

LSEG STREETEVENTS

EDITED TRANSCRIPT

CMCSA.OQ - Q1 2026 Comcast Corp Earnings Call

EVENT DATE/TIME: APRIL 23, 2026 / 12:30PM GMT

OVERVIEW:

Company Summary

CORPORATE PARTICIPANTS

Marci Ryvicker *Comcast Corp - Executive Vice President, Investor Relations*

Brian L. Roberts *Comcast Corp - Chairman and Co-Chief Executive Officer*

Mike J. Cavanagh *Comcast Corp - Co-Chief Executive Officer*

Jason Armstrong *Comcast Corp - Chief Financial Officer*

Steve Croney *Comcast Corp - Chief Executive Officer, Connectivity & Platforms*

CONFERENCE CALL PARTICIPANTS

Craig Moffett *Moffettnathanson LLC - Analyst*

Michael Rollins *Citi Infrastructure Investments LLC - Analyst*

John Hodulik *UBS AG - Analyst*

Jessica Reif Ehrlich *Bofa Merrill Lynch Asset Holdings Inc - Analyst*

Sean Diffley *Morgan Stanley - Analyst*

Sebastiano Petti *JPMorgan - Analyst*

Michael Ng *Goldman Sachs Group Inc - Analyst*

PRESENTATION

Operator

Greetings, and welcome to Comcast's first quarter 2026 earnings conference call. (Operator Instructions) Please note this conference call is being recorded. I will now turn the call over to Executive Vice President, Investor Relations, Ms. Marci Ryvicker. Please go ahead, Ms. Ryvicker.

Marci Ryvicker - *Comcast Corp - Executive Vice President, Investor Relations*

Thank you, operator, and welcome, everyone. Joining us on today's call are Brian Roberts, Mike Cavanagh, Jason Armstrong and Steve Croney. I will now refer you to slide 2 of the presentation accompanying this call, which can also be found on our Investor Relations website and which contains our safe harbor disclaimer. This conference call may include forward-looking statements subject to certain risks and uncertainties.

In addition, during this call, we will refer to certain non-GAAP financial measures. Please see our 8-K and trending schedule issued earlier this morning for the reconciliations of these non-GAAP financial measures to GAAP.

With that, I'll turn the call over to Brian.

Brian L. Roberts - *Comcast Corp - Chairman and Co-Chief Executive Officer*

Good morning, and thanks, Marci. We're off to a good start. We've taken a hard look at both where the market is and how we're performing and made some real changes. With our new leadership structure, Mike as Co-CEO and taking the day-to-day lead on improvements, and Steve off to a fast start fully running Connectivity and Platforms, I really like our team. Steve has brought in key new talent and is quickly restructuring a lot of the operations.

And equally important, we have better aligned everyone across the entire company around a clear set of priorities with a sense of urgency to work in harmony toward the important company-wide initiatives. We've gone top to bottom in the businesses, looking at how we operate, how we serve customers, and where we need to reset.

As you'll hear from Mike, Jason and Steve, it's still early, but the initial results are encouraging. We're starting to see signs that our efforts are working, and we're shifting the businesses in the right direction. I'm also convinced that we have absolutely the best products in each of our markets.

So the opportunity in front of us now is making sure customers really see that and feel it in every experience and touch point. There is a real energy across the company now to work together in different ways to take advantage of the big moments we have, whether it's the mobile launch we just announced, the Olympics, the Super Bowl, or Xfinity's new membership program.

These are opportunities to show up for consumers in a way that only Comcast can and connect that across all of our growth businesses. Net-net, I feel encouraged about where we are. We've got the right leaders. We're making meaningful, but important improvements, and I feel good about these early results.

Mike, over to you.

Mike J. Cavanagh - Comcast Corp - Co-Chief Executive Officer

Thanks, Brian, and good morning, everyone. Our focus as we begin 2026 is on executing against the priorities Brian just highlighted. We are just one quarter into the year, but are pleased with the progress, so let me highlight some of the first quarter achievements.

First, despite what remains an incredibly intense competitive environment, broadband net losses improved by more than 100,000 year-over-year, the first year-over-year improvement since the fourth quarter of 2020. We also delivered the best wireless net additions of any quarter in our history. Together, these are early signs that the strategic pivot we've made in our connectivity business is underway.

Second, in Parks, another area of consistent and disciplined investment, we generated healthy underlying EBITDA growth driven by robust consumer demand at Epic Universe. And third, we had a real company-wide moment with Legendary February. We outperformed across audience, engagement, and monetization. And importantly, we leveraged this massive reach to market our connectivity products at scale, a proof point that when we really lean in, we can move the needle.

Stepping back, this was our first quarter post Versant, and we're already seeing the benefits of a more focused portfolio. Our six major growth drivers now represent well over 60% of total company revenue, up from 50% when we introduced this framework three years ago, supported by consistent organic investment and deliberate portfolio actions, including the spin of Versant Media.

Now going deeper on our Connectivity & Platforms business, the competitive environment remains intense. Fixed wireless continues to market aggressively across our footprint. Fiber overbuild is moving at a rapid pace and promotional convergence offers remain elevated. We're not assuming this gets easier anytime soon. Against that backdrop, we're investing to compete effectively, whether it's against fixed wireless, fiber or any other alternative such as satellite.

