FuboTV Inc. NYSE:FUBO

Earnings Call

Wednesday, August 5, 2026 2:30 PM GMT

Call Participants

EXECUTIVES

Alisa Bowen
CEO & Director

Ameet Padte
Senior Vice President of FP&A, Corporate Development & Investor Relations

John Janedis
Chief Financial Officer

ANALYSTS

Alicia Spring Reese
Wedbush Securities Inc., Research Division

Andrew Edward Crum
B. Riley Securities, Inc., Research Division

Brent Matthew Penter
Raymond James & Associates, Inc., Research Division

David Carl Joyce
Seaport Research Partners

Kutgun Maral
Evercore ISI Institutional Equities, Research Division

Laura Anne Martin
Needham & Company, LLC, Research Division

Matthew Dorrian Condon
Citizens JMP Securities, LLC, Research Division

Patrick William Sholl
Barrington Research Associates, Inc., Research Division

Tyler DiMatteo
BTIG, LLC, Research Division

Presentation

Operator

Hello, everyone. Thank you for joining us, and welcome to the FuboTV Inc.'s Third Quarter Fiscal 2026 Earnings Conference Call. [Operator Instructions]

I will now hand the conference over to Ameet Padte, SVP, FP&A, Corporate Development and Investor Relations. Please go ahead.

Ameet Padte
Senior Vice President of FP&A, Corporate Development & Investor Relations

Thank you for joining us to discuss FuboTV Inc.'s Third Quarter Fiscal 2026 results. With me today is Alisa Bowen, CEO of FuboTV; and John Janedis, CFO of FuboTV. Full details of our results and additional management commentary are available in our earnings release and letter to shareholders, which can be found on the Investor Relations section of our website at ir.fubo.tv.

Before we begin, let me quickly review the format of today's call. Alisa will start with some brief remarks on the quarter and our business, and John will cover the financials and guidance. Then we will turn the call over to the analysts for Q&A.

I would like to remind everyone that the following discussion may contain forward-looking statements within the meaning of the federal securities laws, including, but not limited to, statements regarding our financial condition, our expected future financial performance, including our financial outlook, guidance and long-term targets, business strategy and plans, including our products, subscription packages and tech features, our partnerships and other arrangements, the benefits of the business combination, including expected synergies and integrations, and expectations regarding growth, profitability and trends in subscriber performance.

These forward-looking statements are subject to certain risks, uncertainties and assumptions. Important factors that could cause actual results to differ materially from forward-looking statements are discussed in our SEC filings.

Except as otherwise noted, the results and guidance we are presenting today are on a continuing operations basis, excluding the historical results of our former gaming segment, which are accounted for as discontinued operations.

During the call, we may also refer to certain non-GAAP financial measures. Reconciliations of these non-GAAP measures to the most directly comparable GAAP measures are also available in our Q3 2026 earnings shareholder letter and press release, which are available on our website at ir.fubo.tv.

With that, I will turn the call over to Alisa.

Alisa Bowen
CEO & Director

Good morning. Thank you all for joining us. I'm delighted to be here for my first earnings call as FuboTV's CEO. But before I share my early perspective and highlight some of our third quarter results, I'd like to take a moment to introduce myself to our investors and our analysts.

Over the past 25 years, I have built my career in technology, operations and consumer experience roles in news and streaming at large global media companies. I've led multiple media organizations through periods of significant transformation, helping them adapt to changing industry landscapes and all with a focus on driving profitable growth.

At The Walt Disney Company, I was part of the leadership team that built its global streaming business. I drove the launch of Disney+, and as its President, I helped to scale profitably that business into its market-leading position today. I also led several relevant business integrations, including the integration of Hulu and Disney+ businesses, and I led Disney+'s most recent global push into live events and sports.

All these experiences have taught me that periods of disruption often create the greatest opportunities for companies willing to move swiftly and with discipline. They also taught me that the strongest media businesses require 3 things: compelling content, a product and experience that customers value, and an operating model capable of delivering scale. I joined FuboTV because this company has all 3 of these attributes, and I'm optimistic it will serve as a robust foundation for growth.

While the media landscape broadly remains in a period of significant structural change, the enduring value of live programming and especially sports is increasingly clear. This past quarter alone has shown that live events have a very unique ability to bring audiences together at scale. And we saw significant excitement and engagement around programming like the World Cup and the NBA Finals. At the same time, consumers are becoming more deliberate about how they assemble and pay for their entertainment, creating demand for options that range from comprehensive channel packages to more targeted and flexible offerings.

