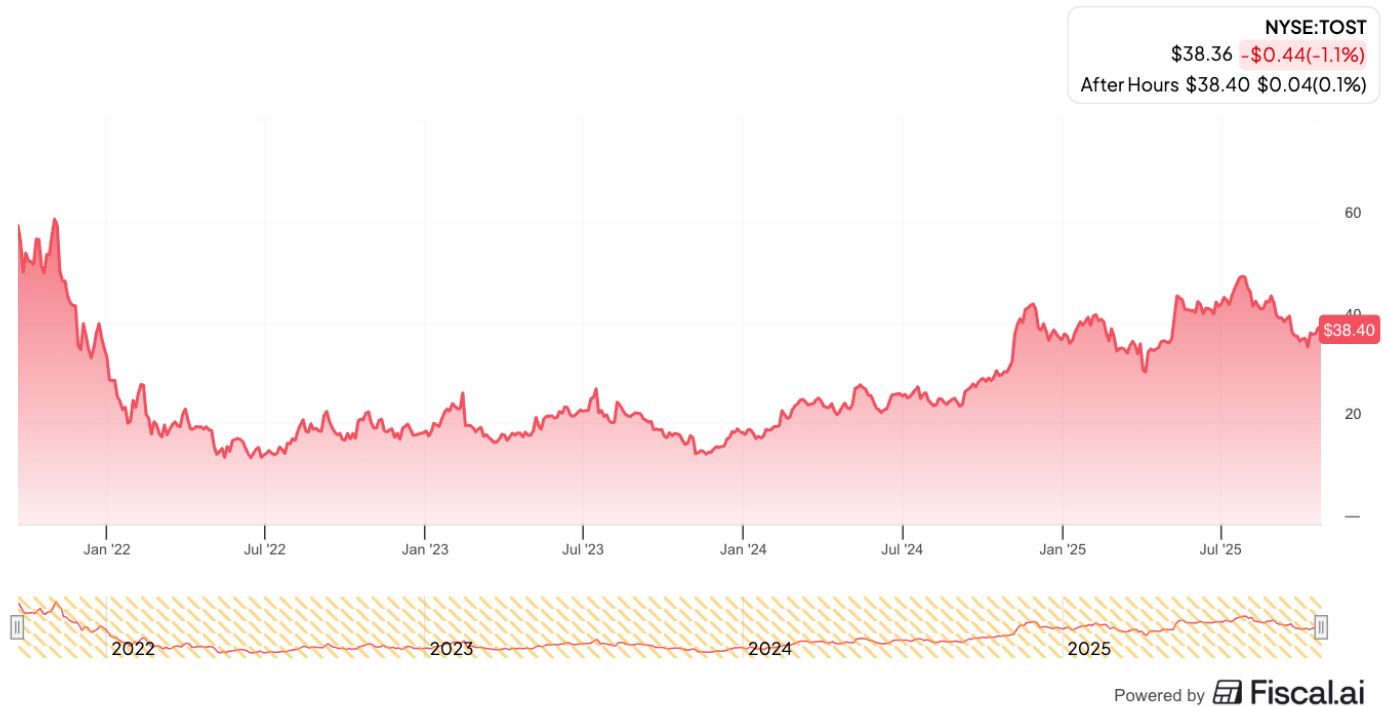




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## Price Chart



## Business Summary

Toast, Inc. is a company focused on providing an all-in-one digital platform for the restaurant industry. Their mission is to help restaurants delight their guests, do what they love, and thrive. Toast serves approximately **148,000** locations across its customer segments.

The company's platform includes a suite of products and services, such as point-of-sale (POS) systems, payment processing, software, and hardware designed specifically for restaurants. Toast is focused on driving innovation, such as the new Toast Go 3 handheld device with cellular connectivity and AI-powered intelligence. They also plan to add more products like e-mail marketing and loyalty programs to help drive demand.

Toast generates revenue through several streams, including subscription services, fintech solutions, and payment processing. Recurring gross profit increased **35%** year-over-year. The company is experiencing growth in its core restaurant business and new customer segments like enterprise, international, and food/beverage retail.

