JUL 29
Nina Goetzen

NBCU shines in Q2 earnings, but low Olympics ratings cast a shadow

Article

The news: NBCUniversal's streaming service, **Peacock**, reached **54 million** sign-ups as of this week, with more than **20 million** monthly active accounts, according to parent company

Comcast's Q2 2021 earnings call yesterday.

- The company also reported a stellar Q2 for NBCU overall, with **ad revenues up 32.8%** year over year.
- CEO Jeff Shell credited programming like the film "The Boss Baby: Family Business," original TV series "Dr. Death," and the Tokyo Olympics with driving the sign-ups.

What's the catch?

- The impressive Q2 numbers have been overshadowed somewhat by the underperformance of the Olympics, which garnered the **lowest broadcast ratings for an Olympic opening ceremony since 1988**.
- That's not only a blow to its linear TV business—it's also **bad news for Peacock**. NBCU hoped the Games would boost subscriptions to the service, but Peacock's spotty and confusingly distributed Olympics coverage has only compounded the problem of low overall viewership. (Some live events are available to watch for free on Peacock, some only with a subscription, and others only via broadcast.)
- More broadly, NBCU **still hasn't provided numbers breaking out how many of its active accounts are free versus paid subscriptions**, and with its plans to use the Olympics as a conversion vehicle falling through, it's likely those numbers won't come for a while.

The bigger picture: Despite this spot of "bad luck," as Shell called it, he **still expects the Olympics to turn a profit.**

- Prior to the start of the Games, NBCU announced that it had already surpassed the 2016 Rio de Janeiro Games' record of **$1.2 billion** in ad sales.
- Final numbers likely won't come until the end of the Olympics, in early August, but Kantar Media has predicted an end tally somewhere around **$2.25 billion**. Even if NBCU doesn't quite reach that, the drop in ratings shouldn't affect the $1.2 billion it's already made, which puts the company solidly in the green.