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CORPORATE PARTICIPANTS

Brian L. Roberts *Comcast Corporation - Chairman & CEO*

CONFERENCE CALL PARTICIPANTS

Craig Eder Moffett *MoffettNathanson LLC - Co-Founder, Founding Partner Senior MD & Senior Research Analyst*

PRESENTATION

Craig Eder Moffett - *MoffettNathanson LLC - Co-Founder, Founding Partner Senior MD & Senior Research Analyst*

Good morning, everybody, and thank you for joining us for the 11th Annual MoffettNathanson Media & Communications Conference. And I am really delighted to kick off this year's conference with an opening keynote with Brian.

And this is a fun fact, Brian was -- you were the very first speaker at the very first MoffettNathanson conference. And going back even further, you were the very first speaker I hosted at my first Bernstein conference back in 2002. So this is a really wonderful way of...

Brian L. Roberts - *Comcast Corporation - Chairman & CEO*

What are you going to do next?

Craig Eder Moffett - *MoffettNathanson LLC - Co-Founder, Founding Partner Senior MD & Senior Research Analyst*

22 years of having Comcast at our conference. So thank you.

QUESTIONS AND ANSWERS

Craig Eder Moffett - *MoffettNathanson LLC - Co-Founder, Founding Partner Senior MD & Senior Research Analyst*

Brian, I want to start with a really big picture question. It's a sort of -- it's a kind of what-is-Comcast type of question. You've described Comcast as really special and unique. Talk about what that means to you and what that means for the road map as you think about it for Comcast over the next 5, 10 years?

Brian L. Roberts - *Comcast Corporation - Chairman & CEO*

Well, it's great to be here and congratulations on 22 years of having your perspective on this changing and dynamic industry, which is never dull.

And so I guess, I'd begin by saying that my dad started this company 60 years ago, and what the company looks like today is completely obviously very different than 60 years ago. But there are certain themes of how we try to operate and how we've built the company. And it starts with things that sound perhaps a tad corny, but are everything, which is having great people. And I think we have a great team, maybe never better than the team we have right this second. But we've had wonderful people along those 60 years who have contributed.

And there's hopefully a focus on leadership, innovation, taking risk. And we kind of coined that, "Act like an owner, not a renter." And we've seen other companies succeed. Sometimes you see short-term winners. But over the long term, it seems to be people that make investments and really try to have innovation at the heart.

And as I think about the company right this second, one of the pivots we've made the last several years is really thinking more like a consumer. And every one of our products has to be the best in its space. So we're #1 in broadband in residential in the U.S. We're #2 in the United Kingdom. We have a dynamic wireless offering to complement that broadband. We have -- which I think is the best wireless offering, the best WiFi.

We have a road map within our capital spending plans that takes us to 10G network. We have speeds bidirectional beyond what anybody is using today to imagine what's coming in the future. So it's not just here, it's where we're going.

On the content side, I'm sure we'll talk about some of these things, we had a very relevant company. We touch 200 million viewers every month or thereabouts, and we do that from sports to news to movies to all sorts of television kinds of content.

So it's a dynamic company in a lot of growing spaces. And one of the things you wrote about recently after our earnings is if you take the long term, we have an ability with our balance sheet strength with around 2.3x leverage at the end of the last quarter. If we are able to utilize that strength to make these investments to find a path while businesses evolve and change, that's how you build a winner. And that's what makes us unique in the space and an exciting company, I hope, for people to want to work at.

Craig Eder Moffett - *MoffettNathanson LLC - Co-Founder, Founding Partner Senior MD & Senior Research Analyst*

And you made the case at your Converge (corrected by company after the call) day a few months back that Comcast is a tech company. Is that the way you see it, that Comcast is a tech company?

Brian L. Roberts - *Comcast Corporation - Chairman & CEO*

Look, I think we're tech, and maybe add another word, media content. It's a bit of both. But no question, we're not a cable company. I think we are more of a consumer innovation and technology-driven company. And you saw that at Converge, thanks for bringing that up.

And I think that you look at how consumers in the last 20 years have adopted to the Internet and then wireless -- or maybe 30 years, we were at the heart of that. So I want to be a relevant company, too. And we are relevant in television in news, in the TODAY Show, in the Tonight Show and Saturday Night Live. But we want to be relevant in the technology road map in your home and in your business.