## Fundamentals

Profile		Valuation (TTM)		Growth (CAGR)	
Market Cap	\$22.36B	P/E	103.6	Rev 3Yr	35.8%
EV	\$20.68B	P/B	12.3	Rev 5Yr	49.5%
Shares Out	583M	EV/Sales	3.7	Rev 10Yr	—
Revenue	\$5.53B	EV/EBITDA	80.2	Dil EPS 3Yr	-28.9%
Employees	5,700	P/FCF	44	Dil EPS 5Yr	-51.1%
<b>Margins</b>		EV/Gross Profit	14.8	Dil EPS 10Yr	—
		<b>Valuation (NTM)</b>		Rev Fwd 2Yr	21.2%
				EBITDA Fwd 2Yr	45.5%
				EPS Fwd 2Yr	49.4%
Gross	25.2%	Price Target	\$48.38	EPS LT Growth Est	29%
EBITDA	4.7%	P/E	37.2	<b>Dividends</b>	
Operating	3.6%	PEG	1.4		
Pre-Tax	4.2%	EV/Sales	3.1		
Net	4.1%	EV/EBITDA	31		
FCF	9.2%	P/FCF	34.8	Yield	—
<b>Returns (5Yr Avg)</b>		<b>Financial Health</b>		Payout	—
				DPS	—
ROA	-14.9%	Cash	\$1.7B	DPS Growth 3Yr	—
ROTA	-25.7%	Net Debt	-\$1.68B	DPS Growth 5Yr	—
ROE	-26.8%	Debt/Equity	0	DPS Growth 10Yr	—
ROCE	-16.6%	EBIT/Interest	—	DPS Growth Fwd 2Yr	—
ROIC	-35.9%				

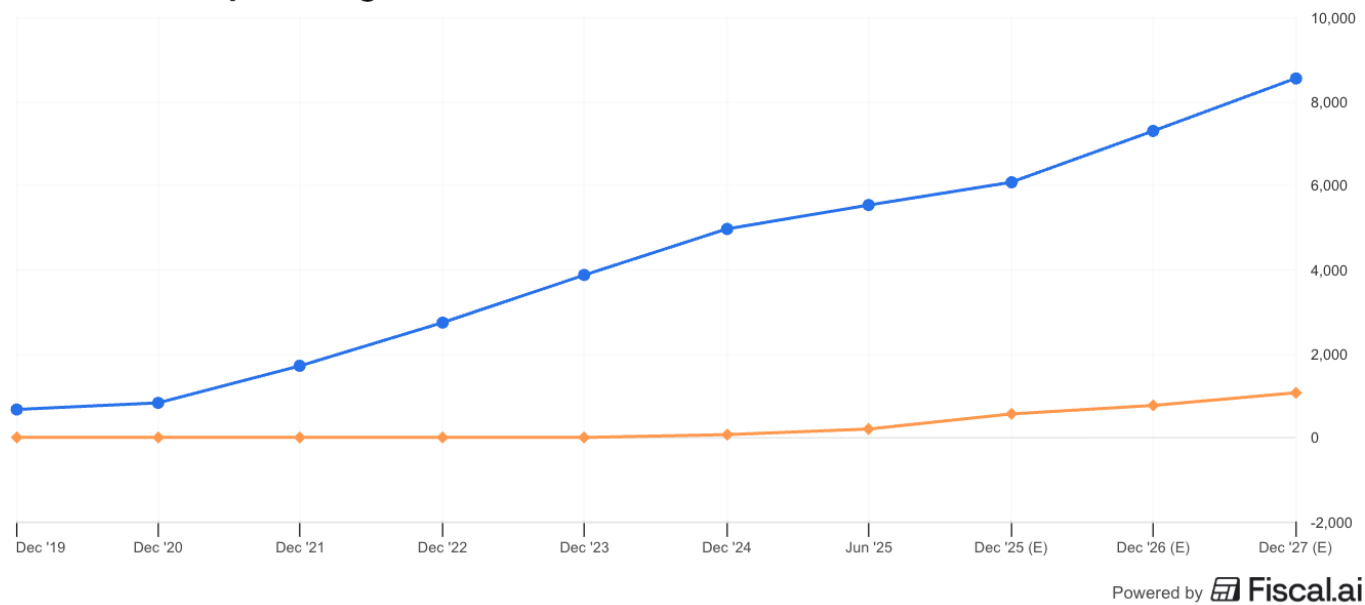
## Recent Developments

- Expanding into new customer segments like enterprise, international, and food/beverage retail. This is important because these new segments are expected to become increasingly meaningful contributors to long-term growth.
- Driving innovation through data and AI, such as the new Toast Go 3 handheld device. This is important for increasing customer adoption of the platform and differentiating Toast from competitors.
- Increasing customer adoption of the Toast platform. This is important for driving differentiation through data and AI.

