



**By The Quinonez Killerz:**

Evan Martinez, Wade Cookston, Connor Thompson, Sam Flores, and Santi Quinonez

# Company Overview

Adobe is one of the largest and most diversified software companies in the world

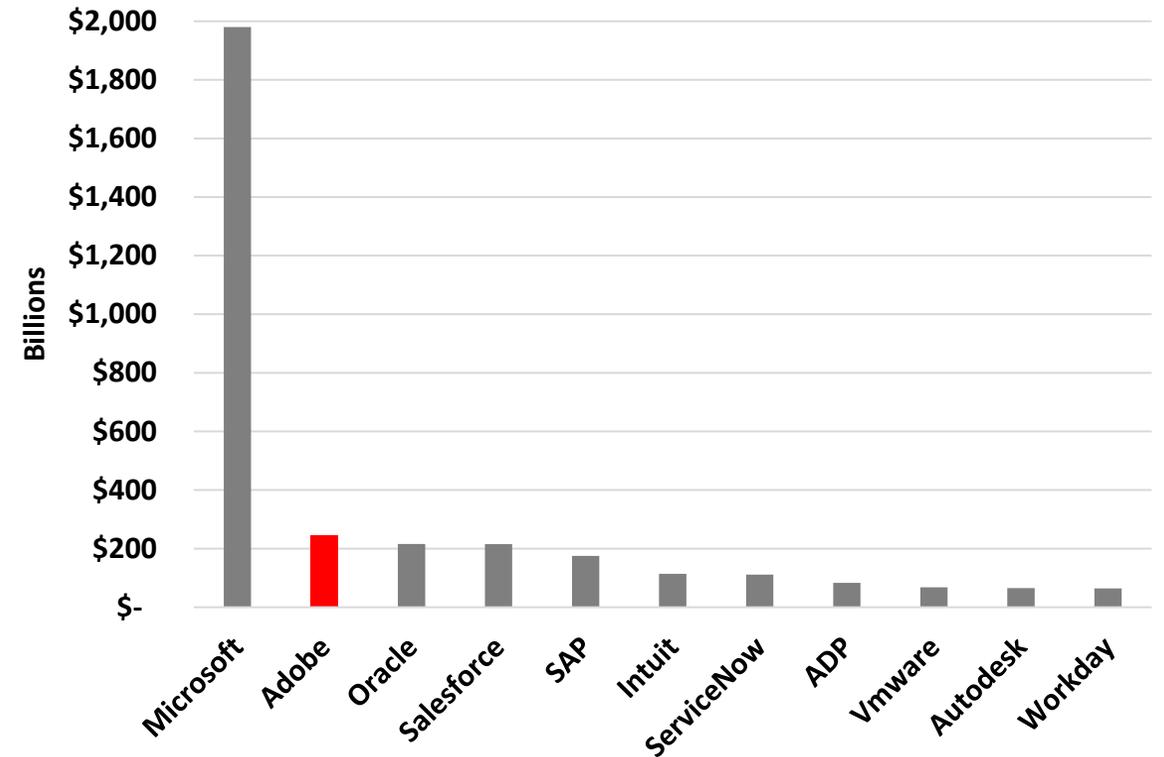
Headquarters: San Jose, California

Market Cap: \$247 billion (\$517 per share)

Offer products which are used by “creative professionals”:

- Photographers
- Video editors
- Graphic designers
- Students
- Marketers
- Institutions of all sizes.

Largest Software Companies By Market Cap



# Product Offerings

Adobe provides over 50 applications that allow its users to:

- Manipulate Photographs
- Edit and Create Videos
- Embed Audio
- Add Visual effects
- Edit 3D Models
- Create Animations

Also provides the applications necessary to facilitate the integration of all apps to create a finished product.



# Photoshop

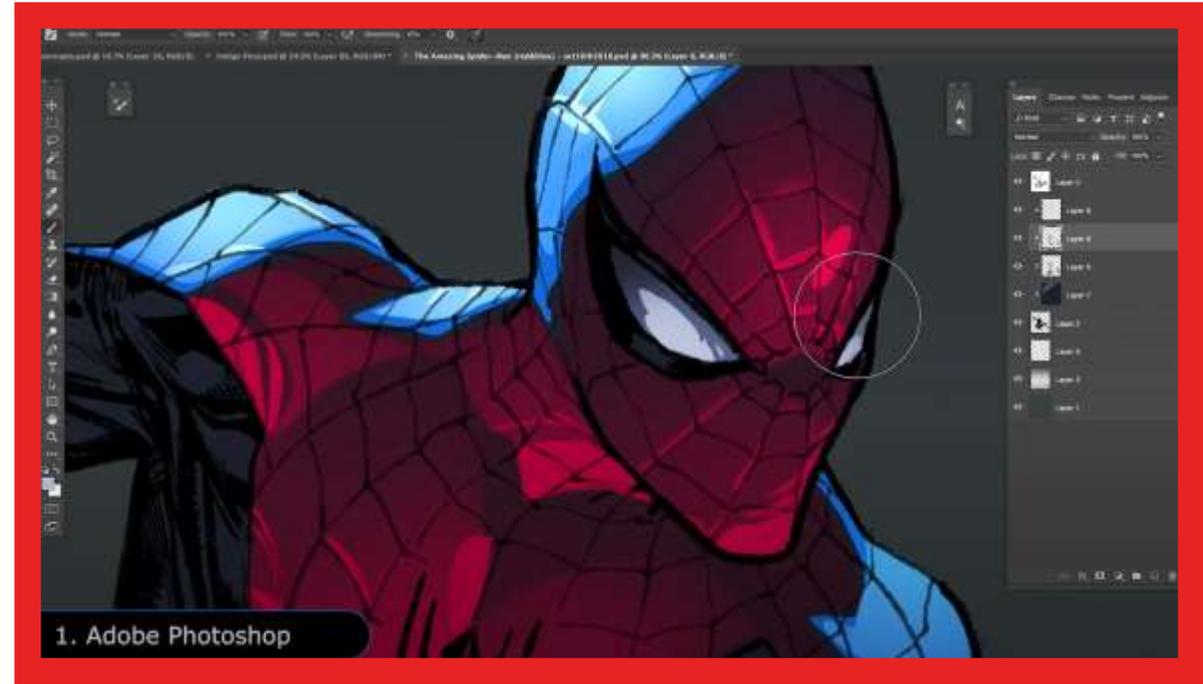


Used to manipulate photographs professionally

Specifically for making posters, advertisements, wallpapers, and digital framework

Artists use it to draw, sketch, and even paint digitally

Photoshop stores photos as pixels



# Illustrator



Used to manipulate photographs artistically

Used for making icons, logos, posters, and graphics

Photoshop stores photos as mathematical equations to ensure picture quality when zooming in



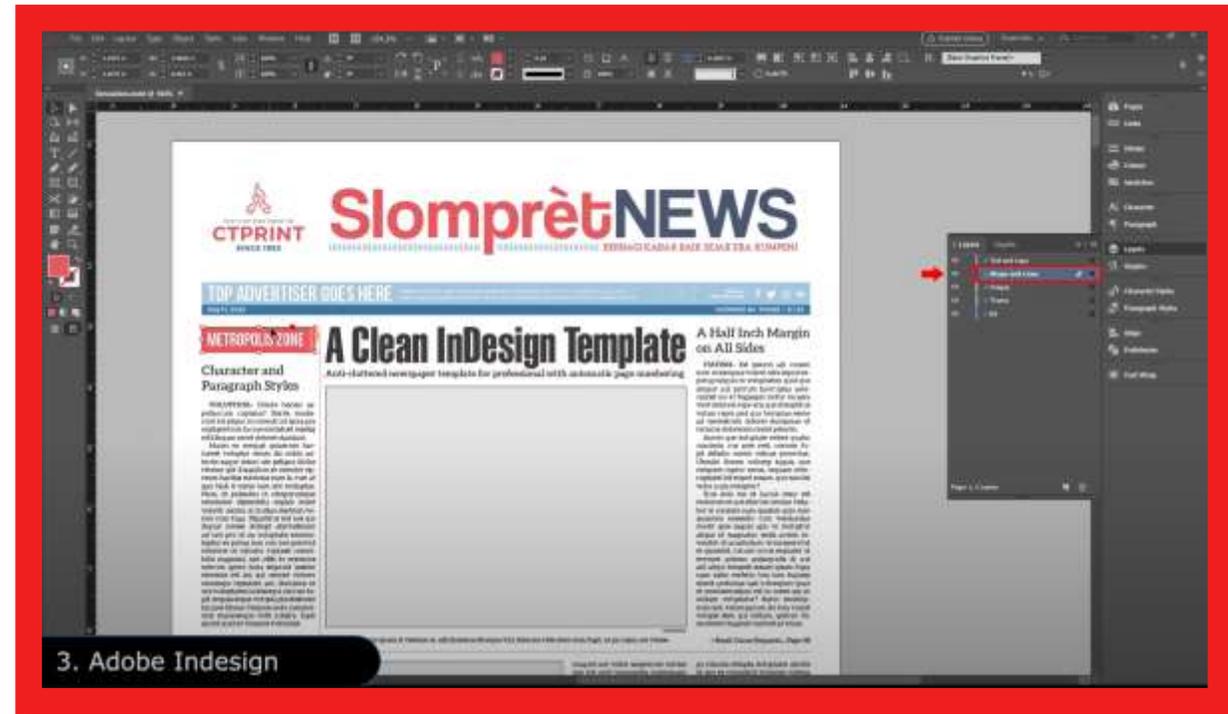
# InDesign



Publishing software for multi-page layouts

Used for creating projects which require collaboration from multiple individuals like magazines, newspapers, presentations, and books

Useful for arranging large amounts of text and photo into professional layouts which can be easily printed



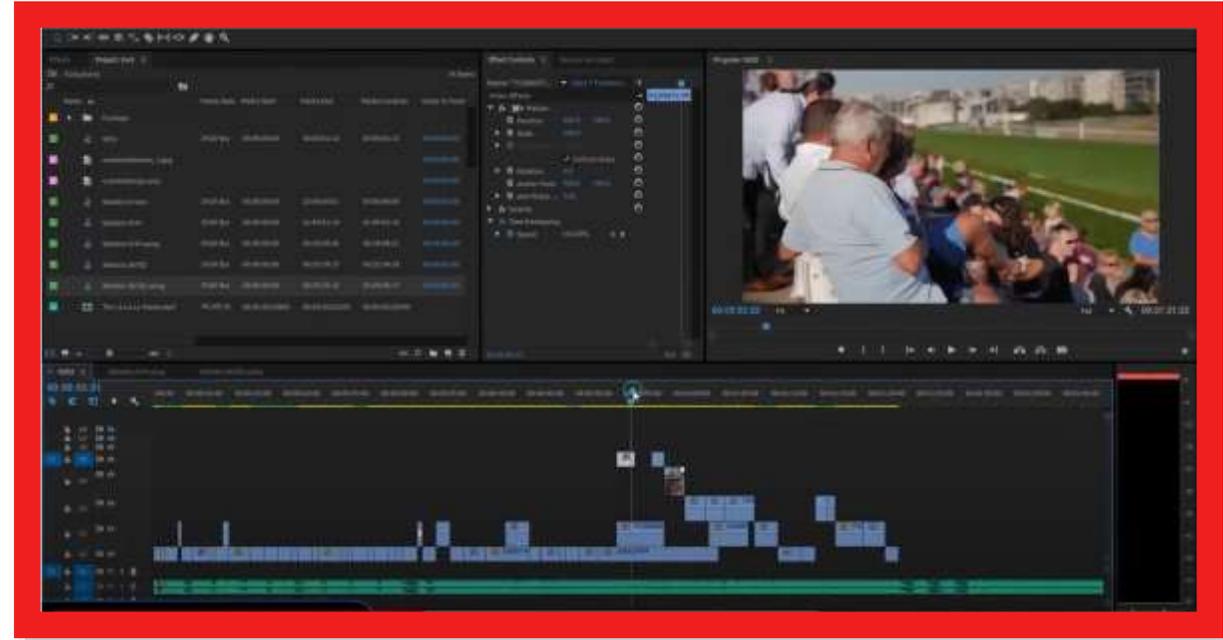
# PremierPro



Professional video editing tool used to make everything from Youtube videos to blockbuster movies

Allows you to cut, edit, and trim large numbers of clips and arranged them into a timeline

Add text, transitions, audio effects, and much more



# AfterEffects

Tool used for creating all kinds of visual effects.

Used for creating animations, motion graphics, and other cinematic effects

Can be exported into premier pro to make final video



# Audition

Tool used for recording, editing and mixing audio

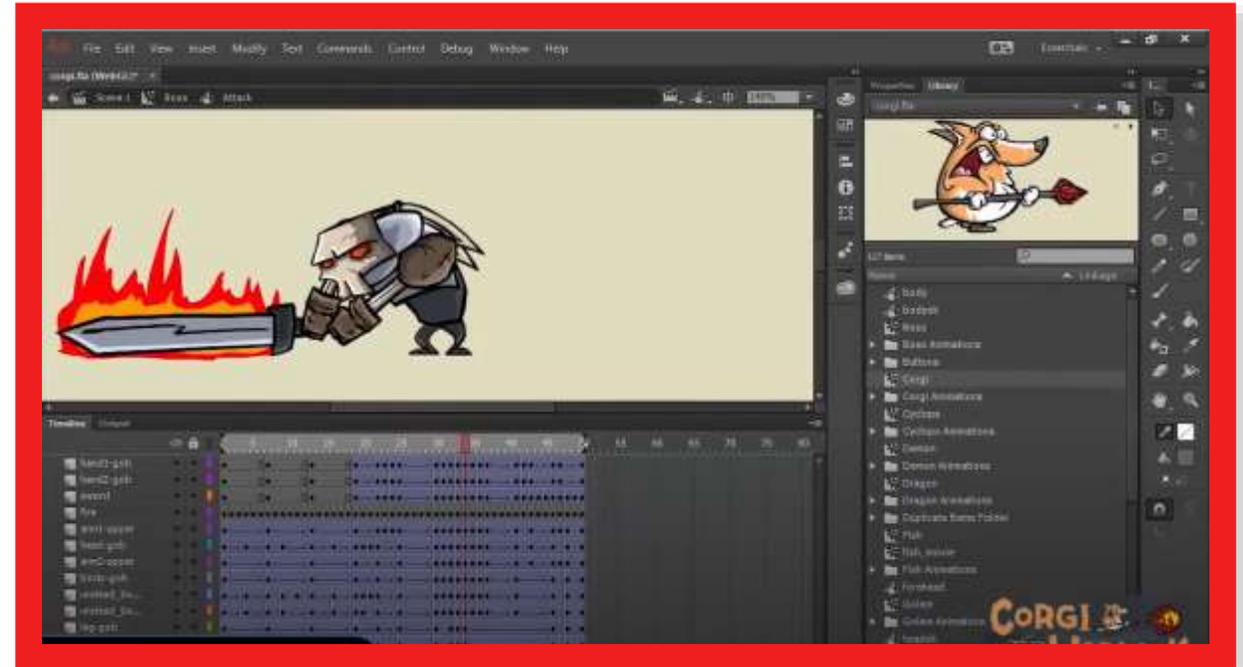
Allows artist to blend many different sounds and tunes to create a unique product



# Animate

Tool used for making 2 dimensional animations, games, and applications

Allows users to export animations into several formats which are widely used for gaming

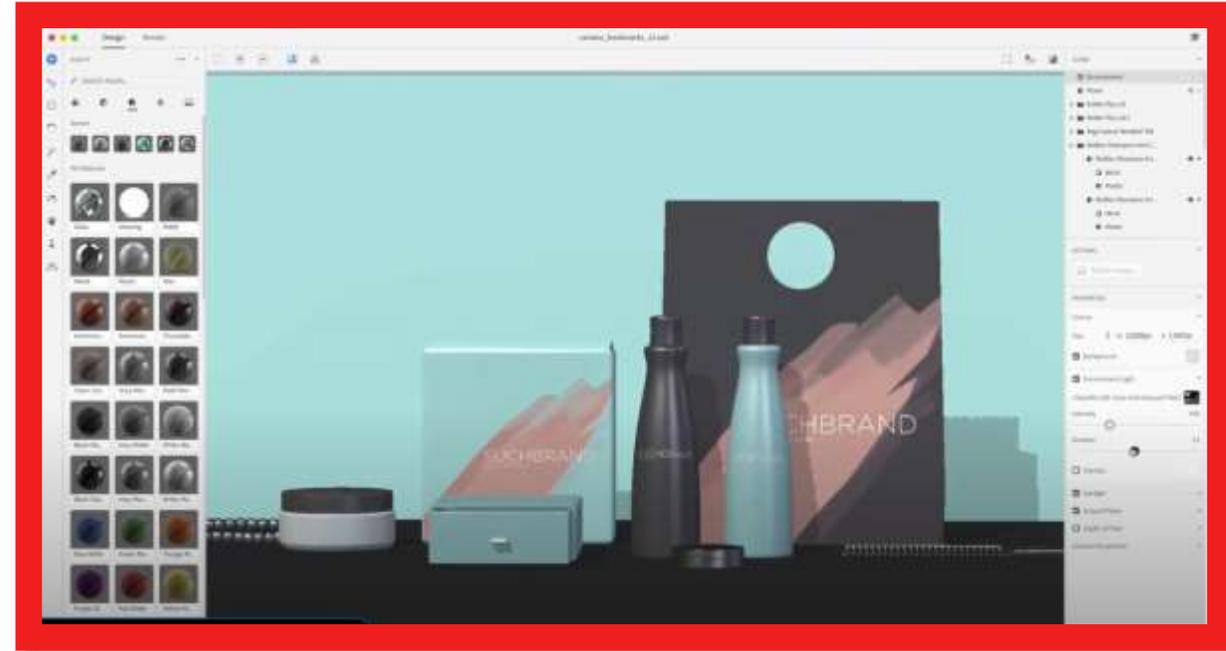


# Dimension



Tool used for graphic designers to add 3D models in a 2D image to create photorealistic images

Useful for making product models for advertisements, prototyping, and package design.



# Acrobat Reader

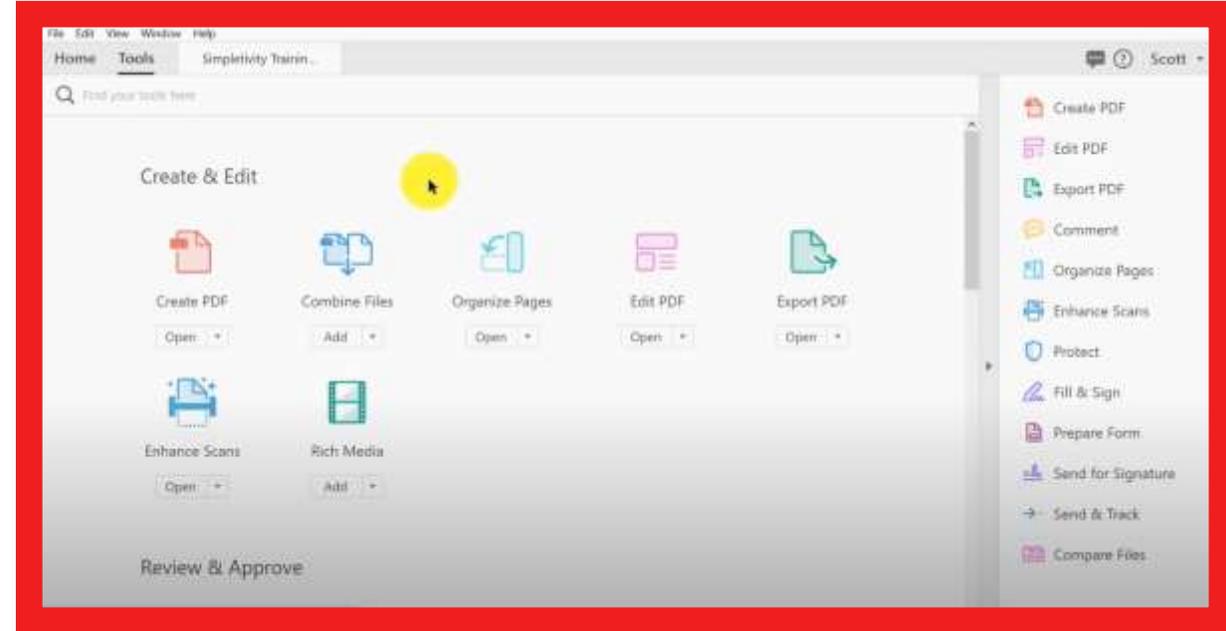


Software embedded into Microsoft operating system which allows for viewing, editing, managing Portable Document Format (PDF) documents

# Acrobat Pro



Allows for the creation of PDF documents



# Origins of Adobe

**Early 1982** – John Warnock and Charles Geschke develop technology known as postscript which transformed desktop publishing, allowing images to be printed from a computer with detailed graphics.

**Mid 1982** – John and Charles leave Xerox park after failing to convince upper management to commercialize postscript

**December of 1982** – John and Charles founded Adobe in John's garage



# Desktop Publishing Revolution

**Early 1983** – Adobe agreed to sell Steve Jobs 19% of the company along with a contractual 5-year licensing fee for Postscript

**1985** – Apple licensed postscript for use in its new laser printers, starting the desktop publishing revolution

**1986** – After four straight years of profit, the company went public and entered the Nasdaq index.

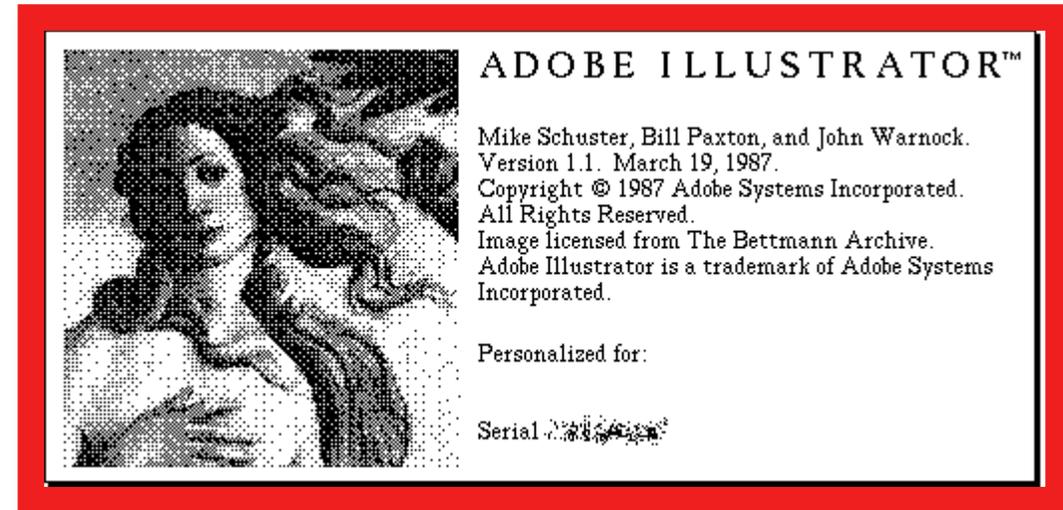


# Software Innovation

**1987** – Adobe entered the consumer software industry by introducing Illustrator. A vector-based drawing program designed specifically for the Macintosh

**1991** – Adobe released premiere, a video editing software which CNN was an early adopter of

**1993** – Adobe introduced the Portable Document Format (PDF) at a windows conference.



# Acquisitions and Growth

**1993** – Adobe acquired Photoshop, which was integrated into the Windows Operating System, allowing Adobe to fully enter the mass market.

