

Internet

2021 Internet Playbook

January 11, 2021

Key Takeaway

In our 100+ page 2021 Internet Playbook we recap key trends, themes and stock moves from 2020, and also highlight our Top Picks & Predictions for 2021. Our top Large cap picks in 2021 are FB, GOOGL and AMZN, and our top SMID cap picks are WIX and PUBM. We view MTCH, ABNB & LYFT as prime beneficiaries as the world reopens. We are upgrading Z from Hold to Buy, Downgrading UPWK from Buy to Hold and Downgrading YELP from Buy to Hold.

Top Picks:

Large Cap: FB, GOOGL, AMZN, SNAP, CVNA

SMID Cap: WIX, PUBM

Top Reopening Beneficiaries

Large Cap: MTCH, ABNB

SMID Cap: LYFT

Be More Selective in 2021. After significant outperformance in 2020 we believe more caution is needed within the internet space in 2021. Our coverage universe is trading at 6.5x NTM sales (vs 4.5x historical ave) and 28.4x NTM EV/EBITDA (vs 17.8x historical ave). We view MTCH, ABNB & LYFT as the top reopening beneficiaries in our coverage universe, set to benefit most from a return to normal life. For 2021, our top large-cap pick is FB, our top mid-cap pick is WIX, and our top small-cap pick is PUBM.

Our Top 11 Predictions for 2021:

1. Regulatory pressure builds but no breakups, leading to ongoing valuation upside. FB, GOOGL & AMZN continue to move higher
2. 2021 top reopening beneficiaries: MTCH (love is in the air), Travel (ABNB in a neighborhood of their own), Rideshare recovers in 2H (LYFT)
3. FB is our top large cap pick in 2021, replacing AMZN from 2020. Ad rebound, small business rebound and ongoing push with Shops and e-currency powers accelerating revenue growth (19% in 2020 to 25% in 2021e)
4. Clicks keep exceeding bricks: Remain positive on Buy-rated AMZN and MELI, driven by continued e-commerce momentum in the first half and exposure to other verticals (e.g. AWS, Advertising, Fintech)
5. Alternative accommodations to lead recovery in travel, driven by a spike in new use cases due to COVID-19; ABNB outperforms BKNG and EXPE

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6. GOOGL: Embrace the Oddness. Odd years are kinder to GOOGL's stock performance. After underperforming other large cap internet in 2020, GOOGL should benefit from ad spend recovery, pent-up demand for Google Cloud, and call option on Waymo

7. IAC is a range-bound stock in 1H21 given the Vimeo catalyst has been announced. We predict a >\$1B acquisition 2H21, leading to the next leg of outperformance

8. Win with Wix. WIX is a top mid-cap idea as the constant stream of product innovation fills growing demand for richer web sites and drives higher ARPU

9. SNAP begins monetizing the Map potentially adding \$1.5B+ in annual ad revenue within the next 3 years (~25% upside to current estimates)

10. A shiny new model that's speeding past competition: CVNA outperforms as the used car market continues moving online, assisted by reduced purchase friction and more available inventory

11. Late to the open house but coming ready to bid: Z outperforms as strong housing demand drives revenue growth/margins higher at the legacy IMT business, while Zillow Offers creates an attractive risk-reward by allowing Z to tap into \$2T in residential housing transactions

Summary of Changes											
Company	Ticker	Rating	Price	Price Target	2019	EPS Estimates	2020	2021	2019	P/E 2020	2021
Airbnb	ABNB	BUY	\$149.77	\$170.00	\$(2.59)	\$(13.97)	\$(1.97)	NM	NM	NM	
Alphabet, Inc**	GOOGL	BUY	\$1,797.83	↑ \$2,150.00	\$51.59	\$51.35	\$60.85	34.8x	35.0x	29.5x	
<i>Previous</i>				\$2,000.00	\$51.59	\$51.35	\$60.85				
Amazon.com, Inc	AMZN	BUY	\$3,182.70	\$3,800.00	\$23.01	↑ \$34.79	↓ \$44.70	NM	91.5x	71.2x	
<i>Previous</i>				\$23.01	\$34.32	\$45.36					
Booking Holdings	BKNG	HOLD	\$2,281.54	↑ \$2,100.00	\$102.58	\$2.59	↑ \$56.30	22.2x	NM	40.5x	
<i>Previous</i>				\$1,800.00	\$102.58	\$2.59	\$55.89				
CarGurus	CARG	HOLD	\$32.32	↑ \$32.00	\$0.37	\$0.65	\$0.71	87.0x	49.7x	45.2x	
<i>Previous</i>				\$26.00	\$0.37	\$0.65	\$0.71				
Carvana	CVNA	BUY	\$278.44	↑ \$350.00	\$(0.88)	\$(0.86)	\$(0.43)	NM	NM	NM	
<i>Previous</i>				\$300.00	\$(0.88)	\$(0.86)	\$(0.43)				
eBay	EBAY	HOLD	\$54.48	↓ \$54.00	\$2.29	↑ \$3.40	↑ \$3.54	23.8x	16.0x	15.4x	
<i>Previous</i>				\$58.00	\$2.29	\$3.39	\$3.53				
Etsy	ETSY	BUY	\$175.65	↑ \$205.00	\$0.75	↓ \$1.93	↓ \$1.83	NM	91.0x	95.9x	
<i>Previous</i>				\$168.00	\$0.75	\$1.98	\$1.84				
Expedia Group	EXPE	HOLD	\$144.02	↑ \$130.00	\$6.15	↓ \$(8.34)	↓ \$0.94	23.4x	NM	NM	
<i>Previous</i>				\$105.00	\$6.15	\$(7.93)	\$1.80				
Facebook, Inc.	FB	BUY	\$267.57	\$330.00	\$6.44	\$9.37	↑ \$10.96	--	--	--	
<i>Previous</i>				\$6.44	\$9.37	\$10.61					
GoDaddy	GDDY	BUY	\$82.05	\$100.00	\$0.76	\$(3.02)	\$1.41	NM	NM	58.2x	
IAC / InterActiveCorp	IAC	BUY	\$121.29	↑ \$225.00	\$986.6	\$62.3	↓ \$200.7	7.1x	NM	35.0x	
<i>Previous</i>				\$160.00	\$986.6	\$62.3	\$201.4				
Lyft	LYFT	BUY	\$47.50	↑ \$70.00	\$(678.9)	↑ \$(785.2)	↑ \$(303.9)	NM	NM	NM	
<i>Previous</i>				\$45.00	\$(678.9)	\$(794.5)	\$(325.0)				
Match Group	MTCH	BUY	\$107.05	↑ \$185.00	\$779.4	↑ \$893.5	↑ \$1,111.0	43.8x	38.2x	30.7x	
<i>Previous</i>				\$155.00	\$779.4	\$890.6	\$1,038.3				
MercadoLibre	MELI	BUY	\$1,719.00	↑ \$2,000.00	\$(3.44)	\$0.83	\$3.13	NM	NM	NM	
<i>Previous</i>				\$1,950.00	\$(3.44)	\$0.83	\$3.13				
PubMatic	PUBM	BUY	\$26.31	\$38.00	\$0.71	\$1.13	\$0.33	37.1x	23.3x	79.7x	

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Summary of Changes											
Company	Ticker	Rating	Price	Price Target	2019	EPS Estimates			2019	P/E 2020	2021
						2020	2021				
Redfin	RDFN	HOLD	\$76.51	↑ \$85.00	\$(0.89)	↑ \$(0.33)	↑ \$(0.18)	NM	NM	NM	
<i>Previous</i>				\$45.00	\$(0.89)	\$(0.35)	\$(0.24)				
Snap	SNAP	BUY	\$52.73	↑ \$65.00	(202.0)	↑ 30.0	↑ 613.0	--	--	--	
<i>Previous</i>				\$41.00	(202.0)	(10.0)	387.0				
The Trade Desk	TTD	HOLD	\$795.81	↑ \$800.00	\$213.9	\$250.4	↑ \$371.1	NM	NM	NM	
<i>Previous</i>				\$725.00	\$213.9	\$250.4	\$336.6				
TripAdvisor	TRIP	UNPF	\$35.65	↑ \$19.00	\$1.77	↑ \$(1.20)	↑ \$0.29	20.1x	NM	NM	
<i>Previous</i>				\$16.00	\$1.77	\$(1.22)	\$0.22				
Twitter	TWTR	HOLD	\$51.48	↑ \$52.00	\$1,209.7	\$1,043.7	↑ \$1,398.6	31.0x	35.9x	26.8x	
<i>Previous</i>				\$46.00	\$1,209.7	\$1,043.7	\$1,185.9				
Upwork	UPWK	HOLD	\$38.01	\$39.00	\$0.06	\$(0.01)	\$0.01	NM	NM	NM	
Vroom	VRM	HOLD	\$40.74	↑ \$45.00	\$(1.22)	\$(1.55)	\$(1.18)	NM	NM	NM	
<i>Previous</i>				\$38.00	\$(1.22)	\$(1.55)	\$(1.18)				
Wix.com	WIX	BUY	\$263.53	\$360.00	1.17	(0.57)	0.31	NM	NM	NM	
Yelp, Inc.	YELP	↓ HOLD	\$32.53	\$32.00	\$0.52	↓ \$(0.54)	↓ \$0.27	10.1x	17.8x	11.8x	
<i>Previous</i>				BUY		\$0.52	\$(0.50)	\$0.40			
Zillow	Z	↑ BUY	\$150.02	↑ \$175.00	\$(1.48)	↓ \$(0.94)	↓ \$(0.45)	NM	NM	NM	
<i>Previous</i>				HOLD	\$120.00	\$(1.48)	\$(0.93)	\$0.35			
Sonos	SONO	HOLD	\$24.41	↑ \$25.00	\$88.7	\$108.5	\$190.3	26.0x	21.2x	12.1x	
<i>Previous</i>				\$22.00	\$88.7	\$108.5	\$190.3				

** Franchise Pick

Technology | Internet

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Top Picks in US Internet

Large Cap:

Facebook (FB) - Buy PT \$330: Facebook is well positioned as ad dollars continue to shift to digital platforms with the most scale and best-in-class ROI. Facebook remains a top pick despite a disruption to marketing spend and a boycott of the Facebook platform. Ad revenue recovered in Q3 and accelerated to 22% Y/Y growth (vs 10% Y/Y growth in Q2) and guidance for Q4 implies further acceleration. FB is moving deeper into commerce through "Facebook Shops", which we believe will help it expand its active advertising base of 10M+ (vs 200M Businesses on the platform). Our FB PT is based on 26x our FY22 EPS estimate.

Alphabet Inc. (GOOGL) - Buy PT \$2,150: GOOGL's fundamentals have trailed other large cap internet peers as its core advertising business took a hit in 2Q20. Trends improved throughout Q2, and in Q3 GOOGL saw a strong return in ad spend (including brand), which helped Search and YouTube recover. Other call options remain including Google Cloud (growth accelerated to 45% Y/Y in Q3 vs 43% in Q2), YouTube subscriptions, hardware, and Waymo. GOOGL trades at an undemanding 13.0x CY22 EV/EBITDA. Our \$2,150 PT is based on 15x EV/EBITDA our Fwd NTM estimates, which is at the upper end of historical range to reflect the industry's accelerating shift to digital platforms.

Amazon (AMZN) - Buy PT \$3,800: Home nesting and physical store closures have spurred increased adoption/consumption in grocery and essentials, which will drive spend higher across the entire portfolio and drive high-margin ad dollars as AMZN taps into large CPG trade/ad budgets. Additionally, AWS remains the dominant infrastructure provider, with a growing backlog that suggests growth could accelerate in the coming quarters. Our \$3,800 price target implies 23.2x FY22 EV/EBITDA.

Snap Inc. (SNAP) - Buy PT \$65: SNAP's Discover platform, highly engaged audience (on avg. >30 min of time spent per DAU), unique augmented reality products, and improved direct response ad units differentiate the platform vs competitors and continue to attract more ad dollars. With North American ARPU at just \$14 in FY19 (vs. FB at \$182) we believe there is plenty of low hanging fruit and see ample room to close the monetization gap. We see a pathway to a 35%+ revenue CAGR ('20-23), 25%+ EBITDA margins and positive FCF.

Carvana (CVNA) - Buy PT \$350: We believe the \$550B market for used vehicles is ripe for disruption, and view CVNA's scalable model and ability to reduce purchase friction as helping drive share gains. CVNA is also a rare secular beneficiary of COVID with easy comps, putting it on an impressive trajectory next year. In addition, we believe the stock could double if CVNA continues expanding market share at the historical pace.

Small/Mid Cap:

PubMatic (PUBM) – Buy PT \$38: We view PUBM as a winner in the ad tech industry with multiple drivers including, the shift to programmatic advertising, buyers consolidating spend around fewer supply side players, and growth in new verticals like CTV. We believe PUBM can achieve 20%+ rev growth and 25%+ EBITDA margins in '21 with CTV an upside call option. At 7x '22 revenue PUBM trades at a 30%+ discount to its closest peer despite better growth and profitability. Buy, \$38 PT implies 10x '22 rev.

Wix.com (WIX) - Buy PT \$360: WIX is a premium SMID-cap story with high recurring revenues, innovation-driven growth, and an emerging platform story as WIX enables professional websites/apps for businesses worldwide. COVID-19 has caused a surge in interest for WIX's online solutions such as Stores, Restaurants, Ascend and Payments. We believe there is plenty of leverage for WIX to upsell customers to higher priced products as a web presence becomes more important in a post COVID-19 world. WIX trades at 10.0x CY22 EV/S, or a discount to its peer group mean/median of ~14x/13x.

Top Reopening Beneficiaries

Large Cap:

Match Group (MTCH) - Buy PT \$185: In 2020 MTCH experienced a worst-case scenario with COVID-19 disrupting the dating environment (closed bars and restaurants). Despite these headwinds, MTCH is set to grow revenue 16% in 2020 (pending 4Q results) vs 19% growth in 2019. For 2021, we believe new products catalysts (e.g., Tinder Platinum, live video, "Swipe Night", etc.,) and higher willingness to date in-person will likely drive an acceleration in revenue growth (est. +20% in '21)

Airbnb (ABNB) – Buy PT \$170: ABNB is a best-in-class asset with powerful brand and solid organic growth. We view it as a key reopening play in travel, one that would benefit disproportionately from pent-up demand. We expect ABNB to continue taking market share from competitors and to return to Op Inc / Adj EBITDA profitability by '22. We believe that ABNB offers the best fundamentals in travel with solid organic growth and leverage in the model which justify it trading at a premium to other innovative market leaders in Internet.

Small/Mid Cap:

Lyft (LYFT) - Buy PT \$70: In 2020, LYFT was challenged by COVID-19 as consumers worked from home and sheltered in place, causing revenue to fall -35% in 2020 (pending 4Q results). LYFT shifted focus to its cost structure, which should produce outsized leverage as revenues rebound. With a vaccine in distribution, we believe LYFT is positioned for a strong recovery in 2021 (est. rev +40%), with EBITDA profitability expected in 4Q21. We have increased our post-vaccine rev estimates and now model a return to pre-Pandemic levels by Q4'21 (flat vs. Q4'19). Raise PT from \$45 to \$70, based on EV/S 5.0x (above historical average ~3x but still below pre-COVID peak levels of 6-7x).

Price Target and Rating Changes

Ticker	New PT	Old PT	New Rating	Old Rating
Z	\$175	\$120	Buy	Hold
YELP	\$32	\$32	Hold	Buy
UPWK	\$39	\$28	Hold	Buy
MTCH	\$185	\$155	Buy	Buy
LYFT	\$70	\$45	Buy	Buy
RDFN	\$85	\$45	Hold	Hold
IAC	\$225	\$160	Buy	Buy
GOOGL	\$2,150	\$2,000	Buy	Buy
SNAP	\$65	\$41	Buy	Buy
BKNG	\$2,100	\$1,800	Hold	Hold
EBAY	\$54	\$58	Hold	Hold
TRIP	\$19	\$16	Underperform	Underperform
EXPE	\$130	\$105	Hold	Hold
TTD	\$800	\$725	Hold	Hold
SONO	\$25	\$22	Hold	Hold
TWTR	\$52	\$46	Hold	Hold
MELI*	\$2,000	\$1,950	Buy	Buy
CARG*	\$32	\$26	Hold	Hold
VRM*	\$45	\$38	Hold	Hold
CVNA*	\$350	\$300	Buy	Buy
ETSY*	\$205	\$168	Buy	Buy

* = Covered by John Colantuoni

Jefferies Internet Coverage Summary

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Top Internet Picks

Large Cap: FB, GOOGL, AMZN, SNAP, CVNA*

Small and Mid Cap: PUBM, WIX

Underperform
TRIP

Company	Ticker	Rating	Price Target	Current Price	Upside	Our View
Amazon	AMZN	Buy	\$3,800	\$3,182.70	19%	Continued outperformance driven by one of the biggest competitive moats in tech, continued momentum in AWS, and more ad dollars from further penetration into CPG categories
Alphabet	GOOGL	Buy	\$2,150	\$1,797.83	20%	A top pick, as core search/ad strength continues w/ upside potential from YouTube, Cloud, Waymo, & other bets; trading in-line with market on EV/EBITDA
Facebook	FB	Buy	\$330	\$267.57	23%	Social leader driving best-in-class ROI for advertisers. Longer term we see \$15 of EPS power with Facebook Shops driving upside in FY21
Airbnb	ABNB	Buy	\$170	\$149.77	14%	ABNB is a powerful brand with solid organic growth. We believe they will continue to take market share and return to profitability by '22
Booking Holdings	BKNG	Hold	\$2,100	\$2,281.54	-8%	Core OTA player with superior margins; Best positioned to benefit in the expected recovery; Duration and shape of recovery a major driver
MercadoLibre*	MELI	Buy	\$2,000	\$1,719.00	16%	Ideally positioned to benefit from secular shifts to e-commerce and fintech happening across Latin America
Snap	SNAP	Buy	\$65	\$52.73	23%	Increasing levels of engagement and improvements to the ad products have increased advertiser adoption to the platform giving us conviction in 30%+ 3 YR revenue growth
Carvana*	CVNA	Buy	\$350	\$278.44	26%	Attractive topline resulting from ongoing shift to e-commerce across used car market
Match Group	MTCH	Buy	\$185	\$151.79	22%	Renowned global leader in online dating with strong margin profile. Valuation isn't cheap, but fundamentals amongst the strongest in mid-cap Internet
Twitter	TWTR	Hold	\$52	\$51.48	1%	User growth is encouraging, but the ad platform is still inferior to peers limiting the near term growth potential. New ad products like Map 2.0 could help drive upside in '21
The Trade Desk	TTD	Hold	\$800	\$795.81	1%	Best pure-play on shift to programmatic ads with deep relationships and scalable business model. Connected TV growth will be the biggest driver for the next 3-5 years
eBay	EBAY	Hold	\$54	\$54.48	-1%	EBAY is most exposed to headwinds resulting from a broader return to physical retail, exacerbating the impact of difficult comps
Zillow	Z	Buy	\$175	\$144.61	21%	Stability in legacy business and large TAM in nascent iBuying business creates attractive risk reward
Etsy Inc.*	ETSY	Buy	\$205	\$175.65	17%	Home nesting increases GMS, bolstering ETSY's importance to sellers and enhancing its ability to pursue higher fees, while Offsite Ads remains an underappreciated margin tailwind.
Expedia Group	EXPE	Hold	\$130	\$144.02	-10%	Market share leader (by gross bookings) with potential for operational efficiencies and mgn improvement; Duration of travel recovery likely to be longer than many expect
Lyft	LYFT	Buy	\$70	\$47.50	47%	Strong #2 in the U.S. duopoly for ride-hailing. Pure-play, N.A. focused, on-demand transportation platform that is levered to post COVID recovery.
IAC	IAC	Buy	\$225	\$191.48	18%	Value creating internet conglomerate trading at a discount to its sum of the parts. Rich history of stock outperformance.
Wix.com	WIX	Buy	\$360	\$263.53	37%	Standout premium growth story, with new products building case for Wix as a platform. Multiple tailwinds could drive sustained rev growth in mid/high 20s %.
GoDaddy	GDDY	Buy	\$100	\$82.05	22%	Underappreciated mid-cap story providing a balanced profile of low teens revenue growth, margin expansion, and significant FCF generation.
Chegg	CHGG	Buy	\$105	\$96.63	9%	CHGG is building a full service learning platform and expanding its TAM with product updates and M&A. Price bundling and int'l expansion are the next legs of growth.
Redfin	RDFN	Hold	\$85	\$76.51	11%	Key beneficiary of strong macro environment and increased adoption of digital tools across real estate
Vroom*	VRM	Hold	\$45	\$40.74	10%	Strong industry tailwinds overshadowed by recent execution misses
TripAdvisor	TRIP	Under	\$19	\$35.65	-47%	A slow-growth "transition" story with lots of moving parts and limited visibility into revenue and profitability; TRIP is getting squeezed b/n Google and the OTAs
Upwork	UPWK	Hold	\$39	\$38.01	3%	Leading internet marketplace for freelancers, with a significant competitive moat thanks to deep functionality built over 20 yrs.
CarGurus*	CARG	Hold	\$32	\$32.32	-1%	Growth struggles in legacy lead gen business balanced by opportunity to pivot into direct transactions
Sonos	SONO	Hold	\$25	\$24.41	2%	The Lego of speakers with great functionality, but limited recurring revenue with low margins keeps us on the sidelines.
Yelp	YELP	Hold	\$32	\$32.53	-2%	Large, underpenetrated TAM; Shift to non-term contracts introduced more volatility; Pandemic is disrupting its turnaround plan but mgmt investing for re-acceleration in recovery
Pubmatic	PUBM	Buy	\$38	\$26.31	44%	An ad tech winner with multiple drivers including the shift to programmatic advertising, buyers consolidating spend around fewer supply-side players, and growth in new verticals (Connected TV).

Covered by John Colantuoni

Internet Overview: Be More Selective In '21

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Priced as of: 1/8/2021																						
Company Large Cap	Ticker	Rating	Price Target (\$)	Price (\$)	YTD (%)	Market Cap (\$MMs)	Revenue 2021E	2019A	Revenue growth	2020E	2021E	2022E	EBITDA margin	EV/Sales	EV/EBITDA	Price / Earnings	EV/FCF					
														2021E	2022E	2021E	2022E	2021E	2022E			
Amazon.com, Inc.	AMZN	Buy	\$3,800	\$3,182.70	-2%	\$1,648,483	\$448,547	20%	35%	18%	17%	14%	15%	16%	3.7x	3.2x	24.4x	19.3x	70.9x	49.5x	39.5x	26.9x
Alphabet Inc. Class A	GOOGL	Buy	\$2,150	\$1,797.83	3%	\$1,235,152	\$177,986	20%	11%	21%	17%	43%	44%	44%	6.3x	5.4x	14.4x	12.3x	29.2x	24.8x	23.3x	19.4x
Facebook, Inc. Class A	FB	Buy	\$330	\$267.57	-2%	\$773,545	\$104,529	27%	19%	24%	21%	52%	47%	48%	7.0x	5.8x	14.8x	12.0x	25.5x	20.4x	28.0x	21.3x
Airbnb, Inc. Class A	ABNB	Buy	\$170	\$149.77	2%	\$105,607	\$4,452	32%	-32%	37%	37%	-11%	-1%	9%	22.6x	16.5x	N/A	188.1x	N/A	N/A	N/A	168.6x
Booking Holdings Inc.	BKNG	Hold	\$2,100	\$2,281.54	2%	\$93,532	\$10,207	4%	-55%	51%	41%	13%	33%	40%	9.0x	6.4x	27.0x	16.0x	41.3x	22.4x	31.5x	18.5x
Mercadolibre Inc.*	MELI	Buy	\$2,000	\$1,719.00	3%	\$85,470	\$5,305	60%	67%	39%	37%	6%	5%	9%	15.7x	11.4x	289.5x	122.3x	649.4x	239.1x	268.5x	139.1x
Snap, Inc. Class A	SNAP	Buy	\$65	\$52.73	5%	\$77,324	\$3,485	45%	42%	43%	34%	1%	14%	25%	21.4x	16.0x	149.6x	63.3x	N/A	3116.2x	347.7x	82.4x
Match Group, Inc.***	MTCH	Buy	\$185	\$151.79	0%	\$42,501	\$2,759	19%	16%	16%	13%	37%	38%	40%	16.5x	14.6x	43.9x	36.3x	64.9x	51.1x	61.5x	46.1x
Twitter, Inc.	TWTR	Hold	\$52	\$51.48	-5%	\$41,513	\$4,406	14%	4%	23%	17%	29%	31%	32%	8.6x	7.4x	28.0x	22.8x	60.4x	45.3x	59.2x	39.0x
Trade Desk, Inc. Class A	TTD	Hold	\$800	\$795.81	-1%	\$39,170	\$1,078	39%	21%	34%	28%	30%	32%	33%	35.9x	28.0x	112.9x	84.4x	165.4x	129.4x	202.8x	154.2x
eBay Inc.**	EBAY	Hold	\$54	\$54.48	8%	\$39,051	\$10,894	1%	18%	7%	8%	37%	36%	36%	4.0x	3.7x	11.0x	10.1x	14.8x	13.0x	15.5x	13.8x
Zillow Group, Inc. Class C	Z	Buy	\$175	\$144.61	11%	\$31,742	\$4,777	106%	20%	45%	49%	9%	7%	7%	6.3x	4.3x	84.8x	57.0x	325.0x	147.4x	N/A	N/A
Average															13.1x	10.2x	72.8x	53.7x	144.7x	350.8x	107.8x	66.3x
Median															8.8x	6.9x	28.0x	29.6x	62.7x	49.5x	49.4x	39.0x
Mid Cap																						
Etsy Inc. *	ETSY	Buy	\$205	\$175.65	-1%	\$24,162	\$1,813	36%	97%	12%	19%	30%	28%	30%	13.2x	11.0x	47.4x	36.4x	81.0x	57.1x	51.1x	40.2x
Expedia Group, Inc.	EXPE	Hold	\$130	\$144.02	9%	\$21,204	\$7,752	8%	-55%	43%	36%	-5%	16%	22%	3.1x	2.3x	19.3x	10.5x	198.3x	21.0x	16.7x	12.2x
Lyft Inc Class A	LYFT	Buy	\$70	\$47.50	-3%	\$16,298	\$3,329	68%	-35%	41%	37%	-34%	-8%	4%	4.2x	3.1x	N/A	72.2x	N/A	N/A	N/A	60.2x
IAC/InterActiveCorp***	IAC	Buy	\$225	\$191.48	1%	\$16,295	\$3,263	7%	10%	10%	40%	2%	6%	8%	4.7x	3.3x	75.7x	39.4x	N/A	N/A	127.5x	45.0x
Wix.com Ltd.	WIX	Buy	\$360	\$263.53	5%	\$16,286	\$1,262	26%	28%	29%	26%	10%	13%	23%	12.4x	9.9x	97.0x	43.7x	5610.2x	265.7x	98.6x	59.6x
GoDaddy, Inc. Class A	GDDY	Buy	\$100	\$82.05	-1%	\$13,774	\$3,669	12%	11%	11%	10%	27%	24%	25%	4.2x	3.8x	17.2x	14.9x	46.5x	37.1x	17.4x	15.3x
Chegg, Inc.	CHGG	Buy	\$105	\$96.63	7%	\$12,934	\$780	28%	53%	24%	20%	32%	34%	35%	16.4x	13.7x	49.0x	38.8x	59.0x	46.6x	71.5x	56.1x
Reedfin Corporation	RDFN	Hold	\$85	\$76.51	11%	\$7,559	\$1,196	60%	12%	37%	23%	5%	6%	9%	6.1x	4.9x	95.8x	54.1x	N/A	N/A	257.0x	64.8x
TripAdvisor, Inc.	TRIP	Under	\$19	\$35.65	24%	\$5,097	\$952	-1%	-63%	60%	33%	-6%	22%	28%	5.4x	4.1x	24.9x	14.3x	76.1x	27.9x	32.3x	18.7x
Upwork, Inc.	UPWK	Hold	\$39	\$38.01	10%	\$5,077	\$436	19%	22%	19%	18%	2%	3%	7%	11.3x	9.6x	395.8x	145.0x	N/A	N/A	N/A	N/A
Average															8.1x	6.6x	91.4x	46.9x	1011.9x	75.9x	84.0x	41.3x
Median															5.7x	4.5x	49.0x	39.1x	78.6x	41.9x	61.3x	45.0x
Small Cap																						
Sonos, Inc.	SONO	Hold	\$25	\$24.41	4%	\$3,376	\$1,459	11%	5%	10%	9%	8%	12%	13%	2.1x	1.9x	16.6x	14.7x	35.7x	28.9x	22.2x	18.4x
Yelp Inc	YELP	Hold	\$32	\$32.53	0%	\$2,635	\$980	8%	-14%	13%	9%	14%	19%	20%	2.4x	2.2x	12.7x	10.8x	213.0x	82.4x	17.1x	13.4x
PubMatic Inc.	PUBM	Buy	\$38	\$26.31	-6%	\$1,484	\$168	15%	23%	20%	20%	28%	27%	29%	8.4x	7.0x	31.5x	24.4x	114.6x	86.5x	92.8x	51.3x
Average															4.3x	3.7x	20.2x	16.6x	121.1x	65.9x	44.0x	27.7x
Median															2.4x	2.2x	16.6x	14.7x	114.6x	82.4x	22.2x	18.4x

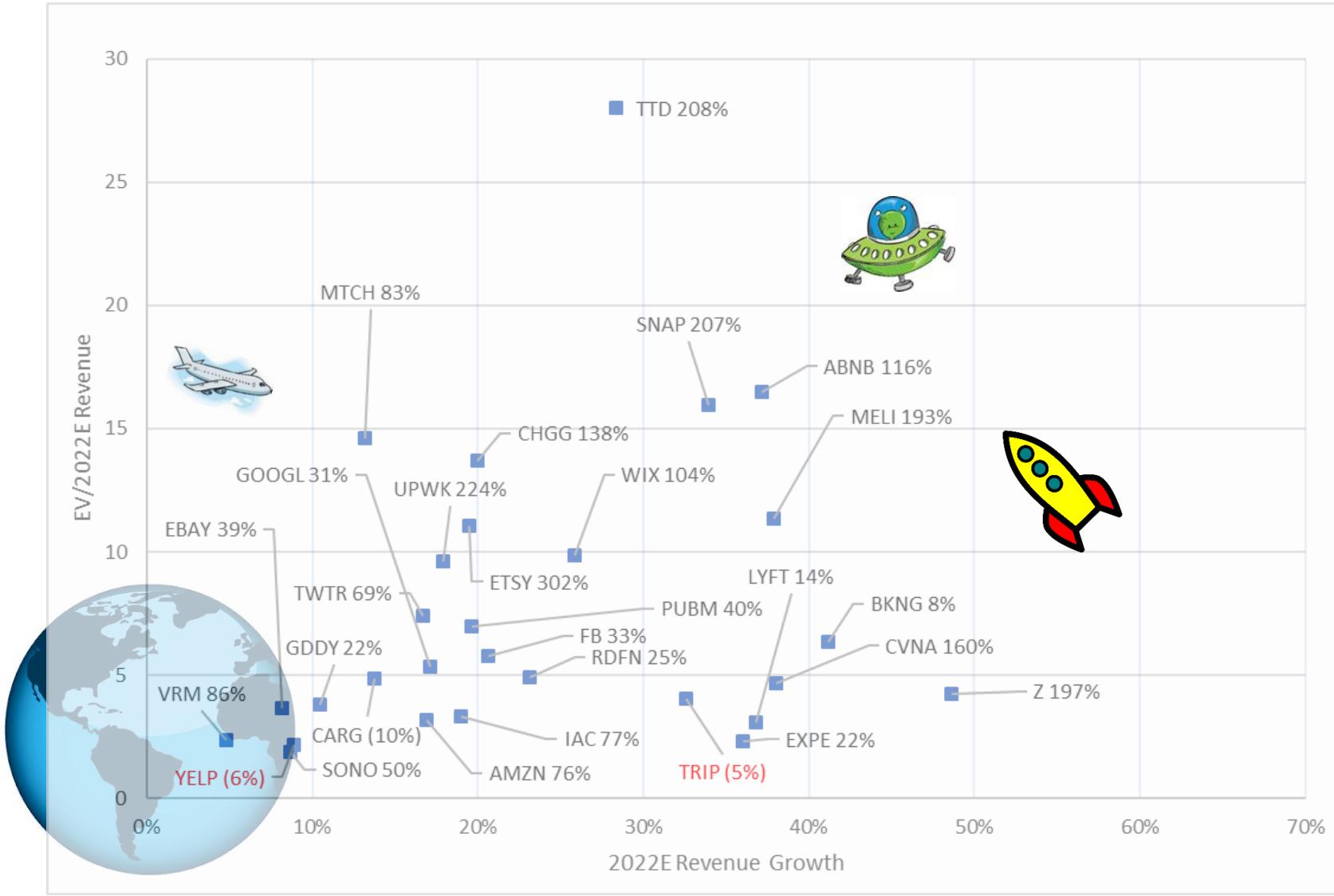
Average sector return YTD 3% * covered by John Colantuoni

FAANG YTD -2% *** using Jefferies estimates

NASDAQ YTD 2%

** 2020 EBAY growth adjusted for StubHub and Classifieds divestitures

EV/2022E Revenue Multiples vs 2022E Revenue Growth with Stock Performance in 2020



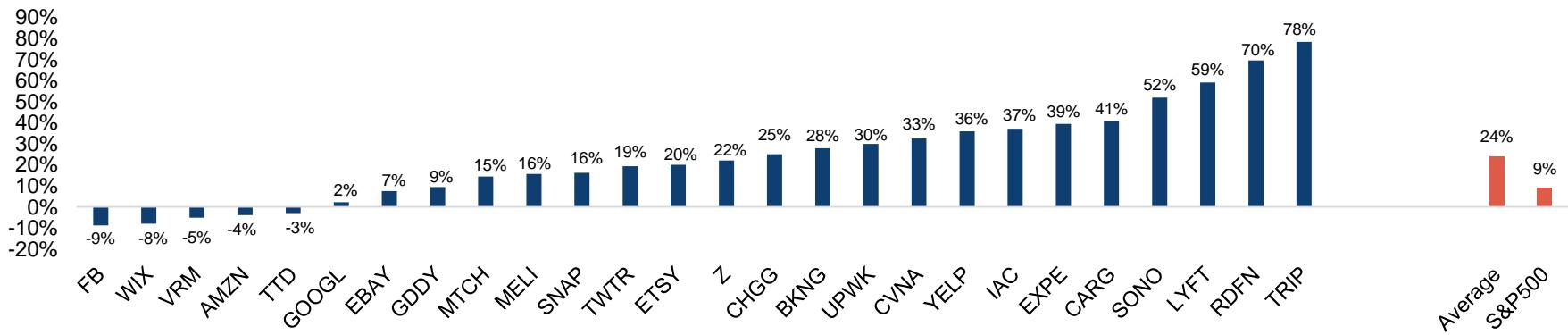
Sources: Jefferies, FactSet Note: priced as of end-of-day on 12-31-20.
Performance from 1/1/2020 to 12/31/20

Internet Coverage Universe Stock Reactions to Pfizer's Vaccine Announcement

Best Positioned to Recover

- Travel:** We believe travel names (ABNB, BKNG & EXPE) are among the biggest beneficiaries from a COVID vaccine. With cons '21/'22 Rev expectations for BKNG & EXPE now an avg 43%/27% below their Jan'20 levels there is likely substantial upside to Street ests. We would note that consensus assumes it takes until late 2023 for OTA's Revs to recover to '19 levels, which we now view as amply conservative. We would prefer BKNG over EXPE for the next 12 months given 25-30 pts higher Op Mgn (~32% vs.~5% in '21) and more diversified Rev stream (85-90% int'l vs. 40-45% for EXPE).
- Ridesharing:** Ridesharing (LYFT) is likely next in line to benefit from a vaccine. We forecast revenues to return to pre-pandemic levels by Q4'21 (\$1.02Bn, or flat vs. Q4'19) and model full year growth of 40% in '21 and '22. Raise PT from \$45 to \$70, based on EV/S 5.0x, which is above historical average ~3x but still below pre-COVID peak levels of 6-7x.
- Online Dating:** One of the best-positioned reopening plays given pent-up demand to date & MTCH's industry-leading position. Our recent consumer survey shows 37% of paying users expect their spend on dating apps to increase in the coming months (vs 11% who expect spend to decrease).

Stock Performance Since Vaccine Announcement (11/9/20)



Note: PUBM and ABNB not included (IPO post 11/9)

What We Learned in '20 And What Could Surprise Us in '21?

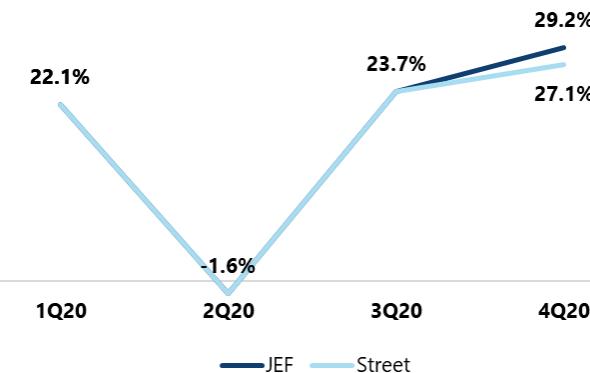
Lessons from '20:

- Digital ad dollars are more resilient than we initially anticipated.** Most notably, platforms with majority direct response revenue (e.g., FB, SNAP) had the most limited impacts from COVID-19 as well as the quickest recovery. We highlight that FB and SNAP beat Q3 rev expectations by 8% and 22%, respectively.
- Don't underestimate the power of "Home Nesting".** AMZN reported its fastest revenue growth rate in 10 quarters in Q2'20 (+40% y/y) as physical retailers closed. ETSY grew 137% y/y in Q2'20 vs. its previous fastest growth of 59% y/y despite having a revenue base 9x as large!

Potential Surprises for '21:

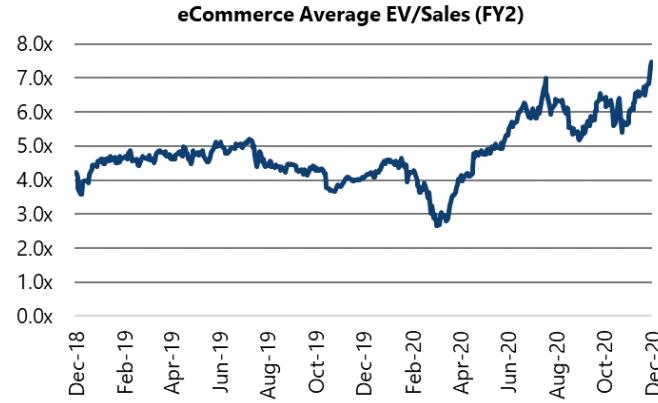
- Saying goodbye to the love lockdown. MTCH is a big reopening beneficiary.** MTCH was up 83% in 2020, but we would not rule out further stock outperformance driven by resurging demand for dating. The street's expectation for 19% rev growth could even be conservative given the vaccine tailwind.
- Pent-up demand for travel could be a tailwind for the OTAs and ABNB.** Most investors expect a return to '19 level gross bookings by '23, which could be too far out given people's desire to travel post-pandemic.

Digital Ad Rev Growth Accelerated >25% Points in Q3 Average Digital Advertising Y/Y Revenue Growth



Note: Average includes GOOG, FB, SNAP, TWTR, TTD

eCommerce Valuations Have Soared Above Historical Levels



Note: Average includes AMZN, MELI, EBAY, W, ETSY, CHWY

Top Predictions in Internet for 2021

1. Regulatory pressure builds but no breakups, leading to ongoing valuation upside. FB, GOOGL and AMZN continue to move higher
2. 2021 top reopening beneficiaries: MTCH (love is in the air), Travel (ABNB in a neighborhood of their own), Rideshare recovers in 2H (LYFT)
3. FB is our top large cap pick in 2021, replacing AMZN from 2020. Ad rebound, small business rebound and ongoing push with Shops and e-currency powers accelerating revenue growth (est. 19% in 2020 to 25% in 2021)
4. Clicks keep exceeding bricks: Remain positive on Buy-rated AMZN and MELI, driven by continued e-commerce momentum in the first half and exposure to other verticals (e.g. AWS, Advertising, Fintech)
5. Alternative accommodations to lead recovery in travel, driven by a spike in new use cases due to COVID-19; ABNB outperforms BKNG and EXPE
6. GOOGL: Embrace the Oddness. Odd years are kinder to GOOGL's stock performance. After underperforming other large cap internet in 2020, GOOGL should benefit from ad spend recovery, pent-up demand for Google Cloud, and call option on Waymo
7. IAC is a range-bound stock in 1H21 given the Vimeo catalyst has been announced. We predict a >\$1B acquisition 2H21, leading to the next leg of outperformance
8. Win with Wix. WIX is a top mid-cap idea as the constant stream of product innovation fills growing demand for richer websites and drives higher ARPU
9. SNAP begins monetizing the Map potentially adding \$1.5B+ in annual ad revenue within the next 3 years (~25% upside to current estimates)
10. A shiny new model that's speeding past competition: CVNA outperforms as the used car market continues moving online, assisted by reduced purchase friction and more available inventory
11. Late to the open house but coming ready to bid: Z outperforms as strong housing demand drives revenue growth/margins higher at the legacy IMT business, while Zillow Offers creates an attractive risk-reward by allowing Z to tap into \$2T in residential housing transactions

How to Play Internet Subsectors

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	Social	Commerce	Online Video	Travel
Buy	FB, SNAP	AMZN, CVNA, ETSY, MELI	GOOGL, FB, AMZN	ABNB
Hold	TWTR	CARG, EBAY, VRM	TWTR	BKNG, EXPE
Underweight				TRIP
	Small Business	Ad Tech	Online Real Estate	Other
Buy	GDDY, WIX	PUBM	Z	IAC, MTCH, LYFT, CHGG
Hold	YELP	TTD	RDFN	SONO, UPWK
Underweight				

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Top Picks and Predictions for 2021

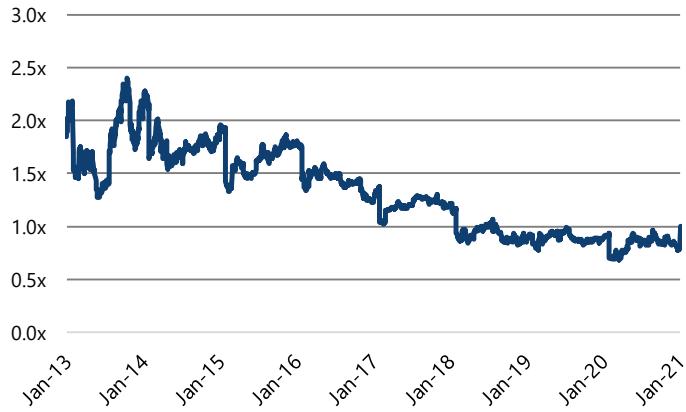
Regulatory pressure builds but no breakups, leading to ongoing valuation upside. FB, GOOGL and AMZN continue to move higher

- **Mega-cap tech is under increasing regulatory pressure with new lawsuits accusing FB and GOOGL of anti-competitive practices**
 - GOOGL is facing an anti-trust lawsuit drafted by a group of state AGs led by Texas alleging that GOOGL unlawfully acquired a monopoly in the ad tech market
 - Another lawsuit against GOOGL led by a coalition of 38 states alleges that GOOGL has unlawfully maintained a monopoly in Search
 - Meanwhile, FB is being sued by the FTC for illegal monopolization in social networking
- **Based on our checks with regulatory experts, lawsuits often take years to resolve and have rarely resulted in breakups**
 - In fact, we note that a US merger has not been reversed after consummation in over 30 years
 - We believe mega-cap tech stocks can continue to work despite the regulatory environment. Remember, MSFT stock returned ~900% during its ongoing DOJ investigation (Aug. '93 – Jun. '04)
- **We believe valuation multiples for mega-cap tech already reflect regulatory pressure**
 - For example, GOOGL's multiple at ~12x FY2 EBITDA vs. 19x for the NASDAQ has come down significantly over the last 10 years despite consistent 15%+ top-line growth
 - FB now trades in-line with the NASDAQ, compared to a ~50% premium just 5 years ago
- **We expect upside to mega-cap tech stocks to come from higher numbers rather than multiple expansion**
 - Expect continuing pressure on multiple but upside to numbers, particularly in ad driven names FB and GOOGL where growth has been stunted by the Pandemic

GOOGL EV/EBITDA (FY2) vs. NASDAQ COMP



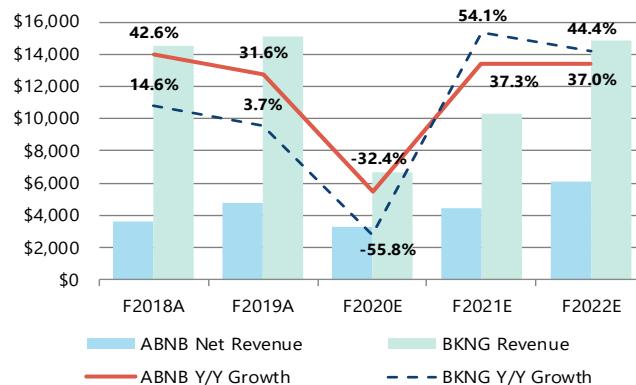
FB EV/EBITDA (FY2) vs. NASDAQ COMP



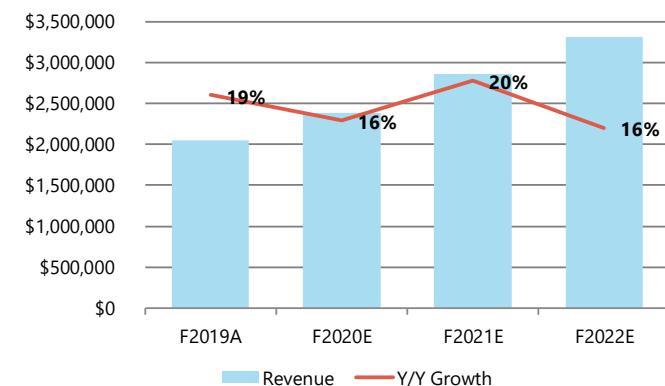
2021 top reopening beneficiaries: MTCH (love is in the air), Travel (ABNB in a neighborhood of their own), Rideshare recovers in 2H (LYFT)

- Reopening and new product catalysts should support a reacceleration in MTCH revenue growth**
 - New product catalysts include; Tinder Platinum (global launch in Q4'20), live video, "Swipe Night", and other potential a la carte features
 - Emerging brands like Hinge, Pairs, Chispa, etc. appear to be breaking out and could drive upside in FY21
- ABNB and BKNG are best positioned to capitalize on pent-up travel demand**
 - We expect ABNB revenue to return to pre-pandemic levels by 2H21 showcasing the resilience of the home-sharing market
 - We believe BKNG will outperform EXPE given its global business, limited air exposure, better operating margins, and stronger free cash flow
- We believe LYFT stock will outperform as ridesharing recovers by 2H21**
 - We model 1H21 revenue down 16% from pre-pandemic 1H19 levels, but expect a return to pre-pandemic levels by Q4'21 (flat vs. Q4'19)
 - Stock underperformance vs. UBER (+14% vs. +71% in '20) likely to correct as fundamentals inflect

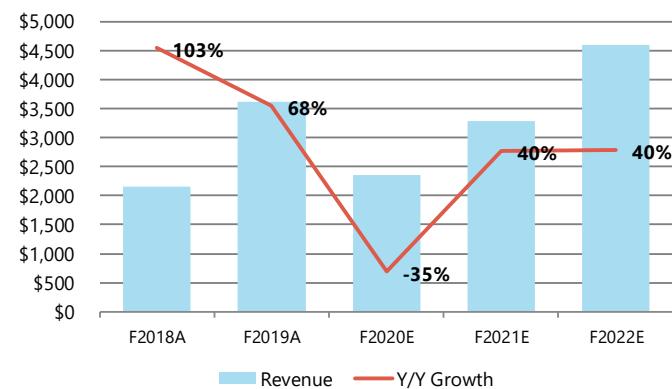
ABNB and BKNG Revenue (in \$MM) and Y/Y Growth



MTCH Revenue (in \$K) and Y/Y Growth

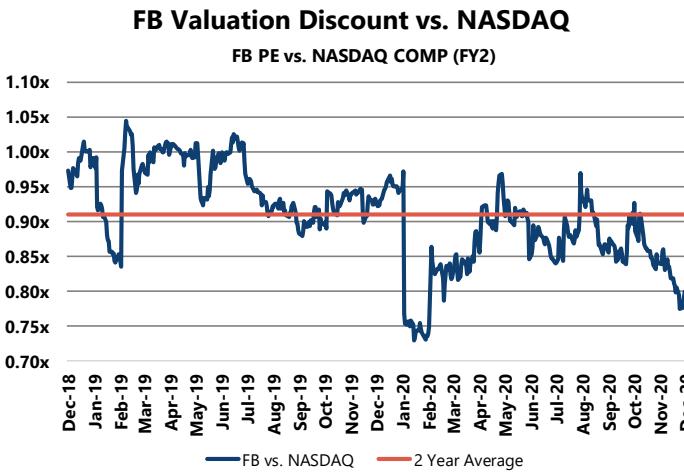


LYFT Revenue (in \$MM) and Y/Y Growth

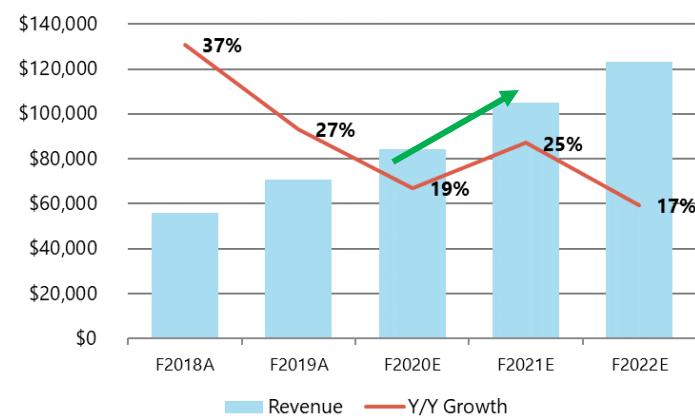


FB is our top large cap pick in 2021 with accelerating revenue growth being driven by a small business ad rebound. Shops could be a big upside driver

- We see several catalysts to drive FB growth and stock outperformance in 2021 including:**
 - 1. The return of ad dollars from COVID exposed verticals like travel and retail
 - 2. New ad units on Instagram TV and potentially Instagram Reels
 - 3. Improving adoption of Facebook Shops and Instagram Checkout
 - 4. Potential for stabilizing operating margins after 3 years of compression
- Small business advertising opportunity remains underpenetrated**
 - There are currently 10M paying advertisers on FB (vs. 8M) in Q1'20, which implies just 1.25% penetration against the 800M+ global small businesses
 - We believe the launch of Facebook Shops in 2H20 will be a catalyst for converting non-paying small businesses into paying advertisers
- Valuation remains compelling relative to NASDAQ**
 - At ~20x FY2 P/E, FB trades at a discount to the NASDAQ despite better forward growth



FB Revenue (in \$MM) and Y/Y Growth

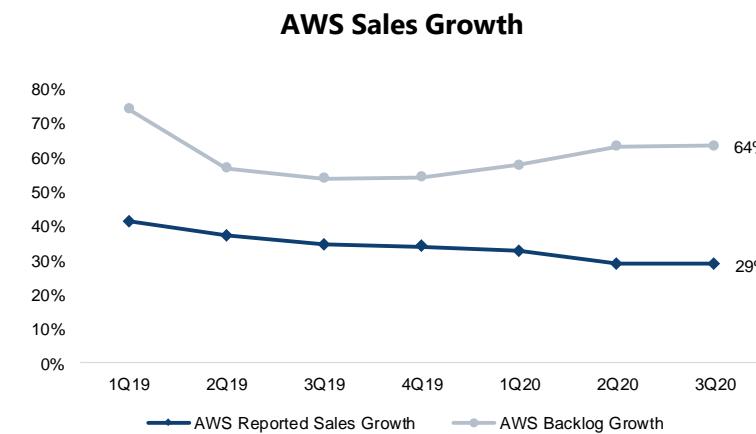


FB Small Business TAM Penetration

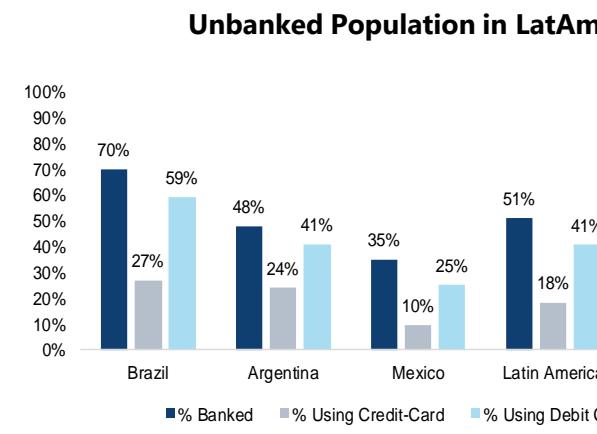
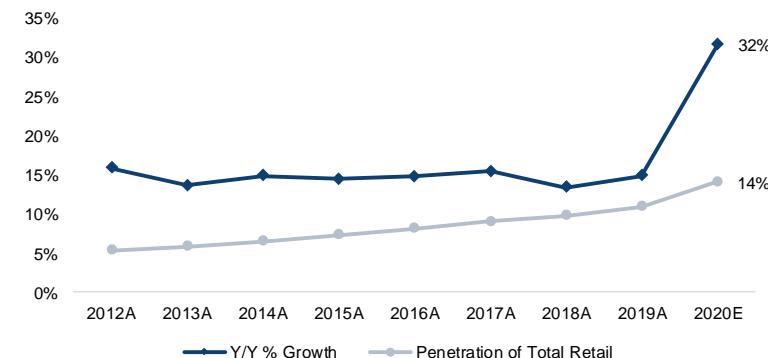


Clicks keep exceeding bricks: remain positive on Buy-rated AMZN and MELI, driven by continued e-commerce momentum in the first half and exposure to other verticals

- E-commerce likely to continue growing at an impressive clip**
 - We expect consumers avoid crowded areas until receiving a vaccine, which will not occur until mid-2021 for many
 - Despite over 30% e-commerce sales growth in 2020, we see a long runway for growth given just 14% penetration of total retail
- For AMZN, momentum in AWS and Advertising will help offset a potential slowdown in retail**
 - AWS backlog growth is more than double reported growth, a leading indicator for strong forward growth
 - We see increased share in CPG categories (like groceries) supporting strong growth in advertising given a \$1T adv TAM
- For MELI, fintech adoption remains a long-term secular tailwind**
 - We see a long runway for MELI fintech, which is digitizing payments for the 50% of LatAm adults without bank accounts
 - We see faster growth in high margin value-added services like credit increasing stickiness and driving gross profit/margin upside
 - We also see levers for MELI to pull outside of Fintech, such as advertising and cross selling using the loyalty program



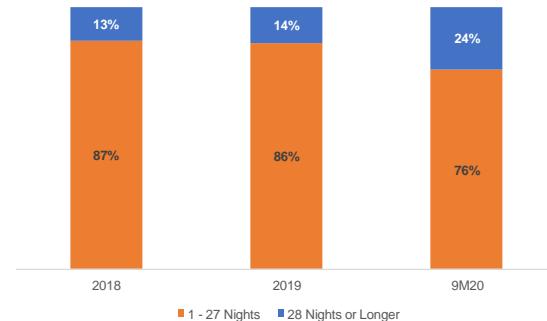
E-Commerce Sales Growth (U.S. Only)



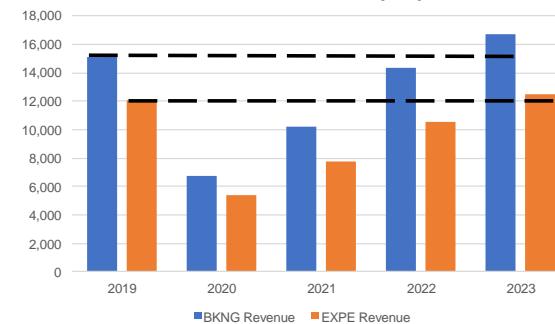
Alternative accommodations to lead recovery in travel, driven by a spike in new use cases due to COVID-19; ABNB outperforms BKNG and EXPE

- Travel has been among the worst impacted sectors from the pandemic but, on the flip side, COVID-19 drove many new travelers to alternative accommodations and unlocked new use cases not in consideration before the pandemic
 - In the first 9 months of 2020, Airbnb saw 14M new active bookers on its platform while long-term stays jumped to 24% of total, from 14% in 2019
 - With work-from-home likely to become a staple of our professional lives, its work-from-anywhere derivative unlocks new use cases for people to combine recreation and remote work into longer-term stays at vacation destinations
- Travel recovery will remain uneven across travel verticals and geographic regions, but alternative accommodations shape up as a net beneficiary of the pandemic
 - Vacation rentals are expected to recover much faster than hotels and resorts in 2021, according to an Oct'20 Expedia Group Media Solutions study on traveler sentiment and influences into 2021
- With vaccinations underway across the world, there may be substantial upside to Street estimates. Consensus '21/'22 revenue expectations for BKNG and EXPE are now an average 43%/27% below their early-2020 levels
 - Consensus assumes it takes until late 2023 for OTAs revenue to recover to '19 levels, which we now view as amply conservative
- We prefer BKNG over EXPE as a recovery play in a year of growth acceleration and easy comps
 - With ~6.7M alternative listings (vs. ~2.1M for EXPE), BKNG has a much stronger position in alternative accommodations, which we expect will drive the recovery in 2021
 - BKNG boasts operating margin 25-30 pts higher than EXPE (~32% vs. ~5% in 2021) and more diversified revenue stream (85-90% international vs. 40-45% for EXPE), less dependent on air (lodging contributes 85%+ of BKNG Rev vs. 70%+ for EXPE)
 - Valuation looks expensive on depressed cons FY22 ests, but on normalized FY23 EBITDA a mid-teens multiple gets us to \$2500 (our upside PT) for BKNG

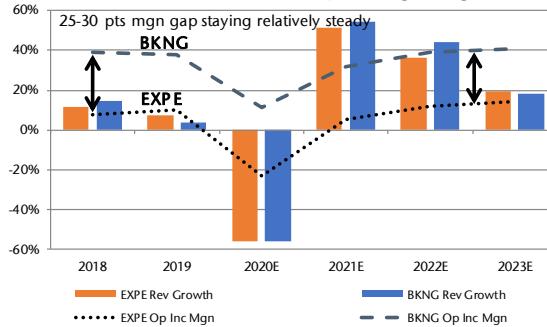
Share of Long-Term (28 Days+) Rentals on Airbnb



Consensus Revenue (\$M)



Revenue Growth and Operating Margin



Source: Company data, FactSet, TSA, Jefferies

GOOGL: Embrace the Oddness. Stock Does Better in Odd Years + Tailwind from Ad Spend Recovery

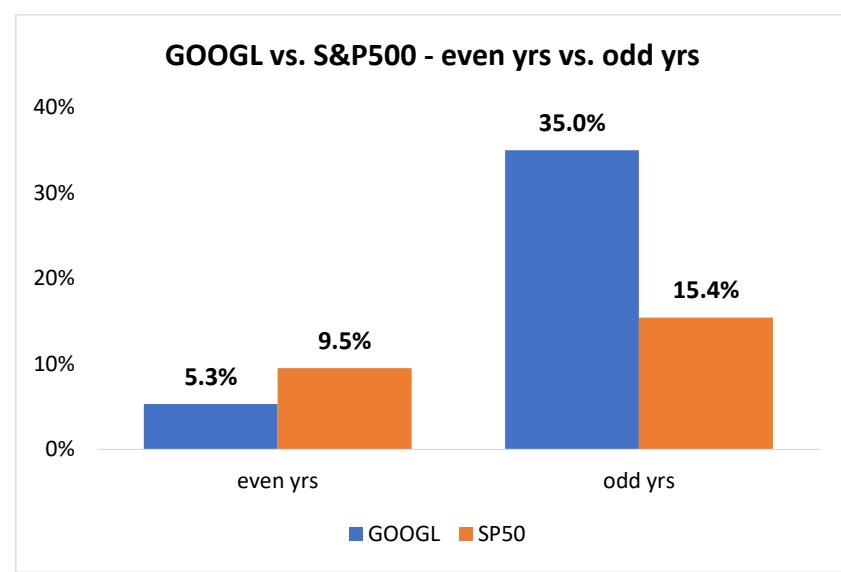
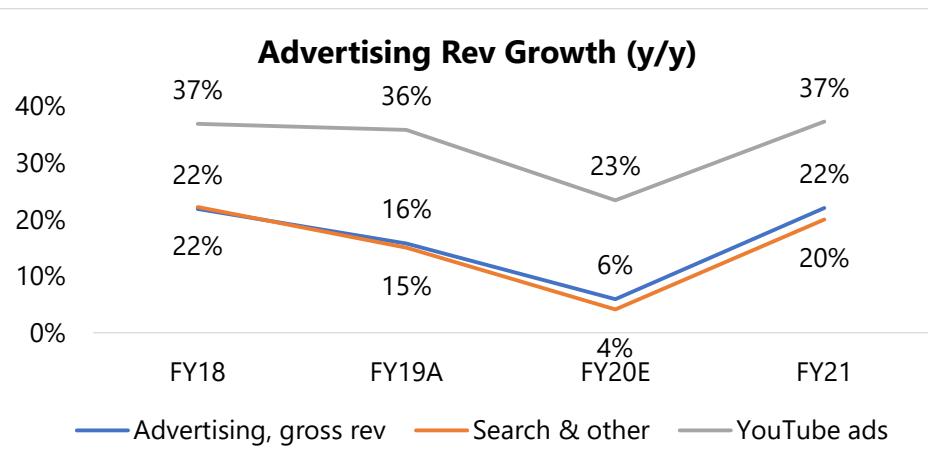
Odd years beat even years for Alphabet

- Since 2010, GOOGL stock gained on average 35% in odd years – significantly better than the 5% average in even years, and beating the S&P500 by ~20%. Will this pattern repeat in 2021?

After underperforming other large cap internet in 2020, GOOGL should benefit in 2021 from:

- ad spend recovery:** COVID hit 2Q20 especially hard with gross ad rev growth turning negative (-8%). Full year '20 is only expected to grow 6%, but we forecast a rebound to 22% in '21
- pent-up demand for Google Cloud:** industry checks indicate Cloud demand will shift from WFH and quick online enablement to broader strategic digital transformation projects
- call option on Waymo:** autonomous vehicle progress is picking up momentum across the industry. Waymo opened fully driverless AV service to the public in Phoenix, and California is granting permits for driverless testing.

Valuation remains attractive at ~13x CY22 EV/EBITDA



	GOOGL	SP50	+/-
2010	-4.2%	12.8%	-17.0%
2011	8.7%	0.0%	8.7%
2012	9.5%	13.4%	-3.9%
2013	58.4%	29.6%	28.8%
2014	-5.4%	11.4%	-16.8%
2015	46.6%	-0.7%	47.3%
2016	1.9%	9.5%	-7.7%
2017	32.9%	19.4%	13.5%
2018	-0.8%	-6.2%	5.4%
2019	28.2%	28.9%	-0.7%
2020	30.9%	16.3%	14.6%
avg	18.8%	12.2%	6.6%
even yrs	5.3%	9.5%	-4.2%
odd yrs	35.0%	15.4%	19.5%

IAC is a range-bound stock in 1H21 given the Vimeo catalyst has been announced. We predict a >\$1B acquisition in 2H21, leading to the next leg of outperformance.

While we remain big fans of IAC given the sizable cash position and rich track record of outperformance, we expect a range-bound stock in the first half of 2021.

- We note that historically IAC has underperformed the market from the period of spin announcement to spin completion.
- The IAC portfolio becomes considerably less exciting once Vimeo is spun out. Dotdash is an interesting asset with real growth (20+%) and margins (25+%), but the category of a Digital Publisher is unlikely to receive the same positive market sentiment as a SaaS / creative platform like Vimeo.
- Other high-potential assets (Bluecrew, Care) are more nascent and likely far removed from receiving real value within the IAC stub.
- Focus will shift to ANGI, which has experienced mixed execution and increased management turnover. We expect modest double-digit growth with no margin expansion, which will likely not warrant near-term multiple expansion.

Bulls will point to IAC's ~\$3B cash optionality, and we expect the company to execute a sizable acquisition to fill the void of recently spun assets (Match, soon to be Vimeo).

- IAC has a history of tremendous success generating value through strategic M&A.
- We believe the focus will be on new verticals, with a continued preference towards offline to online marketplace businesses.
- Potential to unlock value via Turo is another call-option in 2021 (WSJ reports suggest Turo is eying a 2021 listing).
- Bottom line, patience is likely required in 2021 but we recommend sticking with the management team and IAC's disciplined approach to capital allocation. PT to \$225.

Year	Target	Deal Value	Deal Structure	Latest Asset Value	Stock Performance that Year
1997	Ticketmaster (Majority Stake)	-\$209MM	HSN Stock	\$10.6B	117%
1998	USA Network & SCI FI	NA	Cash & Stock	NA	29%
1999	Match.com	-\$43MM	TMCS Stock	\$39.5B	67%
1999	Hotels.com (Majority Stake)	NA	Cash	NA	
2002	Expedia (Majority Stake)	-\$1.5B	USAI Stock	\$18.2B	-16%
2002	Interval International	-\$541MM	Cash & Stock	\$4.7B	
2003	Ticketmaster (Remaining Stake)	NA	USAI Stock	\$10.6B*	
2003	Hotels.com (Remaining Stake)	-\$1.1B	USAI Stock	NA	
2003	Lending Tree	-\$700MM	IAC Stock	3.6B	48%
2003	Expedia (Remaining Stake)	-\$3.6B	IAC Stock	\$18.2B	
2003	Hotwire	-\$685MM	Cash	NA	
2004	TripAdvisor	NA	NA	\$3.7B	-19%
2004	ServiceMagic (later named HomeAdvisor)	NA	Cash	\$6.8B	
2005	Ask Jeeves	-\$1.9B	IAC Stock	NA	-8%
2006	Connected Ventures (includes Vimeo)	-700K	Cash	NA	31%
2009	People Media	-\$80MM	Cash	NA	30%
2011	OkCupid	-\$50MM	Cash plus contingent	NA	
2011	Meetic	NA	NA	NA	49%
2012	The About Group	-\$300MM	Cash	NA	13%
2015	Eureka (Japanese Dating Apps)	NA	NA	NA	1%
2015	PlentyOfFish	-\$575MM	Cash	NA	
2017	Angie's List	-\$540MM	Cash & Stock	\$6.8B	89%
2017	Live Stream	NA	NA	NA	
2018	Hinge (Majority Stake)	NA	NA	NA	49%
2018	Handy	-\$140MM	ANGI Stock	NA	
2019	Magisto	NA	NA	NA	
2019	Turo (Minority Stake)	-\$250MM	Cash	NA	36%
2020*	Care.com	-\$500MM	Cash	NA	
2020*	MGM Investment (12% minority stake)	-\$1B	Cash	\$26B	77%

Source: Company Reports, Company Filings, Jefferies Estimates. *Return for "New IAC"

Win with WIX. Rich Product Innovation Meeting Demand for Engaging Websites and Driving Higher ARPU.

- A top mid-cap idea**

- We expect 2021 to be another winning year for WIX stock.
- Wix is exiting 2020 with accelerating momentum as the pandemic increased demand for advanced websites that can handle commerce transactions for physical goods or service items.
- Collections (~billings) growth has risen from mid/high 20s % in '19 to mid-30s % since the start of the pandemic. Mgmt has already guided preliminary '21 growth at 28-30%, which is likely conservative.

- Rich product innovation**

- 2021 growth should benefit from a rich portfolio of existing & still ramping products (Ascend marketing suite, Payments, advanced SKUs for stores & verticals, Answers), newer/recent products (Velo/Corvid/Code, Editor X), and upcoming products (POS, add'l commerce enhancements).

- Expanding with pro users: 10x TAM of DIY**

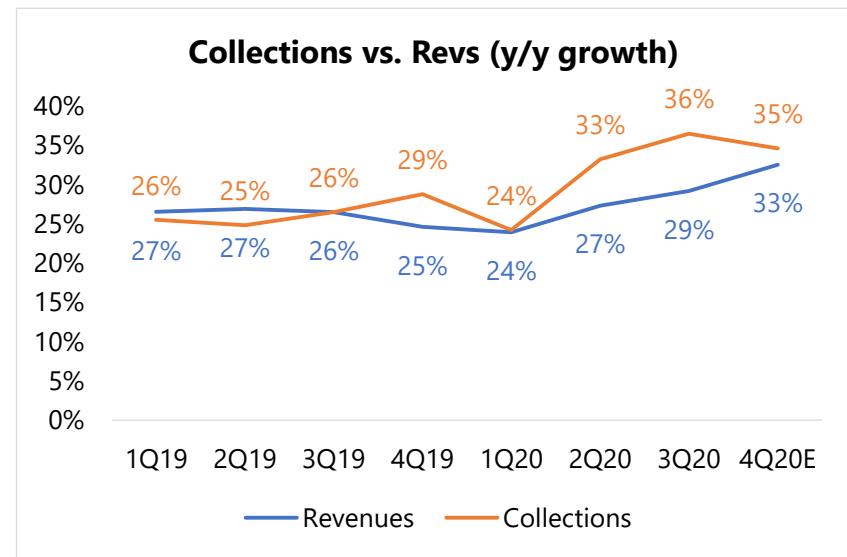
- Wix continues to target professional designers and web developers with Velo (formerly Corvid/Code) and Editor X
- The TAM for pros building sites for others is ~10x the size of the DIY segment (80% of web sites are built by pros)

- Significant ARPU lift potential**

- The average annual subscription price for Wix's DIY Website products is \$331, which is 85% higher than the last disclosed ARPU (4Q19) of \$179
- The Ascend marketing suite doubles the potential based on average annual subs of \$332
- Pro users are even more valuable at an avg subs price of \$846/year

Website Builders	Wix pricing (per month)	range			avg
Website tier	\$ 14	\$ 39	\$ 24		
Business & eCommerce tier	\$ 23	\$ 49	\$ 33		
average across all Website Builder tiers			\$ 28		
Ascend (marketing suite)	\$ 10	\$ 49	\$ 28		
Editor X					
Website tier	\$ 22	\$ 49	\$ 35		
Business & eCommerce tier	\$ 29	\$ 219	\$ 106		
average across all Editor X tiers			\$ 71		

Source: Jefferies, Company data.



SNAP begins monetizing the Map potentially adding to \$1.5B+ in annual ad revenue within the next 3 years (~25% upside to current estimates)

With 200M+ monthly users and limited monetization, we believe the Map is SNAP's most undervalued asset

- Our bottoms-up analysis, based on engagement (e.g., daily usage, # of sessions per DAU per day), ad load, and ad pricing) indicates that the Map could contribute \$1.5B+ in ad revenue by FY23 (~25% upside to our current FY23 est.)
- We assume that SNAP monetizes its Map using a cost per impression-based pricing model but note that they could also introduce a cost per click model like Google Maps and YELP.

The Map is becoming more commercial, a sign that increased monetization is coming soon

- SNAP introduced the Map in Jun '17 with the ability to see where your friends are, but in Jul '20 they built "**Local Places**" allowing businesses to upload their store hours, contact details, and delivery offerings
- The market for digital local advertising is massive (~\$71B in US) and SNAP is under-indexed

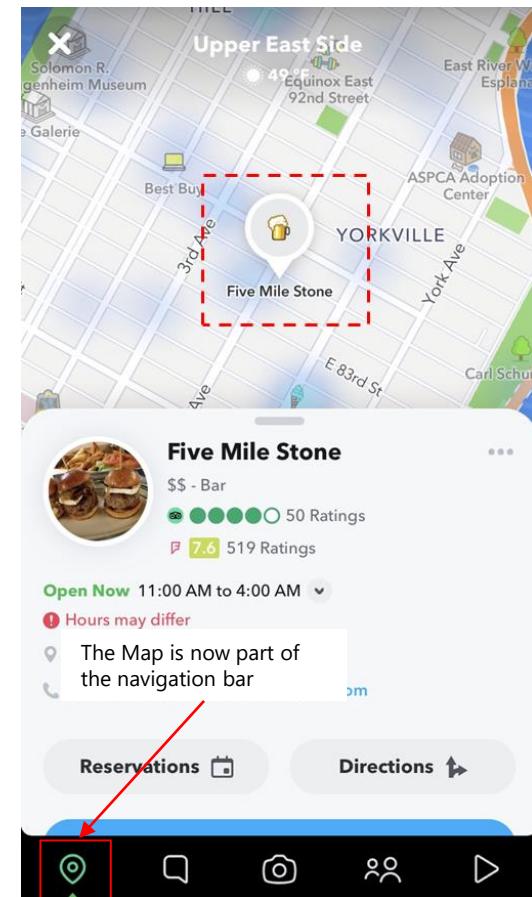
SNAP has made the Map more accessible by adding it into the Navigation bar

- Prior to 2020 it was difficult for users to find the Map, but in 2020 SNAP added the Map into its core navigation bar when users open the app

Bottom-Up Snap Map Revenue Model

	2021E	2022E	2023E	2024E	2025E
Monthly Map Users	235	262	284	303	321
x Daily/Monthly User Ratio	43%	45%	47%	48%	49%
(=) Daily Map Users	100	118	134	145	157
x Avg. # of Map Sessions per DAU per Day	2.0	2.5	3.0	3.2	3.3
x Avg. Ads per DAU per Session	1.0	2.0	3.0	3.5	4.0
(=) Avg. Ads per DAU per Day	2.0	5.0	9.0	11.0	13.2
x Number of Days per Year	365	365	365	365	365
(=) Total Ads (MM)	72,822	215,495	438,621	584,646	758,876
x eCPM	\$2.5	\$3.0	\$3.5	\$4.0	\$4.5
(=) Snap Map Revenue (MM)	\$182	\$646	\$1,535	\$2,339	\$3,415

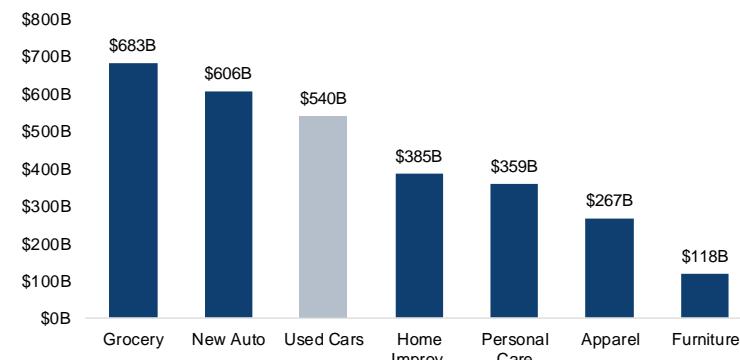
Monetization of "Local Places" Could Happen Through A Sponsored Listings Model Similar To Yelp and Google Maps



A shiny new model that's speeding past competition: CVNA outperforms as the used car market continues moving online, assisted by reduced purchase friction and more available inventory

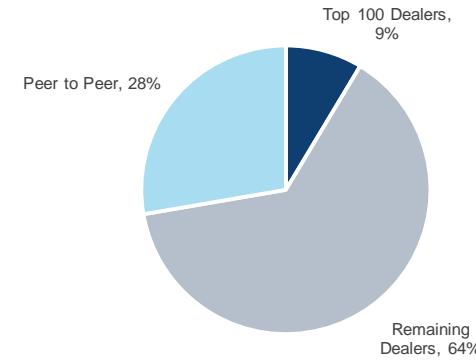
- **Massive addressable market ripe for disruption**
 - We anticipate e-commerce penetration in used cars will expand meaningfully from under 1% today, supported by low consumer satisfaction at traditional dealers and demographic tailwinds from younger generations' greater willingness to buy online
 - In addition, a fragmented industry (top 100 dealers are just 9% of market) structure with limited tech expertise curbs incumbent players' ability to create a viable alternative offering
 - We also think the pandemic has made consumers more willing to try e-commerce, a tailwind already accruing to CVNA as it benefits from record inventory efficiency
- **A superior business model that improves with scale**
 - CVNA currently offerings ~30K vehicles on its site/app, whereas traditional dealers typically offer under 200 vehicles
 - Having more inventory is a key driver of conversion and competitive advance, since consumers are often searching for specific models
 - CVNA's site/app and self-service tools reduce costs by avoiding the need for salespeople and prime real estate, providing flexibility to offer lower prices while still achieving attractive economics
 - The cost structure also improves with scale, as more inventory increases conversion and reduces delivery costs/speed, while customer acquisition costs moderate as awareness grows
- **Market share analysis implies CVNA's stock price could double**
 - We estimate ~60% revenue CAGR and ~25% upside to 2022 consensus if CVNA's historical market share progression continues in the future
 - We use this market share analysis in our Bull case, which implies CVNA's stock price doubles to \$450/share despite us assuming there is no change in the multiple
 - For perspective, ~60% CAGR would still represent a substantial moderation in growth from 128%/102% in 2018/19
 - As such, we believe CVNA is better positioned to achieve our Bull case estimate than our other SMID-cap internet coverage

Used cars vs other large end-markets (U.S.)



Source: Company reports, U.S. Census Bureau, Jefferies estimates

Market Share of Used Cars

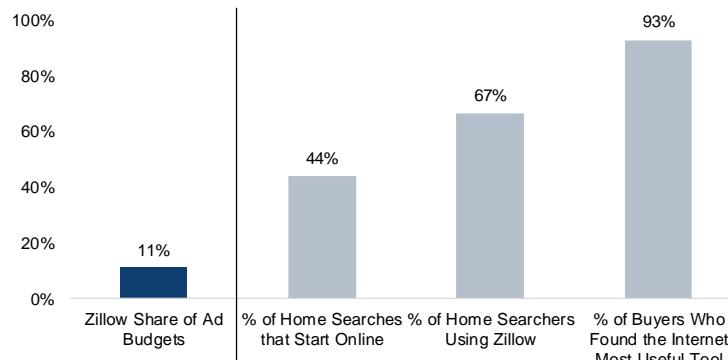


Source: Company reports, Jefferies estimates

Late to the open house but coming ready to bid: Z outperforms as strong housing demand drives revenue growth/margins higher at legacy IMT, while Zillow Offers (i.e., iBuying) creates an attractive risk-reward

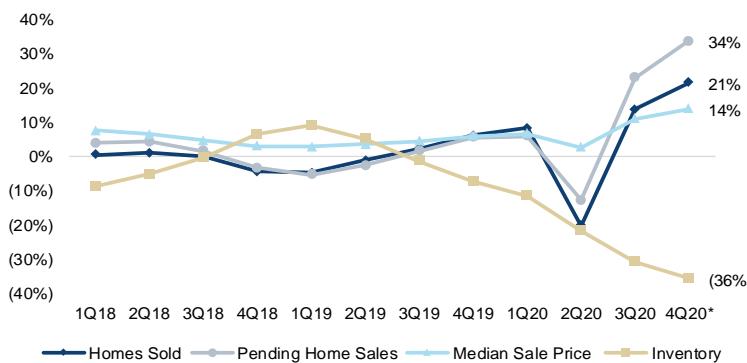
- Housing market set for another strong year in 2021**
 - Macro tailwinds like peak housing formation, low interest rates, and increased work from home are driving strong demand
 - Z projects U.S. transactions will grow ~22% in 2021 for a total of 6.9M homes sold – the highest annual growth since 1983
 - We expect IMT revenue growth/margins to increase as a result
- Massive \$2T TAM creates an attractive risk reward**
 - Z's entrance into home buying and selling (i.e., Zillow Offers) in 2018 increased its TAM from \$20B in real estate advertising to \$2T in residential housing transactions
 - We estimate each 1% penetration of home transactions would add ~\$60 to Z's share price
 - High margin adjacent opportunities like mortgage origination are a key driver of margins and value creation
- Valuation justified on growth adjusted basis**
 - Z trades at ~50% premium to the 3-year average multiple
 - We think valuation is justified on a growth adjusted basis, with Z revenue set to accelerate beyond 2016-18 levels

Z's Share of Advertising vs. Helpfulness to Process



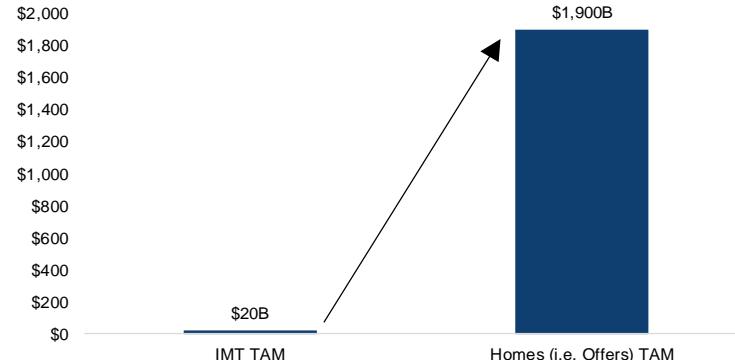
Source: FactSet

Key Real Estate Data (% y/y chg)



Source: Company reports, Jefferies estimates; 4Q20 calculated using Oct/Nov

Advertising Budgets vs. Home Transactions (U.S.)



Source: FactSet

Catalyst Calendar for 2021

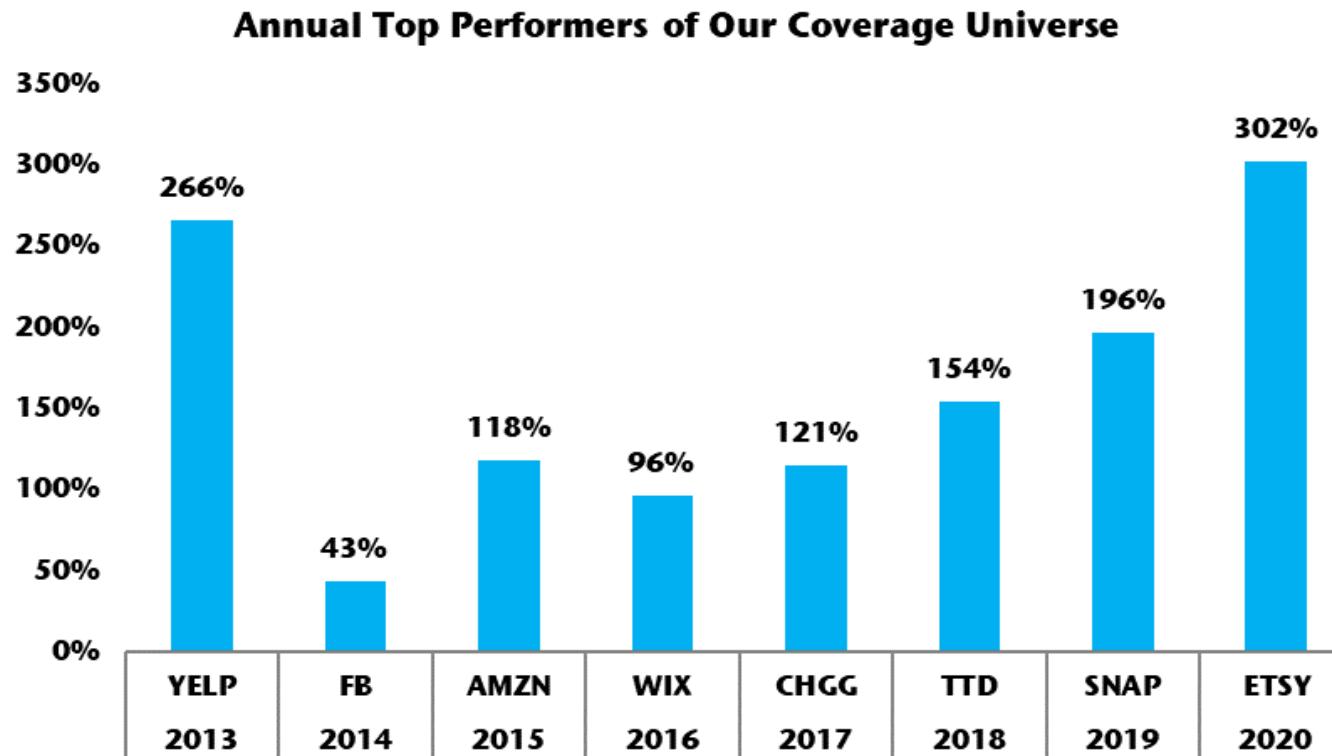
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Ticker	Date(s)	Catalyst
SONO/GOGL/AMZN	Jan 11-14	CES
AMZN/EBAY/ETSY	Jan 12-14, 19, 21-22	NRF Chapter 1
AMZN/EBAY/ETSY	Feb 3-4	North America Email eCommerce Summit
AMZN	Feb 11th	Amazon 201: Advertising Beyond Search
AMZN/EBAY/ETSY	Feb 23-25	eTail West
SNAP	Feb 23rd	SNAP Investor Day
TWTR	Feb 25th	TWTR Analyst Day
AMZN/EBAY/ETSY	Mar 2-5	DX3
AMZN	Mar 9-11	Groceryshop Spring Meetup
NA	Mar 16-20	SXSW
AMZN/CRM/ADBE/SHOP/WIX/GDDY	Mar 21-24	Shoptalk
AMZN/EBAY/ETSY	Mar 31st	North America Mobile & SMS eCommerce Summit
AMZN/EBAY/ETSY	April 13-14	North America Fashion & Apparel eCommerce Summit
AMZN/EBAY/ETSY	May 11-13	RetailIX
AMZN/EBAY/ETSY	May 12th	North America Health & Wellness eCommerce Summit
NA	June 1-3	Recode 2021
AMZN/EBAY/ETSY	June 6-8	NRF Chapter 2
AMZN	June 9-11	Amazon Strategies
FB/TWTR/SNAP/TTD	June 21-25	Cannes Lions
BKNG/EXPE/TRIP	June 28-30	Phocuswright Europe
GOOGL	June 28-30	Google Cloud Next '21
AMZN	July 13-15	Prosper Show
AMZN/EBAY/ETSY	Oct 19-21	Shoptalk Fall Meetup
BKNG/EXPE/TRIP	Nov 15-18	Phocuswright Conference
AMZN	TBD	Home Delivery World
AMZN	TBD	AWS Re:Invent
AMZN	TBD	Amazon Hardware Event
AMZN/EBAY/ETSY	TBD	eTail East
AMZN/EBAY/ETSY	TBD	Ecommerce Operations Summit
AMZN/EBAY/ETSY	TBD	Modern Retail Summit
AMZN/EBAY/ETSY	TBD	Future Stores
AMZN/EBAY/ETSY	TBD	Retail Summits - New England eCommerce
BKNG/EXPE/TRIP	TBD	Skift Tech Forum
BKNG/EXPE/TRIP	TBD	Skift Global Forum
GOOGL	TBD	Google Marketing Live
GOOGL	TBD	Google I/O
SNAP	TBD	Snap Inc's Partner Summit
FB	TBD	F8
FB/TWTR/SNAP/GOOGL/TTD/AMZN	TBD	Advertising Week
FB/TWTR/SNAP/GOOGL/TTD/AMZN	TBD	Programmatic I/O

A Look Back at 2020

The Top Performer in 2020 is ETSY, up 302%

- ETSY shares were up 302% as they benefited from home nesting trends and mask sales
- SNAP delivered again in 2020 up 207% after being up 196% in 2019



Source: Factset, Jefferies

2020 Predictions – Year End Scorecard

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2020 Predictions		Year End Scorecard
1	AMZN outperforms peers with FB and GOOGL well positioned for additional stock gains in 2020.	AMZN stock was up 76% in 2020 vs FB up 33% and GOOGL up 31%. Grade: A+
2	Social Commerce really takes off in 2020, providing meaningful revenue tailwind to FB and also benefiting ADBE and CRM. This tailwind could drive a bull case of \$12 EPS in FY21 for FB, which at a 20-25x multiple implies a \$240-300 stock.	FB made meaningful investments and product optimizations in social commerce including Instagram shopping and Facebook shops. We expect Facebook to continue to invest here. Grade: A
3	FB pushes more meaningfully into travel- a relatively small headwind to FB, but a potential major headwind to meta search travel players. Stay underweight TRIP.	FB did not make a meaningful push into travel in 2020. We believe this could still materialize, but given a lack of demand for travel has likely been deprioritized. Grade: C
4	Short-term cautious on GOOGL stock as it struggles in even years and 1H vs 2H, but still like story at attractive valuation.	GOOGL was the worst performer among Mega-cap tech in 2020, up 31%. Stock historically struggles in even years. Grade: A
5	Downgrading EBAY to Underperform as fundamentals continue to lag eCommerce peers.	EBAY underperformed their eCommerce peers, up 39% in 2020 vs AMZN up 76%, ETSY up 302% and MELI up 193% Grade: A
6	Amazon meaningfully ramps up its multi-pronged healthcare initiative across products, services, and software to address a \$3T end-market opportunity.	AMZN made multiple moves into healthcare in 2020, including (watch and pharmacy). Grade: A
7	SNAP stock has more room to run. Upgrade to Buy with a \$21 PT (23% upside).	SNAP had an exceptional year all around, driven by DAUs up 19% y/y to 243M. Grade A+
8	LYFT stock sees lift off in 2H20 as profitability nears in early 2021.	COVID-19 led to decreased demand for ridesharing, causing profitability goal to move to 2H21 Grade: B-
9	IAC goes deeper into home services through M&A, helping ANGI recover and outperform in 2020.	IAC did not move deeper into home services, however ANGI outperformed in 2020 (up 56%) vs NASDAQ up 44% Grade: B-
10	Stick with WIX over GDDY – WIX outperforms GDDY for 4 th time in 5 yrs. We like both but prefer WIX.	WIX continues to outperform GDDY with the stock up 104% in 2020 vs GDDY up 22%. Grade: A+
11	EXPE remains our top value idea and executive changes help revive expectations for revenue and margin growth.	EXPE saw headwinds through 2020 from COVID-19. We believe BKNG is better positioned than EXPE in the travel recovery. Grade: B-
12	CHGG will see an acceleration in top-line Services growth coupled with continued margin expansion in 2020, making it one of our top small cap picks.	CHGG saw top line revenue accelerate to 53% (pending Q4 results) vs 28% growth in 2019. Adjusted EBITDA margins expanded 190bps to 32.3% Grade: A+

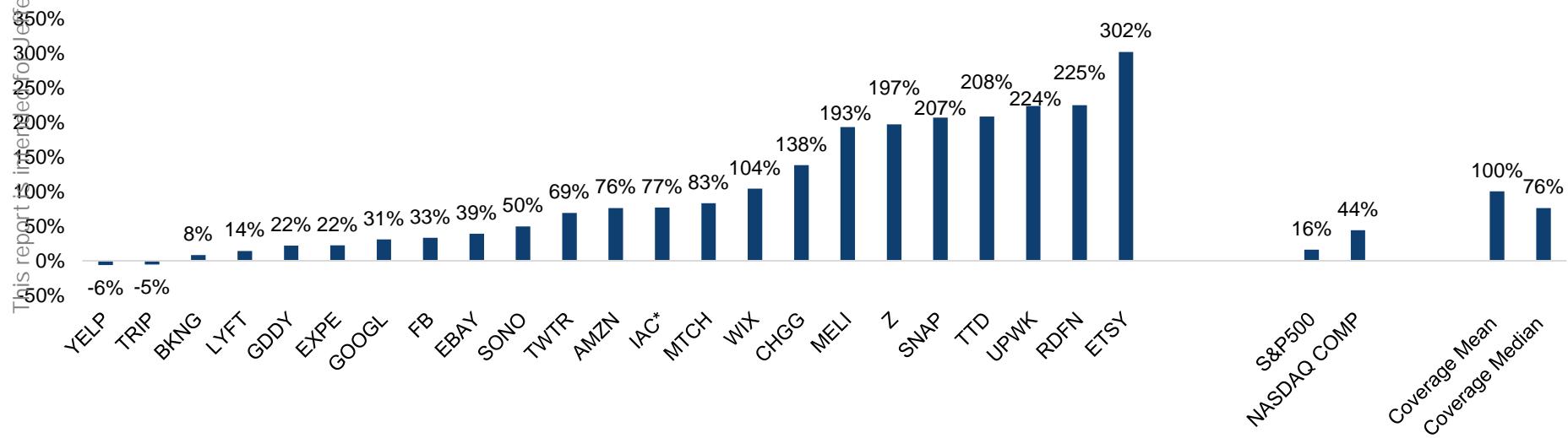
2020 – Standouts and Biggest Surprises

- **ETSY (+302%):** Etsy was a prime beneficiary of COVID-19 as mask sales and changes in consumer behavior brought new users to the site.
- **RDFN (+225%):** Redfin was a key beneficiary of a strong macro environment and increased adoption of digital tools across real estate.
- **UPWK (+224%):** Upwork was a COVID-19 beneficiary as remote work saw a boost from the pandemic, helping the company return to 20%+ growth earlier than expected.
- **TTD (+208%):** Revenue declined sharply in Q2, but fast-growing CTV and mobile channels quickly returned driving growth back into the mid-30s.
- **SNAP (+207%):** Continued improvements to the ad product and high engagement helped SNAP achieve its highest revenue growth rate in 10 quarters in Q3'20.

