MELD valuation

Go Away Corporation

Business Valuation Report
Prepared in Accordance with Revenue Ruling 59-60 and Treasury Regulation §20.2031-1(b)

Purpose: Determination of Fair Market Value for Federal Estate Tax Reporting.
Valuation Date: May 30, 2025
Premise of Value: Going Concern.
Standard of Value: Fair Market Value – The price at which the property would change hands between a willing buyer and a willing seller, neither being under any compulsion to buy or sell and both having reasonable knowledge of relevant facts.
Level of Value: Non-marketable, minority interest of the common share.
Date of Report: December 18, 2025

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Introduction

This report presents a determination of the Fair Market Value of the equity of Go Away Corporation ("Company" or "Go Away Corporation" or "Go Away"), on a non-marketable, minority interest basis, as of May 30, 2025 ("Valuation Date"). The purpose of this valuation is to assist in the transfer of shares for estate planning and federal estate and gift tax reporting purposes. This report should not be used for any other purpose without the prior written consent of Meld Valuation ("Meld Valuation"). This report constitutes an Appraisal Report[1] prepared in accordance with Revenue Ruling 59-60 and applicable Treasury Regulations.

Conclusion and Value Opinion

Based upon the analyses in this report, it is the opinion of Meld that the fair market value of the Common Share of Go Away Corporation on a non-marketable, minority, per share basis as of May 30, 2025, is:

$0.88 per share.

Purpose and Scope

We followed the guidelines for valuing privately held companies as set by the Internal Revenue Service in Revenue Ruling 59-60. The following factors are fundamental in establishing value and were considered in this report:

- The history of the Company and nature of the business.
- General economic conditions and the outlook for the industry.
- The book value and financial condition of Go Away Corporation.
- The earning capacity of the Company.
- The risk associated with an investment in Go Away Corporation.
- The ownership structure and rights accorded to shareholders of the Company.
- Prior stock sales in Go Away Corporation and the size of the block of stock being valued.
- The dividend capacity and dividend policy of the Company.
- The goodwill and intangible assets of Go Away Corporation.
- The stock price of Go Away Corporation's with stock actively traded in a free and open market and in the same or a similar line of business; and
- The liquidity of an investment in Go Away Corporation.

Following a careful analysis of these factors, we will establish the fair market value of equity of the Company. Fair market value is defined as: the price, expressed in terms of cash equivalents, at which property would

1 The Appraisal Foundation, Uniform Standards of Professional Appraisal Practice, 2006, Standards Rule 10-2.

change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.

Our analysis, opinions, and conclusions are limited by the assumptions in Appendix 1 and are the personal and unbiased professional opinion of Meld Valuation. The credentials for valuing operating businesses are in Appendix 2 of this report. The independence of Meld Valuation ("Meld Valuation") concerning this appraisal is in Appendix 3 and a description of the sources of information relied on by Meld Valuation is in Appendix 4. In Appendix 5 we provide a brief description of the guideline companies selected for comparison in our valuation analysis via the market approach. Appendix 6 contains a detailed summary of the national economic conditions as of the second quarter of 2025 to coincide with the Economic Conditions and Industry Outlook section in the body of the report.

<u>Standard of Value</u>

This report relies on the following definitions of Fair Market Value provided by regulatory entities: which is defined by IRS Revenue Ruling 59-60, Section 2.02:

The price at which the property would change hands between a willing buyer and a willing seller when the former is not under any compulsion to buy and the latter is not under any compulsion to sell, both parties having reasonable knowledge of relevant facts.

For this valuation analysis, it was assumed that no material difference existed between the estimated fair market value and the fair value of the Company's common equity. Throughout the report and the related analysis, it is assumed that the terms Fair Market Value and Fair Value are interchangeable.

Company Overview

Go Away, Inc. is a privately held cybersecurity company that provides data-centric security solutions designed to protect sensitive information as it is created, shared, and stored across modern cloud environments. Founded in 2012 by brothers Bob and Daveand headquartered in Washington, D.C., the company's technology is built around the Trusted Data Format ("TDF"), an open standard for end-to-end encryption and access control originally developed by co-founder Will Ackerly during his tenure at the U.S. National Security Agency.

Virtru's Data Security Platform enables customers to embed security directly into data objects rather than relying solely on network or perimeter defenses. The platform provides capabilities such as end-to-end encryption, granular access controls, key management, and persistent audit logging, allowing organizations to maintain control over who can access, use, and retain their information even after it leaves the originating domain. These capabilities are positioned to support "zero trust" architectures by enforcing protections at the data layer.

The company offers a portfolio of software-as-a-service ("SaaS") products that integrate into widely used enterprise applications, including Gmail and Outlook for email, Google Workspace and Microsoft 365 for productivity, and various SaaS and cloud workflows used for file sharing, customer support, and data collaboration. Virtru's solutions include email and file encryption, secure file sharing (Go Away Secure Share), a data protection gateway for server-side encryption and policy enforcement, and key management products such as Go Away Private Keystore as well as support for Google Workspace Client-Side Encryption.

Go Away serves a diversified customer base across regulated industries, including government, defense, financial services, healthcare, education, and other enterprises with stringent privacy and compliance requirements. Its data-centric approach is marketed as enabling compliance with regimes such as GDPR and HIPAA and supporting U.S. federal "zero trust" mandates by allowing attribute-based access control and detailed governance over unstructured and semi-structured data.

The company reports a global customer base numbering in the thousands, variously cited at more than 6,000–8,000 organizations, which use Go Away to secure email, files, and SaaS workflows and to simplify data privacy, security, and compliance across distributed cloud environments.

Capital Structure

As of the Valuation Date the Company had the following Capital Structure:

Rights and Preferences	Seniority [1]	Liquidation Preference	Original Issue Price	Participating Equity [2]	Participation Threshold [3]	Participation Threshold [4]	Conversion Ratio
Series A Preferred	1	1.0x	$2.11	No	No	Na	1:1
Series B Preferred	1	1.0x	$3.32	No	No	Na	1:1
Series C Preferred	1	1.0x	$4.43	No	No	Na	1:1

Security	Shares	Warrants	Options	Total [5]	% Ownership
Series A Preferred	19,474,140	--	--	19,474,140	27.9%
Series B Preferred	11,245,391	--	--	11,245,391	16.1%
Series C Preferred	7,899,540	--	--	7,899,540	11.3%
Common Shares	20,287,269	243,640	10,682,074	31,212,983	44.8%
Options Available For Grant			-144,138	-144,138	-0.2%
Total	**58,906,340**	**243,640**	**10,537,936**	**69,687,916**	**100.0%**

Notes:
[1] Highest rank indicates most senior class of stock.
[2] Indicates classes of stock that participate with common stock in proceeds beyond senior liquidation preferences (if applicable).
[3] Indicates if participating classes of preferred stock are capped at a certain dollar amount.
[4] Indicates participating preferred cap threshold (if applicable).
[5] Fully Diluted As-Converted.

Liquidation Preference

Upon a liquidation event, preferred shareholders are entitled to receive on a pari passu basis, in preference to common shareholders, an amount per share equal to the sum of the original issue price plus any unpaid accrued dividends. If assets and funds are insufficient to meet the liquidation preference of the Series preferred shares, funds will be distributed ratably among the Series preferred shareholders.

After the payment to the Series preferred shareholders, assets of the Company are distributed with equal priority and pro rata to the holders of common stock.

Conversion

All preferred shares are convertible to common at any time at a conversion ratio of 1.0 times.

Dividend Capacity and Policy

The dividend capacity of a business measures the company's ability to distribute a portion of its earnings without adversely affecting its competitive position and financial condition. Dividend policy, on the other hand, represents the willingness of the shareholders to declare dividends. While dividend capacity is important in valuing a total business enterprise, dividend policy is less relevant in valuing minority interests because minority shareholders do not have the right or power to determine dividends. Given this, the dividend capacity was not considered.

Goodwill & Other Intangibles

As pointed out in Revenue Ruling 59-60, "In the final analysis, goodwill is based upon earning capacity. The presence of goodwill and the value, therefore, rests upon the net earnings over and above a fair return on the net tangible assets." While the Internal Revenue Service developed a formula (the "Treasury Method") for establishing the value of goodwill by determining one capitalization rate for the return on net tangible assets and a second capitalization rate for "excess" earnings, this method is not used in the marketplace. In fact, the Service denounced the method in its Appellate Conferee Valuation Training Program by saying "It is difficult enough to get one reasonably accurate rate of capitalization using normal appraisal methods ... To get two accurate rates, one for tangibles and the other for intangibles, other than using pure guesswork, is impossible...". To establish the value of an interest in an operating company a separate value for these intangibles is not relevant. We will not assign a separate value for any intangibles of Go Away Corporation.

Industry Outlook

The broader market for data security and privacy solutions is expected to continue growing at a robust pace, supported by structural trends in cloud adoption, digital transformation, and an increasingly complex regulatory environment. Organizations across industries are accelerating their use of cloud-based productivity suites, collaboration platforms, and software as a service application, which expands the volume of sensitive data created and shared outside traditional corporate networks. As information technology architectures become more distributed, conventional perimeter based defenses such as firewalls and network monitoring are less effective on their own, and purchasers are increasingly prioritizing solutions that secure data at the object level, including encryption, granular access control, and persistent governance capabilities applied directly to emails, files, and other content.

At the same time, cyber risk continues to intensify in both frequency and sophistication, with ransomware, business email compromise, insider threats, and supply chain breaches remaining prominent attack vectors. High profile incidents in recent years have raised awareness among boards of directors and senior management about the financial, operational, and reputational consequences of data loss, including the potential for business interruption, regulatory fines, litigation, and long-lasting brand damage. This has supported sustained growth in enterprise spending on cybersecurity and data protection and is driving demand for solutions that can be deployed quickly, integrate with existing workflows, and help organizations demonstrate strong security posture to customers, regulators, and partners.

Regulatory and contractual requirements form an additional tailwind for the industry. A growing number of jurisdictions have enacted or strengthened data protection and privacy regulations, including the European Union General Data Protection Regulation, the California Consumer Privacy Act and similar state level statutes in the United States, and sector specific frameworks in healthcare, financial services, and critical infrastructure. In parallel, government agencies in the United States and other markets are promoting zero trust security models that emphasize verification of users and devices and continuous protection of data. These developments place a premium on demonstrable controls such as encryption of data in transit and at rest, detailed audit trails, and policies that can be enforced consistently across email, file sharing, and cloud-based applications. Vendors that can help customers operationalize these requirements and reduce compliance complexity are positioned to benefit from these trends.

Within this overall market, demand is growing for data centric security solutions that embed controls into the data itself and that integrate directly into familiar user environments. Customers are increasingly seeking products that work natively with widely used email and productivity platforms, which minimize friction for end users, and that allow information security teams to manage policies centrally. Capabilities such as end-to-end encryption, attribute-based access control, expiration and revocation of shared content, support for external collaboration with third parties, and flexible key management are becoming important points of differentiation. In addition, as more organizations adopt multi cloud strategies and rely on an expanding ecosystem of software as a service application, there is interest in tools and standards that can provide consistent, interoperable protection across heterogeneous systems rather than locking customers into a single vendor stack.

Government and defense, healthcare, education, and financial services represent particularly important end markets for advanced data protection, due to the sensitivity of the information they handle and the intensity of their regulatory oversight. These sectors often require higher assurance encryption, specialized key management models, and the ability to meet specific national or sectoral compliance regimes. As public sector entities and regulated enterprises modernize their information technology and move more workloads to commercial cloud platforms, they are actively evaluating third party solutions that can enhance the native controls of those platforms and align with zero trust mandates. Vendors that can meet these requirements while maintaining ease of use and tight integration with mainstream email and collaboration tools may achieve advantageous competitive positioning.

Over the medium term, the industry outlook remains favorable, supported by continued growth in digital data volumes, persistent cyber threats, and expanding privacy expectations from consumers, business partners, and regulators. Competitive intensity is high, with large cloud and productivity vendors offering native encryption and data protection features and with a broad ecosystem of specialized security providers addressing overlapping use cases. As a result, independent vendors are likely to compete on depth of integration, usability, interoperability, policy sophistication, and the ability to address complex multi-party data sharing scenarios. Overall, the data security and privacy market is expected to remain a growing and strategically important segment of the broader information security industry, with sustained demand for solutions that allow organizations to protect sensitive information wherever it resides and wherever it is shared.

Economic Outlook

The U.S. Leading Economic Index (LEI) plunged by 1.0% in April, to 99.4, following a downwardly revised decline of 0.8% in the previous month. This was the largest monthly decline since March 2023. The index was down 2.0% over the six months ending in April 2025, identical to the contraction over the previous six-month period from April 2024 to October 2024. The Conference Board noted that consumers' expectations have become increasingly pessimistic each month since January 2025. Most components of the index declined; the contribution of building permits and average working hours in manufacturing turned negative in April. Looking at the last six-month trend, weaknesses among LEI components have led to negative growth but were not enough to signal a recession. The Conference Board projected that the U.S. GDP growth would slow down in 2025 to 1.6% compared to 2.8% in 2024, as the overall impact of the tariff would hit the economy in the third quarter of 2025.

The Conference Board Coincident Economic Index (CEI) for the U.S. increased by 0.1% in April, to 114.8, after increasing by 0.3% in March. The CEI increased 1.1% over the six-month period ending in April 2025, higher than the 0.9% rise over the prior six months. All of the CEI's four component indicators included among the data used to determine recessions in the U.S.—payroll employment, personal income less transfer payments, and manufacturing and trade sales—improved in April. Industrial production changed little and was the weakest contributor to the index.

The Conference Board Lagging Economic Index (LAG) for the U.S. was up 0.3% in April, to 119.3, after decreasing 0.1% in March. The LAG expanded by 0.8% over the six-month period ending in April 2025, reversing its 0.8% decline in the previous six months. Indicators included in the LAG are average unemployment duration, the ratio of manufacturing and trade inventories to sales, change in manufacturing labor costs per unit of output, average prime rates, commercial and industrial loans outstanding, the ratio of consumer installment credit outstanding to personal income, and the change in the Consumer Price Index for services.

The LEI is a leading American economic indicator intended to forecast future activity. The Conference Board, a nongovernmental organization, calculates the index from the values of 10 key variables:

- Average weekly hours in manufacturing.
- Average weekly initial claims for unemployment insurance.
- Manufacturers' new orders, consumer goods and materials.
- Institute for Supply Management's Index of New Orders.
- Manufacturers' new orders, non-defense capital goods excluding aircraft orders.
- Building permits, new private housing units.
- Stock prices, 500 common stocks.
- Leading Credit Index.
- Interest rate spread, 10-year Treasury bonds less federal funds; and
- Average consumer expectations for business conditions.

INTEREST RATES

The Federal Open Market Committee (FOMC) did not hold a meeting in April. FOMC holds eight regularly scheduled meetings during the year. At these meetings, the committee reviews economic and financial conditions, determines the appropriate stance on monetary policy, and assesses the risks to its long-run goals of price stability and sustainable economic growth.

At its last meeting, held on March 18-19, FOMC decided to maintain the target range for the federal funds rate at 4.25% to 4.50%. The committee seeks to achieve maximum employment and inflation at the rate of 2.0% over the long run. The committee judges that the uncertainty around the economic outlook has increased and is attentive to the risks to both sides of its dual mandate. The federal funds rate is the interest rate at which a commercial bank lends immediately available funds in balances at the Federal Reserve to another commercial bank. The FOMC announced it will continue to reduce its holdings of Treasury securities, agency debt, and agency mortgage-backed securities.

The FOMC stated that recent indicators suggested that economic activity has continued to expand at a solid pace. It also mentioned that the unemployment rate has stabilized at a low level in recent months, while labor-market conditions remain solid. The FOMC is highly attentive to the risks of inflation, stating that inflation remains somewhat elevated.

The FOMC also unanimously approved the establishment of the primary credit rate at the existing level of 4.50%. The primary credit rate is the basic interest rate charged to most banks.

The FOMC will continue to monitor the implications of incoming information for the economic outlook and assess information related to labor-market conditions, inflation pressures, inflation expectations, and financial and international developments and will use its tools and act as appropriate to support the economy and return inflation to its 2.0% objective.

CHICAGO FED NATIONAL ACTIVITY INDEX

In its most recent release, the Federal Reserve Bank of Chicago reported that the Chicago Fed National Activity Index (CFNAI) decreased to -0.25 in April from 0.03 in March. Three of the four broad categories of indicators decreased in April, and three categories made negative contributions to the index.

The CFNAI's three-month moving average was unchanged, at 0.05, in April. The CFNAI Diffusion Index, which is also a three-month moving average, decreased to -0.05 in April from -0.02 in March. Thirty of the 85 individual indicators made positive contributions to the CFNAI in April, while 55 made negative contributions. Thirty-six indicators improved in April, while 49 deteriorated. Of the indicators that improved, 13 made negative contributions.

Production-related indicators contributed -0.18 to the CFNAI in April, down from a contribution of -0.07 in March. The sales, orders, and inventories category made a -0.04 contribution to the CFNAI in April, down from 0.06 in the previous month.

Employment-related indicators made a neutral contribution to the CFNAI in April, up from -0.05 in March. The personal consumption and housing category contributed -0.04 in April, down from 0.09 in the previous month.

The National Activity Index is designed to gauge overall economic activity and related inflationary pressure and includes 85 economic indicators that are drawn from four broad categories of data: production and income; employment, unemployment, and hours; personal consumption and housing; and sales, orders, and inventories. Each of these data series measures some aspect of overall macroeconomic activity. The derived index provides a single, summary measure of a factor common to these national economic data. In the history of the data series, the lowest score, -18.17, was recorded in April 2020 and the highest score, 6.30, was recorded in June 2020.

Valuation Approaches Overview

Market Approach

Under the market approach, guideline companies traded on a public share exchange in the same or similar industry as the appraisal subject, which allows a comparison to be made between the pricing multiples at which the public companies trade and the multiple that is deemed appropriate for the appraisal subject. The resulting value is on a marketable minority basis, as the pricing metrics are based on minority ownership positions (single shares) of publicly traded shares (marketability).

One methodology under the Market Approach is the Recent Securities Transaction approach. This approach considers the Company's implied equity value based on recent transactions of the subject company's securities. The applicability of this methodology depends on the circumstances surrounding the transaction; specifically, whether it meets the criteria outlined in the definition of Fair Market Value.

The Comparable Public Company Method compares the subject company with select publicly traded companies. Valuation multiples are calculated from selected companies to provide an indication of how much a current investor in the marketplace would be willing to pay for a company with similar characteristics (e.g., similar business, size, and other operating characteristics) to the subject company. These valuation multiples are evaluated and adjusted based on the strengths and weaknesses of the subject company relative to the selected guideline companies. Finally, the multiples are applied to the subject company's operating data to arrive at an indication of fair value. The Comparable Company Method is most appropriate when public companies that are reasonably like the subject company can be found. However, a significant limitation of this approach, particularly in valuing privately held enterprises, especially those with no earnings or immaterial revenue, is that valid comparables are unlikely to exist. This limitation is particularly apparent for early-stage companies.

Another methodology of the Market Approach is the Comparable Transaction Method. This method relies on data of mergers and acquisitions that have occurred in the subject company's industry or related industries. As in the Comparable Company Method, valuation multiples are developed and applied to the subject company's operating data to estimate fair value. These multiples can then be applied, with or without adjustment depending on the circumstances, to the appraisal subject. The resulting value is on a marketable control basis, as the pricing metrics are based on a liquidation event (marketability) and are based on the acquisition of 100.0 percent of the target entity (control).

Income Approach

The income approach seeks to measure the future benefits that can be quantified in monetary terms. This method typically involves two general steps. The first is making a projection of the total cash flows expected to accrue to an investor in the asset. Valuation of the cash flows is a way of determining a fair market value indication of a business, business ownership interest, security, or intangible asset using one or more methods that convert anticipated benefits into a present single amount.

The second step, discounting the cash flows to present value at an appropriate risk-adjusted discount rate. Discount rate factors often include general market rates of return at the measurement date, business risks associated with the industry in which a company operates, and other risks specific to the asset being valued. The discounted cash flow (DCF), capitalized cash flow (CCF), and the dividend discount model (Gordon Growth) are often used under this approach.

Asset-Based Approach

The Asset Approach assumes that the value of a business, business ownership interest, or security is the cost of replacing all the assets, both tangible and intangible, net of liabilities. The Adjusted Book Value method establishes the market value of a company's underlying assets without intangibles, net of liabilities. This is particularly relevant when a company has a relatively high level of assets compared to its ongoing operations and liquidation of the firm's assets could provide the highest value. The Adjusted Book Value method provides an indication of value to a controlling shareholder, who could force the sale of a company's assets at fair market value.

Generally, the asset approach can be considered applicable to early stage start-ups when the following circumstances typically apply; 1) There is limited or no basis for using the income or market approaches; i.e., there are no comparable market transactions, and the enterprise has virtually no financial history from which to derive forecasts of future result; 2) The enterprise has been issued patents (or patents are pending), but has not yet developed a product; and 3) A relatively small amount of cash has been invested.

Valuation Analysis

Guideline Comparable Company Method

In the search for appropriate comparable companies, public companies were screened based on business model, product offerings, industry of operation and the portion of revenues provided through relevant business segments.

In selecting an appropriate revenue multiple for Go Away, we applied a 2.75x EV/LTM Revenue multiple, representing a significant discount to the expanded guideline company set median of 6.7x. This conservative multiple selection, which falls at the 10th percentile of the comparable set, reflects several key valuation considerations specific to Virtru's profile relative to the selected public comparables.

First, Go Away is a private, venture-backed company with substantially smaller revenue scale (LTM revenue of approximately $41.0 million) compared to the guideline companies, which range from large-cap cybersecurity leaders such as Palo Alto Networks ($8.9 billion LTM revenue) and CrowdStrike ($4.1 billion LTM revenue) to smaller-cap security and identity specialists including Rapid7 ($849 million), Qualys ($622 million), Radware ($282 million), and OneSpan ($242 million). To better capture comparables at the lower end of the size spectrum, we expanded the guideline company set to include four additional companies - Rapid7, Qualys, Radware, and OneSpan - which trade at EV/LTM Revenue multiples of 2.4x, 6.7x, 2.6x, and 2.0x, respectively. Despite this expanded set, even these smaller-scale public comparables maintain revenue bases 5x to 20x larger than Go Away, supporting continued application of a meaningful size discount.

Second, Go Away is currently EBITDA-negative, whereas the selected comparables are predominantly profitable, with LTM EBITDA margins ranging from 3.8% (Okta) to 47.7% (Gen Digital), and several of the newly added comparables demonstrating strong profitability including Qualys (34.0% EBITDA margin) and OneSpan (25.3% EBITDA margin).

Third, the selected 2.75x multiple aligns closely with the precedent transaction benchmark established by OpenText's acquisition of Zix Corporation at 3.5x revenue - the most directly comparable M&A transaction given Zix's focused email encryption business model. The discount to the Zix transaction multiple (2.75x vs. 3.5x) reflects Virtru's smaller scale and current operating losses, while the 2.75x multiple remains consistent with the lower-quartile trading levels observed among the newly added smaller-cap cybersecurity comparables.

However, there are significant differences between the selected companies as compared to Go Away Corporation . These differences ultimately affect the financial and operational risk differential between the Company and Guideline Companies. Often these differences can be substantial due to such risk factors as size, depth of management, systems and controls, product, supply and/or customer diversification and other risk factors which are generally more prevalent in privately held companies, as opposed to publicly traded company. Most of these additional risk factors relate to size. Larger companies tend to have lower risk profiles than smaller companies because of greater product, customer, and geographic diversification, as well as greater management depth and experience. They also have the capacity to develop specialized management skills, afford stronger systems and control, and can diversify operations that smaller companies do not have. Given this, the size and scope of operations of Go Away Corporation versus the Guideline Companies was also considered. Applying the multiple to the Companies LTM revenue and adjusting for cash and debt resulted in a marketable equity value of $[illegible] million (Exhibit [illegible]).

<u>Guideline Comparable Transactions Method</u>

Merger and Acquisition data was utilized to screen transactions by identifying acquired companies that operate in the Company's industry, and companies that have similar business models. The search criteria included: (1) target companies in the subject Company's industry; (2) transactions for 100 percent ownership of the target company; and (3) transactions that closed within five years of the Valuation Date.

In evaluating precedent transactions for Go Away., we reviewed the cybersecurity M&A landscape from 2018 through 2025, focusing on email security, data encryption, and data protection platforms. Notable transactions in this sector include Thoma Bravo's acquisition of Proofpoint for $12.3 billion in 2021 (representing 8.3x EV/Revenue), Permira's purchase of Mimecast for $5.8 billion in 2022, and more recently, CyberArk's acquisition of Venafi for $1.54 billion in 2024. While these transactions demonstrate strong strategic interest in the cybersecurity sector, we identified OpenText's acquisition of Zix Corporation for $860 million in 2021 as the most directly comparable transaction. Zix's core business model, providing SaaS-based email encryption, threat protection, and compliance cloud solutions primarily to small and medium-sized businesses, most closely aligns with Virtu's end-to-end encryption services for email and file-sharing platforms. The transaction was completed at 3.5x trailing twelve-month revenue, with Zix demonstrating 90% annual recurring revenue at the time of acquisition. This multiple provides a relevant baseline for Virtu's valuation, given the similar business models, target customer segments (SMBs and regulated industries including healthcare, education, government, and financial services), and cloud-native SaaS delivery architecture. While larger transactions like Proofpoint and Mimecast provide valuable context on strategic premiums for market leaders with broader security platforms, Zix's focused email encryption offering and SMB orientation make it the most appropriate precedent for establishing valuation parameters. Applying this multiple to LTM revenue, adjusting for cash and debt returned a market value of equity of $155.4 million.

Conclusion: Equity Value

The following table presents a summary of the valuation methods discussed above and the indicated market value of equity of the Company as of the Valuation Date.

Approach	Indication of Value
Guideline Comparable Company Method	$120.5M
Guideline Comparable Transactions Method	$155.4M

Based upon the valuation analysis presented above it was determined that the market value of equity as of the valuation date was $135.9 million.

Valuation Adjustments

Discount for Lack of Marketability ("DLOM")

To reflect the lack of a recognized market for a closely held interest and that a non-controlling equity interest may not be readily transferable, and adjustment for lack of marketability is required. A lack of marketability discount is called for when there is not a ready market for business interests. Hypothetical willing buyers prefer investments that have quick access to a liquid market, as these investments can be both readily and efficiently converted into cash. Investors who hold interest in closely held firms incur additional costs in terms of time and money, in addition to the liability of holding an illiquid investment, when locating a willing buyer for such interest. Due to this relative lack of liquidity, marketability discounts are commonly demanded on such interests and sell at a substantial discount when compared to shares that are traded on active and established markets.

In accordance with the parameters set forth in *Mandelbaum v. Commissioner*[2], the analysis considers the following:

- Amount of control in transferred shares.
- Financial statement analysis of the subject Company.
- Dividend Policy of the Company and the dividend-paying capacity, history, and amounts of any prior dividends.
- The nature of the Company, history, position within the industry, and economic outlook.
- The reputation and experience of the Company Management.
- the degree of control transferred with the block of stock to be valued.
- Any transfer or sale restrictions. Per Revenue Ruling 59-60 restrictive agreements are a factor to be considered.
- The holding period for the investment.
- The Company's redemption policy.
- Public offering costs. To what extent does the owner bear the cost of registering the purchased stock?

Several restricted share and pre-IPO studies have been referenced in valuation court cases over the years when discussing the appropriate discount for lack of marketability. Included below is a summary of the historical restricted share studies:

Restricted Share Study	Years Covered	Average Discount
Institutional Investor Study	1966-1969	25.8%
Gelman	1970-1980	33.0%
Trout	1968-1972	33.5%
Moroney	Not Specified	35.6%
Maher	1969-1973	35.4%
Standard Research Consultants	1978-1982	45.0%
Willamette Management Associates	1981-1984	31.2%

[2] Mandelbaum v. Commissioner, T.C. Memo 1995-255, 36.

Silber	1981-1988	33.8%
Management Planning	1980-1996	27.1%

These studies are limited in that many were restricted to a small sample of transactions and most provide little or no detail regarding how the marketability discount varies around the average (Robak & Hall, "Bringing Sanity to Marketability Discounts: A New Data Source", page 2.). The practice of using benchmark averages is inappropriate and has been frowned upon by tax courts.

Another study, by FMV Opinions, INC. ("FMV"), analyzed a set of 230 transactions from 1980 through April 1997. The overall average discount for all 230 transactions was 20.1% with a standard deviation of 17.2 percent. The discounts were shown to vary significantly from -10% to 70% discounts. According to the results of this study, "Smaller, less profitable entities, and those with higher degree of balance sheet risk, will tend to have higher discounts. (Id., page 8.)" FMV divided the transaction sample into quintiles and computed the median total assets, market-to-book ratio, and price per share as shown below:

Quintile	1	2	3	4	5
Percentage Discount	2.9%	12.6%	21.1%	31.2%	43.7%
Market-to-Book Ratio	3.97x	5.05x	4.88x	8.12x	7.92x
Total Assets ($000s)	$43,585	$31,404	$16,305	$10,725	$5,994
Price per Share	$10.10	$8.50	$6.00	$3.42	$3.75

The FMV study also found that, "Highly profitable firms tend to have lower discounts than the average." The top decile, arranged by profitability, has a median discount of 11.0 percent. Guidance from the Securities and Exchange Commission ("SEC") and the AICPA suggests that a more quantitative approach should be used to estimate an appropriate DLOM. Meld Valuation used a quantitative based approach.

<u>The Chaffe Put Option Model</u>

David Chaffe introduced the concept of using a put-option pricing model to estimate DLOM[3]. The logic of the put option approach rests on the notion that the holder of a non-marketable security can effectively purchase liquidity by purchasing the option to sell. Hence, the non-marketable value of a security is its fair market value, less the value of the option to sell. In Chaffe's estimation, *"if one holds restricted or non-marketable stock and purchases an option to sell those shares at the free market price, the holder has, in effect, purchased marketability for those shares. The price of that put is the discount for lack of marketability."* Chaffe relied on the Black Scholes Option Pricing Model for a put option to determine the cost or price of the put option, and defined the DLOM as the cost of the put option divided by the market price. The put option

[3] David B.H. Chaffe III, "Option Pricing as a Proxy for Discount for Lack of Marketability in Private Company Valuations," Business Valuation Review (December 1993): 182–6. Model corrected and updated in 2009.

calculation relies on the Black-Scholes option pricing model, which utilizes volatility from publicly traded comparable companies, an appropriate risk-free rate, and an estimated time to maturity (or liquidity) (Exhibit 11).

<u>Asian Option Model</u>

The Asian Option model, a sophisticated method commonly used in option pricing, is particularly effective in addressing situations where liquidity is constrained over time, as is often the case with private equity and venture fund investments. Unlike European or American options, which consider the price of the underlying asset at a single point in time, the Asian Option model calculates the average price of the asset over a specific period. This approach aligns well with the characteristics of illiquid investments, where the inability to trade assets freely over time significantly impacts their value.

By averaging the potential outcomes over a holding period, the Asian Option model offers a more accurate reflection of the marketability risk inherent in private investments. This averaging mechanism helps smooth out price volatility and provides a clearer picture of the potential liquidity costs over time, making it a robust tool for estimating the discount needed to account for marketability constraints. This method ensures that our DLOM estimate incorporates both the timing of potential liquidity events and the underlying volatility of the asset, resulting in a more precise and reliable assessment of the liquidity discount.

<u>Average Strike Put Option (Finnerty)</u>

John D. Finnerty conducted an option-pricing study[4] (Id., page 6) that "tests the relative importance of transfer restrictions on the one hand and information and equity ownership concentration effects on the other in explaining private placement discounts." The model assumes that investors do not have perfect market timing ability. Instead, the DLOM is modeled as the value of an average strike put option. In addition to analyzing stock-options, Finnerty analyzed 101 private placements of restricted stock that occurred between January 1, 1997, and February 3, 1997. The Finnerty private placement study concluded price discounts of 20.13 percent and 18.41 percent for the day prior to the private placement and for 10 days prior to the private placement, respectively[5].

<u>Marketability Discount Conclusion</u>

Shown in Exhibit 11 is the conclusion of the put option analysis. Applying the marketability discount to the marketable value results in a non-marketable indication of $0.88 per common share (Exhibit 8).

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[4] John D. Finnerty, "The Impact of Transfer Restrictions on Stock Prices." Analysis Group/ Economics (October 2002).

[5] Travis R. Lance, "The Use of Theoretical Models to Estimate the Discount for Lack of Marketability." Willamette Management Associates, 2007.

Valuation Conclusion

The purpose of this valuation was to establish the fair value of the Company's equity on a control and marketable basis as of the Valuation Date. Accordingly, this valuation considered the rights and powers of the common equity holders of Go Away Corporation. The history of the business and the nature of the industry in which it competes; its book value, financial condition, and earnings capacity; the economic outlook and expectations for the future; the Company's position within its marketplace; management depth and capabilities; an assessment of the inherent risks associated with an investment in the Company; and its performance and outlook were considered. The characteristics of the share, rights of the shareholders and previous sales of share were also considered.

Based upon the analyses in this report, it is the opinion of Meld that the fair value of the common equity of the Company as of May 30, 2025, is:

$0.88 per common share.

