



**Fox Corporation**  
**Deutsche Bank 30th Annual Media, Internet & Telecom Conference**  
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Bryan Kraft:

Okay, good morning, everyone. And welcome to day two of our conference. I'm really pleased to introduce, John Nallen, who's the Chief Operating Officer of FOX. John, welcome.

John Nallen:

Thanks, Bryan. Thanks for having us. Good to see everyone in person.

Bryan Kraft:

Why don't we maybe start off with strategy in capital allocation? The past few years have been pretty tumultuous times in media with major strategic shifts, MNA, and nearly, every company in the industry. FOX made its major moves early with the Disney transactions, and a strategic shift toward live sports and news. How satisfied are you, and the rest of the management team with the results so far?

John Nallen:

Yeah, I'd say we're quite satisfied with what's gone on in the last three years, but we're not complacent on what we've achieved. I think you're right to point out the Disney transaction as a moment where the industry made some pretty important moves, following that.

John Nallen:

Four years ago, we announced Disney and our shareholders were able to participate in really taking scale that we didn't have at 21 CF and joining it with Disney. Through that transaction, our shareholders have been participating in Disney. But from that was the spin of FOX, which was a really focused, is a really focused company, really around live news and sports. And if you think about what we've been able to achieve, you go back to the investor day, where we sat down with you and a lot of people that are in this room, and set it forth, a set of goals that, looking back now, despite two tumultuous years of the pandemic, that I think, you can point to almost all of them and say, we were able to achieve those goals, or pretty close to achieving, in due course, those goals.

So, whether it was affiliate, whether it was advertising, we spent a lot of time talking about the NFL renewal, which we were able to achieve. And looking forward, back then, to capital allocation, it became a pretty important element of the business for us. So, I think overall, we'd have to say, that we're feeling quite good about where we are.

Bryan Kraft:

You mentioned, capital allocation. Capital allocation, and return on investment, have really been integral to your strategic decisions. You've made some smaller to targeted acquisitions and investments, but you really haven't acquired any large assets, since the Disney transactions.

Can you talk to us about your capital allocation priorities? Why you're maintaining so much cash on the balance sheet? And what kinds of areas might you be inclined to make acquisitions, or strategic investments?

John Nallen:

So, from a capital allocation standpoint, we look at it that there's three toggles really in it, which is organic investment in our own business, strategic M&A and returns of capital to the shareholders. If you look at each one of those, we've been pressing on every one of those toggles, depending upon the cycle and where we are in any investment cycle. But from an organic standpoint, we've been investing lately in Tubi, in some FOX digital areas, FOX Nation, FOX Weather. We'll probably talk about the USFL, that's one of our investments as well. From an M&A standpoint, Tubi was one of our bigger acquisitions. We've obviously been involved in sports wagering with Flutter, and deployed capital there. But the place we've deployed the most amount of capital, since the spin has been in returns to shareholders. We've returned about three billion dollars of capital 2.2, in the form of buybacks, 800 million dollars, in the form of dividends. We've got about 1.8 billion dollars left on our authorization, which we fully intend to complete that.

But all of this has been in the context of a fairly pristine balance sheet. I look at leverage, always, from a growth standpoint, not a net standpoint. The cash is there to be deployed for growth. So, from a growth standpoint, we're sub three times at this point. We just paid 750 million dollars of debt back, using cash to increase our earnings that way.

But I think, from a cash standpoint too, it's being deployed for the organic investment, for the capital returns. And we are looking for strategic M&A. Clearly, we have the ability to grow the company through acquisition, and we've got the capacity on that balance sheet to grow the company through acquisition.

Bryan Kraft:

Are there any particular areas that could be of interest, and maybe even, just broadly, more kind of adding to the scale that you have in your existing businesses, or could it be adjacencies?

John Nallen:

Yeah. It's more in the adjacencies. One place where we're leaning in pretty heavily, and we'll probably talk about it, is sports wagering. We've got this investment in Flutter, and the opportunity to own interests in both, FanDuel and FOX Bet. And some of the cash on the balance sheet you should think about as being notionally allocated toward deploying it toward those investments. But I think, one big theme for us, would be in the sports wagering area as an area for growth.

Bryan Kraft:

Okay, great. Why don't we maybe, shift to advertising? Your linear television networks have significantly outperformed the industry, in both, program and commercial ratings, due to your sports and news focus. How do you view the underlying stability and engagement and ad revenue, over the next few years, ignoring the ups and downs of political and sports and that cyclicity?

