



MONTHLY RESEARCH WEBINAR

COMMUNICATION SERVICES DISRUPTORS

Moderator:

Jim Kelleher, CFA

Director of Research

May 7, 2025

61 Broadway • NYC, N.Y. 10006
Telephone: (212) 425-7500

■ **Communication Services Disruptors**

- Jim Kelleher, Argus Director of Research
- John Eade, Argus President & Director of Portfolio Strategy
- Joe Bonner, CFA, Senior Analyst
- John Staszak, CFA, Senior Analyst

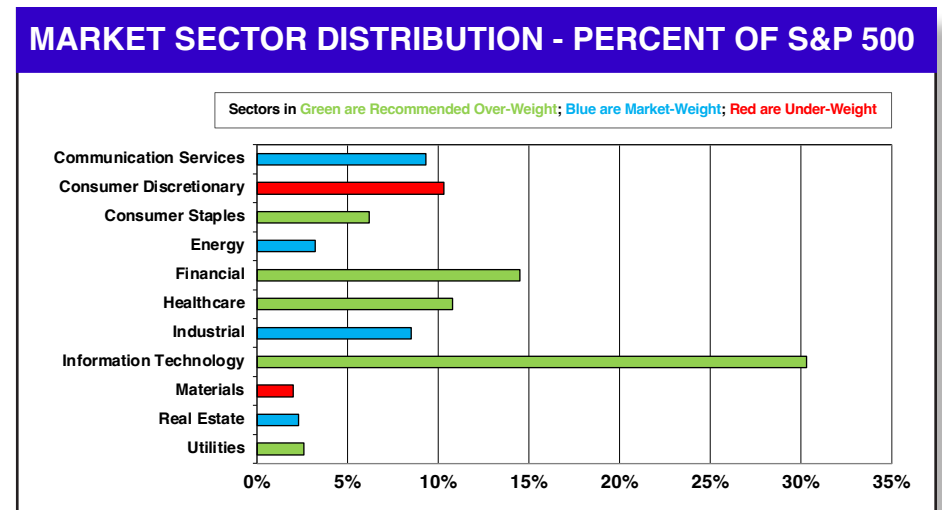
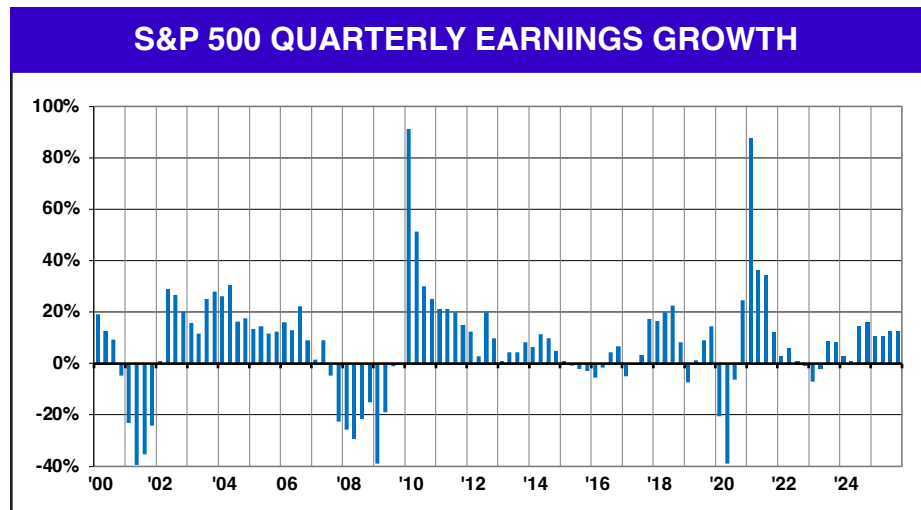
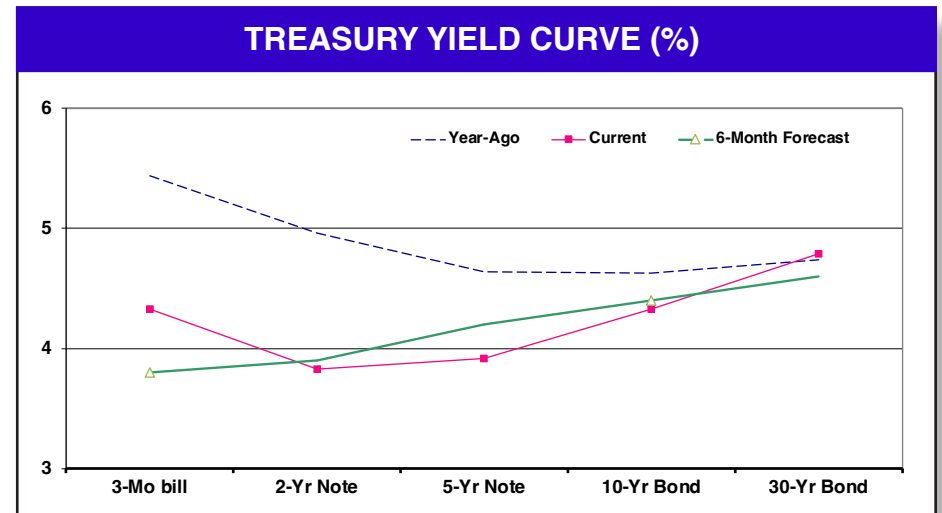
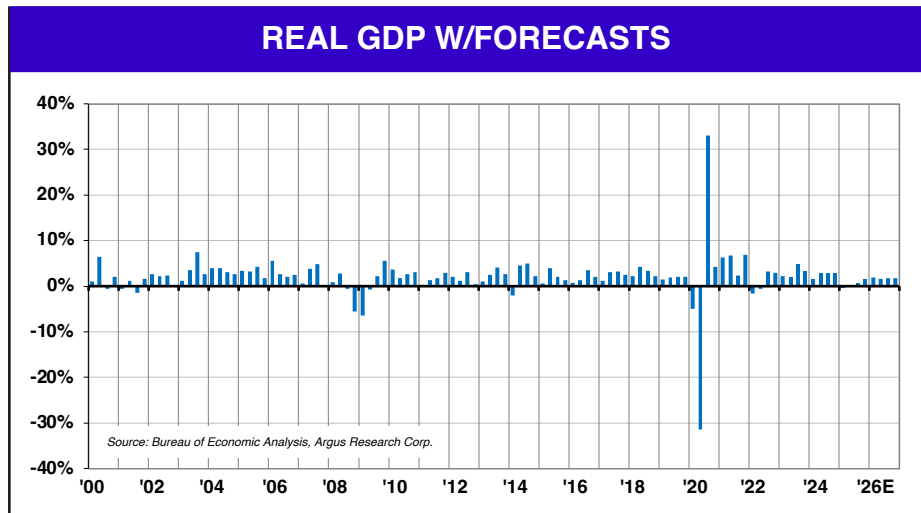
■ **Argus Quick Notes**

