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PRESENTATION

John Christopher Hodulik - *UBS Investment Bank, Research Division - MD, Sector Head of the United States Communications Group and Telco & Pay TV Analyst*

Great. Good morning, everybody. I'm John Hodulik, the telecom and media analyst here at UBS, and welcome to the second day of the UBS' Global TMT Conference.

Very pleased to announce our next guest is Dave Watson, the President and CEO of Comcast Cable. Dave, thanks for joining us this morning.

David N. Watson - *Comcast Corporation - President & CEO of Comcast Cable*

Good to be with you, John.

QUESTIONS AND ANSWERS

John Christopher Hodulik - *UBS Investment Bank, Research Division - MD, Sector Head of the United States Communications Group and Telco & Pay TV Analyst*

So we got about 40 minutes for Q&A, and I've got a bunch of questions here that I've worked to put together. And I figure we'll just dive right into it. You guys have given a number of updates and guidance in terms of how you expect the year to play through. I mean, is there anything you can share with us as it relates to, say, the current operating environment? And any change since your last comments on the third quarter earnings call?

David N. Watson - *Comcast Corporation - President & CEO of Comcast Cable*

Sure. It starts with a consistent point that what hasn't changed is we have a terrific business. We continue to invest in innovation in the network and a real focus around connectivity. And the big drivers during this period continues to be, we have multiple growth drivers against a variety of large addressable market areas, so we're going to continue to focus on that.

These -- the shift towards connectivity continues to improve margins, and we're doing this in a way that, while we're going to aggressively and appropriately invest in our network and innovation, we have stable CapEx intensity, and we expect that to continue. And a core part of our go-to-market approach is packaging and taking multiple products surrounding broadband with it and really driving down churn. Churn is terrific right now. I'll talk about that in a second.

So when you add all these things up, to give you perspective financially where we are for the fourth quarter, we now expect that for EBITDA, we're going to be in the 7% to 8% range for the fourth quarter. When you look at [net] (corrected by company after the call) cash flow, we expect [net] (corrected by company after the call) cash flow to be in the low double digits. And so the formula is working. We continue to have really consistent, solid performance.

And when you go just a step down in some of the drivers that get to that EBITDA growth, you look at business services, kind of right out of the gate, that we're at a $9 billion annual run rate of revenue. And for the fourth quarter, business services is going to be in the low double digits. Organic growth for the fourth quarter, business services, when you remove Masergy, then you look at it's high single digits. So business services is doing terrific. And one of the things, John, that we look at, can't help it that we -- when compared to peers, respectively, to peers and/or most certainly our telco competitors, we're best in class in business services.

Wireless, another key driver that we had a solid Q3, 285,000. We will beat that in the fourth quarter, so we'll set a record for wireless lines that we'll add.

So -- advertising, solid, better than we thought, including the political comparisons, so really solid there. We're getting a lot of our programming deals. There were big renewals behind us, so we'll see stable -- a more moderate level of increases tied to just regular -- the escalators.

And then we have platform opportunities, Flex and XClass.

So you go then to broadband. In broadband that -- we're going to have wrap up the fourth quarter and deliver with the fourth quarter a really solid year. We're going to be around 1.3 million net broadband additions for the year. And so it's another overall year. And to your question, in this environment, there's no -- it certainly has been -- the second half has been different than the first. We started off with a lot of the similar activities through '20, a lot of move activity, and then we saw a real shift in terms of move patterns. We looked at seasonal patterns that were different and a little bit of the low-income-constrained segment that there's a different pattern there and I think, in particular, influenced by the potential for government subsidies. So when you look at all those things together, it was a different second half than the first half, for sure, but still a solid overall year.

And the fundamentals of where we're at, penetration just above 50%, very, very good churn rates. And so the key for us is to be in position when things begin to normalize on the connect side because it really is a connect-related issue. When those things do occur, then we're going to be in position to compete, and we're prepared to do that. But overall, when you look at the entire year financially, the growth drivers, including broadband, we're quite pleased with how the year is shaping up, in good position to continue to go at it next year.

