

## AI

Data Source:	Credit Rating:	Div. Yield:	0.00%
Consensus: \$59 / \$28 / \$18	Credit Date: 1/0/1900	Div. Ex-Date:	TBD
52-wk H/L: \$91.75 / \$18.	Credit Watch: 0	ST Int. Ratio:	0.13
Beta (βL): 1.41	10yr US T-bill: 2.00%	Implied Vol.: % / .%	
		SharpeRatio:	-0.86

Sector:	Information Technology
Industry:	Application Software
Industry ID:	IQ2671274
Employees:	574
Next Earnings:	6/2/2022



## Company Description

C3.ai, Inc. operates as an enterprise artificial intelligence (AI) software company in North America, Europe, the Middle East, Africa, the Asia Pacific, and internationally. It offers software-as-a-service applications for enterprises. Its software solutions include C3 AI Suite, a platform-as-a-service application development and runtime environment that enables customers to design, develop, and deploy enterprise AI applications; C3 AI Ex Machina to analysis-ready data; and C3 AI CRM, an AI-first customer relationship management solution to drive customer-facing operations. It also offers C3 AI applications, including C3 AI Inventory Optimiza

## Multiples

	AI LTM	AI NTM	NTM Target	^SPX	Application Sof
P/S:	7.6x	6.2x	8.5x	\$25	0.0x
EV/Sales:	3.8x	3.1x	8.1x	\$33	4.8x
EV/EBITDA:	NM	-8.9x	26x	-\$17	14.3x
EV/EBIT:	NM	-8.1x	30x	-\$24	19.2x
P/E:	NM	-17.1x	39x	-\$85	21.7x
P/B:	1.9x				51.1x

## Capitalization Detail

Share Price	\$18.00
Shares Out.	106
Market Cap.	1,915
- Cash, ST Inv.	969
+ Total Debt	3
+ Pref. Equity	0
+ Minority Int.	0
TEV	949

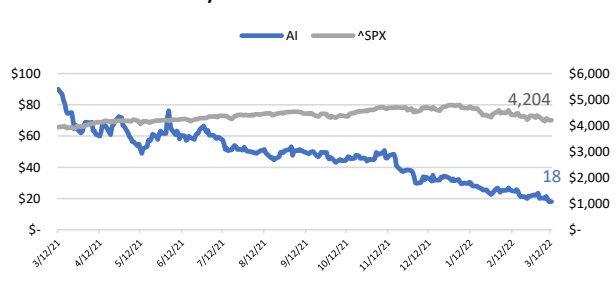
## Price Estimates

Residual Inc.	DCF
Rel. Value	Rel. Value
Rel. Value	Rel. Value
Rel. Value	Rel. Value
Rel. Value	Rel. Value
Rel. Value	Rel. Value

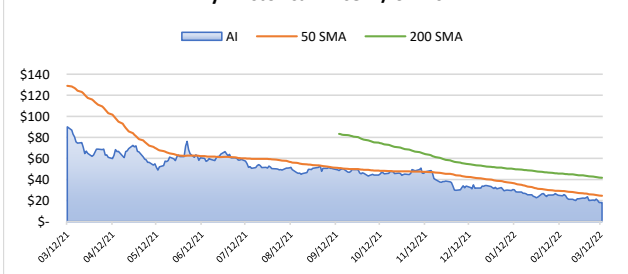
\$0 CFs to FY2031
\$7 CFs to FY2026 + TV
\$29 Based on Comps
\$18 Based on LTM P/S
\$18 Based on LTM EV/Sales
Based on LTM EV/EBITDA
Based on LTM EV/EBIT
Based on LTM P/E

