

Output 1

BigTechCompany

Quarterly Financial Overview

Instructions:

Using the income statement, balance sheet and cash flow statements, populate the quarterly financial information for Stargaze in the table below.

The following will be found in the three financial statements: revenues, operating income, net income, net income per share, free cash flow.

Next, calculate the quarter-over-quarter growth for revenue, operating income (EBITDA) and net income per share.

Then, calculate the financial metrics -- EBITDA margin, net income margin, FCF per diluted share.

Ensure that your number formatting is consistent with the formatting in column D.

Once finished, copy this table on page 2 of your PowerPoint template.

BigTechCompany (\$ in thousands)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
Revenues	\$501,430	\$513,924	\$523,843	\$539,652	\$550,744	\$557,910
<i>Quarterly Growth</i>		2%	1.9%	3.0%	2.1%	1.3%
Operating Income (EBITDA)	\$137,190	\$129,334	\$122,868	\$44,224	\$138,014	\$110,480
<i>Quarterly Growth</i>		-6%	-5%	-64%	212%	-20%
Net Income	\$119,470	\$94,711	\$101,435	\$42,520	\$111,821	\$100,867
<i>Quarterly Growth</i>		-21%	7%	-58%	163%	-10%
Net Income per Share	\$3.85	\$3.05	\$3.27	\$1.37	\$3.60	\$3.24
Free Cash Flow (FCF)	\$48,416	-\$12,253	-\$7,438	-\$39,848	\$56,118	\$891

Financial Metrics	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022
EBITDA Margin	27%	25%	23%	8%	25%	20%
Net Income Margin	24%	18%	19%	8%	20%	18%
FCF per Diluted Share	\$1.52	-\$0.38	-\$0.23	-\$1.25	\$1.77	\$0.03

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e cash flow.

<u>Q3 2022</u>	<u>Q4 2022</u>	<u>Q1 2023</u>
\$554,791	\$549,644	\$571,305
-0.6%	-0.9%	3.9%
\$107,311	\$38,493	\$120,002
-3%	-64%	212%
\$97,877	\$3,870	\$102,019
-3%	-96%	2536%
\$3.14	\$0.12	\$3.27
\$33,030	\$23,259	\$56,812
<u>Q3 2022</u>	<u>Q4 2022</u>	<u>Q1 2023</u>
19%	7%	21%
18%	1%	18%
\$1.05	\$0.74	\$1.79

Hint: EBITDA margin is calculated as EBITDA divided by revenue

Hint: divide FCF by diluted shares

Output 2
BigTechCompany
Customer Trends

Instructions:

Using the Customer Data tab, populate the quarterly information on Stargaze customers.

Ensure that your formatting is consistent across the table. Your formatting should match that of column D.

Once finished, copy your table into page 3 of the PowerPoint presentation.

Customer Trends <u>#s in thousands</u>	Q1 <u>2021</u>	Q2 <u>2021</u>	Q3 <u>2021</u>	Q4 <u>2021</u>	Q1 <u>2022</u>	Q2 <u>2022</u>	Q3 <u>2022</u>
Cost of Subscription (Quarterly)	\$33	\$33	\$33	\$33	\$34	\$34	\$34
Number of Users (Beginning of Period)	15,195	15,573	15,874	16,353	16,198	16,409	16,317
Customer Attrition	89	200	204	444	2,446	5,000	1,655
New Users	468	501	683	289	2,657	4,908	1,504
Number of Users (End of Period)	15,573	15,874	16,353	16,198	16,409	16,317	16,166
<i>Change in # of Users</i>		2%	3%	-1%	1%	-1%	-1%
Net Change in Customers	379	301	479	(155)	211	(92)	(151)
Churn Rate	0.6%	1.3%	1.3%	2.7%	15.1%	30.5%	10.1%



Q4 <u>2022</u>	Q1 <u>2023</u>
\$34	\$34
16,166	16,803
1,244	322
1,881	1,965
16,803	18,446
4%	10%
637	1,643
7.7%	1.9%

Hint: Customer attrition is the number of customers who canceled their service.

Hint: This is calculated by taking the number of new users minus the number of customers who canceled their services.

Hint: Churn rate is calculated by taking the number of customers lost in a period divided by the number of total customers in the previous period.

Output 3
BigTechCompany
Annual Projections

Instructions:

Populate the FINANCIAL HIGHLIGHTS section from the income statement, balance sheet and statement of cash flows.

