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What the Industry Reads First

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Back to Growth: Viacom Achieves Ad Growth Milestone in 3Q19

Viacom stayed mum on that potential merger with CBS during its 3Q19 earnings call Thursday, but it wasn't shy about discussing how domestic ad sales has returned to growth for the first time in 20 quarters. Revenue from domestic ad sales grew 6% YOY to \$976m, a milestone that CEO *Bob Bakish* argued ushers in a new era of advertising growth at Viacom. "I think it's fair to say that there was some skepticism in the market when we said we would return to ad sales growth," Bakish said. That only served as a motivator for the company, leading to its launch of ad targeting platform Vantage and its want to collaborate on and launch automated ad marketplace **OpenAP**. It also became the driver for Viacom's acquisitions of **AwesomenessTV**, **WHOSAY** and **Pluto TV**, which allowed it to face customers across linear and digital, in influencer spaces and on branded content. Viacom's advanced marketing solutions revenue increased 84% YOY, and Bakish promised that the AMS business would "nearly double in fiscal 2019, representing nearly 20% of domestic ad revenue." For the quarter, Viacom reported overall revenue of \$3.36bn (+3.7% YOY). Speaking of Pluto TV, Viacom has grown the AVOD service to 18m active users from 12m back in January. That growth comes amid the addition of 28 new channels to the service and the launch of Pluto TV Latino. Pluto has also integrated into **Xfinity Flex**, X1 set-top boxes and **Cox Communications'** Contour video and broadband platforms. And even though Pluto is making great progress in terms of its advertising fill rate, CFO *Wade Davis* said content volume has grown so rapidly that it is still under 50% sold. "We have an incredible amount of room to run from a monetization standpoint," Davis said. Fresh off the announcement that Viacom plans to acquire Garfield, Bakish said Nickelodeon is continuing to execute on its turnaround strategy. The struggling kids network will unveil its largest slate of new content this fall. While Bakish was optimistic on the future of Nickelodeon, he is aware of the threat of **Disney+** coming this fall. He said the pricing looks very competitive, and it will certainly play a factor in the SVOD segment but not much beyond that. "Our strategy is to play in all the segments from big bundle to free, and our evolving product line is allowing to do just that," Bakish said. "Nickelodeon has incredible traction in the marketplace, and it's very important to distributors... so we feel good about that shifting landscape." Viacom recently signed a new carriage distribution deal with **NCTC**, making Viacom nets available to its more than 750 member

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companies. Bakish said the current management team has now renewed or extended almost all of Viacom's traditional subscriber base. Viacom got a thumbs-up from Wall Street with stocks up 3.74% at market close.

CBS, AT&T Finally Settle Retrans Dispute: CBS and AT&T have reached a new multi-year carriage agreement, ending the nearly three-week-long impasse between the two. The deal applies to 26 CBS-owned local broadcast stations in 17 markets, **CBS Sports Network** on **DirecTV** and **DirecTV Now** and **Smithsonian Channel** on **DirecTV**. Terms of the deal were not disclosed. CBS and AT&T released a joint statement apologizing for any inconvenience to their customers.

Starz Carries Lionsgate in 1Q2020: Lionsgate's revenue and operating income for 1Q2020 beat Wall Street projections, largely thanks to premium cabler **Starz**. The company reported revenue of \$963.6mln, \$1mln above estimates, with a net loss of 2 cents per share, half of what was predicted. Starz increased its global subs by 2.6mln YOY, ending the quarter with 26.5mln total subs (24.4mln domestic), and grew its OTT platform by 400K to 4.4mln. "We're pleased to report strong financial results in the quarter and a great start to the fiscal year," said Lionsgate CEO *Jon Feltheimer*. "All of our businesses are performing well. Our Television Group had its best development season ever, 'John Wick: Chapter 3' reaffirmed our thesis that mid-priced action films have a valuable place in the market, and Starz achieved strong growth in its domestic OTT business while continuing to expand its premium SVOD platform around the world." TV production segment revenues of \$279.8mln were around the prior year quarter, and segment profits increased 60.3% to \$25mln.