Go Away Corporation

59-60 Business Valuation
As of May 30, 2025
Valuation Summary **Exhibit 1**

Concluded Equity Value	**$135,890**
Marketable Value Per Common Share:	$1.28
Discount for Lack of Marketability:	31.2%
Fair Value Per Common Share:	**$0.88**

Analysis (000s) (USD)

Market Approach: Guideline Comparable Company Method [1]		*Selected X*	*Enterprise Value [2]*	*Cash/Debt*	*Market Value of Equity*	**Indication of Value:**	**$120,525**
CYE Total Revenue	$38,751					*Weighting:*	*50.0%*
LTM Total Revenue	$40,975	2.75x	$112,680	$7,845	$120,525		
NTM Total Revenue	NA						
CYE EBITDA	($9,648)						
LTM EBITDA	($9,237)						
NTM EBITDA	NA						
Cash & Equivalents	$7,845						
Interest Bearing Debt	$0						

Notes: *[1] See Exhibit 7*
[2] Enterprise Value = Market value of equity + Interest bearing debt - Cash

Market Approach: Guideline Comparable Transaction Method [1]		*Selected X*	*Enterprise Value [2]*	*Cash/Debt*	*Market Value of Equity*	**Indication of Value:**	**$151,256**
						Weighting:	*50.0%*
LTM Revenue	$40,975	3.50x	$143,411	$7,845	$151,256		

Notes: *[1] See Exhibit 8*
[2] Enterprise Value = Market value of equity + Interest bearing debt - Cash

Go Away Corporation

59-60 Business Valuation
As of May 30, 2025
Balance Sheet **Exhibit 2**

U.S. Dollars **Historicals Ending December 31,**	**As of** **5/30/2025**
Assets	
Cash and Cash Equivalents	7,845,177
Accounts Receivable	4,337,752
Contract Assets	1,183,481
Prepaid expenses & Other Current Assets	2,970,021
Total Current Assets	**16,336,431**
Property, Plant, and Equipment, Net	3,696,166
Intangible Assets	138,934
Right of Use Asset	6,660,955
Other Noncurrent Assets	1,678,534
Total Assets	**28,511,021**
Liabilities and Shareholders' Equity	
Accounts Payable	2,403,232
Accrued Liabilities	1,373,800
Deferred Revenue	20,324,035
Operating Lease Liability/Obligation	555,639
Total Current Liabilities	**24,656,706**
Warrant Liability	11,768,058
Total Liabilities	**36,424,765**
Preferred Stock	38,619
Common Stock	16,373
Additional Paid In Capital	131,942,230
Retained Earnings	(139,910,966)
Shareholders' Equity	**(7,913,744)**
Liabilities and Shareholders' Equity	**28,511,021**
Working Capital	(8,320,275)
Working Capital, Ex. Cash & Current IBD	(16,165,452)
Book Value of Invested Capital (BVIC)	(7,913,744)
Tangible BVIC	(8,052,678)

Source: Internally prepared financial statements for all periods.

Go Away Corporation

59-60 Business Valuation
As of May 30, 2025
Common Size Balance Sheet **Exhibit 3**

As a Percentage of Total Assets	**As of**
Historicals Ending December 31,	**5/30/2025**
Assets	
Cash and Cash Equivalents	27.5%
Accounts Receivable	15.2%
Contract Assets	4.2%
Prepaid expenses & Other Current Assets	10.4%
Total Current Assets	**57.3%**
Property, Plant, and Equipment, Net	13.0%
Intangible Assets	0.5%
Right of Use Asset	23.4%
Other Noncurrent Assets	5.9%
Total Assets	**100.0%**
Liabilities and Shareholders' Equity	
Accounts Payable	8.4%
Accrued Liabilities	4.8%
Deferred Revenue	71.3%
Operating Lease Liability/Obligation	1.9%
Total Current Liabilities	**86.5%**
Warrant Liability	41.3%
Total Liabilities	**127.8%**
Preferred Stock	0.1%
Common Stock	0.1%
Additional Paid In Capital	462.8%
Retained Earnings	-490.7%
Shareholders' Equity	**-27.8%**
Liabilities and Shareholders' Equity	**100.0%**
Working Capital	-29.2%
Working Capital, Ex. Cash & Current IBD	-56.7%
Book Value of Invested Capital (BVIC)	-27.8%
Tangible BVIC	-28.2%

Source: Internally prepared financial statements for all periods.

Go Away Corporation

59-60 Business Valuation
As of May 30, 2025
Income Statement **Exhibit 4**

U.S. Dollars For the Fiscal Year Ended December 31,	2020	2021	2022	2023	2024	Year to Date Last Year	Year to Date This Year	LTM Ended 5/30/2025
Total Net Revenues	**18,106,174**	**22,060,850**	**26,870,428**	**32,314,462**	**38,750,635**	**11,945,980**	**14,169,902**	**40,974,557**
Total Cost of Goods Sold	2,042,112	2,416,711	3,074,969	3,750,116	6,002,705	1,648,497	2,493,816	6,848,024
Gross Profit	**16,064,062**	**19,644,139**	**23,795,459**	**28,564,346**	**32,747,931**	**10,297,483**	**11,676,086**	**34,126,534**
Selling, General & Administrative	23,108,902	34,646,417	44,382,453	42,742,955	42,395,741	13,429,252	14,396,548	43,363,037
Total Operating Expenses	**23,108,902**	**34,646,417**	**44,382,453**	**42,742,955**	**42,395,741**	**13,429,252**	**14,396,548**	**43,363,037**
Operating Income	**(7,044,840)**	**(15,002,279)**	**(20,586,994)**	**(14,178,609)**	**(9,647,810)**	**(3,131,769)**	**(2,720,462)**	**(9,236,504)**
Other Non-operating Income (Expense)	161,005	(2,196,592)	(247,219)	(94,150)	(830,975)	(335,137)	(63,669)	(559,507)
Total Nonoperating Income (Expense)	**161,005**	**(2,196,592)**	**(247,219)**	**(94,150)**	**(830,975)**	**(335,137)**	**(63,669)**	**(559,507)**
Net Income	**(6,883,835)**	**(17,198,871)**	**(20,834,213)**	**(14,272,759)**	**(10,478,785)**	**(3,466,906)**	**(2,784,131)**	**(9,796,011)**

Source: Internally prepared financial statements for all periods.

Go Away Corporation

59-60 Business Valuation
As of May 30, 2025
Common Size Income Statement **Exhibit 5**

As a Percentage of Total Revenues					Year to Date		LTM Ended
For the Fiscal Year Ended December 31,	**2021**	**2022**	**2023**	**2024**	**Last Year**	**This Year**	**5/30/2025**
Total Net Revenues	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Revenue Growth	*21.8%*	*21.8%*	*20.3%*	*19.9%*		*18.6%*	*5.7%*
Total Cost of Goods Sold	11.0%	11.4%	11.6%	15.5%	13.8%	17.6%	16.7%
Gross Profit	**89.0%**	**88.6%**	**88.4%**	**84.5%**	**86.2%**	**82.4%**	**83.3%**
Selling, General & Administrative	157.0%	165.2%	132.3%	109.4%	112.4%	101.6%	105.8%
Total Operating Expenses	**157.0%**	**165.2%**	**132.3%**	**109.4%**	**112.4%**	**101.6%**	**105.8%**
Operating Income	**-68.0%**	**-76.6%**	**-43.9%**	**-24.9%**	**-26.2%**	**-19.2%**	**-22.5%**
Other Non-operating Income (Expense)	-10.0%	-0.9%	-0.3%	-2.1%	-2.8%	-0.4%	-1.4%
Total Nonoperating Income (Expense)	**-10.0%**	**-0.9%**	**-0.3%**	**-2.1%**	**-2.8%**	**-0.4%**	**-1.4%**
Net Income	**-78.0%**	**-77.5%**	**-44.2%**	**-27.0%**	**-29.0%**	**-19.6%**	**-23.9%**

Source: Internally prepared financial statements for all periods.

Go Away Corporation

59-60 Business Valuation

As of May 30, 2025

Capitalization & Ownership **Exhibit 6**

Rights and Preferences	Seniority [1]	Liquidation Preference	Original Issue Price	Participating Equity [2]	Participation Threshold [3]	Participation Threshold [4]	Conversion Ratio
Series A Preferred	1	1.0x	$2.11	No	No	Na	1:1
Series B Preferred	1	1.0x	$3.32	No	No	Na	1:1
Series C Preferred	1	1.0x	$4.43	No	No	Na	1:1

Security	Shares	Warrants	Options	Total [5]	% Ownership
Series A Preferred	19,474,140	--	--	19,474,140	27.9%
Series B Preferred	11,245,391	--	--	11,245,391	16.1%
Series C Preferred	7,899,540	--	--	7,899,540	11.3%
Common Shares	20,287,269	243,640	10,682,074	31,212,983	44.8%
Options Available For Grant			-144,138	-144,138	-0.2%
Total	**58,906,340**	**243,640**	**10,537,936**	**69,687,916**	**100.0%**

Notes:

[1] Highest rank indicates most senior class of stock.

[2] Indicates classes of stock that participate with common stock in proceeds beyond senior liquidation preferences (if applicable).

[3] Indicates if participating classes of preferred stock are capped at a certain dollar amount.

[4] Indicates participating preferred cap threshold (if applicable).

[5] Fully Diluted As-Converted.

Go Away Corporation

59-60 Business Valuation
As of May 30, 2025
Market Approach: Guideline Comparable Company Method **Exhibit 7**

(000s)

Market Approach

	Metric	Selected Multiple [2]	EV [1]	Cash/Debt	Equity Value	Weighting:	Weighted Value
Total Net Revenue							
LTM	$40,975	2.8x	$112,680	$7,845	$120,525	100.0%	$120,525

Equity Value **$120,525**

Selected Comparables - Fundamentals

		Total Net Revenue			EBITDA		
Guideline Companies	*Enterprise Value*	*Calendar Year End*	*Latest Twelve Months*	*Next Twelve Months*	*Calendar Year End*	*Latest Twelve Months*	*Next Twelve Months*
CrowdStrike Holdings, Inc.	$113,577,289	$3,740,421	$4,136,022	$4,777,400	$140,127	-$12,793	$1,188,585
Palo Alto Networks, Inc.	$125,811,456	$8,288,400	$8,874,900	$10,127,335	$1,147,900	$1,249,500	$3,358,260
CyberArk Software Ltd.	$18,529,044	$1,000,742	$1,096,793	$1,372,541	-$11,060	$3,288	$338,421
Zscaler, Inc.	$41,148,887	$2,299,023	$2,546,757	$3,045,060	-$52,790	-$73,086	$793,163
Fortinet, Inc.	$74,200,087	$5,955,800	$6,142,200	$6,960,946	$1,921,600	$2,056,200	$2,414,291
Check Point Software Technologies Ltd.	$23,341,187	$2,565,000	$2,604,000	$2,750,649	$934,600	$938,000	$1,214,245
Okta, Inc.	$16,284,311	$2,533,000	$2,681,000	$2,918,077	-$44,000	$103,000	$766,209
Gen Digital Inc.	$24,973,142	$3,889,000	$3,935,000	$4,750,000	$2,264,000	$1,878,000	$2,613,354
Tenable Holdings, Inc.	$3,895,617	$900,021	$923,197	$991,850	$34,355	$44,867	$249,226
Rapid7, Inc.	$1,995,187	$844,007	$849,159	$865,950	$80,489	$71,362	$156,152
Qualys, Inc.	$4,640,751	$607,571	$621,665	$662,650	$205,709	$211,641	$278,746
Radware Ltd.	$720,871	$274,880	$281,874	$299,492	$7,248	$12,622	NA
OneSpan Inc.	$512,705	$243,179	$241,702	$250,954	$59,213	$61,256	$72,410

Guideline Company Growth & Multiples

	Growth & Margins			EV to Total Net Revenue		EV to EBITDA	
Guideline Companies	*GROWTH CYE OVER LTM*	*GROWTH LTM OVER NTM*	*LTM EBITDA Profit*	*Latest Twelve Months*	*Next Twelve Months*	*Latest Twelve Months*	*Next Twelve Months*
CrowdStrike Holdings, Inc.	10.6%	15.5%	-.3%	27.5x	23.8x	nm	95.6x
Palo Alto Networks, Inc.	7.1%	14.1%	14.1%	14.2x	12.4x	nm	37.5x
CyberArk Software Ltd.	9.6%	25.1%	.3%	16.9x	13.5x	nm	54.8x
Zscaler, Inc.	10.8%	19.6%	-2.9%	16.2x	13.5x	nm	51.9x
Fortinet, Inc.	3.1%	13.3%	33.5%	12.1x	10.7x	36.1x	30.7x
Check Point Software Technologies Ltd.	1.5%	5.6%	36.0%	9.0x	8.5x	24.9x	19.2x
Okta, Inc.	5.8%	8.8%	3.8%	6.1x	5.6x	nm	21.3x
Gen Digital Inc.	1.2%	20.7%	47.7%	6.3x	5.3x	13.3x	9.6x
Tenable Holdings, Inc.	2.6%	7.4%	4.9%	4.2x	3.9x	86.8x	15.6x
Rapid7, Inc.	0.6%	2.0%	8.4%	2.3x	2.3x	28.0x	12.8x
Qualys, Inc.	2.3%	6.6%	34.0%	7.5x	7.0x	21.9x	16.6x
Radware Ltd.	2.5%	6.3%	4.5%	2.6x	2.4x	57.1x	nm
OneSpan Inc.	-0.6%	3.8%	25.3%	2.1x	2.0x	8.4x	7.1x
Minimum	-0.6%	2.0%	-2.9%	2.1x	2.0x	8.4x	7.1x
10th Percentile	0.7%	4.2%	-.2%	2.4x	2.3x	11.8x	9.9x
First Quartile	1.5%	6.3%	3.8%	4.2x	3.9x	19.8x	14.9x
Average	4.4%	11.5%	16.1%	9.8x	8.5x	34.6x	31.0x
Median	2.6%	8.8%	8.4%	7.5x	7.0x	26.4x	20.2x
Third Quartile	7.1%	15.5%	33.5%	14.2x	12.4x	41.3x	41.1x
90th Percentile	10.4%	20.5%	35.6%	16.7x	13.5x	66.0x	54.5x
Maximum	10.8%	25.1%	47.7%	27.5x	23.8x	86.8x	95.6x

Notes:
[1] Enterprise Value = Market value of equity + Interest bearing debt - Cash.
[2] Primary Multiple Selection Methodology: OTHER [See: Exhibit 1]

Guideline Company Descriptions	
CrowdStrike Holdings, Inc.	CrowdStrike Holdings, Inc. provides cybersecurity solutions in the United States and internationally. Its unified platform provides cloud-delivered protection of endpoints, cloud workloads, identity, and data through a software as a service (SaaS) subscription-based model. The company offers corporate endpoint and cloud workload security, managed security, security and vulnerability management, IT operations management, identity protection, threat intelligence, data protection, SaaS security posture management, and AI powered workflow automation, and securing generative AI workload services, as well as security orchestration, automation, and response; and security information and event management, and log management services. It primarily sells subscriptions to its Falcon platform and cloud modules. CrowdStrike Holdings, Inc. was incorporated in 2011 and is headquartered in Austin, Texas.
Palo Alto Networks, Inc.	Palo Alto Networks, Inc. provides cybersecurity solutions in the Americas, Europe, the Middle East, Africa, the Asia Pacific, and Japan. It offers Prisma Access, a secure access service edge solution; Strata Cloud Manager, a network security management solution; and Prisma AIRS to protect customers' entire AI ecosystem. It provides a comprehensive cloud native application protection platform; and Code to Cloud platform, as well as offers VM-Series and CN-Series virtual firewalls for inline network security on multi- and hybrid-cloud environments. It provides security operation solutions through the Cortex platform that includes Cortex XSIAM, an AI-driven security operations platform; Cortex XDR to prevent, detect, and respond to cybersecurity attacks; and Cortex XSOAR for security orchestration, automation, and response; and Cortex Xpanse for attack surface management, as well as offers threat intelligence and advisory services under the Unit 42 name. It provides subscription services covering the areas of threat prevention, malware and persistent threat, URL filtering, laptop and mobile device protection, DNS security, Internet of Things security, SaaS security API, and SaaS security inline; and threat intelligence, data loss prevention, services to resolve network disruptions, and sensitive data protection. It offers professional services, including architecture design and planning, implementation, configuration, and firewall migration; education services, such as certifications, as well as online and in-classroom training; and support services. It sells its products and services through its channel partners, as well as directly to enterprises, service providers, and government entities operating in various industries, including education, energy, financial services, government entities, healthcare, Internet and media, manufacturing, public sector, and telecommunications. The company was incorporated in 2005 and is headquartered in Santa Clara, California.

Guideline Company Descriptions	
CyberArk Software Ltd.	CyberArk Software Ltd. develops, markets, and sells software-based identity security solutions and services in the United States, Israel, the United Kingdom, Europe, the Middle East, Africa, and internationally. Its solutions include Privileged Access Manager and Privilege Cloud, which offers risk-based credential security and session management; Remote Access, a SaaS solution that provides secure access to third-party vendors; Secure Infrastructure Access, a SaaS solution that offers just-in-time access to infrastructure; Endpoint Privilege Manager, a SaaS solution that secures privileges on the endpoint; and Secure Desktop, a solution that protects access to endpoints. The company also provides workforce identity security, which offers adaptive multi-factor authentication, single sign-on, secure web sessions, workforce password management, application gateway, identity lifecycle management, customer identity, and secure browser services. In addition, it offers identity management solutions, including lifecycle management, identity flows and compliance, and directory services; Secure Cloud Access, which provides access to cloud consoles, native services, and workloads; machine identity security, which offers secrets manager credential providers, Conjur Enterprise and Cloud, and secrets hub, as well as Venafi TLS protect, zero touch PKI, SSH protect, firefly, and codesign protect. Further, the company offers CORA AI; secure digital vault technology; session recording and controls; secure remote access; application authentication and credential management; endpoint security; distributed workload identity issuance; and SaaS extensibility and cloud service provider integration. It serves the financial services, manufacturing, insurance, healthcare, energy and utilities, transportation, retail, technology, and telecommunications industries; and government agencies. CyberArk Software Ltd. was incorporated in 1996 and is headquartered in Petah Tikva, Israel.
Zscaler, Inc.	Zscaler, Inc. operates as a cloud security company worldwide. The company offers cyberthreat protection products, including Zscaler Internet Access, which provides threat protection, cloud sandbox, and cloud browser isolation; Zscaler Private Access solution that includes cyberthreat and data protection, application discovery, secure application access, application segmentation, application protection, reduced attack surface, and browser isolation; Zero Trust Firewall; Cloud Sandbox; and Zero Trust Browser. It also provides data security products, such as web and email DLP, endpoint DLP, BYOD security, multi-mode CASB, unified SaaS security, DSPM, AI-SPM, public gen AI security, and Microsoft Copilot data protection; Zero Trust Cloud solution. In addition, the company offers Zero Trust Branch comprising Zero Trust SD-WAN; IoT/OT segmentation; privileged remote access; Zscaler Cellular; and Zscaler Digital Experience that measures end-to-end user experience across business applications, as well as provides an easy-to-understand digital experience score for each user, application, and location within an enterprise. Further, it provides security operations products, including data fabric for security; asset exposure management; Risk360; unified vulnerability management; deception; managed detection and response; and managed threat hunting. Additionally, the company offers Zero Trust Gateway, a fully managed Zscaler service. It serves the automotive, airlines and transportation, conglomerates, consumer goods and retail, energy, financial services, healthcare, insurance, manufacturing, media and communications, public sector and education, technology, and telecommunications services industries. The company was formerly known as SafeChannel, Inc., and changed its name to Zscaler, Inc. in August 2008. Zscaler, Inc. was incorporated in 2007 and is headquartered in San Jose, California.

Guideline Company Descriptions	
Fortinet, Inc.	Fortinet, Inc. provides cybersecurity and convergence of networking and security solutions worldwide. The company offers secure networking solutions that focus on the convergence of networking and security; network firewall solutions, which consist of FortiGate data centers, hyperscale, and distributed firewalls, as well as encrypted applications; wireless local area network solutions; and secure connectivity solutions, including FortiSwitch secure ethernet switches, FortiAP wireless LAN access points, and FortiExtender 5G connectivity gateways. It also provides the Fortinet Unified Secure Access Service Edge solutions that include firewall, software-defined wide-area network, secure web gateway, cloud access services broker, data loss prevention, and zero trust network access; and web application firewalls, cloud network security with virtualized firewalls, cloud-native firewalls, cloud-native application protection, and code security. In addition, the company offers artificial intelligence-driven security operation solutions, which provide a suite of cybersecurity solutions that identify, protect, detect, respond, and recover from threats, as well as FortiEDR, FortiXDR, FortiNDR, FortiSandbox, FortiDeceptor, FortiDLP, and FortiRecon, which help organizations ensure attackers face multiple layers of detection and mitigation across endpoints, networks, and applications. Further, it offers FortiGuard application security, content security, device security, NOC/SOC security, and web security services; FortiCare technical support services; and training and certification programs, as well as operates FortiGuard Lab, a cybersecurity threat intelligence and research organization. The company serves large enterprises, communication service providers, government organizations, and small- to medium-sized enterprises. Fortinet, Inc. was incorporated in 2000 and is headquartered in Sunnyvale, California.
Check Point Software Technologies Ltd.	Check Point Software Technologies Ltd. develops, markets, and supports a range of products and services for IT security worldwide. It provides a multilevel security architecture that defends enterprises' cloud, network, mobile devices, endpoints information, and IOT solutions. The company offers on-premises security with quantum, a hyperscale AI-powered threat prevention for securing mesh networks, which comprise data center, perimeter, branch, and remote users; and security gateways, hyperscale orchestrator, SD-WAN networking, DDoS security, automated prevention for IoT, and cloud security management. It also provides cloud security with CloudGuard, a unified prevention-first cloud native security across applications, workloads, and network to automate security, prevent threats, and manage posture-at cloud speed and scale. In addition, the company offers workspace security with harmony that prevents sophisticated attacks across the IT workspace, including emails, web applications, devices, and remote corporate access. Further, it provides collaborative security operations with infinity platform services that include Collaborative prevention first security operations and unified management consisting of extended prevention and response, orchestration, automation, ThreatCloud AI, and generative AI copilot. Additionally, the company offers managed and professional services for defense with a comprehensive suite of cyber security services, including managed detection and response, incident response, security architecture design, consulting, and training. The company also provides technical customer support programs and plans; professional services in implementing, upgrading, and optimizing its products comprising design planning and security implementation; and certification and educational training services on its products. Check Point Software Technologies Ltd. was incorporated in 1993 and is headquartered in Tel Aviv, Israel.

Go Away Corporation

59-60 Business Valuation
As of May 30, 2025
Guideline Company Descriptions **Exhibit 7-B**

Guideline Company Descriptions	
Okta, Inc.	Okta, Inc. operates as an identity partner in the United States and internationally. The company offers Okta’s suite of products and services used to manage and secure identities, such as Single Sign-On that enables users to access applications in the cloud or on-premises from various devices; Adaptive Multi-Factor Authentication provides a layer of security for cloud, mobile, web applications, and data; API Access Management enables organizations to secure APIs; Access Gateway enables organizations to extend Workforce Identity Cloud; and Okta Device Access enables end users to securely log in to devices with Okta credentials. It provides Universal Directory, a cloud-based system of record to store and secure user, application, and device profiles for an organization; Lifecycle Management enables IT organizations or developers to manage a user's identity throughout its lifecycle; Okta Identity Governance provides identity access management and identity governance solutions; Advanced Server Access offers access management to secure cloud infrastructure; Okta Privileged Access enables organizations to reduce risk with unified access and governance management for on-premises and cloud resources; and Okta Workforce Identity Workflows. In addition, the company offers Universal Login, which allows customers to provide login experience across different applications and devices; and Attack Protection, a suite of security capabilities that protects customers from different types of malicious traffic. Further, it provides Adaptive Multi-Factor Authentication, Passwordless, Machine to Machine, Private Cloud, Organizations, Actions and Extensibility, and Enterprise Connections. The company sells its products directly to customers through sales force and channel partners. The company was formerly known as Saasure, Inc. Okta, Inc. was incorporated in 2009 and is headquartered in San Francisco, California.
Gen Digital Inc.	Gen Digital Inc. engages in the provision of cyber safety solutions for individuals, families, and small businesses. It offers security and performance management, identity protection, and online privacy, as well as technology platform. The company offers its products under the Norton, Avast, LifeLock, MoneyLion, Avira, AVG, and CCleaner brands. The company was formerly known as NortonLifeLock Inc. and changed its name to Gen Digital Inc. in November 2022. Gen Digital Inc. was founded in 1982 and is headquartered in Tempe, Arizona.

Guideline Company Descriptions	
Tenable Holdings, Inc.	Tenable Holdings, Inc. provides cyber exposure management solutions in the Americas, Europe, the Middle East, Africa, the Asia Pacific, and Japan. Its platforms include Tenable Vulnerability Management, a cloud-delivered software as a service that provides organizations with a risk-based view of traditional and modern attack surfaces; Tenable Cloud Security, a cloud security solution for use in exposing and closing priority security gaps caused by misconfigurations, risky entitlements, and vulnerabilities; Tenable Identity Exposure, a solution for end-to-end protection from identity-based threats; Tenable Web App Scanning, which provides configuration and management of web app scans; and Tenable Lumin Exposure View, a measurement tool. The company also provides Tenable Attack Surface Management, an external attack surface management solution; Tenable Security Center, an on-premises vulnerability management solution; and Tenable OT Security, a unified security solution for converged OT/IoT environments that provide threat detection, asset tracking, vulnerability management, and configuration control capabilities to protect OT environments, including industrial networks. In addition, it offers Nessus, a vulnerability assessment solution for cybersecurity industry and enterprise platform; and Nessus Expert, which enables users to programmatically detect cloud infrastructure misconfigurations and vulnerabilities in the design and build phase of the software development lifecycle. Tenable Holdings, Inc. was founded in 2002 and is headquartered in Columbia, Maryland.
Rapid7, Inc.	Rapid7, Inc. provides cybersecurity software and services under the Rapid7, Nexpose, and Metasploit brand names. The company offers Rapid7 Insight Agent, a software-based agent that is used on assets across on-premises and cloud environments to centralize and monitor data on company's platform; Rapid7 Insight Network Sensor that analyzes raw end-to-end network traffic to increase visibility into user activity, pinpoint real threats, and investigations; Rapid7 Cloud Event Data Harvesting that offers visibility into changes made to cloud resources; and third-party integrations and ecosystem, as well as orchestration and automation solutions. It also offers various platforms, including Rapid7 managed threat complete consisting of managed detection response that delivers end-to-end threat detection and response; Rapid7 threat complete consisting of InsightIDR, a security information and event management, and extended detection and response solution; Incident Response Services to prepare and respond to potential breaches; Exposure Command, an exposure management to provide attack surface visibility; and Exposure Command Advanced to provide strong security for workloads leveraging real-time visibility, identity analysis, and automated remediation. In addition, the company provides Surface Command, a Cyber Asset Attack Service Management solution to detect and prioritize security issues from endpoint to cloud; Vector Command, a continuous red-teaming service that validates the external attack surface exposures and tests defenses; InsightCloudSec, a cloud risk and compliance management solution; InsightAppSec, a dynamic application security testing tool; and InsightVM, a vulnerability management solution that provides visibility across on-premise and remote endpoints for security. Further, it offers offloads day-to-day, advisory, and professional services. The company was incorporated in 2000 and is headquartered in Boston, Massachusetts.

Guideline Company Descriptions	
Qualys, Inc.	Qualys, Inc. provides cloud-based platform delivering information technology (IT), security, and compliance solutions in the United States and internationally. It offers Qualys Cloud Apps, which include Cybersecurity Asset Management and External Attack Surface Management; Vulnerability Management, Detection and Response; Web Application Scanning; Patch Management; Custom Assessment and Remediation; Multi-Vector Endpoint Detection and Response; Policy Compliance; File Integrity Monitoring; and Qualys TotalCloud, as well as Cloud Workload Protection, Cloud Detection and Response, Cloud Security Posture Management, Infrastructure as Code, SaaS Security Posture Management, Kubernetes, and Container Security. The company's integrated suite of IT, security, and compliance solutions delivered on its Qualys' Enterprise TruRisk Platform that enables customers to identify and manage IT and operational technology assets; collect and analyze IT security data; discover and prioritize vulnerabilities; quantify cyber risk exposure; recommend and implement remediation actions; and verify the implementation of such actions. It also provides asset tagging and management, reporting and dashboards, questionnaires and collaboration, remediation and workflow, big data correlation and analytics engine, and alerts and notifications that enable clients to detect vulnerabilities, and measure and remediate cyber risk. The company offers its solutions to enterprises, government entities, and small and medium-sized businesses in various industries, including education, financial services, government, healthcare, insurance, manufacturing, media, retail, technology, and utilities through its sales teams, as well as through its network of channel partners, such as security consulting organizations, managed service providers, resellers, cloud providers, and consulting firms. Qualys, Inc. was incorporated in 1999 and is headquartered in Foster City, California.
Radware Ltd.	Radware Ltd., together with its subsidiaries, develops, manufactures, and markets cyber security and application delivery solutions for cloud, on-premises, and software defined data canters. It operates in two segments, Radware's Core Business and The Hawks' Business. The company offers cloud application protection service, cloud WAF, bot manager, API protection, web DDoS protection, client-side protection, threat intelligence, Kubernetes WAAP, and Alteon integrated WAF; cloud DDoS protection service, web DDoS protection defencepro X, cyber controller, and firewall-as-a-service; and Alteon, linkproof NG, and SSL inspection services. It serves healthcare, government, gaming, online business, SaaS, education, banking, and financial industries through independent distributors, which include value added resellers, original equipment manufacturers, and system integrators. It operates in the United States, the Asia Pacific, Europe, the Middle East, Africa, South America, and internationally. Radware Ltd. was incorporated in 1996 and is headquartered in Tel Aviv, Israel.

Guideline Company Descriptions	
OneSpan Inc.	OneSpan Inc., together with its subsidiaries, provides digital solutions for security, authentication, identity, electronic signature, and digital workflow products in the Americas, Europe, the Middle East, Africa, and the Asia Pacific regions. The company offers Cloud Authentication, a cloud-based multifactor authentication solution that supports various authentication options, including biometrics, push notification, and visual cryptograms for transaction data security, SMS, and hardware authenticators; Mobile Security Suite, a software development kit that protects mobile transactions; Mobile Application Shielding that protects mobile applications from attacks by malware allowing secure usage of mobile applications even in hostile environments; authentication servers that provides various authentication utilities and solutions designed to allow organizations to securely authenticate users and transactions; Authentication Suite, a solution to protect organizations from cyber threats; and Digipass Authenticators, consisting of various authentication devices. It also provides OneSpan Sign, a range of e-signature requirements for occasional agreement to processing tens of thousands of transactions; OneSpan Notary, an online notary solution developed for organizations with in-house notaries; OneSpan Identity Verification that enables banks and financial institutions identity verification services; and OneSpan Integration Platform, a platform that enables organizations to easily integrate e-signatures powered by OneSpan Sign into well-known applications, such as Microsoft Apps, Google Workspace, Salesforce, and Workday. It sells its solutions through its direct sales force, distributors, resellers, systems integrators, and original equipment manufacturers. The company was formerly known as VASCO Data Security International, Inc. and changed its name to OneSpan Inc. in May 2018. OneSpan Inc. was founded in 1991 and is headquartered in Boston, Massachusetts.

Go Away Corporation

59-60 Business Valuation
As of May 30, 2025
Market Approach: Guideline Comparable Transaction Method **Exhibit 8**

Total Net Revenue	Parameter	Selected Multiple	EV [1]	Cash/Debt	Equity Value
LTM	$40,975	3.5x	$143,411	$7,845	$151,256

Equity Value $151,256

Selected Transactions - Fundamentals [2]

Closed Date	Target	Buyer	Equity Value	Debt	Cash	Implied Enterprise Value	MVIC
8/31/2021	Proofpoint, Inc.	Thoma Bravo, L.P.	$11,444,306	nm	$882,550	$11,444,306	$12,326,856
5/19/2022	Mimecast Services Limited	Permira Advisers Ltd.	$5,489,034	nm	$366,652	$5,489,034	$5,855,686
12/23/2021	**Zix Corporation**	**Open Text Corporation**	**$884,125**	**nm**	**$38,973**	**$884,125**	**$923,098**
12/4/2023	Imperva, Inc.	Thales S.A.	$3,700,000	nm	nm	$3,700,000	$3,700,000
3/2/2020	Sophos Group Limited	Thoma Bravo, L.P.	$3,119,047	nm	$91,100	$3,119,047	$3,210,147
10/1/2024	Darktrace Limited	Thoma Bravo, L.P.	$5,095,132	nm	$496,464	$5,095,132	$5,591,596
3/18/2024	Splunk Inc.	Cisco Systems, Inc.	$28,185,582	nm	$2,448,988	$28,185,582	$30,634,570
2/27/2025	HashiCorp, Inc.	International Business Machines	$6,311,747	nm	$1,278,577	$6,311,747	$7,590,324
2/3/2025	SecureWorks Corp.	Sophos, Inc.	$818,115	nm	$47,628	$818,115	$865,743

Selected Comparables - Multiples

Closed Date	Target	Buyer	Revenues LTM	EBITDA LTM	EBITDA Margin LTM	EV to Revenue LTM	EV to EBITDA LTM
8/31/2021	Proofpoint, Inc.	Thoma Bravo, L.P.	$1,088,067	$44,451	4.1%	10.5x	257.5x
5/19/2022	Mimecast Services Limited	Permira Advisers Ltd.	$553,312	$138,812	25.1%	9.9x	39.5x
12/23/2021	**Zix Corporation**	**Open Text Corporation**	**$245,561**	**$47,656**	**19.4%**	**3.6x**	**18.6x**
12/4/2023	Imperva, Inc.	Thales S.A.	$500,000	nm	nm	7.4x	nm
3/2/2020	Sophos Group Limited	Thoma Bravo, L.P.	$726,900	$97,500	13.4%	4.3x	32.0x
10/1/2024	Darktrace Limited	Thoma Bravo, L.P.	$653,948	$121,722	18.6%	7.8x	41.9x
3/18/2024	Splunk Inc.	Cisco Systems, Inc.	$3,842,967	$168,112	4.4%	7.3x	167.7x
2/27/2025	HashiCorp, Inc.	International Business Machines	$583,137	-$240,739	-41.3%	10.8x	-26.2x
2/3/2025	SecureWorks Corp.	Sophos, Inc.	$346,352	-$24,711	-7.1%	2.4x	-33.1x

	Revenues LTM	EBITDA LTM	EBITDA Margin LTM	EV to Revenue LTM	EV to EBITDA LTM
Minimum	$245,561	-$240,739	-41.3%	2.4x	-33.1x
10th Percentile	$326,194	-$89,519	-17.4%	3.4x	-28.3x
First Quartile	$500,000	$27,161	1.3%	4.3x	7.4x
Average	$948,916	$44,100	4.6%	7.1x	62.2x
Median	$583,137	$72,578	8.9%	7.4x	35.8x
Third Quartile	$726,900	$125,994	18.8%	9.9x	73.3x
90th Percentile	$1,639,047	$147,602	21.1%	10.6x	194.6x
Maximum	$3,842,967	$168,112	25.1%	10.8x	257.5x

Notes:
[1] Enterprise Value = Market value of equity + Interest bearing debt - Cash.

