Abdullah Ali
Adarsh Suvarnakanti

Company Overview

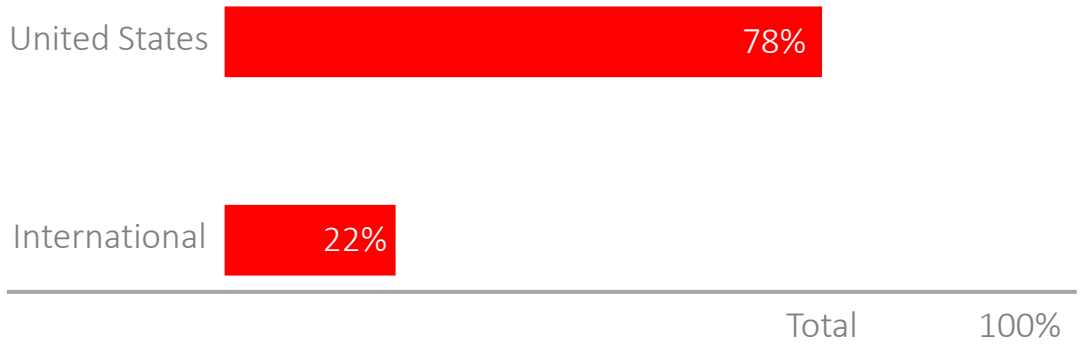
Company Overview

- Pinterest, Inc. (PINS) is an internet company that maintains and operates a visual discovery engine for finding ideas like recipes, home, style inspiration, and more.
- Headquartered in San Francisco, California, led by CEO and founder Ben Silbermann.
- Most company Revenue substantially comes from advertising services
- Over 400 million monthly active users
- Average revenue per user of ~$6-$7
- Growing international presence

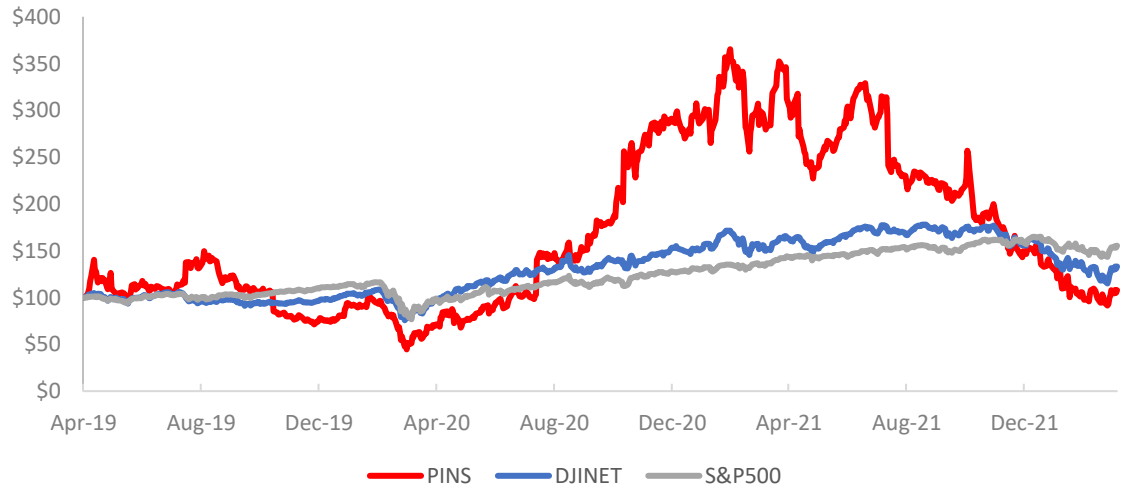
Key Trading Statistics

Ticker	PINS
Date	4/14/22
Price	22.40
Market Cap	16.92B
52 Week High	88.83
52 Week Low	21.92
EPS	.46
P/E Ratio	57.22x
EV/EBITDA	10.26x
Beta	1.22

Geographical Revenue Breakdown



Cumulative Stock Performance (1)



(1) $100 initial investment was assumed to measure cumulative stock performance of PINS against DJINET & the S&P500 indices from PINS IPO to March 24th

Business Model Canvas

Key Partners

- Users
- Other social media platforms
- E-Commerce Partners
- B2B partners
- Retailers

Key Activities

- Platform Development
- Integrations
- Traffic acquisition
- User empowerment
- Marketing
- Customer Service

Key Resources

- Web/Mobile traffic
- Unique Pin features
- Big data
- Pinterest Analytics

Value Propositions

- Unique “pin” content sharing
- Visual Discovery
- Idea catalog
- Creative Company product Advertising

Customer Relationship

- Required registration
- Machine learning algorithm
- Storage tool
- Virtual storefront
- User communities

Channels

- Website
- Mobile app
- Cross platform sharing

Customer Segments

- Fashion lovers
- Home Decorators
- Vacation planners
- Food lovers
- Fitness
- Event planners
- Retailers
- Marketers
- Technology providers

Cost Structure

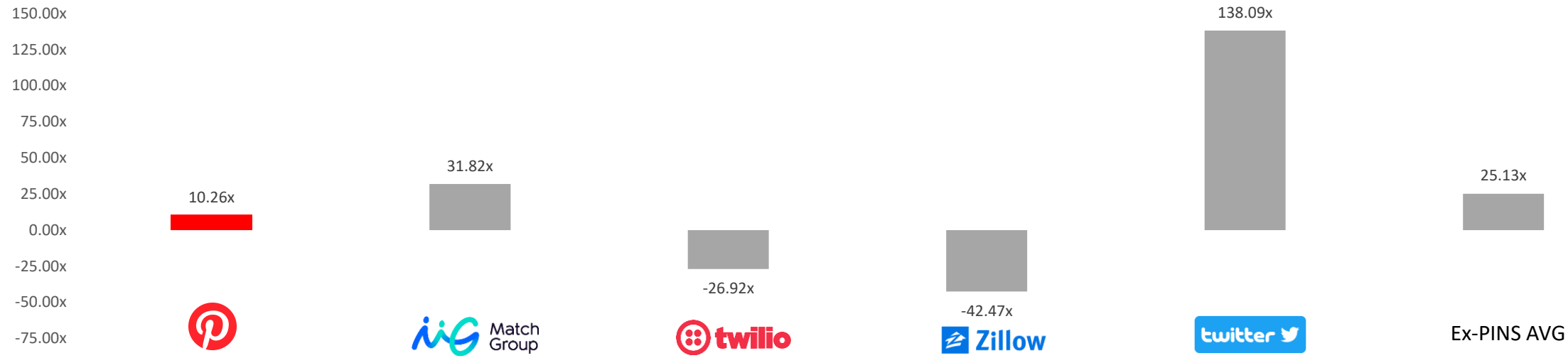
- Hosting and technology infrastructure
- App design and management
- Software development

