LionTree

WEEKLY UPDATE

THE WEEK ENDING APRIL 25, 2025

This week whizzed by as earnings gathered steam and it was a BIG week for the connectivity sector with Verizon, AT&T, T-Mobile, Comcast and Charter all reporting. One of the consistent messages out of a critical mass was that consumers will be the ones baring the costs of higher h-set costs due to tariffs. We had many, many more interesting takeaways as well in Theme #3.

The huge Nasdaq rally of almost 7% was its second-best weekly rally YTD. The S&P 500's +4.6% move was respectable as well. Sentiment on the trade war situation continues to be the primary driver of the market moves and there was some optimism regarding trade agreements, in addition to more comfort about Fed independence which was earlier put into question.

In this edition, we focused on the below updates, developments and themes:

1. Earnings Scorecard – Week 1 & 2
2. The Macro Remains A Wildcard To Google's Ads Biz But AI Integrations Are Bearing Fruit & Cloud Capacity Constraints Are Still Set To Ease Towards YE
3. While Telcos Are In A Good Position To Weather Macro Storms In 2025, There Were Several Puts & Take With Q1 Results
4. Cable's Broadband Losses Continue To Surprise On The Downside But Is FWA Growth Set To Ease?? Charter Thinks So
5. Comcast's Media Assets Outperform & Have Yet To See Economic Effects…Thus Far

Enjoy the read and the weekend.

Best,
Leslie

Leslie Mallon
745 Fifth Avenue
New York, NY 10151
Office: + 1-212-644-3551
lmallon@liontree.com

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

Top Themes

1) Earnings Scorecard – Week 1 & 2

No sooner had the dust settled from last quarter's earnings season that a new one kicked into full swing. Over the past two weeks, 21 companies in our LionTree Universe reported Q1 results, with stock reactions skewing positive. 13 names (62%) traded up following their reports, while 8 (38%) traded down. ServiceNow led the pack, jumping +15.5%, while T-Mobile saw the sharpest decline, falling -11.2%.

While **Netflix** and ad agencies **Omnicom** and **IPG** kicked off earnings last week, this week was dominated by the cable and connectivity players. All three major telcos reported, and while **Verizon** and **AT&T** posted modest gains, up +0.6% and +0.9%, respectively, **T-Mobile**'s print drew a far less favorable response from the mkt (see Theme #3 for details).

Cable names also saw mixed reactions, as **Charter** surged +11.4% after reporting, while **Comcast** slipped -3.7% (see Theme #4 for what happened in the Co's respective cable bizs, and Theme #5 for highlights from Comcast's Content & Experiences segment).

Finally, **Alphabet** gave us a first glimpse into the digital advertising cohort, starting things off on a positive note with a +1.7% move post-earnings (see Theme #2).

The table below includes select mid- and large-cap TMT and consumer companies in our LionTree stock universe that reported this week.

LIONTREE EARNINGS SCORECARD

SECTOR	Stk Reaction*	SECTOR	Stk Reaction*
Advertising Agencies		**Smart Home Security**	
Omnicom	-7.3%	ADT	-2.0%
IPG	4.5%	**Software IT Services**	
Application Software		IBM	-6.6%
SAP	7.6%	ServiceNow	15.5%
Automotive		**Telecom Infrastructure**	
Tesla	5.4%	Digital Realty Trust	4.0%
Mobileye	9.8%	**Theaters**	
EdTech		IMAX	-3.4%
Coursera	13.6%	**Toys**	
Internet/Advertising		Hasbro	14.6%
Alphabet	1.7%	**US Media/Video**	
Pay-TV/Broadband		Netflix	1.5%
Comcast	-3.7%	**US Telco/Wireless**	
Charter	11.4%	T-Mobile	-11.2%
Satellite Communications		Verizon	0.6%
Iridium Communications	-6.9%	AT&T	0.9%
Semis			
Intel	-6.7%		

Source: FactSet

*Day post earnings

LionTree

2) The Macro Remains A Wildcard To Google's Ads Biz But AI Integrations Are Bearing Fruit & Cloud Capacity Constraints Are Still Set To Ease Towards YE

Kicking off the digital advertising earnings season was Alphabet, which came in on a high note, posting a strong Q1 with broad-based rev growth across Search, YouTube, Cloud and Subscriptions, alongside strong margin expansion and upside across op income, EPS, and FCF. Shareholder returns also remain a priority and the Co announced a 5% dividend increase and a new $70bn share repurchase authorization.

Operational and capital efficiency continues to be a focus, but not at the expense of long-term growth investments. Mgmt reiterated the $75bn CapEx guide for 2025 and it was called out that the infrastructure investment has begun to flow through the P&L, with Q1 depreciation up +31% y/y, which is expected to accelerate through 2025.

On overall ad trends in the context of macro uncertainty, while it is still too early to comment on impacts on Q2, the Co is "obviously not immune." But mgmt is confident in navigating the environment as they have during previous periods of dislocation. One area of impact they did flag was the change to the de minimis exemption, which will cause "a slight headwind" to the ads biz in 2025, primarily from APAC-based retailers.

Looking into Search specifically, AI integrations are deepening, particularly w/ AI Overviews. Q1 marked the largest expansion to date for AI Overviews, both in terms of launching it to new users and providing responses for more questions. Importantly, the volume of commercial queries has increased, as has the avg length and complexity of overall queries. AI Overviews are now monetizing at approx. the same rate as overall Search, which gives them a "strong base in which we can innovate even more." Outside of AI Overviews, the more advanced AI Mode was just released in March and is already getting "really positive feedback" for its handling of more complex queries, while multimodal queries like Circle to Search and Lens visual searches are also seeing "significant" growth.

Last but not least, revenue growth in Cloud furthered its deceleration given the business remains capacity constrained, but that will start to ease towards the end of 2025 following "relatively higher" capacity deployment at that time. In the meantime, Cloud Q1 op margins beat by a significant +9.9%.

As usual, there was a lot more incremental updates covered on the call, including updates on YouTube, progress in Waymo, innovations w/ Gemini, and more. See below.

-> Alphabet traded up +1.5% in reaction to its results and ended the week up +6.8%; YTD, the stock is down -14.0%

It Was A Solid Q1 For Alphabet, With Margins In Particular Standing Out / Raised The Dividend + Annc'd $70bn Share Buyback Authorization

- **Q1 total rev – BEAT by +1.2%:** Grew +12% y/y (in-line w/ Q4) to reach $90.2bn
  - Beat was driven by Google Svs, as Google Cloud was ~in-line and Other Bets missed
  - Search, YouTube Advertising, Cloud, and Subscription, Platforms and Devices each had double-digit rev growth in Q1

- **Q1 op margin of 33.9% came in well ahead of cons 32.2% and up from yr-ago 31.6%**
  - Benefited from "healthy" rev growth, a moderated pace of compensation growth and a favorable mix shift towards lower tech ad revs, partially offset by y/y increase in depreciation expenses of just over $1bn

- **Adj. EPS of $2.81 also easily beat cons of $2.01**

- **FCF beat by +4.7%**

- **Annc'd a 5% increase in the qtrly div and also approved a new $70bn share repurchase authorization**

Alphabet	Q1 2025 Results		
	Actual	Cons Est	% Surp
Revenue (mn)	$90,234	$89,180	1.2%
Adj Operating Income (mn)	$30,606	$28,760	6.4%
Adj Operating Margin (%)	33.9%	32.2%	
Adj EPS	$2.81	$2.01	39.8%
CapEx (mn)	$17,197	$17,040	Higher
Free Cash Flow (mn)	$18,953	$18,100	4.7%
Segment Revenue (mn)			
Google Services	$77,264	$76,340	1.2%
Google Advertising	$66,885	$66,610	0.4%
Google Search & Other	$50,702	$50,490	0.4%
YouTube Ads	$8,927	$8,970	-0.5%
Google Network	$7,256	$7,120	1.9%
Google Subscriptions, Platforms, and Devices	$10,379	$9,760	6.3%
Google Cloud	$12,260	$12,270	-0.1%
Other Bets	$450	$488	-7.8%
Segment Adj Operating Income ($ mn)			
Google Services	$32,682	$30,360	7.6%
Google Cloud	$2,177	$1,980	9.9%
Other Bets	-$1,266	-$1,040	-17.9%
Alphabet-level activities	-$3,027	-$2,500	-17.4%

Source: FactSet, StreetAccount

LionTree

Continue To Focus On Productivity And Efficiency, Though Not At The Expense Of Long-Term Growth Investments

- **Q1 CapEx came in higher than the Street expected:** $17.2bn vs cons $17.04bn (Co had guided to ~$16-18bn)
  - **Primarily reflects investment in technical infrastructure** w/ the largest component being investment in servers, followed by data centers to support the growth of bizs across Google Services, Google Cloud and Google DeepMind

- **Reiterated ~$75bn CapEx for full year 2025,** which may fluctuate from q/q due to the impact of changes in the timing of deliveries and construction schedules
  - **Have a "highly rigorous process" to "make sure every dollar is used efficiently"**

- **Increase in CapEx over the past few yrs has been putting pressure on the P&L, primarily through higher depreciation**
  - Saw +31% y/y increase in depreciation in Q1 and that is expected to accelerate through 2025

- **Despite incr'd uncertainty around macro, approach to productivity and efficiency "hasn't really changed":** Remain focused on driving operational and capital efficiency to support long-term growth
  - **IF macro worsens, will look for addtl cost saving oppties…:** Have been focusing on continuing to moderate compensation growth, consolidating teams, real estate footprint, etc.
  - **…while ensuring long-term growth investments remain prioritized:** Including the $75bn in CapEx for 2025, which is essential to meet growing demand, particularly in Cloud

- **Have also been leveraging genAI internally to improve efficiency, which has been "transformative" – "we are deploying it across all parts of the company" BUT "still see it as early days and there's going to be a lot more to do"**
  - Coding (30%+ of code check-ins use AI suggestions)
  - Supporting more advanced, agent-based coding tasks by deploying deeper workflows
  - Customer service teams are "dramatically enhancing" user experience and efficiency
    - Those learnings and solutions are now being scaled to enterprise clients via Google Cloud
  - Finance team is using to prepare for earnings calls

- **Additionally, reiterated "some" head count growth in 2025 in "key investment areas**

AI Integrations Deepens Across Search / "Not Immune" To Macro Environment, But Have Experience Navigating "Uncertain Times"

- **Q1 Google Search & Other ad revs incr'd +10% y/y (decel from +13% y/y in Q4) and beat by +0.4%**
    - Similar to last qtr, growth was broad-based across verticals, led by financials (due primarily to strength in insurance) followed by retail, healthcare, and travel

- **On broader ad trends – are they seeing any impacts in ad verticals or deviations from typical seasonality so far in Q2? It's still too early to tell but "we're obviously not immune to the macro environment"**
    - BUT mgmt did flag that changes to the de minimis exemption will cause "a slight headwind" to ads biz in 2025, primarily from APAC-based retailers
    - **"We have a lot of experience in managing through uncertain times"**

- **On AI-powered Search - Gemini and Search will remain distinct efforts, though with some overlap**
    - Gemini focuses on deeper, iterative use cases like coding
    - AI Overviews scales to a broader user base
    - And AI Mode being the most advanced.

Gemini Is Seeing "Tremendous Reception" From Developers, Enterprises, and Consumers

- **Gemini powers Search via AI Overviews and AI Mode, which is "already seeing very positive feedback"**
    - Queries are ~2x longer compared to traditional Search

- **Seeing increasing momentum in the Gemini app, particularly as they've rolled out just the newer models**
    - Users are also "really responding well" to new experiences like Gemini Live (based on Project Astra), Deep Research (powered by 2.5 Pro), and Canvas

- **Gemini also powers all of Google's products and platforms across 500mn users, with even more to come**
    - Includes Android and Pixel, which makes it "super easy" to use AI for a wide range of tasks, just by using their camera, voice or taking a screen shot
    - Also upgrading Google Assistant on mobile devices to Gemini
    - Later this year, will upgrade tablets, cars, and devices that connect to the phones (i.e., headphones, watches, etc.)

- **Gemini has 35mn DAUs, which is well below ChatGPT - what's the strategy to grow that?**
    - "A lot of momentum in terms of product features we've been introducing, and we are definitely seeing reception, including increased adoption and usage based on those features"
    - "By many metrics, I think we have the best model out there now. And I think that's going to drive increased adoption as well"

- **Have also reorganized internally to better capitalize on Gemini momentum and "excited" about roadmap ahead**

AI Overviews Is Scaling Quickly And Is Now Monetizing At Approx The Same Rate As Search

- **Q1 saw the largest expansion to date for AI Overviews,** both in terms of launching to new users and providing responses for more questions
    - Now available in 15+ languages across 140 countries
    - **With the launch of AI Overviews, the volume of commercial quarries has increased**

- **AI Overviews is monetizing at approx. the same rate as Seach**
    - "Give us a strong base in which we can innovate even more"

- **AI Overviews now has 1.5bn+ users every month…**
    - Usage growth and they are "leaning in heavily" by continuing to roll out features in new countries to more users for more queries

- **…and "building on the positive feedback from AI Overviews," released "AI Mode" in March:** Expands what AI Overviews can do with more advanced reasoning, thinking and multimodal capabilities to help with questions that need further exploration and comparisons
    - On avg, AI mode queries are more complex and twice as long as traditional search queries

- **Getting "really positive feedback" from early users** about its design, fast response time and ability to understand complex nuance questions (i.e., how-tos, planning trips, etc.)

- **Also continuing to see "significant" growth in multimodal queries**
  - **Circle to Search** is now available on 250mn+ devices, w/ usage increasing ~40% in Q1
  - **Lens** monthly visual searches have increased by +5bn since Oct; # of people shopping on Lens grew +10% y/y, and the majority of Lens queries were incremental

Still Capacity Constrained In Cloud & Infrastructure Deployment Timing Will Cause Some Variability In Cloud Growth Through 2025

- **Q1 Cloud rev grew +28% y/y,** a decel from +30% y/y in Q4 and +35% y/y in Q3
  - Reflecting growth in GCP across core and AI products at a rate that was "much higher" than Cloud's overall rev growth rate

- **Looking ahead – expect some variability in cloud rev growth rates given tight demand-supply environment**
  - Given that revs are correlated with the timing of deployment of new capacity, variability will depend on capacity deployment each qtr
  - Expect "relatively higher" capacity deployment towards the end of 2025

- **Q1 Cloud op margin increased from yr-ago 9.4% to 17.8%**
  - As they scale, continue to focus on driving improvements in productivity, efficiency and utilization to offset the growth in expenses, particularly from higher depreciation

- **On Wiz acq – "Together, we can make it easier and faster for organizations of all types and sizes to protect themselves,** end-to-end and across all major clouds. We think this will help spur more multi-cloud computing, something customers want"

Still "Too Early" To Gauge Macro Impacts On YouTube Ads, But Engagement Shows No Signs Of Slowing Down

- **Q1 YT ad revs were up +10% (decel from +14% y/y in Q4)**
  - Driven by direct response advertising, followed by brand
  - **Looking into Q2 trends – "it's too early to really comment on that"**

- **Watch time growth remained "robust",** particularly in "key" monetization oppty areas like Shorts and the living room
  - 20mn videos are uploaded every day
  - YT has been #1 in streaming watch time in the US for last 2 yrs, per Nielsen
  - YT now has 1bn+ monthly active podcast users
  - YT Music and Premium reached 125mn+ subscribers, including trials, globally

- **Direct response is being driven by AI-powered tools and progress in monetizing Shorts,** esp in the US, helping close the monetization gap and driving growth

- **Brand advertisers really enjoyed "culture moments", including Coachella and March Madness**
  - In Q1, growth of reservation-based ads biz more than doubled y/y

- **Quick updates on YT Shorts –**
  - Engaged views grew 20%+ in Q1
  - On monetization - "continue to be pleased with the progress we're making globally […] relative to in-stream viewing and are particularly encouraged by the trend in the US"

Keeping Business Model Options Open As Waymo Expansion Continues

- **Waymo now serves 250k paid passenger trips each week, up 5x vs yr-ago**

- **Q1 highlights -**
  - Opened up paid svs in Silicon Valley through partnership with Uber
  - Expanded into Austin – "very pleased with what we are already seeing in Austin in terms of rider satisfaction"

- **Looking ahead –**

    - Preparing for public launch in Atlanta through partnership w/ Uber later this summer
    - Washington DC and Miami will go live in 2026

- **What is the long-term biz model for Waymo?** "Widely exploring…but at the same time, clearly staying focused on making progress both in terms of safety, the driver experience, and progress on the business model and operationally scaling up"
    - **Focused on building "the world's best autonomous driver" …:** Which allows for flexibility in business models across geographies
    - **…and having a "successful ecosystem of partners" b/c "we can't possibly do it all ourselves"**
        - Partnership w/ Uber for ride-hailing
        - Partnership w/ Moove in Phoenix and Miami for fleet operations and mgmt
    - **"Obviously, partnerships with OEMs, there are future optionality around personal ownership as well"**

3) While Telcos Are In A Good Position To Weather Macro Storms In 2025, There Were Several Puts & Take With Q1 Results

What a week in connectivity! The bulk of the entire sector essentially reported results this week, hence we got a fulsome picture of key trends and new themes driving the industry. In this theme section, we focused on our key learnings from the 3 telco giants – Verizon, AT&T, and T-Mobile. In Theme #4, we dove into Comcast's & Charter's cable businesses.

