Earnings Snapshots 2/3/2025

PLTR, PYPL, GOOGL, DIS, UBER, AMZN

Palantir (PLTR) will report earnings 2-3-25 after the close with the Street consensus at $0.11 EPS and $781M in Revenues (+28.4%) while Q1/FY25 seen at $0.11/$799M and $0.49/$3.53B implying 2025 revenue growth of 25.6% and 27.5% EPS growth. PLTR shares have closed higher six of the last eight reports with a six-quarter average max move of 19.9%. PLTR has built four principal software platforms, Palantir Gotham ("Gotham"), Palantir Foundry ("Foundry"), Palantir Apollo ("Apollo"), and Palantir Artificial Intelligence Platform ("AIP"). Gotham and Foundry enable institutions to transform massive amounts of information into an integrated data asset that reflects their operations, and AIP leverages the power of our existing machine learning technologies alongside large language models directly within Gotham and/or Foundry to help connect AI to enterprise data. AIP is designed for customers across the commercial and government sectors, enabling them to derive value from recent breakthroughs in artificial intelligence via the combination of existing software platforms with LLMs. Palantir's deep technical expertise on effectively utilizing an organization's data to solve real world problems is a hugely valuable asset. PLTR has a market cap of $188B and trades 140X EBITDA, 192X FCF and 55X EV/Sales, insane valuation. PLTR penetration in both government and commercial applications is in the early innings. The incremental value-adding use cases and increased interoperability are critical for continued penetration and upselling opportunities. Analysts have an average target of $53.50 and short interest is at 4.3% of the float. Wedbush raised its target to $90 as the main winner of the multi-year AI story and the Street continues to underestimate revenue potential. Jefferies is at Underweight with a $28 target and cites insider selling concerns. MSCO with a $60 target says Palantir's commercial traction and AIP product cycle drove the multiple re-rating, while the government segment and opex discipline drove upside to estimates. While acknowledging strong execution and momentum, we see success more than priced in at the current multiple premium. On the chart, PLTR moved to a new high last week, albeit with a bearish RSI divergence. The 8-MA and retest of value support is at $78, 55-MA closer to $71.60 and $57.25 a long-term AVWAP support. PLTR options are pricing in a near 10% earnings move and 30-day IV Skew at 0 compares to the -0.6 52-week average. PLTR put/call open interest is at the 90th percentile and average IV30 crush is -30%. PLTR sees a ton of options activity and looking out past February expiration see seller sin March $80 calls and January $100 calls. The July $110 and $120 far OTM calls with recent buys along with 100 January $115 calls bought.

Trade to Consider: Sell the **PLTR** February $90/$95 Call Spreads for $1.30 Credit (Bear Call Spreads)

