www.cablefaxdaily.com, Published by Access Intelligence, LLC, Tel: 301-354-2101

Cablefax Daily™

Friday — October 30, 2020 | What the Industry Reads First | Volume 31 / No. 211

Bonkers for Broadband: Comcast Record 3Q Metrics Delight

Broadband is the gift that just keeps giving, with **Comcast** posting 633K net new residential and business data adds in 3Q20—the best quarterly results on record. Yep, that's even higher that the 500K+ CEO *Brian Roberts* teased at an investor conference last month. And 67% better than the 379K adds in 3Q19. Comcast's broadband penetration is at 51%, up 240 basis points from a year ago, and management doesn't see the broadband boon slowing.

"We've been seeing consistent momentum now for a while. Well before COVID, it's been rock solid in terms of this momentum," **Comcast Cable** CEO *Dave Watson* said during Thursday's earnings call. "Maybe a few new opportunities entered the picture through the COVID period, but it's across the board in terms of where we're taking share on the frontend, combing that with record churn results in the net adds. We're taking share from telco wired participants, DSL, MDU competitors, mobile providers. It's kind of across the board in many different segments."

Comcast did count **FCC** Keep Americans Connected subs at risk of being disconnected in 2Q that started making payments as net additions in 3Q, but that doesn't diminish the metrics, according to **MoffettNathanson**'s *Craig Moffett.* "After strong results at both **Verizon** and **AT&T** (both reported last week), one might have imagined that cable's share gains were slowing. Comcast's results make clear that that is not the case," he wrote in a research note.

It was interesting to see that Comcast's business services unit saw revenue grow 4%, with a net gain of 17K customer relationships. But don't make too many assumptions based on the growth. "While we are pleased to see a continuation of net new customers in our business segment, we do not expect revenue growth to accelerate in the near-term, given the COVID subscriber impact we saw earlier in the year, as well as the longer sales cycles associated with the recover we're seeing with midmarket and enterprise customers," CFO *Mike Cavanagh* said.

Video losses totaled 273K, better than the 478K in 2Q20 and not too far from the 238K lost in 3Q19. Management said it expects 4Q video losses to be similar to 3Q, while once again explaining the company's viewpoint on video. Basically, it's borrowing Burger King's "your way" philosophy. The X1 platform is there for those who want all the channels, DVR, seamless integration, etc. On the other end is Flex, a streaming service free to Xfinity internet

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, Cablefax & Cynopsis: Robbie Caploe, 917.974.0640, rcaploe@accessintel.com ●Senior Editor: Sara Winegardner, 301.354.1701, swinegardner@accessintel.com ● Associate Editor: Mollie Cahillane, 212.621.4951,mcahillane@accessintel.com ● VP, Sales: Mike Farina, 203.218.6480, mfarina@accessintel.com ● Exec Dir, Strategic Partnerships: Albert Nassour, 917.545.3129, anassour@accessintel.com ● Dir of Marketing: Kate Schaeffer, kschaeffer@accessintel.com ● Prod. Mgr: Joann Fato, jfato@accessintel.com ● Kerry Smith, Divisional President, Marketing & Media Group, ksmith@accessintel.com ● Group Subs/Subscription Questions,Client Services: 301.354.2101, clientservices@accessintel.com ● Annual subscription price: $1,749.00/year ● Access Intelligence, LLC, 9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

subs that has helped improve churn by 15-20% for new customers who engage with the platform. "We want to get ourselves to a position of indifference—where the consumer is driving, not the company, and the consumer decides where they want to rest and what package they want," Roberts said.

Wireless nets adds of 187K were better sequentially, but down from 204K a year ago. The closing of retail stores because of COVID has impacted gains, but the company said the majority of stores are now open. That coupled with the new iPhone should help growth.

Revenue for the cable business increased 2.9% to $15bln for the quarter. The results were negatively impacted by a customer RSN fee adjustment related to canceled sporting events. Without it, rev would have been up 3.9%. Adjusted EBITDA for cable rose 10.5% to $6.4bln. Things weren't as rosy at NBCU, which includes theme parks as well as filmed theatricals. Consolidated 3Q revenue came in at $25.5bln, a decrease of 4.8%, while adjusted EBITDA decreased 11.3% to $7.6bln.

Comcast shares closed up more than 2.5% Thursday. "This is about the best quarter we can remember seeing from Comcast. We entered earnings well above consensus, and they beat our estimates on almost every metric," **New Street Research** told clients. "Perhaps most exciting is the operating leverage that we are seeing; EBITDA margins were up another 250bps (excluding benefit of RSN fee adj.). NBCU and Sky were better than expected on revenue and EBITDA. Mgmt. has laid out its new structure for NBCU, which should drive efficiencies."