John Nallen:

It's kind of hard for us to ignore those ups and downs.

Bryan Kraft:

Ever present?

John Nallen:

Because the ups and downs are just part of the fabric of our business. Whether it's a Super Bowl, or a World Cup, or an election cycle, it's in there. You can pretty well plot our business over the next five years and look at where those peaks in advertising are going to be. You can almost pick the dates of when those advertising peaks are going to be. So those cycles are vitally important to our business, because it helps us with some of the growth initiatives on the business.

Having said that, I think advertising, overall, we're feeling good about where it is. We can talk about where it is immediately, but if I look out over the next many years, the assets that we have that are focused on bringing a mass audience to news and sports, still are those assets that are in demand by advertisers. So, if they're looking to deploy money against their brands, any place, it's against an audience, and I think, increasingly, our audiences become more important to them.

Bryan Kraft:

And what are you seeing in the ad market today, as far as demand and pricing? And maybe if you can comment, both in national scatter, as well as at your stations.

John Nallen:

So, it's mixed. The story is different, depending upon what sector you're thinking about. So, the real strength we're seeing continues to be in news and sports, where scatter pricing is probably 25% up from upfront pricing. And what we see is still some heavy demand in news and sports. For us, when you think about sports, in our fiscal year of June, roughly 70% of our impressions we've already booked. Because right through the end of football season, we're now into NASCAR and MLB, which is a smaller part of our business. But nonetheless, the demand is there, in both news and sports.

Where it's softer is in the entertainment side of the business. And I think that's true of the market overall. We're seeing high teens to 20% increase in pricing against upfront, but we're also seeing demand being a little softer, hence, the pricing being softer than the other areas.

On the local side, the overall story is good, but it's a mixed bag when you peel into the business where auto continues to be down. We're down 25% to 30% from a year ago. That's industrial, that's not just representative of FOX. And virtually all of that is supply chain where there's just not enough cars on dealer lots for them to spend the money toward advertising.

But countering that, almost completely, is the amount of money that's been invested in advertising for wagering, on a local basis. It is just becoming one of our top three categories, and very quickly. It's now legal in, or operational, in 31 states. We are very active in virtually every one of the markets, the 18 markets that we are in.

Take New York, as an example. In the football season, we had four operators that were vying for brand recognition and for customers during that period. Since that time, coming into March

Madness and baseball season, there are now nine, all of which are spending toward market share and brand.

So, it's good to be a local operator. Some of this has kicked its way up to national because there's enough scale now to be able to spend there. The other place in spending, I should say, but it's more temporary in local, is in government spending. There's been a lot of investment around COVID, around vaccinations, masking, and all of that. But I don't see that as a category that's permanent.

Bryan Kraft:

Yeah.

John Nallen:

Auto will come back as a permanent category. Wagering is here to stay. So, I think on a local basis, we're feeling pretty good.

Bryan Kraft:

Any thoughts around this year's upfront, and how that could play out based on where the market is now?

John Nallen:

I think it's a little early. We still have three months before really the upfront kicks in in full form. The traditional upfront. I know our own strategy is to try to get ahead of it and book volume to the extent we can in advance of the traditional upfront. But I think it's still too early to tell. Some of the macroeconomic factors will play into it, I'm sure. And it's something we've got our eye on. But I come back to the fact that news and sports are going to continue to be dominant categories for advertisers and entertainment will probably be softer.

Bryan Kraft:

Yeah. Okay. Can you give us any insights as to what you're seeing at Tubi today in terms of demand and pricing trends there?

John Nallen:

Yeah. I forgot to mention that when we talked about the national market because Tubi operates in the national market as an AVOD service. I think it's important to distinguish Tubi from its competitors in that Tubi is truly an AVOD service, meaning video-on-demand. It's not a linear service that you come into. It's you access the video, you're served the video and then the recommendation engine will provide other programming to you.

But I think, I know right now Tubi's enjoying the benefits of being the number one AVOD service in the country and pricing is good. Demand is strong. Part of the service for Tubi is we only provide about four to six minutes, an hour of advertising to a customer. So, the experience and therefore the somewhat premium that we enjoy for advertising for Tubi is because the service is unique in that it doesn't... I mean, some of our competitors are double and triple that amount of advertising and just impacts pricing and impacts volume in those markets.

