REFINITIV STREETEVENTS

EDITED TRANSCRIPT

CMCSA.OQ - Comcast Corp at Morgan Stanley Technology, Media, and Telecom Conference (Virtual)

EVENT DATE/TIME: MARCH 07, 2022 / 4:00PM GMT

CORPORATE PARTICIPANTS

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

CONFERENCE CALL PARTICIPANTS

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

PRESENTATION

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

Okay. Good morning, everybody. I'm Ben Swinburne, Morgan Stanley's media analyst, and welcome to our in-person 2022 TMT conference. It's great to see all of you, and thank you for your partnership.

Quick disclosure on my end. Please note that important disclosures, including my personal holdings disclosures and Morgan Stanley disclosures, all appear as a handout available in the registration area and on the Morgan Stanley public website. I have been waiting 2 years to read that, believe it or not.

I am thrilled to welcome back to our conference, Brian Roberts, Chairman and CEO of Comcast, as our keynote speaker this morning. Comcast is the nation's largest Internet service provider as well as the owner of NBCUniversal and Sky, 2 of the world's leading media and entertainment companies. Brian, thank you so much for returning as a keynote to kick off our conference. You were here 2 years ago, which for many of us was the last time we were all together. It's great to be back in person. Thank you for being here.

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

So I just want to echo the nice sentiments that we just heard about the Ukraine. I also -- we're all just watching and thinking about the people in the Ukraine. And in our case, we also have a very brave group of NBC and talented, at Sky news, reporters on the ground, so thinking about them as well. But it is my first in-person and it was my last in-person. So it's pretty appropriate to be back here and I'm glad to be here, and it's nice to see you all.

QUESTIONS AND ANSWERS

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

I want to spend most of this conversation looking ahead, but we should certainly acknowledge the profound impact of the last couple of years on all of us and on Comcast. Brian, how would you assess the company's position in the market, the opportunities for growth? And how does that assessment shape your priorities for the business?

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

Well, let me say that being here in person, probably the hardest decision I've had is what to wear, because the last 2 years, we didn't look like this. I'm looking at all of you, and everybody's got a jacket on. And it's probably the first time you've had it on in a while. And that's true for me, and I think that's true for a lot of us. I'm really thrilled to look back and see what our company achieved during a very disruptive period of time. Not every business can sit here and say that 2021 was a record year: record in revenue, record in EBITDA, record in earnings per share, record in free cash flow. And that's how we judge ourselves ultimately and, I think, you judge us as well.

I think we have a great outlook. We're positioned. There's certainly lots to talk about this morning that's fun to get back and talk about. But as I think about sort of what makes Comcast, Comcast, it's consistency, it's trying to have a leadership position. And so as I drill into just a couple of areas that I'm sure we'll discuss, we start with broadband. We have about 32 million customers. In the last 2 years during the pandemic, there was a surge of nearly 40% of traffic over the broadband network in and out of people's homes. It makes total sense. We all Zoom-ed. We all streamed. We did lots of other gaming and kinds of activities. And so was the -- where did the network perform, how did it perform, really great story there.

It makes the product more important to people. It makes the product more valuable. And I think that all happened for us big time. We're now fully in the mobile business. We bundle it with broadband, and we'll tell you about our strategy here this morning a bit about mobile, but really good success in launching and ramping to where we're now 4 million customers -- or 4 million lines anyway.

Business services. Business -- a lot of small businesses went down. A lot of small businesses came back up. A lot of medium-sized businesses and enterprise companies such as ourselves need a more robust road map for broadband. Digital delivery, digital reliability, much more central to people's business plans. We are the best provider. We are the attacker. We are in a great growth business in broadband with business services.

The studios business, television and film, super disrupted. All the productions around the world shut down. Pretty much all the productions around the world are back in business. That creates a tremendous lumpiness for financial investors to follow the production cost. But as I look to the medium term, I'd say the value of content has never been more important of great content. And the IP that we have, whether it's the franchises or whether it's the personalities and the relationships with our studios, I think that business has a robust future.