And so what will AI do? Well, one thing it's going to do is create a lot more bits of things that we're going to consume. We're going to choose and search and navigate, assist, manage. And all of those things need connectivity, and they need the best connectivity.

So our road map is pretty simple: be that best company with the best service, most reliable network and an innovation, technology-driven path.

Craig Eder Moffett - *MoffettNathanson LLC - Co-Founder, Founding Partner Senior MD & Senior Research Analyst*

Well, that's a great transition as we dig into the individual businesses to start with the elephant in the room, which is broadband.

Brian L. Roberts - *Comcast Corporation - Chairman & CEO*

I think it's a great elephant.

Craig Eder Moffett - *MoffettNathanson LLC - Co-Founder, Founding Partner Senior MD & Senior Research Analyst*

Well, let's talk about it. You seem like for all of your peers, the unit growth has largely stopped. And interestingly, though, we saw fixed wireless broadband decelerate in the most recent quarter. And even FTTH gain has decelerated in the current quarter, and yet cable didn't really respond yet.

How do I make sense of all that? And how confident should we be in our view that broadband unit growth is going to eventually improve or at least stabilize?

Brian L. Roberts - Comcast Corporation - Chairman & CEO

Well, it is the right question to start with. And part of it is how we're choosing to react to new competition. So let's start with the fixed wireless competition. Three companies are all simultaneously, within a short period of time, all offering a home connectivity product by their own admission in a lower speed, lower -- more easily congested network.

So how did we respond? We chose to accentuate the difference. So you've seen a lot of our commercials talk about when you go to stream and when you go to have multiple devices, you're going to wish you had Xfinity.

But in reality, there's a segment of the market that's a very adequate product. And also, in my experience, our experience over satellite, telephone, Google Fiber, we've had many -- RCN, many different competitors over the years. How do you accept that new competitive reality? Wait your time properly and then start growing again. And hopefully, that's the kind of market we're in now.

So we do see the market growing, albeit more slowly. And we have focused on ARPU and revenue growth. So the reason when you focus on just units, which I understand investors' view on that, our judgment has been we can not grow units for a bit and go backwards some small numbers while taking our ARPU up last quarter 4.2%. We've said we want to be in about the 3% to 4% ARPU range, that's about inflation. We've been able to do that continually through this period. Our revenue in residential broadband grew 4% last quarter. So that's a very healthy business as we'll unpack what's that means to free cash flow, free cash flow per share, earnings per share.

And so, we see a pretty steady ability to do that. And so -- however, we didn't think we were competing as effectively in that other segment. And we've introduced some new products called NOW Broadband, prepaid, really simple product to onboard, a better value than some of the fixed wireless or we think all the fixed wireless offerings and a road map to hopefully one day upgrade you to the full Xfinity broadband experience.

And one last point that I just want to emphasize is what do we see happening? And you pick one statistic, subscribers. I'll pick another statistic that I like to look at in addition, and that is bits per home. And last quarter, bits per home were, again, north of 10% growth. We have over 20 devices. Our customers are using way more capacity, 700 gigabytes per (corrected by company after the call) month that is 20, 30x what they're using with the cell phone.

So our bits per home growing. What is driving that? And is that sustainable, going to accelerate or decelerate in the years ahead? And the path, we believe and we hope will happen is that all that's innovation in that first answer and also a very kind of knowable innovation called streaming, and particularly streaming of sports and streaming of high-def sports and someday ultra-high-def sports and someday 8K and there's a race for who has the best pictures and the best number of cameras giving you choices. A Formula 1 race where you can see every car, you have a camera in the car, you get all that through your broadband. That's all bits and that's all going to continue to want to have the best broadband.

So we see a pretty good road map for our broadband business. And I think in the fiber world, which is ultimately the long-term competitor, we believe, we continue to see a road map. We just had a review of that internally a few days ago. So much excitement of what we can do for a consumer with the network we've got, the expansion and innovation on that fiber network within the capital spending that we have today. And that's for all our customers, not just pockets of customers.

