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# TRIVARIATE RESEARCH

## WHERE ARE THE AI BENEFITS?

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## RESEARCH SUMMARY AND CONCLUSIONS

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**Background: One of the biggest investment controversies for US equities is the return on AI-related capital spending.** This week alone, following Nvidia CEO Jensen Huang's speech at the Consumer Electronics Show and catching Brad Gerstner from Altimeter's interview on CNBC all seemed important to keep up with the current talking points. **But a more systematic idea** we had is to use natural language processing (NLP) to search earnings call transcripts for AI-related keywords (something we first started and began publishing in April of 2023). We searched the transcripts of the top 500 US equities by market cap. for companies discussing revenue- and cost-related AI projects. **We broke the AI analysis into two parts:**

- **Cost-related categories:** 15% of companies mentioned AI-related cost reductions in the last quarter. The main AI cost-reduction categories include process and back-office automation; software and IT productivity; customer service automation; supply chain, logistics, and distribution efficiency; manufacturing, field operations, robotics and maintenance; risk, fraud, compliance, trust and security; analytics, forecasting, and decisioning; and energy / resource efficacy and sustainability.
- **Revenue-related beneficiaries:** 18% of companies mentioned AI-related revenue growth. The main AI-revenue categories include AI offerings and infrastructure monetization, sales and marketing effectiveness, monetization optimization, production experience and retention, and innovation and R&D acceleration. Overall, we think this 18% number is at least partially inflated as concepts like "product experience and retention" are hard to isolate to AI programs. 29 companies (5.8%) in the S&P500 mentioned AI enabling revenue monetization optimization, an important focal point, during Q4 conference calls.

## NLP HELPED US IDENTIFY AI-RELATED REVENUE CATEGORIES...

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We then identified stocks that cited AI use cases during 2025 earnings calls and classified those use cases into two primary categories—revenue growth and cost reduction—then further tagged each into the following sub-categories:

### Revenue Growth Categories

1. **AI Offerings & Infrastructure Monetization**: The company sells AI—models, platforms, data products, AI-enabled services, chips/servers/networking—where AI is the revenue product.
2. **Sales & Marketing Effectiveness**: AI that improves sales or marketing performance: better targeting, conversion, win rates, or upsell—so the company generates more revenue per lead/customer.
3. **Monetization Optimization**: AI that directly improves pricing, yield, revenue management, ad monetization, or decisioning that lifts revenue per customer/transaction.
4. **Product Experience & Retention**: AI embedded in the company's product/service that improves user experience and drives higher conversion, retention, engagement, ARPU, or attach rates.
5. **Innovation & R&D Acceleration**: AI that speeds up or improves R&D, design, experimentation, and pipeline creation, enabling faster time-to-market or higher hit-rate of new products.

## ...AND AI-RELATED COST-REDUCTION CATEGORIES

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### Cost-Reduction Categories

1. **Process & Back-Office Automation:** AI that reduces labor/time/cost in repeatable workflows and back-office operations.
2. **Software & IT Productivity:** AI that reduces cost/time in software development, engineering and IT operations.
3. **Customer Service Automation:** AI that lowers cost to serve via contact center / support automation.
4. **Supply Chain, Logistics & Distribution Efficiency:** AI that lowers cost through planning, inventory, routing, fulfillment, and distribution operations.
5. **Manufacturing, Field Ops, Robotics & Maintenance:** AI that lowers cost through production/field operations, quality, uptime, and automation.
6. **Risk, Fraud, Compliance, Trust & Security:** AI that reduces losses and operating cost from fraud, risk, compliance burden, security incidents, and trust/safety enforcement.
7. **Analytics, Forecasting & Decisioning:** AI that reduces cost by improving planning, forecasting, and decision quality, lowering waste and rework.
8. **Energy/Resource Efficiency & Sustainability:** AI that reduces cost via energy, fuel, water, materials, or emissions-related operational efficiency.

