WESTPEAK RESEARCH ASSOCIATION

Roku (NASDAQ: ROKU)

Consumer Technology – Entertainment Software

Revolutionizing Couch Time

January 30, 2026

Roku, Inc. (NASDAQ: ROKU) is a connected TV and TV operating system company focused on entertainment software. Roku has surpassed 90 million streaming households since early 2025 and is currently the #1 selling TV operating system in North America, while headquartered in San Jose, California.

Industry Overview

The entertainment software industry is seeing strong trends with advertising revenue and in-app purchases expected to climb rapidly as consumers' purchasing power increases. However, the market is quite competitive, making substitutes common. Different firms and products continuously try to encourage brand switching and deliver a better experience compared to their rivals.

Thesis

The market is undervaluing the moats Roku currently has and is developing, which includes a distribution-based moat and a data-based one. Investors worry that large market cap firms like Amazon and Apple will steal more market share, but Roku's position as a platform creates stickier usage and appeals stronger to consumers/partners. Therefore, we will see higher average revenue per household as Roku utilizes these advantages to capitalize on obtaining data for advertising targets and better consumer engagement, which we believe the market is not fully pricing in.

Valuation

We assign a **BUY** rating to Roku, Inc. at a target price of $120.60. We weight Perpetuity Growth at 45% and the Exit Multiple implied price at 35%. We also weight the EV/2026E EBITDA and P/E implied prices at 10% each. Our recommendation implies a total return of 26.7%.

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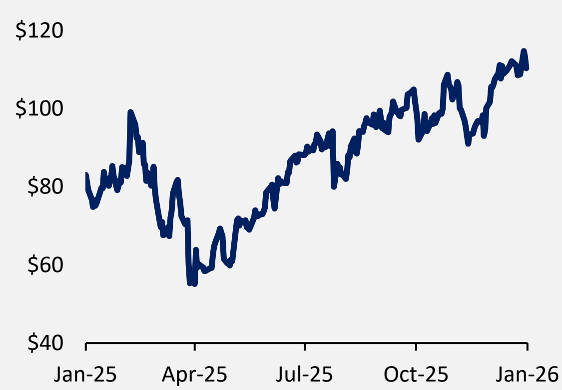
Equity Research	US
Price Target	**USD$ 120.60**
Rating	Buy
Share Price (Jan. 30 Close)	USD$95.20
Total Return	26.7%

Key Statistics	
52 Week H/L	$116.66/$52.43
Market Capitalization	$14.1B
Average Daily Trading Volume	3.7M
Net Cash	$1.6B
Enterprise Value	$12.4B
Net Cash/EBITDA	13.2x
Diluted Shares Outstanding	147.8M
Free Float	87.9%
Dividend Yield	0%

Analyst Forecast

	2024A	2025E	2026E
Revenue	$4.1B	$5.1B	$6.3B
EBITDA	$121M	$342M	$638M
Net Income	($129M)	$183M	$402M
EPS	(0.9)	1.2	2.7
P/E	(107.0x)	79.3x	35.3x
EV/EBITDA	102.4x	36.3x	19.5x

1-Year Price Performance



Business Overview/Fundamentals

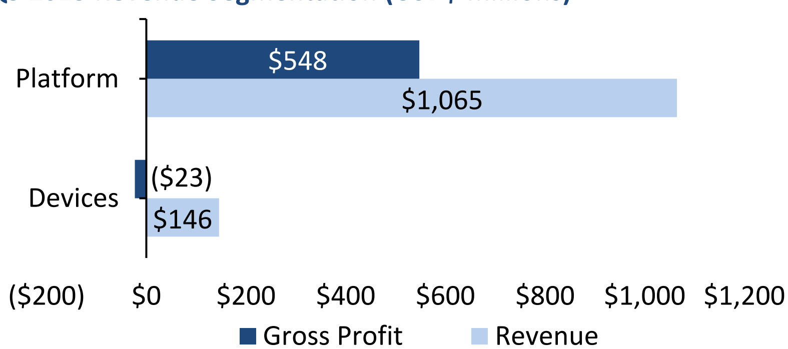
Company Overview

Roku, Inc. is a business that primarily provides consumers with television programming and includes streaming services. Founded by Anthony Wood in 2002, Roku has more than 90 million streaming households and users streamed 127 billion hours in 2024, making it a top streaming platform in the United States. Residing in both entertainment software and B2C electronics, Roku's business functions and revenue are primarily split into two segments. The platform side includes their operating software, ads, and subscription licensing, whereas the devices side includes Roku manufactured TVs, streaming hardware, and smart accessories.

Key Business Segments

Platform

Q3 2025 Revenue Segmentation (USD$ millions)

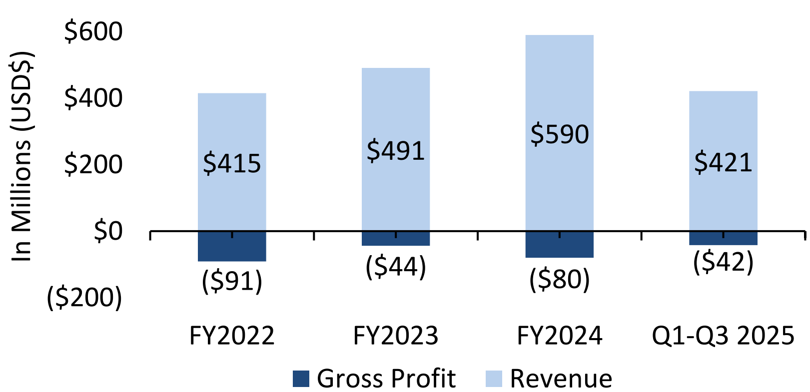


The revenue generated from the platform segment drives significant monetization of the business via software and advertising components. It is centralized by their "Roku OS", which powers the interface on Roku's TVs and other models. This allows Roku to control the user interface and sell advertisements through the system, which they call "The Roku Experience," and can prevent potential ad revenue from splitting to other firms. They also operate "The Roku Channel", which is their own ad-supported streaming service and app that accounts for 2.8% of all TV viewing. It includes on-demand movies/TV and additional premium subscriptions. The combination of the Roku OS alongside The Roku Channel helps their platform model generate higher margins and recurrent revenue, as Roku continues to monetize a consumer's experience through complete control of their user interface and ability to direct user engagement alongside ad impressions.

