

Rating
HOLD
unchanged

Price Target
US\$10.00
unchanged

ONTF-NYSE

Price
US\$6.93

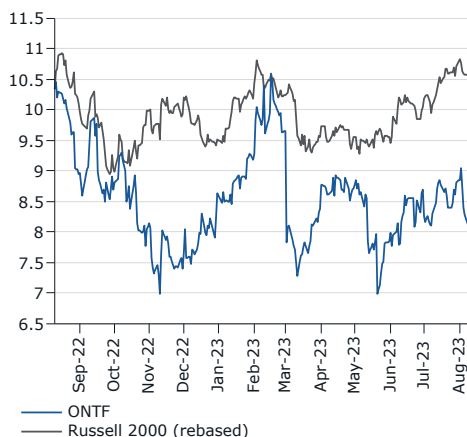
Market Data

52-Week Range (US\$) :	6.87 - 11.52
Avg Daily Vol (000s) :	387
Market Cap (US\$M) :	355.8
Shares Out. (M) :	50.7
Enterprise Value (US\$M) :	247
Net Cash (US\$M) :	356.0

FYE Dec	2022A	2023E	2024E
Sales (US\$M)	190.9	158.5↓	147.0↓
Previous	-	164.0	157.0
EV/Sales (x)	0.6	0.7	0.8
Free Cash Flow (US\$M)	(24.2)	(9.9)	(5.2)
EV/FCF (x)	NA	NA	NA
EPS Non-GAAP (US\$)	(0.37)	0.02↑	0.01↓
Previous	-	(0.02)	0.14

Quarterly Sales	Q1	Q2	Q3	Q4
2022A	48.5	48.2	47.6	46.6
2023E	43.1A	42.1A	38.0	35.4
2024E	35.7	36.2	37.0	38.3

Quarterly EPS Non-GAAP	Q1	Q2	Q3	Q4
2022A	(0.13)	(0.14)	(0.07)	(0.04)
2023E	(0.04)A	0.05A	0.00	0.01
2024E	(0.02)	0.00	0.01	0.01



Source: FactSet

Priced as of close of business 9 August 2023

ON24's digital experience platform converts engagement into revenue via interactive webinars and virtual events that are backed by analytics and an ecosystem of third-party integrations.

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Earnings follow-up: model update

Earnings follow-up: model update

We are publishing an updated model and price target justifications for On24. For our post-view thoughts following the Q2 print, please refer to our note [here](#).

Valuation and price target

We are maintaining our price target at \$10. This price target is based on a ~1.5x EV/revenue multiple applied to our C2024 revenue estimate of \$147M and assumes ~\$230M of net cash and ~45M fully diluted shares outstanding. While ONTF shares look cheap here, we're going to have to see some of the macro headwinds abate and continued progress on cost optimization before we can get more constructive on the stock, leaving us comfortable with our HOLD.

Quarterly results

The table below details ON24's June quarter (Q2/23) results compared to our published estimates and the year-ago quarter's results.

Figure 1: ONTF June 2023 (Q2/23)

