

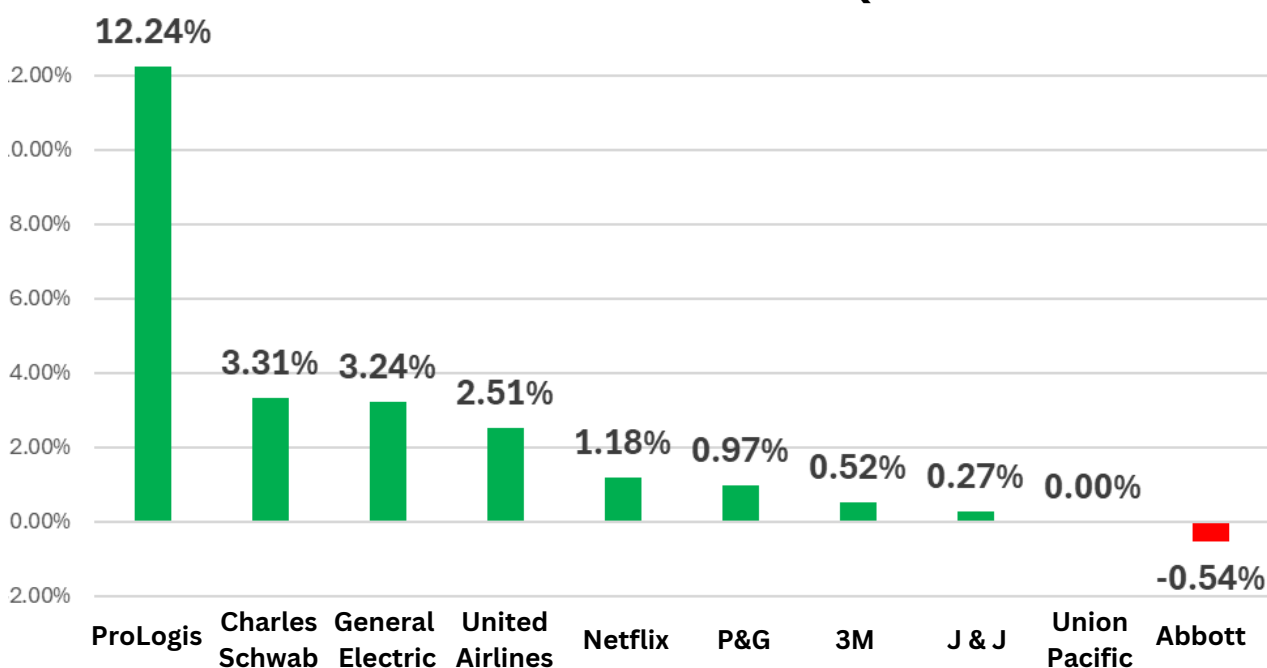
Q4 2024 Earnings Season - Week Two

The Q4 2024 earnings season continued last week, with Netflix being the standout performer. The streaming giant surpassed revenue expectations by over 1%, bringing in \$10.25 billion for Q4, marking a 16% increase compared to the third quarter. Notably, Netflix added a record 19 million subscribers during the fourth quarter, pushing its total to 300 million. With additional member accounts, the app now reaches over 700 million people. For 2025, revenue projections have been revised upward to a range of \$43.5 billion to \$44.5 billion, reflecting a \$500 million increase. While Netflix saw significant growth during the Covid pandemic, it faced challenges in maintaining that momentum in 2021 and 2022. Recently, however, the service has shifted its focus to live streaming events, including boxing and NFL games. Additionally, Netflix has entered a 10-year deal worth approximately \$5 billion to livestream WWE every Monday night.

Elsewhere, United Airlines, one of the top-performing stocks on the S&P 500 in 2024, posted positive earnings. Revenues for Q4 totaled \$14.7 billion in Q4 2024, a 7.8% increase on Q4 2023. Robust earnings for Q4 were aided by increased sales of both premium and basic economy seats, which increased 20% and 10% year-on-year respectively. Airfares also rose at their fastest pace in nearly two years in December, due to limited supply of seats and high demand. 2024 was exceptional for air travel, with all ten of the busiest days in US aviation history occurring last year. United Airlines transported more passengers and operated the highest number of flights in its 98-year history, carrying 174 million passengers.

Proctor and Gamble, the consumer goods giant also exceeded revenue estimates, with revenues for Q4 totaling \$21.9 billion, ahead of estimates of \$21.69 billion. Sales grew between 2% and 4% across all of the companies main segments. The company maintained its 2025 outlook, however did state that potential headwinds from foreign exchange rates could impact sales in 2025. Finally, Prologis, a real estate investment and logistics company specialising in physical infrastructure and operational systems like warehouses, racking, automation, and industrial vehicles, exceeded earnings estimates by 12%. The company reported revenues of \$2.2 billion in the final quarter of 2024, bolstered by positive occupancy rates and changes in rental income.

