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What the Industry Reads First

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Comcast FLEXibility: Execs Drop Hints on Company's Connected Future

It sounds like **Comcast** is ready to start really flexing its value adds for internet-only customers. Maybe we're reading too much into it, but execs mentioned the recently launched Flex service a few times during Thursday's 2Q earnings call. CEO *Brian Roberts* teased that there would be Flex news to come in the months ahead, saying Comcast wants to make sure it's simple and easy for broadband customers to consume video and the content they want. The Flex service, an extra \$5 dollars a month, launched in March, offering more than 10K free online movies and shows as well as easy access to apps such as **Netflix**, **Amazon Prime Video** and **Pandora**, and access to Comcast automation services. "Flex... is an extension of X1 that gives us an opportunity to go after the streamer segment with a solution that kind of integrates, in an elegant way, the applications," **Comcast Cable** CEO *Dave Watson* said, explaining how it lets users use a voice remote for navigation, just like the X1 gateway. Comcast now expects CapEx intensity for the year to improve by at least 100 basis points compared to previous guidance of 50 basis points. Some of that is because video subs continue to decline and X1 deployment has moderated. Video adds were down by 224K in the quarter, with management reiterating that the decline reflects the decision to not pursue unprofitable video customers. Watson also promised more to come on Flex, adding that the company will invest in video where it makes sense. Those investments include ramping up X1, adding services such as **Hulu** and the upcoming **NBCU** streaming offering. NBCU CEO *Steve Burke* said the streaming service is expected to launch in April and will feature mostly acquired content at the start. He stressed how important it is to take "The Office" back from Netflix. "It's about 5% of all of Netflix's volume... We see 'The Office' as being one of the tent pole programs on our platform," he said, declining to share too much about the service for competitive reasons. Comcast increased its guidance for full-year EBITDA margin improvement at cable to be slightly above 100 basis points compared to 38.7% margin in 2018. Cable rev increased 3.9% to \$14.5bln in 2Q, led by an increase in residential and business customer relationships as well as higher ARPU (residential broadband ARPU grew 4.2% YOY and the loss of low-value video subs helped video ARPU grow by 1.3%). Total customer relationships were up 3.4% YOY to 30.9mln, with internet net additions coming in at 209K. Mobile continues to be painted as a promising retention tool, delivering 181K net customer lines



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in 2Q. Comcast's cut its quarterly adjusted EBITDA losses for Xfinity Mobile to \$88mln, but it expects customer-related acquisition expenses to increase in 3Q and 4Q. On the same day word is trickling out of a **T-Mobile/Sprint/DISH** deal, Roberts dismissed the idea of needing to own wireless assets in the US. He said the company's pleased with where Xfinity Mobile is right now. "Things could always change, but we're pretty satisfied that we have a great product that fits with the suite of products we offer to customers."

Life at NBCU in 2Q: NBCU's total revenue fell 0.8% \$8.2bln, with cable networks posting 2.5% YOY rev growth to \$2.95mln. The company's fresh off a record upfront, with CEO *Steve Burke* noting that the biggest category of advertising was digital-native companies (**Facebook, Google, Apple**, streaming companies, even **Peloton...**). "Ironically, those are the businesses that are putting some pressure on our ratings. But interestingly, those businesses find television advertising very, very effective," Burke said. "Well over \$1bln this year came from digital-native companies that literally didn't advertise four or five years ago." He credited that to taking an all-screen approach, not just using linear TV as a selling strategy. "The advertising market is very healthy and that's part of the reason why we're still very optimistic about the future of broadcast and cable channels."

WWE Hedging its Bets on OTT Platform Upgrade: The second quarter wasn't the KO **WWE** hoped it would be, but the company seems to have put the right pieces in place to turn things around through the rest of the year. Revenues came in at \$268.9mln, a 12.7mln decline YOY, while **WWE Network's** average paid subscribers dropped 6% to 1.69mln. Given those numbers, WWE is no longer expecting to achieve record sub numbers for the full year. WWE is hoping that a revamp of WWE Network's platform and bolstering its content team with new writers will stem the bleeding. The transition to the new platform, which will allow WWE to introduce free and premium tiers as well as localization with additional languages, began Wednesday night. Work on all of those features will be finished within the next 12 months, with the free tier on target to be introduced first. On the content side, WWE chmn/CEO *Vince McMahon* said that naming *Paul Heyman* and *Eric Bischoff* as executive directors of "Monday Night Raw" and "SmackDown Live," respectively, will allow both series to receive more TLC in the writers' room. Both series have seen domestic ratings decline, Raw with an 11% drop YOY and SmackDown with a 7% decrease. And while McMahon said it would be exploring edgier content, he made it clear that everything would remain in a PG environment. He also took the opportunity to take a swipe at "All Elite Wrestling," which will be making its premiere on **TNT** on Oct 2, two days before "Smackdown Live" makes its debut on **Fox**. "We're not going to go back to the 'Attitude Era' and we're not going to do blood and guts and things of that nature such as is being done on perhaps a new poten-

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tial competitor,” McMahon said. “We’re just not going to go back to that gory crap that we graduated from.” Investors seem to be welcoming the changes with WWE stock skyrocketing 8.66% by market close.

