Media & Cable

Year Ahead 2024: Back to the future

Industry Overview

12 January 2024

Equity
United States
Media & Cable

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10 themes for 2024

For 2024, we are generally bullish on large-cap Media (WBD, NFLX and SPOT) and more cautious/neutral on Cable. Overall, Media and Cable performance was decidedly mixed in 2023 due to a combination of persisting secular and cyclical factors. In our view, 10 key themes will impact our Media & Cable coverage in 2024:

(1) **The year of the new bundle** as streaming services attempt to reduce churn (a key driver of lifetime value) and reduce subscriber acquisition costs (SAC). We therefore expect a number of streaming services to initiate commercial agreements—especially as several streamers are launching ad-supported tiers.

(2) **Back to the future** as third-party licensing resumes and studios increase windowing of content across platforms. This should improve content spending ROI and accelerate revenue and profitability growth going forward.

(3) **Peaking sports rights** as the underlying challenges in the media ecosystem enable only top tier sports to sustain the recent AAV increases in upcoming deals.

(4) **Women sports on an uptrend** as media coverage, viewer ratings and consumer interest increases. This has translated to healthy media rights increases for the National Women's Soccer League and NCAA (announced on 1/4) for several sports including 21 Women's championships (including Women's basketball).

(5) **M&A a matter of "when" not "if"** as it has long been our view that the media industry needs to undergo another wave of consolidation. It appears we are closer to the tipping point given the combination of secular and cyclical challenges within the industry. This is most relevant for PARA, NBCU and WBD which have subscale streaming services currently.

(6) **Gaming can be a new engine for growth** as the media ecosystem seeks incremental emerging revenue streams. Gaming can be a means to monetize existing IP and simultaneously complement existing DTC offerings.

(7) **AI's biggest near-term impact will be in animation and effects** as a means to speed up production times and thereby reduce costs. Whether these savings flow through to studios, increase compensation for talent or increase capacity to spend more in other areas remains to be seen. However, we believe it is less likely AI is utilized as a direct replacement for writing/acting talent for the foreseeable future.

(8) **Content spending growth rate to moderate** as focus on profitability, alongside the various talent strikes, created an opportunity for several media companies to reassess their content strategies and budgets. Ultimately, we expect this will lead to lower volumes from prior peak levels.

(9) **Funflation in full force** as growth in live events remains robust. There appear to be several long-term drivers that will fuel growth for years including: consumer spending shifts, pricing power and positive supply/demand dynamics.

(10) **Slower growth for cable** amid continued broadband challenges, increased competition, increased penetration and a persisting investment cycle.

AAV = Average Annual Value
AI = Artificial Intelligence
DTC = Direct-To-Consumer
M&A = Mergers and Acquisitions
ROI = Return on Investment
NBCU = NBCUniversal
NFLX = Netflix
PARA = Paramount Global
SPOT = Spotify
WBD = Warner Bros.

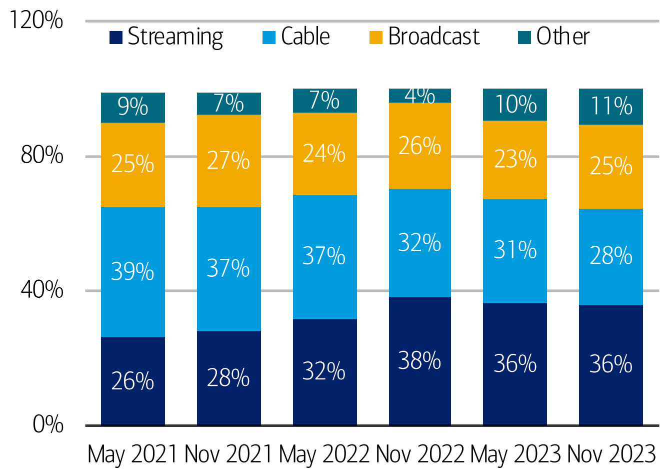
Timestamp: 12 January 2024 05:00AM EST

Top picks: Warner Bros (WBD), Netflix (NFLX) and Spotify (SPOT)

Back to the future in streaming

Media companies are returning to past practices as the streaming landscape becomes more saturated and mature. Many streamers are abandoning the approach of hoarding IP and keeping content exclusively available on their own platforms. Netflix is the only major streaming platform currently profitable on a trailing twelve month (TTM) basis, and while losses are shrinking at the other major platforms, they are generally 1-3 years from profitability. The challenge is legacy media businesses continue to become less profitable as cord cutting accelerates. Sub-scale streamers will likely need to evaluate M&A optionality and/or return to business practices which have worked for the industry in the past with an eye toward profitability. 2023 was a year of pivoting to a focus on profitability from growth at all costs. We see 2024 as a further extension of this pivot, incorporating traditional strategies including (1) bundling, (2) third party content licensing and (3) windowing of content that was previously streaming-exclusive.

Exhibit 1: The Nielsen Gauge – TV viewing trends in the US
Streaming has overtaken cable as the most watched platform for TV viewing but viewing habits are reaching stabilization



Source: Nielsen

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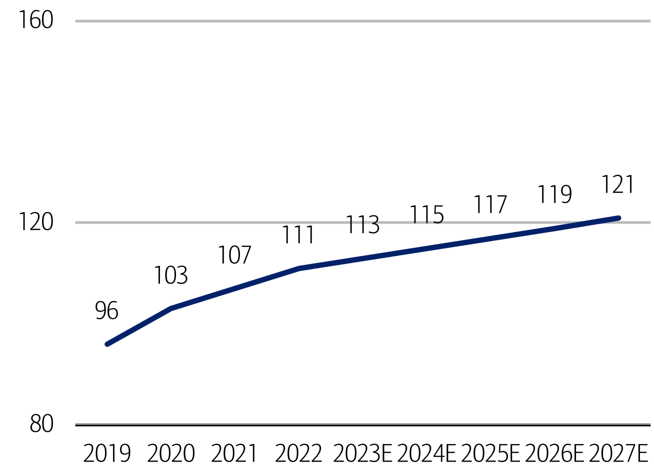
Exhibit 2: Total US Connected TV households (mn)
The number of Connected TV households is leveling off and is nearly at a saturation point (Total 2023 US Households = 131mn)



Source: Activate analysis, eMarketer, Leichtman Research Group, U.S. Census Bureau

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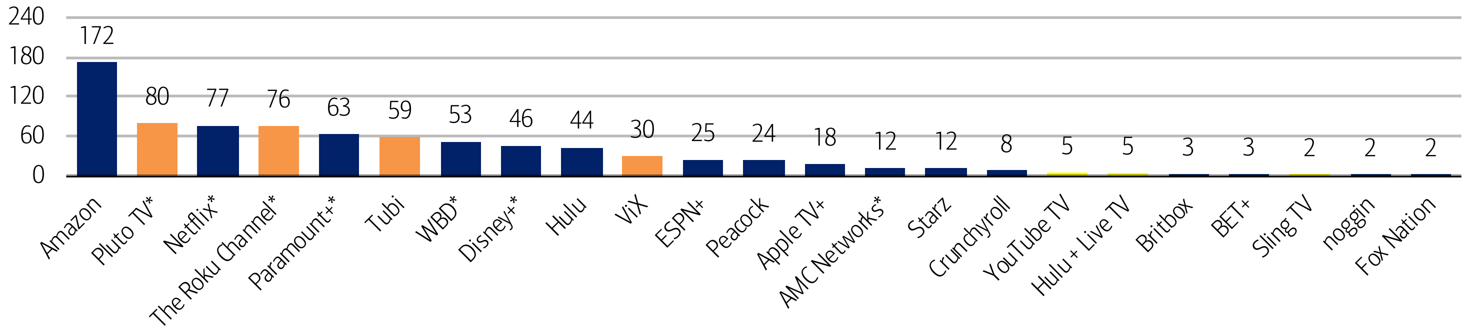
Streaming has overtaken cable as the most watched platform for TV viewing in the US but viewing habits are reaching stabilization (Exhibit 1). Streaming as a percentage of overall TV viewing slightly decreased from November 2022 to November 2023 in the US according to Nielsen. Total Connected TV US households additions is likely leveling off to a +~2mn cadence (Exhibit 2). If we assume the US has roughly 110mn broadband households and each household, on average, subscribes to 5 services (vs. 4.9 in 2023E), this equates to an addressable market of ~550mn subscriptions. We estimate there are already ~506mn subscriptions, which implies ~92% penetration – which limits potential upside in the US (Exhibits 3-5). By comparison, broadband and streaming penetration are far lower in international markets which could provide multiple tailwinds in coming years. The bulk of future subscriber growth will be driven by continued international expansion, Advertising Video on Demand (AVOD), price increases and password sharing crackdowns as the domestic market gets more saturated.

Exhibit 3: Select SVOD and AVOD services in the US
Cumulatively there are ~506mn SVOD/AVOD subscriptions in the US



Source: Activate Analysis, Activate 2023 Consumer Technology & Media Study (n = 4,023)
Notes:
SVOD/AVOD = Blue; FAST = Orange; vMVPD = Yellow
Amazon subscribers reflect total Prime users. Peacock includes 15mn paid subscribers. Sling TV includes Sling Blue and Sling Orange.
Netflix and Disney+ subscribers are UCAN. Paramount+ subscribers and Pluto TV MAUS are global. The Roku Channel MAUs are UCAN/UK/Mexico. WBD includes domestic HBO/Max/Discovery+.
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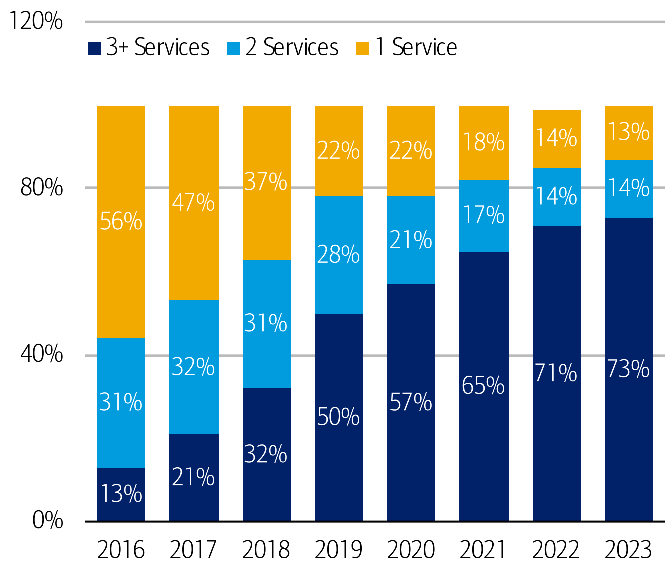
Exhibit 4: Proportion of paid video streaming subscriptions owned per paying subscriber, US, 18+
Most US households already subscribe to 3+ video streaming service



Source: Activate Analysis, Activate 2023 Consumer Technology & Media Study (n = 4,023)
Note: Includes both ad-supported and ad-free paid video streaming services.
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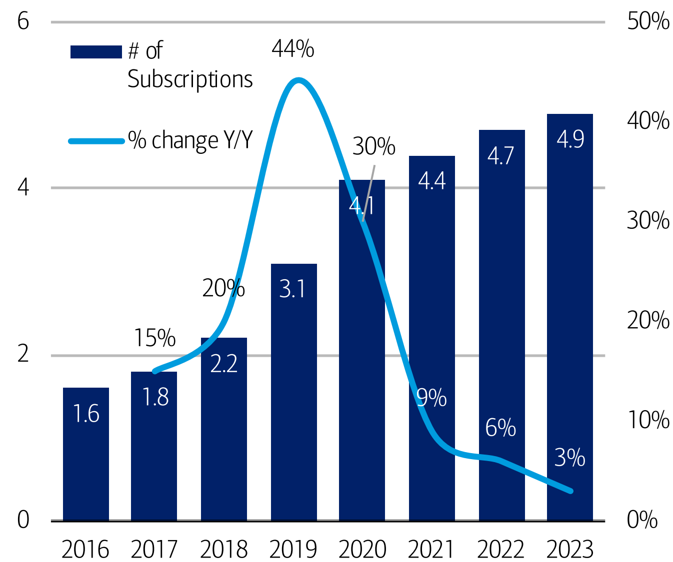
Exhibit 5: Average number of paid video streaming subscriptions owned per paying subscriber, US, 18+
Average subscriptions per user growth has tapered off and now stands at 4.9



Source: Activate Analysis, Activate 2023 Consumer Technology & Media Study (n = 4,023)
Note: Includes both ad-supported and ad-free paid video streaming services.
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Further complicating the outlook for subscriber growth is churn. The industry has raised price, almost across the board (Exhibit 6), in an attempt to accelerate revenue growth while simultaneously moderating content spending budgets to manage expenses and drive toward profitability (from significant losses for all, excluding Netflix). Given consumers cite cost as the top reason for churn (Exhibit 7), it is unsurprising that data from Antenna show that weighted average category churn in the US increased +34.5% Y/Y from 4.6% in June '22 to 6.1% in June '23 across 10 of the largest premium SVOD services. While lower cost AVOD platforms should be able to provide a net for some price sensitive consumers, generally, we believe only the top tier services will be able to balance raising price (extracting value from the consumer) at a time when they are simultaneously reducing the consumer value proposition (by reducing content expense growth and thereby output). As subscriber growth becomes more challenging, streamers will need to look for ways to reduce churn, alternative revenue sources, further cost discipline and potentially M&A to drive scale and profitability.

Exhibit 6: Monthly subscription price increases on select SVOD and AVOD services (Oct. 2021 price vs Current price)
As streaming platforms raise price...

