



fuboTV

Q2 2021 Earnings Webcast

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PRESENTATION

Alison Sternberg

Thank you for joining us to discuss fuboTV's Second Quarter 2021.

With me today is David Gandler, CEO and Co-Founder of fubo, and Simone Nardi, CFO of fubo. 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 presentation. David is going to start with some brief remarks on the quarter and fubo's strategy and Simone will cover the financials and guidance. Then I am going to turn the call over to the analysts to dig into Q&A.

Before we begin, I'd like to remind everyone that the following discussion may contain forward-looking statements within the meaning of the Federal Securities Laws, including statements regarding our financial condition, anticipated financial performance, market opportunity, business strategy and plans, and the expected launch of free-to-play gaming, FanView and Fubo Sportsbook.

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 can be found in

the Risk Factors section of our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2021, filed with the Securities and Exchange Commission on May 13, 2021, our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2021, to be filed with the SEC, and our other periodic filings with the SEC. These statements reflect our current expectations based on our beliefs, assumptions and information currently available to us. Although we believe these expectations are reasonable, we undertake no obligation to revise any statements to reflect changes that occur after this call.

During the call, we will also refer to non-GAAP financial measures. These non-GAAP measures should be considered in addition to, and not as a substitute for, or in isolation from, our GAAP results. Reconciliations of these non-GAAP measures to the most directly comparable GAAP measures are also available in our Q2 2021 Earnings Shareholder letter, which is available on our website at ir.fubo.tv.

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

David Gandler

Thank you, Alison, and thank you all for joining us today.

I'm very excited to discuss our Q2 2021 results and to give you an update on how we are executing on the opportunity in front of us. Our second quarter results demonstrate continued strong execution and meaningful advancement towards our long-term growth and margin targets, and we are once again raising our full year guidance.

We achieved meaningful traction across all of our key growth initiatives in the quarter while also capitalizing on favorable trends we are seeing in the industry. This drove outperformance on revenue, which grew by 196% to \$130.9 million, advertising revenue, which increased by 281% to \$16.5 million, paid subscribers, which grew by 138% to over 681,700, and content hours streamed, which increased by 148% to over 245 million, each compared to the second quarter of 2020.

As we've cited previously, our strategy is rooted in the intersection of three megatrends: the secular decline of traditional television, the shift of TV ad dollars to connected devices, and online sports wagering, a market opportunity which we believe complements our sports first live TV streaming platform. We are laser-focused on staying ahead of these trends. Our vision is to activate a streaming platform that transcends the industry's current MVPD model and transforms passive viewers into active participants.

Importantly, we achieved these results while also making significant progress towards our path to profitability, with adjusted contribution margin at 8.3%. That's up 316 basis points year-over-year and 301 basis points sequentially. This growth was driven by ARPU expansion in our advertising and subscription businesses and is a result of strong execution associated with upsells and packaging. It's also evidenced by the 1.5 million attachments sold at the end of the quarter. We have repeatedly asserted that there will be a major shift back to aggregation and bundling as the proliferation of SVOD services becomes increasingly burdensome and costly for consumers. The industry now echoes this view, recently pointing to consumer fatigue as a consequence of actively managing numerous subscriptions and disparate sources of content.

We believe that the delivery of a unified, personalized and interactive streaming experience is the future of this space and the key to capturing market share, and consumers agree. As they continue to cut the cord and go virtual, they are increasingly choosing fubo over more expensive legacy pay-TV services due to our innovative product experience and customer-friendly approach and all for an affordable price. This dynamic, along with a heavy sports calendar, drove a healthy 91,291 net subscriber additions in the quarter compared to a decline of approximately 1,000 in the same period last year.

We have added approximately 396,000 net subscribers since the second quarter of 2020, resulting in subscriber growth of 138% year-over-year compared to just 31% growth for the entire virtual MVPD market over the same period. Equally noteworthy, we drove strong subscriber growth with efficient deployment of sales and marketing dollars in the quarter, which came in at only 16% of revenue, down from 18% in the first quarter of 2021. We also improved churn by 203 basis points year-over-year.