NBC Gearing Up for Olympics 2020: With just under a year to go until Tokyo 2020 kicks off, **NBC Sports** has been busy. The net hosted a “One Year Out” event in NYC Wednesday, at the iconic 30 Rockefeller with execs and athletes alike. US Women’s National Team star *Crystal Dunn* was in attendance, alongside Olympic fencing veterans *Nzingha Prescod* and *Nicole Ross* and even 15-year-old skateboarding star *Brighton Zeuner*. Conversation flowed between journalists, athletic stars and NBC employees, with everyone looking forward to 2020. NBC will actually have the majority of its Olympic operations running from Stamford, CT, instead of Tokyo, as the 13-hour time difference sets up an ideal primetime TV schedule. The event wrapped up two days of near non-stop programming, beginning with Olympic athletes and content on July 23 on “Today,” NBC Olympics primetime host *Mike Tirico* live from Tokyo across NBCU properties and even 2019 World Cup champs (and fiancées!) *Ashlyn Harris* and *Ali Krieger* on the “On Her Turf” podcast discussing equal pay. NBC Olympics and **Twitter** also announced a partnership to produce a daily 20-minute original studio show live, exclusively on Twitter, every morning from Tokyo during the Olympics. Fans on Twitter can select one live look-in to NBC’s primetime or primetime plus broadcast each night through a daily poll.

Virgin Spreading Gigabit Speeds Spreading Through UK: **Virgin Media** is rolling out DOCSIS 3.1 across its cable network in the UK, allowing it to make gigabit broadband speeds available later this year. The network expansion, backed by Virgin’s parent company **Liberty Global**, will start in Southampton before being rolled out to other major cities. Further details on pricing and availability will come closer to launch. Virgin’s long-term goal is to bring gigabit internet speeds to its entire footprint by the end of 2021.

And the Noms Are In: **PBS** topped the News & Documentary Emmys nominations as usual (47), but **HBO** made a strong showing, almost overtaking usual No 2 **CBS**. The cabler brought in 32 noms to CBS’ 33 – 10 more than it had in 2018, and two more for CBS. **CNN** came in fourth with 15, followed by **ABC** with 13, **The New York Times** with 12, **Univision** with 10 and **NBC** with nine. CBS’ “60 Minutes” brought in 23 noms alone, followed by HBO’s (cancelled) “Vice News Tonight” with 18. The News & Doc Emmys will be awarded Sept 29 in NYC. NBC’s *Andrea Mitchell*, host of **MSNBC**’s “Andrea Mitchell Reports,” will be honored with the Lifetime Achievement Award.

Ratings for Mueller Testimony: **Fox News** was the most-watched net covering special counsel *Robert Mueller*’s hearing Wednesday, averaging 3.03mln total viewers from (8:15am-3:45pm). That was 26% higher than No 2 net **MSNBC** (2.41mln) **ABC** took third place (2.12mln). **NBC** had the most 25-54s during that time period, averaging 536K (followed by ABC’s 489K and Fox News’ 441K). The testimony also drew 6.8mln out-of-home viewers, according to **Tunity Analytics**’ analysis. The first portion (8am-12pm) averaged 3.8mln OOH viewers across Fox News, CNN, NBC, MSNBC, CBS and **ABC**.

Programming: **ESPN** is bringing back “ESPN8: The Ocho” for its third year on Aug 7 on **ESPN2**. Programming kicks off at midnight with the film “Dodgeball: A True Underdog Story.” The Ocho will be a multi-platform event with additional content available across ESPN.com, ESPN the Magazine and various ESPN social handles, and will include its first live event with 2019: WCO World Cornhole Championship at 8pm. -- **CBS** is taking advantage of its full ownership of **POP TV**. The cable net will air a 14-hour marathon of the CBS summer reality series “Love Island,” starting at 9am Saturday. Pop isn’t impacted by the current CBS-**AT&T** blackout, so it can also be a way for fans without CBS to catch up on the show. -- **Disney Junior** ordered a third season of Emmy hit “Muppet Babies” prior to the Season 2 debut. -- **FX** ordered drama series “The Old Man” starring *Jeff Bridges* as a retired CIA officer. Production begins in the fall.

