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WHAT THE INDUSTRY READS FIRST

Standalone Starz: Company Sees Bundles, Partnerships & More IP Ahead

Starz got its chance to shine Thursday in its first earnings report since being spun off from **Lionsgate**, with President/CEO *Jeffrey Hirsch* tackling consolidation possibilities and growth opportunities.

"I'm not going to get into a lot of detail on any M&A at this point, but I do think we have built a really unique and special business, especially the backend. We've got a phenomenal tech backend with a with a great data stack, and the app has continued to be one of the highest-rated apps in the business," he said during the company's earnings call. "It allows us flexibility to go build and diversify our revenue stream around ad-supported content, not just the Starz SVOD content."

Hirsch said that could mean partnerships with other brands "that are kind of marooned on the linear side" that want to get into digital—particularly those focused on women and underrepresented audiences. He wasn't naming any names (**TV One** and **CLEO TV** came to ***CFX***'s mind), with the exec saying he wasn't going to discuss whether it was a commercial arrangement or something different.

Starz has been aggressive on the bundling front, partnering with **Verizon** to offer a year of Starz included for eligible home internet customers, striking a deal for 30 days of access with **YouTube TV** and also teaming up for packages with **BET+**, **Max**, **BritBox** and **AMC+**. "I think we're sort of leading the industry in bundling because, as Jeff mentioned, we've really been billed as a differentiated, complementary service to all of the broad-based streamers. North of 20% retention is what we're seeing on a bundled customer," said Starz Networks President *Alison Hoffman*. "On the platforms where we bundle, we're also seeing the benefit of net new customers coming in, because remember, you're putting your programming slates together, and so you're able to really juice gross adds when you do that."

Starz ended the first three months of 2025 with 18 million total U.S. subs—an increase of 320,000 from the prior quarter. Its OTT subs in the U.S. and Canada totaled 12.3 million, a 530,000 sequential increase that was driven by the March Season 4 premiere of "Power Book III: Raising Kanan." Customer acquisition for the premiere week was 50% and 30% higher than Seasons 2 and 3, respectively.

Overall North American subscribers dipped 330,000 to 19.6 million, however, thanks to an ongoing carriage dispute in Canada that saw the Starz linear channels removed from **Shaw**/**Rogers**. "Due to the extremely low ARPU associated with the linear Canadian subscribers, this did not have a material impact on either revenue or Adjusted OIBDA," Starz said. For its fiscal 4Q, total revenue came in at $330.6 million, down from $352.4 million a year ago. Adjusted OIBDA climbed from $45.5 million to $93.3 million, but hit Starz's goal of $200 million for the full year.

Hirsch said Starz expects to see revenue growth sequentially in 3Q and 4Q, adding that the company was still feeling the effects of last year's Hollywood strikes as well as a lot of holiday roll off of customers in the first part of the year. Not helping was that Raising Kanan premiered late in the quarter, so Starz didn't get the full impact on revenue.

As a standalone company, Starz is focused on building up its IP library without Lionsgate. "We will always have great content with our partners at Lionsgate around the Power series. We have 'Outlander' with **Sony**, but we believe that coming into '27, half the slate will be ours, and then we'll continue to add into that as we go," Hirsch said.

VERIZON PREPPING FOR CONVERGENCE COMBAT

The thread connecting the recent flurry of M&A in telecommunications boils down to the pursuit of convergence. It's something **Verizon** EVP and CEO of its consumer unit *Sowmyanarayan Sampath* remains concentrated on as the company gets ready to absorb **Frontier Communications**. Of course, Sampath and Verizon want to lead the pack when it comes to converged offerings, but in his view, a couple of factors are necessary in order to reach that point. First is the need for owners' economics on both mobility and broadband, and second is offering quality products that gain and retain customers. Verizon already has a head start with mobile—despite a "little bit of a price premium problem a couple of years ago" Sampath referenced—and FWA, which will be used with fiber to help the provider reach its goal of 200 million homes covered. "When we put fiber together, we see [a] 40 to 50% reduction in churn, both on the mobility side and the fiber side. On FWA, we're starting to see good churn benefits as well," Sampath said during an appearance at a **Bernstein Research** conference Thursday. Case in point: he disclosed that Verizon's FiOS churn for 1Q25 was less than 1% among blended customers. It ties back to fiber being "a better product," especially as consumers yearn for symmetrical speeds to support aspects like working from home or gaming. Although Sampath credited fiber as being the superior product, a sustainable FWA business is vital in Verizon's competitive position with cable operators. He pointed to FWA providing good value for customers, considering its average price range of $40-45. Plus, Sampath added that almost 75-80% of Verizon's FWA customers are also mobile subscribers, and a majority of FWA users come from cable. "We are segmenting the market really well on FWA and fiber, and it makes it very difficult for cable to compete, because if they have to compete with FWA, they have to lower price by $30. If they have to compete with fiber, they have to invest in upgrading their plant and customer service and reliability, which is tough," Sampath said. But if Verizon wants to compete with cable, will that impact its relationship with those companies as they evaluate MVNO partners? Sampath declined to comment on any commercial discussions, but did emphasize that cable folks are an important strategic partner and will be for the foreseeable future.