## Economic Moat

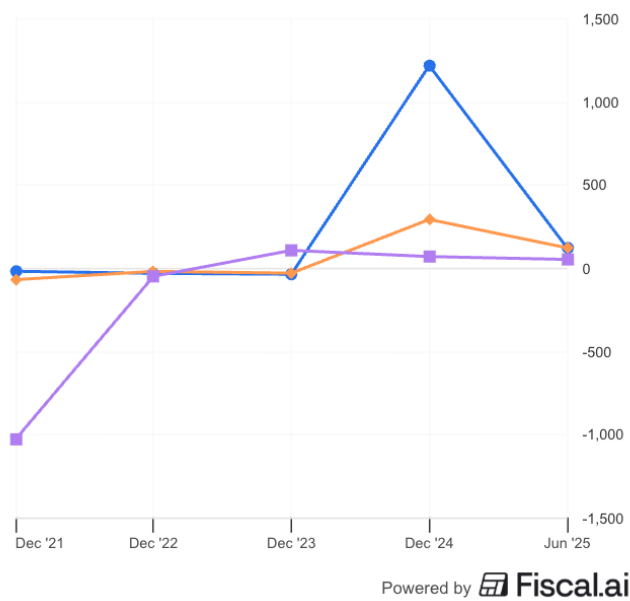
- Counter-Positioning:** Toast focuses exclusively on the restaurant industry, offering a comprehensive suite of software and hardware solutions tailored to the specific needs of restaurants. This specialization allows them to build deeper expertise and a more integrated platform compared to horizontal software providers.
- Scale Economies:** Toast benefits from scale economies as it grows its customer base. With **148,000** locations, up **24%** year-over-year, the company can spread its fixed costs of software development, customer support, and sales and marketing over a larger revenue base, leading to improved profitability.
- Switching Costs:** Toast creates switching costs through its integrated platform. Restaurants that adopt Toast's full suite of solutions, including POS, payments, kitchen management, and online ordering, become heavily reliant on the system for their daily operations. Switching to a competitor would involve significant disruption, data migration, and retraining costs, making restaurants less likely to switch.

## Revenue & Operating Income



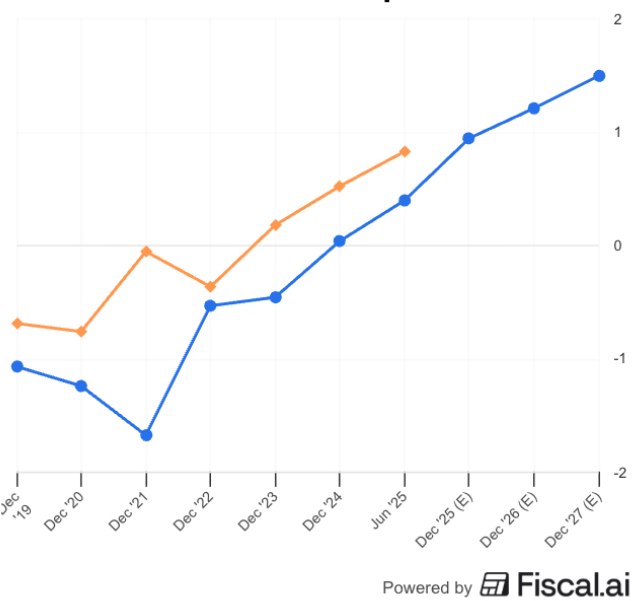
- Total Revenues (Annual) (Millions) (Total Change: 1184.14%) (CAGR: 37.56%)
- Operating Income (Annual) (Millions)

## Valuation



- P/E (Annual)
- EV/EBIT (Annual)
- P/FCF (Annual)

## EPS & Free Cash Flow per Share



- EPS (Annual)
- Free Cash Flow per Share (Annual)

## Future Growth Drivers

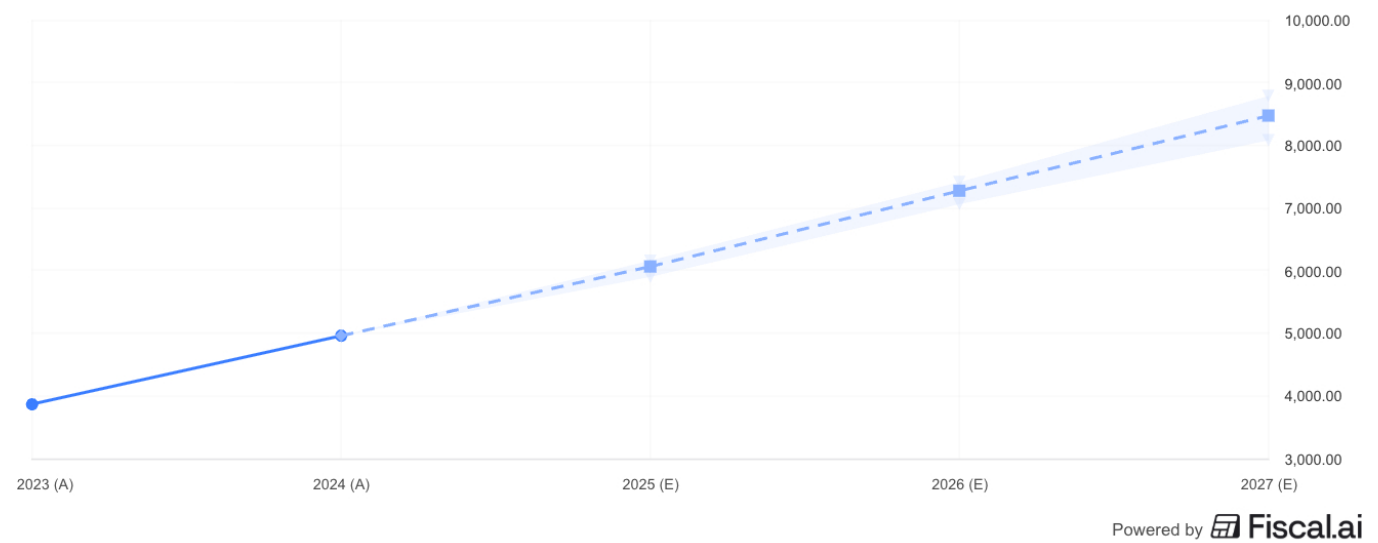
- **New Customer Segments:** Expansion into enterprise, international, and food/beverage retail markets. These new segments are expected to contribute to sustained long-term growth.
- **Product Innovation:** Development of new products like the Toast Go 3 handheld device with cellular connectivity and AI-powered intelligence.
- **Platform Adoption:** Increasing customer adoption of the Toast platform through data and AI-driven differentiation. Adding products like e-mail marketing and loyalty programs to help drive demand.

