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PRESENTATION

Douglas David Mitchelson - *Crédit Suisse AG, Research Division - MD*

Great. Welcome to the next session of the 23rd Annual Crédit Suisse Communications Conference. I'm Doug Mitchelson, the Crédit Suisse analyst, covering Media and the Cable Satellite and Telecom sectors for those mapping to a little vote going on this month for the sell side.

I couldn't be more pleased to have with us a long time media executive and an important agent of change for the industry, Jeff Shell, Chief Executive Officer of NBCUniversal. The format is fireside chat, and I've got questions that will run the full-length of the session. Jeff, thanks so much for being here.

Jeff Shell - *Comcast Corporation - CEO of NBCUniversal*

Great. Thanks, Doug, and thanks for having me. I'm glad there is no actual fire, because it's hot out here.

QUESTIONS AND ANSWERS

Douglas David Mitchelson - *Crédit Suisse AG, Research Division - MD*

We -- well, we're about to start one. So it's a remarkably fluid environment for your businesses. So I thought it'd be best just to open up by asking if you'd provide an update on business trends.

Jeff Shell - *Comcast Corporation - CEO of NBCUniversal*

Yes. So I know we're going to get into a lot of these things, but I won't go into detail, but we're kind of seeing things as things in society start to open up. We're seeing things kind of roar back across our entire business. I would say the 3 biggest things for me, and I'm sure there's lots more, as I probably tick down the list, but the Theme Park business is coming back a lot faster than we had anticipated and expected, and I'm sure we'll get into that. The Television business, which we did -- thank you for the agent of change label, but we did a lot of restructuring during the pandemic, set our business up differently, launched Peacock. And I think we're being rewarded right now with a pretty strong recovery in the ad market right now, and I know we're going to talk about that as well.

And then finally, and I think this is probably the most important, people lose sight of it, but we kept our foot on the gas across content during the whole pandemic. Development, both in our film group and our television group and the news and sports. And I think we're creatively very well positioned coming out of the pandemic. So that's really the fuel of our business, and I think we're in a pretty strong position there. So I think I could go on and on, and I'm sure we'll dive into some of those, but all across things, I couldn't be more optimistic and pleased with how our business is right now.

Douglas David Mitchelson - *Crédit Suisse AG, Research Division - MD*

Yes. These are lots to discuss across Parks and Media and Content. So let's start with Parks. Attendance is ramping across the U.S. How are you managing staffing and scaling operations? Is that going smoothly?

Jeff Shell - *Comcast Corporation - CEO of NBCUniversal*

Yes. So I'll give a quick -- if you want, I'll give you a quick tour kind of across the world in our Parks. As far as staffing goes, we've actually had Orlando, which is our largest park and a big share of our economics, has actually been opened -- reopened for over a year now. We opened it back in June of 2020. I think it will be a distant memory, but I'm very proud of how we've been able to keep ourselves open. We've got 11 million people as of last month kind of go through the park since we reopened. We haven't noted any outbreaks. We've done it safely and that's great. And so we've already had the core of our staff, and we've been rehiring. We took our wage rate in Orlando up to $15, which was always planned, and we did a little bit more rapidly to attract more employees back as we've ramped up to full capacity. But it's going pretty smoothly.

The demand side of Orlando, we have virtually no international visitation yet, which normally, depending on the time of year is between 20% and 30% of our attendance. And yet, without any of that attendance, we're already hitting our capacity and doing better in some cases than 2019, which is remarkable, given how soon coming out of this we are. One of the things you'd expect actually is with less international and more domestic visitation, you'd expect per caps to be lower. And we're actually not seeing that. So people are not only coming back to our Theme Park and enjoying the experience out of their house, but they're buying stuff. They're buying Harry Potter wands and all sorts of things. So very pleased with how the Theme Park in Orlando is doing -- the Theme Parks in Orlando are doing. And we really have no capacity constraints there anymore.

And so the summer is looking pretty strong. And I would say probably, the strength is related to 2 factors. One is just there's pent-up demand, clearly, for those of us who have been in the house, we want to get out and do all sorts of things, and we're seeing that. I think the other thing is our attraction strategy. We kept building things during the pandemic, and we just opened a new roller coaster in Orlando, which I had the pleasure of riding called the VelociCoaster based on Jurassic World. Best rollercoaster I've ever been on, and I'm thrilled, all the guest results, since we reopened, are saying the same thing. So we're hitting the strength of the market with a really strong attraction coming back, and that was good.

