



## THE WEEK ENDING MARCH 7, 2025

To say that it was a busy week is an understatement! TGIF. As I'm sure you are well aware, the markets were highly volatile on the back of Trump moving forward with additional tariffs, raising concern about the macro impacts (see Theme #1), and the S&P 500 and Nasdaq closed the week down -3.1% and -3.5% respectively. In the background, there were some big conference/trade shows with interesting updates, especially out of the connectivity sub-sector and AI of course was top of mind with new developments as well.

All in all, this week's edition focuses on:

1. Threading The Needle - Trump Tariffs, Cost Efficiency Efforts, & Rate Cuts
2. Q4 Earnings Wrap - Wall Street Was Less Impressed By Profitability & Sales Beats
3. UMG Resists Concerns Of A Slowdown In Subscription Streaming And Progresses Towards Streaming 2.0
4. The Agentic AI Age & Other Key AI Developments This Week
5. Connectivity Providers Convey Confidence In 2025
6. A Look Into The Future Of Connectivity – Highlights From Mobile World Congress & The Satellite Industry
7. Bots, Bots, & More Bots Drive Web Traffic
8. Grab Bag: YouTube Subscriber Milestone + New Tier / Academy Awards Viewership / TikTok Sale Updates

Also, to flag on the home front, LionTree served as financial advisor to **Adevinta** in the sale of its stake in Austria's Digital Marketplace, **Willhaben**, to a JV between Sprints and Styria Media Group.

Enjoy the 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) Threading The Needle - Trump Tariffs, Cost Efficiency Efforts, & Rate Cuts

It is hard to know where to start on the topic of tariffs, macro, and markets, which was all consuming this week and one not without twists and turns like the latest hot TV mini-series. We certainly don't profess to be macroeconomic experts but we'll do our best to provide some "need-to-knows" on what transpired this week and perspectives to consider as you assess the potential impacts to your company or investments. Big picture, we'd characterize this as a threading the needle environment as in...tariffs could lead to inflation and impact economic growth, cost efficiency efforts could lead to greater job eliminations, and slowing revenue for a swath of companies, but rate cuts will help offset and spur growth on the back-end (the market is now pricing in ~75 bp of rate cuts this year). It is all a fine line and as we have seen over many cycles, these things usually don't happen on a straight path, thus we'd expect continued near-term volatility...

### What Are The Quick Need To Knows Regarding The Course Of Events On Tariffs This Week?

([link/link/link/link/link/link](#))

- **March 4<sup>th</sup>: The market didn't think that the tariffs on Mexico and Canada would go into effect but they did Tuesday morning**
  - **For Canada**, the 25% tariff applies to all Canadian imports to the US, with the exception of energy products such as oil and natural gas, which have a 10% rate
  - **For Mexico**, the 25% tariff applies to all Mexican imports to the US
  - **Tariffs were imposed earlier than expected:** Just last week, Trump on Wed (Feb 26<sup>th</sup>) had said tariffs on Canada and Mexico will go into effect on April 2, but then a day later (Feb 27<sup>th</sup>), said it will happen on Mar. 4<sup>th</sup>
- **March 4<sup>th</sup>: Canada responded w/ Prime Minister Trudeau annnc'ing a 25% levy on C\$30bn (\$20.8bn) worth of US imports, including cosmetics, tires, fruit and wine, effective immediately;** He also said that tariffs on another C\$125bn in goods, including US-made cars and trucks, aluminum, and food and agricultural products, will take effect in 21 days
  - **Ontario also indicated it would impose a 25% surcharge on power exported** to 1.5mn homes in Minnesota, Michigan, and New York in response to the tariffs, and said it may increase the surcharge or shut off electricity exports completely if the tariff situation is not resolved ([link](#))
    - The province has also banned all US-based companies from government contracts, and Ontario's Premier Doug Ford has ended his province's contract with Starlink, the Elon Musk-controlled satellite network
    - Ford also said he was prepared to cut off nickel exports to the US - "It will shut down manufacturing because 50% of the nickel you use is coming out of Ontario"

### US and Canada Have a Huge Trading Relationship

US trade balance in goods in 2024, major partners

	US Exports To	US Imports From	Trade Balance
China	\$143.5B	\$438.9B	-\$295.4B
European Union	370.2	605.8	-235.6
Mexico	334.0	505.9	-171.8
Vietnam	13.1	136.6	-123.5
Canada	349.4	412.7	-63.3
United Kingdom	79.9	68.1	11.9

Source: US Commerce Department

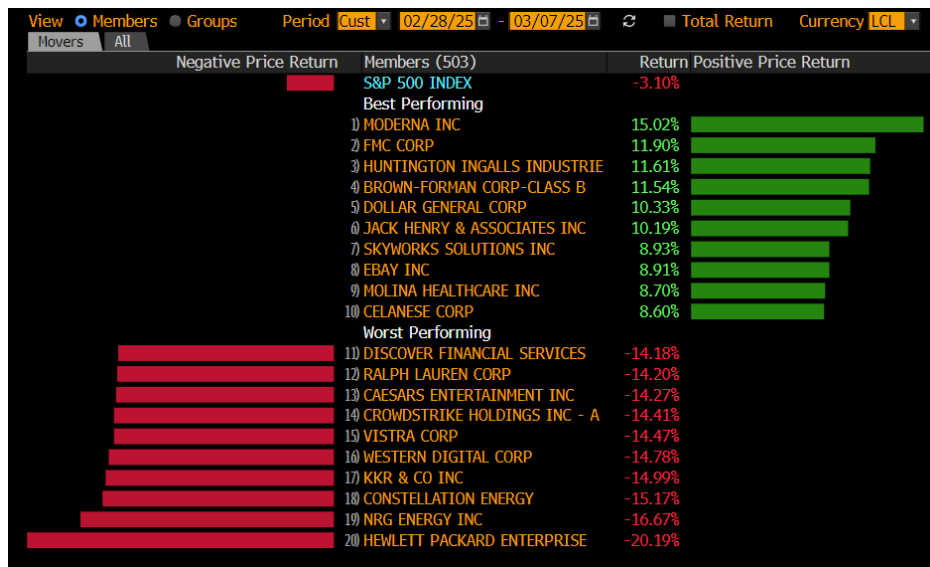
[Source](#)

- **March 4<sup>th</sup>: Mexico also said it plans to announce retaliatory measures**

- Mexican President Claudia Sheinbaum said she was “going to wait” to speak over the phone Trump and if no deal can be reached, she’ll announce the products Mexico will target on Sunday (March 9th)
- **March 4th: In an address to Congress, Trump said further tariffs would follow on April 2, including "reciprocal tariffs" and non-tariff actions aimed balancing out years of trade imbalances**
  - "Other countries have used tariffs against us for decades, and now it's our turn," Trump said, citing high duties imposed on US goods by India, South Korea, the European Union, China and others
- **March 4th: Second round of tariffs on good from China also took effect on Tuesday...:** This is on top of the 10% tariff for goods from China came into effect on Feb 4<sup>th</sup>
- **...And China immediately announced more retaliatory tariffs:**
  - **Tariffs that came into effect March 10<sup>th</sup>:** 15% tariffs on US chicken, wheat, corn, and cotton, and 10% tariff on US soybeans, sorghum, pork, beef, aquatic products, fruits, vegetables, and dairy imports
    - **China also put 25 US firms under export and investment restrictions**
  - **This is in addition previously annnc'd tariffs that came into effect Feb. 10<sup>th</sup>:** 15% tariff on certain types of US coal and liquefied natural gas, and a 10% tariff on crude oil, agricultural machinery, large cars, and pick-up trucks
- **March 4th: China also filed a lawsuit w/ the World Trade Organization against the US's addtl 10% tariff on Chinese goods, according to a Commerce Ministry statement**
- **March 5th: The US Auto industry gets a temporary reprieve – Trump will delay Canada and Mexico auto tariffs for one month ([link/link/link](#))**
  - Trump had spoken with the "Big 3" American automakers — Ford, GM, and Stellantis (formerly Chrysler) — and granted automakers that comply with USMCA a one-month exemption on paying the 25% duties on autos produced in their Canadian or Mexican facilities
  - “Reciprocal tariffs will still go into effect on April 2, but at the request of the companies associated with USMCA, the president is giving them an exemption for one month so they are not at an economic disadvantage,” confirmed WH Press Secretary Karoline Leavitt
  - Canada’s finance minister said the country would in turn hold off on its threatened second round of retaliatory tariffs on US products
- **March 6th: Trump delayed some tariffs on Mexican and Canadian goods, but the reprieve will expire April 2<sup>nd</sup> ([link](#)):** Imports that comply with the 2020 USMCA trade pact would be excluded from the 25% tariffs for a month
  - **~38% of U.S. imports from Canada fall under the USMCA** – a free trade deal Trump signed in 2019 – meaning ~62% of goods from Canada will still be subject to tariffs, the Trump White House said
    - It was also agreed that potash, a key ingredient to make fertilizer used by farmers, has been levied a smaller 10% tariff
  - **~50% of imports from Mexico fall under the agreement**, so about half of Mexican imports will be subject to the tariffs

### ***What Were Some Of The Key Market & Company Reactions?***

- **The market has given back all its gains post-election**
  - The S&P and Nasdaq are now down -0.7% and -4.7%, respectively, YTD
  - Nasdaq slipped into correction territory (down -10% from its 52-week peak) on Tuesday but closed the week - 9.1% below the peak
  - The VIX spiked to 23, up 19% on the week
  - The best and worst performers in the S&P 500 this week were:
    - Moderna up +15%
    - Hewlett Packard down -20%



Source: Bloomberg

- **Chip makers have been hard hit: The SOX Semiconductor index hit bear market territory closing the week down -21.5% from its 52-week high in July 2024**
  - NVIDIA closed the week down -10%
- **Retailers are warning of price hikes due to the tariffs -**
  - **Target CEO Brian Cornell told CNBC on Tuesday:** "Those are really short supply chains... we depend on Mexico during the winter. We're going to try and make sure we can do everything we can to protect pricing, but if there's a 25 percent tariff, those prices will go up... certainly over the next week"
  - **Best Buy CEO Corie Barry on this week's earnings call:** "If manufacturers pass along tariff costs to Best Buy and other retailers, it will likely result in higher prices for consumers. We've never seen this kind of breadth of tariffs, and this, of course, impacts the whole industry"
- **AT&T CEO John Stankey is wary of the tariffs' potential inflationary impact:** "We've got to be very, very careful and precise about how we administer things like tariffs... and get the incentives appropriately structured... then you can have good economic trade and avoid the inflation dynamic, which is just not good for the American consumer"
- **SiriusXM CEO Jennifer Witz weighed in on possible impacts on signing up new car owners as satellite radio subscribers on the back of the announced tariffs:** SiriusXM has expected "relatively stable" new car sales at the beginning of the year but its "hard to say right now where that will land. The first two months were very strong, but again, with potential tariffs going in place, it could impact the new car side of the business" ([link](#))
- **Even sports leagues are flagging impacts - National Hockey League Commissioner Gary Bettman pointed out potential impacts from tariffs** ([link](#))
  - "All players, no matter which country they play in, get paid in US dollars... so if the impact of the tariffs is to see the Canadian dollar drop relative to the U.S. dollar, it will make it more difficult and more painful"
  - The league currently has 7 Canadian teams
- **BUT it sounds like Trump is ok with some near term market volatility... saying Americans should be prepared for "a little disturbance" from tariffs**
  - "Tariffs are about making America rich again and making America great again, and it's happening and it will happen rather quickly... there will be a little disturbance. But we're okay with that. It won't be much"

## 2) Q4 Earnings Wrap - Wall Street Was Less Impressed By Profitability & Sales Beats

As we wrap up a relatively drawn out Q4 earnings season, we always like to take a look across our LionTree TMT and Consumer Universe of ~200 companies across 32 sub-sectors with market caps of \$1bn+ to pull out the key trends.

A key theme we've focused on over the past several quarters has been companies' focus on profitability, with a significant portion of our LionTree stock universe outperforming expectations on adj EBITDA, and in many cases, by a wide margin.

That continued to be the case in Q4, but the percentage was a step down from previous quarters. More specifically, for Q4 results, 74% of companies surpassed adj EBITDA estimates, but this was down from 84% in Q3, 82% in Q2, and 83% in Q1.

In terms of the magnitude of these profitability beats, that has also been in a downtrend. While still a high 31% of companies beat adj EBITDA estimates by double, triple, or quadruple digits, that is lower than the 35% in Q3, 45% in Q2 and 48% in Q1. Additionally, the median adj EBITDA beat in Q4 dropped to +3.3%, down from +7.0% in Q3, while the avg adj EBITDA beat was +12.1%, down from +20.3% in Q3.

What about revenue trends relative to expectations? The opposite trend emerged, with a higher number of companies beating forecasts. 73% of companies in our LionTree Universe beat revenue forecasts in Q4, up from 69% in Q3 and 70% in Q2, though in-line with 74% in Q1. The median beat vs expectations was +1.4% in Q4, up from +1.0% in Q3, while the avg beat was a +1.7% vs +1.0% in Q3.

Despite the still very high number of companies that topped Wall Street's Q4 forecasts, the majority of stocks traded down post results, suggesting that some of this upside was already priced in and/or there were concerns about the forward outlook. See below for more on Q4 financial and stock performance of companies and sub-sectors within our LionTree Universe of TMT and Consumer stocks...