	Oct. 2021 Price	Current Price	% Change
Netflix Premium (No Ads)	$17.99	$22.99	28%
Max Ultimate (No Ads)	N/A	$19.99	N/A
Hulu (No Ads)	$12.99	$17.99	38%
Max (No Ads)	$14.99	$15.99	7%
Netflix Standard (No Ads)	$13.99	$15.49	11%
Disney+ (No Ads)	$7.99	$13.99	75%
Paramount+ (No Ads)	$9.99	$11.99	20%
Peacock (No Ads)	$9.99	$11.99	20%
ESPN+	$6.99	$10.99	57%
Max Ad Tier	$9.99	$9.99	0%
Hulu Ad Tier	$6.99	$7.99	14%
Disney+ Ad Tier	N/A	$7.99	N/A
Netflix Ad Tier	N/A	$6.99	N/A
Peacock Ad Tier	$4.99	$5.99	20%
Paramount+ Ad Tier	$4.99	$5.99	20%

Source: Activate analysis, Company press releases, Company sites

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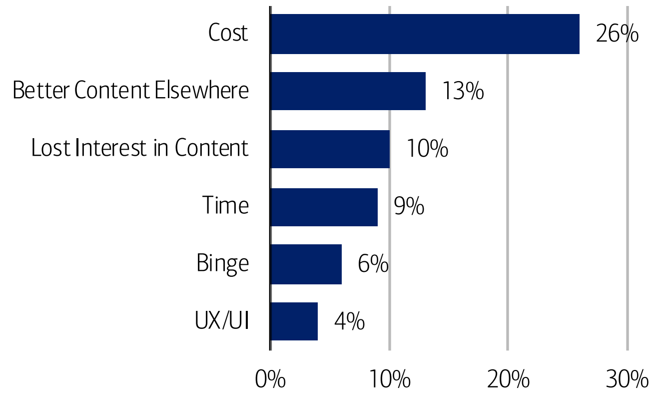
Exhibit 7: Top reasons for stopping use of select SVOD services (US, 2023, % churned users of select SVOD services)
...greater churn will be difficult to avoid.



Source: Activate analysis, Activate 2023 Consumer Technology & Media Research Study (n = 4,023).

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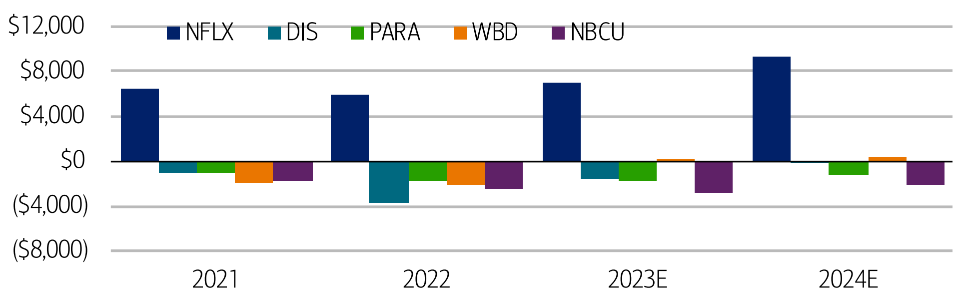
Exhibit 8: DTC Segment EBITDA for NFLX/DIS/PARA/WBD/NBCU
Media companies will focus on reversing losses in '24



Source: BofA Global Research estimates, Company Reports

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Theme 1: 2024: The year of the "new" bundle

While we do anticipate M&A activity in the year ahead (discussed further in theme 5), consolidation will also take the form of more commercial partnership/bundling agreements as well. It has been well documented that the bundling of streaming services (e.g. the Disney Bundle) dramatically reduces churn (a key driver of lifetime value) and reduces subscriber acquisition costs (SAC). We therefore expect a number of streaming services to initiate commercial agreements—especially as several streamers are launching ad-supported tiers—as a means to accelerate adoption of their streaming platforms in a more economically sustainable way. Recently, NFLX and MAX (owned by WBD) announced a bundling agreement with Verizon to offer their combined ad-supported tiers for $10. "New" bundles aren't limited to combining OTT services and can include linear subscriptions as well. As part of the most recent Charter/Disney carriage agreement, Spectrum TV Select Plus subscribers now have access to Disney+ ad-supported tier and ESPN+. We expect more deals mirroring the Charter/Disney agreement as the industry attempts to steady linear TV subscriber losses and simultaneously drive new ad-supported subscribers.

Exhibit 9: Illustrative WBD and Netflix standalone ad-supported LTV example
Standalone services drive higher revenue and ARPUs in the short term...

Lifetime Value
WBD Standalone

	CY23E	CY24E	CY25E	CY26E
US				
ARPU	$15.5	$16.3	$17.1	$17.9
/Churn	9%	9%	9%	9%
=Lifetime Value per subscriber	$182	$191	$201	$211

Netflix Standalone

US				
ARPU	$16.0	$16.8	$17.6	$18.5
Churn	5%	5%	5%	5%
Lifetime Value per subscriber	$320	$336	$353	$370

Source: BofA Global Research
Note:
ARPU and churn values are illustrative

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Exhibit 10: Illustrative WBD and Netflix bundled ad-supported LTV example
...but a bundled offering is a better long term proposition as it reduces churn and drives a higher customer lifetime value

Lifetime Value
WBD Consolidated Offering

	CY23E	CY24E	CY25E	CY26E
ARPU	$10.0	$10.5	$11.0	$11.6
/Churn	4%	4%	4%	4%
=Lifetime Value per subscriber	$286	$300	$315	$331
LTV/Sub Accretion	$103	$109	$114	$120

Lifetime Value
Netflix Consolidated Offering

	CY23E	CY24E	CY25E	CY26E
ARPU	$12.0	$12.6	$13.2	$13.9
/Churn	4%	4%	4%	4%
=Lifetime Value per subscriber	$343	$360	$378	$397
LTV/Sub Accretion	$23	$24	$25	$27

Source: BofA Global Research
Note:
ARPU and churn values are illustrative

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We use the recently announced bundling agreement of NFLX/Max ad-supported tiers through Verizon as an illustrative example to walk through the lifetime value and acquisition cost implications of bundling. As shown in exhibits 9-10, LTV/subscriber increases in the bundling scenario. While bundling necessitates streamers taking lower ARPUs (maybe modestly lower as advertising ARPU can make up for the reduced subscription revenue) and potentially lower revenues in the short term, it is made up for over the long term as customer lifetime value increases with lower churn rate. Further, SAC (Exhibit 11) can essentially be synergized in the bundling scenario as a large distribution partner (e.g. Verizon) can promote this new offering to their large existing subscriber base. We anticipate similar additional bundling agreements across the industry in the year ahead.

Exhibit 11: Illustrative WBD and Netflix standalone ad-supported SAC example
Subscriber acquisition costs can essentially be synergized in a bundling scenario

	CY23E	CY24E	CY25E	CY26E
Customer Acquisition Costs				
WBD				
Lifetime Value per subscriber	$182	$191	$201	$211
LTV/CAC	2.0x	2.0x	2.0x	2.0x
Subscriber acquisition costs (per sub)		$96	$101	$106
	CY23E	**CY24E**	**CY25E**	**CY26E**
Customer Acquisition Costs				
Netflix				
Lifetime Value per subscriber	$320	$336	$353	$370
LTV/CAC	3.5x	3.5x	3.5x	3.5x
Subscriber acquisition costs (per sub)		$96	$101	$106

Source: BofA Global Research
Note:
LTV and CAC values are illustrative

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Theme 2: Windowing/Third party licensing resumes

Aided by lower costs of capital and rapid growth, the last several years have been highlighted by significant investments to drive streaming growth. At the time, the rationale was to capitalize on the large greenfield opportunity with the clear priority of acquiring new subscribers. More recently, as market and industry conditions changed, traditional media companies are pivoting back toward more historical business models including content licensing and windowing of content.

The *Suits* effect: A return to third party licensing

As several media companies launched their own streaming services, there was a broad-based pullback of content licensing. The strategic rationale was each service would retain their respective content exclusively as a means to drive adoption, growth and engagement. However, this starved the companies of high margin revenue streams and the resulting engagement data over time indicated that retaining certain content exclusively was not as beneficial as the economics received from licensing out content to other services. This is leading to a reversion back toward historical models where content licensing/acquisition of 3rd party content is becoming a key component of content budgets/revenue mix. We believe this is prudent as library content that is not generating significant engagement can be monetized—thereby generating cash flow for traditional media companies and breathing new life into older shows (e.g. *Suits*)—while also enabling newer technology entrants to be more efficient and effective with their content portfolios (e.g. more balanced mix of new and 3rd party content). In addition, the airing of library content on 3rd party services often increases viewership on owned platforms for the same programming. This dynamic is likely to progress in ’24, particularly as reaching normalized output following the various 2023 talent strikes could take several months or longer.

Content sharing across platforms: a new profit engine

Given the continued secular challenges within the linear ecosystem, coupled with the outsized earnings/cash flows these businesses provide to traditional media companies as a whole, there is an increased desire to utilize linear channels as an additional “window” for programming. We see several benefits from this as a means to:

1) Be more efficient with content spending and marketing expenses (less marketing dollars are needed to promote a known show)

2) Take advantage of the complimentary viewing demographics between streaming (typically younger) vs. linear (typically older)

3) Sustain linear advertising by providing high quality content with a track record of success (which is more likely to drive viewing) and thereby support linear entertainment advertising.

As it becomes increasingly clear that linear businesses will be hard to divest (evidenced by DIS’ recent reversal in this regard), the existing need for the cash flows that the linear ecosystem generates coupled with the secular challenges in linear entertainment advertising, will drive “double dipping” of premium content across platforms. Examples already exist today (aided in part to the prolonged effect of the strike) which include *Yellowstone*, *Flight Attendant*, *The Staircase* and *Only Murders in the Building* among others. In each of these instances, the shows originally premiered on streaming and were then subsequently broadcast on a linear channel. Ultimately, we see this as becoming a licensing/syndication model 2.0 that will enable studios to get “multiple bites at the apple” and increase the ROI on content spend. Further, studios will increasingly seek to invest in content proven to work on a cross-platform basis. *While we believe we are still in early stages of this new content strategy, should this be able to extend the useful life of shows—thereby extending the long amortization tail—it could have a significant positive impact on profitability.*

Theme 3: Are sports rights peaking?

As the media industry continues to fragment, the value of certain content, and sports rights in particular, has commanded significant premiums due to sports’ capacity to drive real-time/live viewership and increased engagement. This is most evident in the wave of recent domestic sports rights deals. On average, recent sports rights renewals have commanded sizable increases in AAV and league owners are the primary beneficiary of these increases (Exhibit 12).

Exhibit 12: Notable recent sports rights renewals
Sports rights continue to see healthy premiums upon renewals

Sports League	Networks	Contract Years	Total Contract (mn)	Average Annual Value (mns)	Step-up
NASCAR	NBC/FOX/Amazon/TNT/CW	2025-2031	7,700	1,100	34%
	NBC/FOX	2015-2024	8,215	822	47%
NCAA Basketball	CBS/Turner[1]	2025-2032	8,787	1,098	37%
	CBS/Turner	2011-2024	11,225	802	65%
Summer Olympics	NBC	2024-2032	4,548	1,516	15%
	NBC	2016-2020	2,638	1,319	48%
WWE SmackDown	USA Network	2024-2029	1,435	287	40%
	Fox	2019-2024	1,025	205	N/A
MLS	Apple (Digital-only)	2023-2033	2,500	250	187%
	ESPN/FOX/Univision	2015-2022	692	87	336%
Formula One	ABC/ESPN/ESPN+	2023-2025	270	90	1700%
	ABC/ESPN	2020-2022	15	5	N/A
NFL	CBS/FOX/NBC/ESPN/Amazon	2023-2033	107,000	9,727	77%
	CBS/FOX/NBC/ESPN	2006-2013	24,996	3,125	42%
MLB	FOX/ESPN/Turner/Apple	2022-2028	12,883	1,840	18%
	FOX/ESPN/Turner	2014-2021	12,499	1,562	120%
PGA Tour	CBS/NBC/Golf Channel/ESPN+	2022-2030	6,133	681	80%
	CBS/NBC/Golf Channel	2007-2021	5,667	379	78%
Premier League	NBC/Telemundo Deportes	2022-2028	2,700	450	146%
	NBC/Telemundo Deportes	2019-2022	1,100	183	120%
Winter Olympics	NBC	2022-2030	3,098	1,033	19%
	NBC	2014-2018	1,738	869	32%
NHL	ESPN/ABC/ESPN+/Turner	2021-2027	4,407	630	211%
	NBC/NBC Sports (Versus)	2011-2020	2,022	202	189%
Serie A	CBS	2021-2024	227	76	N/A
La Liga	ESPN	2021-2029	1,400	175	N/A
UEFA	CBS/Univision	2021-2024	450	150	N/A
Bundesliga	ESPN+	2020-2026	180	30	N/A
World Cup	Telemundo/FOX	2018-2026	1,912	637	200%
	Univision/ESPN/ABC	2010-2014	425	213	143%
NBA	ABC/ESPN/TNT/TBS	2016-2024	23,513	2,613	181%
	ABC/ESPN/TNT/TBS	2008-2015	7,440	930	21%

Source: S&P Kagan, BofA Global Research
[1]Extension of existing agreement, not new negotiation