Bryan Kraft:

On the station side, how do you see political shaping up for the year, and are your own stations well represented in markets where there'll be competitive races in House Senate and gubernatorial races?

John Nallen:

So political should be big. I mean, that's the sum point that comes out of it. If you look four years ago when we had midterm elections, we did 180 million dollars across our markets in midterm election advertising. The presidential election, double that number, that was 360 million dollars. And clearly, we're not looking at presidential spending, but it's got to be in excess of what we did last time because the competition is that much more significant.

We've got in 11 of our markets, we have hotly contested senatorial races, 13 of our markets we have what will be hotly contested, gubernatorial races. There're issues in advocacy topics on the ballots that will have a lot of spending toward it.

What we won't see is likely a lot of national spending. So, at FOX News, it's doubtful that you'll see a lot of money, maybe some PAC money being spent at that level, but all of the money is going to be at the local level, and all indications are that it's going to be more significant than it was last time. So, it bodes well for our fiscal 23.

Bryan Kraft:

Are you going to be positioned to take advantage of political with Tubi this year, since it's targeted or is that not?

John Nallen:

Yeah, I think so. Digital spending will increase dramatically. So Tubi will be one of the homes, but if I contrast it to our local business, it will pale in comparison to what the local business is going to do. It just that's where all the money is spent.

Bryan Kraft:

Okay. Maybe shifted to distribution. What's the outlook for affiliate revenue growth like over the next couple of years, given the renewal calendar and longer term, do you think you can sustain the kind of pricing power that you have today and in a way that you can mitigate the impact of sub declines and growth in the cost base?

John Nallen:

So, we've been very transparent, maybe too so, about what our upcoming affiliate renewal period is like. We've got, in the current year we only renewed about 5% of our distribution footprint. Whereas in the next two years, we have 70% that's being renewed.

Now part of that timing was very deliberate because we didn't want to go into an NFL renewal period with pricing that was old pricing on our distribution. We wanted to ensure that we received current pricing matching our current NFL deal.

So, our expectation from a pricing standpoint across the portfolio, which is really broadcast and FOX News from a cable standpoint, is we are the number one cable news channel and cable

channel at times through FOX News, through the sports product that we offer on the network, particularly the NFL. And now with current year with the Super Bowl on FOX, our expectation is that we're going to continue to sustain significant pricing power through those assets. So, we feel pretty comfortable about where we are.

Bryan Kraft:

There's been a lot of changes already, obviously to the Pay TV distribution model with skinnier bundles, virtual MVPD's becoming mainstream. Do you expect to see further change in Pay TV bundle distribution? And if so, what do you think that might look like?

John Nallen:

I'd like to see changes in it but I'm not sure we will. I think all the media companies have long tail channels that are attached to their core assets, be it broadcast channel or news channels, whatever they have, but in selling them to the distributors, they protect those channels to ensure that they're included in the bundle.

So, I'm not sure that we're really going to see a pairing of channels coming out of the bundle. What I see happening, though, is more of the wallet of the bundle moving toward the channels that are much more valuable and prominent in it.

So, we were talking about pricing power a second ago. That's where I think money will move from really cable entertainment channels and into news and broadcast channels because they're so important to the stickiness of the bundle. So, I don't see, again, I'd like to see a pairing of the bundle down to core news and sports and some of the leading entertainment channel. I just don't see it really happening in the near term, but I do see a shift of wallet away from entertainment to news and sports.

Bryan Kraft:

Okay. Maybe we can shift to streaming and direct to consumer for a few minutes. You acquired Tubi two years ago for ended up being only about one times 2021 revenue, just given the growth in that business - how strategic is Tubi now for the company and what is its long-term role as the secular changes we've been seeing in the business continue?

John Nallen:

Well, it's a very strategic asset, and probably next year it'll be a larger asset than the entertainment network from a revenue standpoint. That's the kind of growth that we're experiencing in Tubi. And if I look long term, it will be one of the clear growth drivers inside of FOX overall. Some statistics I've seen over the weekend would say that the AVOD category between '21 as a baseline, going to '26 will grow four times from a revenue standpoint.

I'm not here to predict Tubi's revenue over the next four years, but clearly inside that category, Tubi is a leader, and that kind of growth would outpace any of the growth we would have in any of our other assets. So, from a strategic standpoint, Tubi is a core now, only two years into our company, really. Tubi is a core business of FOX.

Bryan Kraft:

And when you say could be bigger than broadcast network next year, even from an advertising perspective?