Our investment in product enhancements and content personalization are driving year-over-year lifts in underlying retention. These investments, along with improvements to our technology and platform infrastructure, increased total viewership hours streamed to 148% year-over-year, and our monthly active users watched an amazing 134 hours per month on average in the quarter.

Our impressive engagement metrics, particularly the number of hours viewed, indicate that consumers prefer a holistic content bundle with a wide assortment of premium content. In our view, we are still in the early days for virtual MVPDs, and our category will continue to gain popularity.

The second quarter was also record-breaking for our advertising business as we delivered the strongest ad sales quarter in our history. Ad revenue reached \$16.5 million and grew 281% year-over-year. Advertising ARPU was up 62% year-over-year to \$8.70 and increased 22% sequentially, driving us closer to our goal of more than doubling our advertising revenue this year. This growth demonstrates the strength of our advertising model, offering brands the engagement and premium live content augmented by the efficiencies and addressable targeting capabilities of a connected TV platform.

In the second quarter, our recurring advertiser base of Fortune 500 companies and blue-chip national brands continued to rapidly expand. Advertisers are drawn to our platform's differentiated and highly engaged premium paying audience.

As I said at the top of the presentation, fuboTV is laser focused on activating our vision of an immersive sports entertainment experience. Recent partnerships between gaming and distribution companies further validates the demand for a convergent offering. The market is moving in our direction and we are staying at the head of the curve.

The launch of our own Sportsbook is an important driver of the strategy as we aim to develop a flywheel turning passive viewers into active participants, defining a new category of interactive sports entertainment television. Fubo Sportsbook will represent an industry-first live sync integration between video and the Sportsbook. We are building Fubo Sportsbook to be a holistic and hyper-personalized betting experience, reflecting what the user is watching on fuboTV at that very moment.

For the first time, I am really excited to share a preview of this particular integration. It's the first of many to come.

(Video Presentation)

You can see how the app immediately updates with relevant bets in real time based on what the user is watching, even as they change the channel to a new game. This seamless connection between streaming video and our mobile betting app is a feature we believe only fuboTV can bring to market. As we scale our team, we expect to accelerate a rollout of product features to enhance and differentiate the customer experience.

In July, we announced a market access agreement for Pennsylvania through a partnership with The Cordish Companies, our fourth state, following previous agreements for Iowa as well as Indiana and New Jersey. We believe we are in the early innings of a massive opportunity. While these launches are subject to obtaining requisite regulatory approval, we are extremely pleased with our progress thus far.

I am also excited about the launch of predictive free-to-play games. Free gaming serves to educate and train our customers, which we believe will ultimately reduce the learning curve and drive greater levels of adoption of our Sportsbook. We believe this will have a positive impact on retention, engagement and advertising sales, strengthening unit economics over time.

In summary, it was a spectacular quarter, and we believe our sports-first cable TV replacement product is very well positioned for a strong second half of the year. The second quarter represents continued advancement towards our plans to build and scale a new category of interactive sports entertainment.

We believe that our evolving sports wagering integration, our talented team, distinctive partnerships and nimble technology stack position us well to build a category-defining company. I look forward to updating you on our progress and will be available on Twitter later this evening to interact with Shareholders.

Now, I will pass it over to Simone to discuss our Q2 financial highlights and raised guidance for 2021.

Simone, please go ahead.

Simone Nardi

Thank you, David, and good afternoon, everyone.

Echoing David's comment, I am very pleased with our operating performance this quarter as we exceeded our outlook and made significant operational and financial progress in delivering top-line growth and margin improvements. These results reflect our ongoing investment in people, content, product, data and technology, and position us to continue delivering revenue growth while tracking towards our long-term path to profitability and the generation of positive free cash flow.

The growth rates of both subscription and advertising revenue accelerated from their already strong Q1 levels, taking overall revenue up 196% year-on-year to \$131 million in the second quarter of 2021, up 9% sequentially over the first quarter. Q2 2021 was our strongest quarter on revenue to date.

Unpacking the performance, subscription revenue increased 189% year-over-year to \$114 million, driven by strong growth in both subscribers' number and ARPU. We ended the quarter with 682,000 subscribers, an increase of 138% or 396,000 net additions when compared to Q2 2020. We delivered this robust growth through acquisition efficiency as well as improvements in retention resulting from our interactive product and curated content offering.