To do this, we're staying focused on what we can control and what matters most to consumers, exceptional connectivity powered by the most reliable Wi-Fi, best-in-class products and a simpler, more transparent experience that's easy to buy, activate, and support.

Our confidence is building in the strategy and actions that are underway, including the execution of our go-to-market shift that we amplified through the reach of our sports portfolio. We aligned the full company across Xfinity and NBCUniversal around clear offers, focused messaging, and sharper targeting, and we saw that combination contribute to improved broadband and wireless performance this quarter.

We also used these tent-pole moments to launch RealTime4K, a meaningful differentiator, enabling us to deliver live sports with lower latency and at a higher quality than our competitors. And we continue to see our customers consume more video online, which is driving network demand higher with monthly data usage on our network up 10% this quarter.

Given the scope of the changes we've made across the business, the early signs of progress are: connect volumes are up for the first time in more than four years, voluntary churn continues to improve, and NPS is moving in the right direction.

Customers are responding to our go-to-market strategy with roughly 40% of our residential broadband base already on our simple, transparent packaging and the majority still expected to migrate by year-end. Wireless is a central lever in our convergence strategy. It increases engagement, reduces churn, and strengthens customer lifetime value.

Wireless accelerated meaningfully this quarter even as the competitive environment remains intense. And we like what we're seeing both in the momentum we're generating and in the quality of the customer relationships we're building.

Our free line offer continues to perform well and is doing exactly what we intended, building awareness, increasing attachment, and expanding the top of the funnel across our broadband base. We're managing that base of customers with a clear life cycle playbook focused on usage, engagement, and the overall product experience with the goal of converting a meaningful portion to paid relationships starting in the second half of the year.

At the same time, we're gaining traction in premium wireless. We launched Premium Unlimited a year ago to broaden our offering for customers who want a more feature-rich mobile experience, including unlimited talk, text, and data in the US and internationally. Since launch, adoption has increased meaningfully. Uptake is now around 30% and the premium base is up roughly five-fold. And we're building on that momentum with Mobile Plus, our new premium plan we launched just yesterday.

Mobile Plus includes everything customers already value and adds lifetime device protection for all devices. We're the first in the industry to include this feature at no additional charge as part of the core offering, a disruptive shift away from the traditional pay-per-device model used by incumbent carriers. Mobile Plus strengthens our value proposition and reinforces our product and pricing advantage.

Shifting to Content and Experiences, Legendary February was a remarkable 17-day stretch for our Media business. More than 225 million Americans watched across the Milan Cortina Winter Olympics, Super Bowl LX, and the NBA All-Star game. That scale drove record advertising sales, roughly \$2 billion over the 17 days and helped accelerate momentum at Peacock. We added 2 million net new subscribers in the quarter with revenue up more than 70%, putting Peacock on track to approach profitability for the first time next quarter.

The Olympics continue to be a meaningful differentiator for us. Milan Cortina was the most watched Winter Games since Sochi, averaging 23.5 million viewers. Peacock streamed a record 16.7 billion minutes, more than double all prior Winter Games combined. And NBC closed out primetime number 1 on the Closing Ceremony Night, marking our 143rd consecutive Olympics night at the top.

The Super Bowl averaged 125.6 million viewers, the most watched in our 100-year history and the second most watched program ever. And the NBA All-Star game delivered its largest audience since 2011 with 8.8 million viewers across NBC, Peacock and Telemundo, peaking at 10 million.

Turning to Studios, we're off to an exceptional start with Nintendo and Illumination's, The Super Mario Galaxy Movie, which has crossed \$750 million globally, the biggest title of the year worldwide, and the franchise has now grossed \$2 billion at the global box office. We have a strong lineup for the rest of the year with Steven Spielberg's Disclosure Day, Illumination's Minions & Monsters, Christopher Nolan's The Odyssey, and Universal's Focker In-Law, among others.

Lastly, at Parks, Orlando continues to perform extremely well with Epic driving strong resort attendance and higher per cap spending. We're continuing to invest behind a pipeline of growth. This year, we opened Fast & Furious: Hollywood Drift in Universal Hollywood and our

first-ever kids park in Frisco, Texas this summer. Internationally, our UK park is progressing through final planning approvals as site stabilization begins, and we're building on our strength in Japan with immersive Pokémon experiences.

With that, let me turn it over to Jason.

Jason Armstrong - Comcast Corp - Chief Financial Officer

Thanks, Mike, and good morning, everyone. Let me start with a high-level overview of our consolidated results and then get into more detail on our businesses. Before I begin, I want to note we recently issued updated pro forma trending schedules, which we filed in early March.

The most significant change is the removal of Versant from our financials, along with a few smaller updates within Connectivity & Platforms and Content & Experiences. As a result, when I refer to our results today, all year-over-year comparisons will be presented on a pro forma basis.

In the first quarter, revenue increased 11%, in part benefiting from NBCUniversal's highly successful airing of the Milan Cortina Winter Olympics and the Super Bowl. Excluding these events, revenue was up low single digits.

