LionTree WEEKLY UPDATE

THE WEEK ENDING FEBRUARY 21, 2025

Market volatility is back. After hitting a new all-time high earlier this week, the S&P 500 and other major indices traded down sharply to end the week. There was a market rotation into defensives and away from tech and cyclicals. The level of uncertainty around Trump's plans remained the focus, and concerns about the consumer (and the economy) resurfaced following comments from Walmart this week. The TMT earnings drumbeat also continued with new updates across China Tech and Live Music, in particular.

In this edition, we focused on:

1. Earnings Scorecard - Week 5
2. Alibaba & Baidu Are Making Notable Strides In The Global AI Race
3. Live Nation: The "Live Music" Bandwagon Keeps On Rolling
4. New 13-Fs Reveal The Most Bought TMT Stocks Among Hedge Funds In Q4... Tesla, Booking, & CrowdStrike
5. The Barrage Of AI Updates & Innovations Continues
6. A Highlight Reel Of This Week's Notable Sports Updates
7. Booking Rounds Out A Resoundingly Strong Quarter For The OTA Industry
8. Grab Bag: Details On Spotify's Upcoming Premium Tier/Microsoft's New Quantum Computing Chip/Apple's New Lower-End iPhone 16e

Also, I forgot to mention this last week, but for those of you that participated in our annual 2025 Sector Themes Survey, we sent the results directly to your email on Feb 11. Let me know if you need me to resend, and thanks for participating!

Have a nice weekend.

Best,
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This weekly product is aimed at helping our key corporate and investor clients stay in front of major themes and developments driving the TMT and consumer-oriented sector. Please don’t hesitate to reach out with any questions or comments!

Top Themes

1) Earnings Scorecard – Week 5

Despite the shortened holiday week, there were still 26 companies in our LionTree Universe that reported their fourth quarter results this week (slightly up from 25 last week). Stock price reactions were *heavily* biased to the downside, with 19 companies (74%) trading down in reaction to their report and just 7 trading up. **Bumble** was the worst performer, down -30.3% post its print, while **Unity** was the best performer, up +30.4%.

China Tech was a frontrunner on the earnings circuit this week, with **Alibaba** and **Baidu** seeing opposite reactions from the Street, up +8.1% and down -7.5%, respectively (see Theme #2 for more). **Live Nation** was also a key report this week though the stock fell -1.9% post its print (see Theme #3). The last of the online travel names also reported this week, including **Bookings Holdings**, which fell -0.5% in reaction (see Theme #7).

LIONTREE EARNINGS SCORECARD

SECTOR	Stk Reaction*	SECTOR	Stk Reaction*
Application Software		**LatAm Telco**	
BigCommerce Holdings	-6.7%	Liberty Latin America	-5.3%
Unity Software	30.4%	**Live Events**	
China Internet/Tech		Live Nation Entertainment	-1.9%
iQIYI	-9.3%	**Online Travel**	
Baidu	-7.5%	TripAdvisor	-6.8%
Alibaba Group	8.1%	Booking Holdings	-0.5%
Consumer Retail		**Out of Home Advertising**	
Walmart	-6.5%	Lamar Advertising	-7.3%
e-Commerce		**Payments/FinTech**	
The RealReal	-18.8%	Block	-17.7%
Etsy	-10.1%	**Smart Home Security**	
Wayfair	-0.6%	Alarm.com	-1.7%
MercadoLibre	7.1%	**Software IT Services**	
EdTech		Rackspace Technology	0.7%
Grand Canyon Education	1.8%	**Theaters**	
Employment Marketplace		Cinemark	-13.6%
Fiverr	-8.6%	IMAX	-1.1%
European Telco		**Toys**	
Liberty Global	2.6%	Hasbro	13.0%
Internet/Advertising		**US Print Media/Publishing**	
Bumble	-30.3%	Gannett	-3.7%

Source: FactSet
*Day post earnings

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2) Alibaba & Baidu Are Making Notable Strides In The Global AI Race

Growing optimism around AI has driven a rally in China Tech stocks recently (link), with the KWEB ETF gaining ~+24% over the past month alone, and Alibaba's FQ3 print for its December-ended quarter this week further reinforced this trend. "Rapid adoption of AI technology across industries" led to a sequential acceleration in the Co's Cloud Intelligence business' top-line growth, resulting in its sixth consecutive quarter of triple-digit y/y growth in AI-related product revenue. Alibaba's management sees a "clear and massive demand for infrastructure" in the AI era and believes this is "the kind of opportunity for industry transformation that really only comes about once every several decades." As a result, the company is committing to its "highest-ever historical investments in CapEx" over the next three years, spending more on infrastructure over that period than it has over the past decade. Alibaba believes that AI can eventually replace 50% of global GDP, and it views infrastructure as the "clearest monetization pathway" around the technology moving forward. Otherwise, commentary on the company's core commerce business was sparser but was still positive, as revenue growth accelerated sequentially and adj EBITDA returned to growth on a y/y basis.

Like Alibaba, Baidu's Q4 earnings call was also heavily focused on the company's AI Cloud segment and its ERNIE chatbot. However, unlike Alibaba, the positive commentary surrounding Baidu's cloud business, which included strong enterprise adoption trends, didn't necessarily spark a favorable reaction from the market. This was likely due to "near-term pressures" that caused "softness" in the company's core online marketing business. In addition to small & medium enterprises being "particularly sensitive" to ongoing macro conditions, Baidu's management highlighted a "persistently challenging competitive landscape." The B2C side of the company's business also faced challenges, which were reflected in sequential declines in Baidu App users. Still, there appears to be greener pastures on the horizon for Baidu. The company has seen encouraging early signs from its efforts to integrate AI and its ERNIE bot further into its advertising products and mobile ecosystem. Also, Baidu's plans to expand its robotaxi business are expected to result in a "significant acceleration" in rides growth in 2025.

See below for more of what we thought was most interesting from both Alibaba and Baidu's results.

-> Alibaba shares rose +8.1% post-earnings and ended the week up +15.2%; Baidu shares fell -7.5% following the print and closed the week down -6.4%; YTD, Alibaba stock is trading up +69.5%, while Baidu stock is still up +8.3%

1) ALIBABA – See below for our thoughts on key themes, updates, and takeaways

Alibaba's Headline Numbers Were Propelled By "Strong Biz Fundamentals & Profit-Generating Capabilities"

- **Alibaba's results broadly exceeded estimates:**
    - FQ3 rev rose +7.6% y/y (vs +5.2% y/y in FQ2) and beat cons by +0.6%
    - Adj EBITDA was up +4.2% y/y (vs -3.9% y/y in FQ2), topping cons by +2.6%
    - Adj EBITA also finished +2.5% ahead of cons
    - Adj EPADS of CNY21.39 came in +9.9% above cons

- **By segment:**
    - **Core Commerce (~78% of total rev) – BEAT:**
        - Rev incr'd +8.9% y/y in FQ3 (vs +7.8% y/y in FQ2) and closed +1.2% ahead of cons
        - Adj EBITA grew +0.2% y/y (vs -8.2% y/y in FQ2) and beat cons by +1.2%
    - **Cloud Intelligence (~11% of total rev) – BEAT:**
        - FQ3 rev was up +13.1% y/y (vs +6.5% y/y in FQ2) and topped cons by +3.1%
        - Adj EBITA rose +32.7% y/y (vs +88.9% y/y in FQ2) and ended +12.5% above cons
    - **Digital Media & Entertainment (~2% of total rev) – MIXED:**
        - Rev grew +7.9% y/y in FQ3 (vs -1.5% y/y in FQ2) and beat cons by +1.1%
        - Adj EBITA of -CNY309mn (vs -CNY517mn the prior yr qtr and -CNY178mn in FQ2) missed cons by -52.2%
    - **All Others (~19% of total rev) – MIXED:**
        - FQ3 rev incr'd +12.9% y/y (vs +8.6% y/y in FQ2) and topped cons by +7.1%
        - Adj EBITA of -CNY3,156mn (vs -CNY3,172mn the prior yr qtr and -CNY1,582mn in FQ2) fell short of cons by -31.9%
    - **Consolidation Adjustments (~-11% of total rev) – MIXED:**
    - FQ3 rev missed by -14.8%, while adj EBITA beat cons by +43.7%

Alibaba (CNYmn)	2025FQ3 Results		
	Actual	Cons Est	% Surp
Consolidated Revenue	**280,154**	**278,490**	**0.6%**
Adj EBITDA	**62,054**	**60,490**	**2.6%**
Adj EBITDA Margin (%)	22.1%	21.7%	
Adj EBITA	**54,853**	**53,530**	**2.5%**
Adj EPADS	**21.39**	**19.47**	**9.9%**
Revenue by Segment			
Core Commerce	**219,076**	**216,447**	**1.2%**
Taobao and Tmall Group	136,091	131,719	3.3%
Alibaba International Digital Commerce	37,756	36,165	4.4%
Cainiao Smart Logistics Network	28,241	31,360	-9.9%
Local Services Group	16,988	17,203	-1.2%
Cloud Intelligence	**31,742**	**30,784**	**3.1%**
Digital Media & Entertainment	**5,438**	**5,380**	**1.1%**
All Others	**53,102**	**49,578**	**7.1%**
Consolidation Adjustments	**(29,794)**	**(25,378)**	**-14.8%**
Adj EBITA by Segment			
Core Commerce	**55,770**	**55,132**	**1.2%**
Taobao and Tmall Group	61,083	58,760	4.0%
Alibaba International Digital Commerce	(4,952)	(3,470)	-29.9%
Cainiao Smart Logistics Network	235	373	-37.0%
Local Services Group	(596)	(531)	-10.9%
Cloud Intelligence	**3,138**	**2,790**	**12.5%**
Digital Media & Entertainment	**(309)**	**(148)**	**-52.2%**
All Others	**(3,156)**	**(2,150)**	**-31.9%**
Consolidation Adjustments	**(425)**	**(611)**	**43.7%**

Source: Alibaba Filings; Bloomberg and FactSet Data & Analysis LionTree

Taobao and Tmall Group Benefited From Prior Investments In User Experience

- **Taobao and Tmall Group (TTG) outperformed expectations:** Rev grew +5.4% y/y in FQ3 (vs +2.5% y/y in FQ2) and beat cons by +3.3%; Adj EBITA was up +1.9% y/y (vs -5.3% y/y in FQ2) and topped cons by +4.0%, benefiting from the new customer mgmt svs fee but partly offset by investments in user experience
  - **Customer mgmt rev growth accel'd seq:** Customer mgmt rev rose +9% y/y in FQ3 (vs +2% y/y in FQ2), driven by online GMV growth and an improvement in take-rate; This also reflected the full qtr impact of the software svs fee and increasing adoption of the Quanzhantui digital mkting tool for merchants
  - **Efforts to grow the user base and enhance the user experience are paying off:** The Co saw "strong growth in both new consumers and orders" during the qtr
    - **88 VIP membership "cont'd to grow rapidly":** TTG's core consumer group maintained double-digit growth and surpassed 49mn+ by the end of the qtr, w/ profitability increasing on a cohort basis
  - **Improvements in monetization have helped stabilize margins…:** The Co has "done a lot to drive incr'd monetization recently," including integrating new payment methods and charging payment processing fees; A more intelligent mkting product and a software svs fee have boosted monetization as well
    - **… BUT TTG "remain[s] in an investment stage":** The Co will continue to invest in user experience and acquisition to achieve "healthy, stable mkt share" moving forward
    - **Introducing AI features is expected to be another monetization driver in the future:** Many of these projects will be launched "soon" and will increase consumer engagements as well as drive higher transaction efficiency

The AI + Cloud Strategy Continues To Drive "Robust Momentum" In The Cloud Biz

- **Cloud rev growth improved seq:** Alibaba Cloud rev (excluding Consolidating subsidiaries) was up +11% y/y in FQ3 (vs +7% y/y in FQ2) and was "fueled by even faster public cloud rev growth"
  - **AI-related product rev grew at a triple-digit rate for the sixth straight qtr:** Highlighted that the "rapid adoption of AI tech across industries" has been driving surging customer demand for Alibaba Cloud products
  - **Alibaba has plans to "aggressively invest" in AI infrastructure:** Over the next three yrs, the Co will spend more on cloud & AI infrastructure than it has spent over the past decade; Spending levels will be relatively even on a y/y basis over the period but could fluctuate on q/q basis depending on supply chains
    - **The "clear and massive demand for infrastructure" created by AI is an oppty that "only comes about every several decades":** As a result, new capacity is expected to be "taken up very rapidly"
    - **Having a cloud computing network is "the clearest monetization pathway" today:** Explained that the "future ways in which these [AI] models will be monetized are not necessarily clear"; Compared AI to electricity and Alibaba's cloud computing network to a power grid
  - **Forward-looking comments –**
    - **"Rev growth of Cloud Intelligence Group will continue to accel":** Cited Alibaba's recent launch of Q1 2.5 MAX, its flagship AI foundational model; By the end of Jan, 90,000+ Q1-derivative models had been developed globally, and 290,000+ Cos and devs had accessed Q1 APIs
    - **Greater scale will lead to higher margins over time:** "We will grow our customer base and expand industry coverage across a wider range of sectors, and all of that will certainly contribute to higher levels of margin in [the Co's] AI svs" and enable it to "better optimize the cost of this build-out"

- **At the model layer, Alibaba's "first and foremost goal" is to pursue artificial general intelligence (AGI):** More broadly, the Co's aim is to "keep pushing out those boundaries" of AI use cases "to create more and more oppties"
  - **"The standard for AGI is AI that can replace or achieve 80% of our human capabilities":** AGI could "have a tremendous impact" in restructuring industries and "even replace 50% of global GDP"
  - **The Co will "substantially increase R&D investment in AI foundational models" moving forward:** This will help it maintain its technological leadership and drive the development of AI native applications
  - **There are also plans to further integrate AI models within Alibaba's B2C and B2B products:** Highlighted Quark, a search product, on the B2C side as well as DingTalk, which is the Co's "most important asset" on the B2B side, as offerings that will be further enhanced by AI

