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OVERVIEW:

Company Summary

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Elad Nafshi *Comcast Corp - Executive Vice President, Chief Network Officer - Comcast Cable*

CONFERENCE CALL PARTICIPANTS

Jonathan Chaplin *New Street Research - Moderator*

PRESENTATION

Jonathan Chaplin - *New Street Research - Moderator*

Everybody, thanks for joining us this afternoon. We saved the best session for last. I'm glad to introduce Elad Nafshi, who I think is really important for all of you to hear from for a couple of reasons.

Firstly, I think he sits at the sort of center of the real innovation that's happening within the broadband ecosystem generally. And because of that, can address what I think is the biggest controversy for the cable industry, which is, is HFC competitive against fiber over the course of the long term? Does it give you the right to 50% market share or thereabouts over the course of the long term? And if not, what does the cable industry do.

Elad, thanks so much for being here.

Elad Nafshi - *Comcast Corp - Executive Vice President, Chief Network Officer - Comcast Cable*

Thank you so much for having me.

QUESTIONS AND ANSWERS

Jonathan Chaplin - *New Street Research - Moderator*

Yeah. And I guess I'd love to kick off right there. What makes, in your view, Comcast's network competitive vis-à-vis fiber today?

Elad Nafshi - *Comcast Corp - Executive Vice President, Chief Network Officer - Comcast Cable*

Yeah. So first and foremost, thank you for having me. It's a pleasure being here today. Thank you for enduring all until the end of the day to listen to the main event. I appreciate that.

Let's take a step back for a second, okay? The Comcast network passes over 64 million homes. We serve 39 different states. We operate the largest gig network of the nation. If you take all the fiber folks combined, they're less than 50 million homes. And so we are already competitive, and we've been competing with fiber for many, many years.

When you look at the technology that powers our network, we've invested and continue to invest in this network to make it competitive and make it competitive into the long term. We have worked on the architecture that delivers our connectivity services for the past six, seven years. It's now reaching mass scale. This architecture is very unique, in it's building on our experience. So we've had launching the X1 entertainment platform. And it enabled us to disaggregate and virtualize our network, which means we can innovate at the speed of hardware and the speed of software and innovate faster than ever before.

We're able to have seamless fiber optionality and deliver the right service to the right customer without needing to dig up and overbuild ourselves. We are able to launch gig symmetrical services across our footprint, and we can talk more about that if you'd like. And we're able to embed AI deeper than any other provider into our network that enables us a couple of things.

First, it powers the multi-gig symmetrical services. The second one is it provides us with real-time visibility and network disruption, pattern detection, all in real time, which means we're going to be able to self-heal in real time where we can, and where we can't we're able to resolve the network issues faster than any other provider.

This network is also operating the largest Wi-Fi network in the country, and this is a perfect segue into our ability to deliver the best and fastest converged services in a home whether it's over Wi-Fi, whether it's over 5G. And we're already doing that with innovative features like the Wi-Fi boost, which puts us in a position to be the only provider out there that is capable of delivering gig speeds over wired or wireless and do that completely seamlessly. And so we feel really good about the network that we have and we continue to have.

Jonathan Chaplin - *New Street Research - Moderator*

And so the sort of the transformation that you've talked about, you call Project Genesis. Where are you in the implementation of Project Genesis?

Elad Nafshi - *Comcast Corp - Executive Vice President, Chief Network Officer - Comcast Cable*

Yeah. So Genesis is really, really exciting. It's a true transformation of what a cable network looks like. And let's take a step back and think about this. A cable network, was still very a robust network. We help more Americans than any other company, educate from home, be entertained at home, and shield at home during COVID. And we added 3 million subscribers in that process, so we already had a really strong network.

But what we've done now is we've pioneered a whole new generation of virtualized edge compute architecture that brings the absolute best connectivity as close to the customer as possible. And what that enables us to do is, first of all, it enables us to launch these multi-gigabit speeds. It enables us to innovate faster than ever before and enables us to offer the most reliable services in that context.

The architecture abstracts the wire. We could serve the same customers with the same speeds, with the same operations and telemetry and automation, whether you're connected to coax or fiber, it doesn't matter. We don't need to change anything on our back end. And we're able to do that across our footprint.

