



WEEK ENDING NOVEMBER 7, 2025

It was an earnings avalanche (!) this week with over 90 companies in our universe reporting across a wide range of sub-sectors. It feels like a bit of a blur at this point, but we tried to cover as much ground as possible with updates across music, digital advertising, live events/concerts, last mile delivery, online travel, and sports betting, among other areas.

In the background, the markets were under pressure with Nasdaq falling -3% as big tech sold off and the S&P 500 was down -1.6%. Concerns about the AI trade as well as sensitivity regarding the health of the consumers were front and center. But the economy seems to be chugging along. At this point, 91% of the S&P 500 companies have reported and according to FactSet, blended y/y earnings growth stands just above 13% vs the 7.9% expected at the end of the quarter and ~82% of companies surprised on earnings (above the one-, five-, and ten-year averages). The one caveat is that the magnitude of those beats has lagged longer-term averages.

The key themes/developments that we focused on in this edition are below:

1. [Earnings Scorecard – Week 4](#)
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Lastly, I would like to highlight that **LionTree** served as financial advisor to **MARI** on its acquisition of **IMG's Arts & Entertainment and Action Sports** events portfolios.

I hope you have a nice weekend. This edition is a bit more robust than our usual comprehensive report!

Best,
Leslie

P.S. If this email has been forwarded to you and you would to join our distribution list, please email me. Thanks!



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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

A nose bleeding 91 companies in our LionTree Universe reported this week, which is up from 36 in Week 3. The bias with stock reactions was negative with 42 trading up and 49 trading down. The worst performer was **Duolingo**, down -26%, and the best performer was **Lemonade**, up +34%.

Application software was represented this week with **Unity** leading up +18% in reaction (Theme 13) while **Shopify** traded down -7% (Theme 13) and others such as **AppLovin** (Theme 13) and **Clear Secure** (Theme 12) traded only slightly up. Last mile transportation was also represented with **Lyft** taking top spot at up +5.8% (Theme 13), while **Uber** fell -5.1% (Theme 10) and **DoorDash** cratered -17.5% (Theme 11).

Music and Live Events reacted poorly to earnings with **Live Nation** falling -10.6% (Theme 8), followed by **TKO** down -3.3% (Theme 9) and **Spotify** down -2.2% (Theme 2). Online travel had a good week with **Expedia** up +17.4%, though **Airbnb** rose only +0.7% (Theme 12).

Some other key results this week were **Snap** up +9.7% (Theme 7) and **Pinterest** down -21.8% (Theme 6). **The Trade Desk** was down -5.9% (Theme 13), **Take Two** was down -8.2% (Theme 5), **DraftKings** was up +7.5% (Theme 4) and finally **Warner Bros. Discovery** was down -1.5% (Theme 3).

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		Pay-TV / Broadband	
Magnite	-13.1%	Clover Health	-15.8%	Altice	-3.7%
The Trade Desk	-5.9%	Doximity	-13.8%	Cable One	-1.7%
Taboola	11.4%	Hims & Hers	-3.6%	Satellite Communications	
Application Software		Oscar Health	-2.8%	Gogo	-13.1%
Shopify	-6.9%	GoodRx	2.1%	Globalstar	5.3%
Applovin	0.7%	Internet / Advertising		Semis	
CLEAR Secure	0.7%	Bumble	-21.8%	QUALCOMM	-3.6%
DigitalOcean	18.0%	Pinterest	-21.8%	Arm Holdings	-1.2%
Unity	18.1%	Yelp	-9.8%	Advanced Micro Devices	2.5%
Broadcast TV		IAC	-1.7%	Smart Home Security	
Nexstar	-3.6%	ZIFF DAVIS	-1.2%	ADT	-8.1%
Gray Media	5.5%	Match	5.2%	Alarm.com	5.5%
Sinclair Broadcast Group	17.9%	Snap	9.7%	Software IT Services	
The EW Scripps	24.1%	Last Mile Transport / Delivery		Rackspace	-12.0%
Consumer Retail		DoorDash	-17.5%	Palantir	-7.9%
Allbirds	-20.6%	Uber	-5.1%	Datadog	23.1%
Warby Parker	-11.1%	Lyft	5.8%	Sports & Sports Betting	
Zalando	7.1%	LatAm Telco		Liberty Braves	-1.8%
Figs	12.6%	Liberty Latin America	1.8%	Liberty Media Corp-Liberty Formula One	0.7%
Digital Real Estate		Live Events		DraftKings	7.5%
Opendoor	-1.4%	Live Nation	-10.6%	Telecom Infrastructure	
e-Commerce		TKO	-3.3%	SBA Communications	1.4%
ThredUp	-7.5%	Madison Square Garden Entertainment	-0.6%	Theaters	
Groupon	-5.7%	Media Entertainment		AMC	4.0%
Revolve	11.0%	Stagwell	16.8%	Cinemark	7.6%
EdTech		Music		US Media/Video	
Duolingo	-25.5%	Spotify	-2.2%	fuboTV	-8.5%
Grand Canyon Education	-6.3%	Music		Lions Gate	-1.6%
Employment Marketplace		Warner Music Group	3.7%	Warner Bros. Discovery	-1.5%
Fiverr	-4.9%	Online Travel		AMC	3.7%
Ziprecruiter	4.9%	TripAdvisor	-0.1%	US Print Media/Publishing	
Upwork	13.2%	Airbnb	0.7%	The New York Times	-0.2%
Entertainment Facilities		Trivago	1.3%	News Corp	6.3%
Lucky Strike	-1.1%	Expedia	17.4%	Video Games	
Six Flags	-0.3%	Out Of Home Advertising		PLAYSTUDIOS	-9.8%
Eventbrite	18.9%	Clear Channel Outdoor	-1.7%	Take-Two	-8.2%
European Telco		Lamar Advertising	1.2%	Playtika	11.5%
BT Group	1.3%	Outfront Media	14.0%	Source: FactSet *Day post earnings	
Hardware / Handsets		Payments/FinTech			
GoPro	-11.8%	Robinhood	-10.8%		
Sonos	1.4%	Block	-7.7%		
Peloton	12.5%	Affirm	10.9%	Source: FactSet *Day post earnings	
		Lemonade	34.2%		

2) Investors Are Still Waiting For The Fruits Of Spotify's Investments & Execution To Come

It was a mixed bag regarding Spotify's Q3 and Q4 guidance, with the Co's investments and execution not yet yielding some of the positive impacts for which investors have been waiting. While Q3 operating income beat by +16%, a much lower-than-expected social charge was a key contributor, and revenues were only slightly ahead. On the plus side, gross margins topped expectations again and FCF was strong.

Digging deeper, the Co's advertising business is taking much longer than expected to inflect. While the new free mobile tier enhancements helped drive upside in ad-supported MAUs in Q3 (and should help prime the funnel for premium subscribers looking ahead), ad revenue missed again (by -4.6%). Programmatic is growing nicely but the turning point for overall ad revenue growth will come when programmatic growth surpasses the flatness or slight decline they have in direct sales. The signing of new DSP partners (Amazon/Yahoo) in Q3 should help and mgmt stressed that ad revenue growth is a question of "when" and not "if" it's going to happen and is guiding for H2 2026 as the time frame (though that is still some time off).

On the Premium side, while Q3 y/y revenue growth decelerated, it still beat Street estimates. Premium subscriber net adds of 5mn were ~in-line but the ARPU decline was not as high as expected. For Q4, the subscriber guidance was a little lighter than cons given the Co is bracing for a "small amount" of churn from recent price increases.

In terms of Spotify's broader platform initiatives, engagement with podcasts and audiobooks remains impressive (see stats below) but some analysts questioned why the Co is now distributing top podcasts through Netflix in early 2026.

Lastly, Spotify is wrapping up on renewals with its key partners and while they didn't disclose too much detail, mgmt did go out of their way to confirm that the deals include broader video rights, which is a "strategic win" for Spotify's content ambitions.

Overall, Spotify is a well-owned stock and the shares are now back to where they were after last qtr's slide post Q2 results. It is still one of the top performers in the sector YTD as the long-term growth thesis remains intact.

See below for more details on what we thought was most interesting from Spotify's earnings and results.

-> Spotify shares fell -7% on the day of earnings (also in a down-market tape) but remain up +38% YTD, outperforming the labels (Warner Music Group down -1% and Universal Music Group down -7%)

Q3 OpEx Margins Were Helped By Lower Social Charges While Revs Were in-Line & Q4 Guidance Was Mixed

- **Q3 op income beat the Street by +16% due to lower-than-expected Social Charges while revenue only slightly exceeded Street projections**
 - Total revenues grew +7% y/y (or +12% y/y FXN) which is a deceleration from the +10% y/y (or +15% y/y FXN) in Q2
 - Social charges were only €14mn, €41mn below their expectations
 - FCF was strong at €806mn
- **Q3 gross margins topped expectations: 31.6% (+53bp y/y) vs cons 31.1%**
 - Within segments, the launch of SPP shifted some GM costs from Ad-supported to Premium and this will impact Q4 as well

Spotify	Q3 2025 Results			
	Actual	Q3 y/y	Cons Est	% Surp
Total Revenue (mn)	€ 4,270	7%	€ 4,230	0.9%
Operating Income	€ 582	28%	€ 502	15.9%
Operating Margin (%)	13.6%		11.9%	
Gross Margin (%)	31.6%		31.1%	

Source: FactSet, StreetAccount



- Mixed Q4 outlook...total Q4 revs were guided -1.3% below Street estimates (and implies FXN +13% y/y growth vs the +12% in Q3) while op income was guided +1.6% ahead
 - Gross margin guidance also surpassed consensus ests

Spotify	Q4 2025 Guidance		
	Actual	Cons Est	% Surp
Total Revenue (mn)	€ 4,500	€ 4,560	-1.3%
Operating Income	€ 620	€ 610	1.6%
Operating Margin (%)	13.8%	13.4%	
Gross Margin (%)	32.9%	32.6%	

Source: FactSet, StreetAccount



- 2026 comments: Expect a step down in Q1 gross margins from advertising seasonality... “Beyond this, we are confident in our path and expect 2026 to be another year of healthy revenue growth, disciplined reinvestments, and margin and cash flow improvement”

New Mobile Free Tier Enhancement Drove Upside In Q3 Ad Supported MAUs Which In Turn Should Drive More Premium Subs Over Time

- Q3 total MAUs of 713mn marginally BEAT consensus by +0.4% (and grew +11% y/y) due to better ad-supported MAUS (Premium subs growth was ~inline)
 - Posted y/y and q/q MAU growth in all regions led by RoW, Europe and N.America
- What helped drive upside in ad supported? The new global launch of mobile free tier enhancements

Spotify	Q3 2025 Results			
	Actual	Q3 y/y	Cons Est	% Surp
Total MAUs (mn)	713	11%	710	0.4%
Premium Subs (mn)	281	12%	281.2	-0.1%
Ad-Supported MAUs (mn)	446	11%	442.3	0.8%

Source: FactSet, StreetAccount



- The mobile free tier enhancements should help ad-supported MAUs in Q4 as well, while Premium subs were guided slightly below cons
 - Will this enhancement lead to people converting to paid subs overtime? Mgmt thinks so...“every time that we've made a change to a free product and it's generated more MAU in the history of Spotify, it's led to more business growth down the line. So we just have to trust the funnel”

Spotify	Q4 2025 Guidance		
	Actual	Cons Est	% Surp
Total MAUs (mn)	745	740	0.7%
Premium Subs (mn)	289	291.0	-0.7%

Source: FactSet, StreetAccount



Better Than Expected ARPU Performance Helped Drive Upside To Premium Revenue in Q3

- **Q3 Premium rev growth of +9% y/y (or +13% y/y FXN) was a slowdown from the +12% y/y (or +16% y/y FXN) but revenue still beat cons by +2%**
- **Q3 Premium subscriber net adds of 5mn were ~inline**, reaching 281mn, (+12% y/y) and grew y/y and q/q in all regions led by LatAm and N. Amer due to strong global promotional campaign intake
 - **But Q4 net add guidance was -0.7% below the Street**
 - Expected “small amount of churn” from the price increase...have new pricing in more than 150 markets this year versus six in the prior year
- **Q3 ARPU beat cons by almost 2% but fell -4% y/y (or flat FXN as price increases were offset by product/market mix)**
 - **Outlook – expect ARPU growth of ~around +2% y/y (FXN)**

Spotify	Q3 2025 Results			
	Actual	Q3 y/y	Cons Est	% Surp
Breakdown by Segment				
Premium				
Premium Revenue (mn)	€ 3,830	9%	€ 3,760	1.9%
Premium Gross Margin	33.2%		32.7%	
Premium Subs (mn)	281	12%	281.2	-0.1%
Premium ARPU	€ 4.58	-4%	€ 4.50	1.8%

Source: FactSet, StreetAccount



The Advertising Business Has Not Found Its Footing But Growth Is A Question Of “When”, Not “If”

- **Q3 ad-supported revenue was below expectations, again:** Fell -6% y/y (or flat FXN) vs a decline of -1% y/y (or +5% y/y FXN in Q2) and missed cons by -4.6%
 - Music and podcast advertising was driven by growth in impressions sold, partially offset by softness in pricing and optimization of podcasting inventory in their Owned & Licensed portfolio
 - Automated sales channels were the largest contributors to overall ad growth (on a like-for-like basis, ex the near-term impacts from the optimization of their licensed podcast and the rollout of the Spotify Partner Program, they had a mid-SD FXN ad growth)
- **Q3 ad-supported ARPU also missed:** €0.34 vs cons €0.36
- **On the plus side, ad-supported margins continue to expand...from 15.3% in Q1 to 18.3% in Q2 to 18.4% in Q3**
 - **But there will be fluctuation going forward...**the Co benefitted from the move of SPP into the Premium side and that will continue in Q4 BUT they won’t have that benefit starting in Q1
- **Q3 ad-supported MAUs at 446mn slightly BEAT cons 442.3mn (as mentioned above, helped by the enhancements to the mobile free tier)**

Spotify	Q3 2025 Results			
	Actual	Q3 y/y	Cons Est	% Surp
Breakdown by Segment				
Ad-Supported				
Ad-Supported Revenue (mn)	€ 446	-6%	€ 468	-4.6%
Ad-Supported Gross Margin	18.4%		17.8%	
Ad-Supported MAUs (mn)	446	11%	442.3	0.8%
Ad-Supported ARPU	€ 0.34	-21%	€ 0.36	-5.6%

Source: FactSet, StreetAccount



- **What will it take to return to revenue growth?** Seeing good progress on the programmatic side but the inflection point will come when programmatic growth actually surpasses the flatness or slight decline they have in direct sales
 - **In Q3, signed new DSP partnerships w/ Amazon and Yahoo** & gave advertisers programmatic access to not just their audio inventory, but also their video inventory
 - **Mgmt stressed that changes take time to yield results but “when it comes to ad sales, it's a question of when, not if it's going to happen”**
- **2025 is “a transition year” for the ads business and mgmt. expects growth to improve in the back half of 2026**

Podcasts & Audiobook Engagement Has Been Strong Along W/ Other Spotify Experiences

- **Podcast usage is higher -**
 - Have 500k+ video podcast shows on the platform
 - 390mn+ users have streamed a video podcast on Spotify, up +54% y/y
 - Time spent w/ video content has more than doubled y/y, mostly due to video podcasts; This consumption has incr'd by 80%+ since the launch of the SPOT Partner Program
- **There was a fair amount of focus on Spotify's announcement that it will be bringing some top video podcasts from Spot Studios and The Ringer to Netflix in the US in early 2026 (and more markets to follow)**
 - **Why do this deal with Netflix?** “When creators win, Spotify wins”; They want to help creators monetize more and they see net new incremental usage on Spotify coming from that
- **Audiobooks engagement is strong**
 - Over 500k titles now
 - 50%+ of eligible premium users have played an audiobook and the # of people listening to an audiobook incr'd +36% y/y w/ listening hours up even more
 - Add-on subscription for Prem users was launched
 - There is still “work to be done to continue to grow the entire book industry, but it is incredible progress and it's so great to see so much enthusiasm for these offerings”
- **Apple TV app experience is also seeing strong engagement**
 - This TV experiences is part of their broader “ubiquity strategy”
 - See “exciting engagement usage” and mgmt thinks there is “plenty of room” to grow and this also helps advertising as well
- **Listening to Spotify in cars is also outperforming expectations**
 - It's become a “huge part” of users' daily engagement
 - 245mn people are now listening in cars, which is 34% of MAUs and 15% of all consumption hrs
- **Jam recently hit 100mn monthly listening hours in Q3, w/ 200mn+ users sharing content monthly**

This Round Of Renewals W/ Partners Is A “Win Win” And Includes Broader Video Rights

- **SPOT is about to conclude another renewal round with all partners which is “significant”...**“For the first time in our history, we've got new modernized deals in place with all of the top five US Publishers”
 - These new structures are a “true win-win”
 - They address the core objectives for both sides
 - For publishing partners, these agreements better recognize the value that songwriters create across different offerings
 - The deals also secure broader video rights which was a strategic object for Spot and will “grow the pie” for everyone
- **But mgmt gave no real update on the Super tier product**
 - The bar is high and mgmt is in “deep collaboration” with the labels
 - The strategy of putting add-ons on top of Spot premium subscription is sound as seen with the performance of audiobooks

Other Key New Product Updates

- **Aside from the enhanced mobile free tier, other new core product features in the last few months include -**
 - Lossless audio
 - Playlist mixing tools
 - Messaging - since the launch in the initial markets just a few months ago, almost 25mn users have sent nearly 200mn messages
 - Taste profile controls
 - Launched SPOT on ChatGPT in October which enhances discovery and personalized music and podcast recommendations w/in ChatGPT
- **The music TAM remains large**
 - Only 3% of the world’s population is subscribing to SPOT...and “these people are interested in music and also books and podcasts and video”
 - “There's no one in the world that really doesn't like music at all, so it is the sort of the biggest TAM you can participate in”

3) While WBD Posts Mixed Q3 Results, Strategic Options/Direction Remain Key Driver

It has been a busy last couple of months for Warner Brothers Discover (WBD) following M&A speculation, which first emerged in mid-September. The Company is now evaluating all alternatives, which include the previously planned separation as well as a sale of all, or parts, of the company. As one would expect, mgmt’s comments on its earnings call about its strategic paths were limited but CEO David Zaslov remarked that “it's fair to say that we have an active process underway.”

Putting that aside, how are business fundamentals? We’d say a mixed bag. The Studios’ broad outperformance in Q3 was a key highlight and the segment is not only tracking to “exceed” the \$2.4bn segment EBITDA guidance for 2025 but is also “making progress” to reaching its \$3bn EBITDA goal. The film slate is strong looking into 2026 and 2027 and the Studios’ ability to better monetize IP (especially outside of Harry Potter) is becoming a more deliberate focus as well, with a new team tasked with unlocking value across DC and other assets.

On the flip side, Streaming missed Street expectations. Streaming Distribution revenue decelerated to 0% y/y growth in Q3 from +9% y/y in Q2, given the first full qtr impact from a domestic HBO Max distribution deal renewal (which had a 200bp adjustment). However, the Co reiterated its low SD Distribution revs growth guidance for Q4 and called for a

reacceleration of growth in H1:26 (driven by new launches/subs growth, password sharing enforcement, recent US price increases). "2026 should be the biggest year of growth in a long time in HBO Max."

The Networks business outperformed on Q3 profitability, but ad revs were still down -20% y/y given the Co absorbed a 300bp neg impact from the 2024 Olympics and tough CNN comps. Importantly, underlying US linear ad trends were "largely consistent" with prior qtrs. With that said, mgmt guided for a 400bp negative impact on Q4 ad revs from the absence of the NBA, but they will benefit on the cost side. Overall, mgmt still believes that the Networks business is more resilient than it is being given credit for and anticipates a slightly better trajectory in the Networks distribution revenue declines given the improved industry video subs trends.

Net net, there were some puts and takes with Q3 but as first noted, the strategic decisions that the Co has in front of it remain the primary driver for the share price now.

See below for more on what we viewed as most incremental from WBD's Q3 results/call.