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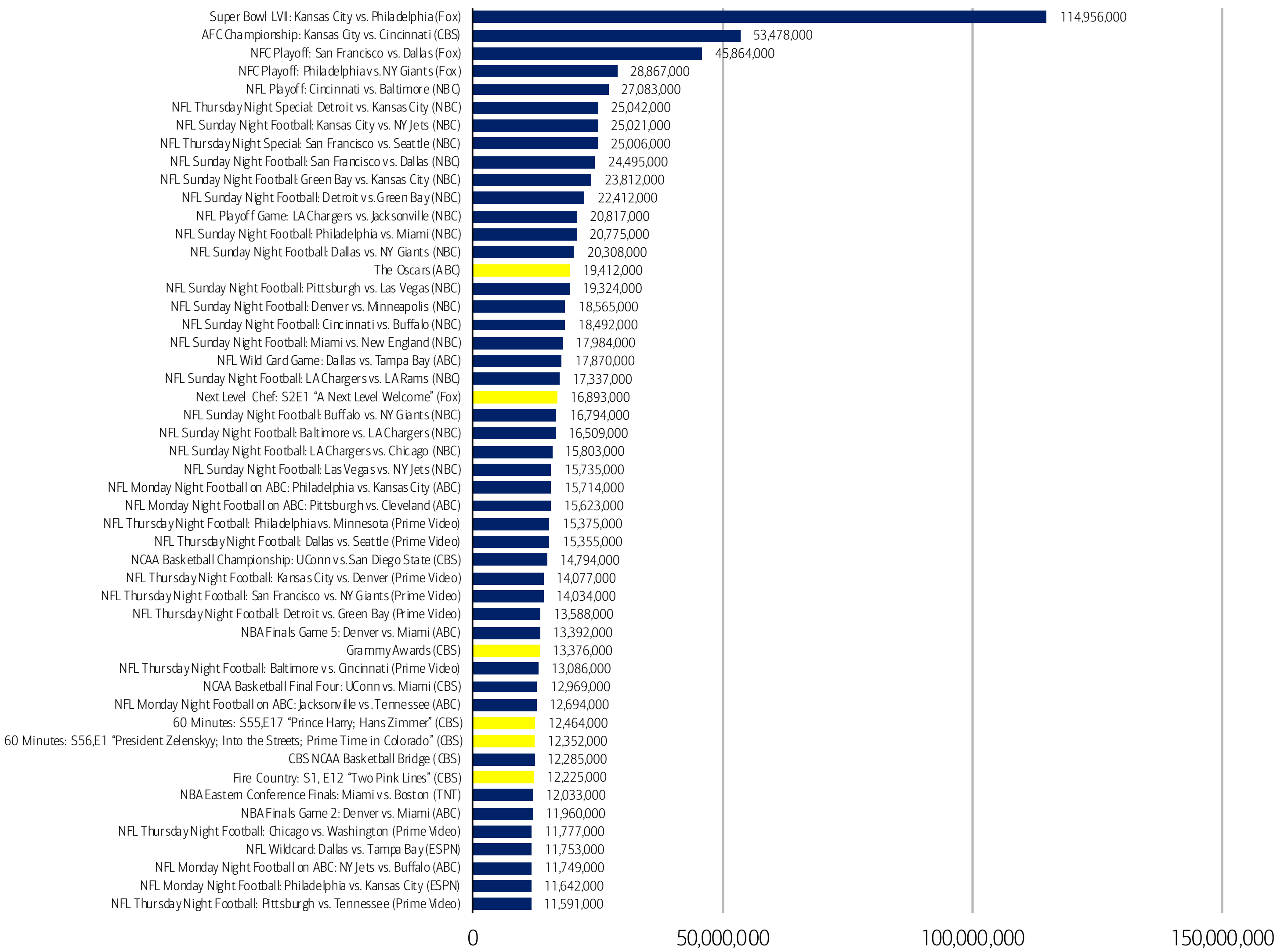
Sports rights have been seemingly insulated from the issues facing the traditional media industry due to the relative outperformance of sports advertising and ratings, as well as its necessity to the pay TV bundle. However, more recently there has been an increased concern that we are approaching "peak sports rights". This is driven, in part, by the underlying secular challenges within the traditional media ecosystem, which is impairing the financial capacity of several would be buyers to continue supporting ever increasing rights. As previously discussed, the transition to streaming has been, and remains costly, forcing traditional media companies to evaluate costs. Further, the unbundling of sports content from traditional cable packages will make the same level of sports viewership more costly, likely leading to more selective consumption from fans. Lower tier sports rights could be seen as expendable by media buyers as they contemplate areas of potential savings within their content portfolios.

Premium sports drive premium value

We believe there may be a separation forming between premium sports rights (NFL, NBA, College Football and College Basketball) and the rest of the sports ecosystem. With 2nd and 3rd tier sports rights, we anticipate media companies will be more selective in the premiums they are willing to pay and may inhibit the step up in AAVs that we have seen for other similar deals in recent years (notably NASCAR recently announced a ~40% increase in its rights fees by adding more media partners from 2 to 5).

On the other hand, we believe demand for top tier sports rights will remain robust. Sports programming continues to deliver near record viewership, despite continued cord-cutting, and has been a critical driver of linear advertising. Moreover, AAPL, GOOG and AMZN have signaled an interest to increase their presence in sports which adds additional, well-capitalized, buyers to the bidding process. The most notable upcoming sports rights deal will be the NBA, which is expected to garner a significant increase (at least a 2x increase from the current $2.6bn AAV) over its prior deal. We believe both incumbents, ESPN and Turner, value the NBA but are unlikely to pay the magnitude of increases that are being reported at their currently constructed packages. We believe a more likely outcome is the NBA is split up into multiple packages while introducing a large platform (e.g. AAPL/AMZN), which would serve to maximize reach across distribution platforms and increase the aggregate value of the media rights (possibly add international distribution).

Exhibit 13: Most-watched telecasts of 2023
Of the top 50 most watched broadcasts in 2023, 44 were sporting events



Source: Variety, Nielsen; 1/1/23-12/3/23
Note:
Blue = sports programming
Yellow = non-sports programming

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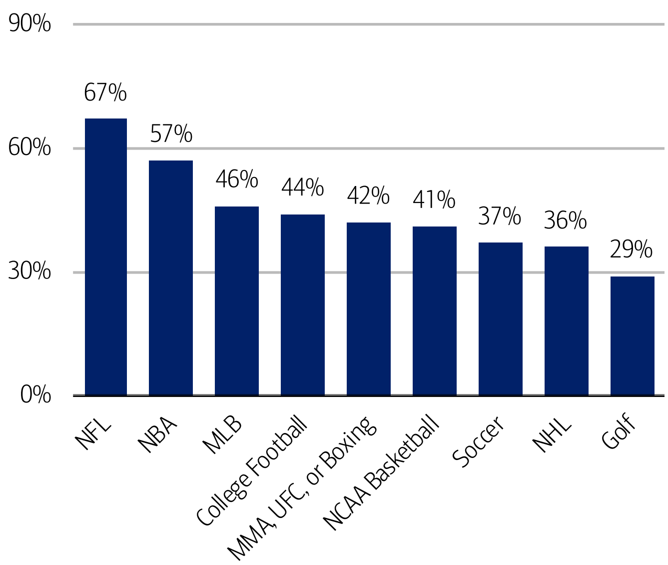
Sports ratings still knock it out of the park

Sports rights renewals remain strong because live sports still command a large - and live - audience, especially when compared to declining linear general entertainment viewership. In fact, in 2023, 44 of top 50 broadcasts were sporting events (Exhibit 13). And while linear ratings are generally declining (the top 10 most-watched networks in 2023 were down an average of 7% by number of viewers), the top 10 telecasts in 2023 had average viewership of ~39.4mn viewers vs ~37.9mn in 2022, indicating a still growing audience for primetime sporting events. Further, increasing adoption of sports gambling has driven consumer interest in live sports viewing (Exhibit 14). Sports gambling participation skews younger, an increasingly difficult demographic to keep within the pay TV ecosystem (Exhibit 15). Disney's recent partnership with Penn to enter sports betting with ESPN Bet indicates a growing sense of acceptance in the industry that there is a feedback loop between live sports viewing and sports gambling.

Exhibit 14: Percentage of sports gamblers who watch sports more than usual when betting on a game

Sports gambling drives increased viewership of live sports



Source: CRG Global; Variety Intelligence Platform "Sports Gambling & Media" report

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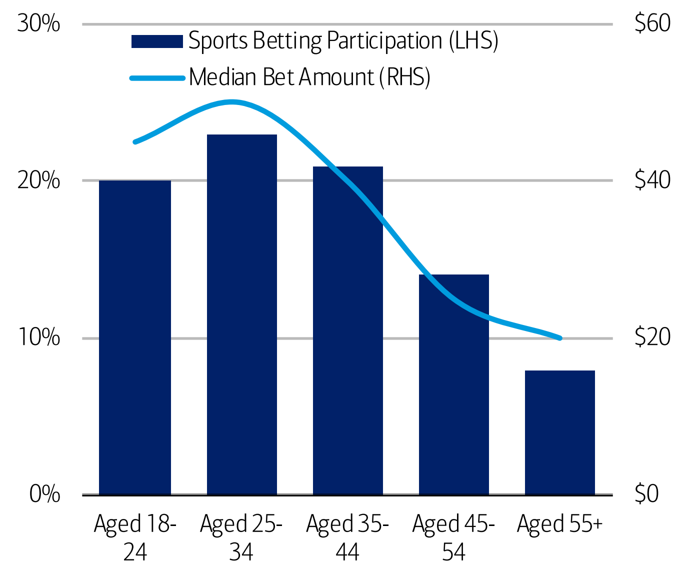
Exhibit 15: Sports betting participation and media bet amount by age group

Sports betting participation is higher in younger demographics



Source: Activate analysis, Activate 2023 Consumer Technology & Media Research Study (n = 4,023)

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Tech entrants should pick up the slack from incumbents

The emergence of new, well-capitalized, bidders outside of the traditional media ecosystem for sports rights should cushion the blow from weaker incumbents and support continued growth for sports media rights. Notably, Apple has had success in the early days of its new digital rights deal with the MLS (reportedly 10-years, $2.5bn vs prior deal of 7-years, $692mn), and press reports indicate Apple is considering bidding for Formula 1's global media rights as well. Additionally, Amazon's foray into live sports with Thursday Night Football, has seen ratings outperforming expectations. Further, Alphabet has entered the live sports arena as well, buying the rights to the NFL's Sunday Ticket subscription package for YouTubeTV.

Netflix looms large over the sports media landscape, given the company's reach as the largest streaming platform. Dramatized sports content including *Drive to Survive*, *Quarterback*, *Beckham*, and *Full Swing* has been successful for Netflix, leading to speculation that the company could dive into live sports. For now, Netflix has indicated they are comfortable sitting adjacent to live sports, although they were rumored to be a bidder for Formula 1's US rights in 2022 (Netflix could bid again when the US rights are up in 2025 given their global platform and their Formula 1 show, *Drive to Survive*). Netflix has dipped their toe into live sports with the *Netflix Cup* and the recently announced

Netflix Slam, which seek to amplify their existing sports programming. Any outright interest, or even indication of interest, that Netflix will be a serious bidder for sports media rights would be a boon to the market, in our view.

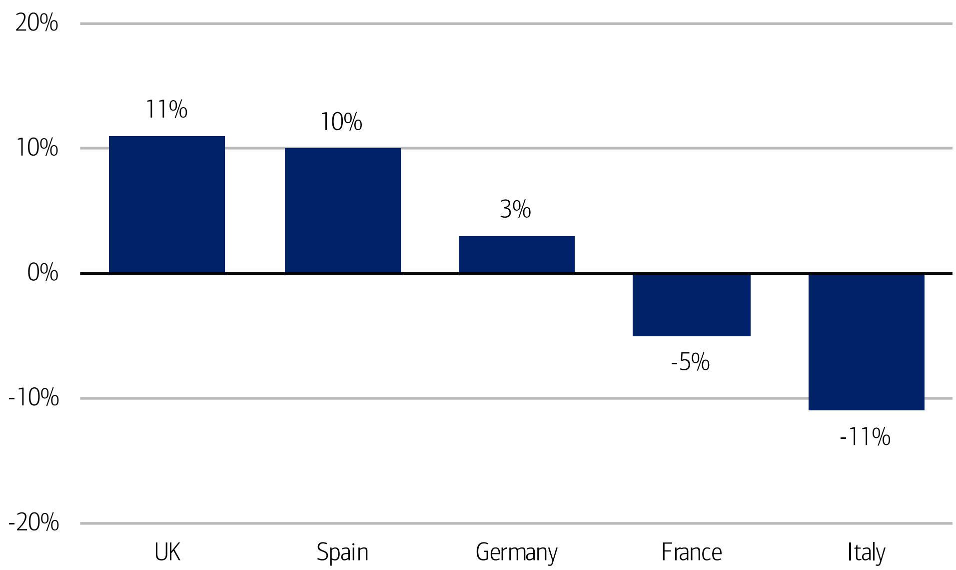
Cumulatively, the emergence of new, well-capitalized media buyers should continue to support this market and cushion a potential retracement within the traditional media ecosystem (as indicated by their moderation in content spending expectations).

European sports rights a harbinger of bad news?

European sports rights may offer an indication of the challenges that arise for sports rights in a splintering TV market. The UK and Spain are the only two of the major five European markets to post double digit gains in sports media rights spend since 2019, while France and Italy have seen outright declines (Exhibit 16). In fact, Serie A, a "Big 5" European soccer league and the top Italian league, took an AAV step down in October, with the final accepted bids from DAZN and Sky totaling €900mn per year, down from €930mn previously. The Premier League, the UK's top soccer league, renewal in December secured a £6.7bn deal (from £5bn previously), but the new agreement was an additional year and included many more matches. All in, the deal is just a 4% step up in annual revenue, far below what the major US renewals command. European leagues have transitioned their rights to OTT platforms more quickly than their US counterparts, and thus, the weaker recent renewals garnered by European leagues may foreshadow a similar fate for US sports leagues ahead of a continued US transition further into streaming.