Subscription ARPU expanded by 30% year-over-year to \$71.43, propelled by investments in product, packaging and upsell tactics. Advertising is a key component of our growth and monetization strategy, and we saw continued strength on this front in the quarter. Advertising revenues surged 281% year-over-year to \$16.5 million and accounted for 13% of total revenue in the quarter compared to 10% the year prior. Advertising ARPU grew 62% year-over-year to \$8.70, making Q2 2021 our strongest advertising quarter to date.

As David alluded to earlier, this continued strength exceeds our robust subscriber growth and is built on enhanced monetization as we continue to extend our differentiated value proposition to advertisers by providing them access to our platform and highly engaged premium paying audience.

On the profitability side within Q2, we also made significant traction towards our long-term goals, delivering adjusted contribution margin of 8.3%, up 316 basis points year-over-year and up 301 basis points sequentially. This was driven by a 62% increase year-over-year in advertising ARPU and a 30% increase in total ARPU as well as continued optimization of our content offering. These position us well to continue making deliberate strategic investment in content, technology and infrastructure to optimize our market position and grow shares while also driving margin expansion on a year-over-year basis.

Accordingly, as we lay this foundation for future growth, we expect expenses to increase in absolute dollars year-over-year but significantly less than our expected revenue growth. Operating expenses as a percentage of revenue in the second quarter improved 97 percentage points from 252% in Q2 2020 to 155% in Q2 2021, underscoring our continuous focus on driving operating leverage in the business. Within expenses, it is worth noting that subscriber-related expenses, which primarily consist of content cost, accounted for 92% of total revenue in the quarter, an improvement of 28 percentage points compared to the year prior.

Our sales and marketing expenses as a percentage of revenue went down sequentially from 18% in the first quarter to 16% in the second quarter 2021, showcasing our increased efficiency in growing our subscriber base. As a result, we achieved a meaningful year-over-year improvement in Adjusted EBITDA margin from minus 95% to minus 36%.

Net loss in Q2 was \$94.9 million and included approximately \$44 million non-cash expenses in stock-based compensation, remeasurement of warrant liabilities, amortization of intangibles and of debt discount.

EPS in the quarter was negative \$0.68 compared to a loss of \$2.08 in the second quarter of 2020. Adjusted EPS in the second quarter 2021 was a loss of \$0.38 excluding the impacts of stock-based compensation, remeasurement of warrants, liabilities and amortization of intangibles and of the debt discount related to our 2026 convertible notes.

Expenses incurred for the launch of our wagering business impacted EPS and adjusted EPS by \$0.02 in the quarter.

Now turning to the balance sheet, we ended the quarter with \$412 million in cash, cash equivalent and restricted cash. This includes the \$18 million impact in Q2 of the full repayment of the senior secured loan to AMC Networks. As part of our ongoing capital structure optimization, it has resulted in a strengthened balance sheet and a significant reduction in our cost of debt.

Operating cash flow in the quarter was negative \$33.6 million, improving \$20 million compared to the first quarter of 2021 and inclusive of \$4.3 million negative impact from payment associated with the buildup of our wagering business.

Moving now to our outlook. Given our strong performance in the first half of 2021, continued industry tailwinds and confidence in our growth trajectory, we are once again increasing our full year 2021 revenue guidance to \$565 million at the midpoint, representing a 116% increase year-over-year and up from an increase of 101% reflected in our prior guidance. Similarly, we are increasing our end of the year subscriber guidance to 915,000 at the midpoint, up 67% year-over-year. This subscriber outlook implies full year 2021 net additions of at least 367,000, 58% higher than our full year 2020 net additions of 232,000.

Turning to the third quarter, we estimate revenue to grow to \$142 million at the midpoint of the guidance, up 132% year-over-year. We estimate end-of-period subscribers to come in at 815,000 at the midpoint, a

growth of 79% year-over-year. I would also like to highlight that our guidance does not include any revenue contribution from our sports wagering business. While we are very pleased with the progress we are making, both in securing market access licenses in new states and building up our sport books, we're still in the early innings of this opportunity.

