

GS TMT SPEC SALES: BT Bharti may want more; ACN/IT Services DOGE; NVidia GTC; BYD's new battery & charger; US gaming Tracker; Springer guide
FICC and Equities | 18 March 2025 | 7:49AM UTC

GS TMT SPEC SALES – Tuesday 18th of March

Continued weakness in the **Mag 7** one of the BIG question marks yesterday with nothing 'obvious' to point to – handful of one-offs (GTC positioning, TSLA -7%) juxtaposed against investors trying to feel their way around quarter-end dynamics (e.g. will the global macro support a (+) revision cycle for Mag 7 after flat-lining EPS revisions the last few months? Do lower prices = lowered expectations?).

Loads of questions and debate on **ACN print and read to CAP** esp. post market research firm Cleveland came out last week pretty bearish on IT services names (ACN & IBM in particular). Plus a did a few meetings with Gabriela Borges (GS Security & Software analyst) yesterday -repeated questions over the potential impact of DOGE of IT services, software and security names (interesting JPM overnight cutting ACN numbers on DOGE risk per BBG).

Nvidia CEO Jensen Huang keynote 1pm (ET) at GTC with expectation that the GB300 will be introduced with performance 50% better than that of GB200 and pilot run in Q2 and volume production in Q3 with HBM expanding to 192GB to 288GB. The Information reported **Google to team up with Mediatek** developing next generation TPU taping out with TSMC at the expenses of Broadcom. Its believed Google spent US\$6-9bn in developing TPU last year. Apple China stalls as [GIR sees CAICT as a proxy](#) for Apple iPhone sell-in in China - down 21% yoy in Jan.

Alphabet is in talks to purchase cloud-security company **Wiz** for \$33 billion, restarting discussions that were called off last summer after extended negotiations. Its original offer was \$23bn in July 2024...so a cool 37.5% appreciation over 8 months

BYD's new battery and charging system is capable of providing around 400 kilometers (249 miles) of range in 5 minutes" (BBG). China continuing to play catch up and as BBG flags Capital continues to flow from West to East. "Foreign investments into China's onshore markets rose to a record high in February, with inflows reaching \$228.1 billion."

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BT Group's largest shareholder Sunil Bharti Mittal per the FT is considering increasing his stake above current 24.5%. he would need government permission to raise – most do not see this as been an issue but will take time.

Springer Nature FY 24 inline, FY25 guide for operating profit looks a tad light, plus the negative article **in the WSJ** on the Academic Publishers will not help sentiment (also negative RELX & Informa). **Pearson** starts the first tranche of buyback of £175M today

[US gaming Tracker: Flutter and DraftKings](#) – continue to perform strongly, holding 78% of OSB GGR market share in January 2025 vs. 77% in 2024 (81% on an NGR basis vs. 83% in 2024) and 53% in iGaming (vs. 52% in 2024).

AWAY FROM GS; Evolution Rated New Neutral at Cantor;

Digital Assets - Crypto Markets Update and Q2 Outlook on **March 26th** at **9:30am GMT | Please register here**

TECH SNAPSHOT

- **APPLE:** The China Academy of Information and Communications Technology (CAICT) reported January 2025 mobile phone shipments in China of 27.2 mn (-14% yoy) including Chinese branded phones of 22.8 mn (-13% yoy) and foreign branded phones of 4.4 mn (-21% yoy). [GIR view this as a proxy](#) for Apple iPhone sell-in in China - decreased 21% yoy. Though this marks a deceleration from 1% yoy growth in December 2024, yoy trends remain above September/October/November 2024 (-40%/-44%/-47% yoy).

- **Hexagon** – [Mo with Q1 preview](#) - broadly unchanged macro environment across its core segments with continued weakness in automotive and construction markets similar to last quarter. We update for FX, which is an incremental headwind of c.1%, while making minor refinements to our segmental organic growth assumptions. We expect c.2%/4% yoy organic sales growth for 1Q25/FY25 (Infront consensus at c.2%/5%), while continuing to highlight the lack of visibility over a near-term growth recovery. We make no changes to our margins assumptions and overall our key KPIs decrease c.1%-2% across FY25-29E mostly driven by FX