**1994** – Adobe acquired AfterEffects to bolster their powerful portfolio of software applications.

**2005** – Adobe acquired main rival Macromedia for \$3.4 billion in stock

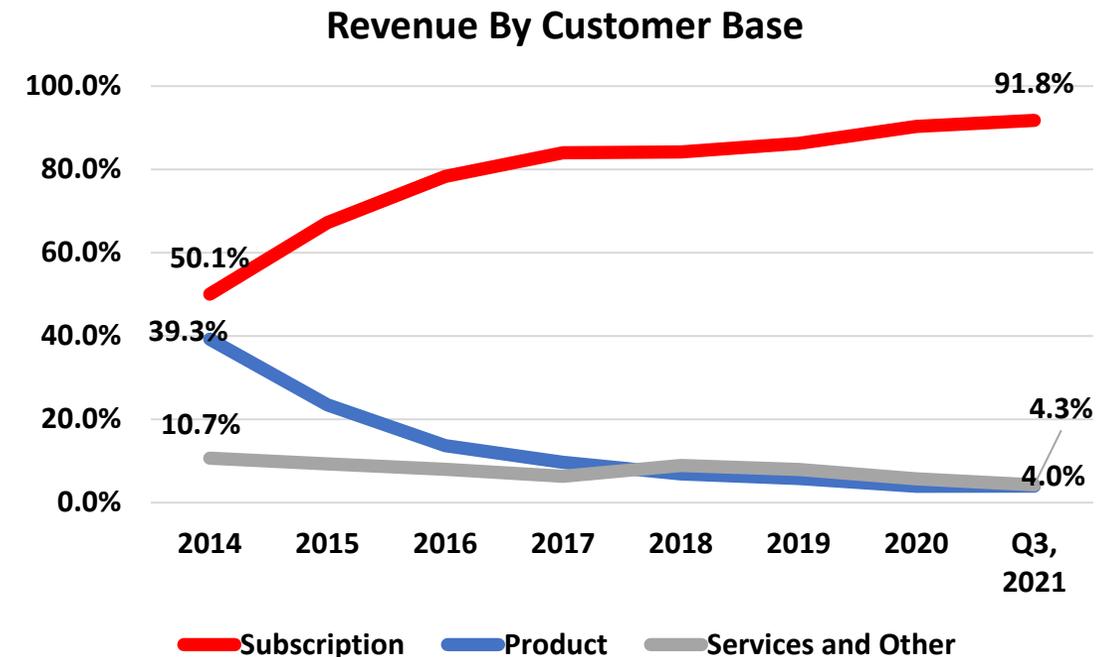


# Transitioning The Business

**2009** – Adobe acquired software company Omniture Inc. for \$1.8 billion, which allowed customers to track purchases from projects made with Adobe programs.

**2012** – The company was hacked and payment information of 40 million accounts were compromised.

**2012** – The company decided to invest heavily in infrastructure to transition from one-time purchase products to a Software as a Service subscription model, making it more affordable and easier to manage.



# The Digital Experience

**2018** – Acquired Marketo, a privately held marketing cloud platform for \$4.73 billion and Magento a commerce software platform for \$1.63 billion

**2019** – Acquired the remaining interest in Allegorithmic SAS, a 3D editing software company for gaming and entertainment for \$106 million.

**2020** – The company released Photoshop and Illustrator on the iPad.

Also acquired Workfront Inc, a workflow management platform, for \$1.5 billion.



# The Dream Team



**Shantanu Narayen, CEO**  
22-year tenure at Adobe, CEO  
since 2007



**John Murphy, CFO**  
Joined Adobe in 2017, and  
recently retired



**Scott Belksy, Chief Product  
Officer of Creative Cloud**  
Joined Adobe in 2012, and led the shift  
to the creative cloud



**Anil Chakravarthy, Executive VP  
of Digital Experience**  
Joined Adobe in 2020, and was the CEO  
of Informica, inc.



**Abhay Parasnis, Chief Product  
Officer of Document Cloud**  
Joined in 2015, and was the former  
COO of Kony Inc.



# Executive Compensation Structure

**Base Salary** – Compensation based on role in the company

**Cash Incentives** – Based on achieving pre-established performance goals of revenue and non-GAAP EPS

**Equity Incentives** – Based on long- term goals based internal performance metrics

**Employee Benefits** – Benefits programs for physical, emotional, and financial well being

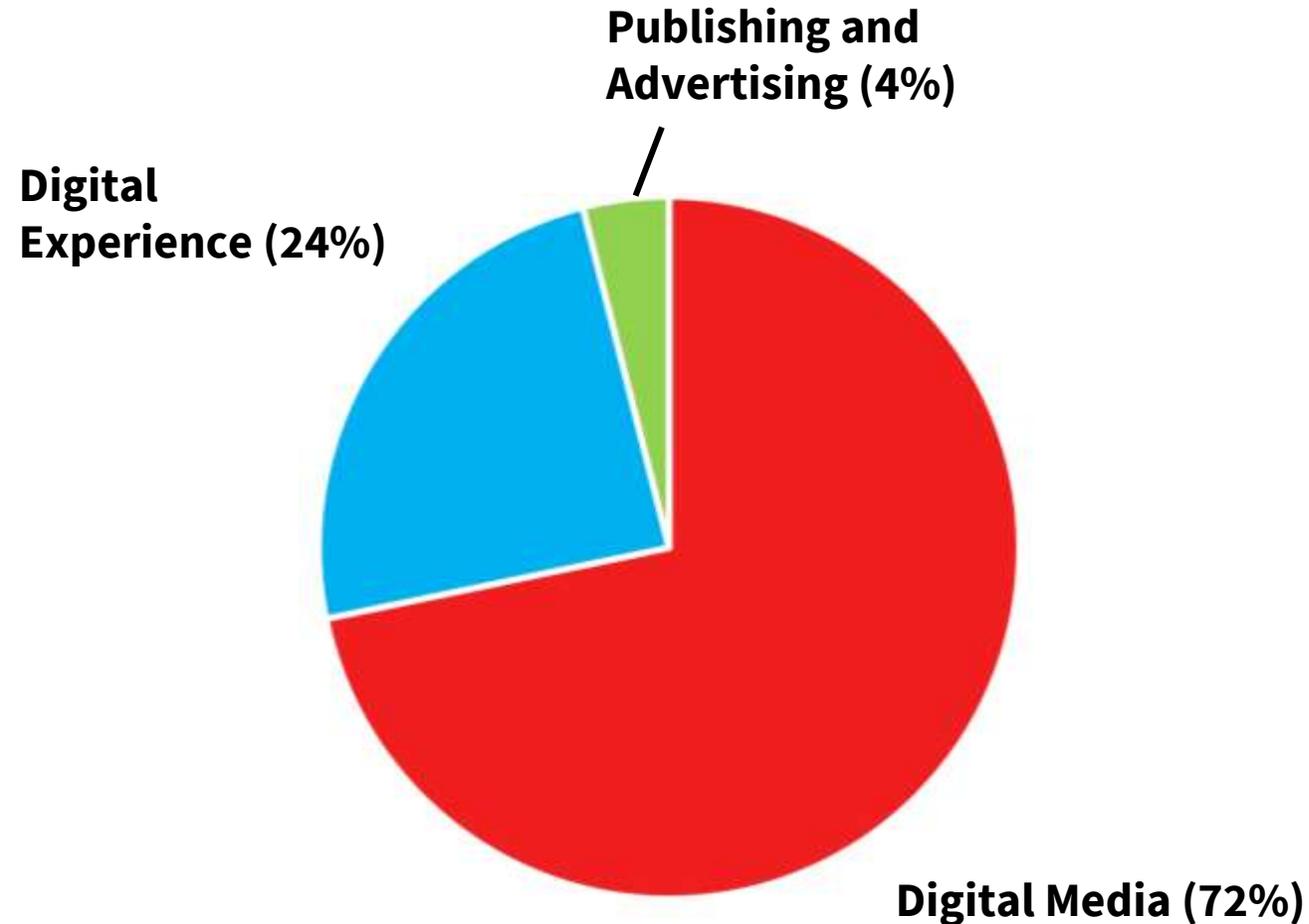
		Objectives	
	Retain Key Executives	Reward ST Performance	Reward LT Performance
Base Salary			
Cash Incentives			
Equity Incentives			
Employee Benefits and Pre-Requisites			



# Company Breakdown



# Segment/Revenue Breakdown



## Digital Media Segment

Products/services/solutions for many different customers to create and publish digital content.

## Digital Experience

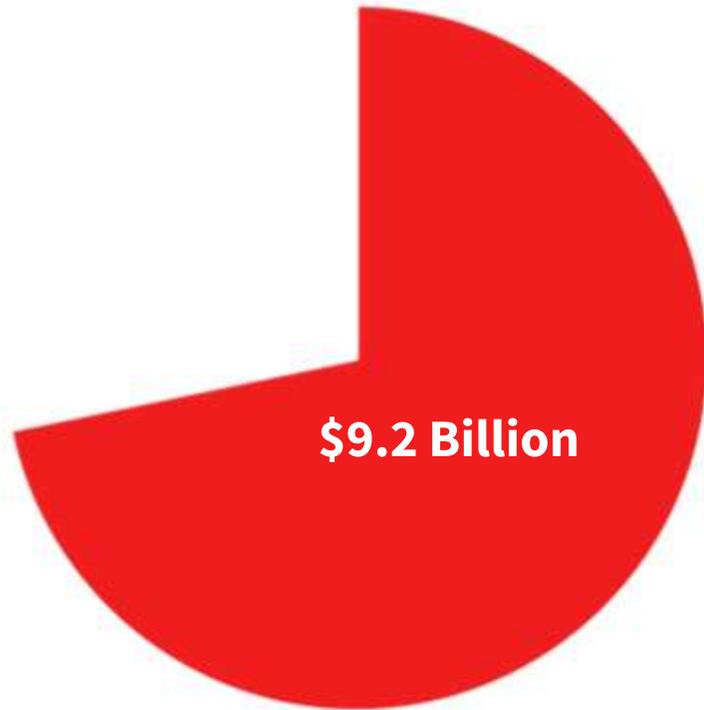
Integrated platform of products and services that provide customer experience management solutions.

## Publishing and Advertising

Legacy products that mainly focus on document publishing/development.



# Digital Media in Depth



**72% of 2020 Revenue**

Two main services: Creative Cloud and Document Cloud

***Creative Cloud*** – Subscription service that allows users to access all of Adobe's creative product offerings.

***Document Cloud*** – Platform built around Acrobat family of products for cloud-based document services

Vast product offerings for Individuals, small/medium-sized businesses, enterprises, government institutions, and both professionals and enthusiasts.



# Digital Media – Creative Cloud

Products and services for content creation, design, video/animation, app and game development, document creation and more.

Variety of different end users:

- Artists
- Designers
- Developers
- Students
- Knowledge workers
- Marketers
- Hobbyists
- Businesses



# Digital Media – Creative Cloud



## Creative cloud allows users to:

- Access built-in templates from the user community
- Utilize Adobe Behance, a social media platform for creative work
- Sync, store, and share files across multiple devices.



# Digital Media – Document Cloud

Acrobat family of products designed to create a unified, cloud-based document platform

Leader in document-intensive industries:

- Government
- Financial Services
- Pharmaceutical
- Legal
- Insurance
- Publishing

Solutions for creating, viewing, editing, reading, signing, scanning, and sharing digital documents



# Digital Media – Document Cloud

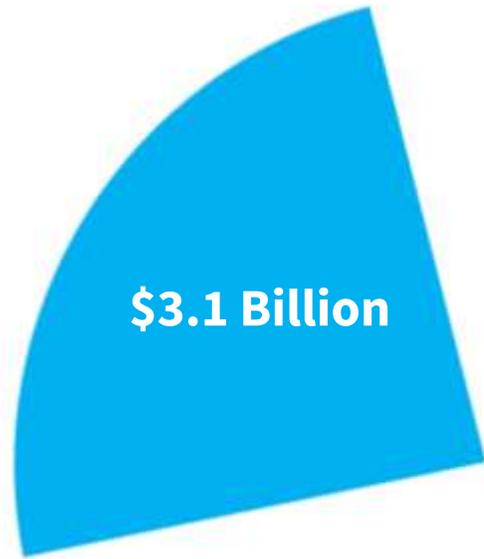
Shift toward remote work has accelerated the need for digital signing and frictionless online document sharing

Continued focus on adapting to the user:

- Implementation of AI and machine learning via Adobe Sensei to increase efficiencies
- Mobile Adobe Scan app
- Liquid Mode for Adobe Reader on mobile devices/tablets



# Digital Experience in Depth



24% of 2020 Revenue

Four main solution categories:

***Consumer Data and Insights*** - Real-time customer profile data and insights.

***Content and Commerce*** - Solutions to manage, deliver, test, and optimize content and enable shopping experiences.

***Customer Journey Management*** - Helps businesses manage and campaigns and identify customer behavior.

***Work Management*** - Provides platform for enterprises to manage workflow.

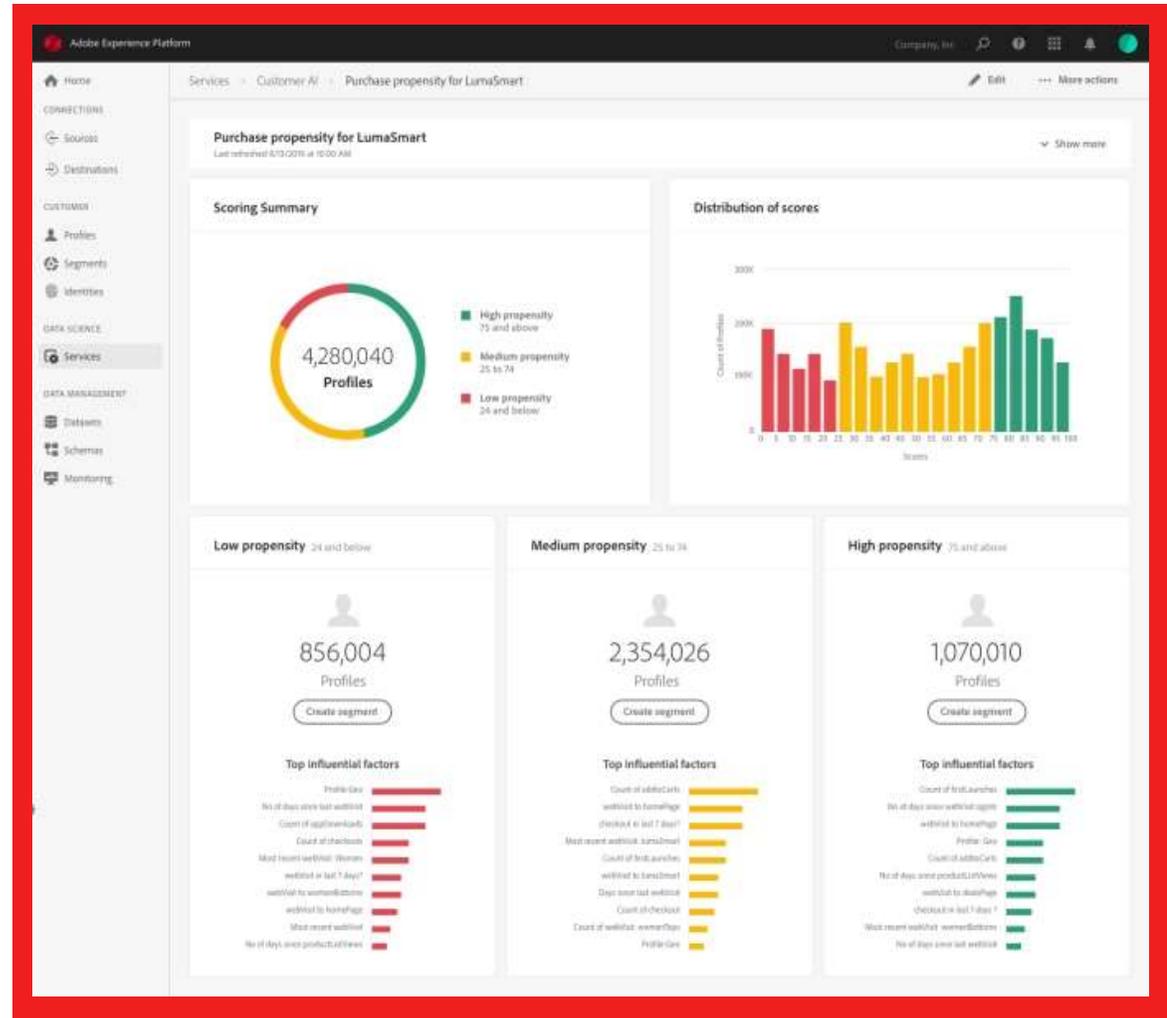


# Digital Experience – Consumer Data and Insights

Adobe Analytics provides real-time cross-channel data

Allows users to collect, view, and manage data as well as create unique customer profiles

Provides accessible and actionable insights to customer behavior that can aid in tailoring their digital experience



# Digital Experience – Content and Commerce

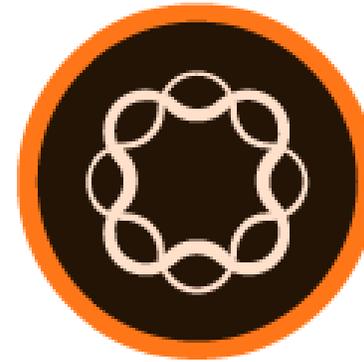
Test, optimize, target, deliver, and manage content

Enable scalable shopping experiences

Ability to manage your content across multiple channels  
(web, mobile, email, video)

Adobe Target – Engine that uses machine learning to test  
and optimize content

Adobe Commerce - Provides end-to-end platform to  
manage and deliver on the customer experience



Adobe  
Experience  
Manager



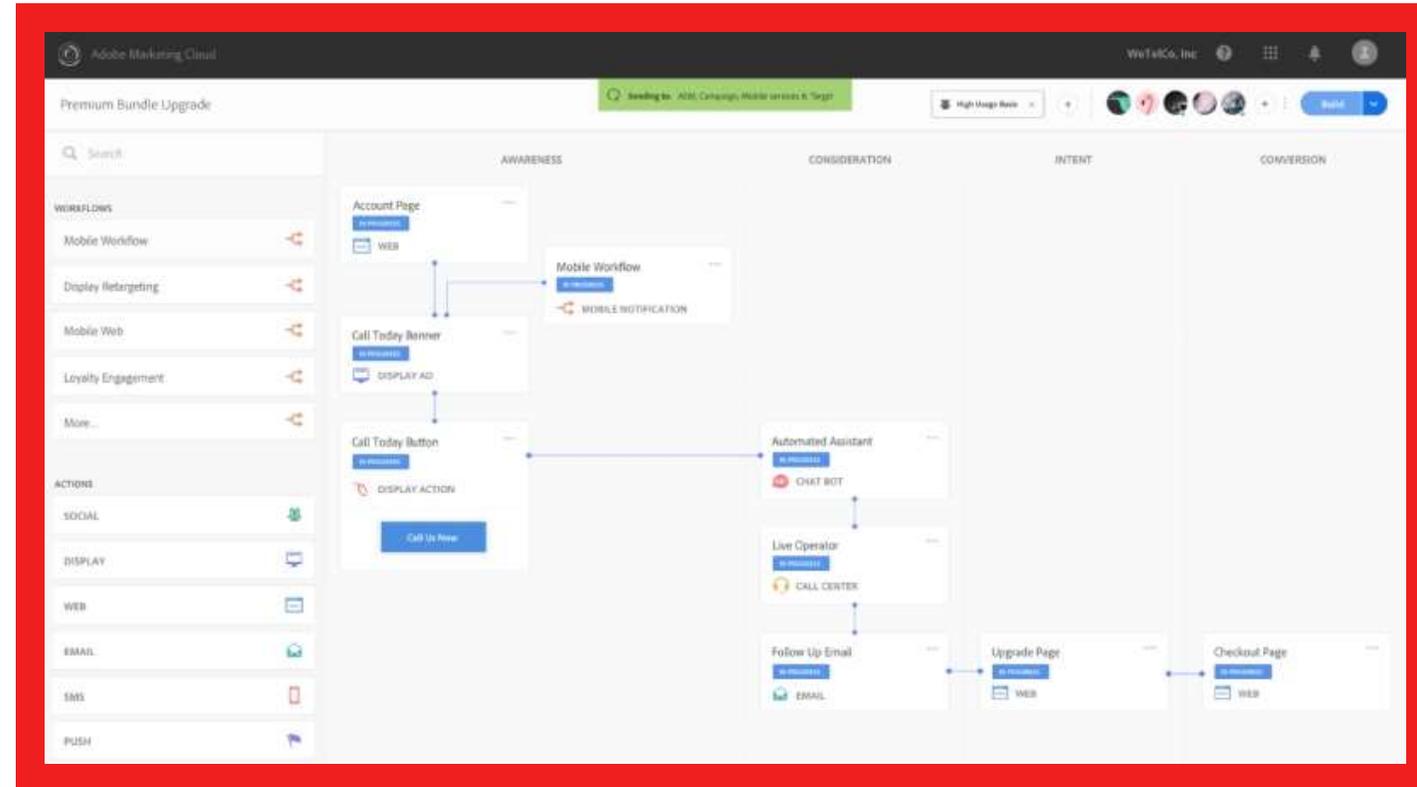
# Digital Experience – Customer Journey Management

