UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended December 31, 2023

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from _________ to _________

Commission File Number 001-38776

FOX CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**83-1825597**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

1211 Avenue of the Americas
New York, New York 10036
(Address of principal executive offices and Zip Code)

Registrant's telephone number, including area code (212) 852-7000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbols	Name of each exchange on which registered
Class A Common Stock, par value $0.01 per share	FOXA	The Nasdaq Global Select Market
Class B Common Stock, par value $0.01 per share	FOX	The Nasdaq Global Select Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of February 5, 2024, 239,295,115 shares of Class A Common Stock, par value $0.01 per share, and 235,581,025 shares of Class B Common Stock, par value $0.01 per share, were outstanding.

FOX CORPORATION

FORM 10-Q

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FOX CORPORATION

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
(IN MILLIONS, EXCEPT PER SHARE AMOUNTS)

	For the three months ended December 31,		For the six months ended December 31,	
	2023	2022	2023	2022
Revenues	$ 4,234	$ 4,605	$ 7,441	$ 7,797
Operating expenses	(3,393)	(3,528)	(5,255)	(5,184)
Selling, general and administrative	(495)	(550)	(975)	(998)
Depreciation and amortization	(97)	(103)	(193)	(202)
Interest expense, net	(72)	(60)	(114)	(128)
Other, net	(46)	73	(212)	(3)
Income before income tax expense	131	437	692	1,282
Income tax expense	(16)	(116)	(162)	(348)
Net income	115	321	530	934
Less: Net income attributable to noncontrolling interests	(6)	(8)	(14)	(16)
Net income attributable to Fox Corporation stockholders	$ 109	$ 313	$ 516	$ 918
EARNINGS PER SHARE DATA				
Weighted average shares:				
Basic	481	541	487	545
Diluted	482	543	488	547
Net income attributable to Fox Corporation stockholders per share - basic and diluted	$ 0.23	$ 0.58	$ 1.06	$ 1.68

The accompanying notes are an integral part of these Unaudited Consolidated Financial Statements.

FOX CORPORATION

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(IN MILLIONS)

	For the three months ended December 31,		For the six months ended December 31,	
	2023	**2022**	**2023**	**2022**
Net income	$ 115	$ 321	$ 530	$ 934
Other comprehensive income, net of tax:				
Benefit plan adjustments and other	5	9	3	7
Other comprehensive income, net of tax	5	9	3	7
Comprehensive income	120	330	533	941
Less: Net income attributable to noncontrolling interests[a]	(6)	(8)	(14)	(16)
Comprehensive income attributable to Fox Corporation stockholders	$ 114	$ 322	$ 519	$ 925

(a) Net income attributable to noncontrolling interests includes $(4) million and $(5) million for the three months ended December 31, 2023 and 2022, respectively, and $(4) million and $(10) million for the six months ended December 31, 2023 and 2022, respectively, relating to redeemable noncontrolling interests.

The accompanying notes are an integral part of these Unaudited Consolidated Financial Statements.

FOX CORPORATION

CONSOLIDATED BALANCE SHEETS
(IN MILLIONS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	As of December 31, 2023 (unaudited)	As of June 30, 2023 (audited)
ASSETS		
Current assets		
Cash and cash equivalents	$ 4,122	$ 4,272
Receivables, net	3,001	2,177
Inventories, net	1,038	543
Other	340	265
Total current assets	8,501	7,257
Non-current assets		
Property, plant and equipment, net	1,676	1,708
Intangible assets, net	3,061	3,084
Goodwill	3,559	3,559
Deferred tax assets	3,065	3,090
Other non-current assets	2,984	3,168
Total assets	$ 22,846	$ 21,866
LIABILITIES AND EQUITY		
Current liabilities		
Borrowings	$ 1,250	$ 1,249
Accounts payable, accrued expenses and other current liabilities	2,457	2,514
Total current liabilities	3,707	3,763
Non-current liabilities		
Borrowings	7,195	5,961
Other liabilities	1,376	1,484
Redeemable noncontrolling interests	243	213
Commitments and contingencies		
Equity		
Class A Common Stock[(a)]	3	3
Class B Common Stock[(b)]	2	2
Additional paid-in capital	7,879	8,253
Retained earnings	2,514	2,269
Accumulated other comprehensive loss	(146)	(149)
Total Fox Corporation stockholders' equity	10,252	10,378
Noncontrolling interests	73	67
Total equity	10,325	10,445
Total liabilities and equity	$ 22,846	$ 21,866

(a) **Class A Common Stock**, $0.01 par value per share, 2,000,000,000 shares authorized, 240,828,814 shares and 262,899,364 shares issued and outstanding at par as of December 31, 2023 and June 30, 2023, respectively.

(b) **Class B Common Stock**, $0.01 par value per share, 1,000,000,000 shares authorized, 235,581,025 shares and 235,581,025 shares issued and outstanding at par as of December 31, 2023 and June 30, 2023, respectively.

The accompanying notes are an integral part of these Unaudited Consolidated Financial Statements.

FOX CORPORATION

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN MILLIONS)

	For the six months ended December 31,	
	2023	2022
OPERATING ACTIVITIES		
Net income	$ 530	$ 934
Adjustments to reconcile net income to cash used in operating activities		
Depreciation and amortization	193	202
Amortization of cable distribution investments	8	8
Equity-based compensation	48	32
Other, net	212	3
Deferred income taxes	29	152
Change in operating assets and liabilities, net of acquisitions and dispositions		
Receivables and other assets	(853)	(952)
Inventories net of programming payable	(405)	(420)
Accounts payable and accrued expenses	(180)	(152)
Other changes, net	(117)	(68)
Net cash used in operating activities	(535)	(261)
INVESTING ACTIVITIES		
Property, plant and equipment	(150)	(153)
Purchase of investments	(6)	(50)
Other investing activities, net	13	(18)
Net cash used in investing activities	(143)	(221)
FINANCING ACTIVITIES		
Borrowings	1,232	—
Repurchase of shares	(500)	(500)
Dividends paid and distributions	(142)	(155)
Sale of subsidiary noncontrolling interest	—	25
Other financing activities, net	(62)	(30)
Net cash provided by (used in) financing activities	528	(660)
Net decrease in cash and cash equivalents	(150)	(1,142)
Cash and cash equivalents, beginning of year	4,272	5,200
Cash and cash equivalents, end of period	$ 4,122	$ 4,058

The accompanying notes are an integral part of these Unaudited Consolidated Financial Statements.

FOX CORPORATION

UNAUDITED CONSOLIDATED STATEMENTS OF EQUITY
(IN MILLIONS)

	Class A Common Stock		Class B Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Fox Corporation Stockholders' Equity	Noncontrolling Interests[a]	Total Equity
	Shares	Amount	Shares	Amount						
Balance, September 30, 2023	249	$ 3	235	$ 2	$ 7,991	$ 2,539	$ (151)	$ 10,384	$ 67	$ 10,451
Net income	—	—	—	—	—	109	—	109	10	119
Other comprehensive income	—	—	—	—	—	—	5	5	—	5
Shares repurchased	(9)	—	—	—	(139)	(114)	—	(253)	—	(253)
Other	1	—	—	—	27	(20)	—	7	(4)	3
Balance, December 31, 2023	241	$ 3	235	$ 2	$ 7,879	$ 2,514	$ (146)	$ 10,252	$ 73	$ 10,325
Balance, September 30, 2022	303	$ 3	241	$ 2	$ 8,949	$ 2,795	$ (228)	$ 11,521	$ 64	$ 11,585
Net income	—	—	—	—	—	313	—	313	13	326
Other comprehensive income	—	—	—	—	—	—	9	9	—	9
Shares repurchased	(6)	—	(2)	—	(137)	(113)	—	(250)	—	(250)
Other	1	—	(1)	—	24	(10)	—	14	(8)	6
Balance, December 31, 2022	298	$ 3	238	$ 2	$ 8,836	$ 2,985	$ (219)	$ 11,607	$ 69	$ 11,676
Balance, June 30, 2023	263	$ 3	235	$ 2	$ 8,253	$ 2,269	$ (149)	$ 10,378	$ 67	$ 10,445
Net income	—	—	—	—	—	516	—	516	18	534
Other comprehensive income	—	—	—	—	—	—	3	3	—	3
Dividends	—	—	—	—	—	(127)	—	(127)	—	(127)
Shares repurchased	(24)	—	—	—	(397)	(108)	—	(505)	—	(505)
Other	2	—	—	—	23	(36)	—	(13)	(12)	(25)
Balance, December 31, 2023	241	$ 3	235	$ 2	$ 7,879	$ 2,514	$ (146)	$ 10,252	$ 73	$ 10,325
Balance, June 30, 2022	308	$ 3	243	$ 3	$ 9,098	$ 2,461	$ (226)	$ 11,339	$ 36	$ 11,375
Net income	—	—	—	—	—	918	—	918	26	944
Other comprehensive income	—	—	—	—	—	—	7	7	—	7
Dividends	—	—	—	—	—	(137)	—	(137)	—	(137)
Shares repurchased	(11)	—	(5)	—	(261)	(239)	—	(500)	—	(500)
Other	1	—	—	(1)	(1)	(18)	—	(20)	7	(13)
Balance, December 31, 2022	298	$ 3	238	$ 2	$ 8,836	$ 2,985	$ (219)	$ 11,607	$ 69	$ 11,676

[a] Excludes Redeemable noncontrolling interests which are reflected in temporary equity (See Note 4—Fair Value under the heading "Redeemable Noncontrolling Interests").

