



WEEK ENDING AUGUST 8, 2025

This is certainly a TGIF week. A massive 41% of our LionTree Universe (89 companies) reported this week, so it was earnings prints left and right! The heavy flow, especially on Thursday night, made for a challenging end of the week, but we did our best to cover as many key companies as we were able.

The market reaction to earnings in the sector skewed negative as just 44% of companies traded up, while 56% traded down. Of the broader 90% of S&P 500 companies that have reported, per Factset, the blended earnings growth rate was +11.7%, which is an improvement to where we stood last week and well above +4.9% expected at the beginning of the quarter.

The major indices had a strong week with the S&P 500 rallying +2.4% and Nasdaq rising +3.9%.

We focused on the below themes this week:

1. Earnings Scorecard – Week 4
2. Disney Continues Its Strategic Balancing Act
3. Investors Are Awaiting More Details On WBD's Act II
4. Fox Finished FY25 Strongly... Though Has Tough Cyclical Comps In FY26
5. Snap & Pinterest: Investors Had Hoped For More
6. The Coming Inflection For TTWO Is Tracking On Plan
7. Warner Music Group Is Finding Its Rhythm Again
8. DraftKings: Sports Betting Outcomes Swing Back To The Sportsbook Just In Time For A Seasonally Strong Fall
9. TKO Remains At The Center Of Premium Content & Live Events
10. Uber's "Barbell" Strategy Is Yielding Results
11. DoorDash/Instacart – Delivery Keeps Delivering

Given the length of our Update this week, you may want to consider downloading the PDF 😊

Lastly, I would like to highlight that LionTree proudly served as financial advisor to **Paramount Global** on its merger with **Skydance Media**, which officially closed this week.

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 4

It was an absolute avalanche of earnings this week, with a massive 89 companies in our LionTree Universe reporting their second quarter earnings (an all-time record!). Similar to last week, stock price reactions skewed negative, with 49 companies (55%) trading down post their report and 40 companies (45%) trading up. The Trade Desk was the worst performer, plunging -39% in reaction, while Lemonade was the best performer, up +30%.


Earnings reports were across a multitude of sectors this week. Starting off with Media, it was a bit of a tougher week for the group, with **Warner Bros. Discovery** falling -7% (see [Theme #3](#)), **Fox** down -4% (see [Theme #4](#)), and **Disney** losing -3% (see [Theme #2](#)). Also in media but on the music label side, **Warner Music Group** report its results and the stock traded up +4% (see [Theme #7](#)). That said, **Take-Two** also had a bit of a tough going, falling -4% in reaction to its print (see [Theme #6](#)).

Shifting over to digital advertising, **Snap** and **Pinterest** both saw a less-than-favorable reaction from the Street, down -17% and -10%, respectively (see [Theme #5](#)).

The major last-mile names also published their reports, with **Uber** and **Lyft** down -0.2% and up +2%, respectively (see [Theme #10](#)), while **Instacart** and **DoorDash** traded up +4% and +5%, respectively (see [Theme #11](#)).

Finally, to round out the week, **DraftKings** fell -0.4% after its print (see [Theme #8](#)), while **TKO** was up +3% (see [Theme #9](#)).

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*	SECTOR	Stk Reaction*
AdTech		HealthTech		Satellite Communications	
The Trade Desk	-38.6%	Clover Health	-20.7%	Gogo	-21.3%
Magnite	-3.2%	GoodRx	-20.0%	Eutelsat Communications SA	12.1%
Taboola.com	5.3%	Hims & Hers	-12.4%	Globalstar	13.1%
Advertising Agencies		Oscar Health	3.8%	Semis	
WPP	-2.0%	Doximity	13.7%	Advanced Micro Devices	-6.4%
Application Software		Internet / Advertising		Smart Home Security	
Unity Software	-6.0%	Snap	-17.1%	Alarm.com	0.1%
Clear Secure	6.2%	Bumble	-15.9%	Software IT Services	
Applovin	12.0%	IAC	-13.0%	Rackspace	-4.7%
Shopify	22.0%	Pinterest	-10.3%	Datadog	-0.4%
Digital Ocean Holdings	28.9%	Yelp	-9.2%	Palantir	7.8%
Broadcast TV		Match Group	10.5%	Space	
Sinclair Broadcast Group	-12.6%	Ziff Davis	21.6%	Virgin Galactic	-9.5%
The EW Scripps Co	-10.3%	Last Mile Transport / Delivery		Sports & Sports Betting	
TEGNA	-8.1%	Uber	-0.2%	Liberty Formula One	-2.6%
Nexstar Media Group	-1.3%	Lyft	1.6%	Liberty Braves	-0.4%
Gray Media	-0.2%	Instacart	3.7%	DraftKings	-0.4%
Consumer Retail		DoorDash	5.0%	Telecom Infrastructure	
Allbirds	-29.3%	LatAm Telco		SBA Communications	-4.9%
Zalando SE	-8.5%	Liberty Latin America	9.2%	US Media/Video	
Warby Parker	-3.4%	Live Events		Warner Bros. Discovery	-7.3%
Digital Real Estate		Live Nation Entertainment	3.3%	Fox	-3.7%
Opendoor Technologies	-24.6%	TKO Group	3.3%	The Walt Disney Co	-2.7%
Zillow Group	-0.5%	Music		Lionsgate Studios	7.1%
e-Commerce		Stagwell	-14.0%	AMC Networks	8.8%
Revolve Group	-4.4%	Music		US Print Media/Publishing	
MercadoLibre	0.5%	Warner Music Group	3.7%	News Corp	0.5%
Groupon	0.8%	Online Travel		The New York Times Co.	15.5%
ThredUp	5.7%	Trivago	-27.9%	Video Games	
Wayfair	12.7%	Airbnb	-8.0%	Playtika	-9.2%
The RealReal	16.2%	Expedia	4.1%	Take-Two Interactive	-4.0%
EdTech		TripAdvisor	11.7%	PLAYSTUDIOS	-1.8%
Chegg	-14.0%	Out Of Home Advertising		Skillz	14.6%
Grand Canyon Education	13.2%	Lamar Advertising	-7.4%	Source: FactSet *Day post earnings 	
Duolingo	13.7%	Outfront Media	-3.4%		
Employment Marketplace		National CineMedia	3.3%		
Upwork	13.6%	Clear Channel Outdoor	7.3%		
Entertainment Facilities		Payments/Fin Tech			
Six Flags Entertainment	-6.0%	Block	-4.5%		
Hardware / Handsets		Toast	-3.7%		
Sonos	-0.6%	Lemonade	29.5%		
Peloton	0.6%	Pay-TV/Broadband			
Sony	4.5%	Altice USA	-8.4%		

2. Disney Continues Its Strategic Balancing Act

Disney has been pushing hard to position the business to thrive no matter where consumers choose to watch content. They view themselves as being in the “TV business” rather than in the distinct linear or streaming businesses. That said, it doesn’t mean that the shift to streaming is not occurring, nor that it will be a smooth transition. In FQ3, the Co made a

lot of progress with DTC profitability (op income increased \$346mn y/y and beat Street expectations) and mgmt. raised the FY25 DTC operating income guidance, but core Disney+ domestic subscriber adds and ARPU fell below projections. In the coming quarter though, Disney will stop reporting subscriber adds and ARPU, following in Netflix's footsteps. Also looking ahead, a unified Disney+ and Hulu streaming app experience will be an important catalyst for growth when it is made available to consumers "next year." Turning to the Linear business, it performed worse than expected and Content Sales/Licensing & Other op income fell -\$100mn short of expectations due to tough comps and this overhang will continue into next qtr.

What was smooth sailing though was FQ3 performance in the Experiences division, where revenue and profitability trends surpassed Street expectations. Importantly, consumers continued to flock to the Co's domestic theme parks and in particular Walt Disney World despite increased competition in Orlando (ie, Comcast's opening of Epic). All in all, Disney raised FY25 Experiences op income guidance. There are high hopes as well for the Disney Adventure Singapore cruise ship as we look ahead.

In Sports, the Co has been VERY busy, finally confirming an ESPN deal with the NFL, expanding its array of sports programming while the NFL takes a 10% stake in ESPN. The Co also set a date for the launch of its ESPN DTC streaming offer (Aug 21st – the same day as FOX One). Last, but not least, Disney's film slate remains strong, with recent hits like *Lilo & Stitch* and *Fantastic Four: First Steps* and a pipeline featuring *Zootopia 2*, *Avatar: Fire and Ash*, and *Toy Story 5*.

To close it out, Disney raised its FY25 adj EPS guidance by 10c but investors pushed back as this quarter's beat was by 15c. Is this another case of conservatism?

-> *Disney shares traded down -2.7% in reaction to results and dragged down other media conglomerates on the day (FOX down -1.3% and Paramount Global fell -6% though Warner Bros Discovery was flattish); YTD, FOX is still leading performance wise*

Disney's FQ3 EPS Beat Was Below The Line, While Core Headline Results Were ~In-Line...Mgmt Raised FY25 EPS Guidance But By Less Than The Qtrly Beat

- **Total FQ3 revs were a tad light while op income was a tad better**
 - **Experiences - Beat:** Upside was a key standout
 - **Linear- Missed:** Underperformed on both the top line & profitability
 - **DTC - Mixed:** Better profitability was of note but revs were weaker than expected
 - **CSLO – Mixed:** While revs beat, op income fell -\$100mn short of expectations
 - **Sports- Mixed:** Slightly lower revs, but slightly higher op income
- **Note that the India JV impact was a ~\$50mn loss in FQ3 & expect ~\$20mn loss in FQ4**
 - FY loss expected at ~\$200mn
- **OUTLOOK - Raised FY25 adj EPS by 10c...from ~\$5.75 to ~\$5.85 (vs cons \$5.75) BUT it raised the question regarding why not more since the Co beat FQ3 by 15c**
 - Implies that FQ4 adj EPS consensus Street estimates come down 5c

Disney	FQ3 2025 Results				
	Actual	FQ3 y/y	FQ2 y/y	Cons Est	% Surp
Revenue (mn)	\$23,650	2%	7%	\$23,690	-0.2%
Operating Income (mn)	\$4,575	8%	15%	\$4,560	0.3%
Operating Margin (%)	19.3%			19.2%	
Adj EPS	\$1.61	16%	20%	\$1.46	10.3%
Free Cash Flow (mn)	\$1,889	53%	103%	\$1,400	34.9%
Revenue by Segment (mn)					
Entertainment	\$10,704	1%	9%	\$10,810	-1.0%
Linear Networks	\$2,271	-15%	-13%	\$2,340	-2.9%
Direct-to-Consumer	\$6,167	6%	8%	\$6,320	-2.4%
Content Sales/Licensing and Other	\$2,257	7%	54%	\$2,130	6.0%
Sports	\$4,308	-5%	5%	\$4,430	-2.8%
Experiences	\$9,086	8%	6%	\$8,880	2.3%
Operating Income by Segment (mn)					
Entertainment	\$1,022	-15%	61%	\$1,120	-8.8%
Linear Networks	\$697	-28%	2%	\$750	-7.1%
Direct-to-Consumer	\$346	1937%	615%	\$206	68.0%
Content Sales/Licensing and Other	-\$21	-108%	950%	\$123	-684.3%
Sports	\$1,037	29%	-12%	\$1,010	2.7%
Experiences	\$2,516	13%	9%	\$2,460	2.3%

Source: FactSet, StreetAccount



Overall Segment Growth Snapshot & FY25 Segment Outlook

- **Entertainment – FQ3 headline performance & outlook**
 - Revs rose +1% y/y
 - Op income fell -15% y/y given lower results at Content Sales/Licensing, Other and Linear Networks offset by DTC
 - Maintained FY25 guidance – Expect DD operating income growth
 - Expect difficult theatrical comparisons to continue into in FQ4: CSL&O operating income guided to decline ~\$400mn y/y in FQ4 (vs a decline of -\$275mn y/y in FQ3)
- **Sports – FQ3 headline performance & outlook**
 - Revs fell -5% y/y
 - Ad rev at Domestic ESPN was up +3% y/y in Q3 due to rate increases; Incls 1ppt adverse impact due to comparability
 - Op income grew +29% y/y, w/ a -7% decrease at domestic ESPN due to higher programming and production costs reflecting contractual rate increases for the NBA and college sports
 - Raised FY25 guidance – expect +18% y/y increase in operating income (incls a \$636mn loss at Star India in fiscal 2024)
- **Experiences – FQ3 headline performance & outlook**
 - Revs rose +8% y/y
 - Op income grew +13% y/y (from +9% y/y in FQ2)
 - Drivers: An increase in guest spend at theme parks and incr'd costs due to new guest offerings, including the new fleet expansion; Also benefitted from ~\$40mn benefit of Easter timing
 - Raised FY25 guidance - Expect +8% y/y increase, vs the prior guide of “higher end” of 6-8%
- **Results include ~\$30mn of pre-opening expenses:** Driven primarily by Disney Destiny & Disney Adventure
 - Expected FY 2025 pre-opening expenses for Disney Cruise Line are ~\$185mn, with \$50mn in FQ4

Mixed FQ3 Subscriber Performance (International Beat/Domestic Missed)...But Mgmt Raised DTC FY25 Profitability Guidance

- FQ3 DTC revs grew + 6% y/y...incls 3ppts headwind from D+ Hotstar being included in FQ324's
- Overall D+ core was marginally ahead of expectations on both subscribers & ARPU w/ intl the driver

- **Domestic:** Subs were flat seq and ARPU missed cons by -0.6%
- **Internationally:** Added 1.7mn subs and ARPU beat cons by 1.7%
- **FQ4 subs outlook**
 - **Expect D+ & Hulu subscriptions to increase by more than 10mn vs FQ3**
 - W/ the majority of the increase from Hulu due to expanded Charter deal
 - **Expect a modest increase in D+ subscribers**
- ****NOTE**...following in Netflix's footsteps, Disney will no longer share subscriber numbers nor ARPU**
 - **This will be as of FQ1:26 for Disney+ and Hulu (and FQ4:25 for ESPN+)**
 - It will instead focus on Entertainment DTC profitability in its financial disclosures

Disney	FQ3 2025 Results				
	Actual	FQ3 Δ (mn)	FQ2 Δ (mn)	Cons Est	% Surp
Subscribers (mn)	207.4	2.6	1.7	207.3	0.0%
Disney+ Core	127.8	1.8	1.4	127.5	0.2%
Domestic (US and Canada)	57.8	0.0	1.0	58.5	-1.1%
International	69.9	1.7	0.4	69.0	1.3%
ESPN+	24.1	0.0	-0.8	24.3	-0.9%
Total Hulu	55.5	0.8	1.1	55.5	0.1%
Hulu SVOD Only	51.2	0.9	1.3	51.0	0.4%
Hulu Live TV + SVOD	4.3	-0.1	-0.2	4.5	-3.8%
ARPU		FQ3 y/y	FQ2 y/y		
Disney+ Core ARPU	\$7.86	1%	3%	\$7.79	0.9%
Domestic (US and Canada)	\$8.09	0%	1%	\$8.14	-0.6%
International	\$7.67	2%	5%	\$7.54	1.7%
ESPN+	\$6.40	-3%	3%	\$6.36	0.6%
Hulu SVOD Only	\$12.40	0%	1%	\$13.05	-5.0%
Hulu Live TV + SVOD	\$100.27	0%	-1%	\$100.99	-0.7%

Source: FactSet, StreetAccount



- **FQ3 DTC op income was much stronger than expected at \$346mn vs cons \$206mn (and up from \$365mn y/y)**
 - Margins reached 5.6%...and the goal is to improve DTC op income margins beyond the targeted 10% through higher engagement in US and deeper penetration internationally rather than cost-cutting
- **And raised FY 2025 DTC op income guidance from \$875mn to ~\$1.3bn**
- **Expect international DTC content spend to increase while domestic spend remains the same**
 - **Domestic:** "You shouldn't expect that we need to increase the spend on content significantly"
 - **Intl:** "Where we believe we should be investing is to grow our international businesses"

A Unified Disney+ & Hulu Streaming App Experience Will Be Available To Consumers "Next Year"

- **Disney annnc'd that it is fully integrating Hulu into D+**
 - It consolidates the "highest caliber" brands and franchises, general entertainment, family programming, news and live sports into one app
- **Internationally, Hulu will replace the Star tile on D+**
- **Expect improvements to D+ app in the "coming months"**
- **The unified Disney+ and Hulu streaming app experience will be available to consumers next year**

Disney ESPN's NFL Deal Is Expected To Be "Accretive"

- **Also annnc'd was that ESPN will acquire the NFL Network and other media assets owned from the NFL in exchange for a 10% equity stake in ESPN**

- **ESPN also expanded its NFL partnership:** It will now receive more games, enhanced fan engagement and broader streaming rights
- **Key terms:**
 - **These are both non-binding agreements**
 - **ESPN will own & operate the NFL Network:** Integrating it into ESPN's DTC while continuing traditional pay TV
 - **ESPN will gain broad rights to the RedZone:** Distributing the RedZone Channel to Pay TV operators
 - **NFL Fantasy Football will merge w/ ESPN Fantasy Football**
 - **ESPN will license 3 addtl NFL games per season to air on NFL Network**
 - **Also, ESPN will adjust its overall NFL game schedule:** 4 games will shift to the NFL Network (which will continue to present seven games per season)
 - **ESPN will also gain the ability to sell and bundle NFL+ Premium to its ESPN DTC subs, along with rights to addtl non-exclusive preseason NFL games for its DTC offering**
 - Both starting in the 2025 season
 - **ESPN will have addtl NFL highlights:** And enables more features like betting & fantasy
 - **ESPN gains expanded draft rights:** ESPN will have NFL Draft streaming rights across ESPN DTC, HULU and Disney+
 - **Gives ESPN a record 28 NFL game windows (up from the previous 22)**
 - **The NFL will retain ownership of its other media businesses:** Including NFL Films, NFL+, NFL.com and the digital distribution of the NFL RedZone
- **The deal will be “accretive” in the first year that it closes:** “Even with this exchange of assets, and the fact that the NFL, obviously, will be paid a dividend from ESPN's earnings, it will be accretive in the first year after it closes, and I think that's significant”...“It will be about \$0.05 accretive before purchase accounting”
 - **Timing:** It “likely won't close until the end of next calendar year”
- **“This is one of the most important steps ESPN has taken”**
- **Other sports related news**
 - **ESPN will be the exclusive home for WWE Premium Live Events**
 - See Theme #9 for more details disclosed by TKO

The ESPN DTC Launch Is Officially Slated For Aug 21st

- **ESPN DTC launch is Aug 21st - The full suite of networks and series will be made directly to fans**
 - **Will have an enhanced ESPN app at launch**
 - Multiview
 - Enhanced personalization
 - Stats integration
 - Betting
 - Fantasy sports and commerce
 - Personalized SportsCenter
 - **Pricing:**
 - Unlimited package = \$29.99/mo
 - A Select option package = \$11.99/mo
 - **Promo:** Special offer at launch for \$29.99/mo for the first 12 mos for subs who bundle ESPN unlimited plan w/ Disney+ and Hulu
 - **Go to market:** Will meet subscribers where they want to be reached...ie, both linearly and digitally, but digital will be a more fulsome experience.

- Could there be an oppty to bundle other companies' sports offering as well? Yes...the more sports that can be offered and make it easier for users to find sports the better

Experiences Business Is Operating On All Cylinders...& Mgmt Raised The FY25 Segment Op Income Guidance

- **Experiences segment results reflect:**
 - Higher guest spending at theme parks
 - More passenger cruise days due to the launch of the Disney Treasure
 - Higher occupied room nights
 - Partially offset by higher costs reflecting new guest offerings, including the expansion of the Disney Cruise Line fleet
- **"Encouraged by the continued resiliency of our domestic parks business, particularly at Walt Disney World given increased competition in the Orlando market"**
- **Accelerating performance at Domestic Parks & Experiences**
 - **Domestic Parks & Experiences revenue** rose +10% y/y up from +9% y/y in FQ2
 - **Domestic Parks & Experiences op income** grew +22% y/y, up from +13% y/y last qtr
 - **Domestic Park margins** were up +260bp y/y
- **Per cap domestic spend growth was up a strongly but attendance was strong as well**
 - Mgmt didn't provide much color on the drivers but said that there was not a material change in visitor mix (local vs non-local) which can affect per caps
 - "We feel good about the per caps" but "also feel good about the attendance", especially given competition in the market
 - The aim is to growth attendance and per cap in a "balanced way"
- **International Parks & Experience**
 - **International Parks & Experiences revs** grew +6% y/y
 - **International Parks & Experiences op income** fell -3% y/y
- **RAISED guidance - Given the FQ3 Experiences op income beats to date, the Co incr'd segment FY25 op income growth from the "higher end" of 6-8% to ~8% y/y (note the segment has growth +7% YTD)...drivers include**
 - **Parks:**
 - WDW had a "record" FQ3
 - Disneyland Paris is expected to do well (easier comps but biz is also performing well)
 - But China is challenged with per cap spend
 - **Cruise ships**
 - Are doing very well
 - Forward bookings "look great"
 - Running at high occupancy
 - **Experiences bookings for FQ4 are up 6% right now..."So, we certainly feel positively about that as well"**
- **Very bullish on the new Disney Adventure ship launching in Singapore...it is the largest ship ever (7k passengers) & will extend Disney's brand into the region**
 - Initial sales were extremely robust...trips sold out very quickly in the first 2 qtrs of operations
 - View this as a huge opportunity in Asia
- **What underpins the growth of the Cruise business?** The fleet is set to double over the coming years
 - **The Co sees strong repeat visitation:** With existing customers being first to book on new ships
 - **There is also geographic expansion:** Into areas they have not visited which expands the reach
 - **Visibility is strong:** Already "half booked out for all of next year, and the newer ships are even higher in that regard"
 - "So, we feel terrific from the perspective of consumer receptivity to our new offerings"
- **Have a long list of theme park expansions and new cruise ships in the works looking ahead which includes...**
 - A new World of Frozen land opening at Disneyland Paris in 2026
 - Villains and Cars themed areas coming to Magic Kingdom

- A Monsters, Inc. area coming to Disney's Hollywood Studios
- An Avatar-themed destination coming to Disney California Adventure
- And have a new theme park coming to Abu Dhabi
- Preparing to launch two new ships (brings fleet to 8)
 - In November, we will launch the Disney Destiny, followed by the Disney Adventure, largest cruise ship ever and the first to have its homeport in Asia.
 - The Disney Treasure, launched last year, has gotten off to a strong start and continues to perform well.

