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OVERVIEW:

Company Summary

CORPORATE PARTICIPANTS

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CONFERENCE CALL PARTICIPANTS

John Hodulik *UBS Equities - Analyst*

PRESENTATION

John Hodulik - *UBS Equities - Analyst*

Okay. If everyone could please take their seats, we'll get going with our next speaker. Again, I'm John Hodulik, I'm a media and telecom analyst here at UBS, and we're very excited to have Dave Watson, the President and CEO of Comcast Cable with us today.

Dave, thanks for being here.

David Watson - *Comcast Cable Communications LLC - President, Chief Executive Officer*

Good to be with you, John.

John Hodulik - *UBS Equities - Analyst*

We've got 35 minutes. For Q&A, I've got a bunch of questions I'm going to run through. We also have the app. If anyone wants to log in and ask a question, I can look at it here on the iPad and I can work it into the conversation.

So Dave, if you could just obviously at the end of 20 -- at the end of the year looking out into '25, can you talk about what are your biggest priorities for the cable business at Comcast as we look out into the new year?

David Watson - *Comcast Cable Communications LLC - President, Chief Executive Officer*

No question, John. Our top priority is growing the connectivity business lines. The good news is, we have three robust great lines between broadband connectivity between the business services and mobile. And so broadband, just a couple of points on broadband. Yeah, we have 63 million homes passed today. Adding to that, we're adding another -- we did [1.2 million] (corrected by company after the call) this year in terms of new homes and we'll add another, I think closer to 1.2 million this upcoming year. So, we continue to add to the homes past that.

The key is that we are delivering 1 gig everywhere. And so as others are looking to add more and understand that competitively. But we're already there in terms of a great 1 gig product that we have today. And so we're all about gig and it's a super important part of our business. And the other piece of it is not just having a robust homes past addressable marketplace. It's how you define what a great product is. So for us, most certainly, it's having 1 gig, it's coverage, it's capacity, it's latency, it's everything that goes into the applications that matter to consumers, whether it's streaming, whether it's gaming.

And so for us, the network is literally built for streaming. It's literally built for those applications. And at 1 gig, we're ahead of the curve everywhere we're going. And as we're addressing competition, it's been a changing fluid marketplace. But we've seen fiber competition for over 20 years now. I've gotten -- we understand it, when fiber launches, you go through a phase where there's a launch period that's difficult and then you settle and you level off in terms of market share. And the way we see it, there's level market share after the market matures with fiber, and then the ARPU is no different between the fiber markets and non-fiber markets. So we feel very good about the long-range planning around broadband. Excited about that.

Then you go to mobile. Mobile for us, we are the disruptor and the challenger in the mobile space and a much bigger addressable marketplace. The mobile market is $180 billion compared to the broadband being $70 billion, so $181-billion mobile marketplace as the challenger that puts us in a unique position, to leverage it, to go and combine it with broadband, to have it be a profitable line in and of itself. So we're taking share and we continue to take share and we've been doing that for a period of time. So we like our position in terms of mobile.

And when you combine mobile with broadband, that product experience is different. For some, when you hear bundling, sometimes what they are talking about is just discounting. For us, packaging is important. But for us, it's the experience that is as important combining broadband and mobile. I'll give you a feature that we're very excited about. It's mobile Wi-Fi boost. And that is when you take any of your devices and you bring it into [our] home. If you have our mobile device and you're using it within the home, it opens it up to as fast as the device can go up to 1 gig.

So every application is boosted. So whether it's streaming, whether it's gaming, whatever the applications are that you want to do, that's -- mobile. And it happens just -- it just automatically happens. You don't have to have an app, you don't have to -- it's just a seamless, easy experience. Those are the kind of experiences that I think really matter.

And then last but not least is business services, a 60 billion addressable marketplace for us. We're expanding beyond our footprint with major accounts, large enterprise accounts, and we're adding more addressable footprint through what we call ethernet over cable, which is taking our HFC plant and being able to do dedicated internet. Telephone companies have been doing this for a long period of time for small business, medium business. That's exciting. We're going to be able to in '25 go to an additional 3.5 million business passings with this dedicated internet service with SLAs.

And so we have lots of new products happening in business services that along with relationship building, we're just as focused on selling mid-market enterprise revenue opportunities. So we're less than 20% penetrated, 60 billion long way to go. We already got very close to equal share of SMB and we aim to do the same thing in mid-market to enterprise. So we're excited about a very large overall connectivity growth area for us.

