



UBS TMT Conference Recap

December 2018

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Altice USA Has Completed Their Integration And Is Now Looking To Expand Their Footprint Significantly

BROADBAND

- **One of the few companies undertaking a large-scale fiber-to-the-home build out and can leverage expertise from their sister company**
 - In first gear this year, and next year is about getting to second and third gear, and then being ready to get to fifth gear by 2020
- **Strategy is based around having another portfolio of product suites and upselling customers into higher tiers**
 - Step change movements are going to be regular over the next several years, and they won't be the only ones doing that
 - Average speeds today are 160MB and that's growing 25% a year

ALTICE ONE

- **Altice One is starting to see early signs of performing much better relative to legacy equipment, both in terms of user experience and NPS scores**
 - Averaging about 100,000 per quarter purely through organic gross adds
 - More than 50% of subscribers on Altice One platform are using Netflix and YouTube
- **Want to make the customer experience as close to perfect as possible before going aggressive on migration side**
 - Eliminates equipment costs since the mini boxes are materially cheaper than additional step-top boxes

ADVERTISING

- **Have been out in front of the cable industry in terms of being able to offer addressable targeted advertising into the video stream**
 - Advertising segment grew 38% in the third quarter year-over-year, and about half of that came from political advertising
 - Clearly, advertisers want more targeted advertising, but there is an education process and sort of just the natural growth in it
- **Addressability touches both linear video as well as digital and mobile and they see a lot of opportunity for additional growth**
 - It is a natural idea to partner their local advertising business with companies like AT&T who are leading the national addressable category

MOBILE

- **2019 is really going to be about their mobile launch but still haven't landed on the business model that they want to run**
 - Will start launching in smaller batches and then depending on how successful it is, they might have to pivot and decide what to do
- **Focusing on the distribution strategy and some of the secondary decisions that still have an impact on cash flow and EBITDA**
 - Going to launch this over e-commerce and in stores and divert people away from inbound traffic and from the financing model
 - It will be BYOD-heavy and focused on not having a large amount of inventory and encourage people to just swap their SIM card

Will new features such as Altice One and mobile be better tools for customer acquisition or retention?

AT&T Is Starting To Provide Details On Its Direct To Consumer Product That Will Launch At The End Of 2019

WARNER MEDIA

- **Ambition is to have a direct-to-consumer product but are not trying to rival Netflix in terms of being a warehouse of content**
 - Have enough IP and capability to put a product together that will be very attractive, but don't necessarily need exclusive content
 - Want to be very mindful of existing distributors of their content, and not do things that disrupt their business models
- **Initially, it will be a domestic platform because there are a lot of complicated relationships where this content is being distributed**
 - There's not a one-size-fits-all answer outside the U.S. so they will have a very market specific approach internationally

VIDEO

- **Every media company and distributor is going to need a much different portfolio of video products to meet customer demands**
 - Can no longer force oversized bundling of content onto the consumer because the consumer's willingness to pay has just evaporated
- **There is a segment of the market that wants a big package of sports-centric content and that's going to be there for a long time**
 - The problem with some of these sports rights, is these folks are very savvy at the rights surrounding these products
 - They are limited in terms of how else they can distribute the product, so rights available via satellite are restricted on their OTT platforms

ADVERTISING

- **Have had a lot of success selling addressable advertising into the ad inventory that they have within DirecTV**
 - The subscriber base is shrinking, but advertising revenues from that is growing at 22%, which gives them a lot of conviction
- **If they can make the premium video advertising load perform for advertisers the way it does on digital, there's a sizable market**
 - Need programmatic capabilities where advertisers can design and place advertising campaigns into a marketplace
 - Investing heavily in getting this ready to put to work for the Turner inventory, but it will take a couple of years to get it scaled

5G

- **Made a full court press to win the FirstNet bid because they have a very low share of the first responder community**
 - Every time they climb a cell tower, they are also deploying spectrum and adding 5G antennas
 - The entire AT&T wireless network capacity is going to increase over the next 14 months by 50%
- **Have really high expectations because it's a radical game changer to have that kind of performance and lack of latency in a network**
 - Early priority will be enterprise applications, and are already seeing a lot of interest for the ability to do networking in robotic plants

Can DirecTV maintain their overall subscribers as they look to make each product profitable on a stand-alone basis?

