



Snap Inc.

Recommendation: SELL



Ian Gray



Chiara Armstrong



Jack Petersen



Brett Potomac



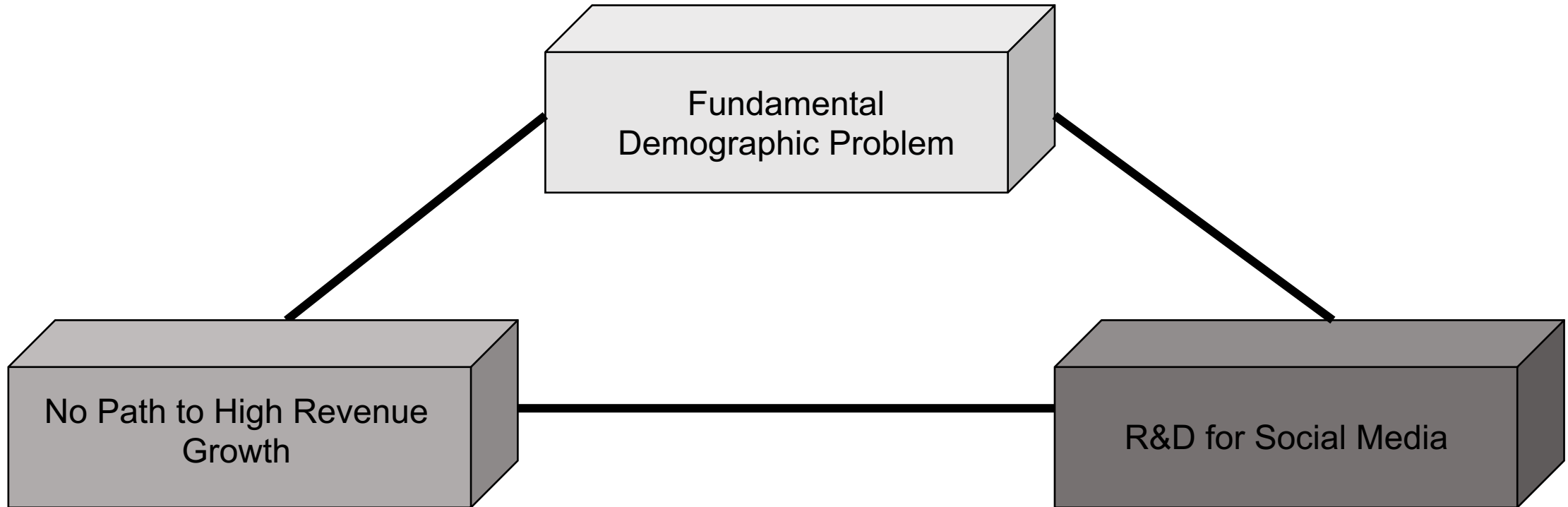
Georgi Prevosti

Why Sell Snap?

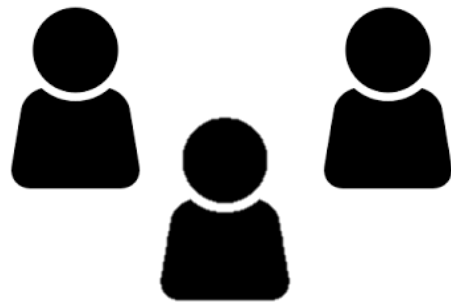
Target Price: \$28.56

Downside: 43.2%

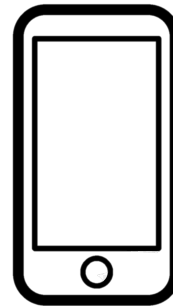
Market Snapshot
Market Cap: \$75B
Shares Outstanding: 1.735B
1/15/21 Close: \$50.31



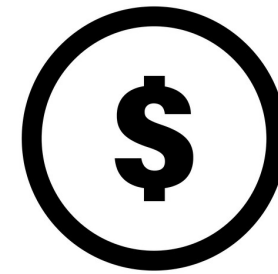
“A Camera Company”



Attract Users



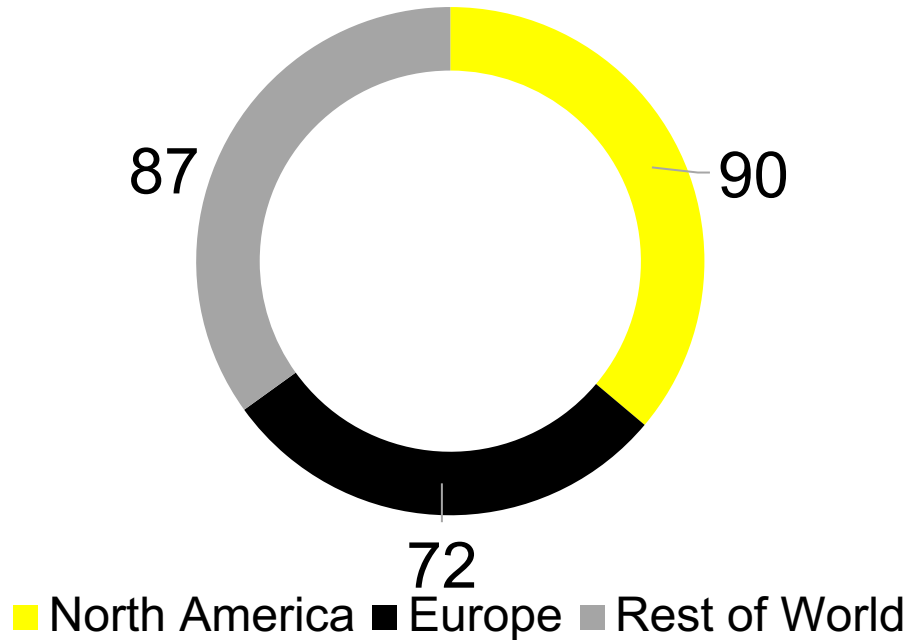
Increase User Engagement



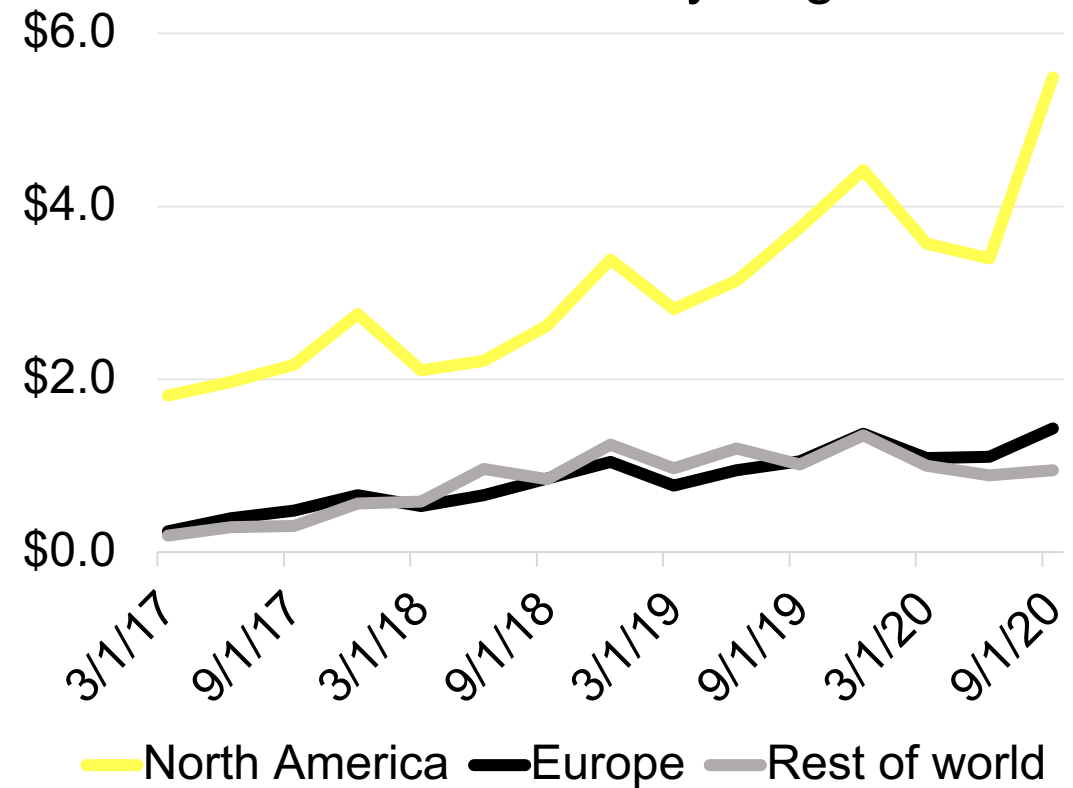
**Monetize Revenue
through Advertisements**

North America is Most Valuable Region

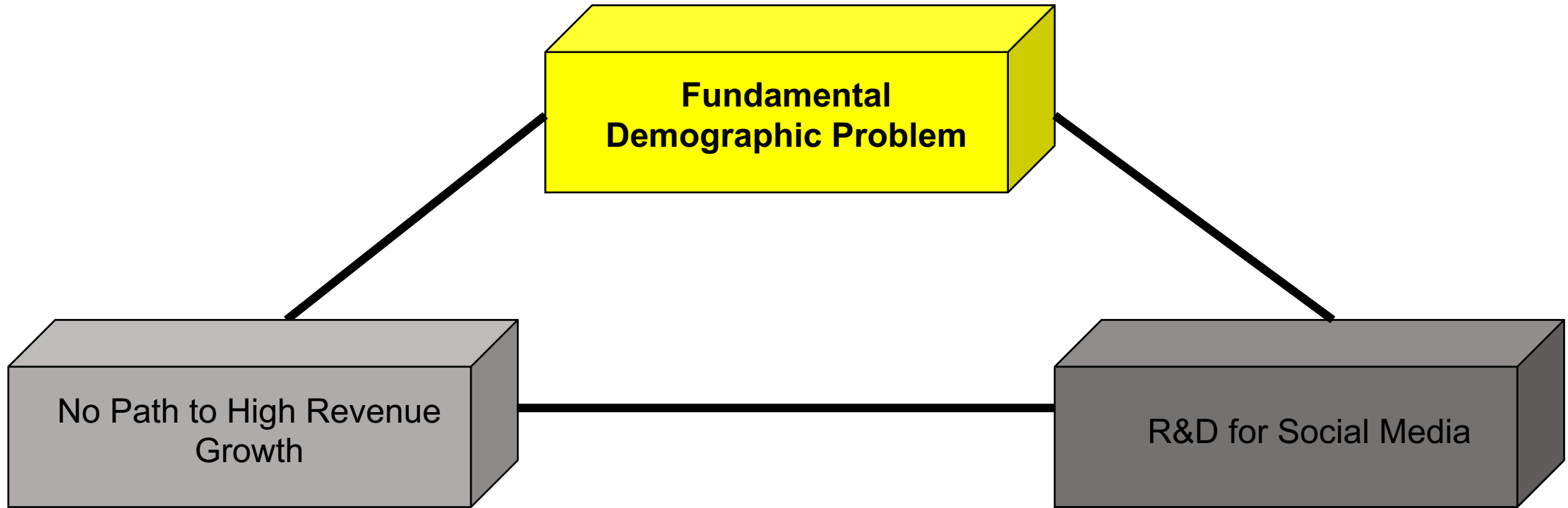
Average DAU by Region (mm)