Helps business manage customer journeys and campaigns

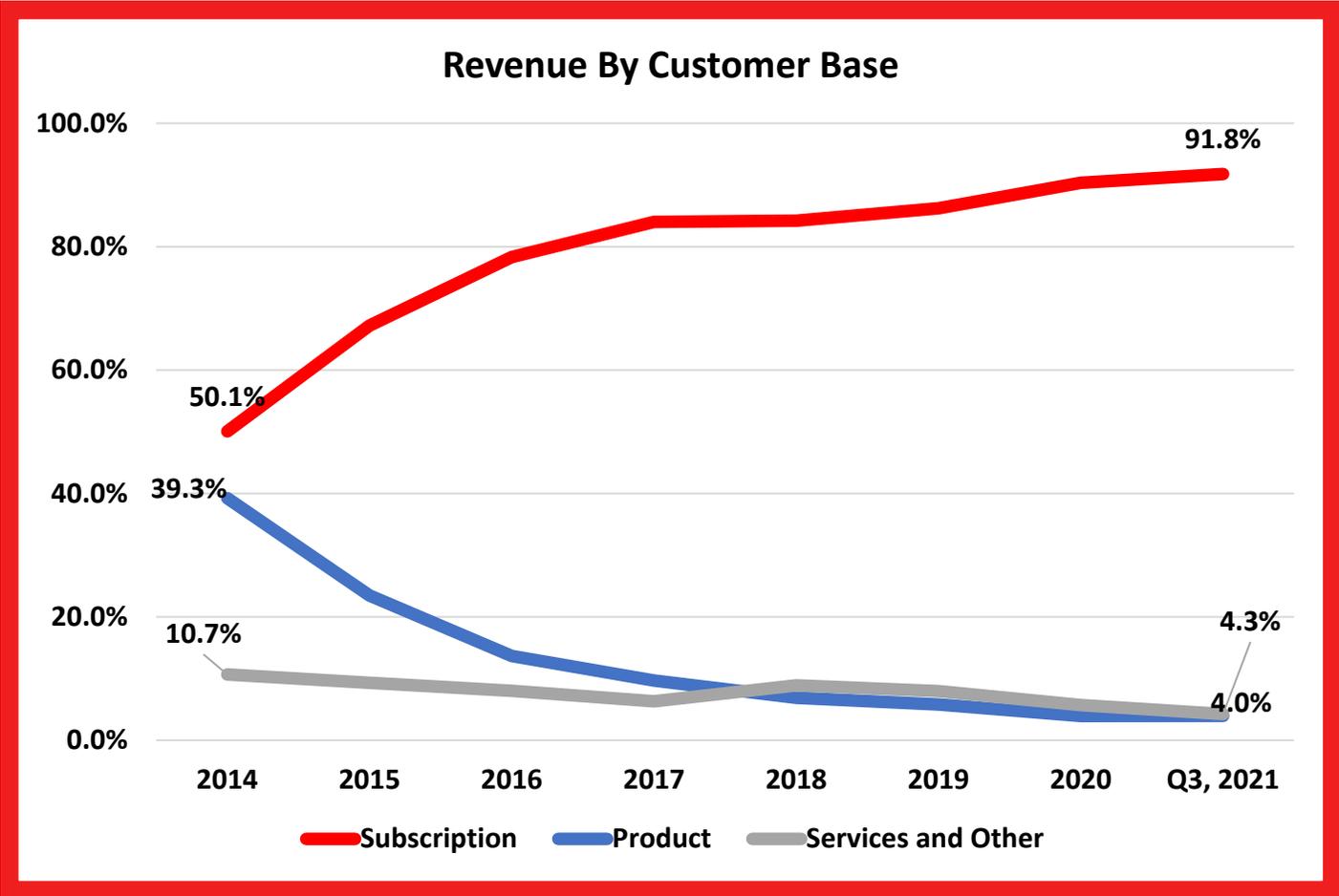
Identifies customer behavior and preference

Marketo Engage – Primarily a B2B customer experience management solution  
- Integrated marketing platform

Journey Orchestration Program – Enables ability to take customer profiles through whole journey and tailor experiences



# Revenue by Customer Base



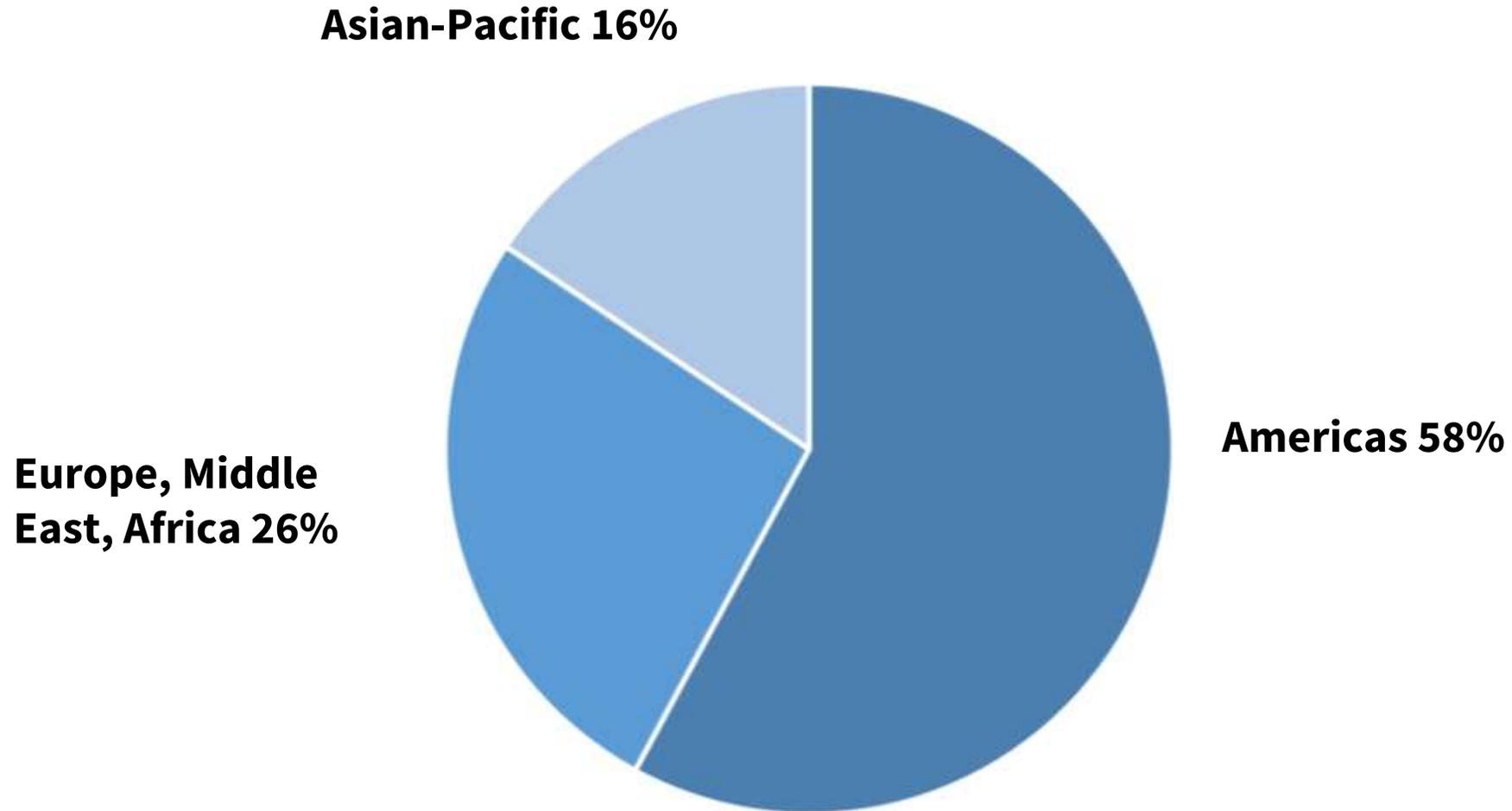
Over time, Adobe has transitioned from selling hard products like software on CDs to higher margin online subscriptions

Subscriptions make up over 90% of revenues now

Mainly derived from Digital Media cloud-based offerings



# Revenue by Geography

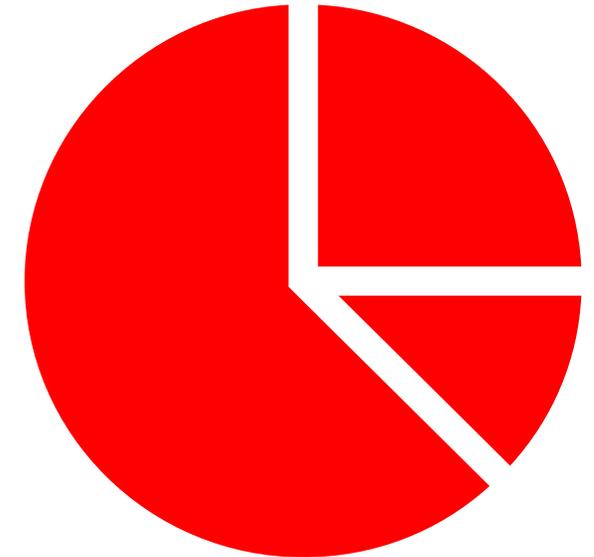


# **Growth Opportunities**



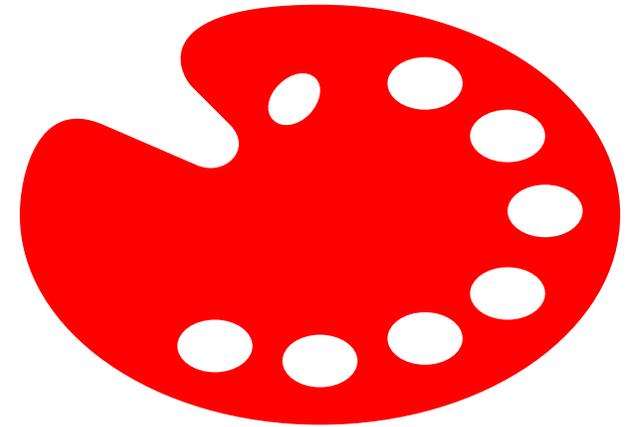
# Total Addressable Market

- 2022 Projection: ~\$128B
- Creative Cloud: ~\$31B
- Document Cloud: ~\$13B
- Experience Cloud: ~\$84B
- Revenue was \$12.8B FY 2020, Substantial Growth Room



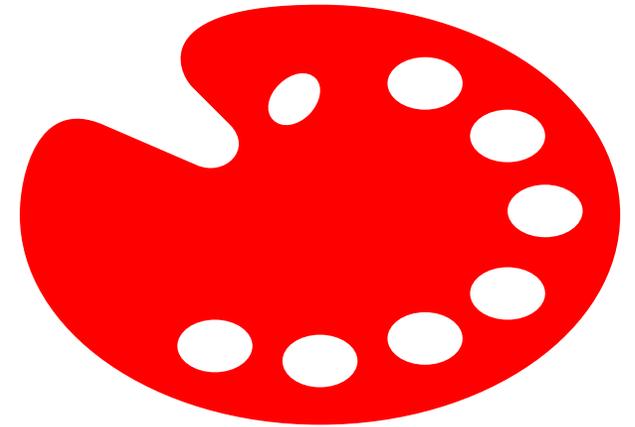
# Creative Cloud Growth Strategy

- Drive Customer Engagement - ~ 750 million potential customers in 2022
- Extend Category Leadership – 5 Distinct Product Categories, design products to lead all of them
- Accelerate Individual & Team Productivity



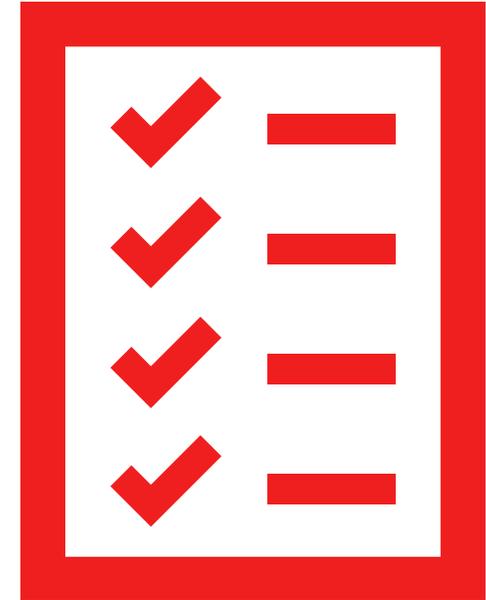
# Creative Cloud Growth Strategy

- Expand to Communicators & Consumers –  
Around 700M of their projected 750M fall in these two categories
- Embrace New Media Types – 3D, Augmented Reality, Future Possibilities



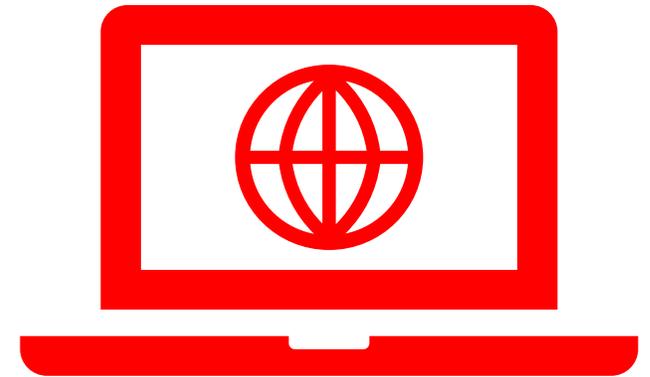
# Document Cloud Growth Strategy

- Embedded-PDF-as-a-service
- Capitalizing on the transition to a paperless world
- Frictionless Web Experience



# Digital Experience Growth Strategy

- Make, Manage, Measure, Monetize
- Data Analytics Trend
- Scale the Mid-Market Segment
- Acquisitions



# Digital Experience Growth Strategy

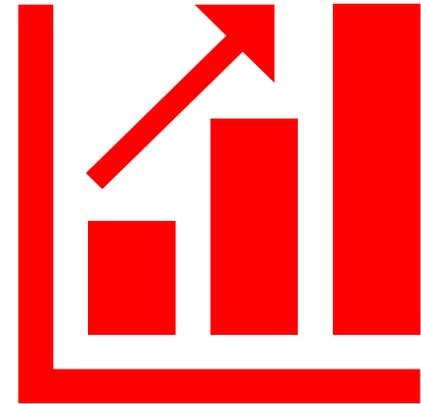


# Adobe Sensei



# Additional Growth Drivers

- The global trend of middle class jobs and modernization of global industry
- Increased adoption of these products within everyday life for people it would never have crossed their mind
- Potential Upselling...Margin Increase
- Acquisition based growth

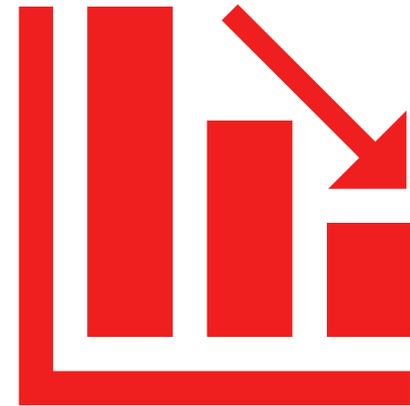


# Risk Factors



# Potential Risks

- Very little overall risk in the business model
- Consistently trades at high earnings multiple
- Potential Data Breaches
- Potential negative press with nefarious uses of product offerings



# Competitor Analysis



# Competitor Overview

**DocuSign**

- **E-signature and document cloud**



- **Corporate SaS companies**



- **Document & Workflow**

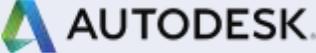


Company	Ticker	Gross Profit Margin	Operating Margin	Profit Margin	ROIC
 Adobe	ADBE	88%	35%	41%	29%
DocuSign	DOCU	75%	(12%)	(17%)	(10%)
 salesforce	CRM	74%	2%	19%	1.40%
 AUTODESK.	ADSK	91%	17%	32%	27%
 SAP	SAP SE	79%	24%	20%	8%
 Microsoft	MSFT	68%	39%	33%	29%



Company	Ticker	Gross Profit Margin	Operating Margin	Profit Margin	ROIC
 Adobe	ADBE	88%	35%	41%	29%
DocuSign	DOCU	75%	(12%)	(17%)	(10%)
 salesforce	CRM	74%	2%	19%	1.40%
 AUTODESK.	ADSK	91%	17%	32%	27%
 SAP	SAP SE	79%	24%	20%	8%
 Microsoft	MSFT	68%	39%	33%	29%

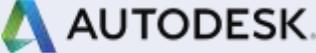


Company	Ticker	Gross Profit Margin	Operating Margin	Profit Margin	ROIC
 Adobe	ADBE	88%	35%	41%	29%
DocuSign	DOCU	75%	(12%)	(17%)	(10%)
 salesforce	CRM	74%	2%	19%	1.40%
 AUTODESK.	ADSK	91%	17%	32%	27%
 SAP	SAP SE	79%	24%	20%	8%
 Microsoft	MSFT	68%	39%	33%	29%



Company	Ticker	Gross Profit Margin	Operating Margin	Profit Margin	ROIC
 Adobe	ADBE	88%	35%	41%	29%
DocuSign	DOCU	75%	(12%)	(17%)	(10%)
 salesforce	CRM	74%	2%	19%	1.40%
 AUTODESK.	ADSK	91%	17%	32%	27%
	SAP SE	79%	24%	20%	8%
 Microsoft	MSFT	68%	39%	33%	29%



Company	Ticker	Gross Profit Margin	Operating Margin	Profit Margin	ROIC
 Adobe	ADBE	88%	35%	41%	29%
DocuSign	DOCU	75%	(12%)	(17%)	(10%)
 salesforce	CRM	74%	2%	19%	1.40%
 AUTODESK.	ADSK	91%	17%	32%	27%
 SAP	SAP SE	79%	24%	20%	8%
 Microsoft	MSFT	68%	39%	33%	29%



Company	Ticker	Gross Profit Margin	Operating Margin	Profit Margin	ROIC
 Adobe	ADBE	88%	35%	41%	29%
DocuSign	DOCU	75%	(12%)	(17%)	(10%)
 salesforce	CRM	74%	2%	19%	1.40%
 AUTODESK.	ADSK	91%	17%	32%	27%
 SAP	SAP SE	79%	24%	20%	8%
 Microsoft	MSFT	68%	39%	33%	29%



# Economic Moat



# 1# Intangible Assets

## Premium Technology

Adobe leads in 40+ digital performance categories

## Intellectual Property

Over 434 patented products

# 2# Network effect

## Industry Standard

Over 90% of the world's creative professionals use Adobe's Creative Cloud.

## Collaboration & Community

Over 24 million people use Behance



## 3# Switching Costs

## 4# Economies of Scale

Entrenched in Corporate use

73,309 companies integrate Adobe products into their operation

Adobe Certifications

Adobe Certified Associate licenses acknowledges barrier to exit

Government Partnership

Spread Fix Cost

Suite of Products

Subscription

Recurring revenue allows Adobe to lay the infrastructure to continue to produce excellent products at an optimal price





2021

Products

Free download



Photoshop



Illustrator



After Effects



InDesign



Premiere Pro



Experience Design



Lightroom



Audition



Dreamweaver



Spark



Animate



Fuse



Dimension



Character Animator



InCopy



Lightroom Classic



Media Encoder



Prelude



Premiere Rush



Acrobat DC



Creative Cloud



Creative Cloud



Experience Cloud



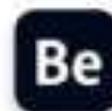
Document Cloud



Bridge



Acrobat Online



Behance



Fonts



Portfolio



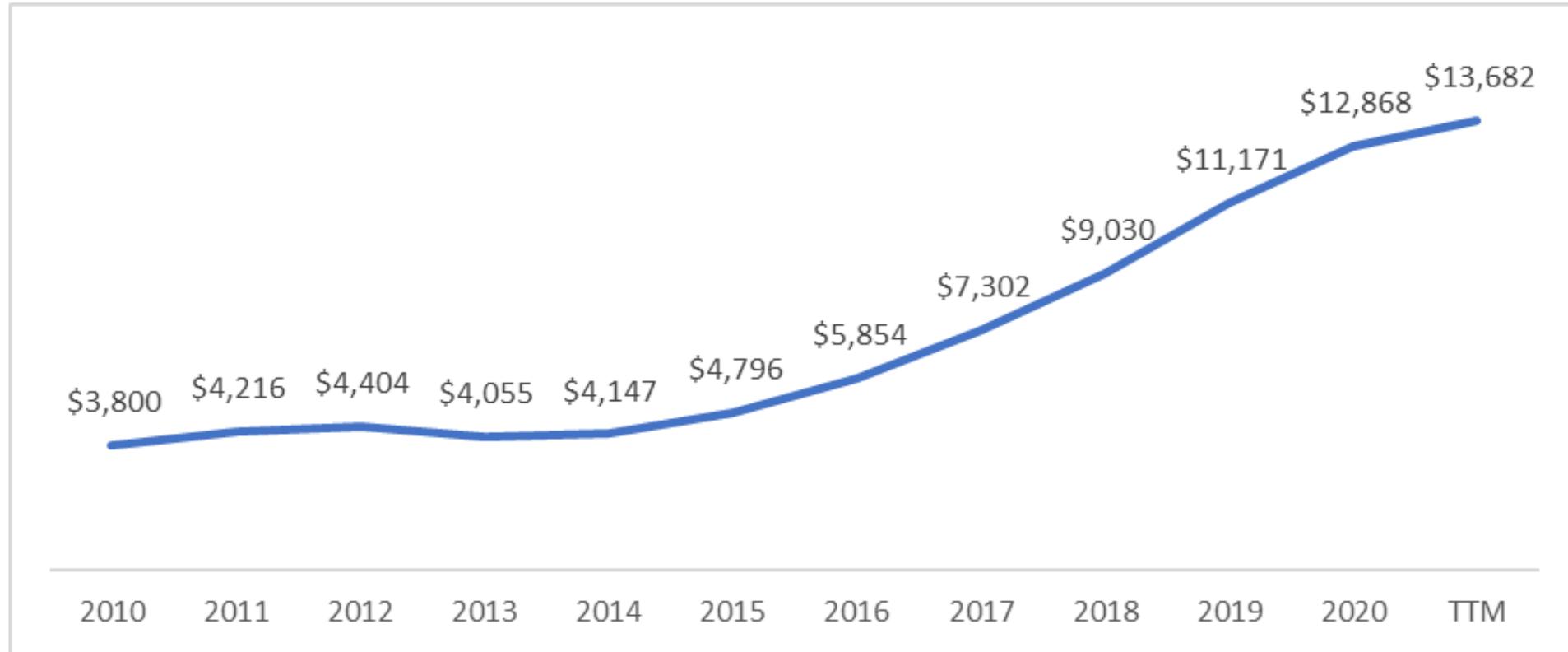
Stock



# Interpretation of Financial Statements



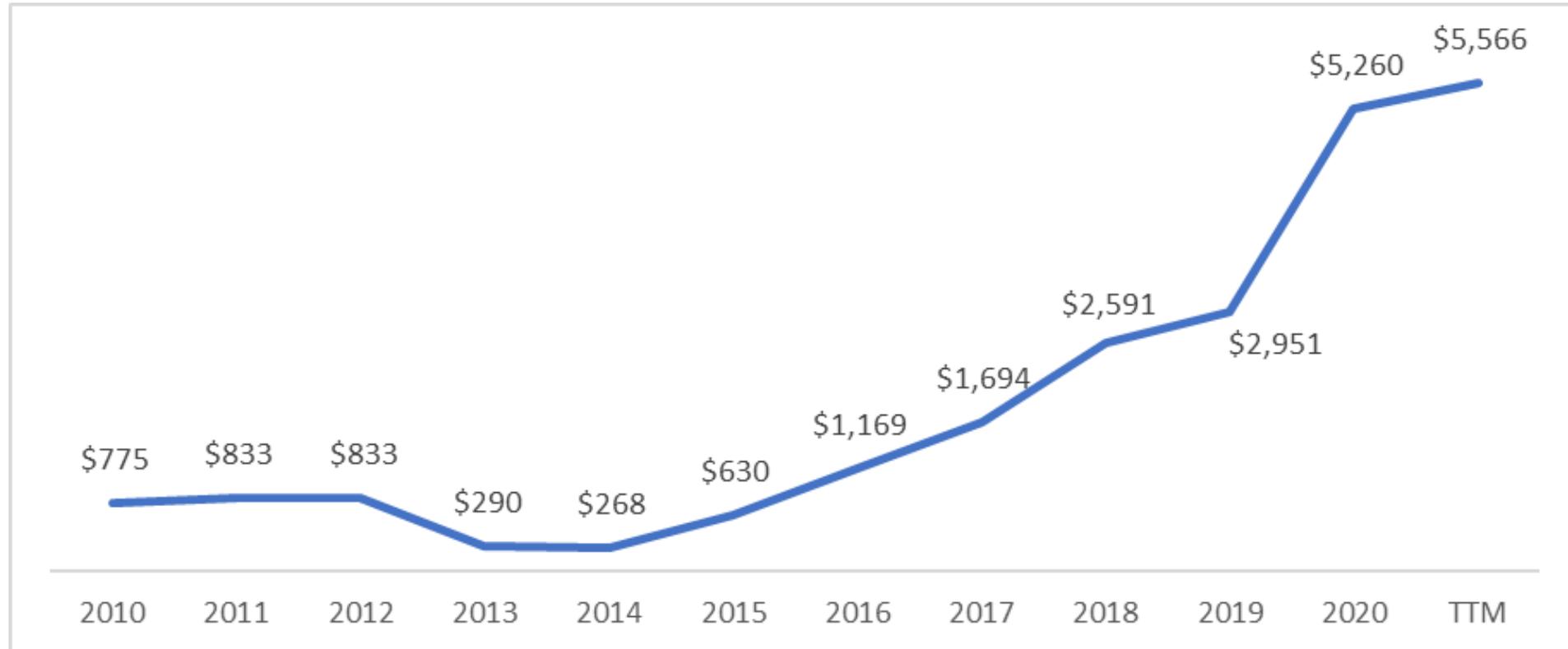
# Revenue (\$ Millions)