People: *Bill Goodwyn* is stepping away from the day-to-day operations of **Discovery Education** and making the move to vice chairman. He served as pres/CEO of the K-12 digital learning distribution platform for more than 12 years, while also overseeing Discovery’s domestic content distribution business and leading global content distribution for three years. **Francisco Partners** acquired Discovery’s majority stake in the education firm last year for \$120mln. Discovery retained a minority equity interest and is licensing use of the name Discovery Education, which is headquartered now in Charlotte, NC. -- **Parrot Analytics** upped Courtney Williams to the newly created role of head of partnerships. The company also named *Tina Carnow* as regional director of North America and *Alejandro Rojas* regional director of Latin America. Additionally, Parrot named *Steve Langdon* its new partnership director for EMEA. He previously ran business development efforts for data tech services start-up **SBDS** and directed international market development at **Comcast Technology Solutions**.

PROGRAMMER'S PAGE

How to Eat Fried Worms...

Well, not really. *Gordon Ramsay* spit those out. But in the post-*Anthony Bourdain* era, **Nat Geo's** "Gordon Ramsay: Uncharted" (premiered Monday) certainly carves out its own unique space in the food-adventure category. In fact, Ramsay's gung-ho energy differs in many ways from the more cerebral introspection of the late Bourdain, who spent more time analyzing global cultures and politics than actually dissecting the culinary dishes he shared with the locals. With Ramsay, you get a more in-the-moment take on different regional palates, ranging from the food markets of Morocco to the seas off of Hawaii. "The comparisons to Bourdain are inevitable," acknowledges Uncharted exec producer *Jon Kroll*. "They are both travel and food. But the shows are as different as the two men are." He noted that Bourdain tended toward more political and introspective commentary for a broader audience while Ramsay plays to "a more erudite, cable audience—a more niche audience." To be sure, Ramsay jumps right into every situation, trying out local cooking techniques and even going as far as to scale down waterfalls to get to rare mushrooms. "Gordon is a really visceral guy," said Kroll. "He's very in the moment. It's a more basic show in some ways. He's going to look for ingredients to cook with and discover the culinary soul of these places through the actual ingredients and techniques that they cook with. So to me, there's something relatable about that for a very different audience." In the end, Kroll—who tried most of dishes before Ramsay got to town—said producers didn't want to hamstring Ramsay in any way. "You have to let him be who is," Kroll said. "That's why he goes into these situations with his heart on his sleeve, and he swears, and he spits things out when he doesn't like them. Because we like to think that's what the viewer would do if he went to these places." But despite all that Ramsay-ness, Kroll insisted that "every person he encountered, he left them filled with joy." — *Michael Grebb*

Reviews: "Sweetbitter," 9pm, Sunday, **Starz**. As restaurant aficionados, we were big fans of Season 1 of "Sweetbitter." The series was visually pleasing and stayed close to *Stephanie Danler's* novel of the same name. It centered on Tess (*Ella Purnell*), a young 20-something country girl come to NY to find her way in life. What she discovers as a waiter-in-training is a subculture of sex, alcohol and drugs in a fine restaurant. Excellent as Libby Masters in **Showtime's** "Masters of Sex," *Caitlin FitzGerald* plays headwaiter Simone as a mysterious loner who rules the quirky staff like a benevolent dictator. A total weirdo, Howard actually is the establishment's manager. With a gift for playing unusual characters, *Paul Sparks* handles the role of Howard expertly. Having exhausted the book's plots last year, this new season, which began earlier in July, is in uncharted territory. Sadly, eps 1-4 flounder. Premiering Aug. 4, ep. 5 begins with a terrific visual tableau and recaptures the spark of Season 1. We're curious to see if Sweetbitter can sustain that momentum. -- "Share," premiere, 10pm, Saturday, **HBO**. Watch this film about a teenager who discovers a disturbing video and you might see the start of a wonderful career. British actor *Rhianne Barreto* never overacts as the lead. Filmmaker *Pippa Bianco* humanizes her characters, particularly the teens. — *Seth Arenstein*

Basic Cable P2+ Prime Rankings*

(7/15/19-7/21/19)

Mon-Sun	MC	MC
	US	US AA
	AA%	(000)
FNC	0.811	2,478
MSNBC	0.527	1,610
HGTV	0.412	1,257
TBS	0.371	1,133
HALL	0.371	1,132
TLC	0.365	1,114
USA	0.353	1,079
HIST	0.327	997
A&E	0.322	984
ID	0.302	921
DISC	0.284	869
CNN	0.280	854
FOOD	0.264	808
NICK	0.238	726
INSP	0.236	720
ADSM	0.222	677
NAN	0.206	628
TVLAND	0.201	614
TNT	0.201	613
ESPN	0.193	588
BRAVO	0.189	578
NATGEO	0.184	563
AMC	0.183	560
LIFE	0.179	547
PARA	0.175	535
FX	0.174	532
SYFY	0.164	501
VH1	0.160	488
MTV	0.151	462
TRAVEL	0.148	453
DSJR	0.148	452
WETV	0.147	449
DSNY	0.147	448
FRFM	0.136	416
GSN	0.136	415
ANIMAL	0.136	415
NKJR	0.132	404
LMN	0.115	353
HMM	0.111	338
BET	0.105	321
WGNA	0.103	313

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

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