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CMCSA - Comcast Corp Investor Meeting to Discuss NBCUniversal's Peacock Streaming Service

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Jimmy Fallon

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Rachel Maddow

Savannah Guthrie

Seth Meyers

Tina Fey

Announcer

PRESENTATION

Announcer

Ladies and gentlemen, please welcome to the stage, the Chairman of NBC Universal, Steve Burke.

Stephen B. Burke - *Comcast Corporation - Senior EVP and Chairman, NBCUniversal*

Good afternoon, and welcome, everyone. It's great to have you here today to unveil our most exciting new initiative, the streaming service called Peacock. We're gathered here, right here, today in the heart of NBCUniversal. 30 Rock, and most particularly, Studio 8H, the home of Saturday Night Live, are really the heart of our company. 30 Rock's been our home since 1933 when this was called the RCA Building. Some of the most important



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events in media history have happened right here in this building and right here in this room. From the golden era of radio, to the first television commercial, to the first color broadcast, they all happened in this room, in this building and because of NBC.

For decades, we've been at the forefront of every major innovation from media, developing content audiences love and the technology that delivers it to them. So there could not be a better place in the world to talk about the next chapter for our company, NBCUniversal, and in fact, for our industry.

We have been quietly working on Peacock for the last 18 months. We haven't talked much about it for competitive reasons and because we think we've identified a very unique approach. As a leadership team, it's our job to look at trends and develop strategies to take advantage of those trends. So when thinking about Peacock, we think we should start by looking closely at what's going on with the television viewing environment today.

The fact is that while linear viewing is declining, total viewing, which includes time shifting and streaming, has never been higher than it is today. More people are watching more video today than ever. The growth in the marketplace has been driven by on-demand content, which is taking share from live television. On-demand viewing, has been driven by a number of platforms, including DVRs and VOD, but increasingly, streaming has been driving viewership growth. Interestingly, when formulating our strategy, we noticed that the majority of streaming activity is on ad-supported platforms like YouTube, which alone accounts for more viewership than all of the major SVOD services combined.

Over the years, we've seen the trend toward on-demand viewing with our own shows. A great example took place right here on this stage when Eddie Murphy returned to Saturday Night Live after a 3-decade hiatus. Look at this chart. While live viewing in yellow was down 40%, the total audience driven by VOD, DVR, YouTube clips and other things, is 60% higher to the last time Eddie was on SNL 35 years ago. Now the problem that we have or the challenge that we have, is this massive audience is not well-monetized. In effect, everything in blue and light blue comes from places where we don't make the kind of money we need to make to support this great programming. So if you then look beyond Saturday Night Live, you can say, well, that's an aberration. In fact, this is happening with all of our popular shows. Another example is our hit drama, This Is Us. This show has an 80% bigger total audience than ER, the #1 show on television 25 years ago. But again, the composition is different. We're not making money in the light blue and the blue the way we should. We're getting compensated differently. And in fact, the same is true for a comedy like The Good Place, which I was actually shocked to find has more than twice the number of people watching The Good Place than Friends when it was the #1 comedy on television 25 years ago.

In each case, the emergence of on-demand viewing, has helped generate larger and larger audiences, which is good, and yet the challenge is we haven't been able to figure out how to monetize these on-demand audiences as well as we'd like to. In effect, we're leaving money on the table as our shows are being watched in places where we don't monetize well. And the reason is we don't operate the third-party platforms like Hulu, YouTube and Facebook, where the majority of our on-demand viewing currently takes place. So while our content drives viewing on these platforms, we don't control the consumer experience, shows are often cut up into short segments, and we don't control how the shows are sold to advertisers, and in many cases, don't even sell to advertisers ourselves. Meanwhile, when viewing occurs on our own platforms, like linear television or NBC.com, our monetization is just fine.

So we think there's a clear opportunity to create a streaming platform that we own and operate, that give people what they want, when they want it, but allow us to monetize. We also think we're uniquely positioned to take advantage of this opportunity and play a leadership role in the on-demand streaming world. We have the most popular programming across live and streaming platforms, the biggest franchises across all genres, the best video technology, and big global distribution at scale.

NBCUniversal has the largest television audience in the country between NBC, Telemundo and our cable portfolio. We're the #1 provider of television shows, reaching more than 90% of all U.S. households. And our programming is in fact, some of the most popular programming on streaming services as well. The Office is the #1 watched show on Netflix, many months, Brooklyn Nine-Nine is the #1 most watched show on Hulu, SNL and The Tonight Show are 2 of the top 3 premium entertainment channels on YouTube. And the breadth of our content portfolio is unique, with leading franchises across all genres, from entertainment to news, to sports, both in English as well as in Spanish. We also enjoy direct relationships with 55 million customers in major global markets, along with access to technology platforms like X1 and Flex on Comcast and Q and NOW TV on Sky. With



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Peacock, you will see all of these assets come together in a new service that provides unique value and takes advantages of the unique strengths of our company.

Here's an interesting way to look at the streaming market and how Peacock will fit in. On the left side of this matrix, you have the 2 ways you make money in streaming: advertising and subscription. On the bottom, you see the 2 types of programming, user-generated and non-premium on the left side; and on the right side, premium. There are a lot of players offering ad-supported services with non-premium or user-generated content: YouTube, Facebook, Tubi, Pluto and others are there today. And now there's also an increasingly large list of customers offering subscription-based services with premium content. Obviously, this is where Netflix is, Amazon, and this is the area that Disney+ and HBO are going after.

As we looked at the market, we found it interesting that no one's focused on primarily, ad-supported premium content. In effect, it's a white space. And we look at that white space and get excited for a number of reasons. For consumers, we think this is the right offering at the right time. We believe affordability will be critical as more subscription sources are launched, leading to bigger customer bills. We already think we see growing customer price sensitivity, which will only get worse during an economic downturn. And from a business standpoint, we also believe a premium ad-supported service is a winning strategy. Ad-supported business has been a proven business model for decades. There are currently more than 250 ad-supported linear television channels, representing 92% of all viewership on linear television, as opposed to a handful of channels that have no advertising, which get less than 10% of total viewership. In fact, the broadcast networks, NBC, CBS and ABC, were profitable for decades with an exclusively advertising-based business model. Networks put shows on the air hoping to attract, say, 20 million viewers, and when they did, they made money on advertising. This is what Peacock is going to aim to do. And in some ways, we're creating the equivalent of a 21st century broadcast business delivered on the internet.

By the way, the success of ad-supported businesses isn't just with linear television. About 2/3 of all on-demand viewing today occurs with platforms that have advertising.

Advertising is also a core strength of our company. We're the country's largest provider of television advertising, period. An ad-supported streaming service also allows us to tap into the large digital advertising market, which has been growing rapidly and as you can see, we've gone from \$300 million to \$1 billion in sales in a relatively short period of time. Advertisers are looking for great digital inventory and they'd like to get it from a company like ours.

And finally, we're excited because we think this isn't just about digital advertising. We think we'll be the only company in the United States that can deliver marketers national and local, English and Spanish, broadcast and cable, and with Peacock, interactive advertising in the same place.

Comcast, in some ways, has been built to execute on this vision. Nobody else brings together preeminent franchises, world-class creative expertise, the technology and distribution at scale like we do. After we acquired Sky, we decided to have NOW TV, which Sky had developed and has millions of customers, power the Peacock platform. Since we started, we've used the experience from Comcast's Xfinity, Sky Q, and NOW TV to provide more expertise and insights into television to inform Peacock development than I think any company can provide.

Obviously, there'll be a number of streaming options in the future, and we think we're in the very early innings of a market that will change significantly and take many years to settle in. However, with the combined scale, scope and expertise of Comcast, NBCUniversal and Sky, and all the parts of the company working together in an effort that we call Symphony, we think we're well positioned to adapt and win in a dynamic marketplace.

As you can probably tell, we like the idea of zigging when others zag. We think Peacock is a good idea for our viewers and a great business opportunity for our company. When developing new businesses, every company plays to its unique strengths, and we're no exception. We have the most popular programming. We have expertise in live programming, including news and sports. With Comcast and Sky, we have global distribution and technology working together at scale. Today, you'll see what that looks like. You get a sneak peak at the wide range of amazing programming that will be on the service. And you'll see the consumer experience and the technology behind it. You'll learn about the innovative advertising that will serve both audiences and marketers. We couldn't be more excited to give you a first look at this new streaming platform.

So thank you all for coming. And now, to tell you more about what's coming to Peacock, the one and only, Tina Fey.