# 15% OF S&P500 COMPANIES MENTIONED AI-RELATED COST-REDUCTION

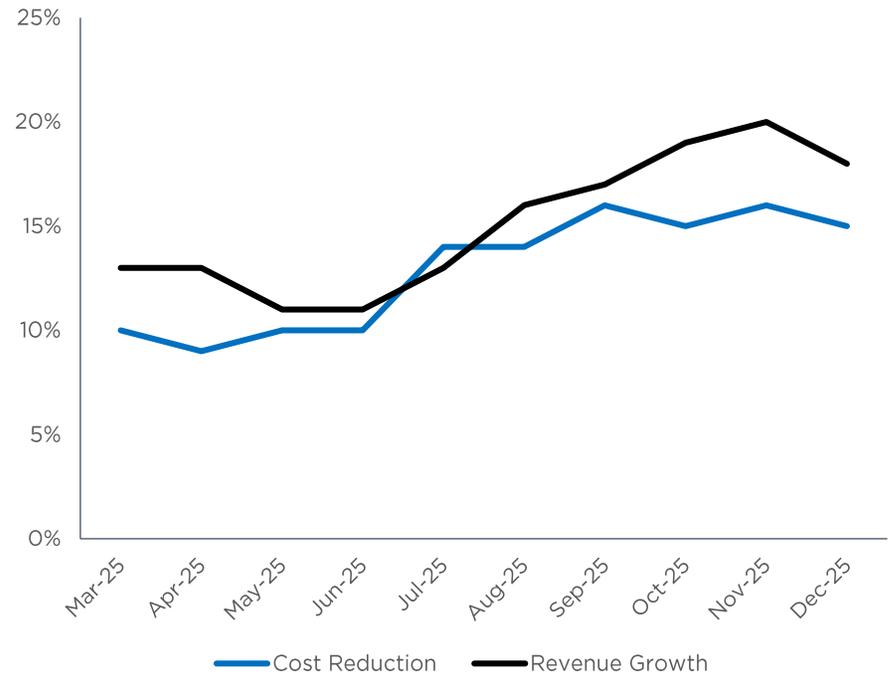
During 2025, companies in the Technology and Financials sectors were most likely to cite both revenue growth and cost-reduction use cases from AI (left). 18% of S&P500 companies mentioned AI-related revenue growth opportunities and 15% mentioned AI-related cost-reduction use cases on their earnings calls in Q4 of 2025 (right). We will be tracking this carefully as January earnings start, please don't hesitate to reach out if you would like any bespoke analysis.

Number of Stocks that Mentioned AI Use Cases in 2025 Earnings Calls  
As of End-December, 2025

Sector	Cost Reduction-Only	Revenue Growth-Only	Both	Total
Communication Services	21	8	19	48
Consumer Discretionary	4	13	20	37
Consumer Staples	8	7	11	26
Energy	5	6	14	25
Financials	9	7	4	20
Health Care	4	4	6	14
Industrials	2	6	0	8
Information Technology	1	1	4	6
Materials	2	3	0	5
Real Estate	1	2	1	4
Utilities	1	3	0	4
T500	58	60	79	197

Source: Trivariate Research

Rolling 3m Percentage of S&P 500 Companies Mentioning  
AI Use Cases in Earnings Calls  
Through End-December, 2025



Source: Trivariate Research

# PRODUCT EXPERIENCE, AUTOMATION, AND PRODUCTIVITY ARE KEYS

The most common AI phrase related to revenue growth was “Product Experience & Retention” mentioned by 106 companies on conference calls in 2025. Back-office automation (73 companies), Software & IT Productivity (53) and Customer Service Automation (47) were the most frequent cost-reduction opportunities fueled by AI that surfaced on earnings calls. Sample tickers for each category are shown below.