Alibaba International Digital Commerce's Performance Was Driven By Incr'd Investments

- **Alibaba International Digital Commerce (AIDC) posted mixed results:** FQ3 rev rose +32% y/y (vs +29% y/y in FQ2) and beat cons by +4.4%; However, adj EBITA losses of -CNY4,952mn (vs -CNY3,146 the prior yr qtr and -CNY2,905mn in FQ2) missed cons by -29.9%
  - **The cross-border biz contributed to "strong growth" in the international e-commerce biz in FQ3:** AIDC incr'd investments during overseas shopping festivals on a seq basis and cont'd to invest in select European mkts in the Gulf Region to acquire users
  - **AIDC is expected to achieve its first qtr of profitability in FY26:** Unit economics have been improving on a seq basis and are expected to see a "significant increase" over the next few qtrs, driven by the Co's focus on operating efficiency and the optimization of its B2C biz model
    - **Otherwise, the Co anticipates a "stable trend" in the international biz over "the next few yrs":** The Co plans to continue working towards achieving "significant profitability at scale"

Notes On Buybacks & Recent Transactions

- **Alibaba repurchased $1.3bn worth of stock in FQ3:** This equated to a -0.6% net reduction in share count during the Dec qtr; Over the last nine months, the Co bought back $10bn worth of shares and achieved a net -5% reduction in share count

- **The divestments of Sun Art and Intime are expected to close within the next two qtrs:** Both deals have already passed anti-monopoly reviews

- **There are no plans to sell Freshippo as part of the effort to exit non-core bizs:** That said, Alibaba has an "open attitude" to introducing a strategic investor or adopting "similar approaches that could enhance the value of Freshippo," given the biz's success

2) BAIDU – See below for our thoughts on key themes, updates, and takeaways

Baidu's Headline Results Reflected Near-Term Pressures

- **Q4 headline numbers were mixed, w/ top-line beating but profitability coming up short:**
    - Total rev fell -2.4% y/y in Q4 (vs -2.6% y/y in Q3) but still topped cons by +2.2%
    - Adj EBITDA dropped -23.2% y/y (vs -8.1% y/y in Q3) and missed cons by -12.4%
    - Non-GAAP op income was down -28.7% y/y (vs -7.7% y/y in Q3) and -1.8% below cons

- **By segment –**
    - **Baidu Core (~81% of total rev) – BEAT:**
        - Q4 rev was up +0.8% y/y (vs -0.2% y/y in Q3) and beat cons by +3.5%
        - Non-GAAP op income was down -25.0% y/y (vs -0.3% y/y in Q3) but still ended +1.6% above cons
    - **IQIYi (~19% of total rev) – MISS:**
        - Rev dropped -14.2% y/y in Q4 (vs -9.6% y/y in Q3) and closed -3.4% below cons
        - Non-GAAP op income fell -56.2% y/y (vs -58.7% y/y in Q3) and missed cons by -10.6%

Baidu (CNYmn)	2024Q4 Results		
	Actual	Cons Est	% Surp
Total Revenue	34,124	33,390	2.2%
Adj EBITDA	6,954	7,940	-12.4%
Non-GAAP Op Income	5,047	5,140	-1.8%
Non-GAAP Op Margin (%)	14.8%	15.4%	
Revenue by Service			
Online Marketing Services	19,340	19,000	1.8%
Others	14,784	14,280	3.5%
Revenue by Product			
Baidu Core	27,698	26,770	3.5%
IQIYI	6,613	6,844	-3.4%
Product Non-GAAP Op Income			
Baidu Core	4,647	4,573	1.6%
IQIYI	406	454	-10.6%

Source: Baidu filings; Bloomberg and FactSet Data & Analysis

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Core Ad Rev Declined For A Third Consecutive Qtr But It Is Reaching A "Low Point"

- **The online marketing biz experienced "softness" in Q4:** Online mkting svs rev was down -7.0% y/y in Q4 (vs -5.8% y/y in Q3); Highlighted "near-term pressures," including small & medium enterprises being "particularly sensitive" to ongoing macro conditions as well as the "persistently challenging competitive landscape"
    - **Baidu believes it is "reaching a low point of [its] ad biz":** The Co is "seeing many oppties for future growth," such as improving its app biz, and anticipates that H1:25 will play out better than Q4; H2:25 is also expected to show a further uptick over H1:25
        - **Recently introduced stimulus measures "eventually will benefit the economy" but "need some time to flow through":** These include monetary easing as well as other trading policies
    - **Efforts to enhance Search w/ gen AI transformations have been "progressing steadily":** The Co has been working to drive "deeper personalization" w/ gen AI and has been seeing "encouraging improvements in user match testing"; This is expected to drive rev growth and new monetization oppties in the longer-term
        - **Daily search queries per user on the Baidu App grew +2% y/y in Dec:** In Jan, 83% of MAUs that conducted a search on the Baidu App engaged with gen AI content

        - **~22% of all search result pages have AI-generated content currently:** Baidu App users that were exposed to AI-generated search results "demonstrated higher engagement levels, conducted more search queries, and showed high orientation rates and longer time spans

The AI Tech "Megatrend" Continues To Benefit Baidu's Cloud Biz

- **Baidu AI Cloud "delivered a robust performance," as rev growth improved significantly seq:** AI Cloud rev rose +26% y/y in Q4 (vs +11% y/y in Q3), primarily driven by "increasing mkt recognition" of the Co's AI capabilities and its "expanding mkt share in China's cloud mkt"
    - **Baidu has "momentum in [its] enterprise client pipeline" …:** The Co partnered w/ "leading enterprises across diverse sectors" in Q4, collaborating w/ State Grid Corporation of China as well as Xiamoi and Jiku
        - **… And is "increasingly becoming the preferred choice for mid-tier bizs":** Reflecting the "strengthening competitiveness" of its AI infrastructure
    - **Gen AI-related rev nearly tripled y/y across 2024:** Given "rising demand for ERNIE and [the Co's] AI infrastructure"
    - **China's AI Cloud mkt is expected "grow rapidly" in 2025 as well:** Public awareness of foundational models has been increasing, and steady declines in cost have lowered the barrier to entry to utilize these models; This will enable the Co maintain "strong momentum" in AI Cloud rev growth
        - **"More enterprises will integrate foundational models into every aspect of their biz operations":** Ranging from R&D to production as well as other svs; This will "drive explosive growth in API cost"

Businesses Are Finding More Use Cases For The ERNIE Bot

- **The ERNIE bot has seen "widespread adoption across various scenarios":** The ERNIE AI chatbot svs has experienced "rapid growth across various biz sectors," including education, e-commerce, entertainment, and recruitment
    - **API calls for ERNIE are "significantly growing":** Highlighted that ERNIE handled ~1.65bn API calls daily in Dec, w/ external API calls growing +178% seq, driven by falling inference costs as well as bizs finding value from integrating the chatbot into their day-to-day operations
        - **Recent "strategic" decisions are expected to "enable broader adoption":** Including the decision to open source the upcoming ERNIE 4.5 series and make ERNIE Bot free for end users
    - **27,000+ advertisers generated ad spend through ERNIE agents daily in Dec:** Advertisers have been using AI agents to "quickly master complex, non-standardized svs portfolios… while efficiently qualifying leads" from standard customer inquiries
    - **Baidu will focus on performance improvements and cost-cutting in future iterations of the ERNIE bot:** The Co is also committed to an application-driven approach in "continuously iterating ERNIE, so that it can "effectively address real-world problems at scale"

Ongoing Investments In AI Are Also "Propelling Significant Progress" In The Robotaxi Biz

- **Apollo Go's domestic robotaxi operations cont'd to "show robust momentum" in Q4:** Apollo Go provided ~1.1mn rides to the public in China in Q4, representing a +36% y/y increase
    - **Jan saw the Co achieve further milestones:** Apollo Go transitioned to 100% fully driverless operations and surpassed 9mn+ cumulative rides provided to the public
        - **Apollo Go rides have accumulated 130mn+ autonomous kms to-date:** And have done so w/ "an outstanding svs record"
    - **Baidu anticipates "a significant accel" in Apollo Go's ride volumes in 2025:** Driven by efforts to further scale operations
        - **The Co is "confident" in its plan to expand beyond Mainland China:** Apollo Go secured permits to conduct open road testing in Hong Kong last Nov, making it the only Co to receive robotaxi testing authorization in the region
    - **Apollo Go has "established a path to profitability" within the autonomous driving industry:** The Co remains focused on narrowing losses w/ better operational efficiency and an improved user experience; It is also exploring innovative operational models, including asset-light models

Other Highlights

- **User growth remained a challenge across the mobile ecosystem:** Q4 Baidu App MAUs of 679mn were up +2% y/y but down -4% seq, as difficulties associated w/ user engagement persisted

Managed page accounted for 48% of Baidu's online mkting rev in Q4: Vs 51% in Q3

3) Live Nation: The "Live Music" Bandwagon Keeps On Rolling

2024 was "live music's biggest year yet," and 2025 is "shaping up to be even bigger". That's per Live Nation, which reported a solid Q4 print this week, with revenue beating consensus by +1.5% and AOI beating by a more substantial +20%. AOI grew +35% y/y in the qtr and is expected to continue growing at a double-digit rate in 2025.

Stadium shows will be a big driver in the year ahead, and both sides of the supply & demand equation are looking strong. The pipeline is up +60% y/y, and sell through rates at the stadium level are higher than are previous year, with 75%+ of tickets sold in the first week of sales. That dynamic is not just limited to stadium shows, as strong demand is being seen across the business, including across geographies. International continues to be a substantial oppty, not only on the show/touring side, but also on the venue expansion front. An increasing amount of capital is being directed towards international arena oppties, and the Co is on track to add 20 large venues globally through 2026, which is expected to add an incremental +6-7mn fans.

An interesting update to flag was commentary around DSP partnerships. While Live Nation has had discussions with Spotify, Apple, Amazon, and is open to exploring a partnership if the economics align, scaling the offering is challenging, especially for high-demand events, where only a limited number of customers can secure tickets despite early access.

There were additional comments that we thought were incremental on ticket pricing strategy, regulatory updates, CapEx strategy, and more. See below.

-> Live Nation shares fell -1.9% post-earnings and closed the week down -2.8%; YTD, Live Nation stock is still trading up +15.4%

Solid Q4 With Much Stronger Profitability To End The Year / Expect Continued AOI Growth In Q1, Though FX Will Be A Headwind

- **Revenue – Beat by +1.5%:** Down -2% y/y or +0.2% y/y CC (accel from -6% y/y and -6% y/y CC in Q3)
  - **Concerts and Ticketing segments beat by +1.9% and +2.1%, respectively, while Sponsorship & Advertising missed by -2.2%**

- **Adj op income – Beat by a wide +19.9%:** Grew +35% y/y or +60% y/y CC (big accel from +4% y/y or +5% y/y CC in Q3)
  - Beat across all segments, with Concerts biz coming in the most ahead of expectations

- **Looking ahead, the Co expects to continue to deliver double-digit AOI growth across the biz, BUT FX will be a headwind (on AOI, as well as op income and rev)**
  - FX movement, primarily in LatAm currencies, is expected to impact Q1 op income by low-teens and rev and AOI by mid-to-high single digits, based on current rates

The magnitude of impact is expected to be the greatest in Q1, given seasonality and timing of activity in LatAm mkts

Live Nation	Q4 2024 Results		
	Actual	Cons Est	% Surp
Revenue	**$5,682**	**$5,600**	**1.5%**
Adj Op Income	**$157**	**$131**	**19.9%**
Revenue by Segment			
Concerts	$4,577	$4,490	1.9%
Ticketing	$841	$824	2.1%
Sponsorship & Advertising	$281	$288	-2.2%
Adj Op Income by Segment			
Concerts	-$213	-$262	22.9%
Ticketing	$311	$290	7.5%
Sponsorship & Advertising	$136	$131	4.0%

Source: FactSet, StreetAccount

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Global Oppties, Particularly Venue Expansion, Will Be Central To Growth Strategy Over The Next Decade

- **2025 CapEx is expected to be b/w $900mn-$1bn (vs $633mn in 2024)**
  - $700-$800mn is related to venue expansion and enhancement plans, while maintenance CapEx spend to remain consistent with historical levels
  - Cash flow requirements will be reduced by ~$250mn of funding from joint-venture partners, sponsorship agreements, and other sources

- **Expect to see "a trend towards more of the capital being deployed internationally because of the attractiveness and volume of those arena opportunities"**
  - Oppties in intl continue to ramp up on both sides – Live Nation tends to be the "first, second phone call if you are a developer" and Live Nation's own appetite "still remains very large to expand in that platform"

- **"Live has a real global unlock"**
  - Coldplay show in India was their largest single concert in history and sold out "instantly" with 125k attendees
  - Have 100 offices in ~40 countries, will focus on growing mkt share in underdeveloped mkts

- **Global venue expansion will "not just deliver attractive returns, but also move some reasonable volume of fans, expand out shows, growth the markets"**
  - "Heavily focused internationally at the arena level, globally focused on these large theaters"
  - **Timing of returns will vary by project, but strategy is aligned with ongoing thesis of growing to 200mn fans globally**

- **Preliminary timeline of incremental fan adds –**
  - **"At least" 5mn more fans expected to attend shows in operated venues in 2025,** benefiting from the addition of new venues in 2024 and 2025
  - **Expect to add 20 large venues globally through 2026, delivering run-rate of 6-7mn incremental fans:** Major projects include stadiums in Bogotá and Toronto, seven amphitheaters, and nine large theaters

2025 Will See Strong Stadium Growth

- **Q2 and Q3 stadium show activity expected to be the primary growth driver for 2025…**
  - Stadium show pipeline is up +60% YTD vs the same time last yr

- **…though pace of rev and AOI growth will depend on mix of stadiums vs owned venues**
  - **Mix shift towards stadiums in 2025 will drive "some good revenue growth"**
    - Ticketmaster "will be a big beneficiary"
  - **But b/c stadium shows don't capture ancillary rev (i.e., food, drinks, parking), rev and AOI growth will depend on the performance of owned venues (i.e., amphitheaters, festivals, theaters, etc.)**

