Jessica: It's great to have Steve Tomsic back, CFO of FOX. Welcome.

Steve: Thanks for having us.

Jessica: Great to see you in person after our last one was virtual. Let's just start with kind of a strategy question. The industry's gone through so much change since new FOX emerged in 2019. I mean, we've gone through COVID, had significant declines in the pay TV universe in those last three or four years. The industry is pivoting to direct to consumer or streaming. There's been what maybe should be consolidation, more consolidation.

Obviously, bigger focus on profitability and streaming as opposed to just subs. I mean, I could go on and on. But given all of the changes that have happened since your company, the new company, has been formed, how does that inform your strategy? Has it changed at all, though?

Steve: No, and you add all of those secular changes to what's happening macro, and you add to that the geopolitical environment, and it's been a very tumultuous four-and-a-half years since we split. Our strategy, we think our strategy is, is uniquely advantaged, and it's the same strategy that we had when we separated the company. So, the logic in separating the company was SVOD needed scale and SVOD is a different distribution mechanism versus the content that we have, which is more linear live.

And so, as part of the Disney transaction, we created a company with Disney with the combination 21st Century Fox assets allowed Disney to compete on the SVOD stage in a really, really major way, and they've gone ahead and done that. The parallel with that was it enabled FOX to focus in on the things that sort of were core to the linear bundle, but also core to sort of the cultural conversation in the country, whether it be live sports and live news.

We're focused in on that core and have had amazing success in driving audience and in driving monetization. You look at it, at the end of the four-and-a-half-year period with all the things that are going on in the industry as well as all the things that are going on macro, we delivered our best ever year in terms of revenue last year and best ever year in terms of EBITDA. So, revenue up 7%, EBITDA up 8%.

While we're focusing in on the core, we're building around our adjacencies, so building from where we have strength. In sports, we've developed really, really significant investments in sports betting, we've created the USFL, which gives us sort of more legs to the stool in terms of a sports franchise. In news you've seen the FOX News Channel go from being just a narrow linear channel to what we now call FOX News Media.

You have news and business is linear channels. You've got a really significant sort of website, both from audience as well as monetization. You've got nation, you've got weather, you've got audio, you've got books. And then when we look at the other pieces to our business, we had an entertainment business that obviously had a challenging competitive environment given how much of a shift to SVOD that we're seeing in entertainment.

So, we've pivoted what we've done with entertainment, making bets on the verticals that we think we can win in, so things like food or pop culture with Ramsay and TMZ, respectively. And then from a macro perspective with respect to entertainment, we invested in Tubi which gives us what we believe to be the digital sort of broadcast network of the future on a free, advertising-supported basis, and Tubi is absolutely flying at the moment and has become as big as the National Entertainment Network.

The strategy that we had when we first launched the company four-and-a-half-years ago probably remains more valid than ever given sort of the value of our concentrated assets and the execution has been fantastic when we look at sort of all the key KPIs and how they've been funneled into financial metrics. And you look at that and that sort of exposes itself in terms of the strength of the balance sheet that we have. It's a fortress of a balance sheet which gives us lots of optionality with respect to capital allocation going forward.

Jessica: You, of all companies, is the most exposed to the linear universe and Charter took a very unusual public stance last week, stating the video distribution model needs to change. A couple questions, do you agree with this? What would your response be to that? What's the FOX view of how this system evolves over the next five years?

Steve: I think it was a really interesting dispute, and I won't comment specifically on the dispute because I'm not involved in it. But I think pay TV writ large is in a state of transition. I think if you look, you go back to sort of what is being served up to the consumer, and I think right now it's sub-optimal both on the linear side as well as the digital side. And I can see a world where, like the Charter deal in some respects tries to converge linear sort of video assets that are best transmitted sort of on a linear basis as well as bringing in a blend of digital with the addition of things like Disney+ and ESPN+ to their bundle.

One of our bugbears in terms of being in sort of at the moment exclusive to the linear bundle is the fact that the linear bundle has expanded in terms of channels and the price point is continuing to expand, which makes it difficult for the consumer to sort of continue to afford that. On the other side, on the digital side, you've got this proliferation and fragmentation of D2C services, which are equally consumer unfriendly, in particular when you aggregate the prices of those.

