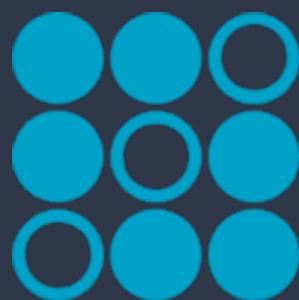




Peterson Capital
Management, LLC

Comprehensive Analyst Report

2025





Peterson Capital
Management, LLC

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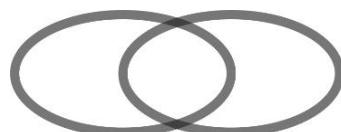
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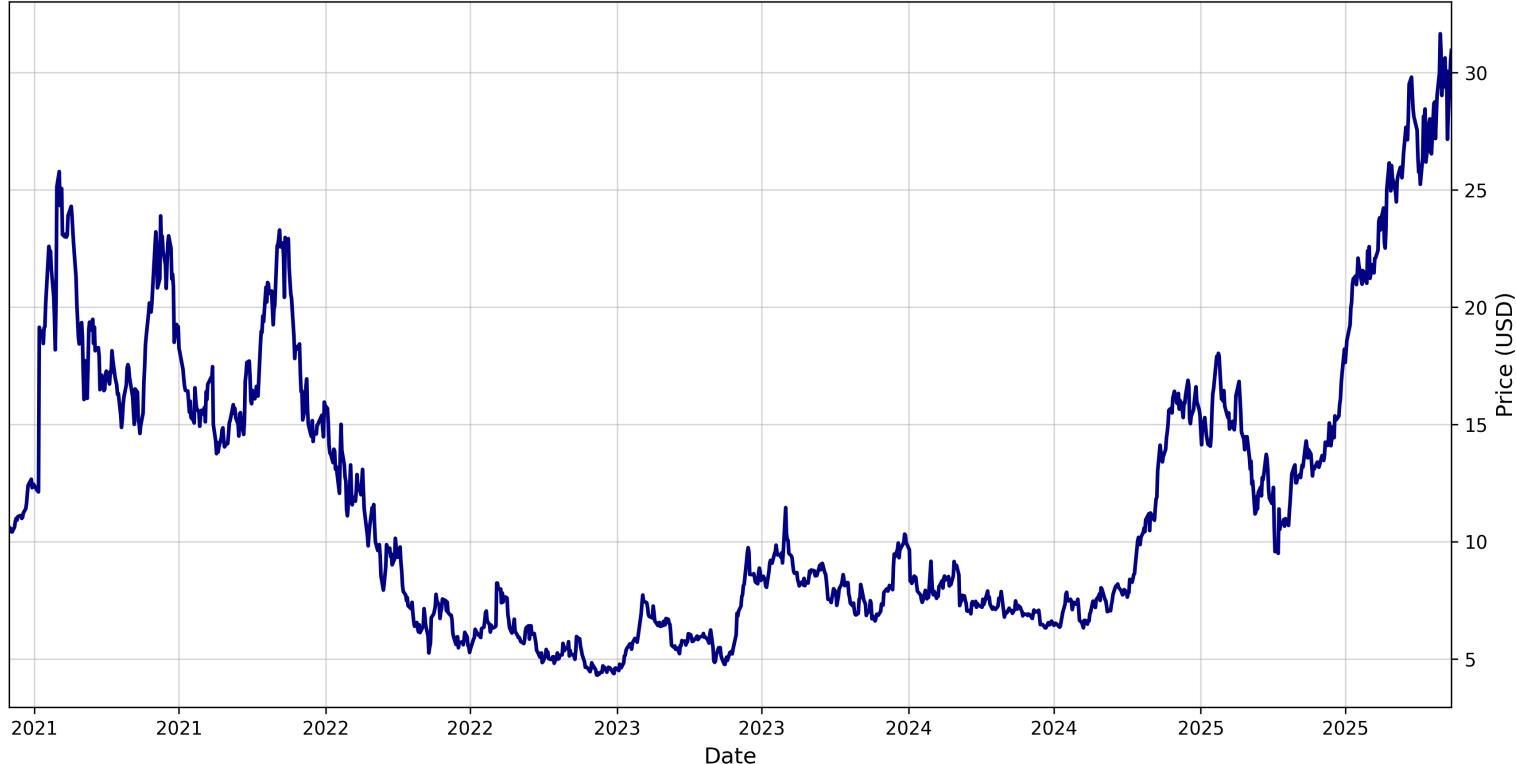
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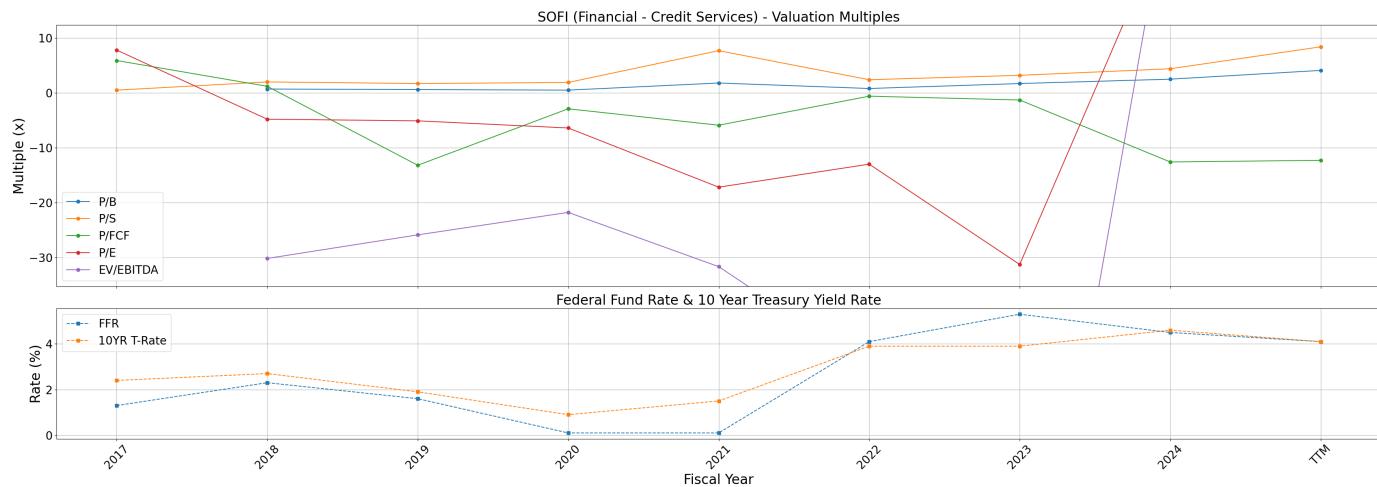
SoFi Technologies, Inc. (HDFCBANK.NS) - NASDAQ

Recent Price: 30.95 | Industry: Financial - Credit Services



SOFI (Financial - Credit Services)

| FY | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | TTM | Average |
|----------------|------|--------|--------|--------|--------|--------|---------|--------|--------|---------|
| Net Margin | 6.0% | -42.1% | -33.2% | -29.8% | -44.5% | -18.2% | -10.4% | 13.5% | 14.4% | -16.0% |
| Asset Turnover | | 0.1x | 0.1x | 0.1x | 0.1x | 0.1x | 0.1x | 0.1x | 0.1x | 0.1x |
| Assets/Equity | | 4.7x | 3.5x | 2.8x | 2.0x | 3.4x | 5.4x | 5.6x | 5.2x | 4.1x |
| Debt/Equity | 0.0x | 3.6x | 2.4x | 1.7x | 0.9x | 1.0x | 1.0x | 0.5x | 0.0x | 1.2x |
| ROE | | -13.9% | -11.4% | -7.3% | -10.3% | -5.8% | -5.4% | 7.6% | 7.3% | -4.9% |
| ROA | | -3.0% | -3.3% | -2.6% | -5.3% | -1.7% | -1.0% | 1.4% | 1.4% | -1.8% |
| P/B | | 0.7x | 0.6x | 0.5x | 1.8x | 0.8x | 1.7x | 2.5x | 4.1x | 1.6x |
| P/S | 0.5x | 2.0x | 1.7x | 1.9x | 7.7x | 2.4x | 3.2x | 4.4x | 8.4x | 3.6x |
| P/E | 7.8x | -4.8x | -5.1x | -6.4x | -17.2x | -13.0x | -31.3x | 32.4x | 56.6x | 2.1x |
| P/FCF | 5.9x | 1.2x | -13.2x | -2.9x | -5.9x | -0.6x | -1.3x | -12.6x | -12.3x | -4.6x |
| EV/EBITDA | | -30.2x | -25.9x | -21.8x | -31.7x | -50.0x | -117.1x | 38.5x | 36.6x | -25.2x |
| Div Yield | 0.2% | | 2.0% | 2.8% | 0.5% | 1.0% | 0.4% | 2.1% | 0.0% | 1.1% |
| FFR | 1.3% | 2.3% | 1.6% | 0.1% | 0.1% | 4.1% | 5.3% | 4.5% | 4.1% | 2.6% |
| 10YR T-Rate | 2.4% | 2.7% | 1.9% | 0.9% | 1.5% | 3.9% | 3.9% | 4.6% | 4.1% | 2.9% |



1. Executive Summary

Executive Summary: SoFi Technologies, Inc. (SOFI) Report Date: November 12, 2025

SoFi Technologies, Inc. is demonstrating exceptional operational momentum, marked by accelerating revenue growth, significant profitability beats, and the successful execution of its strategic pivot towards a diversified, capital-light business model. The company delivered a record-breaking second quarter for 2025, prompting a substantial upward revision to its full-year guidance. Recent strategic initiatives, most notably its entry into cryptocurrency trading as a nationally chartered bank, signal an aggressive push into high-growth verticals. Management sentiment is exceptionally bullish, with a clear focus on reinvesting current outperformance to compound long-term growth, positioning SoFi as a formidable player in the digital transformation of financial services.

Financial Performance (Q2 2025, Reported July 29, 2025)

SoFi reported its strongest financial results in over two years, significantly outperforming market expectations and internal targets. The performance underscores the increasing power of its Financial Services Productivity Loop (FSPL) and the scalability of its business model.

- **Record Revenue & Profitability:**
 - **Adjusted Net Revenue:** Reached a record \$858 million, an acceleration to 44% year-over-year (YoY) growth.
 - **Adjusted EBITDA:** Hit a record \$249 million, up 81% YoY, achieving a 29% margin.
 - **GAAP Net Income:** \$97 million, resulting in GAAP EPS of \$0.08.
- **Accelerated Member and Product Growth:** The company added a record 850,000 new members and 1.3 million new products in the quarter, providing a strong leading indicator for future revenue growth.
- **Significant Guidance Increase (Full-Year 2025):** Reflecting strong H1 2025 results and sustained momentum, management raised full-year guidance significantly:
 - **Adjusted Net Revenue:** To approximately \$3.375 billion (from a prior high-end of ~\$3.310B).
 - **Adjusted EBITDA:** To approximately \$960 million (from a prior high-end of ~\$895M).
 - **Adjusted EPS:** To approximately \$0.31 (from ~\$0.28).

