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OVERVIEW:

Company Summary

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PRESENTATION

Operator

Good morning, ladies and gentlemen, and welcome to Comcast's first-quarter earnings conference call. (Operator Instructions) Please note this conference call is being recorded.

I will now turn the call over to Executive Vice President, Investor Relations, Ms. Marci Ryvicker. Please go ahead, Ms. Ryvicker.

Marci Ryvicker - Comcast Corporation - Executive Vice President, Investor Relations

Thank you, operator, and welcome everyone. Joining us on today's call are Brian Roberts; Mike Cavanagh; Jason Armstrong; and Dave Watson. I will now refer you to slide 2 of the presentation accompanying this call, which can also be found on our Investor Relations website, and which contains our Safe Harbor disclaimer. This conference call may include forward-looking statements, subject to certain risks and uncertainties.

In addition, during this call, we will refer to certain non-GAAP financial measures. Please see our 8-K and trending schedule issued earlier this morning for the reconciliations of these non-GAAP financial measures to GAAP.

With that, I'll turn the call over to Mike.

Mike Cavanagh - Comcast Corporation - President

Good morning, everyone, and thank you for joining us.

Before Jason gets into the details of our first-quarter results, I would like to spend some time on three topics that are top of mind: Convergence, Business Services, and Theme Parks. And let me lead into those by anchoring the discussion in the two overarching elements of the management team's approach to running the company.

First is that we are focused on shifting our business mix toward growth by investing in six areas where we're extremely well positioned. Residential broadband, wireless, business services, theme parks, streaming, and premium content in our studios. And we're seeing the effects of this strategy build as time passes.

In this quarter, these six businesses represented 60% of total revenues helping drive 2% EBITDA growth, 5% adjusted EPS growth, and \$5.4 billion of free cash flow.

And second is our proven commitment to our capital allocation strategy which balances robust, disciplined investment in these growth areas, the protection of one of the strongest balance sheets, if not the strongest balance sheet in the industry; and the return of substantial capital to the shareholders.

Together, our steady shift in business mix to a diverse group of growth areas combined with our strong balance sheet allows for steady execution against our strategy even as the level of uncertainty in consumer and capital markets has meaningfully increased in the past several months.

While we don't see any noteworthy evidence of economic challenges for the year thus far, the odds have increased that challenges may be approaching, but we are well positioned to handle whatever lies ahead.

Now let me hit the areas I'd like to comment on more deeply, starting with convergence, where, as we've consistently highlighted, we are structurally positioned to win. Today, we are the only operator offering gig internet and gig wireless ubiquitously to 64 million homes and businesses across 39 states, giving us the largest converged footprint in the country.

When you look at just the geographic markets we serve, our gig capable converged footprint is more than double our competitors combined. And as we've discussed before, our network upgrade plans will ensure that our network leadership and product capability remain ahead of the competition.

But the true measure of a customer's connectivity experience lies in its performance within their home. And that is where we excel, given our superior WiFi. Reliable connectivity throughout the home continues to be ranked as the most critical element influencing customers' choice of broadband service. And we lead the industry in delivering this experience.

In fact, the latest fixed broadband report by OpenSignal ranks us highest in reliability in our footprint. And we continue to make this WiFi experience even better, an example being the recent launch of our most powerful gateway yet, the XB10, which enables industry-leading multi-gigabit symmetrical throughput and supports up to 300 connected devices with increased speeds and reduced latency.

And the importance of WiFi extends to our mobile service as well, as 90% of all mobile data, whether in or out of the home, travels over WiFi, giving us another clear advantage. We have the largest and fastest Wi-Fi network in the nation that delivers unique benefits to our customers with features like WiFi PowerBoost, which automatically upgrades Xfinity mobile devices to gigabit speed whenever customers are connected to one of our 23 million hotspots, regardless of their subscribed internet speed.

This feature helped us earn the distinction of being the fastest mobile provider according to Ookla's January 2025 Speed Intelligence Report. However, and this is a big however, in this intensely competitive environment, we are not winning in the marketplace in a way that is commensurate with the strength of the network and connectivity products that I just described.

Dave and his team have worked hard to understand the reasons for this disconnect and have identified two primary causes. One is price transparency and predictability, and the other is the level of ease of doing business with us. The good news is that both are fixable, and we are already underway with execution plans to address these challenges.

First, our organizational changes. Steve Croney, who Dave appointed as Chief Operating Officer of Connectivity & Platforms, is driving the changes in our go-to-market strategy and other operational improvements with the highest urgency.

One of his first priorities was to recruit a growth-focused leader, and we announced the hiring of Jon Gieselman to the newly created position of Chief Growth Officer of our domestic residential business. With decades of experience at Apple, Expedia, and DirecTV, managing world-class brands in highly competitive markets, Jon is a fantastic addition to the team, and we're excited for him to join later this month.