-> WBD shares were only marginally up +0.9% after its report, but are still up +116% YTD

WBD Posted Mixed Q3 Results With Weaker Revenue But Better Profitability (Due To Networks)

- **Q3 consolidated revs missed by -1.5% (due to lower-than-expected Networks and Streaming) while adj. EBITDA beat by +10.3% (due to lower-than-expected Streaming)**
 - **Studios:** Outperformed across the board, especially on profitability
 - **Networks:** While lower than expected revenue was a drag, profitability was +5% ahead of cons
 - **Streaming:** Performed worse than expected both on revs and profitability
- **FCF was, again, much stronger than expected and came in at \$701mn vs cons ~\$300mn**

Warner Bros Discovery	Q3 2025 Results			
	Actual	Q3 y/y	Cons Est	% Surp
Revenue (\$ mn)	\$9,045	-6%	\$9,180	-1.5%
Adj EBITDA (\$ mn)	\$2,470	2%	\$2,240	10.3%
Adj EBITDA Margin (%)	27.3%		24.4%	
CapEx (\$ mn)	\$278	29%	\$237	Higher
Free Cash Flow (\$ mn)	\$701	11%	\$295	137.4%
Revenue Breakdown (\$ mn)				
Studios	\$3,321	24%	\$3,180	4.4%
Networks	\$3,883	-22%	\$3,990	-2.7%
Streaming	\$2,633	0%	\$2,760	-4.6%
Adj EBITDA Breakdown (\$ mn)				
Studios	\$695	126%	\$599	16.0%
Networks	\$1,702	-20%	\$1,620	5.1%
Streaming	\$345	19%	\$361	-4.4%
DTC Subscribers (mn)	128.0	16%	128.2	-0.2%
Domestic	58.0	10%	59.9	-3.1%
International	70.0	21%	68.3	2.4%
DTC ARPU	\$6.64	-15%	\$7.11	-6.6%
Domestic	\$10.40	-13%	\$10.82	-3.9%
International	\$3.70	-9%	\$3.88	-4.6%

Source: FactSet, StreetAccount



Mgmt Provided Limited Commentary On Its Strategic Direction (As Expected)

- **Mgmt indicated that essentially the Co remains in a parallel path with evaluating strategic options**
 - Evaluating the separation, as previously annnc'd, which is still on track for mid-2026 completion
 - Evaluating potential transactions for the entire company or parts of the company
 - Also considering alternative separation structures
 - But there is no deadline or definitive timeline regarding the review
- **But "it's fair to say that we have an active process underway"**

Studios Will Exceed 2025 Adj EBITDA Target & Remain "On Track" To Reach \$3bn In EBITDA

- **Total Studios revs grew +24% y/y and adj EBITDA grew +126% y/y, both exceeding analyst expectations (esp profitability)**
 - But looking ahead, note that Q4 has tough comps y/y
- **They are the only Studio to cross \$4bn in 2025 box office revenue so far**
- **Adj EBITDA will "exceed" the \$2.4bn guidance for 2025 and is "making progress" to reach the \$3bn goal**
 - Plan to grow off the \$3bn once they get there
- **2026 and 2027 will be "a robust and strong slate" of Motion Pictures**
 - Annnc'd adding a new Gremlins film to be theatrically released November 19, 2027
 - Steven Spielberg returns to executive producer for Amblin Entertainment
 - Chris Columbus is coming back to both direct and produce
- **Highlighted Warner Brothers TV's 14 Emmy Awards as well**

The Co Steps Up Its Focus On More Fully Leveraging IP To Generate More Value

- **WBD created a new team that is now working on monetizing IP and coordinating across the firm**
 - The Co has always done a great job w/ Harry Potter, but the team is working to prioritize the next set of franchises and DC is part of that
 - Have made process changes and brought in a new team which will "pay dividends over many, many years to come"
- **What is unique in the Co's content development process that yields such strong content results?**
 - Working w/ the "best creatives to create the best stories"
 - The team has been working together for the past 15-20 yrs and they "wake up every day and fight for the most compelling story and people love to work with them because there's a shared passion"
 - "It feels old-fashioned but it's extremely powerful"
 - Creatives want to be on HBO

While Q4 Streaming Missed The Street, Mgmt Conveyed Confidence That 2026 Will Be A Big Growth Year For HBO Max

- **Q3 total Streaming revs were flat y/y and adj EBITDA grew +19% y/y, both below analyst expectations**
- **Q3 Streaming Distribution rev growth decelerated from +9% y/y in Q2 to +0% y/y in Q3 given first full qtr impact from domestic HBO Max distribution deal renewals (200bp neg adjustment)**
 - Mgmt reiterated low SD growth in Distribution revs in Q4
 - Expect to reaccelerate growth in H1:2026 (driven by new launches/subs growth, password sharing enforcement, recent US price increases)

- **Q3 Streaming Ad revs grew +15% y/y vs +18% y/y in Q2**
 - Absence of NBA will have 300bp net impact on streaming ad revs in Q4 and greater headwinds in H1:2026
- **Focused on quality content is making a difference... “HBO has never delivered a steadier, more consistent pipeline of titles that subscribers circle in their calendars to watch” ...content drivers in Q3 & Q4 -**
 - **Q3:** Movies like Sinners, Final Destination: Bloodlines and Superman, Weapons
 - **Q4:** The Conjuring: Last Rites and One Battle After Another
 - The Co will end 2025 w/ more Warner Brothers Pay 1 movies in HBO Max's top 20 titles “than ever before”
- **Q3 subscriber trends were mixed (domestic DTC adds were weaker while intl adds were stronger)...**
 - Domestic DTC subs at 58mn, missed cons 59.9mn while Intl subs at 70mn topped cons 68.3mn
- **...BUT the Co remains confident in surpassing its target of 150mn Streaming subscribers by the end of 2026 AND they have some big mkt launches coming up next year to get there**
 - Germany, Italy, the UK and Ireland
 - Mgmt is “confident” the Co will see great penetration & growth in these markets
 - Have partners “locked in”
- **Both domestic and intl ARPU were ~4-5% below Street estimates in Q3 and streaming ARPU will continue to be pressured in the near term...**
 - In the US, the reset back to market rates of an affiliated party transaction that happened starting in the back end of Q2 this yr will be flowing through until Q2 next year (i.e., will impact for the next 3 qtrs)
 - Roll out ad-supported tier internationally in 2024 which causes some ARPU pressure as that tier increases penetration as a % of the mix
- **...but then have “high confidence” of returning back to “healthy” streaming ARPU growth in 2026**
 - Better monetization on ad sales (esp internationally)
 - A “good cadence” of price increases is scheduled, both in the US and Intl
 - Cont’d enforcement on the password sharing
- **“2026 should be the biggest year of growth in a long time in HBO Max”**

The Co Is Likely To “Opportunisticly” Expand Its Sports Portfolio

- **“Sports is one key pillar of the strategy going forward for both Discovery Global and Warner Bros Discovery”**
 - But will be “disciplined”
- **Feel good about the portfolio now but “think there will be more opportunity opportunisticly over the next 3-5 years”**
- **Making progress on developing their standalone sports streaming app**
 - Will be necessary as US HBO Max will stop utilizing their streaming rights in the spinoff scenarios (“in the US, these sports were not providing enough value in term of incremental subs though there was some engagement”)
 - Aside from the standalone offer, the Co will partner and bundle with their own products and others in the market

Mgmt Thinks That Linear Networks Are More Resilient Than People Give Credit For & That Affiliate Declines Will Improve...Also, Are Confident In CNN As A Standalone App

- **Q3 Networks revs fell -22% y/y (missed Street ests) and adj EBITDA fell -20% y/y (better than expected)...note, comping against the Olympics last year...excluding that and FXN, revs fell -12% y/y**
 - Distribution revs fell -8% y/y
 - Ad rev fell -20% y/y...Incls 300bp neg impact from 2024 Olympics and tough CNN comps
 - Underlying US linear ad trends remain largely consistent with prior qtrs
 - Anticipate 400bp negative impact on ad revs from absence of NBA in Q4
 - Expect the strength of the MLB playoffs and new sports rights to drive improved y/y ad trends vs Q3
- **But mgmt contends that “not enough has been said about their resilience” in terms of their linear network**
 - “We see a long and profitable runway ahead”
- **The Co Sees a slightly better trajectory with distribution revenue losses in the near to mid term**
 - The Co gave “greater flexibility in the recent round of renewals as others in the industry others have as well
 - Mgmt believes they are seeing some of those benefits already...citing Charter’s video subscriber results
 - “I do think we’re doing the right thing here as an industry and as a company and I certainly expect a slightly better trajectory in the near- to mid-term for us”
- **Streaming apps are consolidating in the industry but WBD is launching new apps...will that strategy work? Mgmt is very confident that CNN can be a successful standalone app...it is a “terrific everyday product” and provides access to live important news globally**
 - CNN product is “quite compelling” and might be bundled but anywhere in the world you can subscribe

4) The Predictions Market Will Be A “Significant Opportunity” And “Incremental” But Structurally Inferior To Traditional OSB, Says DraftKings

Surprise, surprise but almost every analyst question on DraftKings’ earnings call was related to the predictions market. What are DraftKings’ plans? How will they compete? How much will they invest? Will it cannibalize online sports betting? And the list went on and on. Overall, mgmt framed the predictions market as a “significant opportunity” and is launching its own product in the “coming months” targeting the 50% of U.S. consumers without access to legal OSB. But the company did caution that the economics are still unclear, retention could be a challenge, and monetization is still an open question. Their go-to-market strategy will be “very data-driven” and conservative, with limited incremental marketing and spend until the model proves out. Either way, they see this new product as incremental but “structurally” not with as much depth and breadth of its current OSB products. In short, the Co is very bullish on their ability to compete in this developing category but at the same time, doesn’t “know what the future of this product will look like.”

The other main event with DKNK’s results was that a negative impact from customer-friendly outcomes that resurfaced again and had a \$300mn hit in September and October. Q3 headline numbers missed Street estimates and 2025 revenue and adj EBITDA guidance was revised down by \$300mn and \$350mn, respectively. Variation in these outcomes are part of the business but do tend to even out over time. Q3 engagement trends were also mixed with ARPMUP beating consensus, but monthly unique players fell well short, though customer acquisition was up y/y despite not having any new state launches. Investors were pleased to hear that Sportsbook handle accelerated in October to +17% y/y from +10% y/y in Q3, parlay handle mix climbed sharply (up 800–1,000 bps for NFL and NBA season to date), and retention improved meaningfully in NFL season-to-date. iGaming also posted its fastest growth since early 2024 (+25% y/y), supported by new content and new leadership.

Overall, while 2025 guidance came down, CEO Jason Robins actually started the conference call by saying “this is the most bullish I have ever felt about the future of DraftKings” and there are reasons to be excited, While investors’ knee jerk reaction to the print was a post market sell off on Thursday night, excluding the negative impact from customer friendly outcomes, the underlying business performed well and mgmt did a good job at giving comfort that they can not only compete in this new predictions market (new product is “coming soon”) but that the prediction products won’t take the place of traditional online sports betting products. The proof might be in the pudding, but this sector is likely to attract more and more attention given its evolution.

See below for more of what we thought was most important from DraftKings' Q3 earnings results and conference call.

-> While the stock traded off -6% afterhours Thursday night when the numbers hit, the stock ended Friday down -0.6% in a down market; With that said, the stock is down -18% YTD

Headline Q3 Missed & 2025 Guidance Was Materially Revised Down Given A Swing Back To Customer Friendly Outcomes

- **DKNNG fell behind most consensus estimates ...due to more pronounced customer friendly sports outcomes**
 - **Q3 rev MISSED by -5%:** Incr'd +4% y/y (decel from +37% y/y in Q2)
 - **Q3 adj EBITDA MISSED by -35%:** Down -116% y/y (decel from +135% y/y in Q2)
 - **Q3 adj EPS MISSED by -17%:** Down -13% y/y (decel from +72% y/y in Q2)
- **Underlying Q3 customer metrics were mixed w/ user monetization (ARPMUP) higher than expected BUT monthly unique players (MUPs) disappointed**
 - MUPs at 3.6m (+6% y/y when excluding the impact of Jackpocket) fell well short of cons 4.1mn
 - Customer acquisition was up y/y despite not having any new state launches
 - ARPMUP of \$106 was +1.4% ahead of cons \$105: Up +3% y/y (from +10.9% y/y in Q2)

DraftKings	Q3 2025 Results			
	Actual	Q3 y/y	Cons Est	% Surp
Revenue (\$mn)	\$1,144	4%	\$1,200	-4.7%
Adj EBITDA (\$mn)	-\$127	-116%	-\$82	-34.9%
Adj EBITDA Margin (%)	-11.1%		-6.9%	
Adj EPS	(\$0.52)	-13%	(\$0.43)	-17.3%
Other Key Metrics				
Monthly Unique Players (mn)	3.60	0%	4.10	-12.2%
Average Revenue/MUP	\$106	3%	\$105	1.4%

Source: DraftKings filings; FactSet Data & Analysis



- **Also revised down 2025 guidance materially by \$300-350mn given the negative impact of customer friendly outcomes** (see more detail in one of the sections below)
 - **Cut revenue guidance by \$300mn at the mid-pt... and is -3.1% below cons & implies +24-28% y/y growth**
 - From \$6.20-\$6.40bn to \$5.9-\$6.1bn
 - **Cut adj EBITDA guidance by \$350mn at the mid-pt...and is -32% below cons**
 - From \$800-900mn to \$450-\$550mn
- **What does investment spending look like for the 2026?**
 - **In OSB and iGaming in states that they have been in for a few years..** they will NOT increase spend and could actually slightly reduce spend
 - **In newer state that are ramping...**they will increase spend
 - **In predictions...**they will spend "conservatively"
 - **In AI...**they will also invest and it will be able to reduce costs but some of that spend may take longer to get the payback
- **DKNNG raised the buyback program:** From \$1bn to \$2bn and "anticipate being "active over the next quarter"

DraftKings (\$mn)	FY25 Guidance (Mid-Pt)		
	Actual	Cons Est	% Surp
Revenue (\$mn)	\$6,000	\$6,190	-3.1%
Adj EBITDA (\$mn)	\$500	\$733	-31.8%

Source: DraftKings filings; FactSet Data & Analysis



Digger Deeper Into The Current Customer Friendly Variance...But This Doesn't Change The Long-Term Underlying Earnings Power Of The Biz

- **The last 2 months, these customer friendly outcomes impacted revenue by more than \$300mn (Oct “was not a great month”) with a handful of NFL games having an outsized impact**
 - This follows Q2 where outcomes were more favorable for the Co
 - Outcomes can swing around but mgmt remains confident it will normalize over time
 - Had a positive outcome in Q2 so it can swing either way
- **The Co “may continue to see higher variance” around events like Super Bowl, March Madness and the World Cup in 2026**
 - However, sports outcomes “don’t impact underlying earnings power of the business over the long term” but there will be periods of variances

Almost ALL The Focus Was On Predictions Markets - Plans, Impact, Structure, Etc....DraftKings Sees It As A “Significant Opportunity”

- **The Co is launching DraftKings Predictions in the “coming months” which they view as a “significant” opportunity**
 - **It will increase their TAM:** Almost 50% of the US population is w/o access to legal online sports betting but some predication events companies are offering federally regulated predictions in all 50 states
 - **Timing:** Want to be ready in Q4 but the launch date is not set
 - **Scope:** The Co is strategically focusing on states where they do NOT offer Sportsbook as that is also where most of the financial opportunity is...this is a “no brainer”
 - **See limited incremental marketing:** The Co has a great brand presence already so they don’t see a lot of incremental national spend as being necessary, but they may be some more marketing on the local side
- **DKNNG is not concerned about competition from new predictions players**
 - They have proven they can compete in the very competitive sports betting market and are confident they can do the same here
- **Predictions markets are also “structurally limited”...they lack depth and breadth of a sports betting offering**
 - It is a challenge to offer parlay products w/ predictions b/c it is liquidity based
 - Mgmt thinks the Co can put out a better predictions product BUT it will be more limited to their sports book products
- **What will it take to win in the predictions market? DKNNG thinks they can “out execute” with product, marketing, and customer experience; They have data and expertise around all that**
 - People already associate DKNNG w/ sports...it will be “hard” for other Cos to compete with them but mgmt is “not taking anything for granted”
- **The Co is also taking a conservative approach with their predictions’ go-to-market approach as the economics are not clear**
 - Mgmt reiterated several times that they will be “very data driven” and “analytical” with their new predictions product
 - But they don’t have much data yet and “don’t know what the future of this product will look like”

- “The actual predictions model is unknown”...retention might be a challenge and monetization is unclear
 - Once they gather data, they will adjust
- They are taking a conservative approach to LTV
- This market is exciting, but it is “still so early” and there are “a lot of unknowns”
- Their total investment is unclear but they “will not spend foolishly”
- **What kind of events do you expect to be most important in the predictions market? Sports, but they see it as “incremental” to OSB vs cannibalistic**
 - “Sports is what is driving all the growth in predictions” ...
 - But it is “relatively small”...and see it as “largely incremental” vs traditional sports betting
 - Elections are “popular too but for the most part, the volume and oppty will be in the sports space”
- **The value proposition with OSB is better than the predictions market**
 - Pricing is a little worse on predictions
 - Have more margin with OSB
 - There are more mouths to feed in the predictions market vs DKNG, who is the sole market maker
 - Promotions also don’t work the same way in the predictions market
 - The value prop is much better with OSB right now
- **The growth in the predictions market may spur more OSB legalization:** As states see the predictions market grow, “it will put pressure on policy makers to just pass sports betting legislation” and it will make policy makers “think twice” about increasing taxes as OSB players might just “pivot”

-> Also related to predictions markets, this week, Google announced an AI-powered Google Finance featuring Deep Search, enhanced earnings tools, and prediction market data from Kalshi and Polymarket, launching first for early-access users in the U.S. and India; Source: Google Press Release (11/06)

Positive Momentum With Sportsbook Total Handle & Parley Handle Mix

- **Q3 total Sportsbook handle rose +10% y/y in Q3 and has accelerated to +17% y/y in Oct**
 - NFL handle is up +13% season-to-date
 - NBA handle is up +19% season-to-date
- **Parlay handle mix is up a huge +800 bps for NFL season-to-date and +1,000 bps for NBA season-to-date**
- **Retention of NFL week 1 customers is up over 300bp in the last four NFL weeks compared to the same weeks a yr ago**

A Few Other Key Comments/Updates...

- **iGaming has been similarly strong: Q3 net revenue growth accelerating to +25% y/y from +23% y/y in Q2, “the fastest growth we’ve experienced since the first quarter of 2024”**
 - Developing “innovative” slot and jackpot content and recently brought in a new leader “to solidify and grow our position”
- **“Very excited” about the recent ESPN deal**
 - Early indicators suggest their NBA share is “significantly higher” than it was at this point last year
 - It helps to increase DKNG’s “advantage”...ESPN has so many channels and talent and can help bring in new customers and improve engagement w/ existing customers
 - Want to grow alongside ESPN’s growth and sports betting is important for their fans

-> PENN Entertainment and ESPN will end their U.S. sports betting partnership early on December 1, 2025, with PENN rebranding to theScore Bet and ESPN pursuing new opportunities in the betting space. PENN stock closed the week down -11% and is down -26% YTD. Source: PENN Press Release (11/06)

- **Also “very excited” about the Spanish language app rollout:** They are hopeful that Spanish speaking users will make them their OSB platform choice based on a Spanish language experience
 - The upcoming World Cup will give a good indication of usage

5) GTA VI Delay Takes The Spotlight Away From TTWO’s Otherwise Strong Performance

It looks like we’ll have to wait even longer to get GTA VI! On its earnings call this week, Take-Two announced that the game’s release has been pushed to November 19, 2026, from the previously delayed May 2026 date. This was a big disappointment, but the Co wants to make sure that the end product will not only meet, but exceed, the high expectations that have been set and said that they have never regretted prior decisions to delay a game.

This update overshadowed an otherwise strong qtr. The Co not only beat FQ2 net bookings but posted accelerated growth from +17% y/y in FQ1 to +33% y/y in FQ2. Recurrent consumer spending (RCS) was also a standout, coming in massively ahead of what was guided (+20% y/y vs the guide of +1% y/y). Momentum across the biz, particularly in mobile and NBA 2K, led the Co to raise FY26 net bookings guidance for the second consecutive qtr and they remain on track to achieve “record” levels of net bookings in FY27. While modest market tailwinds contributed to results, execution remains the primary driver of the outperformance.

On specific gaming highlights, 2K launched three major titles in FQ3. NBA 2K26 set multiple records and has been delivering an “unprecedented” level of in-game spending, and Mafia: The Old Country, surpassed internal expectations, both of which offset some softness in the Borderlands launch. The mobile biz also outperformed “substantially” and GTA continues to see strong engagement across its platform.

Overall, while the GTA VI delay tempered investor enthusiasm, the company’s fundamentals remain solid...see more details on takeaways below.

