April 2025 Report

Raytheon Technology Corporation (RTX)

Paul Reilly

Company Overview

Raytheon Technology Corporation is a leading aerospace and defense company based out of Arlington Virginia. RTX Specializes in the manufacturing and engineering of technologically advanced aircraft engines, missiles, and radar systems for military, commercial and business purposes. The company is made up of three divisions, them being Pratt & Whitney, Raytheon, and Collins Aerospace. The aerospace and defense industry has faced a rapid increase in demand in recent years due to both geopolitical tensions and the race to implement modern day AI aerospace and defense systems into both military and commercial operations. RTX demand and output can be expected to remain high in coming years and they currently have a $218 billion backlog, indicating a strong consumer trend.

Key Metrics

- Market Capitalization: 171.466B
- 2024 Total Revenue: $81B (9% increase YoY)
- 2024 Gross Profit: $15.5B
- P/E Ratio: 36.20

The current P/E Ratio sits well below the Aerospace & Defense industry average of 67.66. This information does indicate that RTX is potentially undervalued and holds a healthy financial standing. However it is important to note that companies of similar caliber and size in the industry such as GE Aerospace (GE) and Lockheed Martin Corporation (LMT) have similar P/E Ratios of 30.76 and 20.70, respectively.

Company Strategy and Focus

RTX's primary focus is to capitalize on surging demand for missiles, defense systems, and radars by increasing production rates. In order to provide the most innovative products and services RTX puts a focus on research and development, specifically the development of hypersonic missiles, a product that has seen a surge in demand as a result of geopolitical tensions and political uncertainty. The aerospace and defense market grows at about 6.7% annually, signifying consistent market growth and need for innovation due to competition.

The $218 billion backlog and increasingly high demand is in no way overlooked as RTX has made strategic investments and addressed constraints in order to deliver capabilities more quickly. Raytheon has established contracts with Northrop Grumman and Nammo to scale MK72 rocket motor production as well as build new production lines. Although Raytheon is outsourcing a portion of their production to other manufacturers, this positioning will allow them to increase capacity and source options. As global demand rises and other defense companies supply also under strain such as the Boeing Company with a $435.18B backlog, Raytheon making the investment to expand supplier base will pay off significantly in the future.

Earnings

For 2024 Raytheon presented impressive earnings growth with reported sales of $80.7B, up 9% YoY and adjusted earnings per share of $5.75, 13% increase YoY. CEO Chris Calio attributed the sales increase to segment expansion over all three businesses, (Collins Aerospace, Pratt & Whitney, and Raytheon). Future earnings are projected to continue to increase as the company believes they have a strong momentum heading into 2025 with a $218B backlog and unprecedented demand. As of now RTX forecasts 4-6% sales growth for 2025

American Healthcare REIT, Inc. (AHR)

Jack Boldrin

Overview

American Healthcare REIT, Inc. (AHR) is a self-managed real estate investment trust (REIT) that owns a diversified portfolio of clinical healthcare real estate properties. AHR is primarily involved in purchasing, owning, and leasing outpatient medical buildings, senior housing, skilled nursing homes, hospitals, and other healthcare-related properties in 36 states, the United Kingdom, and the Isle of Man. AHR operates four reportable business segments: Integrated Senior Health Campuses, Outpatient Medical, Triple-Net Leased Properties, and SHOP (Seniors Housing Operating Portfolio). The Integrated Senior Health Campuses segment generates the majority of its revenue.

Key Financials and Their Implications

Price to Funds From Operations (P/FFO) - 19.8 (Forward)

- P/FFO is the REIT equivalent of a P/E. A forward P/FFO of 19.8 for AHR reflects that the market is pricing the REIT at a reasonable level, higher than the sector average (~15–18), perhaps a reflection of stable or rising earnings and dividend expectations. It reflects the investors are willing to pay a premium for its exposure to healthcare real estate, presumably due to perceived long-term demand.

Dividend Yield - 3.4%

- A 3.4% yield is decent but not high on an REIT basis, indicating that AHR is seeking a balance between income and growth. Investors get some current income but can expect more capital appreciation or stability than from high-yielding REITs. An increasing dividend history also boosts investor confidence in management's ability to sustain payouts.