### ***The Majority Of Stocks In Our Universe Traded Down On The Back Of Q4 Results***

- **Less than half (46%) of stocks traded UP post their reports**, which is a continued step down from 50% in Q3 and 53% in Q2
  - **15% traded UP double-digits in reaction to earnings**, also down from 20% in Q3, and 18% in Q2
  - **12% traded DOWN double-digits in reaction to earnings**, which is down from 16% in Q3 and 10% in Q2
- **The top 3 BEST performers in reaction to earnings were –**
  - **Doximity**, up +36%
  - **Unity**, up +30%
  - **Udemy**, up +28%
- **The bottom 3 WORST performers in reaction to earnings were –**
  - **The Trade Desk**, down -33%,
  - **Hims & Hers**, down -22%
  - **Block**, down -18%

### ***Of The Companies & Sub-Sectors That BEAT Expectations In Q4...***

- **Adj. EBITDA – overall, 74% of the companies in our Universe beat consensus on adj. EBITDA, and 31% had double, triple, or quadruple-digit beats (vs 84% & 35%, respectively for Q3); The median adj EBITDA beat dropped to +3.3%, from +7.0% in Q3**
  - **Hardware/Handsets** had the highest adj. EBITDA beat for the second qtr in a row, up +49.6%, on avg, which was mostly driven by *Peloton* (+119% beat; \$58.4mn vs cons \$26.7mn) and *Sonos* (+66% beat; \$91.2mn vs cons \$55.1mn)
  - **HealthTech** had the second highest adj. EBITDA beat, up +45.3%, on avg, which was largely driven by *Clover Health* (+259% beat; \$7.8mn vs cons -\$4.9mn) and *Doximity* (+22% beat; \$102mn vs cons \$83.8mn)
    - That said, there were some misses in the sector, including *Teladoc Health* (-9.6% miss) and *Hims & Hers* (-0.2% miss)
  - **EdTech**, which had the second highest avg adj. EBITDA beat last qtr, was pushed down to the third spot this qtr and had an avg beat of +33.1%; Similar to the last three qtrs, the substantial avg beat was mostly driven by *Udemy* (+65% beat; \$19.5mn vs cons \$11.8mn) and *Coursera* (64% beat; \$9.5mn vs cons \$5.8mn)

Q4 Adj EBITDA vs Cons	% Beat/Miss	Stk Reaction*
Clover Health	259.2%	-4.1%
Roku	123.3%	14.1%
Peloton	118.7%	12.0%
Snowflake	94.6%	4.5%
fuboTV	73.3%	-13.9%
Revolve Group	69.4%	-5.0%
Sonos	65.5%	-7.5%
Udemy	65.3%	28.0%
Coursera	63.8%	-8.9%
Toast	44.3%	0.7%

Top 5 Sub-Sectors - Q4 Adj EBITDA Beat/Miss	Avg % Beat/Miss	Stk Reaction*
Hardware/Handsets	49.6%	2.4%
HealthTech	45.3%	0.2%
EdTech	33.1%	1.0%
US Media/Video	31.8%	4.1%
Software IT Services	21.2%	2.6%

Source: FactSet

\* Day post earnings



- **Sales – overall, 73% of the companies in our LionTree Universe beat consensus on revenue (vs 69% for Q3), but only 2% of those companies beat expectations by double-digits or more; The median sales beat was +1.4%, up from +1.0% in Q3**
  - **Hardware/Handsets** had the highest avg sales beat in our Universe, topping cons by +6.6%, which was mostly driven by *Sony* (+17% beat) and *Sonos* (+6% beat)
  - **Payments/FinTech** stocks had an aggregate sales beat of +4.7%; *Coinbase* posted the highest beat (+23% beat), followed by *Affirm* and *Robinhood* (both Cos beat expectations by +7%)
    - Smaller beats were posted by *Lemonade* (+2.6% beat), *Visa* (+1.8% beat), *Toast* (+1.6%), *Mastercard* (+1.4%), and *PayPal* (+1.3%)
    - That said, *Block* did come in below consensus estimates (-4.1% miss)
  - **Semis** stocks beat by +3.7%, on avg, with the biggest beat coming from *QUALCOMM* (+7.0% beat)
    - *Arm* and *NVIDIA* also posted notable beats (+3.5% and +3.2%, respectively)

Q4 Sales vs Cons	% Beat/Miss	Avg Stk Reaction *
Coinbase	23.4%	-8.0%
Sony Group	17.2%	5.6%
Doximity	10.3%	36.0%
Applovin	8.7%	24.0%
Affirm Holdings	7.3%	21.8%
QUALCOMM	7.0%	-3.7%
Hasbro	6.8%	13.0%
Robinhood	6.8%	14.1%
Palantir	6.7%	24.0%
TKO Group	6.4%	-5.8%

Top 5 Sub-Sectors - Q4 Sales Beat/Miss	Avg % Beat/Miss	Avg Stk Reaction *
Hardware/Handsets	6.6%	2.4%
Payments / Fintech	4.7%	-0.1%
Semis	3.7%	-4.9%
Online Travel	3.5%	2.6%
Application Software	3.4%	8.0%

Source: FactSet

\* Day post earnings



### Of The Companies & Sub-Sectors That MISSED Q4 Expectations...

- **Adj. EBITDA - overall, 26% of the companies in our Universe missed consensus on adj. EBITDA**
  - **Advertising Agencies** saw the largest avg miss amongst the sectors, down -1.6%
    - The biggest disappointment came from *IPG* (-3.8% miss)
    - *Omnicom* and *Publicis* also posted some small misses
  - **Telecom Infrastructure** stocks missed expectations by -0.4%, on avg
    - *Equinix* and *Digital Realty Trust* missed by -1.9% and -1.5%, respectively
    - That said, *American Tower* and *SBA Communications* posted small beats of +1.2% and +0.6%, respectively
  - **Pay-TV / Broadband stocks** had the third largest adj EBITDA miss, down -0.4%, on avg, which was mostly driven by *Altice USA*'s miss (-4.0% miss)
    - The sector had some small beats, including from *Charter* and *Comcast*, which beat by +0.7% and +3.0%, respectively



Q4 Adj EBITDA vs Cons	% Beat/Miss	Stk Reaction*
Paramount Global	-26.3%	0.2%
Baidu	-12.5%	-7.5%
Electronic Arts	-10.9%	7.6%
Teladoc Health	-9.6%	-13.6%
Wayfair	-9.3%	-0.6%
Lucky Strike Entertainment Corp.	-7.1%	-0.2%
Ziff Davis	-6.6%	-1.1%
Magnite	-5.2%	-1.8%
The Trade Desk	-4.3%	-33.0%
Playtika	-4.3%	-16.8%

Bottom 5 Sub-Sectors - Q4 Adj EBITDA Beat/Miss	Avg % Beat/Miss	Stk Reaction*
Advertising Agencies	-1.6%	-0.3%
Telecom Infrastructure	-0.4%	1.9%
Pay-TV / Broadband	-0.2%	-2.5%
US Telco / Wireless	0.8%	3.0%
Consumer Retail	1.2%	-0.4%

Source: FactSet

\* Day post earnings



- **Sales - overall, 27% of companies in our LionTree Universe reported sales in-line/lower than consensus**
  - **Video Game** stocks had the highest sales miss in our Universe, with the sector missing expectations by -2.8%, in aggregate, which was mostly driven by *Electronic Art's* miss (-11.8%)
    - *Take-Two* and *Roblox* also missed by -1.4% and -0.7%, respectively
    - However, *Playtika* did beat expectations by +2.7%
  - **Theaters** missed by -1.9%, on average, which was largely weighed down by *IMAX* missing expectations by -9.6%
    - *AMC Entertainment* and *Cinemark* actually beat expectations by +1.6% and +2.3%, respectively
  - **Advertising Agencies** took the third position in the Bottom 3 and missed expectations by -1.0%, on avg, with the biggest miss coming from *IPG* (-3.6% miss)
    - Both *Omnicom* and *Publicis* came in mostly flat

Q4 Sales vs Cons	% Beat/Miss	Stk Reaction *
Electronic Arts	-11.8%	7.6%
IMAX	-9.6%	-1.1%
Tesla	-5.5%	2.9%
Lucky Strike Entertainment Corp.	-5.0%	-0.2%
Block	-4.1%	-17.7%
The Interpublic Group of Cos (IPG)	-3.6%	-1.4%
fuboTV	-3.1%	-13.9%
Clover Health	-3.0%	-4.1%
Oscar Health	-2.8%	3.1%
Six Flags Entertainment Corp.	-2.8%	-5.7%

Bottom 5 Sub-Sectors - Q4 Sales Beat/Miss	Avg % Beat/Miss	Stk Reaction *
Video Games	-2.8%	-1.6%
Theaters	-1.9%	-5.0%
Advertising Agencies	-1.0%	-0.3%
Ad Tech	-0.9%	-5.7%
Pay-TV / Broadband	0.2%	-2.5%

Source: FactSet

\* Day post earnings



### 3) UMG Resists Concerns Of A Slowdown In Subscription Streaming And Progresses Towards Streaming 2.0

Following Spotify's strong print and Warner Music Group's relatively disappointing results last month, Universal Music Group (UMG) was the last major music company to report earnings for the December-ended quarter this week. Beyond UMG's headline results, which beat consensus expectations across the board, all eyes were on the company's Q4 streaming numbers, given concerns that growth in the space could be plateauing. However, UMG largely put those fears to rest (for now), as its subscription streaming revenue rose ~+8% y/y when excluding the impact of 1x items as well as a -1ppt drag from softness in fitness platforms. This was in-line with the company's guidance range of +8-10% annual growth in subscription streaming revenue through 2028, and when accounting for all the various factors, the segment's revenue grew +9% y/y and finished +0.5% ahead of estimates in Q4.

Conversely, trends were not as favorable on the ad-supported streaming side of the business. Although UMG continued to see robust user engagement and consumption trends, as well as strong advertiser demand, a shift in consumption from better monetized video platforms to short-form ones that aren't yet as well monetized weighed on the company's ad-supported revenue. This dynamic is expected to remain a headwind in the short-term but become an opportunity for UMG in the medium-term once monetization improves on short-form platforms. In the meantime, this will be partly offset by easing comps in H1:25 due to the impact from TikTok removing UMG's content in H1:24, among other factors.

Otherwise, there is “some basis for even more optimism” on the road ahead for the company. Most notably, UMG’s management cited new consumer research reports that revealed that the total addressable market for global music subscriptions could be larger than it previously anticipated, consisting of 230mn potential paid music subscribers (vs the 220mn estimated at the company’s last Capital Markets Day). Furthermore, UMG has taken the initial steps of implementing its Streaming 2.0 vision by reaching expanded multi-year agreements with Amazon and Spotify that will “benefit the entire music ecosystem” by helping to reach superfans and laying the groundwork for the super-premium tier. This, along with opportunities with audiobook listeners and integrations with interactive voice platforms, could “deliver meaningful growth” for UMG moving forward.

See below for more of our key takeaways and highlights from UMG’s Q4 earnings release, including additional color on the company’s Music Publishing and Merchandising segments:

-> UMG shares rallied +6.3% y/y post-earnings and ended the week up +2.8%; That said, this follows a -11.6% drop in the Co’s share price from Feb 14 to Mar 6; YTD, UMG stock is trading up +11.7%, which compares to +10.9% for WMG stock and +18.9% for Spotify stock

### UMG’s Q4 Headline Results Broadly Surprised To The Upside Due To Strength In Recorded Music

- **Total rev was better than anticipated:** Ex-FX, Q4 rev rose +7.9% y/y (vs +4.9% y/y in Q3) and beat cons by +4.9%; Ex-FX, FY24 rev was up +7.6% y/y
  - **Excluding one-time items, ex-FX rev incr’d +6.1% y/y:** These included –
    - €20mn of catch-up rev from a DSP partner related to new product rollouts in Q3:24 and Q2:24; This was booked in recorded music subscription rev
    - €40mn of rev from two legal settlements, one w/ the brand and one w/ the label JV partner, where UMG has now exited the JV
- **Adj EBITDA also surpassed estimates:** Ex-FX, adj EBITDA grew +19.1% y/y in Q4 (vs +8.2% y/y in Q3) and topped cons by +9.5%; Ex-FX, FY24 adj EBITDA incr’d +13.8% y/y, driven by rev growth, op leverage, and cost savings from the Co’s strategic organizational redesign
  - **Excluding one-time items, ex-FX adj EBITDA was up +10.5% y/y:** Including –
    - €12mn of catch-up income from a DSP partner related to new product rollouts in Q3:24 and Q2:24
    - €29mn of EBITDA from the two legal settlements
    - Q4:23 was also negatively impacted by a -€50mn hit to recorded music EBITDA related to a legal provision

Universal Music Group (mn)	2024Q4 Results		
	Actual	Cons Est	% Surp
Total Revenue	€ 3,439	€ 3,279	4.9%
Adj EBITDA	€ 799	€ 729	9.5%
Adj EBITDA Margin	23.2%	22.2%	
Revenue By Segment			
Recorded Music	€ 2,566	€ 2,446	4.9%
Subscription & Streaming	€ 1,602	€ 1,594	0.5%
Organic Growth (Y/Y)	5.6%	4.5%	
Subscription	€ 1,227	€ 1,194	2.7%
Streaming	€ 375	€ 400	-6.2%
Physical	€ 458	€ 437	4.7%
License & Other	€ 432	€ 387	11.5%
Music Publishing	€ 613	€ 623	-1.6%
Digital	€ 378	€ 369	2.5%
Performance	€ 127	€ 135	-6.1%
Synchronization	€ 66	€ 75	-12.2%
Mechanical	€ 24	€ 31	-22.8%
Other	€ 18	€ 13	38.5%
Merchandising & Others	€ 264	€ 220	20.1%