As we've discussed, this is an investment period for us. We continue to execute our broadband go-to-market pivot and customer experience improvements with the goal of stabilizing our customer base and returning the category to revenue growth over time. At the same time, we're absorbing the full cost of the first year of the new NBA contract in Content & Experiences, and this quarter included the peak dilution from that.

As a result, adjusted EBITDA declined 9%. Earnings per share were \$0.79, and we generated \$3.9 billion of free cash flow in the quarter, of which we returned \$2.5 billion to shareholders, including \$1.25 billion in share repurchases.

Now turning to our businesses and starting with Connectivity & Platforms. Before diving deeper into the results, I wanted to begin with a high-level overview and share some perspective on the direction we're heading.

As we've consistently emphasized, we made a decisive and strategic pivot in this business to position ourselves more competitively within the evolving broadband market. This transformation hasn't just been about minor tweaks. It's been a comprehensive shift.

We prioritize simple and transparent pricing. We've dialed up our investments in both current and future customer experience and doubled down to ensure our network and product offerings remain best in class. Another significant change has been how we're leveraging wireless to support and enhance broadband, far more expansively than we have in the past. The encouraging news is that the early indications suggest this pivot is not only gaining traction but is absolutely the right move. Our new go-to-market offerings are clearly resonating with customers.

For instance, this quarter we saw a notable improvement in broadband performance, narrowing our losses by over 100,000 versus the prior year, while simultaneously achieving record wireless net additions, accompanied by a meaningful improvement in how our customers perceive and rate us as measured through Net Promoter Scores. Of course, with any major strategic shift, there are inevitable costs, simplified pricing and the inclusion of bundled free wireless lines have put pressure on broadband ARPU, and as a result, have also weighed on EBITDA growth, which is evident in our 4.7% decline this quarter.

We were transparent about this last year, flagging that these pressures would intensify into the early part of this year, including the quarter we're reporting now and some incremental pressure in the second quarter. That expectation remains unchanged. However, we anticipate some relief as we exit this year, particularly as we begin to lap the initial investment pressures and monetize the free lines at the one year anniversary mark of the start of our free line rollout.

Looking ahead, like others in the industry, a key metric for success is increasingly shifting toward consumer purchase intentions around bundled broadband and wireless offerings. To support this, you'll notice in the trending schedules we published in March, we started to break out wireless revenue into service and equipment revenue.

And we're now grouping broadband revenue and wireless service revenue together into a new convergence revenue view. Our convergence ARPA, or average revenue per account, currently stands at roughly \$85. For context, our telecom competitors are roughly double this amount on the same metric. This really underscores the significant growth opportunity in front of us, especially as we stabilize broadband and look to accelerate growth through wireless.

Now let's get into more details on the quarter, starting with broadband. Broadband subscriber losses improved by 117,000 year-over-year to 65,000. This improvement reflects traction from our new go-to-market strategy, including improved connects year-over-year, lower voluntary churn, a step-up in take rates on gig plus speeds, and the continued uptake of our free wireless line offer.

In addition, we leaned into the unique moment that Legendary February created across our company by amplifying Xfinity brand awareness on a national platform with particular emphasis on gig speeds and our five-year price guarantee. We estimate these specific offers accounted for over half of our year-over-year improvement in subscriber losses.

Broadband ARPU declined 3.1%. This is consistent with the pressure we signaled on our fourth quarter call and reflects the absence of a rate increase at the beginning of the year, our new go-to-market pricing, including the Legendary February offers, and the impact from strong adoption of free wireless lines, which initially has a dilutive impact on broadband ARPU.

We expect incremental pressure on broadband ARPU for another quarter until we start to anniversary early go-to-market transition efforts as well as the impact of free lines starting to roll into paying relationships, which will happen in greater volumes as we exit this year.

Convergence revenue declined 2.8% with convergence ARPA down 0.8%, reflecting the pressure on broadband revenue and partially offset by 15% growth in wireless service revenue. We added 435,000 net wireless lines, our strongest quarter on record, with nearly half of our residential postpaid phone connects coming from customers taking a free line.

We're deliberately leaning in as our free line offer expands awareness and ultimately widens the base of customers we can drive into paying relationships. We also continue to see a strong uptake in our new premium unlimited wireless plans, accounting for about 30% of our postpaid phone connects, reinforcing that we're competing effectively in the higher-value segment of the wireless market. We ended the quarter with 9.7 million total lines, at 16% penetration of our domestic residential broadband customer base.

Looking ahead, in the second half of the year, many of the free lines will come up for monetization. Early engagement and usage trends are encouraging in that respect, and we expect to convert the significant majority of free lines into paying relationships, which should provide a tailwind to convergence revenue and ARPA growth over time.

Turning to Business Services, revenue grew 6% and EBITDA increased 4%. Growth continues to be driven by strong momentum at our Enterprise Solutions business as we add customers and deepen our relationships through a strong mix of advanced solutions.

And looking ahead, we're excited to expand our business mobile relationships through the launch of our T-Mobile MVNO, which adds another differentiated capability to the portfolio as we compete for business customers at every level. In Content and Experiences, there are a few items I'd like to highlight.