Exhibit 16: Growth/decline in sports media rights spend between 2019 and 2023 in major European markets

Sports rights renewals have been mixed across the five major European markets since 2019



Source: Ampere Sports, Sports Pro Media

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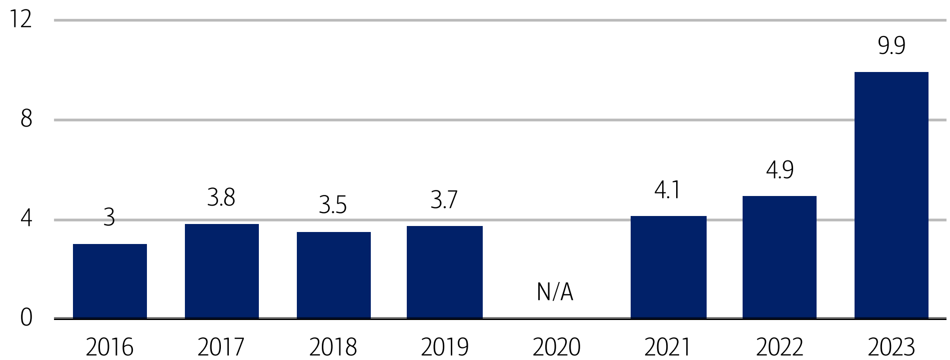
Theme 4: Women's sports on an uptrend

We see women's sports leagues as a smaller but emerging growth area in the sports ecosystem. A study from Wasserman Group shows media coverage of women's sports tripled in the 5 years through 2022. Data shows a large increase in ratings and interest for key women's sporting events. The 2023 NCAA Women's college basketball final on ABC between Iowa and LSU amassed almost 10mn viewers, up 103% from the previous year's final game (Exhibit 17). Nielsen data shows the WNBA draft audience increase 42% from 2022 to 2023 (+89% with female viewers).

Exhibit 17: NCAA Women's Basketball Championship Viewership (in millions)

The 2023 NCAA Women's Basketball final game garnered almost 10mn viewers (up 103% from the previous year's final)



Source: Sports Media Watch, Nielsen

Note: 2020 NCAA women's title game not played due to COVID-19 pandemic

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New media rights deals are reflecting the public's growing interest. Women's sports were the centerpiece of the recent rights renewal between the NCAA and ESPN. The new agreement is an 8-year deal worth $920mn ($115mn annually) and provides the rights to 40 NCAA championships—21 of which are women's championships. The deal is a nearly 3x AAV step-up, and representatives of the NCAA attributed 57% of the value of the deal to women's college basketball alone. Moreover, the National Women's Soccer League (NWSL) recently announced a new four-year contract beginning in 2024 with CBS, ESPN, Prime Video and Scripps sports. The new contract is worth $240mn total ($60mn AAV) which is a 40x increase from the NWSL's previous agreement.

Theme 5: M&A – A matter of "when" not "if" in our view

It has long been our view that the media industry needs to undergo another wave of consolidation. We believe we are inching closer to the tipping point. The secular decline in the linear subscriber universe is putting a tremendous amount of pressure on the earnings power of several media companies and the inherent challenges in the streaming business model (e.g. high churn, low switching costs, constant need to add fresh content to platforms, competition) are creating challenges for sub-scale media companies to fully recoup the lost economics of the linear TV ecosystem. Handicapping the precise timing of any transformational deal, or if one will take place, is difficult. However, we believe the challenging backdrop creates ripe conditions for consolidation. In our view, the three most likely companies to be impacted in the next 18-24 months are likely to be PARA, WBD and NBCU.

PARA has been the subject of continued M&A speculation in the press. Earlier in December, it was reported that Skydance was looking to acquire Shari Redstone's stake in National Amusements Inc. (NAI – the parent company of PARA). It is our view that Skydance would largely be interested in PARA's studio and its collection of IP, and we would not be surprised if most of the remaining assets are divested over time. We believe the strategic rationale for a transaction in this way would be the most cost-effective way to acquire control of PARA via the supermajority vote of NAI.

More recently, press reports indicate WBD and PARA held talks to discuss a possible combination of the two companies. As it currently stands, the talks are preliminary, according to press reports, with few details around the proposed structure, but early reports indicate WBD is also looking to acquire Shari Redstone's stake in NAI (although we remain skeptical). It remains unclear what the implications of this form of transaction, either with Skydance or WBD, would be to PARA shareholders—although we suspect it would be preferable for public shareholders to have a prospective buyer purchase the entire entity as the timing of executing a sale of the remaining assets is uncertain. We note none of the parties above have confirmed press reports.

Exhibit 18: Media company asset mix

Several overlapping capabilities among potential media consolidation combinations

		Market Cap	Content Assets					Distribution
Company	**Ticker**	Mkt Cap ($mn)	Film Studio	TV Studio	Cable Net.	Broadcast	Theme Park	SVOD/AVOD
Fox Corporation	FOXA	$14,381.63	☒	☒	✓	✓	☒	☒
NBC Universal (Comcast)	CMCSA	$174,165.20	✓	✓	✓	✓	✓	✓
Warner Brothers Discovery	WBD	$25,702.48	✓	✓	✓	☒	☒	✓
Paramount	PARA	$8,895.31	✓	✓	✓	✓	☒	✓
Walt Disney Co.	DIS	$163,721.76	✓	✓	✓	✓	✓	✓
Netflix	NFLX	$212,471.29	✓	✓	☒	☒	☒	✓

Source: BofA Global Research

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If PARA or NAI were to experience a change in control not involving WBD, we believe that could clear the decks for a potential WBD/NBCU merger. There are several potential combinations of how this transaction could be structured (e.g. Comcast could acquire WBD, NBCU/Sky could be spun off and merged with WBD etc.) but most importantly, the strategic rationale, as with a potential WBD/PARA merger, makes sense in our view, as the combined entity would have the scale to compete on a global basis along with significant revenue/cost synergy potential.

The combined IP libraries of WBD/NBCU would create a content powerhouse, including combining WBD's vast library of general entertainment with NBCU's animated/kids content. Additionally, in our view a merger would provide a potential path to a significant set of sports rights (including the NFL), while also avoiding potential regulatory issues involved with combining two broadcast networks (as with PARA and NBCU).

Theme 6: Gaming can be a new engine of growth

Similarly, as the media ecosystem looks for new areas of growth, we view gaming as a logical adjacent market. Gaming can be a means to monetize existing IP in a new way and bolster DTC offerings over time. We are already seeing media company success in gaming with WBD's launch of *Hogwarts Legacy* earlier in 2023 and gaming is clearly to be an increased area of focus and investment for WBD. Similarly, Netflix is two years into its own gaming strategy and has already launched 86 games in total, including 40 games in the past year. We anticipate Netflix to continue to build its capabilities in gaming as a means to drive further engagement on their platform.

Media companies have thus far taken a mostly build over buy approach to gaming. However, the possibility of a transformational acquisition of a major video game company cannot be ruled out given the synergistic potential of high value IP controlled by media companies alongside the game developing/publishing capabilities and expertise of the gaming industry.

Theme 7: AI – Biggest impact in animation and effects

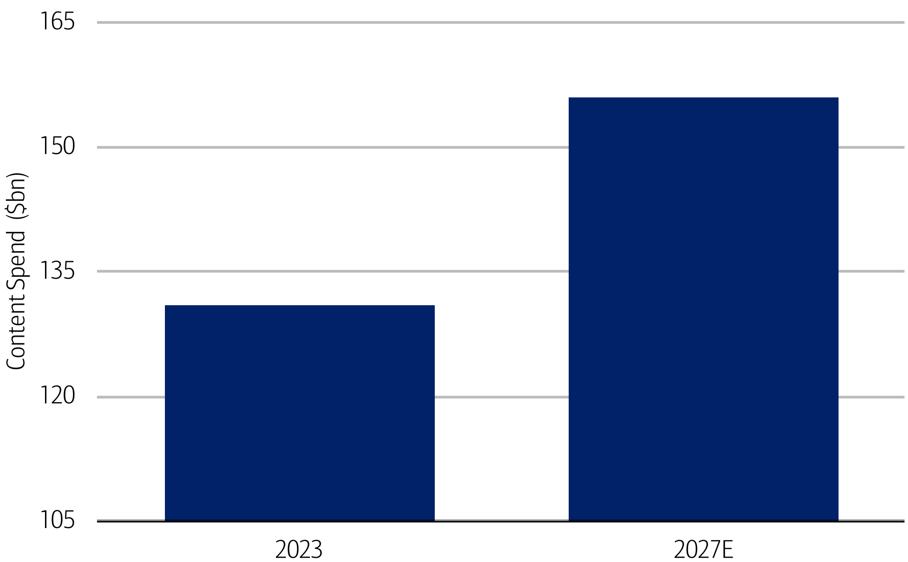
The proliferation of AI is likely to have a significant impact on the media industry in coming years. We believe the impact will be most pronounced in animation and visual effects as a means to speed up production times and thereby reduce production costs. The longer-term implications of this are less clear as it could either improve profitability for studios (assuming flow through of these savings), increased compensation for talent (due to increased profitability of a production) or increase capacity to spend more in other areas to enhance the overall project. While AI more broadly was a recent issue in the various strikes, we believe it is less likely AI is utilized as a direct replacement for writers with scripts or acting talent for the foreseeable future. In any event, as AI develops, talent will be able to address any changes in the next contract round in 3 years.

Ultimately, it is our view that the full extent of these animation and special effect capabilities are a few years away although we expect to see adoption build over time. For example, the act of "de-aging" stars can be expedited by AI presently which reduces significant time (thereby expenses) of manually altering individual images. We would not be surprised if AI could ultimately reduce animation and special effects costs in half over time. However, it should also be noted that even with the advent of new technology throughout the years, the cost of production has only increased and we believe it is premature to assume studios will accrue the totality of these savings.

Theme 8: Content Spending – Rate of growth likely to slow

An increased investor focus on profitability alongside the various strikes created an opportunity for several media companies to reassess their content budgets. Ultimately, we believe content volumes will decrease from prior peak levels as focus shifts to quality vs. quantity. Therefore, we believe content spending for traditional media companies will decline from prior peak levels. However, with the introduction of new content buyers such as AAPL and AMZN the absolute aggregate dollars on industry content spend are likely to remain stable with an upward bias over time—though clearly not at the growth rates that have been seen over the last several years. It will take 3-6 months for the industry to return back toward more normalized output levels post-strike, as the entire industry works through various bottlenecks within the content creation process. Therefore, we anticipate film and TV content release slates to be impaired in 1H24 with a return to more normalized levels in 2H24 and into CY25. In the interim, this is likely to drive increased content sales and licensing to support revenue/profits while also providing new content for various platforms.

Exhibit 19: Global Content Spend Expectations
Global Content spend is expected to grow at a 4% CAGR through 2027E



Source: Activate

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According to Activate 2023E global cash content spending was $131bn and is expected to increase to $156bn by 2027E (a ~4% CAGR vs a ~9% CAGR from 2019-2022). We believe the key drivers of this include: 1) Continued growth in sports rights both in the form of existing rights agreements which have built-in escalators along with new upcoming deals such as the NBA, 2) the continued presence of new Tech buyers who have significant financial capacity to invest in content and 3) competition for subscribers which will require investments in new content (including local language). These will be counterbalanced by potential consolidation of media companies/streaming services, investor focus on profitability and decline in content volumes as focus shift towards quality vs. quantity. In this environment, sub-scale providers will struggle to keep up and will ultimately need to find additional partners to reach the scale required to compete on a global scale, in our view.

Theme 9: Live – Funflation in full force

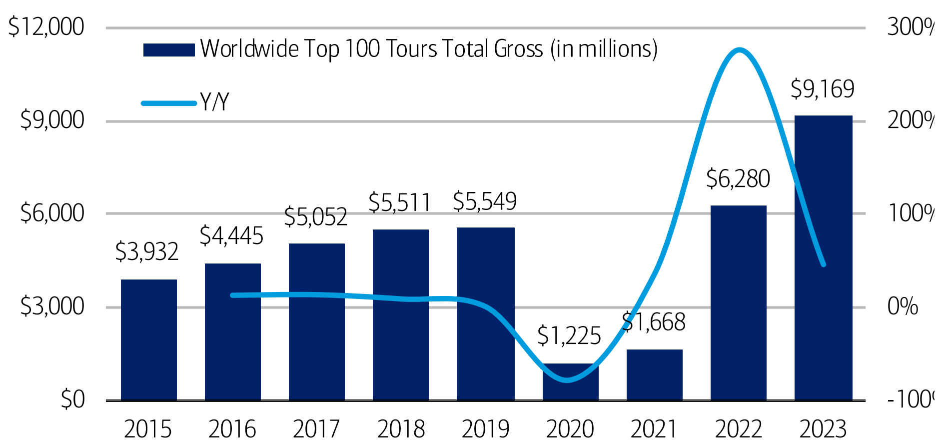
The Media and Entertainment industry has been under significant secular pressure for many years with cyclical concerns also developing more recently due to the pandemic and its aftermath. As previously discussed, the video ecosystem is undergoing an enormous transformation as distribution methods evolve, which is having downstream impacts on broadcasters, general entertainment cable networks, regional sports networks, and the broader studio and film businesses. Similarly, many aspects of the music industry have been pressured as old business models were transformed and replaced with less profitable distribution. Recorded music sales have only recently surpassed previous peaks, which were established in 1999. However, one area in the Media and Entertainment universe that remains resilient is Live Entertainment. We believe several of the underlying supply and demand drivers will power growth in coming years and will continue to be an area of relative outperformance vs. other segments of the M&E industry.

