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OVERVIEW:

Company Summary

REFINITIV

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PRESENTATION

Operator

Good morning, ladies and gentlemen, and welcome to Comcast's fourth-quarter and full-year 2024 earnings conference call. (Operator Instructions) Please note that 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 everybody, and thanks for joining us. We are very proud that the company produced record revenue of $124 billion and record adjusted EBITDA of $38 billion in 2024.

In addition, we grew Adjusted EPS by 9% and generated substantial free cash flow of $12.5 billion. This is despite the intense competition and strategic challenges that we faced across our businesses. And in our Residential Connectivity business in particular, broadband revenue grew 3% for the year and convergence revenue, which we define as domestic broadband and wireless revenue, grew nearly 5%, which is among the best performance across the converged players, despite our incumbent status in broadband, and as we faced continued overbuilding, fixed wireless expansion, and the challenges associated with the end of the ACP program.

As you've already seen in our earnings release, net broadband subscriber additions were negative 139,000 in the fourth quarter, which is disappointing, and worse than what we indicated in early December. Dave will discuss in more detail when we get to Q&A, but in short, competitive conditions remain intense, dynamic, and varied across our footprint and customer segments. And we see no signs of this changing in the near term.

Dave is not sitting still in this environment, and he will discuss later in the call, the actions that his team has underway.

But let me be clear that all of us continue to strongly believe in the long-term opportunity for our connectivity business despite the need to adjust to the ever-evolving competitive environment. Zooming back out in 2024, we made substantial progress in each of our six growth businesses.

To run through each one briefly, first, residential domestic broadband revenue grew 3%, as I just mentioned.

Second, in wireless, revenue grew at a mid-teens rate, and we added another 1.2 million lines, taking us to 7.8 million as of year-end and to 12% penetration of our broadband customer base.

Third, we delivered strong results in Business Services, growing revenue and EBITDA at mid-single digit rates. And we continue to identify new growth opportunities like our recently announced plans to acquire Nitel, which will enhance our capabilities to serve multisite enterprise and midmarket businesses.

Today, Comcast Business is nearly $10 billion in revenue and in a $60 billion addressable market in the US.

Fourth, in streaming, we achieved a $1 billion improvement in Peacock EBITDA losses and delivered on the promise of streaming with the excellent execution of the Paris Olympics.

Fifth, is our studio business, where we ranked second in global box office, making it the third year in a row where we've been either number one or number two and our TV studios ended the broadcast season with more top 10 series than any other studio.

And finally, in our Destinations and Experiences business, we finished the year strong across our parks globally after having experienced some temporary headwinds in the middle of the year. Our teams stayed hard at work preparing for the opening of Epic Universe in May of this year.

Now turning to 2025, our plans call for us to make progress on all of these fronts again, but let me highlight two areas for deeper commentary.

First is Dave's action plan behind the commitment to drive continued growth in broadband and convergence revenue. We will lean into wireless more than ever before. We are the challenger in a market that is 2.5 times the size of broadband with a capital-light strategy that does not require network tradeoffs.

Wireless is a meaningful differentiator as our converged offers provide great savings to the consumer. And so, you will see us shift our strategy to package mobile with more of our higher tier broadband products both for new and many of our existing customers.

In addition, we will be capitalizing on our broadband and Wi-Fi network capabilities by automatically boosting the speeds of Xfinity Mobile customers by up to 1 gig whenever they connect to our 23 million Wi-Fi hotspots, which is the largest and fastest Wi-Fi network in North America.

Next, is our world class broadband network which consistently delivers peak performance even as Internet traffic increases at double digit rates. This fall alone, we saw NFL streaming and large game downloads drive the biggest consumption in Internet history. These trends play to our strengths as we have the best path to deliver data in the most cost-efficient way over the long term.

So a top priority is driving our broadband network upgrade that will ultimately deliver multi gigabit symmetrical speeds across every market we serve and incorporate AI throughout our entire network. Project Genesis, as we call it, is making great progress. Today, over 50% of our network is fully virtualized and we will reach about 70% by the end of this year.

Now that we are more than halfway through, we will be introducing new pricing and packaging in the upgraded markets in the coming months that will bundle wireless and Internet with faster upload speeds and simplified all-in pricing with the goal of removing points of friction with our customers.

Finally, we are creating new products designed to appeal to our key customer segments and provide more flexibility with attractive pricing. One example is our Sports and News TV package announced just last week that combines the best linear networks along with Peacock at a price that is competitive against virtual MVPDs.

We know sports fans want, and need great broadband, and we will continue to look for packages like these to sell more Xfinity Internet and to lower churn for existing subscribers which together increase customer lifetime value.

Helping Dave across all of these priorities will be Steve Croney, who, in the past month was promoted to Chief Operating Officer of Connectivity & Platforms. His areas of responsibility are Comcast's residential and commercial businesses including product strategy, sales and marketing, customer experience, field operations, and data analytics. Steve will serve as a catalyst as we push even harder for progress across the range of initiatives I just laid out.