Second, we are simplifying our pricing construct to make our price-to-value proposition clearer to consumers across all broadband segments. Just last week, we introduced our first-ever nationwide price guarantee for broadband that includes Xfinity's best-in-class gateway and unlimited data for one simple monthly price that is locked in for five years with no annual contract required.

Customers who sign up for this plan also have the option to add a free mobile line for one year. And we are not done, providing more value to our customers with less complexity and friction is a top priority, and you will see our go-to-market approach continue to evolve over the coming months.

Third, we are driving growth in Xfinity Mobile. The benefits are clear as we see an 80% improvement in customer lifetime value when we add wireless service to our broadband-only customer relationships. We started prioritizing mobile attachment towards the end of the first quarter, offering one unlimited line free for 12 months for all new and existing broadband customers who take our traditional and premium level products.

This resulted in the best quarter of new wireless net editions in two years, bringing our total wireless lines to 8.1 million. And last week we introduced our first-ever Premium Unlimited wireless plan delivering gigabit speeds with 4K ultra high-definition streaming, more WiFi hotspot data, advanced spam call protection, and a guaranteed device upgrade.

And with mobile penetration at only 13% of our residential broadband customer base, we have plenty of runway ahead to leverage wireless as a key component of our connectivity bundle with our industry-leading broadband product.

And while we are glad to be underway with a refreshed approach to the market, we anticipate that it will take several quarters for a new approach to gain traction and impact the business in a meaningful way.

My second topic is Business Services, which has tremendous momentum and now accounts for almost 25% of the revenues of our entire connectivity business. We built Business Services, which is now approaching a \$10 billion dollar revenue generator from the ground up and have consistently outperformed peers with mid-single digit revenue and EBITDA growth and with margins in the high 50% range.

Within the small and medium sized business segment, we are the market leader and have done a phenomenal job at deepening customer relationships. We've consistently grown ARPU in the mid-single digits for the last few years, with over half our small business relationships purchasing more than two products.

We remain excited about the opportunity to continue advanced product sell-in, including our cybersecurity services and Comcast Business mobile.

Within the Enterprise Solutions segment, we are capitalizing on the significant opportunity to increase our market share and grow customer relationships. We've consistently grown sales and revenue in this segment in the high single digits. Today our largest enterprise customers purchase over seven products from us.

Connectivity is always going to be the core driver of our business. However, three years ago, for every \$1 of connectivity we sold in the enterprise segment, we sold \$0.20 of advanced solutions. Today, for every \$1 of connectivity services, we sell approximately \$0.50 of advanced services, further solidifying our right to win in the market and providing more value to customers.

We've done this through a mix of organic investment and M&A. The Masergy deal advanced our secure networking and global capabilities, and a Nitel acquisition, which closed on April 1, builds upon this playbook providing enhanced network aggregation capabilities, increases our channel presence, and provides more robust enterprise solutions.

My third and final topic is Theme Parks, which have been on an incredible growth trajectory, having generated \$3 billion of EBITDA in 2024, up from around \$1 billion 10 years ago as a result of significant investment in the business, along with the excellent execution by the team leading Universal Destinations & Experiences.

And now we are just four weeks away from the May 22nd grand opening of Epic Universe, our most ambitious and technologically advanced theme park to date with iconic IP from Harry Potter, DreamWorks' How to Train Your Dragon, Horror with Dark Universe, and Super Nintendo World.

Epic Universe doubles the size of our park footprint in Orlando, transforming our collection of resorts into a weeklong vacation destination.

We have seen strong demand since launching Epic ticket sales in the fourth quarter of 2024, and the most recent reaction to early previews has been nothing short of phenomenal, with thousands of media stories, social posts, and fan reviews characterizing Epic as having groundbreaking creativity and taking immersive entertainment to a whole new level.

Beyond Epic, we're continuing to grow our parks business across the United States, starting with Universal Horror Unleashed, our first permanent year-round horror entertainment experience opening in Las Vegas this August, and in 2026, we will debut our first ever Universal Kids Resort in Frisco, Texas.

And earlier this month, we announced plans to build our first-ever Universal theme park and resort in Europe, with construction starting in 2026 and grand openings scheduled for 2031. This park and resort will be located in Bedford, England, right outside London.

The United Kingdom is an incredibly attractive market with its large population, a strong tourism industry, favorable transportation infrastructure, and close proximity to the rest of Europe, especially considering the announced expansion plans at nearby Luton Airport.

All these factors make this location an ideal one for Universal theme park and resort expansion into the European market.

So those are some of my thoughts to frame today's call, and I will now turn the call over to Jason to provide a detailed overview of our first-quarter results.

Jason Armstrong - Comcast Corporation - Chief Financial Officer

Thanks, Mike, and good morning, everyone. Let me start with a high-level overview of our consolidated results before getting into more detail on our businesses. Consolidated revenue was in line with last year's first quarter. We've been clear and consistent that we're investing behind six major growth drivers, and these six grew to mid-single-digit rate and represented close to 60% of our total revenue in the quarter. EBITDA grew 2% this quarter.

