Jessica: Welcome back.

Steve: Thanks for having us.

Jessica: Great to have you. The industry has gone through so much change since the emergence of new FOX in 2019. I mean, we've gotten through COVID. Hopefully, it's in the rearview mirror. The whole industry has pivoted towards streaming and direct to consumer. There's been some M&A, a much bigger focus on profitability. There's just a lot going on in general. Windows have changed. Given everything that's going on around you, how do you, as FOX's core strategy evolved, is it any different than it was?

Steve: I think our core strategy, when you look at FOX and the trends that we saw, even going back to 2014 when we tried to buy Time Warner, we sort of took the view that there was a certain part of the ecosystem where scale was super important, and that was largely around scripted programing. We took the decision to try and buy Time Warner. That obviously didn't fulfill.

We then extended that thesis and said if we can't be the consolidator, then let's take the opportunity with Disney and create a really, really scaled player on that side of the ecosystem, and let's create a super focused live sport, live news media company that can run its own race with respect to that. Because they both have different distribution models attached to them and they both have differences in terms of domestic versus international relevance and all the rest of it.

We created Fox Corp. in 2019, and our strategies remain really resolute around it. We have absolutely chosen not to try and compete in the SVOD wars because we basically traded the assets that we had to compete in those and gave Disney the better hand in that. We have a fantastic set of assets with news and sports, and we've built into those assets and adjacencies. We've bought into Tubi and bought a number of assets that sit adjacent to that and benefit from that reach in relevance that is really domestic in nature.

And then you look at the product of that – and I think 2023 really illustrates and exemplifies the power of that strategy, because if you think about where we're 60ish days before the midterms, and our local news and our national news will be incredibly relevant to the U.S. television viewer over the next 60 days. That, we've got NFL for us that starts this Sunday. It'll be a fantastic year that culminates with us having the Super Bowl in February.

And in between all of that we've got probably the most important international sports event, which will be the World Cup in November/December. You sort of look at it and it becomes a showcase year for us, both from the perspective of what we present to the viewers and the audience that we'll be able to generate and aggregate, what we deliver for our distributor partners, what we deliver for our advertising partners, and ultimately what we deliver from a top and bottom-line perspective for the company.

We continue to see ourselves pushing down the power of those verticals and pushing the adjacencies, like Tubi is a classic adjacency that we're plugged into our asset portfolio and really taken that to the next level.

Jessica: Let's go into, you mentioned several current trends, but let's go into…

Steve: I know you want to talk about a bunch of these things.

Jessica: Let's go into like the divisions and let's start with distribution. One of the big takeaways from this most recent earnings season is the rate of decline of pay TV subs. I mean, it has just accelerated, surprisingly accelerated. Are there any offsets from virtual MVPDs that we aren't contemplating to cushion the blow? And we know that you're heading into a big renewal cycle in the second half of this fiscal year. Can you give us any insight into the trajectory for affiliate fee growth in fiscal '23?

Steve: Our Q2, so June quarter earnings for us, we called out that we were seeing subscriber erosion in sort of the high -5s, which is net-net of everything. It includes the traditionals partially offset by the virtual MVPDs. We're two months late in terms of the remits, and so the acceleration that we're seeing in that June quarter from the traditional reporting will come into our numbers over the course of the September quarter.

But when we look at it, when you look at it, quarter-by-quarter, our total affiliate revenue growth may bounce around a bit depending on where volumes are in any given quarter. Again, it goes back to the strategy and being really focused on the channels and the networks that matter. We completely continue to sort of have absolute conviction around the pricing power of our networks. Over the course of the next two years, close to 70% of our fiscal '22 affiliate revenue comes up for renewal.

It's incumbent on us to get what we determine to be fair pricing for those networks in order to continue to drive both retrans and TV segment affiliate growth, as well as cable segment growth. And we think that with the power of those assets, we'll be able to deliver on that. Now, quarter-on-quarter we're going to see things that bump around a little bit, but long term, the trajectory for us is clear in terms of that being a key revenue growth driver for us.

Jessica: If cable operators are deemphasizing their video product, how much further can you really drive those affiliate fee increases at the cable networks long term? I'm not even debating how important your cable networks are. That's not the question. The question really is if you're asking for big increases, doesn't that risk accelerating the decline they're already suffering?

Steve: We absolutely have to get the rate growth because of what we represent to the bundle. And not only is it the fact that the content is so compelling, but it's also the fact that the content is delivered exclusively to the bundle right now. We don't have the competing over-the-top D2C service that has basically what can get in the bundle outside of the bundle.