## Risk Factors

- **Competition:** The restaurant technology market is competitive. New entrants or established players with innovative solutions could threaten Toast's market share. For example, a competitor offering a more integrated or cost-effective solution could attract customers, impacting Toast's growth and profitability.
- **Data Security:** As a payment processor and data custodian, Toast faces the risk of data breaches and cyberattacks. A significant security breach could lead to financial losses, reputational damage, and legal liabilities. For example, a breach compromising customer payment information could result in lawsuits and loss of customer trust.
- **Integration with Third-Party Services:** Toast relies on integrations with various third-party services (e.g. delivery apps). Issues with these integrations or changes in their terms could disrupt Toast's services and negatively impact customer satisfaction.
- **Economic Downturn:** Restaurants are sensitive to economic conditions. An economic downturn could reduce consumer spending on dining out, leading to restaurant closures and reduced demand for Toast's services.
- **Tariffs and Investments:** Increased investments and tariff expenses are expected to lower Q3 margins. This could impact profitability in the short term.

# Analyst Estimates

## Revenue Consensus Analyst Estimates



Estimates	Dec '23 (A)	Dec '24 (A)	Dec '25 (E)	Dec '26 (E)	Dec '27 (E)
Mean	\$3,847.04	\$4,929.35	\$6,065.61	\$7,274.61	\$8,474.57
Median	\$3,845.75	\$4,933.00	\$6,074.27	\$7,280.23	\$8,453.60
Actual	\$3,865.00	\$4,960.00	—	—	—
High	\$3,861.00	\$4,987.00	\$6,160.00	\$7,413.24	\$8,788.91
Low	\$3,830.90	\$4,727.91	\$5,900.14	\$7,061.83	\$8,081.00
Standard Deviation	\$7.10	\$41.92	\$50.69	\$86.67	\$177.56
# of Estimates	22	28	24	25	15

## Long Term Revision Trends

No data to display

## Insider Ownership

Insider ↕	Title ↕	Date ↕	Shares ↕	% Owned ↕	Market Value ↕
Stephen Fredette	Co-Founder & Director	2025-10-03	2.9M	0.498843%	107.5M
Kent Bennett	Independent Director	2025-06-10	534.2K	0.091624%	23.1M
Aman Narang	Co-Founder, CEO & Director	2025-10-03	318.2K	0.054571%	11.8M
Brian R. Elworthy	Senior VP, General Counsel & Corporate Secretary	2025-10-03	267.3K	0.045848%	9.9M
Paul D. Bell	Independent Director	2025-08-22	226.9K	0.038918%	9.9M
Total			4.3M	0.729803%	162.0M

## Bulls Say

- Toast's core restaurant business is experiencing strong momentum, with a record **8,500** net new locations added in Q2 and recurring gross profit growing by **35%**.
- New customer segments like enterprise, international, and food/beverage retail are showing promise, with over **10,000** live locations, signaling significant long-term growth potential.
- Investments in innovation, such as the Toast Go 3 handheld device with AI, and expansion into new markets are expected to drive top-line growth and expanding profitability, as reflected in the raised full-year guidance expecting **29%** growth in fintech and subscription gross profit and **\$575 million** in adjusted EBITDA.

## Bears Say

- Increased investments and tariff expenses are expected to lower Q3 margins.
- Q4 margin is typically lower relative to the rest of the year due to the seasonality of payments.
- Stock-based compensation, while decreasing, still represents a notable percentage (**14%**) of recurring gross profit.