

Cablefax Daily™

Tuesday — June 20, 2017

What the Industry Reads First

Volume 28 / No. 117

Ready to WOW: Analysts Initiate Stock, Praise 'Edge-Out' Strategy

Wall Street is taking notice of **WOW!**, with three analysts initiating the stock this week. The competitive operator began trading on the NYSE on May 25 under the ticker WOW. It closed that first day of trading at \$16.50/share, and has been gaining steam, closing Monday at 17.83. That's a 1.36% uptick from Friday likely helped by new coverage. **Macquarie Capital, RBC Capital and Evercore ISI** all initiated the stock Monday with \$20 price targets and "outperform" ratings. Despite heavy competition from **Comcast, Charter** and others, WOW! is nimble with a strong customer service focus and prices typically 10% below MSO competition, said Macquarie, who believes it may make more acquisitions. WOW! closed in September on its \$53mln purchase of **NuLink** and it paid \$750mln for Knology in 2012. "WOW's relatively small scale (only 2-3% of CMCSA's and CHTR's footprints compete with WOW), and limited presence in a number of key markets, make it difficult/uneconomic for larger competitors to target them without disrupting marketing/pricing strategies for the broader MSA," said an Evercore research note. On Friday, WOW! announced that subsidiary **WideOpenWest Finance** has received commitments of \$2.28bln for new term B loans expected to close mid-July. **JPMorgan Chase** and **Morgan Stanley Senior Funding** are expected to act as lead arrangers and lead bookrunners. The company expects to use the proceeds of the new term B loans, along with borrowings under its revolving credit facility and cash on hand, to refinance existing term B loans, to redeem all of WOW! finance's outstanding 10.250% senior notes due 2019 and to pay certain fees and expenses. WOW! plans to spend \$300mln to build out about 400K homes by 2020, increasing its current footprint by 11%. "WOW is following an 'edge-out' strategy—expanding its footprint by targeting neighboring communities with attractive demographic and competitive profiles," Evercore said, estimating the operator will be able to acquire customers at approx 4x EBITDA. That edge-out approach should help management "juice revenue growth in '18/'19 to 4.4%/4.9%," Macquarie said. WOW! is the 6th largest US MSO with 780K customers throughout Illinois, Michigan, Indiana, Ohio, Kansas, Georgia and parts of the Southwest.

Slam Dunk: Sports-focused virtual MVPD **fuboTV** closed a \$55mln Series C funding round led by VC fund **Northzone**. **21st Century Fox** and **Sky**, both of which were also part of fubo's Series B round, also participated in the Series C, as did newcomer **ScrIPps Networks**. To date, fubo has raised more than \$75mln in funding. With the close of its latest fundraising round, fubo plans to expand its basic programming lineup, grow its engineering and product teams, build additional features and expand marketing efforts.

Big Exits at Tribune and Discovery: *Matt Cherniss* will step down from his post as pres/gm of **WGN America** and **Tribune Studios** at the end of the month. He's been in the role since March 2013, helping guide WGNA from a superstation to a cable network with original series, including "Underground." During his tenure, WGNA added nearly 10mln homes and advertisers more than doubled. *Gavin Harvey*, who has held exec roles at **Versus, Sportsman Channel** and **E!**, will



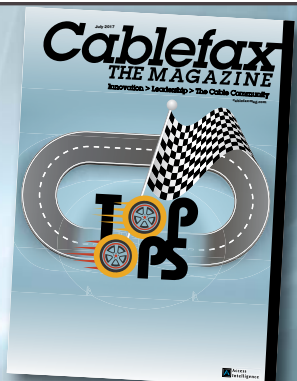
Saluting the Best in Content Distribution!

Honorees will be featured in Cablefax: The Magazine.

Secure Your Ads Now: Olivia Murray, omurray@accessintel.com
Rich Hauptner, rhauptner@accessintel.com

**SECURE YOUR CONGRATULATORY
ADS IN THE 2017 TOP OPS
MAGAZINE TODAY!**

**Published ad close: June 27
Ads due: July 6**



CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● 301.354.2101 ● Editorial Director: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Publisher: Michael Grebb, 323.380.6263, mgrebb@accessintel.com ● Community Editor: Alex Silverman, 212.621.4951, asilverman@accessintel.com ● Dir. of Bus Dev.: Rich Hauptner, 203.899.8460, rhauptner@accessintel.com ● Acct. Exec: Olivia Murray, 301.354.2010, omurray@accessintel.com ● VP Marketing: Amy Jefferies, 301.354.1699, ajefferies@accessintel.com ● Marketing Manager: Alex Virden, 301.354.1619, avirden@accessintel.com ● Production Manager: Joann Fato, jfato@accessintel.com ● Diane Schwartz, SVP Media Comms Group, dschwartz@accessintel.com ● Group Subs or Subscription Questions, Client Services: 301.354.2101, clientservices@accessintel.com ● Annual subscription price: \$1,699.97/year ● Access Intelligence, LLC, 9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