	\$ Millions	Jun-22	Jun-23	Jun-23E	Actual - Estimate	Percent Difference
Annual Recurring Revenue (ARR)		\$167.8	\$144.8	\$148.0	(\$3.2)	-2%
Growth		2%	-14%	-12%	--	--
Sequential Dollar Change in ARR		\$0.1	(\$10.8)	(\$7.6)	-\$3.2	42%
Core Platform ARR		--	\$140.6	\$143.0		
Growth		--	--	--		
Sequential Dollar Change in ARR		--	(\$8.6)	(\$6.2)		
Core Subscription Revenue		43.1	37.0	36.5	0.5	1%
Core Service Revenue		5.2	3.5	3.6	(0.1)	-4%
Core Revenue		48.2	40.5	40.1	0.4	1%
Non-Core Revenue (Virtual)		0.0	1.6	1.4	0.2	n/a
Total Revenue		48.2	42.1	41.5	0.6	1%
Cost of Platform		(9.1)	(7.5)	(8.0)	0.5	6%
Cost of Service		(3.2)	(2.8)	(3.1)	0.2	7%
Cost of Legacy		0.0	0.0	0.0	0.0	n/a
non-GAAP Gross Profit		35.9	31.7	30.4	1.3	4%
Sales & Marketing		(25.2)	(18.3)	(18.1)	(0.2)	-1%
Research & Development		(9.0)	(7.6)	(7.3)	(0.4)	-5%
General & Administrative		(7.9)	(6.9)	(7.1)	0.2	2%
Cost of Operations		(42.1)	(32.8)	(32.4)	(0.4)	-1%
non-GAAP Operating Income		(6.2)	(1.1)	(2.0)	0.9	-45%
Stock Based Compensation		(9.7)	(11.6)	(8.3)	(3.3)	-40%
Amortization & Other		(0.1)	(3.1)	(3.5)	0.4	-11%
GAAP Operating Income		(16.0)	(15.8)	(13.8)	(2.0)	15%
Interest Income		0.0	0.0	0.0	0.0	n/a
Interest Expense		(0.0)	(0.0)	2.2	(2.2)	n/a
Other Income (Expense)		(0.1)	3.2	0.0	3.2	n/a
GAAP Pre-Tax Income		(16.2)	(12.6)	(11.6)	(1.1)	9%
Tax Rate		0%	-2%	0%	-2%	n/a
Income Tax Benefit (Expense)		(0.0)	(0.2)	0.0	(0.2)	n/a
GAAP Net Income		(16.2)	(12.8)	(11.6)	(1.3)	11%
Reversal of SBC, Amort, & Other		9.8	14.9	11.8	3.1	26%
Tax Effect of Add-Backs		0.0	0.0	0.0	0.0	n/a
non-GAAP Net Income		(6.4)	2.1	0.2	1.8	763%
Basic Shares Outstanding		47.2	45.9	46.0	(0.1)	0%
Pro Forma/Diluted Shares Outstanding		55.7	50.7	50.5	0.2	0%
GAAP EPS		(\$0.34)	(\$0.28)	(\$0.25)	(\$0.03)	11%
non-GAAP EPS		(\$0.14)	\$0.05	\$0.01	\$0.04	765%
Free Cash Flow		(3.4)	(4.9)	(5.6)	0.7	-12%
Customer Count		2,101	1,826	1,841	(15)	-1%
Growth		1%	-13%	-12%	--	--
Net New Customer Additions		(44)	(90)	(75)	(15)	20%
Customers with ARR >\$100K		349	323	323	0	0%
Growth		1%	-7%	-7%	--	--
% of Total		17%	18%	18%	--	--
Net New >\$100K ARR Additions		(18)	(10)	(10)	0	n/a
ARR per Customer		79,039	77,392	78,786	(1,394)	-2%
Growth		0%	-2%	0%	--	--
Calculated Billings (Revenue + Δ Deferred)		46.9	33.1	39.0	(5.9)	-15%
Growth		-7%	-29%	-17%	--	--
Net Cash & ST Investments per Share		\$6.14	\$4.74	\$5.13	(\$0.39)	-8%