Now moving to Content and Experiences, the big news of the fourth quarter was our decision to spin off a strong portfolio of cable television networks and digital assets to our shareholders in a tax-free transaction that we estimate will be completed at the end of the year.

Earlier this month, we announced key appointments to the future senior leadership team for this new company with Mark Lazarus as CEO and Anand Kini as CFO and Chief Operating Officer. As a well-capitalized, independent company with a focused management team and strong portfolio of news, sports, and genre-based entertainment, SpinCo will be well positioned to lead in the changing cable and digital media landscape.

Importantly, the creation of SpinCo will be a positive catalyst for what I've been calling future NBCUniversal.

First, let me define what that looks like. When we announced SpinCo in November, we also announced the restructuring of the remaining NBCU media businesses which will operate together and consist of: The NBC broadcast network with NBC Sports, which is the home of the NFL, the Olympics, the Premier League, NASCAR, Golf, and later this year, the NBA, and Bravo, which is a leader in reality television and home of beloved franchises including The Real Housewives and Below Deck. Together, NBC and Bravo reach 100 million US households each month and help power Peacock.

Then there's Peacock itself, which in four years has built a base of 36 million subscribers, and integrates original programming, Universal films, and exclusive sports, and news; as well as NBC News, the leading News organization in the United States, plus Telemundo, America's number one Spanish-language content powerhouse and our local stations.

With our media business now focused on streaming and broadcast, alongside our growing Studios and Destinations and Experiences businesses, the future NBCU will continue to be one of the largest media companies in the world with nearly $40 billion in annual revenue.

NBCU will be on a growth trajectory, fueled by our world class content, technology, IP, properties, and talent, all working in concert with each other as an integrated media company. Our extraordinary Parks business and industry leading film and TV studios are already positioned for long term success.

Theme parks will be supercharged by the opening of Epic Universe, the most technologically advanced theme park ever. And just last week, our film studio earned a total of 25 Oscar nominations, the most in the studio's history. This is on the heels of a hugely successful run for Wicked, which, at over $700 million at the global box office, has become the highest grossing film based on a Broadway musical.

So to wrap up, I want to reiterate the confidence that our entire management team has in our business, allowing us to again raise our dividend by a healthy $0.08 per share. Through our dividend payments and share repurchases, we have now returned more than $55 billion to shareholders since 2021, when we resumed our buyback program.

And while we've demonstrated our commitment to returning capital shareholders, we've been transparent that our first priority is to reinvest to set ourselves up for revenue growth, and we've done so consistently across six key growth drivers. We expect this formula to guide us in 2025 and the years ahead.

Before I turn it over to Jason, I'd like to close by saying that our hearts go out to everyone impacted by the devastating wildfires. I am in awe of the first responders and others on the frontlines and grateful to our news teams on-the-ground covering this tragedy and sharing vital information, as well as the operations teams and everyone in the community who have rallied to support people in this difficult time.

Jason, over to you.

Jason Armstrong - *Comcast Corporation - Chief Financial Officer*

Thanks, Mike and thank you everyone for joining us. I want to start with a high-level overview of our consolidated results.

Total revenue grew 2% for both the fourth quarter and the full year, with our six major growth drivers including residential broadband, wireless, business services connectivity, theme parks, streaming, and premium content in our studios, increasing at a mid-single digit rate and now comprising close to 60% of our total revenue.

On a reported basis, we grew EBITDA 10% to $8.8 billion for the fourth quarter and 1% to $38.1 billion for the full year. Excluding severance and other in both years, EBITDA grew 8% in the quarter and 1% for the full year. Adjusted EPS increased 14% to $0.96 in the fourth quarter and 9% to $4.33 for the full year.

We generated $3.3 billion of free cash flow for the quarter and $12.5 billion for the full year, returning over 100% of this to shareholders, with $13.5 billion of capital returned for the full year.

Now, I'd like to touch on broadband, where we lost 139,000 customers in the quarter, while we grew ARPU by 3.1%. Importantly, our measuring stick is revenue growth; and on that score, for the full year, we grew broadband revenue 3% and convergence revenue by 5%. And into 2025, we expect broadband revenue to continue on a growth trajectory with convergence revenue again growing at an even faster pace than broadband revenue.

Our view over the near term is that fiber operators will continue to overbuild us, and fixed wireless operators will continue to sell into remaining excess capacity. Longer-term, our view is that we will face fiber as the primary competition in most of our footprint. In effect, there will be two multi-gig symmetrical wires in the vast majority of homes that we serve. In addition, there will be opportunistic, capacity-constrained competitors carving out a permanent part of the market in the form of fixed wireless and likely satellite as well.

That shouldn't be a surprise to anybody. That is, and has for quite a while now, been our view of the long-term structural and competitive characteristics of the broadband market. Along those lines, let me remind you that we've competed against fiber for over 20 years; and during this time, we have generally seen a repeated pattern where new fiber builds gain early market share wins and then settle into fairly equal market share amongst providers over the medium to longer-term.