So here in Hollywood, it's a big day tomorrow because we reopened here, a month or 2 ago, at 35% capacity or 25% actually capacity. And tomorrow is a day that things reopen out here in California, and we can go to full capacity. Same kind of dynamics as we're seeing in Florida. I think we feel very good about demand here. And we also kept building attraction, so we opened up a new attraction based on our Pets franchise for families and younger kids and getting a similar reaction to VelociCoaster. So we have a new attraction here, perfectly timed for the reopening here.

So I'm very optimistic at the park here in California and just the whole society opening up out here in California. Japan has been a little bit more bumpy. We opened that Park last June around the same time as we opened Orlando and operated it safely and saw some pretty good numbers up until the first quarter of this year when things started to spike in Japan. And we closed, again, for a couple of months. Last month, we reopened again weekdays, and we're seeing good demand there. And we're hopeful in the next couple of weeks, we'll be able to open up fully again there in Japan as the numbers start to come down.

Same dynamic, maybe even more so in Japan, where we opened up really what I think is going to be one of our strongest attractions globally, which is our Super Nintendo World. Unfortunately, very few people in Japan have had the opportunity to actually go through it, including me, by the way, because I haven't been there yet. But it's going to be the cornerstone of a lot of our parks around the world. We're really optimistic about that attraction, and it's going to anchor our Epic Park down in Orlando when we get that open in a couple of years.

And then finally, I actually think the story of the pandemic for our Theme Parks was Beijing, where we were -- we shut down construction of it very early last year. And miraculously, despite shutting down construction early in the pandemic, we were able to get it back up and going. We -- the park is essentially done on time and on budget, maybe a little under budget. And now we're just kind of in the final stages of -- there's a very onerous and appropriate testing process in China for rides and we're going ride by ride and getting each ride cleared, and we're ready to go, we've hired all our staff. It looks fantastic. Once again, I haven't had the chance to see it. Yet once they let international travel back in, that's the first place I'm going. But we're really excited. It's going to be our largest park, most technologically advanced park. And we're ready to go and will open sometime later in the summer. So that's a quick, Doug, tour of our Theme Park business.

Douglas David Mitchelson - *Crédit Suisse AG, Research Division - MD*

The -- I'm glad you survived the VelociCoaster ride. I know that was part of the job description. But...

Jeff Shell - *Comcast Corporation - CEO of NBCUniversal*

Fair enough. I had trouble with the motion rides. I don't know if a lot you on the call do. I love rollercoasters, I like the non kind of simulator rides, but this one is just petrifying. I mean, it is remarkable.

Douglas David Mitchelson - *Crédit Suisse AG, Research Division - MD*

So one park not open yet and won't be open for a little while is Epic Universe in Orlando. So how will that park add to and differentiate from the parks that you have in Orlando now?

Jeff Shell - *Comcast Corporation - CEO of NBCUniversal*

So we're really excited about it. It actually, from a kind of size-wise, it's going to be our largest domestic park. And globally, it will be just a little bit smaller than Beijing. But it's actually really interesting because, number one, it will be anchored by a lot of our strong IP, including some of the Illumination and DreamWorks content, but especially Nintendo. Where the park is in Orlando, I don't know how many people are familiar with Orlando here on the call. But the park is 10, 15 minutes from our main parks in Orlando a little bit south, but adjacent to the Convention Center. And so I think what I'm hopeful for -- first of all, the park is going to be amazing. And what I'm hopeful for is not only does it allow us to continue to take share from other attractions in Orlando and extend, you can do a full week now with this park at only Universal properties in Orlando. But I actually think we have a unique opportunity to tap into the convention business, which is -- I believe Orlando is the second biggest convention market in the U.S., it was a pre-pandemic debate. And the ability to kind of -- for people who are going to the convention and want to have an event across the street at the park to do different things, I think that's going to give us a unique opportunity to play with pricing a little bit and get even more demand for people.

So I'm excited about that. I think the park is going to be -- not only is going to be a great theme park based -- anchored by some of our key IP, but I think it gives us a chance to really drives new revenue streams.

Douglas David Mitchelson - *Crédit Suisse AG, Research Division - MD*

So let's talk about another revenue stream, advertising. I was going to ask how NBC did in the upfront? And would it suggest to you regarding TV's ability to return to pre-pandemic advertising levels? We just had an ad panel this morning with a couple of buyers who said, "well, there's still a few weeks left and a lot of negotiations going on." So how are you doing in the upfront perhaps? And does the strength of the upfront, assuming that it's strong, surprise you given the declines in linear ratings and reach for television?

