

NTT INDYCAR SERIES

News Conference

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Mark Miles

Jon Miller

Press Conference



THE MODERATOR: We have Mark Miles, president and CEO of Penske Entertainment Corp., and also joining us, the president of programming at NBC Sports, great to have Jon Miller with us this morning.

Earlier this morning, the announcement of a multi-year media rights extension in the U.S. between INDYCAR and the NBC Sports Group: NBC Sports will continue to be the exclusive home of the Indianapolis 500 presented by Gainbridge.

In addition, a record 13 NTT INDYCAR Series races will air on NBC next year, 2022, a significant increase in network exposure with remaining races set to air on USA Network, Peacock Premium, with everything available on Peacock, as well, in 2022. It all comes on the heels certainly of a momentous viewership trend in 2021. The 500 was the most watched since the 100th running in 2016. Through nine races this season, the total audience delivery up 30 percent compared to last year, the most-watched span ever on NBC and NBC SN.

Let's begin with Mark. Mark, it's certainly an important day for the INDYCAR Series. Tell us how it all came together and what it means for this great sport?

MARK MILES: Thanks, David and thanks to all of you for dialing in and participating. It is make the most impactful announcement we've been able to make in my view during my tenure here at INDYCAR, and it's sort of the capstone announcement for what I think has been a very productive, let's call it Olympic break in the INDYCAR Series this summer announcing a new movie that we expect to be coming about with EA SPORTS, a video game announcement and now this.

Obviously our media partnership is the underpinning of the series, our key to our ability to reach fans and this announcement today is very, very important and in my view ensures the next few years of our continued growth and audience.

I want to just first say that making this possible was the last, essentially now, almost three years of partnership with NBC, NBC Universal and NBC Sports.

You know, we made our original agreement, if you will, by that, I mean, agreement that made NBC the exclusive partner for U.S. media, just, what, two and a half years or so ago. Part of what Jon and Sam and the senior team at NBC said to us is they know how to make big vents bigger and I think they have absolutely demonstrated that with their nurturing and promotion and production coverage of the Indianapolis 500-mile race, and as Dave said, the numbers now speak for themselves.

They also said they are really good at using the breadth of NBC Universal's platforms, whether it's The Today Show or The Tonight Show or the promotion on other big sport events like the major golf events that they have just had a couple of them or the derby or you name it, and they have shown that to be true. We didn't have to hound them. They saw the opportunities and I think that is an important reason to explain the 30 percent growth that our television audience so far this season, they really have delivered in both those two fundamental ways.

Behind the scenes, they have proven themselves to be a phenomenal partnership partner as the pandemic hit not only INDYCAR, but every sport property, every league, had to reschedule itself, so imagine what they had to go through. Jon's life was hell, I'm sure, trying to figure out how to put all the pieces back on the board in a way that worked for them.

And we did not take second chair. We were very engaged with Jon and his team from the very beginning of that process, and I think we ended up in a really good place, given the complexities and the challenges faced by the tsunami, if you will, of -- tsunami-like effect of the pandemic on sports and on us.

And they, finally, really understood our growth strategies. I think in these arrangements, which I'll articulate in just a second, you see both a strong commitment to growing the traditional linear audience; no better way to do that than through races being on a broadcast platform in NBC but this deal shows an eye towards future growth and the role

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of Peacock in this is really, really important and should be understood.

Really quickly to summarize the terms, or to re-list the terms: The current agreement provides that NBC will show eight races on network. They found the opportunity to go beyond the agreement currently and to show nine this year, plus Indy 500 qualifying.

The new agreement provides that there will be 13-plus INDYCAR -- sorry, Indy 500-mile race qualifying, which is a huge increase in audience in and of itself, and the foundation I think for this agreement.

All 15 -- so there's the 13 NBC races, and the plan is for two on USA. Jon may speak to the USA platform and their strategy there; and then, two, that will be exclusively streams on Peacock. Peacock will also stream everything.

So all 17 races, a Peacock customer can go to and watch every race live on their phone, on their Pad, wherever they wish and our fans want that, our traditional fans want that. It's very important and gives us the opportunity to answer the call of the traditional fans while having an opportunity to recruit or to attract more younger fans, as well.