Net Debt & Debt/Equity - $1.79B | 0.8

- REITs are capital-intensive firms that utilize significant debt to acquire, develop, and operate properties. The net debt level of $1.79 billion is the amount of debt that AHR has after deducting its $77.7 million of cash. The 0.8 debt/equity ratio indicates that AHR has $0.80 of debt for every $1.00 of shareholders' equity — moderate for a REIT.

EV/EBITA - 18.1 (Forward)

- This ratio helps assess how expensive the company is relative to its operating earnings. A forward EV/EBITDA of 18.1 is relatively high, signaling that the REIT is valued richly compared to its cash flows, possibly due to anticipated growth in the healthcare sector, but also a potential red flag if EBITDA growth does not materialize.

Market History and Landscape

American Healthcare REIT (AHR) is relatively a new entrant into the public markets, having recently gone public in 2024 through a direct listing subsequent to its merger with Griffin-American Healthcare REIT III and IV. Focused on healthcare real estate, AHR invests in and manages a diversified portfolio of senior housing, skilled nursing, medical office buildings, and hospitals in the United States and select foreign markets. The REIT possesses a defensive business that is supported by long-term demographic forces like an aging population and increased demand for outpatient care. All its potential aside, AHR must contend with a market environment beset by high interest rates, increasing operating costs, and margin squeeze across the sector, which will test its ability to grow profitably and maintain investor confidence.

Future Performance Outlook

American Healthcare REIT (AHR) has a bright future, supported by strong demand for healthcare real estate and solid operating performance. AHR is expected to grow earnings in 2025 as analysts expect revenue growth of over 8% and same-store net operating income growth of 7–10%. The company is set to turn profitable, with earnings per share (EPS) at $1.58. AHR's focus on senior housing, medical office buildings, and skilled nursing facilities is ideally situated as the U.S. population ages. While high interest rates are a negative, bull optimists dominate with the analysts generally giving the stock a "Buy" rating and a target for modest price appreciation.

Schlumberger (SLB)

Chase Boddison

Schlumberger is an oilfield services and energy technology multinational corporation leading globally that is specialized in drilling, reservoir characterization, production, and processing. The company was established by French brothers Marcel and Conrad Schlumberger in 1926 and has operations across over 100 countries with a workforce of about 111,000 as of 2024.

Technological Innovations and Operations

SLB has never stopped innovating in energy technology, both in traditional oil and gas services and new energy solutions:

- Autonomous Drilling: SLB has led the development of autonomous drilling technologies, achieving a 60% increase in drilling rate on a project in Brazil. The technology enhances operation efficiency and safety by reducing onsite manning requirements.
- Direct Lithium Extraction (DLE): SLB launched a commercialized DLE system in 2024 after successful pilot runs in Nevada. The technology is capable of extracting lithium with higher efficiency and sustainability, fulfilling the growing demands for electric vehicle batteries.
- Artificial Lift Systems: SLB introduced new artificial lift systems, including the Reda Agile electric submersible pump (ESP) and rodless Reda PowerEdge electric submersible progressing cavity pump (ESPCP), to streamline oil production and make it more reliable.
- Digital Integration: The business has expanded its digital solutions via partnerships, such as with IBM and Red Hat, to develop hybrid cloud solutions for the energy sector, facilitating enhanced data management and operating efficiency.

Financial Performance (2024)

SLB demonstrated strong financial performance in 2024:

- Revenue: $9.28 billion for Q4, a 3% year-over-year increase.
- Net Income: $1.10 billion for Q4, with good profitability.
- Adjusted EBITDA: $2.38 billion for Q4, demonstrating effective operating performance.
- Earnings Per Share (EPS): $0.92, before charges and credits, up 7% year over year.
- Free Cash Flow: $3.99 billion for the year, enabling meaningful shareholder return and debt repayment.

These figures demonstrate SLB's financial strength and advancement.

Future Outlook

SLB is positioned to lead the evolving energy landscape:

- Energy Transition: SLB's investment in technologies like DLE and autonomous drilling illustrates global trends toward sustainable energy solutions.
- Digital Growth: With greater digital integration, SLB will be in a position to increase operational efficiencies and offer next-generation solutions to clients.