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Tina Fey

Thank you for the help. I need that. Thank you. How are you? I'm so happy to be here with you today. After all, I have so many connections to NBCUniversal. I got my start right here in this studio, in Saturday Night Live as a writer and a performer. Yes, Yes, Saturday Night Live. Does this count as hosting? No.

When I sold my first TV show, I named it after this very building, 30 Rock, also Chicago Fire is based on a string of arsons I committed during my time in the second city. True story, I actually I truly did originally want to call the show 30 Rock, The Peacock, but I was told it was a hard no and that it would not pass the sensors. And yet, here we are announcing Peacock.

And today, I'm excited to officially announce that a brand-new show that I'm producing will make its home right here as a Peacock original. It's called Girls5Eva. It's written by the incredibly talented Meredith Scardino, who I worked with on Unbreakable Kimmy Schmidt. And it's the story of a former '90s girl group, all of whom were once engaged to Carson Daly, who decide to risk everything and get the band back together. And in a way, that is what Peacock is doing, getting the band back together, bringing home to one place all of the classic NBC comedies and their hot influencer grandchildren.

All of these shows, Girls5Eva, 30 Rock and every season of Saturday Night Live will be available to stream on Peacock. That's a big deal. So many different ways for you to get re-canceled. In fact, Peacock will have literally thousands of hours of incredible shows and movies, some of the most beloved titles of all time. I know I personally cannot wait to binge watch all 17,624 episodes of The Today Show. The Bryant Gumbel years, hold up. So let's just take a small look at the sampling of the library that Peacock will have to offer.

(presentation)

Announcer

And now, joining us on stage, Chairman of Peacock and NBCUniversal Digital Enterprises, Matt Strauss.

Matt Strauss - Comcast Corporation - Chairman, Peacock & NBCUniversal Digital Enterprises, NBCUniversal

Thank you. Okay, that was an awesome video. When you see that depth and breadth of content, I think it really speaks for itself.

Okay. I am really excited and proud to be here this afternoon and for the opportunity to share with you the vision for the Peacock service.

As Steve mentioned, we're living in a moment in time where consumers are watching more premium content now than in the history of television. If you love video, it's a great time to be alive. But with choice also comes complexity. Today, viewers are faced with multiple points of friction when it comes to streaming. You see it in the market research. You hear it from friends and family.

This friction typically revolves around 3 major pain points: content fragmentation, endless scrolling, and subscription fatigue. With Peacock, we plan to address all three.

So let's start with content fragmentation. Streaming has now become synonymous with high-quality dramas, comedies, movies and kids. These genres are, of course, important. They actually account for about 50% of total video consumption. And we'll have these genres on Peacock, too. But TV is so much broader and more timely than just binge viewing. A breaking news story, a live sporting event, an unscripted reality show or a late night monologue. Accessing all types of content easily in one place could be a real challenge in the streaming landscape. This creates fragmentation. Now we see this as an opportunity with Peacock, to give a pulse to the world of streaming. With a premium experience that's timely and current and a content offering that's broad and complete, all in one integrated app. So in addition to exclusive originals, movies, TV and kids, Peacock will also stream daily, current, even live content from NBC news, sports, late night, Hispanic programming and more. And while NBCUniversal provides a strong portfolio of quality programming and production on its own, we also see Peacock as a platform to aggregate and partner with



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third-party studios, networks and catalogs. This platform approach will continue to maximize the breadth and depth of choice on Peacock and help reduce content fragmentation.

Okay. Now one of my favorite topics, endless scrolling. So I remember as a kid going to the local video store with my family and it had a very familiar pattern. We would walk the perimeter of the store, looking for a specific new release movie. And if the movie was not available, we would then go into the middle of the store, or what I refer to as the black hole. And we'd have to go aisle to aisle, searching thousands of titles, desperate to find a movie because we didn't want to go home empty-handed. Now this is actually a very similar ritual to streaming behavior today, and it highlights the paradox of choice. About 65% of the time, people know what they want to watch. And the job of any good streaming service is to provide an on-demand experience that's easy to navigate with personalized features. That's table stakes. And Peacock will have an incredibly robust on-demand offering.

But that's just one dimension to how we watch TV, because sometimes, you don't know what you want to watch. You come home, you turn on the TV, and you just want to start watching TV. Now I always found it fascinating when I previously managed the Comcast video business that even in a world of voice remotes and recommendation engines, linear channels and the TV grid were still one of the most popular ways for how many people like to discover and start watching video. This insight into the multiple ways to watch at different moments in time is why Peacock will offer streamers both. Thousands of hours of on-demand content, providing viewers ultimate choice and control, but also dozens of new streaming channels programmed and curated by Peacock.

And streaming provides a sandbox to rethink what exactly is a channel. So Spotify, in my opinion, took music to a whole new level, with daily playlists created and updated based on music preferences. We see the same opportunity for streaming video with Peacock channels. So a pop-up live event from NBC News or NBC Sports, a Trending Now linear feed, or a 24/7 playlist featuring the best SNL skits with Tina Fey, can now all become dedicated and personalized streaming channels on Peacock. Providing multiple ways to watch is not only a differentiator, we believe it will contribute to viewers streaming more and scrolling less.

Next, let's talk about affordability. Viewers are now faced with dozens of video apps, each seeking a range of monthly fees. The average premium subscription costs about \$11 a month. And it's not uncommon for some people to subscribe to 3 different services at a time. Ping ponging in and out of apps under trial subscriptions, or signing up to stream a buzzy original to then disconnect after the season finale, or rolling off of a temporary bundled promotion you didn't even realize was temporary, these are all seeds to a growing trend of subscription fatigue in the market. Now there is no question some consumers will pay for and value a premium ad-free subscription service, and there are many streaming options available in the market and more coming, all competing to super-serve this segment.

But increasingly, streamers want alternatives and are looking to access premium content with ads in exchange for a lower cost. This represents a growing white space opportunity in the streaming market and where we plan to squarely focus Peacock, which is why we're excited to announce Peacock will be both ad-supported and available for the monthly price of free. Anyone, anywhere, will be able to easily download the Peacock mobile app or visit the Peacock website and stream free as a bird high-quality content on TV-connected devices. You can see I'm leaning into the bird metaphor.

The free tier will be a robust front porch where any viewer can easily access over 7,500 hours of movies, current season TV, TV classics, curated daily news, sports, Hispanic programming and Peacock streaming channels. And for those who want more, there will also be Peacock Premium, which provides 15,000 hours of ad-supported content, with access to Peacock originals, which you're going to hear about in a few minutes, earlier window content, 4K, and an even more robust catalog of movies and TV available for \$4.99 per month. And there will even be an ad-free version for \$5 a month more.

Now in addition to offering consumer choice, we also believe Peacock can play a role in maximizing consumer value, working closely with our distribution partners, which is why we're excited to announce that Peacock Premium of \$4.99 per month value will be bundled free to virtually all Xfinity video subscribers and prominently displayed and marketed on the Xfinity X1 platform. And Peacock Premium will also be bundled free to Xfinity broadband-only customers with Flex, which is a wireless, 4K, voice-enabled streaming device that will come bundled free with Peacock Premium. And we are also pleased to announce Peacock Premium will be bundled free to Cox video subscribers and available on the Cox Contour box.



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Now combined, these initial partners will provide Peacock Premium to roughly 24 million bundled subscribers, and that's really just the beginning. This approach of delivering a robust, free, ad-supported premium tier that can also be deeply bundled and marketed with various distribution partners, we see as a strong value proposition and a path to drive maximum scale and monetization for Peacock.

Finally, let me briefly touch upon advertising. Clearly, digital provides a platform to present advertising that could be more targeted, more relevant and endemic. Today, viewers are exposed to different video ad loads that range from 8 to 20 minutes per hour for premium long-form content. We also see this as a new streaming opportunity, which is why we're planning what we believe is the most consumer-friendly, premium ad experience in the market.

Both Peacock Free and Peacock Premium will each be limited to 5 minutes of ads per hour. Providing viewers access to free, high-quality programming with a consumer-friendly ad experience that is truly differentiated and something Linda Yaccarino will discuss later in more detail.

So that's our approach. Free and ad-supported; a streaming experience that is current, timely and timeless; and a broad aggregation approach to streaming. This maximizes the power of what NBCUniversal does best, ensuring there's something great to watch and enjoy every single day.

And speaking of something great to watch, I am thrilled to announce that Peacock will be the only place to stream all of the Dick Wolf, Law & Order and Chicago brands with over 1,000 episodes across 6 series. Dick Wolf dramas continue to be amongst the most watched and streamed titles of all time. We're so proud to have Dick here today with us and also continue our company's 36-year partnership in collaboration with Dick Wolf and Wolf Entertainment. And that's just the beginning.