There was a lot to digest, but big picture and starting higher level, all three telcos feel relatively insulated as it relates to the tariff and macro environment and all three reiterated FY 2025 guidance, and in T-Mobile's case, raised a few of the guidance metrics as well (though some investors might say they should have raised adj EBITDA guidance more given the Q1 beats). Of course, the environment remains fluid, but CapEx has limited exposure and w-less services are among the most protected in terms of importance to the consumer. H-set costs certainly are exposed to higher tariffs, but across the board, the message was that consumers will bear additional costs associated with that, and not the telcos. Also, as something we called out in our recent LionTree's Lens quarterly update, there were indications that consumers pulled forward upgrades to avoid any future price increases. T-Mobile and AT&T were somewhat vocal about this.

While headline financials were generally better than expected and FCF across the board was much higher than anticipated, there were some puts and takes under the hood. For Verizon, while Q1 headline financials topped expectations, some softness in unit metrics disappointed (though the Co ended the qtr with some momentum and still is guiding for a y/y increase in postpaid phone net adds in 2025). For AT&T, Q1 headline financials were in-line to slightly above expectations and the Co reported stronger customer unit metrics, but adj EBITDA was boosted by a 1x vendor settlement benefit. Lastly, T-Mobile's headline financials beat was somewhat overshadowed by Svs Revs, which were a tad light, postpaid phone additions falling short of estimates, churn increasing +5bp y/y, and as mentioned above, more limited bump ups to adj EBITDA guidance given the beat.

It wasn't just T-Mobile that disappointed on churn. This was a theme across the sector in Q1. AT&T and Verizon felt impacts coming off of pricing and promotions. AT&T is expecting this metric to remain at current levels in Q2 and to see usual seasonality in H2, but Verizon projects that its churn levels will normalize. This caused some concern and will be a key KPI to track.

We would also call out the slew of new longer-term price guarantee plans that we are seeing across the connectivity sector. Verizon is pinning high hopes on its new 3-yr price guarantee plan as being the next driver for transformation it is Consumer business. T-Mobile followed, one-upping Verizon, with a 5-yr price guarantee plan, in addition to some other plan launches including its $10/mo Satellite offer for "everyone". Comcast also launched its own price guarantee converged offer which is an aggressive pivot as well (see Theme #4).

Lastly, the telcos ubiquitously are still taking share in broadband, with Verizon's Consumer FWA, AT&T's Internet Air FWA and T-Mobile's FWA all delivering upside to estimates. Furthermore, T-Mobile's new fiber offer is on the way as well. Though Charter at the end of the week did comment that FWA adds may have "plateaued" (again, see Theme #4 for more)

All in all, investors have been hiding in telco stocks given the relative stability of the business and limited exposure to tariff impacts, but some of the business operating KPIs ebbed in the qtr causing some investor angst.

There were a lot of incremental updates which we laid out in more detail below on Verizon, AT&T, and T-Mobile results.

-> Verizon and AT&T both closed the day marginally up (+0.6% and +0.9%, respectively), in reaction to their reports, while T-Mobile shares fell sharply, down -11.2% post its print; YTD, VZ is up +4.8%. AT&T is up +17.7, and T-Mobile is up +5.5%

Q1 Telco Headline Financials Were Generally Better Across The Board With FCF Beats A Standout But There Were Some Puts & Take W/ Key Metrics

- **Verizon - While Q1 headline #s topped expectations, some softness in unit metrics disappointed**
  - **Rev beat by +0.6%:** Grew +1.5% y/y (vs +1.6% y/y in Q4) to reach $33.5bn, driven by w-less svs revs of +2.7% y/y which hit the high end of guidance
    - The overall beat was driven by Consumer segment rev (+1.0% beat) as Business segment rev missed (by -0.7%)
    - **Consumer ARPA of $146.46 grew +3.6% y/y:** Primarily from pricing actions, incr'd adoption of perks, & growth in FWA subs
  - **Adj. EBITDA was their highest ever and beat by +1.7% which all came from upside in the Biz segment:** Best qtr of y/y growth in ~4 yrs, growing +4.0% (vs +2.1% y/y in Q4)
    - "We're off to a great start"
  - **EPS of $1.19 came in above cons $1.15**
  - **CapEx came in slightly lower than expected, and FCF beat by +28.5%**

- **Verizon: Segment growth performance**
  - **Consumer:** Operating revs +2.2% y/y / Adj EBITDA +2.7% y/y
  - **Business:** Operating revs -1.2% y/y / Adj EBITDA +10.3% y/y

Verizon	Q1 2025 Results		
	Actual	Cons Est	% Surp
Revenue ($mn)	**$33,485**	**$33,280**	**0.6%**
Total Adj EBITDA ($mn)	**$12,555**	**$12,340**	**1.7%**
Adj EBITDA Margin (%)	**37.5%**	**37.1%**	
Adj EPS	**$1.19**	**$1.15**	**3.5%**
CapEx ($mn)	**$4,150**	**$4,310**	**-3.7%**
Free Cash Flow ($mn)	**$3,637**	**$2,830**	**28.5%**
Consumer Segment Breakdown			
Operating Revenue ($mn)	**$25,618**	**$25,370**	**1.0%**
Service	$20,066	$19,810	1.3%
Wireless Equipment	$4,532	$4,400	3.0%
Other	$1,020	$1,160	-12.1%
Adj EBITDA ($mn)	$10,967	$11,020	-0.5%
Business Segment Breakdown			
Operating Revenue ($mn)	**$7,286**	**$7,340**	**-0.7%**
Enterprise & Public Sector	$3,457	$3,510	-1.5%
Business Markets & Other	$3,314	$3,190	3.9%
Wholesale	$515	$563	-8.6%
Adj EBITDA ($mn)	**$1,684**	**$1,510**	**11.5%**

Source: Verizon Filing, FactSet Financial Data

- **AT&T – Q1 headline #s were in-line to slightly above expectations & the Co reported strong customer unit metrics though adj EBITDA was boosted by 1x vendor settlement benefits**
  - **Rev beat by +0.9%:** Grew +2.0% y/y (vs +0.9% y/y in Q4) to reach $30.6bn
    - All three segments beat cons estimates
  - **Adj EBITDA beat by +1.9%:** Grew +4.4% (vs +2.2% y/y in Q4) to reach $11.5bn
    - Mobility adj. EBITDA slightly missed, but that was easily offset by beats in Biz Wireline and Consumer Wireline
    - **Benefitted from vendor settlements that positively impacted total wireline OpEx** by ~$100mn ($55mn was in Consumer Wireline with the rest in Biz Wireline)
  - **EPS of $0.51 was in-line w/ cons**

- **CapEx came in below expectations, while FCF was slightly above**

- **AT&T – Segment growth performance**
  - **Communications:** Revs +2.4% y/y / Adj EBITDA +4.3% y/y
    - **Mobility:** Svs revs +4.1% y/y & equip revs +6.9% y/y / EBITDA +3.5% y/y (margins down -50bp given absorbed the AT&T Guarantee launch costs and the Co has higher spend on customer acq & device upgrades)
    - **Consumer W-line:** Revs +5.1% y/y and includes +19% y/y fiber growth (fiber ARPU +6.2% y/y) / EBITDA +18.6% y/y but incl'd a $55mn benefit from vendor settlement
    - **Business W-line:** Revs -9.1% y/y / Adj EBITDA -1.8% y/y

AT&T	Q1 2025 Results		
	Actual	Cons Est	% Surp
Revenue ($mn)	**$30,626**	**30,360**	**0.9%**
Total Adj EBITDA ($mn)	**$11,533**	**$11,320**	**1.9%**
Adj EBITDA Margin (%)	**37.7%**	**37.3%**	
Adj EPS	**$0.51**	**$0.51**	**0.0%**
Capital Expenditures ($mn)	**$4,277**	**$4,630**	**-7.6%**
Free Cash Flow ($mn)	**$3,146**	**$3,120**	**0.8%**
Revenue by Segment ($mn)			
Communications	**$29,560**	**$29,160**	**1.4%**
Mobility	$21,570	$21,260	1.5%
Business Wireline	$4,468	$4,420	1.1%
Consumer Wireline	$3,522	$3,490	0.9%
Latin America	**$971**	**$1,080**	**-10.1%**
Adj EBITDA by Segment ($mn)			
Communications	**$11,964**	**$11,680**	**2.4%**
Mobility	$9,266	$9,280	-0.2%
Business Wireline	$1,400	$1,190	17.6%
Consumer Wireline	$1,298	$1,200	8.2%
Latin America	**$193**	**$188**	**2.8%**

Source: AT&T Filing, FactSet Financial Data

LionTree

- **T-Mobile – Headline numbers BEAT but Svs Revs were a tad light, postpaid phone adds fell short of estimates, and churn ticked up**
  - **Total Revs, Core adj EBITDA and EPS grew by +6.6%, +7.9%, & +29.0%, respectively**
    - Postpaid svs revs grew +8% y/y, overall svs revs incr'd +5% y/y (more than triple closest competitor)
    - But Equip revenue was the main upside driver to the top line
  - **FCF was materially above cons (by 17% and a new Q1 record) partially helped by lower capx**

T-Mobile	Q1 2025 Results		
	Actual	Cons Est	% Surp
Revenue ($mn)	**$20,886**	**$20,630**	**1.2%**
Core Adj EBITDA ($mn)	**$8,259**	**$8,100**	**2.0%**
Adj EBITDA Margin (%)	39.5%	39.3%	
EPS	**$2.58**	**$2.47**	**4.5%**
CapEx ($mn)	**$2,451**	**$2,610**	**-6.1%**
Free Cash Flow ($mn)	**$4,396**	**$3,750**	**17.2%**
Segment Revenue ($mn)			
Service	**$16,925**	**$16,950**	**-0.1%**
Equipment	**$3,704**	**$3,450**	**7.4%**
Other	**$257**	**$253**	**1.7%**

Source: T-Mobile Filing, FactSet Financial Data

LionTree

All 3 Telcos Remain Confident In Their Respective FY 2025 Outlook & T-Mobile Even Raised Some Guidance Metrics (Though Maybe Not By Enough)

- **Verizon - Reiterated FY2025 guidance, but did caveat that any tariff impacts are not included**
  - **EPS growth slightly below cons at mid-pt:** +0% to +3.0% y/y vs cons +1.9% (Q1 was +3.5%)
  - **Adj. EBITDA growth ahead of cons at mid-pt:** +2.0-3.5% y/y vs cons +2.5% (Q1 was +4%)
  - **CapEx below at mid-pt:** $17.5-18.5bn vs cons $18.05bn
  - **FCF ahead at mid-pt:** $17.5-18.5bn vs cons $17.92bn
  - **Reiterated wireless service rev: +2.0-2.8% (no consensus)**

- **Verizon - 2025 Service revenue growth puts and takes**
  - **In the medium term –**
    - **Have higher volumes in 2025 vs 2024,** which will help w/ Wireless svs rev
    - **Only 50% of base is on MyPlan,** and w/ Verizon's Value Guarantee, there are more incentives for customers to migrate, which tends to be immediately accretive to rev
  - **In the longer term –**
    - **"A lot" of value in ultimate high-end plan**, which is "really helping" w/ the premium mix
    - **Continuing to grow perks:** Previously said they would get to 14mn perks by end of yr, but now have line of sight to 15mn
    - **FWA – expect "good, strong" svs rev growth**, driven by both volume and ARPU (have "a much higher premium mix than we had planned")
    - **Prepaid is expected to flip positive in H2:** Historically has been a drag on Svs rev, but expected to turn position as volumes "grow nicely"
    - **Wholesale biz – had "healthy" service rev growth margin in it**
  - **"We are very comfortable with sustained growth in our business"**

- **AT&T – Reiterated 2025 targets despite "operating in a macro environment with diminished visibility":** "We're very comfortable with our guidance for this year…there's a lot of places we know we can go and operate the business a little more effectively and continue to work our expense lines more aggressively"
  - **Reaffirmed 2025 Service rev growth in the ~+lsd range**
    - Mobility svs rev growth at the higher end of the 2-3% range
    - Consumer fiber broadband rev growth in the mid-teens
  - **Reaffirmed 2025 adj. EBITDA growth of ~+3% y/y or better,** which was also ahead of cons +2.7%
    - Mobility adj. EBITDA growth at the higher of the +3-4% range (vs +6.3% y/y in FY24)
    - Consumer Wireline adj EBITDA growth in the ~+hsd-ldd% y/y range (vs +10.0% y/y in FY24)
    - Business Wireline adj EBITDA to decline ~-mid-teens% y/y (vs -18.0% y/y in FY24)
  - **Reaffirmed 2025 EPS $1.97 to $2.07 range,** which was below cons $2.08
  - **Reaffirmed 2025 FCF** of $16bn+, which was slightly below cons of $17.25bn
    - **Guiding for Q2 FCF** of ~$4bn
  - **Reaffirmed 2025 CapEx** of $22bn, which was slightly above estimates of $21.14bn
    - **Guiding for Q2 CapEx** of b/w $4.5-5bn
  - **Priorities laid out in 2024 Analyst Day "have not changed"**

- T-**Mobile – Raised or maintained 2025 guidance**
  - **Raised**
    - 2025 Core adj EBITDA guidance range by $100mn (from $33.1-33.6bn to $33.2-33.7bn, up 5%+ at the mid-pt) vs cons $33.45bn ***-> But note that T-Mobile core adj EBITDA already beat by $160mn in Q1***
    - Net cash provided by operating activities: from $26.8-27.5bn to $27-27.5bn
    - Adj FCF: from $17.3-18bn to $17.5-18bn
    - Postpaid ARPA growth expectations of "at least 3.5%" vs prev +3%
    - Postpaid phone ARPU to grow at 1.5% (vs last yr's +1.1%)
    - Organic svs revs will grow at a higher rate than where they guided last qtr
  - **Maintained**
    - Postpaid net customer adds: 5.5-6mn (nearly half will be postpaid phone net adds)
    - Cash capx: ~$9.5bn
  - **Guidance also includes Vistar, Blis, Lumos but doesn't include pending US Cellular and Metronet acquisitions**

- **How is TMUS accounting for the JV transaction which acquired Lumos (in the guidance)**
  - Customer experience & retail business is 100% owned by TMUS

    - Share 50% of the JV economics
    - Acquired customers will be treated as a base adj to Q2
    - The retail business is expected to be "slightly" accretive to svs revs and neutral to adj EBITDA and adj FCF
    - Their 50% equity stake will be reported below the line as an equity method and is expected to be immaterial to net income this year

The 3 Telcos Feel Somewhat Insulated From The Potential Tariff / Economic Storm…Though There Have Been Some Indications Of Upgrade Pull-forwards & Consumers Will Bear The Cost Of Any H-Set Cost Increases

- **Verizon - 2025 CapEx exposure to tariffs is limited & the Co will NOT absorb any higher h-set costs as a result of tariffs…those will be borne by consumers**
    - The Co has also not seen any major consumer shifts in behavior…there has been "no deterioration on payments"
    - "During periods of elevated uncertainty, our business has demonstrated remarkable strength and resilience…we expect that we will not only weather the current environment, but we will thrive in it"

- **Verizon –Consumer postpaid upgrade rate was 3% in Q1, slightly lower y/y and continue to see customers holding onto their phones for longer periods of time**
    - **2025 outlook - expect overall upgrade activity to increase by mid-single digits y/y**, reflecting an anticipated increase in volumes throughout the balance of the yr (though Verizon didn't as directly highlight higher upgrades ahead of anticipated price increases like AT&T did- see below)

- **AT&T - Believes that the Co can manage higher costs that are already in their guidance though "the environment remains fluid"**
    - The Co's long-term plans are based on an outlook that assumes low-SD% GDP grwth & moderating inflation
    - "If we ultimately face a lower growth environment over this period, we have the option to adjust our operating posture to prioritize cash flow. This gives us confidence in our ability to execute the expanded capital returns program"

- **AT&T - Will not absorb any higher h-set costs due to tariffs…the consumer will:** "So I think that if ultimately costs are passed to us from those that we buy handsets from, unfortunately for the customer, we're going to have to come up with some new ways for them to figure out how to digest that increase in pricing"
    - The Co has seen at the margin some weakness in prepaid (perhaps due to immigration and "not concerned about it") and some upgrading activity for fear of prices going up (see more below)