Peacock. We launched Peacock pretty much during -- in the pandemic. And I know you'll ask about Peacock, as many investors have. I think we have a great story and a great momentum with Peacock. And the uptake, the second-most popular new brand in America in the last 2 years was Peacock. #1 was Zoom, and that's a pretty strong statement.

Theme Parks. I said on our earnings call that we had a debate internally about how fast they come back. And I'm pleased to say I lost a debate because I was too conservative. Theme Parks have been really robust. Now there's still headwinds and things we'll talk about around the world and international travel and now the situation in Europe. But the -- what the Theme Parks innately offer is joy, family experiences, the things that we relish mostly outside, and the recovery has been really nothing short of remarkable.

And finally, Sky. We have -- in the -- in 2021, we completely bounced back. All the subscribers that paused their subscriptions for sports, over 99% came back. We're growing. And what -- we made a statement that we could double the EBITDA in the next couple of years from the 2020 levels. We're ahead or on that prediction, stand by it today. I feel very confident, particularly in the U.K., which is the core of the Sky business. We're starting to really understand the difference between the U.K. and the other markets. And the U.K. is the vast preponderance of the cash flow, and it is growing great. And we renewed all of our key content rights, sporting rights for several years. So we feel very confident in the statements we've made. So all in all, I start this conversation feeling amazing and fortunate, really, that we've come through it.

And finally, our company has a sense of purpose. In addition to the investor conference, we used the moment to really try to talk about diversity and inclusion, ESG, really rethink about our society and what our role can be. And I think you've seen, whether it's getting Internet to more folks and having 10 million individuals connected to the Internet that couldn't afford it or the $1 billion commitment we've made to digital inclusiveness and lots of other wonderful things that our company stands for. It's a great time to be at Comcast, and I'm proud about it.

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

Great. We'll touch on, I think, all of those topics this morning. You know that I think the investors are, first and foremost, focused on broadband. It's the sort of cash flow engine of the company. Why don't we dive deeper there? Talk a little bit about your confidence that Comcast can continue to grow that business as you look out over the medium term.

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

Well, let's start with -- we've been in the broadband business now over 20 years. We've grown every single year. We're 50% penetrated, and that would suggest that there's more to go, and I believe that sitting here right now. Let me unpack why we feel that way.

Well, first of all, there's probably 4 areas you could talk about. One would be, what is the definition of the market? And can we expand that market? And fortunately, we're going to be able to do that and do it at a better clip than we did last year so -- or the year before. And what that is extending your plant to whether it's rural areas or unserved areas. We now have -- the government made this a federal priority with the infrastructure bill, so there are dollars available. Where it's been uneconomic previously, it will be economic in the future for us to extend our broadband. And we're going to compete aggressively to do that.

We also have, oftentimes, new industrial parks or new office complexes that get built in an area that we heretofore haven't put fiber, and we call those hyper builds. And that then allows us to offer more broadband in areas that also were not served.

The second is competing for market share more aggressively. At its core, people want the best product. They also want the best value. But ultimately, I think most folks who -- if you take what I said earlier about how important broadband is to your life, you're going to want the best broadband. If you think back a few years, what you did with your broadband, it's hard not to look forward that same period of time, imagine how we're going to look back at today and say this was the neophyte period. "Oh, I got a picture. Oh, I played -- I listened to a song on Napster," or whatever your example might be.

And so one of the reasons I like coming to this conference is right where we're based, here in the heart of innovation. And I'm willing to bet you and the rest of the folks who come to this conference are not going to stop innovating, and broadband will be the heart of that innovation. So having the best product and having a road map that will ensure that we're going to have the best product, and we can talk about that, we feel very confident we have that.

Part of that is being able to, third, bundle it and give value. And that's where mobile comes in. So we have Verizon Wireless, which is, if not the best, certainly one of the best, but I'd argue, the best network. And we have an agreement in perpetuity that says we get whatever they give themselves in terms of network quality. And we can talk a little bit about that. That allows us to give the best mobile product with the best fixed wired broadband product, best WiFi product, if you will. And that's going to be one bill and one sales force, one home delivery, a real advantage.