John Nallen:

Yes, because Tubi is a hundred percent advertising and yes, you're right. If I can address just advertising on the network and advertising on Tubi, Tubi should be a bigger business next year.

Bryan Kraft:

Okay. And bigger than, just to clarify, so people understand, bigger than just the national piece of your television advertising?

John Nallen:

National entertainment piece of our television advertising.

Bryan Kraft:

Entertainment. Okay.

John Nallen:

Not sports.

Bryan Kraft:

Okay. All right. Yeah. Sounded a huge number when you first said it so needed...

John Nallen:

It's still a big number. Still impressive.

Bryan Kraft:

... where you intended.

John Nallen:

You can still see it's impressive.

Bryan Kraft:

What are your plans for Tubi from a program perspective?

John Nallen:

Tubi, those of you that don't know the asset well enough, it's a library-based product, it's got 41,000 titles in it. And what I think you should assume is that the lion share of Tubi's programming going into the future will be a deep library program.

Now, we've augmented that with originals but not to the scale of the originals that you've seen the SVOD spent. We've put 40 new originals onto Tubi in the last year. We'll probably double that

number next year, but none of them are of the scale. It's not the kind of ones where you hear us promoting Handmaid's Tale, or any of the Yellowstone, those kind of titles. But I think this balance between heavy, heavy concentration on deep library and a few originals is how you'll see the programming of Tubi for the future. Not for the near future, but for the distant future.

Bryan Kraft:

Okay. Would you consider experimenting with live sports on Tubi as a way to potentially reach new audiences and generate some incremental ad revenue, or maybe thinking about it a little differently, would you consider a premium pay tier for Tubi that gives subscribers access to sports that are on the FOX Network or other programming, whether it's primetime, or local news, or even content on the cable networks? It seems like you have options.

John Nallen:

Yeah, we do some of it, but I would say you've got to contrast our core business to Tubi. Our core business is providing exclusive content to our distributors in news and sports. That's the promise that we make to them, that if you want the NFL on Sunday, you're paying us retrans because we're guaranteeing you that that product is not leaking into a free environment someplace else. If you're paying us an affiliate fee for FOX News, the promise is that that is exclusive to you, and again, not leaking its way through free.

So, I don't see Tubi as being a platform for us to take national content and bring it over as an adjacency to that national content. What we have done is taken some local news and put it on Tubi. We've taken our talk shows on FS1 and moved them over on Tubi, but we haven't taken any live sports content, or live national news content and moved it over to Tubi, and I don't expect we're going to do that anytime soon. So, the second part of your question about tiering, again, the ubiquity of Tubi on 25 different devices around the U.S., focused on the U.S., and the ability to just access it on a free basis is the secret sauce of Tubi. So, we don't have any expectation of tiering it or adding a subscription product to Tubi.

Bryan Kraft:

Okay, and I understand that it's deep library content on Tubi, and it's based on a revenue share model, but are you finding it harder to source library content for Tubi just given so much demand out there for library programming?

John Nallen:

Not really. If you look back when we acquired Tubi, we had, I think, it was 23, 25,000 titles in the library, and as I just said, we've got 41,000 titles now. So, in the two years we've been able to expand that library by 60%, and we're dealing with all of the majors, many of which were represented here at the conference from Disney, MGM, Lionsgate, Sony, even Paramount we're buying some product from, so all of this, again, we're buying a deep library product. We're not buying their first run product, which is going out to places like Hulu or obviously their own D2C product. So no, we haven't seen nor do I expect to see any issues on acquiring product from the content providers we've been able to buy from.



Bryan Kraft:

Okay, and you mentioned that Tubi is really a domestic product today. I think you have launched it in a handful of international markets. Just curious if you have plans to expand internationally from here?

John Nallen:

It's not the priority. U.S. is our focus. We're in Australia, New Zealand, Mexico, and Canada, but still the growth opportunity for us in the U.S. is significant. That's where we're concentrated. That's where it's easiest for us to acquire the kind of deep library product and the rights that we just talked about. You were asking about revenue share before. I should have said that still 95% of the library that we have is on a revenue share basis, and only 5% is licensed from an entirety of that 41,000 titles. So, we're still able to get a very substantial amount of the library on a revenue share basis, but coming back, I don't think you should look as a priority for us to be going dramatically outside of the four or five markets that we're in right now, with a focus on the U.S.