Adjusted EPS grew 5% to \$1.09. And we generated \$5.4 billion of free cash flow and grew free cash flow per share by 26%, while returning \$3.2 billion to shareholders, including \$2 billion in share repurchases.

Now turning to our businesses and starting with Connectivity & Platforms. I'd like to start with broadband, where the competitive environment remains intense. While we continue to see muted connect activity, we also saw a slight uptick in churn off of record low levels. This contributed to the loss of 199,000 customers in the quarter, while broadband ARPU grew 3.3% leading to growth in broadband revenue of 1.7%.

As Mike mentioned, we feel great about our network position. Simply put, we compete really well against any technology out there. We feel equally great about our position in the home, where our WiFi coverage and control is second to none.

And we're addressing current customer pain points and investing in go-to-market with a focus on pricing transparency and simplicity, a unified national approach and more products translating into more value for our customers. This will require investment in the form of already launched long-term all-inclusive price guarantees and other actions we will take in the coming months.

Over time, this will help us mitigate customer churn from promotional roll-offs and better insulate our customer base.

On convergence, we said we would lean into wireless, and the repositioning of our offers during the first quarter were evident in our results. We accelerated wireless net line additions to 323,000 in the quarter, both an improvement year-over-year and sequentially, bringing our total wireless lines to 8.1 million. And with penetration at just 13% of our residential broadband customer base, we have significant runway for growth and expect continued momentum in subscriber growth in the coming quarters.

Wireless plays a growing role in deepening customer relationships and reducing churn. And the structure of our wireless business with a strong MVNO partnership, industry-leading offloading onto WiFi, and an advantage in customer acquisition as we target our existing base, provides us solid profitability in wireless and the option to reinvest some of this profit as we lean in and accelerate the growth of our wireless customer base even more.

At Business Services, both revenue and EBITDA grew roughly 4%. We have a leadership position amongst our peers when it comes to growth in this segment. And our strong performance this quarter was again driven by the framework that we've been operating in for some time. While we're experiencing an elevated level of competition in SMB, we continue to generate healthy revenue growth by driving higher adoption of our suite of advanced services, which deepens the relationship with our large base of customers.

Our Enterprise segment is an even stronger contributor to growth, and one in which we are just scratching the surface. Earlier this month, we closed on our acquisition of Nitel. This is a great tuck-in acquisition that strengthens our ability to deliver advanced, reliable connectivity solutions enhancing Comcast Business' competitiveness in the managed services space.

Nitel's network aggregation capabilities and network-as-a-service offerings, broaden our ability to service our customers and their indirect channel distribution strategy magnifies our mid-market and enterprise presence. Our results in the second quarter will include Nitel, which we expect will add a few hundred basis points of revenue growth to business services with a minimal impact on EBITDA growth in the near term.

Putting all this together, overall Connectivity & Platforms revenue in the quarter remained consistent with the prior year as 4% growth in our connectivity businesses, including residential broadband and wireless together with Business Services was offset by revenue declines in video, advertising, and other. EBITDA grew 1.5% in the quarter, while margins expanded by 80 basis points, reflecting the growth and continued benefit from our mix shift to our connectivity businesses as well as our ongoing focus on operating efficiency.

In Content & Experiences, there are several key items I would like to highlight. At parks, we're really looking forward to Epic Universe. All of the earlier reviews have been spectacular, and we're incredibly excited for the transformation Epic will bring to visitors in the Orlando market. As we gear up for the May 22 opening, we incurred incremental costs which landed at about \$100 million in the first quarter. This is in line with what we had previously communicated.

Looking past these pre-opening costs, underlying results in the quarter indicated stable trends in Orlando, giving us confidence that we are entering the Epic launch from a position of strength.

In addition, performance at our International parks remained strong and within our expectations, but we are seeing softness in Hollywood due to the aftermath of the wildfires and our proximity to these areas, which impacted our results in the first quarter, and we expect the recovery at Universal Hollywood to be a gradual one.

Turning to Studios, results this quarter were driven by the strong carryover success of Wicked. After an impressive theatrical run, Wicked continued to deliver great results in premium window sales and became Peacock's most watched Pay-One movie. Looking ahead, we are excited to launch two of our three tentpole releases back-to-back in the coming months. First up is How to Train Your Dragon on June 13, followed by Jurassic World Rebirth on July 2.

In Media, total advertising revenue was down 7%, mainly due to the volume and timing of sports content, along with tough political comparisons. Excluding this, advertising was relatively flat. While we have not yet seen any impacts from the current macroeconomic uncertainty, advertising is the category that has shown the most economic related cyclical in our business historically.

