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OVERVIEW:

Company Summary

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PRESENTATION

Kutgun Maral - *Evercore Inc - Equity Analyst*

All right. Welcome, everybody. My name is Kutgun Maral. I'm the Media Cable and Telco Analyst at Evercore ISI. And we're very pleased today to welcome Matt Strauss from Comcast with us. Matt is, of course, the Chairman of NBCUniversal Media Group. Matt, thanks so much for being here.

Matt Strauss - *Comcast Corp - Chairman, NBCUniversal Media Group*

Yeah, thank you for having me.

QUESTIONS AND ANSWERS

Kutgun Maral - *Evercore Inc - Equity Analyst*

Yeah, absolutely. So you've been at Comcast for more than two decades. In 2019, you moved over to NBCUniversal to help lead the launch of Peacock. Today, you lead NBCU's Media Group, which looks very different today than it did just a few years ago. The portfolio is more focused after Versant. Peacock is scaling with its losses narrowing, and the NBA is now part of the company's broader sports strategy.

So let's start with the big picture. What is the NBCUniversal media business that you're trying to build to over the next three to five years and what does success look like?

Matt Strauss - *Comcast Corp - Chairman, NBCUniversal Media Group*

Yeah, well, when you take a step back, I mean, NBCUniversal obviously is made-up of our film group, our programming television group, our theme parks and the media group. And the media group is really made-up of NBC, Bravo, Peacock, NBC Sports, NBC News, Telemundo, and our local stations. And one of the things when we spun off Versant and some of those cable networks, it really gave us an opportunity to evaluate how to operate those media assets more like a portfolio. There's a reason why we have these assets inside of NBCUniversal.

NBC specifically has been so critical to how we built Peacock. It's like a megaphone when you're trying to drive scale. Peacock is also reaching new viewers, which allows us to drive more sampling where we can then drive people back to NBC or back to Bravo. And so operating as a portfolio is really where we see the big opportunity, but that required us to think differently about the org structure.

And so a few months ago, we literally restructured the media group into what I like to call centers of excellence. And so a center of excellence would be, instead of having a programming team that was managing streaming and a programming team that was managing broadcast, it's one programming team, one marketing team, one advertising team, one decision sciences and research team. And what that has allowed us to do is to essentially think content first, platform second, and how do we get the broadest reach, the highest engagement, the best monetization for the overall portfolio.

When you try to evaluate that, what we look for is, well, how are we doing with viewership? How are we doing with engagement since we've kind of effectuated that approach? And there's some real signs that are kind of encouraging us that we are on the right track. And so, for example, NBC was ranked number one in total viewers for the season, which is obviously a nice milestone.

But there's something else that's happening, which is a little counterintuitive because in a world of cord cutting and declines in pay television and shifting viewing habits towards more on demand and streaming, we're actually seeing a renaissance in live viewing. And so if you watch the NBA playoff games, like we had 16 million viewers watch that game seven, that conference for us is the highest ratings that the NBA has seen in decades.

Take franchises like the Kentucky Derby or the Macy's Thanksgiving Day Parade, we are seeing the highest ratings for these events in their history. The Macy's Day Parade, we had the highest rating in 99 years. Bravo, when you look at the total hours consumed Bravo in Q1 versus Q1 prior year across linear and streaming, we're seeing an increase in hours.

And so probably the best example of what I'm describing is Legendary February. And so like that is probably the best example of what it means to manage at a portfolio level because you had the Super Bowl, the Milan Cortina Olympics, and the NBA All-Star game. And within a 17-day window, we drove over 225 million viewers, generating nearly \$2 billion of revenue. The Super Bowl was actually the most viewed live event in NBC's 100-year history.

But then what we also do, since we're managing now is this portfolio approach is we shift these audiences to drive other values and so we drive viewers to sample a new Peacock original, the Burbs, which went on to be the number one original for Peacock, or we drive more viewers to promote the theme parks, or we drive more viewers into late night or news. And so this approach of really trying to manage as a portfolio is really core to the strategy, drive maximum reach, maximum engagement, top-line revenue and EBITDA, but giving the teams this flexibility is where we see long-term growth and sustainability going forward.

Kutgun Maral - *Evercore Inc - Equity Analyst*

That's fantastic. Lots to unpack over there, but maybe let's focus a little bit on Peacock. You've now reached meaningful scale with 46 million paid subscribers and a lot of excitement around the approach to profitability. At the same time, you've taken somewhat of a different approach than many of your competitors. You're prioritizing engagement, monetization, and a strong domestic position over a global subscriber land grab. Why are you confident that this strategy can drive durable profitability, particularly as sports investments continue to ramp up?