And so, I think where we want to get to is some sort of combination of using linear where linear is most relevant, particularly for sports and news with respect to us. We are two of the top five networks in the country, and so we would expect our assets – and it goes back to our focused strategy of our assets being carried on multiple platforms. And it's just, from a FOX perspective, getting a product that is much more friendly to the consumer, both in terms of price and what's in the offering is super important because we've got the confidence that our content is going to be carried in any mass market consumer proposition.

And so, what we want to get right is the consumer proposition, whether that's a linear-only or a combination between linear and digital delivered sort of assets is, we're sort of ambivalent. We're not defined by linear carriage. We know that our content will find a home wherever that sort of distribution footprint works.

Jessica: You still are very committed to that linear bundle, and you've gotten favorable rates because you've been, you're not diluting your content across so many platforms. But others are, and so doesn't that concern you that it just disrupts the entire system that you could be negatively impacted because of what others are doing, not necessarily what you're doing?

Steve: I don't think what others are doing from sort of disruptive behavior is anything new. I think when we look at the choices we have made with respect to distribution, we start with well, how does the consumer want to receive our content, and right here, right now, the most efficient, effective way for a consumer to receive sports and news is still in the bundle. The best way that we monetize our content remains in the bundle.

That may change over time, and we'll adapt to that. But we still think that a bundled offering to the consumer, where sport and news will become the bedrock of that is the best way to get to the consumer.

Jessica: The interesting thing about the Charter/Disney resolution is some people think it really may stem losses because so much is contained. I guess that's the question. What's your view? Does it stem the losses or does the current trajectory of pay TV declines continue? Do you have a house view? How do your negotiations, how do your conversations change in the next rounds?

Steve: Our negotiations don't change because we don't have sort of the bet each way on our content. At the moment, we are sort of dedicated partners with linear distributors at the moment. The fact that our content is so coveted by those distributors as well as the end consumer means that as others have bets each way, it's incumbent on us to get high share of wallet from those distributors in order to justify the fact that we remain in that bundle.

I have no doubt that there will be sort of more modernized bundles. Our hope is that if Charter says that it achieved all of its commercial objectives in the Disney transaction, our hope is that that is reflected in the way they go to market, the way they price their video offering, and ultimately in the sub-trajectory that we see from them, as well as the entire industry. I don't think we're holding out for it. Our expectation is that subs continue to decline, but we would hope that this starts to sort of stem that tide of decline.

Jessica: On the sports side, there's been a lot of talk about sports going directly to consumer, and ESPN+ is bundled in this resolution. And Warner Bros. has said that they'll introduce sports into MAX very soon. What is the FOX point of view on the sports bundle given your strong portfolio?

Steve: The delivery of sports and the exploitation of sports rights in America is different to other markets. You don't have, no one has a monopoly on any one sport, and no one certainly has a monopoly across all of sports. If somebody goes it alone from a sports perspective, the sports fan is going to feel unsatisfied by that offering in and of itself.

There are other models internationally. My home country in Australia has a model called Kayo, which is the conglomeration of a lot of different sports providers or sports networks that fold under the umbrella of an overall sports delivered service. But the way that service is delivered, and the pricing of that service is complementary to the sort of the core bundle. And so, I'm more skeptical of any individual provider going D2C with sports and that being an enormous subscriber opportunity or revenue opportunity because if you're a sports fan, you want more than just Monday Night Football. You want Thursdays, Sunday, Sunday night.

And if you're a sports fan, you probably want more than just the NFL, and in order to be able to capture all of that, you're having to aggregate across a number of different providers. Which when you start to add up the price points, because sports is expensive, by its very nature, it's expensive, and so when you add up the cost of being able to capture that at a retail level, you've actually got better value in being able to consume that through the bundle, and probably even better value is that bundle sort of continues to evolve to being a much more contemporary kind of service.

And so, I can see a world where the ESPNs of this world do go D2C, but I'm not sure how impactful that will be for us or the entire industry. If there is the emergence of some sort of sports bundle that is across different network providers, then the first port of call is going to be FOX in terms of people wanting to aggregate our content with their service just given how strong our sports offering is.

Jessica: Let's go into your current trends starting with the distribution. We've already talked about pay TV sub-declines, which have accelerated. We'll see what happens post this agreement but what offset do you have to cushion the blow of declining subs?

