

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## On the Rise: HBO Max Roars Toward 70 Million Sub Mark

**AT&T** is on a **WarnerMedia** high while the division still lives solely under its roof, ending 2Q21 with 67 million global subscribers across **HBO** and **HBO Max**. A portion of that growth can be attributed to both its Latin American launch and the introduction of HBO Max's ad-supported tier. The company is now raising its growth expectations, projecting that the service will reach 70-73 million global subs by the end of the year.

"In terms of the biggest lessons, number one is the content and the stories that we have on the service. The team did a remarkable job in terms of planning for this launch and making sure that we put our best foot forward in terms of not only original new productions, but also an incredible library," WarnerMedia CEO *Jason Kilar* said on the company's earnings call Thursday. "Distribution obviously is key, and we certainly had healthy distribution partnerships ahead throughout Latin America. The tech and product works, and it's a modern experience that we're very proud of."

The faster start in Latin America may push back the launch of HBO Max in some European markets until early 2022, but that has already been factored into the company's updated subscriber projections.

WarnerMedia's success translated onto the balance sheet with revenues rising 30.7% YOY to \$8.8 billion. Subscription revenues grew 21.3% to \$4 billion and content revenues increased 34.9% to \$3.1 billion thanks to the return of third-party

TV production and theatrical releases. Advertising is roaring back after a drastic COVID-related downturn with revenues skyrocketing 48.5% to \$1.7 billion thanks to the return of the NBA and continued strength in the news sector.

"Like all media business, the Warner Media segment was heavily impacted by COVID, and, like all media business, it is now enjoying a strong recovery," **MoffettNathanson** said in a note. "With the return of programming, including sports, however, comes the return of costs. Despite the strong revenue growth, EBITDA for Warner Media was down 10.4% YOY."

In terms of the transaction to merge WarnerMedia's assets with **Discovery's** and place them under an independent company, Stankey said no news is good news. "It's a lot of work with the regulatory agencies, document production and providing information that's responsive to their requests so that they can begin the reviews," he said, "There's nothing we see that's been particularly problematic, nor is it far enough along where I think you can effectively say that anybody has developed any position or point of view on something."

As for the **DirectTV** deal with **TPG**, Stankey said there are signs that it could close within the next few weeks, ahead of what the team projected. The video business, which includes U-verse, recorded a loss of 473K subscribers. That's much better compared to the 886K that migrated away from the video products in 2Q20, but still nothing to smile about. On the broadband side, AT&T added 246K fiber net additions in the quarter, a slight boost from the

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225K it measured in 2Q20. The company is also continuing to boost its penetration rate, increasing it from 31% one year ago to 36% now.

AT&T'S WIRELESS GAINS AND DISH DEAL BENEFITS

AT&T is on a path that would have it focus nearly all of its energy on its wireless unit, and that's for good reason. Revenues in the mobility unit were up 10.4% YOY to \$18.9 billion due to both higher equipment and service revenues. The carrier gained 789K postpaid net adds as well as 174K prepaid phone net adds. Postpaid phone churn fell to 0.69%, equaling AT&T's lowest quarter ever. "Even with more aggressive promotional and retention activity at VZ and TMUS, AT&T still generated strong mobile sub growth, driven by a combination of better gross adds and lower churn," Evercore ISI said in a note. "Strong mobile sub performance, combined with yesterday's above-forecast VZ sub results, mean that either sub growth in 2Q was materially stronger than we had expected, or phone net adds at TMUS and cable operators will be below our 1.15M combined estimate." AT&T CEO John Stankey also took a moment to address the company's recently-announced network services deal with DISH. The 10-year pact will give DISH customers access to AT&T's network, and AT&T will also offer transport and roaming services to DISH as part of the package. "I'm looking forward to demonstrating to DISH that we can be a good partner, and that we can carry the right kind of traffic and we can do things to help them grow their infrastructure over time on parts of our network where they may not have ready access to infrastructure that

we can ultimately support them with," he said. "And I don't want to speak on behalf of DISH or [Charlie Ergen]... but I believe one of the reasons they view this as being a good move for them is their assessment of where things were in the industry, they felt like we could be a very capable and more capable partner than their current arrangement." He added that nobody at AT&T was upset about the idea of taking \$500 million a year out of a competitor's pocket.