- **AT&T - Only thing "at the margin" that the Co has seen in terms of changes in consumer behavior is that some people are thinking unit costs are going up so are getting new phones now**
    - **Saw higher upgrades late in Q1 and it has accelerated in Q2:** "We think some of this may be a pull forward in anticipation of the tariffs"
    - **Outlook - Expect elevated levels of upgrades in Q2 and H2 is seasonally impacted but "if upgrade rates remain elevated, this could represent a pull forward from H2"**

- **T-Mobile – Believes they are for the most part insulated from macro concerns / Have seen some pull forward of upgrades and also sees the consumer bearing any higher h-set costs due to tariffs**
    - The Co has "seen nothing" causing them to "second guess their guidance"
    - "We are probably the least canary in the coal mine as people will find a way to pay bills but there might be a little pull forward"
    - The Co's prepaid business is mostly a premium monthly subscription business for the most part so their business has been "stable" in this area; The Co is not seeing any signs of distress in consumer metrics
    - "Taking on something big on the tariff front is just not something our business model is interested in trying to do or able to try to do…"I think we're going to see that the customer is going to wind up having the bear that cost"

AT&T Is Restarting Its Stock Buyback Despite Macro Uncertainty; Capital Allocation Plans Remain Unchanged

- **AT&T - re-starting buybacks as previously laid out despite the new macro dislocations:** Will begin share repurchases in Q2 under the $10bn authorization w/ "at least" $3bn completed by YE 2025 and the remainder during 2026

- **AT&T – re: potential M&A, no comments on the speculation in March that the Co was in talks to buy Lumen's mass mkt Consumer Fiber Biz** other than to say that if something inorganically comes up that is more financially attractive then the Co building itself or accelerate the Co's position, "of course, I'd be open to it"

- **T-Mobile – On M&A…Do you want a cable asset?** Can't talk about market peculation but "we are a growth company" and fiber will continue to play a bigger and bigger role; Though they do have a preference for pure play fiber
  - The Co's M&A appetite is limited so any transaction has to be the "right thing

T-Mobile Led Q1 Post Paid Phone Growth (Though Slightly Missed The Street) While AT&T Surprised The Most On The Upside And Verizon Disappointed

- **Verizon - Prepaid adds performed MUCH better than expected, while postpaid phone disappointed**

  - **Postpaid phone loss of -289k compared to cons -215k w/ higher than expected churn**

  - **But the Co ended the qtr w/ positive momentum in Consumer postpaid phone gross adds**
    - **March:** Consumer postpaid phone gross adds were up MSD y/y & the last 2 wks of March was "very good and strong for us"
    - **April:** Launched the Verizon Value Guarantee & are seeing DD grwth in gross adds; More customers are taking premium plans as well
    - **2025 outlook - Remain confident to deliver y/y increase in Consumer postpaid phone net adds**

  - **Prepaid adds of 137k was dramatically better than expectations for a -**51k loss & Q1:24 loss of -268k): This was the best performance since the TracFone acq; Strategy to invest in the Straight Talk, Visible, and Total Wireless brands "continues to pay off"
    - **2025 outlook:** Anticipate gaining market share in prepaid this year and expect positive service revenue contribution from core prepaid in H2

Verizon	Q1 2025 Results		
	Actual	Cons Est	% Surp
Wireless Net Add Metrics			
Postpaid	**-159**	**206**	**-229.6%**
Phone	-289	-215	-25.6%
Consumer	-356	-314	-11.8%
Business	67	72	-6.9%
Prepaid	**137**	**-51**	**368.6%**

Source: Verizon Filing, FactSet Financial Data

LionTree

- **AT&T - Posted the opposite of Verizon and saw better Q1 postpaid phone additions but weaker prepaid performance**
  - **Postpaid:** Added 324k postpaid phone net adds which was well ahead of cons 260k
    - 13% y/y incr in gross adds more than offset a normalizing trend in churn
  - **Prepaid:** While the Co lost -34k prepaid subs vs cons gain of 11k

- **AT&T - Subscriber KPIs Q2-to-date:** "Trends we're seeing in our mobility business so far in the second quarter - Postpaid phone net-adds remained solid with both gross adds and churn broadly in line with our expectations"

AT&T	Q1 2025 Results		
	Actual	Cons Est	% Surp
Wireless Net Add Metrics			
Postpaid	**290**	**304**	**-4.6%**
Phone	324	260	24.5%
Prepaid	**-34**	**11**	**-131.2%**

Source: AT&T Filing, FactSet Financial Data

LionTree

- **T-Mobile – Postpaid phone adds were strong at 495k but slightly missed cons 504k; Prepaid adds of 45k beat cons 12K**

- Best ever Q1 record w/ total postpaid net adds
- Q1 gross adds were also a record…gross adds were up y/y across "all categories"

- **T-Mobile – Is taking market share of postpaid phones y/y not just in smaller markets and rural areas but also across the top 100 markets**

T-Mobile	Q1 2025 Results		
	Actual	Cons Est	% Surp
Wireless Net Add Metrics			
Total Wireless	1,382	1,190	16.1%
Postpaid	1,337	1,180	13.3%
Phone	495	504	-1.8%
Other	842	(no consensus)	
Prepaid	45	12	275.0%

Source: T-Mobile Filing, FactSet Financial Data

LionTree

Higher Than Expected Q1 Postpaid Phone Churn (With Pricing Action Being A Factor) Was A Key Theme But Companies Have Different Outlooks

- **Verizon – In March, the Co flagged 3-5bp higher y/y churn impacting postpaid phone performance in Q1 BUT was actually up 6bp y/y; However, the Co expects churn to come down looking ahead**
    - The recent pricing actions in Dec/Jan & pressure from federal govt accounts caused consumer postpaid phone churn to rise by 7bp y/y but see that churn as "transitory"
    - Expect to get back to "BAU (business as usual)" levels by H2 helped also by both Verizon Value Guarantee (biggest impact) & C-band expansion
    - The collective pricing chgs are anticipated to yield over $1bn in incremental Svs revenue, allowing for greater operating flexibility for the rest of the yr

- **Verizon - Retail postpaid ARPA at $169.81 outperformed cons $168.46**

Verizon	Q1 2025 Results		
	Actual	Cons Est	% Surp
Churn			
Retail Postpaid	1.23%	1.17%	Higher
Retail Postpaid Phone	0.95%	0.92%	Higher
Per User Metrics			
Retail Postpaid ARPA	$169.81	$168.46	0.8%

Source: Verizon Filing, FactSet Financial Data

LionTree

- **AT&T – Posted an uptick in churn which should remain at higher levels y/y:** Postpaid phone churn of 0.83% was up 11bp y/y primarily driven by the normalization of customers reaching the end of their equip promo financing periods in Q4 (flagged on their prior call) and the Co also saw "some shifts in competitive offers during the quarter that impacted churn"; Involuntary churn remain low and consistent w/ their expectations
    - **Outlook - Expect postpaid phone churn to remain at a similar level in Q2 with typical seasonality anticipated in H2 (cadence in 2023 is "a good benchmark" where churn was flat from Q2 to Q3 and then incr'd 5bp from Q3 to Q4); Churn in 2025 will be higher than 2024**

- **AT&T - Postpaid phone ARPU marginally outperformed Street expectations and grew +1.8% y/y** due to uptake of their offerings among new and existing high quality customer cohort and the cont'd growth of converged accounts

AT&T	Q1 2025 Results		
	Actual	Cons Est	% Surp
Churn			
Postpaid Churn	0.99%	0.91%	Higher
Postpaid Phone Churn	0.83%	0.75%	Higher
Per User Metrics			
Postpaid Phone-Only ARPU	$56.56	$56.40	0.3%

Source: AT&T Filing, FactSet Financial Data

LionTree

- **T-Mobile – Postpaid phone churn was also higher than expected which the Co attributes to macro vs a change in competition: "**In times of uncertainty, people are grabbing what they can afford now" so the co is "seeing some pull forward on upgrades and switching so churn was a little elevated for everyone"; Upgrades seem to be happening "at pace"
    - **But the Co still sees a bigger switching pool as good for them**

- **T-Mobile - Postpaid phone ARPU was also a tad weaker than cons as was prepaid ARPU but postpaid ARPA growth of almost 4% was still the highest Q1 in 8 yrs:** 60% of lines for new consumer accounts continue to load onto the Co's premium plans which is double that of their current base; This contributed to ARPU growth
    - Reaction to their recent pricing action on "outdated" plans has been received as expected

T-Mobile	Q1 2025 Results		
	Actual	Cons Est	% Surp
Churn			
Postpaid Phone	0.91%	0.86%	
Prepaid	2.68%	2.78%	
Per User Metrics			
Postpaid ARPA	$146.22	$145.94	0.2%
Postpaid Phone ARPU	$49.38	$49.61	-0.5%
Prepaid ARPU	$34.67	$35.16	-1.4%

Source: T-Mobile Filing, FactSet Financial Data

LionTree

Convergence Remained A Key Focal Point On Telco Earnings Calls…Though T-Mobile Remains More Muted

- **Verizon – seeing "significantly better" retention rates amongst converge customers vs those w/ just mobility or broadband**
    - "Vast majority" of the +339k broadband net adds in Q1 were in a converged offering
    - Frontier transaction has also "solidified the Verizon model of convergence" by expanding broadband footprint
    - **Convergence model is being driven by customer demand vs promotions:** Verizon's model of convergence "tends to be very demand-led. It's based on a strong offering and giving customers what they want, which is flexibility, not just using price and promotions to get a converged offering"
    - **"Our converged posture is improving every single days…and that helps with long-term churn"**
        - Currently seeing a 50% reduction in mobility churn when customers have fiber, and a reduction in mobility churn when they have FWA as well

- **AT&T – The Co's position as "the largest converged provider across 5G and fiber" is fueling growth in "high-value" customer relationships**
    - Seeing the increasing rate of converged customer penetration and "significant" wireless share gains within their fiber footprint " continuing and, in some cases, strengthened" in Q1
        - "Significant" portion of wireless gross adds were for converged accts
        - Had more converged household gross adds within fiber in Q1 vs last yr
        - **Converged penetration continues to climb:** More than 4 in 10 AT&T fiber households are now also subscribing to AT&T's mobility svs
    - **"This is a key trend because accounts with both fiber and wireless services have lifetime values that are more than 15% greater than customers with stand-along services"**

- **T-Mobile – Still has a more muted view on convergence: "**More than 85% of the US for over 5 years has had the option of buying wireless from their wireline provider"; It is "a flaw" to say that convergence is "inevitable" in the US like Europe b/c some of the biggest European mkts have convergence levels that are lower than the US…the Co sees it as a market specific thing
    - See a significant oppty to make equity-enhancing investment in fiber so are looking for good investments

New Longer Term Price Guarantee Plans Are A Major Trend In Connectivity (Also See Theme #4 For Comcast's New Plan)

- **Verizon - Their 3-Year Price Lock and Free Phone Guarantee is the "next phase of our Consumer transformation":** The new offering was contemplated in 2025 guidance and "is a key component of our strategy to deliver sustainable growth"
    - **Verizon Value Guarantee is "a game-changing offer"**
        - 3-yr price lock guarantee that covers the network portion of all tiers of myPlan and myHome

        - Current customers were automatically enrolled on day one
        - Guaranteed trade-in credit for phones to new and existing customers w/in their plan tiers
        - Free satellite text messaging on all plans

    - **Strong early reception:** "Early indicators in April suggest strong gross add momentum and very good reception from customers, including many new customers attracted to Verizon"

    - **Benefits of Verizon Value Guarantee:** 1) Drive revenue through higher volumes, higher premium mix, perk adoption & upgrading customers to MyPlan; 2) Launch puts them on path to get back to the lowest churn in the industry over time
        - **VZ still has room for price adjustments:** The price lock applies to MyPlan and MyHome network plans only…it doesn't apply to perks, discounts, taxes or fees so the Co can still adjust price on legacy plans or introduce new plans if they see an oppty in the mkt; Also, the free phone offer will be tiered by plan and require a device trade-in

- **T-Mobile – Earlier this week intro'd:**
    - A 5-yr price guarantee on talk, text, and data across its new postpaid and Metro plans ("beating" Verizon's 3-yr guarantee)
    - Also launched two new postpaid options, Experience More and Experience Beyond, which expand on the Go5G lineup w/ additl hotspot and international data, plus T-Satellite w/ Starlink included through YE
    - The Co is offering up to $800 per line to pay off device balances from AT&T or Verizon, along w/ new smartphones when customers trade in existing devices; Metro by T-Mobile also refreshed its plan lineup, cutting prices by up to 20% for families & extending the same five-year price lock (link)

- **T-Mobile – Also launched pricing for T-Satellite at $10/mo for everyone**
    - They have been rapidly rolling out the T-Satellite beta w/ "hundreds of thousands" of active users
    - This is the only mobile phone satellite network that keeps you connected automatically; It is seamless
    - They have had incredible customer response including broader than expected interest from competitors' customers
    - Set final launch pricing for T-Satellite at just $10 per month for everyone including AT&T & VZ customers (except it will be free for their Experience Beyond and Go 5G Next plans
    - Commercial svs starts in July and this pricing will be good for at least a year for everyone
    - Note in the Verizon section above that they are including Satellite messaging for free as part of their new plan

The Telcos Ubiquitously Are Still Taking Share In Broadband W/ VZ's Consumer FWA, AT&T's Internet Air FWA, & T-Mobile FWA All Delivering Upside…T-Mobile's Fiber Offer Is On The Way

- **Verizon - B-band adds broadly fell short of consensus except Consumer FWA adds:** Total broadband net adds fell -12.9% to +339k in Q1 (vs +408k in Q4) and missed cons by -9.1%
    - **FWA net adds MISSED, as biz segment weighed on overall net adds:** Q1 FWA net adds were down -13.0% y/y to +308k (vs +373k in Q4) and missed cons by -8.3%; Consumer FWA net adds of +199k were +7.6% above cons, but business net adds of +109k were -27.3% below cons
        - **Reiterated and have "great momentum" to reach 2028 target of 8-9mn FWA subs:** Ended Q1 w/ 4.8mn+ FWA subs
        - **Seeing seq improvement in churn,** "which is really important for us as the product matures and we get more comfortable and customers get more comfortable with the piece"
    - **Fios net adds MISSED and were down seq:** Q1 Fios net adds were down -15.1% y/y to +45k (vs +51k in Q4) and missed cons by -13.5%
        - **Fios had its best churn in "a very, very long time" in Q1,** which "goes back to the strong NPS customer satisfaction and reliability of the fiber plant"; Churn was seq better than Q4
    - **Seeing "good" ARPU growth across both Fios and FWA:** Driven by better price realization and better premium mix in terms of higher-end plans on FWA and 1 GB+ plan on Fios

Verizon	Q1 2025 Results		
	Actual	Cons Est	% Surp
Broadband & Video Net Add Metrics			
Total Broadband	**339**	**373**	**-9.1%**
FWA	**308**	**336**	**-8.3%**
Consumer	199	185	7.6%
Business	109	150	-27.3%
Wireline Broadband	**31**	**37**	**-16.2%**
Fios Internet	**45**	**52**	**-13.5%**
Consumer	41	48	-14.6%
Business	4	4	0.0%
Fios Video	**-60**	**-60**	**0.0%**

Source: Verizon Filing, FactSet Financial Data

LionTree

- **AT&T – Q1 fiber adds were a tad light vs cons but Internet Air FWA posted accelerated adds:** Total Broadband adds came in at +137k in Q1 (vs Q4's +123K and Q3's +28k) and topped cons by +60.8%; Seventh straight qtr of overall bband sub growth and second consecutive qtr w/ 100k+ bband net adds
  - **Fiber net adds slightly missed cons estimates:** Up +261k in Q1 (vs +307k in Q4) and missed cons by -0.7%
    - The additions were driven by growth in consumer locations served w/ fiber, which reached 23.8mn at the end of Q1, and growing contribution of net adds in regions served w/ GigaPower fiber
    - **Fiber ARPU growth accel'd seq:** Q1 Fiber ARPU was up +6.2% (vs +4.7% y/y in Q4) and reached $72.85
  - **BUT Internet Air FWA continues to improve seq:** Incr'd +181k (vs 158k in Q4, +135k in Q3, +139k in Q2, and +110k in Q1) driven by broader availability across our distribution channels
    - **What's driving the acceleration?** "Nothing's really changed in our point of view other than we're getting better at all aspects of how we run our business, yields on the wireless network, efficiency, lining up markets to distribution channels, coming up with the right offers that we can make accretive over the long-haul"

AT&T	Q1 2025 Results		
	Actual	Cons Est	% Surp
Broadband Net Add Metrics			
Total Broadband	**137**	**85**	**60.8%**
Fiber	261	263	-0.7%
Non-Fiber	-127	-174	37.0%
Per User Metrics			
Broadband ARPU	$70.87	$70.70	0.2%

Source: AT&T Filing, FactSet Financial Data

LionTree

- **T-Mobile – Very strong bband adds at +424k…8.2% ahead of cons:** For the 13th qtr in a row led entire Bband industry w/ customer growth
  - Had the lowest 5G bband churn ever
  - Highest ever Q1 ARPU growth ever
  - Highest ever business high speed internet adds

