

Some things and ideas: May 2018

Some random thoughts on articles that caught my attention in the last month. Note that I try to write notes on articles immediately after reading them, so there can be a little overlap in themes if an article grabs my attention early in the month and is similar to an article that I like later in the month.

- Here's who Xfinity Mobile is stealing customers from
 - I generally believe cable is going to be very successful in entering wireless and taking share.
 - This is an interesting look at what customer's they are taking in the early going, particularly because Verizon has insisted Xfinity is not taking share from them (at the JPM conference last week, VZ's CFO said that Comcast's (disclosure: long) launch hadn't impacted them and they were happy with the ratio of customers trading out from them to Comcast).
- Sports media update:
 - A core tenant of the monthly update: continued highlights of the increasing value of sports rights (mainly because [of my love of MSG](#) (disclosure: Long)).
 - [NBA playoff ratings](#) are up YoY and are the highest since 2014. Some of that is probably driven by idiosyncratic factors (LeBron is still the biggest draw in the NBA, and he went to a Game 7 in round 1 this year versus his traditional round 1 sweep), but it's still bananas that NBA ratings are growing in this media landscape.
 - Here's a [really interesting interview](#) w/ the NBA's commissioner; highly recommended.
 - [NASCAR ratings continue to slide](#). I've talked about Formula One a few times on here; it's probably the stock I argue with myself the most on. F1 was run to maximize short term cash flow at the expense of all else for years, and now the Liberty

team is making some needed investments to maximize the long term profitability. Basically, buying F1 is a bet that with a few years of TLC, F1 is going to be a monster. I like those odds, but when I look at Nascar's slide (and F1's declining ratings over the past few years) I worry that car racing just doesn't resonate with people like other sports and the LT future isn't as rosy as bulls might hope.

- [UFC-ESPN deal suggests endless appetite, money for sports rights](#)
- [Why ESPN is doubling down on basketball](#)
- [How the small market Panthers sold for \\$2.3B](#)
- The Braves (disclosure: Long BATRA) are back
 - The Braves have been awful the past few seasons, but they're off to a fast start so far this year and they've got a great farm system. As an investor, that presents juicy upside: the Braves trailing financials reflect teams that aren't even sniffing the playoffs, but as the team improves attendance and ratings will pick up, and eventually the team will start taking in revenues from the playoffs.
 - Focusing on a team making the playoffs may seem silly / short term, but it makes a huge difference: playoff teams command better valuations in a sale process (there are a lot of other factors, but take a look at the valuation for the Golden State Warriors since they became a dynasty), and having a good team gives a franchise more leverage when negotiating contracts with networks / radio stations (good luck keeping customers if you black out the local team during a playoff run!).
 - [The Braves got hot fast](#)
 - [The Baby Braves might be ready ahead of schedule](#)
 - [How MLB is successfully getting younger](#)
- AT&T (disclosure: short a very small bit against a TWX long) at JPM conference

- I love to read about how all of the different telecom / cable players are thinking about how the world's evolving, so I generally try to read / listen to all of their conference notes.
- Here's a quote from [AT&T at the JPM conference](#)- "This will require some investment. It will undoubtedly require some degree of M&A. It will take a bit of time, but the opportunity is significant. The intent is to change how content is consumed or viewed. It is streamed, all right? Content of the future from this moment forward, we're focused on streaming. It's not traditional linear distribution. It is streaming content on mobile devices, on smart TVs. Last week, Jeff Green at Trade Desk released his earnings, and he made a statement that it was -- that kind of stunned a lot of people in this industry. The results were blowout, and he said the amount of ad load delivered to smart TVs and smart devices was up 535% in the first quarter. That gives you an indication as to how fast the ad load is moving to premium video in these various forms. This is why this is so important for us to be a part of this. And then, obviously, as you think about how content is created, bringing the data insights to Warner Bros., to HBO, we just think it's going to have a fundamental impact on how they think about, how they do capital allocation around content creation. And so video is a critical element of all of this. And you go 3 to 5 years downstream, video is just a major platform play sitting on top of this gigabit network that we've talked about, and I'm happy to go more into the network elements if you wish. But that is kind of the view of what we're creating on the consumer side of the house."
- That is a wild, wild quote. I can't remember a time I've seen a major industry player say "we want to be in that space, and we'll definitely need to buy someone to get in there" and then immediately transition into talking about a specific company. I don't really follow ad tech industry (I've tried to but haven't been able to get comfortable with my understanding of the

different players), but if you're invested in Trade Desk (TTD) it's tough to see that quote and not see an acquisition in your future.

- ['Crush Them': An Oral History of the Lawsuit That Upended Silicon Valley](#)
 - Wild how much history rhymes. So many parallels between the MSFT of old and FANG of today.
 - The media circus surrounding the trial is reminiscent of the TWX / T (disclosure: long TWX) trial today.
- Other links I liked
 - [Pay TV operators get hammered by OTT-wary investors, but cord cutting didn't accelerate in Q1](#)
 - [The gambler who cracked the horse racing code](#)
 - Invisible asymptotes
 - The curious case of Bryan Colangelo and the Secret Twitter Account
 - AMC (disclosure: long) is doing an [exclusive release for a live action Little Mermaid](#) movie and [the trailer](#) is possibly the worst thing I've ever seen