So I like our road map a lot, and I think you'll continue to find broadband as a great engine for this company.

Craig Eder Moffett - *MoffettNathanson LLC - Co-Founder, Founding Partner Senior MD & Senior Research Analyst*

You just referred to your network as fiber network. And it was an interesting question that someone posed to me recently because you've probably heard CableLabs has talked about a couple of court cases elsewhere in the world where cable companies called their networks fiber networks. They got sued for it and actually won because they said your network actually is more fiber-rich than the FTTH network that sued you for it.

Brian L. Roberts - *Comcast Corporation - Chairman & CEO*

I'm not familiar with those lawsuits, but we have more fiber residential, I'm pretty sure, than anybody. And we have all sorts of ways for consumers to enjoy the best broadband. And if you start with what's job 1, 2 and 3, it's making sure consumers have and understand they have the unlimited capacity that we think we can offer for years to come.

Craig Eder Moffett - *MoffettNathanson LLC - Co-Founder, Founding Partner Senior MD & Senior Research Analyst*

And so it sounds like you are convinced that fixed wireless is more of a temporary threat. The real threat is still wired networks.

Brian L. Roberts - *Comcast Corporation - Chairman & CEO*

Well, I think it's a segmented market. And one of the things we -- it's not going to -- I think we've learned to be a one-size-fits-all. If you're an apartment renter, you're a movie trailer, set up temporary facility, you want to have a quick installation -- I'm using -- a construction site. There's a big market out there and there's going to be plenty of moments where that is a perfectly more-than-good-enough product.

So we wanted to get into that business. We have the best WiFi network. And our Xfinity -- our NOW Broadband product is basically a WiFi product that you just plug and play. No equipment fees, no rental and very simple, no contract. So we needed to be more aggressive in that end of the market than we've been. We obviously understand and worry about the downdraft effect of confusing consumers with one price point, another price point, a different price point.

And so I think we've been pretty disciplined in how we -- and that's how we've been able to produce consistently good ARPU growth for the entire 31 -- 30-plus million base of customers that we've got while being able to now compete more effectively in this other segment.

Craig Eder Moffett - *MoffettNathanson LLC - Co-Founder, Founding Partner Senior MD & Senior Research Analyst*

And just -- let's wrap up that ARPU question for a second. What gives you confidence that the price value equation for -- given that there's a low-end offering at often a \$50 price point from fixed wireless, there's FTTH that's sort of trying to squeeze you from the top with -- making arguments their product is better even if you would argue it may not be. How do you maintain that 3% growth? You're confident that, that's a sustainable growth rate?

Brian L. Roberts - *Comcast Corporation - Chairman & CEO*

I certainly believe so. And let's talk about all the reasons that, that should be the case. But I think that is a great question and really should be very important.

First of all, what's inflation? Inflation is running 3%, 4%. So it doesn't seem like you have to reinvent things to justify that price in the consumer's mind. So it comes to how many robust competitors do you have for the products you're offering and what are they -- what's their behavior? Well, first of all, for the really high-end products, I think our pricing is more than reasonable.

Second, we're always looking to add value to the consumer. So the first -- and probably that's one place that maybe slightly differentiates Comcast and the way Dave Watson has been running our communications arm for a long time. We're very focused on adding value to broadband, and wireless is one way that we do that.

Another way, and something that I'll just kind of mention today but Dave is going to talk about in the next few days, next week or so in more detail, is what other ways can we help a consumer if you take our broadband products. And we're introducing something this month called Stream Saver and Stream Saver is going to be available to all customers, not just one segment or another. So, if you're an Xfinity broadband customer, Xfinity TV customer, Stream Saver works for you. If you're a NOW customer, there will be a NOW Stream Saver. And Stream Saver is Peacock, Netflix and Apple TV.

And those three products will come at a vastly reduced price to anything in the market today and be available to all our customers. And that's an everyday pricing, not an introductory pricing. And we'll reveal all that and will be available this month.

So as people look at bundling and segmenting and finding value for consumers so that your bundle can go up 3%, 4%, how can we add value to consumers, at the same time, take some of the dollars out of other people's relationships and put them into our relationships. And so that's what mobile does for us, we think, in the Stream Saver category. We've been bundling video successfully and creatively for 60 years, and so this is the latest iteration of that and I think this will be a pretty compelling package.

