

MONTHLY RESEARCH WEBINAR

COMMUNICATION SERVICES DISRUPTORS

Moderator:

Jim Kelleher, CFA

Director of Research

May 7, 2025

■ **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

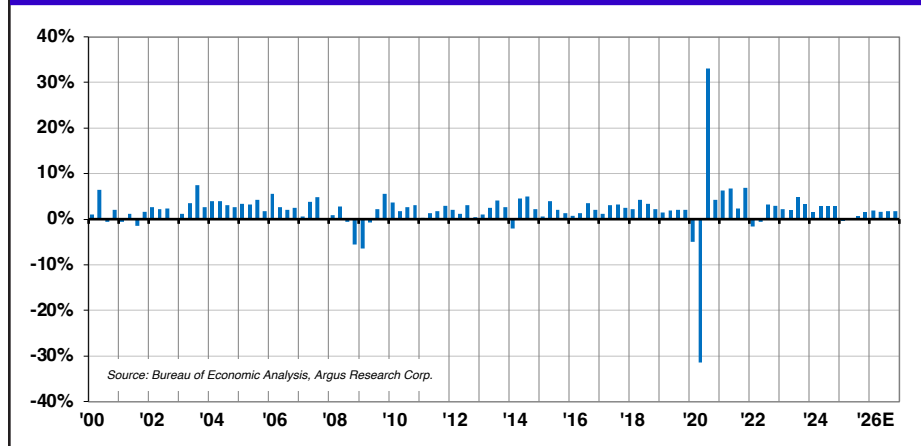
■ **Portfolio Update: the Argus Innovation Model Portfolio**

