OVERVIEW:
Co. reported 3Q20 consolidated revenue of $25.5b.
CORPORATE PARTICIPANTS

Brian L. Roberts  Comcast Corporation - Chairman & CEO
David N. Watson  Comcast Corporation - President & CEO, Comcast Cable
Jeff Shell  Comcast Corporation - CEO, NBCUniversal
Jeremy Darroch  Comcast Corporation - Group Chief Executive, Sky
Marci Ryvicker  Comcast Corporation - SVP of IR
Michael J. Cavanagh  Comcast Corporation - CFO

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Craig Eder Moffett  Moffett Nathanson LLC - Founding Partner
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PRESENTATION

Operator

Good morning, ladies and gentlemen, and welcome to Comcast’s Third Quarter 2020 Earnings Conference Call. (Operator Instructions) Please note that this conference call is being recorded.

I will now turn the call over to Senior Vice President, Investor Relations, Ms. Marci Ryvicker. Please go ahead, Ms. Ryvicker.

Marci Ryvicker  Comcast Corporation - SVP of IR

Thank you, operator, and welcome, everyone. Joining me on this morning’s call are Brian Roberts, Mike Cavanagh, Dave Watson, Jeff Shell and Jeremy Darroch. Brian and Mike will make formal remarks, and Dave, Jeff and Jeremy will also be available for Q&A.

Let me now refer you to Slide 2, which contains our safe harbor disclaimer and remind you that this conference call may include forward-looking statements subject to certain risks and uncertainties. In addition, during this call, we will refer to certain non-GAAP financial measures. Please see our 8-K and trending schedules for the reconciliations of these non-GAAP financial measures to GAAP.

With that, let me turn the call over to Brian Roberts for his comments. Brian?

Brian L. Roberts  Comcast Corporation - Chairman & CEO

Thanks, Marci, and good morning, everyone. We are nearly 8 months into this pandemic. And despite many harsh realities, I could not be more pleased and proud of how our team has worked together across the company to find safe and creative solutions to successfully operate in this environment.
We are executing at the highest level and perhaps most importantly, accelerating innovation to drive long-term future growth. We remain intensely focused on our top 3 strategic priorities of expanding and leading with broadband, aggregation and streaming, all of which are underpinned by strong content creation, distribution and technology. Each business is increasingly complementing, reinforcing and driving value for the others while enabling us to offer seamless and bundled experiences to all our customers.

For example, this quarter, we added a record number of new customer relationships and high-speed internet subscribers, and sign-ups for Peacock have grown to nearly 22 million as of today. It is clear that Peacock’s results are enhanced by the placement and distribution it gets through our broadband service, and adding Peacock to broadband is resulting in significant improvement in both churn and gross adds as Peacock is continuously cited as a differentiating factor at the point of sale for Xfinity broadband products. None of this could have been achieved without the technology stack that we have through Sky.

Focusing now on our top strategic priority, broadband. The success we’ve experienced to date has been driven by years of investment, combined with our leading scale. We engage with 56 million high-value households and businesses globally. These subscribers give us a stronger starting point in direct-to-consumer relationships, particularly with broadband.

Our connections at the point of sale provide us with a distinct advantage as this is the moment when customers really contemplate their aggregation and streaming options. We have the best broadband network in the U.S., perhaps in the world, buoyed by a completely integrated consumer experience with the widest array of products that go beyond just speed.

We offer coverage, control and an unprecedented level of flexibility. With our broadband service, you get your choice of entertainment over your preferred distribution method, whether it’s the industry-leading video bundle with X1 or the highest quality streaming product with Flex, both powered by the same platform and technology, the same award-winning voice remote and the same cloud-based software.

With Xfinity Internet, you can opt for Xfinity Mobile, a great value wireless service hosted by Verizon, now inclusive of nationwide 5G and augmented by our own WiFi network, the largest in the U.S. And we have the ability to evolve this offering over time should we choose to include our own wireless network or cellular infrastructure to generate even greater profitability in the most highly trafficked mobile areas. It is this unique combination of broadband products and services that led to this quarter’s 556,000 net new customer relationships and 633,000 net new high-speed internet subscribers, both the best quarterly record in our company’s history.

In the U.K., customer relationships now stand at over 13 million, a figure that’s been steadily growing, driven by our exclusive content and experience that cements our video relationship with customers, a differentiated broadband service as the #2 provider and increasing wireless penetration. It’s a winning formula for other markets that we will look to replicate.

Moving to our second strategic priority, aggregation. Whether it’s a pay TV video bundle or a streaming solution for the home, entertainment remains an important consideration for new and existing broadband customers. X1 and Sky Q are the world’s leading platforms for aggregating broadcast, sports and streaming services. Flex provides that same experience to those customers who prefer streaming-only video, included for free with Xfinity Internet.

We’ve developed the best operating system for your entertainment experience, controlled by one global voice remote, enabling 15 billion commands in 5 languages annually. Our expertise, our technology and the tremendous amount of R&D continue to push us forward with opportunities to generate new revenue streams and areas of monetization, which sets us on an even stronger path towards long-term growth.

The goal of our common tech stack is to build once and deploy as many times in as many markets and in as many ways as possible on our network or through wholesale distribution. We’ve already experienced great success with our current X1 syndication model. White labeling our software and technology gives us a significant revenue stream that boasts healthy margins and even more important, more scale for our platform. We look forward to expanding this expertise to other distributors and believe that an even larger nationwide and potentially international syndication model will create new opportunities in this rapidly changing ecosystem that will create value for our company and our shareholders.
Our third strategic priority is streaming, which not only provides us with another increasingly important way to reach our viewers and monetize our content, but it also drives demand for higher speeds and more reliable broadband and differentiates and improves the economics of aggregation. Peacock, our premium ad-supported video on-demand service, is the right streaming strategy at the right time. After launching nationwide just this past July, we are excited to already have nearly 22 million Peacock sign-ups to date and have exceeded all of our internal engagement metrics, even without having the benefit of the 2020 Olympics.

Going out with free allowed us to grow quickly with a very low cost per acquisition and significantly less marketing spend than other new streaming services. We've also been able to effectively leverage our expansive high-quality library and over $20 billion of annual content spend that supports our existing media businesses for Peacock and enhance it with targeted incremental investment in additional streaming IP.