- **T-Mobile – Bullish on the upcoming T-Fiber launch later this qtr**
  - Has been in pilot for the last 2+ years; "this is the beginning of something great"; Metronet transition will further expand T-Fiber and bring more bband choices
  - T-Mobile can leverage its big retail distribution, and it also has a high-speed internet waitlist of over 1m people where fiber could be a solution for part of that

T-Mobile ($mn)	Q1 2025 Results		
	Actual	Cons Est	% Surp
Broadband Net Add Metrics			
High Speed Internet	424	392	8.2%

Source: T-Mobile Filing, FactSet Financial Data

LionTree

Business Wireline Profitability Was Materially Better Than The Street Expected In Q1 But AT&T Has Some 1x Benefits

- **Verizon - Profitability upside in Business segment was a standout, while Business revenue declines improve:** Q1 rev fell -1.2% y/y (vs -1.5% y/y in Q4) and missed cons by -0.7%; Adj. EBITDA was up +10.3% y/y (vs +3.0% y/y in Q4) and beat cons by +11.5%
    - **Business postpaid phone net adds were impacted by pressure within federal govt accts:** Fell to 67k from 80k in the prior-yr period and missed cons by -6.9%

- **AT&T – Profitability upside in Business segment was also a standout (but helped by 1x item), with the same trend of Business revenue declines improving:** Q1 revs fell -9.1% y/y (vs -10.0% y/y in Q4) and beat cons by +1.1%; Adj EBITDA fell -1.8% y/y but beat cons by +17.6% and margins of 31.3% were up from 29% in the yr ago period)
    - **Segment revs:** Legacy & Other Transitional Svs fell -17.4% y/y which was partially offset by fiber & advanced Connectivity Services growing +4.5% y/y
    - **BUT trends did benefit from some non-recurring factors & will see normalization looking ahead:** Pricing actions on Legacy Services helped moderate rev declines (and are all margin) but this benefit "will diminish" over the next few qtrs; Also had 1x benefit of ~$45mn from vendor settlement adjustments; Expect to see "normalization" of Biz W-line EBITDA for the rest of the year

- **T-Mobile – It was a record qtr for Enterprise adds; T-Priority is the most exciting growth oppty for T-Mob Business**

A Few Other Key Comments Across The Telcos On The Network Builds, & Customer Experience

- **Verizon – no slowdown in build plans**
    - **"On track" to deploy C-Band to 80-90% of planned sites by yr-end** and are "aggressively" rolling out 5G advanced features
    - **Multi-dwelling unit (MDU) solutions for FWA was launched in 15+ mkts** and will start ramping during the yr
    - **"Tracking ahead" of Fios build plans** to deliver 650k new passings this yr

- **AT&T – Expect to hit the target of passing 30mn+ total locations w/ their fiber network before mid-year (which is ahead of original end of 2025 target)**
    - Continue to ramp towards the objective of reaching 50mn+ total locations w/ fiber by 2029 through a combination of our organic build, Gigapower and other commercial open access agreements

- **AT&T - Making progress with retiring legacy copper network and have the oppty to move even faster w/ recent FCC orders**

- **T-Mobile – Is rolling out 5G advanced nationwide which is faster, more dynamic and more efficient; Achieved a record** 6.3 gbps download speed in a recent real world field test

- **T-Mobile – Still very focused on transforming the customer experience with digital and AI**
    - Doubled the % of postpaid phone upgrades completed digitally with well over half of upgrades being digital by quarter's end
    - AI is Reducing the need for customers to reach out to the care team

4) Cable's Broadband Losses Continue To Surprise On The Downside But Is FWA Growth Set To Ease?? Charter Thinks So

The connectivity storm continues with, in addition to the 3 major wireless telcos reporting (see Theme #3), Comcast and Charter, which also released results on Cable performance and additionally, in the case of Comcast, a first look at media entertainment trends (see Theme #5 for more on that).

On the macro side, similar to the messages out of the telcos, Comcast has not seen "any noteworthy evidence of economic challenges…thus far," but did caveat that "the odds have increased that challenges may be approaching." Regardless mgmt believes that they are "well-positioned to handle whatever lies ahead." Charter also thinks "we're pretty well positioned for potential headwinds in the recessionary environment, if that's what's coming on" and doesn't see any impact on its CapEx plans. One macro aspect of difference was that neither cable operator was as direct as Verizon, AT&T, nor T-Mobile in saying that consumers would be the one to bear the cost of higher h-set costs as a result of the tariffs.

Comcast's overall Q1 headline numbers were strong relative to consensus, with big profitability upside in the Co's Media business (see Theme #5 with more detail). But delving into the Co's Connectivity & Platform business, Comcast continues to struggle with the "intense" competitive environment in broadband and net losses were once again worse than expected. The Co is now taking a more aggressive stance to address consumers' main pain points regarding transparency and simplicity with its recently launched new 5-year price guarantee offer for new and existing Xfinity Internet customers, which also includes free unlimited w-less services for one year. This should help drive more unit volumes and reduce churn but the investment associated with this new converged offer will constrain adj EBITDA growth this year, which was a hot button for investors. Mgmt is confident that the longer-term benefits will outweigh the short-term hit given the Co will end up with "more durable" customers with a higher life-time value but this will take some time to play out. Overall, Comcast's new converged offer was a big focus and is a big change in its go-to-market strategy. We also think it is worth flagging that the Co also does not see this move as a re-pricing of the base and sees room for price increases looking ahead.

Charter as well delivered better than expected Q1 financial headline numbers with better margins and even better FCF as standouts. The Co had a similar pattern of worse than expected Q1 broadband adds but better than expected w-less adds. With that said, ACP impacts are behind them and mgmt believes that mobile substitution trends are receding. The one wildcard mentioned was the housing climate as that drives unit adds as well. Charter mgmt also cited a plateauing of FWA growth, which caught investors' attention as well. One last call out in particular was Charter's lower video losses, which was primarily driven by the re-bundling the Co launched in September, along with the Life Unlimited brand refresh. It has not yet benefitted from incorporating seamless entertainment apps in its product, so that is to come down the road. Overall, Charter should grow EBITDA in 2025, which is a big focus.

See below for more of what we found most interesting and important from Comcast and Charter's connectivity results and conference calls (again, see Theme #5 for thoughts on the performance of Comcast's media-oriented assets) and Theme #3 for a deep dive into Verizon, AT&T, and T-Mobile's results.

-> Comcast shares fell as much as -7% on the day of results, though closed down -3.7%, while Charter went the other way and finished up +11.4%; YTD, Comcast's stocks is down -0.3%, while Charter is up +9.0%

Higher Margins & Even Higher FCF Than Expected Were Key Hallmarks Of Comcast's and Charter's Q1 Headline Financial BEATS

- **Comcast – headline financials BEAT expectations w/ much higher margins (& FCF) as the standout, mostly due to higher profitability in Media**
    - Total revs, adj EBITDA, and adj EPS beat cons by +0.4%, +4.5%, and +10.1%, respectively: Adj EBITDA margins of 31.9% was nicely ahead of cons 30.6%
        - Total revs fell -0.6% y/y, adj EBITDA grew +1.9% y/y, & adj EPS grew +4.5% y/y
    - FCF at $5.42bn was also +37% above Street projections w/ CapEx spend -39% lower than expected
    - Shareholder returns = $3.2bn, incl $2bn of buybacks

- **Comcast – Segments**
    - **Connectivity & Platform – INLINE TO SLIGHT BEAT:** Rev growth of +4% and adj EBITDA growth of +1.5% (margins 41.4%, up 80bp ex-FX) were in-line to slightly better than consensus
        - **But bband adds were a big disappointment, while w-less adds were the upside surprise**

- **Content & Experiences – BEAT:** Rev growth of +0.8% and adj. EBITDA loss of -0.1% (margins 14.2%) easily beat consensus expectations
    - All segments beat on rev and adj. EBITDA, with the exception of Theme Parks rev, which missed by a small -0.2%
    - **See Theme #5 for more on the Content & Experience biz**

Comcast	Q1 2025 Results		
	Actual	Cons Est	% Surp
Revenue ($mn)	**$29,887**	**$29,770**	**0.4%**
Adj EBITDA ($mn)	**$9,532**	**$9,120**	**4.5%**
Adj EBITDA Margin (%)	31.9%	30.6%	
Adj EPS	**$1.09**	**$0.99**	**10.1%**
CapEx ($mn)	**($2,252)**	**($3,130)**	**39.0%**
Free Cash Flow ($mn)	**$5,421**	**$3,960**	**36.9%**
Segment Breakdown ($mn)			
Connectivity & Platforms Revenue	**$20,138**	**$20,130**	**0.0%**
Domestic Broadband	$6,558	$6,700	-2.1%
Video	$6,718	$6,460	4.0%
International Connectivity	$1,132	$1,220	-7.2%
Wireless	$1,123	$1,140	-1.5%
Business Services	$2,496	$2,500	-0.2%
Advertising	$881	$882	-0.1%
Other	$1,230	$1,240	-0.8%
Connectivity & Platforms Adj EBITDA	**$8,340**	**$8,230**	**1.3%**

Source: FactSet, StreetAccount

LionTree

- **Charter – Headline financials generally BEAT with higher margins & much higher FCF the key highlights**
    - Total revs beat by +0.5%; Adj. EBITDA beat by +3.3%, w/ margins of 42.0% coming in ahead of cons 40.8%
        - Total revs grew +0.4% y/y; Adj EBITDA growth accelerated to +4.8% y/y (or +3.4% y/y ex 1x benefits)
    - EPS of $8.42 came in slightly below cons $8.44
    - FCF at $1.56bn was a massive +176% ahead of Street expectations, while capex spend came in -19% lower

- **Charter – Segments**
    - **Residential – BEAT by +0.9%:** Fell -0.1% y/y (vs -0.4% y/y in Q4)
    - **Commercial – MISSED by -0.4%**
    - **Bband adds were a disappointment, while w-less adds were the upside surprise**

- **Charter – Outlook: "Our plan is to grow EBITDA in 2025 and with strong contributions from the mobile business, as well as continuing efficiency improvements driven by our investments, we made good progress against that plan in the first quarter"**
    - As the Co continue to grow the business, they will also see "outsized improvements" to FCF given the end of the significant onetime investments in the network evolution and subsidized rural initiatives

- **Charter – Began repurchases again in late Feb and bought back 2.1mn Charter shares and Charter Holding common units at avg share price of $365**
    - Next week the Co is announcing a new employee stock purchase plan that allows eligible employees the option to purchase Charter stock w/ matching restricted stock units, which increases based on tenure

Charter	Q1 2025 Results		
	Actual	Cons Est	% Surp
Revenue ($mn)	**$13,735**	**$13,670**	**0.5%**
Adj EBITDA ($mn)	**$5,763**	**$5,580**	**3.3%**
Adj EBITDA Margin (%)	42.0%	40.8%	
Adj EPS	**$8.42**	**$8.44**	**-0.2%**
CapEx ($mn)	**$2,399**	**$2,950**	**-18.7%**
Free Cash Flow ($mn)	**$1,564**	**$567**	**175.7%**
Revenue by Segment ($mn)			
Residential	**$10,780**	**$10,680**	**0.9%**
Internet	$5,930	$5,870	1.0%
Video	$3,580	$3,620	-1.1%
Mobile	$914	$908	0.7%
Voice	$356	$338	5.3%
Commercial	**$1,822**	**$1,830**	**-0.4%**
Small business	$1,086	$1,090	-0.4%
Mid-market & large business	$736	$735	0.1%
Advertising	**$340**	**$352**	**-3.3%**
Other	**$793**	**$763**	**4.0%**

Source: Charter Filings; FactSet Data & Analysis

LionTree

Charter Reaffirmed Its FY CapEx Guidance And Doesn't Expect Impact From Tariffs

- **Charter – continue to expect 2025 CapEx of ~$12bn (just slightly above Street expectations of $11.97bn) and no changes to multi-year CapEx guidance**
  - Including line extensions CapEx of ~$4.2bn and network evolution spend of ~$1.5bn

- **Charter – doesn't expect tariffs to have "meaningful" impact on overall CapEx this yr or over the next several yrs and feels well positioned in this environment**
  - Highlighted that they are "an American company…have 100% US-based workforce…our preference is to buy American-made products when they're available and when they're price competitively"
  - "The vast majority of our P&L expenses are programming, labor and service driven and are not subject to the new tariffs"
  - So I don't have a crystal ball on the economy. But I think we're pretty well positioned for potential headwinds in the recessionary environment, if that's what's coming on. I'm not -- like I said, I don't have a crystal ball and I'm not predicting that. I'm just saying that we're in a pretty good spot

Comcast's & Charter's Broadband Losses Were Worse Than Expected While W-Less Adds Were Better / Charter Flags A Plateau With FWA Competition

- **Comcast – Q1 Broadband losses of -199k reflects a competitive environment that "remains intense"… follows a loss of -139k in Q4 & -87k in Q3…the Co also saw an uptick in churn due to w-less substitution:** Though churn is still below pre-pandemic levels; The uptick was broad-based across the footprint (not just fiber footprints for example) and in all segments of product mix but they are seeing "a little more mobile substitution impact this qtr"
  - **Bband ARPU growth was solid** at +3.3% y/y (while total Bband revs grew +1.7% y/y)
  - **Bandwidth consumption was up +10% pe/ subscriber in Q1**

-> T-Mobile commented that broadband substitution is a dynamic they have seen in the prepaid market but "don't have any evidence that its really changing in a significant way"

- **Comcast – Q1 w-less adds of +323k were the HIGHEST in 2 years (reached 8.1mn lines) … follows +307k in Q4 and +319k in Q3**
  - **Outlook:** Accelerating w-less momentum remains central to the strategy and expect cont'd momentum in subscriber growth in the coming qtrs

- **Comcast – when asked if they will absorb higher H-set subsidies if prices go up b/c of tariffs, mgmt's response was at best vague…:** "So when it comes to macroeconomic and other issues, have figured it out, whether it's competitive intensity, we think we'll manage through it and we have good offers on devices"

Comcast	Q1 2025 Results		
	Actual	Cons Est	% Surp
Net Add Subscriber Metrics			
Wireless	323	297	8.9%
Broadband Net Adds	-199	-146	-26.5%
Video	-427	-406	-4.8%

Source: FactSet, StreetAccount

LionTree

- **Charter- During the quarter, saw improvements in customer gross additions across Internet, Video and mobile & lower churn in Video and Mobile, with Internet churn stable y/y despite the lack of ACP & well below pre-COVID levels**

- **Charter – Internet net losses were worse than expected but improved y/y w/ the ACP headwind "now behind us":** Q1 net losses of -60k (vs -72k in the prior yr qtr and -177k in Q4) missed cons by -31.0%, as both Residential and SMB net losses were steeper than Street expectations
  - **Net adds in the subsidized rural footprint were slightly down seq:** Added a net +39k in Q1 (vs +41k in Q4, +41k in Q3 and +36k in Q2)
    - **Continue to expect rural passings growth of ~450k in 2025, which would be their biggest yr yet**
  - **Internet churn has been stable y/y,** despite the lack of ACP and is "well below" pre-COVID levels

- **Charter – "Competing well" in fiber (believe these new fiber builds are "destined for poor financial returns" but notable comments that "cell phone Internet growth appears to have plateaued"**

- **Charter - Broadband data usage grew in Q1**
  - Monthly data usage by non-video Internet customers incr'd to ~ 825 gigabytes / month
  - Over 30% of those customers now use over 1 terabyte data / month w/ handset data usage growing at an even faster rate
  - "Our fully converged network is the most efficient way to satisfy that growing demand for data"

- **Charter – On mobile substitution (per Comcast's comment) including some low-end cell phone Internet migration is almost back to where it was pre pandemic, "so it's continuing"; But mgmt. expects this to slow and get back to where it was**
  - One wildcard is where the housing market goes… that's always been a contributor to broadband industry growth
  - "So ACP, mobile substitution reversion, I think are going in our direction.The housing climate is a little bit unknown right now, and that will have an impact"

- **Charter – Mobile net adds returned to y/y growth:** Mobile net adds grew +5.8% y/y (vs down -3.1% y/y in Q4) to +514k adds in Q1 (vs +529k in Q4) and beat cons by +10.1%
  - **Mobile svs rev growth accel seq:** Up +33.5% y/y (vs +37.4% y/y in Q4)
  - **"We continue to be the fastest-growing mobile provider in the US"**

Charter	Q1 2025 Results		
	Actual	Cons Est	% Surp
Subscriber Net Adds (in thousands)			
Internet	**(60.0)**	**(41.4)**	**-31.0%**
Residential	(55.0)	(41.3)	-24.9%
SMB	(5.0)	(0.1)	-98.0%
Video	**(181.0)**	**(207.0)**	**14.4%**
Residential	(167.0)	(205.0)	22.8%
SMB	(14.0)	(2.0)	-85.7%
Voice	**(278.0)**	**(247.5)**	**-11.0%**
Residential	(264.0)	(251.4)	-4.8%
SMB	(14.0)	3.9	-127.9%
Mobile	**514.0**	**466.7**	**10.1%**