-> TTWO fell -8.1% after its report and ended the week down -9.5%; But, the stock is still up +26.1% YTD

The Big Announcement...GTA VI Is Delayed AGAIN

- **Will now release on November 19th, 2026**
 - As a reminder, the first trailer for the game was released in December 2023, which said the game would come out sometime in Fall 2025
 - In May 2025, it was ann^cd that the game was delayed until May 26, 2026
- **Reason for the delay?** “Giving the team some additional time to finish the game with the high level of polish players expect and deserve”
- **Will the delay impact GTA Online’s content or marketing cadence? Don’t expect to see any changes:** Rockstar has a history of supporting GTA Online, and the title continues to perform “incredibly well”
 - GTA+ was up +20% y/y in FQ2 and GTA has now sold 220mn, and “we expect that story to continue in a similar way”
- **“It’s always painful when we move a date, but we have done so occasionally in the past, and we’ve never regretted it in retrospect”**

FQ2 Net Bookings Was The Best Second Qtr In Co History / Recurrent Consumer Spend (RCS) Came In Substantially Ahead Of Guidance

- **FQ2 Net Bookings BEAT by +13.3%:** Grew +33% y/y (accel from +17% y/y in FQ1)
 - Was the best Q2 of Net Bookings in the Co's history
 - Led by outperformance in NBA 2K and Mafia: The Old Country, as well as several mobile titles, which "more-than-offset" softness in initial launch of Borderlands 4
- **Recurrent consumer spend growth cont'd to accelerate from +14% y/y in FQ4 to +17% y/y last qtr to +20% y/y this qtr, MASSIVELY outperforming guidance of +1% y/y; Accounted for 73% of net bookings:** While they saw some benefit from the "modest" tailwinds in the biz, outperformance was mostly driven by focus on "delivering at the highest possible level"
 - **NBA 2K:** Grew +45% y/y
 - **Mobile:** Incr'd mid-teens
 - **GTA Online:** Declined "as expected"
- **FQ2 adj EPS of \$1.46 was well ahead of cons \$0.94**

Take-Two Interactive	FQ2 2026 Results			
	Actual	Q2 y/y	Cons Est	% Surp
Net Bookings (\$ mn)	\$1,960	33%	\$1,730	13.3%
Non-GAAP Gross Margin (% of NB)	67.1%		65.3%	
Bookings By Distribution Channel (\$ mn)				
Digital Online	\$1,871	32%	No Consensus Given	
Physical Retail & Other	\$89	55%	No Consensus Given	

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



FQ3 Guidance Also Came In Ahead Of Expectations / FY26 Guidance Raised Again

- **FQ3 guidance BEAT –**
 - **Net bookings BEAT by +5.7%:** \$1.55-\$1.60bn vs cons \$1.49bn
 - **Adj EPS BEAT by +5.3%:** \$0.75-\$0.85 vs cons \$0.76
 - **Expect RCS to increase ~8%,** which assumes LDD growth in mobile, a MSD increase for NBA 2K, and a decline for GTA Online
- **Raised FY26 guidance –**
 - **RAISED FY26 net bookings guidance:** \$6.4-6.5bn vs prior guidance \$6.05-6.15bn (and ahead of cons \$6.18bn)
 - Due to the Co's "outstanding" FQ2 results and optimism for the balance of the fiscal yr
 - **RAISED FY26 adj EPS guidance:** \$3.05-\$3.30 vs prior guidance \$2.60-\$2.85 (and ahead of cons \$2.90)
 - **RAISED RCS growth to ~11% y/y (representing 77% of net bookings):** Vs prior forecast +4% y/y, driven by NBA 2K and higher expectations for several mobile titles
- **For FY27 - continue to expect to achieve "record" levels of net bookings,** "which will establish a new baseline for our business and set us on a path of enhanced profitability"

Take-Two Interactive	FY 2026 Guidance (mdpt)		
	Actual	Cons Est	% Surp
FY26 Guidance (\$ mn)			
Net Bookings	\$6,450	\$6,100	5.7%
Adj EPS	\$3.18	\$2.73	16.7%

Source: Take-Two Filings; FactSet Data & Analysis



Several Launches in FQ3 - Strength In NBA 2K26 and Mafia: The Old Country Offset Some Softness In Borderlands Launch

- During the quarter, launched Mafia: The Old Country, NBA 2K26, and Borderlands 4
- NBA 2K26 had a “record-breaking” launch...outperformance was driven by returning players, higher engagement, and intl expansion (but there’s still more room to grow)
 - Returning players are a “huge” cohort
 - Getting better every yr at bringing people back into the game
 - BUT “there is certainly a lot of room for improvement there”
 - Getting more engagement off the player base that they currently have
 - Been a “significant” part of their ability to drive improving y/y growth in recurring consumer spend in NBA
 - Also trying new strategies like bringing people in earlier for early access w/ premiums, making the game “tighter” and listening to their audience base
 - Also seeing some success internationally
 - Avg selling price reached all-time high, led by higher sales on premium SKUs: Was at least partly due to offering 7 days of early access to their players (longer than they did last time); Also, some RCS embedded as part of that package, which boosts RCS growth
- Borderlands release was “a bit softer than we would have liked”, mostly due to PC-related issues
 - Gearbox (the developer) is addressing those PC problems
 - In hindsight, there were things they could have done better at launch, and they plan to improve future launches
 - Despite that, expect unit sales will be “very solid” and economic performance will be “in-line” w/ expectations
- Mafia: The Old Country “earned vast praise from critics and consumers alike”
 - First new entry in the franchise in nearly a decade
 - Has “quickly surpassed” internal expectations
 - “Will continue to push the boundaries for cinematic experiences in this series and in future creative pursuits”
- Follow their three successful launches, 2K plans to release new content and updates for each game that “will provide our fans with even greater opportunities to engage with these franchises”
- Quick update of GTA...
 - GTA V to date has sold 220mn+ units worldwide (vs from 215mn+ in prior qtr)
 - GTA Online players remain “deeply engaged”
 - GTA+ cont’d to increase its membership, up 20%+ y/y
- Looking ahead... believe “strongly” in their long-term pipeline, which includes the release of GTA VI, as well as the future launches of Judas, Project ETHOS, CSR 3, Top Goal, the next BioShock, and many other new titles from across their labels

- **Quick commentary on the next Bio Shock** - “very excited” about the release, which will take the franchise to “the next level”
 - Brought on a new Head of the franchise – Rod Fergusson
 - Feel the game is on a “great track” to deliver something that’s going to exceed consumers’ expectations

Mobile Biz Continues To Outperform

- **Mobile biz delivered another qtr of “excellent” results**
 - **Toon Blast** accel’d from +22% y/y in FQ1 to +26% y/y in FQ2 and from ~75% y/y to ~90% y/y on a 2-yr basis
 - **Match Factory** achieved record Net Bookings and grew +20% y/y
 - **Color Block Jam** continues to engage and grow its audience and remains the highest-grossing title in Rollic’s history
 - **CSR franchise** achieved \$1bn in lifetime in-game spending
 - **2K’s** mobile offerings had “another strong quarter”
- **Feel confident about driving continued outperformance in mobile biz**
 - Outperformance vs the mkt is due to “great leadership” and “great execution” – team has been doing a “wonderful job” running live services on existing titles and launching new titles
 - Have also become “very careful” economically - pursuing fewer titles at once, walking away from ones that don’t perform, and focusing on winners
- **Continue to benefit from lower 3P distribution costs and expanded payment options**
 - Shift is being driven by increased competition, regulatory changes, and litigation outcomes affecting app store rules
 - As a result, net bookings and margin are rising “more rapidly than expected”
 - Did not specifically quantify margin impact on the yr (net bookings will expand “meaningfully”) but highlighted that FY guidance was raised
- **Oppty to do M&A in mobile gaming space? Didn’t call out anything specific but noted that they’re “very selective”**
 - Have a track record of all their acqs working out and would like that to continue
 - Criteria they look for - strategically aligned, a good cultural fit, and is immediately accretive
 - “Good news is we have a really strong balance sheet, and we have been able to do acquisitions in the relatively recent past. It wasn’t that long ago that we bought Gearbox”

Quick Comments On Public Markets Positioning And Use Of AI Across The Co

- **Any strategic implications from being the last big publicly-traded publisher?** Nothing specific, but highlighted that the Co’s strength lies in creative and economic outperformance rather than structural advantages; While the Co is underleveraged, soon to be net-cash Co again, and independent, execution is its key performance driver
- **Seeing “some” efficiencies from AI BUT not seeing it as an oppty to reduce headcount**
 - “Plenty” of areas across the biz where tools they have rolled out are helping
 - Seeing it as an oppty for their talent to spend less time on “mundane” tasks and focus more on “creative and interesting” tasks
 - “Can you cut your cost profile by 5% tomorrow by using all things AI, the answer is no”

6) Pinterest Doubles Down on Shopping, But UCAN Softness Lingers

While Pinterest delivered ~in-line Q3 revenue growth of +17% y/y and almost +4% better than expected adj EBITDA, investors were concerned with the regional trends, more specifically, the weaker than expected UCAN revenue growth which was also the case last quarter, but to a lesser degree. This raised questions about the Co’s competitive position vs

the large social media giants, as well as impact from new genAI chatbots. Mgmt instead pointed to pockets of moderating ad spend from larger US retailers (where PINS has more exposure than other platforms) as they navigate tariff-related margin pressure and also cited Asia based e-comm players. These broader trends and market uncertainty, with the addition of a new tariff in Q4 impacting the home furnishings category, are expected to be headwinds in Q4 (and guidance calls for growth to moderate to +14-16% y/y). With that said, mgmt. "still feels good" about the mid-high teen's revenue growth target over the medium to long-term but investors will need more convincing, at least at this point.

But some areas that will drive growth include 1) getting deeper into the full catalog of their largest retailers; 2) increasing penetration in mid-market/SMB (Performance+ is key driver); and 3) aligning bidding systems and advertiser insights to give a clearer view of full funnel attribution. International is also a key strategic priority (and outperformed in the qtr) that has a long runway and there is a lot of room to close the monetization gap.

Net net, all eyes will be on reaccelerating UCAN and overall revenue growth, though it may take some time to play out. See below for more details on what we viewed as the most important from Pinterest's results, which also include key updates on AI innovation, margin expectations, and strong user growth/engagement as well.

Related, see Theme #7 for a deep dive of Snap's Q3 results.

-> PINS share fell -18% in reaction to results and is now down -7% YTD...this compares to Snap down -34% and Reddit up +19% YTD

Q3 Performance Was A Mixed Bag With UCAN Missing Growth Forecasts (Again)

- **Q3 rev – MISSED by -0.1%:** Grew +17% y/y (+16% y/y FXN) led by strength in retail and smaller, faster growing categories including telecom & entertainment; Also, the Co saw cont'd normalization of CPG, driven by food & beverage (flat from +17% y/y in Q2)
 - **UCAN – MISSED by -1.6%** (last qtr missed by -0.3%): Grew +9% y/y (vs +11% y/y in Q2) and strength came from retail, CPG, telecom & entertainment
 - **UCAN ARPU missed by ~2%**
 - **Europe – BEAT by +4.9%:** Grew +41% y/y driven by retail (up from +34% y/y in Q2)
 - **RoW – BEAT by +7.7%:** Grew +66% y/y (up from +65% y/y in Q2)
- **Q3 adj EBITDA – BEAT by +3.6%:** 29.2% margin, up +170bp y/y

Pinterest	Q3 2025 Results			
	Actual	Q3 y/y	Cons Est	% Surp
Revenue (mn)	\$1,049	17%	\$1,050	-0.1%
US and Canada	\$786	9%	\$799	-1.6%
Europe	\$193	41%	\$184	4.9%
Rest of World	\$70	66%	\$65	7.7%
Adj. EBITDA (mn)	\$306	24%	\$295	3.6%
Adj. EBITDA margin	29.2%		28.1%	
ARPU	\$1.78	5%	\$1.79	-0.6%
US and Canada	\$7.64	5%	\$7.79	-1.9%
Europe	\$1.31	31%	\$1.26	4.0%
Rest of World	\$0.21	44%	\$0.19	10.5%
MAU (mn)	600	12%	590	1.7%
US and Canada	103	4%	103	In-Line
Europe	150	8%	148	1.4%
Rest of World	347	16%	340	2.1%

Source: FactSet, StreetAccount



The Moderating Ad Spend In UCAN & New Tariffs Will Pressure Q4 Revenue Growth As Well...But Mgmt Remains Confident In Its Longer-Term Growth Target Range

- **UCAN growth moderated in Q3, offset by Intl:** Mgmt cited pockets of moderating ad spend in UCAN as larger US retailers (where PINS has more exposure than other platforms) navigated tariff related margin pressure; However, the Co also saw accelerating strength across intl
 - **The pullback from US retailers and spend from Asia based e-comm players in the US was down y/y again in Q3, though relative to Q2 the Co did see a “partial recovery”**
- **Guidance - Q4 y/y rev growth will moderate (and missed Street ests by -1.1% at the mid-pt):** Expect rev growth to decline from +17% y/y in Q3 to +14-16% y/y in Q4 (also assumes FX is 1pt headwind)
 - **Reason for the slowdown?** Broader trends & market uncertainty w/ the addition of a new tariff in Q4 impacting the home furnishings category
- **Despite the Q4 rev growth guidance range, mgmt “still feel good” about the mid-to-high teens rev growth target over the medium to long-term**
 - **The Co highlighted growth areas in UCAN looking ahead:** Seeing momentum in emerging verticals like financial svcs where the Co only has 1/2pt of mkt share, and mgmt also believes they can take share in travel, entertainment, & telecom plus there is upside w/ smaller and mid-market advertisers (only 15% of total rev)
- **Q4 adj EBITDA guidance also marginally MISSED cons by -0.2% @ the midpt and the Co reiterated the 3-5 yr 30-34% adj EBITDA margin target** (given at 2023 Investor Day)
 - Margin expansion in H2 will continue to be at a lesser rate than they posted in H1 given growth investments... they are now approaching ~30% for the yr
 - But the Co is still guiding for the 30-34% range as the rate of expansion will “vary year to year”

Pinterest	Q4 2025 Guidance (Mid-Pt)		
	Actual	Cons Est	% Surp
Revenue (mn)	\$1,325	\$1,340	-1.1%
Adj. EBITDA (mn)	\$545	\$546	-0.2%

Source: FactSet, StreetAccount



User Growth Notably Hits A Record For The 9th Consecutive Qtr With Shopping “At The Center Of The Resurgence”

- **The Co hit 600mn MAUs in Q3, +12% y/y** (vs +11% y/y in Q2): Upside came internationally while UCAN growth was inline; GenZ is over 50% of their base
 - UCAN +4% y/y
 - Europe +8% y/y
 - RoW +16% y/y
- **This was the 9th straight qtr of record high users and shopping has been “at the center of the resurgence”**
- **Positive structural user dynamics -**
 - 85% of users come directly to their mobile app, hence they are not reliant on search engines or other 3P’s for traffic
 - 100% of reported users are logged-in, giving PINS valuable first-party intent signals
- **Deepening engagement per user:** The Co is growing queries, board creation and clicks to advertisers faster than users

PINS Is Effectively An AI-Powered Shopping Assistant

- **PINS’ proprietary multi-modal model is 30% more effective at identifying & recommending relevant content vs leading off-the-shelf models, hence it is driving success w/ the recent enhancements to visual search launched in May** (allows users to refine searches with more precision by using both image and text inputs)
- **The Co is now launching “Pinterest Assistant”:** An AI powered conversational assistant that enables voice-activated search and complex queries about outfits and home decor
 - PINS is able to capture more nuanced commercial intent, providing more valuable signals to drive further personalized recommendations
 - The beta is rolled out to a small set of test users in the US; Will test it over the coming qtrs
- **Also launching “Boards made for you” in the “coming weeks” to UCAN users:** Uses AI to provide personalized content recommendations in users’ home feeds, making boards “even more inspirational and shoppable”
- **Search queries on the platform are up materially, especially for visual search:** There are ~80bn monthly queries across Pinterest, across Related Items and other forms of visual search and traditional text-based searches...in Q3 -
 - All these individual query types grew y/y on the platform
 - Overall queries PER USER also grew y/y – deepening engagement
 - Related Items are the largest source of queries
 - Visual search queries grew the fastest, up +44% y/y
 - Outbound clicks for advertisers grew +40% y/y (and is up 5x over the last 3 yrs)
- **A few other notable shopping-related updates -**
 - Pinterest ads are now directly shoppable on Instacart
 - Where-to-buy-links bring actionability to CPG advertisers - shoppers can view retailer options and choose their preferred one to complete a purchase
 - The Co launched local inventory ads - retailers can display real-time prices for in-stock items at local stores

The Co Has A “Meaningful” Runway With Large Advertisers But Is Also Making Strong Progress W/ Mid Mkt Enterprise & SMB

- **See “meaningful” runway to expand share of wallet with large advertisers...**

- Have broken into performance budgets, including reaching 5-10% share of total ad spend for “some of the world's largest, most sophisticated advertisers” but there is more room to go
- **Making progress with the larger segment given ROAS bidding**
 - Helps them get deeper into the catalog of large retailers
 - Allows advertisers to more precisely tune ROI tools across catalogs with high variation in price points and margin points, etc.
 - Globally, 22% of lower funnel retail rev now flows through ROAS bidding
- **...while also growing w/ smaller mid-market advertisers, helped especially by Performance+**
 - SMB & mid-market enterprise is only 15% of total revs and mgmt. thinks they can meaningfully grow this
 - W/in that segment, the Co sees a 12% higher monthly rev growth rate of adoption of Performance+ campaigns versus non-adopters
- **Feel great about Performance+ since launch ~1 yr ago**
 - The bundled suite of AI enabled automated features is driving much better performance and reducing the inputs (50% fewer inputs)
 - Performance+ campaigns are seeing a 24% higher conversion lift versus traditional campaigns
 - It's helping to deepen performance across advertiser segments

Still In The “Very Early Innings” Of International Monetization

- **International monetization represents one of the “largest and most durable growth vectors” ...and they are still in the “very early innings”**
 - 83% of global users or 500mn MAUs are outside of UCAN, but represent just 25% of global rev
- **The playbook that they have used in UCAN, is being exported internationally**
 - The Co is “really pleased” with their progress BUT... they “have a lot more they can do”
- **The Co's go to market approach is region specific...**
 - **In Europe:** Led primarily w/ their 1P sales team to serve advertisers directly but also work with agencies and marketing tech partners
 - **In RoW:** Deploy a hybrid model that blends their direct sales force in select markets
- **The Co's lower funnel playbook seems to be resonating -**
 - Shopping ads incr'd from 9% of international rev at the time of their 2023 Investor Day and now reached 30%
 - Q3 shopping ad rev in both Europe and the RoW grew over 2x faster than the overall rev growth of their respective regions
- **Shopping is helping the Co improve the monetization gap:** In Q3, Europe ARPU grew +31% y/y while RoW ARPU grew +44% y/y; Shopping ads are driving that growth

7) Profitability Takes Center Stage At Snap, But With A User Engagement Trade Off

Snap's Q3 results marked a clear pivot toward profitability, with a standout +46% beat on adj EBITDA and a 30% reduction in net loss y/y. Q4 is expected to continue this trend with revenue guidance matching current Street expectations, while adj EBITDA guidance was +16% ahead. What is driving better margins? A mix shift to Sponsored Snaps and Spotlight played a key role and going forward mgmt anticipates further gross margin improvement to come from continued growth in non-advertising revenue from areas like Snapchat+, Lens+, and new memory storage plans, not to mention the \$400mn annual deal that Snap annnc'd with Perplexity (which was a very key positive update). Snap is also optimizing content programs and recalibrating investments in user growth and cost-to-serve.

However, this profitability prioritization comes with a trade-off on user expansion. This is exacerbated by other engagement headwinds from new regulatory requirements and age verification that are also weighing on growth. DAUs may actually decline in Q4. Also, ad revenue growth was uneven but directionally encouraging. Direct response rebounded sharply (+13% q/q), led by SMB momentum and improved optimization tools. Europe and RoW ad revenue accelerated, while North America lagged due to weakness in large client solutions (LCS). Snap's reliance on N. Amer LCS (still ~43% of total revenue) remains a vulnerability, though its share has declined ~10 points over two years. Conservatively, mgmt is not baking in a recovery in that segment in Q3, but is making targeted go-to-market adjustments.

Product traction was a bright spot. Sponsored Snaps and Promoted Places are gaining ground, with early data showing double-digit lifts in conversion and visitation. AI-driven ad formats are delivering 4x conversion rates in some campaigns, and purchase-related ad revenue grew +30% y/y. Meanwhile, Snapchat+ subscriptions surged +54% y/y.

At the end of the day, mgmt. is certainly working hard to recalibrate its cost structure and the deal with Perplexity ended up being one of the bigger investor focuses with results, but there are still headwinds in the business that mgmt will need to carefully execute through during this transitory stage.

See below for our deep-dive into Snap's Q3 results and on a related note, see **Theme #6** for our key takeaways on Pinterest's Q3 results.