- **Sell through rates at the stadium level are higher than any previous yr – "lots of inventory, but equally great demand"**
  - Selling through 75%+ of tickets in the first week on sales, "and that's much higher than the last year"
  - "Seeing consumers buying up those stadium dates faster than ever, up year over year, or any comparable base"
  - "Selling most of these stadiums out or close to being sold out by the time we get to the show dates"

Seeing No Slowdown In Demand / Artists Are Optimizing Ticket Prices For Accessibility While Shifting Sales Away From Secondary Markets

- **Seeing no pullback across the board – "whether it's geographical, whether it's venue type or whether it's festival, we're still seeing strong, strong consumer across the board in terms of buying tickets for the 2025 season"**
  - "Beyoncés are always going to have incredible demand"
  - Club biz is up +17% y/y – "that's kind of the simplest way to say, bottom end, on a Tuesday in Indianapolis, my business is doing better"
  - Festivals are selling at "record levels"
  - 65mn tickets sold for Live Nation concerts in 2025, up double-digits led by stadium and intl activity

- **Given the strong pipeline of events, why is YTD Ticketmaster transacted ticketing volume up just +3% y/y vs event-related deferred rev up +11% y/y?**
  - **Ticketmaster transacting volume is up +3% y/y BUT Live Nation concert ticket sales are up +10% y/y:** Live Nation's concerts are driving higher growth in concert ticket sales vs Ticketmaster's overall ticket volume; B/c Ticketmaster sells a mix of tickets and Ticketmaster's overall volume is still early in the year, more growth is expected
    - "Bit early to read too much into that number"
  - **Deferred rev growth is up +11% due to differences in on-sales timing y/y**: Strong stadium lineup drove higher deferred rev in the qtr, vs last yr's qtr, which saw fewer stadium sales but earlier on-sales for arenas and amphitheaters, which spread out deferred rev more evenly

- **Artists are becoming more strategic with ticket pricing, balancing accessibility for fans while preventing scalpers from buying up high-demand seats**
  - "We love seeing the stadium sitting somewhere around 95% sold out right now. The instant we sold out at 10:00 AM means we've transferred a lot of wealth to the scalper"
  - **Artists are also adding more venues,** "so they're helping consumers get to more shows at a good price, but also making sure that it's priced closer to market, which means you'll have a few high-end tickets sit around in the rim until we get closed to show date"
  - **"So finding that right combination where you're making sure demand and supply kind of march along on the way to the show date versus the 10:00 AM buy or sell"**

- **As a result, more ticket sales are shifting from secondary platforms to primary:** "Every tour is looking at that P1 and making sure that if their fans are going to buy it, they would rather buy it from them direct on show date than two days later from a secondary site, ours included"
  - **"Artists are going to figure out how to keep price in the P1s a little more aggressively, price the bottom back end of the house lower, so we've got a great sell through"**

- **On Lawnie Pass discontinuation in 2025 – "it was a pull back and relaunch":** Program was "very small", and new venue leadership decided that "we were discounting too much too early"; Instead will focus and consolidate around larger sales events like Concert Week

Exploring DSP Partnerships For Ticket Presales, But Mutually Beneficial Economics Are A Challenge

- **Actively monetizing ticket inventory through sponsorships:** Have several presale programs in place with partners like Verizon, Citibank, etc.
  - "Our job is always to look at that show, work with the artist and figure out if there are ways to maximize that inventory to business as well as consumers"

- **Have been approached by all the DSPs (Spotify, Apple, Amazon) and open to working with them IF the economics make sense**
  - Have discussed potential deals with DSPs but ultimately artists control how their tickets are distributed; B/c they want to maximize their revenue, and they tend to be particular about how much of the ticket inventory is given away at a discount/for free

- **DSPs can explore ticket presale access as part of premium subscription tiers, but scaling the offering is challenging**
  - High-demand events (i.e., Beyoncé presales) are difficult to distribute at scale; When competition for tickets is high, even if a subscription model offers early access, only a few customers will actually get tickets

New Administration Brings About Some Possibility Of Settling DOJ Case (But Still Too Early To Tell)

- **Trial "continues to move at pace as it has" and is on track for early next year**

- **"Hoping that this DOJ returns to a more traditional approach" and is open to discussing a settlement (which the previous administration had "really no interest in")**
  - BUT have not have any discussions yet b/c "the person that you would discuss it with has not been approved yet, not been appointed"
- "Until that happens, there's nothing we can do and we'll see how that plays out in the coming months"

4) New 13-Fs Reveal The Most Bought TMT Stocks Among Hedge Funds In Q4... Tesla, Booking, & CrowdStrike

Amidst the earnings whirlwinds, the first 13-F filings of 2025 were also released last week, and as usual, we took a look at stock ownership changes across the sector. As a reminder, this is for the period ending Dec 31, 2024.

To start with, we took a deep dive into Warren Buffet's Berkshire Hathaway, which was once again a net seller across its portfolio in Q4, selling ~$10.4bn of stocks while purchasing only ~$2.9bn. The fund initiated a position in just one new stock last quarter, which was *Constellation Brands*. After taking new positions in *Domino's Pizza* and *Pool Corp.* in the prior qtr, Berkshire increased its position in both stocks last qtr by +87% and +48%, respectively. It also increased its position in *Occidental Petroleum* and *Verisign* (both by +4%) and further increased its position in *SiriusXM* (+4% increase on top of a +691% increase the prior qtr) while it decreased its position in *Citi* by -74%, *Liberty Formula One* by -12%, and *T-Mobile* by -7% (after maintaining positions in all three in the prior qtr) and further decreased its positions in *Bank of America, Capital One,* and *Charter* (after decreasing positions in all three in the prior qtr). Berkshire also sold out of its position in *Ulta Beauty* (after cutting its position by ~97% in the prior qtr) and maintained its positions in *Ally Financial, Amazon, American Express, Apple, Atlanta Braves, Chevron, Chubb, Coca Cola, Jeffries, Kratz Heinz, Liberty Latin America, Liberty Media, Mastercard, Mitsubishi, Moody's,* and *Visa. Berkshire's top five holdings (in order of the size of holding) are Apple, American Express, Bank of America, Coca-Cola, and Chevron, which account for ~71% of the total portfolio, down from 76% in the prior qtr.* (link)

Also interesting to dig into is Michael Burry's Scion Asset Management (as a reminder, Michael Burry famously predicted the 2008 financial crisis and was one of the main characters in the book and movie, The Big Short), and this quarter, the fund reversed course and scaled back on some China Tech investments. The fund decreased its positions in *JD.com* and *Alibaba* (which were Scion's two largest holdings in the prior qtr) by -25% and -40%, though it maintained its position in *Baidu* (after increasing by +67% in the prior qtr). Also, after increasing its positions in *Olaplex* and *Shift4 Payments* in the prior qtr, Scion sold out of its positions in both companies last qtr, while also selling out of its position in *The RealReal* (the fund was already cutting its position in the Co in prior qtrs). That said, Scion did initiate several new positions, including in *Canada Goose, Estee Lauder, Oscar Health,* and *PDD*. It total, the firm now holds 13 positions (up from 8 in the prior qtr).

Where are the top hedge funds investing, in aggregate? Each quarter, WhaleWisdom tracks the stocks that were most bought and sold during the quarter across 150 of the top hedge funds (link). It ranks the "hottest" stocks based on a formula that takes into account the number of buyers adding and initiating new positions vs sellers, the change in average ranking that the stock had in the portfolios, and the number of times the stock appears in the top 10 holdings of the portfolios. The biggest takeaways were:

- **Only 3 TMT companies made the Top 10 most bought list** (up from 1 in Q3, but still down from 4 in Q2) … those stocks were **Tesla** (#3), **Booking Holdings** (#8), and **CrowdStrike** (#10)
    - **MAANG stocks incr'd in popularity…ALL of the MAANG companies made it to the Top 100 list, up from 4 last qtr**
        - **Netflix** (#14), **Meta** (#22), **Google** (#39), **Amazon** (#40), and **Apple** (#81)
    - **Breakdown by sector:**
        - **Energy** companies took the top spot again, as 23 of the Top 100 companies were in the sector (though a continued step down from 34 in Q4, 35 in Q2 and 40 in Q1)
        - **Finance** took the second spot for most popular industry, with 16 of the Top 100 Cos in the sector; It unseated **Information Technology** (second most popular industry last qtr), which had 17 companies in the Top 100 this qtr

9 companies in the **Consumer Discretionary** sector, along with the **Utilities & Telecommunications** sector and **Communications** sector tying with 7 companies rounded out the Top 5

Top 10 Increases and Decreases in TMT & Consumer (Q3:24 -> Q4:24)							
	Q3:24	Q4:24	Gain		Q3:24	Q4:24	Loss
Visa	100	16	84	Mastercard	4	95	-91
Palantir	84	12	72	MercadoLibre	3	69	-66
Oracle	126	65	61	Apple	17	81	-64
Alphabet	79	39	40	NVIDIA	12	88	-76
QUALCOMM	121	84	37	ServiceNow	1	17	-16
Tesla	38	3	35	Costco	10	23	-13
Microsoft	88	56	32	Walmart	21	99	-78
Alibaba	73	42	31	Coca-Cola	22	46	-24
Salesforce	96	71	25	American Expres:	36	93	-57
Meta	46	22	24	Applied Material:	76	92	-16

Source: WhaleWisdom

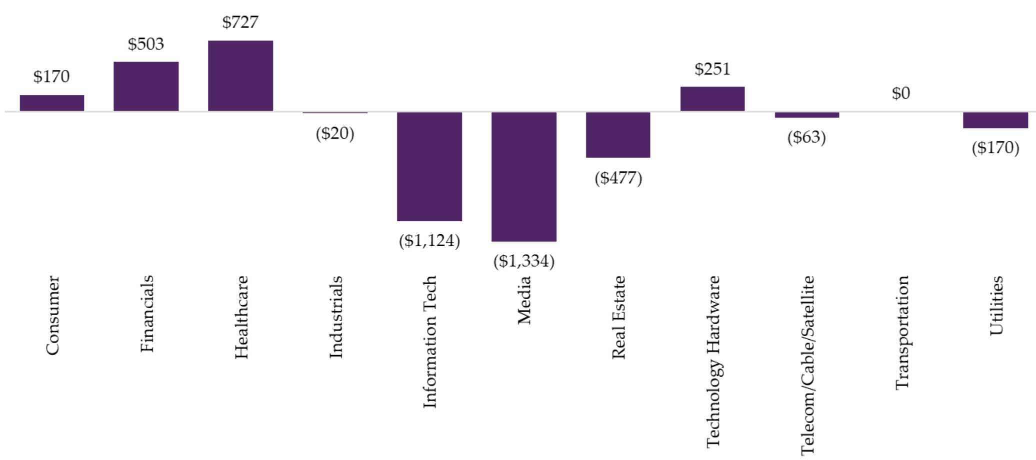
Where are activist/event investors placing their bets, in aggregate? After the Top 8 activist funds were net buyers last qtr (following four consecutive qtrs of being net sellers), they were back to being net sellers in Q4, selling ~$3.19bn of stocks (vs ~$2.78bn last qtr), and buying ~$1.65bn (vs ~$2.79bn last qtr)

- **Inflows: Healthcare** stocks saw the most inflows (+$727mn), which was an increase from +$42mm last qtr; **Financials** saw the second largest inflows (+$503mn), followed by **Technology Hardware** (+$251mn) and **Consumer** (+$170mn)
  - **Healthcare** inflows were largely driven by **Starboard Value** taking new positions of +$468mn in **Kenvue** and +$408mn in **Pfizer**

- **Outflows: Media** was the sector that saw the most outflows in Q4 (-$1.3bn), which was a flip from Q3 (which saw an inflow of +$239mn); **Information Tech** came close behind and saw the second most outflows (-$1.1bn); The remaining sectors that saw outflows were **Real Estate** (-$477mn), **Utilities** (-$170mn), **Telecom/Cable/Satellite** (-$63mn), and **Industrials** (-$20mn)
  - **Media** outflows were almost entirely driven by **Pershing Square** cutting its position in **Universal Music Group** by -$1.28bn

Information Tech saw both **ValueAct** and **Starboard Value** decrease their positions in **Salesforce** by -$340mn and -$295mn, respectively; Other material drivers of **Information Tech** outflows were **ValueAct** decreasing its position in **Toast** by -$253mn, and **Starboard Value** decreasing its position in **Autodesk** and **Wix.com** by -$241mn and -$222.5mn, respectively

Activist Investor* - Position Market Val Chg ($M)



Source: 13-F filings, FactSet *Elliott Mgmt, Jana Partners, Pershing Square, Sachem Head, Starboard Value, Third Point, Trian Fund Mgmt, ValueAct Capital

Drilling Deeper Into Individual Activist Funds…

- **ValueAct** took a new position in **Amazon,** increased its position in **Live Nation** by +5%, **Liberty Media Corp. Series A** by +89**%, Liberty Media Corp. Series C** by +137%, and maintained its position in **Meta** and **Visa**; The fund decreased its position in **Salesforce** by -26%, **Toast** by -45%, and **Disney** by -12%, and further decreased its position in **Expedia** by -23%; It did not sell out of any of its positions

- **Starboard Value** took new positions in **Kenvue** and **Pfizer**, increased its position in **Match Group** by +53% (after decreasing its position last qtr), and maintained its position in **Rogers Corp**.; It decreased its position in **Autodesk** by -44% (after initiating a position last qtr) and **Wix.com** by -55%, and further decreased its positions in **GoDaddy** by -10% and **Salesforce** by -61%; The fund also sold out of its position in **Humana**

- **Sachem Head** initiated positions in **Okta** and **Warner Bros. Discovery**, increased its positions in **Deliveroo** and **Nextracker** by +12% and +5%, respectively, and maintained its positions in **Delivery Hero** and **Twilio**; The fund decreased its position in **CVS Health** by -82% (after increasing in Q3), and further decreased its position in **Sprinklr** by -14%