Peacock will not only have all of the 17 races as currently planned, but they will have the open tests, practice and qualifying for the INDYCAR Series, and they will have the same, practice and qualifying in races for Indy Lights. So really it will be the one-stop platform for those who want to connect to INDYCAR racing online.

Again, the network increase provides for certain increases in the eyes of the audience that will watch us online, and NBC's commitment through Peacock will help us grow a younger fan base going forward which we think is important.

Just finally, I think it's important that we are able to announce that NBC Universal's Spanish language sports platform Telemundo Deportes will air the first race of the championship each year, the Indy 500 and the finale, and maybe some day even more. So I think that reflects increased Spanish-speaking U.S. fan interest in INDYCAR.

And we'll have more in-car cameras on our app, which is maybe the most appreciated feature on the app, and subject to our ability to deliver the needed level of connectivity, on the INDYCAR Series app at our races, a fan will be able to watch the race on the smartphone in their hand while watching the action on the track.

Just think about that from an Indianapolis 500-mile race point of view with probably 300,000 fans here in a very

connected environment where we'll be able to deliver that extra screen experience to the fans to the track there. That's really exciting and I know our fans will appreciate it. We have the right to do that across the series. We hope we'll be able to do it in short order at hopefully eventually all of our tracks.

There's a lot in this. It provides for our future, traditional growth and our developing a streaming audience, while introducing some new technology that I think will bode very well for our future growth.

I want to thank again Mark Lazarus and Pete Bevacqua, and in particular, Jon Miller and his team and programming there, and Sam Flood and the team that I think does a phenomenal job in producing our races. They are so committed and so brilliant, really, at the way they put us to the public that it certainly is a key element for our growth.

So thanks to all of you at NBC, and now I'll be quiet and turn it over to Jon Miller to his comments before we take questions.

JON MILLER: I'm glad you recognized people like Sam Flood, Pete Bevacqua and Mark Lazarus who are my bosses, who are very supportive of our initiative here. Sam Flood, John Barnes, Jeff Behnke, the production team at NBC, happens to love this sport and real passionate fans which makes it less of a job and more fun for them.

I work with a great team with Mark Iacovelli and Justin Byczek and Mike Perman who are who are in the trenches day-to-day.

Mark mentioned something about 2020. You should know that Mark and INDYCAR were among the first sports groups to react when we realized that we were going to be in jeopardy in 2020 on our scheduling; and I think the fact that they moved as quickly as they did enabled us to get a great window for the 500 in late August, which turned out well. We were able to get all the races rescheduled into favorable time periods, but I think our being able to work so closely together really set the table for where we are today.

As Mark mentioned, we have increased our commitment to broadcast to 13 INDYCAR races in 2022. We have two races on USA Network which will become the new NBC Sports cable platform as well as two races on Peacock, which has become the NBC Universal streaming service which is growing rapidly.

You see all of our big properties have a home on Peacock, whether it was The Open Championship last week or the U.S. Open from Torrey Pines or whether it's the Olympics that start this Friday or the whether it's Premier League that



has 170 exclusive games on Peacock; anything that's important inside the NBC Sports ecosystem has now a prominent home on Peacock, and INDYCAR is no different.

The ability to add three races an Telemundo Deportes, our hope is that we can add a lot more after this first year. It just goes to the way we all work together on this, and we're very excited about it. We think it's a growing property. Our numbers following this year's Indy 500 were the highest since 2016, the 100th anniversary; the overall ratings growth, 30 percent year over year of INDYCAR. You don't see a lot of sports throwing that up kind of increase anywhere.

So we felt very fortunate that we were with the right partners and right people, between Roger and Greg Penske's leadership and Mark's steady hand on the wheel, we've watched the best racing out there grow and continue to get better.

We are excited about this and we are glad there are no hiccups and we can just keep on keeping on.

THE MODERATOR: What makes INDYCAR such a strong network TV property in your opinion?

JON MILLER: Well, there are a couple things. I think you've got some of the brightest young races and most competitive racing out there. Week-in, week-out, we see great rating wherever we have an INDYCAR race on with recognizable names who are becoming bigger and bigger stars out there.

We find that it fits into a very good, tight two-and-a-half hour, three-hour window which we think is important.