So online for competitors that have, well, it depends on which year we installed what, we're able to roll that out to each and every one of our 64 million-plus homes.

Now, Genesis is something that we've been working on for several years now. It's over 50% complete in terms of the execution. And the execution itself is by phases.

When you look at where we are today, we start by rolling out something called mid-split over this virtualized architecture. And what mid-split enables us to do is offer multi-gig services first and foremost, but it also enables us to change the parameters in terms of the speed symmetry and offer a lot more symmetric speeds. It puts all of the architecture that is necessary to have that seamless automation, to have that AI-driven operations, to have the real-time telemetry and visibility into each of our customers' homes and be able to optimize that with AI that we've built and architected in order to truly optimize the customer experience down to the customer's home.

I'll give you an example. We have a platform we call Octave, which basically looks at 4,000 different data parameters across the 50 million-plus devices that connect to our network. In every 20 minutes, it makes a decision on how to optimize that content delivery down to the individual customer's home. That is rolled out nationally, and that is what powers our connectivity business.

That level of sophistication is what enables Genesis to be this network transformation. And like I said, we're over 50% complete now. We'll be at about 70% by the end of the year.

Now, the next phase of Genesis is rolling out what we call DOCSIS 4.0 FDX services. And what DOCSIS 4.0 enables us is over the same architecture with an electronic and software download, we're able to roll out multiple gigabit symmetrical services now, across our footprint, with an incremental step and be able to do that across our footprint.

What it also enables us to do is, in order to launch DOCSIS 4.0, we take advantage of a new generation of edge compute devices in the nodes and amplifiers that have embedded AI built in there.

So think about what we're able to do. Unlike the fiber competition, I could basically have glass pipes that lead to the home and if they break, they break. For us, we have embedded AI in the network, literally feet away from the customer, with real-time pattern detection capabilities that says, what is going on with your home. And we're able to detect that in real time, and we're able to action on that in real time.

And so this is a transformation not just from the serviceability and the speed, et cetera, but also with what we are now able to offer in terms of reliability and in terms of scale. And so Genesis is that transformation across our footprint, and we're very, very excited about it.

Jonathan Chaplin - *New Street Research - Moderator*

So just to clarify, you're 50% done on the mid-split piece of it and will be 70% done of the mid-split piece of it this year? And then the DOCSIS 4.0 overlay happens after you get done with the mid-splits or they happening in --

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Elad Nafshi - *Comcast Corp - Executive Vice President, Chief Network Officer - Comcast Cable*

No. So we're already doing that. So we already have millions of homes connected to DOCSIS 4.0 today. We'll probably add another about 10% of the company before the end of the year. And what we're going to be able to do is really scale from there broadly in 2026, because all the pieces are there.

Now, when you think about and really take a step back at what makes us different, what makes this unique, okay, is it already builds on all the pieces that we put in place for mid-split and builds on top of that. Number one.

The second one is it is a very cost-effective way of being able to transform our network. And so unlike the telco competitors that have to overbuild themselves and rip out all of their legacy, for us, it is a very capital-efficient upgrade that costs a fraction of what it would cost to overbuild with fiber and execute much, much faster than any of our competitors.

Jonathan Chaplin - *New Street Research - Moderator*

So on the cost, I think when you were setting out on this project, you set the cost at less than $200 per home passed. Where does it come in?

Elad Nafshi - *Comcast Corp - Executive Vice President, Chief Network Officer - Comcast Cable*

It really is on a gross level at less than $200. But really, when you take a step back and think about the net, we do capacity augments all the time, right? We invest in the network regardless. So the net cost of doing the Genesis upgrades is less than that. And this is now in scale production as we're building this. It is incredible to see the transformation in field.

I will tell you that the results that we're seeing in terms of performance and in terms of our ability to roll this out, the automation, the AI efficiencies that we're able to gain are truly game changers, and we're very, very happy with the results to date.

Jonathan Chaplin - *New Street Research - Moderator*

Yeah, and so when you get to 70% on Phase 1, does the Phase 1 process slow down? And when do you get to 70% on Phase 2?