Xfinity has been a significant contributor to Peacock's success, driving awareness and usage through bundling with X1 and Flex. In fact, Peacock was the #1 app on Flex and the #3 app on X1 for the month of September when measured by reach. We're also leaning into Flex, which increases the lifetime value of our broadband customers as we see churn improve by 15% to 20% for new customers that engage with the platform. Since adding Flex is a video option, we've seen our entertainment relationships increase. In fact, the growth in the Flex monthly active user base, which now sits at over 1 million, more than offset the decline in the number of our traditional pay-TV video subscribers for the past 2 quarters.

Reaching these 3 strategic objectives takes focus and discipline, and we have both. We are realigning our cost structure across our company and making the appropriate level of investment in the right initiatives so as to fuel long-term growth and enable us to effectively compete in an evolving global marketplace.

Turning from our long-term strategy, I'd like to highlight our third quarter results, which I am quite proud of in light of the challenges we have faced with COVID. In Cable, our revenue growth accelerated, and we generated an impressive 10.5% increase in EBITDA.

We have been incredibly successful in identifying long-term cost efficiencies. In fact, with our self-install offerings and digital tools, customers can do virtually everything they want or need to without picking up the phone or requiring a truck roll. But we’re also investing for growth with the goal of increasing awareness of our ever-improving Xfinity brand, promoting and advancing our leading broadband position and accelerating our mobile and business segments.

At NBCUniversal, the team has done a really creative and impressive job of navigating through an incredible amount of uncertainty, and I’m pleased to report that some businesses are steadily recovering. Given the resumption of both sports and content production. Where we continue to see the most pressure from COVID is in our theme parks, which were the single biggest drag in the quarter. In fact, excluding this segment, NBCUniversal EBITDA would have grown by 9% year-over-year.

While it will take some time for the parks to return to historical levels, we have made substantial progress. Universal Orlando and Osaka are operating at limited but growing attendance. And while we don’t know when Hollywood might reopen, we remain very bullish on the parks long term. I am very excited for next year’s launch of our, frankly, incredible new theme park in Beijing.

Early in the third quarter, we announced a completely new structure for our television businesses, enabling us to realign how we invest in the creation, production and distribution of world-class content. In essence, we’ve done away with the concept of creating a piece of work for a specific network. Our priority is to invest in and create the absolute best content and ensure that we maximize monetization by choosing the most effective method of distribution, whether it’s broadcast, cable networks, Peacock, sales to a third party or some combination of all 4.

Last, we’re closing in on 2 years since we bought Sky so I thought I would spend a moment providing some context on the progress we see to date. The U.K., which is by far the largest component of Sky EBITDA, has proven to be a strong business that has generated high single-digit EBITDA growth over the 2-year span when adjusting for the momentary impacts of COVID, anchored by growth in both our customer base and revenue per customer relationship. Our U.K. customers continue to do more with us as evidenced by our higher penetration in broadband, in wireless and in the Q Box, all of which solidify us as the home of aggregation and streaming and which sets us up nicely for continued growth.
What we see in the U.K. guides our thinking on the prospects for what Germany and Italy could each become. In both markets, we have a leading brand name and customer proposition in video supported by significant scale. While it may take time, we are on a path to replicate the U.K. playbook and took an important step toward this in Italy with our recent launch of broadband. We also have fairly immediate opportunities to improve our cost structure as we move to centralize our organizational efforts across our markets and as we have begun to reset many of our largest sports rights in Continental Europe, which should provide hundreds of millions of dollars in annual savings.

As Jeremy highlighted recently, we are confident in our ability to double EBITDA at Sky over the next several years. And importantly, Sky fits right in with our broader company priorities, playing a big role in strengthening our tech stack for aggregation and in content solutions across all of NBCU and cable.

When you put it all together and look at the first 9 months of the year, it was certainly not the year we all would have expected. We've executed extremely well. We've taken advantage of the favorable interest rate environment to enhance our balance sheet and liquidity, and we remain committed to getting leverage where it needs to be so that we can return to buying back stock.

All in all, this was a really strong quarter, and Mike will now take you through our results in greater detail.

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Michael J. Cavanagh - Comcast Corporation - CFO

Thanks, Brian, and good morning, everyone. Now I'll review our third quarter 2020 results and offer some commentary on the current conditions in our businesses, caveat ing that circumstances around us remain fluid, and therefore, our outlook is subject to change.

Beginning on Slide 6 with our consolidated third quarter results. Consolidated revenue declined 4.8% year-over-year to $25.5 billion while adjusted EBITDA was down 11% to $7.6 billion and adjusted EPS fell 18% to $0.65 per share, all a result of the lingering effects of COVID-19. Free cash flow of $2.3 billion was up 10.5%, benefiting from the positive year-over-year change in net working capital due to COVID at both NBCU and Sky, half of which resulted from the timing of when sports rights payments were made versus when sports actually aired and half of which resulted from a slower ramp in content production. We expect this trend to reverse starting in the fourth quarter and continue into next year as our businesses continue to recover from COVID.

Before moving to segment results, I'll remind you that corporate and other losses have continued to increase as a result of our focus on the successful positioning of Peacock. We have also incurred COVID-related severance and restructuring charges totaling $239 million year-to-date. We expect to incur an additional charge that is approximately double this amount in this year’s fourth quarter as we continue to align the cost structure across all of our businesses.

Now let’s turn to our business segment results, starting with Cable Communications on Slide 7. For the third quarter, Cable Communications revenue increased 2.9% while EBITDA increased 10.5%. Revenue this quarter was once again impacted by adjustments for customer RSN fees. Excluding these adjustments, overall Cable revenue would have risen by 3.9% with no corresponding impact to EBITDA.

As Brian mentioned, we generated 556,000 customer relationship net additions, the best quarterly result on record, driven by high-speed Internet, where we added 633,000 net new residential and business customers, also the best quarterly results on record. Underlying net additions were similar to last year’s third quarter, and we were able to successfully convert some customers to paid status that continue to receive our service but were not included in our second quarter results. Roughly 1/3 of those customers converted to paid status were free Internet Essentials customers while the remaining 2/3 were high-risk customers who have begun paying their balances and returned their full service after being on our assistance plan. Going forward, we do not expect the impact of converting free Internet Essentials and high-risk customers to paid status to be as significant.

High-speed internet revenue grew 10% including RSN fee adjustments and grew just over 11% excluding those adjustments. Remember, RSN fee adjustments are allocated to those customers taking bundled services according to their stand-alone market prices.