Confirm TEV

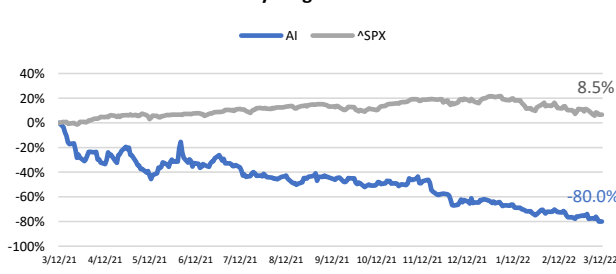
## 1-yr Historical Price vs Index



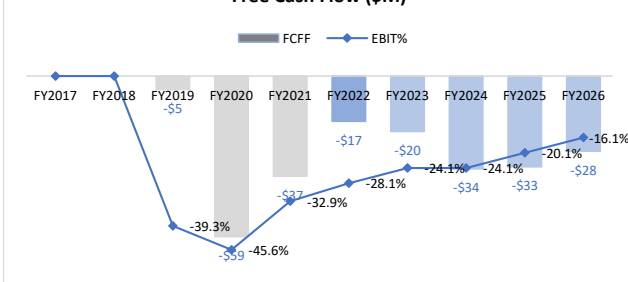
## 1-yr Historical Price w/ SMAs



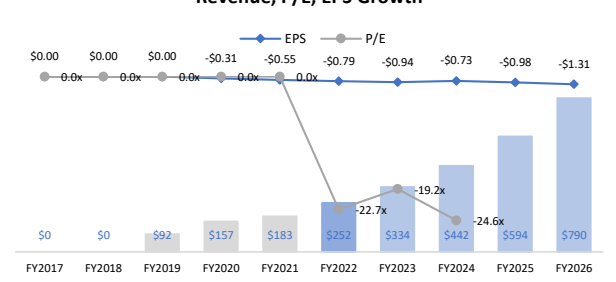
## 1-yr Log Return



## Free Cash Flow (\$M)



## Revenue, P/E, EPS Growth



## Financial Ratios

### Growth Metrics

5-yr Rev CAGR:	0.0%
1-yr NI:	
1-yr EPS:	
1-yr FCFF:	0.0%
1-yr CFO:	
FCF Margin:	-17.1%

### Profit Ratios

Gross Margin:	75.1%
EBITDA Marg.:	-68.2%
Oper Margin:	-70.3%
NI Margin:	-67.8%
EPS:	-1.00
Cash / Share:	1.92

### Return Ratios

ROA:	-8.6%
ROE:	-15.0%
ROIC:	-15.0%
Div. Pay Ratio:	0.00
WACC:	9.6%

### Liquid / Solv. Ratios

Current Ratio:	8.2x
CFO-Cur Liab:	-0.8x
Debt-Capital:	0.3x
N.Dbt-EBITDA:	NM
Int. Cov. Ratio:	0.0x

### Working Capital Ratios

AR Days:	77
Inv Days:	0
AP Days:	85
Cash Conv:	-8

### B/(W)

Δ -52
Δ
Δ -70
Δ

**C3.ai, Inc.**  
Income Statement Financials & Projections

	FY2017	FY2018	FY2019	FY2020	FY2021	LTM	NTM	FY2022	FY2023	FY2024	FY2025	FY2026
Revenue	0	0	92	157	183	233	311	252	334	442	594	790
Rev. Growth				71%	17%	49%	34%	37%	33%	33%	34%	33%
COGS	0	0	30	39	45	58	50	50	67	88	119	158
Gross Margin	0	0	61	118	139	175	261	201	267	354	475	632
% rev			67%	75%	76%	75%	84%	80%	80%	80%	80%	80%
Operating	0	0	97	188	195	333	378	266	340	450	580	741
% rev			106%	120%	106%	143%	122%	106%	102%	102%	98%	94%
EBITDA	0	0	-35	-70	-56	-159	-107	-65	-73	-96	-106	-109
Dep & Amort.	0	0	1	1	4	5	9	6	8	10	14	19
Amort.GW.	0	0	0	0	0	0	0	0	0	0	0	0
EBIT	0	0	-36	-71	-60	-164	-117	-71	-81	-107	-120	-127
% rev			-39%	-46%	-33%	-70%	-38%	-28%	-24%	-24%	-20%	-16%
Eff. Tax Rate	0%	0%	0%	0%	0%	0%	21%	21%	21%	21%	21%	21%
NOPAT	0	0	-36	-71	-60	-164	-93	-56	-64	-84	-94	-101

