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WHAT THE INDUSTRY READS FIRST

Looking Up: AMC Networks Shows Off a Stellar 3Q21

It's the start of something new at **AMC Networks**. Friday marked former **Showtime** head *Matt Blank*'s first earnings call since he stepped into the interim CEO seat, and he had nothing but good news to deliver. Revenues increased 24% YOY to \$811 million thanks to growth across content licensing, streaming and ad revenues.

Domestic content licensing revenues skyrocketed by 60% due to a higher number of distributed original programs compared to the prior year, which was hurt by pandemic production delays. AMCN is actively moving to retain and regain exclusivity on its original programming, including all 11 seasons of "The Walking Dead" and series like "Halt and Catch Fire" as its current deals with **Netflix** and **Hulu** expire. That's also true internationally, where AMCN is trying to establish a stronger streaming base for products like **AMC+**, which launched in Canada in August.

"We really feel it's important that we have exclusivity in our content, and so whenever those deals will expire in countries that we are significantly investing in streaming, we'll look to have that product be exclusive," CFO *Christina Spade* said.

Streaming subscribers and revenues rose 74% and 83% YOY, respectively, and AMCN is still on track to deliver on its promise of reaching 9 million paid streaming subscribers by the end of the year across **AMC+**, **Acorn TV**, **Shudder**, **Sundance Now** and **ALLBLK**. And while AMC Networks isn't the biggest

horse in the streaming Kentucky Derby, its size is what Blank sees as one of its greatest strategic advantages.

"We benefit from what I like to refer to as the beauty of small numbers and a very specific and carefully constructed approach to serving subscribers with targeted offerings that complement the larger streamers," he said.

And while those niche services will continue to grow organically as more viewers become aware of them and as their content lineups become even stronger, AMCN isn't opposed to pursuing ways to expand its streamers through small, carefully curated acquisitions.

"Organically, if we saw pieces of our business that we thought lend themselves to expansion, we would chase that and we'd chase it aggressively. And we're being approached regularly with other targeted ideas in the marketplace," Blank said. "We're ready to move when we think there's an appropriate target in terms of genre and target audience and the economics."

Management was asked about **Lionsgate** potentially looking to sell **Starz** and if such a transaction would be appealing to gain greater scale. Blank showed no interest in any large-scale M&A activity, and expressed his own doubts about whether or not Lionsgate will actually go through with a Starz sale.

"These conversations have been in the marketplace for a long time. We'll see if they go anywhere," Blank said. "We don't feel that it's necessary for us to scale by acquisition in any way, shape or form. The model is working... and it's a model that really fits how we define this company's future."



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TEGNA FILES GOOD FAITH COMPLAINT AGAINST DISH

TEGNA has filed its first good faith negotiation complaint at the **FCC**, and its target is **DISH**. The pair have been sparring since Oct. 6 when the broadcaster's stations went dark on DISH's lineup. Less than two weeks later, DISH had filed a good faith complaint against TEGNA at the FCC. The broadcaster now claims that DISH has put more effort into crafting the complaint than it did into trying to reach a new retrans consent agreement. "Instead of working to restore our programming, DISH is abusing the FCC's processes and, more importantly, wasting their customers' time with baseless complaints," TEGNA said in a statement. "Our response and cross-complaint show that it is DISH which has acted in bad faith, not only by obstructing negotiations over many months but also through the distortions it has presented to the public and the FCC." It argued in its FCC cross-complaint that DISH's bad faith complaint completely misrepresents the negotiations between the two companies. It rebuked DISH's claim that the broadcaster was asking for nearly a billion dollars in retrans consent fees, calling the figure "vastly inflated," and posited that the provider made no effort to come to any sort of new deal. "TEGNA set forth a comprehensive long form proposal; DISH refused to engage. TEGNA scheduled an early call to discuss economics; DISH stated that it was a waste of time. TEGNA introduced an issues list to resolve key areas of difference; DISH abandoned it. TEGNA offered an extension to continue negotiating; DISH refused to make an economic proposal during the entire extension period," the broadcaster said in its bad faith complaint. In the broadcaster's 3Q21 earnings call Thursday, TEGNA President, CEO & Director *David Lougee* said

DISH subscribers represent less than 10% of its total paid subscribers. DISH will be responding to TEGNA's filings in the coming weeks, which it called "meritless" and full of falsehoods. "Among other things, TEGNA fails to include key information about its own conduct, including the fact that TEGNA chose not to provide a response to DISH's economic proposal—or even engage on the economics of the deal—for nearly 6 weeks, finally responding three days prior to the agreement's expiration," DISH said in a statement. "Unfortunately, as DISH has explained, when Tegna did respond, it proposed rates that were significantly out of line with competitive marketplace considerations."