Devices

The devices segment of Roku functions as the distribution and manufacturing component of their ecosystem. It includes streaming sticks, Roku-TVs, and smart-home gear designed to expand the utilization of Roku's platform. Roku has historically faced financial strain in this category with insufficient margins, as shown in the diagram with continuous negative gross profit. This lack of profitability is concerning to many investors, but trends show it may be improving for the

Device Gross Profit Margins (FY2022 - Q3 2025)



future. The tight margins are primarily because most of Roku's devices prioritize competitive pricing and discounts to assist in growing their userbase, versus focusing on profit per unit. This segment is also more sensitive to tariffs and other macro-level events compared to the platform segment, which affects their logistics costs. Strategically, the devices segment has had negative margins as it serves to specifically deepen user engagement so that the platform segment can capture more share of the streaming market.

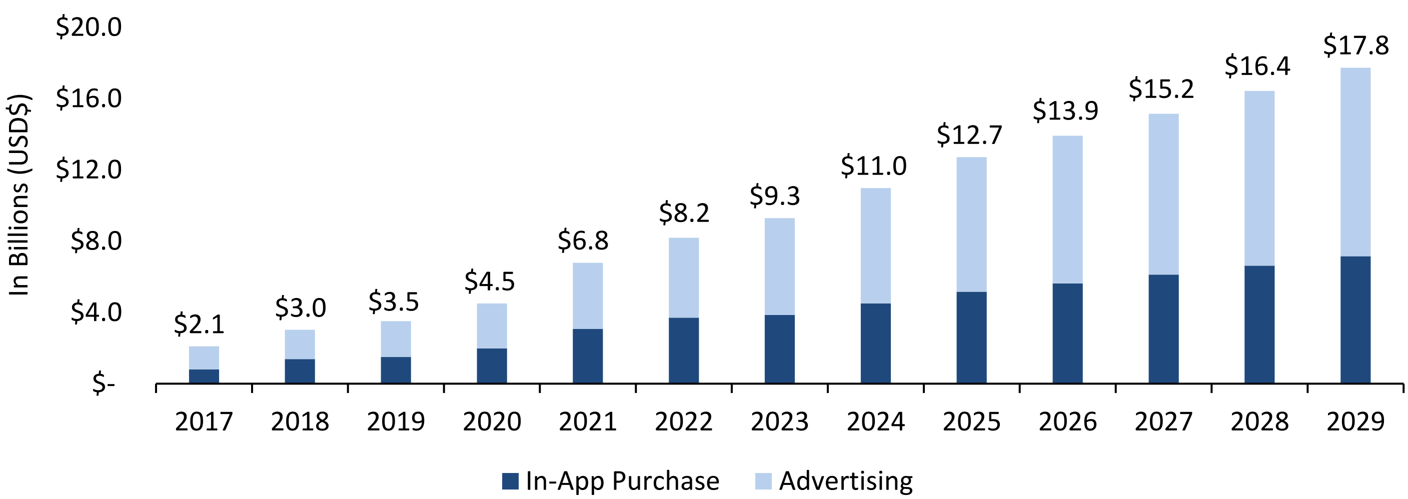
Industry Analysis

Roku operates primarily at the intersection of entertainment software and B2C electronics. The entertainment software is associated with the general distribution of digital media, which ranges from subscription video on-demand, ad-supported video to free ad-supported streaming TV. Growth in entertainment software is driven by recurrent monetization of platform usage, including in-app purchases, programmatic buying, and advertisements. B2C electronics in this context is focused on consumer hardware that delivers the software; thus, making these industries become more connected than ever as firms scale profitability through capturing the ecosystems of consumers. Businesses such as Roku capitalize on creating relationships between software and hardware services to increase competitiveness and capture share, compared to pure hardware vendors or single-app streamers.

Macro Trends

As consumers shift toward digital platforms, there is a significant projected growth in the industry that Roku operates in. Traditional pay-channel TV is rapidly decreasing in popularity as streaming offers more choice, versatility, and value for consumers and investors, making the market less cyclical due to the on-demand nature of streaming. Especially in the Americas, brands are focusing on leveraging connected TV advertising to capitalize on the increased usage of smart TVs due to higher consumer purchasing power. In other less developed countries, there is less traction as many households continue to use legacy TVs, making streaming less common. Nonetheless, the ad market increase is influenced primarily by free streaming services in exchange for advertisements, which appeals to more budget-conscious consumers.

Entertainment Software Revenue by Segments, U.S.



Despite the inherent cyclical nature of the industry, revenue has been growing with a CAGR of 8.69% (2022-2029) and reaching US$17.8 billion in 2029, led by advertising segments as ad budgets also increase. In the Americas, there is an expected market volume of US$21 billion by 2029; the U.S. market will take up most of the share and have the most opportunity for growth. The U.S. market shows great tailwinds due to the diversity associated with their cultural landscape, which drives an increase in demand for targeted advertising that can potentially resonate with more demographics.

