LionTree

WEEKLY UPDATE

WEEK ENDING JULY 25, 2025

The connectivity sector had a lot to say this week, with Verizon, AT&T, T-Mobile, and Charter all reporting. There was a tremendous amount to unpack (some positives, some negatives) but one thing is clear…the sector stands to benefit significantly from the new tax legislation, which was a consistent topic of conversation across the board. Alphabet posted a solid quarter as well, though it came against a high bar following the +30% rebound from the April 8th lows. The AI arms race remains in full swing, with capital spending ramping up once again.

Meanwhile, the market continued its upward trajectory, with the S&P 500 rallying +1.5% and the Nasdaq rising +1%, both closing at fresh all-time highs. Progress on the trade front continues to dominate the news flow.

Our focus themes in this edition are below:

1. Earnings Scorecard – Week 1 & 2
2. Big Tech's AI Investment Cycle Remains In Full Swing…Alphabet Makes The Next Move
3. The Telcos Came Out On Top This Week W/ Solid Headline Financials & Tax Reform Benefits, Though There Were Some KPIs To Pick On
4. Charter's Still Playing The Long Game Despite Q2 Headwinds
5. IPG's Q2 Closed Ad Agency Hold Cos' Earnings Season On A Higher Note
6. Grab Bag: Trump Administration's AI Action Plan/ FCC Approves Skydance Acq Of Paramount / NBCU Cable And NFL-ESPN Sports Speculations

Also, on the home front, I wanted to mention that LionTree served as financial advisor to **Adevinta** on its sale of **Adevinta Spain** to **EQT**.

Let me know if you have any questions or would like to chat on any of these updates.

I hope you have a nice weekend.

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

Top Themes

1) Earnings Scorecard – Week 1 & 2

It's that time of year again…we've officially entered earnings season! In the last two weeks, 27 companies in our LionTree Universe reported their Q2 numbers, with stock reactions skewing positive, though by a small margin.14 companies (52%) traded up post their prints, while 13 (48%) traded down. The best performer was Coursera, which jumped +36.2% in reaction, and the worst performer was Iridium Communication, which fell -22.1%.

Netflix and ad agencies **Omnicom** and **Publicis** kicked off earnings last week, and **IPG**'s report this week rounded out the ad agency reports, with the stock having the best post-earnings reaction out of three, up +7.0% (see Theme #5).

The other big 3 group of companies to report was in the telco space, with **AT&T, Verizon** and **T-Mobile** all posting their results and all trading up +1.2%, +4.0%, and +5.8%, respectively (see Theme #3). On the cable side, **Charter**'s stock went in the other direction and fell -18.5% after posting its numbers (see Theme #4).

Finally, starting off the digital advertising earnings reports was **Alphabet**, which was up +0.9% after its print (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		**Semis**	
Publicis	-6.7%	Intel	-8.5%
Omnicom	4.6%	**Smart Home Security**	
IPG	7.0%	ADT	2.8%
Application Software		**Software & IT Services**	
SAP	-5.1%	IBM	2.8%
Automotive		ServiceNow	-7.6%
Tesla	-8.2%	**Telecom Infrastructure**	
Mobileye	-4.2%	Digital Realty Trust	-1.2%
EdTech		Crown Castle Internationa	3.8%
Coursera	36.2%	**Theaters**	
European Media		Digital Realty Trust	-1.2%
ITV Plc	13.1%	**Toys**	
European Telco		Mattel	-16.4%
Telenor ASA	2.8%	Hasbro	-0.9%
Internet/Advertising		**US Media/Video**	
Alphabet	0.9%	Netflix	-5.1%
Last Mile Transport/Delivery		Hasbro	-0.9%
Ocado Group Plc	18.6%	**US Telco/Wireless**	
Pay-TV/Broadband		AT&T	1.2%
Charter	-18.5%	Verizon	4.0%
Satellite Communications		T-Mobile	5.8%
Iridium Communications	-22.1%		

Source: FactSet

*Day post earnings

2) Big Tech's AI Investment Cycle Remains In Full Swing…Alphabet Makes The Next Move

Alphabet shares, along with many other big tech stocks, have had a massive run since the April 8th lows, rallying ~30% leading up to its earnings print this week. The bar wasn't exactly low but, in our opinion, Alphabet delivered. While investor fears about gen AI cannibalizing traditional Search have lingered, the accelerated growth in the Co's Search business this quarter (from +10% y/y in Q1 to +12% y/y in Q2) suggest that it is navigating this transition well. Momentum behind AI powered search features and capabilities is building and driving growth in both overall and monetizable queries.

Also advertising related, YouTube posted accelerating revenue growth (from +10% y/y in Q1 to +13% y/y in Q2) and showed strong engagement, especially related to Shorts and CTV. It is too early to make a call on Q3 ad trends, but so far so good based on what we heard. Also to note, there seemed to be a greater emphasis on driving YouTube subscriptions as we look ahead.

The Gemini app has been scaling and reached 450mn+ MAUs. While some analysts have questioned the dual-surface strategy, mgmt remains confident in its approach, driving both the Gemini app and AI Mode in Search. That said, mgmt. seemed to leave the door open to evolve this over time.

The company's Cloud business was another key standout. After posting decelerating growth in Q1 due to supply constraints, the segment posted a strong sequential top line re-acceleration (from +28% y/y to +32% y/y), alongside a meaningful beat on operating profitability (reached 20.7%, from 17.8% in Q1). The 38% increase in backlog was also positive.

This cloud revenue growth was enabled by more capacity coming online, with Q2 CapEx $4bn+ above expectations. And the investment ramp is not over - 2025 CapEx guidance was increased by $10bn to $85bn, which will be used for servers and datacenters. Mgmt reiterated confidence in the ROI of this incremental spend (and investors seem to be giving them the benefit of the doubt), though higher depreciation will weigh on operating expenses.

These were many of the points that we thought were the most important from Alphabet's results but see below for more thoughts and takeaways.

-> Alphabet shares closed the day marginally up +0.9% in reaction to earnings and while the stock has had a big rally since the April 8th lows as noted above, YTD, the stock is up only +2%, underperforming several other tech giant peers

It Was Another Solid Qtr But Expenses/Investments Are Going Up

- **Q2 total rev – BEAT by +2.6%:** Grew +14% y/y (+13% FXN), an accel from +12% (+14% FXN in Q1)
    - The beat was broad based across all segments except Other Bets

- **Q1 op margin of 32.4% was modestly below cons 32.8%**

- **Adj EPS beat by +6%**

- **But investments were much higher as CapEx was more than $4bn above cons in the qtr…**
    - **FCF was also more than $10bn light vs expectations due to the sizeable increase in CapEx and cash tax payments**

- **Segment growth**
    - **Google Svs revs grew +12% y/y and adj op income beat by +0.9%**
        - **Google Search & Other revs grew +12% y/y**
        - **YT ad revs grew +13% y/y**
        - **Network ad revs declined -1% y/y**

    - **Subscription, platform & device revs rose +2% y/y** - due to growth in subscription revenue (YT subscription offerings followed by Google One w/ growth in paid subscriptions being the biggest driver of revenue growth)

Alphabet	Q2 2025 Results		
	Actual	Cons Est	% Surp
Revenue (mn)	$96,428	$93,990	2.6%
Adj Operating Income (mn)	$31,271	$30,900	1.2%
Adj Operating Margin (%)	32.4%	32.9%	
Adj EPS	$2.31	$2.18	6.0%
CapEx (mn)	$22,446	$18,040	Higher
Free Cash Flow (mn)	$5,301	$15,970	-66.8%
Segment Revenue (mn)			
Google Services	$82,543	$80,390	2.7%
Google Advertising	$71,340	$69,740	2.3%
Google Search & Other	$54,190	$52,840	2.6%
YouTube Ads	$9,796	$9,560	2.5%
Google Network	$7,354	$7,260	1.3%
Google Subscriptions, Platforms, and Devices	$11,203	$10,720	4.5%
Google Cloud	$13,624	$13,110	3.9%
Other Bets	$373	$432	-13.7%
Segment Adj Operating Income ($ mn)			
Google Services	$33,063	$32,760	0.9%
Google Cloud	$2,826	$2,220	27.3%
Other Bets	-$1,246	-$1,100	-11.7%
Alphabet-level activities	-$3,372	-$2,800	-17.0%

Source: FactSet, StreetAccount LionTree

CapEx Was Not Only Higher In Q2…The FY 2025 CapEx Guidance Went Up By $10bn

- **The $10bn increase in CapEx to $85bn in 2025** is due to addtl investment in & delivery timing of servers as well as an accel of data center construction to meet cloud demand
  - **CapEx is projected to further increase in 2026, but no further details were provided at this time**
  - **ROI?** Mgmt conveyed confidence that they will get a healthy return on this higher investment

- **"It's a tight supply environment. And, we are investing more to expand. But there is obviously a time delay between this additional investment will play out in future years"**

- **Note that the higher CapEx puts pressure on expenses due to higher depreciation**
  - Q3 will also reflect expense associated w/ the upcoming August launch of the new Pixel family of products

Google Cloud Surprisingly Re-Accelerated Growth In Q2 Despite Previous Supply Constraints

- **Q2 Cloud revs grew +32% y/y, up from +28% y/y in Q1 (revs beat cons by +3.9%)**
  - Reflects growth in GCP across core & AI products at a rate that was "much higher" than Cloud's overall rev growth rate and the Co called out growth in Google Workspace (increase in avg rev/ seat + # of seats)

- **Q1 Cloud op margin was a major standout...increasing from 11.3% in Q2 last yr Q2 to 20.7% in Q2 this yr (and up from 17.8% in Q1):** Consensus expected 16.9%

- **The Co has a strong pipeline – the Q2 backlog incr'd 18% from Q1 and +38% y/y reaching $106bn- driven by both new and existing customer**

- **Key stats:**
  - # of deals over $250m doubled y/y
  - # of clients signed in H125 w/ deals over $1mn was more than that of all of 2024
  - # of new GCP customers incr'd by almost 28% q/q
  - More than 85k enterprises are now built w/ Gemini, driving 35x growth in Gemini usage y/y

- **Mgmt continues to expect more capacity to come online towards the end of this year- though there will be variability in growth rates as capacity comes online**

Agentic Experiences Should Start To Scale In 2026

- **The Co is focused on building a "flourishing" AI Agent eco-system -**
  - Their open-source Agent Development Kit has 1mn+ downloads in less than 4 months
  - Agentspace (an open & interoperable enterprise chat search & agent platform) has over 1mn subscriptions booked ahead of its general availability

- **"I expect 2026 to be the year in which people kind of use agenting experiences more broadly…it's an exciting opportunity ahead"**

Advertising Revenue Accelerated In Q2 But It's Too Early To Comment On Q3 Trends

- **Q1 Google Search & Other ad revs accelerated from +10% y/y to +12% y/y in Q2 and beat cons by +2.6%**
  - Similar to the past couple of qtrs, growth was broad-based but led by retail and financial svs (insurance in particular)
  - Paid clicks were up +4% y/y and CPC up +8% vs +2% and +7% in Q1, respectively, but mgmt stressed that they "don't manage to pay clicks and CPC targets"
    - "Some of the product and policy changes we make actually drive better monetization at the expense of paid clicks"

- **Q1 YT ad revs accelerated from +10% y/y in Q1 to +13% y/y in Q2 and beat cons by +2.5%**
  - Driven by direct response advertising, followed by brand (similar to Q2)
  - Seeing both the volume and the price of ads and shorts increase, particularly in developed mkts
  - **Outlook? Mgmt did not provide any color…saying it is too early to say**

Continue To See This Moment As An "Incredibly Exciting Moment" For Search

- **Usage continues to grow:** Overall queries and commercial queries on Search both continue to "grow" y/y

- **New AI experiences "significantly" contributed to this increase in usage and growth was most pronounced among younger users**

- **Google Lens searches grew +70% y/y and the "majority" of Lens searches are "incremental"**
    - Seeing healthy growth for shopping queries using Lens
    - The next level is moving from image to video-based capabilities like Search Live
    - Intro'd a virtual try on experience for Search Lens users in the US…people can try billions of clothing products on themselves virtually
        - Early results & engagement have been "extremely positive", particularly with Gen Z users
        - Will rollout to all US users "imminently"

- **Circle-to-Search is now on over 300mn Android devices**

- **Saw strong growth in the use of multimodal search,** esp Lens or Circle-to-Search + AI overviews

- **AI Overviews now has 2bn+ monthly users** across more than 200 countries & territories and 40 languages
    - They are driving over 10% more queries globally for the types of queries that show them (and this growth continues to increase over time)
    - Reiterated that AI Overview monetize at ~ the same rate as Search

-> Related, a Pew Research survey published this week of 900 US Google users showed that of ~69k searches, 18% gave AI overviews and of those searches, users clicked a result link 8% of the time vs 15% clicks with no AI summaries (link)

- **AI Mode continues to receive very positive feedback**, particularly for longer & more complex questions
    - Launched in the US and India and already has 100mn+ MAUs
    - Will be adding advanced research capabilities, deep search & more personalized responses