And finally, business services. We're 20% of a $50 billion market. As I said earlier, we're playing offense in that market. We have a brand-new facility where, I think, with time, we're able to convince large enterprises that it's okay to switch, to have redundancy. It's become a corporate imperative that your broadband work. And so we're in a great position to grow. We're working well with the other cable operators, like Charter, to go to institutions such as Morgan Stanley and say, "Here we are, nationwide."

And finally, and I can't stress this enough, and maybe the heart of your question is, how do we really look at broadband, is it which metric matters most. And I personally think we should be looking at it as a business. When you get to 32 million customers, you got to look at revenue, cash flow, subs, churn, free cash flow. And if you look at our business, it is a very healthy business. And I've never seen a better business with margins and the like of our broadband business. So I understand all the concerns out there, but I really think we're pretty darn well positioned.

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

And Brian, we're going to hear at this conference from a lot of your competitors, fixed wireless, fiber, which you touched on. Could you maybe dive into sort of the product side? And what are you and the team and Dave doing to really differentiate Xfinity in the market versus these competitors as you look out?

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

So really, you break it into 2 competitors' sets. Start with saying competition is not new in broadband. It's been there since day 1. But in fiber, which would be the first competitor, we've been dealing with that for 15-plus years. And fiber, just to go back, went from 0% overbuild to now 40% of our footprint is overbuild. And in that same time period, we added 22 million broadband customers, and we're #1 market share.

So -- and equally important, over that last 5 years, just to pick 1 time slice, we increased the ARPU by 4% a year. So our broadband ability to sell and to increase value and get rewarded for that increase comes down to we've increased speeds. We've increased what you do with the broadband product.

As we look to the next 5 years, we see that 40% going to 55%, very manageable. So we take it seriously. We know that playbook. It happens neighborhood by neighborhood. We know when the trucks are wiring up that neighborhood. They can't run an ad on television that says, "Hey, welcome to fiber on Jones Street." It's a more local, hyperlocal competitive reality. One of our advantages is all of our products are ubiquitous to all of our customers, and we can run an ad that say, "We've just increased your speed for the 20th time." We've added all sorts of capabilities, and we can advertise that.

Second competition is fixed wireless. A lot of conversation about that. It's new. Time will tell, but it's an inferior product. And today, we can say we don't feel much impact from that. It's lower speeds. We've seen that with DSL in the past, and we've been able to do well against that. But we don't take it for granted. But we've seen lower price, lower speed offerings before. And in the long run, I don't know how viable the technology holds up. If I'm right, that Silicon Valley, San Francisco here are going to continue to help reinvent what we do and define broadband as.

How do we differentiate, to your question. Well, we were the first company to get to 1.2 gigs of speed. We now, to my point earlier, offer that across the entire footprint. That's available to every customer. 2 years ago, about 28% of our customers had 300 megs or faster. Today, that's 55%. So we've anticipated -- and 300 is relevant because that's about where fixed wireless tops out. So we've doubled the amount of our customers getting that speed in getting ready for any kind of potential competition.

What's our path forward? Well, we have articulated, I won't do it completely today, but a path with something called DOCSIS 4.0 to where we can go to 10 gigs. We can have a lot of -- in a very capital-efficient way and stay way ahead of consumer demand. And that's what we had done before the pandemic without knowing a pandemic was coming. You could see a 40% increase in need and demand, and we were ready to handle it.

We do things that are more than just speed like the best WiFi gateways and pods and streaming devices like our Flex box, all for free and no additional cost in many cases. We have a modem to support multi-gig symmetrical speeds, WiFi 6E. It's the first of its type in the market, increases your home bandwidth by 3x.

And our usage of all this is off the charts. Talked about the volume, but how about the devices? We've added -- we now have 1 billion devices connected to our WiFi. That's 12x the number of devices in 2018. I think that's a pretty profound way to look at life as you think forward. And so whether it's Flex, XClass TVs that take advantage of our broadband customer service being our best product, that's the internal mantra, and I think we've made tremendous strides to getting there. We know how to compete, and I think we're going to compete just fine.

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

That's a great response. And I just want to follow up, Brian. I know investors are focused on CapEx. We've seen some CapEx pick up at some of the other cable operators. Can you maintain these advantages? And you talked about multi-gig symmetric without having to significantly ramp up CapEx.