- **Trian Fund** did not take any new positions in the qtr; It further increased its positions in **UHaul** and maintained its positions in **Invesco**, **Unilever** and **Wendy's** (after decreasing positions in all three last qtr); The fund further decreased its position in **Allstate** by -50% and did not sell out of any positions

- **Third Point** took new positions in **Capital One, Discover, Thermo Fisher,** and **Workday**; It increased its positions in **Clear Channel Outdoors**, **Flutter Entertainment**, and **Tesla** (after initiating positions in all three last qtr), as well as in **Meta** by +22% (after decreasing last qtr); The fund maintained its position in **Bath & Body Works, Hertz,** and **Taiwan Semiconductor Mfg**; Third Point decreased its position in **Cinemark** and **Live Nation**, and further decreased its position in **Amazon, Apollo Global** and **Microsoft**; It sold out of its positions in **Apple, CVS Health,** and **USCellular**

- **Pershing Square** did not initiate any new positions in the qtr; It further increased its position in **Nike** by +15%, and maintained its position in **Alphabet**; It decreased its position in **Chipotle** and **Universal Music Group** (after maintaining its position in both last qtr), and further decreased its position in **Hilton** by -26%

- **JANA Partners** took a new position in **Markel Group**, further increased its position in **Rapid7**, decreased its position in **Trimble**, and sold out of its position in **Frontier Communications**

Elliott Mgmt initiated a new position in **Tokyo Gas**, increased its position in **Cormedix**, and maintained its position in **Arm Holdings, Bausch Health, Crown Castle, Etsy, Liberty Broadband, Match Group, Pinterest,** and **Southwest Airlines**; The fund decreased its position in **NRG Energy** and sold out of its stake in **Cardinal Health**

5) The Barrage Of AI Updates & Innovations Continues

A barrage of AI updates has become commonplace as of late, and this week was more of the same. OpenAI led with updates on user numbers as well as speculation about the release date of new GPT models (i.e., next week), while Elon Musk's xAI released its latest AI model, Grok3 with new capabilities. We also included a couple of other AI updates that we thought were worth flagging below…

- **OpenAI weekly active users surpassed 400mn+, a +33% increase in less than two months (from 300mn in Dec):** This is also +2x the weekly active user count reported in Aug 2024 (link / link)
  - They also now have 2mn paying Enterprise users, which is +2x from Sep 2024
  - Developer traffic has doubled in the last 6 months

  -> While a drop in the bucket next to OpenAI, Mistral's Le Chat AI assistant annc'd this week that it topped 1mn+ downloads in just 14 days post release (link)

- **OpenAI's upcoming GPT-4.5 and GPT-5 models are speculated to be released next week**
  - Engineers at Microsoft are apparently preparing for these new launches (link)

- **Elon Musk's xAI releases its latest flagship AI model, Grok 3** (link)**:** Grok can analyze images & respond to questions; It also powers several features on Musk's X social platform
  - In a post on X, Musk claimed Grok 3 was developed with around "+10x" more computing power than its predecessor, Grok 2
    - xAI plans to open source Grok 2 in the coming months

    - Two models in the new Grok 3 family, Grok 3 Reasoning and Grok 3 mini Reasoning, can carefully "think through" problems, similar to "reasoning" models, like OpenAI's o3-mini and Chinese AI Co DeepSeek's R1
    - Subscribers to X's Premium+ tier will get access to Grok 3 first; Along w/ this annc'ment, X raised the prices of its Premium+ tier (in the US to $40/mo or $350/year)
        - Other features will be gated behind a new plan that xAI is calling SuperGrok, which will cost $30/mo or $300 per year (reportedly)

- **A couple other key AI related updates –**
    - **Google's chatbot moved exclusively to a standalone app on iOS** (**link**)
    - **Microsoft debuted "Muse," which is a gen AI model of a video game that can generate game visuals, controller actions, or both** (link)
  - "We focus on exploring the capabilities that models like Muse need to effectively support human creatives"

6) A Highlight Reel Of This Week's Notable Sports Updates

Sports continues to be an integral component of the media & entertainment sector and is another place where change is happening at a fast clip. This week there were some marked updates across investments/valuations, team economics, and streaming that we wanted to highlight. See below:

Investing & Valuations – Sports Debt As Collateral And Saudi Arabia's Surj Invests In DAZN

- **Sports debt could provide collateral for securitizations, per Academy Securities** (link) **–**
    - An increasing # of investment firms are buying shares of professional sports teams, at the same time as more stadiums are being built or renovated
        - That dual dynamic should fuel sales of debt backed by sports facilities, which include ticket sales, and other sports-linked debt
    - **Sports teams already impact the securitization markets**, especially debt tied to commercial real estate, given franchises can supercharge hotels, restaurants and malls, among other assets
        - "We expect a healthy investor appetite for sports securitizations as securitized-products investors embrace a widening range of esoteric securitizations, such as digital infrastructure and music royalties"
    - **Early surge in investments is expected to continue:** In Aug, NFL owners approved PE firms to buy up to 10% passive stakes in teams; While the approved list of PE sponsors is limited, Ares Mgmt has already bought a stake in the Miami Dolphins, and Arctos Partners backed the Buffalo Bills

- **Saudi investment fund Surj acquires a stake in DAZN** (link/link/link)**:** Surj Sports Investment, the sports investment unit of Saudi Arabia's sovereign wealth fund PIF, has acquired a minority stake in sports streaming svs DAZN
    - **Surj and DAZN are setting up a JV called DAZN MENA** "that will unlock new broadcasting opportunities for Saudi Arabia's growing sports sector"
    - **DAZN will become Surj's streaming and broadcast partner,** showing Saudi sport and Saudi-based events to the 200+ markets where it operates
    - **Financial details were not disclosed,** but the "single-digit" minority stake is reported to be worth $1bn
        - The investment is said to be split roughly equally between between the equity stake and the new broadcasting JV
    - **DAZN has made several other recent deals,** including to acquire Australian broadcaster Foxtel for £1.7bn and picking up rights to FIFA's Club World Cup for a reported $1bn, which it has announced it will air for free
        - FIFA and Saudi Arabia have developed close ties recently, with the nation awarded the 2034 men's World Cup

Team Economics – NFL Sees A Big Bump Up, While Manchester United Is Facing Some Struggles

- **NFL salary cap sees significant bump up for second straight yr** (link/link) **–**
    - For 2025, the league informed teams that the per-team cap would be b/w $277.5mn to $281.5mn
        - In Dec, teams were budgeting for a salary cap of $265mn to $275mn, so the est'd range is more than clubs had been anticipating
    - In 2024, the cap saw its largest $ increase in history when it rose from $224.8mn to $255.4mn (up +13%)

- This year's increase means the cap rose by at least $53mn in the past two seasons and by at least $100mn since 2018
- **What does this mean?** With free agency coming up in less than a month, teams have more money than expected to spend on new players or retain their own
- **What's driving the increase?** The league's 11-yr, $111bn media-rights deal, which was signed in 2021, is part of the reason for the recent spike
- **When will the final # be decided?** The league is expected to conclude negotiations with the union next week, in time for the start of the new league yr

- **Manchester United revenue falls double-digits y/y as layoffs continue** (link/link) **–**
    - **Total revs fell -12% y/y in the qtr,** largely driven by the club not making the Champions League, causing broadcast rev to fall –42% y/y
    - **The club plans to lay off 100 people,** bringing the total to 350 job cuts after letting go of 250 people in July
        - The cuts, return-to-office policies, and increasing ticket prices are all cost-saving efforts by new controlling owner Jim Ratcliffe, the billionaire who took over the team one year ago
    - **Comes as the team endures its worst season in a half century:** Manchester United currently sits 15th in the 20-team Premier League two-thirds of the way through the season, 31 points behind leading Liverpool; Last season, United finished in eighth place, its worst showing since the EPL launched in 1992

Streaming – Netflix Wants More NFL And ESPN Is Looking To Add UGC To Upcoming Flagship Svs

- **Netflix may bid for Sunday afternoon NFL package** (link/link)**:** Netflix's chief content officer Bela Bajaria said Netflix would bid for Sunday afternoon games if the opportunity were to arise
    - **Currently, the NFL's Sunday afternoon games belong to Fox and CBS,** with Fox owning the NFC package since 1994, and CBS getting the AFC package from NBC in 1998
    - **Those deals run through 2033 BUT the NFL has the right to pull out of the deal 4 yrs early (in 2029),** and there's been indication of that being the plan
    - **Likely won't see any changes before then, unless Netflix was able to buy the rights to show afternoon games directly** from CBS or Fox, which is seen as unlikely given how much value the games have to the networks
    - **Netflix has already broadcast the last NFL Christmas game and has the rights for the three upcoming seasons' Christmas Day games**

- **ESPN is reportedly considering adding user-generated content to upcoming "flagship" streaming svs** (link/link)**:** While the details are still unclear, ESPN is looking to allow subscribers to post their own content at some point in the application's evolution, according to people familiar with the matter
    - **The technology likely won't be available at launch**
    - **More broadly,** Disney execs have also considered adding user-generated content to Disney+ and discuss YouTube's influence on streaming on a near daily basis, per a CNBC report from last year (link)
        - Media and professional sports league executives are focusing on how to capture the attention of younger viewers that are opting to watch YouTube or TikTok over live games
- **Details on the streaming svs itself are still sparse:** Pricing (speculated to be either $25/mo or $30/mo), the name, and an official launch date are expected to come in the next few months

7) Booking Rounds Out A Resoundingly Strong Quarter For The OTA Industry

Following Airbnb's print last week and Expedia's release the week prior, Booking was the last major player in the OTA space to report its Q4 earnings this week. Like its other two competitors, Booking recorded a strong finish to 2024, surpassing expectations on most headline metrics and posting gross bookings numbers that closed comfortably ahead of consensus estimates. The company experienced accelerating bookings growth across all its major operating regions during the quarter and benefited from robust demand for airline tickets as well, providing further data points that global demand for leisure travel has remained "healthy." Notably, alternative accommodations were another area of strength for Booking in Q4, as the company's room night growth in the vertical accelerated sequentially and outpaced its growth in traditional accommodation room nights across all regions. Mgmt touted that Booking's growth in alternative accommodation room nights has now outperformed the leader in the industry (Airbnb) for fourteen out of the last fifteen quarters and that the company's alternative accommodation business now likely runs at more than two-thirds the size of its largest competitor.

However, despite the momentum in Booking's business to close out 2024, it appears that there will be some choppiness in the months ahead. Q1 guidance was rather disappointing compared to consensus forecasts, which is largely attributed to FX headwinds as well as unfavorable comps related to last year's Leap Year. The timing of Easter, which will occur in April of this year as opposed to March last year, will also provide a "small tailwind" to Q1 gross bookings and room nights but weigh on growth in revenue and adj EBITDA. Nonetheless, Booking still expects that FY25 gross bookings and room nights growth will be ~in-line with its long-term ambitions of "at least" +8% y/y growth on an FX-neutral basis. On the profitability side, the company anticipates slightly below a +100bps y/y improvement in its adj EBITDA margin, driven by its cost transformation program as well as additional efficiencies in fixed OpEx.

Interestingly, Booking cited gen AI as one of the main levers that will enable higher levels of operational efficiency in the coming year and beyond. The company has already seen early signs that the technology can lower variable expenses across multiple areas of its business and believes it has the potential to reduce fixed OpEx as well. Booking's management also spoke at length about its ongoing work alongside many top Silicon Valley companies to develop travel vertical-specific agents that will eventually play a "central role" in the connected trip experience. Beyond AI, another notable highlight was that the company's board approved a new $20bn share repurchase authorization and voted to increase the quarterly dividend by +10%.

See below for more details on what we thought were the most interesting takeaways from Booking's Q4 print.

-> Booking shares were down a slight -0.5% in response to earnings, ending the week down -1.1%; YTD, Booking stock is trading up +0.5%

Booking's Strong Headline Results Reflected "Healthy Demand For Leisure Travel Globally"

- **Q4 headline results were mostly better than anticipated –**
  - **Rev** was up +14.4% y/y (vs +8.9% y/y in Q3) and beat cons by +5.6%, as **gross bookings** came in +7.5% ahead of cons
  - **Adj EBITDA** incr'd +26.2% y/y (vs +11.6% y/y in Q3) and topped cons by +12.0%
    - **Adj EPS** finished +15.2% above cons
  - **But FCF** was down -48.6% y/y (vs +76.5% y/y in Q3) and missed cons by -41.6%,

Changes in working capital of ~$825mn that were primarily driven by the seasonal reduction in the Co's deferred merchant bookings balance were a headwind

Booking ($mn)	2024Q4 Results		
	Actual	Cons Est	% Surp
Gross Bookings	**$37,200**	**$34,590**	**7.5%**
Revenue	**$5,471**	**$5,180**	**5.6%**
Adj EBITDA	**$1,848**	**$1,650**	**12.0%**
Adj EBITDA Margin (%)	33.8%	31.9%	
Adj EPS	**$41.55**	**$36.08**	**15.2%**
Free Cash Flow	**$644**	**$1,102**	**-41.6%**
Gross Bookings By Segment			
Merchant	$24,200	$22,080	9.6%
Agency	$12,900	$12,390	4.1%
Revenue By Segment			
Merchant	$3,336	$2,980	11.9%
Agency	$1,864	$1,930	-3.4%
Advertising & Other	$271	$276	-1.8%

Source: Booking Filings; FactSet Data & Analysis

LionTree

FX Changes & The Easter Calendar Shift Weighed On Q1 Guidance

- **Q1 gross bookings growth was below the Street's forecasts:** Projected to increase +5-7% y/y (vs +17.4% y/y in Q4), missing cons' +7.6% y/y at the mid-pt

