

TECH CRYSTAL BALL 2020

CRS

2020

FEBRUARY 19-21 | NASHVILLE, TN

# TECH CRYSTAL BALL 2020

## THE INTERSECTION OF TECHNOLOGY, DATA AND INFLUENCERS



**MODERATOR**

**JEFF JAMES**  
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**CRS**  
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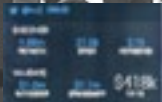




# From Dashboards and Devices



To Harnessing the Listener Value.



THE LOUDEST VOICES ARE THOSE YOU'VE NEVER HEARD.

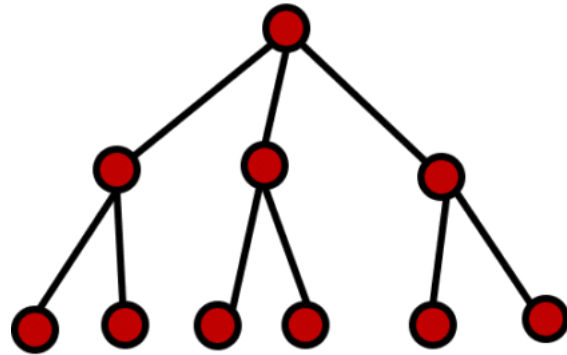




# Better Insights to Listeners and Influencers

## TRADITIONAL

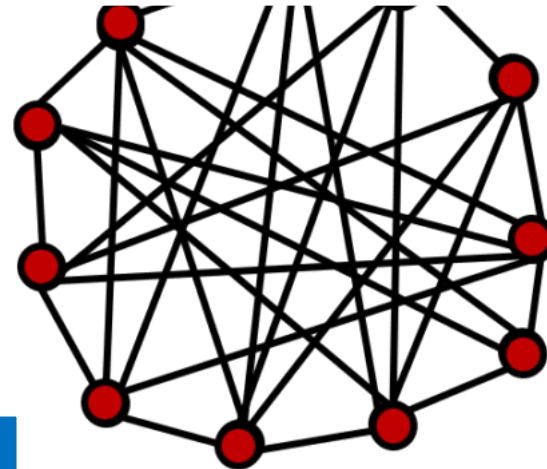
- Expensive to create content
- Required skill and expertise
- Required approval
- Required expensive network



“TOP DOWN”

## TODAY

- Communities have no borders and boundaries
- Connections are on-demand
- Anyone can have a voice



“BOTTOM-UP”

versus

# Value Creation Across All Listener Touchpoints



Listener Top Five **added \$12 billion** in equity value in 2019 (16%).



Tech Top Five **added \$1.6 trillion** in equity value in 2019 (47%). Total market cap approaching \$5 trillion.



Telco Top Five **added \$220 billion** in equity value in 2019 (32%).



# Value Creation: Radio and Communications

Stock Name	Ticker	Shares (millions)		Stock Price		Equity Value (\$B)		Annual Change	
	Symbol	Dec-18	Dec-19	Dec-18	Dec-19	Dec-18	Dec-19	Amount	Percent
Sirius XM	SIRI	4,435.8	4,413.9	\$ 5.65	\$ 7.14	\$ 25	\$ 32	\$ 6	26%
Spotify Technologies	SPOT	180.9	174.6	\$ 113.50	\$ 149.55	\$ 21	\$ 26	\$ 6	27%
Viacom CBS	VIAC	565.1	563.0	\$ 43.72	\$ 41.97	\$ 25	\$ 24	\$ (1)	-4%
iHeart Media	IHRT	57.1	57.6	\$ 15.45	\$ 16.90	\$ 1	\$ 1	\$ 0	10%
Cumulus Media	CMLS	16.6	17.6	\$ 10.80	\$ 17.57	\$ 0	\$ 0	\$ 0	72%
<b>Totals</b>						<b>\$ 71</b>	<b>\$ 83</b>	<b>\$ 11</b>	<b>16%</b>

- Telco Top Five added \$11 billion in equity value in 2019 (16%)
- Three of the five added more than 25% to their equity value (even with share buybacks)
- Cumulative cash and marketable securities as of latest reports = \$2 billion
- Cumulative short and long-term debt = \$25 billion
- Minimal dividends paid in 2019 (ViacomCBS has largest dividend)

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# Value Creation: Telco Top Five

Stock Name	Ticker	Shares (millions)		Stock Price		Equity Value (\$B)		Annual Change	
	Symbol	Dec-18	Dec-19	Dec-18	Dec-19	Dec-18	Dec-19	Amount	Percent
AT&T	T	7,285.0	7,170.0	\$ 26.50	\$ 38.56	\$ 193	\$ 276	\$ 83	43%
Verizon	VZ	4,130.0	4,140.0	\$ 53.38	\$ 60.77	\$ 220	\$ 252	\$ 31	14%
T-Mobile	TMUS	850.2	855.6	\$ 63.61	\$ 78.42	\$ 54	\$ 67	\$ 13	24%
Comcast	CMCSA	4,517.0	4,540.0	\$ 33.39	\$ 44.76	\$ 151	\$ 203	\$ 52	35%
Charter	CHTR	225.3	214.8	\$ 284.97	\$ 485.08	\$ 64	\$ 104	\$ 40	62%
<b>Totals</b>						<b>\$ 683</b>	<b>\$ 903</b>	<b>\$ 220</b>	<b>32%</b>