And I think that the quality of production really lends itself. We work very closely with IMS Productions, but we have Rene Hatelid; she may be the first female motorsports producer working with Sam Flood and John Barnes doing an incredible job bringing the product home.

Leigh Diffey is as good a play-by-play guy as you can have. He makes every race sound incredibly exciting, and I think that translates. I think fans at home have noticed that and see it, and it works to everybody's advantage.

Q. For Mr. Miller, congratulations, you do a fantastic job with the broadcast but you said part of this is this announcement is two races will be streamed exclusively upon Peacock. Does this mean fans will have to subscribe and sign up?

JON MILLER: That's exactly right. There will be two races

exclusively on Peacock. We find that over time, we've been paying very close attention to the cable ecosystem, as it were, and more and more people are cutting their cord or not signing up for cable distribution, and more people are streaming sports, and we have found it to be the way of the future here, and INDYCAR is not going to be any different than any of the other major sports, like the Premier League, like The Open Championship, like the U.S. Open, where you can get, you know, exclusive content on Peacock.

In addition on Peacock, you'll get all the qualifying, all the practice, all the Indy Lights races as well as some developed shoulder programming that we're going to be working on together.

Q. And it's still two years out when it comes to your other motorsports deal, which is NASCAR, but could this mean that for NASCAR, how likely could it be that fans will have to pay to see a couple races?

JON MILLER: They are not paying to see a couple races. They are buying a subscription to Peacock which gives you not just the racing but also gives you an enormous amount of other programming. I believe at last count, Peacock has over 18,000 hours of programming, other entertainment, sports and news, so that you pay 4.99 a month for Peacock, and you get all of that, all of that product.

Q. So some of the streaming -- there may be a possibility that NASCAR could have to stream some of their races?

JON MILLER: That may be down the road, we haven't gotten into that yet because our deal is not up for several more years with them. I would assume and have every reason to think that they will want be part of the NBC Sports family that are all existing on Peacock.

Q. For Mr. Miller, although Dave first sort of asked my question. I'll take a different run at it. In an era where you were shedding some sports properties, does auto racing present a real value in the amount of compelling drama, the season that you get, compared to the rights fees that you get from it? You're able to pretty much take up -- fill a lot of programming holes with auto racing such as INDYCAR?

JON MILLER: Actually Indy narrow fits very nicely into our schedule. There are 17 races that we can accommodate, as opposed to there are some other properties that we have like the Premiere League which lasts for ten months which basically goes from August to May.

So every property is different. We look at them and



evaluate them in a variety of different ways but we certainly saw the ratings growth. We saw it was getting younger. We see the way advertisers and marketers are gravitating towards this sport. We see the way they are gravitating towards the property itself and the tracks, and we felt this was the right -- right sport to make a bet on.

Q. And was INDYCAR always -- was there an ebb and flow to these negotiations? Was INDYCAR always solidly something that you were going to renew or was it just kind of a natural --

JON MILLER: We certainly had every intention of renewing INDYCAR. We've had a great relationship with them that goes all the way back to 2009 when NBC SN was originally called Versus, and then it became NBC SN, and all we had were the cable races.

And we made a pretty strong pitch to Mark and the INDYCAR leadership that we felt that we could do a lot for the sport if we could have it all under one umbrella. And they went with us starting in 2019, we showed them what we could do with the 500. We've shown consistent growth.

We've utilized all the different assets of NBC Universal, not just NBC Sports, but whether it's Late Night or The Today Show or CNBC or marketing across our social and digital platforms, our promotional and marketing team are second-to-none and you can see that in the way they market and promote the sport.

We always had every hope of extending it, but you know, it takes two people to make a deal and fortunately for us, the folks at INDYCAR and the leadership there felt the same way.

Q. If I could ask Mr. Miles the same question, was there an ebb and flow to the way this negotiation worked to where all of a sudden it seemed that NBC, this is the right deal to continue?

MARK MILES: I wouldn't say it was an ebb and flow. I would say in all of our conversations with Jon and the team and NBC, they were always forward-looking, positive what could we accomplish together, what would that look like and all the details that are part of that.

We did, as we said before, take the time to understand the marketplace, and what the interest of others might look like, but you know, for us, whether it's this media partnership or important sponsor relationships, the incumbent is always going to win ties, and there wasn't a tie. NBC, for all the reasons that I hope we've articulated, it ended up in the agreement that really offered a superior choice.