Steve: We're seeing declining subs since the emergence of FOX, and that's continued to be the case. What we've endeavored to do and be successful in doing is being able to get higher share of wallet from the distributors, which we see in terms of affiliate rate pricing, which has more than offset the subscriber declines. And we would expect that to be able to continue to drive industry-leading pricing across our networks. Our networks are only getting stronger and more impactful from a consumer perspective.

And so, I think that's the main offset for us. Now, we'll see how the bundle develops and whether that ameliorates the rate of loss in terms of sub, but we would continue to expect to see overall affiliate revenue growth. We got through a third of our affiliate renewals last year. We've got another third this year that we're well on the way of doing already in the course of this fiscal year. We do that without sort of one of our distribution partners calling for an analyst call to talk about the acrimony.

We're naturally aligned with our distribution partners, and so we get things done. We do it quietly. You see it come through in the P&L. And so, we're pretty proud of the achievements. You'll see us continue to grow our affiliate revenue. I think in terms of this fiscal year we're in, you should expect to see that in the second half of our fiscal year, year ending June '24, and you should expect it to continue to be biased towards our TV segment.

Jessica: Turning to advertising, are we the point yet where brands are starting to return to the market since the recession, we've all been waiting for and may never happen. It's like the most called-for recession that is just not appearing. Is it paralyzing the market because everyone's waiting for it? What do you think and what are you seeing?

Steve: We're different. I missed what Gunnar said about the advertising environment. Looking at our book, actually not much has changed since our earnings call in August. The bid for sports remains remarkably strong. There's no notion of recession from an advertising perspective in sports. We saw that in terms of the cash sellout on Women's World Cup. We're seeing that extend into MLB. We've seen that extend into college football and we're seeing it in NFL so Sports bid remains exceptionally strong.

Entertainment, we took a lot of risk off the table in terms of upfronts and being able to commit volume there. The scatter feels like it's just finding its way. I think from a scatter perspective, entertainment, linear entertainment for us is a relatively small part of our book. What we're seeing there is people, I think advertisers are still waiting to see where schedules finish up with respect to the strikes and sort of will place their money once there's more certainty around that.

News as a mix effect is going on, so from news, we've got the headwind of we're comping against higher ratings this time last year than we have this time this year. And we're comping against, we've talked about this for at least the last two and perhaps three quarters. Direct response pricing has stabilized on a sequential quarter basis, but on a comparison versus prior year it's still down, which is what we've seen the last couple of quarters, so should expect that to be a headwind for us from a news perspective.

National news has been pretty solid and with the revamp of our prime-time lineup, we've seen a lot more advertisers sort of lean into prime-time use for us, which is really encouraging. And in the sort of, from a local perspective, we're obviously comping against a very significant midterm political collect last year. The base market is up.

It's being driven by things like auto, but then there are some categories where there's natural headwinds, so whether that be retail, betting, which is where the money's moved from local to national, and the final, not the final piece, but one of our most exciting pieces of the advertising puzzle for us is Tubi, which continues to grow like a weed for us, and I'm sure you'll want to get into that over the course of the discussion, Jessica.

Jessica: Let's start on Tubi, then to the news. On Tubi, it has done incredibly well. Surprisingly, it's just really been very strong.

Steve: Surprising for you.

Jessica: I mean, it was a relatively small player when you bought it and it's kind of, and you've surpassed everybody else. Maybe that's a better way to say it. What role did Tubi play in the upfront discussions, and can you talk about how you see it evolving, like how important an asset catalyst because you talked about it being your digital broadcast network.

Steve: For anybody who saw our upfront, Tubi is front and center in terms of the presentation at our upfront, and it was also front and center in terms of our discussions with the agency. We saw more money placed with Tubi than we've seen in prior years. But Tubi is an important asset in our portfolio and is going to continue to grow to be an even more important asset in our portfolio.

If you look at where we're at with Tubi, the fiscal year that we just closed, engagement was up more than 50% and revenue growth was I think 33% for the year. And we're seeing, just in the quarter that we're almost at the end of now, we're seeing numbers on both of those metrics in similar kinds of zip codes. So, we're really, really excited about the growth.

People often asked whether Tubi is incremental to our book or are we just kind of reallocating dollars across other parts of the portfolio. It is absolutely incremental. In fact, when we compare national entertainment network advertising versus Tubi, Tubi's already surpassed that business. And so, it is a juggernaut. When you look at, now Nielsen does a ranking every month and it's now level with HBO Max in terms of engagement.