The strength in high-speed internet is coming from a number of areas. One, we continue to take share of an expanding market as evidenced by an increase in our broadband penetration. 51% of homes and businesses in our footprint are now taking our HSD product, up 240 basis points
versus a year ago. Two, our investment in our network and product differentiation is resonating in the market. Whether it’s our best-in-class gateway or control and security through xFi, it’s not just about speed. Three, we are seeing higher take rates of our entertainment product with the addition of Flex, which continues to have a significant positive impact on churn and therefore, customer lifetime value. And four, we also continue to drive connects by expanding our network through line extensions.

Business services revenue grew 4% as we returned to a net gain of 17,000 customer relationships this quarter.

And turning to video, revenue declined 2.1% with accrued RSN fee adjustments having an adverse impact of 130 basis points. We lost 273,000 net video customers this quarter, which reflects modest improvement in our underlying video losses compared to the second quarter and the benefit of converting some of the previously high-risk customers to paid status.

Wireless revenue increased 23%, driven by 187,000 additional lines, resulting in 2.6 million total lines at quarter end. Our wireless business continued to be impacted by our decision to keep some of our retail stores closed for most of the quarter, especially in areas where COVID cases remained high. That said, the vast majority of our retail stores are now open, and we have put a number of plans in place to accelerate growth in this business.

Advertising revenue increased 12% year-over-year due to strong political advertising, which was up 70% over what we had generated in the last presidential election in 2016. Core advertising excluding political was down 6.8% year-over-year, a significant improvement relative to last quarter with better trends across most categories. We also saw some benefit from the clustering of sports programming that began to air in the third quarter.

Turning to expenses. Cable Communications third quarter expenses decreased 2.2% with programming expenses down 0.6% primarily as a result of the accrued RSN fee adjustment. Without this adjustment, programming expense would have increased by 4%. Non-programming expenses declined 3.2%, primarily as a result of curtailed advertising, marketing and promotion spend as well as lower technical and product support primarily due to a COVID-related slowdown in business activities. We are also continuing to find better and more efficient ways to do business, particularly through our digital tools and interactions.

Cable Communications EBITDA grew by 10.5%, and margin reached 42.7%, reflecting 290 basis points of year-over-year improvement. While accrued RSN fee adjustments had no impact on EBITDA, they did have a positive contribution to margin of roughly 40 basis points. Cable capital expenditures decreased 2.5%, resulting in a CapEx intensity of 11.8%, an improvement of 60 basis points year-over-year, driven by lower spending on customer premise equipment and support capital partially offset by higher spending on scalable infrastructure, which continues to increase due to our ongoing investment in the network.

I'll now touch a bit on what we're seeing so far and what we expect in the fourth quarter. For high-speed internet, underlying subscriber trends remain healthy, and we currently expect revenue growth to accelerate from the third quarter, driven by this year's strong subscriber growth combined with higher ARPU resulting from an increase in the uptake of some of our higher-margin products, such as modems and xFi pods, in addition to better Xfinity assistance program cure rates.

While we are pleased to see a continuation of net new customers in our business segment, we do not expect revenue growth to accelerate in the near term given the COVID subscriber impact we saw earlier in the year as well as the longer sales cycles associated with the recovery we are seeing with our mid-market and enterprise customers. That said, we remain optimistic on the long-term prospects across all of our business segments. We remain the challenger with the highest quality offerings at lower price points than our competitors. On the video side, we expect fourth quarter video losses to be similar to the third quarter levels, reflecting modest improvements to our underlying trends and just like with high-speed data, a less significant impact from converting customers to paid status.

When it comes to our outlook for expenses and margins, commensurate with the sequential acceleration in the underlying revenue growth that we anticipate for the fourth quarter, we expect non-programming OpEx to be flat to slightly up, reflecting our aggressive focus on maintaining strong connect activity by returning to home installs, increasing our marketing spend to defend our strong position and further accelerating our mobile and SMB businesses. That said, we continue to make significant inroads with implementation of the long-term cost efficiencies we had identified earlier this year, which puts our overall expense base in a very good position as we enter 2021.
We expect programming costs to be up mid- to high single digits in the fourth quarter given scheduled programming renewals, and we do not anticipate additional RSN fee adjustments. Given what we have seen through the first 9 months of the year, combined with our outlook for the fourth quarter, we now expect Cable EBITDA margins to exceed our prior guidance of up to 100 basis points year-over-year improvement by a healthy amount, both with and without the RSN fee adjustments while CapEx intensity is still expected to improve by up to 100 basis points year-over-year.

Next, let's turn to Slide 8 for NBCUniversal. For the third quarter, NBCUniversal revenue decreased 19% to $6.7 billion while EBITDA decreased 39% to $1.3 billion. The majority of the revenue and substantially all of the EBITDA decline came from our Theme Parks business as Hollywood remains closed and both Orlando and Osaka are open to limited attendance as a direct result of COVID-19.

Starting with the TV businesses. Cable Networks revenue was down 1.3%, driven the declines in distribution and advertising revenue offset by an increase in content licensing and other. The distribution revenue decline of 3.8% resulted from a slight acceleration in subscriber declines, less rate benefit due to the absence of programming renewals and a nearly 200 basis point impact from accrued RSN fee adjustments. Advertising revenue was down 2.1%, a significant improvement compared to the second quarter as we benefited from the broadcast of rescheduled sporting events, which is not expected to recur in the fourth quarter. Cable Networks EBITDA decreased 8.9% due to higher programming and production expenses driven by the shift of sports rights amortization costs into the third quarter.

Turning to Broadcast, revenue increased 8.3%, driven by 66% growth in content licensing sales and continued growth in retransmission consent fees partially offset by a decline in advertising. While advertising improved significantly compared to the second quarter, Broadcast did not benefit as much from the shift of sports as rescheduled sporting events were basically offset by canceled events as well as fewer NFL games relative to last year. After recognizing a significant increase in content licensing revenue year-to-date at both Broadcast and Cable Networks, we expect a double-digit decline in the fourth quarter due to the timing of our sales to streaming platforms, which were more heavily concentrated in the first 9 months of the year, combined with the difficult comparison to a significant library deal in last year’s fourth quarter. Broadcast EBITDA increased 29% due to higher revenue as well as lower programming and marketing costs associated with the delayed start of our new fall season, which were somewhat offset by higher programming expenses related to content sales.

