

Internet/e-Commerce

Catalysts 101: AI & cost cutting remain in focus in our 2024 Internet Catalyst Matrix

Industry Overview

1H'24 Internet catalyst matrix

We have added the ad tech subsector and our 1H'24 Internet catalyst matrix contains a list of 101 potential industry, company, and other events expected in 1H'24, and outlines potential stock beneficiaries as well as those at risk. For FANG stocks, disciplined cost management will continue to be an important theme in '24 (expect more cost cutting initiatives), and progress in the AI space (including new LLMs) will likely serve as product catalysts. Potential 1H catalysts for Amazon include Prime ad ramp, data points suggesting AWS acceleration, and news on additional cost cuts. For Google, the Gemini AI ramp and cost-cutting (layoffs) could aid sentiment, while the company could show off new AI capabilities for Android at Google I/O. For Meta, new chatbots and other user features, new AI capabilities for business Messaging, and F8 could be a good opportunity to highlight new AI products for advertisers and developers. On the regulatory side, the closing arguments in the DOJ-Google case are scheduled in May (with expected 2H ruling), could impact regulatory sentiment across the FANG group.

Themes, Events and platform changes

AI remains the top theme in the sector, important potential industry events include new LLM rollouts from all three mega caps, and broader rollout of Google SGE features, and Advantage+ ramp at Meta. On the regulatory side, in 1Q both Meta (subscription) and Apple (app store fees) have already announced business changes ahead of DMA/DSA implementation in Europe in March, and we think more are likely, potential beneficiaries include Bumble, Match, Pinterest & Snap. Google Chrome browser changes could be positive for ad tech companies such as DV and IAS, and headwinds eCommerce and media companies that rely on user targeting including Beyond, Meta, Snap, and Wayfair.

Key catalysts in subsectors in 1H'24

For eCommerce: margin improvement driven by layoff announcements, and shipping data around the Red Sea situation could be sentiment drivers in 1H'24. For Media: we expect Pinterest's 3P deal, Snap's DR improvements and China ad spend data points to be in focus. For Travel: new features/updates/fee changes from Airbnb and ramp of One Key for Expedia are potential catalysts. Other items of focus include: a final ruling in the Sitzer Burnett case (online real estate) is expected in April; news from the Apple WWDC related to privacy changes (Online media and ad tech); and TikTok's 2024 eCommerce ramp (Online retail and media).

We favor more "risk-on" stocks in 2024

BofA economists expect cooling inflation, positive GDP growth and lower rates in 2024, which could favor stocks with higher beta/risk profiles. (Please see details in [our year ahead report](#)). For subsectors, we favor eCommerce sector vs. travel as the reopening benefit fades, and we think revenue trends in the gaming app market could turn from negative to positive. For the risk-on stocks, we like 1) share gainers in their sectors, 2) potential top line beneficiary of lower rates, 3) margin growth potential from current levels, and 4) valuations at/below historical average and/or well below 5-year highs. We continue to highlight: AMZN, PINS, W, SEAT, DASH, and APP as potential beneficiaries of lower rates, share gains vs competitors and margin expansion.

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12651797

Timestamp: 29 January 2024 07:21AM EST

29 January 2024

Equity

United States

Justin Post

Research Analyst
BofAS
+1 415 676 3547
justin.post@bofa.com

Curtis Nagle, CFA

Research Analyst
BofAS
+1 646 855 2939
c.nagle@bofa.com

Michael McGovern

Research Analyst
BofAS
+1 415 676 3520
mmcgovern@bofa.com

Nitin Bansal, CFA

Research Analyst
BofAS
+1 415 676 3551
nbansal7@bofa.com

Nafeesa Gupta

Research Analyst
BofAS
+1 425 676 3519
nafeesa.gupta@bofa.com

Omar Dessouky, CFA

Research Analyst
BofAS
+1 646 855 0686
omar.dessouky@bofa.com

Arthur Chu, CFA

Research Analyst
BofAS
+1 646 855 1131
arthur.chu@bofa.com

Steven McDermott

Research Analyst
BofAS
+1 646 855 4472
steven.mcdermott@bofa.com

Huiyu (Harvey) Qin

Research Analyst
BofAS
+1 917 864 5179
huiyu.qin@bofa.com

1H24 Internet catalyst/event matrix

Exhibit 1: Catalysts matrix in rough chronological order

Consolidated

Potential Date	Company	Event	Summary of Event	Potential Beneficiary	Potentially at Risk
January	Amazon	Prime Video ad ramp	Starting on Jan 29, Amazon will begin serving ads to Prime Video users while also offering a \$3/mo ad-free tier. We estimate Prime Video advertising could generate \$1.6bn in annual "ad free" subscription revenue and \$3.2bn in advertising revenue, and contribute 50bps to y/y margin expansion.	AMZN	-
17 January	DoubleVerify, Integral Ad Science Holding	Launch of Brand Suitability on META Feeds & Reels	For the first time, brands will have independent verification of the suitability of Facebook and Instagram Reels & Feeds content for their brands	DV, IAS	-
February 14	Chewy	New CFO	Effective February 14, Mr. David Reeder will assume CFO more than six months after Mario Marte departed the company. Prior to Chewy, Mr. Reeder served as CFO at GlobalFoundries, a semiconductor manufacturer, and helped take the firm public in 2021.	CHWY	-
February	ACV Auction	MAX Digital Launch to boost SaaS growth	ACV Auction plans to relaunch MAX Digital in early February 2024, which should help accelerate SaaS growth on easier comps. For 2024, we project SaaS revenues to reach \$33.2mn, +4% y/y (6pt accel).	ACVA	-
February 14	Uber	Virtual Investor Update	Uber is hosting a virtual investor update one week after its 4Q'23 earnings report. Uber could provide updated financial outlook, as well as introduce investors to Uber's new CFO, Mr. Mahendra-Rajah. There is also risk that Uber guides to a conservative 3-year outlook, similar to 2022.	UBER	UBER
March	Uber	Insurance inflation	Uber's annual insurance renewal is in March, and we expect a HSD increase in y/y insurance costs. Uber is proactively managing insurance costs through improving safety and other means, trying to offset annual insurance costs increases of 20%+ y/y, according to the Bureau of Labor Statistics.	-	UBER, LYFT
Feb-24	Zillow	Housing Super App rollout	In 2024, Zillow will accelerate the rollout of several key products under its "Housing Super App" including real-time online tour booking under Showingtime+, Zillow Home Loans and Listings Showcase. These tools are aimed at increasing the productivity of Zillow's buy side lead generation business and expand sell side services.	ZG	-
Feb-24	Online Real Estate Industry	DOJ commission investigation	In 2019, the DOJ and FTC launched a joint investigation into NAR's rules on commissions and buyer broker compensation alleging anticompetitive practice. A settlement agreement was reached in 2020 but on Dec. 18 2022, the DOJ filed a letter in federal court expressing that proposed commission changes may not have gone far enough. The DOJ has until Feb 15th to file a statement of interest. If the DOJ is successful in reopening this case, it could drive disruption on the real estate industry.	-	ZG, RDFN, OPEN
March	Instacart	Lapping SNAP EBT headwinds	The US government slashed SNAP EBT benefits by 30% in February 2023, with Instacart mgmt. calling out headwinds to GMV are greatest on a y/y basis in 4Q'23 and 1Q'24. As Instacart laps SNAP EBT impacts, GMV growth could accelerate.	CART	-
Mar'24	Online Travel	Skift India Summit	Skift India Summit in Delhi-NCR is scheduled March 19-20, 2024. Discussion could include strong potential of the Indian outbound traveler and strong market dynamics	Travel sector	-
1Q'24	eCommerce sector	Red Sea shipping delays	Per BofA's Shipping & Transportation analyst Ken Hoexter, liner volumes through the Red Sea, which historically handled 28% of global liner volumes, have fallen 90% from the first half of December. As such, vessels have been re-routed around the Cape of Good Hope, extending voyages by 10-15 days on average. eCommerce platforms with relatively higher exposure to Europe (will be most impacted by delays and higher costs (per Freightos, China to EU freight spot rate is now 40% of its COVID peak vs. 14% for China to US West Coast).		AMZN, ETSY, EBAY, W
1Q24	eBay, Etsy, Wayfair	eCommerce layoffs	eBay, Etsy, and Wayfair all recently made approx. 10% cuts to headcount. Given projected growth rates in 2024 (all <5% y/y), cost management will likely be a key theme to drive margin improvement.	EBAY, ETSY, W	-
1Q24	Amazon	Twitch, Video layoffs	In Jan, Amazon cut approx. 500 employees from Twitch (35% of staff) followed by several hundreds of employees in Prime Video & MGM Studios. Headcount cuts has aided N.A. retail margin expansion thus far, and continued layoffs at Amazon could drive further leverage in '24.	AMZN	-
1Q24	RH	Modern Sourcebook	RH delayed mailing its Modern Sourcebook until 1Q24 (originally for 4Q23) when demand trends are expected to improve and potentially more favorable housing market. As a result of the delay, a portion of sales were likely pushed back into 1Q.	RH	-
1Q24	Duolingo	Annual New Years promotion	Duolingo's annual New Years promotion (runs in December and January) is an important driver of annual subscriptions for the company. Per Sensor Tower, Duolingo DAU's accelerated in December and a continuation of this trend into January could drive higher consensus estimates as well as investor sentiment, following a pullback in shares over the past month.	DUOL	-