The accompanying notes are an integral part of these Unaudited Consolidated Financial Statements.

NOTE 1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Fox Corporation ("FOX" or the "Company") is a news, sports and entertainment company, which manages and reports its businesses in the following segments: Cable Network Programming, Television and Other, Corporate and Eliminations.

The accompanying Unaudited Consolidated Financial Statements of FOX have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. In the opinion of management, all adjustments consisting only of normal recurring adjustments necessary for a fair presentation have been reflected in these Unaudited Consolidated Financial Statements. Operating results for the interim periods presented are not necessarily indicative of the results that may be expected for the fiscal year ending June 30, 2024.

The preparation of the Company's Unaudited Consolidated Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts that are reported in the Unaudited Consolidated Financial Statements and accompanying disclosures. Although these estimates are based on management's best knowledge of current events and actions that the Company may undertake in the future, actual results may differ from those estimates.

These interim Unaudited Consolidated Financial Statements and notes thereto should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended June 30, 2023 as filed with the Securities and Exchange Commission on August 11, 2023 (the "2023 Form 10-K").

All significant intercompany transactions and accounts within the Company's consolidated businesses have been eliminated. Investments in and advances to entities or joint ventures in which the Company has significant influence, but less than a controlling financial interest, are accounted for using the equity method. Significant influence generally exists when the Company owns an interest between 20% and 50%. Equity securities in which the Company has no significant influence (generally less than a 20% ownership interest) with readily determinable fair values are accounted for at fair value based on quoted market prices. Equity securities without readily determinable fair values are accounted for either at fair value or using the measurement alternative method which is at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. All gains and losses on investments in equity securities are recognized in the Unaudited Consolidated Statements of Operations.

The Company's fiscal year ends on June 30 ("fiscal") of each year. Certain fiscal 2023 amounts have been reclassified to conform to the fiscal 2024 presentation.

The unaudited and audited consolidated financial statements are referred to as the "Financial Statements" herein. The unaudited consolidated statements of operations are referred to as the "Statements of Operations" herein. The unaudited and audited consolidated balance sheets are referred to as the "Balance Sheets" herein.

NOTE 2. ACQUISITIONS, DISPOSALS AND OTHER TRANSACTIONS

The Company's acquisitions support the Company's strategy to strengthen its core brands, grow its digital businesses and selectively enhance production capabilities for its digital and linear platforms. During the six months ended December 31, 2023 and 2022, the Company made no acquisitions.

On January 12, 2024, the United Football League (the "UFL") was launched as a professional spring football league that combines the legacy operations of the United States Football League (the "USFL"), a consolidated subsidiary of FOX, and XFL, a third-party company. In connection with the launch of the UFL, the Company contributed USFL assets into the UFL, a newly formed joint venture with XFL.

NOTE 3. INVENTORIES, NET

The Company's inventories were comprised of the following:

	As of December 31, 2023	As of June 30, 2023
	(in millions)	
Licensed programming, including prepaid sports rights	$ 1,249	$ 720
Owned programming	518	465
Total inventories, net	1,767	1,185
Less: current portion of inventories, net	(1,038)	(543)
Total non-current inventories, net	$ 729	$ 642
Owned programming		
Released	$ 223	$ 256
In-process or other	295	209
Total	$ 518	$ 465

The following table presents the aggregate amortization expense related to Inventories, net included in Operating expenses in the Statements of Operations:

	For the three months ended December 31,		For the six months ended December 31,	
	2023	2022	2023	2022
	(in millions)			
Total amortization expense	$ 2,467	$ 2,566	$ 3,462	$ 3,420

NOTE 4. FAIR VALUE

Fair value measurements are required to be disclosed using a three-tiered fair value hierarchy which distinguishes market participant assumptions into the following categories: (i) inputs that are quoted prices in active markets ("Level 1"); (ii) inputs other than quoted prices included within Level 1 that are observable, including quoted prices for similar assets or liabilities ("Level 2"); and (iii) inputs that require the entity to use its own assumptions about market participant assumptions ("Level 3").

The following tables present information about financial assets and redeemable noncontrolling interests carried at fair value on a recurring basis:

	Fair value measurements			
	As of December 31, 2023			
	Total	Level 1	Level 2	Level 3
	(in millions)			
Investments in equity securities	$ 785	$ 785 [(a)]	$ —	$ —
Redeemable noncontrolling interests	(243)	—	—	(243) [(b)]
Total	$ 542	$ 785	$ —	$ (243)

	Fair value measurements			
	As of June 30, 2023			
	Total	Level 1	Level 2	Level 3
	(in millions)			
Investments in equity securities	$ 884	$ 884 [a]	$ —	$ —
Redeemable noncontrolling interests	(213)	—	—	(213) [b]
Total	$ 671	$ 884	$ —	$ (213)

(a) The investments categorized as Level 1 primarily represent an investment in equity securities of Flutter Entertainment plc ("Flutter") with a readily determinable fair value.

(b) The Company utilizes both the market and income approach valuation techniques for its Level 3 fair value measures. Inputs to such measures could include observable market data obtained from independent sources such as broker quotes and recent market transactions for similar assets. It is the Company's policy to maximize the use of observable inputs in the measurement of its Level 3 fair value measurements. To the extent observable inputs are not available, the Company utilizes unobservable inputs based upon the assumptions market participants would use in valuing the redeemable noncontrolling interests. Examples of utilized unobservable inputs are future cash flows and long-term growth rates.

Redeemable Noncontrolling Interests

The redeemable noncontrolling interests recorded are put rights held by minority shareholders in Credible Labs Inc. ("Credible") and an entertainment production company.

The changes in redeemable noncontrolling interests classified as Level 3 measurements were as follows:

	For the three months ended December 31,		For the six months ended December 31,	
	2023	2022	2023	2022
	(in millions)			
Beginning of period	$ (228)	$ (193)	$ (213)	$ (188)
Net loss	4	5	4	10
Accretion and other	(19)	(8)	(34)	(18)
End of period	$ (243)	$ (196)	$ (243)	$ (196)

The put right held by the Credible minority shareholder will become exercisable in fiscal 2025. The put right held by the entertainment production company's minority shareholder will become exercisable in fiscal 2027.

Financial Instruments

The carrying value of the Company's financial instruments exclusive of borrowings, such as cash and cash equivalents, receivables, payables and investments accounted for using the measurement alternative method, approximates fair value.

	As of December 31, 2023	As of June 30, 2023
	(in millions)	
Borrowings		
Fair value	$ 8,449	$ 6,895
Carrying value	$ 8,445	$ 7,210

Fair value is generally determined by reference to market values resulting from trading on a national securities exchange or in an over-the-counter market (a Level 1 measurement).

Concentrations of Credit Risk

Cash and cash equivalents are maintained with several financial institutions. The Company has deposits held with banks that exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and are maintained with financial institutions of reputable credit and, therefore, bear minimal credit risk.

Generally, the Company does not require collateral to secure receivables. As of December 31, 2023, the Company had no individual customers that accounted for 10% or more of the Company's receivables. As of June 30, 2023, the Company had one customer that accounted for approximately 11% of the Company's receivables.

NOTE 5. BORROWINGS

Borrowings include senior notes (See Note 9—Borrowings in the 2023 Form 10-K under the heading "Public Debt – Senior Notes Issued"). In October 2023, the Company issued $1.25 billion of 6.500% senior notes due 2033. In addition, the Company is party to a credit agreement providing a $1.0 billion unsecured revolving credit facility with a sub-limit of $150 million available for the issuance of letters of credit and a maturity date of June 2028 (See Note 9—Borrowings in the 2023 Form 10-K under the heading "Revolving Credit Agreement"). As of December 31, 2023, there were no borrowings outstanding under the revolving credit agreement. Subsequent to December 31, 2023, $1.25 billion of 4.030% senior notes due in January 2024 matured and were repaid in full.

NOTE 6. STOCKHOLDERS' EQUITY

Stock Repurchase Program

The Company's Board of Directors has authorized a stock repurchase program under which the Company can repurchase $7 billion of Class A Common Stock, par value $0.01 per share (the "Class A Common Stock"), and Class B Common Stock, par value $0.01 per share (the "Class B Common Stock"). The program has no time limit and may be modified, suspended or discontinued at any time.

In connection with the stock repurchase program, the Company entered into an accelerated share repurchase ("ASR") agreement in February 2023, under which the Company paid a third-party financial institution $1 billion and received an initial delivery of approximately 22.5 million shares of Class A Common Stock, representing 80% of the shares expected to be repurchased under the ASR agreement, at a price of $35.54 per share, which was the Nasdaq Global Select Market ("Nasdaq") closing share price of the Class A Common Stock on February 8, 2023. Upon settlement of the ASR agreement in August 2023, the Company received a final delivery of approximately 7.8 million shares of Class A Common Stock. The final number of shares purchased under the ASR agreement was determined using a price of $33.03 per share (the volume-weighted average market price of the Class A Common Stock on Nasdaq during the term of the ASR agreement less a discount). The Company accounted for the ASR agreement as two separate transactions. The initial delivery of Class A Common Stock was accounted for as a treasury stock transaction recorded on the acquisition date. The final settlement of Class A Common Stock was accounted for as a forward contract indexed to the Class A Common Stock and qualified as an equity transaction.

In total, the Company repurchased approximately 24 million shares of Class A Common Stock for approximately $500 million during the six months ended December 31, 2023.