Despite the increased competition, these markets maintain strong ARPU characteristics in line with non-fiber markets. Keep in mind that this past experience versus fiber was with prior generation cable networks, where fiber was able to market a significant speed advantage. That's increasingly not the case now and will not be the case in the future, where multi-gig symmetrical parity will exist among both of us; and will further differentiate our offering with everything that we surround around broadband, like whole home coverage, control, security, aggregation, best-in-home Wi-Fi, and added value in wireless.

Speaking of wireless, we have an incredible hand in convergence underpinned by a ubiquitous broadband network, product differentiation, and a super competitive wireless product available to all of our customers. In fact, in convergence terms, while we are the incumbent in the $80 billion US residential broadband market, we are the challenger in the far larger $200 billion US wireless market.

Wireless is an integral part of our broadband strategy. It reduces churn and is a key acquisition tool and a driver of our strong convergence revenue growth, which has been in the mid-single digits, and at the high end of our telecom peers and competitors. And with 7.8 million total wireless lines, which is 12% penetration of our residential broadband customer base, or around 6% of our total passings, we have a long runway ahead.

Finally, on business services, the fourth quarter, the full year of 2024 and our outlook for 2025 all fit within the same framework. And that is within small and medium sized business segment, we're operating in the same competitive environment as residential broadband. And similarly, despite the elevated competition, we are delivering nice revenue growth in this segment driven by higher adoption of our suite of advanced services that deepens the relationship with our large base of customers. Add in significant progress and revenue growth we're seeing across larger enterprise and government contracts and the overall category of business services has been growing at an industry leading mid-single digit range with a total revenue base approaching $10 billion and a margin at nearly 57% as of year-end.

Putting this all together, in the quarter, Connectivity & Platforms revenue remained consistent with the prior year as 5% growth in our Connectivity businesses was offset by revenue declines in video and other; while EBITDA grew 2% and margins expanded by another 80 basis points when excluding severance and other in both periods.

Looking ahead, we intend to lean into wireless, which means additional investment there, but the overall framework for growth over the long term remains the same. A mix shift driven by continued strong growth in our Connectivity businesses, which creates opportunity for further margin expansion, the same dynamics that have driven our results for the past several years and we still believe we can deliver that in 2025 despite certain higher areas of investment.

In addition, we landed our Capex intensity at just over 10% in 2024 and expect to continue in and around this range for 2025. This all creates continued favorable characteristics for strong and growing net cash flow generation coming out of Connectivity & Platforms.

In the Content & Experiences segment, I would frame the business as follows. In Parks, we're seeing some stabilization after a slowdown in the second and third quarters. Adjusted for Epic pre-opening costs of around $35 million, EBITDA in the fourth quarter was flat year over year with attendance trends improving across most of our Parks including Orlando, solidifying the foundation for our opening of Epic Universe in May.

We couldn't be more excited for the launch of Epic. We've also been clear we will have significant costs leading up to this opening, with over $100 million or the vast majority landing in the first quarter. In addition, we will have incremental domestic marketing spend as well as an impact from the tragic fires that have raged around Hollywood.

Our Studios continue to deliver as this was the third straight year in which we've been in the top two in global box office. And we are excited about the 2025 slate, which includes How To Train Your Dragon, Jurassic World Rebirth, and Wicked: For Good, just to name a few. While we expect another strong theatrical and PVOD run, Studio EBITDA growth will be impacted in 2025 by higher marketing expenses tied to a larger film slate and lower carryover from prior years given the Writers and Actors strikes in 2023.

In Media, we are making a successful pivot to streaming, as evidenced by Peacock's strong revenue growth of 46% for the full year, driving a $1 billion improvement in Peacock's EBITDA loss, and we expect to make continued improvement in Peacock EBITDA losses in 2025. We couldn't be more excited for the year ahead, as we welcome the NBA back to NBC and also on Peacock later this year.

To put 2024 in perspective, we dealt with potentially the most competitive environment we've faced in broadband, saw an unexpected but significant temporary slowdown in theme parks, and made major investments in our key growth initiatives. Yet, when you sum it all up, we grew Adjusted EPS nearly double-digits and generated $12.5 billion in free cash flow, speaking to the overall breadth and resilience of our business.

At the same time, we maintained a healthy balance sheet, ending the year with net leverage at 2.3x while returning $13.5 billion to shareholders, including over $8.5 billion in share repurchases. Since we restarted our buyback program in 2021, we've reduced our share count by nearly 20% and see significant room to continue to deliver on this trajectory.

With that, let me turn the call over to Brian.

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

Hearing all of that, I'm certainly proud that we had the best year in our 60-year history with record revenue, EBITDA, and EPS along with significant free cash flow all while returning so much capital to shareholders and I never take any of that for granted.

Our team is executing in industries that are going through rapid and exciting transformation. And it's our founding principle to lean into that change and constantly look for new growth as we have always done.

I also like to step back and think about our assets from our 64 million homes passed with really fast gig speed internet to our robust backbone with hundreds of thousands of miles of fiber, localized data centers complete with space, power, and connectivity.