Matt Strauss - *Comcast Corp - Chairman, NBCUniversal Media Group*

So, this July is going to be our six year anniversary since we launched Peacock. And if you go back to 2020, the market is dramatically different, the streaming market's dramatically different than it was a few years ago. So back in 2020, you may remember almost every streaming service was focused on ad free, binge viewing and scripted dramas.

And so when we evaluated this, we actually believe that there was a white space opportunity in the streaming market that, again, played more to our strengths. At the core, we are a broadcast network. And so the notion of extending broadcast and modernizing it for streaming was where we saw the big opportunity. So you could argue we zigged while others zagged.

To effectuate that strategy, we had to do things very differently. And so for example, we're a dual revenue stream business today. I think two revenue streams is better than one revenue stream. And so when we launched Peacock, it was very important that it was dual revenue stream, which is why we anchored ourselves on subscription, but really on advertising. That allowed us to take advantage of the advertising infrastructure that we already had within NBCUniversal.

It was also a belief that the advertisers would eventually follow the eyeballs and that more people were going to move to streaming. And so that was a core principle to how we started. We then looked at the household demographics. And so for a broadcast network, we're trying to reach a broad household and have something for every individual in the home.

Most streaming services at the time were focused on scripted originals, pay one movies, things that we also kind of also invested in. We took back our movies and Universal movies and put them on Peacock. We invested heavily in originals. But if you want to reach a broader household demographic, we had to expand the aperture of the content, which meant we need unscripted, we need news, we need sports, we need local, we need multicultural, and so having a much broader array of programming we thought would also allow us to drive that habituation to get people to want to come to our service every single day.

The third thing that we did, which was a bit controversial is we really believed that live and linear was going to be relevant in streaming. And at the time there was discussion that live or linear was dead. All of the data that we looked at would tell us otherwise.

And so we said, yes, you have to have a service that's anchored in on demand, but equally we wanted to be anchored in linear and live. So we launched with dozens of linear channels back in 2020, but equally important is we built a technology platform that was designed for live at scale, and so which is very hard to do.

I mean, delivering live over streaming is very different than delivering live over a cable or satellite. And so focusing on ensuring that we can deliver live events at scale meant what's the latency, ensuring that there's no pixelation, ensuring that the video and the audio are always in sync, the tolerance of the consumer when things aren't working with live is zero. And so we spent years hardening the platform, but you see the results of that now with things like the Olympics or when we have the Super Bowl, we really do believe we've created a best in class platform.

And then the fourth thing that we did was we really made a big bold decision about sports, which was another big unknown back in 2020 around what is the future of sports in a world of binge viewing. But coming from NBC, we know the power of sports. It provides scale. We thought it could also provide acquisition for subscribers. And sports also is the opposite of binge viewing. It's about timeliness. It's about community. You know the TAM, the addressable market of sports, so you can calculate what that value is. And so building out a really big sports portfolio was very important to us back then and still is.

And so when you now look at where we are today, as you mentioned, we're at 46 million subscribers. Domestically, when you compare Peacock to other streaming services, we're actually in the same consideration set of most other streaming services when you compare domestic subs to domestic subs. We're in generally the same consideration set.

But we also have 80% of our subs that are on the ad tier, back to that dual revenue stream. We have some event that's live on Peacock almost every single day back to that strategy of having live in sports. And we mentioned on the last earnings call that we were pacing to profitability in Q2.

I'm proud to share we will be profitable in Q2, which is a big milestone for the company. It's a big milestone for the team. But I think it's also beginning a validation of the strategy that we've had from the beginning because we've been very consistent and disciplined on the execution of our strategy. And I think that that's just an example where there's not one way to approach a streaming strategy or a market. Sometimes you have to play to your strengths, which is what we've been doing at NBCUniversal.

Kutgun Maral - Evercore Inc - Equity Analyst

That's great. And profitability in Q2, certainly a big milestone and that's on top of all the investments that you've been making as well. So that's great. One thing I want to double click on is the international side and you've been very -- and I think the strategy, I can't believe it's been six years. Peacock Day, by the way, I think was probably one of my favorite events at launch. So that was a great investor event.

But going back to international. You've very clearly positioned Peacock as primarily a domestic streaming platform. Maybe touch on a little bit more in terms of why you don't need to be global in order to achieve the scale that you need.

Matt Strauss - Comcast Corp - Chairman, NBCUniversal Media Group

Well, I don't think we need to be global in order for us to continue growing the service, growing revenue and scaling. I think maybe this is just another example of zigging while others are zagging. There's not one approach when it comes to how you want to build a streaming service. But you have to take a step back. I mean, when you look at NBCUniversal, obviously, we are a global company. Our theme parks are global. We own Sky in the UK, Italy, and Germany.