Strategic Execution & Recent Developments

SoFi's strategic shift away from capital-intensive lending toward high-margin, fee-based revenue is hitting an inflection point. This diversification provides greater durability and a clearer path to sustained high-margin growth.

- **Capital-Light Business Mix:** The Financial Services and Technology Platform segments now constitute 55% of total revenue, generating a combined \$472 million in Q2 (up 74% YoY). Total fee-based revenue reached a record \$378 million (up 72% YoY), putting the company on an annualized run-rate of over \$1.5 billion.
- **Launch of SoFi Crypto (November 2025):** In a landmark move announced on November 11, 2025, SoFi became the first nationally chartered bank in the U.S. to launch its own consumer cryptocurrency trading platform, SoFi Crypto. This initiative directly integrates crypto trading within its digital banking app, aiming to capture a significant share of the digital asset market and deepen engagement with its member base.
- **Technology Platform Strength:** The Technology Platform, comprising Galileo and Technisys, continues to be a critical element of SoFi's strategy, providing a robust, cloud-native banking infrastructure to a growing list of financial and non-financial clients.

Key Insights & Outlook

Management's narrative has pivoted from achieving initial profitability to aggressively reinvesting for long-term, compounded growth. CEO Anthony Noto has articulated a clear strategy to reinvest approximately \$0.70 of every incremental revenue dollar back into the business, with a focus on engineering, product innovation (e.g., options trading), and user experience to "compound 25% revenue growth for decades." The company's biggest articulated challenge is not market competition but internal prioritization of its vast opportunities. With excellent credit quality in its lending book, a rapidly scaling and profitable non-lending business, and bold moves into new verticals like crypto, SoFi is well-positioned to continue gaining market share and redefining the digital banking landscape.

2. Business Overview

1. Company Profile & Core Operations

Founded in 2011 and headquartered in San Francisco, California, SoFi Technologies, Inc. (NASDAQ: SOFI), led by CEO Anthony J. Noto, operates as a digital-first financial services company. The company's mission is to be a "one-stop shop" for its members' financial needs, helping them to borrow, save, spend, invest, and protect their money. SoFi operates across the Financial Services sector, primarily within the Credit Services and Fintech industries.

SoFi's operations are structured into three distinct segments: * **Lending:** The company's foundational business, offering student loans, personal loans, and home loans. * **Technology Platform:** A B2B segment that provides critical infrastructure to other financial and non-financial institutions. This was significantly bolstered by the strategic acquisitions of Galileo (a payment processing and API platform) and Technisys (a cloud-native, digital core banking platform). * **Financial Services:** A suite of consumer-facing products designed to deepen member relationships and drive engagement through a strategy known as the "Financial Services Productivity Loop."

A pivotal strategic initiative was securing a national bank charter, which allows SoFi to hold deposits and lower its cost of capital, providing a significant competitive advantage over non-bank fintech peers. Recent initiatives include the launch of SoFi Crypto and SoFi Plus, a premium membership service unlocked via direct deposit.

2. Core Products & Services

SoFi offers a comprehensive and integrated suite of digital financial products.

- **Lending:** This segment remains a primary revenue driver.
 - **Flagship Products:** Personal loans are a key driver of origination volume. Student loan refinancing was the company's original flagship product. Home loans round out the major lending offerings.
 - **Differentiators:** Competitive rates and a streamlined, fully digital application process.
- **Financial Services:** This segment is the core of SoFi's growth and cross-selling strategy.
 - **Key Offerings:** SoFi Money (high-yield checking and savings accounts), SoFi Invest (active and automated investing, including options and extended-hours trading), SoFi Credit

- Card, and SoFi Relay (credit score monitoring and financial insights).
- **Differentiators:** The integration of these services within a single app creates a seamless user experience. The national bank charter enables SoFi to offer a highly competitive APY on its savings products, which serves as a powerful customer acquisition tool.
- **Technology Platform:** This B2B segment provides backend-as-a-service solutions.
 - **Key Offerings:** Galileo offers API-based payment card issuing and processing services. Technisys provides a modern, cloud-based core banking platform.
 - **Revenue Drivers:** This segment generates high-margin, fee-based revenue from other companies, diversifying SoFi's income away from balance-sheet lending. The context notes this platform serves over 158 million accounts.

3. Market Segments & Customer Base

SoFi operates a hybrid B2C and B2B model.

- **B2C (Business-to-Consumer):** SoFi's primary customer base consists of "members" in the United States. The target demographic is digitally-savvy consumers, often with strong credit profiles. A key high-value customer group is direct deposit members, who have a median FICO score of 744. As of Q1 2025, the company had grown its member base to 8.1 million. The strategy is to acquire these members and deepen the relationship by cross-selling additional products.
- **B2B (Business-to-Business):** Through its Technology Platform segment, SoFi serves other enterprises. Clients include other banks, fintech startups, and non-financial companies seeking to embed financial services into their offerings. The company is actively diversifying this client base, with Q3 and Q4 reports indicating that 30-36% of new deals were in the B2B vertical and 27-40% were with clients outside the United States.

4. Geographic Presence & Revenue Breakdown

The provided context indicates that SoFi's primary market for its consumer-facing (B2C) Lending and Financial Services segments is the United States.

The company is pursuing international expansion through its B2B Technology Platform segment. Management commentary from Q3 and Q4 highlighted that a significant portion of new client deals for Galileo and Technisys originated outside the U.S., with one specific deal mentioned in Mexico for Technisys.

However, the provided context does not contain a detailed numerical breakdown of revenue by geographic region or specific financial comparisons to previous years for these markets.

5. Competitive Landscape & Industry Positioning

SoFi occupies a unique position as a hybrid entity, competing against a diverse set of players:

- * **Incumbent Banks:** (e.g., JPMorgan Chase, Bank of America) SoFi competes by offering a superior digital experience and lower operating costs due to its lack of a physical branch network.
- * **Fintech & Neobank Peers:** (e.g., Chime, Robinhood) SoFi differentiates itself through its national bank charter, which provides a durable funding advantage, and its broad, integrated product suite that goes beyond a single vertical.
- * **Specialized Lenders:** SoFi competes with other online lenders in the personal, student, and home loan markets.

Competitive Advantages:

- * **Technological Edge:** Owning its technology stack through Galileo and Technisys allows for faster and more cost-effective product development. Management noted the “Buy Now Pay Later” product was the first built on the combined SoFi, Galileo, and Technisys platforms.
- * **Brand Strength:** SoFi has built a strong brand associated with being a comprehensive, modern financial solution.
- * **Diversified Business Model:** The combination of interest-income from lending and high-margin, fee-based revenue from the Financial Services and Technology Platform segments provides greater durability through different economic cycles. The strategic shift to a more capital-light model is a key focus, with non-lending segments growing to represent a substantial portion of total revenue.

3. Sector Analysis

Financial Services Investment Analysis

Sector Analysis Report: SoFi Technologies, Inc. (SOFI)

Sector: Financials **Subsector:** Diversified Financial Technology (Fintech)
Analysis Date: November 12, 2025

Executive Summary

SoFi Technologies, Inc. presents a unique investment profile as a high-growth, technology-driven company operating with the strategic advantages of a national bank charter. The company's hybrid model allows it to combine the rapid customer acquisition and product innovation of a fintech with the low-cost funding and regulatory legitimacy of a traditional bank.

The core of SoFi's strategy is the creation of a comprehensive financial services ecosystem—a “one-stop shop”—designed to attract and retain high-value customers (often termed “High Earners, Not Rich Yet”). This strategy is executed across three distinct segments: a high-margin **Lending** business, a rapidly growing **Financial Services** platform, and a B2B **Technology Platform** that provides infrastructure for other fintechs.

Financially, SoFi exhibits best-in-class metrics in key areas. Its **Net Interest Margin (NIM) of ~6.0%** is exceptional, significantly outpacing the banking industry average and driving core profitability. This is complemented by explosive and consistent user growth, with **members now exceeding 11.7 million (+34% YoY)**. The company is successfully executing a strategic pivot toward a more balanced revenue mix, with capital-light fee income from its Financial Services and Technology segments now accounting for 45% of adjusted net revenue.

Key risks are primarily cyclical, centered on **credit performance** in a potential economic downturn and sensitivity to **interest rate fluctuations**. However, these risks are mitigated by a strong capital position (Total Capital Ratio of 17.3%, well above the 10.5% regulatory minimum), a focus on high-quality borrowers, and a diversifying revenue base.

The investment outlook is anchored in a **Base Scenario of Disciplined Growth**, where SoFi continues to execute its high-growth plan while navigating a normalising economic environment. The company's recent achievement of GAAP profitability, coupled with a clear path to margin expansion, validates its model. The primary challenge remains translating top-line momentum into a mature, high-return-on-equity business over the long term.

1. Business Model & Strategic Priorities

1.1. A Hybrid Financial Ecosystem

SoFi operates a multifaceted business model that positions it as a **Diversified Financial Technology (Fintech)** company. Its national bank charter is not an end in itself, but a strategic tool to power a technology-first, digital-only platform. The business is structured into three synergistic segments:

- **Lending:** The company's foundational and most profitable segment, originating personal loans, student loan refinancing, and mortgages. It functions as a modern, digitally native consumer finance bank, leveraging data analytics for underwriting and a branchless structure for cost efficiency.
- **Financial Services:** This segment is the core of SoFi's ecosystem strategy. It offers a suite of digital banking (high-yield checking/savings), investing (SoFi Invest), credit cards, and financial planning tools. The objective is to leverage low-cost acquisition products to cross-sell higher-margin services, creating a sticky, multi-product customer relationship.
- **Technology Platform:** A unique B2B segment that provides backend-as-a-service infrastructure (payment processing via Galileo; core banking via Technisys) to other banks and fintech companies. This segment diversifies revenue, provides valuable market insights, and reinforces SoFi's identity as a technology leader.

1.2. Revenue Streams and Strategic Shift

SoFi's revenue is a hybrid of traditional banking income and modern fintech fees. A key strategic priority is to reduce reliance on capital-intensive lending by growing its fee-based businesses.

