

News Corp: Streaming Growth, Sports Rights, and a New Hub

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Strategy case for MBA students and working professionals

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A portfolio decision

In November 2024, News Corporation was reporting growth in its Australian streaming services even as its residential broadcast base continued to decline. Kayo and BINGE were adding subscribers and revenue. At the same time, the company reported higher sports-rights and production costs, and Hubbl—a recently launched content aggregation product—was adding expense. News Corp had not publicly disclosed a service-level investment budget, Hubbl return, or a board decision to shift resources among these activities.

For this case, assume you are advising a News Corp strategy group preparing for the next FY2025 planning cycle. **This is a hypothetical exercise, not a description of an actual board mandate or management decision.** Your task is to recommend how the company should direct incremental product, commercial, and capital attention across its Australian Subscription Video Services business. Should it accelerate streaming and Hubbl, pace the build while managing a hybrid portfolio, or put more weight on retention and cost discipline until it has stronger evidence of service-level economics?

The choice is not simply “old television” versus “new streaming.” News Corp’s Australian portfolio combines a broadcast subscription product, streaming services built around sports and entertainment, and a hub intended to bring content services together. Their customers, economics, and roles may overlap, but the public data do not show exactly how.

The company and the businesses

News Corporation (News Corp; Nasdaq: NWS and NWSA) is a global media company. Its Subscription Video Services (SVS) segment serves pay-TV and streaming subscribers and commercial licensees. The segment includes News Corp’s 65% interest in Foxtel Group; Telstra owns the remaining 35%. It also includes Australian News Channel (ANC), which operates Sky News Australia and related services. Foxtel Group is the segment’s primary reporting unit, but the segment’s financial results include ANC as well.

Within Foxtel Group, the Foxtel pay-TV service offers a satellite-delivered package of channels and on-demand programming. Kayo is its sports streaming service; BINGE is its entertainment streaming service; Foxtel Now offers streaming access to Foxtel live and on-demand content. Hubbl is a content aggregation platform. FOX SPORTS Australia is part of this Australian Foxtel context. **Fox Corporation (Nasdaq: FOX and FOXA) is a separate registrant and company.** Similar names do not make Fox Corporation’s U.S. businesses part of News Corp’s

SVS segment.

The products do not map neatly to exclusive customer groups. A household could use more than one Foxtel Group service, while some customers may use only broadcast or only streaming. News Corp's reported service counts cannot tell you how many unique households subscribe, which customers migrated from one service to another, or whether a Kayo or BINGE subscription adds to or replaces a broadcast relationship.

Growth beside contraction

At 30 September 2024, News Corp reported 1.185 million Foxtel residential broadcast subscribers, down from 1.310 million one year earlier. At the same date, it reported 1.511 million total Kayo subscribers and 1.571 million total BINGE subscribers. Paid counts were 1.499 million for Kayo and 1.552 million for BINGE; the company excludes customers receiving service at no charge under certain introductory promotions from paid subscribers.

The reported SVS segment produced \$501 million in revenue in the September quarter, up \$15 million, or 3%, from a year earlier. Segment EBITDA was \$92 million, down \$1 million, or 1%. Management attributed higher streaming revenue to volume and pricing at Kayo and BINGE. It also cited fewer residential broadcast subscribers, contractual increases in sports programming rights, higher production costs, \$11 million of Hubbl product costs, lower marketing and entertainment programming costs, and favorable foreign exchange movements.

In FY2024, SVS revenue was \$1.917 billion and Segment EBITDA was \$310 million. News Corp said streaming revenue grew \$60 million on Kayo and BINGE volume and pricing. It attributed the segment's \$37 million EBITDA decline to \$51 million of Hubbl launch costs, higher contractual sports rights costs, and foreign exchange, partly offset by revenue growth and declines in other costs. Management said Foxtel Group streaming subscription revenue was about 30% of its circulation and subscription revenue in FY2024, compared with 27% in FY2023.

These figures describe direction and scale, but do not settle the allocation question. The quarterly comparison combines several forces. A reported rise in streaming subscribers can include overlapping services or migrations; service counts are not unique customer counts. Revenue growth is not the same as contribution margin. Segment EBITDA is not project cash flow or return on investment. No filing reports the counterfactual: what revenue or retention would have been without Hubbl, a given sports-rights package, or a particular product investment?

Rights and customer experience

Live sports are a central element of the Foxtel Group proposition. News Corp's filings refer to broadcast rights for competitions including the National Rugby League, Australian Football League, Cricket Australia, and motorsports. Contractual increases in sports programming rights are a stated cost pressure. The company does not disclose the economics of rights by sport or competition, nor how much a rights package contributes to subscriber acquisition, advertising, retention, or cross-service use.

Streaming creates opportunities to make content available across internet-connected screens and to curate services around individual interests. It also puts more weight on the customer's digital experience and the reliability of delivering live events. Hubbl could help customers find and use content, but the public filings in this case do not quantify whether it changes discovery, acquisition, churn, cross-use, or willingness to pay.

Two academic studies provide useful lenses, not answers. Hutchins, Li, and Rowe’s comparative analysis of Tencent Video, DAZN, and Amazon Prime Video describes how live sport streaming portals combine premium live rights, content curation, multiple screens, audience data, and internet delivery. The authors also discuss broadcast continuity, rights-market pressures, and streaming reliability problems. The article is interpretive, not an estimate of financial returns, and its cases do not establish Foxtel economics.