As we approach our expected new market launches in the second half of the year, we plan to increase our investment and estimate between \$35 million and \$45 million of wagering expenses to hit the P&L in the second half of the year. These expenses will be largely driven by the operating and marketing investment associated with our planned launches.

Again, we are pleased with our execution on our wagering plans and look forward to providing more details on launch dates as well as target markets in the ensuing weeks as the regulatory review process continues.

In closing, we are very pleased with our performance in the first half of 2021 as we continue to efficiently drive robust growth and operating leverage. We believe that we are well positioned to continue to executing our long-term growth strategy in video and wagering while delivering a differentiated and world-class experience to the consumer.

Thank you for joining for our call today. We will now take your questions.

Alison.

Alison Sternberg

Thank you, Simone. Thank you, David.

We're now turning to the Q&A portion of our call. I would ask that everyone please restrict their questions to two, just in the interest of time.

Our first question comes from Laura Martin with Needham & Company. Laura, it's great to see you, and please go ahead.

Laura Martin

Okay. My first question is, David, your additions were 90,000 subs. We thought they were going to be 12,000. I would like some more granularity on what are you getting better at. Is that the churn is down 203 basis points? Is that what's improving these add numbers? Or are you doing something on the customer acquisition side so much better now than when you were at the IPO date eight months ago?

David Gandler

Yes. Well, first of all, Laura, it's great to have you here with us again.

Obviously, churn is very important. I think this is our tenth quarter now sequentially year-over-year that we've improved our churn numbers. The team is getting better at leveraging the data. My Co-Founder, Alberto Horiuela, his team is just doing a phenomenal job from an acquisitions perspective. We continue to really focus on all the channels that we've always discussed with you. But I think this quarter, in particular, we've been able to really have more efficient acquisition cost, and that acquisition cost is allowing us to really excel in terms of subscriber growth. So we're very happy with the quarter from an acquisitions perspective.

Laura Martin

Then my second question would be on this amazing advertising number. You just blew past Roku, and they are an AVOD platform. You're supposed to be an SVOD platform, and you're doing a lot more ad revenue, growing a lot faster your ad revenue. So could you go into the components of what's driving your ad revenue growth, especially on the CPM side? But also, is it sustainable?

David Gandler

Yes. Well, first of all, yes, on all of those. It is very sustainable. We're very excited about our advertising business. As you know, there are three components to driving advertising sales at fubo. The first obviously is the fill rate. The second is the CPM, which we will talk about shortly. The third is just the number of hours that people are watching. People continue to watch more and more on fuboTV. We're actually taking more share of the market, 245 million hours in the quarter.

But with respect to sustainability, if you think about it, our goal is to hit \$35 CPMs and we're currently still in the low \$20s. So putting 50% to 70% on that component in and of itself will actually push us to \$13 to \$14 of ad offer. So we're very excited about the ad piece. I think the other component is that we're really focused on males. We skew heavily male, 42 years old. That's significantly younger than the male viewer on cable. Household income is \$85,000. That's also driving more advertiser interest.

We continue to leverage our first-party data. So we're very excited about advertising and we think that we will continue to be able to drive growth in ad offer.

Laura Martin

Thanks very much for taking my questions, and excellent numbers. Congratulations to you guys.

David Gandler

Yes. Thank you.

Alison Sternberg

Great. Thank you, Laura. Great questions.

Our next question comes from Jed Kelly with Oppenheimer. Jed, good to see you and feel free to ask your question.

Jed Kelly

Yes, great, great. Thanks, David. Thanks, Simone.

Yes, my first question, just how do you think about measured growth? It seems like you're leveraging your subscriber-related expenses. Advertising, I'm sure, is contributing to that. So how do you, David, view subscriber growth? Because it seems like you're doing well. But how should we look at it over the next, call it, 12 to 18 months?

David Gandler

Yes. Well, Jed, thank you, first of all, for joining us today. You look great.

Jed Kelly

Thanks.

David Gandler

Look, we have said and told you this, I think told The Street that we are very focused on subscriber growth. We've actually pulled forward our subscriber number for 2022 to 2021. So, 915,000 subscribers at the midpoint is our goal for the end of the year. Again, we're on track. We feel good about our ability to be able to drive growth. We've been a leader in subscriber net additions for the last few quarters. That's not only relative to the traditional ecosystem but also with respect to the virtual space. So again, we are doing a lot of the right things.

