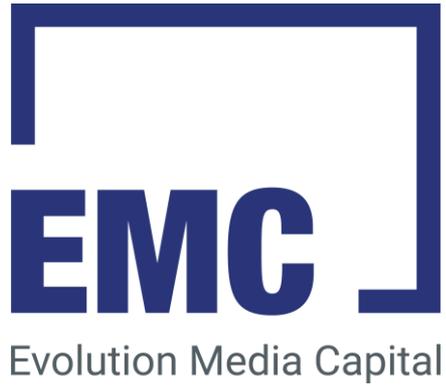


Bank of America TMT Conference Recap

September 2019

[Sign Up For Additional Research From Evolution Media Capital](#)



Bank of America TMT Conference Recap

September 2019

Altice USA Is Building Out A Suite Of News Products To Expand Their National Advertising Footprint

VIDEO

- **Video continues to be core to their offering and it is a profitable business so they are going to continue to what they are doing**
 - Will continue to invest in the video product as long as they continue to provide good economics, even if they may be dwindling
 - Has great interface and customer attachment statistics and provides a lot of inventory for their advertising business
- **As they start renegotiating programming contracts going forward, every line item is going to be on the table**
 - Want access to OTT offerings so they can fully integrate that on a voice-related basis and on a search basis onto the Altice One platform

ADVERTISING

- **The old model is all about pounding the pavement and going to see clients and dialing and smiling all the time over the phone**
 - There are about 800,000 SMB enterprises in the New York tristate area, but they only have 7,000 paying clients that use advertising today
 - Athena platform is iPad based and makes it very easy and intuitive to put together a campaign in less than 5 minutes just by pushing the buttons
- **Developing a national ad campaign capability which allows them to attract the CMOs of Fortune 500 companies**
 - Have about \$500 million of advertising revenue in the business, and 80% of it comes from traditional local ad sales

MOBILE

- **There is a breakeven point in terms of number of subscribers they need to hit in order to drive positive cash flow economics**
 - They are incentivized to drive volume, so it's a question of getting the right traction and building a rapid subscriber base
- **Going through natural hiccups for the first couple of months, but they are launching aggressively**
 - Not going to spend a huge amount on the marketing side because they think the word-of-mouth is going to drive it going forward
 - Have been able to maximize a lot of the brand recognition with Altice, and the Altice One product

CONVERGENCE

- **The only country in the developed world not converged on fixed and wireless, and it is clear that there are tremendous synergies**
 - Not just from a network standpoint, but also on the operational synergies, including branding, distribution, and OpEx
- **Consumers want 1 company controlling their wireless experience, inside and outside the home, to make it seamless and simple**
 - Have a wealth of experience from other geographies, where the priority is technology to help make the experience more attractive for consumers
 - Will continue to evolve into a truly converged network where they have control over much more of their mobile infrastructure outside the house

Will the low price of their new mobile offering be enticing enough to convince subscribers to leave their national carrier?

Key Takeaways

AMC Entertainment Is Building Out Their Digital Platform In Order To Enhance The Moviegoing Experience

PLATFORM

- **Have spent a considerable amount of money on technology, particularly on mobile apps for ticketing and other enhancements**
 - Can personalize the moviegoing experience and make it easier to attend movies and take away some of the inconvenience of standing in line
- **Have all this data about moviegoers, what movies they attend, how many people come with them, and their F&B spending**
 - Opportunity to monetize all that data and communicate with them through push notifications about coming attractions
 - Studios want to build a program around upcoming releases and they can be a better partner in marketing their products and their own theaters

A-LIST

- **Will start doing more testing to see if there is a way to appeal to a broader audience, but needs to be done in a profitable way**
 - Know the behaviors of each and every member so there are opportunities to drive more incrementality with this program going forward
- **Subscriptions are good for the industry because the consumer now understands that it is part of the moviegoing experience**
 - Pricing is more simplified than most of the competition because there are fewer surcharges
 - Subscribers are attending more movies, and in some cases, they're less popular movies that they wouldn't have paid full ticket price for