CAGR	10-year	5-year	1-year
Revenue	12.97%	21.82%	15.19%
Sales/sh.	13.89%	22.92%	16.85%



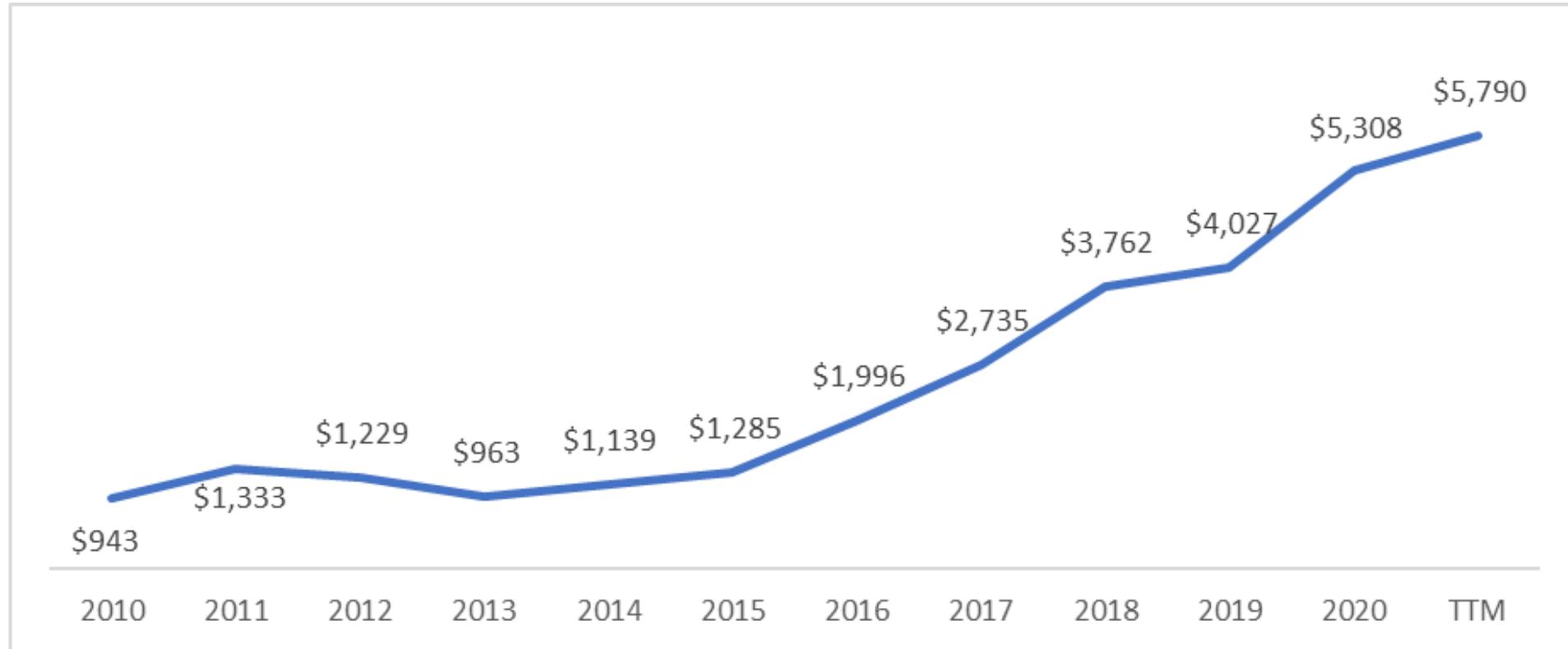
# Net Income (\$ Millions)



CAGR	10-year	5-year	1-year
Net Income	21.11%	52.87%	78.24%
Earnings/sh.	22.09%	54.25%	80.82%



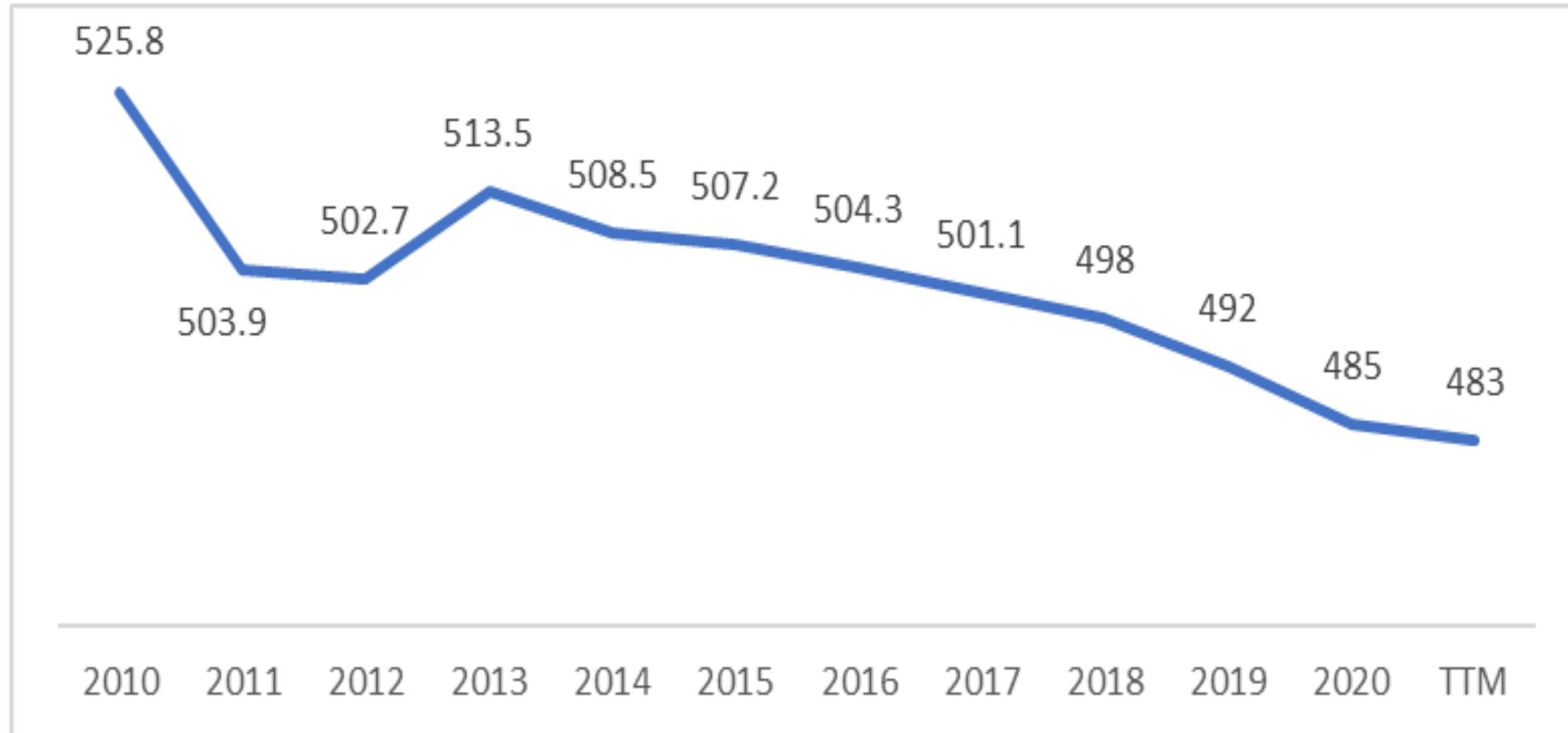
# Free Cash Flow (\$Millions)



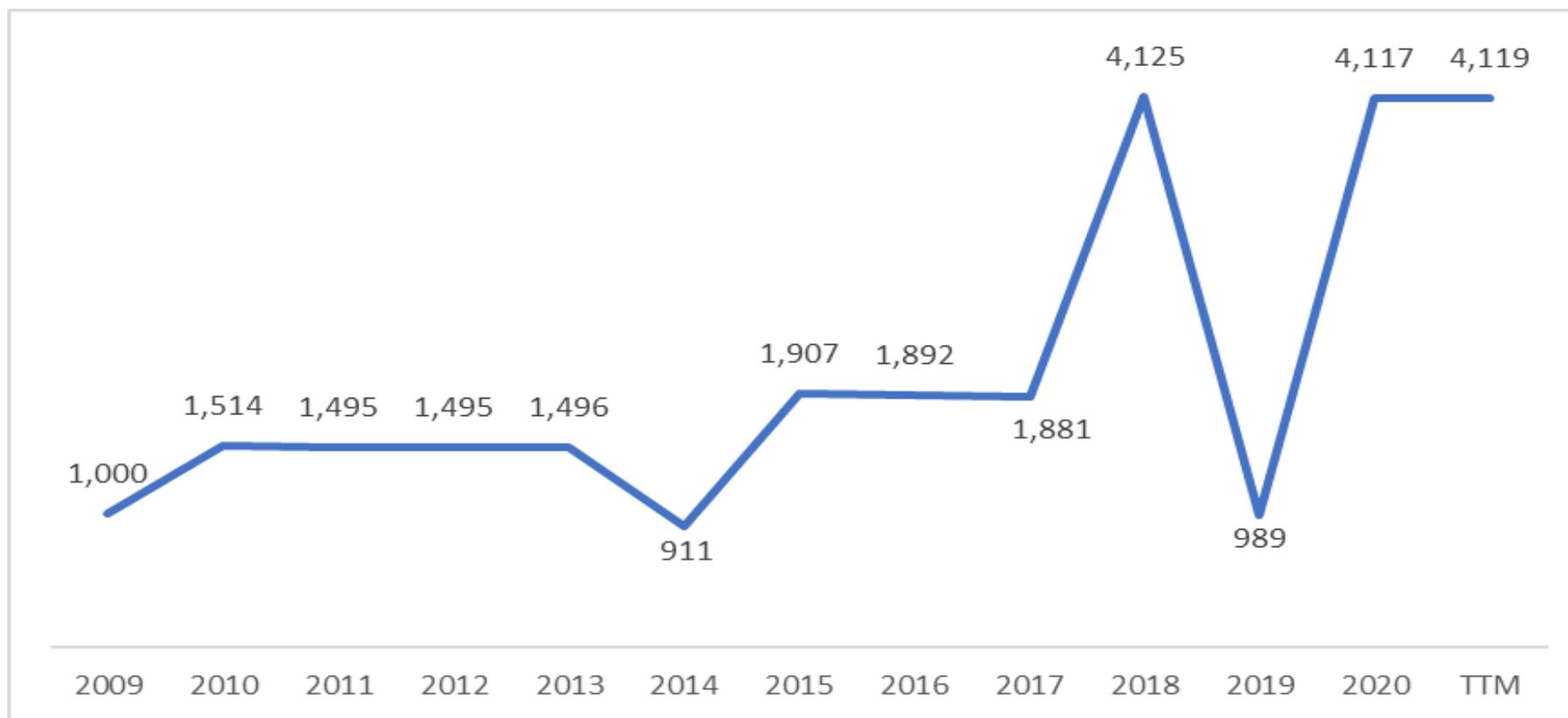
CAGR (10-20)	10-year	5-year	1-year
Free Cash Flow	18.86%	32.80%	31.81%
FCF/sh.	19.83%	34.00%	33.71%