CBS Is Partnering With Local Media Companies As They Start To Expand All-Access To Foreign Markets

ALL-ACCESS

- **One of the things that defines All-Access is live content, live sports and news and it's really a suite of products**
 - Mimicked all the great things from a broadcast network in a broadband space and that's going to be an interesting distinguisher going forward
 - Getting NFL football on All-Access was an important game-changer
- **Starting to expand internationally and have an interesting model in Australia where they combine all the CBS shows with local content from Channel 10**
 - Content owners making shows exclusive to their platforms makes the value of CBS shows more valuable to incumbent terrestrial partners

CONTENT

- **There's great opportunity to own the high-end of boxing and they are making a really big push**
 - Mainstream perception is that boxing is an aging sport, but it actually has a very young appeal and is taking market share back from MMA
 - Changed the economics of the pay-per-view business because they are selling it directly through their app and keeping the distributor share
- **Can build long-term valuable assets because the back-ends that they are able to generate from their 4 platforms is unrivaled**
 - The strength of CBS is the structure of the schedule because there are tentpole shows every night of the week

STUDIO

- **Have the deal making flexibility to protect the exclusivity of their platforms while still extracting maximum value out of their shows**
 - More buyers means there is more value, but they need to continue to build their own platforms, so they are not dependent on others
- **There's going to be different answers in different markets, but one of their big advantages is that they are distribution agnostic**
 - There are some shows that are going to thrive better elsewhere and are happy to build and create assets on other people's platforms
 - They couldn't have ramped up from 30 shows to 75 shows without selling to outside networks

SHOWTIME

- **Have significantly increased their output and the pace of new show introductions**
 - One of their strengths is that they have more shows across the year that really register, rather than being dependent on that 1 giant show
 - Shows have done very well internationally, but they were completely disaggregated from the Showtime brand
- **As shows get older, they get more expensive, but they are prepared to reset their cost basis lower as they go away**
 - Introducing new forms of programming, such as talk shows, sports and documentaries which can increase stickiness

Would they be better off keeping content for their own platforms rather than selling it to their OTT competitors?

Charter Is Looking To Replace Wireline Voice With A New Mobile Offering In All Of Their Bundled Packages

BROADBAND

- **The cable industry has a superior infrastructure that is cheap to upgrade and is fairly ubiquitously deployed already**
 - Have a 1-gig platform in front of 51 million passings now and can go to 10 gig, relatively inexpensively
 - Will use 5G in their relationships with customers, but ultimately they are driving toward a high-capacity, low-latency, high-compute product
- **Took their data speeds up across their footprint and now have a better value package relative to their competitors**
 - Entering a new competitive environment and plan to use that superior infrastructure to stand up differentiated products to drive market share

VIDEO

- **The trend lines will continue, but 2 or 3 years from now, the video business isn't going to be substantially different than it is today**
 - Pressures between the cost to serve and programming will continue, but they expect that their overall margins will still go up
 - Some networks are droppable, but most will hold together in a bundle because there's no better business than the current business
- **Will continue to stay in the video business by looking at it as an integrated product attribute of the whole connected relationship**
 - Opportunity to have video integrated with their data, mobile and wireline products in a package that is economically better than competitors

MOBILE

- **First marketing approach was just to build brand awareness and get people to know that they are in the business**
 - Beginning to see Triple Play sales with mobile increasing daily because they can help customers save money on their total household bills
- **Expect the majority of relationships to be sold with mobile and to integrate that into a good value proposition for the consumer**
 - Have never sold stand-alone telephone as a product and are really not going to sell stand-alone mobile either
 - It's a profitable business as a stand-alone add-on, but it's primarily an attribute to the fundamental customer relationship

CUSTOMER ACQUISITION

- **Have been relatively moderate in their pricing and the strategy has been to drive market share with high-quality products to get into a virtuous cycle of growth**
 - It's better than growing through price because you create new customers, and you get incremental customers at lower cost
- **There's a period where revenues are under pressure as they reprice the business, but about 2/3 of the residential base from the acquired assets are now in their new packages**
 - Step-ups are beginning to start and all of the benefits of growth that occurred through market share growth translate into the revenue directly

Are they ignoring the potential threat of new entrants by focusing too much on current competitors?