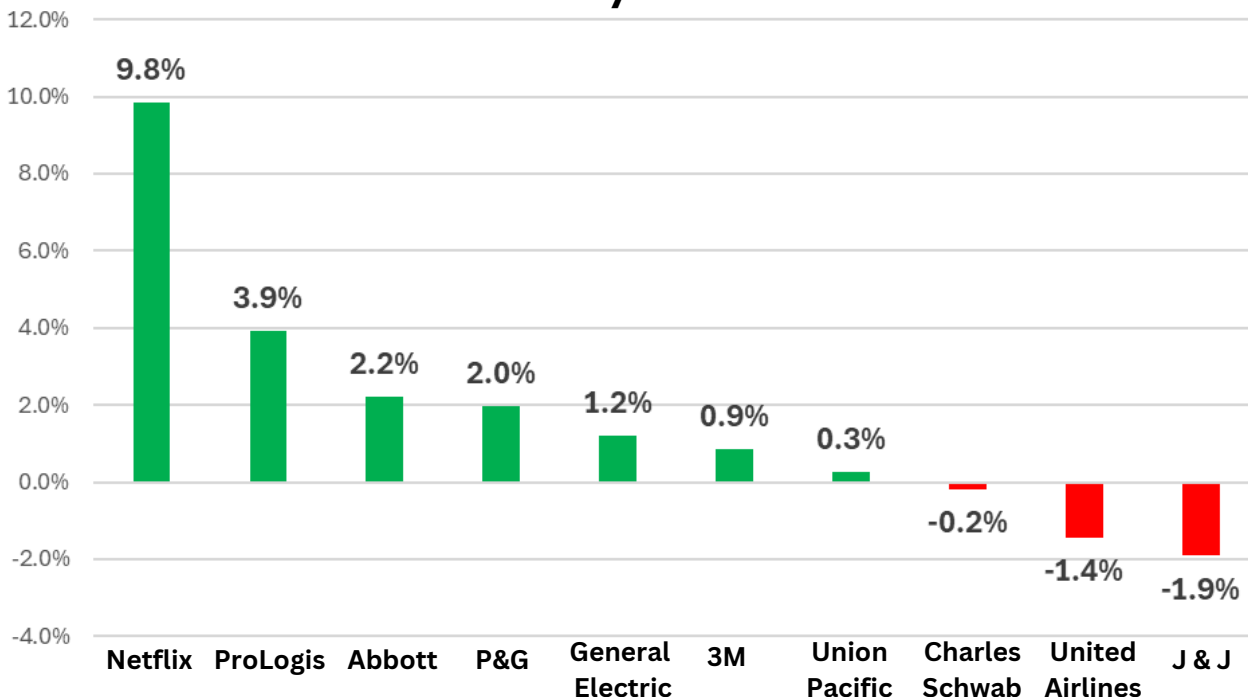
Forecast vs Actual Revenues - Q4 2024



Source - Seaspray Private

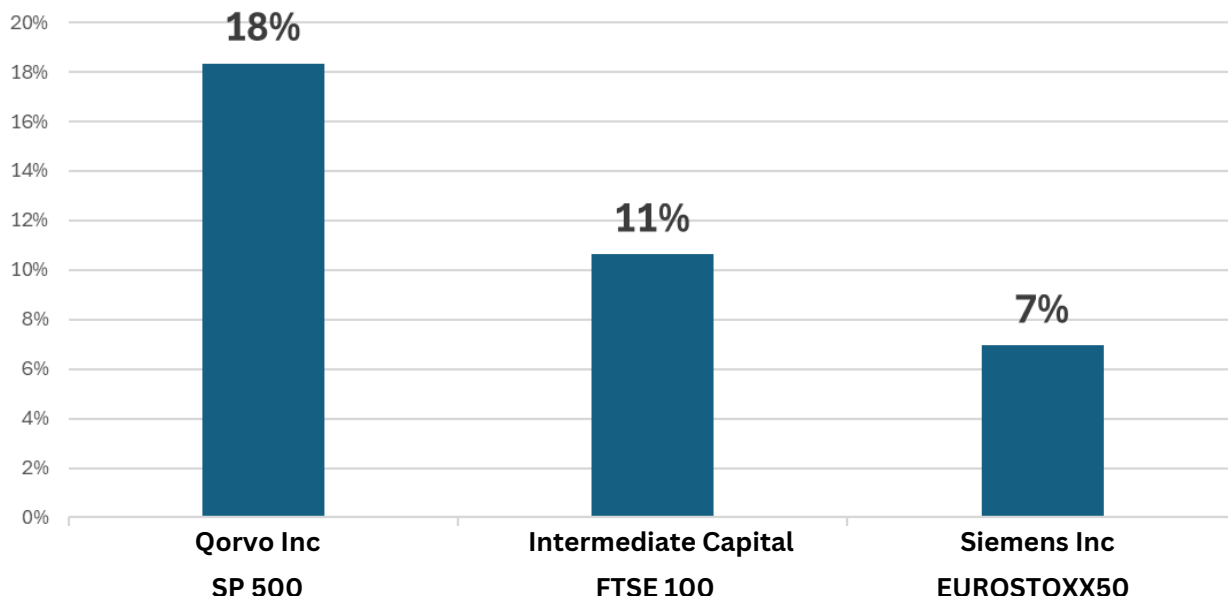
In terms of top weekly performers, Netflix had an exceptional week, with shares rising 9.8%, primarily driven by positive earnings call. The company also achieved a significant milestone, surpassing a \$400 billion market cap on Thursday, which positions Netflix as the 22nd most valuable company globally. Prologis shares rose 3.9% in the last week, also helped mainly by their 12% revenues beat. While Abbott missed earnings expectations, the company's shares rose by over 2% in the last week as forecasts for 2025 remained positive and were not downgraded. Conversely, United Airlines experienced a drop in shares on Wednesday, despite reporting positive earnings.

Weekly Returns



Source - Seaspray Private

Finally, Qorvo Inc was the stand out performing stock on the S&P 500 this week. Qorvo Inc is a semiconductor company, which received significant investment from hedge fund Starboard Value last week. Intermediate Capital performed the best in London, while Siemens gained the most in Europe on increased optimism regarding energy and power development in the US under President Trump.



Source - Seaspray Private