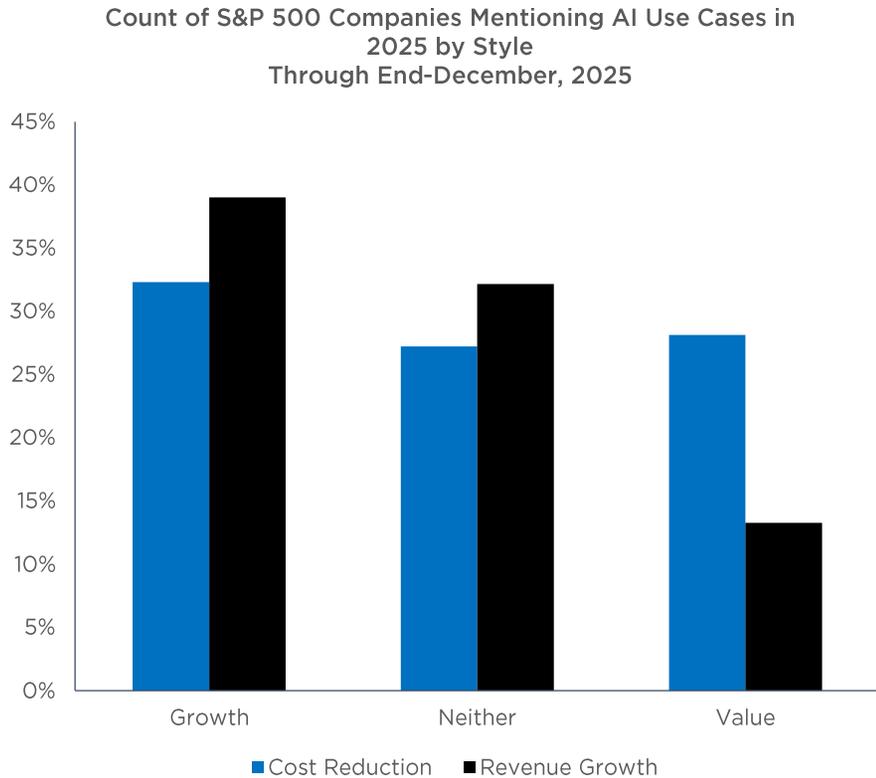
Number of Stocks that Mentioned AI Use Cases in 2025 Earnings Calls  
As of End-December, 2025

Category 1	Category 2	Company Count	Sample Tickers
Revenue Growth	Product Experience & Retention	106	IBKR, VZ, SYK, DHR, MSFT
	AI Offerings & Infrastructure Monetization	57	VZ, IBM, MSFT, NOW, TSLA
	Sales & Marketing Effectiveness	40	ADP, NOW, GEN, PFE, YUM
	Monetization Optimization	29	META, GOOGL, PINS, TPR, APP
	Innovation & R&D Acceleration	13	SYK, DHR, V, PFE, AVGO
	Others	6	BKNG, NDAQ, CPNG, LDOS, PINS
Cost-Reduction	Process & Back-office Automation	73	NTRS, ADP, CHRW, NOW, AMP
	Software & IT Productivity	53	T, MSCI, MSFT, NDAQ, NOW
	Customer Service Automation	47	VZ, T, ADP, NOW, CHTR
	Manufacturing, Field Ops, Robotics & Maintenance	30	T, CVX, JCI, AMZN, PSA
	Supply Chain, Logistics & Distribution Efficiency	25	MSCI, GWW, RL, DELL, MSFT
	Analytics, Forecasting & Decisioning	24	CVX, AMZN, YUMC, CCI, PAYX
	Risk, Fraud, Compliance, Trust & Security	16	PYPL, AFRM, RBLX, APP, CAH
Energy/Resource Efficiency & Sustainability	5	META, GOOGL, LIN, AEM, NOW	