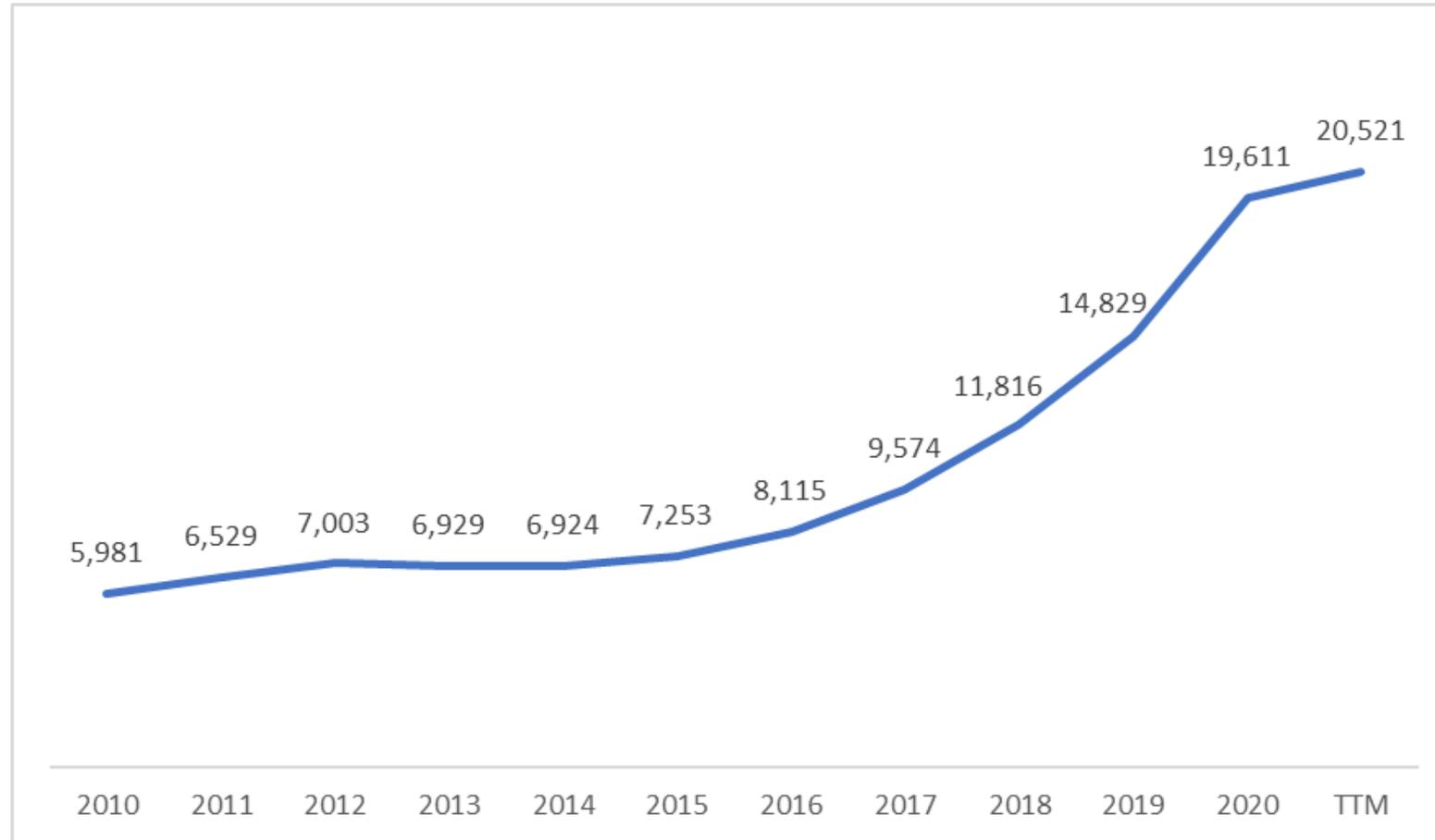
# Shares Outstanding



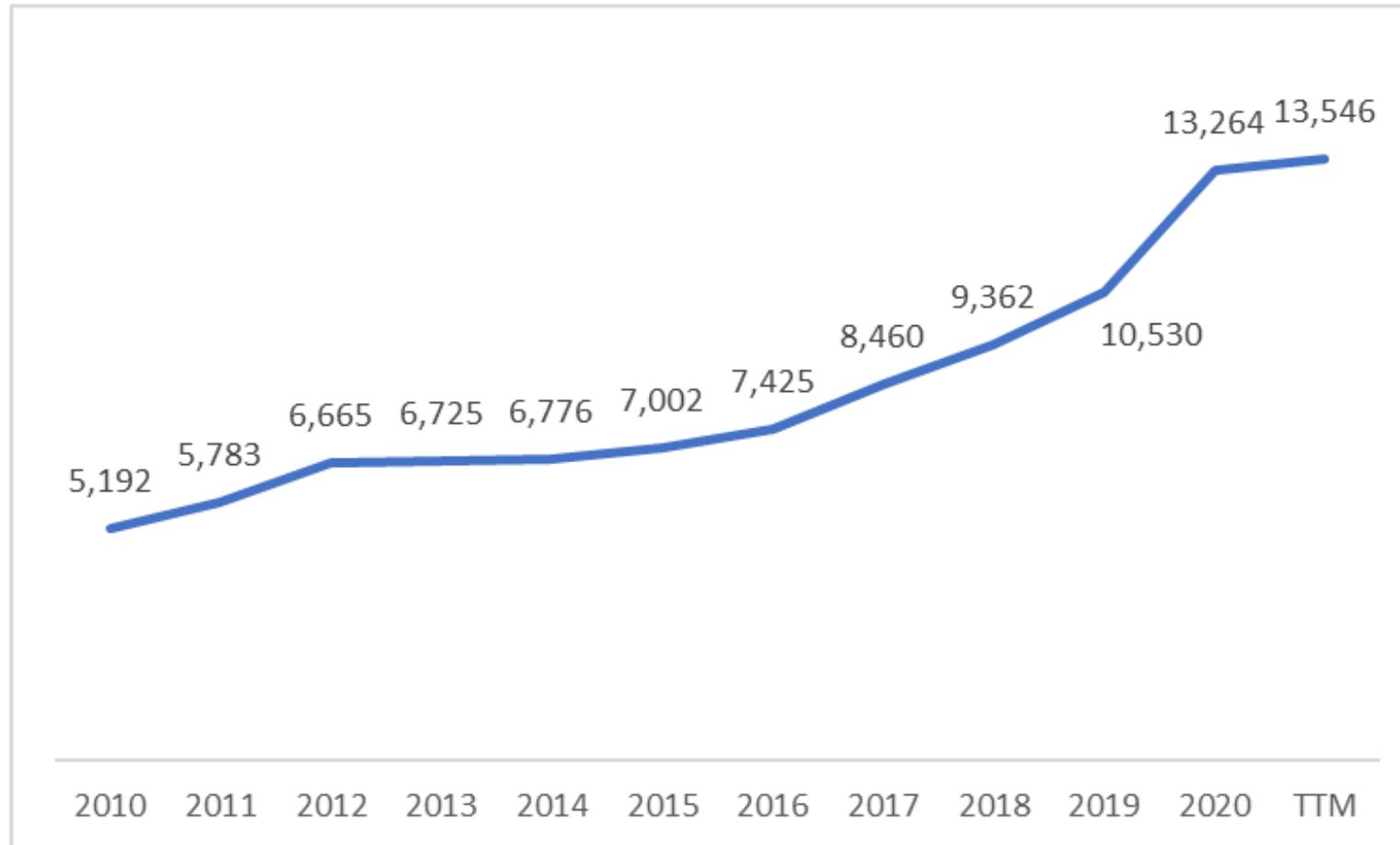
# Long Term Debt



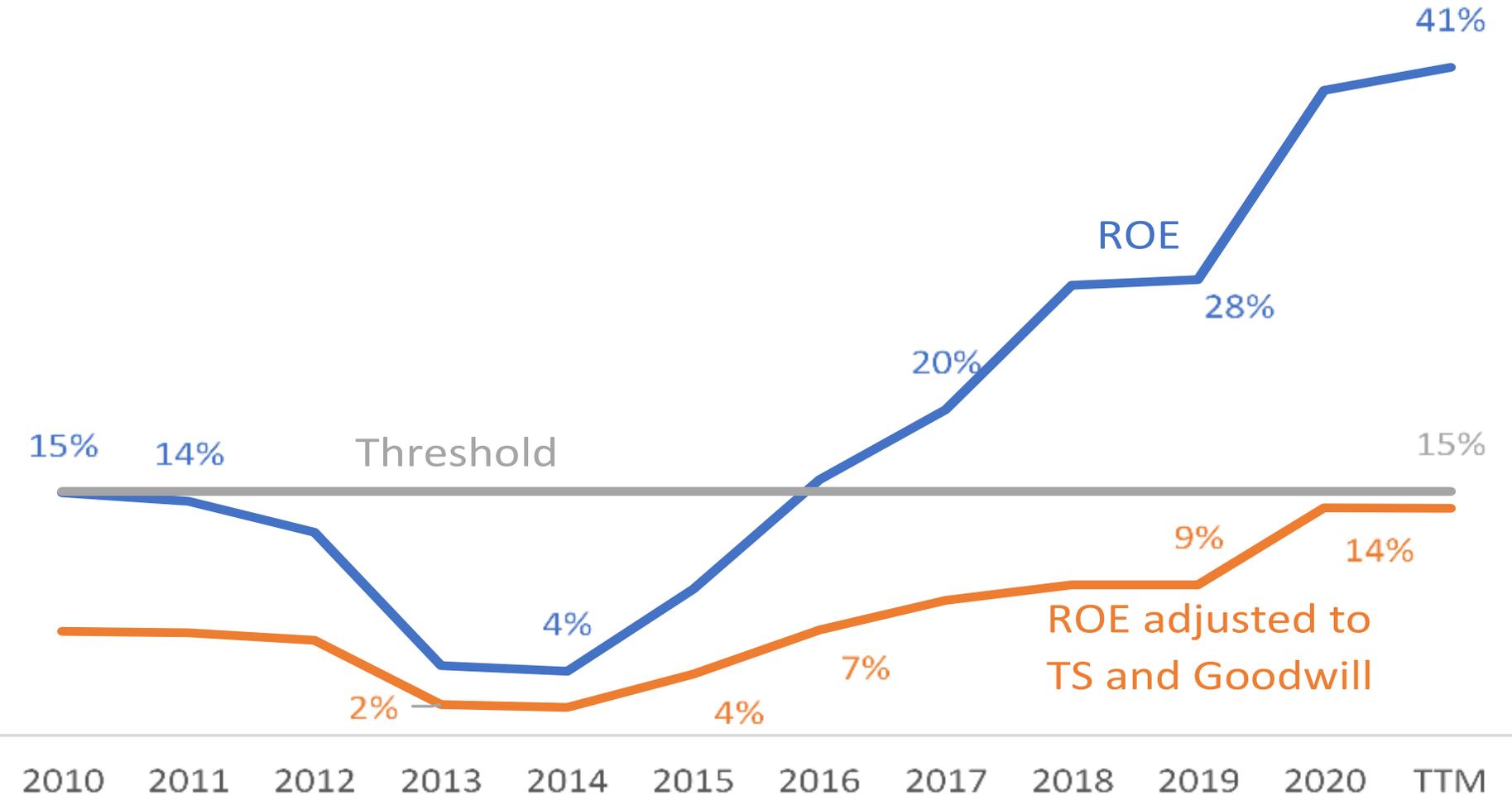
# Retained Earnings



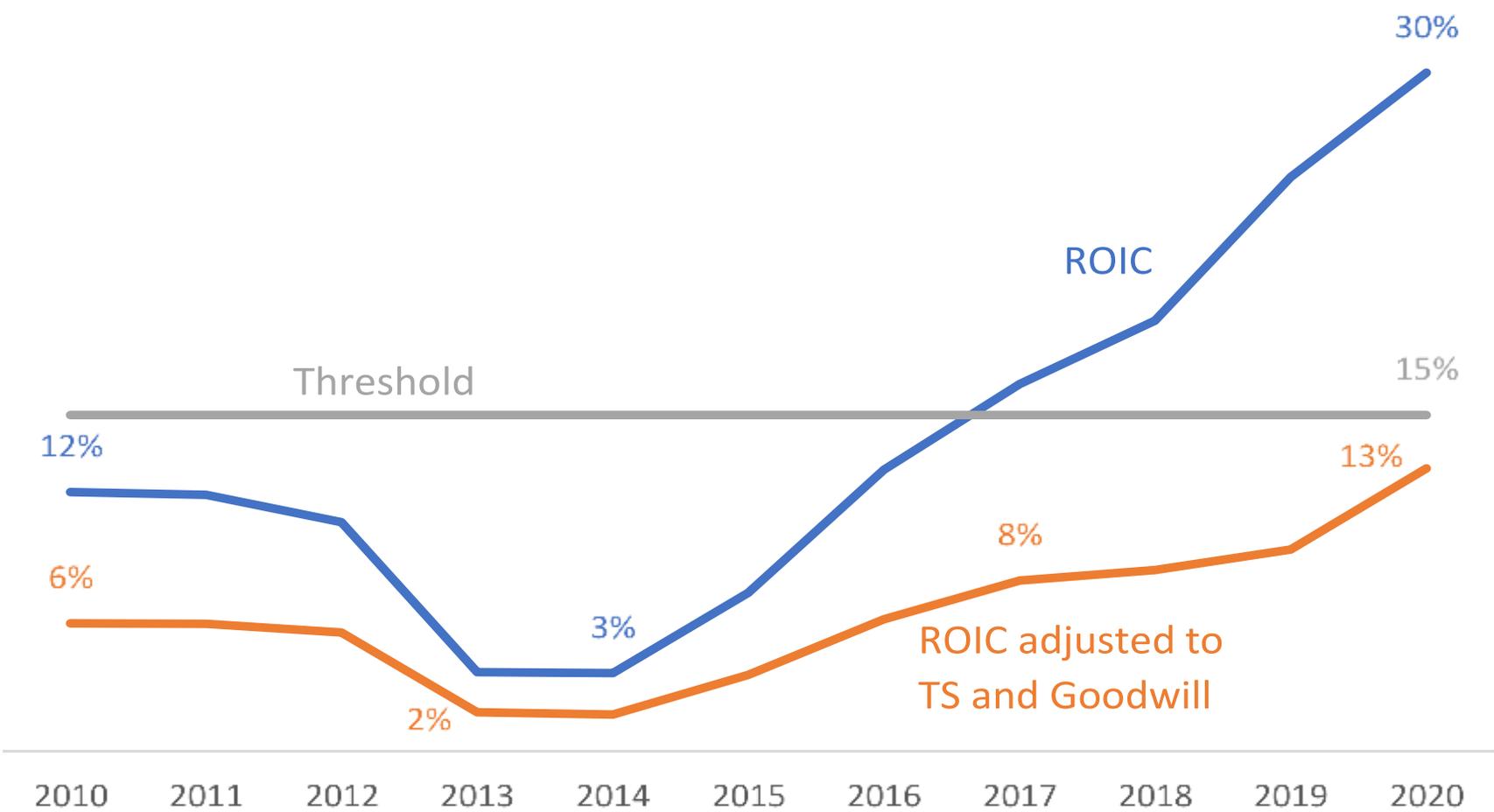
# Shareholder Equity



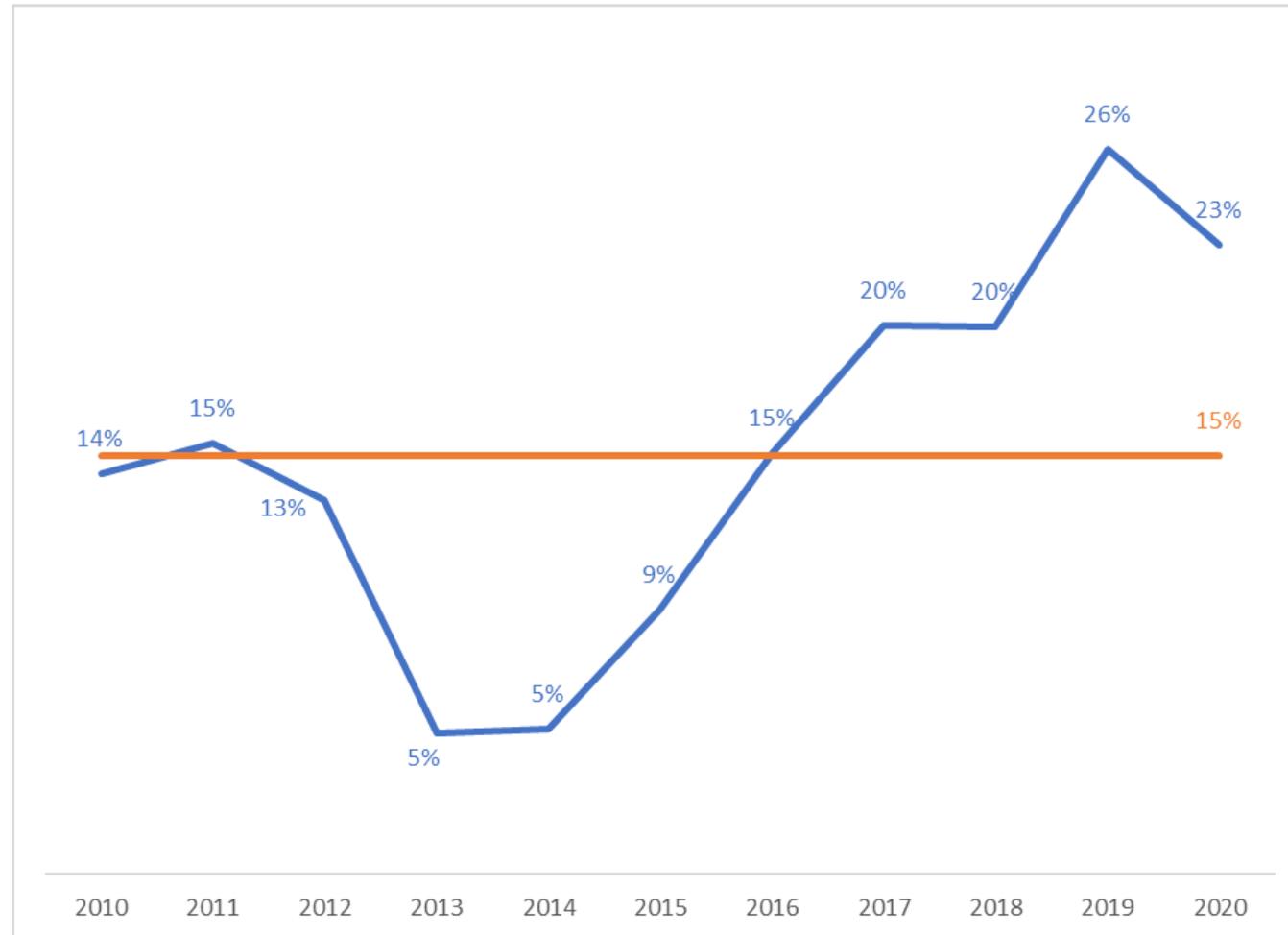
# Return on Equity



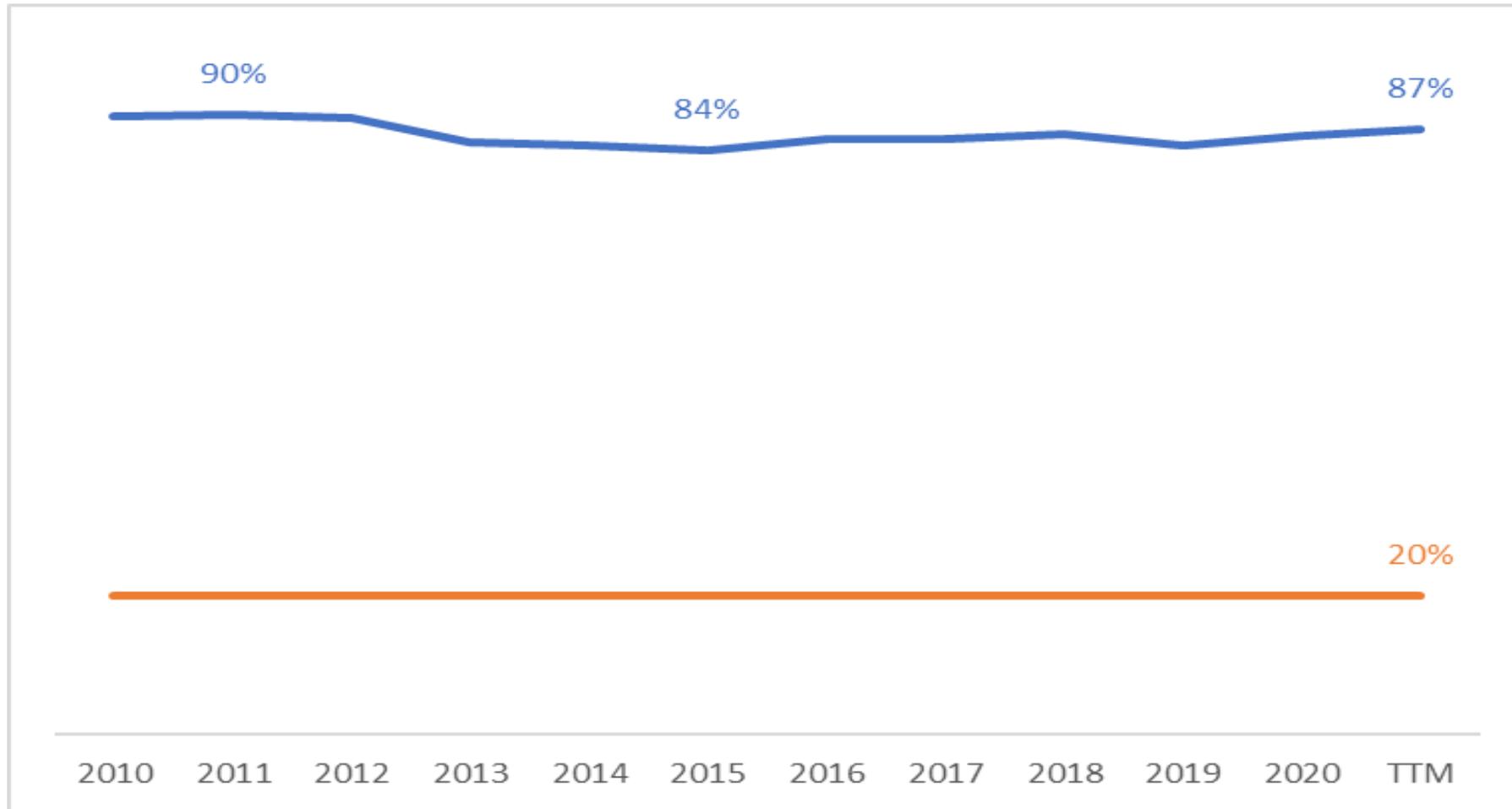
# Return on Invested Capital



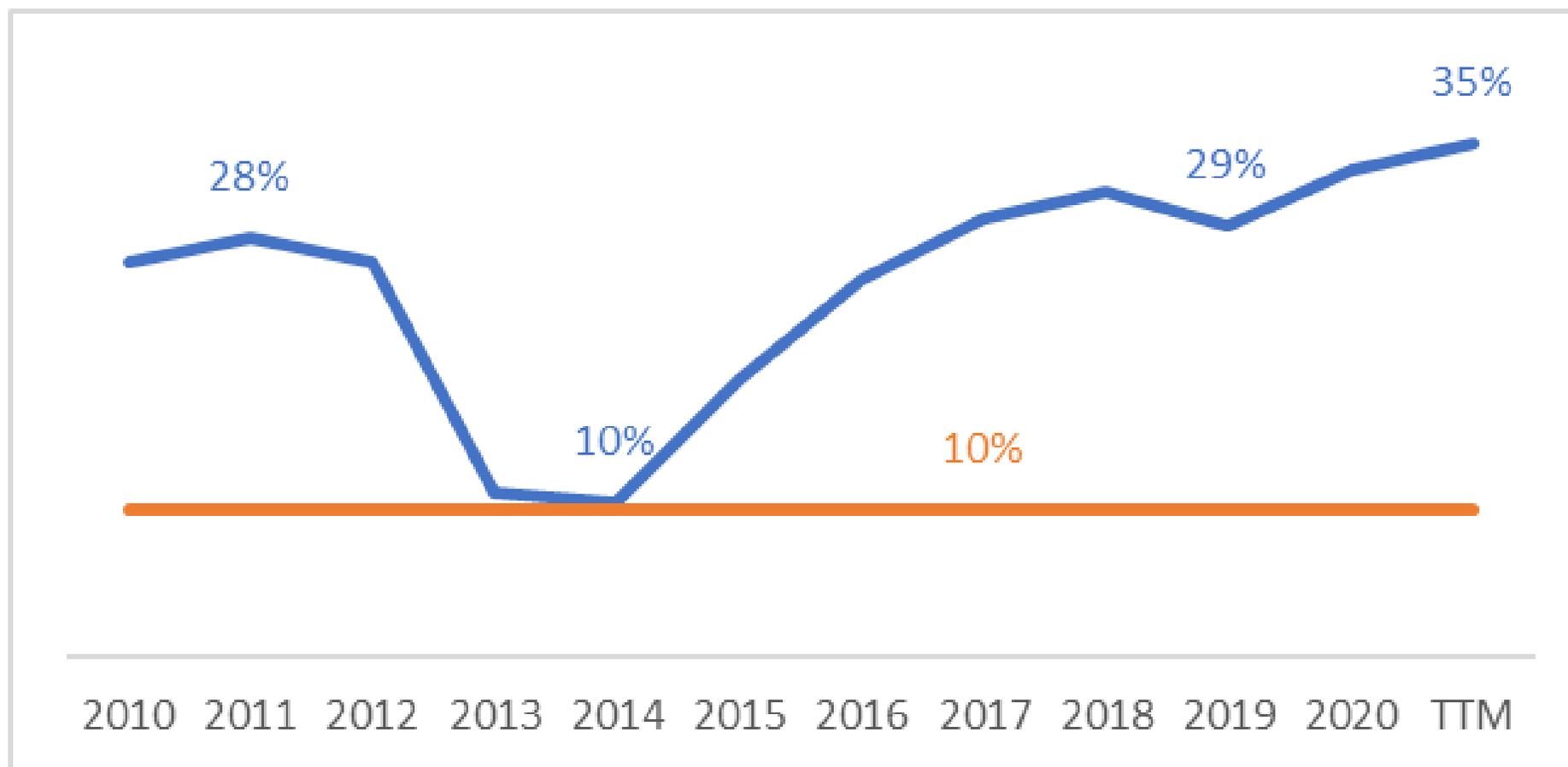
# Return on Capital Employed



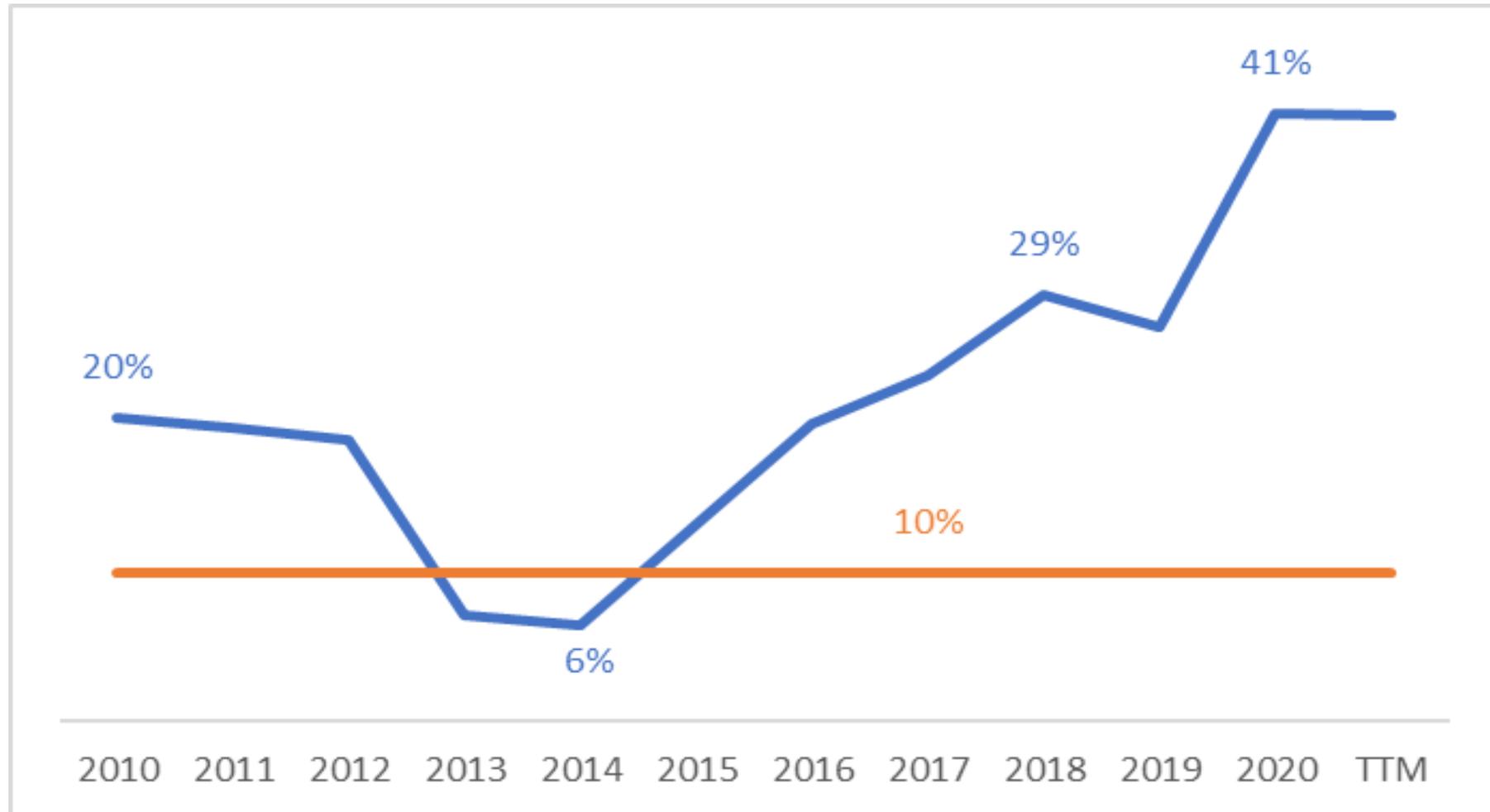
# Gross Profit Margin



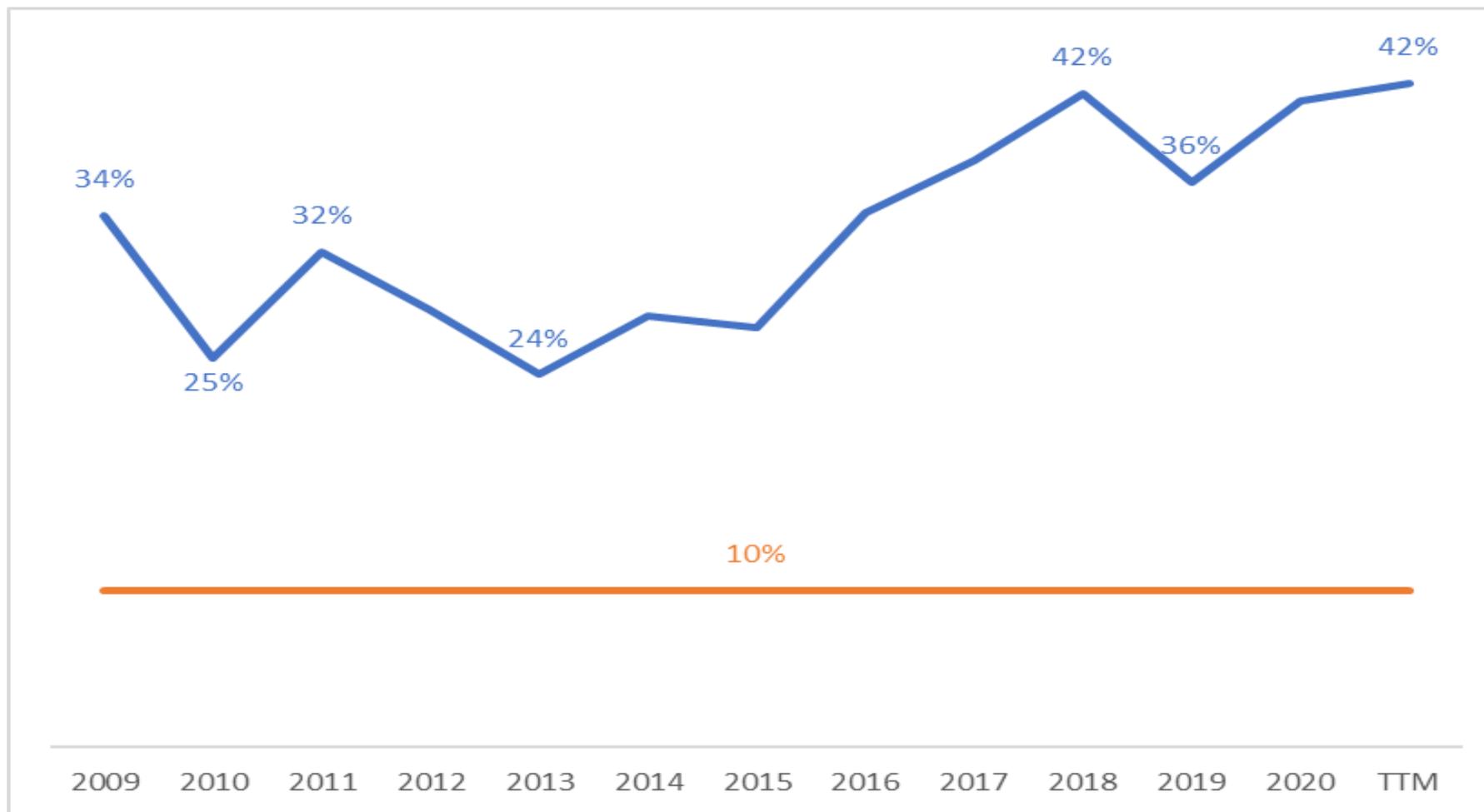
# Operating Margin



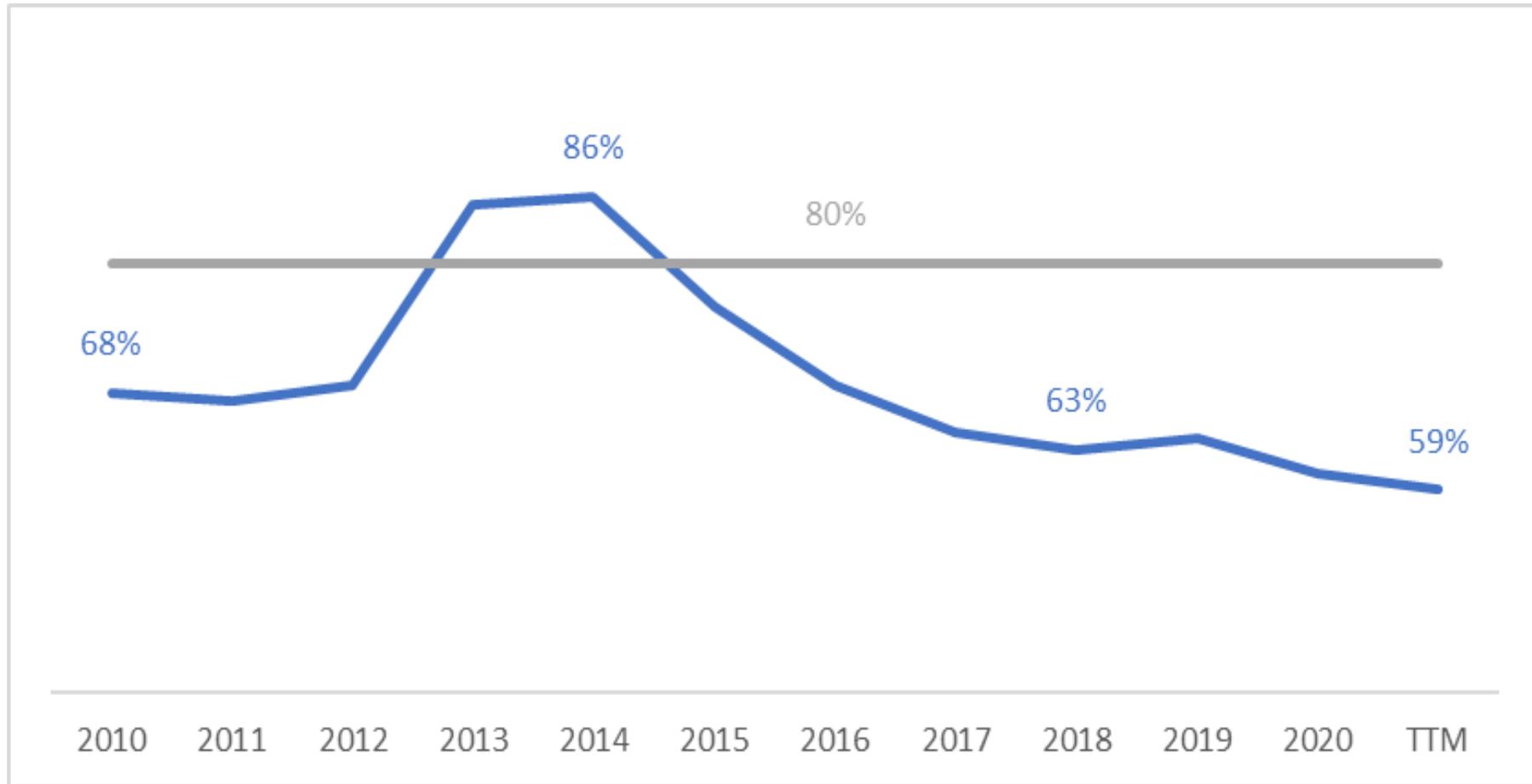