USA SWIMMING, NBC SPORTS RE-UP RIGHTS DEAL

USA Swimming and **NBC Sports** agreed to extend their media rights pact through 2028. Each year, NBCS, along with NBC and **Peacock**, will host events such as the Toyota National Championships, the TYR Pro Swim Series and the Pan Pacific Swimming Championships, which is a long-course event featuring the U.S., Australia, Canada and Japan that takes place in even years between Summer Olympics. It'll return next year following an eight-year hiatus, with the 2022 edition being canceled due to COVID-19. NBCS said the extension adds to its Olympic sports coverage that takes place between Olympic Games.

ACA CONNECTS OUTLINES RATE REGULATION'S POTENTIAL IMPACT

ACA Connects has never been a fan of rate regulation, joining an unsuccessful legal challenge of New York's law requiring ISPs to offer low-income households broadband at reduced rates. Now, it's putting up some numbers, sharing an analysis from **Cartesian** that found laws capping rates for lower-income subscribers would hurt consumers as well as lead to a drop in competition, ARPU, investment and innovation in the sector. Or as ACA Connects SVP, Legal & Regulatory Affairs *Brian Hurley* put it during a briefing on the report Thursday: "Rate regulation is no free lunch" and would "destroy business cases to build and upgrade networks." Cartesian modeled a $30/month rate applicable only for low-income subscribers and found ARPU would fall by 6% and capital expenditures would decline by between 19% and 39%. A $15/month rate would see ARPU fall by 14% and capital expenditures by between 41% and 56%, according to its model. Cartesian VP *Michael Dargue* presented a state-by-state breakdown of legislation currently being proposed. New York passed the Affordable Broadband Act in 2021, which requires broadband operators to offer lower-income households 25 Mbps internet speeds at $15/month and 200 Mbps at $20/month. The law went into effect in January. Massachusetts, Vermont, Maryland, Minnesota and Connecticut are considering following New York's lead with similar regulation, while California legislators are proposing a law that would require ISPs to offer lower-income households 120 Mbps at $15/month. Tennessee, meanwhile, is on ACA Connects' nice list. The Volunteer State has passed legislation that exempts broadband providers from being classified as public

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utilities and prevents local governments from imposing regulations on rates, terms, entry or conditions of broadband services. "We often hear that broadband is spoken about like a utility, and certainly it does share some traits with infrastructure-based utilities such as electricity and water," Dargue said. "However, it's important to recognize that they are very different markets. The competitive nature of broadband really sets it apart."

FX'S 'ADULTS' IS SNACKABLE

Apparently, **Quibi** walked so **Disney** could run. Comedy series "Adults" is not only debuting on **FX** and **Hulu**, but the first episode has also been cut up into "snackable segments" that users can watch on FX's **TikTok** and **Instagram** accounts. This social media release is not unlike the Quibi model that saw original series drop in short-form "quick bites" for viewers to eat up whenever they had a few minutes of free time. (Unfortunately, there weren't all that many hungry customers in the end and Quibi shut down after about six months of operation in 2020.) But 2025 is a very different time: the twenty-something Gen Z and late Millennial users who make up Adult's target audience have now fully embraced short-form content on social platforms, and Disney is meeting the consumers where they are. And who knows, the move may even convince TikTok and Instagram users to go and watch the rest of the reason, which released in full on Hulu. The first episode is also available on Hulu's **YouTube** channel and FX's **Facebook** channel.