Source: Company Reports, Canaccord Genuity estimates

Figure 2: Income statement

On24		8/9/2023 *Reclassified Virtual Event business to non-core starting in Q4/22																																		
Income Statement		Quarterly							Quarterly							Quarterly							Quarterly							Quarterly						
\$ Millions		CY-2019	Mar-20	Jun-20	Sep-20	Dec-20	CY-2020	Mar-21	Jun-21	Sep-21	Dec-21	CY-2021	Mar-22	Jun-22	Sep-22	Dec-22	CY-2022	Mar-23	Jun-23	Sep-23E	Dec-23E	CY-2023E	Mar-24E	Jun-24E	Sep-24E	Dec-24E	CY-2024E									
Annual Recurring Revenue (ARR)	61.2	76.9	\$85.9	\$114.2	\$138.9	\$153.4	\$153.4	\$163.1	\$164.1	\$167.2	\$171.4	\$171.4	\$167.7	\$167.8	\$165.6	\$159.6	\$159.6	\$155.6	\$144.8	\$137.0	\$119.0	\$119.0	\$128.0	\$131.0	\$133.0	\$137.0	\$137.0									
Growth	n/a	25%	35%	70%	98%	100%	100%	90%	44%	20%	12%	12%	3%	2%	-1%	-7%	-7%	-7%	-14%	-17%	-25%	-25%	-18%	-10%	-3%	15%	15%									
Sequential Dollar Change in ARR	n/a	\$15.6	\$28.3	\$24.7	\$14.5	\$17.5	\$17.5	\$9.7	\$1.0	\$3.1	\$4.2	\$18.0	(\$3.7)	\$0.1	(\$2.2)	(\$6.0)	(\$11.8)	(\$4.0)	(\$10.8)	(\$7.8)	(\$18.0)	(\$40.6)	\$9.0	\$3.0	\$2.0	\$4.0	\$18.0									
Core Platform ARR	--	71.9	--	--	--	\$137.8	\$137.8	--	--	--	\$157.6	\$157.6	--	--	--	\$152.6	\$152.6	\$149.2	\$140.6	\$135.0	\$122.0	\$122.0	\$127.0	\$130.0	\$134.0	\$138.0	\$138.0									
Growth	--	26%	--	--	--	92%	92%	--	--	--	14%	14%	--	--	--	3%	3%	4%	--	--	-20%	-20%	-15%	-8%	-1%	13%	13%									
Sequential Dollar Change in ARR	--	--	--	--	--	\$65.9	\$65.9	--	--	--	\$19.8	(\$2.2)	--	--	--	(\$5.0)	(\$5.0)	(\$3.4)	(\$8.6)	(\$5.6)	(\$13.0)	(\$30.6)	\$5.0	\$1.0	\$4.0	\$4.0	\$16.0									
Core Subscription Revenue	57.8	66.3	19.3	26.4	34.3	41.2	121.2	42.9	44.4	43.6	45.0	175.8	43.5	43.1	43.3	40.0	169.8	37.8	37.0	34.1	31.9	140.8	31.9	32.4	33.4	34.9	132.4									
Core Service Revenue	11.1	14.4	4.4	9.1	8.2	11.9	33.6	7.2	7.7	5.8	7.0	27.2	5.0	5.2	4.3	4.2	18.7	3.4	3.5	2.7	2.3	12.1	3.0	3.0	3.0	3.0	12.0									
Core Revenue	68.8	80.7	23.7	35.5	42.5	53.1	154.8	50.0	52.1	49.4	52.0	203.5	48.5	48.2	47.6	44.2	188.5	41.2	40.5	36.8	34.4	152.8	34.9	35.4	36.4	37.9	144.4									
Non-Core Revenue (Virtual)	13.8	8.4	3.0	0.8	0.1	0.2	2.1	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	2.4	3.0	1.6	1.2	1.0	5.2	0.8	0.8	0.6	0.4	2.6									
Total Revenue	82.6	89.1	24.7	36.3	42.6	53.3	156.9	50.1	52.1	49.4	52.0	203.7	48.5	48.2	47.6	44.6	190.9	43.1	42.1	38.0	35.4	158.5	35.7	36.2	37.0	38.3	147.0									
Cost of Platform	(11.7)	(14.8)	(3.9)	(4.6)	(5.3)	(6.3)	(20.1)	(7.2)	(7.8)	(8.1)	(8.3)	(31.5)	(8.7)	(9.1)	(8.9)	(8.7)	(38.5)	(8.3)	(7.5)	(7.8)	(7.9)	(31.0)	(7.2)	(7.3)	(7.3)	(7.7)	(29.4)									
Cost of Service	(6.4)	(8.6)	(2.2)	(3.0)	(3.1)	(3.7)	(12.0)	(3.1)	(3.6)	(3.2)	(3.6)	(13.6)	(3.2)	(3.2)	(3.0)	(3.5)	(12.4)	(3.1)	(2.8)	(2.3)	(2.1)	(10.4)	(2.6)	(2.6)	(2.6)	(2.4)	(10.2)									