So yes, we're going to put our best foot forward in terms of getting rate growth for our networks, but it's also incumbent on the distributors to look at the value proposition that they're delivering to the end consumer and making sure that it's priced appropriately, and it gets the pricing that matches the exclusivity that's being delivered for that.

I think we saw that with some of the earlier versions of the virtual MVPDs, which were sort of more core bundles, and that's, I think, before we've seen a proliferation of SVOD, we saw the proliferation of networks in those bundles, and we probably need to see a rationalization around that to get the bundle price point to a level that the consumer is willing to pay, but is also reflective of the relevance that's in the bundle.

Jessica: Very good point. Reed Hastings recently said that linear TV would be dead in five to ten years. And I guess he's not the only one who said that, but definitely he was the most public. What's your response to that and do you have a point of view of where the pay TV ecosystem will be in five to ten years?

Steve: We don't define ourselves as a linear TV company. The essence of FOX is really around live sports, live news, and the adjacencies that we build around those businesses. Now, I think Reed also said, a couple years ago, that the only thing that streaming delivers to sports is buffering rights. It just so happens that sports and news, I don't think it's the linear nature of those content assets. It's really the fact that they're unscheduled. Well, sports is scheduled, but you watch it live so a linear service lends itself to presenting that kind of content.

In news, you don't know what's going to happen. Anything can happen in the next five minutes and news is just this rolling service. Right now, a linear network is the best way to deliver that. Right now, the best value in terms of that delivery is through the bundles, whether it's the traditionals or virtual MVPDs. I think if you take a step back, is the distribution system written large going to look the same today as it will in the next 10 years? Probably not.

But is the demand for live news, live sports, and being the number one in both of those categories going to be still around in 10 years' time? Of course it is, and we think that irrespective of how distribution evolves, we're going to be front and center in terms of the content that people are going to want to consume and we're going to be able to get best pricing for that content.

And so, we're not wedded to a distribution model. It just so happens that right now, the most commercially sensible and the most consumer-friendly way to deliver our service is through the way we deliver it right now. But as that evolves, the company will evolve.

Jessica: I feel like I'm the bearer of bad news in this question, but the next question isn't any better. The macro backdrop is just so challenged at the moment and many of the companies who spoke yesterday talked about a choppy ad market. But your last call was super bullish, you really stand out. Since the call, have you seen any softness in your business, and if not, what in particular is driving the resilience in your advertising business?

Steve: Listen, I think when you look at where the warning signs are coming from, they're coming from things like programmatic, and they're coming from what I'd say the longtail of general entertainment from a traditional TV perspective is. When you look at our assets, I think there's a real flight to quality because we continue to deliver audiences at scale across particularly sports and news, and also Tubi.

When we look at, like, Mark Evans and Marianne [Gambelli], were out yesterday talking about the fact that our Super Bowl's nearly sold out, so if BofA wants to put an ad down, they should talk soon. I think when you look at that and you sort of parse it out, there's incredibly strong bid for news from, I mean for sports from the advertising. News just goes from strength to strength in terms of ad revenue.

When you look at our advertising revenue book, 70% of it is driven by live sports and news. About less than 10% is driven by programmatic. And if you look at programmatic, we're seeing a little bit of softness in what I call FOX News Digital in terms of the website. But if I look at Tubi, which is a much bigger driver from a digital perspective for the company, we saw the growth decelerate in Tubi in Q4, so the June quarter, and that was, I think, around the low-teens-ish kind of mark, Q4 versus Q4 prior year.

It's now back up trading at plus-mid 20% Q1 to date versus Q1 last year. We're seeing real strength there and it's driven by continued record levels of total view time at Tubi and I think the concentrated nature of our assets, and it's not just concentrated in terms of a small group of assets, but they're super high quality.

We’ve got two of the five most watched networks in the country about to go into their most relevant cycle over the next six months.

When I look at local, we’re about to go into a political season with local, which I’m sure you’re going to want to talk about, but that looks like it’s going to be really big for us. Local, we’ve seen some recovery in auto. Remember, the last probably five quarters that’s been a struggle across all of local, so I’ve seen some recovery in auto, but we’ve seen some pullback in sports betting advertising, which is increasingly migrating from a local to a quasi-national platform.

Jessica: Are you making up what you’re losing in local and national on sports betting?