Source: UMG Filings; Bloomberg Data & Analysis





## **Recorded Music Benefited From One-Time Items But Faced Structural Headwinds In Streaming**

- **Recorded Music rev growth accel'd seq due to one-time items and outperformed expectations:** Ex-FX, Q4 Recorded Music rev grew +6.8% y/y (vs +6.2% y/y) and exceeded cons by +4.9%; Excluding the impact from DSP catch-up income and legal settlements, ex-FX Recorded Music rev incr'd +4.6% y/y
  - **Recorded Music Subscription rev growth topped the Street's forecasts....:** Ex-FX, Subscription rev was up +9.0% y/y in Q4 (vs +8.2% y/y in Q3) and closed +0.5% ahead of cons
    - **... BUT decel'd seq when removing one-time items:** Excluding the impact from DSP catch-up income, Subscription rev rose +7.2% y/y; The Co lapped Q4:23 price increases, though this was partly offset by 2024 price increases; Fitness platforms were also a nearly a full point drag on growth
    - **Subscription streaming rev is still projected to grow at an +8-10% CAGR through 2028**
  - **Ad-supported streaming rev growth underwhelmed estimates:** Ex-FX, Streaming rev decr'd -4.1% y/y in Q4 (vs +0.3% y/y in Q3) and missed cons by -6.2%; Despite the miss, engagement and the consumption of music-based content continues to grow, and demand from advertisers remains strong
    - **Changing consumption trends were a headwind:** Particularly, the shift from better monetized video platforms to short-form platforms, which aren't yet as well monetized; This is expected to a medium-term oppty but will continue to pressure rev in the near-term
    - **Comps will ease in Q1:25 and Q2:25:** UMG will lap the period where its content was off TikTok platforms as well as the loss of its premium music video license w/ Meta
- **Physical rev was better than expected:** Ex-FX, Physical rev incr'd +3.4% y/y in Q4 (vs -0.7% y/y in Q3), surpassing cons by +4.7%, as strong releases in Japan more than offset difficult comps in the US and Europe
- **Licensing & other rev growth dropped seq but still topped the Street's projections:** Ex-FX, Q4 License and other rev was up +12.4% y/y (vs +21.7% y/y in Q3) and came in +11.5% above cons, driven by strength in neighboring rights, synchronization, touring, and audio-visual production income
  - **Top sellers for the qtr:** Included Taylor Swift, Sabrina Carpenter, Billie Eilish, Chappell Roan, and Wicked: The Soundtrack

## **UMG Sees "Some Basis For Even More Optimism" Ahead**

- **New consumer research found the TAM for global music subscriptions is larger than previously estimated:** The Co now sees a TAM of ~230mn (vs the 220mn estimated at UMG's Capital Markets Day)
  - **One-third of global subscriptions will be in developed mkts and two-thirds will be in emerging ones:** UMG's current geographic mix is 45% in developed mkts and 55% in high growth mkts
- **UMG has executed two major deals w/ Amazon and Spotify:** These expanded partnership deals will pave the way toward Streaming 2.0 and unlocking the super-premium tier as well as the superfan oppty; They represent an "important development" for the segmentation of the mkt
  - **UMG still believes that superfans could comprise ~20% of the current subscriber base**
- **Across 2024 and for the second straight yr, UMG had 9 out of the top 10 most commercially successful recording artists globally:** Including all of the top 5 artists, w/ Taylor Swift at the #1 spot; The Co also had 4 of the top 5 artists on Spotify
  - **UMG is also seeing "enormous success w/ developing artists" in 2025:** Cited Lola Young as an example
- **Other avenues of growth:** Include audiobook bundling (60% of audiobook subscribers in the US are not music subscribers) and integrations w/ voice interactive platforms, like Alexa, that offer a greater ability for users to personalize their music experience

## **A Breakdown Of Other Operating Segments – Music Publishing + Merchandising & Other**

- **Music Publishing revenue growth accel'd seq but missed expectations:** Q4 ex-FX Music Publishing rev incr'd +7.0% y/y (vs +2.2% y/y in Q3) but fell -1.6% short of cons; Excluding the benefit from the two legal settlements, ex-FX Music Publishing rev grew +5.6% y/y; Note, all growth rates below are ex-FX –
  - **Digital rev – BEAT:** Rose +12.2% y/y in Q4 (vs +0.7% y/y in Q3) and beat cons by +2.5%
  - **Performance rev – MISS:** Was up +4.1% y/y in Q4 (vs -3.8% y/y in Q3) but missed cons by -6.1%
  - **Synchronization rev – MISS:** Declined -5.7% y/y in Q4 (vs +18.5% y/y in Q3) and ended -12.2% below cons
  - **Mechanical rev – MISS:** Dropped -22.6% y/y in Q4 (vs +12.0% y/y in Q3) and missed cons by -22.8%

- **Declines in Synchronization and Mechanical rev were largely timing driven:** These rev lines can be variable and that the Music Publishing segment would be better viewed over the course of a yr
- **Merchandising & Other rev comfortably topped estimates:** Q4 ex-FX Merchandising & Other rev grew +23.4% y/y (vs +3.5% y/y in Q3) and finished +20.1% above cons; Strength was driven by “robust super fan demand that is driving strong growth in both DTC and touring rev”
  - **However, a slight decline in the segment is anticipated in 2025:** The Co is facing a very difficult comp due to the timing of major artist tours

#### **Investments Weighed On FY24 FCF**

- **FY24 FCF was down significantly y/y:** FY24 FCF of €523mn fell -47.5% y/y; The Co spent just over €1bn on investments in FY24, including €266mn on catalog acquisitions (vs €178mn in FY23) as well as spending on other deals that furthered its strategic initiatives, including the Nigerian Label, Mavin, and others
  - **BUT FCF generation improved dramatically in H2:24, as expected:** FCF of €983mn in H2:24 (vs an outflow of -€460mn in H1:24), as net advances “were meaningfully lower”

#### **Notes On Recent M&A Activity + Efforts To Expand Globally**

- **Virgin Music’s acquisition of Downtown Music Holdings is expected to close later in 2025:** Virgin Music and Downtown will offer a broadened and enhanced suite of svcs to clients, including digital and physical distribution, release mkting, biz intelligence, neighboring rights, synchronization, royalties, and royalties mgmt
- **UMG Japan’s acquisition of A-Sketch will further bolster in-house artist mgmt capabilities:** The deal, which was annnc’d in Feb, will create new optties both domestically and globally for artists and fans
- **The Co has also been signing deals w/ local labels in music mkts w/ a high potential for growth –**
  - **Universal Music Greater China closed a “landmark” deal w/ Modern Sky:** The two Cos annnc’d a strategic distribution agreement in late Nov that will provide Modern Sky’s catalog and roster of artists w/ access to UMG’s worldwide distribution network
  - **Virgin Music partnered w/ Hungama in South Asia:** Hungama is a leading digital entertainment Co w/ a content library of 45mn+ assets and a presence across 75 countries and 150 platforms; Deal was annnc’d in Dec
  - **Virgin Music also partnered w/ RainLabs in Africa:** RainLabs, which is based in Ghana, is a distribution and label svcs Co; The deal was annnc’d in Feb and will help African artists reach global audiences
  - **Universal Music Greater China signed an exclusive global agreement w/ Liu Huan, the “King of Chinese Pop”:** The multi-year deal, which was annnc’d in Feb, includes both recording and music publishing rights for Huan’s work

## **4) The Agentic AI Age & Other Key AI Developments This Week**

AI agents are all the rage. Recall Meta CEO Mark Zuckerberg’s comment on the Co’s last earnings call, “2025 will be the year of AI agents, as we integrate them more deeply into our ecosystem, transforming how people interact with our platforms.” But he is not the only one gunning in this direction. Several companies made some big moves this week in this area. Despite the competitive jabs, Microsoft and Salesforce seem to have similar visions for the potential of AI agents to change the nature of work and the workforce. The core idea is to augment human capabilities and automate tasks to boost productivity, efficiency, and overall business results. Aside from both these company’s Agentic AI announcements this week, updates from Scale AI and Meta itself were also of note and we highlighted a few updates on AI valuations and use cases as well. See below.

#### **Agentic AI Updates Were At The Top Of The List This Week**

- **Microsoft annnc’d 2 new AI agents for sales and is helping businesses create and implement agents ([link](#))**
  - **Sales Agent:** Identifies and qualifies potential customers, schedules mtgs, and follows up on leads; It can complete some basic sales independently; The tool gathers info from customer databases, Co pricing sheets, and Microsoft 365 emails & calendars to personalize its responses
  - **Sales Chat:** Gives sales reps summaries & insights based on CRM records, emails, mtg notes, and online sources; Users can request info w/ natural language prompts, such as identifying at-risk deals or preparing for upcoming mtgs

- **Accessibility:** Works with Microsoft's Dynamics 365 and Salesforce and can be accessed via Microsoft 365 Copilot and Copilot Chat for businesses
- **Availability:** May
- **Also annnc'd "Microsoft AI Accelerator for Sales":** Helps businesses create & implement agents, w/ help from Microsoft AI experts

-> Last fall, MSFT intro'd 10 AI agents for its Dynamics 365 applications, including a prior version of its sales agent

- **Salesforce launched Agentforce 2dx which marks a shift from reactive AI interactions to proactive agents that operate in the background ([link/link](#)):** Salesforce is focused on creating a "multi-agent framework" where personal AI assistants interact with enterprise agents to complete tasks
  - **Agentforce 2dx:** Aims to embed AI agents that can anticipate needs, monitor data changes, and take action autonomously across any business process; It doesn't just wait for user commands, but actively monitors systems and initiates processes when needed
    - The platform includes a low-code interface, allowing businesses to customize AI agents w/o extensive technical expertise and includes out-of-the-box agents for various roles, including customer service, sales development, personal shopper, and marketing campaign optimization
  - **Launched AgentExchange:** A marketplace with over 200 initial partners and hundreds of pre-built agent components
  - **Intro'd a suite of new tools aimed at both developers and administrators**
    - These include a free Agentforce Developer Edition environment for creating prototypes
    - AI assistance in Agent Builder to help configure agents more quickly
    - A Testing Center for automated evaluation of agent configurations at scale
  - **Availability:** The Agentforce 2dx platform will be generally available in April, with some features starting this week; The Agentforce Developer Edition and AgentExchange are available immediately
- **Scale AI has partnered with the Dept of Defense to use AI agents for US military planning and operations:** The flagship program, named "Thunderforge," will work with Anduril, Microsoft, and others to develop and deploy AI agents ([link](#))
  - **Size of the prototype contract:** A "multimillion-dollar" contract, though the exact amount is not disclosed
  - **Capabilities:** Thunderforge will incorporate modeling and simulation, decision-making support, proposed courses of action, and automated workflows; Thunderforge aims to ensure U.S. forces can anticipate and respond to threats with speed and precision
    - The program will accelerate decision-making and spearhead AI-powered wargaming
    - But will still operate under human oversight
  - **Availability:** Will initially be rolled out w/ U.S. Indo-Pacific Command & US European Command, then scaled to other areas

-> "Our AI solutions will transform today's military operating process and modernize American defense. ... DIU's enhanced speed will provide our nation's military leaders with the greatest technological advantage," per Scale AI CEO Alexandr Wang

- **Meta is targeting "hundreds of millions" of businesses for agentic AI deployment ([link](#))**
  - **The upcoming open-source Llama 4 AI will help power AI agents capable of new levels of reasoning and action, such as surfing the web and handling tasks for consumers and businesses**
    - Meta's Llama LLMs have been downloaded 800mn times
  - **Meta's AI is already used by over 700mn consumers but the Co aims to bring these technologies to businesses, especially small ones that can't afford large AI teams**
    - In the future, every business, large or small, will have a business agent representing it and acting on its behalf, similar to how businesses have websites and email addresses today

### Other Interesting AI Updates Regarding Funding Rounds/Valn + Use Cases

- **Anthropic raised \$3.5bn in a Series E round @ a \$61.5bn post-money valn ([link/link/link](#)):** Apparently the Co aimed to raise \$2bn but incr'd the size due to investor demand; Total funding is now \$18.2bn
  - **Round led by:** Lightspeed Venture Partners, w/ participation from Bessemer Venture Partners, Cisco Investments, D1 Capital, Fidelity Mgmt & Research, General Catalyst, Jane Street, Menlo Ventures, & Salesforce Ventures
  - **Other recent raises:**
    - Jan 2025: Google invested \$1bn as part of round at \$60bn valn

- Nov 2024: Amazon invested an addtl \$4bn (to a total of \$8bn) as part of a strategic collaboration, but valn details were not disclosed
  - **Financial data:** Per sources Anthropic expects the below (but the Co has not confirmed) -
    - Revenue base case for 2027 is \$12bn, but high case is \$34.5bn, up from \$2.2bn in 2025
    - Burning \$3bn this year (vs \$5.6bn burn in 2024); Mgmt expects no cash burn in 2027
- **Amazon intro'd an AI-powered tool called Complete TV which is built for upfront TV advertising negotiations** ([link](#))
  - The tool provides recommendations for TV buyers to allocate their budgets across Prime Video and other premium streaming svcs
  - Marketers would input campaign details & target audiences, and the AI models handle the rest, adjusting spend in real-time
  - This automation would help marketers fulfill their upfront commitments more effectively and the tool aims to address a common industry challenge of delivering on upfront commitments in full
- **Deutsche Telekom & Perplexity annnc'd a new AI Phone priced at >\$1,000** ([link](#))
  - **Availability:** H2:25 and will start selling in 2026, initially targeting the European mkt
  - **Features:** New AI assistant app called Magenta AI, developed in collaboration with Perplexity, Picsart, and others; Perplexity's AI will transition from just answering questions to performing tasks like booking flights, sending emails, and setting reminders
- **Google Search's new experimental 'AI Mode' lets users ask complex, multi-part questions** and follow-ups directly within Google Search ([link](#))
  - Uses a custom version of Gemini 2.0 w/ advanced reasoning, thinking, and multimodal capabilities
  - AI Mode provides detailed comparisons and real-time information from multiple data sources
  - This experimental AI Mode in Search is available for Google One AI Premium subscribers
  - Google aims to enhance search experience by addressing more complex queries and providing AI-powered answers

-> *ALSO, Google this week launched Gemini 2.0 for AI Overviews in the US to help w/ harder questions, starting w/ coding, advanced math and multimodal queries*

## 5) Connectivity Providers Convey Confidence In 2025

Top executives from across the US connectivity industry took the stage at this week's Morgan Stanley TMT Conference to recap highlights from their businesses in 2024 and share some insights on how they've been performing so far in 2025. Although much of the discussion with Verizon CFO Tony Skiadas, AT&T CEO John Stankey, T-Mobile CFO Peter Osvaldik, Comcast CEO Brian Roberts, and Charter CEO Chris Winfrey reiterated color that was previously shared on their respective Q4 earnings calls, there was still a fair amount of incremental commentary. Some interesting themes included the telcos' optimism about the health of the wireless industry, convergence and how each company is attempting to differentiate itself within the broadband space, and the opportunities that they see ahead in business services, among others.