So sit back, enjoy the show, and I'll see you in a little bit to give a demo of the Peacock app. Thank you.

Announcer

Please give a warm welcome to Chairman of NBCUniversal Content Studios, Bonnie Hammer.

Bonnie S. Hammer - Comcast Corporation - Chairman, NBCUniversal Content Studios, NBCUniversal

Now, most of you remember, Must-See TV. But here's the thing, Must-See TV was never about a day of the week or a time slot, it was about a place in our culture. It was about captivating an audience and inspiring a conversation. It was a conversation others wanted to join. How, where and when they decide to join the conversation, that's changed. But what starts that conversation has not. It's about creating, engaging sticky stories brought to life by incredibly talented people.

That's what Peacock is doing, and we're developing and producing a whole lot more. We're making sure that everything we touch, captivates and sparks a conversation. How? With new original stories from our culture's most celebrated voices, with original companion shows that complement our iconic series and celebrated characters. By introducing fresh storytellers who will create the legendary series of tomorrow, and we're working with the best in the industry, including Dick Wolf, Sam Esmail, Mindy Kaling, Tina Fey, Mike Schur, Amy Poehler, Lorne Michaels, Rashida Jones, Alec Baldwin, Christian Slater, Dule Hill, Emmy Rossum, and the one and only Kevin Hart. I am proud to announce today that NBCUniversal has signed a multiyear partnership with Kevin's Laugh Out Loud network that will include a first look deal with LOL, a series of short-form comedy series, an original show called What Else? Hart to Hart, and Peacock Stand Up Special. Welcome to the family, Kevin.

Now, before we tell you more about our original comedies, today, you're getting the very, very first look at a few of the original Peacock dramas we have in the nest. And when I say a few, I really do mean a tiny taste. As Matt said, this is just the beginning. So let's take a look.

(presentation)



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Announcer

Joining us now from Late Night with Seth Meyers, it's Seth Meyers.

Seth Meyers

Yes. Good afternoon, investors. What if I told you that with a single drop of blood, we at Theranos... Sorry, they don't -- they never let me talk to investors. I just wanted to see. I got carried away.

I'm here today to talk about Peacock's comedy lineup, and there's no more fitting place to do it than right here in 8H because there is no better incubator for comedy talent in the world than this studio right here. Like Tina Fey, Jimmy Fallon, Mike Schur, Amy Poehler, my career started here. And to start your career here is incredibly intimidating because you're surrounded by geniuses, comedy geniuses, that is. I want to clarify because there's a difference between the 2 geniuses.

It's a true story. I was walking in, I saw a sign over there that you always see in this studio. There's a low-hanging balcony, and so as you're walking underneath, there's a sign that says watch your head. And years ago, somebody, in Sharpie, after watch your head, comma, Farley, because I guess, he ran into it all the time. So he's a comedy genius, not a genius, genius.

Hey, if this is your first time at 8H, you might think it's smaller than you imagined it. That is a common reaction. It is so small that there are in fact, terrible places to try to do sketch comedy in this room. Right where I'm standing, this is a great place to do it. You're right in front of the audience, everybody can see you. But there are some of the worst place as well. There's one, way over there is actually a place where they put up sketches. And if you found out on Wednesday that your sketch was picked, you'd be so excited. And then if they told you it'd be way over there, you were heartbroken because it was such a terrible place to try to do comedy. We had a name for that spot, but I'm not going to tell you what it is because it would be inappropriate for me to say shit can alley, at an event like this.

But if you ever complain about having your sketch way over there, a member of the crew would tell you that the famous, the Will Ferrell famous skit Cowbell had played in that corner, and it had worked. So what they were saying was, you'll be fine as long as it's the greatest sketch of all time.

What I'm getting at with that story is that even in comedy, real estate matters, which is why myself and other comedy creators in the NBCUniversal family are so excited that Peacock is providing a new platform for our work. We've got this incredibly rich pool of talent we can tap into, a network of writers and actors and producers who are all connected, connected to this very room. And to prove it, there's a video.

(presentation)

Announcer

Ladies and gentlemen, please welcome to the stage, the star of The Tonight Show himself, Jimmy Fallon.

Jimmy Fallon

Hey, how you doing? Thank you. Please, please sit down. I'm so excited to be here, and I can't think of a better place to talk about the future of late night than right here in Studio 8H, where I got my start.

And I'm very, very excited to announce that we're bringing Late Night early to Peacock. Soon, The Tonight Show and Late Night will be available to stream on Peacock, beginning at 8:00 p.m. Eastern time. That's major. I'm so excited. It's a whole new way to watch our shows.

Before I go, I want to thank you all for being here. And I'd like to express my gratitude the only way I know how. James, can I get some thank you note, writing music, please? Wow. Nice to see you, buddy.



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This is pretty fun. By the way, I was in Cowbell, and it was in that awful place. And that sketch did pretty well. But Will Ferrell changed his -- what's up, buddy? He changed his shirt. Will Ferrell had a short shirt on in dress rehearsal, and on air, he wore a tinier shirt so that when he hit the cow bell, more of his gut flew out, and it was the greatest thing in the whole wide world. And I realized it was added by -- I was like I'm not in his league. He's just so funny. Anyways. But Seth was right, it was in that corner. James?

Thank you, NBCUniversal, for naming your new streaming service Peacock and making me wonder, wait what names did you all turn down before settling on Peacock?

Thank you, Peacock, for becoming available this April and ensuring Americans are no longer Peacock-blocked.

Thank you, Peacock, for having over 15,000 hours of content, or as Martin Scorsese calls it, 3 movies. Could've trimmed it a little bit.

Thank you, Peacock, for letting the other streaming services work out the kinks, so we can give our viewers the maximum streaming experience like Bernie Sanders after 2 Flomax.

Thank you, the April rollout of Peacock. I can't wait for us all to log in on the same account. Username: steve_burke@nbcuni.com. Password: Password. Too real, too real.

Thank you, Peacock for giving teens the ability to stream my show at 8 PM. And to all the parents out there, I apologize in advance for when you ask your kid why they have their phone out of the dinner, and they say, I'm Peacocking Jimmy Fallon.

Thank you very much, everybody. Enjoy the rest of the event Thank you very much. Thank you, James.

Announcer

Please give a warm welcome to Lester Holt, Savannah Guthrie, and Chuck Todd from NBC News. MSNBC's Rachel Maddow and CNBC's Becky Quick.

Lester Holt

Viewing habits --

Chuck Todd

That says Seth.

Lester Holt

This Seth? Oh.

Chuck Todd

You're there.

Savannah Guthrie

You're there.



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Lester Holt

I'm there. Okay. This is a big deal for us, getting the marks right. Viewing habits are changing, but the need for news from trusted sources is more critical today than ever. People don't want to be told what to think. They want facts. They want responsible journalism, original reporting, sharp analysis, information to form their own opinions and make their own decisions.

That's why Peacock is designed to be a responsive platform to bring the best reporting from NBC News from around the world every day. The stories you need to know from people you know and trust.

Savannah Guthrie

Well, Peacock will be the streaming destination for live breaking news. And this year, our international reporting's going to get even stronger, with the launch of a new global new service from NBC News and Sky News, and it will stream on Peacock.

On Peacock, news is going to be curated, from the top news and lifestyle franchises from across the NBC News portfolio; in real time, from interviews with today's most intriguing newsmakers and personalities; to highlights from NBC Nightly News, my favorite show, and TODAY; from long-form specials to short-form content; from trending topics to in-depth investigations and news you can use, we're going to do it daily, and we're going to do it in real time.

Lester Holt

And there will be full episodes of the True Crime original, Dateline. Dedicated fans could get binge watch from the Dateline library or watch an explosive new limited series that exposes the untold story of one of America's most notorious serial killers.

Becky Quick

Insight for every part of our lives, news from every part of the world, including the latest in business news from CNBC across the globe and content to help people make informed decisions about how they spend, save and invest their money. As the world gets smaller and moves faster, Peacock will be the place to be where audiences go to get smarter.

Of course, Peacock's news offering wouldn't be complete without Telemundo, the #1 rated Hispanic broadcast network, with news features from Latinx Now, Telemundo Noticias and Telemundo Deportes, Peacock will connect the fastest-growing demographic of the country with the stories they care about.