1. **Net Interest Income (NII):** Generated from the spread between interest earned on its loan portfolio and interest paid on its rapidly growing, low-cost deposit base. The bank charter has been transformational, providing an estimated **\$500 million in annualized interest expense savings.**
2. **Non-Interest Income:** This is a diverse and growing category, driven by:
 - **Loan Origination & Sales:** Fees generated from originating and selling loans to institutional investors.
 - **Platform & Transaction Fees:** Revenue from the Technology Platform, tied to client transaction and account volumes.

- **Interchange & Service Fees:** Income from debit/credit card usage and investment products within the Financial Services segment.

This strategic shift is bearing fruit: the Financial Services and Tech Platform segments now constitute **45% of total adjusted net revenue**, up from 38% a year prior, creating a more resilient and scalable business model.

1.3. Strategic Priorities

SoFi's capital allocation is squarely focused on growth. Management employs a **"70-30 plan,"** where 70% of incremental revenue is reinvested into the business to drive product development and marketing, while 30% flows to adjusted EBITDA. The highest priorities are: * **Ecosystem Deepening:** Launching new products (e.g., small business banking, expanded wealth management) to capture a greater share of members' financial lives. * **Market Share Gains:** Aggressively acquiring new members within its target demographic and winning larger, more durable clients for its Technology Platform.

2. Competitive Positioning & Economic Moats

SoFi has carved out a strong competitive position by blending the strengths of both incumbent banks and fintech challengers.

2.1. Key Competitive Advantages

- **Cost of Funding:** The national bank charter provides access to a stable, low-cost base of FDIC-insured deposits, a durable advantage over non-bank fintech lenders that rely on more expensive capital markets funding.
- **Technology Stack:** SoFi's modern, integrated technology platform enables rapid product innovation, a superior user experience, and sophisticated data analytics. This contrasts sharply with the legacy systems that hinder many traditional banks. Its ownership of the Technisys core banking platform is a unique infrastructure advantage.
- **Brand & Distribution:** A digital-only distribution model provides national reach with a low-cost operating structure. Significant brand investment has built strong recognition and trust within its target demographic of digitally-native, affluent professionals.

2.2. Economic Moats

SoFi is building several defensible economic moats to protect its long-term profitability: 1. **Switching Costs:** The primary moat is the ecosystem itself. As a customer integrates more of their financial life onto the SoFi platform —using it for direct deposit, investing, and lending—the friction and

inconvenience of switching to a competitor become substantial.

2. Cost Advantages:

The combination of a low-cost deposit base and a branchless digital model creates a structural cost advantage over both branch-heavy incumbents and capital-constrained fintech peers.

3. Key Performance Indicator (KPI) Analysis

SoFi's performance metrics highlight a company successfully executing a dual strategy: achieving bank-level profitability with fintech-level growth.

- **Net Interest Margin (NIM): Leading the Pack.** SoFi's NIM of **6.01%** is exceptional, more than double the average for large U.S. banks. This is driven by a high-yield loan portfolio funded by a low-cost deposit base and is the cornerstone of its current profitability.
 - **Growth & Engagement: Best-in-Class.** User growth remains explosive, with **11.7 million members (+34% YoY)** and **17.1 million products (+34% YoY)**. Critically, monetization is improving dramatically, with revenue per product up over 50% YoY. The fact that **35% of new product adoption comes from existing members** validates the ecosystem "flywheel" strategy.
 - **Asset Quality: Stable but Requires Monitoring.** While management reports that recent loan vintages are performing well and delinquencies are improving, the high-yield nature of its personal loan book has not been fully tested in a severe recession. Prudent provisioning and active portfolio management are key strengths.
 - **Return on Equity (ROE): Nascent Profitability.** While SoFi has achieved GAAP profitability, its ROE remains in the low single digits. This is typical for a company in a high-growth phase where the equity base is expanding to fund growth. The key investment question is whether its superior NIM and growth can translate into a best-in-class ROE as the business matures.
-

4. Financial Health & Earnings Quality

SoFi's financial foundation has strengthened significantly since obtaining its bank charter.

- **Earnings Quality:** SoFi's core earnings from Net Interest Income and recurring platform fees are high-quality and sustainable. However, reported GAAP profits can be volatile due to non-cash **fair value adjustments** on its loan portfolio, which fluctuate with market interest rates and credit spreads. Analysts must look through these marks to assess underlying operational performance.

- **Capital Structure:** The company is well-capitalized, with a **Total Capital Ratio of 17.3%**, providing a substantial buffer above the 10.5% regulatory minimum. This strong capital base supports continued balance sheet growth and provides resilience against economic stress.
 - **Funding & Liquidity:** The shift to deposit funding is the most significant positive development. With deposits nearing **\$27 billion** and consistently outpacing loan growth, SoFi is building a stable, self-funded balance sheet and reducing its reliance on more expensive wholesale funding.
-

5. Risk Analysis & Forward-Looking Scenarios

The primary risks facing SoFi are cyclical and tied to its core lending business.

- **Key Risks:**
 1. **Credit Cycle Risk:** A severe recession could cause loan losses to rise above expectations, impacting profitability and capital. This is the most material risk to the franchise.
 2. **Interest Rate Risk:** The company's balance sheet is structured to benefit from falling interest rates. A sharp, unexpected rise in rates would compress its industry-leading NIM.
 3. **Regulatory & Execution Risk:** As a chartered bank, SoFi is subject to intense regulatory oversight. Internally, the company faces the challenge of maintaining disciplined execution across its many growth initiatives.
- **Forward-Looking Scenarios:**
 - **Base Scenario (Most Likely): Disciplined Growth & Normalization.** The economy experiences a soft landing. SoFi continues to execute its 20-25% revenue growth plan, funded by steady deposit growth, while credit losses remain within managed expectations. The company delivers consistent GAAP profitability and gradually expands its ROE.
 - **Bull Scenario: Flywheel Acceleration.** A strong economic environment fuels better-than-expected loan performance and accelerated adoption of new financial services products. NIM expands, and stronger net income generation allows for even faster growth, leading to a significant stock re-rating.
 - **Bear Scenario: Hard Landing & Capital Erosion.** A sharp recession causes credit losses to surge, pushing the company back into significant GAAP losses. The capital ratio erodes, forcing a halt to growth and a defensive posture that would severely impair the franchise.

6. Investment Outlook & Monitoring

SoFi's investment profile is that of a **high-growth** company operating within a **cyclical** industry. It is not a defensive investment. The evidence strongly supports the **Base Scenario** as the most probable path forward, given management's track record of executing a high-growth strategy while maintaining a strong capital base and prudent risk assumptions.

To monitor the health of the investment thesis, the following metrics are critical:

| Category | Metric to Monitor | Rationale |
|--------------------------------|---|--|
| Credit Quality | 90-Day+ Delinquency Rate & Net Charge-offs | The most important leading indicators of asset quality and future profitability. |
| Growth & Engagement | New Member & Product Growth; Products per Member | Confirms the top-of-funnel growth and effectiveness of the cross-selling “flywheel.” |
| Core Profitability | Net Interest Margin (NIM) | Tracks the profitability of the core lending engine. |
| Regulatory Health | Total Capital Ratio | A non-negotiable metric for a regulated bank; must remain well above minimums. |
| Strategic Execution | Financial Services Segment Revenue Growth | Measures the success of the crucial diversification and ecosystem strategy. |

SWOT Analysis

Internal

Strengths



- **Diversified Revenue:** Financial Services & Tech now comprise 55% of revenue (up 74% YoY), reducing lending cycle risk.
- **Rapid User Growth:** Consistently adding members and products at over 30% YoY, fueling its "flywheel" effect and lowering acquisition costs.
- **Bank Charter Advantage:** Low-cost deposits save ~\$500M annually, driving an industry-leading Net Interest Margin (5.6%-6.0%).

External

Opportunities



- **Massive Market Growth:** Outpacing the rapidly expanding fintech market by growing revenue 44% YoY, capturing significant share.
- **Product Cross-Selling:** New offerings like crypto and options trading can deepen customer relationships and increase revenue per user.
- **Global Tech Platform Expansion:** Scaling its B2B Galileo and Technisys platforms internationally presents a significant growth vector.

Weaknesses



- **High Stock Volatility:** A beta near 2.0 indicates significant market risk, which may deter more conservative investors.
- **Unproven Scaled Profitability:** Lacks a track record of generating a mature, double-digit Return on Equity (ROE) consistently.
- **Aggressive Balance Sheet:** An elevated Loan-to-Deposit Ratio compared to peers suggests a less conservative liquidity position.

Threats



- **Intense Competition:** Faces pressure from both large incumbent banks like JPMorgan and fintech disruptors like Robinhood.
- **Regulatory Scrutiny:** As a chartered bank in crypto, faces risk of adverse rulings that could halt key operations and revenue streams.
- **Macroeconomic Sensitivity:** An economic downturn could significantly increase credit losses and negatively impact the core lending business.

Positive

Negative

4. SWOT Analysis

Strengths

- **Diversified and Rapidly Growing Revenue Streams:** SoFi has successfully shifted its business model away from a pure lending focus. As of Q2 2025, the capital-light Financial Services and Technology Platform segments constitute 55% of total revenue, generating a combined \$472 million (up 74% YoY). This diversification reduces sensitivity to credit cycles and interest rate fluctuations.
- **Exceptional Member and Product Growth:** The company demonstrates a powerful user acquisition engine. In Q2 2025, SoFi added a record 850,000 new members and 1.3 million new products. This consistent 30%+ Y/Y growth in both members and products fuels the “flywheel” effect, lowering customer acquisition costs over time and increasing lifetime value.
- **Structural Cost Advantage from Bank Charter:** Obtaining a national bank charter provides a significant competitive moat by allowing access to low-cost consumer deposits. As of Q2 2025, this shift to deposit funding has resulted in an estimated \$500 million in annualized interest expense savings compared to relying on higher-cost warehouse facilities, directly boosting Net Interest Margin (NIM) to an industry-leading range of 5.6% - 6.0%.

Weaknesses

- **High Stock Volatility:** SoFi’s stock exhibits significantly higher volatility than the broader market, as indicated by its beta of 1.939. This can deter more risk-averse investors and reflects underlying market uncertainty about its valuation and path to consistent, mature profitability.
- **Unproven Profitability at Scale:** Despite achieving GAAP profitability, SoFi has not yet demonstrated the ability to generate a mature, double-digit Return on Equity (ROE) consistently. Management’s long-term target is 20% to 30%, but achieving this while managing rapid growth and credit risk remains a primary challenge for its valuation.
- **Aggressive Balance Sheet Profile:** The company’s Loan-to-Deposit Ratio (LDR) remains elevated compared to traditional banking peers. While improving, this metric highlights that SoFi is still in a transitional phase from a fintech lender to a mature, deposit-funded institution, indicating a less conservative liquidity position.