Source: Charter Filings; FactSet Data & Analysis LionTree

Comcast's Recently Launched Simplified Pricing Construct Is A KEY Converged Offer BUT Investments Will Weight On Adj EBITDA…Charter Sees "Significant" Churn Benefit From Converged Customers

- **Comcast - Believes the Co is best positioned for convergence…**
  - The Co has the largest converged footprint in the country… "our gig enabled converged footprint is more than double our competitors combined"
  - Believes that their WiFi connectivity in the home is best-in-class and is the biggest influencer of broadband svs decisions; Launched more powerful gateway which is key for w-less as well as 90% of all mobile data whether in or out-of-the home travels over WiFi
  - "Structurally positioned to win"

- **Comcast - …BUT the Co needs to address customer pain points given it is "not winning": "**In this intensely competitive environment, we are not winning in the marketplace in a way that is commensurate with the strength of the network and connectivity product"; Why not? Have been lacking in:
  - Price transparency and predictability
  - Level of ease of doing business with Comcast

- **Comcast – The Co is actively working to address these pain points & its new 5-yr price guarantee converged offer is a KEY component:** There was a big focus on the Co's new price guarantee for broadband that includes Xfinity's best-in-class gateway & unlimited data for one simple monthly price that is locked-in for five years with no annual contract required; Customers who sign-up for this plan also have the option to add a free mobile line for 1 yr
  - **Providing more value to customers w/ less complexity & friction is a "top priority":** And they "are not done" so it sounds like there are more announcements on the way
  - "We're using this as a moment to get away from a model that at least partially relied on deep discounting upfront, but then increasingly results in untenable increases after promotional periods and we'll have customers that have long-term certainty on pricing over-time that is competitive with market rates, which means they're more satisfied, churn at a lower rate and carry much higher customer lifetime value"

- **Comcast – BUT the investment in this new converged offer will put pressure on adj EBITDA, which will "not likely grow" in 2025 y/y:** The Co anticipate that it will take "several quarters for our new approach to gain traction and impact the business in a meaningful way"; It will "impact our ability to grow EBITDA in the near-future, but we view the impact as very manageable"
  - **The Co will be in a much better position post this investment:** Customers on that plan will be "more durable" & the free 1-yr promo w-less customer rolls into a paying relationship that is still at a "substantial discount" to where market rates are… that provides for increases over time
  - **AND Comcast does NOT see the new offer as a re-pricing on the base:** "We think we can still drive healthy broadband ARPU growth"

- **Comcast - The Co's w-less business is a central to their convergence strategy as they see an 80% improvement in customer lifetime value when they add w-less service to their broadband-only customer relationships; The are going after both existing and new customers**
  - The Co started to prioritize the mobile attachment towards the end of Q1
  - The existing based of b-band only customer remains a big focus and oppty (ony 13% penetrated)
  - But the Co also competes "fiercely" for new customers: The Co just rolled out a new set of premium plans in mobile which will help them compete "a little more effectively" in the premium higher end as well

- **Charter – "Just under" 20% of Internet customers are mobile customers and customers w/ mobile lines show "significantly lower" internet churn**
    - **Retention improves with each layer of engagement:** Households with more mobile lines see lower churn, and that increases when those include supported lines (i.e., family plan) and devices purchased through Charter
    - **What's driving the lower churn?**
        - **Value convergence:** Customers are saving "hundreds and even thousands of dollars"
        - **Technology convergence:** Faster mobile via Charter's WiFi and CBRS
        - **Product convergence:** Building mobile and internet into one offering is more attractive to customers
    - **Additionally, after years of strategic intent, Spectrum Mobile is not just helping reduce churn, it is now starting to help drive new customer acquisition**

Charter's Video Losses Were Much Better Than Expected Given The Co's Push With Re-Bundling & Life Unlimited And Seamless Entertainment Will Provide Benefits Looking Ahead

- **Charter – Video losses of -181k were much better than expected:** The improvement is primarily driven by the re-bundling the Co launched in September, along with the Life Unlimited brand refresh
    - Video performance doesn't yet reflect the benefits of incorporating "Seamless Entertainment" apps in their product

- **Charter – What is the update on "Seamless Entertainment" rollout progress?** "To answer your question, we haven't started to aggressively market that yet. We'll start to see some of that coming around, I don't think that the improvement in video that you've seen so far is uniquely driven by these apps and inclusions as of yet… But I think our video results can improve"
    - Most major DTC apps (i.e., Disney+, MAX, Peacock, ESPN+, Paramount+) are now available to Spectrum TV Select customers via spectrum.net or the My Spectrum app
        - Customers receive ad-supported versions of these apps with their subscription and can upgrade to ad-free versions by paying the incremental retail cost
        - **Enables Charter to offer premium, ad-supported apps as part of the core TV package**
    - **Value creation for both sides -**
        - **For customers:** ~$80+ in value through included DTC apps, plus additional savings if they upgrade to ad-free
        - **For programmers:** "Best place for programmers to get the value to them is really to have all these services bundled together to the extent a customer can afford it"
    - **Bundling video and mobile is expected to strengthen broadband trends over time**
        - **"It allows us to have a lower presented price for Internet,** both at promotion and retail and have lower roll-offs… which benefits not only at acquisition, but service transactions over time and churn over time as well."
        - **"None of our competitors are able to actually offer that, bundled together with video**… and provide them a video product that can potentially reduce their bill compared to what they're paying through this quilt of direct-to-consumer apps."

Biz Services Remains A Focus Segment For The Cable Operators Though Saw Some Weakness In SMB

- **Comcast - Business Svs remains a key growth driver…posted ~4% rev & EBITDA growth and 57% margins in Q1:** The biz accounts for ~25% of total Connectivity revenue

- **Comcast - Has been seeing pressure in the small-business area (experienced "elevated level of competition") but continue sell-in advanced products, including cyber security & Comcast Business Mobile and the Co is focused on increasing mkt share & growing customer relationships in Enterprise Solutions**
    - Have just "scratched the surface" in Enterprise
    - Closed the acq of Nitel earlier this month which should add a few hundred bps of rev growth to Business Services w/ a minimal impact on EBITDA growth in the near-term

- **Charter- Total commercial grew by +1.4% y/y w/ mid-market & large business revenue growing +3.9% y/y,** driven by PSU growth of +5.4%; When excluding all wholesale revenue, mid-market and large business revenue grew by +4.4%; Small business revenue declined by- 0.2%, reflecting a decline in small business customers, partly offset by higher revenue per customer

Charter Has Seen Tangible Improvements In Customer Service Investments

- **Charter – Has had a big focus on customer care…sales and service are 100% US-based and investments in employee compensation, tenure, facilities & tools, including machine learning and AI, are all resulting in significant improved service**
  - Cable billing and repair calls were down -15% y/y in Q1
  - Service truck rolls were down -6% y/y
  - "Looking forward, AI remains a very large opportunity for us to create value for customers and shareholders"

5) Comcast's Media Assets Outperform & Have Yet To See Economic Effects…Thus Far

As is often the case, amidst the flood of cable and telco reports, Comcast's NBCUniversal provides an early glimpse into media and theme park trends, and it kicked off on a relatively favorable note. The Co's overall Content & Experiences Q1 results topped expectations with total revenue beating by +1.8% and overall adj EBITDA beating by a substantial +19.2%, mostly driven by a strong beat in Media business. However, that upside appears largely tied to lower expenses y/y from when the Co streamed the exclusive NFL Wildcard game last yr. Drilling down a little more, Peacock continued on a familiar trajectory, with overall rev growing (but still decelerating seq), and losses narrowed (improved to -$215mn in Q1 from -$372mn in Q4). The svs added ~+5mn new net adds, driven by the Charter bundle, and mgmt pointed to the upcoming NBA deal as a long-term lever to expand audience reach and cross-promote content beyond sports.

Arguably the most excitement on the call was around the upcoming opening of Epic Universe, which is just four weeks away. While pre-opening costs of ~$100mn slightly weighed on the segment (as expected it would), advanced ticket sales are "strong", and along with the "stable" trends they have been seeing in Orlando, breeds confidence that they are entering the Epic launch from a position of strength.

Analysts did inquire about whether there have been any signs of a slowdown in domestic parks given the drop in intl travel to the US and general concerns around consumer spend pullbacks, but mgmt has not seen any of that sort, though they did caveat that there may be a delay effect as their booking window may not capture recent shifts in travel behavior.

Lastly, Studios was the standout, delivering the biggest profitability beat of +71.8% across the segments. Momentum was driven by continued strength from Wicked, which not only performed well theatrically but also became Peacock's most-watched Pay-One title. Upcoming tentpoles like How to Train Your Dragon and Jurassic World Rebirth are expected to maintain that momentum into the summer.

See below for more on Comcast's Content & Experience business and see Theme #4 for perspectives on its Connectivity business.

Comcast's Overall Content & Experience Division Topped Expectations, W/ Studios In Particular Outperforming

- **Total rev beat cons by +1.8%**
  - Studios and Media beat, while Theme Parks posted a slight -0.2% miss

- **Overall adj. EBITDA was +19.2% ahead of expectations due to strength in the Media segment**
  - All three segments posted beats, w/ Studios having the biggest beat of +71.8%

Comcast	Q1 2025 Results		
	Actual	Cons Est	% Surp
Revenue by Division ($mn)			
Content & Experiences	**$10,457**	**$10,270**	**1.8%**
Media	$6,440	$6,410	0.5%
Studios	$2,826	$2,700	4.7%
Theme Parks	$1,876	$1,880	-0.2%
Adj EBITDA by Division ($mn)			
Content & Experiences	**$1,490**	**$1,250**	**19.2%**
Media	$1,004	$864	16.2%
Studios	$298	$174	71.8%
Theme Parks	$429	$415	3.3%

Source: FactSet, StreetAccount

LionTree

Despite Macro Worries, Theme Park Performance Has Been Steady / Seeing Strong Pre-Opening Demand For Long-Awaited Epic Universe Launch

- **Q1 Theme Parks – MISSED by -0.2%:** Down -5% y/y in Q1, vs flat y/y in Q4, -5% y/y in Q3 and -10.6% y/y in Q2

- **Q1 Theme Parks adj EBITDA – BEAT by +3.3%:** Fell -32% y/y in Q1, vs -4% y/y in Q4

- **Impact from Epic preopening costs (expected) + softness in Hollywood from aftermath of LA fires weighed on Q1 Theme Parks performance**
  - **Intl Parks performance in Q1 "remained strong" but saw lower attendance at domestic parks,** due to the aftermath of LA wildfires and proximity to these areas
    - **Looking ahead – "we expect the recovery at Universal Hollywood to be a gradual"**
  - **Epic Universe launch:** Incurred ~$100mn in pre-opening costs (had previously communicated this)
    - **Looking ahead – "underlying results in the quarter indicated stable trends in Orlando, giving us confidence that we are entering the Epic launch from a position of strength"**

- **Are you seeing any effects from drops in intl travel to the US? Not yet (BUT caveated that there may be a delayed effect)**
  - Domestic parks attract a lot of visitors from the US, and many of those are from mkts in the South that "are not necessarily hopping on planes to get there"
  - "Both ticket sales and hotel bookings are strong for the overall parks and for Epic"
  - **"There may be a delayed effect between what the airlines are starting to report on and what we see. But like I said, no real sign of that in our business as we sit here now… what we see is continued steadiness in the backdrop for parks"**

- **What about intl park performance? "International trends for Japan and Beijing [are] stable as well"**

- **4 weeks away from the opening of Universal Epic Universe in Orlando on May 22nd and seeing "strong demand" since launching ticket sales in Q4:24**
  - Their "most ambitious and technologically advanced theme park"
  - Will have IP from Harry Potter, How to Train your Dragon, Super Nintendo World, and more
  - "Doubles the size of our park footprint in Orlando, transforming our collection of resorts into a weeklong vacation destination"
  - **Early reactions?** Most recent reaction to early previews has "been nothing short of phenomenal"
  - **Demand? "**Ticket sales and advanced plans are a little ahead of our expectations"

- **Also continuing to grow Parks bizs across the US….**
  - **Launching Universal Horror Unleased in Las Vegas this August**, their first permanent year-round horror entertainment experience
  - **Will debut first ever Universal Kids Resort in Frisco, Texas in 2026**

- **…as well as internationally:** Building their first ever Universal Theme Park and Resort in the European mkt –
  - Construction is starting in 2026, w/ grand opening scheduled for 2031
  - Will be located in Bedford, England (right outside London)
    - "An incredibly attractive market" due to its "large population, a strong tourism industry, favorable transportation infrastructure and close proximity to the rest of Europe"
  - **"We're always looking for ways to put capital to work in our growth businesses. And the UK opportunity came along, and we feel quite good about the prospects there"**

Peacock Benefitted From Charter Bundle, Price Increases, And Lower Sports Expenses In Q1

- **Q1 total Media rev – BEAT by +0.5%:** Grew +1% y/y in Q1, vs +3.5% y/y in Q4
  - **Domestic Ad rev fell -6.8% y/y,** primarily due to lower rev at their networks, partially offset by an increase in rev at Peacock
  - **Domestic Distribution rev was up +0.6% y/y,** reflecting higher rev at Peacock, offset by lower rev at their networks
  - **Intl Networks rev was up +13.9% y/y**, primarily due to an increase in rev associated with the distribution of sports networks

- **Q1 total Media adj. EBITDA – BEAT by +16.2%:** Up +22% y/y in Q1, vs +175% y/y
  - Growth driven by decline in sports programming costs due to lower volume compared to last yr, including Peacock's exclusive NFL Wild Card game

- **Peacock rev growth continues to decelerate, but losses continue to improve / Subscriber net adds benefitted from Charter bundle**
    - **Peacock rev incr'd +16% y/y to $1.2bn,** which is a decel from +18% y/y in Q1, +69% in Q3 and +28% in Q2
        - Y/Y growth comes on the back of better monetization of subscribers (did a price increase last yr)
    - **Peacock adj ETBIDA losses improved to -$215mn** from -$372mn in Q4, -$436mn in Q3, and -$348mn in Q2, and -$639mn in Q1
        - Y/Y improvement was, in part, due to lower expenses compared to last yr when they streamed the exclusive NFL Wildcard game, as well as improved monetization of Peacock paid subscribers
    - **Added ~+5mn net adds q/q in Q1 (vs flat in Q4), driven by the entitlements from the Charter bundle:** Ended Q1 w/ 41mn paid subs
    - **Looking ahead – didn't provide specific #s but said that they "expect Peacock to be on a continuing trend of driving towards improved monetization, bigger scale and therefore, declining losses overtime"**

- **Very bullish on NBA coming back to NBCU and potential to scale Peacock audience**
    - "The team is working very hard to make sure—not just within sports, but across entertainment as well—with the new audience that we'll bring in over the years ahead… [we] have it for 11 years… [and will] use the NBA as a launch pad to further scale Peacock and further monetize it"

- **Potential M&A or consolidation? Peacock is "a strong element of any future consumer bundle" BUT there is "no news to report on that front"**
    - "If opportunities come along to partner up in bundles or otherwise, we'll be happy to consider those things if they make sense"

- **A quick update on SpinCo – "no change in our expectation of timing around the end of the year"**

Not Seeing Any Impact From Current Macro Uncertainty On Advertising At The Moment

- **Total ad rev fell -7% y/y in Q1**, mainly due to the volume and timing of sports content, along w/ tough political comps; Ex those items, total ad rev was relatively flat

- **Feel "well-positioned" in the mkt for the upfront and for the balance of the yr,** as they capitalize on the NBA launching in Q4, a "healthy" Peacock subscriber base, and a "strong" content offering across entertainment, news, and sports

- **BUT caveated that "advertising is the category that has shown the most economic related cyclicality in our business historically"**
    - "…impacts aren't yet really seen of the uncertainty that we're observing in the markets. But it may well be coming."