Craig Eder Moffett - *MoffettNathanson LLC - Co-Founder, Founding Partner Senior MD & Senior Research Analyst*

I want to touch on Wireless before we move to the other part of your business because you mentioned that as part of the bundle that you're sharing with customers today. You've got about an 11% attach rate now of wireless to broadband. You've been in that kind of 300,000 net adds range for a while.

And I asked this question on your last conference call. Do you think of Wireless as a separate business? Or is wireless there as a way to support the broadband business? And talk about what your vision is for convergence of -- this definition of convergence of fixed and wireless.

Brian L. Roberts - *Comcast Corporation - Chairman & CEO*

I think I said yes to you on the question, which means I didn't answer your question. I think we can make a profit and have a bundled offering, which is the only way we offer wireless. And so, I'd start with that the majority of the benefit is the bundled offering.

So what does that mean? As everybody knows, we have a relationship with Verizon Wireless. It's a wonderful relationship. And I would like to believe Verizon is the very best wireless provider, and certainly, if not in a league by itself right there at the very top of that category. So we're very lucky to have a wholesale relationship. Xfinity Mobile, combined with our WiFi, combined with our pricing, which is less than you can buy it at retail, combined with the fact that we have the very best devices that work -- all devices work with that network and that relationship, it's a seamless end-to-end experience that saves you money.

And our most recent pricing with buy one, get one free is really beginning to more aggressively approach the kind of the family plan. So we're \$25 a line unlimited for the first four lines and then \$20 a line beyond that. So you're really -- that's pretty fantastic savings for consumers to have a product.

And then another statistic that is often shocking to people to hear it for the first time is that 90% -- up to 90% of the bits or the data that travels over that cell phone or that tablet is coming over WiFi. So it raises the question, how do we procure the last 10% because the first 90% is our own network. And so procuring that last 10% can take the form of this relationship. We can build our own network. We can do a hybrid of both.

Today, I have to say we really like the relationship we've got and it's worked well and it allows us to have a profit, which is the second part of your question, and have that profit be a growing category. So we could go a little faster and pull forward units and do things. We're always debating

that question. What -- as we look at not wanting to completely have the category not be profitable, not have a long-term relationship with our consumers, we want them when they're ready to come do business with us and they see the benefits of this broadband relationship. And now with Stream Saver and we have a bundled deep relationship, that's sort of the best customers.

And that's the track we're on. And I think we have -- now got to 11%, which means we've got a long growth runway ahead and that should power our broadband business. Again, we're very broadband-centric. And if you go back and say, what is the real metric you're trying to drive toward? We probably would say EBITDA and so in that broadband relationship, and then ultimately, that turns into free cash flow. It turns into free cash flow per share.

So, I think we've got a plan and we're going to stick to that plan, and we'll obviously make adjustments along the way, but mobile is a big part of it.

Craig Eder Moffett - *MoffettNathanson LLC - Co-Founder, Founding Partner Senior MD & Senior Research Analyst*

One of the stats I remember you cited that was really important was that you said 60% of all the traffic in your footprint comes from 3% of the square mileage, I think it was.

Brian L. Roberts - *Comcast Corporation - Chairman & CEO*

Some stat. I'm not an engineer, but it's a shockingly low -- very dense reality of that. And so we've been testing technologies to -- and with our own spectrum...

Craig Eder Moffett - *MoffettNathanson LLC - Co-Founder, Founding Partner Senior MD & Senior Research Analyst*

The CBRS.

Brian L. Roberts - *Comcast Corporation - Chairman & CEO*

Right. And we've walked around Philadelphia with cell phones and had two phones and this one's on that and this one's on that. You can't tell the difference. And so again, given that it's a small geography and the small amount of the volume that people actually use, there are opportunities to augment what we're now doing.

I also just spend a minute on Business Services, which is kind of doing all of these same things in their own way with a wonderful growing suite of relationships, small, medium and enterprise size, but we also are working on mobile for all of your employees, and at the same time, connectivity for the physical sites and a suite of products and with data security and network reliability and quick response on service.