Against that backdrop, I really believe FuboTV enters this next chapter with a compelling business model for profitable growth that will drive long-term shareholder value. Let me tell you why. First, in an environment where live TV is still a must-have, we operate in a sweet spot. We bring to market 2 live TV streaming services, Hulu + Live TV and Fubo that between them offer customers premium content, differentiated product quality and the flexibility to bundle a well-priced plan that's right for them. We think Hulu + Live TV and Fubo's array of plan options gives us coverage for different customers all along the price-to-value curve and can maximize our reach.

Second, since the combination with Hulu + Live TV last fall, FuboTV has reached a new inflection point and now has the increased scale, content relationships to drive customer optionality and the ability to leverage industry-leading advertising technology via Disney that positions us to better monetize our entire offering.

And third, Fubo does this on a technology platform that provides one of the most innovative user experiences in live TV. Altogether, these strengths give us an opportunity to compete more effectively and deliver an increasingly differentiated experience for subscribers. And while I'm continuing to work with the business on our future strategy, our performance this quarter has reinforced my confidence in both the quality of the foundation and the long-term potential.

As I look to a few of the Q3 highlights, there are several areas of success that I see we will continue to build upon. First and foremost, we saw strong subscriber performance in the third quarter, reflecting our ability to attract and engage audiences around major live events like the NBA Finals and the World Cup. The 2026 World Cup, which concluded 2.5 weeks ago, was a testament to the strength, innovation and value of our programming. Across our portfolio of offerings, we streamed content in both English via FOX and in Spanish via Telemundo and Universo, thanks to our renewed partnership with NBCUniversal on the Fubo service.

Over the course of the tournament, our total subscriber base grew, and there was notable strength in our enhanced Spanish language offerings and the Fubo branded services. While we expect some attrition, the World Cup was ultimately a powerful vehicle for introducing new high-quality subscribers to our Fubo platform.

Our previously announced inclusion of links from ESPN's Where to Watch feature to Fubo is also off to a promising start. Since its launch, customers referred to Fubo from ESPN have been converting from free trials to paid subscriptions at a higher rate than customers acquired from other channels and are showing favorable early retention indicators. So we're continuing to work on new ways to bring ESPN's highly engaged sports fans to Fubo's offerings. In a similar vein, we believe that Disney's progress towards integrating Hulu into Disney+ including the planned Live TV integrations will be another positive step in this direction.

And finally, since migrating our advertising inventory to the Disney ad server, we've already achieved monetization improvements on the Fubo platform with double-digit increases in CPM and fill rates compared to last year. This initiative is still only in its early stages, but with Disney's world-class advertising technology and data targeting capabilities, we believe our opportunity to improve the monetization of our direct-to-consumer engagement is sizable. And this year, FuboTV was included in Disney's advertising upfront for the first time, marking another important milestone in our relationship with Disney.

I took this role because I believe that FuboTV is a fundamentally differentiated leader in the virtual MVPD space. And my first few weeks have affirmed my views that there is significant runway to scale this business further. As we look to this next phase of growth, I've been spending my time with the talented leaders and teams across FuboTV to better understand the strengths of our organization and where our greatest prospects lie. I want to ensure that the path forward is grounded in a clear assessment of our capabilities, the market and in the interest of all of our stakeholders, including our shareholders, subscribers, content partners and our advertisers.

My vision is beginning to take shape in 4 strategic areas that I believe will deepen Fubo's strength and pave the way to profitable growth. One, optimizing our pricing and packaging segmentation to drive the appropriate flexibility, choice and value that today's viewers demand. Two, expanding our content portfolio with our world-class partners to diversify our offering and better serve the broader market. Three, developing our distribution and marketing partnerships to maximize the scale and total breadth of audiences served by our portfolio of Fubo and Hulu + Live TV products. And four, continuing to invest in innovation, technology and AI to improve our leading user experience, enhance customizations for viewers and advertisers and increase our speed to market. There is still a lot of work to do to formalize our approach and execution, and I look forward to providing an update on these plans on our November earnings call.

