



Slack Technologies, Inc.

(WORK)

2019-2020

C134



slack

Agenda

1. INTRODUCTION
 2. CLIENT BEHAVIOR ANALYSIS
 3. STOCK HISTORY
 4. FINANCIAL GROWTH
 5. FUTURE SUGGESTIONS
 6. CONCLUSION
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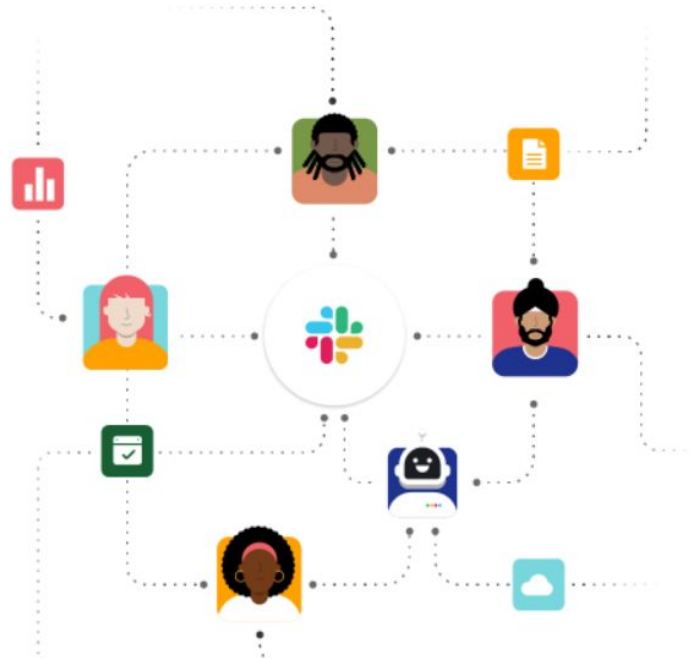
What is #Slack?

Slack is a free, easier, and more organized way of communicating within the workplace.

The simplicity of **Slack** as a collaboration tool comes with **#Channels**

Great for remote teams

Use on phones, tablets and computers



95%

report Slack is important for their team's success

80%

believe Slack has increased transparency for their team

87%

say Slack has improved communication and collaboration

62%

say Slack has made finding information easier

The Salesforce logo, which consists of a blue cloud shape with the word "salesforce" in white lowercase letters inside it.

salesforce



Hypothesis

Slack (WORK) is a neutral performing stock with a positive futures forecast that will be driven by the recent acquisition by Salesforce.