See below for what we thought were the most interesting connectivity-related comments from the conference, and see Theme #6 for additional insights on the industry from Mobile World Congress, plus other key updates from the satellite space.

-> *On the telco side, Verizon shares ended the week up +6.9%, while AT&T shares closed -1.1% lower and T-Mobile shares were down -1.7%; YTD, Verizon stock is trading up +15.2%, AT&T stock is up +19.1%, and T-Mobile stock is up +20.2%*

-> *On the cable side, Comcast shares closed the week up +4.8%, and Charter shares were up +4.4%; YTD, Comcast stock is trading up a slight +0.2%, and Charter stock is up +10.7%*

### **Commentary On The State Of The Wireless Industry Was Constructive**

- **Verizon sees a "robust and resilient" wireless biz:** Cited population growth, as well as Verizon's success w/ SMBs and w/ younger demos; Also sees a "very robust" Brazilian mkt
  - **BUT the wireless industry will return to "normal levels... over time":** Indicated the timing of which is "dependent on how the pre-to-post migration base" develops

- **Verizon's three core prepaid bizs are "contributing positive volume growth":** Straight Talk, Visible, and Total Wireless are all "performing well" following efforts to improve "operational rigor"; Prepaid is expected to become a tailwind to svcs rev in H2:25
  - **"Customer behavior has not changed" regarding handset upgrades:** Verizon's avg upgrade cycle is now at 42 months (previously said 40+ months on the Q4 earnings call)
- **AT&T CEO is feeling "more buoyant" about the wireless biz than four years ago:** Referenced comments by FCC Chair Brendan Carr at Mobile World Congress (see below) about freeing up more spectrum for the wireless industry and getting rid of "burdensome legislation" to accel investment in new tech
  - **However, nothing has changed in the wireless industry backdrop since last yr:** The mkt is still "incredibly competitive," but the Co feels "very confident" in its 2025 guidance
    - **AT&T anticipates that its growth in 2025 will be driven by "a combination of things":** Including growing customers, increasing ARPU from existing customers via repricing and upselling to higher value plans, as well as performing better in the value segment of the mkt
  - **The Co saw "a bit" higher postpaid voice churn in Jan:** This was originally expected to occur in Dec, given maturities on AT&T's existing contract base, but "came a little bit later"
    - **BUT was "right back" to normal levels of churn in Feb:** AT&T "tweaked up promos a bit... to address exactly where [the churn] was occurring"
- **T-Mobile sees a "very healthy and growing" wireless industry:** Although the number of postpaid phone net adds at an industry level has dropped since 2021, the number of switchers has gone up, which is the "most important element," given that T-Mobile is the "switcher leader"
- **Comcast said adding mobile to broadband-only customers increases their CLV by +80%:** Given its strategic value, Comcast is focusing on accel'ing its converged product offering as well as "making it simpler and easier for customers to onboard"
  - **The Co has been testing offloading traffic from its MVNO w/ Verizon:** Explained that 3% of geography can account for more than half of the volume that Comcast buys from a wireless provider, so "the more penetration [the Co] gets to, the more that becomes an attractive oppty"
- **Charter sees mobile ARPU as a growth oppty moving forward:** The roll-off of free mobile lines from Spectrum One has driven a "mechanical increase" in Charter's mobile ARPU "b/c more of those lines are being migrated to \$30"; A "very large percentage" of new lines are coming through the \$40 Unlimited Plus package
  - **Mkting Spectrum Mobile "continues to be an area of investment":** Charter has been funding these through lower transaction costs and a lower cost to serve, but it doesn't see a need to significantly increase its current mkting spend
  - **Charter's wireless growth isn't just coming from prepaid anymore:** The Co's "port rate will tell you that's not the case"
  - **The Co is in the "full deployment phase" w/ CBRS:** Charter deployed a couple mkts in 2024 and will deploy several more in 2025; CBRS enables the Co to provide a higher quality svcs and more seamless connectivity as well as lower operating costs by offloading traffic from MVNOs

### *Competitive Dynamics Were A Key Focus Within The Broadband Space*

- **Verizon has "taken share in broadband" w/ Fios and FWA, which is "putting pressure on cable":** "If cable wants to get aggressive and if they want to give away a free line, that's certainly their prerogative... but whether they charge for it or not, they still have to pay Verizon for the free line"
  - **Verizon doesn't see a lot of overbuilding in its Fios footprint:** Though 3P data has shown that ~10% of the US now has two fiber providers as well as cable
  - **The regulatory process around Frontier is "on track":** The Co has approvals from the DoJ and three states but still needs approvals from the FCC and ten more states
  - **Verizon's new converged offering is "a lot simpler for customers":** The new offer, which was annnc'd last week, is also easier to sell for the Co's sales team
    - **Only 16% of the Co's mobile base has the converged bundle right now:** This figure "hasn't moved very much in the last yr"
- **AT&T "feel[s] really good" about its ability to compete in the broadband mkt –**
  - **AT&T has numerous competitive advantages vs cable –**
    - Broadly speaking, AT&T has "a better product," "an improving cost structure," and "customers like [its] svcs more than [cable's] svcs"



- AT&T's wireless franchise has been built on group & family dynamics, which is more difficult to compete on pricing for cable's one- and two-line constructs
- Cable also lacks the "capabilities to differentiate the product" and presence to match AT&T's net adds in biz segments as well as w/ FirstNet and govt accounts
- **T-Mobile is "very bullish" on the FWA biz:** The Co believes it's a "durable product," as avg speeds for FWA have incr'd threefold since launch, and customer satisfaction is "very high"; T-Mobile is "comfortable" it won't run out of fallow capacity anytime soon
  - **Two-thirds of T-Mobile's new FWA customers are coming from the top 100 mkts:** Most of these customers are "prime" and continue to come from cable operators; The Co's plan is to cross-sell them into mobile later
  - **T-Mobile's view of convergence is "rooted in the reality of the US mkt":** Highlighted that T-Mobile's penetration has been higher in competitors' fiber mkts vs non-fiber mkts, "so it hasn't impacted the growth b/c frankly the convergency story and thesis have been here for five yrs"
    - **"That said, in and of itself, fiber can be a great biz from a convergence perspective":** Which explains T-Mobile's decision to pursue fiber JV arrangements that are still pending
  - **T-Mobile believes it will "generate stronger returns than a pure financial investor" w/ its fiber JVs:** Given that T-Mobile will handle the retail side of things and has the mechanisms to acquire and svcs customers at a lower cost and leverage its brand and existing relationships
- **Comcast CEO Brian Roberts "continue[s] to be an optimist":** Acknowledged some "instability" around the world but believes that the US, where most of Comcast is focused, "is still the best country where you can grow your biz"
  - **Comcast has been seeing "more" competition in broadband":** The Co is "taking a long-term lens having been through some of these cycles when competition comes and then it has to cycle itself a few times and people get disillusioned... it pushes you to be better"
    - **"Hopefully in the long-term, it's a two and a half player mkt":** Including the telco incumbent and the cable Cos w/ "fixed wireless at the half"
    - **The Co's top priority has been its rev profile:** Emphasized that Comcast's competitors "look like hits and page views and streams and things that weren't money"; Believes it's "hard to compete if you're being judged one way and someone else is being judged another"
- **Charter CEO Chris Winfrey is "really optimistic about the future for not just Charter but for the industry" –**
  - **2025 "better be" a better yr of broadband growth for the Co:** Given Charter's investments in improving the speed of its network, rural expansion efforts, ACP being fully behind it, as well as less competition
    - **"External factors" could also be a driver behind the broadband biz:** Including mover rate and household formation as well as a normalization in non-pay for the previous ACP remaining base; Video can also become a tool for the acquisition and retention of Internet customers
  - **"Hopefully, a little bit of lightening of [the] competitive environment sets [Charter] up for growth" –**
    - **Fixed wireless "continues to be painful picking off at the low end:** Caveated that FWA is "capacity-limited... both from a supply & demand perspective" but has "had its peak in terms of net add rate"
    - **Charter "compete[s] very well" against wireline overbuilders:** "History is littered w/ Cos that went bankrupt try to go do that... even some well-branded Cos have really struggled"
  - **"It's too early to... declare victory" in mkts w/ high-splits:** There's been "attractive" preliminary evidence, but Charter hasn't been highly mkting in these areas; The Co will "be louder later on" and expects to eventually see a "significant benefit" from its network evolution initiative

### **Both Telcos & Cable Operators See Significant Optties In Business Svcs**

- **Verizon is aiming for "positive improvements" in Business margins in 2025:** In Q4, the Co saw "a good inflection point" in biz margins "for the first time in a long time" and will look to build off this
  - **Drivers will include:** Rev mix shifts toward wireless and FWA, private network deployments, moving customers off legacy products, being disciplined about low-margin deals, uptake of AI Connect, and the Co's voluntary separation program
- **AT&T "can be successful in the biz [wireline] segment":** To do so, the Co must change its distribution by working w/ more partners and better enabling them; Sees declines getting "smaller and smaller" over the next few yrs as the Co approaches an "inflection"

- **T-Mobile's B2B biz will "continue to unlock new things" in 2025:** The Co will continue to deliver better self-svs capabilities to be enterprise grade and deliver "more and more" of what they expect; T-Mobile's main focus is "solving CIO problems in biz"
- **Comcast – Biz svcs is now 25% of the Co's broadband biz:** The Co has "done really well" w/ small bizs and sees "a lot of runway" to grow, given that it has \$10bn of the addressable \$60bn footprint
- **Charter's new operational structure "is going to allow [it] to accel growth" in commercial:** The Co ann'd it was combining SMB and enterprise sales operations in Dec and believes this will enable it "start svcsing that space in a better way"; It will continue to move upstream and provide a wider array of products to customers of all sizes
  - **Temporary pressures affecting the small biz segment are expected to "abate":** The segment has been exposed to "short-term pressures" from FWA but has still been neutral/growing in the meantime, remaining "highly underpenetrated"

### **Satellite Connectivity Looks To Play A Bigger Role In Closing Gaps In Telcos' Bizs**

- **Verizon views satellite as "complementary" to its network:** The Co's network currently covers more than 99% of "where people work, live, and play"; Partnerships w/ Apple and Globalstar, Skylo and Android, as well as AST will help cover the remaining less than 1% of uncovered rural areas
  - **Verizon sees "monetization opties" w/ satellite connectivity moving forward:** "Whether it's voice, video, data, etc."
- **T-Mobile's long-term exclusive relationship w/ Starlink is "value accretive" and another differentiator:** The Co's satellite product started w/ texting and will bring on voice and data later; Touted that T-Mobile and Starlink have 500+ satellites in the air, compared to just five for the next closest D2C satellite Co
- **Charter believes "LEO satellite is a great product for the right mkt and the right circumstances":** Satellite is the "much better product" in areas "below a certain amount of density"; Charter sees Starlink "having the most success" in rural regions
  - **"It does not make sense... for the govt to provide \$20,000, \$25,000 per passing of subsidy to go build something that could actually be serviced by LEO satellite":** Given the "low amount of density" of those areas, which has deterred Charter from competing in them
- **See Theme #6 for a couple other key updates on Starlink & AST as well**

### **Some Add'l Color On Strategies Surrounding AI**

- **Verizon sees AI from three dimensions –**
  - **An operational efficiency perspective:** The Co has been using AI to serve customers in a more efficient and effective way as well as to optimize its network
  - **Product enhancement:** Cited the personalization w/ myPlan as an example
  - **Rev generation:** AI Connect, which as a \$1bn+ pipeline, falls in this bucket, and the Co also sees opties w/ dark and lit fiber, power space and cooling, as well as programmable networks, or the ability to move workloads around a footprint
- **Charter – AI is a "net benefit to the P&L":** The Co has a "long runway" to reduce transaction costs inside the biz via investments in employees as well as investments in tools, systems, and AI
  - **Charter is "not doing any gen AI today":** The Co started out investing in machine learning and has been investing in AI, which will be the foundational investments to eventually incorporate the tech into customer experience and the agent experience
  - **The Co is also exploring monetization opties w/ AI edge compute and localized CDNs:** Cited financial transaction svcs as an industry that "really need[s] that proximity, low latency" and believes the Co's fiber network and wide distribution of physical hub locations can support that

### **Other Highlights**

- **Verizon has "a lot of programs underway" on the cost transformation front:** Including AI to improve the efficiency of customer care, a new deal w/ HCL on the managed svcs side, removing legacy elements out of the network, and a full yr benefit from the voluntary separation program

- **T-Mobile's foray into the advertising biz:** The Co's closing of the Blis and Vistar acquisitions will add \$250mn of svcs rev, \$75mn of EBITDA, and \$50mn of FCF in 2025, mainly beyond Q1; T-Mobile plans to sell its own ad inventory as well as third-party ads
- **Charter said the activation of DTC apps within the video product "is going to take a little time":** Although the DTC apps are all "essentially available today" for consumers, the Co has not been mktg it just yet b/c of ongoing efforts to work w/ programmers to "make sure the activation process is customer friendly and doesn't create frustration"

## 6) A Look Into The Future Of Connectivity – Highlights From Mobile World Congress & The Satellite Industry

The connectivity industry was certainly front-and-center this week. Alongside Morgan Stanley's TMT Conference, which contained a flurry of interesting updates on the connectivity space (see Theme #5), Mobile World Congress 2025 was also hosted this week, bringing together many of the leading companies in the mobile technology ecosystem to showcase the future of the industry. There was a lot to cover, given that the conference represents the world's largest gathering for the mobile industry, but we did our best to distill some of the main highlights from the event, including the new FCC Chairman Brendan Carr's stance on spectrum and deregulation as well as other key updates regarding AI-RAN and 6G development. We also included some noteworthy news items pertaining to the satellite industry that could shake things up in the space moving forward. See below for more details:

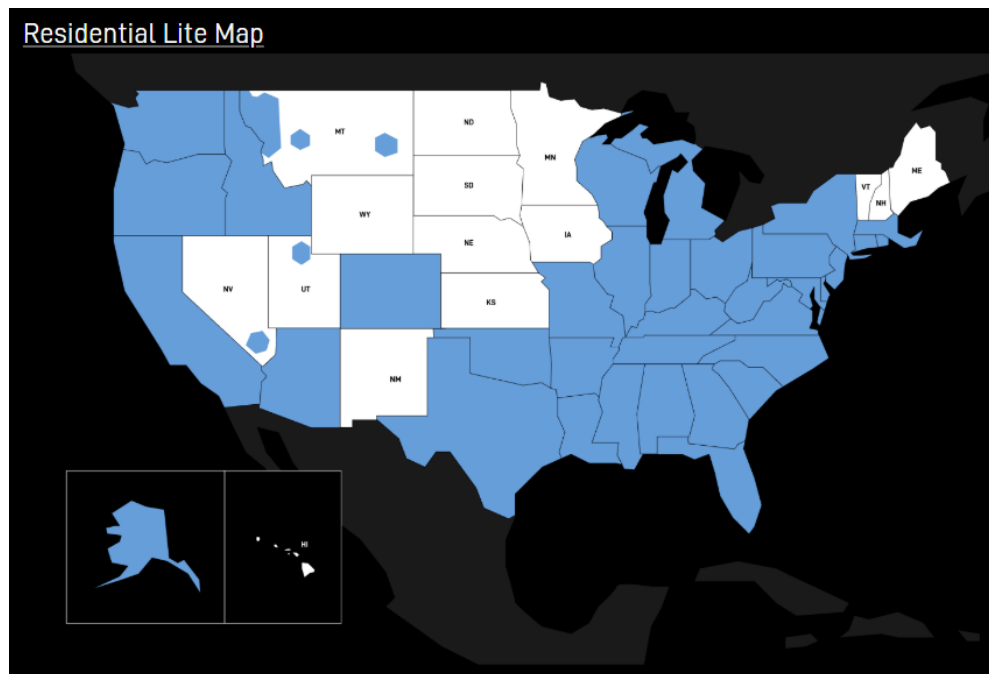
### *Takeaways From Mobile World Congress – The FCC's New Vision + Developments Regarding AI-RAN And 6G*

- **FCC Chair Brendan Carr touched on spectrum regulation and the EU's efforts to rein in Big Tech Cos ([link](#)) –**
  - **Carr wants to grease the wheels for spectrum investments:** "The most important thing... w/ spectrum is that we need to ensure that we have a regulatory environment that incentivizes billions and billions of dollars to be invested in that network"; "We need more certainty both in the US and Europe to justify those moves"
    - **The FCC is evaluating freeing up higher portions of C-band spectrum:** The prior Trump administration previously freed up the lower portions of C-band
    - **"The other issue is simplicity":** "The more difficult we make it for broadband providers and tech Cos to invest and build in our mkts, the less likely they're going to be to do it"; Cited the efforts to enact "heavy-handed regulation of the internet" w/ net neutrality as a lesson against regulation
    - **"Scale is king":** "We have to create the incentives for carriers to amass the size necessary to actually compete at scale"; Highlighted the approval of the merger between Sprint and T-Mobile
  - **Core principles for the development of AI were laid out –**
    - **The US wants to create an "open system"** and is looking to partner and work w/ allied nations the globe to do so
    - **The US doesn't want these systems to develop w/ any "ideological bias"**
  - **Carr also took issue w/ the EU's attempts to regulate US tech Cos –**
    - **The importance of free speech was underscored:** The FCC views the "censorship that is potentially coming down the pipe" from the EU's Digital Services Act as a way of limiting free speech and the ability of US tech Cos to operate in the region
    - **The Trump administration is insisting on a "level-playing field":** "If there is an urge in Europe to engage in protectionist regulation and give disparate treatment to US tech Cos, the Trump Administration had made it clear that we are going to speak up"
- **Some key updates on the AI-RAN Alliance which was initially unveiled at last yr's MWC:** For context, the alliance's mission is to enhance mobile network efficiency, reduce power consumption, and retrofit existing infrastructure
  - **The AI-RAN Alliance has grown sevenfold over the past yr ([link/link](#)):** The group now boasts 77 members, w/ Pure Storage being the latest to join; Arm, DeepSig, Ericsson, Microsoft, Nokia, Northeastern University, Nvidia, Samsung Electronics, SoftBank, the University of Tokyo, and T-Mobile were the original members
  - **"This is actual engineering work we've achieved," per SoftBank ([link](#)):** This week, SoftBank annnc'd, in collab w/ Fujitsu, the implementation of central unit functions on the NVIDIA Grace CPU Superchip platform, helping to accel the commercialization of AITRAS, solution that can host both AI and RAN workloads on the same NVIDIA platform
  - **Nokia is establishing an AI-RAN center at its US offices in Dallas ([link](#)):** At the center, Nokia will work w/ to develop and test AI-RAN solutions in real-world network conditions w/ a focus on creating new use cases, prototypes, and to validate AI-RAN reference architecture

- **T-Mobile President of Technology Ulf Ewaldsson joined Nokia to discuss AI-RAN's utility on the enterprise side:** "We need to be able to do this much, much faster, therefore ... we're moving over to a cloud native infrastructure and our partnership w/ Nokia is absolutely essential to do that"
- **6G was also a major theme at MWC –**
  - **"2030 is what we expect to be the start of commercial deployment," per President of Nokia Bell Labs Core Research ([link](#)):** "In order to really be ahead of the curve, it needs at least 10 yrs to get from the concept to the commercial deployment... 6G is no longer long-term research"
  - **The Wireless Broadband Association (WBA) believes that 6G needs to include all wireless tech, not just cellular ([link](#)):** "Of course, 6G new radio will happen. I have no doubt about it," said WBA CEO Tiago Rodrigues, adding "But that new architecture should have easy plug-ins to integrate, either Wi-Fi or private cellular or even satellite"

#### **Add'l Updates From The Satellite Space**

- **SpaceX launched a cheaper option for its Starlink satellite internet svcs dubbed "Residential Lite" ([link](#)):** The more budget-friendly svcs is aimed at smaller households w/ lower data throughput requirements and costs \$80/mo, a -50% reduction from the Starlink's standard \$120/mo residential plan
  - **Starlink is offering a \$200 promo for the Residential Lite svcs through Mar 31:** The "regional savings" discount reduces hardware costs for eligible households to \$149 from \$349
  - **BUT the new offering, unsurprisingly, comes w/ a few trade-offs:** The Residential lite plan offers download speeds of 50-100 Mbps (vs the standard plan's 150-250 Mbps) and provides "unlimited deprioritized data," meaning lite users will have a lower network priority compared to other Starlink users
    - **It is unclear whether users on standard plans can downgrade to Residential Lite:** Conversely, users of the cheaper option can upgrade to a standard plan at anytime
  - **Residential Lite is now available in 15 states:** Including the ones in white in the image below, which were selected to due Starlink having excess capacity in them; The svcs is also available in 29 other foreign regions

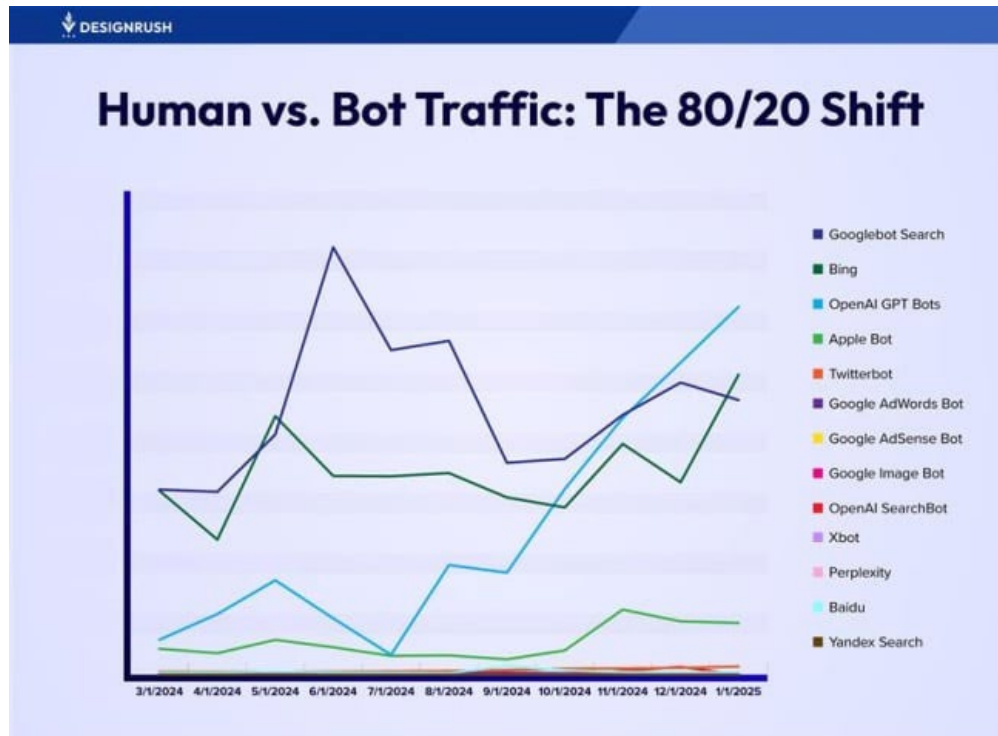


- **AST SpaceMobile and Vodafone partnered to create SatCo, a new European satellite svcs biz ([link](#)):** The jointly-owned Co will aim to provide AST's space-based cellular broadband svcs to mobile network operators in all European mkts under a single turnkey arrangement
  - **SatCo will be supported by a full network mgmt and network operations center capability:** This will be based in Europe and will draw on Vodafone's advanced engineering expertise
    - **SatCo will also build and run a network of ground stations:** To provide backhaul svcs from MNOs across Europe to AST's LEO satellite network
  - **AST has also been expanding its presence in Spain:** The Co launched a new space and land mobile broadband research and validation hub in Feb alongside Vodafone and the University of Malaga that is set to open this summer; AST is opening a 5,600 sq meter office and manufacturing space in Barcelona as well

-> AST SpaceMobile shares were down -5.5% following the annnc'ment but finished the week up +23.2%; YTD, AST SpaceMobile stock is trading up +58.3%

## 7) Bots, Bots, & More Bots Drive Web Traffic

DesignRush published some proprietary data analysis this week (based on traffic on its network) that showed that bots now account for 80% of all web visits...and OpenAI GPT bots made up 13% of all web traffic from nothing in 2023. They also calculated that companies wasted \$238.7bn on bot-driven traffic in 2024, as every website visit incurs costs through hosting, security, and content delivery networks (CDNs) but are not getting compensated for all this web scraping. Also, with bot traffic so high, how much of a company's pay-per-click budget is actually reaching real customers? ([link](#))



## 8) Grab Bag: YouTube Subscriber Milestone + New Tier / Academy Awards Viewership / TikTok Sale Updates

- **YouTube reached 125mn Music & Premium subscribers globally and intros a cheaper 'lite' tier without music in US** ([link/link](#))
  - **YT Premium Lite Availability:** US pilot has started this week and expanding pilot into Thailand, Germany, & Australia in "coming" weeks
  - **Price:** Ad-free for \$7.99/mo (vs \$13.99/mo for YT Premium and \$10.99/mo for YT Music)
  - **Offering:** The Premium Lite plan provides ad-free video viewing but excludes songs and music videos; it also does not let users download videos for offline viewing or play videos in the background
  - **The 125m Music & Premium subs is up from 100mn a year ago**
- **Academy Awards viewership was down -7.2% y/y: The ABC b-cast & concurrent live-stream on Hulu generated a combined 18.1mn viewers vs 19.5mn last year** ([link](#))
  - This would be the first y/y drop since 2021
  - It still ranks as the most-viewed TV event so far in 2025 and was the highest-rated Academy Awards in 5 yrs among the 18-34-year-old demo
  - Also, Hulu had some technical issues on its 1st live-stream of the Oscars
- **Update on the TikTok sale – Trump says he'll "probably" extend deadline for sale of the app if a deal is not reached by April 5<sup>th</sup>**



- Trump said Thursday (March 6<sup>th</sup>) that there was “a lot of interest” in TikTok and that “right now we have at least another month, so we don’t need an extension”
- BUT he is willing to extend the deadline if necessary - “If I needed an extension, I’d probably get it extended,”
- **Deal talks are reportedly ongoing and China is involved:** “We have a lot of interest in TikTok. And China is going to play a role, so hopefully China will approve of the deal, but they are going to play a role”
- **Also this week – Reddit co-Founder Alexis Ohanian joins bid to acquire TikTok** ([link](#)): Ohanian joined Frank McCourt’s “The People’s Bid” as a strategic advisor

## Stock Market Check

### Market Changes the Past Week

Benchmark	Abs. Value	W/W Change
S&P 500	5,770	(3.1%)
NASDAQ	18,196	(3.5%)
Dow Jones	42,802	(2.4%)
Gold	\$2,918	2.4%
WTI Crude	\$67.05	(3.9%)
10-Year Treasury Yield	4.32%	+12.1 bps
Bitcoin	\$86,525	2.2%
Ether	\$2,146	(3.9%)