Repurchased shares are retired and reduce the number of shares issued and outstanding. The Company allocates the amount of the repurchase price over par value between additional paid-in capital and retained earnings.

As of December 31, 2023, the Company's remaining stock repurchase authorization was approximately $1.9 billion. Subsequent to December 31, 2023, the Company repurchased approximately 1.6 million shares of Class A Common Stock for approximately $50 million.

Dividends

The following table summarizes the dividends declared per share on both the Company's Class A Common Stock and Class B Common Stock:

	For the three months ended December 31,		For the six months ended December 31,	
	2023	2022	2023	2022
Cash dividend per share	$ —	$ —	$ 0.26	$ 0.25

Subsequent to December 31, 2023 the Company declared a semi-annual dividend of $0.26 per share on both the Class A Common Stock and the Class B Common Stock. The dividend declared is payable on March 26, 2024 with a record date for determining dividend entitlements of March 6, 2024.

NOTE 7. EQUITY-BASED COMPENSATION

The Company has equity-based compensation plans, including the Fox Corporation 2019 Shareholder Alignment Plan (See Note 12—Equity-Based Compensation in the 2023 Form 10-K).

The following table summarizes the Company's equity-based compensation:

	For the three months ended December 31,		For the six months ended December 31,	
	2023	2022	2023	2022
	(in millions)			
Equity-based compensation	$ 24	$ 25	$ 48	$ 32
Intrinsic value of all settled equity-based awards	$ 7	$ —	$ 72	$ 76
Tax benefit on settled equity-based awards	$ 1	$ (1)	$ 11	$ 13

The Company's equity-based awards are settled in Class A Common Stock. As of December 31, 2023, the Company's total estimated compensation cost, not yet recognized, related to non-vested equity awards held by the Company's employees was approximately $125 million and is expected to be recognized over a weighted average period between one and two years.

As of December 31, 2023 and 2022, the Company had approximately 5 million stock options outstanding. The computation of diluted earnings per share did not include stock options outstanding during each period presented if their inclusion would have been antidilutive, and, for those shares that are contingently issuable, all necessary conditions have not been satisfied for the periods presented.

Awards Vested and Granted

Restricted Stock Units

During the six months ended December 31, 2023 and 2022, restricted stock units ("RSUs") with a value of approximately $1.9 million and $1.5 million vested, respectively, and RSUs with a value of approximately $2.0 million were granted in each period. These RSUs generally vest in equal annual installments over a three-year period subject to participants' continued employment with the Company.

Performance-Based Stock Options

During the six months ended December 31, 2023 and 2022, the Company granted approximately 4 million performance-based stock options, in each period, which will vest in full at the end of a three-year performance period if the market condition is met, and have a term of seven years thereafter.

NOTE 8. COMMITMENTS AND CONTINGENCIES

Commitments

The Company has commitments under certain firm contractual arrangements ("firm commitments") to make future payments. These firm commitments secure the future rights to various assets and services to be used in the normal course of operations. The total firm commitments and future debt payments as of December 31, 2023 and June 30, 2023 were approximately $38 billion and $39 billion, respectively. The decrease from June 30, 2023 was primarily due to sports programming rights payments, partially offset by the issuance of $1.25 billion of senior notes in October 2023 (See Note 5—Borrowings).

Contingencies

The Company establishes an accrued liability for legal claims and indemnification claims when the Company determines that a loss is both probable and the amount of the loss can be reasonably estimated. Once established, accruals are adjusted from time to time, as appropriate, in light of additional information. The amount of any loss ultimately incurred in relation to matters for which an accrual has been established may be higher or lower than the amounts accrued for such matters. Any fees, expenses, fines, penalties, judgments or settlements which might be incurred by the Company in connection with the various proceedings could affect the Company's results of operations and financial condition. For the contingencies disclosed below for which there is at least a reasonable possibility that a loss may be incurred, other than the accrual provided, the Company was unable to estimate the amount of loss or range of loss.

FOX News

The Company's FOX News business and certain of its current and former employees have been subject to allegations of sexual harassment and discrimination on the basis of sex and race. The Company has resolved many of these claims and is contesting other claims in litigation. The Company has also received regulatory and investigative inquiries relating to these matters. To date, none of the amounts paid in settlements or reserved for pending or future claims is material, individually or in the aggregate, to the Company. The amount of additional liability, if any, that may result from these or related matters cannot be estimated at this time. However, the Company does not currently anticipate that the ultimate resolution of any such pending matters will have a material adverse effect on its business, financial condition, results of operations or cash flows.

U.K. Newspaper Matters Indemnity

In connection with the separation of Twenty-First Century Fox, Inc. ("21CF") and News Corporation in June 2013 (the "21CF News Corporation Separation"), 21CF agreed to indemnify News Corporation, on an after-tax basis, for payments made after the 21CF News Corporation Separation arising out of civil claims and investigations relating to phone hacking, illegal data access and inappropriate payments to public officials that occurred at subsidiaries of News Corporation before the 21CF News Corporation Separation, as well as legal and professional fees and expenses paid in connection with the related criminal matters, other than fees, expenses and costs relating to employees who are not (i) directors, officers or certain designated employees or (ii) with respect to civil matters, co-defendants with News Corporation (the "U.K. Newspaper Matters Indemnity"). In accordance with the Separation Agreement (as defined in Note 1—Description of Business and Basis of Presentation in the 2023 Form 10-K under the heading "The Transaction"), the Company assumed certain costs and liabilities related to the U.K. Newspaper Matters Indemnity. The liability recorded in the Balance Sheets related to the indemnity was approximately $115 million as of June 30, 2023 and approximately $90 million as of December 31, 2023.

Defamation and Disparagement Claims

From time to time, the Company and its news businesses, including FOX News Media and the FOX Television Stations, and their employees are subject to lawsuits alleging defamation or disparagement. These include lawsuits filed by Smartmatic USA Corp. and certain of its affiliates (collectively, "Smartmatic") in February 2021 seeking $2.7 billion in damages and Dominion Voting Systems, Inc. and certain of its affiliates (collectively, "Dominion") in March 2021 seeking $1.6 billion in damages. On March 31, 2023, the court in the Dominion case issued its rulings on summary judgment motions that were unfavorable to the Company. Following these rulings, on April 18, 2023, the Company and its subsidiary, Fox News Network, LLC, entered into a Release and Settlement Agreement with Dominion pursuant to which the parties agreed to resolve the lawsuits among them. The Company paid an aggregate of approximately $800 million to settle this and a related lawsuit in April 2023.

The Company continues to believe the Smartmatic and other pending lawsuits alleging defamation or disparagement are without merit and intends to defend against them vigorously, including through any appeals. Discovery in the Smartmatic case, including depositions and expert discovery, remains ongoing, and summary judgment and other key motions will follow. At this time, a trial in the Smartmatic lawsuit is not expected to commence until 2025. The Company is unable to predict the final outcome of these matters and has determined that a loss in the Smartmatic case is neither probable nor reasonably estimable. There can be no assurance that the ultimate resolution of these pending matters will not have a material adverse effect on the Company's business, financial condition, results of operations or cash flows.

On April 11, 2023 and April 20, 2023, stockholders of the Company filed derivative lawsuits in the Delaware Court of Chancery against certain directors of the Company under the captions *Schwarz v. Murdoch et al., C.A. No. 2023-0418 (Del. Ch.)* and *Greenberg et al. v. Murdoch et al., C.A. No. 2023-0440 (Del. Ch.)*. The Delaware Court of Chancery consolidated the lawsuits into one matter captioned *In re Fox Corporation Deriv. Litig., C.A. No. 2023-0418 (Del.Ch.)*. Two additional derivative lawsuits were subsequently filed by the Company's stockholders in the same court on September 12, 2023 against certain directors and officers of the Company and are part of the consolidated lawsuit. Each of the lawsuits names the Company as a nominal defendant. The complaints allege that certain directors and officers, as applicable, breached their fiduciary duties by allowing the Company's news channel to air allegations regarding election fraud in connection with the 2020 U.S. Presidential election, which resulted in significant defamation litigation. The plaintiffs seek orders awarding damages in favor of the Company; directing the Company to reform and improve its policies and procedures; and awarding the plaintiffs attorneys' fees and costs. The Company intends to vigorously contest the lawsuit.

Other

The Company's operations are subject to tax primarily in various domestic jurisdictions and as a matter of course, the Company is regularly audited by federal and state tax authorities. The Company believes it has appropriately accrued for the expected outcome of all pending tax matters and does not currently anticipate that the ultimate resolution of pending tax matters will have a material adverse effect on its consolidated financial condition, future results of operations or liquidity. Each member of the 21CF consolidated group, which includes 21CF, the Company (prior to the Transaction (as defined in Note 1—Description of Business and Basis of Presentation in the 2023 Form 10-K under the heading "The Transaction")) and 21CF's other subsidiaries, is jointly and severally liable for the U.S. federal income and, in certain jurisdictions, state tax liabilities of each other member of the consolidated group. Consequently, the Company could be liable in the event any such liability is incurred, and not discharged, by any other member of the 21CF consolidated group. The tax matters agreement entered into in connection with the Separation (as defined in Note 1—Description of Business and Basis of Presentation in the 2023 Form 10-K under the heading “The Transaction”) requires 21CF and/or The Walt Disney Company to indemnify the Company for any such liability. Disputes or assessments could arise during future audits by the Internal Revenue Service in amounts that the Company cannot quantify.