Revenue Streams

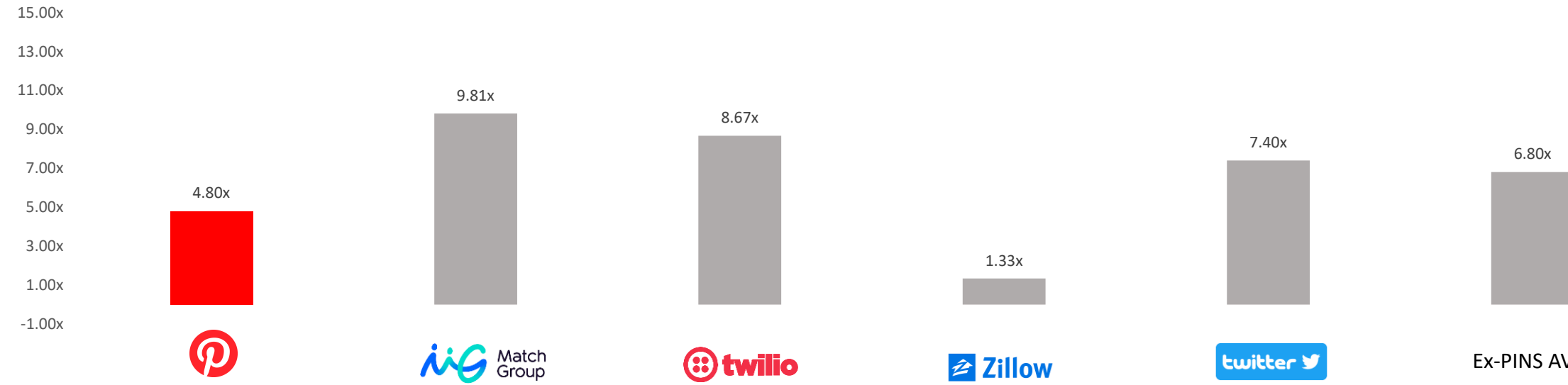
- Custom Business pages
- Advertising revenue
- Data sales

Comparable Analysis

EV/EBITDA



EV/REVENUE

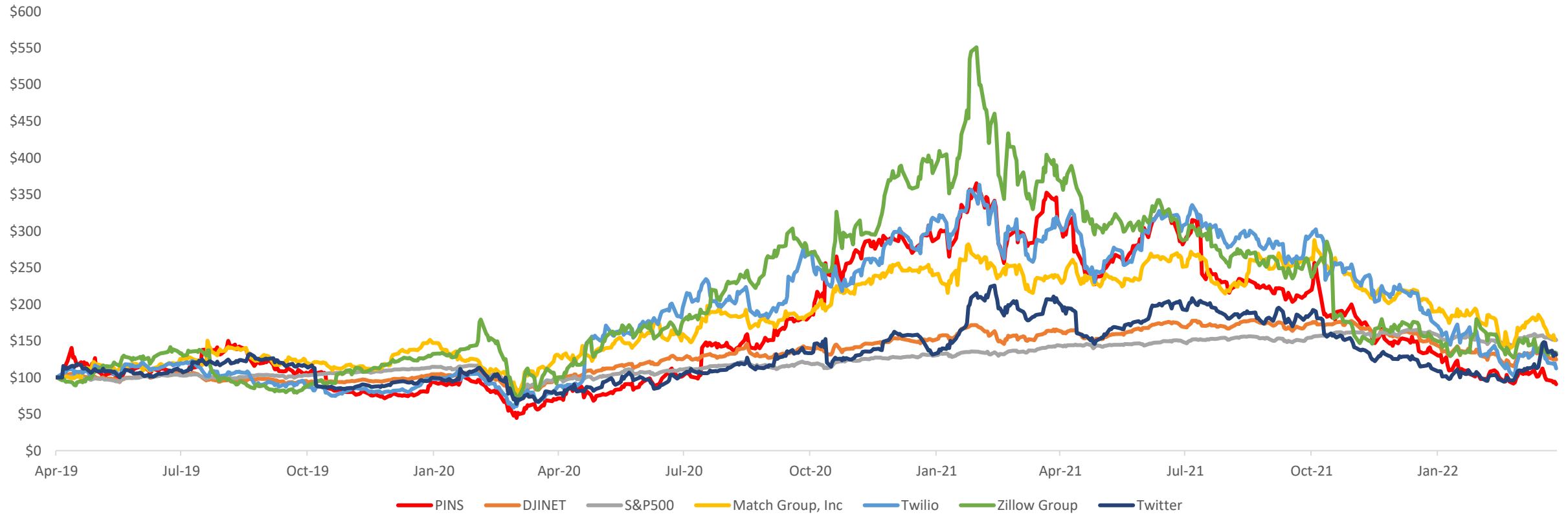


Comparable Performance

Comparable Companies Comps

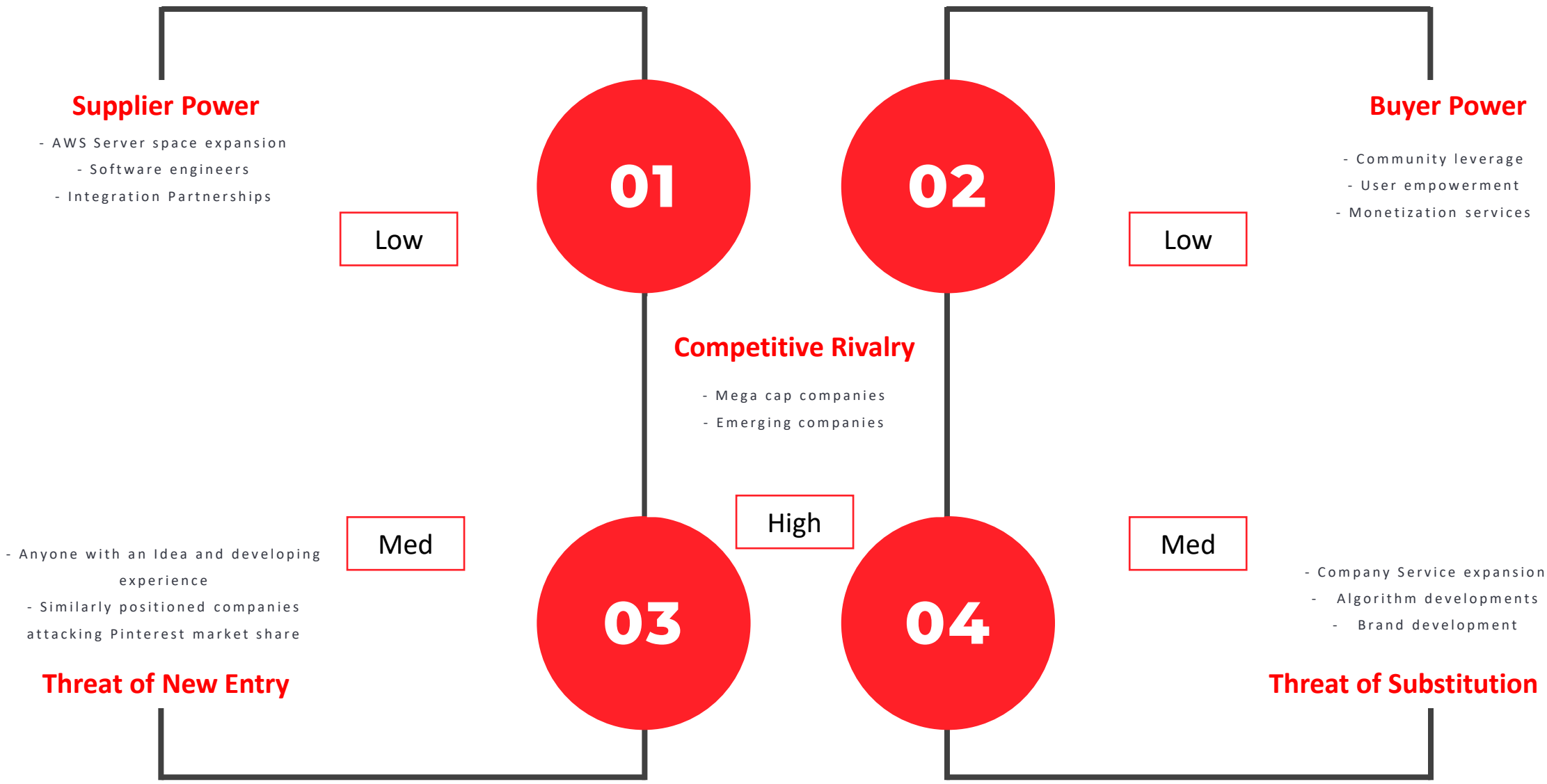
Company	Levered Beta	Revenue	Debt	Cash	EBITDA	Market Cap.	Debt/ EV	EV/ Equity	Marginal Tax rate
Match Group, Inc	1.02	$2,983.00	$3,829.00	$815.00	$920.00	$26,262.00	$29,276.0	14.6%	- %
Twilio	1.36	$2,841.00	$1,222.00	$1,479.00	-$915.00	$24,885.00	$24,628.0	4.9%	- %
Zillow Group	1.42	$8,147.00	$1,467.00	$2,611.00	-$256.00	$12,016.00	$10,872.0	12.2%	- %
Twitter	0.80	$5,077.00	$5,324.00	$2,186.00	$272.00	$34,422.00	$37,560.0	15.5%	- %