For the 2023E figures, you will need to use annualized figures. To do this, multiply Q1 2023 figures by 4.

For the 2024E figures, the company is assuming the following:

Revenues increase by 15%

Operating income increases by 10%

Net income Increases by 8%

FCF decreases by 2%

Share count remains the same

Debt remains the same

Next, calculate the financial metrics table.

Once you have finished populating the table, check to make sure your formatting matches column D. Then copy the t

	FY 2020	FY 2021	FY 2022	FY 2023E	FY 2024E
Financial Highlights					
Revenues	\$1,999,444	\$2,078,849	\$2,213,089	\$2,285,221	\$2,628,004
<i>Annual Growth</i>		4%	6%	3%	15%
Operating Income (EBITDA)	\$371,461	\$433,616	\$394,298	\$480,009	\$528,010
<i>Annual Growth</i>		17%	-9%	22%	10%
Net Income	\$247,641	\$358,136	\$314,435	\$408,075	\$440,721
<i>Annual Growth</i>		45%	-12%	30%	8%
Net Income per Share	\$12.11	\$11.55	\$10.11	\$13.09	\$13.09
Free Cash Flow (FCF)	\$755	-\$11,123	\$113,297	\$227,248	\$231,793

Financial Metrics

EBITDA Margin	19%	21%	18%	21%	20%
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Net Income Margin	12%	17%	14%	18%	17%
Debt / EBITDA	2.7x	2.4x	2.5x	2.0x	1.9x
FCF per Diluted Share	\$0.03	-\$0.35	\$3.58	\$7.18	\$7.32

able into the PowerPoint presentation.

2020-2024E

CAGR

7%

9%

16%

2%

319%

[Click here to learn how to Calculate CAGR](#)

Note: For debt, use long-term debt on the balance sheet.

BigTechCompany
Consolidated Statements of Operations
(unaudited)
(in thousands, except per share data)

	Three Months Ended			Twelve Months Ended	
	March 31, <u>2021</u>	June 30, <u>2021</u>	September 30, <u>2021</u>	December 31, <u>2021</u>	December 31, <u>2021</u>
Revenues	\$ 501,430	\$ 513,924	\$ 523,843	\$ 539,652	\$ 2,078,849
Cost of revenues	270,796	281,261	294,461	366,770	1,213,288
Marketing	35,876	42,278	44,516	55,490	178,160
Technology and development	36,764	37,612	39,472	45,323	159,172
General and administrative	20,804	23,439	22,525	27,845	94,613
Operating income	137,190	129,334	122,868	44,224	433,616
Other income (expense):					
Interest expense	(13,611)	(13,393)	(13,330)	(13,260)	(53,593)
Interest and other income (expense)	18,836	(4,376)	6,729	7,596	28,785
Income before income taxes	142,415	111,565	116,267	38,560	408,807
Benefit from (provision for) income taxes	(22,945)	(16,854)	(14,832)	3,960	(50,671)
Net income	\$ 119,470	\$ 94,711	\$ 101,435	\$ 42,520	\$ 358,136
Earnings per share:					
Basic	\$ 3.85	\$ 3.05	\$ 3.27	\$ 1.37	\$ 11.55
Diluted	\$ 3.75	\$ 2.97	\$ 3.19	\$ 1.33	\$ 11.24
Weighted-average shares of common stock outstanding:					
Basic	31,026	31,021	30,994	31,042	31,042
Diluted	31,895	31,859	31,845	31,906	31,906

	<u>Three Months Ended</u>				<u>Twelve Months Ended</u> December 31, <u>2022</u>	<u>Three Months Ended</u> March 31, <u>2023</u>	
	<u>March 31,</u> <u>2022</u>	<u>June 30,</u> <u>2022</u>	<u>September 30,</u> <u>2022</u>	<u>December 31,</u> <u>2022</u>			
\$ 550,744	\$ 557,910	\$ 554,791	\$ 549,644	\$ 2,213,089	\$ 571,305		
299,929	328,353	335,207	378,291	1,341,780	336,254		
38,918	40,247	39,757	58,213	177,135	38,875		
46,027	50,179	46,392	47,175	189,773	48,109		
27,855	28,651	26,125	27,472	110,102	28,065		
138,014	110,480	107,311	38,493	394,298	120,002		
(13,131)	(12,282)	(12,080)	(11,942)	(49,435)	(12,197)		
13,695	15,416	18,298	(23,798)	23,612	(4,984)		
138,578	113,614	113,529	2,754	368,475	102,821		
(26,757)	(12,747)	(15,652)	1,116	(54,040)	(802)		
\$ 111,821	\$ 100,867	\$ 97,877	\$ 3,870	\$ 314,435	\$ 102,019		
\$ 3.60	\$ 3.24	\$ 3.14	\$ 0.12	\$ 10.11	\$ 3.27		
\$ 3.53	\$ 3.20	\$ 3.10	\$ 0.12	\$ 9.95	\$ 3.22		
31,090	31,119	31,141	31,164	31,164	31,167		
31,709	31,512	31,524	31,615	31,615	31,669		