- **TeamViewer** 1Q25 preview – GIR update for FX which is an incremental headwind of c.1%. Overall, we make slight refinements to our topline estimates and adjusted EBITDA margins and estimates and therefore our adjusted EPS decrease 0%~~1~~ % across FY25-29E mostly on the back of FX. Having said that, our FCF estimates decrease 1%-4% across the forecasted period as we refine our assumptions around cash conversion. Given minor estimate changes, our 12-month PT is unchanged at €14 based on c.8x 1Q26-4Q26E EV/EBITDA (unchanged). We remain Neutral-rated on TeamViewer. [GIR take](#)

- **BYD** on Monday unveiled a new platform for EVs that it said could charge EVs as quickly as it takes to pump gas and announced for the first time that it would build a charging network across China. The so-called "super e-platform" will be capable of peak charging speeds of 1,000

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kilowatts (kW), enabling cars that use it to travel 400 km (249 miles) on a 5-minute charge, founder Wang Chuanfu said at an event livestreamed from the company's Shenzhen headquarters.

- **Alphabet** is in talks to purchase cloud-security company **Wiz** for \$33 billion, restarting discussions that were called off last summer after extended negotiations. The deal, which may be announced as soon as Tuesday, would be Alphabet's largest acquisition to date, and could help Alphabet's Google catch up with Microsoft and Amazon in the competitive cloud-computing market. [Bloomberg](#)

TELCO SNAPSHOT

- **BT Group's** largest shareholder Sunil Bharti Mittal per the FT is considering increasing his stake above current 24.5%. he would need government permission to raise, and under UK takeover rules can go to 30% before a minority buy out is required In my view the government is unlikely to block a move from 24.5% to say 29.5%.
- **TIM** ups price of further landline plans and TIMvision bundles from May ([Telecom Paper](#)). existing landline customers will be subject to a price increase of EUR 2 to EUR 2.90 a month applied to their plans starting in May. Swiss govt plans CHF 730 mln subsidy for gigabit broadband expansion ([Telecom Paper](#))

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- **Swiss broadband:** The Swiss government has started a consultation on a law creating a new framework to deploy public subsidies amounting to CHF 730 million to expand broadband networks particular in sparsely populated areas. According to the proposal put forward for consultation, the government will provide 50% of the funds to roll out networks with speeds of at least 1 Gbps.
- **Altice:** Creditors have until Wednesday 5pm NY time to accede to the lock-up agreement and get a 2.5c cash premium. Company also says it has received at least 90% support from each tranche of the SSNs and the Holdco notes, so the risks to implementation appear minimal at this stage. [BBG](#)
Next steps: We should hear by EoW whether the company has been able to get unanimous consent from TL lenders, and I expect SFR to petition the French Court for the opening of Conciliation proceedings at some point next week (March 31st at the latest).

- If SFR has been able to obtain unanimous support from TL lenders, then the company will ask the court to approve the Conciliation plan
- If not, SFR will need to transform the Conciliation into an Accelerated Sauvegarde to use the cram down mechanism and implement the plan

MEDIA & INTERNET SNAPSHOT

- **Springer Nature** FY 24 inline, FY25 guide for operating profit looks a tad light, plus the negative article **in the WSJ** on the Academic Publishers will not help sentiment. FY24 revenue was €1,847mn, in line with the company's reiterated guidance of €1,820mn-€1,850mn (vs GSe/Visible Alpha Consensus Data €1,843mn) with organic revenue growth of 5%. FY24 adjusted operating profit was €512mn (c7% organic growth), in line with company guidance of €505mn-€520mn (vs GSe/Cons €516mn) with an operating margin of 27.7%, slightly ahead of 27.6% in FY23. Free cash flow was €219mn, up 33% YoY, aided by favourable working capital developments and reduced one-offs, with Net Debt/EBITDA at 2.3x, down from 2.9x at the end of 2023. **2025 outlook:** The company provided 2025 revenue guidance of €1,885mn-€1,935mn (vs GSe/Cons: €1,932mn/€1,925mn). Group adjusted operating profit is expected to be at least at the level of 2024 (27.7% margin implies at least €523mn-€537mn, versus GSe/Cons of €545mn/€543mn). The company's mid-term outlook remains unchanged. [See GIR take](#)
- **Academic Publishers – pretty negative article in the WSJ** on the space that highlights growing concerns within the scientific community about declining research quality due to the rapid growth of for-profit scientific publishing. Several incidents point to this issue: **Editorial Board Walkouts:** The entire editorial board of the *Journal of Human Evolution* resigned from Elsevier due to concerns that changes jeopardized the journal's quality. **Open Letters of Criticism:** Scientists criticized *Scientific Reports* (Springer Nature) for allegedly failing to protect scientific literature from fraudulent and low-quality research. **Delisting of Journals:** Web of Science, a key index, delisted or put on hold several high-volume journals for not meeting quality standards. The article attributes these problems to the for-profit publishing industry's push for increased output. The number of published papers has risen dramatically in recent years, leading to an "articles arms race" among major publishers like Wiley, Springer, and Elsevier. This creates opportunities for substandard research to be