Cable One Sees Growth After Leaving Video Behind: De-emphasizing video has served **Cable One** well, with the company seeing revenue growth from its broadband and business services offerings. Total revenue for 2Q19 came in at \$285.7mln, up 6.4% YOY. Residential data and business services revenue increased 8.5% and 29.3% YOY, respectively. Cable One's acquisition of **Clearwave Communications** positively impacted the business services numbers, adding nearly 2400 customers and contributing approximately \$6.1mln. As for broadband, Cable One saw roughly 50% of its new customers choosing its 200Mbps or higher speed service and 10% of new customers opting to purchase an unlimited data plan, CEO *Julie Laulis* said on the company's earnings call Wednesday. Cable One continued its rebrand to Sparklight during the quarter, having announced the rebrand in its legacy markets last month. It will begin the full Sparklight transition campaign at the end of August. Cable One is also starting to transition signage, trucks uniforms and billing. It's also beginning to plan the integration of **Fidelity Communications**, an acquisition it announced last month. Cable One expects to realize \$15mln in estimated annual run rate cost syner-



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gies within three years of closing that transaction, which is expected to come in the fourth quarter. It's also expected to provide estimated tax benefits of approximately \$87mln on a present value basis. The integration timeline pairs nicely with Cable One's completed integration of **NewWave**, with final synergies expected to be realized through the rest of 2019.

WICT Reveals Women Of the Year: WICT announced its 2019 Woman of the Year and Woman to Watch honorees Thursday, acknowledging the individuals embodying WICT's mission to transform the industry through female leadership. **Altice USA** chief diversity officer/evp, government & community affairs *Lee Schroeder* earned the operator Woman of the Year honor while **AMC Networks** chief transformation & people officer *Jennifer Caserta* received the award for the programmers. **Cox Communications** vp, public affairs, southwest region *Susan Anable* is this year's Woman to Watch among the operators. **HBO** svp, business affairs & legal *Meeka Bondy* scored the programmer's award while **SCTE-ISBE** vp, marketing and business development *Zenita Henderson* is the one to watch in the technology sector. Honorees will receive their awards during the WICT Touchstones Luncheon on Sept 16 at the New York Marriott Marquis in conjunction with the annual WICT Leadership Conference.

EPIX Arrives on AT&T TV: EPIX is now available to **AT&T TV** subscribers for \$6/month. The announcement follows EPIX and AT&T's recent distribution agreement and the network's **DirectTV** launch on May 19.

Telemundo Launches Initiative Supporting Hispanic Community After Shootings: Telemundo launched #LatinoStrong, Unidos Contra el Odio (United Against Hate) to support the Hispanic community after the shootings in El Paso and Dayton. Under Telemundo's corporate social responsibility program El Poder En Ti, the net will launch the initiative on the net and across multiple digital platforms to offer resources to help Hispanics feel safe in their communities. Telemundo has partnered with the **Anti-Defamation League**, **The Leadership Conference Education Fund** and **Lawyers' Committee for Civil Rights Under Law Contact**. #LatinoStrong will provide resources on how to identify and report hate crimes.

Latest Galaxy Note Coming to Spectrum Mobile: Charter will make the **Samsung** Galaxy Note10 available on Spectrum Mobile beginning Aug 23. Customers will be able to pre-order the device beginning Aug 8.

CTIA Launches Certification Program: CTIA announced a new certification program for facilities that perform high-volume wireless device refurbishing. The Authorized Service Center Program aims to ensure that facilities meet the highest quality and security standards, allowing the supply chain to provide high-quality pre-owned devices to consumers.

Ratings: The premiere of **Disney Channel's** "Descendants 3" is cable's highest rated telecast in two years among Kids 6-11 and Tweens 9-14. It pulled in 8.43mln total viewers L+2, and grew 84% from DVR viewing over three days. The film is dedicated in memory to one of its stars *Cameron Boyce*, who passed away in July at age 20 after suffering from a seizure.

On the Circuit: **Competitive Carriers Association** and **ACA Connects** partnered for CCA's 2019 Annual Convention, taking place Sept 16-18 in Rhode Island. As part of the partnership, ACA Connects will hold its third 2019 Member Regional meeting during the convention on Sept 17.

Programming: Previously announced "Masters of Disaster" has a new premiere date. The series will now air Aug 9 on **Discovery Channel** and Aug 13 on **Science Channel**. It was initially scheduled to premiere on May 3. -- **HGTV** is premiering "Stay or Sell" on Aug 27 at 9pm. The series follows husband and wife duo *Brad and Heather Fox* in Minneapolis as they help clients decide to renovate or buy a new property. -- **Netflix** ordered 10 episodes of "Tiny Pretty Things," an hourlong drama series based on a popular book series. The series is currently in production and expected to launch in 2020. -- **CBS All Access** is diving into children's programming for the first time, adding original series and more than 1K episodes of library programming, scheduled for rollout later this year. It's ordered new seasons of "Cloudy With A Chance of Meatballs" and "Danger Mouse," produced alongside **BBC Children's Productions**. **DHX Media** titles including "Inspector Gadget," "The Adventures of Paddington Bear" and "Madeline" will also be available.