Lastly, as we continue this important work, Alberto Horihuela, FuboTV's Co-Founder and Chief Operating Officer, will begin a long-term transition from his current role into a new senior advisor role towards the end of the year. As a part of this transition, Alberto will remain with Fubo in the new role of Founder Advisor through all of 2027, continuing to work closely with me and the broader management team to refine and execute our long-term operating strategy.

With that, I'll turn the call over to John to walk us through our Q3 results.

John Janedis
Chief Financial Officer

Thank you, Alisa. We are excited to begin this next chapter in our company's history. The third quarter of fiscal 2026 marked our second full quarter as a combined company following the close of our business combination with Hulu + Live TV. As a reminder, to facilitate comparability between periods, we will discuss our results on both an as reported and a pro forma basis, which gives effect to the transaction as if it had been completed at the beginning of the first period presented.

Turning to the results for the quarter. In North America, our revenue for the third quarter was $1.474 billion compared to $1.074 billion in the prior year period. Pro forma revenue in the prior year period was $1.475 billion, approximately flat year-over-year. In terms of our customer base, we ended the quarter with 5.75 million total subscribers in North America, up 2% compared to 5.63 million in the prior year period.

In Rest of World, we ended the quarter with 356,000 subscribers compared to 349,000 in the comparable prior year period, a 2% increase. Revenue in Rest of World was $7.8 million in the quarter compared to pro forma revenue of $8.6 million in the comparable prior year period.

Turning to our profitability metrics. Our net loss for the third quarter was $25.7 million compared to a net loss of $38 million in the prior year period. Earnings per share in the quarter reflected a loss of $0.25. We delivered adjusted EBITDA of $19.1 million in the third quarter compared to pro forma adjusted EBITDA of $31 million in the prior year period.

From a cash and liquidity perspective, FuboTV ended the quarter with $236.4 million in cash, cash equivalents and restricted cash on hand, and we expect to finish the year with more than $200 million of cash on our balance sheet.

I would also like to provide some additional commentary around our near- and long-term financial targets. For fiscal 2026, we now expect pro forma adjusted EBITDA of $90 million to $100 million, and we continue to expect at least $300 million of adjusted EBITDA in fiscal 2028. We also continue to expect to deliver positive free cash flow in fiscal '27 and fiscal '28 under our current operating plan.

In summary, Q3 was another step forward for our business and we believe we are just beginning to realize the full potential of the Fubo and Hulu + Live TV business combination. As Alisa noted earlier, we continue to look for areas to expand our collaboration with Disney and to explore additional growth opportunities. As we move forward, we remain focused on establishing a sustainable foundation for growth.
With that, I'll turn the call back to the operator for questions. Operator?

Question and Answer

Operator

[Operator Instructions] Your first question comes from the line of Laura Martin with Needham.

Laura Anne Martin
Needham & Company, LLC, Research Division

Welcome, Alisa. I'll ask two. Where is Fubo using AI to lower its operating expenses, its customer acquisition cost, its customer service ad targeting and content discovery? And do your learnings from Disney help you do that faster now that you've come to Fubo?

And then secondly, sounds like a lot of your experience over at Disney was integrating multiple products. So let's talk about, should Hulu + Live TV and Fubo be collapsed into a single product, what are the advantages and disadvantages of combining those?

Alisa Bowen
CEO & Director

Laura, thanks for your question. Great questions. Let me take the second one first because I think you might have picked up from the remarks that we made during the prepared section of this call that I really see the 2 products in our portfolio and the 2 brands that we have in our portfolio as being an advantage rather than a problem that needs to be fixed.

Let me talk about those advantages just real briefly. Both Fubo and Hulu + Live TV have very distinct and valuable subscriber bases that are anchored in what those brands stand for. Fubo has a really strong platform across news, sport and entertainment. And that sports first DNA has been a key differentiator, and it's something that the Fubo subscribers really love about the product. Equally, Hulu + Live TV is very strong in the entertainment side of things and long recognized as a leader in entertainment television. And together with The Walt Disney Company SVOD bundles that are a part of the Hulu + Live TV package really speaks to a broader entertainment customer.

So I think having both in the market gives us the opportunity to really bring to market a range of products and services that meet different consumers where they are along that price value curve. And that's something that we're going to continue to lean into. We think that those opportunities give us the maximum reach and the chance for us to get to the most subscribers out there in the marketplace. And even within those product suites, we see the opportunity for increased segmentation.