serve as interim pres. Cherniss' departure comes after **Sinclair's** planned \$3.9bn purchase of WGNA parent **Tribune Media**, which recently announced a shift away from high-cost originals to more cost-effective programming. -- **Denise Contis** is exiting as senior evp development and production at **Discovery Channel**. "The future belongs to those who innovate and take big swings. Be bold. Be naughty. Get uncomfortable. You are the keepers of the best brand in the world," she said in a note announcing her departure. No word on what's next, but she wrote that she's enthusiastic about the next chapter. Discovery Channel chief **Rich Ross** said Contis' direct reports will report to him until a decision is made on how to move forward. He congratulated her run at the company, noting "she has chosen to leave Discovery after almost 9 years, having accomplished all that she had set out to do and now on the lookout for new challenges."

TV Critics Noms: The **Television Critics Association** on Monday announced the nominees for the 2017 TCA Awards, scheduled for August 5 in LA. The nominees are spread across three broadcast nets, 10 cable nets and three SVOD services. **HBO** leads the way with 12 nominations, followed by **FX** (11), **Netflix** (10), **NBC** (7) and **Hulu** (4). The nominees for Program of the Year are FX's "Atlanta," HBO's "Big Little Lies," Netflix's "Stranger Things," Hulu's "The Handmaid's Tale," HBO's "The Leftovers" and NBC's "This is Us." For the full list of nominees, click here or head to tvcritics.org.

Video Joined The Radio Star: **iHeartMedia** and **Fox Networks Group** partnered to launch **Smart A/V Audiences**, a suite of advertising products that combines audio and video creative on to one platform. The data-driven service leverages Fox's television audience data and iHeartMedia's broadcast radio data. Fox has been busy in this space of late. **Smart A/V Audiences**, which will launch in beta this fall, compliments Fox's involvement with **OpenAP**, a joint programmatic initiative with **Viacom** and **Turner**. Fox at its upfront also revealed its **Up/Lift** audience-monitoring system.

Programming: **ESPN** and **ESPN Deportes** will air a boxing match between **Manny Pacquiao** and **Jeff Horn** on July 1 at 10pm ET. The fight will be Pacquiao's first non-PPV bout since 2005. -- **The Africa Channel** will premiere the second season of "The Ultimate Braai Master," a travel competition show, on July 4 at 10pm ET. The net will also premiere a new series titled "Cuppy Takes Africa" on July 11 at 10pm ET. The show stars British-Nigerian musician **DJ Cuppy**.

Giving Back: **Charter** has launched a \$1m philanthropic effort called the Spectrum Digital Education Grant Program to provide digital education within its footprint. The program includes financial grants, PSAs, workshops and webinars to local nonprofit organizations. The grants will be awarded to nonprofits that have programs focused on families and seniors that have been underrepresented historically in broadband services.

People: -- **AMC** and **SundanceTV** named **Justin Manfredi** svp, marketing, reporting to evp, marketing **Linda Schupack**. Manfredi most recently served as global senior director of digital marketing for video game publisher **Activision**. -- **Comcast Cable** hired **Weather Channel** pres **David Clark** to serve as evp/gm of its advanced advertising group. He will report to Comcast Cable pres of advertising **Marcien Jenckes**. The Advanced Advertising Group, one of two divisions within Comcast Cable's larger advertising organization, brings together Comcast's **Strata**, **FreeWheel** and **Visible World** units. -- **Outdoor Sportsman Group** elevated **Bill Osborn** to evp, networks group, where he'll manage day-to-day operations, marketing, programming and research and oversee the launch of another "soon-to-be-announced marketing entity" for the group. He previously served as svp, marketing. -- **Altice N.V.** named **Microsoft** exec **Nicolas Petit** as Altice Group CMO in charge of B2C and B2B commercial and marketing activities. He reports to Altice Group CEO **Michel Combes**.

SCTE-ISBE CABLE-TEC
EXPO
 2017
 DENVER, CO
 OCTOBER 17-20

ARE YOU READY FOR
THE NEXT BIG...
IDEA
INSPIRATION
VISION

SAVE UP
TO \$400
PRE-REGISTER
NOW!

expo.scte.org