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

Yes. We -- Mike Cavanagh is here with me, our Chief Financial Officer. And he, last July, said we'd be around 11% for capital intensity and for the next few years, and then we can maintain that with everything I just said, make all the investments toward that I'm talking about. And we stand by that same guidance.

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

Great. Let's talk a little bit about wireless, where you guys are really on offense. I think you ended last year with about 4 million mobile lines. Fourth quarter was your highest net adds quarter to date. Talk about the opportunity in wireless for the company, particularly through the MVNO structure and why you think that's a strategy that makes sense for Comcast.

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

Well, it's capital-light. If you didn't have the right contract, it isn't the right structure. I don't think we would be feeling as good as we do if the term wasn't what I had said, which is it's just -- it's not something we have to worry about.

We were able to improve the deal for both sides last year with Verizon so that we can now be very competitive in unlimited and in by the gig. So as a consumer, you get to choose which way you want to -- for which device. Some devices you don't use very much, buy it by the gig. Your primary device, you want unlimited. We have 2 million actual customers with 4 million lines out of the 32 million broadband. So we're just getting started. And I hope that as we go forward, you'll see, really, a combined offering between our broadband and our wireless products.

Another thing that we were able to solidify in our agreement is the ability to do some offloading of volume traffic where there's heavy-traffic areas so we can become hybrid MNO, MVNO of all the lingo. But basically, what that means is we bought spectrum in about 80% of our footprint already. And if you take a high-trafficked area, this room right now, you could -- instead of paying someone else to wholesale, you could build your own plan. And it would be you as the consumer, and your device wouldn't know the difference whether you're on the MNO network or the MVNO network.

We're also able to do that in concert with Charter, so we have 1 technology road map to interface with Verizon. Verizon is happy to offload that traffic so they don't have to build more capital. And we only would do that if we can make it cheaper than we can buy it.

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

Sure.

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

So it's an option on good things, not a requirement. And so I think it's a real priority for the company. It's essential to how all of our consumers, this generation, next generation think of entertainment, think of communications and their needs and what technologists are innovating on the mobile platform. But it's also with the broadband and where does one start and where does one stop, there's going to be this convergence. And I think we're very well positioned, in a capital-friendly way, to have perhaps the best products on the market at the best price.

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

Great. You just -- you mentioned entertainment. So why don't we pivot to NBCUniversal. And as you know, everyone is very focused on Peacock and the plans that the company laid out on the last earnings call. You've decided to, I think, pivot the growth strategy there a bit from focused on free AVOD to a paid AVOD service. Why that pivot? Why is that the right strategy going forward? And Brian, can you maybe talk about how Peacock fits into the overall NBC portfolio as you try to drive that business?

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

Well, let me start with backing us up for 1 second and say, how do we look at all of NBCUniversal, then let's dive into Peacock. NBCUniversal, and some people might find this what they knew already or might find it interesting, we're the #1 portfolio of TV assets out there and the #2 film studio by audience. So how do you make that claim? Well, we get to about 100 million households. 80% of the population every quarter watches one of our programs. More U.S. households watch at least 10 hours of programming each month, nearly 60 million, than any streaming or TV competitor out there, more than Netflix.

So we start from an incredible position of strength, and it's a very broad set of consumption: sports, news, reality, dramas; across broadcast, cable, film. And so we need, in a world that is clearly changing, to make sure we can make that claim down the road or a great claim like it down the road. And so we have to have a robust element of streaming that is detached from just taking the big bundle.

Reminder, we were pretty early before we even bought NBCUniversal. NBC is a founding member of Hulu, and we own 1/3 of Hulu. And that will unwind itself, as we've told the market, in a couple of years. But we wanted our own streaming service, and that's Peacock.

So we launched it with 3 versions. And we've sort of perfect data to make the pivot that we're talking about. We went out with a free service, with a Plus premium service. Both -- those had light ad loads, less than 5 minutes an hour. I don't know if any of you are fans of Saturday Night Live, I hope you are. I am. You went on Sunday, not Saturday night, and you go from my case, to Xfinity, I say SNL, did it yesterday and last Sunday. And up pops, "Do you want to watch it on Peacock?" Yes. And I watched the SNL show with less than 5 minutes of advertising. Spectacular experience, really well put together and up right away.