Comcast Is Mimicking Their Successful X1 Video Strategy With Their New xFi Broadband Product

VIDEO

- **Very proud of what they have done in video with X1 becoming a platform where they aggregate, inclusive of their own content**
 - The ability to act as a reseller is something that's a natural end to their broadband pipe regardless of how the video bundles plays out
 - It has yet to be determined whether the new OTT entrants trying to build around video will be sustainable business models
- **Have a lot of ways to continue to drive video, and it is important, but they are not going to chase unprofitable video subs**
 - Can put packages together that add incremental profitability and have a road map for aggregating more third-party content that adds value

BROADBAND

- **Investing in the speed and capacity of the network, together with investments in the in-home control, equipment and Wi-Fi pods**
 - The ability to have more control over devices through xFi is raising the customer expectation of what broadband should be capable of
 - Allowing them to take market share, grow the business, and improve customer retention
- **Broadband is the focal product and making sure they are not missing an opportunity to attach other things around it**
 - Working with a lot of external partners to make sure a new device coming into the home is very easily brought onto the network

MOBILE

- **Not looking to go out and compete with the national carriers, but it works in the context of their business**
 - Helpful for overall retention, which obviously given the size of the core business has huge potential of value add
 - Digital acquisition process has been actually quite good and is going to give us a lot of learnings for our core cable business
- **Continue to see the business ramp and when they get to a certain level of overall subs they will be profitable on a stand-alone basis**
 - Ended the last quarter with 1 million lines and while it's still early days, they are encouraged by what they see

NBC UNIVERSAL

- **TV is not a one-size-fits-all market and they want to make sure that the content they create is best monetized for them**
 - Not going to control all of it but need to figure out how to let all of their content find its proper and best monetization and business models
 - Some shows will be best on traditional platforms, some shows will find their home either originally or in the aftermarket on SVOD or AVOD
- **Some form of direct-to-consumer will make sense for them, but it's not going to be a strategy that copies what Netflix has done**
 - They are intending to participate in this dynamic ecosystem in a bunch of different ways, but their own DTC will just be one avenue on all that

Will Sky act mostly autonomously (similar to NBCU), or will there be more integration with the cable business?

Discovery Is Under Monetizing Their Ad Inventory Despite Their Massive Reach In Appealing Demographics

OTT

- **It took them 5 years but they are starting to clearly see what their strategy is and how they can differentiate themselves**
 - Scripted series and scripted movies are getting more expensive, getting more crowded and the offerings are looking a lot the same
- **Own all of the IP and are paying for global rights for content on all platforms, while still being able to aggregate it themselves**
 - Will use capital to accelerate their strategy of global IP in areas that are showing meaningful opportunity to provide that sustainable growth
 - Going to start to see more deals with the FAANG companies and regional media companies

SPORTS RIGHTS

- **Big tech companies' ambition to get into sports and global content is going to be a challenge without having a big funnel**
 - Their funnel is Eurosport and the 10 channels that they have in every country to promote the content
- **They played a little with soccer rights, but it was very expensive and are not likely going to continue with that sport in the future**
 - Because there was so much money spent on soccer, they were able to pick up almost everything else for not that much money
 - Able to pick up the majors in tennis, the cycling, the Olympic sports, handball and it's profitable because they can own all the rights to it