PRICING

- **Testing new pricing initiatives around blockbuster films and have deployed that strategy in Europe where it's been successful**
 - Will pick a couple of movies a month and upcharge the first couple of weeks during the highest demand periods of time
 - Opportunity to grow the box office without a real detrimental impact on the amount of attendance
- **Need to optimize price where so they offer discounts when they have capacity and can generate greater box office**
 - In alignment with the content providers because at the end of the day, they want moviegoing to be affordable for the masses

OTHER CONTENT

- **Have taken the first steps in offering non-theatrical content with their first broadcast of pro football games on Sunday afternoons**
 - Showed 8 out-of-market games in 50 theaters across the country
 - Aren't charging admission, but they are requiring a \$10 food and beverage minimum spend
 - Only had one day to promote it, but will have a little more time to get the word out and see how it develops
 - Have the programming flexibility to adjust accordingly so they are not giving up an opportunity to play movies, which is their core business

Will pricing increases on blockbuster films, as well as A-List, lead to a further decline in theatrical attendance?

AT&T Is Still Working On Integrating Multiple Acquisitions To Become A Modern Media Company

VIDEO

- **Have this focus on EBITDA stability and for the first 6 months, they have been more than successful in achieving that goal**
 - Have continued to increase prices, but they will offer some promotions, but will not be extremely promotional
- **Starting in Q3, had a series of content carriage arrangements that were coming due, particularly with retrans providers**
 - Had to make some tough decisions on those retrans providers when some of the requests for increases were just not economically sound
 - Took going dark on a couple of providers until rates got to a reasonable level and then they came back on

WIRELESS

- **Anytime there's a move in the marketplace, they pay attention to it, but it's been a pretty reasonable environment**
 - Focused on being responsible and being prudent with promotions and so forth
- **Have seen a continued slowness in upgrade rates as their customers are happy with their service and quality in high speeds**
 - Opportunity to have a high-quality network that serves all their customers while they use the existing phones and before they buy 5G phones
 - Gives optimism about lower churn, customer satisfaction, and the ability to add services

ASSET SALES

- **Have 1,300 towers in their U.S. network that are very valuable, particularly in today's market**
 - Have about 1,500 towers in the Mexico market and are looking at those, trying to evaluate those, come to their own perspectives
- **Sold over \$2.2 billion worth of real estate already, not just Hudson Yards but a collection of other transactions**
 - Have 4 regional sports networks that have garnered good value in other transactions and are looking at those
 - Conducting a strategic review of CME, a European broadcast company, that they have a 75% interest in from the Time Warner assets

NETWORK

- **In a really good space to compete because of their spectrum position, network efforts, and history with their consumer base**
 - Spending more time and a little bit of money to get the story out, to have perception catch up with the reality that they do have the best network
- **Positioned the core network to have national coverage of 5G in the first half of next year**
 - Increased their wireless network capacity by 50% over 3 years and doing it with really high quality of speeds
 - Are at 40% at the beginning of the year and have publicly stated that they will be at 70% by the end of the year

Will the activist investment from Elliott Management lead to any significant leadership or strategic changes?

CBS Is Starting To Utilize More Subscriber Data As They Make Strategic Decisions On Content Licensing

STUDIO

- **Have the ability to fill the increased demand as other people are pulling supply off the market**
 - Can make smart strategic decisions, of where to hold it, where to sell it and how to monetize it inside and outside of their platforms
- **Show economics are getting more expensive so they are varying the cost basis for their entire portfolio of shows**
 - For every star-driven, expensive show, they are doing more lower-end shows and it's one of the reasons why they have gone into documentaries
 - Back-end possibility becomes an important differentiator in this world of talent that wants to go where they want and want their stuff to matter

VIACOM

- **On a fundamental level, the increased scale helps them address a rapidly evolving but a very hungry market**
 - Competitive advantage is that they are a pure-play content company and not trying to drive a telephony, hardware, or a retail business
 - Array of platforms and channel services makes it very attractive to all the traditional distributors and new distributors
- **Businesses are also highly complementary, as feature films and kids are 2 obvious holes in the CBS content mix**
 - Cross-promotional possibilities are very enticing as is the ability to have the library of Paramount or Nickelodeon on their streaming services