Cost of Legacy	(6.2)	(3.6)	(0.6)	(0.3)	(0.2)	0.0	(1.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0									
non-GAAP Gross Profit	57.8	62.1	18.1	28.4	34.0	43.3	123.8	39.7	40.7	38.0	40.1	158.6	36.6	35.9	35.7	34.3	142.5	31.6	31.7	27.9	25.9	117.1	25.9	26.3	27.1	28.0	107.4									
Sales & Marketing	(46.3)	(46.9)	(11.9)	(12.6)	(15.6)	(19.5)	(22.2)	(22.3)	(24.2)	(24.9)	(95.3)	(25.5)	(25.2)	(22.4)	(21.1)	(94.1)	(20.1)	(18.3)	(16.3)	(15.9)	(70.6)	(16.4)	(16.8)	(16.7)	(16.4)	(66.0)										
Research & Development	(14.1)	(15.5)	(4.0)	(4.5)	(4.6)	(5.8)	(18.9)	(7.2)	(7.3)	(7.9)	(8.1)	(30.4)	(8.7)	(9.0)	(9.1)	(9.0)	(35.8)	(8.2)	(7.6)	(7.0)	(5.5)	(28.3)	(5.8)	(5.7)	(5.6)	(6.5)	(23.7)									
General & Administrative	(12.8)	(13.9)	(3.3)	(4.0)	(4.4)	(6.0)	(20.5)	(2.5)	(2.9)	(2.3)	(8.5)	(30.8)	(8.1)	(7.8)	(7.9)	(7.7)	(31.5)	(7.5)	(6.5)	(6.2)	(5.2)	(26.2)	(5.5)	(5.0)	(5.4)	(6.0)	(21.5)									
Cost of Operations	(73.3)	(76.2)	(19.2)	(21.0)	(26.5)	(32.2)	(99.0)	(36.9)	(38.2)	(39.4)	(41.5)	(155.5)	(42.2)	(42.1)	(39.3)	(37.8)	(161.5)	(35.8)	(32.8)	(29.5)	(26.5)	(125.1)	(27.7)	(27.3)	(27.7)	(28.5)	(111.1)									
non-GAAP Operating Income	(15.5)	(14.1)	(1.1)	7.3	7.5	11.1	24.8	2.8	2.5	(1.4)	(8.1)	2.1	(5.7)	(6.2)	(3.6)	(3.5)	(18.9)	(4.2)	(1.1)	(2.1)	(0.6)	(8.0)	(1.7)	(0.9)	(0.7)	(0.4)	(3.7)									
Stock Based Compensation	(1.5)	(2.0)	(0.4)	(0.4)	(0.6)	(1.5)	(2.9)	(5.0)	(5.0)	(7.8)	(7.9)	(25.7)	(9.5)	(9.7)	(9.9)	(9.4)	(38.5)	(10.1)	(11.6)	(7.6)	(7.1)	(36.4)	(7.1)	(7.2)	(7.4)	(7.7)	(29.4)									
Amortization & Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(1.1)	(1.2)	(0.7)	(2.1)	(5.6)	(3.1)	(0.7)	(0.5)	(9.9)	0.0	0.0	0.0	0.0									
GAAP Operating Income	(16.9)	(16.1)	(1.5)	6.9	6.8	9.6	21.8	(2.2)	(2.5)	(9.2)	(23.6)	(9.6)	(15.2)	(16.0)	(14.8)	(13.6)	(59.6)	(19.9)	(15.8)	(10.4)	(8.2)	(54.3)	(8.8)	(8.2)	(8.1)	(8.1)	(39.1)									
Interest Income	0.1	0.3	0.1	0.0	0.0	(0.2)	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0									
Interest Expense	(1.2)	(1.4)	(0.3)	(0.3)	(0.3)	0.3	(0.4)	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.0)	(0.0)	2.3	(0.0)	(0.0)	2.1	1.0	3.0	1.0	1.0	1.0	4.0										
Other Income (Expense)	0.6	(0.0)	(0.3)	0.0	0.0	0.0	(0.1)	(0.1)	(0.2)	(0.1)	(0.1)	(0.1)	(0.2)	0.1	0.5	0.0	0.2	2.6	3.2	0.0	0.0	5.8	0.0	0.0	0.0	0.0	0.0									
GAAP Pre-Tax Income	(17.4)	(17.2)	(2.0)	6.7	6.6	9.7	21.1	(2.6)	(2.8)	(9.4)	(9.7)	(24.5)	(15.4)	(16.2)	(14.3)	(11.3)	(57.3)	(17.4)	(12.6)	(8.3)	(7.2)	(37.2)	(7.8)	(7.2)	(7.1)	(7.1)	(29.1)									
Tax Rate	-1%	-2%	-2%	1%	0%	2%	1%	-10%	10%	0%	2%	1%	-1%	-2%	0%	0%	-2%	-1%	-1%	0%	0%	-1%	0%	0%	0%	0%	0%									