BigTechCompany
Consolidated Balance Sheets
(unaudited)
(in thousands)

	March 31, 2021	June 30, 2021	September 30, 2021	December 31, 2021	March 31, 2022
Assets					
Current assets:					
Cash and cash equivalents	\$ 588,259	\$ 544,427	\$ 526,868	\$ 421,946	\$ 420,626
Short-term investments	-	-	-	-	-
Other current assets	119,266	127,872	132,237	142,941	146,235
Total current assets	707,526	672,299	659,105	564,888	566,861
Content assets, net	1,823,079	1,910,415	2,028,183	2,164,368	2,183,434
Property and equipment, net	71,079	77,521	85,408	92,642	96,863
Other non-current assets	206,927	207,733	219,094	299,029	326,004
Total assets	\$ 2,808,611	\$ 2,867,968	\$ 2,991,790	\$ 3,120,926	\$ 3,173,163
Liabilities and Stockholders' Equity					
Current liabilities:					
Current content liabilities	\$ 300,857	\$ 293,851	\$ 287,767	\$ 300,508	\$ 284,640
Accounts payable	37,306	43,605	45,014	58,624	43,204
Accrued expenses and other liabilities	90,427	78,791	98,918	101,455	127,198
Deferred revenue	79,819	83,115	82,784	84,654	86,733
Short-term debt	48,915	48,939	48,963	48,988	-
Total current liabilities	\$ 557,324	\$ 548,302	\$ 563,447	\$ 594,228	\$ 541,776
Non-current content liabilities	\$ 172,594	\$ 158,570	\$ 161,072	\$ 216,595	\$ 206,165
Long-term debt	1,040,239	1,044,882	1,035,558	1,028,515	1,017,419
Other non-current liabilities	136,569	145,742	159,689	172,141	179,720
Total liabilities	1,906,725	1,897,497	1,919,767	2,011,479	1,945,081
Stockholders' equity:					
Common stock	\$ 252,006	\$ 260,487	\$ 269,677	\$ 281,719	\$ 290,891
Treasury stock at cost	-	(35,002)	(42,002)	(57,693)	(57,693)
Accumulated other comprehensive income (loss)	290	684	(1,388)	(2,835)	(5,192)
Retained earnings	649,590	744,301	845,736	888,256	1,000,077
Total stockholders' equity	901,886	970,471	1,072,023	1,109,447	1,228,083
Total liabilities and stockholders' equity	\$ 2,808,611	\$ 2,867,968	\$ 2,991,790	\$ 3,120,926	\$ 3,173,163

<u>June 30, 2022</u>	<u>September 30, 2022</u>	<u>December 31, 2022</u>	<u>March 31, 2023</u>
\$ 407,361	\$ 427,961	\$ 360,302	\$ 470,022
-	-	63,789	77,904
141,493	189,222	224,561	185,858
548,854	617,183	648,653	733,784
2,277,324	2,294,414	2,291,570	2,264,443
95,334	96,093	97,878	98,917
323,053	321,663	363,533	367,181
\$ 3,244,565	\$ 3,329,353	\$ 3,401,634	\$ 3,464,324
\$ 292,248	\$ 295,812	\$ 313,611	\$ 304,121
35,299	39,211	47,006	41,439
111,722	126,249	106,026	120,265
85,732	82,343	88,526	88,359
-	-	-	27,941
\$ 525,002	\$ 543,615	\$ 555,168	\$ 582,125
209,297	206,876	215,689	203,562
996,331	972,168	1,004,715	982,658
178,617	169,725	171,643	168,006
1,909,247	1,892,383	1,947,216	1,936,350
\$ 302,181	\$ 313,177	\$ 324,632	\$ 333,368
(57,693)	(57,693)	(57,693)	(86,024)
(10,113)	(17,335)	(15,211)	(13,419)
1,100,944	1,198,821	1,202,691	1,294,049
1,335,318	1,436,970	1,454,418	1,527,974
\$ 3,244,565	\$ 3,329,353	\$ 3,401,634	\$ 3,464,324