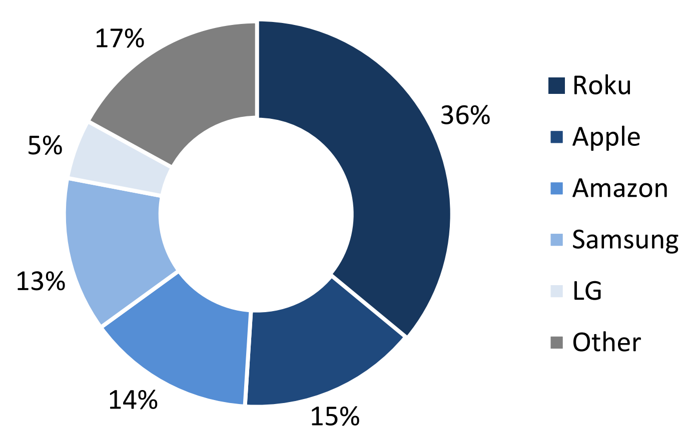
Another important factor that influences streaming demand is the rise of sports and other major events such as the U.S. elections that drive monetization. In particular, 2024 was a great year for sports due to digitalization that had improved accessibility and reduced the reliance on traditional regional sports networks. Furthermore, streaming provided more interactivity with teams that was not seen before. With platforms like Roku that offer much greater versatility compared to traditional connected TV, we have seen the average person increase their sports viewing time by 31% since 2023. Consequently, firms believe that streaming platforms represent a greater opportunity for personalized content which can drive ad revenue even higher, giving the entertainment software industry additional tailwinds.

On the other hand, the rise of digitalization brings other concerns which could affect Roku's future profitability. Consumer preferences are shifting towards social media via hand-held or portable electronic devices. For example, trends have also shown an increase of fans who consume sports highlights on social media rather than engaging with live sports, which directly affects the overall growth of the connected TV market. Especially given that Roku has basically no services offered on other devices (whereas their competitors do), this brings potential uncertainty in the macro landscape.

Competition Consolidation

There are large players that are similarly in the B2C consumer-tech and entertainment software space that directly compete with Roku. The main segment of competition includes the connected TV (CTV) market, with larger firms like Apple, Google, and Amazon actively expanding their services. It includes the content services YouTube, Prime Video, and Apple TV. However, Roku having a first-mover advantage since 2008 and therefore leverage over the home-screen with their widely adopted operating system, gives them significant market power over other firms. Thus, Roku has been able to remain a market leader in the U.S. with 36% market share as they continue to focus on widespread adoption and ultimately increase their extent of monetization.

CTV Ad Market Share in the U.S. (Q3 2025)



Additionally, customers tend to be quite sticky with connected TV due to high friction costs associated with brand switching. Because Roku's goods are often enjoyed as bundled goods (Roku-TV, Roku remotes, and Roku OS), it creates a more cost-effective ecosystem that is more competitive and keeps consumer retention higher for the CTV market. Furthermore, as product lifespan is quite long in the context of Roku's main hardware line (TVs: 5-7 years), it further contributes to a stickier customer base.

However, firms are continuously trying to undercut Roku's market share. In the platform component, other firms continue to promote their own operating system and advertise within their apps, stealing share inside Roku TV itself. In terms of devices, these larger firms have also begun to underprice hardware and bundle subscriptions together to reduce Roku's market share further.

Moreover, additional substitutes are becoming more available for consumers in the entertainment software market due to unique options such as video game consoles, social media, and virtual reality experiences. As these newer trends emerge and become exciting in their lifecycle, it can divert consumers away from connected TV which will intensify the competitive landscape for Roku further.

Investment Theses

Investment Thesis #1: Distribution-Based Moat

Roku is strengthening their distribution position in streaming, driven by the value proposition of Roku OS, supporting a sustainable competitive advantage. Some investors believe that Amazon's Fire TV and other large firms will easily steal share from Roku's active accounts as they continue to roll out active updates with new features and content. However, the market is overlooking the fact that original equipment manufacturers and consumers will still prioritize Roku due to how they market the platform. Roku offers more neutral brand positioning within their operating system, ideal for customers and advertisers. Consumer behaviour studies since 2020 show how more than 50% of consumers prefer brands to not manipulate results in platforms (to exclude other offerings). Additionally, in a study done against Amazon, 70% of brands dislike platform conflicts. Therefore, this platform neutrality is difficult for larger firms to replicate because it is strategically unlikely. For example, Amazon will always utilize Fire TV to specifically promote the Amazon and Amazon Prime ecosystem; Google wants to strengthen their own YouTube, Play Store, and Android platform as well. These competitor offerings lose out on distribution because they are trying to redirect value from the OS to their own ecosystem as the primary way of increasing revenue. This creates better conviction for brands/consumers to exclusively partner with Roku instead; thereby increasing their potential advertising revenue from an expanding distribution network and moat. The devices segment should grow steadily, rather than go down (which the market may otherwise believe). Due to the undervalued distribution-based moat, competition and substitutes issues are likely to be a bit less impactful compared to what the market currently believes.