At Theme Parks, we delivered another quarter of strong growth with revenue up 24% and EBITDA increasing 33%. Adjusting for the roughly \$100 million of pre-opening costs at Epic in last year's first quarter, Parks EBITDA grew over 7%.

Under the hood, we had very strong growth in Orlando, where Epic continues to drive higher per cap spending in attendance across the entirety of the resort. We are really pleased with Epic's performance since its launch. It's expanding the overall guest experience and helping to position Universal Orlando as a true week-long destination.

Partially offsetting strong growth in Orlando is some pressure at our other parks. Specifically, in Osaka, we're seeing some impact from China-related inbound travel trends, which is putting pressure on attendance. And in Beijing, we're navigating a more challenging macroeconomic environment.

Turning to Media, revenue increased over 60%, including strong contributions from the Milan Cortina Winter Olympics and the Super Bowl, which together drove \$2.2 billion of incremental revenue. Excluding those events, Media revenue growth remained strong, up 13%, driven by 21% growth in distribution and 5% growth in advertising.

The strong growth in distribution was driven by Peacock with paid subscribers of \$5 million year-over-year and \$2 million sequentially, reaching \$46 million. In advertising, underlying demand remains solid, supported by a record upfront and a strong sports lineup, including the NBA.

In the second quarter, we'll continue to benefit from sports, including the NBA playoffs and the FIFA World Cup on Telemundo and Peacock. Media EBITDA was a loss of \$426 million, consistent with the dilution we've been expecting in the first season of the NBA as we straight-line the amortization of these rights with quarterly seasonality driven by game counts.

The first quarter was the peak volume with about 50% of the games played and the corresponding costs flowing through, so as a result, this quarter represents our peak EBITDA dilution from NBA costs. This dynamic flowed through to Peacock as well, where EBITDA losses were \$432 million. Importantly, we expect the set up to improve from here, with second quarter reflecting a meaningful inflection point with Peacock expected to approach profitability.

So stepping back, the first quarter was the high watermark for NBA-related dilution for Media, and we feel good about the direction from here. At Studios, we had really strong growth this quarter. This was in large part driven by content licensing deals led by the successful renewal of The Office on Peacock. While that benefits Studios this quarter, it drives larger eliminations at the C&E level.

Now let me wrap up with free cash flow and capital allocation. In the first quarter, we generated \$3.9 billion of free cash flow. We did that while continuing to invest meaningfully across our businesses, including the broadband go-to-market pivot and customer experience work in connectivity, further strengthening our domestic broadband network, and onboarding the NBA.

Stepping back, our capital allocation framework has been and will continue to be balanced and consistent. With the Versant spin now complete, our portfolio is more streamlined, and our capital priorities continue to start with investing organically behind our growth drivers.

We ended the quarter at 2.3x net leverage. Just as a reminder, leverage is calculated on a 12-month trailing basis. So as Versant exits the calculation over the course of this year, we expect leverage will tick up a bit. And as I said last quarter, our intention is to bring leverage back to 2.3x.

And we continue strong capital returns to shareholders. This quarter, we returned \$2.5 billion, including \$1.25 billion of share repurchases and \$1.2 billion of dividends. And over the past 12 months, we've returned \$11 billion to shareholders, which includes a significant and well above market dividend yield, along with strong and methodical share count reduction. This balanced approach has served us well, and it continues to guide how we allocate capital as we execute through this transition period.

With that, let me turn it over to Marci for Q&A.

QUESTIONS AND ANSWERS

Marci Ryvicker - Comcast Corp - Executive Vice President, Investor Relations

Thanks, Jason. Operator, let's open the call for Q&A, please.

Operator

(Operator Instructions)

Craig Moffett, MoffettNathanson.

Craig Moffett - Moffettnathanson LLC - Analyst

Hi, thank you. I guess the obvious place to start is with broadband. Your broadband ARPU rate of decline actually moderated sequentially a little bit. I wonder if you could just elaborate a little bit on how much lower do you think broadband ARPU might have to go to maintain the kind of stabilization that you've seen? And then if you could just broaden the lens perhaps just to talk about where the improvement came from, was it relative to FWA? Was it relative to fiber? Was it relative to all of the above?

Steve Croney - Comcast Corp - Chief Executive Officer, Connectivity & Platforms

Craig, it's Steve. Thank you for the question. As Jason said and we previously have highlighted, broadband ARPU pressure would intensify in the early part of the year. We do see some incremental pressure in Q2, but we do expect relief as we exit the year, and we talked about it. The primary drivers of the decline include the absence of a broadband rate increase, free wireless lines and migration to our simplified pricing. I talked about it earlier, we were not competitive enough.

We need to adapt our approach and pivot the business, and our focus is on getting to the other side of this as soon as possible. I'll talk about a few of the areas where we see improvement. Our continued mix shift to higher speed tiers. We're seeing a significant improvement in our gig plus tier speed mix. Our higher mobile attachment, '25 was our best year in mobile line net adds that we've had and Q1 was our largest quarterly net adds on record.