OTT

- **Have made big strides into a more streaming and DTC world over the last 5 years with All-Access and Showtime**
 - Have built a whole team of data scientists and have gotten good at extrapolations, and are much smarter than they were 2 or 3 years ago
 - It's slightly complex because they only have data on a subset of their subscribers and other subscribers are more wholesale
- **The traditional sort of bundled world is not going away, and it's probably going away slower than some people think**
 - There's going to be a lot of re-bundling and because they are largely platform-agnostic, they have a lot of flexibility to partner

BRANDS

- **There's a lot of people trying to do pure aggregation and be all things to all people, but that not how they see the world**
 - Brands have value because they can resonate with customers and become recognized for delivering quality content
 - Need cultivation and a lot of focus, and need to be flexible and malleable, because they can't just stay still forever or they will start to atrophy
- **If they have something that can burnish a brand, they try to keep it at home and incentivize talent to go there**
 - Occasionally, somebody makes them an offer they can't refuse, and sometimes, they don't feel like they have the right home for the content

What kind of stumbling blocks will CBS face as they try to rapidly integrate Viacom's complementary assets?

Charter Is Focusing On Their Network Advantages Over DSL And Satellite Customers To Gain Market Share

VIDEO

- **Getting to a point where they are more economically indifferent as to whether they win or lose in standalone video**
 - Video is still an important aspect to their connectivity service and can help them sell and retain more internet customers
- **Piracy and password sharing is rampant and a massive issue and has a major impact on subscriptions for vMVPDs and MVPDs**
 - Conditions an entire marketplace to think that content should be devalued and it should be free
 - Yet programmers continue to sell into environments, whether it's SVOD or virtual MVPDs or into their own DTC-type platforms with no encryption

PROGRAMMING

- **The good news is that programming rate increases are happening to everybody across the board and are not just unique to them**
 - Puts programmers in a difficult spot because they are pricing themselves out of certain segments in the market due to an affordability issue
 - Needed to create some packages for different segments, such as their Choice, Essentials, and Latino packages
- **They are an aggregator of content, and if customers are watching video, then they want to sell it, whether that's retail or wholesale**
 - Going where consumers take them and are interested in carrying valuable content and making it easy for viewers to access it

BROADBAND

- **Offer 1GB service across their footprint but it's a relatively niche product because there's not a practical need for it today**
 - Continue to increase speeds as they move to DOCSIS 3.1 and wouldn't be surprised if 3 to 5 years from now, 1 GB per second is the new 200 MB
- **Offering all-you-can-eat speed has worked out well because they have better networks than the majority of their footprint**
 - In their interest for customers to use more of it because it creates more of a distance between them and the competition
 - 5G won't be as fast and won't be able to scale economically or from a product service delivery once there are a fair amount of customers on it

MOBILE

- **In a low-spectrum context, 5G is like an energized 4G, and can make the mobile product significantly better**
 - Millimeter wave 5G is not going to be a direct replacement for fixed wireless because it is too expensive and doesn't have the reliability
 - Don't think that there's another operator out there that's better-suited to making use of mid-band spectrum than Charter or other cable operators
- **Seeing early evidence of the use of mobile on churn, and in the long-term, will absolutely get the retention benefit on cable**
 - Not only are they saving the customer money, but presumably, they will enhance their brand reputation

What exactly is their original content strategy and will it have any impact on driving new customer relationships?

Discovery Is Bolstering Management Teams With Executives That Have Strong Tech And OTT Experience

ADVERTISING

- **Industry has lost a decade from lack of innovation but as with so many things, a huge issue, can be turned into a huge opportunity**
 - Data-driven advertising is probably the single largest opportunity they have for TV advertising in general
 - Have already decided to stop rating some of their smaller networks because it doesn't make sense anymore
- **Partnership with 605 allows them to prove to their advertising clients the real value of TV advertising across the entire funnel**
 - Combines data from 40 million TV households through set-top box data, with a lot of additional data sources that they have lined up

STRATEGY

- **Have a slightly differentiated strategy because they are focusing on a portfolio of more niche offerings but with passionate fans**
 - The economics are amazing because its only \$400k cost per hour compared with \$5M+ per hour for some of the fictional scripted content
 - Working on improving relationships with production companies to go after more efficient operating models
- **They are in a unique position because they reach 400 million households every day across their global footprint**
 - There is so much more they can do beyond just watching video, and they can promote whatever product they are launching