# Net Profit Margin



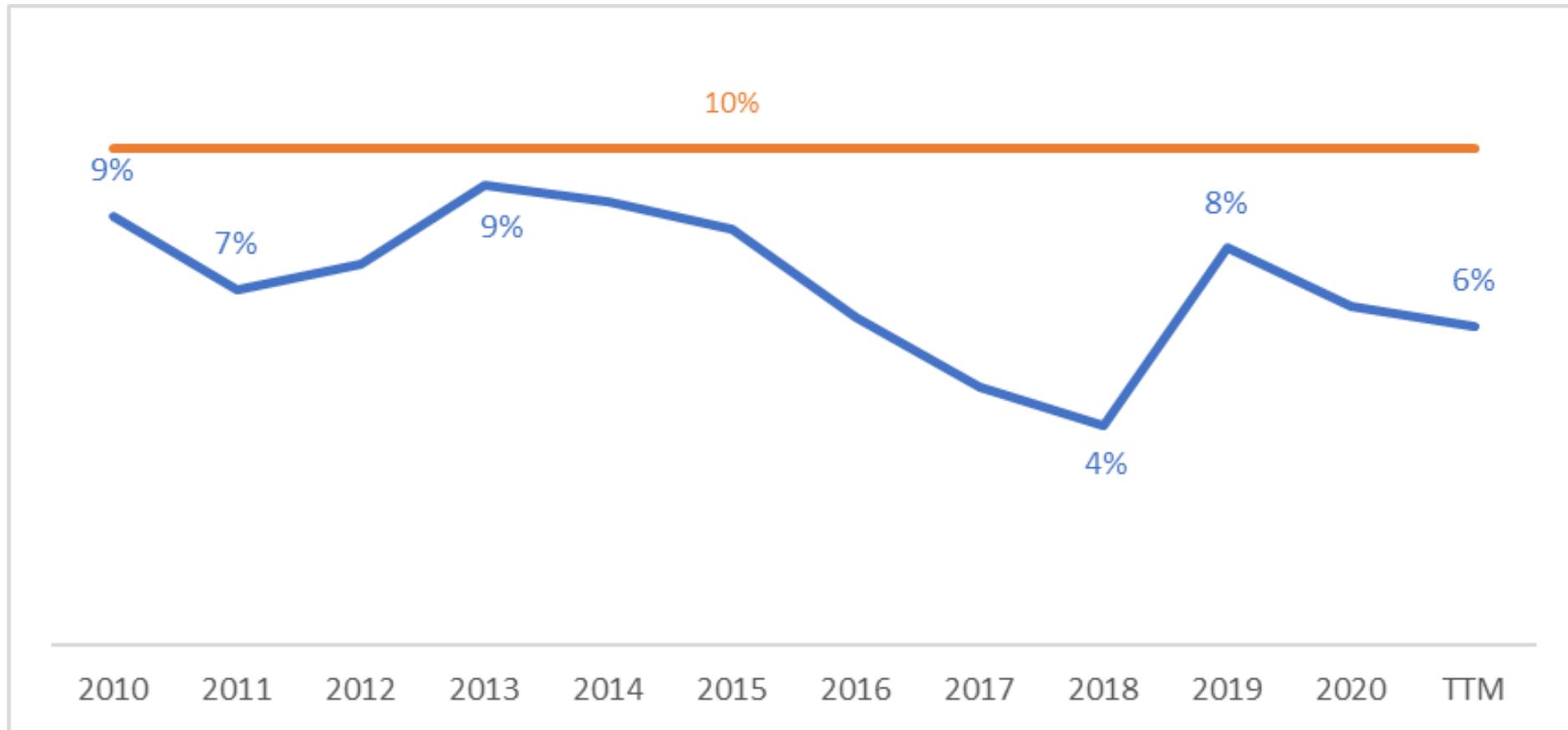
# FCF Margin



# SGA+R&D to Gross Profit



# DD&A to GP



# Obligation Ratio

$$\left( \begin{array}{l} \text{Total Debt} \\ + \text{Leases} * 7 \\ + \text{Pension Shortfall} \\ + \text{Preferred Stock} \\ \hline - \text{Cash Assets} \\ \hline \text{Obligations} \end{array} \right) / \text{Net Income} = \text{Obligation Ratio}$$



# Obligation Ratio (\$Millions)

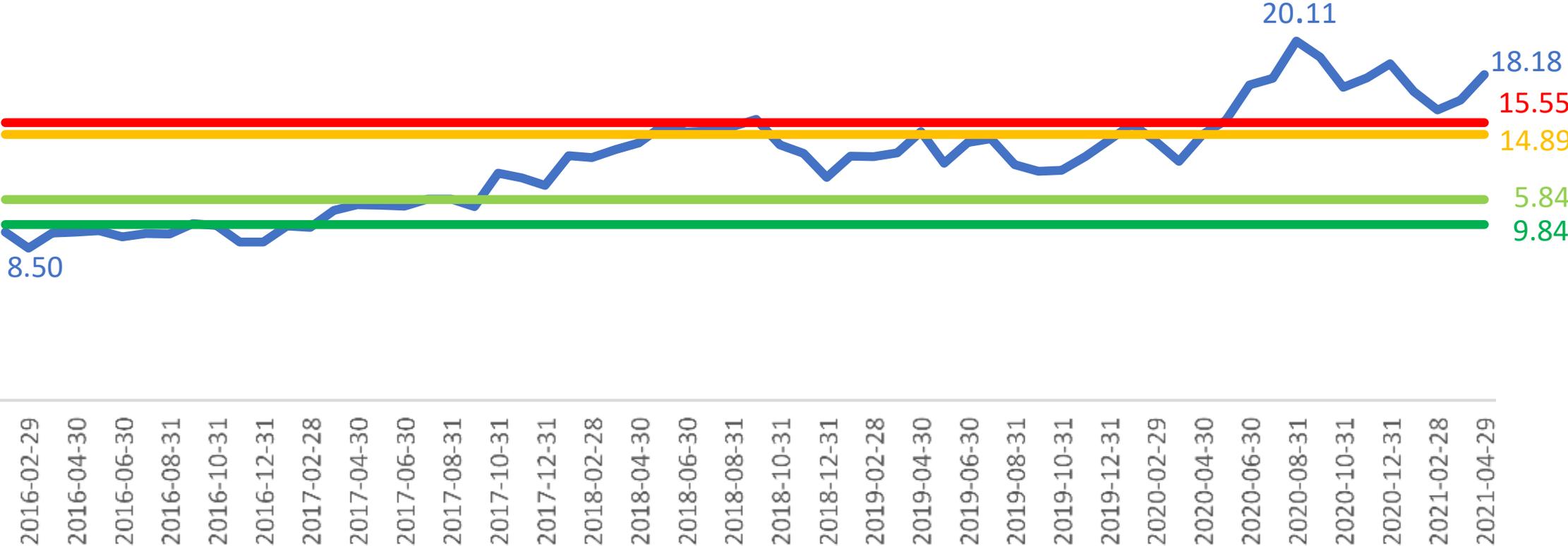
$$\left( \begin{array}{r} \$4117.0 \\ + \$104.0 * 7 \\ + 0 \\ + 0 \\ \hline - \$4478.0 \\ \hline \$367 \end{array} \right) / \$5260.0 = .0698$$