Together, this network gives us a competitive advantage in the markets we serve. But also, importantly positions us really well for new growth opportunities in a world hungry for connectivity that will be increasingly driven by AI and edge computing.

So as we turn the page to the coming year, there's a lot to be excited about starting with our most recent Comcast Business acquisition of Nitel, the launch of Epic Universe, much awaited, and our new 11-year deal that will welcome the NBA back to NBC, just to name a few.

We have a wonderful company, but nothing beats good execution. And as you heard, our team is already hard at work and energized for what lies ahead in 2025 and beyond.

Marci, now over to you for Q&A.

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

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

QUESTIONS AND ANSWERS

Operator

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

Ben Swinburne, Morgan Stanley.

Ben Swinburne - *Morgan Stanley & Co. LLC - Analyst*

Thank you. Good morning. I want to come back to your comments on wireless. Obviously, you guys are excited about that opportunity and seem to be, I think you might use the word shifting strategies. Should we be expecting net adds to accelerate? Is that what success looks like there? And any more comments you can give around the investments that Jason mentioned and kind of removing friction thinking about things like handset, subsidies, et cetera.

And then I know you talked about it, but I don't know if Brian's willing to comment on just the vision for NBC's media business, sort of post the spin-off, kind of wrapped in sports and broadcast, but like longer term, how do you think about the growth opportunities for what we used to think about is kind of the television business at NBC? Thanks so much.

Mike Cavanagh - *Comcast Corporation - President*

Hey, Ben, I'll start and then maybe Dave can chime in on wireless and Brian on media. I'd like to start on that one too, but so on wireless, yeah, I think we're pleased that we've gotten to 12% penetration. I think we have a very good hand as you think about offering a converged offering to consumers with the best broadband product out there across 63 million homes together with the ability to put a mobile phone in people's hands with a good value on the best network with the best devices.

So we've been at it for a few years, and I think we like what we see, and our intention is to push harder. We've seen Charter try some things that we have watched and seen what they're doing. So I think pushing for more simplified bundles.

One thing we talked about in the earlier comments is how as we've rolled out our network upgrades, it's going to both enable stronger products, a stronger converged product across mobile and broadband together with the friction points is putting some more simplicity in the offers themselves and the way we go to market with broadband and wireless together.

And I think in addition to that, we're going to be looking at trying to attach and penetrate our existing base of customers, not just new customers, but especially those in our highest value wireless cohorts. So all that will have some impact on as we invest behind success. But that's -- and that's what Jason was referring to. Dave, I don't know if you want to add anything to that.

David Watson - *Comcast Corporation - President and Chief Executive Officer, Comcast Cable*

Yeah, Mike. So we had certainly some success with our prior approach leading up to this moment with wireless and buy one get one. It's been a pretty -- we were pleased with that, but felt it was the right moment to shift strategy to package mobile, you know, rate and included with into more of our higher tier broadband products.

This is a fundamental shift that will impact acquisition-base management and retention to be included. So included mobile and it's all towards the effort that both Mike and Jason have talked about our overall goal of driving converged revenue.

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

And just to add one last thought on wireless. You know, as I think about the industry opportunity when they went from four to three, that makes it a business where you tend to see price go up and that creates a better business opportunity for a new entrant like ourselves. And so, all the dynamics would appear to make that a good growth for many, many years to come.

I think for the media business, the spin, I just want to echo that I think makes a lot of sense. 98% of the viewing on Peacock does not include the spun networks. So they need their own direct to consumer digital initiatives and focus and investment. And I think Mark Lazarus and Anand Kini and the team are going to do a superb job. And we're -- it'll take a little while to get that launch. But one of the things Mike did was begin to operate the company as if it's already happened.

So we've got a whole new team in the remaining media businesses. And the leadership that we've announced is in place and functioning and we were just meeting the other day, and they have a pretty exciting roadmap. You know, it starts with Epic Universe, this May. In the television business to your question, I think that the content we make works on Peacock. We're also a provider to other platforms.

I think we sell content to every platform. And I think with the addition of something like the NBA combined with the Olympics, combined with Sunday Night Football, combined with Premier League and then shows like Day of the Jackal, we have something called The Americas coming up, which will be on NBC, and using NBC to drive Peacock and vice versa more than maybe we have in the past. It's a very exciting business. So Mike, do you want to add anything on that piece of the question?

Mike Cavanagh - *Comcast Corporation - President*

I think that it really -- and I agree with everything you said. I think it does two things. One is, I think the assets that are going to SpinCo are strong as many of us have observed. But the fact of the matter as Brian called out the 98% quote, they weren't integral to the emphasis we've put on Peacock and a streaming future for NBC broadcast in particular.

And so, I think those assets are going to be better managed and have opportunities in the future that are better optimized for our shareholders by putting them in the hands of the strong leadership team, Brian described with light debt and sort of strength. So that is an area getting management focus -- has always proven to me to be, well, there's great ideas that many of us had as we got this started and I think Mark and Anand have come up with several others and it's more to come.