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1Q24	Redfin	Expense reductions	In 3Q'23, Redfin reiterated continued focus on containing costs and highlighted focus on delaying (or canceling) discretionary expenses until the housing market improves. Given the recent ongoing layoffs in the tech domain (including recent cuts at online real estate peer Opendoor), Redfin could announce another round of cost cuts that could help the company achieve its profitability goals.	RDFN	-
1Q'24	Bumble	New CEO	Effective January 2, 2024, Lidianne Jone (formerly CEO of Slack) will succeed Bumble founder Whitney Wolfe Herd as the company's CEO (announced in Nov'23). On the 4Q23, we expect to hear initial thoughts on how to reaccelerate Bumble user growth, how the company plans to balance user expansion versus monetization, plans to further integrate technology such as AI to improve the app experience.	BMBL	MTCH
1Q'24	MTCH (Tinder)	New Tinder CEO	On January 9th 2024, Match group appointed Faye Iosotaluno as Tinder's new CEO (previously served as Tinder COO as Tinder's CEO). We see the appointment as important for two reasons: 1) Tinder will now have dedicated leadership as the brand is in the midst of a turnaround and highly focused on reaccelerating user growth; 2) it relieves Match CEO Bernard "BK" Kim of running Tinder.	MTCH	BMBL
1Q'24	Peloton	New CMO and CPO	Peloton appointed a new Chief Marketing Officer, Lauren Weinberg in Dec'23; and a new Chief Product Officer, Nick Caldwell in Nov'23.	PTON	-
1Q'24	Peloton	TikTok partnership	Peloton announced an exclusive partnership with TikTok for a co-branded hub on 4th Jan'24. Partnership could give Peloton access to TikTok's 1bn global users and a young audience. We expect more updates in the upcoming earnings on 1st Feb'24.	PTON	-
April	Wayfair	Way Day	Wayfair historically hosts its annual, two-day sales event in April, offering customers shopping deals up to 80% off furniture and décor, outdoor essentials, housewares, appliances, and free shipping on everything. A lackluster 2023 Way Day and expected recovery of the furnishings market in 2024 position trends to accelerate.	W	-
Apr'24	Airbnb	Additional fees for cross-currency bookings	Starting 1st Apr'24, Airbnb will charge an additional 2% guest service fee for cross-currency bookings, resulting in take rates of up to 16.5% (vs 14.2% currently) of the booking subtotal.	ABNB	-
April	Online Real Estate Industry	Agent commission lawsuits	In Oct'23, a Missouri jury ruled against the National Association of Realtors (NAR) and several major real estate brokerages in the Sitzer Burnett trial. Following the preliminary decision, several copycats lawsuits have been filed against major brokerages (largest being the Moehrl case). A final ruling in the Sitzer Burnett case is expected in April, which could mean: 1) more commission transparency; 2) lower total commissions; 3) changes to national MLS'; and 4) a reduction in the number of agents.	-	ZG, RDFN, OPEN
9-11 April	AppLovin	Google Cloud Next	Developers using Google Cloud showcase their accomplishments and use of Google's toolsets	APP	-
May 16-17	Alphabet, Amazon, Meta	DigiMarCon East	The Digital Marketing Conference covers digital marketing trends & emerging strategy, mobile marketing, data analysis, targeting, and automation. Historical attendees include Alphabet, Amazon, and Meta.	GOOG, AMZN, META	-
May'24	Airbnb	Summer Release 2024	Expect some new features/updates to Airbnb for facilitating guests or hosts, generally released after 1Q earnings. Street is looking for greater visibility on sponsored listings and products for events and experiences.	ABNB	EXPE
May	Google, Meta, Magnite	Upfront Week 2024	At the TV industry's biggest get-together where ~30% of the annual ad budget will be allocated, observations on CTV adoption, programmatic penetration, and advertiser sentiment could have implications for Online media sector.	GOOG, META, MGNA	GOOG, META, MGNA
18-22 May	Roblox, Take-Two, EA	Game Developer's Conference	Biggest conference in the world where platform developers update the video game ecosystem on breakthrough innovations, product releases, best practices, etc.	RBLX, TTWO, EA	-
30 Jan, May	EA	Game Pipeline	Additional details on the content & timeline of EA's multiyear game pipeline should raise confidence on FY25 growth and beyond. Key announcements that could drive upside include the next Battlefield game, The Sims, as well as the new Star Wars FPS game.	EA	-
June 4-6	Alphabet, Amazon, eBay	Internet Retailer Conference & Expo	Conference can provide market updates, new tech trends in the industry, social commerce, BNPL, and building efficient fulfillment networks. Previous attendees from our coverage include AMZN, EBAY, GOOG, and competitors like WMT, TGT, and COST.	GOOG, AMZN, EBAY	-
June'24	Online travel	Phocuswright Europe Conference	Conference (10-12 Jun'24) will discuss travel trends in Europe - supply and demand dynamics, digitization initiatives and approach towards sustainability	Travel sector	-
June	AppLovin	Apple WWDC	This annual event is described as "the day the entire app ecosystem re-writes its business plan." Announcements could address privacy policy, or technological changes that would affect mobile AdTech business models, or nothing at all	APP	APP
1H'24	Online Media	DMA and DSA implementation in Europe	Designated gatekeepers (Amazon, Google and Meta) have until March 6, 2024, to comply with the Digital Markets Acts requirements. Quantifying the full potential impact of DMA is hard to predict at this stage as some of the clauses would likely need more clarification from regulators. Both Google and Meta have not yet publicly disclosed all the major changes they would be making in their EU operations (Meta	SNAP, PINS, MTCH, W, EBAY, ETSY	AMZN, META, GOOG

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			launched a paid ad free FB & IG service in EU). Restrictions on large tech platforms could aid smaller companies.		
2Q'24	Meta	F8 Developer Conference	Meta could host its annual developer conference with new announcements on AI, Metaverse or messaging platforms	META	
2Q'24	Google	DOJ Search Trial Closing Arguments	The hearing in the Google search antitrust trial concluded in Nov'23. The judge has scheduled final arguments in 2Q'24 and we would expect a ruling on the case in 2H'24. Arguments in the case in 2Q could help set expectations for trial outcome.	MSFT	GOOG, Apple revenues from Google
1H24	Wayfair	Big box Wayfair store opening	Wayfair's plans to open its first Wayfair brand store in the Chicago suburbs in Spring 2024 and totaling 150k sqft. Wayfair cited physical stores as part of the company's growth algorithm to support double digit revenue growth.	W	-
1H24	Vivid Seats	SkyBox Drive launch	Vivid plans to launch SkyBox Drive early 2024, an extension to SkyBox (ERP ticketing tool) that will help provide sellers with pricing insights and provide real-time pricing adjustments to inventory. Drive could also be a new source of revenue and we expect Vivid to monetize the service in 2024	SEAT	-
1H24	RH	Opening of International galleries	RH is accelerating gallery openings RH plans to open five galleries in North America, as well as international galleries in Brussels, Paris, and Madrid.	RH	-
1H24	Furnishings industry	Mortgage rates decreasing	We est. that housing accounts for about 1/3rd of furniture demand, and estimates from homefinder.com indicate that people spend \$16k on furniture per move. We expect housing volumes to be flat in '24, below that of the National Association of Realtors, but an improvement vs 2023.	RH, W	-
1H24	Shutterstock	New or Expanded Data training deals	New AI data training deals or the expansion of current data contract, could drive higher than expected topline growth for Shutterstock enterprise segment. For 2024, the company expects \$60mn data revenue booking (vs \$100mn expected for 2023).	SSTK	SSTK
1H24	Shutterstock	Giphy Monetization Ramp	On the 3Q23 earnings call, Shutterstock noted that it has started to monetize Giphy, which generated \$5mn revenue in 3Q'23. Giphy could potentially become a meaningful digital advertising business for the company and could drive higher than expected topline growth, a potential positive for shares.	SSTK	-
1H24	eBay	Focus category growth	CEO Jamie Iannone noted eBay is seeing "a meaningful improvement in our growth relative to the market" in investment categories and indicated intent to continue investing for growth. Potential narrowing of share losses could increase investor sentiment on the stock.	EBAY	-
1H24	eBay	Buybacks from cash generated from Adevinta sale	eBay could generate \$2.2bn in cash from selling part of its Adevinta stake, expected in 2Q24, which would represent approx. 10% of the market cap of the company.	EBAY	-
1H24	eBay, Etsy	Chinese eCommerce spend crowding out other spend	In 3Q, Etsy called out advertising headwinds as Chinese competitors like Temu, TikTok Shop, and Shein drive up CPMs, which may lead to higher advertising costs or pressure on GMV growth.	-	EBAY, ETSY
1H24	eBay, Etsy	Chinese eCommerce GMV	Media reports indicate Chinese eCommerce competitors are ramping aggressively in the US, potentially generating over \$20bn in US GMV in 2023. As rapid growth continues into 2024, we think eBay and Etsy are most exposed to Chinese competition given value consumer and more product overlap.	-	AMZN, EBAY, ETSY
1H24	Amazon, Instacart	Amazon's renewed push into grocery	Amazon spent 2023 retooling its grocery strategy, and, while Amazon's grocery investments seem more measured so far, an investment cycle could be a headwind to Amazon's retail margin improvement. There is also added risk to Instacart GMV trends if Amazon accelerates its grocery strategy.	AMZN	AMZN, CART
1H24	Amazon	AWS reacceleration	Easier comps, an improving business cycle, growing workload volumes, and lapping pricing decreases should position AWS growth for reacceleration in 1H'24. AWS should also see incremental tailwinds from ramping AI workloads.	AMZN	-
1H24	Amazon	Same-day delivery buildout	Logistics expert MWPVL expects Amazon to buildout its same-day fulfillment network in '24, which is less capex intensive than traditional fulfillment centers. Incremental volumes from faster delivery should position Amazon for further share gains.	AMZN	-
1H24	Amazon	iRobot rejection	In January, the WSJ reported that the European Commission was likely to reject Amazon's acquisition of iRobot. While the deal is not material, a rejection highlights lack of inorganic growth options for mega cap tech.	-	AMZN, GOOG, META
1H24	Alphabet	Waymo expansion	Waymo is rapidly growing in markets like San Francisco and Phoenix, and we expect potential expansion to new cities in 2024. While Uber and Lyft have partnerships in place to order Waymo rides in-app, Waymo is also a large potential competitor.	GOOG	UBER, LYFT
1H24	Uber	Stock buyback announcement	Uber's CEO indicated that Uber is nearing the stage to consider capital returns, likely in the form of stock buybacks. With established FCF profitability, we expect a buyback authorization in 2024.	UBER	-
1H24	Uber	Potential sale of Uber Freight	Bloomberg reported in 2023 that Uber was exploring divesting from its Freight business, likely in 2024. A sale or spinoff IPO could improve Uber's EBITDA margin profile and raise cash for buybacks.	UBER	-