- **New AI products are enhancing the advertising proposition**
    - Advertisers that activate AI MAX & Search campaigns typically see 14% more conversions
    - Campaigns using Smart Bidding Exploration see a 19% increase in conversions on avg
    - Demand Gen continues to drive revenue growth & deliver measurable impact
    - Over 2mn advertisers now use Google's AI-powered asset generation tools to run ads, +50% y/y

Mgmt Believes Its 2 Surface Strategy Is The Right Approach…For Now

- **The Gemini app has 450mn+ MAUs and daily requests grew 50%+ from Q1**

- **Why have 2 surfaces… Google Search w/ AI mode usage & Gemini stand-alone apps?** "Between these two surfaces, you're pretty much covering the entire breadth and depth of humanity can possibly do"…"There will be areas that are served by both apps" but:
    - **AI Mode is more information focused: "**Queries are information-oriented but people really want to rely on the information, but have the full power of AI. I think AI Mode really shines in that…It's all grounded in that Search experience"
    - **Gemini standalone app is a more personal, proactive assistant; "**You see everything from people having a long conversation on chat or just trying to pass time"
    - **Longer term?** "In this early stage of new emerging paradigms, I think we want to make sure we can meet them [users] where they -- what they are expecting today. And over time, I think it will give us an opportunity to serve them better"

YouTube Engagement Is Strong & The Co Has A Clear Focus On Driving YouTube Subscriptions

- **Key engagement stats:**
    - **Neilsen data shows YT has led US streaming watch time for over 2 yrs**
    - **Shorts:** Averages 200bn+ daily views
        - In the U.S., Shorts now earned as much revenue per watch-hour as traditional in-stream on YT, and in some countries, exceeded in-stream's rate
        - Both volume and price of ads in Shorts incr'd esp in developed markets

- **CTV:** In the past 12 mos, YT ads viewed on CTV screens drove over 1bn conversions
  - Strong growth in retail as viewers shop directly via QR codes

- **Mgmt called out the success of sports content:**
  - Users consume 40bn+ hours of sports content on YouTube annually
  - In September, the Co will stream the NFL's first Friday game of the season, live from Brazil

- **AI is helping improve features like recommendations & auto dubbing, which translates to better returns for creators and brands**
  - Just started rolling out new AI tools for creators on YouTube shorts

- **YouTube subscriptions are "definitely" a long-term focus:**
  - Posted strong growth across YouTube subscription products (YouTube TV, YouTube Music, and Premium)
  - YT subscriptions are "increasingly important" for YouTube
  - We "will definitely continue our long-term focus here"

Investing More Resources Into Waymo

- **Waymo has autonomously driven 100mn+ miles on public roads**

- **Q2 highlights –**
  - Launched in Atlanta, more than doubled its Austin svs territory & expanded its LA and SF Bay area territories by ~50%
  - Launched teen accounts in Phoenix, starting w/ riders aged 14-17

- **Looking ahead –**
  - T**esting across more than 10 cities this year, incl New York & Philadelphia**
  - Had previously talked about Washington DC & Miami going live in 2026 (though didn't specifically call in out now)

3) The Telcos Came Out On Top This Week W/ Solid Headline Financials & Tax Reform Benefits, Though There Were Some KPIs To Pick On

It was a windfall of connectivity earnings this week, with all three incumbent telcos reporting their Q2 results, in addition to Charter (see Theme #4 for thoughts there). As far as the telcos are concerned, results were mostly solid on the headline financials with Verizon, AT&T, and T-Mobile all beating consensus revenue, adj EBITDA, and adj EPS, though Verizon and AT&T did post slightly lighter margins. What stood out in particular was the better Q2 FCF across the board and higher FCF guidance looking ahead as the telcos will all benefit from the recent tax legislation. As AT&T put it regarding this new policy, the "macro dynamic is really, really good for our industry." AT&T also detailed its plans to accelerate its fiber build on the back of the newfound capital.

Outside of the ubiquitous positive comments on the FCF outlook (which we heard from Charter as well – Theme #4), a few guidance / outlook updates that stood out to us were: 1) Verizon and T-Mobile both raised FY25 adj EBITDA guidance while AT&T reiterated; 2) AT&T tweaked down its FY25 mobile EBITDA guidance; 3) Verizon softened its stance on posting growth in its consumer postpaid phone net adds for 2025 (T-Mobile & AT&T led postpaid phone growth in Q2 and in fact it was the best ever Q2 for postpaid phone net adds for T-Mobile); 4) all the telcos seem to be expecting strong or improving broadband additions in H2 (following some mixed performance in Q2 and very low move activity); and 5) wireless postpaid churn was elevated across the board as promotional activity has been heightened but outlooks slightly differed as AT&T expects postpaid phone churn to be seasonally higher in H2 while T-Mobile anticipates churn will be down seq and flat to slightly up y/y.

On another front, Verizon deal with Frontier remains on track and the Co might revisit its capital allocation strategy post close, which could be a positive catalyst. Also, it was interesting to hear T-Mobile highlight that it is still not viewed as having the best network in the industry by many, hence this network perception has become a major focus for them.

All in all, it was a strong quarter financially for the telcos and FCF is going up vs previous expectations, but there were some puts and takes with certain user subscriber metrics and monetization which investors will keep a watchful eye on.

There was a lot to unpack and we did our best to do so below.

-> VZ was up +4.0% post its print and ended the week up +5.5%; AT&T closed the day of earnings up +1.2% and ended the week up +3.9%; TMUS jumped +5.8% post its report and ended the week up +7.2%

All 3 Telcos Mostly Beat On Q2 Top-Line (Thanks To Equip Revs For VZ & AT&T), Though VZ & AT&T's Margins Came In A Bit Light…Higher FCF Was A Consistent Theme

- **Verizon – headline #s beat expectations except for adj EBITDA margins; FCF was much better than expected**
  - **Total revs – BEAT by +2.3%:** Grew +5.2% y/y
    - Upside was mostly due to higher consumer w-less equip revs (+$788mn higher)
  - **Adj EBITDA – BEAT by +1.2%**
    - **Adj EBITDA margins – MISSED:** 37.1% vs cons 37.5%
  - **Adj EPS – BEAT by +2.5%:** Despite the margin shortfall
  - **CapEx - Much lower than expected**: By -12%, due to cont'd efficiencies in C-band deployment and Fios expansion, which is "enabling us to meet or exceed our network goals well within our capital budget"
  - **FCF – BEAT by +6.0%**

Verizon	Q2 2025 Results		
	Actual	Cons Est	% Surp
Revenue ($mn)	**$34,504**	**$33,740**	**2.3%**
Total Adj EBITDA ($mn)	**$12,807**	**$12,660**	**1.2%**
Adj EBITDA Margin (%)	**37.1%**	**37.5%**	
Adj EPS	**$1.22**	**$1.19**	**2.5%**
CapEx ($mn)	**$3,800**	**$4,320**	**Lower**
Free Cash Flow ($mn)	**$5,160**	**$4,870**	**6.0%**
Consumer Segment Breakdown			
Operating Revenue ($mn)	**$26,648**	**$25,860**	**3.0%**
Service	$20,260	$20,290	-0.1%
Wireless Equipment	$5,369	$4,580	17.2%
Other	$1,019	$939	8.5%
Adj EBITDA ($mn)	$11,225	$11,200	0.2%
Business Segment Breakdown			
Operating Revenue ($mn)	**$7,275**	**$7,240**	**0.5%**
Enterprise & Public Sector	$3,435	$3,460	-0.7%
Business Markets & Other	$3,346	$3,250	3.0%
Wholesale	$494	$533	-7.2%
Adj EBITDA ($mn)	**$1,669**	**$1,620**	**3.0%**

Source: Verizon Filing, FactSet Financial Data

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- **AT&T – headline #s beat expectations & FCF also much better than expected**
  - **Total revs – BEAT by +1.3%:** Grew +3.5% y/y
    - Upside also mostly due to higher consumer w-less equip revs (+6.7% higher)
    - Consumer w-line revs also beat
  - Mobility svs revs grew +3.5% y/y & mobility EBITDA grew +3.2%
  - **Adj EBITDA - BEAT by +1.2%**
    - **Adj EBITDA margin was a tad light**
  - **Adj EPS – BEAT by +1.9%**
  - **FCF – BEAT by +6.1%**

AT&T	Q2 2025 Results		
	Actual	Cons Est	% Surp
Revenue ($mn)	**$30,847**	**30,460**	**1.3%**
Total Adj EBITDA ($mn)	**$11,731**	**$11,610**	**1.0%**
Adj EBITDA Margin (%)	**38.0%**	**38.1%**	
Adj EPS	**$0.54**	**$0.53**	**1.9%**
Capital Expenditures ($mn)	**$4,897**	**$4,720**	**3.8%**
Free Cash Flow ($mn)	**$4,394**	**$4,140**	**6.1%**
Revenue by Segment ($mn)			
Communications	**$29,699**	**$29,270**	**1.5%**
Mobility	$21,845	$21,470	1.7%
Service	$16,853	$16,830	0.1%
Equipment	$4,992	$4,680	6.7%
Business Wireline	$4,313	$4,310	0.1%
Consumer Wireline	$3,541	$3,490	1.5%
Latin America	**$1,054**	**$1,080**	**-2.4%**
Adj EBITDA by Segment ($mn)			
Communications	**$12,100**	**$11,980**	**1.0%**
Mobility	$9,487	$9,520	-0.3%
Business Wireline	$1,320	$1,240	6.5%
Consumer Wireline	$1,293	$1,230	5.1%
Latin America	**$201**	**$187**	**7.3%**

Source: AT&T Filing, FactSet Financial Data

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- **T-Mobile – headline #s beat across the board, w/ a small miss in Equipment rev easily offset by Service & Other segments**
  - **Revs – SLIGHTLY BEAT:** Grew +6.9% y/y
    - Postpaid svs rev grew +9% y/y (up from +8% y/y in Q1) and overall svs revs incr'd +6% y/y ("well over" double their closest competitor)
  - **Adj EBITDA – BEAT by +1.8%**
  - **Adj EPS – BEAT by +6.0%**
  - **FCF – BEAT by +3.7%:** Was a new Q2 record

T-Mobile	Q2 2025 Results		
	Actual	Cons Est	% Surp
Revenue ($mn)	$21,132	$21,040	0.4%
Core Adj EBITDA ($mn)	$8,547	$8,400	1.8%
Adj EBITDA Margin (%)	40.4%	39.9%	
EPS	$2.84	$2.68	6.0%
CapEx ($mn)	$2,396	$2,390	0.3%
Free Cash Flow ($mn)	$4,596	$4,430	3.7%
Segment Revenue ($mn)			
Service	$17,438	$17,340	0.6%
Equipment	$3,439	$3,480	-1.2%
Other	$255	$248	2.7%

Source: T-Mobile Filing, FactSet Financial Data

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The Telcos Highlight Cash Tax Savings From The One Big Beautiful Bill

- **Verizon – "clearly, the tax reform is helping us to get faster to the priorities we have. So, we feel good about that"**

- **AT&T – very bullish on telecom policy under the current administration – "macro dynamic is really, really good for our industry"**

- **AT&T – expects to realize $6.5-$8.0bn of cash tax savings due to tax provisions in the bill, some of which will be used to accelerate fiber build-out as well as contribute to employee pension plan**
  - Assumes est'd savings of $1.5-$2.0bn in 2025 and $2.5-$3.0bn in each of 2026 and 2027

    - **Intend to invest $3.5bn of these savings into its network to accelerate fiber internet build-out** to a pace of 4mn locations per year (vs earlier 3mn), a run-rate it expects to achieve by the end of 2026
        - **As a result of the incr'd pace, expect to reach ~50mn customer locations by end of 2030 with its in-region fiber network and 60mn+ fiber locations** when including the Lumen Mass Markets fiber assets, its Gigapower JV, and agreements w/ other commercial open access providers
    - **Also intend to contribute $1.5bn of these savings to its employee pension plan by the end of 2026,** which would result in ~95% funding of the plan
    - **Remaining tax savings will add to AT&T's financial flexibility** to support additional strategic investments, incremental capital returns and debt repayment, among other potential uses

- **T-Mobile – the bill won't "meaningfully" impact 2025 cash tax expectations BUT they will see the benefit in 2026**
    - Expect an ~$1.5bn benefit to cash taxes in 2026, which will be deployed "thoughtfully"

FCF Guidance Goes Up Across The Board / AT&T Raises CaEpx Guidance While Verizon & T-Mobile Maintain

- **Verizon –**
    - **Reiterated FY25 CapEx guidance:** $17.5bn-18.5bn (slightly below cons $18.07bn at the midpt)
    - **Raised FY25 FCF guidance to $19.5bn-20.5bn** vs prior $17.5bn-18.5bn
        - Well above cons $18.22bn

- **AT&T –**
    - **Raised 2025 CapEx guidance:** To $22-$22.5bn range (vs prior $22bn)
    - **Raised 2026 & 2027 CapEx guidance:** In the $23-$24bn range (vs prior $22bn per year)
    - **Raised 2025 FCF guidance:** Low-to-mid $16bn range (vs prior guidance $16bn+)
    - **Raised 2026 & 2027 FCF guidance**: $18bn+ in 2026 and $19bn+ in 2027 (vs prior $17bn+ in 2026 and 28bn+ in 2027)