Elad Nafshi - *Comcast Corp - Executive Vice President, Chief Network Officer - Comcast Cable*

Yeah. So again, having the ability to roll out the 4.0 step incrementally, gives us an opportunity to really look at where our business priorities are and where we're going to invest. And we see MDUs and commercial services as a huge opportunity as we're starting to roll out this technology. And in due course in time, it will not go to 70%, it will go to 100%, but we're not going to stop, and we're not going to slow down. We're going to keep going and add the 4.0 step as we're prioritizing where the business opportunities are.

Jonathan Chaplin - *New Street Research - Moderator*

Got it. And then what do you need to do with the equipment in the home to make 4.0 work?

Elad Nafshi - *Comcast Corp - Executive Vice President, Chief Network Officer - Comcast Cable*

That's what makes it so exciting. This is where the true converged Comcast experience comes in. Incrementally, we're going to install the world's most advanced gateway device, which has Wi-Fi 7 services, enabling customers to connect up to 300 devices in home, really take advantage of the multi-gig symmetrical services with the seamless optionality of fiber and coax and be able to offer that best converged experience in home.

When you take into consideration the fact that 90% of our Xfinity mobile customers' data is carried over our Wi-Fi, this is really where it comes together and it shines.

Jonathan Chaplin - *New Street Research - Moderator*

Yeah. And the process of getting there, will you sort of force migrate people onto the new gateways or that will happen at the proper-

Elad Nafshi - *Comcast Corp - Executive Vice President, Chief Network Officer - Comcast Cable*

We don't like to see it as force migrating. I think that the customers will be delighted.

Jonathan Chaplin - *New Street Research - Moderator*

Force upgrade?

Elad Nafshi - *Comcast Corp - Executive Vice President, Chief Network Officer - Comcast Cable*

It's -- the short answer is no, right? I mean, this will be a natural progression of our products and services. We roll out gateways all the time. We just -- last year, we rolled out the first Wi-Fi 6E gateway, and now, we're going to add the Wi-Fi 7 gateway. We're very, very excited about this suffice I can tell you I have it in my home, it is fantastic.

And I think that our customers will absolutely be delighted by the enhanced Wi-Fi performance, and that seamless convergence that it will offer and obviously, take advantage of the new network capabilities that we're adding.

Jonathan Chaplin - *New Street Research - Moderator*

Got it. So I think we've got a really clear picture of what the transformation sort of enables within the network. What does it mean for Comcast from a P&L perspective? And how does it change the experience for end users?

Elad Nafshi - *Comcast Corp - Executive Vice President, Chief Network Officer - Comcast Cable*

I'll start on the first one, okay? We are very proud of the products and services that we offer today. We think that the Genesis transformation is already putting out the best connectivity services period.

I haven't even talked about how we do fiber than anyone else. You're welcome to ask me that question. I was teasing you. But the -- what it enables us to do is it enables us to continue to evolve and make it even better, even faster with even lower lag, which is also critical. We're the first operator in the world to launch new low lag services that are better than fiber performance and do that across the footprint. It enables us to run this AI automated operations that currently today automates over 99.7% of all software changes that we're making on the network.

Why is that important? Well, because when you look at some of our telco competitors, that are still reliant on vendor proprietary hardware that all is hand configured. It's that operator at the end of day that makes a mistake and causes a national outage that we've bypassed. And all of that sophistication really transformed what reliability is and what our quality of services are. And so very proud and very excited about that.

In terms of the P&L, I have nothing else to communicate beyond the guidance we've already given other than that we're executing very well to the plan that we've communicated and continue to execute to it.

Jonathan Chaplin - *New Street Research - Moderator*

Got it. And the reason for ultimately doing all of this is just to be able to service the incredible growth on -- in traffic that you have on your network. What's driving that growth at the moment?

Elad Nafshi - *Comcast Corp - Executive Vice President, Chief Network Officer - Comcast Cable*

I -- this is going to be my 20th year at Comcast, okay? And when I joined the company, the fastest cable modem speed we had was 3 megabits per second, okay? And we're working on 3 gigabits per second now.

And so think about that. In the 20 years that I've been here with the company, we've increased our speeds by 1,000 times. And every time you think that you reach the end of the Internet, Internet will find something else.