For example, there's a place for the very affordable Fubo Latino product, even alongside Hulu + Live TV's Español offering, which also includes Univision. So having both in the market and being able to operate that as a portfolio of offers, I think, is the best chance of continuing to grow and reach as many consumers as possible.

On your second question around AI, I've been actually very impressed with the way that the organization here is driving AI through every element of the business operations. Of course, we're using it in product features like content discovery and search and personalization. In fact, there were quite a number of user experience innovations delivered in time for the World Cup most recently that our viewers and subscribers engaged with really strongly. Those are things that help consumers find the content they're looking for with less friction and more quickly and get right to the point in play that they're seeking.

And so we're very excited about how some of those features have performed. And we're on track to deliver the AI-driven voice search discovery feature that we previewed on a previous call, that was previewed on a previous call this fall in time for the football season.

But in addition to the features that AI is being used for here, I've also been pretty impressed with how our product and engineering teams are prototyping, developing and using AI to solve problems. There are some very innovative tools that are changing the way that the engineering teams and the product teams here work. And of course, those things are more about bringing to market better features more quickly.

So this is a growth business rather than thinking about AI as an opportunity to save costs or reduce resources. We're actually seeing it as an accelerator to bring better features to market more quickly and more of them.

And then last but not least, I'd call out marketing technology where AI has been an important step forward for the teams, both in terms of how we optimize our acquisition campaigns and also how we vastly increase the volume of creative that we have out in the market at any one point in time, which, of course, drives efficiency for us on the acquisition side.

So for us, AI is more about doing more with the team we have and moving more quickly.

Operator

Your next question comes from the line of Kutgun Maral with Evercore ISI.

Kutgun Maral
Evercore ISI Institutional Equities, Research Division

I wanted to ask about your capital allocation priorities. You've guided to positive free cash flow in fiscal '27 and '28, and year-end cash above $200 million. As that cash builds, how are you prioritizing growth investments, the balance sheet and the 2029 converts?

John Janedis
Chief Financial Officer

Kutgun, thanks for the question. I'd say, to your point, based on our outlook and our cash balance, our balance sheet has never been this strong. So in terms of the balance sheet, our current cash level is actually greater than the outstanding face value of those '29 converts. So that does give us a lot of optionality. On the investment front, to your question, we will continue to invest in growth. And I think we've been pretty consistent on what that may include, meaning programming, marketing, tech and product.

Operator

Your next question comes from the line of Brent Penter with Raymond James.

Brent Matthew Penter
Raymond James & Associates, Inc., Research Division

Alisa, I look forward to hearing your strategic road map in November. Can you all update us on the performance of the Fubo Sports package and how you're thinking about the competitive landscape there, particularly with YouTube TV's recently introduced sports package.

Alisa Bowen
CEO & Director

Brent, thanks for that question. We're really happy with the range of packages that we have and the optionality that's giving us to lean into the market at different moments in both the sports calendar and in our business cycle as well. So I think the sports package is one part of that. And given what I said in the prepared remarks about pricing and packaging, I think that is an advantage we have and something that we're really happy with.

Our package competes with YouTube TV's sports package, obviously, but there are differences between each of these. And for example, the FOX News component in our sports package is something that's particularly valued by our subscriber base and is working well for us.

Zooming out a little bit, I think we really like the ability for us to compete with competitors' programming options in a range of different ways. So for example, the RSNs has been a long-term differentiator for

Fubo in certain markets and that ability to provide local sports gives us competitive edge in certain packages. Hulu + Live TV has the SVOD bundles, which again, is unique as a proposition for those product lines. And even something like Fubo Latino, which I mentioned earlier, a very price competitive proposition for access to key sports for that particular segment is proving valuable to us.

So there are multiple different ways that we intend to continue leaning into these different market segments with different offers beyond just the sports and news package that we've been marketing during the World Cup.

Brent Matthew Penter
Raymond James & Associates, Inc., Research Division

Okay. Got it. And then the second question for me, one feature that I think is important for sports fans is Multiview, particularly as we get into heavier sports season here into the fall. You all have rolled that out, obviously, across Fubo. How should we think about your Multiview road map and particularly progress towards bringing that to Hulu + Live TV?