Opportunities

- **Massive and Expanding Total Addressable Market (TAM):** SoFi operates within the rapidly growing North American fintech market,

which analysts from Market Data Forecast project will grow at a 24.5% compound annual growth rate (CAGR) long-term. SoFi's own revenue growth of 44% YoY (Q2 2025) significantly outpaces the industry, indicating it is capturing market share.

- **New Product Innovation and Cross-Selling:** The company has a clear roadmap for new products to deepen its “one-stop shop” strategy. Recent launches include SoFi Crypto (November 11, 2025) and options trading. Future plans include proprietary ETFs and AI-driven tools like “SoFi Cash Coach,” creating significant opportunities to increase revenue per member, which already doubled year-over-year to \$45 in a recent quarter.
- **International Expansion of Technology Platform:** The Technology Platform segment provides a clear vector for geographic expansion. As of Q4 2022, Galileo was already signing 27% of its new deals outside the United States, and Technisys secured its first deal in Mexico, demonstrating a tangible opportunity to scale its B2B services globally.

Threats

- **Intense and Evolving Competition:** SoFi faces significant competition from multiple fronts. This includes large incumbent banks like JPMorgan Chase with massive scale and digital-first fintech disruptors like Robinhood. This competitive pressure could impact pricing power, margins, and member acquisition costs.
- **Regulatory Scrutiny and Risk:** As a nationally chartered bank operating in innovative areas like cryptocurrency, SoFi is exposed to significant regulatory risk. A negative ruling from the Office of the Comptroller of the Currency (OCC), such as revoking its permit to operate in crypto as of November 2025, would result in the loss of a dynamic and promising revenue stream and could damage brand reputation.
- **Macroeconomic Sensitivity:** The company's performance, particularly in its large Lending segment, is highly dependent on the health of the U.S. economy. An economic downturn characterized by rising unemployment could lead to a material increase in credit losses and non-performing loans, severely impacting profitability and capital ratios.

Porter's Five Forces Analysis



Competitive Rivalry

- **High Rivalry:** The company faces intense competition from established mega-banks, large technology firms, and specialized fintech peers.
- **Strategic Differentiation:** SoFi differentiates through its digital-first, integrated ecosystem and a significant cost-of-funding advantage from its bank charter.
- **Aggressive Innovation:** A focus on rapid product expansion, building brand loyalty, and aggressive price competition are key tactics to gain market share.



Supplier Power

- **Low & Decreasing:** Supplier power is weak due to strategic vertical integration of its core technology stack.
- **Funding Independence:** The national bank charter allows SoFi to self-fund loans with its own large deposit base, reducing reliance on capital markets.
- **Minimal Switching Costs:** Having internalized critical functions, SoFi has minimal internal switching costs and greater control over its cost structure.



Buyer Power

- **Moderate Power:** Consumers have many financial service choices, while enterprise clients face high switching costs for core technology.

- **Ecosystem Lock-In:** SoFi mitigates buyer power by creating a sticky, multi-product platform that increases the inconvenience of switching providers.

- **Value Over Price:** While sensitive to rates, consumer loyalty is driven by the convenience and breadth of the integrated service offering.



Threat of Substitutes & New Entrants

- **Low Threat of New Entrants:** The national bank charter represents a formidable regulatory barrier to entry, protecting SoFi from direct competitors.

- **Moderate Threat of Substitutes:** Specialized single-product apps are the primary substitutes, a threat SoFi counters by integrating similar features.

- **High Capital Barriers:** Significant capital requirements and the need to build brand trust to attract deposits further deter new entrants.



Overall Strategy & Outlook

- **Ecosystem-Driven Strategy:** The core strategy is leveraging the bank charter and proprietary technology to build a defensible, high-growth financial ecosystem.

- **Positive Growth Outlook:** The best-case outlook involves strong compound revenue growth driven by successful new product launches and cross-selling.

- **Key Risk Factors:** A severe recession causing high credit losses or negative regulatory events represent the most significant threats to profitability and growth.

5. Porter Five Forces

Competitive Rivalry for SOFI

The competitive rivalry for SoFi is **high**. The company operates at the intersection of traditional banking, fintech, and asset management, facing intense competition from multiple fronts: established mega-banks (JPMorgan Chase, Bank of America), large technology firms entering finance (Apple), and specialized fintech peers (PayPal, Affirm). SoFi differentiates itself through its digital-first, “one-stop shop” ecosystem targeting a high-earning demographic, leveraging its bank charter for a cost-of-funding advantage.

- **Product Roadmaps & R&D:** SoFi’s strategy is to out-innovate competitors by aggressively expanding its product suite. Management has outlined a long-term roadmap for 2024-2026 that includes potential launches in small/medium business banking, a broader asset management business, insurance, and an expanded credit card portfolio. In the near term, the company is focused on enhancing its SoFi Invest platform, with plans announced in mid-2025 to launch Level 1 options and re-enter the crypto market by year-end. This culminated in the launch of “SoFi Crypto” on November 11, 2025, making SoFi the first nationally chartered bank to offer such a service directly. The company fuels this innovation by reinvesting heavily, with a stated policy of putting approximately “\$0.70 of every incremental revenue dollar back into the business,” primarily in engineering, product, and design.
- **Brand Loyalty:** SoFi builds brand loyalty through its integrated ecosystem, designed to create high switching costs. The core strategy, termed the “Financial Services Productivity Loop,” aims to attract members with a single product and cross-sell them into the broader platform. This is proving effective, with record new member additions of 850,000 in Q2 2025 and Financial Services products growing 100% year-over-year. As members adopt more products—such as checking, investing, and loans—and utilize free integrated tools like Relay, the inconvenience and financial disincentive to switch to a competitor increase significantly.
- **Price Competition:** SoFi competes aggressively on price and value to attract and retain members. It leverages the lower cost of funds from its bank charter to offer superior rates, such as a high-yield APY of up to 1.8% on its checking and savings accounts (as of July 2025). This pricing power, combined with a unique rewards program and free financial planning services, creates a value proposition that is difficult for non-bank fintechs to match and is more digitally streamlined than traditional banks.

Supplier Power for SOFI

The power of suppliers for SoFi is **low and decreasing**. The company's most critical strategic moves—obtaining a bank charter and vertically integrating its technology stack—were designed specifically to reduce its reliance on external suppliers, particularly for capital and core processing technology.

- **Supplier Stability:** SoFi has significantly reduced its dependence on capital market suppliers by funding loans with its own growing deposit base, which reached \$27 billion as of mid-2025. While it still maintains access to approximately \$7 billion in warehouse facilities for flexibility, over half of which is committed capital, the ability to self-fund with low-cost deposits is a primary competitive advantage. For its technology needs, SoFi's acquisitions of Galileo (payments) and Technisys (core banking) have internalized its most critical technology suppliers, giving it full control over its product development pace and cost structure.
- **Geographic Risk:** The provided context does not contain specific information on geographic risks for SoFi's remaining third-party suppliers. However, CEO Anthony Noto's commentary from a November 2025 conference acknowledges broader market concerns about "volatility around tariffs and the economy." While SoFi's consumer business is primarily US-based, its Technology Platform serves a global client base, with a disclosure from a prior quarter noting that 40% of new deals were outside the United States. This could expose the Tech Platform segment to geopolitical or economic instability in the regions where its clients operate.
- **Switching Costs:** SoFi's internal switching costs are now minimal for its most critical functions. Having brought its technology stack in-house, it is no longer subject to the high costs or operational risks associated with migrating from a third-party core processor. For capital, the ability to toggle between its own deposit base and committed warehouse lines gives it significant flexibility and leverage in negotiating terms with its remaining funding partners.

Buyer Power for SOFI

The power of buyers is **moderate**. While individual consumers have many choices, SoFi mitigates this power by creating a sticky, high-value ecosystem. For its enterprise clients, buyers have more leverage but are also constrained by the high switching costs of core banking technology.

- **Buyer Segmentation:** SoFi serves two distinct buyer segments. Its primary consumer segment consists of high-earners-not-rich-yet (HENRYs), who are digitally savvy and value convenience and an integrated experience over pure price sensitivity. For its Technology

Platform, the buyers are other financial institutions and fintechs. These enterprise buyers are highly sophisticated and sensitive to price, performance, and features, but as CEO Anthony Noto noted in November 2025, a growing number of institutions are seeking SoFi's technology because they "can no longer compete from an innovative standpoint" with their legacy systems.

- **Ecosystem Lock-In:** SoFi's primary strategy to reduce buyer power is to create "lock-in" through its multi-product ecosystem. By making it easy for a member to manage their borrowing, saving, spending, and investing in one app, SoFi increases the friction of leaving. The success of this strategy is evident in the data: as of mid-2025, the company had 1.3 million new product additions in a single quarter, driven by strong cross-buying. This integration makes it more likely for a member to stay with SoFi for all their financial needs rather than seeking out individual best-in-class point solutions.
- **Price Sensitivity:** Consumer buyers are highly sensitive to deposit rates and loan APRs, which is why SoFi's ability to offer a leading APY has been a major driver of deposit growth. However, once inside the ecosystem, loyalty is driven more by the convenience and breadth of services. Enterprise buyers on the Tech Platform are also price-sensitive, but the complexity and mission-critical nature of core banking platforms create high switching costs, giving SoFi a degree of pricing power once a client is integrated.

Threat of Substitutes & New Entrants for SOFI

The threat of substitutes is **moderate**, while the threat of new entrants that can replicate SoFi's entire model is **low**. Substitutes exist in the form of specialized apps, but the primary barrier for new, direct competitors is regulatory.

- **Emerging Substitutes:** The main substitutes for SoFi's all-in-one platform are specialized, single-product fintech applications (e.g., a standalone robo-advisor or a dedicated crypto exchange). SoFi actively counters this threat by incorporating these substitute offerings into its own platform. For example, its launch of SoFi Crypto on November 11, 2025, was a strategic move to capture members interested in digital assets, preventing them from needing to go to a competing platform.
- **Barriers to Entry:** The single greatest barrier to entry is the national bank charter, which is extremely difficult, time-consuming, and expensive to obtain. This regulatory moat protects SoFi from new entrants seeking to compete with a similar low-cost deposit funding model. Other significant barriers include the immense capital required to build a lending business at scale and the brand trust needed to attract billions in consumer deposits.

- **Startup Landscape:** While CEO Anthony Noto acknowledged in November 2025 that “capital is coming back to the fintech sector,” fueling new startups, these new entrants are unlikely to pose a direct threat to SoFi’s integrated model. They will likely focus on niche products and lack the scale, brand recognition, and regulatory standing SoFi has already achieved. SoFi’s Technology Platform is also positioned to potentially partner with, rather than just compete against, these new fintechs.