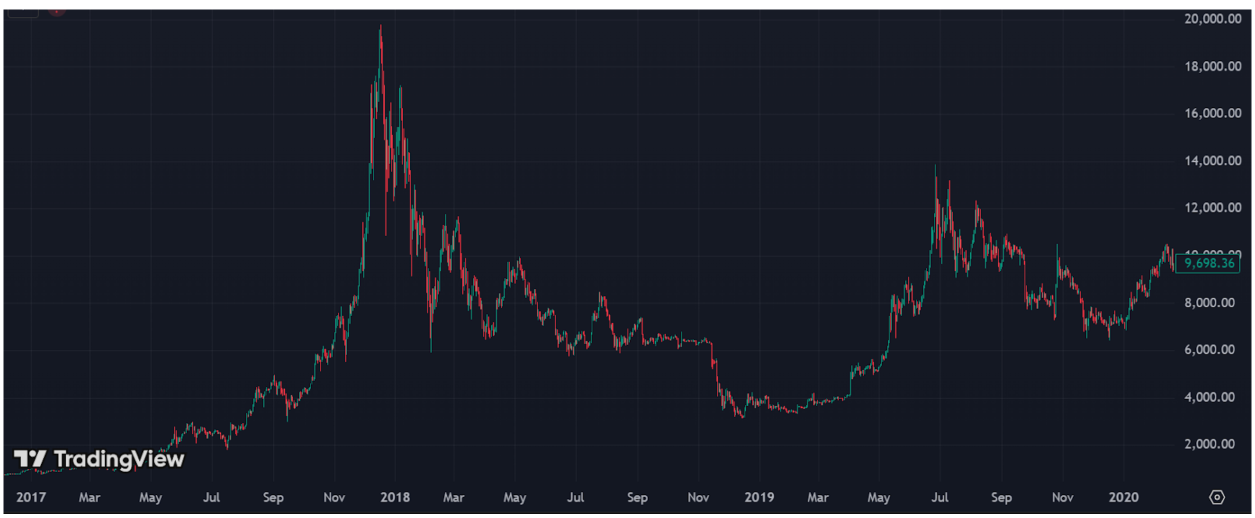
- Positioning in the Market: SLB has been viewed as undervalued by analysts, with its technology and global presence leaving scope for long-term returns.
- SLB's innovation and sustainability orientation place it at the forefront of meeting the world's growing energy needs while ensuring environmental responsibility.

Crypto sentiment during COVID-19 v. Tariffs

Sean Murphy

Crypto Pre-COVID

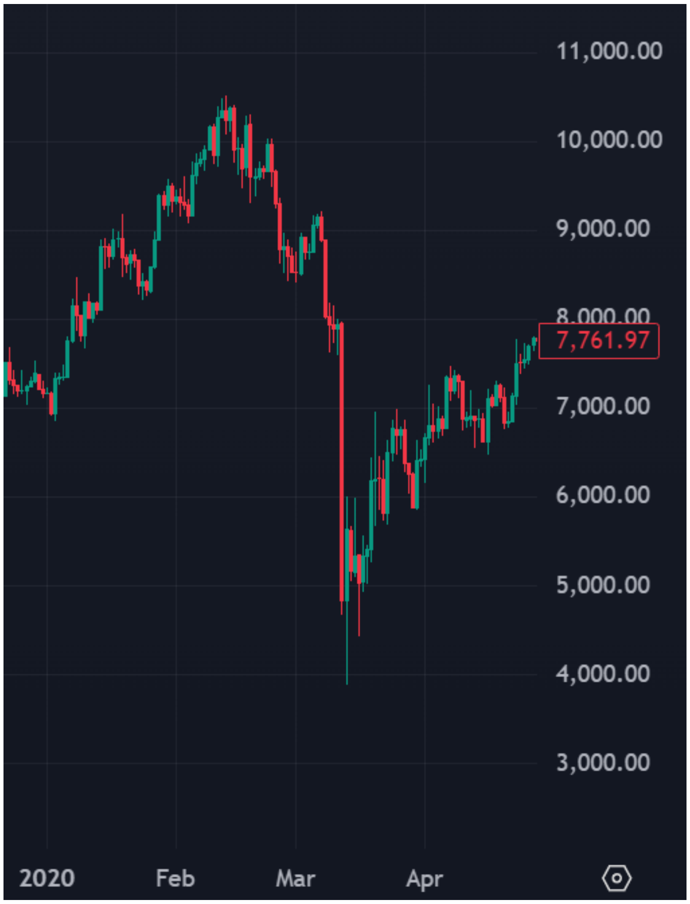
After making all time highs in late 2017, Bitcoin entered a bear-market for the duration of 2018, before bottoming in December of 2018. Throughout 2019 Bitcoin recovered, swinging from $4,000 to $14,000, then down to $7,000 by year end. Around this time, narratives of Bitcoin as a hedge against inflation started emerging, and the idea of crypto futures and etfs were circling the financial world.