Jeff Shell - *Comcast Corporation - CEO of NBCUniversal*

So I don't want to contradict your earlier panel, but we're pretty much done. And I think one of the benefits of -- I think the way the market broke is our approach, which I'll get into in a second, allowed us to really go early in the market and take advantage of the strength of the market. But we have a couple of things to mop up, but -- and I think others are still negotiating, but I think we're pretty much done. It was the strongest upfront, I think, probably in the history of NBCUniversal. I don't have records all the way back forever. But we saw results in this upfront far beyond what we thought we'd see demand was extremely strong, which led to pricing, which was extraordinary.

There was already historic pricing going on the gap between -- right now between scatter market and the previous upfront. And that flood over media upfront with pricing that was really strong and demand was really strong. And there's really kind of 2 things, I think, going on, just to give you kind of the structure of the market, and then I can guide more into our results. But first thing that's going on is pretty basic supply and demand, right? You had, during the pandemic, couple of points, 3, 4 points of viewership moved from advertising-supported platforms to non-advertising-supported platforms. People who were watching broadcast or cable networks or whatever moving over to Netflix or Disney+ or other platforms.

And so as you come out of the pandemic and as lots of companies are trying to advertise and get strength coming out, as the market recovers, they're just not as many -- not as much rating points to buy in the market. So you have kind of a classic supply squeeze. And that's really just resulting in a kind of a market that was on fire in the upfront. The second thing, that dynamic, that's happened is you've really seen kind of a barbell start to form in the market where advertisers as kind of linear is declining are just trying to find reach wherever they can find reach. Reach is increasingly difficult to find in the market.

And if you have reach, then you have a commodity that's very valuable. And if you can't get reach, what advertisers want is they want granularity of data and addressability and knowing exactly who is seeing their ad and how they're engaging with it. And so it's kind of a barbell. And I think the way we've set up, we launched Peacock, thank God, a year ago, we chose the right business model. And so we really have Peacock with our linear networks gives us a really good -- gave us a really good platform to hit this market exactly right where we have reach. And we have granularity, and we sell it as one platform, and we have got big events next year. So that is where it resulted in numbers well above what we expected for the upfront. And we sold about the same amount of inventory as we -- same amount of percentage of our inventory as we did last year, and we're seeing numbers are way higher than they've ever been -- than we've ever seen.

Douglas David Mitchelson - *Crédit Suisse AG, Research Division - MD*

Okay. I'll resist trying to pin you down an exact number. So -- and in your commentary for dovetails in terms of the big events right into the Olympics all had sales, the Summer Olympics going. And importantly, at least from my perspective, as we leverage those Olympics and then the Super Bowl and then the Olympics again in February, what level of benefit across the entire Comcast footprint should investors expect?

Jeff Shell - *Comcast Corporation - CEO of NBCUniversal*

Well, I think, first of all, I think we're very -- I've said all along, and we've been pretty consistent as a company that we thought that Tokyo Olympics would happen once they delayed it and rescheduled it. And now that we're weeks away from the start of it, it's -- we're more and more comfortable that, that's going to happen. And I think, depending on how ratings are, it could be our most profitable Olympics in the history of the company. We've had advertisers, once again, based on what I just saw, if you want reach, there's nothing better than the Olympics. You have 17 days where you dominate every night. You have -- for people leaving their house and people who are -- the depths of the pandemic, you have this exciting world coming together after a world-changing event to celebrate athletes and success and stories and drama.

And what generally drives our ratings are the strength of the U.S. team, and we're really pretty optimistic about this, Simone Biles is just amazing, and she's going to be, for the first week of the Olympics, she's going to be on every night. And then our swimming team is really strong, and our track and field team is really strong. So I think we're pretty optimistic about both the ratings and the economics of the Olympics and advertisers have embraced it.

And every Olympics, I think we're going to have just probably domestic spectators at the Olympics, not international spectators. And I think every Olympics has an issue that people worry about coming into the Olympics. I lived in London, everybody was worried about the traffic. And last time it was Zika. And then once the opening ceremony happens, everybody forgets all that and enjoys the 17 days, and I think this is going to be the same thing.

In the first quarter, years ago, we actually swapped Super Bowls from 20 to -- '21 to '22 so that we could have the Super Bowl and Olympics in the same period of time. So if you want to reach advertisers in the first quarter next year, and you're not an NBC, good luck. Because we're going to have a Super Bowl in Los Angeles right in the middle of the Winter Olympics. And I think that did drive a lot of our upfront. We sold -- we don't traditionally sell sports in the upfront. We actually did this year because of our ONE PLATFORM for the first time. And I think that drove a lot of our economics that we just saw. So excited about that as well.