- The calendar shift of Easter from March 2024 to April 2025 is expected to be a "small tailwind" to gross bookings and room nights growth, while the unfavorable comp from last yr's leap day is anticipated to be a ~-1% headwind to Q1 growth rates
    - Also includes a ~-4% negative impact from FX changes, offset by ~+2% of positive impact from higher flight ticket growth, ~+1% higher accommodation ADRs (ex-FX), and a slight benefit from the Easter calendar shift

- **Q1 room nights growth was lower than the Street anticipated:** Expected to grow +5-7% y/y (vs +13.2% y/y in Q4), falling short of cons' +7.1% at the mid-pt

- **Q1 rev growth missed the Street's expectations:** Forecast to rise +2-4% y/y (vs +14.4% y/y in Q4), which is below cons' +6.4% y/y at the mid-pt
    - Includes headwinds of ~-3% from FX changes and ~-3% from the Easter calendar shift

- **Q1 adj EBITDA surprised to the downside:** Expected to be between $800-850mn, representing a -8.1% y/y decline (vs +26.2% y/y in Q4) and missing cons by -19.2% at the mid-pt
    - Includes ~-14% of negative impact from the Easter calendar shift and ~-2% from FX changes

Booking ($mn)	2025Q1 Guidance (Mid-Pt)		
	Actual	Cons Est	% Surp
Gross Bookings Growth (Y/Y)	6%	7.6%	
Room Night Growth (Y/Y)	6%	7.1%	
Revenue	3%	6.4%	
Adj EBITDA	$825	$1,022	-19.2%

Source: Booking Filings; FactSet Data & Analysis

LionTree

The FY25 Outlook Assumes Another Yr Of Normalized Growth For The Travel Industry

- **FY25 gross bookings and rev are forecasted to grow "at least" +8% y/y on an ex-FX basis:** This is in-line w/ the Co's long-term growth ambition
    - FX changes are expected to negatively impact reported gross bookings and rev growth rates by ~-3%, resulting in ~+msd% y/y FY25 growth in both metrics on a reported basis

- **FY25 adj EBITDA is anticipated to rise ~+ldd% y/y on an ex-FX basis:** Implies that adj EBITDA will expand slightly below +100bps, w/ adj EBITDA growing a couple percentage points faster than rev
    - The Co expects to drive leverage in both mkting expense and fixed operating expenses, which is in-line w/ the commitment that was communicated at the start of 2024

- **FY25 adj EPS is projected to increase +15% y/y on an ex-FX basis**
    - FX changes are projected to weigh on adj EBITDA and adj EPS by ~-3.5%

- **FY25 CapEx is expected to be ~2% of rev:** Similar to 2024's levels

Gross Bookings Outperformed Across All Regions

- **Q4 gross bookings growth accel'd seq and topped forecasts:** Rose +17.4% y/y (vs +8.9% y/y in Q3) and closed +7.5% above cons; The ~5% difference between gross bookings and room nights was due to a few percentage points from higher flight bookings growth and a ~+2% rise in accommodation ADRs (ex-FX)
    - **Room nights growth improved seq and surpassed expectations:** Incr'd +13.2% y/y in Q4 (vs +8.1% y/y in Q3) and beat cons by +4.3%; Higher than expected room night growth was driven by a stronger than anticipated performance across all major regions (see below for more color)
        - **Room nights growth also benefited from more favorable y/y comps:** Given the impact of the Oct 7 attacks in 2023
    - **Airline tickets bookings growth stepped up seq and outperformed projections:** Grew +52.3% y/y (vs +38.7% y/y in Q3) and finished +12.9% above cons; Cited cont'd growth of flight offerings at Booking.com, adding more mkts, and stronger attach rates w/ Connected Trip
    - **Rental car days slightly missed estimates:** Rose +12.1% y/y in Q4 (vs +16.2% y/y in Q3) but fell -0.5% short of cons; Commentary on this vertical was sparse

- **There was no update on Q4 merchant bookings mix:** Instead, the Co highlighted that merchant gross bookings incr'd +9ppts y/y to 59% of total gross bookings across 2024

- **Room nights growth accel'd across all major regions in Q4 –**
    - **Europe –** Room nights rose ~+ldd% y/y (vs ~+hsd% y/y in Q3); The improvement in room nights from Europe had the "largest impact" on the outperformance of overall room nights
    - **Asia –** Room nights were up in ~+mid-teens% y/y (vs ~+ldd% y/y in Q3)
    - **US –** Room nights grew ~+10% y/y (vs ~+lsd% y/y in Q3)
    - **RoW –** Room nights jumped ~+20% y/y (vs ~+msd% y/y in Q3)

Booking ($mn)	2024Q4 Results		
	Actual	Cons Est	% Surp
Key Operating Metrics			
Room Nights	261.0	250.3	4.3%
Y/Y Growth	13.2%	8.3%	
Rental Car Days	17.0	17.08	-0.5%
Y/Y Growth	12.1%	13.9%	
Airline Tickets	14.0	12.4	12.9%
Y/Y Growth	52.3%	37.8%	

Source: Booking Filings; FactSet Data & Analysis

LionTree

Growth In Alternative Accommodations Outpaced Traditional Room Nights Growth

- **Q4 alternative accommodation room nights growth accel'd even further seq:** Incr'd +19% y/y (vs +14% y/y in Q3 and +12% y/y in Q2) and accounted for ~33% of global room nights, a ~+1% y/y increase (but a drop from ~35% in Q3)
    - **Alternative accommodation room night growth accel'd across all operating regions:** And also outpaced traditional room nights growth across all major regions; Viewed having a combination of alternative & traditional listings on the Co's platform as a major reason for this success
    - **Supply was ~flat on a seq basis:** Total alternative accommodation listings were up +8% y/y to 7.9mn, which was similar to the figure the Co reported exiting Q3
    - **Booking has outgrown the leader in the alternative accommodations space 14 out of the last 15 qtrs:** The Co now believes it is "potentially a lot more than two-thirds" of the size of its largest competitor in the industry

Booking Continues To Make Progress In Enhancing The Experience For Travelers & Partners

- **Booking's direct mix of B2C bookings appears to have improved:** The Co didn't provide Q4 numbers but indicated that its mix of total room nights via the direct channel was in the mid-50s% range across 2024 (similar to prior commentary) and in the mid-60s% range when excluding B2B (vs low-60s% in 2023)
    - **Mobile app mix was ~flat seq:** The mobile mix of total room nights was in the mid-50s% range in Q4 (similar to Q3); The significant majority of mobile app bookings continue to come from the direct channel
    - **The direct booking channel continues to grow faster than room nights acquired through paid mkting channels**

- **Level 2 & 3 Genius members now account for 30%+ of Booking's active travelers:** Level 2 & 3 Genius members have "meaningfully higher" direct booking rates and a higher booking frequency than the rest of the Co's travelers
    - **Members of the Genius loyalty program booked a ~mid-50s% of Booking.com's total room nights in 2024:** The mix incr'd on a y/y basis in 2024, though the range was similar to the LTM figure provided by the Co on last qtr's call
    - **The Co has also seen "steady growth" in the share of connected transactions that receive Genius benefits**

- **Connected trip (trips that include 1+ vertical) transaction growth stepped up seq:** Q4 connected trip transactions were up more than +45% y/y (vs over +40% y/y in Q3), comprising a ~hsd% share of the Co's total transactions

    - **Connected trips have been a strong complement to the flights biz:** The Co explained that "many people when they start their travel planning starts w/ a flight," and it has focused on providing a lot more value around the experience, including by providing hotels, ground transportation, & insurance options, as a differentiator

Margins Benefited From Lower Than Expected Fix OpEx + Comments On Other Expense Items

- **Adj fixed OpEx was better than the Co anticipated:** Incr'd +9% y/y in Q4 (vs +7% y/y in Q3) and exceeded the Co's expectations primarily due to lower IT and G&A expenses; The Co has also been very focused on carefully managing the growth of its fixed expenses

- **Leverage in mkting expenses also contributed to y/y improvements in Q4 adj EBITDA margin:** Q4 mkting expense as a % of gross bookings was 4.2%, a +30bps y/y increase; Benefits from lower brand mkting expense and higher direct mix were partly offset by higher spend in social media channels at attractive incremental ROIs

- **Sales & other expenses were 2.0% of gross bookings and in-line w/ last year:** This was despite a higher merchant mix, as higher payment expenses were offset by efficiencies in customer svs

Booking Sees Gen AI As A "Transformative Force" Within The Travel Industry

- **Travel vertical-specific agents will play a "central role" in delivering personalized connected trip experiences:** The Co is working on "a lot of different things" in this area and has been collab'ing w/ all the major players in Silicon Valley and elsewhere to develop domain-specific travel agents
    - **Agentic models are also expected to change the way that Booking drives traffic to its platforms:** The Co believes these models will enable it to deliver unique value to travelers and partners through competitive pricing, loyalty benefits, and rewards offerings, high-quality customer svs, and a trusted payment process

- **There is ongoing work to further integrate gen AI into Booking's product offerings:** Including its AI Trip Planner and the Penny travel assistant; Agoda and KAYAK have also been "making their own gen AI advances"

- **Gen AI also has the potential to drive improvements in the Co's operational efficiency:** The Co cited its flat S&O expenses as evidence of how gen AI has been improving efficiency and believes that gen AI will contribute to a "further decel" of its fixed OpEx growth in 2025
    - **Areas where the Co is already seeing early benefits from gen AI:** Include customer svs, partner svs, and developer productivity

Other Highlights

- **The Transformation Program has already resulted in $35mn+ of run-rate cost savings:** The program will ultimately produce $400-450mn of annual run-rate savings, though the aggregate transformation cost will be similar to the expected annual run-rate savings for the next 2-3 yrs
    - **The program will drive ~$150mn in cost savings in FY25:** The majority of these savings will be in variable expenses, and was cited as a "meaningful" factor in achieving these

- **Booking's board approved a new $20bn share repurchase authorization…:** This adds to the ~$7.7bn remaining on Booking's existing authorization after it repurchased ~$6bn worth of stock in 2024 and almost $23bn worth of shares since early 2022

… As well as a +10% increase in the Co's qtrly dividend per share: This raises the qtrly dividend to $9.60 per share from $8.75 per share

8) Grab Bag: Details On Spotify's Upcoming Premium Tier/Microsoft's New Quantum Computing Chip/ Apple's New Lower-End iPhone 16e

- **Spotify will reportedly charge an addt'l $5.99/mo for its new super-fan streaming svs** (link)**:** The svs will include higher-quality audio, remixing tools, and access to concert tickets, per sources; The cost will be assessed on top of members' existing subscription fees
    - **The launch timing and pricing for the Music Pro tier have yet to be finalized:** Given that Spotify is still working through the details and doesn't have rights from all the major music Cos yet, per sources

        - **That said, Spotify apparently hopes to rollout the svs later this yr**
        - **Prices will also likely vary by geography:** W/ lower costs in less-developed mkts
    - **More details on what will be included w/ the new svs –**
        - **Remixes:** Subscribers will be able to mix together songs from different artists, w/ some of those features utilizing AI
        - **Premium access to concerts:** Spotify is reportedly testing various ways to sell concert tickets, such as giving subscribers access to pre-sales or better seats; The Co has held talks w/ major promoters and ticket sellers but has yet to finalize plans, per sources
    - **Spotify will roll out the Music Pro tier in phases:** The Co will add tools and features over time, w/ plans to test out many options over the course of this yr, per sources

- **Microsoft's annc'd the new Majorana 1 chip in a breakthrough for quantum computing** (link/link)**:** Microsoft says that the Majorana 1 chip will make quantum computers useful in a matter of yrs rather than decades, as has previously been suggested some leaders in the tech space
    - **Majorana 1 uses a new type of material called a topoconductor:** Microsoft claims this utilizes a new state of matter that isn't a solid, liquid, or gas, but a topological state
    - **Microsoft uses a "fundamentally different approach" to quantum computing:** The Co has adopted a measurement-based approach that simplifies quantum error correction "dramatically," making the tech more practical to manage the large number of qubits needed for real-wrodl applications
        - **Microsoft's approach could lead to chips that can perform more complex tasks needed to research certain topics…:** Including material sciences, chemistry, energy sciences, and healthcare
        - **… And spark innovations that are essential to our future:** Such as self-healing materials that repair cracks in bridges, sustainable agriculture, and safer chemical discovery

- **Apple unveiled the iPhone 16e, a lower cost version of its main iPhone lineup** (link/link)**:** The new iPhone 16e will retail for $599 when it goes on sale later in Feb; This compares to current $799 starting price for the iPhone 16 and the $999 price for the iPhone 16 Pro
    - **The iPhone 16e incorporates many of the same features as the higher-end versions:** The iPhone 16e is powered by the same A18 chip as the iPhone 16 and also comes w/ iOS 18 and Apple Intelligence; Both models also have a 6.1" display screen and an Action button
        - **BUT the 16e does sacrifice some nice-to-haves:** The 16e does not have the 12-megapixel ultrawide camera that the 16 has, nor does it possess a camera control button or the Dynamic Island feature; The 16e's screen also only has a peak brightness of 1,200 nits (vs the 16's 2,000 nits)
        - **The 16e is also more limited in its colors:** The 16e model only comes in black or white, while the 16 comes in black, white, pink, teal, and ultramarine

The iPhone 16e has a longer battery life than the 16: This is b/c the 16e runs on Apple's very first 5G modem, dubbed C1; As a result, the 16e can get up to 26 hrs of video playback and 21 hrs of streamed video playback, while the 16 only lasts for up to 22 hrs and 18 hrs, respectively

Stock Market Check

Market Changes the Past Week

Benchmark	Abs. Value	W/W Change
S&P 500	6,013	(1.7%)
NASDAQ	19,524	(2.5%)
Dow Jones	43,428	(2.5%)
Gold	$2,950	1.7%
WTI Crude	$70.24	(0.7%)
10-Year Treasury Yield	4.42%	(5.3) bps
Bitcoin	$95,060	(2.6%)
Ether	$2,635	(3.7%)

LionTree TMT Universe Performance (~250 stocks)