And we're seeing the early cohorts of our free line conversion, and we expect significant majority of those to convert to paid relationships that will accelerate in the back half of the year. Mike touched on in his script, we've launched new premium products, and we're very happy with the sell in there on the mobile side.

And we do maintain our pricing flexibility. So we can adjust the rate and acquisition pricing as the market evolves, and we're lapping the period and we will lap the period of elevated transactional activity tied to plan migrations, and we expect those volumes to normalize over time and that will reduce our dilution going forward. So I think we will see improvement as we exit the year this year.

And in reference to your second question, overall, I touched on it in the last call, four key objectives I'm focused on. It's improving broadband performance year-over-year, driving higher mobile penetration, creating better customer outcomes and returning to revenue and EBITDA growth. And we're really encouraged by Q1. We did see benefit across all of our competitive environments, and we did see both connects and disconnects improve. Jason highlighted, though, a little over half of the improvement was tied to our investment in Legendary February.

That was a unique opportunity for us, and we really took advantage of it. But foundationally, our new pricing and packaging is resonating, and we're supported by clear messaging, better creative, driving greater awareness across our prospects and our base.

And additionally, we're leaving no stone unturned. I'm challenging everything we're pushing hard. A few examples of that are, we're leveraging our data more effectively than we ever have; we're using AI to improve transactional outcomes; we're currently running hundreds of models

with thousands of attributes to optimize our acquisition, our upsell, our win back our retention; and we're enhancing our marketing tech stack to enable greater customization and personalization, leveraging those models to drive better outcomes.

We'll continue to focus on the customer experience, and we're driving improvements across the entire customer life cycle that includes simplified buy flows, simplifying our activation, focusing on same-day order to activation with broadband, improving our unassisted channels, taking out customer effort and continuing to improve reliability across the entire network and very, very pleased with the results where we've upgraded the network. So we're seeing early and measurable progress in NPS.

And we're also hyper focused on sales effectiveness. We hired a new head of sales, and that individual is focused on sales development, training, staffing models, compensation models and tools and once again, pleased with the early results there. So I'd say in summary, we're building a more stable customer base with our new pricing and packaging. We're seeing higher gig tier mixes, accelerating mobile attach and higher NPS, all of which will benefit us into the future.

Craig Moffett - *Moffettnathanson LLC - Analyst*

Steve, that's super helpful. Can you just comment on the FWA versus fiber part of that?

Steve Croney - *Comcast Corp - Chief Executive Officer, Connectivity & Platforms*

Yes. Like I said, we saw improvement across all of our competitive environment.

Jason Armstrong - *Comcast Corp - Chief Financial Officer*

And Craig, I would just add to that, I think to step way up, the improvements, equal parts, execution and then leveraging the totality of this company. On the execution side, as Steve said, I said in prepared remarks, our connect activity was better, our churn activity was better, customer perception of us was better.

So all sort of taking place in the quarter are expected to repeat, amplifying across the company through Legendary February, that a little bit more of a one-off event. We'll obviously look for opportunities to do that again in the future, but nonetheless, put the full weight of the company behind us in the quarter.

Craig Moffett - *Moffettnathanson LLC - Analyst*

Thank you. Very helpful.

Marci Ryvicker - *Comcast Corp - Executive Vice President, Investor Relations*

Thanks, Craig. Operator, next question, please.

Operator

Michael Rollins, Citigroup.

Michael Rollins - *Citi Infrastructure Investments LLC - Analyst*

Thanks, and good morning. I'm curious if you could expand further on some of the success you're seeing in wireless in terms of kind of moving up into larger families, you mentioned the business opportunity that's coming up with new MVNO.

And also just within this context, what is Comcast doing to simplify the migration process for customers. And if carriers start to pull back on subsidies, your competitors do less on that. Does that help you get a better hit rate to move customers over to Xfinity Mobile? Thanks.

Steve Croney - *Comcast Corp - Chief Executive Officer, Connectivity & Platforms*

Good question, Mike. I strongly believe we have the right to compete and win when it comes to mobile. We have two strong MVNOs covering consumer and broadband. We have largest converged footprint. We have the nation's largest Wi-Fi network.

We've talked about it. We offload about 90% of XM traffic, and we have lower acquisition costs because we're selling to our base. Continued operational focus, Q1 was great. Our largest line net add quarter since launch. We've really rallied the organization around mobile.

And this has helped create awareness within the organization. We're mobile-led and really helping with our sales effectiveness. We're also doing a much better job in life cycle management. So we're selling more to our existing customer base. We're selling more to our mobile customer base.

About 30% of our connects, line net adds, are coming from existing mobile customers adding more mobile lines, which is really important for us. We're focused on continuing to improve the customer experience. We have a long way to go here, but we've made great strides improving the customer experience once again, across the entire customer life cycle. And has been the case the last few quarters, about 50% of our line connects are free lines, and we're really, really pleased, as I touched on the last question with the early retention rates for that free line roll-off.

And then on top of that, we have the T-Mobile MVNO, which will be launched in the near future, bringing mobile availability to our mid-market and enterprise customer base. And then in reference to your question on the subsidy side, we primarily compete on price and value. So, really focused there. And we will use subsidies selectively, new product launches, key moments. But that's an area that we'll continue to watch and also target throughout the customer life cycle.