QUESTIONS AND ANSWERS

John Hodulik - *UBS Equities - Analyst*

It's a great overview and we'll dive into each of these components.

Maybe first starting with competition in residential broadband. How would you characterize competition as in the fourth quarter versus what you've been seeing previously?

David Watson - *Comcast Cable Communications LLC - President, Chief Executive Officer*

Sure. Well, competition remains competitively intense. That has not changed. It's been pretty consistent throughout the year. In particular, in the more price conscious end of the marketplace that is where we've seen a little bit more swirl around that segment and it's remained this way right through the fourth quarter, this competitive intensity.

Now, the most important thing though is that the churn in -- on our really important traditional and premium segments, this is where we sell 500 megabits and above 1 gig services that we've had great success with. Those two segments, the churn has remained stable and near-record lows. So that's very good news and it's continued.

Yeah, when you replay the year though and if you look at the first half of the year, we lost just about 100,000 -- just under 100,000 [on average] (corrected by company after the call) for the first half of the year. You go into the third quarter and on the shoulders of the Olympic marketing surge, the students returning, the seasonal dynamics trending fine, and then a competitor strike. Those three things saw improvements in performance in Q3.

Q4, to your question, resembles more of the first half of the year is what we're seeing. And one other thing to add on top of Q4, we had the two hurricanes. So the two hurricanes, we've been assessing it, we've talked about this before as we did the Q3 unique positive elements. In Q4, the hurricanes, we think will impact to the tune of around 10,000 broadband losses and there will be a slight impact to ARPU.

So when you add all these things together and you look at it going into Q4, we could be looking at a broadband subscriber loss in Q4 of just over 100,000 and there'll be -- while we'll be in the range, the ARPU range that we've talked about 3% to 4%, we'll at the lower end of that range. So that's how things remain competitively intense but consistent with earlier parts of the year.

John Hodulik - *UBS Equities - Analyst*

Got it. That's great color.

On the ARPU piece, what's driving the ARPU piece? Is it a question of rebates that you're giving? So it's like a one-time thing.

David Watson - *Comcast Cable Communications LLC - President, Chief Executive Officer*

Well, part of it is the hurricane rebates -- we're very -- we want it all in and trying to be as positive and aggressive and getting out, any help that was required, so that's certainly a piece of it. So some of it is just the swirl of lower-end activity that just related to the timing of the ACP and marketplace dynamics there. But so our strategy, the really important part has not changed. Build out great products, build out the network, focus on premium, and there are multiple drivers long-term around ARPU not just rate increases, but a lot of things that we have -- that we continue to focus on, that will not change.

John Hodulik - *UBS Equities - Analyst*

Right.

Maybe a couple of things for you. Obviously, you mentioned the competition from fixed wireless. How do you and obviously you start out saying, 1 gigabit speeds everywhere. I mean, obviously massive difference versus what fixed wireless can find. How do you drive that point home and leverage those capabilities to prevent fixed wireless from taking too much share?

I mean, I guess -- I don't want to cut you off, but you talked about the mobile Wi-Fi boost. Is that part of the equation? And is that a new product that you're just rolling out or is it --?

David Watson - *Comcast Cable Communications LLC - President, Chief Executive Officer*

It's relatively new and the operational ease of accessing the product, using the product that we've just improved on and just it's automatic when you go home and you open up the Apple device or the Android device, you can use it.

So the core to the question of fixed wireless and really all competitors is we segment the marketplace and we start with a traditional premium. That's our focus but we will compete fiercely for every segment. And while fixed wireless has had some success, I think more on the more price conscious end of the marketplace, we will compete there too. We have good products for that.

NOW Internet, we just introduced, that we have other products, Internet Essentials that we have that are available. But I think it's important as we look at the great broadband stands for great speed, coverage, capacity, reliability is an enormous issue. So when you have big moments, whether it's an NFL wild card game, or an NFL big moment in December that you have, you want the best. We are built for streaming.

And so how we -- really design capacity and coverage and combine the network with great gateway devices that amplify coverage and are just really super reliable. Our Wi-Fi is different, not all Wi-Fi is created equal. We have a different capability with Wi-Fi and a better network performance, identifying issues and improving reliability. So we can beat in terms of speed against fixed wireless. We're ahead of the curve and match any competitor whether it's fiber.

And so every segment I think we have a really good position in terms of broadband. But I think the important long-term answer is the improved reliability, coverage, capacity, latency, everything that we have to offer that will never stop, will continue -- with the DOCSIS 4.0 rollout that will continue to just get better. So it will be a hard one over time I think for the lower-end competitors to catch up to.