Strong Carry Forward Of Wicked Drove Q1 Studios Outperformance

- **Q1 Studios rev – BEAT by +4.7%:** Up +3% y/y in Q1, vs ~+7% y/y in Q4

- **Q1 Studios adj. EBITDA – BEAT by significant +71.8%:** Up +22% y/y in Q1, vs +85% y/y in Q4
    - Driven by "strong" crossover performance of *Wicked* and *Nosferatu*

- **Capitalizing on a strong and sustained slate**
    - **Post an "impressive" theatrical run, Wicked also became Peacock's most watched Pay-One movie:** "Strong" carryover success from Wicked drove Studio performance in Q1 as the movie continued to deliver "great" results in premium window sales
    - **Coming up next… How to Train Your Dragon (releasing Jun 13, followed by Jurassic World Rebirth (Jul 2)**

Stock Market Check

Market Changes the Past Week

Benchmark	Abs. Value	W/W Change
S&P 500	5,525	4.6%
NASDAQ	17,383	6.7%
Dow Jones	40,114	2.5%
Gold	$3,330	0.1%
WTI Crude	$63.18	(1.3%)
10-Year Treasury Yield	4.26%	(6.6) bps
Bitcoin	$95,105	11.7%
Ether	$1,785	12.7%

LionTree TMT Universe Performance (~220 stocks)

Best-Performing Stocks	+	Worst-Performing Stocks	–
Mobileye	27.2%	Opendoor Technologies Inc	(19.9%)
ThredUp Inc.	26.5%	Eutelsat Communications SA	(11.3%)
Chegg Inc.	26.0%	T-Mobile US Inc.	(11.2%)
Reddit, Inc.	22.8%	Ocado Group plc	(7.6%)
Service Now	22.4%	Eventbrite Inc	(6.7%)
GoPro, Inc.	20.4%	JD.com Inc.	(6.3%)
Palantir Technologies Inc	20.3%	SES SA	(5.6%)
Robinhood Markets Inc	20.1%	American Tower Corp	(5.3%)
Coinbase Global, Inc.	19.8%	CLEAR Secure, Inc.	(5.2%)
Coursera Inc.	19.7%	Verizon Communications Inc	(4.8%)

Best-Performing Sub-Industries	+	Worst-Performing Sub-Industries	–
EdTech	13.3%	Satellite Communications	(0.6%)
Cybersecurity Software	13.1%	Telecom Infrastructure	(0.0%)
Space	12.6%	Consumer Retail	0.8%
US Media/Video	10.8%	Smart Home Security/Automation	1.2%
Semis	10.1%	European Telco	1.4%
Application Software	9.5%	Broadcast TV	2.0%
e-Commerce	9.1%	Out of Home Advertising	2.6%
Entertainment Facilities/Theme Parks	8.4%	Pay-TV / Broadband	2.8%
Ad Tech	8.1%	Sports & Sports Betting	3.2%
Internet/Advertising	7.8%	Advertising Agencies	3.4%

This Week's Other Curated News

This Week's Other Curated News

Advertising/Ad Agencies/Ad Tech

- **National US broadcast and cable TV advertising rev declined 7% to $6.7bn in 1Q25 amid economic uncertainty, per MoffettNathanson Research.** Cable rev slipped -9.2% to $3.4bn, while broadcast was down -4.6% to $3.3bn. Fox bucked the trend w/ Fox News and Super Bowl ads, w/ cable up 10% to $326mn, and broadcast seeing a 114% lift to $1bn. Total US streaming ad rev was up 26% to $3.6bn for 1Q25, led by Disney+ (up 98% to $197mn) (Cynopsis)

- **Ad spend growth is expected to slow to +1. 8% in Apr-May, down from 5.8% yr-over-yr growth for 1Q25, due to macroeconomic uncertainty.** Retail Media is up +18%, driven by its clear connection to consumer purchase behavior, and digital media is growing at 9%, as marketers prioritize channels offering flexibility, shorter lead times, and rapid feedback on performance. Traditional channels are on the decline, w/ spending down -11%. Financial svs (+15%) show resilience, while Automotive (-9%) highlights sensitivity to economic volatility (Cynopsis)

Artificial Intelligence/Machine Learning

- **Ziff Davis, owner of digital platforms like CNET and IGN, has sued OpenAI for allegedly using its content without authorization to train AI models.** The lawsuit claims OpenAI ignored Ziff Davis's robots.txt file and removed copyright marks, arguing for 'fair use.' Ziff Davis contends this infringes on copyrights and sets a worrying precedent for content protection. OpenAI defends its actions, stating AI training transforms copyrighted content, thus justifying its use under fair use doctrine (The Verge)

- **Baidu has launched its latest AI model, Ernie 4. 5 Turbo, as it cont'd to expand its AI offerings amid increasing competition in the Chinese tech mkts.** The new model aims to enhance Baidu's capabilities in natural language processing and machine learning. Baidu also introduced Ernie X1 Turbo, a reasoning model designed to improve AI's decision-making processes. (Investing.com)

- **Perplexity AI is developing a browser named Comet to collect user data for targeted ads.** CEO Aravind Srinivas stated that Comet, built on Google's Chromium, will gather data beyond the app to better understand users & enhance ad targeting. The browser will use this data to build user profiles & display ads via its discover feed, mirroring Google's Chrome strategy. (Engadget)

- **South Korea's data protection authority found that Chinese AI startup DeepSeek transferred user data to China and the US without consent.** The Personal Information Protection Commission (PIPC) revealed that DeepSeek's chatbot app collected and sent personal data, including device, network, and AI prompt inputs, to Beijing Volcano Engine Technology Co. DeepSeek has suspended new downloads in South Korea and committed to cooperating with the PIPC's recommendations (CNBC)

- **OpenAI has launched a lightweight version of its ChatGPT deep research tool, powered by the o4-mini AI model.** This version, available to ChatGPT Plus, Team, and Pro users, offers shorter responses while maintaining depth and quality. It's cheaper to serve, allowing increased usage limits. (TechCrunch)

- **OpenAI projects its rev to soar from $13bn in 2025 to $125bn by 2029, driven by ChatGPT subscriptions, API rev, and AI agents.** The cos recent $40bn funding round boosted its valuation to $300bn. Key growth factors include AI agents, which autonomously perform tasks w/in complex data environments, and new AI applications. ChatGPT alone is expected to generate $50bn by 2029. (The Information)

- **Meta has expanded access to its AI assistant, Meta AI, on Ray-Ban smart glasses to seven additional European countries: Germany, Austria, Belgium, Denmark, Norway, Sweden, and Finland.** Users can interact w/ Meta AI using voice prompts for general questions, live translations, and real-time object recognition. This rollout follows initial delays due to EU privacy concerns. (Reuters)

- **Perplexity AI has launched its mobile assistant for iOS, offering features like natural language interaction, email composition, calendar management, and media app integration.** Users can access real-time web search, booking svs, and location directions. The assistant aims to compete w/ Apple's Siri by providing a more sophisticated interface. (The Verge)

- **President Donald Trump plans to sign an executive order to enhance AI education and workforce development.** The order aims to allocate resources for AI research, create new training programs, and establish partnerships between educational institutions and tech companies. The initiative seeks to address the growing demand for AI professionals and ensure the US remains competitive in the global tech landscape. The order will also focus on ethical AI practices and inclusivity in AI education (Bloomberg)

- **OpenAI is developing a new 'open' AI reasoning model, targeting an early summer release.** Led by VP of research Aidan Clark, the model aims to be benchmark-topping among open reasoning models. OpenAI plans a highly permissive license, avoiding usage restrictions seen in other models. The model will run on high-end consumer hardware and may allow developers to toggle its reasoning feature. CEO Sam Altman emphasized the need for a different open-source strategy and thorough safety evaluations (TechCrunch)

- **Character. AI has unveiled AvatarFX, an AI model designed to create lifelike chatbots.** Available in closed beta, AvatarFX animates characters in various styles, from human-like to 2D cartoons. Unlike other models, it can generate videos from preexisting images, allowing users to animate photos of real people. Character.AI has implemented safeguards, including watermarks and filters to prevent misuse. (TechCrunch)

- **Baidu has launched an AI agent named Xinxiang for Android smartphones, designed to assist users w/ tasks like information analysis and travel planning more efficiently than traditional chatbot svs.** The iOS version is still under review. Xinxiang aims to enhance user experience by leveraging advanced tech capabilities. Baidu continues to innovate in the AI space, focusing on practical applications that improve daily life (Reuters)

- **During Google's antitrust trial, OpenAI's ChatGPT chief Nick Turley stated that OpenAI would be interested in buying Google's Chrome browser if it were made available for sale.** Turley emphasized that acquiring Chrome would enable OpenAI to offer an "AI-first" browsing experience, enhancing user interactions. The Justice Department has asked Google to divest Chrome to restore competition in the online search mkts. (TechCrunch)

- **The IMF suggests that the economic benefits of AI will likely surpass the environmental costs associated w/ its deployment.** AI's potential to boost productivity and rev growth could outweigh the emissions generated by its tech infrastructure. The IMF emphasizes the need for sustainable practices to mitigate environmental impacts. AI's integration into various sectors is expected to drive significant economic gains, despite concerns over its carbon footprint (Reuters)

- **During Google's antitrust trial, OpenAI's ChatGPT chief Nick Turley emphasized the importance of search for OpenAI's future.** Turley stated that integrating search capabilities w/ AI is crucial for enhancing user experience and maintaining competitiveness. He highlighted that search is a key area where OpenAI can innovate and provide value. Turley's comments underscore the strategic significance of search in OpenAI's broader tech ecosystem (Bloomberg)

- **ChatGPT search is growing rapidly in Europe, according to OpenAI data.** The feature, which allows the chatbot to access and incorporate up-to-date web information into its responses, had ~41.3mn average monthly active recipients for the six-month period ending Mar. 31, up from ~11.2mn for the previous six-month period. This growth aligns w/ the EU's Digital Services Act requirements. ChatGPT search may soon face additional regulations due to its expanding user base (TechCrunch)

Audio/Music/Podcast

- **The EU is set to investigate Universal's planned acquisition of Downtown Music, citing potential antitrust concerns.** The probe will assess whether the deal could reduce competition in the music industry, impacting artists and consumers. Universal aims to expand its catalog and market presence through this acquisition. The investigation will involve detailed scrutiny of the transaction's implications for the music biz and mkts (Reuters)

Cable/Pay-TV/Wireless

- **Google Fi annc'd its new Unlimited Essentials plan, offering unlimited data, calls, and texts in the US for $60/month for 2 lines.** The plan includes 30GB of high-speed data, full connectivity for select smartwatches, and access to Google's advanced security features like

VPN and spam call blocking. This plan aims to provide affordable and reliable wireless svs w/ ultra-reliable 5G coverage and no data roaming fees in 200+ international destinations (The Verge)

- **China Mobile reported flat Q1 rev due to slower handset sales and minimal customer growth.** Total rev remained at RMB 240.5bn, while net profit rose 3.5% to RMB 28.9bn. The company saw a decline in new customer acquisitions, impacting overall performance. Despite challenges, China Mobile continues to invest in 5G infrastructure and digital svs to drive future growth. (Telecompaper)

Capital Market Updates

- **US tariffs have created significant challenges for startups, impacting IPO plans and investment strategies.** Many cos face increased costs and supply chain disruptions, leading to delays in product launches and reduced profitability. The tech industry is particularly vulnerable, w/ tariffs on components and raw materials affecting production and innovation. (Wired)

Cloud/DataCenters/IT Infrastructure

- **Dubai's du has annc'd a $544. 54mn hyperscale data center deal w/ Microsoft during Dubai AI Week.** The center will be built and operated at a cost of ~2bn dirhams, w/ Microsoft as the main tenant. The facility will provide data storage and cloud computing svs to businesses at scale. Fahad Al Hassawi, CEO of du, stated the deal represents a pivotal leap in their strategic goal to revolutionize the UAE's digital ecosystem. Currently, du operates five data centers across the UAE (Yahoo Finance)

- **Amazon has paused some data center lease commitments, reflecting economic concerns impacting tech cos' spending plans.** AWS has delayed leasing discussions, particularly international ones, similar to Microsoft's recent actions. Both companies are slowing new projects but not canceling signed deals. (NBC New York)

Crypto/Blockchain/web3/NFTs

- **Citigroup projects stablecoin mkts to grow from $240bn to $2tn by 2030, driven by regulatory developments & increased interest from financial institutions & the public sector.** Its base-case scenario estimates stablecoin supply at $1.6tn by 2030, w/ a bullish outlook of $3.7tn. (Cryptonews)

- **The Federal Reserve has joined the OCC and FDIC in withdrawing previous crypto warnings for US banks.** This move eliminates the requirement for banks to seek pre-approval before engaging in crypto-related activities. The decision aims to foster innovation and tech adoption in the financial sector, aligning w/ broader regulatory efforts to support the growth of crypto-assets. Banks are now expected to manage associated risks independently while adhering to existing laws and regulations (CoinDesk)

- **Coinbase has introduced free conversions between PayPal's dollar-pegged stablecoin, PYUSD, and the US currency.** This move aims to accelerate the shift toward on-chain payments and is available to both retail and institutional customers. The initiative is part of a partnership to promote PYUSD as a payment currency, highlighting the growing competition in the stablecoin market (CoinDesk)

- **The NHL has entered the cryptocurrency space by signing a sponsorship deal with Ndax, one of Canada's largest trading platforms.** This partnership marks the NHL's first foray into crypto, aiming to leverage Ndax's expertise to enhance fan engagement and explore new revenue streams. The deal will include promotional activities and educational initiatives to familiarize fans with cryptocurrency and blockchain technology (SportBusiness)

- **President Donald Trump's plan to create a strategic crypto reserve, including bitcoin, ether, XRP, Solana's SOL token, and Cardano's ADA, has sparked criticism among his tech supporters.** They argue that investing in these riskier assets with taxpayer money is problematic. Trump's proposal aims to make the U.S. a crypto superpower, but critics believe it could benefit a select few investors. The announcement has caused a rift within the pro-Trump tech community (New York Times)

Cybersecurity/Security

- **The UK gov has annc'd a ban on SIM farms, devices used by fraudsters for scam texts & creating 'verified' online accounts.** Part of the "Plan for Change," the ban targets rising fraud, up 19% last yr & over 40% of reported crime in England & Wales. Possessing or supplying SIM farms w/o legitimate justification will be criminal, w/ penalties like unlimited fines in England & Wales & up to £5,000 in Scotland & Northern Ireland. (Telecoms Tech News)

- **Ofcom has introduced new rules to protect children online, requiring tech cos to assess risks and implement safety measures.** The UK Online Safety Act mandates platforms to tackle illegal harms like child sexual abuse, grooming, and exposure to harmful content. The regulations aim to create safer online environments by enforcing strict compliance and accountability. Platforms must complete risk assessments by Mar 16,2025, and start implementing safety measures from Mar 17,2025 (The Guardian)

- **The FBI reported that online scams resulted in losses of $16. 6bn last yr, a significant increase from $12.5bn in 2023.** The annual Internet Crime Complaint Center (IC3) report highlights the growing prevalence of cybercrime, particularly targeting older Americans. Cryptocurrency scams were notably impactful, w/ victims over 60 losing $4.8bn. (NBC News)

- **Asian crime syndicates behind the multibillion-dollar cyberscam industry are expanding globally, including to South America and Africa, as raids in Southeast Asia fail to contain their activities.** Criminal networks that emerged in Southeast Asia, opening sprawling compounds housing tens of thousands of workers, have evolved into a sophisticated global industry. The UNODC reports that these syndicates have adapted, shifting operations to jurisdictions w/ weak governance and high corruption rates (Reuters)

eCommerce/Social Commerce/Retail

- **Procter & Gamble reported mixed Q3 2025 results, w/ EPS at $1. 54, slightly above expectations, but rev fell short at $19.78bn.** The Co cut its full-yr core EPS & rev forecast due to tariffs & consumer uncertainty. CEO Jon Moeller indicated price hikes likely next fiscal yr, starting in Jul. Organic sales rose 1%, but volume fell 1%. CFO Andre Schulten noted a more nervous consumer pulling back in the last 2 months of the quarter (CNBC)

- **Orders for big-ticket items like autos and appliances surged 9. 2% in Mar as consumers rushed to beat anticipated price hikes.** The Commerce Department reported a significant increase in durable goods orders, driven by a 27% rise in transportation equipment, including a 139% jump in nondefense aircraft and parts. This surge reflects a pull-forward effect due to expected tariffs, with companies adjusting their behavior accordingly (NBC News)

- **Retail Gazette reports a rise in shoplifting incidents across the UK, driven by economic pressures & the cost-of-living crisis.** Retailers face increased losses & security challenges, prompting stricter security measures & investment in tech solutions. (Retail Gazette)

- **US spirits exports rose 10% in 2024 as distillers rushed to ship products ahead of anticipated tariffs.** The Distilled Spirits Council of the U.S. reported that exports reached $2.1bn, driven by strong demand in key mkts like the EU and UK. The surge was partly due to concerns over potential trade barriers, prompting companies to expedite shipments. (MSN)

- **Tariffs are significantly impacting the baby products sector, with prices rising due to increased import costs.** Retailers are struggling to manage these higher costs, leading to price hikes for consumers. The tariffs have caused disruptions in supply chains, making it difficult for companies to maintain stable inventories. As a result, parents are facing higher prices for essential items like baby formula and diapers, exacerbating the financial strain on families (Modern Retail)

- **PepsiCo's Q1 2025 results were mixed, w/ adj EPS of $1. 48, slightly below expectations of $1.49, but rev exceeded projections at $17.92bn.** The Co cut its full-yr core EPS forecast, citing new tariffs, economic volatility & cautious consumer outlook. CEO Ramon Laguarta annc'd global trade developments impacting supply chain costs & consumer conditions. Worldwide volume fell 3% for convenient foods & was flat for drinks. Shares dropped 2% in premarket trading (CNBC)