- **T-Mobile –**
    - **Reiterated FY25 cash Capx guidance:** Expects to be ~$9.5bn
    - **Raised FY25 FCF guidance, which includes payments for Sprint Merger-related costs:** $17.6-$18bn, an increase at the midpt from prior guidance of $17.5-$18bn

Key Consolidated & Segment Forward Guidance Changes – VZ & T-Mo Raised FY25 adj EBITDA, While AT&T Lowered Mobility EBITDA

- **Verizon – RAISED FY25 guidance for adj EBITDA, adj EPS, and FCF:** Driven by "strong operational execution" in H1:25 "coupled with favorable tax reform"
    - **Raised low end of adj EPS growth to +2.5%-3.5**% y/y vs prior +2.0%-3.5%
        - Above cons +2.7% at the midpt
    - **Raised low end of adj EBITDA growth to +1.0%-3.0% y/y** vs prior +0%-3.0%
        - Above cons +1.8% at the midpt

- **AT&T – some puts and takes**
    - **REITERATED adj EBITDA growth of 3% or better…BUT**
        - **Lowered Mobility EBITDA:** Growth of ~3% (vs prior "growth in the higher end of the 3% to 4% range)
        - **Raised Business Wireline EBITDA:** Decline in the low-DD range (vs prior "decline in the mid-teens range")
        - **Raised Consumer Wireline EBITDA:** Growth in the low-to-mid-teens range (vs prior "growth in the high-single to low-double-digit range")
    - **REITERATED adj EPS guidance** of $1.97 to $2.07

- **AT&T – REITERATED long-term financial outlook for adj EBITDA growth & adj EPS growth**
    - Adj EBITDA growth of 3% or better annually from 2026-2027
    - Adj EPS accelerating to DD %age growth in 2027

- **T-Mobile – RAISED FY25 guidance for core adj EBITDA**
    - **Incr'd core adj EBITDA guidance at the low end by +$100mn:** To $33.3-33.7bn and in-line w/ cons, which includes funding their "significantly increased" total postpaid net adds expectation

- **Expect Q3 core adj EBITDA to be ~$8.5bn** as they accelerate investments into the biz

Svs Rev Growth Guidance Reiterated By VZ & AT&T, Though AT&T Ups Segment Outlook, While TMUS Provides Guidance

- **Verizon – reiterated FY25 guidance for total wireless svs rev growth**
  - Continue to expect to be between 2.0-2.8%

- **AT&T – reiterated FY25 consolidated svs rev growth but increased segment-specific growth expectations**
  - **Consolidated service rev growth in the LSD range (reiterated)**
    - **Increased mobility service rev growth** to "3% or better" from "in the higher end of the 2-3% range", with margin pressure in H1 tied to growth-related spend expected to ease as operating leverage improves
  - **Increased consumer fiber broadband rev growth** from the mid-to-high teens vs prior "in the mid-teens", which is based on momentum seen in broadband and improved operating efficiencies

- **AT&T – also reiterated long-term financial outlook for consolidated svs rev growth**
  - In the LSD range annually from 2026-2027

- **T-Mobile – provided FY25 svs rev growth guidance**
  - Expected to be at least 6%

Verizon's Frontier Deal Remains On Track And May Revisit Capital Allocation Strategy Post-Close

- **Verizon – regulatory approval for Frontier acq is "progressing as planned" and "remain on track" for early 2026 close**
  - "The performance is great. The synergies are great. And of course, the convergence and the fiber opportunities are also great"

- **Verizon - capital allocation strategies "remain unchanged" but may revisit post Frontier deal close**
  - **Reaching targets faster:** Driven by favorable tax reform and operational efficiency
  - **Want to get a "holistic" view on all the capital allocation once Frontier deal closes:** "How we're going to invest in fiber, what synergies we see, how we're going to do the capital allocation priorities"

Verizon's Wireless Net Adds Mostly Missed (Consumer Was The Saving Grace), While AT&T And T-Mobile Posted Strong Gains

- **Verizon – total wireless net adds were a disappointment, BUT consumer losses were less than expected**
  - **Total postpaid phone net adds were a significant MISS:** The miss in Business more than offset the better trend in consumer
    - **Consumer postpaid phone net adds BEAT:** -51k (vs +426k in Q1) and beat cons by +61%
    - **Business postpaid phone net adds MISSED:** +42k (vs +67k in Q1) and missed cons by -48%
  - **Prepaid phone net adds MISSED:** 50k (vs cons 62k) and missed cons by -19%
    - **Prepaid rev has reached a "turning point":** Was flat y/y in Q2 and expected to positively contribute to wireless svs rev growth in H2
  - **Looking ahead – the Co softened its tone on reaching y/y Consumer postpaid net add improvement:** Will continue to be "very" financially disciplined; "It all depends where the market is and where we go, but ultimately, our goal is to increase our service revenue, and then expand our EBITDA and cash flow"

Verizon	Q2 2025 Results		
	Actual	Cons Est	% Surp
Wireless Net Add Metrics			
Postpaid	**155**	**252**	**-38.5%**
Phone	-9	11	-222.2%
Consumer	-51	-82	60.8%
Business	42	81	-48.1%
Prepaid	**50**	**62**	-19.4%

Source: Verizon Filing, FactSet Financial Data

LionTree

- **AT&T – MUCH stronger +401k postpaid phone net adds beat expectations due to higher gross adds (up +20% y/y):** Recall that postpaid phone net adds don't include migrations from prepaid
    - Growth is fueled by converged customers
    - Mgmt stressed that they are not going after growth for growth's sake

- **AT&T - there was also a little bit of pull forward of demand on the consumer side because of tariffs so that will impact H2 as well**
    - **Mgmt guidance assumes that the market will remain competitive:** "We're hopeful some of the activity does dissipate, but we're planning for a more active environment"

- **AT&T – prepaid net adds were a big miss:** -152k vs cons 20k
    - "Do believe some of that falls through into immigration and some of the dynamics that are occurring there"
    - **"We told you it was manageable given our exposure to that particular piece of the market. And I think we're demonstrating that we're kind of working our way through it"**

AT&T	Q2 2025 Results		
	Actual	Cons Est	% Surp
Wireless Net Add Metrics			
Postpaid	**479**	**443**	**8.2%**
Phone	401	308	30.4%
Prepaid	**-152**	**20**	**-113.2%**

Source: AT&T Filing, FactSet Financial Data

LionTree

- **T-Mobile – best ever Q2 for postpaid phone nets, total postpaid net adds, and gross adds**
    - **9th consecutive qtr they've been the leader in postpaid switching**
    - **Postpaid share of households also grew in every cohort** within the top 100, as well as in smaller markets and rural areas
        - **Have surpassed 20% share of households in smaller markets and rural areas**

- **T-Mobile – has a "unicorn" position in the competitive environment – "as natural share takers, we enjoy these moments when there's more movement and more switching in the market"**
    - **"**Able to provide not just the best network, but also the best value and best experience**"**

- **T-Mobile – "network perception has now become a major focus for us"…this will be a greater focus**
    - "We've seen a significant increase in the number of customers citing our network as the reason for switching to T-Mobile"
    - BUT only ~20% of switchers in the broader market believe T-Mobile has the best network – "this represents an enormous runway for us"

T-Mobile	Q2 2025 Results		
	Actual	Cons Est	% Surp
Wireless Net Add Metrics			
Total Wireless	**1,771**	**1,450**	**22.1%**
Postpaid	**1,732**	**1,350**	**28.3%**
Phone	830	706	17.6%
Other	902	(no consensus)	
Prepaid	**39**	**71**	**-45.1%**

Source: T-Mobile Filing, FactSet Financial Data

LionTree

Postpaid Churn Pressure Continues / TMUS Posts Strongest ARPA Growth In 8 Yrs

- **Verizon – postpaid phone churn worsened seq to 0.97% (up from 0.9% last qtr as well as cons 0.9%)**
    - **Drivers:** Residual effects of Q1 pricing actions and elevated competitor promotional activity
    - **How is it being addressed? Have launched initiatives designed to improve the customer experience,** including –
        - Leveraging AI for more personalized support
        - Best Value Guarantee "to enhance our value proposition and build customer loyalty" (and "My Biz" on the business side)

        - Further deployment of C-band – “going to get to 80% to 90% of C-band this year deployed, and we see lower churn where C-band is deployed”

- **Verizon – postpaid ARPA came in below expectations:** Q1 total retail postpaid ARPA grew +2.0% y/y (decel from +3.4% y/y in Q1) to reach $170.79
    - **Have several levers to continue to grow ARPA:** Including broadband, “Step Ups”, just ~50%of customers are on myPlan.
    - **Saw an uptick in upgrade activity in Q2:** Driven by “Best Value” guarantee
        - **Continue to expect MSD growth in upgrade activity for the full yr**

Verizon	Q2 2025 Results		
	Actual	Cons Est	% Surp
Churn			
Retail Postpaid	**1.24%**	**1.16%**	**Higher**
Retail Postpaid Phone	**0.97%**	**0.90%**	**Higher**
Per User Metrics			
Retail Postpaid ARPA	$170.79	$172.94	-1.2%

Source: Verizon Filing, FactSet Financial Data

LionTree

- **AT&T – postpaid phone churn of 0.87% was up from 0.83% in Q1 and 0.7% in Q2:24 and higher than cons 0.82%**
    - **Drivers:** In good part due to a higher % of customers coming off device financing contracts, as well as the incr’d “activity” “and normalization of net adds” in the marketplace
        - **Mgmt does NOT view pricing as being an issue in terms of managing churn:** And they are “mindful” of the current environment w/ some consumer segments not in the same position as other segments but think has managed price increases over the last couple of years well
    - **Outlook -** planning for postpaid phone churn to be seasonally higher in H2 (more switching during new device launches & the holiday period)

AT&T	Q2 2025 Results		
	Actual	Cons Est	% Surp
Churn			
Postpaid Churn	**1.02%**	**0.94%**	**Higher**
Postpaid Phone Churn	**0.87%**	**0.82%**	**Higher**
Per User Metrics			
Postpaid Phone-Only ARPU	**$57.04**	**$57.20**	**-0.3%**

Source: AT&T Filing, FactSet Financial Data

LionTree

- **T-Mobile – Postpaid phone churn was higher than the Street expectations, but around what the Co expected,** given the finalization of their rate plan optimizations
    - BUT “we’re through that heightened area of churn for us and we’re seeing great dynamics now”
    - **Looking into Q3…anticipate churn will be down seq and flat to slightly up y/y**

- **T-Mobile – ARPA growth was the highest in eight yrs:** Up +5.1% y/y (vs +3.8% y/y in Q1)
    - Driven by “customers […] continuing to self-select up the rate card”
    - **Strong uptake of new premium rate plans following April launch:** New Experience Beyond plan adoption more than doubled y/y and rose +50% q/q
    - **Looking to H2...“it’ll be a little harder to deliver the same percentage gain but nominally we feel really great with where we are”:** Will be lapping last year’s rate plan changes
    - **Reiterated FY25 ARPA growth guidance** of at least 3.5%

T-Mobile	Q2 2025 Results		
	Actual	Cons Est	% Surp
Churn			
Postpaid Phone	0.90%	0.85%	
Prepaid	2.65%	2.68%	
Per User Metrics			
Postpaid ARPA	$149.87	$148.55	0.9%
Postpaid Phone ARPU	$50.62	$49.93	1.4%
Prepaid ARPU	$34.63	$34.93	-0.9%

Source: T-Mobile Filing, FactSet Financial Data

LionTree

All 3 Telcos Are Content With Their Spectrum Supply, Though FCC Bringing More To The Mkt Is Viewed As A Plus

- **Verizon – "sitting on a really good position on spectrum" but "encouraged" that the govt plans to bring more to the mkt**
  - "Said all the time that the US over time needs more spectrum, especially as 6G comes up…in order to stay competitive and be the most digitized country in the world"
  - **Spectrum still needs to be auctioned out, which will take some time**
  - **Capital allocation of spectrum – "we always do the build versus buy"**: Look into whether buying the spectrum is better than building it

- **AT&T - constantly evaluating spectrum options in the market but very positive on the FCC creating "a more defined pipeline" of spectrum as it should lead to "more discipline on spectrum valuation"**
  - Will take advantage of spectrum opportunities that fit in capital structure framework and "honors" shareholder commitments

- **T-Mobile – finding "more and more" ways to maximize existing spectrum, alongside new oppties w/ UScellular acq**
  - "With each passing day, especially with our 5G SA network, we're finding more and more opportunities to squeeze more out of our existing spectrum
  - BUT "with the addition of UScellular and all the assets, the complementary spectrum... we have this huge opportunity still"

T-Mobile Continues To Lead The Way On FWA Net Adds / Both VZ And AT&T Came In Below Expectations On Fiber, While TMUS Is "Off To The Races"