Historical ARPU by Region

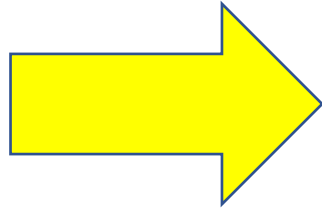


1 | Demographic Problem



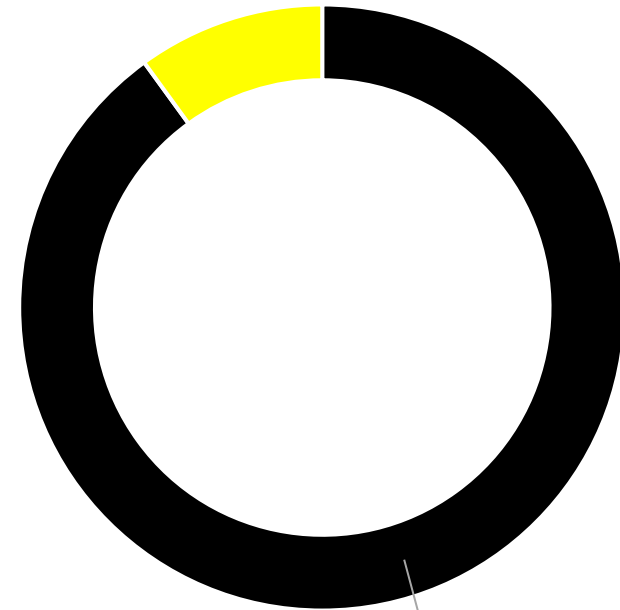
1 | Demographic Problem

Younger audience



Reduced purchasing power

US Population Ages 13-24



90% Use Snap



Demographic Problem

No Path to Revenue Growth

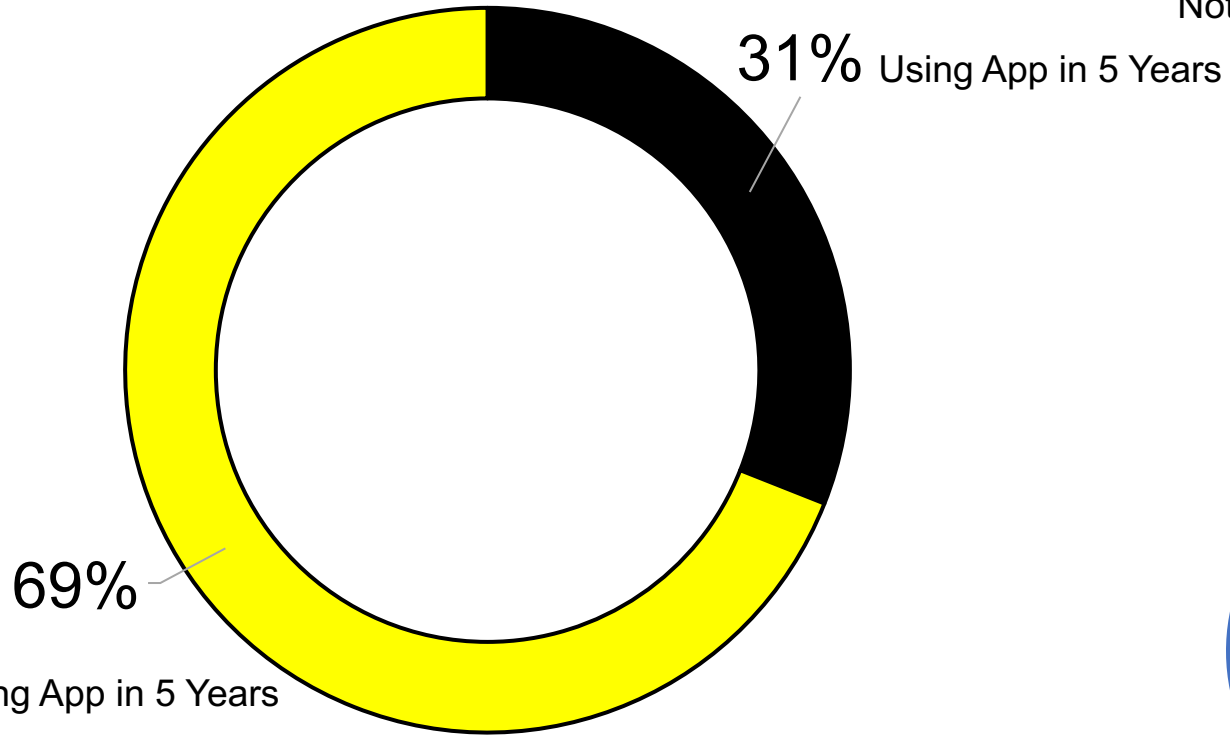
R&D for Social Media

Valuation

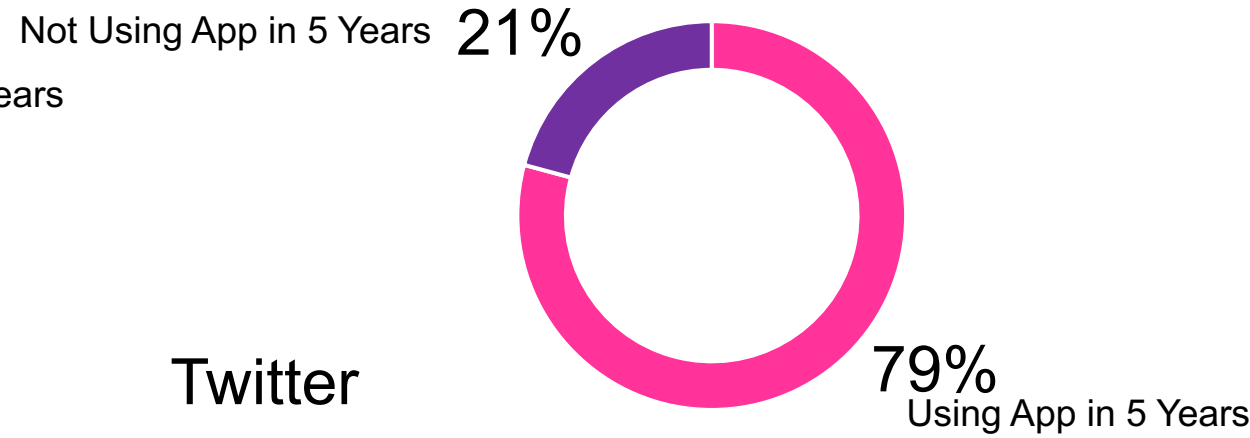
Risks

1 | Internal Survey

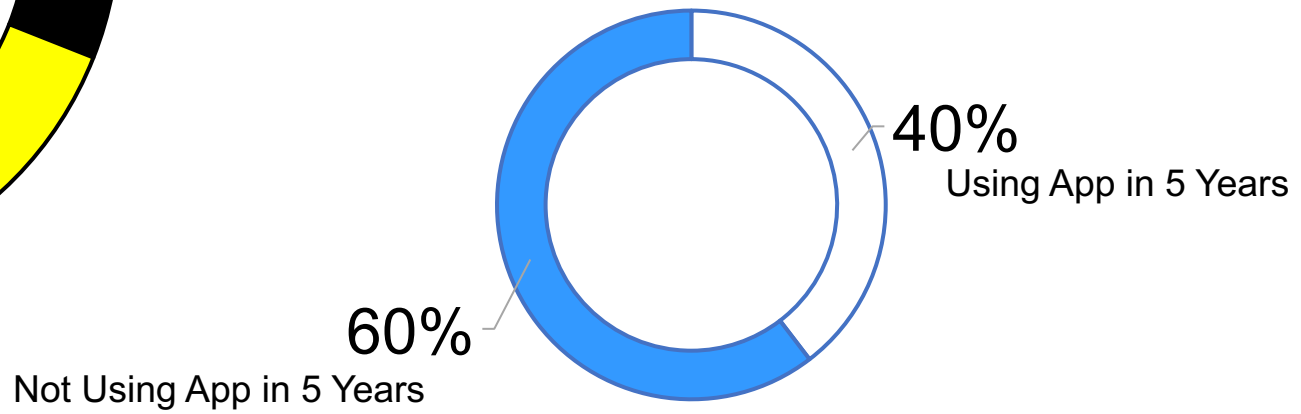
Snapchat



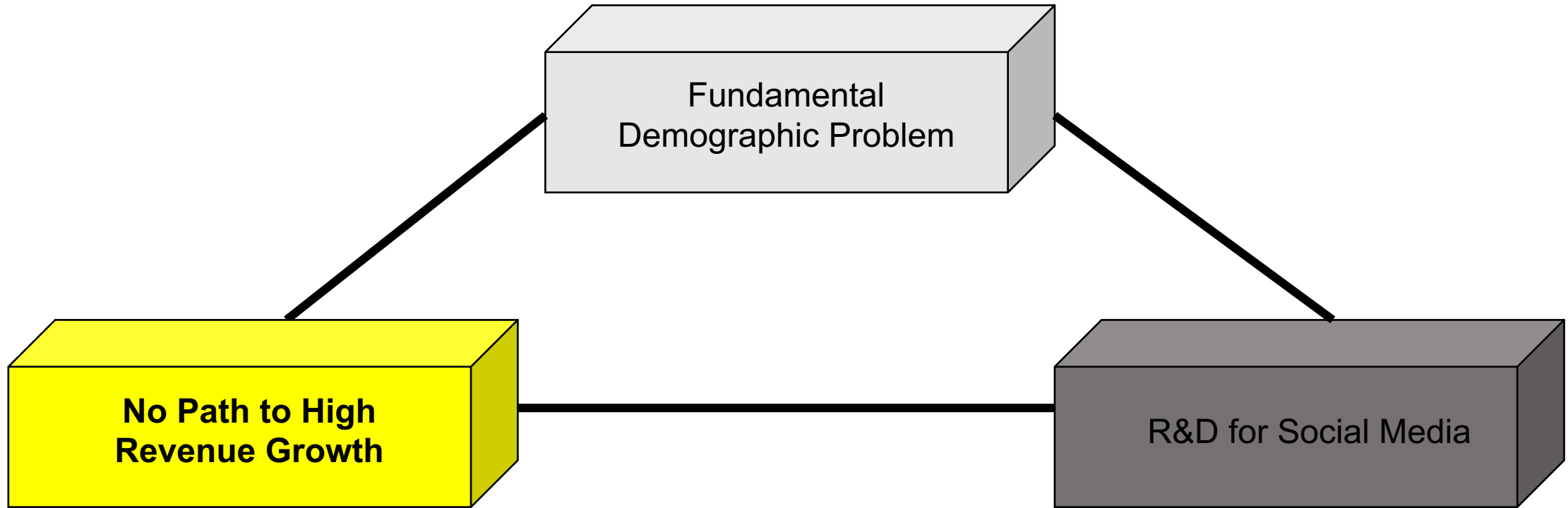
Instagram



Twitter



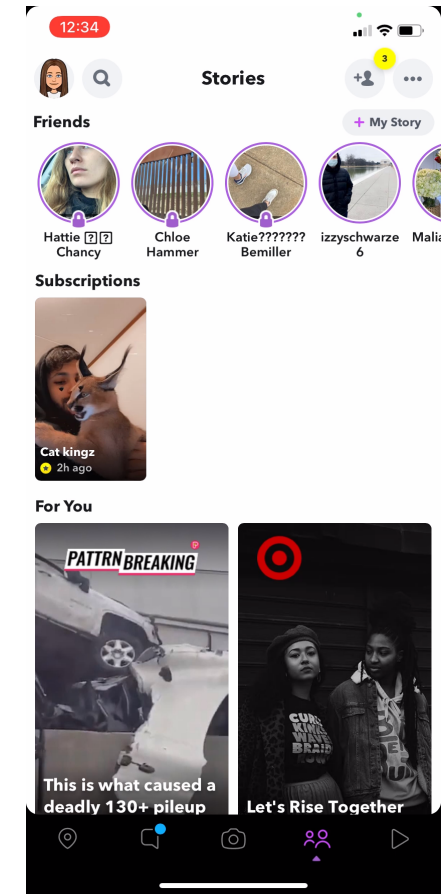
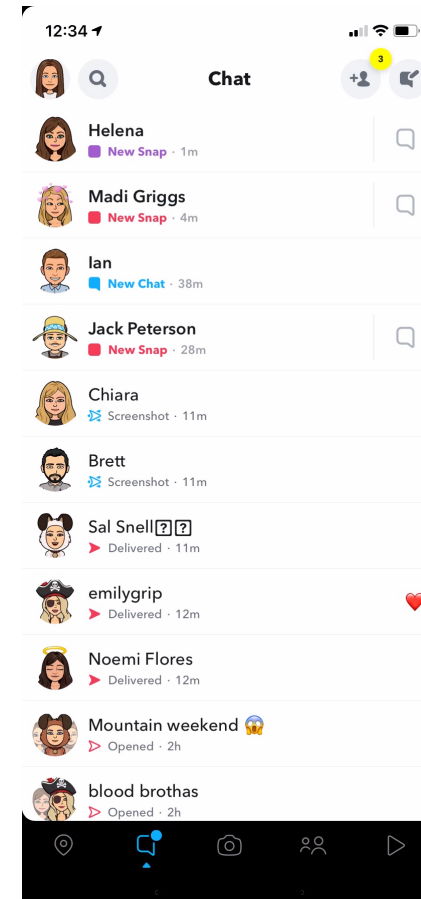
2 | No Path to High Revenue Growth