SENATE TARGETS BIG TECH CAGE

Senators *Amy Klobuchar* (D-MN) and *Tom Cotton* (R-AR) introduced legislation Friday that would block Big Tech firms from buying competitors or potential competitors and from using mergers to enhance their market power. The Platform Competition and Opportunity Act of 2021 is a companion to similar legislation introduced in the House by Rep *Hakeem Jeffries* (D-NY).

UNIVISION CHOOSES COMSCORE IN THREE MARKETS

Univision is partnering with **Comscore** to leverage its local audience measurement in three markets. Under the deal, the programmer will begin exclusively using Comscore's measurement service as its local audience currency in the Orlando and Tampa, Florida, as well as in Washington, DC, markets. The pair will also collaborate on solutions to refine Comscore's Hispanic audience measurement capabilities to more accurately capture the community.

CSG STRIKES CHARTER RENEWAL

CSG struck a six-year contract renewal and extension with **Char-**

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ter, its largest deal ever and one that will account for more than 20% of its revenues each quarter. CSG will become the revenue management provider of choice for Charter's 32 million customers, and its billing solution will be used for residential and SMB video, broadband and landline voice customers.

VEXUS PLANNING FOR SANTA FE

Vexus Fiber applied for a franchise license agreement that would allow it to bring its fiber-to-the-premises network to the city of Santa Fe, New Mexico. The review and approval process for the construction of the network has already begun. The network will be capable of delivering 10G, but initial packages will offer consumers and businesses up to 1-2Gbps speeds. Vexus hopes to begin construction by April 2022, and completion of the network to the region is estimated to take approximately 24-36 months. Total investment in the region will likely come in around the \$35 million mark.

PROGRAMMING

Showtime has made the premiere of drama "Yellowjackets" available for free on streamers and on demand. Viewers can access the episode on Showtime.com, Sho.com, **YouTube** and on Showtime's platform partners. - **Tubi** expanded its anime offerings with a selection of favorites from **NIS America**. Popular titles now available include "Cardcaptor Sakura," "Yuruyuri" and "PandoraHearts."

DISCOVERY+ HEADING TO RIO

discovery+ is coming to Brazil on Tuesday. For the first 30 days after launch, the service will be available at an annual subscription price of 12 installments of \$2.89. For monthly subscribers, discovery+ will be available for \$3.90/month following a 7-day free trial period. Customers can also choose to subscribe through Brazilian streaming platform Globoplay.

PEOPLE

Frank A Riddick III is **WWE's** newest CFO & Chief Administrative Officer. He'll succeed **Kristina Salen**, who is leaving the company. Riddick has served on WWE's board for more than 13 years, even serving as interim CFO in 2020. He's also previously served as CEO for companies like **JMC Steel Group** and **Formica Corporation**.

CABLEFAX DASHBOARD

Twitter Hits



Research

- (Source: [Vericast](#))
- > 75% of consumers currently stream content at home via their television while 41% stream via a smartphone.
 - > 50% would stream TV during a flight or long road trip if connectivity and device availability were not an issue.
 - > 41% of consumers said if they could stream TV anywhere inside a self-driving vehicle, they would consider doing it through the center console. 24% would do so on a windshield display projection.
 - > Only 37% would not consider streaming TV inside a self-driving car.

Up Ahead

- NOVEMBER 15:** [Cable Hall of Fame Celebration](#), C-SPAN3
- DECEMBER 7:** [Cablefax Most Powerful Women Celebration](#), NYC
- JANUARY 11-14:** [CES 2022](#), Las Vegas
- JANUARY 18-20:** [NATPE Miami](#)
- FEBRUARY 13-16:** [NTCA Rural Telecom Industry Meeting + Expo](#), Dallas

Quotable

"Since launch, the Fox Weather app has been downloaded more than one million times. In just its first week of existence, users generated over 28 million page views and spent over 42 million minutes engaging with the product. Using the strength of our national and local news operations, we are excited about the prospects of Fox Weather and our ability to be a leading player in the space... the distribution and availability of Fox Weather will expand in the near term with a launch later this month on Tubi followed by YouTube TV and the major streaming platforms... Our approach to investment is to develop businesses that are extensions of rather than replacements for our existing lines of businesses."
 - Fox Corp Executive Chairman and CEO Lachlan Murdoch on Fox Weather's early performance during the company's 1Q22 earnings call.