Filmed Entertainment revenue declined 25% year-on-year with theatrical revenue down 95%, reflecting theater closures as a result of COVID-19 partially offset by a 15% increase in content licensing revenue as well as a 49% increase in home entertainment revenue due to Trolls World Tour. Filmed Entertainment EBITDA increased 53% as lower revenue was more than offset by lower operating costs related to less spending on current period releases as a result of COVID-19. While we have pushed the majority of our movies late to 2021, we are looking forward to the release of The Croods: A New Age in theaters and a subsequent PVOD release later in the quarter.

Theme Parks revenue was $311 million in the quarter with an EBITDA loss of $203 million due to Universal Orlando Resort and Universal Studios Japan operating at limited capacity while Universal Studios Hollywood remained closed as a result of COVID-19. This quarter’s EBITDA included roughly $20 million of pre-opening costs related to our theme park in Beijing, which remains on schedule to open by the summer of 2021. We anticipate cumulative pre-opening costs to be roughly $400 million with approximately $100 million falling in 2020 and $300 million in the first half of 2021. We continue to see improvement in underlying trends and expect the Theme Parks business to breakeven at some point in 2021, independent of what occurs with Universal Studios Hollywood.

Next, let's turn to Slide 9 for Sky, which I will speak to on a constant-currency basis. Revenue for the third quarter was even with the prior year as we were seeing the benefits of a very healthy underlying business in the U.K., combined with the return of major sporting events, primarily European football, that have been previously postponed. Content revenue was up 17.5%, driven by higher wholesale revenue from sports programming while direct-to-consumer and advertising revenue showed significant sequential improvements, each down 1% year-on-year. On the advertising side, we outperformed the European marketplace, which was down about 10%, as we benefited from strong advanced advertising and rescheduled sporting events that were previously postponed due to COVID-19.

In addition to sports, overall Sky Entertainment viewing was up double digits, partly aided by the addition of our new branded channels, including Sky Comedy, which launched in January; and Sky Documentaries, Sky History and Sky Nature, which launched in May. The significant sequential improvement in direct-to-consumer revenue resulted from the return of sports and a healthy underlying trend in the U.K., which experienced a
gain of 51,000 customer net relationships and low single-digit ARPU growth. This strong performance was driven by our strategy to be the best TV aggregation platform in the market; record-low TV churn; and continued growth in streaming, broadband and mobile customers.

Our large resilient Sky TV base continues to benefit from the deployment of our more advanced Sky Q product. Overall, Sky Q penetration is at 51% of households while U.K. penetration has reached 58%, up 13 percentage points year-over-year.

We are also pleased with the results at NOW TV, which is positioned for a different market segment. ARPU is increasing as this growing customer base continues to take more packs on average, underscored by a 60% increase in the uptake of our highest priced sports pack. While revenue from our hospitality business, the pubs and clubs that receive our Sky TV service, remains pressured, we have seen weekly revenue back to 70% of historical levels versus 25% at the start of the quarter.

Italy and Germany remain a bit more challenged. In Germany, we made changes to our pricing and packaging earlier in the quarter. While we are pleased with the positive customer response, this will pressure ARPU in the near term as we focus on growing market share and reducing churn. In Italy, our results showed meaningful sequential improvement, but we continue to be impacted by a tough macro environment. We are encouraged by positive momentum in Italy broadband post its mid-June launch. Customer additions are beating our initial expectations with satisfaction scores at high levels.

EBITDA for the third quarter was down roughly 45% as flat revenue was offset by an increase in programming and production costs, primarily as a result of the postponement of European football events, which moved from the second quarter into the third as a result of COVID-19. Looking ahead, we continue to expect third quarter and fourth quarter EBITDA combined to be down roughly 60%, with the fourth quarter impacted by the later return of the current season of European football, the shift of other sports programming to the fourth quarter, investments in original programming and higher costs associated with the launch of our new U.K. entertainment channels.

Wrapping up on Slide 10 with free cash flow and capital allocation. Free cash flow was $2.3 billion in the quarter, an increase of 10.5% year-over-year. Consolidated total capital, which includes CapEx as well as software and intangibles, decreased 5.8% in the third quarter to $2.9 billion, primarily driven by declines at NBCU, particularly parks; as well as at Cable.

During the quarter and year-to-date, we refinanced $5.9 billion and $15.8 billion of debt, respectively, ending the third quarter with a weighted average cost of debt of 3.6%. Finally, we remain committed to our long-standing balanced approach to capital allocation, maintaining a strong balance sheet, investing organically for profitable growth and returning capital to shareholders through a strong commitment to our recurring dividends and eventual return to share repurchases.

With that, I'll turn it back to Marci, who will lead the question-and-answer portion of the call.

Marci Ryvicker - Comcast Corporation - SVP of IR
Thanks, Mike. Regina, let's open the call for questions, please.

QUESTIONS AND ANSWERS

Operator

(Operator Instructions) Our first question comes from the line of Jessica Reif Ehrlich with Bank of America Merrill Lynch.
Jessica Jean Reif Ehrlich - BofA Merrill Lynch, Research Division - MD in Equity Research

First, Brian, could you talk a little bit about how you -- your vision of how you best monetize being an aggregator across a variety of media, traditional TV, streaming video, apps, et cetera, outside of just being the broadband provider? And what are other ways you’re considering to help monetize your position at the center of the consumer in the living room?

And then on NBCU, it was surprising actually that you had a good -- you mentioned in the press release that you had positive upfront, given ratings weakness across the board for the whole industry as well as lack of production. So can you talk about some of the drivers there? Can streaming make up for the weakness in ratings? It’s clear Q4 will be weak, but what do you see beyond that?

Brian L. Roberts - Comcast Corporation - Chairman & CEO

Okay. There’s a lot in there, Jessica. Let me start with the aggregation and broadband question and then let Jeff and others talk about the upfront.

So look, we think we have this 3-pronged strategy that complements each other, works together and basically ends up giving customers the best product regardless of what segment they’re in, and broadband is definitely a central element of that. But aggregation in this world, as we know, is consumers, that you want to flip back and forth between one streaming service, another streaming service, live television, YouTube, whatever it may be, and finding a way to have our entertainment platform and our voice commands, whether it’s in a smart TV, whether it’s in a box and whether that is in, frankly, the U.S. or in the rest of the world and in other providers.

And so we’ve made great progress with aggregation in this quarter and in this year. Name the service and you’ll see that it’s now either on the road map or very much being used. Whether it’s NBC-driven content with Peacock, we’ve now shown that we can market and make aware for our customers great shows like Yellowstone that you may not have found on a different network that all of a sudden has zoomed to the top. And that’s before we get additional content like The Office, the Olympics and what have you.