Guideline Company Descriptions	
Proofpoint, Inc.	Proofpoint, Inc. develops and operates software-as-a-service that enables large and midsized organizations to defend, protect, archive, and govern their sensitive data. The company offers protection against advanced and targeted threats, such as malicious attachments, polymorphic threats, zero-day exploits, user-transparent drive-by downloads, malicious web-links, hybrid threats, malware-free attacks, and other penetration tactics. It also provides integrated email security, cloud security, threat protection products, information protection and archiving, and digital risk protection products. Proofpoint, Inc. was formerly known as Extreme E-Mail, Inc. and changed its name to Proofpoint, Inc. in December 2002. The company was incorporated in 2002 and is based in Sunnyvale, California with additional locations across the globe.
Mimecast Services Limited	Mimecast Services Limited develops cloud security and risk management solutions for corporate information and email. The company offers Mimecast Email Security solution, which protects against the delivery of malware, malicious URLs and attachments, spam, viruses, impersonation attacks, phishing, and spear-phishing attacks, including business email compromise, identity theft, extortion, fraud, and other attacks, while also preventing data leaks and other internal threats, as well as provides awareness training services. It also provides Cyber Resilience Extensions, such as Mimecast Enterprise Information Archiving that unifies email data to support e-discovery, forensic analysis, and compliance initiatives; Mimecast Business Continuity and Sync & Recover, which protects email and data against the threat of downtime as a result of system failure, natural disasters, planned maintenance, system upgrades, and migrations; and Mimecast Web Security service that protects against malicious web activity initiated by user action or malware and blocks access to inappropriate websites based on acceptable use policies. In addition, the company's Cyber Resilience Extensions also comprise Mimecast Secure Messaging, a secure and private channel to share sensitive information; Mimecast Health Care Pack, which prevents breaches and protects against data exfiltration transmissions; and Mimecast Large File Send that enables employees to create security and compliance risks when they turn to file sharing services. Further, it offers Threat Intelligence Dashboard, which displays cyber threat data specific to an organization by identifying users who pose the greatest cyber risk; and Mimecast Mobile and Desktop Apps for mobile, PC, and Mac users, as well as engages in data center operations. The company sells its services through direct sales and channel partners. The company was founded in 2003 and is based in London, United Kingdom with additional offices in Hilversum, the Netherlands; München, Germany; and Paris, France.
Zix Corporation	Zix Corporation provides solutions for email encryption, data loss prevention, threat protection, unified archiving, and cloud data backup in the United States, Israel, Canada, the United Kingdom, and Switzerland. The company offers Advanced Email Threat Protection, a cloud-based service that defends organizations from zero-day malware, ransomware, phishing, CEO fraud, W-2 phishing attacks, spams, and viruses in email; and Information Archive, a cloud-based email retention solution that enables user retrieval, compliance, and e-discovery. It also provides an Email Encryption Service that allows a user to send encrypted email to any email user anywhere and on any Internet-enabled device; cloud-based cybersecurity solutions for small and medium businesses; information rights management, e-signatures, and secure file sharing solutions; and software-as-a-service cloud backup and recovery solutions. The company serves the healthcare, financial services, and insurance industries, as well as the government sector. Zix Corporation sells its services through a direct sales force and telesales force and a network of resellers and other distribution partners, including other managed service providers. The company was formerly known as ZixIt Corporation and changed its name to Zix Corporation in 2002. Zix Corporation was incorporated in 1988 and is headquartered in Dallas, Texas. As of December 23, 2021, Zix Corporation operates as a subsidiary of Open Text Corporation.

Guideline Company Descriptions	
Imperva, Inc.	Imperva, Inc. develops and offers application data security and compliance. It offers products include content delivery network, waiting room, web application firewall, advanced bot protection, API security, DDoS protection, client-side protection; runtime protection, serverless protection, attack analytics, data security fabric, cloud data security, and DDoS Protection. It serves government, healthcare, financial services, telecom, ISPS, and retail industries. Imperva, Inc. was formerly known as WebCohort, Inc. and changed its name to Imperva, Inc. in February 2004. The company was incorporated in 2002 and is based in Austin, Texas with additional offices in Austin and Plano, Texas; Raleigh, North Carolina; Vancouver, Canada; Mexico City, Mexico; Tel Aviv and Rehovot, Israel; Melbourne and Sydney, Australia; Beijing and Shenzhen, China; Bangalore, India; Tokyo, Japan; Taipei, Taiwan; Singapore; Belfast, Northern Ireland; Amsterdam, the Netherlands; London, United Kingdom; Paris, France; Milan, Italy; Munich, Germany; Madrid, Spain; Stockholm, Sweden; and Dubai, United Arab Emirates. Imperva, Inc. operates as a subsidiary of Thales S.A.
Sophos Group Limited	Sophos Group Limited, through its subsidiaries, develops cloud-managed network and end-user cybersecurity solutions. The company offers Intercept X Endpoint, which delivers endpoint protection with artificial intelligence (AI) against malware, ransomware, exploits, and hacks; XG Firewall, a synchronized security built-in firewall that provides solutions for SD WAN and VPN connectivity, retail and branch, endpoint integration, enterprise and school protection, public and private cloud, and hybrid cloud; Sophos Central, a unified console for managing various Sophos products; and Sophos Wireless, a cloud-managed Wi-Fi that offers synchronized connectivity, threat discovery, and modular management system solutions. It also offers Sophos Mobile, a unified endpoint management and mobile threat defense solution; Phish Threat, a phishing attack simulation and end users training solution; Sophos Email, a cloud email security solution with AI; Sophos Home, cloud security; Central Device Encryption, a single console to manage various security products; Cloud Optix, which offers AI-based cloud security analytics and compliance; UTM, a unified threat management solution; a platform to provide end-to-end protection in public cloud services; and Intercept X for Server, a server protection solution that secures cloud, on-premises, or hybrid server environments. In addition, the company offers Secure Web Gateway, managed threat response, and professional services. It serves education, healthcare, retail, finance, and banking industries, as well as governments and public sectors in the North and South America, Europe, the Middle East and Africa, and Asia and the South Pacific. Sophos Group Limited was incorporated in 2015 and is based in London, United Kingdom.
Darktrace Limited	Darktrace Limited, together with its subsidiaries, designs and develops cyber-threat defense technology solutions in the United Kingdom, the United States, Europe, and internationally. The company's products include Darktrace PREVENT, an attack surface management that continuously monitors attack surface for risks, high-impact vulnerabilities, and external threats; and Darktrace DETECT, which analyzes thousands of metrics to reveal subtle deviations that may signal an evolving threat, including unknown techniques and novel malware, as well as installs in minutes, identifies threats, and avoids disruption. It also offers Darktrace RESPOND that works autonomously to disarm attacks whenever they occur and reacts to threats in seconds, as well as works 24/7 as it frees up security teams and resources; and Darktrace HEAL, which allows organizations to restore business affected by cyber-attacks to trusted operational states through AI assistance. Darktrace Limited was formerly known as Darktrace PLC and changed its name to Darktrace Limited in October 2024. The company was founded in 2013 and is based in Cambridge, United Kingdom with additional offices in New York, New York; London, United Kingdom; and Singapore.

Guideline Company Descriptions	
Splunk Inc.	Splunk Inc., together with its subsidiaries, develops and markets cloud services and licensed software solutions in the United States and internationally. The company offers unified security and observability platform, including Splunk Security that helps security leaders fortify their organization’s digital resilience by mitigating cyber risk and meeting compliance requirements; and Splunk Observability, which provides visibility across the full stack of infrastructure, applications, and the digital customer experience. It also provides application programming interfaces, software development kits, and other interfaces that enables its network of third-party developers, partners, and customers to build content, including pre-built data inputs, workflows, searches, reports, alerts, custom dashboards, flexible user interface components, custom data visualizations, and integration actions and methods that configures and extends its solutions to accommodate specific use cases. In addition, the company offers adoption and implementation, education, and customer support services. It sells its offerings directly through field and inside sales, and indirectly through various routes to market with various partners. Splunk Inc. was founded in 2003 and is headquartered in San Francisco, California with additional locations across the globe. As of March 18, 2024, Splunk Inc. operates as a subsidiary of Cisco Systems, Inc.
HashiCorp, Inc.	HashiCorp, Inc. engages in the provision of multi-cloud infrastructure automation solutions worldwide. The company offers infrastructure provisioning products, including Terraform, that enables IT operations teams to apply an Infrastructure-as-Code approach, where processes and configuration required to support applications are codified and automated instead of being manual and ticket-based; Packer, that provides a consistent way to define the process of transforming the raw source inputs into a production worthy artifact, across any environment or packaging format; and Vagrant, that allows teams to define how development environments are set up. It also provides security products, such as Vault, a secrets management and data protection product, which enables security teams to apply policies based on application and user identity to govern access to credentials and secure sensitive data; and Boundary, that applies an identity-based approach to privileged access management and unifies the controls to a single system. In addition, the company offers Consul, an application-centric networking automation product that enables practitioners to manage application traffic, security teams to secure and restrict access between applications, and operations teams to automate the underlying network infrastructure; Nomad, a scheduler and workload orchestrator, which provides practitioners with a self-service interface to manage the application lifecycle; and Waypoint, an application delivery product that provides a developer-focused workflow for the build, deploy, and release process. Further, it provides HashiCorp Cloud Platform, a fully-managed cloud platform for multiple products to accelerate enterprise cloud migration by addressing resource and skills gaps, improving operational efficiency, and speeding up deployment time for customers. The company was incorporated in 2012 and is headquartered in San Francisco, California. As of February 27, 2025, HashiCorp, Inc. operates as a subsidiary of International Business Machines Corporation.
SecureWorks Corp.	SecureWorks Corp., through its subsidiaries, provides technology-driven information security solutions for protecting its customers in the United States and internationally. The company’s solutions include software-as-a-service solutions; managed security services; and professional services, including incident response and penetration testing services. Its solutions enable organizations to prevent security breaches, detect malicious activity, respond rapidly to security breaches, and identify emerging threats. The company sells its solutions primarily through its referral agents, regional value-added resellers, trade associations, and managed security service providers. It serves customers in a range of industries, including financial services, manufacturing, technology, retail, insurance, utility, and healthcare sectors. The company was formerly known as SecureWorks Holding Corporation and changed its name to SecureWorks Corp. in November 2015. SecureWorks Corp. was founded in 1999 and is headquartered in Atlanta, Georgia. As of February 3, 2025, SecureWorks Corp. operates as a subsidiary of Sophos, Inc.

Go Away Corporation

59-60 Business Valuation
As of May 30, 2025
Allocation of Value **Exhibit 9**

US Dollar (USD)
(000s)

Valuation Date: *5/30/2025*

Total Equity Value: **$135,890**

[1]	S = Implied Value of Equity	$135,890	$135,890	$135,890	$135,890	$135,890	$135,890	$135,890
[2]	X = Exercise Price (Break Points)	$0	$113,323	$113,526	$130,361	$170,238	$231,646	$300,138
[3]	rf = Risk Free Rate	3.89%	3.89%	3.89%	3.89%	3.89%	3.89%	3.89%
[4]	t = Time to Expiration	2.00	2.00	2.00	2.00	2.00	2.00	2.00
[5]	sd = Equity Volatility	47.3%	47.3%	47.3%	47.3%	47.3%	47.3%	47.3%
[6]	**Value of Call Option**	**$135,890**	**$49,203**	**$49,105**	**$41,660**	**$28,437**	**$16,258**	**$9,107**
[7]	Call Value Delta	*$86,687*	*$98*	*$7,445*	*$13,223*	*$12,179*	*$7,151*	*$9,107*

	$0 to $113.3 Million	$113.3 to $113.5 Million	$113.5 to $130.4 Million	$130.4 to $170.2 Million	$170.2 to $231.6 Million	$231.6 to $300.1 Million	Greater Than $300.1 Million
Relative Rights to Distributions							
Common Shares	0.0%	100.0%	98.8%	65.0%	40.0%	32.8%	29.1%
Series A Preferred	36.2%	0.0%	0.0%	0.0%	38.4%	31.4%	27.9%
Series B Preferred	32.9%	0.0%	0.0%	0.0%	0.0%	18.2%	16.1%
Series C Preferred	30.8%	0.0%	0.0%	0.0%	0.0%	0.0%	11.3%
Common Warrants @ $0.01	0.0%	0.0%	1.2%	0.8%	0.5%	0.4%	0.3%
Common Options @ $0.83	0.0%	0.0%	0.0%	34.2%	21.1%	17.2%	15.3%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Allocation of Proceeds $							
Common Shares	$0	$98	$7,357	$8,594	$4,875	$2,342	$2,646
Series A Preferred	$31,396	$0	$0	$0	$4,679	$2,249	$2,540
Series B Preferred	$28,551	$0	$0	$0	$0	$1,298	$1,466
Series C Preferred	$26,739	$0	$0	$0	$0	$0	$1,030
Common Warrants @ $0.01	$0	$0	$88	$103	$59	$28	$32
Common Options @ $0.83	$0	$0	$0	$4,525	$2,567	$1,233	$1,393
Total	**$86,687**	**$98**	**$7,445**	**$13,223**	**$12,179**	**$7,151**	**$9,107**

Security	Total Value	Shares	Original Issue Price	Value Per Share	DLOM	Fair Value Per Share
Common Shares	**$25,911,836**	**20,287,269**	**$0.00**	**$1.28**	**31.2%**	**$0.88**
Series A Preferred	$40,863,777	19,474,140	$2.11	$2.10		
Series B Preferred	$31,316,333	11,245,391	$3.32	$2.78		
Series C Preferred	$27,769,541	7,899,540	$4.43	$3.52		
Common Warrants @ $0.01	$310,014	243,640	$0.00	$1.27		
Common Options @ $0.83	$9,718,498	10,682,074	$0.00	$0.91		
Total	**$135,890,000**	**69,832,054**				

Notes:
[1] Total Equity Value as of the Valuation Date [See: Exhibit 1].
[2] Point at which each class of stock begins to receive proceeds.
[3] The 2-year constant treasury yield as of the valuation date.
[4] Estimated time period to an exit event.
[5] Based on selected industry sector [See: Exhibit 10].
[6] Call Value = Company Value * Normal Distribution of d1 - Break Point - Risk Free Rate * Time to Exit * Normal Distribution of d2
d1 = (ln(Company Value / Break Point) + (Risk Free Rate + .5 * (Volatility)2)* Time to Exit) / (Volatility * Time to Exit1/2)
d2 = d1 - Volatility * Time to Exit1/2
[7] Value allocated across capital structure at each breakpoint. Represents the difference in call option values between the breakpoints.

Go Away Corporation

59-60 Business Valuation

As of May 30, 2025

Equity Volatility Analysis: Valuation Date **Exhibit 10**

	Average Annual Equity Volatility Over				
Systems Software	**1 Year**	**2 Years**	**3 Years**	**4 Years**	**5 Years**
CrowdStrike Holdings, Inc.	59.2%	47.7%	50.8%	51.2%	51.5%
Palo Alto Networks, Inc.	32.7%	39.9%	40.5%	39.7%	39.1%
CyberArk Software Ltd.	34.3%	33.7%	39.2%	42.1%	43.1%
Zscaler, Inc.	46.8%	41.4%	54.0%	53.9%	53.7%
Fortinet, Inc.	39.6%	41.5%	42.4%	42.2%	41.5%
Check Point Software Technologies Ltd.	29.9%	23.4%	23.0%	23.3%	23.5%
Okta, Inc.	51.3%	50.5%	59.3%	58.3%	56.0%
Gen Digital Inc.	24.0%	28.1%	28.2%	27.7%	29.9%
Tenable Holdings, Inc.	26.1%	28.8%	42.6%	42.6%	44.3%

Metrics					
Min	24.0%	23.4%	23.0%	23.3%	23.5%
10th Percentile	26.8%	28.2%	29.4%	29.1%	30.6%
First Quartile	32.7%	32.5%	38.2%	37.0%	39.1%
Average	37.6%	37.4%	42.9%	42.7%	42.9%
Median	36.4%	39.9%	42.4%	42.2%	43.1%
Third Quartile	39.6%	41.5%	51.3%	51.2%	51.5%
90th Percentile	50.4%	47.3%	54.4%	53.6%	53.7%
Maximum	59.2%	50.5%	59.3%	58.3%	56.0%

Go Away Corporation

59-60 Business Valuation
As of May 30, 2025
Discount for Lack of Marketability **Exhibit 11**

Value of European Option
C = (S * N(d1))-(X * (e^-rt) * N(d2))

Notes:

[r] Based on volatility of comparable public companies
[t] Based on estimated time to exit for the company
[σ] Based on volatility of comparable public companies

Current Equity Value (Price) [s]	$1.00
Exercise [k]	$1.00
Risk-Free Rate [r]	3.96%
Maturity (in years) [t]	5.000
Volatility [σ]	53.7%

Intermediate Calculations

N(d1) = Value of cumulative normal distribution at point 1	77.7%
N(d2) = Value of cumulative normal distribution at point 2	33.1%
(LN(s/k)+(r+(σ^2)/2)*t)/(σ*SQRT(t))	0.76
d1 - σ*SQRT(t)	(0.44)
(k*EXP(-s*t))*NORMSDIST(-d2)-s*NORMSDIST(-d1)	32.8%
Implied Discount for Lack of Marketability	**32.8%**

Asian Option Model
C = (S * N(d1))-(X * (e^-rt) * N(d2))
Pt = C - S + K / ((1 + r)^t)

[r] Based on volatility of comparable public companies
[t] Based on estimated time to exit for the company
[σ] Based on volatility of comparable public companies

[1] Asian option uses tree-based method to simulate average asset price (K). Steps represents number of nodes in the tree. Number of averages represents branches per node.

C = (S x N(d1)) - (X x (e^-rt) x N(d2))	**$0.37**
rf = Risk free rate	3.96%
S = Price of underlying stock for model	$1.28
t = Time to expiration in years	5.0
sd = Volatility (standard deviation) of underlying stock	53.7%
[1] Number of Steps	1.0
[1] Number of Averages	1.0
P = C - S + K / ((1+ r) ^ t)	**$0.25**
Implied Discount for Lack of Marketability	**20.0%**

Finnery Model $$DLOM = V_0 e^{-qT}\left[N\left(\frac{v\sqrt{T}}{2}\right) - N\left(-\frac{v\sqrt{T}}{2}\right)\right]$$

[N(·)] Cumulative probability function for a normal distribution	
[ln(·)] The natural log function	
[e] A mathematical constant	2.718
[q] Annualized dividend yield of security	-
[rf] Risk-free interest rate	3.96%
[t] Time to expiration in years	5.0
[σ] Annualized volatility of the underlying security	53.7%
[Vo] Value of the otherwise identical unrestricted interest	1.00
$v\sqrt{T} = \sqrt{\sigma^2 T + \ln[2(e^{T\sigma^2} - \sigma^2 T - 1)] - 2\ln(e^{T\sigma^2} - 1)}$	0.609
Implied Discount for Lack of Marketability	**23.9%**
Selected DLOM	**31.2%**

Appendix 1: Assumptions and Limiting Conditions

While Meld Valuation ("Meld") has been diligent in preparing this valuation, we relied upon information provided to us by others (including Company management and professional advisors to the Company) and did not independently verify its accuracy or completeness. Meld assumes no liability for such sources. We have no reason to believe that the information upon which we based our valuation conclusions was incomplete or inaccurate.

This appraisal is subject to the following assumptions and limiting conditions as outlined in the engagement letter:

1. The client will provide the asset valuations relied upon in the valuation report. Meld Valuation Services ("Meld") will assume that the information provided is reliable. The appraiser assumes no liability for such information.
2. The client will provide historical information, financial statements, projections, ownership, and other information in written, electronic, and oral form. Certain financial data to be used in our valuation are unaudited. Management represents, to the best of their knowledge, that all information supplied will be complete and accurate. Meld hereby reserves the right to alter, revise, and/or rescind any of the value opinions should any subsequent or additional data be found, or in the event the conditions are modified.
3. Meld assumes no responsibility for matters of a legal nature, nor do we assume responsibility for any financial and tax reporting judgments, which are properly management's responsibility.
4. No survey of any real property owned by the business will be made and the value opinion expressed in the report is without regard to questions of title, boundaries, encumbrances, and encroachments. Meld will not conduct, nor are we qualified to conduct, tests to determine whether hazardous materials or conditions exist.
5. Our valuation will assume that the subject company and subject assets are in full compliance with all applicable federal, state, and local laws and regulations.
6. The various estimates of value contained within the report will apply to this appraisal only, and may not be used out of the context presented herein. This report must be used in its entirety. Reliance on only a portion of the report may lead the reader to erroneous conclusions regarding the value. No portion of the report will stand alone without approval from the appraiser.
7. The conclusions reached in this report are advisory only and will not constitute a recommendation for purchase or sale of these securities.
8. Our conclusions are solely for the client's benefit and are to be used only for the purpose(s) specified in the report. The appraisal is valid only for the date and purpose specified. Others may not rely upon the report or conclusions without the express prior written consent of the appraiser. Possession of the report, or a copy thereof, does not include the right of publication. No part of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media without Meld's written consent or approval.
9. Possession of our conclusions and report, or copies thereof, will not carry with it the right of publication of all or any portion. They may not be used for any purpose by anyone except the client without the previous written consent of the client.
10. Liability of Meld and its employees or subcontractors for errors and omissions, if any, in this work, will be limited to the amount of its compensation for the work performed in this assignment.

Appendix 2: Valuation Credentials

Daniel Eyman

Experience

- Meld Valuation – Managing Director (2013 – Present); San Francisco, CA; Meld Valuation is a premier independent business valuation and securities analysis firm. Providing special focus on financial reporting, complex assets, and corporate finance.
- Quist Valuation - Senior Services Associate (2010 – 2013); Seattle, WA; A preeminent, independent business valuation firm specializing in valuing emerging companies for FAS157, IRC 409A, Employee Stock Ownership Plans, restricted stock, gift and estate taxes, intellectual property, blockage discounts, purchase price allocations, incentive stock options, secondary offerings, Initial Public Offerings, and pending acquisition purposes.
- Pitchbook Data – Senior Analyst (2009 -2010); Seattle, WA; PitchBook is an independent and impartial research firm dedicated to providing premium data, news and analysis to the private equity industry.

Valuation and Industry Analysis Results

- Managing Director on over 3000 valuation engagements of privately held companies under guidance from the Financial Accounting Standards Board (ASC 820, 805, 718, 480).
- Lead Associate on thousands of engagements of venture-backed privately held entities with complex capital structures, specific emphasis on early-stage companies.
- Participated in over 3000 valuation engagements of privately held companies under guidance from the Financial Accounting Standards Board (FASB) and tax planning under Section 409A of the Internal Revenue Code (IRC).
- Participated in over 1000 valuation engagements for public and privately held companies in a number of industries including life and biosciences, biotechnology, construction, business services, manufacturing, medical devices, oil and gas, software, software as a service, and telecommunications.
- Project manager and lead analyst in the valuation of over 500 limited liability companies, limited liability partnerships, and s-corporations;
- Contemporaneous industry and economic analysis in a variety of industries including Software as a Service, mobile software, biotechnology, real estate, gaming, manufacturing, surgical and medical devices, and telecommunications.

Daniel Eyman

Education and Accreditation

- Member – American Society of Appraisers
- Member - Alliance of M&A Advisors
- Member – Association for Corporate Growth
- Seattle University – MBA ; University of Washington – Bachelor of Science, Molecular Biology

Appendix 3: Sources of Information

While Meld Valuation has been diligent in preparing this valuation, we relied upon information provided to us by others. Our findings are based in part upon our discussions with Management.

We used the information provided by them in our valuation analysis and have no reason to believe that the information upon which we based our valuation conclusions was incomplete or inaccurate.

In preparing this valuation report, we relied upon the following Company financial information:

1. Internally prepared financial statements; and
2. Other internally prepared financial performance data

If this financial information were materially incorrect, we would likely alter our valuation.

In preparing our valuation report, we also reviewed the following Company documents and information:

1. Articles of Incorporation; and
2. Other relevant corporate documents.

For information on general economic conditions and industry outlook, we reviewed:

1. Economic Outlook Update, a quarterly publication put out by Business Valuation Resources;
2. Grandview Research https://www.grandviewresearch.com/

For information on required rates of return in capital markets, we relied upon *Kroll Cost of Capital, CapitalIQ,* and the *Federal Reserve Statistical Release* containing information as of the Valuation Date.

Appendix 4: Certification

Meld did not independently verify the information provided to us and in that regard, the validity of the Valuation depends on the accuracy of information provided by the Company.

Meld's fee for this service has been paid in full prior to delivery of this report and is therefore not contingent upon the opinion expressed herein. This report is subject to the terms and conditions set forth in the Company's signed engagement letter.

Meld also certifies to the best of its knowledge that:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions;
- Meld employees have no present or prospective interest in the property that is the subject of this report;
- Meld has no bias with respect to the property that is the subject of this report or to the parties involved with this assignment; and
- The engagement in this assignment was not contingent upon developing or reporting predetermined results.

We certify the above statements

Meld Valuation

Meld Valuation

CROWDSTRIKE HOLDINGS, INC. (NASDAQGS:CRWD)

COMPANY INFORMATION

CrowdStrike Holdings, Inc. provides cybersecurity solutions in the United States and internationally. Its unified platform provides cloud-delivered protection of endpoints, cloud workloads, identity, and data through a software as a service (SaaS) subscription-based model. The company offers corporate endpoint and cloud workload security, managed security, security and vulnerability management, IT operations management, identity protection, threat intelligence, data protection, SaaS security posture management, and AI powered workflow automation, and securing generative AI workload services, as well as security orchestration, automation, and response; and security information and event management, and log management services. It primarily sells subscriptions to its Falcon platform and cloud modules. CrowdStrike Holdings, Inc. was incorporated in 2011 and is headquartered in Austin, Texas.

Stock Exchange	NasdaqGS	Latest Fiscal Year	1/31/2025	Primary Industry	Systems Software	Next Earnings Date	12/2/2025
Website	http://www.crowdstrike.com	Latest Fiscal Quarter	4/30/2025				
Employees	10,118	LTM as of	4/30/2025				

Current Investors: Ansa Capital Management, LLC, CapitalG Management Company, LLC, ICONIQ Growth, Institutional Venture Partners, Keskinäinen Työeläkevakuutusyhtiö Elo, Knightsbridge Advisers LLC, March Capital Venture Management Services, LLC, Mark VC, T. Rowe Price Associates, Inc., Telesoft Partners

Pending Investors: NA

VALUATION

(in millions, except per share data)

Valuation			**Market Data**		
Current Price (Apr 30 2025)	**428.87**		Dividend Yield		NA
52 Week High (Feb 19, 2025)	*455.59*		5 Year Beta		1.22
52 Week Low (Aug 05, 2024)	*200.81*		Float		246.4
Shares - Basic	247.9		Float %		98.2%
Marketcap - Basic	**106,305.5**		Short Int. as a % of S/O		3.2%
Plus: Total Debt	788.9		Shares Sold Short		7.9
Plus: Preferred Stock	0.0		Days Cover Short		2.5
Plus: Minority Interest	39.4		**Average Trading Volume**		
Less: Cash and ST Investments	(4,323.3)		Last Week	4/23/25	3.3
TEV - Basic	**102,810.5**		Last Month	3/30/25	4.0
Relative Performance			Last 3 Months	1/30/25	4.3
CRWD YTD	25.3%	12/31/24	Last 6 Months	10/30/24	3.9
S&P 500 YTD	(5.3%)		Last Year	4/30/24	5.1

PRICE/VOLUME GRAPH

CAPITAL STRUCTURE

Capital Structure			
Commercial Paper	0.0	Unamortized Premium	0.0
Revolving Credit	0.0	Unamortized Discount	0.0
Term Loans	0.0	Adjustments	0.0
Snr. Bonds and Notes	744.0	**Total Debt**	**788.9**
Sub Bonds and Notes	0.0		
Trust Preferred	0.0	Undrawn Revolver	750.0
Capital Leases	44.9	Undrawn Commercial Paper	0.0
Other	0.0	Undrawn Term Loans	0.0
Total Principal Due	**788.9**	Other Available Credit	0.0
		Total Undrawn Credit	**750.0**

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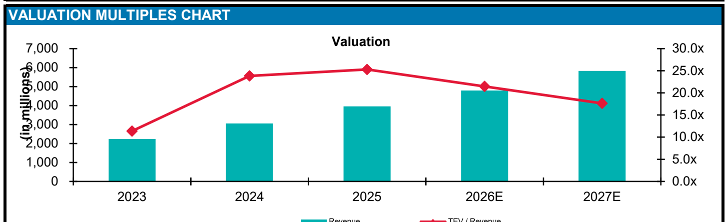
FINANCIAL SUMMARY

	Fiscal Year Ending,			LTM	Fiscal Year Ending,	
	1/31/23	**1/31/24**	**1/31/25**	**4/30/25**	**2026E**	**2027E**
Income Statement						
Revenue	2,241.2	3,055.6	3,953.6	4,136.0	4,787.9	5,825.5
EBITDA	(117.8)	106.0	101.5	(12.8)	1,188.6	1,553.6
Margin (%)	*(5.3%)*	*3.5%*	*2.6%*	*(0.3%)*	*24.8%*	*26.7%*
EBIT	(190.1)	(2.0)	(57.6)	(182.6)	972.6	1,346.6
Margin (%)	*(8.5%)*	*(0.1%)*	*(1.5%)*	*(4.4%)*	*20.3%*	*23.1%*
Net Income	(183.2)	89.3	(19.3)	(172.3)	883.4	1,188.6
Margin (%)	*(8.2%)*	*2.9%*	*(0.5%)*	*(4.2%)*	*18.4%*	*20.4%*
Diluted EPS	(0.79)	0.37	(0.08)	(0.70)	3.49	4.60
Cash Flow Statement						
Cash from Operations	941.0	1,166.2	1,381.7	1,382.6	1,528.5	2,176.5
Cash from Investing	(556.7)	(340.7)	(536.6)	(587.3)		
Cash from Financing	77.4	93.2	107.2	111.9		
Change in Cash	460.3	920.7	947.1	910.3		
Balance Sheet				**Latest**		
Total Assets	5,026.5	6,646.5	8,701.6	8,720.4		
Total Liabilities	3,539.1	4,309.4	5,382.7	5,229.3		
Total Equity	1,487.4	2,337.1	3,318.9	3,491.0		

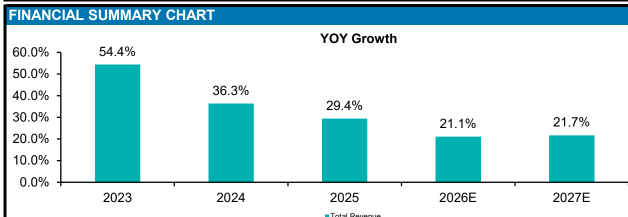
VALUATION MULTIPLES - BASIC

	Fiscal Year Ending,			LTM	Fiscal Year Ending,	
	1/31/23	**1/31/24**	**1/31/25**	**4/30/25**	**2026E**	**2027E**
TEV / Revenue	11.4x	23.8x	25.3x	26.0x	21.5x	17.6x
TEV / EBITDA	NM	NM	NM	NM	86.5x	66.2x
TEV / EBIT	NM	NM	NM	NM	105.7x	76.3x
P / E	NM	NM	NM	NM	123.0x	93.3x
P / BV	18.9x	34.6x	32.1x	32.4x	25.5x	19.8x
1 Year Growth						
Total Revenue	54.4%	36.3%	29.4%	25.9%	21.1%	21.7%
EBITDA	NM	NM	(4.2%)	NM	1070.8%	30.7%
EBIT	NM	NM	NM	NM	NM	38.5%
Net Income	NM	NM	NM	NM	NM	34.6%
EPS	NM	NM	NM	NM	NM	31.8%

VALUATION MULTIPLES CHART



FINANCIAL SUMMARY CHART



KEY EXECUTIVES & BOARD MEMBERS

Key Execs	**Title**
Kurtz, George	Co-Founder, President, CEO & Director
Sentonas, Michael	President
Podbere, Burt	Chief Financial Officer
Alperovitch, Dmitri	Co-Founder

Selected Board Members	**Title**
Watzinger, Gerhard	Independent Chairman
Kurtz, George	Co-Founder, President, CEO & Director
Austin, Roxanne	Independent Director
Davis, Cary	Independent Director
Schumacher, Laura	Independent Director
Gandhi, Sameer	Independent Director

DIVIDEND HISTORY

Ex-Date	**Record Date**	**Pay Date**	**Type**	**Amount**	**Next Ex-Date**	**Next Div.**
					NA	NA

OWNERSHIP

Top 10 Institutional Holders	**MM Shares**	**% Held**
The Vanguard Group, Inc.	22.8	9.21%
Blackrock, Inc.	19.4	7.82%
State Street Global Advisors, Inc.	10.4	4.21%
Geode Capital Management, Llc	5.5	2.20%
Jennison Associates Llc	6.6	2.65%
T. Rowe Price Group, Inc.	2.4	0.96%
Accel Partners	10.1	4.05%
Jp Morgan Asset Management	2.1	0.84%
Ubs Asset Management Ag	4.9	1.99%
Norges Bank Investment Management	3.2	1.31%
Kurtz, George R.	3.5	1.42%
Total Shares Outstanding	**247.9**	**100.00%**

Source: S&P Capital IQ

PALO ALTO NETWORKS, INC. (NASDAQGS:PANW)

COMPANY INFORMATION

Palo Alto Networks, Inc. provides cybersecurity solutions the Americas, Europe, the Middle East, Africa, the Asia Pacific, and Japan. It offers Prisma Access, a secure access service edge solution; Strata Cloud Manager, a network security management solution; and Prisma AIRS to protect customers' entire AI ecosystem. It provides a comprehensive cloud native application protection platform; and Code to Cloud platform, as well as offers VM-Series and CN-Series virtual firewalls for inline network security on multi- and hybrid-cloud environments. It provides security operation solutions through the Cortex platform that includes Cortex XSIAM, an AI-driven security operations platform; Cortex XDR to prevent, detect, and respond to cybersecurity attacks; and Cortex XSOAR for security orchestration, automation, and response; and Cortex Xpanse for attack surface management, as well as offers threat intelligence and advisory services under the Unit 42 name. It provides subscription services covering the areas of threat prevention, malware and persistent threat, URL filtering, laptop and mobile device protection, DNS security, Internet of Things security, SaaS security API, and SaaS security inline; and threat intelligence, data loss prevention, services to resolve network disruptions, and sensitive data protection. It offers professional services, including architecture design and planning, implementation, configuration, and firewall migration; education services, such as certifications, as well as online and in-classroom training; and support services. It sells its products and services through its channel partners, as well as directly to enterprises, service providers, and government entities operating in various industries, including education, energy, financial services, government entities, healthcare, Internet and media, manufacturing, public sector, and telecommunications. The company was incorporated in 2005 and is headquartered in Santa Clara, California.