Our film group is global. We distribute our content in almost every country across every window and every distribution platform. We distribute cable networks internationally, just like we do here domestically. And we also have streaming services that we have internationally as well. Sky has Now TV.

We have a streaming service that's an unscripted subscription service called Hayu, which we distribute internationally. In Latin America, we have a service called Universal Plus. And so it's all about trying to identify what's the best way to monetize your programming.

When it comes to domestic, domestic has the highest share of video, it has the highest advertising, it has the highest ARPU potential. And so it was very important for us to anchor ourselves predominantly as a domestic streaming service because that's where we saw the biggest opportunity for profitable subs and the best return.

And it also allows us to take advantage of the broadcast infrastructure that we have in place. And so I think that you're going to continue to see us be very measured. The piece that I think also sometimes gets lost in translation is that the technology platforms that we've built are global. And that was by design to also just give us optionality. And so what I mean by that is the technology stack that we use for Peacock, we call internally the Global Streaming Platform or GSP.

And so Peacock sits on GSP. Now TV, which is the Sky streaming service, also sits on top of GSP. It's the exact same platform that we're running. In Eastern and Central Europe, we have a joint venture called SkyShowtime, which is in 22 countries. That service also sits on GSP, which we run and manage. And so to the extent we ever decided that we did want to expand globally, technology wouldn't be a gating factor for us. It's about us just kind of continuing to evaluate on a territory-by-territory basis what do we think is going to give us the best return. And if it makes sense for us to launch a streaming service, then that's obviously something that we'll continue to evaluate.

But we're constantly monetizing our content very successfully, and we'll continue to do that globally. And I think that we're really well positioned to determine what's going to be the best return for the investment of the content that we're producing.

But you're not going to see us go global just for the sake of chasing subs. We have very little interest in subs that have low ARPU or subs that are, I don't want, for lack of a better phrase empty calorie subs. It's really about getting the best return to monetize our content that's going to give us the best sustainable growth and long-term value.

Kutgun Maral - Evercore Inc - Equity Analyst

That's great. And I think what's sometimes misunderstood is just because you're not in certain international markets with a streaming product doesn't mean that you're not monetizing content in those markets.

Matt Strauss - Comcast Corp - Chairman, NBCUniversal Media Group

Exactly. The team under Donna Langley does a very good job licensing our content. We license our content in every major country across every window, every platform. And so you could do the calculus on what's the best return and we find that licensing the content has been

a very successful strategy for us. Obviously, in the United States, we license content, but we launched Peacock, but there's nothing preventing us on a market-by-market basis from deciding if we wanted to launch Peacock internationally, it's something we're constantly evaluating, but again, we're going to continue to be very disciplined and measured about it, and maybe this is just another example of us zigging while others are zagging, but I don't think there's only one approach to how you might want to look at global when it comes to streaming. But that shouldn't be interpreted that we don't have a very successful monetization engine for how we license our content internationally.

Kutgun Maral - *Evercore Inc - Equity Analyst*

Absolutely. Okay. Let's talk about Peacock pricing and ARPU a little bit. At Peacock, you've taken pricing while continuing to grow. As you expand Peacock's role within the broader NBCUniversal ecosystem, how are you thinking about the next phase of monetization, whether it's pricing, advertising, bundles and partnerships, and while you're also still keeping the service compelling and affordable enough for consumers?

Matt Strauss - *Comcast Corp - Chairman, NBCUniversal Media Group*

Yeah, well, I think, when you look at the Peacock retail price point in the market. I actually can argue we're undervalued. There are other streaming services in the market that are almost 2x to 3x the retail price point of Peacock that arguably don't have the same breadth and depth of content. We've also built a very, very strong portfolio of sports rights. And so I do think that there's opportunity for more rate just based on the value of what we offer in the market.

Coming from cable, where I've spent 15 years at Comcast. I think that there were signs early on that we saw in streaming that actually reminded us of Pay Television. And I actually spoke about this back in 2019, which is, if you look at some of the trends of streaming, what you're seeing is, consumers are subscribing to more and more streaming services, which is not a surprise because not one streaming service is likely going to give you enough video calories as a consumer.

And so now the average consumer has four or five streaming services that they subscribe to, the cost of those streaming services were inevitably going to go up because the cost of content hasn't come down. And so what would likely happen is that the market would gravitate towards bundling, which is obviously how Pay TV had so much growth.