- 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

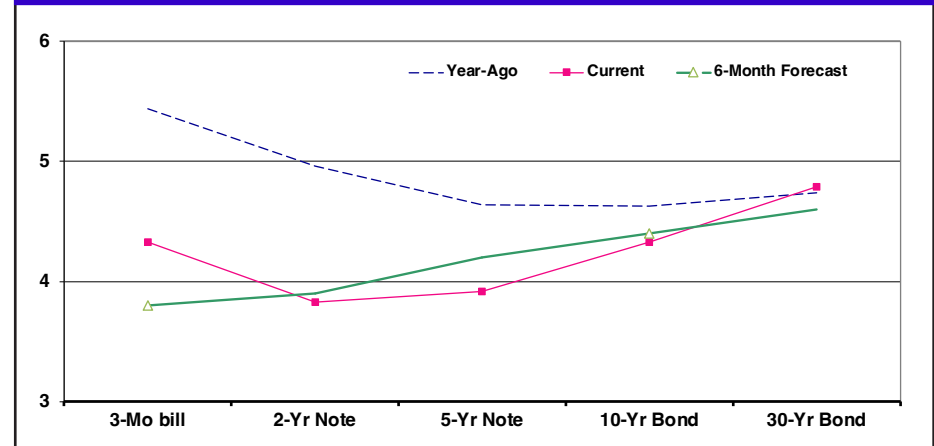
MACRO FORECASTS



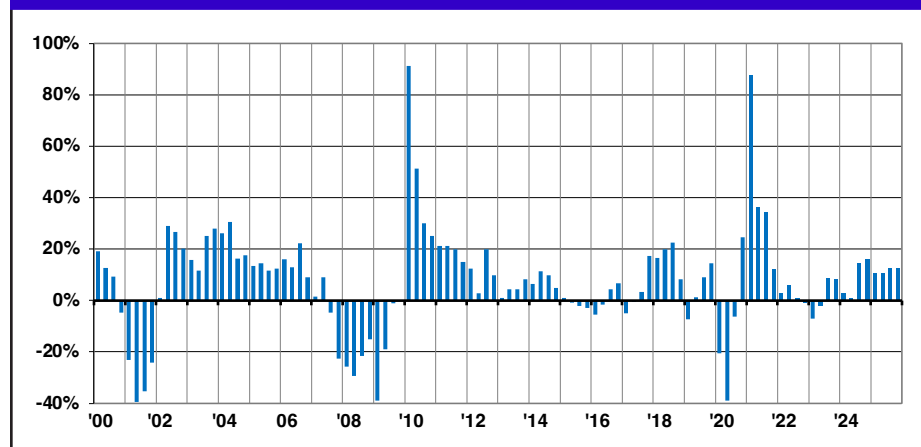
REAL GDP W/FORECASTS



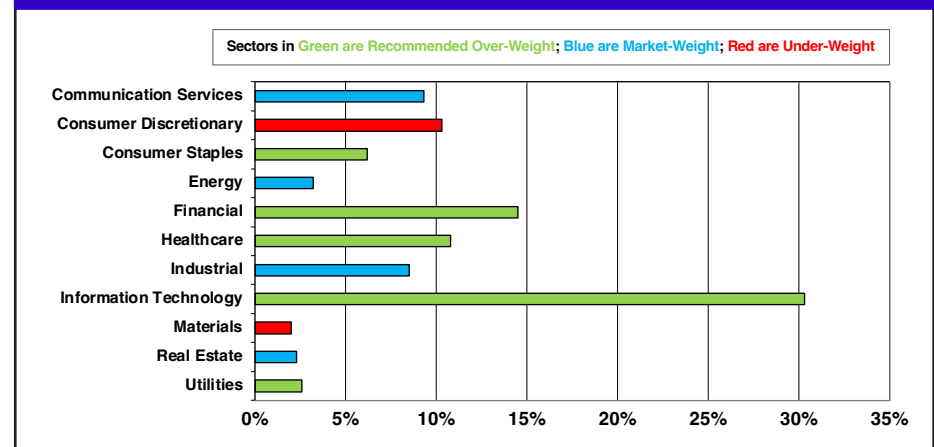
TREASURY YIELD CURVE (%)



S&P 500 QUARTERLY EARNINGS GROWTH



MARKET SECTOR DISTRIBUTION - PERCENT OF S&P 500

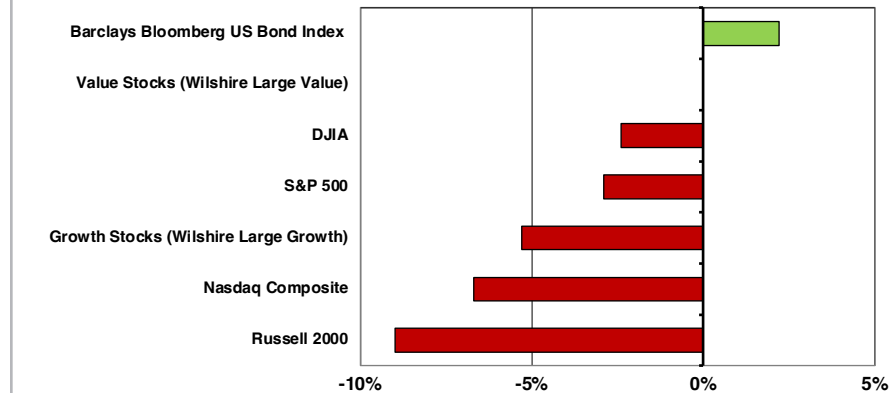


MARKET PERFORMANCE

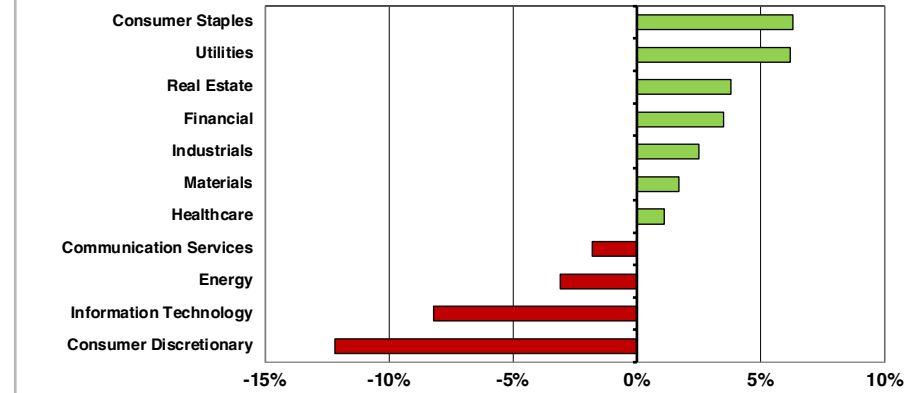
DATA AS OF APRIL 30, 2025



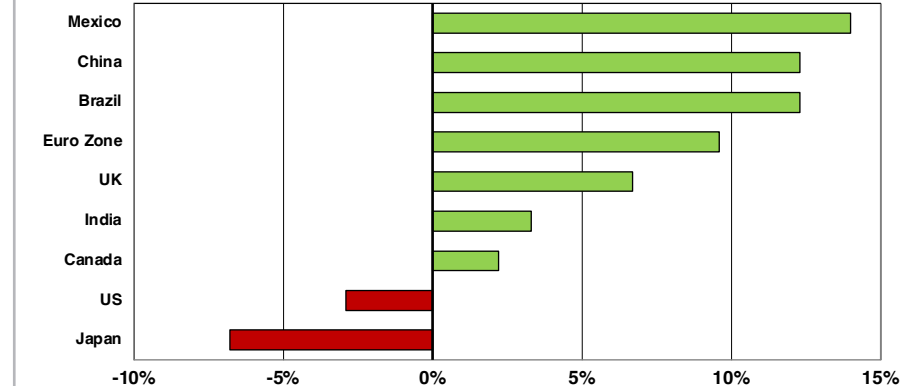
MAJOR INDEX



SECTOR



GLOBAL EQUITY MARKETS



■ 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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