Income Tax Benefit (Expense)	(0.2)	(0.4)	(0.1)	(0.0)	(0.0)	(0.2)	(0.3)	(0.2)	0.3	0.0	0.2	0.3	(0.1)	(0.0)	(0.0)	(0.8)	(1.0)	(0.2)	(0.2)	0.0	0.0	(0.4)	0.0	0.0	0.0	0.0	0.0									
GAAP Net Income	(17.6)	(17.5)	(2.1)	6.7	6.6	9.5	20.8	(2.8)	(2.5)	(9.4)	(9.5)	(24.2)	(15.5)	(16.2)	(14.4)	(12.1)	(58.2)	(17.6)	(12.8)	(8.3)	(7.2)	(45.9)	(7.8)	(7.2)	(7.1)	(7.1)	(29.1)									
Reversal of SEC, Amort, & Other	1.5	2.0	0.4	0.4	0.6	1.5	2.9	5.0	5.0	7.8	7.9	25.7	9.5	9.8	11.1	10.2	40.6	15.8	14.9	8.3	7.6	46.6	7.1	7.2	7.4	7.7	29.4									
Tax Effect of Add-backs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0									
non-GAAP Net Income	(16.1)	(15.5)	(1.7)	7.1	7.2	11.0	23.7	2.2	2.5	(1.5)	(1.7)	1.4	(6.0)	(6.4)	(3.3)	(2.0)	(17.6)	(1.8)	2.1	0.0	0.4	0.6	(0.7)	0.1	0.3	0.6	0.3									
Basic Shares Outstanding	--	9.1	9.1	9.7	10.4	10.8	10.0	32.6	46.6	47.1	47.8	43.5	47.6	47.2	47.6	48.0	47.6	47.3	45.9	44.0	42.0	44.8	42.0	42.0	42.0	42.0	42.0									
Pro Forma/Diluted Shares Outstanding	--	13.4	13.4	13.4	13.4	19.1	14.8	42.2	55.0	55.6	56.4	52.3	56.2	55.7	56.3	56.5	56.2	53.2	50.7	49.2	45.4	49.6	45.4	45.4	45.4	45.4	45.4									
GAAP EPS	--	(\$1.93)	(\$0.23)	\$0.50	\$0.49	\$0.17	\$0.94	(\$0.09)	(\$0.05)	(\$0.20)	(\$0.20)	(\$0.54)	(\$0.32)	(\$0.34)	(\$0.30)	(\$0.25)	(\$1.22)	(\$0.37)	(\$0.28)	(\$0.19)	(\$0.17)	(\$1.01)	(\$0.19)	(\$0.17)	(\$0.17)	(\$0.69)										
non-GAAP EPS	--	(\$1.71)	(\$0.18)	\$0.53	\$0.50	\$0.57	\$1.46	(\$0.05)	(\$0.04)	(\$0.03)	(\$0.03)	(\$0.03)	(\$0.32)	(\$0.34)	(\$0.30)	(\$0.07)	(\$0.04)	(\$0.37)	(\$0.04)	\$0.05	\$0.01	\$0.02	(\$0.02)	\$0.00	\$0.01	\$0.01	\$0.01									
Free Cash Flow	(12.1)	(12.5)	1.2	13.8	11.1	10.3	36.5	3.2	5.7	(1.6)	(5.6)	1.6	(7.8)	(3.4)	(4.2)	(8.9)	(24.2)	(4.3)	(4.9)	(3.5)	2.8	(9.9)	(1.8)	(0.3)	(1.1)	(0.0)	(5.2)									
Customer Count	1,241	1,401	1,503	1,769	1,918	1,994	1,994	2,062	2,078	2,054	2,122	2,122	2,145	2,101	2,053	1,990	1,990	1,916	1,826	1,751	1,701	1,701	1,671	1,671	1,696	1,721	1,721									
Growth	--	13%	18%	35%	43%	42%	42%	37%	17%	7%	6%	6%	4%	1%	0%	-6%	-6%	-11%	-13%	-15%	-15%	-15%	-13%	-8%	-3%	1%	1%									
Net New Customer Additions	--	160	102	266	149	76	593	68	16	(24)	68	128	23	44	(48)	(63)	(132)	(74)	(90)	(75)	(50)	(289)	(130)	0	25	25	20									
Customers with ARR >\$100K	116	144	161	229	271	302	302	325	345	359	366	366	367	349	351	345	345	333	323	318	318	318	318	321	324	329	329									
Growth	--	24%	35%	85%	110%	110%	110%	110%	12%	51%	32%	21%	21%	13%	1%	-2%	-6%	-8%	-7%	-9%	-8%	-8%	-5%	-1%	2%	3%	3%									
% of Total	9%	10%	11%	13%	14%	15%	15%	16%	17%	17%	17%	17%	17%	17%	17%	17%	17%	17%	18%	18%	19%	19%	19%	19%	19%	19%	19%									
Net New >\$100K ARR Additions	--	28	17	68	42	31	158	23	20	14	7	64	1	(18)	2	(6)	(21)	(12)	(10)	(5)	0	(27)	0	3	3	5	11									
ARR per Customer	--	56,035	59,143	69,794	75,331	78,425	78																													