SCRIPPS

- **Very happy with how the integration went and from the outset, looked at it as more of a transformation opportunity**
 - Never quantified the revenue synergy initially, but are extremely happy about the progress they are making there as well
- **The opportunity was 3 pronged, with the easiest being replacing acquired content with Scripps content as a cost savings measure**
 - Second, leveraging the content on existing networks and footprints in a more targeted way to drive ratings on the existing portfolio
 - The third tier of actually launching new networks has taken a little longer because there are negotiations involved

DIRECT TO CONSUMER

- **Bringing in Peter Faricy from Amazon and his CTO has really helped them hire the right profiles on the tech side**
 - Product teams can really focus on what makes the difference, which is the user experience of individual projects
 - Seeing improvements of the product quality from a technical perspective, as well as better ratings on the app store and app store feedback
- **Too early to come out with any sort of metrics but want the flexibility to really get behind something if it is really working**
 - Need to be able to spend customer acquisition cost up to customer lifetime value to make sure that they drive scale as quickly as possible

How will they build out an DTC product that fully capitalize on the e-commerce potential with their passionate fanbases?

Fox Is Utilizing Their Lean Structure To Be Nimble And Add Capabilities Rather Than Acquire More Assets

PRODUCTION

- **No one can corner the market on creativity because there is no correlation between spending and whether you're more creative**
 - Will punch beyond their weight because their approach allows them to get in partnerships where they think they will be advantaged
 - Like having alignment with talent and knowing that what they are doing and what the production company is doing has the same desired result
- **Their legacy of animation is a head start that should be compounded by the acquisition of Bento Box**
 - Can service all the great partners that have used Bento before and can develop direct relationships with animation creators all over the planet

SIDECAR

- **SideCar lets them get into the market to develop content more quickly and more nimbly than others would**
 - Gives them increased optionality and capabilities which allows them to service different types of people
 - Not meant to rebuild what they were doing at 20th, but instead trying to add capabilities without great overhead
- **Gives producers another opportunity to enter the world of FOX Entertainment but do it with an excellent producer in hand**
 - Because SideCar is 100% owned, they are indifferent if they win through SideCar or win through the traditional development process

ADVERTISING

- **Mix of sports and entertainment at a high level is really what broadcast does best and can be pretty potent in the marketplace**
 - Fall is the best incarnation of the strategy because there is the NFL and then their first quarter of entertainment programming
 - There's something about the size of this audience, the storefront window and size of the brands and what they're buying that is just different
- **From a programmer's point of view, scarcity can be a friend and it's helping to drive pricing for them**
 - Have a lot of new advertisers who have come back this year after they were not on the network for the last few years

PROGRAMMING

- **Have a relatively finite slate which allows them to do fewer things better and use their assets to elevate the schedule**
 - Pretty close to capacity but there are moments in the schedule where they can build new things for audiences and advertisers that help create value
 - Will continue to be the youngest broadcast network, but wouldn't call it targeted young and there's a sweet spot of audience that they can build
- **Animation domination is a brand that Fox is known for, not just to the viewers, and has value well beyond their platform**
 - There's real expansion possibilities, and they are leaning very heavily into expanding in that way, and building off a very strong base

Will their premium sports programming garner enough viewership to drive audiences to their entertainment content?

IMAX Is Reaping The Rewards From Studio Consolidation And The Increasing Focus On Tentpole Films

LIVE CONTENT

- **Starting to explore and think about how to use under utilized time to create events that will satisfy audiences in various ways**
 - Within many verticals, they can represent an event space and there's an opportunity there to create a world that utilizes their theaters
- **At this point, they are really looking at minimal investment, and seeing how they can tap into fanships all over the world**
 - Conversations are relatively simple with Netflix and as they talk to artists and others about opportunities for brand extensions
 - There's no paid media, it's more about organic experiences to allow fans to experience something they had never experienced before