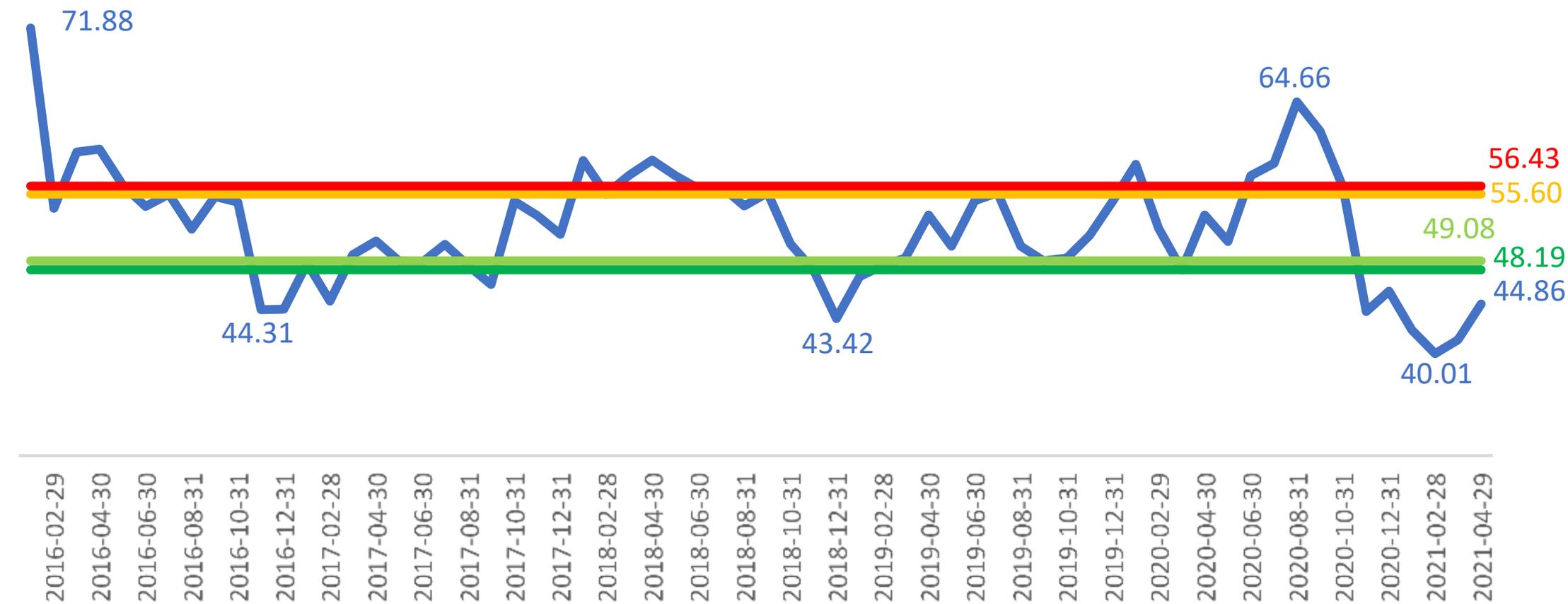
# Valuation Bands



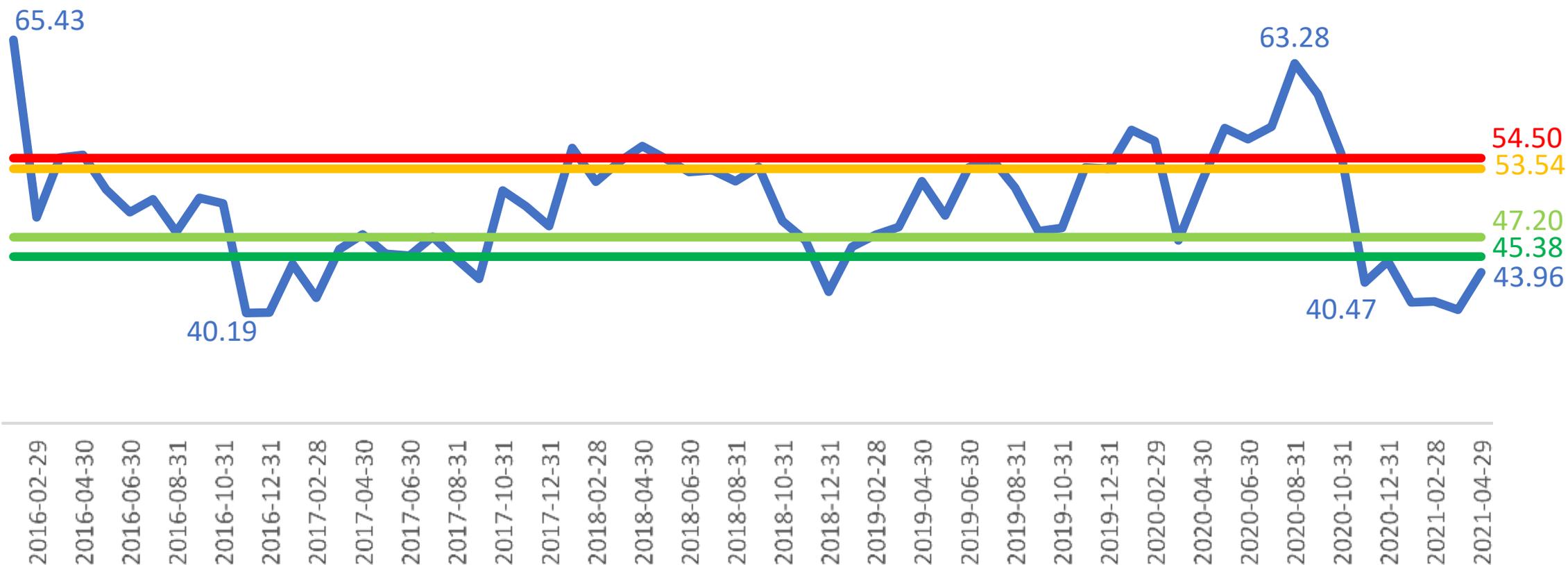
# Price/Sales



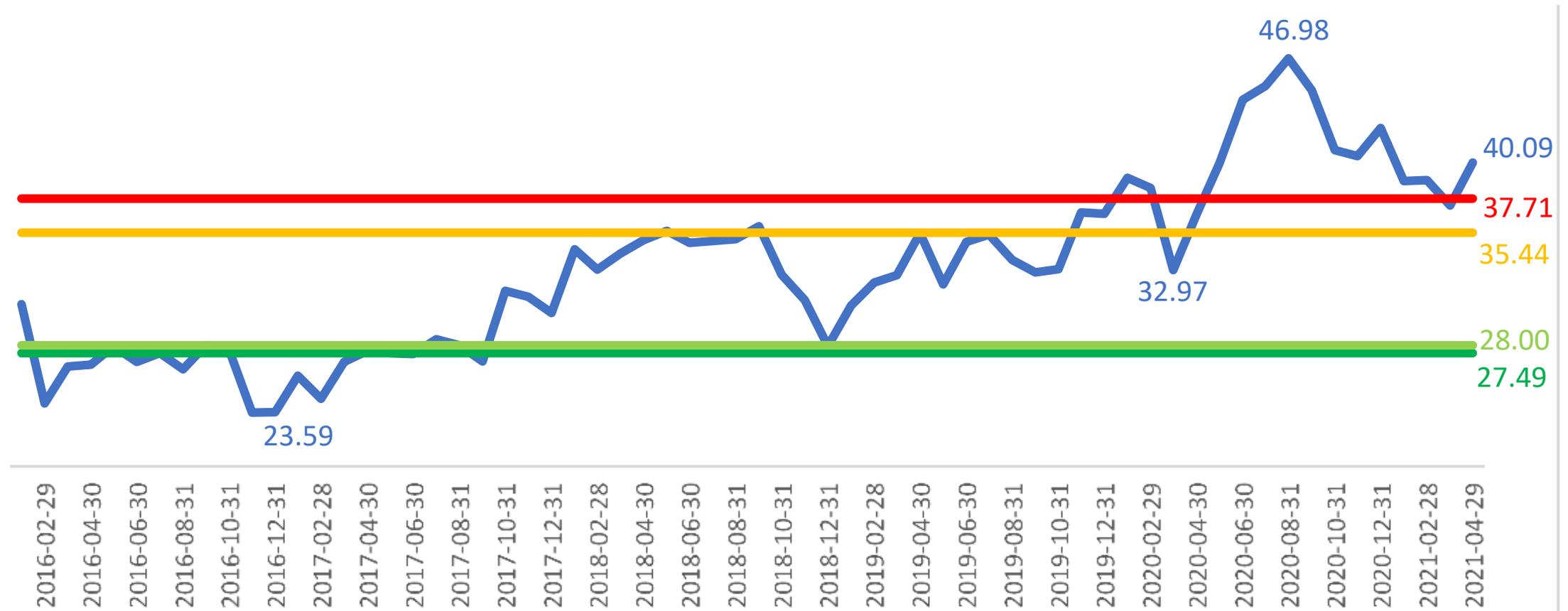
# Price/Earnings



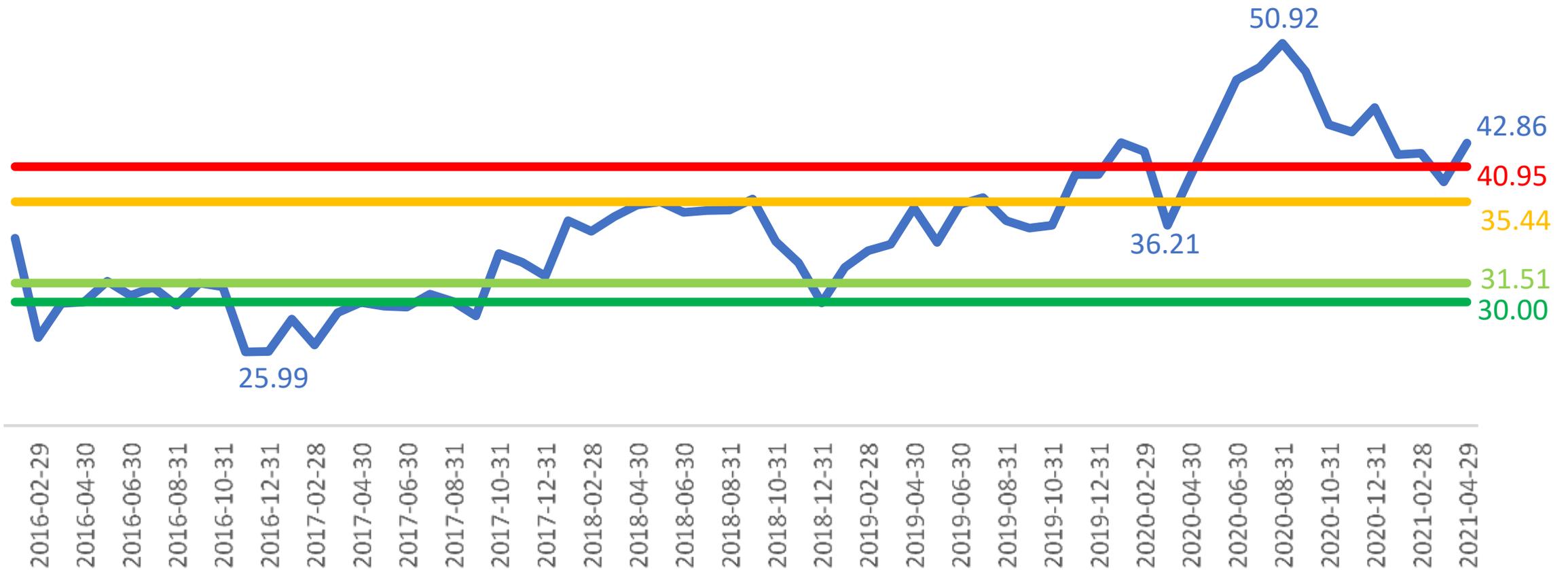
# Price/Earnings Less Cash



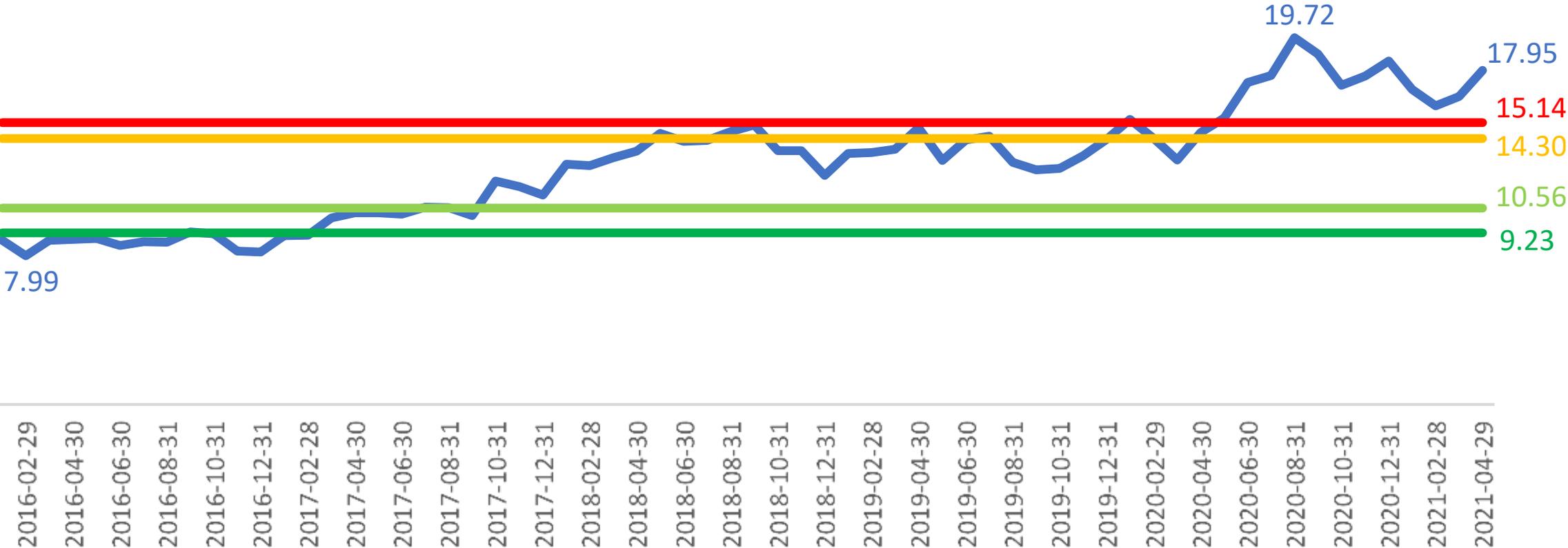
# Price/Cashflow



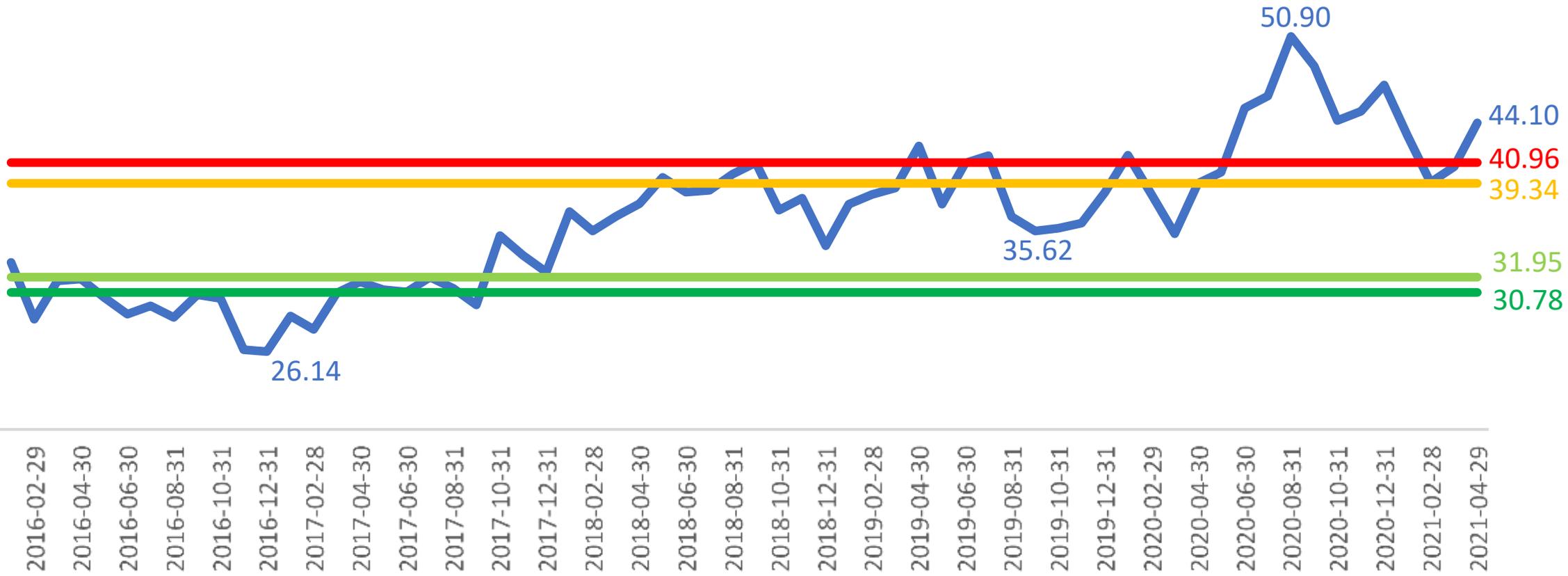
# Price/Free Cash Flow



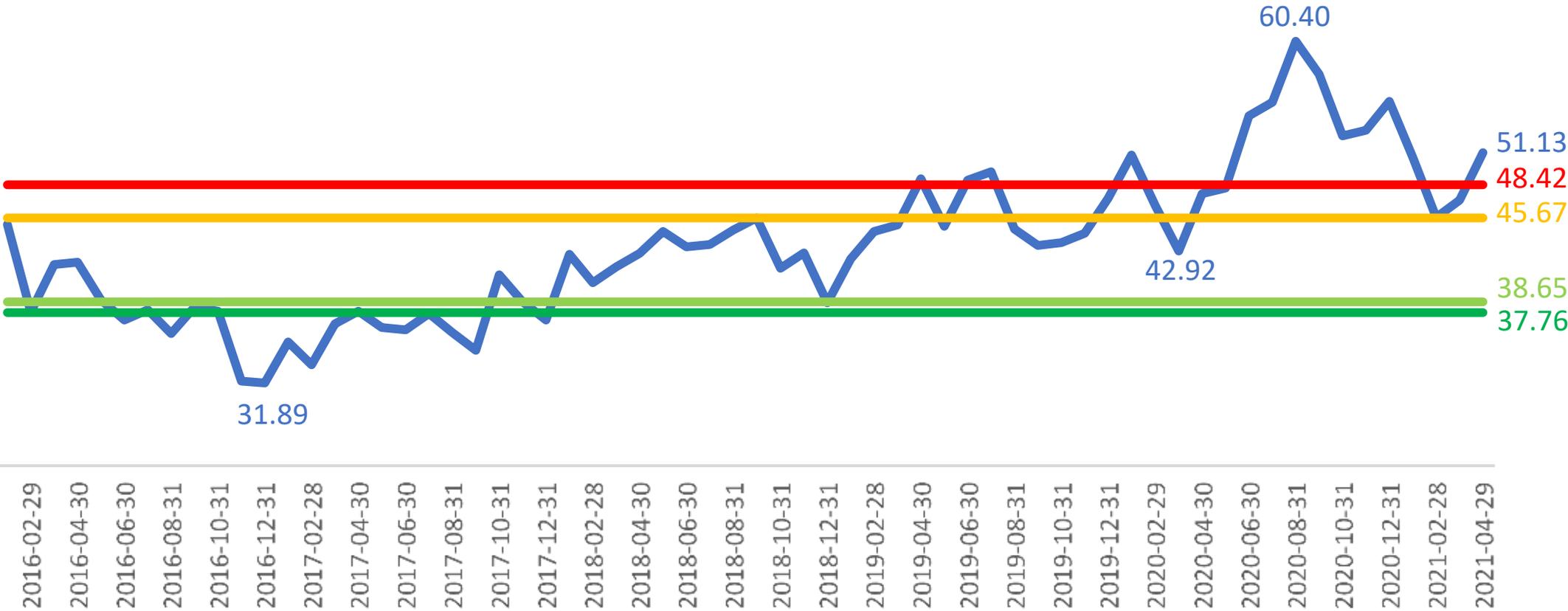
# EV/Revenue



# EV/EBITDA



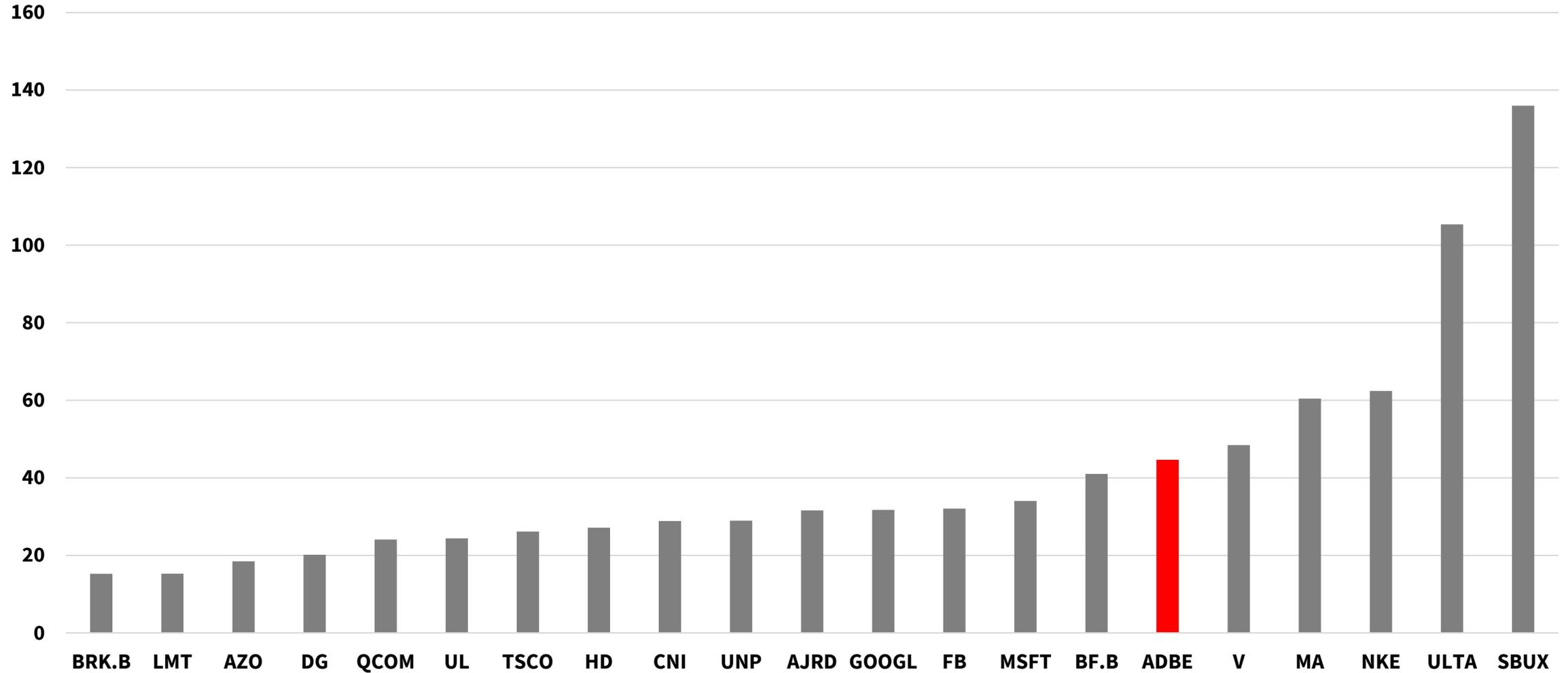
# EV/EBIT



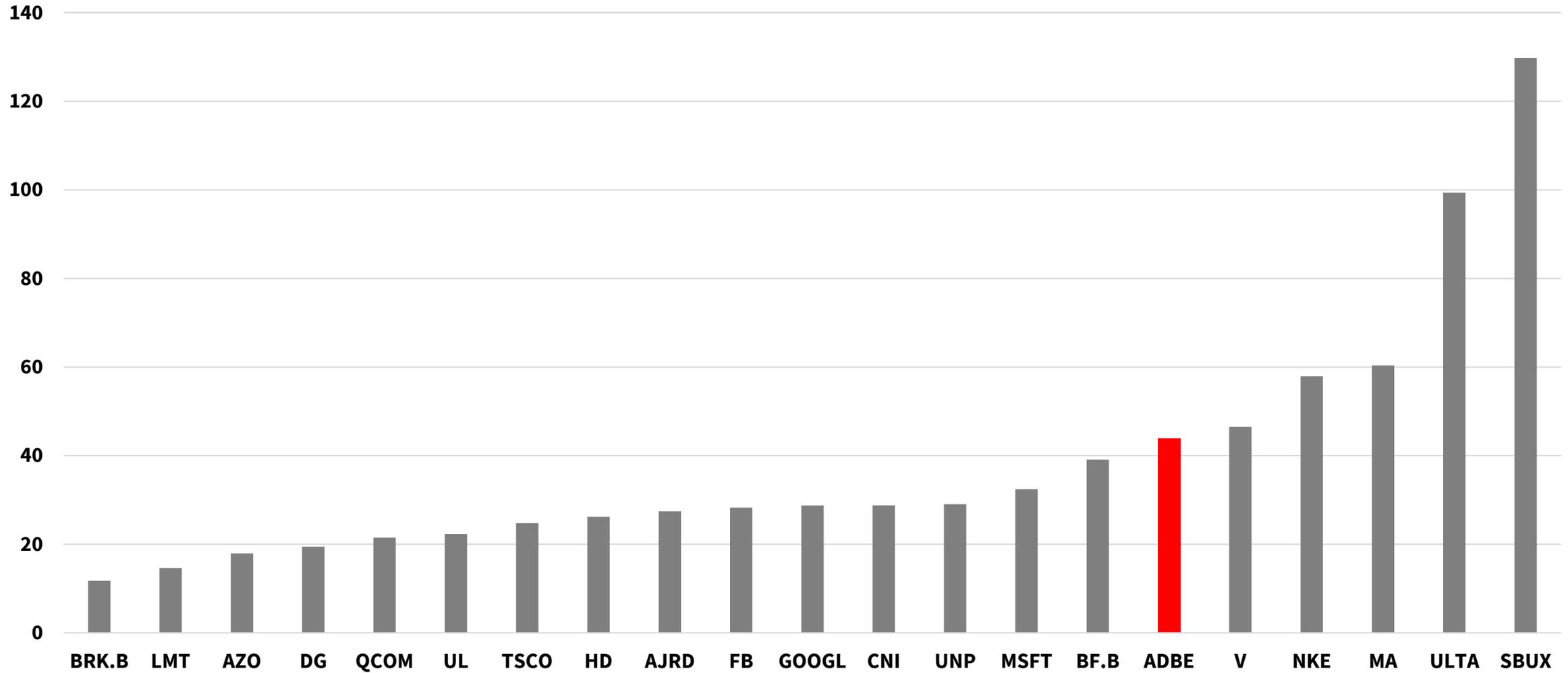
# Intraportfolio Evaluation



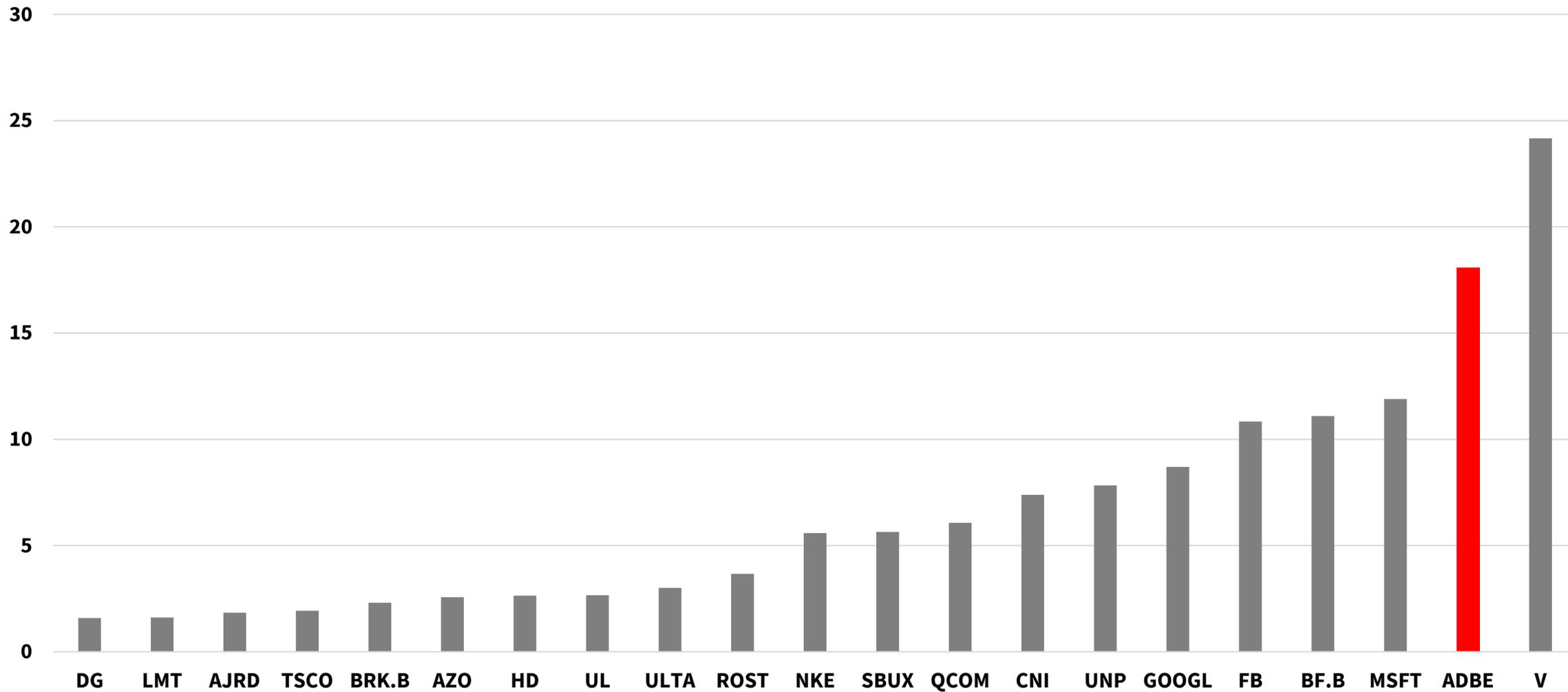
# Price/Earnings



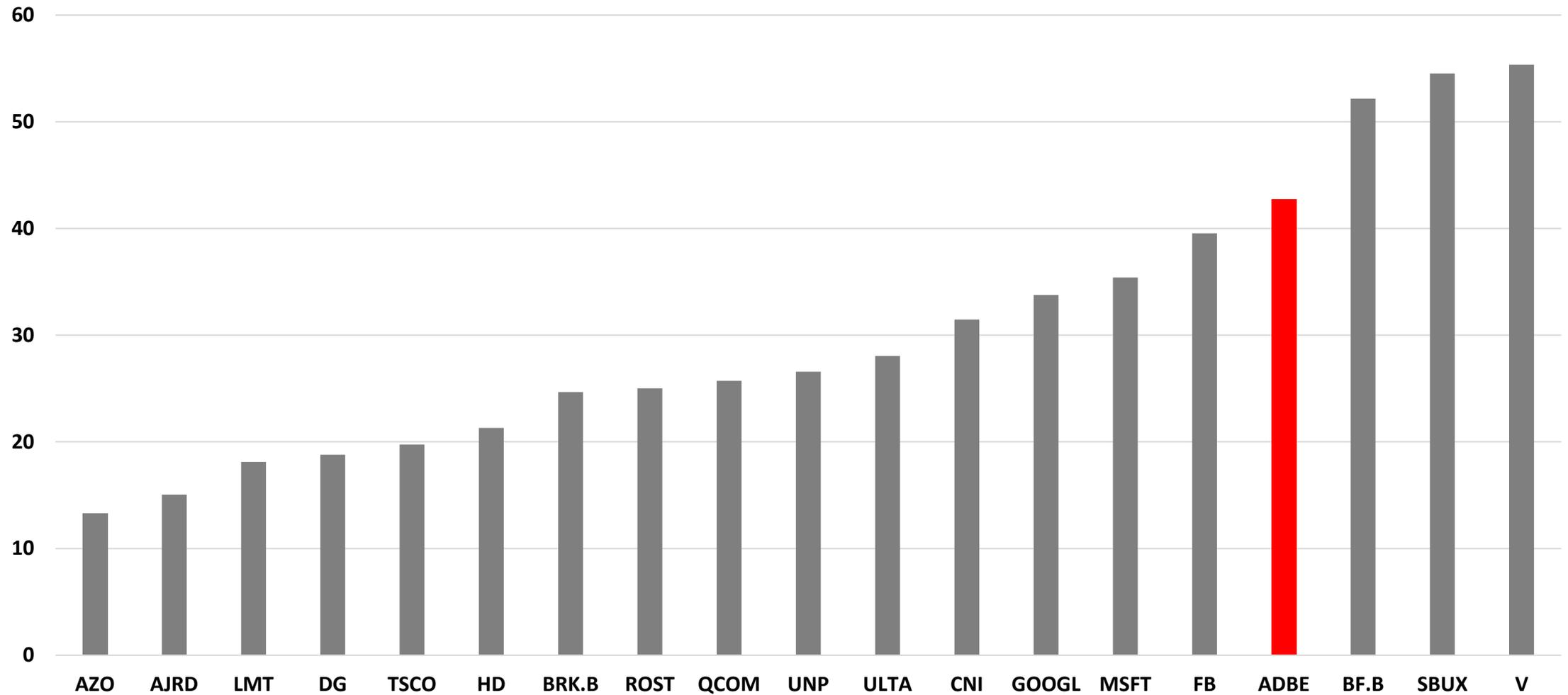
# Price/Earnings Less Cash



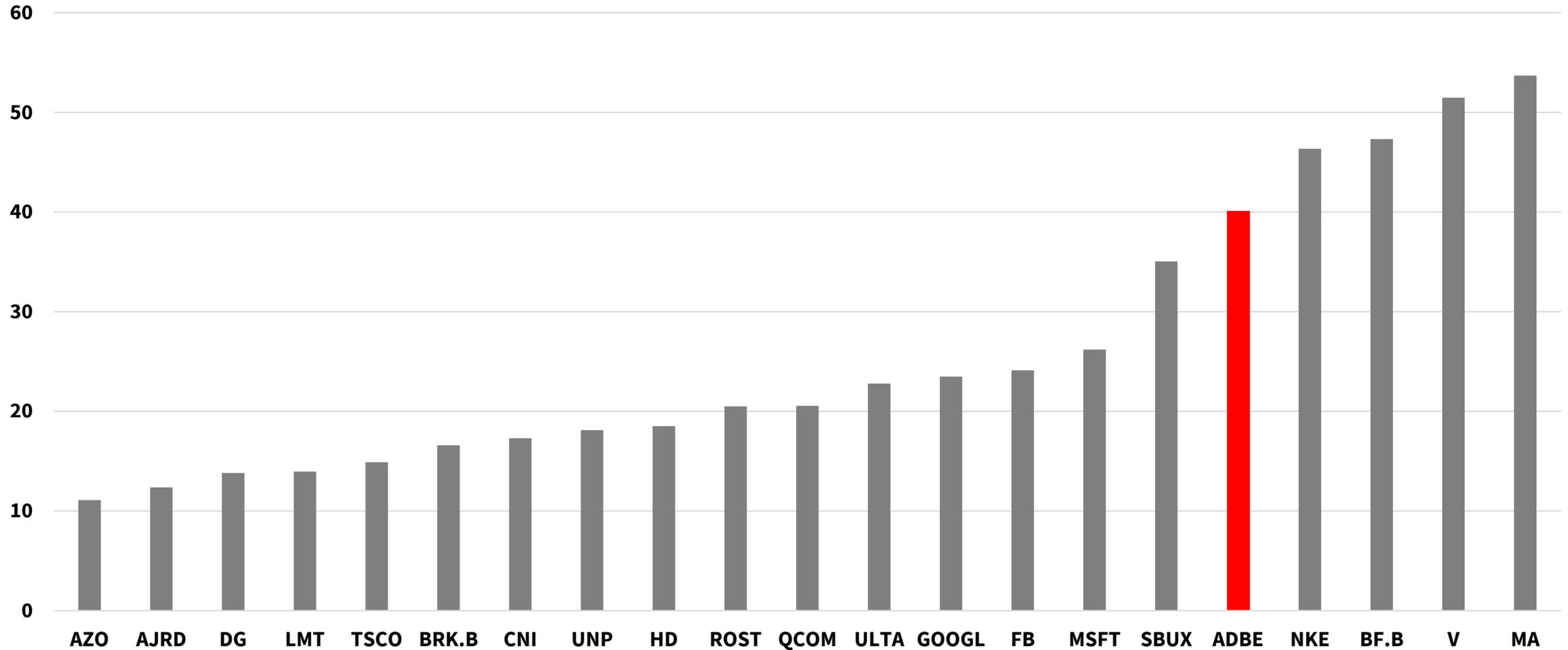
# Price/Sales



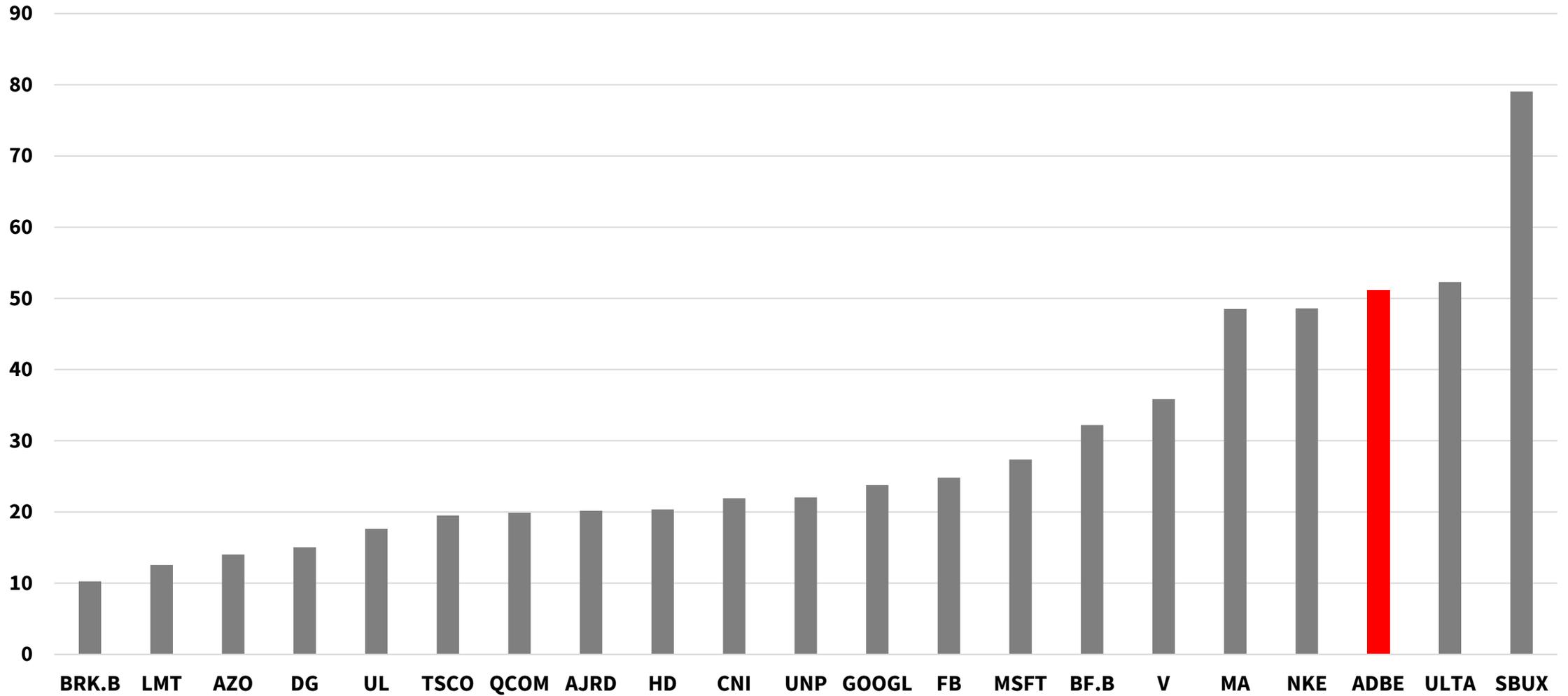
# Price/Free Cashflow



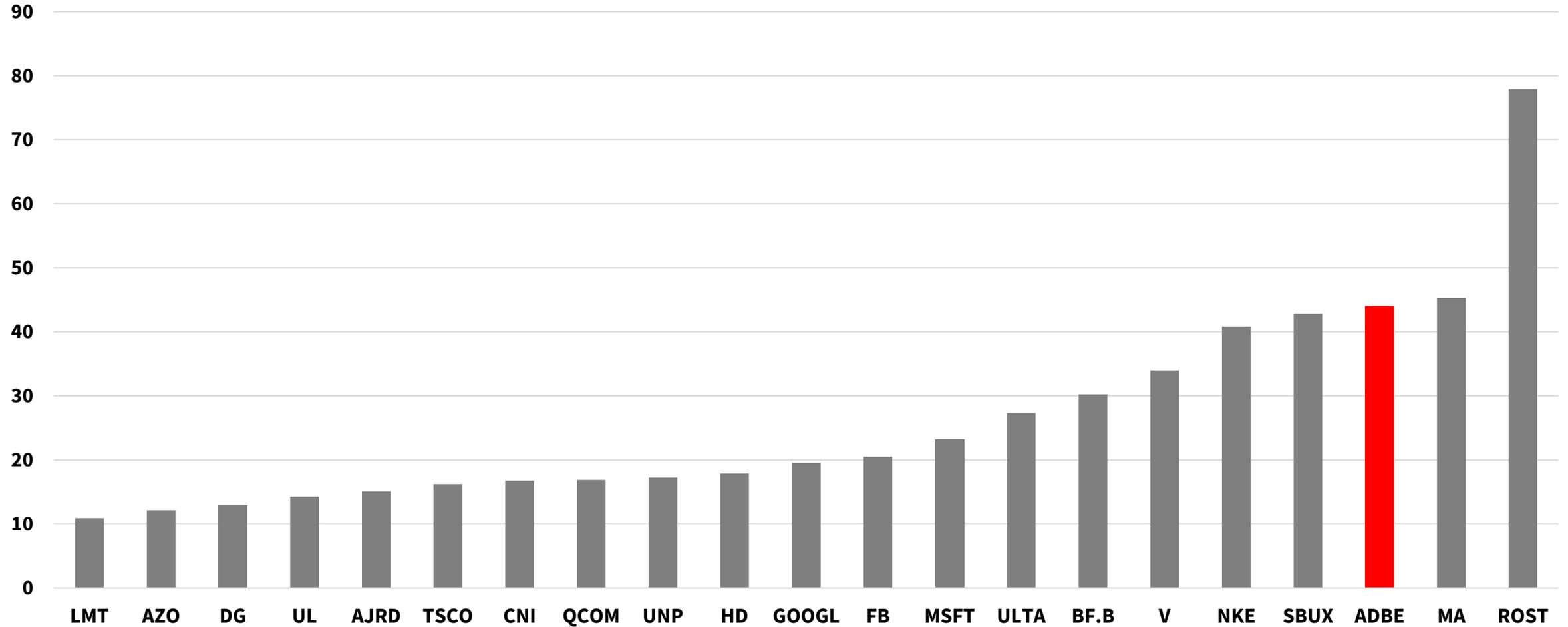
# Price/Cashflow



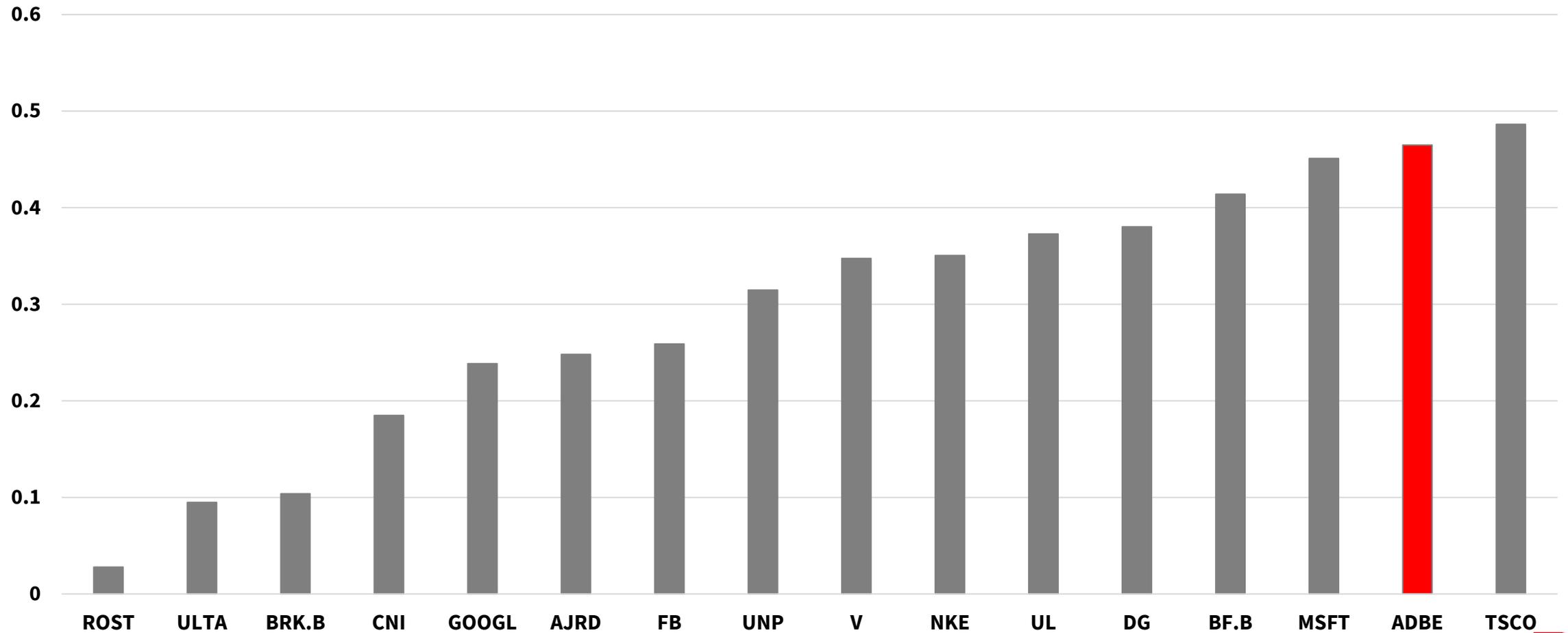
# EV/EBIT



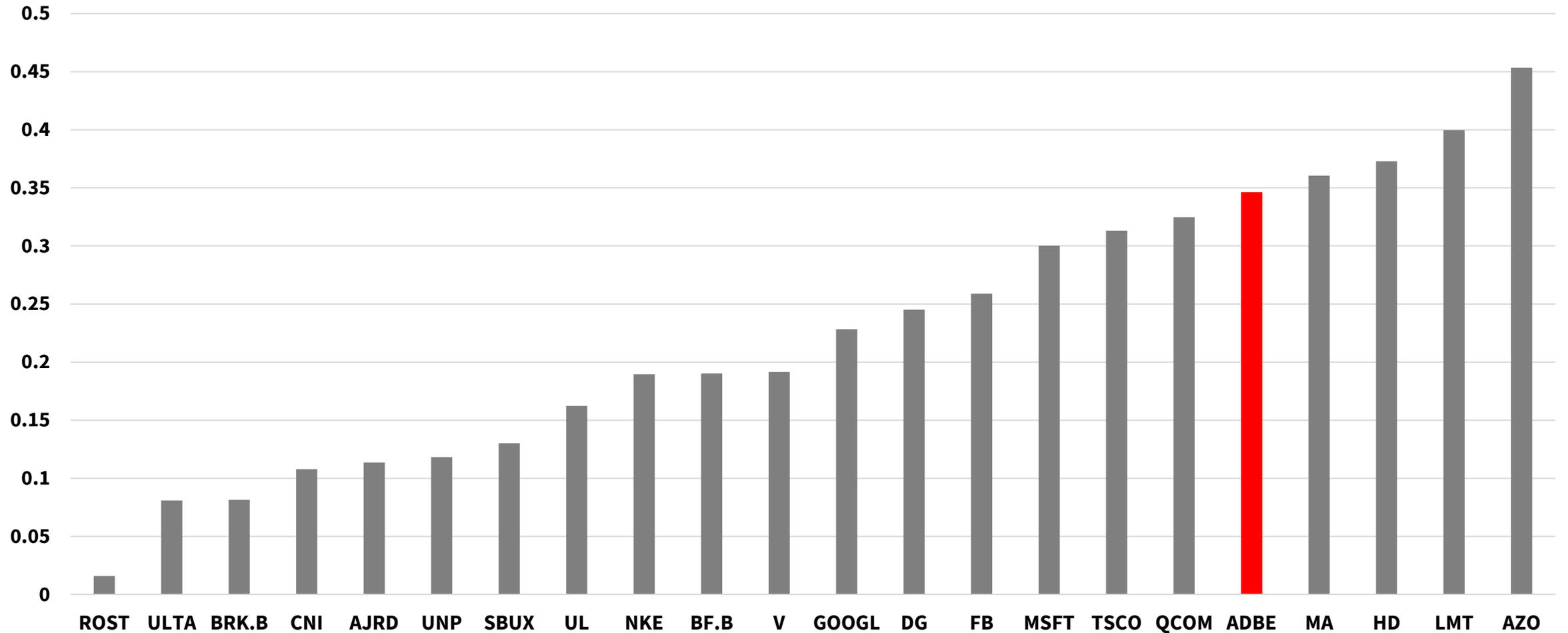
# EV/EBITDA



# Return on Equity



# Return on Invested Capital



# Discounted Cash Flow



# Discounted Cash Flows - Trailing Twelve Months FCF

Bear	
FCF PS	11.97
<b>Growth Rate</b>	<b>10%</b>
Growth Period	10
Terminal Rate	4%
Terminal Period	10
Discount Rate	9%
Tangible Book Value	0.00
<input type="checkbox"/> Add Tangible Book to FV	
Fair Value	\$ 197.84
Stock Price	\$ 520.00
Margin of Safety	-163%

Base	
FCF PS	11.97
<b>Growth Rate</b>	<b>15%</b>
Growth Period	10
Terminal Rate	4%
Terminal Period	10
Discount Rate	9%
Tangible Book Value	0.00
<input type="checkbox"/> Add Tangible Book to FV	
Fair Value	\$ 259.72
Stock Price	\$ 520.00
Margin of Safety	-100%

Bull	
FCF PS	11.97
<b>Growth Rate</b>	<b>20%</b>
Growth Period	10
Terminal Rate	4%
Terminal Period	10
Discount Rate	9%
Tangible Book Value	0.00
<input type="checkbox"/> Add Tangible Book to FV	
Fair Value	\$ 454.86
Stock Price	\$ 520.00
Margin of Safety	-14%



# Valuation Model



# Bear Case

5 year EPS projection								Projected Total Return	5 year Annual Upside Return			
								P/E	Price	PV		
Bear		Current	2021	2022	2023	2024	2025	35.0x	\$465.03	\$302.24	-9.1%	<b>-1.9%</b>
	EPS	\$8.25	\$9.08	\$9.98	\$10.98	\$12.08	\$13.29	40.0x	\$531.47	\$345.42	3.9%	<b>0.8%</b>
	5yr growth estimate	10%	10%	10%	10%	10%		45.0x	\$597.90	\$388.60	16.8%	<b>3.2%</b>



# Base Case

5 year EPS projection							Projected Total P/E	Projected Total Return Price	PV	5 year Annual Upside	Annual Return	
Base	Current	2021	2022	2023	2024	2025	35.0x	\$580.78	\$377.47	13.5%	<b>2.6%</b>	
	<b>EPS</b>	\$8.25	\$9.49	\$10.91	\$12.55	\$14.43	\$16.59	40.0x	\$663.75	\$431.39	29.7%	<b>5.3%</b>
	<b>5yr growth estimate</b>	15.0%	15.0%	15.0%	15.0%	15.0%	45.0x	\$746.72	\$485.31	45.9%	<b>7.9%</b>	



# Bull Case

5 year EPS projection							Projected Total P/E	Projected Total Return Price	PV	5 year Annual Upside	Annual Return	
Bull	Current	2021	2022	2023	2024	2025	35.0x	\$718.50	\$466.98	40.4%	<b>7.0%</b>	
	<b>EPS</b>	\$8.25	\$9.90	\$11.88	\$14.26	\$17.11	\$20.53	40.0x	\$821.15	\$533.69	60.5%	<b>9.9%</b>
	<b>5yr growth estimate</b>	20%	20%	20%	20%	20%	45.0x	\$923.79	\$600.40	80.5%	<b>12.5%</b>	



# Sensitivity Analysis

Sensitivity Analysis: Exp Total RoR Range				
		Est. EPS growth rate		
		10%	15%	20%
Price per Earnings	35.0x	-1.9%	2.6%	7.0%
	40.0x	0.8%	5.3%	9.9%
	45.0x	3.2%	7.9%	12.5%