Best-Performing Stocks	+	Worst-Performing Stocks	–
Unity Software Inc	31.8%	Bumble Inc	(38.4%)
Alibaba Group Holding.	15.2%	Jumia Technologies AG	(33.5%)
Compass Inc.	13.2%	Fiverr International Ltd	(23.0%)
Hasbro Inc	11.1%	Robinhood Markets Inc	(21.0%)
Oscar Health Inc	10.1%	Teladoc Health Inc	(19.7%)
Tencent	8.9%	The RealReal	(19.1%)
Mercado Libre, Inc	7.1%	Block Inc	(18.6%)
WideOpenWest Inc	6.7%	Applovin Corp.	(18.6%)
Pinduoduo Inc.	5.8%	Hims & Hers	(18.5%)
Prosiebensat 1 Media SE	5.8%	Cinemark Holdings Inc	(15.7%)

Best-Performing Sub-Industries	+	Worst-Performing Sub-Industries	–
China Internet / Tech	8.0%	Cybersecurity Software	(10.0%)
Pay-TV / Broadband	1.7%	Ad Tech	(9.7%)
Telecom Infrastructure	0.9%	Sports & Sports Betting	(9.5%)
Hardware/Handsets	0.5%	Employment Marketplace	(9.5%)
European Telco	0.2%	Satellite Communications	(8.5%)
Entertainment Facilities/Theme Parks	(0.9%)	EdTech	(8.4%)
European Media	(1.8%)	Consumer Retail	(6.7%)
Software IT Services	(1.8%)	Application Software	(6.1%)
Broadcast TV	(2.4%)	Live Events	(5.9%)
Advertising Agencies	(2.5%)	Out of Home Advertising	(5.8%)

This Week's Other Curated News

Artificial Intelligence/Machine Learning

- **Google has removed the Gemini app from its Play Store, citing the need for further development and integration w/ other Google svs.** The app, which offered AI-driven features, faced criticism for performance issues and limited functionality. Google plans to reintroduce Gemini later this yr w/ enhanced capabilities and a more robust user experience. This move aligns w/ Google's broader AI strategy to improve product offerings and maintain competitive edge. (9to5Google)

- **Perplexity AI annc'd the open-sourcing of R1-1776, its latest AI model designed for deep research and analysis.** This model aims to democratize access to advanced AI tools, enabling users to conduct expert-level research across various domains. R1-1776 excels in tasks like finance, marketing, and tech, providing comprehensive reports by autonomously searching, reading, and synthesizing information. The initiative aligns w/ Perplexity's mission to make powerful research tools accessible to all. (Perplexity AI)

- **DeepSeek is considering raising outside capital for the first time to fuel its expansion and innovation efforts.** The Co aims to secure funding to enhance its AI capabilities and broaden its market reach. This move comes as DeepSeek faces increasing competition and seeks to maintain its edge in the rapidly evolving AI landscape. The potential funding round could significantly impact the Co's growth trajectory and market position. (The Information)

- **ChatGPT is transforming the shopping experience by providing personalized recommendations and assisting customers w/ queries.** Retailers are leveraging this AI tech to enhance customer engagement and streamline the shopping process. The integration of ChatGPT into retail platforms aims to offer a more intuitive and efficient shopping experience, catering to the evolving needs of consumers. (Retail Gazette)

- **Meta annc'd its first-ever generative AI dev conference, LlamaCon, scheduled for Apr 29, 2025.** The event will focus on Meta's Llama AI models, sharing the latest open-source AI developments to help developers build innovative apps and products. This comes as Meta faces competition from DeepSeek and legal challenges over AI training data. Meta plans to release several new Llama models this yr, including those w/ multimodal and agentic capabilities. (TechCrunch)

- **Korea's privacy regulator has temporarily suspended access to the China-based DeepSeek app after discovering user data was sent to ByteDance.** The Personal Information Protection Commission (PIPC) cited deficiencies in DeepSeek's data handling policies and communication functions w/ third-party operators. The suspension, effective Feb 15, aims to prevent further concerns while DeepSeek makes necessary adjustments. (Telecompaper)

- **Meta Platforms plans to invest significantly in manufacturing hardware for AI-powered humanoid robots, initially for household tasks.** A new team within Reality Labs, led by Marc Whitten, will hire ~100 engineers this yr. Meta aims to develop AI, sensors, and software for robots, to be manufactured by other cos. Discussions w/ Unitree Robotics and Figure AI are ongoing. In Q4 2024, Reality Labs posted a $4.9bn operating loss on $1bn rev. Capex for 2025 is projected at $60bn-$65bn. (Mobile World Live)

- **Tencent is offering Weixin users beta access to DeepSeek's latest AI model for searches, as reported by China Daily.** The beta test includes enhanced AI capabilities through DeepSeek's new R1 mobile. Tencent is considering integrating DeepSeek into other svs, such as its Cloud AI code assistant and AI personal agent app. This move follows collaborations w/ China's three-largest telecom operators and others to provide access to DeepSeek's open-source AI model. (Mobile World Live)

- **Baidu is integrating DeepSeek's AI models and its own Ernie models into its search engine, following Tencent's adoption of DeepSeek tech in Weixin.** This move aims to offer a more diversified search experience. Baidu will also add DeepSeek to its LLM platform for developers. The announcement comes after Tencent began beta testing DeepSeek-R1 on Weixin, exposing it to 1.3bn users. Baidu's share price dropped ~8% after the news. (South China Morning Post)

Audio/Music/Podcast

- **Spotify has partnered w/ ElevenLabs to introduce AI-narrated audiobooks in 32 languages, making production more accessible and affordable.** This collaboration aims to broaden authors' reach while sparking discussions over the impact on human narrators. The initiative promises to revolutionize audiobook production by lowering costs and reducing time to market. Spotify emphasizes that AI narration complements rather than replaces human narration, maintaining the artistry of human voices. (The Verge)

Cable/Pay-TV/Wireless

- **VodafoneZiggo annc'd its Q4 and FY 2024 results.** The Co reported stable rev for FY 2024, w/ a 2.5% decline in Q4. Subscription rev grew 0.4% y/y in FY 2024. The Co faced a net loss of €237.6mn in FY 2024 and €88.9mn in Q4. Adj EBITDA was €1,880.1mn in FY 2024 (+3.1% y/y). P&E additions were €858.6mn (20.9% of rev). FMC households grew to 1.5mn in Q4. The Co plans to invest in strategic customer initiatives in 2025, leading to a modest decline in adj EBITDA. (Liberty Global)

- **Virgin Media O2's rev declined 4% in Q4 2024 to £2.7mn from £2.8mn a yr earlier.** Mobile rev fell 2.4%, while fixed rev was down 1.3%. Annually, total rev decreased 2.1% in Q4 2024 from Q4 2023, w/ mobile down 4.4% and fixed down 0.5%. Despite this, the Co added 1.3mn premises to its network in 2024, expanding its gigabit footprint to 18.3mn premises. Adj EBITDA declined 7% to £1.01mn in Q4 2024. The Co expects rev growth in 2025, excluding handsets and nexfibre construction impacts. (Comms Business)

- **Singtel reported a 22% rise in Q3 net profit to S$559mn, driven by strong performance in its NCS and Optus units.** NCS saw a 3.6% increase in rev, reaching S$701mn, while Optus experienced a 3.4% rise in mobile svs rev. Despite a challenging environment, Singtel's overall rev declined 3.2% to S$3.6bn due to weaker performance in its Singapore unit and currency headwinds. The Co remains optimistic about future growth, focusing on digital transformation and regional expansion. (Reuters)

- **Rakuten Mobile aims to achieve its first full-year EBITDA profit in 2025, driven by strong subscriber growth and cost control measures.** In Dec 2024, the Co recorded its first monthly EBITDA profit of ¥2.3bn. The Co's parent, Rakuten Group, reported consolidated rev of ¥2.3tn for FY2024, up 10% Y/y, w/ significant improvements in profitability. The Group achieved self-funding through various initiatives, avoiding additional debt. Rakuten Mobile's success is crucial for the Group's financial health. (Light Reading)

- **New research by Kaleido Intelligence forecasts that 5G IoT connections will reach 480mn by 2030, growing nearly 5 times faster than the cellular IoT mkts overall over the next 5 yrs.** The growth will be driven by increased adoption of 5G standalone (SA) roaming agreements, expected to arrive in 2025. However, uneven progress in 5G SA deployments means LTE remains a common choice for IoT. The US and China will dominate, retaining over half of global 5G IoT connections until after 2030. (VanillaPlus)

- **Mint Mobile has removed the 40GB data cap from its unlimited plan, making it truly unlimited.** Previously, users experienced slower speeds after reaching the cap. Now, as part of the T-Mobile family, Mint Mobile offers coast-to-coast coverage on the largest 5G network in the US. Additionally, the hotspot data allowance has doubled from 5GB to 10GB per month. These changes apply to both new and existing customers. (Cord Cutters News)

- **Telstra reported a 6.5% rise in H1 profit, driven by strong mobile performance and cost controls.** The Co's net profit reached A$1.03bn, up from A$964mn last yr. Telstra annc'd a A$750mn buyback and plans to invest A$800mn over 4 yrs to upgrade its mobile network. The Co aims to reduce core fixed costs by A$350mn by the end of the fiscal yr. An interim dividend of 9.5 Australian cents per share was declared, up from 9 cents last yr. (Telecompaper)

Capital Market Updates

- **Recent IPOs in the US mkts have faced significant challenges, w/ several high-profile debuts underperforming on their first day of trading.** This trend raises concerns about the viability of upcoming IPOs, as investors grow wary of new listings. Companies like XYZ Co and ABC Inc saw their shares drop by 15% and 20%, respectively, on their debut days. Analysts suggest that market volatility and economic uncertainty are key factors contributing to these poor performances. (Bloomberg)

Cloud/DataCenters/IT Infrastructure

- **Meta annc'd "Project Waterworth," a multibillon, multiyear initiative to lay a 50,000-km undersea cable connecting five continents.** This project aims to enhance global digital communication infrastructure, crucial for AI. The cable will have 24 fiber pairs, routed through deep waters for durability. Strategic landing points include India, the US, Brazil, and South Africa. This is Meta's first fully-owned undersea cable project. (Cord Cutters News)

Crypto/Blockchain/web3/NFTs

- **A federal judge in Washington has temporarily paused the SEC's lawsuit against Binance for 60 days.** This decision follows a joint request by the SEC and Binance. The pause allows the newly created SEC task force to work on improving ties w/ the crypto industry, potentially facilitating a resolution. The task force, led by SEC Commissioner Hester Peirce and Acting Chairman Mark Uyeda, aims to develop a comprehensive regulatory framework for cryptocurrencies. (Dig Watch)

- **The US SEC has approved Figure Markets' application for a yield-bearing stablecoin, allowing users to earn interest on their holdings.** The YLDS stablecoin, pegged to the US dollar, offers a 3.85% yield and is registered as a security. This approval marks a significant step in accommodating the growing stablecoin market. Figure Markets CEO Mike Cagney highlighted the benefits of holding and transacting with YLDS, emphasizing its potential to reduce reliance on traditional banks. (Cointelegraph)

- **The crypto industry urged Congress to scrap the IRS's DeFi broker rule, which they argue could harm decentralized finance (DeFi) tech by imposing broker-like data collection and reporting requirements.** The rule, finalized in the last days of the Biden administration, is seen as regulatory overreach. The industry, led by the Blockchain Association and supported by major players, like Coinbase and Kraken, seeks to reverse the rule through the Congressional Review Act. (Yahoo Finance)

- **Sanctions in 2024 saw a shift in scope and strategy, targeting financial infrastructures supporting illicit activities.** The US Treasury's OFAC intensified efforts against Russia's wartime economy and Iran's IRGC. Sanctioned entities received $15.8bn in cryptocurrency, accounting for 39% of all illicit crypto transactions. Iranian centralized exchanges saw increased usage and outflows, reflecting capital flight. OFAC issued 13 designations involving crypto addresses, focusing on networks facilitating sanctions evasion and cybercrime. (Chainalysis)

- **Indian authorities have seized nearly $190mn in cryptocurrency linked to the BitConnect Ponzi scheme.** The Enforcement Directorate (ED) in Ahmedabad confiscated digital assets, cash, a luxury vehicle, and electronic devices. BitConnect, which defrauded investors of ~$2.4bn from Nov 2016 to Jan 2018, promised high returns via a "volatility software trading bot." The scheme's ringleader, Satish Kumbhani, remains at large, while US promoter Glenn Arcaro was sentenced to 38 months in prison. (TechStory)

eCommerce/Social Commerce/Retail

- **Wayfair reported Q4 net rev of $3.1bn, up 0.2% y/y.** US net rev rose 1.1% to $2.7bn, while international rev fell 5.7% to $381mn. Operating loss improved 32% to $117mn, and net loss narrowed 26% to $128mn. For the yr, total rev fell 1.3% to $11.9bn. Wayfair ended Q4 w/ 21.4mn customers, a 4.5% decline y/y. Orders delivered fell 5.3% to 10.7mn. The Co is focusing on profitable growth, improving financials, and long-term goals, like enhancing delivery and customer experience (Retail Dive)

- **Target is addressing supply chain challenges by investing in tech to improve inventory management and trailer unloading.** The Co plans to open 10 new supply chain facilities in the next decade. These investments aim to enhance efficiency and profitability, with AI and machine learning playing a key role. Target's Q4 operating income rose 61% y/y to ~$1.9bn, and inventory was down 11.9% y/y. The Co saved over $500mn in 2023 through various efficiency efforts. (Retail Dive)

- **US households are increasing "doom spending" on essentials like food, water, and medical supplies due to fears of another pandemic.** Retailers report a surge in sales of emergency kits and long-lasting food items. This trend is driven by memories of past shortages and a desire for preparedness. Companies are responding by stocking up on high-demand items and enhancing supply chains to meet consumer needs. (WWD)