WINDOWING

- **Are not that hung up on what the exact windows are, but do think it's inevitable over time that the windows get shorter in some way**
 - Don't think that compromise will be a separate movie window for streaming services and a separate window for theatrical
- **All parties are trying to just figure out what the right change is because you can't put the toothpaste back in the tube**
 - Want to make sure that when they make this change, that it's a change that is best for the economic system that will benefit everybody
 - There's a much bigger industry that's supported by revenue from pay television and other ancillary windows that the studios live off of

TICKETING

- **There's no doubt subscription is going to play a bigger role in the landscape and most of it will follow the Regal/Cinemark model**
 - In North America, subscription is a new concept, but in Europe, it's been going on for almost two decades and has had different models
- **Studios are going to have a strong point of view of whether they want to charge different prices for different movies**
 - Historically, studios have been opposed because they think if one movie costs less, than they are signaling to the public that it's not as good
 - In China, they have flexibility if the demand is really high to raise the ticket price, and empirically, as part of that ecosystem, it really works

CHINA

- **Much less penetrated on a per capita basis in China than in North America, so the market looks really good for them going forward**
 - Investment in Maoyan has been very helpful because they have so much data about buying patterns and customers and the ratings of movies
 - Betting on the Chinese consumer and the growth of their spending power and the growth of more people enter the middle class
- **China Box Office has become much more diversified and is not as reliant on foreign product as it once was**
 - Usually, it's 50-50 local content and Hollywood content and this year, Hollywood content is outperforming Chinese content

After previous iterations have failed, will their new initiatives around non-theatrical content prove to be successful?

Lionsgate Is Partnering With Local And Global Distribution Platforms To Quickly Expand Their OTT Service

STUDIO

- **Have stayed away from the network-deficit business, but willing to take some risk on some shows that have great upside**
 - Will be looking at some of the cost-plus deals that make sense because that's sort of a risk-free business on the television side
 - Want to feed shows to Starz because that creates real value, but there are some shows that would play particularly well and others that wouldn't
- **Everybody's looking to buy, create, and launch a noisy show that gets people's attention because that will bring in new customers**
 - If you have 2 or 3 bidders for a show, and Starz could be one of those, than they can get a better economic model

INTERNATIONAL

- **Ahead of plan as far as launching internationally as they are currently in over 40 countries and well on their way to 50+**
 - Going wide because they feel like if they are there one of the first entrants, they can establish themselves and have a footprint
- **Every market is a little different, and have a pretty good set of management teams that are picking the right programming**
 - Starting to buy local programming, and have bought a bunch of international shows that are working in particular markets
 - The industrial logic to Starz and Lionsgate was to be able to tap into the library and they have done a great job slicing out certain windows

FILM

- **Film business has righted itself and they have franchises that continue to expand, as well as old IP that can be reinvigorated**
 - Think they can own a big piece of the horror space, and there is a great opportunity in the comedy space for the right price
 - Disney cutting back of some of the Fox slate gives them an opportunity to grab more market share
- **Getting smarter with data and the spends of print and advertising costs, which should equate to higher margins**
 - Trying to figure out how to market more efficiently because every studio does a terrible job overspending and on the wrong places

STARZ

- **There will be different types of bundles, so need to figure out how to make money together while giving customers what they want**
 - Affiliate renewals are always ugly conversations because everybody's trying to squeeze everybody
 - Have a shade under 25 million subs domestically, and on track for 6 million OTT subscribers by the end of year
- **Original programming strategy continues to be going after demographics that are underserved**
 - Spacing out when the shows are available so they are not stacking them, and the goal is to have a new show every few weeks

How will they differentiate themselves in order to continue to appeal the burgeoning pool of creative talent?

NBCUniversal Has A Successful Theme Park Business That Is Flying Under The Radar Compared To Disney

PRICING

- **Focused on trying to keep it simple, trying to be straightforward, and trying to not have any hidden aspect to it**
 - Offer various types of rates, based on whatever level of experience customers want, and meet everybody's requirements
 - Offer packaging, where they lump everything together, including hotels, meals, parks and so forth, and make it very appealing
- **Keep an eye on what the competition is doing because they don't want to be too far out of line, but are not led by them**
 - Pricing is an important ingredient in getting a fair and reasonable profit, but not always the #1 thing that comes to mind when making decisions