We did it with the Super Bowl. We did it with the Olympics. Olympics were so much better in Beijing than the Tokyo Peacock Olympics. The team is learning and morphing under unbelievably stressful conditions to create experiences for the viewer that you could never get on television before. All of that was available on the Plus version. And then we did an ad-free version, which is for $10, so $0, $5 and $10.

And the take rate led us to say that the sweet spot, as we think of it as a business, will be to go with a dual revenue stream. Well, that's no stranger to Comcast. That's what's powered the company for 50 years. Advertising is great. NBC is the best positioned of the major media companies. We have the largest #1 position in television ad. So it makes sense to make an advertising-centric service as compared to an ad-free service.

And when we added it together, we actually collected around or slightly more than the $10 just when you combine the subscription fee and the advertising. And we made this pivot knowing that we had one of the great Januaries coming up that the company would ever have -- or make it February, frankly. We had the Winter Olympics. We had the most streamed Olympics we've ever had. We had the Super Bowl. We had the most-streamed Super Bowl in history.

We launched a movie on Valentine's Day, Marry Me, Day in Date, the most-streamed movie we've had. And we launched the new drama, Belair, on Peacock and it was the most-streamed new show we've had. So we have a lot more content to come, but it demonstrated for us that taking that #1 position and #2 position in film and finding its way to Peacock is going to be a great strategy.

So when we -- our Pay 1 movie deals came up with HBO after many, many great years on HBO, all of Universal, Focus, Dreamworks, Illumination Films, all are coming to Peacock first. We then created a second window. Instead of giving it 18 months to HBO, we broke it into a couple of different bites. Peacock goes first, but Amazon and Netflix will go second, depending which type of movie, then back to Peacock for a third run. And the money we took in is more than the money we were getting from HBO, and Peacock will be a tremendous beneficiary. So reimagining what content windows can look like.

We also have all of our NBC content committed to Hulu, which we've now said that in -- starting in September, it will exclusively come to Peacock first. So we feel we have a lot of great content to come, all original content. You put it inside the entire ecosystem, it feels really good for 2 years of a new business.

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

That all makes sense. And Brian, I think, as I'm sure you know, investors are trying to figure out how do you define success in streaming. We've seen a lot of really strong subscriber growth and a lot of spending at the same time, and you guys upped your investment plans at Peacock. So how do you define success? And what would you tell your shareholders that they should be focused on with the Peacock business so they can gain and comment, "This is going to create value long term?"

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

You got to be able to make money and you've got to have a road map to get there, and we believe we can do that. We think we're positioned, as I just said. But we have about $20 billion a year in content spend between Sky and NBC, and we ought to -- in addition to some increase in that, we ought to be able to repurpose a lot of that toward helping Peacock make money.

We now have about a 70% global reach for Peacock. We get that from Sky, U.S., and then we have Sky Showtime joint venture for the rest of Europe where Sky doesn't have their own footprint. That will launch in the next year or so. Of the remaining 30% of the world, we'll probably look to partnerships. And over time, I put Peacock inside the television and media businesses of NBC.

And one of the things that I think we hope is that, that entire base will grow. And so we look at it both as a stand-alone business but also equally very much part of the total video business. So it's linear and Peacock, and that's why it's all run by one team. And we're pretty comfortable that what makes Comcast, Comcast is we're going to grow and invest at the same time.

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

Got it. Brian, you mentioned that the Pay-One deal that you guys created as an example of the value of IP, talking about the rights stepping up so much. Let's talk about the movie business and Universal Studio. Do you see this? And do you and Jeff see this and run this as a content supplier to all of NBC's distribution? Or one that is selling to the voracious appetite out there for content? Or somewhere in between?

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

It's somewhere in between. I think we clearly want to focus on building Peacock, and therefore, that's the first look and the first home. But we're very much a provider of content.