Douglas David Mitchelson - *Crédit Suisse AG, Research Division - MD*

The Peacock is, obviously, super important, super interesting. Let's have a strategy there. I think -- I feel like a lot of the conversations with investors, there's a lot of confusion as to what the ultimate Peacock strategy is. So what's the company's ambition with Peacock?

Jeff Shell - *Comcast Corporation - CEO of NBCUniversal*

Yes. So I think Peacock is misunderstood sometimes as being a separate business, right? It really isn't. It is a complementary back-end to a lot of our businesses. If you look at how consumers are consuming media, it's becoming more and more nonlinear, and more and more across platform. And for us, Peacock is the back end, not just our TV business, but our film business and lots of other businesses. We believe that a scale streaming platform supported by advertising is the right strategy to complement our existing businesses. And we couldn't be more pleased, as I think I've said, with how we -- a year ago, we haven't even launched nationally yet and here we are less than a year later, and we've reached levels that we didn't expect to be for a couple of years.

So as you said, Doug, Peacock is critical to our strategy, both to reach advertisers and to reach our viewers as people migrate platforms and as linear declines, which will continue to decline. And it's also critical globally as we roll out across lots of different markets and reach people in other countries as well. So Peacock is very important, and we're thrilled with how it's going so far.

Douglas David Mitchelson - *Crédit Suisse AG, Research Division - MD*

Great. And then you're well into what was a fairly remarkable realignment of NBC's content and distribution businesses. You mentioned that earlier. It's becoming the default strategy across media, which is interesting. Can you walk us through how content production and the green lighting process has evolved? Whether you're already changing, what content you're making or buying? And is this realignment functioning, as you had anticipated?

Jeff Shell - *Comcast Corporation - CEO of NBCUniversal*

Yes. It was one of those critical things we actually did during the pandemic, it's not as sexy as launching new businesses and doing other things. But if you look at -- we really had -- and we were like other companies, we really had each of our businesses were very vertical, whether it was a cable network or NBC or then Peacock. And what we did is we smushed it all together, and we have one organization that supports all of our TV businesses and brands. So Susan Rovner, who came over from Warner Brothers, makes programming decisions across the entire portfolio. And her counterpart, Frances Berwick, who's an amazing executive, runs the business. So we don't have -- we do have different brands and different platforms, but we have one team that manages as one business, just like consumers view it as one diverse platform.

And it was painful and difficult, but we did that hard work. And now I think it's paying off. And to your question, Susan can basically -- she can do two things. Number one, she can appropriately align programming for the right platform based on where it can be the most successful. And that's really important because Susan showed, it's harder and harder to find an audience for a show that you believe in. And the ability to kind of put it at the right place in the right way is a huge advantage that we have as opposed to having different entities across our organization, fighting it out for -- very vertical, which we were before.

I think the second thing that people underestimate is the ability to kind of use the platform to advantage content. So I think you have -- if you just have linear, then you have the ability to drive people to a time when the show launches and create an event, but you have no ability to launch the vast majority of your viewership that wants to see it binged or time shifted or when they want to watch it.

Conversely, if you just have a streaming platform, and you've seen this a little bit with Netflix as you struggle to find a way to create an event and drive people to the launch of a show and create some noise for a show. So having both linear and streaming allows you to really create an event for a show that you believe in and then drive it across both platforms to maximize the chances that show is a success.

And I actually think it creates an advantaged platform for us. And our organization now matching that platform allows us to to run it as one big platform and to sell advertising, as we talked about, as one big platform.

Douglas David Mitchelson - *Crédit Suisse AG, Research Division - MD*

So that's the perfect lead into how do you balance investing in and maintaining the linear network ecosystem of building Peacock. And sort of one example, there was a lot of consternation among the investors when the NFL deal was announced and NBCU immediately indicated Sunday Night Football will be available on Peacock, potentially pressuring the Pay TV subscriber levels.

If the linear ecosystem started declining more rapidly, say, meaningfully so, right? Would NBC's reaction be to pull back on Peacock and say, well, we better be a little bit more cautious here and rebalance the investment outlook back in linear or you pivot even faster to Peacock because that's where the audience is clearly going?

Jeff Shell - *Comcast Corporation - CEO of NBCUniversal*

Well, so the linear market is going to decline regardless of what we do, right? People are viewing more and more content, nonlinear on a time shifted binge basis. And that is the way consumers win. It's not us determining how they watch. It's consumers determining how they want to watch. I think that linear, I think people are too quick to write-off linear. I think linear is still a vast majority of the viewership.