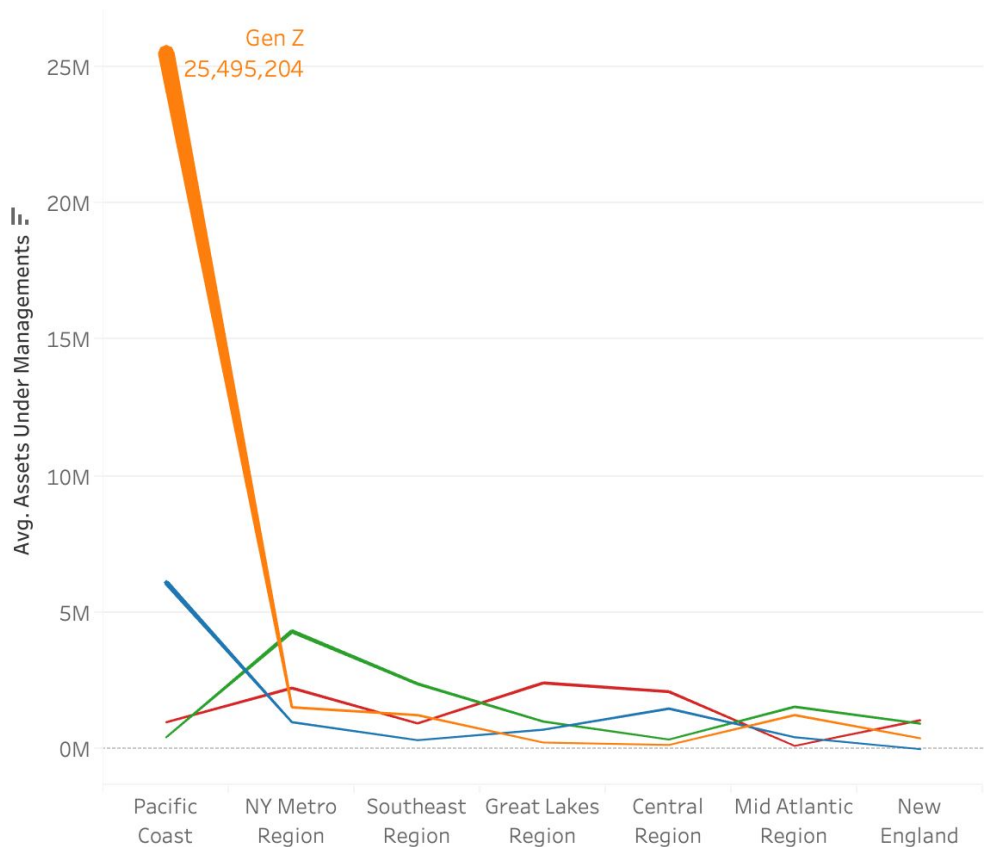
#ClientProfile



#Client Profile



Slack Demographics

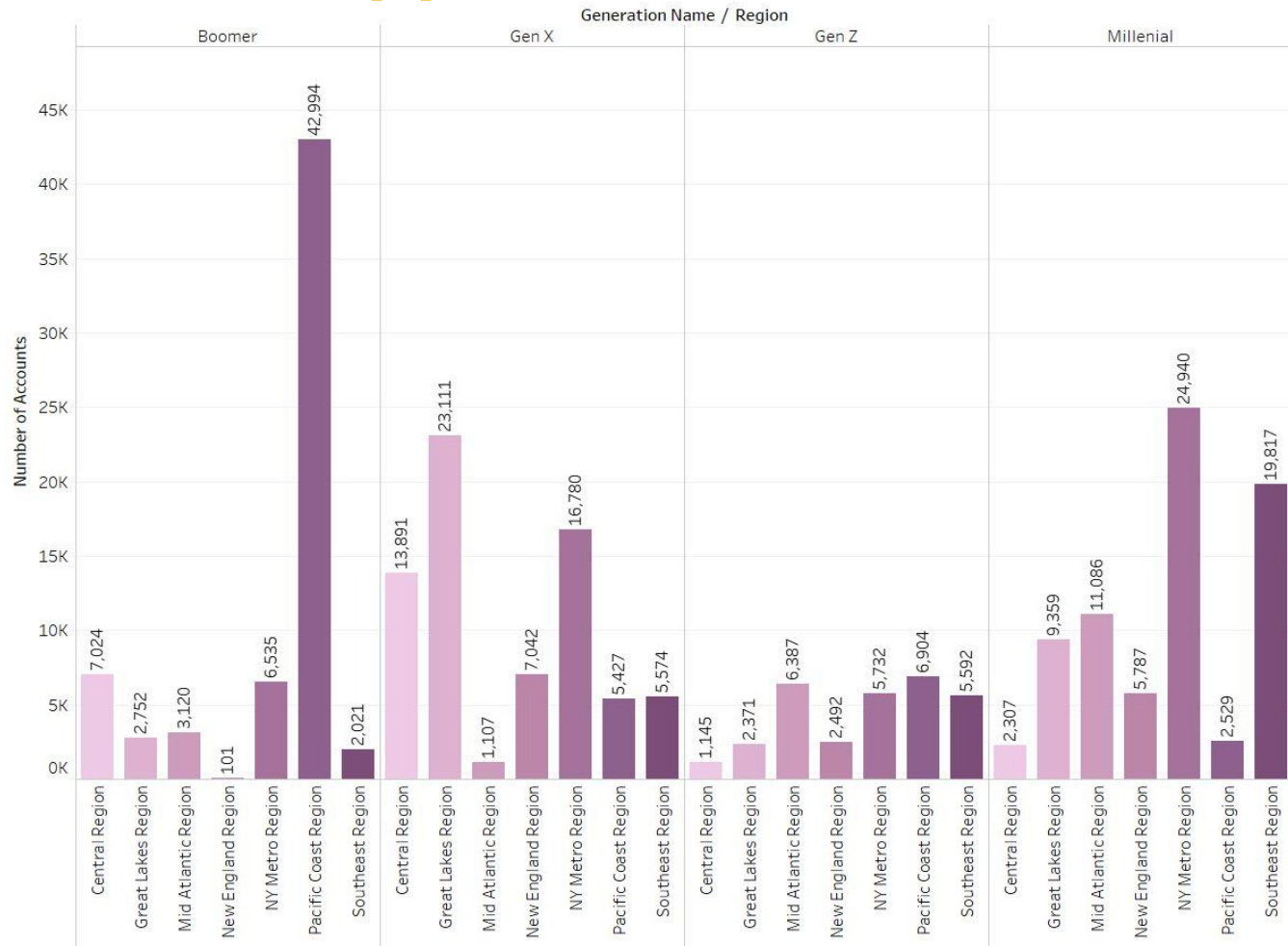


Generation Name

- Gen Z (6-24 yrs)
- Millennial (25-40 yrs)
- Gen X (41-56 yrs)
- Boomer (57-75 yrs)

- The ideal buyer is Gen Z
- Interests include lifestyle brands, affordable luxury, brand loyalty, and technology
- Gen Z's from the Pacific Coast hold the most equity in Slack