- **Verizon – Total broadband net adds missed:** +293k vs cons +343k driven by a "way lower" mover market in Q2
  - **BUT they are "taking broadband share and see strong demand** for both our fiber and FWA offerings, even with seasonal impacts and a softer move environment as compared to prior years"
    - **Churn is also "very low"**
  - **On FWA – missed Street estimates but "firmly on track" to reach LT subscriber goals:** Reached 5.1mn subscribers and on track to achieve 8-9mn subscribers by 2028
  - **Build plans:**
    - **Fiber build continues to be "tracking ahead of its plan"** to deliver 650k incremental passings this year
    - **C-band deployment is "ahead of schedule"** and on track to cover 80%-90% of planned sites by yr-end, with nearly all sites now standalone capable
  - **Also in the works…MDU – "will be a bigger contributor in 2026 than in 2025"**
    - "Verizon is leading with a solution that nobody else has done"
    - "We're in many states. We've started rolling it out"
  - **Outlook – "pretty certain we will do better on broadband in the second half of this year than we did in the first"**

Verizon	Q2 2025 Results		
	Actual	Cons Est	% Surp
Broadband & Video Net Add Metrics			
Total Broadband	**293**	**343**	**-14.6%**
FWA	**278**	**315**	**-11.7%**
Consumer	164	195	-15.9%
Business	114	112	1.8%
Wireline Broadband	**15**	**28**	**-46.4%**
Fios Internet	**32**	**44**	**-27.3%**
Consumer	28	40	-30.0%
Business	4	4	0.0%
Fios Video	**-62**	**-62**	**0.0%**

Source: Verizon Filing, FactSet Financial Data

LionTree

- **AT&T - Fiber adds were slightly up y/y to 234k but missed cons by -3.2%:** Q2 is normally their slowest qtr for subs growth
  - **Q3 should show higher fiber net adds**

- **AT&T – Posted an acceleration in FWA Internet Air adds to 200k for the first time ever**
  - Exited Q2 w/ 1mn+ consumer Internet Air subscribers
  - **Drivers?** Wireless network monetization efforts, which have materially expanded coverage of their mid-band spectrum and therefore the regions they can offer the svs

- **AT&T - broadband strategy remains "fiber first" but sees FWA as complementary:** Can leverage Internet Air to create a funnel of broadband customers that can be migrated to fiber over time
  - Based on the expanded availability and "strong" demand, expect a higher level of Internet Air net adds in H2 vs H1

AT&T	Q2 2025 Results		
	Actual	Cons Est	% Surp
Broadband Net Add Metrics			
Total Broadband	**150**	**107**	**39.9%**
Fiber	243	251	-3.2%
Non-Fiber	-93	-134	44.5%
Per User Metrics			
Broadband ARPU	$71.16	$71.35	-0.3%

Source: AT&T Filing, FactSet Financial Data

LionTree

- **T-Mobile – continued strength in FWA adds at +454k…+13.8% beat vs cons:** For the 14th qtr in a row led entire Bband industry w/ customer growth
  - **"Both speeds and usage continue to rapidly grow,** demonstrating the mainstream nature of this product"
  - **"Satisfaction is as high or higher than ever, as seen in our record low churn"**
  - **T-Mobile for Business was a standout, achieving highest ever business 5G broadband net adds**

- **T-Mobile – FWA momentum continues to build, largely driven by word of mouth**
  - "The satisfaction rates of this product are through the roof…people love it"
  - Avg user is using ~560 gigs, up +25% from two yrs ago
  - Getting speeds in the 200-250 megabits per second national acg, up 50% from two years ago

- **T-Mobile – "off to the races" w/ launch of T-Fiber and expecting ~100k fiber net adds in 2025, mostly in H2:** Will come organically from –
  - Wholesale fiber mkts
  - Lumos JV mkts
  - Metronet JV mkts (just closed on July 24th; Will commercially launch T-Fiber in those mkts later this yr)

- **T-Mobile – "we're becoming the equivalent of 40mm to 45mm homes passed as a broadband player"**
  - Current FWA subscriber base (12mn) equates to ~30mn fiber homes passed (assuming 40% utilization)
  - Lumos and Metronet expected to add 12-15mn more homes passed

- “We’re very open to looking at investments in fiber. They need to be the right investments…we like pure play fiber assets”

- **T-Mobile – “there’s still a lot of places left to cover in this country where you can be first to market to fiber”**
  - **Lumos and Metronet will help to do that:** “And what we’ve seen so far from Lumos is they continue to be very successful at that and we’re very optimistic that we’ll continue to see that with Metronet after we close tomorrow”
  - “**We’ll update you on actual build expectations after we actually own the assets**”

T-Mobile	Q2 2025 Results		
	Actual	Cons Est	% Surp
Broadband Net Add Metrics			
High Speed Internet	454	399	13.8%

Source: T-Mobile Filing, FactSet Financial Data

LionTree

VZ & AT&T Continue To Double Down On The Convergence Strategy, With AT&T Seeing It As Key For Survival (T-Mobile Did Not Touch On The Subject)

- **Verizon – continues to benefit from having owner's economics on mobility and broadband, which is a “key differentiator”, and Frontier acq will add to that**
  - **“Huge” oppty for convergence is coming up once Frontier deal gets approved**
    - “We have a very high degree on our broadband net adds per quarter that are already converged. So, it's more about when we're going to scale that opportunity, we have even more chances”

- **AT&T – convergence trend accelerated in Q2, driven by growth in new customer relationships that subscribed to both fiber and 5G svs**
  - **Q2 fiber + 5G convergence rate hit 40.9%:** Up 70bp q/q and up 140bp y/y
    - **Also seeing high rates of converged service adoption among Internet Air customer base**
  - **AT&T Guarantee is “resonating with our customers”:** NPS score has improved amongst wireless and fiber customers since AT&T Guarantee launch back in January

- **AT&T – also believes that others are going to “really struggle” in this mkt b/c we’re in a converged market space**
  - **Expects to see consolidation of national players that need assets to do both fixed and mobile together over time:** “To be successful, you're going to need to be able to do both”

VZ & AT&T Expect Improving Business Segment Profitability In H2 / VZ & AT&T Are Feeling Pressure In Public Sector, While TMUS Is Gaining Share

- **Verizon – Business segment outperformed on both the top and bottom-line:** Rev beat by +0.5% and Adj. EBITDA beat by +3.0% (third consecutive qtr of y/y growth)
  - **Business postpaid phone net adds were a big disappointment:** Came in at just 24k, well below cons estimates of 81k and yr-ago 135k; “Significant majority” of y/y decline was driven by the public sector biz
    - Contributions from private 5G networks and AI connect are offsetting some of the wireline declines
    - **Public sector pressures are expected to persist in H2, but subside towards the end of the yr**
  - **Business segment is becoming more wireless-centric,** with mobility and FWA driving volume growth despite pressures in the public sector
  - **Looking ahead - “well-positioned to continue to improve the business EBITDA margins this year”**
    - “Consistent with our wireline approach, we continue to remain disciplined and not pursue low-margin wireless business or overpay for volumes”

- **AT&T – Business segment was in-line on rev but outperformed expectations on profitability:** Q2 revs fell -9.3% y/y (vs -9.1% y/y in Q1) and was in-line w/ cons; Adj EBITDA fell -11.3% y/y (vs -1.8% y/y in Q1) but beat cons by +6.5%
  - **Outperforming initial outlook midway through the yr**, due to “slightly less” legacy wireline pressure than expected and “solid” execution of cost takeout initiatives
  - **Seeing softness in public sector biz (which was expected):** Seeing dislocation in federal govt spending, which is leading to dependent entities (i.e., universities, local govts, etc.) to evaluate their spending patterns
    - **Continue to expect they can manage through and still meet guidance**

        - **Business wireline operating and support costs were down ~$275mn y/y in Q2** due to lower costs and contractor costs
            - **Expect to reinvest some of these savings in Q3** to drive future growth in Fiber and advanced connectivity revs
            - **OUTLOOK – Reinvested savings will put some incremental seq pressure on Q3 EBITDA, but now expect FY Business Wireline EBITDA to decline in the low dd range vs initial outlook for mid-teens decline**

- **T-Mobile – "**i**n Q2, we led the industry in business in postpaid nets, in postpaid phone, in 5G broadband nets and in postpaid churn**"

- **T-Mobile – continue to gain momentum and win share across public sector and enterprise**
    - **T-Priority has seen double-digit growth in new accts since launch in Q1**
    - **Also seeing oppties in beta to use T-Satellite:** Seeing interest from –
        - Public sector – i.e., first responders and state and local municipalities (was vital during recent Texas floods)
        - Enterprises – i.e., oil and gas which require connectivity in areas without traditional coverage
    - **National retailers are adopting T-Mobile's fixed wireless and slicing solutions:** Despite being "the least congested network out there", enterprises value slicing for guaranteed service levels, esp in mission-critical scenarios
    - **Win share in govt continues to grow q/q AND y/y:** While some competitors have talked about losing share in govt due to DOGE impact, T-Mobile's win share continues to grow

- **T-Mobile – annc'd multi-yr MVNO partnership w/ Comcast and Charter** (link)**…see Theme #4 for some addtl points from Charter**
    - **"To supercharge our growth in an area where we have little exposure today in a true win-win"**
        - "**We kind of have a barbell business**": Have exposure in the very small bizs and in large enterprise, but little market or win share in the middle (SMBs)
    - **"It's going to take some time for this to grow into something meaningful…**super excited about their capabilities to generate growth in the SMB sector in a way that will be truly incremental for T-Mobile"
    - **But NOT a stepping stone into consumer MVNOs or broader segments:** "We're not interested in that because the dynamics are different in terms of the incrementality in our math. And what we love about these business segments that we focus the partners on is it's almost entirely incremental"

4) Charter's Still Playing The Long Game Despite Q2 Headwinds

The incumbent telcos were not the only ones to report this week (see Theme #3), Charter was also a key print and gave us another lens regarding key trends within the Connectivity sector. The Co's overall Q2 result fell short of expectations, with headline financials missing consensus on adj EBITDA, adj EPS, and FCF, and broadband subscriber losses were notably worse than Street projections (which followed the same trend last qtr but to a lesser degree). Digging in, the challenged result in broadband was not a function of the highly competitive environment worsening, but more so due to elevated non-pay churn. Low move activity and sluggish new build momentum further pressured unit growth, despite y/y increases in sales and gross additions. On the flipside, a dramatic improvement in video losses (-87k vs the yr ago -480k) was a positive standout, highlighting the Co's success at reimagining the video product. A more fulsome marketing effort is on the way, and the goal is to use video to drive converged broadband and mobile additions, which ultimately provide a much higher financial return.

Looking ahead, the company reaffirmed its commitment to 2025 adj EBITDA "growth", lowered 2025 CapEx expectations due to timing, and reiterated that 2025 will mark peak capital intensity (even including the Cox transaction). Mgmt emphasized confidence in its long-term FCF trajectory which will be bolstered by favorable tax legislation and the strategic integration of Cox, which is expected to be accretive across key financial metrics. Regarding investor concern about the repricing of Cox's high ARPU broadband base, mgmt cited its success at migrating high-ARPU customers without financial disruption with past deals, leveraging its superior existing products and bundled offerings to drive value.

See below for more on all of the above as well as color on the new T-Mo MVNO relationship and customer services as a key differentiator, among other things.

-> Charter shares fell -18% in reaction to earnings and is down almost -10% YTD (vs Comcast down -10%, AT&T up +23%, and Verizon up +8% YTD)

Q2 Disappointed The Street W/ Lower Than Expected Headline Results & Greater Broadband Losses…Better Video Trends Were A Highlight

- **Headline financials generally fell short of consensus expectations**
  - **Total revs – INLINE**: Residential internet beat, offsetting weaker mobile and video (grew +0.6% from +0.4% y/y in Q1)
  - **Adj. EBITDA – MISS:** By -1.3% w/ margins 41.4% vs cons 41.9%; Growth decelerated to +0.5% y/y from +4.8% y/y (or +3.4% y/y ex 1x benefits) in Q1
  - **Adj EPS – MISS:** $9.18 came in below cons $9.58
  - **FCF - MISS:** ~$1bn was well above cons $533bn, while CapEx spend came in -7.3% lower (flat y/y)

- **Key drivers to segment performance include -**
  - Higher sales & lower voluntary churn, partly offset by higher non-pay internet churn, absent ACP
  - Higher bad debt impacted cost to service customers which grew +3.8% y/y; Ex bad debt, it grew +2.4%
  - Storm related costs were $13mn in Q2

- **Segment revenue/subscriber metrics**
  - **Residential – SLIGHTLY MISSED by -0.6%:** Fell -0.1% y/y (vs -0.4% y/y in Q4)
  - **Commercial – Roughly INLINE**
  - **Subscriber adds…Bband losses were much higher than expected, mobile adds were inline, while video losses were much lower than anticipated**

Charter	Q2 2025 Results		
	Actual	Cons Est	% Surp
Revenue ($mn)	**$13,766**	**$13,770**	**In-Line**
Adj EBITDA ($mn)	**$5,693**	**$5,770**	**-1.3%**
Adj EBITDA Margin (%)	41.4%	41.9%	
Adj EPS	**$9.18**	**$9.58**	**-4.2%**
CapEx ($mn)	**$2,874**	**$3,100**	**Lower**
Free Cash Flow ($mn)	**$1,046**	**$533**	**96.3%**
Revenue by Segment ($mn)			
Residential	**$10,720**	**$10,790**	**-0.6%**
Internet	$5,969	$5,910	1.0%
Video	$3,484	$3,580	-2.7%
Mobile	$921	$965	-4.5%
Voice	$346	$328	5.4%
Commercial	**$1,836**	**$1,840**	**-0.2%**
Small business	$1,094	$1,100	-0.5%
Mid-market & large business	$742	$745	-0.3%
Advertising	$371	$360	3.2%
Other	$839	$788	6.5%

