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As Peacock gains momentum, Comcast reshapes its media business

Article

The news: **Comcast** gave more details about its planned media restructuring on Thursday, saying it will retain **NBC**, **Bravo**, and **Peacock** while spinning off most of its cable networks—

reinforcing a “broadcast-plus-streaming” approach over a streaming-only focus.

This update came as Peacock posted strong revenue growth and reduced losses for the fourth quarter, even as subscriber growth slowed.

By the numbers:

- **Peacock Q4 2024 revenues:** $4.9 billion, up **46% YoY**; impressive, though Q3’s YoY growth was 82% thanks to the **Olympics**.
- **Peacock subscribers:** 36 million, a **16% increase** from the prior year.
- **Peacock quarterly loss:** $372 million, an improvement from the year-ago loss of **$825 million**.
- **Expected NBA rights cost:** $2.5 billion per year, with potential price increases for Peacock to offset expenses.

Why it matters:

- **Cable is no longer the priority.** Comcast’s decision to spin off **CNBC**, **MSNBC**, **USA**, and other cable networks reflects the diminishing role of traditional TV. While still profitable, these networks contribute little to Peacock’s growth and are being repositioned under a separate entity.
- **Live sports will be a key growth driver.** With NBC’s new NBA media rights deal, Peacock is poised to attract more subscribers; that’s why the network is promoting the deal a year early. But executives signaled that **Peacock price hikes may follow** to offset the cost.
- **NBC and Bravo are the crown jewels,** accounting for nearly all (98%) of Peacock’s viewership.
- **Hollywood success supports the ecosystem. Universal Pictures** delivered a strong quarter, led by “**Wicked**” proceeds of $717 million, which boosts NBCU’s content pipeline and potential streaming growth. The movie helped Universal end 2024 as the No. 2 global studio.

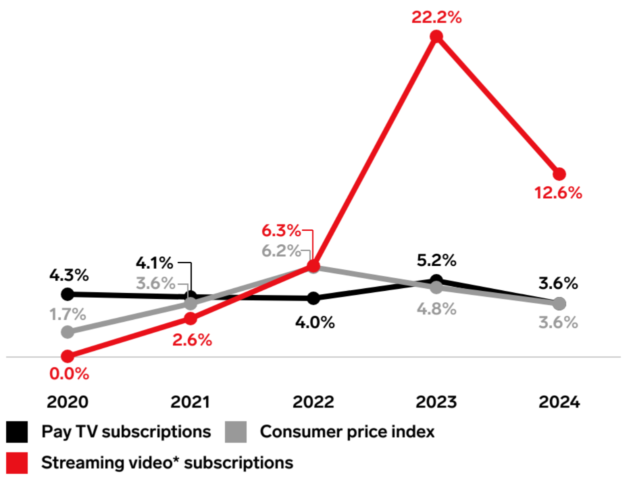
Our take: Comcast’s decision to retain NBC, Bravo, and Peacock while spinning off other networks is a clear bet on its most valuable assets.

- Rather than chasing a streaming-only future, Comcast is doubling down on a **hybrid approach**, integrating broadcast, streaming, and theatrical content.

- While live sports and premium content will drive growth—the company shared news on that front at **CES**—Peacock's profitability remains a challenge.
- The coming **NBA season will be a major test**; if it attracts subscribers, Comcast's approach could prove to be a winning formula. But if price hikes lead to churn, the company may have to rethink its media ambitions.

Streaming Price Increases Have Greatly Outpaced Inflation and Pay TV Increases Since 2023

% change YoY in US consumer price index and price of pay TV vs. streaming video subscriptions, 2020-2024*



*Note: pay TV reflects the US city average for cable, satellite, and live streaming TV services, per Federal Reserve Economic Data; consumer price index data is for all urban consumers and from the US Department of Labor Bureau of Labor Statistics; *streaming video reflects the lowest-cost, ad-free, standalone monthly plans across Amazon Prime Video, Apple TV+, Disney+, Hulu, Max, Netflix, Paramount+, and Peacock; excludes bundles, promotions, or cost of adding members to an account after password-sharing policies went into effect; excludes ad-supported plans; based on company press releases and analysis by The Verge*
Source: EMARKETER Analysis; Federal Reserve Economic Data (FRED); company press releases; The Verge; US Department of Labor Bureau of Labor Statistics, Dec 17, 2024

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