However, for the upfront and for the balance of the year, we feel well positioned in the market as we capitalize on the NBA launching in the fourth quarter, a healthy Peacock subscriber base, and a strong content offering across entertainment and news. Our overall media results this quarter were powered by the meaningful progress we are making in our pivot to streaming.

Peacock delivered double-digit revenue growth and a more than \$400 million year-over-year improvement in EBITDA losses. In part, due to lower expenses compared to last year when we streamed the exclusive NFL wildcard game but also driven by the improved monetization of Peacock paid subscribers.

We ended the quarter at 41 million paid subscribers with net additions in the quarter, driven by the entitlements from the Charter bundle we introduced at the end of the quarter. When we launched Peacock in 2020, we anticipated that bundling would become an important piece of the streaming ecosystem, so we pursued a content strategy that would appeal to a broad audience.

In addition to our Pay-One films coming from our Studios, over 80,000 hours of entertainment content, including originals and next-day air content from NBC Broadcast and Bravo, a critical piece of that strategy is our focus on sports. Today, we offer more premium sports than any other streaming service, including the NFL, the Olympics, Premier League, Kentucky Derby, Big Ten, and then starting this fall, we look forward to adding the NBA.

Summing it all up, our capital allocation priorities are centered on reinvesting around growth in six key categories and consistently returning significant capital to shareholders, including \$13.1 billion returned over the past 12 months. And we're in an incredibly strong position to successfully execute on tough decisions we're making in the face of elevated competition in certain areas.

We've been clear on the benefits of a strong balance sheet, cash flow and diversification, allowing us to invest consistently through various credit cycles, the pandemic, and importantly, macroeconomic cycles, where we are broadly insulated and positioned to play offense.

Our results in the first quarter underscore the success and the consistency of our strategy. We generated \$5.4 billion in free cash flow while investing \$2.9 billion in capital back into our businesses. At the same time, we maintained a healthy balance sheet, ending the quarter with net leverage at 2.3 times, while returning \$3.2 billion to shareholders, including \$2 billion in share repurchases.

Marci, now over to you for Q&A.

QUESTIONS AND ANSWERS

Marci Ryvicker - Comcast Corporation - Executive Vice President, Investor Relations

Thanks, Jason. Operator, let's open the call for Q&A please.

Operator

Thank you. We now begin the question-and-answer session. (Operator Instructions)

Craig Moffett, MoffettNathanson.

Craig Moffett - *MoffettNathanson LLC - Analyst*

Two questions, if I could. First, maybe thinking about the theme parks business a little bit. Mike, maybe -- could you just dig in a little bit more to what you're seeing now? We've seen some very significant drops in international travel to the United States, for example, and some anti-American sentiment even affecting travel patterns. I'm wondering if you can just share what you're seeing with respect to the theme parks and how you think that might impact the 2025 results even with Epic?

And then for the broadband and wireless bundles that you're offering today, it's a question that everybody has been focused on, on the wireless side. You guys are subsidizing handsets. If the price of handsets rises significantly with tariffs, would it be -- your anticipation that you would increase your subsidies accordingly? Or would you expect to pass those higher costs on to customers?

Mike Cavanagh - *Comcast Corporation - President*

Hey, Craig, so it's Mike. I'll start on parks and then hand it over to Dave. So on theme parks, our first quarter results continued to be stable in Florida. We had preopening expenses for Epic Universe. But excluding that underlying trend stable in Orlando, and what we're seeing for advanced bookings, both ticket sales and hotel bookings are strong for the overall parks and for Epic.

So while I see the same headlines you're sort of seeing about airlines and the like, some of that might be outside the window of our booking windows. But what we're seeing continues to be tracking well. And to your point, some of that is definitely related to the excitement about Epic without a doubt, which -- where reviews and preopening buzz is very strong. And again, ticket sales and advanced plans are a little ahead of our expectations. And so we feel right now, what we see is continued steadiness in the backdrop for parks.

I think one thing that you have to -- our domestic parks do draw a lot of folks from the US and a lot of folks from markets in the South, in the case of Florida that are not necessarily hopping on planes to get there. So there may be a delayed effect between what the airlines are starting to report on and what we see. But like I said, no real sign of that in our business as we sit here now.

And then in L.A., it's all related to getting L.A. back to having the tourism industry broadly recovered after the wildfires. And I think the whole market is continuing to see, people staying away a little bit more than I think the leadership in L.A. broadly or us as a park owner in that market would like it to be. But -- so that's domestic parks. And international trends for Japan and Beijing stable as well.

David Watson - *Comcast Corporation - Chief Executive Officer, Connectivity & Platforms*

Hey, Craig. Dave. So in wireless and how it's positioned within packaging bundling, let me start with -- we are a challenger. It's good to be a challenger in any environment, including this one, in particular, as I think customers are looking for savings.

And we have a -- I think we're in a great position and a really important part of our convergence and packaging approach, wireless is a huge piece of it. And we just -- our new offers at the end of Q1, part of that are having one unlimited line free for 12 months in all new and existing broadband customers and taking traditional premium level products.

