OVERVIEW:
CMCSA reported 1Q22 revenue of $31m and adjusted EPS of $0.86.
CORPORATE PARTICIPANTS

Brian L. Roberts  Comcast Corporation - Chairman, CEO & President
David N. Watson  Comcast Corporation - President & CEO of Comcast Cable
Jeffrey S. Shell  Comcast Corporation - CEO of NBCUniversal
Marci Ryvicker  Comcast Corporation - EVP of IR
Michael J. Cavanagh  Comcast Corporation - CFO

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PRESENTATION

Operator

Good morning, ladies and gentlemen, and welcome to Comcast First Quarter 2022 Earnings Conference Call. (Operator Instructions) Please note that this conference call is being recorded. I will now turn the call over to Executive Vice President, Investor Relations, Ms. Marci Ryvicker. Please go ahead, Ms. Ryvicker.

Marci Ryvicker  Comcast Corporation - EVP 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 Dana Strong. Brian and Mike will make formal remarks while Dave, Jeff and Dana 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 & President

Thanks, Marci, and good morning, everyone. 2022 is off to a great start. Each of our businesses posted healthy growth in adjusted EBITDA, contributing to a double-digit increase in adjusted EPS as well as significant free cash flow generation in the quarter. And we achieved all of this while continuing to invest in our businesses for the long term, while also increasing our return of capital to shareholders.
Our company has been at the forefront of innovation in connectivity and also in content. We have built a leading global technology platform, which today delivers 5 billion entertainment streams a week and 40 million voice commands a day across Comcast, Sky and our current syndication partners.

Yesterday’s announcement highlights the value of what we've created. As you probably are aware, we formed a joint venture with Charter to offer our award-winning, voice-controlled streaming platform across the United States, starting with Flex and XClass TV, and to further develop this technology. Not only will we bring these products to millions of more customers, but we'll open the door to brand new revenue opportunities. And when you combine Charter's footprint with our current syndication partners in both the U.S. and Canada, our retail distribution through Walmart and Sky, which essentially runs off the same technology, we now have a truly global platform.

This joint venture is a win-win. Consumers will get our proven world-class user and search experiences, simple content navigation and more choice in the streaming marketplace. App developers, retailers and hardware manufacturers will have access to 1 platform and 1 set of standards to quickly deploy their offerings across the U.S. And we'll be able to share in the investment and innovate alongside a partner we know well.

Comcast and Charter have a track record of coming together to bring new products and technologies to consumers. Most notably, our mobile operating partnership from 2018 enabled both companies to bring greater value and a better experience that people love. The result is a more competitive wireless marketplace, and the service that we provide has been rated #1 in customer satisfaction against all other mobile providers.

Peacock also benefits from this joint venture as it will be deeply integrated into the platform the way it is on X1 and Flex today, which will help expand Peacock’s customer base more quickly and drive higher engagement resulting in greater monetization for NBCUniversal. And we are doing all of this in the context of the investments we have already made in our technology and within the guidelines we've provided on our last earnings call, with respect to our plans for programming investment.

So let’s come back to our achievements in the first quarter. Starting with broadband. We measure our success based on customer and financial metrics. And while we continue to compete aggressively in the current environment, we are striking what I believe to be the right balance between customer acquisition and long-term profitable growth. You can see with our first quarter results, where we added 194,000 customer relationships and 262,000 broadband subscribers. While on the financial side, Cable generated 5% revenue and 6.5% adjusted EBITDA growth, with 44% adjusted EBITDA margins.

Our distinct competitive advantage stems from our network, which has a level of flexibility that enables fast innovation and will be further enhanced through virtualization, an important stepping stone in our ultimate evolution to DOCSIS 4.0. Our path to ubiquitous, multi-gig, symmetrical speed is well underway. And in the next several years, when you collectively include Charter and Cox, the cable industry will be positioned to offer multi-gig, symmetrical speeds to over 100 million homes throughout the United States over essentially the same DOCSIS 4.0 infrastructure. None of our competitors can say the same thing.

For years, we focused on not only having a modern high-capacity network, but importantly, we’ve also focused on providing our customers with cutting-edge technology in their homes to ensure that they have the best experience, which is a combination of fast speeds, whole home coverage, cybersecurity and control, together with fantastic streaming capabilities.

During the quarter, we performed a number of successful tests on 10G equipment, and we launched our newest and most powerful xFi gateway, which increases bandwidth in the home by 3x and is the only modem that can support multi-gig symmetrical speeds to date.

We're also enhancing the value of Xfinity broadband by bundling with mobile, offering our customers the convenience of one relationship for all their connectivity at a tremendous value. This contributed to even further improvement in broadband retention and our best quarter ever for Xfinity Mobile in terms of line net additions.

We have a great wireless business and MVNO partner in Verizon and have opportunities to further improve our economics at Xfinity Mobile longer term. For example, our testing of deploying spectrum to potentially offload wireless traffic is progressing nicely. During the quarter, we turned up our first 5G radios, and we'll be launching an employee field test in June. Stepping back, the underlying theme in all of this and the core of our
strategy is that we put the customer first, which drives our strong financial results. The investments we have made and continue to make are expressly meant to enhance the experience of every person that is connected to our products and services. To that end, we just had the highest level of customer satisfaction we have ever seen for a first quarter. And we maintained our positive trend in reducing both agent handle interactions and truck rolls, which declined 19% and 17%, respectively.