There Is Also A Strong Film Slate Looking Ahead

- **Recent successes**
 - *Lilo & Stitch* crossed \$1bn WW box office recently
 - It is the 2nd largest license merchandise franchise this year w/ 70% y/y growth and has been deployed across parks and experiences
 - *Fantastic Four: First Steps* had a strong opening 2 weeks ago
- **Disney has a compelling pipeline over the next year+:**
 - **This year:** *Zootopia 2* and *Avatar: Fire and Ash*
 - **Highlighted next year:** *Star Wars: The Mandalorian and Grogu*, *Toy Story 5*, a live action *Moana*, *Avengers: Doomsday*
- **Mgmt stressed that the Co is focused on both new IP and leverageing popular older IP:** They “don’t have a priority one way or another”

3) Investors Are Awaiting More Details On WBD’s Act II

Back in June, WBD announced plans to split into two separate companies - Warner Bros., which will house the streaming and studios businesses, and Discovery Global Media, which will operate the linear networks. The move came close to three yrs after WarnerMedia and Discovery merged in 2022 to create what is now Warner Bros. Discovery. Investors still have many questions about the future given all the moving pieces at WBD at present, hence there were no shortage of updates this quarter.

Looking at performance, WBD delivered a strong Q2 with beats across all segments on both revenue and profitability. The Studios business was a highlight generating \$2bn+ in global box office YTD. Mgmt credited the turnaround to the rebuilding efforts of the past three yrs, saying, “we were in last place... together we went from last to first.” Streaming profitability was another key highlight, though a restructuring of an HBO Max US distribution deal, which will have a “more pronounced” impact on domestic ARPU and distribution revenues in H2, caught some investors by surprise. Another short-term headwind is the Co’s decision over the past three yrs to license less content in order to keep it for HBO Max, but mgmt is confident on this strategy, believing it will build the platform’s value and pave the way for price increases in the coming yrs. In the meantime, the Co is going crack down on account sharing, with benefits expected to begin in Q4 and ramp meaningfully in 2026.

In addition to the above, the Co provided interesting commentary on ad trends, sports rights strategy, theatrical release momentum, and more. There is a lot in motion at WBD, and investors will certainly be looking for more clarity on the split to assess the future strategic direction.

See below.

-> WBD stock fell -7.3% in reaction to earnings and is now up +3.2% YTD (vs DIS up +1.0%, PARA +5.5%, and FOX +7.5% YTD)

WBD Posted Strong Q2 Results With Beats On Revenue & Adj. EBITDA Across All Segments

- **Q2 consolidated revs beat by +0.4% and adj. EBITDA beat by +10.3%**
 - All segments beat
- **Though FCF came in at \$702mn, well below cons \$863mn**
 - Paid ~\$250mn in separation-related costs in Q2, primarily accrued interest, which impacted Q2 FCF

Warner Bros Discovery	Q2 2025 Results				
	Actual	Q2 y/y	Q1 y/y	Cons Est	% Surp
Revenue (\$ mn)	\$9,812	1%	9%	\$9,590	2.3%
Adj EBITDA (\$ mn)	\$1,953	9%	4%	\$2,030	-3.8%
Adj EBITDA Margin (%)	19.9%			21.2%	Higher
CapEx (\$ mn)	\$286	12%	29%	\$257	Higher
Free Cash Flow (\$ mn)	\$702	-28%	-23%	\$405	73.3%
Revenue Breakdown (\$ mn)					
Studios	\$3,801	54%	-16%	\$2,820	34.8%
Networks	\$4,803	-9%	-6%	\$4,660	3.1%
Streaming	\$2,793	8%	9%	\$2,750	1.6%
Adj EBITDA Breakdown (\$ mn)					
Studios	\$863	NM	63%	\$333	158.9%
Networks	\$1,512	-25%	-14%	\$1,780	-15.1%
Streaming	\$293	NM	NM	\$285	2.8%
DTC Subscribers (mn)	125.7	3%	23%	119.5	5.2%
Domestic	57.8	10%	9%	58.4	-1.0%
International	67.9	5%	38%	61.1	11.2%
DTC ARPU	\$7.14	-11%	-9%	\$7.48	-4.5%
Domestic	\$11.16	-8%	-5%	\$11.49	-2.9%
International	\$3.85	0%	-3%	\$3.71	3.8%

Source: FactSet, StreetAccount



Some Addtl Color On Upcoming Separation Into Warner Bros (Streaming & Studios) & Discovery Global Media (Global Networks)

- Leadership teams are “largely in place”
- Timeline – “remain focused” on delivering 2025 goals and executing separation plans so that both organizations “hit the ground running” once split, which mgmt continues to expect to occur in mid-2026
- Expect to incur one-time transaction and restructuring costs that will impact FCF through the closing of the separation
 - Will be quantified once key operating model and separation decisions are finalized
- “Believe that there are very significant pockets of growth and opportunity, and we’ll work really hard over the next half year here to identify those and get in position to deliver what I think is going to be a business with much more longevity than what the market sees right now”

Streaming Outperformance In Subscribers And Monetization Is Being Driven By Intl / Domestic Streaming ARPU Will Continue To Be Challenged In The Near-Term

- Added 3.4mn+ subscribers in Q2, including 3.2mn+ intl subscribers (total subs beat was driven by intl coming in +3.5% ahead, as domestic missed by -3.3%)
 - Growth was driven partly by the “very successful” launch of HBO Max in Australia at the end of Q1, with “healthy” retail traction, in addition to the launch of HBO Max’s wholesale partnership with Foxtel
- Saw “some really positive improvements” in churn from March to June “but we’re not satisfied with where we are”
 - Will continue to work on reducing churn through bundling, driving engagement more consistency in content slate and better personalization features on the product itself

- **Saw a “modest” negative impact on Q2 domestic ARPU and distribution revs in Q2, which is expected to be “more pronounced” in H2:25:** Due to the restructuring of a HBO Max US distribution deal w/ “a former related party” in Q2
 - **Distribution rev growth expected to be in the LSD range starting in Q3**
 - **Impact will linger into H1:26, but expect to see a re-acceleration in global distribution rev in H1:26,** in part helped by the Q1 launch of HBO Max in Germany and Italy, and in the United Kingdom and Ireland in Q2
 - **US growth will reaccelerate starting in H2:26** as they lap that reset
- **Reiterated 2025 streaming adj EBITDA guidance of “at least” \$1.3bn...:** Driven by “healthy” subscriber-related rev growth
- **...and to “surpass” 150mn streaming subs by end of 2026**
- **Q2 content highlights -**
 - S1 of The Pitt, “one of the most successful debut shows of 2025
 - S3 of The White Lotus, which delivered 26mn+ avg viewers per episode (up ~40% vs S2)
 - Return of The Last of Us (“one of the most widely viewed shows” of Q2 “across all platforms), And Just Like That..., Hacks, The Gilded Age, and The Righteous Gemstones
- **Intl content also continues to attract and engage more subscribers in Q2,** including “recent successes” like -
 - **Turkey - S3 of The Prince,** which was viewed by 74% of the country’s total HBO Max subscribers
 - **Mexico - Chespirito: Not Really on Purpose,** which was viewed by 60% of the country’s HBO Max subscribers and ranks as the most acquisitive and most watched intl series ever on HBO Max
- **“Symbiotic” relationship w/ Warner Bros. Studios has been “one key driver of HBO Max’s success”**
 - In H1:25, content created by Warner Bros. Studios accounted for over half of global hrs streamed on HBO Max, with almost all of our global viewing accounts having watched a WB-produced title
- **Strategy to reaccelerate ARPU? Will crack down on acct sharing before increasing prices**
 - “We want the market to accept the product, to recognize it as high quality” which in turn will “give us what we think is a very big upside over time to raise price...over the next couple of years”
 - **“Just in the first inning” on converting unauthorized account shares into paying customers and expect to see benefit starting in Q4 and then “kick off” in 2026**
 - Will turn on the more aggressive languaging vs the voluntary process that is in place right now
- **Wholesale partnerships are driving strong LTV, activation, and upsell economics**
 - Have been increasingly partnering w/ distributors on product activation, and activation rates have been trending above expectations
 - Upsell capabilities (ad-supported -> ad-free) have been “very healthy”
 - Has led to better ARPU, particularly outside the US, where ad sales is still a growth biz and starts off a lower base
 - **Have benefit of an existing “embedded audience” internationally,** in places like the UK, Germany, and Italy, HBO shows have been popular but aired on other platforms (like Sky)
 - When HBO Max launches in those mkts, expect high engagement and retail sign-ups from existing fans
 - Already seeing that in Australia, where “launch was essentially dual-track” (retail and partnership w/ Foxtel) and has been a “great success story”

Prioritizing Long-Term Asset Value & HBO Max Differentiation Over Near-Term Licensing Rev

- **Have sold “significantly less” content to streaming and traditional mkt over the past 3 yrs “in order to differentiate HBO Max” – “that’s working for us in terms of driving growth.”**
- **Has put some pressure on near-term financial results – “we have taken a short-term financial hit for some real value that’s going to flow through”**
 - Have put a “10-digit figure of value” of intercompany profits on the balance sheet that’s going to come back into the P&L “over the next few yrs” as the content gets utilized on WBD platforms
- **“One company” strategy facilitated collaboration b/w HBO + Warner Bros Television has been a “net value and a net positive that will drive sustainable growth at HBO Max”**

- “Innovated with The Pitt as a procedural that was very, very successful for us...they're working together with J.K. Rowling on Harry Potter, which is extremely promising and is already in production”
- **What will content licensing strategy look like post-split?**
 - **On general entertainment strategy –**
 - **“Reimagining” US networks portfolio “as a content engine around very strong, unscripted brands, and less of “just traditional linear networks”**
 - **As a result, content licensing is going “to be a meaningful contribution going forward as we think about recovering our content investment”**
 - **On sports strategy –**
 - **“We will continue to be looking at investments with the same discipline that we have in the past”**
 - **BUT “unlikely we will sublicense rights out... I don't think there is a need to”**
 - **...instead working on building a stand-alone product that can be DTC or bundled w/ HBO Max, Discovery+ and potentially 3Ps**
- **Other areas w/ “tremendous amount of untapped value” – theme parks, live events, and gaming**
 - **“Have a lot of upside”:** Three yrs ago, for every \$1 Disney made from circulating its IP, WBD made 22c; Now it has increased to 30c, but still room to grow
 - **Harry Potter is an exception – “we’re extremely effective in monetizing that”:** Through gaming and a “very mutually beneficial” deal w/ Universal and the Harry Potter parks they have
 - **Got back some DC rights they had given to Six Flags, which “we think can be very compelling”, particularly internationally:** “A lot of those rights weren't tied up at all outside the US, and we're in different stages of deploying those assets”
 - **NOT going to build theme parks themselves but will pursue licensing and partial ownership deals:** Already doing something like this in Abu Dhabi, “which is quite lucrative”
 - **Wizard of Oz will premieres at the Sphere on the 28th:** “It's very exciting. It's very innovative”

Reinvesting Some Of The Cost Savings From NBA Exist Into Strategic Sports Rights

- **There is going to be a benefit from the NBA coming out of WBD's financials:** “Looking at just advertising and content cost as a differential, the deal is loss-making”
 - **Q2 is “by far the biggest chunk” of both content costs and ad rev generations, followed by Q1; Q4 is the smallest qtr**
- **Have already reinvested some of those savings into other sports rights (i.e., college football playoffs)**
 - **Expected savings -**
 - Can expect ~\$100mn sports cost benefit in Q4
 - Turning to 2026, expect a net benefit of “hundreds of million of dollars” from the rights cost coming up and some offsetting rev losses from an EBITDA perspective
- **On overall live sports strategy – “we will continue to be strategic and disciplined in our pursuit of live sports rights that enhance the way we extend the reach of our content and drive engagement across all platforms – linear, streaming and digital”**

Advertising Trends Have Remained Generally Steady / No Change Expected Post Co Separation

- **Overall Q2 ad revs fell -10% y/y ex-FX (vs -8% y/y in Q1), as ad-lite streaming subscriber growth was more than offset by domestic linear audience declines**
- **“Nothing is going to change” from an advertiser perspective post separation**
 - “We're going to continue to go to the market as business as usual”
- **On the recent upfront – the “market has held up very well”**
 - “We've seen prices up across all categories, more so in sports than in general entertainment”
 - “Strong pricing” and “resilient demand” for sports programming
 - “Firm pricing” for general entertainment which was “essentially consistent with recent trends”
 - “On the digital side, there is some price pressure, but we've maintained a very strong price premium for the quality of inventory that we're delivering”
 - “Healthy” demand for HBO Max

- **How have ad mkts been faring overall?**
 - **US** ad market environment “continues to remain steady with limited, if any, incremental impact from macro concerns”
 - **EMEA** remains healthier, and continue to see pockets of growth in key mkts such as Poland and Italy
 - **LatAm** (which is still a smaller mkt) continues to see both secular and cyclical headwinds
- **Global Linear Networks ad revs in Q3 are expected to decline at a y/y higher rate than Q2’s -13% y/y ex-FX due to tough comps**
 - Given the lighter sports schedule, comp w/ last yr’s summer Olympics, and the benefit to CNN in the prior yr from US election coverage
 - Will also not have the NBA in the US beginning in Q4, which will impact both ad revs and cost of revs

Studios Is Starting To See The Fruits Of Its Labor From Its “Deliberate Rebuilding” Over The Last Three Yrs

- **Studios segment expected to generate “at least” \$2.4bn of adj. EBITDA in 2025**
 - Reiterated plans of getting the Studios biz back to \$3bn in EBITDA – “this represents a substantial step toward our goal”
- **Released 4 films in Q2 which have generated \$2bn+ in global box office to date**
 - A Minecraft Movie
 - Sinners
 - Final Destination: Bloodlines
 - F1
- **Momentum continues into Q3 w/ release of Superman, which “marked the beginning of a new era for DC Studios”**
 - Superman generated \$220mn globally in its opening weekend, the strongest ever debut for a solo Superman film, and strongest DC Studios global opening since 2022
- **Warner Bros. Studios has been setting records -**
 - Distributed five films in a row that opened to \$45mn+ domestically, a first for any studio
 - Has four of the top 10 global Hollywood movies YTD, more than any other studio
- **What has been driving recent momentum? “A deliberate rebuilding and transformation strategy executed over the last three years”**
 - **Implemented a more “bottoms-up, analytically rigorous greenlighting process,”** which includes –
 - More granular input from distribution and global marketing teams
 - More systematic marketing and distribution checkpoints ahead of releases w/ an emphasis on the final eight weeks prior to release
 - Utilizing real-time data to make better windowing decisions
 - **Reorganized marketing and distribution teams into a globally integrated model** that has enabled them to seamlessly coordinate film releases across territories
 - **“We’ve had an extraordinary run. We were in last place...together we went from last to first”**
- **Targeting 12-14 theatrical releases annually across their 4 labels –**
 - 1-2 Warner Bros. Pictures tentpoles (primarily utilizing well-known Warner Bros. IP)
 - 1-2 DC Studios films
 - 3-4 New Line Cinema releases (including horror)
 - 1-2 WB Animation titles
 - A select number of moderately budgeted original films
- **10-yr vision for DC Universe...building out DC franchise in a “precise and measured way” that will “increasingly overlay across the studio’s broad efforts”:** From film and TV to consumer products, games, experiences and social
 - **Next installments of the DC super family are in works,** including –
 - *Supergirl: Woman of Tomorrow* (2026), *Clayface* (2026), and the next *Wonder Woman*
 - *The Batman II* (2027) is preparing to begin shooting next spring, among several other projects in development
 - **Also includes “an exciting array” of TV projects,** including –

- *The Penguin*, which garnered 24 Emmy nominations and was watched by ~20mn HBO Max subscribers
 - Upcoming new season of *Peacemaker*
 - Debut of *Lanterns* in 2026
- **On the TV front...“SVOD funnel continues to grow” – expect to deliver a new record for scripted series sold into development for SVOD svcs**, surpassing 2024’s previous high watermark

4) Fox Finished FY25 Strongly... Though Has Tough Cyclical Comps In FY26

While Fox delivered a blow-out FQ4, following a much better than expected FQ3 as well, it turned into a sell the news event for the stock given the strong performance and that the Co is now entering a cyclically slower year. We thought the most incremental updates and learnings from the results included: 1) the ad market remained very “healthy” especially in Fox’s core news and sports areas and mgmt. is bullish on ad trends into FY26; 2) pay-tv subscriber losses remained steady at -7% y/y but FY26 will be a slower year for affiliate deal renewals (25% of the total); 3) Tubi engagement remains strong and profitability will improve “substantially” in H2 FY26; 4) Fox One will launch August 21st (same day as ESPN DTC) but aspirations remain modest; 5) digital investments will increase from ~\$300mn in FY25 to ~\$350mn in FY26; and 6) the World Cup will be a driver this fiscal year.

All in all, it was a very strong qtr which was deja vu as mentioned and while the Co is entering a cyclically slower year, the underlying trends in its News & Sports businesses remain on strong footing.