Sun and Zhang surveyed 330 Chinese users who had already watched live sports online. Their cross-sectional model found that perceived satisfaction and enjoyment were associated with payment intention; ease of use and perceived usefulness had no significant direct association, although ease related to satisfaction and enjoyment. The study measures self-reported intentions and willingness to pay, not actual purchases or retention. It cannot establish Australian demand, a price effect, or a return for Kayo, BINGE, or Hubbl.

The choice for FY2025

The strategy group must decide where to place incremental attention and what evidence it needs before committing further resources. Three broad approaches are available:

1. **Accelerate streaming and Hubbl.** Direct more product, commercial, and capital attention toward Kayo, BINGE, and the content aggregation experience. State which customer problems and cross-service behaviors the added effort is intended to improve.
2. **Pace the build within a hybrid portfolio.** Continue improving streaming and Hubbl while protecting the economics and customer value of broadcast. Identify which capabilities should be shared and where products need distinct propositions.
3. **Prioritize retention and cost discipline.** Emphasize retention, pricing, and cost control across existing services; require stronger service- and cohort-level evidence before broadening new product investment.

The public record does not supply an investment amount, product-level contribution margin, service-specific churn, customer acquisition cost, cohort lifetime value, or incremental Hubbl impact. Any proposed thresholds or budget numbers must therefore be presented as assumptions for discussion, not company facts.

Discussion questions

1. What roles should broadcast, Kayo, BINGE, and Hubbl play in a coherent Foxtel Group portfolio? Where might they complement one another, and where might they substitute?
2. What can the reported subscriber and financial data establish? What do they leave unidentified about migration, overlap, incrementality, and profit?
3. Which of the three approaches would you recommend for FY2025? What assumptions drive your choice, and what evidence would change it?
4. Propose a small set of measures that could distinguish customer growth from customer migration and product engagement from economic value. Explain what data management would need to collect.

Exhibits

Exhibit 1. Foxtel Group operating indicators reported by News Corp

Measure	30 Jun 2023	30 Jun 2024	30 Sep 2023	30 Sep 2024
Residential broadcast subscribers (000s)	1,341	1,210	1,310	1,185
Kayo total subscribers (000s)	1,411	1,606	1,411	1,511
Kayo paid subscribers (000s)	1,401	1,550	1,403	1,499
BINGE total subscribers (000s)	1,541	1,552	1,506	1,571
BINGE paid subscribers (000s)	1,487	1,529	1,449	1,552
Foxtel Now total subscribers (000s)	177	147	167	134
Foxtel Now paid subscribers (000s)	170	142	161	131
Company-reported total subscribers (000s)	4,723	4,776	4,646	4,658

Source: News Corp FY2024 Form 10-K and FY2025 Q1 Form 10-Q, Foxtel Group KPI tables. The company-reported total includes broadcast, primary streaming services, and other streaming services. It is a separately reported group measure, not a sum of the listed rows or evidence of unique incremental customers. Commercial subscribers are excluded from this table; company reports them as residential-equivalent business units.

Exhibit 2. Subscription Video Services segment results

Period	Revenue	Segment EBITDA	Management's reported context
FY2023	\$1,942m	\$347m	Comparison period
FY2024	\$1,917m	\$310m	Streaming revenue +\$60m on Kayo/BINGE volume and pricing; \$51m Hubbl launch costs and higher contractual sports rights cited among EBITDA pressures
Q1 FY2024	\$486m	\$93m	Comparison quarter
Q1 FY2025	\$501m	\$92m	Streaming revenue +\$16m; Hubbl costs of \$11m, higher sports rights and production costs cited among pressures

Source: News Corp SEC filings. The financials are for SVS (Foxtel Group interest plus ANC), not Foxtel Group alone. Segment EBITDA is company-defined and excludes depreciation and

amortization, impairment/restructuring, equity losses, interest, other, and taxes. Management's explanations are attributed statements, not independent causal estimates.

Selected sources

- News Corporation, FY2024 Form 10-K, filed 13 August 2024. [SEC filing](#), especially Business (pp. 3-4), risk factors (pp. 20-21), SVS results and Foxtel Group KPIs (pp. 43-45), and Note 16 segment capex (p. 115).
- News Corporation, FY2025 Q1 Form 10-Q, filed 8 November 2024. [SEC filing](#), especially business/segment scope and EBITDA definition (pp. 18-19, 26), and SVS results and Foxtel Group KPIs (pp. 30-32).
- News Corporation, "News Corp Reports First Quarter Results for Fiscal 2025," 7 November 2024. [Company release](#).
- Hutchins, Brett, Bo Li, and David Rowe (2019), "Over-the-top sport: live streaming services, changing coverage rights markets and the growth of media sport portals," *Media, Culture & Society* 41(7): 975-994. [Full text](#).
- Sun, Ye, and Huifeng Zhang (2021), "What Motivates People to Pay for Online Sports Streaming? An Empirical Evaluation of the Revised Technology Acceptance Model," *Frontiers in Psychology* 12:619314. [Full text](#).

Prepared solely from information public on or before 8 November 2024. No later events or outcomes are part of this case.