John Hodulik - *UBS Equities - Analyst*

Got you.

You mentioned that prepaid NOW product, how is that helping in terms of the low end and what's been the receptivity to that brand and that offer?

David Watson - *Comcast Cable Communications LLC - President, Chief Executive Officer*

It's really early and we did launch it as a separate product, separate brand. And so the game plan is to just make it more prominent for that segment. We will surgically do that as we talk about it, but we will go after those products a little bit more prominently and the key to NOW Internet is just making it super easy. I think one thing that fixed wireless has done well is they've made it easy and it's a pretty simple product. And now internet does the same, without a contract, it's just super easy to get, super easy to install and activate, it is digitally driven. So it's one of those simple, easy products I think made for a segment that appreciates those features.

John Hodulik - *UBS Equities - Analyst*

Got you. And then turning to ARPU, you had some comments here about 4Q ARPU maybe at the lower end of the 3% to 4% range. It's been very steady. Actually started the year, I think above the high end of that 3% to 4% range. Just talk about the mix of drivers that is keeping it in that 3% to 4% range and do you expect those underlying drivers to continue beyond '24?

David Watson - *Comcast Cable Communications LLC - President, Chief Executive Officer*

Yeah, we have been very consistent in terms of this performance and the good news is there are multiple drivers behind it. If you had just one single driver, you wonder about that, but we have multiple really important significant drivers. We take a very cautious view of rate increases, so we're very steady on that, not to get ahead of ourselves in terms of consumer rate increases in broadband.

I think the biggie is tier mix and the fact that we're so focused on segmentation and we went through a period, have been going through a period where there's just a little bit more activity around the more price-conscious segments and that will naturally cause a little bit more tier shift towards those segments. So that will level off over time. And as we continue to bolster the network and do more with multi-gig symmetrical, then that will just add to the focus that we've always had on the higher end tier mix.

But in addition to we have other products, we call xFi Complete and a new product called Pro where we combine the gateway, security, lots of things that we put on in the easy bolt-on tier or in some cases, we package it with 1 gig and all of this that we partner with mobile, and these higher end tiers comes with a free mobile line. So mobile is used to enhance the higher end tiers just helps tier mix.

And the way we manage the business, John, we look at acquisition, we look at base management, upgrade opportunities, and we look at retention. And more and more, I think everyone's doing this. I think every operator with scale is beginning to truly leverage AI in a unique way that helps you identify the customers through the buying process and every single sales channel and then base opportunities which I think we have between mobile, between all the other products that I mentioned, there's opportunities for speed upgrades, base management gets easier with AI, and most certainly retention is accelerated with AI. So all those things factor into confidence of that 3% to 4% ARPU range.

John Hodulik - *UBS Equities - Analyst*

Got it.

Getting back to the capabilities of the network. You're largely done with the mid-splits to the cable plan in your major markets at this point. What capabilities will that provide? I mean, I think that would get you to the 1 gigabit or you were there I think previously and maybe this gets you beyond that in those markets?

David Watson - *Comcast Cable Communications LLC - President, Chief Executive Officer*

Yeah, the way -- it's pretty simple, the way we look at it is that mid-split was the spectrum change just to make sure we can then provide a little bit more spectrum towards upstream. And so, but we were doing 1 gig before and so we have 1 gig everywhere. Then at it, everyone's going to chase us, but we have it ubiquitously. So mid-split, in connection with cloud capability, with AI capability, what I -- that's the foundational layer. When you're building a home, you build the foundation first and that's mid-split. It puts us in position. We're 50% done right now and vast majority will be done very soon thereafter into the next couple of years.

And what follows is DOCSIS 4 and that leverages everything on the foundational layer. So once you're done, really essentially what you're finishing what we've made such an accelerated move on already are really the hard part of the core and all the nodes. And now the DOCSIS 4.0 takes it through amps all the way to the home and the way we've managed things, it's success based on devices. So we have a new great gateway that will do 1 gig symmetrical and we'll be rolling that out and then you're there.

So we're going to -- you'll see a path in the next few years where on top of that foundational layer that we're really moving fast on to complete multi-gig symmetrical. So it's the most effective and efficient and fastest way at scale of any of our competitors. And so our job is to never stand still, keep improving it. But we have the reason and we can do it all within the CapEx ranges that we've been talking about because we did put a lot of it in the cloud and oh by the way, we're doing tons of fiber, deep fiber as we're building it out, that was all part of the architecture. So we have very deep fiber that has helped the nodes -- node sizes and all those things combined puts us in a really good long-term position.