And I think will be an important part of the equation of how people watch television for a long time, particularly sports and news and big events. But it's going to be one element as opposed to the driving element as we've seen historically. And so that shift is going to happen. And the ability to kind of move content across both and maximize the across content -- across both platforms is going to be the key, which is why, as you pointed out, the NFL deal was so critical to us because it gives us -- our partnership with the NFL gives us a -- the leading prime time linear show on Sunday nights, which continues to drive our linear platform. But at the same time, the flexibility we got and the content we got for Peacock is part of that decade-long deal will allow us to continue to serve viewers where they are, and that's going to be increasingly on streaming nonlinear platforms.

Douglas David Mitchelson - *Crédit Suisse AG, Research Division - MD*

Right. And as we sort of put all this together, I think in the past, occasionally, management sort of talked about being in arms deal, do we think about all your arms deal? Or are you sort of eating all your own cooking and taking streaming globally? If the Netflix or Amazon came in and had the highest bid for a new show, do you sell it to them? Do you sell them internationally and match your U.S. pricing internally on Peacock, keeping the show on your platform? So how does that content business built here?

Jeff Shell - *Comcast Corporation - CEO of NBCUniversal*

So I think that this is not a new debate, right? This is a debate that's been going on for probably 20 years going back to -- as a broadcast network, do you just buy your own content or do you buy from other people. And I think what's proven out here in Hollywood is that it's tough to find good shows and good content. And you can't always find them in your own shop. And sometimes you have shows that don't necessarily work on your platform, that might have a better chance of success on a different platform.

So I think that, obviously, the market is becoming more and more vertical and the vast majority of shows and movies we make will end up on our own platforms, I think, that's an inevitable and the strength of our content and having the ability to monetize across our platforms is a critical -- it's table stakes in this game. That being said, we'll continue to buy from other people when we find content that is important and valuable. And we'll continue to sell to other people when we find windows and shows and movies that make sense on other platforms. We have, right now, our television group, which I actually think is the best in the business, not only is supplying lots and lots of great shows to our linear networks and making shows for Peacock. I'm looking out in the lot here. We have 30 shows back in production and a number of them are for Peacock in the coming year.

But we also have what I think is the best show on HBO, Hacks from Mike Schur and other shows across other platforms that have a chance for success on other platforms and that end up back in our library someday, right, and drive our own platform. So I think you want to find -- the key is to own shows and make good shows and to find the place where they can be the most successful and then ultimately have them back in your library and your ecosystem down the road.

Douglas David Mitchelson - *Crédit Suisse AG, Research Division - MD*

So really that leads sort of our last content question, which is a fun one. One question we get increasingly from investors pretty constantly at this point. How much does each company need to invest in content to compete, given the ramp of competition across the ecosystem from all the streaming services that are available now? How do you punch answering that for NBCU? Is there sort of a flywheel for Peacock and engagement and monetization tracks ahead of plan, invest more content or more marketing for Peacock, and we'd be happy to hear sort of any update on progress for Peacock as well?

Jeff Shell - *Comcast Corporation - CEO of NBCUniversal*

Yes. So the answer to the question is a lot. The flywheel that each of our companies is creating with lots of internal production and lots of different platforms to monetize that production requires, particularly globally, a pretty significant investment to compete as we've seen. And the nice thing about our company is we already invest. If you look at Sky as well because we're -- they're carrying our content, we're carrying their content. We're close to $20 billion across our company already. And that's not just traditional make a TV drama, make a movie, but our news operation is second to none, and that's going to be a valuable asset globally as we roll out streaming. Our sports, we've talked about NFL, but the Olympics, we have, here in the United States for -- until well into the next decade and lots of other golf and Premier League, both here and in the U.K., so sports and news are important piece of content investment that people discount sometimes.

And then you have to make great movies and great shows, which is why it's at the top of the hour, that's the key to the whole thing. If you have great content, if you make great content, then you have a lot more optionality as you roll out platforms and build platforms for global audiences. And that's why it's been so important to keep our pedal down. I think one thing, Doug, I'll just -- as a quick tangent, I will say, people, sometimes, I feel, are too quick to discount the importance of execution, too.

It's like you have DC Comics or you have whatever, that means you're going to have Marvel. What made Marvel wasn't just Marvel. It was Kevin Feige coming in and putting Robert Downey, Jr. in Iron Man and making -- using that to create a tremendous franchise and then universe. So executing, making great content is very, very difficult. And the execution part of it is, in my opinion, 9/10ths of the game, and what I'm excited about our company is we don't just have a lot of great franchises, but we are known for surprises and fresh originals and the place where all content creators can come on the movie or TV show and tell the stories they want to tell as opposed to being put in a box that won't necessarily allow them to do something surprising and great.

So I think that investment is going to be significant. We're already investing a significant amount, and a lot of that's going to show up on Peacock in the coming years, and I'm excited about that.

