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## CORPORATE PARTICIPANTS

**Michael J. Cavanagh** *Comcast Corporation - CFO*

## CONFERENCE CALL PARTICIPANTS

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

## PRESENTATION

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

Hi. I'm Phil Cusick. I follow comm services and infrastructure space here at JPMorgan. Thanks for joining us. I want to welcome Mike Cavanagh, CFO of Comcast, back to the conference. Mike, thanks for coming. It's great to have you back.

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**Michael J. Cavanagh** - *Comcast Corporation - CFO*

Great to be here. Hard to believe it's the second year in a row we're doing it this way. So I look forward to getting back live.

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

I wish all your peers felt the same, but I hope we do, too.

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## QUESTIONS AND ANSWERS

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

It seems like the U.S. is more open every week. Can you just start off with an update on what you see recently from the consumer and business side?

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**Michael J. Cavanagh** - *Comcast Corporation - CFO*

Sure. I mean I think the trends look good, especially in our COVID-impacted businesses, which we talked about going back a couple of months of our outlook at the beginning of the year. And so we like what we see, just ticking through businesses that are front of mind for folks.

Obviously, in parks, it's really good that in Florida, we've been open with capacity constraints for a little while now. But despite that, things are going really well. The scores for customer satisfaction are excellent, and we're actually at the state -- we're hitting some days now where we're actually doing better than 2019 pre-COVID or as good as on some attendance days. So I mean the signs are there that as opening continues, what we always expected was on the other side of COVID, we're going to really see strong demand in parks, and that's the case.

In Hollywood, we're maxing out at 35% capacity, most -- pretty much steadily. And June 15, we'll see capacity constraints kind of increased yet again. So that's on its way. Unfortunately, Osaka, which had reopened, is temporarily closed again, but what we saw when it was reopened was, again, very strong demand. So we look forward to that coming back. And then finally, we will see Beijing opening later this summer.

So in parks, we're really pleased that through the pandemic the last year, we just continued on with, obviously, Beijing. But in our existing parks, we've got good attractions that are new so that are really going to help. So VelociCoaster, which is in Orlando, is I think something -- 95% top 1 box for the people who have tested and ridden it so far. So that's -- it's a phenomenal roller coaster there. We've got Secret Life of Pets in Hollywood and then Nintendo World in Japan. So I think parks looking good subject to restrictions lifting.

On the TV side, we got productions back, basically back to levels of TV production we've been at historically, 50 things in production right now. Obviously, that impacted all of the platforms we have, Peacock included. But now you've seen Rutherford Falls on Peacock, Girls5eva, Bel-Air coming soon and a few others, Dr. Death as well.

Advertising on the TV side, really strong Upfront that we're sort of ending or in the middle of really, volumes that are in line with where we were pre-pandemic and really some of the best pricing we've seen since we acquired NBCU. And that is us and another company are really well positioned with obviously strong linear properties but also -- so able to handle reach but also addressability with Peacock. And the CPMs we're seeing and these Upfronts on Peacock are incredibly strong.

Theatrical side, we've got -- feels like we're heading towards domestic openings of theaters. So while we haven't had any major releases in the U.S. thus far, we did have one with Nobody that did well. But the big ones are coming, just coming off of a weekend where we opened Fast 9 in China and Asia to $160 million. So a fantastic opening weekend for Fast, and that'll be coming to theaters in the U.S., I think it's June 25. So optimism there.

And then in Sky markets, opening was -- reopening was having some impact on advertising and pubs and clubs, as we call it. But now we see that starting to come back our way.

And then finally, in Cable, I think one of the things I'd point out there is that consumers continue to do well in the U.S. Importantly, that's having a positive effect on bad debt. So I think one of the things -- even better than I would have expected 2 months ago. So we'll see some help to our nonprogramming expense growth, should be a little bit better in the near term than I would have expected back in the last earnings call even.

