

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Double Time: WOW! Ups Greenfield Target to 400,000 Homes

WOW! is doubling down on its greenfield expansion plans and now expects to reach 400,000 homes passed by 2027. The company's revised plans now include intentions to add nearly 30,000 homes passed in Greenville County, South Carolina, newly identified opportunities in Central Florida and more markets to be announced in the future. The increased \$400 million investment will upon completion represent a 21% increase in the company's total homes passed.

Company leadership had hinted at a potential increase in the greenfield plans late last year, but it warned the analyst community and others listening to its 1Q22 earnings call Monday that they shouldn't expect to see another rise in that number in the near future.

"The idea here is that we fund it from the cash flow that the business can produce, but on the other side of the battery is this concept of leverage. As you may recall from our investor day, I suggested the board sort of mandated that we never go above 3.5x. We're at 2.6x now," CFO *John Rego* said. "So if there was some amazing opportunity we could look at that again, but for now, we're looking at 400,000 homes and we'll fund the buildout of that from the cash that we generate."

Total revenue for 1Q22 came in at \$174.6 million, a drop of \$6.9 million or 3.8% YOY, due to an increase in HSD revenue that was offset by declines in video and telephone. WOW! added 3,300 HSD subs with revenue in the segment coming

in at \$100.1 million. CEO *Teresa Elder* said approximately 87% of the company's new customers are purchasing its HSD-only service with a majority buying speeds above 500 Mbps. Approximately 85% of new customers are buying speeds above 200 Mbps.

The operator continues to guide to HSD net adds between 14,000-17,000 for the year, and Elder believes that some of that growth will be due to the return of normal business patterns that existed long before anyone had ever heard of COVID.

"I really believe that we're starting to return to some normal seasonality in the second quarter in our industry. If we go back a couple years when things were a bit more normal, the second quarter would usually step down as kids come home from school, move back in with parents. We think that normal seasonality is more likely to happen," Elder said.

Another factor that should spur growth through the rest of the year will be WOW!'s mobile product powered by **Reach Mobile**. It is on target to officially launch the offering in one of its southern markets later this month with an enterprise-wide launch to come early in the third quarter.

"Our partnership with Reach enables WOW! to quickly enter the mobile market with minimal operational or developmental work on our part," she said. "We believe this additional service offering will further enhance customer acquisition and retention while providing a great service that our customers have been looking for."

Another top cable operator may also be considering exploring

Mark Your Calendars!

Cablefax 2022 Award Submission Deadlines

The Diversity List Nominations

Deadline: June 3
Final Deadline: June 10

Most Powerful Women Nominations

Deadline: August 12
Final Deadline: August 19

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the mobile market, and perhaps even abandon video along the way. When asked Thursday during **Cable One's** 1Q22 earnings call if the company would ever consider exiting the video business and bundling something else with its broadband offering, President/CEO Julie Laulis said it is on the table.

"I'm not sure what it will be, we'll watch and see. But for sure, it's going to be something that is profitable, AKA not video, and that we control our destiny with, where we own the customer," she said. "I think that's what we'd be looking to bundle with our super reliable HSD product."

WHITE HOUSE, ISPS CELEBRATE ACP COMMITMENTS

Some 20 ISPs, large and small, covering 80% of the U.S. population were celebrated in the White House's Rose Garden for their support of the Affordable Connectivity Program. The operators, which included **AT&T, Comcast, Charter, WOW!** and **Verizon**, have committed to either cut prices of certain plans to make them accessible to those households receiving \$30/month subsidies on their internet plans or to increase the speeds of their lower-cost plans. "I refuse to call it ACP. I am so tired of acronyms in Washington. I can't stand it," President **Joe Biden** joked while describing the program's details. More than 11.5 million people have signed up for the program thus far, but the White House wants to get the word out and make it easier to check eligibility than ever before. Households can check whether they are eligible to receive the subsidy by calling 877-384-2575 or by logging onto www.getinternet.gov. Industry organizations like **NCTA, ACA Connects** and the **Information Technology and Innovation Foundation** lauded Monday's event as a marker of huge progress toward the widespread

availability of affordable connectivity across America. On the other hand, consumer advocates like **Public Knowledge** chastised the administration for celebrating the short-term win rather than focusing on longer-term federal policy issues. Namely, it wants Biden and his team to push harder for the confirmation of **Gigi Sohn** to the **FCC's** fifth seat. "This and other critical work of the FCC cannot get underway until the White House insists that the Senate take up a vote on her nomination. Of course, delay and obstruction is what the entities the FCC regulates want and are getting right now," Public Knowledge President/CEO **Chris Lewis** said in a statement. "It is simply unconscionable that after more than a year, this extremely well-qualified consumer advocate is being blocked by these companies."

MSG DTC OFFERING STILL ON TRACK

More information regarding **MSG Networks'** direct-to-consumer product will have to wait as President/CEO **Andrea Greenberg** wouldn't comment during Monday's earnings call on details about the future offering and potential distribution deals. However, the company is still on track to launch the app by the end of this year. "In developing any plan of ours, we're very mindful of our traditional linear business," Greenberg said. "We're very, very mindful and focused on the partnership that we have with our major distributors ... We continue to work to ensure that any DTC offering of ours continues to take that into consideration." She promised there will be more to share in the coming months. MSG Networks returned to a full schedule of telecasts for its **NBA** and **NHL** teams, but that didn't equate to revenue growth. MSG Networks reported \$167.6 million

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The advertisement includes an image of the Cablefax Daily magazine cover for Monday, November 2, 2020. The cover features the headline "Deal Talk: RCN/News/Grande CEO Discusses \$6.1bn Strategic Deal" and other articles like "Purposes, Plans and Potential" and "Save the Date: Dec 4 Most Powerful Women Magazine & Virtual Celebration Event".