NOTE 9. PENSION AND OTHER POSTRETIREMENT BENEFITS

The Company participates in and/or sponsors various pension, savings and postretirement benefit plans. Pension plans and postretirement benefit plans are closed to new participants with the exception of a small group covered by collective bargaining agreements. The net periodic benefit cost was $14 million and $16 million for the three months ended December 31, 2023 and 2022, respectively, and $27 million and $32 million for the six months ended December 31, 2023 and 2022, respectively.

NOTE 10. SEGMENT INFORMATION

The Company is a news, sports and entertainment company, which manages and reports its businesses in the following segments:

- **Cable Network Programming**, which produces and licenses news and sports content distributed through traditional cable television systems, direct broadcast satellite operators and telecommunication companies, virtual multi-channel video programming distributors and other digital platforms, primarily in the U.S.
- **Television**, which produces, acquires, markets and distributes programming through the FOX broadcast network, advertising supported video-on-demand service Tubi, 29 full power broadcast television stations, including 11 duopolies, and other digital platforms, primarily in the U.S. Eighteen of the broadcast television stations are affiliated with the FOX Network, 10 are affiliated with MyNetworkTV and one is an independent station. The segment also includes various production companies that produce content for the Company and third parties.
- **Other, Corporate and Eliminations**, which principally consists of the FOX Studio Lot, Credible, corporate overhead costs and intracompany eliminations. The FOX Studio Lot, located in Los Angeles, California, provides television and film production services along with office space, studio operation services and includes all operations of the facility. Credible is a U.S. consumer finance marketplace.

The Company’s operating segments have been determined in accordance with the Company’s internal management structure, which is organized based on operating activities. The Company evaluates performance based upon several factors, of which the primary financial measure is segment operating income before depreciation and amortization, or Segment EBITDA. Due to the integrated nature of these operating segments, estimates and judgments are made in allocating certain assets, revenues and expenses.

Segment EBITDA is defined as Revenues less Operating expenses and Selling, general and administrative expenses. Segment EBITDA does not include: Amortization of cable distribution investments, Depreciation and amortization, Impairment and restructuring charges, Interest expense, net, Other, net and Income tax expense. Management believes that Segment EBITDA is an appropriate measure for evaluating the operating performance of the Company’s business segments because it is the primary measure used by the Company’s chief operating decision maker to evaluate the performance of and allocate resources to the Company’s businesses.

The following tables set forth the Company's Revenues and Segment EBITDA for the three and six months ended December 31, 2023 and 2022:

	For the three months ended December 31,		For the six months ended December 31,	
	2023	2022	2023	2022
	(in millions)			
Revenues				
Cable Network Programming	$ 1,658	$ 1,632	$ 3,045	$ 3,063
Television	2,542	2,934	4,322	4,648
Other, Corporate and Eliminations	34	39	74	86
Total revenues	$ 4,234	$ 4,605	$ 7,441	$ 7,797
Segment EBITDA				
Cable Network Programming	$ 564	$ 353	$ 1,171	$ 1,095
Television	(138)	256	213	665
Other, Corporate and Eliminations	(76)	(78)	(165)	(137)
Amortization of cable distribution investments	(4)	(4)	(8)	(8)
Depreciation and amortization	(97)	(103)	(193)	(202)
Interest expense, net	(72)	(60)	(114)	(128)
Other, net	(46)	73	(212)	(3)
Income before income tax expense	131	437	692	1,282
Income tax expense	(16)	(116)	(162)	(348)
Net income	115	321	530	934
Less: Net income attributable to noncontrolling interests	(6)	(8)	(14)	(16)
Net income attributable to Fox Corporation stockholders	$ 109	$ 313	$ 516	$ 918

Revenues by Segment by Component

	For the three months ended December 31,		For the six months ended December 31,	
	2023	2022	2023	2022
	(in millions)			
Cable Network Programming				
Affiliate fee	$ 1,031	$ 1,026	$ 2,036	$ 2,055
Advertising	348	451	638	767
Other	279	155	371	241
Total Cable Network Programming revenues	1,658	1,632	3,045	3,063
Television				
Advertising	1,654	2,052	2,564	2,957
Affiliate fee	756	686	1,491	1,368
Other	132	196	267	323
Total Television revenues	2,542	2,934	4,322	4,648
Other, Corporate and Eliminations	34	39	74	86
Total revenues	$ 4,234	$ 4,605	$ 7,441	$ 7,797

	For the three months ended December 31,		For the six months ended December 31,	
	2023	2022	2023	2022
	(in millions)			
Depreciation and amortization				
Cable Network Programming	$ 19	$ 17	$ 37	$ 34
Television	28	30	57	59
Other, Corporate and Eliminations	50	56	99	109
Total depreciation and amortization	$ 97	$ 103	$ 193	$ 202

	As of December 31, 2023	As of June 30, 2023
	(in millions)	
Assets		
Cable Network Programming	$ 2,832	$ 2,658
Television	9,059	7,803
Other, Corporate and Eliminations	10,117	10,371
Investments	838	1,034
Total assets	$ 22,846	$ 21,866

NOTE 11. ADDITIONAL FINANCIAL INFORMATION

Interest Expense, net

The following table sets forth the components of Interest expense, net included in the Statements of Operations:

	For the three months ended December 31,		For the six months ended December 31,	
	2023	2022	2023	2022
	(in millions)			
Interest expense	$ (119)	$ (89)	$ (210)	$ (176)
Interest income	47	29	96	48
Total interest expense, net	$ (72)	$ (60)	$ (114)	$ (128)

Other, net

The following table sets forth the components of Other, net included in the Statements of Operations:

	For the three months ended December 31,		For the six months ended December 31,	
	2023	2022	2023	2022
	(in millions)			
Net (losses) gains on investments in equity securities[(a)]	$ (22)	$ 114	$ (193)	$ 135
U.K. Newspaper Matters Indemnity[(b)]	(7)	(21)	(12)	(82)
Other	(17)	(20)	(7)	(56)
Total other, net	$ (46)	$ 73	$ (212)	$ (3)

(a) Net (losses) gains on investments in equity securities includes the (losses) gains related to the change in fair value of the Company's investment in Flutter (See Note 4—Fair Value), and for the three and six months ended December 31, 2023, the losses related to the Company's investment in a live streaming mobile platform. As a result of an additional round of financing at a lower valuation, a write-down was recognized for this investment which is accounted for using the measurement alternative method.

(b) See Note 8—Commitments and Contingencies under the headings "U.K. Newspaper Matters Indemnity." The decrease for the six months ended December 31, 2023, as compared to the corresponding period of fiscal 2023, was attributable to an increase in the number of civil claims submitted in fiscal 2023 in advance of the September 30, 2022 cutoff date set by the judge for this phase of the litigation.

Other Non-Current Assets

The following table sets forth the components of Other non-current assets included in the Balance Sheets:

	As of December 31, 2023	As of June 30, 2023
	(in millions)	
Operating lease assets	$ 914	$ 947
Investments[(a)]	838	1,034
Inventories, net	729	642
Grantor Trust	247	276
Other	256	269
Total other non-current assets	$ 2,984	$ 3,168

(a) Includes investments accounted for at fair value on a recurring basis of $785 million and $884 million as of December 31, 2023 and June 30, 2023, respectively (See Note 4—Fair Value).

Accounts Payable, Accrued Expenses and Other Current Liabilities

The following table sets forth the components of Accounts payable, accrued expenses and other current liabilities included in the Balance Sheets:

	As of December 31, 2023	As of June 30, 2023
	(in millions)	
Programming payable	$ 984	$ 785
Accrued expenses	925	1,028
Deferred revenue	167	160
Operating lease liabilities	69	72
Other current liabilities	312	469
Total accounts payable, accrued expenses and other current liabilities	$ 2,457	$ 2,514

Other Liabilities

The following table sets forth the components of Other liabilities included in the Balance Sheets:

	As of December 31, 2023	As of June 30, 2023
	(in millions)	
Non-current operating lease liabilities	$ 896	$ 925
Accrued non-current pension/postretirement liabilities	293	361
Other non-current liabilities	187	198
Total other liabilities	$ 1,376	$ 1,484

Future Performance Obligations

As of December 31, 2023, approximately $5.8 billion of revenues are expected to be recognized primarily over the next one to three years. The Company’s most significant remaining performance obligations relate to affiliate contracts, sports advertising contracts and content licensing contracts with fixed fees. The amount disclosed does not include (i) revenues related to performance obligations that are part of a contract whose original expected duration is one year or less, (ii) revenues that are in the form of sales- or usage-based royalties and (iii) revenues related to performance obligations for which the Company elects to recognize revenue in the amount it has a right to invoice.

Supplemental Information

	For the six months ended December 31,	
	2023	2022
	(in millions)	
Supplemental cash flows information		
Cash paid for interest	$ (187)	$ (174)
Cash paid for income taxes	$ (91)	$ (179)

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Readers should carefully review this document and the other documents filed by Fox Corporation ("FOX" or the "Company") with the Securities and Exchange Commission (the "SEC"). This section should be read together with the unaudited interim consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and the Annual Report on Form 10-K for the fiscal year ended June 30, ("fiscal") 2023 as filed with the SEC on August 11, 2023 (the "2023 Form 10-K"). The unaudited consolidated financial statements are referred to as the "Financial Statements" herein.