What it leaves is an equally focused management team under Donna Langley and Matt Strauss that are now taking the NBC broadcast assets together with Bravo, which Brian didn't mention, sort of the leader in reality television, both of which feed substantially the viewing in Peacock itself along with pay one movies, sports, and the like.

And I think the opportunity that that team sees in bringing together in a way that I don't think would be possible without separating the two different businesses, they'll create a, cohesive management team across programming.

So what content gets green lit with a complete end-to-end view about how you could window across NBC broadcast or Bravo or Peacock and back and forth; make investments that are really end-to-end and get their management teams streamlined frankly so that quicker, better decisions get made in support of a singular remaining, streaming focused but with an important linear elements to it in terms of Bravo and NBC that I think opens what we've been talking about for a while, which is that we're not really running a Peacock-only strategy. We're running a broadcast plus streaming strategy and looking to optimize that over the years ahead.

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

The last point I would make is Mike you have stepped into this, figured it out, execute extremely well. There's more energy bounce to step in both parts of SpinCo and the remaining co. So we're very excited and your leadership is noticed and appreciated.

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

Thanks, Ben. Operator, next question, please.

Operator

Craig Moffett, Moffett Nathanson.

Craig Moffett - *MoffettNathanson LLC - Analyst*

Hi, thank you. Dave, staying with the broadband business for a minute. Can you talk about what you've learned in your Project Genesis market? As the -- and you talked about now leaning into marketing and promotion around letting people know that that's done, talk about what that looks like if you would and what you expect will be different in the markets where you now have a symmetrical broadband offering with speeds that are sort of fiber like if you would.

David Watson - *Comcast Corporation - President and Chief Executive Officer, Comcast Cable*

Got it. Hey, Craig. So you know, first off, what we're pleased with what we're learning is we're right on track in terms of Genesis. 50% of the first phase completed and we're moving at a very good clip. A vast majority of the plant will have that, that mid-split side of things upgraded by the end of this year. So, we're pleased with it operationally, we're pleased with the architecture, the promise of virtualizing elements of it, so we can introduce all the things that Mike mentioned in regards to how we manage the network day in day out. It's efficient and effective as a network. So we made significant progress and, but maybe the biggest point to what we're saying today is we're certainly -- this is a fast roadmap to ubiquitous multi-gig symmetrical, but we're not waiting.

We are moving now on the first phase as we upgrade the plant to be able to introduce the simplified packaging that I think will make a difference in the marketplace. This will obviously have our best tiers of broadband. Mobile will be included. It's really simplified and reducing a lot of the pain points that we've seen in the marketplace just -- so including a faster path to everyday pricing.

So it is, I think, a really important moment for us. We're pleased about this opportunity to be able to get going and expect second quarter that we would begin to put the pedal down on that effort.

Craig Moffett - *MoffettNathanson LLC - Analyst*

Dave, can you share any learnings for how competition is different in those places? Or is it still too early because you haven't really launched the marketing around it yet?

David Watson - *Comcast Corporation - President and Chief Executive Officer, Comcast Cable*

Yeah, it is still too early, Craig. We'll launch the simplified -- the packaging side of things in the second quarter. So what we have seen is that it's an important first step of upgrading speed capability.

And you combine that with great Wi-Fi in the home. So it's a good fundamental step forward, but it's too early to talk about the competitive shift until we get the full marketing going.

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

Thanks, Craig. Operator, next question please.

Operator

Michael Ng, Goldman Sachs.

Michael Ng - *Goldman Sachs - Analyst*

Hey, good morning. Thank you for the question. I just have two. First, on domestic broadband, could you just talk a little bit about the ARPU outlook? Should we expect ARPU growth to accelerate from here, just given the absence of things like hurricane rebates and some of the price increases implemented at the beginning of this year?

And then for Jason, I was just wondering if you could talk about free cash flow for next year. Obviously, a few moving parts between cash taxes, the cash tax refund and Capex potentially coming down in C&E. So any thoughts there would be great. Thank you.

David Watson - *Comcast Corporation - President and Chief Executive Officer, Comcast Cable*

Michael, this is Dave. Let me start with your point on ARPU. So we expect continued healthy ARPU growth. Our overall focus is on broadband and convergence revenue growth. That is the main point as Mike and Jason have called out.

And the good news is there are different levers we have and will continue to pull, but in the context of how we really are focused on maximizing overall revenue growth. So in a dynamic environment, we've got those levers to pull, and we will make the right decisions to optimize the levers to build longer-term sustainable revenue growth.

So as I mentioned before, we are implementing a number of new approaches, and we'll continue to make the best decisions for now and in the long-term. So to give you an example, whenever we accelerate wireless and pushing harder there, we think it's the right, smart, competitive decision; we may not be right within the range that we have been, but still expect ARPU to be very healthy. Jason?