So it's resulted in a great quarter to start with. We're rolling here, and we expect continued acceleration in coming quarters with it. So we're leveraging WiFi. It's a different experience, with PowerBoost and many other things that Mike and Jason talked about. So, when it comes to the overall marketplace, the other good part of wireless is source of business in that we're upgrading the overall base of customers broadband into wireless.

The wireless base itself, they're upgrading. And we're a great choice for bring your own device. And so that is an option for us. And all throughout this, we want to be where the customer is, and that's where we're constantly focused on that. So when it comes to macroeconomic and other issues, we have figured it out, whether it's competitive intensity, we think we'll manage through it, and we have good offers on devices.

We'll see how things go, but our core service offerings provide substantial value, and that is our focus, and we'll continue to be that.

Operator

Jonathan Chaplin, New Street Research.

Jonathan Chaplin - *New Street Research LLP - Analyst*

Just one question for me. I'd love to get a sense in your project Genesis markets to what extent you're seeing benefits in terms of stronger gross adds from the ability to offer faster speeds, lower churn, better ARPU, improved OpEx, et cetera?

David Watson - *Comcast Corporation - Chief Executive Officer, Connectivity & Platforms*

Well, it's an important part of our upgrade initiative, and it's helped us. I think a core piece of our strategy is constant innovation and upgrades to existing services. And so it has resulted in upstream speeds, downstream speed increases.

And so that has been an important part of our positioning for near term and long term. It's still -- as we have a substantial part of our market that has already reached this point, our main focus as I zoom out just a bit more in terms of broadband is really addressing the key pain points that both Mike and Jason talked about, that's where the focus is.

The good news is, as you look at things in our network, Genesis being a big part of it, positions us quite well. But broadband customers with us more broadly across the industry are just doing more. And that's why we continue to invest in the services for the long term. Bandwidth consumption continues to be robust.

It was up 10% per subscriber last quarter. More devices are being connected per household and every secular trend in that respect is positive. So that's a great starting point. And however, the thing that we've seen and what we're trying to address, we believe there's been just a durable change in the competitive intensity, already intense but continues to be so.

We're really well positioned with our network, Genesis, a piece of it and our products, but the pain points and pricing transparency and the simplicity and ease of doing business with us, and that's what we're responding to and maybe one of the main points is with the price lock, equipment inclusions, all-in pricing around that, free mobile lines and some other things that we have coming.

So that's our focus around and the reason why we're optimistic about where network consumption is going. But nothing specific at this moment in terms of any of the churn benefits related to just Genesis. I think the pain points over time that we're addressing with the new go-to-market approach will be where the benefits will come from.

Operator

Michael Ng, Goldman Sachs.

Michael Ng - *The Goldman Sachs Group, Inc. - Analyst*

I just have two as well. First on broadband ARPU, it's encouraging to see the 3.3% growth in the quarter. I was just wondering if you could talk about some of the drivers there? And then longer term, as you talk about these go-to-market changes, the five-year price lock, could you just talk about your outlook for what -- for the 3% to 4% longer-term domestic broadband ARPU growth? Like what's your commitment level there? And how will some of the new pricing and packaging change this, if at all?

David Watson - Comcast Corporation - Chief Executive Officer, Connectivity & Platforms

Hey, Michael. This is Dave. So as I mentioned before, what we're trying to do really focus on the pain points in this market. And with the five-year price lock, mobile inclusion and simplicity of packaging multiple products together, we can execute this tactically, surgically. Do not view it as a broad repricing of our base.

We think we can still drive healthy broadband ARPU growth, but these initiatives will require some investment, which in turn will impact our ability to grow EBITDA in the near future, but we view the impact as very manageable. Most important to us is what sits on the other side and how quickly we can get there. And that is a customer base with less pricing friction, even more stickiness, and a huge lever in wireless with our mobile product exposed to a much larger segment of our base and the ability to migrate this space into a still below market rate that has a lot of upside potential.

So we're using this as a moment to get away from a model that at least partially relied on deep discounting upfront, but then increasingly results in untenable increases after promotional periods. And we'll have customers that have long-term certainty on pricing over time that is competitive with market rates, which means they're more satisfied, churn at a lower rate, and carry much higher customer lifetime value.

And with this, we'll have plenty of room to grow with our customers as they do more on our broadband network and engage more with us in wireless and other offerings. As a company, we've navigated plenty of changes before. This is the right change for our business in this moment and going forward, and it's a change we can navigate in a very prudent way.

Operator

Michael Rollins, Citi Bank.

Michael Rollins - Citigroup, Inc. - Analyst

Two questions as well for me. So first on broadband. Just curious if you could discuss how much of the recent losses may be a function of slower industry growth given the maturation of the category relative to changes in market share? And if you're seeing differences in performance where you're in markets that have had fiber for some time versus those markets where fiber is just getting introduced?