INTRODUCTION

Management's discussion and analysis of financial condition and results of operations is intended to help provide an understanding of the Company's financial condition, changes in financial condition and results of operations. This discussion is organized as follows:

- ***Overview of the Company's Business***—This section provides a general description of the Company's businesses, as well as developments that occurred during the three and six months ended December 31, 2023 and 2022 that the Company believes are important in understanding its results of operations and financial condition or to disclose known trends.
- ***Results of Operations***—This section provides an analysis of the Company's results of operations for the three and six months ended December 31, 2023 and 2022. This analysis is presented on both a consolidated and a segment basis. In addition, a brief description is provided of significant transactions and events that impact the comparability of the results being analyzed.
- ***Liquidity and Capital Resources***—This section provides an analysis of the Company's cash flows for the six months ended December 31, 2023 and 2022, as well as a discussion of the Company's outstanding debt and commitments, both firm and contingent, that existed as of December 31, 2023. Included in the discussion of outstanding debt is a discussion of the amount of financial capacity available to fund the Company's future commitments and obligations, as well as a discussion of other financing arrangements.
- ***Caution Concerning Forward-Looking Statements***—This section provides a description of the use of forward-looking information appearing in this Quarterly Report on Form 10-Q, including in Management's Discussion and Analysis of Financial Condition and Results of Operations. Such information is based on management's current expectations about future events which are subject to change and to inherent risks and uncertainties. Refer to Part I., Item 1A. "Risk Factors" in the 2023 Form 10-K, Part II., Item 1A. "Risk Factors" in the Company's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2023, as filed with the SEC on November 2, 2023 (the "Q1 2024 Form 10-Q"), and Part II., Item 1A, "Risk Factors" in this Quarterly Report on Form 10-Q, for a discussion of the risk factors applicable to the Company.

OVERVIEW OF THE COMPANY'S BUSINESS

The Company is a news, sports and entertainment company, which manages and reports its businesses in the following segments:

- **Cable Network Programming**, which produces and licenses news and sports content distributed through traditional cable television systems, direct broadcast satellite operators and telecommunication companies ("traditional MVPDs"), virtual multi-channel video programming distributors ("virtual MVPDs") and other digital platforms, primarily in the U.S.
- **Television**, which produces, acquires, markets and distributes programming through the FOX broadcast network, advertising-supported video-on-demand ("AVOD") service Tubi, 29 full power broadcast television stations, including 11 duopolies, and other digital platforms, primarily in the U.S. Eighteen of the broadcast television stations are affiliated with the FOX Network, 10 are affiliated with MyNetworkTV and one is an independent station. The segment also includes various production companies that produce content for the Company and third parties.
- **Other, Corporate and Eliminations**, which principally consists of the FOX Studio Lot, Credible Labs Inc. ("Credible"), corporate overhead costs and intracompany eliminations. The FOX Studio Lot, located

in Los Angeles, California, provides television and film production services along with office space, studio operation services and includes all operations of the facility. Credible is a U.S. consumer finance marketplace.

We use the term "MVPDs" to refer collectively to traditional MVPDs and virtual MVPDs.

RESULTS OF OPERATIONS

Results of Operations—For the three and six months ended December 31, 2023 versus the three and six months ended December 31, 2022.

The following table sets forth the Company's operating results for the three and six months ended December 31, 2023, as compared to the three and six months ended December 31, 2022:

	For the three months ended December 31,				For the six months ended December 31,			
	2023	2022	Change	% Change	2023	2022	Change	% Change
(in millions, except %)			Better/(Worse)				Better/(Worse)	
Revenues								
Affiliate fee	$ 1,787	$ 1,712	$ 75	4 %	$ 3,527	$ 3,423	$ 104	3 %
Advertising	2,002	2,503	(501)	(20)%	3,202	3,723	(521)	(14)%
Other	445	390	55	14 %	712	651	61	9 %
Total revenues	4,234	4,605	(371)	(8)%	7,441	7,797	(356)	(5)%
Operating expenses	(3,393)	(3,528)	135	4 %	(5,255)	(5,184)	(71)	(1)%
Selling, general and administrative	(495)	(550)	55	10 %	(975)	(998)	23	2 %
Depreciation and amortization	(97)	(103)	6	6 %	(193)	(202)	9	4 %
Interest expense, net	(72)	(60)	(12)	(20)%	(114)	(128)	14	11 %
Other, net	(46)	73	(119)	**	(212)	(3)	(209)	**
Income before income tax expense	131	437	(306)	(70)%	692	1,282	(590)	(46)%
Income tax expense	(16)	(116)	100	86 %	(162)	(348)	186	53 %
Net income	115	321	(206)	(64)%	530	934	(404)	(43)%
Less: Net income attributable to noncontrolling interests	(6)	(8)	2	25 %	(14)	(16)	2	13 %
Net income attributable to Fox Corporation stockholders	$ 109	$ 313	$ (204)	(65)%	$ 516	$ 918	$ (402)	(44)%

** not meaningful

Overview

For the three months ended December 31, 2023 and 2022

The Company's revenues decreased 8% for the three months ended December 31, 2023, as compared to the corresponding period of fiscal 2023, due to lower advertising revenue, partially offset by higher affiliate fee and other revenues. The increase in affiliate fee revenue was primarily due to higher fees received from television stations that are affiliated with the FOX Network and higher average rates per subscriber, partially offset by a lower average number of subscribers. The decrease in advertising revenue was primarily attributable to the absence of the Fédération International de Football Association ("FIFA") Men's *World Cup* and lower political advertising revenue at the FOX Television Stations principally due to the absence of the November 2022 U.S. midterm elections. Also contributing to this decrease was lower pricing in the direct response marketplace, lower ratings and higher preemptions associated with breaking news coverage at FOX News Media, partially offset by continued growth at Tubi. The increase in other revenues was primarily due to higher sports sublicensing revenue principally due to renewals of college sports contracts, partially offset by lower content revenues at the entertainment production companies principally as a result of industry guild labor disputes.

Operating expenses decreased 4% for the three months ended December 31, 2023, as compared to the corresponding period of fiscal 2023, primarily due to lower entertainment and sports programming rights amortization and production costs principally due to fewer hours of original scripted programming as compared to the prior year period as a result of industry guild labor disputes and the absence of the FIFA Men's *World Cup*, partially offset by the renewed National Football League ("NFL") contract.

Selling, general and administrative expenses decreased 10% for the three months ended December 31, 2023, as compared to the corresponding period of fiscal 2023, primarily due to lower employee related costs and lower legal costs at FOX News Media.

For the six months ended December 31, 2023 and 2022

The Company's revenues decreased 5% for the six months ended December 31, 2023, as compared to the corresponding period of fiscal 2023, due to lower advertising revenue, partially offset by higher affiliate fee and other revenues. The increase in affiliate fee revenue was primarily due to higher fees received from television stations that are affiliated with the FOX Network and higher average rates per subscriber, partially offset by a lower average number of subscribers. The decrease in advertising revenue was primarily attributable to the absence of the FIFA Men's *World Cup*, lower political advertising revenue at the FOX Television Stations principally due to the absence of the November 2022 U.S. midterm elections, and lower pricing in the direct response marketplace and lower ratings at FOX News Media. Partially offsetting this decrease was continued growth at Tubi and the broadcast of the FIFA Women's *World Cup*. The increase in other revenues was primarily due to higher sports sublicensing revenue principally due to renewals of college sports contracts, partially offset by lower content revenues at the entertainment production companies principally as a result of industry guild labor disputes.

Operating expenses increased 1% for the six months ended December 31, 2023, as compared to the corresponding period of fiscal 2023, primarily due to higher sports programming rights amortization and production costs principally due to the renewed NFL contract and the broadcast of the FIFA Women's *World Cup*, partially offset by the absence of the FIFA Men's *World Cup* in the current year. Also partially offsetting this increase was lower entertainment programming rights amortization and production costs principally due to fewer hours of original scripted programming as compared to the prior year period as a result of industry guild labor disputes.

Selling, general and administrative expenses decreased 2% for the six months ended December 31, 2023, as compared to the corresponding period of fiscal 2023, primarily due to lower legal costs at FOX News Media.

Interest expense, net—Interest expense, net increased 20% for the three months ended December 31, 2023, as compared to the corresponding period of fiscal 2023, primarily due to the issuance of $1.25 billion of senior notes in October 2023 (See Note 5—Borrowings to the accompanying Financial Statements). Interest expense, net decreased 11% for the six months ended December 31, 2023, as compared to the corresponding period of fiscal 2023, as the increase in interest expense due to the issuance of $1.25 billion of senior notes in October 2023 was more than offset by higher interest income as a result of higher interest rates.

Other, net—See Note 11—Additional Financial Information to the accompanying Financial Statements under the heading "Other, net."

Income tax expense—The Company's tax provision and related effective tax rate for the three and six months ended December 31, 2023 of 12% and 23%, respectively, was different than the statutory rate of 21% primarily due to state tax law changes.

The Company's tax provision and related effective tax rate of 27% for the three and six months ended December 31, 2022 was higher than the statutory rate of 21% primarily due to state taxes and other permanent items.

Net income—Net income decreased 64% and 43% for the three and six months ended December 31, 2023, respectively, as compared to the corresponding periods of fiscal 2023, primarily due to lower Segment EBITDA (as defined below) and the change in fair value of the Company's investments in equity securities, partially offset by lower expenses for income tax and, for the six months ended December 31, 2023, the U.K. Newspaper Matters Indemnity (See Note 11—Additional Financial Information to the accompanying Financial Statements under the heading "Other, net").