So let’s switch to NBCUniversal. We had a lot of exciting things happen during the first quarter. For the first time in our history, we aired both the Super Bowl and the Olympics in the same week, affirming our expertise in production. During that period, I went to our facility in Stamford, Connecticut. I have to say, I was so impressed by the hard work and the entire team working 24/7 around the clock, working with Beijing, while being in Connecticut, providing a seamless broadcast for the Olympics. We sent some of our equipment to China when we thought our broadcast operations would be there, and on the fly, we had to figure out new ways to air this special event and not have the consumer know that was happening. Amazing how well the team managed the complexity, delivered an unbelievably high-quality product to hundreds of millions of viewers. And I think this will help innovate sports productions for years to come.

We learned a lot about streaming from the last Olympics. And so when it came to Beijing, we provided a much improved experience on Peacock, which shared every single event for the first time, driving significant engagement. Really was an exceptional quarter overall for Peacock, with other big sporting events and content launches, including the Super Bowl, the debut of Bel-Air, our most successful original to date, and the day-and-date release of Marry Me. Importantly, retention on our service after airing all of this special content in such a concentrated period of time was well above our expectation. We added 4 million paid subscribers to end the first quarter with over 13 million paid subscribers and 28 million monthly active accounts in the U.S. And we’ve seen a 25% increase in hours of engagement year-over-year. Given the natural ebbs and flows of our content slate, we do not anticipate seeing this type of growth every quarter. We just expanded our total paid subscribers by over 40%. So we expect more modest subscriber gains until we get to the back half of this year.

Our fourth quarter should be fantastic with sporting events such as Sunday Night Football, Premier League and the World Cup; a pay one availability of top universal titles like 'Minions: Rise of Gru and Jurassic World: Dominion; original series such as Vampire Academy; and for the first time, starting this fall, Peacock will be the exclusive home of the next-day NBC broadcast. Our streaming strategy is differentiated, unique, because Peacock is a natural extension of our existing video businesses with 2 revenue streams and full integration across every aspect, whether it’s programming, cross-promotion or advertising. Peacock builds audiences, extends our reach and creates new consumer experiences within our ecosystem, which should enable video to be a major long-term growth driver for NBCUniversal.

Finally, the business we haven’t talked enough about is Theme Parks, where the recovery continues to be fantastic. I’m particularly excited about the new attractions that we opened during the pandemic, that many of our guests are now able to experience for the first time, like Super Nintendo World in Japan, the amazing VelociCoaster in Orlando; Pets in Hollywood, and of course, Universal Beijing. Our investments are significantly expanding the potential of our Theme Parks business, which will remain an important and exciting growth engine for years to come.

So Comcast is truly in a unique position of growing EBITDA, generating a robust level of free cash flow while making important organic investments in long-term growth initiatives, and also increasing our return of capital to shareholders, which totaled $4.2 billion this quarter through a combination of $3 billion in buybacks and $1.2 billion in dividends, the largest return of capital for any quarter in our history.

So off to a great start in the first quarter, and I’d like to now hand it over to Mike.

Michael J. Cavanagh - Comcast Corporation - CFO
Thanks, Brian, and good morning, everyone. I'll begin on Slide 4 with our first quarter consolidated 2022 financial results. Revenue increased 14% to $31 billion, adjusted EBITDA increased 9% to $9.2 billion, adjusted EPS increased 13% to $0.86 per share, and finally, we generated $4.8 billion of free cash flow.

Now let’s turn to our business segment results, starting with Cable Communications on Slide 5. Cable revenue increased 4.7% to $16.5 billion, adjusted EBITDA increased 6.5% to $7.3 billion and net cash flow grew 8.3% to $5.6 billion. We grew customer relationships by 913,000 over the past 12 months with 194,000 net additions in the first quarter. Overall, customer growth was driven by broadband, where we added 1.1 million...
net new residential and business customers over the past 12 months and 262,000 in the first quarter. This quarter’s results reflect continued low move-related activity compared to historical levels as well as an uptick in the level of competitive activity resulting in lower connect volumes. At the same time, we continue to experience very high levels of customer retention, with this quarter’s results yielding the lowest churn rate for any quarter on record. In fact, we had fewer customers disconnect this quarter than the first quarter of 2019 despite a customer base that is almost 17% larger.

Throughout the pandemic, we have offered a variety of programs to help our customers stay connected. Some of our customers that participated received our services for free and, therefore, were not included in our subscriber totals. At year-end, we ended these COVID-related programs, triggering a benefit in the first quarter. We estimate this change accounted for about 1/3 of our first quarter net additions with such benefit contained to the first quarter.

Moving to the financials. Cable’s revenue growth of 4.7% was driven by broadband, business services, wireless and advertising revenue, partially offset by lower video and voice revenue. Broadband revenue increased 8%, driven by strong customer additions over the past 12 months and nearly 4% growth in average revenue per customer in the quarter.

Business Services revenue increased 10.6% or approximately 6%, excluding the acquisition of Masergy, which closed at the beginning of last year’s fourth quarter. This healthy organic growth was driven by increases in both average rates per customer and in our customer base, which grew by 61,000 over the past 12 months with 9,000 additions in the first quarter.