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1H24	Uber, Lyft	Mobility pricing headwinds	Uber and Lyft have largely been able to pass through price increases to consumers over the past few years, though with commentary indicating pricing on Uber was "flattish" for 2023 could suggest the beginning of a multi-year, downward trend in prices (in line with Uber expectations that pricing should come down over time).	-	UBER, LYFT
1H24	Uber, Lyft, DoorDash, Instacart	Prop 22 ruling	The CA Supreme Court granted review of a case against Prop 22, likely to be decided in 2024, which would determine the validity of the ballot initiative for classification of gig workers.	UBER, LYFT, DASH, CART	UBER, LYFT, DASH, CART
1H24	Uber, Lyft, DoorDash, Instacart	New Department of Labor rule	In January, the DOL established a final rule that classifies gig workers as independent contractors, noting the current framework does not allow for gig workers to be considered employees unless by an act of Congress. As such, the DOL's ruling could lead to new litigation.	-	UBER, LYFT, DASH, CART
1H24	DoorDash	Wolt Expansion	DoorDash's International segment, Wolt, is expected to add new cities to countries in operations	DASH	UBER
1H'24	Pinterest	Amazon Deal Ad Ramp	Pinterest expects a "meaningful" contribution from its Amazon partnership starting in 1H'24. The biggest benefit for Pinterest could be international markets where company's sales teams are less established. We estimate \$175mn incremental revenue from 3P ad deals in 2024 (contributing 6pts of growth) and another \$150mn (~4pts of growth) in 2025.	PINS	-
1H'24	Snapchat	DR Improvements	In 3Q'23, Snap's DR advertising business grew 3% y/y, with growth accelerating 10pts q/q driven by growing advertiser adoption of company's DR solutions. The company is improving its ad ranking and optimization using ML models and now incorporates a broader range of signals and features.	SNAP	-
1H'24	Google	New cost cuts	Recent press reports suggest Alphabet may have already reduced headcount by over 2,000 in January 2024. In 2023, Alphabet had more limited headcount cuts versus Amazon and Meta, and has ability to significantly reduce Opex. The company has indicated an intention to grow revenues faster than expenses.	GOOG	-
1H'24	Google	Potential Play Store fee cuts	There is potential that Google may cut its Play Store fees given recent case ruling and fee cut by Apple app store. In Dec'23 Google lost an antitrust court case with Epic Games, where the jury decided that Google Play yields monopoly power. A judge is yet to decide what remedies Epic will be awarded, additional hearing are expected to start in late January'24. Also, in Jan'24, Apple announced changes to the app store in Europe to comply with DMA which included lower fees.	Mobile video game publishers, subscription app publishers including BMBL, MTCH, etc.	GOOG
1H'24	Meta	New and more powerful LLM	Meta plans to roll out an updated LLM AI model in 2024, which would further help improve company's AI positioning. According to press reports, META's new LLM is expected to be as powerful as OpenAI's GPT 4.0, and several times more powerful compared to the company's Llama 2.	META	GOOG, SNAP
1H'24	Google	Launch of Gemini Ultra	New and more powerful version of Gemini can improve Gen-AI search experience and sentiment on Google AI. In Dec, Alphabet launched its largest and most sophisticated LLM, Gemini 1.0. The new LLM is natively multimodal (pre-trained from the start on different modalities unlike other competitive LLMs), which allows for better understanding, reasoning, and coding capabilities. The company plans to launch the more powerful version of the model, Gemini Ultra in 2024 and integrate into its search engine, ad products, Chrome and DuetAI.	GOOG	-
1H'24	Meta	Integration of AI Chatbots	Meta plans to further integrate its AI chatbots within its ecosystem in 2024, which should help expedite the monetization of WhatsApp and Messenger and aid engagement on IG & FB. In 2H'23 Meta launched 'Meta AI', a Gen-AI virtual assistant chatbot that generates comment suggestions for posts, answer search queries, make recommendations, and perform virtual tasks. Meta has also partnered with Bing to provide real-time information in text based chats.	META	-
1H'24	Pinterest	New partnerships (in addition to Amazon Deal)	There is a potential for Pinterest to add new 3P ad partners in 1H'24, which would help expedite company's topline growth. In recent earnings call, Pinterest management said, "we have built it (Amazon partnership infrastructure) in such a way that we think it sets us up well to expand to additional partners as we go into 2024."	PINS	-
1H'24	Snap	Snapchat + and Spotlight ramp	Snap has already captured 7mn subs for Snapchat+ and could announce additional sub growth in 4Q. In 3Q'23, revenue from Snapchat+ increased 250% y/y. Growing share of non-advertising revenue should aid Snap's topline acceleration in 2024.	SNAP	-
1H'24	Online Media	Short-form Video Monetization and Usage Ramp	Short-form video (SFV) emerged as a cornerstone for growth of the social media industry, driving enhanced user engagement. All major social and video platforms including Meta, YouTube and Snap are increasingly directing users to SFV content which is driving both incremental usage, and some cannibalization of existing features. In 1H'24, we expect SFV monetization to further ramp at Meta (Reels), YouTube (Shorts) and Snap (Spotlight).	GOOG, META, SNAP	-
1H'24	Meta	Messaging Monetization Ramp	Meta has more than 2bn monthly users on each of its two messaging platforms (WhatsApp and Messenger) and the company is rapidly improving the monetization of	META	-