CARRIAGE

Comcast announced Hulu + Live TV will now be available on Xfinity Flex. Existing subscribers can access the programming via the Hulu app on Flex and in the next few weeks, new customers will have the ability to sign up via their Flex device.

EMERGENCY CONNECTIVITY FUND HERE TO STAY?

More than 40 lawmakers across the House and the Senate introduced legislation that would extend the Emergency Connectivity Fund beyond the end of the COVID-19 pandemic. The bill would provide schools and libraries with \$8 billion annually through the Emergency Connectivity Fund for the next five years to continue to provide students, staff and patrons with WiFi hotspots, modems, routers and devices. "The pandemic has made it crystal clear that too many students are unable to complete their school assignments because they do not have Internet access at home. This means they fall behind in the classroom—and we all lost out when we have a generation ill-prepared to enter a 21st century economy," acting FCC chair Jessica Rosenworcel said in support of the legislation.

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**NBCU, AD-ID IMPROVE ONE PLATFORM EXPERIENCE**

**NBCUniversal** announced it will use **Ad-ID** as its new standard for advertisers across the One Platform. This makes the former the first major media company to adopt Ad-ID, a registered, 12-character code with associated metadata that uniquely identifies an advertising asset. With it, NBCU can offer its marketing partners opportunities for better frequency capping capabilities, detailed post-campaign insights, quality and collision control and more effective ad placements. The agreement expands upon both partners' work across **Peacock** and expands it to all of the One Platform.

**UTSC CORP ACQUIRES WALKER AND ASSOCIATES**

Telecommunications material distributor **UTSC Corp** acquired telecommunications product and services distributor **Walker and Associates**. The transaction allows UTSC Corp to further expand its footprint in the U.S. with two more distribution locations—Winston Salem, North Carolina, and Reno, Nevada. By being absorbed into UTSC, Walker and Associates and its customers will receive additional distribution services, increased network infrastructure design capacity, technical services, supply chain management services and more.

**REDBOX, WURL JOIN FORCES**

**Redbox** partnered with CTV streaming video distribution and advertising service provider **Wurl** to expand the selection of free channels on its AVOD, Redbox Free Live TV. Redbox will be able to leverage Wurl's cloud-based technology and access to content providers to add a wide selection of free channels to the service. Free Live TV is available on Redbox's website, Roku, iOS and Android devices, Apple TV, Android TV, Vizio Smart TVs, LG TVs, Xbox One, Xbox Series S/X, Samsung and Chromecast.

**PLUME HITS 1 BILLION MILESTONE**

Personalized smart services provider **Plume** can now boast that more than 1 billion unique client devices have been managed by its cloud controllers globally. It coupled the news with some insights on smart home trends pre-and-post pandemic. Plume found the number of devices per U.S. household increased by 38% during COVID-19, increasing from 13 in Oct 2019 to 18 devices per household on average. Entertainment-based smart home devices increased by 16% overall from October 2019 to May 2021, with the most common category being TV and streaming devices. Those grew 34% in the time period, while traditional set-top boxes grew by 2%. As the number of smart devices increased, though, so did the number of security threats. From Oct 2019 to May 2021, the company saw a 39% increase in the number of cybersecurity threats blocked by Plume in U.S. homes.

**SHENTEL CHOOSES CSG TO MOVE TO THE CLOUD**

**Shentel** is now using **CSG's** cloud-based "Field Service Management" solution to accelerate its business transformation and provide rural and underserved markets in the Mid-Atlantic region with high-speed broadband. The solution is an AWS cloud-based platform providing a comprehensive view of field operations. CSG's technology will allow Shentel

to unify its operations. Using CSG Field Service Management also allows Shentel to use automation and real-time data to optimize its operations and deliver streamlined communications to its customers.