Moving to Wireless. Revenue increased 32%, mainly driven by service revenue, which was fueled by growth in customer lines. Overall, we added 1.2 million lines over the past 12 months, including 318,000 lines in the quarter, which, for the fifth consecutive quarter, was our best result since launching this business in 2017.

Advertising revenue increased 8.6%, reflecting higher political and double-digit growth in Xumo and advanced advertising. For video, revenue declined 1.5%, driven by customer net losses totaling 1.7 million over the past 12 months, including 512,000 in the quarter, partially offset by higher average revenue per customer due to a residential rate increase at the beginning of this year.

Last, voice revenue declined 9.8%, primarily reflecting customer losses totaling 725,000 over the past 12 months, including 282,000 net losses in the quarter and reflects our shift to more converged broadband mobile offers.

Turning to expenses. Cable Communications’ first quarter expenses increased 3.3%. Programming expenses decreased 1.1%, reflecting a decline in video customers, partially offset by higher rates. Nonprogramming expenses increased 6.3%, reflecting investments in our growth businesses, including Broadband, Wireless and Business Services; expenses related to our recent acquisition of Masergy; as well as an increase in other expenses, primarily due to bad debt returning to more normalized levels. These higher costs were partially offset by a decline in customer service expenses, reflecting lower activity levels in the business as well as improvement in customer experience initiatives.

Cable Communications’ EBITDA increased 6.5% to $7.3 billion for the quarter and Cable EBITDA margin reached 44%, reflecting 80 basis points of year-over-year improvement. We believe we are striking the right balance by continuing to invest in our growth businesses, which are driving the top line and proving to be a great return for us, while at the same time, continuing to increase our operating efficiency and remove unnecessary costs.

Now let’s turn to Slide 6 for NBCUniversal. Starting with total NBCUniversal results. Revenue increased 47% to $10.3 billion and EBITDA increased 7.4% to $1.6 billion. Media revenue increased 36% to $6.9 billion, including Peacock revenue, which grew more than 5x year-over-year to $472 million in the quarter. As Brian noted earlier, we aired both the Olympics and Super Bowl, which together contributed an incremental $1.5 billion to Media revenue. Excluding these events, Media revenue increased 6.9%, driven by both higher distribution and advertising revenue.

Distribution revenue, excluding the contribution from the Olympics, increased 8.5%, reflecting growth at Peacock driven by increases in paid subscribers as well as our networks, reflecting higher contractual rates, partially offset by linear subscriber declines. Advertising revenue, excluding
contributions from the Olympics and Super Bowl, increased 4%, reflecting higher pricing and a growing contribution from Peacock, which was partially offset by linear ratings declines.

Media EBITDA decreased 21% to $1.2 billion in the first quarter, including a $456 million EBITDA loss at Peacock. Excluding Peacock, Media EBITDA decreased 7.7%, reflecting higher programming and production costs associated with our broadcast of the Beijing Olympics and Super Bowl as well as higher costs driven by the return of our full primetime schedule compared to last year when our schedule was impacted by COVID-19. We continue to expect Peacock’s EBITDA loss will be roughly $2.5 billion for the year. However, taking into consideration the timing of content launches, consistent with what Brian mentioned, we would expect losses to be higher in the second half of the year.

Moving next to Studios. Revenues increased 15% to $2.8 billion, driven by higher content licensing and theatrical revenue, but EBITDA declined 51% to $245 million. The decline in EBITDA primarily reflects a difficult comparison to last year’s first quarter, which benefited from a licensing deal with Peacock, including exclusive streaming rights for The Office, with an offsetting adjustment reflected in NBCUniversal’s eliminations. The remainder of the EBITDA decline reflects higher marketing costs ahead of numerous film releases planned for the second quarter, including Jurassic World: Dominion, Ambulance and Bad Guys.

Last, at Theme Parks, revenue increased by $941 million to $1.6 billion, and we generated EBITDA of $451 million, reflecting improved results at each of our parks compared to last year when Orlando and Japan were operating at limited capacity and Hollywood was closed due to COVID-19. We continue to see exceptional demand at our domestic parks. Attendance was back to prepandemic levels, and we had strong growth in per caps, with Orlando generating its highest EBITDA on record for our first quarter.

COVID impacts in the quarter were more pronounced internationally. Universal Studios Japan’s results were impacted by capacity restrictions, which were in place for most of the first quarter. These restrictions were lifted at the end of March. And over the last month, we have seen a very strong rebound with attendance currently above prepandemic levels. At Universal Beijing, which opened in September of last year, demand from our guests was high, but overall attendance was impacted by COVID and related travel restrictions. Despite that, Beijing only contributed a slight EBITDA loss in the quarter.

Now let’s turn to Slide 7 for Sky, which I will speak to on a constant currency basis. For the first quarter, Sky revenue of $4.8 billion was consistent with the same period last year as solid growth in the U.K. was offset by our results in Italy, where we continue to transition through the reset in our Serie A broadcast rights, which we won’t begin to lap until the back half of this year. Direct-to-consumer revenue was also consistent year-over-year, reflecting growth in the U.K., where we continue to have healthy customer additions and grew direct-to-consumer revenue by mid-single digits, driven by an increase in video revenue, including higher revenue from pubs and clubs, streaming and premium TV as well as healthy increases in broadband and wireless revenue.