John Hodulik - *UBS Equities - Analyst*

And at the same time, you're making these upgrades to the network, you're also expanding the network and talk about, how you see that playing out, I guess, I think you said it was the 1.2 million, I think it was for '24.

David Watson - *Comcast Cable Communications LLC - President, Chief Executive Officer*

'25.

John Hodulik - *UBS Equities - Analyst*

'25 -- '25, coming up for '25. I think. Yeah.

David Watson - *Comcast Cable Communications LLC - President, Chief Executive Officer*

And we're looking at around [1.2 million] (corrected by company after the call) this year.

John Hodulik - *UBS Equities - Analyst*

For '24. Got you.

How have the returns been on that business? Like, can you talk about I don't know, customer receptivity, maybe penetration or just how is the return on that capital being spent?

David Watson - *Comcast Cable Communications LLC - President, Chief Executive Officer*

Well, part of the decision-making process on our side is to be very measured, very disciplined in how we select markets in the first place. Vast majority of the markets that we've selected have not been subsidized. These are markets where we've extended our plant. We've already been there. It's a reasonable decision to go to dense areas where we haven't served yet. And to go in there, we evaluate everything. Competition, the density levels, the markets. But when we go, we go. We go with everything we got. We go with mobile, we go with business services, we go with fiber, and it's been very well received.

When we come in and complete it, then we're seeing good healthy penetration levels within the first year, into the second year. Every design that we've had, every forecast that we've had, we've been really pleased with in terms of penetration and yield. And so we'll be opportunistic going forward as we look at future subsidy programs. But we feel the range that we've been talking about that 1.25 is doable. And even with some of the changing nature, perhaps of some of the BEAD programs has been already a lot of state dollars that have been handed out, we'll participate where it makes sense.

And if the rules are favorable, we'll be there. If they're not, then we won't. But it's a very disciplined, measured calculation on returns and that's how we've looked at it. So we like our progress and the penetration levels. We go at it pretty hard when we launch.

John Hodulik - *UBS Equities - Analyst*

Got you.

You've mentioned wireless a number of times, what is the wireless service that you're selling? How is that -- what has that done for your business? Is it helping you on in terms of new connects or obviously churn is very low, but I think it was very low but even before you had wireless. Just can you talk about how it differentiates your existing products?

David Watson - *Comcast Cable Communications LLC - President, Chief Executive Officer*

Wireless checks a lot of boxes for us and that it is profitable in and of itself. I think teammate, Jason Armstrong, mentioned a while ago that it's three years running that it's been profitable. So we've had really consistent performance around the wireless business, but the major design of wireless why we're so excited is just how large this addressable marketplace is, 181 billion. And it happened at the back of it at the same time, the country lost the fourth carrier and the cable industry stepped right in. So we are the challenger. We are the disruptor in terms of core service pricing. We're very competitive on that. I think we have used wireless as a vehicle to partner with broadband and help the value proposition there.

But beyond that, it really for us has been a helpful device to open up consideration. Cable again, going into retail stores that it was not necessarily again that people would wake up in the morning and say I'm going into the cable store. For wireless they are and wireless is a consideration. So whether it's demand generation, whether it's channels and optimizing digital by-flow, all those things, wireless is a great way to stimulate consideration. So that's a piece of it. And it's a wonderful upgrade opportunity for the base.

We sell wireless with broadband. It does help churn, it does help the base and revenue, and it's a great long-term opportunity for us with the 7.5 million lines and growing, it's a great partner within the business services portfolio. Really just getting going with that mostly for small business and we're excited about that too. So, we are the disruptor and the challenger, a very large opportunity and for years to come.

John Hodulik - *UBS Equities - Analyst*

One question we get a lot is the potential need down the road to own your own licensed spectrum network. And actually you guys -- I think you have an agreement to potentially sell some of your 600-megahertz spectrum to T-Mobile, which goes against that if you act on that. But just any higher-level thoughts on maybe the MVNO agreement, I have a feeling what you're going to say about your partnership with Verizon or versus building out your own network and accumulating spectrum and building out infrastructure.

David Watson - *Comcast Cable Communications LLC - President, Chief Executive Officer*

We have like really liked our position for a very long time. The capital light model when you have the kind of deal that we have. And yes, it's a win, win. (laughter) Yes, it is a win, win, but it is in this case and that we're in the business flow now. With years of success, I think people in the earliest stages were wondering, I get that way back then will cable have success? Will Charter, Comcast have success doing what they're doing? We have.