And so this was a great year. I don't know if you noticed because New York doesn't really have a football team. But the Philadelphia Eagles won the Super Bowl this year. And if you look at the traffic on the Internet year over year, right, Super Bowl of last year, the Super Bowl of this year, we saw a 16.5% increase in traffic.

When you look at the Olympics, which if you really wanted to experience the best Olympics experience, you should be an Xfinity customer. 25% of our Olympics traffic was in 4K.

When you look at the number of devices that we have connected to the in-home network, every year it increases. When you look at what the network has gone through just in the past five years, forever, the prime time peak was on Sunday, 8:00 to 9:00 PM, Game of Thrones, the Walking Dead, those type of shows.

Then during COVID, a transition to 10:00 AM to 5:00 PM, really driven by home schooling and work from home.

And then coming out of COVID, it shifted to Thursday night at 8:00 PM, driven by Thursday Night Football.

And so when you look at the top 10 of 12 peaks on the network this year, they were all a combination of gaming and sports, live sports. By the way, not the Tyson fight. And that broke Netflix, not us.

And what you really look at is traffic is not abating. Tonnage delivered to the home, it was 500 gigabytes during COVID, it's 800 gigabytes on average now. Commercial services has increased over 140% tonnage-wise from COVID to today. And so we're certainly not seeing that abating. And we see that, that is a huge competitive advantage as compared to fixed wireless and capacity constraint and down resolution and everything else that they have to do in order to manage their capacity.

Jonathan Chaplin - *New Street Research - Moderator*

So I'm glad you brought up enterprise. How is this new network enabling you to go after the enterprise opportunity?

Elad Nafshi - *Comcast Corp - Executive Vice President, Chief Network Officer - Comcast Cable*

So this is something that excites me tremendously, because being able to deliver commercial services on our network is a huge opportunity for us because at the end of the day, it improves everything.

The burden, the necessity to make sure that the reliability is there not just for residential customers, but for commercial customers and now at a different level, it's something that ups our game entirely. They benefit tremendously from the increased speed symmetry that we're able to offer with Project Genesis. They benefit tremendously from our ability to drive the new reliability into the network. And as you think about the DOCSIS 4.0 rollout and what we're able to do for business services, I'm super excited with what's to come.

Last year, end of last year, we launched a new exciting product we call Dedicated Internet, which basically enables us to offer Ethernet services to businesses over coax or fiber with the same SLA, with the same performance, with the same speed that's being delivering only much, much faster.

When you look at how many months it takes to construct fiber in some markets versus, oh, I can schedule you on Monday. And that's really the transformation that this network investment in Project Genesis enables us to bring to CB.

Jonathan Chaplin - *New Street Research - Moderator*

Got it. And you mentioned a moment ago that you've got the largest Wi-Fi network in the country. How does the network transformation impact your mobile business?

Elad Nafshi - *Comcast Corp - Executive Vice President, Chief Network Officer - Comcast Cable*

It only makes it better. It only makes it more converged because there's 23 million Wi-Fi hotspots that we have, it is how many of our customers get to experience this network. This is how we are able to differentiate and bring that convergence between XM and the Wi-Fi experience.

I talked about the fact that 90% of the traffic, mobile traffic, is offloaded to our Wi-Fi. The remaining 10%, we have a great MVNO relationship with Verizon. And every day, we have an opportunity to make that even better reliant on Project Genesis and the new gateway devices and so on and so forth. And so I think we have a very exciting opportunity to deliver and continue to deliver the most converged, most advanced, and fastest wireless services.

Jonathan Chaplin - *New Street Research - Moderator*

And with the benefits you get with Wi-Fi 7, does it obviate the need to deploy CBRS and shrink that 10% down further?

Elad Nafshi - *Comcast Corp - Executive Vice President, Chief Network Officer - Comcast Cable*

Yeah. So when you really think about -- we are obviously deployed CBRS in several of our markets. We're very pleased with the results to date, but we're also very, very pleased with the performance on our Wi-Fi network. And so we ultimately optimize to the performance.