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in revenue for FY 3Q22, a 10.3% decrease compared to the year prior. This is in part due to lower affiliate revenue offset by growth in advertising revenue—which went up \$9.9 million compared to the year prior—and the impact of direct operating expenses as MSG Networks returns to normal programming and production costs. “As an organization, we remain firm believers in the power and popularity of live, local, professional sports,” Greenberg said. “Just over the last couple of years we capitalized on new opportunities to monetize our content. We’ve introduced new programming, including new sports betting programming and mobile sports gaming is a big contributor to our success in advertising revenue.” Affiliate fee revenue went down \$20.6 million, primarily due to MSG Network’s carriage deal with **Comcast** not being renewed in October. The full broadcast schedule did help with partnerships with sportsbooks. MSG reached a multi-year agreement with **DraftKings** on top of its deals with **Caesar’s Sportsbook** and **BetMGM**. Those three deals helped MSG sponsorship revenue exceed pre-pandemic levels.

TELEVISION UNIVISION TO ACQUIRE PANTAYA

TelevisaUnivision entered an agreement with **HMTV** to obtain **Pantaya**, a U.S. streaming platform for Spanish-language movies and series, in exchange for cash and select Puerto Rican radio assets. The deal is expected to close in the second half of 2022 subject to closing conditions.

LAULIS NOT FEELING FIXED WIRELESS PRESSURE

Fixed wireless operators shocked with their 1Q22 results, but thus far, **Cable One** President/CEO *Julie Laulis* isn’t seeing much impact from those offerings on her company’s bottom line. Cable One’s residential data subs grew by 5,000 sequentially with total revenues coming in at \$426.7 million. “We have some associates who are customers of fixed wireless so that we can keep an eye on their speeds and the experience of buying and maintaining that service,” Laulis said. “Our overlap, to the best of the information that I have, with **T-Mobile** is actually quite small and smaller than other operators you may know.” Her assumption is that wireless providers are finding more wins with urban audiences than with rural customers, regardless of whatever those companies are reporting. Laulis also said even though fixed wireless providers may have had a strong first quarter, she is of the mind that they will eventually need to use more of their network’s capacity to support their mobile customers. That will leave fixed wireless customers in the lurch. “We haven’t seen a pullback at all and we’re still what we would’ve considered kind of what was the accelerated pre-pandemic level,” CFO *Steve Cochran* affirmed.

NEW XFINITY AD CAMPAIGN

Ed Helms, *Evander Holyfield* and *FaZe Swagg* are starring in a new advertising campaign for **Comcast**’s Xfinity Internet called “Unbeatable Internet.” Spanning across TV, social and digital media, the [spot](#) has Xfinity Internet catapult Helms through outer space, with speeds faster than a gig. Xfinity’s newest supersonic gateway, which connects hundreds of devices at once, allows Helms to duplicate himself to achieve ultimate productivity.

SERVICE ELECTRIC HITS THE GOLF COURSE

Service Electric Cable is the regional presenter for the Volunteer Headquarters at the U.S. Senior Open. The HQ will have almost 2,000 volunteers at the Open and have activities, decorations and raffles for the volunteers. Service Electric will record footage for its own sports channel’s “The Mike Zambelli Show” to air in the following weeks. The U.S. Senior Open takes place June 21-26 at Saucon Valley Country Club in Bethlehem, Pennsylvania.

AAPI MONTH ROLLS ON

HBO Max named three finalists for the sixth annual Asian Pacific American Visionaries. Filmmakers *Gauri Adelkar*, *Lloyd Lee Choi* and *Chheangkea* will premiered their respective films during the 2022 Los Angeles Asian Pacific Film Festival last Friday. This year’s competition theme was “power of love.” – **Fox News Media** is offering special programming throughout May in honor of AAPI Month. The net is highlighting stories celebrating the contributions of AAPI individuals on its “America Together: Celebrating Diversity” series. Led by **Fox Business Network** correspondent *Susan Li*, the series features interviews with Olympic speed skating gold medalist *Apolo Anton Ohno*, author *Deepak Chopra* and Major General *Viet Xuan Long*. Interviews will air on Fox News, Fox Business and Fox News’ audio platforms every Friday of May. – **Spectrum** will highlight AAPI Month with a collection of films on its Spectrum On Demand portal under the category “Asian American and Pacific Islander Heritage.” The films include “Shang-Chi and the Legend of the Ten Rings,” “Blade of the Immortal” and “Yesterday.”

HONORS

Mediacom Communications was selected as a 2022 U.S. Best Managed Company for a second consecutive year. The program, sponsored by **Deloitte Private** and *The Wall Street Journal*, recognizes exemplary private companies and the achievements of their management teams. Mediacom recently reached 100 straight quarters of YOY growth.

PROGRAMMING

discovery+ is giving viewers a new look at the legal battle between *Johnny Depp* and *Amber Heard*. The two-part documentary “Johnny vs Amber” is available to stream on the platform and features interviews with legal experts on all aspects of the proceedings. – **Oxygen** is adding five new series to its lineup before the end of 2022. The new additions include “Black Widow Murders,” which premieres this fall and features stories of women luring victims into death for wealth. Also on tap: “The First Mindhunter,” “Serial Killer Capital: Baton Rouge,” “Sleeping with Death” and “Manifesto of a Serial Killer.” Oxygen also ordered new seasons for nine returning series, including “Accident, Suicide or Murder.”

PEOPLE

Noah Drake was selected as telecom technology firm **Telstra**’s President for the Americas. Drake, who was previously responsible for the fiber and infrastructure portfolio at **Zayo Group**, will oversee all sales and business operations and help accelerate strategic partnerships.