I don't know, Simone, if you would like to add anything on that.

Simone Nardi

Yes, I would just add that we do that with a very close eye to efficiencies. We have been increasing our overall subscriber by 58% in terms of net addition compared to 2020 in our latest guidance. We do that with decreasing sales and marketing expenses now in the quarter, 16% of revenue, down from 18% the prior quarter in first quarter 2021, as well as with an eye on SAC, going back to the original question that mentioned earlier—asked earlier as well. Our target is to maintain SAC within certain parameters. Even in the second quarter, like we did in the first quarter, we were below that range, our target range. So we continue to see efficiencies and we continue to kind of push when we see the efficiency stays.

Jed Kelly

Got it. Then just on gaming, where do you want the product to be in terms of when you really start to aggressively market it to your subscribers? Can you give us any sense on what you're thinking about in terms of stimulating demand?

David Gandler

Well, it's a good question. Hopefully, you had a chance to see the product preview of a live sync opportunity. I think this is going to be a phenomenal product. I'm extremely bullish on the integration of two services. As you know, the flywheel effect is actually critical to our ability to really drive overall growth. The three goals that we've set for ourselves is, one, to reduce the cost of entry into the gaming business by leveraging our subscriber base. That's the sort of the first thing.

We're also looking to be able to deliver a product that we think consumers are going to enjoy. Right now, I think the key is to get the market access deals done. We're very happy with the way things are going. The product team and also, obviously, Sam Rattner and Scott Butera with my other Co-Founder, Sung Ho, are doing an excellent job sort of preparing that product. We've gone pretty far with many of the regulators and we're excited to get the product launched.

We think that the opportunity is actually pretty sizable: 50% gross margins will be our long-term target. We will also look to target about \$10 to \$15 of advertising ARPU based on that 50% margin. So again, we're looking really good in terms of our launch timing around fourth quarter.

Jed Kelly

Thank you.

Alison Sternberg

Thank you, Jed. Great questions.

Our next question comes from Jim Goss at Barrington. Jim, please go ahead.

James Goss

Hi, thanks very much.

I was wondering, as you've pursued this process, are you finding that there are certain sports that are key to maintaining your customer acquisition and retention? Conversely, any non-sports programming that you think are going to be very important to what is the same attributes? And how is this influencing your program mix would you say?

David Gandler

Yes. Thank you, Jim.

At the end of the day, fubo is a sports-first cable TV replacement service. So entertainment obviously being an important part of our retention strategy. But the entertainment side of our business is really fungible. I think this quarter, we've demonstrated our ability to continue to acquire customers at a relatively efficient rate. We had a big quarter in terms of sports. We had the CONMEBOL matches, which were live on the fubo sports network exclusively. We also had the Euro Cup as well as a number of the U.S. and Mexican national games.

We had a really solid quarter, and going into third quarter, which as you know, NFL being a key component, a key driver of growth for the Company. So we're very excited with respect to the back half of the year, given our performance in the first half of the year, which are giving us comfort in terms of raising our guidance for the future.

James Goss

Another question would be related to the access points. I believe you did a recent deal with Vizio. I wonder if you might discuss that at all and talk about how many other sort of similar sort of deals you have in process?

David Gandler

Yes. Well, as you know, we launched our partnership with LG in the second quarter. We have just announced our partnership with Vizio on their amazing SmartCast platform. We will look to continue to proliferate the number of connected TV devices. As you know, 94% of our viewership is on connected devices. So the more connected devices or smart TVs that we are on, the better we will be able to monetize our offering.

There is a number of other services and platforms that we are talking to, and we will look to provide you with more visibility in the coming quarters.

James Goss

All right. Thank you very much.

David Gandler

Yes. Thank you, Jim.

Alison Sternberg

Thank you, Jim.

Our next question is from Shweta Khajuria from Evercore. Shweta, it's good to see you again. Please proceed with your question. Nice to see you.

Shweta Khajuria

You too, Alison, and thank you.