Rachel Maddow

This year, there is no bigger story than the 2020 election. In November, Americans will cast their ballots in what is sure to be one of the most consequential and contentious elections of our lifetimes. As the candidates make their cases to the voters, Peacock will be a place for meaningful coverage, for thoughtful conversation and insightful analysis.

Chuck Todd

And look, I couldn't be more excited, and here's why, it's the Meet the Press universe. I'm half-kidding. No. This is about getting a chance to share a new version of Meet the Press. That's exciting. Longest-running television show in history now gets to be on the newest platform. So that's a big deal, and I'm excited that we're going to be doing that.



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But look, our ambition is a lot bigger than just putting on another show or 2. I think the Meet the Press brand on Peacock -- I'm not kidding about Meet the Press universe. I think you can -- we're going to be able to create a central location for how people will consume and understand politics for the next 70 years.

Lester Holt

And it's not just the election that will capture people's attention in 2020. This summer, all eyes will be on the Tokyo Olympics. For more on the biggest global sporting event of the year, let's turn it over to our colleagues at NBC Sports.

Announcer

Please welcome, NBC Sports Olympic primetime host, Mike Tirico.

Mike Tirico

Hello. Thank you. Hello, everyone. We all know that there's nothing that brings the world together, like the Olympics. And the 2020 Olympics in Tokyo certainly promises to be the biggest and most impressive games yet. From the chance to see once-in-a-lifetime talent to the thrill of world-class competition, the best athletes on the biggest stage, there are so many reasons to get excited. And this summer, Peacock will give audiences a front-row seat and a behind-the-scenes look at the game's most electrifying moments.

It's all going to start the morning of July 24 with live coverage of what is sure to be a spectacular opening ceremony before it airs on television in primetime. Then once the competition gets underway, Peacock is going to offer 3 daily shows. Each morning, Tokyo Live, Peacock will present live coverage on one of the day's biggest events. Tokyo Live is going to be the place to watch Gymnastics Live, showcasing the gravity-defying routines of reigning Olympic all-around champion, and maybe the best-ever in Simone Biles. You'll also see the superstars of the 2020 Dream Team and much more. Then at 11:00 a.m., as competition is concluding in Tokyo with the time difference, Peacock's hour-long highlight show will play the day's buzziest moments with expert analysis and some great athlete interviews. Finally, Peacock will wrap up the evening with Tokyo Tonight. That program is designed to complement the primetime show, helping Olympic audiences catch up with the highlights of the top action of the day. Classic Olympic storytelling will be there as well, and those always moving medal ceremonies.

In addition to this bounty of programming, you'll also be able to get the stories that go beyond the medals, the stories that really connect with us for the Olympics. Those of human resolve and of personal triumph. It all leads up to the games, Peacock is going to be the exclusive home to documentaries, featuring some of the game's biggest stars, past and present. We're going to have the story behind what might be the greatest race so far this century. Team USA's come-from-behind swimming relay with Michael Phelps in Beijing and the behind-the-scenes series that will follow the U.S. Men's Basketball Team on its road to Tokyo.

Now for the fans, who are looking for even more content, Peacock's going to offer 3 Olympic virtual channels. One for the Tokyo shows we talked about; the second, carrying Olympic documentaries; and the third, running Olympic athlete profiles. Of course, the action doesn't end after the closing ceremony, which by the way, you will also be able to watch live on Peacock. Just 2 weeks after the Olympics conclude, Peacock will stream more than 1,000 hours of exclusive live coverage from the Tokyo Paralympics, a growing and great event.

We are also proud to announce that following Tokyo, in partnership with the U.S. Olympic & Paralympic Committee, Peacock will add The Olympic Channel, home of Team USA, 24/7, 365. And there, we're talking live coverage and can't-miss content as America's best athletes prepare for the 2022 Beijing Winter Olympics and beyond.

What's more, starting in August, the soccer fans, who are looking for even more action can catch 140 Premier League matches not available on television. While in September, those golf enthusiasts will be able to watch the Ryder Cup with featured groups of Europe and America's best pairings. And our own Dale Earnhardt Jr. will host a Peacock original show that's going to explore the great motor racing cathedrals of the past.



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So whether it's the opening ceremony or the final whistle, the team you follow since childhood, or the rookie fresh on the scene, Peacock is going to take your sports viewing experience to the next level.

Not that we're counting, but with 190 days to go to Tokyo, we can proudly say let the games begin.

(presentation)

Matt Strauss - Comcast Corporation - Chairman, Peacock & NBCUniversal Digital Enterprises, NBCUniversal

Okay. It's really hard to follow the Olympics. I'm really excited to give you a preview of the Peacock app and what you could expect in 2020 and beyond.

But first, we're really fortunate that Peacock was able to leverage existing assets from the broader Comcast company. Today, we have over 600 engineers in the U.K., Portugal and the U.S. working on Peacock, bringing together the best of NBCUniversal, Comcast and Sky.

The technical infrastructure for Peacock is being built leveraging the same platform that Sky developed over the past decade, empower Sky Q and NOW TV. These are proven and reliable platforms with millions of streaming subscribers. We're also fortunate the senior team from NOW TV are now full-time at Peacock and relocated to 30 Rock. Occasionally, we let them go outside the building.

And in addition, the Peacock app will be available nationally on mobile, web, smart TVs and major TV-connected devices. Peacock will also be deeply integrated into services like Xfinity X1 and Flex, leveraging on-platform voice capabilities, search and metadata integration and best practices for user experience and design.

So with that, let me give you a sneak peak of where we're heading with Peacock.

So Peacock will be available across multiple platforms. But what I'm showing you here is actually the Flex main menu, and you can see the Peacock app in the bottom left-hand corner. When you select the app, the first thing that happens is you see the logo. We're also really proud to have the Olympic rings locked up with the Peacock logo given that we will be streaming 2020 Tokyo Olympics content on the service.

And one of the first things that you're going to notice when you launch the app is that it starts playing video just like TV. And this alone, we think, is one of the biggest differentiators from any other streaming service that's currently out there.

Now what you'll notice on the top is there's 3 choices: channels, trending and browse. You're defaulted to trending, and you can use your down arrow and just scroll down. And what you're going to get here are the daily highlights of the day, whether it's news, sports content, Jimmy Fallon early, the best clips from SNL. If you've got FOMO, this is where you go because it's going to constantly be updated. And this is something that as you use the service, it gets more personalized based on your viewing behavior and the things that you want.

Now at any time, you can go over to the right, which is browse. And when you select browse, you are now in an on-demand experience. And this is where you will access 15,000 hours of on-demand content, like all the episodes of Law & Order or movies like Despicable Me, every episode from Parks and Rec. And you can see we've really tried to create an immersive on demand experience. Also current season content like Superstore or episodes of Real Housewives of Atlanta.

As you scroll down the page, this is where -- one of the first things that we've done is really try to elevate and make it easier for you to continue watching the things that you love. So as you use the service, we will make sure that the first row are things that you've started to watch so you can jump back into it. Also, making it really easy to favorite things that you might want to watch. So you can actually favorite certain shows and make it easy to come back to, always having last night's episodes from NBC available so you can watch current season programming.



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And this is interesting. Look at this. We call this the Daily Pulse. And this is where we're going to be commingling other types of content, daily, short-form content, whether it's sports, entertainment, right alongside traditional on-demand programming and creating, again, multiple types of content all in one place, which you don't typically see in the streaming app.

Certainly, we want to showcase the original programming that Bonnie spoke about. So you'll be able to see all the original programming, whether it's *Angelyne* or *Dr. Death*, *Saved by the Bell*, *Battlestar Galactica*. And then as these shows come on, we'll make it really easy to find, but also promote the shows even before they're on the platform so you can sample them.

And when I mentioned earlier that we see ourselves as an aggregation platform, here's an example where *Two and a Half Men* will be exclusively available on Peacock. *Yellowstone* will be exclusively available on Peacock. Each of those are a Warner Bros. and a Paramount show. And having other types of content available on Peacock, we think, just continues to add more breadth and depth to the platform. Certainly, we'll have recommendations, and then we're just going to have dozens of full season shows that you will be able to watch every episode, binge watch as much as you want.

Certainly, we are really excited to also have one of those shows be *The Office*. And not only will you be able to get every episode of *The Office* on Peacock, but we also think that there's an opportunity to think even broader than that. Many of these shows can really become events unto themselves. So having the ability to actually curate all of *The Office* content, whether it's the top episodes, or certainly having cast information, but some of the best moments from *The Office* so it makes it really easy for you to find them, or actually creating collections around some of the characters, whether it's Dwight's fights or Jim's epic pranks or Michael's moments, and there's lots of Michael's moments. Let me play you one of Michael's moments.