Overall Strategy & Outlook for SOFI

SoFi’s strategy is to leverage its unique combination of a bank charter, a proprietary tech stack, and a strong brand to build a defensible, high-growth financial ecosystem. The outlook hinges on its ability to continue executing its product roadmap and navigate the macroeconomic cycle.

- **Best-Case Scenario (Post-2025):** SoFi successfully executes on its long-term guidance, achieving the 20-25% compound annual revenue growth projected for 2023-2026. New product launches like SMB banking and insurance gain significant traction, deepening the ecosystem and accelerating the flywheel effect. A stable macroeconomic environment keeps credit losses within projections, allowing the company to achieve the high end of its \$0.55 to \$0.80 GAAP EPS target in 2026 and drive significant shareholder value.
- **Moderate-Case Scenario (Post-2025):** Growth continues but moderates due to heightened competition or a mild economic slowdown that dampens loan demand. Product cross-selling remains strong, but the pace of new member acquisition slows. Profitability continues to improve, but the company lands at the lower end of its guided 2026 EPS range as it navigates a more challenging environment.
- **Worst-Case Scenario (Post-2025):** As outlined in the company’s risk analysis, a sharp recession causes credit losses to surge materially above expectations, erasing profitability and forcing a pullback in growth investments. Concurrently, a negative regulatory event, such as a crackdown on its newly launched crypto business, damages a key growth vector and hurts brand reputation. This would force management to halt new originations and focus on capital preservation, severely impairing the growth narrative.

6. Scuttlebutt Analysis

1. Market Potential for Sustained Sales Growth

SoFi operates in the massive U.S. consumer financial services market, which management views as “historically poorly served.” The opportunity for disruption and market share capture remains vast. A 2025 Mintel report indicates that one in five U.S. adults were recently in the market for new savings accounts and a similar number for credit cards, underscoring persistent customer churn and demand for better products. SoFi’s strategy is to capture this demand by becoming a “Top 10 financial institution.” This ambition is backed by a projected 20% to 25% compound annual revenue growth rate through 2026. Critically, this growth is increasingly diversified; the Financial Services and Technology Platform segments now constitute 55% of total revenue, insulating the company from the cyclical nature of its core lending business and creating a more durable, multi-pronged growth engine.

2. Management’s Commitment to Future Growth

Leadership’s focus has decisively pivoted from achieving initial profitability to driving long-term, compounded growth. This is not just a narrative but a quantitative commitment: management plans to reinvest approximately \$0.70 of every incremental dollar of adjusted net revenue back into the business. CEO Anthony Noto’s statement that “our biggest challenge beyond 2025, quite frankly, is deciding what not to do” perfectly encapsulates an aggressive, forward-looking posture. This is evident in the robust product pipeline, which includes potential new verticals such as small business banking, a broader asset management business, and expanded insurance and credit card portfolios. The recent launch of SoFi Crypto in November 2025, making it the first nationally chartered bank to offer such a service, demonstrates a commitment to innovation and capturing emerging market demand.

3. Effectiveness of Research & Development

While specific R&D expenditure figures are not provided, the company’s product velocity serves as a powerful proxy for its R&D effectiveness. SoFi demonstrates an ability to innovate and execute at a pace that outmatches traditional financial institutions. Key evidence includes building an entirely new Loan Platform Business in less than 12 months, which now generates a \$380 million annualized revenue stream. Furthermore, the development of proprietary AI-driven tools like SoFi ExpenseR and SoFi Cash Coach, and the rapid launch of a Buy Now, Pay Later product using its integrated Galileo and Technisys technology, highlight an efficient and productive innovation cycle that is core to its competitive advantage.

4. Sales Organization Quality

SoFi's sales and marketing strategy is a highly effective, data-driven "flywheel" model focused on digital customer acquisition. The goal is to build SoFi into a "trusted household brand name," using top-of-funnel products to attract members who then cross-buy into other services. The effectiveness of this model is demonstrated by the fact that total sales and marketing spend as a percentage of adjusted net revenue has declined for two consecutive quarters, even as member and product growth have accelerated. This indicates increasing marketing efficiency, a powerful network effect, and a declining customer acquisition cost over time, which is a hallmark of a superior sales and marketing organization.

5. Profit Margin Attractiveness

SoFi is demonstrating significant operating leverage and attractive profitability. Based on Q2 2025 guidance, the company expects to achieve an adjusted EBITDA margin of approximately 26%. More impressively, it has achieved a 40% incremental adjusted EBITDA margin year-over-year, showcasing the scalability of its model. Margins are benefiting from the strategic shift toward higher-margin, capital-light revenue from the Technology Platform and Financial Services segments, which are growing at a combined 74% YoY. This business mix evolution is structurally improving the company's overall margin profile.

6. Strategies to Maintain or Improve Margins

Management's primary strategy for margin expansion is the continued shift in revenue mix. The company is targeting a compound annual growth rate of 50% for its high-margin Financial Services segment. A second key lever is vertical integration through its Technology Platform. By owning the core technology stack (Galileo and Technisys), SoFi lowers its internal operating costs, which directly translates to "superior unit economics" and higher margins on its own products. This provides a durable cost advantage over competitors reliant on third-party vendors. Finally, continued scale is driving operating leverage across the business, further enhancing profitability.

7. Labor and Personnel Relations

Management places an extraordinary emphasis on corporate culture, which appears to be a significant strength. CEO Anthony Noto devoted a substantial part of the Q2 2025 earnings call to publicly rolling out "The SoFi Way," a cultural framework built on three pillars: acting as founders, problem solvers, and partners. His stated goal of wanting "to have the best culture in the world" signals a deep commitment to employee alignment and morale. With 5,000 employees, fostering this founder's mentality is critical for sustaining innovation. While specific data on employee turnover is not

available, this public and vocal commitment to a positive and high-performance culture is a strong positive indicator of healthy personnel relations.

8. Executive Relations

While the provided context does not offer specific details on the internal dynamics of the executive team or formal succession plans, the public presentation is one of complete alignment. The “unwaveringly bullish and confident” tone from leadership, led by CEO Anthony Noto, is consistent and unified. The messaging on strategy, reinvestment, and long-term vision is clear and singular, suggesting a stable and collaborative executive team working in lockstep to execute a shared plan.

9. Management Depth

The singular focus on CEO Anthony Noto in public communications makes it difficult to assess the full depth of the management bench. However, the company’s ability to successfully execute and scale three distinct and complex business segments—Lending, Financial Services, and Technology—simultaneously implies the existence of strong, capable leadership at the divisional level. The rapid and successful incubation of the Loan Platform Business is a prime example of this operational depth beyond the CEO.

10. Cost Analysis and Accounting Controls

SoFi demonstrates a disciplined approach to cost management. The company provides detailed financial reporting and guidance, including GAAP reconciliations, which suggests robust accounting controls are in place. A key area of focus has been reducing stock-based compensation, which has fallen from 27.5% of revenue in Q4 2022 to a targeted single-digit percentage long-term. This focus on aligning expenses with revenue growth and driving operating leverage is a clear indicator of strong financial discipline.

11. Industry-Specific Competitive Factors

SoFi’s most significant competitive advantage is its unique combination of a **national bank charter** and a **vertically integrated technology stack**. The bank charter provides access to low-cost, stable deposit funding, creating a durable cost of capital advantage over non-bank fintech peers. Owning the technology through Galileo and Technisys allows for faster product innovation and superior unit economics compared to traditional banks. This hybrid structure, enabling it to be the first nationally chartered bank to launch a consumer crypto platform, allows SoFi to innovate like a fintech while benefiting from the funding and trust of a bank, creating a powerful moat.

12. Profit Outlook: Short vs. Long Term

Management's orientation is unequivocally focused on maximizing **long-term sustainable profit**. The explicit strategy to reinvest 70% of incremental revenue is a clear trade-off, sacrificing maximum near-term earnings for accelerated market share capture and product development. This disciplined reinvestment is designed to build a wide competitive moat and maximize lifetime value per member. However, this long-term focus does not preclude strong near-term results; the company has achieved GAAP profitability and projects impressive GAAP EPS of \$0.55 to \$0.80 in 2026, demonstrating that its growth investments are yielding tangible returns.

13. Future Capital Needs and Dilution Risk

The risk of significant shareholder dilution in the near term appears low. With the company now generating consistent GAAP profits and strong operating cash flow, the need for external equity financing to fund operations is greatly diminished. SoFi has a strong balance sheet with \$5.5 billion in book equity and access to \$7 billion in warehouse facilities to fund loan growth. This combination of retained earnings and available credit should be sufficient to support its ambitious growth plans without requiring dilutive capital raises.

14. Management Transparency in Adversity

The current context reflects a period of exceptional performance, making it difficult to assess management's communication style during a downturn. However, the level of detail in its forward-looking guidance—providing multi-year growth targets broken down by business segment—suggests a high degree of transparency. Furthermore, CEO Anthony Noto's commentary openly references navigating past challenges, including recessions and massive interest rate swings. This willingness to contextualize current success against prior adversity indicates a culture of transparent communication with shareholders, regardless of the operating environment.

15. Integrity of Management

There are no red flags concerning management's integrity. The leadership team, under CEO Anthony Noto's nearly eight-year tenure, has executed a consistent and clear strategy. The heavy emphasis on "The SoFi Way" and its core tenets of "doing the right thing" and "taking ownership" reinforces a commitment to high ethical standards. As a nationally chartered bank, SoFi operates under intense regulatory scrutiny, which necessitates a culture of compliance and integrity from the top down.

7. Risk Analysis

Overview of Major Risks

SoFi's primary risks stem from its hybrid nature as a high-growth fintech operating under a national bank charter. The most significant exposures are:

- * **Credit Cycle Risk:** As a major lender, the company's profitability is highly sensitive to macroeconomic conditions, particularly unemployment and consumer credit normalization. The Lending segment remains the largest revenue contributor, making credit performance a key vulnerability.
- * **Regulatory Scrutiny:** Operating as a nationally chartered bank in rapidly evolving areas like cryptocurrency exposes SoFi to significant oversight from regulators, chiefly the Office of the Comptroller of the Currency (OCC). Changes in regulation or adverse rulings could materially impact strategic growth initiatives.
- * **Execution and Competitive Risk:** The company is pursuing aggressive growth across multiple product lines in a highly competitive landscape. This creates risks of resource over-allocation, margin pressure from established banks and fintechs, and failure to achieve profitability at scale.