Alisa Bowen
CEO & Director

Yes. Thanks for that question. We did launch Multiview on Fubo for the LG platform in the quarter, along with several of those other UX improvements that I mentioned earlier. Zooming out, though, Fubo has long had a real emphasis on UI innovations, and that is an area that we're going to continue to focus on as a team and make sure that we are investing to protect our edge there. Deeper product and tech road map plans are part of the strategic review that I mentioned that is underway at the moment. And we'll be sharing more about what that road map looks like when we regather together in the November time frame.

As it relates to the Hulu + Live TV integration onto the Disney+ app, we're looking forward to seeing that come to market at the end of this calendar year, and there will be more to share from Disney's perspective about what the Hulu + Live TV road map looks like as we get closer to that milestone.

Operator

Your next question comes from the light of Matt Condon with Citizens Bank.

Matthew Dorrian Condon
Citizens JMP Securities, LLC, Research Division

Alisa, welcome aboard. I had a question for you, just what excites you most about the opportunity you see ahead for Fubo? And where are the biggest areas you see of untapped potential today?

Alisa Bowen
CEO & Director

Matt, nice to meet you. Well, as I mentioned in my prepared remarks, FuboTV is now the #1 virtual pay TV operator in the U.S. market. And I think that position of scale, which is new for this business is a very unique vantage point to start thinking about what the growth trajectory of this business could really look like as we double down on the combined business entity.

So I think the distinct core advantages remain our products, our technology, that scale I mentioned as well as the talented team. And this is obviously a business and an industry that I know very well. So those opportunities to lean into that strength and to partner with Disney on making sure that we're able to develop new innovations in this market is something that I think will unlock significant new growth opportunities. So that's what really attracted me to this opportunity. I think the business is very well poised to take that next step in a number of strategic directions that we'll be sharing more on in November.

Matthew Dorrian Condon
Citizens JMP Securities, LLC, Research Division

Great. We look forward to that. And Alisa, just given your background at Disney, what opportunities do you see to more deeply integrate Fubo into the Disney ecosystem? How should we think about driving subscriber growth as well as revenue growth going forward?

Alisa Bowen
CEO & Director

Okay. Well, obviously, I know that team very well. And I'm very confident that we'll continue to strengthen those relationships as we work together on what the future opportunities for both Fubo and Hulu + Live TV are. But even today, 9 months, just 9 months after the close, there are some really interesting areas of opportunity that we're very enthusiastic about.

First and foremost, in our opening remarks, we mentioned the marketing partnerships. The ESPN relationship is at its very early stages. And while the numbers are small, the signals are very convincing. There's better conversion and retention from that heavily enthusiastic sports base for the Fubo products versus some of the other marketing media channels that we have and tapping into that audience that ESPN served so well is a clear opportunity. And then I've mentioned also in other questions that I've answered here that Disney's plans to integrate Hulu and Hulu + Live TV into the Disney+ app will be a key step forward in a similar vein. So I think that is a great opportunity to broaden the top of the funnel for the Hulu SKUs and the Fubo SKUs that we're offering out in the marketplace.

As it relates to advertising, again, we're very bullish on our opportunity to best leverage the Disney ad sales operation in a couple of regards. First and foremost, we're thrilled to be part of Disney's upfront activities this year. That really provides Fubo with access to the power of Disney's scale and reach in that upfront process and a great opportunity for us to be part of their story around live and sports in a year when they're going to market with an unprecedented array of live and sports assets for advertisers to get associated with. So that's a great opportunity.

And then I've mentioned the capacity and utilization improvements that we've seen and pricing improvements. That really speaks to the power of the technology that Disney's ad sales operation is built on and their ability to serve the Fubo audience to advertisers in a highly segmented way using the Disney audience graph. So in both of those areas, I think there's a lot of opportunity for us to continue building on that.

At the same time, Fubo's products and services retain a certain level of customization and flexibility so we can benefit from the scale of Disney's ad-serving platform as well as their sales approach while also still serving advertisers with customized executions, creative content and other integrations that have been historically part of the Fubo ad sales proposition. And then, of course, there are other operating savings that the team have previously alluded to and will continue to drive those synergies.

So as we think about the future of our relationship with Disney, I think it's doubling down on many of the strategies and initiatives that have already been delivered or outlined by the team and yet to be delivered as well as a range of new opportunities that we see to try and best leverage those marketing and advertising relationships that we have.

Operator

Your next question comes from the line of David Joyce with Seaport Company.