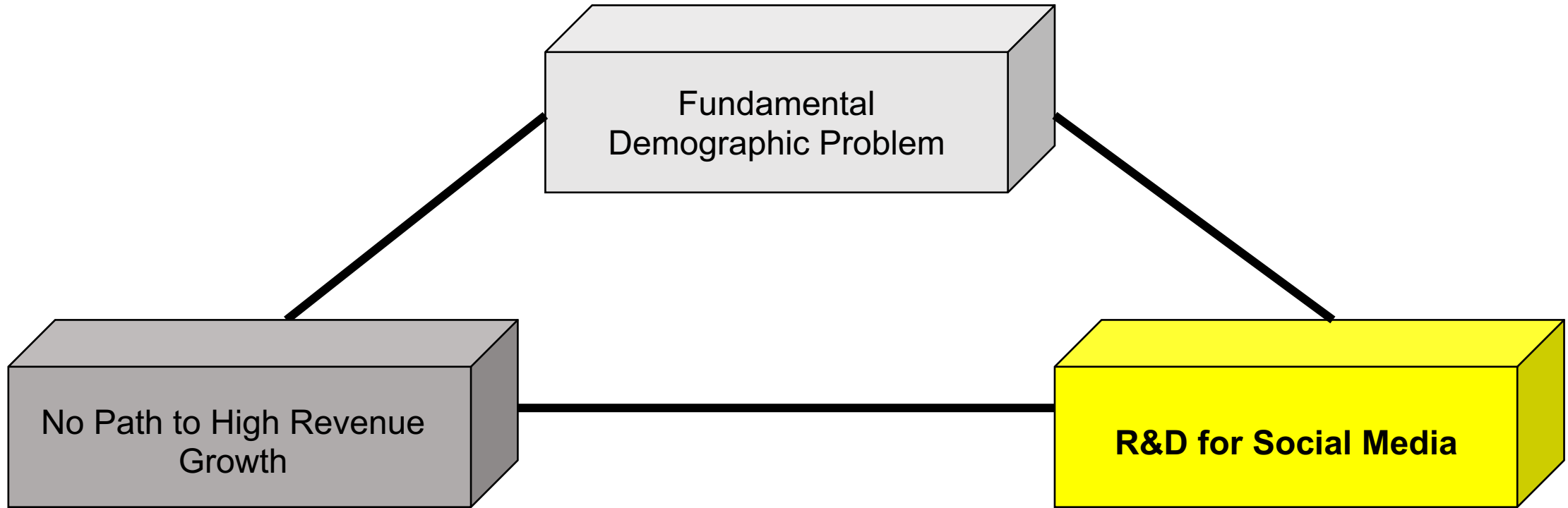
2 | Lack of ARPU Growth



VS.

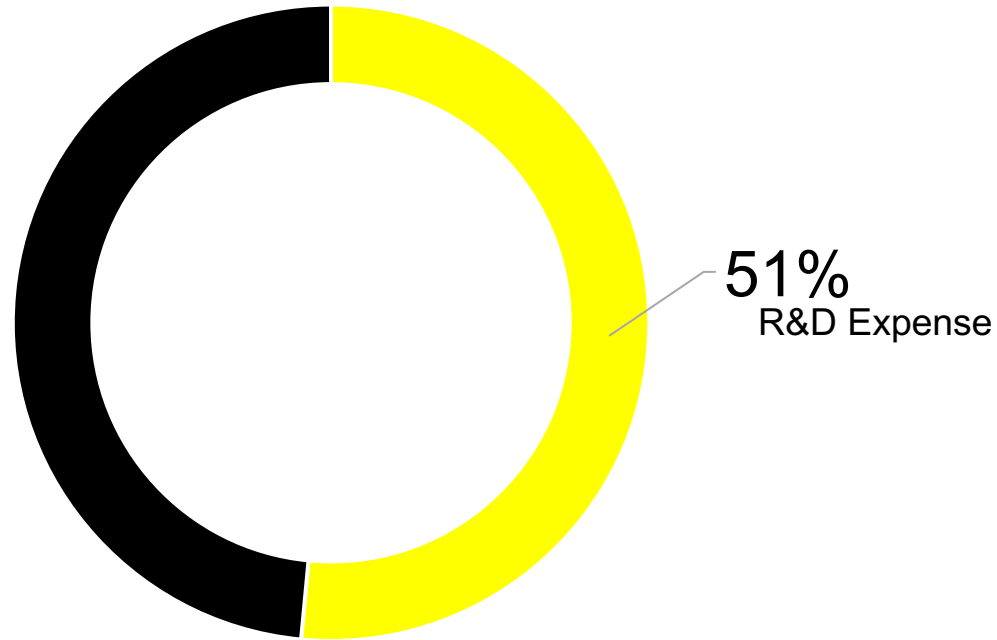


3 | R&D for Social Media

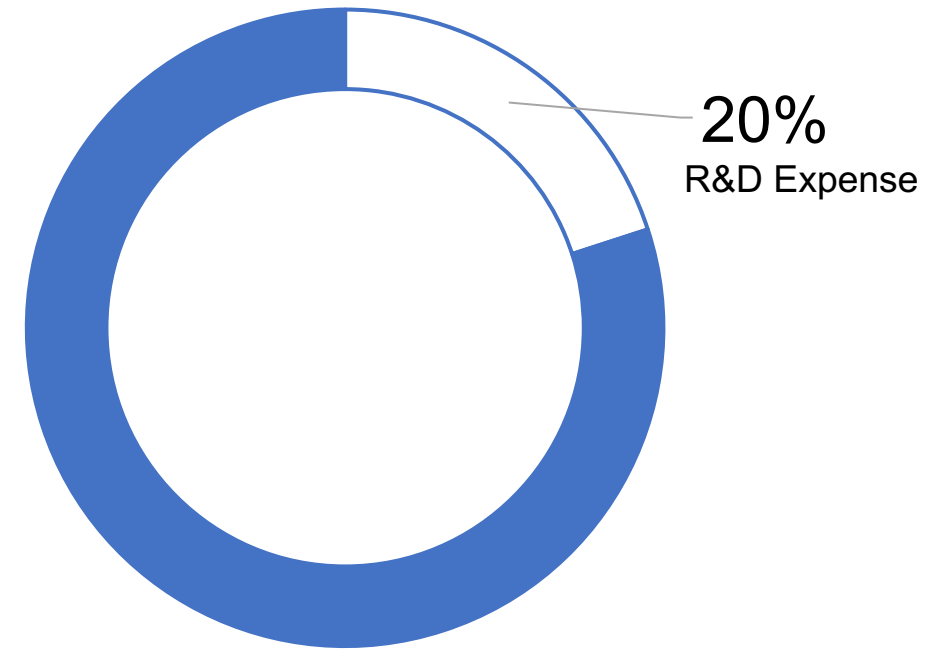


3 | R&D Key Driver for Net Loss

Snapchat R&D as a % of Revenue



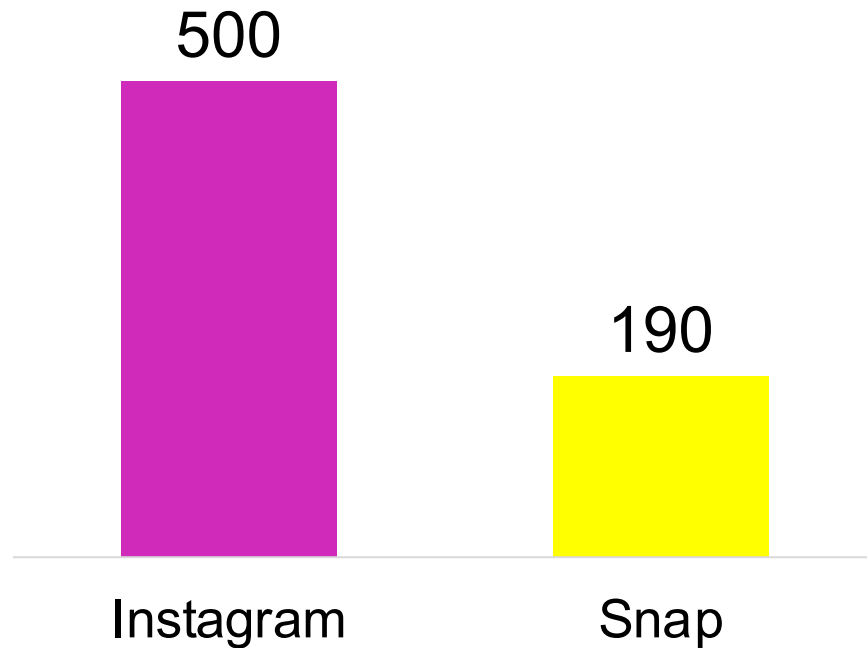
Competitors R&D as a % of Revenue



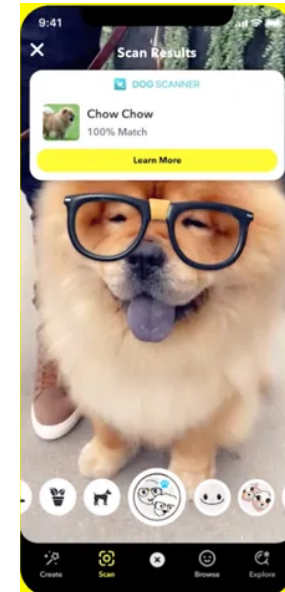
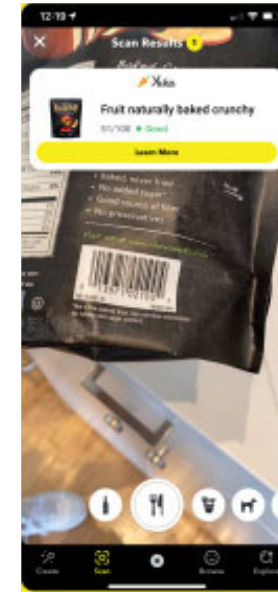
3 | Unsuccessful R&D Spend

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DAUs of Stories Product (mm)



Not Copied



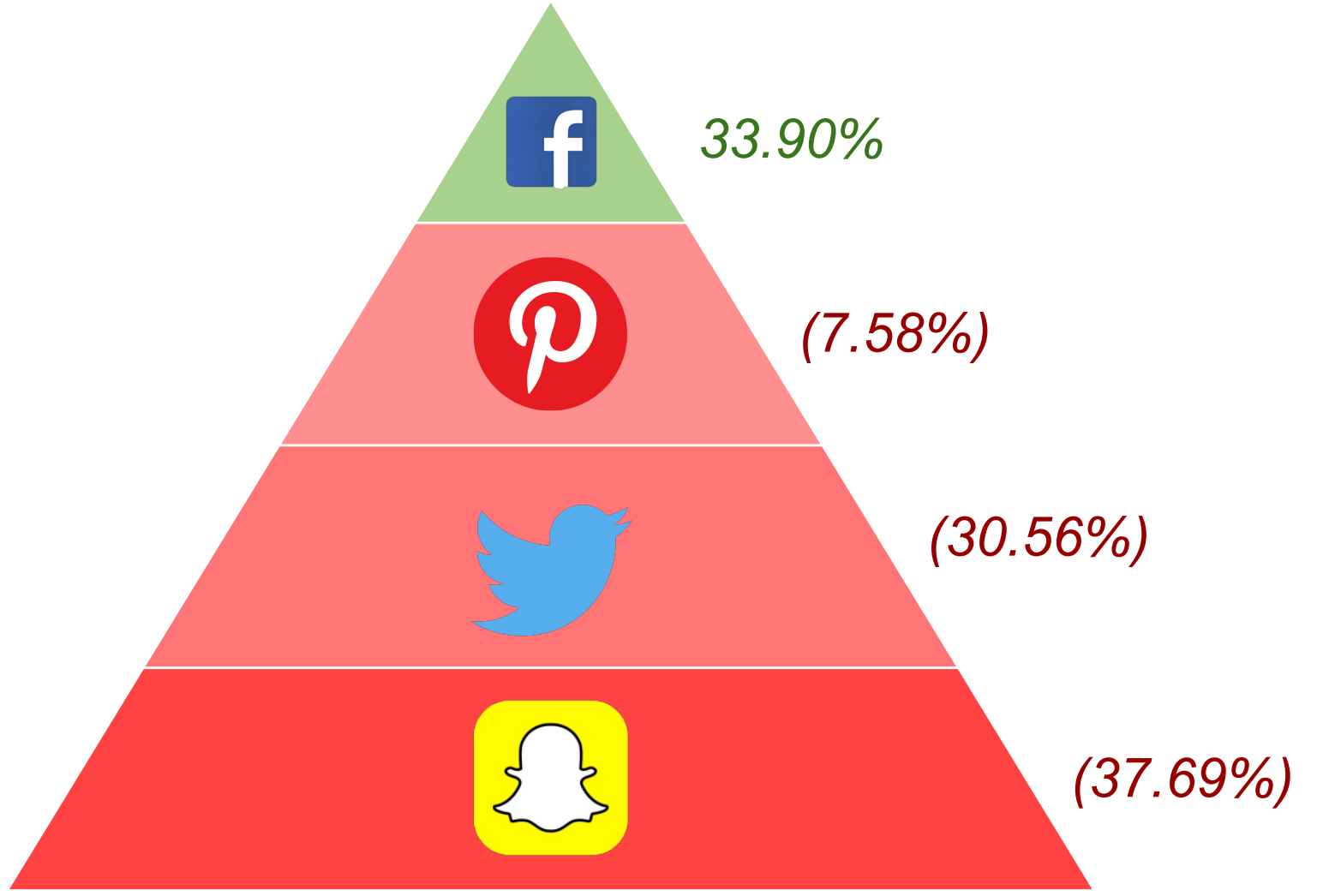
“It’s Evan’s Company”