Jason Armstrong - *Comcast Corporation - Chief Financial Officer*

Yes, Mike, thanks for the question. So let me round out free cash flow, maybe step back a little bit. We gave an outlook on the call for a number of different parts of the business. As you get down to free cash flow, I'll step you through views on working capital, maybe complete the picture on Capex, and then you mentioned cash tax as well.

So it starts with what's the underlying base. The underlying base is very healthy free cash flow generation. As you saw in 2024, we generated $12.5 billion. That's in the context of we did have a $2 billion one-time headwind that we called out in the second quarter. So really, free cash flow was probably $2 billion ahead of that.

That's how we look at the baseline for 2024. And then entering into 2025, you're right. In the release today, we did talk about a tailwind to cash taxes in 2025. That will be roughly a couple billion dollars. So that's going to be a tailwind to us. We'll be clear about that at the time, and I would view that as a one-time thing.

But nonetheless, helpful relative to 2024 where cash taxes went the other way.

Working capital is another sort of key part to this. I think we're -- it's tough to guide with total visibility and predictability, but I would point you to the last couple of years. 2024 working capital headwind was about $1.5 billion, 2023 was roughly $2 billion. Those in rough terms are probably the right goalpost to think about for 2025.

And if you step back, the key things that caused working capital headwinds are attached to our growth businesses. It's handset subsidies. It's production around a lot of the streaming properties. It's sports rights. So those are all still in place for 2025 and beyond.

So that's what that category will look like. But hopefully, that helps there. And then on capital intensity, we were clear about cable capital intensity. We landed the year at just over 10%. That's the outlook for 2025, and that's in the context of very strong new homes passed continue to really be aggressive in passing a new home formation. So we'll continue to invest pretty aggressively there but within that capital intensity envelope and feel comfortable about that.

And then on the Content & Experiences side, you're right to point out, we are nearing the tail end of the Epic sort of construction phase. And so we will get relief from that over the course of 2025.

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

Thanks, Mike. Operator, next question, please.

Operator

Jonathan Chaplin, New Street Research.

Jonathan Chaplin - *New Street Research LLP - Analyst*

Thanks guys, following up on the wireless commentary. I'm wondering if you can just -- it looks like revenue growth was strong this quarter even in the context of pretty strong subscriber growth. I'm wondering if you could help pull apart how much of that growth came from ARPU growth in wireless versus equipment revenue.

And then we've been hearing that the MVNO contract could be up for renewal this year. I'm wondering if you could give us some context for what you expect in pricing when that renewal does come up and how it might impact margins in the wireless business. Thanks.

Jason Armstrong - *Comcast Corporation - Chief Financial Officer*

So, Jonathan, let me start with wireless growth and sort of I think your question really was sort of service versus equipment. I would tell you, very healthy growth in wireless. We added 1.2 million subs year-over-year. That translated into mid-teens revenue growth. And if you were to break it down in terms of service versus equipment, service revenue growth was sort of right in that range as well.

David Watson - *Comcast Corporation - President and Chief Executive Officer, Comcast Cable*

Yeah, and, Jonathan, Dave. There's no new news in terms of MVNO approach. We're pleased with our current position. And as Brian opened up, where the marketplace has consolidated, cable is in a unique position to be able to drive real value, not only for us but for our partner. So we're -- no new news though at this point.

Mike Cavanagh - *Comcast Corporation - President*

And I think -- Mike just adding in, and we're a sizable partner at this stage, which is important as you think about the -- and we're not the only one in the partnership with -- on wireless. So I think that's different than the discussions from years past.

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

Thanks, Jonathan. Operator, next question, please.

Operator

Jessica Reif Ehrlich, Bank of America Securities.

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

Oh, thank you. Maybe switching gears a little bit from the new strategy. Last quarter, you announced the restructuring, SpinCo, and maybe plans to consolidate on streaming. Can you give us any update? Do you think the market will consolidate in streaming? Any commentary for M&A in terms of cable?

Will scale help your competitive position in broadband and wireless? And I guess, media, are there any pieces that you think are still missing or you would benefit from scale? And then on SpinCo, can you maybe discuss the strategy a little bit more? You mentioned that -- you alluded to streaming, but is the focus going to be on sports, news, acquisitions, or cost cutting?

Mike Cavanagh - *Comcast Corporation - President*

Sure, it's Mike. I'll start and Brian can finish. I mean, just quickly on SpinCo, it's exactly as I said earlier. I mean the assets that go into SpinCo are leaders in genre-based entertainment, sports, and news. I think running those businesses well, which the team -- leadership team will do, is the job at hand. And they're working together naming new leaders and putting together a strategy.

So when they're ready to talk about what their strategy will be at some point down the road, we'll come back. But I think the idea certainly is that they're a freestanding, strong collection of businesses, with lots of cash flow generation capability for many years to come, good market positions, and now great focus.

So I think I'm optimistic that, that creates good opportunities for our shareholders however Mark and Anand really decide to take that strategy forward. For the remaining media business inside NBCU that I commented on earlier, I think it's set up to -- we're not looking to need anything other than our own assets and our own focus.