(presentation)

Matt Strauss - Comcast Corporation - Chairman, Peacock & NBCUniversal Digital Enterprises, NBCUniversal

So you can see, there's just lots of ways to have fun and present these shows in different ways.

I'm going to scroll along the top. You can see movies. And this is where we're going to have hundreds and hundreds of movies from Universal, DreamWorks, Illumination, movies like *Fast & Furious*; classics like *E.T. The Extra-Terrestrial*, *Trolls* from DreamWorks and even movies from other studios. So here's an example where we will have hundreds of movies from Lionsgate, *Twilight* being an example. And we are excited to be working with Fandango and Rotten Tomatoes who will help us curate different movie collections on Peacock, so Oscar winners like *Brokeback Mountain* or *Schindler's List*, *A Beautiful Mind*. And just as you scroll down the page, creating different genres to make it really easy for you to find a movie and sit back and enjoy it.

Under sports, you heard a lot about sports. We are really proud to be a home for the Olympics. And this is where you're going to be able to get the opening and the closing ceremonies from the Olympics. Live programming from the Olympics will be streaming on Peacock. There'll be 5 hours a day of daily content in addition to highlights, documentaries that are exclusive to Peacock. I mean if you love the Olympics, and who doesn't love the Olympics, this is just going to be a really immersive way for you to stay current and enjoy it. But obviously, sports is broader than just the Olympics, which is why we'll also have the Premier League games, about 140 games that you're not going to find on television; some of the best match pairings from the Ryder Cup; and then just the broader collection of sports content from NBC Sports, highlights and clips and just making sports a really important destination.

I'm going to scroll over one more to Latino, and this is one where we are really proud to have thousands of hours of Spanish-language programming, working with Telemundo, which is the #1 Spanish-language network, shows like *Betty en NY*, but also original programming that we will be producing with Telemundo that will be exclusive to Peacock.

And then news. And you've heard quite a bit about news, and this is also a destination on Peacock where not only will you get late-breaking news, but you'll get content from NBC News, MSNBC, CNBC, *Meet the Press*, *NBC Nightly News*. And then also, one of my favorite shows, *Dateline*, you'll

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be able to watch every episode of Dateline. So having the prime time lineup there as well in addition to a 24/7 streaming news channel, NBC News Now.

Now this is also interesting. If you look at the top of the menu all the way to the left, there's something that's called channels. At any point you can scroll to channels, or since we are integrating into voice technology on Flex, I could just use the voice remote, "Show me the channel guide," and what this will do is take you to the channels within Peacock. And when I spoke earlier about this notion of having linear networks, this is an example where we are going to be creating dozens of linear channels. You can see that they're going to be available here in a grid. So you can scroll down the grid, and it could be -- it's live news. Sky News is another example, an Olympics channel. The Premier League will have its channel.

And this is where you can also be really creative and come up with dynamic movie channels. So a family movie channel, and you can kind of see here that Despicable Me is currently on or The Croods is coming up next. You'll be able to jump ahead, so it's like a channel on steroids. A comedy channel, and this is where -- what I'm excited about is literally creating a 24/7 SNL channel, the best SNL segments. And just having them play, we think, is a really exciting, different way to enjoy content. You can just see there's dozens of channels that will become more dynamic, just like Spotify, the more you use the service.

The last thing that I wanted to show you is if you go look at the top, and I go to the left, is profiles. And certainly, we think it's important to allow each individual in the home to create a profile so you can store your recommendations and your watchlist. And you can see, I have a profile. Linda has a profile. Jeff has a profile. And Steve has a profile, Steve Jr.

And this is also where we're going to be creating a dedicated kids area for Peacock, and we think it's important to have a place where you can go to really highlight age-appropriate films and TV series. We'll be featuring content from DreamWorks, Universal Kids and more, really geared towards kids 10 and under with movies like How to Train Your Dragon, Despicable Me, The Croods. So we really want to create a fun environment rich in visuals, simplified for a younger audience where kids can feel at home and parents can feel safe. And we'll also have dedicated rows for characters and clips and favorite shows. And we plan to work with Common Sense Media to provide additional parental ratings.

So that is Peacock. We are really excited to launch Peacock nationally across platforms and devices. And as you can see, this is truly a differentiated streaming experience that taps into everything people love about television. Thank you.

Announcer

And now, the Chairman of NBCUniversal Advertising and Partnerships, Linda Yaccarino.

Linda Yaccarino - Comcast Corporation - Chairman, Advertising & Partnerships, NBCUniversal

Good evening, everyone. Well, you certainly have seen a lot today, but now it's time to show you a major piece of the puzzle, the thing that truly differentiates Peacock from anything else in the marketplace. It's the combination of our content and our technology fueled by our ad-supported model, a model that will make Peacock a huge success with consumers, a model that will redefine our business and transform the entire advertising industry. So as you can tell, I'm not just here to talk about Peacock. I'm here to talk turkey.

Matt was loud and clear. 80% of viewers would choose a free service with ads over a paid service without them. Let me put a finer point on it. Consumers don't just accept the relationship between advertising and content, they value it. And when that advertising is engaging and relevant, they actually love it.

But let's be clear. Ad-supported streaming is about more than giving consumers what they want. It's also about giving advertisers what they desperately need because the landscape has fundamentally shifted. Brands are more vulnerable than ever before. That means if you're a marketer, the most valuable resource on the planet isn't gold, it's not oil, it's not diamonds. It's scale, because without scale, you can't have impact. Without scale, you can't have brand awareness. And without scale, you won't get the sales you need to move your stock prices.



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Peacock marks the next phase of the ONE PLATFORM strategy that we announced last week at CES. Our strategy to build a single platform that reaches all audiences with a premium experience. Reach that marketers could have cobbled together before but they could never get in one place until now. And you may have heard, it all starts with the price, the low, low price of free.

In this market, it is impossible to overstate the power of free. \$0 means 0 barriers between advertisers and consumers. But what I'm here to tell you is that Peacock is more than free. It's freeing. With Peacock, we can throw out that old legacy playbook and write a new one. And I'm happy to share a little bit of that playbook with you now.

First, consumers. We are proud to announce that Peacock will have the lightest ad load in the entire industry, just 5 minutes or less. We're also setting an entirely new standard for frequency caps. That means our audiences won't be inundated with the same ad over and over and over again like they are on other platforms. On top of that, we will make sure that every ad looks as good as the premium content that it's paired with. All of this creates the best possible environment for both consumers and advertisers.

That naturally leads us to safety. As is true of NBCUniversal's entire platform, Peacock is 100% brand safe. And our high standards also apply to Peacock's data policies and practices, which brings us to transparency. Transparency is the cornerstone of everything we do. While other platforms are building higher walls around their gardens, we've never had any walls at all. With Peacock, we'll be open about how we're using data to improve the consumer and the advertising experience. We respect our responsibility as publishers, and we'll ensure that we use data to ensure customers the best experience with the most relevant ads because Peacock is driven by unparalleled insights.

Think about it. A combination of Comcast set-top box data, data from assets all over our company, all augmented by the direct-to-consumer relationship with Peacock itself as well as our advertisers' own customer relationships. Plus, when it comes to platform and campaign analytics, our marketing partners will know exactly where their ads ran and have full funnel and transparent metrics and attributes.

This is the benefit of being a single platform. Advertisers' investments are backed up by the giant supertanker that is NBCUniversal. They'll also have access to the full suite of our talent and creative capabilities to help build those experiences that consumers will love.

These priorities, consumers, safety, transparency in a single platform, are at the heart of Peacock and will define the future of advertising, the future of free, the future of the entire industry. NBCUniversal is so proud to lead this transformation, but we're not doing it alone. Demand for Peacock has been through the roof, and we've chosen to work with a select group of brands that share our vision of a new advertising future.

And it's our honor to stand on this stage today to introduce some of our inaugural launch sponsors: Unilever, State Farm, Eli Lilly, apartments.com and Target. Stay tuned because we'll have a few more partners in the days and weeks to come.

Together, these brands will have the ultimate in first-mover advantage. From the start, they get to be the benefactors of bringing a free streaming service to consumers. Collectively, our sponsors have committed hundreds of millions of dollars to advertise on this platform long term. And not only that, each of them will be promoting Peacock on their sites, in their stores across their showrooms and in their media.