And so one of the foundational parts of the bundle was that the more you take the better the price, the better the value as a consumer, bundling could also be very good for a media company because typically you see lower churn with a bundle and lower cost per acquisition, but there was one thing that was always anchored the bundle in pay television for years and that was sports. Another reason why we felt early on it was going to be very important for us to have a very compelling and broad sports portfolio, because if the market did move to bundling, doing those kinds of deals are not hard.

Doing those kinds of deals, getting the right wholesale economics is going to be critical. Otherwise, you're going to have what I mentioned before, like these low calorie subs. And so we made a very disciplined decision that. If that's where we thought the market was going to go, let's build out our portfolio, but we spent the first four or five years predominantly focused on direct-to-consumer, maximum share of wallet out of the market, which is why the majority of our subs are direct build subs. And let's actually try to build healthy ARPU. And then at the right time, we would start to look at the next wave of growth, which is to focus more on bundling.

I think that's where we are now. I think it's pretty obvious the market has gravitated toward bundles. It certainly does not mean we're not going to keep our eye on direct build or direct to consumer because, again, those are the most profitable subs for us. But this is what led us to do deals with Apple where we now have a bundle with Apple, Apple's content proposition is very complementary to our content proposition and so Apple also has very strong sales channels given the multiple touch points of Apple and so that made a lot of strategic sense for us.

We did a bundling deal with Walmart, which again, we saw a lot of incrementality of doing a deal with Walmart because they tend to focus more on cost-conscious consumers and C&D counties, and so we saw that as an opportunity. We've done some channel deals. But very targeted channel deals just focused on the ad-free tier of Peacock because only 20% of our base is on that ad-free tier, it has a higher retail price point, so we can experiment more.

And so we have bundle, sorry, channel deals with Amazon and we have a channel deal with Roku. And so we're now at a point where I think the next wave of growth for us is going to be to continue to lean more into these bundles. But we're coming at it from a different angle because I think a lot of other media companies have been leaning into bundles for years. And now you're seeing us move more into that space. But I think that's going to be a big part of the next wave of growth for us over the next few years.

Kutgun Maral - *Evercore Inc - Equity Analyst*

And importantly with strong economics because I think we've seen a lot of examples of media companies go in more for just having that relationship and the subscriber land grab approach as opposed to what makes sense to P&L.

Matt Strauss - *Comcast Corp - Chairman, NBCUniversal Media Group*

Yeah, well, look, I think Comcast has a reputation for being very disciplined. Mike Cavanagh, Brian Roberts are students of the business. We've said from the very beginning, for us, this is not a streaming is not a sprint, it's a marathon. I've rephrased that to say it's not a sprint, it's a marathon at a sprinter's pace because we certainly feel we want to move quickly and decisively.

But we have very little interest in having subs that have negative CLV, subs that are not really driving engagement and ARPU. And so there's no question that because we've been so deliberate in how we've built our sub base that we might not have scaled as quickly as some other services. But I feel very good about the sub mix and base that we have.

And you can see that in the revenue. If you look at the Q1 revenue we announced for Peacock, it's actually very similar to the streaming revenue of other streaming services that have almost double the subscribers of us. And so having a very healthy mix of subs is important. And you're absolutely right. You're going to see us continue to be disciplined about how we approach bundle deals to make sure they're driving incrementality and positive CLV.

But I think this is where the strength of our portfolio, especially the sports portfolio that we've built allows us to come to the table with a very different value proposition. And I think as a result, that's what's allowing us to do deals that we feel very good about with partners that we also feel are very strategic to us. And so I think that that's going to be another opportunity as we look ahead over the next few years.

Kutgun Maral - *Evercore Inc - Equity Analyst*

That's great. Maybe just continuing on with the pricing element of it. Premium sports rights continue to get more expensive across the industry. When you think about shifting from pricing to managing the profitability, perhaps, how do you balance investing aggressively in sports with maintaining a sustainable and consumer-friendly model over the long-term?

Matt Strauss - *Comcast Corp - Chairman, NBCUniversal Media Group*

Well, again, I think back to what I said at the beginning, I think this is where managing as a portfolio helps us. Because when we evaluate sports rights, it's very rare that we would evaluate it just through the lens of streaming.

And so we have the broadcast network, we obviously have a streaming platform. We actually launched a sports cable network last year, a 24/7 cable network NBC Sports, which again might seem a bit counterintuitive, but you have to remember that the pay TV ecosystem still

has millions of subscribers. It generates a significant amount of revenue. And we saw an opportunity for us as part of our portfolio to also have a sports cable network in the mix.

And so I think what that allows is that when we approach the leagues, we obviously have relationships with all of the major leagues. I think that what they're looking for is they want scale. And so the fact that we have the ability to kind of allow multiple ways for a consumer to access the sports content, broadcast and streaming is a real strength that we bring to the table.