In our view, there are several sustainable and longer-term key drivers that will fuel solid growth for a number of years, namely: (1) continued consumer spending shifts toward services due to favorable demographic trends and the continued rise of the "experience" economy; (2) healthy pricing power given the robust demand and opportunity to better implement dynamic pricing; (3) positive supply and demand trends as artist and event discovery is enhanced by social media and new platforms (e.g. TikTok), while artists are becoming more global and developing markets (e.g. Latam) offer new avenues of fan growth; (4) live is a relatively disruption proof business as virtual methods to generate similar experiences will likely remain incomparable to actual live events; and (5) sponsorship and the advent of experiential marketing. On the risk side, we see the macro environment/consumers' willingness to spend during a potential downturn and regulatory as the two biggest overhangs in the near term.

The show is just getting started

The Live Entertainment industry has been one of the most robust growth engines of the music industry over the past 20+ years. While, unsurprisingly, live events were dramatically impaired by COVID-19, consumer demand for Live Entertainment has come roaring back since exiting the pandemic. Driven by the pent-up demand for experiences, consumers have flocked in droves toward live events and concerts—the top 100 music tours generated a massive ~$9.2bn in 2023, 46% higher than 2022 and 65% higher than 2019, the last pre-pandemic year. In addition, the proliferation of streaming along with new social media platforms (e.g. TikTok) has accelerated artist discovery and have provided new mediums for artists to grow their fan bases globally.

Exhibit 20: Worldwide Top 100 Tours Total Gross (in millions)
Total gross of the Top 100 tours surged 46% Y/Y in 2023, even following a very strong 2022



Source: Pollstar

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This backdrop has supported supply and demand tailwinds which all appear to be sustainable over the next several years. We view several of these intermediate to longer term drivers as sustainable and believe this sub-segment of the music industry should continue to outperform driven by: 1) Consumer spending shifts toward services and away from goods, 2) demographic shift in preferences toward experiences among the younger millennial and Gen Z population – which are also becoming more important elements of the workforce with increasing incomes and wealth as a result, and 3) the intersection between social media and music which is driving artist and event discovery, and also helping to drive demand by enabling experience sharing.

Exhibit 21: Top 10 Worldwide Tours in 2023

Taylor Swift's Eras Tour headlined a massive year for live music, becoming the first tour to gross over a billion dollars in 2023

Artist	Total Gross ($mn)	Average Ticket Price	Total Tickets (K)	Average Gross ($K)
1 Taylor Swift	$1,039.26	$238.95	4,349	$17,321
2 Beyonce	$579.81	$208.80	2,777	$10,354
3 Bruce Springsteen & The E Street Band	$379.50	$109.62	3,462	$5,750
4 Coldplay	$325.46	$113.95	2,856	$6,509
5 Harry Styles	$290.55	$109.01	2,665	$4,924
6 Morgan Wallen	$284.84	$198.29	1,436	$5,934
7 Ed Sheeran	$268.02	$105.16	2,549	$4,963
8 P!NK	$231.68	$153.54	1,525	$5,322
9 The Weeknd	$220.99	$100.05	2,206	$5,262
10 Drake	$184.93	$259.99	711	$4,300

Source: Pollstar

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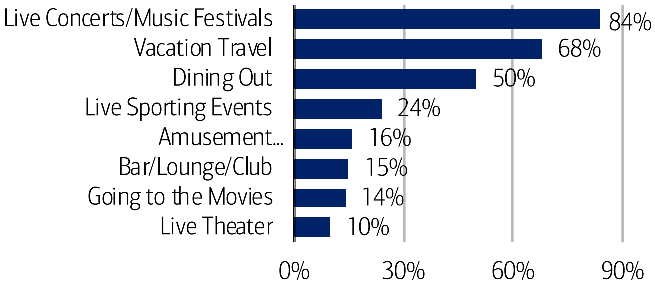
Live demand trends remain exceedingly strong

The live event/concert space will benefit from both improving supply trends (i.e. more artists willing to tour) and consumer demand trends for a number of years, in our view. Indeed, the demand side of the equation has a number of elements which will drive continued interest: (1) the continued rise of the "experience" economy as approximately 75% of younger demographics (Gen-Z and Millennials) express they prefer to spend on experiences over tangible products in various recent surveys, (2) of all experiences, live concerts are a top priority—a survey from Live Nation points to live concerts and music festivals as consumer's number one experience priority and the last experience they'd cut back spending on (Exhibits 22 & 23). (3) the continued impact of social media as surveys have indicated that ~60% of Millennials prefer to engage in experiences for the sole purpose of sharing them through social media and (4) the increased purchasing power of both Millennials and Gen-Z as they become more important members of the workforce and receive concomitant increases in income.

Exhibit 22: Survey question: "Please rank the following types of experiences from the experience you prefer to spend on from the most to least"

Consumers rank live concerts/music festivals as their top priority experience



Source: Live Nation, 2022 Survey

Note: Percentages are the share of users who ranked category in the Top 3

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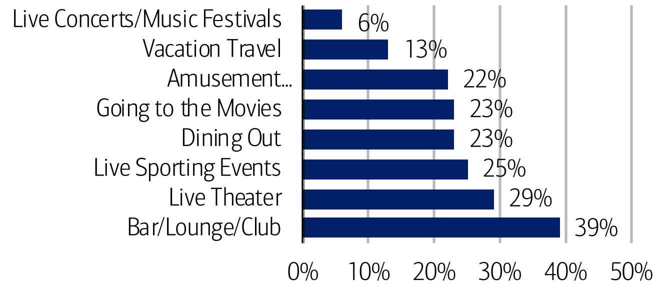
Exhibit 23: Survey question: "If you had to cut back on spending, where would you first cut back"

Consumers rank live concerts/music festivals as the last experience they'd want to cut back



Source: Live Nation, 2022 Survey

Note: Percentages are the share of users who ranked category in the Top 3

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Supply side and artist discovery

Live music plays an outsized role in an artist's overall strategy today versus the past, as touring has supplanted album sales as the main driver of revenue for top artists. When studying the top 20 highest paid artists of 2021 (the most recently available data), touring accounted for ~73% of overall earnings for the median artist. That number has likely grown in 2022 and 2023 given pandemic-era touring challenges in 2021. Additionally, artists are eager to get back on tour after years of being sidelined during the pandemic. Notably, Live Nation recently called out a growing pipeline for early 2024 in arena/amphitheater/stadium shows, while MSGE management noted on its F3Q23 earnings call that the company expects to generate a double-digit percentage increase in events in FY24 vs. FY23.

The globalization of music

The global growth of streaming and the prevalence of social media enable artists to gain worldwide popularity with unprecedented speed and scale. The more global nature of music broadens the overall pipeline of artists in the touring ecosystem and gives performers the opportunity to extend their tours to a range of international stops. Taylor Swift has added multiple extensions to her ongoing Eras tour with new stops in South America, Central America, Europe, Asia and Australia.

The globalization of music isn't just growing demand but supply of music has improved as well. In Live Nation's 2Q 2023 earnings release, the company noted that international acts have doubled representation in the top 50 tours over the last five years. Digital Service Providers (DSPs) allow for an ease of music discovery previously not possible and significantly widen the pool of potential mega stars. LatAm in particular has been a major driver for new music and therefore, new global touring acts. Between 2020 and 2022, Latin music grew 55.3% in album consumption in the U.S., according to Luminate, versus the overall industry's 21.6% growth. Further, according to the Recording Industry Association of America (RIAA), Latin music revenue exceeded $1bn for the first time in 2022, a 24% annual increase over 2021. Almost all of that revenue was from streaming. The highest grossing tour of 2022 belonged to Latin artist Bad Bunny, the poster child for the boom in Latin music and one of the most popular artists globally. Bad Bunny's album, *Un Verano Sin Ti*, became the first non-English language album to ever top the Billboard 200.

Social media virality can transform no-names into stars overnight

For years, the objective of discovering new talent was the purview of recording or publishing Artist & Repertoire (A&R) representatives, but today, social media has become a major driver of new artist discovery. Social media virality can break new careers and make relevant music long forgotten by general public. An excellent example of a rise to stardom out of obscurity is Oliver Anthony. In August, Oliver Anthony became the first artist to ever launch at No. 1 on the Billboard Hot 100 songs chart with no prior chart history in any form, after a video of his song "Rich Men North of Richmond", originally posted to YouTube by radiowv, went viral across social media. Additionally, the song sat at No. 1 on the Billboard Streaming Songs chart for multiple weeks in August indicating how social media and streaming popularity feed off each other.

TikTok's growing role in talent discovery and fan connection

As TikTok's culture footprint grows, so does its importance to the music industry. Songs that trend on TikTok often make it to the charts. And according to a November 2021 study conducted by MRC Data for TikTok, 67% of the app's users are more likely to seek out songs on streaming platforms after hearing them on TikTok. Record labels now have dedicated teams to monitor TikTok, in an attempt to capitalize when a new trend or artist gains traction on the platform. Additionally, music marketers have struck song promo deals with influencers to tap into the mass number of followers on the app. As a sign of the platform diving deeper into the music, TikTok has launched a platform to sign and develop new artists called SoundOn, and there is speculation that the social media platform may eventually roll out its own streaming competitor to Spotify and Apple Music. The increasing presence of social media will play a major role in ensuring the next generation of stars to fill the shoes of legacy, stadium-filling rock stars (The Rolling Stones, Paul McCartney, The Eagles and Elton John) as well as today's megastars (Taylor Swift, Harry Styles, Drake, Ed Sheeran and Beyoncé).

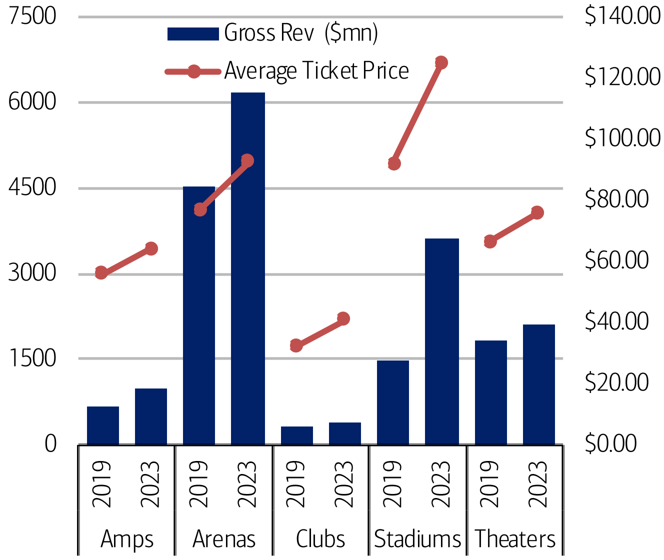
Dynamic pricing: A balancing act

Dynamic pricing is a tactic used by ticket sellers in an attempt to adjust pricing to match consumer demand. Live Nation designates tickets as "Official Platinum Seats" when using their market-based pricing program, and the company estimates 80%+ of their tours utilize platinum in some capacity. Generally, front of the house seats will be subject to pricing to demand, while the middle and back of the house seats will be priced to optimize attendance and gross. Further, better data and data collection will allow ticketers to optimize pricing for each show in many different locations. Artists and their teams typically keep the excess economics on higher ticket prices. Live Nation estimates optimizing sell through and pricing is a $100mn Adjusted Operating Income (AOI) opportunity in their concert business.

Recently the industry has taken steps to embrace dynamic pricing. Per Pollstar, the average ticket price across the top 10 North American tours in 2023 was ~$215 vs ~$158 in 2022, and average ticket prices across every venue type were higher in 2023 than in 2019 (without a drop off in gross revenue or tickets sold). Further, as an example of shifting artist attitudes, Bruce Springsteen allowed Ticketmaster to utilize its dynamic pricing model to sell tickets to his most recent tour following years of underpricing tickets versus market value. However, there remains significant whitespace, as the existence of a roughly $5bn secondary market for concert tickets is, in itself, an indication of further opportunity to expand dynamic pricing capabilities.

Exhibit 24: Worldwide gross and average ticket price totals by venue (2023 vs 2019)

2023 saw a jump in overall gross revenue vs 2019



Source: Pollstar

Notes: Top 100 Amphitheaters and Stadiums; Top 200 Arenas, Clubs and Theaters

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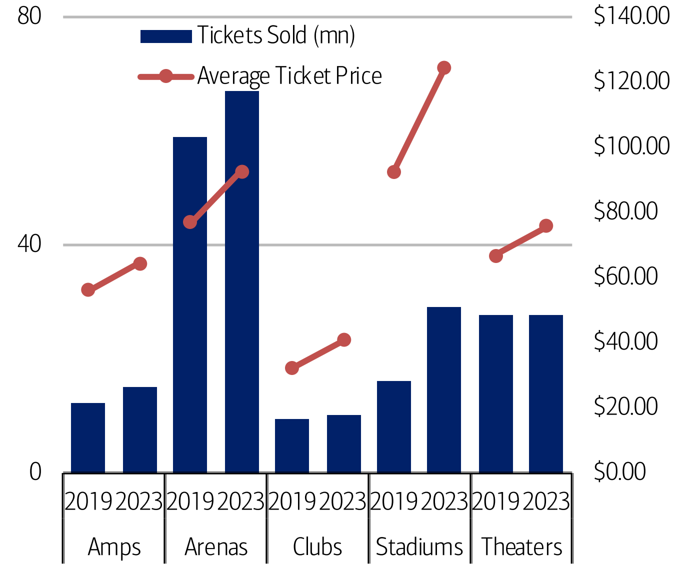
Exhibit 25: Worldwide tickets sold and average ticket price totals by venue (2023 vs 2019)

Average ticket prices were up for every type of concert venue in 2023 vs 2019



Source: Pollstar

Notes: Top 100 Amphitheaters and Stadiums; Top 200 Arenas, Clubs and Theaters

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Notably, final pricing decisions ultimately rest with the artists. The promoter provides pricing input, advice and tools, but artists and their teams have final say on how their own shows are priced, often taking into consideration image and brand, in addition to price. While many artists may balk at the sticker shock of high primary market prices, the alternative is huge markups in the secondary market and ticket speculators making large profits while artists and their teams are excluded from the economics above face value.