And so putting it all together, we see the tech companies and others with ambitions on having a relationship with our high-value customers, our 56 million high-value customers, and aggregation. And who can do that the best with a voice and just say the words -- I was literally watching last night a Prime show, switched to Netflix and then went back to NBC all with just one click and with my voice. And so the innovation that our team has done, the seamless integration, working with the various content providers, we’ve made tremendous stride.

Jeff, do you want to talk a little bit about -- and therefore -- I’m sorry, to close out on monetization of that. We’ve seen a number of ways that leads right into advertising because it’s an ability to not only give you a good experience and charge through our subscription fees depending on what level of service it is, but in the case of Flex, whether it’s lower churn for our broadband, whether it’s additional advertising with Xumo and on smart television platforms and other things we have on our road map, which are very exciting to continue to take these tools and find new ways to give them to customers and thereby create additional value for the shareholders.

Jeff, do you want to talk about the upfront?

Jeff Shell - Comcast Corporation - CEO, NBCUniversal

Yes. Thanks, Brian, and thanks, Jessica. So obviously, the upfront was a very unusual upfront this year, Jessica. I mean we didn’t think a couple of months ago, there was even going to be an upfront this year. And the fact that there was one and it ended up being relatively normal and much stronger than we expected was really good news for the whole business.

We ended up kind of slightly up on price, which was what we expected to be way down on price. We ended up slightly up on price, slightly down on volume. And as you mentioned, the big impact on advertising really is the ratings. And the ratings is not just us but everybody because we stopped production. We would normally have kind of our fall schedule in high gear right now. And we’re just starting those shows, and we don’t have a lot of new content. So that’s what’s driving kind of the advertising choppiness and declines.
The flip side of that is it creates scarcity in the market. So the market actually is pretty strong because if you have less rating points, you have more demand. And a couple of the moves that we've made were kind of perfect timing. Peacock -- we've talk about Peacock is an ad-driven platform, gives us an opportunity to sell where others don't really sell, and we launched right into the strength of that scarcity.

And then we also kind of consolidated all of our advertising under Linda Yaccarino and our one platform approach. And we think that was also perfect timing because it gives us the opportunity to kind of sell and address that scarcity across multiple platforms. So obviously, a much smaller upfront than the past but much better than we expected.

Operator
Our next question will come from the line of Doug Mitchelson with Crédit Suisse.

Michael J. Cavanagh - Comcast Corporation - CFO
Doug, you may be on mute.

Operator
Our next question will come from the line of Ben Swinburne with Morgan Stanley.

Benjamin Daniel Swinburne - Morgan Stanley, Research Division - MD
Can you hear me?

Michael J. Cavanagh - Comcast Corporation - CFO
Yes.

Benjamin Daniel Swinburne - Morgan Stanley, Research Division - MD
Okay. Great. I guess 2 questions on Cable or maybe just broadly on entertainment for either Brian or Dave.

I'm wondering if you think about the video business evolving from what you've been selling for decades, a package of linear networks, to a bundle of apps where you're basically taking a distribution fee against what the consumer pays rather than earning a margin on a bundle. And if you do, what does that mean for the business and sort of how you think about investing in products and capital allocation, et cetera? It would seem like a possible future in the not-too-distant future across Comcast and Sky.

And then for Jeff, there's a lot going on at NBC, to put it mildly. I'm just wondering if you could talk high level about what you're trying to accomplish organizationally from a restructuring point of view, how we should measure your success. And in particular, you mentioned in the prepared remarks -- or Mike did that you think the parks will breakeven at some point next year. Just maybe -- that's a pretty interesting comment in the context of all the uncertainty. If you could just talk a little bit more about that, it would be helpful.

Brian L. Roberts - Comcast Corporation - Chairman & CEO
Well, why don't I help organize that -- this answer because I think you touched on a little bit of everybody and give some of the folks a chance to talk about the quarter. So why don't we start with Dave to talk about video packaging.
I would just add that I think we've seen this shift coming. I think Dave and the team have done an outstanding job of having a connectivity platform and thinking of it that way so that we're ready for that shift. I don't think it will be all or nothing. I think it's been highlighted here during COVID and people being at home as much. But fortunately, we were ready for that.

I think Jeremy could talk a little about kind of some of the different trends in Europe and how Sky is preparing for that bundle of app world, as you called it. And you're right, the economics change depending on what -- and we want to get ourselves to a position of indifference where the consumer is driving, not the company, and the consumer decides where they want to rest and what package they want. And the company finds itself in a -- in having the best product and a good set of economics. We may always have a preference over one versus the other naturally, but we want you to be satisfied as a consumer and make our long-term growth happen.

And then, obviously, Jeff can talk a little bit -- and Mike, if you want, on the -- on all the definition of success, which I think is a great way to look at NBC. But Dave, why don't you take it off?

David N. Watson - Comcast Corporation - President & CEO, Comcast Cable

Thanks, Brian. Ben, so I think, clearly, the video marketplace is almost every day evolving. From our perspective, we have invested in a video -- broad video platform capability that I think gives us a lot of options and can give customers a lot of choice. So we want to deliver to the customer what they want in a video experience.

So we segment the marketplace. We break it down. We've been doing that for some time. And as Brian said, we anticipated a lot of these changes. So for customers that want the full experience, that want all the channels, that want video on demand, DVR capability and apps and as Brian talked about, the ability to seamlessly connect all of that, we have X1.

We also now, I think, are very uniquely positioned to go after the streaming segment with Flex. And the best example, I think, of our position in the marketplace with video, when you combine it with broadband, we're surrounding broadband with a lot of video capability. And with streaming and Peacock, we're giving them the best of aggregation, great streaming options. So we're going to break down the marketplace, continue to compete and deliver to customers what they want.

So I think that will continue. We're -- we feel that this is a sustained competitive difference that we have, and we'll go to where the customer wants to go. And in terms of whether it's a more profitable outcome for us, then we'll be indifferent. If they want streaming capability with Flex, we're going to be right there to deliver that.

Jeremy Darroch - Comcast Corporation - Group Chief Executive, Sky

And maybe -- it's Jeremy here. Maybe I'll just chip in on Sky. I think -- I mean I often think of it -- I would split it to sort of supply side relationships and then consumer side service.