In 2020, our coverage universe outperformed the NASDAQ for the 4th time in 5 years

- Our coverage universe outperformed the NASDAQ driven by 9 companies in our coverage universe up 100%+ in 2020
 - Outperformance was driven by COVID-19 accelerating the transformation to online / digital
- Only 2 companies in our coverage universe were down in 2020 (TRIP -5% and YELP -6%)

Coverage Universe Performance in 2020



* = Post MTCH Spin

Coverage Universe Annual Performance Over The Years

- Our coverage universe had one of its best years ever, largely driven by COVID-19 accelerating the shift to online / digital
- Our worst performing names under coverage were those names tied to travel (BKNG, EXPE, TRIP and LYFT) as COVID-19 led to a pause in travel activity

Coverage Universe	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020		
GOOGL				115.2	11.0	50.2	(55.5)	101.5	(4.2)	8.7	9.5	58.4	(5.4)	46.6	1.9	32.9	(0.8)	28.2	30.9		
FB												105.3	42.8	34.1	9.9	53.4	(25.7)	56.6	33.1		
AMZN	74.6	178.6	(15.8)	6.5	(16.3)	134.8	(44.6)	162.3	33.8	(3.8)	44.9	59.0	(22.2)	117.8	10.9	56.0	28.4	23.0	76.3		
BKNG	(72.5)	86.5	31.8	(5.4)	95.4	163.4	(35.9)	196.6	82.9	17.1	32.6	87.4	(1.9)	11.8	15.0	18.5	(0.9)	19.2	8.4		
MELI							(77.8)	216.1	28.5	19.8	(0.7)	38.0	19.1	(10.1)	37.1	101.9	(6.9)	95.3	192.9		
EBAY	1.4	90.5	80.1	(25.7)	(30.4)	10.4	(57.9)	68.6	18.3	9.0	68.1	7.6	2.3	16.3	8.0	27.1	(25.6)	30.6	39.2		
SNAP																	(62.3)	196.4	206.6		
CVNA																	71.1	181.4	160.2		
TWTR													(43.6)	(35.5)	(29.6)	47.3	19.7	11.5	69.0		
MTCH														26.2	83.1	40.6	92.0	83.0			
TTD															65.3	153.8	123.8	208.3			
Z													23.4	194.5	29.6	(21.1)	40.0	11.8	(22.9)	45.5	197.2
ETSY															42.6	73.6	132.6	(6.9)	301.6		
WIX													(21.8)	8.3	95.8	29.2	57.0	35.5	104.2		
EXPE							(12.4)	50.7	(73.9)	212.3	(1.4)	25.4	115.0	14.3	23.5	46.6	(8.1)	6.8	(4.9)	(2.8)	22.4
GDDY															9.0	43.9	30.5	3.5	22.1		
IAC	-16.1	48	-18.6	-7.7	31.3	-27.6	-33.2	30.2	40.1	48.9	12.6	47.3	(9.8)	1.0	7.9	88.7	49.7	36.1	77.4*		
CHGG													(18.8)	(2.6)	9.7	121.1	74.1	33.4	138.3		
LYFT																	(37.2)	14.2			
VRM																		86.0			
RDFN															(54.0)	46.8	224.6				
UPWK																	(41.1)	223.5			
TRIP													66.3	97.6	(9.9)	14.2	(45.6)	(25.7)	56.5	(37.2)	(5.3)
CARG																	12.5	4.3	(9.8)		
YELP													265.8	(20.6)	(47.4)	32.4	10.0	(16.6)	(0.5)	(6.2)	
SONO																	59.1	50.0			
mean	(3.2)	100.9	19.4	16.6	13.1	63.6	(54.1)	141.1	28.3	17.9	41.3	88.6	(2.6)	12.9	15.5	46.9	23.0	39.9	98.8		
median	(7.4)	88.5	8.0	(5.4)	(0.7)	50.4	(55.5)	162.3	28.5	17.1	32.6	59.0	(7.6)	10.1	9.9	45.6	16.1	30.6	76.3		
Coverage mean - SP50	20.2	74.5	10.4	13.6	(0.5)	60.1	(15.6)	117.6	15.5	17.9	27.9	59.0	(14.0)	13.6	5.9	27.5	29.2	11.0	82.6		
Coverage mean - COMP	28.4	50.9	10.8	15.2	3.6	53.8	(13.6)	97.2	11.4	19.7	25.4	50.3	(16.0)	7.1	8.0	18.7	26.9	4.6	55.2		

Note: coverage universe grouped by market cap; returns include dividends

Note: MELI, ETSY, CVNA, VRM, CARG are covered by John Colantuoni

* = Post MTCH Spin

Source: Factset, Jefferies

The MFAANG Trade

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- MFAANG has outperformed the NASDAQ for 6 years straight, with an average annual outperformance of 18.5% over the time period.
 - In 2020, outperformance was driven by COVID-19 lockdowns, leading consumers to flock to online channels.
- FB (+33%) GOOGL (+31%) and MSFT (+42%) all underperformed the NASDAQ (+44%) in 2020

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
MSFT	3.7	15.6	20.6	(44.1)	59.5	(6.6)	(4.6)	6.1	43.7	27.2	22.2	14.7	40.2	20.8	57.1	42.4
FB	123.3	18.0	133.5	(56.9)	146.9	53.1	25.6	32.7	7.6	40.0	(2.8)	12.2	48.2	(5.1)	56.6	33.1
AAPL	6.5	(16.3)	134.8	(44.6)	162.3	33.8	(3.8)	44.9	59.0	(22.2)	117.8	10.9	56.0	28.4	23.0	76.3
AMZN	120.0	(4.4)	2.9	12.3	84.3	218.9	(60.6)	33.6	297.6	(7.2)	134.4	8.2	55.1	39.4	20.9	67.1
NFLX	115.2	11.0	50.2	(55.5)	101.5	(4.2)	8.7	9.5	58.4	(5.4)	46.6	1.9	32.9	(0.8)	28.2	30.9
"MFAANG" Return	73.7	4.8	68.4	(37.8)	110.9	59.0	(6.9)	25.4	95.3	12.5	58.7	9.6	47.6	9.5	45.6	56.3
NASDAQ	1.4	9.5	9.8	(40.5)	43.9	16.9	(1.8)	15.9	38.3	13.4	5.7	7.5	28.2	(3.9)	35.2	43.6
MFAANG vs. NASDAQ	72.4	(4.7)	58.6	2.8	67.0	42.1	(5.1)	9.5	57.0	(0.9)	53.0	2.1	19.4	13.4	10.4	12.7

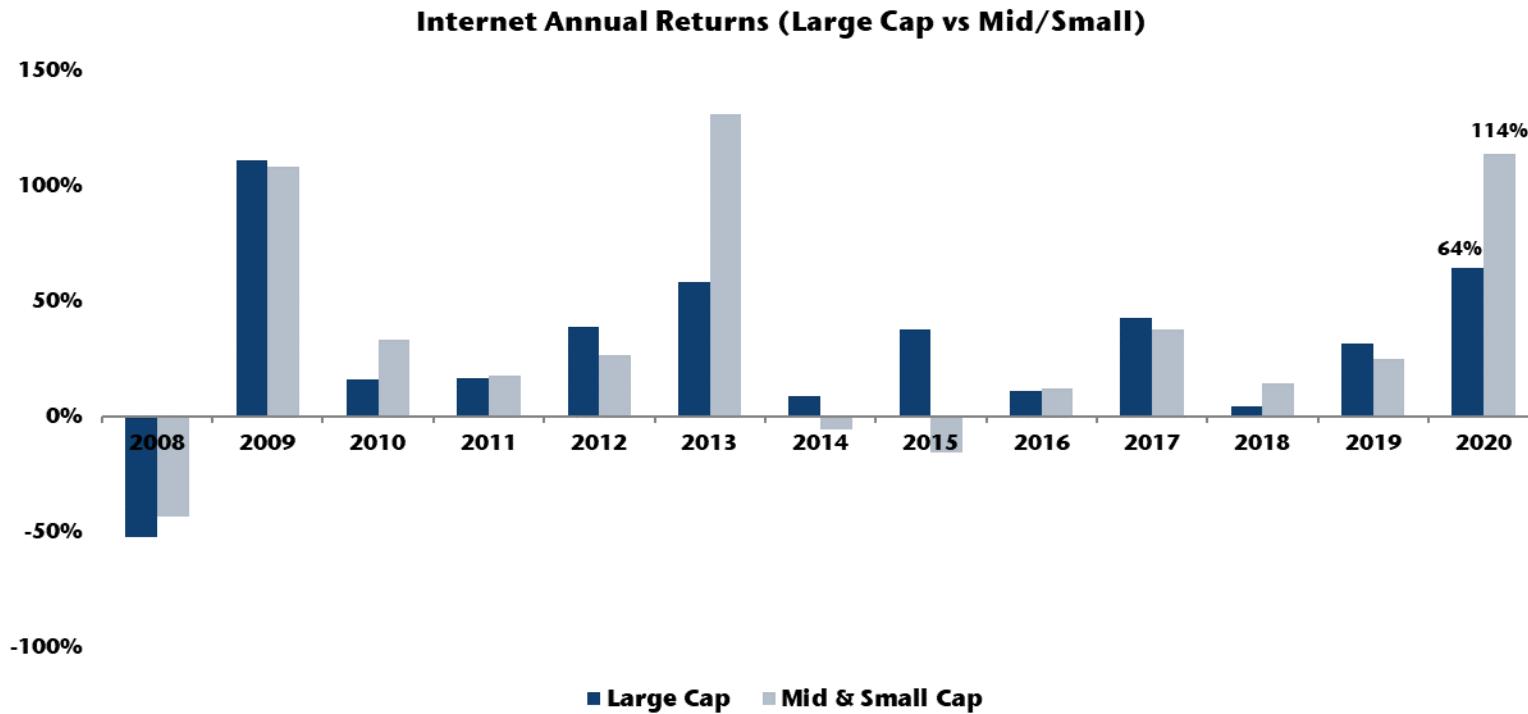
Company	Ticker	Market Cap	21 EBITDA Multiple
Microsoft	MSFT	\$1,660,436	21.7x
Facebook	FB	\$762,118	14.9x
Amazon	AMZN	\$1,596,924	23.5x
Apple	AAPL	\$2,221,512	23.4x
Netflix	NFLX	\$225,492	38.5x
Google	GOOGL	\$1,219,193	14.5x
Average			22.8x

Source: FactSet, Jefferies

Brent Thill, Equity Analyst, (415) 229-1559, bthill@jefferies.com

Large Cap vs SMID Cap Performance

- In 2020 our SMID cap coverage outperformed large cap driven by ETSY, UPWK, RDFN, SNAP and TTD all up 200+%
- Several companies within our coverage universe moved from SMID cap to large cap this year (SNAP, TTD, TWTR, MTCH, Z)



Source: FactSet, Jefferies

Valuation Multiples:

- Our coverage universe is trading at an EV/Sales of 6.5x and EV/EBITDA of 28.4x
 - This compares to a historical average of 4.5x EV/Sales and 17.8x EV/EBITDA

EV/S-NTM (time weighted) – coverage universe



EV/EBITDA-NTM (time weighted) – coverage universe



Note: 12/20 includes addition of recent IPOs (ABNB & PUBM)

Source: Factset, Jefferies

Cloud and CapEx Spend Driven by AMZN, GOOGL and FB

AWS Widely Acknowledged as the Clear Leader in Public Cloud

- At ~60% share among the “Big 3” vendors, AWS is the de facto standard for public Cloud
 - AWS is poised to exceed \$50Bn in revenues in 2021
- However, challengers Azure and GCP are growing faster and gradually chipping away
 - Azure should pass the \$30Bn revenue mark in 2021, while GCP should approach \$10Bn
- The industry migration to Cloud is still in the early earnings as public Cloud revenues only represent a single digit % of the ~\$4 Tn in global IT spend.

Snapshot of Big 3 Public Cloud Vendors

	Amazon (AWS)			Microsoft (Azure)			Google (GCP)		
	2019	2020E	2021E	2019	2020E	2021E	2019	2020E	2021E
Cloud Rev (\$B)	\$35.0	\$45.4	\$57.3	\$16.5	\$24.4	\$33.3	\$4.3	\$6.6	\$9.7
Cloud Rev Growth	37%	30%	26%	64%	48%	37%	70%	53%	46%
*Market Share	63%	59%	57%	29%	32%	33%	8%	9%	10%
CAPEX (\$B)	\$26.4	\$40.2	\$38.9	\$13.9	\$15.7	\$19.2	\$23.5	\$22.8	\$26.9
CAPEX growth	20%	52%	(3%)	20%	13%	22%	(6%)	(3%)	18%
Customers	Netflix, GE, Salesforce, Expedia, Adobe, Intuit, Kellogg's, Philips, BP			Walmart, Ford, NBC, Geico, T-Mobile, Daimler			Snap, Home Depot, Colgate, Disney, eBay, Spotify		
Other Key Metrics	77 Availability Zones within 24 geographic regions			Available in 140 countries and 60 geographic regions			73 Availability Zones within 24 regions in 17 countries. Available in 200+ countries & territories.		

Notes:

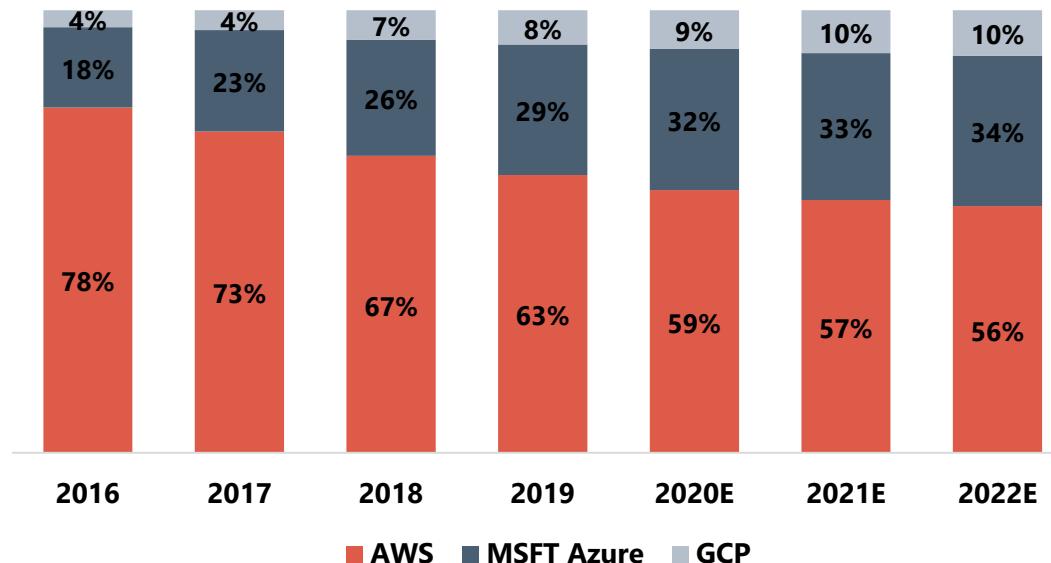
- Market share is among the “Big 3” public Cloud vendors (AWS, Azure, GCP)
- Google does not break out Google Cloud revenues between Workspace/G Suite (apps) and GCP (infrastructure). We estimate GCP represented approx. 51% of total Google Cloud revs in FY20. GCP's growth rate has been meaningfully higher than Google Cloud overall for at least the 4 quarters of 4Q19-3Q20. The above table only includes GCP.

Source: Company data, FactSet, Jefferies estimates

AWS Should Stay Dominant for a While, But Google and Microsoft Are Taking Share

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- AWS remains the leader by a wide margin, at nearly double the size of Azure and more than 6x of GCP.
 - Azure has cemented its position as a credible #2 thanks to MSFT's role as a strategic IT provider to enterprises.
 - GOOGL has strengthened its GCP offering under Google Cloud CEO Thomas Kurian's leadership, but it needs to deliver even more to catch up from a distant third position.

Market Share Among Big 3 Cloud Providers

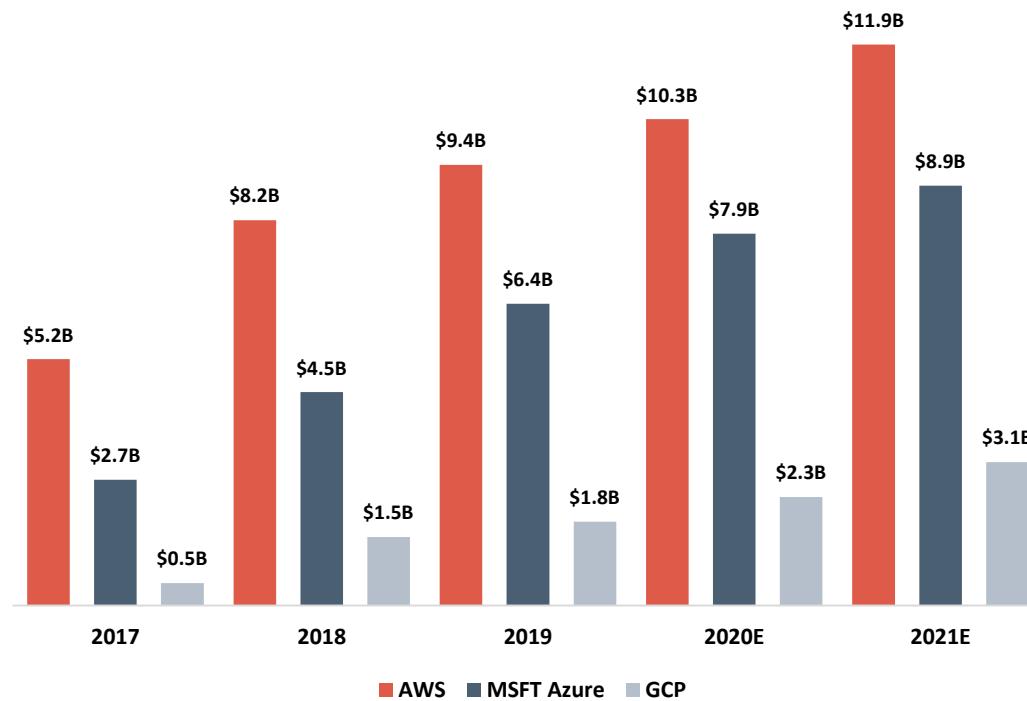


Source: Company data, Jefferies estimates

AWS is Adding More Incremental Dollars Than Azure and GCP Combined

- While AWS's slower growth mathematically means Azure and GCP are gaining share, AWS is still adding more incremental Cloud revenues than Azure and GCP combined every year
- In 2020, we estimate AWS generated \$10.3Bn in incremental Cloud revenues compared to \$10.2B for Azure and GCP combined.

Annual increase in Public Cloud revenues

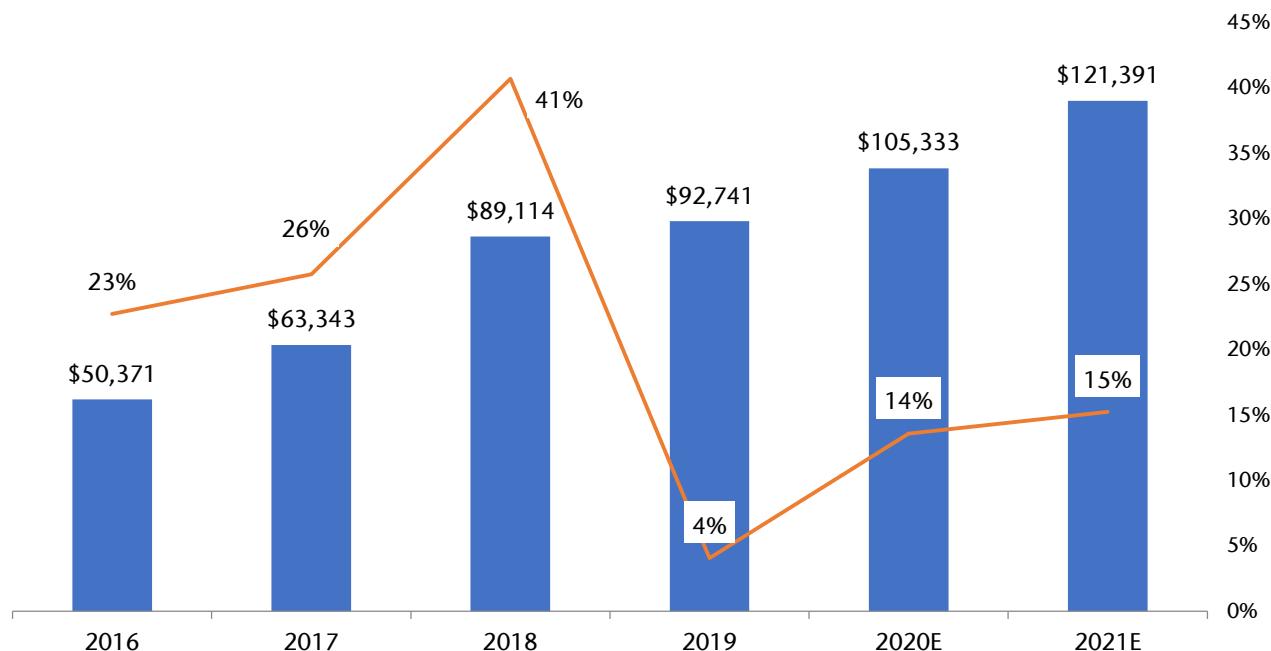


Source: Company data, Jefferies estimates

US Hyperscaler CapEx to Grow 15% in 2021, Accelerating From 14% in 2020

- This report is intended for Jefferies clients only. Unauthorized distribution is prohibited.
- Capital investment by 10 large US tech companies is expected to accelerate to 15% growth in 2021, up from 14% in 2020.
 - Group of 10 includes: AAPL, GOOGL, AMZN, MSFT, FB, ORCL, NFLX, BKNG, ADBE, CRM
 - Gartner also forecasts global data center infrastructure end-user spend to accelerate from a 10% decline in 2020 to 6% growth in 2021 as large enterprise data centers restart previously paused expansion plans and hyperscalers continue to expand their public cloud infrastructure.
 - 2020 capex was healthy despite the pandemic

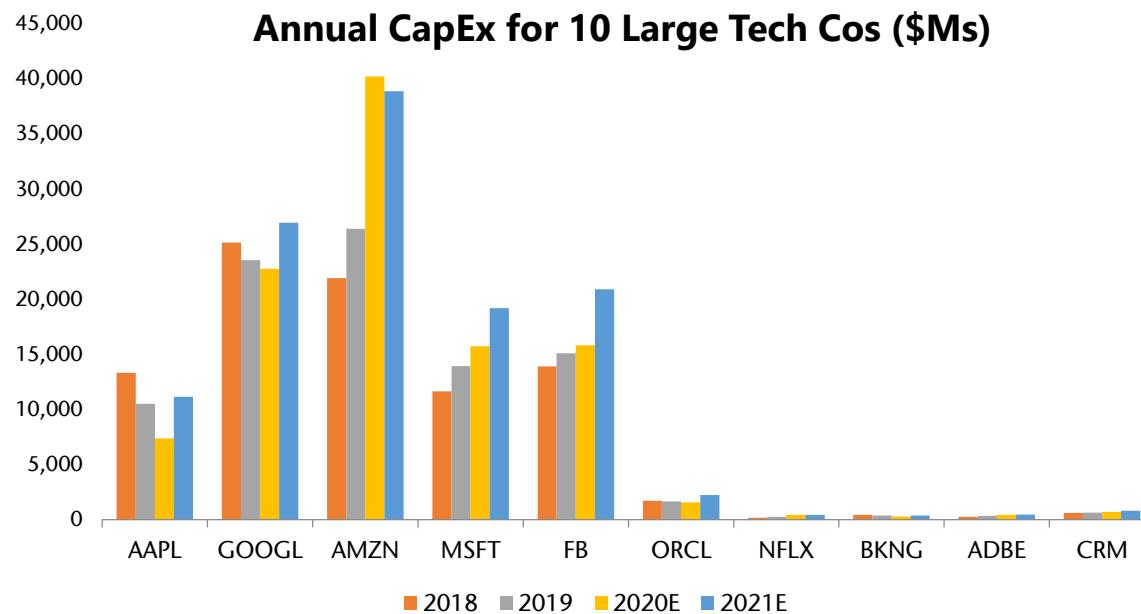
Aggregate CapEx for 10 Large Cap Tech Cos (\$Ms, % growth)



Source: Company data, FactSet, Jefferies estimates

Largest CapEx Spenders: AMZN, GOOGL, FB

- The Big 3 cloud vendors (Amazon, Google, Microsoft) stand out for their outsized capex, especially compared to other large Internet and software cos.
- Facebook is an exception (not a public cloud vendor), with annual capex exceeding Microsoft in 2018-2020. Its capex as a % of rev is highest among the 10 cos at an est. 19% in '20.
- Oracle's capex is much smaller in both absolute dollar and percentage-of-revenue terms.
- AMZN and GOOGL continue to outspend peers (est. \$23Bn and \$40Bn, respectively in '20). As mega-cap tech cos with massive revenue bases, they have numerous capex needs:
 - Public cloud infrastructure
 - Buildings & equipment to support massive headcounts
 - Various internet services: eCommerce, search, video/ music streaming, AI, security, etc.
 - Other bets such as autonomous driving
 - eCommerce fulfillment infrastructure



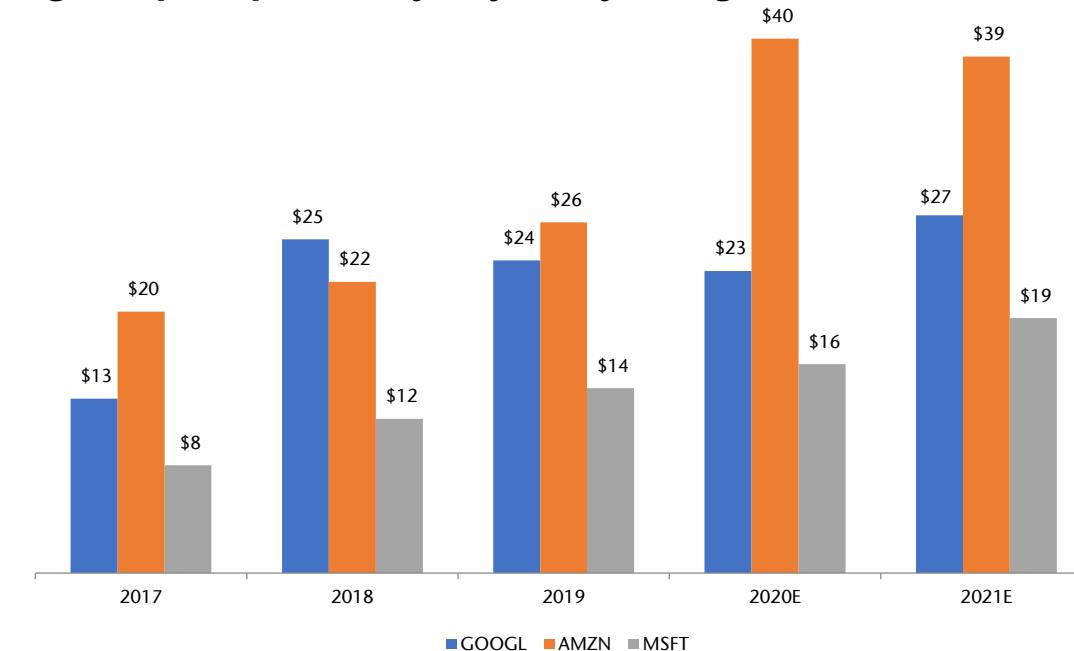
Source: Company data, FactSet, Jefferies estimates

Note: All years on a fiscal year (FY) basis; for CRM (Jan. FY-end), FY18 corresponds to FY17 of other cos.

Outsized Spend by Big 3 Public Cloud Vendors

- The Big 3 Cloud vendors (Amazon, Microsoft, Google) are estimated to spend a combined \$79Bn in 2020 capex.
 - This is up \$15Bn or 23%, with the bulk coming from AMZN at +\$14Bn.
- 2021 capex should rise by 8% or ~\$6Bn after a record 2020.
- While these capex figures are company-wide, we believe the majority is going toward Cloud infrastructure.
- As for Google specifically, the company stated in mid-2019 that capex spend mix in the past couple of years had averaged 70% for technical infrastructure, against 30% for office facilities.
- These hyperscaled investments should expand the moat for the Big 3 vendors.

Big 3 CapEx Spend: Majority Likely Going Toward Cloud (\$Bn)



Source: Company data, FactSet, Jefferies estimates

Digital Advertising – Facebook and Google Leading...

Accelerated Shift To Digital Advertising Is Benefiting The Largest Players

While FY20 growth rates did decelerate across the entire advertising ecosystem, digital advertising held up relatively better than traditional advertising (est. +4.8% growth vs. -4.5% decline). We estimate that digital advertising now represents 55% of total advertising (vs. 50% in '19), but we expect the share to reach 64% by 2024. We believe that investors will benefit from owning names with the largest user bases and best-in-class advertiser ROI (e.g., FB, GOOGL, SNAP). In our view, FB and GOOGL are most compelling from a valuation perspective, but SNAP remains most attractive from a growth perspective with a potential 35%+ revenue CAGR over the next 3 years.

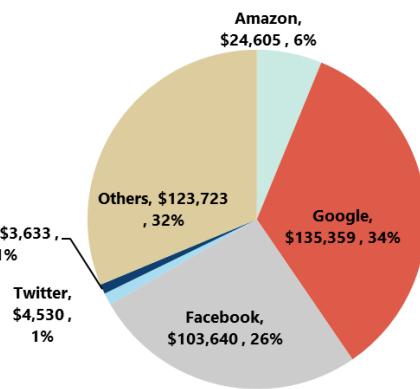
How to Play:

- **Alphabet – Buy, \$2,150 PT, 20% Upside to PT** – Google is one of our top large cap internet picks. GOOGL's fundamentals have trailed other large cap internet peers as its core advertising business took a hit in 2Q20. Trends improved throughout Q2, and in Q3 GOOGL saw a strong return in ad spend (including brand), which helped Search and YouTube recover. Other call options remain including Google Cloud (growth accelerated to 45% Y/Y in Q3 vs 43% in Q2), YouTube subscriptions, hardware, and Waymo. GOOGL trades at an undemanding 13.0x CY22 EV/EBITDA. Our \$2,150 PT is based on 15x EV/EBITDA our Fwd NTM estimates, which is at the upper end of historical range to reflect the industry's accelerating shift to digital platforms.
- **Facebook – Buy, \$330 PT, 23% Upside to PT** – Facebook is well positioned as ad dollars continue to shift to digital platforms with the most scale and best-in-class ROI. Facebook remains a top pick despite a disruption to marketing spend and a boycott of the Facebook platform. Ad revenue recovered in 3Q20 and accelerated to 22% Y/Y growth (vs 10% Y/Y growth in 2Q20) and believe there will be further acceleration in 4Q and FY21. FB is moving deeper into commerce through "Facebook Shops", which we believe will help it expand its active advertising base of 10M+ (vs 200M Businesses on the platform). Our FB PT is based on 26x our FY22 EPS estimate.
- **Snapchat – Buy, \$65 PT, 23% Upside to PT** – SNAP's Discover platform, highly engaged audience (on avg. >30 min of time spent per DAU), unique augmented reality products, and improved direct response ad units differentiate the platform vs competitors and continue to attract more ad dollars. With North American ARPU at just \$14 in FY19 (vs. FB at \$182) we believe there is plenty of low hanging fruit and see ample room to close the monetization gap. The Snap Map could be a new area for growth not yet embedded in numbers. We see a pathway to a 35%+ revenue CAGR ('20-23), 25%+ EBITDA margins and positive FCF.

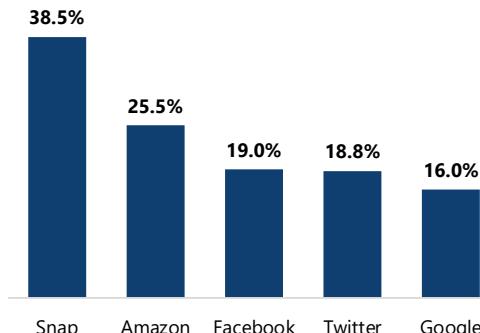
Better Than Expected 2020 For Digital Advertising And Expect 2021 Growth Acceleration

- Digital advertising is large (~\$395B in FY21e revenue globally), fast growing (~12% FY20-23 revenue CAGR), and has ample long-term drivers (e.g., online video, shift to mobile, and connected TV advertising)
- COVID-19 was a headwind to digital advertising revenue growth (est. +5% in '20), but we expect an acceleration in '21 to +16% growth. We model Facebook, Google, and Amazon all growing ad revenue in the 20s, which is much faster than the overall industry
- We estimate Facebook and Google will command a combined \$240B in advertising revenue in FY21 and maintain 47% share of the total digital ad market
- Amazon's advertising business remains a formidable #3 potentially growing at a 25%+ over the next 3 years ('FY20-23)
 - We estimate Amazon Advertising will grow 28% in FY21 to ~\$25B in revenue
- Despite Amazon's impressive growth, **we believe Facebook and Google will NOT be share losers**, as we estimate they will capture a combined 80% of incremental digital advertising dollars
 - This compares to Amazon, which will capture 9.5% share of incremental digital ad dollars and Snap and Twitter, which will capture 1-2% of incremental dollars

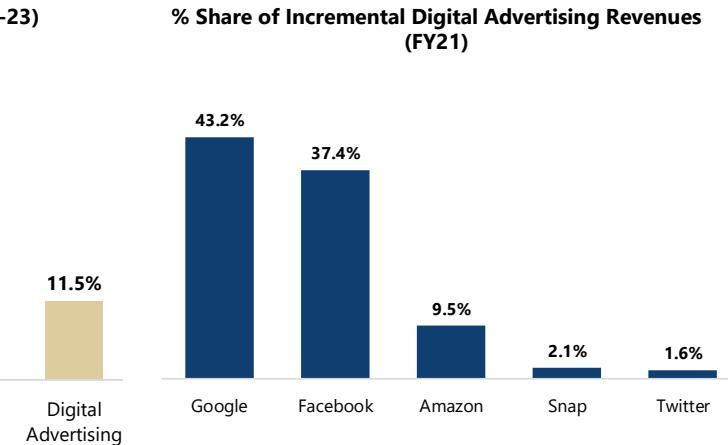
Digital Ad Revenues (FY21, in \$MM) and Market Share



Revenue CAGR of Key US Digital Ad Players (FY20-23)



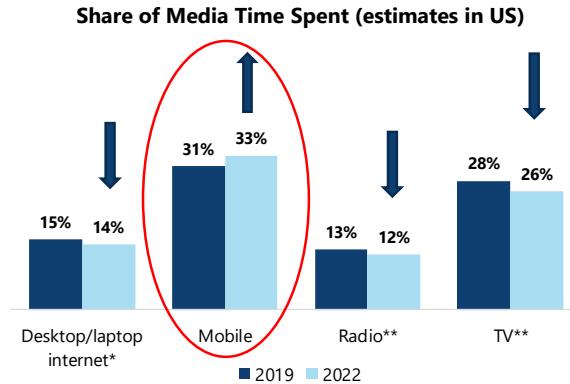
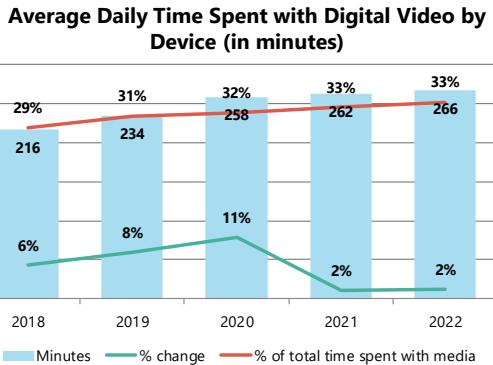
% Share of Incremental Digital Advertising Revenues (FY21)



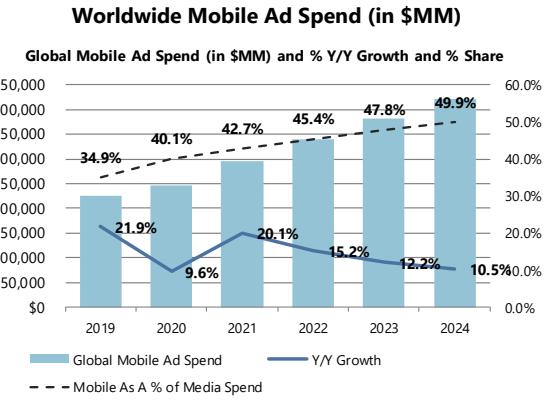
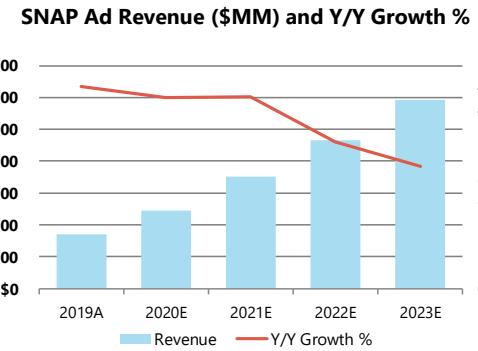
Source: Company data, Jefferies

Shift To Mobile Is A Massive Tailwind For FB and SNAP

- Growth in time spent on mobile devices is far outpacing desktop, and we expect the trend to continue**
 - In 2018, global consumers spent 42 minutes watching digital video on mobile vs. 27 minutes on desktop/non-mobile devices (62% of time spent on mobile). By 2021, we expect consumers will spend over an hour watching videos on mobile devices (65% of time spent)
 - Estimates in the US show that 32% of total media time in 2021 will be spent on mobile devices (vs. 30% in 2018), while time spent watching TV will fall to 28% from 31%
- We expect that mobile ad spend will outpace overall digital ad spend – a tailwind to mobile-focused companies like FB and SNAP.**
 - Industry sources estimate that mobile ad revenue will grow at a 14% 4-year CAGR ('20-24e) vs. digital advertising growing 12%
 - SNAP and FB should be the primary beneficiaries of this trend with 95%+ of the revenue and time spent coming from mobile devices
 - Both companies are growing faster than overall mobile ad spend, showing they are capturing an outsized percentage of the industry growth

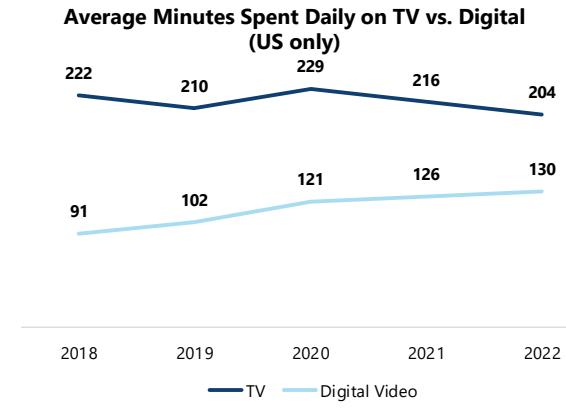
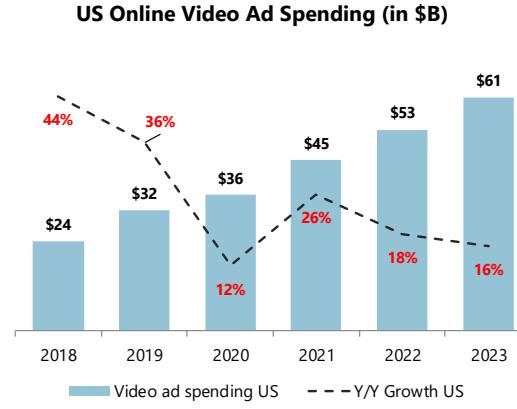
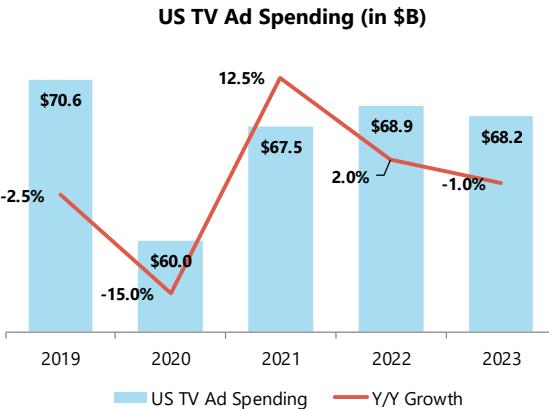


Source: eMarketer, Jefferies



Digital Video Viewership Is Growing And Ad Dollars Are Following

- In the US, time spent watching TV continues to decrease meaningfully, while time spent watching digital video (e.g., CTV, mobile video) is growing rapidly**
 - According to eMarketer, the average US consumer watches 4 hours of TV compared to just over 2 hours on digital video
 - The COVID-19 Pandemic led to increased viewership for both TV and digital video in 2020
- Video advertising dollars are still primarily spent on linear television, as \$60B is spent on TV ads in the US compared to roughly \$36B on online video ads**
 - Given consumption habits are shifting towards more digital video viewership, we expect online video ad spend to grow at a 20% 3-year CAGR ('20-23e) vs. +4% for TV ad spend
- FB, GOOGL, SNAP, and TTD are the biggest beneficiaries of time spent/ad dollars moving to online video**
 - FB, GOOGL (YouTube), and SNAP have all successfully increased platform engagement by serving more short videos – a great opportunity for advertisers to reach users
 - As marketers shift their ad budgets to digital video, TTD will take a cut of all their client's incremental spend

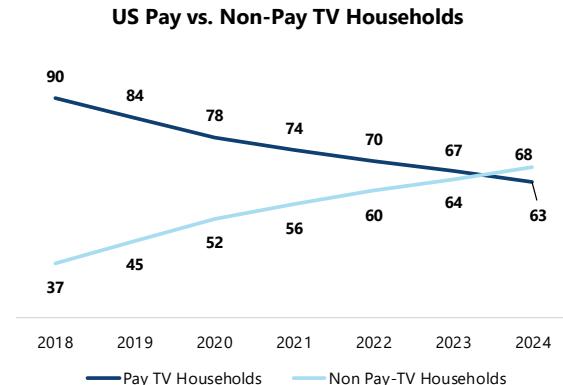


Source: eMarketer, Jefferies

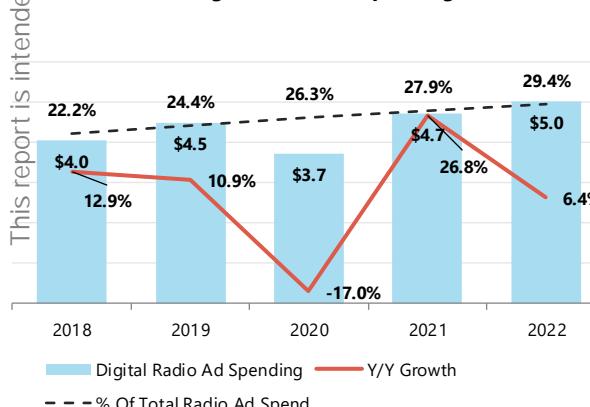
Connected TV And Digital Audio Usage And Programmatic Ad Dollars Are Surging

- As audiences shift away from traditional TV and into new channels like online video, digital audio, and Connected TV more advertising will be bought programmatically**
 - In '21, eMarketer estimates that programmatic display and video spend will grow 25% to \$118B, compared to total advertising growing 13%
- Connected TV and Digital Audio are two of the fastest growing and most exciting programmatic channels to watch in 2021**
 - According to data from eMarketer, programmatic TV spend in the U.S. will grow to \$ 5.8B (+43% y/y growth)
 - Digital radio ad spend in the U.S. declined 17% in '20, as key use cases like commuting were lost due to the Pandemic
 - However, in '21 we expect a resurgence in digital radio ad spend (+27%) driven by growth in podcasting (est.+45% increase in ad spend in '21) and music streaming
- We believe that TTD is one the biggest beneficiaries of TV and Audio advertising spend shifting into programmatic channels**
 - In Q3'20, TTD saw 100%+ and 70% Y/Y increases in Connected TV and Audio gross spend, respectively. This is a significant acceleration from +40% and +20% in Q2'20
 - We believe that CTV will be a key driver of TTD's revenue growth reacceleration in FY21

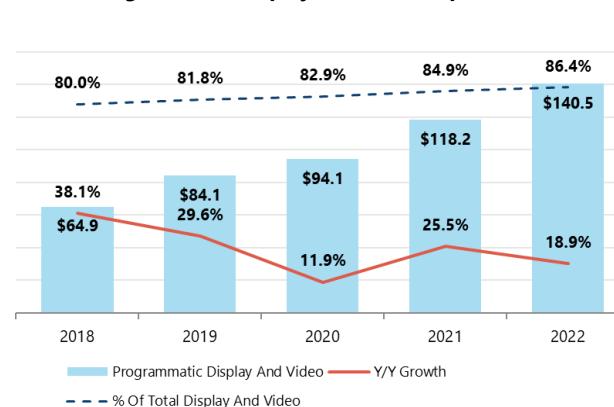
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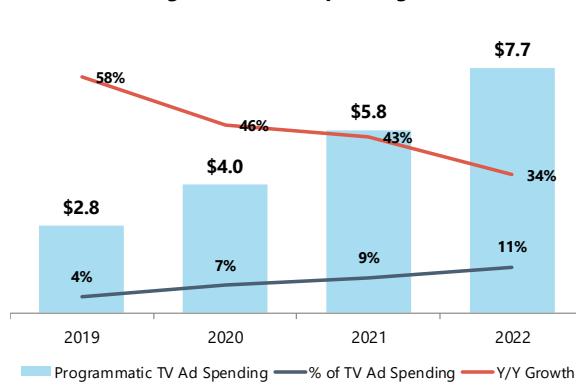
US Digital Radio Ad Spending (\$B)



US Programmatic Display + Video Ad Spend (\$B)



US Programmatic TV Spending (\$B)

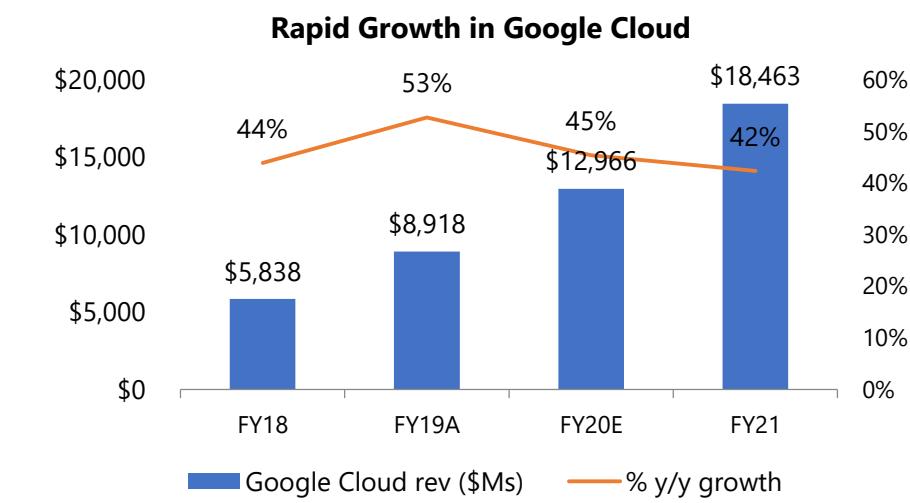
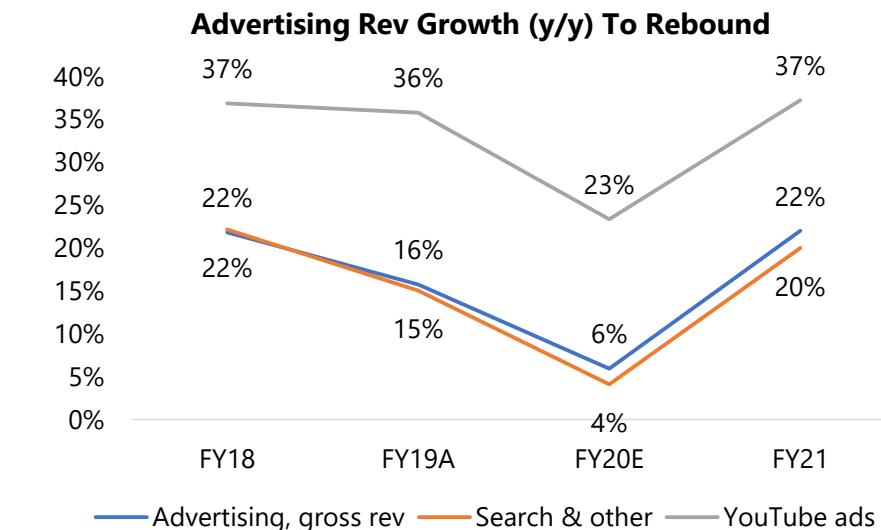


Source: eMarketer, Jefferies

Alphabet (GOOGL) \$1.2T Market Cap, Buy \$2,150 PT – A leader in Digital Advertising with call options in place for both near and longer term

Investor Debate: Where will the next leg come from and how will we know when it hits? What does margin trajectory look like from here? How big is the regulatory overhang?

- **Bulls Will Say...**
 - Google search is the killer mousetrap that continues to deliver higher ad revs on growing paid clicks.
 - YouTube is best positioned in digital video and should continue to capture increasing share of advertising spend as budgets shift towards digital video.
 - Google Cloud is adding enterprise reference customers and gaining share
 - EBITDA margins remain best-in-class at >40%
 - Shares still look cheap at ~13x EV/EBITDA (in-line with S&P 500)
- **Bears Will Say...**
 - Investments in new initiatives (cloud, Waymo, hardware) come at the expense of margin
 - The shift towards in-app and mobile-driven search negatively impacts Google's core business.
 - The move towards voice-driven search also introduces more competition
 - Antitrust concerns are real
- **Our take...**
 - Google remains one of our top large cap picks
 - This business has put up consistent 20+% growth since 2010 (except '15 and pandemic hit '20), and well-timed moves into mobile and video have kept Google one step ahead of the curve
 - The company is now making more concentrated bets in the largest markets where the company has a competitive advantage
 - But questions linger on what is the margin framework
 - Valuation looks compelling at ~13x EV/EBITDA (in-line with S&P 500)
 - Google Cloud could represent the next break-out play for shares
 - Waymo's leadership in autonomous driving could add \$250Bn in market cap over time



Alphabet, Inc. – Key Metrics

Financial highlights:

- 2020 net revenue est. of \$146Bn (+11%)
- 76% of total net rev from advertising (\$111Bn, +6%)
 - Of which \$104Bn is from Google properties (71% of total, +6%)
- 9% of total net rev from Google Cloud = \$13Bn (+45%)
- Other Bets = Waymo, Verily
 - Minimal rev. contribution = 0.4% of total, \$0.6Bn
 - We think Waymo could add another \$250Bn of market cap over time
- Geo composition (% of gross rev) = 46% US, 31% EMEA, 17% APAC, 6% other (FY19)
- GAAP operating margin of 25% in 2020E
 - Down from 27% in 2019 ex-fines
 - EBITDA margin 43.5%, down from 44.4% in 2019
- Generating \$31Bn in annual FCF
- ~\$133Bn in cash + ST investments on B/S

Other stats:

- Paid click growth on Google Properties +23% y/y, cost per click -7% (FY19)
- TAC =22.1% of advertising gross revenue in FY20E, vs. 22.3% in FY19
- 132K employees (3Q20), +16% y/y, ~\$1.2M net revenue/employee
- ~\$25Bn remaining on stock buyback program

Valuation:

- Still trades in-line with market multiples at ~13x EV/EBITDA
- 15x Fwd NTM EBITDA = \$2,150
- 30x P/E = \$1,800
- Plenty of additional upside from call options not currently priced in: Google Home, Waymo, AI, YouTube TV, hardware

Facebook (FB) \$773B Market Cap, Buy \$330 PT – Best Way to Play Digital Advertising and Social

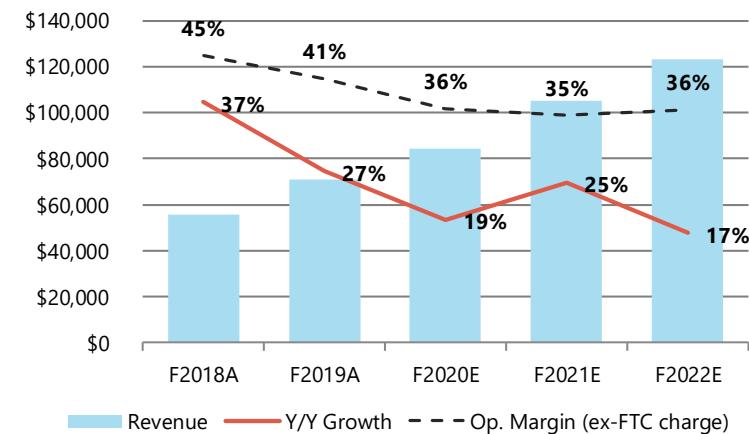
Investor Debate: FB is one of the best positioned stories in large cap Internet, as ad dollars continue to shift to digital platforms that have the most scale and best-in-class ROI (i.e. FB, GOOGL). Investors will debate FB's ability to outperform given ongoing investigations from the FTC and DOJ. With the stock trading at a market multiple despite better growth, bulls will argue that downside risks are priced in and that the focus should shift to new formats like Facebook Shops, which could drive upside to revenue. For 2021, investors will be looking for accelerating revenue growth and stabilizing operating margins.

- Bulls Will Say...
 - FB is the best way to play two dynamic changes underway in internet – the transition of advertising dollars towards mobile & digital video (~94% of Ad rev came from mobile in '19)
 - Facebook Shops and other eCommerce ad formats will drive advertiser demand, and in turn, ad pricing higher
 - Watch, Reels, Instagram TV, Messenger & WhatsApp continue to be under-monetized and look like major catalysts going forward as FB scales monetization
- Bears Will Say...
 - FTC and DOJ investigations should continue to pressure FB's multiple
 - Limits on ad targeting could minimize the efficacy of Facebook ads and cause revenue growth to slow further than expected
 - Facebook is becoming less relevant to the younger demographic with time spent on Snapchat and Tik Tok increasing faster.
 - Expenses are still growing faster than revenues leading to margin contraction in the near term.
- Valuation
 - On a Growth Adjusted Basis, FB looks very attractive at these levels. Trading at 20x FY22 EPS and is growing at a 16% CAGR from '20-'23 (compared to a 2-year average of 22x).
- **Jeff take...**
 - Facebook has built an unrivaled social network connecting advertisers to over 3B daily users.
 - Revenue growth is likely to accelerate and operating margins are likely to stabilize in FY21 potentially creating a pathway to \$13+ EPS in '22 and \$15+ in '23.
 - Sophisticated targeting capabilities give advertisers the highest ROI on the Facebook platform
 - Commerce opportunities on core Facebook, Marketplace, and Instagram could breakthrough in 2021 driving advertiser demand and ad pricing higher
 - IG Reels, WhatsApp, and Messenger reflect huge go-forward monetization opportunities not yet reflected in the stock price.

Facebook Price/Earnings FY2 and 2 Year Average



Facebook Revenue Growth and Op. Margin



Source: Jefferies, FactSet, eMarketer

Facebook (FB) \$773B Market Cap, Buy \$330 PT – Best Way to Play Digital Advertising and Social

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Key Stats:

- Facebook hosts one of the largest digital platforms connecting 2.5B+ users daily with nearly every digital advertiser.
- Instagram has 1B+ MAUs
- Messenger/WhatsApp are call options with 1.2B+ MAUs yet to be monetized (2-5 years).

Financial highlights:

- \$84B rev in '20e, ~19% growth; ~\$105B in '21e, growing mid 20s
- Operating Margins of 36% in '20e stabilizing in the mid-30s in '21e and longer term
- Incremental CAPEX spend in '20 expected to be \$5-7B, +40% growth

Valuation:

- Current mkt cap \$773B
- FB currently trades at 20x '22 P/E growing at a 15%+ CAGR '20-23
 - Upside to \$400. '22 EPS of \$15 at a 27x PE multiple

Stats:

- 2.5B Daily Active People is nearly 1/4th of the World's population and still growing ~15%+ globally.
- In the US and CAN, FB has 255MM MAUs with 77% checking in daily. In 3Q'20 FB generated \$40/monthly US/CAN user
- As of 3Q20, there are 10M+ active advertisers on the platform (vs. 200M+ businesses using Facebook)
- There are ~100B messages exchanged every day on WhatsApp

Snap (SNAP) \$77B Market Cap, Buy \$65 PT

Investor Debate: With revenue growth reaching its fastest rate since early 2018 and the stock +200% in 2020, investors will wonder what can drive the next leg of stock outperformance.

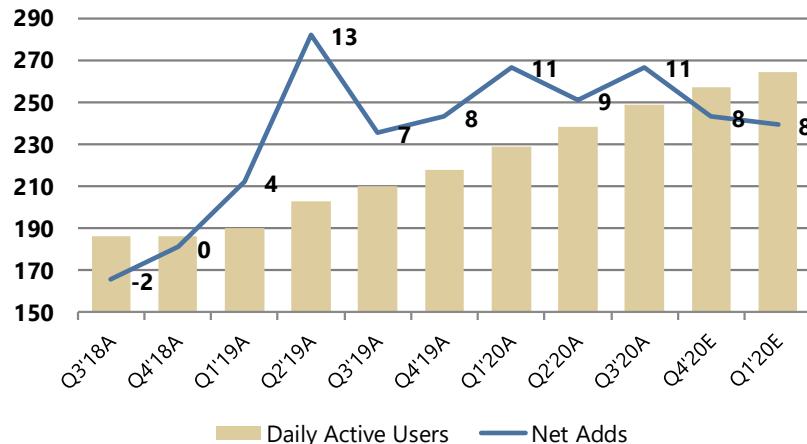
- **Bulls Will Say...**
 - Snap has a large base of “always-on” advertisers with >50% of revenue coming from direct response advertising
 - Snap reaches >90% of US 13–24-year-olds, a demographic that is very difficult to reach on linear TV and other social media platforms
 - In FY21, Snap will face easy 1H comps potentially supporting revenue growth acceleration
 - Snap will likely achieve breakeven EBITDA and positive FCF in FY21
 - Augmented reality lenses and the Snap Map are high engagement areas with the potential for material revenue contribution
- **Bears Will Say...**
 - Millennial user base is fickle and could churn quickly to competitors and have a difficult time attracting older and more monetizable demographics.
 - Snap will have difficulty competing with Facebook & Google competing for digital ad dollars and will not be able to expand out of experimental ad budgets.
 - Some of the user growth experienced in 2020 was likely driven by the Pandemic and is not likely to be repeated in 2021
 - Much of the ad revenue growth experienced in Q3 and Q4 2020 was due to pull forward of demand that could moderate in 2021
- **Jeff take...**
 - We have been encouraged by the reacceleration in user growth, the introduction of new products like Snap Games, Shows, and AR Lenses, as well as the improved ROI for advertisers.
 - Audience growth and increases in engagement have outpaced ad revenue growth, indicating there is an opportunity to increase monetization
 - EBITDA and FCF breakeven are likely in FY21, a likely catalyst for the stock
 - Valuation at 16x FY22 Revenue is rich relative to peers, but is justified given the 35%+ 3YR revenue CAGR, as well as breakeven EBITDA and FCF in FY21

SNAP EV/Sales FY2 and Historical Average

SNAP EV/Sales (FY2)



SNAP Global Daily Active Users and Net Adds



Source: Jefferies, FactSet

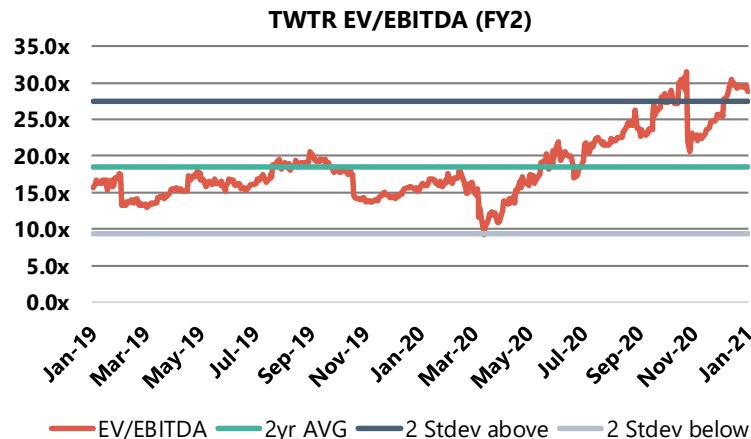
Twitter (TWTR) \$42B Market Cap, Hold \$52 PT

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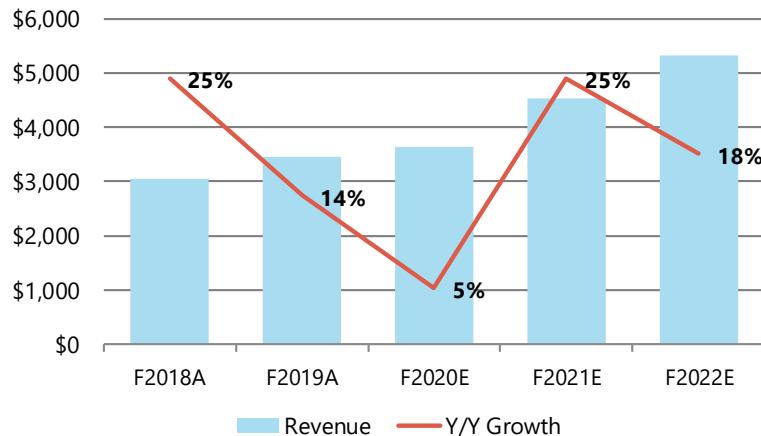
Investor Debate: Can Twitter sustain the 30%+ user growth in FY20, while also showing improving monetization in FY21? Investors are carefully monitoring the potential impact of the rebuilt ad server and launch of new direct response ad units (e.g., MAP 2.0) on FY21 revenue growth.

- **Bulls Will Say...**
 - Revenue growth likely bottomed in FY20 and will accelerate in FY21 as brand advertisers reenter the ad auctions
 - Activist involvement should help catalyze faster product development work, particularly around direct response ad products
 - There is plenty of room for user growth with the number of mDAUs still well below its peers FB and SNAP
 - Improvements to the user experience (e.g., timeline, lists) will continue providing higher usage and engagement
- **Bears Will Say...**
 - Launch of key ad products like MAP 2.0 have been delayed indicating that we may not see a near-term revenue contribution from new product launches
 - Twitter has not been very successful at introducing direct response ad formats, limiting the company's ability to penetrate performance marketing budgets
 - User growth experienced in FY20 may not be sustainable
 - Usage is very niche and will not grow to the levels of peers, especially in the US and other strong digital advertising markets
- **Jeff take...**
 - We believe TWTR stock will remain range bound in the near term, as investors will need to see evidence that user growth is sustainable and revenue growth can accelerate back into the mid-20s in FY21
 - The pace of user growth has been impressive, and we expect that with major events like the Olympics should help sustain the momentum
 - We are encouraged by the user growth story, but have been disappointed with the relatively sluggish pace of innovation on the ad products
 - Valuation seems fair at ~23.0x '22 EBITDA estimates, which is above its 15x 2-year average, and at a premium to FB's 12x.

TWTR EV/EBITDA FY2 and 2 Year Average



TWTR Revenue (\$MM) and Y/Y Growth



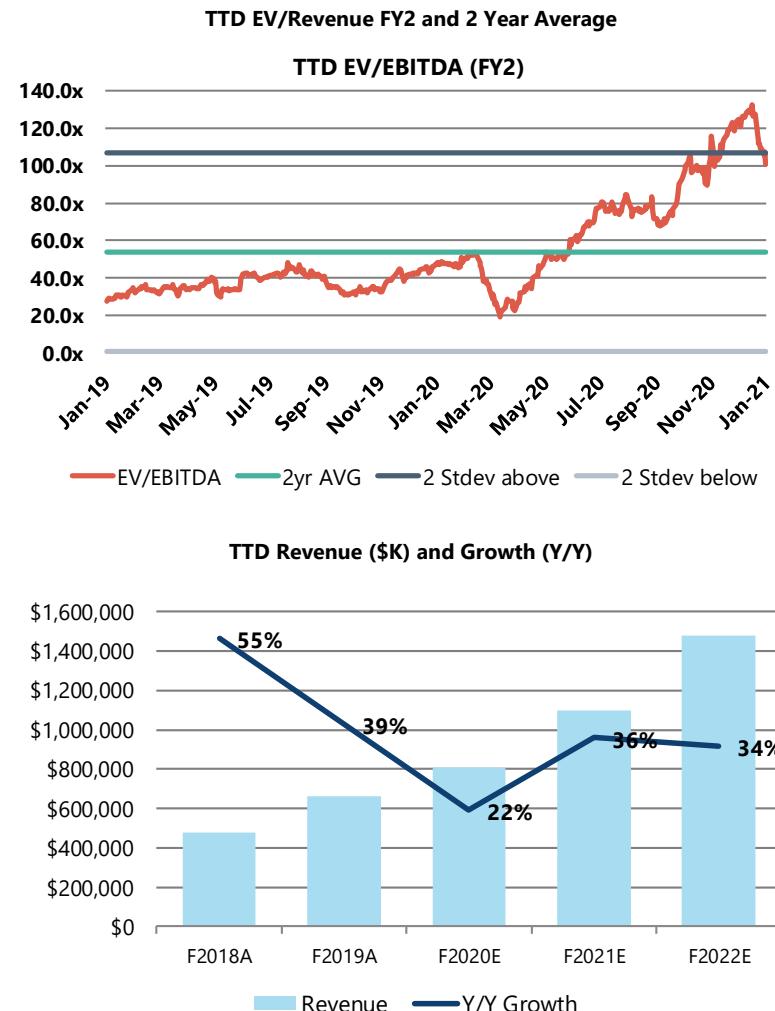
Source: Jefferies, FactSet

The Trade Desk (TTD) \$39B Market Cap, Hold \$800 PT

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Investor Debate: Investors are focused on TTD's ability to capitalize on the large opportunity in Connected TV advertising (est. \$150B+ spend linear TV advertising annually). After seeing a large deceleration in revenue growth in 2020, investors will debate the shape of the 2021 recovery.

- Bulls Will Say...
 - TTD's ability to penetrate Agency budgets will allow further scale and profitability in the business model
 - Programmatic is in the "2nd batter of the 1st inning" of the transition in a \$650B global advertising industry and TTD is clearly benefiting from the shift as it grew revenue 39% in '19 and we forecast 36% growth in 2021.
 - Connected TV advertising could be a massive opportunity for TTD, particularly as new ad-supported streaming services begin to scale in 2021.
 - Customer retention of 95%+ and 95% of business coming through MSAs provides a subscription-like predictability in the business model with upside being driven by new customer wins (both domestic & International), and an increase in programmatic budgets from the agency clients.
- Bears Will Say...
 - Ad Tech is ripe with nuanced issues which can blind-side investors such as General Data Protection Regulation in the EU, the California Consumer Protection Act in the US, the depreciation of 3rd party cookies from Safari and Chrome, and Apple's Identifier for Advertisers (IDFA)
 - Google, Facebook, and Amazon will continue to dominate the ad market and a third party will be a very distant runner-up.
 - The international business has not seen stellar growth yet despite being relatively underpenetrated compared to the US.
- **Jeff take...**
 - TTD has proven its ability to build meaningful relationships with agencies by enabling its business to transition rather than playing the role of disrupter
 - The programmatic shift will be one of the fastest growth stories over the next 3 years and TTD is best positioned as a pureplay on that trend. We estimate TTD will grow its top line at a 34% CAGR from '20-23 which could prove conservative if client adds continue to surprise to the upside and the shift of digital video and mobile towards programmatic continues to accelerate
 - TTD is profitable on both an EBITDA & Net Income basis which allows it to attract additional spend, which even at a lower take rate, will still be accretive to the bottom line
 - TTD is one of the best ways to play the shift to Connected TV (CTV spend grew 100%+ in 3Q20)
 - Despite very strong fundamental drivers, we believe valuation is fair at 84x FY22 EBITDA



Source: Jefferies, Company data, FactSet

The Trade Desk – Hold, \$800 PT (+208% in '20)

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Key Stats:

- TTD will likely eclipse \$3.7B in Gross Spend in '20 (18%+ y/y) after growing 33% in '19.
- Mobile ad spend represents 48%+ of total spend
- Mobile video spend grew 70% y/y in 3Q20
- Audio spend grew 70% y/y in 3Q20
- Connected TV grew 100%+ y/y in 3Q20

Financial highlights:

- Revenue \$808MM in '20e, +22%
- EBITDA margins of 30%+ with long term goal of 40% at scale
- One of the only Ad Tech companies to be scaled and have profitability on both EBITDA & GAAP Net Income.

Growth Opportunities:

- Connected TV & Video can be TTD's largest channel as advertisers continue to adopt and more inventory comes online next 2-3 years. CTV gross spend grew 137% in '19.
- China is a big opportunity in the very early stages of becoming accessible.
- International expansion has been slow, but should accelerate in '21

Valuation:

- Current mkt cap \$39B
- TTD trades at 84x '22 Adj EBITDA. We forecast a 3yr Adj. EBITDA CAGR of 40% from '20-23.

Stats:

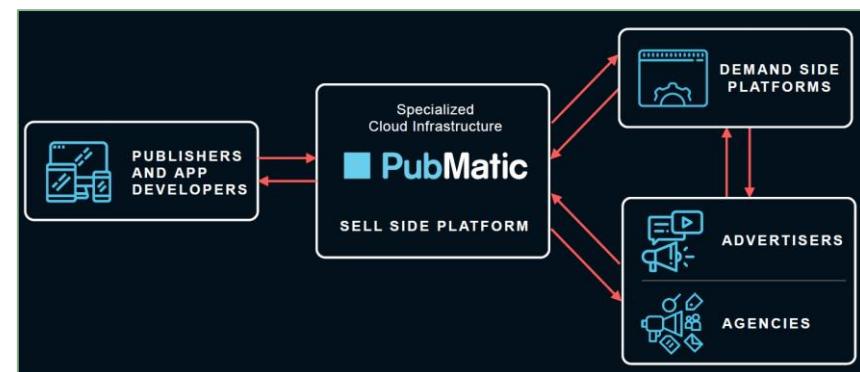
- 95% client retention (20+ consecutive qtrs.)
- 95% of campaigns run are self service
- 85% of gross billings from North America
- 95% of revenue comes through MSAs

PubMatic (PUBM) – \$1.5B Market Cap, Buy \$38 PT

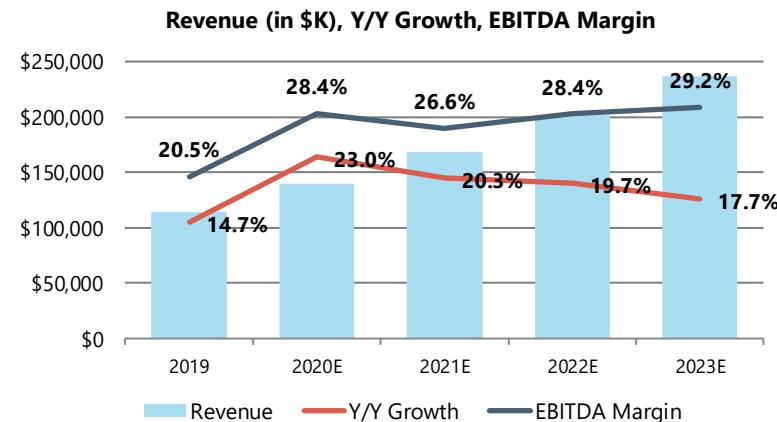
Investor Debate: Can PUBM print upside to the ~20% revenue growth expected for 2021 and prove that Connected TV can be a material revenue driver by 2022? Investors will also debate whether PUBM can maintain take rates in the mid-teens or whether competitive pressures will cause fee compression.

- **Bulls Will Say...**
 - The digital advertising industry (\$349B in '20e) is massive and PUBM still has a very small share of the total pie (\$140M in 2020e revenue)
 - Connected TV is a big forward growth opportunity that is barely being captured in consensus estimates
 - The supply side of the ad tech industry will consolidate as ad buyers continue working with fewer vendors
 - PUBM is a highly profitable model (e.g., 30%+ EBITDA margins at scale), which is rare in ad tech
- **Bears Will Say...**
 - The supply side landscape remains highly fragmented and faces ongoing take pressures that are unlikely to subside
 - PUBM's business model has very little visibility and recurring revenue, a potential headwind to the valuation multiple
 - PUBM's CTV solution came relatively late to the market compared to its closest peer Magnite (MGNI) and remains unproven
 - PUBM has substantial customer concentration risk with Verizon Media Group comprising >20% of revenue
- **Jeff take...**
 - We view PUBM as an ad tech winner with multiple drivers including the shift to programmatic advertising, buyers consolidating spend around fewer supply-side players, and growth in new verticals like Connected TV.
 - We believe PUBM can achieve 20%+ revenue growth and 25%+ EBITDA margins in '21 with CTV an upside call option.
 - At ~7x '22 rev PUBM trades at a 30%+ discount to its closest peer despite better growth and profitability.

PUBM's Position In The Ad Tech Industry



PUBM Has A Mix of 20%+ Revenue Growth At A 25% EBITDA Margin



Source: Jefferies, Company Data

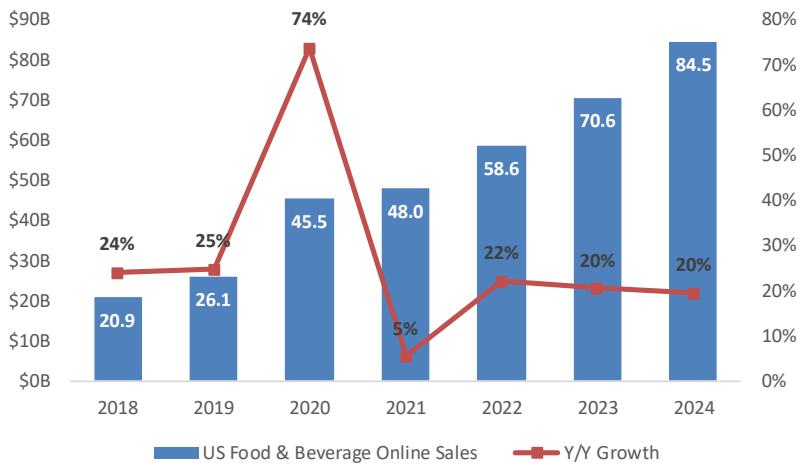
E-Commerce – Clicks Keep Exceeding Bricks

Pandemic Drives Accelerated Adoption of E-Commerce

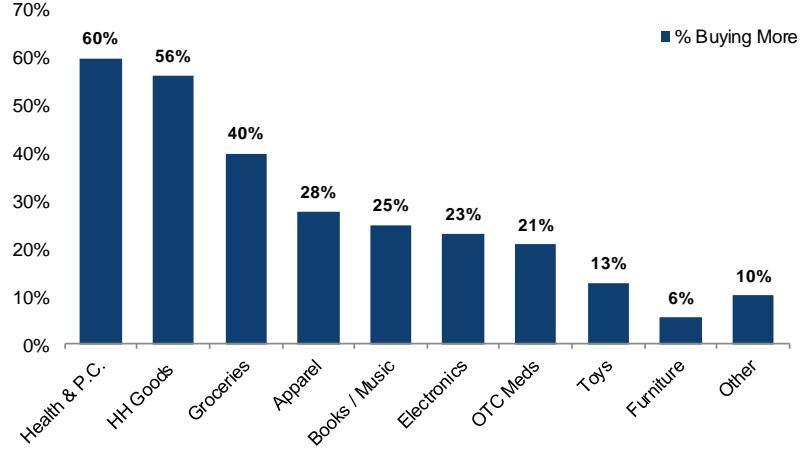
Behavioral changes brought about by the COVID-19 pandemic permanently increased online consumption

- E-commerce has benefited from a step-change in online consumption as people work from home and avoid crowded places. The shift has been most pronounced in grocery / household essentials and categories related to home nesting
 - eMarketer estimates in Food & Beverage – the least penetrated e-commerce category – sales surged 74% y/y in 2020 to \$45.5B
 - And first-time grocery e-commerce buyers increased 42% y/y to 131M, according to eMarketer
- Work from home / lockdowns have led consumers to assign greater importance to their homes, increasing demand for categories like furniture, home décor, office, and crafts

Food & Beverage Retail E-Commerce Sales



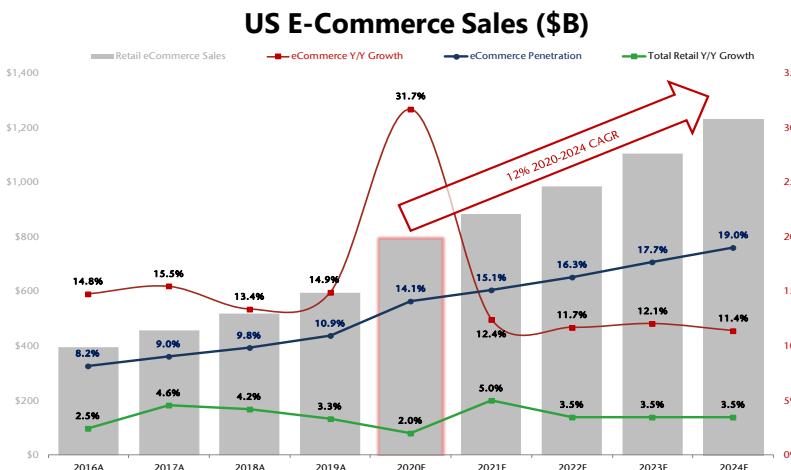
Survey: What types of products are you purchasing more on Amazon since the Coronavirus outbreak?



- In addition, a rise in retail bankruptcies and store closures provide additional support to the secular trend of retail sales shifting online
- We believe this shift to online will continue even after the pandemic ends, supporting the long-term growth for e-commerce leaders like AMZN and multi-channel retailers like WMT

E-Commerce = Big TAM

In the US alone, total Retail sales have exceeded \$5.5T and e-commerce is roughly 14% of that... or \$785B in 2020 and growing at a 2020-24 CAGR of 12% (~3x faster than total retail)

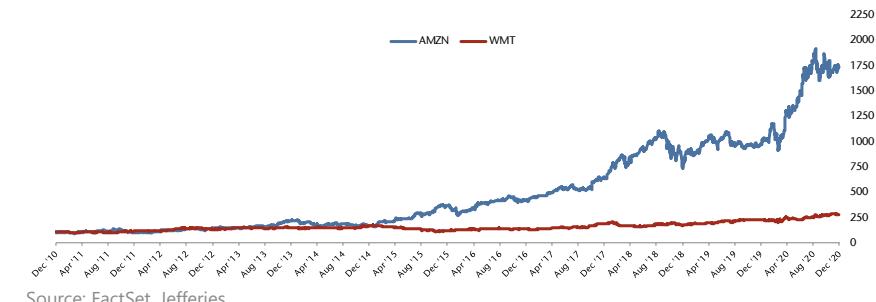


Source: Census Bureau, Jefferies estimates

- Price and **selection** remain key drivers but **convenience** and **higher service levels** have become major differentiators
- Consumers have almost accepted for granted **free / discounted shipping** and **shorter delivery times** => same-day shipping has become the new two-day shipping
- **Mobile** and **tech improvements / growth** (*discovery, trust & safety, payment utilities, etc.*) are accelerating the migration online
- ...and, in a difficult macro backdrop, the shift to e-commerce tends to pick up as vendors leverage the efficiencies of the online channel

Our top e-commerce pick is Amazon (AMZN):

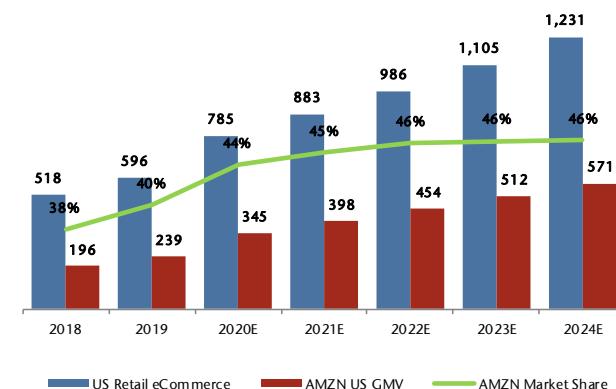
- Creating ~6x more shareholder value than WMT in the past 10 years



Source: FactSet, Jefferies

- And growing GMV faster than the market

Amazon US GMV (\$B) and Market Share (%)



Source: Company reports, Census Bureau, Jefferies estimates

E-Commerce Impact on Retail

Offline retail is suffering (despite single-digit growth overall) because of a secular change in consumer behavior towards experiences and away from goods and an ongoing shift to e-commerce, accelerated by COVID-19

- We saw over 9K store closures in the US in 2019 and close to 9K through mid-Dec '20, with expectations for much higher numbers
- Some household names closed their physical doors for good – including Pier 1 Imports, Lord & Taylor, Stein Mart
- The S&P Retail Index (XRT) was up 12% in 2019 and 40% in 2020 but some major US retailers performed significantly worse – Macy's (-40%), Foot Locker (+1%)
- Walmart, the world's largest retailer, has been trying to catch up with Amazon on many fronts
 - acquisitions to strengthen its digital channel – Flipkart, Jet.com, Hayneedle, ModCloth, Moosejaw, Shoes.com, Bonobos
 - services to reduce friction for shoppers – a subscription service (Walmart+) with expedited delivery, easier returns for 3P sellers' goods sold by Walmart
 - partnerships to offer a better consumer experience and/or lower costs – w/ Handy for product assembly, w/ Anthem for lower Rx drug and med supplies costs
 - new services to expand digital presence – a subscription streaming service, eBook subscription service (w/ Kobo)



Source: Coresight Research, Jefferies

- At the same time, AMZN has been growing its physical presence
 - launching new concept Amazon Fresh stores – four in Southern California and one in Illinois, along with two Amazon Go Grocery stores near its HQs
 - and expanding its collection of Books, 4-Star, and Go stores across the country

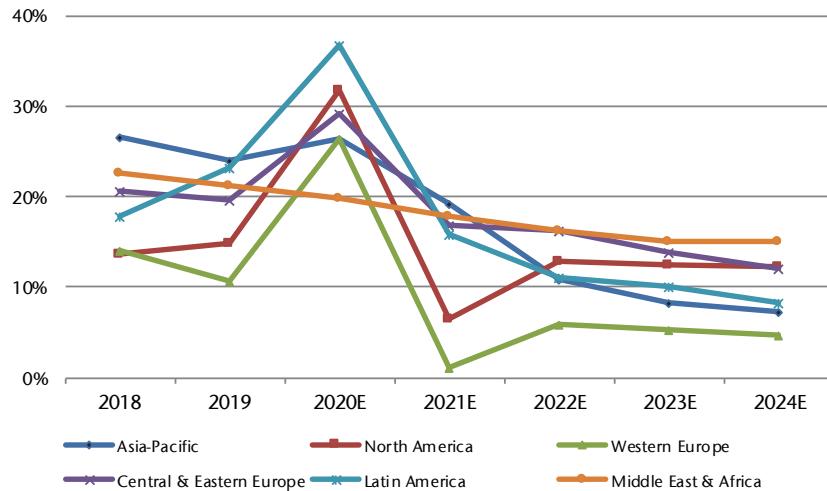
E-Commerce – Where Are We Headed

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Today, e-commerce is roughly 18% of total retail worldwide (up from 5% in 2013) and keeps growing at a CAGR of ~14% (2019-2024), roughly 4x faster than overall retail

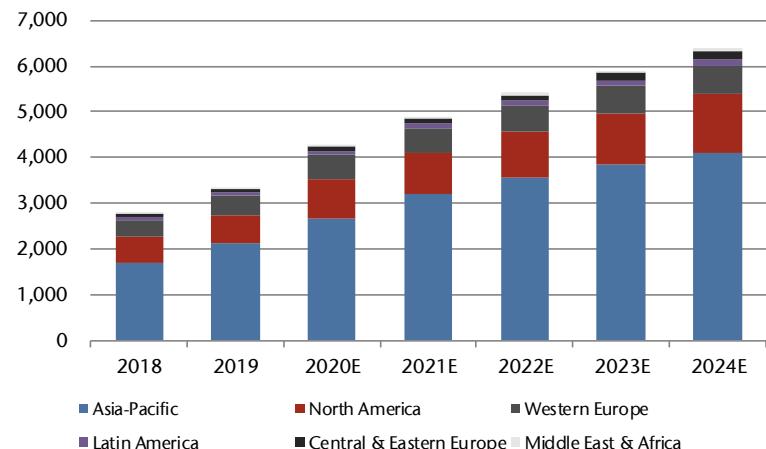
- E-commerce penetration is highest in China (~45%) and the developed world but still less than 30% overall in APAC and just under 15% in North America and Western Europe
- Emerging markets are the least penetrated (<10%) and expected to grow the fastest (~17% avg CAGR 2019-24)
- Everywhere one thing seems for granted – e-commerce is expected to grow much (3-4x) faster than total retail

Retail E-Commerce Sales Growth by Region



Source: eMarketer, Jefferies

Retail E-Commerce Sales by Region (\$B)



Source: eMarketer, Jefferies

Retail E-Commerce Sales Growth by Region

	2020E	2019-24 CAGR
Central & Eastern Europe	29%	17%
Middle East & Africa	20%	17%
Latin America	37%	16%
North America	32%	15%
Asia-Pacific	26%	14%
Western Europe	26%	8%

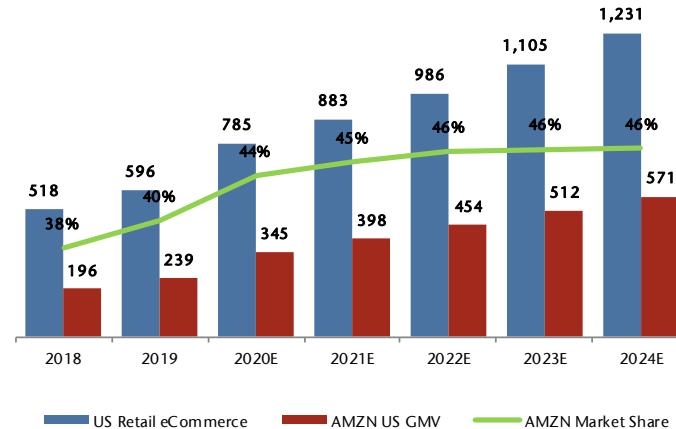
Source: eMarketer, Jefferies

Amazon (AMZN) \$1.6T Market Cap, Buy \$3,800 PT

Investor Debate: Investors are focused on the sustainability of core business' acceleration / tough comps in 2021, slowing AWS revenue growth, and investments in infrastructure

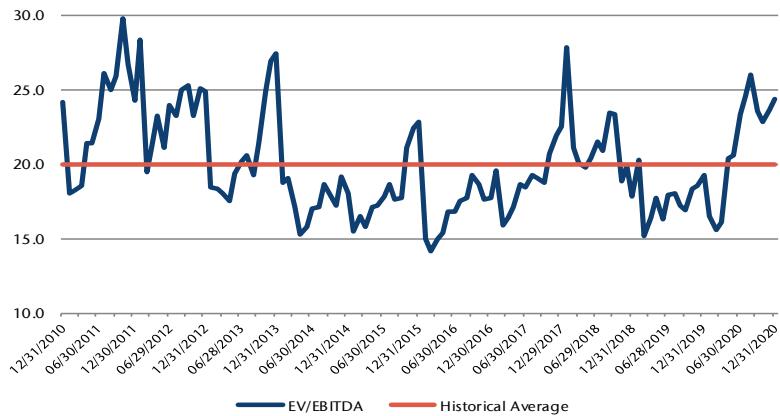
- **Bulls Will Say...**
 - AMZN is best positioned to benefit from the secular shift of commerce online and the step-up increase in e-commerce penetration post-COVID
 - Ability to toggle b/n growth and profitability with relative ease shows the level of leverage embedded in the model
 - AWS (2x bigger than its next competitor) and advertising (bigger than TWTR & SNAP combined) remain underappreciated assets with massive recurring revenue streams and strong profitability
 - AMZN continues gaining market share from offline and online retailers
 - Its competitive moat is one of the biggest among technology companies
 - International opportunities (India, China and other untapped geos) carry significant potential for AMZN
- **Bears Will Say...**
 - Stock continues to look expensive trading at ~19x '22 EBITDA
 - 2021 set-up looks tough with a post-COVID slowdown
 - AWS growth keeps decelerating – 9 qtrs in a row
 - Competition in Cloud Computing is strong and other players are growing faster
- **Valuation:** Even at recent absolute levels, AMZN looks slightly undervalued on growth-adjusted EV/EBITDA and against historical trends (currently trading at ~0.7 '22 EV/EBITDA to Growth)
- **Jeff take...**
 - AMZN keeps gaining market share by reducing friction for shoppers (better convenience, selection, product availability)
 - AMZN's ability to get orders to consumers fast is a huge differentiator that drives incremental growth in existing and new categories
 - The global AWS opportunity is a revenue growth engine with corresponding margin accretion to the overall business
 - Investment in AWS, content, and fulfillment support expansion into new products, services, geos with significant potential (each a contender to be the next multi-billion-dollar opportunity)
 - Advertising (bigger than TWTR & SNAP combined) may be AMZN's single most underappreciated asset

Amazon US GMV (\$B) and Market Share (%)



Source: Company reports, US Census Bureau, Jefferies estimates

10-Year EV / EBITDA Multiple



Source: FactSet, Jefferies

Amazon – Key Metrics

Retail:

- Commodity under threat, specialty retailers more immune
- AMZN accounts for close to 44% (~\$345B) of US retail eCommerce
 - eBay 5% (~\$37B); Walmart 6% (~\$46B)
- Walmart: ~\$46B online, ~\$430B total US (incl. Sam's Club)

Financial highlights:

- \$380B rev in '20, 35% growth; \$449B in '21, 18% growth
- Mid single digit Op Mgn: 5.4% in '20, ~6.5% in '21

Prime:

- ~180M members WW, ~110M in the US (JEF_e)
- Latest markets launched: Brazil ('19) and Turkey ('19)
- ~3M items available for same-day & overnight delivery, >10M for one-day and >100M for two-day
 - members WW saved \$1.4B+ throughout Prime Day 2020

Next steps (market opportunity):

- Healthcare – \$3T market but many hurdles
 - launch of Amazon Pharmacy signals strong interest in the space
- Apparel – \$3T market, >\$20B sales (incl. 3P)
 - at least 66 private labels generating tens of millions in sales
- B2B (Amazon Business) – \$1T market, \$10B+ in sales
- Groceries – \$800B market, \$16B+ Whole Foods sales
- Bigger push into Cloud Computing (on-prem, SaaS)
- Smart-home devices, home security

Valuation:

- Current mkt cap ~\$1.6T
- At 19x '22 EV/EBITDA, AMZN trades at ~0.7 EV/EBITDA to Growth, representing a sizeable discount to the 1.4 across large-cap internet peers

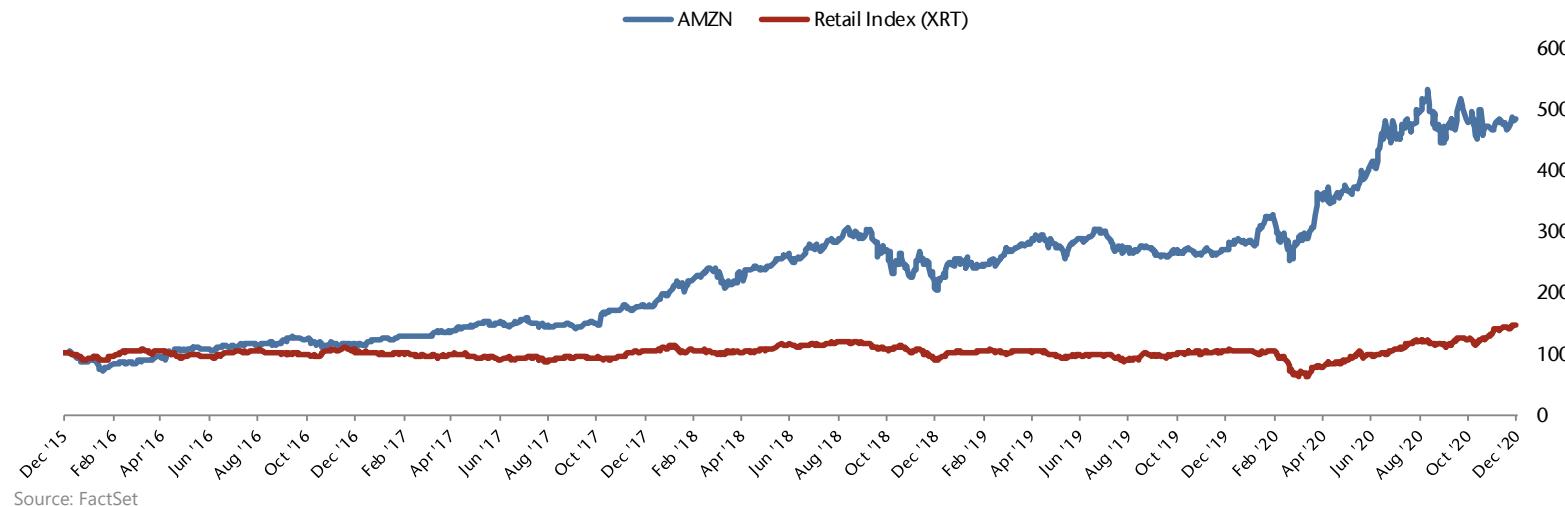
Stats:

- About 1/2 of all consumers start their product search on Amazon.com
- 3P units 50%+ of total
- 3P GMV ~\$323B vs. 1P ~\$180B ('20) ex-Whole Foods
- Amazon's dedicated last-mile delivery network delivered over 3.5B packages WW in 2020
- 2020 holiday season stats
 - Over 1.5B toys, home products, electronics, and beauty and personal care products delivered worldwide this holiday season
 - American SMBs sold nearly 1B products in Amazon's store
 - Beauty, Home, Fashion, Sports, and Pets among the top categories shopped this holiday season
 - Echo Dot was a best-selling product on Amazon.com (5th year in a row), along with Fire TV Stick 4K w/ Alexa remote, Smart Plug, and Echo Show 5
 - Best ever holiday season for independent sellers on Amazon (nearly all of which are SMBs) with WW sales up 50%+ y/y
 - WW sales exceeded \$4.8B from Black Friday through Cyber Monday (up 60%+ y/y)

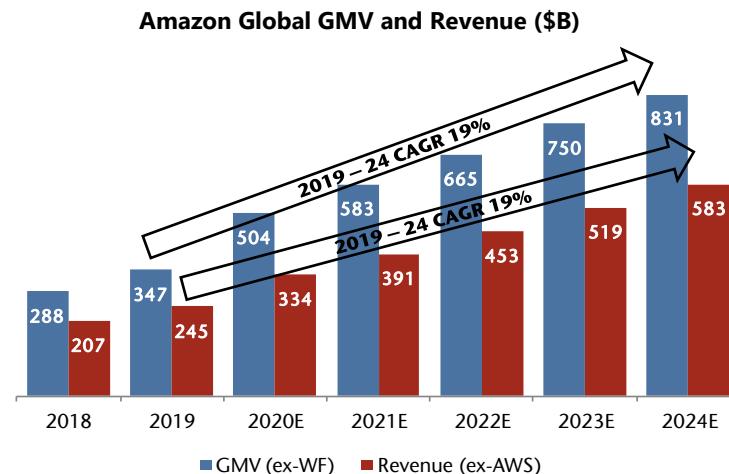
Amazon (AMZN) \$1.6T Market Cap, Buy \$3,800 PT

Top Beneficiary of Secular E-Commerce Growth

AMZN has been the undisputed leader in e-commerce, taking market share from offline and online competitors alike and creating tremendous value for shareholders (~2x more than WMT and ~2.6x more than EBAY in 5 years)



- In the early years, AMZN focused its strategy on market penetration, through **low prices** and **broad selection**, but later shifted its attention to **convenience**, the third major pillar of a successful e-commerce strategy
- Today, about 1/2 of consumers start their product searches on Amazon.com
- Free shipping**, membership programs such as **Prime**, **Pantry** and **Fresh**, and an assortment of **expedited shipping** options (such as free 2-day, 1-day, same-day, 1-hour) meet diverse consumer needs / preferences and create convenience for shoppers
- Additional offerings like Prime Video and Prime Music increase engagement, adding to consumer stickiness and enhancing the flywheel
- Not surprisingly, AMZN's ability to reduce friction for shoppers has helped deliver **20% revenue CAGR** in its core retail business over the past 4 years and is expected to generate **13% CAGR between '20 and '24**



Source: Company reports, Jefferies estimates

Amazon (AMZN) \$1.6T Market Cap, Buy \$3,800 PT

Amazon Prime – Flywheel of the Core Business

Amazon Prime, with an estimated ~110M members in the US and ~180M globally, has become the flywheel of AMZN's core business

- Launched in 2005, Amazon Prime is available today in 20 countries (most recently launched in Brazil and Turkey)
- Amazon Prime offers free 1-day delivery on 10M+ eligible items and 2-day delivery on 100M+ eligible items for \$12.99/month or \$119/year
- Members get free 2-hour delivery on groceries, including fresh food and produce in qualifying areas
- In addition, subscribers get free access to over 40K movies and TV episodes, 2M+ songs, 1K+ books and magazines, original audio series, photo storage, and other perks
- Consumer surveys have shown consistently over time that Prime members spend on average ~2x what non-members spend annually (Source: CIRP)
- Digital content (video, music, books) accounts for a big piece of Prime's appeal to consumers; content consumption each year exceeds any previous year
- Free digital content (as part of a Prime subscription) also creates stickiness – according to a CIRP study, 73% of free-trial members sign up for the service and 91% of them renew for a 2nd year, 96% for a 3rd year

The screenshot shows the Amazon Prime membership page. At the top, there's a navigation bar with links for 'Your Amazon.com', 'Today's Deals', 'Gift Cards', and 'Help'. Below that is a search bar with 'Search All' and a 'Go' button. To the right are links for 'Hello, Sign In', 'Your Account', 'Join Prime', and a shopping cart icon. The main headline reads 'Amazon Prime members enjoy:' followed by three bullet points: 'Free Two-Day Shipping', 'Instant streaming of movies & TV shows', and 'Instant access to Kindle Books'. Each point is accompanied by an icon: a cardboard box for shipping, a television screen for streaming, and a Kindle device for books. To the right of these icons is a list of Prime benefits: '✓ FREE Two-Day Shipping on millions of items', '✓ No minimum order size', '✓ Instant streaming of thousands of movies and TV shows with Prime Instant Video', '✓ Read free books each month through Kindle First and the Kindle Owners' Lending Library', and a 'Start Your 30-Day Free Trial' button. Below the trial button is a note: 'After your free trial, Amazon Prime is just \$99/year. You can cancel anytime.' and a list of links: 'Give the gift of Prime', 'Already a member? (Sign In)', 'Looking for Amazon Student or More?', 'Looking for Prime Free?', '(customers in Los Angeles and San Francisco)', 'Help and FAQs', and 'Tell Your Friends' with social media icons.