Legal and Regulatory Challenges

- **Cryptocurrency Operations:** On November 11, 2025, SoFi announced it had become the first nationally chartered bank to offer consumer cryptocurrency trading. While a potential growth catalyst, this move places the company under direct regulatory scrutiny. The OCC could, at any point, modify or revoke SoFi's permission to operate in crypto and stablecoin areas, which management views as a "promising revenue stream."
- **Bank Holding Company Act:** As a bank holding company, SoFi is subject to stringent capital requirements and oversight from multiple federal agencies. The company must maintain capital ratios well above regulatory minimums; as of a recent filing, its total capital ratio was 15.3%, comfortably above the 10.5% required to be considered "well-capitalized."
- **Data Privacy and Security:** As a financial institution with millions of members, SoFi is a target for cyberattacks. A significant data breach could result in severe reputational damage, regulatory fines, and a loss of customer trust and deposits.

Financial and Operational Exposures

- **Revenue Concentration and Credit Sensitivity:** Despite diversification efforts, the Lending segment remains the largest contributor to revenue. The company's 2024 outlook was built on conservative macro assumptions, including a "contraction in GDP"

and unemployment rising “higher than 5%,” indicating a pragmatic approach to the inherent risk in its loan book.

- **Valuation and Market Sentiment:** With a P/E ratio of 55.27, SoFi’s valuation is priced for high growth. Any slowdown in member acquisition, product adoption, or profitability could trigger a significant multiple contraction and stock price decline.
- **Operational Execution:** CEO Anthony Noto has stated the company’s biggest challenge is “deciding what not to do.” Pursuing too many new initiatives simultaneously (e.g., crypto, small business lending, asset management) risks stretching resources thin and failing to execute effectively on core objectives.
- **Intense Competition:** SoFi operates in a crowded market, competing against established incumbents like JPMorgan Chase and disruptive fintechs. This puts continuous pressure on customer acquisition costs, product pricing, and profit margins.

Potential Market Volatility

- **Economic Downturn:** A severe recession leading to a spike in unemployment could cause credit losses to materially exceed management’s assumptions. This would directly impact GAAP profitability through higher loan loss provisions and could strain capital ratios.
- **Interest Rate Fluctuations:** The company’s profitability is sensitive to interest rate changes. While lower rates could stimulate loan demand, they could also compress the Net Interest Margin (NIM) earned on its assets. The company’s 2024 guidance assumed four rate cuts, and a significant deviation from this path would impact financial results.
- **Shifting Political and Regulatory Tides:** The regulatory environment for fintech and cryptocurrency is subject to political shifts. A future administration could impose new regulations that scale back or prohibit activities that SoFi is currently investing in, leading to stranded costs and lost revenue.

Recommended Risk Mitigation

- **Business Model Diversification:** SoFi’s primary mitigation strategy is its successful pivot to a more diversified model. The Financial Services and Technology Platform segments have grown to constitute 55% of total revenue as of Q2 2025, reducing reliance on the credit-sensitive Lending business.
- **Robust Capital Management:** Maintaining a strong balance sheet is critical. The company’s total capital ratio of 15.3% provides a substantial buffer to absorb unexpected losses. SoFi has also proactively managed its capital position through transactions like the

credit default swap on student loans, which improved the total risk-based capital ratio by over 1%.

- **Stable Deposit-Based Funding:** Leveraging its national bank charter to gather over \$10 billion in deposits has fundamentally lowered SoFi's cost of capital and provided a stable funding source, reducing its exposure to volatile wholesale funding markets, a key advantage over non-bank fintech peers.
- **Disciplined Underwriting and Risk Transfer:** Management emphasizes a focus on high-quality borrowers. Furthermore, the company actively uses loan sales and other risk transfer mechanisms to manage the size and credit risk of its on-balance-sheet loan portfolio.



Disclaimer - Valuation

The following valuation section has been automatically generated using pre-configured financial models, artificial-intelligence models, and available data, without any human intervention or interpretive oversight. The calculations, figures, and outputs presented herein have not been audited, independently verified, or supplemented with qualitative insight.

The valuation analysis presented herein is intended to be directionally indicative and should not be interpreted as precise or definitive. While we have employed standard methodologies and sound judgment to frame valuation ranges, this analysis is not based on exhaustive or fully cited sources, and certain underlying assumptions, data inputs, and reference points may be incomplete or missing.

This report does not constitute a fairness opinion, investment recommendation, or substitute for professional due diligence. It should be viewed solely as an internal decision-support tool, offering a framework for strategic exploration rather than a definitive assessment of intrinsic value.

Our models are part of an ongoing development process and are continually being tested, refined, and re-evaluated to improve accuracy, robustness, and contextual relevance. As such, users should expect that methodologies, outputs, and coverage may evolve over time.

We recommend this report be critically reviewed in-house, with an accompanying appendix or section that transparently documents any limitations, outstanding issues, or self-assessments.

All users should apply independent judgment and validate findings with additional analysis, expert input, and supporting data before making any investment or strategic decisions based on this material.

7. DCF Valuation (Bear, Base, Bull)

| Valuation Summary | |
|---------------------------------|----------|
| Terminal cash flow | 3,110 M |
| Terminal cost of capital | 17.97% |
| Terminal value | 20,102 M |
| PV(Terminal value) | 3,851 M |
| PV (CF over next 10 years) | 4,084 M |
| Sum of PV | 7,935 M |
| Value of operating assets = | 939 M |
| - Debt | 2,807 M |
| - Minority interests | |
| + Cash | 3,746 M |
| Value of equity in common stock | 8,873 M |
| Number of shares | 1,171 M |
| Estimated value /share | \$7.58 |
| Current Stock Price | \$30.95 |
| Price as % of value | 408.51% |

| Valuation Summary | |
|---------------------------------|----------|
| Terminal cash flow | 5,575 M |
| Terminal cost of capital | 15.47% |
| Terminal value | 42,980 M |
| PV(Terminal value) | 10,199 M |
| PV (CF over next 10 years) | 1,586 M |
| Sum of PV | 11,785 M |
| Value of operating assets = | 939 M |
| - Debt | 2,807 M |
| - Minority interests | |
| + Cash | 3,746 M |
| Value of equity in common stock | 12,724 M |
| Number of shares | 1,171 M |
| Estimated value /share | \$10.86 |
| Current Stock Price | \$30.95 |
| Price as % of value | 284.88% |

| Valuation Summary | |
|---------------------------------|----------|
| Terminal cash flow | 7,339 M |
| Terminal cost of capital | 12.97% |
| Terminal value | 70,099 M |
| PV(Terminal value) | 20,705 M |
| PV (CF over next 10 years) | 855 M |
| Sum of PV | 21,560 M |
| Value of operating assets = | 939 M |
| - Debt | 2,807 M |
| - Minority interests | |
| + Cash | 3,746 M |
| Value of equity in common stock | 22,499 M |
| Number of shares | 1,171 M |
| Estimated value /share | \$19.21 |
| Current Stock Price | \$30.95 |
| Price as % of value | 161.11% |

8. Comparable Companies Valuation

Comparable Public Companies and Valuation Output

Operating Statistics

| Tickers | Market Cap | Cash Equivalents | Total Debt | Enterprise Value | Total Equity | LTM Revenue | LTM Gross Profit | LTM Gross Margin | LTM EBIT | LTM EBIT Margin | LTM EBITDA | LTM EBITDA Margin | LTM Net Income | LTM Net Margin | Revenue 5YR CAGR |
|-----------------|------------|------------------|------------|------------------|--------------|-------------|------------------|------------------|----------|-----------------|------------|-------------------|----------------|----------------|------------------|
| MSCI | 45,211 M | 400 M | 5,620 M | 50,431 M | -1,916 M | 3,055 M | 2,517 M | 82.4% | 1,661 M | 54.3% | 1,876 M | 61.4% | 1,223 M | 40.0% | 12.9% |
| PLTR | 453,023 M | 1,616 M | 235 M | 446,820 M | 6,590 M | 3,896 M | 3,148 M | 80.8% | 1,112 M | 28.5% | 1,147 M | 29.4% | 1,095 M | 28.1% | 31.0% |
| STNE | 5,556 M | 1,030 M | 1,094 M | 3,461 M | 2,179 M | 2,518 M | 1,908 M | 75.8% | 705 M | 28.0% | 882 M | 35.0% | -144 M | -5.7% | 27.2% |
| SQ | 68,827 M | 8,300 M | 7,068 M | 97,415 M | 19,921 M | 23,862 M | 8,603 M | 36.1% | 1,210 M | 5.1% | 1,688 M | 7.1% | 1,129 M | 4.7% | 46.1% |
| UPST | 3,704 M | 701 M | 1,537 M | 4,540 M | 722 M | 852 M | 852 M | 100.0% | -6 M | -0.7% | 16 M | 1.9% | -6 M | -0.7% | 31.1% |
| AFRM | 24,469 M | 2,098 M | 7,930 M | 30,302 M | 3,299 M | 3,459 M | 1,652 M | 47.8% | 243 M | 7.0% | 486 M | 14.1% | 233 M | 6.7% | 44.6% |
| SOFI | 37,061 M | 3,746 M | 2,807 M | 36,122 M | 8,780 M | 3,322 M | 2,747 M | 82.7% | 400 M | 12.1% | 625 M | 18.8% | 640 M | 19.3% | 43.3% |
| Maximum | 453,023 M | 8,300 M | 7,930 M | 446,820 M | 19,921 M | 23,862 M | 8,603 M | 100.0% | 1,661 M | 54.3% | 1,876 M | 61.4% | 1,223 M | 40.0% | 46.1% |
| 75th Percentile | 164,876 M | 3,648 M | 7,284 M | 184,767 M | 9,923 M | 8,888 M | 4,512 M | 86.8% | 1,323 M | 35.0% | 1,735 M | 41.6% | 1,153 M | 31.1% | 45.0% |
| Median | 34,840 M | 1,323 M | 3,578 M | 40,366 M | 2,739 M | 3,257 M | 2,212 M | 78.3% | 909 M | 17.5% | 1,015 M | 21.8% | 664 M | 5.7% | 31.1% |
| 25th Percentile | 5,093 M | 626 M | 879 M | 4,270 M | 63 M | 2,102 M | 1,452 M | 44.8% | 181 M | 3.6% | 369 M | 5.8% | -41 M | -2.0% | 23.6% |
| Minimum | 3,704 M | 400 M | 235 M | 3,461 M | -1,916 M | 852 M | 852 M | 36.1% | -6 M | -0.7% | 16 M | 1.9% | -144 M | -5.7% | 12.9% |