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			these assets with Click-to-message ads, new business messaging features and other potential launches in 2024. We estimate advertising and other service revenues from WhatsApp and Messenger can grow at a CAGR (22-25) of 45% to reach \$24bn by 2025, up from ~\$8bn in 2022. We expect messaging to add 3-4pts to Meta's overall growth from 2022-2025.		
1H'24	Pinterest	API for Conversions Adoption	Pinterest has rolled out API for Conversions that enables advertisers to send conversions directly to Pinterest via a server-to-server method without requiring a Pinterest tag. The company highlighted that 10% of advertisers that have adopted the API measurement tools are seeing 28% lift in conversion and their spend on Pinterest is growing y/y. In 1H'24, ramp in advertiser adoption of the conversion API should benefit ad spend on Pinterest platform.	PINS	-
1H'24	Meta	Advantage+ ramp	Meta's recent earnings call and our recent ad checks suggest, Meta Advantage plus suite continues to see strong advertiser adoption and helping deliver strong conversion growth. Ramping advertiser adoption of the product in 1H'24 could drive incremental ad spend on the platform and upside to Street estimates.	META	SNAP
1H'24	Online Media	TikTok Monetization Ramp	Given TikTok's large audiences (1bn) and time spent share, and improving DR solutions, competition from the platform could increase in 1H'24 and impact CPMs and ad spend on Meta and Snap.	-	META, SNAP
1H'24	Snapchat	Maps Monetization	Snap is actively adding businesses to its Map feature, which could get more visibility in 1H'24; Any announcements of advertising milestones could be well received by Street.	SNAP	-
1H'24	Google (YouTube), Meta (Instagram) and Snapchat	Content Deals with Top Creators	Given exponential rise user generated video content, we expect growing competition for top creators. Major social media companies have announced dozens of features and incentives, including millions in creator funds. There could evolve toward exclusive deals with creators that raise optimism on new content and concerns on margins.	GOOG, META, SNAP	GOOG, META, SNAP
1H'24	Meta	Apple Vision Pro Launch	Apple has launched its VR headset, Vision Pro (priced at \$3,499 vs Meta Quest 3, priced at \$500). The company started taking pre-orders from January 19, with the sales starting on February 2. With increasing competition in the VR market, there is possibility that Meta could further increase its RL investments to build ecosystem and drive adoption of its headset.	-	META
1H'24	Online Media	Chinese ecommerce ad spend	Chinese advertisers have rapidly increased ad spend on Meta and Snap to help distribute shopping apps, potentially adding 2-4pts to Meta's 2H'23 ad revenue growth rate. While we expect TikTok to be aggressive with ad spend in 2024, and Temu to also grow its advertising spend in 2024, there are a few unique risks for this spend in 2024: 1) Comps on the ad ramp get increasingly tougher, starting in 2Q'24, which could slow Meta's overall ad ramp, 2) marketing spend could shift from app distribution to in-app promotions, creating a new headwind for Meta, and 3) US could change its de minimus laws import, curtailing Chinese imports and ad spend.	-	META, SNAP
1H'24	Google	Growing Performance Max adoption	Rapidly growing advertiser adoption of AI Performance Max remain a major growth driver for Google and could drive upside to Street estimates. PMax is automating content and video creation, assisting advertisers (especially SMBs) in generating improved creative content and back-end cost savings that could be redeployed on the Google platform. Our ad checks suggest, PMax is proving to be highly beneficial for small advertisers, enabling ad spend across new channels with video creation, and offering potential for 25% increase in conversions on existing channels.	GOOG	-
1H'24	Google	Google I/O 2024	Google hasn't announced dates, but will likely host its annual developer conference and exhibition that provides content featuring Gemini, Android, Google Chrome, Google APIs, GWT, App Engine, open web technologies, and more. Google may also launch new AI prototype and products to address competition from ChatGPT.	-	-
1H24	Online Travel	Bookings for Olympics	We would expect some ramp in Europe/Paris bookings around the Olympics (scheduled for July/Aug'24). We note that on the 2Q'12 earnings call, Booking's CEO characterized London Olympic bookings as not significantly material, he said, "we didn't expect to see an impact in our numbers from the Olympics" and in 3Q'12 Expedia CEO said, "Olympics in a particular place isn't going to really move the needle too much."	ABNB, EXPE, BKNG	
1H24	Expedia	Ramp in Vrbo Bookings	After the completion of Vrbo's tech-stack migration in Nov'23, we expect ramp up in Vrbo's bookings after a muted performance in 2023	EXPE	ABNB, BKNG
1H24	Expedia	One Key's international rollout	One Key (Expedia's loyalty program) was launched in the US in July'23. We expect an international rollout in some countries in 1H24.	EXPE	ABNB, BKNG
1H24	Booking	New CFO	On 13 Dec'23, BKNG announced that Ewout Steenberghe will join the company as Executive Vice President and Chief Financial Officer effective March 15, 2024.	BKNG	BKNG
1H24	Duolingo	New Music and Math products, Duolingo Max rollout	Late last year, Duolingo integrated Math and Music offerings into the core Duolingo app. These products are not expected to be material to NT revenue but could drive incremental payer conversion, increase the stickiness of existing payers and expand Duolingo's TAM. Duolingo Max, the company's AI-powered premium subscription tier	DUOL	-

Exhibit 1: Catalysts matrix in rough chronological order

Consolidated

			will continue to roll out through 2024. We see Max as a potential driver of higher revenues per subscriber as well as provider a halo on the brand that could increase conversion.		
1H24	Opendoor	Home Price Stability	Opendoor's 4Q revenue guide was much lower than Street due to lower-than-expected home acquisitions given low inventory and company's higher spread (lower risk margin). Over the next several quarters, we believe Opendoor's volumes will remain constrained by low inventory and high rates, driving OPEX deleverage. If housing markets shows stability in 1H'24, Opendoor's recently lowered spreads could help drive higher-than-expected home acquisitions and topline growth in subsequent quarters.	OPEN	OPEN
1H24	Applovin	Google transition to Real Time Bidding	Real time bidding is a more efficient form of price discovery, which only 60% of the app install market uses today; once Google makes the switch, the remaining holdouts should follow.	APP	-
1H24	Digital Turbine	Progress with Temu Deal	Major US carriers may gradually fulfill app install request from Temu, which, at full capacity, could add 5-10% (annualized) to APPS' topline per year	APPS	-
1H24	DoubleVerify, Integral Ad Science	Ongoing Cookie Deprecation	As identity based targeting accuracy begins to erode, advertisers will look to onboard datasets that provide privacy-safe signals to help advertise to the intended audiences	DV, IAS	MGNI
2024	Uber	New Verticals growth	Uber could provide more visibility on New Verticals, including Hailables, Reserve, Uber for Business, and grocery, which we estimate can contribute 4pts to y/y core bookings growth in 2024.	UBER	-
2024	Uber, Lyft, DoorDash, Instacart	Advertising ramp	Gig-platforms are rapidly growing their high-margin advertising businesses, with Uber leading the market in ads thus far. We believe advertising growth is an important driver of margin growth in the industry.	UBER, LYFT, DASH, CART	-
2024	Vivid Seats	Taylor Swift Tour Comps.	While we expect a strong events calendar in 2024 (including Drake and the Sphere in Las Vegas), we estimate that the Taylor Swift's Era Tour is a 3pt headwind to ticketing in 2024.	-	SEAT
2024	DoubleVerify, Integral Ad Science	2024 US Election Cycle	A surge in inflammatory content could raise demand for media quality measurement and brand-safe advertising solutions	DV, IAS	-
2024	eBay, Etsy, Wayfair, Chewy and Beyond	Google privacy changes	Google plans to remove replace cookies on Chrome with the Privacy Sandbox by 2H'24 and limit cross-site and cross-app tracking on Android. The loss of signal could lead to reduced advertising efficiency across the Internet. We see more risk to smaller platforms that have less data and rely more on third part marketing, compared to Amazon.	AMZN, GOOG	eBay, Etsy, Wayfair, Chewy Meta, Snap and Beyond
2024	Beyond	New CEO announcement	Beyond initiated a search for a new CEO following the prior CEO's resignation in November. Since then, there have been several changes to the Board of Directors and new mgmt. could provide a fresh strategy to integrating Bed Bath & Beyond assets into the company.	BYON	-
2024	Alphabet	Broader Rollout of Google SGE Features	Broader rollout and growing adoption of SGE should help Google differentiate its service from ChatGPT and could reduce some overhang related to potential disruption.	GOOG	-
2H'24	Online Media	Google Third party cookie deprecation	In early Jan'24, Google started testing disabling cookies for 1% of Chrome users and by 3Q'24, the company plans to expand cookie deprecation to 100% of Chrome users, pending UK CMA regulatory approval. We see potential risk to Meta and Snap given issues with Apple ATT changes (though both are mobile app first companies) and potential benefits for Google (search relative beneficiary).	GOOG	META, SNAP
July	Amazon	Prime Day (expected)	Prime Day has historically occurred in June or July. Timing of the day could add over \$5bn in sales in a given quarter, but reduce sales in the surrounding days.	AMZN	-
2024	Uber, Lyft, DoorDash, Instacart	State & local legislation	Bills in Colorado, Massachusetts, Minnesota, and Chicago could establish certain minimum wages and benefits for gig workers. While incrementally better than full-time employees (reducing uncertainty), an IC+ model could lead to increased costs.	UBER, LYFT, DASH, CART	UBER, LYFT, DASH, CART
2024	Peloton	New brand partnerships	Over the past year, Peloton has launched several partnerships with large brands including Lululemon, Liverpool FC, the NBA and WNBA and most recently TikTok. These partnerships could help drive new users outside of Peloton's core customer base.	PTON	-
2024	Udemy	Accelerated enterprise investment	Last November, Udemy announced a multi-year take rate on instructor revenues in the enterprise segment. The majority of these fees will be reinvested in a more robust sales force to capture enterprise demand for skills training as well as new tech/tools for content creation. We see Udemy as well positioned to capture growing demand for enterprise level skills training and increased investment could lead to revenue/EBITDA acceleration.	UDMY	-
2024	DMA and DSA in Europe	Changes in App Store Policies	Apple announced changes to iOS, safari and App Store in the EU effective from March which will allow third-party stores on iOS paying a 17% commission (plus some fees) vs. 30% prior. We see the impact of the changes to be limited given EU-only	MTCH	GOOG

Exhibit 1: Catalysts matrix in rough chronological order

Consolidated

			implementation. We think broader global changes would be needed for a substantive impact to earnings, namely in the US. Given Match Group's exposure to Europe, we see it as the biggest beneficiary through margins, though EBITDA lift is small.		
2024	Online Real Estate Industry	Outlook for lower rates	As inflation comes down, improving macro conditions and potentially lower mortgages rates in 2024 should aid transaction and inventory growth in the real estate industry. A growing number of real estate transactions will be a tailwind for Zillow, Redfin and Opendoor.	Z, RDFN, OPEN	-
2024	Playtika	Strategic Review Update	A potential resolution or update on the ongoing Strategic Review as related to PLTK's majority shareholder group could provide clarity on its shareholder structure & its eligibility as an acquisition target	PLTK	-
2024	Digital Turbine	MSFT & META App Store	While little detail has been disclosed, both MSFT & META are reportedly building their own mobile app stores. Progress with these initiatives should raise confidence on APPS' SingleTap product, as it is a highly complementary technology to Big Tech's alternative app store ambitions	APPS	-
2024	Online Media	Call for TikTok Ban	Given US Presidential elections in 4Q'23, we could see renewed call in Congress in 1H'24 to ban Tik Tok from US App stores, or giving the President more power to ban the app or treat it as threat to national security.	META, SNAP, GOOG	-