Let me try one first, please. Could you talk about what drove engagement on your platform in the quarter? Was it mostly sports that's coming back, was it product improvements? Because, we are entering a reopening economy, and yet engagement on your platform was very strong. So could you please talk about that? Then I have a follow-up, please. Thanks.

David Gandler

Yes. Shweta, thank you.

We are super excited about our product. I mean, we have done a lot. I want to talk about the acquisitions that we have made, Balto, in particular. That group brought a significant amount of knowledge to the Company. We have launched a free-to-play product, which you are aware of, in beta in Q2. We also launched FanView, which also generated about 25% to 37% engagement improvements on the content that we had. That's very important, because it really highlights the fact that we are focused on really developing a sports-first product that allows us to really create more interactivity and engagement on the platform. So that has worked really well.

We are excited about the upcoming product improvements as we get into Q3. But we also had acquired the rights to CONMEBOL, as you know. We have taken on some new skill sets around production that we didn't previously have. So we are really looking forward to being able to develop more products around some of the content that we have acquired, and we are looking to do more from a product perspective. So, we believe that engagement will continue to improve over time.

In fact, just one interesting tidbit, when you look at 2020 in terms of daily viewership, we were averaging about 7.2 hours per day. Again, that's during shelter in place, which was in effect for, I would say, the majority of March through June. This year, year-to-date, we are averaging about seven hours. So you can imagine how strong engagement is going into the back half of the year.

Again, lots going on from a product perspective, platform proliferation, and again, we are super excited about the acquisitions that we have made and those acquisitions and their ability to be able to drive performance for the Company over the long term.

Shweta Khajuria

Okay. That's helpful. Thank you. Then my follow-up is on churn. So, churn improved over 200 basis points year-over-year, tenth consecutive quarter. You talked about it a little bit earlier. But where are we in

terms of long-term trends? Is it normalizing now? Is there a material upside? How should we think about that?

David Gandler

Yes. I believe there is material upside. If you look at prepaid wireless levels in terms of churn, which are businesses that don't rely on contracts, churn rates for those businesses are roughly around 5%. I think that we have a long way to go. More mature streaming businesses like Netflix that are around for 25 years; as I like to say, they are a quarter-century old with century in that number. We have got a long way to go. This is a Company that is very young. We are six years-old. I think that there is material upside in terms of retention improvement over the next 36 months.

Shweta Khajuria

Okay. Thank you very much.

David Gandler

Thank you.

Alison Sternberg

Thank you, Shweta. Great questions. Look forward to continuing to work with you.

Our next question is from Dan Salmon with BMO. Dan, good to see you. Please feel free to proceed with your question.

Daniel Salmon

Thanks. Good afternoon, everyone.

First question, David, how helpful were the June set of CONMEBOL matches to your gross subscriber additions, and how has the retention been with the customers that are viewing those matches? Then I will follow-up with a second after.

David Gandler

Yes. I think it's clear that having content like CONMEBOL, which is, in my opinion, a very premium event, has allowed us to do many things. I think one of them is the ability to develop more engaging product features around that content. As I have said, we have launched these product beta features on three platforms: Android mobile, iOS mobile and Roku. What we have seen is up to 37% engagement improvements when we add products around the game.

We have done a lot around CONMEBOL. I think that we will look to be opportunistic, of course, always in a measured and disciplined way in terms of adding exclusive content to the platform. In terms of engagement and churn, obviously, this was a high-profile event. But this event also led right into the Olympics, which is performing well in the platform as well.

We haven't had a chance to really gauge that first cohort yet, but we are optimistic that you will continue to see retention trends that are in line with previous quarters.

Daniel Salmon

Okay, great. That's really helpful, and also the note on the Olympics viewership too. So second question, you think about your state-by-state rollout for the Sportsbook, how does that dovetail with your regional sports strategy? Do you need to have the major RSNs in a given state for your (audio interference).

David Gandler

Yes, that's a good question. Ideally, with the more content that we have available, the better. Realistically, I think our scaffolding is quite clear. We are looking to develop a business unit that's going to deliver 50% gross margins. Our goal in terms of market access is to be able to provide access to our subscriber base by the end of 2023 of up to 50% of our total sub-base. So you can imagine at 915,000, which is our guidance for the end of this year, that becomes a pretty sizable cohort.

