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WHAT THE INDUSTRY READS FIRST

Bet on It: Fox Corp Goes All in on Sports Wagering

Fox Corp likes its odds when it comes to its Fox Sports betting app. The Fox Bet Super 6 Now app added nearly three million players during the **NFL** season and now counts a user base of more than 4.3 million players.

“This is a growing business and, absolutely, the NFL understands that this is a business that’s important to us and it’s important to how we are able to monetize our rights, our deals with them,” CEO/executive chairman *Lachlan Murdoch* said during Fox’s 2Q21 earnings call Tuesday. “I don’t want to go into the details of the NFL negotiations that we continue to be in... We hope to bring those to a conclusion in the near- to medium-term. But the NFL is very aware of the importance of sports wagering, I’m sure, to us and I’m sure to others as well.”

The sports wagering is kicking up in high gear as more states legalize mobile betting. Last week, **MSG Networks** announced it’s expanding its participation in sports betting with free-to-play app “MSG Networks Pick ‘Em,” and **Sinclair** is gearing up to relaunch its RSNs under gaming giant **Bally’s** name. On Tuesday, the **NHL** announced a multiyear strategic partnership that makes **PointsBet** the official betting partner of the League. PointsBet has the ability to integrate the sportsbook operator’s content into live NHL game broadcasts across NHL media partners, including **NBC Sports**, **NBC Sports Regional Networks**, **Altitude TV**, and other potential future linear alignments.

As an early entrant in the space, Fox likes its position. It also has found ways to engage those that aren’t as likely to partake in the world of sports wagering. Examples include a Super 6 game covering the Georgia Senate runoff and the recently-launched Stock Market Challenge game and weekly quiz show.

The big jackpot for 2Q was political advertising, helping Fox to \$230 million in net income. The cable network programming segment reported revenues of \$1.49 billion, up \$19m in YOY, with higher ad revenues being largely offset by lower affiliate and other revenues. Ad revenues alone grew 14% mostly due to record political ad sales at local stations and the impact of Fox’s consolidation of AVOD Tubi. Murdoch highlighted the company’s Georgia-based stations for their coverage during the January Senate runoffs.

“Not only did our colleagues at Fox 5 report on the national significance of the Georgia election, they also expanded news coverage in response to viewer demand, held a candidate debate and produced special runoff programming focused on the issues impacting Georgia voters,” he said. “Hard work begets just awards. And so it’s no surprise we led the market in political revenues generated.”

The Atlanta Fox 5 station contributed approximately \$60 million in political revenues alone, Murdoch added. Net political revenue overall was approximately \$190 million.

The company reiterated to investors that it isn’t concerned about any ratings drops at Fox News in the aftermath of the

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inauguration of Joe Biden. Rather, it's a normal part of the transition of power from one side of the aisle to the other. "We expected our ratings to be tempered after this election cycle, and we were right. We're down about 13% in ratings," Murdoch said. "If I go back to the Trump/Clinton election, CNN was down about 17%, MSNBC 10%. And so, we're right in between in that metric."

Moving on to sports, Fox said it clocked nearly 170 billion minutes of live sports viewing in the fall, more than 50% above its next competitor. Fox is viewing the shutdown of **NBC Sports Network** as a net positive for **Fox Sports 1**, but Murdoch never saw the net as Fox's main competition.

"This year, Fox Sports 1 beat both **ESPN2** and NBCSN for an entire year for the first time ever, so we feel very well positioned," he said. Opinion programming accounted for 35% of the FS1 schedule and over 20% of the viewing in the quarter, both important statistics for the future of the network. "It shows that you can be compelling and you can win with a mix of both live sports, but also with the sports analysis and opinion that Fox Sports 1 has," Murdoch added.

FUSE DROPS AT&T COMPLAINT

Fuse Media has asked the **FCC** to drop the complaint it filed against **AT&T** in December as the two have reached a new carriage deal. Fuse also dismissed a legal challenge in US Bankruptcy Court that claimed AT&T breached confidentiality provisions of **DirectTV** contracts. The programmer said the new agreement includes carriage across AT&T and DirecTV platforms. "We look forward to continuing to focus on serving our audience in 2021 and beyond with a rich and robust lineup

of authentic, inclusive and empowering programming," Fuse said. AT&T confirmed the new contract. "We have reached an agreement with Fuse and they have withdrawn their FCC complaint, which we have consistently maintained was meritless. We are pleased to continue providing Fuse and FM programming for our customers," AT&T told **CFX**. In December, Fuse told the FCC that AT&T had ignored its proposals for four months and only made an offer after it was notified a carriage complaint may be filed. Fuse also claimed AT&T was motivated to drop the net and divert its audience to its own similarly situated channels, such as **TBS** and **truTV**. AT&T disputed the claim, saying Fuse was trying to get it to carry programming its customers didn't value. This is the second time in recent months that a programmer has filed a complaint against AT&T and then yanked it. **AMC Networks** alleged last August that AT&T had put "discriminatory" terms in talks to renew their carriage agreement. The complaint was withdrawn in September after the two agreed to a new carriage deal.