Source: BofA Global Research

BofA GLOBAL RESEARCH

Exhibit 2: Catalysts matrix

E-Commerce & Gig Economy

Potential Date	Company	Event	Summary of Event	Potential Beneficiary	Potentially at Risk
January	Amazon	Prime Video ad ramp	Starting on Jan 29, Amazon will begin serving ads to Prime Video users while also offering a \$3/mo ad-free tier. We est. this could generate \$1.6bn in annual subscription revenue and \$3.2bn in advertising revenue, and contribute 50bps to y/y margin expansion.	AMZN	-
February 14	Chewy	New CFO	Effective February 14, Mr. David Reeder will assume CFO more than six months after Mario Marte departed the company. Prior to Chewy, Mr. Reeder served as CFO at GlobalFoundries, a semiconductor manufacturer, and helped take the firm public in 2021.	CHWY	-
February	ACV Auction	MAX Digital Launch to boost SaaS growth	ACV Auction plans to relaunch MAX Digital in early February 2024, which should help accelerate SaaS growth on easier comps. For 2024, we project SaaS revenues to reach \$33.2mn, +4% y/y (6pt accel).	ACVA	-
Feb-24	Uber	Virtual Investor Update	Uber is hosting a virtual investor update one week after its 4Q'23 earnings report. Uber could provide updated outlook, as well as introduce investors to Uber's new CFO, Mr. Mahendra-Rajah. There is also risk that Uber guides to a conservative 3-year outlook, similar to 2022.	UBER	UBER
February, March	Uber	Insurance inflation	Uber's annual insurance renewal is in March, and we expect a HSD increase in y/y insurance costs. Uber is proactively managing insurance costs through improving safety and other means, trying to offset annual insurance cost increases of 20%+ y/y, according to the Bureau of Labor Statistics (in line with Lyft expectations for 20% y/y increase in insurance costs on a per ride basis in 4Q'23).	-	UBER, LYFT
March	Instacart	Lapping SNAP EBT headwinds	The US government slashed SNAP EBT benefits by 30% in February 2023, with Instacart mgmt. calling out headwinds to GMV are greatest on a y/y basis in 4Q'23 and 1Q'24. As Instacart laps SNAP EBT impacts, GMV growth could accelerate.	CART	-
1Q'24	eCommerce sector	Red Sea shipping delays	Per BofA's Shipping & Transportation analyst Ken Hoexter, liner volumes through the Red Sea, which historically handled 28% of global liner volumes, have fallen 90% from the first half of December. As such, vessels have been re-routed around the Cape of Good Hope, extending voyages by 10-15 days on average. eCommerce platforms with relatively higher exposure to Europe (like eBay) will be most impacted by delays and higher costs (per Freightos, China to EU freight spot rate is now 40% of its COVID peak vs. 14% for China to US West Coast).		AMZN, ETSY, EBAY, W
1Q24	eBay, Etsy, Wayfair	eCommerce layoffs	eBay, Etsy, and Wayfair all recently made approx. 10% cuts to headcount. Given projected growth rates in 2024 (all <5% y/y), cost management will likely be a key theme to drive margin improvement.	EBAY, ETSY, W	-
1Q24	Amazon	Twitch, Video layoffs	In Jan, Amazon cut approx. 500 employees from Twitch (35% of staff) followed by several hundreds of employees in Prime Video & MGM Studios. Headcount mgmt. has been a key theme to N.A. retail margin expansion thus far, and continued layoffs at Amazon could drive further leverage in '24.	AMZN	-
1Q24	RH	Modern Sourcebook	RH delayed mailing its Modern Sourcebook until 1Q24 (originally for 4Q23) when demand trends are expected to improve and potentially more favorable housing market. As a result of the delay, a portion of sales were likely pushed back into 1Q.	RH	-
April	Wayfair	Way Day	Wayfair historically hosts its annual, two-day sales event in April, offering customers shopping deals up to 80% off furniture and décor, outdoor essentials, housewares, appliances, and free	W	-

Exhibit 2: Catalysts matrix

E-Commerce & Gig Economy

			shipping on everything. A lackluster 2023 Way Day and expected recovery of the furnishings market in 2024 position trends to accelerate.		
May 16-17	Alphabet, Amazon, Meta	DigiMarCon East	The Digital Marketing Conference covers digital marketing trends & emerging strategy, mobile marketing, data analysis, targeting, and automation. Historical attendees include Alphabet, Amazon, and Meta.	GOOG, AMZN, META	-
June 4-6	Alphabet, Amazon, eBay	Internet Retailer Conference & Expo	Conference centers around market updates, new tech trends in the industry, social commerce, BNPL, and building efficient fulfillment networks. Previous attendees from our coverage include AMZN, EBAY, GOOG, and competitors like WMT, TGT, and COST.	GOOG, AMZN, EBAY	-
1H24	Wayfair	Big box Wayfair store opening	Wayfair's plans to open its first Wayfair brand store in the Chicago suburbs in Spring 2024 and totaling 150k sqft. Wayfair cited physical stores as part of the company's growth algorithm to support double digit revenue growth.	W	-
1H24	Vivid Seats	SkyBox Drive launch	Vivid plans to launch SkyBox Drive early 2024, an extension to SkyBox (ERP ticketing tool) that will help provide sellers with pricing insights and provide real-time pricing adjustments to inventory. Drive could also be a new source of revenue and we expect Vivid to monetize the service in 2024	SEAT	-
1H24	RH	Opening of International galleries	RH is accelerating gallery openings RH plans to open five galleries in North America, as well as international galleries in Brussels, Paris, and Madrid.	RH	-
1H24	Furnishings industry	Mortgage rates decreasing	We est. that housing accounts for about 1/3rd of furniture demand, and estimates from homefinder.com indicate that people spend \$16k on furniture per move. We expect housing volumes to be flat in '24, below that of the National Association of Realtors, but an improvement vs 2023.	RH, W	-
1H24	Shutterstock	New or Expanded Data training deals	New AI data training deals or the expansion of current data contract, could drive higher than expected topline growth for Shutterstock enterprise segment. For 2024, the company expects \$60mn data revenue booking (vs \$100mn expected for 2023).	SSTK	SSTK
1H24	Shutterstock	Giphy Monetization Ramp	On the 3Q23 earnings call, Shutterstock noted that it has started to monetize Giphy, which generated \$5mn revenue in 3Q'23. Giphy could potentially become a meaningful digital advertising business for the company and could drive higher than expected topline growth, a potential positive for shares.	SSTK	-
1H24	eBay	Focus category growth	CEO Jamie Iannone noted eBay is seeing "a meaningful improvement in our growth relative to the market" in investment categories and indicated intent to continue investing for growth. Potential narrowing of share losses could increase investor sentiment on the stock.	EBAY	-
1H24	eBay	Buybacks from cash generated from sale of Adevinata	eBay could generate \$2.2bn in cash from selling part of its Adevinata stake, expected in 2Q24, which would represent approx. 10% of the market cap of the company.	EBAY	-
1H24	eBay, Etsy	Chinese eCommerce spend crowding out other spend	In 3Q, Etsy called out advertising headwinds as Chinese competitors like Temu, TikTok Shop, and Shein drive up CPMs, which may lead to higher advertising costs or pressure GMV growth.	-	EBAY, ETSY
1H24	eBay, Etsy	Chinese eCommerce GMV	Media reports indicate Chinese eCommerce competitors are ramping aggressively in the US, potentially generating over \$20bn in US GMV in 2023. As trends continue into 2024, we think eBay and Etsy are most exposed to Chinese competition given similar average transaction values.	-	AMZN, EBAY, ETSY
1H24	Amazon, Instacart	Amazon's renewed push into grocery	Amazon spent 2023 retooling its grocery strategy, and, while Amazon's grocery investments seem more measured so far, an investment cycle could be a headwind to Amazon's retail margin improvement. There is also added risk to Instacart GMV trends if Amazon accelerates its grocery strategy.	AMZN	AMZN, CART
1H24	Amazon	AWS reacceleration	Easier comps, an improving business cycle, growing workload volumes, and lapping pricing decreases should position AWS growth for reacceleration in 1H and FY24. AWS should also see incremental tailwinds from ramping AI workloads.	AMZN	-
1H24	Amazon	Same-day delivery buildout	Logistics expert MWPVL expects Amazon to buildout its same-day fulfillment network in '24, which is less capex intensive than traditional fulfillment centers. Incremental volumes from faster delivery should position Amazon for further share gains.	AMZN	-
1H24	Amazon	iRobot rejection	In January, the WSJ reported that the European Commission was likely to reject Amazon's acquisition of iRobot. While the deal is not material, a rejection highlights lack of inorganic growth options for mega cap tech.	-	AMZN, GOOG, META
1H24	Alphabet	Waymo expansion	Waymo is rapidly growing in markets like San Francisco and Phoenix, and we expect potential expansion to new cities in 2024. While Uber and Lyft do have partnerships in place to order Waymo rides in-app, Waymo is also a large potential competitor.	GOOG	UBER, LYFT
1H24	Uber	Stock buyback announcement	Uber's CEO indicated that Uber is nearing the stage to consider capital returns, likely in the form of stock buybacks. With established FCF profitability, we expect a capital authorization in 2024.	UBER	-
1H24	Uber	Potential sale of Uber Freight	Bloomberg reported in 2023 that Uber was exploring divesting from its Freight business, likely in 2024. A sale or spinoff IPO could improve Uber's EBITDA margin profile and raise cash for buybacks.	UBER	-