It's only going to get bigger and stronger, and monetization is running behind in terms of versus viewership. When you look at what the hard leads are to pull in terms of that asset, the hardest thing to do is get viewers and get them watching. The monetization will come. And the monetization is running behind because our fill rates are running lower than where we want them to be and our CPMs are lower than where we want them to be.

But of those three metrics that drive revenue, I'd prefer to have TVT flying and have our ad salesforce catch up in terms of fill rate and CPM as opposed to the other. We're very excited about the market opportunity for Tubi. The founder moved on. Farhad moved on. We have Anjali Sud who's literally a couple of weeks older than the company, and so she's going to bring a fresh perspective, fresh ideas to be able to take that asset to the next level.

But sitting here now, we're excited about what that asset can do, and we'll continue to invest in that over the course of the next couple of years.

Jessica: Just one more question on Tubi just to maybe follow up on what you just said. I guess from an advertising perspective, what can you offer advertisers now that you couldn't before besides more engagement? And how do you see that evolving over time? It's obviously a key asset that's going to grow.

Steve: Well, I think there's still room for us to better – one of the mantras when we acquired Tubi was let's keep the Tubi in Tubi, and so Tubi is run as its own kind of end-to-end business. We'd like to see more integration from a Tubi ad sales perspective with our national ad salesforce in order to sort of bring an even more unified view of Tubi with key advertisers, and we're well on the way to that.

But with respect to ad – Tubi speaks to a different consumer than sort of traditional FOX. Tubi is more an adjunct to people who are not in the bundle versus in the bundle, so you're immediately getting a different consumer there.

Tubi speaks to a younger demographic and a more diverse demographic. When we present to advertisers, we're able to present a much broader spectrum of consumers going from sport, news, which skews traditional, to sort of Tubi, which is much more contemporary. And so, we think that's a powerful combination to go to market with.

Jessica: And all of the advertising is under Marianne [Gambelli] so it's…

Steve: Yeah, but Tubi is still very independent in terms of, from an advertising sales perspective.

Jessica: Moving onto FOX News, you had a very active fiscal '23. '24 looks like another busy year, but more hopefully because of the presidential election other than something else. Can you give us an update on how ratings are trending since you've made some of the prime-time lineup changes and is it already resulting in more advertising opportunities?

Steve: We obviously had lineup changes, and we've seen lineup changes in the past at FOX News. And for whatever reason, we are resolute in our belief that the brand and the all-encompassing nature of the FOX News service is far more impactful than any individual in the lineup. And so, we've proven that time and time again, but people continue to be skeptical of it.

We introduced the new lineup, I think it was July 14th. So, when we look at when the previous lineup was in place versus what's happened since July 14, our sort of overall ratings P2+ are up by a third. Our ratings in the demo, so 25 to 54, are over 50% higher than where they were. We're still down versus last year, but we're building into Primary season and we're going to build into election season, and so that's only going to grow.

And if you look at it, Jesse Watters, who took on the 8 p.m. slot is now number one in prime time. Hannity's numbers continue to grow. Gutfeld's continue to grow. And people probably overly focus on the prime-time lineup, but if you look at across the day part, we are super strong. The Five is consistently the number one rated news hour across all of news, across all of cable news. When you look at the strength of the linear asset, engagement on the digital properties continues to grow.

We feel really confident about FOX News' prospects the remainder of this fiscal year and absolutely into next fiscal year when the presidential election will be on for young and old. Old and old.

Jessica: Let's just talk a little bit about fiscal '24. We went through all the reasons why fiscal '23 was such a banner year for you. I mean, incredible between the affiliate renewals, the Super Bowl, political, World Cup, et cetera. You're lapping a lot of this. You also have step ups to NFL and Big Ten. Can you kind of walk us through the takes for fiscal '24, how we should be thinking about it?

Steve: It's one of the challenges in following us, because what makes us so powerful as a consumer service is these massive events that we're front and center of. And we've just come off a super cycle of massive events in terms of midterm elections, the Super Bowl, and Men's World Cup. And so, some of those are more impactful top line versus bottom line. The Super Bowl, we wrote I think around $600 million gross in revenue, which is obviously not going to repeat itself in fiscal '24.

But a lot less of that drops to the bottom line just given how expensive Super Bowl is from a rights amortization perspective. From a soccer perspective, I should say you've got the FIFA Men's World Cup, which washes with the FIFA Women's World Cup. But then towards the end of our fiscal, we've got our inaugural broadcast of the UEFA Finals. And so that will be a negative from an EBITDA perspective.