This growth in the U.K. was mainly offset by lower revenue in Italy, where we continue to experience both customer losses and lower direct-to-consumer revenue, primarily due to the reset in our Serie A broadcast rights. Rounding out the rest of revenue at Sky, content revenue declined 14%, driven by the reset in sports licensing agreements in Italy and Germany. And advertising revenue increased 7.9% with healthy growth in the U.K., partially offset by a decline in Italy.

Turning to EBITDA, Sky’s EBITDA increased 71% to $622 million driven by our strong performance in the U.K. and improved results in Italy and Germany, where we benefited from lower programming costs due to resets in our sports rights.

Next, I’ll discuss free cash flow and capital allocation on Slide 8. As I mentioned earlier, we generated $4.8 billion in free cash flow this quarter. Consolidated total capital increased 1.1%, reflecting increases at NBCU due to ramping construction at Epic Universe, a decrease at Sky and a relatively flat capital spending at Cable due to timing. For the year, we continue to expect Cable CapEx intensity to stay around 11% as we increase investment in our broadband network, and NBCUniversal CapEx related to the construction of EPIC universe to be up around $1 billion year-over-year.

Turning to capital allocation, as of today, we have repurchased $4 billion worth of our shares year-to-date, including $3 billion in the first quarter. In addition, dividend payments totaled $1.2 billion for a total return of capital in the first quarter of $4.2 billion.
And before I wrap up, I also want to spend a minute on the macro environment since inflation and interest rates are topical right now. There are certain areas of expense across each of our businesses that are impacted by inflation. Like other companies in our space, we’re not entirely insulated from that. However, the overall impact to our financials has been limited. Overall energy costs make up about 1% of our total company’s operating expenses. Also, we are more than offsetting any pressure on wages and other areas of expense through the continuing efforts to implement operational efficiencies, helping us protect the healthy margins across our businesses.

Lastly, our balance sheet is very well-positioned with about 95% of our debt based on fixed rates, a debt portfolio with a weighted average time to maturity of approximately 18 years and a weighted average interest rate of 3.47%. We ended the quarter with net leverage at 2.3x and still expect to remain around 2.4x leverage going forward.

So with that, thanks for joining us on the call this morning. I'll turn it back to Marci, who will lead the question-and-answer portion of the call.

**QUESTIONS AND ANSWERS**

**Marci Ryvicker** - Comcast Corporation - EVP of IR

Thanks, Mike. Operator, let’s open the call for questions, please.

**Operator**

(Operator Instructions) Our first question comes from Ben Swinburne from Morgan Stanley.

**Benjamin Daniel Swinburne** - Morgan Stanley, Research Division - MD

Brian, could you talk a little bit about your decision to create this joint venture with Charter versus sort of going at it, just Comcast alone? It seems like aggregation is a huge opportunity, but JVs can be tricky to operate. How do you set it up for success? And is there a way to frame the benefit to Comcast over the next couple of years as this JV sort of goes to market more aggressively next year?

And then, Dave, on broadband, I think this is the first quarter you sort of highlighted incremental competitive pressure on gross adds. Was there a change in the quarter? And can you just talk about sort of how you're thinking about customer segmentation, if there's any change to your appetite to take rate in order to sort of manage through the competitive environment.

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

So let me start, and thanks, Ben. Look, I think that working with Charter, first of all, they bring terrific markets that we don't operate in. And so taking from the perspective of people who might want to take advantage of our platform that we will together have created, will create and roll out. Whether that's a hardware company, a software company or some new creation, they're going to want national scale and frankly, an international platform.

That's who the competitive set is, and being able to enable people's businesses to ride on those platforms and create value for our shareholders and Charter shareholders, I think, is the big picture. We've done this work with Charter before. When you go to your question about joint ventures versus doing it alone, obviously, there's pros and cons, but when another party brings something you don't have, that makes it a pro. We've done this successfully, maybe highlight the Mobile business that we both have now jumped started very successfully and was -- is one a real standout this quarter with our best net add quarter.
Business services. As we go upmarket to -- ultimately to the enterprise market and to large organizations, it was important that we find ways to have one-stop shopping for those companies. That's -- we've successfully done that with Charter and others. Advertising, same thing with local JVs and national JVs to be able to deliver to advertisers. So we have a long history of successfully finding ways to be catalysts for growth.

And then finally, a point that's a little longer than 2 years, but one of the great things about our industry over the last several decades is how we keep reinventing the businesses we're in. And it's pretty important, I think, to continue to find new growth avenues. And so I look at our innovation that we've been doing at Comcast and now with Sky on a global basis to being able to continue to invest to have the reach and to have a continued hope for new revenue sources in the years ahead, these are the kind of steps you have to make now to make -- to see those dividends down the road. Dave?

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

Just a quick comment on that. I think we are -- as Brian said, we're really excited about this partnership and being able to leverage a decade-plus of innovation around the tech platform. And we're already performing very well.