If you look at HBO right now, Gilded Age, not a film. It's made by Universal. It's on HBO. There's many shows like that all over the world. We have joint productions between Sky and Universal. We do joint productions between HBO and Universal and HBO and Sky -- more HBO and Sky, sorry. But we're pivoting a bit to say, "Okay. How can we grow Peacock? How do we grow the subscribers at Peacock? How do we grow the usage of Peacock? How do we grow the advertising?" But it is a very robust market, as you said. And so I think the best example is that HBO deal where we took in more cash and we gave Peacock strategic positioning.

So that's a high-class opportunity. It reinforces why we want to be the leading home for creative talent in addition to wonderful IP that we have in the film franchises like Jurassic this year and Minions and Shrek and a number of projects, Fast and Furious, all coming in the next period of time. We also have relationships and -- go down the list of the folks we have. I think the team has done a great job of being a home for artists. We're not just making one type of film. And so -- and we don't have one type of day-and-date release model. We're flexible so that we can match your dream to the reality we can help create, and that's not one-size-fits-all answer.

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

Another place where NBC puts IP to work is at the Theme Park business. I think on our numbers, that business is over 1/3 of EBITDA for NBC in 2022, which we think will grow given the tailwinds. What are your expectations for the park business if you look at the rest of '22 and beyond?

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

Well, we had the most profitable fourth quarter on record. So I'll start with how great is it to be able to make that statement when probably 70% to 80% of our COVID problems in EBITDA were the parks. They've hockey stick-ed right back to the most profitable period in their existence.

I want to again point out that there's -- to tamper -- tamp down, just for the shorter term, too much enthusiasm. There's still international affairs. COVID is -- in Japan and China, not quite back to this conference. Here we are. So we have to be aware of the lumpiness that can occur. But on the long term, how can you not be optimistic? Each of our parks, we make investments. We've talked about broadband investments, the road map with 4 -- DOCSIS 4.0, talked about Peacock as an investment.

Let's talk about parks investments. None of the other issues that you talk about and competition and things. There's one other great part company. They happen to be in the same city in many cases, and that's great for tourists to come to both. So we built hotels in a joint venture. We're out to 10,000 rooms. We have a new -- maybe the best rollercoaster in the world, and -- the Jurassic coaster opened -- really, will get to reopen now in Orlando. We have an unbelievable first of its type, I believe, in the world, augmented reality ride in Osaka with Nintendo and Super Mario. Had the chance to do it, ride it. And we're going to bring that to California next and then to Orlando, fantastic experience.

And then we have Epic, an entire new theme park we're building in Orlando, will be the second largest in the world for Universal after Beijing. And just a moment on Beijing, we were able to open an unbelievable park, the -- literally the best park Universal's ever built. I think they would be the first to say that.

Again, we're in the middle of winter, COVID. We're seeing very encouraging early signs of what that park can do. So as you look at that business to be able to open new parks every few years, have new attractions, these are great investments. We're coming up in terms of market share because we're coming from -- with the smaller of the 2. And the actual, it is amazing. It is just fun, technologically driven. And with people returning from COVID, we should be super-well positioned.

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

This might be a futile attempt, but is there anything else you could tell us about Epic since it's going to be such a massive new park down in Orlando?

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

Well, the goal is to try to get to a week-long vacation. We have 3 gates now. This will be the fourth plus the water park -- or including the water park. We have the hotels. It's about 15 minutes away. These are massive hundreds and hundreds of acres, really leading-edge, content-driven attractions using -- I can't reveal everything that I've been shown. They'll really be mad at me. But everything from drones to all sorts of new kinds of, like, augmented reality that we're doing in Osaka.

I said on earnings, if I could do it all over again, I would not have shut construction for a little bit of time, but we felt it was important to get our debt-to-cash-flow ratio to where we wanted to get to so we could begin to start buying back stock. So maybe I really am glad we made that decision. But boy, I wish this thing was open sooner. It's going to take a few years. I think all of you will want to go there, and it will be one of the great experiences.

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

Great. The third priority you mentioned on the earnings call, Brian, is something that I don't know if investors have spent a ton of time thinking about, which is expanding the reach of Comcast technology and product set to new markets and customer sets. Maybe you could just flesh that out for us and talk about what that means for Comcast going forward and as a business.