Douglas David Mitchelson - *Crédit Suisse AG, Research Division - MD*

All right. Just one more question sort of distribution of content, and then we'll actually shift over to content production. But you're in the midst of an important renewal cycle, I think, at least in our end. We believe you're approaching 100% of renewals from the end of last year to the end of next year. Pay TV operators are increasingly calling for retrans, rate increases are sold dramatically. At the same time, all the major distributors have been pulling back on marketing Pay TV service or pushing skinny bundles. Peacock is part of the discussion as well. NBC Sports is not part of the discussion. And that was just shut down recently. When you think about sort of pricing and subscriber levels, something investors remain very, very focused on for media, what's your outlook for affiliate revenue going forward?

Jeff Shell - *Comcast Corporation - CEO of NBCUniversal*

Yes. So we had -- we are at the tail end of a bunch of renewals. Most of our key renewals actually were at the tail end of last year. So we had 4 big ones up at the end of last year. And last fall was very tense and interesting, as we went through those processes. We have 1 or 2 big ones up this year, but much less intense and dramatic. We did a lot better in the fall than we expected to do as far as rates. I think part of that is driven by the strength of kind of the tentpole content we have like the NFL and the Olympics, how do you not carry an NBC station when you have 2 Olympics and the Super Bowl coming.

And then part of that is driven by an increasingly competitive distribution environment, right? Where people are still competing over things. So we did much better on the rate. Obviously, as we've talked about, throughout this, our linear subscribers continue to decline. So we'll see the rate offset the decline for a period of time. And over time, though, the decline in linear subs will offset -- more than offset the increase in rate, that's just inevitable.

I think at some point, revenue -- affiliate revenue from linear networks will decline along with subs. But the power of the programming you have can force to all that and offset that for a period of time. And I think the renewals we had at the end of last year was very helpful. And then Peacock, obviously, is very important. Different distribution environment with Peacock. Obviously, we launched with Comcast, which I'm not sure we would have launched this quickly or successfully without Comcast or Sky, by the way, because they were our technical platform that allowed us to launch so quickly and with a product that works well.

But increasingly, the environment is going to be Roku and Amazon and Apple and connected devices, as you talked about. So we're pretty comfortable with how we are, from a distribution perspective right now, but certainly, change is happening.

Douglas David Mitchelson - *Crédit Suisse AG, Research Division - MD*

Right. So let's shift over to content. Fast 9 opens next week. That's a big one. How does the statement for film, you've got a lot of terrific franchises, albeit some of them are arguably starting to age a bit.

Jeff Shell - *Comcast Corporation - CEO of NBCUniversal*

Yes, I was -- so I was in the movie business before I had this job. I ran Universal from 2013 until a couple of years ago. I honestly think that our creative position right now in our movie business is as good as it has ever been since I've been at the company. As you mentioned, we had Fast 9. Fast 9 actually already launched in some markets, it launched in China and Russia and the Middle East. And it really is the first big blockbuster, post-pandemic. And we already have close to $300 million of box office revenue in the door.

The movie is very satisfying, if you're a Fast and Furious fan, which I am and was before I came here. And there's a lot of life in that franchise. And I know Donna and Vin and Justin and Neil and the team have lots in plan for the next couple installments. If you look out going forward, animation -- family animation is a critical part of our movie business, not just -- so we have Illumination with Sing 2 coming up at the end of this year and then Minions, which we actually moved from this year into next year for a variety of reasons, but that -- those movies are great, particularly Sing, which I actually think is best movie Chris Meledandri has ever made, Sing 2.

I think it's -- people are going to be astounded by that, this holiday season. And then DreamWorks, which we bought a couple of years ago, it is paying off well for us. Allowed us to launch in different windows, which I'm sure we'll talk about with Trolls and Croods and now moving to Boss Baby 2 on to Peacock day and date. But we have a lot of great movies coming from Margie and Chris and the team there and our first original with Bad Guys next year. We have Jurassic World, which is done shooting, and will be in '22.

And then just that makes our studio special is beyond kind of those big names. We have so many different people we work with that create surprising content where it's Jordan Peele, his next movie is bonkers and people are being very excited about it. M. Night Shyamalan has his next movie coming this fall for us. We have Dear Evan Hansen this fall, which I've seen and is going to be, I think, a surprise hit with Ben Platt. And I could go on and on, Jason Blum of course, gives us lots of surprising great stuff, including The Purge coming up, The Forever Purge. And I could go on and on, but I think the content of our movie business is strong as ever been.