-> Fox share fell ~-4% in reaction to earnings but the stock is still up +7.5% YTD, which is still above WarnerBrosDiscovery’s +3.2% and Paramount Global’s +5.5%

FQ4 = Yet Again, Another Big Beat Qtr For Fox

- **Similar to last qtr, the Co topped Street expectations across the board... the huge beat on adj EBITDA (by 28%) was a standout (w/ upside in both Cable Nets and TV) as was better than expected advertising performance**
- **The Co incr’d the buyback by \$5bn to \$12bn total authorization**

Fox	Q4 FY2025				
	Actual	FQ4 y/y	FQ3 y/y	Cons Est	% Surp
Revenue (\$ mn)	\$3,287	6.0%	27.0%	\$3,120	5.4%
Adj EBITDA (\$ mn)	\$939	26.0%	-4.0%	\$786	19.5%
Adj EBITDA Margin (%)	28.6%			25.2%	
Adj EPS	\$1.27	41.0%	0.9%	\$0.99	28.3%
Revenue by Segment (\$ mn)					
Cable Network Programming	\$1,532	6.5%	22.0%	\$1,450	5.7%
Affiliate Fees	\$1,068	1.9%	2.8%	\$1,060	0.8%
Advertising	\$378	15.2%	25.7%	\$330	14.6%
Other	\$86	38.7%	79.1%	\$68	26.5%
Television	\$1,707	5.7%	40.0%	\$1,630	4.7%
Advertising	\$700	3.1%	77.2%	\$654	7.0%
Affiliate Fees	\$840	3.6%	4.0%	\$842	-0.2%
Other	\$167	33.6%	3.0%	\$130	28.5%
Adj EBITDA By Segment (\$ mn)					
Cable Network	\$747	6.2%	7.0%	\$682	9.5%
Television	\$308	108.0%	-58.6%	\$222	38.6%

Source: FactSet, StreetAccount



Fox News Viewership Remained Sky High... Though FQ4 Was Seasonally Slower For Fox Sports

- **Fox News saw strong total audience growth in FQ4...total day audience is up 25% in total viewers & +31% in demo and maintained 60%+ share of cable news audience in FQ4**
 - It was the “second most watched network in M-F Prime in all of television going above all but one network”

- “Fox News finished as the highest rated television network in America for the month of July”
- **Fox News Digital also achieved new records for engagement during Q4**
 - 1.5bn+ YouTube views & 3.7bn+ views on social media
- **Fox Sports calendar was lighter in FQ4 but its first airing of the Indianapolis 500 was an “unqualified success”, avg’ing 7mn+ viewers (+41% y/y), and was the most-watched running of the race in 17 yrs**

Puts & Takes For Fiscal 2026...Digital Investments Return To FY24 Levels

- **FY26 will be a light year for affiliate renewals:** Only ~25% of total distribution revs are up for renewal
- **There are moving parts cyclically**
 - **Tough TV segment comps...mostly FQ1 & FQ2:** Stations in H2 FY25 generated \$270mn of political revs
 - **FQ3 Super Bowl** will be “an ad revenue negative for us, but from an EBITDA perspective, it’s a bit of a push”
 - **Had a massive MLB in H1 FY25:** Hope for a “blockbuster post-season again, but who knows?”
- **FY26 investments in digital initiatives are likely to return to ~\$350mn (vs ~\$300mn in FY25 & inline w/ FY24 levels):**
 - Latam streaming & Fox One spend will be concentrated in H1
 - Fox One spend will be on launch/marketing, not incremental content costs
 - Tubi is expected to significantly improve profitability in H2
- **The 2026 FIFA Men’s World Cup will span Q4 FY26 and Q1 FY27**
 - World Cup rights pmts hit in FY26 but related advertising receivables will be collected in FY27

Expect A Substantial Increase In Tubi Profitability In H2 FY26

- **Tubi revenue rose +32% y/y in FQ4, slightly down from +35% y/y in FQ3**
- **Tubi’s profitability moderately improved in FY25 & it is expected to show more “substantial” improvement in H2 FY26**
- **Total view time grew +17% y/y in FQ4, down from +24% y/y in FQ3**
- **Two-thirds of Tubi users are outside the traditional cable bundle (ie, a hard to reach audience)**

Subscriber Losses Remains Stable Though This Year Will Light On Affiliate Renewals

- **Total affiliate revs grew +5% y/y vs FQ3 +3% y/y**
- **TV affiliate revs grew +3.6% y/y in line FQ3’s +4% y/y**
 - “This healthy growth in fees across both FOX-owned and affiliated stations more than offset the impact from industry subscriber declines.”
- **Cable affiliate revs grew +1.9% y/y vs FQ3 +2.8%**
 - Pricing gains from affiliate renewals outpaced the impact from net subscriber declines of under 7%, which is stable vs last qtr

Remain Bullish On The Ad Market Into FY26

- **Total advertising revenues grew +7% y/y vs +65% in FQ3**
 - Cable ad revs rose +15% y/y...Fox News engagement + “healthy” national and DR pricing
 - TV ad revs rose +3% y/y...led by Tubi which more than offset tough comps
- **Strong upfront - achieved “record-setting” double-digit volume growth & strong pricing growth across the portfolio**
 - FOX Sports had the “record breaking” up front
 - Ex the impact of the Super Bowl, had over \$2bn committed in the upfront

- Tubi saw a 35% volume increase w/ stable pricing which is important given the competitiveness in the CTV mkt
 - Tubi accounted for ~25% of total committed revenue
- On entertainment, very healthy with double-digit increases in scatter pricing
- **“Incredibly encouraged by the demand, the kind of incredible demand for the FIFA World Cup later on in the year”**
- **In News, DR pricing is up 30% and scatter pricing in news is up 54% above the upfront...”so all very good”**
- **National ad sales are strong led by pharma, Fin svcs, and consumer packaged goods BUT the local market remains “mixed”**
- **Bullish on FY26:** “As we look to fiscal 26, the overall advertising market for Fox continues to be healthy and robust”

FoxOne Is Launching In A Few Weeks But Aspirations Remain Modest

- **Release date of Fox One is August 21st with a price of \$19.99/mo standalone**
 - Incl all Fox brands & content, incl Fox Nation
- **It will be marketed to the cordless mkt but also available to current payTV subs on an authenticated basis**
 - “Focused at keeping FOX One as a very targeted service that’s targeted on the cordless audience... but we also want to make it easy for our consumers and our viewers to gain our content”
- **The Co will offer bundling opties “that make sense to achieve our targeted goals”**
 - Aspirations for Fox One subscribers are “modest” and “measured investments” will match
- **Any impact from speculation about NFL taking an ownership position in ESPN? Mgmt did not comment... “have a tremendous relationship with the NFL”**

5) Snap & Pinterest: Investors Had Hoped For More

After Snap did not provide guidance for Q2 given the macro situation which spooked investors, the disclosure that Q2 topline growth was negatively impacted by a flawed update to its advertising platform, which resulted in some ad campaigns clearing “the auction at substantially reduced prices,” further spooked investors (though the Co has since reverted the change). Q2 adj EBITDA was also a focus as it came in -22% below expectations. On the plus side, Q2 DAUs of 469mn beat expectations by 2mn, but overall ARPU fell below projections as RoW missed and dragged down overall ARPU.

Looking into Q3 guidance, rev, adj EBITDA and DAUs were all ahead of the Street, though for the full year, infra cost per DAU is expected to come in at the top half of the range as they continue to invest in AI and ML infrastructure to drive improvements in their ad platform and content engagement.

As has been the case for some time, the Co has been growing its ad supply, but growth in demand is still lagging. Sponsored Snaps was emphasized as a “large incremental revenue opportunity,” as usage is ramping up and starting to show tangible results. Outside of advertising, Snapchat+ continues to grow at a steady pace of ~1mn subs per qtr and has reached an ARR of ~\$700mn. The Co intro’d a new Snapchat+ subscription tier as well and spoke about having “room to experiment” on pricing. The other key update we would flag is on the AR front, with the Co announcing plans to make Specs available to the public in 2026. This comes after the previous five generations were available only to developers and is a “critical step toward realizing our long-term vision for augmented reality.”

Overall, there is still work to be done and investors are waiting for a cleaner quarter and confidence in sustained growth. See below for more thoughts on the key points from Snap’s results.

ALSO, SEPARATELY, BUT RELATED... we included some thoughts and takeaways on Pinterest results at the bottom as well, given it was another key result in the Social Media/Digital Advertising space.

->Snap plunged -17.2% on the back of its print and is down -31.2 YTD; Pinterest shares also fell -10.3% on the back of results but the stock is still up +21% YTD

It Was A Tough Q2 For Snap

- **Q2 top-line growth was impacted by some disruptive factors**, including an issue related to their ad platform, the timing of Ramadan, and the effects of the de minimis changes
 - “Unfortunately, in our efforts to improve advertiser performance, we shipped a change that caused some campaigns to clear the auction at substantially reduced prices”
 - **“We have since reverted this change** and advertising revenue growth has improved as advertisers adjust their bid strategies to achieve their objectives”
- **Q2 adj EBITDA was disappointing...missed by -22%**

Snap	Q2 2025				
	Actual	Q2 y/y	Q1 y/y	Cons Est	% Surp
Revenue (mn)	\$1,345	9.0%	14.0%	\$1,350	-0.4%
North America	\$821.0	7.0%	12.0%	\$813.7	0.9%
Europe	\$265.0	15.0%	14.0%	\$248.1	6.8%
Rest of World	\$259.0	8.0%	20.0%	\$287.0	-9.8%
Total Adj EBITDA (mn)	\$41.3	-25.0%	137.0%	\$52.9	-21.9%
Adj EBITDA Margin (%)	3.1%			3.9%	
Adj EPS	(\$0.16)	-7.0%	58.0%	(\$0.15)	6.3%

Source: FactSet, StreetAccount



Q2 DAUs Beat Expectations But Monetization Was A Challenge In RoW

- **Q2 DAUs reached 469mn and beat cons 467mn**, as a miss in N. America was offset by beats in Europe and RoW
 - N. America unique Snap senders grew +2% y/y, “which is an important input to long term retention”
- **Reached 932mn MAUs in Q2, +64mn or +7% y/y**
- **Reiterated “our goal of serving 1 billion Snapchatters around the world”**
- **Q2 ARPU of \$2.86 missed cons \$2.90**, as beats in N. America and Europe were not enough to offset RoW coming in below expectations

Snap	Q2 2025				
	Actual	Q2 y/y	Q1 y/y	Cons Est	% Surp
User Metrics					
Daily Active Users (mn)	469.0	9.0%	9.0%	467.0	0.4%
North America	98.0	-2.0%	-1.0%	99.1	-1.1%
Europe	100.0	3.0%	3.0%	99.5	0.5%
Rest of World	271.0	15.0%	16.0%	269.8	0.4%
Average Revenue per User (ARPU)	\$2.87	0.0%	5.0%	\$2.90	-1.0%
North America	\$8.33	9.0%	13.0%	\$8.21	1.5%
Europe	\$2.65	13.0%	11.0%	\$2.48	6.9%
Rest of World	\$0.96	-6.0%	4.0%	\$1.06	-9.4%

Source: FactSet, StreetAccount



Q3 Guidance Beat Consensus / FY25 Infra Costs To Come In At The High-End Of The Range Driven By Continued Investments

- **Q3 rev – Slightly BEAT by +0.7% at the midpt:** \$1.475-1.505bn vs cons \$1.48bn
- **Q3 adj. EBITDA – BEAT by +4.8% at the midpt:** \$110-135mn vs cons \$116.9mn
- **Q3 DAUs to reach ~476mn vs cons 475.7mn**
 - Implied Q3 DAU growth of +7.4% y/y which is a seq decel from Q2's +8.6% y/y
- **For FY25, guided to be at the top half of the infrastructure cost per DAU range per qtr of 82c-87c**
 - “As we continue to prioritize investments in ML and AI infrastructure to drive improvements in our ad platform and depth of content engagement”

Snap	Q3 2025 Guidance (Mid-Pt)		
	Actual	Cons Est	% Surp
Revenue (mn)	\$1,490.0	\$1,480.0	0.7%
Total Adj EBITDA (mn)	\$122.5	\$116.9	4.8%
Daily Active Users (mn)	\$476.0	\$475.7	0.1%

Source: FactSet, StreetAccount



Annc'd “New, Distributed Structure” To “Better Align Snap’s Engineering And Technology Investments With Our Business Priorities”

- **Distributing engineering teams to directly support business functions -**
 - Core applications team reporting to Bobby Murphy, Co-Founder and Chief Technology Officer
 - Monetization engineering team reporting to Ajit Mohan, Chief Business Officer
- **Chief Information Officer and Chief Information Security Officer will lead enterprise-wide foundational infrastructure and platform integrity**, and will report to Evan Spiegel, Co-Founder and Chief Executive Officer
- **Meant to “empower our teams to take greater ownership and drive continued innovation for our community and advertising partners”**

Building Ad Demand, Particularly For Sponsored Snaps, Remains A Key Focus

- **Q2 total ad rev grew +4% y/y (vs +9% y/y in Q1) driven primarily by growth from DR ad rev**
 - **Q2 direct response ad rev incr'd +5% y/y (vs +14% y/y in Q1)**
 - Driven by “strong” demand for Pixel purchase and app purchase optimizations as well as continued strength from the SMB client segment
 - **Q2 brand-oriented rev was flat y/y (vs -3% y/y in Q1)**
- **Total ad rev growth trajectory in Q2...**
 - **April** – ad rev growth declined ~1%
 - **May** – “largely recovered”
 - Worked on reverting the ad platform change, and factor around Ramadan diminished
 - **Moving into June** – rolled out Sponsored Snaps more broadly
 - Impacted inventory and translated into lower platform-wide eCPMs and improved pricing for advertisers
 - **Going from June into July** – post the rollback of the ad change, have seen ad rev grow at a rate b/w 3-4%
- **SMBs were the largest contributor to Q2 ad rev growth**, driven by a combination of more performant DR products, improved go-to-market operations, and a simplified ad buying experience
- **Supply is growing, but demand isn’t keeping up**
 - **Q2 global impression volume grew ~15% y/y (vs ~17% y/y in Q1)**, driven by “strong” engagement on Spotlight and creator Stories, as well as early contributions from Sponsored Snaps
 - **Q2 avg eCPMs were down -10% y/y (vs ~7% y/y in Q1)**

- **7-0 Purchase volume incr'd +39% y/y for commerce advertisers, and total purchase-related ad rev grew 25%+ y/y in Q2 (+14% in Q1)**
 - **Driven by enhanced AI and ML capabilities** that improved conversion attribution, real-time personalization, and product relevance
- **"Sponsored Snaps remain a large incremental revenue opportunity" / Has driven "meaningful" growth in incremental reach, conversion, and engagement thus far / Working to build demand**
 - **Performance so far – early signs are "very positive"**
 - Delivered up to a 22% increase when included in an advertiser's broader Snap campaign mix
 - Drove an 18% lift in unique converters across app installs and app purchases
 - 2x increase in conversion, 5x increase in click-to-convert ratios, and a 2x increase in website dwell times compared to other inventories
 - **Working to build more demand for Sponsored Snaps inventory:** "We try to be really thoughtful about managing the supply growth with things like frequency caps and relevancy filters as we work to build more demand"
 - **Expanded Sponsored Snaps in the US and several other regions globally,** activating all Pixel and App DR objectives
 - **Introduced First Snap,** a single-day takeover format that delivers the first Sponsored Snap in the Chat inbox
 - **Began testing App End Cards,** that reinforce advertiser messaging and guide users to a conversion at the end of a Snap Ad
 - **Introduced smarter tools like Target Cost Bidding** to deliver performance and scale while remaining within an advertiser's cost constraints
- **Investment in automation continues... launched Snapchat Smart Campaign Solutions,** an AI-powered suite designed to enhance campaign performance and simplify advertiser workflows
 - **Includes Smart Bidding,** which dynamically adjusts bids to achieve a desired cost per action
 - **"Encouraged" by initial testing of Smart Budget...**, which automatically adjusts campaign budgets across ad sets
 - **...and the alpha testing of Auto-Targeting,** which leverages AI to identify and reach high-value users

Announced Plans To Make Specs Available To The Public In 2026

- **Working to make their first, fully standalone, lightweight Specs AR glasses available to the public in 2026 – a "critical step toward realizing our long-term vision for augmented reality"**
 - Will be "significantly smaller, lighter, and more capable" than 5th-gen Spectacles released to developers in 2024
- **Snap is "uniquely positioned as the only company in the world with a fully-integrated AR computing stack"**
- **"We're incredibly passionate about the opportunity to reinvent the computer"**
 - Cited stat that people spend 7+ hrs on avg staring at screen, "even just moving a couple of hours of that to [...] see-through lenses and a pair of glasses can make a meaningful difference for people's well-being, but also the way they interact with computing and AI in general"
- **Advanced machine learning and AI + spatial intelligence = enable Specs to deliver "digital experiences embedded directly into the world around us"**
 - Recently launches Lenses for Specs include –
 - Gowaaa's "Super Travel" for real-time translation and currency conversion
 - Paradiddle's "Drum Kit" for interactive music learning overlaid on a physical drum set
 - ANRK's "Pool Assist" to help players make better shots while playing pool
- **Expanding utility and accessibility of AR platform to enable developer community to "build more unique, industry-leading experience" in advance of Specs public launch**
 - Introduced updates to Snap OS and new tools to unlock deeper AR capabilities
 - Enabling creation of multimodal AI-powered lenses through –
 - AI-powered experiences with OpenAI and Gemini on Google Cloud

- Hosted open-source models
- New Automated Speech Recognition API supports real-time transcription across dozens of languages
- Snap3D API empowers developers to generate 3D objects on the fly from any prompt
- Future enhancements include –
 - New partnership with Niantic Spatial to develop a shared AI-powered map of the world
 - Recently announced WebXR support

As More Creators Build New Lenses, More Snapchatters Are Using Them / Highlighted Games On Snapchat As A “Compelling” Oppty

- **In Q2, 350mn+ Snapchatters engaged with AR every day, on avg**
- **Key Lenses stats –**
 - Snapchatters use AR Lenses in our camera 8bn+ times each day
 - 400k+ creators from nearly every country have built 4mn+ Lenses using Snap’s AR tools day
 - 90’s School Photos AI Lens, Different Eras AI Lens, and Cartoon World AI Lens were collectively viewed 1bn+ times in Q2
- **Momentum in AR driven by “growing” AR creator and developer ecosystem**
 - **Lens Studio**, Snap’s desktop authoring tool, gives professional developers “powerful” tools to create “innovative” AR experiences
 - **Latest update supports creators building Lens Games...:** Includes new Bitmoji Suite that makes it easier to bring 3D Bitmoji avatars to any game environment, along with new game assets, including leaderboards and multi-player features built specifically for Snapchat
 - **...driving Games engagement to reach 175mn+ MAUs, up +40% y/y – “We believe games represent a compelling long-term opportunity for driving engagement on Snapchat, and eventually new monetization opportunities for creators and our business”**
 - **Easy Lens** is an AI tool has made AR creation “increasingly more accessible” by enabling creators to build a Lens in just minutes by typing out a prompt for the Lens that they want to create
 - **Expanded access in Q2 “to help more people at all skill levels get started with AR:** Introduced new Lens Studio iOS app and a new web-based Lens Studio creation tool at lensstudio.snapchat.com

Content Creation And Consumption On The Platform Continues To Grow + Other Community Feature Updates

- **Global time spent watching content and the # of content viewers “increased” y/y in Q2**, reflecting multi-year investment in machine learning infrastructure & cont’d growth in Spotlight
 - **Began testing their largest Mixed Feed model to date in Q2...:** Cut training time by 50% & drove content view time growth
 - **...and these “strategic investments and improvements” have been “fundamental” in Spotlight reaching an avg of 550mn+ MAUs (vs 500mn+ in Q1)**
 - Time spent on Spotlight grew +23% y/y in Q2 (vs +25% y/y in Q1)
 - Spotlight now contributes 40%+ of the total time spent watching content
- **# of Spotlight posts by Snap Stars grew 145%+ y/y in N. America in Q2 (accel from +125% y/y in Q1)**
 - Introduced suite of new tools and features in Q2 to make it easier for Snap Stars to create and share content
 - Creators can now generate videos from their saved Memories using templates
 - Have access to new insights like returning viewers, top content, and total view time
- **Snapchatters spending +30% more time video chatting y/y in Q2**
- **Leveraging investments in AI and machine learning to enhance Group suggestions** “to help people connect more easily with their closest friends”
- **Launched Snapchat app on Apple Watch in Q2**, allowing Snapchatters to preview incoming messages and respond using the Keyboard, Scribble, Dictation, or emojis
- **Acquired Saturn in in Q2, a social calendar app that helps high school and college students manage and share their class schedules**
 - Students from 80%+ of US high schools use Saturn with their friends to organize their day

- “We are excited to support Saturn’s growth and explore ways to integrate its calendaring expertise into Snapchat in new and innovative ways”

Snapchat+ Growth Continues At A Steady Cadence / Launched New Snapchat+ Tier And Seeing Potential “Room To Experiment” On Pricing

- **Snapchat+ is the primary driver of “Other” rev which was up +64% y/y (vs +75% y/y in Q1) to reach an ARR of “nearly” \$700mn (vs “just over” \$600mn in Q1)**
- **Snapchat+ “approached” 16mn subs in Q2**
 - Vs “nearly” 15mn in Q1, 14mn in Q2, 12mn+ in Q3, and 11mn+ in Q2
- **Intro’d new Snapchat+ subscription tier - Lens+:** Offers access to exclusive new AI video Lenses, Bitmoji Games Lenses, as well as early access to new features
 - Opportunity to offer exclusive Lenses and AI Lenses (“which have proven incredibly popular”) will be “a strong driver of growth” for Lens+
- **“Room to experiment” on pricing:** Primary focus is on continuing to build the value prop for customers but “given the size of the revenue opportunity in front of us, we’ll be investing more in pricing experiments”

SEPARATELY, as mentioned above, we included some abbreviated thoughts and takeaways on PINTEREST results as well.

Pinterest: Q2 was strong, led by better-than-expected revenue and adj EBITDA, though the UCAN performance underwhelmed on ARPU vs expectations (users were in-line though did grow +5% y/y). While the overall tariff impact was less than expected in Q2 but it did impact the US as Asia-based ecommerce companies pulled back. Despite the nice Q2 beat, Q3 guidance was just slightly ahead of the Street and in looking at H2, the level of margin expansion will be below that of H1 given growth investments. See below for some addtl details.