Steve: I wouldn’t say we’re completely making up, but remember, nationally we’re kind of fully sold the whole time, so you don’t necessarily need to – what we’ve seen locally is really being made up from auto as well as political coming through. And in national, we’re fully sold and it’s all about how can you take price from the market as you’re fully sold in sports.

Jessica: It’s a good position to be in.

Steve: It’s a fantastic position.

Jessica: Continuing on that positive trend, you’ve mentioned in the past that your news programming can now replicate the reach of broadcast. Have you begun to sell advertising this way to close the gap with broadcast CPMs? And if not, how large of an opportunity could this potentially be for FOX?

Steve: I think with news it starts with the progress we’ve made in developing the schedule. I think for the uninitiated – and I think there’s very few uninitiated around FOX News – but too many people think FOX News is just the two or three hours of opinion programming in primetime. When you look at the breadth of the schedule that Suzanne and her team have been able to create, you’ve got *The Five* which starts at 5pm eastern, which is now often ranked the highest rated cable news program in all of cable news.

We’ve introduced *Jesse Watters* to 7 o’clock. We’ve got *Gutfeld!* that’s tearing a hole through late night and he’s either one or two consistently across all late-night hosts. Which go on top of the still-watch, which with sort of two or three hours of opinion in primetime as well as *FOX & Friends* in the morning. Now, we’ve got a really, really robust schedule that mixes both opinion as well as news as well some lighter fare.

And as a result of that, when you look at the FOX News revenue over the last four years, FOX News revenue in total, whether it be linear plus digital, is up 40%. So, it's growing close to 9% CAGR. I think there's absolutely opportunity to grow that as the IBORs continue to grow, and there's absolutely opportunity to bring CPMs more in line with broadcast CPMs, although we don't sort of, we have ambition to that. We don't expect that to happen any time soon. That's not within our plans.

When you look at FOX News, we increasingly see that as like the fifth network in this country, and we look at the FOX News audience base and see to what extent we can monetize that beyond just affiliate fees and linear television advertising. And so, we have a really, really significant digital business in terms of the website, in terms of the revenue that drives. And then we're building adjacent businesses like FOX Nation, FOX Weather, which is meant to sort of aggregate the audience and the viewing power of FOX News as a broader brand and take them into places where we can super serve them and continue to monetize in a broader sense.

Jessica: You mentioned political, so political I'm going to ask. How big is that opportunity? You seem uniquely well-positioned, local and FOX News, just very unusual.

Steve: For news, news has tended not to be a huge gatherer of political advertising dollars, although the cycle last year we did earn some reasonable political dollars. It really is for us. The uptick in our advertising revenue in a political year really, really reposes in the TV station's P&L. When you look at it, it is a super important election and so there's a keen amount of interest in it. When you look at our footprint, we cover all the major markets and therefore get all the major issuing money.

In some of the secondary markets, where there will be places like Georgia, Pennsylvania, Arizona, Wisconsin, they're really important well-contested races and so we expect to be the beneficiary of getting those dollars to our stations in those markets. To sort of try and quantify that, when you look at the last midterm cycle four years ago, the local stations did about $160 million of political advertising. That was an out and out record. It didn't matter whether it was midterm or presidential at the time. That was the biggest political year we'd ever had.

We then surpassed that in the most recent presidential election when you – if you remove the Georgia runoff – we did about $230 million going into the last presidential election, and this one looks like it's going to, we're hopeful for it to eclipse the last presidential because there's just so much interest and such an important election that people, we expect, will put money down to get their candidates over the line. And so, we're incredibly excited about what that holds.

Now, the only proof point we have right now is the fact that in the September quarter, I think we did about $40 million of political, which is double the next best Q4 that we've had, but the money comes later. It's October/November, and so, listen, everything bodes well for this to be a really, really big election for us from a financial perspective.

Jessica: I just want to make sure, you said $160 million last midterm, $230 million presidential, and you think you'll beat the presidential.

Steve: We're hopeful we can beat the presidential.

Jessica: That's insane. There's so many, besides the candidates, there's so many issues.

Steve: Precisely. Exactly. There's a bunch, I don't know how many locals we have here, but if you haven't seen an ad for Prop 26 or Prop 27 when you're watching TV news in this city or in San Francisco, it's crazy. It bodes super well for us going into the next couple months.

Jessica: What role did Tubi play in your upfront discussions this year, and how important an asset can that be over time?