The idea really is very simple. How do we create a flywheel in what we are doing? And we are starting to see opportunities that we believe significantly differentiate us from the pack, right. The goal, as I was saying earlier, is to, one, reduce the cost of entry into that business; number two is to create very attractive unit economics; and number three, which is probably equally important, is the ability to create integrated experiences which really build defensibility or a moat around the product. The more we start to kind of delve in with regulators, again, based on the feedback that we are getting, everyone is kind of excited about it. So we are very, very excited about the opportunity in the business.

The last thing I will say on that front is that fubo today, from a video perspective in a virtual MVPD space, commands about 6%, or roughly 6%, based on the available data in the market today of the virtual MVPD space. It's very likely that over the long term, we would push to achieve anywhere between 3% and 6% of the total gaming TAM, if you will.

We think there is tremendous upside for the overall business. The most important factor is we control all those screens, right? This is what Amazon is after. This is what Apple is after. fubo controls 135 hours of viewership, which averages on a daily basis of just over seven hours. So, with that in mind, we are very confident in our ability to be able to roll out additional products and services.

Daniel Salmon

Thank you.

Alison Sternberg

Great, thank you, Dan. Great questions, insightful questions. Appreciate it.

Our next question is from Dillon Heslin with ROTH. Dillon, thank you for joining us and please go ahead with your questions.

Dillon Heslin

Hi. Thanks for taking my questions.

First, with your Sportsbook scheduled to come out later this year and like the NFL season starting up pretty soon, do you have any incentives or initiatives planned that can help you lift your conversion rates in getting people to adopt the app, given it will likely come out during like a peak time in the sports season?

David Gandler

Yes. Dillon, that's a great question. I think right now, as you know, everything is subject to regulatory approval. Things are, I would say, moving pretty well along those lines. We are still on track to launch in the fourth quarter. Obviously, we would like to do that in a very staggered way. But we do plan to launch at least three markets before the end of the year, assuming we can get there. But again, we are very excited about the opportunity.

I think the ability to market these two services are actually quite strong. To be able to create this unified message that gives people an opportunity to sort of really sort of engage and interact with a service like no other. I mean, that's just a fact. Again, leveraging the data from both of these two are going to provide us ample opportunity to create really interactive and engaging opportunities. But I do foresee the ability for us to create some really compelling promotions for customers during the NFL season.

Dillon Heslin

Great. Thank you. As a follow-up, regarding the up-sell attachments and the strength you are seeing there, could you comment at all about where those are skewing? Is it net new subs you are adding, or is it people who have been on the platform and now they are upgrading to additional packages and services?

David Gandler

Yes. Again, excellent question. I think it's important to highlight we sold 1.5 million, that's 1.5 million, attachments at the end of this quarter. That's a phenomenal number of attachments. That number is up from 388,000 just 12 months prior. So we are super excited about our attachment business. As you can see, YouTube TV and others are beginning to copy a lot of what fubo is doing, so we obviously take that as a huge compliment. This is an area of focus for us.

At the moment, we don't have enough product integrations to allow us to continue to drive up-sells within product, but our product teams now are working very closely with our engineering teams to be able to isolate and identify customers that we think will have a propensity to acquire more of these up-sell opportunities, particularly as we head into the NFL season with RedZone.

Again, we are super excited about the opportunities, not only around advertising, but also around our ability to up-sell customers on both service attachments as well as content attachments. I think those are the two that we would like to distinguish between, because as you know, our service attachments, which is really our key focus, has a margin profile closer to 95% to 100%, whereas our content attachments have a profile between 20% and 60% from a margin perspective. So again, this is an area of focus for us, and we believe we will continue to be able to drive that forward.

Dillon Heslin

Appreciate the color. Thank you.

David Gandler

Thank you.

Alison Sternberg

Great. Dillon, thank you so much for your thoughtful questions.

This actually concludes the Q&A portion of our call today. I want to thank everybody for their participation and for their thoughtful questions and encourage folks to reach out with any follow-up. We look forward to continuing to update you on the business in the ensuing weeks and quarters to come.

Thanks, everyone, again.

David Gandler

Thank you very much.