-> *Pinterest shares fell -11% on the back of results though is still up +15% YTD*

- **Q2 rev – BEAT by +2.4%:** Grew +17% y/y to reach \$998mn
 - **UCAN – MISSED by -0.3%:** Grew +11% y/y, with strength coming from retail and financial svcs
 - **Europe – BEAT by +10.4%:** Grew +34% y/y (+29% ex-FX), fueled by retail
 - **RoW – BEAT by a wide +16.7%:** Grew +65% y/y (+72% ex-FX)
- **Q2 adj EBITDA – BEAT by +7.3%:** Reached \$251mn (25.2% margin, ~+310bps y/y)

Pinterest	Q2 2025 Results				
	Actual	Q2 y/y	Q1 y/y	Cons Est	% Surp
Revenue (mn)	\$998.0	17%	16%	\$975.0	2.4%
US and Canada	\$745.0	11%	12%	\$747.0	-0.3%
Europe	\$191.0	34%	24%	\$173.0	10.4%
Rest of World	\$63.0	65%	49%	\$54.0	16.7%
Adj. EBITDA (mn)	\$251.0	33%	36%	\$234.0	7.3%
Adj. EBITDA margin	25.2%			24.0%	
ARPU	\$1.74	6%	5%	\$1.70	2.4%
US and Canada	\$7.29	6%	8%	\$7.32	-0.4%
Europe	\$1.30	26%	17%	\$1.19	9.2%
Rest of World	\$0.19	44%	29%	\$0.16	18.8%
MAU (mn)	578.0	11%	10%	575.0	0.5%
US and Canada	102.0	5%	4%	102.0	In-Line
Europe	146.0	7%	5%	145.0	0.7%
Rest of World	329.0	14%	14%	327.0	0.6%

Source: FactSet, StreetAccount



- **Verticals -**
 - **Retail and Financial svcs:** “Continue to be a source of strength”

- **Food and beverage:** Incr'd actionability in food & beverage by partnering w/ Instacart, enabling users to shop directly from ads
- **Q2 ad impressions grew +55% y/y (vs +49% y/y in Q1), and ad pricing declined -25% y/y (vs -22% y/y in Q4),** driven by growing mix shift from ad impressions in previously unmonetized or under-monetized international markets, which carry lower ad pricing than more mature markets
- **Q2 Global MAUs reached a new milestone of 578mn, growing +11% y/y (increase from +10% y/y in Q1)**
 - **Users continue to grow y/y across all geographies in Q2, but declined q/q in Europe**
 - US and Canada MAU +5% y/y
 - Europe MAU +7% y/y
 - RoW MAU +14% y/y
- **Q2 ARPU grew +6% y/y overall with US & Canada In-line w/ cons and Europe & RoW beat by +0.7% & +0.6%, respectively**
- **Tariff impact in Q2 was less significant than initially expected, as the Co did see some impact affecting the UCAN region**
 - **Asia-based e-commerce retailers reduced their US ad spend** due to changes in the de minimis exemption
 - **But this was partially offset by spend in other regions**
- **Q3 guidance was just slightly ahead of the Street**
 - **Q3 rev guidance – BEAT by +1.6% @ midpt:** Range implies +15-17% y/y growth (assumes the impact of foreign exchange to be ~1 point of tailwind based on current spot rates)
 - **Q3 adj EBITDA guidance – INLINE @ midpt**
- **Adj EBITDA margin are expected to expand in H2 but the magnitude will be lower than posted in H1 given investments** (head count growth within R&D to support efforts in AI and other product initiatives as well as global enterprise sales team)

Pinterest	Q3 2025 Guidance (Mid-Pt)		
	Actual	Cons Est	% Surp
Revenue (mn)	\$1,043	\$1,030	1.3%
Adj. EBITDA (mn)	\$292	\$292	In-Line

Source: FactSet, StreetAccount



- **Update on Performance+...lower-funnel revenue more than doubling since the end of last year**
 - **Notable early adoption w/ mid-market advertisers...** “feel really good about adoption”
 - **Entered beta testing for Pinterest Performance+ Creative Preview -**
 - Advertisers can now preview **generative backgrounds and image resizing directly in the campaign setup flow**
 - Pins can be regenerated easily, giving brands more control and transparency over creative output
 - **Customer groups in Performance+:**
 - New functionality allows advertisers to merge their audience data with Pinterest's data while utilizing AI trained on unique signal of user tastes and preferences
 - Enables more granular targeting and bidding strategies, especially for acquiring new customers
- **Their Gen Z focus remains a key demo**
 - Gen Z now makes up **over 50% of Pinterest's monthly active users (MAUs)**
 - Leveraging AI to deliver visual search and curated recommendations, which resonate strongly with Gen Z's preference for intuitive, image-based browsing
 - Per a recent Adobe study, **47% of Gen Z participants use Pinterest** as a search engine, with over 70% citing its visual appeal as the main reason

6) The Coming Inflection For TTWO Is Tracking On Plan

Following EA's results last week, Take-Two gave us another look at key video game trends. Overall, the Co beat expectations and while next qtr's guidance was underwhelming, mgmt upped the full year bookings outlook and now expects growth of +8% y/y at the mid-pt. Points from TTWO's results that we thought were most incremental include: 1) a

strong acceleration in RCS growth in FQ1 (+17% y/y) but it will slow considerably in FQ2 (to ~+1%); 2) mobile had a very strong qtr but growth is expected to slow down next qtr; 3) NBA 2K strongly outperformed and NBA 2K26 (to launch Sept 5th) will be a key catalyst; 4) GTA Online had a nice boost this qtr but will likely decline next qtr; and 5) while the Co raised FY26 net bookings guidance they also raised opex growth guidance as well (due to marketing investment).

When all is said and done, the business is moving in the right direction and mgmt remains very bullish... “we have exceptional confidence in our multi-year outlook...expect to achieve record levels of net bookings in fiscal 2027 that we believe will establish a higher baseline for our business and sets us on a path of enhanced profitability.” We think that sounds about right.

See below for more on what we thought was most incremental from TTWO’s call and results.

ALSO, SEPARATELY, BUT RELATED... we included Quick Takes on Unity and AppLovin’s results at the bottom given they were other key prints in the videogame space this week as well.

-> TTWO fell -4.0% post its print and ended the week down -1.5%; However, YTD, the stock is still up +18.1%

FQ1 Net Bookings Topped Guidance & Recurrent Consumer Spend (RCS) Accelerated Growth

- **FQ1 net bookings BEAT by +8.6%: Up +17% y/y (vs +14% y/y in FQ4) and was well above the guidance range**
 - Led by the outperformance of several mobile titles, as well as the continued success of NBA 2K & the Grand Theft Auto series

Take-Two Interactive	Q1 2026 Results				
	Actual	Q1 y/y	Q4 y/y	Cons Est	% Surp
Net Bookings (\$ mn)	\$1,423	17%	14%	\$1,310	8.6%
Non-GAAP Gross Margin (% of NB)	63.0%			69.4%	
Bookings By Distribution Channel (\$ mn)					
Digital Online	\$1,504	12%	14%	No Consensus Given	
Physical Retail & Other	\$27	-37%	-13%	No Consensus Given	

Source: Take-Two Filings; Bloomberg and FactSet Data & Analysis



- **Recurrent consumer spending growth accelerated from +14% y/y last qtr to +17% this qtr (and well above the guidance of +7% y/y); It accounted for 83% of net bookings**
 - *NBA 2K*: Grew nearly 50%
 - *GTA Online*: Grew low SD
 - Mobile: Incr’d low teens
- **Adj EPS of \$0.61 vs cons \$0.29**

FQ2 Will Be A Slower Bookings Growth Period Than Expected...

- **FQ2 net bookings guidance was lower than expected (missed cons by -2%)...mid-pt implies +8% growth y/y**
 - **Net bookings missed cons**: Mid pt of net bookings range of \$1.7-1.47bn was -2% below cons and slightly above \$1.47bn in the yr-ago qtr
 - **Op expenses** are expected to grow +7% y/y due to marketing
 - **GAAP net revs** \$1.65-1.7bn
 - **Adj. EPS** range of \$0.20-\$0.30
- **Release slate for the qtr: Mafia: The Old Country, NBA 2K26 & Borderlands 4**
- **Largest contributors to Net Bookings are expected to be: NBA 2K, Borderlands 4, the Grand Theft Auto series, Toon Blast, Match Factory, Empires & Puzzles, Color Block Jam, the Red Dead Redemption series, Words With Friends, and Mafia: The Old Country**
- **RCS growth of +~1%, which assumes -**
 - *NBA 2K*: Grow low SD growth
 - Mobile: “Slight” growth
 - *Grand Theft Auto Online*: “Decline”

BUT The Co Raised FY 2026 Bookings Guidance W/ NBK 2k and Mobile Key Drivers... Though Also Raised FY26 OpEx Growth Expectations

- **Raised FY26 net bookings guidance to \$6.05-6.15bn (from \$5.9-6bn) which implies +8% y/y growth at the midpoint**
- **Largest contributors to Net Bookings are expected to be:** *NBA 2K, the Grand Theft Auto series, Toon Blast, Borderlands 4, Match Factory, the Red Dead Redemption series, Color Block Jam, Empires & Puzzles, and Words With Friends*
- **Raised RCS growth to +4% y/y vs prior guidance of ~flat y/y due to improved view on NBK 2k and mobile; RCS is expected to represent 76% of Net Bookings**
 - *NBK 2k*: Grow mid- teens, up from previous HSD
 - *Mobile*: Grow low SD, up from “declines”
 - *Grand Theft Auto Online*: “Decline”, in-line w/ previous guidance
- **Expect the Net Bookings breakdown from labels to be ~45% Zynga, ~39% 2K, and ~16% Rockstar Games (no change)**
- **Reiterated operating CF of ~\$130mn and CapEx of ~\$140mn**
- **Raised GAAP net revenue \$6.1-6.2bn (up from \$5.95-6.05bn) and raised cost of revenue \$2.55-2.57bn (up from \$2.519-2.545bn)**
- **Also now expect higher OpEx growth of ~5% y/y, from prior ~3% y/y guidance due to higher personnel cost and higher mkting spend to support mobile, and FX**

Take-Two Interactive	FY Guidance (mdpt)		
	Actual	Cons Est	% Surp
FQ2 Guidance (\$ mn)			
Net Bookings	\$1,725	\$1,760	-2.0%
Adj EPS	\$0.90	\$1.17	-23.1%
FY26 Guidance (\$ mn)			
Net Bookings	\$6,100	\$6,050	0.8%
Adj EPS	\$2.60	\$2.58	1.0%

Source: Take-Two Filings; FactSet Data & Analysis



Biggest Drivers in FQ1 = Mobile + GTA Series & NBA 2k25

- **The Mobile business “vastly” outperformed...grew “low teens”**
 - **Toon Blast grew +22% y/y and almost 75% on a 2-yr basis:** The Co’s “seasonal collection” feature drove a new path for engagement
 - **Match Factory grew 33% y/y:** Driven by new features
 - **Color Block Jam “maintained momentum”**
 - **2K’s mobile offerings also had “a great quarter”**
- **Continue to focus on mobile DTC business:** Are achieving better conversion driven by new offers, events, and enhanced personalization
 - **The recent court ruling also provides further growth in this area**
- **GTV series also exceeded expectations, again, and momentum remains “exceptionally strong”...GTV Online grew low SD**
 - GTA V to date has sold-in 215mn+ units worldwide
 - GTV Online engagement benefited GTA VI Trailer 2 + release of the “Money Fronts” Summer content pack
 - New player accounts for GTA Online grew over 50% y/y
 - Recurrent consumer spend beat expectations
- **NBA 2K25 delivered “another quarter of fantastic results” ...was up “nearly 50%”**
 - To date:
 - Sold-in 11.5mn+ units

- Engagement grew significantly y/y: DAU and MYCAREER DAU each up 30% y/y
 - Recurrent consumer spend grew + 48%
 - Annnc'd a new multiyear global partnership expansion w/ the NBA, NBPA, and WNBPA, and extended its longstanding relationships with the NBA G League and USA Basketball
- **WWE 2K25 was another game call out:** Launched on Nintendo Switch 2 in July, which expanded its audience

Have “Enormous Anticipation” For FQ2’s Launches

- **August 8th: Mafia: The Old Country**
 - Have a 2.5mn wish lists across platforms, showing strong consumer interest
 - Feedback from early play has been encouraging
- **Sept 5th: NBA 2K26 – which will “again raise the bar” for basketball experiences**
 - Aug 29th is early access
 - It will be the first game from the series to launch on Nintendo Switch 2
 - It will feature new immersive technology
 - 30 unique storylines to win a championship
 - More details will be shared in the “coming weeks”
- **Sept 12th: Borderlands 4 – the “eagerly anticipated next entry in our iconic looter-shooter franchise”**
 - “Extremely” positive feedback from global press and content creators
 - June’s Borderlands Fan Fest generated 600k hours of streams & videos
 - The title will launch on Nintendo Switch 2 in Oct
- **Later this fiscal year: WWE 2K26...will have more to share in the “coming months”**

Take-Two's future lineup announced to-date includes:

Label	Product	Platforms	Release Date
2K	<i>Mafia: The Old Country</i>	PS5, Xbox Series X S, PC	August 8, 2025
2K	<i>NBA 2K26</i>	PS5, PS4, Xbox Series X S, Xbox One, PC, Switch 2, Switch	September 5, 2025
2K	<i>Borderlands 4</i>	PS5, Xbox Series X S, PC	September 12, 2025
2K	<i>Borderlands 4</i>	Switch 2	October 3, 2025
2K	<i>WWE 2K Mobile</i>	Netflix	Fall 2025
2K	<i>WWE 2K26</i>	TBA	Fiscal 2026
Rockstar Games	<i>Grand Theft Auto VI</i>	PS5, Xbox Series X S	May 26, 2026
Zynga	<i>CSR 3</i>	iOS, Android	TBA
Ghost Story Games	<i>Judas</i>	PS5, Xbox Series X S, PC	TBA
2K	<i>Project ETHOS</i>	TBA	TBA

A Few Other Key Comments

- **FQ1 ad revs were flat y/y as adjusted approach...** Moved from hyper-casual to hybrid-casual
 - “We certainly hope to grow from here”
- **Philosophy on pricing is to deliver more value than what they charge...** Variable pricing is part of the industry and do not think that will change
- **Mgmt expects consumers to be more selective on spend in this macro environment but that they will focus on “quality”**
- **“We have exceptional confidence in our multi-year outlook...expect to achieve record levels of Net Bookings in Fiscal 2027 that we believe will establish a higher baseline for our business, and set us on a path of enhanced profitability”**

SEPARATELY from Take-Two’s results, Unity and AppLovin also reported this week. See below for our Quick Takes

Quick Take – Unity:

- Reported stronger than expected results especially as it related to margins though despite the beat, Q3 guidance was ~in-line w/ expectations
- Adj EBITDA margin of 21% easily beat cons 18% and led to a +17% beat on adj EBITDA, on the back of better-than-expected revenue (beat by +3.2% which was mostly driven by Create Solutions)
- That said, revenues are still in decline (fell -2% y/y but an improvement from -5% y/y in Q1)
- The Q3 revenue guidance implies mid-single digit seq growth and DD growth is expected for the Unity ad network

-> Unity share price fell -6% on the back end and is up +48% YTD

Unity (\$mn)	Q2 2025 Results				
	Actual	Q2 y/y	Q1 y/y	Cons Est	% Surp
Revenue	\$441	-2%	-5%	\$427	3.2%
Adj Gross Margin (%)	83.0%			81.1%	
Adj EBITDA	\$90	-20%	6%	\$77	17.0%
Adj EBITDA Margin (%)	21.0%	-16%	12%	18.0%	16.7%
Segment Revenue					
Create Solutions	\$154	2%	-9%	\$141	9.3%
Grow Solutions	\$287	-4%	-4%	\$287	0.2%

Source: Bloomberg, FactSet, StreetAccount



Unity (\$mn)	Q3 2025 Guidance (Mid-Pt)		
	Actual	Cons Est	% Surp
Revenue	\$445	\$444	0.2%
Adj EBITDA	\$93	\$92	0.2%

Source: Bloomberg, FactSet, StreetAccount



Quick Take – AppLovin:

- Reported solid results vs cons with a modest beat in Q2 and slightly better than expected Q3 guidance
- Revs grew +77% y/y; Net revenue per installation rose +70% & installations increased +8%; Adj EBITDA rose +99% y/y
- Generated \$768mn in FCF and repurchased \$341mn in stock in the qtr
- On June 30th, completed the sale of the Apps business to Triplicated Studios for \$400mn in cash

-> AppLovin share price rallied +12% on the back end and is up +41% YTD

Applovin (\$mn)	Q2 2025 Results				
	Actual	Q2 y/y	Q1 y/y	Cons Est	% Surp
Revenue	\$1,259	77%	40%	\$1,220	3.2%
Adj EBITDA	\$1,018	99%	83%	\$988	3.0%
Adj EBITDA Margin (%)	80.9%			81.0%	

Source: Bloomberg, FactSet, StreetAccount



Applovin (\$mn)	Q3 2025 Guidance (Mid-Pt)		
	Actual	Cons Est	% Surp
Revenue	\$1,330	\$1,310	1.5%
Adj EBITDA	\$1,080	\$1,050	2.9%

Source: Bloomberg, FactSet, StreetAccount



7) Warner Music Group Is Finding Its Rhythm Again

Over the past year, Warner Music Group's shares have had its ups and downs, leaving it almost exactly flat from where it was ~one year ago. The Co had been contending with slowing streaming growth and FX weighing on its margin trajectory, amongst other things but investments in people and operations showed signs of progress this quarter with a broad-based beat relative to Street consensus. What we thought were the biggest stand-outs include 1) revenue growth accelerated thanks to Recorded Music Subscription streaming growth bouncing back (to +8.5% adjusted from +3.2% last qtr ex-FX);

2) the Co gained market share in the US based on 3rd party data; 3) while Ad supported streaming remains under pressure (driven by short form media), it was encouraging to see a continued sequential improvement in that decline; 4) M&A is expected to ramp on the back of the year with the \$1.2bn JV with Bain (its first acquisition is expected “soon”; 5) WMG remains in “deep discussions” with DSPs about launching super fan tiers (which we all have been waiting for!); and 6) efficiency efforts are accelerating as well.

While WMG has stepped up investment on a targeted basis, mgmt. stressed its commitment to shareholder returns via the existing buyback and dividend, which it just increased as well. Overall, it looks like the strategy and people are in place and it will come down to continuing to execute as mgmt did this quarter.

-> WMG shares rallied +3.7% on the back of earnings which brings the YTD performance into positive territory, up +2.3%

WMG Delivered A Broad-Based Beat In FQ3...Re-Accelerating Growth

- **Total FQ3 revs BEAT cons by +6.2% and adj OIBDA BEAT by a larger +10.1%:** In constant currency -
 - Total revs rose +7% y/y or +8% y/y adjusted for notable items (vs up from +1% y/y in FQ2)
 - Adj OIBDA grew +16% or +17% y/y adjusted for notable items (vs -1% y/y in FQ2)
 - Margins incr'd +170bp y/y
- **Performance by segment (in constant currency) -**
 - **Recorded Music – BEAT:** Revs grew +6.4% or +8.3% y/y on adjusted basis (vs FQ2 +1% y/y) & beat cons by +6.6% while adj OIBDA rose +12.2% y/y (vs 1% in FQ2) & beat by 8.5%
 - **Music Publishing – BEAT:** Revs were up +9.4% y/y (vs +3% y/y in FQ2) & beat by 1.6% while adj OIBDA rose +20% y/y & beat by 8.2%
- **Margins were stronger than expected... adj OIBDA margin of 22.1% beat cons 21.3%**
 - **This included a \$9mn benefit from a copyright settlement in FQ3:** Last qtr included a \$12mn benefit from DSP true-up payments, making the year-over-year comparison affected by these one-time items
 - **Overall the margin growth was driven by revenue mix, impact of acquisitions and cost savings**
- **FQ3 operating CF conversion was 12% but mgmt continues to target 50-60% over a multi-yr period**

Warner Music Group	FQ3 2025 Results				
	Actual	FQ3 y/y	FQ2 y/y	Cons Est	% Surp
Revenue (\$ mn)	\$1,689	7%	1%	\$1,590	6.2%
Adj OIBDA (\$ mn)	\$373	16%	-1%	\$339	10.1%
Adj OIBDA Margin (%)	22.1%			21.3%	
Revenue Breakdown (\$mn)					
Recorded Music	\$1,354	6%	1%	\$1,270	6.6%
Digital	\$929	4%	1%	\$902	3.0%
Physical	\$119	-4%	2%	\$111	7.3%
Artist Services & Expanded Rights	\$195	20%	-6%	\$165	18.5%
Licensing	\$111	20%	3%	\$96	15.4%
Music Publishing	\$336	9%	3%	\$331	1.6%
Digital	\$204	5%	2%	\$212	-3.6%
Performance	\$58	9%	6%	\$55	6.0%
Synchronization	\$54	29%	2%	\$45	20.5%
Mechanical	\$16	14%	14%	\$14	18.5%
Adj OIBDA By Segment (\$ mn)					
Recorded Music	\$321	12%	1%	\$296	8.5%
Music Publishing	\$96	20%	5%	\$89	8.2%

Source: WMG Filings; FactSet Data & Analysis, y/y growth rates are in ex-FX



Subscription Streaming Growth Bounced Back While Ad-Support Streaming Remains Under-Pressure

- **Recorded Music Subscription streaming grew +4.2% y/y ex-FX, or +8.5% adjusted (+3.2% y/y last qtr)**

- **Ad-supported streaming is still in decline but showing seq improvement in FQ3...it fell -1.8% y/y ex-FX (vs the -3% y/y in FQ2 and -7.5% y/y in FQ1) given the "soft overall ad environment"**
 - The Co is actually seeing growth with core DSP – there is a lot of oppty to accelerate
 - The challenge is really in short form media – will take time to improve

The Co is Making Progress On Many Of Its Growth Pillars

- **Reaccelerating growth came through this qtr and was broad based**
 - Looking ahead...they are stepping up targeted investment in key markets that they have zero'd in on
- **WMG incr'd market share in the qtr: US where mkt share rose 1pp y/y (per Luminate data)**
- **M&A will accelerate on the back of the \$1.2bn JV with Bain...expect news of their first acq "soon"**
- **Continue to see "progress in aligning contracts" w/ streaming services "in this new price-driven growth approach": Expect to see the impact of renewals (since Feb) "in 2026 and beyond"**
 - Spotify's ann'd price increase outside the US earlier this week points to the music value proposition
- **WMG is in "deep discussions" w/ DSPs on the design & implementation of the super fan tiers...this is something they are still very optimistic about**
- **Plan to further increase efficiency post last's months ann'd \$300mn annual run rate savings by the end of fiscal 2027**
 - Expect to see margin expansion of 150- 200 bp in F26

Other Key Updates/Comments

- **Capital returns also remain a priority:** While the Co is stepping-up investment in the core music business & catalog M&A, they are also returning capital to shareholders via a \$100mn buyback authorization + ann'd raising the qtrly div by 6% to 19c (5th yr in a row of increase)
- **Have exciting music coming out:** Ed Sheeran, Zayn Bryan, Alex Warren, Twenty One Pilots, Somber, Cardi B, David Guetta, and more

8) DraftKings: Sports Betting Outcomes Swing Back To The Sportsbook Just In Time For A Seasonally Strong Fall

After a couple quarters of unusually higher customer friendly sports betting outcomes, the pendulum swung back the other way for DraftKings in Q2, helping to drive better-than-expected results (revenues and adj EBITDA beat consensus by +6.3% and +24.3%, respectively). Much higher user monetization (ARPMUP exceeded Street estimates by +23.5%) more than offset softer user growth (stemmed from Losing Jackpocket Texas) and helped drive revenue growth to +37% y/y, meaningfully accelerating from Q1's +20% y/y. In addition to Sportsbook-friendly outcomes, a growing parlay mix also helped drive revenue and live betting has been a major growth engine (and continues to be a big opportunity). Mgmt remains keen on exploring new opportunities like prediction markets as well and while iGaming showed steady progress, there is still work to be done.