Cumulative Stock Performance (1)



(1) $100 initial investment was assumed to measure cumulative stock performance of PINS Comps against DJINET & the S&P500 indices from PINS IPO to April 14th

Industry Analysis & Porter's Five Forces



Revenue Recognition

Breakdown of Pinterest Revenues

Pinterest recognizes revenue by delivering ads on their website and mobile application contracted on three different basis as defined by company below:

- Cost per click: Occurs when a user clicks on an ad.
- Cost per thousand impression: Occurs based on sentiment and overall results of clicks by thousands towards clients.
- Cost per view: Occurs when a user views an ad video.

12+ hours of cooler sleep

Promoted by
Casper

Kroger Pay - a contact-free way to pay and save at checkout.

Promoted by
Kroger Co. Family of Stores

Easter Egg Cheesecake

Promoted by
Philadelphia Cream Cheese

Chef's Chicken Sandwiches

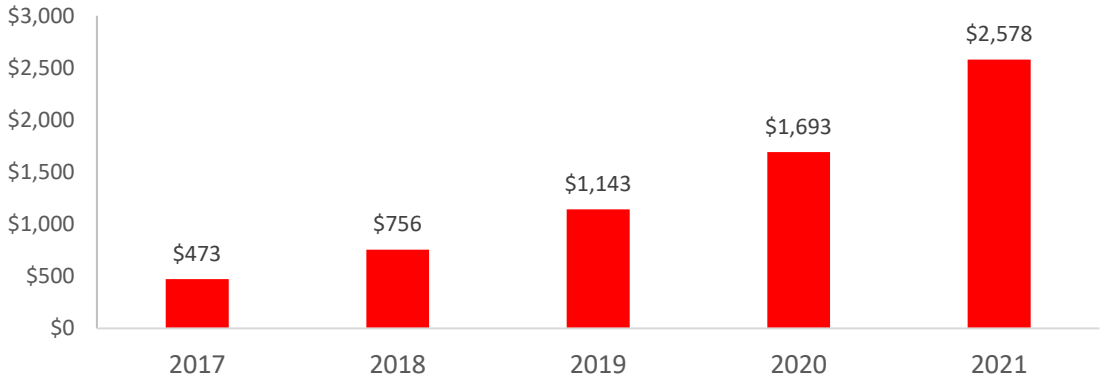
Promoted by
Panera Bread

Absolut Vodka

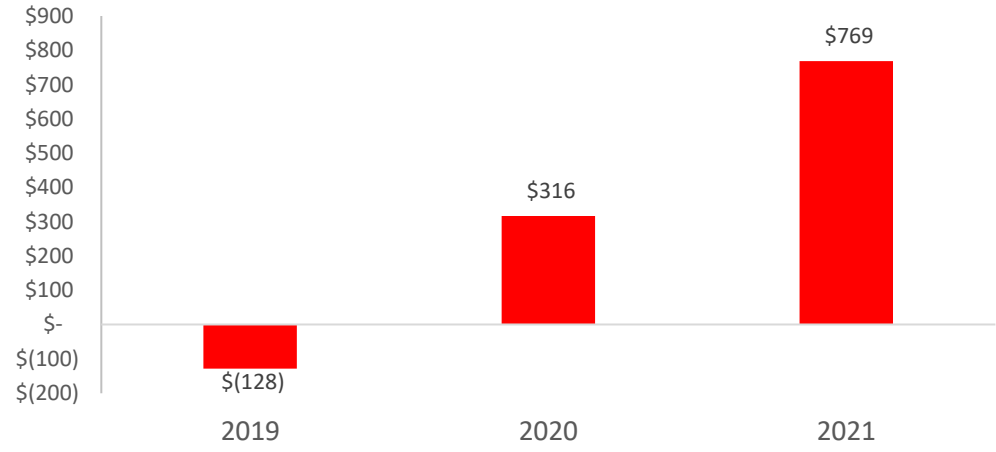
Promoted by
Absolut Vodka

Financial History

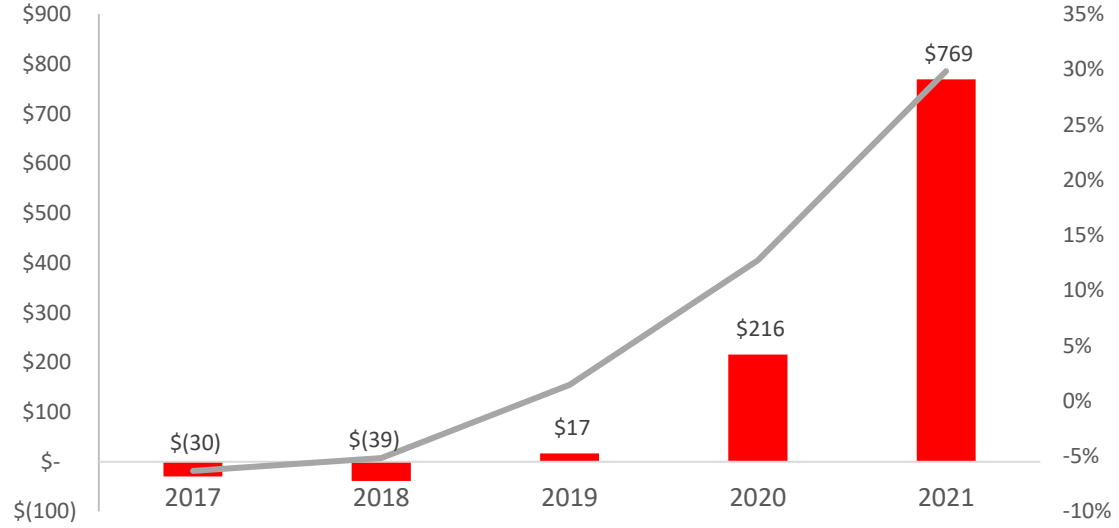
Revenue ($MM)