- Gen Z makes up for 26% of the workforce with more in years to come
- The future of the workforce is digital

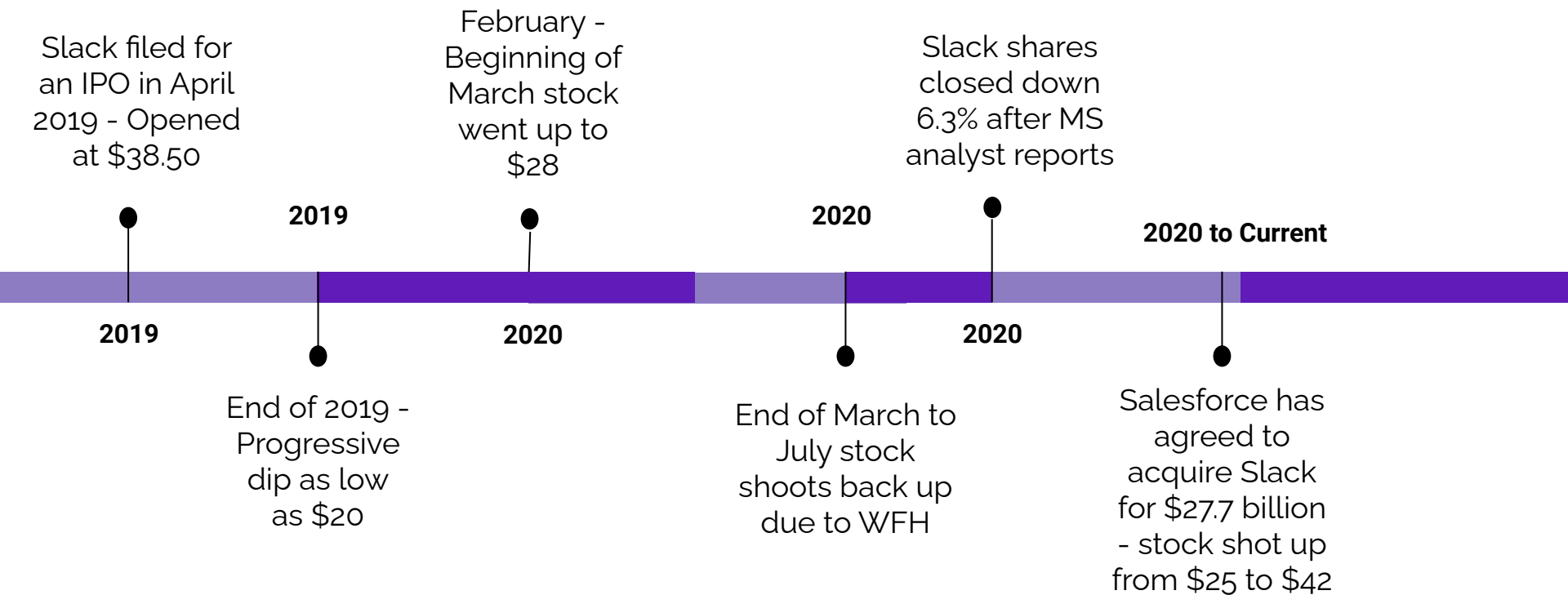
An Untapped Market



- Millennials and Baby Boomers have the highest number of accounts with Morgan Stanley
- Baby Boomers have the lowest equity in Slack
- There is potential to reach these markets through advertising and outreach