- Familiar Names, New Innovators
- Investment Themes: Aerospace/Defense
- Tax-Loss Candidates
- Global Dividend Investing
- Find these on the homepage of our website

■ **Portfolio Update: the Argus Innovation Model Portfolio**

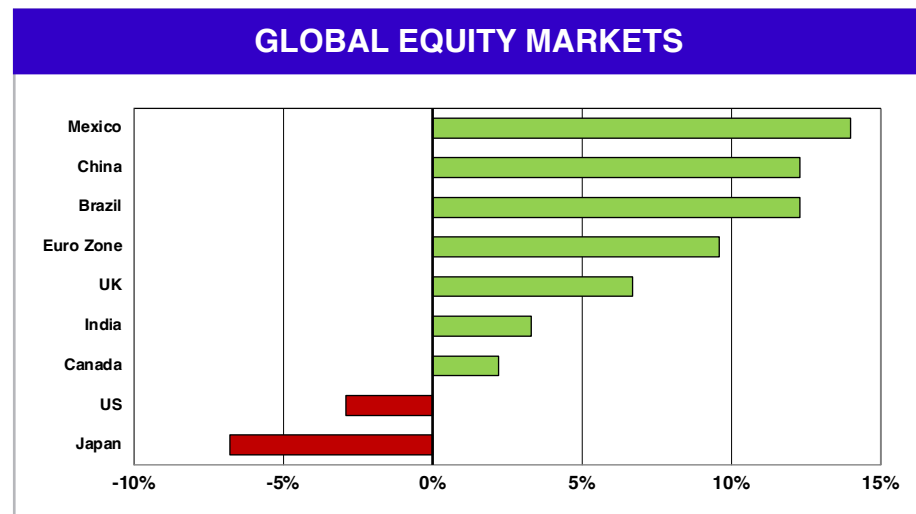
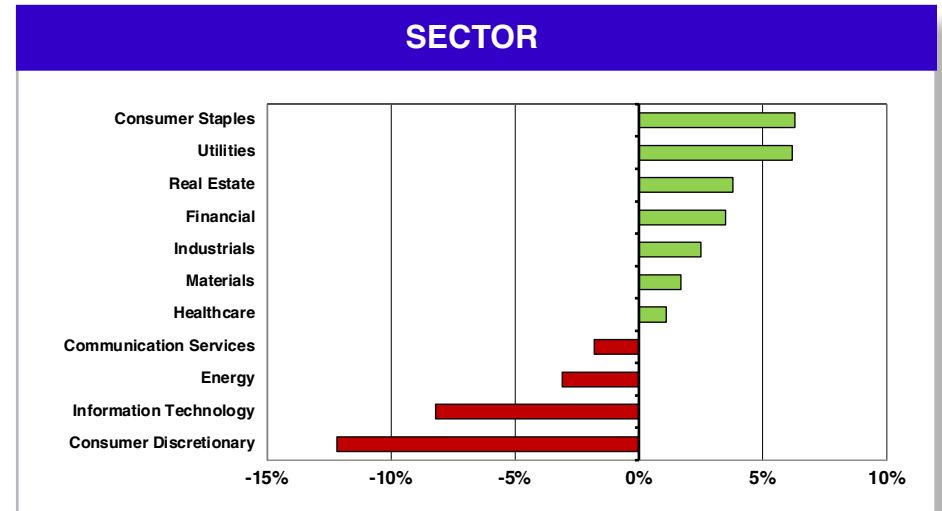
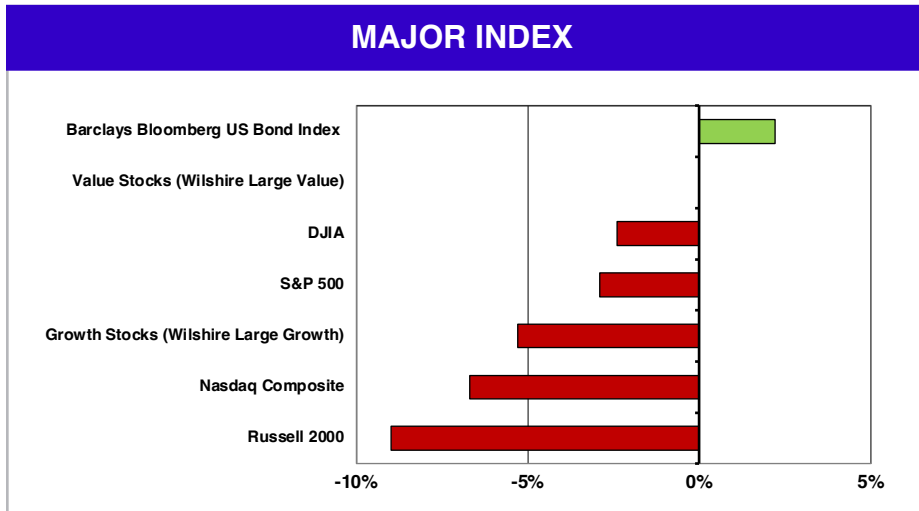
- Innovation essential to U.S. competitiveness in a global economy
- Economic expansion is tied to science, innovation, entrepreneurship
- Economy has grown 30-fold since 1930, population 3x
- Innovation drives the delta between growth in economy and population
- Find the Argus Innovation MP on the homepage of our website

MACRO FORECASTS



MARKET PERFORMANCE

DATA AS OF APRIL 30, 2025



■ History of Sector

- Started as Telcos: long distance, Baby Bells, cellular, independents
- Slow slide into irrelevance – 2% of market

■ S&P Change in 2018

- Kept telco, and added from IT and Consumer Discretionary sectors
- Now includes social media, internet services, media, entertainment, advertising
- Back to relevance, 10% of market, but distorted barbell shape with old economy at one end and new economy at the other

■ Focus today on growth end of the Barbell

- Internet Services