Q. The ability to also stream all the races on Peacock, how important is that? Because I've seen a lot of comments on social media that a lot of fans get Peacock, they think they can go to the beach, watch the race; currently they can't do that. Next year they will be able to do that. With Peacock also live streaming the actual races, how important is that?

MARK MILES: It's an answer to our fans. We hear the fans and it's an answer to the fans desire to do just what you said, especially younger fans, to have the option of watching the race, wherever they are, is really important to them on whatever devices they may prefer.

But I think this is a great balance. It gives complete INDYCAR access via Peacock on those devices and it gives us the maximum reach of regular television through NBC and USA.

Q. Mr. Miller, if you could give your thoughts on that?

JON MILLER: NBC Universal and Comcast by extension are putting a huge bet on Peacock and we are putting all our premium partnerships there. As you said, people can watch INDYCAR racing anywhere they are. They don't have to be at home in front of a television. They can take it with them on a road and they will have access to it any place they can get a signal on a phone, an iPad, a laptop or if they are watching on a connected TV.

Our feeling is we have just broad ended the reach dramatically of INDYCAR by doing that. So you'll still be able to do this by watching linear television, 15 of the 17, but you'll also be able to get 15 of 17 of them on Peacock.

Q. I wanted to ask you, Jon, in particular, how you -- well, first of all, congratulations on like the graphics that have developed in terms of especially in qualifying showing who is on a hot lap and how under the target they are and that kind of thing. I been really good to see that, big development, big step forward.

JON MILLER: I will tell you before you go any further that's a real credit to Sam Flood and John Barnes and Rene Hatelid.

We have a production team that is constantly thinking about ways that they can make INDYCAR's television broadcast better and they deliver every single week. It's fun to watch all the different toys that they can come up with and all the different ways that they can showcase it, and it does make a big difference to the viewer at home.

Q. I was wondering with this new commitment,

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especially being a multi-year deal, do you see that product further developing, and in what way? For example, one of the things that I think a lot of people have struggled with over the years has been watching oval qualifying, for example. You kind of need a split screen to see how different drivers techniques are, I mean, someone like Harvey who takes high lines into turn one and that kind of thing. Is there a way to develop it, especially now that you do have a couple of years' run at it so that we can all appreciate --

JON MILLER: I think the opportunity to work closely with IMS productions and brainstorm on those kind of things gives us the opportunity to further develop those kind of advances, and that's the kind of stuff that the people who are in the trenches every day are always looking at. So I think that's a real opportunity.

Q. Is there a certain requirement for any particular tracks to have giant screens? A lot of people moan that they are not able to see enough of the track at road and street courses. A lot of people appreciate having big screens like at Detroit, being able to track it. Can we get those screens to show the footage that NBC is putting out?

MARK MILES: I don't know the answer to that. That's a conversation -- we certainly can do it technically, so it's a conversation we'll have to have with the promoters, who we will immediately engage with on connectivity in general, which makes possible watching the race on all the devices and potentially including the big screen.

Q. At the moment when you do get a big screen, you still get the old-style rolling graphics along the top and you might get information on the bottom, so you're watching the action through a box; where NBC, the graphics are fantastic and you get a much bigger picture. It will be good to have the spectators being able to at least see what the commentators are commentating about while track-side?

MARK MILES: I understand that, and I would reiterate that if they have a smartphone in short order they will be able to see the whole race in their hand.

So our current mentality that it's either watch the race on the track or look up at the big screen will also be supplanted in a way by superior production of the NBC show.

Q. I know some folks are curious as you guys continue to put more content, particularly with sports on your Peacock platform, do you anticipate that subscription fees per month will rise at some point as

this becomes an even bigger part of NBC's media platform?

JON MILLER: Well, sports is just one small part of Peacock. Peacock has entertainment programming, they have original series, they have shows like the office; there's an enormous amount, I think it's between 15,000 and 18,000 hours on Peacock. I'm not privy to what their plans are.

I know right now it's very desirable from an advertising point of view as well. It's also a great promotional platform because now INDYCAR gets promoted on a platform that has news and entertainment as well as sports. This becomes a very important property for Peacock, so I think that part of it is good.