And then the last one, which Mike touched on a bit, is our premium plans. So we launched that about a year ago. And we really were not competing well for those that wanted a feature rich product. And we've done a great job. About 30% of our connects are premium customers.

And as of yesterday, we launched a new premium plan that has device protection included. We think that's a significant differentiator. No one else in the marketplace is doing that. So not only will it help our premium upsell, it should also help our conversion rates when it comes to mobile. So overall, when you look at it, I think with our MVNO relationships, it's a capital-efficient model, we have a cost structure that supports profitable value proposition and it's really resonating with our customers. And with about 16% penetration, we have a long runway ahead of us, I'm very bullish.

Mike J. Cavanagh - *Comcast Corp - Co-Chief Executive Officer*

And it's Mike. I'll just pile on. I think if you look at the journey over multiple years in mobile, it's been a steady compounding effect basically of improving products from -- By the Gig and a focus on a certain type of household at the beginning to now, we're fully competitive right up to the top of the need of a household at the higher end.

Plus the passage of time, I think and Steve's bringing the focus to the whole organization of attaching mobile and using free lines and being hyper focused as we're in this year of the processes and life cycle management, that he mentioned to make sure we do a great job converting

to paid because, as he said, once we see that happening, we're doing a nice job getting paid mobile customers to add more lines down the road.

So that all is -- this is not a fleeting moment for us these past few years. I think we've been steadily building and letting the effect of our progress in mobile compound itself and it's going to continue to be a big area of focus for Steve and his team going forward.

Marci Ryvicker - Comcast Corp - Executive Vice President, Investor Relations

Thanks, Mike. Operator, next question, please.

Operator

John Hodulik, UBS.

John Hodulik - UBS AG - Analyst

Great. Thanks, guys. Two, if I may. Maybe first for Steve. From Jason's comments, it sounds like after the benefit of the year-over-year improvement in broadband subs is due to the sort of Legendary February promotions and the half was sort of organic based on some of the efforts you've had. If we expect those efforts to sort of gain more traction through the year, can we expect the high-speed data subscriber losses for the year to improve versus last year? That's my first question.

And then second, maybe for Brian. We spent about a year talking about media consolidation. But I think the conversations have shifted towards cable consolidation. Just what are your thoughts on the potential landscape and maybe regulatory framework and sort of just backdrop on further consolidation in the cable industry. Thank you.

Steve Croney - Comcast Corp - Chief Executive Officer, Connectivity & Platforms

Thanks for the question, John. Yeah, I would say we do expect improvement year-over-year, but more than half of the benefit in Q1 was tied into the Legendary February. We really leaned into that from a marketing investment and an offer investment. It was like I said, it was a great moment, and we took advantage of it.

Brian L. Roberts - Comcast Corp - Chairman and Co-Chief Executive Officer

Let me start and maybe Mike wants to -- this is Brian, jump in as well. Look, really pleased, as I said in my opening, with the energy, I think you can feel it in the team. The broadband business, I think, frankly, we've corrected and perhaps way too much negativity.

So, I think we have a great company and we're going to operate even better in the months and quarters ahead. That's the plan of record. Part of that is believing in the assets you've got, we've made the change with Versant, and I think we feel really good about and comfortable.

But as we said on the last call, and I think we've always thought if we can find ways to create shareholder value, the bar is high, but we're always focused on looking at those kind of creative situations. And -- but that said, I also just really do like the direction of the company and don't want to create a lot of distraction. But Mike, what are your thoughts?

Mike J. Cavanagh - Comcast Corp - Co-Chief Executive Officer

Yeah, I think you said it. I think the opportunity we have, given the negativity around the cable segment and the changes we've made and the progress we're seeing and the road map we see ahead, I think, is a rich path to drive value.

I think we're undervalued, frankly, and the negativity on the business is something we need to work on changing people's sentiment towards, period, full stop. And I think doing that by continuing to run the play that Steve just articulated really well is Plan A. I think, in addition to that, we've got plenty of opportunities and have worked with others in the industry to partner around video or mobile or otherwise.

So there are ways to benefit ourselves through scale in partnership terms, and we're open to doing that. And then ultimately, there's always bigger ideas that, as Brian said, open to strategic possibilities to create value. But the focus is really on what we can do ourselves and the list is long, and we're underway on that.

Marci Ryvicker - Comcast Corp - Executive Vice President, Investor Relations

Thanks, John. Operator, next question, please.

Operator

Jessica Reif Ehrlich, Bank of America Securities.

Jessica Reif Ehrlich - Bofa Merrill Lynch Asset Holdings Inc - Analyst

Alright. Good morning. I guess turning to NBCU. As you also said, your assets are more streamlined following the Versant spin, and you've locked in basically all major sports charge, like everything at this point. So as you look at your key assets in Universal Studios, Peacock, Theme Parks, they all seem strategically very important.

How are you thinking about allocating capital across these assets, but more importantly, what gives you confidence the returns will become more visible in your consolidated earnings over time? And you said Peacock will be profitable next quarter. But is that -- should we expect consistent profitability? Thank you.