Source: Charter Filings; FactSet Data & Analysis

LionTree

Mgmt Remains Firmly Confident In Its LT Guidance & Tax Legislation Provides An FCF Additional Boost

- **Reiterated 2025 adj EBITDA guidance of "growth":** H1 adj EBITDA is up +2.6% though Q3 and Q4 will be pressured by last yr's political advertising
  - Cost to serve had difficult comp but that does not continue (this remains a very big opportunity going forward)
  - Sales & Mkts should ease
  - Addtl efficiencies

- **Lowered 2025 CapEx guidance by $500mn to $11.5bn but it is due to the timing of spend…and the "majority" of that delta will be spent in 2026 instead**

- **Reiterated that, standalone, 2025 will be the peak capital spend year in $ terms and peak year of capital intensity even including the impact of the Cox transaction & related integration capital; Capital intensity will fall going forward**
  - The proforma Co will generate higher FCF/share

- **New tax legislation will lower cash tax payments from $1.6-2bn to just over $1bn for calendar 2025:** Given they can depreciate more for tax purposes this year
    - The new tax legislation will “ultimately save us several billion dollars in cash taxes over the next five years” and will create higher free cash flow per share ”essentially permanently”
    - The new rules can drive $10 FCF/shr in each of the next 5 yrs “so that is dramatic”

- **Charter mgmt remains very confident in the long-term CapEx/FCF outlook they previously provided -**
    - “Investors can depend on what we've provided for the Charter CapEx” which is “not diminished” in anyway by the Cox deal
    - Investors should also “feel very comfortable” with the outlook that was in the proxy statement for the combined CapEx
    - Mgmt “feel(s) pretty comfortable with the outlook that exists inside there [Cox] as well”
    - The expected FCF generation is “at this point… pretty much math”…”We wanted to make sure that it was provided out there and that people could depend on it”

Q2 Broadband Losses Were In Large Part Due To Higher Non-Pay Churn, Mobile Adds Were Strong (As Expected) & Lower Video Losses Were The Upside Surprise

- **Broadband net loss of -117k was much worse than cons -71k** (but better than last Q2’s -100k ex the impact of ACP disconnects)
    - **Net adds in the subsidized rural footprint was +47k vs +39k in Q1**
        - Grew subsidized rural passings by +123k and reiterated the target for rural passings growth of ~450k in 2025, in addition to cont’d non-rural construction & fill-in activity

- **This worse than expected bband performance was NOT due to a change in the competitive environment…:** “The competitive environment is stable, not improving, but not deteriorating. So we have steady fiber overlap. Cell phone internet continues at its pace”

- **…It was driven by:**
    - **Non-pay churn pressured unit growth:** Sales and units were up y/y but non-pay was also up due to the lack of ACP (some of this non-pay was from customers that would have been on ACP)
    - **There is also an “incredibly” low level of move activity and new build “is very slow”**
    - **ACP had also accelerated the reversion to mobile-only customers**

- **The Co still expects to return to bband “growth” over time:** “The operating environment remains competitive but have not seen a material change in the competitive landscape and remain confident they will return to broadband subscriber growth over time”

- **Mobile adds of +500k were inline (vs +514k in Q1):** Added +2.1mn over the last 12 mos, up almost +25%
    - Higher gross additions y/y was offset by a lower y/y churn rate on a larger line base
    - Selling more mobile lines per Connect w/ the new packaging & upselling addtl lines to existing mobile households

- **Video losses improved to -80k (vs -480k in Q2 last yr) & were much lower than cons -187k:** Driven by better connects due to new prices & packages and lower churn
    - Best video qtr since 2021
    - Expect further improvements ahead

Charter	Q2 2025 Results		
	Actual	Cons Est	% Surp
Subscriber Net Adds (in thousands)			
Internet	**(117.0)**	**(72.6)**	**-37.9%**
Residential	(111.0)	(71.1)	-35.9%
SMB	(6.0)	(no consensus)	
Video	**(80.0)**	**(186.7)**	**133.4%**
Residential	(73.0)	(201.8)	176.4%
SMB	(7.0)	(no consensus)	
Voice	**(220.0)**	**(278.5)**	**26.6%**
Residential	(73.0)	(201.8)	176.4%
SMB	(7.0)	(no consensus)	
Mobile	**500.0**	**504.0**	**-0.8%**

Source: Charter Filings; FactSet Data & Analysis LionTree

Charter's Big Video Focus Is Really To Drive Broadband & Mobile And A Converged Bundle

- **Mgmt thinks the video space can improve "materially" but stressed that the driver is to have a higher quality video product (which they think can be very differentiated)**
  - Their expanded video package will be the stickiest in terms of retention
  - Convergence w/ broadband and mobile reduces churn & higher mobile lines per customer further reduces churn

- **Charter still has low penetration of converged customers:** Their shr of converged connectivity rev w/in their footprint less than 30%

- **Pricing & packaging launched in Sept is producing "good results"**

- **The video product continues to improve… the Co's seamless entertainment package will now offer over $100 in monthly value at no addtl cost**
  - The streaming app customer activation process has improved
  - The Co will launch video marketplace in the "coming months" (customers can discover, activate, migrate, upgrade, and download their streaming inclusion apps)

- **The Co has not yet started to put the full marketing engine behind its video "seamless entertainment" but will ramp this**
  - In the meantime they have the fastest broadband speeds, more reliable product, best wi-fi, & attractive pricing

Spectrum Saves Customers $1,000+/Year with Better Products

	Spectrum	AT&T	verizon	verizon 5G Home Ultimate	T HOME INTERNET
Internet Speed[7]	1 Gbps	1 Gbps	1 Gbps	Up to 1 Gbps	133 – 415 Mbps
Marketed Availability	100% of footprint	19% of mobile footprint	12% of mobile footprint	Capacity Dependent	Capacity Dependent
Internet Limitations	--	--	--	Interference and reliability; compatibility with vMVPDs[9]	De-prioritization[10]; Interference and reliability; compatibility with vMVPDs[11]
Internet Price[7]	$40	$62	$74.99	$60[12]	$35[13]
Mobile Price (2 Lines)[7]	$60	$131.98	$140	$140	$140
Taxes and Fees[8]	--	$14.70	$18	$18	$14
Total Price	**$100**	**$208.68**	**$232.99**	**$218**	**$189**
Persistent Rate	$145	$208.68	$232.99	$218	$189

Source

Mgmt Has Good Track Record Of Migrating High ARPU Customers, As They Will Have To Do W/ Cox

- **Reiterated key financial aspects of the Cox deal:** "The deal is accretive to top-line growth, margin, and to levered FCF per share, even when absorbing the impact of a modesty levering of the combined business, and without factoring in the benefits of a lower cost of capital"

- **But Cox's broadband customers have higher ARPU than Charter so what about that impact when they are migrated lower?** Charter emphasized that they have a lot of experience migrating higher ARPU customers to a package that is more competitive "without doing financial damage"
    - They do it by providing more value to customers - more speed or more value of the bband product alone
    - They can also provide more value through the bundle
        - Mobile will be important here - can save a customer "hundreds or even thousands" of dollars a year when they add just a couple of mobile lines

- **"Our ability to migrate customers at their discretion and to have new customer acquisition with lower product pricing, but higher overall customer relationship ARPU is fairly proven"**
    - Cox's video penetration is also about half of Charter's today
    - Cos's mobile penetration is also coming from "nowhere"

Excited About MVNO With T-Mo And Remain "Happy" With The Verizon Partnership

- **No comment on T-Mob MVNO pricing vs Verizon**

- **The deal doesn't reflect any dissatisfaction with the Verizon deal:** Have a good agreement with both parties and VZ "has been a great partner"
    - Charter had been limited in its ability to go to mkt in the biz segment so are "very excited" about the T-Mob deal which "opens this door"
        - The business Mobile will become a tailwind to FCF growth
    - "Happy" with the VZ partnership - the focus with VZ is the residential business and that is "strategic" for both of them

- **It's "good to have multiple strategic relationships"**

- **Will this agreement be transferable to the Cox business too? Mgmt didn't directly comment but indicated that they signed the deal after the COX deal was annc'd so investors can assume it was in the thought process**

Laser Focused On Being Customer First & Views Their Customer Service As A Competitive Advantage

- **"Have a unique opportunity to create a competitive advantage here" [in customer service]…have invested heavily"**

- **Examples of improvements in Q2:**
    - Cable billing & repair calls were down -14% y/y
    - # of truck rolls decr'd by almost 10% despite significant weather impacts
    - Had provided service credits if they didn't execute on same day to home or business but internally they are moving that to a 2-hr window given they are already doing that; "it will take our competitors years of investment to catch up"

- **"We're doing is what you as a customer want. And as a customer demand for bandwidth, reliability, and low latency service, seamlessly connected, continues to increase, I believe we're in the best competitive position"**

5) IPG's Q2 Closed Ad Agency Hold Cos' Earnings Season On A Higher Note

IPG was the last major ad agency holding Co to report and helped the sector end on a more positive note than where it started. Not only did IPG report organic growth declines that were not as negative as expected (-3.5% vs cons -3.7%), upside in adj EBITA margins was a major positive (18.1% vs cons 14.2%) especially given that mgmt views this better operating leverage as structural. 2025 adj EBITA margins are now seen as "at least" 100bp higher than the previous 16.6% guidance.

In terms of the client ad spending environment and the macro, excluding the impact of 2024 client losses which have been a drag on the reported results, the underlying business showed sequential improvement in Q2 and the Co has not seen a marked change in net client activity. Overall, 2025 organic net revenue decline guidance of -1% to -2% was reiterated and we thought that mgmt was very constructive regarding expected tailwinds entering 2026.

One of several telling comments on the call include… "we obviously have some competitors kind of reading the macro and the client situation differently than we are."

Also, similar to the other agencies, IPG spent some time talking about how AI will be net positive for the industry. All in all, the ad agencies are still navigating puts and takes but some Co's are navigating better than others. IPG's trends are moving in the right direction.

-> IPG shares rallied +7.0% on the back of results and OMC rallied in tandem; For the week, IPG rose +7.7%, OMC +7.6%, WPP +5.2% and Publicis +0.7%

Q2 Margins Were MUCH Higher Than Expected, With A Slightly Lower Organic Revenue Decline

- **Total organic revs fell -3.5% which was better than cons -3.7%**

- **Adj EBITA margin was VERY strong at 18.1%, easily topping cons 14.2%**
    - Given strong progress with the strategic transformation

- **Adj EPS was 34% ahead of projections**

IPG	Q2 2025 Results		
	Actual	Cons Est	% Surp
Net Revenue before billable expenses ($mn)	$2,170	$2,170	In-Line
Adj EBITA ($mn)	$393.7	$308.8	27.5%
Adj EBITA Margin (%)	18.1%	14.2%	
Adj EPS	$0.75	$0.56	33.9%
Organic Rev Growth (%)	-3.5%	-3.7%	

Source: FactSet, StreetAccount

LionTree

The Co Has Not Seen A Marked Change In Net Client Activity Due To Macro…Underlying Growth Showed Seq Improvement

- **"The macro-environment has been more volatile than anticipated as we entered the year, and we are, of course, staying close to clients"**

- **But marketers as a whole "are not reacting reflexively to the changing business and geopolitical landscape"**

- **Overall performance in Q2 and H1 "netted out at levels that are consistent with what we expected, and we've not seen a marked change in net client activity"**

- **Underlying growth showed sequential improvement in Q2**
  - Their 3 largest client losses in 2024 (two in media, one in pharma) weighed on growth by ~-5.5% in Q2 (from -4.5% neg impact in Q1)
  - Ex these headwinds, underlying growth showed seq improvement in historically strong areas of media & healthcare
    - **"New business performance in 2025 is showing marked improvement as well"**

Mgmt Sees A Structural Increase In The Co's Margin Profile & Organic Growth Trends Should Improve In H2 Vs H1

- **Reiterated 2025 organic net revenue decline of -1% to -2% which implies an improvement in H2 vs H1...drivers -**

  - **Continue to see a "solid" pipeline of new business opportunities & are in the finals for several large ongoing reviews**

  - **Plus will benefit from organic growth from existing client base & accelerating the development of new capabilities in areas such as proprietary media trading, Commerce, and data-led influencer work**

  - **Q3 and Q4 should be "more or less at the same level"…"flat" is about right**

- **Mgmt believes margins will be structurally higher & that the Co can deliver better operational leverage…due to -**
  - Significant structural cost reductions
  - Permanent cost improvements through process re-engineering, automation, right-shoring, and implementing common systems
  - They are seeing operating leverage across all major expense lines

- **RAISED the 2025 adj EBITA margin…it will be "well-ahead" of the 16.6% previous guidance**
  - **How much higher? "**North of 100bp" increase in margins above the 16.6%