This is the Bitcoin chart from 2017 to late February 2020. Notice the strong run in 2017, followed by the bear run in 2018, and the recovery in 2019.

The COVID Crash

Throughout January and February of 2020, we watched Cronavirus spread faster and faster. Public news events such as the cruise ship outbreaks, garnered massive media attention and began scaring investors. From late February to mid-March, we watched markets get wiped out worldwide. The S&P 500 dropped 36% in 33 days, and Bitcoin dropped 63% in 29 days.



High: Feb 14th - $10,510, Low: Mar 13 - $3,883

Bitcoin Crash

As COVID surged, economies and countries shut down, and Bitcoin crashed. After rallying back up to a price of over $10,000, Bitcoin would crash all the way down to less than $4,000, a more than 60% drop. The S&P 500 in the same time dropped over 30%. Bitcoin and crypto as a whole dropped exceedling low due to leverage traders getting liquidated and panic selling leading to liquidity and slippage issues, which only further dropped the price. Keep in mind that Bitcoin dropped before the stock market and bottomed out before the stock market. Note how Bitcoin dropped twice as much as the stock market. I will come back to this further in the report.

The 2021 Bull-Market

After COVID shut entire economies down for weeks to months, governments across the globe printed trillions upon trillions of dollars to attempt to stimulate and maintain their economies. Along with this the FED cut rates down interest rates to zero and began large scale asset purchasing. This rapid government effort to attempt to maintain economies led to mass uncertainty of the long term potential effects of printing such a quantity of money. This led to widespread fear of inflation, currency debasement, and long-term debt problems. Around the time of these fears spreading, narratives of Bitcoin emerging as “digital gold” started lingering across the public. Bitcoin’s fixed supply and decentralized nature is the perfect investment to make after your government prints over 3 trillion dollars. Along with this, major financial service companies began offering crypto services. Fidelity, BlackRock, and JP Morgan launched crypto-focused services and Robinhood gave users the ability to trade a variety of crypto currencies on their platform. Stimulus checks, an erosion of trust for fiat currencies, and new platforms making trading crypto easy and lead to the 2021 bull-run.

Bitcoin bottomed at 3,800 after the Covid Crash and then peaked at 69,334 600 days later on Nov 10th, a 1,609.5% return. Over this time the market cap of cryptocurrency went from 750 billion to 3 trillion