David Carl Joyce
Seaport Research Partners

With the World Cup having been so popular and Fubo's origins and carrying soccer programming, you did get the NBC and Telemundo's content in just a nick of time. What was the subscriber lift from that event? And then separately, I wanted to see if the FuboTV and Hulu Live programming contracts are getting close to being coterminous or when that might happen and what the margin scale benefits could be?

John Janedis
Chief Financial Officer

Okay. Thanks, David. So on your first question, to your point, we're pretty happy to be able to bring back Telemundo on our Fubo Latino package in time for the World Cup. And for some markets, we brought NBC back on Fubo English by the end of June. I would say, as a reminder, Hulu Live had the NBC programming all along. So while we don't break out the performance of individual services, the availability of World Cup programming did have a favorable impact on subscribers in the quarter.

And maybe I'll give a little bit more context there in terms of what that means. If you look back to fiscal 3Q '25, we saw pro forma sequential declines. You know the seasonality of our business of about 250,000 subscribers when compared to the prior quarter. If you look this year, we posted a gain of 25,000 sequentially or a slight sequential improvement. So really a step function change in trajectory that again, we're very happy about.

As it relates to your second question, I would just say that the short answer is yes, and there's still work to be done. And I think what you've heard me say historically is that when we look at the 3 buckets of synergies, we have the programming piece, the advertising piece and the procurement piece. Programming really is the medium to longer-term opportunity for us based on the timing of our renewals that are typically multiyear agreements. And so 9 months in, what I can tell you is that on the renewals that have come up, and there's been a handful, we have seen the benefits of our scale. And those deals are now coterminous.

As it relates to margins. We haven't specifically broken out that opportunity on the margin dollars or margin percentage. But I would say that we're happy with what we've seen, and it should be accretive upon renewal.

Operator

Your next question comes from the line of Tyler DiMatteo with BTIG.

Tyler DiMatteo
BTIG, LLC, Research Division

I wanted to come back to the ad revenue trends. I know you gave some comment on capacity and pricing. It seems like that's trending in the right direction. Just curious, maybe broadly speaking, how is that tracking with Hulu versus the expectations just given the first half integration that we're at? That's my first question.

And then my second question, John, for you, just on the guidance, we increased EBITDA, again, maintained free cash. I'm curious, can we just talk a little bit about levers and where there's upside or opportunity from here and where you could see that from the integration?

Alisa Bowen
CEO & Director

Okay. Thanks, Tyler. I'll take your first question. And I'm just going to circle back to David's as well and just point out that in addition to the subscriber benefits from World Cup, World Cup was also a key driver of engagement that obviously led to some significant advertising impacts that we were really pleased to see as well, and that bodes well as we head into fall season. Obviously, that's a great time of year for us.

But more broadly, in terms of advertising and how those trends are tracking for the FuboTV business. I'd say we're very happy with what we've seen. Our full integration, including all the technology aspects of integrating with the Disney ad sales organization only wrapped in June, and those results have been very strong, as we mentioned earlier, meaningful uplift in CPM and fill rates versus the prior period.

In terms of how the product performances compare, I want to take one step back here and just to explain the Disney ad server is really -- and the Disney ad sales strategy is really an audience first strategy. And that is really important for us, and we see it as a great opportunity. What that means is that the Disney ad sales proposition is really selling the entire reach of the portfolio indifferent to specific platforms or brands and then leveraging the capability of the ad server for audience-based targeting.

And so that gives Fubo 2 distinct advantages. Firstly, we're part of the scale and reach that is the primary selling proposition. But also, we're able to make sure that the fandoms and the data signals that are coming from the sports-specific TV viewing, which is an area in very strong demand from advertisers, is a part of the way that advertisers are able to reach our audience, and we're feeding into the Disney audience graph very actively in that regard.

So we have the benefit of the scale and being part of the larger organization while also being able to benefit from and contribute to the audience graph for specific audience targeting metrics. So that actually is a powerful lever. It means that the sports audiences and the fandoms that advertisers are looking for can be found on the Fubo platform and also followed through to the other platforms where they're consuming perhaps entertainment content or VOD content in a different context.

So that kind of world-class technology through the ad platform is one of the reasons that I'm really optimistic about our ability to monetize our direct-to-consumer engagement and that the upside from that will be important for our business.