99.5%

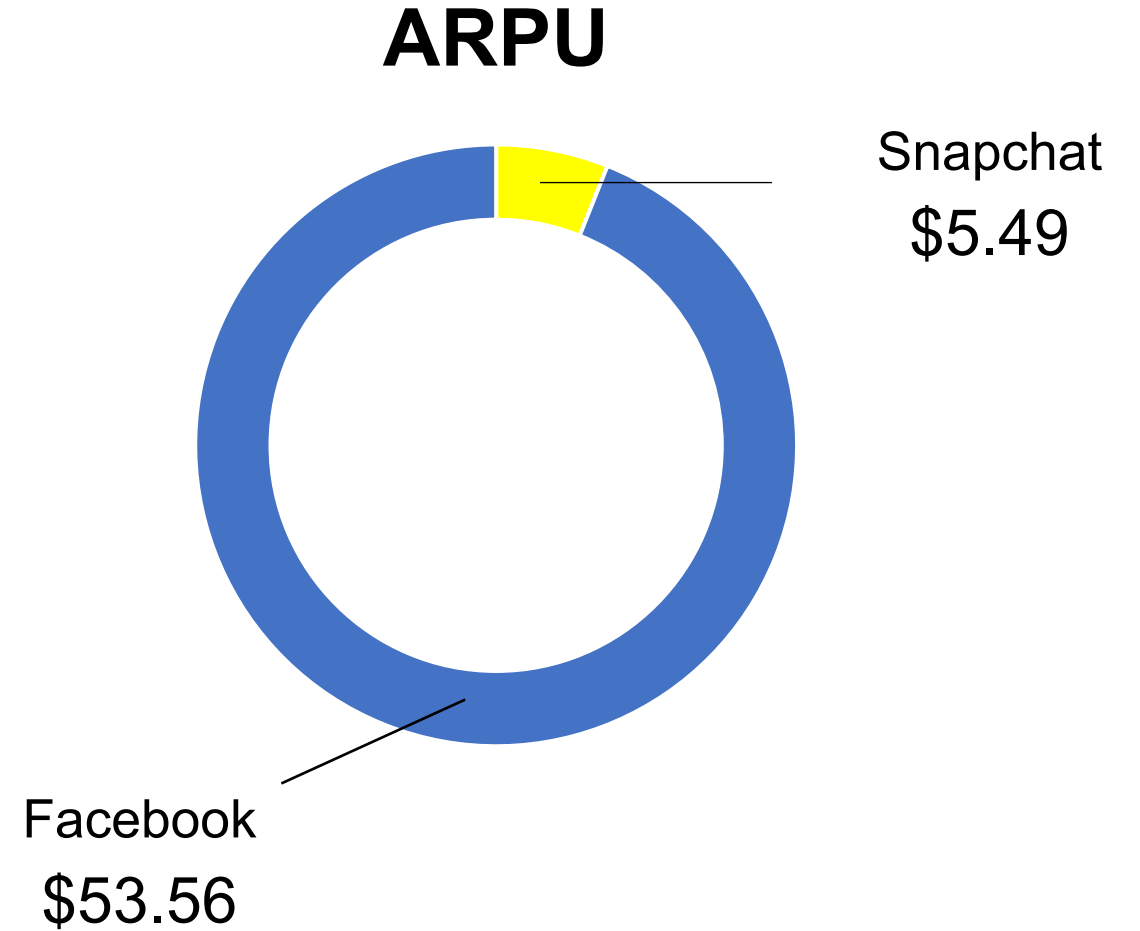
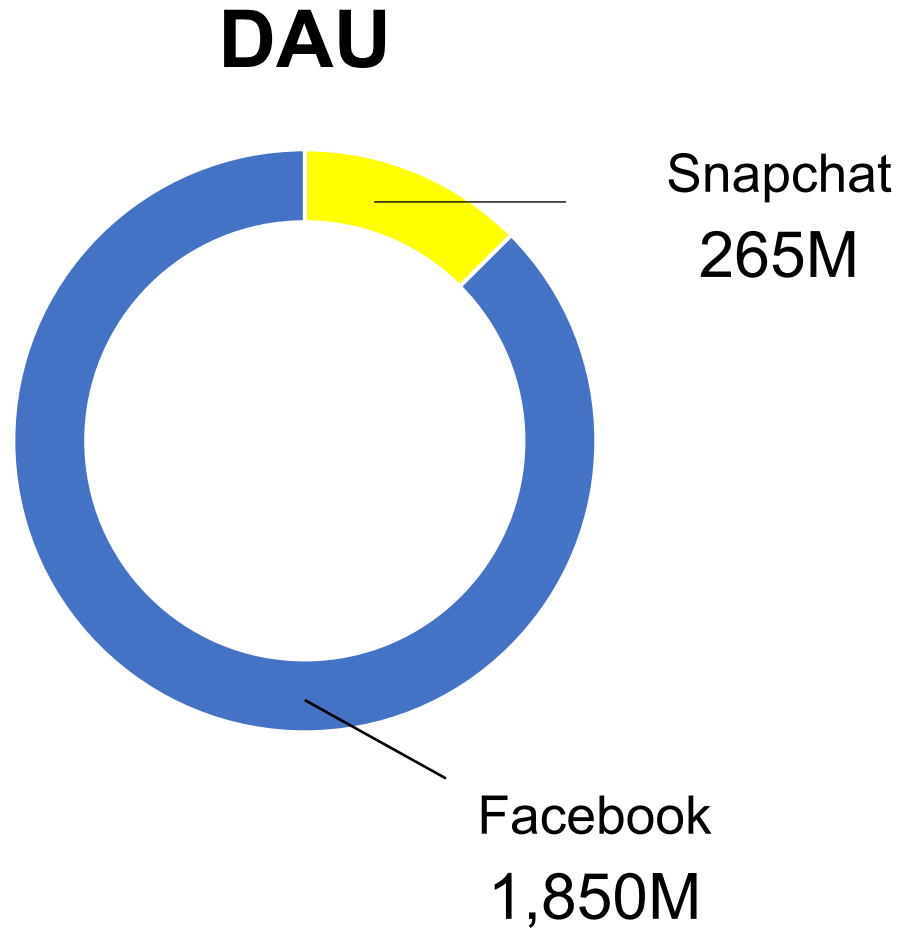
Voting Power Controlled by Cofounders

4 | Competitive Landscape

Profit Margin, LTM



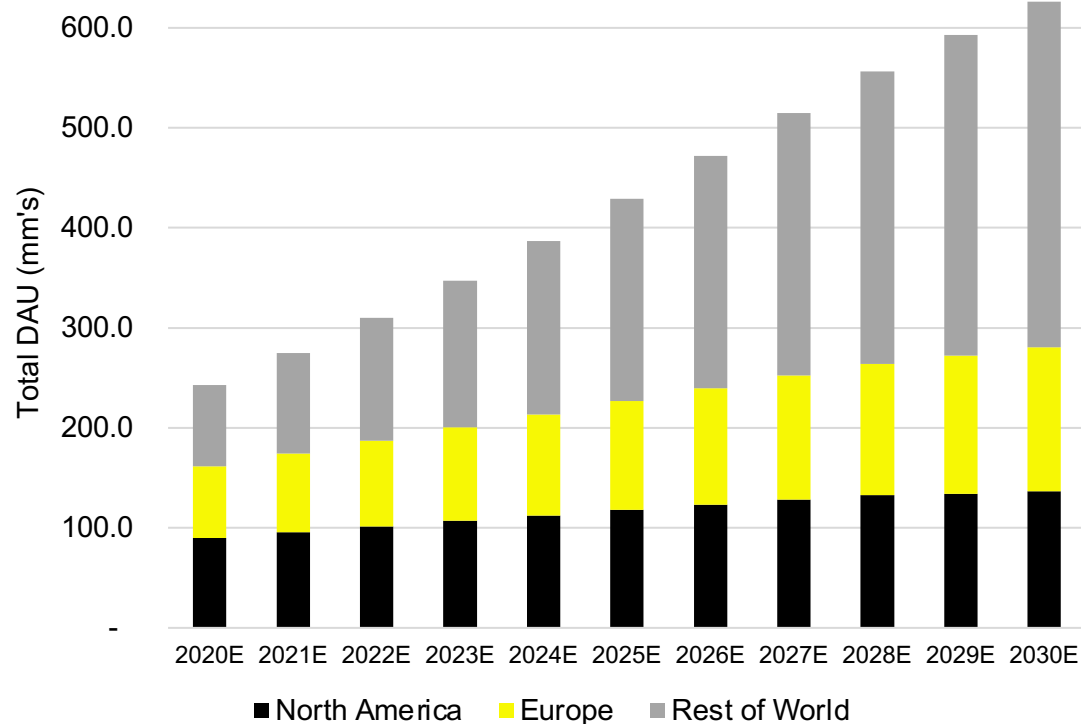
4 | Snapchat v Facebook (North America)