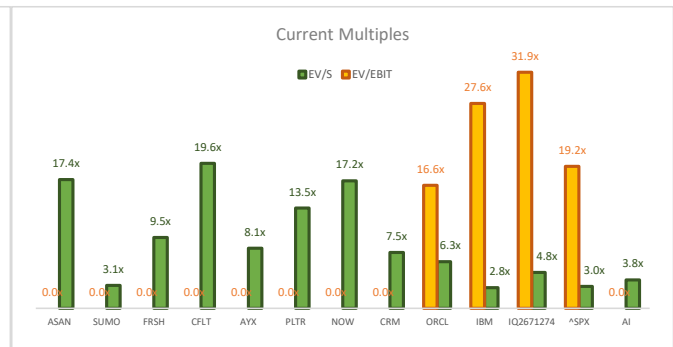
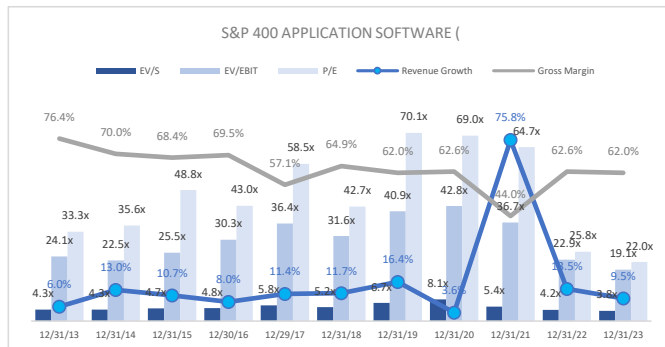
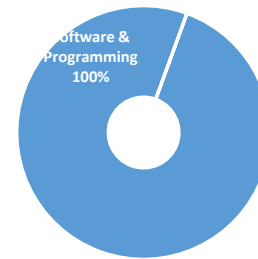
**Balance Sheet Financials**

	FY2017	FY2018	FY2019	FY2020	FY2021	LTM
Cash & ST Inv.	0	0	157	245	1,093	969
Working Cap.	0	0	122	200	1,049	933
Total Assets	0	0	267	305	1,196	1,188
Total Debt	0	0	0	9	6	3
Total Liabilities	0	0	114	94	135	161
Total Equity	0	0	153	211	1,061	1,027
Liab. & Equity	0	0	267	305	1,196	1,188

**Discounted Cash Flows**

	FY2017	FY2018	FY2019	FY2020	FY2021	LTM
NOPAT	0	0	-36	-71	-60	-164
-CAPEX	0	0	7	2	2	3
+Depr.&A.	0	0	1	1	4	5
+Amrt.GW.	0	0	0	0	0	0
+Other Amrt	0	0	0	0	0	0
+Equity Comp	0	0	4	8	22	85
- Δ NOWC	0	0	-33	-5	1	10
FCFF	0	0	-5	-59	-37	-86

**FY2021 - Rev \$183 - FCFF -\$37**



**Relative Valuation**

	AI	\$	895	0.00	\$	311	\$	1.92	25.2%	75.1%	-37.7%	8.5x	8.1x	25.7x	30.3x	39.4x
ID	Company		EV	Beta (βL)		NTM Rev		Cash / Share	Rev Growth	GM %	Oper %	NTM P/S	NTM EV/S	EV/EBITDA	EV/EBIT	NTM P/E
	AI	\$	895	1.41	\$	311	\$	1.92	25.2%	75.1%	-37.7%	6.2x	3.1x	NM	NM	NM
1	IBM	\$	159,463	1.10	\$	60,753	\$	7.40	5.9%	54.9%	19.0%	1.8x	2.6x	9.5x	13.8x	12.4x
2	ORCL	\$	263,145	0.81	\$	43,999	\$	8.50	5.2%	79.4%	45.2%	4.7x	6.0x	12.1x	13.2x	15.3x
3	CRM	\$	199,754	1.10	\$	32,095	\$	5.52	21.2%	73.5%	20.0%	6.1x	6.2x	24.8x	31.1x	42.4x
4	NOW	\$	101,340	1.06	\$	7,419	\$	8.66	25.8%	77.1%	25.1%	13.8x	13.7x	43.1x	54.5x	69.5x
5	PLTR	\$	20,858	0.00	\$	2,006	\$	1.13	30.1%	78.0%	26.8%	11.5x	10.4x	39.0x	38.8x	57.5x
6	AYX	\$	4,339	0.64	\$	716	\$	2.26	33.5%	89.6%	-6.4%	5.8x	6.1x	NM	NM	NM
7	CFLT	\$	7,589	0.00	\$	548	\$	5.06	41.2%	64.9%	-39.3%	15.5x	13.9x	NM	NM	NM
8	FRSH	\$	3,541	0.00	\$	491	\$	2.74	32.4%	79.0%	-10.8%	9.9x	7.2x	NM	NM	NM
9	SUMO	\$	748	0.00	\$	290	\$	0.71	19.7%	67.8%	-26.5%	3.8x	2.6x	NM	NM	NM
10	ASAN	\$	6,569	0.00	\$	531	\$	1.28	40.3%	89.7%	-45.0%	12.5x	12.4x	NM	NM	NM