And one other perspective, John, when you look at the last -- this whole pandemic period and you look at broadband, in particular, for a 2-year period, we will add 3.2 million broadband customers over the last couple of years. It's very strong total performance over a long period, and so it's one of the stronger 2-year periods we've ever had.

So I think when we look at revenue, EBITDA, free cash flow per relationship, those are the key tenets. We're going to continue to stare at that. I think there's still a lot of upside across the board.

John Christopher Hodulik - *UBS Investment Bank, Research Division - MD, Sector Head of the United States Communications Group and Telco & Pay TV Analyst*

Fantastic. So it sounds like financial results sound very good to slightly better. Maybe -- and a lot of great info there, Dave. Fantastic, and we're still sorting through all of it. The -- maybe let's focus on the broadband and competition. There's a view in the market the broadband industry is becoming more competitive, especially as you're -- the telcos get more aggressive, both in terms of fiber and what we heard yesterday, fixed wireless. Do you have a view as to how the overbuild from both fiber and fixed wireless might look specifically in your footprint?

David N. Watson - *Comcast Corporation - President & CEO of Comcast Cable*

Yes, absolutely. Watching it closely as always. But we've been watching it closely for about 15 years now, and Verizon launched in 2005. We've been at it in modifying and evolving our playbook. From the moment we see a block become more competitive with a different kind of technology or a new overlay, we've been at it. And when you look at those 15 years, we've tripled our broadband base. We added 22 million customers.

And just the last 4 years alone, where they've added more homes, we've added 6 million broadband customers, where they've added next to nothing. So certainly, I understand it, and we take it very seriously every step of the way. But I think history is important. We're staring at a pretty competitive environment will continue to be so. So our focus is how do we redefine the category. We've done that. We've kept up and then some with speed. We have ubiquitous plant capability. We deliver a ubiquitous 1.2 [gigabit] (corrected by company after the call) downstream. We have very solid upstream with a great road map that continue to increase speeds, both down and up.

And it's one of the advantages of the cable architecture. We have one plant. We have one go-to-market approach. We have one solid, great product we keep adding to. We're not making trade-offs between DSL, fixed and different geographic areas. We're not making trade-offs between core wireless, which they -- awfully important to them, and fixed wireless. So we're extremely focused on just delivering constantly a better product than anyone else.

And one of the keys is WiFi for us in that because it's speed, but it's beyond speed. It's great coverage in the home. So one of the things that we're -- we've been doing is delivering just a better WiFi solution in the home, better gateways, and we have great gateways today that can do great downstream. We will be delivering, early next year, a new gateway that is the first tri-band gateway device that includes the 6-gigahertz band. So we'll have 2.4, 5 gigahertz, 6 gigahertz, plenty of bandwidth, and it really is a terrific way to make sure proactively as we grow and go towards multi-gig symmetrical down the road that we have the right CPE because our entire approach is to make sure that we're not going to customers and having them replace a bunch of devices.

So we are very focused competitively. The fixed wireless side, we're looking at. It's not a material issue still at all from our perspective. It's -- we anticipate things. Right now, we are at 40% of our footprint that's been overbuilt from the fixed -- the fiber overbuild between the major telcos. And when you read all of their announcements and everything that came out yesterday and then some, you look at another 15 points. So you get from the 40% goes to 55% over time. That still leaves 45% that's not -- that we have not addressed and that we're still going at it hard. There's still DSL that's out there. There's still non-fiber footprint that we will go at.

And again, I go back to the point with fixed wireless, we take it seriously. It's a real issue, but we're not having to make trade-offs between a core service, which I imagine is very important to them, their main wireless product. And they say things like, "Well, we haven't had to yet make any trade-offs." I think the yet is pretty important. So we're going to continue. We're not standing still.

And we are adding -- we've added to our footprint -- our homes passed around 60 million because we added last year alone over 870,000 new homes passed. So we also are growing and adding more capability. Our total addressable marketplace will continue to increase, and so we're not standing still.

John Christopher Hodulik - *UBS Investment Bank, Research Division - MD, Sector Head of the United States Communications Group and Telco & Pay TV Analyst*

As a follow-up, can you talk a little bit about -- you talked about a couple of different changes from a competitive standpoint. Can you talk about how your broadband sort of franchise has been performing in markets where you do compete with fiber versus areas where you don't? Are there any sort of differences in those markets?

