

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## No Deal: Altice Says No Suddenlink Sale, Industry Faces M&A Headwinds

With the Federal Reserve expected to continue to raise interest rates to get a handle on inflation, there's concern that the increasing rates will threaten access to capital and discourage M&A in the broadband and telecom sector.

"In January, it was like a different world. Interest rates were still zero. Everyone had free money to do what they wanted with. Just since January, money is not free any more. We're arguably heading into a recession, and the cable guys are starting to see some softness in their broadband numbers," **S&P Global Market Intelligence** Senior Analyst *John Fletcher* told **CFX**. "So, it's a kind of a strange time to be looking at M&A right now."

Perhaps that explains **Altice USA's** announcement Thursday that the company has finished its evaluation of options for its **Suddenlink** business, including a potential sale, with the board unanimously determining that the best course is to continue operating the business and pursuing the long-term business plan. **NewStreet Research** called the decision "widely anticipated" and lowered its price target on the stock to \$4 with a downgrade to "neutral."

There was buzz in the spring that **WOW!** was exploring options, including a potential sale to **Morgan Stanley Infrastructure Partners**, but there's been no rumblings of a deal over the past several months. Of course, there's the constant rumor mill that **Comcast** could buy fill-in-the-blank (the latest whisper was **Warner Bros. Discovery**, which drew a strong rebuke from *David*

*Zaslav*). In addition to economic headwinds, S&P Global notes in its recently released 2023 M&A Outlook report that the technology, media and telecom sector is seeing increased regulatory scrutiny of M&A, which it expects to remain in place throughout the *Biden* administration.

In this current environment, it's hard to make predictions. 2021 saw cable deals like **WOW!**'s system sales to **Astound Broadband** and **Breezeline** at \$1.786 billion or 11 times cash flow. **Cable One** completed the \$2.2 billion purchase of the remaining 85% interest in **Hargray Communications** it didn't already own, representing a 17.2x multiple of adjusted EBITDA. "I'd be surprised if anything gets north of 11 times for any new deals going forward," said Fletcher.

Overall, 2021 was a record-setting year for M&A with total global M&A announcement values across all sectors reaching historic highs as the total value of transactions topped \$1 trillion for five straight quarters. Through the first three quarters of 2022, the total announced value of global M&A transactions plummeted 35.6% year over year to \$2.285 trillion. There was **Microsoft's** \$69 billion deal for **Activision Blizzard** in January, followed by **Broadcom's** \$68 billion deal for **VMware**, **Elon Musk's Twitter** deal and then large deal activity came to a halt. Private equity firms, which have played a huge role in telecom transactions as well as in other sectors' M&A, slowed their purchasing activity as interest rates jumped and increased the cost of the leveraged financing. S&P Global said 3Q22 produced the fewest \$10 billion-plus M&A transactions in a quarter since 2012.

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However, S&P Global said it expects private equity firms to become more active and take advantage of market opportunities that develop. Then there's the r-word, with a range of hot takes on whether the U.S. is headed into a recession, possibly already in the midst of a recession or may avoid a recession altogether. Fletcher cautioned against assuming a recession means less M&A. "It all comes down to what one company wants to do. Maybe during a recession, the deals go to the people who have cash and are waiting on the sidelines. M&A is so specific to what one company wants to do. If they've been keeping an eye on Suddenlink or WOW!, waiting for certain criteria, they're just going to jump on it irrespective of what the economy is doing," he said.

The recent \$24.6 billion Kroger-Albertsons grocery store combination is an example of still trying to make the economics work, said S&P, which adds that sectors where technology can disrupt or bring efficiencies—such as healthcare, financial services, supply chain and energy management—can expect healthy activity. M&A in IT services also is expected to expand.

**CHARTER'S NEW GENERATION**

Thursday, Dec. 1, marked *Chris Winfrey's* first official day in the President/CEO seat at **Charter**, with longtime leader *Tom Rutledge* shifting to Executive Chairman through the end of his contract in November 2023. Winfrey addressed Charter employees via a wide-ranging video interview conversation hosted by Spectrum News 13 anchor *Ybeth Bruzual* that touched on his cable background before Charter, including his operational work across various markets in Europe. Rutledge, who has led the operator since 2012, really is moving out of the spotlight. Case in point, Charter's Dec. 13 investor update will feature Winfrey, CFO *Jessica Fischer* and Product and Technology President *Rich DiGeronimo* sharing details on the company strategy and plans going forward. On Thursday, Winfrey attended his first **NCTA** board meeting in D.C. as a director. It was also the inaugural board meeting for new member and **Hallmark Media** President & CEO *Wonya Lucas*.