And we actually like having sports content on broadcast because we also simulcast it on cable and we simulcast it on streaming. But that's a huge benefit to what we bring to the table through some of these relationships.

I think because of that approach, it's also good for the consumer because we're giving them choice. If you want to watch on broadcast, which includes over the air, if you want to get it through streaming, you offer it on streaming. We're giving multiple touch points for how a consumer can get access to the content. And for us, because of this portfolio approach, we have multiple ways to monetize it and so when we're evaluating a sports deal and we look at the return on the investment, we don't have to get that return just through streaming.

We can amortize that over the broader portfolio. And again, it allows us multiple ways to monetize. And so I think that's what allows us to approach how we look at these deals going forward and the way we've done the deals in the past. I think, again, that's one of the benefits of what we bring to the table as NBCUniversal.

Kutgun Maral - *Evercore Inc - Equity Analyst*

That's great. Maybe sticking with the theme of content investments, and we've talked a little bit about other operators and what's worked well and what hasn't worked well. I think the industry has learned that not every content investment creates the same value in streaming, especially. How are you thinking about where NBCU should lean in, in terms of sports versus Bravo versus Next Day NBC, Originals, film windowing, unscripted, a lot of buckets to consider.

Matt Strauss - *Comcast Corp - Chairman, NBCUniversal Media Group*

It's a great question. So the answer to that question actually evolves depending on where you are in your life cycle of a business. And so there's certain content that we find drives acquisition and drives ratings and drives scale. Sports is an example of that. Pay One Movies is an example of that. Originals, which is what led us also to the long-term relationship they have with Taylor Sheridan, who's going to be coming to NBCUniversal in the coming years.

And so you have to have the right investment mix around the type of content that's going to drive those kinds of responses, which are critical. Also, that type of content also is really strong for building a brand. But there's an Achilles heel to that, which is, if you bring on a lot of subs, if you don't have the right mix to drive retention engagement, you're going to have churn. And churn is the Achilles heel of any subscription business.

And so that's where we also invest in content that drives that engagement. What typically drives that kind of habituation and viewership are things like library content, which we happen to at NBCUniversal have a huge expansive library of programming, unscripted programming, news drives retention, local.

And so you've got to manage it almost like a mutual fund to hedge. Now, we are very focused, especially over the next few years. We think engagement is one of the most important metrics. It doesn't mean that we're not going to continue scaling the business because we will, but growing share of time is really important. So building out that library component of what drives engagement and habituation is going to be important.

I think one of the things that I didn't fully appreciate when I came to NBC from Comcast was just how much people love our content. I see that now because I have all the data, but there's real fandoms, real IP that's beloved by millions of people around the world. The Office is a fandom. SNL is a fandom. Fast and the Furious, Jurassic, these are fandoms. Bravo is a fandom.

Yeah. And so like, I'll give you some fun facts about Bravo, like just to Bravo is maybe one of the biggest fandoms that was inside of Pay Television that we were able to expand into streaming on Peacock. But, Bravo viewers on Peacock typically have 33% lower churn. Bravo users typically watch about 75 episodes of content a month. They are content carnivores.

And then what happens is that when you have one of these fandoms like we do and we can demonstrate that we're expanding the TAM, the addressable market, well, that's the Flywheel to then invest back into that fandom.

And so in the case of Bravo, we invested and launched an unscripted show called The Traitors, which was a huge success for us. It's actually the number one unscripted show in Q1 of last year. It's won multiple Emmy Awards. Love Island is another example. By the way, Love Island's new season for anyone interested premieres tonight at 9 o'clock Eastern time. That's a phenomenon for us.

Next Gen NYC, which is another Bravo show, which when we premiered that was the biggest new premier Bravo has ever had in its history. And so we're creating these Flywheels and we're building out these audiences, but then back to the portfolio approach, we launched a Peacock original called All Her Fault, which was one of the most popular and successful originals on Peacock.

The majority of the viewers of that original were the Bravo users. And so how we're able to move these viewers around the portfolio and invest in these fandoms is how we see the continued growth. And so we're not trying to cast a broad net and be all things to all people, trying to be very surgical about the fandoms and the franchises and the IP that place to our strengths as a company, how do we super serve them and how do we continue to nurture and grow them? And that's the Flywheel and the opportunity that we're going to continue to invest in.

Kutgun Maral - *Evercore Inc - Equity Analyst*

That's great. Next, I want to talk about where streaming is kind of headed, and I'll be a little bit more specific in a second. But I think when we look at the industry, we're all trying to figure out in two, three, four, five years from now, Netflix is probably not going to look like the Netflix of today. Same thing with Disney+, they tried experiencing with a few different things. We'll see how that evolves.