David N. Watson - *Comcast Corporation - President & CEO of Comcast Cable*

Well, we compete very aggressively early on and throughout, and so this has been an evolution of the playbook. But when you look at the core basic point, we're growing. Whether it's fiber or non-fiber, we continue to grow. So it's a bit of an issue where people say, "Well, are you not growing?" No, we absolutely are, our pricing approach, our packaging approach of surrounding broadband with multiple products.

And again, remember, one of the play offense key parts of our business is wireless and that we now have mobile to be able to add to it. We have Flex. We have the platform capability. We have control, security. We have many things that we have, whether that's fiber or whether that's non-fiber.

So we are redefining the category. So when we go up against fiber, it's a much bigger set of options for consumers that they have to look at and other than just speed.

So we're seeing good results in terms of market share growth. We're still growing in fiber, and we're seeing our pricing approach remain very consistent across our entire footprint, very little differences. We'll go in and out competitively based on what's going on in the marketplace with certain offers, but we pretty much are consistent that we are going to hold and stay very focused on the overall value and giving customers a lot of choice around speed tiers and different product options, whether it's fiber or not fiber.

John Christopher Hodulik - *UBS Investment Bank, Research Division - MD, Sector Head of the United States Communications Group and Telco & Pay TV Analyst*

Got it. So from a pricing standpoint, a new connect standpoint, maybe from a churn standpoint, not a major difference between markets where you see fiber overbuild versus where you don't.

David N. Watson - *Comcast Corporation - President & CEO of Comcast Cable*

John, it's a great point on churn. Churn is very consistent. And churn -- we have a great product. Again, customers keep it. They value it, and we keep adding to it. Again, many years now, 20 years of speed increases and so we're whenever -- and that's just a ubiquitous thing we do everywhere.

John Christopher Hodulik - *UBS Investment Bank, Research Division - MD, Sector Head of the United States Communications Group and Telco & Pay TV Analyst*

Great. In fixed wireless, you said you haven't seen any really any impact yet. I think it's early days from what we heard yesterday. I mean, do you think, longer term, that the cable infrastructure is just -- has fundamental sort of advantages over the wireless infrastructure in terms of giving customers what they want, not just today but in the future?

David N. Watson - *Comcast Corporation - President & CEO of Comcast Cable*

I think one of the key parts that I mentioned earlier, John, is just the straightforward and less complicated set of options around our architecture of cable in that our DOCSIS protocol puts us in position to the most effective and efficient road map to get to multi-gig symmetrical. Today, ubiquitous, 1.2 down, and then we're constantly adding capabilities. We have a really good game plan. As we've talked about, we're going to spend a little bit more but keep it within the capital intensity range that we talked about, stable, but we're going to invest

(technical difficulty)

John Christopher Hodulik - *UBS Investment Bank, Research Division - MD, Sector Head of the United States Communications Group and Telco & Pay TV Analyst*

Sorry about that, everyone, but we're back. And Dave, why don't I just wrap up on the sort of broadband stuff? Just -- can you give us a sense for your confidence and what gives you confidence that you still have a nice long runway for growth and that you can continue to maybe not just sort of grow the TAM? And what are the key drivers of that growth?

David N. Watson - *Comcast Corporation - President & CEO of Comcast Cable*

You got it. You start -- I start looking at the penetration levels being just above 50% and such a big opportunity. The constant investment, our focus around innovation, our network and doing it one way, being able to have one road map, no trade-offs within our footprint, a ubiquitous approach towards it, surrounding broadband, playing offense with mobile and having mobile being a big part of the growth for broadband.

And one of the keys, too, is -- I mentioned earlier is adding passings ourselves. So we're not standing still, again, adding last year over 870,000 new passings and edging out our footprint, the newbuilds that really go after business services, new opportunities, the total addressable market there and then any rural extensions that make sense. We're going to pay close attention to the government programs, but we're just building. And so those passings are solid and substantial.

So when you look at all of those things with our product, I think being the leader and we're going to continue to be, I think, have the best WiFi solution in the home with all these devices, I feel very confident of our ability to continue to grow broadband.