published as researchers face pressure to publish to advance their careers.

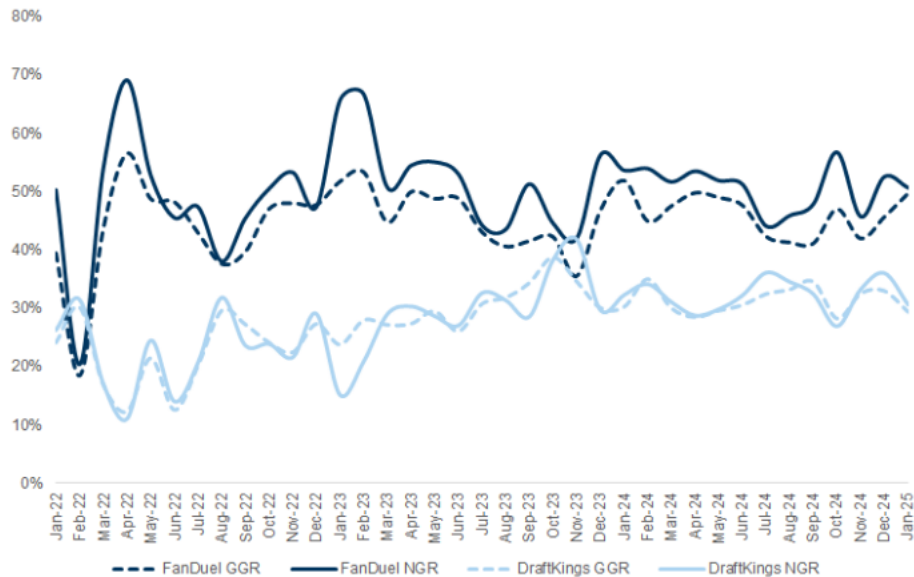
- **Prosieben:** The supervisory board of ProSieben has put on hold a potential deal that could hand U.S. private equity firm General Atlantic a minority stake in the German broadcaster Reuters. ProSieben said in a statement it was still assessing individual aspects of the deal and had "therefore not yet made a decision". A key issue scrutinised by the supervisory board was the terms of a so called "contingent" capital increase, an option allowing the company to issue up to 23.3 million shares, or 10% of its share capital, the sources said. The contingent capital option would dilute the stakes of ProSieben's existing shareholders, including top investor MFE MediaForEurope, which holds nearly 30% of ProSieben, just below the threshold that under German laws triggers a mandatory bid

GAMBLING

- [US gaming Tracker:](#) Flutter and DraftKings – continue to perform strongly, holding 78% of OSB GGR market share in January 2025 vs. 77% in 2024 (81% on an NGR basis vs. 83% in 2024) and 53% in iGaming (vs. 52% in 2024).
In January, **same-state OSB GGR growth was c.+8% yoy** (based on 26 out of 28 states that have reported January data so far), against tough prior year comps (with notably operator-friendly sports results in Jan'24). Flutter management noted that sports results for the business in Jan'25 were somewhat customer-friendly; based on the data we track, industry Jan win margins were slightly better than average (by c.1pp) despite these sports results, likely supported by typical parlay mix seasonality, and Flutter retained a lead vs. peers. Including new state launches, January OSB GGR growth was c.+14% yoy. **Amongst the top 3 players' market share**, in January FanDuel's market share expanded c.+1pp mom, while DraftKings and BetMGM had broadly stable share mom. On a yoy basis, DraftKings' market share expanded (up c.+2pp yoy) and so did BetMGM's (up c.+1pp yoy), while FanDuel's share was down -4pp yoy (driven by a tough prior year comp). **On an NGR basis**, which is the revenue metric that matters for a company's financials, FanDuel retains a strong lead vs. competitors, and both Flutter and DraftKings saw a slight mom contraction in their NGR market share in January as win margin dynamics normalised vs. December (FanDuel - 2pp mom to 51% vs. DraftKings -5pp mom to 31%).