Dynamic pricing creates a difficult conundrum for artists and their teams. Artists have different considerations based on the demographic makeup of their fans. For example, an artist with a younger fan base may want to price tickets under market to help grow fan engagement, while an older artist with a more established fan base and likely more affluent fans, could see more value in pricing tickets to true demand. Recently, this dilemma has played out across the live music landscape, with many of the world's biggest artists attempting to strike a balance between price optimization and fan service.

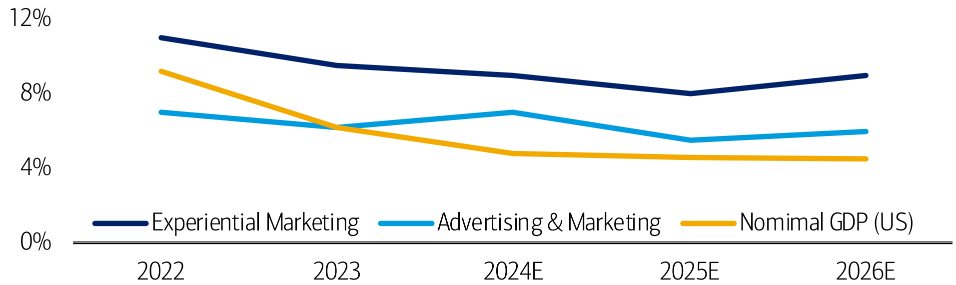
Experiential everything: taking advantage of the live boom

Media companies typically outside of the event promotion and music sub-group are attempting to cash in on the strength in live and consumers' appetite for all things experiential. WBD continues to add events based around Harry Potter, including studio tours, interactive experiences, and immersive exhibits. We anticipate more IP will be exploited over time, given WBD's expansive library and its hiring of a "franchise" executive. Similarly, Netflix has enjoyed early success with experiences based on *Bridgerton* and *Stranger Things*. Netflix plans to open "Netflix House" in 2025, new immersive destinations for fans to shop, dine and have live experiences based around Netflix shows.

Experiential advertising increasingly important for brands

Live music provides a unique opportunity for advertisers to connect their brand to a coveted, generally positive consumer experience. More specifically, experiential advertising is becoming a more important tool for marketers and its growth is projected to outpace overall US advertising and marketing spend by three to six percentage points from 2022-2026, according to PQ Media. Additionally, experiential marketing posted consistent growth for two decades leading into the pandemic, despite strong headwinds negatively impacting other digital and traditional media. Another benefit of experiential marketing is that it helps to reach demographics (Millennials, Gen-Z) which are difficult to reach through traditional advertising methods (e.g. linear TV, radio). From 2019-2022, Live Nation points to a 37% increase in onsite sponsorship per fan driven by enhanced brand integrations at its events.

Exhibit 26: Experiential marketing vs. overall advertising and marketing in the US
Experiential marketing is expected to outpace overall advertising growth



Source: PQ Media, BofA Global Research

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Increasing regulatory scrutiny

One of the offsets to having strong consumer demand for live events is that it has created ticketing-related challenges and significant frustration for the fan bases of numerous tours. As such, there is increased risk that new legislation may be passed that impacts the Live Entertainment ecosystem.

Breaking-up is hard to do

In 2010, the DOJ approved the merger of Live Nation and Ticketmaster but required the new entity to operate under a consent decree through 2019 (which was subsequently extended to 2025). The rationale behind the consent decree was Live Nation's vertical integration across the value chain could be used to drive their market power to pressure venues to direct business toward other Live Nation sub-segments (e.g. Ticketing). Taylor Swift's concert ticket release controversy in late 2022 put the live industry under a microscope. In November 2022, The New York Times reported Live Nation was under investigation to determine whether the company has abused its power over the Live Music industry.

Breaking up companies based on Section 2 of the Sherman Act is rare. Indeed, the last time a company was broken up by the government due to a successful anti-trust case was in 1982 when AT&T was separated into a long-distance company and seven regional phone companies. In 1999, the Justice Department sued Microsoft and won the original case. However, the decision was overturned on appeal and eventually settled partially due to a transition from the Clinton administration to the Bush administration.

There appears to be a wide range of possible outcomes from this investigation ranging from a forced break up of Live Nation at one extreme to the status quo if the DOJ finds no additional wrongdoing at the other extreme (the DOJ has revealed instances of misconduct previously however they were captured as part of the extension of the Consent Decree). Notably, Live Nation has pointed out that the company has lost share in ticketing since the 2010 merger, while at the same time venues have received a greater share of revenue. Ultimately, this decision will have a significant impact on the live entertainment ecosystem.

We believe our analysis underscores the value of vertical integration within the ecosystem and exposure to each part of the value chain within Live Entertainment. Being vertically integrated provides significant scale and competitive advantages over individual players within each sub-group. The primary disadvantages of not being vertically integrated are: 1) it will be more difficult to expand internationally and 2) ancillary businesses give a competitive advantage in bidding for talent/content with the ability to recoup those economics in other areas of the value chain (e.g. ticketing).

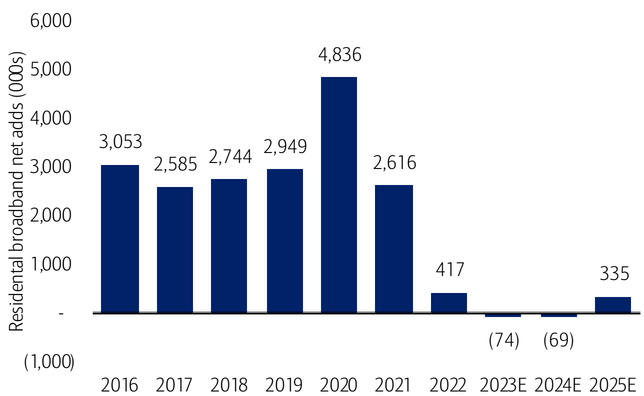
Industry has been proactive

Legislators have been focused on rising ticket fees and exorbitant secondary market ticket prices. The industry overall appears to be taking a more aggressive posture and are proactively engaging with policy makers. In February 2023, Live Nation announced their support of the Fair Ticketing Act which supports artists' ability to decide resale rules, make it illegal to sell speculative tickets, expand the BOTS Act, and mandate all-in pricing.

Theme 10: Cable broadband sub growth – lower for longer

In 2023, cable broadband operators likely lost subscribers for the first time in the industry's history. Specifically, across eight cable operators we track we estimate that only Charter will report positive net adds in 2023. Notably, Charter management has highlighted that they expect the company to report a net loss of broadband subs in 4Q23 – the company's only quarter of losses during 2023. In our view, given likely positive net adds from new homes as part of Charter's RDOF (Rural Digital Opportunity Fund) build, this indicates that losses in the legacy footprint have increased as a result of still burgeoning competition which we believe will remain an issue throughout 2024 for cable companies.

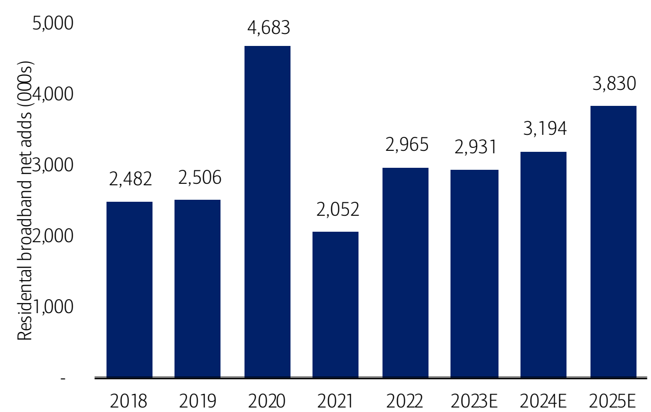
Exhibit 27: Cable Residential Broadband Net Adds
We project 2024 will be the second consecutive year of net broadband losses for the cable industry



Source: BofA Global Research estimates, company report

BofA GLOBAL RESEARCH

Exhibit 28: Total U.S. Broadband Net Adds
BofA projects ~3.2mn broadband net adds in 2024



Source: BofA Global Research estimates, company report

BofA GLOBAL RESEARCH

Living on the *edge* – cable broadband growth dependent on edge outs

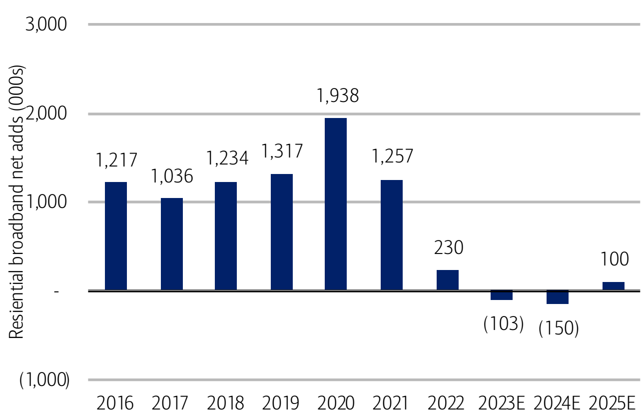
We forecast cable broadband subscriber growth will remain negative in 2024 as: (1) competition continues to ramp as both fixed wireless access (FWA) and fiber overbuilders continue to deploy; (2) the broadband industry is relatively mature with penetration at greater than 85% of occupied households, which limits upside potential; (3) less affluent households will continue to return to mobile-only data usage; (4) move activity and new housing formation are likely to remain muted, particularly if interest rates remain relatively elevated throughout much of the year and (5) the Affordable Connectivity Program (ACP) could be at risk which could drive incremental sub losses due to the lack of subsidies. On this last point, on January 8th, Chairwoman of the FCC, Jessica Rosenworcel, sent a letter to the Chair of the Committee on Commerce, Science and Transportation requesting more funding but also indicating that without additional funds, the FCC would look to begin unwinding the program during that week. The program helps to subsidize broadband for 22.5mn total subs and we believe that Charter is the largest beneficiary. Subsequent to the FCC Chairwoman's letter, there was a bi-partisan bill, the Affordable Connectivity Extension Act, proposed by a bi-partisan group of senators and representatives that would provide an additional $7bn in funding (vs. $17bn appropriated thus far and $4bn remaining appropriations available for disbursement).

Specifically, we forecast cable broadband net losses of -69k, with historically high losses for Comcast, partially offset by modest net adds from Charter largely driven by that company's rural digital opportunity fund (RDOF) deployments and incremental line extensions. Our 69k broadband net loss forecast for the industry in 2024 is essentially in line with our -74k forecast for 2023. We note that with broadband sub trends clearly worsening in 4Q23 for cable operators (-119k net loss in 4Q23 vs. +45k in the first three quarters of 2023) we believe there is likely more risk to the downside for our projection vs. potential upside.

Facing increasing competition and rising data usage, ATUS, CHTR and CMCSA are each investing to improve their networks. As a result, and in combination with relatively muted EBITDA growth, we project 2024 will be another year of depressed FCF for the cable industry, with FCF declines estimated for Charter (-12% Y/Y FCF and a 48% decline vs. 2022) and only modest gains for Comcast and Altice USA. However, we project ATUS's FCF to remains significantly below results of just a couple of years ago (-65% FCF vs. 2022 and -90% vs. 2021). While we believe operators are correct in investing for future growth, it will take time to see the fruition of these investments and more robust revenue growth.

Exhibit 29: Comcast Broadband Net Adds

Comcast has stated broadband subscriber growth will remain challenged

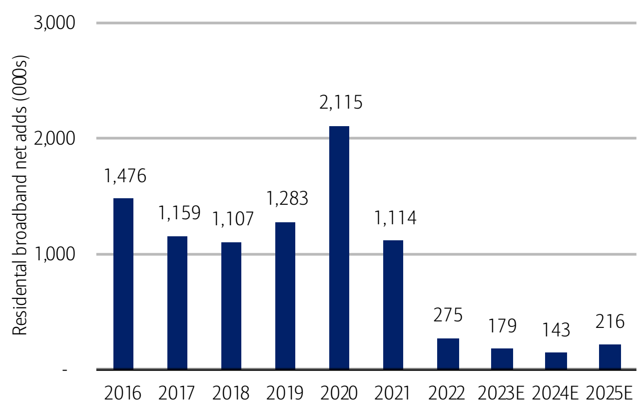


Source: BofA Global Research estimates, company report

BofA GLOBAL RESEARCH

Exhibit 30: Charter Broadband Net Adds

We forecast modest broadband net adds for CHTR in 2024, supported by its RDOF efforts



Source: BofA Global Research estimates, company report

BofA GLOBAL RESEARCH

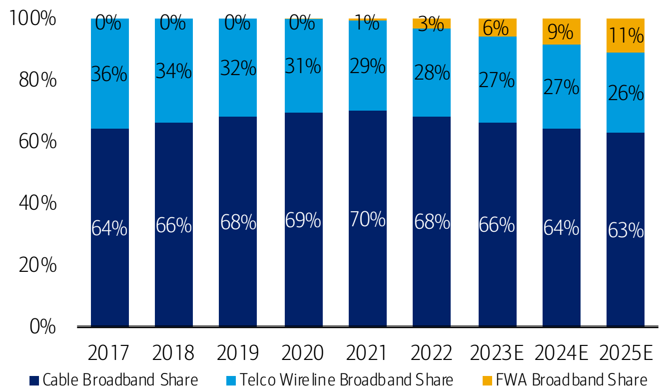
Industry broadband penetration

According to the Census Bureau, there are currently 130.4mn occupied households (145.6mn total housing units) in the US. We estimate that there are ~109mn total broadband subscribers across major cable and telecom operators. This equates to ~83% broadband penetration at the end of 2023. Assuming ~4-5mn more subscribers from smaller cable and satellite operators across the country, we believe that total residential broadband penetration is likely now above 85%. Footprint expansion into more rural areas will support further subscriber growth (though at generally lower ARPU) for operators pursuing more aggressive line extensions and buildouts, however secular broadband gains will remain challenging in 2024 and beyond as the industry faces maturation.