### LionTree TMT Universe Performance (~250 stocks)

Best-Performing Stocks	+	Worst-Performing Stocks	–
Eutelsat Communications SA	386.7%	23andMe, Inc.	(32.3%)
SES SA	25.2%	Rent the Runway Inc	(23.4%)
AST SpaceMobile	23.2%	National CineMedia Inc	(22.0%)
JCDecaux SA	19.1%	The RealReal	(20.8%)
Bilibili Inc.	18.5%	Hims & Hers	(20.3%)
Ubisoft Entertainment SA	16.3%	Hewlett Packard Enterprise Co	(20.2%)
iQIYI Inc.	13.0%	Chegg Inc.	(19.9%)
Trip.com Group Ltd	12.6%	Affirm Holdings Inc	(19.0%)
Lumen Technologies Inc	12.3%	Elastic NV	(18.4%)
Tencent	11.5%	Peloton Interactive, Inc.	(17.5%)
Best-Performing Sub-Industries	+	Worst-Performing Sub-Industries	–
Satellite Communications	27.3%	Cybersecurity Software	(14.4%)
European Media	10.1%	Entertainment Facilities/Theme Parks	(11.9%)
China Internet / Tech	9.8%	Space	(10.3%)
Pay-TV / Broadband	4.5%	Sports & Sports Betting	(9.2%)
European Telco	4.3%	Live Events	(8.2%)
Advertising Agencies	3.4%	US Media/Video	(8.1%)
Out of Home Advertising	3.3%	Ad Tech	(7.8%)
Broadcast TV	2.2%	Employment Marketplace	(7.4%)
Telecom Infrastructure	(0.5%)	Semis	(7.3%)
Hardware/Handsets	(1.2%)	Consumer Retail	(7.3%)

## This Week’s Other Curated News

### Advertising

- **Out-of-home advertising revenue reached a record \$9.1bn in 2024, marking a 4.5% increase from the previous year.** Digital OOH (DOOH) played a significant role, accounting for 34% of total ad spend and growing by 7.5%. Transit advertising led category growth with a 10.6% increase. Key sectors like communications, retail, and automotive saw double-digit growth, while political advertising hit record levels during the presidential election year. ([Reuters](#))

- **In 2025, US local advertising spending is expected to grow by 6.1% to \$171bn.** Digital media will dominate with 52.4% of the total spend (\$89.6 billion), while traditional media will account for 47.6% (\$81.3 billion). Key growth sectors include real estate (+9.3%), restaurants (+9.2%), and retail (+6.8%). Political advertising will remain significant in select markets, and the shift towards digital platforms like Connected TV (CTV) and over-the-top (OTT) advertising continues to reshape local strategies. ([MediaPost](#))

## Advertising/Ad Agencies/Ad Tech

- **WPP has annnc'd a strategic partnership and investment in Stability AI, a pioneer in generative AI and developer of Stable Diffusion.** This partnership aims to enhance WPP's ability to deliver AI-driven content solutions across various entertainment channels, including streaming platforms and immersive storytelling. Stability AI's tech will be integrated into WPP's AI-driven operating system, WPP Open, to explore new ways to ideate and develop solutions, shaping the future of visual media and entertainment. ([WPP](#))
- **AppLovin is in advanced talks to sell its gaming unit to Triplicated Studios for \$900mn.** The deal, which includes \$500mn in cash and \$400mn in equity, aligns w/ AppLovin's strategy to exit game development and focus on advertising. Triplicated Studios, valued at \$1.4bn in 2022, specializes in popular mobile games. This move allows AppLovin to concentrate on its core adtech biz, enhancing its competitive positioning in the mkts. ([Business Insider](#))
- **Interpublic's R/GA has been taken private by Truelink Capital, marking its return to independence after 23 years.** The move involves a partnership between R/GA's global management and Truelink Capital. R/GA will invest \$50mn in innovation, focusing on AI transformation and new compensation models. The agency aims to leverage AI to enhance creative potential and client experiences, free from traditional corporate constraints. ([MediaPost](#))
- **WPP and Stagwell recently released their 2024 earnings, revealing contrasting forecasts for 2025.** WPP, with \$18.6bn in rev, expects flat to slight decline due to challenges in its creative agencies. Conversely, Stagwell, with \$2.7bn in rev, anticipates 10% growth driven by digital mkts and tech investments. Both companies are navigating economic uncertainties, but their strategies and outlooks differ significantly. ([Digiday](#))
- **Amazon has introduced an AI-powered tool to streamline upfront TV ad negotiations, enhancing its dominance in the ad mkts.** The tool leverages data from Amazon's ecosystem to optimize ad placements, ensuring better targeting and efficiency for advertisers. ([Digiday](#))
- **Publicis Groupe has announced its acquisition of Lotame, a leading independent data and identity solution provider.** This deal will integrate Lotame into Publicis' Epsilon unit, expanding its global identity profiles to nearly 4bn and enabling personalized marketing for 91% of internet users. Lotame's expertise will enhance Publicis' AI-driven marketing capabilities, strengthening its position in the digital advertising landscape. ([GlobeNewswire](#))

## Artificial Intelligence/Machine Learning

- **Mistral has launched a multimodal OCR API that converts PDFs into AI-ready Markdown files, enhancing AI model ingestion.** The API supports complex layouts, including images, tables & LaTeX, outperforming competitors like Google & OpenAI. It offers multilingual support, on-premise deployment for sensitive data, & integration w/ cloud platforms like AWS. ([TechCrunch](#))
- **Alibaba has unveiled QwQ-32B, a 32bn-parameter open-source reasoning model designed for complex problem-solving tasks.** It matches DeepSeek-R1's performance but requires significantly less compute power. QwQ-32B excels in math, coding & general reasoning, leveraging reinforcement learning for enhanced accuracy.

Available on Hugging Face & ModelScope, it supports enterprise & individual use, democratizing AI access ([VentureBeat](#))

- **The UK's CMA ruled that Microsoft's partnership with OpenAI doesn't qualify as a merger under the Enterprise Act 2002, citing no change in control.** While Microsoft has invested nearly \$14B in OpenAI, recent developments, including revised agreements and forfeiting a board seat, reduced its influence. The CMA continues monitoring AI industry deals but found no competition concerns in this case. ([TechCrunch](#))
- **Amazon has formed a new group within AWS dedicated to creating AI agents, systems that help people automate parts of their lives.** This new agentic AI group, led by Swami Sivasubramanian, aims to develop both consumer and enterprise AI agents. These agents will enhance capabilities like booking services and navigating websites. ([TechCrunch](#))
- **A federal judge in California has denied Elon Musk's attempt to block OpenAI from converting to a for-profit entity.** Musk, who co-founded OpenAI, argued that the transition would prioritize profit over ethical AI development. Despite this setback, other aspects of Musk's lawsuit against OpenAI, including antitrust claims, will proceed. OpenAI, known for its ChatGPT, plans to become a 'capped-profit' company, balancing investment opportunities with ethical considerations. ([CNBC](#))
- **OpenAI has launched a \$50mn grant program to support academic research through a new consortium called NextGenAI.** This initiative includes 15 founding academic partners such as Harvard, the University of Oxford, and MIT. The grants will fund research, compute resources, and API access. The program aims to fuel discoveries and prepare the next generation of AI experts. Awards will be distributed over the coming months. ([TechCrunch](#))
- **Amazon is developing a new AI model with advanced reasoning capabilities, aiming to compete with OpenAI and Anthropic.** The model, part of the Nova family, will adopt a hybrid reasoning approach, providing quick answers and complex thinking. Amazon prioritizes cost efficiency and aims to rank in the top 5 for performance benchmarks. The model is expected to launch by June 2025. ([Business Insider](#))
- **Apple's iOS 18.4 beta introduces AI-generated review summaries in the App Store, condensing user feedback into concise insights.** This feature, part of Apple Intelligence, uses large language models to highlight common themes in reviews. Currently available in English for select apps in the U.S., summaries are refreshed weekly. Apple plans to expand language and regional support throughout the yr. ([Macworld](#))

## Broadcast/Cable Networks

- **ProSiebenSat. 1 Media SE confirms discussions to acquire General Atlantic's minority stakes in NuCom Group (excluding Verivox and flaconi) and ParshipMeet Group.** The deal may involve a mandatory convertible bond and treasury share transfer. A transaction depends on selling at least one of Verivox or flaconi. If only one is sold, General Atlantic would retain direct ownership of the other. ([ProSiebenSat.1](#))
- **TelevisaUnivision and DirecTV have reached a multi-year carriage renewal, expanding their distribution agreement to include new pay-TV packages.** The deal provides DirecTV's 11mn customers access to Univision, UniMás, TUDN, and Galavisión, along w/ local stations. The MiEspañol Genre Pack will feature 60+ Spanish-language channels and include ViX Premium w/ Ads at no extra cost. This partnership aims to enhance content accessibility for the growing Hispanic audience in the U.S. ([Deadline](#))

## Cable/Pay-TV/Wireless

- **Verizon, in collaboration w/ Samsung, Qualcomm & Ericsson, achieved a record-breaking 480Mbps 5G upload speed using advanced tech like uplink MIMO & TDD carrier aggregation.** The Co also expanded IoT

coverage globally by partnering w/ Singtel & Skylo. AI-driven network optimization via Samsung's AI-ESM & Qualcomm's Dragonwing RIC enhanced energy efficiency & operational performance. ([Telecom Talk](#))

- **The US Commerce Department annnc'd plans to revamp its "Internet for All" initiative, expanding funding prospects for Starlink.** The overhaul aims to enhance broadband access in underserved areas, leveraging satellite tech to bridge the digital divide. The updated plan, effective Apr. 15, 2025, includes increased subsidies for low-income households and incentives for private cos to invest in rural mkts. ([Wall Street Journal](#))

#### Cloud/DataCenters/IT Infrastructure

- **Microsoft has withdrawn from select agreements w/ CoreWeave, citing delivery issues & missed deadlines, as per FT.** Despite this, Microsoft retains several active contracts, highlighting CoreWeave's strategic importance. CoreWeave, backed by Nvidia, is preparing for a \$35bn IPO, aiming to raise \$3bn. The Co provides AI-focused data center services, competing w/ Azure & AWS. Microsoft's decision is unrelated to broader data center plans ([Reuters](#))
- **Broadcom forecasts Q2:25 rev of \$14.9bn, surpassing Wall Street estimates (\$14.76bn), driven by strong demand for custom AI chips.** AI rev is projected at \$4.4bn, fueled by hyperscale customers investing in data centers. Q1 2025 rev reached \$14.92bn, w/ AI rev surging 77% to \$4.1bn. Broadcom's diversified AI market exposure & custom ASICs position it well against competitors like Nvidia, as hyperscalers seek cost-effective, tailored solutions. ([Reuters](#))
- **CoreWeave, an AI cloud provider, filed for an IPO on March 3, 2025.** The Co, which supplies cloud-based Nvidia GPUs to Meta and Microsoft, reported \$1.92bn in rev for 2024, up 737% yr-over-yr, but had a net loss of \$863.4mn. CoreWeave, originally Atlantic Crypto, shifted focus from Ethereum mining to AI and graphics rendering. The IPO will trade under the ticker symbol "CRWV" on Nasdaq. ([CNBC](#))

#### Cybersecurity/Security

- **Meta has expanded its anti-fraud facial recognition test to the UK after receiving regulatory approval.** Initially launched in Oct. 2024, the test includes tools to combat scams using celebrity likenesses and to help users recover compromised accounts. Public figures in the UK will receive in-app notifications to opt-in for these protections. ([TechCrunch](#))
- **CrowdStrike's Q4 earnings report for fiscal 2024 revealed a 25% increase in rev to \$1.06bn, surpassing the \$1.03bn estimate.** Adj EPS rose 8% to \$1.03, beating the 85-cent estimate. Annual recurring rev grew 23% to \$4.24bn. Despite these gains, shares fell over 9% due to disappointing earnings guidance for fiscal 2025, projecting EPS between \$3.33 and \$3.45, below the \$4.42 expected. ([CNBC](#))

#### eCommerce/Social Commerce/Retail

- **Gap reported Q4 2024 rev of \$4.15bn (-3% YoY), surpassing Wall Street expectations(\$4.07bn).** Net income rose to \$206mn (\$0.54/share) from \$185mn (\$0.49/share) in Q4 2023. Comparable sales grew 3%, driven by strong holiday performance. FY2024 rev reached \$15.1bn (+1% YoY), w/ the highest gross margin in 20yrs. CEO Richard Dickson highlighted operational improvements & brand reinvigoration as key drivers of the Co's ongoing turnaround ([CNBC](#))
- **Costco reported Q2 2025 rev of \$63.72bn (+9.1% YoY), surpassing estimates (\$63.02bn).** Net income rose to \$1.79bn (\$4.02/share) from \$1.74bn(\$3.92/share) in Q2 2024. Comparable sales grew 6.8%, driven by strong U.S. performance (+8.3%) & e-commerce growth (+20.9%). February sales reached \$19.81bn (+8.8% YoY). Costco highlighted its membership model & operational efficiency as key growth drivers, with 897 warehouses globally. ([CNBC](#))

- **Wayfair annnc'd a workforce reduction, impacting ~340 members of its tech team.** This move follows modernization milestones, aiming to streamline ops. The Co expects \$33M-\$38M in charges, mainly for severance & transition costs, w/ most payments over 12 months. While transition costs may offset savings initially, incremental savings are projected from H2 2025 into early 2026. ([Markets Insider](#))
- **Target has outlined plans to grow sales by \$15bn by 2030.** The retailer aims to expand its online marketplace, boost product assortment, and invest in stores, tech, and supply chain. Target plans to double down on its third-party marketplace, media network, and same-day delivery svcs. The strategy includes enhancing the store experience, introducing new products, and improving supply chain efficiency. The company expects to grow third-party digital sales from ~\$1bn in 2024 to over \$5bn by 2030. ([CNBC](#))
- **Target reported Q4 earnings, revealing a 3% YoY decline in net sales to \$30.9bn and a 21% drop in operating income to \$1.5bn.** Net income fell 20% to \$1.1bn. Despite these declines, comparable sales rose 1.5%. Target expects tariffs and consumer uncertainties to pressure Q1 profits. The retailer plans to open 20 new stores this yr and improve inventory reliability. ([Retail Dive](#))
- **JD.com posted its fastest rev growth in nearly 3 yrs, driven by Beijing's policies to boost consumer spending.** JD's sales rose 13% to ¥347bn (\$47.9bn) for the Dec. quarter, while net income more than doubled to ¥9.9bn. The co's shares surged over 9% in pre-market trading. JD benefited from incentives for home appliances and a longer Singles' Day shopping season. CFO Ian Su Shan highlighted broad-based momentum across categories, reflecting positive macro trends and expanding mkt share. ([Yahoo Finance](#))
- **Best Buy's Q4 rev fell -4.7% y/y to \$13.9bn, w/ domestic rev down 5% to \$12.7bn.** Operating income dropped 61.3% to \$217mn, and net income fell ~75% to \$117mn. CEO Corie Barry warned that tariffs on Chinese, Mexican, and Canadian imports could drive up prices for consumer electronics. Despite beating earnings expectations, Best Buy plans to close up to 10 stores this yr while opening a few smaller format stores. The co's fiscal outlook remains uncertain due to tariff impacts. ([Retail Dive](#))