And then second, on the mobile side, for the mobile gross adds, just curious if you're seeing a mix shift in terms of the percent that come from existing broadband customers versus new broadband customers and how you expect the new promotions to influence that? Thanks.

David Watson - Comcast Corporation - Chief Executive Officer, Connectivity & Platforms

Hey, Michael. So let me start with broadband, I'll get to mobile. The competitive environment remains intense, as we've talked about. It's -- you got three national providers, fixed wireless. Their net adds have stabilized looks like in general, but they're still marketing very aggressively. And as you mentioned, fiber continues to overbuild.

So we're dealing with that overbuild. Overall, we continue to see the impact of this muted connect activity. As Jason noted, did see a slight uptick in churn this quarter compared to the record low levels over the last few years, with churn still below pre-pandemic levels.

The churn increase was relatively broad-based, though, as we saw it across our footprint and in all segments of product mixes, but with a little more in mobile substitution impact this quarter. So -- as that thus resulting in our actions and the game plan that we have to address are competitiveness and simplifying our go-to-market approach and leveraging mobile even more aggressively than we've historically done.

We've had success, some success with buy one, get one. This new mobile offering and including in a package and as simple the way that we have, I think, is just going to add a lot of value and provide long-term opportunities in a healthy, healthy way in terms of roll-offs of mobile after that first year. So competitive issues are across the board.

In mobile, it's -- we've seen, in terms of the mix, a healthy customer base upgrade mix where we have a large upside, percent of our customers, broadband customers that don't have our mobile product yet, we see that as a huge opportunity over time. That has been our focus of upgrade, but we're also competing fiercely for new customers, and we're well positioned with bring your own device.

And these new packages are, I think, very -- going to be very appealing certainly with the one year included and not asking the customer, it's included as part of the package. So the other thing, too, just to make sure everyone reminding people, we just announced this that we've rolled out a new set of premium plans in mobile.

We're interested in every segment, and we'll compete for customers and broadband, mobile packaging, but the new premium mobile offerings, we think, will help us compete a little bit more effectively in the premium higher end as well. So really good news on that, really encouraged. It's only been a week or so since we've done it.

But that would be, I think, a good option for our base. It would be a good option for existing mobile customers and will help us compete for new prospects.

Operator

Ben Swinburne, Morgan Stanley.

Ben Swinburne - Morgan Stanley - Analyst

Curious if you guys have any update for us on how to think about Peacock losses over the rest of this year. Obviously, Q1 big improvement year-over-year. Some of that might be timing, but it would be helpful if you could give us a little bit of an outlook for that business over the rest of 2025. And then kind of sticking with the theme on the pivot in the cable business or connectivity business, Jason, you mentioned the word investment a couple of times.

I think Dave, you did too in one of your answers. We've sort of been accustomed to watching Comcast execute with sort of a priority or focus on ARPU growth, margin expansion. And obviously, we've seen the subscriber numbers come in light over the last year or so.

What would you tell us to think about at least over the next few quarters as you roll out these plans? It seems like you're already starting to see some wireless momentum and maybe there's some EBITDA pressure. But I just thought it could give you an opportunity to maybe give us a little more help on how the rest of the year looks as you sort of pivot the model in the business. Thanks a lot.

Mike Cavanagh - Comcast Corporation - President

Ben, it's Mike. So I'll hit Peacock. I think Jason covered a bunch of this, and you touched on it yourself, but I think looking at what Peacock is and what we've accomplished, continued strong revenue growth, so up 16% on revenues year-over-year. That's on the back of better monetization of subscribers. We took a price increase last year that stuck but obviously translates into impact on subscriber growth. We've obviously taken in the Charter subs.

So overall, we're scaling up the business, and we're monetizing it well. And then -- so that drove the \$400 million of EBITDA growth together with the move of -- or the absence of the NFL wildcard game. So I think it shows the power of the team that's running Peacock and all of us have been focused on it, is to keep driving towards improved monetization and build a product that we started late, but we started in 2020 with a view that we'll pursue a content strategy that builds on the strengths of NBCUniversal broadly. So we've got 80,000 hours of entertainment, including our Pay-One movies, Next Day NBC, Peacock Originals, Bravo, and Library.

But as we look ahead, we've got NBA coming and sports has been a very key driver of Peacock with NFL, the Olympics, Premier League, the Derby coming up this weekend, I think, Big 10. And that's been important acquiring new subs, getting engagement with our subs and leading to engagement in non-sports content.

So we continue to think that acquiring the rights to bring the NBA back to NBC and Peacock is a big deal. It's a big accomplishment, a big moment. The team is working very hard to make sure not just within sports, but across entertainment as well with the new audience that we'll bring in to over the years ahead, and we have it for 11 years, make sure that we use NBA as a launch pad to further scale Peacock and further monetize it.

