b>	<b>250</b>
<b>LIFE</b>	<b>0.074</b>	<b>235</b>
<b>FRFM</b>	<b>0.074</b>	<b>234</b>
<b>REELZ</b>	<b>0.073</b>	<b>231</b>
<b>AMC</b>	<b>0.071</b>	<b>224</b>
<b>A&amp;E</b>	<b>0.069</b>	<b>219</b>
<b>FOXDEP</b>	<b>0.068</b>	<b>215</b>
<b>WETV</b>	<b>0.067</b>	<b>213</b>
<b>BET</b>	<b>0.061</b>	<b>194</b>
<b>FX</b>	<b>0.060</b>	<b>190</b>
<b>OXY</b>	<b>0.060</b>	<b>190</b>
<b>BRAVO</b>	<b>0.059</b>	<b>188</b>
<b>NAN</b>	<b>0.054</b>	<b>173</b>
<b>ADSM</b>	<b>0.054</b>	<b>171</b>
<b>BIGTEN</b>	<b>0.053</b>	<b>167</b>

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



## Congratulations 2024 Diversity & Pride List Honorees!

[VIEW HONOREES](#)

The Cablefax team is thrilled to announce the honorees for this year's Diversity & Pride List, recognizing the most influential multi-ethnic and LGBTQ+ executives in the industry along with our D&I Champion. New this year, we've interspersed Cablefax's Work Culture Awards to highlight the innovative and attractive work environments alongside the dynamic individuals of our Diversity and Pride Lists. [Visit our site to view the digital issue and read the Q&As from the honorees.](#)