**PROGRAMMING**

New sports league **Premiere Rugby Sevens** selected **Fox Sports** as its official television partner. The inaugural men's and women's tournaments will be available live across **FS2**, the **Fox Sports App** and **FoxSports.com**. The championship will re-air on **FS1**. The league's first event "The PR7s Inaugural Championship" is set for Oct 9. – **VH1** is reviving reality series "The Surreal Life" this fall, with new eps premiering for the first time in 15 years. As with previous iterations, eight stars will live together in a house for a crazy journey that pushes them out of their comfort zones. – **Lifetime's** annual cheerleader movie slate "Fear the Cheer" kicks off Aug 28 at 8pm and features back-to-back weekends of six new movies. "The Wrong" franchise continues with "The Wrong Cheer Captain," and other movie premieres include "Killer Cheer Mom," "Pom Poms and Payback," "Deadly Cheers," "Cheer for Your Life" and "Webcam Cheerleaders." – **HBO Max** renewed comedy series "That Damn Michael Che" for a second season. – **IMG's** tennis representation business and European private member club TATOÏ Club announced they will hold the inaugural "IMG Future Stars Invitational Tournament" Apr 25-May 1. The weeklong event consists of a 48-player field competition for the best 24 boys and 24 girls under 12, with programming following each day's matches. The event's official broadcaster, **Tennis Channel**, will air the matches internationally on streaming service Tennis Channel International, marking the first time a tournament of players under age 12 will be broadcast this widely. Center court matches will be broadcast live in the U.S. on streamer **Tennis Channel Plus**. – **Discovery+** is launching a dating series spinoff of the "Naked and Afraid" franchise called "Naked and Afraid of Love" on Aug 22. The series will see 16 naked strangers compete in a blend of survival and romance tests on an island in the Philippines.

**PEOPLE**

**NBCUniversal** appointed *John Lee* chief data officer, Global Advertising & Partnerships. Prior to joining NBCU, Lee served as global chief corporate strategy officer at customer experience management company **Merkle**. – *Ken Reiner* joined **INSP** as vp, content acquisitions. He has recently served as media consultant and operational guidance for numerous organizations at **Reino Consulting**. He's also held executive roles at **Tribune Media**, **Newport Television** and **Raycom Media**. – **Nexstar Media** promoted *Ron Romines* to svp and regional manager. He previously was vp and gm of Nexstar's broadcast and digital operations in Charlotte, North Carolina. – *Nicholas Garcia* joined **Public Knowledge** as policy counsel on the organization's team on net neutrality, closing the digital divide and broadband affordability. Prior to joining PK, Garcia served as an assistant district attorney, investigations division, Bronx County District Attorney's Office.



# PROGRAMMER'S PAGE

## Lighten Up Before Getting to 'The End'

It goes without saying that expecting a loved one's death is hard to talk about. It's never too late to make new memories though, or to change your outlook on life for the better. That's what *Samantha Strauss*, creator of Australian dark comedy series "The End," learned after it seemed like her grandmother lost the will to live, but made a new best friend to cause trouble with at the retirement village. She used her grandmother as inspiration for the series' main character, Edie Henley. "I watched her sort of blossom, you know, she'd only ever been a wife or a mother, but never been on her own. She was at this point, and she just had this metamorphosis, like she came out of herself," explained Strauss. "Within six months, she wasn't dead, she was dancing on tabletops, probably drinking a lot and partying and wearing sexy red dresses." The End made its US debut on **Showtime** earlier this month. It tells the story of a woman struggling to cope with grief in the aftermath of her husband's death and what seems to be an approaching death for her. After Edie attempts suicide, her daughter sweeps her away from England and sticks her in a retirement home in the Gold Coast, Australia. The viewer soon realizes Edie's not the only one struggling to cope with life, as daughter Kate tries to understand her mother's desire for medically-assisted death and convince her otherwise—all while juggling challenges with her children and husband. When Edie meets boisterous Pamela at the retirement village, they paint the town red, so to speak, and find that staying alive with family and friends might just be worth it for the time being. Showtime is the right place to take the show to the U.S. in Strauss's opinion, because although the conversations her show will spark will be difficult, the network won't try to dilute any of its aspects. "I think Showtime does complicated women really well. That was the thing about making this show, we didn't want to have to shave off any of the edges of these characters. They can be hard to take, but hopefully they feel really deeply human, as well as being deeply flawed," she said. - *Theresa Maher*