Stock Exchange	NasdaqGS	Latest Fiscal Year	7/31/2024	Primary Industry	Systems Software	Next Earnings Date	2/13/2026
Website	http://www.paloaltonetworks.com	Latest Fiscal Quarter	4/30/2025				
Employees	15,289	LTM as of	4/30/2025				

Current Investors: Battery Ventures L.P., Bess Ventures & Advisory, LLC, Blumberg Capital, L.L.C., Greylock Partners, ICONIQ Growth, Juniper Networks, Inc., Keskinäinen Työeläkevakuutusyhtiö Elo, Keskinäinen työeläkevakuutusyhtiö Varma, Maverick Capital, Ltd., Northgate Capital Group, L.L.C.

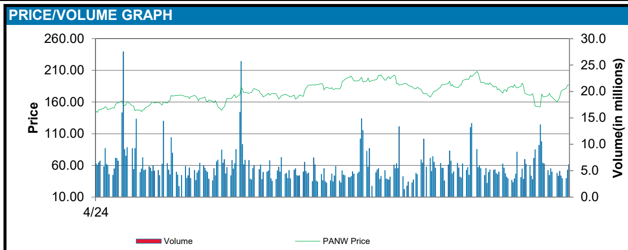
Pending Investors: NA

VALUATION

(in millions, except per share data)

Valuation			Market Data		
Current Price (Apr 30 2025)	**186.93**		Dividend Yield		NA
52 Week High (Feb 19, 2025)	*208.39*		5 Year Beta		1.02
52 Week Low (May 01, 2024)	*142.00*		Float		690.1
Shares - Basic	662.1		Float %		99.0%
Marketcap - Basic	**123,766.4**		Short Int. as a % of S/O		3.7%
Plus: Total Debt	970.4		Shares Sold Short		24.7
Plus: Preferred Stock	0.0		Days Cover Short		7.8
Plus: Minority Interest	0.0		**Average Trading Volume**		
Less: Cash and ST Investments	(3,232.9)		Last Week	4/23/25	4.6
TEV - Basic	**121,503.9**		Last Month	3/30/25	6.0
Relative Performance			Last 3 Months	1/30/25	5.6
PANW YTD	2.7%	12/31/24	Last 6 Months	10/30/24	5.5
S&P 500 YTD	(5.3%)		Last Year	4/30/24	5.8

PRICE/VOLUME GRAPH



CAPITAL STRUCTURE

Capital Structure			
Commercial Paper	0.0	Unamortized Premium	0.0
Revolving Credit	0.0	Unamortized Discount	0.0
Term Loans	0.0	Adjustments	0.0
Snr. Bonds and Notes	963.9	**Total Debt**	**1,344.4**
Sub Bonds and Notes	0.0		
Trust Preferred	0.0	Undrawn Revolver	0.0
Capital Leases	380.5	Undrawn Commercial Paper	0.0
Other	0.0	Undrawn Term Loans	0.0
Total Principal Due	**1,344.4**	Other Available Credit	0.0
		Total Undrawn Credit	**0.0**

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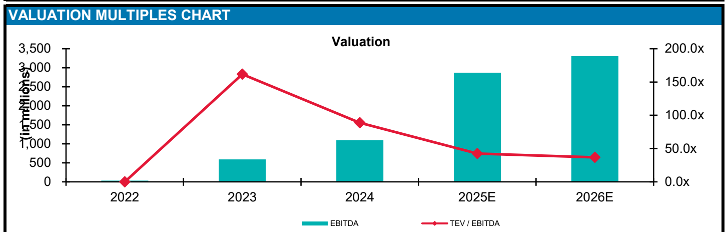
FINANCIAL SUMMARY

	Fiscal Year Ending,			LTM	Fiscal Year Ending,	
	7/31/22	7/31/23	7/31/24	4/30/25	2025E	2026E
Income Statement						
Revenue	5,501.5	6,892.7	8,027.5	8,874.9	9,190.8	10,557.2
EBITDA	31.4	590.0	1,094.4	1,249.5	2,865.7	3,304.3
Margin (%)	*0.6%*	*8.6%*	*13.6%*	*14.1%*	*31.2%*	*31.3%*
EBIT	(188.8)	387.3	888.3	990.9	2,579.9	3,038.3
Margin (%)	*(3.4%)*	*5.6%*	*11.1%*	*11.2%*	*28.1%*	*28.8%*
Net Income	(267.0)	439.7	2,577.6	1,238.1	2,271.5	2,641.4
Margin (%)	*(4.9%)*	*6.4%*	*32.1%*	*14.0%*	*24.7%*	*25.0%*
Diluted EPS	(0.45)	0.64	3.64	1.74	3.23	3.63
Cash Flow Statement						
Cash from Operations	1,984.7	2,777.5	3,257.6	3,208.3	3,643.0	4,216.5
Cash from Investing	(933.4)	(2,033.8)	(1,509.9)	(1,610.9)		
Cash from Financing	(806.6)	(1,726.3)	(1,343.1)	(584.4)		
Change in Cash	244.7	(982.6)	404.6	1,013.0		
Balance Sheet				Latest		
Total Assets	12,253.6	14,501.1	19,990.9	22,002.8		
Total Liabilities	12,043.6	12,752.7	14,821.2	14,772.3		
Total Equity	210.0	1,748.4	5,169.7	7,230.5		

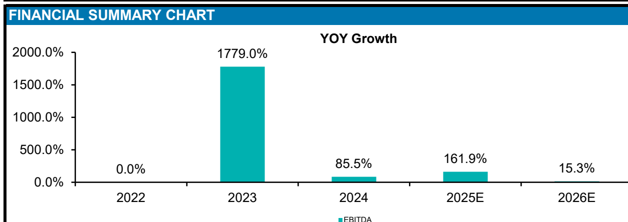
VALUATION MULTIPLES - BASIC

	Fiscal Year Ending,			LTM	Fiscal Year Ending,	
	7/31/22	7/31/23	7/31/24	4/30/25	2025E	2026E
TEV / Revenue	9.6x	11.8x	13.3x	14.2x	13.2x	11.5x
TEV / EBITDA	NM	161.7x	88.8x	93.5x	42.4x	36.8x
TEV / EBIT	NM	NM	118.0x	128.7x	47.1x	40.0x
P / E	NM	NM	47.1x	105.5x	57.9x	51.5x
P / BV	147.2x	62.0x	23.5x	19.4x	16.6x	12.8x
1 Year Growth						
Total Revenue	29.3%	25.3%	16.5%	13.9%	14.5%	14.9%
EBITDA	NM	1779.0%	85.5%	16.5%	161.9%	15.3%
EBIT	NM	NM	129.4%	13.1%	190.4%	17.8%
Net Income	NM	NM	486.2%	(49.4%)	(11.9%)	16.3%
EPS	NM	NM	468.8%	(49.7%)	(11.3%)	12.5%

VALUATION MULTIPLES CHART



FINANCIAL SUMMARY CHART



KEY EXECUTIVES & BOARD MEMBERS

Key Execs	Title
Arora, Nikesh	Chairman & CEO
Jenkins, William	President
Zuk, Nir	Founder Emeritus & Advisor
Golechha, Dipak	Executive VP & CFO

Selected Board Members	Title
Arora, Nikesh	Chairman & CEO
Klarich, Lee	Executive VP, Chief Product Officer, CTO & Director
Donovan, John	Lead Independent Director
McCarthy, Mary	Independent Director
Key, John	Independent Director
Twohill, Lorraine	Independent Director

DIVIDEND HISTORY

Ex-Date	Record Date	Pay Date	Type	Amount	Next Ex-Date	Next Div.
					NA	NA

OWNERSHIP

Top 10 Institutional Holders	MM Shares	% Held
The Vanguard Group, Inc.	62.8	9.48%
Blackrock, Inc.	53.3	8.04%
State Street Global Advisors, Inc.	29.0	4.38%
Morgan Stanley, Investment Banking And Brokerage Investments	23.8	3.59%
Geode Capital Management, Llc	15.0	2.27%
Ubs Asset Management Ag	14.0	2.12%
Jp Morgan Asset Management	11.2	1.70%
Managed Account Advisors Llc	8.0	1.21%
Northern Trust Global Investments	7.7	1.17%
Teachers Insurance And Annuity Association-College Retirement E	4.6	0.70%
Zuk, Nir	4.2	0.63%
Total Shares Outstanding	**662.1**	**100.00%**

Source: S&P Capital IQ

CYBERARK SOFTWARE LTD. (NASDAQGS:CYBR)

COMPANY INFORMATION

CyberArk Software Ltd. develops, markets, and sells software-based identity security solutions and services in the United States, Israel, the United Kingdom, Europe, the Middle East, Africa, and internationally. Its solutions include Privileged Access Manager and Privilege Cloud, which offers risk-based credential security and session management; Remote Access, a SaaS solution that provides secure access to third-party vendors; Secure Infrastructure Access, a SaaS solution that offers just-in-time access to infrastructure; Endpoint Privilege Manager, a SaaS solution that secures privileges on the endpoint; and Secure Desktop, a solution that protects access to endpoints. The company also provides workforce identity security, which offers adaptive multi-factor authentication, single sign-on, secure web sessions, workforce password management, application gateway, identity lifecycle management, customer identity, and secure browser services. In addition, it offers identity management solutions, including lifecycle management, identity flows and compliance, and directory services; Secure Cloud Access, which provides access to cloud consoles, native services, and workloads; machine identity security, which offers secrets management credential providers, Conjur Enterprise and Cloud, and secrets hub, as well as Venafi TLS protect, zero touch PKI, SSH protect, firefly, and codesign protect. Further, the company offers CORA AI; secure digital vault technology; session recording and controls; secure remote access; application authentication and credential management; endpoint security; distributed workload identity issuance; and SaaS extensibility and cloud service provider integration. It serves the financial services, manufacturing, insurance, healthcare, energy and utilities, transportation, retail, technology, and telecommunications industries; and government agencies. CyberArk Software Ltd. was incorporated in 1996 and is headquartered in Petah Tikva, Israel.

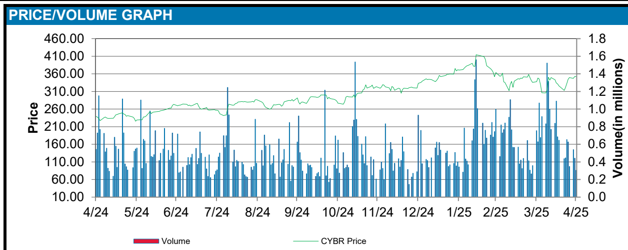
Stock Exchange	NasdaqGS	Latest Fiscal Year	12/31/2024	Primary Industry	Systems Software	Next Earnings Date	2/12/2026
Website	http://www.cyberark.com	Latest Fiscal Quarter	3/31/2025				
Employees	3,793	LTM as of	3/31/2025				
Current Investors	Bloom8, Cabaret Security Ltd., Infinity Private Equity Fund, Nomura International plc, Asset Management Arm, Seed Capital Partners LLC, The Goldman Sachs Group, Inc.						
Pending Investors	Athens Strategies Ltd, Palo Alto Networks, Inc.						

VALUATION

(in millions, except per share data)

Valuation			**Market Data**		
Current Price (Apr 30 2025)	**352.16**		Dividend Yield		NA
52 Week High (Feb 18, 2025)	*421.00*		5 Year Beta		0.99
52 Week Low (May 31, 2024)	*223.41*		Float		46.8
Shares - Basic	49.5		Float %		92.7%
Marketcap - Basic	**17,417.4**		Short Int. as a % of S/O		2.8%
Plus: Total Debt	29.3		Shares Sold Short		1.4
Plus: Preferred Stock	0.0		Days Cover Short		3.3
Plus: Minority Interest	0.0		**Average Trading Volume**		
Less: Cash and ST Investments	(819.8)		Last Week	4/23/25	0.5
TEV - Basic	**16,626.9**		Last Month	3/30/25	0.8
Relative Performance			Last 3 Months	1/30/25	0.7
CYBR YTD	5.7%	12/31/24	Last 6 Months	10/30/24	0.6
S&P 500 YTD	(5.3%)		Last Year	4/30/24	0.5

PRICE/VOLUME GRAPH



CAPITAL STRUCTURE

Capital Structure			
Commercial Paper	0.0	Unamortized Premium	0.0
Revolving Credit	0.0	Unamortized Discount	0.0
Term Loans	0.0	Adjustments	0.0
Snr. Bonds and Notes	0.0	**Total Debt**	**29.3**
Sub Bonds and Notes	0.0		
Trust Preferred	0.0	Undrawn Revolver	250.0
Capital Leases	29.3	Undrawn Commercial Paper	0.0
Other	0.0	Undrawn Term Loans	0.0
Total Principal Due	**29.3**	Other Available Credit	0.0
		Total Undrawn Credit	**250.0**

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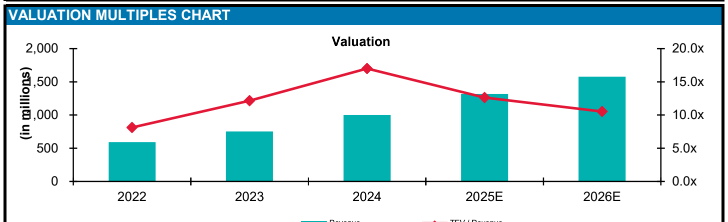
VALUATION MULTIPLES - BASIC

	Fiscal Year Ending,			LTM	Fiscal Year Ending,	
	12/31/22	**12/31/23**	**12/31/24**	**3/31/25**	**2025E**	**2026E**
TEV / Revenue	8.1x	12.2x	17.0x	15.9x	12.6x	10.5x
TEV / EBITDA	NM	NM	NM	NM	57.4x	44.2x
TEV / EBIT	NM	NM	NM	NM	74.7x	54.8x
P / E	NM	NM	NM	NM	95.7x	73.7x
P / BV	8.1x	12.7x	11.8x	7.0x	7.0x	6.7x
1 Year Growth						
Total Revenue	17.7%	27.1%	33.1%	35.1%	31.5%	19.8%
EBITDA	NM	NM	NM	NM	NM	29.8%
EBIT	NM	NM	NM	NM	NM	36.1%
Net Income	NM	NM	NM	NM	NM	34.6%
EPS	NM	NM	NM	NM	NM	29.8%

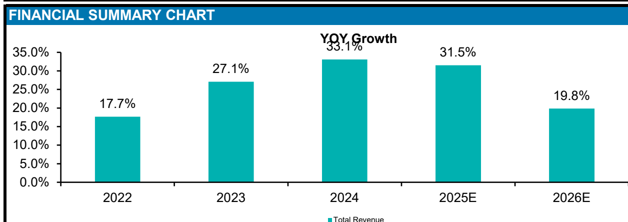
FINANCIAL SUMMARY

	Fiscal Year Ending,			LTM	Fiscal Year Ending,	
	12/31/22	**12/31/23**	**12/31/24**	**3/31/25**	**2025E**	**2026E**
Income Statement						
Revenue	591.7	751.9	1,000.7	1,096.8	1,316.0	1,577.2
EBITDA	(138.1)	(99.8)	(11.1)	3.3	289.3	375.6
Margin (%)	*(23.3%)*	*(13.3%)*	*(1.1%)*	*0.3%*	*22.0%*	*23.8%*
EBIT	(152.2)	(114.4)	(51.0)	(64.3)	222.4	302.7
Margin (%)	*(25.7%)*	*(15.2%)*	*(5.1%)*	*(5.9%)*	*16.9%*	*19.2%*
Net Income	(130.4)	(66.5)	(93.5)	(87.5)	190.2	256.0
Margin (%)	*(22.0%)*	*(8.8%)*	*(9.3%)*	*(8.0%)*	*14.5%*	*16.2%*
Diluted EPS	(3.21)	(1.60)	(2.12)	(1.92)	3.68	4.78
Cash Flow Statement						
Cash from Operations	49.7	56.2	231.9	261.8	274.5	405.2
Cash from Investing	(68.4)	(85.8)	(346.3)	(577.1)		
Cash from Financing	12.2	38.1	288.8	287.6		
Change in Cash	(9.5)	8.6	170.5	(27.0)		
Balance Sheet				**Latest**		
Total Assets	1,819.4	2,022.2	3,348.4	3,338.0		
Total Liabilities	1,141.3	1,229.9	978.6	910.3		
Total Equity	678.1	792.3	2,369.8	2,427.7		

VALUATION MULTIPLES CHART



FINANCIAL SUMMARY CHART



KEY EXECUTIVES & BOARD MEMBERS

Key Execs	**Title**
Mokady, Ehud	Founder & Executive Chairman
Cohen, Matthew	CEO & Director
Camacho, Eduarda	Chief Operating Officer
Regev, Peretz	Chief Product & Technology Officer

Selected Board Members	**Title**
Mokady, Ehud	Founder & Executive Chairman
Cohen, Matthew	CEO & Director
Gutler, Ron	Independent Director
Perdikou, Kim	Independent Director
England, Avril	Independent Director
Tirosh, Gadi	Lead Independent Director

DIVIDEND HISTORY

Ex-Date	**Record Date**	**Pay Date**	**Type**	**Amount**	**Next Ex-Date**	**Next Div.**
					NA	NA

OWNERSHIP

Top 10 Institutional Holders	**MM Shares**	**% Held**
Pentwater Capital Management Lp		
Hbk Investments L.P.		
Blackrock, Inc.	3.9	7.80%
Fmr Llc	1.4	2.91%
T. Rowe Price Group, Inc.	1.0	1.98%
Ubs Asset Management Ag	1.1	2.27%
Norges Bank Investment Management	0.6	1.23%
First Trust Advisors Lp	1.0	2.09%
Millennium Management Llc	0.2	0.42%
Citadel Advisors Llc	0.4	0.79%
Mokady, Ehud		#VALUE!
Total Shares Outstanding	**49.5**	**100.00%**

Source: S&P Capital IQ

ZSCALER, INC. (NASDAQGS:ZS)

COMPANY INFORMATION

Zscaler, Inc. operates as a cloud security company worldwide. The company offers cyberthreat protection products, including Zscaler Internet Access, which provides threat protection, cloud sandbox, and cloud browser isolation; Zscaler Private Access solution that includes cyberthreat and data protection, application discovery, secure application access, application segmentation, application protection, reduced attack surface, and browser isolation; Zero Trust Firewall; Cloud Sandbox; and Zero Trust Browser. It also provides data security products, such as web and email DLP, endpoint DLP, BYOD security, multi-mode CASB, unified SaaS security, DSPM, AI-SPM, public gen AI security, and Microsoft Copilot data protection; Zero Trust Cloud solution. In addition, the company offers Zero Trust Branch comprising Zero Trust SD-WAN; IoT/OT segmentation; privileged remote access; Zscaler Cellular; and Zscaler Digital Experience that measures end-to-end user experience across business applications, as well as provides an easy-to-understand digital experience score for each user, application, and location within an enterprise. Further, it provides security operations products, including data fabric for security; asset exposure management; Risk360; unified vulnerability management; deception; managed detection and response; and managed threat hunting. Additionally, the company offers Zero Trust Gateway, a fully managed Zscaler service. It serves the automotive, airlines and transportation, conglomerates, consumer goods and retail, energy, financial services, healthcare, insurance, manufacturing, media and communications, public sector and education, technology, and telecommunications services industries. The company was formerly known as SafeChannel, Inc., and changed its name to Zscaler, Inc. in August 2008. Zscaler, Inc. was incorporated in 2007 and is headquartered in San Jose, California.

Stock Exchange	NasdaqGS	Latest Fiscal Year	7/31/2024	Primary Industry	Systems Software	Next Earnings Date	12/3/2025
Website	http://www.zscaler.com	Latest Fiscal Quarter	4/30/2025				
Employees	7,348	LTM as of	4/30/2025				

Current Investors: Ansa Capital Management, LLC, Bess Ventures & Advisory, LLC, CapitalG Management Company, LLC, Dell EMC, Junípero Capital, Keskinäinen Eläkevakuutusyhtiö Ilmarinen, Keskinäinen työeläkevakuutusyhtiö Varma, Lightspeed India Partners Advisors LLP, Lightspeed Management Company, LLC, Lightspeed Ventures, LLC, Sand Hill East Ventures

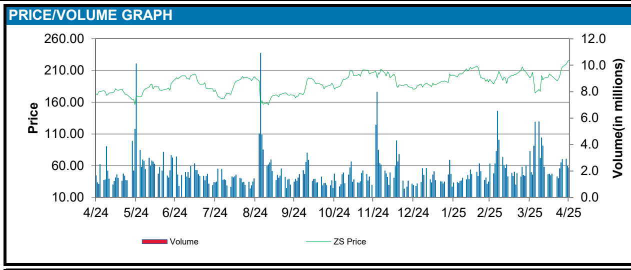
Pending Investors: NA

VALUATION

(in millions, except per share data)

Valuation			**Market Data**		
Current Price (Apr 30 2025)	**226.17**		Dividend Yield		NA
52 Week High (Apr 30, 2025)	*226.60*		5 Year Beta		1.14
52 Week Low (Sep 10, 2024)	*153.45*		Float		102.9
Shares - Basic	154.7		Float %		64.5%
Marketcap - Basic	**34,994.1**		Short Int. as a % of S/O		4.6%
Plus: Total Debt	1,239.1		Shares Sold Short		7.2
Plus: Preferred Stock	0.0		Days Cover Short		3.3
Plus: Minority Interest	0.0		**Average Trading Volume**		
Less: Cash and ST Investments	(2,880.2)		Last Week	4/23/25	2.5
TEV - Basic	**33,353.0**		Last Month	3/30/25	2.8
Relative Performance			Last 3 Months	1/30/25	2.3
ZS YTD	25.4%	12/31/24	Last 6 Months	10/30/24	2.0
S&P 500 YTD	(5.3%)		Last Year	4/30/24	2.0

PRICE/VOLUME GRAPH



CAPITAL STRUCTURE

Capital Structure			
Commercial Paper	0.0	Unamortized Premium	0.0
Revolving Credit	0.0	Unamortized Discount	0.0
Term Loans	0.0	Adjustments	(3.9)
Snr. Bonds and Notes	1,150.0	**Total Debt**	**1,241.8**
Sub Bonds and Notes	0.0		
Trust Preferred	0.0	Undrawn Revolver	0.0
Capital Leases	95.7	Undrawn Commercial Paper	0.0
Other	0.0	Undrawn Term Loans	0.0
Total Principal Due	**1,245.6**	Other Available Credit	0.0
		Total Undrawn Credit	**0.0**

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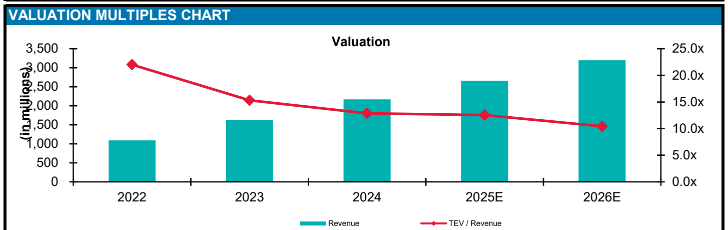
FINANCIAL SUMMARY

	Fiscal Year Ending,			LTM	Fiscal Year Ending,	
	7/31/22	**7/31/23**	**7/31/24**	**4/30/25**	**2025E**	**2026E**
Income Statement						
Revenue	1,090.9	1,617.0	2,167.8	2,546.8	2,657.5	3,198.5
EBITDA	(291.0)	(185.4)	(76.8)	(73.1)	664.5	842.2
Margin (%)	*(26.7%)*	*(11.5%)*	*(3.5%)*	*(2.9%)*	*25.0%*	*26.3%*
EBIT	(327.4)	(228.1)	(121.5)	(123.2)	569.1	713.6
Margin (%)	*(30.0%)*	*(14.1%)*	*(5.6%)*	*(4.8%)*	*21.4%*	*22.3%*
Net Income	(390.3)	(202.3)	(57.7)	(38.8)	503.2	611.0
Margin (%)	*(35.8%)*	*(12.5%)*	*(2.7%)*	*(1.5%)*	*18.9%*	*19.1%*
Diluted EPS	(2.77)	(1.40)	(0.39)	(0.26)	3.08	3.61
Cash Flow Statement						
Cash from Operations	321.9	462.3	779.8	925.4	906.6	1,124.3
Cash from Investing	374.1	(259.3)	(683.2)	(253.6)		
Cash from Financing	41.3	46.0	64.2	59.9		
Change in Cash	737.3	249.0	160.9	731.7		
Balance Sheet				**Latest**		
Total Assets	2,832.7	3,608.3	4,705.0	5,339.6		
Total Liabilities	2,259.4	2,883.2	3,430.9	3,534.7		
Total Equity	573.3	725.1	1,274.1	1,804.9		

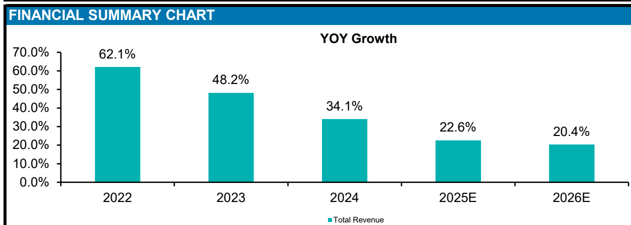
VALUATION MULTIPLES - BASIC

	Fiscal Year Ending,			LTM	Fiscal Year Ending,	
	7/31/22	**7/31/23**	**7/31/24**	**4/30/25**	**2025E**	**2026E**
TEV / Revenue	22.0x	15.3x	12.9x	13.8x	12.6x	10.4x
TEV / EBITDA	NM	NM	NM	NM	50.2x	39.6x
TEV / EBIT	NM	NM	NM	NM	58.6x	46.7x
P / E	NM	NM	NM	NM	73.4x	62.6x
P / BV	41.4x	38.9x	24.8x	21.8x	19.0x	14.1x
1 Year Growth						
Total Revenue	62.1%	48.2%	34.1%	25.5%	22.6%	20.4%
EBITDA	NM	NM	NM	NM	NM	26.7%
EBIT	NM	NM	NM	NM	NM	25.4%
Net Income	NM	NM	NM	NM	NM	21.4%
EPS	NM	NM	NM	NM	NM	17.1%

VALUATION MULTIPLES CHART



FINANCIAL SUMMARY CHART



KEY EXECUTIVES & BOARD MEMBERS

Key Execs	**Title**
Chaudhry, Jagtar	Co-Founder, CEO & Chairman of the Board
Rich, Mike	Chief Revenue Officer & President of Global Sales
Rubin, Kevin	Chief Financial Officer
Geller, Adam	Chief Product Officer

Selected Board Members	**Title**
Chaudhry, Jagtar	Co-Founder, CEO & Chairman of the Board
Judge, Raj	Executive VP of Corporate Strategy & Director
Giancarlo, Charles	Independent Director
Blasing, Karen	Independent Director
Brown, Andrew	Independent Director
Darling, Scott	Independent Director

DIVIDEND HISTORY

Ex-Date	**Record Date**	**Pay Date**	**Type**	**Amount**	**Next Ex-Date**	**Next Div.**
					NA	NA

OWNERSHIP

Top 10 Institutional Holders	**MM Shares**	**% Held**
The Vanguard Group, Inc.	9.9	6.39%
Blackrock, Inc.	6.8	4.41%
T. Rowe Price Group, Inc.	3.3	2.16%
Fmr Llc	1.8	1.16%
American Century Investment Management Inc	2.9	1.90%
State Street Global Advisors, Inc.	2.1	1.38%
Ubs Asset Management Ag	4.7	3.01%
First Trust Advisors Lp	2.6	1.66%
Geode Capital Management, Llc	1.8	1.14%
Aqr Capital Management, Llc	1.1	0.74%
Mangal, Ajay	29.2	18.87%
Total Shares Outstanding	**154.7**	**100.00%**

Source: S&P Capital IQ

FORTINET, INC. (NASDAQGS:FTNT)

COMPANY INFORMATION

Fortinet, Inc. provides cybersecurity and convergence of networking and security solutions worldwide. The company offers secure networking solutions that focus on the convergence of networking and security; network firewall solutions, which consist of FortiGate data centers, hyperscale, and distributed firewalls, as well as encrypted applications; wireless local area network (LAN) solutions; and secure connectivity solutions, including FortiSwitch secure ethernet switches, FortiAP wireless LAN access points, and FortiExtender 5G connectivity gateways. It also provides the Fortinet Unified Secure Access Service Edge (SASE) solutions that include firewall, software-defined wide-area network, secure web gateway, cloud access services broker, data loss prevention, and zero trust network access; and web application firewalls, cloud network security with virtualized firewalls, cloud-native firewalls, cloud-native application protection, and code security. In addition the company offers artificial intelligence-driven security operation solutions, which provides a suite of cybersecurity solutions that identify, protect, detect, respond, and recover from threats, as well as FortiEDR, FortiXDR, FortiNDR, FortiSandbox, FortiDeceptor, FortiDLP, and FortiRecon that helps organizations ensuring attackers face multiple layers of detection and mitigation across endpoints, networks, and applications. Further, it offers FortiGuard application security, content security, device security, NOC/SOC security, and web security services; FortiCare technical support services; and training and certification programs, as well as operates FortiGuard Lab, a cybersecurity threat intelligence and research organization. The company serves large enterprises, communication service providers, government organizations, and small to medium-sized enterprises. Fortinet, Inc. was incorporated in 2000 and is headquartered in Sunnyvale, California.