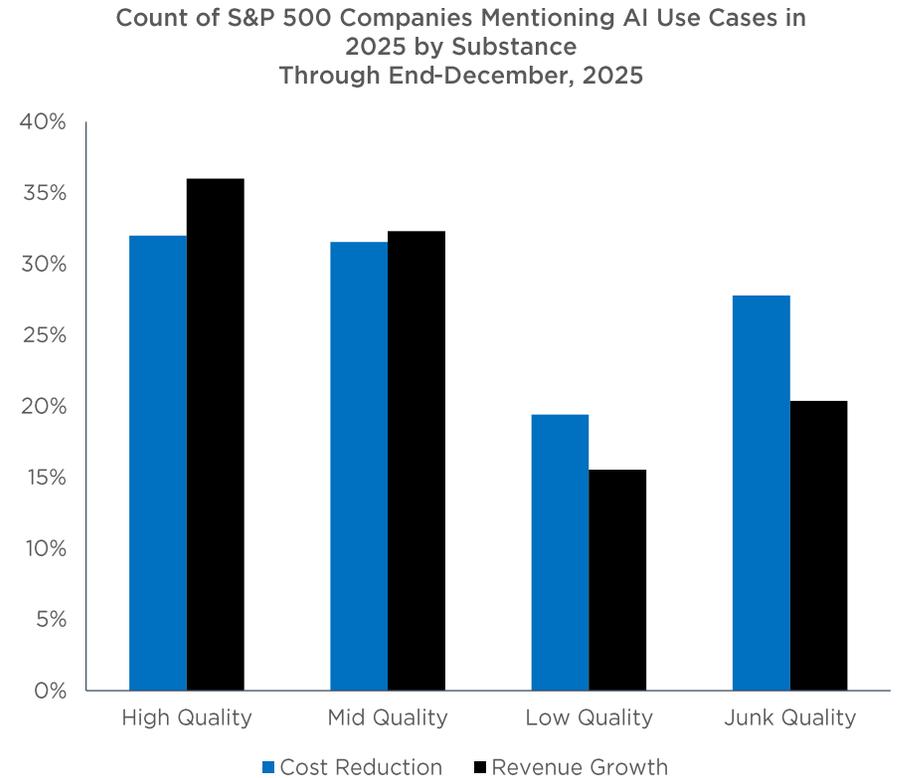
Source: Trivariate Research

# AI IS BEING ADOPTED EARLIER BY GROWTH AND HIGH-QUALITY CO'S

More growth companies (left) and high-quality companies (right) are mentioning AI-related revenue and cost-reduction topics on their conference calls than value or lower quality stocks.