### REVIEWS

"Betraying The Badge," Monday, 10pm, **Vice**. Crime rarely goes out of style as a topic of conversation. It's expected to be a dominant topic for the 2022 midterms. Owing to several incidents during the past year, public perception of the police is tarnished. Into this atmosphere comes Vice TV's "Betraying The Badge," which shows police at their worst. The title of Monday's ep, "To Protect and Serve the Mob," provides viewers with a summary of the story, which, not coincidentally, was the biggest scandal in the history of the Big Apple's finest. NYPD detectives *Louis Eppolito* and *Stephen Caracappa* graduated from the academy together, and briefly partnered, yet were yin and yang. Eppolito was big, brash and enjoyed the spotlight. He even appeared in *Martin Scorsese's* "Goodfellas." Caracappa was quiet, thin and blended into the scenery. It was Eppolito's vanity that brought down the duo. Ostensibly safely retired in Las Vegas, Eppolito wrote a book about his life stalking the Mafia. He touted it on *Sally Jessy Raphael*. Oops. The mother of a murdered Mafia soldier recognized him as someone who, decades before, inquired about her son. Not long after, Eppolito and Caracappa were on trial for murder. The series' 6 executive producers tell this story well. And getting Eppolito's son to sit for an extended interview is magic. - *Seth Arenstein*

BASIC CABLE		
P2+ PRIME RANKINGS*		
(07/12/21-07/18/21)		
MON-SUN	MC	MC
	US	US AA
	AA%	(000)
<b>FNC</b>	<b>0.692</b>	<b>2,130</b>
<b>ESPN</b>	<b>0.501</b>	<b>1,542</b>
<b>MSNBC</b>	<b>0.429</b>	<b>1,321</b>
<b>HGTV</b>	<b>0.399</b>	<b>1,230</b>
<b>HALL</b>	<b>0.346</b>	<b>1,064</b>
<b>HIST</b>	<b>0.300</b>	<b>924</b>
<b>TLC</b>	<b>0.270</b>	<b>831</b>
<b>CNN</b>	<b>0.266</b>	<b>819</b>
<b>INSP</b>	<b>0.241</b>	<b>742</b>
<b>USA</b>	<b>0.230</b>	<b>708</b>
<b>FOOD</b>	<b>0.224</b>	<b>690</b>
<b>DISC</b>	<b>0.222</b>	<b>685</b>
<b>TNT</b>	<b>0.212</b>	<b>653</b>
<b>TBSC</b>	<b>0.207</b>	<b>638</b>
<b>ID</b>	<b>0.207</b>	<b>636</b>
<b>TVLAND</b>	<b>0.165</b>	<b>509</b>
<b>HMM</b>	<b>0.156</b>	<b>481</b>
<b>BRAVO</b>	<b>0.149</b>	<b>459</b>
<b>SYFY</b>	<b>0.146</b>	<b>450</b>
<b>LIFE</b>	<b>0.145</b>	<b>445</b>
<b>WETV</b>	<b>0.144</b>	<b>443</b>
<b>AMC</b>	<b>0.140</b>	<b>432</b>
<b>FX</b>	<b>0.140</b>	<b>430</b>
<b>GSN</b>	<b>0.139</b>	<b>428</b>
<b>A&amp;E</b>	<b>0.135</b>	<b>416</b>
<b>ADSM</b>	<b>0.128</b>	<b>394</b>
<b>TUDN</b>	<b>0.126</b>	<b>389</b>
<b>NAN</b>	<b>0.122</b>	<b>377</b>
<b>APL</b>	<b>0.118</b>	<b>364</b>
<b>NICK</b>	<b>0.115</b>	<b>353</b>
<b>FRFM</b>	<b>0.107</b>	<b>329</b>
<b>TRAVEL</b>	<b>0.104</b>	<b>322</b>
<b>NATGEO</b>	<b>0.102</b>	<b>313</b>
<b>BET</b>	<b>0.101</b>	<b>311</b>

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



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