John, do you want to speak to the follow-up commentary on some of the rates that we're seeing for July?

John Janedis
Chief Financial Officer

Yes, sure, actually. Let me speak on the ad piece to Alisa's point. First, let me stick to the sports theme. I would just add that what we're seeing in terms of the upfront, we are seeing sports CPMs showing healthy increases. So we're pleased with that. And then I would say separately, with the enhanced targeting capabilities that Alisa spoke to, for instance, in June, which is really when they started to kick in. June, we saw the Fubo business the best month of ad growth, I'd say, in at least a couple of years. And I'd also say, related to that, although we've been talking about relative softness in entertainment now as it relates to CPMs for a while, it is worth noting that CPMs were up in June year-over-year for news, sports and entertainment. So again, we're pretty pleased with that outcome.

As it relates to your question around the leverage on guidance, I'd say a couple of things. One is on a positive note, we feel really good about delivering the year in terms of adjusted EBITDA at the upper end of the original guidance range for the year. And as I said in my prepared remarks, we now expect $90 million to $100 million, up $10 million at the low end of the range.

In terms of levers, I'd highlight a few. One on advertising, again, given Alisa's comments on how well the advertising integration is going on the Disney ad server, all things equal, that could be a lever, not only for the fourth quarter, but I'd also say for the next several quarters. And then on marketing, look, our team saw an opportunity to invest in marketing channels that delivered high LTV subscribers in terms of the third quarter, that opportunity may present itself again as it relates to the fiscal fourth quarter.

And then I guess I'd say on how integration is tracking, I'd say, ahead of plan. Again, on advertising, we achieved a CPM lift that we had expected to take, I'd say, a fair amount longer to recognize than we actually did. And then the team has done a really great job of integrating and selling the Fubo inventory.

Operator

Your next question comes from the line of Patrick Sholl with Barrington Research.

Patrick William Sholl
Barrington Research Associates, Inc., Research Division

Maybe just following up on the ad graph and kind of the list that you expect on advertising from that? Like how do advertisers currently value like their respective inventory? And how long do you think it would be to kind of like ramp up the value that they're placing on the Fubo inventory? Is it just a function of getting enough engagement? Or maybe just a little bit more discussion on how those work?

Alisa Bowen
CEO & Director

Okay, Pat. I'll add a little bit more color to that by saying I think that the technical integrations just wrapped in June, as I mentioned earlier. So that certainly unlocks one lever now. And then in addition to that, Fubo was part of Disney's upfront sales process this year for the first time. That also is in the process of wrapping or it just wrapped. So there are 2 new key levers that we should see in a go-forward basis reflected in our numbers. Obviously, the specifics around what that means for the business will be part of the strategic review that we're in the process of completing at the moment, and we'll have more to share as we get further into that and on our next call.

I think also the other thing I'd point out is that if you look at the landscape, I'll just double down on what John mentioned, while there are some areas of softness across the advertising marketplace in general, what really stands out is live and sports. And so as we head into college and NFL season, that is obviously -- there's been a lot of momentum to continue building on and will continue to be our core focus.

Advertisers value the opportunity to meet consumers where they are in those kinds of moments. And there's nothing more compelling when it comes to those kinds of events and opportunities for reach at scale as live sports. So as we head into those -- to that football season and in the run up to Super Bowl, that's obviously something that is going to continue to be a distinct advantage for the Fubo proposition and more broadly, for the FuboTV proposition across the rest of the Hulu Live programming.

Patrick William Sholl
Barrington Research Associates, Inc., Research Division

Okay. And then you had talked earlier about like the synergy opportunities. Can you provide some of the opportunities around vendor contracts and maybe just the timing of executing on that?

Alisa Bowen
CEO & Director

Sure. Let me ask John to take that one.

John Janedis
Chief Financial Officer

Yes, Pat. Sure. So as a reminder, going back to the timing of the business combination, we did not assume any benefit related to any improved vendor contracts. I'd say, as of now, in many instances, from what we've seen, the difference in pricing is significant. And to date, again, we've executed on a handful of those deals with a substantial improvement in rates for the ones that we've actually completed.

I'd say looking ahead, we've identified several larger opportunities. It's still early because some of those larger contracts are multiyear in nature. But I'd say the annual savings could be significant as they come up, and this is really a priority for our team.