Source: Amazon

Amazon (AMZN) \$1.6T Market Cap, Buy \$3,800 PT

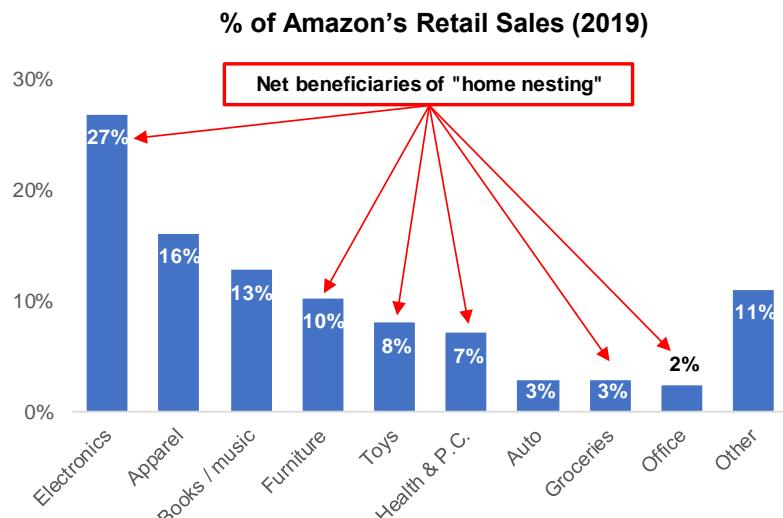
Pandemic-driven boost to Grocery and Essentials sales expected to stay

We believe behavioral changes resulting from the pandemic drove a permanent boost in Amazon's sales across the Grocery and Essentials categories, expanding the TAM for its core retail business

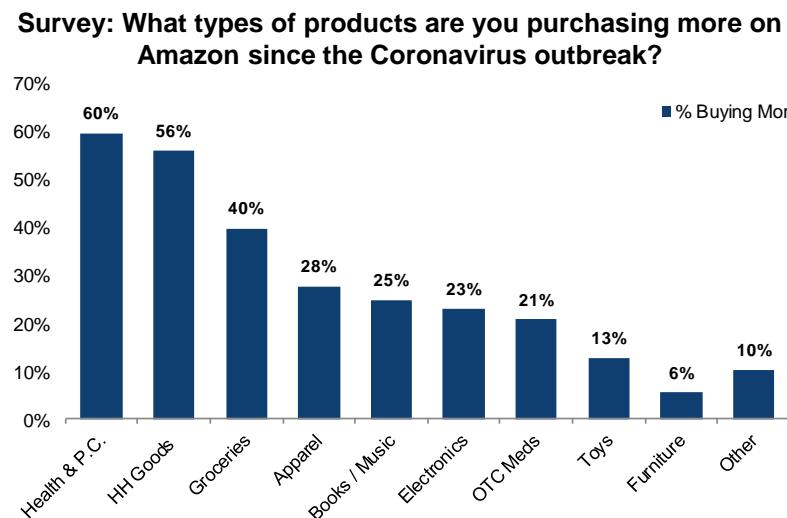
- Amazon has had historically strong presence in the Media, Consumer Electronics, Toys, and Office Equipment / Supplies categories and has under-indexed in Groceries and Household Essentials, but COVID-19 is changing that
- The global pandemic forced consumers to embrace online retail and we believe most of them will stick with the channel longer-term

The Coronavirus pandemic has triggered a major shift in consumer behavior toward online purchases

- Categories with the lowest share of sales historically – incl. Health & Personal Care, Household Goods, and Groceries – are seeing the highest increase in purchases on Amazon, according to a proprietary Jefferies survey conducted in March and April 2020
- We expect the behavior to stick longer-term as consumers experience and appreciate the convenience of online shopping in these categories
- Amazon has been pursuing Grocery for 10+ years because it offers a large TAM and increases purchase frequency in other categories, growing its share of wallet and keeping the retailer top of mind for a greater portion of purchase decisions



Source: eMarketer, Jefferies

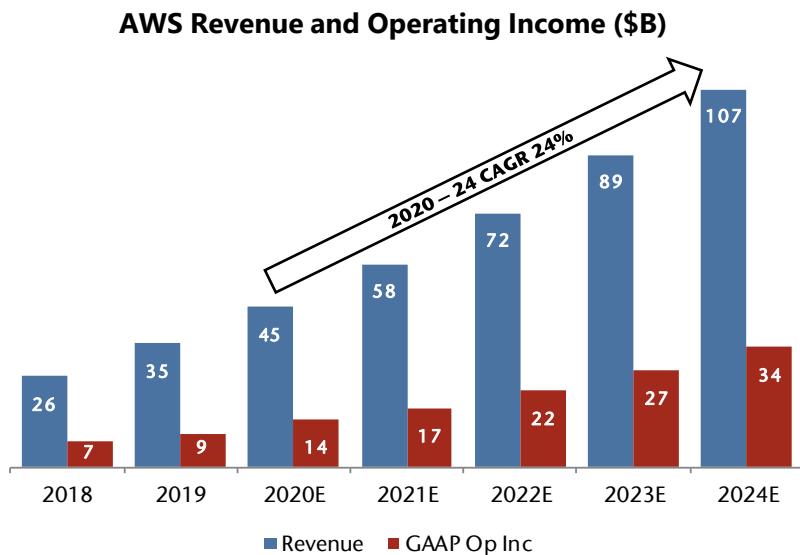


Source: Jefferies; sample = 1,790

Amazon (AMZN) \$1.6T Market Cap, Buy \$3,800 PT

AWS – Revenue Growth Engine and Margin Booster

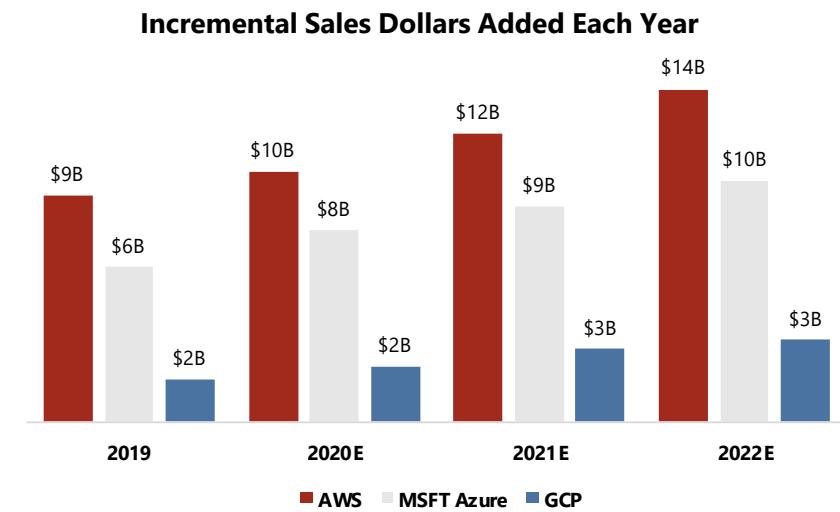
AWS is the overwhelming market share leader in Cloud Infrastructure as a Service (IaaS), with the largest share of compute capacity in use by paying customers — “many times the aggregate size of all other providers in the market” (Gartner)



Source: Company reports, Jefferies estimates

- AWS has a global footprint that keeps expanding – it offers over 175 fully-featured services from 77 Availability Zones across 24 AWS regions across all continents save Antarctica
- 18 new Availability Zones across 6 more AWS regions (Australia, India, Indonesia, Japan, Spain, and Switzerland) have been announced for launch by 2022
- We believe the global AWS opportunity is a revenue growth engine with corresponding margin accretion to the overall business

- Launched in 2006, AWS has been a revenue growth and profitability driver for AMZN for over a decade now
- Its first-mover advantage (roughly 5-year head start) has allowed AWS to garner ~40% market share in IaaS+PaaS (~50% in IaaS)
- AWS has delivered **~39% revenue CAGR** over the past 4 years and is expected to generate **24% CAGR over the next 4**
- We estimate AWS will add over \$12B of incremental sales each year in '21/22, more than Azure and GCP combined

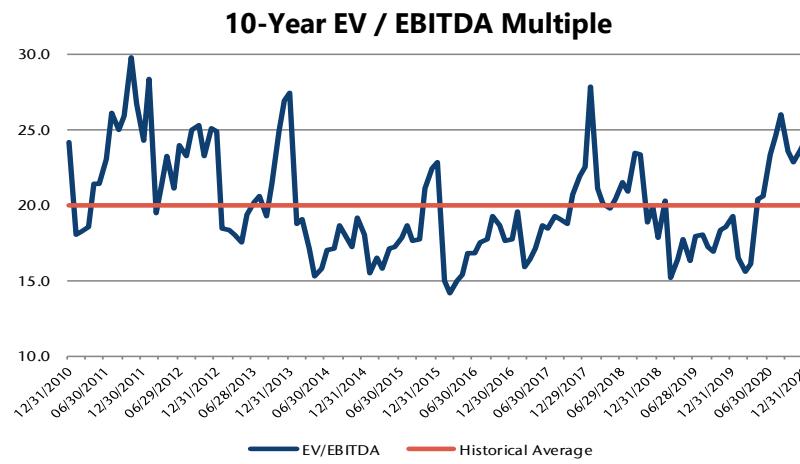


Source: Company reports, Jefferies

Amazon (AMZN) \$1.6T Market Cap, Buy, \$3,800 PT

Compelling Valuation

At recent levels, AMZN looks undervalued on a growth-adjusted basis and against historical trends



Source: FactSet, Jefferies

- AMZN currently trades at about 19x consensus '22 EBITDA vs. 2019-22 consensus EBITDA CAGR of ~26%
- AMZN's current EV/EBITDA multiple is ~1 std dev above its 10-year mean
- However, on a growth-adjusted basis, AMZN trades at a material discount to comps and particularly vs. brick-and-mortar retailers
- AMZN's stock currently trades at ~0.7 cons '22 EV/EBITDA to Growth compared to a mean of ~1.6 for a broader set of comps (excl. outliers)
- On a SOTP basis, we see even more upside than implied by our price target

1/8/2021

	Stock Price	Market Cap	Enterprise Value	Revenue (GMV)*	EV/Rev (GMV) Multiple	Rev (GMV) CAGR	EV/Rev (GMV) to Growth	EBITDA	EV/EBITDA Multiple	EBITDA CAGR	EV/EBITDA to Growth
				CY21	CY22			CY21	CY22		
eBay Inc.	\$54.48	\$37,555	\$41,497	\$98,478	\$100,448	0.4x	0.4x	\$3,923	\$4,275	10.6x	9.7x
Walmart Inc.	\$146.63	\$414,859	\$453,400	\$558,095	\$573,812	0.8x	0.8x	\$35,516	\$36,853	12.8x	12.3x
Costco Wholesale Corp	\$369.94	\$163,867	\$157,980	\$187,254	\$199,566	0.8x	0.8x	\$8,208	\$8,805	19.2x	17.9x
Target Corporation	\$193.60	\$96,950	\$103,420	\$89,194	\$92,214	1.2x	1.1x	\$8,340	\$8,653	12.4x	12.0x
Best Buy Co., Inc.	\$107.57	\$27,855	\$26,469	\$47,135	\$48,074	0.6x	0.6x	\$3,415	\$3,513	7.8x	7.5x
Williams-Sonoma, Inc.	\$107.89	\$8,263	\$8,217	\$6,580	\$6,689	1.2x	1.2x	\$983	\$1,003	8.4x	8.2x
Nordstrom, Inc.	\$34.24	\$5,399	\$8,005	\$13,228	\$13,653	0.6x	0.6x	\$951	\$1,114	8.4x	7.2x
Kohl's Corporation	\$41.61	\$6,560	\$9,106	\$17,351	\$17,754	0.5x	0.5x	\$1,507	\$1,606	6.0x	5.7x
Macy's Inc	\$12.28	\$3,813	\$8,482	\$19,828	\$20,041	0.4x	0.4x	\$1,534	\$1,870	5.5x	4.5x
TJX Companies Inc	\$70.22	\$84,308	\$86,240	\$41,832	\$45,413	2.1x	1.9x	\$5,064	\$5,945	17.0x	14.5x
Ross Stores, Inc.	\$122.41	\$43,579	\$42,553	\$16,440	\$16,996	2.6x	2.5x	\$2,464	\$2,813	17.3x	15.1x
Mean	\$81,182	\$85,943	\$99,583	\$103,151	1.0x	1.0x	2%	0.36	\$6,537	\$6,950	11.4x
Median	\$37,555	\$41,497	\$41,832	\$45,413	0.8x	0.8x	3%	0.22	\$3,415	\$3,513	10.6x
Amazon.com	\$3,182.70	\$1,596,923	\$1,627,717	\$747,966	\$865,273	2.2x	1.9x	23%	0.08	68,140	86,111

* We use GMV instead of Revenue for AMZN and EBAY for apples-to-apples comparison

Source: FactSet, Jefferies

Carvana (CVNA) ~\$45B Market Cap, Buy, \$350 PT

Investor Debate: Long-term e-commerce penetration in used cars and impact of proliferation in competing offerings

- Bulls Will Say...
 - Used car market is ripe for e-commerce disruption, supported by low satisfaction at traditional dealerships and demographic tailwinds
 - A fragmented industry structure with limited tech expertise curbs incumbent player's ability to create viable alternative offerings
 - Ability to centralize inventory represents a superior business model that improves with scale
 - Trends experienced in past cohorts imply there is significant upside to street estimates
 - The stock can outperform even if valuation moderates given attractive growth profile
- Bears Will Say...
 - Consumer loyalty is hard to create given used car purchases happen every 3-5 years
 - Most consumers prefer to have in-person advice when making large transactions like used cars
 - Proliferation of competing e-commerce offerings will draw business away from CVNA
 - Valuation looks expensive relative to historical levels and traditional dealerships

Valuation: Valuation is justified on a growth adjusted basis and the stock could still outperform if the multiple de-rates given superior growth

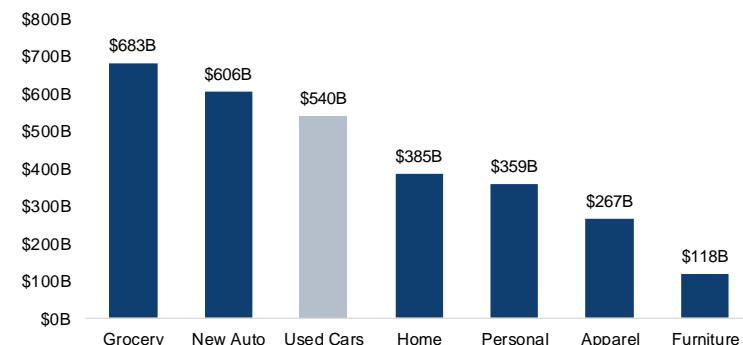
Jeff take...

- Used car market is ripe for e-commerce disruption, supported by low satisfaction at traditional dealerships and demographic tailwinds
- We think CVNA's end-to-end user experience is far superior to any other e-commerce offering
- CVNA's ability to centralize inventory allows it to offer more variety, resulting in higher conversion and better vehicle turnover/profit
- Our cohort model implies upside to consensus sales estimates

Catalysts: 1) Earnings results; 2) Third-party data releases; 3) Used car industry macro data releases; 4) Actions taken by competition; 5) Pandemic headlines

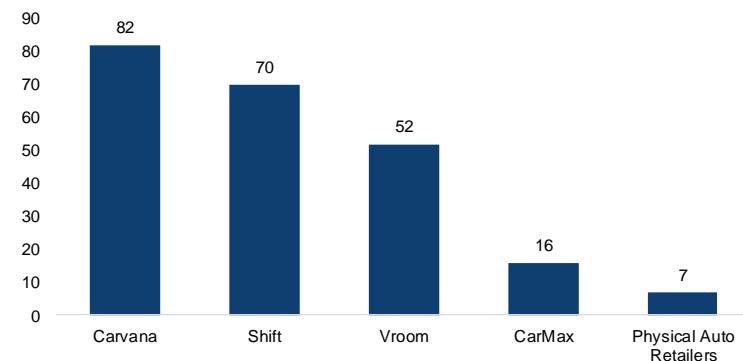
Risks: 1) Revenue growth decelerates or remains muted; 2) Proliferation of used car e-commerce sites negatively impacts traffic to CVNA; 3) Limited progress improving wholesale GPU; 4) Finance GPU deteriorates

Used cars vs other large end-markets (U.S.)



Source: Company reports, U.S. Census Bureau, Jefferies estimates

Net Promoter Scores



Source: Company reports, Jefferies estimates

MercadoLibre (MELI) ~\$85B Market Cap, Buy, \$2,000 PT

Investor Debate: Sustainability of growth following an acceleration during the pandemic and impact of competition in Brazil

- **Bulls Will Say...**
 - MELI is ideally positioned to benefit from increased adoption of e-commerce and fintech across Latin America
 - Pandemic accelerated adoption rates, which remains low relative to other emerging markets
 - Faster growth in high-margin fintech offerings (credit, asset management, insurance) will increase engagement/stickiness with the ecosystem and drive upside to gross profit estimates
 - Managed logistics network provides competitive advantage and gets more efficient with scale
 - Nascent advertising business provides long-term tailwind to gross profit
- **Bears Will Say...**
 - Difficult comps resulting from the pandemic and a return to physical retail will result in slowing growth
 - Competition in Brazil will make growth more difficult/expensive in the country
 - Valuation is unsustainable

Valuation: Valuation is justified by MELI's secular growth tailwinds and potential upside to street estimates

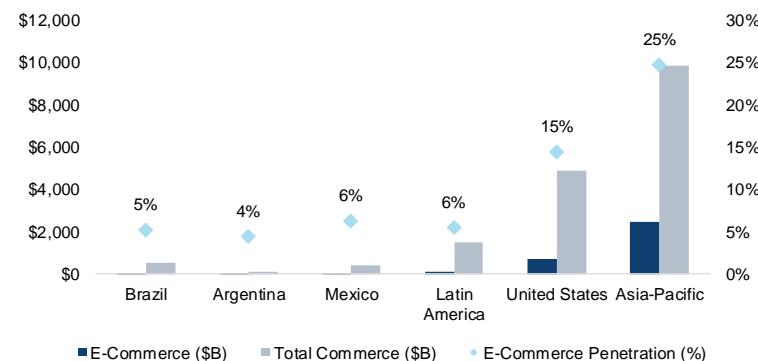
Jeff take...

- MELI's leading market share positions it to continue benefiting from an ongoing shift to e-commerce and fintech in LatAm
- Wallet continues to outpace broader TPV, driving growth in high margin offerings like credit and asset management, resulting in tailwinds to gross profit and upside to consensus
- MELI's managed logistics network provides a competitive advantage that gains improved efficiency with scale
- MELI's dual e-commerce and fintech offering provides an unmatched ecosystem that enhances its competitive moat

Catalysts: 1) Improved profitability in Brazil or Mexico; 2) additional monetization milestones in payments; 3) unexpected change in off-platform payment volume; 4) further progress in owned logistics network; 5) M&A

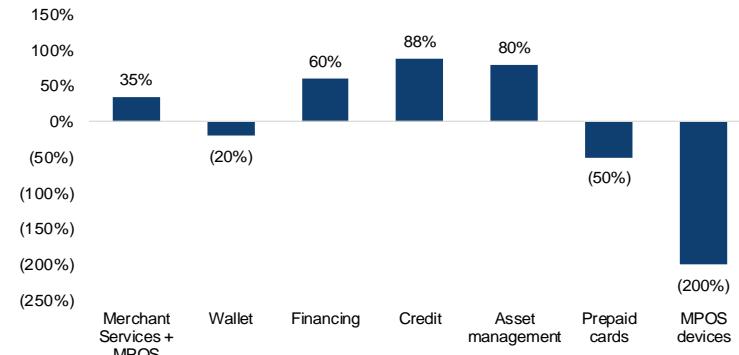
Risks: 1) Competitive activity in Brazil; 2) Post-pandemic return to physical retail; 3) Lack of traction in nascent fintech offerings; 4) Currency fluctuations

E-Commerce Penetration



Source: Company reports, Jefferies estimates

Gross Margins Across MELI Fintech



Source: Company reports, Jefferies estimates

CarGurus (CARG) ~\$3.5B Market Cap, Hold, \$32 PT

Investor Debate: Can the legacy lead generation business drive attractive top-line and stock upside, or is a pivot to direct transactions necessary to jump start growth?

- **Bulls Will Say...**
 - Superior ROI relative to other listings aggregators and other advertising channels provides a long run-way to increase prices
 - Dealer spend continues shifting toward digital channels
 - Pandemic has made more people willing to purchase a car online, providing an opportunity to partner with dealerships across additional steps of the transaction process (financing, delivery, etc.), increasing dealer monetization by expanding multi-product attachment rates
 - Wholesale opportunity allows CARG to offer a dealer-friendly tool to acquire vehicles, increasing cross-selling opportunities and dealer spend
 - CARG could also leverage its superior traffic position to become a relevant player in direct transactions
- **Bears Will Say...**
 - Paying dealership growth is already tapped out, making spend per dealer the primary means to drive revenue higher
 - Spend per dealer is primarily driven by leads, which CARG will have trouble growing given slowing traffic trends
 - Multi-product attachment rates are increasing at a slowing pace
 - Valuation looks expensive relative to other 3P listing aggregators, especially when looking at EV per unique visitor

Valuation: Valuation is justified on a growth adjusted basis

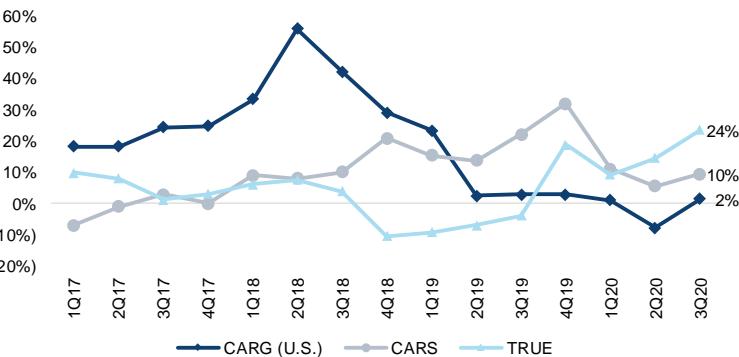
Jeff take...

- CARG's growth profile is likely to disappoint if it continues down its current path given it already counts most of the large/medium sized dealerships as customers
- We believe pivoting the business from lead generation to direct transactions would lead to outperformance, although the company has not indicated a willingness to move in this direction

Catalysts: 1) Pivots business to end-to-end car buying experience; 2) earnings results; 3) third-party data releases; 4) used car industry macro data releases; 5) Actions taken by competition

Risks: 1) Leading traffic position continues to shrink; 2) Reduced dealership ad budgets; 3) Dealer churn

CARG's Traffic Growth vs. Competitors



Source: Company reports, Jefferies estimates

CARG's Traffic Lead vs. #2 Competitor (CARS)



Source: Company reports, Jefferies estimates

eBay (EBAY) ~\$38B Market Cap, Hold, \$54 PT

Investor Debate: Medium-term turnaround of Marketplace post-COVID remains a key investor focus, potential execution risk from the transition to in-house payment intermediation, and longer-term loss of relevance to consumers

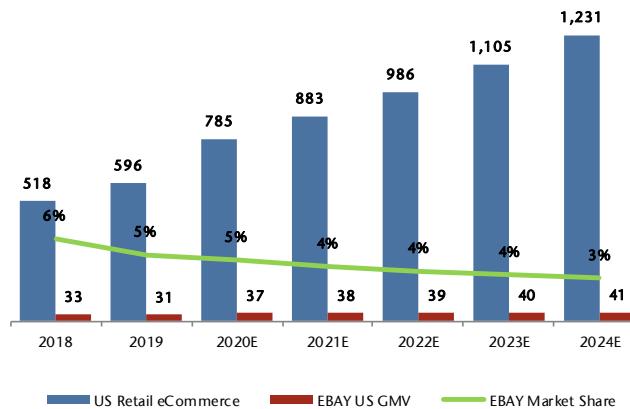
- Bulls Will Say...
 - Stock trades at a reasonable multiple (~10x '22 EV/EBITDA) compared to Internet peers
 - Management has put in place a sound plan to drive cost efficiency and profit growth
 - The stock boasts attractive shareholder distributions, with additional \$3B in stock repurchases approved post StubHub sale, following \$5.5B in stock buybacks in '19 and \$4.5B in '18; as well as a quarterly dividend
- Bears Will Say...
 - eBay is getting squeezed between Amazon, taking the high end of market, and Target and Walmart, whose e-commerce initiatives are improving and taking the low end of market
 - Growth has been sub-par for 6+ years pre-COVID and there are no signs of sustainable acceleration post-pandemic, causing eBay to lose market share to competitors and questioning the long-term relevance of the platform
 - Selling all valuable assets would leave eBay with a stagnant core business with little to get excited about
 - Limited upside from current valuation

Valuation: Looks full – trading at ~10x consensus '22 EBITDA, ~1.9 EV/EBITDA to Growth compared to ~1.5 across large-cap Internet peers

Jeff take...

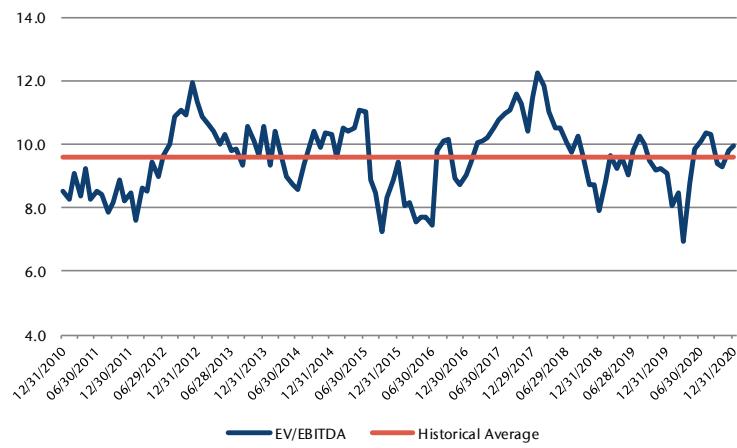
- EBAY remains a revenue acceleration story and the company has made limited sustainable progress towards a Marketplace turnaround
- Move into payments intermediation brings up execution risk
- Management needs to maintain focus on turnaround initiatives and try to maintain the acceleration in GMV growth / reverse market share losses
- Latest prints are incrementally positive but driven by pandemic-induced retail sales shift to online that might pull back once a vaccine is widely available

eBay US GMV (\$B) and Market Share (%)



Source: Company reports, US Census Bureau, Jefferies estimates

10-Year EV / EBITDA Multiple



Source: FactSet, Jefferies

Etsy (ETSY) ~\$24B Market Cap, Buy, \$205 PT

Investor Debate: Sustainability of growth following an acceleration during the pandemic and medium-term margin outlook

- Bulls Will Say...
 - ETSY is ideally positioned to benefit from pandemic led home nesting tailwinds, driving continued growth in categories like home décor
 - The pandemic permanently accelerated e-commerce adoption, driving faster growth across the industry
 - ETSY is still small at \$10B in GMS compared to \$1.7T in retail sales across its 6 core geographies
 - The company has multiple levers to further increase seller monetization, which could drop to the bottom line or be reinvested into faster growth
- Bears Will Say...
 - Difficult comps resulting from the pandemic, dwindling mask sales, and a return to physical retail will result in slowing growth
 - ETSY is a niche offering that will have trouble growing buyers at an attractive rate once the pandemic is over
 - Margins will compress as the company continues spending aggressively on marketing
 - Valuation is unsustainable

Valuation: Near-peak valuation is justified on a growth adjusted basis, but is unlikely to move higher given uncertainty about top-line growth in 2H21

Jeff take...

- Despite ~100% GMS growth in 2020, at just \$10B ETSY is still only a small portion of its \$1.7T addressable market, allowing the site to drive attractive topline
- Home nesting tailwinds resulting from the pandemic drive GMS higher, increasing ETSY's importance to sellers and enhancing its ability to pursue additional fee increases
- Offsite Ads is a meaningful revenue/EBITDA tailwind that does not appear fully captured by consensus

Catalysts: 1) Earnings results; 2) Changes to transaction fees; 3) Third-party data releases; 4) Public actions taken by competitors; 5) M&A

Risks: 1) Post-pandemic return to physical retail; 2) Heightened marketing spend drives margin compression

Mandated Take Rates



Source: Company reports, Jefferies estimates

ROI on Performance Marketing



Source: FactSet, Jefferies

Vroom (VRM) ~\$6B Market Cap, Hold, \$45 PT

Investor Debate: Does VRM offer the right consumer experience to benefit from secular industry tailwinds?

- Bulls Will Say...
 - Used car market is ripe for e-commerce disruption, supported by low satisfaction at traditional dealerships and demographic tailwinds
 - A fragmented industry structure with limited tech expertise curbs incumbent player's ability to create viable alternative offerings
 - Ability to centralize inventory represents a superior business model that improves with scale
 - VRM's asset light approach (3P VRCs/logistics/financing) allows it to scale more quickly and realize the benefits of national distribution
Depressed valuation already prices in downside to consensus and presents an attractive risk reward
- Bears Will Say...
 - Consumer loyalty is hard to create given used car purchases happen every 3-5 years
 - Most consumers prefer to have in-person advice when making large transactions like used cars
 - Proliferation of competing e-commerce offerings will draw business away from VRM
 - An asset light approach results in less attractive long-term economics and does not provide the same level of consumer experience

Valuation: Valuation is likely to remain depressed until growth inflects, although a significant discount to CVNA presents an attractive risk-reward

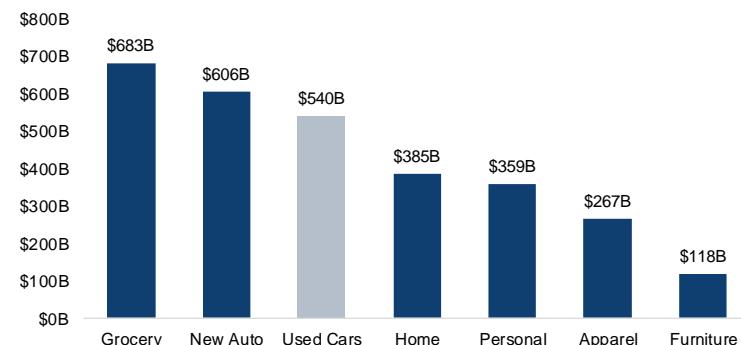
Jeff take...

- VRM is likely to benefit from the same secular industry tailwinds as CVNA, driving attractive top-line growth
- We also see expanded inventory of less expensive vehicles helping drive increased unit sales by broadening VRM's addressable consumer base
- A recent precipitous drop in revenue growth at such an early stage in the company's lifecycle reduces our confidence in VRM's ability to meet lofty forward expectations

Catalysts: 1) Earnings results; 2) Third-party data releases; 3) Used car industry macro data releases; 4) Actions taken by competition; 5) Pandemic headlines

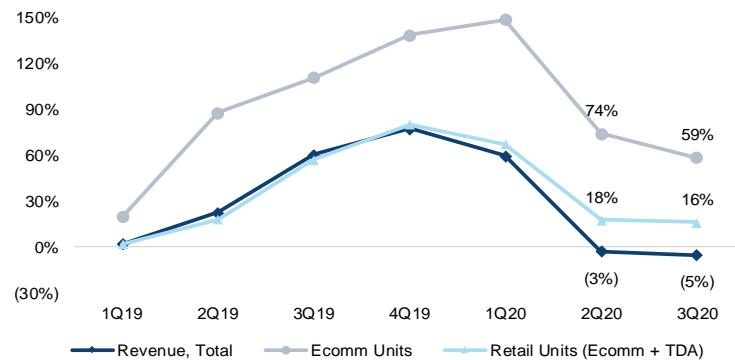
Risks: 1) Revenue growth decelerates or remains muted; 2) Proliferation of used car e-commerce sites negatively impacts traffic to CVNA; 3) Limited progress improving product or wholesale GPU

Used cars vs other large end-markets (U.S.)



Source: Company reports, U.S. Census Bureau, Jefferies estimates

VRM's revenue and unit growth



Source: Company reports, Jefferies estimates

Yelp (YELP) ~\$2.6B Market Cap, Hold, \$32 PT

Investor Debate: Investors are focused on the impact of COVID-19 on SMB ad spend and recovery trajectory, achievability of pre-pandemic turnaround plan involving a return to mid-teens revenue growth and 30%+ EBITDA margins, and monetization potential of entry-level product launches (Business Highlights, Verified License)

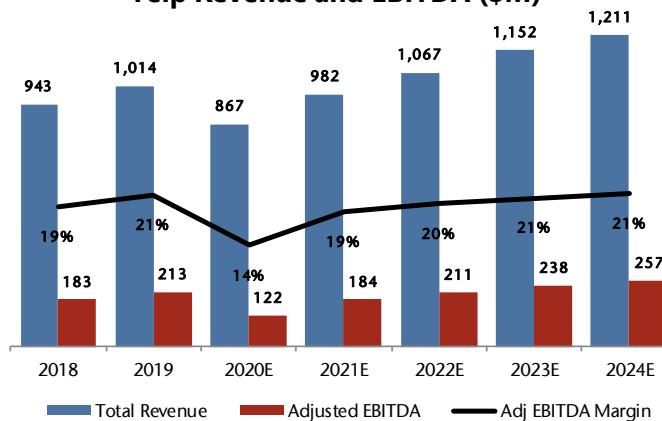
- **Bulls Will Say...**
 - Strong network effects and well-respected brand make Yelp a clear beneficiary of the secular move of local ad dollars online
 - SMBs offer a large, highly underpenetrated TAM (20M+ local business locations / \$150B local ad spend)
 - Strong brand drives organic traffic/reviews while new products and features (particularly in Restaurants) help retain new users, driving customer acquisition costs down
 - National and multi-location accounts ramping up nicely
 - Strong user engagement trends driving revenue growth
 - Potential takeout value given strong brand equity and nascent monetization opportunities with small businesses
- **Bears Will Say...**
 - Competition is driving CPC pricing lower and Paying Advertising Account growth has stagnated
 - Non-term contracts introduced uncertainty, volatility and execution challenges in the ad business and pressure ARPU
 - Growing competitive pressure from Google, Facebook and others

Valuation: Looks full – trading at ~10.8x '22 EV/EBITDA which gives us ~21.7 EV/EBITDA to Growth relative to 6.3 across small-cap Internet peers

Jeff take...

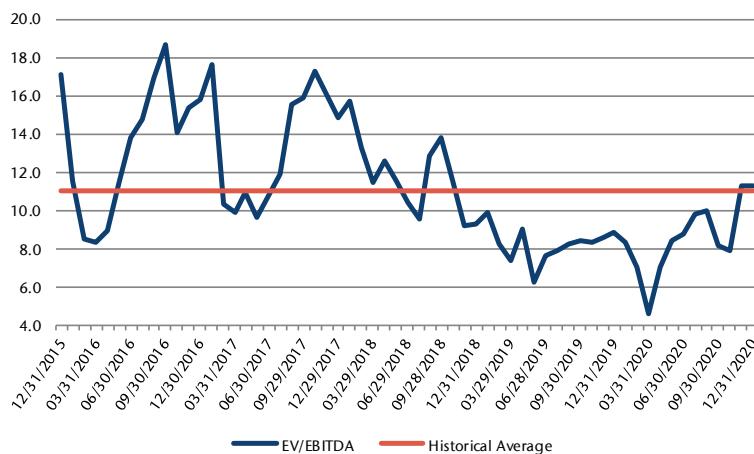
- Uncertainty around timing and shape of the recovery for small local businesses lowers visibility into 2021 at a time when competitors like FB and GOOGL seem to be gaining ground
- Proprietary Restaurants experiences create stickiness and drive customer acquisition costs down but traffic to Restaurants still at ~80% of pre-pandemic levels
- Resilience of Home & Local Services during the pandemic indicator of brand strength; expected to help, along with Restaurants, drive top line growth during the recovery
- Scale brings out leverage in the model and we expect healthy margin improvement from new cost saving initiatives

Yelp Revenue and EBITDA (\$M)



Source: Company reports, Jefferies estimates

5-Year EV / EBITDA Multiple



Source: FactSet, Jefferies

Online Travel – Recovering from COVID-19, Vaccine...

Online Travel – Huge TAM Disrupted by a Pandemic

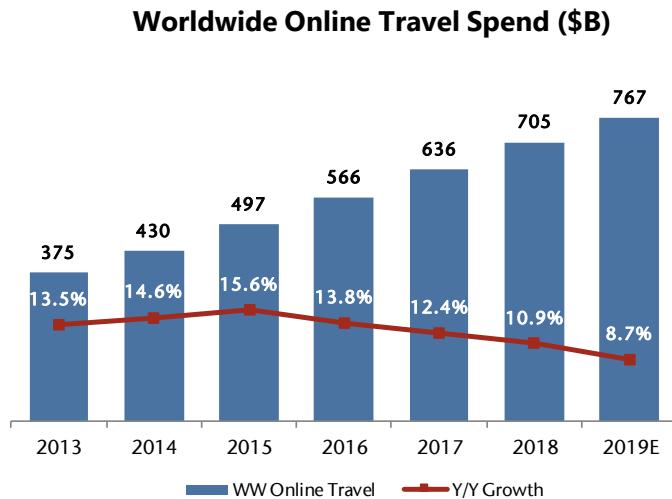
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Total travel spend was about \$1.7T globally in 2019 and Online Travel was roughly half of that or ~\$767B

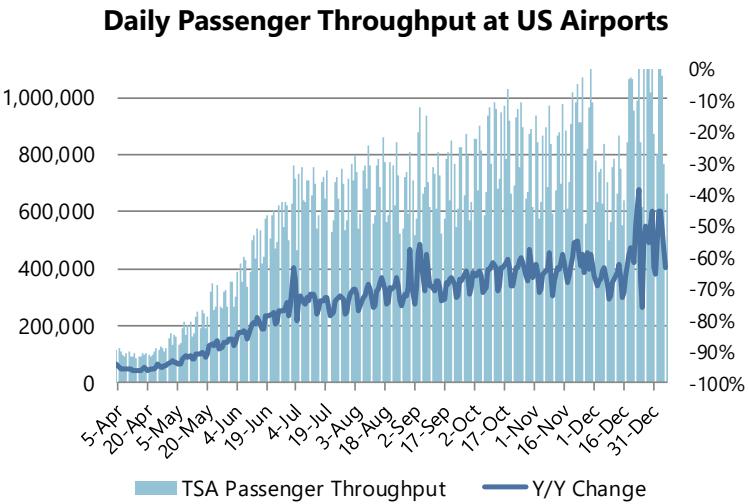
Then in early 2020, a global pandemic disrupted a market that was projected to grow at 7.6% CAGR over the next 3 years

We still don't have a clear picture of the actual damage to travel in 2020 but some initial estimates provide us with a clue

- Analysis of TSA throughput data indicates air passenger volume at US airports declined ~70% in the last 10 months of 2020
 - As of early January 2021, passenger traffic is still more than 50% below year-ago levels
- Global air passenger departures in 2020 are estimated to have declined ~60% y/y and return to 2019 levels is not expected until 2024
- In hospitality, STR and Tourism Economics estimate lodging demand in the US was down roughly 36-38% y/y in 2020 and would not recover to 2019 levels before the end of 2023



Source: eMarketer, Jefferies



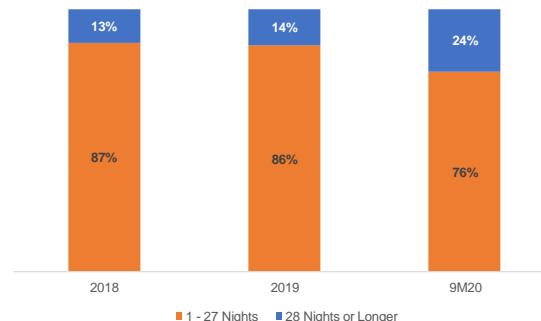
Source: TSA, Jefferies

Online Travel – Huge TAM Disrupted by a Pandemic

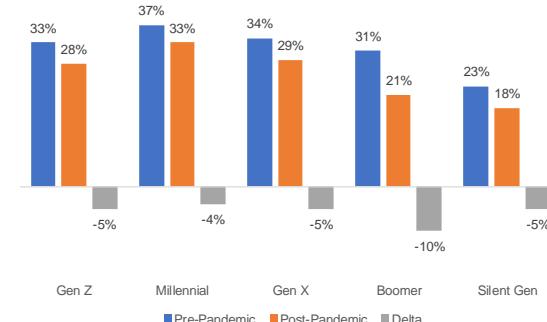
Near-term outlook remains uncertain, but a clear beneficiary has emerged – alternative accommodations have entered the mainstream for many travelers

- Travel has been among the worst impacted sectors from the pandemic but, on the flip side, COVID-19 drove many new travelers to alternative accommodations and unlocked new use cases not in consideration before the pandemic
 - In the first 9 months of 2020, Airbnb saw 14M new active bookers on its platform while long-term stays jumped to 24% of total, from 14% in 2019
- Lodging, driven by alternative accommodations, was the first vertical to show early signs of recovery albeit still trending at levels materially below pre-COVID
 - Alternative accommodations drove the first stage of the recovery in travel as many people rented homes for longer-term stays to escape from big metro areas, while those still vacationing (mostly locally) opted for the social distancing afforded by whole homes compared to hotel rooms
- Travel recovery will remain uneven across travel verticals and geographic regions, but alternative accommodations shape up as net beneficiary of the pandemic
 - Vacation rentals are expected to recover much faster than hotels and resorts in 2021, according to an Oct'20 Expedia Group Media Solutions study on traveler sentiment and influences into 2021
- With a vaccine likely broadly available to the general population no earlier than 2H21, we expect alt accommodations to remain a top choice for lodging over the next 6-12 months
- Air passenger travel remains the most affected, with many consumers still delaying any long-haul trips until a vaccine is widely available to the general population
 - TSA passenger throughput is still down ~56% y/y (7DMA) as of early January vs. down 80%+ y/y in June and 90%+ y/y in May

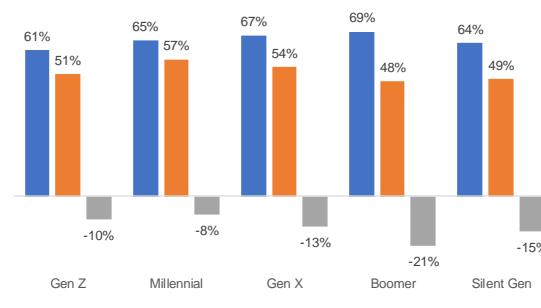
Share of Long-Term (28 Days+) Rentals on Airbnb



Travelers Choosing VRs for Leisure Travel



Travelers Choosing Hotels/Resorts for Leisure Travel



Sources: Airbnb, Expedia, Jefferies

Online Travel – Huge TAM Disrupted by a Pandemic

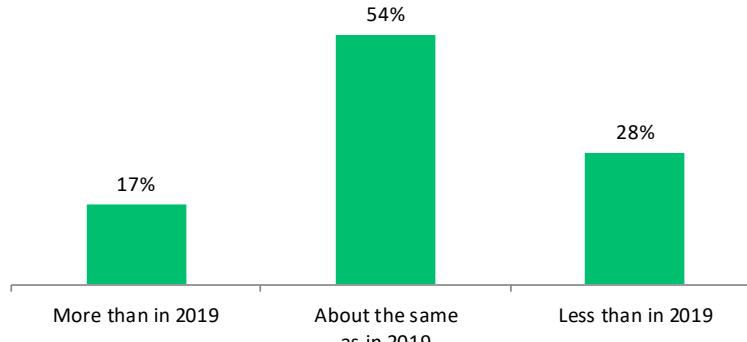
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Alternative accommodations are leading the recovery in travel, driven by new use cases unlocked by the pandemic

A proprietary survey, we ran in Dec 2020 among 1,000+ US adults, shows strong pent-up demand for travel but not materially above 2019 levels

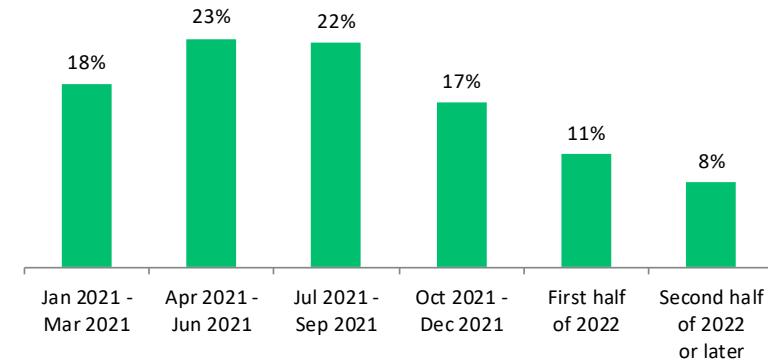
- A majority (~80%) of respondents plan to take a trip in 2021
 - 51% of those in the first half of 2021 and 66% for leisure
- However, only 17% of respondents plan to travel in 2021 more than they did in 2019, with most planning fewer but longer trips
- The majority still plans to fly domestically (~81%) or travel within driving distance (~65%) and stay in a hotel (~76%)
- ...but more than a third (~37%) plan on staying in an alternative accommodation (vs less than 30% of gross bookings coming from alt accommodations in 2019 for ABNB, BKNG and EXPE combined)

Assuming a vaccine is widely available in 2021,
I expect to travel...



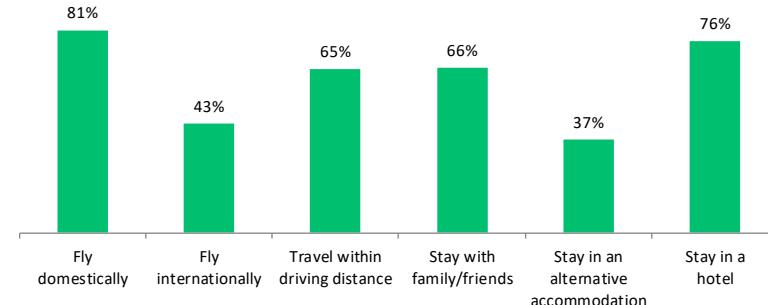
Source: JefData proprietary survey; n=639

When do you think you are most likely to take your next trip?



Source: JefData proprietary survey; n=806

Assuming a vaccine is widely available, which of the following travel activities are you likely to do in 2021?
(select all that apply)

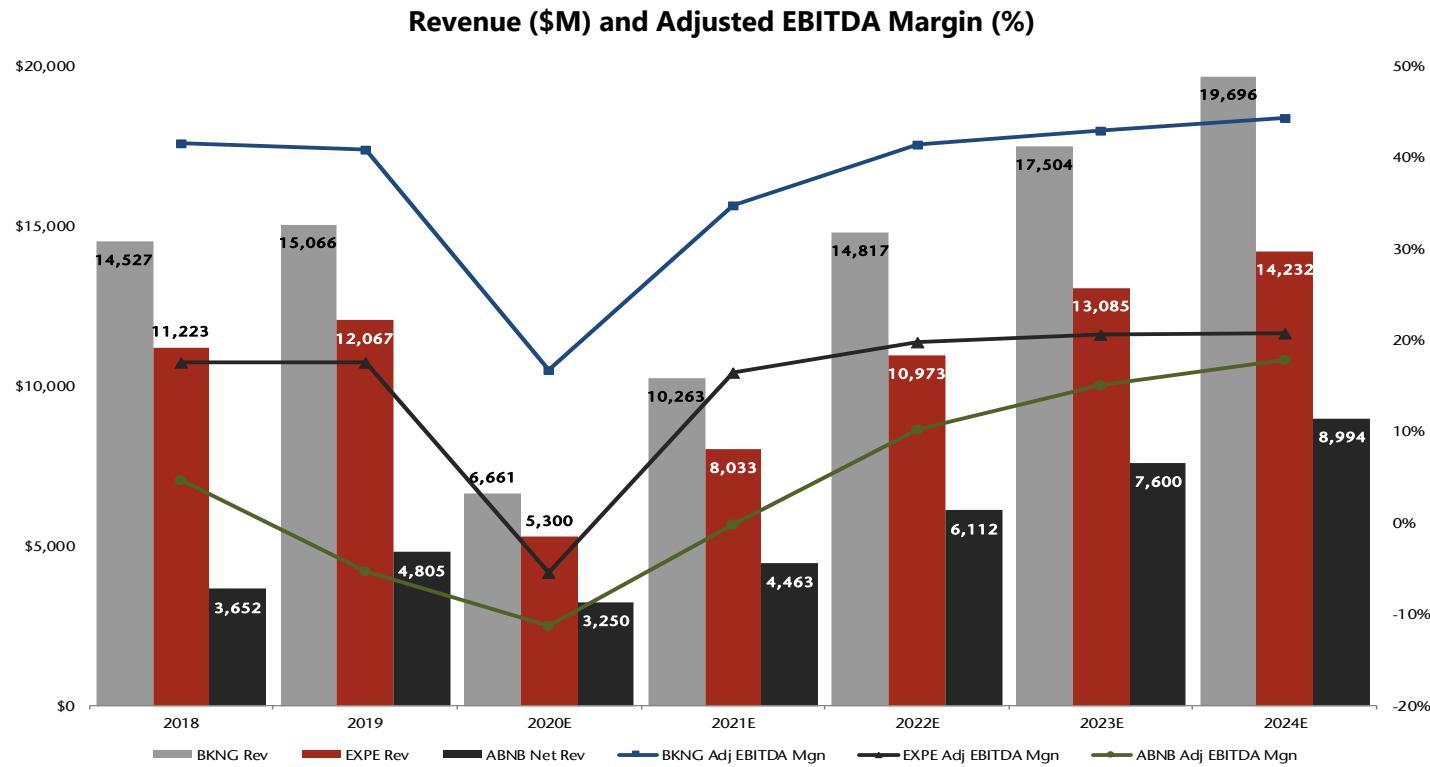


Source: JefData proprietary survey; n=641

Online Travel – Huge TAM Disrupted by a Pandemic

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Faster growth and better margins at BKNG underpin a solid fundamental story among OTAs...
...but ABNB is in a neighborhood of their own



Source: Company reports, Jefferies estimates

Growth catalysts: improving macro picture and consumer sentiment; pent-up demand materializing faster and sustaining elevated levels longer than expected; competition and excess capacity (post-COVID) driving hotel rates and airfares down

Risks: geopolitical instability / terrorist acts, new public health threats, and natural disasters

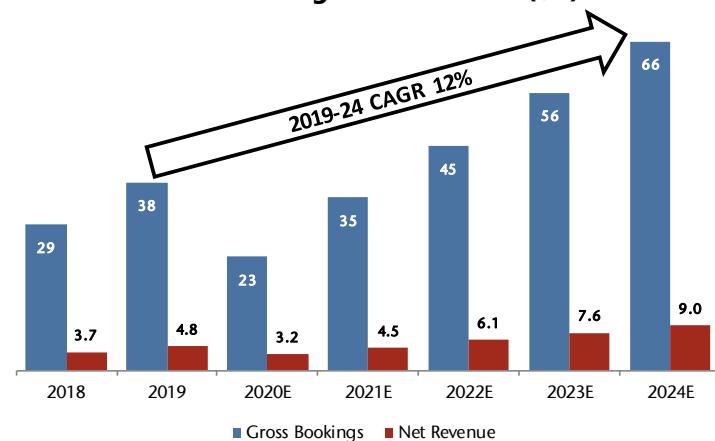
Airbnb (ABNB) \$105B Market Cap, Buy \$170 PT

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Investor Debate: Investors are primarily concerned with the timing and shape of expected recovery in travel, the sustainability of superior double-digit growth with improving profitability, and valuation

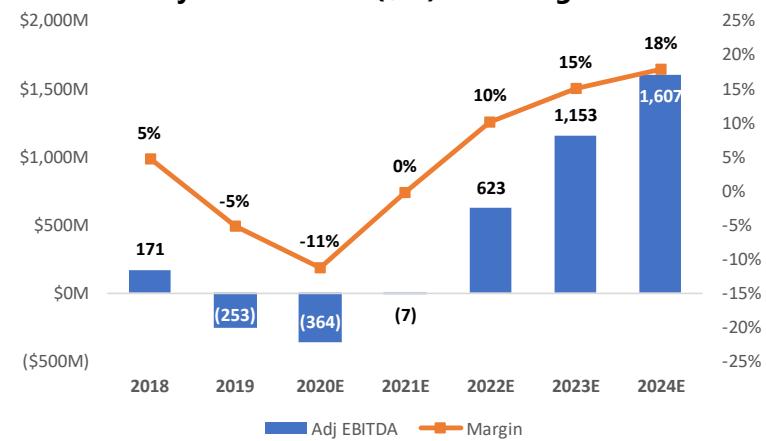
- **Bulls Will Say...**
 - Alternative accommodations are leading the recovery in travel
 - Strong revenue retention and resilience in adverse macro environment are driving solid revenue reacceleration during recovery
 - New use cases in alternative accommodations, unlocked by the pandemic, have taken hold among travelers
 - Experiences is a big and still slightly-penetrated opportunity
 - Powerful brand name drives free traffic to the platform and keeps customer acquisition costs down
 - ABNB is one of the fundamentally strongest platforms in Internet and travel
- **Bears Will Say...**
 - ABNB trades at a premium to comps that is unsustainable in the long run
 - The timing and shape of the expected recovery in travel is highly uncertain
 - Some of the new use cases in alternative accommodations would fade away as COVID vaccines become widely available
 - The share of free traffic to the platform likely to return to pre-pandemic levels once we return to normal
 - ABNB operates in a complex and highly fragmented regulatory environment
- **Valuation:** Trades at a 70-80% premium to the growth-adjusted avg multiples of a set of innovative market leader comps but we believe that's justified by solid organic revenue growth and improving margin profile
- **Jeff take...**
 - ABNB is an innovative market leader in a huge (~\$1.5T) underpenetrated travel space
 - We believe ABNB is a key reopening play in travel and expect it will benefit disproportionately from pent-up demand and new use cases unlocked by the pandemic
 - We expect ABNB to continue taking market share from competitors and return to Op Inc / Adj EBITDA profitability by 2022
 - We believe that ABNB offers the best fundamentals in travel, with solid organic growth and leverage in the model, justifying its trading at a premium to comps
 - Plenty of high-margin growth opportunities (like Experiences and high-end accommodations) offer long runway for profitable growth

Gross Bookings and Revenue (\$B)



Source: Company reports, Jefferies

Adjusted EBITDA (\$M) and Margin



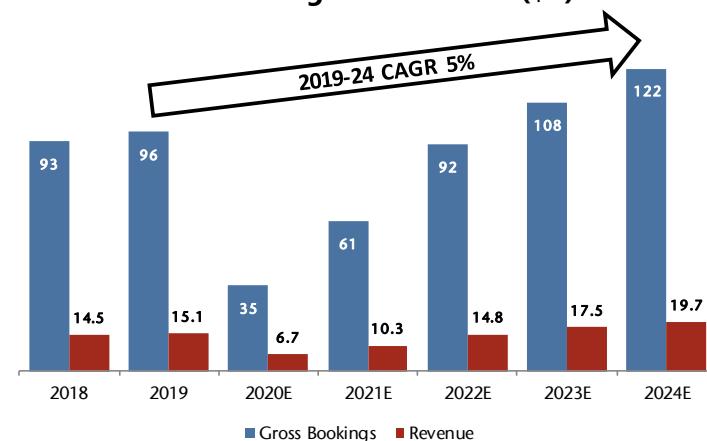
Source: Company reports, Jefferies

Booking Holdings (BKNG) \$93B Market Cap, Hold \$2,100 PT

Investor Debate: Timing and shape of the recovery are top concerns for investors, along with sustainable revenue growth acceleration, COVID's longer-term impact on cost base, and valuation

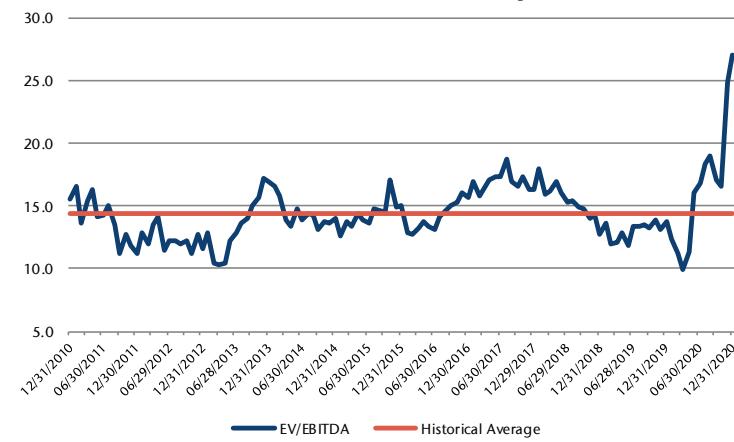
- **Bulls Will Say...**
 - BKNG is very well positioned to benefit from pent-up demand in travel
 - Favorable product exposure (less dependence on air, strong position in alternative accommodations) and geo diversification bode well for the Co
 - Superior margin structure (40%+ EBITDA Mgn) gives BKNG a sustainable advantage over competitors
 - Penetration into fragmented accommodation markets outside of Europe still relatively low and BKNG keeps gaining market share from smaller players
 - As the most efficient distribution channel in travel, historically the OTAs have performed relatively better than other travel names in weak macro
 - The pandemic has forced cost rationalizations that would benefit BKNG well after COVID-19 has been put under control
 - Easy comps in 2021
- **Bears Will Say...**
 - The recovery in travel will be uneven across verticals and geographic regions
 - Business travel (15-20% of total bookings) might never return to '19 levels
 - Superior growth and margin profile warrant near-term valuation at premium to comps but likely unsustainable in the long run
 - BKNG's market penetration is reaching its limits
 - Limited upside from current valuation (stock trading at ~16x 2022 EBITDA)
- **Valuation:** Looks expensive on depressed consensus FY22 ests but more palatable on normalized FY23 ests – trades at ~27x / ~16x consensus '21 / '22 EBITDA (or ~5 std dev above 10-year mean)
- **Jeff take...**
 - We believe BKNG is one of the best positioned travel plays for a recovery
 - We favor it over EXPE due to superior margins and FCF levels, less exposure to air and a larger alternative accommodations business
 - We believe BKNG would continue to take market share from competitors and return to pre-pandemic profitability levels by 2022
 - Disciplined investment in performance marketing channels remains a hallmark of BKNG
 - Plenty of room for growth (~2.5M properties / ~28M bookable rooms on its platform – largest inventory among OTAs and penetration still at ~7%)

Gross Bookings and Revenue (\$B)



Source: Company reports, Jefferies

10-Year EV / EBITDA Multiple



Source: FactSet, Jefferies

Booking Holdings – Key Metrics

TAM: \$1.7T total travel spend, ~\$770B online (2019)

- Online travel spend growing ~2x faster than total travel

Financial highlights:

- \$96.4B in gross bookings in '19, +4% growth; \$34.6B in '20, down 64% (JEFc)
- \$15.1B in revenue in '19, +4% growth; \$6.7B in '20, down 56% (JEFc)
- Return to 2019 levels of gross bookings and revenue expected by 1H23
- FY20-23 CAGRs: Bookings 46%, Revenue 38%
- 35% GAAP Op Margin in '19; 8% in FY20, 37% in FY22 (JEFc)
- Back to generating over \$3B in FCF annually by 2021
- \$11.2B in cash and ST investments, \$11.8B in debt (3Q20)

Geo / product / model mix:

- Int'l / US: bookings ~91% / ~9%, revenue ~89% / ~11%
 - Fragmented int'l markets give BKNG higher pricing power
- Hotel / Air / Other: bookings ~88% / ~6% / ~6%, revenue ~88% / ~3% / ~9%
 - Hotel rev margins are 4-5x higher than air
- Agency / Merchant / Other: bookings ~69% / ~31% / 0%, revenue ~63% / ~30% / ~7%

Other stats:

- About 2.5M properties on Booking.com
 - Including ~2.0M alternative accommodations (~6.7M listings)
- TTM booked hotel room-nights ~471M (-43% Y/Y)
- BKNG has 6 major brands (9 total) vs. 13 (19) EXPE
 - Booking.com, Priceline.com, Kayak, Agoda, Rentalcars.com, OpenTable

Valuation:

- Trades at ~16.0x cons '22 EBITDA
 - ~50% discount to Large Cap names in our coverage
- P/E of ~22x at ~30% discount to Large Cap
- EV/Sales of ~6.4x at ~30% discount to Large Cap

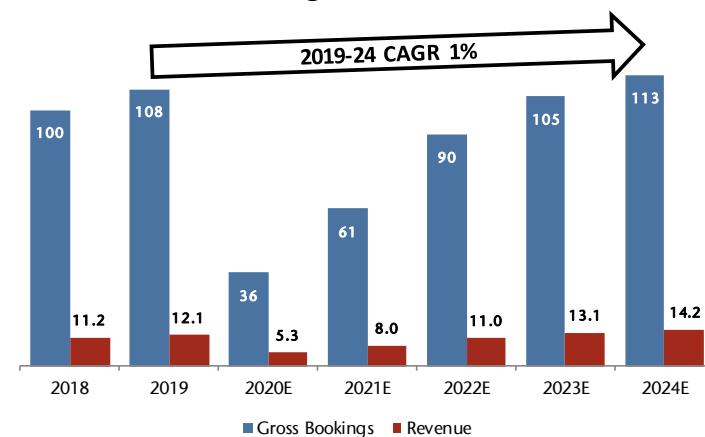
Expedia (EXPE) \$21B Market Cap, Hold \$130 PT

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Investor Debate: Investors are concerned with the timing and shape of the recovery, increasing competitive pressures / impact from Google's travel products, long-term profitability trajectory, and valuation

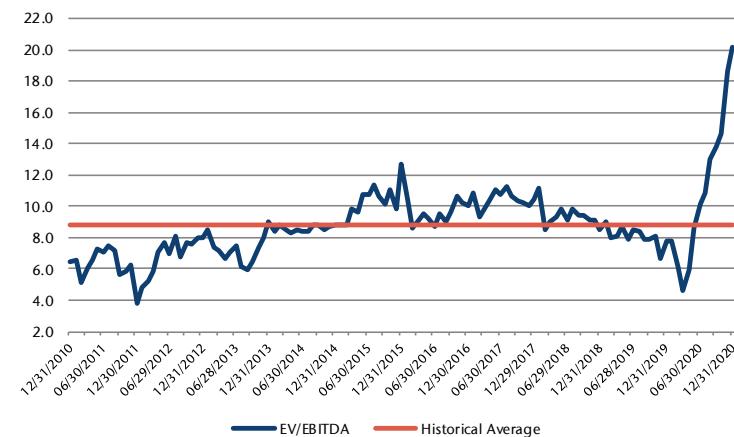
- **Bulls Will Say...**
 - EXPE is well positioned to benefit from pent-up demand in travel
 - As the most efficient distribution channel in travel, historically the OTAs have performed relatively better than other travel names in weak macro
 - New operational discipline (\$700-750M in fixed-cost savings), driven by the pandemic, would benefit EXPE long after COVID-19 is gone
 - EXPE has a solid portfolio of brands across different distribution channels, allowing access to a broad set of traveler demos
 - EXPE keeps expanding across verticals, adding more inventory, and gaining market share from smaller players
 - Solid foothold in alternative accommodations with Vrbo
 - Easy comps in 2021
- **Bears Will Say...**
 - Travel recovery will be uneven across verticals and geographic regions
 - Business travel (10-15% of total bookings) might never return to '19 levels
 - Competitive pressures are on the rise (from Google particularly)
 - Limited upside from current valuation (stock trading at ~11x '22 EBITDA)
- **Valuation:** Looks expensive on depressed consensus FY22 ests but more palatable on normalized FY23 ests – trades at ~19x / ~11x consensus '21 / '22 EBITDA (or ~5 std dev above 10-year mean)
- **Jeff take...**
 - We believe EXPE is one of the best positioned travel plays for a recovery
 - We believe EXPE would continue to take market share from competitors and return to pre-pandemic profitability levels by 2022
 - EXPE is making the right investments to expand competitive moats and position the Co for double-digit top line growth and margin expansion
 - EXPE has put in place a solid portfolio of assets that are helping it gain market share from smaller players
 - Valuation looks rich at current levels, especially against consensus growth expectations

Gross Bookings and Revenue (\$B)



Source: Company reports, Jefferies

10-Year EV / EBITDA Multiple



Source: FactSet, Jefferies

Expedia – Key Metrics

TAM: \$1.7T total travel spend, ~\$770B online (2019)

- Online travel spend growing ~2x faster than total travel

Financial highlights:

- \$107.9B in gross bookings in '19, +8% growth; \$36.4B in '20, down 66% (JEFc)
- \$12.1B in revenue in '19, +8% growth; \$5.3B in '20, down 56% (JEFc)
- Return to 2019 levels of gross bookings and revenue expected by 1H24 and 2023, respectively
- FY20-23 CAGRs: Bookings 42%, Revenue 35%
- 8% GAAP Op Margin in '19; -27% in FY20, 10% in FY22 (JEFc)
- Back to generating over \$1B in FCF annually by 2022
- ~\$4.4B in cash and ST investments, \$8.2B in debt (3Q20)

Geo / product / model mix:

- Int'l / US: bookings ~35% / ~65%, revenue ~38% / ~62%
 - OTAs have higher pricing power in fragmented int'l markets
- Lodging / Air / Other: bookings ~70% / ~13% / ~17%, revenue ~73% / ~4% / ~23%
 - Hotel rev margins are 4-5x higher than air
- Agency / Merchant / Other: bookings ~51% / ~49% / n/a, revenue ~26% / ~61% / ~13%

Other stats:

- Over 1.7M listings in Expedia's lodging portfolio
 - Including ~800K Vrbo listings
- Approximately 2.1M online bookable listings on Vrbo
 - ~1.5M instantly bookable
- TTM stayed hotel room-nights ~229M (-40% Y/Y)
- EXPE has 13 major brands (19 total) vs. 6 (9) BKNG
 - Expedia, Hotels.com, Vrbo, Travelocity, Egencia, Hotwire, Orbitz, CarRentals.com, Wotif, trivago

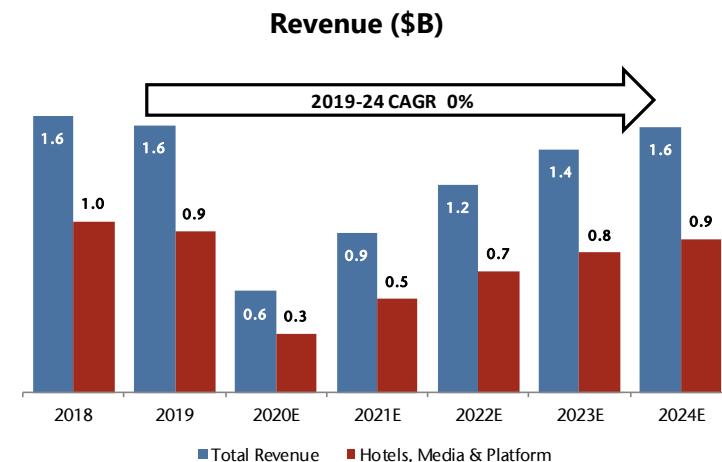
Valuation:

- EXPE screens very favorably against comps
- Trades at ~10.5x cons '22 EBITDA
 - ~70% discount to Mid Cap names in our coverage
- P/E of ~21x at ~75% discount to Mid Cap
- EV/Sales of ~2.3x materially below Mid Cap's 6.5x

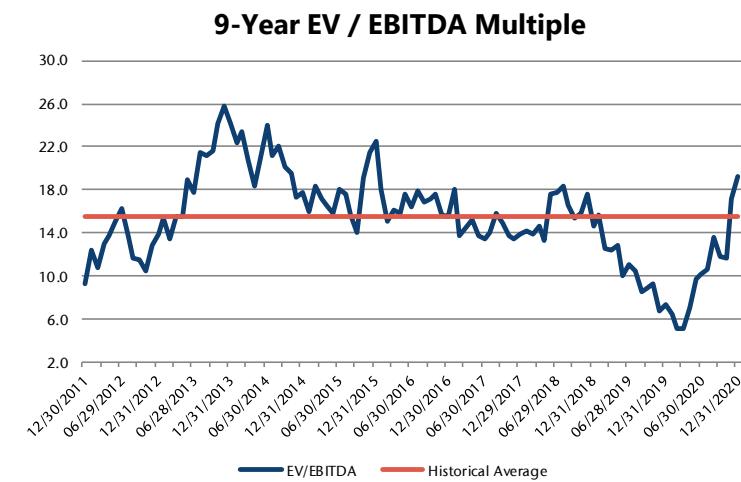
TripAdvisor (TRIP) \$5.1B Market Cap, Underperform \$19 PT

Investor Debate: Timing and shape of recovery are in the center of investors' concerns; path to longer-term growth reacceleration not clear, beyond initial rebound in travel from pent-up demand; the level and duration of investment required to execute and scale a pivot towards Experiences & Dining

- **Bulls Will Say...**
 - Well positioned to benefit from pent-up demand in travel
 - Pandemic-driven cost rationalizations to drive better profitability
 - Product diversification (incl. a new D2C subscription service) should benefit TRIP in the long-term
 - Easy comps in 2021
 - Valuation looks compelling at ~14x cons '22 EBITDA
- **Bears Will Say...**
 - 1H21 likely to remain volatile and full recovery to '19 levels not expected before 2H23/1H24
 - TRIP operates in a tough competitive environment where it competes both at the top (Google) and at the bottom (OTAs) of the travel purchase funnel
 - Google's travel products are starting to gain traction with consumers and competition is likely to keep increasing over time
 - An ongoing shift to direct-channels across the travel sector could dampen a bit the rebound from the expected demand recovery
- **Valuation:** Looks full at ~25x/~14x consensus '21/22 EBITDA (1.3 std dev above 9-year mean), ~4.3 EV/EBITDA to Growth (2019-24 CAGR)
- **Jeff take...**
 - TRIP well positioned to benefit from rebound in travel driven by pent-up demand, but longer-term it needs meaningful growth reacceleration
 - Its pivot towards Experiences & Dining (with OTA-like profit margins) would require material investment to scale over the next several years
 - TRIP remains a slow-growth "transition" story trading at a premium to peers given current fundamentals
 - Over the past 12 months the competitive environment in meta-search has only become tougher
 - Change in user perception of TRIP has proven hard and takes longer than expected – lots of users still do their travel research on TripAdvisor but comparison-shop and book elsewhere
 - We see limited upside in the stock over the next 12 months



Source: Company reports, Jefferies



Source: FactSet, Jefferies

Online Real Estate – Pricing More Perfection

Redfin (RDFN) ~\$7B Market Cap, Hold, \$85 PT

Investor Debate: Impact of strong underlying demand in the real estate market on RDFN's fundamentals and how behavioral changes resulting from the pandemic will impact adoption of its digital tools

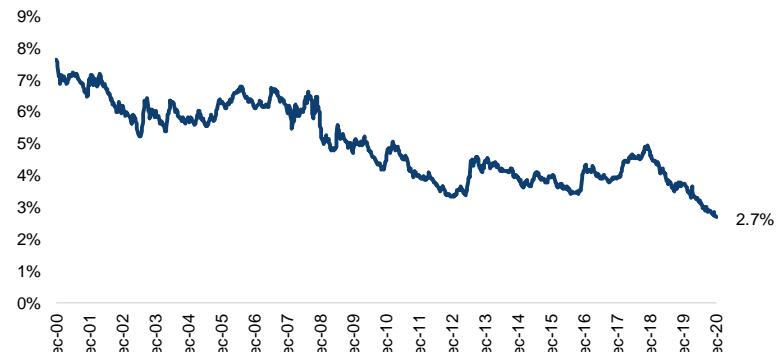
- **Bulls Will Say...**
 - Work from home and low interest rates is driving up demand for real estate, setting the industry up for strong growth in 2021
 - RDFN's superior digital tools allow it to offer consumers a low touch transaction experience that aligns with changing consumer behavior
 - Increased adoption of digital tools also increases RDFN's agent productivity, helping drive gross margins higher
 - RDFN's website allows it to acquire consumers more efficiently than traditional brokerages
 - iBuyer business is a call option for the future
- **Bears Will Say...**
 - RDFN has already expanded to most of the major metro areas, reducing the contribution to growth from geographic expansion
 - RDFN has low market share even in its oldest markets, which suggests its business model does not resonate with consumers despite offering lower fees than the industry average
 - RDFN's valuation represents a significant premium to other publicly traded real estate brokerages

Valuation: Valuation appears to already reflect industry tailwinds given RDFN is trading at a significant premium to brokerage peers but roughly in-line with transaction-oriented internet peers (CVNA, Z, CHWY, W)

Jeff take...

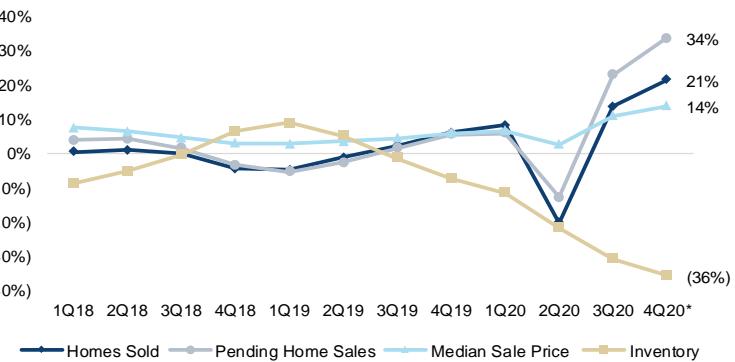
- We see a strong underlying housing market contributing to accelerating sales growth for RDFN in 2021
- We also believe RDFN's digital tools and website position it to gain share from traditional brokers in the mid-tier market for homes
- While we remain positive on RDFN's long-term business model, we believe the stock is fairly valued at current levels
- We believe valuation already captures tailwinds from a strong underlying housing market in 2021 given the stock trades at a significant premium to the historical average and traditional brokerage peers

30-Year Mortgage Rate



Source: Freddie Mac

Key Industry Data (% y/y chg)



Source: Company reports, Jefferies estimates

Zillow Group (Z) \$32B Market Cap, Buy, \$175 PT

Investor Debate: Homes: Long-term potential for penetration, margins, and adjacent product attachment rates (seller leads, mortgage, title, etc.); IMT: Revenue growth and margin profile in a normalized real estate environment

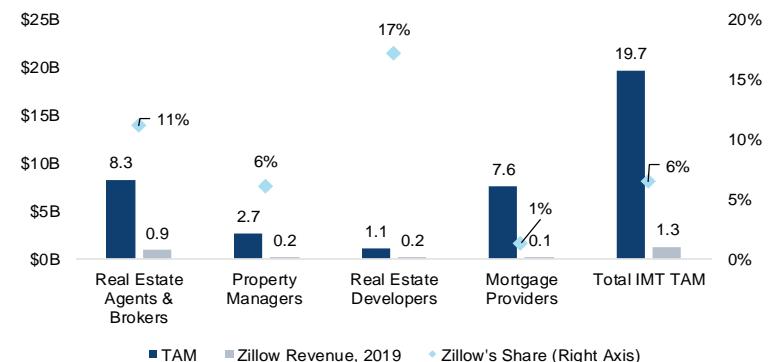
- **Bulls Will Say...**
 - Homes (iBuying) increases TAM from \$20B in advertising budgets to \$1.8T in home transaction value, and allows the company to provide a product that reduces currently high levels of purchase friction
 - Strong underlying demand in the real estate market supports strong IMT revenue growth and margin upside
 - Increased use of digital tools post-pandemic increases consumer's reliance on Zillow, improving the quality of leads and agent monetization in the legacy IMT business
 - Flex pricing increases the total percentage of a transaction value that comes back to Z
 - New CEO Rich Barton has an outstanding track record of creating and transforming businesses
- **Bears Will Say...**
 - Acceleration in IMT revenue growth is short lived, and will revert to LSD growth once the real estate market normalizes given Z has already tapped into most monetization opportunities
 - Homes business is unlikely to make money in a normalized environment given execution issues over a large quantity of simultaneous transactions
 - Homes business also increases risk by forcing the business to hold large quantities of inventory on the balance sheet

Valuation: We employ a SOTP approach to Z's valuation (IMT, Homes, Mortgages), which applies a peer-based growth adjusted multiple to IMT, Homes, and Mortgages.

Jeff take...

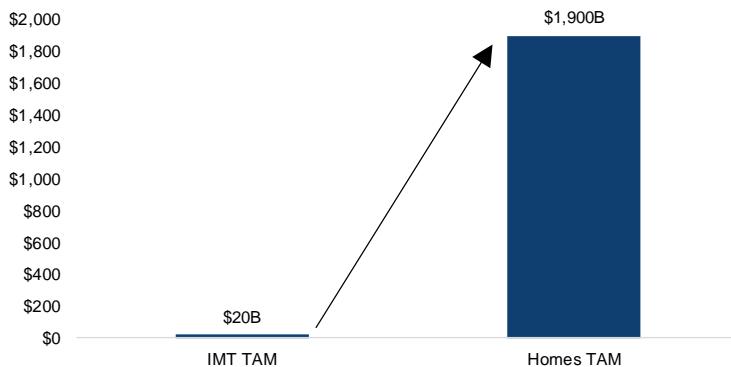
- We see a strong housing market in 2021 supported by macro tailwinds like peak housing formation and low interest rates, contributing to attractive top-line and bottom-line momentum for Z's legacy IMT business. We believe potential upside to IMT profit puts a floor on downside risk and is a dynamic not well understood by the market
- We believe Zillow Offers (i.e., iBuying) allows Z to tap into \$1.9T in U.S. housing transactions, expanding the addressable market and creating an attractive risk-reward

Zillow's Market Share of Advertising



Source: Company reports, Jefferies estimates

U.S. Advertising Budgets vs. U.S. Home Transactions



Source: Company reports, Jefferies estimates

Web Site Builders – Lots More to Build

Accelerating Demand for Professional Looking Web Sites

Covid-19 accelerated demand for advanced websites that can handle commerce transactions for physical goods or service items. Even businesses that relied mainly on a physical location had to aggressively pivot online. We expect to see sustained growth in 2021 as there is no turning back. Both pure online and hybrid businesses will be under pressure to continuously enhance their online presence, which should drive demand for easy-to-use solutions from Wix and GoDaddy. We continue to prefer WIX over GDDY due to its faster growth, rich product innovation, and potential for significant margin expansion.

How to Play:

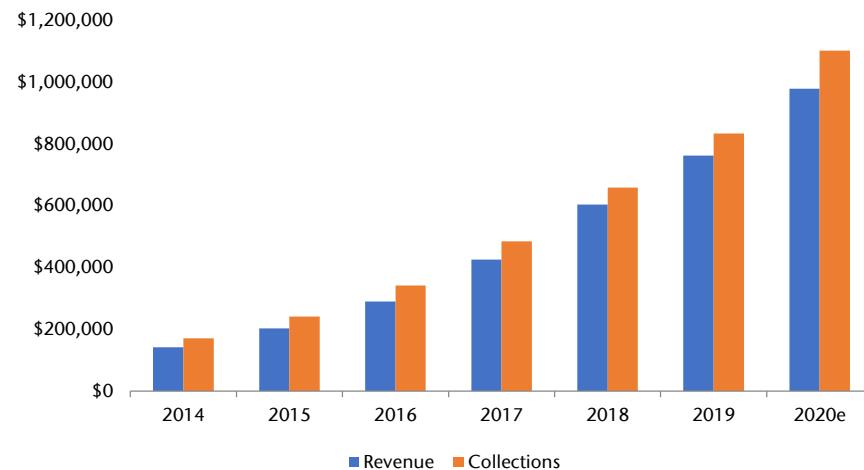
- **Wix.com** (WIX) - Buy PT \$360: WIX is a premium SMID-cap story with high recurring revenues, innovation-driven growth, and an emerging platform story as WIX enables professional websites/apps for businesses worldwide. COVID-19 has caused a surge in interest for WIX's online solutions such as Stores, Restaurants, Ascend and Payments. We believe there is plenty of leverage for WIX to upsell customers to higher priced products as a web presence becomes more important in a post COVID-19 world. WIX trades at 10.0x CY22 EV/S, or a discount to its peer group mean/median of ~14x/13x.
- **GoDaddy Inc.** (GDDY) - Buy PT \$100: GDDY is the largest vendor for domains and web presence. We see GDDY becoming nimbler with its product offerings, including a new freemium option and more bundles. We like GDDY's consistent execution, double-digit organic revenue growth, strong uFCF generation and attractive valuation (~16x EV/FCF CY22). GDDY stock could narrow some of the gap to WIX as 2020 performance of +22% was far behind WIX +104%.

Wix (WIX) \$16B Market Cap, Buy \$360 PT – standout premium growth story, well-positioned for outperformance

Investor Debate: Can Wix continue to deliver strong revenue growth after a pandemic-induced acceleration in 2020? Will the company continue taking share in a highly competitive market? Can Wix penetrate the professional web designer/developer market with Wix Velo (formerly Corvid/Code) and Editor X?

- Bulls Will Say...**
 - The Wix model has helped drive sustained premium growth, with 40%+ growth in FY14-18 and a recent rebound off ~26% growth in FY19
 - Wix's product investments are translating into material improvements in collections and conversion.
 - New and enhanced products give Wix pricing power, with significant potential to increase ARPU from adoption of premium SKUs
 - Never products such as Velo/Corvid and Editor X are targeting the TAM for pros building sites for others that is ~10x the size of the DIY segment
- Bears Will Say...**
 - The digital presence space is fiercely competitive and highly fragmented.
 - Wix is dependent on continued product innovation to drive growth in customer base and conversion
 - The company trades at a valuation premium to other website builders and is still operating at a GAAP net loss.
- Valuation:** WIX trades at ~10x CY22 EV/S, or a discount to its subscription & high growth peer group mean/median of ~14x/13x
- Jeff take...**
 - In our view, Wix is a standout premium growth story trading at a discount to its peer group, with LT op margin potential 25%, and new products building case for Wix as a platform.
 - We see many tailwinds supporting continued mid/high-20s % rev growth, incl. ARPU increases from product innovation, new subscriber growth, penetration of the 10x larger pro market, and improved conversion & retention from investments in customer support.
 - We see room for increasing estimates to drive shares higher over time

Rapid growth in revenue and collections (\$1,000s)



Significant ARPU lift potential

	Wix pricing (per month)	range	avg
Website Builders			
Website tier	\$ 14	\$ 39	\$ 24
Business & eCommerce tier	\$ 23	\$ 49	\$ 33
average across all Website Builder tiers			\$ 28
Ascend (marketing suite)	\$ 10	\$ 49	\$ 28
Editor X			
Website tier	\$ 22	\$ 49	\$ 35
Business & eCommerce tier	\$ 29	\$ 219	\$ 106
average across all Editor X tiers			\$ 71
Annual subscription pricing			
Website Builders			\$ 331
Ascend (marketing suite)			\$ 332
Editor X			\$ 846

Wix – Key Metrics

Going after massive market opportunity with a differentiated approach

- Globally it is estimated there are 500M small businesses, and more than ½ still don't have a website, we conservatively estimate a \$40Bn+ TAM
- ~190M registered users on the Wix platform, with 5.3M premium subscriptions

Financial highlights:

- 2020 total revenue of est. \$977M, +28% y/y
- 2020 collections growth est. 32%, to \$1.10Bn est.
- \$179 = avg. revenue per subscription (last disclosed 4Q19)
- Revenue composition = 54% from N. America, 26% Europe, 7% Latin America, 13% Asia/Other (FY19)
- 2017 = first year of op margin profitability, with plenty of room for expansion (L-T 25%). 2020 op mgn was negative due to growth investments in response to unprecedented demand from pandemic
- ~4200 employees (3Q20), with significant portion overseas (HQ in Israel)

Price increases:

- Aug. '18 average price increase of 55% across portfolio
- May '19 average price increase of 22% across the portfolio
- Sep '20 price increase of \$1/month for 3 lowest SKUs
- Rev tailwind as higher prices from new bundles take effect for new subs and at renewal for existing subs

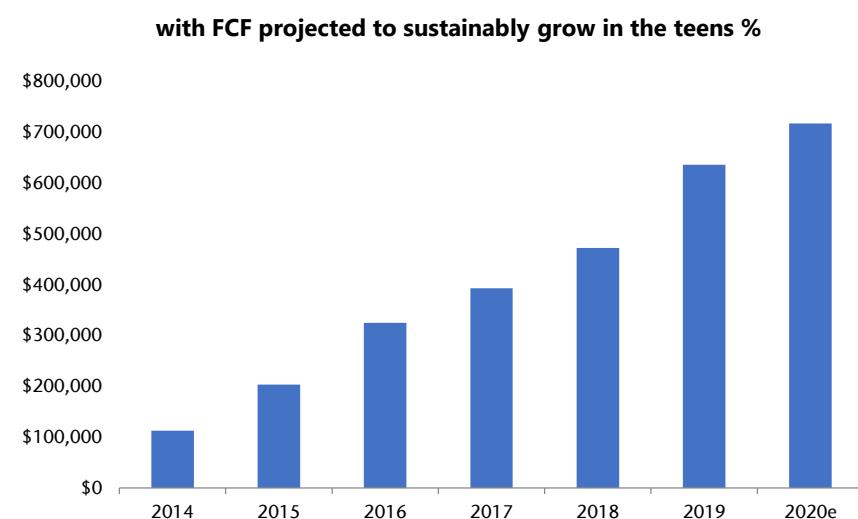
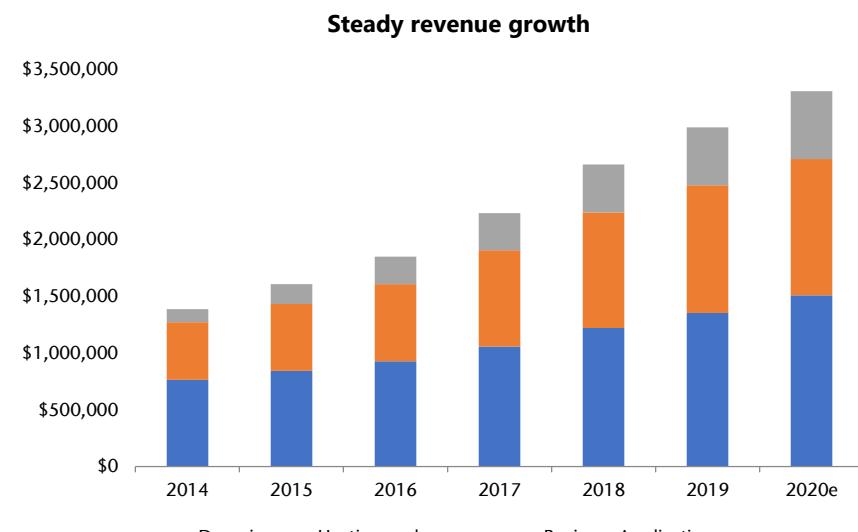
Other stats:

- Company targets return on marketing spend (TROI) within 7-9 months
- Wix Velo (formerly Corvid/Code) and Editor X – TAM expanding solution targeting web professionals, which allows users to design and build any web application (not just websites), while handling advanced functions such as database collection, custom interactions and API connections
 - 2.3M users of Velo/Corvid (~3Q20)
 - 270K users (up 3x y/y in 3Q20) building for others (e.g., using Editor X), which is a fraction of the 30M creative pros worldwide
- Wix Answers – help desk software built from internal solution provides ticketing, call center, and help desk functionality.
- Wix Payments – available in Brazil, and launched in US and Europe in 1H19
- Launched Wix Ascend on 12-11-18 – a suite of 20 products to manage marketing, customer communication, promotions and invoices. Priced at \$10-49/mo., a 10% attach rate to existing premium subs could drive annual revs of ~\$60M-\$300M
- POS – new point of sales solution announced in Dec. '20, with general availability expected in 2021

GoDaddy (GDDY) \$14B Market Cap, Buy \$100 PT – underappreciated mid-cap providing balanced profile + below peer valuation

Investor Debate: Can GoDaddy fend off competition from numerous emerging vendors in the space? Can the new CEO accelerate growth and innovation without impacting margins?