COMPETITION

- **Focus on where they have strength, which is in a diverse audience, rather than competing with Disney for very young ones**
 - Don't have to beat them to make a lot of money and to satisfy people from around the world
 - It's more about telling the story in a way that just immerses the visitor in the experience and gives them a desire to do it again and again
- **The competition is really just Disney as far as theme parks, but in the world of entertainment, cruises in Florida are more of a factor**
 - While a ticket may be \$115, the average length of stay is 8 hours, so that's pretty cheap entertainment compared to going to a concert or a ballgame

INTERNATIONAL

- **Immediate priority and focus is on opening the Beijing resort in 1.5 years and it will be the largest park they have ever built**
 - Have enough room to build more hotels, another park, a water park and there is a lot of upside there
 - 275 million people visit and not all of them will be income-qualified, but it's certainly going to be more than enough of a pool to be successful
- **Have a license deal to do substantial Nintendo park experiences at all of their parks around the world, starting with Osaka**
 - On track to open in time for the 2020 Olympics in Tokyo and the whole land will be interactive and can interface with the consoles at home

DESIGN

- **By the time they get through design, all the R&D, eventual commissioning and soft opening, it's a good 5-6 year time period**
 - Have to design these from the ground up so they start with popular IP that people have an affinity for and an emotional connection to
 - The vendor community that can support what they want is pretty thin and a lot of times, it involves technologies that have yet to be invented
- **Local customs are the biggest hurdle because each country has their different permitting processes and bidding processes**
 - Have to be respectful and hire the right people to know what they are doing to make sure that they do it right

Can their studios create additional IP that resonates with audiences or will they need to continue to license from others?

Roku Is Making Its First Forays Into International Markets As They Aim To Extend Their Leading Position

CONTENT PARTNERS

- **Being a neutral independent player in the OTT shift has been a core part of their value proposition**
 - Don't have plans for producing their own content because that requires billions of dollars and there's already lots of great library content out there
 - Ad-supported TV is a great way to get a lot of content because they have structural advantages of monetizing it
- **Legacy media have come to OTT with the idea that their brand name will translate into traffic, but it really doesn't automatically**
 - They want to own their app, but it's not their core competency and they don't have a lot of great software engineers that are used to building apps

ADVERTISING

- **It's clear that OTT viewership is well ahead of ad spending, and the budget eventually catches up to where the eyeballs are**
 - Currently in a period where it's very inefficient because the marginal cost of reach on traditional TV is way higher than in OTT
- **Have a natively programmatic platform, so they serve every ad dynamically, it's targeted one-to-one, and it has measurements**
 - Can effectively see consumers through the entire purchase funnel as opposed to doing research and try to infer that the ad actually worked
 - The key is starting with a first party relationship, so they have a much better position to measure different actions on or off the platform

THE ROKU CHANNEL

- **The Roku Channel is open to anybody who wants to add content, so the misconception is that it's competitive against other apps**
 - Can sell targeted impressions at premium CPMs that can be 2x higher than what content owners can get on their own
 - Can eliminate app development cost, maintenance, marketing and trying to drive traffic, so it is a great value proposition over time
- **Discoverability is very difficult at this point, and over time, there will be less apps and there will be more aggregation points**
 - Have a lot of behavioral data, so they can make better recommendations and expose content that is buried in other apps that people never get to

INTERNATIONAL

- **Have largely been their own bottleneck in terms of international expansion, but have done some opportunistic expansion to date**
 - Focused on growing and maintaining leadership position in the U.S because it is far ahead of the rest of the world in terms of OTT adoption
- **Have been putting quite a bit of resources against international, and think that a lot of the underlying factors are similar**
 - The only purpose-built OS for TV so it runs on lower power chips, which are cheaper, have a much smaller memory footprint, and saves money
 - Internationally, most countries don't have high cable TV penetration, so folks are more used to watching free ad-supported content.

Will they be able to curate enjoyable viewing experiences as the amount of content on the platform rapidly expands?