Investment Thesis #2: Roku's Data Advantage

Investors remain skeptical about Roku's large user-base (suggested to have penetrated over 50% of U.S. households) translating into significant profit long-term. However, the large user base is extremely important as it helps Roku create a data-focused moat. The data derived from consumers will concentrate with Roku and is extremely valuable because it improves ad targets, greatly optimizing ROI. For example, political-targeted ads during the 2024 election cycle fueled $60M and 6% of the 25% YoY growth alone. This is just one example, but it demonstrates how significant advertising value is driven from data targeting which improves average revenue per user. Thus, given these moats, Roku will be able to capitalize on the growth of advertising (18% CAGR) and they will also be much more attractive to advertising partners compared to competitors. Additionally, with more data available, it allows for better content discovery and personalized viewing. Since this is in demand, consumer engagement will improve and theoretically allow Roku to push their total streaming hours higher, increasing YoY growth. Ultimately, the market is undervaluing the significance of their large user base in contributing to their data-focused moat. It will take time, but it allows Roku to lead the data-focused personalization era we see in entertainment software, catapulting their ARPU and reinforcing an upward trend for their stock price.

Valuation

Discounted Cash Flow Analysis

Given Roku's partnership with Amazon on ad outreach in 2025, we are predicting revenue to grow 24% YoY in FY2025, driven by ARPU increasing. Growth gradually decreases as ARPU and the number of households stabilize, as well as the devices segment maturing slightly, although maintaining steadiness due to the distribution-based moat mentioned earlier. We assume a Weighted Average Cost of Capital of 15.1%, with an effective tax rate of 0% in the cost of debt due to historically negative net income, but with forecast years, we apply a 25% tax rate in line with state and U.S. federal laws. The company's devices segment should remain negative given their loss leader strategy. The platform segment shows noticeable growth, reaching a peak of 24.5% YoY growth in 2027, then decreasing again, given that the ad cycle is likely to stabilize a bit. The SG&A and R&D expenses are expected to decline roughly 5% YoY each, reflecting Roku's announcement of greater efficiency and capital allocation for increased profitability in the future. In particular to capex, it is expected to remain quite low around historical averages of 3% as Roku has announced their intention to spend less on PP&E (e.g., large facilities). Lastly, using a 2% perpetuity growth consistent with the forecasted GDP growth of the U.S., it implies a share price of $82.47. Due to the cyclicality of advertising, the perpetuity growth method provides a crucial conservative outlook on Roku's fundamentals and is therefore weighted at a higher amount. For the exit multiple approach, using a 75th percentile multiple for EV/EBITDA gives 16.9x, which implies a share price of $206.56. We believe that the 75th percentile multiple for EV/EBITDA provides a fairer valuation compared to a base case, given that Roku has a significant market share that will prove beneficial in the future, in line with the investment theses.

Comparable Companies

No other publicly traded company is directly comparable to Roku as an entertainment software provider, advertising management company, and hardware manufacturer. Due to these circumstances, the DCF still remains the primary valuation framework for forecasting. We decided to create two sets of comparable companies: one focused on similar streaming platforms, and the other one focused on hardware creation. We then used Roku's revenue breakdown of the platform (85.7%) and devices (14.3%) segments as the weights from 2024A, since gross profit margins were negative for the latter. Using a 75th percentile valuation (see Appendix 4) to represent Roku's more premium market position as mentioned above, the comparable companies' 2026E analysis implies an EV/EBITDA share price of $50.28 and P/E of $61.63. They are both weighted at 10% because they do not represent Roku's investment and transition phase into profitability well. Since EBITDA and earnings have historically been quite low, it greatly skews valuation.

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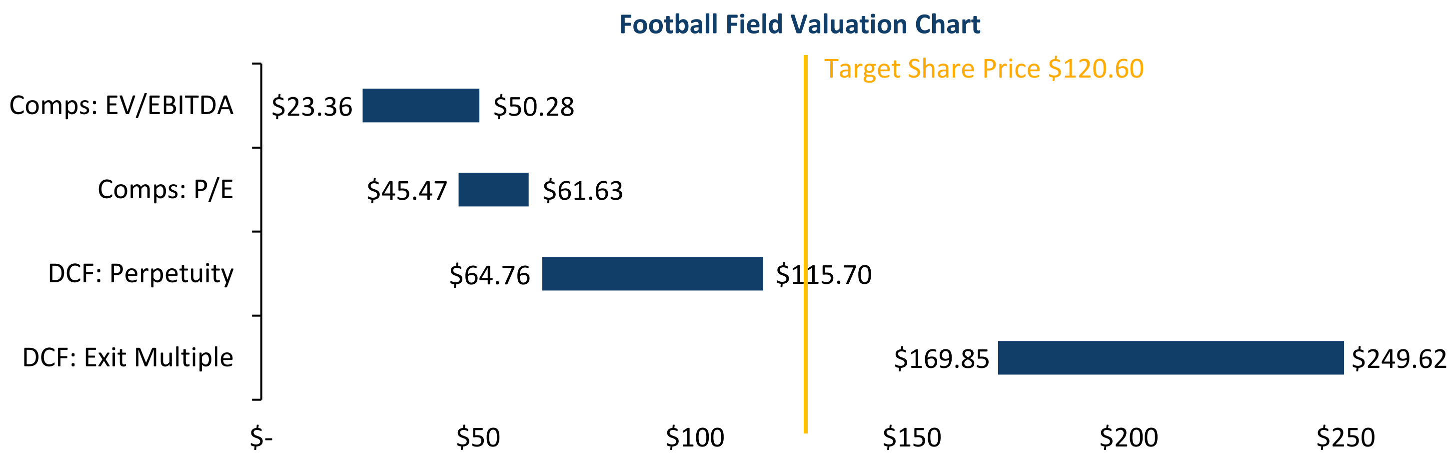
Football Field Valuation Chart Discussion



Utilizing sensitivity analysis, our football field valuation chart results in the following graph. It is clear that Roku is still emerging as a technology-focused entertainment software firm, as near-term profitability is still quite weak, which skews the extrinsic-based values to the left. However, the focus should be on the long-term prospects as discussed in both investment theses, which the Discounted Cash Flow analysis more accurately considers. Nonetheless, the wide valuation range reflects the potential uncertainty associated with Roku as an emerging business.