And so I think on supply side, where we see central step into that world, a good example would be, for example, Disney, where we took a very high fixed cost long-term contract and effectively turned that into an app. We've taken that cost out of our P&L and then getting a margin by selling Disney+ through Sky, and then we give you something similar with Netflix, of course. And then we can take that money and let it course through the P&L or reinvest some of it in an area like Sky Studios, where we can then scale up our own originated content, which improves the customer experience and of course, is more variable and differentiates as well.

But when you get to the consumer side, really, there's virtually no change to the experience. Because consumers want to continue to get all that Comcast content through the Sky user interface, we can deep link into apps, bring customers back efficiently to the Sky interface. It's very, very easy to move around. As Brian said, with the growth and development in voice, that's just becoming easier every day.
So actually, we think we can complement the user experience very much and actually get a much more flexible and more valuable set of cost structures. And then we can think of NOW TV as an addendum to that, in a way, just to target an additional part of the market that’s using many of those Comcast relationships and allows us just to get to more customers in a different way. So that’s sort of how we think about bringing all of that together.

Jeff Shell - Comcast Corporation - CEO, NBCUniversal

Brian, you want me to jump in? This is Jeff.

Brian L. Roberts - Comcast Corporation - Chairman & CEO

Sure.

Jeff Shell - Comcast Corporation - CEO, NBCUniversal

Okay. So Ben, thanks for the question. A lot in your question, so I'll try to just hit it really quickly.

But first of all, just working backwards, definition of success. There is a lot going on in NBCUniversal. I really don’t think the definition of success is any different than it’s ever been. Our job is to be profitable, generate cash flow and generate long-term value for the company, and that’s how we’re kind of thinking about everything. And it’s obviously a very changing world, so you have to be nimble in doing that. But the measures of that are the same measures as they’ve always been in our view.

And organizationally, I really think we’re kind of through the execution of most of our restructuring. The costs will hit over the next kind of 12 months. There’s about 1/3 of them in this quarter, and then by middle of next year, we’re kind of through the majority of them.

And they’re designed for 2 things. One, we have an obligation as our revenue moves down to adjust our cost base, which I’m proud of our team for doing across our whole company. But more importantly, we really realigned our TV organization under Mark Lazarus.

It used to be in the TV world, you were very vertically oriented by network, and you would say, “Oh, I need a show for this time period.” You go out and get a show for that time period. And every network kind of had their management team and staff.

We’ve realigned kind of dramatically so that everything is one management group in the TV business under 2 great executives, Frances Berwick and Susan Rovner who just joined us. And the idea now is to find great content and use our platform, which is, in many ways, better than anybody else’s platform with all of our networks not just linearly but Peacock, take a great platform and really maximize the value of it. And I’m very excited about it. It does result in a lot less cost, but I think, more importantly, it sets us up to grow as the world changes.

Turning to parks very quickly. Parks are -- obviously, it’s a very -- parks are a great business, by the way. When the world returns and people get sick of being in their house, I really feel that parks are going to be a very strong business. Nobody can tell the pace of how that’s going to go given what’s happening.

But so far, we’re rebounding fairly nicely in Florida and Japan where we’re open. Our first priority always has been, always will be the safety of our guests and our employees. And I’m proud of Tom Williams and the team there that they’ve actually had a set of protocols that has resulted in us being open without any problem, whether it’s guests or employees. And who knows how the future will bring, but the rebound is happening nicely. And if it continues in this way, we do expect, as Brian said in the opening, to hit breakeven, if not more, at some time in ’21.
Ben, to Jeff's point, it is obviously a statement about breakeven subject to how COVID evolves. But if it stays on sort of the trend that we've been seeing through this winter into next year, we would hope at some point to get there.

And then just circling back to your first question, Ben. I think there's no question that when you really look at the fact that -- and Brian said it earlier, that with 56 million relationships around the globe, as we've talked about, in the highest wallet markets for subscription services, whether they be broadband or OTT, video, entertainment of any sort, we're at the point of sale when people are choosing their broadband provider, where they're providing what we think are the options anyway for the best aggregation services with or without our own video packages. And if you'll think about it from the perspective of anybody trying to launch a video streaming platform, we represent 56 million homes, where you want to be on our platform and it's worth it to share economics for us to promote and allow.

And I think -- and that's what we already experienced today. So there's no reason that wouldn't be a way of the future -- not the only way but a way of the future. And I think it just is even kind of more evident that the power of the platforms with the customers that we have allows for the kind of launch the Peacock had. I don't think it's a mistake or that it -- that, that relates -- that 22 million sign-ups does definitely relate, at this stage, to us having the relationship with the customer through broadband and our aggregation products.

Marci Ryvicker - Comcast Corporation - SVP of IR

Thanks, Ben. I think we got them all.

Operator

Our next question is from Doug Mitchelson with Crédit Suisse.

Douglas David Mitchelson - Crédit Suisse AG, Research Division - MD

One topic for Brian, one for Dave. Brian, one thing that seemed new to me this quarter was your comment on licensing the Comcast tech stack internationally. And I think I heard some optimism regarding getting to nationwide in the U.S. Can you help us understand potential timing or the impediments to new wholesale deals, particularly overseas?

And you mentioned scale benefits beyond the healthy margins you get from licensing. And I'm curious how you'd articulate those scale benefits of expanding that platform?

And if I could, for Dave, regarding wireless. Mike mentioned the company put in place a number of plans to accelerate in this business. If you wouldn't mind sharing some of those plans and why now, why leaning into that business at this point in time and if that means anything about timing for breakeven for EBITDA and free cash flow for wireless, that would be helpful.

Brian L. Roberts - Comcast Corporation - Chairman & CEO

Great. I'm glad you figured out your tech issues.

I don't want to suggest that there's any new news regarding the U.S. in terms of X1 licensing. What I think we are referring to is -- or what I'd like to refer to is just what it does when we do license others, and we're in conversations all the time with companies, and the success that, that business has had, which we haven't talked about very much on these calls. It's gotten to a pretty good size, and it has a very healthy margin. And there's a lot of Canadian companies, Cox in the U.S.
And the area that we’ve been focusing on is drawing Sky and Xfinity closer together into one global tech stack, which then opens up the opportunity to do this now not just in North America but also starting with Sky. And we’re on a number of common architectures, and I think you will see in the future products roll out as a result of our ability to do that and conversations that are being had to be able to now take that conversation more broadly.