Net Income ($MM)

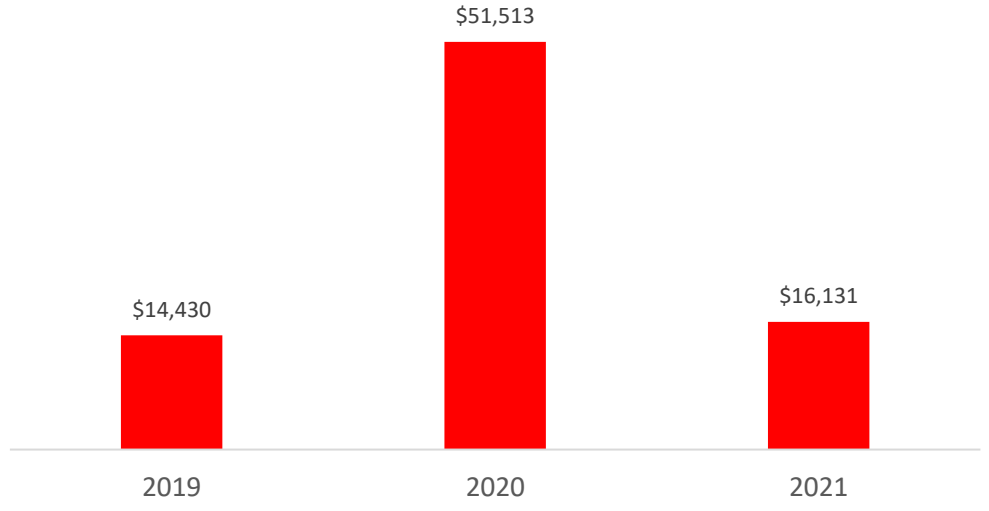


ADJ EBITDA & Margin ($MM)(1)



(1) Adj EBITDA = EBITDA + Stock based compensation

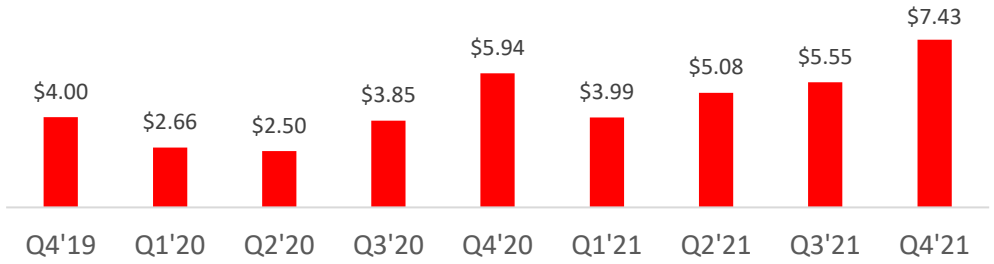
Enterprise Value (2)



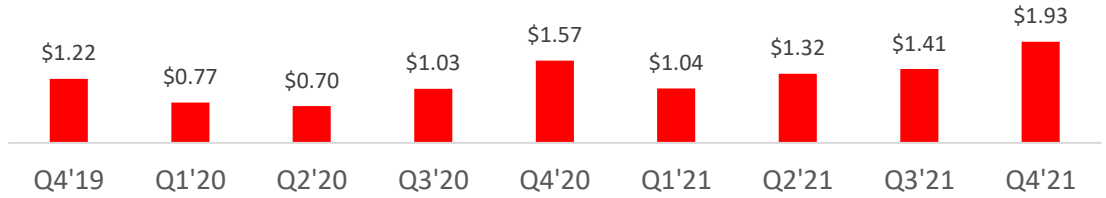
(2) Based on standardized Capital IQ historic capitalization

Key Metric History

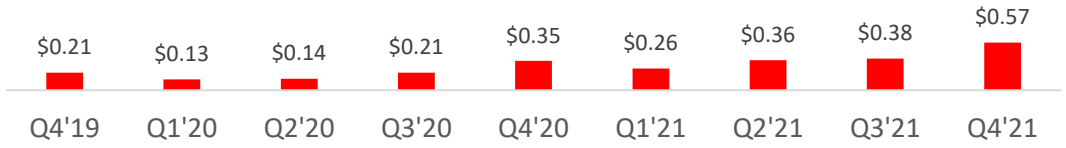
Average Revenue per User (US)



Average Revenue per User (Global)



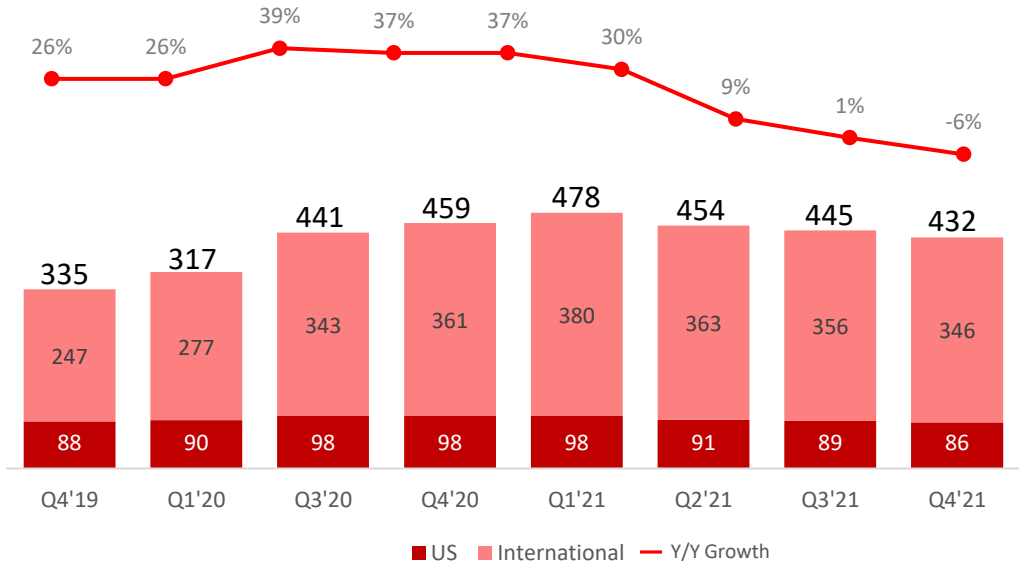
Average Revenue per User (International)



	Year Ended December 31,		
	2021	2020	2019
United States	$ 2,003,642	$ 1,404,282	$ 1,010,186
International[1]	574,385	288,376	132,575
Total revenue	$ 2,578,027	$ 1,692,658	$ 1,142,761

[1] No individual country other than the United States exceeded 10% of our total revenue for any period presented.