# Conculsion

Adobe is a predictable and consistent business with wonderful business economics

High future growth prospects

Long-term oriented management team has capitalized on trends with long runways for growth

In the words of Sir Nathaniel Raschke “It seems like the best time to buy Adobe has been any day that ends in day”

Today is Thursday



# Recommendation

Adobe is a business that rarely trades at fair value

We recommend a limit order of \$520 per share, and making it 5% of our portfolio



# Appendix



# Goldman Sachs Breakdown

OUR VIEW ON ADOBE		
8 KEY FACTORS	TANGIBLE	INTANGIBLE
TAM	Large TAM: Creative (\$41bn), Document (\$21bn), Experience (\$85bn) Reaching \$30bn in revenue is achievable	TAM realization and expansion Moving upmarket in Digital Experience segment
SECULAR THEMES	Digital Transformations Ecommerce, Digital Engagement, Marketing, E-signature	Strong position with both professional and individual creators
ENTRY/EXIT POINTS	Stock supported by share repurchases	Clarity around growth/margin profile for Digital Experience
LT FRAMEWORK RETURN	Bear case: 10% compounded return; Base: 16%; Upside: 24%	Rule of 60+ garners premium multiple Path to 50% FCF margins
UNIT ECONOMICS	Direct to Adobe.com, Data Driven Operating Model 40%+ operating margins, S&M / Incremental Revs ~1.4x	Majority of EPS growth from Digital Media Incremental margin impact of Digital Experience as mix shifts
PLATFORM/ BEST OF BREED	Customer data + AI to create marketing/commerce platform Broad portfolio of apps across Creative market	Single use case vs multi use case Potential vendor lock-in
COMPETITIVE MOAT	Strong foundation and pricing power in Creative Cloud Large install base; access to personalized customer data	Differentiation vs Creative pure-play apps Competition vs CRM, SAP, Oracle in Digital Experience Platform
ESG	Goal to operate with 100% renewable energy by 2035 Potential return to M&A	Potential social impacts of products and potential risks from security breaches

**Today's FCF is 42x. per share at 10.94. If our earnings projection is accurate, we'll be paying 18x for 2025's free cash flow**



Base Case	Financial Projection Model					
	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025
<i>Growth Estimate</i>		15.0%	15.0%	15.0%	15.0%	15.0%
Revenue	\$ 12,868.00	\$ 14,798.20	\$ 17,017.93	\$ 19,570.62	\$ 22,506.21	\$ 25,882.14
Operating CF Margin	44.5%	44.5%	44.5%	44.5%	44.5%	44.5%
Operating CF	\$ 5,727.01	\$ 6,585.20	\$ 7,572.98	\$ 8,708.93	\$ 10,015.26	\$ 11,517.55
<i>Growth Estimate</i>		8.0%	8.0%	8.0%	8.0%	8.0%
Capital Expenditures	\$ 419.00	\$ 452.52	\$ 488.72	\$ 527.82	\$ 570.04	\$ 615.65
Free Cash Flow	\$ 5,308.00	\$ 6,132.68	\$ 7,084.26	\$ 8,181.11	\$ 9,445.22	\$ 10,901.91
<i>Buyback Rate</i>		0.82%	0.82%	0.82%	0.82%	0.82%
Shares Outstanding	485.00	481.02	477.08	473.17	469.29	465.44
FCF Per Share	\$ 10.94	\$ 12.75	\$ 14.85	\$ 17.29	\$ 20.13	\$ 23.42
2020 - 2025 FCF CAGR						16.44%

Multiple Valuation Model				
2025 FCF	P/FCF Multipl	2025 Stock P	Discount Rate	PV of Stock P
	30	\$ 702.69		\$ 436.31
\$ 23.42	40	\$ 936.91	10%	\$ 581.75
	50	\$ 1,171.14		\$ 727.19



## Sensitivity Analysis: FCF using P/FCF

### 5-year FCF Growth Rate

		5-year FCF Growth Rate		
		12.46%	16.44%	21.23%
P/FCF	30	\$ 366.76	\$ 436.31	\$ 533.88
	40	\$ 489.02	\$ 581.75	\$ 711.84
	50	\$ 611.27	\$ 727.19	\$ 889.80

