

ZEN

Data Source: CAPIQ
 Price Target: \$159
 Consensus: \$165 / \$130 / \$100
 52-wk H/L: \$139.17 / \$50.23
 Beta (BL): 1.36

Credit Rating: 0
 Credit Date: 1/0/1900
 Credit Watch: 0
 10yr US T-bill: 0.92%

Div. Yield: 0.00%
 Div. Ex-Date: TBD
 ST Int. Ratio: 0.08
 Implied Vol.: .% / .%
 SharpeRatio: 0.63

Sector: Information Technology
 Industry: Application Software
 Industry ID: IQ2671274
 Employees: 3,980
 Next Earnings: 2/4/2021



Company Description

Zendesk, Inc., a software development company, provides software as a service solutions for organizations in North America, Latin America, Europe, the Middle East, Africa, Australia, and the Asia Pacific. Its flagship product is Zendesk Support, a system for tracking, prioritizing, and solving customer support tickets across various channels. The company also offers Zendesk Chat, a live chat software to connect with customers on Websites, applications, and mobile devices; Zendesk Talk, a cloud-based call center software; Zendesk Guide, a knowledge base that powers customer self-service and support agent productivity; Zendesk Sell, a sales cus

Capitalization Detail

Share Price \$135.09
 Shares Out. 117
 Market Cap. 15,762
 - Cash, ST Inv. 943
 + Total Debt 1,158
 + Pref. Equity 0
 + Minority Int. 0
 TEV 15,977 <--Confirm TEV

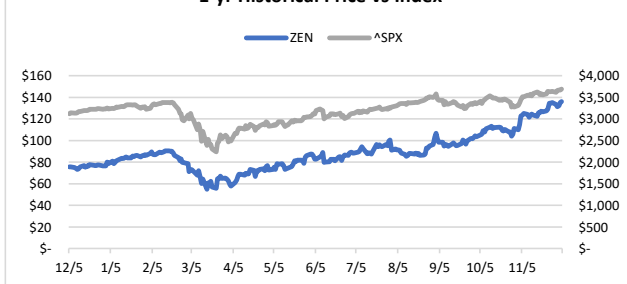
Price Estimates

Rel. Value \$207 0.4 Based on pg2 Comps
 Multiple \$174 0.4 Based on current EV/S
 Residual Inc. \$48 0.1 CFs to FY2029
 DCF \$22 0.1 CFs to FY2024 + TV
 Overall Target \$159

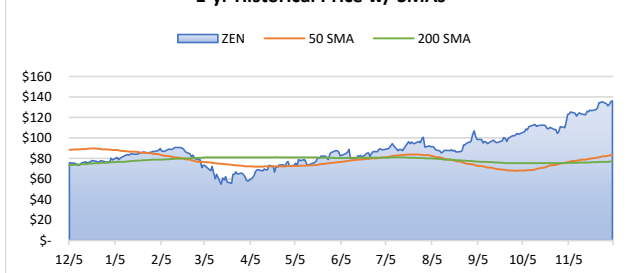
Multiples

	ZEN LTM	ZEN NTM	NTM Target	^SPX	Application Sof
P/S:	16x	13x	20x	\$208	0x
EV/Sales:	16x	13x	20x	\$205	8x
EV/EBITDA:	NM	115x	92x	\$108	31x
EV/EBIT:	NM	184x	96x	\$69	41x
P/E:	NM	185x	94x	-\$140	37x
P/B:	37x				66x

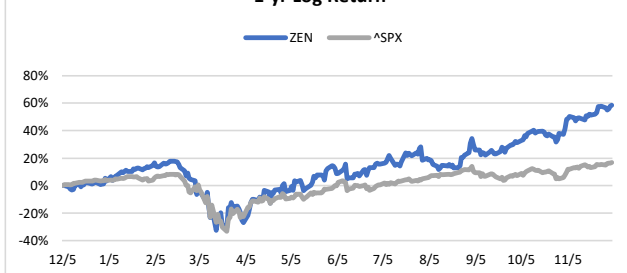
1-yr Historical Price vs Index



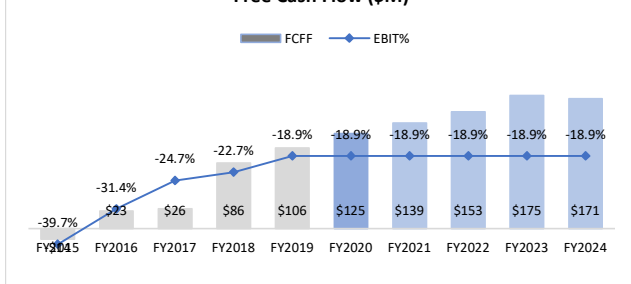
1-yr Historical Price w/ SMAs



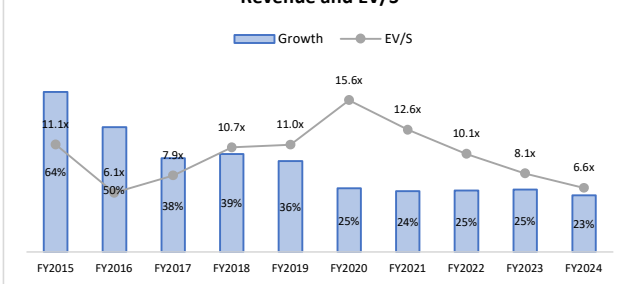
1-yr Log Return



Free Cash Flow (\$M)



Revenue and EV/S



Financial Ratios

Growth Metrics

5-yr Rev CAGR: 39.5%
 1-yr NI: -31.4%
 1-yr EPS: -24.7%
 1-yr FCFF: -27.4%
 1-yr CFO: -84.6%
 FCFF Yield: 10.5%

Profit Ratios

Gross Margin: 74.8%
 EBITDA Marg.: -9.5%
 Oper Margin: -13.4%
 NI Margin: -18.9%
 EPS: -0.83
 Cash / Share: 3.29

Return Ratios

ROA: -4.6%
 ROE: -42.5%
 ROIC: -14.1%
 Div. Pay Ratio: 0.00
 WACC: 7.2%
 EVA Spread: -229.5

Liquid / Solv. Ratios

Current Ratio: 1.9x
 CFO-Cur Liab: 0.0x
 Debt-Capital: 72.9x
 N.Dbt-EBITDA: NM
 Int. Cov. Ratio: NM

Working Capital Ratios

AR Days: 47
 Inv Days: 0
 AP Days: 40
 Cash Conv: 0

B/(W)

Δ
 Δ
 Δ -14
 Δ

Income Statement Financials & Projections

Balance Sheet Financials

Discounted Cash Flows

FY2019 - Rev \$816 - FCFF \$106



12/4/2020