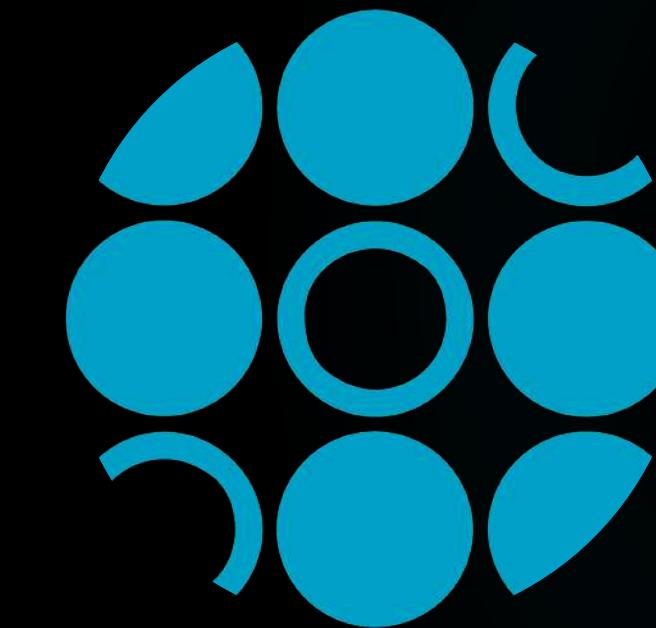


FARMSA FALL 2025 STOCK PITCH COMPETITION

NASDAQ:SOFI

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company overview

- FDIC-insured digital bank; deposits, lending, and personal finance tools
- Three segments: Lending, Financial Services, Tech Platform
- 12.6 million members (+35 percent YoY) (Q3)
- 3.54+ billion annual revenue run rate based on Q3 Report

investment thesis

SoFi is the only vertically integrated digital bank capturing deposits, underwriting, and financial services in-house. Member growth, adoption, and expansion drive recurring revenue. With strong profitability and a differentiated, capital-light model, SoFi is positioned to compound over the next 3-5 years.

industry tailwinds

- Deposit migration from legacy banks to digibanks
- higher customer expectations satisfied by integrated fin-platforms
- AI Underwriting + risk scoring optimizing credit outcomes
- upcoming Open Banking regulations lowering switching friction

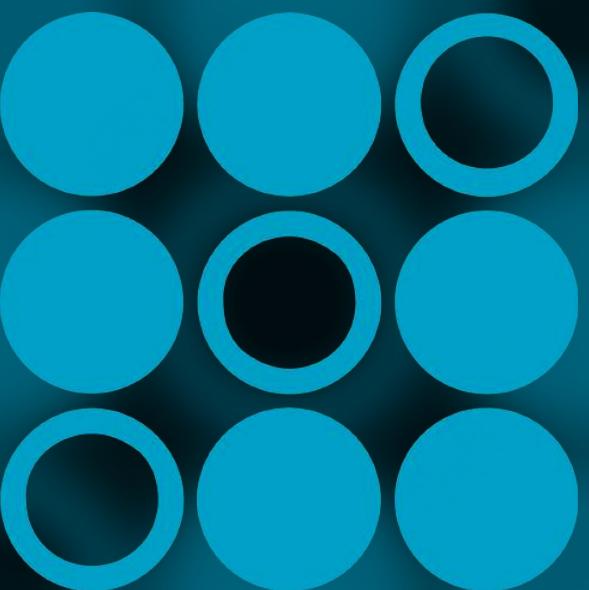


competitive map

Direct Competitors- Chime, Varo, Ally

Fintech adjacency: Robinhood, Upstart, PayPal

Differentiator: SoFi owns BOTH a bank-charter & tech platform.



macro context

Interest rates / Fed Policies

- rate cuts expected this year
- steepening curve = **NIM Exp.**
- Normalization = +**credit orig. volumes**

Credit Cycle

- Charge-off normalization modest but stable
- Leaders benefit from good consumer activity.