-> Snap shares rallied +5% in reaction to results but are still down -23% YTD

The Stepped-Up Focus On Profitability Showed Through In Q3 Results, Though N. Amer Revenue Disappointed

- **Q3 rev BEAT cons by +1.1% and was up +10% y/y (compared to +9% y/y in Q2):** Seeing cont'd growth in SMB customers and improvement in direct response
 - **N. Amer revenue missed by -1% (due to large advertisers – see details below)**
- **Q3 adj EBITDA was a huge BEAT... by +46%**
- **Reduced net loss by more than 30% y/y in Q3**
- **Annc'd new \$500mn buyback**

Snap	Q3 2025 Results			
	Actual	Q3 y/y	Cons Est	% Surp
Revenue (mn)	\$1,507	10%	\$1,490	1.1%
North America	\$897.8	5%	\$907.0	-1.0%
Europe	\$298.0	20%	\$284.3	4.8%
Rest of World	\$311.1	17%	\$299.6	3.8%
Total Adj EBITDA (mn)	\$182.0	38%	\$124.7	46.0%
Adj EBITDA Margin (%)	12.1%		8.4%	
Adj EPS	(\$0.06)	33%	(\$0.12)	100.0%

Source: FactSet, StreetAccount



Q4 Guidance Reflects This Greater Focus On Profitability As Well

- **Q4 rev guidance was INLINE w/ cons at the midpt and implies +8-10% y/y growth vs Q3's +10%**
- **Q4 adj gross margin reached 55% (up from 52% in Q2)**
 - Mix shift to Sponsored Snaps and, to a certain extent, Spotlight drove the margin improvement

- **Q4 adj EBITDA guidance BEAT cons by a strong +15.5% at the midpt**
 - Q4 Infrastructure costs will modestly increase seq to \$420-435mn
- **Tracking well against FY cost structure guidance**
- **2025 adj operating expenses are now guided to the “low end” of the lowered \$2.65- \$2.7bn range**

Snap	Q4 2025 Guidance (Mid-Pt)		
	Actual	Cons Est	% Surp
Revenue (mn)	\$1,690.0	\$1,690.0	In-Line
Total Adj EBITDA (mn)	\$295.0	\$255.4	15.5%

Source: FactSet, StreetAccount



- **Ways to improve gross margins going forward?**
 - **Sponsored Snaps and Promoted Places are the “first steps on that journey”**
 - “The ongoing growth of Snapchat+, the introduction of Lens+, and testing Memories Storage Plans are all examples
 - The Perplexity deal is another example of a new line of rev that helps expand the margins also
 - **On the cost side, “we see several dimensions to this”**
 - Including work to optimize content programs, and recalibrating investments in community growth
 - These surfaces have higher margins, and this contributed directly to gross margin improvement of 55% in Q3, up from 52% in the prior qtr and 54% in the prior yr

Engagement Headwinds Are Growing & Overall DAU May “Decline” In Q4

- **While Q3 DAUs of 477mn (up +8% y/y) slightly beat cons 476mn** (miss in Europe was offset by beats in N. America and RoW)...
- **...and the Co reached 943mn MAUs in Q3, up +43mn or +8% y/y (vs +64mn or +7% y/y in Q2)...**
- **...the Co has been taking a deliberate approach to focus more on profitability vs driving users and there are some headwinds ahead**

Snap	Q3 2025 Results			
	Actual	Q3 y/y	Cons Est	% Surp
User Metrics				
Daily Active Users (mn)	477.0	8%	476.1	0.2%
North America	98.0	-2%	97.8	0.2%
Europe	100.0	1%	101.0	-1.0%
Rest of World	280.0	15%	227.6	23.0%
Average Revenue per User (ARPU)	\$3.16	2%	\$3.13	1.0%
North America	\$9.20	8%	\$9.30	-1.1%
Europe	\$2.99	19%	\$2.83	5.7%
Rest of World	\$1.11	2%	\$1.08	2.8%

Source: FactSet, StreetAccount



- **Upcoming headwinds to user growth and engagement “in the near term” (both company and industry directed) that are “likely to have negative impacts on user engagement metrics that we cannot currently predict” -**

- **Changes in monetization:** Focused on improving ARPU by more directly monetizing their core product; “but these initiatives involved a tradeoff w/ engagement so expect some adverse impact on engagement metrics as these experiences roll out”
- **Resource alignment:** Mgmt is aligning resources w/ the associated financial oppty of each geography, which could also impact engagement
- **Age verification on the platform:** The Co is preparing for the launch of platform level age verification, which is another headwind to engagement
- **New regulations:** Australia's social media minimum age bill (effective in Dec) and govt' restrictions on access to internet services in certain countries will be a headwind as well
 - Mgmt anticipates that similar regulations in other jurisdictions may take effect or be passed “in the near future”
- **“As we focus on more profitable growth, I think those are tradeoffs that we're going to want to accept”**
- **While the Co remains committed to their goal of serving 1bn global MAUs, the Co now expects overall DAU “may decline in Q4”**
- **To combat these headwinds, mgmt is focused on driving more conversation starters:** Prioritizing sharing and conversations, making it easier to play games and share Spotlight videos through Stories and Chat
 - They have to migrate users from replying to friends' story, to doing things like sharing Spotlight videos or, reposting Spotlight videos, or playing games with friends

Direct Response Advertising Rebounds Given SMB Momentum, While Large N. Amer Advertisers Are Under Pressure

- **Q3 total ad revs rose +5% y/y vs +7% y/y in Q2**
- **Growth was mostly in direct response (DR),** up +13% q/q and up +8% y/y in Q3 (vs +5% y/y in Q2), reversing last qtr's execution error
 - DR growth came from strong demand for their pixel purchase and app purchase optimizations, as well as cont'd strength from the SMB client segment
- **Regionally, ad growth in Europe & RoW accelerated while N. Amer lagged due to large advertisers (SMB was up strongly in the region)**
 - **Europe:** Up +12% or up +6ppts y/y
 - **ROW:** Up +13% or up +10ppts y/y
 - **N. Amer:** Up +1% y/y or down -10ppt y/y
 - Snap's Large Client Solutions (LCS) business declined in the qtr
 - BUT SMB grew 25%+ y/y
- **Reliance on N. Amer LCS remains high @ ~43% of total global rev in Q3 but has decr'd its share of total revs by roughly 10pps over the last 2 yrs**
 - Mgmt is making “targeted adjustments” to their go to market operations in N. Amer to improve performance and “reignite growth” in the LCS business in this region
- **Excluding the large N. Amer customer base, ad growth “remains very strong” and mgmt is not assuming a recovery in that N. Amer LCS segment in the Q4 guidance**

Continue To Scale “Differentiated Ad Formats & Offerings” Such As Sponsored Snaps, Promoted Places And The App Power Pack, Supported By Advances In AI

- **Advertising KPIs**

- Global impression rose +22% y/y driven in large part by expanded advertising delivery w/in Sponsored Snaps and Spotlight
 - Total CPMs were down ~13% y/y due to the strong growth in impression delivery
- **Continue to scale “differentiated ad formats and offerings” such as Sponsored Snaps, Promoted Places and the App Power Pack, supported by advances in AI for ranking, creative generation and personalization**
- **Advancing AI driven outperformance:** Advanced dynamic product ads w/ LLM that better understand products are driving over 4x higher conversion rates vs the baseline for certain campaigns
 - As a result of these and other improvements, purchase related ad revs grew +30% y/y
- **Sponsored Snaps:** Allow brands to join real time conversations on Snapchat in a way that feels authentic and relevant to users
 - Early results show strong performance, with up to 22% higher conversions and up to 19% lower cost per action when including sponsorships and advertiser campaigns
 - Advertisers across industries are using Sponsored Snaps to reach audiences where they are most active
 - Sponsored Snaps are also becoming increasingly DR focused, delivering more personalized and contextually relevant experiences
- **Promoted places:** Complement Sponsored Snaps bridging digital engagement with real world action
 - Allows advertisers to highlight nearby store locations directly within the Snapchat map
 - Early testing shows double-digit lifts in visitation
- **Intro'd the App Power Pack:** Key features include target cost bidding, a new app, and cards that automatically incorporate app store images and playables for interactive game previews
 - Early results show that the product is driving 25%+ lift in iOS app installs

Direct Sales Is One Of Their Fastest Growth Opportunities...The Perplexity Deal Is Likely The First Of More To Come

- **Other revenue (primarily Snapchat+ subscriptions) surged +54% y/y to \$190mn, annualized run rate >\$750mn**
 - Snapchat+ subscribers grew +35% y/y to approach 17mn in Q3
- **Direct sales new initiatives -**
 - Premium tiers expanded with Lens+ and Platinum bundles
 - Introducing exclusive AR and AI experiences like Imagine Lens
 - Introducing live streaming
 - Launching new tools for creators
 - Annnc'd new memory storage plans in Q3 – more than 1 trillion memories have been saved already
- **The deal w/ Perplexity is a new Direct revenue stream**
 - **Scope:** Integrating Perplexity directly into Snapchat for conversational search in chat; Perplexity will control the responses from there so Snap will not be selling advertising against Perplexity responses
 - Think the placement will help Perplexity bring on addtl subscribers
 - **Timing:** In “early 2026”, Perplexity will appear in the Co’s chat interface globally
 - **Value:** Perplexity is paying \$400mn for 1 year via cash and stock (no color on split)
 - **Revenue recognition:** The Co will not recognize any revenue until they roll out the integration, starting beginning of next year
- **What about opening up the platform more? Sounds like that is coming...“We have a really unique opportunity ahead to help distribute agents through our chat interface”**
 - Also, advertisers are very focused on leveraging Sponsored Snaps to distribute conversational commerce experiences w/ their brands “so that's something we'll be experimenting with”

Other Notable Updates... Games & Spectacles

- **Continue to see strong momentum in games:** Over 180mn people are now play games on Snapchat every month w/ sharing up 100%+ y/y
 - Intro'd games chat so friends can play together seamlessly
 - Developers are building personalized interactive experiences
- **Mgmt is excited about Spectacles' public launch next year:** "We believe Snap is uniquely positioned to win the next wave of A/R computing with Snap AR 2.0 Lens Studio Snapcloud and our global developer ecosystem" ...We are at the forefront with an end to end A/R stack spanning software developer tools and hardware"
 - "We really believe that the killer use case for Specs is Lenses"

8) Live Nation Faced Short-Term Mix Pressure But Big Venues Drive the Next Act

Live Nation hit a bit of a hitch in the road in Q3, with the qtr's revenue and adj. op income coming in -1.3% and -0.6%, respectively, below expectations, as mix headwinds from the shift to stadium shows and international markets offset otherwise solid execution and demand trends. But fundamentals are steady as it goes, as the Co continues to drill down on the global nature of its business and its ongoing expansion into international markets. In fact, for the first time in its history, international fan count is on pace to surpass that of the US.

On the concerts side, performance was driven by a shift toward stadiums, which was partially dragged down by fewer amphitheater shows. Looking ahead to 2026, management expects another strong year, particularly across large venues including stadiums, arenas, and amphitheaters. Ticketmaster remains focused on international expansion, particularly in Latin America, Asia, and parts of Europe, while continuing to crack down on scalping through identity verification and platform adjustments. Meanwhile, regulatory proceedings continue to have no material impact on the business.

Despite broader chatter around lower-end consumer weakness, Live Nation has seen no signs of pullback and continues to chart a clear path toward double-digit operating income and AOI growth this year, with plans to compound at this pace over the coming years.

See more on our key takeaways below.

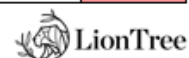
-> *The stock fell -10.6% post its report and is up +8.5% YTD*

Q3 Slightly Missed Street Expectations

- **Revenue – MISSED by -1.3%:** Grew +11% y/y (vs +16% y/y in Q2)
 - Driven by misses in Concerts and Sponsorship & Advertising segments, though Ticketing beat
- **Adj op income – missed by -0.6:** Grew +14% y/y (vs +4% y/y in Q2)
 - Tickets and Sponsorship & Advertising missed, while Concerts beat

Live Nation	Q3 2025 Results			
	Actual	Q3 y/y	Cons Est	% Surp
Revenue	\$8,500	11%	\$8,610	-1.3%
Adj Op Income	\$1,033	24%	\$1,039	-0.6%
Revenue by Segment				
Concerts	\$7,280	11%	\$7,440	-2.2%
Ticketing	\$798	15%	\$793	0.6%
Sponsorship & Advertising	\$443	13%	\$444	-0.2%
Adj Op Income by Segment				
Concerts	\$514	8%	\$509	1.0%
Ticketing	\$286	21%	\$288	-0.7%
Sponsorship & Advertising	\$313	14%	\$314	-0.3%

Source: Bloomberg



Incremental Guidance Commentary

- **Total AOI growth expected to accel in Q4**
- **FY25 CapEx expected to come at the high-end:** YTD CapEx totaled ~\$680mn, on track for FY spend of ~\$1bn (vs earlier guidance of b/w \$900mn-\$1bn)
- **On track to grow op cash flow and FCF-adjusted by double-digits for the FY**
- **Looking into FY25 op income and beyond....** “on a clear path for double-digit operating income and AOI growth this year and compounding at this growth level over the next several years”

Overall Strength In Demand Continues To Persist

- **The Co has not seen any pullback from lower-end consumers; Tickets sales remain strong across all venues and price points globally**
- **Posted record Q3 deferred rev, reflecting “robust consumer” demand for upcoming 2025 and 2026 shows (mostly in 2026, given that Q4 is cyclically a smaller qtr)**
 - Event-related deferred rev of \$3.5bn, up +37% y/y
 - Ticketmaster deferred rev grew +30% y/y to \$231mn, with intl mkts accounting for 75% of this growth
- **Continue to see y/y growth in ancillary revs as well:** Including growth onsite, food and beverage, VIP, hospitality, and premium
 - **Fan spending was up +6% across their major global festivals**, driven by higher spending on concessions and premium experiences
 - **Fan spending was up +8% across amphitheaters**, with an +8% increase in avg order size
 - Broader ready-to-drink options drove a \$2 per fan increase in category spending
 - Non-alcoholic beverages spending rose by 20% per fan

Shift To Stadiums Drove Concert Segment Performance

- **“Big shift” to stadiums drove Q3 concert AOI growth of +8% y/y (vs +33% y/y in Q2)**
 - **Had 120 addtl stadium shows y/y, which was “pretty well balanced” b/w US and intl**
 - “Heavily driven” by stadiums Live Nation operates, which drove some of the higher profitability per fan

- Offset by ~250 fewer amphitheater shows (cyclical dip) and arenas, which were ~flat (but did expand activity in their owned/operated arenas)
- **Underperformance in amphitheater was nothing structural – just a normal course of the ebbs and flows of having a global, diversified biz**
 - “A lot” of artists decided to play at stadiums instead of arenas and amphitheaters, which actually helped to deliver overall global rev growth of +11% y/y
- **Looking into 2026 – “It looks like amphitheaters, arenas, and stadiums are going to have a very strong year next year, on both international and American basis”**
 - On stadiums in particular – concerns over World Cup impacting stadiums haven’t materialized and continue to expect it to be a “very, very” strong yr
 - By adding “a few extra” shows in amphitheaters and arenas, will be back to annual higher double-digit fan growth that they’ve achieved for the last 15 yrs, and “we see that consistency will continue onward for the next few yrs”

Expanding Its Global Footprint Is Ticketmaster’s Key Priority

- **Ticketmaster added +26.5mn net new client tickets**, already ahead of FY24 net new tickets
- **Growth continues to be led by intl markets, where fan count is on track to surpass the US for the first time**
 - Mix shift to intl across Ticketmaster, sponsorship, venues, and concerts will continue “for many years to come”
- **Ticketmaster is a global biz and there is a “heavy focus” on building out their presence in international**
 - Particularly underdeveloped in Latin America, Asia, and parts of Europe
 - North America is “competitive, but that’s fine”
 - **“We certainly see international over the next several years as a great growth opportunity”**
- **Crackdown on ticket scalpers on Ticketmaster will not have much of an impact on overall growth strategy, given focus on the primary side**
 - **More focused on concert tickets vs sports:** For sports, teams and leagues actually want a secondary mkt b/c it helps with the disaggregation of season tickets; For concerts, every show is a one-off, so resale is mostly price arbitrage, which is what they’re trying to curb
 - **Actions taken so far -**
 - **Shutting down TradeDesk**, which is a tool brokers used to list tickets across multiple resale sites, which wasn’t actually giving scalpers an unfair advantage, but it caused confusion and bad press, so they’re closing it down; Don’t expect it to have any financial impact on them or on the mkt
 - **Adding identity verification tools:** Now requiring govt ID checks for accounts flagged as suspicious, which has led to 1mn+ fake/bot accounts being canceled over the past month
 - **Doing what they can, but ultimately changes need to be made at govt levels:** While “optimistic” about the impact of these actions in the short-term, expect that w/o legislative and enforcement changes, scalpers will continue to invest in new tools to get around their systems
 - **Financial impact of these measures? Minimal:** Probably no more than low to mid-single-digit impact to Ticketmaster’s AOI next yr (given that secondary is a low single-digit %age of rev)

Regulatory Proceedings Continue To Have No Material Impact On The Biz

- **On FTC case – “no real action” due to govt shutdown, but don’t believe FTC has a strong case**
 - “We think it’s an extremely expansionist view of the BOTS Act”
 - “We do more to stop bots and to counter a lot of this activity than the rest of the industry combined, we find to be very far afield”

- **On DOJ case – continues to advance procedurally, though Google decision was “certainly welcome news”**
 - Discovery is complete, in the middle of some of the expert depositions, and March 6th trial date was reaffirmed – “we’ll continue on that process for now”
 - **Remedies decision antitrust case “validated” their view that the claims in their case can’t lead to a Live Nation-Ticketmaster breakup**, even if the DOJ prevails on one claim or another

9) Growth Pillars Are Intact...TKO Is An “Execution Story”

TKO’s Q3 results are another example underscoring that the underlying demand for live events remains intact, as mgmt raised its 2025 guidance for the 3rd straight quarter. WWE drove the overall upside in Q3 relative to expectations with record-setting attendance and new ESPN distribution, while UFC’s miss was calendar-driven, not structural. The going forward growth drivers include media rights deals with ESPN and Paramount, expanded site fees in new markets, and high-margin partnerships, which position TKO for durable growth. The JV Zuffa Boxing’s consolidated results in 2026 will also include a full year of mgmt fees, as opposed to the partial year recorded in 2025.

All in all, this was a beat and raise quarter and the set up looks solid for 2026. It will all be about executing on these growth drivers. See below for more details on the key updates.