And certainly with Peacock as well, you made some comments recently at South by Southwest talking about how Peacock is evolving from being a streaming platform to more of an entertainment platform. You've launched virtual video, gaming, maybe talk a little bit about how that strategy to connect to your broader focus on engagement is looking like fandom participation over the next few years. Where's Peacock evolving into?

Matt Strauss - *Comcast Corp - Chairman, NBCUniversal Media Group*

I'll try to be mindful of time. I could talk about this for hours. So here's the way that I would frame it. Sometimes when we talk about streaming, it's been categorized as like the streaming wars, which is to me a complete misnomer because there's not one winner in streaming, just like there's not one winner in broadcast or one winner in cable or one website winner. There could be multiple winners. But if there's a battle. In my opinion, the battle is going to be for time, share of time.

And this is an area that we spent a huge amount of focus really unpacking to try to understand this. And so when you look at where people spend time with video, the average consumer in the United States spends 5 hours to 6 hours a day consuming video. Nobody admits to that.

It's actually not that hard to watch five or six hours of video, watch a sporting event, watch a movie, watch news, like you realize it's not that hard. That number has been pretty consistent over the past decade when you look at Nielsen. But how people spend those video calories has changed pretty dramatically because you're seeing, and this also depends on the demographic of where you sit, but you're seeing more time that's being spent on social media, on user generated content, on video gaming, on video podcasting.

And so I think when we evaluate this, one of the realizations that we've had is that we are actually creating demand. We're building these franchises, we're building these fandoms, we're creating demand through our networks and through our streaming service. But these streaming platforms have not evolved at the same pace as the fandom. And as a result, we're creating the demand and then we're pushing viewers to go elsewhere to continue engaging.

The best example I can probably give you is the, I mentioned earlier, Love Island. If you watched that show last summer, that show was a bit of a phenomenon. And when we looked at Love Island, typically what was happening is like six days a week, people were tuning in back to the habituation, which was again a very calculated decision of why something like Love Island made such sense to us.

But what streaming services typically do, us included, as at the end of a show or the end of an episode, we use an algorithm to say, oh, well, you like this show, you should watch that show. And there's nothing wrong with that. It's actually very effective at driving discovery. But with Love Island, what happened was people didn't want to watch another show at the end of the episode. They wanted to continue talking about Love Island.

And we didn't have anything else for them to do around Love Island, and so then the viewer leaves. And then they go to social media and they look at clips or they're looking for community. They'll go on looking for podcasts, they'll look for video games, anything to stay in that world that they were in that we created. And so, one of the interesting facts about that is that when you look at last summer, the number one app in the app store at the height of Love Island was the Love Island app.

The number two app was ChatGPT. And so it just kind of highlights the size of these fandoms. And so we have now for a few years been evolving our platform. We don't call Peacock a streaming platform. Because that's too limited. We think of it as an entertainment platform, as a participatory entertainment platform, with a very specific North Star, which is, we should be the best place for fans to engage and consume with our content. That's how we're going to grow share of time. That's how we're going to retain more subs on the platform. But we have to build a platform that's designed to super serve these fans.

And we were not doing that. And so we started to put the pieces in place. And so one example that you mentioned was vertical video. And if you look at social media platforms, almost all of them have embraced vertical video. We don't need to recreate the wheel, we just need to adopt some of the behaviors of what consumers are doing on other platforms.

And so we launched vertical video over a year ago. And so now when you go on Peacock, we have vertical video clips, we have vertical video sports highlights, we announced we're going to be producing original content in vertical video. We've licensed micro dramas, which is a whole other category of content that we now have on Peacock.

And so we have built out a catalog around mobile, which is meeting the customer where they are to give them more reasons to want to watch on Peacock. There's another reason why this is important. If you look back to what I said about the Olympics, 20% of viewers who engaged with vertical video during the Olympics went on to watch long-form content or tune in live. The NBA, 25% of viewers that were watching the NBA on Peacock were also engaging with vertical video.

And so there's a strategy around, okay, well, vertical video is a very important piece to that experience. Gaming is another one. And so, we have a Wheel of Fortune and Jeopardy on Peacock. You can watch them, the shows. Well, why not let those fans play Wheel of Fortune and Jeopardy? And so we didn't want to create those games off platform. We wanted to build them into the platform. And so now you can play Wheel of Fortune and Jeopardy. We just launched Jeopardy yesterday.