Bryan Kraft:

Okay. You launched FOX Nation direct-to-consumer streaming service a little more than three years ago. Can you provide any color on how large that business is now in terms of subscribers and revenue, as well as any color on the growth trends there?

John Nallen:

So, from a growth standpoint, we've doubled the subscribers in the last year. We grew them by 30% in the last quarter, the business is very sticky business in that it's, recall that it's basically a companion product to FOX News for the superfan of FOX News. So, if you think about the overall market, the market's not infinity. The market is a core FOX News audience, and as a result, we've been very successful. It's also characterized this business different than other SVOD products by extraordinarily low churn. These are loyal customers that are subscribing to FOX Nation. So, churn management is not one that we have to spend a lot of money on, where clearly in the SVOD side churn is a particularly big issue. So FOX Nation is doing just fine. It's one of the investments we continue to make into the product. We add content like Tucker. We put the *Cops* series on there. We're doing a new feature with Kevin Costner on *Yellowstone*. So, as we continue to add product, we get more and more subs coming to the platform.

Bryan Kraft:

Given the demand for connected TV impressions like you're seeing on Tubi, could it make sense to offer an ad supported version of FOX Nation?

John Nallen:

I don't think so. It's kind of the flip of your Tubi question, where this market is very defined for us for FOX Nation. As I said, the FOX News superfan, so it's a \$5.99 product. It's not a break-the-bank subscription. So, I don't think you'll see us looking to provide an ad supported tier on FOX Nation. We'll continue to be a subscription product.

Bryan Kraft:

Makes sense. Okay. You recently launched FOX Weather as another extension of the news franchise. Any color on how that's performed so far?

John Nallen:

Yeah, I think it's a sleeper asset for us that probably a lot of people in the room are not even familiar with. FOX Weather is basically two components inside of the single business. It's an app that you're able to download that inside of it has a FAST channel that we broadcast out of New York with 150 person staff, meteorologists and talent, et cetera, but that FAST channel has rapidly been pulled out to become distributed separately as a FAST channel outside of the app. So, we're now on YouTube TV, we're on Roku, we're on Amazon, and we'll continue to distribute the FAST channel with significant advertisers on it as well. So, if you get a chance to just look at any of those through Roku, or Amazon, YouTube TV, what you'll find is a really robust weather service, and I think I said it's a sleeper asset that we expect will have very significant growth ahead of it.

Bryan Kraft:

Is this sort of to satisfy the demand for the Weather Channel for those that have cut the cord primarily?

John Nallen:

It should. Yeah, we provide both national and local cut-ins to the product. So, I don't like the people that cut the cord. That's a different question entirely, but we are able to provide a weather service for them that's pretty robust.

Bryan Kraft:

Okay. Do you see any other opportunities to extend the FOX News franchise, whether it's in the linear or the streaming world?

John Nallen:

Well, we have extended it in a number of areas like our partnership with SiriusXM. We have podcast business, a books business, a number of other areas, and we continue to look for extensions, but FOX Weather, take that as a recent extension. It's only five months old as an extension. So, the idea generation around what more we can do with FOX News continues to be very significant, and you should look for us to try to continue to extend into adjacent areas.

Bryan Kraft:

Yeah. Maybe shift gears to content and costs. If we turn to operating expenses and margins first, in fiscal 2023, you've got a 350 to 400 million EBITDA tailwind from Thursday Night Football rolling off, plus you've got political, you've got heavier MVPD renewals as you alluded to, all should make for a strong EBITDA and free cashflow growth year in fiscal '23. So, I guess a couple questions here. One, should we expect some of that tailwind to be offset by higher investments into streaming or other areas in '23 from an EBITDA and cashflow perspective, and then

secondly, as we look to '24, do you expect an abnormally high step up in retrans and reverse to largely fund the NFL step up as the new contract takes effect? Or should we think about the Thursday Night Football savings that starts in fiscal '23 as sort of funding that NFC step up in fiscal 24?

John Nallen:

So, there's a lot there.

Bryan Kraft:

Sorry for the long question.

John Nallen:

Let me try to unpack it. If you look at '23 alone, we've got four main factors that are contributing to the growth. We've got the Super Bowl, we've got Thursday night football rolling off, we've got our affiliate renewals and we've got political, the commencement of our affiliate renewals in that period of time. So, every prospect for '23 is positive because every one of those factors are positive. When you look at the investment spend, I don't expect that, what we said in '22 is we're investing two to 300 million into EBITDA into a number of initiatives led by Tubi and FOX Digital and a few other things. I don't expect that level of investment to materially increase in '23, to be a major headwind against the growth of those four areas that I described. So, all in all, '23 shaping up to be a really significant year for us.