**EVOCA ON VERGE OF SHUTDOWN**

**Evoca TV** announced late Wednesday it would shut down on Dec. 31 if it doesn't raise additional capital, but don't mourn the service quite yet. CEO *Todd Achilles* told **CFX** Thursday that the ATSC 3.0-based service has received an outpouring of support from subscribers and investors alike, and it is already well on its way to raising the funding it needs to go on. "The reality is this is the worst time in a decade to raise growth capital, and we're actually making really good progress on our funding," he said. "Since the announcement, we've had a couple of new parties actually reach out and approach us. So we remain optimistic we're going to get this thing closed and return to growth." News

of Evoca's financial struggle was released late Wednesday in an email to subscribers, noting it will continue service through the end of the month but will not accept new orders at this time. "The past few years have been marked with unique challenges which required constant adaptation: a pandemic, global supply chain issues and inflation. Our resourceful team responded with hard work and a

**Cablefax Executive Round Up**

**How do you keep your holiday programming fresh year after year?**



**Bill Abbott**  
President/CEO  
**Great American Media**

"To keep Great American Christmas fresh, cozy and memorable we spend a lot of time listening to our fans and learning about what our audience likes – and what they don't like. It all starts with talent, and our growing roster of beloved stars, including Candace Cameron Bure, Danica McKellar and Trevor Donovan, who are the best in the Christmas genre. Original music also plays a key role in our holiday strategy, and this year's slate features exceptional musical performances by the incomparable Gladys Knight, Hillary Scott (Lady A) and other talented artists."



**Hector Campos**  
VP, Content Strategy and Acquisition  
**Uptv**

"Our goal every year is to offer a variety of titles that capture the holiday spirit, but also feel unique and authentic. We have ramped up original productions and developed strong partnerships with distributors that share this vision. This year we have over 600 hours of Christmas programming filled with uplifting stories of romance and the true meaning of the season. The Most Uplifting Christmas Ever slate includes 17 premiere movies, an unscripted series and a music special."



**Samantha DiPippo**  
SVP, Development  
**Hallmark Media**

"We want all viewers to see their own unique stories in our holiday programming and this opens up the variety of stories we tell. For example, this year's holiday slate goes beyond romantic love. Romance is, of course, central to any Hallmark movie and our viewers will still find that, in addition to new stories about relationships between siblings, friends, mothers and daughters, neighbors and more."



**Tia Maggini**  
SVP, Scripted Programming  
**Lifetime**

"The key to keeping holiday programming fresh is to make sure that we're enlisting new voices and new talent for our movies. That starts with hiring writers, producers, directors, and actors who bring unique perspectives to the table and encouraging them to be their authentic selves. We need to constantly ask ourselves 'how can we approach this from a new perspective?' while still aiming to deliver the Christmas comfort food the audience craves."

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commitment to champion our mission to bring the best TV to our communities,” Evoca said in the email. “However, this is a difficult economy for a company like ours to raise the funding that we need to grow.” Achilles said the decision to notify customers was borne out of a desire to be transparent about the situation. Otherwise, he’s positive about the company’s position, citing churn rates of less than 1% and the fast-approaching milestone of 10,000 subscribers. It’s also no longer experiencing supply chain challenges when it comes to its set-top boxes. Subscribers took to social platforms, including **Reddit**, to express their disappointment about the potential shutdown and their frustration with the challenges of viewing local sports games that call RSNs like **Altitude Sports** home. Altitude, the home of the Denver Nuggets, the Colorado Avalanche and more, is available on **DirecTV** and **FuboTV** across the entire Altitude Sports broadcast territory and is also accessible in certain locations on the lineups of **Charter**, **TDS**, **Vyve Broadband** and others. It became harder to watch after **DISH** and **Comcast** chose to drop the network in August and September 2019, respectively. It did also briefly lose carriage on DirecTV at the same time before returning to the satellite offering’s lineup in November of the same year. “As a subscriber for this season I’ve been so satisfied. This is so disappointing. Makes me even angrier at this whole TV situation. It’s insane that it’s this tough for fans to even watch their local team,” one Reddit user said.