BigTechCompany
Consolidated Statements of Cash Flows
(unaudited)
(in thousands)

	<u>March 31, 2021</u>	<u>June 30, 2021</u>	<u>September 30, 2021</u>	<u>Three Months Ended</u>
Cash flows from operating activities:				
Net income	\$ 119,470	\$ 94,711	\$ 101,435	
Adjustments to reconcile net income to net cash provided by (used in) operating activities:				
Additions to content assets	(229,920)	(286,773)	(326,637)	
Change in content liabilities	(18,623)	(21,855)	(2,047)	
Amortization of content assets	190,344	196,476	207,414	
Depreciation and amortization of property, equipment and intangibles	2,502	2,690	4,918	
Stock-based compensation expense	7,506	7,111	6,655	
Foreign currency remeasurement loss (gain) on debt	(17,733)	4,415	(9,554)	
Other non-cash items	5,086	7,567	7,155	
Deferred income taxes	11,181	3,579	3,568	
Changes in operating assets and liabilities:				
Other current assets	(15,509)	(3,666)	(6,660)	
Accounts payable	(9,612)	5,062	1,739	
Accrued expenses and other liabilities	12,453	(12,000)	18,884	
Deferred revenue	1,560	3,297	(331)	
Other non-current assets and liabilities	(4,296)	(5,078)	(771)	
Net cash provided by (used in) operating activities	54,409	(4,463)	5,767	
Cash flows from investing activities:				
Purchases of property and equipment	(5,670)	(7,719)	(11,713)	
Change in other assets	(323)	(70)	(1,491)	
Acquisitions	-	-	-	
Purchases of short-term investments	-	-	-	
Net cash used in investing activities	(5,993)	(7,789)	(13,204)	
Cash flows from financing activities:				
Rewards of debt	(500,000)	-	-	
Proceeds from issuance of common stock	48,071	19,749	18,445	
Repurchases of common stock	-	(500,022)	(100,000)	
Taxes paid related to net share settlement of equity awards	-	-	-	
Net cash provided by (used in) financing activities	(451,929)	(480,273)	(81,555)	
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(2,950)	1,643	(4,469)	
Net increase (decrease) in cash, cash equivalents, and restricted cash	13,831	(44,228)	(17,616)	

Cash, cash equivalents, and restricted cash beginning of period	\$ 576,721	\$ 590,552	\$ 546,323
Cash, cash equivalents, and restricted cash end of period	<u>\$ 590,552</u>	<u>\$ 546,323</u>	<u>\$ 528,708</u>

Non-GAAP free cash flow reconciliation:

Net cash provided by (used in) operating activities	\$ 54,409	\$ (4,463)	\$ 5,767
Purchases of property and equipment	(5,670)	(7,719)	(11,713)
Change in other assets	(323)	(70)	(1,491)
Non-GAAP free cash flow	\$ 48,416	\$ (12,253)	\$ (7,438)