Mike J. Cavanagh - Comcast Corp - Co-Chief Executive Officer

Sure. It's Mike, Jessica. So I think zooming out, I think we feel great about NBCUniversal, both how it's set up post Versant with each business that's within it, Parks, Studios, and Media set up to be growers. You look at parks, and we're really pleased with the big initiative last year was Epic. And ahead of us is a UK park and the expansions of the kids parks in the US and more to come.

So I think the creative plans inside our Parks business to keep driving growth, and that's one of our six important growth drivers is a good one, and we love that business, and we'll allocate -- recycle the capital that they create back into the business over time to keep growing that business and creating value above our cost of capital. So no question that, that's a leader.

Commented on Studios earlier in the call. I think we're off to a great start with Mario, and we've got several great further movies coming out the rest of this year. We've been number 2 in the box office, top 2 for the last three years, and I expect that to continue under the great leadership that we have, and that's a part of the flywheel of creating franchises and feeding parks. And fits right into what makes a media company great alongside parks.

And then on the Media side, now that we are post Versant and first quarter out of the gates, we are very focused on making that business a business that the combination of NBC broadcast and Peacock. And as Jason said, Peacock should approach profitability in the second quarter. And then because of our straight-line amortization of NBA rights as we look to the next season, so to speak, of NBA lapping itself.

I think the prospect for ongoing and durable profitability for Peacock is what we have our sight set on. And that, combined with really putting it together with the linear media business in NBC is how we're going to manage the media business going forward, is what is the revenue opportunity as we look at consumers and what they're willing to pay across the landscape that they're faced with, how broadcast sustains, which I think we feel very pleased when you look at the power broadcast in this Legendary February and what it means to marry great broadcast together with a streaming platform like Peacock.

So I think there's obviously work to do on all those fronts. But I think we have a very elegantly designed media business where we've gotten it focused to three parts, Parks, Studios, and Media that are going to work together for years to come, and we're going to be focused on driving value and putting capital to work against the opportunities that we have there.

Marci Ryvicker - Comcast Corp - Executive Vice President, Investor Relations

Thanks, Jessica. Operator, next question, please.

Operator

Sean Diffley, Morgan Stanley.

Sean Diffley - Morgan Stanley - Analyst

Great. Thanks very much, team. You had alluded to satellite being kind of a new thing to be concerned about. I was curious if you could compare and contrast the fixed wireless learnings versus the satellite learnings. Do you expect that to change meaningfully the way that regulators could look at the definition of the market? And to John's question earlier, potentially have a more favorable view of larger-scale M&A in the cable sector.

Steve Croney - Comcast Corp - Chief Executive Officer, Connectivity & Platforms

Thanks for the question, Sean. Our assumption is that the market will stay highly competitive, fiber, fixed wireless, and now satellite is getting more promotional. And what we focus on is what we can control and what matters for the customer anchored by the following. We have a great network that is on par with fiber and it does exceed the capabilities of fixed wireless and satellite, both of which are capacity constrained. We're focused on price value.

Our new go-to-market strategy and free wireless lines is really resonating in the marketplace. We have a differentiated Wi-Fi experience, that ranks number 1 for reliability in our footprint, hugely important for the customer, and we're improving the customer experience. But the tremendous amount of focus that we have, we are taking a vulnerability and I believe, creating an opportunity in an area where we can win.

If you take it from the customer's lens, what the customer is solving for is broadband is a product that's incredibly relevant to their lives, with consumption growing about 10% year-over-year, and that lends itself to prioritizing a Wi-Fi experience that leans into speed and reliability. And we stack up incredibly well there.

Other customers don't prioritize simplicity. And this is where Fixed Wireless did really well. They changed the game on ease of install, simple pricing. As I touched on earlier, that's exactly where we've been investing. And I see no reason why we can't win there as well.

So to me, if you put all these together, I feel we have a great hand. We either have a leadership position or we have a path to a leadership position on the things that matter most to our customers, and that is how we intend to compete, no matter who the competitor is.

Brian L. Roberts - Comcast Corp - Chairman and Co-Chief Executive Officer

Okay. Well, this is Brian. Let me just -- on the second part of that question. Look, I think what makes -- what you count on us to do is to reevaluate the market, the technology, and the landscape. And I think the government will perhaps do that based on what actually happens here in the years ahead. That's what we've done for 50 years. And it makes it interesting and intellectually an opportunity to see this changing landscape, what opportunities that open up for the company, and what's real, what's not real.

So I think what matters most is what Steve just said. And again, I echo I think he's off to a fabulous start with the team in being -- trying to control the things we can control, and that's making our customer experience better and making sure we have the absolute best product in as many customers' homes as possible. And then we'll see where the market evolves to and what doors that opens and what situation that creates.

But we're hopeful that through that changing landscape, the last 50 years, we've managed to position the company in a place where we can grow, where relevant, we can return capital to shareholders, all the things Jason said. So first order of business is make sure we execute really well. That's what's so important about this quarter.

Marci Ryvicker - Comcast Corp - Executive Vice President, Investor Relations

Thanks, Sean. Operator, next question, please.