Segment Analysis

The Company's operating segments have been determined in accordance with the Company's internal management structure, which is organized based on operating activities. The Company evaluates performance based upon several factors, of which the primary financial measure is segment operating income before depreciation and amortization, or Segment EBITDA. Due to the integrated nature of these operating segments, estimates and judgments are made in allocating certain assets, revenues and expenses.

Segment EBITDA is defined as Revenues less Operating expenses and Selling, general and administrative expenses. Segment EBITDA does not include: Amortization of cable distribution investments, Depreciation and amortization, Impairment and restructuring charges, Interest expense, net, Other, net and Income tax expense. Management believes that Segment EBITDA is an appropriate measure for evaluating the operating performance of the Company's business segments because it is the primary measure used by the Company's chief operating decision maker to evaluate the performance of and allocate resources to the Company's businesses.

The following tables set forth the Company's Revenues and Segment EBITDA for the three and six months ended December 31, 2023, as compared to the three and six months ended December 31, 2022:

	For the three months ended December 31,				For the six months ended December 31,			
	2023	2022	Change	% Change	2023	2022	Change	% Change
(in millions, except %)			Better/(Worse)				Better/(Worse)	
Revenues								
Cable Network Programming	$ 1,658	$ 1,632	$ 26	2 %	$ 3,045	$ 3,063	$ (18)	(1)%
Television	2,542	2,934	(392)	(13)%	4,322	4,648	(326)	(7)%
Other, Corporate and Eliminations	34	39	(5)	(13)%	74	86	(12)	(14)%
Total revenues	$ 4,234	$ 4,605	$ (371)	(8)%	$ 7,441	$ 7,797	$ (356)	(5)%

(in millions, except %)	For the three months ended December 31, 2023	2022	Change	% Change	For the six months ended December 31, 2023	2022	Change	% Change
			Better/(Worse)				Better/(Worse)	
Segment EBITDA								
Cable Network Programming	$ 564	$ 353	$ 211	60 %	$ 1,171	$ 1,095	$ 76	7 %
Television	(138)	256	(394)	**	213	665	(452)	(68)%
Other, Corporate and Eliminations	(76)	(78)	2	3 %	(165)	(137)	(28)	(20)%
Adjusted EBITDA[(a)]	$ 350	$ 531	$ (181)	(34)%	$ 1,219	$ 1,623	$ (404)	(25)%

** not meaningful

(a) For a discussion of Adjusted EBITDA and a reconciliation of Net income to Adjusted EBITDA, see "Non-GAAP Financial Measures" below.

Cable Network Programming (41% and 39% of the Company's revenues for the first six months of fiscal 2024 and 2023, respectively)

(in millions, except %)	For the three months ended December 31, 2023	2022	Change	% Change	For the six months ended December 31, 2023	2022	Change	% Change
			Better/(Worse)				Better/(Worse)	
Revenues								
Affiliate fee	$ 1,031	$ 1,026	$ 5	— %	$ 2,036	$ 2,055	$ (19)	(1)%
Advertising	348	451	(103)	(23)%	638	767	(129)	(17)%
Other	279	155	124	80 %	371	241	130	54 %
Total revenues	1,658	1,632	26	2 %	3,045	3,063	(18)	(1)%
Operating expenses	(942)	(1,097)	155	14 %	(1,591)	(1,661)	70	4 %
Selling, general and administrative	(156)	(186)	30	16 %	(291)	(315)	24	8 %
Amortization of cable distribution investments	4	4	—	— %	8	8	—	— %
Segment EBITDA	$ 564	$ 353	$ 211	60 %	$ 1,171	$ 1,095	$ 76	7 %

For the three months ended December 31, 2023 and 2022

Revenues at the Cable Network Programming segment increased 2% for the three months ended December 31, 2023, as compared to the corresponding period of fiscal 2023, due to higher affiliate fee and other revenues, partially offset by lower advertising revenue. Affiliate fee revenue increased as higher average rates per subscriber were partially offset by a decrease in the average number of subscribers. The decrease in advertising revenue was primarily due to lower pricing in the direct response marketplace, lower ratings and higher preemptions associated with breaking news coverage at FOX News Media. Also contributing to this decrease was the absence of the FIFA Men's *World Cup* at the national sports networks in the current year. The increase in other revenues was primarily due to higher sports sublicensing revenue principally due to renewals of college sports contracts and international soccer rights.

Cable Network Programming Segment EBITDA increased 60% for the three months ended December 31, 2023, as compared to the corresponding period of fiscal 2023, due to the revenue increases noted above and lower expenses. Operating expenses decreased primarily due to lower sports programming rights amortization and production costs, led by the absence of the FIFA Men's *World Cup* in the current year, and lower programming and production costs at FOX News Media. Selling, general and administrative expenses decreased primarily due to lower legal costs at FOX News Media.

For the six months ended December 31, 2023 and 2022

Revenues at the Cable Network Programming segment decreased 1% for the six months ended December 31, 2023, as compared to the corresponding period of fiscal 2023, due to lower advertising and affiliate fee revenues, partially offset by higher other revenues. The decrease in affiliate fee revenue was primarily due to a decrease in the average number of subscribers partially offset by higher average rates per subscriber. The decrease in advertising revenue was primarily due to lower pricing in the direct response marketplace and lower ratings at FOX News Media, partially offset by higher pricing in the national marketplace at FOX News Media. Also contributing to this decrease was the absence of the FIFA Men's *World Cup* partially offset by the broadcast of the FIFA Women's *World Cup* at the national sports networks in the current year. The increase in other revenues was primarily due to higher sports sublicensing revenue principally due to renewals of college sports contracts.

Cable Network Programming Segment EBITDA increased 7% for the six months ended December 31, 2023, as compared to the corresponding period of fiscal 2023, as the revenue decreases noted above were more than offset by lower expenses. Operating expenses decreased primarily due to lower sports programming rights amortization led by the absence of the FIFA Men's *World Cup* in the current year, partially offset by the broadcast of the FIFA Women's *World Cup*. Selling, general and administrative expenses decreased primarily due to lower legal costs at FOX News Media.

Television (58% and 60% of the Company's revenues for the first six months of fiscal 2024 and 2023, respectively)

	For the three months ended December 31,				For the six months ended December 31,			
	2023	2022	Change	% Change	2023	2022	Change	% Change
(in millions, except %)			Better/(Worse)				Better/(Worse)	
Revenues								
Advertising	$ 1,654	$ 2,052	$ (398)	(19)%	$ 2,564	$ 2,957	$ (393)	(13)%
Affiliate fee	756	686	70	10 %	1,491	1,368	123	9 %
Other	132	196	(64)	(33)%	267	323	(56)	(17)%
Total revenues	2,542	2,934	(392)	(13)%	4,322	4,648	(326)	(7)%
Operating expenses	(2,440)	(2,415)	(25)	(1)%	(3,638)	(3,486)	(152)	(4)%
Selling, general and administrative	(240)	(263)	23	9 %	(471)	(497)	26	5 %
Segment EBITDA	$ (138)	$ 256	$ (394)	**	$ 213	$ 665	$ (452)	(68)%

** not meaningful

For the three months ended December 31, 2023 and 2022

Revenues at the Television segment decreased 13% for the three months ended December 31, 2023, as compared to the corresponding period of fiscal 2023, due to lower advertising and other revenues, partially offset by higher affiliate fee revenue. The decrease in advertising revenue was primarily due to the absence of the FIFA Men's *World Cup* and lower political advertising revenue at the FOX Television Stations principally due to the absence of the November 2022 U.S. midterm elections, partially offset by continued growth at Tubi. The increase in affiliate fee revenue was primarily due to higher fees received from television stations that are affiliated with the FOX Network and higher average rates per subscriber partially offset by a lower average number of subscribers at the Company's owned and operated television stations. The decrease in other revenues was primarily due to lower content revenues at the entertainment production companies principally as a result of industry guild labor disputes.

Television Segment EBITDA decreased $394 million for the three months ended December 31, 2023, as compared to the corresponding period of fiscal 2023, due to the revenue decreases noted above and higher expenses. Operating expenses increased primarily due to higher sports programming rights amortization principally due to the renewed NFL contract, partially offset by the absence of the FIFA Men's *World Cup*. Also partially offsetting this increase was lower entertainment programming rights amortization and production costs principally due to fewer hours of original scripted programming as compared to the prior year period as a result of industry guild labor disputes. Selling, general and administrative expenses decreased primarily due to lower employee related costs.

For the six months ended December 31, 2023 and 2022

Revenues at the Television segment decreased 7% for the six months ended December 31, 2023, as compared to the corresponding period of fiscal 2023, due to lower advertising and other revenues, partially offset by higher affiliate fee revenue. The decrease in advertising revenue was primarily due to lower political advertising revenue at the FOX Television Stations principally due to the absence of the November 2022 U.S. midterm elections, the absence of the FIFA Men's *World Cup* and lower ratings at the FOX Network, partially offset by continued growth at Tubi and the broadcast of the FIFA Women's *World Cup*. The increase in affiliate fee revenue was primarily due to higher fees received from television stations that are affiliated with the FOX Network and higher average rates per subscriber partially offset by a lower average number of subscribers at the Company's owned and operated television stations. The decrease in other revenues was primarily due to lower content revenues at the entertainment production companies principally as a result of industry guild labor disputes.