Monthly Active Users (MM)



Investment Thesis

Key innovation driving activity	Focusing on creator-led and inspirational content, shopping, Pinner experience, and advertiser success as well as a recent acquisition to bring video to the platform
Long-term Position Management focus	Management decisions support long-term growth and continue to build the foundations for a scaled business over time
Various Opportunities for Growth	The company is well-positioned to fuel growth in advertising revenue from potential corporate partnerships and emerging community partnerships through many customer segments
Growth company Trading at a Value	Concerns over non-organic user activity growth during Covid-19 as well as economic concerns for our current environment have caused the stock to trade at a discount

Recommendation:
BUY

Target Price:
$50.51

Target Multiple:
6.8x EV/REV
25.1x EV/EBITDA

Upside:
~100%

Competitive Positioning

Long-term growth Oriented

Growing Loyal user-base

Non-Organic growth increases exposure

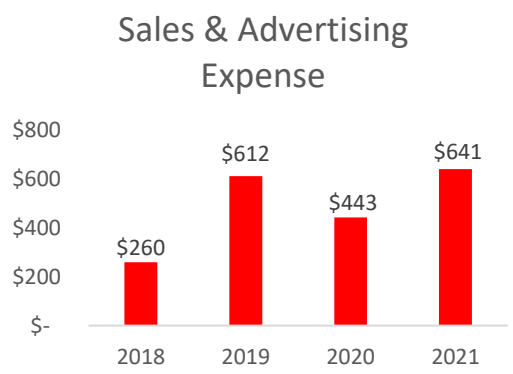
"Pinterest is on the forefront of marketing to consumers in new ways. And since it's the go-to destination for inspiration, it's a natural environment to play in."
Shideh Hashemi - Country Marketing Manager, CMO, IKEA US

More exposure = More opportunity

- Although MAU's are down, the exposure remains relevant for future growth.

With continued focus on innovation and further development, retention rates are shown to increase through past exposure

Natural advertising will reduce actual advertising costs



Natural advertising through platform

- In 2020, Pinterest saw the most user increase post-IPO decrease the sales & advertising expense.

As the platform grows, the need for advertising expenses will decrease as the platform has many true advertising qualities

Growth Opportunities & Differentiation

Partnering with other companies

Imagine the synergies between a Lowes/home depot partnership with Pinterest!

- Inspirational Pins could link directly to products used available at local stores.
- No hassle seamless purchases
- Fulfills the ultimate goal of Pinterest to get you off your phone and inspired to take on a new project faster.

Capturing creator content revenue

Creator content has been BOOMING

- Users who use TikTok, Youtube, Instagram, and other social media sources have been booming with creator content.

Pinterest differentiation

- Pinterest is very different than other platform in it seeks to INSPIRE not Entertain.
- Empower its user to go out and create based on their Pins.
- Continued data collection and capture of engagement with various content segments.

Intrinsic Valuation

Financial Projections

Unlevered Free Cash Flows

	LTM	Actual	Forecasts				
Fiscal year ended	3/20/2022	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25	12/31/26
Revenue	2,864	2,578	3,867	5,801	8,701	13,051	19,577
% growth			50.0%	50.0%	50.0%	50.0%	50.0%
EBITDA	382	354	480	716	1,071	1,602	2,396
% margin		13.7%	12.4%	12.3%	12.3%	12.3%	12.2%
EBIT	357	326	464	696	1,044	1,566	2,349
% margin		12.7%	12.0%	12.0%	12.0%	12.0%	12.0%
Tax on EBIT		(5)	(7)	(10)	(15)	(22)	(33)
Tax rate		1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
NOPAT (aka EBIAT)		**322**	**457**	**686**	**1,029**	**1,544**	**2,316**
Depreciation & amortization		28	16	20	27	35	47
Changes in net working capital			(215)	(328)	(493)	(739)	(1,108)
Capital expenditures			(20)	(23)	(35)	(52)	(78)
as % of revenue			(0.5%)	(0.4%)	(0.4%)	(0.4%)	(0.4%)
Unlevered free cash flows (UFCF)			**239**	**355**	**529**	**789**	**1,177**
Net working capital (WC Assets - WC liabilities)		442	657	985	1,478	2,216	3,324
as % of revenue			17.0%	17.0%	17.0%	17.0%	17.0%

Terminal value - growth in perpetuity approach

Long term growth rate	3.0%
2026 FCF x (1+g)	576
Terminal value in 2026	14,584
Present value of terminal value	10,627
Present value of stage 1 cash flows	762
Total enterprise value (TEV)	**11,388**

Terminal value - EBITDA multiple approach

Terminal year EBITDA	1,965
EBITDA multiple	25.1x
Terminal value in 2026	49,386
Present value of terminal value	35,984
Present value of stage 1 cash flows	762
Enterprise value (stage 1 + 2)	**36,746**

Terminal value - Revenue multiple approach

Terminal year Revenue	15,531
Revenue multiple	6.8x
Terminal value in 2026	105,674
Present value of terminal value	76,998
Present value of stage 1 cash flows	762
Enterprise value (stage 1 + 2)	**77,760**