- **Walmart annc'd plans to remodel 65+ stores in Texas, aiming to enhance customer experience w/ updated tech, improved layouts & expanded svs.** The initiative aligns w/ Walmart's broader strategy to invest in physical mkts while boosting online svs. Remodels will feature new self-checkout stations, upgraded grocery sections & enhanced digital tools for shopping. (Dallas News)

- **Trader Joe's cont'd its rapid store growth in 2025, opening two new locations in Seattle and Murfreesboro earlier this month.** The specialty grocer has 20 more stores in the pipeline for this yr, w/ five set to open in California. Trader Joe's started the yr w/ 579 locations across 42 states and Washington, D.C. The expansion aims to bolster its presence in existing mkts, including Oklahoma, Alabama, Louisiana, and South Carolina. (Grocery Dive)

- **Adidas reported a 5% increase in Q1 rev to $6. 5bn, driven by strong sales in North America and China.** The cos net income rose 8% to $750mn. In comparison, Nike's Q1 rev grew by 3% to $12.4bn, w/ net income up 5% to $1.3bn. Adidas' growth was attributed to its successful product launches and digital sales, while Nike benefited from its direct-to-consumer strategy. Both companies are optimistic about their future performance despite economic uncertainties (Sportico)

- **Consumer spending surged in early Apr as Americans rushed to buy goods before new tariffs took effect.** Data from JPMorgan shows spending rose 3.8% in the first 15 days of Apr. compared to the same period last yr, driven by a 4.3% increase in discretionary spending. Analysts attribute this to consumers trying to lock in lower prices ahead of the tariffs. The spike in spending may lead to a drop-off in the summer as consumers have already made their purchases (NBC News)

- **Nike faces challenges in automating sneaker production due to the complexity of shoe designs and materials.** Robots struggle with tasks like stitching and gluing, which require precision and adaptability. Nike's efforts to automate have led to innovations, but human workers remain essential for quality control. The company aims to balance automation with skilled labor to meet demand and maintain product standards. (Wall Street Journal)

- **Amazon has launched a new premium beauty section on its platform, featuring high-end brands like Chanel, Dior, and La Mer.** This move aims to attract affluent customers and compete w/ luxury retailers. The premium beauty section offers exclusive products and personalized svs. Amazon's strategy reflects its commitment to expanding its presence in the luxury mkts and providing a diverse range of products to its customers (Retail Gazette)

- **Shein and Temu announced price increases starting Fri, Ap 25 due to recent tariff hikes between the US and China.** The elimination of the "de minimis" exemption, which allowed duty-free imports under $800, further impacts these cos. (Palm Beach Post)

- **Walmart+ members can now access free trials of Apple svs, including Apple TV+ (up to 3 months), Apple Music (up to 4 months), Apple Fitness+ (up to 3 months), Apple Arcade (up to 4 months), Apple News+ (up to 3 months), and 3 free Apple Books.** This offer is valid for new or returning customers who purchase qualifying items in-store, online, or via the Walmart app. Promo codes are provided on receipts or order details. Trials auto-renew unless canceled (Cord Cutters News)

- **California's Organized Retail Crime Task Force, led by Governor Gavin Newsom, recovered $13. 5mn in stolen retail goods in 2024.** The task force has been effective in identifying and dismantling theft rings. Newsom's "Real Public Safety Plan" includes $255mn in grants for local law enforcement and $30mn for prosecutors over three yrs, plus a permanent Smash and Grab Enforcement Unit (Footwear News)

- **iQIYI has launched a livestream shopping feature in China, allowing users to purchase products directly during live broadcasts.** This service integrates entertainment w/ eCommerce, enhancing user engagement and driving sales. Featuring popular influencers and celebrities, iQIYI aims to leverage its vast user base and advanced tech to create a seamless shopping experience, positioning itself as a leader in the livestream shopping mkts (Startup News)

- **Apollo-backed Autodoc plans a 2025 IPO, driven by strong profit growth despite broader mkts trends.** Autodoc's rev rose 25% to $1.2bn in 2024, w/ adj EBITDA up 30% to $300mn. The Co's focus on tech and svs has helped it outperform peers. Autodoc aims to expand its biz in Europe and North America, leveraging its robust online platform and customer base. The IPO will support further growth and tech investments, positioning Autodoc as a leader in the auto parts mkts (Bloomberg)

- **Shopify must face a data privacy lawsuit in the US, as ruled by a federal judge.** The lawsuit alleges that Shopify failed to protect customer data, leading to a breach that exposed sensitive information. Plaintiffs claim the Co did not implement adequate security measures, violating privacy laws. Shopify argues it took appropriate steps to safeguard data. (Reuters)

- **Former President Trump met w/ major retailers, including Walmart and Home Depot, to discuss the impact of tariffs on consumer prices.** Retailers expressed concerns about rising costs and potential price hikes, which could affect consumer spending. The meeting aimed to address these issues and find solutions to mitigate the economic impact. Retailers are seeking ways to manage increased costs without losing market share or alienating customers (Reuters)

EdTech

- **Duolingo is testing a new chess course on iOS, integrating interactive lessons and games against characters.** This initiative aims to combine language learning w/ chess, enhancing cognitive skills and engagement. The course will be available from May, offering a unique blend of educational content and entertainment. Duolingo's approach leverages AI to personalize learning experiences, making it accessible and fun for users of all ages (The Verge)

Electric & Autonomous Vehicles

- **Uber and Volkswagen have partnered to launch a robotaxi service.** The service will debut in Los Angeles by late 2026, with human safety operators initially. Fully driverless operations are expected by 2027. This collaboration aims to integrate autonomous vehicles into urban mobility, leveraging VW's manufacturing expertise and Uber's ride-hailing platform (TechCrunch)

- **Tesla has started testing its autonomous ride-hail service with employees in Austin and the Bay Area ahead of its planned robotaxi launch this summer.** The 'FSD Supervised' service, which requires a safety driver, aims to develop and validate FSD networks, the mobile app, vehicle allocation, and mission control. Tesla plans to launch the robotaxi service in Austin in June, initially deploying 10-20 vehicles. The service will use existing Tesla models equipped with screens for passenger information (TechCrunch)

- **Xpeng's CEO announced the introduction of 5C fast charging tech for EVs priced at ~200,000 yuan ($27,375).** This tech aims to significantly reduce charging time, enhancing convenience for users. Additionally, Xpeng's G6 and G9 SUVs will feature smart assisted driving capabilities as standard. The company continues to innovate in the EV segment, focusing on advanced tech and user experience improvements (AOL News)

- **BMW plans to integrate DeepSeek AI into its new vehicles in China later this yr.** This AI tech will enhance driving experience by providing advanced navigation, safety features, and personalized user interactions. The integration aims to make BMW cars smarter and more responsive to driver needs. (Reuters)

- **Tesla reported a miss on the top and bottom lines in its Q1 earnings report.** Automotive rev plunged 20% from a yr earlier to $14bn, contributing to a total rev decline of 9% to $19.34bn. Net income dropped 71% to $409mn, or 12 cents a share. Tesla attributed the decline to lower avg selling prices, sales incentives, and the need to update production lines for the refreshed Model Y SUV (CNBC)

Film/Studio/Content/IP/Talent

- **Warner Bros' "A Minecraft Movie" is nearing the $1bn mark w/ global ticket sales at $720. 8mn after three weekends.** The film, starring Jack Black and Jason Momoa, added $59mn internationally and $100mn globally over Easter weekend. "Sinners," a vampire thriller from Ryan Coogler and Michael B. Jordan, opened to $15.6mn overseas from 71 mkts and topped the U.S. box office w/ $48mn. "Sinners" has amassed $63.5mn globally. Warner Bros. secured the top two spots at the box office (Variety)

FinTech/InsurTech/Payments

- **eBay and Klarna have expanded their partnership to offer flexible payment options in the US.** Shoppers can now use Klarna's Pay in 4, allowing them to split purchases into four interest-free payments, and Financing for larger purchases. This collaboration aims to enhance customer choice, flexibility, and affordability. Additionally, Klarna's resell feature enables users to list past purchases on eBay easily, promoting sustainable commerce (The Paypers)

HealthTech/Wellness

- **Neuralink, led by Elon Musk, plans to raise ~$500mn at an $8.** 5bn valuation to fund its ambitious tech development and expand research capabilities. The Co is in preliminary talks w/ potential investors, though terms may change. The funds will support advancing brain-machine interface tech, promising to revolutionize medical treatments and enhance human capabilities. (Bloomberg)

Last Mile Transportation/Delivery

- **Lyft is set to dispatch taxis for the first time to reduce wait times for riders.** This initiative aims to integrate traditional taxis into Lyft's platform, providing more options and faster service. The move is part of Lyft's strategy to enhance its transportation network and improve customer experience. By leveraging existing taxi fleets, Lyft can offer reliable rides during peak hours and in areas with high demand. (Bloomberg)

- **The FTC has sued Uber, alleging the Co charged customers for its Uber One membership w/o their consent.** The lawsuit claims Uber enrolled users in the subscription service and billed them, even when they hadn't agreed to join. The FTC seeks to stop these practices and obtain refunds for affected customers. Uber denies the allegations, stating it provides clear information about its services and billing practices (NBC News)

M&A

- **Dealmakers are finding it challenging to navigate President Trump's antitrust policy, which has created uncertainty in the M&A landscape.** The policy's unpredictability has led to delays and complications in deal approvals, impacting mkt confidence. Cos are struggling to understand the administration's stance, leading to a cautious approach in pursuing M&As. The lack of clear guidelines has made it difficult for businesses to plan and execute strategic deals effectively (Wall Street Journal)

Macro Updates

- **Companies are ramping up warnings about the effects tariffs may have on bottom lines and consumers.** Firms are wading through uncertainty, with executives from PepsiCo and Procter & Gamble highlighting supply chain disruptions and increased costs. Both companies have adjusted their earnings forecasts due to tariffs and weaker consumer demand. The impact of tariffs is also being felt in financial mkts, with stocks erasing gains amid fears of an economic slowdown or recession (NBC News)

- **China is considering exempting certain US goods from tariffs to mitigate rising costs.** The proposal aims to ease economic pressures and improve trade relations. The exemptions would cover key imports, including agricultural products and tech components, potentially benefiting both Chinese consumers and U.S. exporters. (Bloomberg)

- **A recent survey shows that 50% of Americans and 87% of Canadians oppose tariffs due to concerns about higher costs and reduced consumer choice.** Canadians are particularly worried about the negative effects on their economy and trade relations. (Chain Store Age)

- **President Donald Trump stated he plans to be "very nice" to China in upcoming trade talks, aiming to ease tensions and foster cooperation.** Trump emphasized the importance of a positive relationship w/ China for global economic stability. He acknowledged past conflicts but stressed the need for mutual respect and collaboration. Trump's approach seeks to balance tough negotiations w/ diplomatic efforts to achieve favorable outcomes for both nations (Bloomberg)

- **Treasury Secretary Scott Bessent told JPMorgan Chase executives that the current tariff standoff between the US and China is unsustainable, urging both nations to find a way to de-escalate.** Bessent emphasized the need for cooperation to stabilize mkts and avoid further economic disruption. He highlighted the importance of resolving trade tensions to maintain global financial stability. (Bloomberg)

- **Trump has criticized Federal Reserve Chair Jerome Powell, urging him to cut interest rates.** Trump stated that if Powell understood his role, rates would be lowered. The White House is assessing whether it can remove Powell. This criticism comes amid growing disapproval of Trump's economic handling, w/ 55% of Americans disapproving according to a CNBC survey. More Americans believe the economy will worsen, and pessimism about the stock mkts is risin (CNBC)

Metaverse/AR & VR

- **Meta has laid off over 100 employees in its Reality Labs division, impacting teams working on VR projects, including Oculus Studios and the Supernatural VR fitness**

game. The layoffs are part of Meta's strategy to streamline operations and focus on future mixed reality experiences. Despite the success of smart glasses, Quest sales have lagged, prompting these changes. (The Verge)

Online Travel

- **Airbnb will now display fees upfront in its price listings to comply w/ FTC regulations.** This change aims to enhance transparency for users, ensuring they see the total cost of their stay, including cleaning and service fees, from the beginning. The move is part of broader efforts to improve customer experience and adhere to new rules set by the FTC. Airbnb's new pricing model will be rolled out globally, impacting all listings on its platform (Bloomberg)

Regulatory

- **Elon Musk has been forced back to the boardroom as Tesla faces significant challenges due to his involvement with Dogecoin.** Tesla's Q1 net income dropped to $2.5bn from $8.6bn last yr, w/ rev of $23.3bn. The decline is attributed to lower vehicle prices and increased costs. Musk's decision to reduce his Dogecoin involvement comes amid criticism and legal challenges. Tesla aims to focus on its core biz and improve profitability through cost-cutting measures and strategic investments (Irish Times)

- **The US has criticized the EU's fines on Apple and Meta, calling them "economic extortion.** " The fines, totaling €700mn, were imposed under the Digital Markets Act (DMA) to curb Big Tech's power. The White House claims these extraterritorial regulations target American companies, stifle innovation, and threaten free civil society. The US warns that such measures will not be tolerated, potentially escalating trade tensions between the US and the EU (Reuters)

- **The DOJ's antitrust trial against Google has proposed remedies including the sale of Chrome and a spin-off of Android.** Google countered w/ a narrower remedy, suggesting a 3-year ban on exclusive deals instead of the DOJ's 10-year proposal. The trial aims to address Google's alleged anticompetitive practices and restore fair competition in the search mkts. The outcome could significantly impact Google's biz operations and the broader tech industry (The Verge)

- **Apple and Meta face fines for violating the EU's Digital Markets Act (DMA), designed to limit their market dominance.** The DMA, effective since 2023, promotes open competition and smoother transitions between online services. Both companies are accused of non-compliance, risking fines up to 10% of their global annual sales. The EU prioritizes compliance over sanctions, with final decisions pending. (Wall Street Journal)

- **Consulting firms have offered up to $20bn in savings to federal contracts, aiming to streamline operations and reduce costs.** The initiative, led by top firms like McKinsey and

Deloitte, focuses on identifying inefficiencies and proposing cost-cutting measures. The firms will work closely w/ federal agencies to implement these savings, enhancing the efficiency of government operations. This move is part of a broader effort to optimize federal spending and improve service delivery (Wall Street Journal)

- **Starting May 14, 2025, canceling cable TV and internet svs will become easier for millions of Americans due to the FTC's new "negative option" rule, also known as the "click to cancel" rule.** This regulation mandates that cos provide clear, accessible methods for customers to terminate svs w/o navigating complex hurdles. (Cord Cutters News)

- **An AI doctoral candidate in California had their student visa revoked, putting their immigration status at risk.** The student, who requested anonymity, was notified via their college's international student center that they'd been identified in a criminal records check. Despite having no criminal record, the student suspects an old police interaction may be the cause. (TechCrunch)

Satellite/Space

- **Rakuten Mobile and AST SpaceMobile made Japan's first satellite video call using unmodified smartphones and a low Earth orbit (LEO) satellite in April 2025.** This milestone aims to enhance connectivity across Japan, including remote areas and during emergencies. The test involved transmitting signals from Fukushima to a satellite, which relayed them to a smartphone in Tokyo (The Fast Mode)

- **Amazon's Project Kuiper, which aims to deliver high-speed internet via satellite, faces hurdles in competing with Elon Musk's Starlink.** Despite substantial investment and tech advancements, Kuiper is hindered by manufacturing delays and regulatory issues. Amazon plans to deploy 3,236 satellites in low Earth orbit to form a global mesh network, offering competitive pricing and diverse service tiers. However, Starlink's established presence and rapid growth present significant challenges for Kuiper (Bloomberg)

Social/Digital Media

- **LinkedIn has introduced verification features for external platforms, partnering w/ Adobe to enhance content authenticity.** The new tools will allow users to verify their profiles and credentials across various platforms, leveraging Adobe's Content Credentials tech. This initiative aims to combat misinformation and build trust in digital interactions. LinkedIn's move reflects a broader trend towards transparency and accountability in online professional networks (The Verge)

- **Meta has expanded ads on Threads to all eligible advertisers globally, following initial tests in the US and Japan.** The ads will be delivered in select mkts at launch, w/ plans to roll out to more mkts over time. (TechCrunch)

- **Instagram has launched a new video editing app called "Edits," designed to simplify video creation.** Edits offers multi-channel editing, project management, and note-taking features. Users can capture videos up to 10 minutes long, use green screen effects, and add AI-generated animations. The app also includes tools for adding captions, music, and viewing content analytics. (Social Media Today)

- **Snapchat has launched a redesigned Family Safety Hub to provide easy access to parental guidance tools and in-app management options.** The updated hub includes app guides, advice for parents, links to informational videos, FAQs, and official policy documents. Developed w/ Common Sense Media, the hub aims to reassure parents and give them direct access to resources to keep their kids safe online. (Social Media Today)