SCRIPPS

- **Have been pushing hard on this above-the-globe strategy and felt they could improve an underperforming channel in the U.S.**
 - In Latin America, it's working really well, but that's not a surprise because they entered that market with home and food before Scripps did
 - Started to roll out across Europe with mixed results, but there is a real growth opportunity, it's just going to take some time to find it
- **Have the ability to deliver a bigger audience than the broadcast networks and do it for a lot less money**
 - They can aggregate women on any night and run 1 spot across for all of it, making them much more appealing to advertisers

VIRTUAL MVPDS

- **When they are on skinnier bundles or OTT platforms, they tend to do a lot better and they see that everywhere in the world**
 - They are platform agnostic and recently launched on Hulu and Sling and want to be carried on almost every skinny bundle
 - In the long run, will do better than some of the other channels that are more tied to scripted and reruns
- **To the extent that there's a very high-priced sub that's going to a smaller bundle, they will get fully paid, whatever the platform is**
 - Every time there's a share shift to a smaller basket, they should get a significant step up in viewership and thereby, ad revenue

After launching GolfTV, what will be the next sport they partner with to build a global OTT platform for the superfans?

Microsoft Is Leveraging Their Tech Expertise To Build A Direct To Consumer Platform Around Gaming

CLOUD GAMING

- **Cloud streaming will be able to bring content to customers on any device that they have regardless of the local compute capability**
 - Will have multiple business models that will work with streaming, but the connection of streaming with subscription makes a ton of sense
 - There will be less content that is tailored to only 1 device because it subsets the market
- **Designing their next-gen silicon so that it works great for playing games in the cloud as well as for non-entertainment workloads**
 - Can monetize that hardware over more cycles of the day through game streaming and other things that need CPU and GPU in the cloud

GAMING INDUSTRY

- **There has been a transformation in gaming content, technology and business models and they're all happening simultaneously**
 - Starting to see more games natively live in the cloud, and the on-ramp to that experience is the consumer's choice
 - Free-to-play games that actually have an in-game economy are growing tremendously
- **In the video game space, people watching streamers play as they talk about their experiences is growing enormously**
 - With services like Twitch and Mixer, it's become the socialization of gamers to watch other people play

GAMING STRATEGY

- **Secular trends align very well with their strategy, so it made sense to start to invest more heavily and in a more strategic way**
 - Almost all games that are built today rely on an intelligent cloud in some way to deliver the services to their customers across all devices
- **First-party content capability, as they are building new business models like Game Pass, are really the creators of the flywheel**
 - First parties are important, but the third party relationships that they have built over the past 2 decades are a critical aspect
 - Focused on creative teams and less interested in management teams and infrastructure that they already have inside of their organization

GAMING PLATFORM

- **Being a platform that all creators target and ensuring that when success happens, it occurs on their platform is a good strategy**
 - Building a strategy around being able to pick the ones that are going to be the hits is not a strong strategy
 - Have the best place for all creators to create their content and make sure they have the monetization tools to drive their business
- **Need to be world-class at free-to-play content but subscription is a lower-barrier way for customers to build their library of content**
 - Building a business model that scales to billions of people, not hundreds of millions of people like retail does

What will be the balance between "original content" and third party titles available through their subscription service?

Netflix Believes The Prestige Of An Oscar Adds More Value Than Maintaining Their Exclusive Film Strategy

CONTENT

- **They will keep investing in programming, but are also getting more users and more hours of usage from their existing users**
 - Every show has a weighted measure, and some shows don't drive a very big audience but do drive acquisition and retention
- **Unlike a network that has a targeted demographic, they don't have an absolute number of shows that they could possibly make**
 - Viewing of unscripted programming has grown on the quality and breadth of the new unscripted shows
 - Because of their ability to personalize, viewers rarely see everything that they are making because they are not promoting everything to everyone

INTERNATIONAL

- **They are not trying to make more Hollywood concepts, but rather take content from anywhere to the rest of the world**
 - They are going to be ramping up to 70 original local language shows next year
 - Success is big penetration in their home market, and if it becomes a global hit, that's better, but it can't feel artificial or manufactured
- **Have an aggressive production agenda in India, with 20 original films and 12 original series in various stages of production**
 - It's difficult, for sure, but think it's a big market and it's going to continue to grow and they want to be early and be setting the pace