Exhibit 2: Catalysts matrix

E-Commerce & Gig Economy

1H24	Uber, Lyft	Mobility pricing headwinds	Uber and Lyft have largely been able to pass through price increases to consumers over the past few years, though with commentary indicating pricing on Uber was "flattish" for 2023 could suggest the beginning of a multi-year, downward trend in prices (in line with Uber expectations that pricing should come down over time).	-	UBER, LYFT
1H24	Uber, Lyft, DoorDash, Instacart	Prop 22 ruling	The CA Supreme Court granted review of a case against Prop 22, likely to be decided in 2024, which would determine the validity of the ballot initiative for classification of gig workers.	UBER, LYFT, DASH, CART	UBER, LYFT, DASH, CART
1H24	Uber, Lyft, DoorDash, Instacart	New Department of Labor rule	In January, the DOL established a final rule that classifies gig workers as independent contractors, noting the current framework does not allow for gig workers to be considered employees unless by an act of Congress. As such, the DOL's ruling could lead to new litigation.	-	UBER, LYFT, DASH, CART
1H24	DoorDash	Wolt Expansion	DoorDash's International segment, Wolt, is expected to add new cities to countries in operations	DASH	-
2024	Uber	New Verticals growth	Uber could provide more visibility on New Verticals, including Hailables, Reserve, Uber for Business, and grocery, which we estimate can contribute 4pts to y/y core bookings growth in 2024.	UBER	-
2024	Uber, Lyft, DoorDash, Instacart	Advertising ramp	Gig-platforms are rapidly growing their high-margin advertising businesses, with Uber leading the market in ads thus far. We believe advertising growth is crucial to sustain Uber's long-term target of 7%+ incremental EBITDA margin, and is expected to reach \$1bn in revenue in 2024.	UBER, LYFT, DASH, CART	-
2024	Vivid Seats	Taylor Swift Eras Tour Comps.	While we expect a strong events calendar in 2024 (including Drake and the Sphere in Las Vegas), we estimate that the Taylor Swift's Eras Tour is a 3pt headwind to ticketing in 2024.	-	SEAT
2024	eBay, Etsy, Wayfair, Chewy and Beyond	Google privacy changes	Google plans to remove replace cookies on Chrome with the Privacy Sandbox by 2H'24 and limit cross-site and cross-app tracking on Android. The loss of signal could lead to reduced advertising efficiency across the Internet. We see more risk to smaller platforms that have less data and rely more on third part marketing, compared to Amazon.	AMZN, GOOG	eBay, Etsy, Wayfair, Chewy Meta, Snap and Beyond
2024	Beyond	New CEO announcement	Beyond initiated a search for a new CEO following the prior CEO's resignation in November. Since then, there have been several changes to the Board of Directors and new mgmt. could provide a fresh strategy to integrating Bed Bath & Beyond assets into the company.	BYON	-
July	Amazon	Prime Day (expected)	Prime Day has historically occurred in June or July. Timing of the day could add over \$5bn in sales in a given quarter, but reduce sales in the surrounding days.	AMZN	-
2024	Uber, Lyft, DoorDash, Instacart	State & local legislation	Bills in Colorado, Massachusetts, Minnesota, and Chicago could establish certain minimum wages and benefits for gig workers. While incrementally better than full-time employees (reducing uncertainty), an IC+ model could lead to increased costs.	UBER, LYFT, DASH, CART	UBER, LYFT, DASH, CART

Source: BofA Global Research

BofA GLOBAL RESEARCH



Exhibit 3: Catalyst matrix

Online Media

Potential Date	Company	Event	Summary of Event	Potential Beneficiary	Potentially at Risk
1Q'24	Online Media	DMA and DSA implementation in Europe	Designated gatekeepers (Google and Meta) have until March 6, 2024, to comply with the Digital Markets Acts requirements. Quantifying the full potential impact of DMA is hard to predict at this stage as some of the clauses would likely need more clarification from regulators. Both Google and Meta have not yet publicly disclosed all the major changes they would be making in their EU operations (except for Meta launching paid ad free FB & IG service in EU). As the regulation aims to help ensure healthy competition from smaller companies, it could help aid competitors and those dependent on app stores.	SNAP, PINS, MTCH	META, GOOG
2Q'24	Google	DOJ Search Trial Closing Arguments	The hearing in the Google search antitrust trial concluded in Nov'23. The judge has scheduled final arguments in 2Q'24 and we would expect a ruling on the case in 2H'24. Arguments in the case in 2Q could help set expectations for trial outcome.	MSFT	GOOG, Apple revenues from Google
2Q'24	Meta	F8 Developer Conference	Meta could host its annual developer conference with new announcements on AI, Metaverse or messaging platforms	META	
1H'24	Pinterest	Amazon Deal Ad Ramp	After a year of relative underperformance vs larger peers (both revenue acceleration and stock performance), we expect improving sentiment for Pinterest in 1H'24 aided by ramp of Amazon deal. The company expects a "meaningful" contribution starting in 1Q'24. The biggest benefit for Pinterest could be international markets where company's sales teams are less established. We estimate \$175mn incremental revenue from 3P ad deals in 2024 (contributing 6pts of growth) and another \$150mn (~4pts of growth) in 2025.	PINS	-
1H'24	Snap	DR Improvements	Growing advertiser traction of Snap's DR solution should help accelerate company's topline growth. The company is improving its ad ranking and optimization using ML models and now incorporates a broader range of signals and features, resulting in larger models and more precise predictions of conversions. This has led to considerable improvement in ROI for advertisers and growth in lower funnel revenue.	SNAP	-
1H'24	Google	New cost cuts	Recent press reports suggest Alphabet may have already reduced headcount by over 2,000 in January 2024. In 2023, Alphabet had limited headcount cuts versus Amazon and Meta, and has ability to significantly reduce Opex. The company has indicated an intention to grow revenues faster than expenses and headcount reductions are a potential source of margin upside.	GOOG	-
1H'24	Google	Potential Play Store fee cuts	There is a potential that Google may cut its Play Store fees given recent case ruling and fee cut by Apple app store. In Dec'23 Google lost an antitrust court case with Epic Games, where the jury decided that Google Play yields monopoly power. A judge is yet to decide what remedies Epic will be awarded, additional hearing are expected to start in late January'24. Also, in Jan'24, Apple announced changes to the app store in Europe to comply with DMA which included lower fees.	Mobile video game publishers, subscription app publishers including BMBL, MTCH, etc.	GOOG
1H'24	Meta	New and more powerful LLM	Meta plans to roll out an updated LLM AI model in 2024, which would further help improve company's AI positioning. According to press reports, META's new LLM is expected to be as powerful as OpenAI's GPT 4.0, and several times more powerful compared to the company's Llama 2. Meta has been purchasing more of the Nvidia's H100 chips and building its in house AI infrastructure. The company expects to start training the new LLM in early 2024.	META	GOOG, SNAP
1H'24	GOOG	Launch of Gemini Ultra	New and more powerful version of Gemini can improve Gen-AI search experience and sentiment on Google's AI positioning. In Dec, Alphabet launched its largest and most sophisticated LLM, Gemini 1.0. The new LLM is natively multimodal (pre-trained from the start on different modalities unlike other competitive LLMs), which allows for better understanding, reasoning, and coding capabilities. The company plans to launch the more powerful version of the model, Gemini Ultra in 2024 and integrate into its search engine, ad products, Chrome and DuetAI.	GOOG	-
1H'24	Meta	Integration of AI Chatbots	Meta plans to further integrate its AI chatbots within its ecosystem in 2024, which should help expedite the monetization of WhatsApp and Messenger and aid engagement on IG & FB. In 2H'23 Meta launched 'Meta AI', a Gen-AI virtual assistant chatbot that generates comment suggestions for posts, answer search queries, make recommendations, and perform virtual tasks. Meta has also partnered with Bing to provide real-time information in text based chats.	META	-
1H'24	Pinterest	New partnerships (in addition to Amazon Deal)	There is a potential for Pinterest to add new 3P ad partners in 1H'24, which would help expedite company's topline growth. In recent earnings call, Pinterest management said, "we have built it (Amazon partnership infrastructure) in such a way that we think it sets us up well to expand to additional partners as we go into 2024."	PINS	-
1H'24	Snap	Snapchat + and Spotlight ramp	Snap has already captured 7mn subs for Snapchat+ and could add more in 4Q. In 3Q'23, revenue from Snapchat+ increased 250% y/y. Growing share of non-advertising revenue should aid Snap's topline acceleration in 2024.	SNAP	-