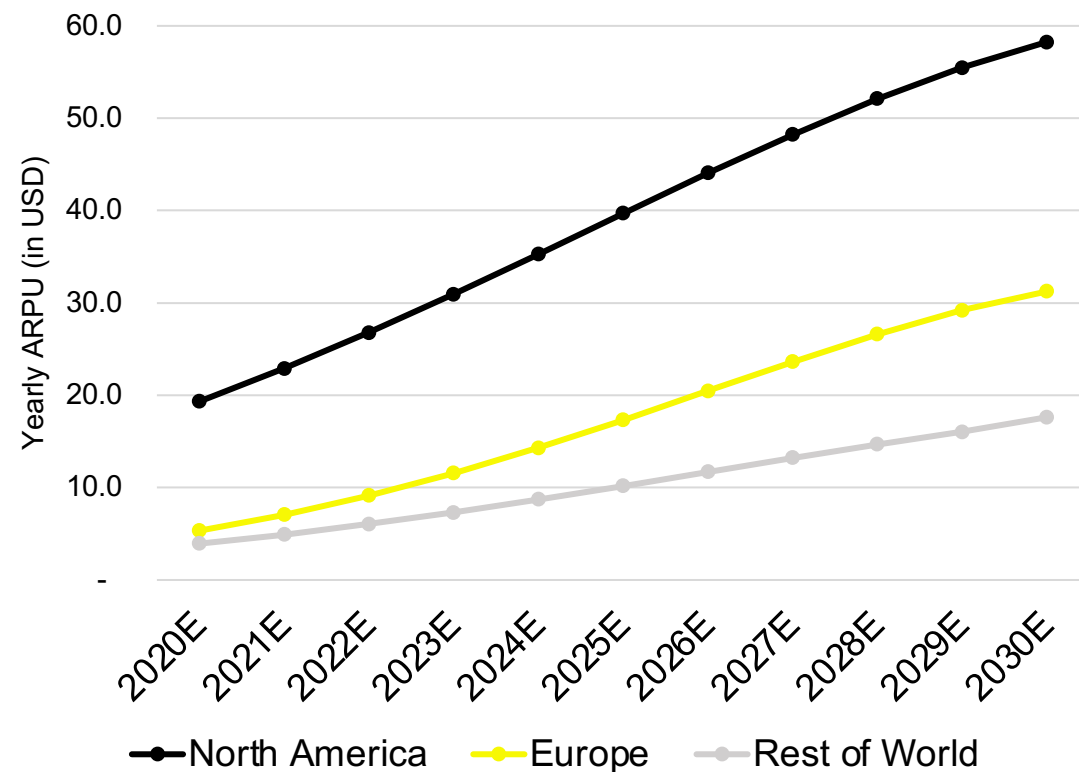
4 | Bottom-Up Model

DAU x ARPU = Total Rev

Projected Average DAU by Region



Projected Total Yearly ARPU by Region

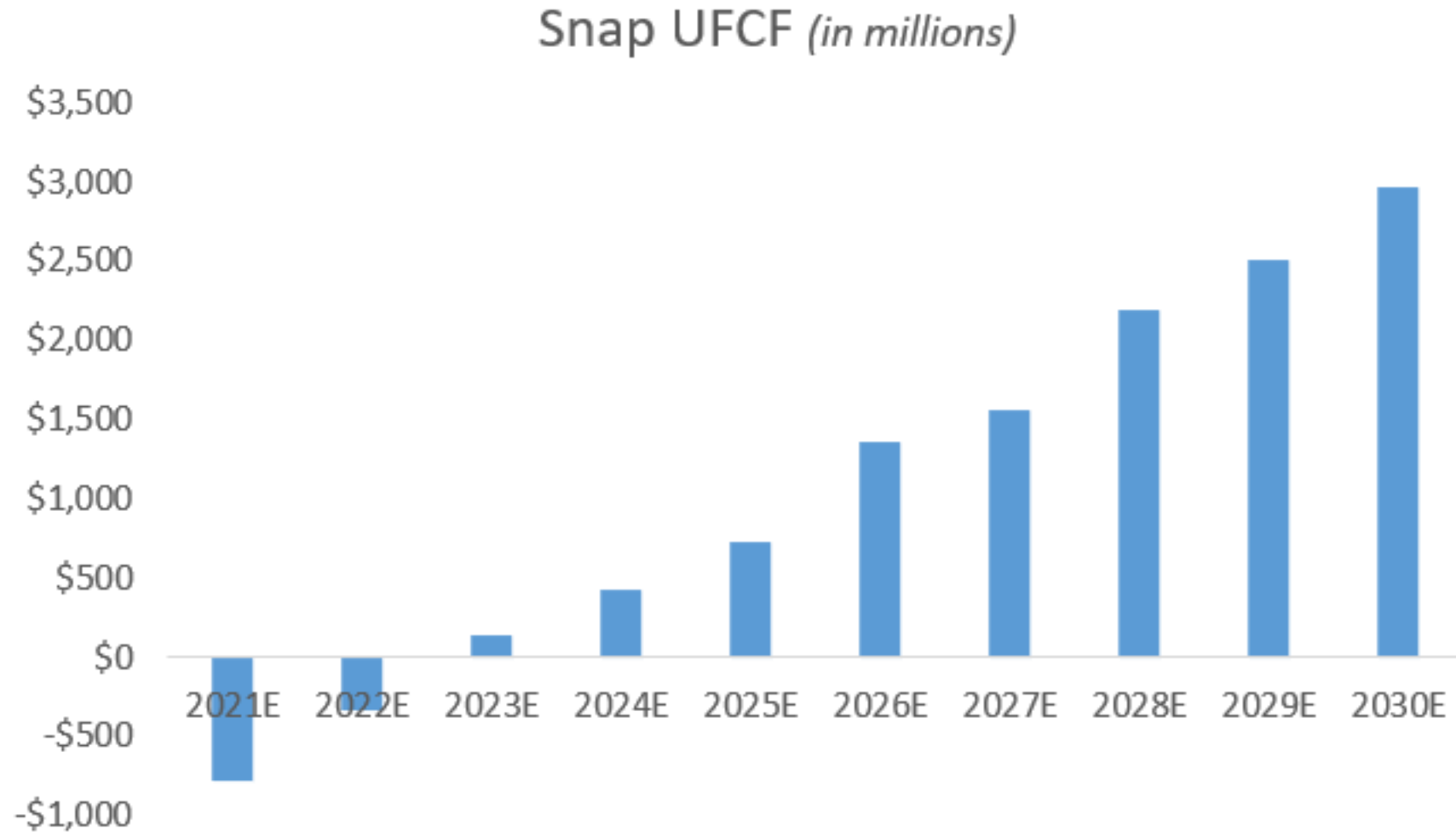


4 | Current Valuation = Unattainable Revenue Growth and Margin

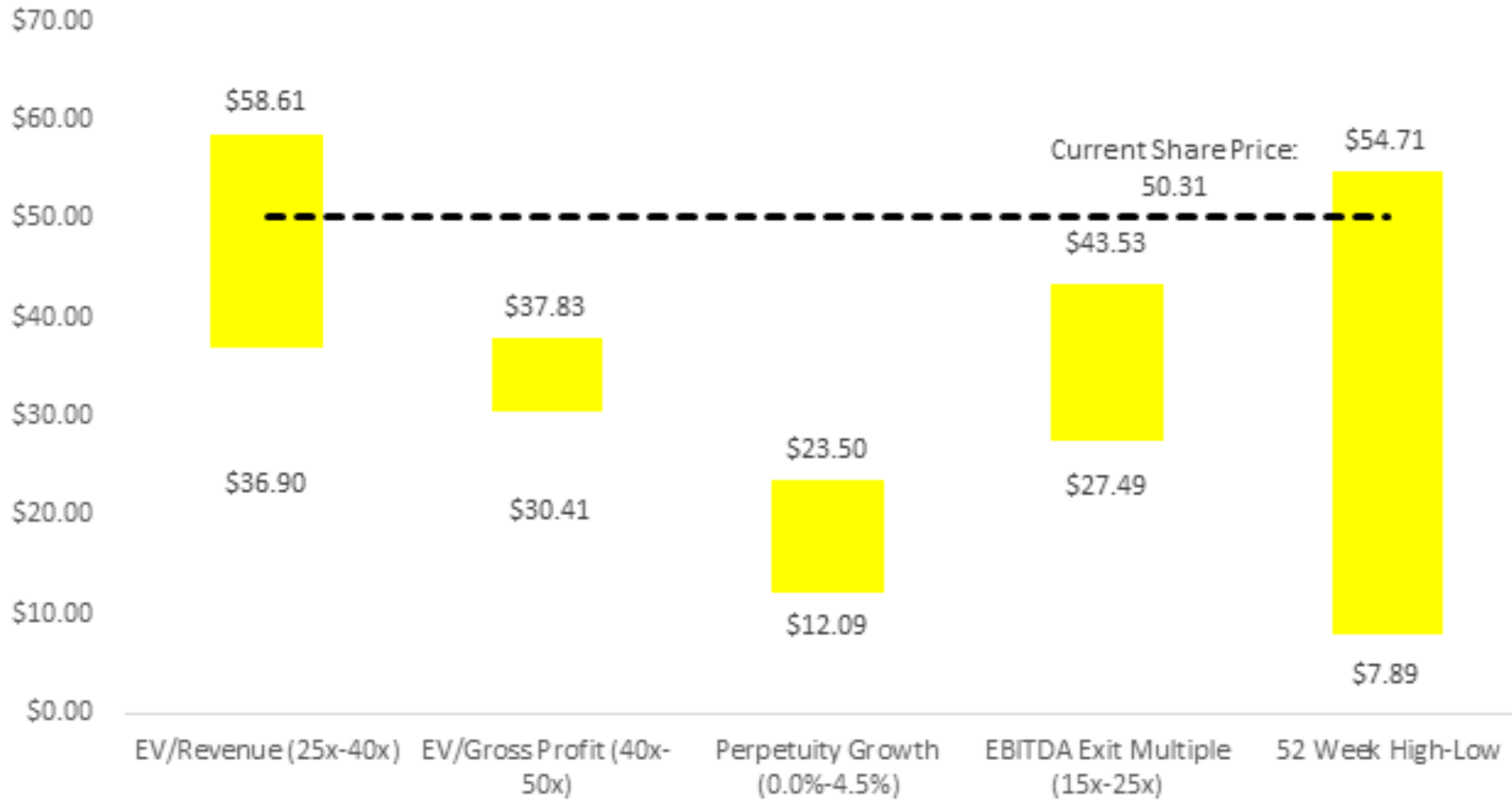
		10 Year Revenue Growth						
		10%	15%	20%	25%	30%	35%	40%
UFCF Margin	10%	\$6	\$8	\$10	\$12	\$14	\$16	\$18
	15%	\$9	\$12	\$15	\$18	\$21	\$24	\$27
	20%	\$12	\$17	\$21	\$26	\$31	\$35	\$40
	25%	\$17	\$24	\$31	\$38	\$45	\$52	\$59
	30%	\$23	\$34	\$44	\$55	\$65	\$76	\$87
	35%	\$33	\$48	\$64	\$79	\$94	\$110	\$125

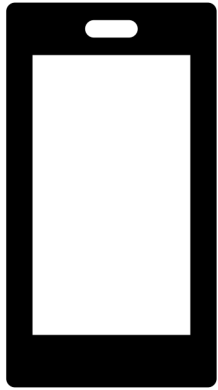


4 | Snap's Major Cash Flows Are Years Away

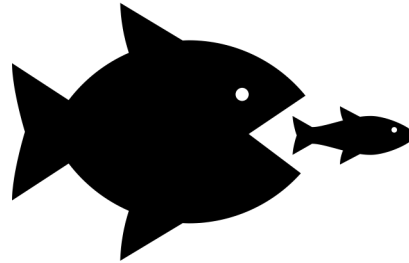


4 | Snap is Overvalued

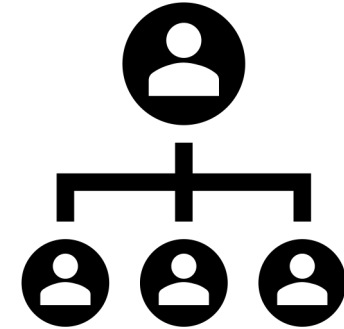




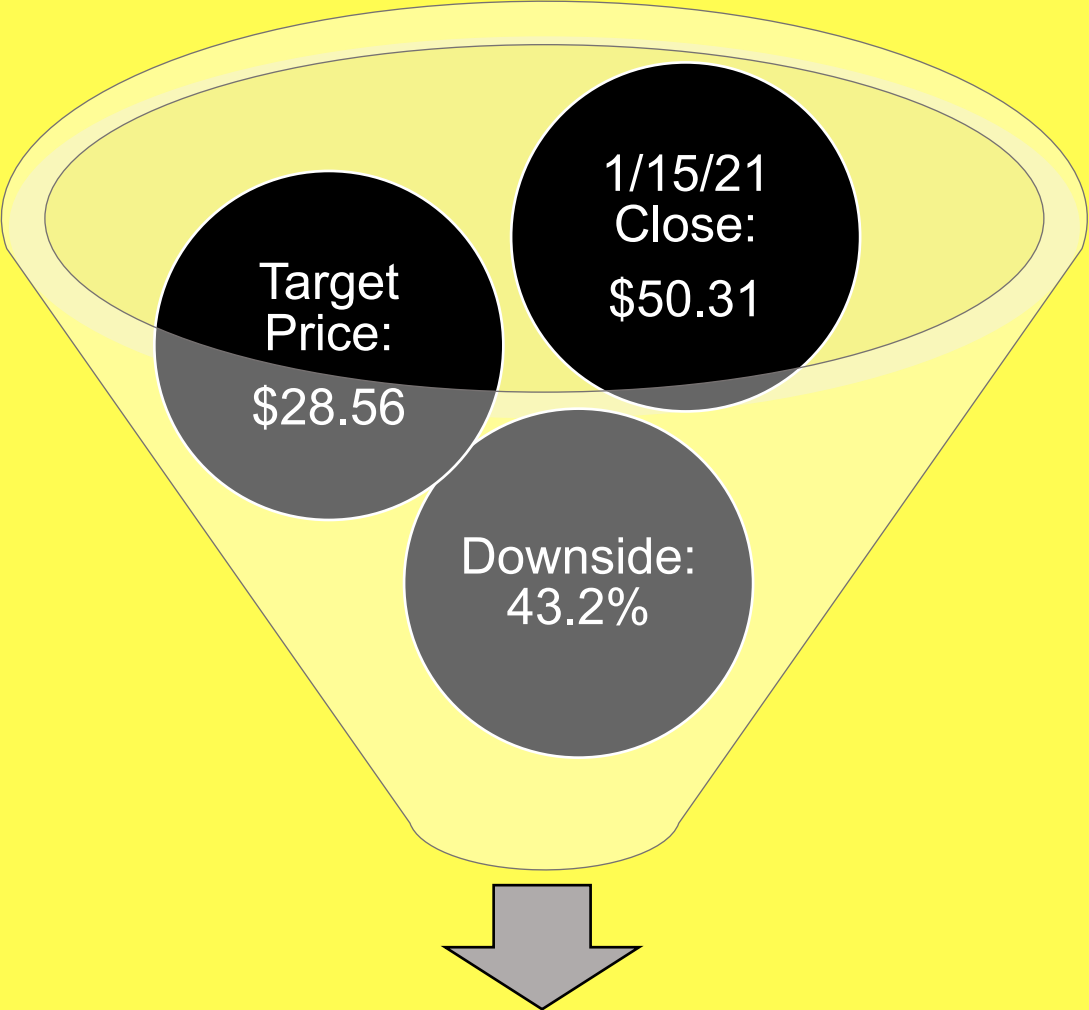
User Engagement



Competition



Management



Snap Inc.

