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WHAT THE INDUSTRY READS FIRST

Future of Fubo: vMVPD Shares More on Disney Deal

We're coming up on the two-month mark since news broke that **Fubo** would be acquired by **Disney** and combined with **Hulu + Live TV**, and Friday was the first time the vMVPD had a chance to shed more light on the deal that sent shockwaves throughout the industry.

Co-Founder and CEO *David Gandler*, who'll remain in that position upon the merger's completion, said on Fubo's 4Q24 earnings call that the combination will make Fubo the sixth-largest player in the pay TV environment based on subscribers. That puts it behind the likes of **Comcast**, **Charter**, **DirectTV**, **YouTube TV** and **DISH/Sling TV**. Fubo and Hulu + Live TV will operate as separate and distinct consumer brands under Fubo, which will continue to trade on the NYSE, and the vMVPD anticipates being able to introduce more competitive offerings at more competitive price points once the transition closes.

Despite the clarity on Fubo's future operations, the market didn't seem to like what it saw. On Friday, Fubo's stock fell as much as 20.55% from its price at market close Thursday (\$3.54). Playing a role in that tumble was a downward forecast for 1Q25. Fubo expects North American revenue to fall between \$400-410 million and subscribers to be between 1.43-1.46 million, resulting in a 3% YOY improvement at the midpoint and a 4% YOY decline, respectively. Rest of world expectations are \$7.5-8.5 million in revenue (down 5% YOY) and 330,000-340,000 subscribers (down 16% YOY) for the quarter.

Fubo's strategy to steady things throughout the year amid a merger includes plans for more skinny bundles. Gandler talked about a new offering that'll join the influx of skinny bundles, something he commended Fubo for playing a part in with the **Venu Sports settlement**. "This new Sports & Broadcasting Service will feature a robust lineup of [consumers'] favorite pro and college sports. We intend to launch this service for the fall sports season, and it is independent of the Hulu + Live TV transaction," he said.

Sports isn't the only category taking up skinny bundles. Last week, Fubo introduced its first multicultural bundle called Zee Family, and the streamer plans to introduce more similar packages throughout 2025. Fubo believes multicultural programming can be a solid growth segment, especially since those smaller bundles play into Fubo's overall aggregation strategy of offering flexible streaming packages.

On the topic of Fubo's multicultural offerings, Gandler brought up the decision to now renew its deal with **Univision**. He attributed the failed negotiations to Univision demanding "significant rate increases" and "costs that would have been passed on to our subscribers." Instead, Fubo opted for a different approach.

"We lowered the price of our Latino plan by 55% to deliver greater value to our customers. This is the first time we are aware that any streaming service has shared with consumers cost savings beyond temporary credits," Gandler said. "Moving forward, we plan to replace Univision programming over time

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with other high-quality sports content that better aligned with our commitment to flexibility and affordability.”

Fubo finished 4Q24 and the year with 1.68 million subscribers in North America, up from 1.61 million recorded at the end of 3Q24 and an increase of 3.6% YOY. CFO *John Janedis* said Fubo achieved an all-time high ARPU across its North American and global segments, with the former reaching \$87.90 for the quarter and the latter settling at \$8.50. 4Q24 revenue checked in at \$443.3 million—up 8.1% YOY—and Fubo celebrated its first quarter of positive free cash flow with \$16.3 million. That, combined with adjusted EBITDA loss lowering to \$8.7 million, keeps the vMVPD on track to achieve profitability at some point this year.

With Fubo being the sports-centric streamer and its pending relationship commitment with Disney, there was curiosity about the opportunities the vMVPD has following **ESPN** and **MLB**'s media rights breakdown. Gandler said Fubo's existing partnership with the league puts it in a position to be ready no matter how the chips fall with MLB's next distribution move.

“We have a relationship with Major League Baseball, but I think the primary goal is to continue distributing live channels. So should Major League Baseball decide to go in that direction as it did managing some of the local sports teams, such as the Padres, we will certainly look to figure out a way to work together,” Gandler said.

VERIZON DEI INVESTIGATION REAX

While many have thought a Republican administration will be more friendly to M&A, **New Street Research's Blair Levin** is warning that transactions, particularly those needing **FCC** approval, should expect a “Trump Transaction tax.” On Thursday, FCC Chair *Brendan Carr* indicated that [Verizon's DEI policies](#) would be considered as part of the agency's review of its **Frontier** transaction. That resulted in Commissioner *Geoffrey Starks* speaking out: “Leveraging transaction reviews in this fashion sets a dangerous precedent and will only chill investment when it is sorely needed.” Carr has also suggested a “60 Minutes” interview with Kamala Harris with a news distortion complaint against it will be weighed as part of **Paramount Global** and **Skydance's** merger review. When it comes to Verizon-Frontier, New Street now thinks DEI is the issue that will be the gating factor for approval. “In that light, we expect that Verizon will do what other companies have done and adjust their employment practices in a way in which Carr will claim a victory,” Levin wrote in a note to clients. “We don't think, given the many companies that have cut back on DEI commitments, that VZ will suffer a material brand problem by going along with Carr, but we also believe VZ management would have preferred Carr not raise the issue.”

NAB MEDIA REFORM CAMPAIGN

NAB's message that it wants the government to loosen up media ownership restrictions is being amplified by a new media campaign. A video spot tells consumers that “Big Tech will destroy local broadcasters and they're taking advantage of the outdated federal rules to do it.” Broadcasters are especially looking to get rid of a national ownership cap that limits a station group to a reach of no more than 39% of U.S. households. The campaign spot and a print ad are directing folks to a “Modernize the Rules” [website](#) that encourages outreach to legislators and regulators to push for reform.