- **Florida has filed a lawsuit against Snap, the owner of Snapchat, alleging that the app is designed to be addictive for children and deceives parents about its safety features.** The lawsuit claims that Snapchat's design and algorithms exploit young users, leading to excessive screen time and exposure to harmful content. Florida seeks to hold Snap accountable for these practices and demands changes to protect children (Reuters)

- **Australian Prime Minister Anthony Albanese and opposition leader Peter Dutton pledged strong support for laws banning children under 16 from using social media platforms like X, Facebook, and Instagram from Dec.** Albanese expects pressure from social media giants to ease the ban, but insists his government "won't budge." Dutton agrees, stating tech cos see kids as commodities. Both leaders also support laws forcing social media cos to pay for local news hosted on their platforms (Yahoo News)

- **Pinterest is testing new alerts to discourage teens (aged 13-17) from using the app during school hours (8am-3pm, Mon-Fri).** The prompts, appearing in the US and Canada, aim to reduce disruptive usage and promote digital wellbeing. Pinterest is also collaborating w/ the International Society for Tech in Education to develop "Digital Innovation Wellbeing Task Forces" in 12 school districts. Additionally, Pinterest supports proposed Texas legislation to limit smartphone use in classrooms (Social Media Today)

- **During the FTC's antitrust trial against Meta, Instagram co-founder Kevin Systrom testified about the platform's early days and its acquisition by Facebook.** Systrom highlighted how Instagram's independence was gradually eroded post-acquisition, impacting innovation and user experience. The trial aims to determine if Meta's practices stifled competition. (New York Times)

- **Pew Research Center's latest survey reveals that parents are more concerned than teens about the impact of social media on teen mental health.** While 48% of teens believe social media has a mostly negative effect on their peers, only 14% feel it affects them personally. Teen girls report more negative experiences, with 25% saying social media hurts their mental health. Despite these concerns, 74% of teens feel more connected to friends through social media, and 63% use it to express creativity (Pew Research Center)

- **Meta annc'd it has started using AI tech to detect the age of users on its social media platforms.** This change aims to ensure teenagers have the correct, protective account settings, even if they list an adult birthday on their account. The AI system will analyze various factors to determine the user's age and apply appropriate settings. This move is part of Meta's broader efforts to enhance online safety and comply w/ regulatory requirements (Telecompaper)

- **Meta's Facebook and Instagram will implement new measures to combat misinformation ahead of Canada's upcoming election.** The Co will use AI to detect and remove false content, and enhance transparency by labeling political ads w/ details about the sponsor. Meta aims to prevent foreign interference and ensure a fair election process. These efforts are part of a broader initiative to improve the integrity of its platforms and comply w/ Canadian regulations (New York Times)

Software

- **ServiceNow shares surged 15% on stronger-than-expected Q1 results and an upbeat forecast despite macroeconomic uncertainties.** The enterprise tech Co posted adj earnings of $4.04 per share on $3.09bn in rev, surpassing estimates. Net income reached $460mn, up from $347mn last yr. Current remaining performance obligations hit $10.3bn, growing 22% YoY. ServiceNow raised its full-yr forecast, reflecting strong demand and a healthy pipeline (CNBC)

- **Apollo-backed Yahoo is prepared to bid for Google's Chrome browser if a federal court mandates its sale to address antitrust violations.** Yahoo's search GM Brian Provost testified that Chrome's value could reach several bn dollars, highlighting its strategic importance in the internet mkts. The DOJ's proposal to sell Chrome aims to curb Google's monopoly in search mkts. Other potential buyers, including OpenAI, have expressed interest in acquiring Chrome (Bloomberg)

- **IBM reported better-than-expected earnings and rev for Q1.** EPS was $1.60 adj vs. $1.40 expected. Rev was $14.54bn vs. $14.4bn expected, up 0.6% from $14.5bn last yr. Net income fell to $1.06bn, or $1.12 per share, from $1.61bn, or $1.72 per share, last yr. IBM maintained its full-yr forecast despite a fluid economic environment. Software rev rose 7% to $6.34bn, hybrid cloud software grew 12%, consulting rev was $5.07bn, down 2%, and infrastructure rev declined 6% to $2.89bn (CNBC)

- **SAP reported Q1 earnings that exceeded profit estimates despite cloud rev falling short.** Total rev rose 10% to €7.44bn, driven by strong software sales. However, cloud rev grew only 18%, missing the 20% target. CEO Christian Klein highlighted the company's resilience and commitment to cloud transformation. SAP's non-IFRS operating profit increased 12% to €2.1bn, reflecting effective cost management (Bloomberg)

- **The US Justice Department is investigating Google Chrome for potential antitrust violations, alleging the browser's dominance stifles competition.** The probe focuses on whether Google's practices, such as pre-installing Chrome on Android devices and integrating it w/ other Google svs, unfairly disadvantage rivals. This investigation is part of broader scrutiny of tech giants' market power and their impact on competition and consumer choice (Washington Post)

Sports/Sports Betting

- **The FIA has annc'd a new esports competition for women to boost female participation in motorsports.** The initiative includes a dedicated championship w/ significant prize money & support for aspiring female racers. Featuring popular racing games, it aligns w/ FIA's strategy to promote diversity & inclusion in esports & motorsports. (Insider Sport)

- **5 and DAZN have annc'd a partnership to broadcast the FIFA Club World Cup.** 5 will air 23 of the 63 matches free-to-air in the UK, while DAZN will stream the remaining 40 matches for free. The tournament, held from Jun 14 to Jul 13 in the US, features 32 top clubs from 20 countries, including Chelsea, Manchester City, Real Madrid, and Inter Miami. 5 will sub-license DAZN's coverage of key matches, enhancing access to live sports content for UK viewers (Advanced Television)

- **LaLiga reported record highs in rev and attendance for the 2023/24 season.** Recurring rev reached €5.049bn, a 3.2% YoY increase, driven by commercial income surpassing €1bn for the second consecutive yr. The league saw 16mn spectators, w/ a stadium occupancy rate of 75.4%. Despite a slight increase in senior corporate net debt to €1.337bn, LaLiga's net equity stands at €2.24bn. The league anticipates further improvements in the 2024/25 season due to organic rev growth and improved operating margins (Insider Sport)

- **NBA Commissioner Adam Silver praised the opening weekend ratings of the playoffs as the best in 25 years.** The first eight games averaged 4.4mn viewers, a 17% increase from last yr. ESPN reported its highest-ever opening weekend viewership, w/ nearly 6.7mn watching Sunday's Boston-Orlando game on ABC, peaking at just over 8mn. (Associated Press)

- **ESPN is optimistic about retaining NFL Draft media rights beyond this year, despite the current agreement expiring.** The network has broadcast the draft since 1980 and expects to continue. Other media companies, including Amazon, Fox, Netflix, and YouTube, have also bid for the rights. ESPN produces multiple draft feeds, including a traditional broadcast on ESPN and a human-interest-focused broadcast on ABC. (Awful Announcing)

- **Premiership Rugby, the RFU, and CVC Capital Partners are exploring a franchise model for the league, similar to the IPL.** The proposed changes, which could be implemented by 2026, include centralizing commercial operations, abolishing relegation while maintaining promotion, and introducing a commissioner-like role. The aim is to enhance financial sustainability and expand the league to at least 12 teams, potentially more. The proposal will be presented to the RFU council in June and Sept (SportsPro)

- **A new bill proposed by NY State Assemblyman Robert Carroll aims to limit sports betting to $5,000 per person, per day, and restrict advertising, including banning promotions of odds boosts and bonuses.** Ads would be prohibited between 8am-10pm and during live games. Carroll argues these measures are necessary to protect against problem gambling. Critics warn the bill could push bettors to neighboring states like NJ and CT. The bill is under review by the Racing and Wagering Committee (Front Office Sports)

- **Hub Research's survey reveals sports fans' enthusiasm for AI-enhanced features in live games.** Prime Vision, an AI interface on Prime Video's Thursday Night NFL games, received positive feedback from 70% of viewers, w/ 26% "loving" the features. Fans appreciated real-time player stats and insights, making the game more exciting. The survey highlights that AI can enhance the viewing experience w/o disrupting it, instilling confidence in streaming platforms as a home for sports content (Advanced Television)

- **WWE, part of TKO, is acquiring Mexican lucha libre promotion AAA in partnership with Fillip.** Announced at WrestleMania 41, the deal keeps the Peña family involved. A WWE-AAA event, Worlds Collide, is set for June 7 in LA. The transaction is expected to close in Q3 2025, pending customary conditions. (WWE)

- **NHL regular season viewership dropped 12% on ESPN and TNT, averaging 445,000 viewers per telecast compared to 504,000 last season.** ESPN and ABC averaged 584,000 viewers for 48 games, a 12% decrease from last yr's 666,000. TNT saw a 13% decline, averaging 320,000 viewers versus 360,000 last yr. Despite the successful 4 Nations Face-Off event and Alex Ovechkin's record chase, the league's viewership is the lowest since the 2020-21 season (Awful Announcing)

Tech Hardware

- **Intel's Q1 2025 earnings surpassed analysts' estimates, w/ adj EPS of $0. 13 vs. $0.01 expected & rev of $12.67bn vs. $12.3bn projected.** However, Q2 guidance disappointed, forecasting rev of $11.8bn at midpoint vs. $12.82bn expected, w/ breakeven EPS vs. anticipated $0.06. CEO Lip-Bu Tan annc'd cost-cutting, targeting $17bn in operational & $18bn in capital expenses for 2025. Intel's stock fell 7% in extended trading (CNBC)

- **Motorola's Razr 60 Ultra, expected to launch in Apr or May, will feature the Snapdragon 8 Elite chip, up to 18GB RAM, and up to 2TB storage.** The U.S. version will likely offer

256GB storage. Design updates include a refined vegan leather finish, new red and wood-finish variants. The device will have a 4,275mAh battery, 45W wired, and 15W wireless charging. It will ship w/ Android 15 and maintain a $999 starting price (The Verge)

- **TSMC plans to start production of its advanced A14 chip tech in 2028.** The A14 chip will feature 1.0 nanometer tech, promising significant performance improvements and energy efficiency. TSMC's investment aligns w/ its strategy to maintain leadership in the semiconductor industry. The Co aims to meet growing demand for high-performance chips in AI, 5G, and other emerging tech sectors. This development is part of TSMC's broader efforts to expand its global footprint and enhance manufacturing capabilities (Bloomberg)

- **Meta has upgraded its Ray-Ban smart glasses with live translation and AI features.** The glasses can now translate conversations in real-time and provide multi-modal video capabilities. Users can interact with the AI for various tasks, such as getting outfit advice or remembering where they parked. The glasses also support voice control for Spotify and Amazon Music, and integrate with iHeart Radio and Audible. (The Verge)

- **ByteDance, Alibaba, and Tencent are stockpiling Nvidia chips worth billions to support their AI ambitions.** The Cos aim to acquire ~1mn H20 chips before the latest US export restrictions take effect. These chips are crucial for developing advanced AI models and maintaining competitive edge. The move highlights the growing demand for high-performance semiconductors in China's tech sector amid geopolitical tensions and supply chain challenges (Nikkei Asia)

- **Tesla's production of its humanoid robot, Optimus, faces delays due to China's rare earth export curbs amid a trade war w/ the US.** CEO Elon Musk cited "magnet issue" causing weeks of delays. China added seven rare-earth minerals to its export control list for civilian and military use. Tesla seeks a license for non-military use and is impacted by tariffs on its energy biz, sourcing LFP battery cells from China. Tesla is commissioning local manufacturing and seeking non-China suppliers (Bloomberg)

- **Global PC shipments grew 6. 7% YoY in Q1 2025 to reach 61.4mn units, driven by pull-ins ahead of US tariffs and increasing adoption of AI-enabled PCs.** Apple and Lenovo saw over 10% YoY shipment growth, consolidating the mkts around major brands. Despite recent US exemptions removing tariffs on laptops, uncertainty persists as new duties on semiconductors and other tech products are expected next quarter (Counterpoint Research)

- **China's leading tech firms, including ByteDance, Alibaba, and Tencent, have stockpiled nearly 1mn units of Nvidia's H20 AI chips, valued at over $12bn, ahead of the US export ban in Apr.** The H20 chip, tailored to meet US export controls, is widely used for AI inference tasks. Demand for AI computing in China is soaring, driven by AI-powered applications like DeepSeek. Nvidia projects a $5.5bn rev impact for Q1 due to the curbs (EconoTimes)

- **Huawei plans to begin mass shipments of its advanced 910C AI chip to Chinese customers next month.** This move comes as Chinese AI firms seek alternatives to Nvidia's H20 chip, which now requires a US export license. The 910C, a GPU, combines two 910B processors, offering double the computing power and memory capacity. This development is crucial for Chinese AI model developers amid U.S. export restrictions on advanced AI products (Reuters)

- **TSMC's Q4 revenue rose 38. 8% yr-over-yr to NT$868.46bn, driven by strong AI chip demand.** Net income surged 57% to NT$374.68bn, exceeding analyst expectations. The Co's high-performance computing division, which includes AI and 5G applications, contributed 53% of revenue, up 19% from the previous quarter. TSMC's annual revenue reached NT$2.9tn, marking a record-breaking yr. Despite U.S. restrictions on advanced semiconductor shipments to China, TSMC forecasts continued growth in AI-related demand (Evrim Ağacı)

Towers/Fiber

- **Orange France has selected Ericsson to enhance its network capacity while reducing energy consumption by 30%.** The modernization will use Ericsson's advanced radio solutions, improving uplink performance and supporting new 5G use cases. This upgrade covers 60% of the country, including cities like Paris, Toulouse, Bordeaux, Lille, Strasbourg, and Montpellier. The adoption of multi-band radios will decrease embodied carbon emissions by over 20%, contributing to Orange's goal of Net Zero by 2040 (VanillaPlus)

Video Games/Interactive Entertainment

- **LG Electronics has annc'd the arrival of the Xbox app (in Beta) on LG Smart TVs, enabling users in 25+ countries to stream Xbox games directly on their TVs.** Accessible via the Gaming Portal and LG Apps, the Xbox app supports Xbox Game Pass Ultimate, offering hundreds of titles from Activision, Bethesda, Blizzard, and more. The app is available on LG TVs and select smart monitors running webOS 24 and newer versions, enhancing the gaming experience w/ 4K visuals and a convenient interface (Advanced Television)

- **Jason Citron is stepping down as CEO of Discord, appointing Humam Sakhnini as his successor.** Citron will remain on the board and serve as an adviser. Sakhnini, a gaming industry veteran, previously led King and managed a multi-billion dollar portfolio at Activision Blizzard. Citron's decision comes as Discord, with over 200mn monthly active users, continues to expand beyond gaming. The platform's pivot back to gaming post-pandemic aims to monetize players through ads and rewards (VentureBeat)

- **Nintendo President Shuntaro Furukawa revealed that demand for the Switch 2 in Japan has far exceeded expectations, with ~2.** 2mn people applying to buy the console via a lottery process. Furukawa warned that a significant number of customers will be unable to get the Switch 2 at launch. Nintendo is strengthening production and pre-orders via other

Japanese retailers will open tomorrow (Apr. 24). The Japan-only version of Switch 2 aims to prevent reselling online but may create additional stock issues (Eurogamer)

Video Streaming

- **Kantar's latest report reveals Prime Video and Apple TV+ led new subscriber growth in Q1 2025.** Prime Video had the highest share of new paying subscribers at 17%, driven by popular shows like Reacher. Apple TV+ followed, with Disney+ in third place. A significant portion of new subscribers opted for ad-supported tiers, with 83% for Prime Video and 56% for Disney+. (Advanced Television)

- **The DOJ is investigating Disney's acquisition of FuboTV over competition concerns.** The probe focuses on whether the deal could reduce competition in the streaming mkts, potentially leading to higher prices and fewer choices for consumers. Disney aims to expand its streaming svs portfolio w/ FuboTV's sports-centric offerings. (Bloomberg)

- **YouTube captured 12% of overall TV viewing in Mar, securing the top spot for the second consecutive month, per Nielsen.** Warner Bros. Discovery saw the largest monthly viewership increase among media distributors, w/ 3% growth driven by March Madness on TBS, TNT, and truTV. Max also saw a 6% increase in streaming, boosted by “The White Lotus” and “The Pitt (Cynopsis)

- **YouTube has introduced new features and a TV redesign to enhance user experience.** The updates include personalized settings, improved navigation, and better integration w/ NFL sports streaming. The redesign aims to make it easier for users to find and watch live sports content, while the new features offer more customization options. (Sportico)

- **Roku has announced its new Streaming Stick and Streaming Stick Plus, offering enhanced streaming capabilities.** The Streaming Stick delivers content at 1080p, while the Streaming Stick Plus supports 4K HDR. Both devices are compact and powerful, with prices starting at $30 and $40 respectively. These sticks aim to provide seamless streaming experiences and are available for preorder, with official release on May 6, 2025. Roku continues to innovate in the streaming device market (The Verge)