But here's how we are contributing to their success. As our partners, each sponsor will be with us every step of the way as we bring Peacock to the marketplace. NBCUniversal is investing hundreds of millions of dollars to ensure that Peacock is absolutely unmissable. Peacock and these marketers will take center stage on every single one of our owned assets and will harness the power of our pay TV partners who will promote Peacock across their marketing efforts.

At the same time, Peacock will be all over earned media. It will be the biggest story in the industry and for consumers.

And then we have our secret weapon: Symphony, NBCUniversal's cross-platform promotional offering that has turned movies into blockbusters, brands into household names and made our networks number one. But this won't be any Symphony. This will be a Symphony that's held during the 2020 Tokyo Olympics. With Peacock, our marketing partners will be part of the 17 days of wall-to-wall Olympic coverage. They'll be in front of over 250 million viewers nationwide, and they get to tap along with us into the magic and the power and the emotion that are the Olympic games.



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And that's not all. We're giving our sponsors a much deserved seat at the table right next to our engineers and our creators. Our partners will become members of the Peacock Streaming Council, which will meet to test and build and learn what resonates with our audiences most. Marketers will have access to all of our iconic IP to pilot and perfect those new advertising experiences.

On that note, here's a sneak peek of some of the ad innovations that will help get this advertising bird right off the ground. NBCUniversal's unique experiences that consumers and brands already love, like Prime Pods and Shoppable TV, of course, they're coming to Peacock. Any ad experience that are already out there, like Binge Ads and Pause Ads, we're going to dramatically improve them.

But here's the big news. We're creating entirely new ad experiences for Peacock that will set it apart from anything else in the marketplace. Our ad inventions will benefit consumers and marketers alike, and enable us to have that lightest ad load in the industry, making ads even more relevant, more valuable, more memorable, keeping this product free.

I'm excited to announce a few examples of Peacock's ownable innovations. The first, Solo Ads. This is where brands become the hero and bringing viewers an entire episode with just a single ad.

The second is Explore Ads. This ad experience uses contextual data to align a sponsor with relevant programming. Then viewers can take an action like signing up for special deals or getting discounts sent directly to their phone. During market research, consumers told us that without this feature, they felt like they would miss out on an offer that they actually wanted. How's that for personalization?

The third innovation, something that Comcast could only deliver, On-Command ads. In this experience, we're leveraging the best-in-class of voice technology, home-grown by Comcast, so audiences can see and hear voice activation come to life. This is the next frontier of media. It will be available to X1 customers on day 1, and we expect everyone else to soon follow.

Here's an actual quote from a consumer, "Voice activation speaks to a new generation of media." I mean how good is that? Let me show you how it works. I'm going to show you how it works. So a voice activation will pop up to the screen with a suggested action, in this case, to download Target's new app that you simply speak a command using the voice button on your remote, then the viewer says, "Target, Run and Done." They're prompted to send an offer to their mobile device. They click the Send Mobile option, and just a few seconds, their phone is ready to download Target's app. This app enables same-day drive-up delivery service. This kind of relationship between consumers and advertisers has never been available before until now. This changes everything, and it's just the beginning. We already have a robust innovation pipeline already underway.

And finally, here's the bird metaphor marketers have been waiting for their entire life. With the addition of Peacock to the industry's biggest premium platform, marketers can finally put all their eggs in one basket. I'm going to keep going here. It's big enough to hold them all and certainly reach all audiences. It's safe enough to keep them secure and succeed without risk. It's strong enough to deliver real, meaningful results because this basket, this platform, is not like any other. In every way, consumers and marketers get the best of NBCUniversal, the best content, the best technology, the best collaborations, the best scale, the best experience. And add it all up, this Peacock is the best thing to happen to all of your screens in a very long time.

I guess, that old saying really is true, "The best things in life really are free."

(presentation)

Matt Strauss - Comcast Corporation - Chairman, Peacock & NBCUniversal Digital Enterprises, NBCUniversal

Okay. So the best things in life are free, but now we're going to discuss the money. So first, let me just quickly touch upon the launch plan for Peacock.

In the coming months, we plan to roll out Peacock in 2 phases. The first phase will start on April 15, where we will begin rolling out an early version of Peacock Premium to Xfinity video and broadband subscribers on the X1 and Flex platforms. Over the following months, we'll continue to load



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more content, more features, leading up to July 15, a few days before the 2020 Tokyo Olympics, we will launch the Peacock app nationally, with both the Free and the Premium tiers and distribution on multiple platforms, including mobile, web and connected TV devices.

And throughout the Olympics and beyond, we will harness the full power of Symphony and NBCU to really maximize the ongoing promotion and awareness of the service. And over time, we plan to execute more partnerships with other providers, advertisers and platforms. Many of these discussions are underway and they're progressing well.

Then in 2021, we have a full product road map in development, where we will continue to add even more exclusive content, original programming and product features. We do anticipate taking Peacock to markets outside the U.S. over time, and we will be methodical in evaluating the international opportunities on a market-by-market basis. And we'll provide additional information on our international plans at a later date. But for now, we are focused on the U.S.

On the financials, the Peacock business model will be governed by a few key variables. First is active accounts or accounts that stream Peacock video each month. As you've seen today, we believe Peacock is truly a one-of-a-kind streaming service that we expect to scale rapidly. Second is engagement or hours watched per account. Engagement helps us measure customer satisfaction. It also corresponds to the amount of advertising on Peacock. And then third is revenue per user, or ARPU, and we expect ARPU to gradually build over time as we scale Peacock with more content, users and engagement. These 3 variables are the main inputs into revenue.

On operating expenses, the costs are primarily programming, marketing and technology. 2020 and 2021 will be the initial investment period, with a cumulative \$2 billion EBITDA investment. And for clarity, the financial plan information I'm sharing with you is just the U.S.

In terms of scale by 2024, we expect to reach between 30 million to 35 million active accounts in the U.S. and breakeven as revenue continues to grow through scale and operating costs reach their run rate levels. We're confident we can achieve this plan based on the strength of our offering, our go-to-market approach and the recognition that other streaming services have attained or exceeded at these levels.

One more slide. This provides some more detail on the key business drivers for 2024. In the U.S., as I mentioned, we'll have 30 million to 35 million active accounts with \$6 to \$7 of monthly ARPU, which is primarily comprised of advertising, resulting in annual revenue of \$2.5 billion. We're confident we can achieve this level of monetization based on the strength of Peacock and our advertising expertise. And as a benchmark, Wall Street analysts estimate that Hulu generates about \$10 per subscriber on advertising alone today.

On the cost base, it's mostly programming-related, with marketing and technology that scales nicely as revenue grows. So incremental revenue driven by subscriber gains and engagement largely drops to the bottom line, resulting in breakeven by 2024. Beyond 2024, we expect significant and growing profitability as we continue to scale the business.

So that's the plan. Now before I turn things over to our CEO, Jeff Shell, here is a quick recap of all the Peacock announcements you've heard today.

(presentation)

Announcer

Please give a warm welcome to the Chief Executive Officer of NBCUniversal, Jeff Shell.

Jeff Shell - Comcast Corporation - CEO, NBCUniversal

Hi, everybody. So for me, sitting down in the audience today, watching this is particularly awesome. I just got the job a week, 2 weeks ago. And now I'm standing on the SNL stage in front of Lorne Michaels, and I'm watching dramatic universes from Dick Wolf and iconic, generation-defining comedies from Tina Fey and Mike Schur and others, and the majesty and emotion of the Olympics, and the tour de force of talent at NBC News.

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When you look at this all in one place and you combine it with our people and our culture, this is an amazing, incredible, unique company. And I want to thank Steve and Brian for the unique opportunity, opportunity of a lifetime, really, to lead this group and this company.

So I was there kind of over the last couple of years as I watched the team, Matt and Steve and Bonnie and Linda, and everybody else first envision Peacock and then roll it out to what you've seen today. And I'm pretty confident when you combine all of this content with our proven ability to market and launch new products with Symphony, and then what I think is a really smart strategy of taking light advertising and bundling to create this unbelievable experience free for consumers. This is going to be a very successful product and is going to be one of the key elements of growth for NBCUniversal going forward.

So I'm very excited. I want to thank all of you for coming today and watching. And it's my pleasure to introduce the next and the final speaker of the evening, our CEO and our Chairman of Comcast, Brian Roberts.

Brian L. Roberts - Comcast Corporation - Chairman & CEO

Happy 2020, everyone. And I can't think of a more exciting way to begin this new decade. Today's presentation for me was an inspiring reminder, not only of what an amazing company NBCUniversal is but also of its incredible history and innovation and industry leadership. The breadth, scale, creative passion and the success that we've just witnessed make me so honored to help lead this remarkable company. And I think our next chapter is going to be even better than the last.