Key Takeaways



SiriusXM Is Partnering With Popular Artists To Create Content That Can Improve The Subscriber Experience

PODCASTS

- **Podcasting is clearly a preferred way, particularly with younger consumers, of how they want to consume spoken word content**
 - There's lots of opportunity for more spoken word on the Pandora platform are working a lot with content partners that are on the SiriusXM platform
- **Curation and brands are going to matter in podcasting just like they have mattered in spoken word on radio as well as in music**
 - Will continue to test putting content behind paywalls, but avoiding any type of overspending as they figure it out
 - It's really unclear how it's going to be monetized, so they will continue experimenting, but won't make any dramatic moves

SUBSCRIBERS

- **They are indifferent to whether they add a subscriber through stand-alone streaming or through the vehicle and satellite-only**
 - In the satellite business, they have years of data so they can accurately predict the lifetime value of a subscriber
 - In stand-alone streaming, they are only beginning to understand the churn profile of those customers
- **Really trying to drive and get subscribers for stand-alone streaming through the phone or through other devices**
 - 70% of SiriusXM customers also stream some other service, and in most cases, it's complementary, not predatory

VIDEO

- **First step was making their app a better product and making it available to a large base of customers at no additional charge**
 - It doesn't matter how good the content is if they can't get the app right because consumers can only view content through the app
- **Built a pretty large video content team, but are not going to get into the movie business and producing their own sitcoms**
 - Cideo complements the audio offering and is just one step to improving the value proposition for customers and keeping them more engaged
 - Will have a lot of stuff coming out towards the end of the month and will systematically roll out new content, especially over the next 6 months

PANDORA

- **Absolutely recognize that stabilizing listener loss is a key metric, and they are jumping into it with both feet**
 - Crossing over content on both platforms to see what might energize that large free base to either become more sticky and not churn or bring more people back in the free funnel
 - Don't believe enough has been invested in the app and there are more features and more ways to make the product easier to use
 - See opportunity in better marketing and more focus on both the brand as well as performance-based marketing
 - Position in the vehicle is not very good and should be able to help improve that and through their relationships with OEMs

With multiple products and an assortment of tiers, can they clearly communicate their offering to listeners?

Twitter Is Adapting Their Advertising Products To Better Serve Small And Medium Sized Businesses

ADVERTISING

- **More than half of the video ads on Twitter are longer than 15 seconds, but the most successful video ads tend to be 6 seconds**
 - There's opportunity, even without selling another ad, to just have the existing ads be more effective through more relevant to the service
- **Innovating around formats and driving clarity around the best use cases and the best ways to launch new products and services**
 - There's a lot of work to make the platform more scalable, so they can move faster, test things faster and attract great engineers
 - They are about \$3 billion of a \$200 billion advertising market, \$100 billion or more of which is online, so there's a lot of market share to ask for

USERS

- **When improvements compound, they drive DAU growth over long periods, not just in that period in which they delivered it**
 - If they can get people to find what they are looking for on Twitter, they will come back more frequently and that will drive engagement
- **Can augment the conversation that's already happening on Twitter around events with live video**
 - When users scroll down, the video goes to the bottom of screen so they have the video and are still seeing the tweets
 - It's important that content partners find them easy to work with and to the extent there are revenue shares, that they are fair

HEALTH

- **Have made good progress on health, but have a lot more work to do and this is something that will always be a focus**
 - Choosing to be transparent with regulators, consumers and advertisers about what data they ask for, how it used and to whom it belongs
 - GDPR is a great example of how something can play out when there is time for everyone to put thoughts together around rolling out new policies
- **When they see a problem around health, they first think about how they can use technology to solve it**
 - Also need a team of people behind the technology to help with some of the more complicated situations that can present themselves

INTERNATIONAL

- **China has been an important market over the last few years where they have helped brands in China advertise outside of China**
 - Facilitated the launch new products and services and connect with what's happening all over the world, in particular in a bunch of the Asian markets
- **There are lots of opportunities in emerging markets where smartphone growth and access to the internet is rapidly evolving**
 - Investing in countries where there is opportunity to grow over time, and think less about near-term profitability
 - There is only one product, rather than localized versions, so need to make sure that they are solving the same problems all over the world

Are they overestimating the ability of technology and machine learning to help improve the health of the platform?