Looking ahead, given the current trends YTD and expectations headed into its seasonally important H2 with the NFL and NBA season start, the Co now expects to hit the high end of its 2025 revenue range outlook, though at the same time, expects to hit the mid-point of its adj EBITDA range as it absorbs Missouri launch costs and higher taxes. With that said, the Co remains optimistic about the long term adj EBITDA margin trajectory target (to 30%).

See below on more of what we thought were the most incremental and important takeaways from DraftKings' earnings and conference call and the odds are in favor of a strong H2.

-> *DraftKings shares closed the day flat post results but is up +15% YTD*

Headline Q2 Was Very Strong Given Much Better User Monetization (Though User #s Disappointed)

- **DKNK easily outpaced consensus estimates and revenue accelerated**

- **Q2 rev BEAT by +6.3%:** Incr'd +37% y/y (accelerating from +20% y/y in Q1)
- **Q2 adj EBITDA BEAT by +24.3%:** \$301mn vs yr-ago \$127mn (vs +363% y/y in Q1)
- **Q2 adj EPS BEAT by +12.5%:** Up 72% y/y vs 60% y/y in Q1
- **User monetization (ARPMUP) was materially higher than expected BUT monthly unique players (MUPs) disappointed**
 - **MUPs at 3.3m fell short of cons 3.85mn:** Losing Jackpocket Texas had a neg impact
 - **ARPMUP of \$151 was 23.5% ahead of cons \$122:** Y/Y improvement was driven by their Sportsbook hold of 10.9% (9.5% in Q1) + promotional reinvestment
- **Sportsbook promotional reinvestment improved nearly 600bps y/y as a % of gross gaming revenue**

DraftKings	Q2 2025 Results				
	Actual	Q2 y/y	Q1 y/y	Cons Est	% Surp
Revenue (\$mn)	\$1,510	37%	20%	\$1,420	6.3%
Adj EBITDA (\$mn)	\$301	135%	363%	\$242	24.3%
Adj EBITDA Margin (%)	19.9%			17.0%	
Adj EPS	\$0.38	72%	60%	\$0.15	12.5%
Other Key Metrics					
Monthly Unique Players (mn)	3.30	6%	26%	3.85	-14.3%
Average Revenue/MUP	\$151	29%	-5%	\$122	23.5%

Source: DraftKings filings; FactSet Data & Analysis



Now Expects To Hit The High End Of The 2025 Revenue Guidance Range But Only The Mid-Pt On Adj EBITDA Guidance On Higher Taxes & Missouri Launch Costs

- **2025 guidance is ahead of estimates**
 - **Rev – expects to hit “closer to the high end” of the \$6.2-6.4bn guidance range:** Due to Q2’s sportsbook-friendly outcomes
 - This is above Street estimates that were at the mid-pt of guidance
 - **Adj EBITDA – expects to hit the “mid-pt” of the \$800-900mn guidance range:** This is slightly above the Street as well
- **What is, and is not, factored into the guidance?**
 - **Missouri:** Includes costs associated the mobile sports betting launch in Missouri later this year
 - Missouri will launch in early Dec and have a ~\$35-45mn EBITDA impact this year
 - Expect the cadence of customer acquisition to look similar to states like Ohio and Mass)
 - **“CACs should be fantastic as it is right in the middle of NFL and NBA and will have all major sports outside baseball”**
 - **Taxes:** Includes anticipated financial impacts from higher tax rates in New Jersey, Louisiana, & Illinois
 - **The impact of Illinois is unclear; The approach was “unprecedented” and “it isn’t a great solution”;** Mgmt hopes that Illinois will make a change; **“It is uncharted territory”**
 - **Does not include potential launch of a Prediction Markets offering**
- **Other 2025 guidance related updates -**
 - **Sportsbook net revenue margin is expected to exceed 7.5%,** ahead of the 7-7.5% range provided last Q1
 - **Adj gross margin of 46% which is an increase of ~300bp y/y**
 - **Reiterated FCF at ~750mn**

DraftKings (\$mn)	FY25 Guidance (Mid-Pt)		
	Actual	Cons Est	% Surp
Revenue (\$mn)	\$6,300	\$6,300	In-Line
Adj EBITDA (\$mn)	\$850	\$831	2.3%

Source: DraftKings filings; FactSet Data & Analysis



- **Longer term outlook/comments -**

- **The Co is in the early innings of adj EBITDA growth:** Mgmt has conviction that they will hit their 30% adj EBITDA margin target over time (Q2 was 20%)
- **Fall is a seasonally strong period with the upcoming NFL and NBA seasons:** “Feel good about momentum into the back half”
- **Where are other cost savings areas? Across the COGS stack**
 - Can reduce rates on older agreements in a win win way
 - Can optimize on the payments side and Market access deals
 - AI will also be a big unlock

A Swing Back To Sportsbook Friendly Outcomes Helped Drive Results...Live Betting Was Also A Key Driver

- **Sportsbook net rev beat Co expectations as outcomes were more sportsbook friendly and live betting/parlay mix also drive growth**
 - In May and June, sportsbook outcomes added \$100m to revenue
- **Sportsbook net rev beat Co expectations incr'd +45% y/y vs +20% y/y in Q1 (net rev margin incr'd 230bp y/y, setting a record at 8.7%)**
- **Sportsbook handle rose by +6% y/y to \$11.5bn (vs +11% y/y in Q1)**
 - Live betting was a key driver (see more below)
 - Mgmt is optimistic about handle for H2 given all major sports handle are showing strong DD handle % growth
- **Structural Sportsbook hold percentage incr'd by 100bp y/y to 10.9%:** Actual Sportsbook hold % exceeded 11.5% due to sportsbook friendly outcomes
 - Parlay mix was a big driver...incr'd by +430 bp y/y
- **Promotional reinvestment improved ~600bp y/y as a % of gross gaming**
 - This was due to sportsbook friendly outcomes & optimized promotions

Live Betting Will Be A Big Driver For Industry Handle Looking Ahead

- **Live betting handle incr'd +6% y/y (vs +16% in Q1) as the Co continues to innovate & extend their lead in that category**
 - ...Think there is “a lot of upside” there
- **Live betting has achieved over 90% availability for MLB and NBA live markets**
 - Cont'd release of more intuitive micro betting UX
 - **Intro'd a Live Bet Tracking system through Live Activities** which gives customers more ways to track real time actions (1.5mn customers engaged)
- **There is more education require for Live betting... many people do not know that if they miss the start of a game, they can still bet on it**
 - The Co doesn't necessarily think Live betting will bring in an incremental type of customer though
- **Live betting “is the biggest source of growth for the handle side of the OSB market in the next few years”**
 - It is in 25 states & Washington D.C., which represents 49% of the U.S. population

Some Improvement In iGaming But There Is More Work To Do

- **iGaming net rev was consistent w/ expectations & incr'd +23% y/y (vs +14.5% y/y in Q1):** Driven by strong y/y growth in active iGaming customers
 - **Gross gaming rev from jackpots incr'd +100% y/y:** Cont'd engagements through jackpot is growing rapidly
 - **iGaming is live in 5 states, representing 11% on the U.S. population**
- **IGaming is “starting to ramp up but there is more upside to the growth rates than they have right now”**

Mgmt Is Closely Monitoring The Predictions Market

- **The Co is actively monitoring regulation around prediction markets which is another big oppty**
- **A benchmark to think about the TAM are existing states that have live OSB**
- **Is being a first mover in the space important?** Yes, but maybe not being a “literally first mover” and there could be some downside to that
 - **Mgmt is trying to figure out their approach**

Other Key Updates/Comments

- **Openness to partner with ESPN and FOX One of others?** Excited about the launch of these apps; Too early to tell when partner optties will present themselves and if there is a partnership that makes sense they will look into that
- **Roughly 20% of users account for 80% of revenue but “20% of customers are still millions of people so feel diversified” ...also it doesn't take that much in terms of bet amounts to get into the 20%**

9) TKO Remains At The Center Of Premium Content & Live Events

TKO delivered a very strong Q2 with WWE outperformance a key upside driver (segment revs and adj EBITDA +11% and +19% ahead of cons and margins expanded to 59%). UFC results were broadly in line, while IMG saw modest declines in revenue but gains in EBITDA.

Aside from the upside in WWE, we thought the most incremental updates were that 1) Partnerships and Marketing revs were a key driver to both WWE and UFC, while media rights revs were light; 2) the Co raised full-year guidance for both revenue and EBITDA and is making progress on integration synergies; 3) the new five-year domestic media rights deal with ESPN for WWE's premium live events marked a significant step-up in average annual value (AAR) and unlocks new monetization opportunities; 4) UFC media rights negotiations are in the “home stretch”; 5) TKO is leaning further into boxing; and lastly 6) the Co should start the buyback in Q3.

Overall, TKO continues to be well positioned to capitalize on sustained demand for premium content and live events and finalizing the UFC deal will likely be the next catalyst for the stock.

-> *TKO shares closed the day up +3.3% in reaction to results and is up +14.9% YTD, outperforming S&P 500 up +8.6% and Nasdaq's +11.1%*

WWE Drives Strong Upside In TKO's Q2 Results

- **Total revenue topped cons by +7% & adj EBITDA margins of 40.3% were well above cons 38.6%**
 - WWE outperformed Street projections most significantly while UFC was more in-line with consensus (but mixed divisionally); IMG also beat expectations
- **Puts and takes w/ Q2 FCF of \$375mn**
 - Neg impact from final \$125mn UFC antitrust settlement payment
 - Positive impact of ~\$165mn of prepayments related to On Location for the 2026 FIFA World Cup
- **FCF conversion of adj EBITDA was 71%**

TKO	Q2 2025 Results				
	Actual	Q2 y/y	Q1 y/y	Cons Est	% Surp
Revenue (\$ mn)	\$1,308.0	54%	4%	\$1,220.0	7.2%
Adj EBITDA (\$ mn)	\$526.5	82%	23%	\$471.0	11.8%
Adj EBITDA Margin (%)	40.3%			38.6%	
Revenue Breakdown (\$ mn)					
WWE	\$556.2	22%	24%	\$502.3	10.7%
Media rights, production and content	\$278.9	7%	12%	\$293.5	-5.0%
Live events and hospitality	\$185.7	29%	34%	\$151.3	22.7%
Partnership and marketing	\$58.3	136%	46%	\$29.8	95.6%
Consumer products licensing and other	\$33.3	22%	17%	\$28.5	16.8%
UFC	\$415.9	6%	15%	\$414.0	0.5%
Media rights, production and content	\$260.5	4%	4%	\$266.3	-2.2%
Live events and hospitality	\$58.5	-16%	40%	\$65.9	-11.2%
Partnership and marketing	\$85.8	39%	24%	\$71.4	20.2%
Consumer products licensing and other	\$11.1	-15%	-15%	\$13.7	-19.0%
IMG	\$306.6	-4%	-13%	\$292.2	4.9%
Media rights, production and content	\$163.4	-6%	-10%	No Consensus Given	
Live events and hospitality	\$132.1	3%	-22%	No Consensus Given	
Partnership and marketing	\$7.9	-45%	42%	No Consensus Given	
Consumer products licensing and other	\$3.2	-27%	-45%	No Consensus Given	
Adj. EBITDA Breakdown (\$ mn)					
WWE	\$329.8	31%	39%	\$278	18.7%
UFC	\$244.8	6%	15%	\$242.7	0.9%
IMG	\$29.0	131%	-10%	\$16.6	74.7%

Source: FactSet, StreetAccount



Segment Drill Down...Strong Outperformance In Partnerships & Marketing Across WWE And UFC; Media Rights Revs Were Light

- **WWE – Strong BEAT...Q2 revs were +11% ahead of cons (grew +22% y/y) & adj EBITDA was +19% ahead (rose +31% y/y to 59% margin, up from 55% last yr qtr)**
 - **Media rights, production and content revs - Missed:** Revs rose +7% y/y due to SmackDown expansion to a 3-hr format for H1, resulting in a shift in quarterly rev recognition; Increase was also due to escalators of media rights fees (incl Netflix)
 - **Live events and hospitality revs – Strong Beat:** Grew +29% y/y
 - Due to higher ticket sales revs driven by higher avg tickets prices as total attendance declined given they hosted fewer non-televised events; Site fee revs incr'd
 - **Partnerships and marketing revs – Very Strong Beat:** Rose +136% y/y
- **UFC – Roughly IN-LINE...Q2 revs grew +5% y/y & adj EBITDA rose +6% to 59% margin, which was consistent y/y)**
 - **Media rights, production & content revs – Missed:** Rose +4% y/y due to escalators
 - **Live events and hospitality revs – Missed:** Fell -15% y/y due to lower site free revs given timing and mix of intl events
 - **Partnerships and marketing revs - Strong Beat:** Rose +39% y/y
 - Annc'd deals w/ Monster Energy & Meddah
 - Highlighted more recent Wingstop partnership expansion
 - Expect to announce more cross TKO partnerships in the “near future”
- **IMG – no consensus available but Q2 revs fell -4% given they no longer have the rights to FA Cup, partially offset by rev from new production agreements (incl multi-yr deal with Saudi Pro League)**
 - Adj EBITDA margin grew to 9%

Raised The Full Year Guidance From Previous Guidance Issued In May...Will Resume The Buyback In Q3

- Incr'd mid pt of 2025 revenue guidance by \$135mn to \$4.63-4.69bn
- Incr'd mid pt of 2025 adj EBITDA guidance by \$40mn to \$1.54-1.56bn

- **Drivers -**
 - Strong operating performance at UFC & WWE
 - Further progress on the integration of IMG, On Location & PBR
- **Tracking ahead with synergies:** To date, achieved the 2025 target of \$15mn in year savings, representing \$25mn on a run rate basis
- **Continue to target FY 2025 FCF conversion rate in excess of 60%** (excludes the impact of ~\$300mn of non-recurring amounts as well as the benefit of any restricted cash related to the 2026 FIFA World Cup)
- **Expect to commence the buyback in Q3 (\$2bn program):** “Remain committed to a robust and sustainable capital return program that balances return of capital to shareholders with organic investment and maintaining our strong balance sheet”
- **Q3 considerations -**
 - **UFC will have 10 events, consistent with the prior yr period, but some mix shifts**
 - Of the 10, expect 2 numbered events (fewest in any qtr this yr) vs 3 in the prior yr period
 - Also intend to stage 8 events w/ live audiences vs 6 in the prior-yr period
 - **Media rights, live events, and partnerships will be “meaningfully” impacted by timing of the calendar (despite “strong underlying trends”)**
 - UFC 306 was held at Sphere in Q3:24 and was the highest grossing gate in UFC history & also included a title partner sponsor for the 1st time
 - Incurred “meaningfully higher than normal” production costs for UFC 306
 - An event of this magnitude is not expected to occur in H2:25
 - The current WWE calendar incl 3 main roster premium live events, similar to Q3:24 but the expansion of SummerSlam to Two-Nights is expected to favorably impact multiple revenue streams, including media rights, live events and partnerships
 - SmackDown's format will revert to two-hours beginning in Q3, and while there is no impact on the full year, the change will adversely impact media rights revenue recorded in the qtr
 - **IMG revenue & adj EBITDA is expected to increase q/q in absolute dollars as results are expected to reflect the impact of a number of signature tennis and golf events (incl Wimbledon, the US Open, the British Open and the Ryder Cup)**
 - IMG and On Location will also be performing services in connection with the Canelo versus Crawford event, which is expected to favorably impact our performance
 - **Corporate & Other adj EBITDA is expected to improve “modestly” q/q, primarily due to the benefit from the services fee related to Canelo versus Crawford**

TKO Saw A Big Step Up With The WWE/ESPN Deal...And Has Addtl Monetization Opportunities

- **Annc'd ESPN domestic media rights deals for WWE's premium live events:** “Excited about the potential impact & ancillary revenue streams we can generate from the halo effect created by the Disney ESPN ecosystem”
 - **Deal length:** 5-year deal with annual escalators
- **It is a big step up in avg annual value (AAV)...from \$180mn w/ Peacock (\$900mn over 5 years) to a reported \$325mn ARR w/ ESPN**
- **Actual Peacock deal structure:**
 - **Start date:** March 18, 2021
 - **Year 1 (2021):** Partial yr (March–December) rights fee was just under \$100mn
 - **Years 2–5 (2022–2025):** Each full calendar yr had rights fees of just under \$190mn
 - **Final period (2026):** Short period through March 2026, rights fee was just under \$50mn
 - **Total rights fees:** ~ \$900mn over 5 ys, resulting in an AAV of \$180mn
- **TKO also retained content for further monetization:** The below were part of the Peacock deal but NOT part of the ESPN deal -
 - **NXT PLEs:** ~6 per yr

- **Original programming:** 250 hours previously produced at WWE's cost
- **Documentaries:** 5 total (1 per year) at WWE's cost
- **Content archive:** Retained for further monetization
- **Why didn't Netflix get these rights?**
 - Mgmt commented that they didn't want to have all their "eggs in one basket"
 - They could have had slightly higher rates by going with "another partner" but were attracted to the strength of the ESPN brand, the reach/audience, and the platform/DTC DTC strategy

UFC Deal Negotiations Are In The "Home Stretch"

- In Q2, had 11 total events, incl 4 numbered events & 2 international events (same as last yr qtr) - but mix shifted w/ 8 live audiences vs 7 last yr
- There was a big focus on the call about the UFC and why we haven't seen a deal yet...
 - **Has a UFC deal been more challenging than the PLE deal?** NO, it has not been more challenging than originally thought
 - **Is it less likely that ESPN will participate now that they did the WWE deal?** NO, mgmt doesn't think ESPN / WWE rules out ESPN for UFC deal
 - **Timing color...they are in the "homestretch"** and will provide an update on UFC rights "when have something to announce"
 - Want to balance monetization & reach
 - As evident by the WWE PLE ESPN deal, the market for premium content, esp big event programming, remains strong

WrestleMania 41 Was A Key Driver + Other Notable WWE Updates

- **WrestleMania 41 drove much of the Q2 increase & set an all-time record for partnership revenue that is "more than double" the previous record**
 - The event featured a record 28 total partners
- **Key event stats-**
 - Money in the Bank at Intuit Dome in Los Angeles became the highest grossing WWE Arena event of all time
 - Last weekend at MetLife Stadium in New Jersey, WWE's first ever Two-Night SummerSlam drew more than 113k fans
 - In Q3, WWE set 36 individual market records for ticket sales & sold out 16 events
- **Netflix partnership is showing "robust" appeal and growth, especially with younger demo**
 - Since launching on the platform in January, Raw has appeared on Netflix's List of Top 10 shows every single week... "That's 30 straight weeks, totaling more than 280mn view hours on the platform"

View Boxing As An Attractive Opportunity

- **First boxing event via the JV, annnc'd in March, will be in early 2026**
- **Also in June annnc'd that they will promote the Canelo Alvarez & Terence Crawford fight taking place on September 13 in Las Vegas**
- **Boxing is an attractive opportunity for TKO – mgmt. thinks they can deliver significant long-term value for shareholders**
 - This will be a 4th tentpole sports assets for TKO and are going "all in"
 - The JV is low risk & TKO receives ~\$10mn fee which is all margin
 - TKO has no funding obligation
- **Separately, TKO plans to deliver 2-3 super fights per year**
 - Gets a fee to promote
 - Gets a fee to negotiate the media rights for each fight (IMG does)

- Gets a fee for On Location to sell hospitality packages
- Expect to net on avg another, \$10mn for every super fight they manage and promote
- They've had significant interest from several domestic linear & DTC platforms w/ regard to the media rights for the Zuffa Boxing promotion that will launch in Q1:26
 - Are in the "homestretch of those negotiations and believe we will have something to announce soon"
- **Will provide "further updates on our boxing activities as and when appropriate"**

10) Uber's "Barbell" Strategy Is Yielding Results

Uber has evolved far beyond its origins as a ride-sharing app. While the mobility segment continues to grow, it slightly missed gross booking and profitability expectations in Q2. Instead, it was the delivery business that drove the Co's overall beats in gross bookings, revenue, and adj EBITDA. Mgmt stopped short of calling Uber a "super app," but emphasized their goal to deliver "the best of both worlds - a highly tuned mobility app, a highly tuned delivery app, both of which talk to each other and take targeted moments to promote each other." Maximizing this cross-platform oppty is a core focus that the Co is getting behind, supported by a leadership reorganization aimed at further driving into the oppty.