When you look at '24, your question about basically around NFL cost is you have to look at it first on a like to like basis because '23 had the Super Bowl so let's throw that out, and just look at pure season to pure season. We'll get a step up of probably high teens increase because the new contract kicks in fiscal '24, but it's the same time, as I said in my earlier comments, where the new affiliate renewals are kicking in as well. So, our expectation is we're covering cost increases by the very deliberate timing of the increases of affiliate renewals at that period of time.

Bryan Kraft:

Okay. Okay. So, yeah, so I would interpret that as you get this big step up in profitability in fiscal '23, some of that's temporary, rolls off because of Super Bowl and political, but there is still a structural step up in profitability that'll be sustained.

John Nallen:

That's right.

Bryan Kraft:

Okay. Great. There are obviously some different scenarios that could play out over the next, say five years with respect to paid TV subscriber declines, your ability to drive price, ratings and the other revenue drivers. In more conservative revenue scenarios and considering that sports rights costs are fixed and governed by long term contracts, how much flexibility do you have to manage costs in a way that can more or less sustain EBITDA and free cashflow levels as you think about the different realistic scenarios?

John Nallen:

Well, I think we run the business toward conservative scenarios. I'd like to think we're an efficient organization, but it's not to say, my earlier point, we're not complacent in that we continue to look for efficiencies, but you're right. We've got a high fixed cost base in sports rights contracts, primarily in other areas like news, talent contracts are fixed as well. But clearly the biggest cost base we have is in our sports business. So, we continue to look for efficiencies around cost, recognize that when we formed FOX, we had the ability to form a very efficient organization spinning out of it. So, it was a synergized company when we spun the company out of FOX. It wasn't one where we had to seek all of a sudden significant cost reductions because we were able to do it that way when we spun the company out. But again, we're not complacent. We continue to look for cost opportunities in the case that sub declines were far greater than, but people like yourself are predicting.

Bryan Kraft:

Okay. We don't have a lot of time left. So, I'm going to jump ahead of little bit, because I do want to talk a little bit about online sports wagering. Given your earlier comments, how should we think about your strategy and sports betting? What's the totality of the opportunity for FOX? And would you go so far as owning a sports book, beyond just your exposure to Flutter and FanDuel and exercising your option?

John Nallen:

So, we think about sports wagering in two buckets. One is our quote unquote traditional business and the second is the business of sports wagering. In the first, we're enjoying the benefits I described earlier of advertising on a local basis. But increasingly, we're seeing that benefit on a national side, particularly in our sports business. With 31 states operating, it now becomes, it's slightly inefficient, but it becomes more efficient for the national operators or for the operators that are in those 31 states to spend on a national basis. So, we're enjoying that benefit locally and nationally on the wagering side. So, that's the advertising bit of the business. On the business of sports wagering, it is one that we want to lean into. We've got the investment in Flutter, the 18.6% option in FanDuel, the 50% option in FOX Bet. Remember, FOX Bet includes the business of PokerStars inside of it.

John Nallen:

So, you should look, we've got to settle obviously some discussions we're in the middle of with Flutter, which should resolve themselves by June sometime. But you should look at us as wanting to be very active in a sports wagering area, not to run a book.

Bryan Kraft:

Okay.

John Nallen:

It's not what we do, but we look to get licensed because there are certain investments that we can't make unless we're licensed and therefore be a better partner on a license basis. By that I mean in order to make investments above certain thresholds, percentage thresholds in

wagering, you need to be licensed, which is why, for example, our Flutter investment is at 4.99%. Not anything above that. But don't think about us as operating a sports book, look at us as being very active in wagering.

Bryan Kraft:

So basically, making money from advertising and programming towards sports betting and the ad revenue and affiliate revenue that may come with that?

John Nallen:

That's the more traditional side, but the other side is to make money out of being an investor in sports wagering business itself.

Bryan Kraft:

So, the returns on the minority investments.

John Nallen:

Exactly.

Bryan Kraft:

Okay, great. Okay. Just out time. So, we'll stop there. John, thanks so much for coming.

John Nallen:

Thanks, Bryan.

Bryan Kraft:

I really appreciate it.

John Nallen:

Appreciate it. Thank you.