So I won't specifically talk about second half of this year or next year, but I do think expect Peacock to be on a continuing trend of driving towards improved monetization, bigger scale and therefore, declining losses over time.

So that's the -- and you zoom back out, and you put Peacock alongside the non-SpinCo media assets where they're hand in glove in terms of the skills, the DNA, and the legacy together with the rights across entertainment, news, sports, reality, and the like. And I think it's a business that will have some durability to and an ability to manage as one complete business over time. But I think expect us to continue to look to see improving trends in Peacock as time passes.

Jason Armstrong - Comcast Corporation - Chief Financial Officer

Hey, Ben, let me hit the ARPU and profitability question. So taking my cue from Dave and a lot of what he said already. As he said, expect healthy broadband ARPU growth this year. That's what we said in the fourth quarter call, we continue to believe that, but I think the real focus is setting ourselves up for long-term convergence positioning and revenue growth. And I think that's a lot of what you're seeing at this point.

So the wireless opportunity plays a big role in that. If you think about our ability to accelerate wireless, which we did in the quarter and expect to continue to do over the course of the year, we're putting in place an expansion of how we're thinking about wireless and extension of this into the base. 13% of our base has exposure to wireless right now. It's a fantastic product. So we want more of our base to have it.

And if you think about the pricing leverage we're going to have over time, as you get to the one-year mark and the two-year mark and free one-year promotional customers roll into a paying relationship, that, by the way, is still at a substantial discount to where market rates are.

So if they have exposure to our product, they like our product, and then all of a sudden start paying for it, but at rates that are substantially lower than they can get elsewhere. We think that's a very good trade-off and provides for upside in the future as it relates to how we monetize convergence relationships. I think on the broadband side, Dave pointed to it, as we look at the competitive environment, fiber is what it is.

It continues to creep into our footprint at 3% to 4% per year. That's no change from what we've seen in the past several years. We expect that to continue. But we've competed against fiber for 20-plus years at this point. And it's a very predictable pattern that we haven't really seen changing.

It's sort of a pattern where the first three years, there's significant market share gain, then it levels out and the patterns we see in those markets, whether it's our own ARPU, churn rates, margins, et cetera, very much resemble our broader base. So it's a segment we know how to compete well against. I would tell you that the newer competitor in the last few years has obviously been fixed wireless. They're adding 1 million subscribers per quarter. So that's sort of the competitive intensity that we're seeing that's sort of incremental.

We are competing aggressively with it. But if you think about the areas where fixed wireless has performed well, they're not leading with network, they're not leading with speed, they're not leading necessarily within home coverage, but they have a pricing construct in terms of simplicity and ease of doing business that has resonated. That's exactly what we're going after, right? And that's exactly what the changes in the last couple of months have been and you'll see incremental changes from us going forward. So that's the investment activity we're talking about.

Dave put some context around that and said, yes, obviously, this is going to make it more difficult to grow EBITDA this year. We effectively said that last quarter. I think that's where expectations are for us already. But the other side of this, when we get through it is really what we're positioning ourselves for, which is customers that are a heck of a lot more durable. They're on price plans that are sort of at market rates with long-term

contractual guarantees and then a discounted wireless offering that's more broadly exposed to our base, gives us a heck of a pricing lever over time.

Operator

Jessica Reif Ehrlich, Bank of America.

Jessica Reif Ehrlich - *BofA Securities, Inc. - Analyst*

A couple of questions on media. A couple of quarters ago, you said you were open to streaming consolidation. Can you give us your updated thoughts on that? And maybe an update on timing of the cable SpinCo? You also announced this park in the UK and other parks in the US. Could you talk about how you're thinking about theme parks long-term as you expand into new markets?

And I guess, finally, I think Jason mentioned that obviously, the industry, not just you is very vulnerable to this lack of visibility and changing economic environment. Can you just talk about anything different that you're doing in your upfront approach? You've mentioned NBA several times as a big driver for advertising.

But maybe talk about NBA overall, like clearly, you'll benefit on advertising, and it's a positive for Peacock longer term. What -- can you help us frame the financial impact as these costs go up? Is there an affiliate fee increase that goes along with it? Thank you.

Mike Cavanagh - *Comcast Corporation - President*

So there's a bunch there. Let me kind of tick through those. It's Mike, Jessica. So partnerships on Peacock, I think the point of my earlier commentary on Peacock and what we've built, I think it is fair to say that the broad audience appeal at Peacock with everything I described our Pay-One movies, NBC next-day content, Bravo, the Library, Sports, including NBA, NFL, and the like makes it a strong element of any future consumer bundle, whether that be through bundles or partnerships. So point is, we're doing our thing to make Peacock what we think will be strong in the marketplace.

And if opportunities come along to partner up in bundles or otherwise, we'll be happy to consider those things if they make sense, but there's no news to report on that front. SpinCo, your second one, SpinCo continues to -- no change in our expectation of timing around the end of the year.