John Christopher Hodulik - *UBS Investment Bank, Research Division - MD, Sector Head of the United States Communications Group and Telco & Pay TV Analyst*

Is that 870,000 passings, I mean, is that -- do you have the ability to grow that number as you look out in the next couple of years, especially with the potential government assistance?

David N. Watson - *Comcast Corporation - President & CEO of Comcast Cable*

Yes. I absolutely believe so. It's going to be in that ballpark. We're going to continue to go at it. I think there's just real opportunities. In every single one of our markets, there's an active -- within marketplace, in urban areas where cable just didn't go to, we continue to do these things we call hyperbuilds, which are internal, that give us more business passings as we get residential passings, real opportunities for us to continue that.

John Christopher Hodulik - *UBS Investment Bank, Research Division - MD, Sector Head of the United States Communications Group and Telco & Pay TV Analyst*

Great. Let's turn to wireless. You've got about 6% wireless penetration, your high-speed data households. Where can that go over time?

David N. Watson - *Comcast Corporation - President & CEO of Comcast Cable*

It's one of the largest, addressable market opportunities that we have. And you look at the 3.7 million lines, again, this quarter being -- carrying momentum that we saw in Q3, beating Q3, we'll set a record here in Q4. But when you look at that penetration level, I mean, our view is that all 32 million broadband customers should get 2 lines. We should have an opportunity to go to all of them. So that's 64 million lines of opportunity just within our footprint.

And just as we were talking about earlier, we're not going to stop growing broadband. So there's going to be -- we're going to continue to increase that. And so wireless, I think, is a great opportunity to not only fuel broadband but in and of itself is a growth engine. So I think we can do 2 things at once. It will be profitable, and it will help us grow broadband was the reason we did it in the first place. And we're seeing it pay off quite a bit.

And our approach has been to include it in everything we do in terms of packaging, every digital interaction. We just have turned it into the core part of our playbook. Mobile is included. So it is -- we're gaining real traction there. So I think that 64 million plus is the right way of looking at it.

John Christopher Hodulik - *UBS Investment Bank, Research Division - MD, Sector Head of the United States Communications Group and Telco & Pay TV Analyst*

Got you. And you guys -- you said at the beginning the record for net adds in the quarter, a nice improvement sequentially over the third quarter for you. I got to say you're doing it without subsidies. Your wireless competitors are heavily subsidizing their wireless phones, both for new and existing customers, and Comcast is not. It doesn't -- it would suggest that you wouldn't feel the need to follow them down that route and give away phones. Is that a fair statement?

David N. Watson - *Comcast Corporation - President & CEO of Comcast Cable*

Well, I think we are competitive. We offer gift cards that we do. We go in and out of offers. But it speaks, I think, to the value. What we've done in terms of mixing and matching by the gig with a really solid new entrant, that's something that we did earlier this year. We rolled out the new unlimited plans. And it lets households pull together the best solution for them and helping them save money. So I think that mixing and matching is still very important.

I hear rumblings that the other competitors are interested in doing that, which is great. Let them do that. But we have really solid offerings now in unlimited. And we didn't have that a year ago and now we do. So I think the core service offering carries the day for us and that we don't have to go as deep and constantly be giving away devices. So that's not our game plan.

John Christopher Hodulik - *UBS Investment Bank, Research Division - MD, Sector Head of the United States Communications Group and Telco & Pay TV Analyst*

Right. On the earnings call, Brian suggested that you're looking at kind of new products and packaging related to wireless and wireline convergence. I mean, is that -- any update on this or any other additional color you can give us on that strategy and when we can expect to see that?

David N. Watson - *Comcast Corporation - President & CEO of Comcast Cable*

Yes. There are 2 things. One is, I mentioned earlier, which is the new gateway that we'll be delivering early next year. That's the tri-band. And when you look at the devices, we've been talking about it for a long time that the vast majority of smartphone, tablet usage inside the home is over our WiFi. And that is how we continue to build on the capabilities of better coverage, better throughput. And then -- so that gateway device that we'll have will be able to have symmetrical 1-plus gigabit speed capability. So it will go downstream, and it will be again the first tri-band device, and it'll be able to get up to 1-gig upstream over time. And we do that with our plan. So that's one bucket.