Input

Perpetuity Growth Rate	3.0%
WACC	6.9%
EV/EBITDAx	25.1x
EV/REVENUEx	6.8x

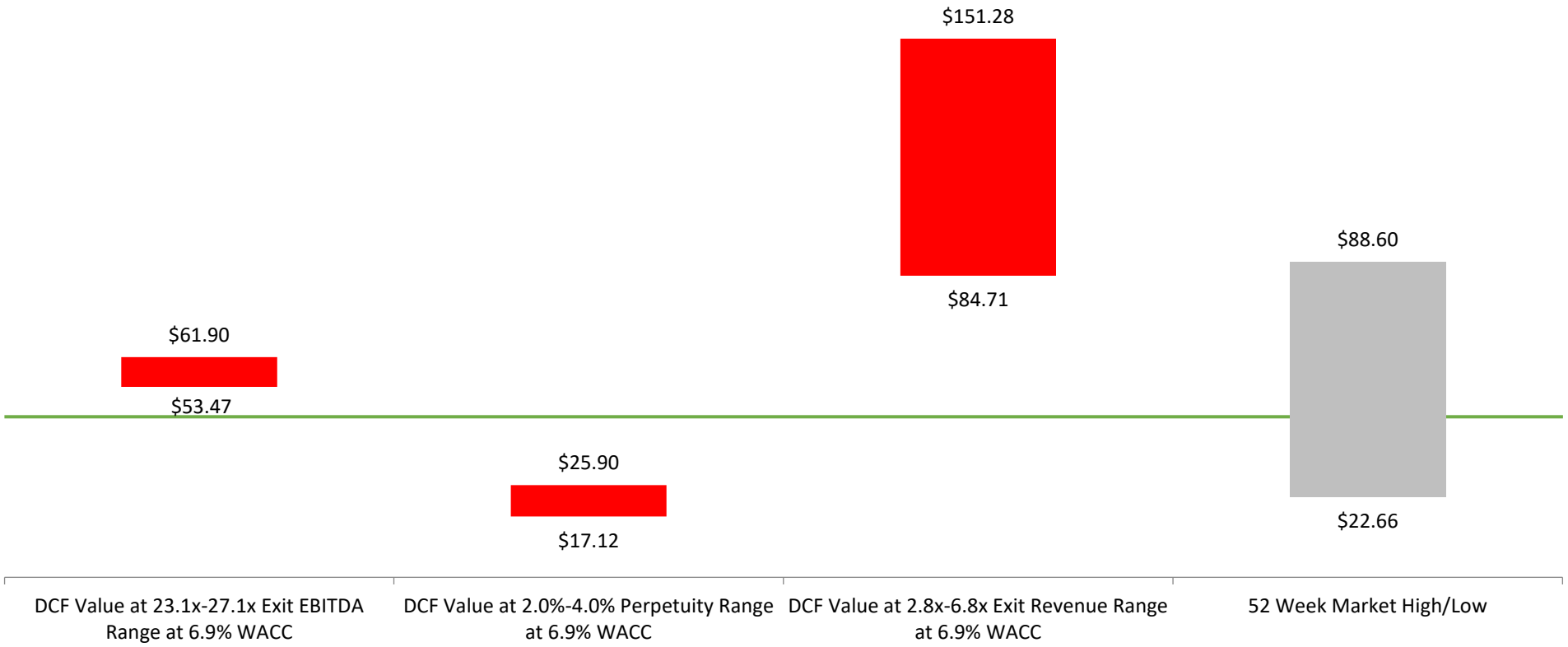
Results

Valuation

	Perpetuity	EBITDA	Revenue
Enterprise value	11,388	36,746	77,760
Net debt	*(2,480)*	*(2,480)*	*(2,480)*
Equity value	13,868	39,226	80,240
Shares outstanding	680	680	680
Equity value per share	**$20.39**	**$57.69**	**$118.00**

Intrinsic Valuation

Valuation Summary



Recommendation: **BUY**

Target Price: **$50.51**

Target Multiple: **6.8x EV/REV 25.13x EV/EBITDA**

Upside: **~100%**

Risk Mitigation

	Mitigation
COVID-19 Non-organic growth	Maintaining focus on the long-term by taking full advantage of Covid-19 Revenue booster shots
Longer engagement	Pinterest is taking a risk on video introduction to the platform to push for longer engagement, ARPU and monthly active users must go up to mitigate
Predictive data analytics future accuracy	No predictive analytics algorithms can prominently predict future events, Pinterest must continue to focus on using data to drive revenue and inspire
Consumer sentiment	Changing economic environments impacting consumer demand and consumer sentiment may impact Pinterest's balance sheet, the largest mitigation must be to continue long term-oriented positioning to weather a future storm that may bring down advertising revenue for the platform

Conclusion

Our Group has assigned a **Strong Buy** rating for PINS stock

- While investors and analysts have concerns related to COVID-19, ARPU growth forward and continued innovation, further research shows that these concerns have been overblown and has caused PINS to trade at a high discount
- Below are reasons why we believe PINS's stock should be trading higher than its current level:
  - ✓ **Key innovation driving activity –** Focusing on creator-led and inspirational content, shopping, Pinner experience, and advertiser success as well as a recent acquisition to bring video to the platform
  - ✓ **Long-term Position Management focus –** Since 2019, exposure to Pinterest has exploded, and management has remained focused on steady growth to one be a major player in the internet industry
  - ✓ **Monumental Growth Potential –** The company is well-positioned to fuel growth in advertising revenue from potential corporate partnerships and emerging community partnerships
  - ✓ **Growth company Trading at a Value –** When do you get an opportunity to buy a growth internet stock trading at a value? PINS IPO price was $5 cheaper than it is today and has grown exponentially higher since then.
- As PINS continues to report organic performance and increase engagement across its platform, we believe the market will react accordingly, and PINS will trade at a multiple that represents their status as an emerging internet company with an incredibly creative business model.

Appendix

DCF Sensitivities

Equity value per share

		Long term growth rate (g):				
	$20.39	2.0%	2.5%	3.0%	3.5%	4.0%
	8.9%	$12.74	$13.41	$14.19	$15.11	$16.22
	7.9%	$14.56	$15.51	$16.66	$18.07	$19.83
WACC:	6.9%	$17.12	$18.57	$20.39	$22.75	$25.90
	5.9%	$20.99	$23.42	$26.69	$31.28	$38.23
	4.9%	$27.51	$32.27	$39.47	$51.64	$76.63

Equity value per share

		Exit EBITDA Multiple				
	$57.69	23.1x	24.1x	25.1x	26.1x	27.1x
	8.9%	$49.32	$51.25	$53.18	$55.11	$57.04
	7.9%	$51.34	$53.36	$55.37	$57.39	$59.40
WACC:	6.9%	$53.47	$55.58	$57.69	$59.79	$61.90
	5.9%	$55.72	$57.92	$60.12	$62.33	$64.53
	4.9%	$58.10	$60.40	$62.70	$65.00	$67.30

LTM REVENUE multiple

		Exit REVENUE Multiple				
	$118.00	4.8x	5.8x	6.8x	7.8x	8.8x
	8.9%	$77.95	$93.20	$108.45	$123.70	$138.95
	7.9%	$81.24	$97.17	$113.10	$129.03	$144.95
	6.9%	$84.71	$101.36	$118.00	$134.64	$151.28
	5.9%	$88.38	$105.77	$123.17	$140.56	$157.96
	4.9%	$92.24	$110.43	$128.62	$146.81	$165.01

Comparative Analysis & WACC Build

Weighted Average Cost of Capital Analysis

($ in millions)

WACC Calculation

Target Capital Structure	
Debt-to-Total Capitalization	(13.0%)
Equity-to-Total Capitalization	113.0%
Cost of Debt	
Cost-of-Debt	4.3%
Tax Rate	1.4%
After-tax Cost of Debt	**4.3%**
Cost of Equity	
Risk-free Rate (1)	2.3%
Market Risk Premium (2)	4.7%
Levered Beta	0.92
Cost of Equity	**6.6%**
WACC	**6.95%**

Comparable Companies Comps

Company	Levered Beta	Revenue	Debt	Cash	EBITDA	Market Cap.	Debt/ EV	EV/ Equity	Marginal Tax rate	Unlevered Beta	EV/ EBITDA	Revenue
Match Group, Inc	1.02	$2,983.00	$3,829.00	$815.00	$920.00	$26,262.00	$29,276.0	14.6%	- %	0.89	31.82x	9.81x
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Twitter	0.80	$5,077.00	$5,324.00	$2,186.00	$272.00	$34,422.00	$37,560.0	15.5%	- %	0.69	138.09x	7.40x
Mean	**1.15**							**11.8%**		**1.04**	**25.13x**	**6.80x**
Median	1.19							13.4%		1.08	2.45x	8.03x

Pinterest Relevered Beta

	Mean Unlevered Beta	Target Debt/ Equity	Target Marginal Tax Rate	Relevered Beta
Relevered Beta	1.04	(11.5%)	1.4%	**0.92**

WACC Sensitivity Analysis

Debt-to-Total Capitalization	Pre-tax Cost of Debt				
	3.3%	**3.8%**	**4.3%**	**4.8%**	**5.3%**
7.0%	7.26%	7.29%	7.33%	7.36%	7.40%
-3.0%	7.17%	**7.15%**	**7.14%**	**7.12%**	7.11%
-13.0%	7.08%	**7.01%**	**6.95%**	**6.88%**	6.82%
-23.0%	6.99%	**6.87%**	**6.76%**	**6.65%**	6.53%
-33.0%	6.89%	6.73%	6.57%	6.41%	6.24%

(1) Interpolated yield on 10-year U.S. Treasury, sourced from *Bloomberg*
(2) EQRP bloomberg
(3) beta sourced from bloomberg predicitive analytics