- **Bulls Will Say...**
 - Massive opportunity – globally it is estimated there are 500M+ small businesses, and more than ½ still don't have a website. We conservatively estimate a \$40Bn TAM
 - Plenty of room for ARPU expansion – GDDY's ARPU is \$158 (last disclosed in 4Q19), and management has been focused on new product on-ramps beyond domains. We can construct a basket representing >\$1000 in annual renewal spend.
 - Consistent performance – GDDY has delivered consistent quarterly results alongside meaningful FCF outperformance.
- **Bears Will Say...**
 - Space is getting more competitive – market is highly competitive, with large legacy players (EIGL), emerging tech-focused vendors (WIX, SHOP) and looming threats from mega caps (GOOGL, FB)
 - Huge piece of business is domains – with ~82M domains under management, ~45% of revenue comes from domains – a lower price and margin business.
- **Valuation:** GoDaddy shares trade below peers (~4x EV/S, 16x EV/FCF on CY22e), supported by FCF we think can sustainably grow mid/high teens % for the foreseeable future.
- **Jeff take...**
 - In our view, GDDY is an underappreciated mid-cap story providing investors a balanced profile of consistent low teens revenue growth, margin expansion, and significant FCF generation.
 - This company has delivered consistent quarterly results, which we think will continue to gain investor appreciation over time, and we think GDDY shares trade at compelling valuation levels.



GoDaddy – Key Metrics

Large, underpenetrated TAM, dominant market position

- Globally it is estimated there are 500M small businesses, and more than ½ still don't have a website, we conservatively estimate a \$40Bn+ TAM
- ~82M domains under management represent >20% of the world's total
- Total customer base of ~20M, GDDY has consistently added ~1M customers per year

Financial highlights:

- 2020 total revenue est. of \$3.3Bn, +11% y/y
- Rev composition: 46% domains, 36% hosting/presence, 18% business applications
- ARPU = \$158 (last disclosed 4Q19), with line of sight towards 30% growth over time. We can construct a sample basket of >\$1000 in annual renewal spend.
- 2020 GAAP op margin of ~8% est.; we see room for upside towards 15% over time
- uFCF margin of ~25% ('20 est.)
- We think FCF can sustainably grow mid/high teens %

Other stats:

- 66% of revenue from US, 34% international (international revenue at >\$1Bn annual run rate)
- 1.1M customers paying >\$500/year
- Best in class SMB retention rates: 85+%, 90+% for customers of more than 3 years
- Impressive unit economics: ~10x LTV/CAC ratio
- Net debt position of \$2.5Bn, guiding for \$820M in uFCF in FY20
- Employed ~7300 customer care professionals globally (as of 2019), who are responsible for 17% of annual bookings

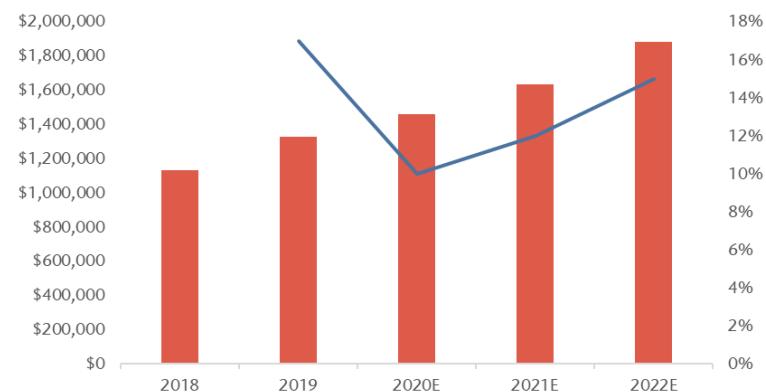
Other SMID Cap Internet Names

InterActiveCorp (IAC) \$16B Market Cap, Buy \$225 PT

Investor Debate: Stock was once again a massive outperformer in 2020 driven by the MTCH spin, ANGI recovery, and recent Vimeo unlock. While long-term bulls remain confident in IAC's ability to create value, we are a bit mixed on the near-term stock performance. The focus will shift mostly to ANGI's turnaround and IAC's cash position, which we believe are longer term catalysts. Nonetheless, we believe patient investors will continue to reap the benefits of IAC's extraordinary value creation track record.

- **Bulls Will Say...**
 - Outstanding track record of outperformance coupled with value creating corporate actions (11 companies have emerged from IAC worth over \$70B in value)
 - ANGI has reset the bar and is now well positioned to benefit from newer business models (fixed) and macro tailwinds (increased stay-at-home activity). Multiple is reasonable at ~4x 2021 Sales
 - Vimeo's valuation will continue to move higher as more investors do work on the company. This will allow IAC's stock to grind higher over the next few months
- **Bears Will Say...**
 - No near-term catalyst after the recent announcement of the pending Vimeo spin
 - ANGI represents a large portion of IAC's value and is experiencing slowing growth rates with compressing margins
 - Asset prices are elevated within tech and may prevent IAC from executing value creating M&A
- **Valuation:** Our \$225 PT is based on our SOTP analysis (see following page)
- **Jeff take...**
 - \$225 PT is based on our SOTP. We like IAC longer term, but in the next 3-6 months we expect a range-bound stock.
 - IAC has historically underperformed prior to previous spins, and recent ANGI execution issues continue to make investors nervous (represents ~50% of IAC revenue).

We expect low double digit revenue growth for ANGI



	IAC Current Implied Valuation as of Jan 5 2020 (\$000s)	Equity Value	Share Value
IAC	IAC	\$16,600	\$194
	minus		
ANGI	ANGI's 85% stake in ANGI	\$5,230	\$61
	minus		
MGM	MGM Stake	\$1,756	\$20
	Pro- Forma IAC Net Cash & LT Investments	\$3,400	\$40
Implied Valuation of Remaining Stub			
		\$6,214	\$73

InterActiveCorp (IAC) \$16B Market Cap, Buy \$225 PT

- We raise our PT to \$225 (from \$160), as we believe the recent confirmation of a Vimeo spin will continue to unlock value as investors get up to speed on this asset
- Early-stage assets (Care, BlueCrew) should receive value as they scale over time, while minority investments (MGM, Turo) offer investors a diversified digital approach
- ~\$3B cash position represents a call-option on strategic M&A

IAC/InterActiveCorp - Sum of the Parts

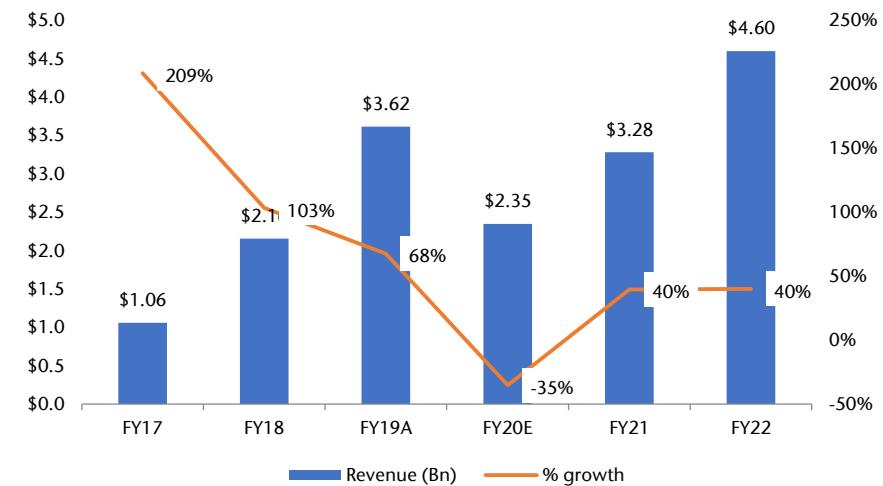
Business Segments	Multiple		2022 EBITDA*	Enterprise Value	
	Low	High		Low	High
Vimeo	12x	16x	446,478	5,357,740	7,143,653
Dotdash	16x	20x	77,246	1,235,928	1,544,910
Search	6x	10x	45,345	290,208	471,588
Emerging & Other	2x	4x	621,445	1,367,180	2,610,071
Corporate	4x	8x	(80,012)	(288,043)	(608,090)
Total Stub Enterprise Value:			7,963,014	11,162,133	
Add: Net Cash			3,400,000	3,400,000	(Jef calculation, includes Turo)
IAC Stub Market Value:			11,363,014	14,562,133	
Add: ANGI Stake			4,218,000	5,905,200	Midpoint Assumes current ANGI trading price (1/5/21)
Add: MGM Stake			1,475,000	2,065,000	Midpoint Assumes current MGM trading price (1/5/21)
Minus: Liquidity Discount			194,028	271,639	(5% Liquidity Discount)
Total Market Value			16,861,986	22,260,693	
Wtd. Avg Diluted Shares Out			86,800	86,800	
Share price:			\$194	\$256	
*Using revenue multiple for Vimeo & Emerging & Other					
\$225					

Lyft (LYFT) \$16B Market Cap, Buy \$70 PT – Strong #2 in U.S. Ride-hailing Duopoly

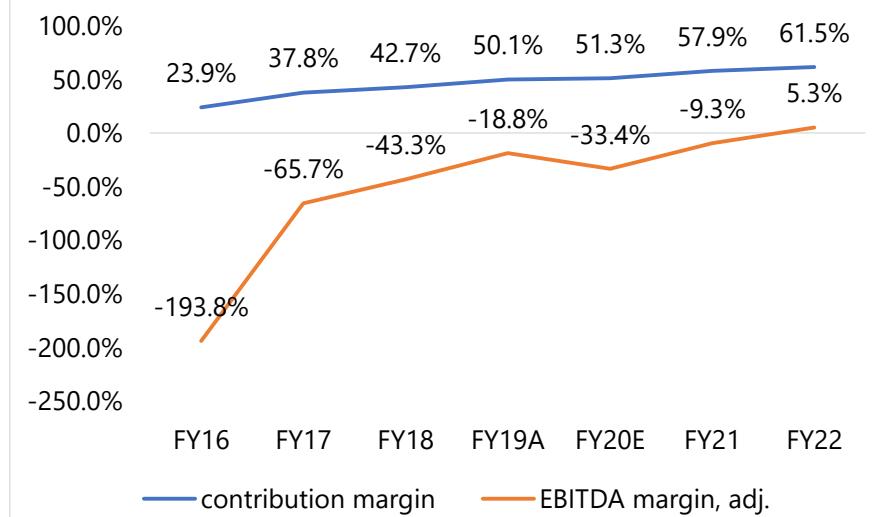
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Investor Debate: Can demand recover after the pandemic? What are the true economics of the business model? How quickly can Lyft reduce its sizable losses? What is the impact of regulations?

- Bulls Will Say...**
 - Demand will rebound quickly as vaccines roll out.
 - There is plenty of growth left, even in the U.S. where penetration is only 1%.
 - Lyft has additional untapped opportunities beyond traditional ride hailing, such as Lyft Business, Lyft for Healthcare, bikes & scooters, deliveries, and autonomous vehicles.
 - Lyft is about to turn profitable on an adj. EBITDA basis in 4Q21.
 - Margins should continue to increase thanks to :
 - Demand recovery and expense leverage;
 - contribution margin expanding from 50% in FY19 toward L-T 70% goal;
 - more efficient costs of insurance, payment processing, and tech infrastructure;
 - optimized CAC from smarter S&M targeting
- Bears Will Say...**
 - Demand recovery will be drawn out even as Covid vaccines roll out.
 - Lyft will be at a disadvantage compared to market leader Uber
 - Industry pricing could get irrational if competitors decide to go after share
 - It will be difficult for Lyft to materially reduce insurance and marketing costs
 - Regulations are an ongoing headwind
- Valuation:** LYFT trades at ~3x CY22 EV/S – at a discount to marketplace peer group median ~4x and well below broader comp group median ~6x
- Jeff take...**
 - LYFT is one of our top reopening plays for 2021. In 2020, LYFT was challenged by COVID-19 as consumers worked from home and sheltered in place, causing revenue to fall -35% in 2020e. LYFT shifted focus to its cost structure, which should produce outsized leverage as revenues rebound. With a vaccine in distribution, we believe LYFT is positioned for a strong recovery in 2021 (est. rev +40%), with EBITDA profitability expected in 4Q21. We model a return to pre-pandemic revenue levels by Q4'21 (\$1.02Bn, or flat vs. Q4'19), and model full year growth of 40% in '21 and '22. Our \$70 PT from is based on EV/S 5.0x (above historical average ~3x but still below pre-COVID peak levels of 6-7x).



Source: Company data, Jefferies.



Source: Company data, Jefferies.

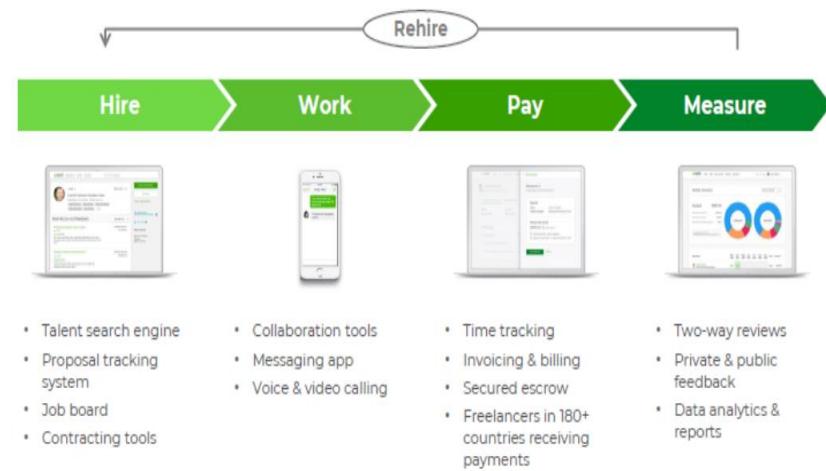
Upwork (UPWK) \$5B Market Cap, Hold \$39 PT – Leading Marketplace for Freelancers

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Investor Debate: Can revenue growth accelerate beyond ~20% a year? Why is profitability not higher given its market leadership? How predictable is the revenue stream?

- **Bulls Will Say...**
 - UPWK is disrupting a \$560Bn market for flex labor. Upwork has built the leading marketplace for highly-skilled white-collar labor. With its penetration at <1% (2020 est. GSV \$2.5Bn), Upwork has a long runway ahead to keep growing at ~20% annually.
 - Upwork built a strong foundation to reap network effects. Upwork's marketplace already has critical mass, runs on a deep tech foundation, and can scale quickly as more clients join the platform. A take rate model helps Upwork share the financial gains of market growth.
 - Newly promoted CEO (Jan. '20) is re-energizing UPWK's momentum
- **Bears Will Say...**
 - Valuation: UPWK's multiple not justified by relatively slow rev growth.
 - Modest growth and profitability. Despite being the market leader, topline growth is relatively modest (low 20s %) and operating margins are near break-even as Upwork invests for growth.
 - Business model not as predictable as subscriptions. Although Upwork has good NT visibility based on project flow and historical transaction trends, its core revs do not come from longer-term, renewing subscriptions like SaaS, which may put a cap on valuation.
- **Valuation:** Valuation is near historical peak. At CY21 EV/S ~11x, valuation appears to embed material amounts of acceleration beyond 20% growth and significant margin expansion, which will require flawless execution.
- **Jeff take...**
 - Since its founding as Elance in '98, and the subsequent combination with oDesk in 2014, Upwork has built the leading marketplace for highly-skilled white-collar freelancer projects and labor. Over its 20+ year history, the company has developed and fine-tuned its technology platform, thus creating a significant competitive moat. In addition, Upwork offers a disruptive value proposition vs. traditional staffing agencies, with median time to hire of less than 24 hours vs. typical 31 days, and cost savings of 60-90%. With penetration of <1% in a \$560Bn TAM, we believe Upwork can sustain ~20% annual growth for many years. However, valuation is fair.

Upwork Features & Workflow



Source: Company data

Long-Term Model - Margin Targets

(% of rev)	FY17	FY18	FY19A	FY20E	FY21	LT Target
Gross Margin	67.8%	68.0%	71.0%	72.1%	73.0%	80-85%
R&D	21.6%	20.6%	19.0%	19.8%	19.3%	12-15%
S&M	25.5%	28.2%	30.9%	35.7%	36.4%	22-25%
G&A	16.4%	16.5%	18.1%	15.8%	15.6%	7-10%
transaction losses	2.1%	2.3%	1.3%	1.1%	1.5%	2%
Adj. EBITDA	3.9%	1.5%	3.0%	1.8%	1.8%	30-35%

Note: transaction losses from fraud, bad debt expense, chargebacks.

Non-GAAP: JEF estimates excluding stock-based compensation.

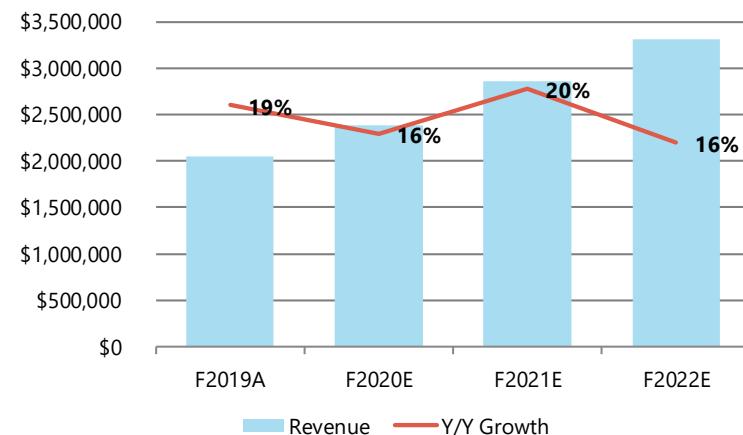
Source: Jefferies estimates, company data

Match Group (MTCH) \$43B Market Cap, Buy \$185 PT

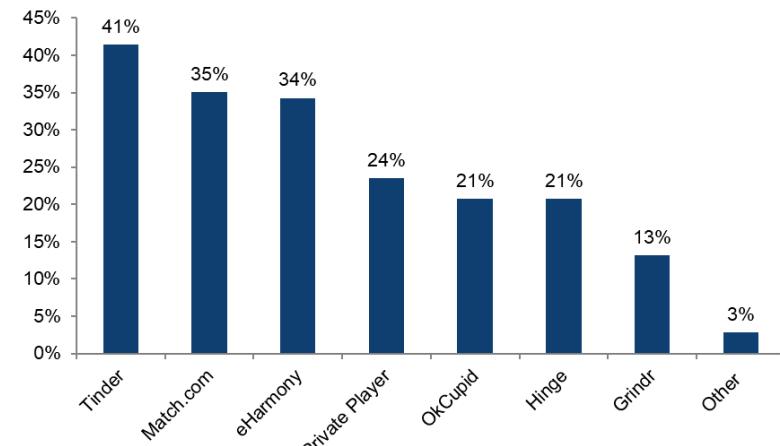
Investor Debate: Will a resurgence in dating activity post Pandemic be enough to sustain further stock outperformance in 2021 (stock was +83% in 2020)? Investors will be closely monitoring key catalysts like the global launch of Tinder Platinum and the impact from increased monetization of emerging apps (e.g., Hinge, Chispa, etc.). Long-term bulls continue to point towards the industry tailwinds within online dating and Tinder's remaining runway for growth (10.8MM paid subs vs a >600M person addressable market).

- **Bulls Will Say...**
 - Economic reopening and widespread COVID-19 vaccinations by 2H21 should lead to a resurgence in dating activity, which should support upside to user and ARPPU estimates
 - Match is the industry leader within the growing online dating category, and continued international expansion provides significant runway for growth
 - Impressive EBITDA margins (~38%) in the top quartile of our coverage universe coupled with consistent double digit revenue growth
 - Newer products such as Hinge & Pairs will begin to monetize more aggressively in 2021 and provide additional growth levers for the company
- **Bears Will Say...**
 - Tinder growth slows, potentially due to cannibalization by emerging brands within the Match portfolio (e.g., Hinge) or due to competitive threats from other private players
 - Online dating market is fragmented, and heavy competition makes it tough for Match to remain differentiated (Facebook is now involved as well)
 - MTCH stock is expensive, trading at ~36x 2022 EBITDA vs a 20% forward EBITDA CAGR ('20-23)
- **Valuation:** Match currently trades at ~36x 2022 EBITDA vs a 20% forward EBITDA CAGR. We believe that the valuation is justified given the company's dominant market share, steady 15%+ growth, and best in-class margin structure (40%+ LT EBITDA margins).
- **Jeff take...**
 - Our \$185 PT implies ~44x our '22 EBITDA. We remain bullish on MTCH and believe the long-term growth story remains early (Tinder, international, newer bets).
 - We look for MTCH to continue to expand its portfolio through strategic acquisitions and additional monetization products. Management team has a track record of industry expertise and stock outperformance

MTCH Revenue (in \$K) and Y/Y Growth



Which of the following apps do you currently pay for? (Select all that apply)



Source: Jefferies Proprietary Survey, N= 251, September 2020

Note: Question was asked to those who said they pay for online dating apps

Match Group- Key Metrics

TAM/User Stats:

- >600MM global singles, ~90MM Total MAUs (Jefferies est)
- MTCH total paid subscribers of ~10.8MM (~2% penetrated against total TAM)
- 40% of U.S. dates begins online (as of 2019)

Financial highlights:

- \$2.38B rev est in '20, ~16% growth; ~\$2.86B rev est in '21, ~20% growth
- 31% GAAP Op margin ('20e), 37% EBITDA margin ('20e); both in top quartile of coverage universe
- Overall North America Monthly ARPU: \$20 (Jefferies est)
- International business estimated 50% of total revenue in 2020

Tinder:

- #1 downloaded dating app
- ~6.6M paid subscribers, est 57MM MAU's (~12% penetrated)
- Tinder Monthly ARPU: \$17.46 (Jefferies est)
- Tinder revenue \$1.18B in 2019 (58% of total), est ~\$1.40B in 2020 (59% of total), est ~\$1.8B in 2020 (63% of total)
- Monetized through subscription offerings (T Plus, T Gold, T Platinum), a la carte, and advertising revenue

Valuation:

- Current mkt cap \$43B
- Trades at ~36x '22 EBITDA (growing EBITDA at a 20% 3 year forward CAGR)

Portfolio:

- 30 different brands in over 190 countries
- Nearly 50% of revenue comes from international
- Key brands include Match, Tinder, Meetic, okcupid, PlentyOfFish, OurTime, Pairs, & Hinge

Chegg (CHGG) \$12B Market Cap, Buy 105 PT

Investor Debate: After a tremendous 2020 driven by a combination of continued internal execution and the expedited transition to digital learning, CHGG will be facing its toughest ever comp in 2021 (we est 53% rev growth in 2020). The good news is CHGG has de-risked the setup a bit by already providing 2021 guidance, and newer growth drivers (int'l, price bundle) should help drive continued momentum. Investors will pushback on valuation (currently trading at roughly ~17x NTM Sales), but we continue to believe CHGG is skating to where the puck is headed in an industry that is ripe for disruption. We remain Overweight and believe long-term investors will be rewarded.

Bulls Will Say...

- Strong management team with future call options around price bundling, international expansion, and skills-based learning
- Still underpenetrated against a ~20MM college student TAM and additional markets such as High School, Careers, & International provide future growth opportunities
- Chegg has built an incredible moat in the education technology space with a platform that has gone from offline (textbooks) to digital, which will lead to more predictable revenue growth and better margins

Bears Will Say...

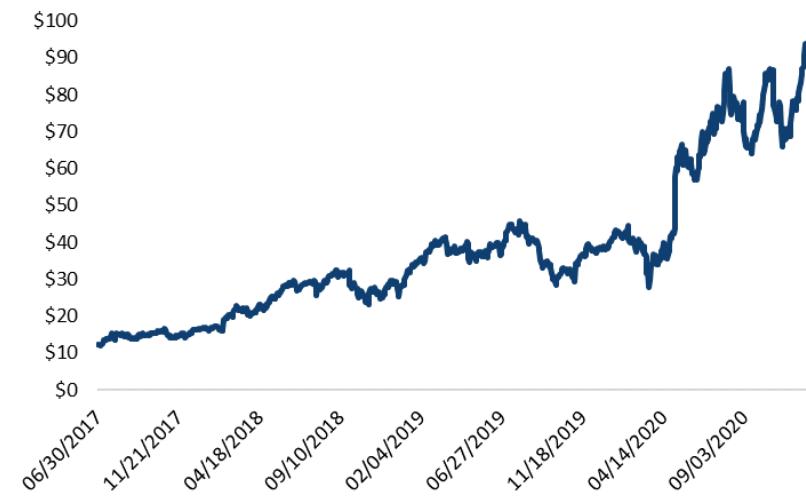
- Stock is overvalued and Chegg will struggle to maintain growth rates as it builds off a larger base
- Recent acquisitions (Thinkful, Mathway, etc) signify a slowdown in the core business
- Chegg is an unethical app, and password sharing limits the actual addressable market

Valuation: Chegg is currently trading at ~17x NTM Sales, a premium to historical levels but mostly in-line with high-growth software peers

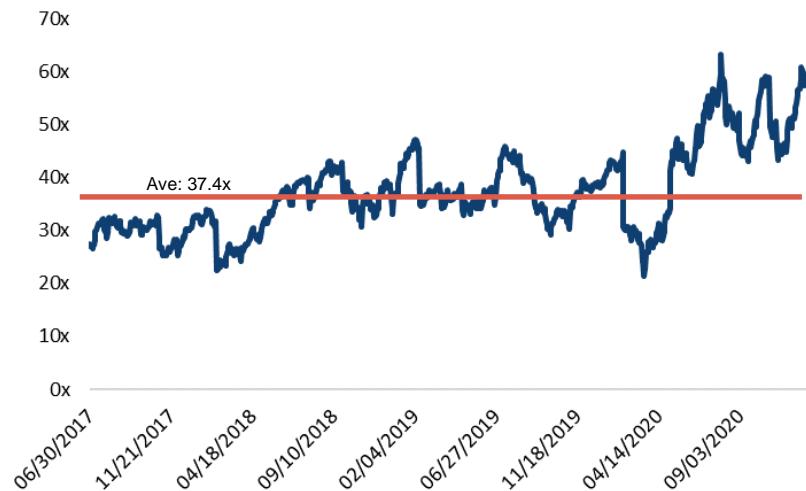
Jeff take...

- While valuation is not cheap, we believe a premium multiple is warranted given the company's history of execution and the evolving educational landscape
- With Chegg Study vastly underpenetrated in a growing 35 million student TAM, ample opportunity remains to increase paid subscribers (in the core business alone)

CHGG Price Chart (3-year)



CHGG 3-year NTM EV/EBITDA



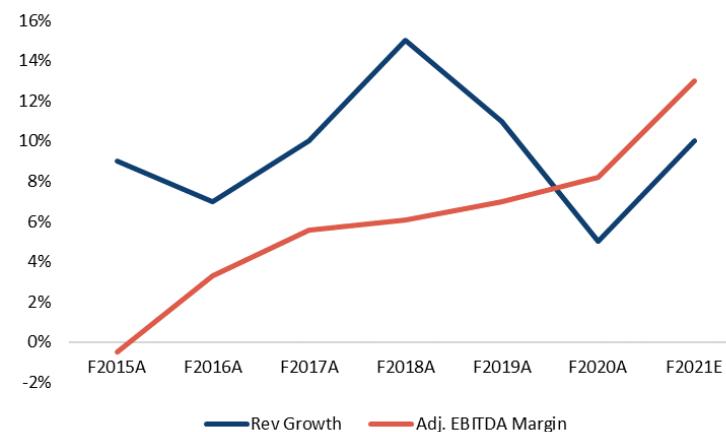
Sonos (SONO) \$3.4B Market Cap, Hold \$25 PT – Quality Products but Not a Great Stock

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Investor Debate: Sonos is a premium speaker manufacturer serving nearly 11M homes. In 2020, COVID-19 caused consumers to start shifting their purchases of Sonos products from physical retail channels to DTC channels (DTC grew to 21% of rev in FY20 from 12% in FY19). Competition in the space continues to grow, as big tech players continue to move further into the speaker market, often at much lower price points.

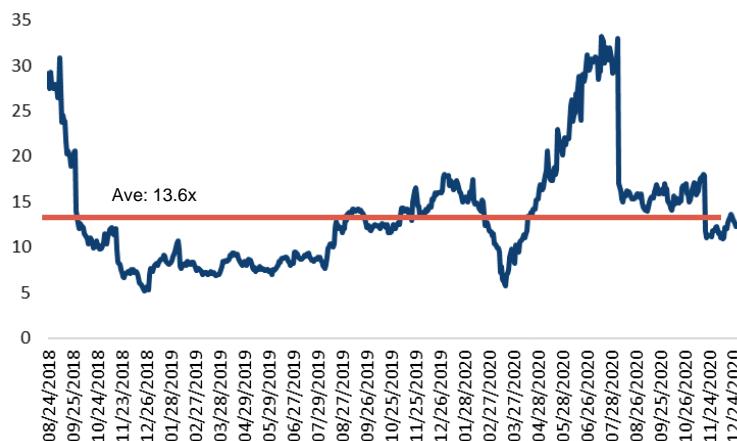
- **Bulls Will Say...**
 - Sonos' best in class technology and easy to implement solutions create stickiness from its user base of nearly 11MM homes (30MM+ products sold).
 - Growth in DTC channels will help to offset weakness from store closures and provide a LT tailwind to GMs as commerce continues to shift from offline to online channels.
 - Sonos is using its brand, diversifying its product offerings outside of the high-end in-home market, expanding its TAM with the introduction of the Symfonisk speakers and the portable Move speaker.
- **Bears Will Say...**
 - Recurring revenue strategy is unproven as "Radio HD" launched in 2020 for \$7.99/ month in a highly competitive music streaming market led by Spotify.
 - The home speaker market likely saw a pull forward in demand in 2020 as consumers upgraded and bought new speaker systems while sheltering at home.
 - Limited visibility into new product launches and lack of recurring revenue make it difficult to model the business
- **Valuation:** Sonos trades near historical highs at ~1.9x '22 revenue, and we caution there could be downside if macro pressures on the consumer begin to weigh more heavily (as Sonos mostly plays in the premium speaker category).
- **Jeff take...**
 - We believe that Sonos' unique positioning as a neutral third party to all content providers gives it an advantage for consumers who want to be able to evolve their listening experience over time. We see value in Sonos' patent portfolio and brand but we see few near term catalysts to spur growth in '21.
 - We also see strategic value in Sonos as the home speaker market becomes increasingly competitive with lesser quality speakers being released by large technology companies.

Sonos Revenue Growth & Adj. EBITDA Margin



Source: company data, Jefferies estimates

Sonos EV/EBITDA 1YR Forward



Source: Factset, Jefferies estimates

Models

AMZN Income Statement

Amazon.com - Income Statement

(\$ in Thousands)

	F2019				F2020				F2019A		F2020E	F2021E	F2022E
	Q1 19A	Q2 19A	Q3 19A	Q4 19A	Q1 20A	Q2 20A	Q3 20A	Q4 20E					
Net Sales	\$59,700,000	\$63,404,000	\$69,981,000	\$87,437,000	\$75,452,000	\$88,912,000	\$96,145,000	\$119,196,334	\$280,522,000	\$379,705,334	\$448,906,956	\$525,588,976	
North America Net Sales	31,505,000	34,323,000	38,446,000	49,307,000	41,487,000	51,662,000	55,585,000	70,015,940	153,581,000	218,749,940	258,181,882	302,589,166	
International Net Sales	16,192,000	16,370,000	18,348,000	23,813,000	19,106,000	22,668,000	25,171,000	32,338,054	74,723,000	99,283,054	116,099,073	133,513,934	
AWS Net Sales	7,696,000	8,381,000	8,995,000	9,954,000	10,219,000	10,808,000	11,601,000	12,741,120	35,026,000	45,369,120	57,752,183	72,190,229	
Physical Stores Net Sales	4,307,000	4,330,000	4,192,000	4,363,000	4,640,000	3,774,000	3,788,000	4,101,220	17,192,000	16,303,220	16,873,818	17,295,648	
% Y/Y Growth	17%	20%	24%	21%	26%	40%	37%	36%	20%	35%	18%	17%	
% Q/Q Growth	(18)	6	10	25	(14)	18	8	24	--	--	--	--	
Cost of Sales	33,896,000	36,294,000	41,263,000	53,934,000	44,216,000	52,584,000	57,031,000	74,327,873	165,387,000	228,158,873	268,171,723	312,438,368	
Total Gross Profit	\$25,804,000	\$27,110,000	\$28,718,000	\$33,503,000	\$31,236,000	\$36,328,000	\$39,114,000	\$44,868,461	\$115,135,000	\$151,546,461	\$180,735,233	\$213,150,609	
% Margin	43.2%	42.8%	41.0%	38.3%	41.4%	40.9%	40.7%	37.6%	41.0%	39.9%	40.3%	40.6%	
Fulfillment	8,367,000	8,911,000	9,866,000	11,906,000	11,271,000	13,389,000	14,389,000	19,448,862	39,050,000	58,497,862	68,252,655	78,860,356	
Marketing	3,455,000	3,984,000	4,454,000	5,850,000	4,496,000	3,889,000	4,988,000	6,484,914	17,743,000	19,857,914	24,349,572	27,194,978	
Technology & Content	7,252,000	7,988,000	8,234,000	8,733,000	8,364,000	8,967,000	9,709,000	10,365,000	32,207,000	37,405,000	43,139,000	48,964,000	
General & Administrative	1,041,000	1,086,000	1,173,000	1,230,000	1,289,000	1,349,000	1,484,000	1,495,000	4,530,000	5,617,000	6,058,000	6,398,000	
GAAP Operating Income / (Loss) incl SBC & Amc	4,420,000	3,084,000	3,157,000	3,879,000	3,989,000	5,843,000	6,194,000	4,641,085	14,540,000	20,667,085	28,960,687	41,445,470	
% Margin	7.4%	4.9%	4.5%	4.4%	5.3%	6.6%	6.4%	3.9%	5.2%	5.4%	6.5%	7.9%	
% Y/Y Growth	129	3	(15)	2	(10)	89	96	20	17	42	40	43	
% Q/Q Growth	17	(30)	2	23	3	46	6	(25)	--	--	--	--	
EBITDA	\$10,543,000	\$10,343,000	\$10,554,000	\$11,954,000	\$11,178,000	\$14,482,000	\$15,067,000	\$14,133,159	\$43,394,000	\$54,860,159	\$67,140,051	\$81,819,083	
% Margin	17.7%	16.3%	15.1%	13.7%	14.8%	16.3%	15.7%	11.9%	15.5%	14.4%	15.0%	15.6%	
% Y/Y Growth	54	27	18	25	6	40	43	18	30	26	22	22	
% Q/Q Growth	10	(2)	2	13	(6)	30	4	(6)	--	--	--	--	
Net Interest and Other (Income) Expense	19,000	195,000	525,000	(174,000)	606,000	(378,000)	(615,000)	184,951	565,000	(202,049)	687,953	(156,278)	
Adjusted Pre-Tax Profit / (Loss)	\$5,670,000	\$4,946,000	\$4,466,000	\$5,958,000	\$5,210,000	\$9,112,000	\$9,159,000	\$6,889,734	\$21,040,000	\$30,370,734	\$38,248,053	\$51,889,553	
% Effective Tax Rate	19%	14%	19%	20%	22%	17%	12%	20%	18%	17%	20%	19%	
Provision / (Benefit) for Income Taxes	836,000	257,000	494,000	786,000	744,000	984,000	569,000	846,666	2,373,000	3,143,666	5,371,820	7,904,332	
Tax Adjustments for Non-GAAP Items	260,145	421,685	375,970	390,525	383,670	607,110	493,500	511,056	1,448,325	1,995,336	2,094,817	2,160,439	
Minority Interest	4,000	7,000	4,000	(1,000)	104,000	(6,000)	(91,000)	(800)	14,000	6,200	4,960	3,968	
Operating Net Income / (Loss)	\$4,569,855	\$4,260,315	\$3,592,030	\$4,782,475	\$3,978,330	\$7,526,890	\$8,187,500	\$5,532,813	\$17,204,675	\$25,225,533	\$30,776,456	\$41,820,814	
% Margin	7.7%	6.7%	5.1%	5.5%	5.3%	8.5%	8.5%	4.6%	6.7%	6.6%	6.9%	8.0%	
% Y/Y Growth	75	13	(10)	13	(13)	77	128	16	18	47	22	36	
% Q/Q Growth	8	(7)	(16)	33	(17)	89	9	(32)	--	--	--	--	
Other Operating Expense/Amortization of Intangibles	(5,000)	86,000	55,000	65,000	70,000	290,000	62,000	60,000	201,000	482,000	190,000	160,000	
Stock-Based Compensation	1,274,000	1,971,000	1,779,000	1,840,000	1,757,000	2,601,000	2,288,000	2,373,600	6,864,000	9,019,600	9,785,319	10,127,805	
Tax Effect of Non-GAAP Entries	(260,145)	(421,685)	(375,970)	(390,525)	(383,670)	(607,110)	(493,500)	(511,056)	(1,448,325)	(1,995,336)	(2,094,817)	(2,160,439)	
Reported GAAP Net Income / (Loss)	\$3,561,000	\$2,625,000	\$2,134,000	\$3,268,000	\$2,535,000	\$5,243,000	\$6,331,000	\$3,610,269	\$11,588,000	\$17,719,269	\$22,895,955	\$33,693,448	
% Margin	6.0%	4.7%	3.0%	3.7%	3.4%	5.9%	6.6%	3.0%	4.1%	4.7%	5.1%	6.4%	
% Y/Y Growth	119	4	(26)	8	(29)	100	197	10	15	53	29	47	
% Q/Q Growth	18	(26)	(19)	53	(22)	107	21	(43)	--	--	--	--	
Weighted Avg. Diluted Shares Outstanding	502,000	503,000	504,000	505,000	506,000	509,000	512,000	510,389	504,000	509,347	512,223	518,054	
Operating EPS	\$9.10	\$8.47	\$7.13	\$9.47	\$7.86	\$14.79	\$15.99	\$10.84	\$34.14	\$49.53	\$60.08	\$80.73	
% Y/Y Growth	73%	13%	(11%)	13%	(14%)	75%	124%	14%	17%	45%	21%	34%	
% Q/Q Growth	8	(7)	(16)	33	(17)	88	8	(32)	--	--	--	--	
Reported GAAP EPS	\$7.09	\$5.22	\$4.23	\$6.47	\$5.01	\$10.30	\$12.37	\$7.07	\$23.01	\$34.79	\$44.70	\$65.04	
% Y/Y Growth	117%	3%	(26%)	7%	(29%)	97%	192%	9%	14%	51%	28%	46%	
% Q/Q Growth	17	(26)	(19)	53	(23)	106	20	(43)	--	--	--	--	

AMZN Balance Sheet

Amazon.com - Balance Sheet

(\$ in Thousands)

	F2019				F2020				F2019A	F2020E	F2021E	F2022E
	Q1 19A	Q2 19A	Q3 19A	Q4 19A	Q1 20A	Q2 20A	Q3 20A	Q4 20E				
Cash & Cash Equivalents	\$23,115,000	\$22,616,000	\$23,255,000	\$36,092,000	\$27,201,000	\$37,466,000	\$29,930,000	\$40,852,379	\$36,092,000	\$40,852,379	\$83,704,135	\$139,067,313
Short-Term Marketable Securities	13,905,000	18,847,000	20,146,000	18,929,000	22,091,000	33,925,000	38,472,000	38,472,000	18,929,000	38,472,000	38,472,000	38,472,000
Accounts Receivable	14,209,000	14,902,000	14,942,000	18,821,000	15,599,000	17,478,000	18,325,000	24,688,337	18,821,000	24,688,337	28,845,071	33,941,231
Inventories	16,432,000	18,580,000	18,766,000	20,497,000	18,857,000	19,599,000	23,735,000	28,672,232	20,497,000	28,672,232	31,825,237	36,222,579
Other Current Assets	1,770,000	1,845,000	1,945,000	1,995,000	2,237,000	2,440,000	2,507,000	2,721,152	1,995,000	2,721,152	2,725,584	3,094,602
Current Assets	\$69,431,000	\$76,790,000	\$79,054,000	\$96,334,000	\$85,985,000	\$110,908,000	\$112,969,000	\$135,406,099	\$96,334,000	\$135,406,099	\$185,572,028	\$250,597,724
Property and Equipment	61,048,000	64,723,000	67,662,000	72,705,000	77,779,000	86,517,000	99,981,000	101,122,526	72,705,000	101,122,526	108,118,480	115,304,672
Goodwill	14,708,000	14,727,000	14,734,000	14,754,000	14,739,000	14,751,000	14,960,000	14,960,000	14,754,000	14,960,000	14,960,000	14,960,000
Deferred Tax Assets	0	0	0	0	0	0	0	0	0	0	0	0
Other Assets	32,915,000	35,111,000	37,649,000	41,455,000	42,735,000	46,138,000	54,269,000	52,911,286	41,455,000	52,911,286	53,378,702	60,763,715
Total Assets	\$178,102,000	\$191,351,000	\$199,099,000	\$225,248,000	\$221,238,000	\$258,314,000	\$282,179,000	\$304,399,911	\$225,248,000	\$304,399,911	\$362,029,210	\$441,826,112
Accounts Payable	\$31,809,000	\$36,063,000	\$35,794,000	\$47,183,000	\$40,056,000	\$51,036,000	\$58,334,000	\$68,503,826	\$47,183,000	\$68,503,826	\$77,073,345	\$88,939,713
Accrued Expenses & Other Liabilities	22,980,000	24,504,000	26,120,000	31,132,000	29,480,000	32,558,000	34,067,000	31,746,772	31,132,000	31,746,772	30,923,897	33,588,085
Unearned Revenue	7,298,000	7,475,000	7,381,000	8,190,000	8,864,000	8,997,000	9,251,000	11,246,647	8,190,000	11,246,647	15,169,669	16,287,542
Short-Term Debt	1,608,000	1,636,000	2,841,000	1,307,000	1,311,000	1,305,000	260,000	1,215,000	1,307,000	1,215,000	1,465,000	1,215,000
Total Current Liabilities	\$63,695,000	\$69,678,000	\$72,136,000	\$87,812,000	\$79,711,000	\$93,896,000	\$101,912,000	\$112,712,245	\$87,812,000	\$112,712,245	\$124,631,910	\$140,030,341
Long-Term Debt	23,322,000	23,329,000	22,472,000	23,414,000	23,437,000	33,128,000	32,929,000	31,900,000	23,414,000	31,900,000	30,634,000	29,618,000
Other LT Liabilities	42,675,000	45,283,000	47,983,000	51,962,000	52,818,000	57,562,000	64,563,000	68,028,797	51,962,000	68,028,797	66,323,158	72,916,376
Minority Interest	0	0	0	0	0	0	0	0	0	0	0	0
Total Liabilities	\$129,692,000	\$138,290,000	\$142,591,000	\$163,188,000	\$155,966,000	\$184,586,000	\$199,404,000	\$212,641,042	\$163,188,000	\$212,641,042	\$221,589,068	\$242,564,717
Additional Paid-In Capital	28,064,000	30,040,000	31,822,000	33,663,000	35,417,000	38,022,000	40,312,000	45,685,600	33,663,000	45,685,600	71,470,919	96,598,723
Retained Earnings (Accumulated Deficit)	23,193,000	25,818,000	27,952,000	31,220,000	33,755,000	38,998,000	45,329,000	48,939,269	31,220,000	48,939,269	71,835,224	105,528,672
Treasury Stock	(1,837,000)	(1,837,000)	(1,837,000)	(1,837,000)	(1,837,000)	(1,837,000)	(1,837,000)	(1,837,000)	(1,837,000)	(1,837,000)	(1,837,000)	(1,837,000)
Accumulated Other Comprehensive Income	(1,010,000)	(960,000)	(1,429,000)	(986,000)	(2,063,000)	(1,455,000)	(1,029,000)	(1,029,000)	(986,000)	(1,029,000)	(1,029,000)	(1,029,000)
Shareholders' Equity	\$48,410,000	\$53,061,000	\$56,508,000	\$62,060,000	\$65,272,000	\$73,728,000	\$82,775,000	\$91,758,869	\$62,060,000	\$91,758,869	\$140,440,142	\$199,261,395
Liabilities & Shareholders' Equity	\$178,102,000	\$191,351,000	\$199,099,000	\$225,248,000	\$221,238,000	\$258,314,000	\$282,179,000	\$304,399,911	\$225,248,000	\$304,399,911	\$362,029,210	\$441,826,112

AMZN Cash Flow Statement

Amazon.com - Cash Flow Statement

(\$ in Thousands)

	F2019				F2020				F2019A		F2020E		F2021E		F2022E	
	Q1 19A	Q2 19A	Q3 19A	Q4 19A	Q1 20A	Q2 20A	Q3 20A	Q4 20E	F2019A	F2020E	F2021E	F2022E				
Net Income	\$3,561,000	\$2,625,000	\$2,134,000	\$3,268,000	\$2,535,000	\$5,243,000	\$6,331,000	\$3,610,269	\$11,588,000	\$17,719,269	\$22,895,955	\$33,693,448				
Depreciation	4,854,000	5,202,000	5,563,000	6,170,000	5,362,000	5,748,000	6,523,000	7,058,474	21,789,000	24,691,474	28,204,045	30,085,808				
Tax Benefit from Stock Options	0	0	0	0	0	0	0	(0)	0	(0)	(0)	0				
Stock-Based Compensation	1,274,000	1,971,000	1,779,000	1,840,000	1,757,000	2,601,000	2,288,000	2,373,600	6,864,000	9,019,600	9,785,319	10,127,805				
Deferred Taxes	415,000	105,000	92,000	185,000	322,000	465,000	295,000	0	797,000	1,082,000	0	0				
(Gain) / Loss on Sale of Securities	0	0	0	0	0	0	0	0	0	0	0	0				
Other Non-Cash Charges	(148,000)	73,000	435,000	(444,000)	632,000	(487,000)	(984,000)	0	(84,000)	(839,000)	0	0				
Funds From Operations	\$9,956,000	\$9,976,000	\$10,003,000	\$11,019,000	\$10,608,000	\$13,570,000	\$14,453,000	\$13,042,343	\$40,954,000	\$51,673,343	\$60,885,318	\$73,907,061				
(Inc.) Dec. in Accounts Receivable and Other	(401,000)	(2,193,000)	(1,181,000)	(3,906,000)	1,262,000	(2,854,000)	(2,016,000)	(5,219,775)	(7,681,000)	(8,827,775)	(4,628,583)	(12,850,190)				
(Inc.) Dec. in Inventories	719,000	(2,100,000)	(381,000)	(1,516,000)	1,392,000	(672,000)	(3,899,000)	(4,937,232)	(3,278,000)	(8,116,232)	(3,153,006)	(4,397,342)				
Inc. (Dec.) in Accounts Payable	(6,384,000)	3,668,000	226,000	10,683,000	(8,044,000)	8,616,000	3,658,000	10,169,826	8,193,000	14,399,826	8,569,518	11,866,369				
Inc. (Dec.) in Accrued Expenses and Other	(2,932,000)	(623,000)	(722,000)	2,894,000	(2,761,000)	1,699,000	(310,000)	1,145,569	(1,383,000)	(226,431)	(2,528,513)	9,257,406				
Addition to Unearned Revenue	5,411,000	5,160,000	5,007,000	5,722,000	5,992,000	5,780,000	5,800,000	7,833,883	21,300,000	25,405,883	30,338,721	32,574,469				
Amortization of Unearned Revenue	(4,523,000)	(4,770,000)	(5,060,000)	(5,237,000)	(5,385,000)	(5,533,000)	(5,722,000)	(5,838,235)	(19,590,000)	(22,478,235)	(26,415,700)	(31,456,595)				
Change in Net Working Capital	(\$8,110,000)	(\$858,000)	(\$2,111,000)	\$8,640,000	(\$7,544,000)	\$7,036,000	(\$2,489,000)	\$3,154,036	(\$2,439,000)	\$157,036	\$2,182,437	\$4,994,117				
Cash Flow from Operations	\$1,846,000	\$9,118,000	\$7,892,000	\$19,659,000	\$3,064,000	\$20,606,000	\$11,964,000	\$16,196,379	\$38,515,000	\$51,830,379	\$63,067,756	\$78,901,178				
Capital Expenditures	(2,721,000)	(2,643,000)	(3,385,000)	(3,941,000)	(5,428,000)	(6,615,000)	(9,808,000)	(5,200,000)	(12,690,000)	(27,051,000)	(19,200,000)	(22,227,000)				
Acquisitions, Net of Cash Acquired	(1,169,000)	(117,000)	(398,000)	(777,000)	(91,000)	(118,000)	(1,735,000)	0	(2,461,000)	(1,944,000)	0	0				
Purchases of Securities and Investments	(6,876,000)	(9,950,000)	(8,542,000)	(6,444,000)	(15,001,000)	(19,209,000)	(17,468,000)	0	(31,812,000)	(51,678,000)	0	0				
Proceeds from Sales of Securities and Investments	2,643,000	5,161,000	7,251,000	7,626,000	11,626,000	8,138,000	13,135,000	0	22,681,000	32,899,000	0	0				
Net Cash Used in Investing Activities	(\$8,123,000)	(\$7,549,000)	(\$5,074,000)	(\$3,536,000)	(\$8,894,000)	(\$17,804,000)	(\$15,876,000)	(\$5,200,000)	(\$24,282,000)	(\$47,774,000)	(\$19,200,000)	(\$22,272,000)				
Debt Issuance / (Repayment)	(2,377,000)	(2,158,000)	(1,960,000)	(3,571,000)	(2,591,000)	7,408,000	(4,105,000)	(74,000)	(10,066,000)	638,000	(1,016,000)	(1,266,000)				
Proceeds from / (Repurchase of) Common Stock	0	0	0	0	0	0	0	0	0	0	0	0				
Excess Tax Benefit from Stock Options	0	0	0	0	0	0	0	0	0	0	0	0				
Net Cash Provided by Financing Activities	(\$2,377,000)	(\$2,158,000)	(\$1,960,000)	(\$3,571,000)	(\$2,591,000)	\$7,408,000	(\$4,105,000)	(\$74,000)	(\$10,066,000)	\$638,000	(\$1,016,000)	(\$1,266,000)				
Effect of Exchange Rate Changes	(12,000)	47,000	(269,000)	304,000	(484,000)	127,000	377,000	0	70,000	20,000	0	0				
Inc. (Dec.) in Cash and Cash Equivalents	(\$8,666,000)	(\$542,000)	\$589,000	\$12,856,000	(\$8,905,000)	\$10,337,000	(\$7,640,000)	\$10,922,379	\$4,237,000	\$4,714,379	\$42,851,756	\$55,363,178				
Beginning Cash and Cash Equivalents	31,750,000	23,115,000	22,616,000	23,255,000	36,092,000	27,201,000	37,466,000	29,930,000	31,750,000	36,092,000	40,852,379	83,704,135				
Restricted Cash Adjustment	31,000	43,000	50,000	(19,000)	14,000	(72,000)	104,000	0	105,000	46,000	0	0				
Ending Cash and Cash Equivalents	\$23,115,000	\$22,616,000	\$23,255,000	\$36,092,000	\$27,201,000	\$37,466,000	\$29,930,000	\$40,852,379	\$36,092,000	\$40,852,379	\$83,704,135	\$139,067,313				

BKNG Income Statement

Booking Holdings - Income Statement

(\$ in Thousands)

	F2019								F2020				F2019A	F2020E	F2021E	F2022E
	Q1 19A	Q2 19A	Q3 19A	Q4 19A	Q1 20A	Q2 20A	Q3 20A	Q4 20E								
Total Revenues	\$2,837,000	\$3,850,000	\$5,040,000	\$3,339,000	\$2,288,000	\$630,000	\$2,640,000	\$1,102,653	\$15,066,000	\$6,660,653	\$10,263,467	\$14,817,151				
% Y/Y Growth	(3%)	9%	4%	4%	(19%)	(84%)	(48%)	(67%)	4%	(56%)	54%	44%				
Advertising	1,193,000	1,367,000	1,415,000	992,000	851,000	211,000	731,000	317,117	4,967,000	2,110,117	3,057,903	4,570,210				
Sales and Marketing	215,000	248,000	276,000	216,000	377,000	131,000	129,000	100,000	955,000	737,000	751,358	1,092,128				
Personnel	427,000	540,000	487,000	486,000	478,000	375,000	437,000	435,000	1,940,000	1,725,000	1,800,000	1,865,000				
General and Administrative	191,000	180,000	225,000	201,000	201,000	104,000	148,000	138,000	797,000	591,000	616,000	651,000				
Information Technology	65,000	70,000	71,000	79,000	78,000	70,000	71,000	79,000	285,000	298,000	317,000	342,000				
Depreciation and Amortization	116,000	119,000	117,000	117,000	117,000	112,000	115,000	115,522	469,000	459,522	471,974	489,104				
Total Stock-Based Compensation	74,000	79,000	79,000	76,000	6,000	77,000	80,000	75,240	308,000	238,240	262,064	275,167				
Adj Op Income (Incl. SBC)	\$556,000	\$1,247,000	\$2,370,000	\$1,172,000	\$180,000	(\$450,000)	\$929,000	(\$157,226)	\$5,345,000	\$501,774	\$2,987,169	\$5,532,543				
% Margin	20%	32%	47%	35%	8%	(71%)	35%	(14%)	35.5%	7.5%	29%	37%				
% Y/Y Growth	-24%	2%	5%	3%	-68%	-136%	-61%	-113%	0%	-91%	495%	85%				
Adj Op Income (excl. SBC)	\$630,000	\$1,326,000	\$2,449,000	\$1,248,000	\$186,000	(\$373,000)	\$1,009,000	(\$81,986)	\$5,653,000	\$740,014	\$3,249,233	\$5,807,710				
% Margin	22%	34%	49%	37%	8%	(59%)	38%	(7%)	37.5%	11.1%	32%	39%				
% Y/Y Growth	-21%	2%	6%	0%	-70%	-128%	-59%	-107%	0%	-87%	339%	79%				
Adjusted EBITDA (incl. SBC)	\$718,000	\$1,373,000	\$2,482,000	\$1,282,000	\$290,000	(\$376,000)	\$1,003,000	(\$41,704)	\$5,855,000	\$875,296	\$3,310,143	\$5,872,647				
% Margin	25.3%	35.7%	49.2%	38.4%	12.7%	(59.7%)	38.0%	(3.8%)	38.9%	13.1%	32.3%	39.6%				
% Y/Y Growth	-10%	5%	5%	2%	-60%	-127%	-60%	-103%	2%	-85%	278%	77%				
Adjusted EBITDA (excl. SBC)	\$791,000	\$1,452,000	\$2,562,000	\$1,358,000	\$296,000	(\$299,000)	\$1,084,000	\$33,536	\$6,163,000	\$1,114,536	\$3,572,207	\$6,147,814				
% Margin	27.9%	37.7%	50.8%	40.7%	12.9%	(47.5%)	41.1%	3.0%	40.9%	16.7%	34.8%	41.5%				
% Y/Y Growth	-9%	5%	5%	0%	-63%	-121%	-58%	-98%	2%	-82%	221%	72%				
Net Interest and Other (Income)	(412,000)	40,000	7,000	(248,000)	313,000	(693,000)	(520,000)	4,255	(613,000)	(895,745)	172,957	78,023				
Adjusted Pre-Tax Profit / (Loss)	\$1,042,000	\$1,286,000	\$2,442,000	\$1,496,000	(\$127,000)	\$320,000	\$1,529,000	(\$86,242)	\$6,266,000	\$1,635,758	\$3,076,277	\$5,729,688				
% Effective Tax Rate	19%	18%	17%	17%	18%	27%	2%	20%	17%	5%	21%	21%				
Provision / (Benefit) for Income Taxes	203,000	228,000	413,000	249,000	(23,000)	87,000	34,000	(17,248)	1,093,000	80,752	646,018	1,203,234				
Minority Interest (Benefit)	0	0	0	0	0	0	0	0	0	0	0	0				
Operating Net Income / (Loss) incl. SBC	\$508,000	\$1,028,000	\$1,943,000	\$984,000	\$156,000	(\$443,000)	\$504,000	(\$110,493)	\$4,463,000	\$106,507	\$2,322,804	\$4,410,076				
% Margin	18%	27%	39%	29%	7%	(70%)	19%	(10%)	30%	2%	23%	30%				
% Y/Y Growth	(14)	2	8	(6)	(69)	(143)	(74)	(111)	0	(98)	2,081	90				
Operating Net Income / (Loss) excl. SBC	\$497,000	\$1,126,000	\$2,035,000	\$1,020,000	\$225,000	(\$525,000)	\$951,000	(\$12,993)	\$4,678,000	\$638,007	\$2,639,258	\$4,727,453				
% Margin	18%	29%	40%	31%	10%	(83%)	36%	(16%)	31%	10%	26%	32%				
% Y/Y Growth	(24)	4	8	(18)	(55)	(147)	(53)	(101)	(4)	(86)	314	79				
Stock-Based Compensation	74,000	79,000	79,000	76,000	6,000	77,000	80,000	75,240	308,000	238,240	262,064	275,167				
Amortization of Intangibles	45,000	44,000	43,000	43,000	43,000	42,000	41,000	41,000	175,000	167,000	160,000	157,000				
Amortization of Debt Discount	11,000	11,000	11,000	11,000	12,000	15,000	12,000	15,000	44,000	54,000	49,000	44,000				
Tax Effect of Non-GAAP Entries (<i>old</i>)	0	0	0	0	0	0	0	0	0	0	0	0				
Tax Effect of Non-GAAP Entries (<i>new</i>)	85,000	(19,000)	(13,000)	40,000	(63,000)	159,000	(367,000)	(22,260)	93,000	(293,260)	(54,390)	(42,210)				
GAAP Net Income / (Loss)	\$765,000	\$979,000	\$1,950,000	\$1,171,000	(\$699,000)	\$122,000	\$801,000	(\$194,233)	\$4,865,000	\$29,767	\$2,118,194	\$4,251,286				
Weighted Avg. Diluted Shares Out	45,436	43,601	42,831	42,210	41,093	40,995	41,081	41,418	43,509	41,147	41,254	40,995				
Operating EPS (Incl. SBC)	\$11.17	\$23.59	\$45.36	\$23.30	\$3.77	(\$10.81)	\$12.27	(\$2.67)	\$102.58	\$2.59	\$56.30	\$107.85				
% Y/Y Growth	(7%)	14%	20%	4%	(66%)	(146%)	(73%)	(111%)	11%	(97%)	2,075%	92%				
Operating EPS (excl. SBC)	\$10.94	\$25.83	\$47.51	\$24.16	\$5.48	(\$12.81)	\$23.15	(\$0.31)	\$107.52	\$15.51	\$63.98	\$115.32				
% Y/Y Growth	(18%)	15%	21%	(10%)	(50%)	(150%)	(51%)	(101%)	6%	(86%)	313%	80%				
Reported GAAP EPS	\$16.85	\$22.44	\$45.54	\$27.75	(\$17.01)	\$2.97	\$19.49	(\$4.69)	\$111.82	\$0.72	\$51.34	\$103.96				
% Y/Y Growth	37%	11%	23%	100%	(201%)	(87%)	(57%)	(117%)	34%	(99%)	6,997%	102%				

BKNG Balance Sheet

Booking Holdings - Balance Sheet

(\$ in Thousands)

	F2019				F2020				F2019A	F2020E	F2021E	F2022E
	Q1 19A	Q2 19A	Q3 19A	Q4 19A	Q1 20A	Q2 20A	Q3 20A	Q4 20E				
Cash & Cash Equivalents	\$2,334,000	\$5,256,000	\$6,466,000	\$6,312,000	\$6,363,000	\$10,404,000	\$11,197,000	\$9,711,133	\$6,312,000	\$9,711,133	\$10,366,992	\$11,926,835
Restricted Cash	0	0	0	0	0	0	0	0	0	0	0	0
Short-Term Investments	1,981,000	1,553,000	973,000	998,000	826,000	0	0	0	998,000	0	0	0
Accounts Receivable	1,491,000	1,973,000	1,788,000	1,680,000	667,000	566,000	859,000	633,668	1,680,000	633,668	999,181	1,462,793
Prepaid Expenses & Other Current Assets	1,271,000	1,238,000	829,000	843,000	1,404,000	483,000	527,000	387,950	843,000	387,950	463,915	604,181
Deferred Income Taxes	0	0	0	0	0	0	0	0	0	0	0	0
Current Assets	\$7,077,000	\$10,020,000	\$10,056,000	\$9,833,000	\$9,260,000	\$11,453,000	\$12,583,000	\$10,732,751	\$9,833,000	\$10,732,751	\$11,830,088	\$13,993,809
Long-Term Investments	8,445,000	4,618,000	4,319,000	4,477,000	2,056,000	2,946,000	3,672,000	3,672,000	4,477,000	3,672,000	3,672,000	3,672,000
Property & Equipment	695,000	716,000	706,000	738,000	720,000	736,000	744,000	741,150	738,000	741,150	783,472	962,858
Intangible Assets	2,078,000	2,041,000	1,985,000	1,954,000	1,897,000	1,865,000	1,838,000	1,797,000	1,954,000	1,797,000	1,637,000	1,480,000
Goodwill	2,907,000	2,915,000	2,885,000	2,913,000	2,391,000	2,412,000	1,865,000	1,865,000	2,913,000	1,865,000	1,865,000	1,865,000
Deferred Income Taxes	0	0	0	0	0	0	0	0	0	0	0	0
Other Assets	1,164,000	1,184,000	1,495,000	1,487,000	1,538,000	1,500,000	1,443,000	1,443,000	1,487,000	1,443,000	1,443,000	1,443,000
Total Assets	\$22,366,000	\$21,494,000	\$21,446,000	\$21,402,000	\$17,862,000	\$20,912,000	\$22,145,000	\$20,250,902	\$21,402,000	\$20,250,902	\$21,230,560	\$23,416,667
Accounts Payable	\$934,000	\$1,291,000	\$1,275,000	\$1,239,000	\$926,000	\$581,000	\$1,114,000	\$686,679	\$1,239,000	\$686,679	\$848,959	\$1,022,440
Accrued Expenses & Other Liabilities	1,877,000	1,740,000	1,704,000	1,578,000	1,255,000	1,445,000	1,388,000	882,328	1,578,000	882,328	1,055,096	1,374,108
Deferred Merchant Bookings	1,797,000	2,343,000	1,567,000	1,561,000	960,000	910,000	487,000	351,961	1,561,000	351,961	548,637	803,168
Short-Term Debt	968,000	975,000	982,000	988,000	999,000	973,000	979,000	979,000	988,000	979,000	2,048,000	498,000
Total Current Liabilities	\$5,576,000	\$6,349,000	\$5,528,000	\$5,366,000	\$4,140,000	\$3,909,000	\$3,968,000	\$2,899,968	\$5,366,000	\$2,899,968	\$4,500,692	\$3,697,717
Deferred Income Taxes	513,000	504,000	868,000	876,000	786,000	931,000	1,006,000	1,006,000	876,000	1,006,000	1,006,000	1,006,000
Other Long-Term Liabilities	1,743,000	1,648,000	1,587,000	1,587,000	1,552,000	1,440,000	1,429,000	721,633	1,587,000	721,633	1,259,342	1,143,745
Long-Term Debt	7,619,000	7,686,000	7,512,000	7,640,000	7,553,000	10,633,000	10,829,000	10,829,000	7,640,000	10,829,000	8,781,000	8,283,000
Total Liabilities	\$15,451,000	\$16,187,000	\$15,495,000	\$15,469,000	\$14,031,000	\$16,913,000	\$17,232,000	\$15,456,601	\$15,469,000	\$15,456,601	\$15,547,034	\$14,130,462
Common Stock	0	0	0	0	0	0	0	0	0	0	0	0
Treasury Stock	(17,567,000)	(20,173,000)	(21,523,000)	(22,864,000)	(24,115,000)	(24,119,000)	(24,123,000)	(24,123,000)	(22,864,000)	(24,123,000)	(24,123,000)	(24,123,000)
Additional Paid-In Capital	5,519,000	5,599,000	5,678,000	5,756,000	5,758,000	5,699,000	5,779,000	5,854,534	5,756,000	5,854,534	4,625,565	3,976,957
Retained Earnings (Accumulated Deficit)	19,132,000	20,111,000	22,061,000	23,232,000	22,530,000	22,652,000	23,453,000	23,258,767	23,232,000	23,258,767	25,376,961	29,628,247
Accumulated Other Comprehensive Income (Loss)	(169,000)	(230,000)	(265,000)	(191,000)	(342,000)	(233,000)	(196,000)	(196,000)	(191,000)	(196,000)	(196,000)	(196,000)
Shareholders' Equity	\$6,915,000	\$5,307,000	\$5,951,000	\$5,933,000	\$3,831,000	\$3,999,000	\$4,913,000	\$4,794,301	\$5,933,000	\$4,794,301	\$5,683,526	\$9,286,205
Liabilities & Shareholders' Equity	\$22,366,000	\$21,494,000	\$21,446,000	\$21,402,000	\$17,862,000	\$20,912,000	\$22,145,000	\$20,250,902	\$21,402,000	\$20,250,902	\$21,230,560	\$23,416,667

BKNG Cash Flow Statement

Booking Holdings - Cash Flow Statement

(\$ in Thousands)

	F2019				F2020				F2019A	F2020E	F2021E	F2022E
	Q1 19A	Q2 19A	Q3 19A	Q4 19A	Q1 20A	Q2 20A	Q3 20A	Q4 20E				
Net Income	\$765,000	\$979,000	\$1,950,000	\$1,171,000	(\$699,000)	\$122,000	\$801,000	(\$194,233)	\$4,865,000	\$29,767	\$2,118,194	\$4,251,286
Depreciation	71,000	75,000	74,000	74,000	74,000	70,000	74,000	74,522	294,000	292,522	311,974	332,104
Amortization	45,000	44,000	43,000	43,000	43,000	42,000	41,000	41,000	175,000	167,000	160,000	157,000
Provision for Uncollectible Accounts	40,000	34,000	34,000	30,000	262,000	60,000	(15,000)	0	138,000	307,000	0	0
Deferred Income Taxes	89,000	(29,000)	(21,000)	83,000	(97,000)	108,000	90,000	0	122,000	101,000	0	0
Acceleration of Stock Options	4,000	5,000	4,000	4,000	5,000	6,000	5,000	0	17,000	16,000	0	0
Stock-Based Compensation	74,000	79,000	79,000	76,000	6,000	77,000	80,000	75,240	308,000	238,240	262,064	275,167
Minority Interest	0	0	0	0	0	0	0	0	0	0	0	0
Amortization of Debt Issuance Costs	2,000	2,000	2,000	2,000	2,000	2,000	2,000	0	8,000	6,000	0	0
Amortization of Debt Discount	12,000	12,000	13,000	13,000	12,000	17,000	13,000	0	50,000	42,000	0	0
Loss (Gain) on Early Extinguishment of Debt	0	0	0	0	(33,000)	55,000	117,000	0	0	139,000	0	0
Impairment Charge	0	0	0	0	589,000	0	573,000	0	0	1,162,000	0	0
Funds From Operations	\$700,000	\$1,229,000	\$2,215,000	\$1,262,000	\$519,000	(\$230,000)	\$1,094,000	(\$3,471)	\$5,406,000	\$1,379,529	\$2,852,232	\$5,015,557
(Inc.) Dec. in Accounts Receivable	(24,000)	(499,000)	81,000	119,000	760,000	45,000	(251,000)	225,332	(323,000)	779,332	(365,512)	(463,613)
(Inc.) Dec. in Income Taxes	0	0	0	0	0	0	0	0	0	0	0	0
(Inc.) Dec. in Prepaid Expenses & Other Current As	(669,000)	85,000	337,000	(16,000)	(445,000)	693,000	(18,000)	139,050	(263,000)	369,050	(75,964)	(140,266)
Inc. (Dec.) in Accounts Payable	561,000	952,000	(719,000)	(314,000)	(1,135,000)	(432,000)	(26,000)	(932,994)	480,000	(2,525,994)	335,049	492,493
Inc. (Dec.) in Other	(418,000)	20,000	(63,000)	26,000	(79,000)	46,000	121,000	(842,405)	(435,000)	(754,405)	734,384	138,935
Change in Net Working Capital	(\$550,000)	\$558,000	(\$364,000)	(\$185,000)	(\$899,000)	\$352,000	(\$174,000)	(\$1,411,017)	(\$541,000)	(\$2,132,017)	\$627,956	\$27,549
Cash Flow from Operations	\$150,000	\$1,787,000	\$1,851,000	\$1,077,000	(\$380,000)	\$122,000	\$920,000	(\$1,414,489)	\$4,865,000	(\$752,489)	\$3,480,189	\$5,043,106
Capital Expenditures	(111,000)	(88,000)	(82,000)	(87,000)	(80,000)	(70,000)	(72,000)	(71,672)	(368,000)	(293,672)	(354,296)	(511,489)
Acquisitions, Net of Cash Acquired	0	(9,000)	0	0	0	0	0	0	(9,000)	0	0	0
Purchases of Securities & Investments	(445,000)	(135,000)	(116,000)	24,000	(72,000)	0	0	0	(672,000)	(72,000)	0	0
Proceeds from Sales of Securities & Investments	2,665,000	4,312,000	963,000	159,000	1,885,000	1,112,000	0	0	8,099,000	2,997,000	0	0
Other / Change in Restricted Cash	0	0	0	0	0	0	0	0	0	0	0	0
Net Cash Used in Investing Activities	\$2,109,000	\$4,080,000	\$765,000	\$96,000	\$1,733,000	\$1,042,000	(\$72,000)	(\$71,672)	\$7,050,000	\$2,631,328	(\$354,296)	(\$511,489)
Debt Issuance / (Repayment)	225,000	(213,000)	(37,000)	0	0	2,882,000	(56,000)	0	(25,000)	2,826,000	(979,000)	(2,048,000)
Proceeds from / (Repurchase of) Common Stock	(2,773,000)	(2,718,000)	(1,349,000)	(1,347,000)	(1,281,000)	(13,000)	(5,000)	0	(8,187,000)	(1,299,000)	(1,492,333)	(924,296)
Excess Tax Benefit from Stock Options	0	0	0	0	0	0	0	294	0	294	1,299	521
Other / Purchases of Shares Held by Minority Inter	0	(8,000)	(3,000)	3,000	0	5,000	0	0	(8,000)	5,000	0	0
Net Cash Provided by Financing Activities	(\$2,548,000)	(\$2,939,000)	(\$1,389,000)	(\$1,344,000)	(\$1,281,000)	\$2,874,000	(\$61,000)	\$294	(\$8,220,000)	\$1,532,294	(\$2,470,033)	(\$2,971,775)
Effect of Exchange Rate Changes	(2,000)	(6,000)	(18,000)	18,000	(21,000)	2,000	7,000	0	(8,000)	(12,000)	0	0
Inc. (Dec.) in Cash and Cash Equivalents	(\$291,000)	\$2,922,000	\$1,209,000	(\$153,000)	\$51,000	\$4,040,000	\$794,000	(\$1,485,867)	\$3,687,000	\$3,399,133	\$655,860	\$1,559,842
Beginning Cash and Cash Equivalents	2,624,000	2,334,000	5,256,000	6,466,000	6,312,000	6,363,000	10,404,000	11,197,000	2,624,000	6,312,000	9,711,133	10,366,992
Restricted Cash Adjustment	1,000	0	1,000	(1,000)	0	1,000	(1,000)	0	1,000	0	0	0
Ending Cash and Cash Equivalents	\$2,334,000	\$5,256,000	\$6,466,000	\$6,312,000	\$6,363,000	\$10,404,000	\$11,197,000	\$9,711,133	\$6,312,000	\$9,711,133	\$10,366,992	\$11,926,835

CARG Income Statement

Income Statement (\$ in Millions)	2020E				2021E				2019	2020E	2021E	2022E
	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E				
Revenue	157.7	94.7	147.5	148.6	153.9	157.3	166.1	167.2	588.9	548.5	644.4	733.0
Cost of revenue	11.6	9.9	9.8	11.4	12.1	11.4	11.8	13.2	36.3	42.7	48.6	51.6
Gross profit, GAAP	146.1	84.9	137.7	137.2	141.8	145.8	154.3	153.9	552.6	505.9	595.8	681.4
% Margin	92.6%	89.6%	93.4%	92.3%	92.2%	92.7%	92.9%	92.1%	93.8%	92.2%	92.5%	93.0%
Sales and marketing	93.6	38.6	57.6	71.1	79.1	77.9	81.4	82.9	393.8	260.8	321.3	365.1
Product, technology, and development	23.1	21.9	20.8	21.1	22.9	23.1	23.9	24.0	69.5	86.8	94.0	103.8
General and administrative	15.9	14.2	14.3	14.8	15.7	15.5	16.4	16.8	50.4	59.1	64.4	70.3
Depreciation and amortization	1.5	1.5	1.5	1.5	1.8	1.7	1.8	1.7	4.6	6.0	7.0	7.3
Total operating expenses	134.1	76.1	94.1	108.4	119.4	118.3	123.5	125.4	518.3	412.8	486.7	546.5
Operating income (loss), GAAP	12.0	8.7	43.6	28.8	22.4	27.5	30.7	28.6	34.3	93.1	109.2	135.0
% Margin	7.6%	9.2%	29.5%	19.4%	14.5%	17.5%	18.5%	17.1%	5.8%	17.0%	16.9%	18.4%
Interest income	0.6	0.3	0.2	0.2	0.2	0.2	0.3	0.3	3.0	1.2	1.0	1.3
Other income (expense), net	0.2	0.2	0.0	0.0	0.0	0.0	0.0	0.0	1.4	0.4	0.0	0.0
Total other income, net	0.7	0.5	0.2	0.2	0.2	0.2	0.3	0.3	4.4	1.6	1.0	1.3
Income before taxes	12.7	9.2	43.8	29.0	22.6	27.7	31.0	28.8	38.7	94.7	110.2	136.3
Provision for (benefit from) income taxes	0.1	2.1	11.2	7.2	5.6	6.9	7.7	7.2	(3.4)	20.6	27.5	34.1
Effective tax rate	0.4%	22.3%	25.6%	25.0%	25.0%	25.0%	25.0%	25.0%	(8.9%)	21.7%	25.0%	25.0%
Net earnings (loss) to shareholders	12.7	7.1	32.6	21.7	16.9	20.8	23.2	21.6	42.1	74.1	82.6	102.2
Basic EPS, GAAP	\$0.11	\$0.06	\$0.29	\$0.19	\$0.15	\$0.18	\$0.20	\$0.19	\$0.38	\$0.66	\$0.72	\$0.88
Diluted EPS, GAAP	\$0.11	\$0.06	\$0.29	\$0.19	\$0.15	\$0.18	\$0.20	\$0.19	\$0.37	\$0.65	\$0.71	\$0.87
Diluted EPS, Adjusted	\$0.19	\$0.19	\$0.37	\$0.27	\$0.23	\$0.26	\$0.28	\$0.26	\$0.52	\$1.02	\$1.03	\$1.21
Basic Shares Outstanding, Average	112.4	112.7	113.0	113.3	113.8	114.3	114.8	115.3	111.5	113.0	114.6	116.6
Diluted Shares Outstanding, Average	113.5	113.7	114.0	114.3	114.8	115.3	115.8	116.3	113.4	114.0	115.6	117.6
Stock-based compensation												
Cost of revenue	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.4	0.3	0.3	0.3
Sales and marketing	2.7	3.1	2.5	2.7	2.8	2.9	2.6	2.7	10.0	10.9	11.0	12.2
Product, technology, and development	5.4	5.3	5.1	5.0	5.4	5.4	5.1	5.1	15.2	20.9	21.0	23.3
General and administrative	3.5	3.5	3.4	3.2	3.5	3.5	3.3	3.3	8.8	13.5	13.5	15.0
Total stock-based compensation	11.7	11.9	11.0	11.0	11.8	11.8	11.1	11.1	34.3	45.6	45.8	50.8
EBITDA, GAAP to Adjusted												
U.S. Operating income (loss), GAAP	20.3	15.3	46.5						73.9	82.1	0.0	0.0
% Margin	13.7%	17.1%	33.6%	0.0%	0.0%	0.0%	0.0%	0.0%	13.3%	15.9%	0.0%	0.0%
International Operating income (loss), GAAP	(8.2)	(6.6)	(2.9)						(39.6)	(17.8)	0.0	0.0
% Margin	(85.1%)	(132.8%)	(32.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	(116.6%)	(53.1%)	0.0%	0.0%
Operating income (loss), GAAP	12.0	8.7	43.6	28.8	22.4	27.5	30.7	28.6	34.3	93.1	109.2	135.0
Stock-based compensation	11.7	11.9	11.0	11.0	11.8	11.8	11.1	11.1	34.3	45.6	45.8	50.8
Other	1.4	3.5	0.0						0.7	4.9	0.0	0.0
Operating income (loss), Adjusted	25.1	24.2	54.6	39.8	34.1	39.3	41.9	39.6	69.3	143.6	155.0	185.8
% Margin	15.9%	25.5%	37.0%	26.8%	22.2%	25.0%	25.2%	23.7%	11.8%	26.2%	24.0%	25.3%
Depreciation and amortization	3.0	3.4	2.4	2.8	3.5	3.9	2.9	3.3	7.8	11.6	13.6	14.0
EBITDA, Adjusted	28.1	27.5	57.0	42.5	37.6	43.2	44.8	42.9	77.1	155.2	168.5	199.8
% Margin	17.8%	29.1%	38.7%	28.6%	24.5%	27.5%	27.0%	25.7%	13.1%	28.3%	26.2%	27.3%
Non-GAAP Income												
Net earnings (loss) to shareholders	12.7	7.1	32.6	21.7	16.9	20.8	23.2	21.6	42.1	74.1	82.6	102.2
Stock-based compensation, net of tax	9.2	9.4	8.7	8.7	9.3	9.3	8.8	8.8	34.3	45.6	45.8	50.8
Other	0.1	4.8	0.7						(9.9)	5.6	0.0	0.0
Adjusted net income	22.1	21.3	41.9	30.4	26.2	30.1	32.0	30.4	66.5	125.3	128.4	153.0

CARG Balance Sheet

is prohibited.

Balance Sheet (\$ in Millions)	2020E				2021E			
	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Cash and cash equivalents	74.5	133.2	245.9	275.8	304.1	335.1	368.4	401.2
Investments	81.3	43.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts receivable	17.5	16.8	16.3	17.2	18.3	19.2	20.9	21.5
Prepaid expenses and prepaid income taxes	18.8	11.1	7.3	7.4	7.6	7.8	8.3	8.3
Deferred contract costs	10.1	9.7	10.0	9.9	10.1	10.1	10.5	10.4
Other current assets	7.9	1.8	1.6	1.6	1.6	1.6	1.6	1.6
Restricted cash	0.3	0.4	0.3	0.3	0.3	0.3	0.3	0.3
Total current assets	210.2	216.1	281.4	312.1	342.0	374.2	409.9	443.3
Property and equipment	27.9	26.9	27.3	26.9	25.7	24.5	23.5	23.0
Intangible assets	11.0	10.6	10.3	10.3	10.3	10.3	10.3	10.3
Goodwill	27.3	27.6	28.4	28.4	28.4	28.4	28.4	28.4
Operating lease assets	68.7	66.1	63.5	63.5	63.5	63.5	63.5	63.5
Restricted cash	10.8	10.6	10.6	10.6	10.6	10.6	10.6	10.6
Deferred tax assets	36.5	37.2	27.3	27.3	27.3	27.3	27.3	27.3
Deferred contract costs, net of current	10.4	8.8	8.5	8.5	8.5	8.5	8.5	8.5
Other non-current assets	3.7	3.5	3.3	3.3	3.3	3.3	3.3	3.3
Total assets	406.4	407.4	460.6	490.9	519.6	550.6	585.2	618.2
Accounts payable	29.8	10.4	16.8	14.4	13.7	11.7	10.8	10.9
Accrued expenses	14.0	13.0	17.9	18.0	18.7	19.1	20.1	20.3
Deferred revenue	5.0	8.2	9.7	9.7	9.7	9.7	9.7	9.7
Deferred rent	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating lease liabilities	9.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5
Current Portion of L-T Debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total current liabilities	58.3	43.1	55.9	53.5	53.5	51.9	52.1	52.3
Deferred rent	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating lease liabilities	68.1	65.1	62.0	62.0	62.0	62.0	62.0	62.0
Deferred tax liabilities	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Other long-term liabilities	1.7	3.0	4.1	4.1	4.1	4.1	4.1	4.1
Long-term debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Preferred stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common stock (all)	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Additional paid-in capital	214.1	224.4	233.2	244.2	256.0	267.8	279.0	290.0
Retained earnings (accumulated deficit)	64.6	71.7	104.2	126.0	142.9	163.7	187.0	208.6
Accumulated other comprehensive loss	(0.8)	(0.4)	0.7	0.7	0.7	0.7	0.7	0.7
Shareholders equity	278.0	295.9	338.3	371.0	399.7	432.3	466.7	499.4
Total liabilities and shareholder equity	406.4	407.4	460.6	490.9	519.6	550.6	585.2	618.2

	2019	2020E	2021E	2022E
59.9	275.8	401.2	549.8	
111.7	0.0	0.0	0.0	
22.1	17.2	21.5	27.1	
10.5	7.4	8.3	9.5	
9.5	9.9	10.4	11.1	
5.0	1.6	1.6	1.6	
0.3	0.3	0.3	0.3	
219.0	312.1	443.3	599.4	
28.0	26.9	23.0	19.5	
3.9	10.3	10.3	10.3	
15.2	28.4	28.4	28.4	
60.0	63.5	63.5	63.5	
10.6	10.6	10.6	10.6	
42.7	27.3	27.3	27.3	
10.5	8.5	8.5	8.5	
3.8	3.3	3.3	3.3	
393.6	490.9	618.2	770.7	
36.7	14.4	10.9	7.7	
18.3	18.0	20.3	23.1	
10.0	9.7	9.7	9.7	
0.0	0.0	0.0	0.0	
8.8	11.5	11.5	11.5	
0.0	0.0	0.0	0.0	
73.8	53.5	52.3	51.9	
0.0	0.0	0.0	0.0	
60.8	62.0	62.0	62.0	
0.3	0.3	0.3	0.3	
1.9	4.1	4.1	4.1	
0.0	0.0	0.0	0.0	
0.0	0.0	0.0	0.0	
0.1	0.1	0.1	0.1	
205.2	244.2	290.0	340.8	
51.9	126.0	208.6	310.8	
(0.4)	0.7	0.7	0.7	
256.9	371.0	499.4	652.4	
393.6	490.9	618.2	770.7	

CARG Cash Flow Statement

This document contains forward-looking statements.

These statements are subject to risks and uncertainties.

Please see the risk factors.

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Cash Flow Statement (\$ in Millions)	2020E				2021E			
	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Net (loss) income	12.7	7.1	32.6	21.7	16.9	20.8	23.2	21.6
Depreciation and amortization	3.0	3.4	2.4	2.8	3.5	3.9	2.9	3.3
Currency loss (gain)	(0.1)	0.0	0.1					
Deferred taxes	5.5	(0.8)	10.1					
Provision for doubtful accounts	1.2	0.5	0.1					
Stock-based compensation	11.6	11.8	11.0	11.0	11.8	11.8	11.1	11.1
Amortization of deferred contract costs	2.8	2.8	3.0					
Other non-cash losses, net	0.0	0.0	0.0					
Changes in assets and liabilities								
Accounts receivable	5.4	0.3	0.3	(0.9)	(1.1)	(0.9)	(1.6)	(0.7)
Prepaid expenses, prepaid taxes, other assets	(11.0)	13.9	4.3	(0.1)	(0.3)	(0.2)	(0.4)	(0.1)
Deferred contract costs	(3.3)	(0.8)	(2.8)	0.1	(0.2)	(0.1)	(0.4)	0.1
Accounts payable	(7.4)	(18.5)	6.2	(2.5)	(0.7)	(2.0)	(0.8)	0.1
Accrued expenses, accrued taxes, other liabilities	(4.4)	(0.9)	4.8	0.1	0.6	0.4	1.1	0.1
Deferred revenue	(4.9)	3.2	1.5	0.0	0.0	0.0	0.0	
Deferred rent	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Lease obligations	(0.7)	1.6	(0.5)	0.0	0.0	0.0	0.0	
Other non-current liabilities	(0.2)	1.3	1.1	0.0	0.0	0.0	0.0	
Net cash from operating activities	10.141	24.8	73.9	32.3	30.6	33.8	35.1	35.5
Purchases of property and equipment	(1.2)	(1.4)	(0.2)	(0.8)	(1.5)	(1.6)	(0.4)	(1.0)
Capitalization of website development costs	(0.7)	(1.0)	(1.4)	(1.6)	(0.8)	(1.1)	(1.5)	(1.7)
Cost paid for acquisitions	0.0	0.0	(0.1)					
Investments in certificates of deposit	(21.0)	0.0	0.0					
Maturities of certificates of deposit	30.4	38.3	43.0					
Other	0.0	0.0	0.0					
Net cash from investing activities	7.5	35.9	41.4	(2.4)	(2.2)	(2.7)	(1.9)	(2.8)
Proceeds from exercise of stock options	0.5	0.4	0.1					
Payment on lease obligations	(0.0)	(0.0)	(0.0)					
Payment of withholding taxes on restricted stock	(3.4)	(2.4)	(2.9)					
Debt & convertible issuance (repayment), net	0.0	0.0	0.0					
Share repurchases	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0					
Other	0.0	0.0	0.0					
Net cash from financing activities	(2.9)	(2.0)	(2.9)	0.0	0.0	0.0	0.0	0.0
Effect of exchange rate changes	(0.0)	0.1	0.1					
Net increase in cash and equivalents	14.748	58.8	112.6	29.8	28.3	31.0	33.2	32.8
Cash and equivalents, beginning of period	70.723	85.5	144.2	256.8	286.7	315.0	346.0	379.3
Cash and equivalents, end of period	85.471	144.2	256.8	286.7	315.0	346.0	379.3	412.0

2019	2020E	2021E	2022E
42.1	74.1	82.6	102.2
7.8	11.6	13.6	14.0
(0.7)	(0.0)	0.0	0.0
(3.7)	14.8	0.0	0.0
1.1	1.7	0.0	0.0
34.3	45.4	45.8	50.8
8.4	8.6	0.0	0.0
0.0	0.0	0.0	0.0
(9.6)	5.1	(4.3)	(5.5)
(0.4)	7.0	(0.9)	(1.2)
(16.0)	(6.9)	(0.6)	(0.7)
4.3	(22.2)	(3.4)	(3.3)
2.2	(0.4)	2.2	2.8
1.2	(0.3)	0.0	0.0
0.0	0.0	0.0	0.0
(1.5)	0.4	0.0	0.0
0.6	2.2	0.0	0.0
70.1	141.1	135.0	159.2
(11.2)	(3.5)	(4.5)	(5.0)
(3.0)	(4.7)	(5.1)	(5.6)
(19.1)	(0.1)	0.0	0.0
(177.8)	(21.0)	0.0	0.0
188.9	111.7	0.0	0.0
0.0	0.0	0.0	0.0
(22.3)	82.4	(9.6)	(10.6)
1.8	1.0	0.0	0.0
(0.0)	(0.0)	0.0	0.0
(16.5)	(8.7)	0.0	0.0
0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0
(14.7)	(7.7)	0.0	0.0
(0.0)	0.2	0.0	0.0
33.2	215.9	125.4	148.6
37.6	70.7	286.7	412.0
70.7	286.7	412.0	560.7

CVNA Income Statement

CVNA Income Statement

Income Statement (\$ in Millions)	2020E				2021E				2019	2020E	2021E	2022E
	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E				
Sales & operating revenue	1,098.2	1,118.3	1,543.6	1,588.5	1,756.2	1,946.6	2,158.0	2,181.4	3,939.9	5,348.7	8,042.2	11,132.0
Cost of sales	959.8	968.1	1,282.3	1,357.6	1,479.4	1,633.8	1,813.7	1,843.1	3,433.5	4,567.9	6,770.0	9,262.7
Gross profit, GAAP	138.4	150.2	261.3	230.9	276.8	312.7	344.3	338.3	506.4	780.8	1,272.2	1,869.3
% Margin	12.6%	13.4%	16.9%	14.5%	15.8%	16.1%	16.0%	15.5%	12.9%	14.6%	15.8%	16.8%
Compensation & benefits	84.3	74.2	80.2	89.1	90.8	95.1	101.4	106.0	236.6	327.8	393.3	489.1
Advertising expense	74.8	62.3	65.1	76.8	84.5	89.0	91.1	105.5	204.0	279.1	370.0	456.7
Market occupancy	8.1	8.0	9.7	9.6	12.1	13.0	12.5	13.1	21.3	35.4	50.7	64.7
Logistics	18.9	16.7	18.1	20.5	24.1	25.2	25.3	27.0	58.1	74.2	101.6	129.6
Other	89.7	78.7	94.6	100.9	107.4	102.9	105.3	105.8	266.8	363.8	421.4	528.7
Total operating expenses	275.7	239.9	267.8	296.8	318.9	325.2	335.6	357.4	786.7	1,080.3	1,337.0	1,668.7
Operating income (loss), GAAP	(137.3)	(89.7)	(6.6)	(65.9)	(42.1)	(12.4)	8.7	(19.1)	(280.3)	(299.5)	(64.9)	200.6
% Margin	(12.5%)	(8.0%)	(0.4%)	(4.1%)	(2.4%)	(0.6%)	0.4%	(0.9%)	(7.1%)	(5.6%)	(0.8%)	1.8%
Interest expense	28.9	19.9	20.3	17.3	22.3	26.8	29.1	31.4	80.6	86.4	109.6	156.2
Other income	17.4	(3.1)	(9.2)	2.5	2.8	3.8	2.5	1.4	3.7	7.6	10.5	5.4
Earnings before taxes	(183.6)	(106.6)	(17.6)	(85.7)	(67.2)	(43.0)	(22.9)	(51.9)	(364.6)	(393.4)	(184.9)	39.0
Income tax provision	0.0	(0.2)	0.1	0.0	0.0	0.0	0.0	0.0	0.0	(0.2)	0.0	17.3
<i>Effective tax rate</i>	0.0%	(0.2%)	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(0.0%)	0.0%	(44.4%)
Net income (loss)	(183.6)	(106.3)	(17.7)	(85.7)	(67.2)	(43.0)	(22.9)	(51.9)	(364.6)	(393.3)	(184.9)	21.7
Net loss attributable to non-controlling interests	(123.7)	(65.5)	(10.6)	(51.4)	(40.3)	(25.8)	(13.7)	(31.1)	(229.3)	(251.2)	(111.0)	13.0
Net income (loss) attributable to CVNA	(59.9)	(40.8)	(7.1)	(34.3)	(26.9)	(17.2)	(9.1)	(20.7)	(135.3)	(142.1)	(73.9)	8.7
Preferred stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net earnings (loss) to shareholders	(59.9)	(40.830)	(7.1)	(34.3)	(26.9)	(17.2)	(9.1)	(20.7)	(135.3)	(142.1)	(73.9)	8.7
Basic EPS, GAAP	(\$0.38)	(\$0.24)	(\$0.04)	(\$0.20)	(\$0.16)	(\$0.10)	(\$0.05)	(\$0.12)	(\$0.88)	(\$0.86)	(\$0.43)	\$0.05
Diluted EPS, GAAP	(\$0.38)	(\$0.24)	(\$0.04)	(\$0.20)	(\$0.16)	(\$0.10)	(\$0.05)	(\$0.12)	(\$0.88)	(\$0.86)	(\$0.43)	\$0.05
Diluted EPS, Adjusted	(\$1.04)	(\$0.62)	(\$0.10)	(\$0.50)	(\$0.39)	(\$0.25)	(\$0.13)	(\$0.30)	(\$2.28)	(\$2.26)	(\$1.07)	\$0.12
Adjusted Basic Shares, Average	155.6	171.4	174.4	172.0	172.5	173.0	173.5	174.0	153.8	164.6	173.1	176.7
Adjusted Diluted Shares, Average	155.6	171.4	174.4	172.0	172.5	173.0	173.5	174.0	153.8	164.6	173.1	176.7
EBITDA, GAAP	155.6	171.4	174.4	172.0	172.5	173.0	173.5	174.0	284.0	(307.1)	(75.3)	195.2
Operating income (loss), including other expense, GAAP	(154.7)	(86.6)	2.6	(68.3)	(44.9)	(16.2)	6.2	(20.5)	41.3	70.8	90.8	115.9
Depreciation and amortization	15.8	17.6	18.6	18.8	20.8	22.6	23.6	23.8	13.2	26.5	0.0	0.0
EBITDA, Adjusted	(112.4)	(69.0)	21.3	(49.6)	(24.1)	6.5	29.9	3.3	(229.5)	(209.7)	15.5	311.2
% Margin	(10.2%)	(6.2%)	1.4%	(3.1%)	(1.4%)	0.3%	1.4%	0.2%	(5.8%)	(3.9%)	0.2%	2.8%
Adjusted net income	(59.9)	(40.8)	(7.1)	(34.3)	(26.9)	(17.2)	(9.1)	(20.7)	(135.3)	(142.1)	(73.9)	8.7
Net earnings (loss) to CVNA	(123.7)	(65.5)	(10.6)	(51.4)	(40.3)	(25.8)	(13.7)	(31.1)	(229.3)	(251.2)	(111.0)	13.0
Net loss attributable to non-controlling interests	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Preferred stock	21.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	13.2	21.1	0.0	0.0
Adjusted net income	(162.5)	(106.3)	(17.7)	(85.7)	(67.2)	(43.0)	(22.9)	(51.9)	(351.4)	(372.2)	(184.9)	21.7

CVNA Balance Sheet

Information contained herein is confidential.