Law & Order, Dick Wolf, another fandom. Well, why not allow viewers to be the detective and solve crimes and offer a Law & Order game? And so we partnered with Wolf Games, they produced an exclusive AI-driven game for us. You can now play the Law and Order game on Peacock.

Podcasting, we were experimenting with video podcasting. But again, we're not trying to cast a broad net, we're trying to be very purposeful. Interactive features, you can now, when you're watching the NBA, you can pick camera angles. You could, we're introducing real-time data and probability as overlays, like we're enhancing the experiences.

There's one other thing that we're really excited about, which is back to Bravo is this summer we're launching something called the Bravo Verse. And this has been something that's been months in the making, but the way it's going to work is we've used AI to scan thousands of hours of our Bravo library.

The viewer then tells us, okay, well, what are the Bravo celebrities that you like? What are the storylines that you're interested in? And then we create using the AI engine, a personalized playlist for you with an AI avatar of Andy Cohen who is the face of Bravo, and now you can go down the Bravo rabbit hole.

But we're now giving those fans a completely new experience and a new way to engage with our content, but we designed this in a way that we could extrapolate that same experience to other catalogs and other fandoms. And so this notion of evolving from streaming to entertainment, this is how we're going to drive more engagement, this is how we're going to drive monetization and new forms of monetization.

It doesn't mean we're not going to continue partnering with these other platforms because they're very important to the ecosystem. But I think that this notion of being the best place for your fans and to super serve them is the journey that we've been on for a few years. And I'm very proud of where we are because I think that we are in some ways further ahead based on some of the features that not only we've announced but we've launched in the market over the past 24 months. And we have several new ones that are going to be coming as well that we're really excited about.

Kutgun Maral - *Evercore Inc - Equity Analyst*

Well, there is a successful as BravoCon, I think you have a.

Matt Strauss - *Comcast Corp - Chairman, NBCUniversal Media Group*

If you want to get a sense of what it means to be a fan, go to a like a fan fest, BravoCon is unlike anything you will ever experience. These are super fans. I give a lot of credit to Frances Berwick in what she's created with Bravo. But I think we're just at the tip of the spear in how we can continue to grow that fandom and super serve it. And I think Bravo is just one of several that we have that are part of our strategic science.

Kutgun Maral - *Evercore Inc - Equity Analyst*

It's so fascinating because I feel like when you go back 5, 10 years ago. When every media company started to pivot toward streaming, everyone -- the perspective was, let's maybe take what we had in linear and put it on direct-to-consumer, and I feel like everyone kind of missed out on the social element of it and the user-generated content opportunity and all that kind of went to big tech and it kind of seems like all the traditional media companies are trying to take back some of these fandoms or opportunities and monetize them in different ways.

Matt Strauss - Comcast Corp - Chairman, NBCUniversal Media Group

Yeah, well, I think there's a partial reason for that, which is when you look at a lot of the tech platforms for streaming, a lot of the interfaces were designed for the television because that's where the majority of the consumption is happening. And then you port that platform and you render it on mobile and you render it on PCs, but it's all a derivative of the television.

What we have learned is that you have to take advantage of the modality of what are the devices that consumers are using. Like when you hold your phone, you're probably using your forefinger or your thumb to swipe. You're not doing that on your television. That introduces a completely different dynamic in the types of content and experiences that you want to build towards. And so this is where we're thinking right experience, right device, right consumer. And it's a different mindset than where I think streaming started, which was predominantly just anchored on the television.

Kutgun Maral - Evercore Inc - Equity Analyst

Okay, we have 5 minutes left and two questions, so I want to make sure we cover both of these. The first one's kind of talking a little bit about the broader Comcast ecosystem. So Comcast has talked more about leveraging the totality of the company, including the harmony work between you and Steve Croney.

From the media side, where does Comcast create the most tangible value for NBCUniversal in terms of distribution, products, data, marketing, advertising, customer relationships, or anything else that you'd like to touch on?

Matt Strauss - Comcast Corp - Chairman, NBCUniversal Media Group

Well, when Comcast acquired NBCUniversal, one of the first things that we did is we created this program, which we called Symphony. And if you're not familiar with Symphony, it's essentially taking the marketing inventory across Comcast and NBCUniversal and getting the entire organization to align around key tentpole priorities. And a tentpole priority could be Universal's releasing a new blockbuster film over the summer. A tentpole priority could be the Olympics.