- **Expect higher cost savings…mgmt indicated in-year cost-savings of $300mn & a run rate of over $300mn going forward vs the original target of $250mn**

- **Expect to enter 2026 with tailwinds thanks to new biz performance**
  - **"**Some of our competitors happily talking about how we're distracted, which apparently were not"
  - "We obviously have some competitors on kind of reading the macro and the client situation differently than we are"

IPG's Interact Platform Is Making AI Accessible & Scalable Both Internally & Externally

- **Teams are leveraging IPG's Interact Platform for -**
  - Consumer insights & market analysis
  - Creative ideation
  - Content creation
  - Message testing via synthetic audiences

- **Adoption levels for Interact are "very encouraging"**
  - Over 50% of IPG employees are using Interact, with 40% engaging daily

- YTD usage includes -
  - Over 1mn prompts processed
  - 10,000+ purpose-built agents have created "100s of 1000s of images, consumer journeys, media plans, and other tools that make our people's work faster, better, and more effective to the benefit of our clients"

- **The Co just launched Agentic Systems for Commerce (ASC) which mgmt sees as a new revenue stream:** It helps CPG brands manage "the vast & complex commerce ecosystem in ways that are not possible w/o automation & AI"
  - **Capabilities:** Captures SKU- and store-level data signals & ingests insights into consumer searches, digital shelf position, product page content, pricing, inventory levels, and more, all-in the service of optimizing sales & margin performance across the digital commerce ecosystem on behalf of a brand
  - **Status:** Being piloted by almost two dozen global clients w/ results to date that have shown double-digit improvements in impressions & sales

Q2 Vertical, Segment, & Regional Drill Down

- **Q2 vertical performance**
  - **Strong:**
    - Food & Beverage
    - Financial Services
    - Tech & Telecom
  - **Weak:** Due to prior-period losses
    - Retail
    - Healthcare
    - Consumer Goods

- **Q2 segment organic growth performance**
  - **Media, Data & Engagement Solutions:** -3.1%
  - **Integrated Advertising & Creativity Led Solutions:** -6.3%
    - Largely reflects a single client in the healthcare sector…aside from healthcare, had "generally soft performance" across more traditional consumer-facing agencies
  - **Specialized Comms & Experiential Solutions:** +2.3%
    - Led by Octagon & momentum in experiential grp & Golin in PR

- **Regions - Intl (34% of revs) organic growth declined -5.4%, while global declined -3.5%**
  - **US**: -2.6% (importantly saw seq improvement from -3.6% in Q1)
  - **Latam:** +1.4%
  - **UK:** -9.7%
  - **Continental Europe:** -1.6%
  - **Asia Pac:** -13.6%
  - **All other:** +0.3%

6) Grab Bag: Trump Administration's AI Action Plan/ FCC Approves Skydance Acq Of Paramount / NBCU Cable And NFL-ESPN Sports Speculations

- **Trump Administration unveils AI Action Plan** (link)
  - **The Plan identifies over 90 Federal policy actions across three pillars that the Trump Administration will take in the coming weeks and months**
    - Accelerating innovation
    - Building American AI infrastructure
    - Leading in International Diplomacy and Security
  - **Key policies in the AI Action Plan include –**
    - **Exporting American AI:** The Commerce and State Departments will partner with industry to deliver secure, full-stack AI export packages – including hardware, models, software, applications, and standards – to America's friends and allies around the world

        - **Promoting rapid buildout of data centers:** Expediting and modernizing permits for data centers and semiconductor fabs, as well as creating new national initiatives to increase high-demand occupations like electricians and HVAC technicians
        - **Enabling innovation and adoption:** Removing onerous Federal regulations that hinder AI development and deployment, and seek private sector input on rules to remove
        - **Upholding free speech in frontier models:** Updating Federal procurement guidelines to ensure that the government only contracts with frontier large language model developers who ensure that their systems are objective and free from top-down ideological bias

- **The FCC finally approves Skydance's $8bn acq of Paramount Global** (link)
    - Skydance pledged to ensure CBS programming reflects a diversity of viewpoints across the political & ideological spectrum
        - CBS reporting will be guided by principles of fairness, objectivity, and fact-based journalism
    - For at least two years, CBS will appoint an ombudsman who reports directly to the President of the new Paramount entity and they will evaluate complaints of bias
    - Skydance committed to not implementing any DEI initiatives at the new Co
        - Instead, it will adhere to equal opportunity-employment & nondiscrimination policies
    - Skydance also reaffirms its commitment to localism as a core component of the public interest standard, & emphasizes that it will work closely w/ its affiliated broadcast stations to ensure a productive partnership that will strengthen its affiliates' ability to serve their local communities

- **Two quick sports-related updates…**
    - **NBCUniversal reportedly exploring launching a new sports cable network** (link)
        - The channel would primarily carry sports that are also streamed on NBCU's Peacock platform
        - The network would be offered to cable and satellite distributors as part of specialty packages of similar channels
        - Discussions are still in early stages, and a final decision on the network has yet to be made
        - **As a reminder… NBCU is in the process of spinning off most of its cable networks into a new company named Versant**
    - **NFL is reportedly in talks to take a 10% stake in ESPN** (link)
        - ESPN has been talking to the NFL for at least two years about potentially selling the league a stake in the company
        - As a reminder… ESPN is 80% owned by Disney and 20% by Hearst
        - ESPN would own all of NFL Network and NFL RedZone, rather than just a controlling stake, if the deal moves forward as currently constructed
        - NOT in talks to acquire all of NFL Media (umbrella Co that own NFL entities); Rather, ESPN would only acquire some of those assets, while potentially doing partnership deals with others
        - The discussions are ongoing, and it's possible the final deal may arrive at a smaller stake

Stock Market Check

Market Changes the Past Week

Benchmark	Abs. Value	W/W Change
S&P 500	6,389	1.5%
NASDAQ	21,108	1.0%
Dow Jones	44,902	1.3%
Gold	$3,338	(0.6%)
WTI Crude	$65.07	(1.5%)
10-Year Treasury Yield	4.38%	(4.3) bps
Bitcoin	$115,450	(1.8%)
Ether	$3,726	4.7%

LionTree TMT Universe Performance (~220 stocks)

Best-Performing Stocks	+	Worst-Performing Stocks	–
GoPro, Inc.	71.1%	Iridium Communications Inc	(19.9%)
Coursera Inc.	41.5%	Charter Communications Inc	(18.9%)
Delivery Hero SE	23.0%	Circle Internet Group	(13.8%)
Skillz Inc.	22.6%	Globalstar Inc	(12.2%)
Wayfair Inc.	15.8%	Unity Software Inc	(10.8%)
Bumble Inc	15.1%	Intel Corp	(10.4%)
Hims & Hers	14.4%	Mattel Inc	(10.0%)
Opendoor Technologies Inc	12.9%	International Business Machines Corp	(9.1%)
Chegg Inc.	12.9%	Rackspace Technology, Inc.	(8.6%)
BT Group	12.5%	AMC Ent.	(8.2%)

Best-Performing Sub-Industries	+	Worst-Performing Sub-Industries	–
Space	7.0%	Satellite Communications	(8.1%)
Digital Real Estate	5.9%	Pay-TV / Broadband	(7.6%)
Ad Tech	5.6%	Application Software	(2.0%)
European Media	4.7%	Cybersecurity Software	(1.7%)
China Internet / Tech	4.6%	US Media/Video	(1.3%)
European Telco	3.9%	Employment Marketplace	(0.7%)
Advertising Agencies	3.7%	Smart Home Security/Automation	(0.4%)
Entertainment Facilities/Theme Parks	3.6%	Online Travel	(0.1%)
Internet/Advertising	2.8%	US Print Media / Publishing	0.1%
Last Mile Transport/Delivery	2.6%	Software & IT Services	0.4%

This Week's Other Curated News

Advertising/Ad Agencies/Ad Tech

- **PwC's Global Entertainment & Media Outlook 2025–29 projects global industry rev to hit $3. 5tn by 2029, driven by AI-powered ads and live events.** Digital ad rev, 72% in 2024, will rise to 80% by 2029; connected TV ad rev to reach $51bn. Video games rev to grow to ~$300bn. (Reuters)

- **Fox annc'd "double-digit" upfront ad sales growth for 2025–26 across sports, news & entertainment.** Gains reflect strong demand from advertisers, driven by live content &

strategic ad innovations. The Co's performance highlights resilience in a shifting media landscape, w/ continued focus on premium programming & cross-platform reach. (TVNewsCheck)

- **Clear Channel Outdoor Holdings annc'd a proposed private offering of $2. 05bn in Senior Secured Notes due 2031 & 2033.** Proceeds, w/ cash on hand, will redeem $5.125% Notes due 2027 & $9.000% Notes due 2028, plus fees. Notes will be secured by cos' assets & offered to qualified institutional buyers under Rule 144A & Regulation S. Offering subject to mkts & customary conditions. (Street Account)

Artificial Intelligence/Machine Learning

- **OpenAI is set to launch GPT-5 in early Aug, per sources and CEO Sam Altman, who teased its capabilities on a podcast.** Initially expected in late May, the model faced delays but is now nearing release. GPT-5 will include o3 reasoning and come in mini/nano versions via API. (The Verge)

- **Netflix has begun using Runway AI's video gen tools in content production to cut costs and speed up workflows.** The tech aids in pre-vis, storyboarding, and VFX, as seen in the Argentine series El Eternauta. While Netflix says AI will augment creativity, not replace it, concerns persist over job losses and content authenticity. Analysts note AI boosts efficiency but human input remains vital. Broader adoption and ethical debates are expected to grow. (MLQ)

- **Microsoft CEO Satya Nadella addressed internal unease over 2025 layoffs, calling it an "enigma" amid record profits, $80bn capex, and AI investments.** He emphasized the Co's shift from a "software factory" to an "intelligence engine," prioritizing security, quality, and AI transformation. Despite cultural concerns, Nadella urged employees to embrace change and impact the AI era. (GeekWire)

- **Google's AI Overview, launched in 2023, is replacing traditional search results, drastically reducing traffic to external sites.** Pew Research Center released a report based on the internet browsing activity of 900 US adults, which found that Google users who encounter an AI summary are less likely to click on links to other websites than users who don't encounter an AI summary. Only 1% of users clicking on the link in the AI summary. (404 Media)

- **Google Photos annc'd new generative AI features to "bring memories to life."** Free photo-to-video tool creates 6-sec clips from stills using Veo 2, w/ prompts like "Subtle movements." Remix transforms pics into anime, comics, or 3D. A new "Create" tab launches in Aug. for unified access to creative tools. All outputs include SynthID watermarks. Rollout begins JulY 23rd in US on Android/iOS. (9to5 Google)

- **Walmart annc'd Daniel Danker, ex-Instacart exec, as head of global AI acceleration, product & design, reporting directly to CEO Doug McMillon.** Move signals AI's growing role in Walmart's biz strategy. Co is also hiring an AI platforms leader under CTO Suresh Kumar. Danker's prior roles include Uber, highlighting Walmart's push to integrate AI across ops for growth. (WSJ)

- **Alibaba annc'd Qwen3-235B-A22B-2507, an open-source LLM that outperforms Kimi-2 and Claude Opus 4 in benchmarks.** A new FP8 version enables low-compute, cost-efficient deployment. The model drops hybrid reasoning in favor of separate instruct/reasoning variants. With Apache 2.0 licensing, strong multilingual, coding, and reasoning gains, Qwen3 is enterprise-ready and scalable, appealing to devs and cos seeking open, high-perf AI. (VentureBeat)

- **OpenAI CEO Sam Altman warned of an impending AI-driven "fraud crisis," citing risks like voice cloning scams.** Speaking at the Fed on July 22, he urged caution but opposed overregulation that could hinder US cos in global AI mkts. OpenAI will open a DC office in 2026 to support policy, research & AI training. Altman also discussed AI's uncertain impact on jobs, likening its potential to electricity, w/ ChatGPT now at 500mn users. (CNN)

- **AI startups in the US raised $104. 3bn in H1 2025, nearly matching 2024's total.** While OpenAI, Meta, and Anthropic led mega-deals, most exits were bolt-on acquisitions, not IPOs. CoreWeave's IPO was a rare exception, now valued at $63bn. VC-backed exits totaled $36bn across 281 deals. Despite high AI funding, other sectors like fintech saw sharp declines. Appetite for vertical AI apps remains strong. (CNBC)

- **OpenAI, which annc'd a $40bn financing round in Mar, is now seeking additional capital from new and existing investors to complete the deal.** The round will reopen on July 28th, per sources familiar w/ the effort. (Wired)

- **Elon Musk's xAI, after raising $10bn via stock and debt, is now seeking up to $12bn more w/a trusted financier to fund its massive data center expansion.** The Co is tapping the booming private-credit mkts to sustain its AI ambitions. The move highlights Musk's aggressive push to stay competitive in the AI arms race, as xAI rapidly burns through cash to scale its tech infrastructure. (WSJ)

- **TIM annc'd a 1-yr free offer of Perplexity Pro AI for all consumer customers.** The AI svs, normally €229/yr, provides real-time, source-verified responses. Activation requires a TIM-generated code. (First Online)