So with all that said, and given that we tied capital return to seeing COVID-related businesses get back on track, pleased to just say we're getting back effective now on our buyback. So Board and its regularly scheduled meeting yesterday, re-upped our authorization to $10 billion from $2 billion. And so starting now, today, we'll be back in the business of doing buybacks long awaited. We're happy to do it.

Obviously, we'll stay at historical levels. As we've said, everything else is, as we said in January, we'll stay at historical levels of buyback on average between now and the time that we actually get to the ratings levels -- rating agency expectations, leverage-wise, which, as we pointed out then, we got a little bit of a lag effect as the traditional measures look at trailing 12 months EBITDA for leverage. So we're jumping in before those ratios get to where they need to go. But with us buying back at historical levels starting now, we continue to expect to be all the way to the official levels by end of 2022. So that's great news.

We've been saying for quite some time, we are out of balance. We like to have the ability to invest in our businesses, keep the balance sheet strong and return ample shareholder -- capital to shareholders through steadily increasing dividend and buybacks. That was the pattern and history of the company. Tremendous buyback power you saw from the time the company bought NBC to Sky. And so I'm glad to be back in more balance.

I will point out that it's not going to be at the expense of any of the investments in growth that we are excited about. So we'll talk more about wireless trends there, great opportunity for growth. Business services, we'll get to that in Cable. Peacock and parks where, again, we turned off the project temporarily for Epic World, our new project in Florida. But as we said at the beginning of the year, we turned that back on. So all those growth opportunities continue to be funded as we kind of get back to balance. So that's kind of the opening.

I would just jump off from that point and make 2 points beyond that, that kind of tie to returning to sort of a normal posture on capital allocation. And one is that we feel like we've got all the advantages we need to pursue value-creating opportunities for growth in NBC and Peacock. Know that's a big question that people have for one. And the other is that we like our portfolio. We like the portfolio of businesses we have, NBC, Cable, Sky together.

And so to just drill into those a little deeper, sort of the advantages. I think, obviously, people talk about scale when it comes to the media businesses these days. But I think personally, what's underestimated is the ability to execute. And when you pick underneath the concept there, you've got to have talent.

And I think that comes without saying, I think our leadership team in our various businesses, media included, whether it's NBC, in particular, and inclusive of Peacock, the talent they have, the talent they've attracted, we're in a place where we feel very good about that. The ability to serve the creative community -- obviously, our company has been in Hollywood for its entire existence basically -- and the ability to work with talent, respect talent, content creators is tremendous.

I think we have the sort of a tremendous library, tremendous assets in new sports and content creation, ability to fund originals, and finally, an advertising platform that we'll get to that is better than anybody else's in the space. And when I look at that, I say that's plenty of advantages to play our hand and invest appropriately behind good ideas to grow in the media space, including Peacock.

And then portfolio together, there's just -- it does come back for me to execution. It's the ability to look at our 3 operating units and really look and say they are performing really well. Cable, best-in-class operator; NBC, the fastest-growing media company in the U.S. over the -- since we bought NBCUniversal; and Sky, we're very optimistic about what we see in Sky and the teams there.

So we've done things in the last year because we're together that I think contributes to that, things like changing film windows on the fly coming into COVID, leveraging all we have in our advertising assets from FreeWheel to NBC to Sky, using X1 and Flex and Sky technology to get Peacock going, using business services to get a jump in Europe and broadband in Italy, using our combined NBC and Sky to build our Elstree Studio outside London for European content creation that will be -- and we just attracted a great executive from Yahoo! to lead that for -- on a combined basis for Sky and NBC. So I think we feel very good about our ability to run these businesses well for our shareholders with the capabilities we have.

I'm sure you're going to ask me about M&A, but -- so I'll just say, of course, it's our job to consider anything that could be possible to be smart and add value, but you got to look at that, obviously, through the lens of -- is it the right strategy? Can you get it at the right price? And do you have the confidence in your ability to execute and have bandwidth?

We've got a track record there. Obviously, we know how to do that if necessary. But hear me loud and clear, we like the hand we have, and M&A is not an answer. We like the hand we have without M&A, but we'll obviously do what's right for shareholders as time passes.