MARKETING

- **Pivoting their marketing spend away from just subscriber acquisition and into supporting the brand and brand creation**
 - There's value in the world watching the same show or the same movie at roughly the same time and the value of people talking about it
- **It's really just trial and error, but one of the best ways to do it is to make great stuff that people want to talk about**
 - People are already online and know how to take their life experiences and turn it into social media
 - Ability to create a really incredible kind of global experience that happens all at once with very little marketing spend

FILM

- **Movie initiative has found a new gear as movie spending is quite global, and the viewing is more predictively global than TV series**
 - The vast majority don't live near a movie theater, so they are trying to connect people with movies in a big meaningful way
- **As long as movie theaters insist on a 90-day minimum blockade, they will not be meaningfully broader than they are now**
 - Trying to figure out ways to meet in the middle by trying to maximize consumer choice because many subscribers still go to the movies
 - There is still a bit of an emotional connection to the movie theater, but don't think emotionally, it's a different experience

As licensed content becomes more expensive, will they be able to keep increasing their original content spending?

The New York Times Is Focusing More On Quality, Original Journalism To Help Build The Brand

PRODUCT

- **Have experimented with taking price up in print successfully, so they know they have pricing power and can apply that in digital**
 - In 2018, they have been most aggressive about experimenting on the lower end of the demand curve
 - Introductory pricing has allowed them to put more money into the model to drive acquisition further
- **In a major push to scale direct relationships because the more they know about the subscriber, the more they can customize**
 - Don't envision it will be so personalized that there won't be some core piece of content meant to direct attention at scale of things that matter

DIGITAL SUBSCRIBERS

- **Have spent a lot of time trying to understand what are the kinds of behaviors that correlate to subscription and to retention**
 - Most healthy subscribers come multiple days a week, and they go deep in a particular topic area as well as experience the variety
- **Similar to other digital subscription companies, they are putting a lot of work into addressing involuntary churn**
 - Just getting started at this and have not been as strong in their execution, but they will get a lot better in the coming year
 - Will be more aggressive in the coming year at unlocking dormant values and better feeding content to the reader

ADVERTISING

- **Think about the digital ad business as grounded in sort of 3 areas: media, partnerships and services**
 - Invested a lot in the marketing services, which is helping marketers create original content that are akin to those they do journalistically
 - Under enormous pressure because of Google and Facebook, but are seeing some kind of cracks and the fissures in the platform
- **Believe they have real running room by using the data they have about what people are interested in**
 - Think digital advertising is still a growth business, even as a derivative business of the subscription business

PODCASTS

- **Audio is a very important platform for expression and think there is a really big opportunity to be a much bigger player**
 - The Daily podcast has more listeners everyday than the weekday newspaper ever had subscribers
- **Beginning to use The Daily and its power to drive the model, which is about scaling direct relationships with consumers**
 - Audience represents this emerging demographic and population that they are going after
 - Listeners are younger, the majority of them are under 40, and they tend to be more female than male

Can they convert their written content into other forms of entertainment to attract new subscribers?

Sprint Is Moving Away From Promotional Offers And Concentrating On Adding Profitable Subscribers

SUBSCRIBERS

- **They used to be heavily focused on promotional activity, trying to compensate for a slight lack of network coverage and quality**
 - Now they are putting a lot more effort and focus on fixing the network which allows them to be less promotional on the commercial side
- **Expecting churn to increase sequentially but this will be the peak as they want to be able to manage growth and profitability**
 - Repricing customers that had previously been on promotional offers, and actually moving them up to the normal rack rate
 - Device replacement cycle is gradually getting longer and while they may be bringing in fewer subs, they are focusing on higher-quality subs

