

Cablefax Daily™

Monday — February 26, 2018

What the Industry Reads First

Volume 29 / No. 037

Deal's Done: What Amdocs' Vubiquity Purchase Means

Amdocs just closed on its estimated \$224mln purchase of premium content distributor Vubiquity, further cementing customer care firm's strategy to build out its digital assets. It joins other recent acquisitions by Amdocs, such as **Brite:Bill**, which works to make the customer bill truly interactive; **Vindicia**, a subscription management solution provider with a focus on OTT; and **Projekt202**, a strategy firm for the user experience. "The reason we bought them is because we understand that customer experience transcends all industries and verticals," *Anthony Goonetilleke*, group president of Amdocs Technology, said in an interview. "When you add Vubiquity to this, you kind of fulfill the end-to-end lifecycle here. You're not just impacting the consumer experience; you're asking what the consumer wants." And that want, he explained, is entertainment. Vubiquity ticks that box through its relationships with 600 leading film studios, TV networks and independent producers. The idea is for Amdocs to come to service providers with the offer of an end-to-end solution. "For the cable operators, if you're looking at their infrastructure and desire to offer adjacent OTT-type of experiences, they have to make some decisions that are time-sensitive. What we provide is a holistic set of solutions that gets them into an adjacent set of OTT offers rapidly, and with that can supplement their content offering," said *Darcy Antonellis*, who shifts from Vubiquity CEO to head of the Amdocs Media division. "Service providers are looking at how they can more deeply integrate into your life as a consumer with multiple touchpoints. That can be anything from your premium content experiences and access to how I help you manage your smart home. What we'll be able to do is provide that set of solutions across the video vertical that doesn't have to be limited to a particular type of video. We can really focus on how that consumer plans to access that content and how it plays into their overall daily life." Vubiquity already has some experience here, fulfilling the chain from service provider to consumer by building content storefronts alongside customer experience. Amdocs will showcase its media and entertainment solutions this coming week at **Mobile World Congress** in Barcelona. On Tuesday, CFO *Tamar Rapaport-Dagim* will speak at the **Morgan Stanley** investor conference. As for the financials of the deal, the impact on adjusted earnings per share is expected to be neutral in 2018 and accretive thereafter. Amdocs expects revenues of \$960mln-\$1bln in Q2. The deal's impact on diluted GAAP EPS will not be known until after Amdocs completes the purchase price allocation. Further information relating to the financials of the acquisition for fiscal 2018 will be provided

Cablefax

Leaders Retreat

April 30-May 1, 2018

The Ritz-Carlton, Amelia Island, FL

www.cablefax.com/events

The Cablefax Leaders Retreat is like nothing else in the industry.

This exclusive and curated meeting of the minds will bring together VIPs, special guests and top executives for strategic discussions and interactive sessions unlike anything you've ever experienced. Participants will get a one-of-a-kind experience that produces unique takeaways and insights to help future-proof their business for the next 18 months. **Register today at www.cablefax.com/events.**

REGISTRATION QUESTIONS:

Mary-Lou French
mfrench@accessintel.com

SPONSORSHIP OPPORTUNITIES:

Olivia Murray
omurray@accessintel.com
301.354.2010

PROGRAM INFORMATION:

Mike Grebb
mgrebb@accessintel.com



T. HOWARD
FOUNDATION
Diversity in Media

*Join the
celebration!*

25th

SILVER ANNIVERSARY

DIVERSITY
AWARDS DINNER

WEDNESDAY, MARCH 21, 2018
CIPRIANI WALL STREET, NEW YORK CITY

HONORING

AMC NETWORKS

CORPORATE LEADERSHIP AWARD
Accepted by **Josh Sapan**
President and CEO

UNIVISION COMMUNICATIONS

CORPORATE EXCELLENCE AWARD
Accepted by **Randy Falco**
President and CEO

25TH ANNIVERSARY DINNER COMMITTEE

Henry Ahn

President, Content Distribution
and Marketing

Scripps Networks Interactive, Inc.