Catalysts

Future Events and Shows

Since Roku operates primarily in the connected TV market, any large event or show can act as a significant catalyst for the industry. There are significant events scheduled for 2026 and beyond, such as the World Cup, Winter Olympics, and U.S. midterm elections. Large events are common and will boost CTV watch-time and ad spending, acting as significant tailwinds for the entire entertainment software industry. Given Roku's larger user-base and distribution-based moat, Roku is likely to capture more of that share compared to competitors. We believe that Roku can monetize the whole platform beyond a singular channel that a consumer can watch an event from, allowing Roku to have more reach compared to their competitors. Therefore, extra ad impressions are likely to consolidate with Roku as future events act as a large catalyst.

Major Partnerships

Roku has historically been keen on forming partnerships in the industry, and if Roku can sign a deal with significant distributors (TCL, Hisense, etc.) as the default operating system or with smart TV manufacturers, it can push Roku's market position significantly. Especially with Smart TVs, it helps replace their maturing streaming player and hardware, improving their devices' margin. With the Roku OS being embedded into every major TV, the number of devices would greatly increase and allow for more active accounts, resulting in more streaming hours, ad inventory, and platform revenue per household. Although major partnerships are not particularly likely or common, the reality is that any significant deal (like the one with Amazon) will move Roku's stock price and strengthen their competitive position while deepening their moats further.

Risks

Privacy and Regulation

Roku's platform thesis is greatly dependent on their ability to collect information ahead of their competitors to improve ad targeting, consumer engagement, and potential monetization, which supports Roku's future margins and growth. However, there is some uncertainty associated with how privacy and regulation will affect data collection for businesses like Roku. Depending on how significant a sudden policy change is, such as regulators requiring stricter opt-in consents for obtaining data, it could tighten advertising revenue and engagement. Even though it does not affect much of the distribution-based moat or programmatic buying, it could still drastically decrease Roku's average revenue per user and attractiveness as an investment. It is important for Roku to be able to continue their ongoing diversification in monetizing partnerships, programmatic buying, and in-app purchases as they are growing segments as well.

Augmented Reality Releases

There is much hype around the releases of virtual reality devices, such as Steam VR and Samsung Galaxy XR, in the near future. Although these products do not directly compete with connected TVs right now, their impact can cause demand to shift toward newer technologies that are similarly expensive. This is because these devices can provide additional benefits and entertainment that might replace the need for connected/smart TVs in some households. That creates a risk for Roku and other similar firms, as exciting substitutes become more prevalent, which ultimately accelerates the maturity of Roku's product line. As Roku develops their operating system further, it is crucial that the firm can focus on improving "The Roku Experience" and on formats that AR cannot fully replace (family viewing, sports, etc).

Recommendation - Buy

We recommend a **BUY** for Roku, Inc., at a current share price of $95.20 and a target price of $120.60. The recommendation implies a 26.7% upside derived from weighting the Perpetuity Growth at 45% and Exit Multiple approach at 35%, while the EV/EBITDA and P/E implied price make up the last 20% equally. This weighting is appropriate because the 75th percentile multiples align Roku more accurately to their biggest rivals (Amazon, Apple, etc.) compared to pure play streaming or pure hardware while recognizing their competitive leadership in the market. At the same time, perpetuity more appropriately considers the emerging growth in profitability from a cyclical business. The EV/EBITDA and P/E implied price by themselves are also too short-sighted and does not fully consider Roku's prospects as discussed in the investment thesis section. Consequently, Roku has been creating opportunities via moats in connected TV distribution and data collection, which the market undervalues. Investors remain skeptical and are too focused on the unprofitable nature of the devices' loss-leader strategy as well as other larger firms stealing share. In reality, the market likely exaggerates Roku's current struggles in the industry while undervaluing its prospects in growth. With time, Roku is continually reducing their investment risk as the benefits of their moats continue to solidify for future profitability.

Appendix 1: Discounted Cash Flow

	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23	31-Dec-24	31-Dec-25	31-Dec-26	31-Dec-27	31-Dec-28	31-Dec-29	31-Dec-30
All Figures in mm USD	2020A	2021A	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E	2030E
						0.75	1.75	2.75	3.75	4.75	5.75
EBIT	(20)	235	(531)	(792)	(218)	115	414	853	1,429	2,154	3,037
Less: Tax Expense	1	5	(6)	(10)	(9)	(29)	(104)	(213)	(357)	(538)	(759)
Add: Depreciation and Amortization	87	169	339	336	339	227	224	241	278	332	398
Less: Capital Expenditures	(82)	(40)	(162)	(83)	(5)	(173)	(213)	(263)	(319)	(379)	(443)
Less: Change in Net Working Capital	(60)	15	159	203	(120)	(149)	(16)	11	9	(8)	(63)
Unlevered Free Cash Flow	(74)	384	(201)	(346)	(13)	(9)	305	628	1,040	1,560	2,169
Discount Factor						0.90	0.78	0.68	0.59	0.51	0.44
Present Value of Unlevered Free Cash Flow						(9)	238	426	614	799	965