- **OpenAI and Oracle will expand their AI infrastructure under Project Stargate by adding 4. 5GW of data center capacity, pushing total capacity to 5GW+ powered by 2mn+ chips.** The $500bn initiative, also backed by SoftBank, aims to keep the US ahead in AI. Despite doubts over funding—$100bn needed immediately—OpenAI and SoftBank plan to commit $19bn each. A smaller data center may launch in Ohio by end-2025. (Reuters)

- **Netflix annc'd its first use of generative AI in a TV series, debuting in Argentinian sci-fi El Eternauta.** Co-CEO Sarandos said AI tools enabled faster, cheaper VFX—like a collapsing building in Buenos Aires—completed 10x faster than traditional methods. The Co aims to enhance storytelling w/ AI-powered pre-visualization, shot planning, and VFX, reducing costs while improving quality. (Tomorrow's World Today)

- **OpenAI's incoming CEO of applications, Fidji Simo, shared a memo outlining her vision for AI's transformative role.** She emphasized AI's potential to democratize knowledge, health, creativity, and emotional support. Simo, still Instacart's CEO, will join OpenAI next month, leading its biz ops and product dev. She aims to turn research into tools like ChatGPT, APIs, and enterprise svs. (Wired)

- **OpenAI CEO Sam Altman plans a DC visit to promote AI's role in boosting productivity and ensuring its benefits remain democratic.** Speaking at a Fed conference, he'll present a "third path" on AI's impact on jobs. (Axios)

Audio/Music/Podcast

- **UMG annc'd a partnership w/ Liquidax to boost music-related AI patents, forming Music IP Holdings to license them.** Filed 15 patents incl AI threat protection, music collab, rights mgmt, and health. Two patents issued. UMG aims to empower artists, protect creative rights, and enhance fan experiences. Move follows AI band success and prior lawsuits vs. AI cos Suno and Udio. (The Hollywood Reporter)

- **Spotify was found to have posted AI-generated tracks on official Artist Pages of deceased musicians like Blaze Foley and Guy Clark w/o consent.** The songs, created by Syntax Error, mimicked the artists' styles but were unauthorized. Rights holders weren't contacted. Spotify later removed the tracks, but concerns remain over lack of safeguards. AI bands like Velvet Sundown now draw 1mn+ listeners. (MSN)

Broadcast/Cable Networks

- **Sky TV annc'd it will acquire Discovery NZ, incl Three, Bravo, Eden, Rush, HGTV & ThreeNow, for $1 in a cash/debt-free deal set to close Aug 1.** The move aims to boost Sky's rev by ~$95mn/yr, w/ 25% from digital, and grow ad share to 35% (linear) & 24% (digital). Sky sees strong value in ThreeNow's VOD platform. Warner Bros Discovery retains HBO Max & other NZ assets. (1 News)

- **Media analyst Michael Nathanson (MoffettNathanson) suggested that the cable bundle floor could drop to 25–35mn households, down from the prior 50mn estimate.** He noted seasonal variation, w/ NFL season offering temporary stability. (Awful Announcing)

Cable/Pay-TV/Wireless

- **Liberty Global annc'd plans to cut jobs in a restructuring move aimed at slashing operating costs by hundreds of mn dollars.** ~800 of its 1,900 corporate staff were offered voluntary buyouts, w/ a second round possible. The restructuring is aimed at reducing operating costs by hundreds of millions of dollars. (Investing.com)

- **Vodafone's Q1 FY26 rev rose 5. 5%, driven by strong growth in Africa and Türkiye, offsetting a 1.3% decline in Europe.** Adj EBITDAAL grew 4.9% to €2.7bn. Germany saw a 3.2% drop, while UK rev rose 0.9% post-Three merger. Egypt led w/ 43.9% growth; Türkiye surged 63.8%. Vodafone Biz rev rose 4%, w/ digital svs up 14.7%. (Investing.com)

- **BT Group plc annc'd the appointment of Patricia Cobian as CFO, succeeding Simon Lowth, who retires after 9 yrs.** The move follows a global search as part of a planned succession. Patricia, ex-CFO of Virgin Media O2, will assume the role on a date to be disclosed. (RTT News)

- **BT Group reported a 10% drop in Q1 pre-tax profit to £468mn, citing higher finance costs and depreciation.** Adj. EBITDA slipped 1% to £2.05bn. Rev fell 3% to £4.88bn due to weak handset sales and intl. headwinds, despite FTTP growth. Consumer and Biz revs declined 3% and 6%, while Openreach rose 1%. FY26 outlook was reconfirmed, targeting £8.2–8.3bn adj. EBITDA and ~£20bn rev. CEO highlighted strong demand and 5G reach to 87% of UK. (RTT News)

- **Orange Belgium added 48K postpaid mobile users and 13K cable subscribers in H1 2025, slower vs. H1 2024.** Despite 1.5% rev drop to €962.7mn, EBIT rose to €59.2mn w/ cost mgmt. EBITDAaL grew 4.7% to €264.8mn. Net profit hit €2.5mn vs. €17.7mn loss in 2024. Co credits mobile portfolio and promos. FY 2025 EBITDAaL forecast: €545–565mn. (The Brussels Times)

- **US fiber operators aim to reach 139M passings by 2030, per NSR.** Fiber could expand to 84% of cable's territory. AT&T targets 60M passings, aided by Trump's OBBB tax law, and is buying Lumen's fiber biz for $5.75bn. Verizon eyes 30M by 2028 post-$20bn Frontier deal. T-Mobile plans 12–15M more via Lumos/Metronet. Despite BEAD changes, fiber cos remain bullish, expecting higher cash flow from 100% CapEx depreciation. (Fierce Network)

- **Private cellular network mkts are projected to hit $6bn by 2030, excl Chinese operator-controlled networks and network slicing svs.** Logistics leads w/ 43% CAGR. Most deployments still rely on LTE, w/ 5G adoption growing. Another $6.5bn is forecasted for network slicing by 2030. Mobile Experts notes industrial tech adoption lags, so 4G, 5G & 6G will likely coexist for yrs. (Fierce Network)

- **KKR, Cinven & Providence annc'd plans to divest from MasOrange, Spain's top telecom co, by hiring Goldman Sachs to lead the sale process.** The deal, valued at ~$10bn, involves former MásMóvil execs & aims to negotiate terms w/ Orange. The move reflects strategic shifts in the cos' investment approach & could reshape Spain's telecom mkts. (El Confidencial)

- **T-Mobile annc'd expansion of L4S tech—Low Latency, Low Loss, Scalable Throughput—on its 5G Advanced network.** L4S reduces latency by marking congested packets, allowing devices to adjust dynamically. No special phone/plan needed. Benefits include smoother FaceTime, GeForce Now. T-Mobile is 1st US wireless Co to deploy L4S, w/ coverage in ~many cities (The Verge)

Capital Market Updates

- **Secondary sales reached a record $102bn in H1, surpassing most full-yr totals from the past decade.** Continuation funds raised $25bn during the same period, per reports from Evercore and Preqin. The surge reflects growing investor interest in alternative investments, w/ middle mkts and secondaries expected to pick up in H2. (Pensions & Investments)

Cloud/DataCenters/IT Infrastructure

- **CISPE, an EU cloud provider group, filed a lawsuit seeking to annul the EU's antitrust approval of Broadcom's $61bn VMware acquisition.** The group claims Broadcom imposed "onerous" licensing terms post-deal, including 10x price hikes and multi-yr commitments, harming smaller providers. CISPE argues Broadcom's pledges to regulators were inadequate to prevent abuse of VMware's dominant position. (Silicon Angle)

Crypto/Blockchain/web3/NFTs

- **Figma targets a $16. 4bn valuation in its NYSE IPO, aiming to raise $1.03bn by selling ~37mn shares at $25–$28.** Rev rose 46% in Q1 2025; net income tripled. The co holds $70mn in bitcoin, plans $30mn more. The IPO follows its failed $20bn Adobe deal and Circle's strong debut. (Reuters)

Cybersecurity/Security

- **Security firm Verisure, backed by H&F, is targeting a €3bn–€4bn IPO in Stockholm, potentially Europe's largest in 3 yrs, per Bloomberg.** The listing, expected later this yr or in 2026, will mainly include new shares to cut debt. Existing investors may also sell. The Co could be valued at over €20bn incl. debt. Final decisions on offer size and timing depend on mkts, and no details are confirmed yet. (Investing.com)

eCommerce/Social Commerce/Retail

- **Mattel annc'd a revised 2025 forecast, projecting 1–3% sales growth and EPS of $1. 54–$1.66, down from prior $1.72, citing tariff uncertainty and delayed US retailer orders.** Q2 rev fell 5.7% to $1.02bn, missing estimates; adj EPS held at $0.19. Barbie and Fisher-Price sales dropped 19% and 25%, while Hot Wheels rose 10%. (MSN)

- **Walmart is overhauling its AI agent strategy, consolidating dozens of tools into four "super agents" for customers, employees, engineers, and suppliers.** This aims to simplify user experience by unifying access via Model Context Protocol (MCP). Customer-facing agent Sparky is live; others will roll out over the yr. Walmart also annc'd new AI leadership hires to accelerate adoption and drive both top-line growth and operational efficiency. (WSJ)

- **JD. com is in advanced talks to acquire Germany's Ceconomy AG for $2.6bn, offering €4.60/share—a 23% premium.** The move, reviving talks from Feb., signals JD's push beyond China amid slowing domestic growth. Ceconomy, which runs 1,000+ stores under MediaMarkt and Saturn, offers JD a strong EU retail footprint. (Yahoo Finance)

- **LVMH shares rebounded despite a 9% organic drop in investor goods sales in Q2, worse than the est 7. 8%.** Recurring ops profit for H1 hit €9bn, down 15% y/y but above est. €8.8bn. CFO Cecile Cabanis noted US sales were flat, aided by Champagne and fashion/leather goods. Analysts see signs of recovery in China and cost-cutting efforts. (Moneyweb)

- **PDD Holdings, parent of Temu, appointed Hong Kong-based Ernst & Young as auditors, replacing its Beijing affiliate.** This shift hints at a potential secondary listing in Hong Kong, aligning w/ moves by peers like Alibaba and JD.com amid US delisting fears. Analysts see this as prep for local compliance. A Hong Kong listing would let investors convert ADRs if needed. PDD hasn't commented on the speculation. (Tech in Asia)

- **Target annc'd its "Back-to-School-idays" event, offering up to 30% off select items incl 25% off kids' apparel, 30% off backpacks, and a $15 gift card w/ $50 home care spend via Circle.** ~500 stores will host gear personalization svs. Target maintains 2024 pricing on select school items, sells 1,000+ products under $5, and competes w/ Walmart's similar back-to-school mkts push. (Retail Dive)

- **Lululemon opened its 1st Italy store in Milan on July19th, part of a broader intl expansion to 4x rev outside the US by 2026.** The 5,700-sq.-ft. space offers men's/women's collections for yoga, running, golf, plus an endless aisle tool. The Co plans local partnerships, events, and ambassador programs. U.S. growth has slowed, prompting intl. focus incl. 40–45 new stores in mkts like China, Denmark & Turkey (Retail Dive)

- **Hershey Co will raise candy prices by a "low double-digit" % due to soaring cocoa costs, not tariffs.** The hike affects its full confection portfolio and may take ~90 days to implement. Cocoa prices hit $8,402 in Jun., up 73% in 5 yrs, driven by climate-linked crop issues in Ghana and Ivory Coast. Hershey plans to focus on less cocoa-intensive products to offset costs. (CBS News)

- **Amazon annc'd it would hold prices, but raised them on 1,200 essentials, while Walmart cut prices by ~2%, per e-commerce data firm Traject Data.** Despite Amazon's claim of stable avg. pricing, items like Campbell's soup and Dayglow's baskets saw hikes. Tariff uncertainty, inflation, and shipping costs drove changes. Prime Day discounts briefly lowered prices. Retailers face pressure to manage costs, w/ some "eating the tariffs" per Trump's directive. (MSN)

- **JD. com annc'd a ~$4bn acquisition of Jiabao Food Supermarket's retail network and properties, w/ a 3-yr transition period.** Jiabao, w/ ~90 HK branches, will remain under founder Lin Xiaoyi's mgmt during this time. A new Co will launch on Aug. 1. JD aims to expand its 7 FRESH brand and local logistics. (Hong Kong 01)

EdTech

- **McGraw Hill, backed by Platinum Equity, raised $414. 6mn in a downsized US IPO, pricing 24.39mn shares at $17 (below the $19–$22 range) valuing the Co at ~$3.25bn.** Platinum retains an 84.6% stake post-IPO. The Co, used by 82% of US higher ed institutions, reported 7% rev growth to over $2bn for FY ending Mar. 31. The listing reflects cautious optimism in mkts and a rise in PE-backed exits amid improving equity conditions. (Private Equity Wire)

Electric & Autonomous Vehicles

- **Tesla reported a 16% drop in auto rev to $16. 7bn in Q2, w/ EPS at 40¢ adj vs 43¢ expected.** Deliveries fell 14% YoY to 384,000. Musk cited tariff costs, EV tax credit expiry, and limited US supply. Net income fell to $1.17bn. Supercharging rev rose 17%, w/ 2,900+ new stalls added. (CNBC)