Operator

Sebastiano Petti, JPMorgan.

Sebastiano Petti - JPMorgan - Analyst

Hi, thank you for taking the questions. I guess just given some of the headlines we're seeing on a macro basis and consumer sentiment kind of at all-time lows. Just any color you might be seeing domestically in the parks or from maybe some of your ad partners, if you're sensing any tone shift perhaps in the economic weakness, is that translating to park attendance, etcetera? I know you did talk about Epic driving higher attendance and per caps.

And then maybe just more of a housekeeping question. I think, Mike, in your prepared remarks, you did say fiber builds are accelerating. Obviously, you see all the announcements out there from your competitors, not surprising, but any update in terms of where you guys stand today, perhaps on a fiber overlap basis across your residential footprint? Thank you.

Mike J. Cavanagh - Comcast Corp - Co-Chief Executive Officer

Sure, Sebastiano. So I think in terms of the macro and the geopolitical and how it's affecting our domestic business, Jason commented on some of the impacts on international parks of just changing in travel patterns. And I think the inbound international travel to the US parks is something that has not ever gotten back to the level we saw pre-COVID. So those factors continue to exist.

I think inside the US, domestic to domestic, we haven't yet seen any significant impact in the parks business caused by higher oil, but I think that does not mean that it may not happen depending on the duration of the effect on price of gas, airline tickets, and so forth.

So more to come, but thus far, not seeing a pullback of any level that's concerning in the current results. But like I said, we'll see what the coming quarters look like and pretty much the same on the advertising side. We obviously, had an excellent quarter that just finished on the advertising front best ever. And so I think underneath it, aside from the special events that we had during the quarter, it was strong advertising results at a baseline level. And as we sit here now, that's sustained.

Brian L. Roberts - Comcast Corp - Chairman and Co-Chief Executive Officer

I just want to comment that the compelling nature of the Olympics pulls forward our relationship with advertisers, obviously, the same for NFL Sunday and the Super Bowl. So, as we look forward to LA, we've got tremendous enthusiasm and excitement for how that could also keep the ecosystem very robust. We have a good road map ahead of us.

Steve Croney - Comcast Corp - Chief Executive Officer, Connectivity & Platforms

In reference to the second part of your question, about 55%.

Marci Ryvicker - Comcast Corp - Executive Vice President, Investor Relations

Thanks, Sebastiano. Operator, we have time for one last question.

Operator

Michael Ng, Goldman Sachs.

Michael Ng - Goldman Sachs Group Inc - Analyst

Hi, good morning. Thank you for the question. I just wanted to ask about the wireless line to paid strategy in the second half. First, could you just talk a little bit about what you've seen in the free line roll-offs to date and the strategy that gives you the confidence in the successful conversion later this year.

And then second, I was just wondering if you could talk about the related impact from the wireless monetization strategy on broadband subscriber trends. Could this also help broadband ARPU stabilize later this year? Thank you.

Steve Croney - Comcast Corp - Chief Executive Officer, Connectivity & Platforms

Yeah. So in reference to the wireless free line to paid strategy. We're early in that role. But as I mentioned, we're really focused on life cycle management, managing those customers all the way throughout. And in the early cohorts, we've seen a significant majority of those customers rolling to paid.

So we feel that will continue as we move forward and more of the lines roll in the back half of the year. And yes, it will have a direct impact on broadband ARPU based on revenue recognition as those lines rolled to paid in the back half of the year, and that will be a tailwind.

Marci Ryvicker - Comcast Corp - Executive Vice President, Investor Relations

Thank you, Mike. That now ends our call. Thank you, everyone, for joining us this morning.

Mike J. Cavanagh - Comcast Corp - Co-Chief Executive Officer

Thanks, everybody.

Operator

Thank you. That does conclude today's question-and-answer session and today's conference call. A replay of the call will be made available starting at 11:30 AM Eastern Time today on Comcast's Investor Relations website. Thank you for participating. You may all disconnect.

DISCLAIMER

LSEG reserves the right to make changes to documents, content, or other information on this web site without obligation to notify any person of such changes.

In the conference calls upon which Event Transcripts are based, companies may make projections or other forward-looking statements regarding a variety of items. Such forward-looking statements are based upon current expectations and involve risks and uncertainties. Actual results may differ materially from those stated in any forward-looking statement based on a number of important factors and risks, which are more specifically identified in the companies' most recent SEC filings. Although the companies may indicate and believe that the assumptions underlying the forward-looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward-looking statements will be realized.

THE INFORMATION CONTAINED IN EVENT TRANSCRIPTS IS A TEXTUAL REPRESENTATION OF THE APPLICABLE COMPANY'S CONFERENCE CALL AND WHILE EFFORTS ARE MADE TO PROVIDE AN ACCURATE TRANSCRIPTION, THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORTING OF THE SUBSTANCE OF THE CONFERENCE CALLS. IN NO WAY DOES LSEG OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED ON THIS WEB SITE OR IN ANY EVENT TRANSCRIPT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S CONFERENCE CALL ITSELF AND THE APPLICABLE COMPANY'S SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2026, LSEG. All Rights Reserved.