The second bucket is the experiences that there are many things that we can do that are options for customers with those devices, things like speed enhancements for those devices on WiFi when you're in the home. There are unique things that we can do. We consider WiFi to be part of our network. We build it that way, that kind of focus. And we're very aware of the amount of devices that are hanging off of it.

And the other part of this new gateway and other gateways that we've been rolling out is just the security and capability of adding all these IoT devices and -- which are 25-plus at this point in the average household. And helping customers control that in a secure way is key. So we want to integrate all of this and make it very easy. Every digital solution in our app should include WiFi control and making sure that our customers have complete access to the experience.

John Christopher Hodulik - *UBS Investment Bank, Research Division - MD, Sector Head of the United States Communications Group and Telco & Pay TV Analyst*

Got you. And then again, early, you got 6% penetration. But sort of any sort of tangible benefits you're seeing maybe within the broadband base by bundling both wireless and high-speed data together?

David N. Watson - *Comcast Corporation - President & CEO of Comcast Cable*

Yes. We absolutely see continued churn benefits. When you had the customers that have mobile part of their broadband, it's 15 to 20 points of churn -- basis points of churn benefit. It's really -- it continues to work. There are a lot of things that we do to enhance the benefits of the churn. This is one of them, and we're still early. And you look at broadband long term. The more that we add, we get to that 64 million, 2 lines per broadband home and we just keep at it, I think it's going to continue to provide support towards the churn benefits on broadband.

John Christopher Hodulik - *UBS Investment Bank, Research Division - MD, Sector Head of the United States Communications Group and Telco & Pay TV Analyst*

Got it. Sticking with wireless, what's the opportunity with the CBRS spectrum that you guys control? And how should we think about the time frame for any deployments of that spectrum? And maybe what could that do to either your wireless profitability or wireless strategy going forward?

David N. Watson - *Comcast Corporation - President & CEO of Comcast Cable*

It does start with our feeling that's not new news here that we really like our capital-light approach. We have a great relationship with Verizon. I think they -- it's a win-win at this point. And so again, being able to come back in and modify things, it gave us the ability to enhance pricing. And so we really like where we're at.

Having said that, with this spectrum and the other spectrum that we have, the 600-megahertz spectrum that -- we have a unique opportunity to offload dense areas. So we are actively testing. We're testing in Philadelphia right now. We're staying in close contact with Charter and paying close technical attention to how to do this. We're talking with all the business partners that you would suspect that would be working with this technically to figure this out. We think it could be another option down the road. And so we'll know more and give more next year on how the technical trials are doing, but we want to be in position and be opportunistic if it makes sense economically.

Right now, we're in a great position in that we have a terrific wholesale deal. And we're able to accomplish product integration to the extent that I talked about where we give the customer just a great value as is. But this is a good opportunity to offload traffic down the road.

John Christopher Hodulik - *UBS Investment Bank, Research Division - MD, Sector Head of the United States Communications Group and Telco & Pay TV Analyst*

Great. I mean, should we think of that opportunity as -- obviously, the wireless business is scaling up pretty rapidly that there inevitably becomes a time where you guys will deploy the CBRS spectrum and maybe be involved in some other spectrum. So it's really just a matter of time and scale. Or is there the possibility that our view is you guys got a better MVNO deal coming into this year from Verizon. You could stick with that and ride that cost curve down, especially as the wholesale market for wireless capacity gets more and more competitive. I think T-Mobile is getting into it. We think DISH is going to get into it. I mean, is there -- is it inevitable that you deploy? Or is there a chance that you never deploy just because the pricing continues to work in your favor?

David N. Watson - *Comcast Corporation - President & CEO of Comcast Cable*

The way that we look at it is it just gives us terrific optionality, and that it's not something we have to do because of everything that you just said. We have a terrific relationship, and we have great long-term in-perpetuity economics. And as we add more customers, we continue -- it just, I think, solidifies the relationship. I think it's something that Verizon or anybody would want to have to fill up their network.