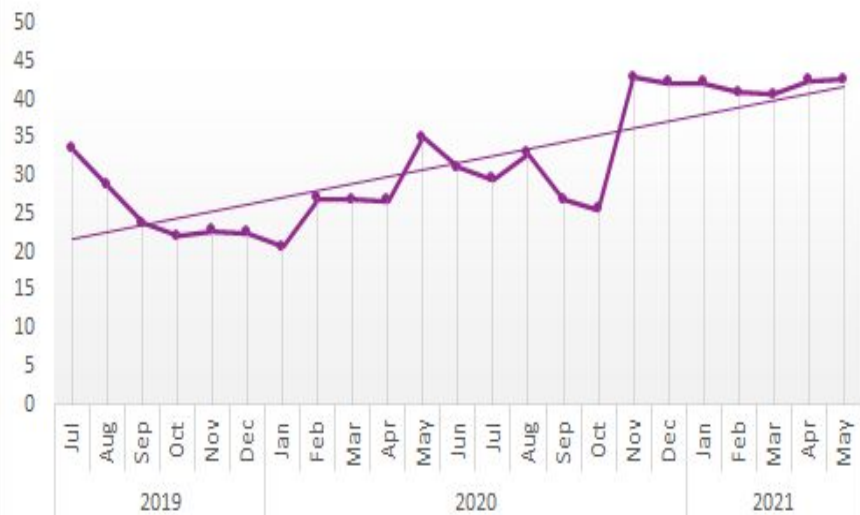


Key Events in Time for Slack Stock (WORK)