Staying with sports, we just renovated our college sports rights, and so you should expect us to be able to get a bit of margin back from that, particularly in our cable segment there. And then you've got the tailwind of this continued ramp in affiliate revenue, which as I said earlier, we expect to see more on the TV segment and more towards the end of this fiscal year. There's sort of what I'd call – obviously political is not going to be there in this coming fiscal year that we're in now, and that was like a $260 million tailwind from a revenue perspective at our local stations.

But we expect the base to be a little bit better at our local TV stations, which ameliorates some of that loss. And then the other piece is what we call our investment businesses. Assets like Tubi, Nation, Weather, Credible, where there the overall envelope that we invest in those businesses we expect to come down somewhat in fiscal '24 versus fiscal '23, albeit within that portfolio we are sort of maintaining our investment in Tubi and we'll see how Tubi develops over the course of this year, but we retain the right with Tubi to continue to invest even more if we see the upside in the revenue.

Jessica: There's a lot going on as usual.

Steve: There is a lot going on, which is the frustrating thing because people sort of, you can have up years, down years because of the nature of just these massive cyclical events for us. But when you look at it, it just goes to the underlying heart of the business and just how strong we are.

Jessica: You were very early in sports betting as a company, and you recently announced plans to close FOX Bet. Could you give us the rationale behind that decision and whether we should interpret that as a strategic shift in how you're thinking about sports betting?

Steve: It's absolutely not a strategic shift away from sports betting. We still remain super excited about the sports betting opportunity in this country. I think what it is, is a rationalization/consolidation of our interest in sports betting right now. When you look at our sports betting investments or quasi-investments, FOX Bet was the smallest piece of it, and it was a virtual joint venture with Flutter where they had funded it and we had an option to buy.

It became clear to us that Flutter was more aligned in pushing FanDuel. FanDuel had a better opportunity in the market and really pushed ahead with FanDuel, and FOX Bet was always going to struggle to find its place. We came to an arrangement where FOX Bet is in the course of winding down. When you look at what we're left with, we're left with I guess three things. One is we continue to have an investment in TopCo at Flutter, which is worth $800 million to us, which I think goes unnoticed in many valuation models.

We continue to have an 18.6% call option over FanDuel, and so you would have seen a significant recovery in asset prices around sports betting depending on where you see FanDuel in the sum of the parts valuations of Flutter. We think the strike price of that is somewhere close to being in the money. And when you look at the fact that we've got roughly eight years to go before we have to make a decision around exercising, the mathematical option value of that option is enormous for us. And so, that's the second place we play.

And the third place is we had obligations with respect to FOX Bet in terms of commitments around on-screen integrations and marketing and all the rest of it, and we're now a free agent for that. We've seen a lot of inbounds come through in terms of people wanting to partner with us from a commercial perspective. We're already taking a ton of revenue from sports betting international's perspective. But there will be opportunities we'll have a look at in terms of deeper commercial partnerships with operators.

The shuttering of FOX Bet is no indication whatsoever the fact that we have sort of lost any interest in that space.

Jessica: With the recovery in the various sports betting assets in the public markets, has that changed how you're thinking about the timeframe of exercising the option?

Steve: Not really. The fact that we've got such a long-dated option affords us the opportunity to wait and see how the market really plays out, and that's our market, and we look at that from multiple levels. It's like, is consumer adoption where we thought it would be, and all signs are that it completely is and is Fan Duel the right asset, and all indications are that it is. But there's nothing that would force us to exercise that option any time soon.

Jessica: Moving into sports rights in general, they've been escalating across the board and it's kind of leading some to be more selective about what they keep, what they let go because it just climbed so high. As you think about your sports portfolio, how would you bucket the different rights under your umbrella, in particular with WWE, what are your considerations of retaining it versus just moving on to other rights?

Steve: I won't comment specifically on WWE but let me give you some color on sports. First, we think we're well-spent in terms of our overall portfolio spend on sports rights. We have, over the course of the last four years, a touch longer actually, we'd be really, really focused on getting long-term extensions on what we call foundational rights, and none of them are more emblematic than the long-term extension we've got for NFL.