If we decide to expand the CBRS deployment, it would be within our guidance. It's very capital efficiency. It is not going to be a new set of investments.

Jonathan Chaplin - *New Street Research - Moderator*

Got it. But the -- would it bring anything from a product perspective that you can't get with Wi-Fi 7?

Elad Nafshi - *Comcast Corp - Executive Vice President, Chief Network Officer - Comcast Cable*

Not really. The coverage when you see where the offloading opportunities are, which are kind of those dense urban centers with Wi-Fi 7 coverage, that's going to be pretty robust.

Jonathan Chaplin - *New Street Research - Moderator*

And does Wi-Fi 7 increase the ability to offload from Wi-Fi 6 and what came before?

Elad Nafshi - *Comcast Corp - Executive Vice President, Chief Network Officer - Comcast Cable*

We really think about what are the incremental benefits of Wi-Fi 7: speed, performance, reach, et cetera. So the short answer is yes.

Jonathan Chaplin - *New Street Research - Moderator*

Mostly as a function of the increased reach?

Elad Nafshi - *Comcast Corp - Executive Vice President, Chief Network Officer - Comcast Cable*

Well, not only that and also the function of how many devices you can have connected and so forth. And so it's just the next progression that we're going to be able to leverage as part of our offload efforts.

Jonathan Chaplin - *New Street Research - Moderator*

So you said a moment ago that you deliver fiber in a different way from all of your competitors. Can you tell us how you do it?

Elad Nafshi - *Comcast Corp - Executive Vice President, Chief Network Officer - Comcast Cable*

Totally. So we really do fiber better than anyone else. And we build fiber all the time.

In fact, our network is expanding at the fastest rate in our customer -- in our company's history as we continue to grow the network. And as we continue to grow the network, we take advantage of a lot of optic and fiber innovation that we, Comcast, have led for the industry, and let me explain.

I talked about earlier how if there's a fiber disruption and one of our competitors are going to need to wake up a technician and go out to the field and use a device to basically shoot slight down the fiber to try and locate where the fiber cut is. But that's not good enough because it doesn't give you a precise location. So you have to drive to the other side of that and shoot it again and several hours later, you're going to find where the cut is and identify it versus what we're able to do with DOCSIS 4.0 with the embedded AI, which to pinpoint on a map exactly where the interference is, because it sits literally feet away from the customer.

We took that same concept now into fiber. And we built a device, which we pioneered, that with embedded AI is constantly monitoring all of our hundreds of thousands of miles of fiber nationwide and is able to pick up and detect a multitude of any fiber impairments that we see. It doesn't have to be a cut. It could be just a degradation of performance.

It could be any type of intermittent performance, et cetera. And it automatically pinpoints on a map exactly where that fiber location is and is now also tied into our local operations team where it automatically dispatches the fiber restoration crews to that location. That's not PowerPoint. This is launched nationally.

Now, when you take a step back and say, well, how does it make a difference to the customer, think about storm restoration as an example. We got hit by three major hurricanes this year; one in Houston and two in Florida. They were massive. The two in Florida hit within 10 days of each other. And what we're able to do is with AI managing this, really direct and prioritize what our storm restoration activities will be because we could see where there is commercial power on our network.

And so if commercial power got restored and fiber is cut, well, then let's get their fiber cut information that we have based on the monitoring that I mentioned and get the customers restored. If there's no commercial power, restoring fiber is not going to do anything, right? And so being able to do that enabled us to reduce our restoration time literally by days as compared to our competitors and why we do fiber better than anyone else.

Jonathan Chaplin - *New Street Research - Moderator*

So you've given us a lot of insight into how AI is driving improvements in the way that you build the network, operate the network. Is it also starting to drive growth in traffic on the network? And if not yet, is that something you see coming at some point?

Elad Nafshi - *Comcast Corp - Executive Vice President, Chief Network Officer - Comcast Cable*

That is such a great question. So the short answer is not really yet, because it's mainly textual right now. And so while you see the number of subscribers going to chat OpenAI or any of those because Google is embedding it and any of those services, Copilots are there, but it's mainly textual today.

But the world of Avatar is coming. And you kind of asked me earlier about do you believe that network growth will continue. And I think that, that will be a fascinating universe to see how that impacts the network. I think it's TBD. I think it's inevitable.