But I also think the thing that's most important to us is that we are reaching a lot of young people and people who are cutting the cord. Cable distribution has dropped dramatically in the last 15 or 20 years. In 2009 or 2009, I think it was 105 million cable homes; now it's down to around 82 or 83 million homes, as opposed to 120 million broadcast homes.

I think USA Network happens to be the No. 1 distributed basic cable network out there along with CNN and Food Network and some others. So I think we continue to look at all of those different options. But as far as whether or not Peacock's pricing is going to change, that's one of the benefits that you have when you have an advertiser-supported service like Peacock is, you're not as dependent on the premium subscriptions as somebody who is advertiser-free might be.

Q. Some folks that have watched programming on Peacock have been curious, I think I probably know your answer to this but I want to ask, anyways. They have an experience watching some content on streaming platforms where races, sports, otherwise go ad-free for live TV, so my understanding is even with a Peacock subscription, that live content that folks watch on there including INDYCAR will continue to have the regular ad breaks and showing of advertisements on those INDYCAR broadcasts?

JON MILLER: That's the plan right now, yes. They will continue to run commercials.

Q. I know it's been something that's been brought up a lot in INDYCAR circles, the desire to have some sort of shoulder programming like a behind the scenes show that we've seen with Drive to Survive on Netflix and some things that NASCAR has in the works. Is there any potential, do you feel like with your streaming

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platform at Peacock, that you guys have so much faith and belief in INDYCAR to produce something like that down the road?

JON MILLER: I think there's a lot of interest in trying to find the right property for that. Certainly we have seen how Drive to Survive has benefitted Formula One, and Netflix has been able to take that show globally, and there's been a direct correlation with that, so that's something we will take a look at.

Q. When you guys move so many more races on to network television with 13 starting in 2022. I know we are going to see as far as a year over year growth for the number of folks that you guys reach on average with each race broadcast, just going to be astronomically higher simply with the change in how this series is being distributed, how do you guys, particularly going into the first year, set up new expectations and new metrics that you hope to hit when next year is going to be, you know, fairly different from the numbers that you guys have been producing even this year in a really good year?

JON MILLER: Well I think it becomes a challenge that our marketing and sales teams will work on. But clearly for those advertisers and marketers that are already associated with the sport or looking to get into the sport, they will look and say this is a sport that NBC is making a commitment to that the leadership of INDYCAR has made a commitment to broadcast, and I think everybody benefits from that increased exposure and growth.

Q. Anything from Mark?

MARK MILES: I don't really have anything to add. We are going to double down on our efforts with NBC to exploit the opportunity presented commercially by more people watching more of our racing. I hope to bring more consumer-oriented advertisers into the sport, which I think helps fuel our growth.

Q. Maybe go over how important the deal to move to races over to Telemundo is and what the broadcast will look like. Will they be straight carryover from the NBC broadcast or will they have some of their own announcers?

JON MILLER: I think the plan right now is to have Spanish-speaking announcers to use with our feed. We were excited that Telemundo Deportes embraced this for these three races. I believe this is the first time the Indianapolis 500-mile race will ever be on Telemundo Deportes. So we think that's a real landmark move for them.

But clearly, that audience is very big into auto racing and certainly you have a lot of drivers who have fan bases there. So we think it can only grow from there.

Q. Have you heard from the teams and the promoters, and obviously you guys, how big of a benefit having 13 network races is on selling the sponsorship and keeping your partners happy?

MARK MILES: Yeah, earlier this morning we distributed the release and as we are wont to do, a conference call with Jon and myself and all the team owners to talk about the details.

You know, sometimes you get a lot of questions when there's concern and you get more silence when everybody's on board; the latter was sort of the case here, but immediately my in-box blew up with really congratulatory nose notes from the team owners.

The word is just getting out I think to the drivers and to the promoters. And of course they want to know which races will be on network, and our answer to that question is, more of them obviously, and which will depend on the schedule in part. There's a number of considerations.

But we look at the windows that NBC has available, whether those windows work for a particular race, what the competitive programming and other sports might be at the same time, and then make those decisions.

So that will come out, I think we'll probably announce the schedule with many of those dynamics in mind late summer.

Q. This announcement is great for the series, and I'm here in Ireland so we are using sky sports are currently doing the coverage for INDYCAR, taking the feed from NBC. Are awe in a position to know announce if that's continue?