Stock Exchange	NasdaqGS	Latest Fiscal Year	12/31/2024	Primary Industry	Systems Software	Next Earnings Date	2/6/2026
Website	http://www.fortinet.com	Latest Fiscal Quarter	3/31/2025	S&P LT Rating	BBB+	S&P STARS Ranking	(Capability Needed)
Employees	14,138	LTM as of	3/31/2025	S&P LT Rating Date	2/22/2021	S&P Quality Ranking	(Capability Needed)

Current Investors: Acorn Campus, L.L.C., Global Alliance Inc., Investment Arm, Gold Sceptre Limited, Investel, Keskinäinen Eläkevakuutusyhtiö Ilmarinen, Keskinäinen Työeläkevakuutusyhtiö Elo, Keskinäinen työeläkevakuutusyhtiö Varma, Meritech Sub-Management Corporation, Nia Impact Advisors, LLC, Pacific Rim Capital, LLC

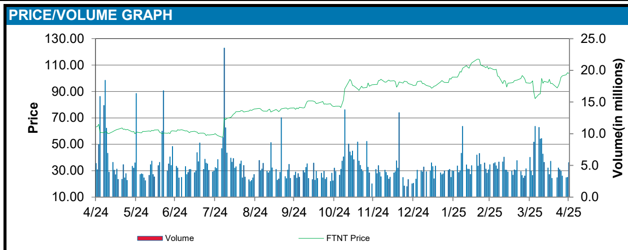
Pending Investors: NA

VALUATION

(in millions, except per share data)

Valuation			Market Data		
Current Price (Apr 30 2025)	**103.76**		Dividend Yield		NA
52 Week High (Feb 18, 2025)	*114.82*		5 Year Beta		1.17
52 Week Low (Aug 05, 2024)	*54.57*		Float		625.7
Shares - Basic	764.7		Float %		84.1%
Marketcap - Basic	**79,346.6**		Short Int. as a % of S/O		2.5%
Plus: Total Debt	1,073.4		Shares Sold Short		19.3
Plus: Preferred Stock	0.0		Days Cover Short		3.7
Plus: Minority Interest	0.0		**Average Trading Volume**		
Less: Cash and ST Investments	(4,066.5)		Last Week	4/23/25	3.9
TEV - Basic	**76,353.5**		Last Month	3/30/25	5.6
Relative Performance			Last 3 Months	1/30/25	5.1
FTNT YTD	9.8%	12/31/24	Last 6 Months	10/30/24	4.9
S&P 500 YTD	(5.3%)		Last Year	4/30/24	5.1

PRICE/VOLUME GRAPH



CAPITAL STRUCTURE

Capital Structure			
Commercial Paper	0.0	Unamortized Premium	0.0
Revolving Credit	0.0	Unamortized Discount	0.0
Term Loans	0.0	Adjustments	(5.7)
Snr. Bonds and Notes	1,000.0	**Total Debt**	**1,073.4**
Sub Bonds and Notes	0.0		
Trust Preferred	0.0	Undrawn Revolver	0.0
Capital Leases	79.1	Undrawn Commercial Paper	0.0
Other	0.0	Undrawn Term Loans	0.0
Total Principal Due	**1,079.1**	Other Available Credit	0.0
		Total Undrawn Credit	**0.0**

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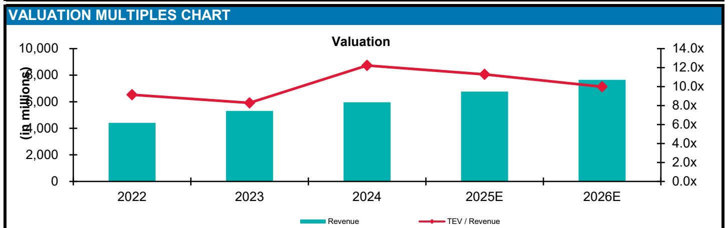
FINANCIAL SUMMARY

	Fiscal Year Ending,			LTM	Fiscal Year Ending,	
	12/31/22	**12/31/23**	**12/31/24**	**3/31/25**	**2025E**	**2026E**
Income Statement						
Revenue	4,417.4	5,304.8	5,955.8	6,142.2	6,760.5	7,647.6
EBITDA	1,069.3	1,349.9	1,921.6	2,056.2	2,317.5	2,622.9
Margin (%)	*24.2%*	*25.4%*	*32.3%*	*33.5%*	*34.3%*	*34.3%*
EBIT	965.0	1,236.5	1,798.8	1,926.2	2,181.5	2,505.3
Margin (%)	*21.8%*	*23.3%*	*30.2%*	*31.4%*	*32.3%*	*32.8%*
Net Income	857.3	1,147.8	1,745.2	1,879.3	1,930.3	2,226.3
Margin (%)	*19.4%*	*21.6%*	*29.3%*	*30.6%*	*28.6%*	*29.1%*
Diluted EPS	1.06	1.46	2.26	2.43	2.47	2.81
Cash Flow Statement						
Cash from Operations	1,730.6	1,935.5	2,258.1	2,291.0	2,540.9	2,926.4
Cash from Investing	763.9	(649.3)	(727.4)	(567.9)		
Cash from Financing	(2,130.3)	(1,570.4)	(50.1)	(52.5)		
Change in Cash	363.8	(285.0)	1,478.0	1,670.3		
Balance Sheet				**Latest**		
Total Assets	6,228.0	7,258.9	9,763.1	10,407.0		
Total Liabilities	6,509.6	7,722.3	8,269.3	8,444.1		
Total Equity	(281.6)	(463.4)	1,493.8	1,962.9		

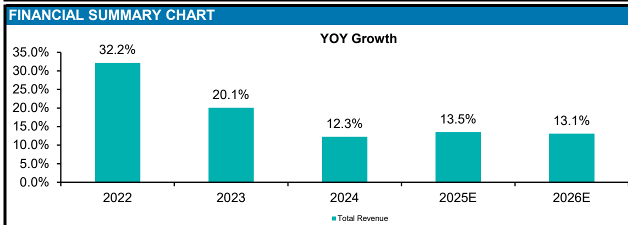
VALUATION MULTIPLES - BASIC

	Fiscal Year Ending,			LTM	Fiscal Year Ending,	
	12/31/22	**12/31/23**	**12/31/24**	**3/31/25**	**2025E**	**2026E**
TEV / Revenue	9.1x	8.3x	12.2x	11.9x	11.3x	10.0x
TEV / EBITDA	41.8x	33.3x	39.6x	36.3x	32.9x	29.1x
TEV / EBIT	47.2x	37.9x	44.3x	40.1x	35.0x	30.5x
P / E	53.9x	40.6x	47.5x	42.6x	42.1x	36.9x
P / BV	NM	NM	79.7x	49.4x	25.5x	16.1x
1 Year Growth						
Total Revenue	32.2%	20.1%	12.3%	13.8%	13.5%	13.1%
EBITDA	46.4%	26.2%	42.4%	47.0%	20.6%	13.2%
EBIT	49.4%	28.1%	45.5%	50.0%	21.3%	14.8%
Net Income	41.3%	33.9%	52.0%	56.7%	10.6%	15.3%
EPS	45.2%	37.7%	54.8%	57.7%	9.1%	14.0%

VALUATION MULTIPLES CHART



FINANCIAL SUMMARY CHART



KEY EXECUTIVES & BOARD MEMBERS

Key Execs	Title
Xie, Ken	Co-Founder, Chairman & CEO
Xie, Michael	Co-Founder, President, CTO & Director
Whittle, John	Chief Operating Officer
Ohlgart, Christiane	Chief Accounting Officer, CFO and Principal Financial & Accounting Officer

Selected Board Members	Title
Xie, Ken	Co-Founder, Chairman & CEO
Xie, Michael	Co-Founder, President, CTO & Director
Goldman, Kenneth	Independent Director
Hsieh, Ming	Independent Director
Sim, Judith	Lead Independent Director
Locke, Gary	Chairperson of Public Sector Advisory Council

DIVIDEND HISTORY

Ex-Date	Record Date	Pay Date	Type	Amount	Next Ex-Date	Next Div.
					NA	NA

OWNERSHIP

Top 10 Institutional Holders	MM Shares	% Held
The Vanguard Group, Inc.	71.7	9.37%
Blackrock, Inc.	58.6	7.66%
State Street Global Advisors, Inc.	28.3	3.70%
Geode Capital Management, Llc	16.1	2.10%
Norges Bank Investment Management	7.7	1.00%
Xie Foundation, Endowment Arm	11.8	1.54%
Invesco Capital Management Llc	7.5	0.99%
Ubs Asset Management Ag	10.7	1.40%
Fundsmith, Llp	8.5	1.11%
First Trust Advisors Lp	5.1	0.66%
Xie, Ken	60.2	7.87%
Total Shares Outstanding	**764.7**	**100.00%**

Source: S&P Capital IQ

CHECK POINT SOFTWARE TECHNOLOGIES LTD. (NASDAQGS:CHKP)

COMPANY INFORMATION

Check Point Software Technologies Ltd. develops, markets, and supports a range of products and services for IT security worldwide. It provides a multilevel security architecture that defends enterprises' cloud, network, mobile devices, endpoints information, and IOT solutions. The company offers on-premises security with quantum, a hyperscale AI-powered threat prevention for securing mesh networks, which comprise data center, perimeter, branch, and remote users; and security gateways, hyperscale orchestrator, SD-WAN networking, DDoS security, automated prevention for IoT, and cloud security management. It also provides cloud security with CloudGuard, a unified prevention-first cloud native security across applications, workloads, and network to automate security, prevent threats, and manage posture-at cloud speed and scale. In addition, the company offers workspace security with harmony that prevents sophisticated attacks across the IT workspace, including emails, web applications, devices, and remote corporate access. Further, it provides collaborative security operations with infinity platform services that include Collaborative prevention first security operations and unified management consisting of extended prevention and response, orchestration, automation, ThreatCloud AI, and generative AI copilot. Additionally, the company offers managed and professional services for defense with a comprehensive suite of cyber security services, including managed detection and response, incident response, security architecture design, consulting, and training. The company also provides technical customer support programs and plans; professional services in implementing, upgrading, and optimizing its products comprising design planning and security implementation; and certification and educational training services on its products. Check Point Software Technologies Ltd. was incorporated in 1993 and is headquartered in Tel Aviv, Israel.

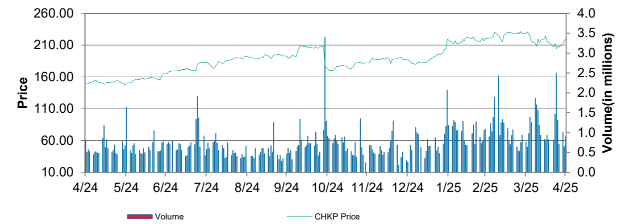
Stock Exchange	NasdaqGS	Latest Fiscal Year	12/31/2024	Primary Industry	Systems Software	Next Earnings Date	2/6/2026
Website	http://www.checkpoint.com	Latest Fiscal Quarter	3/31/2025	S&P LT Rating	NA	S&P STARS Ranking	(Capability Needed)
Employees	6,669	LTM as of	3/31/2025	S&P LT Rating Date	NA	S&P Quality Ranking	(Capability Needed)
Current Investors	Keskinäinen Eläkevakuutusyhtiö Ilmarinen						
Pending Investors	NA						

VALUATION

(in millions, except per share data)

Valuation			Market Data		
Current Price (Apr 30 2025)	**219.56**		Dividend Yield		NA
52 Week High (Mar 28, 2025)	*234.36*		5 Year Beta		0.66
52 Week Low (May 31, 2024)	*145.75*		Float		82.1
Shares - Basic	108.4		Float %		76.5%
Marketcap - Basic	**23,793.4**		Short Int. as a % of S/O		2.6%
Plus: Total Debt	0.0		Shares Sold Short		2.8
Plus: Preferred Stock	0.0		Days Cover Short		5.2
Plus: Minority Interest	0.0		**Average Trading Volume**		
Less: Cash and ST Investments	(1,462.2)		Last Week	4/23/25	1.2
TEV - Basic	**22,331.2**		Last Month	3/30/25	1.1
Relative Performance			Last 3 Months	1/30/25	1.1
CHKP YTD	17.6%	12/31/24	Last 6 Months	10/30/24	0.9
S&P 500 YTD	(5.3%)		Last Year	4/30/24	0.8

PRICE/VOLUME GRAPH



CAPITAL STRUCTURE

Capital Structure			
Commercial Paper	0.0	Unamortized Premium	0.0
Revolving Credit	0.0	Unamortized Discount	0.0
Term Loans	0.0	Adjustments	0.0
Snr. Bonds and Notes	0.0	**Total Debt**	**29.8**
Sub Bonds and Notes	0.0		
Trust Preferred	0.0	Undrawn Revolver	0.0
Capital Leases	29.8	Undrawn Commercial Paper	0.0
Other	0.0	Undrawn Term Loans	0.0
Total Principal Due	**29.8**	Other Available Credit	0.0
		Total Undrawn Credit	**0.0**

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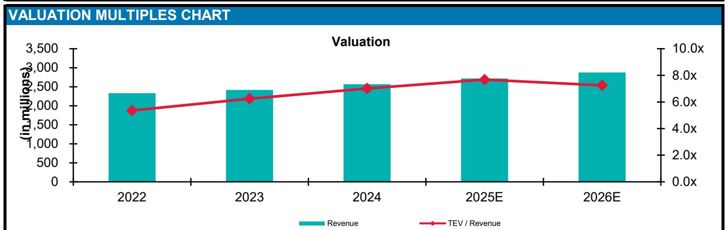
FINANCIAL SUMMARY

	Fiscal Year Ending,			LTM	Fiscal Year Ending,	
	12/31/22	**12/31/23**	**12/31/24**	**3/31/25**	**2025E**	**2026E**
Income Statement						
Revenue	2,329.9	2,414.7	2,565.0	2,604.0	2,717.2	2,876.4
EBITDA	908.6	932.5	934.6	938.0	1,179.6	1,249.7
Margin (%)	*39.0%*	*38.6%*	*36.4%*	*36.0%*	*43.4%*	*43.4%*
EBIT	884.3	899.1	876.0	877.6	1,142.5	1,213.7
Margin (%)	*38.0%*	*37.2%*	*34.2%*	*33.7%*	*42.0%*	*42.2%*
Net Income	796.9	840.3	845.7	852.7	1,086.0	1,143.3
Margin (%)	*34.2%*	*34.8%*	*33.0%*	*32.7%*	*40.0%*	*39.7%*
Diluted EPS	6.31	7.10	7.46	7.58	9.90	10.81
Cash Flow Statement						
Cash from Operations	1,098.5	1,037.9	1,052.4	1,112.5	1,141.3	1,205.8
Cash from Investing	(6.4)	468.7	(24.0)	(24.9)		
Cash from Finaning	(1,168.0)	(1,164.9)	(1,059.9)	(1,059.9)		
Change in Cash	(75.9)	341.7	(31.5)	41.1		
Balance Sheet				**Latest**		
Total Assets	5,724.8	5,695.5	5,754.5	5,557.9		
Total Liabilities	2,795.5	2,874.5	2,965.1	2,809.4		
Total Equity	2,929.3	2,821.0	2,789.4	2,748.5		

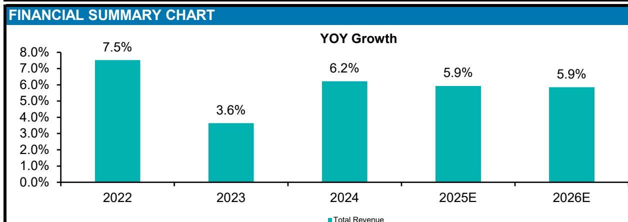
VALUATION MULTIPLES - BASIC

	Fiscal Year Ending,			LTM	Fiscal Year Ending,	
	12/31/22	**12/31/23**	**12/31/24**	**3/31/25**	**2025E**	**2026E**
TEV / Revenue	5.4x	6.2x	7.0x	8.6x	7.7x	7.3x
TEV / EBITDA	13.6x	16.0x	18.9x	23.2x	17.7x	16.7x
TEV / EBIT	14.0x	16.5x	20.3x	25.1x	18.3x	17.2x
P / E	20.7x	21.2x	25.5x	30.6x	22.2x	20.3x
P / BV	5.4x	6.4x	7.3x	8.9x	8.9x	8.8x
1 Year Growth						
Total Revenue	7.5%	3.6%	6.2%	6.4%	5.9%	5.9%
EBITDA	(2.3%)	2.6%	0.2%	0.4%	26.2%	5.9%
EBIT	(2.6%)	1.7%	(2.6%)	(1.7%)	30.4%	6.2%
Net Income	(2.3%)	5.4%	0.6%	1.5%	28.4%	5.3%
EPS	3.8%	12.5%	5.1%	5.4%	32.8%	9.1%

VALUATION MULTIPLES CHART



FINANCIAL SUMMARY CHART



KEY EXECUTIVES & BOARD MEMBERS

Key Execs	Title
Shwed, Gil	Founder & Executive Chairman
Schusheim, Sharon	Chief Services Officer
Greenberg, Itai	Chief Revenue Officer
Zafrir, Nadav	CEO & Director

Selected Board Members	Title
Shwed, Gil	Founder & Executive Chairman
Zafrir, Nadav	CEO & Director
Rothrock, Ray	Outside Independent Director
Chelouche, Yoav	Outside Lead Independent Director
Ungerman, Jerry	Independent Director
Shenhav, Tal	Independent Director

DIVIDEND HISTORY

Ex-Date	Record Date	Pay Date	Type	Amount	Next Ex-Date	Next Div.
					NA	NA

OWNERSHIP

Top 10 Institutional Holders	MM Shares	% Held
Blackrock, Inc.	5.5	5.05%
Massachusetts Financial Services Company	4.9	4.56%
Norges Bank Investment Management	2.3	2.12%
Ninety One Uk Limited	2.7	2.48%
Boston Partners Global Investors, Inc.	5.1	4.74%
First Trust Advisors Lp	1.7	1.60%
Columbia Management Investment Advisers, Llc	1.8	1.69%
Acadian Asset Management Llc	2.8	2.56%
State Street Global Advisors, Inc.	2.1	1.96%
Victory Capital Management Inc.	1.3	1.20%
Shwed, Gil	24.9	22.96%
Total Shares Outstanding	**108.4**	**100.00%**

Source: S&P Capital IQ

OKTA, INC. (NASDAQGS:OKTA)

COMPANY INFORMATION

Okta, Inc. operates as an identity partner in the United States and internationally. The company offers Okta's suite of products and services used to manage and secure identities, such as Single Sign-On that enables users to access applications in the cloud or on-premises from various devices; Adaptive Multi-Factor Authentication provides a layer of security for cloud, mobile, web applications, and data; API Access Management enables organizations to secure APIs; Access Gateway enables organizations to extend Workforce Identity Cloud; and Okta Device Access enables end users to securely log in to devices with Okta credentials. It provides Universal Directory, a cloud-based system of record to store and secure user, application, and device profiles for an organization; Lifecycle Management enables IT organizations or developers to manage a user's identity throughout its lifecycle; Okta Identity Governance provides identity access management and identity governance solutions; Advanced Server Access offers access management to secure cloud infrastructure; Okta Privileged Access enables organizations to reduce risk with unified access and governance management for on-premises and cloud resources; and Okta Workforce Identity Workflows. In addition, the company offers Universal Login, which allows customers to provide login experience across different applications and devices; and Attack Protection, a suite of security capabilities that protects customers from different types of malicious traffic. Further, it provides Adaptive Multi-Factor Authentication, Passwordless, Machine to Machine, Private Cloud, Organizations, Actions and Extensibility, and Enterprise Connections. The company sells its products directly to customers through sales force and channel partners. The company was formerly known as Saasure, Inc. Okta, Inc. was incorporated in 2009 and is headquartered in San Francisco, California.

Stock Exchange	NasdaqGS	Latest Fiscal Year	1/31/2025	Primary Industry	Internet Services and Infrast	Next Earnings Date	12/2/2025
Website	http://www.okta.com	Latest Fiscal Quarter	4/30/2025	S&P LT Rating	NA	S&P STARS Ranking	(Capability Needed)
Employees	5,914	LTM as of	4/30/2025	S&P LT Rating Date	NA	S&P Quality Ranking	(Capability Needed)

Current Investors: Altimeter Capital Management, LP, Cercano Management, Floodgate Fund, LP, Greylock Partners, Junípero Capital, Keskinäinen Eläkevakuutusyhtiö Ilmarinen, Keskinäinen työeläkevakuutusyhtiö Varma, Operator Network, Riot Ventures Management, LLC, Sequoia Capital Operations LLC

Pending Investors: NA

VALUATION

(in millions, except per share data)

Valuation			Market Data		
Current Price (Apr 30 2025)	**112.16**		Dividend Yield		NA
52 Week High (Mar 24, 2025)	*118.07*		5 Year Beta		0.96
52 Week Low (Sep 10, 2024)	*70.56*		Float		167.4
Shares - Basic	173.6		Float %		95.0%
Marketcap - Basic	**19,471.3**		Short Int. as a % of S/O		2.4%
Plus: Total Debt	979.0		Shares Sold Short		4.2
Plus: Preferred Stock	0.0		Days Cover Short		2.5
Plus: Minority Interest	0.0		**Average Trading Volume**		
Less: Cash and ST Investments	(2,523.0)		Last Week	4/23/25	7.2
TEV - Basic	**17,927.3**		Last Month	3/30/25	4.2
Relative Performance			Last 3 Months	1/30/25	3.7
OKTA YTD	42.3%	12/31/24	Last 6 Months	10/30/24	3.5
S&P 500 YTD	(5.3%)		Last Year	4/30/24	2.7

PRICE/VOLUME GRAPH

CAPITAL STRUCTURE

Capital Structure			
Commercial Paper	0.0	Unamortized Premium	0.0
Revolving Credit	0.0	Unamortized Discount	0.0
Term Loans	0.0	Adjustments	0.0
Snr. Bonds and Notes	858.0	**Total Debt**	**979.0**
Sub Bonds and Notes	0.0		
Trust Preferred	0.0	Undrawn Revolver	0.0
Capital Leases	121.0	Undrawn Commercial Paper	0.0
Other	0.0	Undrawn Term Loans	0.0
Total Principal Due	**979.0**	Other Available Credit	0.0
		Total Undrawn Credit	**0.0**

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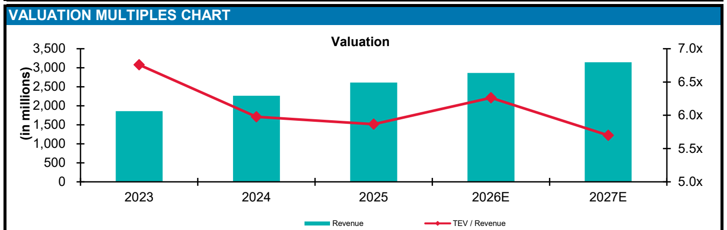
VALUATION MULTIPLES - BASIC

	Fiscal Year Ending,			LTM	Fiscal Year Ending,	
	1/31/23	1/31/24	1/31/25	4/30/25	2026E	2027E
TEV / Revenue	6.8x	6.0x	5.9x	6.9x	6.3x	5.7x
TEV / EBITDA	NM	NM	NM	NM	25.0x	21.6x
TEV / EBIT	NM	NM	NM	NM	25.1x	22.1x
P / E	NM	NM	NM	NM	35.0x	31.7x
P / BV	2.2x	2.4x	2.6x	3.0x	2.8x	2.6x
1 Year Growth						
Total Revenue	42.9%	21.8%	15.3%	13.5%	9.7%	9.9%
EBITDA	NM	NM	NM	NM	2763.5%	16.1%
EBIT	NM	NM	NM	NM	NM	13.6%
Net Income	NM	NM	NM	NM	2024.1%	13.0%
EPS	NM	NM	NM	NM	5509.0%	10.5%

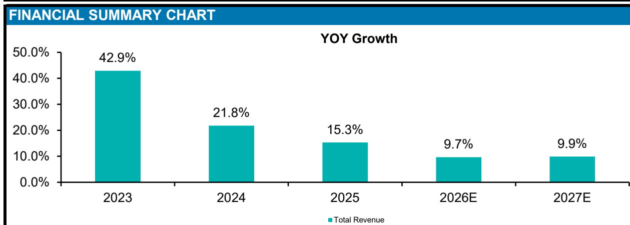
FINANCIAL SUMMARY

	Fiscal Year Ending,			LTM	Fiscal Year Ending,	
	1/31/23	1/31/24	1/31/25	4/30/25	2026E	2027E
Income Statement						
Revenue	1,858.0	2,263.0	2,610.0	2,681.0	2,862.3	3,145.8
EBITDA	(669.0)	(376.0)	25.0	103.0	715.9	831.3
Margin (%)	*(36.0%)*	*(16.6%)*	*1.0%*	*3.8%*	*25.0%*	*26.4%*
EBIT	(783.0)	(460.0)	(63.0)	16.0	713.4	810.5
Margin (%)	*(42.1%)*	*(20.3%)*	*(2.4%)*	*0.6%*	*24.9%*	*25.8%*
Net Income	(815.0)	(355.0)	28.0	130.0	594.7	672.1
Margin (%)	*(43.9%)*	*(15.7%)*	*1.1%*	*4.8%*	*20.8%*	*21.4%*
Diluted EPS	(5.16)	(2.17)	0.06	0.63	3.20	3.54
Cash Flow Statement						
Cash from Operations	86.0	512.0	750.0	772.0	773.9	882.5
Cash from Investing	(130.0)	441.0	(314.0)	(240.0)		
Cash from Finaning	48.0	(883.0)	(359.0)	(367.0)		
Change in Cash	(2.0)	71.0	73.0	171.0		
Balance Sheet				**Latest**		
Total Assets	9,307.0	8,989.0	9,437.0	9,365.0		
Total Liabilities	3,841.0	3,101.0	3,032.0	2,798.0		
Total Equity	5,466.0	5,888.0	6,405.0	6,567.0		

VALUATION MULTIPLES CHART



FINANCIAL SUMMARY CHART



KEY EXECUTIVES & BOARD MEMBERS

Key Execs	Title
McKinnon, Todd	Co-Founder, Chairman & CEO
Kerrest, Jacques	Co-Founder & Executive Vice Chairman
Tighe, Brett	Chief Financial Officer
Ninan, Shibu	Chief Accounting Officer

Selected Board Members	Title
McKinnon, Todd	Co-Founder, Chairman & CEO
Kerrest, Jacques	Co-Founder & Executive Vice Chairman
Stankey, Michael	Independent Director
Archambeau, Shellye	Independent Director
Epstein, Jeffrey	Lead Independent Director
Dixon, Robert	Independent Director

DIVIDEND HISTORY

Ex-Date	Record Date	Pay Date	Type	Amount	Next Ex-Date	Next Div.
					NA	NA

OWNERSHIP

Top 10 Institutional Holders	MM Shares	% Held
The Vanguard Group, Inc.	17.8	10.25%
Blackrock, Inc.	10.3	5.96%
Fmr Llc	20.0	11.51%
State Street Global Advisors, Inc.	3.6	2.06%
First Trust Advisors Lp	4.5	2.59%
Massachusetts Financial Services Company	3.7	2.13%
Ubs Asset Management Ag	3.2	1.86%
Geode Capital Management, Llc	2.8	1.64%
American Century Investment Management Inc	3.4	1.97%
Columbia Management Investment Advisers, Llc	2.0	1.16%
Mckinnon, Todd	6.5	3.73%
Total Shares Outstanding	**173.6**	**100.00%**

Source: S&P Capital IQ

GEN DIGITAL INC. (NASDAQGS:GEN)

COMPANY INFORMATION

Gen Digital Inc. engages in the provision of cyber safety solutions for or individuals, families, and small businesses. It offers security and performance management, identity protection, and online privacy, as well as technology platform. The company offers its products under the Norton, Avast, LifeLock, MoneyLion, Avira, AVG, and CCleaner brands. The company was formerly known as NortonLifeLock Inc. and changed its name to Gen Digital Inc. in November 2022. Gen Digital Inc. was founded in 1982 and is headquartered in Tempe, Arizona.

Stock Exchange	NasdaqGS	Latest Fiscal Year	3/28/2025	Primary Industry	Systems Software	Next Earnings Date	2/5/2026
Website	http://www.gendigital.com	Latest Fiscal Quarter	3/28/2025	S&P LT Rating	BB	S&P STARS Ranking	(Capability Needed)
Employees	3,500	LTM as of	3/28/2025	S&P LT Rating Date	11/4/2019	S&P Quality Ranking	(Capability Needed)

Current Investors: Fidelity Management & Research Company LLC, SLP IV Mustang Holdings, L.P., SLP IV Seal Holdings, L.P., Starboard Value LP, T. Rowe Price Associates, Inc., TA Associates Management, L.P., ValueAct Capital Management, L.P.

Pending Investors: NA

VALUATION

(in millions, except per share data)

Valuation			Market Data		
Current Price (Apr 30 2025)	**25.87**		Dividend Yield		1.9%
52 Week High (Dec 04, 2024)	*31.72*		5 Year Beta		0.99
52 Week Low (May 02, 2024)	*19.58*		Float		472.3
Shares - Basic	616.3		Float %		76.6%
Marketcap - Basic	**15,943.7**		Short Int. as a % of S/O		2.5%
Plus: Total Debt	8,531.0		Shares Sold Short		15.4
Plus: Preferred Stock	0.0		Days Cover Short		4.8
Plus: Minority Interest	0.0		**Average Trading Volume**		
Less: Cash and ST Investments	(883.0)		Last Week	4/23/25	3.5
TEV - Basic	**23,591.7**		Last Month	3/30/25	4.1
Relative Performance			Last 3 Months	1/30/25	4.2
GEN YTD	(5.5%)	12/31/24	Last 6 Months	10/30/24	3.8
S&P 500 YTD	(5.3%)		Last Year	4/30/24	4.0

PRICE/VOLUME GRAPH

CAPITAL STRUCTURE

Capital Structure			
Commercial Paper	0.0	Unamortized Premium	0.0
Revolving Credit	0.0	Unamortized Discount	0.0
Term Loans	5,905.0	Adjustments	(96.0)
Snr. Bonds and Notes	2,450.0	**Total Debt**	**8,315.0**
Sub Bonds and Notes	0.0		
Trust Preferred	0.0	Undrawn Revolver	1,494.0
Capital Leases	56.0	Undrawn Commercial Paper	0.0
Other	0.0	Undrawn Term Loans	0.0
Total Principal Due	**8,411.0**	Other Available Credit	0.0
		Total Undrawn Credit	**1,494.0**

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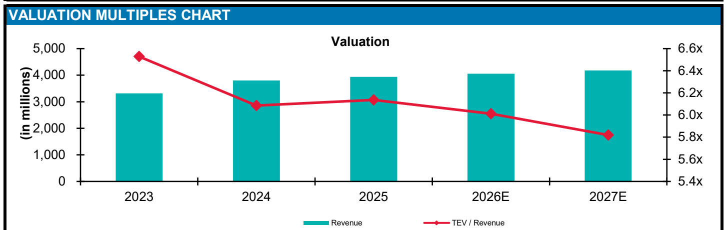
VALUATION MULTIPLES - BASIC

	Fiscal Year Ending,			LTM	Fiscal Year Ending,	
	3/31/23	**3/29/24**	**3/28/25**	**3/28/25**	**2026E**	**2027E**
TEV / Revenue	6.5x	6.1x	6.1x	6.1x	6.0x	5.8x
TEV / EBITDA	13.7x	12.3x	10.7x	10.7x	9.8x	9.3x
TEV / EBIT	15.6x	14.5x	11.9x	11.9x	10.3x	9.8x
P / E	19.0x	10.3x	25.9x	25.9x	11.7x	10.7x
P / BV	8.4x	5.9x	7.6x	7.6x	5.2x	4.1x
1 Year Growth						
Total Revenue	18.6%	14.6%	3.6%	3.6%	3.0%	3.0%
EBITDA	29.1%	22.1%	4.8%	4.8%	35.4%	3.4%
EBIT	23.1%	20.5%	9.8%	9.8%	42.8%	3.8%
Net Income	59.6%	(54.5%)	5.9%	5.9%	132.9%	7.7%
EPS	51.8%	(55.6%)	8.4%	8.4%	135.1%	7.5%

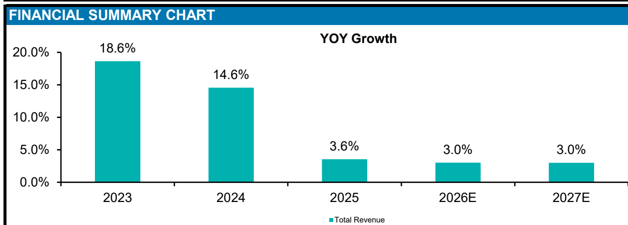
FINANCIAL SUMMARY

	Fiscal Year Ending,			LTM	Fiscal Year Ending,	
	3/31/23	**3/29/24**	**3/28/25**	**3/28/25**	**2026E**	**2027E**
Income Statement						
Revenue	3,317.0	3,800.0	3,935.0	3,935.0	4,054.1	4,175.9
EBITDA	1,468.0	1,792.0	1,878.0	1,878.0	2,543.4	2,628.8
Margin (%)	*44.3%*	*47.2%*	*47.7%*	*47.7%*	*62.7%*	*63.0%*
EBIT	1,275.0	1,536.0	1,686.0	1,686.0	2,407.0	2,497.7
Margin (%)	*38.4%*	*40.4%*	*42.8%*	*42.8%*	*59.4%*	*59.8%*
Net Income	1,334.0	607.0	643.0	643.0	1,497.6	1,613.0
Margin (%)	*40.2%*	*16.0%*	*16.3%*	*16.3%*	*36.9%*	*38.6%*
Diluted EPS	2.14	0.95	1.03	1.03	2.42	2.60
Cash Flow Statement						
Cash from Operations	757.0	2,064.0	1,221.0	1,221.0	1,249.1	1,383.3
Cash from Investing	(6,547.0)	2.0	(100.0)	(100.0)		
Cash from Financing	4,681.0	(1,961.0)	(970.0)	(970.0)		
Change in Cash	(1,137.0)	96.0	160.0	160.0		
Balance Sheet				**Latest**		
Total Assets	15,947.0	15,793.0	15,495.0	15,495.0		
Total Liabilities	13,747.0	13,653.0	13,226.0	13,226.0		
Total Equity	2,200.0	2,140.0	2,269.0	2,269.0		

VALUATION MULTIPLES CHART



FINANCIAL SUMMARY CHART



KEY EXECUTIVES & BOARD MEMBERS

Key Execs	Title
Pilette, Vincent	Chairman & CEO
Derse, Natalie	Chief Financial Officer
Ko, Bryan	COO, Chief Legal Officer & Secretary
Starr, Jason	Head of Investor Relation

Selected Board Members	Title
Pilette, Vincent	Chairman & CEO
Barsamian, Susan	Lead Independent Director
Denzel, Nora	Independent Director
Brandt, Eric	Independent Director
Smith, Sherrese	Independent Director
Heath, Emily	Independent Director

DIVIDEND HISTORY

Ex-Date	Record Date	Pay Date	Type	Amount	Next Ex-Date	Next Div.
2/14/2025	2/17/2025	3/12/2025	Cash	0.125	5/19/2025	0.125
11/18/2024	11/18/2024	12/11/2024	Cash	0.125		
8/19/2024	8/19/2024	9/11/2024	Cash	0.125		
5/17/2024	5/20/2024	6/12/2024	Cash	0.125		

OWNERSHIP

Top 10 Institutional Holders	MM Shares	% Held
The Vanguard Group, Inc.	69.7	11.31%
Blackrock, Inc.	54.2	8.79%
Sculptor Capital Management, Inc.	45.9	7.45%
Tfg Asset Management L.P.	40.0	6.49%
State Street Global Advisors, Inc.	29.2	4.74%
Fmr Llc	23.8	3.86%
Columbia Management Investment Advisers, Llc	21.1	3.42%
First Trust Advisors Lp	14.8	2.40%
Geode Capital Management, Llc	15.2	2.46%
Beutel Goodman & Company Ltd.	16.6	2.69%
Baudis, Pavel	49.8	8.09%
Total Shares Outstanding	**616.3**	**100.00%**

Source: S&P Capital IQ

TENABLE HOLDINGS, INC. (NASDAQGS:TENB)

COMPANY INFORMATION

Tenable Holdings, Inc. provides cyber exposure management solutions in the Americas, Europe, the Middle East, Africa, the Asia Pacific, and Japan. Its platforms include Tenable Vulnerability Management, a cloud-delivered software as a service that provides organizations with a risk-based view of traditional and modern attack surfaces; Tenable Cloud Security, a cloud security solution for use in exposing and closing priority security gaps caused by misconfigurations, risky entitlements, and vulnerabilities; Tenable Identity Exposure, a solution for end-to-end protection from identity-based threats; Tenable Web App Scanning, which provides configuration and management of web app scans; and Tenable Lumin Exposure View, a measurement tool. The company also provides Tenable Attack Surface Management, an external attack surface management solution; Tenable Security Center, an on-premises vulnerability management solution; and Tenable OT Security, a unified security solution for converged OT/IoT environments that provide threat detection, asset tracking, vulnerability management, and configuration control capabilities to protect OT environments, including industrial networks. In addition, it offers Nessus, a vulnerability assessment solution for cybersecurity industry and enterprise platform; and Nessus Expert, which enables users to programmatically detect cloud infrastructure misconfigurations and vulnerabilities in the design and build phase of the software development lifecycle. Tenable Holdings, Inc. was founded in 2002 and is headquartered in Columbia, Maryland.