Recommendation: SELL

Thank You
Questions?

Works Cited

SEC Filings

CapitalIQ

Bloomberg Terminal

Business of Apps

The Motley Fool

The Verge

Mind Tools

Snap Investor Relations Website

Statista

CNBC

Tech Crunch

U.S. Bureau of Labor Statistics

Investopedia

Aswath Damodaran's Public Resources

Appendices

[Income Statement](#)

[Cash Flow Statement](#)

[Balance Sheet](#)

[High Revenue Scenario](#)

[Snap Ratios](#)

[Competitor Ratios](#)

[Share Count](#)

[Historic Cash Flows](#)

[Forecasted Cash Flows](#)

[DCF Results](#)

[Relative Valuation](#)

[Valuation Summary](#)

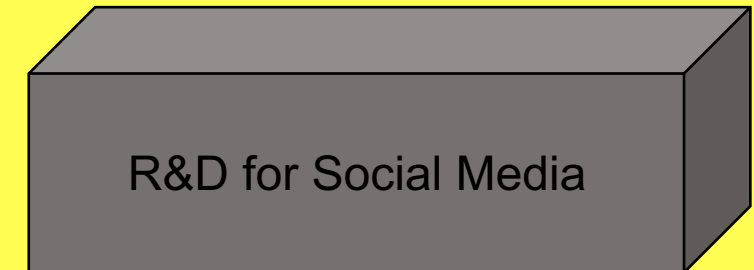
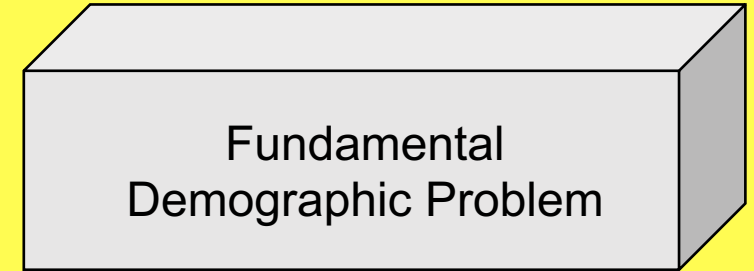
[Diluted Shares Outstanding](#)

[Scenario Analysis](#)

[10 Year Revenue CAGR Analysis](#)

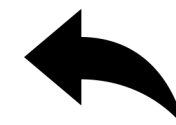
[Share Price History](#)

[Revenue Model](#)



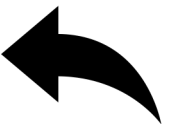
Income Statement

Income Statement						
(in USD millions)	LTM	2019	2018	2017	2016	2015
Revenue	2,156.2	1,715.5	1,180.4	824.9	404.5	58.7
Other Revenue	-	-	-	-	-	-
Total Revenue	2,156.2	1,715.5	1,180.4	824.9	404.5	58.7
Cost Of Goods Sold	1,050.4	895.8	798.9	677.6	451.7	182.3
Gross Profit	1,105.8	819.7	381.6	147.4	(47.2)	(123.7)
Selling General & Admin Exp.	1,021.6	939.5	846.7	2,058.2	289.5	159.4
R & D Exp.	1,002.6	883.5	772.2	1,534.9	183.7	82.2
Other Operating Exp., Total	2,024.2	1,823.0	1,618.9	3,593.1	473.2	241.7
Operating Income	(918.4)	(1,003.3)	(1,237.3)	(3,445.7)	(520.4)	(365.3)
Interest Expense	(82.8)	(25.0)	(3.9)	(3.5)	(1.4)	-
Interest and Invest. Income	26.6	36.0	27.2	21.1	4.7	1.4
Net Interest Exp.	(56.2)	11.0	23.3	17.6	3.2	1.4
Income/(Loss) from Affiliates	-	-	-	-	(3.9)	(0.5)
Other Non-Operating Inc. (Exp.)	(2.2)	(1.7)	(1.0)	4.5	(0.7)	0.3
EBT Excl. Unusual Items	(976.9)	(994.0)	(1,215.0)	(3,423.5)	(521.7)	(364.1)
Merger & Related Restruct. Charges	-	-	-	-	-	(16.4)
Gain (Loss) On Sale Of Invest.	5.3	20.8	(7.2)	-	-	-
Gain (Loss) On Sale Of Assets	0	39.9	-	-	-	-
Asset Writedown	-	-	-	(22.0)	-	-
Legal Settlements	(100.0)	(100.0)	-	-	-	-
Other Unusual Items	-	-	(31.1)	(17.9)	-	-
EBT Incl. Unusual Items	(1,071.6)	(1,033.3)	(1,253.4)	(3,463.4)	(521.7)	(380.5)
Income Tax Expense	0.9	0.4	2.5	(18.3)	(7.1)	(7.6)
Net Income	(1,072.4)	(1,033.7)	(1,255.9)	(3,445.1)	(514.6)	(372.9)
Basic EPS	(\$0.75)	(\$0.75)	(\$0.97)	(\$2.95)	(\$0.64)	(\$0.51)



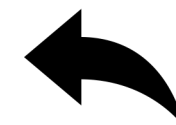
Cash Flow Statement

Cash Flow Statement						
(in USD millions)	LTM	2019	2018	2017	2016	2015
Net Income	(1,072.4)	(1,033.7)	(1,255.9)	(3,445.1)	(514.6)	(372.9)
Depreciation & Amort.	53.7	53.8	49.0	29.8	12.9	5.8
Amort. of Goodwill and Intangibles	30.9	33.4	42.6	31.5	16.2	9.5
Depreciation & Amort., Total	84.6	87.2	91.6	61.3	29.1	15.3
Other Amortization	67.9	17.8	-	-	-	-
(Gain) Loss From Sale Of Assets	0	(39.9)	-	-	-	-
Stock-Based Compensation	717.0	686.0	538.2	2,639.9	31.8	73.5
Other Operating Activities	(13.0)	(29.1)	31.7	(1.8)	(7.1)	(7.1)
Change in Acc. Receivable	(160.4)	(147.9)	(77.5)	(104.4)	(118.4)	(41.9)
Change in Acc. Payable	3.8	20.7	(33.5)	49.7	6.5	(6.7)
Change in Other Net Operating Assets	190.8	133.8	15.4	65.7	(38.5)	33.1
Cash from Ops.	(181.9)	(305.0)	(689.9)	(734.7)	(611.2)	(306.6)
Capital Expenditure	(50.5)	(36.5)	(120.2)	(84.5)	(66.4)	(19.2)
Sale of Property, Plant, and Equipment	-	-	11.3	-	-	-
Cash Acquisitions	(130.8)	(77.1)	(0.8)	(386.0)	(104.0)	(48.7)
Divestitures	0	73.8	-	-	-	-
Sale (Purchase) of Intangible assets	-	-	-	-	(0.6)	(9.1)
Invest. in Marketable & Equity Secur.	(458.1)	(689.8)	806.8	(878.4)	(843.3)	(9.6)
Net (Inc.) Dec. in Loans Originated/Sold	-	-	-	-	-	-
Other Investing Activities	(0.5)	1.0	(2.6)	(8.1)	0	(14.4)
Cash from Investing	(639.9)	(728.6)	694.5	(1,357.0)	(1,014.3)	(100.9)
Short Term Debt Issued	-	-	-	-	5.0	-
Long-Term Debt Issued	-	1,251.4	-	-	-	-
Total Debt Issued	988.1	1,251.4	-	-	5.0	-
Short Term Debt Repaid	-	-	-	-	(5.0)	-
Long-Term Debt Repaid	-	-	-	-	-	-
Total Debt Repaid	-	-	-	-	(5.0)	-
Issuance of Common Stock	27.8	16.5	48.0	2,669.2	1,157.9	651.4
Repurchase of Common Stock	-	-	(0.6)	(394.2)	(10.6)	(1.0)
Total Dividends Paid	-	-	-	-	-	-
Special Dividend Paid	-	-	-	-	-	-
Other Financing Activities	(100.0)	(102.1)	-	(9.7)	(5.4)	-
Cash from Financing	916.0	1,165.9	47.4	2,265.3	1,141.9	650.4
Net Change in Cash	94.2	132.3	52.0	173.7	(483.6)	242.8



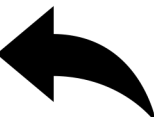
Balance Sheet

Balance Sheet (in USD millions)	Sep-30-2020	Dec-31-2019	Dec-31-2018	Dec-31-2017	Dec-31-2016	Dec-31-2015
ASSETS						
Cash And Equivalents	824.1	520.3	387.1	334.1	150.1	640.8
Short Term Investments	1,900.9	1,592.5	891.9	1,709.0	837.2	-
Total Cash & ST Investments	2,725.0	2,112.8	1,279.1	2,043.0	987.4	640.8
Accounts Receivable	529.9	492.2	355.0	279.5	162.7	44.3
Total Receivables	529.9	492.2	355.0	279.5	162.7	44.3
Prepaid Exp.	60.8	39.0	41.9	44.3	30.0	7.4
Other Current Assets	-	-	-	-	-	-
Total Current Assets	3,315.7	2,644.0	1,675.9	2,366.8	1,180.0	692.6
Gross Property, Plant & Equipment	-	561.7	279.6	204.5	118.4	50.8
Accumulated Depreciation	-	(112.6)	(67.0)	(37.8)	(17.8)	(6.7)
Net Property, Plant & Equipment	444.3	449.1	212.6	166.8	100.6	44.1
Long-term Investments	-	55.0	43.6	43.6	11.8	9.1
Goodwill	816.1	761.2	632.4	639.9	319.1	133.9
Other Intangibles	91.8	92.1	126.1	166.5	76.0	43.2
Other Long-Term Assets	149.8	10.6	23.6	38.1	35.3	16.0
Total Assets	4,817.8	4,011.9	2,714.1	3,421.6	1,722.8	938.9
LIABILITIES						
Accounts Payable	62.0	46.9	30.9	71.2	8.4	0.7
Accrued Exp.	507.1	144.0	41.6	37.6	34.6	10.0
Curr. Port. of Leases	41.0	42.2	-	-	-	-
Curr. Income Taxes Payable	-	-	-	-	9.3	1.1
Unearned Revenue, Current	-	20.1	11.0	-	-	-
Other Current Liabilities	-	246.5	209.2	237.4	104.5	144.5
Total Current Liabilities	610.1	499.7	292.7	346.3	156.7	156.3
Long-Term Debt	1,650.2	891.8	-	-	-	-
Long-Term Leases	287.1	303.2	-	-	15.1	13.5
Other Non-Current Liabilities	71.5	57.4	110.4	83.0	32.0	5.0
Total Liabilities	2,619.0	1,752.0	403.1	429.2	203.9	174.8
Common Stock	0.0	0.0	0.0	0.0	0.0	0.0
Additional Paid In Capital	9,968.7	9,205.3	8,220.4	7,634.8	2,728.8	1,467.4
Retained Earnings	(7,778.4)	(6,945.9)	(5,912.6)	(4,656.7)	(1,207.9)	(693.2)
Total Equity	2,198.8	2,259.9	2,311.0	2,992.3	1,518.9	764.1
Total Liabilities And Equity	4,817.8	4,011.9	2,714.1	3,421.6	1,722.8	938.9



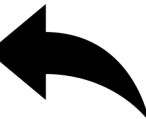
High Revenue Scenario (36% CAGR)

Valuation Matrix		
Method	Weighting	Share Price
DCF - Perpetuity	33%	\$41.05
DCF - Exit Multiple	33%	\$59.39
Relative Valuation	33%	\$39.13
Target Price		\$46.52
Last Close		\$50.31
Discount to Last Close		7.5%