Cost of Equity	
Risk-free Rate	4.0%
Expected Market Return	10.3%
Market Risk Premium	6.3%
Levered Beta	1.8x
Cost of Equity	15.5%

Cost of Debt	
Pre-tax Cost of Debt	3.9%
Effective Tax Rate	-
Cost of Debt	3.9%

WACC	
Market Value of Equity	14,775
Market Value of Debt	513
Total Capitalization	15,288
Cost of Equity	15.5%
Cost of Debt	3.9%
WACC	15.1%

Perpetuity Growth Rate	
Perpetuity Growth Rate	2.0%
PV Sum of UFCF	3,034
Terminal Value	7,503
Enterprise Value	10,537
Add: Cash	2,160
Less: Debt	(513)
Less: Other EV Adjustments	-
Equity Value	12,184
Shares Outstanding	148
Implied Share Price	82.47
Current Share Price	$ 95.20
Total Return	(13.4%)

Exit Multiple Method	
Exit Multiple	16.9x
PV Sum of UFCF	3,034
Terminal Value	25,838
Enterprise Value	28,872
Add: Cash	2,160
Less: Debt	(513)
Less: Other EV Adjustments	-
Equity Value	30,520
Shares Outstanding	148
Implied Share Price	206.56
Current Share Price	$ 95.20
Total Return	117.0%

Perpetuity Growth	Weighted Average Cost of Capital: 13.1%	14.1%	15.1%	16.1%	17.1%
-	88.38	81.12	74.89	69.48	64.76
1.0%	93.52	85.35	78.41	72.44	67.27
2.0%	99.59	90.28	82.47	75.82	70.11
3.0%	106.85	96.10	87.19	79.72	73.36
4.0%	115.70	103.06	92.77	84.25	77.10

Exit Multiple (EV / EBITDA)	Weighted Average Cost of Capital: 13.1%	14.1%	15.1%	16.1%	17.1%
14.9x	203.86	194.60	185.87	177.63	169.85
15.9x	215.30	205.48	196.22	187.48	179.22
16.9x	226.74	216.35	206.56	197.32	188.59
17.9x	238.18	227.23	216.90	207.16	197.96
18.9x	249.62	238.11	227.25	217.00	207.33

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Appendix 2: Comparable Companies – Platform Segment

All Figures in mm USD

		Balance Sheet Data		EV / EBITDA			Price / Earnings		
Company	**Ticker**	**Equity Value**	**Enterprise Value**	**2024A EV/EBITDA**	**2025E EV/EBITDA**	**2026E EV/EBITDA**	**2024A P/E**	**2025E P/E**	**2026E P/E**
Netflix	(NASDAQ: NFLX)	353,816	358,955	32.6x	25.6x	21.1x	42.2x	42.2x	25.9x
The Walt Disney Company	(NYSE: DIS)	201,381	245,306	12.8x	11.6x	11.3x	22.7x	19.0x	17.1x
The Trade Desk	(NASDAQ: TTD)	14,666	13,596	13.5x	11.6x	10.1x	18.3x	17.0x	14.6x
Magnite	(NASDAQ: MGNI)	2,079	2,222	11.3x	9.7x	8.7x	20.4x	16.4x	13.8x
Criteo	(NASDAQ: CRTO)	981	851	2.2x	2.1x	2.2x	6.1x	4.2x	3.9x
Roku	**(NASDAQ: ROKU)**	**14,066**	**12,418**	**102.4x**	**36.3x**	**19.5x**	**(107.0x)**	**79.3x**	**35.3x**
High				32.6x	25.6x	21.1x	42.2x	42.2x	25.9x
75th Percentile				23.0x	18.6x	16.2x	32.4x	30.6x	21.5x
Median				**12.8x**	**11.6x**	**10.1x**	**20.4x**	**17.0x**	**14.6x**
Mean				**14.5x**	**12.1x**	**10.7x**	**21.9x**	**19.8x**	**15.0x**
25th Percentile				6.7x	5.9x	5.4x	12.2x	10.3x	8.8x
Low				2.2x	2.1x	2.2x	6.1x	4.2x	3.9x

	EV / EBITDA Implied Price		P / E Implied Price	
High	$70.4	$59.9	$50.6	$69.8
75th Percentile	$54.2	$48.6	$36.7	$57.9
Median	**$37.9**	**$34.4**	**$20.4**	**$39.4**
Mean	**$39.2**	**$35.8**	**$23.7**	**$40.6**
25th Percentile	$24.8	$23.8	$12.4	$23.9
Low	$16.0	$16.3	$5.0	$10.5

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Appendix 3: Comparable Companies – Devices Segment

All Figures in mm, respective currencies

Company	Ticker	Equity Value	Enterprise Value	2024A EV/EBITDA	2025E EV/EBITDA	2026E EV/EBITDA	2024A P/E	2025E P/E	2026E P/E
		Balance Sheet Data		EV / EBITDA			Price / Earnings		
Samsung Electronics	(KRX: 005930.KS)	958,132,356	958,121,508	18.6x	11.0x	4.5x	32.2x	27.6x	10.4x
LG Electronics	(KRX: 66570.KS)	16,141,868	27,908,030	5.1x	4.6x	4.0x	20.0x	15.9x	7.8x
Alphabet	(NASDAQ: GOOGL)	4,081,421	4,016,638	26.7x	22.9x	18.5x	42.1x	32.2x	30.3x
Apple	(NASDAQ: AAPL)	3,834,168	3,878,128	28.8x	26.8x	23.8x	38.4x	34.8x	31.5x
Amazon	(NASDAQ: AMZN)	2,558,169	2,599,391	18.0x	15.3x	12.3x	43.3x	33.9x	30.5x
Roku	**(NASDAQ: ROKU)**	**14,066**	**12,418**	**102.4x**	**36.3x**	**19.5x**	**(107.0x)**	**79.3x**	**35.3x**
High				28.8x	26.8x	23.8x	43.3x	34.8x	31.5x
75th Percentile				27.7x	24.9x	21.1x	42.7x	34.4x	31.0x
Median				**18.6x**	**15.3x**	**12.3x**	**38.4x**	**32.2x**	**30.3x**
Mean				**19.4x**	**16.1x**	**12.6x**	**35.2x**	**28.9x**	**22.1x**
25th Percentile				11.6x	7.8x	4.2x	26.1x	21.7x	9.1x
Low				5.1x	4.6x	4.0x	20.0x	15.9x	7.8x