Not clear cable wins "jump balls" if household movement resumes

Considering cable's incumbent broadband position, it will remain difficult for operators to maintain their current level of broadband market share moving forward, in our view. Additionally, while the industry has highlighted historically low levels of churn due to the lack of household movement, we believe that cable operators are likely overestimating their competitive positioning if US households begin to move again. Indeed, we believe that given the current environment and cable's incumbent position, an increase in household movement may be a detriment to cable operators.

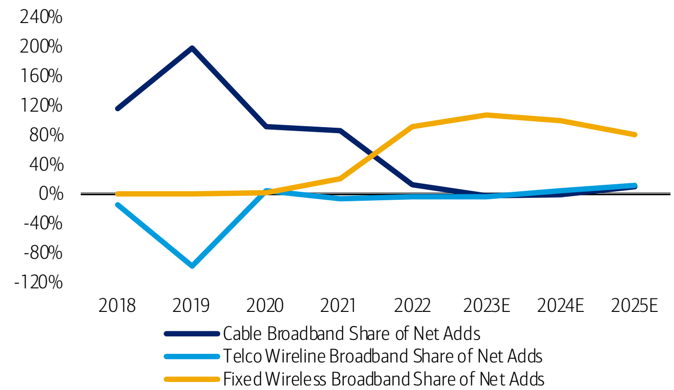
Exhibit 31: Cable Still Maintains a Significant Broadband Share Lead
Increasing competition from FWA and fiber will lead to broadband share losses for cable operators



Source: BofA Global Research estimates, company report

BofA GLOBAL RESEARCH

Exhibit 32: Share of Broadband Net Adds
Cable share of broadband net adds will remain muted as FWA continues to capture share



Source: BofA Global Research estimates, company report

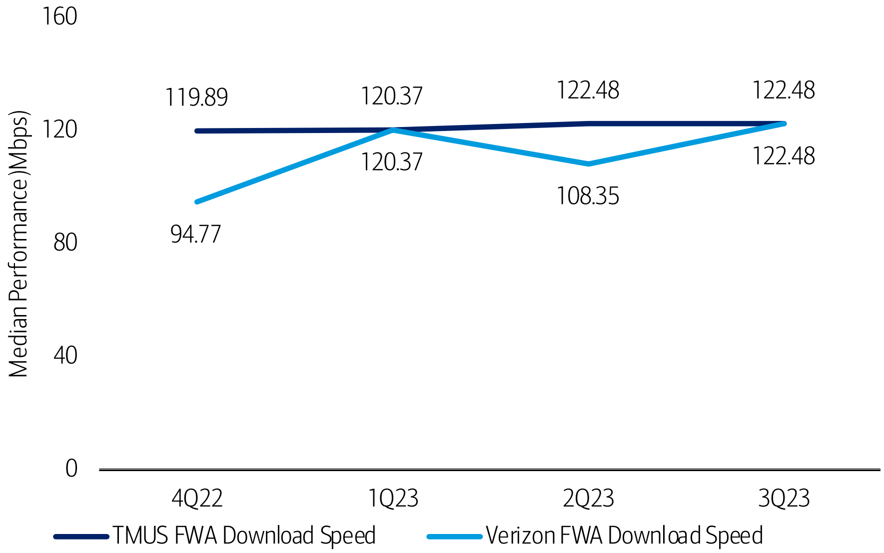
BofA GLOBAL RESEARCH

Converging on convergence

In 2023, the top share gainers in broadband were TMUS and VZ as a result of their fixed wireless operations. Indeed, reported results through the first nine months of 2023 TMUS and VZ have reported a combined 2.35mn FWA net adds vs. 2.28mn industry wide net adds. With AT&T having joined the FWA ranks through its launch of Internet Air in August 2023, VZ and TMUS lighting up additional spectrum and gaining more coverage we believe that fixed wireless operators will continue to encroach upon cable's leading broadband share. TMUS will likely reach its 2025 target of 7-8mn FWA subs and VZ will also attain its goal of 4-5mn subs in a similar timeframe. At that point, cable operators may be able to win back some of the FWA subs as telecom wireless operators may need to rationalize spectrum in favor of their mobile offering. It will be important to continue to monitor download speeds for FWA services to see if there is any degradation in service. Thus far, through 3Q23 according to Ookla, there has been no degradation for either TMUS or VZ with both services gaining speed since 4Q22.

Exhibit 33: U.S. 5G Fixed Wireless Access Performance

TMUS and VZ have both maintained download speeds for their FWA services despite growing sub bases



Source: Ookla

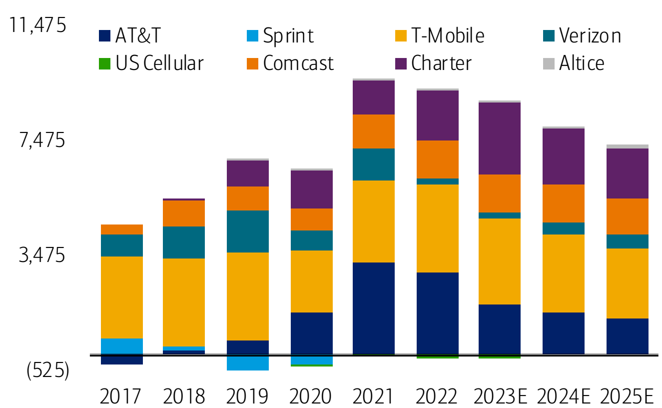
BofA GLOBAL RESEARCH

Cable operators taking share in wireless

While fixed wireless operators likely gained more than 100% share of broadband net adds in 2023, cable operators have taken significant share in wireless. Charter and Comcast combined captured 47% of all postpaid phone net adds through the first three quarters of 2023 and our industry model estimates that Comcast and Charter will capture 42% of postpaid net adds in 2024 (with ATUS capturing another 1%). We do recognize that cable operators and traditional wireless companies have differences in their net add reporting. Cable operators include non-phone devices as well as free promotional lines, which somewhat distorts their gains. Nonetheless, we believe that cable operators are still commanding increasing share. Indeed, device additions may be relatively negligible while it is unclear yet how customers will react to some of the largest promotions (i.e. Charter's Spectrum One promotions) rolling-off.

Exhibit 34: Mobile net adds by operators

Led by Charter, cable operators have made in-roads into gaining mobile subs

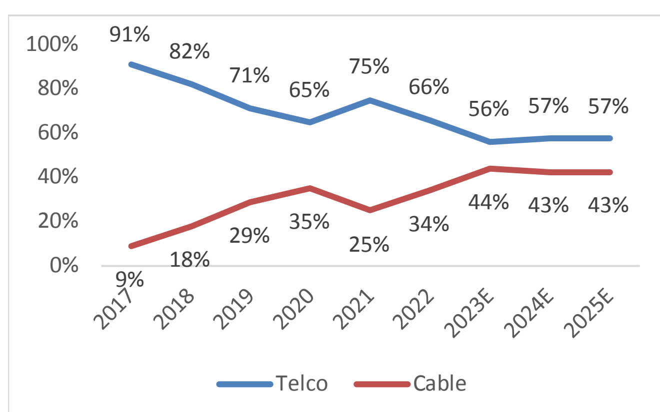


Source: BofA Global Research estimates, company report

BofA GLOBAL RESEARCH

Exhibit 35: Cable has been increasing share of mobile net adds

We project cable will capture 43% of net adds, led by CHTR (25%) and CMCSA (17%)



Source: BofA Global Research estimates, company report

BofA GLOBAL RESEARCH

Top Picks for the Year Ahead

Warner Bros. Discovery (WBD): WBD is a leading global media company with a portfolio of highly complementary assets, including best-in-class film and TV studios. WBD management spent the past ~18+ months focusing on merger integration and right-sizing of the business by eliminating overlapping overhead and backend functions. Now in a stronger position to focus on revenue drivers, in our view WBD is poised to outperform in 2024 driven by: (1) M&A optionality—the two-year mark for WBD's RMT is April 2024 giving the company the freedom to combine with another or even be sold tax-efficiently, (2) an attractive valuation as WBD trades at ~6x '24 EBITDA, a discount to PARA trading at ~8.5x, (3) DTC subscribers should gain momentum in '24 as the LatAm and Western Europe rollouts of Max take place in 1Q and 2Q, respectively, (4) a return to 3rd party content sales—WBD has a large and best-in-class library and (5) healthy FCF generation which should enable the company to continue to de-lever.

Netflix (NFLX): Supported by its world-class brand, leading global subscriber base and position as a leading innovator we believe Netflix is poised to outperform. While other media companies are contending with linear video declines and still significant streaming losses, Netflix continues to benefit from its base of 247mn subscribers, which should enable the company to drive strong FCF in 2024 and beyond. Additionally, we view the shift by competitors towards licensing out more content as a tacit acknowledgement that Netflix has won the "Streaming Wars". We believe Netflix outperformance will be driven by five main catalysts: (1) a significant subscriber runway accelerated by the shift from linear to streaming, (2) the growth of a value-oriented, ad-supported tier, which expands the total addressable market (TAM) and monetization, (3) an ongoing crackdown on password sharing which will continue drive member growth over the next several quarters, (4) substantial free cash flow generation—we project $5.2bn in CY24 FCF and (5) share buybacks—Netflix recently increased buyback authorization for an additional $10bn.

Spotify (SPOT): We view SPOT as an attractive pure play on the high-growth streaming music market - a subscription-driven opportunity underpinned by the global appeal of music and rising smartphone adoption. We believe SPOT is poised to outperform in 2024 due to the following drivers: (1) potential for further prices increases—SPOT increased the price of its premium tier once in '23 and has room for further increases given manageable churn, (2) a commitment to increasing efficiency and cost reduction as indicated by right-sizing of the business in '23 through reduction in employee headcount as well as reduced podcast spend, (3) deeper penetration into existing markets, (4) any improvement in the advertising market will benefit SPOT's free ad-tier and (5) any upside from more recent initiatives including podcasting and audiobooks.

Exhibit 36: Companies mentioned
Companies mentioned in this report

BofA Ticker	Bloomberg ticker	Company name	Price	Rating
ATUS	ATUS US	Altice USA, Inc.	US$ 2.61	C-3-9
CHTR	CHTR US	Charter Communicatio	US$ 367.62	B-2-9
CMCSA	CMCSA US	Comcast Corp	US$ 43.27	B-1-7
EDR	EDR US	Endeavor Group Holdi	US$ 24.21	B-1-7
FOX	FOX US	Fox Corp	US$ 28.62	B-2-7
FOXA	FOXA US	Fox Corp	US$ 30.9	B-2-7
IHRT	IHRT US	iHeartMedia	US$ 2.14	C-3-9
MSGE	MSGE US	MSG Entertainment	US$ 31.54	C-1-9
NFLX	NFLX US	Netflix	US$ 492.23	C-1-9
PARA	PARA US	Paramount Global	US$ 13.35	C-3-7
SPOT	SPOT US	Spotify	US$ 200.82	C-1-9
DIS	DIS US	Walt Disney Co.	US$ 89.45	B-1-7
WBD	WBD US	Warner Bros.	US$ 10.54	C-1-9
WMG	WMG US	Warner Music	US$ 34.66	B-2-7

Source: BofA Global Research

BofA GLOBAL RESEARCH

Price objective basis & risk

Altice USA, Inc. (ATUS)

Our $2.85 PO for ATUS is based on a 7x multiple on our EV/2024E EBITDA, in line with historical cable multiples. Our multiple is supported by our discounted cash flow (DCF) analysis in which we use a weighted average cost of capital (WACC) of 7.8% and terminal growth rate of -1% and derive a forward EV/EBITDA multiple of 6.9x.

Upside risks to our price objective are (1) a sizeable and accretive acquisition which would boost slow organic growth, (2) faster broadband build-out and better growth than currently projected, (3) less regulation than currently anticipated, (4) a stall in the development of 5G as a fixed wireless offering and generally reduced broadband competition versus current forecast, and (5) a privatization/acquisition of the company at a premium to current prices.

Downside risks to our price objective are (1) increased competition in broadband markets from incremental fiber competition, (2) wireless broadband competition through the form of 5G, (3) increased government regulations, and (4) financial risks due to leverage.

Charter Communications (CHTR)

Our $425 PO is based on an 7.2x EV/2024E EBITDA multiple which is in line with historical multiples and reflects Charter's more modest projected growth and margin upside potential.

Downside risks to our price objective are: (1) increased competition in broadband markets from fixed wireless access and fiber providers which could lead to even lower subscriber net additions than currently forecast as well as financial pressure, (2) an acceleration in video losses due to increased direct-to-consumer options which could lead to increased cord-cutting, (3) increased government regulations and (4) financial risks due to leverage.