Television Segment EBITDA decreased 68% for the six months ended December 31, 2023, as compared to the corresponding period of fiscal 2023, due to the revenue decreases noted above and higher expenses. Operating expenses increased primarily due to higher sports programming rights amortization and production costs principally due to the renewed NFL contract and the broadcast of the FIFA Women's *World Cup*, partially offset by the absence of the FIFA Men's *World Cup* in the current year. Also partially offsetting this increase was lower entertainment programming rights amortization and production costs principally due to fewer hours of original scripted programming as compared to the prior year period as a result of industry guild labor disputes. Selling, general and administrative expenses decreased primarily due to lower employee related costs.

Other, Corporate and Eliminations (1% of the Company's revenues for the first six months of fiscal 2024 and 2023)

	For the three months ended December 31,				For the six months ended December 31,			
	2023	2022	Change	% Change	2023	2022	Change	% Change
(in millions, except %)			Better/(Worse)				Better/(Worse)	
Revenues	$ 34	$ 39	$ (5)	(13)%	$ 74	$ 86	$ (12)	(14)%
Operating expenses	(11)	(16)	5	31 %	(26)	(37)	11	30 %
Selling, general and administrative	(99)	(101)	2	2 %	(213)	(186)	(27)	(15)%
Segment EBITDA	$ (76)	$ (78)	$ 2	3 %	$ (165)	$ (137)	$ (28)	(20)%

For the three and six months ended December 31, 2023 and 2022

Revenues at the Other, Corporate and Eliminations segment for the three and six months ended December 31, 2023 and 2022 include revenues generated by Credible and the operation of the FOX Studio Lot for third parties. Operating expenses for the three and six months ended December 31, 2023 and 2022 include advertising and promotional expenses at Credible. Selling, general and administrative expenses for the three and six months ended December 31, 2023 and 2022 primarily relate to employee costs, professional fees and the costs of operating the FOX Studio Lot. Selling, general and administrative expenses for the six months ended December 31, 2023 increased, as compared to the corresponding period of fiscal 2023, primarily due to higher employee related costs as a result of the transition and separation of a named executive officer of the Company.

Non-GAAP Financial Measures

Adjusted EBITDA is defined as Revenues less Operating expenses and Selling, general and administrative expenses. Adjusted EBITDA does not include: Amortization of cable distribution investments, Depreciation and amortization, Impairment and restructuring charges, Interest expense, net, Other, net and Income tax expense.

Management believes that information about Adjusted EBITDA assists all users of the Company's Financial Statements by allowing them to evaluate changes in the operating results of the Company's portfolio of businesses separate from non-operational factors that affect Net income, thus providing insight into both operations and the other factors that affect reported results. Adjusted EBITDA provides management, investors and equity analysts a measure to analyze the operating performance of the Company's business and its enterprise value against historical data and competitors' data, although historical results, including Adjusted EBITDA, may not be indicative of future results (as operating performance is highly contingent on many factors, including customer tastes and preferences).

Adjusted EBITDA is considered a non-GAAP financial measure and should be considered in addition to, not as a substitute for, net income, cash flow and other measures of financial performance reported in accordance with U.S. generally accepted accounting principles ("GAAP"). In addition, this measure does not reflect cash available to fund requirements and excludes items, such as depreciation and amortization and impairment charges, which are significant components in assessing the Company's financial performance. Adjusted EBITDA may not be comparable to similarly titled measures reported by other companies.

The following table reconciles Net income to Adjusted EBITDA for the three and six months ended December 31, 2023, as compared to the three and six months ended December 31, 2022:

	For the three months ended December 31,		For the six months ended December 31,	
	2023	2022	2023	2022
	(in millions)			
Net income	$ 115	$ 321	$ 530	$ 934
Add				
Amortization of cable distribution investments	4	4	8	8
Depreciation and amortization	97	103	193	202
Interest expense, net	72	60	114	128
Other, net	46	(73)	212	3
Income tax expense	16	116	162	348
Adjusted EBITDA	$ 350	$ 531	$ 1,219	$ 1,623

The following table sets forth the computation of Adjusted EBITDA for the three and six months ended December 31, 2023, as compared to the three and six months ended December 31, 2022.

	For the three months ended December 31,		For the six months ended December 31,	
	2023	2022	2023	2022
	(in millions)			
Revenues	$ 4,234	$ 4,605	$ 7,441	$ 7,797
Operating expenses	(3,393)	(3,528)	(5,255)	(5,184)
Selling, general and administrative	(495)	(550)	(975)	(998)
Amortization of cable distribution investments	4	4	8	8
Adjusted EBITDA	$ 350	$ 531	$ 1,219	$ 1,623

LIQUIDITY AND CAPITAL RESOURCES

Current Financial Condition

The Company has approximately $4.1 billion of cash and cash equivalents as of December 31, 2023 and an unused five-year $1.0 billion unsecured revolving credit facility (See Note 5—Borrowings to the accompanying Financial Statements). The Company also has access to the worldwide capital markets, subject to market conditions. As of December 31, 2023, the Company was in compliance with all of the covenants under the revolving credit facility, and it does not anticipate any noncompliance with such covenants.

The principal uses of cash that affect the Company's liquidity position include the following: the acquisition of rights and related payments for entertainment and sports programming; operational expenditures including production costs; marketing and promotional expenses; expenses related to broadcasting the Company's programming; employee and facility costs; capital expenditures; acquisitions; income taxes, interest and dividend payments; debt repayments; legal settlements; and stock repurchases.

The Company has evaluated, and expects to continue to evaluate, possible acquisitions and dispositions of certain businesses and assets. Such transactions may be material and may involve cash, the Company's securities or the assumption of additional indebtedness.

Sources and Uses of Cash

Net cash used in operating activities for the six months ended December 31, 2023 and 2022 was as follows (in millions):

For the six months ended December 31,	**2023**	**2022**
Net cash used in operating activities	$ (535)	$ (261)

The increase in net cash used in operating activities during the six months ended December 31, 2023, as compared to the corresponding period of fiscal 2023, was primarily due to lower Segment EBITDA, higher sports rights payments principally due to the renewed contract with the NFL and lower political advertising receipts due to the absence of the November 2022 U.S. midterm elections.

Net cash used in investing activities for the six months ended December 31, 2023 and 2022 was as follows (in millions):

For the six months ended December 31,	**2023**	**2022**
Net cash used in investing activities	$ (143)	$ (221)

The decrease in net cash used in investing activities during the six months ended December 31, 2023, as compared to the corresponding period of fiscal 2023, was primarily due to the absence of investments in equity securities.

Net cash provided by (used in) financing activities for the six months ended December 31, 2023 and 2022 was as follows (in millions):

For the six months ended December 31,	**2023**	**2022**
Net cash provided by (used in) financing activities	$ 528	$ (660)

The change in net cash provided by (used in) financing activities during the six months ended December 31, 2023, as compared to the corresponding period of fiscal 2023, was primarily due to the October 2023 issuance of $1.25 billion of senior notes (See Note 5—Borrowings to the accompanying Financial Statements).

Stock Repurchase Program

See Note 6—Stockholders' Equity to the accompanying Financial Statements under the heading "Stock Repurchase Program."

Dividends

Subsequent to December 31, 2023 the Company declared a semi-annual dividend of $0.26 per share on both the Class A Common Stock and the Class B Common Stock. The dividend declared is payable on March 26, 2024 with a record date for determining dividend entitlements of March 6, 2024.

Debt Instruments

Borrowings include senior notes. Subsequent to December 31, 2023, $1.25 billion of 4.030% senior notes due in January 2024 matured and were repaid in full (See Note 5—Borrowings to the accompanying Financial Statements).

Ratings of the Senior Notes

The following table summarizes the Company's credit ratings as of December 31, 2023:

Rating Agency	Senior Debt	Outlook
Moody's	Baa2	Stable
Standard & Poor's	BBB	Stable

Revolving Credit Agreement

The Company has an unused five-year $1.0 billion unsecured revolving credit facility with a maturity date of June 2028 (See Note 5—Borrowings to the accompanying Financial Statements).

Commitments and Contingencies

See Note 8—Commitments and Contingencies to the accompanying Financial Statements.

CAUTION CONCERNING FORWARD-LOOKING STATEMENTS

This document contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical or current fact are "forward-looking statements" for purposes of federal and state securities laws, including any statements regarding (i) future earnings, revenues or other measures of the Company's financial performance; (ii) the Company's plans, strategies and objectives for future operations; (iii) proposed new programming or other offerings; (iv) future economic conditions or performance; and (v) assumptions underlying any of the foregoing. Forward-looking statements may include, among others, the words "may," "will," "should," "likely," "anticipates," "expects," "intends," "plans," "projects," "believes," "estimates," "outlook" or any other similar words.