Streaming is transforming the way we get our entertainment and media and is clearly the next significant technological iteration of consuming entertainment, information and news for all generations. So our company spent the last year or so diligently trying to re-imagine the NBCUniversal platform so the maximum number of viewers could, in a fresh way, have access to personalize, customize never-before possible experiences that you just got a little glimpse of today.

I think the plan that Steve and teams from all parts of our wonderful company have created is a tremendous and positive business opportunity that will give us years of growth and new avenues of innovation that were literally not technologically possible just a few years ago.

It's been nearly a decade since my dad, Steve and I first walked into this incredible building, and it's pretty unrecognizable right now. I'll talk a little more about Steve at our earnings, but on behalf of my late father and myself, I'd like to take this moment to thank you and thank him for his passion, leadership, success, but most of all, his integrity. Jeff Shell is excited and ready and will quickly bring his own personal passion and superintellect to take us to this next chapter.

Together, they have helped craft this plan, along with the people you met today, Bonnie, Linda, the Sky and Comcast technology teams, particularly Gidon and Patrick, and I'm excited for the talented Matt Strauss, who did a fabulous job helping lead Comcast video and broadband to help pull all this together.

For a long time, I believe this changing technological world driven by the Internet, where anything is instantly available on any device, would prove more friend than foe to Comcast NBCUniversal. And that we could become an even more special and unique company for our employees, customers and investors if we repositioned ourselves to be at the heart of this dynamic change within the existing ecosystem. And you will see next week as we report a record year and an exceptional fourth quarter, with our core growth driven by broadband, that our best-in-class connectivity continues to lead the relationship with tens of millions of customers and allows consumers, whether wired or wireless, to enjoy this golden era of content.

Finding profitable and growing relationships with customers in old and new forms in the most valuable countries on the planet, working together as one tightly knit family of companies with a focus on quality, and our particular strength given our history and heritage, is what our company is all about. I'm super proud and beyond excited, so thank you for being here today.

And now I'd like to turn it over to my colleague, Jason Armstrong, to moderate a question-and-answer session. So please welcome Jason, and back with Steve, Matt and Linda to take some questions. Thank you all.



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QUESTIONS AND ANSWERS

Jason S. Armstrong - Comcast Corporation - SVP, IR & Finance

Okay. Thanks, Brian. Well, hopefully, this has really provided an understanding of the white space and the opportunity that we see for Peacock and why we're so excited for the upcoming launch of Peacock.

At this point, I'll introduce Steve, Linda, Matt, back on to the stage, and we will take some questions. We've got a number of analysts and investors in the audience, and the intention over the next, call it 15 to 20 minutes, is to take a handful of questions. I will mention, we have mics roaming around. So if it's your turn to ask a question, raise your hand, make sure you get a mic because this is being webcast, and please state your name and affiliation.

So why don't we start over here, Jessica?

Jessica Jean Reif Ehrlich - BofA Merrill Lynch, Research Division - MD in Equity Research

Jessica Reif Ehrlich from Bank of America. I mean it's incredible presentation and array of content. So -- but on advertising, this is either Linda or maybe Steve question, could you just talk -- you're going into an area that seems relatively untapped, not a lot of competition for premium video content. What are you hearing from advertisers? Do you have the technology, technological capability? What's the measurement system, who are you using? Can you talk about what engagement you are -- like you're assuming? Because \$2.5 billion in 5 years does not seem aggressive for this product.

Linda Yaccarino - Comcast Corporation - Chairman, Advertising & Partnerships, NBCUniversal

Was that one question, Jessica? Well, I think you're right about the untapped opportunity. So when you think about an ecosystem where scaled ad opportunities are fragmenting and becoming more and more scarce, to add Peacock to the marketplace with such a pristine experience to our over \$10 billion a year of ad inventory that's available is a great opportunity for advertisers. As you can see, our launch sponsors that we mentioned today, there has been no shortage of desire from advertisers to join an even more pristine experience.

And over time, as Peacock launches into the marketplace, obviously, the monetization of Peacock will grow and grow in addition to that. And when you can add the big platform, biggest media platform in the U.S. now, with more inventory instead of less that other companies are experiencing, that's the kind of the intersection of where our technology, when we're taking our over 600 engineers, with our Sky team that has the experience. And that intersection of technology and content creates such a pristine opportunity for advertisers to partner with us. So we're really bullish on it.

Jason S. Armstrong - Comcast Corporation - SVP, IR & Finance

Thank you, Jessica. We'll take a question over here.

Benjamin Daniel Swinburne - Morgan Stanley, Research Division - MD

Ben Swinburne from Morgan Stanley. I wanted to ask you just about the content strategy and how that ramps over the sort of rollout of the product. Steve, you talked about the pay 1 rights on the earnings call not being part of the plan here. So just how do you think about original programming? How much you need to acquire new customers? And how does that sort of phase in over the next couple of years, either for you or for...



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Stephen B. Burke - Comcast Corporation - Senior EVP and Chairman, NBCUniversal

So one way to think about Peacock, I mentioned it upfront is, it's like a broadcast network. And if you look at the broadcast networks, ABC, NBC, CBS, they've had tremendous programming, but they haven't had all of the programming first. So none of the broadcasters have ever had the pay 1 window. That window has gone to HBO, Starz, Showtime. And traditionally, films, as you know, go to a movie theater, then you have the DVD window, and then you have pay 1. And so maybe 3 months, 3.5 months after a film leaves a theater, the film is available for a television window.

So currently, we sell all of our Universal films to HBO, they get them for 3 months. And then FX has a window for the next 7 years. We're looking at taking back -- we are taking back the FX window. So Peacock will have every single movie ever made by Universal. They just won't have them during that 3-month period and we don't think that's a problem. It's never been a problem for the broadcasters.

And when we look at all of the different product that we produce, we produce \$24 billion worth, if you include sports and news, cable, broadcast, et cetera. All of that, at some point, is available for Peacock but it's not necessarily available the first day. And we're not saying we're going out of business in all the other areas. We're still going to have films go to movie theaters, films go to DVDs. Certain television shows that we make, we'll sell to SVOD players and we'll sell differently in different parts of the world, but we're going to have a lot on Peacock. And I think, for us, a sort of conceptual framework is what would a broadcast network have. Comedy, drama, sports, news, some movies, broad array, but not everything this company makes is immediately going on Peacock.

Jason S. Armstrong - Comcast Corporation - SVP, IR & Finance

Come back over here. I think that's Doug.

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

Thanks so much, Doug Mitchelson from Crédit Suisse. Steve, does free for Flex broadband customers suggest your focus has shifted away from using Peacock to bolster the Pay TV ecosystem? And as part of that, do you expect other cable companies to be able to offer it for free to their broadband customers as well?

Stephen B. Burke - Comcast Corporation - Senior EVP and Chairman, NBCUniversal

So I don't think we created Peacock to bolster the existing ecosystem. We created it because people want to stream, and they're streaming in large numbers. And as people stream, we're not monetizing. That was our motivation. It does help a company like Comcast. It helps a company like Cox. It will eventually help companies like Charter, with the pay ecosystem to have Peacock bundled with their product, but that's sort of an ancillary benefit. And as we go forward, we hope to get as many of the Pay TV operators as possible. I think in a way, if you look at it as a cable executive or a satellite executive, you're getting a product that's worth \$5 or \$6 for free for all of your customers. So I would anticipate the vast majority of people will carry it. And in certain instances, they'll be able to offer it to their broadband customers as well.

Jason S. Armstrong - Comcast Corporation - SVP, IR & Finance

Come back over here.

John Christopher Hodulik - UBS Investment Bank, Research Division - MD, Sector Head of the United States Communications Group and Telco & Pay TV Analyst

John Hodulik from UBS. Maybe for Steve or Matt, obviously, a lot of content, sports and news. Do you worry that this will lead to more pressure on the traditional multi-channel ecosystem and that you could see further declines? Or have you guys sort of -- do you think you're threading the needle here in terms of what content goes on the platform and what content -- what higher value content stays on?



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Matt Strauss - Comcast Corporation - Chairman, Peacock & NBCUniversal Digital Enterprises, NBCUniversal

Yes. I think that the way, the way that we kind of see the landscape, people who subscribe to Pay TV or a certain category or segment of Traditionals, they watch a lot of video. They really enjoy the value and the convenience of the bundle. And I think while that's declining, that segment exists. So being able to bundle in something like Peacock with that segment, these are content carnivores. You're just giving them more value. But we also recognize that there are other segments who don't necessarily want to subscribe to a bundle. They might just want Internet only, and they're consuming and watching video differently. So Peacock actually adds value for them as well. So it's a strategy where we're trying to be as segmented as we can and then going after what we think is the right content proposition. And there's the bigger bundle and then there's the Peacock offering, and we think that we can play in both places.