PayPal (PYPL) will announce results 2/4 before the open with the Street view at $1.12 EPS and $8.275B in Revenues (+3.1%) while Q1/FY25 seen at $1.13/$8B and $4.90/$33.45B implying 5.5% topline growth and 6.85% EPS growth for 2025. PYPL shares have closed higher two of the last three reports with a six-quarter average max move of 9.25%. PayPal is a technology platform that enables digital payments and simplifies commerce experiences on behalf of merchants and consumers worldwide. PYPL has seen a lot of headwinds from slower growth amid rising competition. PayPal's new CEO Alex Chriss delivered an initial message that seemed to resonate with investors given the focus on execution, product improvements, disciplined capital allocation and clearer messaging. PYPL is demonstrating increased turnaround progress, warranting a higher valuation multiple. We see potential '25 acceleration in underlying TP growth, recent holiday season e-comm spending data points have been encouraging, and potential modest improvement in branded TPV growth. PYPL has an Investor Day in February as another key catalyst. PYPL has a market cap of $89B and trades 18X Earnings, 2.8X Sales and 12.6X FCF, quite cheap on valuation. PYPL's short interest as a percent of free float is at a 100% percentile of its historical one-year change. A point of concern for investors is how PayPal will formulate its medium-term target for gross profit growth, as many think that while guiding to a consistent mid-single-digit range may not meet the mark, while looking for an acceleration to high-single-digit growth by '26 could make it hard for investors to be convinced of incremental upside following the event. Focus has shifted from new launches, like FastLane, as most aren't looking for that be a meaningful contributor to growth in the near term, and back to Branded Checkout share retention. PayPal is hosting an in-person Investor Day in NYC on 2/25. This will be an opportunity for new C-level management team to dig deeper into strategy and new products. Analysts have an average target of $96 and short interest has crept higher to 2.7% of the float. Piper believes that the benefit of margin expansion/revenue acceleration by applying GenAI within the payment ecosystem is largely underappreciated, and has a $93 target. SIG raised its target to $101 citing three straight beat & raises due to interest income from customer balances, Branded Checkout, Braintree, Venmo, and favorable credit/transaction loss performance. On the chart, PYPL has struggled to closer over $91 and if it can opens up a move to $100. PYPL has support in the $85-$86 zone followed by stronger support at $80-$81. PYPL options are pricing in an earnings move of 6% and IV30 skew at 0 compares with the +0.2 52-week average. PYPL put/call open interest ratio is at the 85th percentile and average IV30 crush is -33.1%. PYPL saw some long-term bull plays close out last week though still has a buyer of 6K Jan. 2027 $130 calls in open interest. A large buy-write on 11/15 sold 5000 June $100 calls. The Feb. $90 calls have 10K in open interest from a large 11/13 buy. A trade 12/17 sold 5K Dec. 2026 $85 puts to open and 3500 January $90 puts sold to open in December.

Trade to Consider: Long the **PYPL** February/March $95 Call Calendar Spreads at $0.95 Debit

Alphabet (GOOGL) will release results 2/4 after the close with the Street expecting $2.13 EPS and $96.67B in Revenues (+12%) while Q1/FY25 seen at $2.04/$89.8B and $9/$390.6B implying 11.6% topline growth and 12.66% EPS growth for 2025. GOOGL shares have closed lower three of the last five reports, a six-quarter average max move of 8.25%. Alphabet Inc. offers various products and platforms through Google Services, Google Cloud, and Other Bets segments. The Google Services segment provides products and services, including ads, Android, Chrome, devices, Gmail, Google Drive, Google Maps, Google Photos, Google Play, Search, and YouTube. It is also involved in the sale of apps and in-app purchases and digital content in the Google Play and YouTube; and devices, as well as in the provision of YouTube consumer subscription services. The Google Cloud segment offers infrastructure, cybersecurity, databases, analytics, AI, and other services; Google Workspace that include cloud-based communication and collaboration tools for enterprises, such as Gmail, Docs, Drive, Calendar, and Meet; and other services for enterprise customers. The Other Bets segment sells healthcare-related and internet services. Meta's 4Q ad revenue beat and eCommerce vertical commentary is a positive read across for Google 4Q results. Potential positives could include: 1) Search beat suggesting AI Overviews are aiding monetization, 2) YouTube benefit from improving AI targeting, 3) Cloud strength from strong AI demand or GTM issues at competitors. Risks include: 1) Any call commentary on tougher 1Q ad comps or FX, 2) slowing YouTube growth due tougher comps & FX in 1Q, 3) new hiring or Capex commentary suggesting margin pressure in 2025. We expect questions on: 1) Deepseek and implications for capex, 2) Impact from Gemini 2.0 & AI overviews on search usage & revenues, and 3) Impact on search from AI agents and timeline for Google AI agent rollout. GOOGL has a market cap of $2.5 trillion and trades 22.7X Earnings, 7.4X Sales and 44.9X FCF. Analysts have an average target of $205 and short interest is minimal at 0.5% of the float. Bernstein raised its target to $210 last week and OpCo to $225, citing strong advertising trends and sees GOOGL as an AI winner. GOOGL has been a top chart lately for relative strength breaking out a large bull flag, one that measures to $230 target. Support levels at $195, $192, and $185. GOOGL options are pricing in a 4.5% earnings move and 30-day IV Skew at +1.1 compares to the +1.1 52-week average. GOOGL put/call open interest ratio at the 67th percentile and average IV30 crush is -26.4%. GOOGL has seen recent size buys in Feb. 14th (W) $205 calls, March $210 and $220 calls, July $230 calls and September $210 calls.