We've built a \$10 billion a year business from basically 0 just by taking this best network and bringing it to more than just homes and residences, but also the businesses and enterprises.

Craig Eder Moffett - *MoffettNathanson LLC - Co-Founder, Founding Partner Senior MD & Senior Research Analyst*

We could talk cable and connectivity all day, but you've got a lot of other interesting businesses. So I want to turn to a question that my colleagues, Michael and Robert, have been asking for a long time, which they sort of rhetorically asked, is streaming a good business? Is it, and can streaming ever be as good a business as the linear business used to be?

Brian L. Roberts - Comcast Corporation - Chairman & CEO

Well, let's start with is it a good business? I think, yes. And I think inside a media company like NBCUniversal, definitely yes. So we have -- the way we're managing it under Mike Cavanagh and the team is it's one media segment. And whether you consume Saturday Night Live this weekend, which was fantastic, I thought, those that didn't see it, go to Peacock and stream it, and you'll see the content, but you could have been there on NBC Saturday night.

And so we're getting two different revenue streams, two different businesses. And one business is cord-cutting to a place, the other business is the fastest-growing streaming service out there and that's a very holistic way to manage the company. And while one may not be as profitable as the other, the real question is, is it profitable and is it a good business, so the question you started with.

It took us less than 4 years to get to 34 million customers for Peacock. It took Hulu over 10 years to do the same thing. That's the power of that first business, which is helping drive the second business. And we have one -- you'll see it with the Olympics this summer. The best way to consume it will be on Peacock, but certainly NBC Primetime is going to be spectacular, an innovative coverage that, I think, will be the best we've ever done. And I think Paris will be a glorious setting.

So we are running it as one business, not a complete stand-alone. And yesterday, we had the NBCUniversal Upfront. And we're very fortunate with Donna Langley picking all the content, Mark Lazarus selling all the advertising with the team and putting the business in the sports and combining it all together. Donna stood up and showed some of the relationships in the film division that she's run so successfully and as they're coming over now to our television road map.

And so I would say, very excited about Peacock. Very excited about creatively where we're going to go the next several years. And also very excited that many businesses, not just in our business, have made this transition from analog to digital, from one technology to the next technology. And we, of course, we're in Hulu. We were there for many years. It was there before we bought the company. We owned 1/3 of it. And as you know, we're involved in a sale process to unwind that. And so we had to start perhaps late, but that doesn't, in any way, suggest that in the fullness of time the great content of NBCUniversal will not easily and hopefully successfully find a way into your consumer life through Peacock.

Craig Eder Moffett - MoffettNathanson LLC - Co-Founder, Founding Partner Senior MD & Senior Research Analyst

There's -- with all the disruption that's going on now with -- at your peers, competitors, I don't know what you would call them. But if I look at the chaos at Paramount, the diminution, I guess, of Warner Bros. Discovery, I mean, there used to be a sense that there was this kind of house-on-fire urgency to say is you've got to get Peacock to scale and that sort of thing.

Do you sort of sit back now and just sort of take in this universe and say there's opportunity here? Or do you say this is actually a great time for us to wait and see how things shake out and sit back a bit? Or how do you think about the environment we're in?

Brian L. Roberts - Comcast Corporation - Chairman & CEO

It's ultimately playing our own hand, and we've been very consistent. And I think one of the things, hopefully, Comcast presents well to investors is a certain consistency and kind of one foot in front of the other.

And we've said that for Peacock for a long time. We started with a model that was advertising-centric. We've added subscription. We looked at it and said, well, that's exactly how we built Comcast Cable. We had advertising and subscription. We do those things really well.

Now we've seen a lot of the other marketplace begin to adopt that dual revenue model. So I think we're right about how we approached it.

And we've gotten -- there's -- life requires a little bit of luck. And we've gotten -- and I love Warren Buffett once saying, "I work 20 hours a day to get lucky." So we have some people who had procured a lot of sports rights. And when COVID hit, we had something called NBC Sports Gold, which

was leftover Premier League games, leftover Olympics, Tour de France-type content, Olympic sports that we weren't able to show one of our cable channels and on NBC.