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

There's a lot to...

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**Michael J. Cavanagh** - *Comcast Corporation - CFO*

There's a lot there. Sorry, Phil. I kind of -- I wanted to try to hit on a lot of the things around people's minds.

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

Okay. No, that's a good sort of overview to start. Probably the biggest incremental there is talking about resuming the buyback. Can you remind us -- historical levels of buyback, as I remember, was about $5 billion a year. And what was the leverage target that you've talked about before? Was that 2.5x to get at the end of '22?

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**Michael J. Cavanagh** - *Comcast Corporation - CFO*

So about $5 billion a year in that range. As much as that is the historical level. In terms of where we're trying to get -- 2.5x is going to be a good place to get to at the -- that's the pre versus post. We'll talk more about where we go on the other side.

But our point is that we'll stay at historical levels this year and through the better part or all of next year until we hit the mark with the -- rating agencies do their calculations differently. So I'll give you more of a time-based expectation, which is that we're at historical levels through next year. Consider that will be -- expect there.

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

Yes, that's fair. And I know it's not precise. But the other thing you mentioned, and we don't need to spend a ton of time on M&A. I don't know how much value you can really contribute. But does the price at which you could buy back your stock impact how you think about using your cash for other things? Or are those really 2 different calculations?

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**Michael J. Cavanagh** - *Comcast Corporation - CFO*

We look at everything when we consider M&A and so inclusive of our alternatives for allocating capital. But obviously, plenty of -- we look at every which way when we do those things.

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

Okay, okay. So let's move on. You talked about Cable and a confident consumer. So one thing just to follow up there. You said bad debt running. It sounds like lower even than you expected and some nonprogramming OpEx lower than you expected a few months ago. I mean my impression is that bad debt is extremely low across the board and has been for quite a while. I'm curious why it would be running even better than it was in April.

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**Michael J. Cavanagh** - *Comcast Corporation - CFO*

Outlook versus expectation more than anything else. I can't -- I -- off the top of my head, I won't be able to rattle off months -- sequential months and what it looks like. But pretty much -- suffice to say that relative to what we expected, it's running a little better.

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

Okay. And in terms of the growth you've talked about, you -- there's been a lot of focus on incremental competition, whether that's 5G or from fiber, but you guys have guided to a mid-single-digit better growth than 2019 a couple of times. How does that look with that better consumer?

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**Michael J. Cavanagh** - *Comcast Corporation - CFO*

So we feel good. It's -- you're right. It's a combination of our outlook and consumer doing well. And obviously, there's lots of questions about competition we face. But we feel very good about our Broadband business. It's obviously tremendously important to us, and no one's taking their eye off the ball there.

It's been 15 years of adding 1 million-plus high-speed data subs. And as you saw, we had strong momentum in the first quarter with churn continuing to drive lower and healthy connect activity. And so consider us to be -- that's the momentum we brought into the second quarter.

And in terms of competition, I would just point out that it's always been a competitive marketplace before my time in the business. But when I think about it, in 15 -- in the last 15 years, we've added 20 million broadband subs, while fiber has overbuilt 40% of our footprint. So it's not like this is a business that hasn't ever seen competition come in. So whatever form it is, I think it's just competition. And as we've said, we know what that looks like, and we'll face up to it as needed.

The places that I would focus people's attention when really thinking about competitive landscape for the Broadband business is sort of in 3 dimensions. One is our network. Obviously, the network we have with DOCSIS architecture is hard to beat. We would say it's the best network out there. And characteristics for continued investment to meet the demand of consumers in an efficient way can't be beaten. We're already at an architecture of 1.2 gigs downstream, that's available everywhere. And we've increased speeds 20x in 20 years.