Assumptions

Assumptions		2018	2019	2020	2021	2022	2023	2024	2025	2026
Scenerio	Base Case									
Revenue Growth Rate						43%	43%	43%	43%	43%
High Case						51%	51%	51%	51%	51%
Base Case						43%	43%	43%	43%	43%
Low Case						36%	36%	36%	36%	36%
% of Revenue										
Cost of revenue		32%	31%	27%	21%	21%	21%	21%	21%	21%
Research and development		33%	106%	36%	30%	30%	30%	30%	30%	30%
Sales and Marketing		34%	54%	26%	25%	25%	25%	25%	25%	25%
General and administrative		10%	31%	20%	12%	12%	12%	12%	12%	12%
Interest income		2%	3%	1%	0%	0%	0%	0%	0%	0%
Interest Expense and other income		0%	0%	0%	0%	0%	0%	0%	0%	0%
Provision for Taxes		1%	0%	1%	1%	1%	1%	1%	1%	1%

Notes: (Company all overheads has been continuously decreasing that's why we have considered the revenue as a % figures of the recent year)

3-Statement Financial Model – Income Statement

INCOME STATEMENT

Fiscal year	2018A	2019A	2020A	2021A	2022P	2023P	2024P	2025P	2026P
Fiscal year end date	*9/30/16*	*9/30/17*	*9/29/18*	*9/25/21*	*9/30/22*	*9/30/23*	*9/30/24*	*9/30/25*	*9/30/26*
Revenue	755.93	1,142.76	1,692.66	2,578.03	3,692.09	5,287.57	7,572.52	10,844.88	15,531.35
Cost of sales	-241.58	-358.90	-449.36	-529.32	-758.06	-1,085.64	-1,554.79	-2,226.67	-3,188.89
Gross Profit	**514.35**	**783.86**	**1,243.30**	**2,048.71**	**2,934.03**	**4,201.93**	**6,017.73**	**8,618.21**	**12,342.46**
Research & development	-251.66	-1,207.06	-606.19	-780.26	-1,117.44	-1,600.33	-2,291.89	-3,282.31	-4,700.71
Sales & Marketing	-259.93	-611.59	-442.81	-641.28	-918.40	-1,315.27	-1,883.65	-2,697.64	-3,863.39
general & administrative	-77.48	-354.08	-336.80	-300.98	-431.04	-617.31	-884.07	-1,266.11	-1,813.24
Dep & Amortization					-35.62	-44.12	-53.42	-62.92	-71.59
Operating profit (EBIT)	**-74.72**	**-1,388.87**	**-142.50**	**326.19**	**431.53**	**624.89**	**904.70**	**1,309.24**	**1,893.53**
Interest income	13.15	30.16	16.12	4.20	6.02	8.62	12.35	17.68	25.33
Interest expense	-1.00	-2.14	-0.64	-9.42	-13.49	-19.32	-27.67	-39.63	-56.75
Pretax profit	**-62.56**	**-1,360.84**	**-127.02**	**320.97**	**424.06**	**614.20**	**889.38**	**1,287.29**	**1,862.10**
Taxes	-0.41	-0.53	-1.30	-4.53	-5.99	-8.67	-12.56	-18.18	-26.30
Net income	**-62.97**	**-1,361.37**	**-128.32**	**316.44**	**418.07**	**605.52**	**876.82**	**1,269.11**	**1,835.81**

3-Statement Financial Model – Balance Sheet

BALANCE SHEET

Fiscal year	2018A	2019A	2020A	2021A	2022P	2023P	2024P	2025P	2026P
Fiscal year end date	*9/30/16*	*9/30/17*	*9/29/18*	*9/25/21*	*9/30/22*	*9/30/23*	*9/30/24*	*9/30/25*	*9/30/26*
Current Asset									
Cash And Equivalents	122.51	649.67	669.23	1,419.63	1,470.29	1,691.80	2,053.66	2,625.71	3,509.66
Short Term Investments	505.30	1,063.68	1,091.08	1,060.49	1,113.51	1,169.19	1,227.65	1,289.03	1,353.48
Accounts Receivable	221.93	316.37	563.73	653.36	1,067.85	1,529.31	2,190.18	3,136.64	4,492.09
Prepaid Exp.	38.55	34.78	32.93	46.95	109.93	157.44	225.48	322.91	462.46
Restricted Cash	1.06	2.74	0.57	1.14	1.14	1.14	1.14	1.14	1.14
Total Current Asset	**889.35**	**2,067.23**	**2,357.54**	**3,181.56**	**3,762.73**	**4,548.87**	**5,698.11**	**7,375.43**	**9,818.83**
Non-Current Asset									
Gross Property, Plant & Equipment	277.96	353.51	309.06	389.47	492.30	609.84	738.34	869.73	989.55
Accumulated Depreciation	-51.20	-73.30	-83.80	-108.20	-143.82	-187.94	-241.35	-304.27	-375.86
Net Property, Plant & Equipment	226.72	280.24	225.29	281.31	348.48	421.91	496.99	565.46	613.69
Goodwill	6.91	6.91	6.91	40.21	44.23	48.65	53.52	58.87	64.76
Other Intangibles	7.17	7.67	6.66	20.91	23.00	25.30	27.83	30.61	33.67
Other Long-Term Assets	22.59	31.26	13.07	13.25	14.57	16.03	17.63	19.39	21.33
Total Non-Current Asset	**263.38**	**326.08**	**251.92**	**355.68**	**430.28**	**511.89**	**595.96**	**674.33**	**733.45**
Total Assets	**1,152.73**	**2,393.32**	**2,609.46**	**3,537.24**	**4,193.01**	**5,060.76**	**6,294.07**	**8,049.77**	**10,552.28**
LIABILITIES									
Current Liabilities									
Accounts Payable	22.17	34.33	49.49	17.68	43.80	62.72	89.83	128.64	184.23
Accrued Exp.	65.72	95.30	111.71	200.44	289.90	415.17	594.58	851.52	1,219.50
Curr. Port. of Leases	20.54	46.53	43.63	41.69	101.38	145.19	207.93	297.78	426.47
Total Current Liabilities	**108.43**	**176.16**	**204.83**	**259.81**	**435.07**	**623.08**	**892.34**	**1,277.95**	**1,830.20**
Non-Current Liabilities									
Long-Term Leases	151.40	173.39	139.32	209.18	230.10	253.11	278.42	306.26	336.89
Other Non-Current Liabilities	17.14	20.06	22.94	29.51	35.41	42.50	51.00	61.21	73.46
Total Non-Current Liabilities	168.53	193.46	162.26	238.69	265.51	295.61	329.42	367.47	410.35
Total Liabilities	276.96	369.61	367.09	498.50	700.58	918.69	1,221.76	1,645.42	2,240.55
Shareholder Equity									
Preferred Equity	1,470.33	-	-	-	-	-	-	-	-
Common Stock	0.00	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
Additional Paid In Capital	252.21	4,229.78	4,574.93	5,059.53	5,095.15	5,139.53	5,059.53	5,122.53	5,194.53
Retained Earnings	-845.40	-2,206.70	-2,335.00	-2,018.60	-1,600.53	-995.01	14.81	1,283.93	3,119.73
Comprehensive Inc. and Other	-1.40	0.65	2.48	-2.20	-2.20	-2.20	-2.20	-2.20	-2.20
Total Shareholder Equity	**875.75**	**2,023.73**	**2,242.42**	**3,038.74**	**3,492.43**	**4,142.33**	**5,072.15**	**6,404.26**	**8,312.07**
Total Liabilities And Equity	**1,152.71**	**2,393.34**	**2,609.51**	**3,537.23**	**4,193.01**	**5,061.02**	**6,293.91**	**8,049.69**	**10,552.61**