Balance Sheet (\$ in Millions)	2020E				2021E				2019	2020E	2021E	2022E
	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E				
Cash and cash equivalents	72.4	246.3	173.7	422.6	389.4	127.4	155.6	127.4	76.0	422.6	127.4	127.4
Restricted cash	72.6	120.0	22.6	22.6	22.6	22.6	22.6	22.6	42.4	22.6	22.6	22.6
Accounts receivable	26.6	45.5	82.9	66.1	73.1	81.0	89.8	90.8	39.9	66.1	90.8	123.1
Finance receivables held for sale	199.0	358.1	317.0	413.1	318.3	526.0	443.1	567.2	287.0	413.1	567.2	769.5
Vehicle inventory	844.7	629.4	967.5	919.7	1,083.3	1,187.4	1,308.2	1,319.3	762.7	919.7	1,319.3	1,714.9
Beneficial interest in securitization	118.9	116.6	112.1	112.1	112.1	112.1	112.1	112.1	98.8	112.1	112.1	112.1
Other current assets	59.3	55.6	71.2	71.2	71.2	71.2	71.2	71.2	52.7	71.2	71.2	71.2
Total current assets	1,393.6	1,571.5	1,747.1	2,027.5	2,070.0	2,127.8	2,202.7	2,310.6	1,359.4	2,027.5	2,310.6	2,940.9
Property and equipment	645.5	704.7	800.2	871.5	949.8	1,049.8	1,154.4	1,243.5	543.5	871.5	1,243.5	1,640.6
Operating lease	169.7	166.3	141.7	141.7	141.7	141.7	141.7	141.7	123.4	141.7	141.7	141.7
Intangible assets	6.7	6.3	6.0	6.0	6.0	6.0	6.0	6.0	7.2	6.0	6.0	6.0
Goodwill	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4	9.4
Other non-current assets	14.4	18.5	28.5	28.5	28.5	28.5	28.5	28.5	14.9	28.5	28.5	28.5
Total assets	2,239.2	2,476.8	2,732.8	3,084.5	3,205.4	3,363.1	3,542.6	3,739.6	2,057.7	3,084.5	3,739.6	4,767.0
Accounts payable & accrued liabilities	246.8	278.1	355.9	335.6	365.7	403.9	448.3	455.6	234.4	335.6	455.6	610.9
Short-term revolving facilities	812.2	31.0	127.0	127.0	127.0	131.3	131.3	213.3	568.8	127.0	213.3	1,014.9
Current Portion of L-T Debt	53.3	52.5	54.3	54.3	54.3	54.3	54.3	54.3	48.7	54.3	54.3	54.3
Other current liabilities	16.1	11.7	11.6	11.6	11.6	11.6	11.6	11.6	12.9	11.6	11.6	11.6
Total current liabilities	1,128.4	373.3	548.8	528.5	558.6	601.1	645.6	734.8	864.9	528.5	734.8	1,691.7
Long-term debt	936.1	965.7	1,080.9	1,530.9	1,680.9	1,830.9	1,980.9	2,130.9	883.1	1,530.9	2,130.9	2,130.9
Operating lease obligations-net of current	159.8	163.2	140.0	140.0	140.0	140.0	140.0	140.0	116.1	140.0	140.0	140.0
Other long-term liabilities	1.7	1.6	1.5	1.5	1.5	1.5	1.5	1.5	1.8	1.5	1.5	1.5
Preferred stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common stock	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Additional paid-in capital	285.9	709.5	721.2	728.9	736.8	745.0	752.9	762.6	281.0	728.9	762.6	811.3
Retained earnings (accumulated deficit)	(242.9)	(283.8)	(290.8)	(376.5)	(443.7)	(486.7)	(509.5)	(561.4)	(183.0)	(376.5)	(561.4)	(539.7)
Other shareholder equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders' equity attributable to CVNA	43.1	426.0	430.5	352.5	293.3	258.5	243.5	201.3	98.1	352.5	201.3	271.8
Non-controlling interests	(29.9)	547.1	531.1	531.1	531.1	531.1	531.1	531.1	93.8	531.1	531.1	531.1
Shareholders' equity	13.2	973.1	961.6	883.6	824.4	789.6	774.6	732.4	191.9	883.6	732.4	802.9
Total liabilities and shareholder equity	2,239.2	2,476.8	2,732.8	3,084.5	3,205.4	3,363.1	3,542.6	3,739.6	2,057.7	3,084.5	3,739.6	4,767.0

CVNA Cash Flow Statement

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Cash Flow Statement (\$ in Millions)	2020E				2021E				2019	2020E	2021E	2022E
	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E				
Net (loss) income	(183.6)	(106.3)	(17.7)	(85.7)	(67.2)	(43.0)	(22.9)	(51.9)	(364.6)	(393.3)	(184.9)	21.7
Depreciation and amortization	15.8	17.6	18.6	18.8	20.8	22.6	23.6	23.8	41.3	70.8	90.8	115.9
Loss on disposal of property & equipment	0.1	4.5	1.1						1.7	5.7	0.0	0.0
Provision for bad debt expense	5.2	2.4	3.1						11.9	10.8	0.0	0.0
Gains on loan sales	(13.0)	(39.3)	(76.8)						(137.3)	(129.0)	0.0	0.0
Equity-based compensation	5.9	6.2	5.9	7.7	7.9	8.2	7.9	9.7	33.1	25.7	33.7	48.7
Amortization and write-off of debt issuance costs	1.9	1.9	1.9						5.5	5.7	0.0	0.0
Finance receivables, net	56.3	(123.6)	113.6	(96.1)	94.8	(207.7)	82.9	(124.1)	(58.2)	(49.8)	(154.2)	(202.3)
Unrealized loss on beneficial interest in securitization	11.4	(8.0)	(7.4)						1.0	(4.0)	0.0	0.0
Changes in assets and liabilities												
Accounts receivable	13.0	(20.0)	(38.5)	16.8	(7.0)	(7.9)	(8.8)	(1.0)	(9.7)	(28.7)	(24.7)	(32.4)
Vehicle inventory	(80.0)	217.2	(335.2)	47.8	(163.6)	(104.1)	(120.8)	(11.1)	(344.9)	(150.1)	(399.6)	(395.6)
Other assets	(4.0)	0.6	(14.4)						(32.6)	(17.7)	0.0	0.0
Accounts payable	1.8	37.5	73.2	(20.3)	30.1	38.2	44.5	7.3	97.9	92.2	120.0	155.3
Operating leases liabilities, net	0.6	2.4	1.4	0.0	0.0	0.0	0.0	0.0	(1.7)	4.5	0.0	0.0
Other liabilities	(0.1)	(0.1)	(0.1)						(0.4)	(0.3)	0.0	0.0
Net cash from operating activities	(168.5)	(7.0)	(271.3)	(111.0)	(84.1)	(293.7)	6.4	(147.3)	(757.1)	(557.7)	(518.8)	(288.6)
Purchases of property and equipment	(89.4)	(81.6)	(99.4)	(90.1)	(99.1)	(122.6)	(128.2)	(112.8)	(230.5)	(360.6)	(462.8)	(513.0)
Payments received on interests in securitizations	0.7	3.1	4.9						2.8	8.8	0.0	0.0
Business acquisitions	0.0	0.0	0.0						0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0						0.0	0.0	0.0	0.0
Net cash from investing activities	(88.7)	(78.5)	(94.5)	(90.1)	(99.1)	(122.6)	(128.2)	(112.8)	(227.7)	(351.8)	(462.8)	(513.0)
Revolving credit facilities	243.4	(781.2)	96.0	0.0	0.0	4.3	0.0	82.0	266.5	(441.9)	86.3	801.6
Long-term debt (repayment), net	42.6	29.4	100.9	450.0	150.0	150.0	150.0	150.0	454.6	622.9	600.0	0.0
Common stock issuance	0.0	1,058.9	0.0						297.6	1,058.9	0.0	0.0
Convertible stock issuance	0.0	0.0	0.0						0.0	0.0	0.0	0.0
Proceeds from exercise of stock options	0.1	2.7	2.1						1.7	4.9	0.0	0.0
Tax withholdings from restricted stock awards	(2.4)	(3.1)	(3.1)						(5.8)	(8.6)	0.0	0.0
Dividends paid (common & preferred)	0.0	0.0	0.0						0.0	0.0	0.0	0.0
Share repurchases	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0						0.0	0.0	0.0	0.0
Net cash from financing activities	283.7	306.7	195.8	450.0	150.0	154.3	150.0	232.0	1,014.6	1,236.3	686.3	801.6
Effect of exchange rate changes	0.0	0.0	0.0						0.0	0.0	0.0	0.0
Net increase in cash and equivalents	26.6	221.3	(170.0)	248.9	(33.3)	(262.0)	28.2	(28.2)	29.8	326.8	(295.2)	(0.0)
Cash and equivalents, beginning of period	118.5	145.0	366.3	196.3	445.2	412.0	150.0	178.2	88.7	118.5	445.2	150.0
Cash and equivalents, end of period	145.0	366.3	196.3	445.2	412.0	150.0	178.2	150.0	118.5	445.2	150.0	150.0

EBAY Income Statement

eBay - Income Statement

(\$ in Thousands)

	F2019				F2020				F2019A	F2020E	F2021E	F2022E
	Q1 19A	Q2 19A	Q3 19A	Q4 19A	Q1 20A	Q2 20A	Q3 20A	Q4 20E				
Net Revenues	\$2,161,000	\$2,156,000	\$2,083,000	\$2,236,000	\$2,129,000	\$2,668,000	\$2,606,000	\$2,698,851	\$8,636,000	\$10,101,851	\$10,855,600	\$11,734,773
% Y/Y Growth	3%	1%	(1%)	(3%)	(1%)	24%	25%	21%	(%)	17%	7%	8%
Cost of Net Revenues	505,000	519,000	518,000	544,000	491,000	561,000	645,000	653,909	2,086,000	2,350,909	2,614,287	2,872,952
Total Gross Profit	\$1,656,000	\$1,637,000	\$1,565,000	\$1,692,000	\$1,638,000	\$2,107,000	\$1,961,000	\$2,044,942	\$6,550,000	\$7,750,942	\$8,241,313	\$8,861,822
% Margin	76.6%	75.9%	75.1%	75.7%	76.9%	79.0%	75.2%	75.8%	75.8%	76.7%	75.9%	75.5%
Sales and Marketing	541,000	576,000	558,000	617,000	504,000	635,000	636,000	763,611	2,292,000	2,538,611	2,659,245	2,857,009
Product Development	197,000	209,000	202,000	199,000	196,000	226,000	249,000	279,000	807,000	950,000	1,048,000	1,130,000
General and Administrative	189,000	190,000	221,000	185,000	169,000	216,000	216,000	221,000	785,000	822,000	869,000	923,000
Provision for Transaction Losses	64,000	62,000	68,000	68,000	96,000	89,000	60,000	80,966	262,000	325,966	333,254	366,111
Adjusted Operating Income / (Loss)	\$665,000	\$600,000	\$557,000	\$623,000	\$673,000	\$941,000	\$799,000	\$700,366	\$2,445,000	\$3,113,366	\$3,331,815	\$3,585,702
% Margin	30.8%	27.8%	26.7%	27.9%	31.6%	35.3%	30.7%	26.0%	28.3%	30.8%	30.7%	30.6%
% Y/Y Growth	(3)	(8)	(16)	(17)	1	57	43	12	(11)	27	7	8
EBITDA	\$810,000	\$752,000	\$708,000	\$769,000	\$806,000	\$1,100,000	\$956,000	\$854,046	\$3,039,000	\$3,716,046	\$3,883,771	\$4,173,287
% Margin	37.5%	34.9%	34.0%	34.4%	37.9%	41.2%	36.7%	31.6%	35.2%	36.8%	35.8%	35.6%
% Y/Y Growth	(4)	(6)	(14)	(15)	(0)	46	35	11	(10)	22	5	7
Net Interest and Other (Income) Expns	(64,000)	50,000	142,000	(16,000)	(1,000)	(181,000)	(95,000)	75,518	112,000	(201,482)	296,576	224,254
Adjusted Pre-Tax Profit / (Loss)	\$616,000	\$558,000	\$516,000	\$562,000	\$637,000	\$1,162,000	\$894,000	\$624,848	\$2,252,000	\$3,317,848	\$3,035,239	\$3,361,447
% Effective Tax Rate	16%	16%	16%	5%	16%	12%	11%	18%	13.1%	13.8%	17.8%	19.2%
Provision / (Benefit) for Income Taxes	115,000	37,000	56,000	25,000	135,000	262,000	153,000	92,619	233,000	642,619	445,365	545,383
Tax Adjustments for Non-GAAP Items	(17,000)	53,000	25,000	2,000	(32,000)	(119,000)	(54,000)	18,833	63,000	(186,168)	96,283	98,538
Operating Net Income / (Loss)	\$518,000	\$468,000	\$435,000	\$535,000	\$522,000	\$726,000	\$604,000	\$595,397	\$1,956,000	\$2,447,397	\$2,493,590	\$2,717,526
% Margin	24%	22%	21%	24%	25%	27%	23%	22%	23%	24%	23%	23%
% Y/Y Growth	(0)	(11)	(17)	(11)	1	55	39	11	(10)	25	2	9
Amortization of Acquired Intangible Assets	9,000	9,000	8,000	9,000	8,000	8,000	6,000	5,000	35,000	27,000	10,000	3,000
Stock-Based Compensation	104,000	120,000	97,000	110,000	92,000	106,000	113,000	115,500	431,000	426,500	443,490	461,229
Employer Payroll Taxes on Stock Options	41,000	7,000	3,000	26,000	8,000	37,000	2,000	1,000	77,000	48,000	5,000	5,000
Tax Effect of Step-up of Intangible Asset	0	0	0	0	(12,000)	(293,000)	(191,000)	82,000	0	(414,000)	0	0
(Gain) / Loss on Sale of Investments	(113,000)	8,000	101,000	(77,000)	(37,000)	40,000	0	0	(81,000)	3,000	0	0
Other Significant Gains, Losses or Charges	0	0	41,000	0	0	0	(1,000)	0	41,000	(1,000)	0	0
Loss (Income) from Discontinued Ops	(58,000)	(25,000)	(100,000)	(87,000)	(2,981,000)	(37,000)	(43,000)	(45,000)	(270,000)	(3,106,000)	0	0
Tax Effect of Non-GAAP Entries	17,000	(53,000)	(25,000)	(2,000)	32,000	119,000	54,000	(18,833)	(63,000)	186,168	(96,283)	(98,538)
Reported GAAP Net Income / (Loss)	\$518,000	\$402,000	\$310,000	\$556,000	\$3,412,000	\$746,000	\$664,000	\$455,729	\$1,786,000	\$5,277,729	\$2,131,384	\$2,346,836
% Margin	24%	19%	15%	25%	160%	28%	25%	17%	21%	52%	20%	20%
% Y/Y Growth	27	(37)	(57)	(27)	559	86	114	(18)	(29)	196	(60)	10
Weighted Avg. Diluted Shares Outstanding	908,000	867,000	837,000	812,000	757,000	711,000	708,000	706,712	856,000	720,678	703,498	700,367
Operating EPS	\$0.57	\$0.54	\$0.52	\$0.66	\$0.69	\$1.02	\$0.85	\$0.84	\$2.29	\$3.40	\$3.54	\$3.88
% Y/Y Growth	13%	4%	(2%)	5%	21%	89%	64%	28%	5%	49%	4%	9%
Reported GAAP EPS	\$0.57	\$0.46	\$0.37	\$0.69	\$4.51	\$1.05	\$0.94	\$0.64	\$2.09	\$7.32	\$3.03	\$3.35
% Y/Y Growth	44%	(27%)	(50%)	(14%)	690%	126%	153%	(6%)	(18%)	251%	(59%)	11%

EBAY Balance Sheet

eBay - Balance Sheet

(\$ in Thousands)

	F2019		F2020						F2019A		F2020E	
	Q1 19A	Q2 19A	Q3 19A	Q4 19A	Q1 20A	Q2 20A	Q3 20A	Q4 20E	F2019A	F2020E	F2021E	F2022E
Cash & Cash Equivalents	\$1,620,000	\$1,449,000	\$833,000	\$901,000	\$864,000	\$988,000	\$963,000	\$2,269,637	\$901,000	\$2,269,637	\$5,722,743	\$5,828,960
Short-Term Investments	2,746,000	2,969,000	2,189,000	1,850,000	3,550,000	4,297,000	2,697,000	2,197,000	1,850,000	2,197,000	2,197,000	2,197,000
Accounts Receivable	580,000	649,000	580,000	555,000	517,000	700,000	477,000	532,376	555,000	532,376	572,373	618,728
Other Current Assets	1,302,000	1,379,000	1,238,000	1,064,000	1,140,000	1,209,000	2,602,000	2,366,454	1,064,000	2,366,454	1,452,828	1,561,319
Current Assets	\$6,248,000	\$6,446,000	\$4,840,000	\$4,370,000	\$6,071,000	\$7,194,000	\$6,739,000	\$7,365,467	\$4,370,000	\$7,365,467	\$9,944,943	\$10,206,007
Property & Equipment	1,529,000	1,521,000	1,468,000	1,460,000	1,387,000	1,342,000	1,301,000	1,276,865	1,460,000	1,276,865	1,196,020	1,105,965
Long-Term Investments	2,927,000	1,894,000	1,406,000	1,275,000	1,047,000	802,000	663,000	663,000	1,275,000	663,000	663,000	663,000
Goodwill	4,582,000	4,556,000	4,487,000	4,533,000	4,459,000	4,484,000	4,537,000	4,537,000	4,533,000	4,537,000	4,537,000	4,537,000
Intangible Assets	65,000	57,000	48,000	39,000	31,000	23,000	19,000	14,000	39,000	14,000	4,000	1,000
Deferred Tax Assets	4,117,000	4,070,000	3,998,000	3,980,000	3,905,000	3,822,000	3,749,000	3,667,000	3,980,000	3,667,000	3,667,000	3,667,000
Other Assets	1,030,000	1,014,000	944,000	997,000	987,000	1,236,000	1,413,000	1,344,576	997,000	1,344,576	1,382,355	1,485,583
Total Assets	\$20,498,000	\$19,558,000	\$17,191,000	\$16,654,000	\$17,887,000	\$18,903,000	\$18,421,000	\$18,867,908	\$16,654,000	\$18,867,908	\$21,394,317	\$21,665,555
Accounts Payable	\$222,000	\$261,000	\$235,000	\$229,000	\$244,000	\$284,000	\$307,000	\$309,577	\$229,000	\$309,577	\$310,287	\$340,988
Accrued Expenses & Other Current Liabilities	2,071,000	2,171,000	2,151,000	2,097,000	2,085,000	2,353,000	3,032,000	3,012,142	2,097,000	3,012,142	2,434,341	2,616,127
Deferred Revenue	142,000	142,000	137,000	129,000	102,000	99,000	105,000	161,931	129,000	161,931	162,490	175,650
Short-Term Debt	1,550,000	2,063,000	518,000	1,020,000	1,015,000	516,000	17,000	17,000	1,020,000	17,000	1,767,000	1,167,000
Income Taxes Payable	77,000	113,000	157,000	169,000	1,068,000	1,292,000	379,000	401,224	169,000	401,224	217,369	258,412
Total Current Liabilities	\$4,062,000	\$4,750,000	\$3,198,000	\$3,644,000	\$4,514,000	\$4,544,000	\$3,840,000	\$3,901,873	\$3,644,000	\$3,901,873	\$4,891,487	\$4,558,178
Long-Term Debt	7,700,000	7,243,000	7,235,000	6,738,000	7,724,000	8,161,000	7,738,000	7,738,000	6,738,000	7,738,000	5,988,000	4,838,000
Deferred Tax Liabilities	2,477,000	2,406,000	2,339,000	2,355,000	2,335,000	2,294,000	2,280,000	2,280,000	2,355,000	2,280,000	2,280,000	2,280,000
Other Liabilities	1,988,000	1,885,000	1,866,000	1,814,000	1,781,000	1,659,000	1,643,000	1,774,841	1,814,000	1,774,841	1,783,508	1,793,881
Total Liabilities	\$16,227,000	\$16,284,000	\$14,638,000	\$14,551,000	\$16,354,000	\$16,658,000	\$15,501,000	\$15,694,714	\$14,551,000	\$15,694,714	\$14,942,996	\$13,470,058
Additional Paid-In Capital	15,787,000	15,913,000	15,990,000	16,128,000	15,725,000	15,846,000	15,908,000	15,995,466	16,128,000	15,995,466	18,342,209	18,739,548
Retained Earnings	15,914,000	16,293,000	16,593,000	16,984,000	20,469,000	21,024,000	21,688,000	22,143,729	16,984,000	22,143,729	24,275,113	26,621,948
Treasury Stock	(27,895,000)	(29,396,000)	(30,396,000)	(31,396,000)	(34,946,000)	(34,946,000)	(35,621,000)	(35,911,000)	(31,396,000)	(35,911,000)	(37,111,000)	(38,111,000)
Accumulated Other Comprehensive Income	465,000	464,000	366,000	387,000	285,000	321,000	945,000	945,000	387,000	945,000	945,000	945,000
Shareholders' Equity	\$4,271,000	\$3,274,000	\$2,553,000	\$2,103,000	\$1,533,000	\$2,245,000	\$2,920,000	\$3,173,195	\$2,103,000	\$3,173,195	\$6,451,321	\$8,195,497
Liabilities & Shareholders' Equity	\$20,498,000	\$19,558,000	\$17,191,000	\$16,654,000	\$17,887,000	\$18,903,000	\$18,421,000	\$18,867,908	\$16,654,000	\$18,867,908	\$21,394,317	\$21,665,555

EBAY Cash Flow Statement

eBay - Cash Flow Statement

(\$ in Thousands)

	F2019				F2020				F2019A	F2020E	F2021E	F2022E
	Q1 19A	Q2 19A	Q3 19A	Q4 19A	Q1 20A	Q2 20A	Q3 20A	Q4 20E				
Net Income	\$518,000	\$402,000	\$310,000	\$556,000	\$3,412,000	\$746,000	\$664,000	\$455,729	\$1,786,000	\$5,277,729	\$2,131,384	\$2,346,836
Depreciation	145,000	152,000	151,000	146,000	133,000	159,000	157,000	153,680	594,000	602,680	551,956	587,585
Amortization	9,000	9,000	8,000	9,000	8,000	8,000	6,000	5,000	35,000	27,000	10,000	3,000
Tax Benefit from Stock Options	0	0	0	0	0	0	0	(0)	0	(0)	(0)	(0)
Stock-Based Compensation	104,000	120,000	97,000	110,000	92,000	106,000	113,000	115,500	431,000	426,500	443,490	461,229
Deferred Taxes	16,000	(37,000)	(1,000)	17,000	49,000	50,000	70,000	82,000	(5,000)	251,000	0	0
Loss (Income) from Discontinued Ops	(58,000)	(25,000)	(100,000)	(87,000)	(2,981,000)	(37,000)	(43,000)	0	(270,000)	(3,061,000)	0	0
(Gain) Loss on Sale of Securities	1,000	0	0	(1,000)	(38,000)	40,000	(1,000)	0	0	1,000	0	0
Provision for Transaction Losses	64,000	62,000	68,000	68,000	96,000	89,000	60,000	80,966	262,000	325,966	333,254	366,111
Other Non-Cash Charges / Discontinued Ops	(61,000)	162,000	309,000	40,000	(34,000)	(262,000)	(802,000)	0	450,000	(1,098,000)	0	0
Funds From Operations	\$738,000	\$845,000	\$842,000	\$858,000	\$737,000	\$899,000	\$224,000	\$892,874	\$3,283,000	\$2,752,874	\$3,470,083	\$3,764,760
(Inc.) Dec. in Accounts Receivable	0	0	0	0	0	0	0	(55,376)	0	(55,376)	(39,997)	(46,355)
(Inc.) Dec. in Funds Receivable	0	0	0	0	0	0	0	0	0	0	0	0
(Inc.) Dec. in Other Current Assets	0	0	0	0	0	0	0	235,546	0	235,546	913,627	(108,491)
(Inc.) Dec. in Other Long-Term Assets	0	0	0	0	0	0	0	68,424	0	68,424	(37,778)	(103,229)
Inc. (Dec.) in Accounts Payable	0	0	0	0	0	0	0	2,577	0	2,577	711	30,701
Inc. (Dec.) in Funds Payable	0	0	0	0	0	0	0	0	0	0	0	0
Inc. (Dec.) in Accrued and Other Liabilities	0	0	0	0	0	0	0	111,982	0	111,982	(569,133)	192,159
Inc. (Dec.) in Deferred Revenue	0	0	0	0	0	0	0	56,931	0	56,931	559	13,160
Inc. (Dec.) in Income Taxes Payable	0	0	0	0	0	0	0	22,224	0	22,224	(183,855)	41,043
Change in Net Working Capital	(\$188,000)	(\$101,000)	\$167,000	(\$47,000)	(\$145,000)	\$65,000	(\$119,000)	\$442,307	(\$169,000)	\$243,307	\$84,134	\$18,987
Cash Flow from Operations	\$550,000	\$744,000	\$1,009,000	\$811,000	\$592,000	\$964,000	\$105,000	\$1,335,182	\$3,114,000	\$2,996,182	\$3,554,217	\$3,783,748
Capital Expenditures	(173,000)	(129,000)	(92,000)	(129,000)	(97,000)	(97,000)	(132,000)	(129,545)	(523,000)	(455,545)	(471,111)	(497,530)
Acquisitions, Net of Cash Acquired	0	0	0	0	0	0	0	0	0	0	2,000,000	0
Purchases of Securities and Investments	(11,915,000)	(12,252,000)	(13,223,000)	(9,576,000)	(10,705,000)	(10,968,000)	(7,224,000)	0	(46,966,000)	(28,897,000)	0	0
Proceeds from Divested Business / Sales of PP&E	0	0	0	0	0	0	0	0	0	0	0	0
Proceeds from Sales of Securities and Investments	12,747,000	13,080,000	14,656,000	10,065,000	9,195,000	10,471,000	9,074,000	500,000	50,548,000	29,240,000	0	0
Other / Discontinued Ops	(101,000)	29,000	(198,000)	(2,000)	4,113,000	(43,000)	(7,000)	0	(272,000)	4,063,000	0	0
Net Cash Used in Investing Activities	\$558,000	\$728,000	\$1,143,000	\$358,000	\$2,506,000	(\$637,000)	\$1,711,000	\$370,455	\$2,787,000	\$3,950,455	\$1,528,889	(\$497,530)
Debt Issuance / (Repayment)	0	0	(1,550,000)	0	994,000	(68,000)	(932,000)	0	(1,550,000)	(6,000)	0	(1,750,000)
Common Stock Dividends	(125,000)	(120,000)	(115,000)	(113,000)	(114,000)	(112,000)	(111,000)	(109,000)	(473,000)	(446,000)	(430,000)	(430,000)
Proceeds from / (Repurchase of) Common Stock	(1,426,000)	(1,468,000)	(1,018,000)	(955,000)	(3,992,000)	12,000	(675,000)	(290,000)	(4,867,000)	(4,945,000)	(1,200,000)	(1,000,000)
Excess Tax Benefit from Stock Options	(54,000)	(65,000)	(43,000)	(40,000)	(40,000)	(43,000)	(48,000)	0	(202,000)	(131,000)	0	0
Other	0	0	1,000	0	(9,000)	2,000	(7,000)	0	1,000	(14,000)	0	0
Net Cash Provided by Financing Activities	(\$1,605,000)	(\$1,653,000)	(\$2,725,000)	(\$1,108,000)	(\$3,161,000)	(\$209,000)	(\$1,773,000)	(\$399,000)	(\$7,091,000)	(\$5,542,000)	(\$1,630,000)	(\$3,180,000)
Effect of Exchange Rate Changes	(10,000)	(10,000)	(39,000)	26,000	(34,000)	8,000	51,000	0	(33,000)	25,000	0	0
Inc. (Dec.) in Cash and Cash Equivalents	(\$507,000)	(\$191,000)	(\$612,000)	\$87,000	(\$97,000)	\$126,000	\$94,000	\$1,306,637	(\$1,223,000)	\$1,429,637	\$3,453,106	\$106,217
Beginning Cash and Cash Equivalents	2,115,000	1,620,000	1,449,000	833,000	901,000	864,000	988,000	963,000	2,115,000	901,000	2,269,637	5,722,743
Restricted Cash & Discontinued Ops Adjustment	12,000	20,000	(4,000)	(19,000)	60,000	(2,000)	(119,000)	0	9,000	(61,000)	0	0
Ending Cash and Cash Equivalents	\$1,620,000	\$1,449,000	\$833,000	\$901,000	\$864,000	\$988,000	\$963,000	\$2,269,637	\$901,000	\$2,269,637	\$5,722,743	\$5,828,960

ETSY Income Statement

Information contained herein is confidential and/or proprietary to Jefferies LLC and its affiliates. It is intended solely for the addressee(s) named above and is not to be distributed without prior written consent.

Income Statement (\$ in Millions)	2020E				2021E				2019	2020E	2021E	2022E
	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E				
Revenue	228.1	428.7	451.5	516.3	389.0	397.8	445.0	559.7	818.4	1,624.6	1,791.5	2,107.8
Cost of revenue	82.4	111.4	120.2	136.5	120.5	111.7	127.5	159.1	271.0	450.5	518.8	578.8
Gross profit, GAAP	145.6	317.4	331.3	379.8	268.5	286.1	317.5	400.6	547.3	1,174.1	1,272.6	1,529.0
% Margin	63.9%	74.0%	73.4%	73.6%	69.0%	71.9%	71.3%	71.6%	66.9%	72.3%	71.0%	72.5%
Marketing	48.5	114.7	126.8	170.2	91.9	98.7	111.8	156.5	215.6	460.2	458.9	507.7
Product development	37.8	45.2	45.9	67.4	63.0	55.4	61.7	56.0	121.9	196.4	236.1	265.0
General and administrative	34.0	38.3	40.5	45.6	46.6	40.4	44.9	43.6	121.1	158.3	175.5	194.7
Other, including asset impairment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total operating expenses	120.3	198.2	213.1	283.2	201.5	194.5	218.4	256.0	458.6	814.9	870.4	967.3
Operating income (loss), GAAP	25.4	119.1	118.2	96.6	67.0	91.6	99.1	144.6	88.8	359.2	402.2	561.7
% Margin	11.1%	27.8%	26.2%	18.7%	17.2%	23.0%	22.3%	25.8%	10.8%	22.1%	22.5%	26.6%
Other expense, net	(15.7)	(6.8)	(27.8)	(12.8)	(14.1)	(14.0)	(14.0)	(13.8)	(8.1)	(63.0)	(55.9)	(54.9)
Earnings before taxes	9.7	112.3	90.4	83.8	52.9	77.6	85.1	130.8	80.6	296.2	346.3	506.8
Benefit (provision) for income taxes	2.8	(15.9)	1.4	(20.9)	(13.2)	(19.4)	(21.3)	(32.7)	15.2	(32.6)	(86.6)	(126.7)
Effective tax rate	(29.2%)	14.1%	(1.5%)	25.0%	25.0%	25.0%	25.0%	25.0%	(18.9%)	11.0%	25.0%	25.0%
Net earnings (loss) to shareholders	12.5	96.425	91.8	62.8	39.6	58.2	63.8	98.1	95.9	263.5	259.8	380.1
Basic EPS, GAAP	\$0.11	\$0.81	\$0.75	\$0.50	\$0.31	\$0.46	\$0.51	\$0.78	\$0.80	\$2.17	\$2.06	\$3.01
Diluted EPS, GAAP	\$0.10	\$0.72	\$0.67	\$0.44	\$0.28	\$0.41	\$0.45	\$0.69	\$0.75	\$1.93	\$1.83	\$2.68
Diluted EPS, Adjusted	\$0.21	\$0.84	\$0.79	\$0.57	\$0.41	\$0.54	\$0.58	\$0.82	\$1.10	\$2.42	\$2.36	\$3.26
Basic Shares Outstanding, Average	118.1	118.9	122.0	125.8	126.0	126.1	126.2	126.4	119.5	121.5	126.2	126.1
Diluted Shares Outstanding, Average	123.1	134.4	137.6	141.4	141.5	141.7	141.8	142.0	127.4	136.5	141.8	141.7
Stock-based compensation												
Cost of revenue	1.6	1.9	2.0	2.1	2.1	2.2	2.2	2.2	5.8	7.7	8.7	9.7
Marketing	1.2	1.4	1.4	1.5	1.5	1.5	1.5	1.6	3.8	5.5	6.2	6.8
Product development	6.8	8.5	8.7	9.1	9.2	9.3	9.4	9.5	21.1	33.0	37.4	41.4
General and administrative	4.2	5.0	5.1	5.4	5.5	5.5	5.6	5.6	13.7	19.6	22.2	24.5
Total stock-based compensation	13.8	16.7	17.1	18.1	18.3	18.5	18.7	18.9	44.4	65.8	74.5	82.4
EBITDA, GAAP to Adjusted												
Operating income (loss), GAAP	25.4	119.1	118.2	96.6	67.0	91.6	99.1	144.6	88.8	359.2	402.2	561.7
Depreciation and amortization	15.2	14.2	15.8	16.0	16.2	16.4	16.6	16.8	48.0	61.0	65.8	68.8
Stock-based compensation	13.8	16.7	17.1	18.1	18.3	18.5	18.7	18.9	44.4	65.8	74.5	82.4
Other	0.7	0.6	0.4	0.0	0.0	0.0	0.0	0.0	5.1	1.7	0.0	0.0
EBITDA, Adjusted	55.1	150.6	151.4	130.6	101.4	126.5	134.3	180.3	186.3	487.8	542.5	712.9
% Margin	24.1%	35.1%	33.5%	25.3%	26.1%	31.8%	30.2%	32.2%	22.8%	30.0%	30.3%	33.8%
Non-GAAP Income												
Net earnings (loss) to shareholders	12.5	96.4	91.8	62.8	39.6	58.2	63.8	98.1	95.9	263.5	259.8	380.1
Stock-based compensation	13.8	16.7	17.1	18.1	18.3	18.5	18.7	18.9	44.4	65.8	74.5	82.4
Other	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Adjusted net income	26.3	113.2	108.9	81.0	58.0	76.7	82.5	117.0	140.3	329.3	334.3	462.5

ETSY Balance Sheet

Reproduction or distribution is prohibited.

Balance Sheet (\$ in Millions)	2020E				2021E				2019	2020E	2021E	2022E
	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E				
Cash and cash equivalents	442.4	677.5	1,145.0	1,213.9	1,197.3	1,233.6	1,286.8	1,388.5	443.3	1,213.9	1,388.5	1,496.1
Short-term investments	361.6	365.7	379.6	379.6	379.6	379.6	379.6	379.6	374.0	379.6	379.6	379.6
Accounts receivable	11.7	16.5	16.3	19.3	15.0	15.8	18.1	23.4	15.4	19.3	23.4	30.6
Prepaid and other current assets	36.1	30.8	43.6	49.8	37.6	38.4	43.0	54.0	38.6	49.8	54.0	63.8
Funds receivable and seller accounts	55.2	103.9	113.4	129.7	97.7	99.9	111.7	140.5	49.8	129.7	140.5	166.0
Other current assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total current assets	907.0	1,194.3	1,697.8	1,792.3	1,727.1	1,767.2	1,839.2	1,986.1	921.0	1,792.3	1,986.1	2,136.1
Restricted cash	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3	5.3
Property and equipment	134.5	126.2	118.1	104.2	90.3	76.3	62.4	48.5	144.9	104.2	48.5	(6.0)
Goodwill	138.3	138.8	139.7	139.7	139.7	139.7	139.7	139.7	138.7	139.7	139.7	139.7
Intangible assets	194.9	191.7	189.1	189.1	189.1	189.1	189.1	189.1	199.2	189.1	189.1	189.1
Deferred tax assets	15.2	8.3	1.8	1.8	1.8	1.8	1.8	1.8	14.3	1.8	1.8	1.8
Long-term investments	94.1	73.1	36.7	36.7	36.7	36.7	36.7	36.7	89.3	36.7	36.7	36.7
Other non-current assets	28.3	24.2	25.8	25.8	25.8	25.8	25.8	25.8	29.5	25.8	25.8	25.8
Total Assets	1,517.6	1,762.0	2,214.5	2,295.0	2,215.9	2,242.1	2,300.1	2,433.1	1,542.4	2,295.0	2,433.1	2,528.7
Accounts payable	10.6	16.0	22.1	20.6	17.2	15.2	16.5	19.5	26.3	20.6	19.5	19.5
Accrued expenses	68.9	134.0	174.2	199.2	150.1	153.5	171.7	216.0	88.3	199.2	216.0	255.2
Lease obligations-current	8.0	8.1	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3	8.3
Funds payable and amounts due to sellers	55.2	103.9	113.4	124.5	89.9	88.0	93.9	112.6	49.8	124.5	112.6	106.5
Deferred revenue	8.3	9.2	10.5	10.5	10.5	10.5	10.5	10.5	7.6	10.5	10.5	10.5
Current Portion of L-T Debt	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other current liabilities	8.0	8.5	12.4	12.4	12.4	12.4	12.4	12.4	8.2	12.4	12.4	12.4
Total current liabilities	158.8	279.6	340.9	375.5	288.4	287.9	313.4	379.3	188.5	375.5	379.3	412.4
Lease obligations-net of current	51.5	49.3	47.1	47.1	47.1	47.1	47.1	47.1	53.6	47.1	47.1	47.1
Deferred tax liabilities	63.1	66.3	63.4	63.4	63.4	63.4	63.4	63.4	64.5	63.4	63.4	63.4
Facility financing obligation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Long-term debt	794.1	803.2	1,054.6	1,054.6	1,054.6	1,054.6	1,054.6	1,054.6	785.1	1,054.6	1,054.6	1,054.6
Other long-term liabilities	43.2	39.5	41.7	41.7	41.7	41.7	41.7	41.7	44.0	41.7	41.7	41.7
Common stock	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Preferred stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additional paid-in capital	657.3	675.2	886.3	869.4	837.8	806.3	775.0	743.9	642.6	869.4	743.9	426.3
Retained earnings (accumulated deficit)	(239.9)	(143.5)	(217.9)	(155.0)	(115.4)	(57.2)	6.6	104.7	(227.4)	(155.0)	104.7	484.8
Accumulated other comprehensive loss	(10.7)	(7.7)	(1.9)	(1.9)	(1.9)	(1.9)	(1.9)	(1.9)	(8.7)	(1.9)	(1.9)	(1.9)
Other shareholder equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders equity	406.8	524.2	666.7	712.6	720.6	747.3	779.9	846.9	406.6	712.6	846.9	909.4
Total liabilities and shareholder equity	1,517.6	1,762.0	2,214.5	2,295.0	2,215.9	2,242.1	2,300.1	2,433.1	1,542.4	2,295.0	2,433.1	2,528.7

ETSY Cash Flow Statement

This document contains forward-looking statements. Actual results may differ materially from those projected.

Cash Flow Statement (\$ in Millions)	2020E				2021E				2019	2020E	2021E	2022E
	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E				
Net (loss) income	12.5	96.4	91.8	62.8	39.6	58.2	63.8	98.1	95.9	263.5	259.8	380.1
Share-based compensation	13.8	16.7	17.1	18.1	18.3	18.5	18.7	18.9	44.4	65.8	74.5	82.4
Depreciation and amortization	15.2	14.2	15.8	16.0	16.2	16.4	16.6	16.8	48.0	61.0	65.8	68.8
Bad debt expense	3.7	2.2	3.7						11.0	9.6	0.0	0.0
Foreign exchange (gain) loss	8.2	2.2	(1.8)						(5.7)	8.6	0.0	0.0
Other non-cash losses, net	9.1	9.8	27.5						18.6	46.4	0.0	0.0
Deferred income taxes	(2.8)	10.2	(1.6)						(15.2)	5.8	0.0	0.0
Changes in assets and liabilities												
Current assets	(2.8)	(49.2)	(23.6)	(25.6)	48.6	(3.8)	(18.8)	(45.2)		(50.0)	(101.1)	(19.2)
Non-current assets	0.9	4.1	(1.6)						4.0	3.4	0.0	0.0
Current liabilities	(27.2)	117.9	55.9	34.6	(87.1)	(0.6)	25.5	65.9	59.8	181.2	3.8	33.1
Non-current liabilities	(0.8)	(4.2)	2.0						(3.9)	(3.0)	0.0	0.0
Net cash from operating activities	29.7	220.4	185.2	105.9	35.7	88.7	105.8	154.5	206.9	541.2	384.7	522.0
Cash paid for acquisitions	0.0	0.0	0.0						(272.4)	0.0	0.0	0.0
Purchases of property and equipment	(0.6)	0.4	(0.2)	(0.3)	(0.4)	(0.5)	(0.6)	(0.7)	(7.5)	(0.7)	(2.1)	(5.0)
Development of internal-use software	(1.3)	(0.8)	(1.6)	(1.7)	(1.8)	(1.9)	(2.0)	(2.1)	(7.8)	(5.4)	(8.0)	(9.4)
Purchases of marketable securities	(101.5)	(79.7)	(119.7)						(661.8)	(300.9)	0.0	0.0
Sale of marketable securities	109.4	96.8	140.4						461.1	346.6	0.0	0.0
Other	0.0	0.0							0.0	0.0	0.0	0.0
Net cash from investing activities	6.1	16.6	18.9	(2.0)	(2.2)	(2.4)	(2.6)	(2.8)	(488.4)	39.6	(10.1)	(14.4)
Payment of tax obligations on vested equity awards	(4.2)	(6.4)	(9.3)						(32.5)	(19.8)	0.0	0.0
Share repurchases	(25.0)	0.0	(166.2)	(35.0)	(50.0)	(50.0)	(50.0)	(50.0)	(177.0)	(226.2)	(200.0)	(400.0)
Proceeds from exercise of stock options	4.9	7.3	6.3						9.8	18.5	0.0	0.0
Debt convertible issuance (repayment), net	0.0	0.0	512.8						650.0	512.8	0.0	0.0
Debt issuance costs	(0.0)	0.0	(9.8)						(11.9)	(9.8)	0.0	0.0
Payment on lease obligations	(2.6)	(2.4)	(2.1)						(10.8)	(7.1)	0.0	0.0
Payment on facility financing obligation	0.0	0.0	0.0						0.0	0.0	0.0	0.0
Dividends paid	0.0	0.0	0.0						0.0	0.0	0.0	0.0
Other	(5.8)	(4.4)	(72.8)						(67.9)	(83.0)	0.0	0.0
Net cash from financing activities	(32.7)	(5.8)	259.1	(35.0)	(50.0)	(50.0)	(50.0)	(50.0)	359.6	185.6	(200.0)	(400.0)
Effect of exchange rate changes	(4.0)	3.9	4.3						(1.8)	4.2	0.0	0.0
Net increase in cash and equivalents	(0.9)	235.2	467.5	68.9	(16.5)	36.2	53.2	101.7	76.3	770.6	174.6	107.6
Cash and equivalents, beginning of period	448.6	447.7	682.9	1,150.3	1,219.2	1,202.7	1,238.9	1,292.1	372.3	448.6	1,219.2	1,393.8
Cash and equivalents, end of period	447.7	682.9	1,150.3	1,219.2	1,202.7	1,238.9	1,292.1	1,393.8	448.6	1,219.2	1,393.8	1,501.4

EXPE Income Statement

Expedia Group Inc. - Income Statement

(\$ in Thousands)

	F2019				F2020				F2019A	F2020E	F2021E	F2022E
	Q1 19A	Q2 19A	Q3 19A	Q4 19A	Q1 20A	Q2 20A	Q3 20A	Q4 20E				
Revenue	\$2,609,000	\$3,153,000	\$3,558,000	\$2,747,000	\$2,209,000	\$566,000	\$1,504,000	\$1,021,252	\$12,067,000	\$5,300,252	\$8,033,136	\$10,973,479
% Y/Y Growth	4%	9%	9%	7%	(15%)	(82%)	(58%)	(63%)	8%	(56%)	52%	37%
Cost of Revenue	487,000	497,000	545,000	536,000	626,000	386,000	372,000	290,160	2,065,000	1,674,160	1,734,067	2,242,587
Gross Profit	\$2,122,000	\$2,656,000	\$3,013,000	\$2,211,000	\$1,583,000	\$180,000	\$1,132,000	\$731,092	\$10,002,000	\$3,626,092	\$6,299,069	\$8,730,893
% Margin	81.3%	84.2%	84.7%	80.5%	71.7%	31.8%	75.3%	71.6%	82.9%	68.4%	78.4%	79.6%
Selling and Marketing	1,510,000	1,631,000	1,635,000	1,257,000	1,198,000	283,000	517,000	465,272	6,033,000	2,463,272	3,351,796	4,852,980
Technology and Content	278,000	285,000	286,000	303,000	288,000	237,000	209,000	226,000	1,152,000	960,000	1,097,000	1,152,000
General and Administrative	161,000	180,000	182,000	182,000	167,000	132,000	117,000	120,000	705,000	536,000	568,000	598,000
Depreciation	176,000	176,000	178,000	182,000	185,000	191,000	183,000	178,370	712,000	737,370	752,666	736,728
Amortization of Intangible Assets	52,000	52,000	50,000	44,000	44,000	41,000	37,000	35,000	198,000	157,000	117,000	95,000
Total Stock Compensation Expense	56,000	59,000	60,000	66,000	55,000	54,000	47,000	47,000	241,000	203,000	212,935	223,356
Adjusted Operating Income	(\$55,000)	\$332,000	\$682,000	\$243,000	(\$299,000)	(\$704,000)	\$69,000	(\$293,550)	\$1,202,000	(\$1,227,550)	\$412,607	\$1,296,184
% Margin	(2.1%)	10.5%	19.2%	8.8%	(13.5%)	(124.4%)	4.6%	(28.7%)	10.0%	(23.2%)	5.1%	11.8%
% Y/Y Growth	--	105	5	52	--	(312)	(90)	(221)	40	(202)	--	214
Consensus												
EBITDA	\$176,000	\$568,000	\$912,000	\$478,000	(\$76,000)	(\$436,000)	\$304,000	(\$78,180)	\$2,134,000	(\$286,180)	\$1,329,273	\$2,174,912
% Margin	7%	18%	26%	17%	(3%)	(77%)	20%	(8%)	18%	(5%)	17%	20%
% Y/Y Growth	42	23	0	1	(143)	(177)	(67)	(116)	8	(173)	--	64
Total Other Income (Expense)	(10,000)	(30,000)	(48,000)	(40,000)	(185,000)	(104,000)	(111,000)	(77,832)	(128,000)	(477,832)	(502,743)	(532,370)
Adjusted Pre-Tax Profit / (Loss)	(\$65,000)	\$302,000	\$634,000	\$203,000	(\$1,370,000)	(\$838,000)	(\$97,000)	(\$371,382)	\$1,074,000	(\$2,676,382)	(\$90,136)	\$763,814
% Effective Tax Rate	63.1%	15.9%	24.3%	20.7%	6.0%	25.4%	24.7%	19.0%	18.9%	14.6%	19.0%	19.0%
Provision / (Benefit) for Income Taxes	(41,000)	48,000	154,000	42,000	(82,000)	(213,000)	(24,000)	(70,563)	203,000	(389,563)	(17,126)	145,125
Minority Interest (Benefit)	3,000	4,000	(2,000)	2,000	(96,000)	(4,000)	(8,000)	(4,365)	7,000	(112,365)	(135,302)	(104,826)
Operating Net Income / (Loss)	(\$40,000)	\$276,000	\$520,000	\$185,000	(\$258,000)	(\$577,000)	(\$31,000)	(\$312,035)	\$941,000	(\$1,178,035)	\$137,604	\$779,028
% Margin	(2%)	9%	15%	7%	(12%)	(102%)	(2%)	(31%)	8%	(22%)	2%	7%
% Y/Y Growth	--	30	(8)	(3)	--	(309)	(106)	(269)	4	(225)	--	466
Stock-Based Compensation	56,000	59,000	60,000	66,000	55,000	54,000	47,000	47,000	241,000	203,000	212,935	223,356
Amortization of Intangible Assets	52,000	52,000	50,000	44,000	44,000	41,000	37,000	35,000	198,000	157,000	117,000	95,000
Unrealized Loss (Gain) on Revenue Hedges	10,000	(1,000)	(9,000)	23,000	(58,000)	35,000	12,000	0	23,000	(11,000)	0	0
Impairment of Intangible Assets	(34,000)	10,000	25,000	(20,000)	886,000	30,000	55,000	0	(19,000)	971,000	0	0
Preferred Stock Dividend	0	0	0	0	0	(17,000)	(29,000)	(29,000)	0	(75,000)	0	0
Tax Effect of Non-GAAP Entries	(39,000)	(33,000)	(23,000)	(15,000)	(32,000)	(48,000)	(41,000)	(15,580)	(110,000)	(136,580)	(62,688)	(60,488)
Minority Interest Adjustment	(2,000)	(2,000)	(5,000)	(6,000)	94,000	3,000	0	(6,000)	(15,000)	91,000	21,000	21,000
Legal Reserves, Occupancy Tax & Other	20,000	8,000	13,000	17,000	54,000	61,000	80,000	25,000	58,000	220,000	0	0
Realized Loss (Gain) on Revenue Hedges	(3,000)	(8,000)	(2,000)	(9,000)	6,000	(36,000)	(15,000)	(2,000)	(22,000)	(47,000)	(47,000)	(47,000)
Reported GAAP Net Income / (Loss)	(\$103,000)	\$183,000	\$409,000	\$76,000	(\$1,301,000)	(\$753,000)	(\$221,000)	(\$397,455)	\$565,000	(\$2,597,455)	(\$150,643)	\$500,159
% Margin	(4%)	6%	11%	3%	(59%)	(133%)	(15%)	(39%)	5%	(49%)	(2%)	5%
% Y/Y Growth	--	18,200	(22)	347	--	(511)	(154)	(623)	39	(560)	--	--
Weighted Avg. Diluted Shares Outstanding	147,882	155,417	153,838	150,035	140,823	141,072	141,306	141,557	153,108	141,333	145,745	149,373
Operating EPS	(\$0.27)	\$1.77	\$3.38	\$1.24	(\$1.83)	(\$4.09)	(\$0.22)	(\$2.20)	\$6.15	(\$8.34)	\$0.94	\$5.22
% Y/Y Growth	--	29%	(7%)	(1%)	--	(30%)	(106%)	(278%)	6%	(236%)	--	452%
Reported GAAP EPS	(\$0.69)	\$1.21	\$2.71	\$0.52	(\$9.24)	(\$5.34)	(\$1.56)	(\$2.81)	\$3.77	(\$18.38)	(\$1.03)	\$3.35
% Y/Y Growth	--	18,621%	(21%)	367%	--	(542%)	(158%)	(642%)	42%	(587%)	--	--

EXPE Balance Sheet

Expedia Group Inc. - Balance Sheet

(\$ in Thousands)

	F2019				F2020				F2019A	F2020E	F2021E	F2022E
	Q1 19A	Q2 19A	Q3 19A	Q4 19A	Q1 20A	Q2 20A	Q3 20A	Q4 20E				
Cash & Cash Equivalents	\$3,708,000	\$4,258,000	\$3,797,000	\$3,315,000	\$3,905,000	\$5,053,000	\$4,353,000	\$2,448,384	\$3,315,000	\$2,448,384	\$1,044,239	\$2,006,287
Restricted Cash	447,000	619,000	447,000	779,000	813,000	1,311,000	725,000	725,000	779,000	725,000	725,000	725,000
Short-Term Investments	466,000	631,000	658,000	526,000	194,000	422,000	23,000	23,000	526,000	23,000	23,000	23,000
Accounts Receivable	2,617,000	2,893,000	2,684,000	2,524,000	1,423,000	1,002,000	839,000	559,590	2,524,000	559,590	1,068,208	1,459,201
Deferred Income Taxes	193,000	208,000	172,000	215,000	332,000	589,000	667,000	667,000	215,000	667,000	667,000	667,000
Prepaid Expenses & Other Current Assets	318,000	295,000	321,000	521,000	1,243,000	1,049,000	685,000	486,763	521,000	486,763	416,106	547,669
Current Assets	\$7,749,000	\$8,904,000	\$8,079,000	\$7,880,000	\$7,910,000	\$9,426,000	\$7,292,000	\$4,909,738	\$7,880,000	\$4,909,738	\$3,943,554	\$5,428,157
Property and Equipment	1,828,000	1,953,000	2,090,000	2,198,000	2,297,000	2,305,000	2,303,000	2,244,627	2,198,000	2,244,627	2,279,209	2,226,128
Operating Lease Right-of-Use Assets	537,000	524,000	495,000	611,000	628,000	626,000	598,000	598,000	611,000	598,000	598,000	598,000
Long-Term Investments	804,000	815,000	770,000	796,000	610,000	618,000	606,000	796,000	606,000	606,000	606,000	606,000
Intangible Assets, net	1,936,000	1,887,000	1,843,000	1,804,000	1,642,000	1,600,000	1,537,000	1,502,000	1,804,000	1,502,000	1,385,000	1,290,000
Goodwill	8,109,000	8,118,000	8,104,000	8,127,000	7,330,000	7,330,000	7,343,000	7,343,000	8,127,000	7,343,000	7,343,000	7,343,000
Total Assets	\$20,963,000	\$22,201,000	\$21,381,000	\$21,416,000	\$20,417,000	\$21,905,000	\$19,679,000	\$17,203,365	\$21,416,000	\$17,203,365	\$16,154,763	\$17,491,285
Accounts Payable, Merchant	\$1,736,000	\$1,970,000	\$1,813,000	\$1,921,000	\$836,000	\$531,000	\$581,000	\$492,875	\$1,921,000	\$492,875	\$587,088	\$744,827
Accounts Payable, Other	1,033,000	1,153,000	965,000	906,000	859,000	518,000	521,000	513,648	906,000	513,648	521,388	660,801
Deferred Merchant Bookings	6,612,000	7,053,000	5,642,000	5,679,000	5,905,000	4,632,000	3,247,000	1,919,953	5,679,000	1,919,953	2,589,818	3,502,384
Deferred Revenue	533,000	522,000	381,000	321,000	221,000	197,000	177,000	138,890	321,000	138,890	210,504	287,554
Accrued Expenses & Other Current Liabilities	787,000	950,000	932,000	1,050,000	978,000	1,166,000	1,076,000	584,116	1,050,000	584,116	740,134	974,145
Income Taxes Payable	25,000	28,000	100,000	88,000	59,000	78,000	34,000	62,095	88,000	62,095	(59,940)	50,794
Short-Term Debt	0	0	749,000	749,000	750,000	750,000	0	0	749,000	0	0	0
Total Current Liabilities	\$10,726,000	\$11,676,000	\$10,582,000	\$10,714,000	\$9,608,000	\$7,872,000	\$5,636,000	\$3,711,578	\$10,714,000	\$3,711,578	\$4,588,992	\$6,220,505
Long-Term Debt	3,704,000	3,715,000	4,170,000	4,189,000	4,180,000	6,903,000	8,176,000	8,176,000	4,189,000	8,176,000	8,176,000	7,451,000
Deferred Income Taxes	66,000	65,000	60,000	56,000	58,000	74,000	105,000	105,000	56,000	105,000	105,000	105,000
Credit Facility	0	0	0	0	1,900,000	1,900,000	650,000	650,000	0	650,000	0	0
Operating Lease Liabilities	472,000	466,000	443,000	532,000	547,000	543,000	522,000	522,000	532,000	522,000	522,000	522,000
Other Long-Term Liabilities	332,000	343,000	354,000	374,000	383,000	388,000	456,000	259,607	374,000	259,607	328,948	432,953
Preferred Stock	0	0	0	0	0	1,022,000	1,022,000	1,022,000	0	1,022,000	0	0
Minority Interest	1,580,000	1,594,000	1,588,000	1,584,000	1,471,000	1,469,000	1,480,000	1,475,635	1,584,000	1,475,635	1,340,333	1,235,507
Total Liabilities	\$16,880,000	\$17,859,000	\$17,197,000	\$17,449,000	\$18,147,000	\$20,171,000	\$18,047,000	\$15,921,820	\$17,449,000	\$15,921,820	\$15,061,273	\$15,966,965
Additional Paid-In Capital	9,694,000	9,821,000	12,882,000	12,978,000	13,124,000	13,300,000	13,361,000	13,408,000	12,978,000	13,408,000	13,450,587	13,495,258
Treasury Stock	(5,767,000)	(5,771,000)	(9,290,000)	(9,673,000)	(10,083,000)	(10,087,000)	(10,092,000)	(10,092,000)	(9,673,000)	(10,092,000)	(10,092,000)	(10,092,000)
Retained Earnings (Deficit)	373,000	508,000	850,000	879,000	(470,000)	(1,206,000)	(1,398,000)	(1,795,455)	879,000	(1,795,455)	(2,026,097)	(1,639,938)
Accumulated Other Comprehensive Income	(217,000)	(216,000)	(258,000)	(217,000)	(301,000)	(273,000)	(239,000)	(239,000)	(217,000)	(239,000)	(239,000)	(239,000)
Shareholders' Equity	\$4,083,000	\$4,342,000	\$4,184,000	\$3,967,000	\$2,270,000	\$1,734,000	\$1,632,000	\$1,281,545	\$3,967,000	\$1,281,545	\$1,093,490	\$1,524,320
Liabilities & Shareholders' Equity	\$20,963,000	\$22,201,000	\$21,381,000	\$21,416,000	\$20,417,000	\$21,905,000	\$19,679,000	\$17,203,365	\$21,416,000	\$17,203,365	\$16,154,763	\$17,491,285

EXPE Cash Flow Statement

Expedia Group Inc. - Cash Flow Statement

(\$ in Thousands)

	F2019				F2020				F2019A	F2020E	F2021E	F2022E
	Q1 19A	Q2 19A	Q3 19A	Q4 19A	Q1 20A	Q2 20A	Q3 20A	Q4 20E				
Net Income	(\$103,000)	\$183,000	\$409,000	\$76,000	(\$1,301,000)	(\$753,000)	(\$221,000)	(\$397,455)	\$565,000	(\$2,672,455)	(\$150,643)	\$500,159
Discontinued Operations, net of tax	0	0	0	0	0	0	0	0	0	0	0	0
Depreciation	176,000	176,000	178,000	182,000	185,000	191,000	183,000	178,370	712,000	737,370	752,666	736,728
Amortization of Intangible Assets	52,000	52,000	50,000	44,000	44,000	41,000	37,000	35,000	198,000	157,000	117,000	95,000
Amortization of Stock-Based Compensation	56,000	59,000	60,000	66,000	55,000	54,000	47,000	47,000	241,000	203,000	212,935	223,356
Deferred Income Taxes	17,000	(32,000)	(43,000)	(33,000)	(108,000)	(171,000)	(89,000)	0	(91,000)	(368,000)	0	0
Foreign Exchange Loss (Gain) on Cash & Equivalents	5,000	(18,000)	53,000	(45,000)	98,000	(33,000)	(38,000)	0	(5,000)	27,000	0	0
Loss (Gain) on Derivative Instruments	(7,000)	(9,000)	12,000	(18,000)	(19,000)	(60,000)	(10,000)	0	(22,000)	(89,000)	0	0
Minority Interest in Consolidated Subsidiaries	3,000	4,000	(2,000)	2,000	(96,000)	(4,000)	(8,000)	(4,365)	7,000	(112,365)	(135,302)	(104,826)
Other Charges	(29,000)	16,000	(3,000)	(5,000)	105,000	31,000	8,000	(196,393)	(21,000)	(52,393)	69,341	104,005
Funds From Operations	\$170,000	\$419,000	\$739,000	\$248,000	\$37,000	(\$667,000)	(\$29,000)	(\$337,843)	\$1,576,000	(\$996,843)	\$865,997	\$1,554,422
(Inc.) Dec. in Accounts Receivable	(468,000)	(274,000)	199,000	175,000	1,086,000	393,000	157,000	279,410	(368,000)	1,915,410	(508,618)	(390,993)
(Inc.) Dec. in Prepaid Expenses & Other Current Assets	(23,000)	16,000	7,000	(193,000)	(791,000)	206,000	366,000	198,237	(193,000)	(20,763)	70,657	(131,562)
Inc. (Dec.) in Accounts Payable, Merchant	39,000	232,000	(152,000)	105,000	(1,082,000)	(307,000)	49,000	(88,125)	224,000	(1,428,125)	94,213	157,739
Inc. (Dec.) in Accounts Payable & Other Current Liabilities	(23,000)	316,000	(92,000)	30,000	(161,000)	(165,000)	(8,000)	(471,140)	231,000	(805,140)	41,722	484,158
Inc. (Dec.) in Deferred Merchant Bookings	2,285,000	441,000	(1,421,000)	37,000	226,000	(1,284,000)	(1,379,000)	(1,327,047)	1,342,000	(3,764,047)	669,865	912,565
Inc. (Dec.) in Deferred Revenue	169,000	(12,000)	(141,000)	(61,000)	(99,000)	(22,000)	(21,000)	(38,110)	(45,000)	(180,110)	71,614	77,050
Change in Net Working Capital	\$1,979,000	\$719,000	(\$1,600,000)	\$93,000	(\$821,000)	(\$1,179,000)	(\$836,000)	(\$1,446,775)	\$1,191,000	(\$4,282,775)	\$439,453	\$1,108,958
Cash Flow from Operations	\$2,149,000	\$1,138,000	(\$861,000)	\$341,000	(\$784,000)	(\$1,846,000)	(\$865,000)	(\$1,784,619)	\$2,767,000	(\$5,279,619)	\$1,305,450	\$2,663,380
Capital Expenditures	(274,000)	(299,000)	(291,000)	(296,000)	(287,000)	(206,000)	(176,000)	(119,997)	(1,160,000)	(788,997)	(787,247)	(683,648)
Acquisitions, Net of Cash Acquired	0	0	80,000	0	0	0	0	0	80,000	0	0	0
Purchases of Investments	(438,000)	(198,000)	(647,000)	(63,000)	(285,000)	(400,000)	0	0	(1,346,000)	(685,000)	0	0
Sales and Maturities of Investments	0	27,000	608,000	217,000	585,000	176,000	400,000	0	852,000	1,161,000	0	0
Proceeds from Sales of PP&E	0	0	0	0	0	0	0	0	0	0	0	0
Other	6,000	10,000	(13,000)	18,000	19,000	57,000	10,000	0	21,000	86,000	0	0
Net Cash Used in Investing Activities	(\$706,000)	(\$460,000)	(\$263,000)	(\$124,000)	\$32,000	(\$373,000)	\$234,000	(\$119,997)	(\$1,553,000)	(\$226,997)	(\$787,247)	(\$683,648)
Debt Issuance / (Repayment)	0	0	835,000	(4,000)	1,900,000	2,714,000	(768,000)	0	831,000	3,846,000	(650,000)	(725,000)
Proceeds from / (Repurchase of) Common Stock	(25,000)	(4,000)	(323,000)	(391,000)	(410,000)	1,128,000	(5,000)	0	(743,000)	713,000	(1,192,348)	(178,685)
Payment of Dividends	(47,000)	(48,000)	(50,000)	(50,000)	(48,000)	(17,000)	0	0	(195,000)	(65,000)	(80,000)	(114,000)
Excess Tax Benefit from Stock Options	0	0	0	0	0	0	0	0	0	0	0	0
Other	93,000	65,000	111,000	13,000	75,000	(9,000)	11,000	0	282,000	77,000	0	0
Net Cash Provided by Financing Activities	\$21,000	\$13,000	\$573,000	(\$432,000)	\$1,517,000	\$3,816,000	(\$762,000)	\$0	\$175,000	\$4,571,000	(\$1,922,348)	(\$1,017,685)
Effect of Exchange Rate Changes	(11,000)	31,000	(82,000)	65,000	(141,000)	48,000	62,000	0	3,000	(31,000)	0	0
Inc. (Dec.) in Cash and Cash Equivalents	\$1,453,000	\$722,000	(\$633,000)	(\$150,000)	\$624,000	\$1,645,000	(\$1,331,000)	(\$1,904,616)	\$1,392,000	(\$966,616)	(\$1,404,145)	\$962,048
Beginning Cash and Cash Equivalents	2,443,000	3,708,000	4,258,000	3,797,000	3,315,000	3,905,000	5,053,000	4,353,000	2,443,000	3,315,000	2,448,384	1,044,239
Restricted Cash Adjustment	(188,000)	(172,000)	172,000	(332,000)	(34,000)	(497,000)	631,000	0	(520,000)	100,000	0	0
Ending Cash and Cash Equivalents	\$3,708,000	\$4,258,000	\$3,797,000	\$3,315,000	\$3,905,000	\$5,053,000	\$4,353,000	\$2,448,384	\$3,315,000	\$2,448,384	\$1,044,239	\$2,006,287

FB Income Statement

Unauthorized distribution is prohibited.

Facebook - Income Statement

(\$ in Millions)

	F2020				F2021				F2019A	F2020E	F2021E	F2022E
	Q1 20A	Q2 20A	Q3 20A	Q4 20E	Q1 21E	Q2 21E	Q3 21E	Q4 21E				
GAAP Revenue	\$17,737	\$18,687	\$21,470	\$26,318	\$22,301	\$24,652	\$26,701	\$31,568	\$70,697	\$84,212	\$105,223	\$123,079
% Y/Y Growth	18%	11%	22%	25%	26%	32%	24%	20%	27%	19%	25%	17%
% Q/Q Growth	(16%)	5%	15%	23%	(15%)	11%	8%	18%	--	--	--	--
Cost of Revenue	3,459	3,829	4,194	4,474	4,460	4,930	5,207	5,840	12,770	15,956	20,438	25,847
GAAP Gross Profit	\$14,278	\$14,858	\$17,276	\$21,844	\$17,841	\$19,722	\$21,495	\$25,728	\$57,927	\$68,256	\$84,785	\$97,232
% Margin	80.5%	79.5%	80.5%	83.0%	80.0%	80.0%	80.5%	81.5%	81.9%	81.1%	80.6%	79.0%
Marketing and Sales	2,787	2,840	2,683	3,685	3,412	3,698	3,738	4,483	9,876	11,995	15,331	17,354
Research and Development	4,015	4,462	4,763	5,395	5,308	5,719	6,141	6,661	13,600	18,635	23,829	25,231
General and Administrative	1,583	1,593	1,790	2,105	1,896	1,997	2,136	2,399	10,465	7,071	8,428	9,858
Total Stock-Based Compensation	1,335	1,695	1,722	1,655	1,736	2,026	2,058	2,019	4,835	6,407	7,838	9,510
Income from Operations (GAAP)	\$5,893	\$5,963	\$8,040	\$10,659	\$7,226	\$8,308	\$9,479	\$12,185	\$23,986	\$30,555	\$37,198	\$44,789
Income From Operations (ex-Onecharges)	\$5,893	\$5,963	\$8,040	\$10,659	\$7,226	\$8,308	\$9,479	\$12,185	\$28,986	\$30,555	\$37,198	\$44,789
% Y/Y Opex Growth	1%	4%	28%	28%	27%	28%	28%	24%	51%	15%	27%	15%
% Margin	33%	32%	37%	41%	32%	34%	36%	39%	34%	36%	35%	36%
% Y/Y Growth	78%	29%	12%	20%	23%	39%	18%	14%	(4%)	27%	22%	20%
% Q/Q Growth	(33%)	1%	35%	33%	(32%)	15%	14%	29%	--	--	--	--
Net Interest (Income) and Other (Income)	32	(168)	(93)	(200)	(200)	(200)	(200)	(200)	(826)	(429)	(800)	(840)
Income Before Taxes (GAAP)	\$5,861	\$6,131	\$8,133	\$10,859	\$7,426	\$8,508	\$9,679	\$12,385	\$24,812	\$30,984	\$37,998	\$45,629
% Effective Tax Rate	16%	16%	4%	16%	16%	16%	16%	16%	25%	13%	16%	17%
Provision / (Benefit) for Income Taxes	959	953	287	1,737	1,188	1,361	1,549	1,982	6,327	3,936	6,080	7,757
GAAP Net Income / (Loss)	\$4,902	\$5,178	\$7,846	\$9,121	\$6,237	\$7,147	\$8,130	\$10,404	\$18,485	\$27,047	\$31,918	\$37,872
% Margin	28%	28%	37%	35%	28%	29%	30%	33%	26%	32%	30%	31%
% Y/Y Growth	102%	98%	29%	24%	27%	38%	4%	14%	(16%)	46%	18%	19%
% Q/Q Growth	(33%)	6%	52%	16%	(32%)	15%	14%	28%	--	--	--	--
Weighted Avg. Diluted Shares Outstanding	2,868	2,879	2,891	2,897	2,903	2,908	2,914	2,920	2,872	2,884	2,911	2,949
GAAP EPS	\$1.71	\$1.80	\$2.71	\$3.15	\$2.15	\$2.46	\$2.79	\$3.56	\$6.44	\$9.37	\$10.96	\$12.84
% Y/Y Growth	102%	98%	28%	23%	26%	37%	3%	13%	(15%)	46%	17%	17%
% Q/Q Growth	(33%)	5	51	16	(32)	14	14	28	--	--	--	--

FB Revenue Build

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Facebook - Revenue Build

(\$ in Millions)

	Q1 20A	Q2 20A	F2020	Q3 20A	Q4 20E	Q1 21E	Q2 21E	F2021	Q3 21E	Q4 21E	F2019A	F2020E	F2021E	F2022E
Total Revenue	\$17,737	\$18,687	\$21,470	\$26,318	\$22,301	\$24,652	\$26,701	\$31,568	\$70,697	\$84,212	\$105,223	\$123,079		
% Y/Y Growth	18%	11%	22%	25%	26%	32%	24%	20%	27%	19%	25%	17%		
% Q/Q Growth	-16%	5%	15%	23%	-15%	11%	8%	18%	--	--	--	--		
Advertising Revenue	\$17,440	\$18,321	\$21,221	\$25,816	\$21,974	\$24,257	\$26,378	\$31,031	\$69,655	\$82,798	\$103,640	\$121,259		
% Y/Y Growth	17%	10%	22%	25%	26%	32%	24%	20%	27%	19%	25%	17%		
% Q/Q Growth	-16%	5%	16%	22%	-15%	10%	9%	18%	--	--	--	--		
% of Total Revenue	98%	98%	99%	98%	99%	98%	98%	99%	99%	98%	98%	99%		
Payments and Other Revenue	\$297	\$366	\$249	\$502	\$327	\$395	\$324	\$537	\$1,042	\$1,414	\$1,582	\$1,820		
% Y/Y Growth	80%	40%	-7%	45%	10%	8%	30%	7%	26%	36%	12%	15%		
% Q/Q Growth	-14%	23%	-32%	101%	-35%	21%	-18%	66%	--	--	--	--		
% of Total Revenue	2%	2%	1%	2%	1%	2%	1%	2%	1%	2%	2%	1%		
Monthly Active Users (MM)														
US & Canada	253	256	255										248	
Europe	406	410	413										394	
Asia	1093	1142	1166										1038	
Rest of World	851	892	906										817	
Total MAU's	2603	2701	2740	2772	2816	2877	2932	2980	2497	2772	2980	3158		
% Y/Y Growth	9%	12%	12%	11%	8%	7%	7%	8%	8%	11%	8%	6%		
Sequential MAU Growth (MM)														
US & Canada	5	3	-1										6	
Europe	12	4	3										13	
Asia	55	49	24										91	
Rest of World	34	41	14										67	
Total MAU's	106	98	39	32	45	60	55	48	177	275	208	179		
ARPU (MAU)	Q1 '20	Q1 '20	Q1 '20	Q4 '20										
US & Canada	\$34.18	\$36.49	\$39.63										\$139.35	
Europe	\$10.64	\$11.03	\$12.41										\$43.97	
Asia	\$3.06	\$2.99	\$3.67										\$12.61	
Rest of World	\$1.99	\$1.78	\$2.22										\$8.73	
Worldwide ARPU	\$6.95	\$7.05	\$7.89	\$9.55	\$7.98	\$8.66	\$9.19	\$10.68	\$29.35	\$31.97	\$36.59	\$40.10		
% Y/Y Growth	8%	0%	9%	12%	15%	23%	17%	12%	17%	9%	14%	10%		
Advertising ARPU (MAU)														
US & Canada	\$33.45	\$35.58	\$39.04										\$136.65	
Europe	\$10.43	\$10.81	\$12.28										\$43.47	
Asia	\$3.04	\$2.96	\$3.64										\$12.55	
Rest of World	\$1.98	\$1.77	\$2.20										\$8.71	
Worldwide ARPU	\$6.84	\$6.91	\$7.89	\$9.37	\$7.86	\$8.52	\$9.08	\$10.50	\$28.92	\$31.43	\$36.04	\$39.51		
% Y/Y Growth	8%	0%	10%						17%	9%	15%	10%		

GOOGL Income Statement

Google - Income Statement

(\$ in Thousands, except per share)

	F2019			F2020			F2019A			F2020E			F2021F			F2022F		
	Q4 19A	Q1 20A	Q2 20A	Q3 20A	Q4 20A													
Reported Gross Revenue (incl. TAC)	\$46,075,000	\$41,159,000	\$38,297,000	\$46,173,000	\$52,345,420													
% Y/Y Growth	17%	13%	(2%)	14%	14%													
% Q/Q Growth	14	(11)	(7)	21	13													
Traffic Acquisition Costs (TAC)	8,501,000	7,452,000	6,694,000	8,166,000	9,271,545													
% of Advertising Gross Revenue	22.4%	22.1%	22.4%	22.0%	22.0%													
Net Revenue (excl. TAC)	\$37,574,000	\$33,707,000	\$31,603,000	\$38,007,000	\$43,073,875													
% Y/Y Growth	18.0%	14.3%	(0.9%)	15%	15%													
% Q/Q Growth	14	(10)	(6)	20	13													
Additional Cost of Net Revenue	12,519,000	11,530,000	11,859,000	12,951,000	14,558,970													
Total Gross Profit	\$25,055,000	\$22,177,000	\$19,744,000	\$25,056,000	\$28,514,905													
% Margin	66.7%	65.8%	62.5%	65.9%	66.2%													
Research and Development	7,222,000	6,820,000	6,875,000	6,856,000	7,664,500													
Sales and Marketing	5,738,000	4,500,000	3,901,000	4,231,000	6,331,860													
General and Administrative	2,829,000	2,880,000	2,585,000	2,756,000	2,880,000													
Accrued Performance Fees																		
EC Fines Accrued																		
Operating Income (non-GAAP)	\$9,266,000	\$7,977,000	\$6,383,000	\$11,213,000	\$11,638,546													
% Margin	24.7%	23.7%	20.2%	29.5%	27.0%													
% Y/Y Growth	13	(4)	(30)	22	26													
% Q/Q Growth	1	(14)	(20)	76	4													
EBIT (GAAP)	\$9,266,000	\$7,977,000	\$6,383,000	\$11,213,000	\$11,638,546													
% Margin	24.7%	23.7%	20.2%	29.5%	27.0%													
EBITDA	\$15,324,000	\$14,276,000	\$13,151,000	\$17,886,000	\$18,432,216													
% Margin	41%	42%	42%	47%	43%													
% Y/Y Growth	17	4	(11)	22	20													
% Q/Q Growth	4	(7)	(8)	36	3													
Net Interest (Income) and Other (Income)	(1,438,000)	220,000	(1,894,000)	(2,146,000)	(550,000)													
Pre-Tax Profit / (Loss) (non-GAAP)	\$10,704,000	\$7,757,000	\$8,277,000	\$13,359,000	\$12,188,546													
% Effective Tax Rate	0%	12%	16%	16%	16%													
Provision / (Benefit) for Income Taxes	33,000	921,000	1,318,000	2,112,000	1,950,167													
Reported GAAP Net Income / (Loss)	\$10,671,000	\$6,836,000	\$6,959,000	\$11,247,000	\$10,238,378													
% Margin	28%	20%	22%	30%	24%													
% Y/Y Growth	19	3	(30)	59	(4)													
% Q/Q Growth	57	(36)	2	62	(9)													
Weighted Avg. Diluted Shares Outstanding	695,194	692,267	687,024	685,851	683,352													
EPS (non-GAAP)	\$15.35	\$9.87	\$10.13	\$16.40	\$14.98													
% Y/Y Growth	20%	(17%)	(29%)	62%	(28%)													
% Q/Q Growth	52	(36)	3	62	(9)													
EPS excl. EC fines, incl. Equity Gains	\$15.35																	
Reported GAAP EPS	\$15.35	\$9.87	\$10.13	\$16.40	\$14.98													
% Y/Y Growth	20%	4%	(29%)	62%	(28%)													
% Q/Q Growth	52	(36)	3	62	(9)													
Buyback																		
amount repurchased	\$6,097,928	\$8,495,933	\$6,852,284	\$7,896,508	\$6,000,000													
shares	4,760	6,488	5,148	5,160	3,871													
avg price	\$1,281	\$1,309	\$1,331	\$1,530	\$1,550													
Expenses as % of Net Revenue																		
Research and Development	19.2%	20.2%	21.8%	18.0%	17.8%													
Sales and Marketing	15.3%	13.4%	12.3%	11.1%	14.7%													
General and Administrative	7.5%	8.5%	8.2%	7.3%	6.7%													
Stock Compensation	7.0%	9.5%	10.7%	8.4%	7.5%													

GOOGL Revenue Build

Google - Revenue Build

(\$ in thousands, excluding share data)

	F2019			F2020						F2019	F2020	F2021	F2022
	Q4'19 Q4'19A	Q1'20 Q1'20A	Q2'20 Q2'20A	Q3'20 Q3'20A	Q4'20 Q4'20E				F2019A	F2020E	F2021E	F2022E	
Gross Revenue (Including TAC)													
Google Revenue (Advertising & Other)	\$45,812,000	\$40,975,000	\$37,998,000	\$46,017,000	\$52,158,520				\$160,743,000	\$177,148,520	\$215,021,450	\$245,236,911	
% Y/Y Growth	17%	14%	-2%	14%	14%				18%	10%	21%	14%	
% Q/Q Growth	+1%	(-1%)	(-7%)	2%	13%				--	--	--	--	
Advertising (gross)	37,934,000	33,763,000	29,867,000	37,095,000	42,103,700				134,811,000	142,828,700	174,274,925	197,581,522	
% Y/Y Growth	16.7%	10%	-8%	10%	11%				16%	6%	22%	13%	
% Q/Q Growth	+2%	-1%	-12%	2%	1%				--	--	--	--	
% of Total Gross Revenue	83%	82%	79%	81%	81%				81%	81%	81%	81%	
Google Properties*	31,902,000	28,540,000	25,131,000	31,375,000	35,803,276				113,264,000	120,849,276	148,246,331	170,232,226	
% Y/Y Growth	18%	12%	-8%	10%	12%				17%	7%	23%	15%	
% of Total Gross Revenue	70%	70%	66%	68%	69%				70%	68%	69%	69%	
Google Search & other	27,185,000	24,502,000	21,419,000	26,448,000	30,001,466				98,115,000	102,160,466	122,597,439	142,404,542	
% Y/Y Growth	1%	9%	-10%	6%	10%				15%	4%	20%	12%	
% of Total Gross Revenue	59.3%	59.8%	56.1%	57.2%	57.5%				61%	58%	57%	56%	
YouTube ads	4,717,000	4,038,000	3,812,000	5,037,000	5,801,910				15,149,000	18,688,910	25,653,376	32,928,694	
% Y/Y Growth	31%	33%	6%	32%	23%				36%	23%	37%	28%	
% of Total Gross Revenue	10.3%	9.9%	10.0%	10.9%	11.1%				9%	11%	12%	13%	
Google Network	6,032,000	5,223,000	4,736,000	5,720,000	6,300,424				21,547,000	21,979,424	26,028,593	27,349,296	
% Y/Y Growth	8%	4%	-10%	9%	4%				8%	2%	18%	5%	
% of Total Gross Revenue	13%	13%	7%	12%	12%				13%	12%	12%	11%	
Licensing & Other	7,878,000	7,212,000	8,131,000	8,922,000	10,054,820				\$25,932,000	\$34,319,820	\$40,746,526	\$47,655,389	
% Y/Y Growth	22%	32%	32%	39%	28%				30%	32%	19%	12%	
% Q/Q Growth	23%	-8%	13%	10%	13%				--	--	--	--	
% of Total Gross Revenue	1.7%	1.8%	2.1%	1.9%	1.9%				16%	19%	19%	19%	
Google Cloud	2,614,000	2,777,000	3,400,000	3,444,000	3,738,020				8,918,000	12,966,020	18,467,519	24,442,819	
% Y/Y Growth	53%	52%	43%	45%	43%				53%	45%	42%	32%	
% of Total Gross Revenue	5.7%	6.0%	7.9%	7.5%	7.2%				6%	7%	9%	10%	
Google Other	5,264,000	4,435,000	5,124,000	5,478,000	6,316,800				17,014,000	21,353,800	22,284,007	23,212,571	
% Y/Y Growth	10%	23%	26%	35%	20%				21%	26%	4%	4%	
% of Total Gross Revenue	11.5%	11%	13%	12%	12%				17%	12%	10%	9%	
Other Bets	172,000	135,000	148,000	178,000	186,900				\$659,000	647,900	827,750	966,361	
% Y/Y Growth	12%	-21%	-9%	15%	9%				11%	-2%	28%	17%	
% Q/Q Growth	11%	-22%	10%	20%	5%				--	--	--	--	
Hedging gains (losses)	91,000	49,000	151,000	(22,000)					455,000	178,000	0	0	
Total Alphabet Revenue (gross)	\$46,075,000	\$41,159,000	\$38,297,000	\$46,173,000	\$52,345,420				\$161,857,000	\$177,974,420	\$215,849,201	\$246,203,272	
% Y/Y Growth	17.3%	13%	2%	14%	14%				18%	10%	21%	14%	
Net Revenue by Segment													
Total Net Revenue	\$37,574,000	\$33,707,000	\$31,603,000	\$38,007,000	\$43,073,875				\$131,768,000	\$146,390,875	\$176,933,525	\$202,478,170	
% Y/Y Growth	18%	14%	0%	15%	15%				20%	11%	21%	14%	
% Q/Q Growth	1%	-10%	-6%	20%	13%				--	--	--	--	
Advertising (net)	29,433,000	26,311,000	23,173,000	28,929,000	32,832,155				\$104,722,000	111,245,155	135,359,249	153,856,420	
% Y/Y Growth	17.3%	11%	-8%	10%	12%				17%	6%	22%	14%	
% Q/Q Growth	12%	-11%	-12%	25%	13%				--	--	--	--	
% of Total Net Revenue	78%	78%	73%	76%	76%				79%	77%	76%	76%	
Google Properties	27,602,000	24,715,000	21,560,006	27,101,771	30,819,512				\$98,108,000	104,196,290	127,044,528	145,119,805	
% Y/Y Growth	18%	11%	-9%	10%	12%				17%	6%	22%	14%	
% of Total Net Revenue	73%	73%	68%	71%	72%				74%	71%	72%	72%	
Websites TAC	4,300,000	3,825,000	3,570,994	4,273,229	4,983,764				\$15,156,000	16,652,986	21,201,803	25,112,420	
% of Websites Gross Revenue	13.5%	13.4%	14.2%	13.6%	13.9%				13.4%	13.8%	14.3%	14.8%	
Google Network	1,831,000	1,596,000	1,612,994	1,827,229	2,012,643				\$6,614,000	7,048,866	8,314,721	8,736,614	
% Y/Y Growth	10%	4%	-1%	13%	10%				14%	7%	18%	5%	
% of Total Net Revenue	5%	5%	5%	5%	5%				5%	5%	5%	4%	
Network TAC	4,201,000	3,627,000	3,123,006	3,892,771	4,287,781				\$14,933,000	14,930,558	17,713,872	18,612,682	
% of Network Gross Revenue	69.6%	69.4%	65.9%	68.1%	68.6%				69%	68%	68%	68%	
TAC as a % of Total Advertising Revenue	22.4%	22.1%	22.4%	22.0%	22.0%				22.3%	22.1%	22.3%	22.1%	
Licensing & Other	7,878,000	7,212,000	8,131,000	8,922,000	10,054,820				\$25,932,000	34,319,820	40,746,526	47,655,389	
% Y/Y Growth	22%	32%	32%	39%	39%				30%	32%	19%	17%	
Other Bets	172,000	135,000	148,000	178,000	186,900				\$659,000	647,900	827,750	966,361	
% Y/Y Growth	12%	21%	9%	15%	9%				11%	2%	28%	17%	

GOOGL Balance Sheet

(\$ in thousands)

	F2020				F2019A	F2020E	F2021E	F2022E
	Q1 20A	Q2 20A	Q3 20A	Q4 20E				
Cash & Cash Equivalents	\$19,644,000	\$17,742,000	\$20,129,000	\$19,288,459	\$18,498,000	\$19,288,459	\$43,275,705	\$75,739,040
Short-Term Marketable Securities	97,585,000	103,338,000	112,467,000	112,467,000	101,177,000	112,467,000	112,467,000	112,467,000
Accounts Receivable	21,825,000	21,201,000	24,925,000	28,256,981	25,326,000	28,256,981	33,536,893	38,311,028
Current Deferred Taxes	1,910,000	394,000	588,000	531,607	2,166,000	531,607	610,238	692,550
Other Current Assets	6,054,000	6,394,000	6,260,000	6,314,369	5,411,000	6,314,369	7,162,752	8,237,146
Current Assets	\$147,018,000	\$149,069,000	\$164,369,000	\$166,858,416	\$152,578,000	\$166,858,416	\$197,052,587	\$235,446,764
Property and Equipment	76,747,000	78,748,000	81,636,000	84,529,780	\$73,646,000	\$84,529,780	\$99,456,926	\$114,733,550
Long-Term Equity and Other Investments	12,367,000	12,961,000	14,656,000	14,656,000	13,078,000	14,656,000	14,656,000	14,656,000
Goodwill	20,734,000	20,824,000	20,870,000	20,870,000	20,624,000	20,870,000	20,870,000	20,870,000
Other Intangibles	1,840,000	1,697,000	1,520,000	1,520,000	1,979,000	1,520,000	1,520,000	1,520,000
Long-Term Deferred Taxes	730,000	895,000	972,000	972,000	721,000	972,000	972,000	972,000
Prepaid Revenue Share, Expenses and Other Assets	13,967,000	14,298,000	15,220,000	17,280,542	13,283,000	17,280,542	20,617,498	23,254,412
Total Assets	\$273,403,000	\$278,492,000	\$299,243,000	\$306,686,738	\$275,909,000	\$306,686,738	\$355,145,011	\$411,452,727
Accounts Payable	\$4,099,000	\$4,064,000	\$4,391,000	\$4,955,239	\$5,561,000	\$4,955,239	\$5,857,266	\$6,632,472
Accrued Compensation & Benefits	5,656,000	7,127,000	8,747,000	8,028,765	8,495,000	8,028,765	9,116,495	9,430,791
Accrued Expenses & Other Liabilities	22,601,000	24,426,000	25,631,000	25,509,566	23,067,000	25,509,566	32,670,862	38,916,174
Accrued Revenue Share	4,982,000	5,005,000	6,030,000	6,941,112	5,916,000	6,941,112	8,557,857	10,171,360
Deferred Revenue	1,938,000	2,061,000	2,302,000	2,147,490	1,908,000	2,147,490	2,545,866	2,916,256
Current Income Taxes	913,000	975,000	1,099,000		274,000	0	0	0
Short-Term Debt & Capital Lease Obligations	0	0	0	0	0	0	0	0
Total Current Liabilities	\$40,189,000	\$43,658,000	\$48,200,000	\$47,582,172	\$45,221,000	\$47,582,172	\$58,748,346	\$68,067,054
Long-Term Debt & Capital Lease Obligations	5,016,000	4,018,000	13,902,000	13,902,000	\$4,554,000	\$13,902,000	\$13,902,000	\$13,902,000
Long-Term Deferred Revenue	350,000	397,000	454,000	423,528	358,000	423,528	502,095	575,143
Deferred Income Taxes	11,286,000	10,396,000	10,589,000	10,589,000	11,586,000	10,589,000	10,589,000	10,589,000
Other Long-Term Liabilities	12,903,000	12,701,000	13,178,000	13,625,660	12,748,000	13,625,660	16,134,580	18,156,385
Total Liabilities	\$69,744,000	\$71,170,000	\$86,323,000	\$86,122,360	\$74,467,000	\$86,122,360	\$99,876,022	\$111,289,582
Shareholders' Equity	\$203,659,000	\$207,322,000	\$212,920,000	\$220,564,378	\$201,442,000	\$220,564,378	\$255,268,989	\$300,163,144
Liabilities & Shareholders' Equity	\$273,403,000	\$278,492,000	\$299,243,000	\$306,686,738	\$275,909,000	\$306,686,738	\$355,145,011	\$411,452,727

GOOGL Cash Flows

Google - Cash Flow Statement

(\$ in thousands)

	F2020				F2019A	F2020E	F2021E	F2022E
	Q1 20A	Q2 20A	Q3 20A	Q4 20E				
Net Income	\$6,836,000	\$6,959,000	\$11,247,000	\$10,238,378	\$34,343,000	\$35,280,378	\$41,237,111	\$47,592,905
Depreciation	2,899,000	3,178,000	3,289,000	3,387,670	10,856,000	12,753,670	14,597,930	16,430,099
Amortization of Intangibles and Warrants	209,000	208,000	189,000	189,000	925,000	795,000	956,000	1,156,000
In-process research and development	0	0	0	0	0	0	0	0
Tax Benefit from Stock Options	0	0	0	0	0	0	0	0
Stock-Based Compensation	3,191,000	3,382,000	3,195,000	3,217,000	10,794,000	12,985,000	14,961,500	17,045,250
Deferred Taxes	175,000	(591,000)	136,000	0	173,000	(280,000)	0	0
Other / Charges	1,099,000	(1,470,000)	(1,809,000)	0	(2,991,000)	(2,180,000)	0	0
Funds From Operations	\$14,409,000	\$11,666,000	\$16,247,000	\$17,032,048	\$53,701,000	\$59,354,048	\$71,752,541	\$82,224,254
(Inc.) Dec. in Accounts Receivable	2,602,000	(80,000)	(3,601,000)	(3,331,981)	(4,340,000)	(4,410,981)	(5,279,912)	(4,774,135)
(Inv.) Dec. in Income Taxes	(245,000)	783,000	(69,000)	56,393	(3,128,000)	525,393	(78,631)	(82,312)
(Inc.) Dec. in Prepaid Revenue and Other	(115,000)	(244,000)	(233,000)	(2,114,911)	(621,000)	(2,706,911)	(4,185,339)	(3,711,308)
Inv. (Dec.) in Accounts Payable	(835,000)	146,000	420,000	564,239	428,000	295,239	902,027	775,206
Inv. (Dec.) in Accrued Expenses and Other Liabil	(3,531,000)	1,432,000	2,990,000	(1,491,009)	7,170,000	(600,009)	10,757,946	8,581,414
Inv. (Dec.) in Accrued Revenue	(871,000)	179,000	969,000	911,112	1,273,000	1,188,112	1,616,745	1,613,503
Inv. (Dec.) in Deferred Revenue	37,000	111,000	280,000	(184,982)	37,000	243,018	476,944	443,438
Change in Net Working Capital	(\$2,958,000)	\$2,327,000	\$756,000	(\$5,591,139)	819,000	(\$5,466,139)	\$4,209,780	\$2,845,805
Cash Flow from Operations	\$11,451,000	\$13,993,000	\$17,003,000	\$11,440,910	\$54,520,000	\$53,887,910	\$75,962,321	\$85,070,059
Capital Expenditures	(6,005,000)	(5,391,000)	(5,406,000)	(6,281,450)	(\$23,548,000)	(\$23,083,450)	(\$29,525,075)	(31,706,724)
Acquisitions, Net of Cash Acquired	(190,000)	(165,000)	(13,000)	0	(2,515,000)	(368,000)	0	0
Purchases of Securities and Investments	(38,135,000)	(27,287,000)	(41,374,000)	0	(102,247,000)	(106,796,000)	0	0
Proceeds from Sales of PP&E	412,000	0	0	0	210,000	412,000	0	0
Proceeds from Sales of Securities and Investmen	42,071,000	24,276,000	32,002,000	0	98,230,000	98,349,000	0	0
Other	0	119,000	(406,000)	0	379,000	(287,000)	0	0
Net Cash Used in Investing Activities	(\$1,847,000)	(\$8,448,000)	(\$15,197,000)	(\$6,281,450)	(\$29,491,000)	(\$31,773,450)	(\$29,525,075)	(\$31,706,724)
Debt Issuance / (Repayment)	(49,000)	(35,000)	9,802,000	0	(268,000)	9,718,000	0	0
Proceeds from / (Repurchase of) Common Stock	(8,496,000)	(6,852,000)	(7,897,000)	(6,000,000)	(18,396,000)	(29,245,000)	(22,450,000)	(20,900,000)
Excess Tax Benefit from Stock Options	(1,241,000)	(1,475,000)	(1,357,000)	0	(4,765,000)	(4,073,000)	0	0
Other	1,600,000	864,000	(2,000)	0	220,000	2,462,000	0	0
Net Cash Provided by Financing Activities	(\$8,186,000)	(\$7,498,000)	\$546,000	(\$6,000,000)	(\$23,209,000)	(\$21,138,000)	(\$22,450,000)	(\$20,900,000)
Effect of Exchange Rate Changes	(272,000)	51,000	35,000	0	(23,000)	(186,000)	0	0
Inc. (Dec.) in Cash and Cash Equivalents	\$1,146,000	(\$1,902,000)	\$2,387,000	(\$840,541)	\$1,797,000	\$790,459	\$23,987,245	\$32,463,335
Beginning Cash and Cash Equivalents	18,498,000	19,644,000	17,742,000	20,129,000	16,700,587	18,497,587	19,288,046	43,275,292
Ending Cash and Cash Equivalents	\$19,644,000	\$17,742,000	\$20,129,000	\$19,288,459	\$18,497,587	\$19,288,046	\$43,275,292	\$75,738,627