Exhibit 17: In January, the gap between FanDuel and DraftKings on NGR market share widened relative to December'24

FanDuel and DraftKings GGR/NGR market shares



Includes only states which disclose operator-level NGR and GGR data. Jan'25 data is ex. AZ.

Source: Respective State Gaming Commissions, Data compiled by Goldman Sachs Global Investment Research

MACRO/FLOW & MORE DETAILS

- US Trading:** Mag 7 weakness was one of the BIG question marks today with nothing 'obvious' to point to – handful of one-offs (GTC positioning, TSLA -5%) juxtaposed against investors trying to feel their way around quarter-end dynamics (e.g. will the global macro support a (+) revision cycle for Mag 7 after flat-lining EPS revisions the last few months? Do lower prices = lowered expectations?). Into FOMC on Wed, GS L/S Stagflation pair (GSPUSTAG Index) is now +17% YTD. What works in stagflation? HC, Energy, Consumer Services (vs Goods), and Value factor. What doesn't work? Industrials, Info Tech, Materials, and Comm Svcs. Our floor was a 5 on a 1-10 scale in terms of overall activity levels. Our floor finished -195bps vs -78bps 30 day avg. LOs finished -\$2.7b net sellers, driven by broad supply across tech and to a lesser extend industrials and discretionary. HFs finished +\$1b net buyers driven by demand in tech, industrials, financials, and REITs. Buybacks in day 1 of blackout period and this lasts until 4/25 (10b51s out there but discretion is limited and our desk's activity typically drops by 30%). Quarter End Pension rebal will be all over the place but still \$29b of equities to buy (vs \$29b of bonds for sale).
- This week **Nvidia GTC conference** where Jensen will talk up what's next in agentic AI, robotics, accelerated computing. March 17-21. The

rhetoric has been about toning down on CPO, CoWoS, and Blackwell production/shipment so will be interesting to see if this is dispelled. In memory Micron should be interesting as some of the view that pricing has now bottomed and **TrendForce** reporting **Samsung and SK Hynix** are gearing up to raise NAND wafer prices as have **Micron** and **SanDisk**

- **Accenture** – I am told market research firm Cleveland came out last week pretty bearish on **IT services names (ACN & IBM in particular)** while we saw several analysts change view on the **Indian IT services** companies when earlier this year there was a race to upgrade them and make comments about how 2025 was trends were going to improve now 2 months later we are seeing the opposite. Bears flagging read to **CAP** (fair) BUT the big difference between them is that when CAP gave cautious guidance that takes into account no macro improvements. [GIR on CAP](#) Jim our US [IT Services is more bullish](#) and sees as cyclical headwinds continue to abate, we believe Accenture is among well positioned to capture a recovery in discretionary spending as it occurs. Likely lots of focus on the call on its exposure to the US government and fall out from DOGE.
- **BIG earnings week in China TMT space- Xiaomi / Tencent / PDD / Meituan** reports on **18 / 19 / 20 / 21 Mar** this week ([see preview from Ronald](#)). For **Prosus Tencent** in focus where GIR- expect slight moderation in ads growth (+12% yoy), faster games (+17% yoy), soft fintech and business services (cloud & eCommerce) acceleration. Est group adj. EBIT of Rmb60.0bn (+22% yoy). For 2025E EPS, we are slightly above V.A. consensus at +14% vs. consensus +11% yoy.

MORE DETAIL

FINTECH/PAYMENTS

- [Affirm's partner Walmart](#), announced that OnePay, in partnership with a competitor to Affirm, will be the exclusive provider of Buy-Now-Pay-Later solutions online and in-store. As a reminder, Affirm has long led with a partnership distribution model, and has had notable partnerships with top U.S. retailers, including Amazon, Shopify, Walmart, and others. Affirm published an 8-K in which the company noted that Walmart comprised 5% of GMV (vs GIR's ~5-10% estimate) and 2% of operating income (vs our 10-19% impact). Given this new information we are increasing our AFRM estimates to reflect much lower economics on the Walmart relationship. AFRM's 2% operating income disclosure implies a

lower <1% margin on the partnership (with implied profitability share), and for context Affirms average RLTC margin >4% and our estimates of interest bearing RLTC margins in the 4-5%+ range. Overall, we believe the low the profitability of this portfolio is indicative of 1) the difficulty of underwriting the lower end customer base of Walmart and 2) relatively lower level of profitability that WMT likely negotiates its vendors to.

