

Comcast - Where Should the Next Network Dollar Go?

Internal ID: S&F-STR-160

Topic: Capital Allocation, Customer Strategy, Competitive Strategy

Industry: Integrated Telecommunication Services

Source: Strategy & Finance

Publication date: 5 October 2026

License: Not specified

Decision date and information cutoff: 4 October 2026, 23:59:59 Gulf Standard Time (Dubai, UTC+4)

Case convention: This is a classroom-constructed strategy exercise. Comcast has disclosed ongoing investments and a 2026 network-capital plan, but not an open choice among the alternatives below. The assignment and options are hypothetical; reported actions and results are historical. No internal meeting, quotation or pending allocation is represented.

The assignment

Comcast's U.S. broadband business is investing in a network that combines hybrid fiber-coax (HFC) infrastructure with fiber deployment and line extensions. Fiber providers and wireless carriers are also expanding connectivity offers. At the same time, Comcast continues to report domestic broadband customer losses while its wireless line base grows.

For this classroom exercise, assume a strategy team has been asked to recommend how Comcast should evaluate and sequence **future increments** of U.S. residential network investment. The task is to compare upgrades to the existing HFC footprint, fiber-to-the-premises (FTTP) deployment and extensions to additional homes and businesses, or a staged approach that prioritizes local-market evidence. This hypothetical assignment does not describe a real Comcast team or a disclosed pending allocation. The current 2026 program-scalable infrastructure, network upgrades, next-generation gateways and line extensions-is already underway and forms the baseline for every path.

Recommend a decision framework, not a dollar allocation. Identify the market-level information that would change your priorities, define how the company should measure progress, and state what evidence would trigger faster investment, a continued stage gate or a pause in further commitments. The public record does not provide local cost, take-up, performance or return data. Any numeric thresholds you add must be clearly labeled as assumptions.

Use only information public by the cutoff. Do not use later results or hindsight.

A network with several paths to higher capacity

Comcast describes its U.S. Connectivity & Platforms network as primarily HFC. The company said it was rolling out DOCSIS 4.0 in select markets to enable multigigabit symmetrical speeds, while also virtualizing and automating network functions. It offers residential FTTP service with symmetrical speeds up to 10 Gbps to customers who request it, subject to local construction constraints. The company also extends its network to new and adjacent homes and businesses; it says a growing share of new passings connect by fiber. These are concurrent technology and expansion paths, not a disclosed choice to abandon one for another. [S1], “Network and Technology.”

Comcast reported that DOCSIS 3.1 made multigigabit downstream speeds available to approximately 60% of its residential customers. This is an access estimate, not a measure of speeds experienced by customers or a map of how DOCSIS 3.1, DOCSIS 4.0, FTTP and competitor networks overlap. [S1], “Network and Technology.”

Exhibit 1. Comcast's disclosed Connectivity & Platforms investment

USD billions; company-reported capital expenditures.

C&P capex category	2025	2024
Scalable infrastructure	\$3.156	\$3.024
Line extensions	\$2.689	\$2.691
Customer-premises equipment	\$2.192	\$2.013
Support capital	\$0.686	\$0.557
Total C&P capex	\$8.723	\$8.286

Source: Comcast 2025 Form 10-K, “Capital Expenditures.” The categories do not divide investment between fiber and HFC or provide market-level economics. Comcast said 2026 investment would continue to focus on scalable infrastructure and network capacity, multigigabit symmetrical upgrades, next-generation wireless gateways and line extensions. The company did not report a proposed unallocated pool for students to divide. [S1]

In Q2 2026, Comcast reported \$2.3 billion of Connectivity & Platforms capex, up 19.9% year over year, primarily reflecting higher spending on scalable infrastructure and customer-premises equipment. The company does not disclose the quarter's capex by technology, location or expected return. [S2]

Customers, revenue and competition

Exhibit 2. U.S. residential connectivity indicators

Measure	Q2 2026 / June 2026	Q2 2025 / June 2025	Change
Domestic residential broadband customers at quarter-end	28.486m	28.989m	−0.503m
Q2 residential broadband net additions / (losses)	(167,000)	(201,000)	34,000 fewer losses
Domestic residential passings at quarter-end	59.443m	58.356m	+1.087m
Broadband penetration of domestic residential passings	47.9%	49.7%	−1.8 pts
Domestic wireless lines at quarter-end	10.187m	8.527m	+1.660m
Q2 wireless net additions	448,000	378,000	+70,000

Source: Comcast Q2 2026 Form 10-Q, “Connectivity & Platforms Customer Metrics.” Comcast defines passings as estimated residences its network can connect without further extending transmission lines. Passings are not a local map of homes offered every speed tier, and they do not reveal each market's take-up or competitor footprint. Customer relationship methodology was updated in Q1 2026; customer comparisons should follow the filing's recast figures and footnotes. [S2]

Exhibit 3. Q2 2026 Connectivity & Platforms results

USD billions, except percentages and margin points; three months ended 30 June.