So getting, again, Donna and Matt aligned with the teams underneath and combining the assets that we have today that I mentioned earlier into a new media group is, I think, creates great fuel for the streaming strategy that is Peacock for those NBC assets.

When you zoom -- would we be interested in partnerships? Absolutely, we'll have -- we're wide open to, as I said, when we announced on the last earnings call, openness to possibilities of partnerships, bundling. We'll consider anything.

So -- but I think the point of it in partnerships is what do you bring to the table and getting our assets very tightly focused around a strong strategy for Peacock, I think, enables us to be a good partner, any partnerships that may or may not come to pass. But if they don't come to pass, I think we're fine running what we have.

When you expand more widely to the whole media or Content & Experiences business, you put that new media company with NBC, Peacock, Bravo and the like alongside a leading studio business that is a grower in high value and great leadership and sustained success over the past several years; and great slates coming in this year and 2026; and a TV studios business that will now be under Pearlena Igbokwe, or had been, but along with other NBC network and the like as we go forward for programming decisions along with Donna, I think that sets the studios up for sustained success and growth.

And lastly, parks, which we talked about before. So when you look at the -- what remains in the aggregate media company, it's a strong, strong business, one of the best in the country, if not the world. And I think it sets a very high bar for thinking about whether any kind of M&A in that space would be accretive to us versus just running the businesses we have. And that's the work we've been doing to sort of streamline our businesses. So we like what we have with or without anything inorganic.

So that's the media side, and Brian can come in on top of that.

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

Look, I think that's a pretty -- very complete answer. One just on SpinCo, I would say one of the two other points is that we have first mover. We've heard others now talking about perhaps similar idea of the same.

And secondly, we're going to have -- they're going to have a great balance sheet, probably the envy of many, which will allow them to have the pick of what strategy, Jessica, to employ there. And I think we want to give them the time and space to figure that out.

And as Mike said, they'll be back and anxious to tell you that strategy. But I think that's not going to happen until later in the year.

And I think just generally, you can apply the answer you gave to media on the rest of the world. We're looking -- we always look at everything and think about everything. I think that's our job as management. That's been -- but we have a high bar, and we don't do things very often and look at the situations and make the best judgment you can.

Sitting here today, we just reported with the best year in 60 years with all the various things we've just been talking about on the call, revenue growth, EBITDA growth, free cash flow. Jason, a while ago, kind of created an algorithm goal for us, which is to take maybe slower EBITDA growth than historically.

But given the Capex profile, tax profile, you end up with a free cash flow with -- you're buying back stock, you end up with an EPS and free cash flow per share kind of reliable performance that gets you to the kind of 9%, I think you said, growth kind of close to double digits. So that algorithm, something has to really help that algorithm accelerate. So I like what we've got, and I thought Mike's answer covered some of the specifics on the media side.

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

Thanks, Jessica. Operator, next question, please.

Operator

John Hodulik, UBS.

John Hodulik - *UBS Securities LLC - Analyst*

Great. Maybe for Dave back on the broadband question. Just the change you guys saw in December, was that -- do you think that was more from competition? And then if so, could you break it down? Or were you seeing more pressure from fiber to the home or fixed wireless?

And you mentioned satellite for the first time. Are you actually seeing that now? Or is just some expectation in the future?

And then for Jason, one of the things where you guys have been very successful over the last few years is improving margins in cable or on the connectivity side. Does that equation still hold as we look forward considering the new strategy to combine broadband and wireless more aggressively? Thanks.

David Watson - *Comcast Corporation - President and Chief Executive Officer, Comcast Cable*

Hey, John, this is Dave. Let me start. So as Mike led off with right away, we may have been a little too optimistic with what we're seeing and more in the price-conscious segment in an earlier part of the quarter in December. But the main point bringing us back up, it's intensely competitive in all segments. So it's little bit of a shift, but it's -- you have fixed wireless while it's leveled.

They're still out there aggressively marketing, and you got fiber that's overbuilding. So that has continued.

Jason Armstrong - *Comcast Corporation - Chief Financial Officer*

Hey, John, let me hit your questions on margins, which I think was in the C&P segment. So we've had, obviously, a really good history of driving margin expansion.

The things that broadly contribute to that, and I think as I said in the upfront remarks are mix shift in the business, number one, more and more of our business moving to connectivity, which is a higher-margin business. Number two, it's sort of interactions, if you will, with the customer service interactions. So whether that's truck rolls, incoming calls to our call centers. We've given you stats historically about each one of those metrics being down 40% to 50% in the last five or six years.

So the underpinnings of that continue. As you saw, we expanded margins at a pretty healthy clip in 2024. As I said in the earlier remarks, we expect to continue to be able to expand margins maybe at a slightly lower rate this year, given the investments we want to make back into the business, including wireless. But nonetheless, continued very healthy margins in an absolute sense where we're industry-leading.

And then on a relative basis and the ability to grow, I think, continued momentum there. I would as we step back and look at the -- a couple of the architects in that business.