Exhibit 3: Catalyst matrix

Online Media

1H'24	Online Media	Short-form Video Monetization and Usage Ramp	Short-form video (SFV) emerged as a cornerstone for growth of the social media industry, driving enhanced user engagement. All major social and video platforms including Meta, YouTube and Snap are increasingly directing users to SFV content which is driving both incremental usage, and some cannibalization of existing features. In 1H'24, we expect SFV monetization to further ramp at Meta (Reels), YouTube (Shorts) and Snap (Spotlight).	GOOG, META, SNAP	-
1H'24	Meta	Messaging Monetization Ramp	Meta has more than 2bn monthly users on each of its two messaging platforms (WhatsApp and Messenger) and the company is rapidly improving the monetization of these assets with Click-to-message ads, new business messaging features and other potential launches in 2024. We estimate advertising and other service revenues from WhatsApp and Messenger can grow at a CAGR (22-25) of 45% to reach \$24bn by 2025, up from ~\$8bn in 2022. We expect messaging to add 3-4pts to Meta's overall growth from 2022-2025.	META	-
1H'24	Pinterest	API for Conversions Adoption	Pinterest has rolled out API for Conversions that enables advertisers to send conversions directly to Pinterest via a server-to-server method without requiring a Pinterest tag. The company highlighted that 10% of advertisers that have adopted the API measurement tools are seeing 28% lift in conversion and their spend on Pinterest is growing y/y. In 1H'24, ramp in advertiser adoption of the conversion API should benefit ad spend on Pinterest platform.	PINS	-
1H'24	Meta	Advantage+ ramp	Meta's recent earnings call and our recent ad checks suggest, Meta Advantage plus suite continues to see strong advertiser adoption and helping deliver strong conversion growth. Ramping advertiser adoption of the product in 1H'24 could drive incremental ad spend on the platform and upside to Street estimates.	META	SNAP
1H'24	Online Media	TikTok Monetization Ramp	Given TikTok's large audiences (1bn) and time spent share, and improving DR solutions, competition from the platform could increase in 1H'24 and impact CPMs and ad spend on Meta and Snap.	-	META, SNAP
1H'24	Snap	Maps Monetization	Snap is actively adding businesses to its Map feature, which could get more visibility in 1H'24; Any announcements of advertising milestones could be well received by Street.	SNAP	-
1H'24	Google (YouTube), Meta (Instagram) and Snapchat	Content Deals with Top Creators	Given the exponential rise user generated video content, we expect growing competition for top creators. Major social media companies have announced dozens of features and incentives, including millions in creator funds. There could evolve toward exclusive deals with creators that raise optimism on new content and concerns on margins.	GOOG, META, SNAP	GOOG, META, SNAP
1H'24	Meta	Apple Vision Pro Launch	Apple has launched its VR headset, Vision Pro (priced at \$3,499 vs Meta Quest 3, priced at \$500). The company started taking pre-orders from January 19, with the sales starting on February 2. With increasing competition in the VR market, there is possibility that Meta could further increase its RL investments to build ecosystem and drive adoption of its headset.	-	META
1H'24	Online Media	Chinese ecommerce ad spend	Chinese advertisers have rapidly increased ad spend on Meta and Snap to help distribute shopping apps, potentially adding 2-4pts to Meta's 2H'23 ad revenue growth rate. While we expect TikTok to be aggressive with ad spend in 2024, and Temu to also grow its advertising spend in 2024, there are a few unique risks for this spend in 2024: 1) Comps on the ad ramp get increasingly tougher, starting in 2Q'24, which could slow Meta's overall ad ramp, 2) marketing spend could shift from app distribution to in-app promotions, creating a new headwind for Meta, and 3) US could change its de minimus laws import, curtailing Chinese imports and ad spend.	-	META, SNAP
1H'24	Google	Growing Performance Max adoption	Rapidly growing advertiser adoption of AI Performance Max remain a major growth driver for Google and could drive upside to Street estimates. PMax is automating content and video creation, assisting advertisers (especially SMBs) in generating improved creative content and back-end cost savings that could be redeployed on the Google platform. Our ad checks suggest, PMax is proving to be highly beneficial for small advertisers, enabling ad spend across new channels with video creation, and offering potential for 25% increase in conversions on existing channels.	GOOG	-
1H'24	Google	Google I/O 2024	Google hasn't announced dates, but will likely host its annual developer conference and exhibition that provides content featuring Gemini, Android, Google Chrome, Google APIs, GWT, App Engine, open web technologies, and more. Google may also launch new AI prototype and products to address competition from ChatGPT.	GOOG	-
2024	Alphabet	Broader Rollout of Google SGE Features	Broader rollout and growing adoption of SGE should help Google differentiate its service from ChatGPT and reduce some overhang related to potential disruption. With a single click, SGE generates key points from long articles within seconds, making it easier for users to quickly grasp the main content. The purpose of this feature is to assist users in navigating online information more swiftly and efficiently, enabling them to access the core content faster. Google said ads continue to appear in dedicated ad slots throughout the page with SGE. In this new experience, advertisers can reach potential customers along their search journeys.	GOOG	-
2H'24	Online Media	Google Third party cookie deprecation	In early Jan'24, Google started testing disabling cookies for 1% of Chrome users and by 3Q'24, the company plans to expand the third-party cookie deprecation to 100% of	GOOG	META, SNAP, PINS

Exhibit 3: Catalyst matrix
Online Media

			Chrome users, pending UK CMA regulatory approval. We see potential risk to Meta and Snap (though both are mobile app first companies) and potential benefits for Google (search relative beneficiary). Meta has made massive investments in AI/ML to improve targeting and measurement post IDFA and we believe the company is relatively well positioned compared to Snap.		
2024	Online Media	Call for TikTok Ban	Given US Presidential elections in 4Q'23, we could see renewed call in Congress in 1H'24 to ban Tik Tok from US App stores, or giving the President more power to ban the app or treat it as threat to national security.	META, SNAP, GOOG	-

Source: BofA Global Research

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Exhibit 4: Catalysts matrix

Online Travel

Potential Date	Company	Event	Summary of Event	Potential Beneficiary	Potentially at Risk
Mar'24	Online Travel	Skift India Summit	Skift India Summit in Delhi-NCR, happening March 19-20, 2024. Discussion could include strong potential of the Indian outbound traveler and strong market dynamics	Travel sector	-
1Q24	Booking	New CFO	On 13 Dec'23, BKNG announced that Ewout Steenberghe will join the company as Executive Vice President and Chief Financial Officer effective March 15, 2024.	BKNG	-
Apr'24	Airbnb	Additional fees for cross-currency bookings	Starting 1st Apr'24, Airbnb will charge an additional 2% guest service fee for cross-currency bookings, resulting in fee of up to 16.5% (vs 14.2% currently) of the booking subtotal.	ABNB	-
May'24	Airbnb	Summer Release 2024	Expect some new features/updates to Airbnb for facilitating guests or hosts, generally released after 1Q earnings. Street is looking for greater visibility on sponsored listings and products for events and experiences.	ABNB	EXPE
June'24	Online travel	Phocuswright Europe Conference	Conference (10-12 Jun'24) will discuss travel trends in Europe - supply and demand dynamics, digitization initiatives and approach towards sustainability	Travel sector	-
1H24	Online Travel	Bookings for Olympics	We would expect some ramp in Europe/Paris bookings around the Olympics (scheduled for July/Aug'24). However, impact could be limited, we note that on the 2Q'12 earnings call, Booking's CEO characterized London Olympic bookings as not significantly material, he said, "we didn't expect to see an impact in our numbers from the Olympics" and in 3Q'12 Expedia CEO said, "Olympics in a particular place isn't going to really move the needle too much."	ABNB, EXPE, BKNG	-
1H24	Expedia	Ramp in Vrbo Bookings	After the completion of Vrbo's tech-stack migration in Nov'23, we expect ramp up in Vrbo's bookings after a muted performance in 2023	EXPE	ABNB, BKNG
1H24	Expedia	One Key's international rollout	One Key (Expedia's loyalty program) was launched in the US in July'23. We expect it's international rollout in some countries in 1H24.	EXPE	ABNB, BKNG