Snap Ratios

Ratios	LTM				
	12 months Sep-30-2020	12 months Dec-31-2019	12 months Dec-31-2018	12 months Dec-31-2017	12 months Dec-31-2016
Profitability					
Return on Assets %	(13.2%)	(18.6%)	(25.2%)	(83.7%)	(24.4%)
Return on Equity %	(47.4%)	(45.2%)	(47.4%)	(152.7%)	(45.1%)
Margin Analysis					
Gross Margin %	51.3%	47.8%	32.3%	17.9%	(11.7%)
SG&A Margin %	47.4%	54.8%	71.7%	249.5%	71.6%
EBITDA Margin %	(38.7%)	(53.4%)	(97.1%)	NM	(121.5%)
Net Income Margin %	(49.7%)	(60.3%)	(106.4%)	NM	(127.2%)
Short Term Liquidity					
Current Ratio	5.4x	5.3x	5.7x	6.8x	7.5x
Quick Ratio	5.3x	5.2x	5.6x	6.7x	7.3x
Growth Over Prior Year					
Total Revenue	39.6%	45.3%	43.1%	104.0%	589.5%
Gross Profit	60.5%	114.8%	159.0%	NM	NM

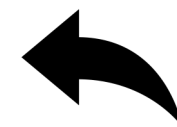


Competitor Ratios

Competitor Ratios

LTM

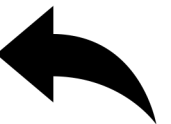
	FB	TWTR	PINS	SNAP
Profitability				
Return on Assets %	11.0%	(0.4%)	(8.2%)	(13.2%)
Return on Equity %	12.8%	(15.3%)	(19.1%)	(47.4%)
Margin Analysis				
Gross Margin %	81.0%	63.7%	70.0%	51.3%
SG&A Margin %	29.3%	41.8%	47.9%	47.4%
EBITDA Margin %	38.3%	8.6%	(19.0%)	(38.7%)
Net Income Margin %	32.0%	(36.1%)	(26.8%)	(49.7%)
Short Term Liquidity				
Current Ratio	5.5x	4.4x	10.7x	5.4x
Quick Ratio	5.3x	4.4x	10.5x	5.3x
Growth Over Prior Year				
Total Revenue	18.7%	2.2%	36.5%	39.6%
Gross Profit	17.5%	(3.6%)	41.6%	60.5%



Share Count

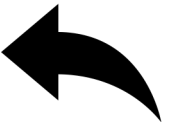
Share Count (in millions)

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>LTM</u>
	753.9	836.1	1,227.00	1,321.00	1,420.20	1,490.00
YoY % Change		10.9%	46.8%	7.7%	7.5%	6.4%



Historic Cash Flows

HISTORIC CASH FLOWS					
	Historical				
	2016A	2017A	2018A	2019A	LTM
Net sales	\$404.5	\$824.9	\$1,180.4	\$1,715.5	\$2,156.2
Cost of goods sold	449.5	702.2	772.6	874.6	1,028.8
Gross Profit	(45.0)	122.7	407.9	841.0	1,127.4
Depreciation & Amortization	11.4	36.2	58.6	54.0	48.9
Research & Development	183.7	1,534.9	772.2	883.5	1,002.6
Selling & Marketing	121.2	512.2	385.7	445.3	510.9
General & Administrative	159.2	1,525.1	459.7	561.4	583.3
Other Op Expenses	0.0	0.0	(41.0)	(60.1)	(100.0)
EBIT	(520.4)	(3,485.6)	(1,227.4)	(1,043.2)	(918.4)
Taxes	(7.1)	(18.3)	2.5	0.4	0.9
Tax-effected EBIT	(513.3)	(3,467.2)	(1,230.0)	(1,043.6)	(919.3)
Depreciation and amortization	11.4	36.2	58.6	54.0	48.9
Capex	66.4	84.5	120.2	36.5	50.5
Change in Net Working Capital	(38.5)	65.7	15.4	133.8	190.8
Unlevered free cash flows	(\$529.8)	(\$3,581.2)	(\$1,306.9)	(\$1,159.9)	(\$1,111.7)
	Historical				
	2016	2017	2018	2019	2020
Assumptions					
Sales Growth		104.0%	43.1%	45.3%	25.7%
COGS (as % of revenues)	111.1%	85.1%	65.4%	51.0%	47.7%
R&D expenses (as % of revenues)	45.4%	186.1%	65.4%	51.5%	46.5%
S&M expenses	30.0%	62.1%	32.7%	26.0%	23.7%
G&A expenses	39.4%	184.9%	38.9%	32.7%	27.1%
Other Op Ex	0.0%	0.0%	(3.5%)	(3.5%)	(4.6%)
Capex (as % of revenues)	16.4%	10.2%	10.2%	2.1%	2.3%
Depreciation and amortization (as % of capex)	17.1%	42.9%	48.8%	148.0%	96.9%
Effective Tax Rate	1.4%	0.5%	(0.2%)	(0.0%)	(0.1%)
Gross margin	(11.1%)	14.9%	34.6%	49.0%	52.3%

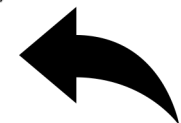


Forecasted Cash Flows

FORECASTED CASH FLOWS

	Projected									
	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Net sales	\$3,238.2	\$4,239.8	\$5,463.0	\$6,918.6	\$8,622.1	\$10,528.9	\$12,581.3	\$14,691.3	\$16,595.8	\$18,543.3
Cost of goods sold	1,295.3	1,483.9	1,748.2	2,075.6	2,414.2	2,842.8	3,397.0	3,672.8	4,148.9	4,450.4
Gross Profit	1,942.9	2,755.9	3,714.9	4,843.0	6,207.9	7,686.1	9,184.4	11,018.4	12,446.8	14,092.9
Depreciation & Amortization	129.5	169.6	232.2	311.3	388.0	484.3	591.3	705.2	813.2	927.2
Research & Development	1,036.2	1,271.9	1,529.7	1,591.3	1,724.4	2,105.8	2,516.3	2,938.3	3,319.2	3,708.7
Selling & Marketing	647.6	593.6	655.6	1,037.8	1,293.3	1,052.9	1,258.1	1,469.1	1,991.5	2,039.8
General & Administrative	809.5	932.8	983.3	1,245.3	1,552.0	1,895.2	2,264.6	2,644.4	2,987.2	2,781.5
Other Op Expenses	(97.1)	(127.2)	(163.9)	(207.6)	(258.7)	(315.9)	(377.4)	(440.7)	(497.9)	(556.3)
EBIT	(582.9)	(84.8)	478.0	864.8	1,508.9	2,463.8	2,931.4	3,702.2	3,833.6	5,192.1
Taxes	0.0	0.0	23.9	60.5	301.8	542.0	703.5	962.6	1,073.4	1,557.6
Tax-effected EBIT	(582.9)	(84.8)	454.1	804.3	1,207.1	1,921.7	2,227.9	2,739.6	2,760.2	3,634.5
Depreciation and amortization	129.5	169.6	232.2	311.3	388.0	484.3	591.3	705.2	813.2	927.2
Capex	161.9	212.0	273.2	345.9	431.1	526.4	629.1	734.6	829.8	927.2
Change in Net Working Capital	161.9	212.0	273.2	345.9	431.1	526.4	629.1	734.6	829.8	927.2
Unlevered free cash flows	(\$777.2)	(\$339.2)	\$140.0	\$423.8	\$732.9	\$1,353.2	\$1,561.1	\$1,975.7	\$1,913.8	\$2,707.3

	Projected									
Assumptions	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Sales Growth	See Revenue Growth Tab									
COGS (as % of revenues)	40.0%	35.0%	32.0%	30.0%	28.0%	27.0%	27.0%	25.0%	25.0%	24.0%
R&D expenses (as % of revenues)	32.0%	30.0%	28.0%	23.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
S&M expenses	20.0%	14.0%	12.0%	15.0%	15.0%	10.0%	10.0%	10.0%	12.0%	11.0%
G&A expenses	25.0%	22.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	18.0%	15.0%
Other Op Ex	(3.0%)	(3.0%)	(3.0%)	(3.0%)	(3.0%)	(3.0%)	(3.0%)	(3.0%)	(3.0%)	(3.0%)
Capex (as % of revenues)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Depreciation and amortization (as % of capex)	80.0%	80.0%	85.0%	90.0%	90.0%	92.0%	94.0%	96.0%	98.0%	100.0%
Effective Tax Rate	1.0%	1.0%	5.0%	7.0%	20.0%	22.0%	24.0%	26.0%	28.0%	30.0%
Gross margin	60.0%	65.0%	68.0%	70.0%	72.0%	73.0%	73.0%	75.0%	75.0%	76.0%



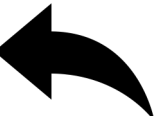
DCF Results

Terminal Value - Perpetuity Growth

WACC - for terminal value	8.20%
Unlevered FCF in terminal year	\$2,707.3
Terminal growth rate	3.5%
Terminal value	\$59,656.4
WACC - current	8.2%
PV of Terminal Value	\$27,133.4
PV of Unlevered Free Cash Flows	\$4,873.9
Total Enterprise Value	\$32,007.3
Net debt + Preferred stock + NCI	(\$1,074.8)
Implied Equity Value	\$33,082.0
Diluted Shares Outstanding	1,735.4
Implied Equity Value per Share	\$19.06

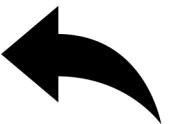
Terminal Value - Exit Multiple

Terminal year EBITDA	\$6,119.3
Terminal year EBITDA multiple	15.00x
Terminal value	\$91,789.5
WACC - current	8.2%
PV of Terminal Value	\$41,748.4
PV of Unlevered Free Cash Flows	\$4,873.9
Total Enterprise Value	\$46,622.3
Net debt + Preferred stock + NCI	(\$1,074.8)
Implied Equity Value	\$47,697.0
Diluted Shares Outstanding	1,735.4
Implied Equity Value per Share	\$27.48



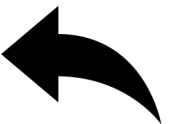
Relative Valuation

Ticker	EV/Revenue	NTM Rev Growth	EV/Gross Profit	Gross Margins
SNAP	36.5x	42.3%	71.1x	51.3%
TWTR	11.6x	4.4%	18.3x	63.7%
FB	9.3x	18.3%	11.5x	81.0%
PINS	30.6x	42.8%	43.7x	70.0%
GOOG	6.3x	10.4%	11.8x	53.6%
MTCH	8.6x	18.7%	10.5x	76.0%
Median	10.5x		15.0x	
Average	17.2x		27.8x	
Adjusted	30.0x		45.0x	
Weightings	50%		50%	
Implied Price Derived From Comparables:			\$39.13	



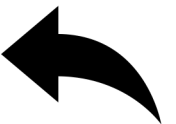
Valuation Summary

Valuation Matrix		
Method	Weighting	Share Price
DCF - Perpetuity	33%	\$19.07
DCF - Exit Multiple	33%	\$27.49
Relative Valuation	33%	\$39.13
Target Price		\$28.56
Last Close		\$50.31
Discount to Last Close		43.2%