## Electric & Autonomous Vehicles

- **Avride & Hyundai Motor Co have partnered to advance autonomous mobility, focusing on robotaxi services & autonomous delivery.** Hyundai's IONIQ 5 EVs, equipped w/ Avride's tech, will debut in Dallas in 2025, w/ plans to expand the fleet to 100 vehicles. The IONIQ 5s will be produced at Hyundai's Georgia facility. This collaboration aims to enhance urban transport & last-mile logistics, leveraging Hyundai's manufacturing & Avride's robotics expertise. ([Medium](#))
- **DJI and BYD have introduced the Lingyuan system, a vehicle-mounted drone platform that allows drivers to launch, control, and charge a drone directly from their car.** The system includes a roof-mounted docking station, automated flight tracking, and AI-powered video editing. Priced at ~\$2,195, it is available on select BYD EV models in China. ([DroneDJ](#))

## FinTech/InsurTech/Payments

- **Donald Trump has signed an executive order to establish a Strategic Bitcoin Reserve, marking a significant shift in US digital asset policy.** The reserve will be funded exclusively with Bitcoin seized in criminal and civil forfeiture cases, ensuring no taxpayer burden. Additionally, a US Digital Asset Stockpile has been created to manage other confiscated cryptocurrencies. ([Economic Times](#))
- **Klarna is set to file for a \$1bn+ IPO as soon as next week, aiming to capitalize on the growing demand for its buy-now-pay-later svcs.** The Swedish fintech co plans to list on the Nasdaq, seeking to raise funds for



expansion and tech investments. Klarna's rev surged by 40% in 2024, reaching \$1.6bn, driven by strong growth in the U.S. and European mkts. ([MSN](#))

## Handheld Devices & Accessories/Connected Home

- **ADT annnc'd the pricing of its secondary public offering of 70mn shares held by Apollo Global Management affiliates, expected to close on March 04, 2025.** Underwriters have a 30-day option to purchase an additional 10.5mn shares. ADT will concurrently repurchase 20mn shares as part of its \$500mn share repurchase program. Barclays, Citigroup, Morgan Stanley, Goldman Sachs & Co. LLC, and BTIG are acting as book-running managers ([StreetAccount](#))

## HealthTech/Wellness

- **23andMe's special committee of independent directors rejected CEO Anne Wojcicki's second proposal to take the Co private.** Wojcicki offered to acquire all outstanding shares for 41 cents each, a significant drop from her previous offer of \$2.53 per share in Feb 2025. The committee cited the proposal's lack of premium and committed financing as reasons for rejection. 23andMe's stock plunged 33% to \$1.47 following the announcement. ([CNBC](#))

## Investor & Market Sentiment

- **Dealmakers are adopting a cautious approach due to market volatility and geopolitical uncertainties, but they anticipate a rebound in M&A activity later in 2025.** The first two months of the year saw the slowest M&A activity in over two decades, with only 1,172 deals worth \$226.8bn. Despite this, sectors like technology, energy, and financials are expected to present opportunities. Private equity firms are also under pressure to exit portfolio companies, which could fuel dealmaking in the coming months. ([Reuters](#))
- **Soros Fund Management CIO Dawn Fitzpatrick warned that private investors face significant challenges due to rising interest rates and economic instability.** She highlighted that many private equity and venture capital firms are struggling with high debt levels and declining valuations. Fitzpatrick emphasized the need for strategic adjustments and prudent risk management to navigate the current financial landscape. She also noted potential opportunities in distressed assets. ([Bloomberg](#))

## Last Mile Transportation/Delivery

- **Austin riders can now be matched w/ a Waymo AV on the Uber app.** Available now, riders requesting UberX, Uber Green, Uber Comfort, or Uber Comfort Electric may be matched w/ a Waymo all-electric Jaguar I-PACE AV at no extra cost. Riders can unlock, open the trunk, and start the trip via the Uber app, w/ 24/7 customer support available. Safety is prioritized, w/ Waymo AVs meeting Uber's Safety Guidelines. Initially, rides cover 37 sq. miles of Austin, w/ plans to expand. Atlanta is next, w/ employees already taking AV trips ([StreetAccount](#))
- **FreshDirect, an online grocery pioneer since 2002, is partnering w/ Uber Eats for same-day delivery.** NYC customers can access fresh, locally sourced food in under an hour via the Uber Eats app. This move aligns w/ Uber's expansion in grocery svcs, boosting convenience for consumers. FreshDirect Deputy CEO Metin Hacıoglu highlights the collaboration's aim to offer faster, top-quality products through Uber's tech. ([StreetAccount](#))

## Live Entertainment/Theme Parks/Concerts/Experiential

- **Silver Lake is facing off against event-driven hedge funds over its bid for Endeavor Group Holdings, the parent company of WWE and UFC.** Silver Lake, which already holds a 71% voting stake in Endeavor, has offered \$27.50 per share to buy out minority investors. Hedge funds argue that the deal undervalues Endeavor,

especially given the surge in TKO Group Holdings' stock, a subsidiary of Endeavor. This dispute may lead to legal battles, with hedge funds pursuing appraisal rights to seek a higher valuation. ([Yahoo Finance](#))

- **Sphere Entertainment reported Q4 revenue of \$308M (-2%) with a \$126M net loss.** MSG Networks faces potential bankruptcy if it fails to refinance \$804M in debt by March 26. Sphere's revenue rose 1% to \$169M, but show revenue declined. ([Sportico](#))

## Macro Updates

- **Layoff announcements in the US reached their highest since 2020, w/ 172,017 job cuts in Feb 2025 (+245% MoM), driven by DOGE's federal staff reductions (62,242 layoffs across 17 agencies).** Retail & tech sectors also saw significant cuts, w/ Macy's & Forever 21 leading retail layoffs (38,956). Despite layoffs, firms announced plans to hire 34,580 workers, reflecting mixed labor market trends amid economic uncertainties. ([CNBC](#))
- **The US trade deficit hit a record high in January 2025, driven by a surge in gold imports, which accounted for nearly 60% of the monthly increase in merchandise imports.** This influx, valued at \$30.8bn, was largely due to arbitrage opportunities in the gold market. However, these imports are excluded from GDP calculations as they are not used in production. Analysts noted that this distortion in trade figures has led to a downgrade in GDP growth forecasts, with the Federal Reserve Bank of Atlanta's GDPNow showing a 2.4% annualized decline. ([Bloomberg](#))
- **The private investment market in Ukraine has declined for the first time in a decade, driven by geopolitical instability and economic challenges.** Factors include reduced investor confidence, currency fluctuations, and regulatory changes. The conflict with Russia has particularly impacted investor sentiment, leading to a cautious approach. ([Novyny.LIVE](#))
- **S&P forecasts global government borrowing will hit a record \$12.3tn in 2025, raising the total debt stock to a record \$76.9tn.** This increase is driven by higher defense spending and interest rates. The 3% rise in sovereign bond issuance across 138 countries will push the debt stock to 70.2% of global GDP. This trend has been rising since 2022 but remains below the 73.8% peak during the 2020 pandemic response. ([Edward Conard](#))
- **China has set its GDP growth target for 2025 at "around 5%" amid escalating trade tensions with the U. S.** The target reflects efforts to stabilize growth despite economic headwinds. Beijing also raised its budget deficit target to 4% of GDP, the highest since 2010. The government plans to issue 1.3tn yuan in special treasury bonds and revised its inflation target to 2%. These measures aim to address sluggish domestic demand and support economic recovery. ([CNBC](#))
- **Private sector employment in the US grew by just 77K in Feb. 2025,** significantly below the 148K estimate and Jan.'s revised 186K. ADP's report highlighted job losses in trade/transportation/utilities(-33K), education/health svcs(-28K), and information(-14K), while gains were seen in leisure/hospitality(+41K), professional/biz svcs(+27K), and construction(+25K). Annual pay rose 4.7% YoY. Policy uncertainty and reduced consumer spending were cited as factors for hiring slowdown ([CNBC](#))
- **Global M&A activity in 2025 has dropped ~17% YoY to \$470bn by Mar. 5, 2025,** reflecting economic uncertainty under Trump's policies. Trade wars, geopolitical tensions, and high tariffs have deterred dealmaking, with private equity firms facing pressure. Experts like Robert Rubin and Raymond McGuire highlight inflation risks and reduced confidence among cos. The trend suggests a challenging yr for dealmakers ([Bloomberg](#))

## Media Conglomerates

- **Disney is laying off nearly 200 staffers across its TV and ABC News operations, the latest in a series of cuts as it navigates challenging times for media companies.** The layoffs account for ~6% of staff in these

divisions. The company is also winding down the 538 data unit, which was part of ESPN before moving to ABC News. ([Variety](#))

- **A Delaware judge has opened the possibility of a bidding war for Paramount Global's \$8bn merger w/ Skydance Media, following a lawsuit by NYC public pension funds.** The funds allege the merger unfairly benefits Shari Redstone, offering her perks like a private jet lease. A rival bid of \$8.8bn by Project Rise Partners was reportedly ignored. The merger also faces FCC scrutiny, w/ a decision expected by Mar.18. ([The Streamable](#))

## Regulatory

- **The U.S. Senate voted 51-47 to overturn CFPB's authority over digital payment platforms like Venmo & Apple Pay, citing barriers to innovation.** Critics argue this benefits Elon Musk's X, which plans to launch X Money, a peer-to-peer payment service. Senators Warren & Schiff raised concerns over Musk's conflicts of interest, urging an ethics probe. The resolution awaits a House vote, amid debates on consumer protection vs. tech innovation. ([Fortune](#))
- **President Trump clarified that Cabinet secretaries, not Elon Musk's Department of Government Efficiency (DOGE), will make final staffing decisions.** This directive follows backlash over DOGE's aggressive workforce cuts. Trump emphasized a "scalpel" approach to layoffs, ensuring productive employees remain. ([NBC News](#))
- **Google is urging the Trump DOJ to reverse its push to break up the company, citing national security concerns.** The DOJ's remedy phase, following a court ruling that Google monopolized the search market, includes proposals like selling the Chrome browser and ending exclusivity payments to Apple. Google argues these measures would harm the American economy and tech leadership. The final proposals are due Friday, with a federal judge set to rule next month. ([Yahoo Finance](#))
- **President Donald Trump has called for an end to the \$52bn CHIPS Act subsidy program, arguing that it is a waste of taxpayer money and does not effectively address the challenges facing the U. S. semiconductor industry.** Trump criticized the program for failing to deliver on its promises and suggested reallocating the funds to other priorities. The CHIPS Act, initially implemented under the Biden administration, aimed to boost domestic semiconductor manufacturing and reduce reliance on foreign suppliers. ([Bloomberg](#))
- **President Trump has signed an executive order to abolish the US Department of Education, directing Education Secretary Linda McMahon to dismantle the agency.** This move aims to decentralize education, returning control to states. Critics argue it could disrupt federal funding for schools and student loans. The order requires Congressional approval to fully eliminate the department. ([Reuters](#))

## Satellite/Space

- **United Airlines has installed Starlink on its first regional aircraft.** Starting in May, United plans to outfit 40+ regional aircrafts monthly, aiming for over 300 installations by year-end. Starlink will provide faster, more reliable Wi-Fi, enhancing the onboard experience. The streamlined installation process and lighter equipment will reduce downtime and improve fuel efficiency ([StreetAccount](#))
- **SpaceX has rolled out a more budget-friendly option for its Starlink satellite internet service, dubbed the "Residential Lite" plan, priced at \$80/month—a notable reduction from the standard \$120 residential plan.** Targeting smaller households w/ lighter data needs, the plan offers download speeds of 50-100Mbps and unlimited deprioritized data, which may result in slower speeds during peak times. Available in ~15 U.S. states, the plan includes a \$200 discount on the Starlink dish until Mar. 31. ([Cord Cutters News](#))
- **Vodafone and AST SpaceMobile have signed an agreement to create a jointly-owned European satellite service business, SatCo.** SatCo will provide 100% geographic coverage across Europe, offering secure space-

based cellular broadband connectivity via mobile network operators (MNOs). The venture will exclusively distribute AST SpaceMobile's satellite svcs to European MNOs, supported by a network of ground stations and a full network management center based in Europe. ([Markets Insider](#))

- **Delta Air Lines has chosen Hughes Fusion's multi-orbit in-flight connectivity solution for select future A350 and A321neo aircraft deliveries.** The system blends LEO and GEO satellite capacities, ensuring seamless, resilient connectivity for passengers. The rollout begins in late 2025, enhancing Delta's in-flight entertainment and connectivity experience. ([PR Newswire](#))

## Social/Digital Media

- **ByteDance plans to buy back US staff shares at a valuation of \$312bn, offering \$189.90 per share, up from \$181 six months ago.** This move reflects increased investor interest despite U.S. government pressure to sell TikTok's U.S. operations. Major investors like SoftBank and Fidelity have raised ByteDance's valuation to over \$400bn. The buyback aims to provide liquidity to employees amid the company's stalled IPO plans. ([Bloomberg](#))
- **The UK has launched an investigation into TikTok and Reddit over concerns about their handling of children's personal data.** The probe will examine whether the platforms comply w/ data protection laws, focusing on how they collect, use, and store data from users under 18. The Information Commissioner's Office (ICO) will lead the investigation, which could result in significant fines if violations are found. ([Reuters](#))
- **Utah has passed the App Store Accountability Act, making it the first US state to mandate age verification and parental consent for minors downloading apps.** The bill, supported by social media Cos like Meta, shifts responsibility to app stores like Apple and Google. Critics argue it infringes on privacy and free speech, with legal challenges expected. ([The Verge](#))