December 31, <u>2021</u>	<u>Twelve Months Ended</u>		March 31, <u>2022</u>	<u>Three Months Ended</u>			December 31, <u>2022</u>
	December 31, <u>2021</u>	\$ 358,136		June 30, <u>2022</u>	\$ 100,867	September 30, <u>2022</u>	
\$ 42,520	\$ 358,136	\$ 111,821	\$ 100,867	\$ 97,877	\$ 3,870		
-		-	-	-	-		
(395,825)	(1,239,154)	(250,891)	(328,091)	(320,787)	(278,963)		
58,827	16,303	(24,300)	13,386	4,261	19,205		
261,892	856,126	221,646	228,294	255,751	276,138		
4,479	14,589	5,222	5,845	5,963	6,537		
6,953	28,225	8,345	10,527	10,644	10,765		
(7,274)	(30,146)	(11,327)	(21,316)	(24,392)	32,318		
6,566	26,374	7,138	14,376	7,176	8,658		
(4,360)	13,968	(4,823)	(8,107)	(4,046)	5,318		
-		-	-	-	-		
(43)	(25,878)	2,881	8,638	(8,405)	(27,882)		
12,970	10,158	(15,081)	(8,543)	3,771	8,755		
(6,713)	12,624	24,553	(16,710)	14,845	(26,574)		
1,870	6,395	1,172	(726)	(3,389)	4,859		
(10,092)	(20,237)	(11,755)	8,753	(293)	(11,933)		
(28,229)	27,483	64,599	7,192	38,977	31,070		
(11,619)	(36,721)	(8,481)	(6,301)	(5,947)	(7,812)		
-	(1,884)	-	-	-	-		
(55,184)	(55,184)	(8,716)	(4,821)	-	(39,479)		
-	-	-	-	-	(63,789)		
(66,803)	(93,790)	(17,198)	(11,123)	(5,947)	(111,080)		
-	(500,000)	(700,000)	-	-	-		
88,149	174,414	13,678	11,250	4,113	6,705		
-	(600,022)	-	-	-	-		
(224,168)	(224,168)	-	-	-	-		
(136,019)	(1,149,776)	(686,322)	11,250	4,113	6,705		
(297)	(6,072)	(801)	(10,164)	(12,604)	11,659		
(104,850)	(152,863)	(1,443)	(13,306)	20,713	(67,881)		

528,708	8,238,870	423,858	422,415	409,109	429,822
\$ 423,858	\$ 8,086,007	\$ 422,415	\$ 409,109	\$ 429,822	\$ 361,941
\$ (28,229)	\$ 27,483	\$ 64,599	\$ 7,192	\$ 38,977	\$ 31,070
(11,619)	(36,721)	(8,481)	(6,301)	(5,947)	(7,812)
-	(1,884)	-	-	-	-
\$ (39,848)	\$ (11,123)	\$ 56,118	\$ 891	\$ 33,030	\$ 23,259

<u>Twelve Months Ended</u>	<u>Three Months Ended</u>
<u>December 31,</u>	<u>March 31,</u>
<u>2022</u>	<u>2023</u>
\$ 314,435	\$ -
(1,178,733)	(172,107)
12,552	(24,835)
981,829	242,199
23,568	6,323
40,282	6,937
(24,718)	5,646
37,348	8,401
(11,659)	(6,915)
-	-
(24,768)	(6,197)
(11,098)	(6,277)
(3,886)	12,971
1,915	(167)
(15,229)	(4,826)
<u>141,838</u>	<u>61,153</u>
(28,541)	(4,341)
-	-
(53,017)	-
(63,789)	(14,114)
<u>(145,347)</u>	<u>(18,456)</u>
(700,000)	-
35,746	26,028
-	(400,101)
-	-
<u>(664,254)</u>	<u>(374,073)</u>
(11,910)	1,850
(61,917)	109,721

6,055,111		361,941	
\$	5,993,194	\$	471,661
\$	141,838	\$	61,153
	(28,541)		(4,341)
	-		-
\$	113,297	\$	56,812

BigTechCompany

	<u>Three Months Ended</u>				
	March 31,	June 30,	September 30,	December 31,	March 31,
	<u>2021</u>	<u>2021</u>	<u>2021</u>	<u>2021</u>	<u>2022</u>
Revenue	\$ 501,430	\$ 513,924	\$ 523,843	\$ 539,652	\$ 550,744
Quarterly Subscription Cost	\$33.00	\$33.00	\$33.00	\$33.00	\$34.00
Users (Beginning of Period)	15,195	15,573	15,874	16,353	16,198
Users who cancelled	89	200	204	444	2,446
Users (End of Period)	15,573	15,874	16,353	16,198	16,409

Note: In Q4 2021, the company announced its plans to increase prices, which led to a drop in customers.

	<u>Three Months Ended</u>			<u>Three Months Ended</u>	
	<u>June 30,</u> <u>2022</u>	<u>September 30,</u> <u>2022</u>	<u>December 31,</u> <u>2022</u>	<u>March 31,</u> <u>2023</u>	
\$	557,910	\$ 554,791	\$ 549,644	\$ 571,305	
	\$34.00	\$34.00	\$34.00	\$34.00	
	16,409	16,317	16,166	16,803	
	5,000	1,655	1,244	322	
	16,317	16,166	16,803	18,446	