I think UK parks, I just spent time answering another question, so I won't repeat myself, but I think we feel very strongly that the returns that we're getting, given our position and strength in the parks business as we know it today, gives us the right and the opportunity to deploy capital in smaller opportunities, which are the Horror Experience that will open in Vegas this year and the kids park in Frisco, Texas, next year.

But we've looked around the world. We're always looking for ways to put capital to work in our growth businesses. And the UK opportunity came along, and we feel quite good about the prospects there.

But I think to answer the broad question, which is what's our plan for the parks business, I think the plan is to keep driving growth in a business that we think we're one of two players in a market that is within media not at all exposed to the shift in time on screens from one venue to another. I mean, live experiences, park's experiences have been thrilling to people, and we think we lean into that and continue to do so.

And then finally, upfront, industry vulnerability, nothing really to add there. I think we had all things considered, ad revenue was flat in the first quarter when you adjust for timing of sports and political. And so impacts aren't yet really seen of the uncertainty that we're observing in the markets. But it may well be coming. So I think we're -- we've got a great team led by Mark Marshall running ad sales.

I think we're coming up with new products, new ways to leverage all the assets of NBCUniversal as we go into the marketplace. And then our content, all of it, but inclusive of the new content from NBA is going to be a key anchor of what we do -- what we look to do around the upfronts.

And then more broadly, as the future rolls in and we look to monetize Peacock and NBC and Bravo, the stronger the portfolio, the more we deserve to command in all forms of revenue monetization but no news to point to there today.

Operator

John Hodulik, UBS.

John Hodulik - *UBS Securities, LLC - Analyst*

Maybe back to Dave on broadband. I'm just wondering if the churn commentary that you guys talked about in the quarter and maybe what you're seeing in business, is there any sense that, that could be driven by the slowing macro environment outside of what you may be seeing on the media side.

Because it doesn't seem like the competitive environment really changed that dramatically as it went from sort of fourth quarter to first quarter. And then digging in a little bit on the business side, is it just small business where you guys are seeing the relationship trends get worse?

Are you seeing anything on the government side? And can you talk a little bit about your government exposure after Verizon actually called out a little bit of weakness on the government side, given what's going on spending there? Thanks.

David Watson - *Comcast Corporation - Chief Executive Officer, Connectivity & Platforms*

This is Dave. So you have talked about competition a lot. The one thing I'll just highlight, the difference is an uptick a little bit in mobile substitution. That's really Mike and Jason talked about the fiber continued, three national -- the fixed wireless stable, but still marketing very aggressively. So I think that mobile substitution is the only difference, and it's just an uptick there.

It is in Business Services, I'd say it was certainly a small business. There's pressure there in terms of relationships. But our strategy is broad-based in terms of revenue generation in every relationship and even small business, we're adding a lot of products and services to those relationships, really encouraged by that.

And our focus has continued to shift, having done a nice job on -- in small business to mid and enterprise customers, and that's where we're getting just a lot of traction as we provide complete answers for our customers in those segments as we do connectivity to advanced services and adding a new part of the company Nitel, which is great. So we're very excited about that, but the pressure is in small business.

Marci Ryvicker - *Comcast Corporation - Executive Vice President, Investor Relations*

Thanks, John. That will be our last question from the analyst community. I want to now hand the call over to Brian for some closing remarks.

Brian L. Roberts - *Comcast Corporation - Chairman and Chief Executive Officer*

So listening to all this, let me first comment on broadband and just add my own view where we're clearly facing some challenges. But as you've heard, with a lot of passion. The team has a sense of urgency and energy and focus to getting customer pain points resolved.

And while this may take a little time to fully take hold, our history of operational execution success would tell you that while sometimes we may not move first, once we get in motion, we do it extremely well. We have real momentum in wireless and the path to continue to accelerate that.

And as we've seen in the market, once it gets moving, it will allow more creativity in marketing. And we have an industry-leading growth in Business Services at scale and our investments to expand the opportunities and grow into new categories and make it a \$60 billion addressable market, very excited about that.

And parks, I don't want to belate it, but I just would invite all of you to come visit Epic soon. Bring your family. I think you're in for a great experience. And later this year, on the content side, we have a terrific movie slate, including Jurassic and Wicked, amazing sports with the NBA, as we just talked about, but also, we broadcast the Super Bowl, the Winter Olympics right at the same time, and the World Cup, which puts us in a very enviable position.

I really like our strategy, our balance sheet strength, regardless of global uncertainty, I feel we have a fantastic and unique company and I'm quite optimistic. Thanks, everybody.

Marci Ryvicker - Comcast Corporation - Executive Vice President, Investor Relations

Thank you, everybody, for joining us.

Operator

Thank you. That concludes today's conference call. A replay of the call will be available starting at 11:30 AM Eastern Time today on Comcast Investor Relations website. Thank you for participating. You may all disconnect.

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