3-Statement Financial Model – Balance Sheet Schedules

Working Capital Schedule

Current Asset									
Short Term Investments	505.30	1,063.68	1,091.08	1,060.49	1,113.51	1169.188	1227.647	1289.03	1353.4813
Accounts Receivable	221.93	316.37	563.73	653.36	1,067.85	1,529.31	2,190.18	3,136.64	4,492.09
Prepaid Exp.	38.55	34.78	32.93	46.95	109.93	157.44	225.48	322.91	462.46
Curent Liabilities									
Accounts Payable	22.17	34.33	49.49	17.68	43.80	62.72	89.83	128.64	184.23
Accrued Exp.	65.72	95.30	111.71	200.44	289.90	415.17	594.58	851.52	1,219.50
Curr. Port. of Leases	20.54	46.53	43.63	41.69	101.38	145.19	207.93	297.78	426.47
Working Capital	**657.36**	**1238.673**	**1482.909**	**1500.99**	**1,856.23**	**2,232.86**	**2,750.97**	**3,470.63**	**4,477.83**
Change in working Capital					**355.24**	**376.63**	**518.11**	**719.66**	**1,007.20**
Working Capital Assumptions									
Short Term investment growth rate					5%	5%	5%	5%	5%
Day Sales Outstanding(DSO)	107.16	101.05	121.56	92.50	105.57	105.57	105.57	105.57	105.57
Prepaid Exp. As a % of Revenue	5%	3%	2%	2%	3%	3%	3%	3%	3%
Days Payble Outstanding (DPO)	33.49	34.92	40.20	12.19	30.20	30.20	30.20	30.20	30.20
Accrued Exp. As a % of Revenue	9%	8%	7%	8%	8%	8%	8%	8%	8%
Current Port of Leases as a % of Revenue	3%	4%	3%	2%	3%	3%	3%	3%	3%

Depreciation Schedule									
Beginning value of P,P&E		226.72	280.24	225.29	281.31	348.48	421.91	496.99	565.46
Capital Expenditure		126.828	28.848	164.222	210.98	261.36	316.43	372.74	424.09
Gross P,P&E		353.54	309.09	389.51	492.30	609.84	738.34	869.73	989.55
Accumulated Dep		-73.30	-83.80	-108.20	-143.82	-187.94	-241.35	-304.27	-375.86
Ending Net P,P&E	226.72	280.24	225.29	281.31	348.48	421.91	496.99	565.46	613.69
Depreciation	21.00	28.00	37.00	28.00	35.62	44.12	53.42	62.92	71.59
Dep as a % of beginning value		12%	13%	12%	13%	13%	13%	13%	13%
Capex as a % of beginning value		56%	10%	73%	75%	75%	75%	75%	75%

Goodwill	6.91	6.91	6.91	40.21	44.23	48.65	53.52	58.87	64.76
YoY Change		0%	0%	482%	10%	10%	10%	10%	10%
Other Intangibles	7.17	7.67	6.66	20.91	23.00	25.30	27.83	30.61	33.67
YoY Change		7%	-13%	214%	10%	10%	10%	10%	10%
Other Long-Term Assets	22.59	31.26	13.07	13.25	14.57	16.03	17.63	19.39	21.33
YoY Change		38%	-58%	1%	10%	10%	10%	10%	10%
Long-Term Leases	151.40	173.39	139.32	209.18	230.10	253.11	278.42	306.26	336.89
YoY Change		15%	-20%	50%	10%	10%	10%	10%	10%
Other Non-Current Liabilities	17.14	20.06	22.94	29.51	35.41	42.50	51.00	61.21	73.46
YoY Change		17%	14%	29%	20%	20%	20%	20%	20%

3-Statement Financial Model – Cash Flow Statement

CASH FLOW STATEMENT

Fiscal year	2022P	2023P	2024P	2025P	2026P
Fiscal year end date	*9/30/22*	*9/30/23*	*9/30/24*	*9/30/25*	*9/30/26*
Net income	418	606	877	1,269	1,836
Depreciation and amortization	36	44	53	63	72
Change in working capital	(355)	(377)	(518)	(720)	(1,007)
Cash from operating activities	**98**	**273**	**412**	**612**	**900**
Capital expenditures	67	73	75	68	48
Change in goodwill	4	4	5	5	6
Change in intangible asset	2	2	3	3	3
Change in other long term asset	1	1	2	2	2
Cash from investing activities	**75**	**82**	**84**	**78**	**59**
change in Long term lease	21	23	25	28	31
change in other Non-Current Liabilities	6	7	9	10	12
Cash from financing activities	**27**	**30**	**34**	**38**	**43**
Net change in cash during period	**51**	**222**	**362**	**572**	**884**
Opening Cash Balance	1,420	1,470	1,692	2,054	2,626
Closing Cash	**1,470**	**1,692**	**2,054**	**2,626**	**3,510**

Discounted Cash Flow Model

Discounted Cash Flow Valuation

$ and shares in millions, except per share data

Most recent fiscal year end	12/31/2021	Discount rate (WACC)	6.9%
End of first fiscal year	12/31/2021	Share price (Public Co)	
Most recent quarter end date	12/31/2021	Share price date	
Valuation date	4/16/2022	Midyear adjustment?	0
Portion of First Year Cash Flows	29.4%		
		Case active:	$0.00

Unlevered Free Cash Flows

	LTM	Actual	Forecasts				
Fiscal year ended	4/16/2022	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25	12/31/26
Revenue	2,906	2,578	3,692	5,288	7,573	10,845	15,531
% growth			43.2%	43.2%	43.2%	43.2%	43.2%
EBITDA	382	354	467	669	958	1,372	1,965
% margin		13.7%	12.7%	12.7%	12.7%	12.7%	12.7%
EBIT	357	326	432	625	905	1,309	1,894
% margin		12.7%	11.7%	11.8%	11.9%	12.1%	12.2%
Tax on EBIT		(5)	6	9	12	18	25
Tax rate		1.4%	1.4%	1.4%	1.4%	1.4%	1.4%
NOPAT (aka EBIAT)		**322**	**438**	**634**	**917**	**1,327**	**1,919**
Depreciation & amortization		28	36	44	53	63	72
Changes in net working capital			(355)	(377)	(518)	(720)	(1,007)
Capital expenditures			(211)	(261)	(316)	(373)	(424)
as % of revenue			(5.7%)	(4.9%)	(4.2%)	(3.4%)	(2.7%)
Unlevered free cash flows (UFCF)			**(93)**	**40**	**136**	**297**	**559**

Present value of UFCF on Apr 16, 2022 valuation date

		Val date	Yr 1 - Stub	Year 2	Year 3	Year 4	Year 5
Date for discounting cash flows		4/16/2022	12/31/2022	12/31/2023	12/31/2024	12/31/2025	12/31/2026
Unlevered free cash flows (UFCF) stub adjusted	29.4%		(27)	40	136	297	559
Present value of unlevered free cash flows			**(26)**	**35**	**113**	**232**	**407**

Q&A