->TKO stock was down -1% in aftermarket trading hours and down -3% on the week; YTD the stock is up +30%

TKO Slightly Beats The Street On Headline #s But Under The Hood WWE Beat While UFC Missed

- **Total rev BEAT cons by +0.9% & adj EBITDA margins of 32.2% topped 31.6%**
 - **WWE- BEAT**
 - **UFC - MISSED**
 - **IMG – BEAT**
- **Q3 FCF of \$416.8mn compared to \$375mn in Q2**
 - Due to the increase in cash flow by op activities and a decrease in CapEx

TKO	Q3 2025 Results			
	Actual	Q3 y/y	Cons Est	% Surp
Revenue (\$ mn)	\$1,120.0	-27%	\$1,110.0	0.9%
Adj EBITDA (\$ mn)	\$360.2	59%	\$350.7	2.7%
Adj EBITDA Margin (%)	32.2%		31.6%	
Revenue Breakdown (\$ mn)				
WWE	\$402.1	23%	\$359.5	11.8%
Media rights, production and content	\$248.9	9%	\$233.8	6.5%
Live events and hospitality	\$82.5	62%	\$71.7	15.1%
Partnership and marketing	\$39.9	84%	\$34.8	14.7%
Consumer products licensing and other	\$30.8	18%	\$28.0	10.0%
UFC	\$325.2	-8%	\$351.9	-7.6%
Media rights, production and content	\$200.5	-7%	\$217.4	-7.8%
Live events and hospitality	\$43.6	-15%	\$48.9	-10.8%
Partnership and marketing	\$70.8	-4%	\$70.3	0.7%
Consumer products licensing and other	\$10.3	-22%	\$13.1	-21.4%
IMG	\$336.7	-59%	\$327.7	2.7%
Media rights, production and content	\$185.1	0%	No Consensus Given	
Live events and hospitality	\$138.3	-77%	No Consensus Given	
Partnership and marketing	\$10.3	-65%	No Consensus Given	
Consumer products licensing and other	\$3.0	-21%	No Consensus Given	
Adj. EBITDA Breakdown (\$ mn)				
WWE	\$207.8	19%	\$190.2	9.3%
UFC	\$165.6	-15%	\$195.0	-15.1%
IMG	\$61.4	17%	\$28.8	113.2%

Source: FactSet, StreetAccount



Raised FY 2025 Guidance For Third Qtr In A Row

- **2025 revenue guidance now \$4.69- \$4.72bn**, from \$4.63-\$4.69bn
- **2025 adj EBITDA guidance now \$1.57-\$1.58bn** from \$1.54- \$1.56bn
- **2025 FCF conversion is targeted at “more than 60%”** (ex the impact of ~\$300mn of non-recurring amounts as well as the net benefit of restricted cash related to the 2026 FIFA World Cup)

Deep Diving Into WWE & UFC Q3 Performance...Plus Q4 Outlook

- **WWE – STRONG BEAT...Q3 revs were +11.8% ahead of cons (grew +23% y/y vs to +22% y/y in Q2) & adj EBITDA was +9.3% ahead (rose +19% y/y, down from +31% in the prior yr qtr)**
 - **Live Events - BEAT:** Rose +62% y/y vs to +29% in Q2
 - Due to higher ticket sales rev as well as an increase in site fees, most notably related to the first ever two-night SummerSlam and Wrestlepalooza (the launch event for the Cos new distribution agreement with ESPN)
 - **Media Rights - BEAT:** Grew +9% y/y compared to +7% in Q2
 - Related to higher rights fees for WWE’s premium live events due to two addtl nights of programing
 - **Partnership and marketing - BEAT:** Rose +84% y/y compared to +136% in Q2
 - Due to new partners and an increase in fees from renewals
- **WWE - content also continues to generate ratings for their media partners**
 - **SmackDown:** Led primetime cable ratings 9 Fridays in the qtr

- **Raw:** Maintained its position on Netflix's Global Top 10 every single week through the qtr
 - **Global Brand Partnerships:** WWE's robust double-digit growth in the qtr, powered by SummerSlam and new blue chip brands including Maybelline, WWE's first ever official cosmetics partner
 - And at PBR, fan engagement continued to grow
 - **In Oct, a single Sunday broadcast drew an average of 2.7mn viewers on CBS**
 - The league's largest audience since joining the network in 2012, outperforming MLB playoffs and college football ratings that day
 - **With this momentum, PBR annnc'd a 5-year deal to bring its "Unleash the Beast" series to Paramount+, beginning in 2026**
- **WWE Q4 OUTLOOK – Will benefit from the new domestic rights agreement with ESPN, "however, the timing of the calendar is expected to significantly offset the benefit"**
 - Planning to have 2 nights of main roster PLE programming in Q4 compared to 3 nights in the prior yr
 - PLE in Saudi Arabia is shifting from Q4:25 to Q1:26
 - **UFC – MISSED...Q3 revs was -7.6% below cons (fell -8% y/y vs +5% y/y in Q2) & adj EBITDA also missed by -15% (fell -15% y/y vs +6% y/y in Q2)**
 - **Live Events - MISSED:** Down -15% y/y, same as -15% in Q2
 - Result of lower ticket sales rev due to holding one fewer numbered event as well as the impact of UFC 306, which was held at Sphere in Las Vegas and was the highest-grossing event in UFC history
 - **Media Rights - MISSED:** Down -7% y/y vs up +4% y/y in Q2
 - Due to holding one fewer numbered event y/y
 - **Partnership and Marketing - SLIGHT BEAT:** Down -4% y/y vs up +39% y/y in Q2
 - Reflected new partners and an increase in fees from renewals, more than offset by the impact of UFC 306, which included the first ever title partner sale
 - **UFC Q4 OUTLOOK - Expected to include 11 events vs 10 in the prior yr**
 - Within these 11, expect 4 numbered events, which is comparable to the prior yr
 - Intend to stage 9 events with live audiences (7 in the Q4 2024)
 - **IMG – BEAT...Q3 revs were +2.7% ahead of ests (fell -59% y/y vs -45% y/y in Q2) while adj EBITDA beat by more than 100%**
 - The y/y decline was due to absence of the 2024 Paris Olympics partially offset by an increase in rev at the IMG biz from new Studio properties and media rights commissions related to the Canelo vs. Crawford boxing event
 - **IMG Q4 OUTLOOK - Q4 rev and adj EBITDA to be down modestly y/y**
 - Due to the absence of the Gulf Cup, which is a biannual event
 - AND an increase in costs at On Location for the upcoming Olympic Games

Growth Drivers For 2026+

- **4 key drivers of growth -**
 - **Media rights:** Driven by the 7-yr UFC rights deal with Paramount, as well as a full year of media rights fees from their new 5-yr agreement with ESPN for the WWE PLEs
 - **Site fees from new markets:** The current WWE calendar includes 3 PLE's in Saudi Arabia vs one in 2025
 - **Global partnerships:** In 2025 at UFC and WWE, mgmt expects to achieve \$450mn in high margin partnership rev and they will continue to work towards achieving their previous target of \$1bn in total Co partnership rev by ~2030
 - **JV Zuffa Boxing:** Their consolidated results in 2026 are expected to include a full year of mgmt fees, as opposed to the partial yr recorded in 2025
 - Separate from the JV, they expect to work with partner Sela to host 2-4 super fights per year

- Expecting to do 12-16 fights a yr (outside the 2-4 super fights), populating the undercard with Zuffa fighters which will help the league grow

International Remains A Focus Area

- **UFC - domestically, media rights is in a “real good place” BUT on the intl side they are focused on increasing monetization**
 - A lot of the fan base is international, and they need to “close the gap”
 - **SKY had the “best equation” regarding LatAm and Australia**
 - They care about “brand, reach and dollars”
 - “Nobody here is taking a victory lap, I mean, we're proud of where we are, we're proud of the road ahead, we're cautiously optimistic, we're encouraged by each of the revenue drivers. But we know we have a lot of work to do if we're going to continue to really beat and raise as a continual thing”
 - **Australia and Canada are the two places that will keep the PPV model but other regions are shifting to a subscription model**
- **WWE – In Jan, they have a European tour for Raw and SmackDown leading into Royal Rumble, in Saudi Arabia**
 - Tickets are “on fire” for that event and again create more scarcity in the US, which is a good thing for our overall gauge

A Few Other Notable Updates

- **Collectively reaching ~1bn fans globally, creating strong momentum for their live events and brand partnership segments**
 - **UFC 319** became the highest grossing event at Chicago's United Center
 - UFC's return to Mainland China sold out Shanghai's indoor stadium in less than a minute
 - **WWE's live events** set 35 individual market records throughout the qtr
 - The first ever two-night SummerSlam sold 100k+ tickets at MetLife Stadium
 - **This qtr, UFC and WWE expanded their relationships with T-Mobile Arena in Las Vegas and Delta Center in Salt Lake City**
 - Annnc'd a 4-yr UFC partnership with Galaxy Macau and a WWE agreement with the General Entertainment Authority to bring WrestleMania 43 to Riyadh in 2027
- **Fighter pay is going through “some changes”**
 - Some athletes are already in discussion about new contracts since they were previously based on PPV sales
 - BUT... it will be “in line with the margins they have maintained”
- **Integrating On Location and PBR into TKO and the Co is realizing cost synergies and rev opportunities from these businesses are “even greater” than their recently raised expectations**

10) The Bar Was High But Uber Continues To Cruise Down The Fast Lane

Uber shares have had a good run this year (+53% YTD) but have been range bound over the last few months and Q3 results were not enough to take it to a new level. Uber delivered another strong quarter of execution, with gross bookings, revenue, and FCF all beating expectations and accelerating y/y and all platform KPIs remains robust across the board, with Trips and MAPCs both ahead of expectations and active drivers, couriers, audience, and engagement all reaching record highs. The only caveat was that all this didn't translate into higher-than-expected profitability (missed consensus by -0.6%).

Looking into Q4, guidance was mixed as gross bookings beat, but adj EBITDA guidance was a tad light at the midpt. Even so, mgmt is committed to overall profit expansion “for as far into the future as we can see”. Also, to flag, the Co will be

shifting its financial reporting starting in Q1:26, transitioning from adj EBITDA to adj op income and introducing adj EPS, which they credited as being a natural next step as the Co evolves into a more mature and scaled biz.

Beyond the financials, Uber's initiatives continue to underscore a message that it has been signaling for the past several quarters, which is that they are moving beyond just being a ridesharing or delivery Co. Mgmt outlined six new strategic focus areas designed to guide its "next phase" of growth, including deepening cross platform engagement, expanding into local commerce, building a hybrid future with autonomous vehicles, broadening earning opportunities for drivers, and embedding generative AI throughout the biz.

A couple of other key calls outs in the qtr that we thought were most interesting include 1) their Grocery & Retail offering (which is growing "significantly faster" than restaurant delivery) reached variable contribution profitability; 2) they have plans to introduce new flexible earning opportunities such as digital "AI tasks" that allow drivers to earn during downtime by helping train their AI models; and 3) the Co is not worried about more competition in its European delivery business given DASH's Deliveroo acquisition (which is a Street concern).

Overall, it was arguably a solid quarter. See below for our deep dive on the Co's results.

-> Uber closed the day of its report down -5.1% and ended the week down -5%

Q3 Was Almost A Clean Beat, But Was Weighed Down By A Miss In Profitably / Core User Metrics Were A Highlight

- **Q3 overall gross bookings, rev, and FCF all BEAT cons and accelerated y/y BUT Q3 adj EBITDA missed cons by -0.6%**
 - Delivery and Mobility Gross Bookings both accelerated w/ broad-based geographic strength
 - Small misses in Mobility and Freight adj. EBITDA drove the overall profitability miss
- **FX was a tailwind of ~\$250mn y/y (vs headwind of ~\$400mn y/y in Q2)**
- **Q3 MAPCs (Monthly Active Platform Consumers) grew +17% y/y (accel from +15% y/y in Q2) to reach 189mn**
 - Avging 6.2 monthly trips/mo (up from the 6.1 monthly trips/mo in Q2)
- **Reached a new record of 9.4mn active drivers and couriers globally (up from 8.8mn in Q2):** Up +20% y/y (in-line w/ Q2); Earned ~\$22bn (up +22% y/y) in aggregate in Q3 (vs \$20.8bn in Q2)
- **Q3 Trips growth was the strongest since the end of 2023 and the largest volume increase in Uber's history outside the post-COVID rebound:** Beat cons by +2.7% and was up +22% y/y (accel from +18% y/y the last 3 qtrs)
 - Fueled by all-time highs in audience and engagement, up +17% and +4%, respectively
- **Q3 FCF BEAT by +9.3%**

Uber	Q3 2025 Results			
	Actual	Q3 y/y	Cons Est	% Surp
Total Gross Bookings (\$ mn)	\$49,740	21%	\$48,950	1.6%
Revenue (\$ mn)	\$13,467	20%	\$13,280	1.4%
Adj. EBITDA (\$ mn)	\$2,256	33%	\$2,270	-0.6%
Adj. EBITDA Margin (%)	4.5%		4.6%	
Free Cash Flow	\$2,230	6%	\$2,040	9.3%
By Segment (\$ mn)				
Mobility Gross Bookings	\$25,111	19%	\$24,860	1.0%
Mobility Rev	\$7,682	18%	\$7,630	0.7%
Mobility Adj EBITDA	\$2,038	21%	\$2,040	-0.1%
Delivery Gross Bookings	\$23,322	24%	\$22,790	2.3%
Delivery Rev	\$4,477	27%	\$4,310	3.9%
Delivery Adj EBITDA	\$921	47%	\$917	0.4%
Freight Gross Bookings	\$1,307	0%	\$1,310	-0.2%
Freight Rev	\$1,308	0%	\$1,310	-0.2%
Freight Adj EBITDA	-\$20	-5%	-\$12	-38.5%
User Metrics (mn)				
Monthly Active Platform User (MAPC)	189	17%	185.5	1.9%
Trips	3512	22%	3420	2.7%
Take Rate	27.1%		27.1%	In-Line
Mobility	30.6%		30.7%	
Delivery	19.2%		18.9%	

Source: FactSet, StreetAccount



Q4 Profitability Guidance Was Slightly Below Street Projections, Though Gross Bookings Beat

- **Q4 Gross Bookings guidance BEAT by +1.6% at the midpt:** \$52.25-53.75bn vs cons \$52.17bn (representing growth of +17%-21% y/y ex-FX)
 - Outlook assumes a ~1% currency tailwind to total reported y/y growth
- **Q4 adj EBITDA guidance slightly MISSED by -0.4% at the midpt:** \$2.41bn-2.51bn vs cons \$2.47bn (implies growth of +31-36% y/y ex-FX)
- **2026 commentary – “we feel good that 2026 is going to be another great year for Uber”:** “Will continue to be a business that has the ability to generate high-mid- to high-teens growth, convert that into great profitability, convert that into great cash, and then use that to reduce share count”
- **Remain committed to annual profit expansion “for as far into the future as we can see”**

New Reporting Changes Will Be Introduced In Q1 2026, Reflecting The Scale & Maturity Of The Co

- **The Co will shift from reporting adj EBITDA to adj op income:** Both at the total Co and segment level, which will now include the impacts of SBC, depreciation, and non-M&A amortization
- **Will introduce adj EPS,** which will replace their quarterly adj EBITDA guidance
- **This new reporting and guidance format does NOT impact their 3-yr outlook provided back in Feb 2024:** “We are tracking exactly where we want to be”, which is mid-to-high teens gross bookings growth and a high 30-40% CAGR
- **What’s the rationale?** As the Co grows, “we want to provide investors with metrics that allow for better comparability across the alternative options they have on where to put their clients’ capital”
 - Moving to an adj EPS model allows for that ease of comparing

- “Nothing more to it than really...it’s a journey that all companies go through as they scale and become more meaningful in an investor portfolio”

Defined 6 “Strategic Areas Of Focus” To “Guide Our Next Phase”

- **Trip -> lifetime experience** - expanding focus beyond the next trip to consumers’ entire lifetime experience with Uber
- **“Building a hybrid future”** - integrating human drivers and autonomous vehicles into a single marketplace
- **Investing in local commerce** - expanding “rapidly” into grocery and retail
- **Multiple gigs** - broadening earning opportunities for drivers and couriers
- **Becoming a growth engine for merchants** - helping merchant partners drive “significant” incremental sales through ads, offers, and new demand channels, as well as new partnerships
- **Generative AI** - embedding intelligence across Uber to enhance productivity, optimize operations, and deliver more personalized consumer experiences
- **“You’ll see us invest in these areas with our product, our people and our capital in the years ahead. They’re designed to deepen customer relationships, grow our technology advantage and to extend the profitability flywheel that we built”**

Mobility Accelerated Across The Board, Though Margins Pressured by Mix Shift Toward Lower-Priced Regions

- **Mobility trips grew +21% y/y (accel from +19% in the last four qtrs)**
 - Driven by “good” growth in LatAm and APAC and “a great European summer”
- **Mobility gross bookings grew +19% y/y (accel from +18% y/y in Q2)**
 - Trips growth being driven by intl puts some pressure given lower price point vs US and Canada trips
- **Mobility trip growth accelerated across all regions, driven by “record” consumer engagement - for the first time ever, Mobility MAPCs exceeded 150mn (an all-time high)**
 - **In the US**, trip growth accelerated on improved affordability, driven by increasing adoption of their low-cost offerings and moderating insurance pressures
 - **International demand** was fueled by strong summer travel activity and growth in new consumer segments like Taxi, Reserve, Uber for Business, and Moto
 - **Growth was also supported by their active Mobility driver base, which was up +24% to an all-time high**
- **Q3 product launches:** Launched Women Preferences in the US; Expanding UberX Share to several addtl airports globally, bringing the total to 50+
- **On sparse geography strategy - penetration oppty in these sparser mkts continues to be “quite high”**
 - Sparse geographies are growing at ~1.5x the rate of their denser mkts
 - Have only penetrated into ~20% of what the oppty in the sparse mkt is
 - **Focused on 3 areas - expanding availability, increasing reliability, and ensuring the right product fit**
 - For example, “Wait and Save” product has been an “excellent” match b/c suburban riders typically don’t mind waiting for a ride, which compensates for the lower density of cars in those mkts
- **Update on insurance strategy – made “great progress” in 2025 and expected to be “beneficial” in 2026**

- Expect to see “hundreds of millions of dollars of savings” and will pass those savings on to customers through lower fares across the US for next yr

Delivery Growth Continues To Accelerate While The Co's TAM Oppty Expands

- **Q3 saw the fastest growth in delivery gross bookings in 4 yrs (up +24% y/y vs +20% y/y in Q2)**
 - Growth is “pretty broad across multiple markets” and is “coming from investments we’re making in a number of areas on improving the product”
- **Delivery gross bookings are at an \$80bn run rate**
 - Grocery & Retail (G&R) business is already approaching a \$12bn Gross Bookings run rate and is growing significantly faster than food delivery
- **Grocery and retail (G&R) biz is growing “significantly faster” than restaurant delivery and is now at a ~\$12bn gross bookings run rate**
 - This biz is now variable contribution positive
- **The TAM opportunity in grocery & retail is much larger than food delivery:** Previously focused on the ~\$2 trillion global food delivery opportunity, BUT “now expanding into the much larger ~\$10 trillion global grocery and retail market”
- **As consumers engage more with G&R, they use Uber more broadly and stay with them longer**
- **Taking a “partnership-first” approach to building out its merchant platform:** Now serve 1.2mn+ merchants globally, w/ \$14bn+ in merchant payouts in Q3 alone / Spend on Ads and Merchant-Funded Offers is up 50%+ and driving “significant” incremental sales for merchants
 - **Strategic partnership w/ Toast is a “win-win” – gives Uber more of a footprint across Toast’s ecosystem / Will help Toast expand globally through Uber’s established presence:** Toast-enabled restaurants will automatically launch on Uber Eats in a “seamless” integration that gives “a lot” more control and flexibility
 - **Continuing to deepen integrations with partners like OpenTable**
- **Uber is not concerned about the European delivery biz, given DASH’s upcoming entry through its Deliveroo acq...** “Very happy about our position in Europe” and momentum and profitability are “excellent”
 - **“We’ve got the leading position”**
 - #1 player in UK
 - #1 player in France “for some period of time
 - Gaining category position “very solidly” in both Spain and Germany
 - **“We have built our position in Europe organically, and some of our competitors have had to buy their way into a European position, and that's always more difficult”**
 - i.e., integration
 - **“Competition against these players is nothing new...we have been a category gainer for some period of time, while improving profitability, and I expect that to continue”**

Still In “Very, Very” Early Stages Of Tapping Into The Significant Upside Potential in The Cross-Platform Opportunity

- **Cross-platform consumers spend 2x more and retain 35% better vs single product users**
- **Significant oppty to grow cross-platform engagement...**
 - **20%** of consumers in mkts with both Mobility and Delivery use both services
 - **30%** of Mobility riders have never tried any Uber Eats offering
 - **75%** have never tried Grocery or Retail

- **For consumers - confident they can drive “much higher” cross-platform usage w/ “concerted product and operational focus” in the yrs ahead**
 - Currently just 20% of MAPCs w/ active Mobility and Delivery bizs use both offerings
 - BUT Uber’s “best-in-class” countries are already “comfortably” above this avg
- **Have set up specific programs/experiences to drive cross-platform behavior –**
 - Top tabs of the Uber Rides and Uber Eats apps make it easier to transact across the two apps
 - Creating personalized experiences to upsell based on context (i.e., offer you Starbucks on the way to work)
 - Uber One membership is also “a huge factor”
- **Uber One penetration continues to grow and become a bigger portion of gross bookings**
 - Now in 42 countries (vs yr-ago 28)
 - **Continues to drive gross bookings:** ~2/3 of Delivery and “continues to increase” penetration in Mobility as well
 - **Takes some time for new members to become profitable:** Initially profit-negative b/c discounts outweigh the short-term rev increase, but as members mature (~6 mos), they become profitable due to higher usage, cross-platform engagement, and retention.
 - **Retention is improving** esp as more users switch from monthly to annual passes
- **Similarly, earners who use Uber for multiple types of work also tend to stay longer and be more engaged / working on expanding flexible earnings models to drive multitasking**
 - “Vast majority” still continue to choose a single type of task, like rides or deliveries
 - Will change that over the coming yrs by converting couriers to drivers and vice-versa
 - Will further extend Uber’s flexible earnings model beyond rides and delivery, including to opties in Uber AI Solutions (see below)

Deployment Of Autonomous Vehicles Initiatives Are Accelerating At An Exponential Pace (But Profitability Is Still Some Time Away)

- **US AV biz accelerated “nicely” in Q3 vs Q2:** US mkt is “strong” and overall mkt is “healthy”
- **Quick update on Waymo – partnership “continues to be excellent from an operational standpoint” and Waymo utilization is still “very, very high”**
- **Partnership w/ Waymo is also their biggest scale operation + those mkts are growing faster than overall US mkts...:** Finding that growth in Phoenix, Austin, and Atlanta was more than twice the rest of the US
- **...driver earnings in those mkts are “super, super healthy” as well**
 - In Austin, where they have the most AVs on the ground, driver earnings per hr outpaced the rest of the US
 - **BUT “whether or not the growth in those markets is correlation or causal, it's too soon to tell”**
- **As a reminder – AV is NOT profitable today but will use tried and tested Uber playbook to get to profitability**
 - **Expect that the AV biz won’t be profitable for “a few years going forward”**
- **Looking ahead...expect to be live with AV deployments in at least 10 cities by the end of 2026**
 - Expect to build on AV launches in Abu Dhabi, Atlanta, Austin, and Riyadh
 - And bring AVs to Arlington and Dallas, Texas; Dubai; London; Los Angeles; Munich; the San Francisco Bay Area; and “many more to come”

NVIDIA Partnership Is “A Pivotal Step Towards Scaling The World’s Largest L4 AV Deployment”

- **Through its Hyperion platform, NVIDIA is building a reference architecture for L4-ready Aves:** Will be available to any OEM
- **NVIDIA is developing both the hardware and software stack for L4 autonomy, which will be compatible with any car built on the Hyperion 10 platform**
- **Partnership will help scale real-world data collection efforts**
- **Looking into the future...expect nearly every new car sold will either be –**
 - L3-ready for personal use
 - L4-ready if a driver wants to contribute that car to a ride-sharing platform or sell to a fleet
- **Expect relationship with Stellantis to scale “significantly more” going forward:** Initially going to have 5,000 vehicles powered by NVIDIA
- **Who owns the fleet?**
 - Uber can lean in w/ their balance sheet early on to establish the economics of these fleets
 - But eventually, think all these assets are going to be financialized over a period of time (similar to how REITs own hotels)
- **“We’re still early, but we’re confident that L4 cars operating on our network can generate higher revenue per vehicle than those off-platform”**

AI Initiatives Continue To Expand - Uber AI Solutions Could Create New Earnings Opptys + Developing Agents For Improved Customer Svcs

- **Piloting digital tasks in the Uber Driver app, powered by Uber AI Solutions – “we think this can ultimately be another profitable line of business for us”**
 - The pilot will give drivers more ways to earn during downtime by completing tasks like uploading or tagging photos to help train AI models
 - **Looking ahead... “Our ambitions here are much larger, and you will see us lean into this opportunity in the years ahead:** Offering more ways to earn means stronger engagement, higher platform liquidity, and greater resilience across cycles”
 - **“We’re landing a ton of customers, and it is kind of nascent in its operations right now, but the potential that we see is enormous”**
- **Developing intelligent agents to help customers with complex, multi-step requests**
 - I.e., “I need to get to work and pick up a coffee on the way”
 - **See “major” potential for cost efficiencies while improving customer support** using GenAI to automate and personalize interactions

11) DoorDash Keeps Ringing The Bell but Its 2026 Spending Tab Raises Eyebrows

The third quarter was a strong one for the delivery names. Uber’s Delivery segment beat Street expectations on both rev and adj. EBITDA (see **Theme #9**), while DoorDash delivered a clean beat across all key financial metrics, surpassing consensus on rev, Marketplace GOV, orders, contribution profit, and adj EBITDA.