Peacock Proud it Ain't Quibi: **Comcast** touted that its streamer **Peacock** has surpassed 22mln subs, up from the 10mln it announced in 2Q (still no breakdown on how many of are paid vs free). **NBCU** CEO *Jeff Shell* took a shot at the soon-to-be-shuttered **Quibi** venture during Thursday's earnings call. "If you look at the usage, the fact that we have such a deep library of familiar stuff, it's kind of the opposite of Quibi. We have stuff people want to watch," he said, rattling off "30 Rock," the *Dick Wolf* library, etc. "It's really across the board and very broad based." He cited Premier League Soccer, some **NBC News** programming and acquired series like "Yellowstone" and "Mr Mercedes" as some of the content that's resonating. NBCU's revenue decreased 19% to $6.7bln in 3Q, with adjusted EBITDA falling 38.7% to $1.3bln. But **Pivotal Research** said the declines are materially better than expected, noting that management pointed to reaching theme park breakeven potentially during 2021 if current trends remain in place. "NBC is set-up for a healthy results rebound in '21. Our view against this backdrop is that Comcast shares remain simply too cheap at 13.5X '21 adjusted earnings," Pivotal analysts said.

Altice USA Acknowledges Cogeco Deal Unlikely: Though **Altice USA** would really like to acquire **Atlantic Broad-**

band, it seems the company is coming to terms with the fact that a deal with parent company **Cogeco** is unlikely to happen. "We're very cognizant that the controlling shareholder needs to acquiesce to engage at a minimum, let alone look to do a strategic transaction with two other strategics," Altice USA CEO *Dexter Goei* said during the company's 3Q20 earnings call Thursday. "Based on [*Louis Audet*'s] rhetoric and his statements, I think it's fair to say there's low chance for collectively us and **Rogers** to be able to move forward on this project. But formally we've got until November 18 to see if anything shakes loose." Last week, the Audet family rebuffed the second unsolicited offer from Rogers and Altice to purchase the company. Altice USA added 26K residential broadband customers in 3Q20, up from the 15K it reported in 3Q19. Adjusted for the **FCC** Pledge and the NJ Order non-pays, residential broadband net additions would have been 23K. Goei said the company is seeing low churn from those customers that are part of the FCC's Keep American's Connected Pledge. In 2Q20, over 10K customers were part of the pledge and were past due. That number has now dropped to below 3K, which Goei said was largely due to retention efforts. With the closing of the **Service Electric** acquisition in NJ, the company added an additional 35.2K unique customer relationships to its subscriber base. In the quarter, Altice completed its cable DOCSIS 3.1 upgrade in the **Optimum** footprint, ensuring 100% of homes have 1 Gig broadband capability, with 80% of homes in the **Suddenlink** footprint having the option. One Gig sell-in to new customers increased to 29% in 3Q, up from 24% in 2Q20. Goei pointed out that less than 6% of the customer base takes gigabit speeds, which he called a "significant growth opportunity" for the company. Altice saw a 44% increase YOY in average data usage per customer, and the pace of broadband speed upgrades was up 45% YOY. The company reported a loss of 86K video subs in the quarter. Altice Mobile added 18K net additions, reporting 162K total mobile lines.

Netflix Prices Jump Again: **Netflix** is hiking prices for its US subs. The streamer is raising the standard plan by $1 to $13.99/month and the premium tier is going up $2 to $17.99/month. It last raised prices in the US in Jan 2019 when costs jumped from $10.99/month to $12.99/month for the standard plan. It takes effect immediately for new subs; current members will be notified when their rates are rising.

Verizon Expands 5G Home Internet: **Verizon** will add 5G home internet to parts of Atlanta, Dallas, Denver and San Jose beginning Nov 5. The internet service is now available in parts of 12 markets on the heels of the expansion of 5G Ultra Wideband in 19 additional US cities alongside the nationwide 5G launch.

Allen Media Group Adds Networks: *Byron Allen*'s **Allen Media Group** acquired two over-the-air broadcast networks from **MGM**. **This TV** and **Light TV** both broadcast 24 hours a day and reach over 81mln US households.

Verizon Gaming: **Verizon** teamed up with World of Warships. Beginning Thursday, all Verizon wireless customers can get $75 of in-game content and access to premium account status. Beginning Nov 4, Fios customers can also access the promotion. Additionally, on Nov 9, Verizon will be part of the World of Warships Virtual Fleet Week, and on Dec 4 and 5 Verizon will host two gaming tournaments for the World of Warships community.

On the (Virtual) Circuit: **NATPE** announced its full 2021 virtual conference slate, kicking off with NATPE Miami Jan 19-22. The new NATPE Segregation, Segmentation & Storytelling will take place on Feb 16. Two other new events include NATPE Sports on March 23 and NATPE News on April 7.

Distribution: **Fox News Media**'s international streaming platform **Fox News International** expanded its distribution to 27 countries, adding 12 additional countries including Costa Rica, Ireland, Norway, Bulgaria, Cyprus, Czech Republic, Estonia, Latvia, Lithuania, Malta, Slovakia and Iceland. The service first debuted in Mexico in August. The streamer is also now available on **Amazon Fire TV**. -- **Evoca**, the next-gen TV service that runs on ATSC 3.0, added the **EVRGRN** channel, a lifestyle channel that celebrates the creative and independent spirit of the Pacific Northwest. It is launching as a VOD service, but will transition to a linear channel. -- Following the news of its Wednesday launch in Indianapolis, **Locast** expanded its reach to the Wilkes Barre, Scranton and Hazleton, PA market. The non-profit streaming service will deliver 16 local TV channels via the internet to the market.