On that front, Uber has been implementing what it has dubbed "barbell" strategy across both delivery and mobility, scaling low-cost options to expand the TAM and increase frequency, while simultaneously investing in premium, higher-margin experiences to fund broader portfolio initiatives. This can look like trade-offs between price and time, such as offering slower or more affordable rides and deliveries versus priority or reserved services. Beyond pricing, they continue to diversify across age groups (now focusing on adults 65+) and in new geographies. The TAM remains large, and the Co continues to push into these oppties.

Investor interest also focused heavily on Uber's autonomous vehicle (AV) initiatives. Mgmt shared plans to broaden OEM partnerships and make strategic asset investments, including vehicles (like deals similar to Nuro-Lucid), real estate, and facilities, potentially financed through third-party banks and private equity as well (already in talks with some banks and PE players). There is a whole swath of oppty in the space, including leveraging the mobility data that Uber has and utilizing different business models, and Uber is going full speed ahead on all of it.

Please see below for our view on the most important elements of the Q2 results.

ALSO, SEPARATELY, BUT RELATED... we included a Quick Take on Lyft's results at the bottom given they were other key print in the ride-sharing business, and see **Theme #11** for thoughts on DoorDash and Instacart.

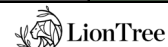
-> Trading activity in ride-sharing was more of a non-event w/ Uber shares basically flat in reaction to earnings (and are up +20% YTD) vs Lyft shares trading up +1.7% in reaction to its earnings (and YTD is up 4%)

Overall Solid Q2 With Modest Beats Across Headline + Key Metrics

- **Q2 overall gross bookings, rev, adj EBITDA, and FCF all came in above expectations in Q3 (adj. EBITDA hit yet another all-time high)**
 - Beats were mostly driven by the Delivery biz, as Mobility slightly missed on Gross Bookings and adj. EBITDA
- **FX was a headwind of ~\$400mn y/y or ~1ppts**
 - FX headwinds diminished seq (from \$1.7bn y/y or ~4.5ppts in Q1), driven by a weakening of the US \$ against most foreign currencies, resulting in a reduced headwind for Mobility and "slight" tailwind for Delivery
- **Q2 users beat by +2% and reached a record:** MAPCs (Monthly Active Platform Consumers) grew +15% y/y (accel from +14% y/y in Q1) to reach 180mn
 - **Consumers are using the platform more frequently than ever, averaging 6.1 trips/mo**
- **Reached a new record 8.8mn active drivers and couriers globally:** Up +20% y/y (in-line w/ Q1); Earned \$20.8bn (+18% y/y) in aggregate in Q2 (vs \$18.6bn in Q1)
- **Q2 FCF BEAT by +34% (also an all-time high)**
- **New share repurchase program authorized up to an addtl \$20bn of common stock**

Uber	Q2 2025 Results				
	Actual	Q2 y/y	Q1 y/y	Cons Est	% Surp
Total Gross Bookings (\$ mn)	\$46,756	17%	14%	\$46,410	0.7%
Revenue (\$ mn)	\$12,651	18%	14%	\$12,470	1.5%
Adj. EBITDA (\$ mn)	\$2,119	35%	35%	\$2,110	0.4%
Adj. EBITDA Margin (%)	4.5%			4.5%	In-Line
Free Cash Flow	\$2,475	44%	66%	\$1,850	33.8%
By Segment (\$ mn)					
Mobility Gross Bookings	\$23,762	16%	13%	\$23,940	-0.7%
Mobility Rev	\$7,288	19%	15%	\$7,270	0.2%
Mobility Adj EBITDA	\$1,905	22%	19%	\$1,920	-0.8%
Delivery Gross Bookings	\$21,734	20%	15%	\$21,210	2.5%
Delivery Rev	\$4,102	25%	18%	\$3,930	4.4%
Delivery Adj EBITDA	\$873	48%	45%	\$820	6.5%
Freight Gross Bookings	\$1,260	-1%	-2%	\$1,270	-0.8%
Freight Rev	\$1,261	-1%	-2%	\$1,280	-1.5%
Freight Adj EBITDA	-\$6	50%	67%	-\$13	108.3%
User Metrics (mn)					
Monthly Active Platform User (MAPC)	180	15%	14%	176.4	2.0%
Trips	3268	18%	18%	3240	0.9%
Take Rate	27.1%			26.9%	
Mobility	30.7%	18%	18%	30.5%	
Delivery	18.9%	23%	22%	18.6%	

Source: FactSet, StreetAccount



Q3 Guidance Was Also Ahead Of Expectations

- **Q3 Gross Bookings guidance beat by +3.2% at the midpt:** \$48.25bn-49.75bn vs cons \$47.5bn (implies growth of 17-21% y/y ex-FX)
 - Outlook assumes a “neutral to modestly positive” FX impact to total reported y/y growth
 - Outlook includes the contribution from the close of the Trendyol Go acquisition; Excluding it, growth outlook would be +16%-20% y/y ex-FX (consistent with the prior qtr)
- **Q3 adj EBITDA guidance modestly beat by +0.4% at the midpt:** \$2.19bn-2.29bn vs cons \$2.23bn (implies growth of +30-35% y/y ex-FX)

“Substantial Untapped Opportunities Remain” For Cross-Platform & It Is A Key Focus Area

- **Reorganized leadership team around further driving cross-platform oppty** w/ Andrew Macdonald stepping up as Chief Operating Officer, “to drive platform-wide growth and pursue those opportunities even more aggressively”
- **Cross-platform consumers use Uber more frequently and have retention rates 35%+ higher than their single-business consumers**
 - As a result, they generate over 3x the Gross Bookings and profits vs their single-business peers
 - “So structurally, for a subset of consumers we can just pay more than anyone else can. And that structural advantage is going to continue to get better over a period of time”
 - **But still lots of room to grow**, with fewer than 1 in 5 eligible consumers active across both bizs today
- **Delivery -> Mobility: \$10bn (or 12% of annualized Delivery Gross Bookings) are generated via Eats view in the Uber app**
 - **Also an “incredibly powerful” acq channel...**: ~30% of first-time Delivery customers acquired from the Uber app
 - **...but still have a “long runway” to drive further adoption:** As ~30% of eligible Mobility riders have never tried any Uber Delivery offerings and ~75% have not yet tried the Grocery & Retail offering
- **Mobility -> Delivery: Oppty to use Uber Eats app to drive traffic to Mobility, particularly in countries where Delivery is the larger biz**

- In five major markets like Australia, Canada, France, Japan, and Taiwan, on avg 35% of Delivery consumers have never taken a Mobility trip
- **Leveraging “larger and more sophisticated” AI models to improve ability to encourage cross-platform activity is “a key focus area that’s still in its early innings”**
 - I.e., grabbing coffee on the way to the office, having groceries delivered right at arrival at a vacation rental
- **Uber One in another “powerful tool” to drive**
 - **Key stats –**
 - 36mn+ members in June, up ~60% y/y
 - Members now generate 40%+ of combined Delivery and Mobility Gross Bookings
 - Retention remains “healthy”, with new member cohorts retaining at similar levels to Uber’s established base,
 - **Member Days in May was a “huge success”**
 - Added ~500k incremental members over the course of the week
 - Provided members w/ “unique” deals, like 100mn Delta Air Lines miles up for grabs in the US and free Disney+ subscriptions in the UK
 - **Continue to enhance Uber One through new, “high-value” benefits, esp for Mobility**
 - **Launched surge savings in the US in July**, a new benefit to improve affordability during high-demand periods (“\$1 product that our Mobility consumers have asked for”)
 - **Expanded to micromobility**, offering members 10% credit back on Lime trips and free unlocks
 - **Continue to grow Uber One’s geographic footprint**
 - Launched in Argentina
 - Expanding Mobility benefits to 7 new countries during the qtr
 - **Flagged that while Uber One has been “a huge hit” on the Delivery side, uptake from Mobility audience has been “a little more difficult”**
 - “The incremental use on delivery showed up on day 1. But on mobility, the incrementality as a result of Uber One has been something that we’ve had to work on”
 - **“In Mobility, it’s [...] not nearly as optimized and we’re very much earlier [...] in the path in terms of introducing membership to our mobility users and coming out with...spectacular products like the surge savings”**
- **So in some ways, we’re slowly kind of moving towards a super app...but what we’re trying to have is the best of both worlds, a highly tuned mobility app, a highly tuned delivery app, both of which talk to each other and take targeted moments to promote each other”**

Delivery Business Shows No Signs Of Slowing Down As Growth Continues To Accelerate

- **Q2 was the ninth straight quarter of Delivery MAPC y/y growth acceleration**
 - Frequency and merchant selection reached all-time highs
 - Also seeing particular strength in the US, Australia, Canada, and Mexico
- **Have #1 or #2 category positions in “vast majority” of 30+ operational countries and “are generally outgrowing peers”...**
- **...BUT “see lots of opportunities to increase restaurant delivery penetration and acquire new consumers as the category continues to expand”**
 - Only ~35% of annual consumers use Eats on a monthly basis, vs 45% in their best-in-class country.
- **Grocery & Retail (G&R) selection growth was the fastest in ~3 yrs – “scaling in a disciplined manner and are encouraged by improving unit economics as we improve the product experience”**
 - Led by US, Canada, Taiwan, and Japan
 - **Added merchants in the US**, including Family Dollar, Five Below, DICK’S Sporting Goods, At Home, and Pet Food Express
 - **Outside the US**, expanded Costco partnership to LatAm and APAC, completed nationwide launch of Sobey’s across Canada, and expanded convenience store chain Oxxo to Mexico
- **“Supplementing organic growth initiatives with smart acquisitions and innovative partnerships that play to our operational strengths”**

- **Closed the acquisition of Trendyol Go**, “which we believe will supercharge our Delivery and Mobility businesses in Türkiye in the years to come”
- **Announced strategic partnership in Brazil with iFood**, “one of the world’s leading food delivery players”

Expanding Offerings Across Demos And Geographies Is Driving New Audiences To Mobility

- **Mobility delivered a fourth consecutive qtr of +19% y/y trip growth / Pricing growth decelerated seq leading to Gross Bookings growth of +18% y/y ex-FX**
- **Looking ahead - expect Q3 trip growth globally to stay “relatively stable” near 19%, with pricing trends similar to Q2**
 - **In the US specifically, y/y trip growth expected to accelerate in Q3, tied to benefit from moderating insurance pressures, which is expected to continue to flow into Q4**
- **Mobility adj EBITDA growth again outpaced both trips and Gross Bookings**
 - “Reflecting solid operating leverage”
- **Mobility strategy is spanning across demos in what is dubbed Uber’s “barbell strategy”**
 - **Scaling low-cost offerings** to expand TAM and drive frequency
 - **In the middle, aim to keep UberX prices low and stable** through product innovation, healthy supply, and easing cost inflation
 - **Investing in premium experiences with higher margins**, allowing the Co to fund broader investments across the portfolio
- **On the affordability end –**
 - **Expanding two- and three-wheel vehicles**, “which structurally lower costs and encourage daily usage”
 - Moto now generates \$1.5bn+ in annualized Gross Bookings, with trips up 40%+ y/y
 - **Helping riders save by trading off price and time –**
 - **Wait & Save** is now live in 30 countries and offers an avg 9% discount for waiting longer
 - **Shared rides** offer even bigger discounts, like the Uber Shuttle svcs to New York area airports, priced at ~\$25 each way
- **To keep UberX prices stable –**
 - **Price Lock Pass**: \$2.99/mo for fixed prices on a selected route
 - Users taken on avg 6+ more monthly commute trips
 - Now available in 10+ major cities in the US and Brazil, with more to follow
 - **Prepaid Pass**: Deeper discounts for buying 5-20 rides upfront
- **On the premium end –**
 - **Premium vehicle offerings (Comfort, SUV, and Black)** are now “well over” \$10bn in annualized Gross Bookings, and trips are growing 35%+ y/y
 - **Reserve trips** are growing at ~+60%% y/y
 - **Uber for Business** trips up ~+30% y/y
- **Also see “enormous potential” in better serving families across all stages of life – teen accounts have been “a big hit” and now focused on adults 65+**
 - Represent only ~5% of active rider base, “significantly below” the overall population
 - **Launched Senior Accounts in Q2**, which is now available in all their top Mobility mkts
 - Simple app experience w/ larger text and icons
 - Has features that allow family organizers to book and manage rides for their loved ones
- **Continue to expand into new geographies**
 - **Particularly in Europe and the Middle East**, where they are still growing trips ~30% y/y, w/ “attractive margins”
 - Gross Bookings from the “relatively high-fare” Europe and Middle East are about half of those of the US & Canada, despite a 2x larger population
 - **Redoubling efforts to increase penetration outside of Tier 1 European cities, while also pushing into greenfield markets via taxi partnerships**
 - In H1 alone, entered Denmark, Hungary, Luxembourg, and Slovenia with taxis, serving a combined population of 18mn people.

Leveraging Strength Of Uber's Balance Sheet For Autonomous Vehicle Efforts, Including Some Asset-Heavy Investments

- **"In terms of AV, it is very, very early. In terms of the development of AV. I think the commercialization is going to take time, but we're going to be in the lead in terms of commercialization"**
- **Continue to scale AV initiatives with existing partners -**
 - **Introduced Waymo AVs exclusively on Uber in Atlanta**
 - Launched has performed "above expectations" w/ "high" vehicle utilization
 - "On track" to expand to hundreds of vehicles in the coming quarters
 - **"More than doubled" svs area with Waymo in Austin to ~90 sq miles**
 - **Expanded svs area w/ WeRide in Abu Dhabi and expect to launching in Riyadh later this yr**
 - Now covers about half of Abu Dhabi's core areas, including highway routes to and from Zayed International Airport
 - **Broadened partnership w/ Wayve**
 - Annnc'd intention to launch autonomous trials on public roads in London next yr
- **"Full speed ahead" on new Mobility partners in Q2, including -**
 - **Baidu:** Aim to deploy thousands of Apollo Go AVs on the Uber network across several global mkts, starting in Asia and the Middle East later this yr
 - **Lucid and Nuro:** "Tens of thousands" of Lucid vehicles, equipped with the Nuro Driver and designed specifically for ride-hailing use, will exclusively join the Uber network over the next several yrs, starting in a major US city later next yr
- **Have reached 20 AV partners across Mobility, Delivery, and Freight (up from 18 in Q1)**
 - Focus is on scaling by leveraging Uber's demand aggregation, on-the-ground operations, and partner support
 - **Expect to operationalize around 5 new deployments across the US (Dallas and Arlington, Texas), Middle East (UAE and Saudi Arabia), and Asia in H2**
- **Any impact from Tesla launching their own robotaxi svs in SF and Austin?**
 - Deployment is "very, very small"
 - Haven't seen any change in trends but "it's something that we'll watch"
 - **"This is a very, very big market. There will be no winner-take-all... you're going to see a lot of experimentation early on with lots of different models"**
 - **BUT "we are confident that based on our platform, based on our ability to balance [...] supply and demand peaks and valleys, we think we'll be the leading third-party platform out there"**
- **Generally working around 3 AV biz models -**
 - **"Merchant model":** Will pay a partner a set amount (i.e., for per trip per day or dollar per day) so partner will have very predictable rev and Uber takes the risk on monetizing their network
 - "We have more demand than anyone else. So we will be able to, I think, sign up for revenue levels that other people just can't"
 - **Agency model:** Revenue share model, similar to what they have with their driver partners now; Drivers take a certain %age, Uber takes a certain take rate as well, "it's kind of risk sharing"
 - **Licensing model:** Uber or a financing partner may own the asset, cars can be bought, and there will be a licensing model as it relates to the software
 - There may be a monthly licensing or per mile licensing fee
- **On AV capital investment strategy - "we are [...] absolutely investing in the software players and the hardware players"**
 - **Reiterated strategy of taking equity positions in software and/or ecosystem players** "to help them kick-start their development as well as thinking about where Uber being part of their cap table "add[s] to their credibility"
 - **"We're going to continue to recycle some of the proceeds from the minority stakes that we have to fund some of those investments.** You've seen us do that already and expect us to continue to do more of that over the coming quarters"
 - **"We are a supply-led company":** "The more drivers there are in the ecosystem...the better our service becomes, and that applies with robotic and autonomous drivers as well"
 - **"The more supply there is, both humans and AVs, again, the better our platform is"**

- **Expect to do more deals like Nuro-Lucid** “in the early days of autonomous as we’re proving out the economics of the marketplace”
 - **“Wouldn’t conclude that by purchasing vehicles, the economics are going to be worse. In fact, our analysis is that the Nuro-Lucid deal will probably yield better economics for us** because of it’s a collective deal and we just get the efficiencies of having the vehicle and having the software integration in there”
 - **“Once we prove out the revenue model...we’re very confident that these assets are going to be financeable”**
 - **Popularity of Waymo is an indicator:** “How much can one of these cars make? Now, the signal that we see with Waymo is based on the trips per day being at a 99th percentile in terms of utilization, that news is great”
 - **Already having discussions about 3P financing...:** “We’ve talked to private equity players. We’ve talked to banks, etc”
 - **“... and for us, we believe it’s a competitive advantage for us to be able to use a relatively modest part of our cash flow to fund kind of the catalyst to get things...** it reflects kind of the catalytic potential that we can bring to the market”
 - **Also expect to use some cash flow in more capital investments,** “as we may need to invest either in real estate, in facilities or, as we announced with Lucid, [...] in vehicles”
 - “This is really to help us build our learning base and to build enough information for us to be able to engage more credibly with financing partners having run these at scale ourselves”
 - **Will use the same investment approach for AVs as they have w/ other parts of the biz:** “AVs today are not profitable...as we go into markets and go into products starting at a loss, we build scale, we build our experience. And then over time, we know exactly the levers that are necessary to turn to get that to profitability”
 - **Overall...“we can afford to invest aggressively in the autonomous space and at the same time, to return plenty of capital to our shareholders...it’s not an either/or”**
- **Leveraging Uber’s mobility data as a strategic AI advantage – “Uber has the most relevant mobility ride-hail dataset in the world”**
 - **Leaning more into externalizing their capabilities “to help our partners go faster, together”**
 - “Billions of trips on real roads across 70 countries. Every weather pattern, traffic condition, and edge case imaginable. This is applied AI at scale, and it’s happening on our platform right now—with much more to come”
 - **Also, to flag – “with the wide variety of software partners committed to deploying on Uber, we are increasingly focused on broadening our OEM partnerships”:** “Because we bring a ton of demand, we’ve got a great balance sheet that we can invest in order to prove out the financing of these models, we think we’re in a great position to do so”
 - **“And we actually think the harder part of commercialization is going to be hardware,** bringing on hardware platforms and hardware partners that can build these platforms at scale affordably because today, at least AV vehicles that are able to be deployed at scale are pretty expensive”
 - **Cited Baidu as a successful case study:** “There are certain players like Baidu who also have established, not just software platforms but also hardware platforms that look to be effective at scale and quite affordably, which is terrific. The Apollo Go for is one example of that”

SEPARATELY from Uber’s results, Lyft also reported this week. See below for our Quick Take.