But where the milk started to sour was with DASH’s outlook. While Q4 Marketplace GOV guidance beat by ~10% at the mid-pt, adj EBITDA guidance missed by -5.8%. On top of that, the Co is planning a “several hundred million dollar” increase in investments in 2026. There is more product development underway today than at any point in the Co’s history, and many of the initiatives that they’ve been working on for the past few years have now reached an inflection

point. The investments will broad-based across new products, as well as the buildout of a global technology platform to unify product development and operations across all of the Co's biz lines. When asked by analysts about payback, mgmt pointed to its success in scaling categories such as U.S. restaurants, new verticals, intl mkts, commerce, and ads, and will continue to use that playbook to repeat that success.

Turning back to the business, New Verticals segment continued to be a major focus, with unit economics improving both seq and y/y and mgmt remains comfortable with their path to breakeven (though we would flag that Uber's Grocery & Retail biz become variable contribution positive in Q3). Also a topic of conversation was the recent closing of the Deliveroo acquisition, as focus now shifts to making investments to improve the product and subsequently unit economics to get to a path of sustainable free cash flow. While Uber took a subtle jab at DoorDash on its own call, noting that its own market leadership is organic and that integrations can be challenging, DoorDash expressed confidence in its ability to execute, citing its successful experience integrating Wolt and the strong foundation Deliveroo already has in Europe.

While the core business remains solid, investor concern centered on the scale of upcoming investments. It will now be up to DoorDash to prove it can sustain its core performance, even as it ramps spending behind these next-wave initiatives.

See more details on what we viewed as the most important themes from DASH's earnings.

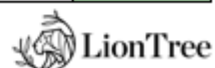
-> DoorDash plunged -17.6% (its biggest one-day drop ever) after its report and ended the week down -19%, but is up +22% YTD

Q3 Was A Clean Beat Qtr

- **Revenue - BEAT by +2.9%:** Grew +27% y/y (accel from +25% y/y in Q2)
- **Adj. EBITDA BEAT by +3.6%:** Grew +41% y/y (decel from +52% y/y in Q2)
- **Total Orders BEAT by +0.8%:** Grew +21% y/y (accel from +20% y/y in Q2)
- **Marketplace GOV BEAT by +1.9%:** Grew +25% y/y (accel from +23% y/y in Q2)
- **Contribution Profit BEAT by +3.9%:** Grew +36% y/y (decel from +39% y/y in Q2)
- **Take rate reached 13.8% in Q3, above cons 13.7%,** and a continued step up from 13.5% in Q2 and 13.1% in Q1
- **Dasher supply has “never been healthier” and have seen “no challenges to our Dasher funnel or supply”**
- **Also had a record qtr for DashPass and Wolt+ subscribers**
 - Have already exceeded FY expectations for US DashPass paid member additions.

DoorDash	Q3 2025 Results			
	Actual	Q3 y/y	Cons Est	% Surp
Revenue (mn)	\$3,446	27%	\$3,350	2.9%
Adj EBITDA (mn)	\$776	41%	\$749	3.6%
Adj EBITDA Margin (%)	22.5%		22.4%	
Marketplace GOV	25,000	25%	24,540	1.9%
Orders				
Total Orders (mn)	776	21%	770	0.8%
Average Order Value	\$32.24	4%	\$31.89	1.10%
Contribution Profit (mn)	\$1,268	36%	\$1,220	3.9%

Source: FactSet; Company Filings



Q4 Guidance Missed Expectations On The Profitability Front, But Still Beat On GOV... Investments Will Be RAMPING In 2026

- **Q4 Marketplace GOV – BEAT by +9.9% at the midpt:** \$28.9-\$29.5bn vs cons \$26.57bn
- **Q4 adj EBITDA – MISSED by -5.8% at the midpt:** \$710-\$810mn vs cons \$806.8mn
- **Deliveroo contributions to adj. EBITDA:** Expect Deliveroo to contribute ~\$45mn to adj EBITDA in Q4:25 and ~\$200mn to adj EBITDA in 2026
- **Expect a step up in investments in 2026:** While 2026 plans are still being finalized, currently expect to invest “several hundred million dollars” more in new initiatives and platform development in 2026 vs 2025
 - **FY26 EBITDA margins for overall biz, ex-Deliveroo, are expected to be “slightly” up vs 2025**

A Whole Host Of Investments Across The Biz Are Set To Be Made In 2026

- **“The reason why the tech investments go up in 2026 is because that's when they're actually happening”:** “When you're actually ready to deploy the software and actually get everything onto the same tech stack, that's what's adding to the kind of temporal costs”
 - **“There is more product development underway at DoorDash today than at any point in our history”**
- **Building a new global tech platform:** Multi-yr effort began in 2024, made “meaningful” progress in 2025, and is expected to accelerate in 2026
 - **What are they trying to accomplish?** Building a single global tech stack to go live w/ new features across all their biz lines at the same time, as well as enhancing developer productivity through AI-native tooling
- **New products:** Many of the experiments that they've been running for yrs are “coming to head” and ready for more investments
 - **What are some of those experiments?** Building products for in-store (i.e., going out, reservations, CRM platform behind SevenRooms); DoorDash Dot; DashMart Fulfillment Services
 - **Digital ordering and SevenRooms are starting to generate rev, which is going to increase**
 - **Particular investor interest on DashMart Fulfillment Services:** Enables DoorDash to control inventory and fulfillment itself so deliveries are almost always accurate and can be delivered in the same-day or same-hr
 - Currently investing in setting up supply chains, testing mkts, etc.

- **“Massive headway and runway” ahead:** Roughly speaking, in cities, there's “tens of millions of items”, most of which DoorDash already makes available via same-hr delivery, but only a single-digit %age actually are being delivered
- **Autonomous “requires making investments upfront” even if the product or results don’t come until much later**
 - **Vision for autonomy is multimodal w/ different fulfillment methods:** Including fulfillment by Dashers, by vehicles on land, by vehicles in the air, by vehicles built by DoorDash, by vehicles built in partnerships, etc.
 - **Ultimately building out their own Autonomous Delivery Platform**, “where we're going to be able to inject whatever the right fulfillment method is in order to give the best service”
 - **“2026 will be the year where we're ready to commercialize some of these efforts” BUT “this is not something that's going to happen overnight”**
- **Other initiatives in the works that address “an important challenge in local commerce and has shown early signs of product-market fit”-**
 - **Expansions of existing svcs:** Such as DoorDash for Business, Drive, and Online Ordering
 - **Introducing several tools designed to improve logistics quality and efficiency:** Including a new mapping platform, SmartScale, and Dot, their customized autonomous delivery robot

Main Focus With Deliveroo Is Investing In Product Improvements To Drive Gross Profit \$s And Greater European Share

- **“First order of business” is investing in product improvements while also improving unit economics**
 - Biz is “actually in better shape than we had expected” and growth is “exceeding [...] expectations”
 - “Very comfortable with the profit generation of the biz”, as it is in-line w/ what they underwrote, which assumes some level of investment
 - **Synergies expected to largely come from scale and cost redundancy**
 - Including through combining the two European teams and leveraging learnings from Wolt and DoorDash
 - **“Focus for us continues to be investing behind the team, investing behind product, which will ultimately drive long-term free cash flow generation in that business”**
- **On competitiveness in Europe – “think we have a great opportunity to be the leading local commerce platform there”**
 - **Pursued Deliveroo acq after gaining confidence in working w/ Wolt:** Wolt growth rates continue to exceed those of our peers; Retention and frequency levels are “progressing nicely”; Unit economics are improving at the same instance to all-time highs
 - **Have presence in 20+ countries w/ the strongest position in cities w/ the biggest profit pools – “there’s a lot of strong foundation to build from”**

New Verticals Continue To Ramp Across The Board

- **Broad commentary on New Verticals performance – unit economics continue to improve q/q and y/y and “comfortable on what it needs to get to breakeven”**
 - That will come from scale and continued improvements in the quality of the product
 - **“As long as we continue to improve the product, this is going to be a large business for us, which will drive more free cash flow generation in the future”**
- **What areas outside of grocery, convenience, and alcohol are driving New Verticals growth?**
 - **Pets** is a category “that's kind of a all-season category”
 - **Electronics** see a spike in the US heading into the holidays
 - **Healthy and Beauty** saw growth
 - **Home Improvement** has been “a very big surprise”; Have been delivering “thousands of pounds” of mulch per day in the summertime

- **“Never been in a better position in grocery”**
 - Adding grocers from “across the board”, including national scale players and local grocers
 - **More opties in the works...:** “Some of these grocers...are starting to ask us to help with other things...there's always this kind of two-sided opportunity for us...certainly on the consumer front but also B2B”
 - **On Amazon’s entry into grocery delivery – “it’s all about consumer choice”** and DASH was created people can shop from any retailers, not just 1-2; More choice benefits both consumers and cities
 - **Also, “it’s always been a competitive space” and the market is still very *not* penetrated”**
- **Retail is ramping up – is roughly at the point where Grocery was at in 2021**
 - Still “very early on the actual product experience itself”
 - **But seeing demand from both retailers and consumers:** Consumers are searching for retailers on the platform and retailers are looking to leverage DASH’s reach and capabilities

Not Much Commentary On Ads Biz

- **Advertising continues to see more demand than supply:** “We have extra budgets wanting to spend more on the Dash platform than we kind of give ad space to”
 - **“Net-net, ads business is growing, and it's growing quite nicely”**

12) No Slowdown In Travel Despite Govt Shutdown – Quick Takes On Travel Trends From Airbnb, Expedia, & CLEAR

Given the chatter this week around travel disruptions due to the ongoing government shutdown, we wanted to take a quick look at Airbnb, Expedia, and CLEAR Secure to get a pulse on the state of travel heading into the busy holiday travel period. Overall, the picture remains broadly resilient, with all three Cos reporting strong Q3s and robustness so far in Q4 (both Airbnb and Expedia raised their FY guides as well). See below for the high-level takeaways.

Airbnb

- **Q3 top-line beat across the board and adj. EBITDA was the Co’s highest ever / Night & Experience Booked and GBV per night growth accel seq**

Airbnb	Q3 2025 Results			
	Actual	Q3 y/y	Cons Est	% Surp
Gross Booking Value (\$mn)	\$22,900	14%	\$21,920	4.5%
Revenue (\$mn)	\$4,100	10%	\$4,080	0.5%
Adj EBITDA (\$mn)	\$2,100	5%	\$2,040	2.9%
Adj EBITDA Margin (%)	50.0%		49.9%	
Other Key Metrics				
Nights & Seats Booked (mn)	133.6	9%	131.8	1.4%
GBV per Night	\$171.29	5%	\$166.31	3.0%

Source: Airbnb Filings; FactSet Data & Analysis



- **Q4 top-line guidance beat and FY25 adj. EBITDA margin raised**
 - **GBV expected to grow LSD y/y**, benefitting from a “modest” increase in ADR, primarily due to price appreciation and FX, as well as continued growth in Nights and Seats Booked
 - **Nights and Seats Booked expected to grow in the MSD range y/y**, due to a “challenging” Q4:24 comp

- **Q4 rev – BEAT at the midpt:** \$2.66-2.72bn vs cons \$2.67bn
 - Implied take rate experience to be “relatively flat” y/y
- **Q4 adj. EBITDA – BEAT:** Expected to be flat to slightly down y/y vs cons -2.5%
 - **Margins are expected to decline over the same period**, primarily driven by investments in new growth and policy initiatives, including ~\$200mn towards services and experiences in 2025 (consistent with prior update)
- **FY25 adj EBITDA margin - slightly raised** to ~35% vs prior guidance of at least 34.5%
- **Launch of Airbnb Services and reimagined Airbnb Experiences are bringing new customers to the platform:** In Q3, almost half of Experiences bookings were not attached to an Airbnb accommodation booking
- **Supply continued to grow at a “healthy” pace in Q3**, with active listings growing ~in-line with Nights and Seats Booked
 - Continued to see growth in both high-density urban and non-urban destinations
- **How have consumer patterns been trending?**
 - **In Q3 –**
 - Saw “relatively consistent” booking behavior by guests in terms of market type, travel corridor, and length of stay vs prior-yr period
 - Avg lead times were up “slightly” on a y/y basis, particularly in N. America, in part driven by the launch of the Reserve Now, Pay Later offering
 - **Q4-to-date –**
 - Continue to see “strong” demand, despite more difficult y/y comps
 - Specifically seeing strength in longer lead time bookings, in part driven by Reserve Now Pay Later offering in the US

-> Airbnb was up +0.3% in reaction to earnings, but ended the week down -4.5%, YTD, the stock is down -8.0%

Expedia

- **Q3 was a clean sweep qtr on the top- and bottom-line, with all key metrics beating and accelerating seq**
 - Booked Room Nights growth was driven by the fastest US growth in 3 yrs and continued intl strength
 - B2B biz a “significant” tailwind that helped drive performance

Expedia	Q3 2025 Results			
	Actual	Q3 y/y	Cons Est	% Surp
Gross Bookings (\$mn)	\$30,730	12%	\$29,180	5.3%
Revenue (\$mn)	\$4,410	9%	\$4,280	3.0%
Adj EBITDA (\$mn)	\$1,450	16%	\$1,350	7.4%
Adj EBITDA Margin (%)	32.9%		31.5%	
Adj EPS	\$7.57	23%	\$6.97	8.6%
Booked Room Nights (mn)	108.2	11%	103.9	4.2%
Room Night Growth	11.0%		6.6%	
Revenue By Segment (\$mn)				
B2C	\$2,880	4%	\$2,820	2.1%
B2B	\$1,390	18%	\$1,360	2.2%
Other	\$140	34%	\$100	40.0%

Source: Expedia Filings; FactSet Data & Analysis

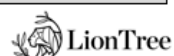


- **Q4 rev guidance beat / FY guidance was RAISED across gross bookings, rev growth, and EBITDA margin**
 - Rev growth of +6-7% y/y vs prior guidance +3-5%

- Bookings growth of +7% vs prior guidance +3-5%
- Adj EBITDA margin expansion of 2% vs prior guidance 1%

Expedia	FY Guidance Growth (Mid-Pt)		
	Actual	Cons Est	% Surp
FQ4 Guidance (\$ mn)			
Gross Bookings (\$mn)	7.0%	No Consensus Given	
Revenue (\$mn)	7.0%	2.6%	
Adj EBITDA (\$mn)	2.0%	No Consensus Given	
FY26 Guidance (\$ mn)			
Gross Bookings (\$mn)	7.0%	No Consensus Given	
Revenue (\$mn)	6.5%	4.6%	
Adj EBITDA (\$mn)	2.0%	No Consensus Given	

Source: Expedia Filings; FactSet Data & Analysis



- **Looking ahead to 2026, expect further margin expansion, albeit at a more moderated pace than 2025**, as they continue cost-out efforts and invest behind growth initiatives
- **Consumer trends in Q3? Market was “healthy”**
 - Saw an accel in the US and “continued strength” in RoW
 - Saw longer lengths of stay and longer booking windows, “both signs of a stronger consumer”
 - Demand for premium travel has “performed well” and accelerated from Q2
 - Also saw resilience in demand at the lower end
- **Looking into Q4 – “we’re watching the government shut down very closely”**
 - Even if air travel rev drops due to govt shutdown related flight cancellations, that risk is already accounted for in their Q4 outlook and they expect to be able to absorb most of the impact

-> Expedia’s jumped a massive +17.6% after its print and closed the week up +17.4%; YTD, the stock is up +38.6%

CLEAR Secure

- **Q3 beat on the top-line, w/ adj. EBITDA posting a particularly strong beat / But EPS and FCF missed, and CapEx did come in higher than expected**

Clear Secure	Q3 2025 Results			
	Actual	Q3 y/y	Cons Est	% Surp
Bookings (\$mn)	\$260.1	14%	\$255.8	1.7%
Revenue (\$mn)	\$229.2	16%	\$224.9	1.9%
Adj EBITDA (\$mn)	\$70.1	44%	\$59.4	18.0%
Adj EBITDA Margin (%)	30.6%		26.4%	
EPS	\$0.29	16%	\$0.30	-3.3%
CapEx (\$mn)	\$6.2	210%	\$4.5	Higher
Free Cash Flow (\$mn)	(\$53.5)	-47%	(\$69.0)	-22.5%

Source: Clear Filings; FactSet Data & Analysis



- **Q4 guidance was also easily ahead of expectations**
 - Reflects another qtr of accelerating growth from a Bookings perspective

Clear Secure	Q4 2025 Guidance (Mid-Pt)		
	Actual	Cons Est	% Surp
Bookings (\$mn)	\$268	\$255	4.9%
Revenue (\$mn)	\$236	\$232	1.5%

Source: FactSet, StreetAccount



- **Incremental 2025 guidance commentary – reaffirmed adj EBITDA margin expansion and raised FCF**
 - **Continue to expect expanding adj EBITDA margins for 2025 vs 2024**
 - **Increased 2025 FCF** from \$310mn to at least \$320mn (cons was also at \$320mn)
 - Reflects both the impact of addtl CapEx related to their eGates rollouts (not originally anticipated at the onset of the yr) as well as certain cash tax benefits related to the One Big Beautiful Bill Act, which went into effect in Q3
- **Seeing any Impact from govt shutdown related TSA staffing issues? “Our capabilities really shine through in these moments”**
 - Traffic has been trending upwards despite the shutdown; Was up ~4% in October
 - Continue to be “strong” on both the leisure and corporate side
 - Despite FAA announcing fewer flights, heading into a “very strong” holiday travel season
 - Think the new technology and svs they are releasing “couldn’t be coming at a better time” and “seeing a lot of excitement and appreciation for our improved member experience”
- **Continue to believe that we are heading into a “travel boom”**
 - Looking past the govt shutdown, there is the Work Cup, America 250, Olympics in 2028, business travel rebounding, etc.
 - ~3mn/day currently travel through airports, think that’s going to reach to ~4mn/day by 2030
 - “Travel is growing here in the U.S., and our infrastructure needs to shine”

-> Clear Secure’s stock was up +0.7% post its report, but had an overall strong week, closing up +18.4%; YTD the stock is up +35.4%

13) Addtl Quick Takes: AppLovin, Shopify, The Trade Desk, Unity, & Lyft

AppLovin: Q3 easily beat on the top-line and the same could be said about the Co’s Q4 guidance. Gaming advertising continued on a “solid trajectory”, and the MAX supply-side platform continues to grow at “very healthy rates”, including opening international traffic for advertisers ahead of schedule. The Co also launched its self-service platform and referral form on October 1, with early spend from self-service advertisers growing ~50% w/w. Looking ahead into Q4 and 2026, the Co plans to continue executing on its strategic priorities, including improving its models, ramping AI agents, and preparing to broaden access to the platform.