- **Amazon surpassed Walmart in quarterly rev for the first time, reporting $187.8bn in Q4, compared to Walmart's $180.5bn.** This marks a significant milestone as Amazon continues to expand its core retail unit and other biz segments like cloud computing and advertising. Despite this, Walmart still leads in annual sales, projected at $708.7bn for the fiscal yr, while Amazon's full yr rev is expected to reach $700.8bn. (CNBC)

- **Nike and Skims, co-founded by Kim Kardashian, annc'd a collaboration to launch a new line of activewear.** This partnership aims to combine Nike's tech and Skims' expertise in shapewear to create innovative, comfortable, and stylish products. The collection will feature a range of items, including leggings, sports bras, and tops, designed to cater to diverse body types and fitness needs. (Portland Business Journal)

- **Frasers Group annc'd its expansion into Norway, marking its first entry into the Scandinavian mkts.** The Co plans to open several flagship stores in major cities, offering a range of sports, lifestyle, and luxury brands. This move aligns w/ Frasers' strategy to grow its international presence and capitalize on new mkts. The expansion is expected to boost rev and brand recognition across Europe. (Retail Gazette)

- **Amazon has shut down its TikTok-like shopping feed, Inspire, and replaced it with an AI chatbot named Rufus.** Inspire, which was launched to enhance product discovery through short videos, failed to gain traction. Rufus aims to provide a more interactive and personalized shopping experience by assisting customers w/ product recommendations and answering queries. This shift reflects Amazon's ongoing efforts to integrate AI tech into its svs. (Cord Cutters News)

- **Walmart reported Q4 2025 rev of $180.55bn, surpassing estimates of $180.01bn.** Adj EPS was 66 cents vs 64 cents expected. Net income fell y/y to $5.25bn, or 65 cents per share, from $5.49bn, or 68 cents per share. Comparable sales rose 4.6% for Walmart US and 6.8% for Sam's Club. E-commerce sales in the US grew 20%, marking the 11th straight quarter of double-digit gains. Walmart expects FY 2026 net sales to grow 3-4% and adj operating income to grow 3.5-5.5%. (CNBC)

- **Walmart is set to deploy an AI price forecasting tool to enhance its pricing strategy.** This tool will help Walmart predict price changes and optimize pricing in real-time, improving competitiveness and customer satisfaction. The AI system will analyze vast amounts of data, including historical pricing, competitor prices, and market trends, to provide accurate forecasts. This initiative is part of Walmart's broader strategy to leverage tech for operational efficiency and better customer experiences. (Retail Dive)

- **Ikea has integrated Taskrabbit's booking service into its checkout process, allowing customers to book and pay for furniture assembly while finalizing their purchases.** This integration, available in the US, UK, Canada, and Spain, has increased the share of shoppers buying assembly svs by 50% and reduced returns by 40%. The average order value has also spiked nearly five-fold. This move enhances customer convenience and boosts Ikea's competitive advantage. (Retail Dive)

- **Etsy's stock fell 10% on after the Co reported lower-than-expected Q4 rev of $852.2mn, missing the forecasted $862.8mn.** The Co also saw a 6.8% drop in gross merchandise sales to $3.74bn, attributed to reduced consumer spending and competition from Chinese retailers. Despite a 56% rise in net income to $129.9mn, Etsy plans further site overhauls to boost engagement. The Co's outlook remains cautious, expecting similar challenges in Q1 2025. (CNBC)

- **PDD's e-commerce platform, Temu, has been impacted by the ongoing trade war initiated by President Trump.** The US has imposed tariffs on Chinese goods, affecting Temu's operations and increasing costs. Despite these challenges, Temu continues to grow, leveraging its low-cost model to attract price-sensitive consumers. The company is exploring ways to mitigate the impact of tariffs, including diversifying its supply chain and seeking tariff exemptions. (Business Insider)

- **Lidl has launched a TikTok Shop, allowing customers to purchase products directly through the app.** This move aims to tap into the growing trend of social commerce and reach a younger audience. The TikTok Shop features a range of Lidl's products, including groceries, household items, and exclusive deals. Lidl's entry into the TikTok Shop marks a significant step in its digital strategy and efforts to innovate in the retail sector. (Retail Gazette)

- **Shein's executive reassured investors after Trump's crackdown on low-value imports.** The crackdown, effective Feb 15, targets imports under $800 to curb tax evasion. Shein's CEO emphasized the Co's compliance w/ US regulations and its commitment to transparency. The Co plans to diversify its supply chain and invest in local manufacturing to mitigate risks. Shein's rev hit $30bn in 2024, w/ a 20% y/y growth. (Reuters)

- **Shein has reduced its IPO valuation target from $50bn to $35bn, citing market volatility and investor concerns over its supply chain practices.** The company, which aims to list in London, faces scrutiny over labor standards and transparency. Despite these challenges, Shein remains optimistic about its growth prospects, driven by its strong online presence and cost-effective business model. The IPO is expected to proceed in the second half of 2025. (Retail Gazette)

- **Hasbro reported Q4 2024 earnings, highlighting a shift in manufacturing away from China to mitigate US tariffs.** The Co also annc'd a licensing collaboration w/ Mattel to create Play-Doh versions of Barbie dolls. Hasbro's Q4 adj EPS was 46 cents, beating expectations of 34 cents, w/ rev of $1.1bn vs $1.03bn expected. The Co's 2025 guidance includes adj EBITDA of $1.1bn-$1.15bn, reflecting anticipated tariff impacts and mitigating actions. (CNBC)

Electric & Autonomous Vehicles

- **Rivian beat Wall Street's Q4 earnings expectations and achieved its first gross quarterly profit but forecasts lower sales in 2025.** Rivian reported a gross profit of $170mn in Q4, aided by $299mn from regulatory credits and $214mn from software and svs. For 2025, Rivian expects adj losses of $1.7-$1.9bn, down from $2.69bn in 2024. The Co expects deliveries of 46,000-51,000 units in 2025, compared to 51,579 in 2024. Rivian's 2024 rev was $4.97bn, up 12% from 2023. (CNBC)

- **Rivian annc'd plans to launch a hands-off highway driver assist system in a few weeks, w/ an eyes-off version expected in 2026.** The hands-off system will allow drivers to take their hands off the wheel during highway driving, enhancing convenience and safety. This move positions Rivian to compete w/ other automakers like Ford and GM, which have similar systems. (TechCrunch)

Film/Studio/Content/IP/Talent

- **Amazon MGM Studios will gain creative control of the James Bond franchise, forming a joint venture w/ Michael G Wilson and Barbara Broccoli, who will remain co-owners.** This move follows Amazon's 2022 acquisition of MGM. Wilson and Broccoli will step back from producing to focus on other projects. The joint venture aims to continue the legacy of the 60-yr-old franchise. (Hollywood Reporter)

FinTech/InsurTech/Payments

- **Block reported Q4 2024 rev of $6.03bn, missing estimates of $6.29bn.** Adj EPS was 71 cents vs. 87 cents expected. Gross profit rose 14% y/y to $2.31bn, while gross payment volume hit $61.95bn, beating estimates. Block's payments biz expanded to include lending and financial svs. CEO Jack Dorsey highlighted Cash App Card's potential as a credit card alternative. Block's stock fell over 7% in extended trading. (CNBC)

- **JPMorgan Chase Bank (Chase) will soon block Zelle payments to social media sellers to combat rising online scams.** This change, effective Mar 19, aims to protect customers from fraud. Chase noted a significant increase in scams where fraudsters pose as legitimate sellers on platforms like Facebook Marketplace. Customers will still be able to use Zelle for payments to known contacts and businesses (BleepingComputer)

- **Zelle payments exceeded $1tn in 2024, marking the highest annual volume for a peer-to-peer platform.** The network's user base grew 12% to 151mn accounts, w/ total dollars sent rising 27% y/y. Zelle, launched in 2017, benefits from its integration w/ major US banks, enabling instant transfers. Despite fraud concerns, 99.95% of transactions were scam-free. Growth was driven by increased use for everyday payments and small biz adoption. (CNBC)

Investor & Market Sentiment

- **Bullish investors have cut cash levels to a 15-yr low, according to a Bank of America (BofA) survey.** The survey, conducted from Feb 7-13, found that cash allocations dropped to 3.8%, the lowest since 2008. Investors are increasingly optimistic about mkts, w/ 62% expecting a stronger global economy in 2025. The survey also highlighted a shift towards equities, w/ 45% of respondents favoring stocks over bonds. This bullish sentiment is driven by expectations of easing inflation and potential rate cuts. (Reuters)

Last Mile Transportation/Delivery

- **Uber and Lyft risk losing customers as fares increased by 7.2% in Jan, according to a report by BloombergNEF.** The fare hike is attributed to rising operational costs and driver shortages. The report suggests that higher prices may drive customers to seek alternative transportation options, potentially impacting the companies' market share and rev growth. (Bloomberg)

- **Deliveroo is partnering w/ The Perfume Shop to offer designer perfumes delivered in as little as 25 minutes.** This collaboration will launch in the coming months, initially available from 21 stores in cities like London, Manchester, and Glasgow. The Perfume Shop's range on Deliveroo will include over 1,000 products, enhancing the gifting functionality of Deliveroo Shopping. (Retail Gazette)

- **Uber has replaced commissions w/ flat fees for auto-rickshaw drivers in India, aiming to improve driver earnings and simplify fare structures.** This change, effective from Feb 19, 2025, is part of Uber's strategy to enhance driver satisfaction and retention. The new fee model is expected to provide more predictable income for drivers, addressing concerns about fluctuating commissions. Uber's move reflects its commitment to adapting to local mkts and supporting its driver community. (TechCrunch)

Macro Updates

- **Former President Donald Trump stated that a new trade deal w/ China is possible despite ongoing tensions, emphasizing the importance of negotiation.** Trump highlighted the potential benefits for both nations and expressed optimism about reaching an agreement. This comes amid heightened trade disputes and tariffs between the US and China, impacting various sectors. (Bloomberg)

- **EU Trade Commissioner Maroš Šefčovič stated that the EU is ready to negotiate reducing its 10% car tariff as part of broader talks w/ the US to avoid a trade war.** Šefčovič mentioned the possibility of a "Grand Bargain" that could include tech regulatory issues and defense spending. He emphasized the importance of the transatlantic relationship but warned of firm retaliation if the US imposes tariffs. (Politico)

- **President Trump annc'd new tariffs on imports from Mexico, Canada, and China, imposing 25% on Mexico and Canada as well as 10% on China.** This move, part of his core economic philosophy, impacts various sectors, including oil, autos, and consumer goods. Cos began preparing for these tariffs in Mar 2024 by frontloading products to avoid increased costs. Items like solar panels and lithium batteries were prioritized. Warehouse costs, absorbed by Cos, will ultimately affect consumers. (CNN)

- **Chinese banks extended 5.13tn yuan ($706.40bn) in new yuan loans in Jan, up sharply from Dec, outpacing analysts' forecasts and hitting an all-time high.** Analysts had predicted new yuan loans would rise to 4.5tn yuan, up from 990bn yuan in Dec. Broad M2 money supply grew 7% from a yr earlier, below analysts' 7.2% forecast. The surge in loans aims to support a patchy economic recovery. (Reuters)

- **Retail sales in the UK increased by 2.6% y/y in Jan, according to the BRC-KPMG retail sales monitor.** This growth follows a 1.2% rise in the same month last yr and was above both the three-month average growth of 1.1% and the 12-month average growth of 0.8%. Food sales saw a modest rise of 2.8% in Jan, down from 6.1% in Jan 2024, while non-food sales grew by 2.5%. Despite stormy weather, sales growth remained solid. (Retail Gazette)

Media Conglomerates

- **Paramount Global and Skydance Media are nearing completion of their merger, having received SEC approval on Feb 13, 2025.** The merger aims to combine Paramount's extensive film, TV, and streaming assets w/ Skydance's entertainment production. However, the deal faces challenges, including FCC approval and a class-action lawsuit by NYC pension funds. The FCC's review is complicated by a revived "news distortion" complaint against CBS, potentially delaying the merger. (Cord Cutters)

Metaverse/AR & VR

- **Apple plans to integrate AI features into its Vision Pro headset, enhancing spatial content apps.** The VisionOS 2.4 update will include Apple Intelligence, enabling more interactive and immersive experiences. New features will allow users to create and manipulate spatial content more intuitively. This move aims to solidify Apple's position in the AR/VR mkts, leveraging its tech to offer unique user experiences. The update is expected to roll out later this yr. (Reuters)

- **Meta annc'd a $50mn Creator Fund to boost content creation in Horizon Worlds, its social gaming platform.** This fund aims to attract creators by offering bonuses for high-engagement worlds, focusing on time spent, retention, and in-world purchases. The initiative includes a new desktop editor for easier content creation. This move comes as Meta shifts focus to a metaverse of connected experiences, addressing challenges faced by VR developers. (Road to VR)

M&A

- **FTC Chairman Andrew N Ferguson annc'd that the FTC and DOJ's joint 2023 Merger Guidelines are now in effect.** These guidelines will serve as the framework for the FTC's merger-review analysis. Ferguson emphasized the importance of stability in enforcement agencies, noting that frequent changes are time-consuming and costly. The FTC aims to promote competition and protect consumers. (Federal Trade Commission)

Satellite/Space

- **Airbus and Thales annc'd plans to merge their satellite divisions, aiming to create a leading European space tech entity.** The merger will combine Airbus Defence & Space's satellite biz w/ Thales Alenia Space, enhancing their capabilities in telecoms, military satcoms, and Earth observation. This strategic move is expected to boost competitiveness in global mkts and drive innovation in the space sector. (Advanced Television)

- **South Africa has halted talks over licensing SpaceX's Starlink svs due to tensions w/ the Trump administration.** Negotiators plan to resume discussions once the dispute between the US and South Africa calms down. The conflict arose after Elon Musk criticized South Africa's ownership laws as "openly racist," and Trump threatened to cut off funding over alleged land confiscations. President Ramaphosa denied these claims, stating the Expropriation Act ensures equitable land access. (Advanced Television)