Quick Take - Lyft:

- The Co reported a modest Q2 adj EBITDA beat on in-line gross bookings
- While Q3 gross bookings guidance beat expectation and adj EBITDA guidance missed
- A positive regarding results was that Q2 Active Riders came in ahead of expectations

-> As mentioned, Lyft shares traded up +1.6% on the back of results

Lyft	Q2 2025 Results				
	Actual	Q2 y/y	Q1 y/y	Cons Est	% Surp
Gross Bookings (\$ mn)	\$4,500	12%	13%	\$4,500	In Line
Revenue (\$ mn)	\$1,600	11%	14%	\$1,610	-0.6%
Adj. EBITDA (\$ mn)	\$129	26%	79%	\$124	4.0%
Adj. EBITDA Margin (%)	8.1%			7.7%	
Rides (mn)	234.8	14%	16%	235.8	-0.4%
Active Riders (mn)	26.1	10%	11%	25.8	1.2%

Source: FactSet, StreetAccount



Lyft	Q3 2025 Guidance (mdpt)		
	Actual	Cons Est	% Surp
Gross Bookings (\$ mn)	\$4,725	\$4,590	2.9%
Adj. EBITDA (\$ mn)	\$135.0	\$135.4	-0.3%
Adj. EBITDA Margin (%)	2.9%	3.0%	-5.0%

Source: FactSet, StreetAccount



11) DoorDash/Instacart – Delivery Keeps Delivering

It was a last-mile earnings galore this week because in addition to Uber's earnings report, which saw the Co's Delivery business segment beat across the board (see Theme #10), DoorDash and Instacart also posted their second qtr results. For DoorDash, it was another qtr of the Co maintaining its course, with a stronger than expected Q2 print (adj EBITDA margin was the exception with a small miss) and Q3 guidance also ahead of forecasts. Y/Y growth in US total orders accelerated in Q2, and growth in international total orders was "well above" US's level. Across the business, cohort dynamics remain strong, with the size of new US cohorts increasing y/y both in the US and new verticals, and mature cohorts continued to engage more. Advertising demand also continued to outpace supply. Overall, DoorDash reiterated that its guiding star continues to be focusing on further penetrating its markets and investing in improving the quality of its product.

We also took a quick look at Instacart's report, which posted a strong quarter and highlighted ongoing efforts to continue building out the value of its offering in order to capture a larger audience. They also provided some color on CPG ad trends, Instacart+ growth, in-store technologies, affordability initiatives, and more.

See below.

-> DoorDash was up +5.0% on the back of its print and ended the week up +4.4%; Instacart traded up +3.7% after its results and ended the week up +8.9%; YTD, CART is up +23.6% while DoorDash is up an even higher +54.5% YTD

DASH Posted A Stellar Q2 Across Headline #s (Adj EBITDA Margins Were The Only Exception)

- **Rev, adj. EBITDA and Marketplace GOV all beat consensus, though adj. EBITDA margin was a bit light**
 - Rev growth was primarily driven by the y/y increase in Marketplace GOV
- **Set new qtrly records for Total Orders, Marketplace GOV, rev, and GAAP net income**
 - Y/Y growth in Total Orders was driven by growth in consumers and growth in avg consumer engagement
 - Also passed 10bn lifetime orders in Q2
- **Take rate reached 13.5% in Q2, up from 13.1% in Q1 (but in-line w/ Co expectations)**
 - Saw benefits from Dasher costs in Q2 (generally higher in Q1 and Q4 and "more reasonable" in Q2 and Q3)
 - Driving improvements in the underlying product, esp quality, which gives benefits in terms of credits and refunds
 - Ads are also becoming a larger portion

DoorDash	Q2 2025 Results				
	Actual	Q2 y/y	Q1 y/y	Cons Est	% Surp
Revenue (mn)	\$3,284	25%	21%	\$3,160	3.9%
Adj EBITDA (mn)	\$655	52%	59%	\$640	2.3%
Adj EBITDA Margin (%)	19.9%			20.3%	
Marketplace GOV	24,244	23%	20%	23,610	2.7%
Orders					
Total Orders (mn)	761	20%	18%	750	1.5%
Average Order Value	\$31.86			\$31.50	1.14%
Contribution Profit (mn)	\$1,147	39%	36%	\$1,090	5.2%

Source: FactSet; Company Filings



Q3 Guidance Was Also Above Expectations

- **Adj. EBITDA – BEAT by +1.8% at the midpt:** \$680-\$780mn vs cons \$717.2mn
- **Marketplace GOV – BEAT by +2.7% at the midpt:** \$24.2-24.7bn vs cons \$23.81bn
- Outlook does not include any potential impact from the proposed acq of Deliveroo, which is expected to close in Q4:25
- **Also flagged that take rate in H2 is going to be higher than in H1**

Momentum In Domestic Biz Continues Across Both New And Mature Cohorts

- **Y/Y growth in US Total Orders accelerated in Q2**
 - Saw “notable” strength in US restaurant category
- **Also saw y/y increase in avg order frequency in the US, which reached an all-time high in Q2**
 - “Strong” growth in DashPass membership contributed to the y/y growth
- **US cohort dynamics –**
 - **Size of new US consumer cohorts grew y/y in each month of Q2** (April, May, and June) with initial engagement levels comparable to the prior-yr qtr
 - **Avg consumer retention rates across mature US cohorts increased y/y, w/ “particularly strong” improvements in retention in US new verticals cohorts**, where the size of many mature cohorts grew at a double-digit Y/Y rate in Q2
- **Continue to see increasing membership and engagement levels in DashPass – “we’re acquiring more new consumers than ever before”...**
 - Growth driven by underlying product continuing to get better – adding more selection, driving higher quality, making the product more affordable, adding more features and svcs
 - **...while older cohorts continue to engage at higher levels**
- **What is driving the strength in membership growth and frequency?** “A lot of these improvements and developments were the results of our teams' work probably dating back a couple years ago...we’ve seen improvements across the board in our various products that have achieved the results that you’re seeing today”

And International Growth Continues To Outpace Domestic

- **Y/Y growth in Total Orders remained “well above” Y/Y growth in Total Orders in the US marketplace in Q2**
- **Order frequency and MAUs reached all-time highs**
- **Gaining share across “most” of the countries they operate in**
- **Added more new Wolt+ members in Q2 than in any prior qtr**
 - **Growth in Wolt+ members helped drive Y/Y growth in avg order frequency in intl marketplaces in Q2** that was consistent w/ Q1
 - **Wolt+ growth is outpacing that of DashPass**

- **Improved unit economics in intl mktplaces on both a y/y and q/q basis in Q2**, driven partly by improvements in Dasher efficiency
 - **Continue to be gross profit positive for overall international**

Continue To See Strength Building New Verticals

- **New Verticals are growing “much faster” than core restaurants biz**
 - Grew share and reiterated expectations of being volume share leaders within the next yr
- **Seeing strength both from new and existing cohorts**
 - Size of new and mature cohorts ordering from new verticals is higher than same time last year
 - Mature cohorts are also engaging more, increasing order frequency
- **What is driving growth in new verticals?**
 - Have increased the selection on the platform “quite considerably”
 - Quality of the product “is continuing to get better”
 - Made the product more affordable
 - More DashPass users are ordering from more categories
- **Had said back in Q4 that ~1/4 of users order from new verticals – “that number has continued to increase”**

Other Key Updates Across Advertising, AI, And Autonomous/Drone Delivery

- **On advertising - demand is still outpacing supply:** “There is more dollars that advertisers want to spend with us than we are willing to give in terms of the surfaces in which we allow them to advertise”
 - **No update on where annualized rev run rate is right now (surpass \$1bn last yr)**
- **Highlighted some key use cases for AI across the biz -**
 - **Across DoorDash consumer product**
 - Rethinking personalization, search, ranking, etc.
 - **Physical and repetitive tasks for merchants, retailers, and delivery drivers**
 - i.e., onboarding merchants, creating menus, managing inventory, etc. can all be rethought “in terms of how we can do that in much more efficient ways with higher quality and fidelity”
 - **Increasing productivity across the organization**
- **On headcount growth in relation to AI uses within the corporate structure – “a lot of our head count growth is really geared towards working on new problems** that we see that we can solve for local commerce versus some of the existing ones”
- **Have been working on autonomous and drone delivery for ~8 yrs but still a while out before they can use:** Reiterated that autonomous delivery is very different from autonomous passenger driving as need to solve for the end-to-end system (vs a passenger being able to walk to and from a destination to get to the vehicle)


IN ADDITION TO DOORDASH, Instacart also reported this week.

Instacart: The Co reported better than expected Q2 results as well as Q3 guidance. See details below.

- **Instacart - Q2 beat expectations on revenue and adj. EBITDA, as well as GTV and Orders (AOV was the exception and came in a bit light)**

Instacart	Q2 2025 Results				
	Actual	Q2 y/y	Q1 y/y	Cons Est	% Surp
Revenue (\$mn)	\$914	11%	9%	\$896	2.0%
Adj EBITDA (\$mn)	\$262	26%	23%	\$247	6.1%
Adj EBITDA Margin (%)	28.7%			27.6%	
Revenue by Segment (\$mn)					
Transaction	\$659	11%	8%	\$640	3.0%
Advertising & Other	\$255	12%	14%	\$255	0.1%
Key Operating Metrics					
Gross Transaction Value (GTV)	\$9,081	11%	10%	\$8,930	1.7%
Orders (mn)	82.7	17%	14%	80.7	2.5%
Average Order Value (AOV)	\$110	-5%	-4%	\$111	-0.9%

Source: Instacart Filings; FactSet Data & Analysis



- **Q3 guidance also came in ahead of the Street –**
 - **Adj EBITDA – BEAT by +2.7% at the midpt:** \$260-270mn vs cons \$258.1mn
 - **GTV – BEAT by +1.6%:** \$9.00-9.15bn vs cons \$8.93bn
 - Represents y/y growth b/w 8-10%
 - **Expect order growth will outpace GTV group in Q3**
 - **Remain on track to expanding adj EBITDA y/y on both an absolute and % of GTV basis in 2025**
- **Highlighted “a lot of uncertainty” in CPG environment which goes beyond tariffs...:** Including –
 - Regulatory (i.e., SNAP program rules, food dyes) is pressuring CPG cos to meet profitability targets
 - Consumer preferences are shifting towards healthier options, which requires some CPG that don’t index heavily towards that to rethink investments
- **...BUT that gives opties for emerging brands to “really rush in and gain share”**
- **Continuing to invest in Instacart+ growth – “critical to us and a big focus of ours [because] these [are] the most loyal and high spending customers that we have”**
 - **That is why they are working to make Instacart+ more valuable by –**
 - Launching restaurant ordering within Instacart+ in the last yr
 - Reducing minimum basket size to \$10
 - Offering reciprocal memberships with partners like Peacock and New York Times Cooking.
 - Expanding family accounts so multiple people can shop under one membership, which increases convenience and overall spend
 - **“We know if you are an Instacart+ member that over time you spend significantly more GTV on average than non-Instacart+ members”**
- **Making online grocery more affordable remains a key focus - encouraging partners to embrace more competitive pricing strategies**
 - **Several retailers have been moving to same-as-in-store pricing**
 - Retailers that price items at in-store parity consistently grow faster on avg than those with markups
 - **Also seeing strong adoption of technologies that help retailers deliver lower prices on select items without fully committing to price parity**
 - I.e., launched EBT SNAP, loyalty, and flyers with the majority of their top 30 retailers
- **Accelerating pace of retailer launches:** Have launched 40+ net-new retailer site in H1:25, compared to 30+ launches in all of 2024 and “just over” a dozen launches in 2023
 - Driven by investments made in 2024 to unify marketplace and enterprise Storefront tech stacks, along with leveraging AI to streamline onboarding
- **Expanding beyond online retail to in-store technologies**
 - **Continue to expand locations where Caper Carts are available:** Can tell customers after they’re done purchasing in a Caper Cart to reorder all the items in stores or online, and even offer them a coupon
 - “Drives the acquisition of multi-channel customers, which are more valuable than online-only customers or in-store only customers”
 - **Launched Carrot Tags:** Electronic shelf label software that now power 10% of orders; “Increases found rate and sell rate meaningfully”

- **“Certainly very focused on AI adoption” across the Co**
 - 80% of code generated today is AI-assisted
 - Don't have immediate plans for AI to have an impact from an OpEx perspective but “over time, as we're able to really translate these gains maybe that's something we could see”

Stock Market Check

Market Changes the Past Week

Benchmark	Abs. Value	W/W Change
S&P 500	6,389	2.4%
NASDAQ	21,450	3.9%
Dow Jones	44,176	1.3%
Gold	\$3,458	1.7%
WTI Crude	\$63.35	(5.9%)
10-Year Treasury Yield	4.28%	+7.1 bps
Bitcoin	\$117,425	3.4%
Ether	\$4,084	15.8%

LionTree TMT Universe Performance (~220 stocks)

Best-Performing Stocks	+	Worst-Performing Stocks	-
Lemonade Inc.	34.6%	Vivid Seats Inc	(42.2%)
Jumia Technologies AG	29.9%	The Trade Desk	(37.0%)
DigitalOcean Holdings Inc	28.4%	Allbirds Inc.	(26.9%)
Shopify Inc.	26.1%	GoodRx Holdings, Inc.	(23.4%)
CoreWeave	24.4%	Clover Health	(21.6%)
ZIFF DAVIS INC	24.4%	MNTN	(21.2%)
Globalstar Inc	23.0%	Six Flags Entertainment Corp.	(19.9%)
The RealReal	22.1%	Gogo Inc	(19.5%)
Palantir Technologies Inc	21.2%	Paramount Global	(19.2%)
Applovin Corp.	20.3%	Snap Inc	(18.1%)

Best-Performing Sub-Industries	+	Worst-Performing Sub-Industries	-
Space	16.7%	Entertainment Facilities/Theme Parks	(40.3%)
Hardware/Handsets	13.1%	Ad Tech	(31.7%)
Music	9.6%	Satellite Communications	(6.3%)
EdTech	8.9%	Cybersecurity Software	(5.0%)
Employment Marketplace	6.5%	Pay-TV / Broadband	(2.8%)
Application Software	6.4%	Out of Home Advertising	(2.6%)
Semis	4.8%	Sports & Sports Betting	(1.7%)
Internet/Advertising	4.6%	Telecom Infrastructure	(1.6%)
Consumer Retail	4.4%	Broadcast TV	(1.4%)
Last Mile Transport/Delivery	3.7%	Online Travel	(0.6%)

This Week's Other Curated News

Advertising/Ad Agencies/Ad Tech

- **Omnicom's planned \$13bn all-stock acquisition of Interpublic was cleared by the U. K.'s CMA**, stating it won't refer the merger for further review. The deal, annnc'd in Dec, had earlier received provisional FTC approval on Jun. 25 after both cos pledged not to collude on politically driven ad boycotts. ([The Wall Street Journal](#))

Artificial Intelligence/Machine Learning

- **Meta has acquired WaveForms AI, an A16z-backed startup focused on emotion-recognition in audio.** Founded by ex-Meta, OpenAI, and Google experts, WaveForms annnc'd a \$40mn round earlier this yr. Founders join Meta's Superintelligence Labs. ([Tech in Asia](#))
- **OpenAI annnc'd GPT-5 for all ChatGPT users, calling it a major leap in AI.** CEO Altman claims it's the best model globally for coding, writing, and health care. ([The Verge](#))
- **Google annnc'd Gemini's new Guided Learning tool, aiming to deepen student understanding via step-by-step AI tutoring.** Unlike instant-answer bots, it mimics human tutors, adapting to learning styles and prompting reasoning. The launch, part of a \$1bn AI education push, rivals OpenAI's ChatGPT Study mode, fostering insight through thoughtful Q&A rather than direct answers. ([Fast Company](#))
- **Google annnc'd Jules, its AI coding agent, is out of beta and is powered by Gemini 2. 5 Pro.** Jules runs async in Google Cloud VMs, integrates w/ GitHub, and auto-fixes code. Pricing starts free (15 tasks/day), w/ paid tiers at \$19.99 & \$124.99/mo. Beta saw 140K+ code improvements. Jules now supports empty repos, mobile access (~45% traffic), and deeper GitHub integration incl. ([Tech Crunch](#))
- **Amazon annnc'd it will offer OpenAI's latest AI models on Bedrock and SageMaker, marking the first time the Co provides OpenAI tools.** These open-weight models enable customization and advanced reasoning for AI agents. AWS aims to boost rev and compete w/ rivals like MSFT. Amazon also invested \$8bn in Anthropic, whose Claude models are part of AWS's AI svcs. ([Yahoo Finance](#))
- **OpenAI is in early talks for an employee share sale valuing the Co at ~\$500bn, up from \$300bn.** The sale, ahead of a potential IPO, may let staff sell several bn in shares. ([Reuters](#))
- **US AI cos Runway and Luma AI are raising funds amid rising competition.** Runway seeks ~\$500mn at a \$5bn valuation; Luma targets \$1.1bn at \$3.2bn. Runway's rev hit \$90mn by Jun. 2024; Luma reached \$8mn pace by Dec. 2024. Despite losses, valuations remain high due to strategic importance of AI tech. ([Tech in Asia](#))

- **Anthropic annnc'd Claude Opus 4. 1, enhancing agentic tasks, real-world coding, and reasoning.** Software engineering accuracy rose to 74.5% vs. Claude Sonnet 3.7's 62.3% and Opus 4's 72.5%. Improvements include better in-depth research, data analysis, and detail tracking. ([9to5Mac](#))
- **Google DeepMind annnc'd Genie 3, an AI model that generates 3D worlds in real time w/ improved memory and interaction.** Unlike Genie 2's 10–20s limit, Genie 3 supports a few mins of play, 720p visuals at 24fps, and “promptable world events.” It's launching as a limited research preview for select creators. ([The Verge](#))
- **Reddit, cited most by AI models per Profound data, topped domains like Wikipedia and YouTube in Q2 2025.** Its Q2 letter revealed ~70mn weekly search users, aiming to be a go-to search engine. CEO Huffman emphasized Reddit's role in LLM training. While some publishers sign AI deals, others sue over content use. ([Press Gazette](#))
- **Goldman Sachs' economist Joseph Briggs said generative AI is already impacting the U. S. labor mkts, especially young tech workers.** Unemployment among 20–30 yr-olds in tech rose 3%. AI adoption has led cos like Microsoft, Alphabet, and Salesforce to automate up to 50% of tasks. Briggs warned ~6–7% of jobs could be lost due to AI, w/ faster adoption or AGI potentially causing deeper disruption. ([CNBC](#))
- **Airlines like Delta are testing AI-driven pricing via Fetcherr, an Israel-based startup.** The tech creates complex fare structures that shift rapidly, aiming to boost rev in what's called the “exploitation phase.” Critics, incl. lawmakers, cite data privacy and rising costs. Delta says pricing isn't individualized, but past statements suggest otherwise. ([Bloomberg](#))
- **Apple CEO Tim Cook, in a rare all-hands meeting, emphasized AI as transformative, likening it to the internet and smartphones.** Cook urged faster AI adoption, annnc'd retail expansion in emerging mkts, and teased “amazing” upcoming products. ([The Economic Times](#))
- **OpenAI expects ChatGPT to hit 700M weekly active users this week, up from 500M in March and 4x higher year-over-year.** Daily messages exceed 3B, with 5M paying business users. Revenue hit \$13B and is on pace for \$20B. ([CNBC](#))

Audio/Music/Podcast

- **Spotify annnc'd a price hike for premium individual plans to €11. 99 (\$13.86) from €10.99 starting Sept in select mkts incl South Asia, Middle East, Africa, Europe, LatAm & Asia-Pacific.** Move aims to boost margins. Prior hikes & cost cuts led to 2024's first annual profit. ([Reuters](#))

- **Amazon is reorganizing its Wondery podcast biz, cutting ~110 jobs and shifting shows to Audible or a new “creator svcs” team.** Wondery CEO Jen Sargent will also exit the Co. ([Bloomberg](#))

Broadcast/Cable Networks

- **CNN’s primetime viewership hit a historic low in July 2025, avg just 497,000 viewers—a 42% YoY drop.** Fox News led w/ 2.41mn, MSNBC had 865,000. CNN’s 25–54 demo fell 55% to 92,000, risking ad rev. The full-day avg. was 370,000, down 38%. Rev has dropped ~\$400mn over 3 yrs amid cost cuts. ([Cord Cutter News](#))

Cable/Pay-TV/Wireless

- **LLA annnc’d Q2 & H1 2025 results showing 8% YoY adj OIBDA growth to \$822mn despite a H1 operating loss of \$205mn.** ~100k broadband/postpaid adds drove momentum. Liberty Puerto Rico posted 21% YoY adj OIBDA growth; Co plans its separation to unlock shareholder value. ([Business Wire](#))
- **AT&T plans to sell its Mexico mobile unit for \$2bn, exiting a decade-long low-margin market dominated by América Móvil.** Regulatory shifts in 2025, incl. CRT oversight & CFE’s telecom entry, raised complexity for foreign cos. Sale recoups ~20% of \$10bn investment, refocusing capital on U.S. 5G & fiber. ([Ainvest](#))
- **Deutsche Telekom reported Q2 adj. EBITDA AL of €11bn, in line w/ expectations, but shares fell up to 6% due to weak domestic performance.** Rev in Germany declined 1.3% YoY; mobile users rose 1.9% but 20K broadband lines lost. T-Systems saw 20.5% order growth, boosted by AI collab w/ Nvidia. ([Reuters](#))
- **Swisscom annnc’d its 2025 rev will hit the low end of guidance due to soft B2B demand, Swiss franc strength, price cuts & rising costs.** H1 rev rose 36.7% to 7.45bn francs on Vodafone Italia deal, but adj rev fell 1.4%. Co expects ~15–15.2bn francs rev & ~5bn EBITDAaL. CEO cited delayed IT investments & Trump’s tariffs reshaping mkts. ([Reuters](#))
- **Cable One annnc’d a mobile pilot w/ Reach as MVNE, aiming to test svcs in multiple mkts by end of 2025.** CEO Laulis said mobile could complement broadband, reduce churn & boost retention. Pricing not yet revealed. The Co hasn’t committed to a full launch. ([Light Reading](#))
- **The Trump admin warned states they’ll lose access to \$42.45bn BEAD broadband grants if they enforce price mandates.** NTIA’s updated FAQ bars states from setting rates for low-cost svcs, even under state law. NY’s \$15/mo broadband law faces uncertainty. Cable lobby backs NTIA’s stance, while critics call it a “farce.” ([Ars Technica](#))