-> AppLovin’s stock +0.7% in reaction to earnings, but finished the week down -2.7%; That said, the stock overall has had a phenomenal run and is up +91.4% YTD

Applovin (\$mn)	Q3 2025 Results			
	Actual	Q3 y/y	Cons Est	% Surp
Revenue	\$1,405	68%	\$1,340	4.9%
Adj EBITDA	\$1,160	79%	\$1,090	6.4%
Adj EBITDA Margin (%)	82.6%		81.3%	

Source: Bloomberg, FactSet, StreetAccount



Applovin (\$mn)	Q4 2025 Guidance (Mid-Pt)		
	Actual	Cons Est	% Surp
Revenue	\$1,585	\$1,540	2.9%
Adj EBITDA	\$1,350	\$1,270	6.3%

Source: Bloomberg, FactSet, StreetAccount



Shopify: Delivered a strong Q3, beating across the board, with the exception of gross margin, which was slightly down y/y in part due to higher hosting costs to support larger transaction volumes, as well as increased costs due to higher AI usage. GMV growth of >30% for the second seq qtr was of particular note, driven largely by North America, and is expected to continue in Q4. Looking further into the next qtr, rev is expected to grow in the mid-to-high-twenties % y/y vs cons +23.6%, but FCF margin is guided to being only slightly above Q3, in part due to higher AI spending related to the Co's agentic commerce rollout; "Shoppers keep buying, they keep returning, and demand remains really resilient across channels and categories," per Shopify President Harley Finkelstein, and while investments are boosting revs, they are pressuring profits, which is something investors will be keeping an eye on.

-> Shopify's stock fell -6.9% in reaction to earnings, and finished the week down -12.4%; But, YTD, the stock is still up +43.3%

Shopify (\$mn)	Q3 2025 Results			
	Actual	Q3 y/y	Cons Est	% Surp
Total Revenue	\$2,840	32%	\$2,760	2.9%
GAAP Gross Profit	\$1,390	24%	\$1,360	2.2%
GAAP Gross Margin (%)	48.9%		49.3%	
FCF	\$507	20%	\$494	2.6%
Adj Operating Income	\$465	27%	\$442	5.1%
Adj EPS	\$0.44		\$0.29	51.7%
Segment Revenue				
Merchant Solutions	\$2,150	38%	\$2,060	4.4%
Subscription Solutions	\$699	15%	\$698	0.1%
Segment Gross Profit (GAAP)				
Merchant Solutions	\$820	33%	\$804	2.0%
Subscription Solutions	\$571	14%	\$563	1.4%
Other KPIs				
Gross Payments Volume	\$60,700		No Consensus Given	
Monthly Recurring Revenue (MRR)	\$193	10%	\$193	In-Line

Source: Shopify Filings; Bloomberg and FactSet Data & Analysis



The Trade Desk: Q3 was a strong qtr for TTD and that is expected to continue into Q4, as the Co sees "really strong momentum across our business and as we close out the year." The current environment was described as a "A Tale of Two Cities," reflecting ongoing macro uncertainty. While some large brands (particularly in consumer products, CPG, and parts of retail) are still facing pressure from tariffs, inflation, and legacy advertising practices, others continue to adapt. Regardless, mgmt "can't emphasize the structural shift that is going on right now" as publishers are "increasingly relying on independent partners like The Trade Desk to win." They feel "really confident" about where the Co is heading and are "really excited" for 2026. With that said, investors negatively focused on the decelerating y/y rev growth sequentially implied in the Q4 guidance (+18% to +13%) and concerns about Amazon's DSP remains an overhang.

-> The Trade Desk's stock fell -6.3% post results and ended the week down -14.5%; It's been a tough run for the stock, which is down -63.4% YTD

The Trade Desk	Q3 2025 Results			
	Actual	Q3 y/y	Cons Est	% Surp
Revenue (\$mn)	\$739	18%	\$719	2.8%
Adj EBITDA (\$mn)	\$317	23%	\$278	13.9%
Adj EBITDA Margin (%)	42.9%		38.7%	
Adj EPS	\$0.23	21%	\$0.20	15.0%

Source: The Trade Desk Filings; FactSet Data



The Trade Desk	Q4 2025 Guidance		
	Actual	Cons Est	% Surp
Revenue (\$mn)	>\$840	\$830	1.2%
Adj EBITDA (\$mn)	~\$375	\$368	1.9%

Source: The Trade Desk Filings; FactSet Data & Analysis



Unity: On its Q2 earnings call, Unity said that it has reached an inflection point and that the Co was now “poised to deliver sustainable, long-term growth in the years ahead” and per mgmt, Q3 is proof that that’s “precisely what was happening.”

Total rev grew +5% y/y, it’s first growth qtr since Q4:23, and adj EBITDA also outperformed, driven by Unity Vector AI, as well as continued strength in Create. Q3 overall beat expectations and looking ahead, Q4 rev guidance was better than expected, assuming continued HSD growth driven by strength in their subscription business, while adj. EBITDA margins are guided to being stable in Q4

-> Unity’s stock rose +18.1% in reaction to earnings, but gave back some of those gains to end the week up +5.6%; The stock is still up a substantial +78.2% YTD

Unity (\$mn)	Q3 2025 Results			
	Actual	Q3 y/y	Cons Est	% Surp
Revenue	\$471	5%	\$450	4.7%
Adj Gross Margin (%)	82.5%		80.4%	
Adj EBITDA	\$109	19%	\$95	14.7%
Adj EBITDA Margin (%)	23.3%		21.2%	
Segment Revenue				
Create Solutions	\$152	3%	\$146	4.1%
Grow Solutions	\$318	6%	\$304	4.6%

Source: Bloomberg, FactSet, StreetAccount



Unity (\$mn)	Q4 2025 Guidance (Mid-Pt)		
	Actual	Cons Est	% Surp
Revenue	\$485	\$473	2.5%
Adj EBITDA	\$113	\$113	In-Line

Source: Bloomberg, FactSet, StreetAccount



Lyft: Q3 was a modest beat relative to consensus on headline numbers, though revenue and # of rides did come in slightly below projections. Q4 guidance was also mixed, with rev beatings but adj EBITDA and margin missing. What was the standout was expectations of delivering “well above” \$1bn in FCF generation in 2026 and 2027, with conversion rates from adj. EBITDA in the range of 150-175%. 2026 is going to see “multiple growth catalysts converging”, which will accelerate momentum, including their acq of Freenow (will bring 6mn+ annual riders to the platform in 2026) along w/

organic strength in their core Lyft rider base and “strong” growth in the US underpenetrated mkts, which positions the Co for continued Active Riders growth. Ongoing strength in the platform, along with growth in their partner ecosystem, are also driving expectations of gross Bookings to accelerate both in N. America and globally across the same time period.

-> Lyft's stock rose +5.8% post its print and continued to build on those gains to finish the week up +7.7%; YTD, the stock is up +70.9%

Lyft	Q3 2025 Results			
	Actual	Q3 y/y	Cons Est	% Surp
Gross Bookings (\$ mn)	\$4,780	16%	\$4,740	0.8%
Revenue (\$ mn)	\$1,685	11%	\$1,700	-0.9%
Adj. EBITDA (\$ mn)	\$139	29%	\$138	0.7%
Adj. EBITDA Margin (%)	8.2%		8.1%	
Rides (mn)	248.8	15%	249.7	-0.4%
Active Riders (mn)	28.7	18%	27.5	4.4%

Source: FactSet, StreetAccount



Lyft	Q4 2025 Guidance (mdpt)		
	Actual	Cons Est	% Surp
Gross Bookings (\$ mn)	\$5,070	\$5,020	1.0%
Adj. EBITDA (\$ mn)	\$145.0	\$145.5	-0.3%
Adj. EBITDA Margin (%)	2.9%	3.0%	-5.0%

Source: FactSet, StreetAccount



Stock Market Check

Market Changes the Past Week

Benchmark	Abs. Value	W/W Change
S&P 500	6,729	(1.6%)
NASDAQ	23,005	(3.0%)
Dow Jones	46,987	(1.2%)
Gold	\$4,008	0.3%
WTI Crude	\$59.81	(1.9%)
10-Year Treasury Yield	4.10%	+0.3 bps
Bitcoin	\$104,030	(5.8%)
Ether	\$3,478	(10.0%)

LionTree TMT Universe Performance (~220 stocks)

Best-Performing Stocks	+	Worst-Performing Stocks	-
iHeartMedia, Inc.	57.1%	BuzzFeed, Inc.	(34.0%)
Lemonade Inc.	24.1%	Allbirds Inc.	(32.8%)
DigitalOcean Holdings Inc	21.1%	Duolingo	(26.2%)
CLEAR Secure, Inc.	18.2%	Clover Health	(25.4%)
Expedia Group Inc	17.8%	GoPro, Inc.	(23.9%)
Datadog	17.3%	Ubisoft Entertainment SA	(23.4%)
Playtika Holding Corp	15.8%	SES SA	(22.6%)
Outfront Media Inc	13.5%	CoreWeave	(22.4%)
Eventbrite Inc	13.4%	Bumble Inc	(21.7%)
ITV plc	13.4%	Rackspace Technology, Inc.	(21.1%)

Best-Performing Sub-Industries	+	Worst-Performing Sub-Industries	-
Out of Home Advertising	4.5%	EdTech	(20.3%)
European Media	2.8%	Ad Tech	(13.4%)
Employment Marketplace	2.6%	Entertainment Facilities/Theme P	(12.9%)
US Print Media / Publishing	1.4%	Satellite Communications	(12.5%)
Consumer Retail	1.0%	Space	(9.8%)
e-Commerce	(0.2%)	Last Mile Transport/Delivery	(9.6%)
China Internet / Tech	(0.4%)	Semis	(7.5%)
Cybersecurity Software	(0.6%)	European Telco	(6.9%)
Hardware/Handsets	(0.9%)	Application Software	(5.8%)
Online Travel	(1.1%)	Music	(5.2%)

This Week's Other Curated News

Advertising/Ad Agencies/Ad Tech

- Netflix annnc'd a new ad metric called monthly active viewers (MAV), claiming 190mn MAVs across 12 countries. MAV counts users who watched ≥1 min of ad-supported content, multiplied by avg household size. Unlike MAU, MAV aims to offer advertisers clearer insight into ad reach. ([The Hollywood Reporter](#))

Artificial Intelligence/Machine Learning

- Microsoft AI annnc'd plans for Humanist Superintelligence (HSI), aiming to build domain-specific, controllable AI that prioritizes humanity over autonomy. HSI focuses on solving real-world challenges like medical diagnostics, clean energy, and personalized learning, while addressing alignment and containment risks. ([Microsoft](#))

- **Google Finance adds AI upgrades incl. Deep Search for complex queries, prediction mkts data from Kalshi & Polymarket, and enhanced earnings tools w/ live audio, transcripts & AI insights.** Features let users compare rev trends, analyst reactions & historical data. Rollout starts in U.S., expands to India w/ English & Hindi support. ([Google](#))
- **OpenAI annnc'd its AI video app Sora is now on Android after debuting on iOS in Sept.** The app, w/ TikTok-like feed, enables users to create, share, remix AI videos and use "cameo" for personalized clips. ([The Verge](#))
- **Instacart annnc'd new enterprise AI Solutions to help grocers compete in an AI-first world.** Features include Cart Assistant for personalized shopping, Store View for real-time shelf insights, Catalog Engine for enriched product data, and agentic analytics for instant biz intelligence. ([Instacart](#))
- **OpenAI annnc'd the Teen Safety Blueprint, a framework to guide responsible AI design for teens.** It outlines age-appropriate features, safeguards, and ongoing evaluation. The Co has added parental controls, proactive alerts, and is developing age-prediction tech to tailor ChatGPT for users <18. OpenAI aims to lead in teen safety ahead of regulation. ([OpenAI](#))
- **Amazon sued Perplexity over its Comet AI agents allegedly making unauthorized purchases by disguising as Chrome browsers.** Amazon claims violations of fraud laws and misuse of Prime benefits. Perplexity argues it enhances user choice. CEO Jassy supports agentic commerce but insists on preserving customer experience. Amazon seeks damages and injunctive relief. ([Retail Dive](#))
- **Google annnc'd Ironwood, its most powerful TPU chip, now 4x faster than prior gen, built to train large AI models and power real-time agents.** Anthropic plans to use up to 1mn units for Claude. Ironwood connects 9,216 chips/pod, removing data bottlenecks. Google also upgraded its cloud svcs amid 34% rev growth to \$15.15bn in Q3. ([CNBC](#))
- **Meta projects 10% of its 2024 rev to stem from scam and banned goods ads, w/ internal estimates showing ~15bn scam ads daily across its platforms.** Docs reveal the Co is profiting heavily from fraudulent content. Meanwhile, Qualcomm annnc'd a solid quarter but investor response was muted due to Samsung biz decline. ([Reuters](#))
- **Google is in early talks to deepen its investment in Anthropic, potentially valuing the AI startup at \$350bn.** Options include a strategic deal w/ added cloud svcs, a convertible note, or a priced round early next yr. Google already holds 14% after \$3bn invested; Anthropic raised \$13bn in Sept. at \$138bn valuation. ([Business Insider](#))
- **OpenAI CFO Sarah Friar said an IPO is "not on the cards" soon.** Speaking at WSJ Tech Live, she noted the AI firm is focused on growth & research over profitability, and recent structural changes don't indicate a listing. ([MSN](#))
- **Gemini Deep Research now taps Gmail, Drive & Chat to enhance research, beyond prior web/PDF scope.** Users can analyze brainstorming docs, emails, Sheets & Slides for mkts or competitor reports, merging internal data w/ public sources. Access via Tools menu w/ new "Sources" dropdown. ([9to5 Google](#))
- **Quantinuum, valued at \$10bn, annnc'd Helios quantum computer, marking a major leap in scale and reliability.** Helios offers 98 physical qubits delivering 48 logical error-corrected qubits, a unique 2:1 ratio. It includes Guppy language for scalable algorithm dev. JPMorgan Chase uses Helios for complex data optimization. ([WSJ](#))

- **Qualcomm annnc'd Q4 adj EPS of \$3.00 vs \$2.88 est and rev of \$11.27bn, up 10% YoY.** Despite net loss of \$3.12bn due to tax expense, handset rev rose 14% to \$6.96bn, auto up 17% to \$1.05bn, IoT up 7% to \$1.81bn; licensing fell 7% to \$1.41bn. ([CNBC](#))
- **Apple plans to pay ~\$1bn/yr to license Google's 1.2T-parameter AI model for Siri overhaul, w/ Gemini powering summarizer & planner functions.** Deal serves as interim fix until Apple's own 1T-parameter model launches next yr. Siri revamp, code-named Linwood, targets iOS 26.4 by spring. Apple will run Gemini on Private Cloud Compute for data security. ([Bloomberg](#))
- **OpenAI annnc'd crossing 1mn biz customers, making it the fastest-growing biz platform.** Growth driven by ChatGPT for Work (7mn seats, up 40% in 2 mos) and 9x YoY rise in Enterprise seats. New tools include Co knowledge, Codex (usage up 10x since Aug.), and AgentKit for rapid agent deployment. Multimodal models now span text, image, video, audio. ([OpenAI](#))
- **METR reports LLM task horizons are doubling every ~6 months, suggesting rapid capability growth.** They note this trend may accelerate post-2024 due to compute scaling and algorithmic improvements. METR highlights falling inference costs, enabling broader automation, and warns that such progress could surpass historic productivity limits, reshaping economic growth trajectories. ([Window on Theory](#))
- **Apple annnc'd Live Translation on AirPods will expand to EU next month.** Feature works on AirPods Pro 3, Pro 2 & AirPods 4 w/ ANC, powered by Apple Intelligence for real-time, on-device translations across English, French, German, Spanish, Italian, Portuguese, Chinese, Japanese & Korean. ([Apple](#))
- **Reuters reports rising debate over an AI bubble as cos annnc'd multi-bn investments.** BofA survey shows 54% investors see mkts overheated. BoE warns of risk of sharp correction; IMF notes bust possible but less systemic. Execs incl. Bezos, Altman, and Burry voice caution, while Goldman sees rev growth sustainable. ([Reuters](#))
- **Ripple, a crypto-focused fintech, said it has no IPO plans despite hitting a \$40bn valuation after raising \$500mn from Fortress, Citadel, and others.** Customer base doubled QoQ, driven by stablecoin adoption and regulatory clarity. However, Ripple withheld 2024 rev and ODL metrics, raising concerns on IPO readiness. ([Tech In Asia](#))
- **AWS & OpenAI annnc'd a multi-yr strategic partnership worth \$38bn, granting OpenAI immediate access to AWS's world-class infra for advanced AI workloads.** AWS will supply EC2 UltraServers w/ hundreds of thousands of NVIDIA GPUs, scaling to tens of millions of CPUs by 2026, cont'd into 2027+. ([Amazon](#))
- **Microsoft plans \$15. 2bn UAE investment by 2029, focusing on AI data centres and cloud infra.** It secured U.S. export licences for Nvidia chips, incl. A100, H100, H200, and GB300 GPUs, for UAE ops. \$7.3bn spent since 2023; \$7.9bn more earmarked. Chips to ship in coming months for MSFT's UAE data centres. ([Reuters](#))
- **Meta's Q3 earnings revealed heavy AI spending, w/ op. costs up \$7bn YoY and capex near \$20bn, yet no clear rev path.** Zuckerberg defended cont'd infra buildout for frontier models, calling it a "massive latent opportunity." Stock fell 12%, erasing \$200bn in mkt cap. ([TechCrunch](#))

- **Palantir topped Q3 estimates, posting adj EPS of 21¢ vs. 17¢ expected and rev of \$1.18bn vs. \$1.09bn.** U.S. govt biz grew 52% to \$486mn; total rev jumped 63% YoY to \$1bn+. FY rev outlook raised to ~\$4.4bn w/ FCF of \$1.9–\$2.1bn. U.S. commercial rev more than doubled to \$397mn; contract value hit \$1.31bn. ([CNBC](#))
- **Bridgewater co-CIOs warned that investors may be underpricing risks in the AI-driven rally as S&P 500 hits record highs.** They noted cos' massive AI spend may not yield cash flows to justify lofty valuations. ([Reuters](#))
- **AI cos like OpenAI, Anthropic & Cohere are hiring forward-deployed engineers (FDEs) to boost AI adoption.** FDEs embed w/ clients to tailor models, driving rev & long-term relationships. Job listings rose 800% Jan.–Sept. Palantir pioneered the role, now half its workforce. ([Financial Times](#))

Audio/Music/Podcast

- **Amazon annnc'd Alexa Plus integration into its Music app.** The AI assistant enables nuanced song recommendations, vibe-based playlists, and complex queries. Users can find tracks via lyrics, shows, chart data, or ask for mood/era-specific music w/ exclusions. ([The Verge](#))
- **Netflix approached SiriusXM to license video podcasts, aiming for exclusivity and expanding its podcast push.** This follows outreach to iHeartMedia and talent agents at WME, UTA, CAA. SiriusXM, recently named top US podcast network, hosts shows like SmartLess and Morbid. ([The Hollywood Reporter](#))
- **Netflix is making a major push into video podcasts, sending requests to WME, UTA & CAA to sign creators ahead of an early 2026 launch.** Talks w/ iHeartMedia could bring popular titles like Las Culturistas & Stuff You Should Know. Shares of iHeart surged ~30% after news. Move follows Netflix's Oct. deal w/ Spotify for shows incl. ([The Hollywood Reporter](#))

Broadcast/Cable Networks

- **Sinclair CEO Chris Ripley criticized Disney over ABC blackout on YouTube TV, impacting ~10mn subs.** On the earnings call, he called it an antitrust issue, citing the Communications Act's intent. Ripley said local broadcasters lack control over content distribution and urged FCC, SEC action; FCC has opened an investigation. He warned consumers are forced to buy extra streaming svcs from Disney to access content they already paid for. ([The Hollywood Reporter](#))

Cable/Pay-TV/Wireless

- **EchoStar annnc'd sale of its unpaired AWS-3 spectrum licenses to SpaceX for ~\$2.6bn in SpaceX stock.** Deal adds AWS-3 to AWS-4 & H-block spectrum, enabling next-gen Starlink Direct to Cell svcs for global consumers & enterprises incl. Boost Mobile. ([Echostar](#))
- **Telefonica shares fell 11% after the Spanish telecom Co annnc'd a 50% DPS cut to €0.15 in 2026 and lowered FCF guidance to €1.9bn under a new debt-reduction plan.** Net debt hit €28.2bn in Q3, while rev of €8.96bn met forecasts and adj EBITDA of €3.07bn slightly beat. Q3 profit was hurt by a €247mn writedown at Telefonica Tech. ([Investing.com](#))