MOTOGP HEADED TO FOX SPORTS

Fox Sports expanded its racing portfolio after the addition of **MotoGP** coverage in the U.S. The multi-year deal starts this year and will see the Tissot Sprints and Grand Prix races broadcast live on **FS1** or **FS2**. All races will be made available on the Fox Sports app, and select events will be on **Fox Deportes**. MotoGP was most recently with **TNT Sports**.

OSCARS AD INVENTORY SOLD OUT

Ahead of the 97th running of the Oscars on Sunday, **Disney Advertising** announced it sold out advertising inventory for the event. This year's sponsors span almost 20 industries including automotive, entertainment, media and telecommunications. Advertisers will be slotted across pre-show, in-show and post-show spots among **ABC's** eight owned stations, geotargeted on Disney Streaming Entertainment and dynamic social integrations. We spotted familiar names in the list of sponsors for this year's show, which will be hosted by comedian *Conan O'Brien*: **Charter/Spectrum**, **FX**, **Lionsgate**, **Verizon**, **Walt Disney Studios** and **Comcast/Xfinity**. **T-Mobile** is also sponsoring the Oscars for the first time. The broadcast will kick off Sunday at 7pm on **ABC** and **Hulu** with the red carpet show airing at 6:30pm. The Oscars will stream on **Disney+** internationally and air on broadcast outlets in over 200 territories across the globe.

FIBER FRENZY

Sparklight is coming to residents and businesses in White Oak, Texas. Sparklight will provide multi-gig speeds of up to 6 Gbps for residents and up to 5 Gbps symmetrical for businesses. Construction already began back in August and is expected to wrap up later this year. The expansion will add more than 2,500 addresses. – The first **GoNetspeed** customers in Danbury, Connecticut, are now live. Construction will continue throughout the area as part

of the company's privately funded \$7.6 million project to expand to more than 14,300 homes and businesses in Danbury.

MAX HEADING DOWN UNDER

Warner Bros. Discovery is bringing **Max** to Australia on March 31. In addition to being available on app stores, WBD struck a launch partnership with **Foxtel** that will allow the latter's subscribers access to Max's Basic with Ads plan at no additional cost. Additional details on subscription tiers, pricing and product features will be shared closer to the launch date.

PROGRAMMING

A new iteration of "SportsCenter" is coming exclusively to **Disney+**. On Monday at 9am, a new daily show "SC+" will make its debut in what **ESPN** describes as a "fast-paced update" that will highlight each day's top moments, stories

and insights relating to the world of sports. SC+ will have a more concise and streamlined format and be based around the popular "SC Top 10" daily countdown of sports moments. *Gary Striewski* and *Randy Scott* will handle weekday hosting duties (while continuing to lead the 7am SportsCenter show on ESPN), and *Hannah Storm* and *Jay Harris* will helm the desk on the weekends. – Could "Hard Knocks" be headed for the college ranks? *Front Office Sports reports* that's looking like the case, with the **HBO** show booking a trip for Chapel Hill, North Carolina, to follow *Bill Belichick* in his first year as UNC's head coach. While the former Patriots' HC will be interesting to follow, that's not particularly why *Hard Knocks* chose the Tar Heels. NFL Films said it was struggling to get an NFL team to agree to let the show chronicle its offseason, possibly because the Giants didn't exactly look great after the team was spotlighted (included in its season was the departure of *Saquon Barkley*, who joined their division rival Philadelphia and won a Super Bowl).

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Social Media Hits

Adaptive Spirit
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Home snow advantage! We were thrilled to support Team USA at the FIS Para Snowboard World Cup in Steamboat Springs! After nearly a decade, World Cup racing returned to the U.S. with our athletes competing in front of friends and family 🇺🇸 What a milestone for U.S. Para Snowboard!



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From supersized to espresso-sized—@FCC chairmanship through the lens of a @Reeses coffee mug! @AjitPai went big, @BrendanCarrFCC keeps it small and efficient. No matter the mug size, the FCC mission stays the same: connecting America! 🇺🇸



Quotable

"The FAA's recent announcement—made on X, another company owned by [Elon Musk]—that it was testing one Starlink terminal in Atlantic City and two terminals at non-safety critical sites in Alaska raises questions about the process by which this deployment occurred. Although Musk's role in the Trump administration remains ambiguous, he is reportedly serving as a 'special government employee' and SpaceX engineers have reportedly been touring FAA facilities and were brought on as your senior advisors... Although I recognize that Starlink could be helpful in ensuring reliable connections in remote areas, such as Alaska, given the overlapping relationships with Musk and SpaceX employees, transparency is critical to ensure that the Starlink deployments are serving FAA's core safety mission." - **Sen. Ed Markey (D-MA)** in a **letter to FAA Acting Administrator Chris Rocheleau regarding Starlink shipping terminals to the agency**

 **Up Ahead**

- MARCH 4-6: [ACA Connects Summit](#); D.C.**
- MARCH 10-13: [CableLabs Winter Conference](#); Orlando**
- MARCH 11-12: [Connected America](#); Dallas**
- MARCH 11: [INCOMPAS Policy Summit](#); D.C.**
- MARCH 25: [Fiber Broadband Association Regional Fiber Connect](#); Philadelphia**