And I think it's certainly down the road. It's optionality for us but in an interesting way could be optionality even for the wireless carrier, too, in that if they have just dense areas, they can't add a lot of capacity. It could be something that's an okay thing for us to do as well. So -- but we have the ability to do it. Technically, we're testing it, and we'll be in position to know a lot more next year as we complete some of the testing.

John Christopher Hodulik - *UBS Investment Bank, Research Division - MD, Sector Head of the United States Communications Group and Telco & Pay TV Analyst*

Got it. And so lastly on wireless. So you guys have turned profitable from an EBITDA standpoint in wireless as a standalone basis. Should we -- I guess, first, should we expect that profitability to continue to grow? And maybe if you could give us some of your long-term view on that profitability. And then should we think of it as a separate profit pool or it really is just a way to sort of add strength to your broadband franchise?

David N. Watson - *Comcast Corporation - President & CEO of Comcast Cable*

Yes, it really is, John, both. It's the way we look at it. There were 3 things that we wanted to accomplish with mobile. One was, first off, to have that be a partner with broadband, to help us grow broadband, drive down broadband churn. That's happened. To make it profitable in and of itself, we've accomplished that. And I think, going forward, that has -- we've reached that milestone, and so it will be a contributor towards profitability.

But the third thing is to use mobile to help us drive things on the front end. So when the marketplace folks get back to -- go into retail and other things, then mobile is a great -- we've seen it. It just -- it helps drive traffic. And so we'll continue to leverage mobile to drive activity on the front end. So it really is both. If I had to lean one way, it would probably be to lean a little bit more towards driving broadband, play offense with mobile and whether it's packaging or product integration.

It's just -- our penetration is so low on mobile, and there's such upside with the amount of broadband relationships that we have. I think there's just an ongoing opportunity that we're going to have to continue to support the benefits of broadband churn with mobile. So -- but we're going to be able to do both while we do it. It will be profitable, and we're going to be able to provide assistance to broadband along the way.

John Christopher Hodulik - *UBS Investment Bank, Research Division - MD, Sector Head of the United States Communications Group and Telco & Pay TV Analyst*

Great. Maybe turn quickly to business services. As you've mentioned, high single-digit organic growth in the fourth quarter. This area has definitely been a bright spot. And obviously, it's a very high-margin stream as it's mostly broadband, mostly data services. How would you describe the current environment in the business market, both from a competitive standpoint and from a sort of post-pandemic standpoint? And how much more room to run -- I think with homes passed on the consumer side, we have a sense of what the addressable market is there. But how much room to run is there on the business side? It's a little bit amorphous to, I think, the average investor.

David N. Watson - *Comcast Corporation - President & CEO of Comcast Cable*

Well, the 3 segments that we serve, small business, medium, midsize and then large enterprise, all of them have really substantial upside, a long way to go. We've been at it longer, and the small business side had a lot of success. We expect to continue to do so. As I mentioned, the industry's best in terms of our ability to grow each one of those segments.

And right now, what we're seeing in this environment, that we're just about back to pre-pandemic levels for the SMB side of the business. And even one of the things that we're seeing in this moment, there's just a lot of new start-ups in the small business areas. I think individuals that are rethinking life and saying now is the time to go figure out a small business that they've been thinking about. So we're seeing a lot of new start-ups. We're there for them to help them get going, however they want to get going. So there's a lot of interesting activity. But overall, SMB activity is very solid and still has a long way to go.

Mid-market, we're -- it's still early days; and enterprise, very early days, the 10% penetration in terms of mid-market. And we just added a really important part

(technical difficulty)

John Christopher Hodulik - *UBS Investment Bank, Research Division - MD, Sector Head of the United States Communications Group and Telco & Pay TV Analyst*

Great. Thank you, and sorry about that, everyone. Technical difficulties, I think, are seemingly part of the process here.

Dave, sorry about that. Thanks for coming back. I think you're going to be audio only for the rest of the set. We're going to go a little bit over.

I think we should just maybe move to the cost side quickly for the end here. Quick clarification, though. On the 7% to 8% EBITDA growth that you referenced earlier in the presentation, was that just cable? Or is that for the entire company?