CABLE COMPANIES

- **See the move to wireless as a natural evolution for the cable industry, but they are not massively concerned about it**
 - Altice MVNO deal can be replicated elsewhere with other cable companies and they have used it as the template for the deal with Cox
- **Altice hasn't rolled out their wireless product so it's too early to determine the service revenue uplift they are going to get**
 - Economics are great because they actually don't pay any cash for these strand-mounts, they just give them a discount off of the MVNO rates
 - Have deployed 15,000 strand-mounts and have been pleased with the improved network performance in those areas

5G

- **They are plowing a lot of money into the network focusing on densifying the network, the 2.5 GHz rollout and massive MIMO**
 - The issue for them is they don't have quite nationwide coverage on that 2.5 GHz spectrum and will need to be more reliant on further deals with cable operators to deploying strand-mounts
- **Can deploy massive MIMO in such a way that half of the radio is dedicated towards LTE and the other half of the radio is dedicated towards 5G**
 - Deploying them where they see there is a real need for them and are getting more than 200% improvement in network download speeds

DIGITAL

- **The deployment of digital technology could have further meaningful impact on the streamlining of process efficiency**
 - Are now treating roughly 25% of calls via some kind of automated bot-type interface with the customer
 - Can't do complex stuff involving device or network issues with a bot, but can do all of the basics around account management and maintenance
- **Use of analytics can drive a better understanding of performance, and a real econometric study of their marketing spend**
 - In the early stages, so they don't quite fully understand the size of the prize yet, but are confident that they can take more cost out

How easily can the improvements in operational efficiencies be applied to the merged entity with T-Mobile?

Twitter Is Using Live Events To Stimulate Conversation And Deepen Engagement Amongst Users

ADVERTISING

- **Ad performance is being driven by the clarity of strategy and execution that they have delivered over the last couple of years**
 - Have a larger, more engaged audience and better ad formats which allow them to help them measure their success better than before
 - Show theming ROI has emboldened them to spend more on the platform and faster than they expected them to
- **Definitely continue to feel demand constrained more than supply constrained when they look across geographies**
 - There are other things that's beyond ad load that one can do to really drive revenue in excess of audience

HEALTH

- **Think about health as the #1 priority of the company and something that should, ultimately, be a growth factor**
 - Getting people to feel safe to share their point of view will drive the behavior that they are trying to create on the platform
 - Seeking outside help when they think about their policies and put an RFP out recently to get help around the health topic more broadly
- **Want to always do the right things to drive the health of the platform because that's ultimately what will drive engagement**
 - One of their critical principles is that they don't want to be constrained by disclosed metrics

FEATURES

- **When they make product changes, often they will test them and the intent is to learn and to test the thesis**
 - Sometimes they will test them in a market, sometimes they will test them in more than one place
 - And if it works, then they roll it out, and if it doesn't, then they will try something else
- **Broader topics and events can continue to leverage and drive the audience and to keep them more engaged**
 - Can drop users into an event experience around the game that they might have been looking for, with a recap timeline and a latest timeline

DATA LICENSING

- **Excited about their data licensing business and one of the neat things is they don't have to decide how the data will be used**
 - There are new use cases that will come up where people actually could use their premium version of the APIs and test it and learn
- **Had a strategy for a couple of years now where they've gone back to the many customers that they have had to upsell them**
 - It was a lot of work to implement that strategy, but it is now well underway and well understood by their customers
 - Have fewer customers but have deeper relationships with them because they provide a differentiated service around their data

Can they find the right balance between being an open platform, using editorial judgement, and protecting users?