Indexes

2019-2021 Slack Stock Price

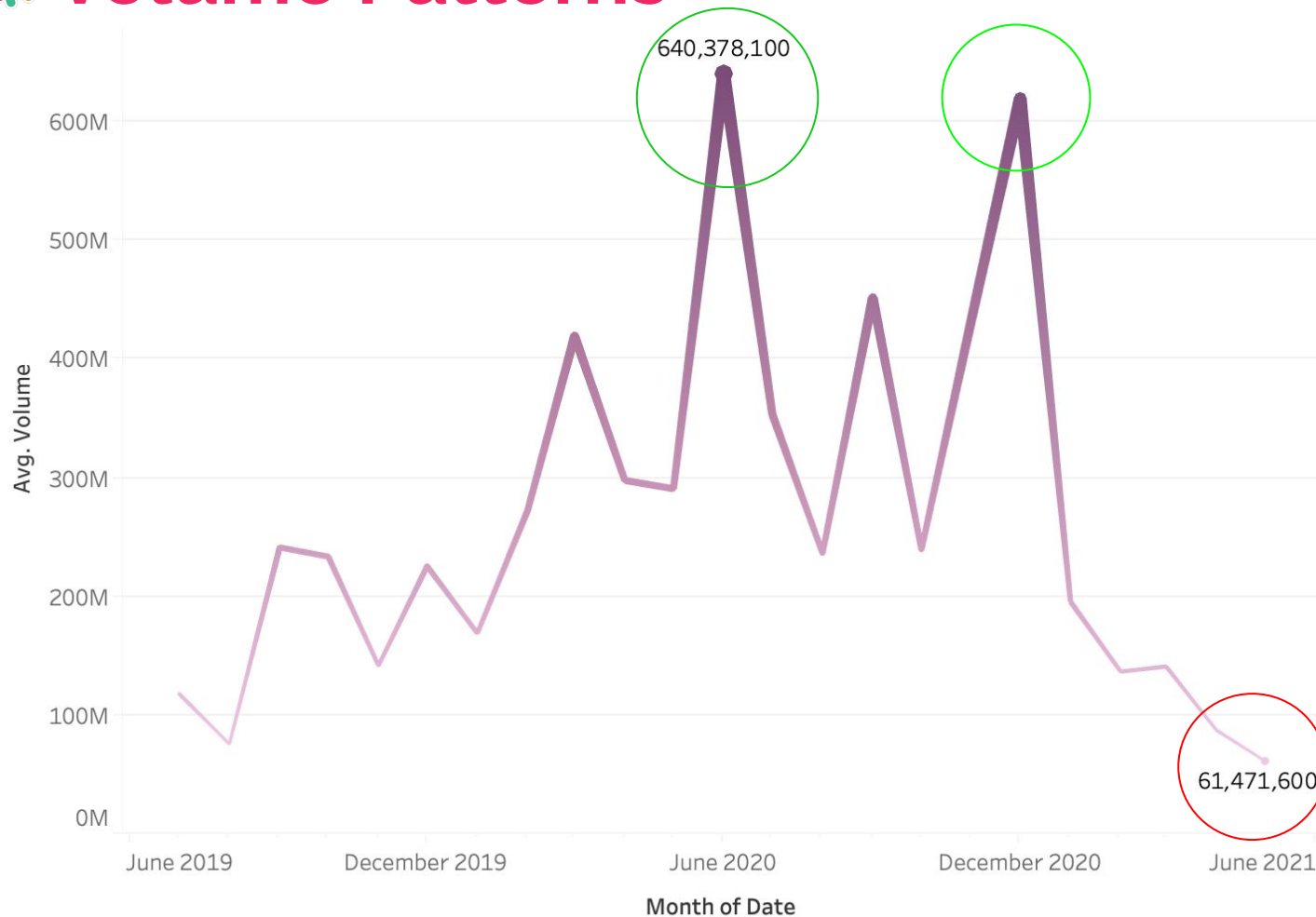


2019-2021 S&P 500 Stock Price



- Slack has had a tumultuous debut in the market.
- Slack stock prices fluctuated throughout the past two years.
- The acquisition by Salesforce in November is apparent with the rise in price.

Volume Patterns



AVG(Volume)

61,471,600 640M

MONTH(Date)

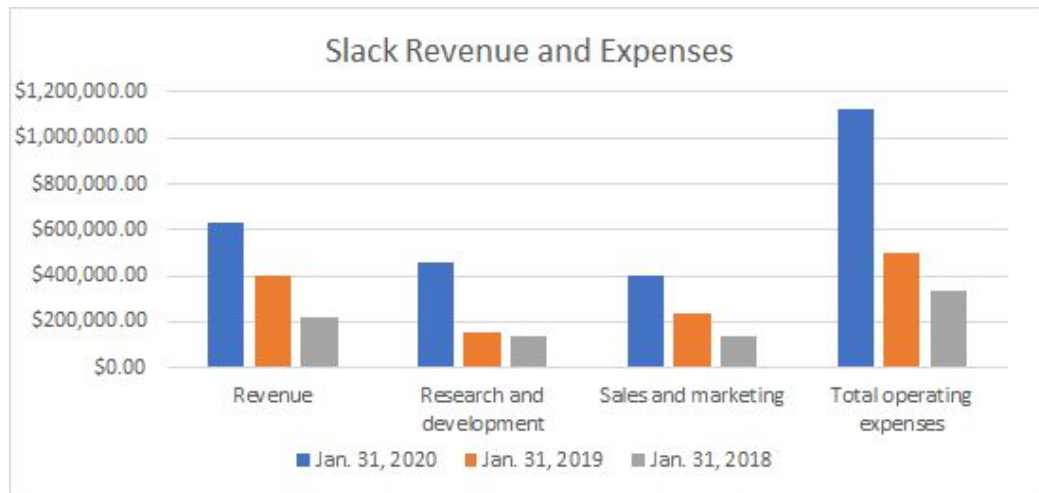
July 2019

May 2021



- **June 2020** - highest volume in Slack's history
- **Dec 2020** - second highest volume
- **June 2021** - lowest volume