People: **Showtime Networks** promoted *Brendan Countee* to svp, original programming. He first joined the company in 2016 as vp of original programming, and came over from **Hulu** where he was head of comedy. -- **SCTE-ISBE** upped *Geoffrey Matt* to vp, finance and accounting. He was most recently the director of finance for the org, and is now responsible for developing and executing financial strategies, ensuring budgetary compliance and other duties.

PROGRAMMER'S PAGE

Cheater, Cheater: 'Why Women Kill' Sizzles

There's something for everyone in **CBS All Access'** new dark comedy "Why Women Kill," premiering Aug 15. The *Marc Cherry*-created show stars a powerhouse cast of *Lucy Liu*, *Ginnifer Goodwin* and *Kirby Howell-Baptiste*, each playing a married woman living in a different decade dealing with infidelity. "From a production standpoint, it's a huge show. We had to put up three sets, three different decades," EP *Mindy Schultheis* told **Cablefax**. "The other challenge was doing three different decades in each episode, and making sure each storyline was as compelling as the other two. And then you have three different casts and they're never on set together." Set in 1963, the 1980s, and 2019, the show examines how roles of women have changed over time, but their reactions to betrayal may not have. "I think that for us the important thing about this show is it's not just about murder, or a murder, or murderers. It's really about these three women finding themselves," Schultheis explained. "Beth Anne learns to find her strength, Simone learns to find her humanity, and Taylor learns to go back ultimately to the true love of her life. They're all three very different in terms of their trajectories." Goodwin shines as a 1960s housewife (though the star warned the show could be too dark for her "Once Upon a Time" fans), and Liu plays a delightfully tough scorned wife. Howell-Baptiste's feminist, bisexual lawyer in an open marriage in 2019 easily steals every scene she's in. No word yet on a follow up second season to the upcoming 10 episodes... but we can only hope. -- *Mollie Cahillane*

Reviews: "The Food That Built America," series premiere, 9pm, Sunday, **History**. We've whacked History for an obsession with reality fare that was tangentially related to history. So, when the network creates excellent content such as this 3-part series, we'll praise it gladly. This pastiche of interesting stories combines re-enactments and talking heads (mostly historians, but also *Adam Richman*, who holds his own on food history). Ep. 1 subjects are *Henry Heinz*, *Dr. John* and *Will Kellogg* and *Dr. John Pemberton*. Only the Pemberton name is unrecognizable as a cultural icon. His invention, Coca-Cola, certainly is, however. Along with learning about the start of ketchup, breakfast cereal and Coke, viewers will absorb a lot of history. For example, stomach ailments were ubiquitous in the U.S. during the late 1800s, probably owing to poor sanitary conditions around food. That led Dr. John Kellogg to invent granola, for his patients suffering from stomach ailments. Sadly, Pemberton died of stomach cancer, just after he'd sold rights to Coke, for \$1,800. -- "Succession," season II premiere, 9pm, Sunday, **HBO**. If you thought the Lyons clan of HBO hit "Years and Years" was dysfunctional, then wait until you see this season's excellent, Shakespearian "Succession." It's not a spoiler alert to say devious dad Logan (*Brian Cox*) is not a candidate for Father of the Year. -- *Seth Arenstein*

Basic Cable P2+ Prime Rankings* (7/29/19-8/4/19)		
Mon-Sun	MC US AA%	MC US AA (000)
CNN	1.038	3,171
FNC	0.821	2,507
MSNBC	0.438	1,336
DISC	0.403	1,230
HGTV	0.397	1,211
TBS	0.380	1,160
A&E	0.361	1,103
DSNY	0.353	1,078
USA	0.345	1,054
TLC	0.343	1,047
HALL	0.327	998
HIST	0.319	976
ESPN	0.285	870
ID	0.279	853
FOOD	0.262	800
FX	0.234	716
NICK	0.230	702
ADSM	0.210	640
INSP	0.206	629
NAN	0.188	573
BRAVO	0.184	562
PARA	0.178	545
TVLAND	0.173	527
HMM	0.170	518
LIFE	0.167	510
VH1	0.163	499
WETV	0.151	461
AMC	0.151	461
TNT	0.151	461
FRFM	0.148	453
DSJR	0.146	447
SYFY	0.144	439
GSN	0.138	421
TRAVEL	0.137	419
MTV	0.135	412
APL	0.131	401
NATGEO	0.122	373
NKJR	0.122	371
BET	0.115	352
WGNA	0.108	331
OWN	0.103	315

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

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- Cablefax Publisher Michael Grebb.



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