Verizon Wants To Utilize Their Network Strength To Be A Premier Distribution Partner For New Services

SUBSCRIBERS

- **Plans used to be based on network differentiation, but unlimited data is now just one component that customers are looking for**
 - As people establish more use cases on their phone, tablet, smartwatch and other connected devices, they want to be able to do more
 - Have structured plans that better meet their needs to create real choice to those who like to play more or do more
- **Still have more than half of their customers who are on metered plans but getting close to the point where it is 50/50**
 - Have been very successful with the Apple Music deal and that has encouraged people to step up in the plan structure

STRATEGY

- **Can leverage their 100 million consumers and the quality of their network to be a great partner in the ecosystem**
 - Indifferent to whether products and services come from them or whether they come from a small select group of partners
 - Cord cutting is good for the business overall because they can start to expand their TAM inside the existing wireless business
- **Simplifying their organization to actually amplify the strategy that they have been executing very successfully**
 - Can face consumers as a single unit, rather than focus on traditional divisions, which were technology-based rather than service-based

5G

- **Priming the pump on their strategy and should see seamless flow-through from a great 4G LTE network to being the best in 5G**
 - Every market that's opened as a 5G Mobility market will in due course be 5G fixed wireless because it is one network
- **In the consumer space, the unique use cases will take a little longer, but the B2B cases will happen a little earlier**
 - Substantial improvement in uplink will allow significant enhancements in a lot of social media activities, video streaming, and other things like that
 - There may be some specific 5G services they can bundle because they want to deliver enhanced experiences rather than sell technology

COMPETITION

- **Question for Attorney General is why is DISH a better operator than Sprint, but see no reason to divert from current strategy**
 - Challenge for a new entrant, whether it be DISH or others, is which skills do they have or how much of that do they need to try and bring in
 - Building a network in the U.S. at the same time as most of the other carriers are building 5G and other things will be a challenge
- **As the market evolves, have a very clear view that they want to be the partner of choice to their MVNO partners**
 - The challenge is a lack of clarity around exactly what segment is being served and whether the economics are sustainable in an unlimited world

Will the bundling of entertainment services entice more subscribers to step up into unlimited plans for the first time?

Viacom Will Continue To Be An Arms Dealer And Supply Content To The New Wave Of DTC Services

FILM STUDIO

- **There was a need to accelerate development, so there's a lot about to launch, and the goal is to release 18-20 films per year**
 - It's about great ideas and putting packages of movies together with the right elements that makes sense financially, creatively, and otherwise
 - Given the congestion in the marketplace, they have to be strategic about how many opportunities they have to release theatrical films
- **Opportunities to take shared IP and enhance their capabilities through film, promotional marketing and other exploitations**
 - Branded film strategy can rejuvenate a brand, and they are looking at Rugrats and other properties together with Nickelodeon

LIBRARY

- **Their content is more desirable, more unique, and certainly more available than others, and that puts them in a very good position**
 - Many companies have forgone licensing to third parties as they focus on their DTC offerings
 - Obviously now with the merged entity, they have more opportunities for their own synergistic internal uses
- **As Epix output deal ends, they will look at financial parameters and strategic opportunities that enhance the value overall**
 - Looking forward to bringing it to the market because there are a lot of new entrants that are looking outside for the right content

BOX OFFICE

- **Exhibition subscription programs continue to broaden the market and expand the frequency of attendance**
 - See it as a benefit, especially since younger audiences that feel the cost impact of moviegoing, will now having a greater opportunity to go
 - Allows audiences to retain theatrical viewing habits, and allows them to experiment with films that may not be the big zeitgeist film of the moment
- **Enhancing their marketing abilities in concert with exhibitors, and that's a byproduct of the loyalty and subscription programs**
 - The more data theaters gather about the audience, the more they can benefit from using those data analytics to reach out to that audience

WINDOWS

- **VOD is lucrative since it's early enough for the consumer to find it valuable and to pay a premium for the chance to view at home**
 - These windows have been successful for them and they have no immediate plans to change it, except for perhaps PVOD
- **DTC services want to aggregate content as early as possible and deliver it to their consumers to make the offering more attractive**
 - At some point, they may shorten the window and get the benefit of most of the transactional revenues in a shorter period of time
 - Blurs the lines a bit, so it is not clear yet whether these companies would give it to a free TV party, or just continue to keep it as part of their offering

How much of the Paramount film library will they look to keep for their own streaming and linear platforms?