Figure 3: Balance sheet and SOCF

On24 (ONTF/NYSE) 8/9/2023 <u>Statement of Cash Flows</u> \$ Millions					
	Fiscal Year				
	Dec-20A	Dec-21A	Dec-22A	Dec-23E	Dec-24E
Operating Activities					
Net Income	20.8	(24.3)	(58.2)	(45.9)	(29.1)
Depreciation & other	8.4	19.3	23.9	22.8	23.7
Stock-Based Compensation	2.9	29.7	38.5	36.4	29.4
Changes in Assets & Liabilities:					
Accounts Receivable	(27.7)	(0.4)	0.5	4.7	(0.9)
Prepaid Expenses & Other	(21.7)	(19.0)	(11.5)	(10.1)	(18.7)
Accounts Payable	2.0	(1.2)	1.5	0.6	(1.7)
Accrued & Other Liabilities	5.1	(2.7)	(2.4)	(11.1)	(3.0)
Deferred Revenue	47.8	4.0	(12.8)	(5.0)	(2.0)
Net Cash Flow from Operating Activities	37.6	5.2	(20.5)	(7.6)	(2.3)
Investing Activities					
Capital Expenditures	(1.0)	(3.6)	(3.7)	(2.2)	(2.9)
Cash Paid for Acquisitions, net of acquired	0.0	0.0	(2.5)	0.0	0.0
Other Investing Activities	2.0	(215.6)	(82.8)	90.0	25.0
Net Cash Flow from Investing Activities	1.0	(219.2)	(89.0)	87.7	22.1
Financing Activities					
Proceeds from Borrowing and Issuance	13.6	349.0	(19.7)	0.2	1.0
Payment for repurchase of common stock	0.0	0.0	0.0	(56.3)	(11.5)
Payment of cash dividend	0.0	0.0	0.0	(49.9)	0.0
Changes in Debt and Other Liabilities	(12.6)	(28.5)	(1.6)	0.7	(1.6)
Cash Flow from Financing	1.0	320.5	(21.3)	(105.3)	(12.1)
Effect of Exchange Rate	(0.1)	0.2	0.2	0.2	0.0
Change in Cash	39.4	106.7	(130.6)	(25.0)	7.7
Cash Balance Beginning	23.9	63.3	170.0	39.5	14.5
Cash Ending	63.3	170.0	39.5	14.5	22.2
Free Cash Flow	36.5	1.6	(24.2)	(9.9)	(5.2)
FCF/Share	\$2.46	\$0.03	(\$0.43)	(\$0.20)	(\$0.11)
FCF Margin	23.3%	0.8%	-12.7%	-6.2%	-3.5%