We're now in the flow. So I think the Verizon team would say we like their business and it's important to be in their revenue stream and that really important to be in their revenue stream. So we like that position but most importantly, we think that that's a long-term good strategy to have really good economics to be able to use that. And the way we go to market is focusing on core service. We're opportunistic on the device side. We have a good trade-in program, but we don't go crazy over the devices, but we do have offers that supplement the core service pricing.

But we do it in a way because we're well positioned with this core, MVNO that we do have and now we have nice opportunities to maybe even opportunistically improve economics through the CBRS offload if we wanted to, but don't have to. It's nothing but an opportunity for us and we continue to test and look at that, but we like our position right now.

John Hodulik - *UBS Equities - Analyst*

I mean as you already said, it's already profitable. And with the base between yourselves and Charter, you would think that over time you actually have more price. You can command some pricing power in your MVNO because you're big right now and you're only getting bigger and you're right, it's a very important contract for Verizon and it's one that the rest of these MNOs would like to have.

David Watson - *Comcast Cable Communications LLC - President, Chief Executive Officer*

I think we're an attractive partner and you can take away a lot of the upfront expenses of acquiring and then holding on to those customers and you do a good job if you're a long-term participant in the industry. It's one thing if you're a distributor of where you're in and out, we're in the business, we're in to stay, we love our long-term prospects, and I think our partner likes that too.

John Hodulik - *UBS Equities - Analyst*

Okay. Makes sense.

I was going to turn the video. I'm not spend too much time on video. I do want to get some comments -- you guys just signed a renewal with Warner Brothers. Any comment you could share with our audience on how you view that deal.

David Watson - *Comcast Cable Communications LLC - President, Chief Executive Officer*

Sure, we are --

John Hodulik - *UBS Equities - Analyst*

I think it was an early deal, right? Was it really done earlier or was it expiring?

David Watson - *Comcast Cable Communications LLC - President, Chief Executive Officer*

Just announced today, so we renewed. It was a handful of different agreements and what's different and unique about this, other than the fact, it's a unique relationship that we have with Warner Brothers. It's very widespread between the US and Europe with Sky is that we renewed on multiple fronts. We renewed in the US around Turner, Discovery, Scripps, we renewed with them in Europe with Sky.

And that is good news that we're able to do that. And it's good news because speaking of checking boxes, it checked a lot of boxes for both of us. It is another I think really important win, win that it's good for both parties and especially when you have the scale that both of us have and being able to resolve things to the benefit from our standpoint I think it's a huge win in that we got the economics that we're looking for on the renewal terms. Really good economics. I think industry leading that we have and we have flexibility.

There are two things that we're looking for in the marketplace at this point, in general. We're looking for great economics that helps us serve every segment that we go after and being able to leverage video in a way that partners well for broadband and again, built for streaming. So we want to have packaging and streaming flexibility, so we can take linear and streaming applications and partner it for each segment as we need to.

So that flexibility is awfully important but getting core economics right makes a lot of sense. We were able to do both of those things in this case. So with a good partner in Warner Brothers Discovery. We're pleased. And in Europe, in Sky, it's unique there, we were able to accomplish a very important renewal as we maintained really great HBO content for the Sky Atlantic, Sky Cinema channels, and ingesting that content on those channels was important. And then making sure we opened up content for the Sky Now tier where previously it was not available. So now we have it available, the MAX app available now on that platform.

And for us and we were -- the great content that Warner, Discovery, Scripps has and then all over, I think they appreciated the platform that we have in that we're a good partner to deliver customers, maintain customers. But we're a great partner when it comes to an industry-leading platform, being able to find their content, easily assembled in ways that make sense for the customers. And in Sky, it's available in multiple ways, ingested on linear, on-demand, through apps. It's a great way. And then from a transition perspective, they will also offer it directly. So it's a great win, win truly for two partners that had global scale.

John Hodulik - *UBS Equities - Analyst*

Right.

And you talked about the linear and at the same time the flexibility around their D2C services. I don't know, as part of this contract is HBO MAX or I guess MAX included. I mean, one of the things obviously Charter has made some noise over the last year or so in terms of including all these, is that something you guys could see Comcast doing including the D2C brands and these media companies as part of your expanded basic?