Just to put things in perspective, we do with -- you combine everything that we do with Sky across our entire portfolio. We do 5 billion streams a week of the streaming content. And voice remote commands, we do 40 million voice commands a day. So it's just we have a wonderful platform. Now we have a wonderful partner, as Brian said, being able to pull things off with. And now I think the scale matters. So excited about the future of that.

So to your question on competition and just a couple of things. Yes, we have been in a competitive environment, going up against a variety of different service providers for quite a while. We've seen it and anticipate this when they launch. You have good visibility towards new footprint and launches. So there's been multiple cycles that we have competed in and gone everywhere from low-end pricing with DSL or DSL-like competitors to fiber launches in over 15 years now of fiber activity.

So we think that the main thing that we're dealing with right now in this cycle, while there has definitely been an uptick in competitive activity with launches that have happened over -- throughout the last couple of years of new footprint, new launches between fiber and fixed wireless, the main thing in this case is our churn is at record lows. And it has been decreasing churn activity for over a long period of time, and it has continued. So this last quarter, it's record low quarter for any quarter.

So -- but having said that, we take it seriously, the competition. When you look at the amount of footprint that has continued over the last year-plus. And with fixed wireless and fiber, we have a real game plan that we've had and added to over time, where we've segment the marketplace; we compete at a very granular basis going where there's new launches and focus on leveraging every product that we have; and most certainly, we're playing offense with Mobile. So we have great broadband, and it kind of goes towards pricing that when we segment the marketplace, we have granular approaches towards competing and then being able to have multiple tiers of great broadband, and really focus on the strength of our network that is ubiquitous.

We compete everywhere and have a multiple -- a variety of broadband packages, and we're not going to have trade-offs in the marketplace where it's a time-of-day trade-offs, geographic trade-offs and where they're at or not at or perhaps even peak-moment trade-offs. So we have a ubiquitous, consistent, great network that we'll go to market with that we have.

And so yes, there's been most certainly an uptick in competitive performance, and we see that. We've anticipated it. But the main issues we believe are the macro issues that are move activities down, that has continued. And we have seen actually, in our footprint, the move activity in March was actually less -- continued to be less move activity change of address in March than it was in February. So we think those are the macro issues are the primary things. And in this cycle, we're well-positioned to compete, and we're going to compete aggressively.
Operator

The next question comes from Doug Mitchelson with Credit Suisse.

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

I've got one for Dave, one for Jeff. Dave, how do you see wireless pricing and execution evolving? You're offering a pretty good deal for customers, even though your phone subsidies aren't as great as the big 3? But as you scale the business as you start to offload traffic, you're going to have more room, which you either drop to the bottom line or invest in scaling wireless more quickly. And given the broadband pressures you all discussed on the call, I'm just curious whether you think you get more aggressive investing in customer growth. And is there more ways for you to ramp customer growth even from these high levels? Or should rethink about it more as a driving profitability for the division? And then Jeff, sort of the obvious question, just any streaming strategy, we think, post-Netflix.

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

Let me start, Doug, on Mobile. So I start with -- it was a great quarter, it's had another record in terms of mobile lines. So we absolutely believe our strategy and focus on accelerating growth in wireless is indeed working. And so over the last couple of years, we have evolved our approach, including expanding the MVNO agreement, worked on that, and that's been, I think, a boost. And we're fully integrating Mobile and one of the most important things into everything we do at Cable. We're leaning in on marketing. We're playing offense with Mobile in terms of how we talk about it, attracting new customers in consideration and with our customer base. So every single sales channel has been activated at this point.

So yes, this year, we're going to continue to make adjustments with Mobile. We're leveraging the -- still the new unlimited pricing. We have a great mix between that and by the gig. And we're converging broadband with Mobile. And when you take both, there's just more value for the customer. And we think that this converged packaging approach, really putting the emphasis in terms of service value, is the key.

We come in and out of offers, and there will be, in any given moment where the new product introduction, an offer, a promotional offer around gift cards and different things that we do on handsets. But the main point for us, and I think it's proven with our results having good success that this works, is not to put the emphasis necessarily on the handset. So leaning in, see it in the results. And we also do a nice job with bring your own device and just have launched small business and Business Services. So a lot of runway left, I think, in Mobile.

And in your point on the offload opportunity down the road, we already have a great network. And the great network, combined with the MVNO with Verizon, I think, is working. And for the majority of our footprint, this capital-light approach to Wireless is the right approach. We continue to be opportunistic, though, and we're prepared. We're doing technical trials and leveraging our spectrum in the offload traffic in high-dense areas, where that makes financial sense.

And so we're running trials, optimizing the approach and turned up our first -- as Brian said, first 5G radios at the beginning of February, employee trials are underway. So we'll be ready when and if this makes sense. But we are in a good position, and we'll just be opportunistic as we look at that down the road. So like our position, like the runway, plenty of upside. Jeff?

Jeffrey S. Shell - Comcast Corporation - CEO of NBCUniversal

Thanks, Dave. Doug. So we've said from the beginning since we launched Peacock that we're taking a different approach than most of the other people in the streaming business. We don't view Peacock really as a separate distinct business. We think it's an extension of our existing TV business, and we manage it that way. That's how we set up our business. That's how we program it. That's how we sell advertising across both linear and Peacock.