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

Well, we are really proud of -- that we've tried to take some of this period of San Francisco and bring it to Philadelphia. We built a Comcast Technology Center. It hopefully will be the kind of environment that's right for the future, what is an office versus what is work. And maybe those 2 are separate concepts. I read some interesting articles on that, where life might be. And we built, with Norman Foster's help, an open airy collaborative innovation technology center.

And we've got one platform now globally, that is X1, Sky Q, Flex, Sky Glass televisions, now XClass TVs. If you're not familiar with all those products, basically, they are a way for you to get to the content you want to enjoy, whether it's using voice remote in all cases, we -- our Emmy award-winning remote and voice. We now have 50 million devices that when we want to launch an app, that seamlessly work.

In fact, today, we're announcing that Apple TV+ is coming today to the U.S. on your existing devices. It came to Sky at the end of the year. And we were able to go to Apple, make it one deal that had 1 technology front door and then it went across the entire company's base, really excited. That will be on Xfinity, on XClass TVs.

And so we see ourselves as an aggregator. We see a way to help navigate the unending stream of new complexity that's coming to your home and to your life, how to make it simple, easy and awesome. That's our tagline. And I really think we -- that's a differentiating factor. Hopefully, we'll be able to offer that technology even more broadly throughout the world over time and continue to be an innovation engine where people want to work and people want to consume our products. And I think you're right to point it out as one of the real tenets of what makes our company unique.

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

Got it. Brian, maybe my last question before we wrap up is on capital allocation. You mentioned share repurchases. When you were on this stage 2 years ago, I remember you saying it was an important part of your long-term capital allocation plans. Talk about the decision to get to 2.4x, why you and Mike and the team think that's the right number and how buybacks, dividends and M&A sort of fit into your framework going forward.

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

Yes. Well, we really set a target. We told it to the rating agencies. We discussed it and agreed that, that was going to be the #1 priority. And I'm pleased to say that we achieved that objective in the third quarter last year. So we are back in what we've described as being in balance, doing just what you alluded to: first and foremost, being able to invest in the kind of projects we've been talking about. Hopefully, our judgment on those investments will prove that they're going to create even more value for shareholders. That's been a consistent model for 50 years.

Having a strong balance sheet, whether it's a war or a pandemic, those were not words we used, but in my dad's lifetime, it was a depression. It was a point of view that great companies are sustainable. And we feel the rating that we have is what we would like to maintain, and that was about the kind of 2.4 level that we targeted for.

And if we could do that, those first 2 things, that would allow us to increase the return of capital to shareholders every year. And we've done that. We've increased the dividend this year, and we said we'll buy back more shares and -- to maintain around that 2.4 leverage. I'm not sure many of our peers can do all those things at the same time. And so that's what we described as balanced. Pleased to say we're very much in balance, and we're looking forward to a year where we return significant amount of capital to shareholders.

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

Great. Well, Brian, maybe to wrap up, as the world reopens and hopefully, the global economy is hanging there with all that's going on, how would you summarize Comcast's competitive position and sort of growth outlook?

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

Well, I hope you can get a sense of optimism. The broadband business, which is the best business, 50%. We've got a long runway of growth. I think we have -- therefore, it's logical to get more people who want to be in that business, but it takes years and years and lots of capital to have the kind of brand, loyalty and attractiveness of our products. And we can build on that base by adding new things like televisions and streaming boxes and gateways and how hard it is to switch your home broadband. It's kind of a hassle that you got to have a reason you want to do that. It's not one click.

I think we try to have a company where we're financially accountable and financially consistent. And so whether that's EBITDA growth, free cash flow, revenue growth, doing that while you make investments so you can maintain that years down the road, transitioning NBCUniversal from #1 television to #1, including Peacock, and do that while you're buying back your stock and increasing your dividend. So doing all that, I think, simultaneously is what I hope we're going to be able to do. I feel good about that prospect and look forward to coming back here next year and telling you how we did.

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

I look forward to that as well. Thank you very much.

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

Good.

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

Thanks, everybody.