Steve: When we bought Tubi, I think Lachlan's mantra in the company was to not take the Tubi out of Tubi. We've let Tubi run itself relatively independently inside of FOX and really sort of keep that startup challenger kind of mentality in the business. The one place that we were able to make really, really significant, rapid inroads into the sort of trajectory of that business is plugging into our ad salesforce.

We bought the company two-and-a-half years ago, and it was run rating about $150 million worth of ad revenue, and the fact that it got plugged into our ad salesforce, we're now sort of at the close to over 600 level. From an upfront perspective, it basically didn't have an upfront when we bought it and now we're doing significant dollars in the upfront, which I think is a benefit that we bring to Tubi as opposed to Tubi bring the benefit to our broader portfolio.

But when I look at the upfront numbers this year versus last year, we're up 60% for Tubi. This is the upfront that we were able to achieve for last year. I think Tubi is an important asset for us because when we think about the prospects of entertainment, I think we're on record as saying we see Tubi as being sort of the broadcast entertainment network in a streaming world for the future.

And the beauty of Tubi for us is that we're not trying to protect any legacy entertainment networks with Tubi, having a foot sort of in an AVOD world and an ad supported world and an SVOD world, we can really let Tubi be an independent insurgent that's chasing every dollar, because for us, it truly is incremental to us as opposed to being substitutional between different parts of the portfolio.

Jessica: One more thing on advertising. There were a couple of categories that were tailwinds last year. You mentioned one, sports betting, but also crypto was a big tailwind for the industry – probably underperforming given the market. But then you mentioned auto picking up, and you're the only company that's actually mentioned that, but is there anything else that you're seeing both there in the positive or negative side? You tend to be first out of the gate.

Steve: Crypto wasn't a big number for us last year anyway, but no surprise. It's not a big number for us this year, but it's neither here nor there for us. Auto has been better for us at a local level and probably a portion nationally. I think the classics that everybody would expect to be under pressure are, and the pressures are like financials and retail, but pharma remains really strong CPG remains really strong for us.

I think we see a different, I think we have different access to those clients spend because of the unique nature of the assets that we serve them with. But no, I think there are the obvious ones that are under a bit of pressure, but we see some neat offsets for us.

Jessica: As sports betting continues to legalize across more and more states, how does your approach change in terms of tapping into this market? The market obviously seems to temper their optimism for the outlook for the business models overall, but have there been any fundamental, have you changed any of your views on legalized sports betting or the opportunity that it provides?

Steve: Our legacy in sports betting goes – a lot of the management team were around when we owned Sky, and we saw the impact that Sky bet and the opportunity in markets like the United Kingdom, Australia around sports betting and how that really mushroomed. And so, we got into sports betting initially with the Stars Group and then since then, when Flutter bought the Stars Group, our partnership with Flutter more broadly, before there was this kind of hyperbole and craze for sports betting and the stock valuations went through the roof.

We've been long time believers in the category, and we remain that way. We think, and we've got various assets, whether it be our quasi-joint venture in FOX Bet or the options that we have over FanDuel, we've taken a long-term view and those deals are structured as long-term deals because we see this has been a really important part of our sports business.

And so, yes, the valuations and the excitement have come off over the last six months like it has across tech, but our five-to-ten-year view of this remains unchanged, which is it's going to become a really, really important category and we want to be on the ground floor of that from an opportunity perspective.

Jessica: FOX appears well positioned for the industry dissection between media and sports betting. The FanDuel just announced a new linear channel. Given your relationship, what are some of the opportunities that you have to integrate your FOX Sports brand with sports betting?

Steve: The relationship, I think there's an arbitration that needs to take place and a reset of the relationship once that's a known outcome. But we're complete believers in the intersection between media companies and sports betting companies and the symbiosis that those two assets can have, and we've seen that with Sky. I think, I have less faith in a channel that is kind of like a barker channel telling you about odds around different potential sports outcomes and things like that.

I think the real symbiosis is being able to bring together the thing we have which is the rights to the underlying sports themselves and bringing them together with what the sports betting platforms have, and we've seen the success of that at Sky in terms of building the Sky bet business. I've also seen the success of it around the development of FOX Bet Super 6. And so, from a standing start with two- and a-bit years ago, we've developed that into, on account basis, $6 million.

I think it really benefits from having the best of both. I don't think having, I think you really need to have the video that we provide as well as the sports betting expertise and the odds expertise to bring those two together. But we're absolute believers in that intersection and it's firmly part of the thesis that we had when we – not investments, because we hadn't put money down – the positions, the potential equity positions that we have in sports betting.