David Watson - *Comcast Cable Communications LLC - President, Chief Executive Officer*

I think for the right segment, what charter is doing is very smart and we have the flexibility to do that. So with this deal, I think we have the industry-leading economics and packaging flexibility. Our strategy is a little different in that we segment the marketplace and for certain packages, we will include apps now and in the future where it makes sense.

But from our standpoint, it won't necessarily be every tier of video where we'll do that. So we'll have certain -- we have NOW TV that has a lighter amount of linear and fast channels that we have. There may be some apps that will be included and there'll be different offers that we have. As we reimagine video for the streaming world and to partner it for broadband, you're going to need unique value propositions to compete. And so from our standpoint, we'd rather do something new and unique in terms of segmentation versus doing one size fits all. But for certain, the high-end segment, it could make a lot of sense. And the important point is for this particular deal, we have all the flexibility that we need.

John Hodulik - *UBS Equities - Analyst*

Maybe touching on, a couple more minutes here, I got a couple more topics I want to touch on. First is the business segment. You talked about it as a contributor to growth as a company and this new product with ethernet or cable and the new passings, just how's your visibility to continue growth of that business and do the network upgrades that you laid out, does that help you penetrate that market and help you guys compete against the other providers out there?

David Watson - *Comcast Cable Communications LLC - President, Chief Executive Officer*

Again, starting at the top line with the 60 billion addressable marketplace and we're less than 20% of that this point, and our goal is never to settle for not having anything less than half. And as we've accomplished that, we're damn close to it with SMB. So to do that and you've seen us go after opportunities to improve our portfolio in terms of addressability as we did with Masergy. And now we can go global and practically just anywhere with taking care of customers, wherever they are.

In addition to with Masergy, what we got are applications that help us drive revenue deeper. So we used to be with business services in mid and enterprise markets. We were either a nice number two for connectivity, the head of IT would be -- it's a pretty safe bet to get my backup from cable or just to make sure systems were there. Now, we're talking about everything.

So we're talking about SD-WAN to UCaaS to connecting data centers to everything. We're the primary and giving control shared with the consumer with very large clients that need it to be perfect. And on that we're stepping up to the plate and have that winning very large accounts, enterprise accounts that are going. So we like our roadmap for that. And again, the ethernet over cable is a really nice thing that we can do within our footprint, good for mid-market. But we're going to continue to add to the product portfolio because our strategy will be dual and that there's a healthy connectivity opportunity and just relationships. But every single relationship, there's a revenue opportunity to grow as we become the primary service provider.

John Hodulik - *UBS Equities - Analyst*

So and lastly, just to wrap up, we talked about all these lines of growth the company is pursuing. Let's talk a little bit about margins. You've seen real margin improvement -- really consistent margin improvement over a number of years in the connectivity and platforms business. Just given what you're seeing now, given the mix shift for less video, more broadband, more wireless -- what's your visibility into continued margin improvement as you look out over the next couple of years?

David Watson - *Comcast Cable Communications LLC - President, Chief Executive Officer*

Well, you hit on the head, John. The first thing right out of the top is the mix shift as you have a little bit more of a drag on things in video, you move more towards connectivity, business services, broadband. You get the benefit of margin lift as you do that. We've been seeing that. That has been happening. There's more to come on that.

But it doesn't stop there. Very financially disciplined around fixed costs, always have been -- take a hard look at that constantly. We're not one to wake up and say it's every day. We look at opportunities to improve the fixed cost structure.

But the biggie for us remains just taking out lots and lots of volume and truck rolls and call center activity as we improve digital capability as we have now fully entered AI. For us, it is real, it is going to be I think a terrific addition to margin improvement.

Just when you talked about the network side of things, the ability for us to identify problems that prevent if there's an issue close with AI tools that we've deployed for network performance, we identify things and about 60% of alerts are self-healed because of AI. And as we've built out the network, we have built out AI throughout our entire network.

And then you get into customer service and repair, being able to do unique things like instant delivery of products and take an SIK to a whole another level. AI I think is going to help us be able to take out unnecessary transactions but amplify good transactions. So we can do a better job in base management, upgrading revenue and being able to take out some of the noise in the system that continues to be unnecessary. So from a margin standpoint, I think there's a long road ahead for us to continue to improve.

John Hodulik - *UBS Equities - Analyst*

That sounds great, Dave. And that's all the time we have today, Dave, thanks for being here. Appreciate it.

David Watson - *Comcast Cable Communications LLC - President, Chief Executive Officer*

Thank you. Thanks, John. Thank you.