Upside risks to our price objective are: (1) greater than forecast broadband resiliency including better than projected share gains of broadband subscribers as well as still strong pricing power, (2) faster than projected capital returns, (3) significant net additions from the company's rural build-out and (4) greater than expected benefit from government broadband subsidies.

Comcast Corp (CMCSA)

Our price objective for Comcast is $55, based on our discounted cash flow analysis. Our discount cash flow framework utilizes a WACC of 7%, a perpetual growth rate of 1.5% and implies a terminal multiple of 8.2x.

Downside risks to our price objective are reduced high speed internet and small to medium business share gains, a re-emergent COVID crisis which would negatively impact NBCU and SKY operations and lead to lower revenue and EBITDA growth. Significantly increased investment in Peacock which still fails to establish it as one of the leading streaming services. Failure to grow higher-margin data and business services products could lead to overall margin compression and slower growth. Increased regulation also remains a risk. Upside risks to our price objective are better than expected resiliency in the broadband business, higher than projected capital returns and significantly faster than projected wireless growth.

Endeavor Group Holdings, Inc. (EDR)

Our price objective of $32 is based on the sum of current implied value of TKO to EDR shareholders and roughly 7x 2024E EV/EBITDA for Remainco. We believe that 7x is a fair valuation (and could be conservative), given recent press reports indicated competitor CAA was bought for $7bn (which would imply mid-teens EBITDA multiple) and EE&R public comparisons trade at low-mid teens EBITDA multiples.

Downside risks to our price objective are: (1) meaningful slowdown in content spending growth, (2) lower-than-expected demand for UFC rights in the upcoming renewal, (3) the departure of key talent in the Representation business and UFC, (4) an increase in fighter compensation alongside potential rights increases, (5) execution risks associated with a pivot into sports betting, (6) high leverage in a rising interest rate environment, (7) the proposed WWE/UFC merger does not close and (8) general macro exposure.

Fox Corporation (FOXA / FOX)

Our $38 PO is based on 10x CY24E P/FCF, an approximate 30% discount to our Media and Entertainment coverage group due to FOX's greater relative exposure to the linear TV ecosystem.

Upside risks to our PO are a stronger advertising/economic environment, continued strength in ratings/popularity of content, slower Pay TV subscriber losses and higher growth in digital assets and other strategic initiatives from investments.

Downside risks to our PO are a weaker advertising/economic environment, decline in ratings/popularity of content, accelerating Pay TV subscriber losses and higher than forecast investments in digital assets and other strategic initiatives.

iHeartMedia, Inc. (IHRT)

Our $2.50 PO is based on an approximately 5x CY24E EV/EBITDA multiple, which is a premium to traditional radio comps trading at approximately 4.5x given its unparalleled scale and differentiated business model.

Upside risks to our PO are: better-than-anticipated revenue growth, macroeconomic improvement, market share gains, margin expansion and free cash flow generation.

Downside risks to our PO are: high leverage and if the recovery in the macro environment fails to materialize.

Madison Square Garden Entertainment (MSGE)

To derive our $41 PO, we apply a 13x multiple to our CY24E AOI. The 13x reflects structural live entertainment tailwinds and is in line with peers Endeavor (EDR) and Live Nation (LYV), but a discount to Formula One (FWONK).

Downside risks: an economic downturn could negatively impact consumer spending, reducing demand for live events and lowering per cap spending at events, inefficient secondary offering from Sphere particularly if Sphere does not attract audiences and needs multiple rounds of funding, a re-emergence of COVID-19 or other type of pandemic, a loss in appeal of Christmas Spectacular, a sharp increase in interest rates prior to MSGE de-levering, a change in Madison Square Garden's tax-advantaged position.

Netflix, Inc. (NFLX)
Our $525 price objective is based on 24.8x our CY2024E EBITDA. We use DCF as a cross check, which assumes an approximate 6% terminal growth rate and 11% WACC. We believe a premium to the market's 12x multiple is warranted given Netflix's superior EBITDA growth.

Downside risks to our price objective are: (1) the heightened competition from traditional M&A companies and large tech. companies, (2) a wave of industry consolidation resulting in larger entities with increased financial capacity and reach to effectively compete with NFLX, (3) the efficiency of NFLX's content spend relative to output and quality, and (4) an effectively higher penetration (particularly in UCAN) if password sharing initiatives prove challenging.

Paramount Global (PARA)
Our $9 PO is based on approximately 7x our CY24E OIBDA, which represents a modest premium to the current trading levels of both WBD/FOX and a discount to DIS.

Upside risks to our price objective are potential asset sales, better than anticipated earnings growth, and lower rates.

Downside risks to our price objective are failure to consummate a transaction, weakness in the advertising market, poor execution, accelerated declines in the legacy business and the shift of advertising dollars to digital media.

Notably, PARA has Mandatory Convertible Preferred Stock with an aggregate value of $1bn converting on April 1, 2024. The conversion of these preferred shares would be anti-dilutive as of Dec '22. However, if this changes and PARA decides to purchase these preferred shares prior to dilution, it would further pressure their balance sheet especially when paired with a lack of free cash flow.

Spotify Technology (SPOT)
Our $225 price objective is based on a DCF valuation, driven by a discount rate of 12.8% and a 9% terminal growth rate. Our valuation accounts for SPOT's positioning within a secular growth area of Media & Entertainment, its ramping profitability, and the premium valuations ascribed to leading subscription streaming media services.

Upside risks to our price objective are faster-than-expected revenue growth, margin expansion, increased market share, increased operating leverage, and traction from new growth initiatives.

Downside risks to our price objective are margin pressure, increased content costs, reduced streaming market share, slower revenue growth and the potential that the Joe Rogan controversy drives an increase in churn or artists pulling their songs from the platform.

Walt Disney Co. (DIS)
Our price objective of $110 is based on approximately 24x our CY24E adj. EPS forecast. Our 20x multiple represents a premium to the market, roughly in line with DIS' historical

premium.

Downside risks are a significant slowdown in ESPN's growth due to cord cutting, weakened consumer confidence and softer theme park attendance, advertising weakness due to softer audience delivery and/or economic conditions and/or film flops and poor execution with respect to the 21CF integration.

Warner Bros. Discovery (WBD)
Our price objective of $17 is based on 7x our consolidated CY24E pro forma EV/EBITDA multiple, in line with peers historical multiples due to a similar growth profile.

Downside risks to our price objective are greater than expected merger integration issues, including management turnover, an inability to scale DTC assets with a deceleration in subscriber growth and increase in churn due to a rise in streaming competition from well-capitalized media and tech companies, advertising market declines, a downturn in ratings at its key networks, and an acceleration in Pay TV subscriber declines.

Warner Music Group Corporation (WMG)
Our $36 price objective (PO) is based on approximately 14x CY24E OIBDA. This multiple represents an approximately 75% premium to our media and entertainment coverage universe given its better long term growth outlook.

Downside risks to our PO are that WMG loses market share to other major labels (Sony or Universal), independent labels or more artists go direct, deal structures with DSPs or artists become less favorable, and the streaming industry does not grow as quickly as anticipated.

Upside risks to our PO are that WMG gains market share, deal structures with DSPs or artists improve, leading to more favorable economics, and the streaming industry grows faster than anticipated, leading to better gross margins.

Analyst Certification

We, Jessica Reif Ehrlich and Peter Henderson, hereby certify that the views each of us has expressed in this research report accurately reflect each of our respective personal views about the subject securities and issuers. We also certify that no part of our respective compensation was, is, or will be, directly or indirectly, related to the specific recommendations or view expressed in this research report.

US - Cable, Entertainment and Satellite Coverage Cluster

Investment rating	Company	BofA Ticker	Bloomberg symbol	Analyst
BUY				
	Comcast Corp	CMCSA	CMCSA US	Jessica Reif Ehrlich
	Endeavor Group Holdings, Inc.	EDR	EDR US	Jessica Reif Ehrlich
	Madison Square Garden Entertainment	MSGE	MSGE US	Peter Henderson
	Netflix, Inc.	NFLX	NFLX US	Jessica Reif Ehrlich
	Spotify Technology	SPOT	SPOT US	Jessica Reif Ehrlich
	Walt Disney Co.	DIS	DIS US	Jessica Reif Ehrlich
	Warner Bros. Discovery	WBD	WBD US	Jessica Reif Ehrlich
NEUTRAL				
	Charter Communications	CHTR	CHTR US	Jessica Reif Ehrlich
	Fox Corporation	FOXA	FOXA US	Jessica Reif Ehrlich
	Fox Corporation	FOX	FOX US	Jessica Reif Ehrlich
	Warner Music Group Corporation	WMG	WMG US	Jessica Reif Ehrlich
UNDERPERFORM				
	Altice USA, Inc.	ATUS	ATUS US	Jessica Reif Ehrlich
	iHeartMedia, Inc.	IHRT	IHRT US	Jessica Reif Ehrlich
	Paramount Global	PARA	PARA US	Jessica Reif Ehrlich
RSTR				
	Liberty SiriusXM Group	LSXMA	LSXMA US	Jessica Reif Ehrlich
	Liberty SiriusXM Group	LSXMK	LSXMK US	Jessica Reif Ehrlich
	Sirius XM Holdings Inc	SIRI	SIRI US	Jessica Reif Ehrlich

Disclosures

Important Disclosures

Equity Investment Rating Distribution: Leisure Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships [R1]	Count	Percent
Buy	16	55.17%	Buy	9	56.25%
Hold	7	24.14%	Hold	5	71.43%
Sell	6	20.69%	Sell	4	66.67%

Equity Investment Rating Distribution: Media & Entertainment Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships [R1]	Count	Percent
Buy	35	53.85%	Buy	15	42.86%
Hold	15	23.08%	Hold	8	53.33%
Sell	15	23.08%	Sell	7	46.67%

Equity Investment Rating Distribution: Global Group (as of 31 Dec 2023)

Coverage Universe	Count	Percent	Inv. Banking Relationships [R1]	Count	Percent
Buy	1895	53.62%	Buy	1083	57.15%
Hold	832	23.54%	Hold	454	54.57%
Sell	807	22.84%	Sell	383	47.46%

[R1] Issuers that were investment banking clients of BofA Securities or one of its affiliates within the past 12 months. For purposes of this Investment Rating Distribution, the coverage universe includes only stocks. A stock rated Neutral is included as a Hold, and a stock rated Underperform is included as a Sell.

FUNDAMENTAL EQUITY OPINION KEY: Opinions include a Volatility Risk Rating, an Investment Rating and an Income Rating. VOLATILITY RISK RATINGS, indicators of potential price fluctuation, are: A - Low, B - Medium and C - High. INVESTMENT RATINGS reflect the analyst's assessment of both a stock's absolute total return potential as well as its attractiveness for investment relative to other stocks within its Coverage Cluster (defined below). Our investment ratings are: 1 - Buy stocks are expected to have a total return of at least 10% and are the most attractive stocks in the coverage cluster; 2 - Neutral stocks are expected to remain flat or increase in value and are less attractive than Buy rated stocks and 3 - Underperform stocks are the least attractive stocks in a coverage cluster. An investment rating of 6 (No Rating) indicates that a stock is no longer trading on the basis of fundamentals. Analysts assign investment ratings considering, among other things, the 0-12 month total return expectation for a stock and the firm's guidelines for ratings dispersions (shown in the table below). The current price objective for a stock should be referenced to better understand the total return expectation at any given time. The price objective reflects the analyst's view of the potential price appreciation (depreciation).

Investment rating	Total return expectation (within 12-month period of date of initial rating)	Ratings dispersion guidelines for coverage cluster[R2]
Buy	≥ 10%	≤ 70%
Neutral	≥ 0%	≤ 30%
Underperform	N/A	≥ 20%

[R2]Ratings dispersions may vary from time to time where BofA Global Research believes it better reflects the investment prospects of stocks in a Coverage Cluster.

INCOME RATINGS, indicators of potential cash dividends, are: 7 - same/higher (dividend considered to be secure), 8 - same/lower (dividend not considered to be secure) and 9 - pays no cash dividend. *Coverage Cluster* is comprised of stocks covered by a single analyst or two or more analysts sharing a common industry, sector, region or other classification(s). A stock's coverage cluster is included in the most recent BofA Global Research report referencing the stock.

Price Charts for the securities referenced in this research report are available on the Price Charts website, or call 1-800-MERRILL to have them mailed.
One or more analysts contributing to this report owns stock of the covered issuer: MSG Entertainment
One or more analysts responsible for covering the securities in this report owns stock of the covered issuer: Charter Communicatio, Comcast Corp, Disney, Fox Corp., MSG Entertainment.
BofAS or one of its affiliates acts as a market maker for the equity securities recommended in the report: Altice USA, Inc., Charter Communicatio, Comcast Corp, Endeavor Group Holdi, Fox Corp, iHeartMedia, MSG Entertainment, Netflix, Paramount Global, Spotify, Walt Disney Co., Warner Bros., Warner Music.
BofAS or an affiliate was a manager of a public offering of securities of this issuer within the last 12 months: Comcast Corp, MSG Entertainment.
The issuer is or was, within the last 12 months, an investment banking client of BofAS and/or one or more of its affiliates: Altice USA, Inc., Charter Communicatio, Comcast Corp, Disney, Fox Corp., iHeartMedia, MSG Entertainment, Netflix, Paramount Global, Warner Bros., Warner Music.
BofAS or an affiliate has received compensation from the issuer for non-investment banking services or products within the past 12 months: Altice USA, Inc., Charter Communicatio, Comcast Corp, Disney, Endeavor Group Holdi, Fox Corp., iHeartMedia, MSG Entertainment, Netflix, Paramount Global, Warner Bros., Warner Music.
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