Jessica: You recently announced the renewal for Big Ten, which are a pretty healthy step up in price. What in particular makes this piece of content so valuable to the FOX Sports portfolio and what are additional ways you can drive value from these sports rights to remain accretive to shareholders?

Steve: We have a very complete relationship with the Big Ten conference, and so, yes, the conference was able to generate a significant step up, but we think that the economic investment we're making in those rights really makes sense for us and we think they're well priced in the context of what we can deliver to our distributors and our advertising partners, remembering the Big Ten is part and parcel of our big noon sort of Saturday afternoon programming, which has quickly become the most watched college football programming.

When we look at our sports rights portfolio full stop, you've got NFL and college football. They're so closely aligned in terms of that full programming schedule that it's a really important set of rights for us and we think we've done really, really sensible and attractive economic dealing in retaining those rights and extending them for another seven years.

So, when you really look at the rights portfolio, now you've got NFL, MLB, and Big Ten, which are core to our portfolio. They'll all go out to the backend of this decade. That certainty and the planning we can do around that and the building that we can do around that is really important to us.

Jessica: Sports rights appear to be escalating across the board everywhere and there are some who are starting to become more selective about what rights they keep, what they let go. We've seen that in a number of markets. As you think of your sports portfolio, how would you bucket the different rights under your umbrella? Is there anything that you think you're missing that could enhance your offering?

Steve: We've been optimizing our portfolio now for probably the last two years. I think from an overall spend perspective, we're well spent, so I don't necessarily see us needing to spend a great deal more from an overall portfolio perspective. When I look at the breadth of rights we have, I think we've got a fantastic balance of what internally we call foundational rights, which really are kind of at the foundation of the FOX Sports franchise and they're at the heart of driving retrans fees and they're at the heart of driving advertising income for us.

When you look at it, we've also been disciplined in the way we've used that sports money. We got out of the U.S. Golf rights about two years ago now because that was sub economic for us and it was also, when you look at the USGA rights, it comes with a few tournaments, but the one that really everybody wants to watch is the Men's Open, but it's a four-day event. And so, we thought we're not building a franchise around that. We don't have a broader golf franchise around it, so we were able to get out of that asset of rights ahead of time.

We did the same thing for Thursday night football because when you look at it, it wasn't particularly additive to the Sunday package that we have. It doesn't deliver a Super Bowl. And so, we looked at that from a pretty economic rational perspective and said how much truly incremental retrans does that deliver for us and what does it look like on a rights cost versus ad revenue. We thought we don't really need it.

But we've got a fantastic portfolio that includes NFL, it includes the college we just discussed, it includes NASCAR, it includes MLB, and so we think we've got a really good class and we're starting to now build a summer of international football. We think that international football resonates better with the American consumer who can understand the rivalry between an England-France or and England-Germany game as opposed to a Leicester City-Bournemouth game.

We think that we've got a fantastic now summer schedule of soccer that includes FIFA for both men's and women's, and now UEFA. We're building a soccer franchise, but it's not the domestic leagues soccer franchise but an international league which we think is just easier for the American consumer to absorb.

Jessica: You talked about $200 to $300 million in net EBITDA losses in fiscal '22 associated with investments and maintaining that similar level for fiscal '23. How should we think about the allocation of that investment across the various assets including FOX Weather, Tubi, USFL, and can you talk a little bit about the path to breakeven?

Steve: When we talk about $200 to $300 million of net EBITDA investment, that was, what I'd say the drag of fiscal '22 EBITDA versus fiscal '21. And we don't intend to have an additional drag, so that's imbedded in the P&L in fiscal '22 and will not get any worse in fiscal '23. The lion's share or the most significant component of that investment goes to Tubi where the opportunity – let me go through the various components of it – but there's two which is lion's share of it and then I'd say this relatively equal dollop's going to USFL, FOX Nation, and Weather.

When you look at the biggest of those, it's Tubi, and I think from a trajectory to breakeven, I think we continue to raise our sights in terms of the market opportunity for Tubi. If you look at where we are versus where our internal acquisition was, I don't think we expect it to get to the level of revenue we've gotten to so far. We're going to continue to invest in Tubi as we see the market opportunity grow.