But if you look at NFL, MLB, College, we have a bedrock of rights to take us to the latter part of this decade and into the next decade that we feel really good about. And that is a really, really significant platform that affords us what I would say – we're always disciplined about all of our rights, and all of our rights have to pay their own way. But it allows us to be sort of I guess much more clinical in the way we look at renewing existing rights or looking at new rights that we want to sort of acquire for the portfolio.

And so, we'll take a really, really, as I said, clinical look at the renewal of rights that we have on the slate at the moment and determine the value they deliver to us both from an advertising perspective and the impact that they have in terms of incremental affiliate revenue versus what the rights owner expects to receive in terms of rights cost, and we'll make that mathematical equation and be super disciplined about it.

Jessica: It's been two years since the launch of USFL. Give us key takeaways, the highlights of it and is there anything you want to change? How would you judge the success of this so far?

Steve: USFL, it's a really interesting asset because we've got a fantastic sports franchise. We have, in our schedule we have I guess a gap in spring where from a broadcaster perspective, having USFL come a little bit after NFL is really helpful from an end-to-end schedule. And we've seen USFL find its place from an audience perspective. We'd like the audience to be bigger, but it certainly sort of makes weight in terms of, it compares well with regular season baseball, it compares well with MLS, NLS, those kinds of assets.

You've seen us in the first season of NFL, we hubbed all our teams in Birmingham in Alabama. In the most recent season, we've expanded that. We think there's a couple of things for this to be successful. One is we need to be much more local. And so, you saw us expand from being in one hub to going to four hubs. You'll see us continue to expand that hub model in order to generate true sort of local interest.

We would hope that the audience continues to develop, and the proof will be in – we're co-owners of the rights with NBC, and so we would expect real success to be determined by what the revenue opportunity is. And I think key to that revenue will be audience, because that will inform what the broadcast deals will be on renewal, which is super important.

And then on the ground monetization, whether it be with sponsorships, gate receipts, so we'll look at that. It's still, it's nowhere near maturity. We're too easy and we're learning things, but we feel enthusiastic about what the opportunity is there as long as we can continue to take it local and continue to grow the TV audience.

Jessica: We don't have a lot of time left so I'm going to try to sneak two more in. You made a lot of strategic investments through the years and a lot of strategic asset sales as well. How do you think about FOX's asset mix today and how do you think about M&A and how that fits into your strategy?

Steve: I don't know if your last question will be on capital allocations, so I'll answer capital allocations. [overlapping comments] When we look at capital allocation in totality, you look at the history of FOX and the balance, but we want to grow the business. We want to grow the business organically, and if there's a great inorganic opportunity, we'll take the opportunity.

But when you look at what's happened over the course of the last four years, the bias has actually been to sending capital back to shareholders. Since inception of FOX, we've sent about $6 billion of capital in the form of buy backs and dividends. $4.6 billion of that was buybacks, including the most recent fiscal year, we closed more than we've ever done, which is $2 billion of buybacks. We've done about $1.9 billion of gross M&A, but as you mentioned, we've sold about $500 million worth of assets, so $1.4 billion in net investment.

When you look at capital allocation, the bias has been to return capital to shareholders, but I think that's largely been because we haven't seen an opportunity attractive enough from an M&A perspective. None of the organic businesses we have in the portfolio are starved for capital. If we see growth opportunities like we did with Tubi, we'll lean in and take deficits on those in order to grow them into the businesses they can be.

We just haven't seen a particularly attractive sort of inorganic opportunity to apply capital towards. But our bias is to grow the business from what is an incredibly strong core with sports and news, and now with digital in terms of Tubi, and we're on the lookout for those opportunities. But we look at everything, but we have an incredibly high bar.

Jessica: You answered the capital allocation question, so maybe one last different one then. There's been a lot of speculation around linear assets and what could be for sale, especially Bob Iger spoke at Sun Valley and there's some other companies that maybe should be selling assets. Do you view yourself as a consolidator or an eventual target?

Steve: The short answer is probably no. I don't like the notion of defining a business by its distribution mechanism. When you say linear assets, I go back to the core of what the asset is. Is it something that we can add value towards? We've already made a clear bet in terms of where we see general entertainment programming with the transaction we did with Disney and the focus on sports and news. If there's something in there that we can bolster our sports and news services, maybe, but it would have to be – never say never – but it would have to be a ridiculously opportunistic deal for us to pursue that path.

Jessica: We are out of time, so thank you so much.

Steve: Thank you, Jessica. Thanks, everybody.

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