Although the Company's management believes that the expectations reflected in any of the Company's forward-looking statements are reasonable, actual results could differ materially from those projected or assumed in any forward-looking statements. The Company's future financial condition and results of operations, as well as any forward-looking statements, are subject to change and to inherent risks and uncertainties, such as those disclosed or incorporated by reference in our filings with the SEC. Important factors that could cause the Company's actual results, performance and achievements to differ materially from those estimates or projections contained in the Company's forward-looking statements include, but are not limited to, government regulation, economic, strategic, political and social conditions and the following factors:

- evolving technologies and distribution platforms and changes in consumer behavior as consumers seek more control over when, where and how they consume content, and related impacts on advertisers and MVPDs;
- declines in advertising expenditures due to various factors such as the economic prospects of advertisers or the economy, major sports events and election cycles, evolving technologies and distribution platforms and related changes in consumer behavior and shifts in advertisers' expenditures, the evolving market for AVOD advertising campaigns, and audience measurement methodologies' ability to accurately reflect actual viewership levels;
- further declines in the number of subscribers to MVPD services;
- the failure to enter into or renew on favorable terms, or at all, affiliation or carriage agreements or arrangements through which the Company makes its content available for viewing through online video platforms;
- the highly competitive nature of the industry in which the Company's businesses operate;

- the popularity of the Company’s content, including special sports events; and the continued popularity of the sports franchises, leagues and teams for which the Company has acquired programming rights;
- the Company’s ability to renew programming rights, particularly sports programming rights, on sufficiently favorable terms, or at all;
- damage to the Company’s brands or reputation;
- the inability to realize the anticipated benefits of the Company’s strategic investments and acquisitions, and the effects of any combination or significant acquisition, disposition or other similar transaction involving the Company;
- the loss of key personnel;
- labor disputes, including labor disputes involving professional sports leagues whose games or events the Company has the right to broadcast;
- lower than expected valuations associated with the Company’s reporting units, indefinite-lived intangible assets, investments or long-lived assets;
- a degradation, failure or misuse of the Company’s network and information systems and other technology relied on by the Company that causes a disruption of services or improper disclosure of personal data or other confidential information;
- content piracy and signal theft and the Company’s ability to protect its intellectual property rights;
- the failure to comply with laws, regulations, rules, industry standards or contractual obligations relating to privacy and personal data protection;
- changes in tax, federal communications or other laws, regulations, practices or the interpretations thereof;
- the impact of any investigations or fines from governmental authorities, including Federal Communications Commission (“FCC”) rules and policies and FCC decisions regarding revocation, renewal or grant of station licenses, waivers and other matters;
- the failure or destruction of satellites or transmitter facilities the Company depends on to distribute its programming;
- unfavorable litigation outcomes or investigation results that require the Company to pay significant amounts or lead to onerous operating procedures;
- changes in GAAP or other applicable accounting standards and policies;
- the Company’s ability to secure additional capital on acceptable terms;
- the impact of COVID-19 and other widespread health emergencies or pandemics and measures to contain their spread; and
- the other risks and uncertainties detailed in Part I, Item 1A. “Risk Factors” in the 2023 Form 10-K and Part II, Item 1A. “Risk Factors” in the Q1 2024 Form 10-Q and this Quarterly Report on Form 10-Q.

Forward-looking statements in this Quarterly Report on Form 10-Q speak only as of the date hereof, and forward-looking statements in documents that are incorporated by reference hereto speak only as of the date of those documents. The Company does not undertake any obligation to update or release any revisions to any forward-looking statement made herein or to report any events or circumstances after the date hereof or to reflect the occurrence of unanticipated events or to conform such statements to actual results or changes in our expectations, except as required by law.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in the market risks reported in the 2023 Form 10-K.

ITEM 4. CONTROLS AND PROCEDURES

(a) Disclosure Controls and Procedures

The Company’s management, with the participation of the Company’s Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company’s disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) as of the end of the period covered by this Quarterly Report. Based on such evaluation, the Company’s Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company’s disclosure controls and procedures were effective in recording, processing, summarizing and reporting on a timely basis, information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act and were effective in ensuring that information required to be disclosed by the Company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company’s management, including the Company’s Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

(b) Changes in Internal Control over Financial Reporting

There were no changes in the Company’s internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the Company’s second quarter of fiscal 2024 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

PART II

ITEM 1. LEGAL PROCEEDINGS

See Note 8—Commitments and Contingencies to the accompanying Unaudited Consolidated Financial Statements of FOX under the heading “Contingencies” for a discussion of the Company’s legal proceedings.

ITEM 1A. RISK FACTORS

There have been no material changes to the risk factors described in the section titled “Risk Factors” in (i) the Company’s Annual Report on Form 10-K for the fiscal year ended June 30, 2023, as filed with the Securities and Exchange Commission (the “SEC”) on August 11, 2023, and (ii) the Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, as filed with the SEC on November 2, 2023, except as set forth below:

The Company could suffer losses due to asset impairment charges for goodwill, intangible assets, programming and other assets and investments.

The Company performs an annual impairment assessment of its recorded goodwill and indefinite-lived intangible assets, including FCC licenses. The Company also continually evaluates whether current factors or indicators, such as the prevailing conditions in the capital markets, require the performance of an interim impairment assessment of those assets, as well as other long-lived assets. Any significant shortfall, now or in the future, in advertising revenue and/or the expected popularity of our programming could lead to a downward revision in the fair value of certain reporting units. The Company holds investments in marketable and non-marketable equity securities. These investments are recorded either at fair value and measured on a recurring basis based on quoted prices in active markets or on a non-recurring basis whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. A downward revision in the fair value of a reporting unit, indefinite-lived intangible assets, programming rights, investments or long-lived assets could result in a non-cash impairment charge. Any such charge could be material to the Company’s reported net earnings in a given reporting period.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Below is a summary of the Company’s repurchases of its Class A Common Stock, par value $0.01 per share (the “Class A Common Stock”) during the three months ended December 31, 2023:

	Total number of shares purchased[(a)]	Average price paid per share[(b)]	Approximate dollar value of shares that may yet be purchased under the program[(b)(c)]
			(in millions)
October 1, 2023 - October 31, 2023	1,626,722	$ 30.74	
November 1, 2023 - November 30, 2023	3,791,483	30.37	
December 1, 2023 - December 31, 2023	2,857,424	29.70	
Total	8,275,629	30.21	$ 1,900

(a) The Company has not made any purchases of Class A Common Stock or Class B Common Stock, par value $0.01 per share (the “Class B Common Stock” and, together with the Class A Common Stock, the “Common Stock”), other than in connection with the publicly announced stock repurchase program described below.

(b) These amounts exclude any fees, commissions or other costs associated with the share repurchases.

(c) The Company’s Board of Directors has authorized a stock repurchase program, under which the Company can repurchase $7 billion of Common Stock. The program has no time limit and may be modified, suspended or discontinued at any time.

In total, the Company repurchased approximately 24 million shares of Class A Common Stock for approximately $500 million during the six months ended December 31, 2023.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

(a) Exhibits.

3.1	Amended and Restated By-laws of the Registrant (incorporated herein by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K dated February 6, 2024 and filed with the Securities and Exchange Commission on February 7, 2024).
10.1	Letter Agreement between Steven Tomsic and the Registrant dated November 17, 2023.*+
31.1	Chief Executive Officer Certification required by Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934, as amended.*
31.2	Chief Financial Officer Certification required by Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934, as amended.*
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of Sarbanes Oxley Act of 2002.
101	The following financial information from the Company's Quarterly Report on Form 10-Q for the quarter ended December 31, 2023 formatted in Inline XBRL (eXtensible Business Reporting Language): (i) Unaudited Consolidated Statements of Operations for the three and six months ended December 31, 2023 and 2022; (ii) Unaudited Consolidated Statements of Comprehensive Income for the three and six months ended December 31, 2023 and 2022; (iii) Consolidated Balance Sheets as of December 31, 2023 (unaudited) and June 30, 2023 (audited); (iv) Unaudited Consolidated Statements of Cash Flows for the six months ended December 31, 2023 and 2022; (v) Unaudited Consolidated Statements of Equity for the three and six months ended December 31, 2023 and 2022; and (vi) Notes to the Unaudited Consolidated Financial Statements.*
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101).

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* Filed herewith.

\+ This exhibit is a management contract or compensatory plan or arrangement.

** Furnished herewith.

SIGNATURE

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Fox Corporation
(Registrant)

By: /s/ Steven Tomsic
Steven Tomsic
Chief Financial Officer

Date: February 7, 2024

Exhibit 10.1

KEVIN E. LORD
Executive Vice President
& Chief Human Resources Officer
1211 Avenue of the Americas, New York, NY 10036

Steven Tomsic
At the address on file with Fox

Dear Steven,

The Board of Directors has authorized an amendment to your March 19, 2019 Employment Agreement, as amended on November 10, 2021 (the “Employment Agreement”), to increase your “Target Bonus” (as defined in the Employment Agreement) in section 4(b) from $2,500,000 to $2,750,000, effective as of July 1, 2023.

If you agree to the foregoing, please countersign and date below.

Sincerely,

/s/ Kevin E. Lord
Kevin E. Lord

Accepted and Agreed:

/s/ Steven Tomsic
Steven Tomsic

November 17, 2023
Date

Exhibit 31.1

Chief Executive Officer Certification
Required by Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934, as amended

I, Lachlan K. Murdoch, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Fox Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 7, 2024

By: /s/ Lachlan K. Murdoch
Lachlan K. Murdoch
Chief Executive Officer

Exhibit 31.2

Chief Financial Officer Certification
Required by Rules 13a-14 and 15d-14 under the Securities Exchange Act of 1934, as amended

I, Steven Tomsic, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Fox Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

February 7, 2024

By: /s/ Steven Tomsic
Steven Tomsic
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Fox Corporation on Form 10-Q for the fiscal quarter ended December 31, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), we, the undersigned officers of Fox Corporation, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of our knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Fox Corporation.

February 7, 2024

By: /s/ Lachlan K. Murdoch
Lachlan K. Murdoch
Chief Executive Officer

By: /s/ Steven Tomsic
Steven Tomsic
Chief Financial Officer