Verizon Is Using Their Own 5G To Better Prepare Themselves For The Global Standard Release In 2019

NETWORK

- **Want to play as a networking service for all their business divisions, from consumers all the way to large enterprises**
 - Putting the strength of the network and distribution together in order to leverage the next generation of technology
- **Can offer customers all types of connectivity from 2G to 5G as well as fiber and copper**
 - On top of that, they have products that actually can be offered to all customer groups, depending on what they need to have
 - Good opportunity to leverage their best asset, but also how to get the best to their customers

5G

- **Need to learn a lot of things to be prepared and be able to ramp this as quick as they can as soon as the ecosystem is ready**
 - 5G chipsets will come middle of the next year, so this more about 2020 and 2021
- **Uniquely positioned with their distribution to all customer groups that benefits from use cases, so they are basically going to play in all fields**
 - Don't think that all carriers in the world want to do that and there will be differentiation going forward, but the network quality and performance, still, is going to be really important

MOBILE ECOSYSTEM

- **The ecosystem of mobile technology is unheard of and no other technology has ever had so many investors in it**
 - There's going to be innovation when it comes to more speed, throughput and latency etc.
 - They will do some of it themselves, but others are going to innovate new things that they didn't think of
- **On every technology shift, there is an opportunity to capture market share, whether its 2G to 3G, 3G to 4G, 4G to 5G**
 - In any market in the world, the TAM will also increase between technologies

HOME BROADBAND

- **5G Home launched in October in 4 cities and is a different way of doing broadband, that does not involve a cord into the house**
 - They are going to see new customers coming in and will have existing customer bundling
 - Outside U.S., the majority of the world will not have a fiber-to-the-home, it will be wireless-to-the-home
- **In the first initial markets, they are partnering with YouTube TV and Apple TV as a TV solution**
 - Their strength is the distribution and the brand, and they partner where they feel that others are better on it

Can they make the necessary improvements at Oath to layer digital media business on top of their distribution network?

Viacom Has Put New Management In Place At Nickelodeon In Order To Revitalize Their Most Valuable Asset

OTT

- **Will do a set of D2C offerings, the first 2 are Noggin and Comedy Central NOW, and they will be distributed both D2C and B2B2C**
 - Looking at expanding to African-American, Spanish, and Reality categories and most of those are going to be very heavy library products
 - Opportunity for an AVOD product that can be useful for building a funnel into their subscription products
- **An important part of raising the visibility of the MTV brand is getting it consumed on alternative platforms**
 - The largest selection of MTV unscripted programming reality will continue to reside in the Pay-TV universe

STUDIO

- **Building their studio business, where they produce episodic TV for third parties, whether they're traditional networks or OTT**
 - See that being a \$1 billion business in a couple of years, and see it being a 20% margin business as it scales
 - While they are doing these projects for third parties, ultimately, all the IP reverts to Viacom, and so they are building library value as well
- **Useful to be able to deploy a broad slate that would have different kinds of production economics that are balanced for customers**
 - Could have marquee shows with super high production values, but also includes compelling programming at lower price points

LINEAR

- **Have taken a new approach to U.S. distribution, where they rolled out a broader strategy to re-assert the value of their services**
 - Truing up on-demand product to make the Pay-TV ecosystem more competitive, entering into advanced ad partnerships, and co-productions
 - Renewed or extended well over half of their sub base, maintaining basic distribution and simultaneously building a platform for the future
- **Nickelodeon will improve over time, particularly in the back half of the year as the full effect of new leadership comes into place**
 - Flagship brands are bigger than linear networks and have seen growth in digital consumption and are increasingly active in the experiential space

ADVERTISING

- **Continue to see a strong domestic ad market and are planning to lean more into their Advanced Marketing Solutions business**
 - Saw an ability to function as solutions providers to agencies and their clients, and that is through bringing more product to the marketplace
 - Brought 7 products to the upfront, ranging from their Vantage data-driven product, dynamic insertion and branded content
- **Needed to evolve their product line, to improve pricing yield and, quite frankly, to have incremental inventory**
 - Additional inventory from more vMVPDs where they are going to be able to dynamically ad insert into

Can Viacom improve the awareness of their brand by producing content for 3rd party platforms?