Bernadette Aulestia

EVP, Global Distribution Operations
HBO

Bob Broussard

President, AMC Networks Distribution
AMC Networks

Ann Carlsen

Founder & CEO

Carlsen Resources

Christopher Carroll

SVP, Controller, and Chief Accounting Officer

The Interpublic Group

Scott Collins

President, AMC Networks
National Advertising Sales

AMC Networks

Jonathan Hargis

EVP & Chief Marketing Officer

Charter Communications

Tonia O'Connor

Chief Revenue Officer

Univision Communications

6:00 PM General Reception and Silent Auction **7:30 PM** Dinner and Program (Business Attire) **9:00 PM** After-Party

**For further information, including table prices, please contact Maria Ducheine
at mducheine@projectsplusinc.com or at (212) 204-8947 with any questions.**

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 ● Associate Editor: Sara Winegardner, 301.354.1701, swinegardner@accessintel.com ● Acct. Exec: Olivia Murray, 301.354.2010, omurray@accessintel.com ● VP Marketing: Amy Jefferies, 301.354.1699, ajefferies@accessintel.com ● Director of Marketing: Kate Schaeffer, kschaeffer@accessintel.com ● Prod. Mgr: 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

on Amdocs' Q2 earnings call May 10. Amdocs shared closed up 0.82% Friday, the first day of trading after the deal closed.

4Q Subscriber Numbers: With most US operators having reported 4Q results, **Evercore Isi** analysts estimate that pay TV added 210K subs in the quarter compared to 260K a year ago when vMVPDs are accounted for. Before you sweat that decline, consider that the industry posted a 315K YoY decline in 3Q17. "Traditional video losses have come in much better than expected in 4Q17, partly due to higher than expected household formation," an Evercore research note declared. The firm estimates cable operators lost 164K subs, but its market share increased to 55.3% in 4Q17, up 100 basis points YoY. Cable performed slightly worse than 4Q16's 105K net loss, which Evercore attributed to **Comcast** losing 38K video subs vs adding 68K last year. **Charter's** gain of 2K video customers after losing 51K in 4Q16 partially offset the loss. With DISH and DirecTV both losing subs, DBS shed 268K—a huge uptick from the 23K losses reported in 4Q16. Evercore said telcos lost 128K compared to last year's 328K sub loss. The analysts characterize vMVPD growth as pretty much as expected, pegging their sub gains at 775K up from 718K in the year ago quarter. Among those cable operators still to report results is **Cable One**, which holds its earnings call on Thursday.

Ad Explosion: The US ad market grew 10.8% YoY in January, thanks to huge gains in national television and digital platforms. Revenue figures from **Standard Media Index** saw national TV ad revenue growing 7.1%, with a boost of 11.1% in cable and 2.7% in broadcast. Digital also rose 16.8%, while radio (-6.1%), OOH (-2.1%) and print (-3%) all experienced drops. Entertainment programming saw a resurgence (+12%) over last year with the 60th Annual Grammy Awards, Golden Globes and 24th Annual SAG Awards all hitting in the month. Cable news continued its strong showing, growing 25% YoY, with **CNN** rising nearly 50% YoY in weekday primetime programming. The auto industry remained the largest ad spender on national TV despite a YoY decline (-3%), but the insurance industry stepped out a big spender right behind it (+22%). Looking across all platforms, the telecommunications industry was the largest spender, boosting its ad spend by 8.3% YoY.

Signal Leakage: The **FCC's** order rolling back Title II regulations wasn't the only thing published in the Federal Register on Thursday. With all the hullabaloo over net neutrality, you might have missed that the agency's September order updating cable operator signal leakage and quality rules also received official publication, meaning the new rules will take effect on April 23—just like the Restoring Internet Freedom Order is slated to become law. The signal quality update addresses the cable industry's transition from analog to digital systems, with **SNL Kagan** estimating that nearly 97% of cable video customers taking digital service these days. The new rules require cable ops to adhere to the SCTE 40 technical standard, which QAM-based cable operators have followed for more than a decade



**CALL FOR ENTRIES
ENTER TODAY!**

The Best in Sales, Marketing & PR

The FAXIES sets the industry benchmark for excellence across all areas of marketing and PR as the industry strives to develop new audiences, expand revenue streams and ultimately thrive through business innovation. As our team of judges seek the most groundbreaking, engaging, interactive and creative campaigns, we look forward to seeing your entries and saluting the best marketing, communications and PR efforts of the year.