- These capabilities are now crossing sector boundaries, surfacing – and disrupting -- mobility, streaming video, gaming, leisure and others

■ **Examples of Disruption**

- **Google vs traditional media vs ChatGPT**
- **Amazon vs brick-and-mortar retail**
- **Uber vs taxis**
- **Airbnb vs hotels**
- **DraftKings vs casinos**
- **DoorDash vs. restaurants**

■ **Key Factors to Success**

- **Cutting-edge technology, embedded into operations, leads to new business/business model**
- **Offer more targeted market, more choice, lower costs**
- **Initially focus more on revenue growth, less on EPS**
- **Building a network, achieve benefits of scale**
- **Leveraging network for further growth**
- **Deep pockets for ongoing investment, M&A**

■ Streaming/Video/Broadcast

- NFLX, DIS, AMZN, PARA, CHTR, FOXA, WBD

■ Search

- GOOGL, MSFT

■ Social Media

- META, SNAP, PINS, PTON

■ Leisure

- BKNG, ABNB, EXPE

■ e-Retail

- AMZN, EBAY, CHWY

■ Gaming

- DKNB

■ Mobility/Delivery

- UBER, LYFT, DASH

■ Equity Income, High Yield, Min Vol

- NA

■ Dividend Growth

- MSFT

■ Growth & Income

- META, NFLX, MSFT

■ Innovation/Growth

- GOOGL, META, AMZN

■ Institutional

- GOOGL, NFLX, AMZN, BKNG, MSFT

■ Mid-Cap

- PINS

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