And I think that, that strategy is working. We had an exceptional quarter this quarter. We're very pleased with how we're ramping. We're pleased how we're ramping revenue. We're pleased with how we're ramping paid subs. We're very pleased with engagement, which was up this quarter.
It's going to be, obviously, choppy depending on what programming comes in, what time. But I think our business model is clearly the right business model. Our approach, by the way, internationally, we're taking a different approach too, much more measured approach. We're focusing on Sky markets. And in non-Sky markets, we're looking for partnerships and unique ways to enter the market. So our business strategy is great for us. It's working. We're happy with the quarter. We're happy with how the business is scaling. And I think the noise in the rest of the Streaming business really, if anything, just validates where we're going.

I would also say that we've shown, as we ramp the business, that we're willing to be flexible and change our business model. As we see things evolve, we've shifted more towards a paid AVOD model when we saw that success early on. So obviously, as things change in the streaming market, we'll continue to evaluate and shift. But right now, we're really happy with our business model and how we're performing.

Operator

Our next question comes from Phil Cusick with JPMorgan.

Philip A. Cusick - JPMorgan Chase & Co, Research Division - MD and Senior Analyst

A follow-up and a question, if I can. So first, can we talk about anything to help us with recent trends in broadband and your thoughts on seasonality going forward into what used to be a weaker second quarter? I'm curious how many free customers didn't convert at the end of '21? And could that be part of what's being feeding the fixed wireless ecosystem? And then second on leverage. Not to be nitpicky, but leverages has continued down now 2.3x. You said you did $1 billion in April. But at this level on the stock, does it make sense to really accelerate that?

Michael J. Cavanagh - Comcast Corporation - CFO

Maybe I'll jump in and just -- Dave just commented on competition and our approach in the market. In terms of the backward-looking stuff, I think we called out that the -- you should think about the normalized level of net adds in the first quarter at about a healthy 180,000. We had a transition impact in the net subs added in the first quarter just as we ended the COVID programs where people would come on, in some cases, free. But you recall what we did during COVID, we wanted to be conservative but appropriate in how we counted subs. So wherever we brought in a sub under some form of COVID relief program with the goal of keeping the population connected, to the extent it was free, we were clear we were not going to count them until they ended being on a free program and then started paying.

So consistently throughout COVID, that's the way we did it, and that's the way we ended it. So as the quarter last year ended, we put a stop to those programs. So the only -- the third that came in, in this quarter of folks that were free in the last quarter came on as free but began paying us. So I don't think we have any negative impact going forward. It's simply that there won't be any ongoing roll forward into the second quarter. It's all kind of cleans itself out in this first quarter.

And the point I'd like to make just on the quality of the approach that we took is that you can sort of see that in the conservative way we counted subs throughout, allow -- the evidence of that quality is both the record low churn that we've demonstrated that Dave already commented on, together with the growth in ARPU throughout the period pre-, during and post-COVID. So I think really the point was just to make it clear that the COVID promotions came to end, and it just had a positive onetime impact in this quarter as you transition back to pre-COVID normal ways of counting subs.

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

Let me -- and Mike said it perfectly. I think that one other point Phil, to your thing is that we have consistently segmented the marketplace and that we have had great offers in multiple segments and low-income constrained segments. We've done it for a long period of time. So everything that Mike said, but we're comfortable in terms of working with customers always. We always do that. So if there's -- if we have roll-offs and things like that, we've been doing this for a long period of time.
So the only other thing in seasonality. I think there will be ongoing normalization around things like -- example is Florida. People will leave, what we're seeing just leaving a little bit early. And so that is going to happen over time, won't be a sudden onetime moment in seasonality, but it will just continue, we believe, to get back to some normal trending and student activity as well, so that's it. Mike, do you want to add?

Michael J. Cavanagh - Comcast Corporation - CFO

And then back on buybacks. So I think we're pleased, as we said as we -- almost a year ago now are coming up on a year ago this quarter, when we got our leverage back where we wanted to the commitments to the rating we like and strength of balance sheet that we're glad to be back. And so this quarter, between buybacks of $3 billion and dividends of $1.2 billion, we were -- had a record quarter in the company's history in terms of dollars of capital return. So I think we're certainly informed as we go forward by where leverage is. And the fact that we ticked down a touch, I wouldn't put anything into that. It's a big -- there's a lot of moving parts as we forecast. And so we're going to stay around 2.4x, but around 2.4x, it could be 2.3x, it could be 2.5x, we say we're sticking with -- we like leverage around that 2.4x level. And obviously, we're partially informed as well by where the stock is. And so that gives us capacity. We stepped it up a little bit in the tail end of the last quarter. And as I said on the remarks, we continued at that pace doing another $1 billion so far in the second quarter.

Brian L. Roberts - Comcast Corporation - Chairman, CEO & President

So the one thing I would just add -- this is Brian, is something that I'm proud of that I think we -- if you look for one of our goals is to grow your businesses. Every one of our businesses just reported that, think about the future by investing. And so we're -- whether it's the JV or the broadband investments, the Peacock investments, things we're doing at Sky. Buying back stock, increasing the dividend, we're doing all those things simultaneously. And I think that is something that differentiates us.

Operator

Our next question is from Jessica Reif Ehrlich with BofA Securities.