IAC Income Statement

IAC/InterActiveCorp - Income Statement

(\$ in Thousands)

	F2020				F2019A	F2020E	F2021E	F2022E
	Q1 20A	Q2 20A	Q3 20A	Q4 20E				
Net Revenues	\$684,124	\$726,361	\$788,377	\$775,551	\$4,757,126	\$2,974,413	\$3,268,665	\$3,656,718
% Y/Y Growth	(38%)	(39%)	(37%)	(36%)	12%	(37%)	10%	12%
Cost of Revenue	\$179,309	\$178,529	\$207,609	\$194,833	\$1,123,653	\$760,280	\$1,005,463	\$1,139,458
Total Gross Profit	\$504,815	\$547,832	\$580,768	\$580,718	\$3,633,473	\$2,214,133	\$2,263,202	\$2,517,260
Gross Margin (%)	73.8%	75.4%	73.7%	74.9%	76.4%	74.4%	69.2%	68.8%
Selling & Marketing	306,931	307,696	337,847	\$346,944	\$1,619,325	\$1,299,418	\$1,249,528	\$1,291,774
General & Administrative	140,095	164,103	142,959	\$146,808	\$710,652	\$593,965	\$571,161	\$590,471
Product Development	59,722	60,448	64,792	\$66,537	\$297,172	\$251,499	\$241,843	\$250,019
Depreciation	15,492	16,604	18,753	16,100	88,399	66,949	67,681	67,892
Amortization of Intangibles	45,759	26,303	60,151	17,400	92,595	149,613	149,942	150,517
Total Stock Compensation Expense	37,181	79,697	31,719	37,000	240,608	185,597	184,841	184,458
Operating Income	(\$312,338)	(\$107,019)	(\$128,626)	(\$50,070)	\$581,333	(\$598,053)	(\$201,794)	(\$17,872)
% Margin	(45.7%)	(14.7%)	(16.3%)	(6.5%)	12.2%	(20.1%)	(6.2%)	(0.5%)
% Y/Y Growth	(491)	(169)	(169)	(131)	3	(203)	--	--
Adjusted EBITDA	(\$8,207)	\$14,900	\$35,200	\$20,430	\$986,576	\$62,323	\$200,671	\$384,995
% Margin	(1%)	2%	4%	3%	21%	2%	6%	11%
% Y/Y Growth	(104)	(94)	(87)	(92)	(0)	(94)	222	92
Net Interest (Income) and Other (Income)	59,665	23,124	(284,979)	807	86,822	(201,383)	80,000	80,000
Adjusted Pre-Tax Profit / (Loss)	(\$372,003)	(\$130,143)	\$209,526	(\$50,877)	\$494,511	(\$396,670)	(\$281,794)	(\$97,872)
% Effective Tax Rate	11%	28%	-14%	20%	-10%	30%	20%	20%
Provision / (Benefit) for Income Taxes	(41,432)	(36,079)	(29,508)	(17,575)	✓ (49,309)	✓ (124,594)	(93,327)	(56,466)
Minority Interest	(2,372)	2,053	944	0	✓ 112,689	✓ 625	0	0
Company-Defined Adj Net Income / (Loss)	(\$245,259)	\$9,883	\$329,960	\$13,698	\$767,652	\$108,282	\$109,348	\$256,678
Stock-Based Compensation	37,181	79,697	31,719	37,000	✓ 240,608	✓ 185,597	184,841	184,458
(Gain) / Loss on Sale of discontinued operations, net of tax	0	0	0	0	✓ 0	✓ 0	0	0
Income from discontinued operations, net of tax	0	0	0	0	✓ 0	✓ 0	0	0
Tax Effect of Non-GAAP Entries	0	0	0	(7,400)	0	(7,400)	(36,968)	(36,892)
Reported GAAP Net Income / (Loss)	(\$328,199)	(\$96,117)	\$184,917	(\$33,302)	\$431,131	(\$272,701)	(\$188,467)	(\$41,406)
% Y/Y Growth	(470)	(185)	44	(133)	(30)	(163)	--	--
GAAP Wtd. Avg. diluted shares	84,800	85,100	90,500	91,405	90,300	91,405	92,319	93,242
Adjusted Wtd. Avg. Diluted Shares	84,800	85,100	90,500	91,405	90,300	91,405	92,319	93,242
Reported GAAP EPS	(\$3.87)	(\$1.13)	\$2.04	(\$0.36)	✓ \$4.52	(\$3.32)	(\$2.04)	(\$0.44)
% Y/Y Growth	(525%)	(224%)	51%	(127%)	✓ (31%)	(173%)	--	--

IAC Revenue Build

IAC/InterActiveCorp - Revenue Build

(\$ in thousands)

	F2020				F2018A	F2019A	F2020E	F2021E	F2022E
	Q1 20A	Q2 20A	Q3 20A	Q4 20E					
ANGI Homeservices	\$343,650	\$375,100	\$389,900	\$351,087	▼ \$1,132,200	▼ \$1,326,205	\$1,459,737	\$1,634,905	\$1,880,141
% Y/Y Growth	13%	9%	9%	9%	54%	17%	10%	12%	15%
% Q/Q Growth	7%	9%	4%	(10%)	--	--	--	--	--
% of Total Revenue	50%	52%	49%	45%	27%	28%	49%	50%	51%
Vimeo	\$56,968	\$67,300	\$75,100	\$79,681	▼ \$159,600	▼ \$196,015	\$279,049	\$357,183	\$446,478
% Y/Y Growth	31%	47%	44%	46%	54%	23%	42%	28%	25%
% Q/Q Growth	4%	18%	12%	6%	--	--	--	--	--
% of Total Revenue	8%	9%	10%	10%	4%	4%	9%	11%	12%
Dotdash	\$44,120	\$44,600	\$50,800	\$64,519	▼ \$131,000	▼ \$167,594	\$204,039	\$240,766	\$276,881
% Y/Y Growth	30%	18%	26%	16%	44%	28%	22%	18%	15%
% Q/Q Growth	(21%)	1%	14%	27%	--	--	--	--	--
% of Total Revenue	6%	6%	6%	8%	3%	4%	7%	7%	8%
Search	\$154,419	\$131,300	\$145,200	\$146,587	\$823,950	▼ \$742,184	\$577,506	\$490,880	\$431,974
% Y/Y Growth	(21%)	(32%)	(22%)	(12%)	43%	(10%)	(22%)	-15%	-12%
% Q/Q Growth	(7%)	(15%)	11%	1%	--	--	--	--	--
% of Total Revenue	23%	18%	18%	19%	19%	16%	19%	15%	12%
Emerging & Other	\$85,042	\$108,100	\$127,400	\$133,731	\$286,586	▼ \$274,107	\$454,273	\$545,128	\$621,445
% Y/Y Growth	32%	60%	82%	85%	(39%)	(4%)	66%	20%	14%
% Q/Q Growth	18%	27%	18%	5%	--	--	--	--	--
% of Total Revenue	12%	15%	16%	17%	7%	6%	15%	17%	17%
Inter-Segment Elimination	(\$75)	(\$39)	(\$23)	(\$54)	(\$361)	▼ (\$304)	(\$191)	(\$197)	(\$203)
% Y/Y Growth	--	--	--	2%	--	--	--	3%	3%
Total Revenue	\$684,124	\$726,361	\$788,377	\$775,551	\$4,262,825	▼ \$4,757,126	\$2,974,413	\$3,268,665	\$3,656,718

LYFT Income Statement

Income Statement (\$ in 1,000s, except per share) (FY ends in Dec.)		FY19	F1Q20	F2Q20	F3Q20A	F4Q20E	FY20	FY21	FY22
TOTAL revenue		\$3,615,960	\$955,712	\$339,345	\$499,744	\$554,112	\$2,348,913	\$3,282,994	\$4,600,780
% YoY growth		68%	23%	-61%	-48%	-46%	-35%	40%	40%
% QoQ growth			-6%	-64%	47%	11%			
<i>guidance</i>		<i>3574-3584</i>	<i>1055-1060</i>		<i>+11-15% q/q</i>		<i>4575-4650</i>		
total cost of revenue		1,803,500	408,300	222,000	250,900	263,203	1,144,403	1,382,664	1,769,312
% of rev		49.9%	42.7%	65.4%	50.2%	47.5%	48.7%	42.1%	38.5%
contribution (non-gaap)		1,812,460	547,412	117,345	248,844	290,909	1,204,510	1,900,331	2,831,469
contribution margin %		50.1%	57.3%	34.6%	49.8%	52.5%	51.3%	57.9%	61.5%
Operations & support		558,200	129,300	87,600	117,600	106,944	441,444	474,535	544,695
% of rev		15.4%	13.5%	25.8%	23.5%	19.3%	18.8%	14.5%	11.8%
R&D		501,900	153,800	133,800	130,700	127,446	545,746	596,006	704,125
% of rev		13.9%	16.1%	39.4%	26.2%	23.0%	23.2%	18.2%	15.3%
S&M		737,600	190,800	43,800	71,100	96,970	402,670	486,145	597,107
% of rev		20.4%	20.0%	12.9%	14.2%	17.5%	17.1%	14.8%	13.0%
G&A		766,900	186,900	168,300	203,600	171,775	730,575	787,942	887,765
% of rev		21.2%	19.6%	49.6%	40.7%	31.0%	31.1%	24.0%	19.3%
Total Opex		2,564,600	660,800	433,500	523,000	503,134	2,120,434	2,344,628	2,733,692
EBIT (non-gaap)		(752,140)	(113,388)	(316,155)	(274,156)	(212,225)	(915,924)	(444,297)	97,777
operating margin %		-20.8%	-11.9%	-93.2%	-54.9%	-38.3%	-39.0%	-13.5%	2.1%
EBITDA (adjusted)		(678,861)	(85,214)	(280,293)	(239,702)	(179,990)	(785,199)	(303,917)	243,448
<i>guidance</i>		<i>-708--718</i>	<i>-140--145</i>	<i><-325</i>	<i><-265</i>	<i>190</i>	<i>-450--490</i>		
EBITDA margin %		-18.8%	-8.9%	-82.6%	-48.0%	-32.5%	-33.4%	-9.3%	5.3%
interest & other		102,595	17,662	5,586	(5,055)	9,421	27,614	48,153	58,238
EBT		(649,545)	(95,726)	(310,569)	(279,211)	(202,804)	(888,310)	(396,145)	156,015
taxes		2,283	1,630	(44,799)	1,109	-	(42,060)	-	-
tax rate %		-0.4%	-1.7%	14.4%	-0.4%	0.0%	4.7%	0.0%	0.0%
Net Income (non-gaap)		(651,828)	(97,356)	(265,770)	(280,320)	(202,804)	(846,250)	(396,145)	156,015
Net Income (gaap)		(2,602,241)	(398,073)	(437,112)	(459,517)	(377,804)	(1,672,506)	(1,028,809)	(482,976)
EPS (diluted, non-gaap)		(2.87)	(0.32)	(0.86)	(0.89)	(0.64)	(2.71)	(1.21)	0.40
EPS (diluted, gaap)		(11.44)	(1.31)	(1.41)	(1.46)	(1.18)	(5.36)	(3.14)	(1.42)
shares (basic, avg)		227,498	304,502	309,213	314,530	319,248	311,873	327,309	340,599
shares (diluted, avg)		341,400	343,156	353,364	357,610	361,186	353,829	370,306	385,342

LYFT Metrics

METRICS	FY19	F1Q20	F2Q20	F3Q20A	F4Q20E	FY20	FY21	FY22
Active riders (Ms)		21.2	8.7	12.5	13.0			
Rev per active rider	\$45.06		39.06	39.94	42.62			
Rides (Ms)			April -75% y/y July -54% y/y Oct -47% y/y May -70% y/y Aug -53% y/y Nov -50% y/y					
% YoY growth								
Active riders (Ms)		3%	-60%	-44%	-43%			
Rev per active rider		19%	-2%	-7%	-4%			
Rides (Ms)								
% QoQ growth								
Active riders (Ms)		-7%	-59%	44%	4%			
Rev per active rider		1%	-13%	2%	7%			
Rides (Ms)								
bookings per ride								
revenue per ride								
contribution per ride								
Acquis. costs (drivers, riders)								
Incentives (above rev)	\$ 560,300	\$ 112,200	\$ 58,300	\$ 125,000				
Promotions (S&M)	381,500	100,100	4,000	11,000				
Advertising (S&M)	188,300	N/A	N/A	N/A				
TOTAL	1,130,100							
% of bookings								
total acquis. cost per ride								
Employees	5,683	5,726	4,973	4,786				
QoQ change (% YoY for FY)	21%	43	(753)	(187)				
rev/EE (avg, annualized)	\$ 697,860	\$ 670,146	\$ 253,740	\$ 409,668				
B/S & C/F, selected items								
Cash & securities, gross	4,416,145	4,139,798	3,958,111	3,768,511	3,728,219	3,728,219	2,838,269	3,192,443
Cash & secs, ex-restricted	2,850,124	2,669,880	2,775,937	2,453,449	2,360,516	2,360,516	1,721,686	1,792,771
CFFO	(105,702)	(206,926)	(751,722)	(155,638)	(128,057)	(1,242,343)	(258,631)	515,202
% YoY growth	-62%	144%	-5008%	-1656%	177%	1075%	-79%	-299%
OCF mgn (% of rev)	-3%					-53%	-8%	11%
FCF	(283,790)	(241,402)	(773,481)	(170,247)	(156,317)	(1,341,447)	(389,950)	354,175
% YoY growth	-19%	120%	2678%	240%	63%	373%	-71%	-191%

LYFT Balance Sheet

Lyft, Inc. (LYFT) (\$ in 1,000s, except per share) (FY ends in Dec.)	FY19	F1Q20	F2Q20	F3Q20A	F4Q20E	FY20	FY21	FY22
Balance Sheet								
Cash & equivalents	358,319	597,889	841,061	424,806	331,873	331,873	193,043	264,128
S-T investments	2,491,805	2,071,991	1,934,876	2,028,643	2,028,643	2,028,643	1,528,643	1,528,643
Prepaid expenses & other	397,239	474,874	320,269	299,605	243,809	243,809	447,878	573,798
Total current assets	3,247,363	3,144,754	3,096,206	2,753,054	2,604,326	2,604,326	2,169,564	2,366,570
PP&E	188,603	360,546	353,576	335,738	324,763	324,763	290,702	306,058
Goodwill	158,725	180,590	182,797	182,725	182,725	182,725	182,725	182,725
Intangibles	82,919	88,744	79,705	71,792	71,792	71,792	71,792	71,792
Restricted cash, equiv, invst	1,566,021	1,469,918	1,182,174	1,315,062	1,367,703	1,367,703	1,116,582	1,399,672
Right to use	441,258	307,774	297,173	283,990	183,921	183,921	247,961	300,274
Other assets	6,494	19,432	22,814	25,970	25,970	25,970	25,970	25,970
Total assets	5,691,383	5,571,758	5,214,445	4,968,331	4,761,199	4,761,199	4,105,297	4,653,061
Accounts payable	38,839	540,495	48,236	26,020	29,562	29,562	38,182	44,900
Insurance reserves	1,378,462	975,132	943,636	922,628	948,948	948,948	892,447	881,746
Accrued expenses & other	939,865	991,386	939,410	1,047,548	997,402	997,402	1,221,484	1,564,905
Lease obligations	94,199	44,127	48,282	48,979	48,979	48,979	48,979	48,979
Total current liabilities	2,451,365	2,551,140	1,979,564	2,045,175	2,024,891	2,024,891	2,201,093	2,540,530
Other liabilities	385,934	413,129	938,322	920,063	920,063	920,063	920,063	920,063
Total liabilities	2,837,299	2,964,269	2,917,886	2,965,238	2,944,954	2,944,954	3,121,156	3,460,593
Stockholders' equity	2,854,084	2,607,489	2,296,559	2,003,093	1,816,245	1,816,245	984,141	1,192,468
Total liab. & stock. equity	5,691,383	5,571,758	5,214,445	4,968,331	4,761,199	4,761,199	4,105,297	4,653,061

LYFT Cash Flows

Cash Flows	FY19	F1Q20	F2Q20	F3Q20A	F4Q20E	FY20	FY21	FY22
Net income (loss)	(2,602,241)	(398,073)	(437,112)	(459,517)	(377,804)	(1,672,506)	(1,028,809)	(482,976)
D&A	108,429	35,474	44,462	41,714	39,235	160,885	165,381	145,671
SBC	1,599,311	159,978	105,803	166,717	175,000	607,498	632,664	638,991
other	(2,934)	(4,025)	(31,970)	17,332	-	(18,663)	-	-
change in other A&L	791,733	(280)	(432,905)	78,116	35,512	(319,557)	(27,867)	213,516
Operating Cash Flow	(105,702)	(206,926)	(751,722)	(155,638)	(128,057)	(1,242,343)	(258,631)	515,202
capex	(178,088)	(34,476)	(21,759)	(14,609)	(28,260)	(99,104)	(131,320)	(161,027)
acquisitions (net of cash)	(12,323)	(12,440)	-	64	-	(12,376)	-	-
other, incl. chg rest. Cash	(1,420,432)	834,583	114,648	(311,003)	(52,641)	585,587	251,121	(283,090)
Investing Cash Flow	(1,610,843)	787,667	92,889	(325,548)	(80,900)	474,108	119,801	(444,117)
equity	1,574,196	(4,390)	7,391	(135,587)	-	(132,586)	-	-
debt & other	-	(12,254)	577,229	103,632	-	668,607	-	-
dividends	-	-	-	-	-	-	-	-
Financing Cash Flow	1,574,196	(16,644)	584,620	(31,955)	-	536,021	-	-
FX impact on cash	328	(120)	(244)	78	-	(286)	-	-
Net change in cash	(142,021)	563,977	(74,457)	(513,063)	(208,958)	(232,501)	(138,830)	71,085
Cash, beginning	706,395	564,374	1,128,351	1,053,894	540,831	564,374	331,873	193,043
Cash, ending	564,374	1,128,351	1,053,894	540,831	331,873	331,873	193,043	264,128

MELI Income Statement

This document is intended for professional investors.

Income Statement (\$ in Millions)	2020E				2021E			
	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Revenue, net	652.1	878.4	1,115.7	1,209.5	1,057.8	1,134.5	1,458.7	1,625.5
Cost of revenue	(339.3)	(451.2)	(635.5)	(704.8)	(571.5)	(594.1)	(794.4)	(922.8)
Gross profit	312.8	427.2	480.2	504.7	486.3	540.4	664.3	702.7
% Margin	48.0%	48.6%	43.0%	41.7%	46.0%	47.6%	45.5%	43.2%
Product and technology development	(73.4)	(73.3)	(88.8)	(85.9)	(98.0)	(100.3)	(101.5)	(91.1)
Sales and marketing	(206.5)	(184.1)	(229.6)	(350.8)	(260.9)	(339.9)	(387.7)	(426.8)
General and administrative	(62.6)	(70.4)	(78.7)	(76.6)	(85.6)	(102.3)	(102.9)	(86.7)
Other operating expenses & losses	0.0	0.0	0.0					
Total operating expenses	(342.5)	(327.7)	(397.1)	(513.4)	(444.5)	(542.4)	(592.1)	(604.6)
Operating income (loss), GAAP	(29.7)	99.4	83.1	(8.7)	41.7	(2.0)	72.1	98.1
% Margin	(4.6%)	11.3%	7.4%	(0.7%)	3.9%	(0.2%)	4.9%	6.0%
Interest income	36.8	18.8	24.6	24.6	25.0	23.7	22.2	23.7
Interest expense	(23.6)	(27.0)	(24.5)	(24.5)	(25.2)	(24.0)	(22.6)	(24.1)
Foreign currency	(0.2)	(1.9)	(30.4)					
Earnings before taxes	(16.7)	89.3	52.7	(8.6)	41.6	(2.4)	71.8	97.7
Income tax (provision) benefit	(4.4)	(33.4)	(37.6)	0.0	(10.4)	0.0	(17.9)	(24.4)
Effective tax rate	(26.6%)	37.4%	71.5%	0.0%	25.0%	0.0%	25.0%	25.0%
Net earnings (loss) to shareholders	(21.1)	55.9	15.0	(8.6)	31.2	(2.4)	53.8	73.3
Diluted EPS, GAAP					\$0.63	(\$0.05)	\$1.08	\$1.47
Diluted EPS, Adjusted	(\$0.42)	\$1.46	\$0.30	(\$0.17)	\$0.63	(\$0.05)	\$1.08	\$1.47
Diluted Shares Outstanding, Average	49.7	49.7	49.7	49.8	49.8	49.8	49.8	49.8
EBITDA								
Operating income (loss), GAAP	(29.7)	99.4	83.1	(8.7)	41.7	(2.0)	72.1	98.1
Depreciation and amortization	21.6	22.7	28.2	28.7	29.2	29.7	30.2	30.7
Other	0.0	26.7	0.0					
EBITDA, GAAP	(8.1)	148.8	111.3	20.1	71.0	27.7	102.4	128.8
% Margin	(1.2%)	16.9%	10.0%	1.7%	6.7%	2.4%	7.0%	7.9%
Net Income								
Net earnings (loss) to shareholders	(21.1)	55.9	15.0	(8.6)	31.2	(2.4)	53.8	73.3
Other	0.0	16.7	0.0					
Net Income	(21.1)	72.7	15.0	(8.6)	31.2	(2.4)	53.8	73.3

2019	2020E	2021E	2022E
2,296.3	3,855.6	5,276.5	7,290.3
(1,194.2)	(2,130.7)	(2,882.8)	(3,873.9)
1,102.1	1,724.9	2,393.7	3,416.4
48.0%	44.7%	45.4%	46.9%
(223.8)	(321.4)	(390.9)	(466.8)
(834.0)	(971.0)	(1,415.3)	(1,810.0)
(197.5)	(288.3)	(377.5)	(448.5)
0.0	0.0	0.0	0.0
(1,255.3)	(1,580.7)	(2,183.7)	(2,725.3)
(153.2)	144.2	209.9	691.1
(6.7%)	3.7%	4.0%	9.5%
113.5	104.7	94.7	93.4
(65.9)	(99.6)	(95.9)	(92.6)
(1.7)	(32.5)	0.0	0.0
(107.2)	116.7	208.8	691.8
(64.8)	(75.5)	(52.8)	(172.9)
(60.4%)	64.7%	25.3%	25.0%
(172.0)	41.2	156.0	518.8
(\$3.44)	\$0.83	\$3.13	\$10.42
(\$1.45)	\$1.17	\$3.13	\$10.42
50.0	49.7	49.8	49.8
(153.2)	144.2	209.9	691.1
73.3	101.2	119.9	124.9
0.0	26.7	0.0	0.0
(79.8)	272.0	329.9	815.9
(3.5%)	7.1%	6.3%	11.2%
(172.0)	41.2	156.0	518.8
98.7	16.7	0.0	0.0
(73.3)	58.0	156.0	518.8

MELI Balance Sheet

prohibited.

Balance Sheet (\$ in Millions)	2020E				2021E			
	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Cash and cash equivalents	1,071.2	1,169.6	1,139.7	1,183.5	765.9	700.4	1,076.8	1,317.3
Restricted cash	194.2	493.8	484.4	484.4	484.4	484.4	484.4	484.4
Short-term investments	1,558.3	2,124.9	2,187.5	2,187.5	2,187.5	2,187.5	2,187.5	2,187.5
Accounts receivable	34.1	42.4	40.9	45.2	39.5	42.4	54.5	60.7
Credit cards receivable (MercadoPago)	366.8	646.7	660.4	695.2	596.5	627.3	790.5	863.1
Loans receivable (MercadoCredito)	141.4	139.1	239.1	205.0	179.3	192.3	247.3	275.6
Prepaid expenses	35.3	23.1	28.4	28.4	28.4	28.4	28.4	28.4
Inventories	12.1	20.8	46.6	33.6	24.1	21.8	24.8	23.7
Other current assets	96.9	94.0	96.8	96.8	96.8	96.8	96.8	96.8
Total current assets	3,510.3	4,754.6	4,923.9	4,959.6	4,402.4	4,381.3	4,990.9	5,337.5
Long-term investments	276.8	10.8	22.0	22.0	22.0	22.0	22.0	22.0
Property and equipment	239.2	263.0	302.5	339.7	377.4	415.7	454.4	493.6
Operating lease right-of-use assets	183.5	186.9	225.3	225.3	225.3	225.3	225.3	225.3
Goodwill	82.3	81.8	79.1	79.1	79.1	79.1	79.1	79.1
Intangible assets	17.1	15.9	14.2	14.2	14.2	14.2	14.2	14.2
Deferred tax assets	102.3	93.9	125.0	125.0	125.0	125.0	125.0	125.0
Other non-current assets	46.5	45.8	45.7	45.7	45.7	45.7	45.7	45.7
Total assets	4,458.1	5,452.7	5,737.7	5,810.7	5,291.2	5,308.3	5,956.7	6,342.5
Accounts payable and accrued expenses	295.5	417.8	509.1	475.3	354.1	335.6	405.2	420.1
Funds payable to customers	718.5	1,324.6	1,421.8	1,484.2	1,172.3	1,186.1	1,542.4	1,741.2
Salaries and social security payable	100.1	114.9	157.1	157.1	157.1	157.1	157.1	157.1
Taxes payable	46.4	141.2	212.7	212.7	212.7	212.7	212.7	212.7
Loans payable and other financial liabilities	316.5	591.7	618.2	647.7	506.4	506.9	651.7	726.7
Operating lease liabilities	23.0	25.1	39.6	39.6	39.6	39.6	39.6	39.6
Other current liabilities	76.6	44.4	48.7	48.7	48.7	48.7	48.7	48.7
Total current liabilities	1,576.5	2,659.8	3,007.3	3,065.4	2,491.0	2,486.7	3,057.5	3,346.1
Salaries and social security payable	16.2	25.3	29.2	29.2	29.2	29.2	29.2	29.2
Loans payable and other financial liabilities	616.3	610.9	618.3	618.3	618.3	618.3	618.3	618.3
Operating lease liabilities	169.1	168.6	189.1	189.1	189.1	189.1	189.1	189.1
Deferred tax liabilities	98.0	65.3	72.1	72.1	72.1	72.1	72.1	72.1
Other long-term liabilities	16.5	15.8	26.2	26.2	26.2	26.2	26.2	26.2
Convertible preferred stock	98.8	98.8	49.4	49.4	49.4	49.4	49.4	49.4
Preferred stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common stock	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Additional paid-in capital	2,068.0	1,964.1	1,931.0	1,954.5	1,978.1	2,001.8	2,025.7	2,049.6
Treasury stock	(0.7)	(1.4)	(40.4)	(40.4)	(40.4)	(40.4)	(40.4)	(40.4)
Retained earnings (accumulated deficit)	295.9	350.9	365.0	356.3	387.5	385.2	439.0	512.3
Accumulated other comprehensive loss	(496.7)	(505.4)	(509.5)	(509.5)	(509.5)	(509.5)	(509.5)	(509.5)
Other shareholders equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders equity	1,866.6	1,808.2	1,746.1	1,761.0	1,815.8	1,837.2	1,914.8	2,012.0
Total liabilities and shareholder equity	4,458.1	5,452.7	5,737.7	5,810.7	5,291.2	5,308.3	5,956.7	6,342.5

2018	2019	2020E	2021E	2022E
440.3	1,384.7	1,183.5	1,317.3	1,805.9
24.4	66.7	484.4	484.4	484.4
461.5	1,597.2	2,187.5	2,187.5	2,187.5
35.2	35.4	45.2	60.7	84.2
360.3	380.0	695.2	863.1	1,098.3
95.8	182.1	205.0	275.6	382.2
27.5	45.3	28.4	28.4	28.4
4.6	8.6	33.6	23.7	32.0
61.6	88.7	96.8	96.8	96.8
1,511.1	3,788.9	4,959.6	5,337.5	6,199.7
276.1	264.0	22.0	22.0	22.0
165.6	244.3	339.7	493.6	667.5
0.0	200.4	225.3	225.3	225.3
88.9	87.6	79.1	79.1	79.1
18.6	14.3	14.2	14.2	14.2
141.4	117.6	125.0	125.0	125.0
37.7	64.7	45.7	45.7	45.7
2,239.5	4,781.7	5,810.7	6,342.5	7,378.5
266.8	372.3	475.3	420.1	409.7
641.0	894.1	1,484.2	1,741.2	2,078.0
60.4	101.8	157.1	157.1	157.1
31.1	60.2	212.7	212.7	212.7
132.9	186.1	647.7	726.7	817.4
0.0	23.3	39.6	39.6	39.6
34.1	114.5	48.7	48.7	48.7
1,166.2	1,752.3	3,065.4	3,346.1	3,763.3
23.2	26.8	29.2	29.2	29.2
602.2	631.4	618.3	618.3	618.3
0.0	176.7	189.1	189.1	189.1
91.7	100.0	72.1	72.1	72.1
19.5	12.6	26.2	26.2	26.2
0.0	98.8	49.4	49.4	49.4
0.0	0.1	0.1	0.1	0.1
224.8	2,067.9	1,954.5	2,049.6	2,149.6
0.0	(0.7)	(40.4)	(40.4)	(40.4)
503.4	322.6	356.3	512.3	1,031.2
(391.6)	(406.7)	(509.5)	(509.5)	(509.5)
0.0	0.0	0.0	0.0	0.0
336.7	1,983.1	1,761.0	2,012.0	2,630.9
2,239.5	4,781.7	5,810.7	6,342.5	7,378.5

MELI Cash Flow Statement

prohibited.

Cash Flow Statement (\$ in Millions)		2020E				2021E								
		1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E	2018	2019	2020E	2021E	2022E
Net (loss) income		(21.1)	55.9	15.0	(8.6)	31.2	(2.4)	53.8	73.3	(36.6)	(172.0)	41.2	156.0	518.8
Depreciation and amortization		21.6	22.7	28.2	28.7	29.2	29.7	30.2	30.7	45.8	73.3	101.2	119.9	124.9
Accrued interest		(22.4)	(6.6)	(8.6)						(17.8)	(54.3)	(37.6)	0.0	0.0
Non cash interest & convertible notes amortization of debt		20.8	54.8	18.9						11.4	86.7	94.5	0.0	0.0
LTRP accrued compensation		15.8	36.4	23.4	23.5	23.6	23.7	23.8	23.9	27.5	52.1	99.2	95.1	100.0
Deferred income taxes		(4.2)	(26.9)	(27.3)						(92.6)	16.5	(58.5)	0.0	0.0
Other adjustments		1.7	5.8	29.2						11.1	44.3	36.8	0.0	0.0
Changes in assets and liabilities														
Accounts receivable		19.7	3.4	28.1	(4.3)	5.7	(2.9)	(12.1)	(6.2)	(27.1)	(0.5)	47.0	(15.5)	(23.5)
Credit card receivables		(33.3)	(309.9)	(8.2)	(34.8)	98.8	(30.8)	(163.3)	(72.6)	42.7	(29.3)	(386.2)	(167.9)	(235.2)
Prepaid expenses		8.6	12.2	(5.2)						(23.3)	(18.0)	15.6	0.0	0.0
Inventory		(5.3)	(9.0)	(26.1)	13.1	9.5	2.3	(3.0)	1.1	(3.0)	(4.1)	(27.2)	9.8	(8.3)
Other assets		(5.8)	(1.2)	(11.3)	34.1	25.7	(13.0)	(55.0)	(28.3)	(17.6)	(49.4)	15.9	(70.5)	(106.6)
Accounts payable and accrued expenses		(43.1)	213.2	187.7	(33.8)	(121.2)	(18.6)	69.6	14.9	90.1	143.5	324.0	(55.2)	(10.4)
Funds payable to customers		(21.3)	627.7	105.7	62.4	(311.9)	13.8	356.4	198.7	175.4	267.3	774.4	256.9	336.9
Other liabilities		(32.2)	(40.9)	3.3	29.5	(141.2)	0.5	144.8	75.0	28.2	45.5	(40.3)	79.0	90.7
Interest received from customers		14.8	12.8	8.3						16.7	49.6	35.9	0.0	0.0
Net cash from operating activities		(85.7)	650.3	361.3	109.8	(350.6)	2.4	445.3	310.5	230.9	451.1	1,035.8	407.6	787.2
Purchase of investments		(1,323.6)	(1,002.4)	(1,274.7)						(3,176.1)	(4,490.7)	(3,600.7)	0.0	0.0
Proceeds from sale and maturity of investments		1,250.0	660.4	1,171.3						2,662.8	3,353.6	3,081.6	0.0	0.0
Payment for acquired business		(7.6)	0.6	0.0						(4.2)	0.0	(6.9)	0.0	0.0
Purchases and sale of intangible assets, net		(0.1)	0.0	0.3						(0.2)	(0.1)	0.2	0.0	0.0
Advance for property and equipment		0.0	0.0	0.0						(4.4)	0.0	0.0	0.0	0.0
Changes in principal of loans receivable, net		(27.3)	(11.8)	(131.2)						(57.2)	(173.8)	(170.3)	0.0	0.0
Purchases of property and equipment		(45.2)	(49.7)	(65.0)	(66.0)	(67.0)	(68.0)	(69.0)	(70.0)	(93.1)	(136.8)	(225.8)	(273.9)	(298.7)
Other		3.7	5.0	9.2						0.0	0.0	17.8	0.0	0.0
Net cash from investing activities		(150.1)	(397.9)	(290.1)	(66.0)	(67.0)	(68.0)	(69.0)	(70.0)	(672.5)	(1,447.8)	(904.1)	(273.9)	(298.7)
Proceeds from loans payable		749.6	1,031.4	109.1						236.9	629.9	1,890.2	0.0	0.0
Payments on loans payable		(593.5)	(760.2)	(62.2)						(123.8)	(472.9)	(1,415.8)	0.0	0.0
Dividends paid		(1.0)	(1.0)	(1.0)						(6.6)	(2.8)	(3.0)	0.0	0.0
Proceeds from issuance of common stock		0.0	0.0	0.0						0.0	1,867.2	0.0	0.0	0.0
Share repurchases		0.0	(0.7)	(39.0)	0.0	0.0	0.0	0.0	0.0	0.0	(0.7)	(39.7)	0.0	0.0
Proceeds from issuance of convertibles		0.0	(104.1)	(82.7)						0.0	98.7	(186.8)	0.0	0.0
Other		(0.6)	(0.5)	(1.4)						502.5	(98.3)	(2.5)	0.0	0.0
Net cash from financing activities		154.6	164.9	(77.1)	0.0	0.0	0.0	0.0	0.0	608.9	2,021.0	242.4	0.0	0.0
Effect of exchange rate changes		(104.9)	(19.4)	(33.3)						(90.9)	(37.6)	(157.5)	0.0	0.0
Net increase in cash and equivalents		(186.0)	398.0	(39.2)	43.8	(417.6)	(65.5)	376.3	240.6	76.4	986.7	216.5	133.8	488.5
Cash and equivalents, beginning of period		1,451.4	1,265.4	1,663.4	1,624.1	1,668.0	1,250.4	1,184.8	1,561.2	388.3	464.7	1,451.4	1,668.0	1,801.7
Cash and equivalents, end of period		1,265.4	1,663.4	1,624.1	1,668.0	1,250.4	1,184.8	1,561.2	1,801.7	464.7	1,451.4	1,668.0	1,801.7	2,290.3

MTCH Income Statement

Non-GAAP financial information is prohibited.

Match Group - Income Statement

(\$ in thousands)

	F2020				F2021				F2019A	F2020E	F2021E	F2022E
	Q1 20A	Q2 20A	Q3 20A	Q4 20E	Q1 21E	Q2 21E	Q3 21E	Q4 21E				
Net Revenues	\$544,642	\$555,450	\$639,770	\$647,640	\$658,895	\$686,003	\$744,551	\$772,614	\$2,051,258	\$2,387,502	\$2,862,063	\$3,312,628
% Y/Y Growth	17%	12%	18%	18%	21%	24%	16%	19%	19%	16%	20%	16%
Cost of Revenue	\$142,727	\$147,884	\$168,816	\$170,616	\$171,171	\$177,992	\$200,229	\$205,801	\$523,491	\$630,043	\$755,193	\$892,312
Total Gross Profit	\$401,915	\$407,566	\$470,954	\$477,024	\$487,724	\$508,011	\$544,322	\$566,813	\$1,527,767	\$1,757,459	\$2,106,870	\$2,420,316
Gross Margin (%)	73.8%	73.4%	73.6%	73.7%	74.0%	74.1%	73.1%	73.4%	74.5%	73.6%	73.6%	73.1%
Selling & Marketing	123,343	89,506	128,457	\$131,329	\$146,165	\$118,419	\$146,730	\$145,002	\$422,328	\$472,635	\$556,317	\$637,672
General & Administrative	71,277	57,570	62,091	68,177	70,385	66,866	66,868	71,459	\$212,103	\$259,115	\$275,578	\$294,591
Product Development	35,793	32,687	31,224	32,484	37,870	39,808	46,496	39,762	\$113,904	\$132,188	\$163,935	\$183,416
Depreciation	9,246	9,669	11,221	10,000	12,000	12,000	12,000	12,000	32,450	40,136	48,000	49,440
Amortization of Intangibles	6,403	400	459	700	1,500	1,500	1,500	1,500	8,727	7,962	6,000	6,180
Total Stock Compensation Expense	21,172	22,140	37,335	22,893	27,150	27,891	26,059	28,587	89,724	103,540	109,687	116,198
Operating Income	\$134,681	\$195,594	\$200,167	\$211,441	\$192,653	\$241,527	\$244,668	\$268,504	\$648,531	\$741,883	\$947,352	\$1,132,820
% Margin	24.7%	35.2%	31.3%	32.6%	29.2%	35.2%	32.9%	34.8%	31.6%	31.1%	33.1%	34.2%
% Y/Y Growth	13	13	13	17	43	23	22	27	17	14	28	20
Adjusted EBITDA	\$171,502	\$227,803	\$249,182	\$245,034	\$233,303	\$282,918	\$284,227	\$310,591	\$779,432	\$893,521	\$1,111,039	\$1,304,638
% Margin	31.5%	41.0%	38.9%	37.8%	35.4%	41.2%	38.2%	40.2%	38.0%	37.4%	38.8%	39.4%
% Y/Y Growth	11	12	21	14	36	24	14	27	19	15	24	17
Net Interest (Income) and Other (Income)	21,262	28,237	45,112	44,189	44,189	44,189	44,189	44,189	93,745	138,800	176,756	160,000
Adjusted Pre-Tax Profit / (Loss)	\$113,419	\$167,357	\$155,055	\$167,252	\$148,464	\$197,338	\$200,479	\$224,315	\$554,786	\$603,083	\$770,596	\$972,820
% Effective Tax Rate	-41%	21%	15%	17%	17%	17%	17%	17%	4%	6%	14%	18%
Provision / (Benefit) for Income Taxes	(46,546)	34,436	23,568	24,422	20,368	28,551	29,396	33,019	20,361	35,880	111,335	153,080
Minority Interest/Discontinued Ops	(417)	34,611	(1,094)	0	0	0	0	0	(306)	33,100	0	0
Amortization	6,403	400	459	700	1,500	1,500	1,500	1,500	8,727	7,962	6,000	6,180
Stock-Based Compensation	21,172	22,140	37,335	22,893	27,150	27,891	26,059	28,587	89,724	103,540	109,687	116,198
Net Other expense related to fair value adjustment	0	0	0	0	0	0	0	0	0	0	0	0
Tax/Effect of Non-GAAP Entries	0	0	0	(4,011)	(4,871)	(4,996)	(4,685)	(5,115)	0	(4,011)	(19,667)	(22,028)
Reported GAAP Net Income	\$160,382	\$98,310	\$132,581	\$142,830	\$128,096	\$168,787	\$171,083	\$191,296	\$534,731	\$534,103	\$659,262	\$819,741
% Y/Y Growth	30	(23)	(12)	8	(20)	72	29	34	12	(0)	23	24
GAAP Wtd. Avg. diluted shares	283,832	183,477	260,744	262,308	263,882	265,466	267,058	268,661	280,507	247,590	266,267	268,929
Adjusted Wtd. Avg. Diluted Shares	292,941	194,988	289,950	291,690	293,440	295,200	296,972	298,754	295,350	267,392	296,091	299,052
Company-Defined Operating EPS	\$0.64	\$0.62	\$0.59	\$0.56	\$0.52	\$0.65	\$0.65	\$0.72	\$2.14	\$2.40	\$2.55	\$3.08
Reported GAAP EPS	\$0.57	\$0.56	\$0.51	\$0.54	\$0.49	\$0.64	\$0.64	\$0.71	\$1.91	\$2.16	\$2.48	\$3.05
% Y/Y Growth	29%	23%	(6%)	15%	(14%)	14%	26%	31%	11%	13%	15%	23%
Consensus												

MTCH Revenue Build

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Match Group - Revenue Build

(\$ in Thousands)

	F2020				F2021				F2019A	F2020E	F2021E	F2022E
	Q1 20A	Q2 20A	Q3 20A	Q4 20E	Q1 21E	Q2 21E	Q3 21E	Q4 21E				
North American Average Subs	\$4,570	\$4,703	\$5,112	5,147	5,164	5,277	5,572	5,662	4,553	4,883	5,419	5,906
% Y/Y Growth	5%	4%	9%	11%	13%	12%	9%	10%	9%	7%	11%	9%
% Q/Q Growth	(1%)	3%	9%	1%	0%	2%	6%	2%	--	--	--	--
Net Adds	-67	133	409	35	17	113	295	90	393	330	536	488
North American Daily ARPPU	\$0.63	\$0.65	\$0.66	\$0.66	\$0.67	\$0.69	\$0.70	\$0.71	\$0.61	\$0.65	\$0.69	\$0.71
% Y/Y Growth	5%	8%	6%	7%	6%	6%	6%	7%	4%	7%	6%	3%
% Q/Q Growth	2%	3%	2%	1%	1%	3%	2%	1%	--	--	--	--
North American Direct Revenue	\$263,347	\$284,318	\$321,806	\$314,424	\$317,270	\$334,484	\$359,652	\$368,348	\$1,024,181	\$1,183,895	\$1,379,753	\$1,535,218
% Y/Y Growth	11%	13%	20%	18%	20%	18%	12%	17%	13%	16%	17%	11%
% Q/Q Growth	(1%)	8%	13%	(2%)	1%	5%	8%	2%	--	--	--	--
North American as a % of Total	48%	51%	50%	49%	48%	49%	48%	48%	50%	50%	48%	46%
International Average Subs	5,344	5,360	5,684	6,000	6,199	6,453	6,764	7,079	4,726	5,597	6,624	7,710
% Y/Y Growth	26%	17%	16%	16%	16%	20%	19%	18%	27%	18%	18%	16%
% Q/Q Growth	3%	0%	6%	6%	3%	4%	5%	5%	--	--	--	--
Net Adds	172	16	324	316	200	254	311	315	1016	871	1027	1086
International Daily ARPPU	\$0.55	\$0.53	\$0.58	\$0.58	\$0.58	\$0.58	\$0.60	\$0.60	\$0.56	\$0.56	\$0.59	\$0.61
% Y/Y Growth	(2%)	(5%)	2%	4%	6%	9%	3%	3%	0%	(0%)	5%	4%
% Q/Q Growth	(2%)	(4%)	9%	0%	(0%)	(1%)	4%	0%	--	--	--	--
International Direct Revenue	\$271,477	\$262,423	\$306,460	\$321,238	\$330,923	\$341,417	\$372,475	\$391,570	\$982,980	\$1,161,598	\$1,436,385	\$1,723,219
% Y/Y Growth	26%	11%	17%	19%	22%	30%	22%	22%	27%	18%	24%	20%
% Q/Q Growth	1%	(3%)	17%	5%	3%	3%	9%	5%	--	--	--	--
International as a % of Total	50%	47%	48%	50%	50%	50%	50%	51%	48%	49%	50%	52%
Total Average Subs	9,914	10,063	10,796	11,147	11,363	11,730	12,336	12,741	9,279	10,480	12,043	13,617
% Y/Y Growth	15%	11%	12%	14%	15%	17%	14%	14%	18%	13%	15%	13%
% Q/Q Growth	1%	2%	7%	3%	2%	3%	5%	3%	--	--	--	--
Net Adds	105	149	733	351	217	367	606	405	1409	1201	1563	1574
Total Direct Dating Revenue	\$534,824	\$546,741	\$628,266	\$635,663	\$648,193	\$675,900	\$732,126	\$759,918	\$2,007,161	\$2,345,494	\$2,816,138	\$3,258,437
% Y/Y Growth	18%	12%	18%	19%	21%	24%	17%	20%	20%	17%	20%	16%
% Q/Q Growth	(0%)	2%	15%	1%	2%	4%	8%	4%	--	--	--	--
Direct as a % of Total	98%	98%	98%	98%	98%	99%	98%	98%	98%	98%	98%	98%
Indirect (Ad) Revenue	\$9,818	\$8,709	\$11,504	\$11,978	\$10,702	\$10,102	\$12,424	\$12,696	\$44,097	\$42,009	\$45,925	\$54,191
% Y/Y Growth	(8%)	(19%)	10%	(2%)	9%	16%	8%	6%	(16%)	(5%)	9%	18%
% Q/Q Growth	(20%)	(11%)	3.2%	4%	(11%)	(6%)	23%	2%	--	--	--	--
Indirect as a % of Total	2%	2%	2%	2%	2%	1%	2%	2%	2%	2%	2%	2%
Total Dating Revenue	\$544,642	\$555,450	\$639,770	\$647,640	\$658,895	\$686,003	\$744,551	\$772,614	\$2,051,258	\$2,387,502	\$2,862,063	\$3,312,628
% Y/Y Growth	17%	12%	18%	18%	21%	24%	16%	19%	19%	16%	20%	16%
Total Revenue	\$544,642	\$555,450	\$639,770	\$647,640	\$658,895	\$686,003	\$744,551	\$772,614	\$2,051,258	\$2,387,502	\$2,862,063	\$3,312,628
% Y/Y Growth	17%	12%	18%	18%	21%	24%	16%	19%	19%	16%	20%	16%

RDFN Income Statement

RDFN Income Statement

Income Statement (\$ in Millions)	2020E				2021E			
	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Revenue	191.0	213.7	236.9	232.9	215.6	317.0	349.4	339.2
% Y/Y Growth	73.4%	8.0%	(0.7%)	(0.1%)	12.9%	48.4%	47.5%	45.7%
Cost of revenue	178.1	167.6	143.8	157.4	189.1	230.2	246.5	252.6
Gross profit, GAAP	12.9	46.0	93.1	75.4	26.5	86.8	103.0	86.6
% Margin	6.7%	21.5%	39.3%	32.4%	12.3%	27.4%	29.5%	25.5%
Technology and development	20.3	18.0	22.5	23.9	23.8	24.9	27.6	26.8
Marketing	25.7	9.5	12.4	14.0	21.4	21.8	20.7	18.5
General and administrative	24.3	23.0	21.2	23.1	23.7	25.6	25.0	24.5
Total operating expenses	70.3	50.5	56.1	61.0	69.0	72.4	73.3	69.8
Operating income (loss), GAAP	(57.4)	(4.4)	37.0	14.5	(42.5)	14.4	29.7	16.7
% Margin	(30.1%)	(2.1%)	15.6%	6.2%	(19.7%)	4.5%	8.5%	4.9%
Interest income	1.1	0.4	0.3	0.3	0.5	0.7	0.6	0.6
Interest expense	(2.4)	(2.7)	(2.5)	(7.5)	(7.5)	(7.5)	(7.5)	(7.5)
Other income (expense), net	(1.3)	0.0	(0.6)					
Earnings before taxes	(60.1)	(6.6)	34.2	7.3	(49.5)	7.6	22.8	9.8
Benefit (provision) for income taxes	0.0	0.0	0.0	0.0	0.0	(1.9)	(5.7)	(2.4)
Effective tax rate	0.0%	0.0%	0.0%	0.0%	0.0%	25.0%	25.0%	25.0%
Net earnings (loss) to shareholders	(60.1)	(6.6)	34.2	7.3	(49.5)	5.7	17.1	7.3
Basic EPS, GAAP	(\$0.64)	(\$0.07)	\$0.34	\$0.07	(\$0.49)	\$0.06	\$0.17	\$0.07
Diluted EPS, GAAP	(\$0.64)	(\$0.07)	\$0.32	\$0.07	(\$0.46)	\$0.05	\$0.16	\$0.07
Diluted EPS, Adjusted	(\$0.57)	\$0.01	\$0.42	\$0.16	(\$0.38)	\$0.13	\$0.23	\$0.18
Basic Shares Outstanding, Average	93.4	98.8	99.8	100.5	101.0	101.5	102.0	102.5
Diluted Shares Outstanding, Average	93.4	98.8	107.6	108.3	108.8	109.3	109.8	110.3
Stock-based compensation	1.6	1.8	2.6	2.4	2.0	1.9	1.8	2.9
Cost of revenue	3.6	3.1	5.0	4.8	4.0	3.7	3.6	5.8
Technology and development	0.4	0.4	0.4	0.5	0.4	0.4	0.3	0.6
Marketing	1.6	2.0	3.4	2.8	2.3	2.3	2.2	3.5
General and administrative	7.2	7.2	11.3	10.5	8.7	8.3	8.0	12.8
Total stock-based compensation	7.2	7.2	11.3	10.5	8.7	8.3	8.0	12.8
EBITDA, GAAP to Adjusted	(57.4)	(4.4)	37.0	14.5	(42.5)	14.4	29.7	16.7
Operating income (loss), GAAP	3.3	3.6	3.7	4.2	4.7	5.9	4.6	5.0
Depreciation and amortization	7.2	7.2	11.3	10.5	8.7	8.3	8.0	12.8
Stock-based compensation	0.0	0.0	0.0					
Other	0.0	0.0	0.0					
EBITDA, Adjusted	(46.9)	6.3	52.1	29.2	(29.1)	28.6	42.2	34.5
% Margin	(24.6%)	3.0%	22.0%	12.5%	(13.5%)	9.0%	12.1%	10.2%
Non-GAAP Income								
Net earnings (loss) to shareholders	(60.1)	(6.6)	34.2	7.3	(49.5)	5.7	17.1	7.3
Stock-based compensation	7.2	7.2	11.3	10.5	8.7	8.3	8.0	12.8
Income tax benefit	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0					
Adjusted net income	(52.9)	0.6	45.5	17.8	(40.8)	14.0	25.1	20.1

2019	2020E	2021E	2022E
779.8	874.4	1,221.2	1,509.6
60.1%	12.1%	39.7%	23.6%
635.7	647.0	918.4	1,120.1
144.1	227.4	302.8	389.5
18.5%	26.0%	24.8%	25.8%
69.8	84.6	103.2	113.1
76.7	61.6	82.5	94.5
76.9	91.6	98.8	109.2
223.3	237.8	284.5	316.7
(79.2)	(10.4)	18.3	72.7
(10.2%)	(1.2%)	1.5%	4.8%
7.1	2.2	2.4	2.2
(8.9)	(15.1)	(30.0)	(30.0)
0.2	(1.9)	0.0	0.0
(80.8)	(25.3)	(9.3)	44.9
0.0	0.0	(10.0)	(24.0)
0.0%	0.0%	107.5%	53.5%
(80.8)	(25.3)	(19.4)	20.9
(\$0.89)	(\$0.30)	(\$0.19)	\$0.20
(\$0.89)	(\$0.33)	(\$0.18)	\$0.18
(\$0.60)	\$0.03	\$0.16	\$0.53
90.4	85.5	99.4	106.6
90.4	77.7	107.2	114.4
6.1	8.4	8.7	9.0
12.4	16.5	17.0	17.7
1.4	1.6	1.6	1.7
7.9	9.8	10.4	10.8
27.8	36.3	37.7	39.2
(79.2)	(10.4)	18.3	72.7
9.2	14.8	20.2	25.7
27.8	36.3	37.7	39.2
0.0	0.0	0.0	0.0
(42.2)	40.7	76.2	137.6
(5.4%)	4.6%	6.2%	9.1%
(80.8)	(25.3)	(19.4)	20.9
27.8	36.3	37.7	39.2
0.0	0.0	0.0	0.0
0.0	0.0	0.0	0.0
(53.0)	11.0	18.4	60.1

RDFN Balance Sheet

Information contained herein is confidential and is not to be distributed outside Jefferies without prior written consent.

Balance Sheet (\$ in Millions)	2020E				2021E			
	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Cash and cash equivalents	213.9	325.4	371.6	958.2	888.6	849.2	614.3	669.8
Restricted cash	16.8	35.1	16.4	16.4	16.4	16.4	16.4	16.4
Short-term investments	75.0	128.1	129.8	129.8	129.8	129.8	129.8	129.8
Accounts receivable	21.8	34.2	41.1	37.0	34.2	50.4	55.5	53.9
Inventory	70.6	9.4	25.0	11.5	37.9	93.8	350.7	312.1
Loans held for sale	44.3	42.4	41.9	41.9	41.9	41.9	41.9	41.9
Prepaid expenses and other current assets	9.6	7.6	7.7	7.6	7.0	10.3	11.4	11.0
Other current assets	5.2	4.6	5.2	5.2	5.2	5.2	5.2	5.2
Total current assets	457.4	586.7	638.7	1,207.5	1,161.1	1,197.0	1,225.1	1,240.1
Property and equipment	40.5	41.4	42.2	42.0	42.2	40.7	41.4	41.2
Right of use assets	50.0	47.7	45.4	45.4	45.4	45.4	45.4	45.4
Long-term investments	26.7	18.8	17.1	17.1	17.1	17.1	17.1	17.1
Goodwill and intangibles	11.4	11.3	11.1	11.1	11.1	11.1	11.1	11.1
Other assets	8.9	9.4	8.8	8.8	8.8	8.8	8.8	8.8
Total assets	594.8	715.3	763.2	1,331.9	1,285.6	1,320.0	1,348.9	1,363.7
Accounts payable	2.9	3.4	3.4	3.7	4.4	5.4	5.8	5.9
Accrued liabilities	58.5	49.0	57.5	54.2	48.0	67.4	70.9	65.4
Other payables	11.7	27.6	10.6	10.6	10.6	10.6	10.6	10.6
Warehouse and revolving credit facilities	51.5	47.8	55.2	55.2	55.2	55.2	55.2	55.2
Lease liabilities, current portion	11.5	11.6	11.7	11.7	11.7	11.7	11.7	11.7
Current Portion of L-T Debt & Convertible Debt	0.0	0.0	124.5	124.5	124.5	124.5	124.5	124.5
Other liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total current liabilities	136.1	139.4	262.9	259.9	254.4	274.8	278.6	273.3
Non-current liabilities	57.3	58.0	60.3	60.3	60.3	60.3	60.3	60.3
Long-term debt (includes convertible senior notes)	121.3	122.9	0.0	553.9	553.9	553.9	553.9	553.9
Convertible preferred stock	0.0	39.8	39.8	39.8	39.8	39.8	39.8	39.8
Common stock	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Additional paid-in capital	591.4	673.2	684.2	694.7	703.4	711.7	719.7	732.5
Accumulated other comprehensive loss	0.6	0.4	0.3	0.3	0.3	0.3	0.3	0.3
Retained earnings (accumulated deficit)	(311.9)	(318.5)	(284.3)	(277.1)	(326.6)	(320.9)	(303.8)	(296.4)
Shareholders equity	280.2	395.1	440.1	457.9	417.1	431.0	456.1	476.2
Total liabilities and shareholder equity	594.8	715.3	763.2	1,331.9	1,285.6	1,320.0	1,348.9	1,363.7

2019	2020E	2021E	2022E
234.7	958.2	669.8	860.1
12.8	16.4	16.4	16.4
70.0	129.8	129.8	129.8
19.2	37.0	53.9	65.1
74.6	11.5	312.1	168.1
22.0	41.9	41.9	41.9
14.8	7.6	11.0	13.3
3.5	5.2	5.2	5.2
451.6	1,207.5	1,240.1	1,299.9
39.6	42.0	41.2	39.9
52.0	45.4	45.4	45.4
31.0	17.1	17.1	17.1
11.5	11.1	11.1	11.1
10.6	8.8	8.8	8.8
596.2	1,331.9	1,363.7	1,422.1
2.1	3.7	5.9	7.0
38.0	54.2	65.4	62.6
7.9	10.6	10.6	10.6
25.7	55.2	55.2	55.2
11.4	11.7	11.7	11.7
0.0	124.5	124.5	124.5
0.0	0.0	0.0	0.0
85.2	259.9	273.3	271.6
59.9	60.3	60.3	60.3
119.7	553.9	553.9	553.9
0.0	39.8	39.8	39.8
0.1	0.1	0.1	0.1
583.1	694.7	732.5	771.7
0.0	0.3	0.3	0.3
(251.8)	(277.1)	(296.4)	(275.5)
331.4	457.9	476.2	536.4
596.2	1,331.9	1,363.7	1,422.1

RDFN Cash Flow Statement

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Cash Flow Statement (\$ in Millions)	2020E				2021E				2019	2020E	2021E	2022E
	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E				
Net (loss) income	(60.1)	(6.6)	34.2	7.3	(49.5)	5.7	17.1	7.3	(80.8)	(25.3)	(19.4)	20.9
Depreciation and amortization	3.3	3.6	3.7	4.2	4.7	5.9	4.6	5.0	9.2	14.8	20.2	25.7
Share-based compensation	7.2	7.2	11.3	10.5	8.7	8.3	8.0	12.8	27.8	36.3	37.7	39.2
Amortization of debt discount and issuance costs	1.7	1.7	1.8						6.4	5.3	0.0	0.0
Non-cash lease expense	2.3	2.3	2.3						6.9	6.8	0.0	0.0
Other	0.4	(0.2)	1.1						(0.7)	1.4	0.0	0.0
Changes in assets and liabilities												
Accounts receivable	(2.6)	(12.4)	(6.9)	4.1	2.7	(16.1)	(5.2)	1.6	(3.9)	(17.8)	(16.9)	(11.2)
Inventory	3.9	61.2	(15.6)	13.5	(26.5)	(55.9)	(256.8)	38.5	(51.9)	63.1	(300.7)	144.0
Prepaid expenses & other assets	3.4	2.0	(0.3)	0.1	0.6	(3.3)	(1.1)	0.3	(3.5)	5.3	(3.5)	(2.3)
Accounts payable	0.5	0.5	(0.2)	0.3	0.7	1.0	0.4	0.1	(0.4)	1.2	2.2	1.1
Accrued liabilities and other payables	20.6	(6.4)	14.2	(3.3)	(6.2)	19.4	3.4	(5.5)	7.5	25.2	11.2	(2.8)
Lease liabilities	(2.7)	(2.8)	(2.9)	0.0	0.0	0.0	0.0	0.0	(7.2)	(8.4)	0.0	0.0
Origination of loans held for sale	(132.7)	(161.4)	(185.1)	0.0	0.0	0.0	0.0	0.0	(395.6)	(479.2)	0.0	0.0
Proceeds from sale of loans originated as held for sale	111.2	163.4	185.0						378.6	459.6	0.0	0.0
Other liabilities	0.0	0.0	0.0						0.0	0.0	0.0	0.0
Net cash from operating activities	(43.4)	52.2	42.8	36.8	(64.7)	(35.0)	(229.6)	60.2	(107.6)	88.3	(269.0)	214.6
Purchases of property and equipment	(3.4)	(2.7)	(4.3)	(4.0)	(4.9)	(4.4)	(5.3)	(4.7)	(15.5)	(14.4)	(19.4)	(24.4)
Purchases of investments	(33.3)	(55.5)	(46.4)						(136.3)	(135.1)	0.0	0.0
Sales of investments	31.6	(28.4)	3.4						11.5	6.6	0.0	0.0
Maturities of investments	1.6	38.8	42.4						24.4	82.8	0.0	0.0
Other	0.0	0.0	0.0						0.0	0.0	0.0	0.0
Net cash from investing activities	(3.5)	(47.8)	(4.9)	(4.0)	(4.9)	(4.4)	(5.3)	(4.7)	(115.9)	(60.2)	(19.4)	(24.4)
Proceeds from exercise of stock options	4.1	6.9	4.1						16.1	15.1	0.0	0.0
Tax payments related to settlement on restricted stock	(3.3)	(2.8)	(4.9)						(5.1)	(11.0)	0.0	0.0
Borrowings on credit facilities and warehouse, net	25.7	(3.7)	7.5	0.0	0.0	0.0	0.0	0.0	21.0	29.5	0.0	0.0
Other payables - deposits held in escrow	3.7	15.4	(17.0)						0.9	2.1	0.0	0.0
Principal payment for finance lease obligations	(0.0)	(0.0)	(0.0)						(0.1)	(0.1)	0.0	0.0
Convertible notes & Offerings, net	0.0	109.5	0.0	553.9					0.0	663.4	0.0	0.0
Share repurchases	0.0	0.0	0.0						0.0	0.0	0.0	0.0
Other	0.0	0.0	(0.0)						(0.9)	(0.0)	0.0	0.0
Net cash from financing activities	30.2	125.3	(10.4)	553.9	0.0	0.0	0.0	0.0	31.9	699.0	0.0	0.0
Effect of exchange rate changes	(0.0)	0.0	0.0						0.0	(0.0)	0.0	0.0
Net increase in cash and equivalents	(16.7)	129.7	27.5	586.6	(69.5)	(39.4)	(234.9)	55.5	(191.6)	727.1	(288.4)	190.3
Cash and equivalents, beginning of period	247.4	230.7	360.5	388.0	974.6	905.0	865.6	630.7	439.1	247.4	974.6	686.2
Cash and equivalents, end of period	230.7	360.5	388.0	974.6	905.0	865.6	630.7	686.2	247.4	974.6	686.2	876.5

SNAP Income Statement

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Snap Inc. - Income Statement

(\$ in Millions)

	F2020				F2021				F2019A	F2020E	F2021E	F2022E
	Q1 20A	Q2 20A	Q3 20A	Q4 20E	Q1 21E	Q2 21E	Q3 21E	Q4 21E				
Total Revenue	\$462	\$454	\$679	\$874	\$717	\$784	\$952	\$1,180	\$1,716	\$2,469	\$3,633	\$4,964
% Y/Y Growth	44.3%	17.0%	52.1%	55.7%	55.0%	72.7%	40.2%	35.0%	45.3%	43.9%	47.1%	36.7%
% Q/Q Growth	(17.5%)	(1.8%)	49.4%	28.7%	(17.9%)	9.4%	21.3%	24.0%				
Cost of Revenue	246	243	285	311	292	302	327	362	868	1,085	1,282	1,476
% Y/Y Growth	25.7%	16.7%	31.1%	25.9%	18.5%	24.2%	14.7%	16.2%	13.0%	25.0%	18.2%	15.1%
% Q/Q Growth	(0.0%)	(0.0%)	0.2%	0.1%	(0.1%)	0.0%	0.1%	0.1%				
Total Gross Profit	\$216	\$211	\$394	\$563	\$425	\$483	\$625	\$818	\$847	\$1,384	\$2,351	\$3,489
% Margin	46.8%	46.5%	58.0%	64.4%	59.3%	61.5%	65.7%	69.4%	49.4%	56.1%	64.7%	70.3%
Research & Development	111	125	142	154	154	165	180	193	386	532	692	931
Sales & Marketing	94	102	113	142	126	139	153	179	352	451	597	769
General & Administrative	104	88	93	117	106	108	114	121	440	402	449	505
Stock-Based Compensation (Inc'l in Above)	172	186	192	223	201	212	233	283	686	773	929	1,096
Depreciation & Amortization (Inc'l in Above)	21	21	22	18	21	24	28	32	87	82	104	131
Income from Operations (non-GAAP, ex-SBC)	(\$114)	(\$124)	\$24	\$132	\$19	\$46	\$150	\$294	(\$417)	(\$82)	\$508	\$1,152
% Margin	(23%)	(27%)	4%	15%	3%	6%	16%	25%	(24%)	(3%)	14%	23%
% Y/Y Growth	--	--	--	--	--	--	519	122	--	--	--	127
% Q/Q Growth	--	--	--	447	(86)	146	227	96	--	--	--	--
Income from Operations (GAAP)	(\$286)	(\$311)	(\$168)	(\$90)	(\$182)	(\$166)	(\$83)	\$11	(\$1,103)	(\$855)	(\$421)	\$57
% Margin	(116%)	(128%)	(59%)	(29%)	(62%)	(55%)	(25%)	3%	(64%)	(35%)	(12%)	1%
Adjusted EBITDA	(\$81)	(\$96)	\$56	\$150	\$40	\$70	\$178	\$325	(\$202)	\$30	\$613	\$1,284
% Margin	(17.6%)	(21.0%)	8.3%	17.2%	5.5%	8.9%	18.7%	27.6%	(11.8%)	1.2%	16.9%	25.9%
% Y/Y Growth	--	--	--	255	--	--	215	116	--	--	1,950	110
% Q/Q Growth	(292)	--	--	167	(74)	76	154	83	--	--	--	--
Interest Income	9	5	3	7	6	5	5	6	36	23	21	22
Interest Expense	(15)	(25)	(28)	(21)	(22)	(24)	(24)	(23)	(25)	(89)	(93)	(91)
Other Income (Expense)	(12)	4	(6)	0	0	0	0	0	59	(14)	0	0
(Earnings) in Equity Interests	0	0	0	0	0	0	0	0	0	0	0	0
Net Interest (Income) and Other (Income)	(19)	(16)	(31)	(14)	(16)	(19)	(19)	(17)	70	(80)	(71)	(69)
Income Before Taxes (GAAP)	(\$305)	(\$327)	(\$199)	(\$104)	(\$199)	(\$185)	(\$102)	(\$6)	(\$1,033)	(\$936)	(\$492)	\$126
GAAP Tax Rate (%)	0.0%	0.3%	-0.5%	2.0%	2.0%	2.0%	2.0%	2.0%	-0.1%	0.2%	2.0%	18.0%
Provision / (Benefit) for Income Taxes	0	(1)	1	(2)	(4)	(4)	(2)	(0)	1	(2)	(10)	23
Tax Adjustments for Non-GAAP Items	1	0	0	0	0	0	0	0	1	1	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0
Non GAAP Net Income / (Loss)	(\$114)	(\$124)	\$11	\$120	\$6	\$31	\$133	\$277	(\$225)	(\$106)	\$447	\$1,198
% Margin	(25%)	(27%)	2%	14%	1%	4%	14%	23%	(13%)	(4%)	12%	24%
% Y/Y Growth	--	--	--	187	--	--	1,113	130	--	--	--	168
% Q/Q Growth	(371)	--	--	996	(95)	400	335	108	--	--	--	--
Amortization of Acquired Intangible Assets	8	7	8	0	0	0	0	0	33	24	0	0
Income Tax Effect related to acquisitions	(0)	0	0	0	0	0	0	0	0	(0)	0	0
Stock-Based Compensation	172	186	192	223	201	212	233	283	686	773	929	1,096
Other	12	8	10	0	0	0	0	0	128	30	0	0
Reported GAAP Net Income / (Loss)	(\$306)	(\$326)	(\$200)	(\$102)	(\$195)	(\$181)	(\$100)	(\$6)	(\$1,034)	(\$934)	(\$482)	\$103
% Margin	(66%)	(72%)	(29%)	(12%)	(27%)	(23%)	(10%)	(1%)	(60%)	(38%)	(13%)	2%
% Y/Y Growth	--	--	--	--	--	--	--	--	--	--	--	--
% Q/Q Growth	--	--	--	--	--	--	--	--	--	--	--	--
Weighted Avg. Diluted Shares Outstanding	1,426	1,447	1,466	1,496	1,526	1,556	1,587	1,619	1,377	1,459	1,572	1,603
EPS (Non-GAAP)	(\$0.08)	(\$0.09)	\$0.01	\$0.08	\$0.00	\$0.02	\$0.08	\$0.17	(\$0.17)	(\$0.08)	\$0.28	\$0.75
% Y/Y Growth	--	--	--	171%	--	--	1,021%	112%	--	--	--	168%
% Q/Q Growth	(368)	--	--	975	(95)	390	327	104	--	--	--	--
EPS (GAAP)	(\$0.21)	(\$0.23)	(\$0.14)	(\$0.07)	(\$0.13)	(\$0.12)	(\$0.06)	(\$0.00)	(\$0.75)	(\$0.64)	(\$0.31)	\$0.06
% Y/Y Growth	--	--	--	--	--	--	--	--	--	--	--	--
% Q/Q Growth	--	--	--	--	--	--	--	--	--	--	--	--

SNAP Revenue Build

Snap Inc. - Revenue Build

(\$ in Millions excluding share data)

	F2020				F2021				F2019A	F2020E	F2021E	F2022E
	Q1 20A	Q2 20A	Q3 20A	Q4 20E	Q1 21E	Q2 21E	Q3 21E	Q4 21E				
Revenue												
Total Revenue	\$462	\$454	\$679	\$874	\$717	\$784	\$952	\$1,180 ▲	\$1,716	\$2,469	\$3,633	\$4,964
% Y/Y Growth	44.3%	17.0%	52.1%	55.7%	55.0%	72.7%	40.2%	35.0%	45.3%	43.9%	47.1%	36.7%
% Q/Q Growth	-17.5%	-1.8%	49.4%	28.7%	-17.9%	9.4%	21.3%	24.0%	--	--	--	--
North America Revenue	\$315	\$307	\$493	\$602	\$498	\$524	\$673	\$785 ▲	\$1,184	\$1,716	\$2,480	\$3,316
% Y/Y Growth	39.4%	18.0%	56.0%	57.5%	58.3%	70.9%	36.5%	30.4%	43.8%	45.0%	44.5%	33.7%
% Q/Q Growth	-17.6%	-2.5%	60.7%	22.1%	-17.2%	5.2%	28.4%	16.7%	--	--	--	--
% of Total	68.0%	67.5%	72.6%	68.9%	69.5%	66.8%	70.7%	66.5%	69.0%	69.5%	68.3%	66.8%
Europe Revenue	\$76	\$79	\$102	\$141	\$115	\$125	\$146	\$192 ▲	\$269	\$399	\$578	\$813
% Y/Y Growth	61.2%	29.7%	49.5%	53.4%	50.6%	59.4%	42.4%	36.2%	44.2%	48.4%	45.1%	40.5%
% Q/Q Growth	-16.7%	2.8%	30.3%	37.5%	18.2%	8.8%	16.4%	31.5%	--	--	--	--
% of Total	16.5%	17.3%	15.1%	16.1%	16.1%	16.0%	15.3%	16.3%	15.7%	16.1%	15.9%	16.4%
Rest of World Revenue	\$70	\$69	\$83	\$131	\$104	\$135	\$133	\$203 ▲	\$263	\$353	\$574	\$836
% Y/Y Growth	48.8%	2.1%	35.1%	50.4%	47.4%	96.0%	59.6%	54.9%	55.2%	34.2%	62.5%	45.5%
% Q/Q Growth	-19.1%	-2.2%	21.0%	57.1%	-20.8%	30.0%	-1.4%	52.5%	--	--	--	--
% of Total	15.2%	15.1%	12.3%	15.0%	14.5%	17.2%	14.0%	17.2%	15.3%	14.3%	15.8%	16.8%
Daily Active Users												
Sequential User Growth	229	238	249	257	265	272	280	287	205	243	276	303
% Y/Y Growth	20.5%	17.2%	18.6%	17.9%	15.5%	14.3%	12.2%	11.7%	9.3%	18.5%	13.4%	9.8%
% Q/Q Growth	5.0%	3.9%	4.6%	3.2%	2.9%	2.8%	2.8%	2.7%	--	--	--	--
North America DAUs	88	90	90	92	93	94	95	96	83	90	95	100
Sequential User Growth	2	2	0	2	1	1	1	1	4	7	5	5
% Y/Y Growth	10.0%	8.4%	7.1%	7.0%	5.7%	4.4%	5.6%	4.3%	4.4%	8.1%	5.0%	5.3%
% Q/Q Growth	2.3%	2.3%	0.0%	2.2%	1.1%	1.1%	1.1%	1.1%	--	--	--	--
% of Total	38.4%	37.8%	36.1%	35.8%	35.2%	34.6%	34.0%	33.4%	40.6%	37.0%	34.3%	32.9%
Europe DAUs	70	71	72	74	76	77	79	80	64	72	78	83
Sequential User Growth	3	1	1	2	2	2	2	2	4	8	6	5
% Y/Y Growth	14.8%	10.9%	10.8%	10.4%	7.9%	8.5%	9.0%	8.1%	6.2%	11.7%	8.4%	6.4%
% Q/Q Growth	4.5%	1.4%	1.4%	2.8%	2.0%	2.0%	1.9%	1.9%	--	--	--	--
% of Total	30.6%	29.8%	28.9%	28.8%	28.5%	28.3%	28.1%	27.9%	31.3%	29.5%	28.2%	27.3%
Rest of World DAUs	71	77	87	91	96	101	106	111	58	82	104	121
Sequential User Growth	7	6	10	4	5	5	5	5	10	24	22	17
% Y/Y Growth	44.9%	37.5%	42.6%	42.2%	35.2%	31.2%	21.8%	22.0%	21.7%	41.7%	27.0%	16.4%
% Q/Q Growth	10.9%	8.5%	13.0%	4.6%	5.5%	5.2%	5.0%	4.7%	--	--	--	--
% of Total	31.0%	32.4%	34.9%	35.4%	36.3%	37.1%	37.9%	38.7%	28.0%	33.5%	37.5%	39.8%
Average Revenue Per User (ARPU)												
\$2.02	\$1.91	\$2.73	\$3.40	\$2.71	\$2.88	\$3.40	\$4.11	\$8.36	\$10.15	\$13.17	\$16.40	
% Y/Y Growth	20.2%	-0.1%	28.3%	32.1%	34.2%	51.1%	24.9%	20.9%	32.9%	21.4%	29.8%	24.5%
% Q/Q Growth	-21.5%	-5.5%	42.8%	24.7%	-20.3%	6.4%	18.1%	20.7%	--	--	--	--
North America ARPU	\$3.57	\$3.40	\$5.49	\$6.54	\$5.36	\$5.58	\$7.08	\$8.18	\$14.22	\$19.07	\$26.24	\$33.33
% Y/Y Growth	27.0%	8.3%	46.4%	48.0%	50.0%	64.0%	29.0%	25.0%	37.7%	34.1%	37.6%	27.0%
% Q/Q Growth	-19.2%	-4.8%	61.5%	19.2%	-18.1%	4.1%	27.0%	15.5%	--	--	--	--
Europe ARPU	\$1.09	\$1.10	\$1.43	\$1.90	\$1.53	\$1.63	\$1.86	\$2.40	\$4.18	\$5.55	\$7.44	\$9.82
% Y/Y Growth	41.6%	15.8%	36.2%	39.0%	40.0%	48.0%	30.0%	26.0%	35.8%	32.9%	33.9%	32.0%
% Q/Q Growth	-20.4%	0.9%	30.0%	33.2%	-19.9%	6.7%	14.2%	29.1%	--	--	--	--
Rest of World ARPU	\$1.00	\$0.89	\$0.95	\$1.44	\$1.08	\$1.34	\$1.25	\$1.83	\$4.58	\$4.33	\$5.55	\$6.93
% Y/Y Growth	3.1%	-25.8%	-5.9%	6.5%	8.0%	50.0%	32.0%	27.0%	27.6%	-5.3%	28.0%	25.0%
% Q/Q Growth	-25.9%	-11.0%	6.7%	51.3%	-24.9%	23.6%	-6.1%	45.6%	--	--	--	--

SONO Income Statement

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Income Statement

	F2020				F2021				F2019				F2020A				F2021E				F2022E			
	Q1 20A	Q2 20A	Q3 20A	Q4 20A	Q1 21E	Q2 21E	Q3 21E	Q4 21E	F2019A	F2020A	F2021E	F2022E	F2019A	F2020A	F2021E	F2022E	F2019A	F2020A	F2021E	F2022E				
Total revenues	\$562,083	\$175,098	\$249,310	\$339,837	\$588,062	\$216,101	\$283,914	\$372,665	\$1,260,823	\$1,326,328	\$1,460,741	\$1,601,473	11%	5%	10%	10%	11%	11%	10%	10%				
%Y/Y Growth	13%	-17%	-4%	16%	5%	23%	14%	10%	--	--	--	--	--	--	--	--	--	--	--	--	--			
%Q/Q Growth	91%	-69%	42%	36%	73%	-63%	31%	31%	--	--	--	--	--	--	--	--	--	--	--	--	--			
Cost of revenues	\$334,463	\$102,089	\$139,519	\$178,301	\$332,843	\$117,775	\$152,462	\$194,158	\$733,480	\$754,372	\$797,238	\$871,136	--	--	--	--	--	--	--	--	--			
Gross Income	\$227,620	\$73,009	\$109,791	\$161,536	\$255,219	\$98,326	\$131,452	\$178,506	\$527,343	\$571,956	\$663,503	\$730,337	41.8%	43.1%	45.4%	45.6%	41.8%	43.1%	45.4%	45.6%				
%Margin	40.5%	41.7%	44.0%	47.5%	43.4%	45.5%	46.3%	47.9%	171,174	214,672	203,575	215,181	--	--	--	--	--	--	--	--	--			
R&D	52,526	49,593	57,770	54,783	54,396	42,140	47,414	59,626	247,599	263,538	255,490	288,265	--	--	--	--	--	--	--	--	--			
S&M	77,423	50,504	77,273	58,338	70,567	49,703	68,139	67,080	102,871	120,976	108,727	115,999	--	--	--	--	--	--	--	--	--			
C&A	30,209	26,119	31,662	32,986	32,931	25,932	31,230	18,633	--	--	--	--	--	--	--	--	--	--	--	--	--			
Total operating expenses	\$160,158	\$126,216	\$166,705	\$146,107	\$157,895	\$117,775	\$146,783	\$145,339	\$521,644	\$599,186	\$567,792	\$619,445	5%	15%	-5%	9%	5%	15%	-5%	9%				
%Y/Y Growth	26%	11%	26%	-2%	-1%	-7%	-12%	-1%	--	--	--	--	--	--	--	--	--	--	--	--	--			
%Q/Q Growth	7%	-21%	32%	-12%	8%	-25%	25%	-1%	--	--	--	--	--	--	--	--	--	--	--	--	--			
Adj. EBITDA	\$93,219	(\$28,382)	(\$2,720)	\$46,428	\$121,347	\$2,250	\$6,178	\$60,533	\$88,687	\$108,545	\$190,308	\$211,534	16.6%	7.0%	8.2%	13.0%	16.6%	7.0%	8.2%	13.0%	16.6%			
%Margin	(16.2%)	(1.1%)	13.7%	20.6%	1.0%	2.2%	16.2%	--	28.3%	22.4%	75.3%	11.2%	--	--	--	--	--	--	--	--	--			
%Y/Y Growth	6.6%	--	(140.0%)	--	30.2%	--	--	30.4%	--	--	--	--	--	--	--	--	--	--	--	--	--			
%Q/Q Growth	--	(130.4%)	--	161.4%	(98.1%)	174.6%	879.9%	--	--	--	--	--	--	--	--	--	--	--	--	--	--			
GAAP Operating Income / (Loss)	\$67,462	(\$53,207)	(\$56,914)	\$15,429	\$97,324	(\$19,449)	(\$15,331)	\$33,167	\$5,699	(\$27,230)	\$95,711	\$110,891	12.0%	0.5%	(2.1%)	6.6%	12.0%	0.5%	(2.1%)	6.6%	6.9%			
%Margin	(30.4%)	(22.8%)	4.5%	16.6%	(9.0%)	(5.4%)	8.9%	--	--	--	--	--	--	--	--	--	--	--	--	--	--			
Interest expense, net	545	500	(279)	(257)	0	0	0	0	(6,775)	7,148	6,065	6,065	--	--	--	--	--	--	--	--	--			
Other income, net	4,424	(1,423)	365	3,273	0	0	0	0	--	--	--	--	--	--	--	--	--	--	--	--	--			
Total Other Income	4,969	(923)	86	3,016	1,787	992	1,470	1,816	--	--	--	--	--	--	--	--	--	--	--	--	--			
Pretax Income	\$72,431	(\$54,130)	(\$56,828)	\$18,445	\$99,111	(\$18,458)	(\$13,861)	\$34,983	(\$1,076)	(\$20,082)	\$101,776	\$116,956	--	--	--	--	--	--	--	--	--			
Provision for income taxes	1,656	(1,810)	152	34	\$678	\$219	\$233	764	3,690	32	990	3,477	2.3%	3.3%	-0.3%	0.2%	0.7%	1.2%	1.7%	2.2%	3.0%			
effective tax rate	--	--	--	--	--	--	--	--	-342.9%	-0.2%	1.0%	1.0%	--	--	--	--	--	--	--	--	--			
GAAP Net Income	\$70,775	(\$52,320)	(\$56,980)	\$18,411	\$98,433	(\$18,239)	(\$13,628)	\$34,219	(\$4,766)	(\$20,114)	\$100,786	\$113,479	--	--	--	--	--	--	--	--	--			
%Margin	13%	(30%)	(23%)	5%	17%	(8%)	(5%)	9%	--	--	--	--	--	--	--	--	--	--	--	--	--			
%Y/Y Growth	15	--	--	--	39	--	--	86	--	--	--	--	--	--	--	--	--	--	--	--	--			
Weighted Avg. Basic Shares Outstanding	108,985	109,515	109,4/8	111,148	112,260	113,382	114,516	115,661	103,381	109,781	113,955	116,234	--	--	--	--	--	--	--	--	--			
Diluted Shares Outstanding	118,416	109,515	109,4/8	122,598	118,920	115,353	111,892	108,535	106,366	115,002	113,675	115,949	--	--	--	--	--	--	--	--	--			
GAAP EPS	\$0.65	(\$0.48)	(\$0.52)	\$0.17	\$0.83	(\$0.16)	(\$0.12)	\$0.32	(\$0.04)	(\$0.17)	\$0.89	\$0.98	5%	--	--	--	--	--	--	--	10%			
%Y/Y Growth	--	--	--	--	27%	--	--	90%	--	--	--	--	--	--	--	--	--	--	--	--	--			

SONO Revenue Build

Unauthorized redistribution is prohibited.