	EV / EBITDA Implied Price		P / E Implied Price	
High	$73.3	$66.2	$41.7	$85.0
75th Percentile	$68.7	$60.1	$41.2	$83.7
Median	**$46.6**	**$39.7**	**$38.6**	**$81.9**
Mean	**$48.5**	**$40.4**	**$34.6**	**$59.7**
25th Percentile	$29.1	$21.0	$26.1	$24.6
Low	$21.7	$20.4	$19.0	$21.1

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Appendix 4: Comparable Companies – Segment Breakdown

Current Share Price	$95.20

			2025E	2026E
Scenario	**Platform Segment**	**Devices Segment**	**EV/EBITDA Implied Price**	**EV/EBITDA Implied Price**
Base	Median	Median	$39.13	$35.17
Bull	75th Percentile	75th Percentile	$56.26	$50.28
Bear	25th Percentile	25th Percentile	$25.40	$23.36

			2025E	2026E
Scenario	**Platform Segment**	**Devices Segment**	**P/E Implied Price**	**P/E Implied Price**
Base	Median	Median	$23.05	$45.47
Bull	75th Percentile	75th Percentile	$37.36	$61.63
Bear	25th Percentile	25th Percentile	$14.34	$23.97

			2025E	2026E
Scenario	**Platform Segment**	**Devices Segment**	**EV/EBITDA Multiple**	**EV/EBITDA Multiple**
Base	Median	Median	12.1x	10.4x
Bull	75th Percentile	75th Percentile	19.5x	16.9x
Bear	25th Percentile	25th Percentile	6.2x	5.3x

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Appendix 5: Operating Model

	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23	31-Dec-24	31-Dec-25	31-Dec-26	31-Dec-27	31-Dec-28	31-Dec-29	31-Dec-30
All Figures in mm USD	**2020A**	**2021A**	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
Revenue Drivers											
Revenue Growth											
Platform		80.2%	18.6%	10.4%	17.7%	24.0%	23.7%	24.5%	21.8%	19.5%	17.6%
Devices		(6.1%)	(13.5%)	18.2%	20.2%	22.3%	19.3%	17.1%	15.5%	14.3%	13.4%
Margin Analysis											
Platform Gross Profit Margin	60.3%	63.9%	56.5%	52.3%	53.5%	55.1%	56.8%	58.5%	60.3%	62.1%	63.9%
Devices Gross Profit Margin	5.7%	(3.6%)	(5.9%)	(2.8%)	(4.3%)	(4.3%)	(4.3%)	(4.3%)	(4.3%)	(4.3%)	(4.3%)
Total Gross Margin, % of Revenue	**45.5%**	**51.0%**	**46.1%**	**43.7%**	**43.9%**	**46.7%**	**48.4%**	**50.3%**	**52.2%**	**54.1%**	**56.0%**
R&D % Revenue	20.0%	16.7%	25.2%	25.2%	17.5%	16.5%	15.5%	14.5%	13.7%	12.9%	12.1%
Sales And Marketing % of Revenue	16.8%	16.5%	26.8%	29.7%	22.7%	18.7%	17.4%	16.1%	15.0%	14.0%	13.0%
General And Administrative % of Revenue	9.7%	9.3%	11.0%	11.6%	9.0%	9.3%	9.0%	8.6%	8.3%	7.9%	7.6%
Other Investing % of Revenue	(0.1%)	-	(1.4%)	(1.4%)	(0.2%)	(0.6%)	(0.7%)	(0.9%)	(0.8%)	(0.6%)	(0.7%)
Stock Based Compensation % of Revenue	7.8%	0.6%	5.8%	19.7%	0.0%	3.6%	3.6%	3.6%	3.6%	3.6%	3.6%

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Appendix 6: Income Statement