#### COX ON AFFORDABILITY MEASURES’ IMPACT

**Cox Communications** President *Mark Greatrex* was at the National Press Club in D.C. Thursday to tout the impact of the Affordable Connectivity Program and other affordable internet programs the cable operator offers. Cox surveyed a couple thousand customers who are participating in ACP, Connect2Compete or both. While a lot is made about the educational opportunity connectivity provides children, Cox found that 70% of those adults in the programs found a job or better job, 69% reported being able to perform at a higher level at work and 49% have received a promotion or increase in pay. Greatrex noted that 71% reported they can work remotely with Cox Internet, quipping that “you can earn pretty good coin” at Cox working remotely as a call center rep. Other findings: 90% said the internet had a positive impact on their children’s education and 48% had never had internet access at home before. “We’re curious and interested in measuring the impact that we’re having on peoples’ lives,” Greatrex told CFX. In fact, Cox’s press event included a customer in Arizona who is taking advantage of ACP as she pursues her education at Arizona State University. Also in attendance were White House Infrastructure Team advisor *William Fields* as well as Super Bowl champ, author, poet and literacy advocate *Malcolm Mitchell*, who has served as a digital equity advocate with Cox for more than a year now. “I don’t think I was fully invested in understanding digital equity until I started the partnership with Cox. I try to encourage [children], especially when we visit a Boys & Girls Club to introduce a Cox Innovation Lab, to understand that this is something you can use to explore your curiosity, to give you the tools and information you need to make a series of good decisions that lead you to your desired outcome.”

#### MALCOLM MITCHELL PAGING HALLMARK, LIFETIME

We couldn’t let *Malcolm Mitchell* escape Thursday’s presser without finding out about the status of a multi-camera comedy series based on his real-life experience as a college football star at the University of Georgia who ends up joining a book club with Southern women a generation older than him. In November 2019, *Deadline* reported that **Fox** had won a put pilot commitment for “Football Book Club” from Robert Horn and Scott Ellis, but there’s been no word since. “That was right before COVID when we started having serious conversations. Then once it took its effect, the conversation died,” Mitchell told **CFX**. “I would love to be on **Hallmark** or **Lifetime**. I can do that!”

#### DISNEY ACQUIRES MLB’S BAMTECH STAKE

**MLB** sold its 15% share of **BAMTech**, the streaming service technology company that powers **Disney+**, **ESPN** and **Hulu**, to **Disney**. According to the Mouse House’s 10-K filing with the **SEC**, the company [paid](#) \$900 million to buy out MLB’s remaining interest. *USA Today* [reported](#) that each MLB team will receive around \$30 million as a result of the sale. BAM-Tech was originally created by MLB in 2015 as a spinoff from MLB Advanced Media. Disney first entered the fray in 2016 when it bought a 33% stake for \$1 billion with the option to purchase a majority share in the future. Five years later, Disney purchased the **NHL**’s 10% stake in Aug. 2021.

#### PLUTO LIVE IN CANADA

**Paramount Global**’s FAST platform **Pluto TV** went live in Canada on Thursday. The service is partnering with the mass media company **Corus Entertainment** to help add Canadian content as well as handle Pluto TV’s ad sales. As part of the launch, Pluto will have six home and DIY-themed channels as well as French-language content on top of the current channels dedicated to “The Andy Griffith Show,” the “CSI” franchise and others. Viewers will also have access to Global News channels from cities including Toronto, Montreal, British Columbia, Calgary and Edmonton.

#### SPECTRUM ENTERPRISE GOES 100 GIGS

**Spectrum Enterprise** is now offering data services across its fiber network capable of delivering speeds of 100 Gbps. Supported use cases include public cloud access, high-speed trading, video collaboration, file sharing and internet access.

#### CARRIAGE

**DirecTV** is making **discovery+** available to its DirecTV and **DirecTV Stream** customers, effective immediately. Anyone who subscribes to discovery+ through their DirecTV service will receive a \$2/month discount on their video service. DirecTV plans to offer similar deals with other streaming services in the future.

#### PEOPLE

A pair of changes are coming to **NCTA**’s Political Action Committee: leader *Eleanor Winter* and CTO *William Check* are retiring. Winter—who’ll step aside at the end of 2022—has been involved with NTCAPAC for 34 years, helping members become more involved in the political sphere. *Christine Broadus*, a 25-year veteran with NCTA, will succeed Winter. Check will retire mid-Dec., and a search for his replacement is underway.

# PROGRAMMER'S PAGE

## 'A Holiday Spectacular' Charts Rockettes' Future

The holiday season is magical in the Big Apple thanks to bedazzled storefronts, the Rockefeller Plaza tree lighting and the return of the Rockettes to Radio City Music Hall. Dancers everywhere dream of finding a spot in the lineup, including the protagonist in **Hallmark Channel's** latest holiday film. "A Holiday Spectacular" (premiered Sunday) centers on a heiress who escapes to New York City in hopes of dancing as a member of the Rockettes on the historic stage. It is set in 1958, a pivotal year for the Rockettes that sealed them as a holiday must-see for New York City visitors. "The first year they were ever in the Thanksgiving Parade was 1957, so that was a huge turning point for them, and this is also a huge turning point for our character and women in general in the late '50s really coming into their own and realizing that they can follow their own dreams and not just what society planned or expected for them," writer *Julie Sherman* said during an appearance at **TCA's** summer press tour. The film offers a diverse cast of characters, something that's particularly notable given that the Rockettes didn't welcome a Black woman into their ranks until 1987. It was a choice made to reflect the future of the performance group and the hope that women of all backgrounds will make their way into the chorus line. Earlier this year, the Rockettes lowered the height requirements of dancers auditioning to be a part of the annual Christmas Spectacular for the first time in 15 years. The range is now 5'5"-5'10.5". "We are really just excited to have diversity on the screen, and with the height adjustment this year for the auditions, that opens up the job to hundreds of women who can come and audition to be a Rockette," current Rockette *Sydney Mesher* said. "It's really important to us to have diversity be at the forefront so everybody sees themselves represented in the line." – *Sara Winegardner*