Key Metrics

	Q1 20A	Q2 20A	Q3 20A	Q4 20A	Q1 21E	Q2 21E	Q3 21E	Q4 21E	F2019A	F2020A	F2021E
Revenue by Product Category:											
Sonos Speakers	\$466,677	\$116,367	\$196,895	\$254,874	\$499,344	\$154,768	\$216,585	\$275,264	\$1,008,422	1,034,813	1,145,961
% Y/Y Growth	7%	-27%	1%	17%	7%	33%	10%	8%	4%	3%	11%
% of Total	83%	66%	79%	75%	85%	72%	76%	74%	80%	78%	78%
Sonos System Products	\$61,521	\$47,202	\$42,164	\$67,901	\$63,982	\$50,034	\$51,440	\$71,296	\$187,172	218,788	236,752
% Y/Y Growth	17%	22%	-9%	37%	4%	6%	22%	5%	20%	17%	8%
% of Total	11%	27%	17%	20%	11%	23%	18%	19%	15%	16%	16%
Partner Products & Other Revenue	\$33,885	\$11,529	\$10,251	\$17,062	\$24,736	\$11,298	\$15,889	\$26,105	\$65,229	72,727	78,028
% Y/Y Growth	333%	4%	-47%	-37%	-27%	-2%	55%	53%	325%	11%	7%
% of Total	6%	7%	4%	5%	4%	5%	6%	7%	5%	5%	5%
Total Revenue	\$562,083	\$175,098	\$249,310	\$339,837	\$588,062	\$216,101	\$283,914	\$372,665	\$1,260,822	\$1,326,328	\$1,460,741
% Y/Y Growth	13%	-17%	-4%	16%	5%	23%	14%	10%	11%	5%	10%
Products Sold											
Products Sold	2,940	681	923	1,262					6,132	5,806	
% Y/Y Growth	23.3%	-23.3%	-31.4%	-16.7%					20.8%	-5.3%	
% Q/Q Growth	94.0%	-76.8%	35.7%	36.7%							
Revenue by Geographical Region											
Americas	\$303,194	\$101,964	\$151,167	\$199,549					\$678,224	\$755,874	
% Y/Y Growth	17.2%	-12.4%	3.8%	26.7%					12.4%	11.4%	
% of Revenue	53.9%	58.2%	60.6%	58.7%					53.8%	57.0%	
Europe, Middle East and Africa	\$212,738	\$57,252	\$83,818	\$117,076					\$484,785	\$470,884	
% Y/Y Growth	-1.5%	-27.8%	-4.9%	15.6%					1.3%	-2.9%	
% of Revenue	37.8%	32.7%	33.6%	34.5%					38.4%	35.5%	
Asia Pacific	\$46,151	\$15,882	\$14,338	\$23,212					\$97,814	\$99,583	
% Y/Y Growth	114.0%	9.4%	-45.6%	-34.4%					77.7%	1.8%	
% of Revenue	8.2%	9.1%	5.8%	6.8%					7.8%	7.5%	

TRIP Income Statement

TripAdvisor - Income Statement

(\$ in Thousands)

	F2019				F2020				F2019A	F2020E	F2021E	F2022E
	Q1 19A	Q2 19A	Q3 19A	Q4 19A	Q1 20A	Q2 20A	Q3 20A	Q4 20E				
Total Revenue	\$376,000	\$422,000	\$428,000	\$335,000	\$278,000	\$59,000	\$151,000	\$104,280	\$1,561,000	\$592,280	\$934,490	\$1,213,438
% Y/Y Growth	(1%)	(3%)	(7%)	(3%)	(26%)	(86%)	(65%)	(69%)	(3%)	(62%)	58%	30%
% Q/Q Growth	9%	12%	1%	(22%)	(17%)	(79%)	156%	(31%)	--	--	--	--
Cost of Revenue	21,000	27,000	25,000	21,000	19,000	10,000	13,000	9,393	94,000	51,393	70,807	85,876
Total Gross Profit	\$355,000	\$395,000	\$403,000	\$314,000	\$259,000	\$49,000	\$138,000	\$94,887	\$1,467,000	\$540,887	\$863,682	\$1,127,562
% Margin	94.4%	93.6%	94.2%	93.7%	93.2%	83.1%	91.4%	91.0%	94.0%	91.3%	92.4%	92.9%
Selling & Marketing	173,000	174,000	171,000	132,000	121,000	50,000	66,000	59,000	650,000	296,000	366,000	480,000
Technology & Content	61,000	60,000	63,000	54,000	58,000	42,000	34,000	33,000	238,000	167,000	175,000	183,000
General & Administrative	32,000	33,000	40,000	37,000	41,000	32,000	24,000	23,000	142,000	120,000	123,000	126,000
Depreciation	23,000	23,000	23,000	23,000	25,000	26,000	24,000	22,922	92,000	97,922	81,846	77,101
Amortization of Intangible Assets	8,000	7,000	9,000	10,000	7,000	6,000	6,000	6,000	34,000	25,000	19,000	13,000
Total Stock-Based Compensation	27,000	32,000	29,000	35,000	26,000	25,000	28,000	28,000	123,000	107,000	117,798	122,510
Adjusted Operating Income	\$58,000	\$98,000	\$97,000	\$58,000	\$7,000	(\$107,000)	(\$16,000)	(\$49,035)	\$311,000	(\$165,035)	\$98,837	\$248,461
% Margin	15%	23%	23%	17%	3%	(181%)	(11%)	(47%)	20%	(28%)	11%	20%
% Y/Y Growth	12%	23%	(18%)	4%	(88%)	(209%)	(116%)	(185%)	2%	(153%)	--	151%
% Q/Q Growth	4%	69%	(1%)	(40%)	(88%)	(1,629%)	--	--	--	--	--	--
Adjusted EBITDA	\$89,000	\$128,000	\$129,000	\$92,000	\$40,000	(\$74,000)	\$15,000	(\$20,113)	\$438,000	(\$39,113)	\$199,682	\$338,562
% Margin	23.7%	30.3%	30.1%	27.5%	14.4%	(125.4%)	9.9%	(19.3%)	28.1%	(6.6%)	21.4%	27.9%
% Y/Y Growth	11%	17%	(12%)	6%	(55%)	(158%)	(88%)	(122%)	4%	(109%)	--	70%
% Q/Q Growth	2%	44%	1%	(29%)	(57%)	(285%)	--	(234%)	--	--	--	--
Net Interest and Other (Income) Expense	(2,000)	(2,000)	(5,000)	3,000	0	15,000	12,000	8,597	(6,000)	35,597	34,415	6,127
Adjusted Pre-Tax Profit / (Loss)	\$60,000	\$100,000	\$102,000	\$55,000	\$7,000	(\$122,000)	(\$28,000)	(\$57,632)	\$317,000	(\$200,632)	\$64,421	\$242,334
% Effective Tax Rate	28%	43%	29%	25%	71%	11%	(4%)	23%	33%	7%	22%	22%
Provision / (Benefit) for Income Taxes	7,000	34,000	23,000	5,000	(11,000)	(26,000)	(10,000)	(12,967)	69,000	(59,967)	14,173	53,313
Tax Adjustments for Non-GAAP Items	10,000	9,000	7,000	9,000	16,000	12,000	11,000	7,650	35,000	46,650	30,096	29,812
Minority Interest	0	0	0	0	0	0	0	0	0	0	0	0
Operating Net Income / (Loss)	\$51,000	\$64,000	\$81,000	\$53,000	\$9,000	(\$102,000)	(\$23,000)	(\$46,315)	\$249,000	(\$162,315)	\$39,153	\$172,208
% Margin	14%	15%	19%	16%	3%	(73%)	(15%)	(44%)	16%	(27%)	4%	14%
% Y/Y Growth	21	10	(20)	39	(82)	(259)	(128)	(187)	4%	(165%)	--	340%
% Q/Q Growth	34	25	27	(35)	(83)	(1,233)	--	--	--	--	--	--
Stock-Based Compensation	27,000	32,000	29,000	35,000	26,000	25,000	28,000	28,000	123,000	107,000	117,798	122,510
Legal Reserves & Settlements	0	0	0	0	0	0	0	0	0	0	0	0
(Gain)/Loss on Investment	0	0	0	0	(1,000)	(1,000)	(1,000)	0	0	(3,000)	0	0
Other	0	0	0	2,000	9,000	33,000	3,000	0	2,000	45,000	0	0
Amortization of Intangible Assets	8,000	7,000	9,000	10,000	7,000	6,000	6,000	6,000	34,000	25,000	19,000	13,000
Tax Effect of Non-GAAP Entries	(10,000)	(9,000)	(7,000)	(9,000)	(16,000)	(12,000)	(11,000)	(7,650)	(35,000)	(46,650)	(30,096)	(29,812)
Reported GAAP Net Income / (Loss)	\$26,000	\$34,000	\$50,000	\$15,000	(\$16,000)	(\$153,000)	(\$48,000)	(\$72,665)	\$125,000	(\$289,665)	(\$67,550)	\$66,510
% Margin	7%	8%	12%	4%	(6%)	(259%)	(32%)	(70%)	8%	(49%)	(7%)	5%
% Y/Y Growth	420%	6%	(28%)	114%	(162%)	(550%)	(196%)	(584%)	11%	(332%)	--	--
% Q/Q Growth	271%	31%	47%	(70%)	(207%)	--	--	--	--	--	--	--
Weighted Avg. Diluted Shares Outstanding	141,000	141,000	140,000	140,000	136,000	134,000	134,000	135,000	141,000	135,044	137,234	149,087
Operating EPS	\$0.36	\$0.45	\$0.58	\$0.38	\$0.07	(\$0.76)	(\$0.17)	(\$0.34)	\$1.77	(\$1.20)	\$0.29	\$1.16
% Y/Y Growth	21%	10%	(19%)	40%	(82%)	(268%)	(130%)	(191%)	3%	(168%)	--	305%
% Q/Q Growth	34	25	27	(35)	(83)	(1,267)	--	--	--	--	--	--
Reported GAAP EPS	\$0.18	\$0.24	\$0.36	\$0.11	(\$0.12)	(\$1.14)	(\$0.36)	(\$0.54)	\$0.89	(\$2.14)	(\$0.49)	\$0.45
% Y/Y Growth	416%	5%	(27%)	116%	(164%)	(574%)	(200%)	(602%)	10%	(342%)	--	--
% Q/Q Growth	271	31	48	(70)	--	--	--	--	--	--	--	--

TRIP Balance Sheet

TripAdvisor - Balance Sheet

(\$ in Thousands)

	F2019				F2020				F2019A	F2020E	F2021E	F2022E
	Q1 19A	Q2 19A	Q3 19A	Q4 19A	Q1 20A	Q2 20A	Q3 20A	Q4 20E				
Cash & Cash Equivalents	\$771,000	\$901,000	\$838,000	\$319,000	\$798,000	\$698,000	\$446,000	\$302,798	\$319,000	\$302,798	\$435,049	\$114,114
Short-Term Investments	40,000	65,000	95,000	0	0	0	0	0	0	0	0	0
Accounts Receivable	236,000	270,000	218,000	183,000	159,000	74,000	91,000	63,632	183,000	63,632	104,975	133,338
Deferred Income Taxes	0	0	0	4,000	26,000	55,000	50,000	0	4,000	0	406	764
Prepaid Expenses and Other Current Assets	35,000	35,000	30,000	27,000	29,000	26,000	26,000	17,503	27,000	17,503	18,414	21,481
Current Assets	\$1,082,000	\$1,271,000	\$1,181,000	\$533,000	\$1,012,000	\$853,000	\$613,000	\$383,933	\$533,000	\$383,933	\$558,845	\$269,698
Property and Equipment	257,000	262,000	265,000	270,000	268,000	259,000	250,000	237,506	270,000	237,506	234,412	255,930
Long-Term Investments	0	0	0	55,000	54,000	41,000	40,000	40,000	55,000	40,000	40,000	40,000
Goodwill	754,000	754,000	746,000	840,000	826,000	837,000	843,000	843,000	840,000	843,000	843,000	843,000
Intangible Assets	109,000	102,000	92,000	110,000	101,000	95,000	91,000	85,000	110,000	85,000	66,000	53,000
Long-Term Deferred Income Taxes	20,000	1,000	2,000	7,000	7,000	6,000	5,000	5,000	7,000	5,000	5,000	5,000
Other Long-Term Assets	173,000	176,000	182,000	169,000	159,000	158,000	154,000	96,908	169,000	96,908	108,406	122,641
Total Assets	\$2,395,000	\$2,566,000	\$2,468,000	\$1,984,000	\$2,427,000	\$2,249,000	\$1,996,000	\$1,691,347	\$1,984,000	\$1,691,347	\$1,855,663	\$1,589,269
Accounts Payable	\$11,000	\$13,000	\$16,000	\$11,000	\$34,000	\$13,000	\$14,000	\$6,552	\$11,000	\$6,552	\$7,686	\$8,959
Deferred Merchant Payables	263,000	346,000	196,000	159,000	71,000	57,000	38,000	53,929	159,000	53,929	99,482	131,967
Accrued Expenses & Other Current Liabilities	155,000	181,000	184,000	203,000	146,000	141,000	148,000	85,279	203,000	85,279	113,354	118,244
Deferred Revenue	101,000	98,000	72,000	62,000	60,000	38,000	31,000	18,902	62,000	18,902	33,470	41,093
Current Income Taxes	0	0	0	0	0	0	0	0	0	0	0	0
ST Debt & Credit Facility	0	0	0	0	0	0	0	0	0	0	0	0
Total Current Liabilities	\$530,000	\$638,000	\$468,000	\$435,000	\$311,000	\$249,000	\$231,000	\$164,662	\$435,000	\$164,662	\$253,992	\$300,263
Long-Term Debt	0	0	0	0	700,000	700,000	490,000	490,000	0	490,000	490,000	0
Deferred Income Taxes	22,000	12,000	8,000	8,000	16,000	13,000	10,000	10,000	8,000	10,000	10,000	10,000
Other Long-Term Liabilities	336,000	341,000	344,000	380,000	373,000	375,000	357,000	168,949	380,000	168,949	217,236	230,042
Total Liabilities	\$888,000	\$991,000	\$820,000	\$823,000	\$1,400,000	\$1,337,000	\$1,088,000	\$833,611	\$823,000	\$833,611	\$971,228	\$540,305
Common Stock	0	0	0	0	0	0	0	0	0	0	0	0
Class B Common Stock	0	0	0	0	0	0	0	0	0	0	0	0
Retained Earnings (Accumulated Deficit)	1,072,000	1,106,000	1,156,000	681,000	662,000	509,000	461,000	388,335	681,000	388,335	320,785	387,296
Additional Paid-In Capital	1,046,000	1,081,000	1,114,000	1,150,000	1,167,000	1,193,000	1,224,000	1,246,400	1,150,000	1,246,400	1,340,649	1,438,669
Treasury Stock	(547,000)	(547,000)	(547,000)	(607,000)	(722,000)	(722,000)	(722,000)	(722,000)	(607,000)	(722,000)	(722,000)	(722,000)
Accumulated Other Comprehensive Income	(64,000)	(65,000)	(75,000)	(63,000)	(80,000)	(68,000)	(55,000)	(55,000)	(63,000)	(55,000)	(55,000)	(55,000)
Shareholders' Equity	\$1,507,000	\$1,575,000	\$1,648,000	\$1,161,000	\$1,027,000	\$912,000	\$908,000	\$857,735	\$1,161,000	\$857,735	\$884,435	\$1,048,964
Liabilities & Shareholders' Equity	\$2,395,000	\$2,566,000	\$2,468,000	\$1,984,000	\$2,427,000	\$2,249,000	\$1,996,000	\$1,691,347	\$1,984,000	\$1,691,347	\$1,855,663	\$1,589,269

TRIP Cash Flow Statement

TripAdvisor - Cash Flow Statement

(\$ in Thousands)

	F2019				F2020				F2019A		F2020E	F2021E	F2022E
	Q1 19A	Q2 19A	Q3 19A	Q4 19A	Q1 20A	Q2 20A	Q3 20A	Q4 20E					
Net Income	\$26,000	\$34,000	\$50,000	\$15,000	(\$16,000)	(\$153,000)	(\$48,000)	(\$72,665)	\$125,000	(\$289,665)	(\$67,550)	\$66,510	
Depreciation	23,000	23,000	23,000	23,000	25,000	26,000	24,000	22,922	92,000	97,922	81,846	77,101	
Amortization of Intangible Assets	8,000	7,000	9,000	10,000	7,000	6,000	6,000	6,000	34,000	25,000	19,000	13,000	
FX Loss on Cash & Cash Equivalents	0	0	0	0	0	0	0	0	0	0	0	0	
Excess Tax Benefit from SBC	0	0	0	0	0	0	0	0	0	0	0	0	
Stock-Based Compensation	27,000	32,000	29,000	35,000	26,000	25,000	28,000	28,000	123,000	107,000	117,798	122,510	
Deferred Taxes	9,000	8,000	(5,000)	(7,000)	12,000	(3,000)	(1,000)	0	5,000	8,000	0	0	
(Gain) / Loss on Sale of Securities / Investments	0	0	0	0	0	0	0	0	0	0	0	0	
Other / Charges	5,000	3,000	2,000	0	0	0	7,000	0	10,000	7,000	0	0	
Funds From Operations	\$98,000	\$107,000	\$108,000	\$76,000	\$54,000	(\$79,000)	\$17,000	(\$15,743)	\$389,000	(\$23,743)	\$151,094	\$279,121	
(Inc.) Dec. in Accounts Receivable	0	0	0	0	0	0	0	27,368	0	27,368	(41,343)	(28,363)	
(Inc.) Dec. in Income Taxes	0	0	0	0	0	0	0	50,000	0	50,000	(406)	(358)	
(Inc.) Dec. in Prepaid Expenses and Other Assets	0	0	0	0	0	0	0	65,589	0	65,589	(12,409)	(17,302)	
Inc. (Dec.) in Accounts Payable	0	0	0	0	0	0	0	(7,448)	0	(7,448)	1,135	1,272	
Inc. (Dec.) in Deferred Merchant Payables	0	0	0	0	0	0	0	15,929	0	15,929	45,552	32,485	
Inc. (Dec.) in Accrued Expenses and Other Liabilities	0	0	0	0	0	0	0	(250,772)	0	(250,772)	76,362	17,695	
Inc. (Dec.) in Deferred Revenue	0	0	0	0	0	0	0	(12,098)	0	(12,098)	14,568	7,624	
Change in Net Working Capital	\$84,000	\$74,000	(\$107,000)	(\$17,000)	(\$124,000)	\$1,000	(\$48,000)	(\$111,432)	\$34,000	(\$282,432)	\$83,458	\$13,054	
Cash Flow from Operations	\$182,000	\$181,000	\$1,000	\$59,000	(\$70,000)	(\$78,000)	(\$31,000)	(\$127,174)	\$423,000	(\$306,174)	\$234,552	\$292,175	
Capital Expenditures	(17,000)	(21,000)	(23,000)	(22,000)	(20,000)	(15,000)	(11,000)	(10,428)	(83,000)	(56,428)	(78,752)	(98,619)	
Acquisitions, Net of Cash Acquired	0	0	(2,000)	(108,000)	0	0	0	0	(110,000)	0	0	0	
Purchases of Securities and Investments	(40,000)	(30,000)	(49,000)	(15,000)	0	0	0	0	(134,000)	0	0	0	
Proceeds from Sales of Securities and Investments	15,000	5,000	20,000	110,000	0	0	0	0	150,000	0	0	0	
Net Cash Used in Investing Activities	(\$42,000)	(\$46,000)	(\$54,000)	(\$35,000)	(\$20,000)	(\$14,000)	(\$13,000)	(\$10,428)	(\$177,000)	(\$57,428)	(\$78,752)	(\$98,619)	
Debt Issuance / (Repayment)	0	0	0	0	700,000	(4,000)	(210,000)	0	0	486,000	0	(490,000)	
Proceeds from / (Repurchase of) Common Stock	0	1,000	0	(60,000)	(115,000)	0	0	(5,600)	(59,000)	(120,600)	(23,560)	(24,502)	
Excess Tax Benefit from SBC	0	0	0	0	0	0	0	0	0	0	11	11	
Other / 1x Cash Dividend	(24,000)	(5,000)	(2,000)	(490,000)	(15,000)	(4,000)	(2,000)	0	(521,000)	(21,000)	0	0	
Net Cash Provided by Financing Activities	(\$24,000)	(\$4,000)	(\$2,000)	(\$550,000)	\$570,000	(\$8,000)	(\$212,000)	(\$5,600)	(\$580,000)	\$344,400	(\$23,549)	(\$514,491)	
Effect of Exchange Rate Changes	0	(1,000)	(8,000)	7,000	(1,000)	0	4,000	0	(2,000)	3,000	0	0	
Inc. (Dec.) in Cash and Cash Equivalents	\$116,000	\$130,000	(\$63,000)	(\$519,000)	\$479,000	(\$100,000)	(\$252,000)	(\$143,202)	(\$336,000)	(\$16,202)	\$132,251	(\$320,935)	
Beginning Cash and Cash Equivalents	655,000	771,000	901,000	838,000	319,000	798,000	698,000	446,000	655,000	319,000	302,798	435,049	
Ending Cash and Cash Equivalents	\$771,000	\$901,000	\$838,000	\$319,000	\$798,000	\$698,000	\$446,000	\$302,798	\$319,000	\$302,798	\$435,049	\$114,114	

TTD Income Statement

The TradeDesk - Income Statement
(\$ in thousands)

	F2020				F2021				F2019A	F2020E	F2021E	F2022E
	Q1 20A	Q2 20A	Q3 20A	Q4 20E	Q1 21E	Q2 21E	Q3 21E	Q4 21E				
GAAP Revenue	\$160,660	\$139,355	\$216,113	\$291,524	\$212,071	\$245,962	\$274,464	\$370,236	\$661,058	\$807,652	\$1,102,732	\$1,476,559
% Y/Y Growth	33%	(13%)	32%	35%	32%	77%	27%	27%	39%	22%	37%	34%
% Q/Q Growth	(26%)	(13%)	55%	35%	(27%)	16%	12%	35%	--	--	--	--
Platform Operations	38,746	39,775	43,187	55,238	46,810	49,956	56,946	71,194	150,830	176,946	224,905	286,430
Sales & Marketing	28,980	30,752	37,721	44,936	33,366	39,535	46,423	53,406	112,113	142,389	172,730	249,432
Technology & Development	28,204	32,214	33,168	34,008	42,859	45,595	47,387	54,081	90,199	127,594	189,923	241,612
General & Administrative	30,999	28,452	32,403	45,397	41,533	42,375	45,211	49,754	114,962	137,251	178,873	223,416
Depreciation & Amortization	6,477	6,783	7,517	7,699	7,915	8,289	9,186	9,408	21,662	28,476	34,798	38,278
Total Stock Compensation Expense	22,965	23,934	26,852	34,983	29,690	31,975	32,936	38,875	80,758	108,734	133,475	221,484
EBIT (GAAP)	\$10,766	(\$15,772)	\$42,782	\$76,962	\$17,814	\$36,525	\$45,561	\$102,926	\$112,196	\$114,738	\$202,826	\$254,186
% Margin	7%	(11%)	20%	26%	8%	15%	17%	28%	17%	14%	18%	17%
Adjusted EBITDA	\$38,974	\$14,593	\$77,163	\$119,645	\$55,419	\$76,789	\$87,682	\$151,209	\$213,921	\$250,375	\$371,099	\$513,947
% Margin	24.3%	10.5%	35.7%	41.0%	26.1%	31.2%	31.9%	40.8%	32.4%	31.0%	33.7%	34.8%
% Y/Y Growth	58	(75)	62	43	42	426	14	26	34	17	48	38
% Q/Q Growth	(53)	(63)	429	55	(54)	39	14	72	--	--	--	--
Net Interest (Income) and Other (Income)	417	194	223	(2,081)	(1,150)	459	213	245	(4,024)	(1,247)	(232)	(1,834)
Non-GAAP Pre-Tax Profit / (Loss)	\$72,060	\$47,743	\$112,598	\$169,265	\$95,463	\$117,997	\$135,229	\$212,750	\$347,808	\$401,666	\$561,439	\$763,934
% Effective Tax Rate	(19%)	(86%)	1%	12%	5%	8%	8%	12%	2%	-8%	9%	8%
Income before taxes (GAAP)	\$10,349	(\$15,966)	\$42,559	\$79,044	\$18,963	\$36,067	\$45,348	\$102,680	\$116,220	\$115,986	\$203,058	\$256,020
GAAP Tax Rate (%)	-132.5%	257.3%	3.1%	25.0%	25.0%	25.0%	25.0%	25.0%	6.8%	-29.1%	25.0%	23.0%
Provision / (Benefit) for Non-GAAP Income Taxes	(13,708)	(41,077)	1,312	19,761	4,741	9,017	11,337	25,670	7,902	(33,712)	50,764	58,885
Tax Adjustments for GAAP Items	0	0	0	0	0	0	0	0	0	0	0	0
Other	0	0	0	0	0	0	0	0	0	0	0	0
Reported GAAP Net Income / (Loss)	\$24,057	\$25,111	\$41,247	\$59,283	\$14,223	\$27,050	\$34,011	\$77,010	\$108,318	\$149,698	\$152,293	\$197,135
% Margin	15%	18%	19%	20%	7%	11%	12%	21%	16%	19%	14%	13%
% Y/Y Growth	137	(10)	112	16	(41)	8	(18)	30	23	38	2	29
% Q/Q Growth	(53)	4	64	44	(76)	90	26	126	--	--	--	--
Non-GAAP Net Income / (Loss)	\$43,369	\$44,797	\$62,659	\$94,266	\$43,913	\$59,025	\$66,946	\$115,885	\$176,308	\$245,091	\$285,769	\$418,619
% Margin	27%	32%	29%	32%	21%	24%	24%	31%	27%	30%	26%	28%
% Y/Y Growth	88	(2)	74	32	1	32	7	23	35	39	17	46
% Q/Q Growth	(39)	3	40	50	(53)	34	13	73	--	--	--	--
Weighted Avg. Diluted Shares Outstanding	48,037	48,654	49,220	49,712	50,209	50,711	51,219	51,731	47,804	48,906	50,967	51,987
Reported GAAP EPS	\$0.50	\$0.52	\$0.84	\$1.19	\$0.28	\$0.53	\$0.66	\$1.49	\$2.26	\$3.05	\$2.97	\$3.79
% Y/Y Growth	133%	(11%)	107%	12%	(43%)	3%	(21%)	25%	18%	35%	(3%)	28%
% Q/Q Growth	(53)	3	62	42	(76)	88	24	124	--	--	--	--
Non-GAAP EPS	\$0.90	\$0.92	\$1.27	\$1.90	\$0.87	\$1.16	\$1.31	\$2.24	\$3.68	\$4.99	\$5.59	\$8.05
% Y/Y Growth	85%	(3%)	69%	27%	(3%)	26%	3%	18%	36%	36%	12%	44%
% Q/Q Growth	(39)	2	38	49	(54)	33	12	71	--	--	--	--

TTD Revenue Build

This presentation is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

the TradeDesk - Revenue Build

(\$ '000s, excluding share data)

	F2020				F2021				F2019A	F2020E	F2021E	F2022E
	Q1 20A	Q2 20A	Q3 20A	Q4 20E	Q1 21E	Q2 21E	Q3 21E	Q4 21E				
Revenue												
Revenue	\$160,660	\$139,355	\$216,113	\$291,524	\$212,071	\$245,962	\$274,464	\$370,236	\$661,058	\$807,652	\$1,102,732	\$1,476,559
% Y/Y Growth	33%	-13%	32%	35%	32%	77%	27%	27%	39%	22%	37%	34%
% Q/Q Growth	-26%	-13%	55%	35%	-27%	16%	12%	35%	--	--	--	--
Gross Spend	\$731,538	\$635,433	\$989,599	\$1,345,305	\$980,261	\$1,137,425	\$1,286,479	\$1,748,896	\$3,128,872	\$3,701,875	\$5,153,061	\$7,003,010
% Y/Y Growth	28%	-18%	27%	33%	34%	79%	30%	30%	33%	18%	39%	36%
% Q/Q Growth	-28%	-13%	56%	36%	-27%	16%	13%	36%	--	--	--	--
Take Rate	21.96%	21.93%	21.84%	21.67%	21.63%	21.62%	21.33%	21.17%	21.13%	21.82%	21.40%	21.08%
Gross Billings	\$751,755	\$688,359	\$1,090,550						\$3,095,687	\$3,662,613	\$5,074,019	\$6,895,592
% Y/Y Growth	3.5%	-8%	45%						35%	18%	39%	36%
% Q/Q Growth	-28%	-8%	58%						--	--	--	--
Revenue as a % of Gross Billings	21.37%	20.24%	19.82%						21.35%	22.05%	21.73%	21.41%
Gross Billings - US	\$652,198	\$592,490	\$940,055						\$2,639,497	\$3,076,595	\$4,242,000	\$5,649,580
% Y/Y Growth	39%	-8%	47%						36%	17%	38%	33%
% Q/Q Growth	-26%	-9%	59%						--	--	--	--
% of Total	86.8%	86.1%	86.2%						85.3%	84.0%	82.3%	80.7%
Gross Billings - International	\$99,557	\$95,869	\$150,495						\$456,190	\$586,018	\$897,087	\$1,332,670
% Y/Y Growth	16%	-11%	37%						31%	28%	53%	49%
% Q/Q Growth	-35%	-4%	57%						--	--	--	--
% of Total	13.2%	13.9%	13.8%						14.7%	16.0%	17.7%	19.3%
Metrics												
Gross Spend Growth by Channel												
Mobile (in-app, video, and web)	38%											
Mobile Video	74%	15%	70%									
Mobile In-App	55%											
Connected TV	100%	40%	100%+									
Audio	60%	20%	70%									
Total Mobile as a % of gross spend	--											
Number of Active Clients (Rolling 12M)												
% Y/Y Growth												
Spend/Active Client												
% Y/Y Growth												

TWTR Income Statement

Twitter - Income Statement
(\$ in thousands)

	F2020				F2021				F2019A	F2020E	F2021E	F2022E
	Q1 20A	Q2 20A	Q3 20A	Q4 20E	Q1 21E	Q2 21E	Q3 21E	Q4 21E				
Total Revenue	\$807,637	\$683,438	\$936,233	\$1,210,674	\$971,215	\$989,595	\$1,146,211	\$1,423,361	\$3,459,329	\$3,637,982	\$4,530,381	\$5,326,780
% Y/Y Growth	2.6%	(18.8%)	13.7%	20.2%	20.3%	44.8%	22.4%	17.6%	13.7%	5.2%	24.5%	17.6%
% Q/Q Growth	(19.8%)	(15.4%)	37.0%	29.3%	(19.8%)	1.9%	15.8%	24.2%	--	--	--	--
Cost of Revenue	\$284,037	\$288,039	\$361,388	\$387,416	\$347,695	\$361,202	\$401,174	\$455,475	\$1,120,263	\$1,320,880	\$1,565,546	\$1,784,471
% Y/Y Growth	10%	6%	31%	23%	22%	25%	11%	18%	18%	18%	19%	14%
% Q/Q Growth	-10%	1%	25%	7%	-10%	4%	11%	14%	--	--	--	--
Total Gross Profit	\$523,600	\$395,399	\$574,845	\$823,258	\$623,520	\$628,393	\$745,037	\$967,885	\$2,339,066	\$2,317,102	\$2,964,835	\$3,542,309
% Margin	64.8%	57.9%	61.4%	68.0%	64.2%	63.5%	65.0%	68.0%	67.6%	63.7%	65.4%	66.5%
Sales & Marketing	202,448	178,103	189,735	267,525	219,612	229,463	255,159	307,938	828,074	837,811	1,012,172	1,156,363
Research & Development	139,801	137,818	142,766	168,145	166,528	179,719	203,080	214,561	473,218	588,530	763,888	867,661
General & Administrative	96,647	79,528	78,849	109,401	100,051	101,451	107,761	121,716	299,395	364,425	430,979	485,803
Total Stock Compensation Expense	97,903	132,876	115,969	116,830	116,546	123,699	126,083	135,219	378,025	463,578	501,548	532,678
Non-GAAP Operating Income (ex-SBC)	\$89,745	\$7,469	\$168,919	\$282,856	\$143,125	\$123,557	\$184,834	\$329,040	\$754,705	\$548,989	\$780,556	\$1,056,379
% Margin	11%	1%	18%	23%	15%	12%	16%	23%	22%	15%	17%	20%
% Y/Y Growth	(51)	(96)	15	12	59	1,554	9	16	(5)	(27)	42	35
% Q/Q Growth	(64)	(92)	2,162	67	(49)	(14)	50	78	--	--	--	--
EBIT (GAAP)	(\$7,443)	(\$123,930)	\$56,107	\$161,357	\$20,782	(\$5,939)	\$52,953	\$188,451	\$366,373	\$86,091	\$256,248	\$499,802
% Margin	(0.9%)	(18.1%)	6.0%	13.3%	2.1%	(0.6%)	4.6%	13.2%	10.6%	2.4%	5.7%	9.4%
% Y/Y Growth	(108)	(264)	27	6	--	--	(6)	17	(19)	(77)	198	95
% Q/Q Growth	(105)	--	--	188	(87)	(129)	--	256	--	--	--	--
Adjusted EBITDA	\$211,109	\$132,783	\$294,059	\$405,762	\$279,473	\$272,693	\$345,403	\$501,003	\$1,209,730	\$1,043,713	\$1,398,571	\$1,870,774
% Margin	26.1%	19.4%	31.4%	33.5%	28.8%	27.6%	30.1%	35.2%	35.0%	28.7%	30.9%	35.1%
% Y/Y Growth	(27)	(54)	12	9	32	105	17	23	1	(14)	34	34
% Q/Q Growth	(43)	(37)	121	38	(31)	(2)	27	45	--	--	--	--
Net Interest (Income) and Other (Income)	8,092	15,176	26,424	(257)	6,743	6,743	6,743	6,743	(23,766)	49,435	26,971	151,428
Income before taxes (GAAP)	(\$15,535)	(\$139,106)	\$29,683	\$161,614	\$14,040	(\$12,682)	\$46,211	\$181,708	\$390,139	\$36,656	\$229,277	\$348,375
GAAP Tax Rate (%)	46.0%	-782.8%	3.4%	21.0%	21.0%	21.0%	21.0%	21.0%	-275.7%	3046.5%	21.0%	13.0%
Provision / (Benefit) for Income Taxes	(7,139)	1,088,899	1,024	33,939	2,948	(2,663)	9,704	38,159	(1,075,520)	1,116,723	48,148	45,248
Tax Adjustments for Non-GAAP Items	29,508	1,118,723	26,673	31,544	31,467	33,399	34,042	36,509	(786,600)	1,206,448	135,418	186,437
Reported GAAP Net Income / (Loss)	(\$8,396)	(\$1,228,005)	\$28,659	\$127,675	\$11,091	(\$10,019)	\$36,506	\$143,550	\$1,465,659	(\$1,080,067)	\$181,129	\$303,127
% Margin	(1%)	(180%)	3%	11%	1%	(1%)	3%	10%	42%	(30%)	4%	6%
% Y/Y Growth	(104)	(210)	(22)	7	--	--	27	12	22	(174)	--	67
% Q/Q Growth	(107)	--	--	345	(91)	(190)	--	293	--	--	--	--
Weighted Avg. Diluted Shares Outstanding	780,688	785,909	806,383	806,786	807,190	807,593	807,997	808,401	788,684	806,786	808,401	810,018
Reported GAAP EPS	(\$0.01)	(\$1.56)	\$0.04	\$0.16	\$0.01	(\$0.01)	\$0.05	\$0.18	\$1.87	(\$1.38)	\$0.22	\$0.37
% Y/Y Growth	(104%)	(210%)	(23%)	5%	--	--	27%	12%	20%	(174%)	--	67%
% Q/Q Growth	(107)	--	--	345	(91)	(192)	--	293	--	--	--	--

TWTR Revenue Build

Twitter - Revenue Build

(*\$ in Thousands, excluding share data*)

	F2020				F2021				F2019A	F2020E	F2021E	F2022E
	Q1 20A	Q2 20A	Q3 20A	Q4 20E	Q1 21E	Q2 21E	Q3 21E	Q4 21E				
Revenue												
Total Revenue	\$807,637	\$683,438	\$936,233	\$1,210,674	\$971,215	\$989,595	\$1,146,211	\$1,423,361	\$3,459,329	\$3,637,982	\$4,530,381	\$5,326,780
% Y/Y Growth	3%	-19%	14%	20%	20%	45%	22%	18%	14%	5%	25%	18%
% Q/Q Growth	-20%	-15%	37%	29%	-20%	2%	16%	24%				
Advertising Revenue	\$682,192	\$561,994	\$808,449	\$1,078,055	\$838,243	\$858,435	\$1,008,204	\$1,282,785	\$2,993,392	\$3,130,690	\$3,987,668	\$4,729,795
% Y/Y Growth	0%	-23%	15%	22%	23%	53%	25%	19%	14%	5%	27%	19%
% Q/Q Growth	-23%	-18%	44%	33%	-22%	2%	17%	27%	--	--	--	--
% of Revenue	84%	82%	86%	89%	86%	87%	88%	90%	87%	86%	88%	89%
US Advertising Revenue	\$381,364	\$283,452	\$427,827	\$613,776	\$475,294	\$442,015	\$531,361	\$711,490	\$1,635,081	\$1,706,419	\$2,160,160	\$2,546,288
% Y/Y Growth	5%	-25%	11%	21%	25%	36%	24%	16%	21%	4%	27%	18%
% Q/Q Growth	-25%	-26%	51%	43%	-23%	7%	20%	34%	--	--	--	--
% of Ad Revenue	56%	50%	53%	57%	57%	51%	53%	55%	55%	55%	54%	54%
International Advertising Revenue	\$300,828	\$278,542	\$380,622	\$464,279	\$362,949	\$416,420	\$476,843	\$571,295	\$1,358,311	\$1,424,271	\$1,827,508	\$2,183,506
% Y/Y Growth	-5%	-20%	20%	24%	21%	50%	25%	23%	7%	5%	28%	19%
% Q/Q Growth	-20%	-7%	37%	22%	-22%	15%	15%	20%	--	--	--	--
% of Ad Revenue	44%	50%	47%	43%	43%	49%	47%	45%	45%	45%	46%	46%
Data Licensing and Other	\$125,445	\$121,444	\$127,784	\$132,619	\$132,972	\$131,160	\$138,007	\$140,576	\$465,937	\$507,292	\$542,714	\$596,985
% Y/Y Growth	17%	6%	5%	8%	6%	8%	8%	6%	10%	9%	7%	10%
% Q/Q Growth	2%	-3%	5%	4%	0%	-1%	5%	2%	--	--	--	--
% of Revenue	16%	18%	14%	11%	14%	13%	12%	10%	13%	14%	12%	11%
Users												
mDAUs	166,000	186,000	187,000	199,060	208,840	213,180	217,720	227,775	152,000	199,060	227,775	263,792
% Y/Y Growth	24%	34%	29%	31%	26%	15%	16%	14%	21%	31%	14%	16%
% Q/Q Growth	9%	12%	1%	6%	5%	2%	2%	5%	--	--	--	--
Sequential Increase	14,000	20,000	1,000	12,060	9,780	4,340	4,540	10,055	26,000	47,060	28,715	36,017
US mDAUs	33,000	36,000	36,000	38,130	39,930	40,680	41,400	42,706	31,000	38,130	42,706	49,111
% Y/Y Growth	18%	24%	20%	23%	21%	13%	15%	12%	15%	23%	12%	15%
% Q/Q Growth	6%	9%	0%	6%	5%	2%	2%	3%	--	--	--	--
% Total MAUs	20%	19%	19%	19%	19%	19%	19%	19%	20%	19%	19%	19%
Sequential Increase	2,000	3,000	0	2,130	1,800	750	720	1,306	4,000	7,130	4,576	6,406
International mDAUs	133,000	150,000	152,000	160,930	168,910	172,500	176,320	185,070	121,000	160,930	185,070	214,681
% Y/Y Growth	27%	36%	32%	33%	27%	15%	16%	15%	22%	33%	15%	16%
% Q/Q Growth	10%	13%	1%	6%	5%	2%	2%	5%	--	--	--	--
% Total MAUs	80%	81%	81%	81%	81%	81%	81%	81%	80%	81%	81%	81%
Sequential Increase	12,000	17,000	2,000	8,930	7,980	3,590	3,820	8,750	22,000	39,930	24,140	29,611
*% Change may not match reported due to rounding												
Advertising ARPU (Per Core mDAU)	\$4.11	\$3.02	\$4.32	\$5.42	\$4.01	\$4.03	\$4.63	\$5.63	\$19.69	\$15.73	\$17.51	\$17.93
% Y/Y Growth	-19%	-42%	-11%	-7%	-2%	33%	7%	4%	-5%	-20%	11%	2%
% Q/Q Growth	-29%	-26%	43%	25%	-26%	0%	15%	22%	--	--	--	--
US Ad ARPU (Per core mDAU)	\$11.56	\$7.87	\$11.88	\$16.10	\$11.90	\$10.87	\$12.83	\$16.66	\$52.74	\$44.75	\$50.58	\$51.85
% Y/Y Growth	-11%	-40%	-7%	-2%	3%	38%	8%	4%	-15%	-13%	3%	3%
% Q/Q Growth	-30%	-32%	51%	35%	-26%	-9%	18%	30%	--	--	--	--
International Ad ARPU (Per Core mDAU)	\$2.26	\$1.86	\$2.50	\$2.88	\$2.15	\$2.41	\$2.70	\$3.09	\$11.23	\$8.85	\$9.87	\$10.17
% Y/Y Growth	-25%	-41%	-9%	-7%	-5%	30%	8%	7%	-12%	-21%	12%	3%
% Q/Q Growth	-27%	-18%	35%	15%	-26%	12%	12%	14%	--	--	--	--

UPWK Income Statement

Income Statement (\$ in 1,000s, except per share)	FY19	F1Q20	F2Q20	F3Q20A	F4Q20E	FY20	FY21	FY22
(FY ends in Dec.)								
GSV (Gross Services Volume)	\$2,087,055	\$559,493	\$581,950	\$654,538	\$666,744	\$2,462,725	\$3,004,524	\$3,680,542
% YoY growth	18.8%	14.9%	12.2%	21.8%	22.5%	18.0%	22.0%	22.5%
Revenue:								
Marketplace	269,976	74,782	78,464	88,040	88,840	330,126	401,294	493,957
% YoY growth	21%	23%	19%	25%	23%	22%	22%	23%
Managed Services	32,278	8,414	9,067	8,708	8,667	34,856	35,418	36,618
% YoY growth	9%	5%	13%	7%	7%	8%	2%	3%
TOTAL revenue	\$302,254	\$83,196	\$87,531	\$96,748	\$97,507	\$364,982	\$436,712	\$530,575
<i>guidance</i>	301-301.5M	81.5-82.5	79-81	89-91	96-98M	363-365M	+20%	
take rate (% GSV)	14.5%	14.9%	15.0%	14.8%	14.6%	14.8%	14.5%	14.4%
% YoY growth	19%	21%	18%	23%	21%	21%	20%	21%
Cost of sales (non-gaap)								
total cost of sales	87,688	23,311	25,206	26,393	26,880	101,790	117,807	137,899
gross profit (non-gaap)	214,566	59,885	62,325	70,355	70,627	263,192	318,905	392,676
gross margin %	71.0%	72.0%	71.2%	72.7%	72.4%	72.1%	73.0%	74.0%
R&D	57,556	17,398	17,778	18,266	18,669	72,111	84,258	100,800
% of rev	19.0%	20.9%	20.3%	18.9%	19.1%	19.8%	19.3%	19.0%
S&M	93,282	29,750	33,128	32,365	35,137	130,380	159,049	185,775
% of rev	30.9%	35.8%	37.8%	33.5%	36.0%	35.7%	36.4%	35.0%
G&A	54,802	14,484	13,396	14,318	15,335	57,533	68,296	79,246
% of rev	18.1%	17.4%	15.3%	14.8%	15.7%	15.8%	15.6%	14.9%
Trans. losses (provision)	3,905	912	1,018	724	1,467	4,121	6,610	8,097
% total GSV	0.19%	0.16%	0.17%	0.11%	0.22%	0.17%	0.22%	0.22%
Total Opex	209,545	62,544	65,320	65,673	70,608	264,145	318,213	373,918
EBIT (non-gaap)	5,021	(2,659)	(2,995)	4,682	19	(953)	692	18,757
operating margin %	1.7%	-3.2%	-3.4%	4.8%	0.0%	-0.3%	0.2%	3.5%
EBITDA (adjusted)	9,014	(1,018)	(1,184)	6,673	1,985	6,456	7,985	27,476
<i>guidance</i>	1-1.5%							
EBITDA margin %	3.0%	-1.2%	-1.4%	6.9%	2.0%	1.8%	1.8%	5.2%
interest & other	2,101	(961)	(10)	300	300	(371)	1,190	1,309
EBT	7,122	(3,620)	(3,005)	4,982	319	(1,324)	1,882	20,066
taxes	28	9	30	18	-	57	-	-
Net Income (non-gaap)	7,094	(3,629)	(3,035)	4,964	319	(1,381)	1,882	20,066
Net Income (gaap)	(15,083)	(10,021)	(11,024)	(2,747)	(7,721)	(31,513)	(26,085)	(8,301)
EPS (diluted, non-gaap)	0.06	(0.03)	(0.03)	0.04	0.00	(0.01)	0.01	0.14
EPS (diluted, gaap)	(0.14)	(0.09)	(0.09)	(0.02)	(0.06)	(0.27)	(0.21)	(0.06)
shares (diluted, avg)	120,771	126,505	130,574	133,476	135,478	131,508	138,899	144,539

UPWK Metrics

METRICS	FY19	F1Q20	F2Q20	F3Q20A	F4Q20E	FY20	FY21	FY22
Core clients (>\$5K spend)	124,400	128,800	133,300	138,900				
% YoY growth	18%	16%	15%	15%				
% QoQ growth		4%	3%	4%				
Fortune 500 clients (% of all)	>30%							
GSV from U.S. freelancers	27%							
GSV from U.S. clients	68%							
Geography, rev - freelancers								
<u>% mix</u>								
int'l % of total FLs	73%	73%	73%	73%				
FL % of total revs	62%	61%	61%	61%				
<u>% YoY growth</u>								
U.S. FLs	24%	18%	15%	21%				
int'l FLs	12%	12%	13%	21%				
Total freelancers	15%	14%	14%	21%				
Geography, rev - clients								
<u>% mix</u>								
U.S. % of total clients	77%	71%	71%	76%				
clients % of total revs	37%	39%	39%	39%				
<u>% YoY growth</u>								
U.S. clients	33%	30%	14%	23%				
int'l clients	5%	44%	67%	38%				
Total clients	26%	34%	25%	26%				
Employees	570							
QoQ change (% YoY for FY)	33%							
rev/EE (avg, annualized)	\$ 604,508							
B/S & C/F, selected items								
Cash & securities, gross	133,873	145,328	146,361	155,487	154,319	154,319	145,213	153,621
Deferred revenue	13,799	14,386	14,984	15,892	16,525	16,525	19,607	23,625
% YoY growth	1811%	1515%	1226%	901%	20%	20%	19%	20%
CFFO	1,058	(1,702)	8,364	6,750	3,707	17,119	12,566	32,084
% YoY growth	-92%	-94%	433%	-77%	-493%	1518%	-27%	155%
OCF mgn (% of rev)	0%					5%	3%	6%
FCF	(15,580)	(4,989)	2,465	4,159	(1,168)	467	(9,105)	8,407
% YoY growth	-310%	-85%	-176%	-83%	-65%	-103%	-2051%	-192%

UPWK Balance Sheet

Upwork, Inc. (UPWK) (\$ in 1,000s, except per share) (FY ends in Dec.)	FY19	F1Q20	F2Q20	F3Q20A	F4Q20E	FY20	FY21	FY22
Balance Sheet								
Cash & equivalents	48,392	65,635	76,755	88,436	87,268	87,268	78,162	86,570
S-T investments	85,481	79,693	69,606	67,051	67,051	67,051	67,051	67,051
Funds held in escrow	108,721	123,556	129,553	128,131	166,686	166,686	200,386	244,819
Trade & client receivables	30,156	35,260	33,230	39,853	34,467	34,467	42,361	50,584
Prepaid expenses & other	7,885	8,387	9,009	8,487	9,286	9,286	10,804	12,586
Total current assets	280,635	312,531	318,153	331,958	364,758	364,758	398,764	461,609
PP&E	21,454	24,989	27,284	27,680	29,922	29,922	41,633	53,923
Intangibles	3,335	2,668	2,001	1,334	1,334	1,334	1,334	1,334
Goodwill	118,219	118,219	118,219	118,219	118,219	118,219	118,219	118,219
Other assets	22,737	23,660	23,191	22,446	22,446	22,446	22,446	22,446
Total assets	446,380	482,067	488,848	501,637	536,679	536,679	582,396	657,532
Accounts payable	652	1,719	5,180	5,708	3,646	3,646	5,110	6,154
Escrow funds payable	108,721	123,556	129,553	128,131	166,686	166,686	200,386	244,819
Accrued expenses & other	18,342	23,394	25,364	28,766	26,363	26,363	31,952	37,526
Debt, S-T	7,584	22,589	7,594	7,576	7,576	7,576	7,576	7,576
Deferred revenue, S-T	13,799	14,386	14,984	15,892	16,525	16,525	19,607	23,625
Total current liabilities	149,098	185,644	182,675	186,073	220,796	220,796	264,631	319,700
Debt, L-T	10,699	8,814	6,929	5,021	5,021	5,021	5,021	5,021
Other liabilities	27,159	28,873	29,101	28,969	28,969	28,969	28,969	28,969
Total liabilities	186,956	223,331	218,705	220,063	254,786	254,786	298,621	353,690
Stockholders' equity	259,424	258,736	270,143	281,574	281,893	281,893	283,775	303,841
Total liab. & stock. equity	446,380	482,067	488,848	501,637	536,679	536,679	582,396	657,532

UPWK Cash Flows

Cash Flows	FY19	F1Q20	F2Q20	F3Q20A	F4Q20E	FY20	FY21	FY22
Net income	(15,083)	(10,021)	(11,024)	(2,747)	(7,721)	(31,513)	(26,085)	(8,301)
D&A	6,661	2,308	2,478	2,658	2,633	10,077	9,961	11,387
SBC	18,798	5,537	7,134	6,856	8,040	27,567	27,967	28,367
other	3,623	1,763	1,933	2,181	-	5,877	-	-
change in other A&L	(12,941)	(1,289)	7,843	(2,198)	755	5,111	724	631
Operating Cash Flow	1,058	(1,702)	8,364	6,750	3,707	17,119	12,566	32,084
capex	(16,638)	(3,287)	(5,899)	(2,591)	(4,875)	(16,652)	(21,672)	(23,677)
acquisitions (net of cash)	-	-	-	-	-	-	-	-
other	(84,286)	6,211	10,041	2,533	-	18,785	-	-
Investing Cash Flow	(100,924)	2,924	4,142	(58)	(4,875)	2,133	(21,672)	(23,677)
equity	24,546	3,165	15,506	7,333	-	26,004	-	-
debt & other	(11,551)	27,941	(10,895)	(3,366)	-	13,680	-	-
dividends	-	-	-	-	-	-	-	-
Financing Cash Flow	12,995	31,106	4,611	3,967	-	39,684	-	-
FX impact on cash	-	-	-	-	-	-	-	-
Net change in cash	(86,871)	32,328	17,117	10,659	(1,168)	58,936	(9,105)	8,407
Cash, beginning	129,128	48,392	65,635	76,755	88,436	48,392	87,268	78,162
Cash, ending	42,257	80,720	82,752	87,414	87,268	107,328	78,162	86,570

VRM Income Statement

This document contains forward-looking statements. Actual results may differ materially.

Income Statement (\$ in Millions)	2020E				2021E				2019	2020E	2021E	2022E
	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E				
Revenue, total	375.8	253.1	323.0	398.2	533.0	605.2	709.5	775.9	1,191.8	1,350.1	2,623.6	4,219.1
Cost of sales	357.4	245.5	297.6	371.5	491.6	552.3	639.9	702.3	1,134.0	1,271.9	2,386.0	3,792.8
Gross profit, GAAP	18.4	7.6	25.4	26.7	41.4	52.9	69.6	73.7	57.9	78.2	237.6	426.4
% Margin	4.9%	3.0%	7.9%	6.7%	7.8%	8.7%	9.8%	9.5%	4.9%	5.8%	9.1%	10.1%
Compensation & benefits	20.3	20.6	22.9	26.9	27.5	28.1	29.0	34.9	72.5	90.7	119.5	156.6
Marketing expense	17.9	11.6	15.3	18.7	26.7	29.2	30.1	30.6	49.9	63.5	116.6	167.3
Outbound logistics	5.8	5.5	8.5	11.3	13.5	17.6	18.7	20.1	14.0	31.1	69.9	108.0
Occupancy and related costs	2.7	2.3	2.6	2.9	2.8	2.4	2.7	3.0	11.3	10.5	10.9	11.3
Professional fees	2.5	1.5	1.8	1.4	1.6	1.7	1.4	1.7	11.6	7.1	6.4	7.4
Other	9.2	6.5	10.0	11.6	12.0	12.0	12.4	12.9	25.8	37.3	49.2	58.6
Depreciation and amortization	1.0	1.1	1.2	1.2	1.4	2.6	2.6	2.4	6.0	4.5	9.0	10.0
Total operating expenses	59.3	49.0	62.3	74.0	85.6	93.5	97.0	105.5	191.0	244.7	381.5	519.2
Operating income (loss), GAAP	(41.0)	(41.4)	(36.9)	(47.3)	(44.1)	(40.6)	(27.4)	(31.8)	(133.1)	(166.5)	(143.9)	(92.9)
% Margin	(10.9%)	(16.4%)	(11.4%)	(11.9%)	(8.3%)	(6.7%)	(3.9%)	(4.1%)	(11.2%)	(12.3%)	(5.5%)	(2.2%)
Interest expense	2.8	1.3	2.3	2.7	4.0	4.0	4.0	4.0	14.6	9.1	16.2	16.2
Interest income	(2.0)	(0.7)	(1.3)	(1.2)	(1.4)	(1.3)	(1.2)	(1.1)	(5.6)	(5.1)	(5.0)	(3.3)
Other income, including revaluation of stock warrants	(0.8)	21.2	(0.0)						0.7	20.4	0.0	0.0
Earnings before taxes	(41.0)	(63.2)	(37.8)	(48.8)	(46.7)	(43.3)	(30.2)	(34.8)	(142.8)	(190.8)	(155.1)	(105.8)
Income tax provision	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.1	0.0	0.0
Effective tax rate	(0.1%)	(0.1%)	(0.1%)	0.0%	0.0%	0.0%	0.0%	0.0%	(0.1%)	(0.1%)	0.0%	0.0%
Net earnings (loss)	(41.1)	(63.2)	(37.9)	(48.8)	(46.7)	(43.3)	(30.2)	(34.8)	(143.0)	(190.9)	(155.1)	(105.8)
Basic EPS, GAAP	(\$0.35)	(\$0.53)	(\$0.29)	(\$0.37)	(\$0.36)	(\$0.33)	(\$0.23)	(\$0.26)	(\$1.22)	(\$1.55)	(\$1.18)	(\$0.80)
Diluted EPS, GAAP	(\$0.35)	(\$0.53)	(\$0.29)	(\$0.37)	(\$0.36)	(\$0.33)	(\$0.23)	(\$0.26)	(\$1.22)	(\$1.55)	(\$1.18)	(\$0.80)
Diluted EPS, Adjusted	(\$0.36)	(\$0.34)	(\$0.29)	(\$0.37)	(\$0.36)	(\$0.33)	(\$0.23)	(\$0.26)	(\$1.22)	(\$1.37)	(\$1.18)	(\$0.80)
Adjusted Basic Shares, Average	117.3	118.6	130.2	130.2	130.5	131.0	131.5	132.0	117.5	123.3	131.1	132.9
Adjusted Diluted Shares, Average	117.3	118.6	130.2	130.2	130.5	131.0	131.5	132.0	117.2	123.3	131.1	132.9
EBITDA, GAAP												
Operating income (loss), including other expense, GAAP	(40.1)	(62.6)	(36.8)	(47.3)	(44.1)	(40.6)	(27.4)	(31.8)	(133.8)	(186.8)	(143.9)	(92.9)
Depreciation and amortization	1.0	1.1	1.2	1.3	1.4	2.6	2.6	2.4	6.2	4.5	9.0	10.0
Other	0.0	0.0	0.0						0.0	0.0	0.0	0.0
EBITDA, Adjusted	(39.2)	(61.5)	(35.7)	(46.0)	(42.7)	(38.0)	(24.7)	(29.4)	(127.7)	(182.3)	(134.8)	(82.9)
% Margin	(10.4%)	(24.3%)	(11.0%)	(11.6%)	(8.0%)	(6.3%)	(3.5%)	(3.8%)	(10.7%)	(13.5%)	(5.1%)	(2.0%)
Adjusted net income												
Net earnings (loss)	(41.1)	(63.2)	(37.9)	(48.8)	(46.7)	(43.3)	(30.2)	(34.8)	(143.0)	(190.9)	(155.1)	(105.8)
Other	(0.8)	22.5	0.0						0.0	21.7	0.0	0.0
Adjusted net income	(41.8)	(40.7)	(37.9)	(48.8)	(46.7)	(43.3)	(30.2)	(34.8)	(143.0)	(169.2)	(155.1)	(105.8)

VRM Balance Sheet

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Balance Sheet (\$ in Millions)	2020E				2021E				2019	2020E	2021E	2022E
	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E				
Cash and cash equivalents	169.8	651.0	1,161.4	1,072.3	943.5	881.6	818.9	748.8	217.7	1,072.3	748.8	423.1
Restricted cash	32.5	21.9	28.0	28.0	28.0	28.0	28.0	28.0	1.9	28.0	28.0	28.0
Accounts receivable	35.0	15.3	33.8	30.3	40.5	46.0	53.9	59.0	30.8	30.3	59.0	89.0
Vehicle inventory	179.6	141.1	299.4	346.2	431.2	454.1	491.1	531.3	205.7	346.2	531.3	769.8
Other current assets	12.3	17.8	16.3	16.3	16.3	16.3	16.3	16.3	9.1	16.3	16.3	16.3
Total current assets	429.3	847.0	1,538.8	1,493.0	1,459.4	1,425.9	1,408.1	1,383.3	465.3	1,493.0	1,383.3	1,326.2
Property and equipment	9.0	9.8	10.1	12.8	13.3	12.6	11.7	11.3	7.8	12.8	11.3	11.3
Intangible assets	0.4	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.6	0.2	0.2	0.2
Goodwill	78.2	78.2	78.2	78.2	78.2	78.2	78.2	78.2	78.2	78.2	78.2	78.2
Operating lease	16.7	15.4	14.3	14.3	14.3	14.3	14.3	14.3	0.0	14.3	14.3	14.3
Other non-current assets	13.6	12.5	13.4	13.4	13.4	13.4	13.4	13.4	11.5	13.4	13.4	13.4
Total Assets	547.1	963.2	1,654.9	1,611.9	1,578.8	1,544.6	1,526.0	1,500.7	563.4	1,611.9	1,500.7	1,443.7
Accounts payable	16.0	20.1	29.6	31.1	41.1	46.2	53.5	58.7	19.0	31.1	58.7	87.6
Accrued expenses	32.4	40.9	47.6	47.6	47.6	47.6	47.6	47.6	38.5	47.6	47.6	47.6
Vehicle floorplan	165.2	109.8	249.0	249.0	249.0	249.0	249.0	249.0	173.5	249.0	249.0	249.0
Deferred revenue	12.8	15.5	17.3	17.3	17.3	17.3	17.3	17.3	17.3	17.3	17.3	17.3
Operating lease liabilities	4.7	4.6	4.6	4.6	4.6	4.6	4.6	4.6	0.0	4.6	4.6	4.6
Current Portion of L-T Debt	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other current liabilities	15.7	13.1	16.4	16.4	16.4	16.4	16.4	16.4	11.6	16.4	16.4	16.4
Total current liabilities	247.0	204.1	364.5	366.0	376.0	381.1	388.4	393.6	259.8	366.0	393.6	422.5
Long-term debt	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.0	0.0	0.0
Operating lease obligations-net of current	12.9	11.8	10.7	10.7	10.7	10.7	10.7	10.7	0.0	10.7	10.7	10.7
Other long-term liabilities	2.1	2.0	1.9	1.9	1.9	1.9	1.9	1.9	2.9	1.9	1.9	1.9
Preferred stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	874.3	0.0	0.0	0.0
Common stock	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.1	0.1	0.1
Additional paid-in capital	901.0	1,424.7	1,994.9	1,999.2	2,002.8	2,006.9	2,011.2	2,015.5	0.0	1,999.2	2,015.5	2,035.3
Retained earnings (accumulated deficit)	(616.1)	(679.4)	(717.2)	(766.0)	(812.7)	(856.1)	(886.3)	(921.1)	(573.9)	(766.0)	(921.1)	(1,026.9)
Other shareholder equity	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shareholders' equity	284.9	745.4	1,277.9	1,233.4	1,190.2	1,151.0	1,125.0	1,094.5	300.5	1,233.4	1,094.5	1,008.6
Total liabilities and shareholder equity	547.1	963.2	1,654.9	1,611.9	1,578.8	1,544.6	1,526.0	1,500.7	563.4	1,611.9	1,500.7	1,443.7

VRM Cash Flow Statement

Use of this presentation is prohibited.

Cash Flow Statement (\$ in Millions)	2020E				2021E				2019	2020E	2021E	2022E
	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E				
Net (loss) income	(41.1)	(63.2)	(37.9)	(48.8)	(46.7)	(43.3)	(30.2)	(34.8)	(143.0)	(190.9)	(155.1)	(105.8)
Depreciation and amortization	1.0	1.1	1.2	1.3	1.4	2.6	2.6	2.4	6.2	4.5	9.0	10.0
Amortization and write-off of debt issuance costs	0.1	0.3	0.3						0.4	0.7	0.0	0.0
Loss on extinguishment of debt	0.0	0.0	0.0						1.0			
Stock-based compensation	0.6	4.1	4.2	4.3	3.6	4.1	4.2	4.3	2.8	13.2	16.2	19.9
Loss on disposal of property & equipment	0.0	0.0	0.0						0.8	0.0	0.0	0.0
Provision for doubtful accounts	0.3	(0.3)	0.0						0.8	0.0	0.0	0.0
Provision for inventory obsolescence	4.4	(6.0)	4.5						2.7	2.9	0.0	0.0
Other	(0.8)	21.9	0.7						0.8	21.8	0.0	0.0
Changes in assets and liabilities												
Accounts receivable	(4.5)	19.4	(19.2)	3.5	(10.2)	(5.5)	(7.9)	(5.0)	(18.4)	(0.8)	(28.7)	(30.1)
Vehicle inventory	21.7	44.5	(162.8)	(46.8)	(85.0)	(22.9)	(37.0)	(40.2)	(92.9)	(143.3)	(185.1)	(238.5)
Prepaid expenses	(2.1)	(5.8)	1.3						(3.9)	(6.6)	0.0	0.0
Other assets	(0.8)	(0.5)	(1.0)	0.0	0.0	0.0	0.0	0.0	(3.5)	(2.2)	0.0	0.0
Accounts payable	(2.9)	3.9	9.6	1.4	10.0	5.1	7.3	5.2	4.0	11.9	27.7	28.9
Accrued expenses	(0.8)	5.6	11.0	0.0	0.0	0.0	0.0	0.0	10.1	15.7	0.0	0.0
Deferred revenue	(4.5)	2.7	1.8	0.0	0.0	0.0	0.0	0.0	10.9	(0.0)	0.0	0.0
Other liabilities, net	4.3	(2.4)	3.4	0.0	0.0	0.0	0.0	0.0	5.7	5.3	0.0	0.0
Net cash from operating activities	(25.1)	25.1	(182.9)	(85.0)	(127.0)	(60.0)	(61.0)	(68.0)	(215.6)	(267.9)	(316.0)	(315.6)
Purchases of property and equipment	(1.7)	(1.4)	(1.9)	(4.0)	(1.9)	(1.9)	(1.8)	(2.0)	(3.5)	(9.1)	(7.5)	(10.1)
Proceeds from the sale of property and equipment	0.0	0.0	0.0						0.0	0.0	0.0	0.0
Net cash from investing activities	(1.7)	(1.4)	(1.9)	(4.0)	(1.9)	(1.9)	(1.8)	(2.0)	(3.5)	(9.1)	(7.5)	(10.1)
Long-term debt (repayment), net	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(25.5)	0.0	0.0	0.0
Vehicle floorplan, net	(9.4)	(55.4)	139.2						78.0	74.4	0.0	0.0
Convertible stock issuance	21.7	0.0	0.0						227.5	21.7	0.0	0.0
Share repurchases	(1.8)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(5.8)	(1.8)	0.0	0.0
Tax withholdings from restricted stock awards	0.0	(0.9)	(2.0)						0.0	(2.9)	0.0	0.0
Common stock issuance, net	0.0	502.3	564.2						(0.7)	1,066.5	0.0	0.0
Proceeds from exercise of stock options	0.0	0.0	0.1						1.8	0.1	0.0	0.0
Dividends paid (common & preferred)	0.0	0.0	0.0						0.0	0.0	0.0	0.0
Other	(0.8)	0.8	(0.2)						0.0	(0.3)	0.0	0.0
Net cash from financing activities	9.6	446.8	701.2	0.0	0.0	0.0	0.0	0.0	275.2	1,157.7	0.0	0.0
Effect of exchange rate changes	0.0	0.0	0.0						0.0	0.0	0.0	0.0
Net increase in cash and equivalents	(17.2)	470.5	516.435	(89.0)	(128.8)	(61.9)	(62.7)	(70.0)	56.1	880.7	(323.5)	(325.7)
Cash and equivalents, beginning of period	219.6	202.3	672.9	1,189.3	1,100.3	971.4	909.6	846.8	163.5	219.6	1,100.3	776.8
Cash and equivalents, end of period	202.3	672.9	1,189.3	1,100.3	971.4	909.6	846.8	776.8	219.6	1,100.3	776.8	451.1

YELP Income Statement

Yelp - Income Statement

(\$ in Thousands, except EPS)

	F2019				F2020				F2019A	F2020E	F2021E	F2022E
	Q1 19A	Q2 19A	Q3 19A	Q4 19A	Q1 20A	Q2 20A	Q3 20A	Q4 20E				
Advertising Revenue	227,033	237,842	253,098	258,952	240,093	162,233	211,167	217,520	976,925	831,013	939,044	1,018,863
Y/Y growth	6%	5%	9%	10%	6%	-32%	-17%	-16%	8%	-15%	13%	9%
Transactions Revenue	3,307	3,147	3,074	2,908	2,639	3,968	4,412	4,217	12,436	15,236	17,064	18,770
Y/Y growth	-14%	-11%	1%	-12%	-20%	26%	44%	45%	-9%	23%	12%	10%
Other Revenue	5,602	5,966	6,302	6,963	7,169	2,829	5,228	5,431	24,833	20,657	25,821	28,920
Y/Y growth	8%	15%	14%	23%	28%	-53%	-17%	-22%	15%	-17%	25%	12%
Net Revenue	\$235,942	\$246,955	\$262,474	\$268,823	\$249,901	\$169,030	\$220,807	\$227,167	\$1,014,194	\$866,905	\$981,930	\$1,066,553
% Y/Y Growth	6%	5%	9%	10%	6%	(32%)	(16%)	(15%)	8%	(75%)	13%	9%
Cost of Revenues (ex SBC)	13,021	13,857	15,460	15,537	15,804	10,882	12,344	12,426	57,875	\$1,456	\$4,006	\$6,527
Total Gross Profit	\$222,921	\$233,098	\$247,014	\$253,286	\$234,097	\$158,148	\$208,463	\$214,741	\$956,319	\$815,449	\$927,923	\$1,010,026
% Margin	94.5%	94.4%	94.1%	94.2%	93.7%	93.6%	94.4%	94.5%	94.3%	94.1%	94.5%	94.7%
Sales & Marketing (ex-SBC)	116,629	114,271	119,972	118,846	129,601	88,987	94,105	104,497	469,718	417,190	445,796	481,794
Product Development (ex-SBC)	42,000	39,319	41,411	44,277	49,358	37,142	37,471	43,389	167,007	167,360	184,799	199,320
General & Administrative (ex-SBC)	24,979	24,619	27,338	29,163	38,280	20,889	24,228	25,897	106,099	109,294	113,707	117,579
Depreciation & Amortization	11,876	12,240	12,391	12,849	12,358	12,582	12,544	12,319	49,356	49,803	47,946	43,475
Stock-Based Compensation	31,319	30,452	29,236	30,505	31,750	30,585	30,255	31,803	121,512	124,393	126,809	129,060
Restructuring & Other (ex-SBC)	0	0	0	0	0	3,312	535	0	0	3,847	0	0
Operating Income / (Loss)	(\$3,882)	\$12,197	\$16,666	\$17,646	(\$27,250)	(\$32,037)	\$9,860	(\$3,164)	\$42,627	(\$52,591)	\$8,867	\$38,799
% Margin	(2%)	5%	6%	7%	(11%)	(19%)	4%	(1%)	4%	(6%)	1%	4%
Adjusted Operating Income / (Loss)	\$28,320	\$43,532	\$46,785	\$49,034	\$5,102	(\$852)	\$40,715	\$29,239	\$167,671	\$74,204	\$137,937	\$168,903
% Margin	12%	18%	18%	18%	2%	(1%)	18%	13%	17%	9%	14%	16%
% Y/Y Growth	19	17	16	16	(82)	(102)	(13)	(40)	17	(56)	86	22
Adj EBITDA	\$39,313	\$54,889	\$58,293	\$61,000	\$16,858	\$11,130	\$52,659	\$40,958	\$213,495	\$121,605	\$183,621	\$211,333
% Margin	17%	22%	22%	23%	7%	7%	24%	18%	21%	14%	19%	20%
% Y/Y Growth	19	17	16	15	(57)	(80)	(10)	(33)	17	(43)	51	15
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0
Interest (Income)	(4,691)	(3,891)	(3,063)	(2,611)	(2,383)	(495)	(399)	(3,343)	(14,256)	(6,620)	(14,713)	(18,081)
Net Interest and Other (Income) Expense	(4,691)	(3,891)	(3,063)	(2,611)	(2,383)	(495)	(399)	(3,343)	(14,256)	(6,620)	(14,713)	(18,081)
Non-GAAP Pre-Tax Profit / (Loss)	\$33,011	\$47,423	\$49,848	\$51,645	\$7,485	(\$357)	\$41,114	\$32,582	\$181,927	\$80,824	\$152,650	\$186,984
% Effective Tax Rate	22%	24%	19%	20%	-28%	1180%	42%	23%	21%	23%	23%	23%
GAAP Provision / (Benefit) for Income Taxes	(556)	3,785	2,552	3,105	(9,364)	(10,864)	10,744	(728)	8,886	(10,212)	2,039	8,924
Tax Adjustments for Non-GAAP Items	7,748	7,397	6,968	7,140	7,294	6,653	6,563	8,222	29,253	28,732	33,070	34,083
Non-GAAP Net Income / (Loss)	\$25,819	\$36,241	\$40,328	\$41,400	\$9,555	\$3,854	\$23,807	\$25,088	\$143,788	\$62,303	\$117,540	\$143,978
% Margin	11%	15%	15%	15%	4%	2%	11%	11%	14%	7%	12%	13%
% Y/Y Growth	31	8	6	(24)	(63)	(89)	(41)	(39)	(1)	(57)	89	22
Amortization of Acquired Intangible Assets	883	883	883	883	602	600	600	600	3,532	2,402	2,262	1,045
Stock-Based Compensation	31,319	30,452	29,236	30,505	31,750	30,585	30,255	31,803	121,512	124,393	126,809	129,060
(Gain) / Loss on Sale of Investments / Other	0	0	0	0	0	0	0	0	0	0	0	0
Tax Effect of Non-GAAP Entries	(7,748)	(7,397)	(6,968)	(7,140)	(7,294)	(6,653)	(6,563)	(8,222)	(29,253)	(28,732)	(33,070)	(34,083)
Reported GAAP Net Income / (Loss)	\$1,365	\$12,303	\$10,061	\$17,152	(\$15,503)	(\$23,990)	(\$1,020)	\$906	\$40,881	(\$39,607)	\$21,540	\$47,956
% Margin	1%	5%	4%	6%	(6%)	(14%)	(0%)	0%	4%	(5%)	2%	4%
% Y/Y Growth	--	15	(33)	(46)	(1,236)	(295)	(110)	(95)	(26)	(197)	--	123
Weighted Avg. Diluted Shares Outstanding	85,087	78,530	73,712	72,987	71,548	72,413	73,514	76,587	77,969	73,516	80,524	84,457
Operating EPS	\$0.30	\$0.46	\$0.55	\$0.57	\$0.13	\$0.05	\$0.32	\$0.33	\$1.84	\$0.85	\$1.46	\$1.70
% Y/Y Growth	29%	22%	28%	(10%)	(56%)	(88%)	(41%)	(42%)	12%	(54%)	72%	17%
Reported GAAP EPS	\$0.02	\$0.16	\$0.14	\$0.24	(\$0.22)	(\$0.33)	(\$0.01)	\$0.01	\$0.52	(\$0.54)	\$0.27	\$0.57
% Y/Y Growth	--	30%	(19%)	(37%)	(1,451%)	(311%)	(110%)	(95%)	(16%)	(203%)	--	112%

YELP Balance Sheet

Yelp - Balance Sheet

(\$ in Thousands)

	F2019				F2020				F2019A	F2020E	F2021E	F2022E
	Q1 19A	Q2 19A	Q3 19A	Q4 19A	Q1 20A	Q2 20A	Q3 20A	Q4 20E				
Cash & Cash Equivalents	\$295,276	\$139,464	\$123,402	\$170,281	\$364,576	\$525,693	\$590,789	\$571,871	\$170,281	\$571,871	\$707,479	\$864,773
Short-Term Investments	331,139	272,754	258,414	242,000	122,618	0	0	0	242,000	0	0	0
Accounts Receivable	89,301	95,732	101,441	106,832	85,875	72,025	84,813	90,058	106,832	90,058	94,011	98,376
Prepaid and Other Assets	59,326	23,338	16,042	14,196	21,804	19,675	18,590	18,590	14,196	18,590	18,590	18,590
Current Assets	\$775,042	\$531,288	\$499,299	\$533,309	\$594,873	\$617,393	\$694,192	\$680,518	\$533,309	\$680,518	\$820,079	\$981,739
Property and Equipment, Net	111,477	114,105	113,935	110,949	110,141	106,732	105,488	101,038	110,949	101,038	89,872	83,868
Intangible Assets	117,109	116,901	114,237	114,671	113,280	113,529	121,012	120,412	114,671	120,412	118,150	117,105
Restricted Cash	22,199	22,082	22,127	22,037	22,332	910	826	826	22,037	826	826	826
Long-Term Investments	49,646	45,379	34,964	53,499	3,500	0	0	0	53,499	0	0	0
Operating Lease Right-of-Use Assets	229,480	217,798	207,852	197,866	199,053	188,266	176,603	176,603	197,866	176,603	176,603	176,603
Other Non-Current Assets	32,907	35,880	36,355	38,369	42,045	46,655	40,829	61,784	38,369	61,784	65,126	68,823
Total Assets	\$1,337,860	\$1,083,433	\$1,028,769	\$1,070,700	\$1,085,224	\$1,073,485	\$1,138,950	\$1,141,181	\$1,070,700	\$1,141,181	\$1,270,657	\$1,428,965
Accounts Payable	\$2,931	\$2,882	\$3,139	\$6,002	\$6,062	\$4,869	\$6,087	\$6,506	\$6,002	\$6,506	\$6,828	\$7,147
Accrued Expenses & Other Liabilities	123,896	128,208	128,752	123,838	130,982	111,743	151,687	113,889	123,838	113,889	119,131	125,165
Deferred Revenue & Customer Advances	3,924	4,617	4,222	4,315	3,637	3,918	4,731	3,228	4,315	3,228	3,657	3,972
Short-Term Debt	0	0	0	0	0	0	0	0	0	0	0	0
Total Current Liabilities	\$130,751	\$135,707	\$136,113	\$134,155	\$140,681	\$120,530	\$162,505	\$123,623	\$134,155	\$123,623	\$129,616	\$136,284
Operating Lease Liabilities LT	208,318	197,272	186,056	174,756	175,073	164,537	155,297	155,297	174,756	155,297	155,297	155,297
Other Non-Current Liabilities	3,953	3,999	4,036	6,798	7,038	7,098	5,520	20,285	6,798	20,285	20,750	21,153
Total Liabilities	\$343,022	\$336,978	\$326,205	\$315,709	\$322,792	\$292,165	\$323,322	\$299,204	\$315,709	\$299,204	\$305,663	\$312,734
Additional Paid-In Capital	1,160,254	1,194,486	1,220,048	1,259,803	1,283,885	1,325,745	1,358,804	1,384,247	1,259,803	1,384,247	1,485,725	1,589,005
Retained Earnings (Accumulated Deficit)	(153,684)	(430,916)	(504,187)	(11,759)	(12,863)	(11,845)	(9,576)	(8,670)	(11,759)	(8,670)	12,870	60,826
Treasury Stock	0	(5,952)	0	0	0	0	0	0	0	0	0	0
Accumulated Other Comprehensive Loss	(11,732)	(11,163)	(13,297)	(493,053)	(508,590)	(532,580)	(533,600)	(533,600)	(493,053)	(533,600)	(533,600)	(533,600)
Shareholders' Equity	\$994,838	\$746,455	\$702,564	\$754,991	\$762,432	\$781,320	\$815,628	\$841,977	\$754,991	\$841,977	\$964,994	\$1,116,231
Liabilities & Shareholders' Equity	\$1,337,860	\$1,083,433	\$1,028,769	\$1,070,700	\$1,085,224	\$1,073,485	\$1,138,950	\$1,141,181	\$1,070,700	\$1,141,181	\$1,270,657	\$1,428,965

YELP Cash Flow Statement

Yelp - Cash Flow Statement

(\$ in Thousands)

	F2019				F2020				F2019A	F2020E	F2021E	F2022E
	Q1 19A	Q2 19A	Q3 19A	Q4 19A	Q1 20A	Q2 20A	Q3 20A	Q4 20E				
Net Income	\$1,365	\$12,303	\$10,061	\$17,152	(\$15,503)	(\$23,990)	(\$1,020)	\$906	\$40,881	(\$39,607)	\$21,540	\$47,956
Depreciation	10,993	11,357	11,507	11,967	11,756	11,982	11,944	11,719	45,824	47,401	45,684	42,430
Amortization of Intangible Assets	883	883	883	883	602	600	600	600	3,532	2,402	2,262	1,045
Tax Benefit from Stock Options	0	0	0	0	0	0	0	(0)	0	(0)	31	33
Stock-Based Compensation	31,319	30,452	29,236	30,505	31,750	30,585	30,255	31,803	121,512	124,393	126,809	129,060
Deferred Taxes	(1,259)	(653)	1,239	(2,126)	(7,450)	(6,813)	7,758	0	(2,799)	(6,505)	0	0
(Gain) / Loss on Sale of Securities	0	0	0	0	0	0	0	0	0	0	0	0
Noncash Lease Cost	9,751	11,682	9,946	9,986	10,378	10,606	10,561	0	41,365	31,545	0	0
Other Non-Cash Charges	3,105	3,978	5,617	6,846	15,646	7,127	5,345	0	19,546	28,118	0	0
Funds From Operations	\$56,157	\$70,002	\$68,489	\$75,213	\$47,179	\$30,097	\$65,443	\$45,029	\$269,861	\$187,748	\$196,325	\$220,523
(Inc.) Dec. in Accounts Receivable	(6,260)	(10,883)	(12,252)	(12,675)	5,024	7,886	(17,693)	(5,245)	(42,070)	(10,028)	(3,953)	(4,365)
(Inc.) Dec. in Prepaid Expenses and Other Assets	(5,292)	(43)	3,023	963	(4,118)	4,722	948	(20,955)	(1,349)	(19,403)	(3,342)	(3,697)
Inc. (Dec.) in Accounts Payable, Accrued Expenses	6,372	8,092	2,865	2,819	(636)	(10,385)	34,202	(22,615)	20,148	566	6,030	6,756
Inc. (Dec.) in Deferred Revenue	0	0	0	0	0	0	0	(1,503)	0	(1,503)	428	315
Operating Lease Liabilities	(9,948)	(10,351)	(10,703)	(10,806)	(6,663)	(15,857)	(11,764)	0	(41,808)	(34,284)	0	0
Change in Net Working Capital	(\$15,128)	(\$13,185)	(\$17,067)	(\$19,699)	(\$6,393)	(\$13,634)	\$5,693	(\$50,317)	(\$65,079)	(\$64,651)	(\$837)	(\$991)
Cash Flow from Operations	\$41,029	\$56,817	\$51,422	\$55,514	\$40,786	\$16,463	\$71,136	(\$5,288)	\$204,782	\$123,097	\$195,488	\$219,532
Capital Expenditures & Capitalized Software Costs	(8,991)	(10,223)	(10,736)	(7,572)	(7,053)	(9,951)	(7,068)	(7,269)	(37,522)	(31,341)	(34,518)	(36,426)
Purchases of Securities and Investments	(157,567)	(131,533)	(107,548)	(144,803)	(87,438)	0	0	0	(541,451)	(87,438)	0	0
Proceeds from Sale of Securities and Investments	201,497	195,700	133,400	143,500	257,415	126,180	0	0	674,097	383,595	0	0
Proceeds from Sale of PP&E	0	0	0	0	0	0	0	0	0	0	0	0
Acquisitions, Net of Cash Acquired	0	0	0	0	0	0	0	0	0	0	0	0
Purchase of Intangible Assets	0	0	0	0	0	0	0	0	0	0	0	0
Other	215	28,811	107	78	295	33	1	0	29,211	329	0	0
Net Cash Used in Investing Activities	\$35,154	\$82,755	\$15,223	(\$8,797)	\$163,219	\$116,262	(\$7,067)	(\$7,269)	\$124,335	\$265,145	(\$34,518)	(\$36,426)
Proceeds from / (Repurchase of) Common Stock, Con	(100,981)	(285,434)	(72,765)	10,432	2,585	8,223	812	(6,361)	(448,748)	5,259	(25,362)	(25,812)
Excess Tax Benefit from Stock Options	(12,497)	(10,108)	(10,179)	(9,987)	(11,514)	(1,043)	0	0	(42,771)	(12,557)	0	0
Other (Principal payments on notes payable & capit	0	0	0	0	0	(356)	(77)	0	0	(433)	0	0
Net Cash Provided by Financing Activities	(\$113,478)	(\$295,542)	(\$82,944)	\$445	(\$8,929)	\$6,824	\$735	(\$6,361)	(\$491,519)	(\$7,731)	(\$25,362)	(\$25,812)
Effect of Exchange Rate Changes	(65)	41	282	(373)	(486)	146	208	0	(115)	(132)	0	0
Inc. (Dec.) in Cash and Cash Equivalents	(\$37,360)	(\$155,929)	(\$16,017)	\$46,789	\$194,590	\$139,695	\$65,012	(\$18,918)	(\$162,517)	\$380,379	\$135,608	\$157,294
Beginning Cash and Cash Equivalents	332,764	295,276	139,464	123,402	170,281	364,576	525,693	590,789	332,764	170,281	571,871	707,479
Restricted Cash Adjustment	(128)	117	(45)	90	(295)	21,422	84	0	34	21,211	0	0
Ending Cash and Cash Equivalents	\$295,276	\$139,464	\$123,402	\$170,281	\$364,576	\$525,693	\$590,789	\$571,871	\$170,281	\$571,871	\$707,479	\$864,773

Z Income Statement

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Income Statement (\$ in Millions)	2020E				2021E			
	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Revenue	1,125.8	768.4	656.7	741.5	879.6	1,179.9	1,355.6	1,437.3
Cost of revenue	761.7	461.1	216.2	308.3	443.9	718.6	843.4	935.6
Gross profit, GAAP	364.1	307.3	440.5	433.2	435.7	461.3	512.1	501.7
% Margin	32.3%	40.0%	67.1%	58.4%	49.5%	39.1%	37.8%	34.9%
Sales and marketing	204.6	155.6	150.8	155.4	184.7	192.3	199.8	203.6
Technology and development	134.9	128.9	127.3	131.7	153.0	159.8	166.8	169.6
General and administrative	92.3	85.5	85.9	96.3	99.3	111.2	115.1	118.5
Other, including asset impairment	76.8	0.0	0.0					
Total operating expenses	508.7	370.0	364.0	383.4	437.1	463.3	481.7	491.7
Operating income (loss), GAAP	(144.5)	(62.7)	76.4	49.8	(1.4)	(2.0)	30.5	10.0
% Margin	(12.8%)	(8.2%)	11.6%	6.7%	(0.2%)	(0.2%)	2.2%	0.7%
Other income	9.6	16.5	3.0	3.0	3.1	3.2	3.2	3.2
Interest expense	(37.6)	(37.6)	(39.5)	(38.4)	(38.6)	(38.7)	(39.4)	(40.4)
Earnings before taxes	(172.5)	(83.8)	40.0	14.4	(36.9)	(37.6)	(5.7)	(27.3)
Benefit (provision) for income taxes	9.2	(0.7)	(0.4)	(3.6)	0.0	0.0	0.0	0.0
Effective tax rate	(5.3%)	0.8%	1.1%	25.0%	0.0%	0.0%	0.0%	0.0%
Net earnings (loss) to shareholders	(163.3)	(84.4)	39.6	10.8	(36.9)	(37.6)	(5.7)	(27.3)
Basic EPS, GAAP	(\$0.78)	(\$0.38)	\$0.17	\$0.05	(\$0.16)	(\$0.16)	(\$0.02)	(\$0.12)
Diluted EPS, GAAP	(\$0.76)	(\$0.38)	\$0.16	\$0.04	(\$0.15)	(\$0.16)	(\$0.02)	(\$0.12)
Diluted EPS, Adjusted	(\$0.24)	(\$0.15)	\$0.36	\$0.25	\$0.04	\$0.07	\$0.19	\$0.10
Diluted Shares Outstanding, Average	214.5	219.5	242.6	240.8	238.8	236.8	234.8	236.9
Stock-based compensation								
Cost of revenue	1.2	1.1	1.6	1.3	1.2	1.5	1.4	1.4
Sales and marketing	7.0	9.1	8.6	7.9	7.8	9.3	8.7	8.7
Technology and development	18.9	21.7	19.8	20.2	19.2	22.5	21.0	21.3
General and administrative	16.7	20.5	18.9	20.1	18.1	21.6	20.3	20.6
Total stock-based compensation	43.8	52.4	49.0	49.5	46.3	54.9	51.5	52.0
EBITDA, GAAP to Adjusted								
Operating income (loss), GAAP	(144.5)	(62.7)	76.4	49.8	(1.4)	(2.0)	30.5	10.0
Depreciation and amortization	29.0	26.2	26.8	25.3	30.8	27.9	28.5	27.1
Stock-based compensation	43.8	52.4	49.0	49.5	46.3	54.9	51.5	52.0
Other	76.8	0.0	0.0					
EBITDA, Adjusted	5.1	15.8	152.2	124.7	75.7	80.8	110.5	89.1
% Margin	0.5%	2.1%	23.2%	16.8%	8.6%	6.8%	8.1%	6.2%
Non-GAAP Income								
Net earnings (loss) to shareholders	(163.3)	(84.4)	39.6	10.8	(36.9)	(37.6)	(5.7)	(27.3)
Stock-based compensation	43.8	52.4	49.0	49.5	46.3	54.9	51.5	52.0
Income tax benefit	(9.2)	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	76.8	0.0	0.0					
Adjusted net income	(51.9)	(32.1)	88.5	60.3	9.4	17.3	45.7	24.8

2019	2020E	2021E	2022E
2,742.8	3,292.4	4,852.4	8,034.9
1,432.0	1,747.3	2,941.6	5,723.4
1,310.8	1,545.1	1,910.8	2,311.5
47.8%	46.9%	39.4%	28.8%
714.1	666.5	780.4	909.6
477.3	522.7	649.2	727.8
366.2	360.0	444.1	503.0
0.7	76.8	0.0	0.0
1,558.3	1,626.0	1,873.7	2,140.4
(247.5)	(80.9)	37.1	171.0
(9.0%)	(2.5%)	0.8%	2.1%
39.7	32.1	12.6	12.6
(101.8)	(153.1)	(157.1)	(176.3)
(309.6)	(201.9)	(107.4)	7.3
4.3	4.5	0.0	(13.6)
(1.4%)	(2.2%)	0.0%	185.5%
(305.4)	(197.3)	(107.4)	(6.3)
(\$1.48)	(\$0.94)	(\$0.46)	(\$0.03)
(\$1.48)	(\$0.94)	(\$0.45)	(\$0.03)
(\$0.53)	\$0.23	\$0.41	\$0.93
206.5	210.4	237.4	225.5
4.0	5.2	5.5	6.2
25.1	32.7	34.4	38.6
69.9	80.6	84.0	94.2
99.9	76.2	80.6	90.6
198.9	194.6	204.6	229.6
(247.5)	(80.9)	37.1	171.0
87.5	107.3	114.3	132.8
198.9	194.6	204.6	229.6
0.0	76.8	0.0	0.0
38.9	297.8	356.0	533.4
1.4%	9.0%	7.3%	6.6%
(305.4)	(197.3)	(107.4)	(6.3)
198.9	194.6	204.6	229.6
0.0	0.0	0.0	0.0
0.0	76.8	0.0	0.0
(106.5)	74.1	97.2	223.4

Z Balance Sheet

Balance Sheet (\$ in Millions)	2020E				2021E				2019	2020E	2021E	2022E
	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E				
Cash and cash equivalents	1,567.7	2,045.5	1,904.8	1,958.2	1,948.1	1,942.3	1,974.3	1,972.3	1,141.3	1,958.2	1,972.3	2,051.9
Short-term investments	993.3	1,491.2	1,885.4	1,885.4	1,885.4	1,885.4	1,885.4	1,885.4	1,281.0	1,885.4	1,885.4	1,885.4
Accounts receivable	71.8	66.9	79.6	81.9	96.2	127.8	145.3	152.5	67.0	81.9	152.5	248.6
Mortgage loans held for sale	36.8	75.0	125.3	125.3	125.3	125.3	125.3	125.3	36.5	125.3	125.3	125.3
Inventory	534.0	135.4	193.3	263.3	347.4	494.8	656.3	853.2	836.6	263.3	853.2	2,023.3
Prepaid expenses and other current assets	57.6	56.4	73.6	81.6	95.1	125.2	141.1	146.7	58.1	81.6	146.7	230.0
Restricted cash	56.4	33.6	44.1	44.1	44.1	44.1	44.1	44.1	89.6	44.1	44.1	44.1
Total current assets	3,317.7	3,903.9	4,306.1	4,439.8	4,541.5	4,744.8	4,971.8	5,179.5	3,510.2	4,439.8	5,179.5	6,608.5
Contract cost assets	46.6	47.7	50.5	50.5	50.5	50.5	50.5	50.5	45.2	50.5	50.5	50.5
Property and equipment	188.0	195.7	198.2	201.1	210.6	214.2	205.1	208.3	170.5	201.1	208.3	210.8
Right of use assets	205.7	199.4	193.8	193.8	193.8	193.8	193.8	193.8	212.2	193.8	193.8	193.8
Goodwill	1,984.9	1,984.9	1,984.9	1,984.9	1,984.9	1,984.9	1,984.9	1,984.9	1,984.9	1,984.9	1,984.9	1,984.9
Intangible assets	112.3	107.0	100.6	100.6	100.6	100.6	100.6	100.6	190.6	100.6	100.6	100.6
Other assets	16.6	11.0	9.4	9.4	9.4	9.4	9.4	9.4	18.5	9.4	9.4	9.4
Total assets	5,871.7	6,449.8	6,843.6	6,980.1	7,091.4	7,298.3	7,516.1	7,727.1	6,132.0	6,980.1	7,727.1	9,158.5
Accounts payable	17.8	14.3	19.4	24.0	34.6	55.9	65.6	72.8	8.3	24.0	72.8	142.4
Accrued expenses and other current liabilities	88.9	74.6	93.9	106.0	125.8	168.7	193.8	205.5	85.4	106.0	205.5	349.5
Accrued compensation and benefits	32.8	34.5	35.5	35.5	35.5	35.5	35.5	35.5	37.8	35.5	35.5	35.5
Borrowings under credit facilities & warehouse	466.6	187.0	232.4	291.9	363.4	488.7	626.0	793.3	722.0	291.9	793.3	1,787.9
Deferred revenue	35.3	44.5	49.2	49.2	49.2	49.2	49.2	49.2	39.7	49.2	49.2	49.2
Lease liabilities, current portion	20.3	22.8	28.3	28.3	28.3	28.3	28.3	28.3	17.6	28.3	28.3	28.3
Current Portion of L-T Debt	9.6	9.6	7.6	7.6	7.6	7.6	7.6	7.6	9.6	7.6	7.6	7.6
Total current liabilities	671.5	387.4	466.2	542.4	644.2	833.8	1,006.0	1,192.2	920.5	542.4	1,192.2	2,400.2
Lease liabilities, net of current	216.1	214.8	214.5	214.5	214.5	214.5	214.5	214.5	220.4	214.5	214.5	214.5
Long-term debt	1,565.9	1,810.3	1,838.0	1,838.0	1,838.0	1,838.0	1,838.0	1,838.0	1,543.4	1,838.0	1,838.0	1,838.0
Deferred tax liabilities and other long-term liabilities	2.4	14.2	21.5	21.5	21.5	21.5	21.5	21.5	12.2	21.5	21.5	21.5
Preferred stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Common stock	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Additional paid-in capital	4,551.9	5,246.4	5,488.2	5,537.7	5,584.0	5,638.8	5,690.3	5,742.3	4,412.2	5,537.7	5,742.3	5,971.9
Accumulated other comprehensive loss	4.3	1.5	0.5	0.5	0.5	0.5	0.5	0.5	0.3	0.5	0.5	0.5
Retained earnings (accumulated deficit)	(1,140.4)	(1,224.9)	(1,185.3)	(1,174.5)	(1,211.4)	(1,248.9)	(1,254.7)	(1,281.9)	(977.1)	(1,174.5)	(1,281.9)	(1,288.2)
Shareholders equity	3,415.8	4,023.1	4,303.4	4,363.7	4,373.1	4,390.4	4,436.1	4,460.9	3,435.4	4,363.7	4,460.9	4,684.2
Total liabilities and shareholder equity	5,871.7	6,449.8	6,843.6	6,980.1	7,091.4	7,298.3	7,516.1	7,727.1	6,132.0	6,980.1	7,727.1	9,158.5
Days Sales in Receivables	5.6	8.2	10.2	10.1	10.0	9.9	9.8	9.7	8.9	8.3	8.8	9.1
Days COGS in Payables	1.6	3.2	7.1	7.1	7.1	7.1	7.1	7.1	2.0	3.4	6.0	6.9
Days COGS in Inventory	82.1	66.2	69.4	67.6	62.8	53.5	62.3	73.6	31.8	28.7	17.3	22.9
Prepaid expenses as % of revenue	5.1%	7.3%	11.2%	11.0%	10.8%	10.6%	10.4%	10.2%	2.1%	2.5%	3.0%	2.9%
Accrued expenses as % of rev	7.9%	9.7%	14.3%	14.3%	14.3%	14.3%	14.3%	14.3%	3.1%	3.2%	4.2%	4.3%
Beginning property and equipment	170.5	188.0	195.7	198.2	201.1	210.6	214.2	205.1	135.2	170.5	201.1	208.3
Depreciation	(29.0)	(26.2)	(26.8)	(25.3)	(30.8)	(27.9)	(28.5)	(27.1)	(87.5)	(107.3)	(114.3)	(132.8)
Purchases of property and equipment	33.0	21.7	17.8	28.2	40.3	31.5	19.4	30.3	67.0	100.6	121.6	135.3
Other	13.6	12.2	11.5						55.7	37.3	0.0	0.0
Ending property and equipment	188.0	195.7	198.2	201.1	210.6	214.2	205.1	208.3	170.5	201.1	208.3	210.8
S-T Debt	476.3	196.7	240.0	299.5	371.0	496.3	633.6	800.9	731.6	299.5	800.9	1,795.5
L-T Debt	1,565.9	1,810.3	1,838.0	1,838.0	1,838.0	1,838.0	1,838.0	1,838.0	1,543.4	1,838.0	1,838.0	1,838.0
Cash	2,617.4	3,570.3	3,834.3	3,887.7	3,877.6	3,871.8	3,903.8	3,901.8	2,511.9	3,887.7	3,901.8	3,937.3
Net Debt	(575.2)	(1,563.3)	(1,756.3)	(1,750.3)	(1,668.6)	(1,537.5)	(1,432.2)	(1,262.9)	(236.9)	(1,750.3)	(1,262.9)	(303.8)

Z Cash Flow Statement

Cash Flow Statement (\$ in Millions)	2020E				2021E			
	1Q20	2Q20	3Q20	4Q20E	1Q21E	2Q21E	3Q21E	4Q21E
Net (loss) income	(163.3)	(84.4)	39.6	10.8	(36.9)	(37.6)	(5.7)	(27.3)
Depreciation and amortization	29.0	26.2	26.8	25.3	30.8	27.9	28.5	27.1
Share-based compensation	43.8	52.4	49.0	49.5	46.3	54.9	51.5	52.0
Amortization, other	37.4	40.1	42.8					
Deferred income taxes	(9.2)	0.7	0.4					
Loss on disposal of PP&E & other assets	2.0	(4.6)	1.6					
Other non-cash losses, net	77.3	(5.2)	0.3					
Changes in assets and liabilities								
Accounts receivable	(5.3)	3.8	(13.0)	(2.3)	(14.3)	(31.6)	(17.5)	(7.2)
Mortgage loans held for sale	(0.3)	(38.2)	(50.3)	0.0	0.0	0.0	0.0	0.0
Inventory	302.6	398.6	(57.9)	(70.0)	(84.1)	(147.4)	(161.5)	(196.8)
Prepaid expenses & other assets	(2.9)	2.1	(15.6)	(8.0)	(13.4)	(30.1)	(15.9)	(5.6)
Lease liabilities	(1.6)	1.1	5.3	0.0	0.0	0.0	0.0	0.0
Contract cost assets	(9.8)	(9.8)	(12.2)	0.0	0.0	0.0	0.0	0.0
Accounts payable	7.7	(0.2)	4.7	4.6	10.6	21.4	9.7	7.2
Accrued expenses and other current liabilities	4.6	(13.3)	23.2	12.1	19.7	42.9	25.1	11.7
Accrued compensation & benefits	(5.0)	1.7	1.0	0.0	0.0	0.0	0.0	0.0
Deferred revenue	(4.4)	9.2	4.6	0.0	0.0	0.0	0.0	0.0
Other long-term liabilities	(0.5)	10.6	7.3	0.0	0.0	0.0	0.0	0.0
Net cash from operating activities	302.0	390.6	57.5	22.1	(41.4)	(99.5)	(85.9)	(139.0)
Proceeds from maturities of investments	296.3	405.0	459.0					
Proceeds from sale of investments	54.0	72.4	(10.0)					
Purchase of investments	(58.5)	(967.8)	(854.8)					
Purchases of property and equipment	(33.0)	(21.7)	(17.8)	(28.2)	(40.3)	(31.5)	(19.4)	(30.3)
Purchases of intangible assets	(4.5)	(6.9)	(5.8)					
Other	0.0	0.0	10.0					
Net cash from investing activities	254.3	(519.0)	(419.3)	(28.2)	(40.3)	(31.5)	(19.4)	(30.3)
Borrowings on credit facilities and warehouse, net	(255.3)	(279.6)	(149.3)	59.5	71.5	125.3	137.3	167.3
Proceeds from exercise of stock options	92.2	92.8	186.2					
Proceeds from issuance of convertible notes, net	0.0	358.6	194.7					
Proceeds from issuance of capital stock, net	0.0	411.5	0.0					
Value of equity awards withheld for tax liability	0.0	0.0	(0.0)					
Share repurchases	0.0	0.0	0.0					
Other	0.0	0.0	0.0					
Net cash from financing activities	(163.1)	583.3	231.6	59.5	71.5	125.3	137.3	167.3
Effect of exchange rate changes	0.0	0.0	0.0					
Net increase in cash and equivalents	393.2	455.0	(130.2)	53.5	(10.2)	(5.8)	32.0	(2.0)
Cash and equivalents, beginning of period	1,230.9	1,624.1	2,079.1	1,948.9	2,002.3	1,992.2	1,986.4	2,018.4
Cash and equivalents, end of period	1,624.1	2,079.1	1,948.9	2,002.3	1,992.2	1,986.4	2,018.4	2,016.4

2019	2020E	2021E	2022E
(305.4)	(197.3)	(107.4)	(6.3)
87.5	107.3	114.3	132.8
198.9	194.6	204.6	229.6
110.6	120.3	0.0	0.0
(4.3)	(8.1)	0.0	0.0
7.2	(1.0)	0.0	0.0
(3.6)	72.4	0.0	0.0
(3.7)	(16.8)	(70.6)	(96.1)
(1.1)	(88.8)	0.0	0.0
(673.8)	573.3	(589.9)	(1,170.1)
(1.0)	(24.4)	(65.1)	(83.2)
(18.9)	4.8	0.0	0.0
(34.7)	(31.8)	0.0	0.0
(0.5)	16.9	48.8	69.5
19.6	26.6	99.5	144.0
6.4	(2.3)	0.0	0.0
5.7	9.4	0.0	0.0
(1.0)	17.3	0.0	0.0
(612.2)	772.3	(365.8)	(779.8)
1,126.1	1,160.3	0.0	0.0
0.0	116.4	0.0	0.0
(1,495.5)	(1,881.0)	0.0	0.0
(67.0)	(100.6)	(121.6)	(135.3)
(19.6)	(17.2)	0.0	0.0
0.0	10.0	0.0	0.0
(456.1)	(712.2)	(121.6)	(135.3)
572.2	(624.7)	501.4	994.6
65.5	371.2	0.0	0.0
1,157.7	553.3	0.0	0.0
0.0	411.5	0.0	0.0
(0.0)	(0.0)	0.0	0.0
0.0	0.0	0.0	0.0
(159.7)	0.0	0.0	0.0
1,635.7	711.3	501.4	994.6
0.0	0.0	0.0	0.0
567.5	771.4	14.1	79.6
663.4	1,230.9	2,002.3	2,016.4
1,230.9	2,002.3	2,016.4	2,096.0

Important Disclosures

Analyst Certification

- | I, Brent Thill, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security(ies) and subject company(ies). I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.
- | I, John Byun, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security(ies) and subject company(ies). I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.
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AIRBNB, INC. (ABNB)

RATING BUY	PRICE \$149.77^	MARKET CAP \$105.6B
PRICE TARGET (PT) \$170.00	UPSIDE SCENARIO PT \$200.00	DOWNSIDE SCENARIO PT \$110.00

[^]Prior trading day's closing price unless otherwise noted.

