

# **BIGTECHCOMPANY**

Financial Overview

# QUARTERLY PERFORMANCE

BigTechCompany (\$ in thousands)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
<b>Revenues</b>	\$5,01,430	\$5,13,924	\$5,23,843	\$5,39,652	\$5,50,744	\$5,57,910	\$5,54,791	\$5,49,644	\$5,71,305
<i>Quarterly Growth</i>		2%	2%	3%	2%	1%	-1%	-1%	4%
<b>Operating Income (EBITDA)</b>	\$1,37,190	\$1,29,334	\$1,22,868	\$44,224	\$1,38,014	\$1,10,480	\$1,07,311	\$38,493	\$1,20,002
<i>Quarterly Growth</i>		-6%	-5%	-64%	212%	-20%	-3%	-64%	212%
<b>Net Income</b>	\$1,19,470	\$94,711	\$1,01,435	\$42,520	\$1,11,821	\$1,00,867	\$97,877	\$3,870	\$1,02,019
<i>Quarterly Growth</i>		-21%	7%	-58%	163%	-10%	-3%	-96%	2536%
<b>Net Income per Share</b>	\$3.85	\$3.05	\$3.27	\$1.37	\$3.60	\$3.24	\$3.14	\$0.12	\$3.27
<b>Free Cash Flow (FCF)</b>	\$48,416	-\$12,253	-\$7,438	-\$39,848	\$56,118	\$891	\$33,030	\$23,259	\$56,812
<b>Financial Metrics</b>	<b>Q1 2021</b>	<b>Q2 2021</b>	<b>Q3 2021</b>	<b>Q4 2021</b>	<b>Q1 2022</b>	<b>Q2 2022</b>	<b>Q3 2022</b>	<b>Q4 2022</b>	<b>Q1 2023</b>
EBITDA Margin	27%	25%	23%	8%	25%	20%	19%	7%	21%
Net Income Margin	24%	18%	19%	8%	20%	18%	18%	1%	18%
FCF per Diluted Share	\$1.52	-\$0.38	-\$0.23	-\$1.25	\$1.77	\$0.03	\$1.05	\$0.74	\$1.79

# CUSTOMER TRENDS

## Key Takeaways:

- Churn rates peaked at 30.9% in Q2 2022 with over 5,000 users lost.
- Net user change turned negative from Q4 2021, with a peak loss of 5,092 in Q2 2022
- User growth stagnated, with a slight 4% rise in Q4 2022.

Customer Trends #s in thousands	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	Q1 2023
Cost of Subscription (Quarterly)	\$33	\$33	\$33	\$33	\$34	\$34	\$34	\$34	\$34
Number of Users (Beginning of Period)	15,195	15,573	15,874	16,353	16,198	16,409	16,317	16,166	16,803
Customer Attrition	89	200	204	444	2,446	5,000	1,655	1,244	322
New Users	468	501	479	(155)	211	(92)	(151)	637	1,643
Number of Users (End of Period)	15,573	15,874	16,353	16,198	16,409	16,317	16,166	16,803	18,446
Change in # of Users	0	2%	0	-1%	0	-1%	(0)	4%	0
Net Change in Customers	379	301	275	(599)	(2,235)	(5,092)	(1,806)	(607)	1,321
Churn Rate	0.6%	1.3%	1.3%	2.8%	15.0%	30.9%	10.1%	7.6%	2.0%

# PROJECTIONS

	FY <u>2020</u>	FY <u>2021</u>	FY <u>2022</u>	FY <u>2023</u>	FY <u>2024</u>	2020-2024E <u>CAGR</u>
<u>Financial Highlights</u>						
<b>Revenues</b>	\$19,99,444	\$20,78,849	\$22,13,089	\$22,85,221	\$26,28,004	6%
<i>Annual Growth</i>		4%	6%	3%	15%	
<b>Operating Income (EBITDA)</b>	\$3,71,461	\$4,33,616	\$3,94,298	\$4,80,009	\$5,28,010	7%
<i>Annual Growth</i>		17%	-9%	22%	10%	
<b>Net Income</b>	\$2,47,641	\$3,58,136	\$3,14,435	\$4,08,075	\$4,40,721	12%
<i>Annual Growth</i>		45%	-12%	30%	8%	
<b>Net Income per Share</b>	\$12.11	\$11.24	\$9.95	\$12.89	\$13.92	3%
<b>Free Cash Flow (FCF)</b>	\$755	\$11,123	\$1,13,297	\$2,27,248	\$2,22,703	212%
<u>Financial Metrics</u>						
EBITDA Margin	19%	21%	18%	21%	20%	
Net Income Margin	12%	17%	14%	18%	17%	
Debt / EBITDA	2.7x	2.3x	2.5x	2.1x	1.9x	
FCF per Diluted Share	\$0.03	\$0.35	\$3.58	\$7.18	\$7.03	

# CONCLUSIONS

## Company Highlights

- Net income hit \$4.41M (FY 2024), CAGR 12%.
- Revenue grew to \$26.28M (FY 2024), CAGR 6%.
- Free cash flow soared to \$2,227K (FY 2024), CAGR 212%.

## Areas of Concern

- Churn peaked at 30.9% (Q2 2022), with 5,000 users lost.
- EBITDA fell to \$3.94M (FY 2022), down 9%.
- User base stagnant, dropping to 16,166 (Q3 2022).

## Recommendation

- Reduce churn below 5% with loyalty programs.
- Reverse EBITDA decline, target 5% growth.
- Boost user growth by 10% annually via marketing.