MARK MILES: We're distributing -- we're looking at those license arrangements around the world. Really, the SKY opportunity was developed in large part by our conversations with Jon and NBC in 2018. We think they have been a good partner, but we are not prepared to announce exactly what those -- what may happen going forward, either in the U.K. or in other SKY-related countries.

Q. Jon, do you have anything to add to that?

JON MILLER: SKY has done a good job with it. Obviously SKY is the home of Formula One in the U.K. so it was nice



having that combination.

But as INDYCAR has grown, so have the opportunities for INDYCAR in the U.K. So it's still an ongoing discussion as to where INDYCAR is going to end up. But they will have a home, I guarantee you that.

Q. One more question on the heels of the Telemundo Deportes side of all this. Obviously you see a window for growth in your Spanish-speaking market. Curious if with that there has been any more talks as to potentially bringing a race to México or Mexico City in the near future?

MARK MILES: We do think there is increased interest but at this point we are not looking to expand into México.

If the right opportunity surfaced, we'd certainly have to take a look but right now our focus, as you know, is really U.S., sometimes we say North America because of the time zone benefit, and obviously we are in Toronto. But no, the short answer is we don't have any current discussions going on related to a race in México.

Q. Curious as to both of you, when did the timeline of the negotiations begin? Was this in the last year? Was this something that you started talking about this year?

MARK MILES: I do remember well before the 500 us thinking about the optimal time to really get into the discussions, and it just took its course. We feel like these arrangements announced today are really great timing. It gives the sales effort time to gear up and it gives us time to nail down our 2022 schedule with a television partnership in mind. So I don't remember what day or when this started, but in a way, Jon, I remember we stopped talking about it.

JON MILLER: That's what I was going to say, we talk multiple times a week. So it's not like it goes away and all of a sudden rears its head two months before the deal is up. That's the nice thing about having, a, this kind of a partnership, but Mark's and my relationship goes back 25, 30 years, so it's a good steady dialogue that we have and we can kind of cut to the chase quickly, which is always good.

Q. Curious if you had the races up at 17, is that the number you're looking to stick with for the duration of the new contract and if there's any races that would get added, what network or how would that work between NBC, Peacock and USA?

MARK MILES: That's the plan. We like the number. NBC

likes the number. If there was a compelling reason to look at 18, we might do that. If somehow 16 was even stronger we might look at that, but I think you can suffice it to say, as Roger Penske has said, we like continuity in the schedule. Doesn't mean we are oblivious to improvement opportunities, but 17 has served the teams and the series, and so that's the number going forward today.

Q. Last year was the Brickyard INDYCAR weekend on July 4th, and we've got that next month. Is that something with this new deal that it's important to have a NASCAR, INDYCAR doubleheader and how important is that to have at Indianapolis?

JON MILLER: It's not just important but it's unique and fun and worked out really well. Both the INDYCAR teams and NASCAR operational teams worked very well together.

Obviously being at a showcase venue like Brickyard made it a lot easier logistically. So when those opportunities present themselves, we are certainly going to do everything we can to take advantage of them.

Q. Do you see that going past this year for 2022 or 2023?

JON MILLER: I'm hopeful that we can find ways to keep doing it.

Q. Sorry, guys, this is for Mr. Miller, a question I've been thinking about. Other than the Indy 500, your top-three highest-rated races all began at 12:00 noon. So are we on to something there that maybe earlier starting times for INDYCAR seem to produce a higher rating?

JON MILLER: It's interesting that you get that, that you figured that out. We have found scheduling to be very important in terms of maximizing ratings, and a great example of that is what we have done with the Premiere League and soccer. We are on Saturday mornings and early Saturday; we found an audience for that. We moved our Notre Dame games from 3:35 kickoffs to 2:35 kickoffs, so we were able to bridge all the other college football that's out there.

So clearly we found an opportunity with some of those earlier INDYCAR windows, and it's worked out very well for us, so we will continue to look at those opportunities, and a lot of it has to do with what the other programming we have on those weeks are.

THE MODERATOR: Thank you so much, we will leave it there for now. Our thanks to John Miller and Mark Miles on truly a huge, huge day for INDYCAR and NBC Sports as



well.

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