In terms of where DOCSIS can go, we've already completed a test in the labs for 1.2-gig symmetrical. That's in the real world, and then in the labs to get to multi-gig symmetrical cost effectively over time. Obviously, that's way ahead of any consumer use case. Even in the pandemic when we're doing all of this and the amount of upstream, downstream is very different than it was before. The ratio of upstream downstream was 16:1, meaning way more coming down than going up even in the world we're now living in. So to us, I think it's always been our idea, invest in the network, stay well ahead of consumer expectations. That's why you saw no interruptions during COVID, and we'll continue with that philosophy.

When it comes to competing just in the land of marketing, I mean, we're very focused on adding value, adding innovation and product and packaging. So when you think about what we've done, repointing all of our innovation, we've got sort of the best in-home equipment out there. We've got a very strong network, obviously. xFi pods and out-of-home WiFi hotspots are all part of that element of adding value to the consumer.

We then have sort of the software layer, xFi, where we can control the network in the house. We've added Flex. So now 3 million customers are availing themselves of HSD and a gateway into video, which is the biggest reason for people to have strong broadband. So we think that's -- adds stickiness, lowers churn. And now an excellent wireless product adds to sort of the way in which we make it sticky, so to speak.

And then we're not missing a beat on network expansion. So you think about -- we have growth in our footprint, new home development, new business parks. So we've added something like 2.5 million passings over the last 5 years just by building in footprint. We've been very focused on hyper builds, our business services side over the last bunch of years and have projects in each of our markets to continue to do the same. You build it out, the knock-on doors, it adds to the business footprint, and it enhances the network supporting residential. So it's sort of a no-brainer investment case that we like.

And then working on edge-outs, pushing around the perimeter of our footprint, especially in rural areas, and we've got something like 40 projects going on. So that's what we're doing, which is -- we're not sitting around hoping that the story continues. We're doing everything we can in a business that has such good economic characteristics that we'd be crazy not to be investing behind it and putting our focus on it and preparing for competition.

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

Agreed. I have to think that those edge-outs look like probably the best use of your capital. You mentioned wireless a couple of times. Let's follow up there. Convergence has been a big theme of our conference in the last few days across fixed and mobile. How do you see the value of that convergence, both offering wireless on its own, and then the value you plug back in to the Cable business?

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**Michael J. Cavanagh** - *Comcast Corporation - CFO*

Well, sure. I mean I think as we've talked about this, adding wireless, now it's been a couple of years, and I don't think people really thought our chances were so good back 3, 4 years ago because MVNOs "never worked." But I think now we have 3.1 million lines, 278,000 lines added in the first quarter. We said it's -- we were in a learn mode for a while and get things up and running. We're now converting to where we're sort of as a business profitable on the wireless side. And it's a priority.

And why is it a priority? Because we think it's a natural bundle on connectivity between our broadband business and wireless. It definitely has proven out that it's lowering churn for us. So adding a great product at a good value to the bundle is lowering -- increasing stickiness of our core Broadband business, which is where we start. That's a fantastic business, great operating margins, great per sub lifetime economics and we want to protect that.

One of the things that we did in the last year, as we talked about, is we made some tweaks. Verizon is happy. We're happy. Charter is in the same deal with us to give us more capacity to create value-added offerings to more wireless subscribers. Obviously, we were very heavy on and effective at a By-The-Gig approach.

Now we recently came to market with an unlimited plan, $30 a line. So you can save something like $400 for the -- versus some of the other plans that are out there. And so as it's very early, only a few weeks, but we're certainly seeing good take-up in the recent weeks' activities across all of our channels, in store, digital and otherwise, where unlimited is helping.

That, together with Dave Watson, as he talked about in prior calls, really integrating it now into the core operation of the business to reach all the sales channels and the like, the front of mind in terms of bundling and packaging are all the reasons why we feel so good about the opportunity ahead of us. So with something like 2 million customers and 3 million lines out of something like 30 million broadband homes, we feel we got plenty of runway to execute against our objective, which is to grow that business alongside our Broadband business.

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

Chris Winfrey from Charter talked yesterday about how -- made an analogy to how fixed voice eventually hit about half of the broadband subs. Is that a good way to think about your eventual penetration of mobile in Broadband?