NASCAR'S PRIME DEBUT

Prime Video jumped in the driver's seat this past weekend to make its **NASCAR** debut. The streamer's first of five exclusive Cup Series races this season took place Sunday with the Coca-Cola 600, and **Nielsen**'s Big Data + Panel measurement revealed an average of 2.72 million viewers P2+ were tuned in, peaking at 2.92 million from 8:15-8:29pm ET. For comparison, last year's Coca-Cola 600 on **Fox** recorded 3.1 million viewers. An average of 1 million viewers from the P25-54 demo were watching this year's event, while the P18-49 and P18-34 groups came in at 800,000 and 229,000, respectively. The overall audience's median age was 55.8, compared to the 61.9 median age watching Cup Series races on linear networks. That line caught the attention of **Fox Sports** President, Insights & Analytics *Michael Mulvihill*, who took to X to claim the age discrepancy isn't as positive as it seems. He disclosed that although the P18-54 group gained 147,000 viewers YOY, the 55+ subset dropped by 730,000. Nevertheless, Prime Video is working with DirecTV to make races available to **DirecTV for Business** customers. That means over 300,000 sports bars, restaurants and other commercial venues will air Prime Video's five-race slate each year, including the four remaining events it'll host this season. Its next race comes Sunday at 6:30pm with the Cracker Barrel 400.

MAY RATINGS

In a month that had the **NBA** and **NHL** Playoffs in full swing, **TNT** took the primetime crown among cable networks. It averaged 2.91 million viewers P2+ in May, with **Fox News** not too far behind with 2.46 million. **ESPN** checked in with 1.93 million, followed by **MSNBC** and **HGTV** with 877,000 and 567,000, respectively. Fox News led the way in total day with 1.56 million. TNT came second with 666,000, and ESPN (628,000), MSNBC (545,000) and **CNN** (353,000) rounded out the top five. ESPN got some help from Sunday Night Baseball as Sunday's Mets-Dodgers telecast recorded 1.7 million average viewers, with a peak of 1.9 million. **MLB** on ESPN is up 16% compared to 2024 so far. Could that be enough for the network to change its stance on MLB rights? – May was another month where **Spectrum News** led the way throughout its footprint. It was the most-watched news network among Spectrum homes, averaging 1.8 million daily viewing households across its linear and digital platforms. That beat the broadcast nets as well as Fox News, MSNBC and CNN.

PEOPLE

David Leavy is moving back to parent company **Warner Bros. Discovery** after a two-year tenure as **CNN** COO. Leavy's new role at WBD is unknown. He previously served as Chief Corporate Affairs Officer under WBD boss *David Zaslav*. – **AMC** promoted *Olivia Dupuis* to EVP of Publicity. Dupuis, who joined AMC in 2007, will head up consumer publicity and talent relations across the company's entertainment brands and platforms. – *Ken Klaer*, *Charlotte Field* and *Tom Monaghan* have joined the **SCTE Foundation**'s board of directors. Additionally, Klaer, who recently retired as EVP, **Comcast Cable** and President, **Comcast Technology Solutions**, was elected President and Chair of the SCTE Board.

BASIC CABLE P2+ PRIME RANKINGS*
(05/19/25-05/25/25)

MON-SUN	MC US AA%	MC US AA (000)
TNT	**0.867**	**2750**
FNC	**0.747**	**2369**
ESPN	**0.632**	**2005**
MSNBC	**0.242**	**766**
HGTV	**0.184**	**584**
USA	**0.141**	**448**
INSP	**0.133**	**423**
HIST	**0.130**	**414**
HALL	**0.130**	**412**
TRUTV	**0.127**	**403**
FOOD	**0.124**	**392**
CNN	**0.120**	**381**
TLC	**0.120**	**380**
TBSC	**0.116**	**368**
DISC	**0.112**	**354**
TVLAND	**0.094**	**300**
GSN	**0.092**	**291**
ID	**0.091**	**290**
HALLMYS	**0.081**	**257**
PRMNT	**0.080**	**252**
WETV	**0.074**	**235**
ADSM	**0.073**	**231**
AMC	**0.073**	**230**
BRAVO	**0.072**	**229**
ESPN2	**0.072**	**229**
A&E	**0.072**	**227**
NWSMX	**0.071**	**227**
FRFM	**0.070**	**221**
LIFE	**0.069**	**218**
NAN	**0.069**	**218**
SYFY	**0.069**	**218**
OXY	**0.062**	**197**
REELZ	**0.061**	**195**
FX	**0.060**	**191**
COM	**0.051**	**163**
NATGEO	**0.051**	**162**
SNDNCE	**0.049**	**156**
IFC TV	**0.048**	**151**
TRAVEL	**0.048**	**151**
BET	**0.047**	**150**
MTV	**0.045**	**143**
FETV	**0.042**	**134**
FXX	**0.041**	**131**
LMN	**0.041**	**131**
CMT	**0.041**	**130**
HLN	**0.040**	**128**
MLB	**0.038**	**122**

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