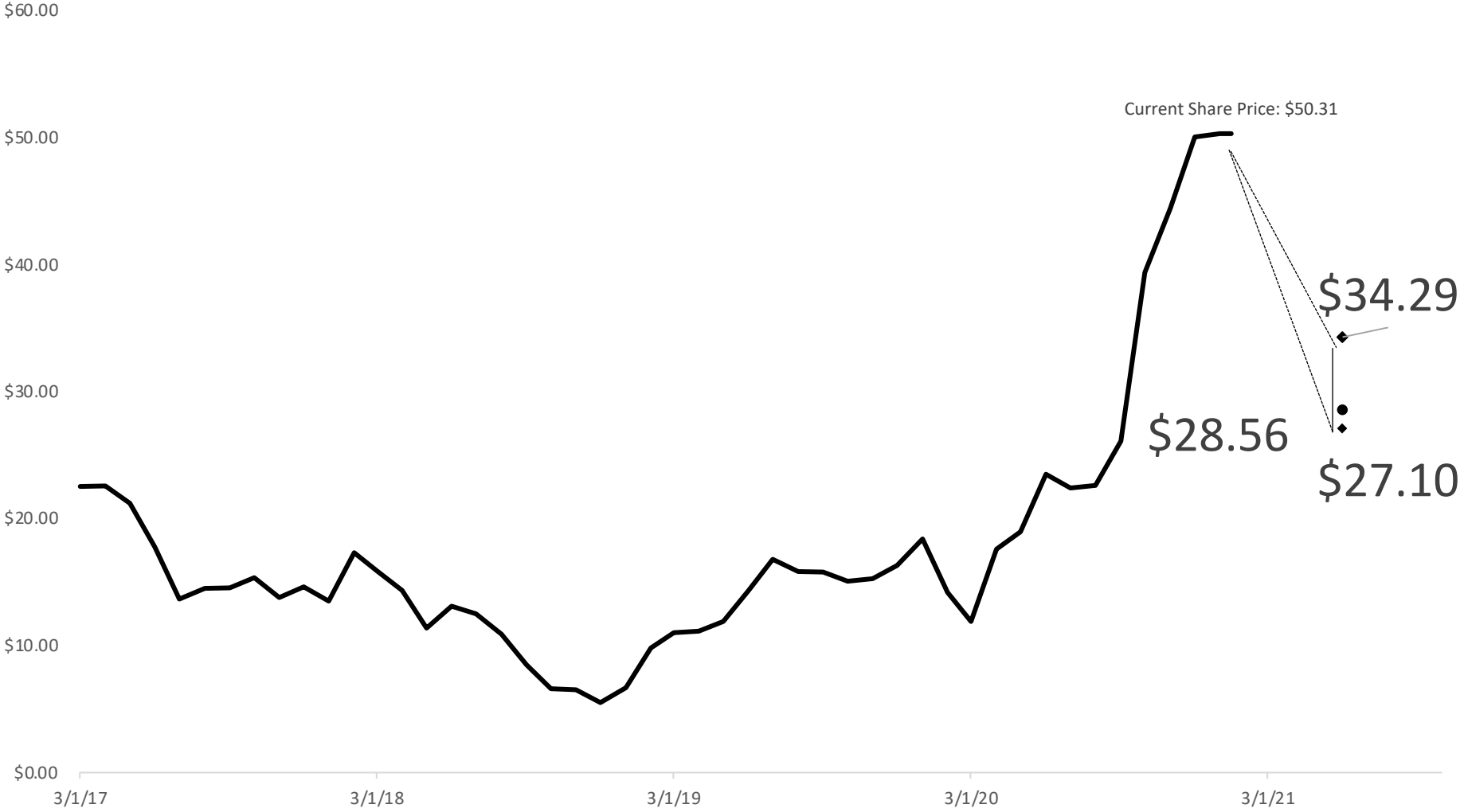
Diluted Shares Outstanding

Diluted Shares Outstanding	
Class A	1,229.4
Class B	23.6
Class C	231.6
Stock Options	6.6
Unvested RSUs and RSAs	142.5
Convertible Notes (if-converted)	101.6
Fully Diluted Shares Outstanding	1,735.4

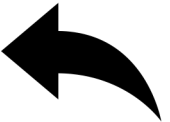
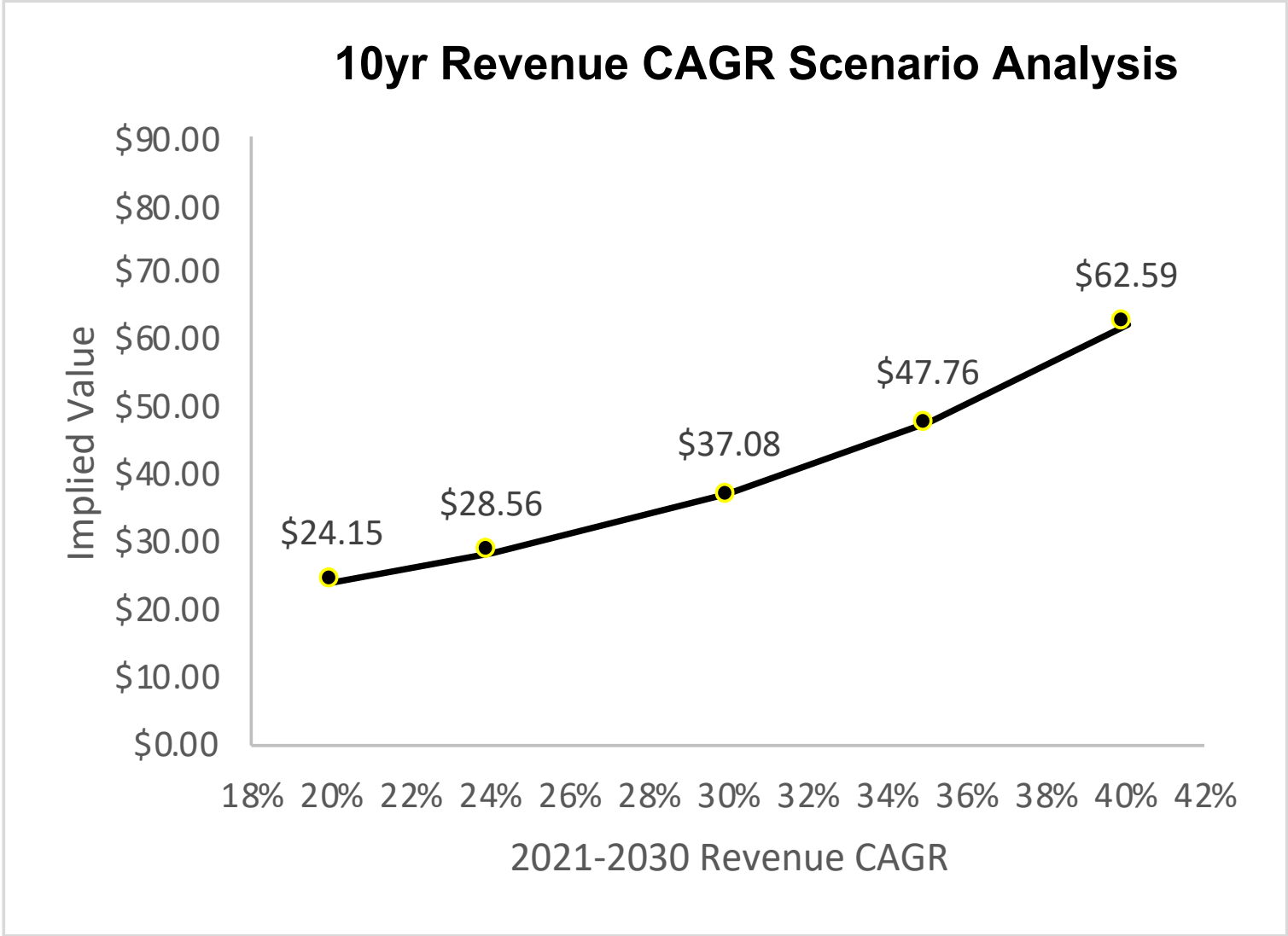


Scenario Analysis

Scenario Analysis

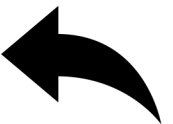
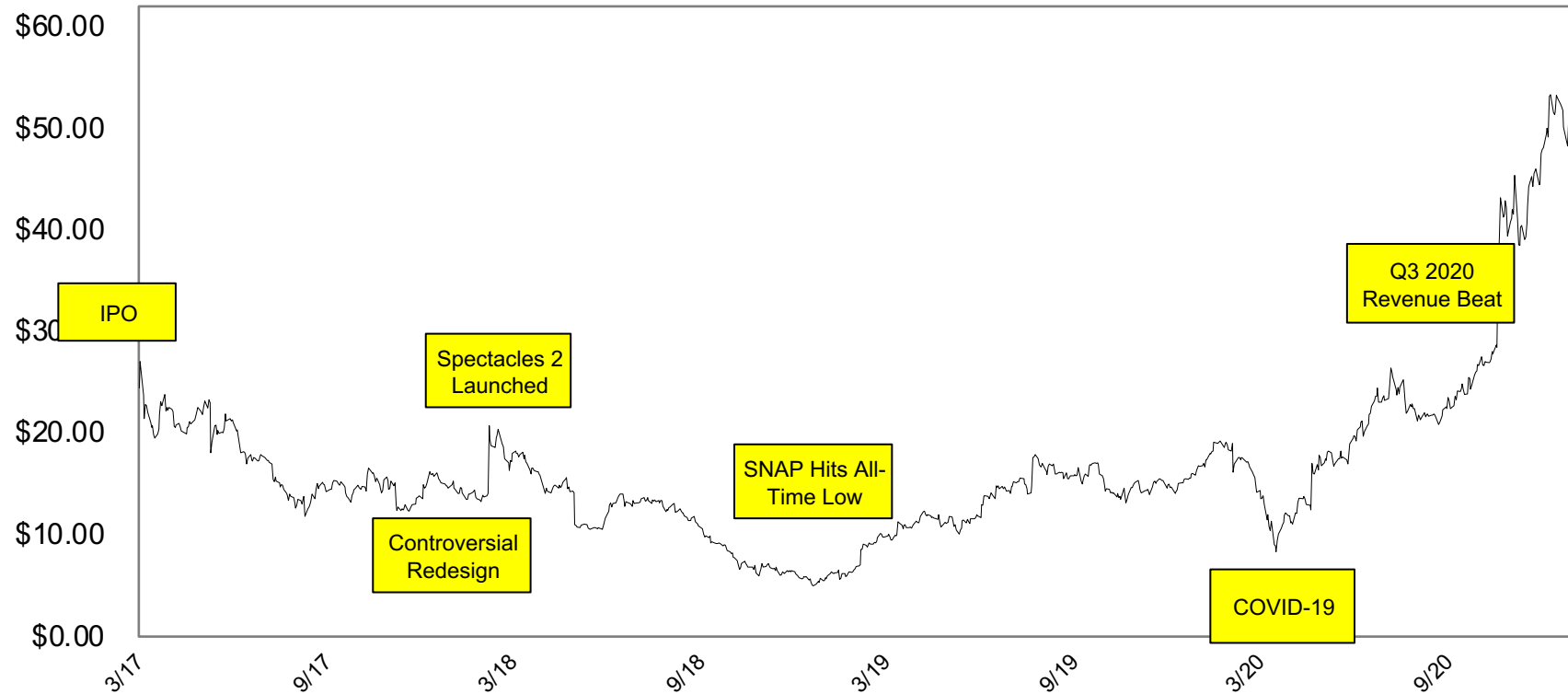


10 Year Rev CAGR Analysis



Share Price History

Snap Inc. (NYSE:SNAP) - Stock Chart and Timeline



Revenue Model

		Revenue Model										
		2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Average DAU (in MM's)												
North America		89.7	95.6	101.3	106.9	112.2	117.8	123.1	128.0	132.5	133.8	136.5
Europe		71.6	78.8	86.2	93.8	101.4	109.2	116.8	124.3	131.5	138.3	143.9
Rest of World		81.6	100.6	122.3	146.7	173.4	202.0	231.9	262.2	292.1	320.5	346.1
		242.9	274.9	309.8	347.3	387.0	428.9	471.8	514.5	556.1	592.6	626.5
ARPU												
North America		19.3	22.9	26.8	30.9	35.3	39.7	44.0	48.2	52.1	55.5	58.3
Europe		5.3	7.1	9.1	11.6	14.3	17.3	20.5	23.6	26.6	29.2	31.2
Rest of World		3.9	4.9	6.0	7.3	8.7	10.2	11.7	13.2	14.7	16.0	17.6
		55%										
Gross Revenue (in MM's)												
North America		1,733.7	2,188.0	2,713.5	3,306.5	3,957.9	4,675.3	5,423.1	6,175.8	6,903.3	7,425.6	7,952.8
Europe		382.1	555.7	786.6	1,083.5	1,451.4	1,889.6	2,389.9	2,934.4	3,495.8	4,038.0	4,493.5
Rest of World		320.8	494.5	739.6	1,073.0	1,509.3	2,057.2	2,716.0	3,471.1	4,292.1	5,132.2	6,097.1
		2,425.7	3,238.2	4,239.8	5,463.0	6,918.6	8,622.1	10,528.9	12,581.3	14,691.3	16,595.8	18,543.3
Gross Worldwide Revenue												
Assumptions												
DAU growth												
North America	6%	7%	7%	6%	6%	5%	5%	5%	4%	4%	1%	2%
Europe	10%	10%	10%	9%	9%	8%	8%	7%	6%	6%	5%	4%
Rest of World	43%	25%	23%	22%	20%	18%	17%	15%	13%	11%	10%	8%
ARPU growth												
North America	YoY 55%	20%	19%	17%	16%	14%	13%	11%	10%	8%	7%	5%
Europe	25%	35%	32%	29%	27%	24%	21%	18%	15%	13%	10%	7%
Rest of World	-19%	30%	25%	23%	21%	19%	17%	15%	13%	11%	9%	10%
Total Rev Growth												
		41.8%	33.5%	30.9%	28.9%	26.6%	24.6%	22.1%	19.5%	16.8%	13.0%	11.7%