And when we were launching Peacock, Rick Cordella, who's now Head of NBC Sports, suggested why don't we just put on one of the Premier League games, because the season had been delayed in the U.K. and they were coming back on just as we happen to be launching. We put that game on and next thing you know it's the most popular thing we had that day. And we said, well, let's put one more on and one more. And next thing you know, we now have more live sports than any streaming service out there. People are surprised to learn that ESPN+ and ourselves, but in terms of their premier events I think we're actually leading the pack.

So that allowed us to get going at that rapid rate that got the adoption to where it is now with Sunday Night Football and other things. And that's going to create a platform for Donna to come along and create the great kind of shows like the great kind of films, and the TV team that we have has created great shows at NBC for years and Bravo and USA and our wonderful networks.

So, I'm pretty excited that we have a unique spot. Those other companies, I'm not going to comment about. But we're playing our hand and I think we have a good road map, coupled with, again, what you said in your report about the ability for Comcast to be patient given our balance sheet and overall scale. But we have a momentum and sense of purpose of what we think we're all about and we're going to do it in a disciplined way.

Craig Eder Moffett - *MoffettNathanson LLC - Co-Founder, Founding Partner Senior MD & Senior Research Analyst*

I don't suppose I could go fishing and see if you have any comment about the NBA since you mentioned sports.

Brian L. Roberts - *Comcast Corporation - Chairman & CEO*

No. Nothing to comment today.

Craig Eder Moffett - *MoffettNathanson LLC - Co-Founder, Founding Partner Senior MD & Senior Research Analyst*

We did a deep dive into a part of the business that I have become increasingly interested in and that's the Theme Park business. And, maybe, before I ask my question, I think you have a video that you wanted...

Brian L. Roberts - *Comcast Corporation - Chairman & CEO*

Well, ask your question. Maybe I'll be able to tie it in with the video.

Craig Eder Moffett - *MoffettNathanson LLC - Co-Founder, Founding Partner Senior MD & Senior Research Analyst*

This has been a real growth engine for your business overall for the last few years. But the opening of Epic is, I think, something that's really underappreciated by investors. So I want to sort of understand what's unique and coming about Epic? And how do you think that, that -- what should investors expect from the Epic opening and then as you think about kind of rest of world as well as you position for landing?

Brian L. Roberts - *Comcast Corporation - Chairman & CEO*

So Theme Parks, just real quickly, are -- have been an amazing business for us. They kind of feel a little bit like the old days where you build a new cable system and a lot of people sign up and then there's a recurring revenue. And while theme parks are somewhat different than that, it's not so much. And so we have an opportunity with Epic to do something that hasn't been done in 25, 30 years in this country.

We're going to build the, I believe, the absolute state-of-the-art best-in-the-world park, 12 minutes away from Universal Orlando right now. And we have special buses and lanes and bridges and things that have been created. So you zoom right there, ability to have one ticket, facial recognition when you enter the park, a technology inside the park that is the absolute cutting edge for the consumer experience, writ large, not just the rides, but also the experience of navigating the lines, paying for food, communicating, the ability to retail.

And I think it's going to redefine the park experience. And Mark Woodbury, who has been the Chief Creative Officer and now the CEO for many years, built all these parks. We got a glimpse of this in Beijing with the park that we've built there, and that team came to Epic.

So what I brought today was a short 1-minute-or-less video just for this room, sorry, for the online folks, to just give you a sense, on one side, you're going to see sort of the rendering. On the other side, you're going to see the state of construction of that rendering. There are 5 lands and you'll -- go ahead and roll the tape, please.

(presentation)

Brian L. Roberts - Comcast Corporation - Chairman & CEO

I'll touch on that for a second, which is that the breadth of that, we've taken 7 years to build this. There's more dirt that's been moved, steel that's been brought in, hotels, restaurants, retail. It's -- I don't think there's been anything quite like it in this country.

COVID interrupted the construction, set us back a couple of years. We'd be open by now if we hadn't. That's affected a little bit of our rhythm of when we have new attractions.

But this is not just like here's a new Harry Potter. You saw it, it's Harry Potter. It's Nintendo. It's Dark Universe. It's How to Train a Dragon with drones and fire. And it's pretty spectacular.