Vimeo Is Pivoting Their Business In Hopes Of Becoming The World's #1 Video SaaS Company

TAM

- **Large addressable market that is estimated at \$20 billion today, and expected to grow 20% annually to \$50 billion by 2023**
 - Customers will need to use video to reach and engage their customers and it is similar to 10 years ago when every business needed a website
- **Most of the demand for video hosting is outside the U.S and they can be an agnostic hub and integrate with every destination**
 - Really focusing on a couple regions where demand is greatest and where they can move the needle the most
 - Testing and developing their playbook before expanding to every region because it's not the most scalable thing to do

USERS

- **Targeting creative professionals and businesses and have 90M registered members and closing in on a 1M paying subscribers**
 - Over 50% of their subscribers are outside the U.S. and their top 10 customers only represent 1% of revenue
- **Improving their storefront, user experience, and on-boarding to better convert registered members into paying subscribers**
 - Can optimize pricing, packaging and tiering to continue to drive them up into higher value plans
 - 99% of their subscribers are self-serve, so they are coming to their landing pages and purchasing without ever speaking to human beings

PRODUCT

- **Shifting from a video hosting platform that offers cloud storage and an embeddable player to an end-to-end solution for anyone**
 - Players are offering solutions at each stage of the workflow, but no one is providing a simple and complete solution across the entire workflow
- **Helping creators make better videos faster and then allowing them to maximize their audience and revenues from those videos**
 - Don't think that this market needs to be served with highly customized, high-touch, complex and expensive solutions
 - Have a consistent track record of launching new products and having that translate into increased revenue and higher lifetime value

ENTERPRISE

- **The vast majority of their sales pipeline today is entirely inbound, so people are coming to them as opposed to them reaching out**
 - Going to invest more to scale up their sales force and starting to test into paid marketing as well
- **Market is ripe for disruption and can really expand it by building technology solutions that are much more simple and accessible**
 - Power over 500 OTT channels across a wide variety of verticals and those channels have hundreds of thousands of paying subscribers
 - Not just offering a way to host the channel but providing a full holistic solution that includes customer support, marketing tools etc.

As social media platforms build similar tools, will creators look to go outside of their distribution ecosystem?

Zynga Wants To Innovate Within Their Strong Franchises Rather Than Expand To New Categories

USER ACQUISITION

- **Work very hard to understand the player's journey across their game so they can always put the right messaging in front of them**
 - It's better to lose them to another game inside their network than it is to have them leave entirely
- **Real capital requirements come into play on the paid acquisition to bring people into the top of the funnel for the game**
 - Use a lot of data analytics to get into a position where they test early on in a product's development cycle and what's going to pull best in UA
 - Really brought forward a lot of decision-making that you need to have in development early on so they have the right kind of flow going forward

NEW TITLES

- **The goal is to always have a strong base because they don't want to ever put that performance at risk with new games**
 - Look to launch games on top of that base that would take advantage of the huge audience that they have
 - Focus on where they have success, momentum and more importantly, where they have teams with talent and experience in that category
- **Wanted strategic licenses because the opportunity to partner with an enduring brand can bring incrementally new audience**
 - Do not want to overbuild by expanding to new categories, but will look at adjacencies to their existing audience to deepen engagement

M&A

- **Bought 3 companies over the last 2.5 years and have spent about \$400 million total in acquisitions**
 - Started with the Solitaire business because they saw an opportunity to bring a card-based network to bear around Poker
 - Great feeder product into the rest of the network, and found a group that wanted to sell off their asset
- **Mobile business has a lot of opportunity for consolidation, and see assets that they could potentially bring into the company**
 - Tuck-ins are below \$100 million, and can kind of slide it into an existing business and it works kind of linearly

ADVERTISING

- **There's players that don't want to micro-transact and engage in the economy of the product, but they are willing to watch an ad**
 - In terms of the player satisfaction and impact on retention, watch to earn is one of their most valuable ad units
 - If they see any dips in engagement or retention, they turn the ads off, or change the frequency, until they get it optimized
- **Expanding advertising opportunities to other franchises and are building out their network of ad partners and their analytics layer**
 - Very complementary and differentiated from the more traditional networks like Facebook and Google

Will they be able to successfully expand their casual games to other platforms in order to add incremental users?