And I think when you look at the success of Symphony, it's arguably one of our superpowers. It's culturally something that we do across the broader company that has been very successful and effective and proven. And I think that this is some of our secret sauce. What Steve Croney and I have been working on together, and Steve and I have known each other for almost for 20 years and he is a fantastic partner, is how we do evolve Symphony into what we are now calling Harmony which is really an evolution around how do we integrate workstream across Comcast and NBCUniversal, but very specifically to align around how do we share data, how do we align our product and tech organizations, how do we think about how we go to market around key initiatives, how do we look at local and national advertising and how could we potentially monetize that inventory better with a very specific purpose of driving broadband, wireless, Peacock growth and overall engagement and monetization.

And there was a couple of things that were relatively low-hanging fruit. Like for example, low-hanging fruit was, well, let's bundle Peacock with gig subscribers because that's a way for Comcast Cable to add more value to their highest-end customers. It's a way for us to add measured bundled growth for Peacock. And so that was something that we went to market with.

Or let's make Peacock the app that's kind of like the anchor tenant on the X1 video platform. We know the value of what's one more hour per user per month. We know the value of getting somebody to watch Peacock one more day a month. Well, let's find new ways to drive more of that sampling and promotion and Steve and the team have done a phenomenal job.

We're now looking at, well, how do we look at Peacock and NBC's inventory as a sales channel to drive broadband and wireless? And when you start looking at the data, Peacock, yes, has 46 million subs, 46 million subs is about 100 million monthly active users when you look at the number of users per sub.

When we share data and we know, well, of those 100 million monthly active users who lives in a Comcast footprint, do they have Comcast broadband or wireless? Well, can we actually now target them with a special offer?

Those are the types of initiatives that we're starting to align around both on the Peacock side as well as being more targeted and personalized with some of the inventory that we have at NBCUniversal. I'll give you another example. Comcast has been very focused on what they call real-time 4K. Real-time 4K is focusing on reducing latency around delivering 4K content over the internet to kind of highlight the superiority of the Comcast network.

And so we at NBC have been leaning into delivering more 4K content so they can better showcase that capability. Or membership would be another example. Comcast launched a membership program to improve the tenure of their customers.

Well, when we think about driving churn down for Peacock or ways to create more value for the retail price point of Peacock, we're starting to look at experimenting and testing a membership program for Peacock as well. And so if we could create a membership platform that we could both tap into, if we can create a platform where we're sharing benefits across the company, these are the types of initiatives that we're really excited about and we've got the senior leadership team at NBC and Comcast completely aligned.

We meet on a regular basis on these integrated work streams. We have the full support of Mike Cavanagh, who has been a huge advocate of this. And it's early. It's early, but at the same time, when I think about growth opportunities, this is probably one of the areas that I'm the most excited about because this is where we're going to continue to get more economies of scale. I think we're going to truly unlock a lot of the value across the broader company by how everybody is getting aligned and working better together.

Kutgun Maral - *Evercore Inc - Equity Analyst*

That's perfect. We're out of time, but I'm going to ask this last question anyway, and it's okay if we go a few minutes, so says I. A lot of conversation today has focused on the strength that we're seeing across the media business. But just given how important media is as a flywheel for the broader NBCUniversal ecosystem, can you take a step back maybe with a broader lens and shed some light on other parts of the company as well?

Matt Strauss - *Comcast Corp - Chairman, NBCUniversal Media Group*

Well, first, thank you for letting me go so long on media. I didn't even get to talk about the World Cup coming to Telemundo or this is our 100 year anniversary at NBC, which we're very excited about. But when you take a step back, but when you look at Universal Film, Donna Langley and the team have done a phenomenal job.

When you look in 2026, Super Mario Galaxy has grossed nearly \$1 billion worldwide. That franchise has grossed almost \$2 billion worldwide. You've got the Michael Jackson movie, which has done very well, and that was released in theaters a few weeks ago. You've got a new Steven Spielberg movie, Disclosure Day, which is being released in June, which looks amazing.

You've got a new Christopher Nolan movie, The Odyssey, that's coming this summer. And so that team has got some great momentum. When you look at the theme parks under Mark Woodbury and team, they just celebrated Epic Universe one-year anniversary. They are getting ready to launch a new kids' theme park in Frisco, Texas this summer.

They're making good progress in the UK around the theme park there. I mean, if you remember when we shared on the earnings, we did say that we are seeing on the international side a little bit of softness that we're keeping an eye on. We're seeing some of that domestically, but when you look overall across the broader NBCUniversal portfolio, we feel incredibly excited about the momentum, about the growth and about the long-term profitability of the overall company. And so we're excited as we get ready to celebrate our 100 year anniversary.

Kutgun Maral - *Evercore Inc - Equity Analyst*

That sounds fantastic. Matt, thanks so much for being here with us.

Matt Strauss - *Comcast Corp - Chairman, NBCUniversal Media Group*

Thank you so much. I appreciate it.

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