

Theme parks: Comcast's under-the-radar growth driver

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In this Thursday, Oct. 22, 2015 file photo, a station agent greets guests in front of the Hogwarts Express train at the Wizarding World of Harry Potter at Universal Studios in Orlando, Fla. Comcast has spent billions of dollars refurbishing and expanding its park empire, growing into Asia and adding rides and attractions to its California and Florida destinations. (AP Photo/John Raoux, File)

One of Comcast's fastest-growing businesses hasn't been selling cable or internet subscriptions—or making movies and TV shows, or selling TV ads. It's been theme parks.

Since 2011, when Comcast first took over NBCUniversal's film and TV studios, cable and broadcast networks, TV stations and theme parks, the parks have been one of its biggest revenue drivers. It was, of course, a smaller business to begin with, leaving more room for growth, but that isn't the whole explanation.

Cable subscriptions dropped for a decade before growth resumed last year (although cable revenue still inexorably ticked higher). TV advertising faces a threat from digital giants Facebook and Google, who can target ads precisely to users. Films are an up-and-down business.

And the company is bullish on the parks. "We're expecting a big year," said Comcast CEO Brian Roberts at an investor conference in February. It continues to spend on them. NBCUniversal's capital expenditures will rise 10 percent this year to about \$1.6 billion, largely because of parks investment.

SURPRISE RESURRECTION

The Universal parks in Orlando, Florida, and Hollywood, California, were "probably the last thing on our list" in acquiring NBCUniversal, the entertainment conglomerate's head, Steve Burke, recounted at a September 2011 [investor conference](#).

Disney was then the reigning king of theme parks. But the Florida Universal park had opened a Harry Potter attraction in 2010, before Comcast took control, and it was a smashing success. Since then Comcast has spent billions of dollars refurbishing and expanding its park empire, moving into Asia and adding rides and attractions to its

California and Florida destinations.

That included a second Harry Potter area in Florida and a Wizarding World of Harry Potter opened last April in California. This latest witches-and-wizards attraction "shattered attendance records," the company said in January. Harry Potter is also in the Osaka, Japan, park, of which Comcast bought a stake in 2015.

Parks revenue has grown roughly 150 percent from 2011 to 2016, and it contributed more profit than the film unit and broadcast TV—NBC and Telemundo—last year.



In this Aug. 23, 2016 file photo, the entrance to Universal Studios is shown in Universal City, Calif. Since 2011, when Comcast first took over NBCUniversal's film and TV studios, cable and broadcast networks, TV stations and theme parks, the parks have been its biggest revenue driver. (Photo by Chris Pizzello/Invision/AP, File)

In the first quarter, parks revenue grew 9 percent to \$1.12 billion, and a key profit measure rose 6 percent to \$397 million. Harry Potter attendance kept rising in Orlando, and visitors to the parks overall spent more.

"A GLOBAL PLATFORM"

Comcast, the biggest U.S. cable company, is doing quite well stateside. It added video and internet customers in the January-March quarter and will launch a wireless service for its customers soon. It stands to benefit from a deregulatory attitude in Washington, including the likely upending of net neutrality rules detested by broadband providers. Comcast's net income rose 20 percent to \$2.57 billion, or 53 cents per share, in the most recent quarter; revenue grew 9 percent to \$20.46 billion.

To reach international markets, however, Comcast relies on NBCUniversal. Universal's big-budget movies do well overseas—the eighth "The Fast and the Furious" movie is expected to cross \$1 billion in global box office this week; film revenue soared 43 percent to \$1.98 billion during the January-March period.

The theme parks also provide Comcast with international customers. Comcast is spending \$2.3 billion to take full control of Universal Studios in Japan. There's also a Universal attraction in Singapore that Comcast doesn't own, and it has a Beijing theme [park](#) that's long been in the works with Chinese state-owned companies. "We've used this to be a global platform for us," Roberts has said.

THE MOUSE

You can't talk about [theme parks](#), of course, without mentioning Disney, which is busily upgrading its parks to compete for consumers' dollars.

In Asia, there are already Disney-brand parks in Tokyo, Shanghai and Hong Kong. And Disney also has iconic destinations in California and Florida.

Attractions based on Marvel Comics superheroes and the James Cameron blockbuster film "Avatar" are opening in May in California and Florida parks, respectively. And Star Wars attractions at the California and Florida parks are pegged for 2019.

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