And I will say, Doug, just to, punctuate that for 1 second, I think we navigated our way through this disruptive distribution period in film, which I'm sure we'll talk about in a second, in a way that allowed us to come out the other side with good relationships with our exhibition partners. And the place if you're a creator and you want a big theatrical launch and also to be able to monetize your content across different windows, I actually think we're the best place for you right now. We came out of this -- as I think the strongest studio, Donna Langley and her team as far as if a creator wants a traditional release, we're the best place to be.

Douglas David Mitchelson - *Crédit Suisse AG, Research Division - MD*

I do want to talk about windows with you. It's something you focused on for years. There's no question you played a primary role in pushing the industry towards a shorter theatrical window. So yes, a couple of questions. Is PVOD additive or cannibalistic theatrical in home video when will we know for sure? How should we think about film splits going forward, given the windowing change and the PVOD deals that you have struck with distributors -- with exhibitors, excuse me?

Jeff Shell - *Comcast Corporation - CEO of NBCUniversal*

So first of all, it's a thing probably, I'm the most -- our TV restructure and the change in the film market are the 2 things I'm most excited about coming out of the pandemic, which was generally pretty awful period. But those 2 things, obviously, were silver linings for us. I've always felt, Doug, we've talked about it over the years that the movie business was constrained, both creatively and economically by a windowing pattern that made absolutely no sense. No sense for the business, no sense for consumers. And one -- we don't know how that's going to evolve in the next couple of years as things return to a new normal. But certainly, windows are going to be shorter and more flexible than they've been in the past.

And I think that -- I personally think that is a great thing for all elements of the business. I think for your question, PVOD, we're early days on PVOD. It's been a real success story for us during the pandemic. The early signs are it's not that cannibalistic, either side. There's 2 things we're worried about cannibal -- cannibalizing the theatrical experience. We were worried about cannibalizing the home entertainment, the next window, EST and Home Entertainment. The early data is that it's not very cannibalistic to either. We're hitting a new market for the vast majority of people who go on PVOD. And PVOD is very profitable to a movie studio. You make a higher split than you do in the other windows.

So I don't know how PVOD is going to evolve, but that's part of our deal with the exhibitors that's allowed us to kind of reach this new detente. And right now, it appears to be, in many ways, an additive revenue stream for us and for others.

Douglas David Mitchelson - *Crédit Suisse AG, Research Division - MD*

And I want to talk about day and date strategy for Boss Baby, in particular. That move was sort of pretty interesting shifts. And as you said, you're sort of experimenting. And so which was that? Why you test for the kids going first? Any concerns on families returning to fears?

Jeff Shell - *Comcast Corporation - CEO of NBCUniversal*

Well, two things are happening, by the way. And it's easy to kind of go from this weird unprecedented time to fast forward everything is normal again. And the reality is you got to remember that we're in this transition period back to normal in a lot of these businesses, and we don't know what normal is going to be. So two things are happening. First thing that's happening is, we're obviously, as we ramp up Peacock and experiment with all sorts of content, right? We've already announced, I believe, that we're moving some of our key shows from linear.

My favorite show Below Deck Mediterranean will be on Peacock a week early, and we've announced some other things that we're doing with Peacock. And so the ability to kind of take a big family movie and experiment the way that Disney and Warner Brothers have been experimenting is something that we're keen to try with Peacock. But you also got to remember, look at the other side of the business, which is the theatrical marketplace, which globally is in different stages of recovery, right?

If you go to China, you're pretty much recovered, you're seeing numbers that are back to normal. If you go to Latin America and places in Europe, we're very early in a recovery, where a lot of screens aren't opened and a lot of moviegoing hasn't happened yet. So people are adjusting. There's lots of jacking and moving chess pieces around the board as people move movies into different periods and out of the year and in the year. And we looked at the landscape from a film perspective. And this summer, in our opinion, had a real scarcity of family movies.

And we had this movie, Boss Baby 2, based on the surprise hit of Boss Baby 1, which is a really good movie. And hits a demographic that we -- looked like was going to be underserved this summer. So we decided to be opportunistic and not just experiment with Peacock, but move it up into a corridor where it had a chance to really be successful. And I think it's going to do great theatrically as well as on Peacock. I think there's no -- there's not a lot of movies like that coming in this corridor. So that was the idea. It was very much more movie by movie. And Doug, you're going to see a lot of that, like people are going to be taking movies and trying different things. And as we recover, depending on if the movie is more domestic or international, will drive a lot of those kind of changes market by market.