David N. Watson - *Comcast Corporation - President & CEO of Comcast Cable*

That's for cable.

John Christopher Hodulik - *UBS Investment Bank, Research Division - MD, Sector Head of the United States Communications Group and Telco & Pay TV Analyst*

Okay. That was for cable. Okay, that makes more sense. We've got 5% growth in EBITDA for cable in the fourth quarter so that's quite a bit better than we were showing. Okay. That makes more sense.

On the cost side, as you mentioned, you're sort of over the hump on some of the bigger programming renewals. When should we expect the programming expense growth to begin to moderate?

David N. Watson - *Comcast Corporation - President & CEO of Comcast Cable*

Well, most of the programming, the major renewals we will have completed by year-end. At that point, we do expect to see moderation. And what will happen will be just the normal escalators that are built into the deals. And the back and forth of subscriber activity, there are declines that will be reflected. So that's the -- what we expect. So the good news is a lot of them are done by the end of this year and some big ones. So glad to get those behind us and to see more moderation going forward.

John Christopher Hodulik - *UBS Investment Bank, Research Division - MD, Sector Head of the United States Communications Group and Telco & Pay TV Analyst*

Got you. And any learnings coming out of the pandemic in terms of cost savings that maybe become -- can become more permanent and drive operating efficiencies and margins for the Cable business?

David N. Watson - *Comcast Corporation - President & CEO of Comcast Cable*

One of the things, John, that we saw real early on in the pandemic was just how crucial digital was. We knew it. We've been investing in years there to put us in position to have better digital capability, but it still is -- there is a lot of room left. So we want to accelerate the things. And during the pandemic, we saw that acceleration happen and that we went -- to take one example, the self-install kit and the ability to do that, we were in the low 60s before the pandemic. We shot over at 70% and now in the mid-70s in terms of self-install capability.

And even more than that, it's just the ability for customers to do anything that they want to through digital means. To me, the pandemic has been an accelerator, hasn't changed our strategy, but it's a real opportunity for us to continue to improve metrics, improve the experience. It's a win-win. It's a win for the customer. It's a better experience. And it's a win for us because we continue to take a ton of truck rolls, a ton of agent calls out. In the last handful of years, it's been a remarkable trajectory of those cost savings. So we expect things to continue, but the pandemic has been an accelerator for that.

John Christopher Hodulik - *UBS Investment Bank, Research Division - MD, Sector Head of the United States Communications Group and Telco & Pay TV Analyst*

Got it. And the last thing for me, I think there's worries among investors and -- not just Comcast, but just in cable in general, that capital intensity will increase over time maybe due to competitive threats or the -- sort of increases in the fiber-to-the-home footprint on the telco side. But at the same time, you have some good guys, especially among CPE spending. So how do you expect to see sort of CapEx intensity trending over time within the Cable business?

David N. Watson - *Comcast Corporation - President & CEO of Comcast Cable*

Well, we have a couple of good guys, in that while we are going to spend appropriately aggressively on our infrastructure, on our plant, on passings, continue to invest in innovation where there's growth, we'll go after it. But there are 2 good guys. CPE is one. You mentioned that.

The second one is, as we are investing in the network, we're virtualizing the major hubs of the network. All the CMTSs are being virtualized. And as we go to IP, it really is a cost savings at the same time. So the net of all that is I think we're going to invest aggressively in our infrastructure, focus on growth and still be able to keep CapEx intensity in a stable way in that 11% range. And that, to me, is a great outcome being able to do both.

John Christopher Hodulik - *UBS Investment Bank, Research Division - MD, Sector Head of the United States Communications Group and Telco & Pay TV Analyst*

Sounds good. Well, Dave, that's all we have time for. Sorry, the presentation was kind of short, given the technical issues we have, but I think we got a -- we've covered a lot of ground, and we really appreciate your time this year as always.

David N. Watson - *Comcast Corporation - President & CEO of Comcast Cable*

Thank you, John. Appreciate it. Thank you. Take care. Bye.

John Christopher Hodulik - *UBS Investment Bank, Research Division - MD, Sector Head of the United States Communications Group and Telco & Pay TV Analyst*

Take care, and thank you for joining us. Bye-bye.