- Telco Top Five added \$220 billion in equity value in 2019 (32%)
- Three of the five added more than 35% to their equity value (even with share buybacks)
- Cumulative cash and marketable securities as of latest reports = \$20 billion
- Cumulative short and long-term debt = \$565 billion
- AT&T, Verizon, and Comcast paid out \$28.4 billion in dividends combined in the past 12 months
- Over \$65 billion in cumulative capital investment in the past 12 months

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# Value Creation: Fab Five

Stock Name	Ticker	Shares (millions)		Stock Price		Equity Value (\$B)		Annual Change	
	Symbol	Dec-18	Dec-19	Dec-18	Dec-19	Dec-18	Dec-19	Amount	Percent
Apple	AAPL	4,715.3	4,373.5	\$ 155.41	\$ 293.65	\$ 733	\$ 1,284	\$ 551	75%
Alphabet (Google)	GOOG	695.2	689.7	\$ 1,035.61	\$ 1,337.62	\$ 720	\$ 923	\$ 203	28%
Microsoft	MSFT	7,672.2	7,606.0	\$ 100.09	\$ 157.70	\$ 768	\$ 1,199	\$ 432	56%
Amazon	AMZN	491.2	497.8	\$ 1,501.97	\$ 1,847.84	\$ 738	\$ 920	\$ 182	25%
Facebook	FB	2,854.0	2,850.5	\$ 131.09	\$ 205.25	\$ 374	\$ 585	\$ 211	56%
<b>Totals</b>						<b>\$ 3,333</b>	<b>\$ 4,911</b>	<b>\$ 1,579</b>	<b>47%</b>

- Fab five added \$1.6 trillion in equity value in 2019 (47%). Total market cap approaching \$5 trillion
- Three of the five added more than 50% to their equity value (even with share buybacks)
- Cumulative cash and marketable securities as of latest reports = \$571 billion
- Cumulative short and long-term debt = \$307 billion
- Microsoft and Apple paid out \$17.6 billion in dividends combined in the past 12 months
- Over \$80 billion in cumulative capital investments in the past 12 months

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# Tech, Data and the Gig Economy

Consumers want to learn from their peers,  
not faceless companies





# Telecom Trends Mean More Data

- **Consumer 5G Adoption (Value Proposition)**
- **Broadband Competition in Rural/ Non-fiber Markets**
- **Wireless Spectrum Ownership (What To Own, What To Share)**
- **Technology Migration/ Upgrade Strategy**
- **Understanding of Option Value (Esp. Value Of Fiber)**
- **Sense of Urgency/ Speed To Market**
- **Harnessing Local/ Edge Information**

The Fab Five (and others such as Netflix) have varying intensities in the success of each of these dynamics

# Consumer Trends Mean More Touchpoints

- **Mobile Streaming**
- **Wireless Wholesale**
- **Predictive Service**
- **Metro/ Suburban Fiber**
- **Private LTE Networks**
- **Local/Edge Intelligence**
- **Esim**
- **Apple Card**



- **Hyper-Local User Information and Influencer Insights**
- **More Opportunities to Connect with Listeners with Digital Content and Services**
- **New Telematics and Entertainment Offerings**

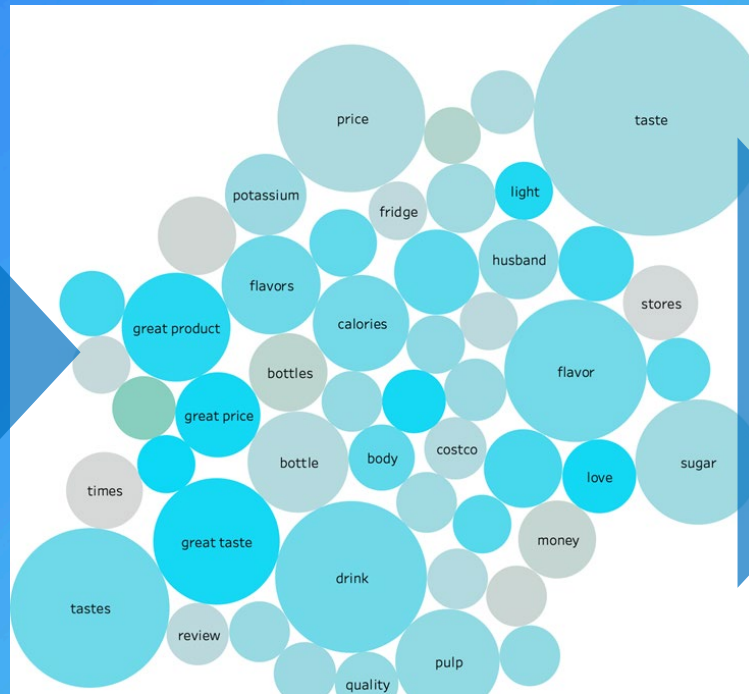
# Engineering the Narrative

## Using Data And Tech To Drive Stronger Relevance

### Data Reconnaissance

- 550,500 social conversations
- 103,056 keywords and reviews

Over 650,000 unique sets of data!



### Curate the Message

- Taste
- Price
- Ingredients
- Authenticity



# Radio and Records Regain the Mojo

- **Seek Partners that have the data and the intelligence teams**
- **Focus on growth from new technologies (automotive/social)**
- **Have a “sunset plan” for every product and service**
- **Embrace information ownership (privacy, aggregation, intelligence)**
- **Identify and monetize underutilization**
- **Implement value creation opportunities that transcend annual plans**
- **Seek, acknowledge and reward employee innovation**

Understanding and anticipating customer experience trends, improving development cycles, and implementing “sunset plans” demands a detailed understanding of systems and business drivers

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THANK YOU!

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