Inflation & Consumer Strength

- Real wage growth supports consumer credit capacity
- Delinquencies leveling off across prime borrowers

Key Takeaway:

A *rate-cutting cycle + stable consumer credit* = **highly favourable** environment for digital lenders with funding → disproportionately benefiting **SoFi**

near-term catalysts (0-12 months)

0 - 3 Months

- Student loan refinancing volumes accelerate
- Cross sell conversion: 8% - 11%
- Deposit growth outpaces loan growth

3 - 6 Months

- Financial Services segment turning profitable
- Galileo client onboarding recovery
- Operating Leverage from lower marketing spend

6 - 12 Months

- NIM Improvement as SoFi shifts towards high-yield deposits
- Regulatory clarity around Open-Banking

Catalyst Takeaway

Each Catalyst compounds SoFi's profitability flywheel: deposits → low cost funding → more lending → margin expansions.

growth drivers (12+ months)

The Vertical Integration Model (*unique to fintech*) allows for no branch costs, in house underwriting, first party deposits → lowest funding cost, and lets SoFi own its tech stack (Galileo + API's).

Expanding High-Margin Segments would mean scaling SaaS revenue with the Tech Platform, and turning Financial Services into a cross-selling engine.

SoFi's Operating Leverage shows a stable Fixed Costs and a declining Expense/Revenue ratio.

IMPROVING UNIT ECONOMICS

<7 months
CAC Payback

LTV
expanding due to multi-product engagement.

>35% YoY
due to growing Deposits.

Raised
guidance after Q3 report.

key risks

Credit Risk

- Rising delinquencies in personal loans
- sensitivity to macro downturns

Rate Risk

- Lower rates compress deposit yields
- inverted yield curve environment pressures NIM

Regulatory Risk

- Open Banking compliance costs
- Lending rule changes

Competitive Risk

- Chime/Ally spending heavy on customer acq.
- Big banks adopting digital-only strategies.

Funding, Execution, Crypto Strategy Risk.

mitigants

Risk Controls

- Prime borrower focus (avg FICO > 740)
- Conservative charge off provisioning

Balance Sheet Strength

- Rapid deposit growth diversifies funding
- strong capital ratios

Rate Hedging via Revenue Mix

- Non-lending segments buffer rate compression
- Tech Platform insensitive to rate environment

Natural Moat: Switching Costs

- Multi-product usage
- Sticky direct deposit relationships

financial analysis (valuation: DCF & competitors)

DCF

- 2025 - 2029 Revenue CAGR: ~18%
- Long Term Margin Target: 25%-30%

- Terminal growth: 2.5%
- DCF Base Case ~\$26.50 per share, relative valuation supports >\$30 implied value.