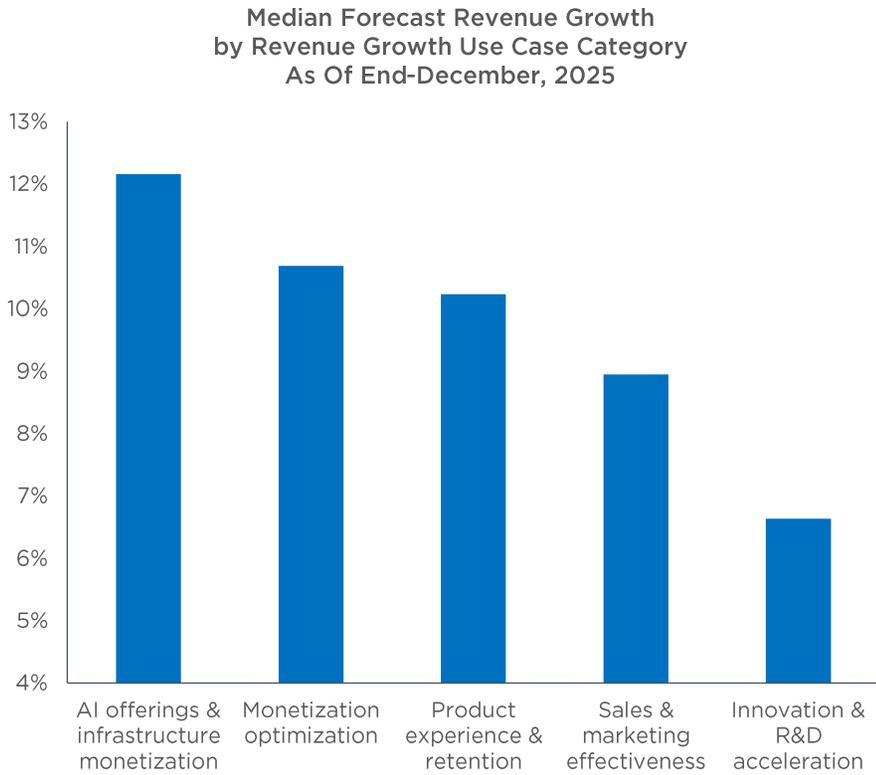
Source: Trivariate Research



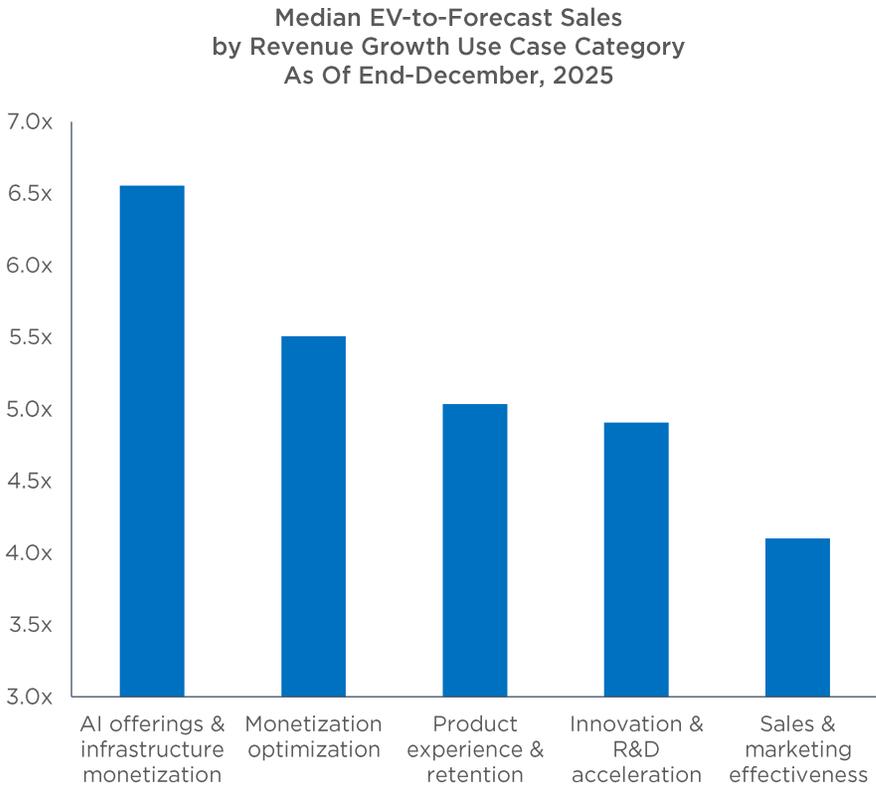
Source: Trivariate Research

# INFRASTRUCTURE MONETIZATION IS FORECASTED TO GROW FASTEST

Among the AI-related revenue categories, forecasted revenue growth is highest for companies in the AI offerings and infrastructure monetization and monetization optimization categories (left). Innovation and R&D accelerators have the lowest median forecasted revenue growth, likely because that is longer-term in nature. The multiples on enterprise value-to-forecasted sales are generally commensurate with the forecasted revenue growth (right), with the two fastest forecasted growth categories also the most expensive.