Craig Eder Moffett - MoffettNathanson LLC - Co-Founder, Founding Partner Senior MD & Senior Research Analyst

And my sense is, historically, Universal aimed at a slightly older demographic than Disney did. But it seems like you're running a pretty wide age range of appeal at Epic.

Brian L. Roberts - Comcast Corporation - Chairman & CEO

We're going to get better at that. It's sort of like the segmentation, the last conversation, but we're opening a park in Dallas that's going to be geared to just younger kids. There will be parts of this park that -- with Illumination and DreamWorks Animation that we've been able to assemble lots of content. But let me tell you, there's going to be plenty for the core thrill-seeking adventure.

It's beginning to make Universal -- we'll make it a destination. Come for a week, stay in our hotels. We have a Universal Grand Hotel, be the finest hotel we have.

And it just right there in Orlando, where we know the weather is good, where we know the tourists want to come. And it's, we think, a very good investment for the company and for the stockholders, and at the same time, we'll just elevate Universal, as you say, and what other opportunities will that create for us elsewhere one day at a time.

Craig Eder Moffett - MoffettNathanson LLC - Co-Founder, Founding Partner Senior MD & Senior Research Analyst

I was struck by as we did that work and without heroic assumptions, it really looked to us like estimates for the next couple of years for us at The Street is too low for the Theme Parks business.

I don't want to skip the Studio business, though, as well. You've obviously had a lot of success in film in the last couple of years. Talk about your vision for the Studio and how they sort of fit into the value-creation cycle because you've monetized Studio and intellectual property in a lot of different places in the company.

Brian L. Roberts - Comcast Corporation - Chairman & CEO

Well, we have -- we were the #1 box office worldwide last year and I mentioned Donna Langley already, really proud of a film like Oppenheimer. That's the kind of the triple whammy of win the Academy Award Best Picture, super successful \$1 billion box office and something that you can be so proud of every aspect of the team for what its contribution to society in helping us think and look back and look forward.

But we have -- and Christopher Nolan, we thank for creating that film. But we've had -- this year, we have from Chris Meledandri Despicable Me 4, coming. And then yesterday at the same Upfront, Donna teased the audience with a -- and then said, nobody can use your cell phone and it's not coming out for a week. But very soon, we'll have the first trailer for Wicked out. There was an audible gasp in the room of excitement for -- and we have two Wicked's coming.

So how do we take that great momentum in the film division? First of all, we're trying to infuse it together with the television division. That's not always how Hollywood has operated. So with our team, as I mentioned, we'll be kind of trying to find a creative front door for the company that will allow people to bring their great skills to hopefully a creative-friendly company.

Secondly, we can monetize it also over the ecosystem. We sell our content to Netflix and Apple and Amazon. We make content for all those companies. We make it for Peacock. We put it in theme parks. We have a pay-one deal with ourselves, with Peacock, but we have a very creative pay-one deal. So when a film like Oppenheimer comes out or a film like Despicable Me comes out, Kung Fu Panda, it'll go on Peacock for 4 months. But after that, it will go on either Netflix or Amazon, then it will come back to Peacock. And so we very much believe in the windowing part of the industry where you can create value at different destinations along that windowing journey.

And then, of course, you see something like Epic Universe and you'll see it infused with all of our own content all over the place.

So a very good holistic food chain. And if I'm missing any parts of that food chain, you get the picture. Obviously, the Xfinity team puts all of our content and we have events, and we think we're the best retailer. And we're always trying to -- when you see the Olympics this summer, you will absolutely have the best experience if you're an Xfinity customer with the NBC content.

So we try to do all that and have -- we call that symphony. It's a reason the company is together and is unique, back to that -- where we started.

Craig Eder Moffett - MoffettNathanson LLC - Co-Founder, Founding Partner Senior MD & Senior Research Analyst

Well, you mentioned the Olympics. So let's talk about the Olympics because that is, in some ways, one of the unique pieces of Comcast that ties everything together and you have some video there as well.

Brian L. Roberts - Comcast Corporation - Chairman & CEO

Well, it wouldn't be good to come here and not talk about the world we live in, the society, the moment in time. And certainly, the Olympics present an opportunity. While I'm sure there will be plenty of conversation about all the various problems in the world, the original charter of the Olympics was for 17 days for the world to put their arms down and get together and celebrate the incredible global community and excellence in sport.