Questions: Mary-Lou French 301-354-1851 • mfrench@accessintel.com
Sponsorships: Olivia Murray 301-354-2010 • omurray@accessintel.com

First Deadline: **March 16** | Final Deadline: **March 23**

www.TheFaxies.com

because it's an essential part of the CableCARD. The FCC delayed adopting a proof-of-performance standard for non-QAM providers (such as IPTV providers) because it couldn't find a standard that could apply. That could be revisited down the road. For now, those providers are required under existing rules to work with Local Franchise Authorities to address complaints related to signal quality.

Shooting Starz: Starz signed a deal with *Tanya Saracho* ("How to Get Away With Murder," "Girls") to a three-year overall deal. The "Vida" showrunner and executive producer will continue in her current roles for the Starz Original series while developing new projects for the network. Saracho was named one of nine national Latino "Luminarios" by *Café* magazine and given the first "Revolucionario" Award in theater by the National Museum of Mexican Art.

Programming: Disney Channel greenlit original series "Amphibia" and "The Owl House," slated both to premiere in 2019. The network also ordered a fourth season pickup for "Star vs. The Forces of Evil" from *Daron Nefcy*.

Cablefax Dashboard: Cablefax introduces our new weekly dashboard in this issue, putting research tidbits, important dates and Tweets you may have missed more easily at your fingertips. We welcome your feedback and hope you find this new section useful for planning your week.

Cablefax Dashboard

Tweet Tweet

Vicki Lins
@VickiLins

Follow

Homes are getting smarter and, thx to our friends @Google who shared information + insights about movers, so are we! @CTAM #marketing #impact

11:09 AM - 20 Feb 2018

Rich Greenfield
@RichG110

Follow

Not sure I understand the concept of an "encore presentation" in an on-demand world? 🤔🤔🤔

NBC Sports PR @NBCSportsPR
Today's encore presentation of the gold medal game between Team USA and Canada has been moved up and will now start at 4 p.m. ET on @NBCSN. #USAvsCAN

6:55 AM - 22 Feb 2018 from Manhattan, NY

Up Ahead

- Feb 25-28 -- [NTCA The Rural Broadband Association – 2018 Rural Telecom Industry Meeting & Expo](#)
- Feb 26-March 1 -- [Mobile World Congress 2018](#)
- Feb 27 -- [NAMIC-Atlanta: State of the Industry](#)
- Feb 28, 10am -- [Senate Commerce Executive Session](#) that includes nominations of FTC commissioners
- March 9 -- [12th Annual Cable Apprentice Competition](#)

Quick Stats

- Internet & Telecom was the second most frequently targeted industry for DDoS attacks in 2017, rising from 3% to 6% YoY.
- Overall DDoS attack numbers per target dropped in Q4 2017 to 29, down from an average of 36 per target in Q3.
- The United States remained the top target for web application attacks, with more than 238mln attack triggers recorded in Q4 (down from 323mln in Q3). Globally, attack numbers dropped 9% in Q4.

(Source: Akamai State of the Internet/ Security Q4 2017 Report)

Quotable

"One of the greatest changes over the past 10 years is the sheer number of scripted television series – so it is just that much harder to cut through. But, the advent of social media is a terrific marketing tool – as it allows 'talked-about' television to really be talked about – and, as a marketer, it is wonderful to be able to have a relationship with both individual fans and the fan community."

Linda Schupack, Executive Vice President of Marketing at AMC and SundanceTV on [Madison Ave Insights blog](#)

Join us as we salute the best and brightest execs from the world of cable, online video and technology.

Cablefax Digital & Tech Awards Luncheon

March 6, 2018 ■ 12-2pm ■ Yale Club ■ NYC

Questions: Mary-Lou French, mfrench@accessintel.com, 301.354.1851

Sponsorship Opportunities: Olivia Murray, omurray@accessintel.com, 301.354.2010

www.Cablefax.com/Events

REGISTER TODAY!