Social/Digital Media

- **US entrepreneur Reid Rasner has offered $50bn to acquire TikTok from ByteDance, aiming to establish the biz in Wyoming.** Rasner's proposal includes TikTok's assets, operations, and proprietary algorithms. This move follows the TikTok Ban Act, which required ByteDance to sell TikTok by Jan 19, 2025. Rasner plans to boost Wyoming's economy by creating jobs and attracting high-skilled workers. (New York Post)

- **Former President Donald Trump stated he is in talks w/ China regarding TikTok's future in the US.** Trump mentioned that discussions are ongoing, and a decision could be made soon. The talks aim to address national security concerns related to TikTok's data practices. Trump emphasized the importance of protecting American users' data while maintaining a fair business environment for tech Cos. (Reuters)

- **ByteDance's US investors believe the company's growth in China will offset any potential damage from a TikTok ban in the US.** They argue that ByteDance's diverse revenue streams and strong market position in China will help mitigate the impact. Despite regulatory challenges, ByteDance continues to expand its business and invest in new technologies. The company is confident that its global strategy will ensure long-term success, even if TikTok faces restrictions in the US. (Bloomberg)

- **The US FTC has launched an inquiry into tech censorship, focusing on how major tech cos handle content moderation and its impact on free speech.** The investigation will examine policies and practices of platforms like Facebook, Twitter, and YouTube. The FTC aims to understand the balance between removing harmful content and protecting free expression. The inquiry will also explore the role of algorithms in content moderation and potential biases. (Reuters)

- **Bumble reported its Q4 and full-year 2024 results.** Total rev for 2024 increased 2% to $1.07n. Bumble App rev increased 3% to $866.3mn. Q4 total rev decreased 4.4% to $261.6mn, w/ Bumble App rev down 3.8% to $212.4mn. Total paying users increased 5.3% to 4.2mn, but ARPPU decreased to $20.58. Operating earnings were $37mn, compared to a loss of $6.9mn in Q4 2023. CEO Lidiane Jones highlighted a strong innovation pipeline and strategic priorities for 2025. (Business Wire)

- **Elon Musk's social media Co, X (formerly Twitter), is in talks to raise funds at a $44bn valuation.** Musk acquired X for the same price in 2022. The financing round is ongoing, and details may change. This move comes as X seeks to strengthen its financial position amid market challenges. The Co previously faced scrutiny over its debt holdings, w/ banks preparing to sell up to $3bn of debt. (Bloomberg)

- **Parties interested in buying TikTok are talking directly w/ the White House, not its Chinese owner ByteDance.** TikTok's fate has been uncertain since a law requiring ByteDance to sell it on national security grounds or face a ban took effect on Jan 19. President Trump signed an executive order delaying enforcement by 75 days. Potential buyers include former Los Angeles Dodgers owner Frank McCourt. Trump has expressed interest in the US gov't owning a stake in TikTok. (Reuters)

- **Meta has reduced stock options for staff despite its shares trading at record highs, according to the Financial Times.** The Co aims to cut costs and improve profitability. Meta's stock has surged over the past yr, but the Co is focusing on financial discipline amid economic uncertainties. The reduction in stock options is part of broader cost-cutting measures, including layoffs and reduced spending on non-core projects. (Reuters)

- **The New York Times (NYT) has developed internal AI tools to enhance its journalism.** These tools, named Echo, assist reporters by automating tasks like transcribing interviews, identifying trends, and generating story ideas. Echo aims to streamline the newsroom's workflow, allowing journalists to focus on in-depth reporting. The NYT emphasizes that these tools are designed to support, not replace, human journalists. The initiative reflects the growing integration of tech in media to improve efficiency and content quality. (The Verge)

Software

- **AppLovin's stock crashed after Edwin Dorsey's Bear Cave alleged potential advertising fraud.** The report claims that AppLovin's ad tech practices may be misleading advertisers and investors. This news has led to a significant drop in the company's stock price as investors react to the allegations. The company has yet to respond to these claims. (Stocktwits)

- **Google is removing Gemini support from its iOS app, pushing users to the full Gemini app.** Initially, Gemini was accessible via the main Google app, but new features like Gemini Live were missing. Google is now directing users to download the standalone Gemini app from the App Store for a complete experience. This change aims to enhance the Gemini experience on iOS by consolidating all features into one app. (9to5Google)

- **Google is bringing Circle to Search-like visual searches to iPhones via the Chrome and Google apps.** This feature allows iOS users to select and search specific content from their screen using gestures like tapping, highlighting, or drawing. Unlike on Android, where it's called Circle to Search, the iOS version is part of a new Lens offering. This change aims to enhance the visual search experience on iPhones by consolidating all features into one app. (Android Authority)

- **Palantir's shares dropped over 10% after reports of the Pentagon cutting its budget.** The Co's stock continued to decline in after-hours trading. This budget cut impacts Palantir's defense contracts, a significant part of its biz. Analysts predict potential rev losses and a need for Palantir to diversify its client base. CEO Alex Karp emphasized the Co's commitment to innovation and exploring new mkts to mitigate the impact. (Bloomberg)

Sports/Sports Betting

- **Eagle Football Holdings, run by John Textor, plans to file for a New York IPO in the coming weeks, aiming to raise $500mn as part of a $1.1bn debt and equity recapitalization.** The firm has invested in Crystal Palace FC, Olympique Lyonnais, Botafogo, and RWD Molenbeek. This move follows Olympique Lyonnais' provisional relegation from Ligue 1 due to increased debts, which Textor is fighting to reverse. (Axios)

- **ESPN and MLB have mutually agreed to end their national TV deal after the 2025 season.** ESPN had exclusive rights to 30 regular-season games, the entire MLB Wild Card Series, the Home Run Derby, and the Opening Night telecast. The seven-year deal, signed in 2021, averaged $550mn per season. ESPN's chairman Jimmy Pitaro informed MLB commissioner Rob Manfred of the decision to opt out of the final three years of the contract. (Telecompaper)

- **Americans bet $147.9bn on sports in 2024, up 23.6% from 2023.** The American Gaming Association reported $13.71bn in rev, a 25.4% increase. Over 95% of bets were made online. Illinois overtook New Jersey as the #2 state for sports betting rev, trailing only New York. Massachusetts saw a nearly 40% rise in rev, jumping to #7. FanDuel and DraftKings control ~two-thirds of the market. California and Texas remain untapped mkts. (Front Office Sports)

- **The NBA's national TV viewership is down 5% y/y, averaging 1.76mn viewers across ESPN and TNT platforms.** This decline is part of a broader trend, with cable subscribers down 8% y/y. However, the NBA's social media content has surged, generating 83.5bn views this yr, up 41%. The league's new 11-yr, $7.7bn media-rights deal, starting next season, may reverse the trend as NBC and Amazon Prime Video join ESPN. (Front Office Sports)

- **San Diego FC, MLS's 30th team, debuts Sunday at LAFC.** The club's ownership, led by Mohamed Mansour and the Sycuan Band of the Kumeyaay Nation, paid a record $500mn expansion fee in 2023, up 54% from Charlotte FC's $325mn in 2019. San Diego FC will play at Snapdragon Stadium, the largest soccer-specific venue in the US. The club has invested ~$150mn in facilities, including the Sharp HealthCare Performance Center. (Front Office Sports)

- **The 49ers are exploring selling a 10% stake in the team, potentially valuing the franchise at $5.5bn.** This move comes as the team seeks to capitalize on the rising valuations of NFL franchises. The sale could attract significant interest from investors looking to enter the lucrative NFL mkts. The 49ers' decision aligns w/ a broader trend of sports teams leveraging minority stake sales to raise capital w/out relinquishing control. (Sports Business Journal)

- **Audi has signed a 3-yr deal to sponsor Sky Sports F1, covering all programming, including practice, qualifying, races, documentaries, analysis, and features.** The partnership, starting immediately, aligns w/ the

F1 75 Live showcase. Testing begins in Bahrain on Feb 26, w/ the first race in Australia on Mar 14. The deal, brokered by Sky Media and PHD, spans broadcast, digital platforms, and social channels. (Advanced Television)

- **The NBA All-Star Game's new format has sparked criticism.** The format, featuring a target score of 40 points per game, aimed to increase urgency but led to reduced playtime and frequent TV timeouts. Players like Draymond Green criticized the lack of actual basketball, while Charles Barkley blamed the current generation for devaluing the event. Discussions for further changes are already underway for next yr's game in Los Angeles. (Front Office Sports)

Tech Hardware

- **Silver Lake is close to acquiring a stake in Intel's Altera unit, which Intel bought for $17bn in 2015.** The deal, expected to conclude in early 2025, aims to boost Intel's cash reserves. Altera, known for its programmable chips, saw a 14% rev increase to $412mn in Q3 2024. Intel plans to spin off Altera and pursue an IPO. Other potential buyers include Bain Capital and Francisco Partners. This move is part of Intel's strategy to streamline operations and focus on core businesses. (Bloomberg)

- **NVIDIA's RTX 5070 Ti is a capable GPU for 4K gaming, priced at $749.** It features 8,960 CUDA cores and 16GB of GDDR7 VRAM, offering a balance between performance and value. The card excels in 4K performance, thanks to DLSS 4, but faces stock and price fluctuation issues. It's a solid upgrade for gamers needing more power and memory than the 5070, though prices can exceed the MSRP. (Engadget)

- **Acer plans to raise prices by 10% on laptops made in China due to Trump's tariffs, effective from Mar 2025.** CEO Jason Chen stated the increase is necessary to reflect the import tax. Acer is also considering shifting manufacturing out of China to mitigate the impact. The tariffs could add hundreds of dollars to high-end laptops, affecting consumer prices significantly. Acer's move is part of a broader trend among tech companies adapting to new trade policies. (The Telegraph)

- **Broadcom and TSMC are separately exploring deals to take over parts of Intel, according to a report.** Broadcom is considering acquiring Intel's chip-design and mkting biz, seeking a partner for Intel's manufacturing biz. TSMC is looking at controlling some or all of Intel's chip plants, potentially as part of an investor consortium. Discussions are preliminary, w/ no formal proposals submitted. The Trump administration is unlikely to support a foreign entity controlling Intel's factories. (TechCrunch)

Video Games/Interactive Entertainment

- **LG annc'd the rollout of its Gaming Portal on webOS-powered screens, available on LG Smart TVs running webOS 23+ in 19 mkts.** The service will expand to more mkts, platforms, and devices, including LG Smart Monitors and StanbyME screens, by Q2. The Gaming Portal serves as a central hub for gameplay options, offering an easy way to discover new titles and enjoy gaming experiences. (Advanced Television)

- **Rockstar Games is reportedly planning to incorporate significant user-generated content (UGC) in GTA VI, similar to platforms like Roblox and Fortnite.** This move aims to create a metaverse-style environment where players can create and monetize their own experiences. Rockstar has been in discussions w/ top creators from these platforms to explore potential collaborations. The game is expected to launch later this yr, w/ these UGC features being a core component. (The Verge)

- **Niantic, the maker of Pokémon Go, is nearing a $3.5bn deal to sell its video-game biz to Saudi Arabia-owned Scopely.** The deal, which could be annc'd in the coming weeks, includes the Pokémon title and other mobile games. Niantic, spun out of Google in 2015, has struggled to replicate the success of Pokémon Go, leading to staff cuts and canceled projects. Scopely, owned by Savvy Games Group, aims to expand its mobile game portfolio w/ this acquisition. (Yahoo Finance)

- **NetEase reported Q4 profit growth despite a 3% Y/y rev decline to $3.2bn.** The Co's net income rose 12% to $450mn, driven by cost-cutting measures and strong performance in its gaming biz. CEO William Ding highlighted the success of new game releases and ongoing investments in AI tech. NetEase's cloud music svs also saw a 15% increase in paying users. The Co aims to expand its global footprint and enhance its tech capabilities. (Wall Street Journal)

Video Streaming

- **Senator Elizabeth Warren has urged the DOJ to scrutinize Disney's proposed acquisition of FuboTV, citing concerns over market consolidation and potential harm to consumers.** Warren emphasized the need for thorough review to ensure fair competition and protect consumer interests. The deal, if approved, would significantly expand Disney's streaming portfolio, integrating FuboTV's sports-focused content. (Bloomberg)

- **Netflix annc'd plans to invest $1bn in Mexico over the next 4 yrs to boost local content production and infrastructure.** This investment aims to create thousands of jobs and support the Mexican film and TV industry. Netflix's commitment reflects its strategy to expand in Latin American mkts and cater to diverse audiences w/ localized content. The Co also plans to collaborate w/ local creators and studios to enhance its offerings. (Slashdot)

- **Google annc'd the launch of YouTube Premium Lite in the US, offering an ad-free viewing experience at a lower cost than the full Premium subscription.** This new tier, priced at $6.99/month, excludes features like background play, offline downloads, and YouTube Music. The move aims to provide a more affordable option for users seeking an ad-free experience on YouTube. (The Verge)

- **Viaplay reported improved margins in Q4, driven by cost-cutting measures and increased subscriber growth.** The Co's Q4 operating profit rose to SEK 250mn, up from SEK 200mn last yr. Viaplay expects stronger growth in 2025, with plans to expand its streaming svs to new mkts and invest in original content. The Co aims to achieve an adj operating margin of 15% by the end of 2025, up from 10% in 2024. (Telecompaper)

- **YouTube TV and Paramount reached a deal to keep channels like CBS, Comedy Central, Nickelodeon, and MTV after a contract dispute.** The agreement ensures YouTube TV will continue offering 100+ channels and add-ons like Paramount+ w/ SHOWTIME. The dispute centered on carriage fees, w/ Paramount accusing YouTube TV of pushing for one-sided terms. (CBS News)

- **The US streaming mkt is evolving, w/ more platforms shutting down than launching.** In 2024, 36 new svs were introduced, but 42 were discontinued, indicating a shift toward consolidation. Consumers are increasingly favoring established platforms like Netflix, Amazon Prime, and Disney+. The trend is driven by content quality, user experience, and pricing. The mkt is expected to see further consolidation in 2025. (TelecomLead)