Slack Financials and Growth



Date	Jan. 31, 2020	Jan. 31, 2019	Jan. 31, 2018
Revenue	\$630,422.00	\$400,552.00	\$220,544.00
Research and development	\$457,364.00	\$157,538.00	\$141,350.00
Sales and marketing	\$402,780.00	\$233,191.00	\$140,188.00
Total operating expenses	\$1,121,509.00	\$503,459.00	\$338,031.00
Net loss	-\$568,357.00	-\$138,902.00	-\$140,063.00
Cash and cash equivalents	\$498,999.00	\$180,770.00	
Total assets	\$1,441,706.00	\$1,198,956.00	
Total liabilities	\$717,807.00	\$357,350.00	

- Revenue grew every year (+30%)
- At growth/innovation stage, spends lots of money on Sales, Marketing, Research and Development.
- Spending have positive correlation to revenue.
- In 2020, doubled the spending for Research and development.
- Increase free Cash (\$499 Millions)
- More assets than liabilities

User Growth

Slack users

Year	Users
2015	2 million
2016	4 million
2017	6 million
2018	8 million
2019	12 million

- **Pro** - More power for small teams who want better collaboration - **\$6.67 USD/mo***
- **Business+** - Scale your business, increase productivity, and keep your teams connected - **\$12.5 USD/mo***
- **Enterprise Grid** - Slack for the most demanding enterprises—all the flexibility to meet your regulatory requirements and all the power to match your growth

- Positive user growth annually
- Expecting user growth from Salesforce merger

Slack paying customers

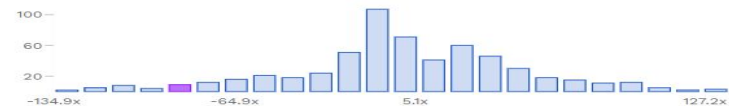
Year	Paying customers
2017	50,000
2018	60,000
2019	88,000
2020	112,000
2021	156,000

Key Metrics and Insights

EPS:

Earnings History	4/29/2020	7/30/2020	10/30/2020	1/30/2021
EPS Est.	-0.06	-0.03	-0.04	-0.03
EPS Actual	-0.02	0	0.01	-0.01
Difference	0.04	0.03	0.05	0.02
Surprise %	66.70%	100.00%	125.00%	66.70%

Sector Benchmark Analysis



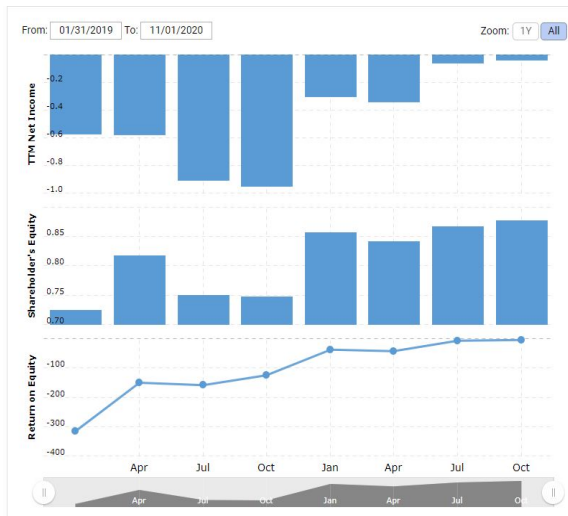
The chart above depicts the distribution of p/e ratio for companies operating in the Information Technology sector in the United States. Over 1,170 companies were considered in this analysis, and 591 had meaningful values. The average p/e ratio of the companies is 0.8x with a standard deviation of 43.7x.

Slack Technologies, Inc.'s P/E Ratio of -84.5x ranks in the 4.5% percentile for the sector. The following table provides additional summary stats:

P/E Ratio In The Information Technology Sector

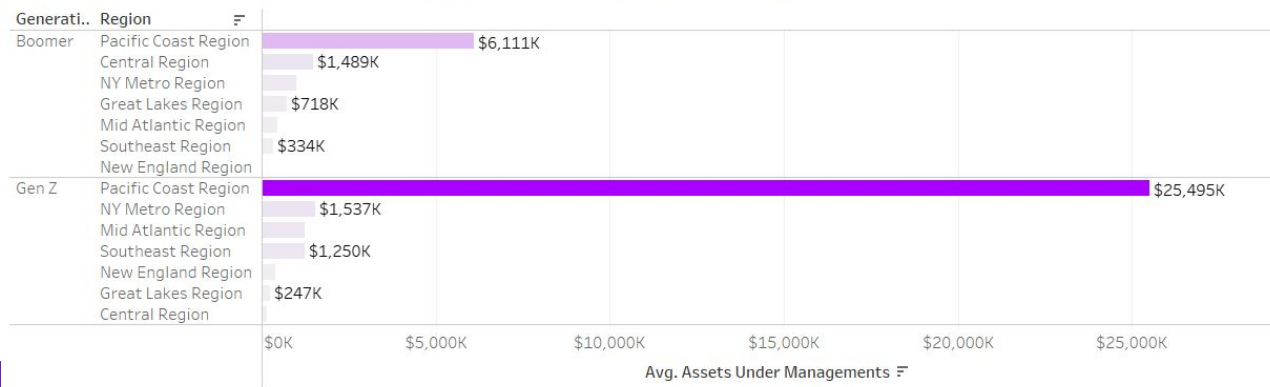
Country	United States
Total Constituents	1,178
Included Constituents	591
Min	-128.6x
Max	121.0x
Median	-2.6x
Mean	0.8x
Standard Deviation	43.7x

You can find companies with similar p/e ratio using [this stock screener](#).



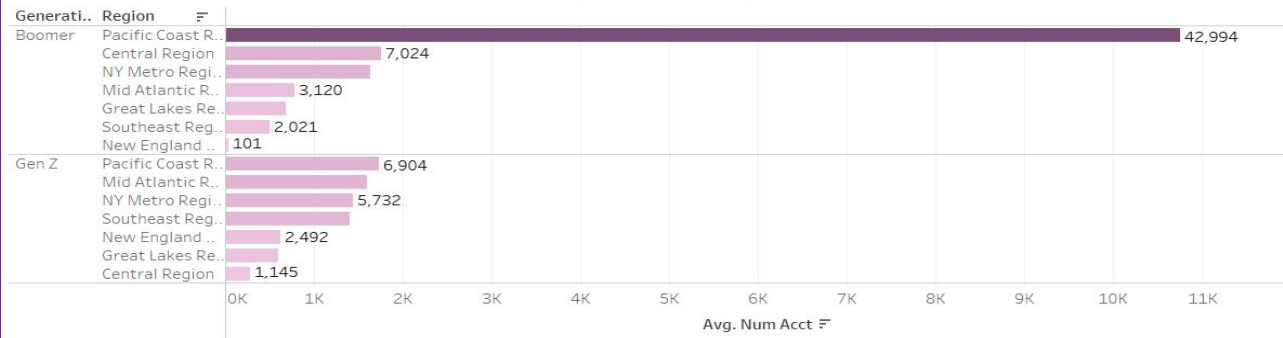
Takeaways/Suggestions

Avg AUM by Future Targeted Generations



Gen Z from the **Pacific Region** have **76%** increase in AUM compared to **Baby Boomers**

Avg Number of Accounts by Targeted Generations



Baby Boomers from the **Pacific Region** have **83.9%** increase in amount of accounts compared to **Gen Z**



Competition

MICROSOFT TEAMS

- Standard monthly package- \$5.00 per person
- Free version allows up to 250 people to video chat
- Allows 1:1 voice and video calls

SLACK

- Standard monthly package - \$6.67 per person
- Allows up to 15 participants with calls
- Free version allows access of up to 10k recent messages, 1:1 voice & video calls

Conclusion

- Slack has more work to do.
- Gen Z, Baby Boomers and Millennials are the ideal age groups to focus on.
- Slack saw 39% user growth as it beats Q1 expectations.
- Slack must continue to push for further user growth to better match its competitors whose stocks exploded during the pandemic (i.e. ZOOM).
- Working from home, joining the Salesforce family, higher expenditure in their R&D and Growth departments will drive future growth for Slack and allow it become a worthwhile investment.



Citations

- <https://www.businessofapps.com/data/slack-statistics/>
- https://finbox.com/NYSE:WORK/explorer/pe_ltm
- <https://www.sec.gov/ix?doc=/Archives/edgar/data/1764925/000176492521000050/work-20210131.htm>
- <https://finance.yahoo.com/quote/WORK?p=WORK>
- <https://www.digitaltrends.com/computing/slack-vs-teams/>





#Thank You!