We mentioned earlier and we put out a press release last week about Steve Croney taking on additional responsibilities. He's been CFO of the C&P business for the last several years, incredible financial discipline across the organization. So great that he's able to spread his wings and do more and really lean on some of the things that Dave has outlined here on this call. But kudos to him and the team for driving the type of margin expansion we've seen and expect to continue to see.

David Watson - *Comcast Corporation - President and Chief Executive Officer, Comcast Cable*

And John, one more follow-up to your point on satellite, just to clarify. The two main ones are the ones I mentioned between fixed wireless and fiber. Satellite, we see it's just been de minimis, has not been a material thing for us, not being dismissive of it, though. We're going to watch it very closely, but we see it being more active in rural areas and not so much in suburban, urban areas at this point at all.

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

Thanks, John. Operator, next question, please.

Operator

Steven Cahall, Wells Fargo.

Steven Cahall - *Wells Fargo Securities, LLC - Analyst*

Thank you. I just wanted to go back to the broadband ARPU dynamics. I think you said very healthy ARPU growth, but you do lean into mobile. What we've seen with some of your peers is there is some dilution to ARPU. You've historically managed this really strong 3% to 4% growth. So just wondering if you're shifting that strategy a little bit around that 3% to 4% growth as you move into more of the converged bundle?

And then on Peacock, thank you for the guidance for losses to improve. I'm just wondering if that's true in the second half of the year as well when the NBA costs come online and push Opex higher. I know revenue is going to step up, too, but just trying to figure out if you think the NBA will be positive to Peacock EBITDA in 2025? Or if it's a bit of a headwind and then kind of ex NBA, there's a lot of improvements going on beneath the surface? Thank you.

David Watson - *Comcast Corporation - President and Chief Executive Officer, Comcast Cable*

Hey, Steven, this is Dave. Let me start with ARPU and a couple of points on that. You did hit it that mobile is an important part of our future. It has been a great contributor for a long period of time, but we're excited about accelerating our focus.

And -- but there are a number of levers that we have when it comes to ARPU, and we'll manage all of them. And as we roll out these new -- the new packaging approach, we're certainly focused on all segments, but this is following upgrades to our plant and really focused, hyper-focused on the high end, always have been and will continue to be.

So that will certainly impact and leads us to our focus on continued healthy ARPU growth. But when you add mobile to your packages and the simple way that we're talking about, there could be some impact to ARPU. But we think the returns are terrific. And for competitive reasons, it's absolutely the right thing to do over the long run. But we still are very, very focused on all levers that would contribute to ARPU.

Jason Armstrong - *Comcast Corporation - Chief Financial Officer*

And I think along those lines, we've been very clear as it relates to north star for us is how you continue to grow broadband revenue at a healthy clip. And ultimately, how do you grow convergence revenue at an even better clip, right?

So in the past year, we grew broadband revenue at 3%. We grew convergence revenue at 5%. Interesting, if you stack us up versus peers and competitors, we realize there's a lot of focus on broadband sub trajectory. But if you step back, we are at or near industry-leading levels for convergence revenue growth.

So the focus here is continue that, find the levers we have to go push into that. It's not to say we can't have a strong broadband ARPU growth. We gave an outlook that broadband ARPU growth will continue to be healthy.

But as we look at the levers, we have to go drive wireless growth, to drive continued broadband growth, to compete aggressively in the markets and really deliver on everything Dave said he's coming to market with, in particular, in the second quarter, we got a lot of levers, and we have a clear north star around what we're growing.

David Watson - *Comcast Corporation - President and Chief Executive Officer, Comcast Cable*

You know, one other thing that in terms of revenue, Jason hit it perfectly. But I would offer Business Services revenue is a tremendous opportunity, has been, will be, where overall, we're a leader when you compare Business Services growth in terms of our peers and our competitors. It's a $10 billion revenues, great margins, and we have consistently contributed revenue and EBITDA growth. So going right to Jason's point in terms of our focus on overall revenue, Business Services is an enormously important part of what we do.

Mike Cavanagh - *Comcast Corporation - President*

And Steven, on Peacock, thanks for the question there. I think we're looking forward to the NBA. It was a big kind of get, and it's going to be the major additive content that will drive -- be the driver of subscriber growth, I would expect, in 2025 for us.

So in terms of -- I don't really think about halves as a -- what we'll see this year is, as I said, improvement in Peacock revenues and losses. And then as we absorb NBA in the second half of the year, what will happen then is over the remainder of that -- the full first season together with the seasoning of the management changes with Matt and Donna that I described plus SpinCo, we'll be working through a whole bunch of ways in which we absorb the cost that will step up through price increases, shifting ad sales to higher value content that the NBA brings and repositioning some of the programming that the NBA will displace, sort of all the things we talked about.

But that will take -- I would give us the full first season of NBA into the second season before we sort of normalize our business to handle the higher expense there.

And so, I think that's it, everybody. I appreciate you guys spending the time with us this morning, and Happy New Year.

Operator

That concludes today's 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.