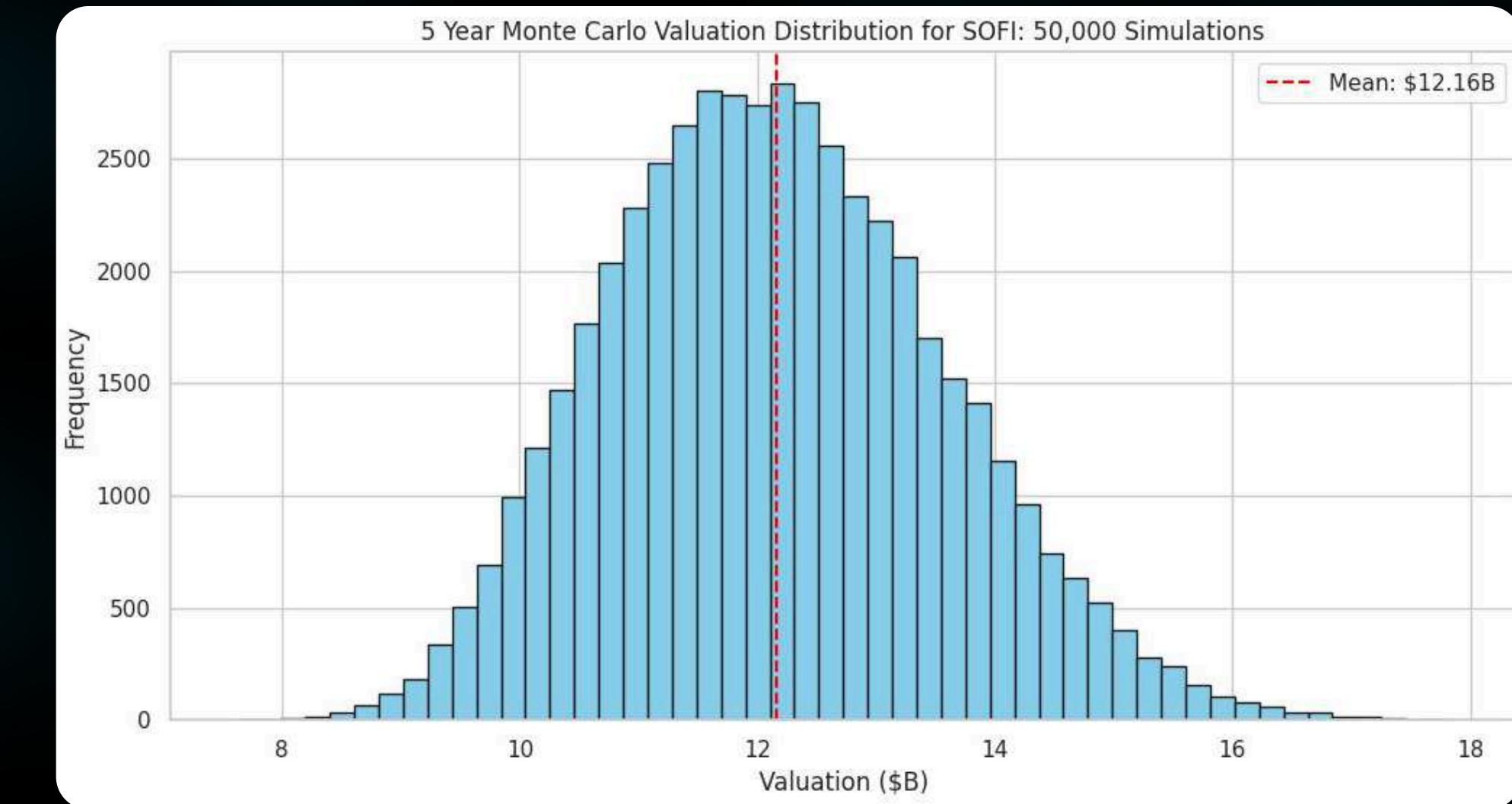
Company	P/E	P/S	P/B	Sortino	Omega	A. Vol.	Growth
SoFi	48	10	3.6	1.94	1.23	0.44	Very High
Ally	23.7	1.1	0.95	0.9	1.12	0.38	Moderate
Chime (Private)	-	-	-	-	-	-	High
PayPal	14.3	1.83	-	-0.1	0.98	0.31	Moderate-High
Upstart	-	2.3	6.1	1.22	1.14	0.47	Volatile-High

Multiples shown are forward FY2026 consensus estimates (not trailing)

DCF points to undervaluation- comps show justified growth premium given SoFi's unique model.

sensitivity / scenario analysis

WACC	Terminal Growth	Price
9%	3.5%	\$ 31
10%	2.5%	\$ 25
11%	2.0%	\$ 21



3 - Scenario Outlook

- Bull (25%) \$31 - Assumes +30% loan growth, higher NIM, strong deposits
- Base (50%) \$24-\$26 - Steady deposit growth plus moderate margin expansion
- Bear (25%) \$20-\$22 - Assumes lower loan demand; flat rates + mild credit deterioration.

[colab notebook](#)

NASDAQ:SOFI

Rating: BUY

Price Target: \$28

Upside: +10 Percent

- 1. Structural Advantage:** Full-stack model lowers funding costs, increases margins.
- 2. Macro Tailwinds:** Rate normalization + consumer strength
- 3. Valuation Asymmetry:** DCF and scenario analysis show clear upside with controlled downside.

SoFi represents a unique combination of profitability inflection, scalable economics, and favourable macro-positioning.