Jason S. Armstrong - Comcast Corporation - SVP, IR & Finance

Next question, coming back over here.

Richard Scott Greenfield - LightShed Partners - Partner and Media & Technology Analyst

Rich Greenfield from LightShed. I guess 2 questions. One, kind of a technical one for Matt. You showed what it's going to look like on Flex, and it looks very much like a traditional app-driven experience. Obviously, well done. But the point is, most people I assume, at least initially, you're going to experience this product Peacock on a Comcast set-top box or now a Cox set-top box, what does that experience look like? Do you go into an app in that app world? Is it -- like, when you click on This Is Us, are you seeing This Is Us, the TV Everywhere experience, the Peacock experience, like how does it work? And like how do you figure out where the consumer goes and what Peacock looks like in that world? And then I've got a follow-up for Steve.

Matt Strauss - Comcast Corporation - Chairman, Peacock & NBCUniversal Digital Enterprises, NBCUniversal

Yes. It's a really great question. On Flex, it's a little bit cleaner because that's an Internet-only customer and the Peacock app actually, I think will provide a lot of value in that platform, given that it's a customer who doesn't have a traditional video subscription. With X1, what's interesting about X1 is we want to design this in a way where you have an app, but you also unlock all of the content, so it's available in multiple places on the guide.

So somebody does a search for a movie, we want the Peacock movies to be in the search results. If somebody does a voice query for This Is Us, we're going to want to have the Peacock content available for This Is Us.

Now in the interim, I would say, over the next few months, you're going to have content that's coming from multiple places. It may be available on Peacock. It may be available On Demand. I think that's kind of maybe where you're going. Over time, we see all of this condensing into just Peacock. So the TV Everywhere content with Peacock, all of that gets consolidated over the next 12 months. And then it becomes much simpler, that that becomes the default experience that we really want to drive for customers.

Richard Scott Greenfield - LightShed Partners - Partner and Media & Technology Analyst

So at least initially, I might see This Is Us or I might see The Good Place twice in the guide on On Demand. One Peacock, one NBC Everywhere or whatever you -- On Demand.



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Matt Strauss - Comcast Corporation - Chairman, Peacock & NBCUniversal Digital Enterprises, NBCUniversal

You might. But the thing to remember, Rich, is there's a lot of content on Peacock that is not available in the traditional platforms. So out of the 15,000 hours, the vast majority of it is not available, but there will be content, primarily some of the current season content, where you're going to see that overlap and you will see them both appearing in the ways to watch. But as I said, over time, we really see Peacock app being the default experience for all of the content from NBCUniversal on those platforms.

Richard Scott Greenfield - LightShed Partners - Partner and Media & Technology Analyst

And then just a follow-up for Steve. We've been pretty disappointed that companies like Charter haven't taken or embraced X1 over the years. To the extent that companies like Charter just don't embrace Peacock, could we see Peacock show up on a Verizon or an AT&T, a DIRECTV? Like how broadly will you market this service if the cable industry just doesn't want to work with you?

Stephen B. Burke - Comcast Corporation - Senior EVP and Chairman, NBCUniversal

Well, I almost don't see why the cable industry wouldn't work with us, right? We're giving the product, which has value to them for free to give to their consumers. I don't understand the catch and I ran a cable company when I ran Comcast Cable. Cable guys do things at the last minute on December 31 when deals expire, and we got a lot of deals up next year, and I have a feeling we're going to get a broad distribution.

But if we don't, we want this product to be broadly distributed at the price point of 0. And the way to do that is to find really good marketing partners who are interested in delivering value to their customers. And if for whatever reason, we don't get that with the traditional ecosystem, Disney+ is being offered to all Verizon or a lot of Verizon customers for free. I think that's a very attractive model we'd look at to.

Jason S. Armstrong - Comcast Corporation - SVP, IR & Finance

Come back to this side.

Kannan Venkateshwar - Barclays Bank PLC, Research Division - Director & Senior Research Analyst

So I guess you've spoken earlier about partnerships. Sorry, this is Kannan from Barclays. You've spoken about a lot of partnerships, one on the MVPD side and the other on the media side of it. But in terms of economics, is there any incentive that you guys are offering for these -- for partners to come in, either in terms of revenue share, like Hulu does on the advertising side? Or a share of the ad inventory on the cable side to MVPDs when they choose to partner with you?

Matt Strauss - Comcast Corporation - Chairman, Peacock & NBCUniversal Digital Enterprises, NBCUniversal

Yes. Well, I mean I think the incentive that we're offering to those platforms is over \$2 billion of value, if you just look at the investment that we're making in Peacock. So we think that the ability for us to make those -- make the app available on those different platforms. In the case of MVPDs, bundling it in for free. Or in the case of other platforms, providing the ability that they can market it as part of their service. We think that, that's the value exchange. We obviously have a lot of different business across different platforms. So we want to make sure that we're mutually incented to want to make Peacock a success. And certainly, we're investing robustly in marketing and paying for marketing as well as the marketing of Symphony.

So overall, as Steve said, we actually feel very confident that we're going to be able to get distribution across multiple different touchpoints and platforms. But we really do believe, given especially that's only 5 minutes of advertising, that we're not looking to do any revenue share on the advertising or have others participate in that model.



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Jason S. Armstrong - Comcast Corporation - SVP, IR & Finance

Great. We'll take one final question. Maybe from this side.

Bryan D. Kraft - Deutsche Bank AG, Research Division - Senior Analyst

Bryan Kraft from Deutsche Bank. I wanted to ask you really 2 questions. First, can you talk about how we'll see the windowing of your content on Hulu changing? I assume that the currencies and broadcast content is going to come back on the Peacock?

And then Linda, I wanted to ask you about the trade-off really between the higher CPMs that you expect to get on Peacock from the targeting and the lighter ad loads versus the overall dollars that you get with a broadcast, say, an hour of the show. What is that trade-off, that revenue trade-off?

Stephen B. Burke - Comcast Corporation - Senior EVP and Chairman, NBCUniversal

So when we did our deal to effectively exit the equity position for Hulu, we negotiated a very, I think, a very elegant way to get content back. So a portion of the Hulu content, we get immediately on a nonexclusive basis. That's been our right. We've had that right for a long time. And then shortly after launch, there's another portion of primarily library content that we can get back. And if we get it back, there are certain changes in the economics. And then at a certain point, about 2 years from now, we have the right to take all of our content off of Hulu, if we choose to. And I think at this point, it's too early to tell. But if Peacock is a success, we, in effect, could take that content, which will be nonexclusive. We'll both have it for a while and make it exclusive. And that happens about 2 years from now.

Linda Yaccarino - Comcast Corporation - Chairman, Advertising & Partnerships, NBCUniversal

And to answer your question about, you used the term value trade-off, I'll use it as the opportunity that exists right now between the big platform of NBCUniversal of all of our assets that exist today, and then the introduction of Peacock to the marketplace.

So you're right, the inventory or the ad opportunities on Peacock because of the limited nature and the advanced targeting and personalization that will be available, they will be more valuable, therefore, drive more revenue versus what we would talk about today as a traditional CPM, if you will, if that's -- if you want to use a legacy metric. So yes, you are right.

But what we're also taking the opportunity is to say it's really about the inevitable continuation of fragmentation, as to Steve's point, that consumers want to stream. They're actually taking the opportunity where the audiences will shift and fragment. We're just being very aggressive about shifting them and moving them to Peacock. So the trade-off is actually more of a transition to Peacock. So we'll see that over time as the revenue drives on Peacock, but actually probably normalizes over time towards -- which is a better viewing experience for the consumer, which ultimately will get to fewer, more relevant ads for the consumer.

Stephen B. Burke - Comcast Corporation - Senior EVP and Chairman, NBCUniversal

So that concludes our presentation. I want to thank everybody for coming. We've had hundreds of people working on this for over a year to make today possible. I want to thank all of them. I want to thank all of you, and I hope you can all understand and see firsthand how excited we are about this opportunity. We think we have a very big idea that we've been trying not to talk too much about for the last 18 months or so. But from now on, we'll answer any questions anybody has. And I think we're going to go upstairs and have a drink at the Rainbow Room, and hope all of you can join us. Thank you.

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