Valuation Statistics

| Tickers | Market Cap | Enterprise Value | EV/LTM Revenue | EV/LTM EBITDA | P/S Multiple | P/E Multiple | P/B Multiple |
|-----------------|------------|------------------|----------------|---------------|--------------|--------------|--------------|
| MSCI | 45,211 M | 50,431 M | 16.51x | 26.88x | 14.80x | 36.96x | -23.60x |
| PLTR | 453,023 M | 446,820 M | 114.68x | 389.47x | 116.27x | 413.58x | 68.74x |
| STNE | 5,556 M | 3,461 M | 1.37x | 3.92x | 2.21x | -38.56x | 2.55x |
| SQ | 68,827 M | 97,415 M | 4.08x | 57.71x | 2.88x | 60.96x | 3.46x |
| UPST | 3,704 M | 4,540 M | 5.33x | 280.02x | 4.35x | -583.03x | 5.13x |
| AFRM | 24,469 M | 30,302 M | 8.76x | 62.29x | 7.07x | 104.97x | 7.42x |
| SOFI | 37,061 M | 36,122 M | 10.87x | 57.77x | 11.15x | 57.89x | 4.22x |
| Maximum | 453,023 M | 446,820 M | 114.68x | 389.47x | 116.27x | 413.58x | 68.74x |
| 75th Percentile | 164,876 M | 184,767 M | 41.05x | 307.38x | 40.17x | 182.12x | 22.75x |
| Median | 34,840 M | 40,366 M | 7.04x | 60.00x | 5.71x | 48.96x | 4.29x |
| 25th Percentile | 5,093 M | 4,270 M | 3.41x | 21.14x | 2.71x | -174.68x | -3.99x |
| Minimum | 3,704 M | 3,461 M | 1.37x | 3.92x | 2.21x | -583.03x | -23.60x |

Implied Share Price

| Tickers | Shares Outstanding | EV/LTM Revenue | EV/LTM EBITDA | P/S Multiple | P/E Multiple | P/B Multiple |
|-----------------|--------------------|----------------|---------------|--------------|--------------|--------------|
| Maximum | | \$ 326.13 | \$ 208.73 | \$ 329.84 | \$ 226.09 | \$ 515.30 |
| 75th Percentile | | \$ 117.25 | \$ 164.90 | \$ 113.94 | \$ 99.56 | \$ 170.53 |
| Median | 1,171 M | \$ 20.79 | \$ 32.83 | \$ 16.20 | \$ 26.76 | \$ 32.18 |
| 25th Percentile | | \$ 10.46 | \$ 12.09 | \$ 7.70 | \$ (95.49) | \$ (29.89) |
| Minimum | | \$ 4.70 | \$ 2.90 | \$ 6.26 | \$ (318.72) | \$ (176.90) |

11. Short Thesis

Short-Seller Thesis: SoFi Technologies, Inc. (SOFI)

1. Overvaluation Indicators

SoFi's valuation has reached unsustainable levels that are disconnected from its underlying fundamentals and sector benchmarks. The stock trades at a P/E ratio of 55.27, and various forward-looking metrics suggest even greater froth, with forward adjusted P/E multiples cited between 57x and 91.49x. This is a stark premium compared to the financial sector median of approximately 11x and the broader market average of ~23x. With a market capitalization of \$37.3 billion, the valuation implies flawless execution and uninterrupted hyper-growth for several years, leaving no margin of safety.

This exuberant pricing follows a massive share price surge of nearly 250% over the last year. Such momentum has likely pulled forward years of future potential gains. Wall Street analyst consensus corroborates this view, with an average target price "substantially below \$20," which, compared to the current price of \$30.95, suggests a potential downside of over 25%. The current valuation is pricing in a best-case scenario, making the stock highly vulnerable to a significant multiple contraction upon any operational misstep or shift in market sentiment.

2. Operational or Structural Weaknesses

Despite the narrative of diversification, SoFi remains heavily reliant on its cyclical Lending segment, which is still its largest revenue contributor. This segment has shown signs of stress, with reports of "negative dynamics... specifically the contribution margin trends." Any further deterioration in this core profit engine could severely undermine the company's overall profitability, as the still-scaling Financial Services and Technology segments may not be mature enough to offset a significant downturn in lending.

Furthermore, the business model is acutely vulnerable to the macroeconomic environment. Profitability is directly tied to factors outside of management's control, such as federal monetary policy, unemployment rates, and consumer credit health. A core part of SoFi's business remains student loan refinancing. This concentration creates a significant structural risk, as the business is exposed to political and regulatory shifts, such as the "proposed dismantling of the Department of Education," which could fundamentally alter the federal student loan landscape and impact a key driver of SoFi's growth story.

3. Catalysts for Downside

- **Macroeconomic Deterioration:** The primary catalyst for a downward re-rating is a potential economic downturn. A sharp recession would likely trigger a spike in unemployment, causing

credit losses to surge well above expectations. This would not only erase GAAP profitability but could also pressure SoFi's capital ratios, forcing it to curtail lending and sell assets into a distressed market.

- **Regulatory Scrutiny:** SoFi's aggressive expansion into new verticals, including its recent launch of a crypto trading platform on November 11, 2025, significantly increases its regulatory risk profile. A "crypto crackdown" or any adverse action from a primary regulator like the OCC or the Fed could lead to fines, reputational damage, and a forced retreat from a key growth initiative.
- **Market Sentiment Reversal:** The stock's recent parabolic run-up makes it susceptible to a sharp pullback. With a high short interest of 13.4%, a substantial portion of the market is already positioned for a decline. A single weak earnings report, guidance reduction, or negative macro data point could be enough to break the bullish momentum and trigger a cascade of selling from momentum-driven investors.

In summary, SoFi Technologies represents a compelling short opportunity due to its extreme valuation, continued dependence on a cyclical core business showing signs of weakness, and exposure to significant macroeconomic and regulatory catalysts. The current share price appears to have priced in a flawless multi-year growth trajectory, creating a highly asymmetric risk-reward profile skewed to the downside.

10. SuperInvestor Metrics

| FY | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | TTM |
|--|----------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Magic Formula Metrics (Joel Greenblatt) | | | | | | | | | |
| EBIT | 57.6M | -253.4M | -239.6M | -328.5M | -481.2M | -318.7M | -301.2M | 233.3M | 400.4M |
| Enterprise Value | 387.6M | 7.33B | 5.80B | 5.63B | 12.03B | 8.37B | 11.68B | 16.84B | 34.08B |
| Earnings Yield | 14.9% | -3.5% | -4.1% | -5.8% | -4.0% | -3.8% | -2.6% | 1.4% | 1.2% |
| NWC | | 317.8M | 152.6M | -501.3M | 83.0M | -6.46B | -15.60B | -21.66B | 5.00B |
| PP&E | | 13.3M | 161.0M | 198.3M | 227.1M | 267.2M | 306.5M | 369.1M | 559.1M |
| ROIC | | -76.5% | -76.4% | 108.4% | -155.2% | 5.1% | 2.0% | -1.1% | 7.2% |
| Owner Earnings (Warren Buffett) | | | | | | | | | |
| Net Income | 49.8M | -252.4M | -239.7M | -224.1M | -483.9M | -320.4M | -300.7M | 498.7M | 640.2M |
| D&A | 8.1M | 10.9M | 16.0M | 69.8M | 101.6M | 151.4M | 201.4M | 203.5M | 217.4M |
| Maint. CapEx | 11.6M | 13.7M | 10.6M | 16.6M | 52.3M | 1.4M | 1.1M | 83.3M | 136.7M |
| Δ in WC | -69.4M | 1.23B | 70.0M | -397.3M | -1.35B | -7.50B | -7.63B | -1.61B | -3.32B |
| Owner Earnings | -0.02B | 0.97B | -0.16B | -0.57B | -1.78B | -7.67B | -7.73B | -0.99B | -2.60B |
| WA Shs (Dil) | 0.04B | 0.12B | 0.12B | 0.12B | 0.53B | 0.90B | 0.95B | 1.10B | 1.29B |
| OE/Share | \$-0.62 | \$8.38 | \$-1.41 | \$-4.89 | \$-3.38 | \$-8.51 | \$-8.18 | \$-0.90 | \$-2.01 |
| Stock Price | | | | \$12.44 | \$15.81 | \$4.61 | \$9.95 | \$15.40 | \$30.95 |
| P / OE | | | | -2.5x | -4.7x | -0.5x | -1.2x | -17.1x | -15.4x |
| Piotroski F-Score (Joseph Piotroski) | | | | | | | | | |
| NI > 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| CFO > 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| ROA > 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | 1 |
| CFO > NI | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| (LT Debt / Assets) | | 0 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Δ Current Ratio ↑ | | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 1 |
| Δ Shares ↓ or ↔ | 0 | 0 | 1 | 1 | 0 | 0 | 0 | 0 | 0 |
| Δ Gross Margin ↑ | 0 | 0 | 1 | 1 | 1 | 0 | 0 | 0 | 1 |
| Δ Asset Turnover ↑ | | 0 | 1 | 0 | 1 | 0 | 1 | 1 | 1 |
| F-Score | 3 | 2 | 5 | 3 | 4 | 1 | 2 | 4 | 6 |

REFERENCES

Financial Analysis Report
SoFi Technologies, Inc. (SOFI)
Analysis Date: November 12, 2025

SEC Filings

- 10-K Reports (2021-2025): 5 filings accessed from SEC EDGAR database
- 10-Q Reports (2022-2025): 12 filings accessed from SEC EDGAR database
- 8-K Reports (2020-2025): 23 filings accessed from SEC EDGAR database
- 10-K/A Reports (2021): 1 filings accessed from SEC EDGAR database

Earnings Call Transcripts

- Quarterly earnings call transcripts (2022-2025): 14 transcripts from Financial Modeling Prep

Financial Data Sources

- Financial metrics and historical data from Financial Modeling Prep
 - Institutional Holders
 - Company Profile
 - Analyst Estimates
 - Company News
 - Financial Statements
 - Technical Indicators

Market Data

- Real-time market pricing and capitalization from Yahoo Finance

Internal Analysis Files

- Internal financial analysis spreadsheets (3 files):
 - Balance Sheet
 - Cash Flow Statement
 - Income Statement

Analysis Tools

- Specialized analysis tools (1 tools):
 - Sector Report Generator

All data sources were accessed and compiled for this financial analysis report. SEC filings provide regulatory disclosures and financial statements. Earnings transcripts offer management commentary and forward guidance. Financial APIs deliver quantitative metrics and market data. Access dates ensure data currency and analytical integrity.