Source: Trivariate Research

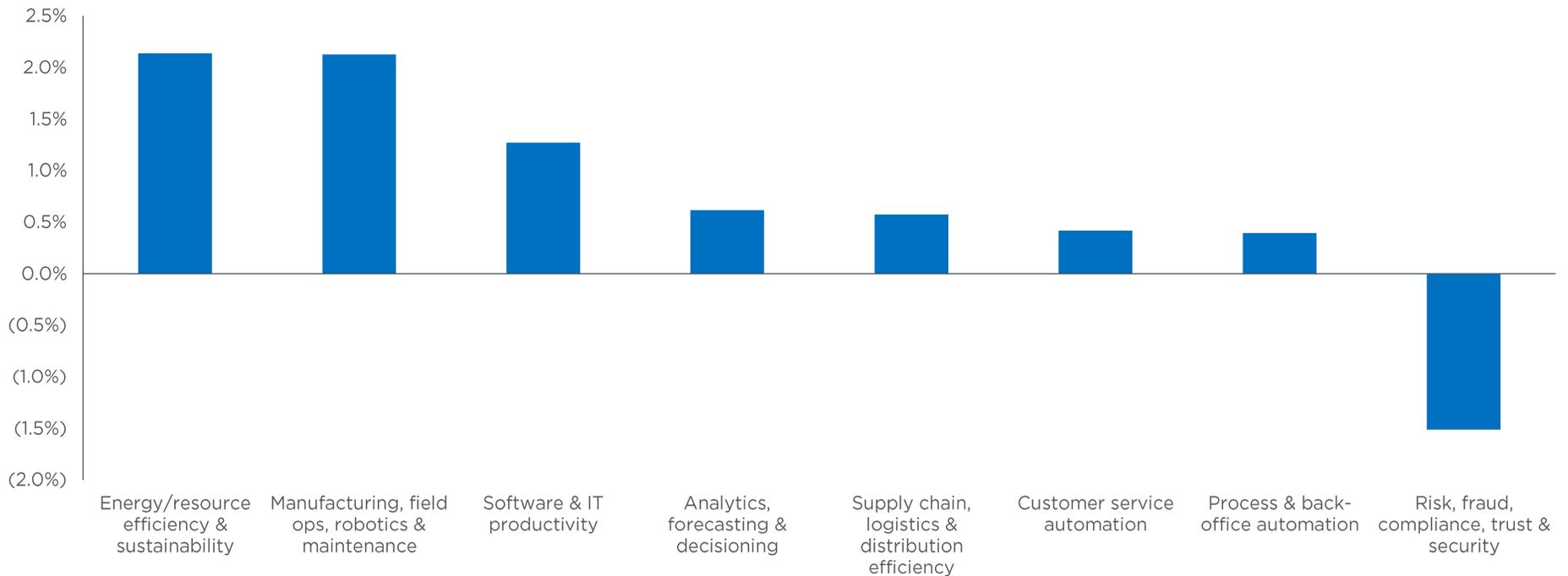


Source: Trivariate Research

# RESOURCE EFFICIENCY AND MAINTENANCE ARE COST OPPORTUNITIES

On the AI cost-side, energy / resource efficiency and manufacturing, field operations, robotics, and maintenance companies can likely drive out costs more rapidly, and as such, are forecasted to have the most median margin expansion over the next 12 months. On the contrary, the one area with forecasted gross margin contraction is risk, fraud, compliance and security.

Forecast Gross Margin Growth  
by Cost Reduction Use Case Category  
As of End-December, 2025



Source: Trivariate Research

# LONG IDEAS FOR REVENUE GROWTH

Below we show the largest 15 stocks that mentioned AI use cases in more than three Revenue Growth categories.