Stock Exchange	NasdaqGS	Latest Fiscal Year	12/31/2024	Primary Industry	Systems Software	Next Earnings Date	2/6/2026
Website	http://www.tenable.com	Latest Fiscal Quarter	3/31/2025	S&P LT Rating	(Capability Needed)	S&P STARS Ranking	(Capability Needed)
Employees	1,872	LTM as of	3/31/2025	S&P LT Rating Date	(Capability Needed)	S&P Quality Ranking	(Capability Needed)

Current Investors: Accel Partners, FMR LLC, Insight Venture Management, LLC, Keskinäinen työeläkevakuutusyhtiö Varma

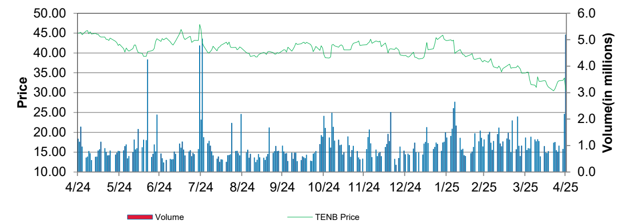
Pending Investors: NA

VALUATION

(in millions, except per share data)

Valuation			**Market Data**		
Current Price (Apr 30 2025)	**30.57**		Dividend Yield		NA
52 Week High (Jul 30, 2024)	*49.18*		5 Year Beta		0.83
52 Week Low (Apr 30, 2025)	*28.75*		Float		118.1
Shares - Basic	120.2		Float %		99.0%
Marketcap - Basic	**3,674.6**		Short Int. as a % of S/O		3.6%
Plus: Total Debt	417.0		Shares Sold Short		4.4
Plus: Preferred Stock	0.0		Days Cover Short		4.4
Plus: Minority Interest	0.0		**Average Trading Volume**		
Less: Cash and ST Investments	(460.3)		Last Week	4/23/25	1.8
TEV - Basic	**3,631.3**		Last Month	3/30/25	1.2
Relative Performance			Last 3 Months	1/30/25	1.2
TENB YTD	(22.4%)	12/31/24	Last 6 Months	10/30/24	1.1
S&P 500 YTD	(5.3%)		Last Year	4/30/24	1.0

PRICE/VOLUME GRAPH



CAPITAL STRUCTURE

Capital Structure			
Commercial Paper	0.0	Unamortized Premium	0.0
Revolving Credit	0.0	Unamortized Discount	0.0
Term Loans	359.3	Adjustments	0.0
Snr. Bonds and Notes	0.0	**Total Debt**	**422.3**
Sub Bonds and Notes	0.0		
Trust Preferred	0.0	Undrawn Revolver	49.8
Capital Leases	63.0	Undrawn Commercial Paper	0.0
Other	0.0	Undrawn Term Loans	0.0
Total Principal Due	**422.3**	Other Available Credit	0.0
		Total Undrawn Credit	**49.8**

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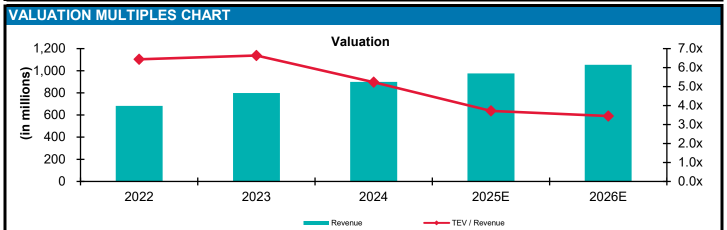
FINANCIAL SUMMARY

	Fiscal Year Ending,			LTM	Fiscal Year Ending,	
	12/31/22	**12/31/23**	**12/31/24**	**3/31/25**	**2025E**	**2026E**
Income Statement						
Revenue	683.2	798.7	900.0	923.2	976.2	1,053.2
EBITDA	(43.0)	(11.1)	34.4	44.9	232.4	274.7
Margin (%)	*(6.3%)*	*(1.4%)*	*3.8%*	*4.9%*	*23.8%*	*26.1%*
EBIT	(65.2)	(38.2)	1.1	10.0	210.5	246.2
Margin (%)	*(9.5%)*	*(4.8%)*	*0.1%*	*1.1%*	*21.6%*	*23.4%*
Net Income	(92.2)	(78.3)	(36.3)	(44.9)	183.2	217.5
Margin (%)	*(13.5%)*	*(9.8%)*	*(4.0%)*	*(4.9%)*	*18.8%*	*20.7%*
Diluted EPS	(0.83)	(0.68)	(0.31)	(0.38)	1.48	1.73
Cash Flow Statement						
Cash from Operations	131.2	149.9	217.5	254.6	262.1	303.8
Cash from Investing	(128.0)	(212.6)	(41.4)	(162.0)		
Cash from Finaning	23.3	1.3	(79.4)	(116.1)		
Change in Cash	22.6	(63.7)	91.5	(26.5)		
Balance Sheet				**Latest**		
Total Assets	1,439.5	1,606.9	1,742.1	1,693.6		
Total Liabilities	1,168.7	1,260.5	1,342.2	1,310.4		
Total Equity	270.9	346.3	400.0	383.2		

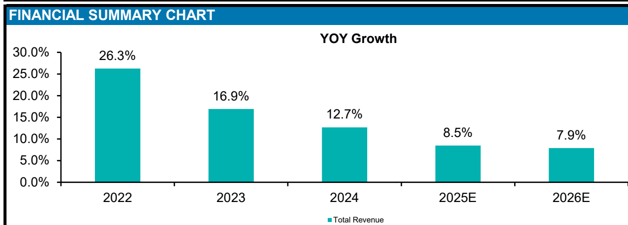
VALUATION MULTIPLES - BASIC

	Fiscal Year Ending,			LTM	Fiscal Year Ending,	
	12/31/22	**12/31/23**	**12/31/24**	**3/31/25**	**2025E**	**2026E**
TEV / Revenue	6.4x	6.6x	5.2x	4.5x	3.7x	3.4x
TEV / EBITDA	NM	NM	NM	95.5x	15.6x	13.2x
TEV / EBIT	NM	NM	NM	NM	17.3x	14.8x
P / E	NM	NM	NM	NM	20.6x	17.6x
P / BV	16.5x	15.6x	11.7x	10.5x	7.3x	5.3x
1 Year Growth						
Total Revenue	26.3%	16.9%	12.7%	11.8%	8.5%	7.9%
EBITDA	NM	NM	NM	1722.4%	576.4%	18.2%
EBIT	NM	NM	NM	NM	18265.6%	17.0%
Net Income	NM	NM	NM	NM	NM	18.7%
EPS	NM	NM	NM	NM	NM	17.1%

VALUATION MULTIPLES CHART



FINANCIAL SUMMARY CHART



KEY EXECUTIVES & BOARD MEMBERS

Key Execs	**Title**
Vintz, Stephen	Co-CEO & Director
Thurmond, Mark	Co-CEO
Huffard, John	Co-Founder & Director
Brown, Matthew	Chief Financial Officer

Selected Board Members	**Title**
Coviello, Arthur	Independent Chair of the Board
Vintz, Stephen	Co-CEO & Director
Huffard, John	Co-Founder & Director
Hayes, James	Senior VP of Global Government Affairs & Member of Public Sector Advisory Board
Seawell, A.	Independent Director
Higgins, Linda K.	Independent Director

DIVIDEND HISTORY

Ex-Date	Record Date	Pay Date	Type	Amount	Next Ex-Date	Next Div.
					NA	NA

OWNERSHIP

Top 10 Institutional Holders	**MM Shares**	**% Held**
The Vanguard Group, Inc.	13.9	11.54%
Blackrock, Inc.	12.7	10.56%
Columbia Management Investment Advisers, Llc	5.9	4.92%
Rgm Capital, Llc	3.8	3.14%
Shapiro Capital Management Llc	1.3	1.09%
First Trust Advisors Lp	2.7	2.21%
State Street Global Advisors, Inc.	3.0	2.51%
Geode Capital Management, Llc	2.9	2.38%
Assenagon Asset Management S.A.	0.3	0.24%
Mackenzie Financial Corporation	3.7	3.12%
Huffard, John C.	0.5	0.41%
Total Shares Outstanding	**120.2**	**100.00%**

Source: S&P Capital IQ

Economic Outlook Update as of June 30, 2025

Economic Outlook Update™ June 2025

INDEX OF LEADING INDICATORS

The U.S. Leading Economic Index (LEI) ticked down by 0.3% in June, to 98.8, after being unchanged in the previous month. The index was down 2.8% over the six months ending in June 2025, a larger contraction than the decline of 1.3% in the previous six-month period from July 2024 to December 2024. The Conference Board noted that consumers' expectations continued to decline for the second month, despite the stock price recovery that began in May. The overall decline in June was largely because of persistently weak new orders in manufacturing, low customer expectations, and a third consecutive month of rising initial claims for unemployment insurance. The weaknesses seen among the LEI components over the last six months have triggered The Conference Board's recession signal for three consecutive months; however, the board does not anticipate a recession. The Conference Board projected that the U.S. GDP growth would slow significantly in 2025 to 1.6% as the impact of tariffs becomes more apparent and higher prices cause consumer spending to slow down.

The Conference Board Coincident Economic Index (CEI) for the U.S. increased by 0.3% in June, to 115.1, after being unchanged in both May and April. The CEI increased 0.8% over the six-month period ending in June 2025, lower than the 1.0% rise over the prior six months. All of the CEI's four component indicators included among the data used to determine recessions in the U.S.—payroll, employment, personal income less transfer payments, and manufacturing and trade sales—improved in June.

The Conference Board Lagging Economic Index (LAG) for the U.S. was unchanged, at 119.9, after increasing 0.4% in May. The LAG expanded by 1.4% over the six-month period ending in June 2025, reversing its 0.8% decline in the previous six months. Indicators included in the LAG are average unemployment duration, the ratio of manufacturing and trade inventories to sales, change in manufacturing labor costs per unit of output, average prime rates, commercial and industrial loans outstanding, the ratio of consumer installment credit outstanding to personal income, and the change in the Consumer Price Index for services.

The LEI is a leading American economic indicator intended to forecast future activity. The Conference Board, a nongovernmental organization, calculates the index from the values of 10 key variables:

- Average weekly hours in manufacturing;
- Average weekly initial claims for unemployment insurance;
- Manufacturers' new orders, consumer goods and materials;
- Institute for Supply Management's Index of New Orders;
- Manufacturers' new orders, nondefense capital goods excluding aircraft orders;
- Building permits, new private housing units;
- Stock prices, 500 common stocks;
- Leading Credit Index;
- Interest rate spread, 10-year Treasury bonds less federal funds; and

- Average consumer expectations for business conditions.

INTEREST RATES

The Federal Open Market Committee (FOMC) held a meeting from June 17 to June 18. FOMC holds eight regularly scheduled meetings during the year. At these meetings, the committee reviews economic and financial conditions, determines the appropriate stance on monetary policy, and assesses the risks to its long-run goals of price stability and sustainable economic growth.

At its last meeting, FOMC decided to maintain the target range for the federal funds rate at 4.25% to 4.50%. The committee seeks to achieve maximum employment and inflation at the rate of 2.0% over the long run. The committee judges that the uncertainty about the economic outlook has diminished but remains elevated. The committee is attentive to the risks to both sides of its dual mandate. The federal funds rate is the interest rate at which a commercial bank lends immediately available funds in balances at the Federal Reserve to another commercial bank. The FOMC announced it will continue to reduce its holdings of Treasury securities, agency debt, and agency mortgage-backed securities.

The FOMC stated that, despite swings in net exports, recent indicators suggested that economic activity has continued to expand at a solid pace. It also mentioned that the unemployment rate has remained at a low level in recent months, while labor market conditions remain solid. The FOMC is attentive to the risks of higher unemployment and inflation, stating that inflation has elevated.

The FOMC also unanimously approved the establishment of the primary credit rate at the existing level of 4.50%. The primary credit rate is the basic interest rate charged to most banks.

The FOMC will continue to monitor the implications of incoming information for the economic outlook and assess information related to labor-market conditions, inflation pressures, inflation expectations, and financial and international developments and will use its tools and act as appropriate to support the economy and return inflation to its 2.0% objective.

The next meeting for the FOMC is July 29 to July 30.

CHICAGO FED NATIONAL ACTIVITY INDEX

In its most recent release, the Federal Reserve Bank of Chicago reported that the Chicago Fed National Activity Index (CFNAI) increased to -0.10 in June from -0.16 in May. Two of the four broad categories of indicators increased in June, but all three categories made negative contributions to the index.

The CFNAI's three-month moving average decreased to -0.22 in June from -0.14 in May. The CFNAI Diffusion Index, which is also a three-month moving average, decreased to -0.37 in June from -0.32 in the prior month. Thirty-seven of the 85 individual indicators made positive contributions to the CFNAI in June, while 48 made negative contributions. Fifty-three indicators improved in June, while 32 deteriorated. Of the indicators that improved, 21 made negative contributions.

Production-related indicators contributed -0.01 to the CFNAI in June, up from a contribution of -0.06 in May. The sales, orders, and inventories category made a -0.04 contribution to the CFNAI in June, down from 0.01 in the previous month.

Employment-related indicators made a -0.05 contribution to the CFNAI in June, down from -0.01 in May. The personal consumption and housing category contributed -0.01 in June, up from -0.10 in the previous month.

The National Activity Index is designed to gauge overall economic activity and related inflationary pressure and includes 85 economic indicators that are drawn from four broad categories of data: production and income; employment, unemployment, and hours; personal consumption and housing; and sales, orders, and inventories. Each of these data series measures some aspect of overall macroeconomic activity. The derived index provides a single, summary measure of a factor common to these national economic data. In the history of the data series, the lowest score, -18.19, was recorded in April 2020, and the highest score, 6.31, was recorded in June 2020.

CONSUMER CONFIDENCE, CONSUMER SENTIMENT, AND SMALL-BUSINESS OPTIMISM

CONSUMER CONFIDENCE

The Consumer Confidence Index improved in June. The index decreased by 3.2 points, to 95.2, compared to 98.4 in May. This decline followed a sharp gain in May. Consumers' assessment of current business and labor-market conditions fell, and their short-term outlook for income, business, and labor conditions also declined.

The senior economist at The Conference Board stated that "the decline was broad-based across components, with consumers' assessments and the present situation and their expectations for the future both contributing to the deterioration. Consumers were less positive about current business conditions than in May. Their appraisal of current job availability weakened for the sixth consecutive month but remained in positive territory, in line with the still solid labor market. The three components of the Expectations Index—business conditions, employment prospects, and future income—all weakened. Consumers were more pessimistic about business conditions and job availability over the next six months, and optimism about future income prospects eroded slightly."

The Present Situation Index decreased 2.5 points in June, to 133.0. The Expectations Index declined 3.7 points, to 69.9. The Expectations Index remained below the threshold of 80.0 that typically signals a recession ahead. The Present Situation Index measures consumers' assessment of current business and labor-market conditions, while the Expectations Index tracks consumers' short-term outlook for income, business, and labor-market conditions.

In June, confidence declined across all age groups and nearly all income groups. Confidence also deteriorated across all political affiliations, especially among Republicans.

The proportion of consumers anticipating a recession over the next 12 months increased slightly and remained above the levels observed in 2024. Inflation and high prices were mentioned as important concerns among respondents in June, though lower compared to the previous month. The average 12-month inflation expectations decreased to 6.0%, lower than the 6.4% in May and 7.0% in April. Nonetheless, the tariffs are still on top of consumers' minds, which has a negative impact on the economy and prices. The share of consumers expecting stock prices to increase over the next 12 months was 45.6% in June, recovering from the 16-month low reading of 37.6% in April. However, 57.0% of respondents anticipated interest rates would rise, which is the highest share since October 2023. They also mentioned the increased geopolitics and social unrest, although at a much lower level on the list of topics affecting consumers' views of the economy.

Consumers' responses regarding purchasing plans for cars remained steady, at the highest level since December 2024, while plans for purchasing homes declined. Consumers' plans to purchase big-ticket items, such as appliances, were slightly up, but plans to buy electronics goods were down. Further, consumers' overall intentions to purchase more services in the next few months weakened in almost all service categories. The share of consumers who intend to spend more on dining out registered one of the largest month-on-month increases in June, followed by motor vehicle services, museum/historic sites, and fitness.

Furthermore, vacation plans remained unchanged, with more consumers intending to travel abroad than domestically.

Consumers' appraisal of current business conditions was less positive in June, with 19.0% stating that business conditions were "good," down from 21.4% in May. The percentage of those saying business conditions were "bad" was 15.3%, up from 13.7% in the previous month.

Consumers' assessment of the labor market declined slightly in June. The percentage of consumers stating jobs were "plentiful" was 29.2%, down from 31.1% in May. The percentage of those claiming jobs were "hard to get" was 18.1%, slightly lower than the 18.4% reading in May.

Consumers' outlook for short-term business conditions was more pessimistic in June. The survey results showed that the percentage of consumers expecting business conditions to improve over the next six months was down 3.2 percentage points, to 16.7%. The percentage of those expecting business conditions to worsen fell by 1.4 percentage points, to 24.0%.

Consumers' assessment of the short-term outlook for the labor market was more negative in June. The percentage of those expecting more jobs in the months ahead decreased by 3.2 percentage points, to 15.4%. The percentage of those expecting fewer jobs in the months ahead was 25.9%, down slightly from 26.2% in the previous month.

Consumers' assessments of their income prospects were slightly less positive in June. The percentage of consumers expecting an improvement in their incomes decreased by 2.3 percentage points, to 16.3%. However, the percentage of consumers expecting a decrease in their income was 12.4%, a decrease from 13.5% last month.

The Consumer Confidence Index is an indicator designed to measure the degree of optimism about the state of the economy that consumers express through their savings and spending. A decreasing month-over-month trend in the Consumer Confidence Index suggests that consumers have a negative outlook about their ability to secure and retain good jobs, whereas a rising trend in consumer confidence indicates improvements in consumer buying patterns. Opinions on current conditions make up 40% of the index (the Present Situation Index), while expectations of future conditions comprise the remaining 60% (the Expectations Index).

CONSUMER SENTIMENT

The Thomson Reuters/University of Michigan's Consumer Sentiment Index increased in June by 8.5 points, to 60.7, after being unchanged in May. Despite June's notable increase, the index remained 7.5 points below its level from one year ago. In June, consumer sentiment increased for the first time in six months but remains well below the post-election bounce seen in December 2024. Consumers' outlook for the economy improved, as all five index components rose this month, led by a 15.0-point increase in consumers' expectations for their personal finances. Nonetheless, sentiment remains about 18.0% below December 2024, suggesting that consumer views are still broadly consistent with an economic slowdown and an increase in inflation to come. Further, consumers continue to be concerned about the potential impact of tariffs.

Year-ahead inflation expectations plunged from 6.6% in May to 5.0% in June, and long-run inflation expectations retreated from 4.2% to 4.0%. Both readings are the lowest in three to four months. Furthermore, consumers' fears about the potential impact of tariffs on future inflation softened somewhat in June, as 59.0% of consumers spontaneously offered comments about tariffs, down slightly from approximately 66.0% the previous month. Nonetheless, inflation expectations remain above readings seen throughout the second half of 2024, suggesting that the widespread belief is that risks to inflation have not fully subsided. Labor market expectations increased in June, although they remain lower than the readings from immediately after the election in December 2024. Fifty-eight percent of consumers expected unemployment to rise in the year ahead, down from 66.0% in March but much higher than the 40.0% seen in December 2024.

The Current Economic Conditions Index, which measures consumers' feelings about the current economy, increased by 5.9 points, to 64.8 in June. The index is currently 1.1 points below its reading of 65.9 in June 2024.

The Index of Consumer Expectations increased by 10.2 points, to 58.1. The reading was 11.5 points lower than its level of 69.6 from one year ago. The index focuses on three areas: how consumers view prospects for their own financial situation, how they view prospects for the general economy over the near term, and how they view prospects for the economy over the long term.

SMALL-BUSINESS OPTIMISM

The National Federation of Independent Business' (NFIB) Small Business Optimism Index decreased 0.2 points in June, to 98.6. The report noted that the reading was slightly above its 51-year average of 98.0. The June report highlighted that the decrease in inventory satisfaction contributed the most to the decline in the index in June.

Four of the 10 components that comprise the Small Business Optimism Index increased in June, four decreased, and two were unchanged.

The report found that the frequency of reports of positive profit trends was 4.0 points higher than it was in May, at a net -22.0%. Business owners' plans to fill open positions were up 1.0 point from May, with a seasonally adjusted net 13.0% planning to create new jobs in the next three months. Finding qualified employees remains a challenge, and the labor market remains tight as business owners struggle to fill open positions. The report stated that 50.0% of all owners (86.0% of those hiring or trying to hire) reported few or no qualified applicants for the positions they were trying to fill, up 2.0 points from May. The survey found that the difficulty in filling open positions remained the greatest in the construction, transportation, and manufacturing industries. The share of owners who identified labor quality as their top business problem remained unchanged, at 16.0%, the lowest share since April 2020.

In June, the percentage of owners who made capital outlays in the last six months was down 6.0 points, to 50.0%. This was the lowest reading since August 2020. Of those making expenditures, 33.0% spent on new equipment, down 7.0 points from last month; 18.0% acquired vehicles, down 8.0 points from the prior month; 13.0% improved or expanded facilities, down 2.0 points from the previous month; 9.0% spent money on new fixtures and furniture, down 1.0 point from last month; and 3.0% acquired new buildings or land for expansion in June, down 2.0 points from the previous month. Further, the percentage of owners planning capital outlays in the next six months was 21.0%, down 1.0 point from the previous month, which is historically a weak reading.

Small-business sales improved, with a net -5.0% of all owners reporting higher nominal sales in the past three months, up 8.0 points from May. This is the largest monthly increase since April 2021 and the highest reading since January 2023. On the other hand, the net percentage of owners expecting higher real sales volumes decreased by 3.0 points from May to a net 7.0%. This component contributed the most to the increase in the Optimism Index in June.

NFIB found that the net percentage of owners reporting inventory increases was down 3.0 points from May, to a net -8.0%. Not seasonally adjusted, 14.0% reported increases in stocks, unchanged from the previous month, and 18.0% reported reductions, up 2.0 points from May. Owners' views that current inventory stocks are "too low" were down 6.0 points in June, to a net -5.0%, which was the highest contributor to June's Optimism Index's decline. Further, a net -1.0% of owners plan to invest in the coming months, unchanged from the previous month.

The percentage of owners that reported raising compensation in June was at a net 33.0%, an increase of 7.0 points from May and the largest monthly increase since January 2020. The number of owners planning to raise compensation in the next three months was down 1.0 point, to a seasonally adjusted net of 19.0%. Among owners reporting lower profits, 40.0% blamed weaker sales, 17.0% noted the rise in material costs, 10.0% cited price changes for their products or services, and 7.0% attributed the issue to labor costs. For business owners reporting higher profits, 42.0% credited sales volumes, 32.0% cited usual seasonal change, and 7.0% cited higher selling prices.

In June, 5.0% of owners reported that their last loan was harder to get, up 1.0 point from the previous month. Twenty-six percent of owners reported borrowing regularly, up 1.0 point from May. Three percent of owners reported financing was their top business problem, down 2.0 points from the previous month. Nine percent of owners reported higher interest rates on their most recent loan, a 2.0-point increase from the prior month.

The net percentage of owners that raised average selling prices in June was up 4.0 points from May, to a net 29.0%. Eleven percent reported lower average selling prices, up 1.0 point from May, and 42.0% reported higher average prices, up 4.0 points from the previous month. Furthermore, a net 32.0% of business owners plan to raise prices, up 1.0 point from May. Eleven percent of small-business owners reported that inflation was their most important problem in operating their business in June, down 3.0 points from May and the lowest reading since September 2021.

The report noted that, in June, 19.0% of small-business owners listed taxes as their single most important problem, up 1 point from May and ranking as the top problem. This is the first time taxes have reached this level since July 2021. The share of small-business owners reporting government regulations and red tape as their single most important problem remained at 9.0% for the third consecutive month. Furthermore, the Uncertainty Index decreased by 5.0 points, to 89.0, in June. Despite the decrease, the index remained at elevated levels as politics dominated the news. Uncertainty has been elevated as we entered 2025, affecting spending, hiring, and investing decisions for small businesses. Real spending on investment is falling, and spending plans remain low. As inflation remains stubbornly above the Federal Reserve's target, the policy rate remains over 4.0% with the probability of cuts getting pushed down the road. Over the next 12 months, consumer spending will be the key to growth, but the outlook on this is unclear due to low consumer sentiment and the current economic and political situation.

The Small Business Optimism Index is compiled from a survey of the NFIB's 350,000 members that is conducted each month. NFIB, founded in 1943, began conducting its survey quarterly in 1973, transitioning to a monthly survey in 1986. The index is a composite of 10 seasonally adjusted components based on questions about the following: plans to increase employment, plans to make capital outlays, plans to increase inventories, whether members expect the economy to improve, whether they expect real sales will be higher, current inventory, current job openings, expected credit conditions, whether now is a good time to expand, and earnings trends. Analysts watch the index because small businesses are responsible for most of the new job creation, and the NFIB focuses on this sector of the economy.

MetLife and the U.S. Chamber of Commerce published their second-quarter 2025 survey, reporting that the Small Business Index reading indicated small businesses are in good health and are comfortable with their cash flow compared to the previous quarter. The index now stands at 65.2, an increase from last quarter's reading of 62.3. However, the second-quarter index was lower than the reading from 12 months ago of 69.5%. The survey also reported that small businesses' concerns about inflation have receded from all-time highs, but perceptions about future expectations were mixed.

In the second quarter of 2025, concerns about inflation fell to 48.0% from the highest level reached in the previous quarter (58.0%), indicating the first time it dipped under 50% since the second quarter of 2022. Despite the drop, inflation remained a lingering issue for small businesses, and most continued to be affected by inflation, albeit with a lower impact than during the height of the inflation surge in 2022. Seventy percent stated that inflation has had a significant impact on their business in the past year, compared to 83.0% in the third quarter of 2022. Furthermore, 60.0% stated that they had increased the prices of their products or services due to inflation in the past year, which was a 10.0-percentage-point decrease from the third quarter of 2022. By sector, small businesses in the retail and services sectors reported higher concerns about inflation by 55.0% and 54.0%, respectively. This was followed by manufacturing, by 42.0%, and professional services, by 41.0%.

Nonetheless, 69.0% of small businesses reported that their businesses are in good health, which is higher than the 63.0% reported in the previous quarter. Seventy-three percent of small businesses report that they are comfortable with their current cash flow, higher than the last quarter's share of 66.0% but identical to the reading from last year. By size, small businesses with more employees are more likely to report good business health or comfort with cash flow than those with fewer employees. This is the historical pattern reported since the second quarter of 2017, when the study began. By sector, small businesses in the manufacturing sector were more likely to report being comfortable with their cash flow (83.0%), followed by professional services (77.0%). Small businesses in the services sector, however, had the lowest percentage, 58.0%.

In the second quarter of 2025, most businesses remained optimistic about their future, though there were some mixed signals. About two-thirds of small businesses (65.0%) expected revenue to increase in the next 12 months, comparable to last quarter's share of 69.0%, but lower than last year's share of 73.0%. Forty-two percent of small businesses expected to increase hiring in the next year, up from 37.0% in the previous quarter, and in line with last year's share of 41.0%. When it comes to investment, 47.0% of small businesses intend to increase investment in the next year, comparable to both the prior quarter's share of 43.0% and last year's share of 46.0%. Small businesses in the services sector are less likely to anticipate increases in revenue, staff, and investment over the next year. Furthermore, the report noted that small businesses in the services sector owned by males are more optimistic about increases in revenue, staff, and investment over the next year. Those owned by Gen-Zers are significantly more likely to expect future increases compared to baby boomers and older counterparts.

The survey also inquired about small businesses' readiness regarding benefits offered to their full-time employees and found that 70.0% stated they offer at least one type of benefit. Topping the list is insurance, followed by variations of paid leave. Almost all small businesses recognized the importance of employee benefits, as 93.0% stated that it demonstrates care for employees and their families. Furthermore, 91.0% identified that it increases employee productivity and engagement, and 91.0% believed it also increases employee morale. By sector, small businesses in manufacturing are most likely to offer at least one benefit (85.0%), while businesses in services are the least likely, at 54.0%. By size, 99.0% of small businesses with 20 to 500 employees offer at least one benefit to their full-time employees, while only 57.0% of those with fewer than five employees offer the same.

MIDDLE MARKET BUSINESS INDEX

The RSM U.S. Middle Market Business Index plummeted by 18.7 points in the second quarter of 2025, to 124.5 from 143.2 in the first quarter. Subindexes on gross revenues, net earnings, and capital expenditures were all at or just above 110.0, which is the survey's dividing line between expansion and contraction. The index decline was potentially due to large declines in new orders and an aversion to risk not seen in the MMBI since the onset of the pandemic in 2020. This suggests that middle-market firms will barely avoid a recession by midyear.

The survey, conducted from April 7 to April 29, noted a significant decline in both the top-line index and executives' views of economic conditions. This is supported by declines across a range of categories, with 20.0% of middle-market firms reporting lower capital expenditures, 24.0% citing reduced gross revenues, and 26.0% reporting lower net earnings. It concluded that, as capital expenditures declined, the economy and the middle market will fall to a growth rate below 1.0% until a modicum of clarity on trade policy is established. Forty-three percent of participants had increased, or planned to increase, capital expenditures, a significant decline from the 69.0% share in the previous quarter. Furthermore, only 44.0% of middle-market firms reported increased hiring, which is lower than the 50.0% share in the prior quarter. Forty-five percent stated that they reinforced recruitment with higher compensation, a drop from 57% in the first quarter. These declines indicate a pullback in overall economic activity, and the survey suggests that it will last until a new pricing framework is established around imported goods.