- □ **Prosus: [PayU successfully completes sale of its Latam and Africa Payment Organisation to Rapyd – Prosus](#)**. *PayU has successfully completed the sale of its Global Payment Organisation (GPO) in Latam and Africa to Rapyd, a leading Fintech-as-a-Service provider. The sale of GPO in Latin America and Africa enables PayU to focus on the rapidly growing Indian payments and credit market, where it leads as the premier payments provider, serving more than 450,000 merchants and over 2m credit customers.*

- □ **Banco Santander seeking to expand US operations through partnership that taps into Verizon's customer base – Reuters**. The article reports that under the partnership, some Verizon customers will be able to earn bill credits by opening high-yield savings accounts with Santander's new digital bank platform. In an interview, Santander's executive chair Ana Botin says that the bank will also explore other partnerships as it seeks to become a full-service digital bank in the US

SEMIS AND HARDWARE

- **Jan smartphone shipments in China were -17% YoY to 25m units, or -24% MoM**. Monthly shipments were down to 25m units in Jan on weak seasonality, post recovery in Oct - Dec 2024 shipment at 28m~32m units. Nation-wide subsidies announced in early Jan could support demand in 1Q25 ([report link](#)). We expect the market to be +1% YoY in 1Q25E ([report link](#)), vs. 4% YoY in 4Q24 per MIIT data. **For cameras**, the number of cameras per phone peaked in 2022 at 3.8 cameras and down to 3.3/ 3.3 cameras in 2024/ 2025 YTD; however, 20MPx+ penetration increased to 52%/ 54% in 2024/ 2025 YTD (vs. 39%/ 31% in 2023/22), in line with our view of camera specification upgrades for China smartphones ([report link](#)). Read more: [Smartphone TAM](#).

- **TSMC (2330):** Will go ex-div today, NT\$4.5/shr; US President Trump reportedly doubled TSMC's additional investment amount in the US to \$200b from \$100b officially announced by TSMC after a meeting between TSMC chair C.C. Wei and Trump 2 weeks ago. (ED)
- **AI/NVIDIA:** Press still focused on NVIDIA's GTC conference. Jensen Huang will be making a keynote speech tonight Asia time, so that could be bring some optimism. Broker also reportedly expects GB300 to be introduced in GTC which performance will be 50% better than that of GB200 and pilot run in Q2 and volume production in Q3 with HBM expanding to 192GB to 288GB. (CT)
- **OSAT:** In the face of US' extended bans, multiple Chinese IC fabless firms have recently turned to Taiwan's ASE (3711), Sigurd (6257), Ardentec (3264) and other IC packagers/testers that are on the US whitelist to bypass US restrictions, leading to earlier-than-scheduled booking of 2H25 capacity with orders growing more than doubled compared with the current demand. (ED)
- **Consumer electronics:** AMD consumer electronics product demand surged Ryzen CPU shipment accounts for 84% and Radeon Graphic cards in Japan market share reaching 45% and CPU server next generation Venice using TSMC 2nm CoWoS-L and SoIC. (CT)
- **IC DESIGN:** TrendForce reported said Mediatek, Realtek, and Novatek remained on the list of the world's top 10 IC design houses in 2024, while Nvidia led the way as the top IC design house in terms of sales. (ED)
- **Mediatek (2454):** The Information reportedly said Google is preparing to partner with Mediatek on the next version of its AI chip, Tensor Processing Units, that will be made in 2026, citing people involved in the project. (ED)
- **CROSS STRAIT:** Tension is on the rise again after China sent 50 war planes around TW today as a "punishment" to separatism. This is partly in response to TW's Pres Lai recently calling China a "foreign hostile force". National defense stocks were among the best performing today

- **Taiwan Technology:** [Marketing feedback](#): Geopolitical risk, AI demand concerns top of mind; MediaTek's auto story underappreciated