I think the most significant benefit, it certainly is the money that it brings in. But what that allows us to do in terms of scale is -- so we talked a lot about video here. We pivoted a lot of our innovation to broadband in the last 2, 3, 4 years. And we saw this transformation coming. We saw how important broadband was going to become and even further become and reinvent itself over and over again. To have the best broadband quarter in the company’s history, sitting here in 2020, when it’s a 20-year-old product, give or take, is a pretty dramatic and amazing statement, in my opinion. And that’s because we’ve kept reinvesting in what is broadband and what can it be and going to WiFi when that did not exist to now integrating that into your streaming, your aggregation, the things we’ve been talking about this morning.

So having the scale and the quality of talent on a global basis to be able to recruit the best engineers, when, again, we see a number of other companies wanting to enter this space and/or lead expanding, not shrinking, is I think the greatest achievement. And I give credit that we are expanding our footprint synthetically, if you will, through some of these other relationships with companies who want to take all of our products, whatever they can become, and they’ve done that. And I think we’ve given them a great experience for their customers, and they’ve been super supportive of our technology team. Dave?

David N. Watson - Comcast Corporation - President & CEO, Comcast Cable

Thanks, Brian. Doug, so just one other comment on the Flex side of things with our partners. So we have a really solid syndication business, great distribution partners in the U.S., Canada, looking elsewhere. And Flex most certainly is on the roadmap for all of our partners so -- and gives us the option of being able to work with device participants, smart TV folks and others to be able to have it be a software solution. So we'll look at all options going forward.

In wireless, so we’re -- in general, we’re pleased with where we are. And many quarters in a row, we’re delivering a material amount of the net adds in our footprint, and so we’re on track. Having said that, with retail, we chose to shut down the retail stores in a good chunk of the country. That did have an impact. We’ve reopened them, as Mike said.

And we really feel that we’re committed to accelerating the wireless business. It’s a really important product for us going forward. And it’s -- we’ll be focused not just on retail. We think digital still has great promise. And we’re already seeing, as we put our shoulder to bringing things back, some real early-stage success in terms of what mobile can do. The results, again, still relatively early, but we really like the retention benefits to broadband as we package them with it. A lot of options. We do triple play with mobile now. We used to package just with broadband, very focused across all of our sales channels.

And it really comes down to, I mean, the 3 things that we’re focused on. One is that we have access to a really great network with Verizon. We have the ability to cut across all technologies, including 5G. So we’ll give the customers what they want there.

We can leverage our own investment in the home with WiFi. Outside the home, we have -- most of the broadband -- the cellphone, smartphone traffic goes over our WiFi network. So it’s a great combination of the 2. And then over time, I think we’re going to be uniquely positioned to leverage the potential for building out, in dense pockets, wireless capability to give us a more efficient way of delivering mobile.

So -- but overall, we think that this is an important opportunity for us long term, still feel that way, right on track with where we want to be. We want to be a little bit more aggressive, and that’s on the road map.

Marci Ryvicker - Comcast Corporation - SVP of IR

Thanks, Doug.
Craig Eder Moffett - MoffettNathanson LLC - Founding Partner

Two questions, if I could. Just, I guess, the most obvious and pressing one is where do you think all the broadband subscribers are coming from? I think as great as your results were, they're even more surprising in that AT&T and Verizon also both posted better-than-expected results. So we're obviously seeing enormous market expansion. I'm just wondering what your sense is of how much of that is pull forward and where the subs are coming from.

And then on the wireless side of the business, I wonder if you could just talk a little bit about what you see and expect to see in the iPhone cycle given the promotionality that we've seen from, in particular, AT&T. What does that look like for you in the fourth quarter in terms of your customer acquisition costs?

David N. Watson - Comcast Corporation - President & CEO, Comcast Cable

Well, Craig, Dave here. So in broadband, let me start with what we've been seeing. We've been seeing consistent momentum for a while. Well before COVID, it's been rock solid in terms of this momentum.

This is our focus. We every day wake up thinking about how we -- as Brian mentioned, we innovate, go to market. So this is -- and we're talking about a marketplace and perhaps speaks to across the board, as all boats rise. But the market's growing. It continues to grow. And you look at our position at 51% penetration, there's upside, a lot of upside.

So I look at where it comes from, and the good news is it's been relatively consistent. Maybe a few new opportunities entered the picture through the COVID period, but it's across the board in terms of where we're taking share on the front end. Combining that with record churn, it results in the net adds. But we're taking share from telco wired participants, DSL, MDU competitors, mobile providers. So it's kind of across the board in many different segments.

So a lot of opportunity in the formula, Craig, is, I think, a consistent one. We look to have a sustained competitive difference by delivering just a better product in the marketplace, better speed, better coverage, better future capability and now with streaming and then you combine that with Peacock and other apps, by the way, all the other apps that come connected by Flex, I think, this is a really good long-term competitive formula. So it's across the board. There's upside, good runway for broadband, I believe, going forward.

In regards to wireless and Apple, we're excited about their product launches. We're well positioned with 5G. And so as that begins to take off, the early feedback we're getting from prospects and customers, existing customers is very solid. So we get prepared just like everyone else, all the other carriers in terms of these launches, work very closely with Apple, but we have a full supply chain plan, go-to-market approach. And so we're optimistic about it. It's happening a little later in this year than last year, but that's okay. That will just be a nice opportunity for later on in the quarter into next year.

Operator

Your next question comes from the line of Phil Cusick with JPMorgan.
Philip A. Cusick - JPMorgan Chase & Co, Research Division - MD and Senior Analyst

Brian, real quick, to follow up on your wireless comments. You spent $400 million on an auction recently, and both you and Dave have mentioned options to build in wireless. Can you explain on your plans or maybe timing for building your own cellular network?

And then, Mike, can you give us an update on how the conversations are with rating agencies on leverage? It seems like if they look at things on a trailing basis, it could be some time before you get below the 2.5 turn target. But if they consider an LQA basis, we could get there in 2021 if parks are breakeven. What do you see there?

Brian L. Roberts - Comcast Corporation - Chairman & CEO

So let me -- on wireless, let me have Dave comment a little further, but I don’t think we have any new news today on that question. We are trying to build optionality from a cost basis. It really won’t affect the product you receive. We hope that it would be -- you wouldn’t know the difference but what network you’re on. We just want to have the best value with the best service.

And we now have 5G right at the same time as everybody who is a network operator. And so that’s how we’ve thought ahead, I guess, is the best way for me to answer that question. When we did the original MVNO relationship, we thought about things like what new technologies might come in the future. And in this opportunity to -- and we have to respect that some of the auctions rules require us not to comment on things. So we just look at it as creating options for the future for the company when they have a value -- net value add to all of us, the shareholders.