Tubi is relatively easy to dial up and dial down because a lot of that investment spend is at our optionality. But as this business continues to grow, then we're going to continue to invest in it, and then once we see what the real market opportunity is, then we'll tailor the cost base to achieving a reasonable marginal net. But we, I would imagine that we continue to invest in Tubi for the next two to three years and then we'll set our sights on where we think the stabilization period is in terms of revenue growth.

Jessica: After your first year with the USFL, what are your key takeaways and is there anything you like to change about it? Could you talk about core strategic goals over the next year or two?

Steve: I think it fulfilled very strategic goals for us. From a sports portfolio perspective, we're generally more quiet in the spring going into the summer than we are obviously into the fall. It fills a programming gap that we have in that particular part of the season. For us, it was important to have ownership in the sport rather than just be a renter of the rights, and so we've achieved that. And we've been able to establish the sport in that part of the calendar.

From a viewership perspective, it completely found its place against other key properties that go on that time of the year, whether it be MLB or NASCAR, and so we think it's absolutely found an audience. What we've learned here is that – I think it's pretty obvious – is the fact that there's a level of parochialism, and so, when the Birmingham team plays stadiums that had more crowds in it, you had ratings, both locally and nationally, that were better.

I think we're looking at ways that we can develop that parochialism in other markets. But no, I think first year, we're really enthused and encouraged by the progress we've made, and we're excited about what happens next spring. Obviously next spring we'll have, it'll be coming off a Super Bowl so you should expect the cross promotion going from our NFL coverage into the start of the USFL will be pretty strong, and that should give it a flying start for its second season. But we're, I think from our internal perspective, it ticked off everything we wanted it to do.

Jessica: The recently passed Inflation Reduction Act includes legislation imposing a minimum tax on corporations earning over a certain amount. Will FOX fall into the new legislation, and if so, how will you be impacted? Will it impact your tax shield?

Steve: It doesn't impact the tax shields. The tax shield is still absolutely in place. Our early reading of how the legislation works is (A) it won't be applicable to us until fiscal '24. And as a result of that, once fiscal '24 turns around, assuming the act is still in place, it will mean that we will need to pay that minimum tax. What it effectively does, you get a credit for the minimum tax that you pay, so you're able to use that credit over time.

What in essence is, it actually defers the benefit of using that tax asset that we have. When you look at it from a net present value perspective, the tax asset to us is worth around about $3 billion, and I think anybody has got that in their evaluation models given where we trade, but it's worth about $3 billion to us. If you look at the deferral effect of the minimum tax it probably comes down by about 10% to about 2.7%.

It probably will have an impact on the tax rate by taking the effective tax rate up by a couple of points, but the real economic impact on us is really the NPV around that tax asset.

Jessica: Through acquisitions and investments that you've made in new areas, a number of areas, consumer finance, Blockchain, which we didn't even talk about, sports betting, AVOD streaming – it's only a certain amount of time – how do you think about the FOX asset mix today and how does M&A fit into your strategy going forward?

Steve: I think we've been really deliberate about M&A, and when you look at capital allocation at large, we've spent, over the course of the last, since founding FOX, we've spent $1.9 billion gross on M&A, we've sold some assets, so we sold our stake in Roku, we sold a couple of stations. When you net out those sales which run about $1.3 billion net on M&A and given back to shareholders double that in the form of buybacks – we've done about, I think at the end of the quarter we've done $2.65 billion of buybacks against the $4 billion authorization, and we've given back an extra $1 billion in dividends to shareholders.

When you look at the balance of capital deployed, the balance has favored return of capital with shareholders, but I think we've been super disciplined in the M&A we've done, which is to build around the core strengths that we have into adjacencies that we think we've got legitimate opportunity to win. Our biggest example of that was Tubi. I think that thesis is completely proving out in terms of it plugging into our ecosystem from an ad sales perspective increasingly drawing on the content of FOX and getting the investment capital to continue to grow into a really, really leading AVOD platform for us.

You should expect, from an M&A perspective, for us to look at the portfolio, where we can move either within our core strengths, particularly around sports and news, and where sports and news and the audience that we aggregate, which is a mass audience, where we can bring the power of those assets to create unfair advantage for the target assets we may or may not want to buy.

We sit here today with a really, really strong balance sheet. We're going to continue to buy back stock at the kind of levels that it's trading out at the moment, but in a time where I think the macro feels a little bit volatile and turbulent, we've got an A grade balance sheet that gives us optionality to give back to shareholders or to take advantage of situations.

Jessica: You do have a great balance sheet, but with that, we are totally out of time. Thank you so much.

Steve: Thanks, Jessica.

END