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**Michael J. Cavanagh** - *Comcast Corporation - CFO*

I wouldn't throw out any particular numbers other than as we look at -- I want to have as many broadband customers that I can possibly have, great economics, right? And I'm happy to add a wireless product and we'll try. But we also have Flex. We also have home security. We have a variety of ways in which we're looking to, around Broadband, use complementary products. And water will find its level. So we've got more than one arrow in the quiver.

I think wireless is an excellent one. I hope Chris is a smart guy. I hope he's -- I'm sure he's right. But we'll -- we're going to keep working at it, and we won't stop at 50 if that's -- we'll go to wherever the opportunity takes us. So I think we have a good runway ahead.

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

One more, if I -- may be pushing my luck, but Chris also mentioned that he's going to have a test market up and running by the end of this year for friendly wireless users. Are you on the same path or similar path? Or do you want to let Charter sort of wear that experiment and sort of follow behind?

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**Michael J. Cavanagh** - *Comcast Corporation - CFO*

I think we can study what they're doing. We can do some ourselves. Our teams are very focused on the idea of where this business can go. Obviously, we got -- between us and Charter, we obviously also have a lot of volume and success. We'll have a lot more volume. So that's always going to be a trade-off building out spectrum for offload versus what are the terms of an MVNO agreement.

And so we know that path is available, but there are other paths, too. So wish him success, and we'll be able to do exactly what they -- we'll benefit from their learnings, them and others. We've got obviously plenty of industry providers of various forms of services for lighting up spectrum and so forth that are there to advise us. And we'll know where our usage is in different parts of our footprint and where strategies like that could make sense, but consider that to be -- we've got plenty of time for that.

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

Sounds good. Let's switch gears, and you talked a little bit in the introduction about Peacock. The -- we've seen a lot of evolution between the deal announced last week, the deal announced this morning and as well as the launch of Disney+ and Paramount and Discovery and HBO in the last year. Have your ambitions for Peacock changed at all as you look out over the next few years?

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**Michael J. Cavanagh** - *Comcast Corporation - CFO*

I think our ambitions are always -- our plans, ambitions are always -- we said from the beginning that Peacock was -- we're going to play to our strengths, which is relationships inside the pay TV ecosystem with traditional distributors, the tech we have inside the company with Sky and Comcast Cable, relationship with advertisers and obviously, the $20 billion-plus spend we make on content every year across scripted and unscripted sports and news.

So we had no Olympics last year, which was a big part of our launch plans. We had some of the originals that we expected to be able to make part of a launch, weren't able to be produced given COVID. Yet here we are, very pleased with what we've seen and what we've learned in these first 9 months, call it. So we're learning as we go, and that is shaping our plans go forward.

We've got to bring productions back. So we've got some cool stuff that will be coming to Peacock, but we're also be spending more money on originals there. As you've seen, we've -- as we've done rights deals for sports, it's absolutely front of mind what kind of rights we bring to Peacock. And we're working on what we can do with Sky and partners in other markets and getting more partners so Peacock is on other platforms.

So it continues to be early days. And I would say we're -- it's a one foot in front of the other approach. We learn and we evolve. And I think it's going to be a pretty organic approach to where we take Peacock. But what we see -- we like what we see.

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

Okay.

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**Michael J. Cavanagh** - *Comcast Corporation - CFO*

And like one example of just what that's real-time is we're going day and date with Boss Baby 2. So that'll be Peacock, July 2, concurrent with release in theaters. It's just another approach to bring excitement and value to folks in Peacock.

But we run through what we've seen. Jeff did a great job, I think, ticking through the way we think about it in terms of getting people to sign up, especially in these early days when it's not fully built out content-wise. So something like 42 million sign-ups converting to about 1/3 of them using it monthly, much more than that on an every 2 month basis. And CPMs, we started with 10 advertising partners in the first year.

As we roll into next year, that'll sort of float to sort of year 2 pricing, which will be kind of real and confident in what we see there. Upfronts are confirming all that, but it's really a platform that advertisers like quite a bit. And then hours used, which for our model is a big deal, are well ahead of our expectations.