Operator

Your next question comes from the line of Drew Crum with B. Riley Securities.

Andrew Edward Crum
B. Riley Securities, Inc., Research Division

Alisa, welcome. You addressed the lift you saw from World Cup in the quarter. How about baseball, which seems to be enjoying some resurgence in popularity? And given that, looking ahead to fiscal '27, a work stoppage for MLB seems increasingly likely, obviously difficult to predict, but can you address potential impact to your business and what you're doing to prepare for such a scenario?

Alisa Bowen
CEO & Director

Drew, it's obviously way too early and premature to speculate on what might happen as a result of some of the noise around MLB and what that might mean for our business. I mean our focus in terms of mitigating any risk from that or any other content disruption is really to focus on having the most diversified content portfolio we can across both news, sports and entertainment. So that certainly helps us mitigate some reliance on any single programming category, and that's something that the team has continued to be really focused on.

And this industry is in constant change, and particularly in sports, there is a lot of movement on the rights front. So our focus is on staying agile and making sure that we can adapt and be as flexible as possible as the context unfolds, and we'll continue to do that into the baseball season.

Operator

Your next question comes from the line of Alicia Reese with Wedbush.

Alicia Spring Reese
Wedbush Securities Inc., Research Division

I have a couple for Alisa. I know it's only been a few weeks so far, but I was wondering if you can expand upon any of the low-hanging fruit that you've identified for improvements, particularly within the 4 areas of strategic growth that you identified between the pricing tier optimization, content expansion, distribution development. I think you talked about innovation investing already. And I have a follow-up.

Alisa Bowen
CEO & Director

Okay. I think that providing more granular detail on those areas is something that we're planning to do when we circle back in the November time frame, Alicia. So I think what I can say is that many of the areas that are already working well that might be characterized as low-hanging fruit, as you put it, would include some of the focus on the ad sales upside that we've talked about as well as our retail acquisition plans and how we think about the Disney streaming platforms as a source of retail acquisition.

And then as we lean into the launch of the football season, the team is actively working right now in terms of how we balance the portfolio of products that we have to emphasize different propositions to different segments of the market. So there are a few of the areas tied to the overall 4 strategic priorities that we're particularly focused on in the very short term. But we'll have more to share on all of these topics with you at our next call.

Alicia Spring Reese
Wedbush Securities Inc., Research Division

Excellent. And I was wondering if you could talk about just your philosophical approach to balancing margin expansion opportunities as you approach carriage deals and whether you would go the direction that Fubo has historically gone in terms of going into full disputes? And then prioritizing on the other side, consistent and more reliable content availability for subscribers, perhaps that being at the expense of margin or increasing the subscription pricing. Could you just talk about that, how you'd approach that philosophically?

Alisa Bowen
CEO & Director

Yes. I think, Alicia, you articulated the real trade-off there as they are. And look, nobody likes blackout. That's not good for us. It's not good for the subscribers, and it's not good for programmers. But we do have an obligation to make sure that we're delivering the value that our subscribers are seeking, and that we have the flexibility to continue innovating as an industry because consumers are demanding it.

So the best way that we think we can manage that is to provide the broadest possible reach and subscriber base because that does matter to programmers. And we want to be the best possible partner that we can be to them. So now as the second largest virtual pay TV provider by subscriber count in the U.S., I do think that, that's an opportunity for our scale to play a role. And it is also the reason that we're most critically focused on growth. That's my top priority to make sure that we are continuing to expand that subscriber base and therefore, a more valuable partner to the programmers as we go into those discussions.

Operator

This concludes the Q&A session. I will now turn the call back to Alisa Bowen, CEO, for closing remarks.

Alisa Bowen
CEO & Director

Thank you, operator, and thank you to all the analysts who joined the call. I really appreciate your questions. It was great for me to get a sense of what you're most interested in as we continue to refine the strategy and to share with you our third quarter results today.

I want to thank you again for joining. And I hope that you've managed to take away from this a sense of the energy and enthusiasm that we have around 4 key pillars of focus: the pricing and packaging, programming and content, our distribution and marketing opportunities, and the user experience innovations that we intend to continue developing.

So I'm really looking forward to updating you with more on our progress against each of these areas and our focus going forward when we regroup on the November quarterly call. Thank you all for joining, and have a great day.

Operator
This concludes today's call. Thank you for attending. You may now disconnect.