Appendix

| BALANCE SHEET (\$ in millions) | | | | | | |
|--|--------------|--------------|---------------|---------------|---------------|---------------|
| Period | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | Q3 2025 |
| Date | 12/31/2020 | 12/31/2021 | 12/31/2022 | 12/31/2023 | 12/31/2024 | TTM |
| Cash and Cash Equivalents | 872 | 494 | 1,421 | 3,085 | 2,538 | 3,246 |
| Short-Term Investments | 0 | 194 | 39 | 500 | 1,804 | 2,512 |
| Cash and Short-Term Investments | 872 | 689 | 1,461 | 3,585 | 4,342 | 5,758 |
| Net Receivables | 17 | 85 | 127 | 169 | 587 | 0 |
| Inventory | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Current Assets | 0 | 57 | 73 | 112 | 276 | 0 |
| Total Current Assets | 890 | 833 | 1,661 | 3,868 | 5,206 | 5,758 |
| Property, Plant, and Equipment (Net) | 198 | 227 | 267 | 306 | 369 | 559 |
| Goodwill | 899 | 898 | 1,622 | 1,393 | 1,393 | 1,393 |
| Intangible Assets | 504 | 452 | 592 | 544 | 639 | 247 |
| Goodwill and Intangible Assets | 1,403 | 1,351 | 2,215 | 1,938 | 2,033 | 1,641 |
| Long-Term Investments | 5,483 | 6,484 | 14,279 | 23,292 | 28,031 | 0 |
| Tax Assets | 0 | 0 | 0 | 0 | 267 | 0 |
| Other Non-Current Assets | 586 | 280 | 583 | 669 | 342 | 0 |
| Total Non-Current Assets | 7,672 | 8,343 | 17,345 | 26,206 | 31,044 | 2,200 |
| Other Assets | 0 | 0 | 0 | 0 | 0 | 37,334 |
| Total Assets | 8,563 | 9,176 | 19,007 | 30,074 | 36,250 | 45,293 |
| Accounts Payable | 452 | 158 | 144 | 159 | 132 | 0 |
| Short-Term Debt | 486 | 497 | 486 | 486 | 486 | 0 |
| Tax Payables | 0 | 0 | 0 | 0 | 0 | 0 |
| Deferred Revenue | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Current Liabilities | 452 | 94 | 7,488 | 18,822 | 26,243 | 759 |
| Total Current Liabilities | 1,391 | 750 | 8,118 | 19,468 | 26,862 | 759 |
| Long-Term Debt | 4,571 | 3,696 | 5,148 | 4,876 | 2,718 | 2,807 |
| Deferred Revenue (Non-Current) | 0 | 2 | 10 | 5 | 7 | 0 |
| Deferred Tax Liabilities (Non-Current) | 0 | 1 | 56 | 40 | 20 | 0 |
| Other Non-Current Liabilities | (452) | 27 | 145 | 128 | 117 | 0 |
| Total Non-Current Liabilities | 4,118 | 3,728 | 5,360 | 5,051 | 2,863 | 0 |
| Other Liabilities | 0 | 0 | 0 | 0 | 0 | 35,753 |
| Capital Lease Obligations | 139 | 152 | 131 | 121 | 110 | 93 |
| Total Liabilities | 5,509 | 4,478 | 13,479 | 24,519 | 29,725 | 36,513 |
| Preferred Stock | 3,173 | 320 | 320 | 320 | 0 | 0 |
| Common Stock | 0 | 0 | 0 | 0 | 0 | 0 |
| Retained Earnings | (699) | (1,183) | (1,503) | (1,804) | (1,305) | (997) |
| Accumulated Other Comprehensive Income (...) | (0) | (1) | (8) | (1) | (8) | 9 |
| Other Total Stockholders' Equity | 579 | 5,561 | 6,719 | 7,039 | 7,838 | 9,768 |
| Total Stockholders' Equity | 3,053 | 4,697 | 5,528 | 5,554 | 6,525 | 8,779 |
| Total Equity | 3,053 | 4,697 | 5,528 | 5,554 | 6,525 | 8,779 |
| Total Liabilities and Stockholders' Equi... | 8,563 | 9,176 | 19,007 | 30,074 | 36,250 | 45,293 |
| Minority Interest | 0 | 0 | 0 | 0 | 0 | 0 |
| Total Liabilities and Total Equity | 8,563 | 9,176 | 19,007 | 30,074 | 36,250 | 45,293 |
| Total Investments | 5,483 | 6,679 | 14,319 | 23,793 | 29,835 | 2,512 |
| Total Debt | 5,057 | 4,194 | 5,634 | 5,362 | 3,204 | 2,807 |
| Net Debt | 4,184 | 3,505 | 4,173 | 1,776 | (1,138) | (2,951) |

| INCOME STATEMENT (\$ in millions) | | | | | | | |
|--|--|--------------|--------------|--------------|--------------|--------------|--------------|
| Period | | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | Q3 2025 |
| Date | | 12/31/2020 | 12/31/2021 | 12/31/2022 | 12/31/2023 | 12/31/2024 | TTM |
| Revenue | | 751 | 1,087 | 1,762 | 2,897 | 3,703 | 4,442 |
| Cost of Revenue | | 185 | 110 | 243 | 844 | 1,123 | 1,151 |
| Gross Profit | | 565 | 977 | 1,519 | 2,053 | 2,580 | 3,290 |
| Gross Profit Ratio | | 75.29% | 89.85% | 86.18% | 70.86% | 69.68% | 74.08% |
| Research & Development | | 0 | 0 | 0 | 0 | 0 | 89 |
| Selling, General & Administrative | | 513 | 925 | 1,119 | 1,230 | 1,396 | 1,690 |
| Other Expenses | | 380 | 533 | 718 | 1,124 | 950 | 1,110 |
| Operating Expenses | | 894 | 1,458 | 1,837 | 2,354 | 2,347 | 2,890 |
| Cost and Expenses | | 1,079 | 1,568 | 2,081 | 3,198 | 3,470 | 4,041 |
| Interest Income | | 363 | 355 | 773 | 2,051 | 2,807 | 3,191 |
| Interest Expense | | 185 | 102 | 189 | 789 | 1,091 | 1,119 |
| Depreciation & Amortization | | 69 | 101 | 151 | 201 | 203 | 224 |
| EBITDA | | (258) | (379) | (167) | (99) | 436 | 931 |
| EBITDA Ratio | | -34.44% | -34.90% | -9.49% | -3.44% | 11.79% | 20.97% |
| Operating Income | | (328) | (481) | (318) | (301) | 233 | 400 |
| Operating Income Ratio | | -43.74% | -44.24% | -18.08% | -10.39% | 6.30% | 9.01% |
| Total Other Income/Expenses (Net) | | 0 | 0 | 0 | 0 | 0 | 0 |
| Income Before Tax | | (328) | (481) | (318) | (301) | 233 | 400 |
| Income Before Tax Ratio | | -43.74% | -44.24% | -18.08% | -10.39% | 6.30% | 9.01% |
| Income Tax Expense | | (104) | 2 | 1 | (0) | (265) | (239) |
| Net Income | | (224) | (483) | (320) | (300) | 498 | 640 |
| Net Income Ratio | | -29.83% | -44.49% | -18.18% | -10.38% | 13.46% | 14.41% |
| EPS | | -2.73 | -1.00 | -0.40 | -0.36 | 0.46 | 0.55 |
| EPS (Diluted) | | -2.73 | -1.00 | -0.40 | -0.36 | 0.39 | 0.50 |
| Weighted Avg Shares | | 116 | 526 | 900 | 945 | 1,050 | 1,171 |
| Weighted Avg Shares (Diluted) | | 116 | 526 | 900 | 945 | 1,101 | 1,291 |

| CASH FLOW STATEMENT (\$ in millions) | | | | | | |
|--------------------------------------|--------------|----------------|----------------|----------------|----------------|----------------|
| Period | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | Q3 2025 |
| Date | 12/31/2020 | 12/31/2021 | 12/31/2022 | 12/31/2023 | 12/31/2024 | TTM |
| Net Income | (224) | (483) | (320) | (300) | 498 | 640 |
| Depreciation & Amortization | 69 | 101 | 151 | 201 | 203 | 224 |
| Deferred Income Tax | (104) | 1 | (3) | (15) | (286) | (257) |
| Stock-Based Compensation | 99 | 239 | 305 | 271 | 246 | 259 |
| Change in Working Capital | (397) | (1,345) | (7,495) | (7,633) | (1,612) | (2,155) |
| Accounts Receivable Change | 1 | 1 | 0 | 0 | 0 | 0 |
| Inventory Change | 0 | 0 | 0 | 0 | 0 | 0 |
| Accounts Payable Change | 95 | (9) | 6 | 42 | 23 | 92 |
| Other Working Capital | (493) | (1,337) | (7,501) | (7,675) | (1,636) | (2,348) |
| Other Non-Cash Items | 76 | 137 | 106 | 249 | (168) | (1,663) |
| Net Cash from Operating | (479) | (1,350) | (7,255) | (7,227) | (1,119) | (2,951) |
| Investments in PP&E | (24) | (52) | (93) | (111) | (154) | (218) |
| Acquisitions (Net) | (32) | 0 | 58 | (72) | 0 | 0 |
| Purchases of Investments | (0) | (268) | (44) | (867) | (2,228) | (3,160) |
| Sales/Maturities of Investments | 323 | 414 | 157 | 533 | 1,076 | 1,255 |
| Other Investing Activities | (7) | 16 | (184) | (1,372) | (3,515) | (3,779) |
| Net Cash from Investing | 258 | 110 | (106) | (1,889) | (4,820) | (5,903) |
| Debt Repayment | 524 | (908) | 1,341 | (279) | (1,490) | 756 |
| Common Stock Issued | 373 | 120 | 2 | 1 | 21 | 21 |
| Common Stock Repurchased | (0) | (114) | 0 | 0 | (323) | (5) |
| Dividends Paid | (40) | (40) | (40) | (40) | (339) | (323) |
| Other Financing Activities | (4) | 1,627 | 7,135 | 11,204 | 7,167 | 5,380 |
| Net Cash from Financing | 853 | 684 | 8,439 | 10,885 | 5,034 | 5,835 |
| Effect of Forex on Cash | (0) | 0 | 0 | 0 | 0 | (1) |
| Net Change in Cash | 633 | (554) | 1,077 | 1,769 | (906) | (255) |
| Cash at End of Period | 1,323 | 768 | 1,846 | 3,615 | 2,709 | 0 |
| Cash at Beginning of Period | 690 | 1,323 | 768 | 1,846 | 3,615 | 2,969 |
| Operating Cash Flow | (479) | (1,350) | (7,255) | (7,227) | (1,119) | (2,951) |
| Capital Expenditure | (24) | (52) | (103) | (121) | (163) | (224) |
| Free Cash Flow | (503) | (1,402) | (7,359) | (7,348) | (1,283) | (3,175) |



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