So when we go to Paris, when you turn on NBC, this is a sneak peek at how we're going to present the Olympics when you come on air. So you'll be the first people to see this. Sorry to the folks online. But I just -- I'm really proud of how we're looking at the coverage. And why don't you roll tape.

(presentation)

Brian L. Roberts - Comcast Corporation - Chairman & CEO

Get ready, and we're certainly...

Craig Eder Moffett - MoffettNathanson LLC - Co-Founder, Founding Partner Senior MD & Senior Research Analyst

I'll let that speak for itself, but I'd certainly -- I'll echo your sentiment that it would be nice to imagine that you get 16 days of world harmony, it would be a pretty good thing.

Brian L. Roberts - Comcast Corporation - Chairman & CEO

Don't know that, that will happen, but we're certainly -- if you're not inspired by that, I hope people will be. And I think Team USA is going to be spectacular, that's the buzz. So it should be fun watching.

Craig Eder Moffett - MoffettNathanson LLC - Co-Founder, Founding Partner Senior MD & Senior Research Analyst

So I want to close our discussion by returning to the sort of portfolio question because valuations are low for cable. We've pointed out they're actually below replacement cost for cable -- physical cable, but they're also low for media. Your combined valuation discount to the S&P is the widest ever. Part of that is -- what are investors missing? But part of that is what opportunities does that create? Because you've said before, your balance sheet is really strong.

Is there an opportunity to go shopping for undervalued assets, including your own, buying back stock? But you've obviously had some success with acquisitions before. How do you think about the moment that we're in?

Brian L. Roberts - Comcast Corporation - Chairman & CEO

Well, start with why is it that way? And I think it's some of the uncertainty around the conversation we've had and hopefully I've helped, in some way, give you our road map as to how we're going to operate the company or try to operate the company.

And I think as we perform, maybe people will rethink the multiple. We grew last year, I mentioned sort of the algorithm and Jason Armstrong, our CFO, sitting here and he's talked about this in other settings. If you can take a complicated story, so that's maybe part of it, which is that a big part of your business is this cord-cutting, video. So your revenue growth is going backwards for 40%, 45% of the company and going forward quite strongly for the other 55%. So your revenue growth is [inaudible]. We have 6 areas that are growing 7%, 8%, 9%, 10% of revenue.

So you put that together, you take a low revenue growth converts into single-digit EBITDA growth, low middle single-digit. That's turned into last year a 10% EPS and 10% free cash flow growth and the first quarter higher than that.

And so you have to unpack us a little bit. And someday, that will self-correct because enough years of cord cutting, eventually we have just a growing part of the company and less of the going backwards part.

But can we maintain that is, I think, the question. With our 2.3x leverage, let me throw out a stat, in the last 10 years because we've been doing this a bit, we've returned \$90 billion to shareholders, including \$11 billion of that in stock buybacks just in the last 12 months. And so I think that algorithm, if it continues, we're going to buy a lot of our own company, the first thing.

The second thing, and I said this on our earnings call, I think that, therefore, creates an even higher bar to wanting to change the mix of the company that we've got.

Very pleased with the road map. We're keeping our leverage around where we're at. And therefore, a lot of free cash comes out, and therefore, we're going to continue to return that cash to shareholders after investing in the road map of products and new innovations and content and investments like Peacock and Epic Universe that I think are part of those 6 growth engines for the company.

So we'll keep doing it, and we appreciate the fact that you keep studying it. But I think the main message is that diversification is really an asset because of the ability, as businesses change, to just be steady and return capital in this means that I'm talking about. And that's been the path we've been on for 10 years, and I think we'll stay there.

Craig Eder Moffett - *MoffettNathanson LLC - Co-Founder, Founding Partner Senior MD & Senior Research Analyst*

Well, I can't thank you enough for being here today. I want to wish you great success with the Olympics and with Epic in the coming year. But I really appreciate being here and having this conversation, and look forward to doing it again next year.

Brian L. Roberts - *Comcast Corporation - Chairman & CEO*

Thank you, Craig.

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