Film/Studio/Content/IP/Talent

- **PwC's latest Outlook report forecasts global box office rev won't hit pre-COVID levels until 2030.** US cinema rev is projected to reach $10.8bn by 2029, still below 2019's $11.7bn. Growth is driven by rising ticket prices, not admissions. Franchise films dominate, while mid-budget titles struggle. Studios are returning to theatrical-first releases. (The Hollywood Reporter)

FinTech/InsurTech/Payments

- **PayPal annc'd PayPal World, a cross-border platform enabling 2bn+ users to transact via local wallets.** Launch partners include India's UPI (NPCI), China's Tenpay (Weixin), PayPal, Venmo, and Mercado Pago. Users can pay globally w/local systems—e.g., UPI for U.S. purchases or PayPal in China via Weixin. Tenpay will also support remittances. Platform launches this fall; Venmo expands offline/online payments in 2026. (TechCrunch)

Handheld Devices & Accessories/Connected Home

- **Amazon is acquiring Bee, a startup behind a $49. 99 Fitbit-like wearable that uses AI to transcribe conversations and generate daily summaries.** Bee's CEO said the Co will help Amazon bring personal, agentic AI to more users. The device can access emails, contacts, and more for insights. Amazon emphasized privacy, promising users greater control post-acquisition. (The Verge)

HealthTech/Wellness

- **Neuralink aims to implant chips in 20,000 people/yr and hit $1bn rev by 2031, per investor docs cited by Bloomberg.** The Co plans 5 clinics and 3 devices: Telepathy (brain-machine comms), Blindsight (vision), and Deep (tremors/Parkinson's). Telepathy may get approval by 2029, w/ $100mn rev from 2,000 surgeries. Blindsight could launch in 2030, w/ 10,000 surgeries and $500mn+ rev. (Yahoo Finance)

- **Meta annc'd a wristband that uses EMG to read muscle signals, enabling device control via hand gestures or intent.** Developed by Reality Labs, it leverages A.I. to decode signals from ~10,000 users, allowing out-of-box use. Unlike Neuralink's surgical implants, Meta's non-invasive tech offers fast, intuitive interaction w/ devices. It may aid disabled users and integrate w/ smart glasses. (NYT)

Last Mile Transportation/Delivery

- **Uber annc'd a pilot in LA, SF & Detroit allowing women to choose female drivers or co-riders via a "women drivers" app option.** Riders can wait, pre-book, or opt for any driver if wait is long. Only ~20% of Uber drivers are women. Female drivers can also select women riders, incl. peak hrs. The feature, first launched in Saudi Arabia in 2019, has since expanded to 40 countries. Lyft's similar "Women+ Connect" is live across all U.S. mkts. (CBS News)

Macro Updates

- **Trump annc'd a "massive" trade deal w/ Japan, featuring 15% reciprocal tariffs and a $550bn Japanese investment in the US, w/ 90% of profits to the US.** Japan will open trade in autos, rice, and agri products. Auto tariffs drop from 25% to 15%. Japan's mkts surged; Nikkei 225 rose 3.5%. (CNBC)

- **US and China to meet in Stockholm to discuss extending the Aug. 12 tariff deadline.** Talks focus on shifting China's economy to consumption, easing export bans, and reviving U.S. shipments. (Reuters)

Media Conglomerates

- **Disney+ and Swimply annc'd a "Dive-in Theater" in LA, offering themed poolside movie nights in Jul–Aug.** Films include Alien, Honey, I Shrunk the Kids, and Camp Rock. Events feature immersive decor—like a cereal bowl pool and sci-fi fog—w/ photo ops and interactive elements. Fans can enter via Swimply for a chance to attend. Disney+ aims to deepen fan engagement through real-world, nostalgic experiences. (Cord Cutter News)

- **Sinclair annc'd acquisition of non-licensed assets of WDKA-TV (Paducah, KY) and KBSI-TV (Cape Girardeau, MO), w/ an option to acquire licensed assets.** Sinclair will provide svs incl. programming, tech, and mgmt. The Co owns/operates 180 stations in 82 mkts, Tennis Channel, multicast networks, and NewsON. (Yahoo Finance)

- **Billionaire Patrick Soon-Shiong annc'd via The Daily Show that LA Times will go public over the next yr to "democratize" ownership.** The move follows layoffs, buyouts, and a 25K subscriber loss after editorial shifts. (The Wrap)

Regulatory

- **The UK's CMA proposed giving Apple and Google "strategic market status," citing concerns over app store dominance, 30% in-app fees, and unfair dev terms.** Remedies include fairer app reviews, sideloading, and easing platform switching. Apple and Google oppose, citing security and innovation risks. The move follows EU fines and cont'd scrutiny of US tech cos' power in digital mkts. (CNBC)

- **Apple's App Store rule changes, incl. rev-adjusted fees (13–20%) and external payment link, are set to be accepted by EU regulators, helping the Co avoid daily fines of €50mn.** The move follows a €500mn penalty in Apr. for breaching the DMA. Apple critiqued the mandate but implemented changes to comply w/in 60 days. (Yahoo Finance)

Satellite/Space

- **AST SpaceMobile annc'd a $500mn private offering of 2. 375% convertible senior notes due 2032, w/ a $72.07 conversion price and $120.12 capped call.** Net proceeds of ~$486.9mn to fund capped calls ($47mn) and general corp. purposes. A $75mn over-allotment option was granted. Separately, ASTS priced a direct offering of ~5.8mn shares at $60.06 to repurchase $135mn of existing notes. (Street Account)

Social/Digital Media

- **Meta, X & LinkedIn appealed Italy's unprecedented VAT claim—€887. 6mn, €12.5mn & €140mn respectively—arguing free svs in exchange for user data shouldn't be taxed.** Italy's stance, if upheld, could reshape EU VAT policy. Rome plans to seek an EU advisory by Nov. 2025. A "No" could halt the case. Meta said it complied w/ laws but disagrees w/ VAT on access; LinkedIn & X gave no comment. (Reuters)

- **Blackstone has exited a consortium bidding for TikTok US, adding uncertainty to the deal amid ongoing US-China trade talks.** The group, led by Susquehanna and General Atlantic, aimed for 80% US ownership. ByteDance faces a Sept. 17 deadline to divest, per Trump's exec order. The deal's future remains unclear as China resists approval. (Reuters)

Software

- **Apple annc'd public betas for iOS 26, iPadOS 26, macOS Tahoe 26, watchOS 26 & tvOS 26, featuring a new "Liquid Glass" design inspired by visionOS, marked by transparency & a water droplet UI.** The revamp includes a new naming scheme ending in "26," aligning w/ car industry norms. Apple has already made tweaks since the dev beta, incl. Control Center changes. (The Verge)

- **IBM beat Q2 estimates w/$16. 98bn rev and $2.80 adj EPS, but shares fell 5% as software rev of $7.39bn missed forecasts.** AI-driven mainframe demand lifted infra rev to $4.14bn (vs est. $3.81bn), but diverted funds from transaction processing. Consulting grew 3%, ending 5-qtr decline, yet IBM remains cautious on future growth. Its AI biz hit $7.5bn, up $1.5bn QoQ. No Q3 forecast was given amid macro and tariff concerns. (Communication Today)

- **SAP reported a 9% rev rise to €9. 03bn in Q2, w/cloud rev up 24% to €5.13bn.** Net income hit €1.75bn vs. €1.3bn prior yr. Operating profit rose to €2.57bn, beating forecasts. The Co reaffirmed its 2025 outlook: non-IFRS operating profit of €10.3–€10.6bn, cloud rev of €21.6–€21.9bn, and ~€8bn free cash flow. SAP's non-IFRS results, excluding restructuring/acquisition costs, remain key for investors. (WSJ)

Sports/Sports Betting

- **Commanders LB Bobby Wagner has joined the WNBA's Seattle Storm ownership group, part of a ~1. 5% stake sale at a $325M valuation.** The deal, facilitated by Whitecap Sports Group, reflects rising WNBA team values, w/ recent sales including Liberty (15% at $450M) and Wings (1% at $208M). (SBJ)

- **Cos are investing in niche sports as streaming viewership surges.** Pickleball, cornhole, and women's leagues like WNBA and Athletes Unlimited see rising fan bases. ESPN, Amazon, and YouTube are expanding coverage, citing low rights costs and high engagement. Brands like Michelob Ultra and T-Mobile back these sports. Analysts say niche sports offer cos a cost-effective way to grow audiences and ad rev. (The Hollywood Reporter)

Tech Hardware

- **Intel is going to end the year with a workforce that is over a fifth smaller than last yr and new CEO Lip Bu Tan presented a blueprint for a more costdisciplined, streamlined chipmaker that would issue "no more blank checks.** " The job cuts, a majority of which have been completed already, are part of an effort by Tan since he took the helm in March. (Reuters)

- **India's smartphone mkts grew 7% YoY in Q2 2025, reaching 39mn units.** Vivo led w/ 21% share, followed by Samsung (16%). Apple ranked sixth, but iPhone 16 series drove 55% of its shipments. Oppo & Xiaomi tied at 13%, while realme held 9%. iPhone 16e underperformed due to limited features. (India Today)

- **Nvidia shares fell amid concerns over the $500bn Stargate AI venture by SoftBank and OpenAI, which has stalled due to internal disputes.** The proj., once set for a $100bn investment, now targets a single Ohio facility. This poses a risk to Nvidia's rev forecasts, as its high-margin data center GPUs were expected to power such AI builds. (Benzinga)

Towers/Fiber

- **NTIA annc'd approval of revised BEAD initial proposals from all 56 states/territories, enabling each to begin a "Benefit of the Bargain" round to allocate funds to ISPs.** 48 states/territories have started this round. Final proposals, incl. results, are due by Sept 4. A new dashboard tracks BEAD progress. (Broadband Breakfast)

- **TELUS annc'd a $2bn investment to expand broadband svs in Ontario & Quebec over 5 yrs, following CRTC's FTTP framework confirmation.** This complements its $70bn national plan to boost connectivity, competition & affordability. The Co aims to deliver AI-powered svs, smart home tech, healthcare & entertainment, reinforcing its new tagline: "We're always building Canada." (Yahoo Finance)

Video Games/Interactive Entertainment

- **Nintendo Switch 2 became the fastest-selling US gaming hardware in history, hitting 1. 6mn units sold in Jun and driving a 249% YoY hardware spending surge to $978mn.** 82% of buyers got Mario Kart World, the top-selling game across Switch platforms. Other top titles included Cyberpunk 2077, Rune Factory: Guardians of Azuma, and Elden Ring:

Nightreign. Accessories rev hit $293mn, led by the Switch 2 Pro Controller w/ a 32% attach rate. (IGN)

- **EA annc'd Battlefield 6, teasing a reveal trailer for Thu, July 24 and an open beta.** A teaser image shows NYC in ruins, hinting at a rare US setting. The beta will test weapon loadout flexibility across classes. Dev teams aim to recapture the feel of BF4 after 2042's poor reception. The game's dev budget reportedly exceeds $400mn, but no release date is set yet. (Kotaku)

- **127 domestic online games approved for release in July 2025 by China's National Press and Publication Admin.** Cos like Guangzhou 4399 Info Tech, Migu Interactive, and Hangzhou Runqu Tech are among the publishers. All approvals were issued on Mon., Jul. 21 under Guoxin trial numbers, each w/ unique ISBNs. (NPPA)

- **China annc'd approval for 7 imported online games incl. Diablo IV, Marvel's Arcane Mania, and Wall World, published by cos like NetEase and Phoenix.** Titles span mobile and client platforms, w/ ISBNs and approval numbers issued by Guoxin. This cont'd trend reflects growing openness in game mkts, w/ 62 titles approved since Jan. 2025. (NPPA)

- **Ubisoft CEO Yves Guillemot blamed Star Wars Outlaws' weak sales on the franchise's "choppy" state, not its buggy gameplay or poor stealth.** Released in Aug. 2024, the game saw ~10-yr low in share value. Critics cited repetitive formula, lackluster space svs, and backlash over its diverse lead. (Kotaku)

Video Streaming

- **Netflix now runs ~12% more ads/hr on original shows (3. 78) vs licensed content (3.33), per Ampere Analysis.** Despite the increase, its ad load remains lower than rivals like Prime Video. Originals like "Stranger Things" & "Squid Game" drive this strategy, leveraging high engagement. (TheDesk)

- **A Cord Cutters News survey of 1,500+ US adults found 77. 8% don't plan to buy new streaming devices in 2025, citing satisfaction w/ current tech.** Of those upgrading, 10.9% prefer Roku, 4.8% Apple TV, 2.4% Google TV, and 2.2% Fire TV. The trend suggests mkts may be plateauing, pushing cos to focus on software, AI, and content over hardware. (Cord Cutter News)

- **"South Park" creators Trey Parker and Matt Stone struck a $1. 5bn, 5-yr streaming deal w/ Paramount+ via Park County.** The pact includes 10 eps/yr and ends HBO Max's prior license. Talks collapsed w/ Warner Bros. Discovery, prompting Paramount to go solo. Skydance, set to acquire Paramount, approved the deal. Park County will receive ~50% of rev via South Park Digital Studios joint venture. (Los Angeles Times)