On24 (ONTF/NYSE) 8/9/2023 <u>Balance Sheet</u> \$ Millions						Most Recent Q
	Fiscal Year					Jun-23A
	Dec-20A	Dec-21A	Dec-22A	Dec-23E	Dec-24E	
Assets						
Cash and Cash Equivalents	61.2	164.9	27.0	2.2	9.9	25.2
Marketable Securities	0.0	217.6	301.1	215.4	215.4	215.4
Accounts Receivable, net	48.6	46.1	43.8	37.3	38.3	31.3
Deferred Contract Acquisition Costs, current	10.5	11.9	13.1	14.1	25.4	12.5
Prepaid Expenses & Other Current Assets	7.1	8.5	6.3	9.5	9.9	7.3
Total Current Assets	127.5	449.1	391.3	278.5	298.8	291.6
Property and Equipment, net	9.1	8.8	7.2	4.8	3.0	5.7
Operating Right-of-use Assets	0.0	0.0	5.6	3.7	3.7	3.7
Deferred Contract Acquisition Costs, non current	18.8	20.9	17.8	15.9	23.0	16.9
Other Assets	1.4	1.8	3.6	2.9	2.9	2.9
Total Assets	156.7	480.5	425.5	305.9	331.4	320.7
Liabilities and Shareholders' Equity						
Accounts Payable	4.7	3.1	4.6	5.3	3.6	4.3
Accrued Liabilities	17.4	19.0	18.5	10.6	7.7	16.9
Deferred Revenue	92.2	96.2	83.5	78.5	76.5	74.5
Debt, current portion	2.4	1.8	1.6	0.0	0.0	0.0
Operating Lease Liabilities, current	0.0	0.0	2.6	2.6	2.6	2.6
Other current liabilities	0.0	0.0	0.0	0.7	0.7	0.7
Total Current Liabilities	116.8	120.1	110.7	97.8	91.1	99.0
Deferred Rent	0.0	0.0	0.0	0.0	0.0	0.0
Capital Lease	0.0	0.0	0.0	0.0	0.0	0.0
Long-Term Debt	25.7	1.6	0.1	0.0	0.0	0.0
Operating Lease Liabilities, non-current	0.0	0.0	5.0	3.8	3.8	3.8
Other Long-Term Liabilities	4.0	3.6	1.7	1.1	1.1	1.1
Total Liabilities	146.5	125.4	117.5	102.6	96.0	103.8
Total Shareholders' Equity	10.2	355.1	308.0	203.3	235.4	216.9
Total Liabilities and Shareholders' Equity	156.7	480.5	425.5	305.9	331.4	320.7
Sales/Assets	1.0x	0.4x	0.4x	0.5x	0.4x	
Assets/Equity	15.4x	1.4x	1.4x	1.5x	1.4x	
NGOI/Sales	15.8%	1.0%	-9.9%	-5.0%	-2.5%	
ROE	242.8%	0.6%	-6.2%	-3.9%	-1.6%	

Source: Company Reports, Canaccord Genuity estimates

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Investment Recommendation

Date and time of first dissemination: August 09, 2023, 16:20 ET

Date and time of production: August 09, 2023, 16:20 ET

Target Price / Valuation Methodology:

ON24 - ONTF

Our \$10 price target is based on a ~2x EV/revenue multiple applied to our C2023 revenue estimate of \$164M and assumes \$220M of net cash and ~47M fully diluted shares outstanding.

Risks to achieving Target Price / Valuation:

ON24 - ONTF

ON24 faces macro, micro, and economic risks as well as competitive and regulatory threats which could cause our estimates to be incorrect and the value of ON24 shares to decline.

Distribution of Ratings:

Global Stock Ratings (as of 08/09/23)

Rating	Coverage Universe		IB Clients
	#	%	%
Buy	607	66.19%	22.73%
Hold	123	13.41%	7.32%
Sell	15	1.64%	6.67%
Speculative Buy	159	17.34%	48.43%
	917*	100.0%	

*Total includes stocks that are Under Review

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BUY: The stock is expected to generate risk-adjusted returns of over 10% during the next 12 months.

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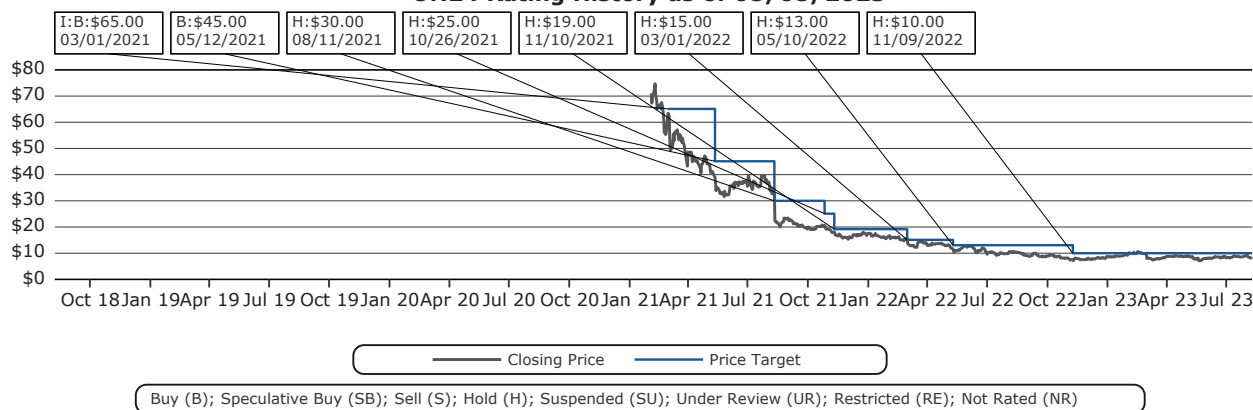
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ON24 Rating History as of 08/08/2023



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