Source: BofA Global Research

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Exhibit 5: Catalysts matrix

Subscription

Potential Date	Company	Event	Summary of Event	Potential Beneficiary	Potentially at Risk
1Q24	Duolingo	Annual New Years promotion	Duolingo's annual New Years promotion (runs in December and January) is an important driver of annual subscriptions for the company. Per Sensor Tower, Duolingo DAU's accelerated in December and a continuation of this trend into January could drive higher consensus estimates as well as investor sentiment, following a pullback in shares over the past month.	DUOL	-
1Q24	Bumble	New CEO	Effective January 2, 2024, Lidiane Jone (formerly CEO of Slack) will succeed Bumble founder Whitney Wolfe Herd as the company's CEO (announced in Nov'23). On the 4Q23, we expect to hear initial thoughts on how to reaccelerate Bumble user growth, how the company plans to balance user expansion versus monetization, plans to further integrate technology such as AI to improve the app experience.	BMBL	MTCH
1Q24	Match (Tinder)	New Tinder CEO	On January 9th 2024, Match group appointed Faye Isotaluno as Tinder's new CEO (previously served as Tinder COO as Tinder's CEO). We see the appointment as important for two reasons: 1) Tinder will now have dedicated leadership as the brand is in the midst of a turnaround and highly focused on reaccelerating user growth; 2) it relieves Match CEO Bernard "BK" Kim of running Tinder.	MTCH	BMBL
1Q24	Peloton	New CMO and CPO	Peloton appointed a new Chief Marketing Officer, Lauren Weinberg in Dec'23; and a new Chief Product Officer, Nick Caldwell in Nov'23.	PTON	-
1Q24	Peloton	TikTok partnership	Peloton announced an exclusive partnership with TikTok for a co-branded hub on 4th Jan'24. Partnership could give Peloton access to TikTok's 1bn global users and a young audience. We expect more updates in the upcoming earnings on 1st Feb'24.	PTON	-
1H24	Duolingo	New Music and Math products, Duolingo Max rollout	Late last year, Duolingo integrated Math and Music offerings into the core Duolingo app. These products are not expected to be material to NT revenue but could be driver incremental payer conversion, increase the stickiness of existing payers and expand Duolingo's TAM. Duolingo Max, the company's AI-powered premium subscription tier will continue to roll out through 2024. We see Max as a potential driver of higher revenues per subscriber as well as provide a halo on the brand that could increase conversion.	DUOL	-
2024	Peloton	New brand partnerships	Over the past year, Peloton has launched several partnerships with large brands including Lululemon, Liverpool FC, the NBA and WNBA and most recently TikTok. While subscriber trends remain challenged, these partnerships could help drive new users outside of Peloton's core customer base.	PTON	-
2024	Udemy	Accelerated enterprise investment	Last November, Udemy announced the a multi-year take rate on instructor revenues in the enterprise segment. The majority of these fees will be reinvested in a more robust sales force to capture enterprise demand for skills training as well as new tech/tools for content creation. We see Udemy as very well positioned to capture growing demand for enterprise level skills training and increased investment could lead to revenue/EBITDA acceleration and multiple expansion. As of mid-January, Udemy has not experience any attrition from top content creators from the take rate increase.	UDMY	-
2024	DMA and DSA in Europe	Changes in App Store Policies	Apple announced changes to iOS, safari and App Store in the EU effective from March which will allow third-party stores on iOS paying a 17% commission (plus some fees) vs. 30% prior. We see the impact of the changes to be limited given EU-only implementation. We think broader global changes would be needed for a substantive impact to earnings, namely in the US. Given Match Group's exposure to Europe, we see it as the biggest beneficiary through margins, though EBITDA lift is small.	MTCH	GOOG

Source: BofA Global Research

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Exhibit 6: Catalysts matrix

Online real estate

Potential Date	Company	Event	Summary of Event	Potential Beneficiary	Potentially at Risk
Feb-24	Zillow	Housing Super App rollout	In 2024, Zillow will accelerate the rollout of several key products under its "Housing Super App" including real-time online tour booking under Showingtime+, Zillow Home Loans and Listings Showcase. These tools are aimed at increasing the productivity of Zillow's buy side lead generation business and expand sell side services.	ZG	-
Feb-24	Online Real Estate Industry	DOJ commission investigation	In 2019, the DOJ and FTC launched a joint investigation into NAR's rules on commissions and buyer broker compensation alleging anticompetitive practice. A settlement agreement was reached in 2020 but on Dec. 18 2022, the DOJ filed a letter in federal court expressing that proposed commission changes may not have gone far enough. The DOJ has until Feb 15th to file a statement of interest. If the DOJ is successful in reopening this case, it could force greater disruption on the real estate industry than any of the consumer-led commission lawsuits.	-	ZG, RDFN, OPEN
1Q24	Redfin	Expense reductions	In 3Q'23, Redfin reiterated continued focus on containing costs and highlighted focus on delaying (or canceling) discretionary expenses until the housing market improves. Given the recent ongoing layoffs in the tech domain (including recent cuts at online real estate peer Opendoor), Redfin could announce another round of cost cuts that could help the company achieve its profitability goals.	RDFN	-
April	Online Real Estate Industry	Agent commission lawsuits	In Oct'23, a Missouri jury ruled against the National Association of Realtors (NAR) and several major real estate brokerages in the Sitzler Burnett trial. Following the preliminary decision, several copycats lawsuits have been filed against major brokerages (largest being the Moehrl case). A final ruling in the Sitzler Burnett case is expected in April, which could mean: 1) more commission transparency; 2) lower total commissions; 3) changes to national MLS; and 4) a reduction in the number of agents.	-	ZG, RDFN, OPEN
1H24	Opendoor	Home Price Stability	Opendoor's 4Q revenue guide was much lower than Street due to lower-than-expected home acquisitions given low inventory and company's higher spread (lower risk margin). Over the next several quarters, we believe Opendoor's volumes will remain constrained by low inventory and high rates, driving OPEX deleverage. If housing markets shows stability in 1H'24, Opendoor's recently lowered spreads could help drive higher-than-expected home acquisitions and topline growth in subsequent quarters.	OPEN	OPEN
2024	Online Real Estate Industry	Outlook for lower rates	As inflation comes down, improving macro conditions and potentially lower mortgages rates in 2024 should aid transaction and inventory growth in the real estate industry. A growing number of real estate transactions will be a tailwind for Zillow, Redfin and Opendoor.	Z, RDFN, OPEN	-

Source: BofA Global Research

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Exhibit 7: Catalysts matrix

Video games & Ad tech

Potential Date	Company	Event	Summary of Event	Potential Beneficiary	Potentially at Risk
17 January	DoubleVerify, Integral Ad Science	Launch of Brand Suitability on META Feeds & Reels	For the first time, brands will have independent verification of the suitability of Facebook and Instagram Reels & Feeds content for their brands	DV, IAS	-
9-11 April	APP	Google Cloud Next	Developers using Google Cloud showcase their accomplishments and use of Google's toolsets	APP	-
May	GOOG, META, Magnite	Upfront Week 2024	At the TV industry's biggest get-together where ~30% of the annual ad budget will be allocated, observations on CTV adoption, programmatic penetration, and advertiser sentiment could have implications for MGNI	GOOG, META, MGNI	GOOG, META, MGNI
18-22 May	Roblox, Take-Two, EA	Game Developer's Conference	Biggest conference in the world where platform developers update the video game ecosystem on breakthrough innovations, product releases, best practices, etc.	RBLX, TTWO, EA	-
30 Jan, May	EA	Game Pipeline	Additional details on the content & timeline of EA's multiyear game pipeline should raise confidence on FY25 growth and beyond. Key announcements that could drive upside include the next Battlefield game, The Sims, as well as the new Star Wars FPS game.	EA	-
June	Applovin	Apple WWDC	This annual event is described as "the day the entire app ecosystem re-writes its business plan." Announcements could address privacy policy, or technological changes that would affect mobile AdTech business models, or nothing at all	APP	APP
2Q24	DoubleVerify, Integral Ad Science	2024 US Election Cycle	A surge in inflammatory content could raise demand for media quality measurement and brand-safe advertising solutions	DV, IAS	-
1H24	Applovin	Google transition to Real Time Bidding	Real time bidding is a more efficient form of price discovery, which only 60% of the app install market uses today; once Google makes the switch, the remaining holdouts should follow	APP	-
1H24	Digital Turbine	Progress with Temu Deal	Major US carriers may gradually fulfill app install request from Temu, which, at full capacity, could add 5-10% (annualized) to APPS' topline per year	APPS	-
1H24	DoubleVerify, Integral Ad Science	Ongoing Cookie Deprecation	As identity based targeting accuracy begins to erode, advertisers will look to onboard datasets that provide privacy-safe signals to help advertise to the intended audiences	DV, IAS	MGNI
Ongoing	Playtika	Strategic Review Update	A potential resolution or update on the ongoing Strategic Review as related to PLTK's majority shareholder group could provide clarity on its shareholder structure & its eligibility as an acquisition target	PLTK	-
Ongoing	Digital Turbine	MSFT & META App Store	While little detail has been disclosed, both MSFT & META are reportedly building their own mobile app stores. Progress with these initiatives should raise confidence on APPS' SingleTap product, as it is a highly complementary technology to Big Tech's alternative app store ambitions	APPS	-

Source: BofA Global Research

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Glossary

Ad tech - advertising technology
FANG - Facebook (Meta), Amazon, Netflix, Google (Alphabet)
AI - artificial intelligence
LLM - large language model
AWS - Amazon Web Services
Google I/O - annual Google developer conference
SGE - search generative experience
DMA - Digital Markets Act
DSA - Digital Services Act
DV - DoubleVerify
IAS - Ad Science
3P - third party
DR - direct response
WWDC - Worldwide Developers Conference
DOJ: Department of Justice
FTC: Federal Trade Commission
NAR: National Association of Realtors
DAU: Daily Active Users
CMA: Competition and Markets Authority
ATT: Apple Tracking Transparency
SGE: search generative experience
ML: Machine learning
IDFA: identifier for advertisers

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