Douglas David Mitchelson - *Crédit Suisse AG, Research Division - MD*

Yes, that's interesting. I think sort of wrapping up on the content side, sort of getting my pencil trying to figure out the financial end of it. How should investors think about box office potential post-pandemic? Is there a percentage of prior box office that would satisfy the ROI that you're hoping to achieve on film investment? And sort of frame that, like does the shorter window, going forward, lessen your need for box office success because you're getting leverage on the Peacock side?

Jeff Shell - *Comcast Corporation - CEO of NBCUniversal*

Well, so let me answer the second, first, and then I'll come to the heart of the question, which is economics because Brian Roberts asked me the same question, both not in terms of box-office only, but how does the live TV show, what's the live rating, how does that drive profitability in addition to streaming across all those things.

So we have a much more complicated world. But I think, first of all, I think theatrical is really important to the movie business. And it's not just important as a revenue stream, but it's important because that's what makes a movie a movie, movies are events, the ability to create an event out of a movie gives you huge value. And that big marketing launch and the ability to kind of wake up Saturday morning as a filmmaker and see your box office and not, 'oh we dropped on some streaming service last night, and nobody is talking about it,' right?

So it is an important part of the equation of driving movies in the movie business. So I've said always, even as I kind of evangelize shorter windows that I think movie theaters and the theatrical business is going to be important to the movie -- to a movie's performance because it creates an event. An event that then cascades across the different windows. That being said, the way that the market is evolving, movies, I think the movie business is going to be more profitable. And that's -- my job is creating value for shareholders and profitability. And I think the way the movie business is finally evolving is going to create a much more profitable business where you can make money in the theatrical window, but use it to drive different, new, more profitable windows.

I don't know the answer to the question. I don't know how much box office we should think about. And it's hard to kind of -- I sympathize with people in your position trying to do models and things because all the metrics, both in live viewership on TV and box office in theatrical, are changing. I personally feel like box office for big movies could be the same or could be close to the same as it was beforehand, but I think it's going to change as you go down the chain. But I do think it's going to be an important part of what drives the value in the movie business.

Douglas David Mitchelson - *Crédit Suisse AG, Research Division - MD*

Yes. It's not the only difficult thing to forecast right now.

Jeff Shell - *Comcast Corporation - CEO of NBCUniversal*

Bottom line -- the bottom line is we're trying to maximize our cash flow at the bottom line, and things are changing at the top line.

Douglas David Mitchelson - *Crédit Suisse AG, Research Division - MD*

So let's end on a fun one. A lot of investors believe that for Comcast to be successful with NBCUniversal, the company needs to participate a media consolidation. What's your vision as what the media ecosystem looks like in 5-plus years? Whether NBC has the -- NBCU has the assets and resources to be successful in that future environment?

Jeff Shell - *Comcast Corporation - CEO of NBCUniversal*

Yes. So interestingly enough, in the real world, like my day, every day. I will tell you 2 things that are true. First thing is, I've been at NBCUniversal now since 2010 and at Comcast 17 years. And I can tell you, there hasn't been one instance where we didn't have the scale in any of the businesses that I've been a part of to do something. We might not have wanted to do something. But scale is a thing that people ask me, do you need more scale and all that? And I think it's a curious question because a company the size of ours with the resources we have, I've never once -- if there is something we could invest in or do that required capital, Peacock being a great example, we've always had the capital and the scale to do what we need.

So I don't think we need more scale in any of the business, certainly not the businesses I'm involved in for scale's sake. I think the second thing that is interesting is, I've never had a shortage of things on my desk to consider investing in, right? You never had, particularly given where the market is right now, there's so much opportunity, whether it's new theme parks and new live opportunities as the market recovers or investing in movies or shows now that the downstream economics are improving and becoming interesting or new platforms like Peacock in new markets or global opportunities in key territories. There's a vast array of opportunities for us, and the key is picking the ones that we can execute and get the highest returns out of.

So certainly, I don't want to sound naive here. There's always buy or build decisions that you encounter as you go forward. Is it -- can you get an asset that helps you more rapidly expand for a price that makes sense versus investing in it yourself? And I'm sure at the headquarters in Comcast, they always consider stuff like that. But I don't think for our company anyway that we need to do anything or need any assets, particularly, we have plenty of opportunities to grow, plenty of opportunities to create value by investing, and we have plenty of scale to do every one of them.

Douglas David Mitchelson - *Crédit Suisse AG, Research Division - MD*

Well, it seems a great place to stop. And Jeff, really interesting conversation, and I really appreciate your time today to share your thoughts with us and looking forward to being able to do this in person in the future. Thanks for so much for being us today.

Jeff Shell - *Comcast Corporation - CEO of NBCUniversal*

Yes. Thanks for having me, Doug. I appreciate it, and hello to everybody that's watching.