FOX NEWS FEELING FINE

Yes, **CNN** dominated January ratings. But **Fox News** doesn't plan to reinvent itself, a point emphasized by re-upping **Suzanne Scott** as Fox News Media CEO under a multi-year contract. She was named CEO in May 2018, becoming Fox News' first female CEO. "We believe where we're targeted, to the center-right, is exactly where we should be targeted, as we've been. We don't need to go further right. We don't believe America is further right, and we're obviously not going to pivot left," Fox Corp CEO **Lachlan Murdoch** said during

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the company's earnings call Tuesday. "All of our significant competitors are to the far left. So we'll stick where we are, and we think that's exactly right and that's the best thing for the business and for our viewers." And there are positive signs on the ratings front. Fox News picked up the primetime weekly ratings win for the second consecutive week, outperforming **MSNBC** in P2+ 2.357 million vs 2.266 million for Feb 1-7. However, it was a different story on total day, with Fox News falling to third (1.256 million viewers) compared to MSNBC's 1.36 million and **CNN's** 1.277 million. CNN was third in prime for the week (1.804 million). Meanwhile, Fox News has filed a motion to dismiss voting software firm Smartmatic's \$2.7 billion defamation lawsuit, citing press protections. "If the First Amendment means anything, it means that Fox cannot be held liable for fairly reporting and commenting on competing allegations in a hotly contested and actively litigated election. We are proud of our election coverage which stands in the highest tradition of American journalism," the company said.

STREAMERS FLOCK TO SUPER BOWL

The **Nielsen** numbers are in, and **CBS's** telecast of "Super Bowl LV" drew an average TV audience of about 92 million viewers. That number includes out-of-home viewing and could see further increases via Digital in TV Ratings contributions. The game had a 38.2 US household rating and was viewed in an average of 46.2 million homes. Looking at estimates for Super Bowl LV on **ESPN Deportes**, an average of 647,000 P2+ tuned in to the game. Streaming the big game was a more popular choice with consumers, according to **OpenVault**. The firm saw a 40% increase in average usage per subscriber compared to last year's Super Bowl. But those using the **NFL, CBS Sports, Hulu, Yahoo Sports, fuboTV** or **YouTube TV** apps all experienced lag times of anywhere between 42.2-46.2 seconds behind real-time actions on the field. Those using **Verizon's** 5G SuperStadium app, which is available to those with the 5G iPhone 12 and subscribe to Verizon's 5G Ultra Wideband service, saw only one second lag times, **Phenix** reported.

FREE SLING FLING

Sling TV is inviting consumers to try its service for free with "SLING Fling," a six-night primetime event. Those new to Sling TV can register to watch more than 100 live channels and **Showtime** for free from 5pm-12am ET Feb 9 through Feb 14. Viewers will also receive 50 hours of free DVR storage. Sling is also offering new customers their first month of Sling Orange or Sling Blue for \$10, a \$25 discount. The promo launched on what Sling claims is "National Cord-Cutting Day."

OOKLA LAUNCHES VIDEO TEST

Ookla is offering a free video test to measure the quality of the video streaming experience. It is currently available on Speedtest for iOS with more platforms coming soon. Ookla's Speedtest has been measuring overall network bandwidth, but the company added the video test because providers often prioritize video traffic differently.

TCA NOTEBOOK

We finally have a date for **Nat Geo's** next installment in the "Genius" franchise. "Genius: Aretha" will kick off its four-night television premiere event on March 21 at 9pm with back-to-back episodes. The net showcased a number of its spring premieres during its **TCA** showcase Tuesday, including global competition series "Race to the Center of the Earth" (March 29, 10pm) and "Breaking Bobby Bones" (May 31, 10pm). **Nat Geo Wild** is also getting some new additions: nature special "Kingdom of the Polar Bears" and a new twist on an old classic, "America's Funniest Home Videos: Animal Edition" (June 20, 8pm). – **Lifetime** is releasing gospel biopic "Robin Roberts Presents: Mahalia," which will premiere April 3 at 8pm. The net is bringing the "Seven Deadly Sins" book series from *Victoria Christopher Murray* to life. "Lust: A Deadly Sins Saga" (wt) will air on April 17 at 8pm while "Envy: A Deadly Sins Saga" (wt) will premiere a week later on April 24 at 8pm.

PROGRAMMING

Charter's Spectrum Originals picked up 12-episode drama series "Long Slow Exhale," set in the world of women's basketball and starring *Rose Rollins* ("The L Word"). After a nine-month exclusive run for Spectrum, Long Slow Exhale will air with a second window on **BET**. – **AT&T SportsNet** in Pittsburgh will begin airing **VSIN, The Sports Betting Network's** daily, morning show "Follow the Money" this week from noon to 3pm ET. Pennsylvanian wagered more than \$3.5 billion last year, behind only New Jersey and Nevada. – K-pop group **BTS** will take the **MTV** stage from Seoul with "MTV Unplugged Presents: BTS." The music event will air in the US on Feb 23 at 9pm ET. – *Alton Brown* is back with more "Good Eats: The Return." The next three episodes will become available exclusively on **discovery+** on Feb 18 with the remaining episodes rolling out every Thursday for the following five weeks.

VIACOMCBS DIVIDEND

ViacomCBS' board declared a quarterly cash dividend of \$0.24 per share of its Class A and B common stock, payable on April 1 to stockholders of record at the close of business on March 15.

PEOPLE

DISH added four regional vps to its team to lead the 5G network buildout in their respective regions. *Satish Sharma* will head the West region, *Nichole Thomas* will guide the Central region, *Bill Watson* will take charge of the South region and *Mike McGovern* will watch over the Northeast region.

GOT FAXIES?

It's that time of year! **Cablefax** is accepting entries for The FAXIES, a celebration of the best in PR and marketing. Categories include Marketing Team of the Year and Social Good Campaign. The initial entry deadline is March 19 with the final deadline set for March 26. Winners will be honored in June. Enter at thefaxies.com.