Capital Market Updates

- **PE giants at Hong Kong summit flagged industry shakeout as 19K funds in N. America outnumber McDonald's outlets.** Post-2021 spree, firms face unsold assets, tighter LP scrutiny, and higher rates. Only ~100 global players may capture 90% of capital; 80% could become zombie cos. ([CNBC](#))
- **US consumer debt delinquency hit a 5-yr high in Q3, w/ 4. 5% of debt at least 30 days overdue, per Fed's Household Debt & Credit report.** Student-loan delinquency surged to a record 14.4%, signaling ongoing financial strain, esp. among younger households. Rising unpaid balances highlight challenges despite broader economic recovery. ([Bloomberg](#))
- **Michael Burry's Scion Asset Mgmt ann'd bearish bets on Nvidia & Palantir in Q3 via put options, per Mon. filings.** Known for his 2008 housing short, Burry also took call positions on Halliburton Co. & Pfizer. His recent X posts hinted at mkts "bubbles," sharing Bloomberg graphics on circular financing risks. ([Investing.com](#))

Cloud/DataCenters/IT Infrastructure

- **Amazon's data-center boom is transforming Umatilla, Ore. , driving jobs, housing demand and rev growth for locals.** AWS campuses and other hyperscaler projects have pumped ~\$41bn annually into select counties, reshaping mkts and fueling AI-driven biz expansion. ([The Wall Street Journal](#))
- **NTT, Inc (9432. T) posted improved H1 earnings w/ rev up 2.8% to ¥6.77tn and profit rising 7.4% to ¥595.65bn.** EPS grew to ¥7.20 from ¥6.60. Profit before taxes edged 1.2% higher to ¥889.31bn. ([Nasdaq](#))

Crypto/Blockchain/web3/NFTs

- **Bitcoin fell below \$100k for first time since Jun. , dropping 5% to ~\$99,966 amid concerns over AI-driven stock valuations.** Ether slid 9% to \$3,275. Analysts cite exhausted crypto mkts, weak retail buying, and ongoing selling by long-term holders, leaving downside risk despite support near \$95k. ([CNBC](#))
- **Gemini Space Station Inc. , parent of Gemini crypto exchange, is moving into prediction mkts to offset shrinking rev and heavy losses.** It filed w/ CFTC in May to launch "Gemini Titan," a designated contract mkt, aiming to offer svcs directly. Shares have plunged ~49% since Sept. IPO, closing at \$16.29 vs \$32 debut. Rev fell to \$68.6mn in H1'25; net loss hit \$282mn. ([Yahoo Finance](#))
- **Hollywood. com ann'd a collab w/ Crypto.com to launch entertainment-focused prediction mkts, enabling users to trade event contracts on films, TV, music & awards via a CFTC-registered platform.** Prices update in real time for instant reactions. This move follows rising interest in prediction mkts, w/ Polymarket & Kalshi hitting multi-bn valuations. ([Yahoo](#))
- **Coinbase Global Inc. is in late-stage talks to acquire stablecoin infra startup BVNK for ~\$2bn, per sources.** The deal, backed by Coinbase Ventures, may close by end of yr or early next, pending due diligence. Terms could change or fall through. ([Bloomberg](#))

eCommerce/Social Commerce/Retail

- **Shein expects ~\$2bn net income in 2025, nearly doubling last yr's \$1. 1bn, despite US tariffs.** Rev surged to ~\$10bn in Q1 as shoppers rushed purchases pre-tax change. Mid-teen % sales growth forecast. Margin gains came from price hikes, cost cuts, and reduced ad spend. ([Yahoo Finance](#))

- **U. S. holiday sales are forecast to top \$1tn for the first time, rising 3.7%–4.2% to ~\$1.01tn–\$1.02tn vs. \$976.1bn last yr, NRF said.** Growth slows amid inflation, tariffs, and cautious consumer sentiment. Retailers plan to hire 265k–365k seasonal workers, down from 442k. ([Reuters](#))
- **Walmart annnc'd AI-powered tools for holiday shopping, incl. app features for in-store item locators, deal lists, and wish lists.** Sparky AI suggests event purchases; AI-generated audio summaries cover 1,000+ beauty products. AR tools like Shop the Background and Dynamic Showroom enhance online experience. ([Retail Dive](#))
- **Amazon annnc'd a Whole Foods concept store in Plymouth Meeting, PA, featuring QR codes for ordering items like Kraft Mac & Cheese via Amazon.** Orders are fulfilled by autonomous ShopBot robots in a microfulfillment center, w/ pickup at an in-store Amazon counter. Co aims to expand after feedback. ([The Verge](#))
- **Shein opened its first permanent store in Paris inside one of the city's most iconic department stores.** The launch of Shein, which has long drawn criticism over its poor green credentials and labor practices, in the heart of France's fashion capital has triggered a backlash from environmental groups, Paris City Hall, and France's ready-to-wear industry. ([NBC](#))

EdTech

- **Duolingo shares fell 20% after Q4 bookings guidance disappointed despite strong Q3 results.** Adj EPS hit \$5.95 vs \$0.49 LY; rev rose 41% YoY to \$271.7mn, beating est. DAUs grew 36% to 50.5mn; MAUs up 20% to 135.3mn; paid subs +34% to 11.5mn. Adj EBITDA reached \$80mn (29.5% margin). ([Yahoo Finance](#))

Electric & Autonomous Vehicles

- **Tesla shareholders approved Elon Musk's \$1tn pay package w/ over 75% support.** The plan includes 12 stock tranches tied to ambitious goals like \$400bn adj Ebitda, \$8.5tn market cap, and selling 1mn robots. Critics called it "astronomical," while Musk warned he might leave Tesla if rejected. A separate proposal to invest in xAI received mixed votes. ([The Wall Street Journal](#))
- **Pony Ai and WeRide shares fell ~10% as they debuted in Hong Kong, raising ~\$1.2bn combined.** Analysts cited oversupply of listings and weak US share performance. Hong Kong overtook NYSE/Nasdaq in listings YTD, w/ \$31.25bn raised. WeRide's retail tranche was 77x oversubscribed. ([Reuters](#))
- **Waymo annnc'd plans to expand its robotaxi svcs to San Diego, Las Vegas & Detroit, aiming for launch next yr.** Currently in SF Bay Area, LA, Phoenix, Austin & Atlanta, the Co seeks approvals in NV & MI for commercial ops. ([The Verge](#))
- **Baidu's Apollo Go robotaxi unit reported >250,000 fully driverless weekly rides as of Oct. 31, matching Waymo's U.S. figure from Apr.** The Co said it's had no major accidents and averages 1 airbag deployment per 10.1mn km. Apollo Go operates in Wuhan, Beijing, and is expanding to Dubai, Switzerland, etc. ([CNBC](#))

Film/Studio/Content/IP/Talent

- **Oct. box office slumped to \$428mn, worst since 1998, but theaters expect a rebound in Nov.** Early releases like Disney's "Predator: Badlands" and Paramount's "The Running Man" (proj. \$25mn+ openings) will warm up mkts,

but the real surge starts w/ Universal's "Wicked: For Good" (tracking \$150mn+) and Disney's "Zootopia 2" five days later. ([Yahoo News](#))

- **Lionsgate (NYSE:LGF. A) stock jumped 5.2% after-hours Mon. as Point72 Asset Mgmt, led by Steve Cohen, annnc'd a major stake boost.** A SEC filing shows Point72 now holds 14.7mn shares (5.1% of cos common stock), up from 4.6mn in Jun. ([Investing.com](#))

FinTech/InsurTech/Payments

- **Block missed Q3 profit estimates amid weak consumer spending and rising competition in payments.** Adj net income was \$0.54/share vs. \$0.67 expected. Square's gross profit rose to \$1.02bn but growth slowed to 9%. Bitcoin rev fell to \$1.97bn, w/ a \$59.6mn remeasurement loss. Cash App showed stronger growth. ([Reuters](#))
- **Affirm annnc'd strong Q1 results, beating Wall St. targets. Profit hit \$0.23/share vs. a \$0.31 loss last yr; adj op. margin rose to 28.3%.** Rev grew 34% to \$933mn, driven by BNPL and debit card adoption. GMV reached \$10.8bn, w/ \$1.4bn from debit card. Active users rose to 24.1mn. Affirm reaffirmed guidance for Q2 rev at ~\$1.045bn. ([MSN](#))
- **Chime opens new tab raised its full-yr rev forecast above Wall Street estimates , as demand for its digital banking services kept growing, sending shares up 4% in extended trading.** The Co annnc'd a rev outlook hike for 2025 to \$2.163–\$2.173bn (prev. \$2.135–\$2.155bn) vs est. \$2.15bn. ([Reuters](#))

Handheld Devices & Accessories/Connected Home

- **Apple annnc'd iOS 26. 2 beta adds Live Translation on AirPods in EU, after DMA compliance.** Feature lets users hear real-time translations via AirPods Pro 3, Pro 2, or AirPods 4 w/ ANC; works best when both parties use it. If not, iPhone shows transcription. ([MacRumors](#))

Investor & Market Sentiment

- **Kalshi's Manhattan HQ hosted election night as its prediction mkts called races faster than media.** At 8 p.m., co-founder Tarek Mansour highlighted how Kalshi predicted Virginia's governor result nearly an hour before CBS. The office vibe was quiet, w/ employees tracking bets on a projector showing live mkts, while CBS filmed a segment on the fast-growing platform. ([Sources.news](#))

Last Mile Transportation/Delivery

- **Uber is in preliminary talks w/ Mubadala to acquire key parts of Getir's delivery biz in Türkiye, potentially valued at up to \$1bn.** Deal aims to boost Uber's delivery ops after 25% growth in Q3. Getir, once valued at \$11.8bn, scaled back post-pandemic, exited US & EU mkts, and restructured last yr. ([Yahoo Finance](#))

Live Entertainment/Theme Parks/Concerts/Experiential

- **MrBeast annnc'd Beast Land, a theme park in Riyadh, opening as part of Riyadh Season.** Tickets range from \$7 to \$65, offering varying access to rides and games. He cited global fan reach for the location. Critics say the event supports Saudi Vision 2030, seen as a propaganda effort to whitewash human rights abuses via entertainment. ([Kotaku](#))

- **Shanghai Disney Resort annnc'd a major expansion, adding a 4th themed hotel near the park and extending Disneytown's shopping, dining & entertainment.** This milestone coincides w/ welcoming its 100mnth guest, reinforcing its status as China's top theme park. ([The Walt Disney Company](#))

Macro Updates

- **U.S. cos announced 153k job cuts in Oct., the highest for the month in 22 yrs, per Challenger.** Nearly 1.1mn cuts YTD, driven by AI adoption, rising costs, and weak spending. Tech leads layoffs; firms like Amazon, IBM, and GM slashed headcount. ADP data showed just 42k jobs added. ([NBC News](#))
- **China has annnc'd subsidies cutting energy bills by up to 50% for major data centers to aid tech giants like ByteDance, Alibaba, and Tencent.** Local govts aim to offset rising electricity costs after Beijing's ban on Nvidia AI chips. ([Reuters](#))

Media Conglomerates

- **Comcast has hired Goldman Sachs & Morgan Stanley and gained access to WBD's financials as it explores a bid for Warner Bros Discovery's studio and streaming biz.** CEO Mike Cavanagh said assets should complement existing ops, dismissing regulatory concerns. ([Reuters](#))
- **Altice USA annnc'd it will rename itself Optimum Communications, Inc. effective Nov. 7, 2025, and change its NYSE ticker from "ATUS" to "OPTU" starting Nov. 19.** The move reflects its cont'd transformation and alignment w/ the Optimum brand. No impact to ownership, svcs, or operations. CEO cited focus on simplicity, performance, and purpose. ([Altice](#))
- **ITV annnc'd preliminary talks w/ Sky over £1.6bn sale of its media & entertainment arm, aiming to create a UK-focused streaming giant amid ad mkts slowdown.** Studios arm excluded. ITV shares surged 15% post-annnc't. Latest results show 9% decline in ad rev for 2025, prompting cost cuts. ([Sky News](#))
- **Paramount offered \$23.50/share to acquire Warner Bros. Discovery (WBD), arguing it delivers superior value vs. WBD's planned split.** WBD, exploring strategic options incl. asset sales or full Co sale, may annnc'd plans by Dec. Paramount may go hostile if rejected. Comcast, Netflix also show interest. ([CNBC](#))

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

- **Match Group forecast Q4 rev of \$865–\$875mn, missing est. of \$882.8mn, as paying users fell 5% to 14.5mn.** Shares dropped ~2% post-annnc'd. Despite heavy AI-driven feature investments, user engagement lags, slowing CEO Rascoff's turnaround. ([Reuters](#))
- **Grab annnc'd Q3 2025 results: rev up 22% YoY to \$873mn; On-Demand GMV rose 24% YoY to \$5.8bn. Adj EBITDA hit \$136mn (+51% YoY), profit \$17mn.** Deliveries rev grew 23% YoY to \$465mn; Mobility rev up 17% YoY; Financial svcs surged 39% YoY to \$90mn. ([Grab](#))

Regulatory

- **Texas AG sued Roblox, alleging it misled parents on child safety risks, joining similar claims by Kentucky, Louisiana & private plaintiffs.** Lawsuit says platform enables predators & exploitation. Roblox denies, citing strong protocols, parental controls & law enforcement ties. ([Reuters](#))
- **EU plans to ease its AI act amid Big Tech & US pressure.** Draft proposal, suggests a 1-yr grace period for high-risk AI compliance & delays fines for transparency breaches until Aug. 2027. Move aims to boost EU competitiveness vs US/China. Legislation, in force since Aug. 2024, fully applies by Aug. 2026. ([Financial Times](#))
- **Epic & Google agreed to settle their lawsuit, proposing global Android changes.** Google will allow rival app stores via a “Registered App Store” program, cut fees to 20% or 9% based on transaction type, and show alt billing options alongside Play Billing. Terms apply worldwide through Jun. 2032 ([The Verge](#))

Satellite/Space

- **Vodafone & AST SpaceMobile annnc’d plans for an EU satellite constellation, selecting Germany for SatOps Centre to boost Europe’s digital sovereignty.** SatCo will deliver secure, resilient mobile broadband via space directly to smartphones, aiding PPDR and disaster relief. ([Business Wire](#))

Social/Digital Media

- **Bumble annnc’d Q4 rev forecast of \$216mn–\$224mn, below est. \$233.3mn, as its turnaround cont’d slowly amid online dating slowdown and “swipe fatigue.”** Shares fell 9%. Co cut 30% staff in Jun., added AI-driven safety tools and verification, but payers dropped 16% YoY to 3.6mn; Q3 rev fell 10% to \$246.2mn. ([Reuters](#))
- **Snap shares surged 18% after annnc’d \$400mn partnership w/ Perplexity AI to integrate its AI search into Snapchat, aiming to rival TikTok & Meta.** Deal includes cash & equity over 1 yr; rev impact starts 2026. CEO said AI responses won’t be used for ads. Snap beat Q3 rev est. and forecast Q4 rev at \$1.68bn–\$1.71bn vs est. \$1.69bn. ([Reuters](#))
- **Facebook Dating, launched in 2019, has become a surprise hit for the social network, attracting 21mn daily users—surpassing Hinge’s 15mn.** The free feature lets users create profiles, swipe, and match, leveraging real identities and mutual connections. ([The New York Times](#))
- **TikTok annnc’d its first U.S. awards show set for Dec. 18 at Hollywood Palladium, featuring live performances, red carpet, and audience of creators.** Categories include “Creator of the Yr,” “Video of the Yr,” “Breakthrough Artist,” and more. ([TechCrunch](#))

Software

- **IBM annnc’d plans to cut jobs in Q4, impacting a low single-digit % of its 270,000 global workforce as it shifts focus to high-margin software and AI-linked cloud svcs via Red Hat.** Despite 35% share rise YTD, IBM saw slowing cloud growth last month, worrying investors. ([Reuters](#))
- **Figma posted Q3 rev of \$274.2mn, up 38% YoY, beating consensus and guiding Q4 rev at \$292–294mn (~35% growth).** Adj EPS was \$0.10; adj op margin hit 12%. Net loss widened to \$1.10bn due to stock comp. Growth

driven by Figma Make, w/ ~30% of big clients using it weekly. Large customer base rose 13% QoQ to 1,262.
([CNBC](#))

Sports/Sports Betting

- **Paramount+ will stream PBR's Unleash The Beast tour starting Dec. 2025 under a new five-yr deal.** CBS Sports retains broadcast rights through 2030. The 2026 season spans 19 cities, ending w/ finals in Fort Worth. PBR hit 2.7mn viewers in Oct. Paramount+ also secured UFC and Zuffa Boxing rights.([PR Newswire](#))
- **ESPN annnc'd a multi-yr deal naming DraftKings as its exclusive Official Sportsbook & Odds Provider effective Dec.1, 2025.** DraftKings' products incl. sportsbook, fantasy & Pick6 will integrate across ESPN platforms, w/ full rollout in 2026. ESPN BET shifts to content brand w/ DraftKings integrations. Both cos commit to responsible gaming.([ESPN](#))
- **Fox's telecast of Dodgers' 11-inning 5-4 win over Blue Jays in World Series game 7 drew 25. 45mn viewers per Nielsen, plus 530K via Fox Deportes/streaming.** Peak hit 31.54mn at 11:30-11:45 p.m. ET. It's MLB's biggest audience since 2017 and 10% above 2019's game 7.([The Hollywood Reporter](#))

Tech Hardware

- **Apple plans to enter low-cost laptop mkts by launching a budget Mac in H1 next yr, Bloomberg annnc'd.** Targeting students, biz and casual users, the device—code-named J700—will cost well under \$1,000 w/ less-advanced components, an iPhone processor, and sub-13.6-inch LCD. It's in active testing and early production overseas.([Reuters](#))
- **Arm Holdings annnc'd Q3 rev forecast of ~\$1. 23bn, beating est. \$1.1bn, driven by AI compute demand and CSS tech adoption.** Shares rose ~3%. Arm aims to expand in data centers, targeting ~50% CPU share by 2025, and is exploring making its own chips.([Reuters](#))
- **Microsoft annnc'd a \$9. 7bn, 5-yr deal w/ data-center operator IREN to boost AI capacity using Nvidia chips, avoiding new builds and heavy capex.** IREN shares surged ~24.7% Mon. Dell to supply \$5.8bn in gear for deployment at IREN's 750MW Texas campus by 2026. Prepayment from Microsoft funds part of Dell deal; contract may end if timelines slip.([Reuters](#))

Towers/Fiber

- **KPN annnc'd a fibre build slowdown under its 'Connect, Activate & Grow' plan for 2024–27, shifting focus to connecting new subs.** The prior goal of 80% home coverage by end-2026 is revised to 85% by 2030, w/ hybrid solutions for remaining areas.([Telecompaper](#))
- **Verizon Biz annnc'd a new AI Connect deal w/ AWS to build high-capacity fiber routes linking AWS data centers.** This will deliver resilient, low-latency paths for scaling AI apps, supporting secure, reliable cloud svcs.([Verizon](#))

Video Games/Interactive Entertainment

- **PlayStation annnc'd cloud streaming rollout for PS Portal starting Wed, Nov. 5 at 6PM PT for PS Plus Premium users.** Players can stream select PS5 titles from their library w/o linking to a console. Launch includes 2,000+ games like GTA V, FFVII Rebirth, Cyberpunk 2077, and God of War Ragnarök. Updates add 3D audio, accessibility tools, multiplayer invites, passcode, and network status screen. ([The Verge](#))
- **Nintendo's net profit surged 85% in Apr. –Sept., hitting ¥198.9bn (\$1.3bn) as sales doubled to ~¥1.1tn (\$7.1bn) after Switch 2 launch in Jun.** The Co raised full-yr profit forecast to ¥350bn (\$2.3bn) and Switch 2 sales target to 19mn units; 10mn sold by Sept. Popular titles include "Mario Kart World." Older Switch sales fell, but game rev remains strong. ([Yahoo Finance](#))

Video Streaming

- **91% of U.S. internet households subscribe to streaming svcs, while pay-TV penetration fell to 41%.** Avg household uses ~6 svcs, spending ~\$109 monthly. U.S. video mkts rev hits \$147bn annually. Industry focus is shifting from access to engagement, experience & profitability, w/ connected TVs integrating content, ads & commerce. ([TV Technology](#))
- **Paramount Skydance CEO Ellison plans to absorb HBO Max into Paramount+ if its ~\$60bn bid for Warner Bros. Discovery succeeds, ending HBO Max as a standalone.** The move would merge Warner's premium content (HBO originals, DC, Harry Potter) into Paramount+, creating a major streaming hub. ([Cord Cutter News](#))
- **Fubo ended Q3 w/1. 63mn subs, up 1% YoY, after closing Disney's Hulu + Live TV merger. Rev fell 2% to \$368.6mn vs \$374.7mn last yr, while net loss narrowed to \$18.8mn from \$52.4mn.** CEO said combo creates one of the largest live TV streaming svcs in U.S., tapping ESPN ecosystem. ([The Hollywood Reporter](#))

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