**T500 Stocks Mentioned More Than Three AI Revenue Growth Categories  
In 2025 Earnings Calls  
As of End-December, 2025**

Ticker	Company	Sector	Market Cap. (\$Bn)	Category Count	Case Count	2025 Return	Ev-to-Forecasted Sales	Forecast Revenue Growth
GOOGL	Alphabet Inc.	Communication Services	3781.30	4	16	67.1%	8.2x	18.3%
PAYX	Paychex, Inc.	Industrials	40.27	4	6	(20.1%)	6.6x	9.5%
EXPE	Expedia Group, Inc.	Consumer Discretionary	34.71	4	8	53.1%	2.3x	8.7%
META	Meta Platforms, Inc.	Communication Services	1663.78	3	9	11.4%	7.1x	24.4%
APP	AppLovin Corporation	Information Technology	227.72	3	11	90.9%	29.9x	47.8%
SHOP	Shopify Inc.	Information Technology	209.56	3	3	47.8%	14.4x	32.7%
INTU	Intuit Inc.	Information Technology	184.33	3	12	0.8%	8.9x	8.9%
BKNG	Booking Holdings Inc.	Consumer Discretionary	172.62	3	4	7.9%	6.0x	11.8%
NOW	ServiceNow, Inc.	Information Technology	158.92	3	6	(30.5%)	10.0x	23.5%
ADBE	Adobe Inc.	Information Technology	146.51	3	12	(25.0%)	5.6x	9.5%
MCO	Moody's Corporation	Financials	91.13	3	8	6.2%	11.7x	10.3%
RCL	Royal Caribbean Cruises Ltd.	Consumer Discretionary	76.07	3	4	24.4%	4.9x	12.6%
CL	Colgate-Palmolive Company	Consumer Staples	63.70	3	4	(12.5%)	3.4x	4.5%
ADSK	Autodesk, Inc.	Information Technology	62.63	3	8	(3.0%)	7.9x	15.6%
WDAY	Workday, Inc.	Information Technology	56.49	3	11	(20.2%)	5.0x	16.0%

Source: Trivariate Research

## LONG IDEAS FOR COST REDUCTION

Below we show the Non-Tech stocks with positive forecasted Gross Margin Growth or Net Margin Growth that mentioned AI use cases in more than three Cost Reduction categories.

**T500 Non-Tech Stocks Mentioned More Than Three AI Cost Reduction Categories  
In 2025 Earnings Calls  
As of End-December, 2025**

Ticker	Company	Sector	Market Cap. (\$Bn)	Category Count	Case Count	2025 Return	Forecast Gross Margin Growth	Forecast Net Margin Growth
AMZN	Amazon.com, Inc.	Consumer Discretionary	2467.52	5	7	3.2%	1.3%	(2.4%)
ODFL	Old Dominion Freight Line	Industrials	32.79	5	5	(9.1%)		0.3%
GOOGL	Alphabet Inc.	Communication Services	3781.30	4	7	67.1%	0.6%	(8.4%)
ELV	Elevance Health, Inc.	Health Care	77.91	4	8	(2.1%)		0.1%
CVNA	Carvana Co.	Consumer Discretionary	59.68	4	5	96.8%	(1.3%)	96.6%
AFRM	Affirm Holdings, Inc.	Financials	24.57	4	5	21.6%	0.1%	286.4%
LIN	Linde plc	Materials	199.10	3	3	3.9%	2.1%	10.0%
T	AT&T Inc.	Communication Services	176.10	3	3	12.7%	1.7%	(31.7%)
BDX	Becton, Dickinson	Health Care	55.29	3	3	(12.2%)	16.1%	146.7%
F	Ford Motor Company	Consumer Discretionary	52.28	3	5	44.6%	79.7%	40.7%
MET	MetLife, Inc.	Financials	52.01	3	3	0.9%		53.5%
MSCI	MSCI Inc.	Financials	43.11	3	3	(4.6%)	0.7%	6.5%
PAYX	Paychex, Inc.	Industrials	40.27	3	5	(20.1%)	0.8%	15.7%
YUMC	Yum China Holdings, Inc.	Consumer Discretionary	16.89	3	4	2.1%	(19.8%)	3.9%
BKNG	Booking Holdings Inc.	Consumer Discretionary	172.62	3	4	7.9%	2.6%	45.3%

Source: Trivariate Research

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