So we'll just keep improving it quarter-by-quarter and keep everybody posted. But we like what we see. By no means is streaming easy for anybody. So I don't mean to say we've got it all figured out by any stretch. But I think we've done well to take advantage of the -- of what makes us unique as a company.

We've gotten to a good place, and we'll continue to view the world in streaming through a lens that is playing our own hand. And we do absolutely have the ability to invest behind success as we evolve our strategies.

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

Yes. And this has all been without the Olympics, which you're going to have, in theory, two in the next 8 months.

**Michael J. Cavanagh** - *Comcast Corporation - CFO*

Yes.

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

Is part of Boss Baby coming day and date, is that to drive even more sign-ups and push into that Olympics launch?

**Michael J. Cavanagh** - *Comcast Corporation - CFO*

It's a combination. It's really a little bit -- continues to be -- we're reacting to what goes on in theatrical opportunity during COVID, plus certainly look for ways to test and learn what kind of things we can do, appeal to existing and prospective Peacock folks.

So it goes back to that point around 1/3 of our sign-ups are using things monthly. We want to move that lever higher, right? We certainly would like to see more sign-ups, want to get more hours used. We want people to come back, experiment, float over to Rutherford Falls or Premier League or whatever it is. As the platform has more and more, it's going to be a continuous virtuous circle, you'd like to think. And so adding more across all the things we can do. We can do more in news, and we will do more news.

So there's a lot of -- the idea -- and Jeff Shell has pointed this out. The best thing we can do to empowering creative talent, whether it's people in our business, the leadership and under Jeff and NBC from Donna to Susan to Pearlena, there's Lazarus, the sports teams, the news teams, giving people the platforms and sort of the resources to work -- and Jeff's reorg enabled this, become sort of platform agnostic but lighting up Peacock as another outlet for everything we can do on the creative side and leveraging a lot of the stuff we already do on the creative side is playing to our own advantages and not trying to play somebody else's game, which is what -- I've tried -- the point I've been trying to make, there are obviously some big bets being taken for global SVOD with leadership positions that are obviously to be applauded. But I doubt that, that's the path to success for everybody. So we're playing our own hand.

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

Not to be obtuse, but I'd be negligent to not ask. Are you confident you have enough scale in the Peacock streaming product as what looks like competitors are getting bigger?

**Michael J. Cavanagh** - *Comcast Corporation - CFO*

Well, just because competitors -- well, I'd say, scale is a word that requires some discussion of what you're getting at. So when I think about do we have the advantages we need to succeed, I think having the institutional memory and a century of building Universal and NBC into what they are, with the relationships and the talent and the platforms we have is no small feat. Just because you own something or buy it from the other guy, it doesn't mean you're going to operate it well, right?

So we've, I think, been very focused on making sure, when we acquire stuff, we do not take lightly the ability to operate well, execute well. And that's critical if you're going to go about it that way. So I think we like the rhythm we have. We like the culture we have. We like the scale of our libraries.

We'll do more, but we can invest our -- we can do what we need to do a variety of different ways, invest in more content as it's appropriate, partner with other people, in some markets as it's appropriate. And certainly, we can consider M&A, but you got to get -- you got -- the whole host of things you got to face up to if you're going to go down that third route. So I like where we are.

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

Good. I want to hit parks quickly just because you started with it, and it sounds like things are going very strong. Any kind of preview on when we might see Beijing open? And how do you think about the scale of that versus the existing parks?

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**Michael J. Cavanagh** - *Comcast Corporation - CFO*

Well, having looked at some videos in the last 2 weeks with some folks that -- I won't namedrop -- that are very associated with the IP in those parks, it was jaw-dropping to do a walk-through of the Beijing park at night on an iPhone because we can't get there due to quarantine.

So it's going to be opening over -- during the summer. Everything is in test mode. There's shows going on for -- the restaurants are running all for sort of employees to test things out. So we'll be opening this summer, and it looks spectacular, so much so that we didn't think we were looking at real video feed. We thought we were looking at computer renderings.