## Space

- **SpaceX's Starship faced a major setback during its eighth test flight.** The rocket lost control and exploded mid-flight, marking the second consecutive failure this year. While the Super Heavy booster returned safely, the incident disrupted Florida's air traffic due to debris concerns. SpaceX is investigating to enhance the Starship system's reliability, crucial for Mars colonization and NASA's Artemis missions. ([CNBC](#))

## Sports/Sports Betting

- **ESPN and Main Street Sports Group, operator of FanDuel-branded RSNs, are in talks for a potential streaming bundle.** While earlier reports suggested MLB games might be included in ESPN's Flagship service, current discussions focus on a marketing partnership directing ESPN users to FanDuel's platform. ([Awful Announcing](#))
- **FIFA projects \$11bn rev for the 2023-26 cycle, driven by expanded FIFA World Cup 2026™ & FIFA Women's World Cup™.** Rev from TV broadcasting rights is expected to rise by \$964mn, while marketing rights rev is set to grow by \$927mn. Licensing rights & ticket sales are also forecasted to contribute significantly. FIFA aims to reinvest these funds into global football development, aligning w/ its strategic vision for the sport's growth ([SportBusiness](#))
- **Pirelli has signed a 5-yr deal to become the sole tyre supplier for MotoGP, Moto2, Moto3 & MotoE from 2027, replacing Michelin.** This move aligns w/ MotoGP's new technical regulations, including a shift to 850cc bikes for enhanced safety. Pirelli, already supplying WorldSBK & Formula 1, aims to streamline tyre development across motorcycling classes, fostering talent progression & innovation in motorsport ([SportBusiness](#))

- **FIFA has annnc'd a \$1bn prize pool for the 2025 Club World Cup, set to feature 32 teams from June 14-July 13 in the U.S.** The prize money will be distributed based on performance, w/ a solidarity fund for non-participating clubs. FIFA aims to use this expanded format to elevate global club football, ensuring financial benefits reach clubs of all sizes. The tournament is expected to generate \$2bn in rev, supporting FIFA's broader football development goals ([Sportcal](#))
- **Netflix annnc'd its 2nd live boxing event, featuring Katie Taylor vs. Amanda Serrano 3, set for July 11th at Madison Square Garden.** This historic all-women's card, promoted by Jake Paul's MVP, follows their 2022 & 2024 clashes. Taylor, unbeaten at 24-0, defends her super lightweight titles. ([Hollywood Reporter](#))
- **DraftKings annnc'd the successful close of its senior secured term loan B credit facility w/ an aggregate principal amount of \$600mn (Term Loan B).** The Term Loan B size increased from the previously annnc'd \$500mn due to strong demand. Maturing in Mar. 2032, the Term Loan B has an interest rate of SOFR+1.75% per annum, offered at 99.50% of par, and requires repayment at 1.00% per annum. Net proceeds will be used for general corporate purposes ([StreetAccount](#))
- **FanDuel retained its position as the top US sportsbook, generating \$14.05bn in 2024 rev, a +19% y/y increase.** Despite a challenging NFL season, FanDuel's Q4 rev rose 14% to \$3.8bn. The company reported a net income of \$162mn for the yr, recovering from losses in 2023. FanDuel's market share remains strong, controlling 43% of U.S. sportsbook gross gaming rev. The Super Bowl LIX set a record w/ \$470mn in single-day betting handle. ([Front Office Sports](#))
- **The NFL is considering exercising an opt-out clause in its broadcast agreements w/ CBS and Fox for Sunday afternoon games, which could lead to a major reshuffling of broadcast rights.** The current deals, set to run through 2033, might be terminated four years early, allowing the NFL to negotiate new, potentially more lucrative contracts. This move could attract streaming Cos like Netflix, Amazon, and Apple, significantly altering the landscape of NFL broadcasting. ([Cord Cutters News](#))
- **ESPN is exploring a potential bundle w/ FanDuel Sports Network's RSNs for its upcoming ESPN Flagship app, set to launch later this yr.** This bundle would allow ESPN to stream local NBA, NHL, and MLB games without hefty rights payments. ESPN recently opted out of its MLB media contract, seeking to renegotiate at a lower cost. ([Cord Cutters News](#))
- **YouTube has updated its gambling content policy, significantly tightening restrictions on activities encouraging users to gamble online.** The new policy prohibits any references to gambling svcs not approved by Google, including URLs, logos, and verbal mentions. Even approved gambling content promising guaranteed profits may be removed. Additionally, online casino content will be age-restricted. ([The Verge](#))
- **CVC Capital Partners is reportedly preparing a bid of around \$1bn for Endeavor's Miami and Madrid tennis tournaments.** This move is part of CVC's strategy to expand its sports portfolio. The acquisition would give CVC control over two of the most prestigious events in the tennis calendar, enhancing its influence in the sports industry. The bid reflects the growing interest of private equity firms in high-profile sports assets. ([Sportcal](#))
- **The 2026 FIFA World Cup Final will feature its first-ever halftime show, similar to the Super Bowl.** The show will take place at MetLife Stadium in New Jersey. Coldplay's Chris Martin and Phil Harvey will help curate the artist lineup. Additionally, FIFA plans a "Times Square takeover" during the final weekend, extending the celebration beyond the stadium. ([Awful Announcing](#))
- **Philadelphia International Airport has signed a sponsorship deal w/ Philadelphia Union, becoming the official airport of the soccer team.** The partnership will run through the 2026 FIFA World Cup, which will be hosted in part by Philadelphia. The deal includes branding opportunities at Subaru Park and joint marketing



initiatives. PHL aims to leverage this sponsorship to enhance its visibility and connect w/ the local community, especially soccer fans. ([Philadelphia Business Journal](#))

- **Dallas will host the International Broadcast Center for the 2026 FIFA World Cup.** The IBC will be located at the Kay Bailey Hutchison Convention Center, serving as the hub for global media coverage. This facility will support broadcasters w/ state-of-the-art tech and infrastructure, ensuring seamless transmission of the event. The IBC is expected to boost local economy and showcase Dallas as a premier destination for major international events. ([Dallas Business Journal](#))

## Tech Hardware

- **Apple has unveiled the 11th-gen iPad featuring the A16 Bionic chip and increased storage options.** The new iPad, annnc'd on Mar.4, 2025, offers up to 512GB storage, compared to the previous max of 256GB. The A16 chip boosts performance by ~30% over the previous model, and up to 6x faster than the best-selling Android tablet. Available in blue, pink, yellow, and silver, the new iPad starts at \$349. ([MacRumors](#))
- **TSMC announced plans to expand its US investment in advanced semiconductor manufacturing by an additional \$100bn, bringing the total to \$165bn.** This expansion includes three new fabs, two advanced packaging facilities, and an R&D center in Arizona. The project aims to create tens of thousands of high-tech jobs and drive \$200bn in economic output over the next decade. ([TSMC](#))
- **Apple has unveiled its refreshed Mac Studio, featuring the M3 Ultra chip, offering up to 512GB unified memory and 16TB SSD storage.** The M3 Ultra boasts a 32-core CPU, 80-core GPU, and 32-core Neural Engine, enabling advanced AI and ML capabilities. With Thunderbolt 5 connectivity and support for up to 8 Pro Display XDRs, this compact powerhouse is designed for demanding professional workflows. ([Tom's Hardware](#))

## Towers/Fiber

- **Jio Platforms Limited (JPL), along w/ AMD, Cisco, and Nokia, annnc'd plans for an Open Telecom AI platform at Mobile World Congress 2025.** This platform aims to support operators and svs providers w/ AI-driven solutions, enhancing efficiency, security, and new rev opportunities. The platform will integrate AI and automation into network operations, utilizing open APIs and various AI models to optimize functionality. This collaboration seeks to transform networks into self-optimizing, customer-aware ecosystems. ([VanillaPlus](#))
- **India's BharatNet project aims to bring high-speed broadband to rural areas, now led by BSNL after merging with BBNL.** The government is investing \$16.1B to build a "digital highway," connecting over 214K gram panchayats via 6.9 lakh km of fiber. With 12L+ FTTH connections and 1L+ Wi-Fi hotspots, BharatNet seeks to bridge the digital divide, ensuring nationwide connectivity and opportunities. ([TelecomTalk](#))

## Video Games/Interactive Entertainment

- **Amazon Prime Gaming is offering 20 free PC games in Mar, including Saints Row: The Third Remastered, Mafia II: Definitive Edition & Crime Boss: Rockay City.** Additional titles like Wolfenstein: The Old Blood & Deus Ex: Invisible War will be available later this month. These games can be redeemed via platforms like GOG & Epic Games Store. ([Kotaku](#))
- **Discord is reportedly preparing for an IPO in 2025, with meetings held w/ investment banks to explore the move.** Valued at ~\$15bn in 2021, Discord has grown popular among gamers and diverse communities for its robust features. Concerns arise over potential impacts on functionality post-IPO. Discord declined to comment on speculation, focusing on user experience and sustainable biz growth ([NYTimes](#))

- **Rockstar Games annnc'd the acquisition of Video Games Deluxe, a Sydney-based dev studio, now renamed Rockstar Australia.** Video Games Deluxe has collaborated on notable titles like the 2017 re-releases of L.A. Noire and L.A. Noire: The VR Case Files, and upgrades to Grand Theft Auto: The Trilogy – The Definitive Edition. Founder Brendan McNamara expressed excitement about joining Rockstar Games to continue creating top-tier games ([StreetAccount](#))
- **GTA V has finally received its "next-gen" update on PC, three years after its console release.** The update, available for free to existing owners, includes features like ray tracing, new vehicles, and access to the GTA+ subscription service. The original version has been delisted in favor of the new Expanded & Enhanced edition, which also includes the Legacy edition. Players can migrate their Story Mode and Online progress to the latest version. ([Engadget](#))
- **Sony's PlayStation Visual Arts studio has been hit with fresh layoffs amid ongoing restructuring of its US game development operations.** The layoffs, affecting staff who worked on projects like The Last of Us remasters, follow recent cancellations of live-service games. Employees were informed their last day would be Mar. 7. This trend reflects broader industry challenges, with rising development costs and strategic shifts impacting job security. ([Kotaku](#))
- **The article discusses the impact of tariffs imposed by former President Trump on gaming consoles and physical games.** A 25% tariff on imports from Mexico, China, and Canada could lead to higher prices for consoles like PS5 Pro and Switch 2, with potential price hikes of up to 40%. Analysts predict a shift towards digital games to avoid tariffs, but this may also result in increased digital game prices. Supply shortages and reduced production are also expected due to the tariffs. ([Kotaku](#))

## Video Streaming

- **ITV reported a 3% decline in 2024 group total rev to £4.14bn, w/ growth in digital ad rev (+15%) & streaming hours (+12%) offsetting ITV Studios rev (-6%) due to 2023 Hollywood strikes.** ITV Studios adj EBITA rose 5% to £299mn, driven by high-margin sales. ITVX, UK's fastest-growing streaming platform, exceeded expectations, w/ ITV expecting to recoup ITVX investments by 2025. Cost savings of £60mn in 2024 funded growth investments & improved margins ([Advanced Television](#))
- **NBC is reportedly exploring MLB Sunday Night Baseball broadcast rights after ESPN opted out of its contract post-2025 season.** NBC aims to leverage its success w/ Sunday Night Football & NBA to create a year-round premium sports lineup. Challenges include MLB's \$550mn/yr asking price & scheduling conflicts w/ NFL. Peacock's exclusivity could boost subscriptions, aligning w/ NBC's streaming growth strategy. ([Cord Cutters News](#))
- **Netflix CFO Spencer Neumann said that the Co's 2025 content spend is projected at \$18bn, up 11% from 2024's \$16.2bn.** Neumann emphasized that this figure is "not anywhere near a ceiling," highlighting Netflix's growth potential. The Co aims to balance rev growth, margin targets & long-term investments, w/ a focus on global expansion & diverse content. ([The Wrap](#))
- **YouTube is making another attempt to compete with Amazon by becoming an all-in-one video hub.** The platform is expanding its shopping features, allowing users to purchase products directly from videos. This initiative aims to integrate e-commerce with video content, leveraging YouTube's vast user base. The move is part of a broader strategy to diversify revenue streams and enhance user engagement. ([The Information](#))
- **Amazon Prime Video has annnc'd a pilot program for AI-assisted dubbing to make its vast streaming library more accessible.** Starting Mar. 5, AI-assisted dubbing will be available in English and Latin American Spanish for 12 licensed movies and series, including "El Cid: La Leyenda" and "Mi Mamá Lora." This hybrid approach combines AI w/ localization experts to ensure quality. ([Engadget](#))

- **A survey by MX8 Labs reveals that 46% of US viewers prefer streaming movies at home over going to cinemas, while only 15% favor theaters.** Convenience is the top reason, cited by 78% of respondents, especially those w/ a Bachelor's degree (85%), Midwestern residents (86%), and viewers aged 55-64 (90%). The lack of crowds/noisy people (70%) and cost savings (62%) are other key factors. The pandemic accelerated this shift, which continues to influence viewing habits. ([Advanced Television](#))
- **Fubo unveiled its 2025 streaming TV bundles, offering four plans:** Essential (\$84.99/mo), Pro (\$84.99/mo), Elite (\$94.99/mo), and Latino (\$32.99/mo). Each plan includes a 7-day free trial, unlimited DVR, and varying channel counts. The Elite plan features 4K content, while the Latino plan targets Spanish-speaking audiences. Fubo aims to cater to diverse viewer preferences, emphasizing sports and entertainment. ([Stream TV Insider](#))
- **Disney+ has launched a promotional offer in Belgium and the Netherlands, reducing its subscription price to €2/month for new subscribers.** This limited-time deal aims to attract more users in these regions, showcasing Disney's strategy to expand its streaming service's reach and compete in the European mkts. ([Telecompaper](#))

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