### REVIEWS

"Fleishman is in Trouble," streaming, **FX** on **Hulu**. For those who like reading, *Taffy Brodesser-Akner's* novel, which gives its name to this series, is a terrific read. That it's her first novel and her 'day' job is at the NY Times, make it more impressive. Now, she's got a well-received series on her resume. Viewer beware, the series isn't a picnic. Its first-world problems may not appeal to everyone. The protagonist is Toby Fleishman (a fabulously believable *Jesse Eisenberg*), a hospital doctor. Wife Rachel (*Claire Danes*) is a highly successful talent agent. Though Toby earns well, and the couple and their 2 young kids live what most would call a very good life, Rachel wants him to make more money. Sadly, they divorce. Even more sadly, Rachel splits, disappearing completely. This leaves Toby flummoxed and with two privileged children, who were expecting a summer in the Hamptons. (In the divorce, mom got the home in the Hamptons.) On top of that, Toby is discovering the delights of being single in NYC. As we said, first-world problems, yet for those interested, the cast and writing are top-notch. – "Frontline: Crime Search: Bucha," premiere, Tuesday, **PBS**. Loyal readers know your critic is a "Frontline" devotee. Still, the series is outdoing its usual high standards with its work on Ukraine. This latest installment is tremendous. – *Seth Arenstein*

BASIC CABLE		
P2+ PRIME RANKINGS*		
(11/21/22-11/27/22)		
MON-SUN	MC	MC
	US	US AA
	AA%	(000)
<b>ESPN</b>	<b>0.819</b>	<b>2556</b>
<b>FNC</b>	<b>0.526</b>	<b>1643</b>
<b>HALL</b>	<b>0.491</b>	<b>1534</b>
<b>PRMNT</b>	<b>0.326</b>	<b>1017</b>
<b>MSNBC</b>	<b>0.235</b>	<b>733</b>
<b>HGTV</b>	<b>0.224</b>	<b>699</b>
<b>FOOD</b>	<b>0.224</b>	<b>698</b>
<b>TLC</b>	<b>0.219</b>	<b>683</b>
<b>HIST</b>	<b>0.205</b>	<b>641</b>
<b>INSP</b>	<b>0.196</b>	<b>612</b>
<b>HMM</b>	<b>0.193</b>	<b>602</b>
<b>TBSC</b>	<b>0.181</b>	<b>565</b>
<b>USA</b>	<b>0.180</b>	<b>561</b>
<b>TNT</b>	<b>0.170</b>	<b>530</b>
<b>A&amp;E</b>	<b>0.161</b>	<b>503</b>
<b>DISC</b>	<b>0.160</b>	<b>501</b>
<b>ID</b>	<b>0.156</b>	<b>486</b>
<b>TVLAND</b>	<b>0.146</b>	<b>455</b>
<b>FRFM</b>	<b>0.145</b>	<b>451</b>
<b>CNN</b>	<b>0.141</b>	<b>441</b>
<b>BET</b>	<b>0.137</b>	<b>427</b>
<b>LIFE</b>	<b>0.131</b>	<b>410</b>
<b>FX</b>	<b>0.126</b>	<b>392</b>
<b>REELZ</b>	<b>0.124</b>	<b>389</b>
<b>COM</b>	<b>0.108</b>	<b>336</b>
<b>AMC</b>	<b>0.103</b>	<b>322</b>
<b>BRAVO</b>	<b>0.096</b>	<b>301</b>
<b>WETV</b>	<b>0.096</b>	<b>301</b>
<b>GSN</b>	<b>0.095</b>	<b>296</b>
<b>OXY</b>	<b>0.092</b>	<b>286</b>
<b>NATGEO</b>	<b>0.089</b>	<b>277</b>
<b>ESPN2</b>	<b>0.087</b>	<b>271</b>
<b>FXX</b>	<b>0.084</b>	<b>263</b>
<b>FS1</b>	<b>0.079</b>	<b>248</b>
<b>SYFY</b>	<b>0.079</b>	<b>246</b>

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

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