

# APPENDIX: SOURCES & METHODOLOGY

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## Appendix A - Company Financial Data Sources

All company-specific financial data (revenue, cash, debt, adjusted EBITDA, segment results, member counts, deposits, credit metrics, GAAP net income, non-GAAP reconciliations) were sourced directly from **SoFi Technologies SEC filings** and **official earnings releases**.

### Primary sources:

- **SoFi Form 10-K (2024)** - consolidated financial statements; segment revenue; balance sheet items; risk disclosures.
- **SoFi Form 10-Q (Q1, Q2, Q3 2025)** - cash & equivalents, total debt (warehouse, securitization & corporate), adjusted EBITDA reconciliation, quarterly revenue.
- **SoFi Form 10-Q (Q3 2024)** - historical debt, cash, early adjusted EBITDA trend.
- **SoFi Investor Relations - Earnings Releases**
  - Q4 2023
  - Q1 2024
  - Q2 2024
  - Q3 2024
  - Q4 2024
  - Q1 2025
  - Q2 2025
  - Q3 2025

These documents provided the inputs for:

- TTM adjusted EBITDA (built as quarterly sum)
  - Total debt by quarter
  - Cash & equivalents by quarter
  - Revenue and margin trends
  - Deposits, membership and product count data
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## Appendix B - Valuation Inputs & Assumptions

### Discounted Cash Flow (DCF) Inputs:

- **Revenue growth:** derived from historical CAGR (10-K) and management commentary in earnings releases.
- **Margins:** adjusted EBITDA and operating leverage derived from quarterly filings.
- **WACC (10 percent baseline):** built using CAPM inputs:
  - Risk-free rate (10-year Treasury), sourced from FRED
  - Beta from Yahoo Finance
  - Market risk premium (5.0-5.5 percent standard practice)
- **Terminal growth:** long-run GDP-consistent 1.0-3.0 percent range.
- **Exit multiple sensitivity:** benchmarked to FinTech peer EV/EBITDA and EV/Revenue multiples.

### Enterprise Value (EV) Formula:

$$\text{EV} = \text{Market Capitalization} + \text{Total Debt} - \text{Cash & Equivalents}$$

#### **Adjusted EBITDA definition:**

Company-reported **non-GAAP adjusted EBITDA** from filings; used for EV/EBITDA because:

- GAAP EBITDA heavily distorted by non-cash fair-value marks
  - Adjusted EBITDA is management's primary profitability metric
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## **Appendix C - Market Data Inputs**

#### **Market Capitalization, P/E ratios, P/S, P/B, PEG ratios, EV/Revenue:**

- Retrieved from **Yahoo Finance** (SOFI ticker summary, Statistics tab).
- Cross-checked with team-provided quarter-end market cap dataset.

#### **Share price history:**

- Pulled from Yahoo Finance historical data (quarter-end closing prices).

#### **Beta:**

- Yahoo Finance 5-year monthly beta.
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## **Appendix D - Peer Comparables Sources**

#### **Comparable Companies Used:**

UPST, AFRM, HOOD, LC, PYPL, SQ, NU

#### **Data Sources:**

- **Yahoo Finance** - P/E, EV/Revenue, EV/EBITDA, price-to-sales, volatility.
- **Company 10-K / 10-Q filings** - segment mixes, CAC/margin data where disclosed (Upstart, LendingClub, Affirm).

- **Investor Presentations** - for any peer disclosures on deposits, loan mix, customer metrics.
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## Appendix E - Macro & Industry Sources

### Federal Reserve Economic Data (FRED):

- Fed Funds Rate
- 10-Year Treasury
- CPI Year-over-Year
- Consumer loan delinquency data

### Bureau of Labor Statistics (BLS):

- Inflation (CPI)
- Wage growth

### Regulatory bodies (qualitative context):

- OCC guidance
- CFPB policy updates
- FDIC Quarterly Banking Profile

Used to support macro statements regarding:

- Rate cuts / normalization
- Deposit migration
- Consumer credit health

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# Appendix F - Calculation Notes & Methodology

## 1. EV and EV/EBITDA Calculations

For each quarter-end (9/30/24, 12/31/24, 3/31/25, 6/30/25, 9/30/25):

- **Market Cap:** supplied by team; validated against Yahoo Finance.
- **Total Debt:** taken directly from SoFi's quarterly balance sheet (warehouse + securitization + corporate).
- **Cash & Equivalents:** from the same balance sheet.
- **EV:** computed using  $EV = \text{Market Cap} + \text{Total Debt} - \text{Cash}$ .
- **TTM Adjusted EBITDA:** sum of last four quarterly adjusted EBITDA values from SoFi earnings releases.
- **EV/EBITDA:** EV converted to USD millions  $\div$  TTM adjusted EBITDA (millions).

## 2. Peer Multiples

Peer multiples (EV/EBITDA, EV/Revenue, P/E, P/S, volatilities) sourced from Yahoo Finance on a rolling basis. No proprietary databases used.

## 3. Monte Carlo & Sensitivity Analysis

- Ranges derived from:
  - Historical revenue volatility
  - Margin trajectories disclosed in filings
  - Market-standard discount rate sensitivity
  - Peer exit multiple ranges

- Risk-free and beta inputs sourced from FRED and Yahoo Finance.

#### **4. Risk-Adjusted Metrics (Sortino, Omega)**

- Computed using Yahoo price history (daily data) and Python (NumPy/Pandas).
- Threshold return for Omega = 0 percent.
- Downside deviation for Sortino = negative return semivariance.