Estimates				
USD	2019A	2020E	2021E	2022E
Rev. (MM)	4,805.2	3,249.6	4,462.7	6,112.5
<i>Previous</i>				
EPS	(2.59)	(13.97)	(1.97)	(0.91)
<i>Previous</i>				
EBITDA (MM)				
Q1	(247.9)	(334.3)A	(433.0)	-
<i>Previous</i>				
Q2	(42.6)	(397.3)A	(203.9)	-
<i>Previous</i>				
Q3	313.6	501.4A	429.6	-
<i>Previous</i>				
Q4	(276.4)	(133.9)	200.7	-
<i>Previous</i>				
FY Dec	(253.3)	(364.1)	(6.5)	623.4
<i>Previous</i>				
Valuation				
	2019A	2020E	2021E	2022E
EV/Rev	22.0x	32.5x	23.7x	17.3x
P/Rev	22.0x	32.5x	23.7x	17.3x
FY P/E	NM	NM	NM	NM
EV/EBITDA	NM	NM	NM	NM

The Long View

Scenarios

Base Case

- Alternative accommodations leading a recovery in travel in 2021
- New use cases in alternative accommodations unlocked by the pandemic taking a hold among travelers
- Strong revenue retention and resilience in adverse macro environment helping solid revenue reacceleration during recovery
- Powerful brand name driving free traffic to the platform, keeping CAC down
- 2022 Revenue: \$6.11B; Target Multiple: 18.8x; Price Target \$170

Upside Scenario

- Faster than expected recovery in travel demand
- More of the new use cases in alternative accommodations sticking with travelers
- Share of free traffic to the platform staying at elevated pandemic levels
- 2022 Revenue: \$6.33B; Target Multiple: 21x; Price Target: \$200

Downside Scenario

- Slower than expected recovery in travel demand
- Fewer of the new use cases in alternative accommodations sticking with travelers
- Share of free traffic to the platform coming down to pre-pandemic levels or lower
- 2022 Revenue: \$5.95B; Target Multiple: 11x; Price Target: \$100

Investment Thesis / Where We Differ

- We believe ABNB is a key reopening play in travel and expect it to benefit disproportionately from pent-up demand
- We expect ABNB to continue taking market share from competitors and return to op inc/Adj EBITDA profitability by 2022
- We believe that ABNB offers the best fundamentals in travel, with solid organic growth and leverage in the model justifying its trading at a premium to comps

Catalysts

- Faster/slower vaccine approvals and distribution to the general population
- Continued market share gains
- Big FX rate swings
- Disappointing first few earnings as a public company

ALPHABET, INC. (GOOGL)

RATING BUY	PRICE \$1,797.83^	MARKET CAP \$1.2T
PRICE TARGET (PT) \$2,150.00 (FROM \$2,000.00)	UPSIDE SCENARIO PT \$2,350.00	DOWNSIDE SCENARIO PT \$1,250.00

[^]Prior trading day's closing price unless otherwise noted.

Estimates				
USD	2019A	2020E	2021E	2022E
Rev. (MM)	131,768.0	146,391.0	176,934.0	202,478.0
<i>Previous</i>				
EPS				
Q1	11.90	9.87A	-	-
<i>Previous</i>				
Q2	14.21	10.13A	-	-
<i>Previous</i>				
Q3	10.12	16.40A	-	-
<i>Previous</i>				
Q4	15.35	14.98	-	-
<i>Previous</i>				
FY Dec	51.59	51.35	60.85	71.11
<i>Previous</i>				

Valuation				
	2019A	2020E	2021E	2022E
EV/Rev	8.5x	7.6x	6.3x	5.5x
P/Rev	9.4x	8.4x	7.0x	6.1x
FY P/E	34.8x	35.0x	29.5x	25.3x

The Long View

Scenarios

Base Case

- Continued search strength, aided by increasing contribution from mobile, YouTube and international expansion
- Net revenue growth decelerating to 11% by 2020, though rebounding in 2021
- Slight op margin compression to 25%
- Fwd NTM EBITDA: \$90Bn; Target Multiple: 15x; Price Target: \$2,150

Upside Scenario

- Additional contribution from Google Cloud Platform, YouTube TV, and new hardware initiatives
- Revenue continues to grow at 20%+ (ex-virus impact)
- Op margin rebounds to high 20s%+
- Multiple expansion driven by success with new initiatives, call options around autonomous driving and AI
- Fwd NTM EBITDA: \$99Bn; Target Multiple: 15x; Price Target: \$2,350

Downside Scenario

- Core search business begins to slow, impacts from new initiatives are mostly muted
- Revenue growth slows to low teens % (ex-virus impact)
- Op margin declines to low-20s % or below, driven by rising TAC, continued investment spend in new initiatives
- Multiple contraction as revenue growth slows and costs rise
- Fwd NTM EBITDA: \$81Bn; Target Multiple 9x; Price Target: \$1,250

Investment Thesis / Where We Differ

- In our view, the core search business is still attracting incremental ad \$\$ in the shift to digital and mobile
- YouTube is the best-positioned platform to take advantage of a huge online video opportunity
- Google Cloud could be the next break-out play for shares
- Call options in place for both the near and longer term: GCP, AI, Google Home, Pixel, YouTube TV, Waymo

Catalysts

- Rising importance of YouTube in a video-first world
- Emergence of Google Cloud as a formidable competitor in the public cloud
- Platform positioning of Google Assistant and AI across multiple products, providing a coherent long-term strategy to defend dominant position in core search
- Increasing disclosures for YouTube, Google Cloud, Waymo
- Ad industry data points on shape of recovery from COVID-19 pandemic

AMAZON.COM, INC (AMZN)

RATING BUY	PRICE \$3,182.70^	MARKET CAP \$1.6T
PRICE TARGET (PT) \$3,800.00	UPSIDE SCENARIO PT \$4,200.00	DOWNSIDE SCENARIO PT \$2,500.00

[^]Prior trading day's closing price unless otherwise noted.

Estimates				
USD	2019A	2020E	2021E	2022E
Rev. (MM)	280,522.0	379,705.3	▲ 448,907.0	525,589.0
<i>Previous</i>			441,766.5	
EBITDA (MM)	43,394.0	▼ 54,860.2	▼ 67,140.1	81,819.1
<i>Previous</i>		55,073.0	71,120.3	
EPS				
Q1	7.09	5.01A	4.12	
<i>Previous</i>				
Q2	5.22	10.30A	8.27	
<i>Previous</i>				
Q3	4.23	12.37A	13.37	
<i>Previous</i>				
Q4	6.47	▲ 7.07	18.90	
<i>Previous</i>		6.60		
FY Dec	23.01	▲ 34.79	▼ 44.70	65.04
<i>Previous</i>		34.32	45.36	

Valuation				
	2019A	2020E	2021E	2022E
P/Rev	5.9x	4.3x	3.7x	3.1x
EV/Rev	5.9x	4.3x	3.7x	3.1x
EV/EBITDA	38.1x	30.1x	24.6x	20.2x
FY P/E	NM	91.5x	71.2x	48.9x

The Long View

Scenarios

Base Case

- Amazon benefiting across its entire ecosystem from behavioral changes resulting from the Coronavirus outbreak
- Market leadership in fulfillment and Cloud Computing driving LT revenue growth and margin improvement
- Mix shift to 3P sales and faster growth of higher-margin businesses (AWS, advertising) driving margins up
- 2021E EBITDA: \$67.1B; Target Multiple: 28.5x; Price Target \$3,800

Upside Scenario

- Faster margin improvement as more-profitable businesses scale
- Revenue growth acceleration driven by unit growth
- Incremental margin improvement on slowing CapEx spend
- 2021E EBITDA: \$70.5B; Target Multiple: 30x; Price Target: \$4,200

Downside Scenario

- Geopolitical events disrupting international markets
- Continued investment pressuring margins for longer than expected
- Higher digital content costs slowing margin improvement
- 2021E EBITDA: \$56.6B; Target Multiple: 22x; Price Target: \$2,500

Investment Thesis / Where We Differ

- Amazon keeps gaining market share by reducing friction for shoppers (better selection, product availability, convenience)
- Amazon's ability to get purchases to consumers fast is a big differentiator that drives growth in existing and new categories
- The global AWS opportunity is a revenue growth engine with corresponding margin accretion to overall business
- Investment in AWS, content, and fulfillment supports expansion into new products, services, and geographies with sizable potential

Catalysts

- Faster growth from AWS and / or advertising business
- Deceleration in infrastructure build-out
- Expansion into new verticals
- 2021 holiday season

BOOKING HOLDINGS INC. (BKNG)

RATING	PRICE	MARKET CAP
HOLD	\$2,281.54^	\$96.0B
PRICE TARGET (PT)	UPSIDE SCENARIO PT	DOWNSIDE SCENARIO PT
\$2,100.00 (FROM \$1,800.00)	\$2,500.00	\$1,100.00

[^]Prior trading day's closing price unless otherwise noted.

Estimates				
USD	2019A	2020E	2021E	2022E
Rev. (MM)	15,066.0	6,660.7	↑ 10,263.5	14,817.2
<i>Previous</i>			10,172.1	
EBITDA (MM)	5,855.0	875.3	↑ 3,310.1	5,872.6
<i>Previous</i>			3,254.7	
EPS				
Q1	11.17	3.77A	1.51	-
<i>Previous</i>				
Q2	23.59	(10.81)A	8.72	-
<i>Previous</i>				
Q3	45.36	12.27A	30.38	-
<i>Previous</i>				
Q4	23.30	(2.67)	15.80	-
<i>Previous</i>				
FY Dec	102.58	2.59	↑ 56.30	107.85
<i>Previous</i>			55.89	
Valuation				
	2019A	2020E	2021E	2022E
P/Rev	6.4x	14.4x	9.4x	6.5x
EV/Rev	6.3x	14.3x	9.3x	6.4x
EV/EBITDA	16.3x	NM	28.8x	16.2x
FY P/E	22.2x	NM	40.5x	21.2x

The Long View

Scenarios

Base Case

- Macro slowdown / coronavirus threat pressuring travel demand and driving soft bookings and revenue growth
- Penetration into fragmented hotel markets outside Europe still relatively low and BKNG keeps gaining market share from smaller players
- Largest inventory among OTAs (~2.6M properties / incl ~2.1M alternative) still leaves plenty of room for growth – penetration still 7-8%
- 2021E EBITDA: \$3.57B (ex-SBC); Target Multiple: 23.3x; Price Target \$2,100

Upside Scenario

- Macro slowdown / impact from coronavirus less severe than expected
- Market share gains in Europe and APAC driving revenue growth that compensates for macro weakness
- Better cost controls driving incremental margin improvement
- 2021E EBITDA: \$3.99B (ex-SBC); Target Multiple: 25x; Price Target: \$2,500

Downside Scenario

- Macro slowdown / coronavirus impact worse than expected, driving steeper deceleration in bookings and revenue growth
- Minimal OpEx leverage
- FX headwinds
- 2021E EBITDA: \$3.24B (ex-SBC); Target Multiple: 13x; Price Target: \$1,100

Investment Thesis / Where We Differ

- BKNG is one of the largest OTAs in the world (and the 2nd largest in the US) growing faster than competitors (on FX-neutral basis)
- Favorable margin structure (40% EBITDA Mgn) driven by agency-focused model with lowest exposure to air (least profitable segment) and highest exposure to hotels (most profitable segment) among major OTAs

Catalysts

- Changes in global travel trends
- Big FX rate swings
- Continued market share gains

CARGURUS (CARG)

RATING	PRICE	MARKET CAP
HOLD	\$32.32^	\$3.7B
PRICE TARGET (PT)	UPSIDE SCENARIO PT	DOWNSIDE SCENARIO PT
\$32.00 (FROM \$26.00)	\$100.00	\$18.00

[^]Prior trading day's closing price unless otherwise noted.

Estimates				
USD	2019A	2020E	2021E	2022E
Rev. (MM)	588.9	548.5	644.4	733.0
<i>Previous</i>				
EBITDA (MM)	77.1	155.2	168.5	199.8
<i>Previous</i>				
EPS				
Q1	0.11	0.11A	0.15	0.18
<i>Previous</i>				
Q2	0.05	0.06A	0.18	0.22
<i>Previous</i>				
Q3	0.09	0.29A	0.20	0.24
<i>Previous</i>				
Q4	0.12	0.19	0.19	0.23
<i>Previous</i>				
FY Dec	0.37	0.65	0.71	0.87
<i>Previous</i>				
Valuation				
	2019A	2020E	2021E	2022E
EV/Rev	5.7x	6.1x	5.2x	4.5x
P/Rev	6.3x	6.8x	5.8x	5.1x
EV/EBITDA	43.2x	21.5x	19.8x	16.7x
FY P/E	87.0x	49.7x	45.2x	37.2x

The Long View

Scenarios

Base Case

- Revenue CAGR of ~15% over the next 3 years is driven by a recovery from disruption created by the pandemic and increased dealership monetization
- EBITDA margin continues to improve after dipping modestly in 2021 due to higher marketing spend, reaching ~27% by 2022
- Valuation moderates somewhat after CARG moves past the benefit of easy comps in 2021 created by disruption resulting from the pandemic
- DCF derived \$32/share PT implies ~16x '22 EV/EBITDA

Upside Scenario

- CARG transitions from lead generation to allowing consumers to buy directly on the site/app
- Revenue CAGR accelerates to ~50% over the next 3 years driven by tapping into the \$550B in used car transactions
- CARG also increases dealership monetization and generates moderate contribution from dealership additions
- EBITDA margin worsens to 20% by 2022 driven by build out of transaction business, which has structurally lower margins
- Valuation increases toward CVNA levels as the business pivot generates better than expected revenue growth and improving margins
- DCF derived \$100/share PT implies ~30x '22 EV/EBITDA

Downside Scenario

- Revenue CAGR decelerates to just ~5% over the next 3 years driven by increased competition that reduces traffic growth and lead generation capabilities
- EBITDA margin deteriorates back to the mid-teens as CARG is forced to spend more aggressively on marketing to maintain traffic due to a more competitive environment
- Valuation deteriorates further as the market reduces its long-term outlook for CARG's topline growth and margin potential
- DCF derived \$18/share PT implies ~8x '22 EV/EBITDA

Investment Thesis / Where We Differ

CARG also already counts most large auto dealers as partners, limiting contribution to revenue from customer additions given a lower capacity to pay. We also see an intense competitive environment restricting traffic growth, reducing CARG's ability to grow leads at the historical pace. We see downside capped in the near-term by all-time low valuation and significant discount to the growth adjusted multiple.

Catalysts

- Pivots business to end to end car buying experience;
- Earnings results;
- Third-party data releases;
- Used car industry macro data releases;
- Public actions taken by competition (in e-commerce and traditional dealerships);
- Headlines concerning the pandemic.

CARVANA (CVNA)

RATING BUY	PRICE \$278.44^	MARKET CAP \$48.2B
PRICE TARGET (PT) \$350.00 (FROM \$300.00)	UPSIDE SCENARIO PT \$530.00	DOWNSIDE SCENARIO PT \$60.00

[^]Prior trading day's closing price unless otherwise noted.

Estimates				
USD	2019A	2020E	2021E	2022E
Rev. (MM)	3,939.9	5,348.7	8,042.2	11,132.0
<i>Previous</i>				
EBITDA (MM)	(229.5)	(209.7)	15.5	311.2
<i>Previous</i>				
EPS				
Q1	(0.19)	(0.38)A	(0.16)	(0.07)
<i>Previous</i>				
Q2	(0.17)	(0.24)A	(0.10)	0.03
<i>Previous</i>				
Q3	(0.25)	(0.04)A	(0.05)	0.08
<i>Previous</i>				
Q4	(0.26)	(0.20)	(0.12)	0.01
<i>Previous</i>				
FY Dec	(0.88)	(0.86)	(0.43)	0.05
<i>Previous</i>				

Valuation				
	2019A	2020E	2021E	2022E
EV/Rev	12.8x	9.4x	6.3x	4.5x
P/Rev	12.2x	9.0x	6.0x	4.3x
EV/EBITDA	NM	NM	NM	NM
FY P/E	NM	NM	NM	NM

The Long View

Scenarios

Base Case

- Retail unit sales CAGR approaches ~40% over the next 3 years, driven by increased inventory and secular tailwinds resulting from the pandemic
- Total GPU continues expanding until reaching ~\$3,800 by 2022 driven by increasing scale (lower delivery costs, higher conversion, better funding costs)
- CVNA becomes positive EBITDA in 2021 and thereafter, reaching a low-single-digit margin in 2022 driven by increasing GPU and OPEX leverage
- DCF derived \$350/share PT implies ~5x '22 EV/Sales

Upside Scenario

- Retail unit sales CAGR approaches ~55% over the next 3 years, driven by increased inventory and secular tailwinds resulting from the pandemic
- Total GPU continues expanding until reaching ~\$4,000 by 2022 driven by increasing scale (lower delivery costs, higher conversion, better funding costs)
- CVNA becomes positive EBITDA in 2021 and thereafter, reaching a mid-single-digit margin in 2022 driven by increasing GPU and OPEX leverage
- DCF derived \$530/share PT implies ~6x '22 EV/Sales

Downside Scenario

- Retail unit sales CAGR approaches ~20% over the next 3 years, as growth slows because of a larger base, more e-commerce competition, and difficulty acquiring inventory at attractive economics
- Total GPU continues to stagnate at ~\$3,300 by 2022 driven by slowing growth and difficulty acquiring inventory at attractive economics
- CVNA remains negative EBITDA in 2021 and 2022 as growing competition and slowing top-line causes the company to spend more than expected on advertising
- DCF derived \$60/share PT implies ~1x '22 EV/Sales

Investment Thesis / Where We Differ

More inventory and lower variable costs provide superior economics and car buying experience, allowing CVNA to gain share in the massive \$550B market for used passenger vehicles. Our outlook is supported by our cohort analysis, which implies significant upside to consensus estimates. We see valuation moving higher over time as the market gains comfort over CVNA's long-term economics and market opportunity.

Catalysts

- (1) Earnings results; (2) Third-party data releases; (3) Used car industry macro data releases; (4) Public actions taken by competition (in e-commerce and traditional dealerships); (5) Headlines concerning the pandemic.

EBAY, INC. (EBAY)

RATING	PRICE	MARKET CAP
HOLD	\$54.48^	\$44.9B
PRICE TARGET (PT)	UPSIDE SCENARIO PT	DOWNSIDE SCENARIO PT
\$54.00 (FROM \$58.00)	\$65.00	\$30.00

[^]Prior trading day's closing price unless otherwise noted.

Estimates				
USD	2019A	2020E	2021E	2022E
Rev. (MM)	8,636.0	↑ 10,101.9	↑ 10,855.6	11,734.8
Previous		10,094.7	10,685.5	
EBITDA (MM)	3,039.0	↑ 3,716.0	↑ 3,883.8	4,173.3
Previous		3,710.4	3,846.7	
EPS				
Q1	0.57	0.69A	0.83	-
Previous				
Q2	0.54	1.02A	0.93	-
Previous				
Q3	0.52	0.85A	0.89	-
Previous				
Q4	0.66	0.84	0.89	-
Previous				
FY Dec	2.29	↑ 3.40	↑ 3.54	3.88
Previous		3.39	3.53	
Valuation				
	2019A	2020E	2021E	2022E
P/Rev	5.2x	4.4x	4.1x	3.8x
EV/Rev	5.6x	4.8x	4.4x	4.1x
EV/EBITDA	15.9x	13.0x	12.4x	11.5x
FY P/E	23.8x	16.0x	15.4x	14.0x

The Long View

Scenarios

Base Case

- eBay benefits from acceleration in secular shift from offline to online driven by the Coronavirus outbreak
- New initiatives (payments, advertising) ramping up
- New brand advertising helping get buyers back on the platform
- 2021 EBITDA: \$3.88B; Target Multiple: 10.7x; Price target \$54

Upside Scenario

- Faster return of buyers to the platform driving stronger GMV and revenue growth
- Accelerated improvement in margins
- 2021 EBITDA: \$4.12B; Target Multiple: 12x; Price target: \$65

Downside Scenario

- Slowdown in business turnaround
- Stagnant / worsening global economy slowing recovery and revenue growth acceleration
- 2021 EBITDA: \$3.08B; Target Multiple: 8x; Price target: \$30

Investment Thesis / Where We Differ

- The company remains a key eCommerce player but major operating metrics have not shown any improvement for several quarters
- Favorable margin structure gives flexibility in capital allocation and allows investment in new strategic initiatives
- Progress with Op Margin expansion in 2019 was a net positive, but we continue to believe that re-acceleration of Marketplace business and reversal of market share losses is the only way EBAY stock could work longer-term

Catalysts

- Faster impact from new strategic initiatives
- Stronger revenue / profitability contribution from payments and advertising businesses
- Strong 2021 holiday season

ETSY (ETSY)

RATING BUY	PRICE \$175.65^	MARKET CAP \$24.9B
PRICE TARGET (PT) \$205.00 (FROM \$168.00)	UPSIDE SCENARIO PT \$300.00	DOWNSIDE SCENARIO PT \$85.00

[^]Prior trading day's closing price unless otherwise noted.

Estimates				
USD	2019A	2020E	2021E	2022E
Rev. (MM)	818.4	↑ 1,624.6	↓ 1,791.5	↓ 2,107.8
Previous		1,604.1	1,795.7	2,126.1
EBITDA (MM)	186.3	↑ 487.8	↑ 542.5	↑ 712.9
Previous		485.7	500.3	651.5
EPS				
Q1	0.24	0.10A	↑ 0.28	↑ 0.47
Previous			0.23	0.37
Q2	0.14	0.72A	↓ 0.41	↓ 0.58
Previous			0.45	0.67
Q3	0.12	0.67A	↑ 0.45	↑ 0.65
Previous			0.41	0.59
Q4	0.25	↓ 0.44	↓ 0.69	↓ 0.98
Previous		0.50	0.75	1.07
FY Dec	0.75	↓ 1.93	↓ 1.83	↓ 2.68
Previous		1.98	1.84	2.70
Valuation				
	2019A	2020E	2021E	2022E
EV/Rev	29.6x	14.9x	13.5x	11.5x
P/Rev	30.4x	15.3x	13.9x	11.8x
EV/EBITDA	NM	49.6x	44.6x	33.9x
FY P/E	NM	91.0x	95.9x	65.5x

The Long View

Scenarios

Base Case

- Underlying GMS growth remains 20%+ over the next few years driven by tailwinds from home nesting
- Transaction fee increases 1% in the next 12-18 months, contributing 6%/20% to revenue/EBITDA and \$5/share
- ETSY expands adjusted EBITDA margins to over 30% by 2023, driven by Offsite Ads and operating leverage
- \$205/share PT implies ~40x '22E EBITDA

Upside Scenario

- Underlying GMS growth continues to exceed 30%, driven by top/mid funnel marketing spending, continued growth in paid marketing, and higher conversion from more free shipping
- Transaction fee increased to 7% (from 5%) with limited seller churn, helping drive 30%+ marketplace revenue growth
- 30%+ seller services growth over the next few years, resulting from higher advertising budget utilization and growing visitation drivers
- ETSY expands adjusted EBITDA margins to over 40% by 2023, driven by a combination of higher transaction fees and marketing & marketing leverage
- \$300 share based on ~50x '22E Upside EBITDA

Downside Scenario

- GMS growth decelerates to low double-digits as buyer growth moderates as marketing efficiency is reduced by more competition from other marketplaces featuring unique goods (OfferUp, RealReal, LetGo, 1stDibs, Chairish, Amazon, eBay, etc.)
- Seller services revenue growth moderates to mid-teens as sellers begin distributing advertising budgets to ETSY's competitors
- EBITDA margins contract modestly as slowing revenue reduces operating leverage and ETSY spends aggressively on marketing to drive topline in the face of more competition
- \$85/share based on ~25x '22E Downside EBITDA

Investment Thesis / Where We Differ

We see upside to consensus revenue/EBITDA, driven by home nesting and margin tailwinds from Offsite Ads. We see upside to estimates resulting in a higher multiple as expectations for forward profitability increase.

Catalysts

- Earnings results;
- Changes to transaction fees;
- Third-party data releases;
- Public actions taken by competition (OfferUp, RealReal, LetGo, 1stDibs, Chairish, Amazon, eBay, etc.);
- M&A

EXPEDIA GROUP, INC (EXPE)

RATING	PRICE	MARKET CAP
HOLD	\$144.02^	\$20.8B
PRICE TARGET (PT)	UPSIDE SCENARIO PT	DOWNSIDE SCENARIO PT
\$130.00 (FROM \$105.00)	\$150.00	\$60.00

[^]Prior trading day's closing price unless otherwise noted.

Estimates				
USD	2019A	2020E	2021E	2022E
Rev. (MM)	12,067.0	↓ 5,300.3	↓ 8,033.1	10,973.5
Previous		5,568.5	8,256.6	
EBITDA (MM)	2,134.0	↓ (286.2)	↓ 1,329.3	2,174.9
Previous		(216.4)	1,481.2	
EPS				
Q1	(0.27)	(1.83)A	-	-
Previous				
Q2	1.77	(4.09)A	-	-
Previous				
Q3	3.38	(0.22)A	-	-
Previous				
Q4	1.24	↓ (2.20)	-	-
Previous		(1.80)		
FY Dec	6.15	↓ (8.34)	↓ 0.94	5.22
Previous		(7.93)	1.80	

Valuation				
	2019A	2020E	2021E	2022E
P/Rev	1.7x	3.9x	2.6x	1.9x
EV/Rev	2.1x	4.7x	3.1x	2.3x
EV/EBITDA	11.7x	NM	18.7x	11.4x
FY P/E	23.4x	NM	NM	27.6x

The Long View

Scenarios

Base Case

- Macro slowdown / COVID-19 pandemic pressuring travel demand and driving material decline in bookings and revenue through the rest of 2020
- EXPE has a solid portfolio of assets in place helping gain market share from smaller competitors
- Well-positioned to weather the current slowdown and to return to profitable growth in the longer term
- 2021E EBITDA: \$1.33B; Target Multiple: 17.3x; Price Target: \$130

Upside Scenario

- Macro slowdown / impact from COVID-19 shorter / less severe than expected
- Incrementally faster margin improvement
- 2021E EBITDA: \$1.36B; Target Multiple: 19x; Price Target: \$150

Downside Scenario

- Macro slowdown / COVID-19 impact worse than expected, taking longer than expected to recover bookings and revenue
- Trivago not returning to prior growth path as fast as expected
- 2021E EBITDA: \$1.10B; Target Multiple: 12x; Price Target: \$60

Investment Thesis / Where We Differ

- We like the story longer-term but expect recovery of consumer demand in travel to take longer than currently embedded in consensus
- Cost-cutting initiatives and fresh financing from private equity should provide sufficient liquidity through the COVID outbreak
- We expect operational improvements / efficiencies from Cloud migration and cost reduction initiatives to set EXPE for profitable growth once travel returns to normal levels
- We believe EXPE is well positioned for market share gains from smaller players in the current environment
- Inexpensive valuation – one of the cheapest names in our universe

Catalysts

- Faster move to the Cloud and better cost savings
- Changing macro / global travel trends
- Signs of market share gain / loss

FACEBOOK, INC. (FB)

RATING	PRICE	MARKET CAP
BUY	\$267.57^	\$773.5B
PRICE TARGET (PT)	UPSIDE SCENARIO PT	DOWNSIDE SCENARIO PT
\$330.00	\$400.00	\$200.00

[^]Prior trading day's closing price unless otherwise noted.

Estimates				
USD	2019A	2020E	2021E	2022E
Rev. (MM)	70,697.0	84,212.0	↑ 105,223.0	↑ 123,079.0
<i>Previous</i>			105,166.0	123,046.0
EPS-GAAP				
Q1	0.85	1.71A	2.15	-
<i>Previous</i>				
Q2	0.91	1.80A	2.46	-
<i>Previous</i>				
Q3	2.12	2.71A	2.79	-
<i>Previous</i>				
Q4	2.56	3.15	3.56	-
<i>Previous</i>				
FY Dec	6.44	9.37	↑ 10.96	↑ 12.84
<i>Previous</i>			10.61	12.63

Valuation				
	2019A	2020E	2021E	2022E
P/Rev	10.9x	9.2x	7.4x	6.3x
FY P/E GAAP	41.5x	28.6x	24.4x	20.8x

The Long View

Scenarios

Base Case

- New ad dollars are pouring into mobile ad campaigns and FB is the primary beneficiary of that trend
- Expect operating leverage as FB deploys new ad products into its base of 3.0B+ users
- Deep engagement at Instagram, Messenger, and WhatsApp suggests robust go-forward growth as monetization ramps
- High ROI Shopping Ads on Facebook and Instagram increase ad spend across the platform
- 2022E EPS: \$12.63; Target Multiple: 26x; PT \$330

Upside Scenario

- Messenger, and WhatsApp monetization occurs faster than expected
- Video products gain rapid traction
- Instagram's new features (ex: IG Reels) make the service stickier and drive new ad units and additional ad budgets
- Ad pricing continues to ramp quickly, offsetting a stabilization of ad loads
- Deepening ties to eCommerce and bottom-funnel ads
- 2022E EPS: \$15.00; Target Multiple: 27x; PT \$400

Downside Scenario

- Expenses ramp faster than expected
- Ad load stabilization affects top-line growth
- Ad targeting headwinds due to regulation (i.e. GDPR, CCPA) and platform changes (Google Chrome, iOS)
- Users churn off to other social services
- 2021E EPS: \$10.00; Target Multiple: 20x; PT \$200

Investment Thesis / Where We Differ

- FB connects 3B+ people from around the world to nearly 9MM advertisers with best-in-class data and targeting capabilities delivering high-quality and relevant advertising to a loyal user base.
- FB will continue to innovate on the advertising front, driving higher monetization across its various platforms.
- High ROI eCommerce advertising products on Facebook and Instagram increase ad spend across the platform

Catalysts

- High ROI eCommerce ad products scale across the platform
- Continued growth in ad pricing
- WhatsApp/Messenger monetization

GODADDY, INC. (GDDY)

RATING BUY	PRICE \$82.05^	MARKET CAP \$14.1B
PRICE TARGET (PT) \$100.00	UPSIDE SCENARIO PT \$115.00	DOWNSIDE SCENARIO PT \$45.00

[^]Prior trading day's closing price unless otherwise noted.

Estimates				
USD	2019A	2020E	2021E	2022E
Rev. (MM)	2,988.1	3,308.1	3,645.3	3,994.4
<i>Previous</i>				
EPS				
Q1	0.07	0.25A	-	-
<i>Previous</i>				
Q2	(0.07)	(4.06)A	-	-
<i>Previous</i>				
Q3	0.43	0.38A	-	-
<i>Previous</i>				
Q4	0.34	0.33	-	-
<i>Previous</i>				
FY Dec	0.76	(3.02)	1.41	1.90
<i>Previous</i>				
Valuation				
	2019A	2020E	2021E	2022E
EV/Rev	5.6x	5.0x	4.6x	4.2x
P/Rev	4.7x	4.3x	3.9x	3.5x
FY P/E	NM	NM	58.2x	43.2x

The Long View

Scenarios

Base Case

- Consistent high single digit to ~10% revenue growth, op margin expansion to 10+, and mid/high teens % FCF growth.
- Continue to add ~1 million net new customers per year (normalized), driven primarily by international expansion.
- ARPU seq. growth of 1%-2%, resulting from increasing uptake of new solutions and continued growth of business applications.
- Fwd NTM FCF: \$1,013M; Target Multiple: 20x; Price Target \$100

Upside Scenario

- Consistent mid-teens revenue growth, op margin expansion to mid-teens %, and 20+% FCF growth.
- Add >1 million net new customers per year, driven primarily by international expansion.
- ARPU seq. growth of 2+%, resulting from success with bundles, telephony, commerce and security solutions.
- Fwd NTM FCF: \$1114M; Target Multiple: 20x; Price Target \$115

Downside Scenario

- Single-digit revenue growth, operating margins remain below 10%, and low-teens & below FCF growth.
- Add <1 million net new customers per year, with US customer base showing net churn
- ARPU seq. declines, resulting from increasing competitive pressures.
- Fwd NTM FCF: \$861M; Target Multiple: 12x; Price Target \$45

Investment Thesis / Where We Differ

- One of our top-mid cap picks. We value the consistency of this story which we think delivers investors a steady profile of double-digit revenue growth, margin expansion, and significant FCF generation.
- We see GoDaddy increasingly becoming the one-stop shop for small business needs across a growing set of solutions and see room for consistent ARPU expansion to 30% from current levels over time.

Catalysts

- International expansion
- Increasing traction with additional product on-ramps beyond domains
- New product suites/bundles
- Integration of tuck-in acquisitions across application portfolio
- Shift to use of public cloud

IAC / INTERACTIVECORP (IAC)

RATING BUY	PRICE \$121.29^	MARKET CAP \$10.4B
PRICE TARGET (PT) \$225.00 (FROM \$160.00)	UPSIDE SCENARIO PT \$200.00	DOWNSIDE SCENARIO PT \$100.00

^aPrior trading day's closing price unless otherwise noted.

Estimates				
USD	2019A	2020E	2021E	2022E
Rev. (MM)	4,757.1	2,974.4	↑ 3,268.7	3,656.7
<i>Previous</i>			3,263.1	
EBITDA (MM)	986.6	62.3	↓ 200.7	385.0
<i>Previous</i>			201.4	

Valuation				
	2019A	2020E	2021E	2022E
EV/Rev	1.5x	2.4x	2.2x	1.9x
EV/EBITDA	7.1x	NM	35.0x	18.3x
P/Rev	2.2x	3.5x	3.2x	2.9x

The Long View

Scenarios

Base Case

- Large portfolio of online businesses offers broad exposure to Internet trends
- IAC will begin to highlight smaller assets after the distribution of MTCH
- Improvement in ANGL over time as the COVID dynamic eventually clears.
- History of strategic M&A
- 2021e EBITDA: \$200.7MM; PT \$225

Upside Scenario

- MTCH distribution unlocks all of the negative stub value
- ANGL/HomeAdvisor synergies ramp faster than expected with improved profitability
- Vimeo unlocks value similar to public comps
- Strategic M&A drives additional value
- 2021e EBITDA: \$300MM; PT \$270

Downside Scenario

- IAC struggles to replace MTCH
- ANGL synergies take longer than expected and competition within home services picks up
- Applications and Publishing businesses decelerate quicker than expected
- Limited options for strategic M&A
- 2021e EBITDA: \$140MM; Price Target: \$190

Investment Thesis / Where We Differ

- Focus will now shift to ANGL, Vimeo, and capital allocation options. We look for IAC to continue to grind higher as investors continue to appreciate the execution and the discount spread minimizes over time
- We maintain our bullish stance and believe IAC will continue to create value through corporate actions (IAC has outpaced the market on almost every historical metric).

Catalysts

- Share repurchases
- Strategic M&A
- Vimeo spin

LYFT, INC. (LYFT)

RATING BUY	PRICE \$47.50^	MARKET CAP \$16.8B
PRICE TARGET (PT) \$70.00 (FROM \$45.00)	UPSIDE SCENARIO PT \$80.00	DOWNSIDE SCENARIO PT \$27.00

^aPrior trading day's closing price unless otherwise noted.

Estimates				
USD	2019A	2020E	2021E	2022E
Rev. (MM)	3,616.0	↓ 2,348.9	↓ 3,283.0	4,600.8
Previous		2,370.2	3,331.6	
EBITDA (MM)				
Q1	(216.0)	(85.2)A	-	-
Previous				
Q2	(204.1)	(280.3)A	-	-
Previous				
Q3	(128.1)	(239.7)A	-	-
Previous				
Q4	(130.7)	↑ (180.0)	-	-
Previous		(189.3)		
FY Dec	(678.9)	↑ (785.2)	↑ (303.9)	243.4
Previous		(794.5)	(325.0)	
Valuation				
	2019A	2020E	2021E	2022E
EV/Rev	4.1x	6.4x	4.6x	3.3x
EV/EBITDA	NM	NM	NM	61.4x

The Long View

Scenarios

Base Case

We forecast 3-yr revenue CAGR of 8% b/t FY19-22 based on continued penetration of ride-sharing in N.A. combined with a successful roll-out of bikes and scooters. In addition, we forecast bottom line to improve to an adj. EBITDA margin of +5% by FY22.

This results in a value of \$70 based on an EV/S multiple of 5.0x applied to sales of \$4,601M in 5-8 quarters.

Upside Scenario

We forecast 3-yr revenue CAGR of 13% b/t FY19-22 based on better-than-expected penetration of ride-sharing and roll-out of bikes and scooters in N.A. In addition, we forecast bottom line to improve as adj. EBITDA margin approaches high-single digits by FY22.

This results in a value of \$80 based on an EV/S multiple of 5.1x applied to sales of \$5,267M in 5-8 quarters.

Downside Scenario

We forecast 3-yr revenue CAGR of 3% b/t FY19-22 based on slower-than-expected penetration of ride-sharing and roll-out of bikes and scooters in N.A. In addition, we forecast bottom line to improve only modestly as adj. EBITDA margin struggles to turn positive by FY22.

This results in a value of \$27 based on an EV/S multiple of 2.0x applied to sales of \$3,993M in 5-8 quarters.

Investment Thesis / Where We Differ

We like Lyft for its highly focused approach to solving the problems of personal transportation. By placing an intense focus on personal modes of mobility, without distractions from other resource-heavy adjacencies, Lyft has been able to out-execute its #1 competitor and gain outsized share in a duopoly. We believe Lyft's gains are durable and its unique brand can continue to drive superior growth from a N.A. region that is <1% penetrated based on miles driven. Current valuation is at a significant discount to the peer group, especially in light of its growth rate (ex-Covid) and long runway.

Catalysts

- Quarterly earnings
- Evidence of progress in managing insurance costs
- Progress/timeline toward profitability
- Regulatory developments
- Expansion into additional cities in Canada
- Entry into additional countries
- New partnerships in autonomous driving
- Programs to offset Covid-19 impact

MATCH GROUP (MTCH)

RATING BUY	PRICE \$107.05^	MARKET CAP \$31.0B
PRICE TARGET (PT) \$185.00 (FROM \$155.00)	UPSIDE SCENARIO PT \$210.00	DOWNSIDE SCENARIO PT \$110.00

^aPrior trading day's closing price unless otherwise noted.

Estimates				
USD	2019A	2020E	2021E	2022E
Rev. (MM)	2,051.3	2,387.5	↑ 2,862.1	3,312.6
<i>Previous</i>			2,758.5	
EBITDA (MM)				
Q1	155.1	171.5A	233.3	-
<i>Previous</i>				
Q2	203.5	227.8A	282.9	-
<i>Previous</i>				
Q3	206.1	249.2A	284.2	-
<i>Previous</i>				
Q4	214.7	245.0A	310.6	-
<i>Previous</i>				
FY Dec	779.4	↑ 893.5	↑ 1,111.0	1,304.6
<i>Previous</i>		890.6	1,038.3	
Valuation				
	2019A	2020E	2021E	2022E
P/Rev	15.1x	13.0x	10.8x	9.4x
EV/Rev	16.6x	14.3x	11.9x	10.3x
EV/EBITDA	43.8x	38.2x	30.7x	26.2x

The Long View

Scenarios

Base Case

- Tinder continues to grow the user base, and FB entrance has minimal impact on Tinder momentum
- Non-Tinder grows single digits in 2020
- Favorable industry tailwinds and large untapped international opportunity provide additional levers for growth
- History of strategic M&A
- 2022E EBITDA: \$1.31B; Target Multiple: 44x; PT \$185

Upside Scenario

- Tinder expands subscribers faster than expected through international growth and other investment initiatives (Tinder U, additional monetization features)
- Classic Match brands accelerate quicker than expected
- Online dating industry grows at an accelerated rate and overall stigma improves
- Strategic M&A drives growth
- 2022E EBITDA: \$1.45B; Target Multiple 45x; PT \$210

Downside Scenario

- Tinder growth slows due to Facebook's entry into the online dating space
- Classic Match brands do not return to growth
- Tinder cannibalizes core Match dating business
- Heavy competition weighs on Match portfolio
- 2022E EBITDA: \$1.20B; Target Multiple: 30x; Price Target: \$110

Investment Thesis / Where We Differ

- Match is one of the most profitable companies in the Internet space, with operating income margins in the top quartile of our coverage universe.
- While Match is the renowned global leader in online dating, it remains underpenetrated in the space, with just ~10MM paid subscribers in a 600MM person Global TAM.

Catalysts

- Impact of Tinder monetization and other new product features
- Ability to reaccelerate growth in the ex-Tinder portfolio
- Strategic M&A

MERCADOLIBRE (MELI)

RATING BUY	PRICE \$1,719.00^	MARKET CAP \$85.4B
PRICE TARGET (PT) \$2,000.00 (FROM \$1,950.00)	UPSIDE SCENARIO PT \$3,000.00	DOWNSIDE SCENARIO PT \$710.00

[^]Prior trading day's closing price unless otherwise noted.

Estimates				
USD	2019A	2020E	2021E	2022E
Rev. (MM)	2,296.3	3,855.6	5,276.5	7,290.3
<i>Previous</i>				
EBITDA (MM)	(79.8)	272.0	329.9	815.9
<i>Previous</i>				
EPS				
Q1	0.26	(0.42)A	0.63	2.06
<i>Previous</i>				
Q2	0.33	1.13A	(0.05)	1.26
<i>Previous</i>				
Q3	(2.94)	0.30A	1.08	3.17
<i>Previous</i>				
Q4	(1.09)	(0.17)	1.47	3.93
<i>Previous</i>				
FY Dec	(3.44)	0.83	3.13	10.42
<i>Previous</i>				
Valuation				
	2019A	2020E	2021E	2022E
EV/Rev	36.0x	21.4x	15.6x	11.3x
P/Rev	37.2x	22.2x	16.2x	11.7x
EV/EBITDA	NM	NM	NM	NM
FY P/E	NM	NM	NM	NM

The Long View

Scenarios

Base Case

- GMV growth remains 20%+ over the next 3 years as e-commerce penetration expands due to behavioral changes resulting from the pandemic
- Off-marketplace increases to 70% of payment led by outsized growth in wallet, helping drive 50%+ TPV growth over the next 3 years
- Growth in high margin Fintech offerings like asset management and credit provide 100 bps of GM tailwinds
- Brazil remains competitive, resulting in MELI continuing to spend aggressively on customer acquisition and logistics, holding back profitability over the next 3 years
- \$2,000/share PT implies ~13x '22E base revenue (28x gross profit)

Upside Scenario

- GMV growth accelerates to 35%+ over the next 3 years driven by solid trends across MELI's markets and an acceleration in Brazil
- Off-marketplace payments increase to 80% of total payment volume led by outsized growth in wallet, helping drive 75%+ TPV growth over the next 3 years
- Growth in high margin Fintech offerings like asset management and credit provide 200 bps of GM tailwinds
- Heightened spend in Brazil ends up being short-lived, resulting in segment margins returning to 35%+ (adjusted for shipping subsidies)
- \$3,000/share implies ~18x '22E upside revenue

Downside Scenario

- GMV growth moderates to mid-teens over the next 3 years as Brazil growth meaningfully decelerates from a heightened competitive environment
- Off-marketplace payments growth moderates, resulting in less than 30% TPV growth over the next 3 years
- Wallet TPV growth stalls as WhatsApp launches a competing product in Brazil
- Brazil competitive environment intensifies, resulting in MELI spending aggressively on customer acquisition and logistics, resulting in worsening profitability and cash flow
- \$710/share implies ~6x '22E downside revenue

Investment Thesis / Where We Differ

We see MELI's leading market share positioning it to continue benefiting from an ongoing shift to e-commerce consumption and electronic payments in Latin America. Wallet continues to outpace broader TPV, driving growth in high margin offerings like asset management and credit, and resulting in a tailwind to gross profit and upside to consensus.

Catalysts

- Improved profitability in Brazil or Mexico;
- Additional monetization milestones in payments;
- Unexpected change in off-platform payment volume growth;
- Additional actions taken by key competitors (AMZN, B2W, Alibaba, etc.);
- Further progress in owned logistics adoption; and
- M&A

PUBMATIC, INC. (PUBM)

RATING BUY	PRICE \$26.31^	MARKET CAP \$1.5B
PRICE TARGET (PT) \$38.00	UPSIDE SCENARIO PT \$50.00	DOWNSIDE SCENARIO PT \$25.00

[^]Prior trading day's closing price unless otherwise noted.

Estimates				
USD	2019A	2020E	2021E	2022E
Rev. (MM)	113.9	140.0	168.4	201.5
<i>Previous</i>				
EBITDA (MM)	23.3	39.8	44.8	57.3
<i>Previous</i>				
EPS				
Q1	-	-	(0.01)	-
<i>Previous</i>				
Q2	-	-	0.01	-
<i>Previous</i>				
Q3	-	-	0.10	-
<i>Previous</i>				
Q4	-	0.35	0.23	-
<i>Previous</i>				
FY Dec	0.71	1.13	0.33	0.46
<i>Previous</i>				

Valuation				
	2019A	2020E	2021E	2022E
EV/Rev	12.3x	10.0x	8.3x	7.0x
P/Rev	13.0x	10.6x	8.8x	7.4x
EV/EBITDA	60.3x	35.3x	31.4x	24.5x
FY P/E	37.1x	23.3x	79.7x	57.2x

The Long View

Scenarios

Base Case

- Ad dollars continue to shift into programmatic channels directly benefiting PUBM
- Expect roughly 20% revenue and EBITDA growth over the next 3 years
- CTV scales to a high single digit % of revenue by 2H21
- Buyers continue consolidating spend around fewer supply side platforms benefiting PUBM
- **2022E Revenue: \$201.5M; Target Multiple: 9.6x; PT: \$38**

Upside Scenario

- Adoption of programmatic advertising grows faster than expected
- CTV becomes a bigger portion of PUBM's mix helping drive 25%+ revenue growth over the next 3 years
- Buyer consolidation efforts accelerate with fewer surviving supply side platforms than expected
- New identity solutions (e.g. Unified ID 2.0) benefit the Open Internet providing a tailwind to ad pricing (CPMs)
- **2022E Revenue: \$225M; Target Multiple: 11.5x; PT: \$50**

Downside Scenario

- Privacy changes from Apple and Google present a larger than expected headwind
- Adoption of PUBM's CTV solution is slower than expected
- Verizon Media Group is >20% of revenue representing significant concentration risk
- Competitive pressures drive take rates lower over the next several years
- **2022E Revenue: \$190M; Target Multiple: 6.7x; PT: \$25**

Investment Thesis / Where We Differ

We view PUBM as a long term winner in the ad tech industry. The shift to programmatic advertising, buyer consolidation around fewer supply side platforms, 20% + top-line growth with balanced 20%+ EBITDA margins should support a higher stock. Longer term, we believe Connected TV can be a bigger driver of revenue growth.

Catalysts

- Expansion into new advertising verticals (e.g. CTV, Audio)
- Conversion to known identity solutions away from third party cookies and IDFA
- Buyer consolidation around fewer supply side platforms
- Accelerated shift to programmatic advertising

REDFIN CORPORATION (RDFN)

RATING	PRICE	MARKET CAP
HOLD	\$76.51^	\$8.2B
PRICE TARGET (PT)	UPSIDE SCENARIO PT	DOWNSIDE SCENARIO PT
\$85.00 (FROM \$45.00)	\$125.00	\$35.00

[^]Prior trading day's closing price unless otherwise noted.

Estimates				
USD	2019A	2020E	2021E	2022E
Rev. (MM)	779.8	▲ 874.4	▲ 1,221.2	▲ 1,509.6
Previous		872.0	1,165.4	1,498.4
EBITDA (MM)	(42.2)	▲ 40.7	▲ 76.2	▲ 137.6
Previous		38.0	64.5	110.1
EPS				
Q1	(0.74)	(0.64)A	▼ (0.46)	▼ (0.46)
Previous			(0.43)	(0.45)
Q2	(0.14)	(0.07)A	▼ 0.05	▼ 0.15
Previous			0.07	0.17
Q3	0.07	0.32A	▲ 0.16	▲ 0.30
Previous			0.15	0.27
Q4	(0.08)	▲ 0.07	▲ 0.07	▲ 0.19
Previous		0.04	(0.03)	0.05
FY Dec	(0.89)	▲ (0.33)	▲ (0.18)	▲ 0.18
Previous		(0.35)	(0.24)	0.04

Valuation				
	2019A	2020E	2021E	2022E
P/Rev	10.5x	9.4x	6.7x	5.4x
EV/Rev	10.4x	9.3x	6.6x	5.4x
EV/EBITDA	NM	NM	NM	59.0x
FY P/E	NM	NM	NM	NM

The Long View

Scenarios

Base Case

- Technology-focused platform and consumer value proposition lead to increased market share for Redfin.
- Macro environment likely a continued headwind for RDN stock.
- Additional businesses begin to scale longer term, but the near-term focus is the brokerage business.
- ~6x '22 Base Case Revenue; PT \$85

Upside Scenario

- Redfin accelerates market share faster than expected via innovative tech advantages and increased brand awareness. Our bull case assumes 1.50% market share by 2021.
- Housing demand continues to grow while supply constraints ease quicker than expected, resulting in a bigger pool of overall transactions.
- Redfin Now & Mortgages scale quickly, resulting in another near-term growth lever for the company.
- ~8x '22 Upside Revenue; PT \$125

Downside Scenario

- Increased competition leads to a slowdown in market share gains. Our bear case assumes 0.95% market share by 2021.
- Housing supply shortage gets worse, making it challenging for Redfin to grow transactions.
- Emerging businesses fail to gain meaningful traction and prove to be capital-intensive.
- ~3x '22 Downside Revenue; PT \$35

Investment Thesis / Where We Differ

At just ~1% penetrated against the U.S. home sales market, ample opportunity remains for RDN to scale the business.

The short-term investment case is on ice given margin pressure and limited visibility towards improvement. We believe the story remains interesting for long-term investors.

We believe RDN's tech-focused platform and consumer value proposition can be a long-term industry disrupter.

Catalysts

- Impact from mass media marketing spend
- The U.S. housing market
- Strategic M&A

SNAP, INC. (SNAP)

RATING	PRICE	MARKET CAP
BUY	\$52.73^	\$78.9B
PRICE TARGET (PT)	UPSIDE SCENARIO PT	DOWNSIDE SCENARIO PT
\$65.00 (FROM \$41.00)	\$75.00	\$30.00

[^]Prior trading day's closing price unless otherwise noted.

Estimates				
	2019A	2020E	2021E	2022E
Rev. (MM)	1,716.0	▲ 2,469.0	▲ 3,633.0	▲ 4,964.0
Previous		2,449.0	3,504.0	4,657.0
EBITDA (MM)				
Q1	(123.0)	(81.0)A	40.0	-
Previous				
Q2	(79.0)	(96.0)A	70.0	-
Previous				
Q3	(42.0)	57.0A	178.0	-
Previous				
Q4	42.0	▲ 150.0	325.0	-
Previous		110.0		
FY Dec	(202.0)	▲ 30.0	▲ 613.0	▲ 1,284.0
Previous		(10.0)	387.0	1,074.0
Valuation				
	2019A	2020E	2021E	2022E
EV/Rev	45.3x	31.5x	21.4x	15.6x
P/Rev	46.0x	31.9x	21.7x	15.9x

The Long View

Scenarios

Base Case

- New ad dollars are pouring into mobile ad campaigns and Snap is well positioned to capture share.
- Snap's ARPU is well below peers and allows for leverage in the business model by adding inventory and driving higher pricing.
- Time spent on Discover continues to grow increasing the value of the platform to advertisers
- 2022E Rev: \$4.7B; Target Multiple: 11.5x; PT \$41

Upside Scenario

- Snap is able to leverage its highly-engaged user base to increase ARPU faster than anticipated.
- Advertising adoption continues to ramp quickly, combined with increasing ad load and monetization of professional content accelerates.
- User growth accelerates in key geographies.
- 2022E Rev: \$5.2B; Target Multiple: 14.0x; PT \$50

Downside Scenario

- Competition from new entrants as well as established players weighs on DAU growth.
- Advertisers shift ad dollars to more known channels and pricing remains weak.
- Snap's ephemeral experience becomes diluted and commoditized by imitators.
- 2022E Rev: \$4.0B; Target Multiple: 7.5x; PT \$22

Investment Thesis / Where We Differ

- We believe SNAP stock has more room to run in 2020/2021, driven by accelerating user growth, particularly internationally, an improved ad platform driving 35%+ revenue growth over 3 years, and a clearer pathway to 25%+ EBITDA margins and positive FCF.
- SNAP's Discover platform and improved direct response ad units differentiate the platform vs. competitors and continue to attract more ad dollars

Catalysts

- DAU Growth from Android Redesign rollout
- Launch of new ad products and engagement tools
- Greater ability to target and optimize advertising campaigns.
- Increase in additional professional content developed specifically for Snapchat.

THE TRADE DESK, INC. (TTD)

RATING	PRICE	MARKET CAP
HOLD	\$795.81^	\$38.2B
PRICE TARGET (PT)	UPSIDE SCENARIO PT	DOWNSIDE SCENARIO PT
\$800.00 (FROM \$725.00)	\$1,000.00	\$400.00

^aPrior trading day's closing price unless otherwise noted.

Estimates				
USD	2019A	2020E	2021E	2022E
Rev. (MM)	661.1	807.7	↑ 1,102.7	↑ 1,476.6
<i>Previous</i>			1,098.4	1,476.3
EBITDA (MM)				
Q1	24.7	39.0A	55.4	-
<i>Previous</i>				
Q2	58.0	14.6A	76.8	-
<i>Previous</i>				
Q3	47.8	77.2A	87.7	-
<i>Previous</i>				
Q4	83.5	119.6	151.2	-
<i>Previous</i>				
FY Dec	213.9	250.4	↑ 371.1	↑ 513.9
<i>Previous</i>			336.6	472.8

Valuation				
	2019A	2020E	2021E	2022E
P/Rev	57.8x	47.3x	34.6x	25.9x
EV/Rev	57.2x	46.8x	34.3x	25.6x
EV/EBITDA	NM	NM	NM	73.6x

The Long View

Scenarios

Base Case

- Large addressable market as advertisers transition to programmatic buying of ad inventory.
- Growth in inventory through expansion into channels such as TV and Audio.
- International expansion continues to show robust growth through 2021.
- 2022E revenue \$1,476MM; Target Multiple: 27.0x; Price Target \$800/ share.

Upside Scenario

- Acceleration of current client spend at a continued rapid rate.
- New client growth accelerates.
- Automation of additional digital media (TV, audio, billboards etc...) provides near-term upside.
- International growth unlocks additional TAM. China remains the most important international market.
- 2022E revenue \$1,750MM; Target Multiple: 29.0x; Price Target \$1000/ share.

Downside Scenario

- Clients are slow to implement programmatic trading in non-display formats.
- Increased pressure on the balance sheet from rising net working capital constraints.
- Global privacy regulations and platform changes including; GDPR, CCPA, and the deprecation of third party cookies in Google Chrome.
- 2022E revenue \$1250mm; Target Multiple: 16.0x; Price Target \$400/ share.

Investment Thesis / Where We Differ

We see multiple growth drivers for The Trade Desk:

- 1) gross spend growth from existing clients
- 2) rapid shift toward programmatic buying of advertising inventory
- 3) expanding channel offerings such as Connected TV & Audio
- 4) international expansion

Catalysts

- Publisher acceptance of automation for premium inventory.
- Growth in Connected TV.
- International expansion.

TRIPADVISOR (TRIP)

RATING UNDERPERFORM	PRICE \$35.65^	MARKET CAP \$5.2B
PRICE TARGET (PT) \$19.00 (FROM \$16.00)	UPSIDE SCENARIO PT \$40.00	DOWNSIDE SCENARIO PT \$10.00

[^]Prior trading day's closing price unless otherwise noted.

Estimates				
USD	2019A	2020E	2021E	2022E
Rev. (MM)	1,561.0	▲ 592.3	▲ 934.5	1,213.4
Previous		587.9	922.6	
EBITDA (MM)	438.0	▲ (39.1)	▲ 199.7	338.6
Previous		(43.1)	187.7	
EPS Non-GAAP				
Q1	0.36	0.07A	-	-
Previous				
Q2	0.45	(0.76)A	-	-
Previous				
Q3	0.58	(0.17)A	-	-
Previous				
Q4	0.38	▲ (0.34)	-	-
Previous		(0.37)		
FY Dec	1.77	▲ (1.20)	▲ 0.29	1.16
Previous		(1.22)	0.22	
Valuation				
	2019A	2020E	2021E	2022E
P/Rev	3.3x	8.7x	5.5x	4.3x
EV/Rev	3.3x	8.6x	5.4x	4.2x
EV/EBITDA	11.6x	NM	25.4x	15.0x
FY P/EPS Non-GAAP	20.1x	NM	NM	30.7x

The Long View

Scenarios

Base Case

- TRIP operates in a tough competitive environment where it competes both at the top (Google) and at the bottom (OTAs) of the travel purchase funnel
- Pandemic creates a lot of uncertainty and pushes recovery further out
- SEO headwinds from Google Travel and macro pressuring operating results
- 2021E EBITDA: \$200M; Target Multiple: 12.6x; Price Target \$19

Upside Scenario

- Travel recovers faster than expected after COVID vaccine
- Cost rationalization drives faster margin improvement
- New products driving revenue growth re-acceleration
- 2021E EBITDA: \$355M; Target Multiple: 15x; Price Target \$40

Downside Scenario

- Slower-than-expected recovery in travel demand
- Cost efficiencies not sustainable in a LT growth scenario
- New products not enough to accelerate revenue growth
- 2021E EBITDA: \$163M; Target Multiple: 8x; Price Target: \$10

Investment Thesis / Where We Differ

- A "transition" story that has taken longer than expected to show signs of sustained improvement
- Management continues to execute on its plan to reposition the brand and improve the user experience, but efforts overshadowed by COVID outbreak
- We see limited upside in the stock over the next 12 months

Catalysts

- Changes in global macro picture; coronavirus containment
- Experiences & Dining investment slowing down and driving profitability higher
- Accelerating core Hotel segment growth

TWITTER, INC. (TWTR)

RATING	PRICE	MARKET CAP
HOLD	\$51.48^	\$41.5B
PRICE TARGET (PT)	UPSIDE SCENARIO PT	DOWNSIDE SCENARIO PT
\$52.00 (FROM \$46.00)	\$65.00	\$28.00

[^]Prior trading day's closing price unless otherwise noted.

Estimates				
USD	2019A	2020E	2021E	2022E
Rev. (MM)	3,459.3	3,638.0	↑ 4,530.4	↑ 5,326.8
<i>Previous</i>			4,474.6	5,258.5
EBITDA (MM)				
Q1	290.6	211.1A	279.5	-
<i>Previous</i>				
Q2	285.7	132.8A	272.7	-
<i>Previous</i>				
Q3	262.8	294.1A	345.4	-
<i>Previous</i>				
Q4	370.7	405.8	501.0	-
<i>Previous</i>				
FY Dec	1,209.7	1,043.7	↑ 1,398.6	↑ 1,870.8
<i>Previous</i>			1,185.9	1,474.5
Valuation				
	2019A	2020E	2021E	2022E
EV/Rev	10.8x	10.3x	8.3x	7.0x
P/Rev	12.0x	11.4x	9.2x	7.8x
EV/EBITDA	31.0x	35.9x	26.8x	20.0x
FY P/E	23.3x	46.8x		

The Long View

Scenarios

Base Case

- TWTR's platform has a highly engaged 180M+ daily user base, but has had difficulty proving that ROI and advertising dollars have shifted. Channel checks point to a willingness to return as ROI improves.
- Twitter's user growth continues to impress, with improvements to the platform driving better engagement. Health/Safety of the platform remains the key focus for the company to help improve the quality of the experience.
- 2022 EBITDA: \$1.8B; Target Multiple: 20.3x; PT \$52.

Upside Scenario

- Y/Y mDAU growth sustains in the mid-30% range
- Direct response ad products are popular with advertisers and scale more quickly than expected on the platform
- Live Video product attracts new users and monetizes well above current ad formats.
- 2022 EBITDA: \$2.0B; Target Multiple: 24.0x; PT \$65.

Downside Scenario

- Timing of ad product changes can negatively affect revenue growth
- Users churn off to other social media services.
- Higher ad loads negatively affect user experience.
- A misunderstood use case makes adding new users difficult.
- 2022 EBITDA: \$1.4B; Target Multiple: 13.5x; PT \$28.

Investment Thesis / Where We Differ

Twitter continues to be primarily a mobile-first platform and is well positioned to benefit from industry tailwinds as ad dollars continue to flow into mobile. Improved user products and ad products present addressable growth opportunities, with commerce as a long-tail opportunity. We believe TWTR will continue to take a thoughtful approach to deploying new ad products.

Catalysts

- Launch of new direct response ad products like MAP 2.0
- Increased international monetization
- Continued double-digit growth in DAU
- Growth in mDAUs in the US and greater ARPU helps drive top line.

UPWORK INC. (UPWK)

RATING	PRICE	MARKET CAP
HOLD	\$38.01^	\$5.1B
PRICE TARGET (PT)	UPSIDE SCENARIO PT	DOWNSIDE SCENARIO PT
\$39.00	\$50.00	\$20.00

[^]Prior trading day's closing price unless otherwise noted.

Estimates				
USD	2019A	2020E	2021E	2022E
Rev. (MM)	302.3	365.0	436.7	530.6
<i>Previous</i>				
EBITDA (MM)	9.0	6.5	8.0	27.5
<i>Previous</i>				
EPS				
Q1	0.00	(0.03)A	-	-
<i>Previous</i>				
Q2	0.01	(0.03)A	-	-
<i>Previous</i>				
Q3	0.01	0.04A	-	-
<i>Previous</i>				
Q4	0.03	0.00	-	-
<i>Previous</i>				
FY Dec	0.06	(0.01)	0.01	0.14
<i>Previous</i>				
Valuation				
	2019A	2020E	2021E	2022E
EV/Rev	16.3x	13.5x	11.3x	9.3x
P/Rev	16.8x	13.9x	11.6x	9.6x
EV/EBITDA	NM	NM	NM	NM
FY P/E	NM	NM	NM	NM

The Long View

Scenarios

Base Case

- FY19-22 rev CAGR of 21%.
- UPWK continues to penetrate the white-collar freelance market with a return path to annual growth of around 20%. The company's brand gradually gains awareness among both prospective clients and highly-skilled freelancers.
- Rev in 2 yrs: \$531M; Target EV/S Multiple: 9.5x; Price Target \$39

Upside Scenario

- FY19-22 CAGR of rev 24%.
- The market for remote workers begins to see signs of an inflection point as hiring preferences shift among recruiters at larger companies. Traction with enterprises accelerates and gains more critical mass.
- Upwork accelerates the deployment of "domestic" marketplaces (customized sites where freelancers and clients are in the same country), which increases demand by removing friction in the process.
- Rev in 2 yrs: \$583M; Target EV/S Multiple: 11.2x; Price Target \$50

Downside Scenario

- FY19-22 CAGR slows to rev 17%.
- Competition becomes significantly more intense in Upwork's core markets. Deployment of domestic marketplaces are delayed. Adoption of Upwork Enterprise is disappointing.
- Rev in 2 yrs: \$482M; Target EV/S Multiple: 5.2x; Price Target \$20

Investment Thesis / Where We Differ

- Upwork is disrupting the staffing industry with an AI/ML-enhanced B2B marketplace that significantly speeds up the hiring process and automates the entire lifecycle of a freelancer project. Upwork enjoys a tailwind from secular trends toward remote work enabled by the internet.
- We believe Upwork has built a comprehensive platform in the last 20 years with deep functionality that solves many of the issues encountered by clients and freelancers. This has created a competitive moat that is hard to cross.

Catalysts

- Quarterly earnings

VROOM (VRM)

RATING	PRICE	MARKET CAP
HOLD	\$40.74^	\$5.3B
PRICE TARGET (PT)	UPSIDE SCENARIO PT	DOWNSIDE SCENARIO PT
\$45.00 (FROM \$38.00)	\$110.00	\$20.00

[^]Prior trading day's closing price unless otherwise noted.

Estimates				
USD	2019A	2020E	2021E	2022E
Rev. (MM)	1,191.8	1,350.1	2,623.6	4,219.1
<i>Previous</i>				
EBITDA (MM)	(127.7)	(182.3)	(134.8)	(82.9)
<i>Previous</i>				
EPS				
Q1	(0.23)	(0.35)A	(0.36)	(0.37)
<i>Previous</i>				
Q2	(0.28)	(0.53)A	(0.33)	(0.28)
<i>Previous</i>				
Q3	(0.31)	(0.29)A	(0.23)	(0.06)
<i>Previous</i>				
Q4	(0.40)	(0.37)	(0.26)	(0.09)
<i>Previous</i>				
FY Dec	(1.22)	(1.55)	(1.18)	(0.80)
<i>Previous</i>				
Valuation				
	2019A	2020E	2021E	2022E
EV/Rev	4.0x	3.6x	1.8x	1.1x
P/Rev	4.5x	4.0x	2.0x	1.3x
EV/EBITDA	NM	NM	NM	NM
FY P/E	NM	NM	NM	NM

The Long View

Scenarios

Base Case

- E-comm unit sales CAGR of ~65% over the next three years, driven by increased inventory and secular tailwinds resulting from the pandemic
- E-comm GPU continues expanding until it reaches ~\$2,800 by 2022 driven by increasing scale (lower delivery costs, higher conversion, better funding costs) and higher product attachment rates
- VRM reaches breakeven EBITDA in 2023, driven by increasing GPU and OPEX leverage
- DCF-derived \$45/share PT implies ~1.5x '22 EV/Sales

Upside Scenario

- E-comm unit sales CAGR of ~85% over the next 3 years, driven by increased inventory and secular tailwinds resulting from the pandemic
- E-comm GPU continues expanding until reaching ~\$3,200 by 2022 driven by increasing scale (lower delivery costs, higher conversion, better funding costs) and higher product attachment rates
- VRM reaches breakeven EBITDA in 2022, driven by increasing GPU and OPEX leverage
- Valuation moves higher as a recovery in growth causes the market to have increased confidence in the long-term outlook
- DCF-derived \$110/share PT implies ~2.5x '22 EV/Sales

Downside Scenario

- E-comm unit sales CAGR falls to ~35% over the next three years, as growth slows because of a larger base, more e-commerce competition, and difficulty acquiring inventory at attractive economics
- Total GPU stagnates at ~\$2,000 by 2022, driven by slowing growth and difficulty acquiring inventory at attractive economics
- VRM remains negative EBITDA in 2023 as growing competition and slowing top-line causes the company to spend more than expected on advertising
- DCF-derived \$20/share PT implies ~0.5x '22 EV/Sales

Investment Thesis / Where We Differ

We see peer-leading revenue growth as VRM benefits from exposure to the massive \$550B market for used passenger vehicles. However, a recent slowdown in revenue growth reduces our confidence in the achievability of long-term forward estimates, a concern we believe is shared by the market and likely to keep valuation muted until signs of recovery emerge.

Catalysts

- (1) Earnings results; (2) Third-party data releases; (3) Used-car industry macro data releases; (4) Public actions taken by competition (in e-commerce and traditional dealerships); (5) Headlines concerning the pandemic.

WIX.COM LTD (WIX)

RATING BUY	PRICE \$263.53^	MARKET CAP \$16.4B
PRICE TARGET (PT) \$360.00	UPSIDE SCENARIO PT \$400.00	DOWNSIDE SCENARIO PT \$140.00

[^]Prior trading day's closing price unless otherwise noted.

Estimates				
	2019A	2020E	2021E	2022E
Rev. (MM)	761.1	977.3	1,259.2	1,560.8
<i>Previous</i>				
EPS				
Q1	0.03	(0.01)A	-	-
<i>Previous</i>				
Q2	0.34	(0.26)A	-	-
<i>Previous</i>				
Q3	0.41	(0.14)A	-	-
<i>Previous</i>				
Q4	0.39	(0.15)	-	-
<i>Previous</i>				
FY Dec	1.17	(0.57)	0.31	1.02
<i>Previous</i>				
Valuation				
	2019A	2020E	2021E	2022E
EV/Rev	20.6x	16.0x	12.4x	10.0x
P/Rev	21.5x	16.8x	13.0x	10.5x
FY P/E	NM	NM	NM	NM

The Long View

Scenarios

Base Case

- Mid-20s revenue CAGR, operating margin expansion to mid-single digit %+, and high teens % FCF growth.
- Premium subscriber growth of mid teens %+, driven by continued conversion improvements of freemium users.
- Collections growth in mid/high 20s %, with incremental upside driven by new product cycles.
- Fwd NTM Revenue: \$1,479M; Target Multiple: 14.7x; Price Target \$360

Upside Scenario

- High 20s%+ revenue CAGR, operating margin expansion to 10%+, and mid 20s %+ FCF growth.
- Premium subscriber growth of 20%+, driven by continued conversion improvements of freemium users and adoption of new Wix solutions.
- Collections growth of 30%+, with incremental upside driven by new product cycles.
- Fwd NTM Revenue: \$1,627M; Target Multiple: 14.9x; Price Target \$400

Downside Scenario

- ~20% revenue CAGR, operating margins near break-even, and <15% FCF growth.
- Premium subscriber growth of ~10% or below, driven by continued conversion improvements of freemium users.
- Collections growth below 20% with minimal upside from new product cycles.
- Fwd NTM Revenue: \$1,331M; Target Multiple: 6.0x; Price Target \$140

Investment Thesis / Where We Differ

- In our view, WIX remains a premium SMID-cap story with high recurring revenues, innovation-driven growth, and an emerging platform story as WIX enables professional web sites/apps for businesses worldwide.

Catalysts

- Continued conversion and renewal within existing cohorts.
- Increasing traction with vertical solutions, and international penetration of Wix ADI solution.
- New product launches and monetization of newer products, including Wix Velo/Code/Corvid, Editor X, Payments, Ascend.
- Improved conversion of free users to paid subscribers.

YELP, INC. (YELP)

RATING	PRICE	MARKET CAP
⬇️ HOLD	\$32.53^	\$2.6B
PRICE TARGET (PT)	UPSIDE SCENARIO PT	DOWNSIDE SCENARIO PT
\$32.00	\$50.00	\$10.00

^aPrior trading day's closing price unless otherwise noted.

Estimates				
USD	2019A	2020E	2021E	2022E
Rev. (MM)	1,014.2	866.9	↑ 981.9	1,066.6
<i>Previous</i>			980.4	
EBITDA (MM)	213.5	⬇️ 121.6	⬇️ 183.6	211.3
<i>Previous</i>		125.5	197.3	
EPS-GAAP				
Q1	0.02	(0.22)A	-	-
<i>Previous</i>				
Q2	0.16	(0.33)A	-	-
<i>Previous</i>				
Q3	0.14	(0.01)A	-	-
<i>Previous</i>				
Q4	0.24	⬇️ 0.01	-	-
<i>Previous</i>		0.05		
FY Dec	0.52	⬇️ (0.54)	⬇️ 0.27	0.57
<i>Previous</i>		(0.50)	0.40	

Valuation				
	2019A	2020E	2021E	2022E
FY P/E GAAP	62.6x	NM	NM	57.1x
P/Rev	2.6x	3.0x	2.7x	2.5x
EV/Rev	2.1x	2.5x	2.2x	2.0x
EV/EBITDA	10.1x	17.8x	11.8x	10.2x

The Long View

Scenarios

Base Case

- Recovery to 2019 levels by early 2022
- Steady margin improvements in subsequent years
- Leverage in OpEx over time as the model scales
- FY 2021 EBITDA: \$184M; Target Multiple: 9.6x; Price Target: \$32

Upside Scenario

- Faster recovery from COVID pandemic
- New Request-A-Quote pricing models drive better monetization
- Investment in Restaurants driving stronger transactions growth
- FY 2021 EBITDA: \$220M; Target Multiple: 14x; Price Target: \$50

Downside Scenario

- Slower recovery from COVID pandemic
- Salesforce productivity not improving as expected
- Google becomes a more formidable competitor
- FY 2021 EBITDA: \$36M; Target Multiple: 4x; Price Target: \$10

Investment Thesis / Where We Differ

- Strong mobile presence and leading position in restaurants help keep customer acquisition costs down
- New functionality and tools for business owners driving market penetration
- Continued growth in app installments and user engagement on the app driving strong transactions & bookings growth
- Leverage / margin improvement as the business scales
- Stock supported by on and off acquisition chatter

Catalysts

- New pricing models for Request-A-Quote opening monetization alternatives in other verticals
- Investments in Restaurants starting to accelerate transaction and subscription revenue growth
- Non-term contracts accelerating growth in paying advertising accounts

ZILLOW GROUP (Z)

RATING	PRICE	MARKET CAP
BUY	\$150.02^	\$35.6B
PRICE TARGET (PT)	UPSIDE SCENARIO PT	DOWNSIDE SCENARIO PT
\$175.00 (FROM \$120.00)	\$373.00	\$50.00

[^]Prior trading day's closing price unless otherwise noted.

Estimates				
USD	2019A	2020E	2021E	2022E
Rev. (MM)	2,742.8	▲ 3,292.4	▲ 4,852.4	▲ 8,034.9
Previous		3,287.3	4,833.3	8,007.9
EBITDA (MM)	38.9	▼ 297.8	▼ 356.0	▼ 533.4
Previous		300.5	380.4	544.3
EPS				
Q1	(0.33)	(0.76)A	▼ (0.15)	▼ (0.16)
Previous			(0.14)	(0.15)
Q2	(0.35)	(0.38)A	▼ (0.16)	▲ (0.04)
Previous			(0.15)	(0.07)
Q3	(0.31)	0.16A	▼ (0.02)	▼ 0.12
Previous			0.00	0.15
Q4	(0.49)	▼ 0.04	▼ (0.12)	▼ 0.05
Previous		0.05	(0.07)	0.07
FY Dec	(1.48)	▼ (0.94)	▼ (0.45)	▼ (0.03)
Previous		(0.93)	(0.35)	0.00

Valuation				
	2019A	2020E	2021E	2022E
P/Rev	13.0x	10.8x	7.3x	4.4x
EV/Rev	12.5x	10.4x	7.1x	4.3x
EV/EBITDA	NM	NM	96.5x	64.4x
FY P/E	NM	NM	NM	NM

The Long View

Scenarios

Base Case

- Z's core IMT revenue continues to accelerate while margin expands at an attractive pace.
- Z continues to expand Zillow Offers to new markets while keeping losses at a manageable level
- The macro-environment continues to recover, with Zillow well-positioned as the dominant US real estate portal
- ~5x 2022E Revenue; PT \$175

Upside Scenario

- Pandemic drives more people to leverage online portals to research listings/sales, resulting in higher quality leads and better agent monetization
- IMT profit margin moves to 50%+ over time
- ZG continues expanding Zillow Offers with minimal losses, while adoption rates continue to move higher, creating a flywheel for adjacent businesses and driving long-term margins for Homes to 4%+
- ~10x 2022E Upside Revenue; Price Target \$373

Downside Scenario

- Increased competition from Facebook, Realtor.com, and other players causes Zillow to begin losing share of digital advertising budgets
- More spending on Sales & Marketing to remain competitive causes a slowdown in IMT margin expansion
- Zillow Offers struggles to reaccelerate post-COVID, causing Zillow to spend aggressive to grow the business and causing outsized losses
- ~2x 2022E Downtide Revenue; Price Target: \$50

Investment Thesis / Where We Differ

- Zillow owns the dominant US real estate portal, allowing the company to take advantage of strong housing demand
- The pandemic is driving increased use of real estate portals by consumers, increasing lead volume/quality, and driving opportunities to enhance agent monetization
- A shortage of available inventory (exacerbated by the pandemic) and a desire to avoid human contact will drive increased demand for Zillow Offers
- Attractive risk-reward driven by huge \$2T TAM for Zillow Offers and adjacent high-margin opportunities (e.g. mortgage origination and seller leads)

Catalysts

- Macro housing market data
- Third-party data releases
- Premier Agent revenue growth, IMT EBITDA margin expansion, Homes revenue expansion and EBITDA losses

SONOS, INC. (SONO)

RATING	PRICE	MARKET CAP
HOLD	\$24.41^	\$2.6B
PRICE TARGET (PT)	UPSIDE SCENARIO PT	DOWNSIDE SCENARIO PT
\$25.00 (FROM \$22.00)	\$30.00	\$14.00

[^]Prior trading day's closing price unless otherwise noted.

Estimates				
USD	2019A	2020A	2021E	2022E
Rev. (MM)	1,260.8	1,326.3	1,460.7	1,601.7
<i>Previous</i>				
EBITDA (MM)				
Q1	87.4	93.2	121.3	-
<i>Previous</i>				
Q2	(2.8)	(28.4)	2.3	-
<i>Previous</i>				
Q3	6.8	(2.7)	6.2	-
<i>Previous</i>				
Q4	(2.8)	46.4	60.5	-
<i>Previous</i>				
FY Sep	88.7	108.5	190.3	211.5
<i>Previous</i>				
Valuation				
	2019A	2020E	2021E	2022E
EV/Rev	1.8x	1.7x	1.6x	1.4x
P/Rev	2.1x	2.0x	1.8x	1.6x
EV/EBITDA	26.0x	21.2x	12.1x	10.9x

The Long View

Scenarios

Base Case

- Sonos' high quality and easy to use modular system allows for a simple but elegant home theater solution
- Stable growth profile with upside opportunity by increasing cadence of new product releases
- International expansion and new application verticals (auto, portable, commercial etc) provide upside opportunity
- FY22 EBITDA \$212M; Target Multiple: 11.1x; Price Target \$25/share

Upside Scenario

- New product release cadence acceleration drives greater proliferation of devices within current install base
- New product categories such as portable, auto, commercial drive differentiated revenue models focused on recurring revenue streams.
- Margin profile improves due to more efficient marketing spend
- FY22 EBITDA \$250M; Target Multiple 12.0x; Price Target \$30/share

Downside Scenario

- New product launches prove difficult to forecast resulting in greater variability in top line growth
- R&D for new product cycles depresses margins more than anticipated.
- Large tech competitors make a greater push into the premium speaker category subsidizing lower prices through other monetization efforts.
- FY22 EBITDA \$190M; Target Multiple 5.8x; Price Target \$14/share

Investment Thesis / Where We Differ

- Logo of Speakers allowing customers to ramp over time and adjust to consumption habits with further penetration into large market opportunity.
- Lack of visibility, with minimal recurring revenue it is difficult to see a breakout for revenue growth.
- Strong patent portfolio is valuable as audio and voice become increasingly important.

Catalysts

- Continued execution of 2 new products/year strategy
- International Expansion into new geographies
- Expansion into new verticals outside of the home

Company Description

Airbnb

Airbnb, Inc. engages in the management and operation of an online marketplace for people to list, discover, and book unique accommodations and experiences. The company connects travelers seeking authentic experiences with hosts offering unique, inspiring spaces around the world. Airbnb was founded by Brian Chesky, Nathan Blecharczyk, and Joseph Gebbia in 2008 and is headquartered in San Francisco, CA.

Amazon.com, Inc

Amazon is a leading e-commerce player in the United States with a large and growing presence in international markets. The company offers a large selection across dozens of product categories and reports revenues into 3 segments: North America, International, and AWS, its Cloud Computing business.

Booking Holdings

Booking Holdings is a leading global provider of online travel and related services. The company's six primary brands – Booking.com, priceline.com, KAYAK, agoda.com, Rentalcars.com, and OpenTable – provide services to consumers and local partners in over 220 countries and territories across Europe, North America, South America, the Asia-Pacific region, the Middle East, and Africa in over 40 languages.

CarGurus

CarGurus is a global online automotive marketplace connecting buyers and sellers of new and used cars.

Carvana

Carvana is a leading e-commerce platform for buying and selling used cars.

eBay

eBay is one of the world's largest marketplaces which connects millions of buyers and sellers around the world. A global commerce leader, eBay operates two platforms: Marketplace and Classifieds.

Etsy

Etsy is a global two-sided marketplace for unique and creative goods.

Expedia Group

Expedia Group is a leading global online travel platform enabling customers to search for and book travel products and services across the world. Expedia's portfolio of properties include well-known travel brands such as Expedia, Hotels.com, Egencia, trivago, Orbitz, Travelocity, Wotif, and Hotwire.

Facebook, Inc.

Facebook, Inc. operates the world's largest social network. The company builds tools that enable users to connect and communicate with each other; enables developers to build social applications on Facebook or to integrate their Websites with Facebook; and offers products that enable advertisers to engage with users. The company was founded in 2004 and is headquartered in Menlo Park, California.

GoDaddy

GoDaddy is a leading technology provider to small businesses, web professionals and individuals who provides a range of domain, hosting/presence and business applications solutions to more than 20 million customers.

Alphabet, Inc

Google is the world's leading search engine and one of the top Internet destinations online, delivering relevant advertising on its own site and on its network of third party websites.

IAC / InterActiveCorp

IAC/InterActiveCorp operates a portfolio of more than 50 different online businesses across more than 30 countries.

Lyft

Lyft operates one of the largest peer-to-peer ridesharing marketplaces in the U.S. and has expanded into other modes of transportation such as bikes and scooters.

MercadoLibre

MercadoLibre is a leading online commerce ecosystem in Latin America.

Match Group

Match Group provides dating products. The company product brands include Match, OkCupid, PlentyOfFish, Tinder, Meetic, Twoo, OurTime, BlackPeopleMeet and FriendScout24.

PubMatic

PubMatic, Inc. engages in the provision of specialized cloud infrastructure platform for advertising transactions. Its technology and infrastructure caters both Internet content creators and advertisers. It operates through the following geographical segments: United States, EMEA, APAC, and Rest of the World. The company was founded by Anand Das, Rajeev Kumar Goel, Amar Goel, and Mukul Kumar in 2006 and is headquartered in Redwood City, CA.

Redfin

Redfin Corp. provides real estate brokerage service. It offers an online brokerage, combining a customer-focused team of real estate agents with online tools for making the process of buying or selling homes. The company handle every facet of transaction, including tours, pricing analyses, negotiations, inspections, and closings. Redfin was founded by David Selinger, David Eraker, and Michael Dougherty in 2004 and is headquartered in Seattle, WA.

Snap

Snap Inc. is a camera company with the mission of reinventing the camera to improve the way people live and communicate. Snap products empower people to express themselves and live in the moment. Snap, Inc. develops a text and photo based messaging application for mobile phones. Its platform enables users to share photos with friends and control how long they can view their message. The company was founded by Frank Reginald Brown IV, Evan Thomas Spiegel, and Robert C. Murphy in July 2011 and is headquartered in Venice, CA

Sonos

Sonos was founded to fill every home with music. This mission led Sonos to invent wireless multi-room home audio. Sonos transforms the way people live and interact by restoring the shared experience of music throughout the home. The Sonos home sound system provides an immersive listening experience created by speakers and components, proprietary software platform and the ability to wirelessly stream the content from preferred services.

TripAdvisor

TripAdvisor is an online travel research company with localized versions of its flagship tripadvisor.com website in 50+ countries. The company's platform features traveler reviews and opinions about destinations, accommodations, restaurants, and activities throughout the world. TripAdvisor offers a wide variety of travel choices and planning features along with links to the websites of its travel advertisers allowing travelers to book their travel directly. TripAdvisor, founded originally in 2000, was span-off by Expedia in 2011 and is headquartered in Newton, MA.

The Trade Desk

The Trade Desk is a technology company that empowers buyers of advertising. Through its self-service, cloud-based platform, ad buyers can create, manage, and optimize more expressive data-driven digital advertising campaigns across ad formats, including display, video, audio, native and social, on a multitude of devices, including computers, mobile devices, and connected TV. Integrations with major data,

inventory, and publisher partners ensure maximum reach and decisioning capabilities, and enterprise APIs enable custom development on top of the platform. Headquartered in Ventura, CA, The Trade Desk has offices across the United States, Europe, and Asia.

Twitter

Twitter, Inc. is a global platform for public self-expression and conversation in real time. Twitter's network connects individuals, brands, information, news, ideas and opinions, promoting engagement and conversation. The company builds tools enabling developers to integrate their websites with Twitter and offers products that enable advertisers to engage with users. The company was founded in 2006 and is headquartered in San Francisco, CA.

Upwork

Upwork is the largest online global marketplace that enables businesses to find and work with highly-skilled freelancers.

Vroom

Vroom is an e-commerce platform for buying and selling used cars.

Wix.com

Wix.com is a leading provider of cloud-based website building and digital presence solutions for small businesses and entrepreneurs. Headquartered in Israel, the company has more than 180 million registered users and over 5 million premium subscribers on its platform, with solutions available via both freemium and paid subscription models.

Yelp, Inc.

Yelp is an online service that collects reviews on hundreds of thousands of businesses across multiple cities in the United States and overseas. Users have contributed millions of reviews to date on almost every type of local business from restaurants, to dentists, to mechanics, to plumbers and more. The information these reviews provide drives traffic and ultimately local advertising dollars.

Zillow

Zillow Group, Inc. engages in the provision of real estate and home-related information marketplaces on mobile and the web. Its brand portfolio is comprised of Zillow, Trulia, StreetEasy, HotPads, and Naked Apartments. It also houses the business brands Bridge Interactive, Dotloop, Morteck, and Retsly. The company was founded by Richard N. Barton and Lloyd D. Frink in 2004 and is headquartered in Seattle, WA.

Company Valuation/Risks

Airbnb

Our \$170 PT is based on an EV/Sales multiple of 18.8x our 2022 net rev est of \$6.11B. Risks: 1) slower than expected macro recovery; 2) competition; 3) new events disrupting the travel industry; 4) seasonality; 5) FX headwinds.

Amazon.com, Inc

Our \$3,800 PT is based on a 10-year DCF (9% WACC, 4% LTGR). Risks: Ongoing need to invest keeps a lid on margin expansion; regulatory pressure leads to increasing costs; macroeconomic headwinds cause top-line growth to slow.

Booking Holdings

Our \$2,100 price target is based on a 10-year DCF (11% WACC & 4% LTGR). Risks include: 1) macroeconomic headwinds; 2) competition; 3) events disrupting the travel industry; 4) seasonality; 5) FX headwinds; 6) changes to search engine algorithms.

CarGurus

Price Target Methodology: We base our price target on discounted cash flow

Risks: Upside risks: (1) Pivots business model so consumers can buy cars directly from CARG, (2) Increases dealer monetization through increased multi product attachment rates and greater lead generation, (3) Traffic growth starts to inflect higher, expanding CARG's leading position, (4) Search algorithm improvements, (5) Faster than expected margin expansion, and (7) M&A. **Downside risks:** (1)

Dealer churn, (2) Continued narrowing of traffic lead due enhanced competitive offerings, (3) Deterioration in dealer economics that results in reductions to ad budgets, and (4) Changes to the corporate tax code.

Carvana

Price Target Methodology: We base our price target on discounted cash flow

Risks: Upside risks: (1) Revenue growth accelerates back to prior levels, (2) GPU expands reaches KMX faster than expected, (3) Increased revenue drives OPEX leverage and EBITDA margins to long-term targets within 5 years, (4) Pandemic accelerates adoption of used car e-commerce, accelerating Carvana's share gains above historical levels, (5) M&A. **Downside risks:** (1) Revenue growth decelerates or remains muted, (2) Wholesale market gets more competitive, negatively impacting retail GPU, (3) Proliferation of used car e-commerce sites negatively impacts traffic to Carvana, (4) Limited progress is made improving wholesale GPU.

eBay

Our \$54 PT is based on 10.7x EV/EBITDA or 3.8x EV/Rev on our 2021 ests. Risks include: 1) Potential sale of Classifieds at higher/lower than expected valuation; 2) Increasing competition from eCommerce leaders AMZN and WMT; 3) Slower turnaround of stagnant shopper growth.

Etsy

Price Target Methodology: We base our price target on discounted cash flow (WACC 10.6%; TG 3.5%).

Risks: Upside risks: (1) Another fee increase, (2) Higher prices, (3) Conversion increase from free shipping, (4) Search algorithm improvements, (5) Reduced sales tax impact, (6) Faster than expected margin expansion, and (7) M&A. **Downside risks:** (1) Seller churn, (2) slowdown in buyer spend, (3) Enhanced competitive offerings, (4) Management turnover.

Expedia Group

Our \$130 price target is based on a 10-year DCF (11% WACC & 4% LTGR). Risks include: 1) macro headwinds; 2) competition from other OTAs, search engines, travel meta-search sites; 3) events disrupting the travel industry.

Facebook, Inc.

Our PT of \$330 is DCF-derived and implies 26x '21E EPS. Risks: Declines in user engagement, advertiser churn, and regulatory risk.

GoDaddy

Our \$100 PT is based on 20x EV/FCF our Fwd NTM estimates (with FCF projected to grow at a 23% CAGR through FY21 and 18% thru FY22). Risks include: 1) increasing competition; 2) M&A integration; 3) use of leverage; 4) SMB churn.

Alphabet, Inc

Our \$2,150 PT is based on 15x EV/EBITDA our Fwd NTM estimates, which is at the upper end of historical range to reflect the industry's accelerating shift to digital platforms. Risks include: impact from virus pandemic; regulatory overhang; margin pressure from ongoing investments; impacts from shift towards mobile, in-app, and voice to core search.

IAC / InterActiveCorp

Our PT is based on our SOTP. Risks: Inability to replace Match, search pressure, user churn, merger risk.

Lyft

Our \$70 12-month PT is based on 5.0x EV/S applied to our sales estimates in 5-8 quarters. Risks include: high losses, scooters & bikes unproven, smaller scale than #1 competitor, regulatory & legal headwinds, impact from COVID-19.

MercadoLibre

Our price target is based on discounted cash flow (DCF) methodology. **Risks: Upside risks:** (1) Brazil segment margin improve. (2) Further monetization milestones in payments. (3) M&A. **Downside risks:** (1) Further deterioration in margins. (2) Slowdown in Brazil GMV. (3) Unexpected currency devaluation.

Match Group

Our \$185 PT assumes 44x '22E EBITDA. Risks: Increased competition, user churn, pending FB dating feature.

PubMatic

Our \$38 PT is based on a DCF (8.6% WACC and 3% terminal growth) and implies 10x our FY22 revenue estimate. Risks include slower than expected adoption of programmatic advertising, privacy changes, and fee pressure.

Redfin

Our PT is based on 2021 Sales Multiple. Risks include macro weakness and competitive pressure.

Snap

Our PT is based on a 10-year DCF and a multiple of our 2022 revenue estimate. Risks: Subdued user growth, lower than expected ARPU growth, delayed pathway to profitability.

Sonos

Our \$25 PT implies 10x our FY22 EBITDA estimate. Risks include: Uncertainty around new product launches, increasing competition from large technology competitors.

TripAdvisor

Our \$19 price target is based on a 10-year DCF (12% WACC & 4% LTGR). Risks include: 1) Corporate activity / acquisition; 2) Stronger macro; 3) Easing competition; 4) Changes to search engine algorithms.

The Trade Desk

Our PT is based on 10-year DCF and represents a multiple of our '22 Revenue estimate. **Risks:** Pressure on take-rate, slower than anticipated adoption of programmatic.

Twitter

Our price target is based on a multiple of our FY22 EBITDA estimate and 10-year DCF. Risks: User churn, Advertiser churn, and privacy regulations.

Upwork

Our \$39 12-month PT is based on a peer-based 9.5x EV/S applied to our sales estimates in 5-8 quarters. Risks include: sales execution on move up-market; variations in freelancer demand during recessions; potential entry of newer tech-based competition; minimal profitability; disruptions to its web platform; Covid-19 impact.

Vroom

Price Target Methodology: We base our price target on discounted cash flow

Risks: Upside risks: (1) Revenue growth accelerates back to prior levels earlier than expected, (2) GPU expands in-line with peers within the next few years, (3) Increased revenue drives OPEX leverage and EBITDA margins higher, (4) Traffic gap narrows as Vroom expands inventory of less expensive vehicles, (5) M&A. **Downside risks:** (1) Revenue growth decelerates or remains muted, (2) Wholesale market gets more competitive, negatively impacting vehicle GPU, (3) Proliferation of used car e-commerce sites negatively impacts traffic to Vroom, (4) Limited progress is made improving product or wholesale GPU.

Wix.com

Our \$360 PT is based on 14.7x Fwd NTM EV/S (inline/slight premium to fast-growth and subscription peer averages). Risks include: 1) premium valuation; 2) significant competition; 3) fast growth required; 4) need for continued product innovation; 5) Covid-19 impact.

Yelp, Inc.

Our \$32 PT is based on a 10-year DCF (11% WACC and 4% LTGR). Risks: 1) concentration of search traffic, 2) increasing competition, 3) changes to search engine algorithms.

Zillow

Our PT is based on 2021 rev estimate. Risks: Increased competition, agent churn, home inventory risk.

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Analyst Certification:

I, Brent Thill, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security(ies) and subject company(ies). I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

I, John Byun, certify that all of the views expressed in this research report accurately reflect my personal views about the subject security(ies) and subject company(ies). I also certify that no part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views expressed in this research report.

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Investment Recommendation Record

(Article 3(1)e and Article 7 of MAR)

Recommendation Published January 10, 2021 , 23:31 ET.

Recommendation Distributed January 11, 2021 , 00:01 ET.

Company Specific Disclosures

Steven DeSanctis owns shares of Alphabet Inc. common shares.

David Lustberg owns shares of Amazon.com common stock.

David Lustberg owns shares of Amazon.com common stock. Steven DeSanctis owns shares of Amazon.com common shares.

James Heaney has a long position in Facebook.

Steven DeSanctis owns shares of Apple Inc. common shares.

James Heaney owns shares in Salesforce.com Stanislav Velikov or a member of his family owns shares and RSUs in Salesforce.com

Steven DeSanctis owns shares of Microsoft Inc. common shares.

Jefferies Group LLC makes a market in the securities or ADRs of Airbnb, Inc.

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Jefferies Group LLC makes a market in the securities or ADRs of Amazon.com, Inc.

Jefferies Group LLC makes a market in the securities or ADRs of Booking Holdings Inc.

Jefferies Group LLC makes a market in the securities or ADRs of CarGurus.

Jefferies Group LLC makes a market in the securities or ADRs of eBay, Inc.

Jefferies Group LLC makes a market in the securities or ADRs of Etsy.

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- Salesforce.com (CRM: \$222.04, BUY)
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- Walmart Inc. (WMT: \$146.63, BUY)

Distribution of Ratings

Distribution of Ratings						
			IB Serv./Past12 Mos.		JIL Mkt Serv./Past12 Mos.	
	Count	Percent	Count	Percent	Count	Percent
BUY	1548	58.95%	145	9.37%	18	1.16%
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