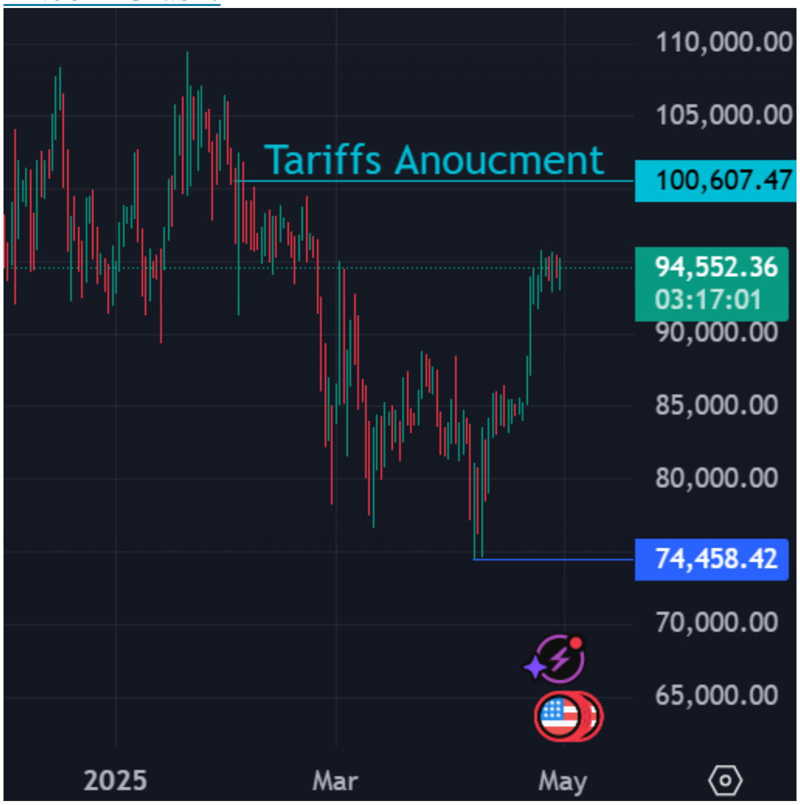
Sentiment Pre-Tariffs

Generally with Republican presidents, investors expect more pro-business policies, such as: corporate tax cuts, deregulation, and a focus on U.S. manufacturing. In January, Trump held a “crypto-ball” where speakers discussed the crypto future of America and how the U.S. was going to lead the globe in crypto adoption. Along with this, the stock market continued to make all time highs riding on tech stocks and the promise of AI. Markets expected Trump to focus on immigration and strengthening the U.S. economy, which was bullish for crypto and the equity market.

Tariff Crash

On February 1st, Trump announced U.S. tariffs imposed on Canada, Mexico, and China, the market reacted with extreme volatility. None of these countries reacted well to this announcement and levied tariffs back on the U.S. After the announcement of these tariffs and the reciprocal tariffs, the market began crashing. Fueled by uncertainty, investors were quick to pull their money from the market.

Bitcoin Crash:



Tariff Announcement: Feb 1st - 100,607
Bottom: Apr 7th - 74,500

Unlike the 2020 crash, during the tariff crash Bitcoin was fresh off of an all time high of over 100,000. Still Bitcoin fell 25% after the tariff announcement and bottomed at ~75,000. Uncertainty over trade wars and a looming recession caused investors to sell their Bitcoin and other assets. In a similar fashion, the S&P 500 dropped 20% bottoming around the same time as Bitcoin. This is a stark contrast to the Covid crash as Bitcoin crashed twice as far as the stock market did then, and now followed a very similar level of correction to the stock market. I will discuss the significance of this further in the report.

Recovery

Since the bottom of Bitcoin and the S&P 500 on April 7th, both assets have recovered significantly. Since the bottom, the S&P 500 is up 15%, while Bitcoin is up 28%. Market sentiment is turning around due to the threat of tariffs and trade wars settling down. As we look to the future, both the stock market and crypto have entered a recovery phase as volatility subsides and investor confidence cautiously returns.

Takeaways:

Crypto in Volatile Conditions

An important fact to understand when looking at crypto markets is how investors react to volatile market conditions. Think of investing in crypto like shopping at Whole Foods. While being more expensive, you also can enjoy more healthy food for yourself and your family. But if you were to lose your job and face financial uncertainty, you are better off shopping at Walmart and saving some money as you are unsure of when you will receive that next paycheck. To most investors crypto is like Whole Foods, a luxury where you pay more (take on higher risk) for higher quality food (higher potential returns). So when facing economic uncertainty like potential trade wars or a recession, it is smart to put your money in less risky assets. Understand that investors will be quicker to take their money out of crypto as it is seen as a more volatile, more risky asset. This will often lead to sharp crypto drops in volatile conditions. Notably, with the tariff crash, Bitcoin and the stock markets correction was practically the same and the recovery is following the same path. This is showing that crypto has grown to the point where it more closely follows the market and macroeconomic trends, which is bullish for crypto as it is showing crypto now is working with the markets and not just in euphoric bull and demoralizing bear cycles.

Understand Crypto as an Asset

You also need to understand there are two reasons to invest into crypto as an asset. The first reason is that you believe in the future of crypto. You believe we will be paying with crypto in person and online, you believe that blockchain technology will revolutionize how we process transactions, and that Bitcoin **IS** digital gold. Overall, you believe that we are still in the early stages of crypto's integration and adoption. If this is you, you should be buying, holding, and never selling. If not, crypto can still be a good asset if you can time the market and understand retail investors. Retail investors dominate crypto markets and are often the driving force behind major price surges. Even when experienced traders are sidelined holding, it's retail enthusiasm, not institutional conviction, that sends prices to euphoric highs. Understand that in order to make money in the crypto market, you **NEED** to be buying when people are fearful and selling when people are euphoric. When crypto momentum begins you need to be positioned accordingly, and when your parents and cousins are asking about, "this crypto thing" it is time to sell.