Jessica Jean Reif Ehrlich Cohen - BofA Securities, Research Division - MD in Equity Research

Brian, you just said the company needs to reinvent or yourself or you do reinvent yourself, which you've done consistently over the years. So going back to video, how do you see video evolving for the company? If you take a holistic view, the legacy business is shrinking faster than I believe it ever has and the competitive landscape, obviously, is changing a lot. How do you think about repositioning your assets, whether it's from Cable to content? Do you need to increase your presence in news, sports, international, et cetera? And then, Jeff, international visitation, I think, is still pretty low. What is it normally and what is it now?

Brian L. Roberts - Comcast Corporation - Chairman, CEO & President

Well, let me start, Jessica. Nice to hear your voice. I think we have a -- we've anticipated the changes in video pretty well. And on the one side, I think part of NBC's media results are that the decline is actually less because there are new ways for people to get video. And from the Cable side, we have our highest margins, our best quarter in EBITDA and revenues, and the companies continue to grow because we pivoted the strategy.

So -- and our satisfaction scores are at all-time highs. So we're giving customers choices, and we found a way to get ourselves to a place of unique and in difference, so that we're not trying to push something on to a customer that perhaps, it is a rock up a hill that we don't want to have to do. So that strategy has worked for us. So as I think forward, I think we believe aggregation is a real opportunity on to see customers who have now so many more choices. And there's -- they just want to get to the content they want really fast and in a seamless way and somebody who makes it work for them. And we're seeing viewing patterns change.
And we were just talking before the call about one of our shows on NBC at Peacock, The Thing About Pam. Not only that come out of the dateline franchise inside the NBC IP kind of redefined video, if you will, out of the News business and the Dateline franchise. The first airing, if you just went off a traditional television rating, you might have one conclusion. And as you've watched the show grow, now with on-demand, with Peacock and with NBC Dateline Special, and you put all that together, the show's really successful. So having a company that can do all those things across both on all of the platforms NBCUniversal has, has positioned us.

So I think we now take that, those kind of examples and figure out how, in this new partnership with Charter and across the NBC portfolio, and we find a way to continue to innovate and be relevant to the next generation and existing generation of television viewers. So I'm -- and then you put in place what Sky is doing with Sky Glass, and you see how it can be integrated into without any box right into your television, and that's what XClass can be. So I don't know, I think it's a pretty exciting road map ahead, definitely some change, and that's what I think our company has been pretty good at navigating. Jeff?

Jeffrey S. Shell - Comcast Corporation - CEO of NBCUniversal

Yes, Jessica. So our Theme Park business, as you can see in the numbers, is absolutely performing great. And with that is your question, is the international visitation in our domestic parks is less than half of what it would normally be this time of the year for Orlando and California. And even given that our bookings going forward, looking at the summer, are at historic high levels.

And the one thing I would also add is while Japan doesn't have the same international visitation as Orlando, it does have international visitation and it is also seeing almost no international visitation. And it is returning to pre-pandemic levels without that international visitation, too, in Osaka. So we're very excited about our Theme Parks going forward.

And one of the things to note is we've invested in our attractions all during the pandemic. So international visitors who have delayed coming to our parks have a lot to experience when they -- when travel starts picking up. So we couldn't be more confident about it.

Operator

Our next question comes from Craig Moffett with MoffettNathanson.

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

I want to stay with the broadband theme for a moment. You talked about the run rate absent the free customers converting would have been around 180,000. Can you talk about the market growth aspect of that, new household formation and in particular, sort of what you're seeing in your edge-outs and the pace at which you can extend your edge-outs to try to expand the footprint a little faster? And how much sort of -- I guess, how much of a floor you think that can put on your broadband growth rate going forward?

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

Yes. Craig, this is Dave. So yes, on the front end in terms of the real trending of household formations, the thing that we're looking at is literally the change of address data that we stay focused on. And that's what has continued to tick down and even went further down in our footprint in March. So -- and we think there's an impact of household formation as well. So it is a good point in terms of footprint. We're very focused on our opportunities. And I think we've been pretty consistent with one new component to it, of the 3 main areas of opportunity.

One is just expanding footprint within our -- the traditional cable areas that we serve, and that's high amounts of residential, single-family MDUs and some commercial within our footprint. There's been some starts and some pauses within that in terms of new construction. But in general, we think over time, that works its way, will continue to pick back up. And the second thing are proactive builds, we call hyperbuilds, which is mostly commercial, but will drag in some opportunities in terms of MDUs and some resi.
And the third one is rural edge-outs. And those are the things that we've been focused on. Now there are opportunities to really play offense. And with the -- there are great programs that are available, federal and state, the subsidies that are available. And we're actively evaluating various potential opportunities and submitted a lot of applications where we've determined that this is going to provide a reasonable and economical way for us to serve these new areas. And so it's early, way early on these things, but we're having success, and we're getting some wins on these programs.

So I think, yes, this is going to be a constant focus for us to look for opportunities. We want to be the trusted partner for communities, and I think it will be competitive. A lot of people will be looking for these subsidies. But we're going to edge-out our properties and look to build out. When you look at a number, we did last year in '21, approximately a little over 800,000 new passings that we built. I think a safe way to look at it is we're at a minimum, we're going to shoot for that again. And hopefully, we'll have upside on that.