In the second quarter of 2025, the effective tariff rate is currently sitting at 17.8%, or 7.7 times higher than it was before the 2025 tariffs were imposed. As a result, 77.0% of respondents reported an increase in prices paid in the second quarter. The survey anticipated that this critical index would remain elevated or even increase to all-time highs since the MMBI survey began 10 years ago. As 45.0% of all imports to the United States are intermediate goods, middle-market firms must adjust to the new high rate and associated costs. Furthermore, small and medium-sized firms are less likely to have the funds to absorb these increases compared to larger businesses. Consequently, 57.0% of executives stated that they raised prices in the quarter, while 63.0% intend to do so in the next six months.

The U.S. Chamber of Commerce's executive vice president and chief policy officer commented: "The data reiterates what we have heard in recent weeks from a historic number of small and medium-sized businesses: higher costs and interrupted supply chains will cause irreparable harm. The U.S Chambers continues to urge the administration to prioritize tariff relief for businesses and applauds efforts to negotiate as many new trade agreements as possible that expand market access for U.S. companies and benefit American workers."

The RSM U.S. Middle Market Business Index (MMBI) is based on quarterly survey data collected by RSM U.S. LLP and Nielsen N.V. and has been developed in partnership with Moody's Analytics. The MMBI survey and data began in the first quarter of 2015, and the survey panel consists of 700 middle-market executives. An MMBI reading above 100 generally indicates that the middle market is expanding, and a reading below 100 generally indicates that the middle market is contracting. The most recent survey results are based on responses from 412 survey participants provided.

RETAIL SALES AND WHOLESALE INVENTORY, SALES, AND TRADE

RETAIL SALES

Consumer spending increased 0.6% in June, as the U.S. Census Bureau reported total retail and food services sales were $720.1 billion. Retail sales were up 3.9% from one year ago. Economists view retail sales as a key economic indicator since consumer spending accounts for nearly two-thirds of the U.S. economy.

The "Advance Monthly Retail Trade Report," which highlights sales figures across most retail categories, reported that 10 of the 13 major retail categories saw an increase in sales in June, two declined, and one was unchanged.

Sales at miscellaneous store retailers experienced the largest increase, at 1.8%, followed by motor vehicle and parts dealers, with a 1.2% increase. Building material, garden equipment, and supplies dealers and clothing and clothing accessories stores each reported a 0.9% increase in sales. Food services and drinking places had a 0.6% rise in June, while both food and beverage stores and health and personal care stores reported a 0.5% increase. The two categories that reported a decline in June were furniture and home furnishing stores and electronics and appliance stores, both with a 0.1% decline in sales. On the other hand, sales at gasoline stations were unchanged from May.

Ten out of 13 retail categories experienced an increase in spending over the past 12 months, while three saw a decrease. The categories with the biggest 12-month increase in spending were miscellaneous store retailers, with an 8.5% increase; health and personal care stores, with an 8.3% rise; food services and drinking places, with a 6.6% increase in sales; and motor vehicle and parts dealers, with a 6.5% rise. Gasoline stations saw a 12-month sales decrease of 4.4%, and building material, garden equipment, and supplies dealers reported a 1.1% decrease. The final category that had a 12-month sales decline in June was electronics and appliance stores, which decreased by 0.2%.

Core retail sales rose by 0.6% in June and increased 4.1% over the past 12 months. The core retail sales figure excludes sales of automobiles, gasoline, building materials, and food services and corresponds most closely with the consumer-spending component of gross domestic product.

E-commerce retail sales were virtually unchanged in the first quarter of 2025 from the fourth quarter of 2024. Online sales were $300.2 billion in the first quarter of 2025, comparable to the $300.4 billion reported in the fourth quarter. Over the past 12 months, e-commerce sales have increased 6.1%.

In the first quarter of 2024, e-commerce retail sales accounted for 16.2% of overall retail sales, identical to the fourth-quarter figure.

WHOLESALE TRADE

Sales of merchant wholesalers, except manufacturers' sales branches and offices, after adjustment for seasonal variations and trading-day differences but not for price changes, were $697.2 billion in May, a decrease of 0.3% from April's revised reading of $699.4 billion, and up 4.8% from one year ago. The "Monthly Wholesale Trade" report is published by the Census Bureau and is reported with a one-month lag.

Total inventories of merchant wholesalers, except manufacturers' sales branches and offices, after adjustment for seasonal variations and trading-day differences but not for price changes, were $905.5 billion in May, a 0.3% increase from April's revised reading of $908.3 billion, and up 1.4% from one year ago. The inventory-to-sales ratio was 1.30x in May 2025, identical to the reading in April but lower than the 1.34x ratio in May 2024.

U.S. EMPLOYMENT

UNEMPLOYMENT[1]

The U.S. Bureau of Labor reported that the U.S. economy added 147,000 jobs in June. The unemployment rate changed little, from 4.2% in May to 4.1%. The number of unemployed persons decreased by 222,000, to 7.015 million, in June, compared with 7.237 million in May.

In June, job gains were reported in the government, healthcare, and social assistance sectors. Employment showed little or no change over the month in other major industries, including mining, quarrying, and oil and gas extraction; construction; manufacturing; wholesale trade; retail trade; transportation and warehousing; information; financial activities; professional and business services; leisure and hospitality; and other services.

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[1] The jobs figures for May and June were substantially revised downward with the July Employment Situation report. The *Economic Outlook Update* utilizes the available reports for the corresponding period. The July issue of *Economic Outlook Update* will reflect the revisions from the July Employment Situation report.

Government added 73,000 jobs in June, led by a 47,000-job increase in state government, largely in education, with a 40,000 increase. Local government added 23,000 jobs, while the federal government lost 7,000 jobs in June. Employment in the federal government has continued to trend down since reaching a recent peak in January.

Employment in healthcare added 39,000 jobs in June. Over the month, job growth was led by hospitals, with the addition of 16,000 jobs, followed by nursing and residential care facilities, which added 14,000 jobs. June employment growth in healthcare was in line with the average monthly gain of 43,000 over the last 12 months.

In June, social assistance added 19,000 jobs, primarily due to the addition of 16,000 jobs in individual and family services, while community food and housing, and emergency and other relief services lost 1,000 jobs.

The number of persons who permanently lost their jobs decreased by 29,000, to 1.887 million in June from 1.916 million in the prior month. The number of persons on temporary layoff increased to 860,000 in June from 874,000 in May.

The report stated that the labor-force participation rate in June was 62.3%, compared to 62.4% in May. One year ago, the labor-force participation rate was 62.6%. The employment-population ratio, which represents the share of the working-age population with a job, remained unchanged, at 59.7%, after decreasing in the previous month and was lower than the reading in June 2024 of 60.0%.

The number of long-term unemployed (those jobless for 27 weeks or more) increased by 190,000 in June, to 1.647 million, representing 23.3% of all unemployed persons. The month's figure was lower than May's figure of 1.457 million and higher than the reading from a year ago of 1.533 million.

The broadest measure of labor underutilization, the U-6 unemployment rate, decreased by 1.0 percentage point from May, to 7.7%. The U-6 unemployment rate has continued to improve after reaching its highest level on record, 22.8%, in April 2020. U-6 unemployment is broader than U-3 and includes "marginally attached workers" and people who are looking for and want full-time work but have settled for part-time employment. Marginally attached workers are people who are not actively looking for work but have indicated they want a job and have looked for work (without success) sometime in the past 12 months. This class also includes "discouraged workers," those who have completely given up on finding a job because they feel they would be unable to do so.

In the jobs report published by ADP, private-sector employment decreased by 33,000 in June. The report showed decreases in two of three business sizes. Small-sized businesses lost 47,000 jobs, midsized companies had a decrease of 15,000 jobs, while large-sized business establishments added 30,000 jobs. The services sector lost 66,000 jobs in June. Professional and business services led the decline with 56,000 job losses, followed closely by education and health services, which lost 52,000 jobs. Financial activities reported 14,000 job losses in June. The greatest number of jobs added occurred in the leisure and hospitality sector, which gained 32,000 jobs, followed by trade, transportation, and utilities, which added 14,000 jobs, while the information and other services sectors each gained 5,000 jobs. The goods-producing sector increased 32,000 jobs in June, led by the construction sector, which gained 9,000 jobs, followed by the natural resources and mining sector, with 8,000 jobs added. The manufacturing sector gained 15,000 jobs in June.

HOURLY EARNINGS AND WORKWEEK

The average wages of all private employees increased by 8 cents in June, or 0.2%, to $36.30. Average hourly earnings have increased by 3.7% over the past 12 months. The average hourly earnings of private-sector production and nonsupervisory employees increased by 9 cents, to $31.24, in June and were up $1.17 over the past year, representing a 0.3% increase.

The average workweek for all private workers in June was 34.2 hours, 0.1 hour lower than the previous two months and compared to the same period a year ago. The manufacturing workweek was unchanged, at 40.1 hours, and the number of manufacturing overtime hours was also unchanged, at 2.9 hours. The average workweek for production and nonsupervisory employees was down 0.2 hours from the previous month, to 33.5 hours, and from one year ago.

The four-week average of initial claims for unemployment insurance in the last week of June was 323,000. The total number of continued weeks claimed for benefits in all programs for the week ending June 28 was 1,925,487. This is a decrease of 4,070 from the previous week. The number of weekly claims filed for benefits in all programs was 1,818,199 in the comparable week in 2024.

The U.S. Bureau of Labor Statistics reported that compensation costs for civilian workers for the second quarter of 2025, as measured by the Employment Cost Index, increased by 0.9%. Wages and salaries (which comprise 70% of compensation costs) increased by 1.0%, and benefit costs (which make up the remaining 30%) increased by 0.7% from the previous quarter. Over the past 12 months, compensation costs for civilian workers increased by 3.6%, compared with a 4.1% increase in the 12-month period ending June 2024.

Compensation costs for private-industry workers increased 3.5% over the past year, higher than the 3.4% increase in the first quarter of 2025 but lower compared to the 3.9% increase for the 12-month period ending June 2024. Wages and salaries increased 3.5% for the 12-month period ending June 2025 compared with an increase of 4.1% for the period ending June 2024. Furthermore, when adjusted for inflation, wages and salaries increased 0.8% for the 12-month period ending June 2025. Employer costs of benefits increased by 3.4% for the 12-month period ending June 2025 and increased 0.8% when adjusted for inflation over the same period. Employer (unadjusted) costs for healthcare benefits increased to 5.8% for the 12-month period ending June 2025.

The Employment Cost Index is published quarterly by the Bureau of Labor Statistics and draws from a sample of 26,400 observations from 6,200 private businesses, as well as 7,400 observations from 1,400 government offices.

PMI INDEXES AND INDUSTRIAL PRODUCTION

MANUFACTURING PMI

The Institute for Supply Management's (ISM) manufacturing index (Manufacturing PMI) increased by 0.5 percentage points in June, to 49.0%. The June reading indicated a contraction in economic activity in the manufacturing sector for the fourth consecutive month, following two consecutive months of expansion after 26 consecutive months of contraction. A Manufacturing PMI above 50.0% indicates that the manufacturing sector is generally expanding, while a reading below 50.0% indicates that it is generally contracting. Additionally, a manufacturing PMI above 42.5%, over a period of time, generally indicates an expansion of the overall economy. Therefore, June's Manufacturing PMI signified growth in the overall economy for 62 consecutive months after a single month of contraction in April 2020.

The report noted that two of the five subindexes that directly factor into the Manufacturing PMI (New Orders, Production, Employment, Supplier Deliveries, and Inventories) were in expansion territory: Production and Supplier Deliveries. Of the six biggest manufacturing industries, four—petroleum and coal products; computer and electronic products; machinery; and food, beverage, and tobacco products—reported growth in June.

The New Orders Index contracted in June for the fifth consecutive month after three consecutive months of expansion, registering 46.4%. This was a 1.2-percentage-point decrease from May's reading of 47.6%. This reading is below the index's moving average of 48.6%. The New Orders Index has not shown consistent growth since a 24-month expansion streak ending in May 2022. Panelists' comments indicated continued weakened demand performance, with a 1-to-1.7 ratio of positive comments versus those expressing concern about near-term demand. Discussions about who will pay for potential tariff costs are the prime topic of negotiations between buyers and sellers, which has caused orders to continue to slow. Of the six largest manufacturing sectors, three—petroleum and coal products; food, beverage, and tobacco products; and computer and electronic products—saw an increase in new orders. Seven of the 18 manufacturing industries—apparel, leather, and allied products; petroleum and coal products; furniture and related products; nonmetallic mineral products; miscellaneous manufacturing; food, beverage, and tobacco products; and computer and electronic products—reported growth in new orders in June. Seven reported a decline, and four reported no change. Over time, a New Orders Index above 52.3% is generally consistent with an increase in the Census Bureau's series on manufacturing orders (in constant 2000 dollars).

The Production Index expanded for the first time in four months in June, after two months of expansion in January and February. The index was 50.3%, an increase of 4.9 percentage points from the 45.4% reading in May. The last time the index registered above 50.0% was in April 2024, when it was 50.7%. Over time, a Production Index above 52.1% is generally consistent with an increase in the Federal Reserve Board's industrial production figures. Four of the six largest manufacturing sectors reported an increase in production in June: petroleum and coal products; computer and electronic products; machinery; and transportation equipment. The report indicated that production levels in June showed improvement, though still fragile, as order books remain weak and new orders continued to decline. The report noted a 1-to-1.5 ratio of positive to negative comments on reduced output in production due to business-climate uncertainty. Eight of the 18 manufacturing industries—apparel, leather, and allied products; petroleum and coal products; miscellaneous manufacturing; furniture and related products; computer and electronic products; plastics and rubber products; machinery; and transportation equipment—reported production growth. Six reported a decrease in June, and four reported no change.

ISM's Employment Index for the manufacturing sector registered a 1.8-percentage-point decrease in June, to 45.0%. The index reading indicated a contraction for the fifth consecutive month, following a single month of expansion in January. The Employment Index has contracted for 31 out of 38 months since May 2022. Over time, an Employment Index above 50.3% is generally consistent with an increase in the Bureau of Labor Statistics' data on manufacturing employment. Labor management sentiment at the panelists' companies indicated continued staff reductions through layoffs, attrition, and hiring freezes. Further, panelists also mentioned the approximately 1-to-3.2 ratio of hiring versus head-count reduction, as companies accelerated head-count reductions due to the uncertain near-to-mid-term demand. This was one of the widest ratios since ISM began tracking employment comments. Two of the six biggest manufacturing sectors recorded employment growth in June: petroleum and coal products, and machinery. Four of the 18 manufacturing industries—nonmetallic mineral products; petroleum and coal products; paper products; and machinery—reported employment growth. Ten reported a decrease, and four reported no change in employment in June.

The Supplier Deliveries Index continued to slow in June, at 54.2%, a 1.9-percentage-point decrease from the 56.1% reading in May. A reading below 50% indicates faster deliveries, while a reading above 50% indicates slower deliveries. The June index indicated a seventh consecutive month of slower delivery performance by suppliers to manufacturing organizations, although slightly improved, suggesting that the easing of port congestion, which was largely completed by May, had taken hold. Of the six big industries, five—computer and electronic products; transportation equipment; chemical products; food, beverage, and tobacco products; and machinery—reported slower supplier deliveries in June. Respondents' comments suggest that the supplier delivery in June remained in slower territory as suppliers and panelists' companies negotiated who pays for the current tariffs. Nine out of a total of 18 manufacturing industries—

textile mills; electrical equipment, appliances, and components; computer and electronic products; nonmetallic mineral products; primary metals; transportation equipment; chemical products; food, beverage, and tobacco products; and machinery—reported slower supplier deliveries in June. One reported faster deliveries, while eight reported no change in delivery performance in June.

The Inventories Index expanded as the index rose by 2.5 percentage points, to 49.2%, compared to 46.7% in May. Over time, an Inventories Index greater than 44.5% is generally consistent with expansion in the Bureau of Economic Analysis' figures on overall manufacturing inventories (in chained 2000 dollars). Two of the six big industries—food, beverage, and tobacco products and machinery—grew input inventories in June. Nine out of 18 manufacturing industries—apparel, leather, and allied products; paper products; textile mills; nonmetallic mineral products; primary metals; miscellaneous manufacturing; electrical equipment, appliances, and components; food, beverage, and tobacco products; and machinery—reported higher inventories in June. Six reported lower inventories, and three reported no change in raw materials inventories.

The Customers' Inventories Index increased in June by 2.2 percentage points, to 46.7%, from its 44.5% reading in May. The ISM report indicated that customer inventory continued to decline but moved further to "about right" territory. Panelists' companies reported that their customers' inventories suggest a positive level of demand for future production.

Output, measured by the Production and Employment indexes, indicated mixed readings in June. The Production Index rose month over month and is now in expansion territory, while Employment declined further into contraction, as managing head count remains the prevailing pattern, rather than hiring. This suggests companies are still being cautious in their hiring, even with an increase in production.

The inputs component is defined as supplier deliveries, inventories, prices, and imports. The Inventories index continued to contract as companies completed pull-forward activity ahead of tariffs, though at a slower rate. The Supplier Deliveries Index indicated slow performance but improved performance, reflecting that delays in clearing goods through ports of entry have been resolved. The Imports Index regained the ground it lost in May but remained in contraction territory.

The Prices Index rose 0.3 percentage points in June, to 69.7%, compared to a reading of 69.4% in May, signifying that raw material prices increased for the ninth consecutive month after a decrease in September. The last three months have brought the index's highest readings since June 2022 (78.5%): 69.8% in April, 69.4% in May, and 69.7% in June. Over the past six months, the index has increased 7.2 percentage points. The increase in commodity prices of steel and aluminum continue to drive the index hike, affecting the entire value chain. The price increase is also a result of the 10.0% tariffs applied on imported goods. In June, 45.6% of panelists' companies reported higher prices, compared to 45.1% in May. This share has consistently increased over the past eight months, from a low of 12.2% in November to the highest rate of 49.2% in April. A Prices Index reading above 52.8%, over time, is generally consistent with an increase in the Bureau of Labor Statistics' Index of Manufacturers Prices for Intermediate Materials. All of the six largest manufacturing industries—petroleum and coal product; transportation equipment; machinery; chemical products; food, beverage, and tobacco products, and computer and electronic products—reported price increases in June. Fifteen of the top 18 manufacturing industries—textile mills; nonmetallic mineral products; petroleum and coal products; primary metals; miscellaneous manufacturing; food, beverage, and tobacco products; wood products; machinery; chemical products; electrical equipment, appliances, and components; computer and electronic products; fabricated metal products; furniture and related products; plastics and rubber products; and transportation equipment—reported paying higher prices for raw materials. No industry reported decreased prices in June, and three reported no change.

The Imports Index was 47.4% in June, 7.5 percentage points higher than the 39.9% reading in May. The reading indicated a sharp increase but remained in contraction for the third month. Panelists' comments indicated that imports declined at a slower rate as the need to maintain import levels from previous months is lower, largely due to demand and tariff pricing. Seven of 18 industries—apparel, leather, and allied products; petroleum and coal products; miscellaneous manufacturing; food, beverage, and tobacco products; furniture and related products; plastics and rubber products; and fabricated metal products—reported an increase in imports in June, while 10 reported lower import volumes, and one reported no change.

The New Export Orders Index was 46.3% in June, a 6.2-percentage-point rise from May's reading of 40.1%. Nonetheless, the index indicated a contraction for the fourth consecutive month after two months of expansion. June's panelists reported that slower contraction in new export levels suggests a "too low" level of customer's inventories returning some of the demand that had been lost due to slow overseas growth and countertariffs on many U.S.-manufactured products. Four of the 18 industries—wood products; furniture and related products; nonmetallic mineral products; and miscellaneous manufacturing—reported growth in June, while 10 reported a decrease, and four reported no change.

The Backlog of Orders Index registered 44.3% in June, 2.8 percentage points lower than the previous month's reading of 47.1%. The index reading indicated a contraction for the 33rd consecutive month after 27 months of expansion. Two of the six largest manufacturing industries reported expanded order backlogs in June: petroleum and coal products and computer and electronic products. The report noted that trade issues and other geopolitical tensions contributed to the contraction and that we should not expect a significant improvement until these issues recede. Of the 18 manufacturing industries, three—petroleum and coal products; computer and electronic products; and miscellaneous manufacturing—reported growth in order backlogs in June, while 12 sectors reported lower backlogs and three reported no change.

Buying Policy, the index that tracks the average commitment lead time for capital expenditures, rose four days in May, to 175 days. The average lead time for production materials increased by four days from May, to 85 days. The average lead time for maintenance, repair, and operating supplies increased by one day from the previous month, to 48 days.

The Institute for Supply Management published its *Supply Chain Planning Forecast,* formerly known as the "Semiannual Economic Forecast," based on data received from purchasing and supply executives across the country. The survey reported that the manufacturing sector is expected to be flat or expand slightly in 2025. For the rest of the year, trade issues, continued inflation concerns, and geopolitical uncertainty are all anticipated headwinds. The report stated that 34.0% of the panel of purchasing and supply executives anticipated revenues to be greater in 2025 than in 2024, with a 9.7% increase on average. Twenty-two percent predicted revenues will decrease by an average of 14.1%, and 44.0% indicated no change. With a lower operating rate, a decrease in capital expenditures, and an increase in prices paid for raw materials and a slight decrease in employment expected by the end of 2025, the manufacturing sector will, at best, grow very slightly.

Eight out of 18 manufacturing industries projected revenue increases in 2025. They are: primary metals; miscellaneous manufacturing; computer and electronic products; chemical products; electrical equipment, appliances, and components; printing and related support activities; food, beverage, and tobacco products; and transportation equipment.

At the end of 2024, the purchasing and supply executives reported that production capacity increased by 1.7 percentage points for 2024 and projected an increase of 4.0% in 2025. However, in the current report, production capacity is expected to increase by 1.8% in 2025. Further, 27.0% of panelists expected increases of 15.6% on average, and 17.0% expect decreases of an average of 14.6%, while 56.0% expected no change in 2025. The survey respondents predicted a 1.3% decrease in capital expenditure in 2025, much lower than the 5.2% prediction in December. Sixteen percent of respondents expected an increase of 25.7% on average in capital expenditures in 2025, 21.0% forecasted an average decrease of 26.3%, and 63.0% expected no change. In the previous report in December, respondents forecasted an increase of 3.0% in prices paid during the first four months of 2025—they now report prices increased by 4.7%. Fifty-seven percent of the panel who reported their prices are higher now than at the end of 2024 stated an increase of 9.3%. Six percent of respondents reported an average decrease of 9.2%, while 37.0% reported no changes in prices.

ISM's Manufacturing Business Survey asked respondents some questions specifically related to the economy and the impact of the application of tariffs. When asked whether they have changed their inventory stocking requirements to manage input pricing risks from global tariff negotiations and actions, 32.0% reported requiring higher levels of inventory, 17.0% require lower levels of inventory, while 51.0% have not changed their requirements. In terms of changing selling prices for products or services in response to tariffs, 35.0% of the respondents stated they plan to pass on all of the cost increases to sales prices, while 52.0% plan to pass on some of the cost increases to sales prices and some will reduce margins. Only 5.0% stated that tariffs will not affect their costs and do not plan to change prices because of tariffs. When asked whether they plan to reshore final or intermediate production from abroad, 8.0% of the respondents are actively looking into shifting production to the U.S. from abroad, while 34.0% cited that they are not looking into changing their supply-chain partners.

The highlights of the forecast are:

- Operating rate is at 79.2% of the normal capacity;
- Production capacity is expected to increase by 1.8% in 2025;
- Capital expenditures are expected to decrease by 1.3% in 2025;
- Prices paid increased 4.7% through April 2025;
- Prices of raw materials are expected to increase a total of 7.5% for all of 2025;
- Manufacturing employment is expected to decrease 0.1% in 2025;
- Manufacturing revenues are expected to increase 0.1% in 2025; and
- The manufacturing sector is expected to be flat or grow slightly in 2025.

SERVICES PMI

The Institute for Supply Management's Services PMI index increased by 0.9 percentage points in June, to 50.8%. The reading indicated that the services sector returned to expansion after being contracted in May. A Services PMI reading above 50% indicates the services-sector economy is generally expanding, while a reading below 50% indicates it is generally contracting. Over the past 12 months, the Services PMI has averaged 52.4%. One of the four subindexes that directly factor into the Services PMI—business activity, employment, new orders, and supply deliveries—recorded a contraction in June, which is employment. A Services PMI reading above 48.6%, over time, generally indicates an expansion of the overall economy. Therefore, the June Services PMI indicates the overall economy expanded for the 61st consecutive month.

The index that measures business activity rose 4.2 percentage points in June, to 54.2%, indicating that the index returned to expansion territory after remaining unchanged in May. Before this, the index was at a level signaling an expansion in business activity for 59 consecutive months. June's reading was reflected in participants' comments, such as "well drilling and completion operations are at full scale, and work on a new facility is in full swing," and "Mother's Day- and Memorial Day-related higher sales." Eleven out of 18 industries—other services; arts, entertainment, and recreation; public administration; information; utilities; educational services; wholesale trade; retail trade; management of companies and support services; transportation and warehousing; and finance and insurance—reported an increase in business activity for the month of June, while three industries reported a decrease and four reported no change.

The New Orders Index increased by 4.9 percentage points in June, to 51.3% from 46.4% in May. The reading indicated an expansion for the 11th time in the past 12 months. Respondents' comments included: "companies interested in expanding operations in U.S. and minimizing supply disruptions" and "higher product cost; weakened demand because many buyers loaded inventory ahead of tariff deadlines." Eight of the 18 industries—other services; finance and insurance; professional, scientific, and technical services; transportation and warehousing; wholesale trade; utilities; public administration; and educational services—reported an increase in new orders for the month of June, while four industries reported a decline, and six were unchanged.

The Employment Index decreased by 3.5 percentage points in June, hitting 47.2% from 50.7% in May. The reading indicated that the index returned to contraction after one month of expansion. Respondents' comments included: "not hiring new staff if we can backfill the role with current employees" and "the administration's proposed budget for fiscal year 2026 has put a pause on many pending hiring actions." Five of the 18 industries—real estate, rental, and leasing; utilities; transportation and warehousing; wholesale trade; and information—reported an increase in employment in June, while nine reported a decrease, and four reported no change in employment.

In June, the Supplier Deliveries Index decreased to 50.3%, a 2.2-percentage-point drop from its May reading of 52.5%. This month's reading indicates slower performance for the seventh consecutive month. Supplier deliveries is the only Services PMI component that is inverted: A reading above 50% indicates slower deliveries, while a reading below 50% indicates faster deliveries. Panelists' comments included: "Tariff charges are being added after POs are already issued, which is slowing delivery" and "increased demand for electrical equipment." Six of the 18 industries—management of companies and support services; other services; transportation and warehousing; educational services; retail trade; and wholesale trade—reported slower deliveries in June, while five industries reported faster deliveries, and seven reported no change in deliveries.

The Prices Index was 67.5% in June, a decrease of 1.2 percentage points from May's reading of 68.7%. This was the second-highest reading since November 2022, when it registered 69.4%. The reading indicated that prices service organizations paid for materials and services increased in June for the 97th consecutive month. Further, June's Prices Index was the 32nd consecutive reading below 70.0%, and the seventh consecutive month above 60.0%. Fourteen of the 18 industries reported an increase in prices paid in June, while no industries reported a decrease in prices paid.

The New Export Orders Index, which measures orders and requests for services and other nonmanufacturing activities to be provided outside the U.S. by U.S.-based companies, increased by 2.6 percentage points in June, to 51.1%. The June reading indicated an expansion for the first time in four months. Of those surveyed, 71.0% indicated that they do not perform or do not separate orders for work outside of the U.S. Respondent comments include: "increased demand for subscriptions" and "partnerships are localized and increasing at an unusually rapid pace in the United Kingdom and Germany." Four of the 18 industries—information; retail trade; utilities; and transportation and warehousing—reported an increase in new export orders in June. Five industries reported a decrease, while nine industries reported no change in new exports.

The Inventories Index rose 3.0 percentage points in June, to 52.7%, compared to the 49.7% reading in May. The index indicated an expansion for the fourth time in 2025. The survey found that 43.0% of respondents stated that they do not measure their inventories or do not have inventories. Respondents' comments included: "Since the tariffs haven't negatively affected us yet, we bought a little extra inventory to cover us just in case the talks with China don't go well" and "there has been a need to increase stock purchases to both get ahead of further price increases, and factoring in longer lead times." Eight out of 18 industries—mining; wholesale trade; other services; professional, scientific, and technical services; retail trade; management of companies and support services; information; and healthcare and social assistance—reported an increase in inventory levels, and six industries reported a drop in their inventories. Four industries reported no change in June.

The Institute for Supply Management published its *Supply Chain Planning Forecast,* formerly known as the "Semiannual Economic Forecast," based on data received from purchasing and supply executives across the country. The report noted that respondents expected no change in overall revenues in 2025, which is 3.9 percentage points lower than the 3.9% increase forecast in December 2024. The report predicted that the services sector will be flat for the rest of 2025 as services companies are currently operating at 86.5% of normal capacity, and prices are expected to increase 7.3% over the year, reflecting increasing inflation.

Nine industries forecast increased revenues in 2025. They are: accommodation and food services; arts, entertainment, and recreation; finance and insurance; information; wholesale trade; transportation and warehousing; healthcare and social assistance; professional, scientific, and technical services; and utilities.

Services supply executives predicted an increase of 1.1% in 2025 in production capacity. This is lower than the increase of 3.2% reported for 2024 and a December projection of a 2.8% increase for this year. Eighteen percent of services respondents expect their capacity for 2025 to increase by 10.0% on average, and 12.0% expect capacity to decrease by 24.7% on average. Seventy percent expect no change in production capacity. Further, services companies are projected to decrease their capital investment in 2025 by 3.3% compared to 2024. Fifteen percent of respondents expecting to spend more in 2025 predict an average increase of 13.3%, 23.0% anticipate an average decrease of 23.5%, and 62.0% expect no change in capital expenditures in 2025.

At the end of 2024, nonmanufacturing purchasing and supply executives forecasted that their purchasing costs would increase an average of 4.3% in the first four months of 2025. They are now reporting that the prices increased by the predicted percentage. Fifty-two percent of respondents reported price increases averaging 8.8%, while 3.0% reported prices decreased 6.2% on average, and 45.0% indicated no price changes. Further, respondents predicted that prices would increase on average by 7.3% in 2025. Services purchasing and supply executives forecasted a 1.6% decrease in 2025. For the rest of the year, 16.0% expect employment to increase by 7.2% on average, 17.0% anticipate employment to decrease, on average, 16.6%; and 67.0% expect no change in employment levels.

ISM's Services Business Survey asked respondents some questions specifically related to the economy and the impact of the application of tariffs. When asked whether they have changed their inventory stocking requirements to manage input pricing risks from global tariff negotiations and actions, 16.0% reported requiring higher levels of inventory, 9.0% require lower levels of inventory, while 37.0% have not changed their requirements. In terms of changing selling prices for products or services in response to tariffs, 23.0% of the respondents stated they plan to pass on all of the cost increases to sales prices, while 28.0% plan to pass on some of the cost increases to sales prices and to absorb some through reduced margins. Twenty-three percent stated that tariffs will not affect their costs and do not plan to change prices because of tariffs. When asked whether they plan to reshore final or intermediate production from abroad, 8.0% of the respondents are actively looking into shifting production to the U.S. from abroad, while 60.0% cited that they are not looking into changing their supply-chain partners.

HOSPITAL PMI

ISM's Hospital PMI indicated that the hospital subsector contracted in June after growing for 21 consecutive months. In June, the index registered a reading of 49.0%, 3.0 percentage points lower than May's reading of 52.0%. The Hospital PMI is based on data compiled from hospital purchasing and supply executives nationwide. A Hospital PMI index reading above 50.0% indicates that the hospital subsector is generally expanding, while a reading below 50.0% indicates that it is generally declining.

In June, business activity continued to expand for the eighth consecutive month, and the New Orders Index returned to expansion after being unchanged in May. The Employment Index returned to contraction after two consecutive months of expansion, marking the lowest reading since January 2022. The Supplier Deliveries Index was unchanged in June after two consecutive months of expansion, indicating slower delivery performance. The Case Mix Index remained in expansion territory in June, decreasing by 2.5 percentage points, to 50.5%. The Days Payable Outstanding Index was at 51.0%, down 0.5 percentage points from the May reading of 51.5% and remained in expansion territory. The Technology Spend Index decreased in June, dropping 1.5 percentage points, to 57.5% from the 59.0% reading in May. The Touchless Order Index was up 1.0 percentage point, to 52.5%, in June from its May mark of 51.5%, remaining in expansion territory.

In June, Hospital Business Survey panelists reported that volumes were mostly strong or at the seasonal level. Hospitals' employment had the largest month-over-month decrease, which contributed to the index's decline in June. Facilities continued to implement head-count reductions due to margin pressures and the loss of federal funding. Panelists also reported that concerns and challenges regarding the tariffs and the shifting geopolitical landscape continued to be a major concern in their facilities. Most panelists reported that their facilities have begun to experience tariff-related surcharges or increased pricing. Furthermore, the report noted that there were very few comments regarding product shortages and supplier deliveries continued to improve.

INDUSTRIAL PRODUCTION

The Federal Reserve reported that total industrial production increased 0.3% in June after remaining unchanged in May and April. The index for total industrial production stood at 104.0% of its 2017 average and was 0.7% higher than it was one year ago. Manufacturing output increased by 0.1% in June and by 0.8% from one year ago. Durable manufacturing was unchanged from May, while nondurable manufacturing was up by 0.3%. Other manufacturing, which is publishing and logging, increased by 0.2% in June.