Eli Lilly (LLY)

Daniel O'Hara

Basic Information

- **Founded**: 1876 by Colonel Eli Lilly
- **Headquarters**: Indianapolis, Indiana

- **Ticker Symbol**: LLY (NYSE)
- **Industry**: Pharmaceuticals
- **Global Reach**: Operations in approximately 125 countries
- **Core Focus Areas**: Diabetes, obesity, oncology, neuroscience, and immunology

Key Financial Metrics (as of April 2025)

- **Market Capitalization**: Approximately $694.32 billion
- **Trailing P/E Ratio**: Approximately 70.63
- **Forward P/E Ratio**: Approximately 35.71
- **PEG Ratio (5-year expected)**: 1.19

Business

Eli Lilly is a leading pharmaceutical company specializing in the discovery, development, manufacturing, and marketing of human pharmaceuticals. Its product portfolio includes treatments for diabetes (e.g., Trulicity, Mounjaro), oncology (e.g., Verzenio), immunology (e.g., Taltz), and neuroscience (e.g., Zyprexa). The company's revenue is primarily driven by its diabetes and obesity treatments, with significant contributions from its oncology and immunology segments.

Industry Overview

Eli Lilly operates in the highly competitive pharmaceutical industry, contending with major players such as Novo Nordisk, Pfizer, and Johnson & Johnson. The company has established a strong position in the GLP-1 receptor agonist market, particularly with its diabetes and obesity treatments. Its robust R&D pipeline and strategic investments in manufacturing capacity have further solidified its competitive edge.

Investment Summary

Eli Lilly's strategic focus on innovative treatments, especially in the GLP-1 segment, positions it for sustained growth. The company's commitment to expanding its manufacturing capabilities and its strong pipeline of potential blockbuster drugs make it an attractive investment opportunity.

Risks and Considerations

- **Regulatory Risks**: Potential delays or rejections in drug approvals can impact revenue projections.
- **Competition**: Intensifying competition in the GLP-1 market may pressure market share and pricing.
- **Patent Expirations**: Loss of exclusivity on key drugs could lead to generic competition.
- **Manufacturing Challenges**: Scaling up production to meet demand, especially for new treatments, may present operational risks.

Recent Developments

- **Orforglipron**: Eli Lilly's oral GLP-1 receptor agonist has shown promising Phase 3 trial results, demonstrating significant weight loss and blood sugar control in patients with type 2 diabetes. The company plans to submit for regulatory approval by the end of 2025. Lilly Investor Relations+3Business Insider+3Time+3Latest news & breaking headlines+1TheStreet+1
- **Manufacturing Expansion**: Eli Lilly has announced plans to invest over $50 billion in U.S. manufacturing facilities to meet the growing demand for its treatments.

Good luck and thank you for reading.

---

respective research reports, BayMar equity group Research makes no representation, express or implied, as to the accuracy, timeliness, or completeness of any such information or regarding the results to be obtained from its use. Further, any research report contains a very large measure of analysis and opinion. All expressions of opinion are subject to change without notice, and BayMar equity group does not undertake to update or supplement any reports or any of the information, analysis and opinion contained in them.

In no event shall BayMar equity group Research or any BayMar equity group Related Persons be liable for any claims, losses, costs or damages of any kind, including direct, indirect, punitive, exemplary, incidental, special or consequential damages, arising out of or in any way connected with any information presented in any BayMar equity group report. This limitation of liability applies regardless of any negligence or gross negligence of BayMar equity group Research or any BayMar equity group Related Persons. You accept all risks in relying on the information presented in any report.
You agree that the information in any BayMar equity group research report is copyrighted, and you therefore agree not to distribute this information in any manner without the express prior written consent of the applicable BayMar equity group Entity. If you have obtained BayMar equity group research reports in any manner other than as provided by BayMar equity group, you may not read such research without agreeing to these Terms of Use. You further agree that any dispute between you and BayMar equity group and their affiliates arising from or related to this report or viewing the material presented herein shall be governed by the laws of the State of Florida, without regard to any conflict of law provisions. The failure of BayMar equity group Research to exercise or enforce any right or provision of these Terms of Use shall not constitute a waiver of this right or provision. You agree that each BayMar equity group Related Person is a third-party beneficiary to these Terms of Use. If any provision of these Terms of Use is found by a court of competent jurisdiction to be invalid, the parties nevertheless agree that the court should endeavor to give effect to the parties' intentions as reflected in the provision and rule that the other provisions of these Terms of Use remain in full force and effect, in particular as to this governing law and jurisdiction provision. You agree that regardless of any statute or law to the contrary, any claim or cause of action arising out of or related to BayMar equity group report or related material must be filed within one (1) year after