Trade to Consider: Long **GOOGL** Feb. 14th (W) $205/$220 Call Spreads at $4.70 Debit

Disney (DIS) will post results 2/5 before the open with the Street consensus at $1.43 EPS and $24.55B Revenues (+4.25%) while Q2/FY25 seen at $1.27/$23.1B and $5.41/$94.64B implying 3.6% topline growth and 8.9% EPS growth with EBITDA seen about flat Y/Y for 2025. DIS shares have jumped higher on earnings four of the last six reports with an average quarterly max move of 9.1%, more volatile lately. DIS is a diversified worldwide entertainment company with operations in two segments: Disney Media and Entertainment Distribution (DMED) and Disney Parks, Experiences and Products (DPEP). The most important driver of growth to DIS shares is its DTC segment where EBIT margins are moving positive. DIS plans to ramp up capital spending and build out incremental capacity across its portfolio over the next decade in the Experiences segment. Disney's Media businesses have been outperforming this year, while its Experiences segment saw a surprising slowdown. ESPN goes fully streamed in Fall '25 and a new CEO is named early '26. DIS has a $200B market cap and trades 18.4X Earnings, 13.2X EBITDA and 23.9X FCF. Disney benefits from unique IP and that IP must be reinforced over time with investment and creativity to remain relevant to consumers around the world. Longer term, the health of the NBA will likely be key to Sports advertising as well as a potential driver of ESPN Flagship. Analysts have an average target of $125 and short interest is low at 1.1% of the float. Citi at Buy with a $125 target seeing upside to DTC ARPU and valuation attractive. Redburn upgraded DIS to Buy on 1/7 saying streaming profit growth will finally more than offset linear TV declines. BAML with a $140 target says near term catalysts include: 1) profitability inflection in DTC, 2) reacceleration in the Parks business and 3) strong film slate which drives other businesses (DTC, Parks and Consumer Products). On the chart DIS has formed a large consolidation since the November surge and clearing $114 key to open a move to $120 and the longer-term bottoming pattern zone $85/$120 sets up for an eventual $155 target with AVWAP off 2021 highs at $115.5 a key level to clear. DIS support levels seen at $110, $105 and $103.50. DIS options are pricing in a 5.2% earnings move and 30-day IV Skew at +1.2 compares to the +0.1 52-week average. DIS put/call open interest ratio is at the 78th percentile and average IV30c rush is -28.6%. DIS has seen size buys in Feb. 7th (W) $115 calls and $118/$125 call spreads. DIS also a recent buyer in June $110 calls, March $125 calls and opening sales in August $105 and September $110 puts while 1500 August $120 calls bought on 1/14.