Programming: Following the LA Dodgers' World Series win, **MLB Network**'s offseason programming kicks off on Friday with a lineup of exclusive end-of-season awards announcements next week. -- **HGTV**'s hit series "Celebrity IOU" will return for Season 2 after debuting as the highest-rated first year series in the net's history. The first four episodes will premiere Dec 14 at 9pm. -- **A&E Network** greenlit two-hour documentary special "Biography: TLC" (wt). The doc will chronicle the journey of the top-selling American female group of all-time, premiering on **A&E** in 2021.

People: **The Fiber Broadband Association** named *Gary Bolton* as its new pres/CEO, effective Nov 2. He joins the group after serving as vp, global marketing and government affairs at **ADTRAN**.

PROGRAMMER'S PAGE

Bracco's Sicilian Renovation Adventure

It's never too late to return to your roots. *Lorraine Bracco* ("The Sopranos") is doing just that in **HGTV**'s "My Big Italian Adventure," premiering Friday at 9pm. The series, which was filmed during the summer of 2019, follows the actress after she purchases a home in Sambuca di Sicilia for just 1 euro through a program meant to invigorate the local economy. In exchange, she had to completely renovate and restore the 200-year-old house within three years of purchase. That was no small ask as the home had no electricity, running water and a deteriorating structure. The show, which completed production before the onset of the COVID-19 pandemic, is sure to fill a hole felt by travel lovers around the world who have been forced to stay at home. "That's one of the things we're most excited about is sharing this beautiful, dreamy region, along with some of the local foods, sites and scenery in the series," HGTV group svp, programming and development *Loren Ruch* told ***CFX***. On the production side, the most challenging aspect of the shoot became the condition of the home itself and how much work transforming it turned out to be. Structural challenges plagued the project, and the crew still needed to add modern amenities like a kitchen and bathrooms to the home. "When you add that to all of Lorraine's back and forth trips from the US to Italy, it made it especially challenging for her," Ruch said. But those challenges also gave rise to some of the show's most entertaining moments. "By far, my favorite moment in the entire series was Lorraine walking into her house and realizing that the entire roof was gone," Ruch said. "It was a genuinely overwhelming moment for her, and I felt such empathy for her—but it made for very compelling television." – *Sara Winegardner*

Reviews: "City So Real," Thursday, 7pm, **Nat Geo**, Friday. Presented as a commercial-free event on Nat Geo (Oct. 29), this doc of five, one-hour programs about Chicago is getting raves. Granted, director-editor *Steve James* ("Hoop Dreams") has a knack for assembling a visually arresting pastiche about Chicago's many sides. His points about racism and the dogged persistence of Chicago's citizens–especially its Black and Brown residents–to keep moving despite their corrupt, ineptly managed city are well taken. The question is will viewers nationwide devote five hours to it? Two compelling stories might hook them: the shooting by a white police officer of Black youth *Laquan McDonald* in 2014, the video footage of which the city covered up and the surprise departure of 3-term Mayor *Rahm Emanuel*, in part, for that coverup. 21 candidates vied for Emanuel's job. Much "City" chronicles that contest. Are viewers overloaded with election coverage? Still, those who record City to savor later won't be disappointed. – "Dying To Be Famous: The Ryan Singleton Mystery," premiere, 9pm ET, Sunday, **Bounce**. If it walks like a duck… 24-year-old model Singleton's first major booking in NY included a ritual sacrifice theme. His 'entourage' wondered about it. Months later, Singleton was found dead, sans his organs, in the desert, seemingly ritually sacrificed. This enticing, 6-part doc speculates about what happened. – *Seth Arenstein*

Basic Cable P2+ Prime Rankings*
(10/19/20-10/25/20)

Mon-Sun	MC US AA%	MC US AA (000)
FNC	1.676	5,161
MSNBC	0.889	2,738
CNN	0.812	2,501
ESPN	0.779	2,399
HALL	0.380	1,170
HGTV	0.329	1,014
TLC	0.302	930
TBSC	0.290	894
DISC	0.288	886
USA	0.240	738
FOOD	0.234	720
ID	0.210	646
HMM	0.205	631
LIFE	0.198	609
TNT	0.197	607
INSP	0.191	589
HISTORY	0.190	586
A&E	0.165	507
ADSM	0.156	481
TVLAND	0.156	479
NICK	0.149	458
FRFM	0.148	454
FX	0.147	454
WETV	0.137	423
AMC	0.134	413
NAN	0.133	410
SYFY	0.130	400
BRAVO	0.127	392
NFL	0.120	368
APL	0.119	368
GSN	0.119	368
NATGEO	0.112	346
E!	0.109	334
TRAVEL	0.106	327
PARA	0.088	272
NKJR	0.087	268
COM	0.087	267
BET	0.086	264
FXX	0.085	262
DSNY	0.084	260
OXY	0.084	259

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