I think that the world where you talk to Siri and Siri doesn't look back at you, probably not going to take long.

Jonathan Chaplin - *New Street Research - Moderator*

Yeah, we're all going to be living in the movie Her.

Elad Nafshi - *Comcast Corp - Executive Vice President, Chief Network Officer - Comcast Cable*

Yeah. But I see that as such an exciting opportunity because think about that. At the end of the day, what you've seen is kind of the next phase of interacting with the broadband services and bring it on. We are building the network that is going to be able to take the most advantage of it, that is AI at its core and its edge and it is able to truly optimize that experience because of the latency, the low lag, because of the speed, and because of the seamless converged performance. And so I'm very, very excited with what's come.

Jonathan Chaplin - *New Street Research - Moderator*

Last time I was down at your offices, you were showing this node that has fiber coming out of one side and coax coming out of the other, and it really sort of provided a picture of the flexibility of the new network, your ability to provide fiber on-demand. What's the uptake on the on-demand side of the fiber bin?

Elad Nafshi - *Comcast Corp - Executive Vice President, Chief Network Officer - Comcast Cable*

So the nice thing about the architecture, just for the benefits of everyone, when I say seamless fiber optionality, there is an edge compute device that we put within a few hundred feet away from the customer, it's called a node. It's a hunk of aluminum with compute inside that's built to survive, Phoenix in August and Minneapolis in January and everything in between. And that's what makes the services so unique, and it offers seamless capability to output multiple gigabit symmetrical services over coax or fiber.

I talked earlier about the commercial businesses opportunity and how we're able to connect businesses faster. And this is the type of services that lend themselves really well. And so this is a service that is rolled out nationally. It rolls out with Project Genesis. And when I talked about where our opportunities lie, that's a perfect example.

Jonathan Chaplin - *New Street Research - Moderator*

Got it. I could talk to you all afternoon about these topics. We love the passion that you bring to discussions about networks.

Elad Nafshi - *Comcast Corp - Executive Vice President, Chief Network Officer - Comcast Cable*

I think that it's very exciting time for us at Comcast because all the investment that we've made up until now, what Project Genesis offers to our customers, the ability to bring not just speed, but truly a differentiated next-generation connectivity experience to each and every one of our 64 million-plus homes and growing is a huge opportunity for us to redefine what broadband experience is, what converge experiences are, and we're just getting started and we have so much to come.

Jonathan Chaplin - *New Street Research - Moderator*

So I mean, I think you've made a very eloquent case for this network not being something that needs to catch up to fiber or is inferior to fiber. It may even be superior to fiber in the way that you've articulated it, which I think is a perspective that this audience won't have heard before. This is an unfair question for you as the network guy, but you're building it. Do you think the message of the capabilities of the network and its competitiveness is getting out there enough? Do you think this is being effectively marketed?

Elad Nafshi - *Comcast Corp - Executive Vice President, Chief Network Officer - Comcast Cable*

So look, take a step back for a second and keep one big number in mind. 99% of our network is already fiber. So these catch words around your fiber versus coax, it's meaningless if the technology behind it makes it meaningless. And that's what we've done.

And so that seamlessness of the connectivity that abstracts the wire from the technology, from the reliability, from the speed, from the low lag, from the AI operations that's what we're proud of, and that's what we're doing and that's what we're delivering.

And so when I look at the dynamics out there and what the perceptions are, there's a lot of people out there right now that think that they could build a network. It is a whole other thing to operate a 64 million-plus home network across 39 different states and do it at the level and the sophistication and the innovation that we're able to do, and I'm really proud of that.

I'm proud of my team, I'm proud of the incredible team members that we have that are so committed and dedicated to deliver those best services. And I think that our results will speak for themselves. We don't need to market this at any other; our results speak for themselves.

Jonathan Chaplin - *New Street Research - Moderator*

Now, this has been a great discussion. I really appreciate your insights this afternoon. Thank you.

Elad Nafshi - *Comcast Corp - Executive Vice President, Chief Network Officer - Comcast Cable*

Thank you so much. Thank you for having me.