Trade to Consider: Long **DIS** March $120 Calls at $2.85

Uber (UBER) will release earnings 2/5 before the open with the Street view at $0.60 EPS and $11.775B in Revenues (+18.5%) with 43.8% EBITDA growth while Q1/FY25 seen at $0.67/$11.73B and $3.19/$50.44B implying 15.35% topline growth, 31.5% EBITDA growth and 15.8% EPS growth for 2025. UBER shares have closed higher seven of the last ten reports, a six-quarter average max move of 8.25%. UBER's mobility business is seen growing at a 29% CAGR through 2026 with take rates expanding to 24% from 19% on improved service fee structures, efficiency & use of certain incentives/promotions. Uber has framed the global serviceable addressable market for food delivery to be $795B. UBER should benefit from a more favorable labor backdrop and continues to sign new partners to the platform. The company has consistently beat expectations on profitability with its leaner cost structure. UBER held an investor update in February and the new three year outlook includes a 14-19% CAGR for Bookings and a 37-40% CAGR for EBITDA. UBER is well positioned to grow its Mobility & Delivery businesses over time, supported by MAPC and trip frequency momentum as UBER expands multi-product usage, membership penetration, and the use of emerging Mobility & Delivery products, namely Grocery & Retail. Recent partnerships with Waymo, Cruise, Aurora, & others supports its leadership as an AV provider. UBER has a $140B market cap and trades 28.1X Earnings, 3.35X Sales and 23.65X FCF, an attractively valued growth story. Waymo and Tesla competitive concerns have weighed on shares the past few months. UBER recently announced a $1.5B accelerated buyback. Analysts have an average target of $89 and short interest is low at 2.5% of the float. Roth MKM says FX headwinds are well understood by the Street and investors and any disclosure supporting market share and market growth in cities, say, three to six months after Waymo launch would be an incremental positive. Goldman at Buy with a $96 target sees an attractive opportunity on concerns over AV. On the chart UBER shares recently put in a key bottom near $60 at a long-term AVWAP support and a level that remains in focus as a break sets up for $50 as next key support. The 200-MA at $69.80 serving as resistance followed by the $75 upper value level. UBER options are pricing in a 6.5% earnings move and 30-day IV Skew at 0 compares with the +0.6 52-week average. UBER put/call open interest ratio is at the 21st percentile and average IV30 crush is -26.4%. UBER had buyer sof 3000 April $67.5 calls last week and a seller of 1900 April 67.5 puts. UBER has massive 35,000 June $75 calls bought in OI and 30,000 June $70 calls. UBER also a buyer of 5000 September $70 calls on 1/3 against $85 calls.

Trade to Consider: Long **UBER** February/June $75 Call Calendar Spreads at $3.10 Debit

Amazon (AMZN) will release quarterly numbers 2/6 after the close with the Street expecting $1.49 EPS and $187.25B in Revenues (+10.2%) while Q1/FY25 seen at $1.40/$158.37B and $6.21/$706.28B implying 10.75% topline growth, 17.1% EBITDA growth and 20.6% EPS growth in 2025. AMZN shares have closed higher five of the last six reports with an average six-quarter max move of 9.1% and the Q4 report alternating lower/higher closes since 2017, higher last year. Amazon continues to have a massive retail business that faces headwinds of slowing consumer spending and rising costs but the focus remains on AWS, a behemoth in cloud which continues to scale and see increased spending. AMZN also has a massive opportunity in Advertising and has been making moves into Healthcare. Prime Video Ads is a potential boost to the advertising businesses. AMZN has a market cap of $2.5 trillion and trades 38X Earnings, 16.2X EBITDA and 58.2X FCF. For AWS the Street projects stable AWS growth at 19% y/y in Q4 and sees 19% growth for Q1 as well. Analysts have an average target of $250 and short interest is less than 1% of the float. Cowen sees 3 key drivers for AMZN shares in '25: i) Cont'd Op Margin expansion, driven by AWS & Adv, with eCommerce benefiting from lower cost to serve; ii) Accelerating AWS rev growth; & iii) Growing net cash leads to cap allocation options. We view Prime Video ad ramp as additional catalyst, & faster delivery should drive further conversions of low ASP goods. We raised estimates, PT to $265. Reiterate Buy. Three key drivers, incl i) Continued Margin Expansion. Wedbush recently raised its target to $280 positive into results seeing upside to 2025 margin expectations. AMZN another strong chart consolidating under $240 after a recent bull flag breakout with $155 a 1.618 extension target. Shares have support at $220 and then 200-MA is rising at $194.50. AMZN options are pricing in a 4.65% earnings move and IV30 skew at +2.4 compares to the +1.4 52-week average. AMZN put/call open interest ratio at the 26th percentile and average IV 30 crush is -33%. AMZN still has 15,000 March 7th (W) $235 and $240 calls bought in open interest and seen size Feb. and March $225 call buys. The Feb. 7th (W) $220 and $230 calls still have size buys in OI.

Trade to Consider: Long the **AMZN** Feb. 7th (W) $245/$255/$260 Call Butterfly at $2 Debit

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