Capital Market Updates

- **SoftBank posted \$2.9bn net profit in Q1, boosted by its ~\$3bn Nvidia stake and AI bets via Vision Funds.** Gains incl. Coupang, PayPay IPO prep, and a \$40bn OpenAI round valuing it at \$300bn. ([Financial Times](#))
- **Trump signed an EO to expand access to alt assets like crypto, real estate & private equity in 401(k)s.** Proponents cite higher returns & portfolio diversification; critics warn of risk, fees & low transparency. ([Reuters](#))
- **Singapore-based Carro, SE Asia's largest used-car online marketplace, is prepping for a U. S. IPO by 2026, aiming to raise up to \$500mn w/ a valuation >\$3bn.** If successful, it'll be the biggest SE Asian IPO in the U.S. since SEA's 2017 listing. Carro, founded in 2015, offers vehicle sales, insurance, financing & svcs, and operates across APAC. ([Reuters](#))
- **New America Acquisition I Corp, a SPAC backed by Eric & Trump Jr, has filed for a \$300mn US IPO.** Led by Kevin McGurn, the Co aims to acquire US-based firms in aerospace, critical minerals & domestic manufacturing w/ enterprise value ≥\$700mn. The brothers will get 5mn shares & advisory roles. ([Yahoo Finance](#))

Cloud/DataCenters/IT Infrastructure

- **Apollo annnc'd majority stake in Stream Data Centers (SDC), betting on AI-driven infra demand.** SDC, w/~20 campuses and multi-gigawatt pipeline, serves hyperscalers like Amazon, Microsoft, Google. McKinsey sees \$6.7tn spend by 2030. Meta, Microsoft, Alphabet plan \$66bn–\$120bn+ in AI capex. Apollo aims to deploy billions; SDC mgmt retains minority stake. ([Reuters](#))
- **Super Micro shares fell 15% on Tue after weak Q4 results and guidance.** Adj EPS was 41¢ vs. 44¢ expected; rev hit \$5.76bn vs. \$5.89bn forecast. Net income dropped to \$195.2mn, impacted by Trump-era tariffs. FY26 rev outlook is ~\$33bn, topping consensus. Growth slowed post-2023 AI surge. ([CNBC](#))
- **Meta to sell \$2bn in data centre assets to fund AI future, shifting to joint ventures for infra dev.** Move enables shared risk, agility, and capital efficiency. Meta plans AI superclusters, w/ 2025 capex projected at \$66–\$72bn. CFO confirms co-dev strategy to meet evolving AI demands. ([Techgig](#))

Crypto/Blockchain/web3/NFTs

- **Ripple annnc'd it will acquire stablecoin payments platform Rail for \$200mn, aiming to expand its stablecoin biz amid clearer regulations.** The deal, closing in Q4 pending approvals, adds virtual accounts and automation to Ripple's svcs. Rail, backed by Galaxy Ventures, handles ~10% of global stablecoin payments. ([Reuters](#))
- **Core Scientific shareholders oppose CoreWeave's \$9bn merger bid, citing undervaluation and reduced ownership (<10%).** Legal probes question the proposed 0.1235 CoreWeave shares per CORZ share. Deal aims to cut \$10bn+ in lease costs, add \$500mn/yr savings by 2027, and boost AI infra. ([MSN](#))

Cybersecurity/Security

- **Google annnc'd a breach of its Salesforce database by ShinyHunters (UNC6040), exposing biz contact info of SMBs.** Though data was "basic," the scale remains unclear. The group, known for vishing tactics, previously hit Cisco, Qantas & Pandora. ([Cord Cutters News](#))

eCommerce/Social Commerce/Retail

- **Alibaba is set to launch a cross-platform membership program covering Taobao, Ele.me, Fliggy & Freshippo, following Ele.me–Fliggy merger.** The updated 88VIP scheme aims to boost customer retention via enhanced perks. ([Tech in Asia](#))
- **MercadoLibre missed Q2 profit estimates as Brazil's free-shipping push boosted rev but hurt margins.** Net income fell 1.5% y/y to \$523mn vs. \$596mn expected. Rev rose 34% to \$6.8bn, beating forecasts. EBIT hit \$825mn, below \$869mn est., w/ margin down to 12.2%. CFO cited short-term margin pressure due to shipping, marketing, and 1P biz growth. Shares fell ~4% post-market. ([Reuters](#))
- **Simon Property Group malls saw a 1.5% rise in traffic, but footfall is weak near U.S. borders despite a weak dollar.** Jefferies data shows Simon outperformed peers in May, though June traffic fell 2.7% YoY. ([Retail Dive](#))
- **Revolve's Q2 rev rose 9% to \$309mn, w/ adj EBITDA up 12% to \$22.9mn.** Net income fell to \$10mn due to tax timing. Active customers hit 2.7mn (+6%), driven by lower return rates. Intl. biz grew 17% to \$67.3mn. Revolve Festival in Apr. boosted marketing impact despite reduced spend. ([Women's Wear Daily](#))

- **Amazon annnc'd expansion of its Autos platform to include used and certified pre-owned vehicles, aiming to simplify the car-buying process.** The move builds on cos' efforts to streamline what many view as a time-consuming experience. ([Automotive News](#))
- **Retail job cuts surged 249% YoY to 80,487 through Jul. , per Challenger, Gray & Christmas.** July alone saw 62,000+ layoffs, up 29% from Jun. Tariffs, inflation & uncertainty led cos to close stores & cut staff. ([Retail Dive](#))

EdTech

- **Duolingo annnc'd a rev forecast hike for 2025 to \$1. 01–\$1.02bn, beating Q2 rev at \$252.3mn vs. est. \$240.7mn.** Shares rose ~20%. AI tools in Super/Max tiers boosted engagement. AI-driven features incl. video-call chatbots, error analysis, and feedback. Gross margin improved due to lower AI costs. ([Reuters](#))

Electric & Autonomous Vehicles

- **Tesla CEO Elon Musk annnc'd a new Full Self-Driving (FSD) model w/~10X params and enhanced video compression.** Targeted for release by end of Sept., pending tests. FSD, an upgrade to Autopilot, aims for minimal driver input. ([CNBC](#))
- **Lyft annnc'd a strategic partnership w/ Baidu to deploy Apollo Go's RT6 autonomous vehicles across Europe, starting in Germany and the UK by 2026 pending approval.** The collab aims to scale to thousands of AVs, integrating Baidu's tech w/ Lyft's platform. Lyft will manage ops while Baidu provides AVs and support. ([Street Account](#))

Film/Studio/Content/IP/Talent

- **Paramount & Skydance finalized an \$8. 4bn merger, forming "Paramount, A Skydance Corp."** (ticker: PSKY). ([Flick Direct](#))
- **Brian Robbins will step down as Paramount Global's co-CEO following its merger w/ Skydance Media.** Robbins, who joined in 2017 and led Paramount Pictures since 2021, oversaw 17 No.1 releases incl. "Mission: Impossible." David Ellison will become CEO. Post-merger, the Co will focus on studios, direct-to-consumer, and TV media. ([Reuters](#))
- **Skydance TV prez Matt Thunell will oversee Paramount TV Studios post-Paramount-Skydance merger, replacing Chris McCarthy.** The merged unit includes Skydance TV and Showtime/MTV Entertainment Studios, reviving the Paramount TV name. CBS Studios remains separate under David Stapf. ([Variety](#))

- **Disney is navigating AI's rise in Hollywood, balancing innovation w/ IP protection.** AI efforts span Disney+, Fortnite, and film, but face union pushback, brand risks, and ownership issues. ([The Wall Street Journal](#))

FinTech/InsurTech/Payments

- **Block shares surged 6% after the Co annnc'd a raised full-yr forecast despite a Q2 earnings miss.** Adj EPS was 62¢ vs. 69¢ expected; rev fell ~2% YoY to \$6.05bn. Gross profit rose 14% to \$2.54bn, beating estimates. Square's GPV hit \$64.25bn; Cash App posted \$2.37bn. Full-yr gross profit guidance was raised to \$10.17bn (+14%). ([CNBC](#))
- **Chime beat Q2 rev estimates in its first post-IPO results, reporting \$528mn (vs. \$495.2mn expected), driven by strong demand for digital banking svcs.** Avg. rev/member rose 12% to \$245; purchase volume hit \$32.4bn (+18%). Gross profit reached \$461mn (vs. \$333.7mn last yr). ([Reuters](#))

HealthTech/Wellness

- **Alibaba's Damo Academy & Beijing United Family Hospital annnc'd AI partnership for cancer diagnosis using "One Sweep Multi-Check" system enabling multi-disease screening via single CT scan.** The collab targets chronic conditions too. ([Tech in Asia](#))
- **Hims & Hers Health shares fell 9% post-earnings after Q2 rev of \$544.8mn missed estimates (\$552mn).** Adj EBITDA rose to \$82mn vs. \$39.3mn last yr. Net income hit \$42.5mn. Q3 rev guide: \$570–\$590mn; analysts expected \$583mn. ([CNBC](#))

M&A

- **Global M&A hit \$2.6tn YTD, up 28% YoY despite 16% fewer deals, driven by US megadeals like Union Pacific's \$85bn bid for Norfolk Southern & OpenAI's \$40bn round.** AI, regulatory shifts & PE re-entry fueled activity. Sectors from health to tech saw growth, incl. Samsung's \$1.7bn FlaktGroup buy & Palo Alto's \$25bn CyberArk deal. ([Reuters](#))

Macro Updates

- **Americans' long-run inflation outlook worsened in Jul. , w/ 5-yr expectations rising to 2.9%, highest since Mar.** 1-yr inflation seen at 3.1%. Despite this, households felt better

about their financial situations. Mixed labor mkts views cont'd, while tariffs under Trump's admin may fuel inflation. ([Reuters](#))

- **US labor productivity rebounded by 2.4% in Q2, per Labor Dept data, after a revised 1.8% drop in Q1.** Output rose 3.7% vs. 1.3% gain in hours worked. Unit labor costs increased 1.6%, while hourly compensation surged 4.0%. Real hourly pay rose 2.3%. Oxford Economics noted tech, deregulation, and tax cuts could boost productivity w/o fueling inflation, though tariffs and uncertainty pose risks. ([RTT News](#))
- **Wall Street strategists warn of looming stagflation as Trump's new tariffs take effect, raising inflation risks and slowing growth.** Despite bets on Fed rate cuts, sticky inflation persists—CPI rose 2.7% in Jun., w/ 2.8% expected next week. Treasuries rallied post-jobs report but cooled; 10-yr yield at 4.22%. ([MSN](#))

Online Marketplaces/Learning (Real Estate/Education/Jobs)

- **Match Group Inc annnc'd a Q3 rev forecast of \$910–\$920mn, beating analyst estimates of \$889mn.** Boosted by favorable FX rates, the Co pledged a \$50mn investment in product dev, signaling a potential turnaround after a yr-long slump. Hitting the low end would mark its first positive quarterly rev growth since Q3 last yr. ([Bloomberg](#))

Regulatory

- **Trump annnc'd a 25% tariff hike on Indian imports, raising total levies to 50% due to India's Russian oil purchases.** The move, effective in 21 days, follows prior 25% tariffs set for August 9th. India called the action “unfair” and cited energy security for 1.4bn people. ([CNBC](#))

Satellite/Space

- **AST SpaceMobile annnc'd deal to acquire global S-Band spectrum priority rights under ITU, expanding its space-based cellular broadband network.** The \$64.5mn transaction—\$26mn upfront, \$38.5mn deferred—aims to boost global mkts access w/ up to 60 MHz mid-band satellite spectrum. Services will target peak speeds of 120 Mbps. ([Yahoo Finance](#))
- **Firefly Aerospace annnc'd a raised IPO share price range of \$41–\$43, valuing the space tech Co at over \$6bn.** The move could raise ~\$697mn, up from a prior \$5.5bn valuation. Firefly, known for Alpha rockets and lunar landers, partners w/ NASA, Lockheed Martin, and others. Rev surged from \$8.3mn to \$55.9mn YoY, though net loss widened to \$60.1mn. ([CNBC](#))

- **EchoStar annnc'd a \$5bn plan to build a LEO satellite network for global D2D svcs via 5G devices.** MDA Space will design 200+ AURORA™ satellites under a ~\$1.3bn contract. Launch set for 2029, leveraging EchoStar's 2GHz spectrum assets across U.S., Europe, and LatAm. The constellation will support voice, text, broadband, and IoT, integrating satellite-terrestrial tech for seamless connectivity. ([Cord Cutter News](#))

Social/Digital Media

- **NYT added ~230,000 digital-only subs in Q2, beating estimates.** Digital ad rev rose 18.7% to \$94.4mn; total rev hit \$685.9mn, up 9.7%. Adj profit/share was 58¢ vs. 50¢ expected. ~6.02mn of 11.30mn digital subs use bundles. CEO said 50%+ subs now bundle/multi-product. NYT annnc'd confidence in AI deals post-Amazon pact, expected to bring \$20–\$25mn/yr. ([Reuters](#))
- **Bumble's paying users fell 8.7% to 3.8mn in Q2, raising concerns over its AI-driven revamp.** The Co posted a net loss of \$367mn due to \$404.9mn in non-cash impairment charges. Rev hit \$248.2mn vs. est. \$245.1mn. Bumble plans to launch a new BFF app in Aug. and host community events to attract Gen Z. Kevin Cook will become CFO. Q3 rev forecast: \$240–\$248mn, topping est. \$241.4mn. ([Reuters](#))

Software

- **Figma's IPO soared 250% on debut—setting a record for a \$1B+ US listing—but has since dropped 27%, though still trades well above its \$33 IPO price.** The company left over \$3.5B on the table, fueling debate over underpricing. CEO Dylan Field prioritized long-term investors over a higher IPO price despite heavy demand and a 40x oversubscription. ([Yahoo Finance](#))
- **Palantir topped Wall St estimates, hitting \$1bn in rev for the first time and boosting full-yr guidance to \$4.142–\$4.150bn.** Q3 rev forecast is \$1.083–\$1.087bn. U.S. rev rose 68% to \$733mn; gov't rev up 53% to \$426mn. Net income surged 144% to \$326.7mn. ([CNBC](#))
- **SAP annnc'd acquisition of SmartRecruiters for ~\$1.5bn, aiming to enhance its SuccessFactors suite w/ AI-driven recruiting tools.** SmartRecruiters, known for high-volume hiring & predictive analytics, serves cos like Visa & IKEA. The deal boosts SAP's HR tech presence amid fierce mkts competition. Integration may cut time-to-hire by 30%. ([WebProNews](#))

Tech Hardware

- **EU chip exporters will face a 15% tariff ceiling despite Trump's new ~100% levies on foreign semiconductors.** The U.S.–EU deal, annnc'd Aug 7, includes a \$600bn EU investment pledge in the U.S. ([The Wall Street Journal](#))
- **Apple annnc'd a \$100bn boost to its U. S. investment, totaling \$600bn over 4 yrs, launching the American Manufacturing Program (AMP).** AMP expands work w/ 10 cos, including Corning, TI, Samsung, and Broadcom, to build an end-to-end silicon supply chain. Apple plans to hire ~20,000 in R&D, AI, and software, and open new facilities in TX, KY, NC, and more, supporting 450,000+ jobs across all 50 states. ([Street Account](#))
- **Apple annnc'd a \$2. 5bn investment to produce 100% of iPhone and Apple Watch cover glass in Corning's Harrodsburg, KY facility.** Corning will expand its workforce by 50% and open an Apple-Corning Innovation Center. This move is part of Apple's \$600bn U.S. investment plan over 4 yrs, incl. its AMP initiative to boost domestic production of critical components and advanced tech platforms. ([Apple](#))
- **AMD shares fell ~5. 4% as China concerns overshadowed a cont'd upbeat AI forecast.** Despite rev rising 32% to \$7.7bn in Q2 and a strong Q3 outlook of \$8.7bn, uncertainty over MI308 chip sales in China persists due to export curbs. CEO Lisa Su annnc'd no MI308 rev in Q3 guidance. ([MSN](#))

Towers/Fiber

- **Crown Castle annnc'd Vantage Towers CEO Christian Hillabrant as its next chief, succeeding interim boss Dan Schlanger.** Hillabrant brings decades of telecom and digital infra experience, incl. roles at Ericsson, Samsung, T-Mobile US. Vantage Towers CFO Nicolas Mahler will serve as interim CEO. ([Mobile World Live](#))
- **Amphenol annnc'd a \$10. 5bn all-cash deal to acquire CommScope's connectivity & cable biz, expanding its broadband & 5G portfolio.** CommScope shares jumped 42%, Amphenol rose ~2%. The move boosts Amphenol's mkts presence, while CommScope aims to reduce its \$9.4bn debt. ([CNBC](#))
- **Singapore's GIC will acquire a 25% stake in a Spanish fibre broadband venture formed by MasOrange and Vodafone Spain, boosting its presence in EU telecom mkts.** MasOrange will hold 58%, Vodafone Spain 17%. ([Reuters](#))

Video Games/Interactive Entertainment

- **Sony Group's Q1 net profit rose 23% to ¥259.03bn, driven by strong game biz earnings.** Rev grew 2.2% to ¥2.622tn. Sony raised its full-yr profit forecast due to a smaller tariff hit—now ¥70bn vs. ¥100bn. Game biz profit surged to ¥147.96bn; 2.5mn PS5 units sold. Imaging biz profit rose 48%. ([The Wall Street Journal](#))
- **Battlefield 6's open beta hit ~330k concurrent players on Steam despite server issues and limited access, signaling strong interest in EA's grounded FPS.** Castle Crashers got its 1st DLC in 10 yrs, adding new content for \$4. Forza Motorsport's Twitter went silent post Jul 10, raising concerns amid layoffs. ([Kotaku](#))
- **Sony annnc'd Q1 results showing PS5 sales hit 80.** 3mn lifetime units, w/ 2.5mn sold Apr.–Jun. despite few first-party games. PSN active users rose to 123mn, and 65.9mn games sold, only 6.9mn first-party. Gaming rev reached \$6.3bn, nearly triple movie rev (\$2.3bn). Sony's total Q1 rev was \$17.8bn. ([Kotaku](#))
- **Epic annnc'd Fortnite's "Shock 'N Awesome" season arriving, featuring OG Power Rangers in a '90s-style live-action trailer.** The teaser, w/ Peely and rubber bug suits, marks the first new live-action Rangers content since 2023. The season includes an alien bug invasion, calling in the Rangers for backup. ([Kotaku](#))

Video Streaming

- **Fubo annnc'd ESPN+ access for all English-language base plans, incl. Pro, Elite & legacy plans w/ ESPN.** Subs can stream ESPN+ via Fubo login for UFC, MLB, NHL, college sports & originals. New promo offers \$30 off Pro (\$84.99/mo) & Elite (\$94.99/mo), \$8 off Latino (\$32.99/mo). ([Cord Cutters News](#))
- **UFC may shift from ESPN to a streaming platform post-2025, w/ Netflix emerging as a top contender.** Dana White hinted at a global strategy, citing Netflix's 301.6mn subs and WWE's \$5bn deal. While ESPN remains in talks, TKO eyes broader reach. Netflix Co-CEO Sarandos emphasized "ownable" events. ([Sportico](#))
- **Roku annnc'd Howdy, a \$2.99/mo ad-free streaming svcs launching in the U.S. w/~10,000 hrs of content from Lionsgate, Warner Bros. Discovery, FilmRise & Roku Originals.** Titles include Mad Max: Fury Road & Weeds. Designed to complement premium svcs, not compete. Follows Roku's May acquisition of Frndly TV. ([The Hollywood Reporter](#))
- **Sports content drove 24% of new paid TV subs in Q2 per Worldpanel by Numerator.** Disney+ gains w/ UEFA Women's Champions League rights. Ad-supported tiers rose 3% QoQ, now 14% up YTD. Prime Video led new subs share (14%), while YouTube Premium grew 17%. Local svcs like WOW and Joyn surged. Netflix's new UI saw mixed reviews. ([Advanced Television](#))

- **Tom Ryan, co-founder of Pluto TV and CEO of Paramount Streaming, is stepping down after 12 yrs.** He launched Pluto in Apr. 2014; it was acquired for \$340mn in 2019. Under his leadership, Paramount Streaming grew from \$1.8bn in 2020 to \$7.6bn in 2024, hitting \$2.2bn quarterly rev and \$157mn profit in H1 2025. Ryan will stay on as advisor to Cindy Holland post-acquisition. ([Cord Cutters News](#))

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