So that'll be -- it's going to be exciting. It's going to be the most technologically advanced park in the world and so -- that we have, and we look forward to -- obviously, it's a very large and has expansion opportunity down the road just like Orlando did.

And then we're working on Epic. That'll be better still on the technology front, coming down the road in a couple of years, and we're underway. So parks, like I said, lots of good things coming in the near term. So feel great about the path that parks is on.

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

Does Beijing get its own VelociCoaster?

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**Michael J. Cavanagh** - *Comcast Corporation - CFO*

Not day 1, but maybe someday. There's some unbelievable -- it's packed with -- there is a fantastic Jurassic World.

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

Okay. And maybe last -- finishing up sort of on film. You talked about releasing Fast 9 in theaters next month, but you delayed Minions. What's your thinking on what the film slate looks like? And obviously, the Boss Baby for day and date -- seems like a variety of approaches at this point.

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**Michael J. Cavanagh** - *Comcast Corporation - CFO*

Yes. I think it's just a...

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

Is this something you continue to do after we're through COVID?

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**Michael J. Cavanagh** - *Comcast Corporation - CFO*

Yes. This is a COVID lag. I mean we feel very good about the creative pipeline. So there's no -- so I would say simply, it's just a matter of -- COVID for the film business, probably more than any, is a pig in the python type of -- when it comes to the dynamics of the P&L. We're going to -- when we -- it's going to take a while to get the full cycle of a full year slate rolling into the next year where you have in -- later windows rolling through the P&L. At the same time, you start to light up spend to market things as they're going into theatrical.

So parks is going to be this journey to get it fully going. I would say the team is making just the right moves real time for when to put things into release based upon which markets matter most and where theatrical is in those parts of the world combined with what we see in the U.S. and a little bit taking a view of some of the streaming opportunities and premium video-on-demand opportunities. As you saw, we kind of worked out an interesting way to add value to the -- and which I think a lot of those things will be lasting for the long term.

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

Makes sense. Makes sense. We're pretty much out of time. Do you want to finish us up with just a little bit of your excitement around the business over the next few months and anything else we should take away? And then we'll finish it off.

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**Michael J. Cavanagh** - *Comcast Corporation - CFO*

One thing that we didn't hit is business services, I got to give a shout out to. I mean it's a business that -- this proves the point. We don't talk about it enough. It's a nearly $8 billion business that's got a $50 billion addressable market. I think the team there is doing an unbelievable job.

We've been investing in -- we started with, obviously, a great connectivity product and focus on small business. I think the enhancement of our product set there, all the way managing networks has tied together with SD-WAN, firewalls, router systems, network management, security are now all things that are increasing ARPU even in the original small business base. We're going after medium and large segments, which will light up a little bit later coming out of COVID, but we've been stepping -- staying on the gas in this business.

We've been doing the hyper-builds, as I talked about earlier, just widen the addressable market. And obviously, we're bringing that talent over to Europe through Sky, which just got started up. So that's one I would call out for further excitement, alongside wireless, parks business, Peacock. So plenty of exciting -- Broadband itself. So plenty of exciting places.

And I'd say the final word, I guess, to your question, I think we've made the company better through COVID. We focused on -- from the very beginning, we focused on being ready for what it was going to look like on the other side. People have questions, obviously, which businesses -- will parks come back? Will theatrical -- will movies come back?

I think we're seeing consumer demand. Everywhere we look is as strong as it ever was, if not more so. So I think when you look at the sort of value of the company, I think it's -- we're in great shape. And I think the teams we have stay focused through it all, and morale is great. And resources are there. We're back in balance on capital. So we feel -- I feel very good.

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

Good. That's a great place to drop it. Mike, thanks for your time. Thanks for everything and stay safe.

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**Michael J. Cavanagh** - *Comcast Corporation - CFO*

Thanks, Phil. Thank you. Bye-bye.

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

Thanks.