Dave, does that sound right to you?

David N. Watson - Comcast Corporation - President & CEO, Comcast Cable

No, absolutely, Brian. I think Phil, the main point is we really like our current position. We have a go-to-market. We’re still unique in that, and the other cable partner, Charter, does the same thing, where you have by the gig, good unlimited options. So we like our current position.

And as you look to the future -- as we look to the future with the spectrum, then you have an opportunity to look at dense pockets of usage and then just build a more efficient long-term delivery system. So we’ll -- we don’t have to rush to do that. We’re going to -- we’re looking at it from an engineering perspective, and we’ll be opportunistic down the road. But right now, we really like our current position.

Michael J. Cavanagh - Comcast Corporation - CFO

And Phil, it’s Mike. On the other question, I mean, I think, obviously, as we’ve said before, we’re very committed to the commitments that we made to the rating agencies and therefore, to the bondholders who support the balance sheet. So it’s our highest priority to get ourselves delevered consistent with those commitments and then get ourselves back to balanced capital allocation, which were eager to have that include buybacks, as we’ve been talking about, no doubt.

I’d say it’s premature to talk about where -- both the topic you raised and other ways to think about -- how to think about our ability to support the debt through the lens of a rating agency is stuff that we’ll talk about with them as we see COVID make a turn and the businesses that are hurt on the EBITDA front really make their turn. And until then, it’d be premature to make any further comments.

Operator

Your final question will come from the line of John Hodulik with UBS.
John Christopher Hodulik - UBS Investment Bank, Research Division - MD, Sector Head of the United States Communications Group and Telco & Pay TV Analyst

Obviously, solid growth in Peacock this quarter. Is there anything you could tell us about usage or maybe daily average users or maybe the number of premiums versus free subs? And then what content is resonating with viewers? Is it sports or entertainment or some of the originals or library? Anything you could tell us there would be great.

And then more broadly, and I guess this is for Jeff or Brian, do you guys believe that NBC has the scale to compete effectively in a D2C centric world, obviously, with the likes of Netflix, Amazon and Disney? if you could talk about that, that would be great.

Jeff Shell - Comcast Corporation - CEO, NBCUniversal

Yes. Thanks, John. This is Jeff. I'll jump into that. So clearly, we -- I think we talked about the 22 million sign-ups, which is great and way ahead of where we thought we’d be.

If you look at -- you just mentioned kind of the -- generally, the majority of our advertising -- of our revenue is advertising, and there's 3 metrics that really go into it. It's how many people sign up. It's how many of them use it regularly. We track kind of MAAs and -- monthly active accounts and then how often they use it, what the engagement is. And those 22 million obviously serve as the top of the funnel, and we're way ahead on the other 2 of what we projected to be. And that obviously then translates to revenue. So couldn't be more pleased with where we are.

And we're just seeing the effects of the Roku deal, by the way, just kicking in. So we have lots of growth coming in amongst Roku customers going forward because we're just seeing the very beginnings of that effect on us. So couldn't be more pleased.

The content that's resonating, it really is interesting. It's kind of across the board. I mean obviously, Premier League soccer has been an interesting driver for us. Some of our topical stuff, some of our NBC News product has been resonating. Brian mentioned some of the shows that we're able to get from other people that they didn't necessarily discover on other platforms. Like Yellowstone and recently, Mr. Mercedes are resonating.

But I think that, in general, if you look at the usage, the fact that we have such a deep library of familiar stuff, it's kind of the opposite of Quibi. We have stuff people are -- want to watch. They want to rewatch 30 Rock. They want to watch Dick Wolf's library. It's really kind of across the board and very broad-based.

And with most of our programming strength coming in future quarters, we're really very optimistic. We don't even get The Office, which is still amongst Netflix top shows, until January exclusively. And then with the Olympics behind, in fact, 2 Olympics behind it to add to our sports strength, we're very, very, very optimistic on how the content is resonating.

Just more broadly on direct to consumer, we have a -- I do think we have the scale as a company to more than compete. I think we have the best platform. We have a content machine second to none across our company. And then when you think about direct to consumer across our broader company, it's not just Peacock, but Comcast and Sky both have deep, broad customer relationships.

And that was -- by the way, we took advantage of both when we launched Peacock, not just using Sky's expertise to have a product that looks good and works really well, but also using Comcast's strength on the X1 platform and Flex to really drive Peacock when we launched. But more broadly across the company, we have things like Fandango and Rotten Tomatoes and lots of different ways that we reach customers directly. So we think -- I think we have more than an upscale both in our content and across the broader company and the way that we reach consumers.

So I don't know, Brian, if you want to add anything.
Brian L. Roberts - Comcast Corporation - Chairman & CEO

No, I think that’s an excellent answer and a good way to end the call. I think going back to a question that was asked earlier: What’s your definition of success? I think you’ve just laid out, Jeff. It’s looking across the whole company. And Peacock is a fantastic example of just in this -- just from quarter-to-quarter, amazing progress, and it’s helping all parts of the company and their road maps ahead. So it’s just one example. Really good quarter, and we look forward to giving you more engagement stats in everything else as we go.

My -- there’s a race on, and we did really well in the last 90 days, in the last 180 days in that race by the strategy that has been laid out here, which offer a lot less money and a lot less risk to our core company, changing the financial characteristics and yet giving us that potential to now have many customers having the Peacock app signed up. What can we do to get that engagement and usage up? That’s over the next 10 years and life over the long term of once you get that real estate.

So we’re going to continue that race, and we’ve got some great content ahead to get people who have yet to try Peacock play with it. And when you get there, it’s got to work really well. And that’s where that experience from Sky and X1 and doing user interfaces paid off. So we’ll keep focused on it.

And thanks for all the questions and the conversation. Marci, back to you.

Marci Ryvicker - Comcast Corporation - SVP of IR

Thanks. Thanks, John. So that concludes our third quarter 2020 earnings call. Thank you for joining us, and we wish all of you well.

Operator

There will be a replay available of today’s call starting at 12:00 p.m. Eastern time. It will run through Thursday, November 5 at midnight Eastern time. The dial-in number is (855) 859-2056, and the conference ID number is 3090648. A recording of the conference call will also be available on the company’s website beginning at 12:30 p.m. Eastern time today.

This concludes today’s teleconference. Thank you for participating. You may all disconnect.