Within durable manufacturing, the industry that posted the highest increases was primary metals, with a rise of 3.1%. Aerospace and miscellaneous transportation equipment increased by 1.6%, followed by furniture and related products, which saw a 1.3% rise. The other industries in durable manufacturing that reported increases cited a rise of less than 1.0%. These increases were offset by a 2.6% decrease in motor vehicle and parts, followed closely by a 2.5% decline in electrical equipment, appliances, and components. Additionally, wood products posted a 0.9% decrease, while fabricated metal products fell by 0.2%.

Within nondurable manufacturing, the only three sectors that posted an increase were petroleum and coal products, with a 2.9% increase; apparel and leather, with a 0.5% rise; and food, beverage, and tobacco products, with a 0.2% increase. The largest decline was found in textile and product mills, with a 1.0% loss, followed by printing and support, which declined by 0.7%. Plastic and rubber products lost 0.6%, and paper products decreased by 0.3%. Further, chemical products were unchanged.

The index for mining decreased by 0.3% in June compared with a 0.1% increase in the previous month but rose 1.6% from one year ago. The index for utilities increased by 2.8% in June but was down 0.8% from one year ago. Within the utilities group, electric utilities rose by 3.5% in June, while natural gas utilities dropped by 2.6%. Electric utilities were down 0.1% from one year ago, and natural gas was down 5.8% from one year ago.

Capacity utilization for the industrial sector ticked up 0.1 percentage point in June, to 77.6%, a rate 2.0 percentage points lower than its long-run (1972-to-2024) average. Capacity utilization for manufacturing increased by 0.1 percentage point to 76.9% but remained 1.3 percentage points below its long-run average. The operating rate for mining fell slightly, by 0.3 percentage points, from May, to 90.6%, while the operating rate for utilities moved up 1.7 percentage points, to 70.1%. The rate for utilities remained below its long-run average of 84.2%, while the rate for mining was 4.1 percentage points above its long-run average.

STOCK MARKET AND VOLATILITY

The major U.S. equity indexes posted positive returns in June, following positive returns in May. The S&P 500 index rose 5.1% in June on a total return basis, and the Dow Jones Industrial Average increased 4.5%, while the Nasdaq Composite increased 6.6%. At the end of June, the year-to-date total return for the S&P 500 was 6.2% and the Dow Jones Industrial Average total return was up 4.6%. The year-to-date total return for the Nasdaq Composite rose 5.9%. The Russell MidCap increased 3.9% in June on a total-return basis and had a year-to-date rise of 4.8%. The Russell 2000 Index grew 5.4% in June but was down 1.8% year-to-date.

Average market volatility was slightly lower in June, with the Chicago Board Options Exchange Volatility Index (VIX) averaging 18.2, compared to the 20.5 average in May. VIX reached a high of 21.6 in June, lower than its 24.8 mark in May.

The VIX represents the implied volatility of 30-day options on the Standard & Poor’s 500 stocks and has been termed by analysts and investors as the “fear gauge.” Accordingly, the VIX represents the expected volatility of the market, as represented by the Standard & Poor’s 500 index. Stock market professionals use the VIX to gauge investor sentiment. Values greater than 30 are generally associated with a high level of volatility due to investor fear or uncertainty, while values below 20 typically correspond to less stressful, even complacent, market conditions.

CONSUMER PRICE INDEX AND PRODUCER PRICE INDEX

CONSUMER PRICES

The U.S. Bureau of Labor Statistics reported that consumer prices, as measured by the Consumer Price Index (CPI), increased 0.3% in June after increasing 0.1% in the previous month. Over the last 12 months, the CPI has increased by 2.7%. The CPI is a measure of a basket of products and services—including housing, electricity, food, and transportation—and is used as a measure of inflation. The CPI is comprised of three main indexes: the food index, the energy index, and the all items less food and energy index (also known as “Core CPI”). The June CPI increase was largely attributed to the increase in the index for shelter.

The food index rose 0.3% in June, matching the rise in May. The food index has increased by 3.0% over the past 12 months. The food away from home index increased 0.4% in June, following a 0.3% increase in the previous month. The food at home index increased by 0.3%, after increasing at the same rate of 0.3% in the previous month. The food away from home index increased by 3.8% from one year ago, while the food at home index rose 2.4% over the last year.

The index for energy rose 0.9% in June following a 1.0% decline in May. The energy index was down 0.8% over the past 12 months. The gasoline index rose 1.0% after decreasing in the previous four months but was down 8.3% from a year ago. The index for natural gas increased 0.5% in June after falling 1.0% in May. The natural gas index was up 14.2% from one year ago. The index for electricity rose 1.0% in June and 5.8% from one year ago.

Core CPI rose 0.2% in June after rising 0.2% in the previous month. Core CPI has risen 2.9% over the past 12 months. Core CPI is a measure of inflation that excludes volatile food and energy costs.

In June, the index for shelter rose 0.2%, slightly less than the 0.3% increase in the two previous months. The index for owners' equivalent rent increased 0.3%, and the index for rent increased 0.2%. The lodging away from home index decreased 2.9% in June, a larger decrease compared to the 0.1% drop in May and April. The medical care index rose 0.5% in June, and the index for prescription drugs increased by 0.4%. The index for hospital and related services increased 0.4% over the month, while the physicians' services index increased 0.2%. The index for household furnishings and operations rose 1.0%, following a 0.3% rise in May. The airline fares index decreased 0.1% in June, following a 2.7% decline in the prior month. The used cars and trucks index fell 0.7% over the month, the new vehicles index decreased 0.3%, and the apparel index increased by 0.4%.

The index for shelter increased by 3.8% over the past 12 months. Other indexes with significant increases over the past year include motor vehicle insurance, which increased 6.1%; medical care, which rose 2.8%; recreation, which increased 2.1%; and household furnishings and operations, which increased 3.3%.

The Chained Consumer Price Index for all urban consumers increased 0.3% in June and was up 2.5% over the past 12 months. The Chained Consumer Price Index was designed to be a closer approximation of a cost-of-living index in that it, in its final form, accounts for any substitution that consumers make across item categories in response to changes in relative prices. The report noted that indexes for the past 10 to 12 months are subject to revision.

PRODUCER PRICES

The Producer Price Index (PPI) for final demand was unchanged in June after rising 0.3% in May. The index for final demand rose 2.3% over the past 12 months. The PPI for final demand is comprised of two main indexes: final demand services and final demand goods.

The index for final demand goods was up 0.3% after rising 0.1% in May. This was the largest increase since February 2025. Prices for final demand foods rose 0.2%, and the index for final demand energy rose 0.6%. The index for final demand goods less foods and energy increased 0.3%, which contributed over 50.0% of the June advance. Among final demand goods, the index for communication and related equipment rose 0.8%, and the index for residential electric power, canned, cooked, smoked, or prepared poultry, meats, and tree nuts also increased.

The index for final demand services decreased by 0.1% in June, following a 0.4% increase in May. The increase in June was due to a 0.1% decline in final demand services less trade, transportation, and warehousing. The prices for final demand transportation and warehousing decreased by 0.9%, while the prices for final demand trade services remained unchanged. Over half of the June decline in the index for final demand services can be attributed to prices for traveler accommodation services, declining by 4.1%. The indexes for automobiles and automobile parts retailing, deposit services (partial), airline passenger services, and food and alcohol wholesaling also decline.

The index for final demand less foods, energy, and trade services, also referred to as Core PPI, remained unchanged from May, following a 0.1% rise in the previous month. Core PPI increased by 2.5% in the past 12 months.

PERSONAL CONSUMPTION EXPENDITURES

The Federal Reserve often emphasizes the price inflation measure for personal consumption expenditures (PCE), which the Bureau of Economic Analysis produces, largely because the PCE index covers a wide range of household spending and is less volatile than some other measures. Personal consumption expenditures, as measured in current dollars highlighted in the June report, increased by $69.9 billion, or 0.3%.

The PCE price index increased 0.3% in June, and the Core PCE index, which excludes the volatile food and energy components, increased 0.3%. From June 2024 to June 2025, the PCE price index was up 2.6%. Core PCE rose 2.8% from one year ago. Year-over-year increases in the PCE index are reflected in increases in both goods and services, with significant increases in energy prices and food.

REAL ESTATE

HOUSING STARTS AND BUILDING PERMITS

The Census Bureau reported that housing starts increased 4.6% in June, to an annual rate of 1.321 million, compared to the revised May rate of 1.263 million. June's rate was 0.5% below the June 2024 rate of 1.327 million. Single-family housing starts decreased by 4.6% in June, to an annual rate of 883,000, compared to May's rate of 926,000. Single-family starts were down 10.0% from one year ago. Multifamily housing starts increased by 30.6% from May, reaching an annual rate of 414,000, and were up 25.8% from the same time last year. The multifamily-home sector, which comprises buildings with five units or more, generally tends to be more volatile than the single-family-home sector.

The number of building permit authorizations for privately owned housing units, considered a leading indicator of demand for new homes, rose 0.2% in June, to an annual rate of 1.397 million, but was down 4.4% from one year ago. Single-family housing permits decreased 3.7% from May, to an annual rate of 866,000, and were 8.4% below the rate from June 2024. Building permits for multifamily housing units increased 8.1% in June, to an annual rate of 478,000, up 2.1% from the same period a year ago.

Housing completions decreased 14.7% in June, to an annual rate of 1.314 million, which was 24.1% below the rate from one year ago. Single-family housing completions decreased 12.5% in June, to an annual rate of 908,000, and were 15.5% below June 2024. The rate for multifamily housing completions decreased 21.0% in June, to an annual rate of 383,000, and fell 39.8% from one year ago.

In June, builder confidence declined to 32.0, as the National Association of Home Builders (NAHB)/Wells Fargo Housing Market Index (HMI) reported. The reading was 2.0 points lower than in May, the lowest reading since December 2022, when the index reached 31.0, and April 2020, when the index plummeted more than 40.0 points, to 30.0. The housing market continued to weaken amid growing uncertainties caused by elevated mortgage rates, tariff concerns, and the gloomy economic outlook. NAHB's chief economist stated that, "to help address affordability concerns and bring hesitant buyers off the fence, a growing number of builders are moving to cut prices."

Furthermore, builders continue to struggle with sales, as they often use incentives to encourage eligible homebuyers to enter the market. In June, 37.0% of builders cut home prices to boost sales, up from 34.0% in May and 29.0% in April. This was the highest reading since NAHB began tracking this figure monthly in 2022. Sixty-two percent of builders offered some form of sales incentive in June, up 1.0 percentage point from May. The average price reduction in June was 5.0%, the same rate every month since November.

The three major HMI components reported lower readings in June. The component measuring current sales conditions decreased by 2.0 points, to 35.0, and the component gauging sales expectations over the next six months decreased by 2.0 points, to 40.0. The component that measures buyer traffic was down 2.0 points, to 21.0.

The three-month moving averages for the regional HMI indexes mostly decreased in June. The Northeast was down 1.0 point, to 43.0; the Midwest was up 1.0 point, to 41.0; the South was down 3.0 points, to 33.0; while the West was down 4.0 points, to 28.0.

HOME SALES, PRICES, AND INVENTORY

The National Association of Realtors (NAR) reported that the number of existing-home sales decreased 2.7% in June, to a seasonally adjusted annual rate of 3.93 million, following an increase in May. Over the last 12 months, the annual rate of existing-home sales, which account for the majority of all home sales, was unchanged from June 2024.

Total housing inventory stood at 1.53 million units at the end of June, down 0.6% from the previous month but up 15.9% from the same period one year ago, when the figure was 1.32 million. At the current sales rate, unsold inventory remains at a 4.7-month supply, higher than the reading in May of 4.6 months and up from 4.0 months in June 2024. The report noted that, although some markets currently appear to have a temporary oversupply, more supply is needed to increase the share of first-time homebuyers in the coming years.

The housing market remained slow in June, mostly due to persistently high mortgage rates. NAR's chief economist stated: "If the average mortgage rates were to decline to 6.0%, our scenario analysis suggests an additional 160,000 renters becoming first-time homeowners and elevated sales activity from existing homeowners."

All-cash sales accounted for 29.0% of the total transactions in June, up from 27.0% in May and from 28.0% in June 2024. Individual investors, or second-home buyers, who account for many cash sales, purchased 14.0% of homes in June. This was down from 17.0% in the previous month and from 16.0% one year ago. The June reading was the lowest level since September 2022 due to individual investors retreating from the market. First-time buyers accounted for 30.0% of sales in June, unchanged from May but up slightly from the 29.0% reading in June 2024.

Distressed home sales, which include foreclosures and short sales, accounted for 3.0% of all home sales in June, unchanged from May but slightly higher than the 2.0% share 12 months ago.

The national median existing home price for all housing types was up 2.0% in June from a year ago, to $435,300. The median home price increase in June was at an all-time high, marking the 24th consecutive month of year-over-year price increases. Over the past year, prices increased in all four U.S. regions: the Northeast, the Midwest, the South, and the West.

NAR reported that three of the four major U.S. regions experienced a decrease in home sales in June, while one region saw an increase. Sales fell in two of the four regions year over year, and two increased. Existing home sales in the Northeast fell 8.0% in June, to an annual rate of 460,000, and were down 4.2% from June 2024. The median home price in the Northeast was $543,300, a 4.2% increase from June 2024.

Sales in the Midwest were at an annual rate of 950,000 in June, a 4.0% decline from the prior month but up 2.2% from one year ago. The median home price in the Midwest was 3.4% higher than one year ago, at $337,600.

Existing home sales in the South decreased 2.2% from May, to an annual rate of 1.81 million, but were up 1.7% from 12 months ago. The median home price in the South was $374,500, up 0.3% from June 2024.

Sales in the West increased 1.4%, to an annual rate of 710,000, but were down 4.1% from the same period last year. The median home price in the West was $636,100, a 1.0% increase from a year ago.

According to Freddie Mac, the national average 30-year fixed mortgage rate ended the month of June at 6.77%. This was a 0.12-percentage-point increase from the 6.89% rate at the end of May. The current rate is 0.09 percentage points, or 1.3%, lower than it was at the end of June 2024.

In June, NAR's Realtors' Confidence Index highlighted that all-cash home buyers continue to show strength in the market. Seventeen percent of respondents expect an increase in buyer traffic in the next three months, down 1.0 percentage point from the 18.0% reading in the prior month but 4.0 points higher than the 13.0% figure from June 2024. Furthermore, 23.0% of respondents expect seller traffic to increase year over year in the next three months, down from May's reading of 27.0% but up from 17.0% one year ago. The RCI is a key indicator of housing market strength based on a monthly survey of over 50,000 real estate practitioners.

The report noted that 83.0% of buyers purchased a property in a suburban, small-town, rural, or resort area, which was lower than the 88.0% mark in both the previous month and June 2024. The share of nonprimary residence buyers was 14.0%, lower than the 17.0% share in the previous month and the 16.0% share one year ago. The share of vacation home buyers was 6.0%, identical to the previous month but higher than 5.0% one year ago.

In its most recent quarterly U.S. economic outlook, NAR projects existing-home sales to increase by 3.0% in 2025, followed by a 14.0% rise in 2026. It expects new home sales to be neutral in 2025 and 3.0% in 2026.

NAR believes the median existing-home price will rise 1.0% by 2025, followed by a 4.0% increase in 2026. Mortgage rates will average 6.7% in 2025 and 6.0% in 2026. Further, the report noted that job gains will increase by 1.6 million in 2025 and rise further, by 2.0 million jobs, in 2026.

COMMERCIAL REAL ESTATE

NAR's most recent "Commercial Real Estate Market Insights" report analyzed the trends in the commercial real estate market at the end of May 2025. The report stated that, in the middle of the second quarter, the U.S. economy sent mixed signals; GDP slipped slightly in the first quarter compared to the previous quarter, while inflation remained below 2.5%, though still above the Federal Reserve's 2% target, resulting in steady interest rates. Furthermore, market uncertainty persists, driven by tariffs, evolving trade policies, and other macroeconomic factors that may impact market dynamics throughout 2025. Nonetheless, commercial real estate is showing signs of resilience. The job market increased at a faster pace, and, despite ongoing economic shifts, steady job growth and easing inflation suggest encouraging signs for future rate cuts. The report also noted that commercial real estate debt held steady, at $3.02 trillion in May. In the first quarter of 2025, the CRE delinquency rate edged up to 1.59%. Over the past decade, commercial loan delinquencies have remained near 1.0%, while residential delinquencies have averaged closer to 3.0%. The recent narrowing of this gap suggests that commercial real estate is currently facing more pressure than it did in prior years.

The office sector, having experienced the most severe and persistent challenges compared with any other commercial real estate category, returned to negative absorption after having positive absorption in the first quarter of 2025. Office net absorption was -14.8 million square feet in the past 12 months, due to economic uncertainty and corporate downsizing, resulting in a rise in the vacancy rate to 14.1%. Further, rent growth declined to 0.8%, which added to market instability. Major markets such as Boston and Chicago experienced the most substantial reductions in office space. Los Angeles saw a turnaround where office space outflows decreased significantly, dropping from 6.0 million square feet in the second quarter of 2024 to 2.8 million square feet in May 2025. New York City followed the trend, improving from a 5.0-million-square-feet decline a year ago to approximately 5.0 million square feet in May 2025. In May, the capitalization rate in the office sector was 9.1%.

At the end of May, the multifamily sector showed early signs of stabilization due to strong rental demand and high absorption rates. Net absorption increased by 19.0% compared to a year ago, to 528,000 units. Conversely, deliveries decreased by 9.0% over the year, and units under construction decreased by 33.0% and have consistently decreased in the past two years. Nonetheless, new supply still surpasses absorption by 14.0%, keeping the multifamily vacancy rate near 8.1%. Further, rent growth was stable, at 1.0%, over the past year, indicating a balanced market between demand and supply. The report highlighted high demand in metropolitan areas such as Dallas-Fort Worth and Austin, New York City, and Atlanta, with more than 20,000 multifamily units absorbed over the year, underlining the strong performance of the rental market. In May, the capitalization rate in the multifamily sector was 6.0%.

Demand in the retail sector has softened since the strong prepandemic years as e-commerce growth increased, with net absorption turning negative. Within the last year, net absorption has declined from 38.8 million square feet to -1.7 million square feet. Vacancy rates increased for the second time this quarter, to 4.3%, after holding steady for over two years. Further, general retail accounted for all the positive net absorption for the year ending in May 2025. General retail continued to have the lowest vacancy rate, at 2.6%, while the vacancy rate for malls decreased slightly, to 8.6%. Rent growth slowed from 3.3% to 1.7%. Despite softer demand, rents continue to rise as tenants compete for space in prime locations. The highest rent was found in neighborhood centers and power centers, with a 2.4% and 2.3% increase, respectively. In May 2025, the capitalization rate for the retail sector was 7.1%.

In the middle of the second quarter of 2025, the industrial sector is facing a slowdown due to softening demand and oversupply. Net absorption declined by 48.0% compared to 12 months ago, to 67.7 million square feet, which was a decade-low reading. Deliveries of new construction are outpacing absorption by a ratio of 4-to-1, resulting in a 7.4% increase in the vacancy rate. Logistics spaces continued to be the primary contributor to positive absorption, accounting for nearly 64.9 million square feet over the past year, ending in May. This is followed by specialized facilities, with 11.1 million square feet, while flex space vacated 7.8 million square feet. Consequently, rent price growth decreased to 1.9% year over year. Logistics spaces reported a 1.9% rent decrease over the past 12 months, and specialized spaces had a 2.0% decrease, while flex space slipped to 1.5%. In May 2025, the capitalization rate for the industrial sector was 7.4%.

As 2025 progresses, the hospitality sector has remained stable. The hotel occupancy rates remained steady, at 63.0%, 3.0% below the prepandemic level. Meanwhile, average daily rates (ADR) and revenue per available room (RevPAR) have surpassed the levels seen before the pandemic, suggesting a rebound in profitability. In May, the ADR per room increased to $160, which is 22.0% higher compared to May 2019, and RevPAR increased to $101 per room, which is up 17.0% compared to the same period. However, sales acquisitions have declined since last year. In May 2025, the 12-month sales volume dropped to $20.6 billion from $23.5 billion in the previous year.

CBRE published its "U.S. Real Estate Market Outlook" for 2025 and concluded that, in 2025, the U.S. economy is expected to grow, driven by consumer spending, easing financial conditions, and productivity gains. It is predicted that all real estate sectors will see the start of a new cycle propelled by tenant demand and falling vacancy rates. The report, issued in December 2024, stated that the strong economic growth will support the recovery in investment activity, which will increase in volume by 10.0%. However, the 10-year Treasury yield will remain above 4.0% as the markets react to the persistently large budget deficit, the potential for higher inflation, and stimulative fiscal policy. Nonetheless, investors will have the opportunity to secure long-term returns that have not been attainable in years.

The office market is set for a pivotal shift in 2025 as the sector gains confidence that leads to a new cycle with a soft landing of the economy and stabilized office attendance. The positive shift, combined with declining interest rates and a significant slowdown in new supply, has given the office sector the most positive outlook seen in years. The multifamily sector will remain strong in 2025 supported by a strong and sustainable increase in multifamily completion in the past two years. Vacancies will decline due to robust tenant demand partly due to the persistently high cost of homeownership. CBRE believes that industrial real estate will continue to benefit from e-commerce growth in 2025, but leasing activity will return to prepandemic levels. Vacancies will remain high in older properties, and the market will remain tenant-favorable but will tighten toward the end of next year. The report noted a few trends to watch in 2025 that will make an impact on the economy and the real estate market. They are technology, migration, and globalization.

In the most recent release of the "Value of Construction Put in Place Survey," the U.S. Census Bureau reported that overall spending on construction was at a seasonally adjusted annual rate of $2,136.2 billion in June. This figure was 0.4% lower than the revised May estimate of $2,143.9 billion and was 2.9% below the $2,199.9 billion rate from one year ago. Private nonresidential construction was at a seasonally adjusted annual rate of $738.8 billion in June, a 0.3% decrease from the revised May estimate of $741.1 billion and was 4.0% lower than one year ago.

The American Institute of Architects' (AIA) Consensus Construction Forecast projects nonresidential construction spending to increase by 2.2% in 2025 and 2.6% in 2026. This is a substantial slowdown compared to the increase of 6.0% in 2024 and almost 20.0% in 2023. The report noted that the modest future outlook is partly due to a few expected headwinds to building activity, including potential tariffs on imports from selected countries and the enforcement of stricter immigration policy. Increased tariffs would be a major source of concern regarding reigniting inflation, especially on imported goods from the three largest trading partners: Canada, Mexico, and China. Thus, these tariffs could limit the availability of various materials and products used in construction. Further, and probably the biggest policy concern for the construction industry, is the emerging immigration policy that might impact the construction labor force. There are 12 million construction workers nationally, and about 3 million of them are immigrants. It is estimated that half of them are undocumented. The concerns over the new immigration policy are the deportation of undocumented workers and the potential of new immigrants to replace them in the coming years.

It is predicted that spending on institutional facilities will see the strongest gains of 6.0% in 2025 and 3.4% in 2026. Education and healthcare facilities are less cyclical than commercial or industrial activity and less prone to major changes in the overall economy. The amusement and recreation sector came in second, with a predicted 5.8% increase in 2025 but will moderate to a 1.6% gain in 2026. Commercial construction spending is expected to increase by only 1.7% in 2025 and rise to 4.2% in 2026. The industrial sector is predicted to grow by 2.6% in 2025 but will decrease by 2.5% in 2026. Further, spending on offices is expected to increase modestly this year and next, by 3.6% and 4.0%, respectively. This may be surprising given the high levels of remote work nationally, but the projected increase is coming from data centers, which the Census Bureau includes in the office category.

FORECAST

Consensus Economics Inc., the publisher of *Consensus Forecasts—USA,* reports that the consensus of U.S. forecasters is that real GDP will rise at an annual rate of 0.7% in the third quarter of 2025 and increase at an annual rate of 1.1% in the fourth quarter of 2025. Every month, Consensus Economics surveys a panel of prominent U.S. economic and financial forecasters for their predictions on a range of variables, including future growth, inflation, current account and budget balances, and interest rates. The forecasters expect GDP to increase by 1.5% in 2025 and 1.6% in 2026.

They forecast that consumer spending will increase at an annual rate of 0.5% in the third quarter of 2025 and increase at a rate of 0.9% in the fourth quarter of 2025. They expect consumer spending to increase by 2.1% in 2025 and 1.4% in 2026.

The forecasters believe unemployment will average 4.4% in the third quarter of 2025 and average 4.5% in the fourth quarter. They predict that unemployment will average 4.3% in 2025 and 4.6% in 2026.

The forecasters believe that the three-month Treasury bill rate will be 4.1% at the end of the third quarter of 2025 before decreasing to 3.8% at the end of the fourth quarter of 2025. They believe the three-month Treasury bill rate will be 3.1% at the end of 2026. The forecasters predict the 10-year Treasury bond yield will be 4.3% at the end of the third quarter of 2025 and also 4.3% at the end of the fourth quarter of 2025. They expect the 10-year Treasury Bond yield to be 4.1% at the end of 2026.

The forecasters also believe consumer prices will rise at an annual rate of 3.7% in the third quarter of 2025 and increase at an annual rate of 3.2% in the fourth quarter of 2025. They expect consumer prices to increase by 3.0% in 2025 and 2.8% in 2026. They forecast producer prices will rise at an annual rate of 4.3% in the third quarter of 2025 and increase at an annual rate of 2.3% in the fourth quarter of 2025. The forecasters anticipate producer prices will rise 2.8% in 2025 and 2.1% in 2026.

The forecasters expect real disposable personal income will rise at an annual rate of 0.7% in the third quarter of 2025 and increase at the same annual rate of 0.7% in the fourth quarter of 2025. They believe real disposable personal income will increase by 1.9% in 2025 and 2.0% in 2026.

The forecasters expect industrial production to decrease at an annual rate of 1.2% in the third quarter of 2025 and decrease at an annual rate of 0.5% in the fourth quarter of 2025. They forecast that industrial production will increase by 0.9% in 2025 and rise by 0.5% in 2026.

They expect nominal pretax corporate profits to increase by 0.5% in 2025 before increasing by 3.9% in 2026. Housing starts are projected to be 1,370,000 in 2025 and 1,400,000 in 2026.

The most recent release of The Livingston Survey (the Survey), published in June 2025, predicted GDP annualized growth to decrease in the first half of 2025. The Survey, conducted by the Federal Reserve Bank of Philadelphia, is the oldest continuous survey of economists' expectations. The Survey summarizes the forecasts of economists from industry, government, banking, and academia.

The Survey forecasted much lower output growth in 2025 as the participants projected a 0.5% growth rate of real GDP for the first half of 2025, which is a downward revision from the 1.9% in the previous survey. They predicted that real GDP would increase by an annual rate of 0.9% by the second half of 2025 and grow at an annual rate of 1.8% in the first half of 2026. The Survey's forecast on the employment rate was unchanged from the previous prediction, at an expected unemployment rate of 4.3% in June 2025. The Survey then expected the rate to increase to 4.6% in December 2025 and reach the rate of 4.7% in June 2026. The forecasters believed CPI inflation would increase 3.0% in 2025 and stay at 3.0% in 2026. Both predictions were higher compared to the December 2024 survey. PPI inflation was expected to increase 2.5% in 2025, an upward revision from the 1.1% in the previous survey. PPI inflation was predicted to decline to 1.8% in 2026, lower than the 2.1% prediction in December 2024.

The Congressional Budget Office (CBO) provided its baseline economic forecast that is used as the basis for updating its budget projections for 2025 to 2035. CBO published its budget projection in January 2025 and periodically updates its economic forecast to ensure that its projections reflect recent economic development and current law.

In the report, it expects the overall economic growth to slow in 2025 amid higher unemployment and lower inflation. Real GDP is projected to slow down to 1.9% in 2025 after increasing by 2.3% in 2024. It will then increase by 1.8% in 2026. Real GDP is predicted to grow at 1.8% per year, on average, through 2035. The unemployment rate will average 4.3% in 2025, then average 4.4% in 2026 and stay at an average of 4.4% through 2035. In 2024, the unemployment rate was 4.0%.

Inflation, as measured by the price index for personal consumption expenditures (PCE), will fall from 2.5% in 2024 to 2.2% in 2025 and 2.1% in 2026, settle at a rate roughly in line with the Federal Reserve's long-run goal of 2.0% in 2027, and stabilize thereafter. The Federal Reserve began reducing the federal funds rate in September 2024. CBO anticipates that those reductions will continue through the end of 2026.

The report projected that the federal budget deficit will total $1.9 trillion in 2025, which is $0.1 trillion less than projected in June 2024. It forecasts the figure for the average annual deficit to continue to increase, to $2.7 trillion, in 2035. The cumulative total deficit over the 2025-to-2034 period is projected to be $21.1 trillion, $1.0 trillion less than projected in June 2024. The factor that contributed to the decreased projection was growth in projected collections of individual income taxes, driven by greater projections of taxable income in CBO's economic forecast.

The Energy Information Administration (EIA) predicts that the West Texas Intermediate crude oil spot price will average $65.22 per barrel in 2025, higher than the $62.33 per barrel predicted in the previous forecast, before decreasing to $54.82 per barrel in 2026. The average price for West Texas Intermediate crude oil in 2024 was $76.60 per barrel. The EIA expects retail prices for regular-grade gas to average $3.09 per gallon in 2025 and $3.04 in 2026, compared with $3.31 per gallon in 2024.

The EIA believes the Henry Hub natural gas spot price will average $3.67 per million Btu (MMBtu) in 2025, lower than the previous forecast of $4.02, before rising to $4.41 per MMBtu in 2026. The average Henry Hub natural gas spot price was $2.19 per MMBtu in 2024.

The cost of coal delivered to electricity-generating plants, which averaged $2.48 per MMBtu in 2024, is expected to average $2.45 per MMBtu in 2025 and $2.46 in 2026. Residential electricity prices, which averaged 16.48 cents per kilowatt-hour (kWh) in 2024, are expected to average 17.12 cents per kWh in 2025, then increase to 17.75 cents per kWh in 2026.

The most recent three-year outlook from the Urban Land Institute (ULI) and Ernst & Young (EY), published in May 2025, concluded that real estate economists' outlook on the economy has softened as the U.S. economic metrics fell below historical averages. Respondents downgraded their projections relative to the fall 2024 amid current economic uncertainty. The forecast predicted that real GDP would grow by 1.3% in 2025, increase to 1.6% in 2026, and rise further, to 2.3%, in 2027. As a comparison, real GDP was 2.8% in 2024. It further predicted employment growth to decrease to 1.13 million jobs in 2025, from 2.01 million jobs in 2024. In 2025, employment growth decreases to 1.00 million but will increase to 1.45 million jobs in 2027. The *ULI/EY Real Estate Consensus Forecast,* a semiannual publication, is based on a survey of 36 of the industry's top economists and analysts representing 29 of the country's leading real estate investment, advisory, and research firms and organizations. They provide their three-year forecasts of 33 economic and real estate indicators. The forecast for each indicator is the median forecast from the survey respondents.

The key findings from the *Real Estate Consensus Forecast* include:

- U.S. commercial real estate transaction volumes are predicted to rise in 2025, to $469.0 billion, compared to $437.0 billion in 2024. They are forecasted to rise higher in 2026, to $525.0 billion. Transaction volume is predicted to grow even stronger in 2027, to $600.0 billion.

- Consumer Price Index increases in 2025 are predicted to be 3.2%, up from 2.9% in 2024 and higher than the 20-year average of 2.6%. Prices are predicted to decline in 2025 and 2026, retreating to 2.8% and 2.5%, respectively.

- Single-family housing starts were at 1,012,900 in 2024 but are predicted to fall in 2025 to 950,000. Single-family housing starts are forecasted to rise in 2026, to 1,000,000, then rise higher, to 1,080,000, in 2027. These forecasted figures are above the 20-year annual average of 859,280.

- Total returns for institutional-quality direct real estate investments, as measured by the National Council of Real Estate Investment Fiduciaries (NCREIF), are forecasted to increase to 3.6% in 2025. Total returns are predicted to rise to 5.3% in 2026 before increasing further, to 7.0%, in 2027. The forecasted range for total returns in 2025 by property type was from -3.4% for office to 5.4% for retail. In 2027, returns are projected to range from 5.0% for office to 8.0% for the senior housing sector.

- In 2024, the vacancy rates for apartments were 4.9% and are expected to fall slightly in 2025, to 4.8%, exceeding the long-term average of 5.2%. The vacancy rate for apartments will decline to 4.6% in 2026 and 4.3% in 2027. Industrial/warehouse availability rates are projected to increase to 9.1% in 2025 from 8.6% in 2024. It will then fall to 8.8% in 2026 and decrease to 8.3% in 2027. Office vacancy, which is already at elevated rates, is expected to rise to 19.1% in 2025 from 18.9% in 2024. Office vacancy rates are expected to be 18.9% in 2026 and 18.5% in 2027.

- Commercial property rent growth differs widely by property type. Industrial rent growth was at 0.6% in 2024, a steep drop from 13.9% in 2022. It is expected to increase to 1.5% in 2025 and increase further, to 2.9%, in 2026 and 3.1% in 2027. Apartment rent growth is forecasted to be 1.3% in 2025 before rising 2.6% in 2026 and 3.3% in 2027, down substantially from the surge of 13.0% in 2021 and 6.8% in 2022. Annual retail rent growth is expected to rise 2.2% in 2025 and slightly decrease, to 2.0%, in 2026. In 2027, it is predicted to rise by 2.9%. Rent growth for office space is predicted to rise by 0.5% in 2025, before rising to 1.0% in 2026 and 1.5% in 2027.

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