Operator

Our next question comes from Brett Feldman with Goldman Sachs.

Brett Joseph Feldman - Goldman Sachs Group, Inc., Research Division - Equity Analyst

I'm actually going to follow up on the comments that Jeff was making earlier on the Parks. You noted that you're seeing great performance in Orlando and per caps up considerably. First, I was wondering if you might be willing to quantify that, the extent to which your per caps are stronger now relative to where they had been prior to the pandemic. And then bigger picture, Disney has spent a lot of time talking about steps they've taken over the last 2 years to position their Parks business to have a higher yield as we fully emerge from the pandemic. I was hoping maybe you could just elaborate a bit on some of the things you've done. You mentioned you've invested in new attractions. But are there other steps you've taken over the last 2 years or so that would lead you to believe that this improvement in per caps has a degree of durability to it, such that you will indeed be operating a higher-yielding business yourself whenever we're fully out of this?

Jeffrey S. Shell - Comcast Corporation - CEO of NBCUniversal

Yes. Thanks, Brett. So I don't think I mentioned per caps. Our per caps actually are up from before the pandemic, but I was talking about attendance and mix of attendance. But the main thing we've done during the pandemic in our theme parks is we've continued to invest in them. So we added major attractions in all of our parks. We didn't really slow it down much during the pandemic. So VelociCoaster, our new rollercoaster in Orlando, has been just phenomenally successful. We added Nintendo in Japan, which is showing real strength, and we're really excited that we're going to be bringing that to Hollywood next year and then ultimately to Orlando. We added a Pets attraction in Hollywood.

And of course, the biggest thing we're doing is we're building a new park, Epic Universe, down in Orlando, which is going to continue to add to our length of stay, and it's going to be anchored by that Nintendo land that I mentioned before, but also some of our other key attractions. So yes, our per caps are up. Yes, we cut costs in the business, which we've been pretty open about. But the main thing we did was continue to invest because we see -- we really are optimistic about that growth in that business going forward.

Operator

And your last question is from 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

Good. Maybe 2 quick ones. First for Brian. Obviously, a lot of dislocations in the market and a lot of media stocks have been under pressure, especially in the last couple of weeks. Can you give us a sense of how you're viewing sort of M&A opportunities? As was said in the previous question, you
guys have always taken the opportunities to reposition the company as necessary. Do you see accretive value-creating opportunities in the market sort of more so now than maybe 6 months ago? That’s number one.

And then for Jeff, on Peacock. I guess, is the slowdown in net adds you guys are calling out just a function of coming off the Super Bowl and the Olympics? And then any impact from -- the strategy I hadn’t heard before about putting the NBC broadcast on Peacock next day, any impact to your retransmission agreements as a result of that move?

Brian L. Roberts - Comcast Corporation - Chairman, CEO & President

Thank you, John. No, I don’t think there’s any new things to report today. I think we’re here to really focus on a great quarter and a great start to the year. Obviously, the strategy, I think Jeff said it well, that we employed and goes back a number of years that we just -- we have a company that has a lot of opportunities around the world. And I think we are pretty focused on those opportunities. You’re always going to look at new things and changes in the situation, just as Jeff also said. But the main focus, and you take something like your last point on the Olympics, I used the one example on a television show. I just can’t emphasize, even though the Olympics were really challenged and maybe weren’t what we all had hoped for when we bought years ago with all the political activity around the world. The team, the storytelling, the heroic athletes, this company can do things no other company can do to present that using new technologies. And I think that’s what puts us in a very special place. Jeff?

Jeffrey S. Shell - Comcast Corporation - CEO of NBCUniversal

Yes. Just adding more color to Peacock. So our 4 big programming areas, and we’ve said this before, are sports movies; leveraging the strength of our movie studio, which is really strong; linear programming, as Brian talked about, with The Thing About Pam leveraging our linear programming on a nonlinear basis; and then originals. And so the first quarter was really the first time we employed some of those. So we had the Super Bowl and Olympics in the same week, as Brian mentioned at the top. And we also took advantage of that audience by putting a movie, Marry Me, on Valentine’s Day, right in the middle of that. So we had 3 segments.

What was really encouraging about that is not only did we obviously add the subs we’ve talked about, the 4 million paid subs, but we -- 2 things. Number one, we didn’t churn out of those subs. We maintained those subs as you saw in the quarter end numbers. And the second thing is we used all that audience to promote the first original that we really were high on, which was Bel-Air, and we had our first real hit from an original perspective.

So the last piece of our programming strategy, which we really haven’t employed yet, is the next-day programming from NBC, not just NBC, by the way, but Bravo and our cable networks as well. That programming, to your question, it currently exists, but it’s on Hulu as part of our Hulu deal. And as part of our termination at the end of last year, we’re bringing all of that programming from Hulu back to Peacock starting in September. There’s no impact on retrans because it’s the same programming that’s already out there. But instead of going to Hulu and seeing The Voice the next day or Real Housewives the next day, now you’ll be able to see it exclusively on Peacock starting in September, and we’re pretty excited about it.

Marci Ryvicker - Comcast Corporation - EVP of IR

Thanks, John, and that will end our First Quarter 2022 Earnings Call. I want to thank everyone for joining us.
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