Measure	Q2 2026	Q2 2025	Year-over-year change
Residential Connectivity & Platforms revenue	\$17.124	\$17.839	−4.0%
Domestic broadband revenue	\$6.280	\$6.649	−5.5%
Domestic wireless service revenue	\$1.007	\$0.882	+14.2%
Domestic convergence revenue	\$7.287	\$7.530	−3.2%
Residential Connectivity & Platforms adjusted EBITDA	\$6.448	\$7.006	−8.0%
Residential Connectivity & Platforms adjusted EBITDA margin	37.7%	39.3%	−160 bps
Business Services Connectivity revenue	\$2.671	\$2.575	+3.7%

Measure	Q2 2026	Q2 2025	Year-over-year change
Business Services Connectivity adjusted EBITDA	\$1.516	\$1.444	+5.0%

Source: Comcast Q2 2026 Form 10-Q and results release. Adjusted EBITDA is a non-GAAP measure. Comcast said Residential Connectivity & Platforms results reflected investment in its new go-to-market strategy. In the Form 10-Q, the company said its 2025 simplified broadband pricing and one-year free-wireless offer were expected to support retention and new-customer competitiveness while reducing average broadband revenue per customer. These are management explanations and expectations, not a causal estimate of why customers stayed or left. [S2]

The customer trend therefore has more than one possible explanation. Broadband losses improved year over year, but customers and penetration continued to decline as the footprint expanded. Wireless line additions and service revenue increased, while residential broadband revenue and adjusted EBITDA fell. The filings do not separate network performance, competitive pricing, bundle offers, household moves, customer-service experience or market mix as causes of these changes.

Comcast identifies fiber-based wireline providers, 5G fixed wireless and other wireless services, municipal and power-company networks, and satellite broadband among its competitors. It warns that technology and consumer preferences change and that failing to deploy desired technologies could harm its businesses. [S1], “Competition” and risk factors.

AT&T reported 367,000 fiber and 279,000 fixed-wireless internet net adds in Q2 2026 and said it reached more than one million additional locations with fiber during the quarter, bringing its total to 38.6 million locations. AT&T's measures are company-reported, include an acquired fiber footprint and use definitions that differ from Comcast's estimated passings. The disclosures do not show the local overlap between the companies or establish a customer preference between their products. [S3]

Three classroom paths

Each path assumes the company continues its already-disclosed network and customer-offer programs. They differ in how future increments are evaluated and sequenced; they are analytical choices for this exercise, not Comcast proposals.

1. **Prioritize upgrades within the HFC footprint.** Emphasize scalable infrastructure, DOCSIS 4.0 and other upgrades where existing plant conditions, customer needs and local economics support them.
2. **Prioritize FTTP and network extensions.** Emphasize new passings or fiber connections where construction cost, customer demand, competition, business needs or applicable subsidies support them.
3. **Stage priorities by local-market evidence.** Set common criteria for evaluating upgrades and extensions, gather market-level data, and sequence additional commitments as those data improve. This approach may preserve flexibility, but could delay a response if competitors or demand move faster.

These descriptions do not establish that the choices are mutually exclusive in Comcast's actual operations. The public record does not show whether the technologies share particular assets, how quickly a local build can be changed, or what each market's cost and return would be.

Questions for the strategy team

1. What evidence would help distinguish a market with an HFC upgrade opportunity from one where FTTP or an extension deserves priority?
2. Which path-or combination of paths-would you recommend for the next increments? What is the strongest argument against your recommendation?
3. Which measures should Comcast track locally: addressable homes, take-up, speed and reliability, customer acquisition, churn, convergence, costs, construction time, competitor footprint, or others? Explain why.
4. Which data would be needed to evaluate incremental returns without treating aggregate capex or company-wide customer losses as local economics?
5. What learning milestones and review timing would you use? Which signals should accelerate investment, and which should cause the team to defer additional commitments?

Sources

S1. Comcast Corporation, [2025 Annual Report on Form 10-K](#), filed 3 February 2026. Item 1 “Network and Technology,” printed p. 3; “Competition,” printed pp. 4-5; Item 1A risk factors; Item 7 “Capital Expenditures,” printed pp. 49-50.

S2. Comcast Corporation, [Q2 2026 Form 10-Q](#), quarter ended 30 June 2026, filed 23 July 2026. MD&A “Connectivity & Platforms Results of Operations” and “Connectivity & Platforms Customer Metrics,” printed pp. 19-22; Note 2 segment information. SEC acceptance headers: [accession and timestamp](#).

S3. AT&T Inc., [Q2 2026 Form 8-K, Exhibit 99.1 earnings release](#), 22 July 2026; [Q2 Form 10-Q](#), printed p. 28. See fiber / fixed-wireless net adds and location counts, definitions and acquisition-related caveats.

Company capex and customer figures are reported values; amounts are rounded as shown. This student case contains no proposed financial budget, project return, internal allocation choice or management recommendation. The team assignment and three paths are classroom constructs.