	31-Dec-20	*31-Dec-21*	*31-Dec-22*	*31-Dec-23*	*31-Dec-24*	*31-Dec-25*	*31-Dec-26*	*31-Dec-27*	*31-Dec-28*	*31-Dec-29*	*31-Dec-30*
All Figures in mm USD	**2020A**	**2021A**	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
Revenue											
Platform Revenue	1,268	2,285	2,711	2,994	3,523	4,370	5,403	6,726	8,190	9,785	11,503
Devices Revenue	511	480	415	491	590	722	861	1,008	1,165	1,332	1,510
Total Revenue	**1,778**	**2,765**	**3,127**	**3,485**	**4,113**	**5,091**	**6,264**	**7,734**	**9,355**	**11,117**	**13,012**
Cost of Goods Sold											
Combined Cost of Revenue	(970)	(1,356)	(1,685)	(1,962)	(2,307)	(2,712)	(3,232)	(3,842)	(4,469)	(5,100)	(5,723)
Gross Profit	**808**	**1,409**	**1,441**	**1,523**	**1,806**	**2,379**	**3,033**	**3,892**	**4,885**	**6,017**	**7,289**
Research and Development	(356)	(462)	(789)	(878)	(720)	(838)	(969)	(1,125)	(1,279)	(1,429)	(1,572)
Sales and Marketing	(299)	(456)	(838)	(1,033)	(933)	(950)	(1,087)	(1,249)	(1,404)	(1,552)	(1,690)
General and Administrative	(173)	(256)	(345)	(403)	(371)	(476)	(562)	(666)	(773)	(882)	(991)
Operating Profit	**(20)**	**235**	**(531)**	**(792)**	**(218)**	**115**	**414**	**853**	**1,429**	**2,154**	**3,037**
Interest Expense	(3)	(3)	(5)	(1)	0	3	2	2	2	2	3
Other income, net	5	4	44	94	99	94	89	85	80	76	72
Tax Expense	1	5	(6)	(10)	(9)	(29)	(104)	(213)	(357)	(538)	(759)
Net Income	**(18)**	**242**	**(498)**	**(710)**	**(129)**	**183**	**402**	**726**	**1,154**	**1,694**	**2,353**
Interest Rate	0.8%	0.6%	0.7%	0.1%	0.1%	0.5%	0.4%	0.3%	0.3%	0.3%	0.4%
Tax Rate	-3.7%	2.2%	1.0%	1.1%	3.0%	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%

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Appendix 7: Balance Sheet

	31-Dec-20	*31-Dec-21*	*31-Dec-22*	*31-Dec-23*	*31-Dec-24*	*31-Dec-25*	*31-Dec-26*	*31-Dec-27*	*31-Dec-28*	*31-Dec-29*	*31-Dec-30*
All Figures in mm USD	**2020A**	**2021A**	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
Assets											
Cash	1,093	2,146	1,962	2,026	2,160	2,461	3,115	4,140	5,650	7,764	8,442
Inventory	54	50	107	92	158	129	159	212	254	313	353
Accounts Receivable	551	752	761	816	813	1,035	1,280	1,545	1,859	2,208	2,660
Other Current Assets	-	106	135	139	103	128	126	124	120	125	124
Total Current Assets	**1,698**	**3,055**	**2,965**	**3,073**	**3,234**	**3,753**	**4,680**	**6,021**	**7,884**	**10,410**	**11,579**
Property, Plant and Equipment	421	523	857	636	518	465	454	477	518	564	610
Intangible Assets	135	469	513	461	426	225	(14)	(300)	(658)	(1,112)	485
Other Non-Current Assets	16	35	78	92	125	155	192	239	291	348	409
Total Assets	**2,271**	**4,082**	**4,413**	**4,262**	**4,304**	**4,597**	**5,312**	**6,438**	**8,034**	**10,210**	**13,082**
Liabilities											
Accounts Payable	424	637	861	1,105	1,048	1,091	1,350	1,680	2,045	2,444	2,873
Current Financial Liabilities	41	47	135	68	79	98	122	151	184	220	259
Current Deferred Liabilities	55	46	88	102	106	131	162	202	246	294	345
Current Liabilities	**520**	**730**	**1,083**	**1,276**	**1,233**	**1,321**	**1,633**	**2,033**	**2,475**	**2,958**	**3,477**
Long Term Debt	398	475	585	586	513	513	513	513	513	513	513
Non-Current Financial Liabilities	21	29	28	25	25	26	26	26	26	26	26
Other Non-Current Liabilities	3	82	70	49	41	61	61	61	61	61	61
Total Liabilities	**943**	**1,316**	**1,766**	**1,935**	**1,811**	**1,920**	**2,232**	**2,632**	**3,074**	**3,557**	**4,076**
Shareholders Equity											
Paid in Capital	1,660	2,857	3,235	3,624	3,921	3,921	3,921	3,921	3,921	3,921	3,921
Retained Earnings	(332)	(90)	(588)	(1,298)	(1,427)	(1,244)	(842)	(115)	1,038	2,732	5,085
Reserves	0	(0)	(0)	0	(2)	-	-	-	-	-	-
Total Equity	**1,328**	**2,766**	**2,647**	**2,326**	**2,493**	**2,678**	**3,080**	**3,806**	**4,960**	**6,654**	**9,006**

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Appendix 8: Cash Flow Statement

	31-Dec-20	31-Dec-21	31-Dec-22	31-Dec-23	31-Dec-24	31-Dec-25	31-Dec-26	31-Dec-27	31-Dec-28	31-Dec-29	31-Dec-30
All Figures in mm USD	**2020A**	**2021A**	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
Cash from Operating Activities											
Net income	(18)	242	(498)	(710)	(129)	183	402	726	1,154	1,694	2,353
Net Working Capital Adjustment	(60)	15	159	203	(120)	(149)	(16)	11	9	(8)	(63)
Stock based Compensation	138	18	181	685	0	181	223	275	333	395	463
Depreciation & Amortization	87	169	339	336	339	227	224	241	278	332	398
CFO	**148**	**443**	**181**	**515**	**91**	**441**	**832**	**1,253**	**1,774**	**2,412**	**3,150**
Cash from Investing Activities											
Capital Expenditures	(82)	(40)	(162)	(83)	(5)	(173)	(213)	(263)	(319)	(379)	(443)
Acquisitions	-	(137)	-	-	-	-	-	-	-	-	-
Other investing	(1)	-	(44)	(48)	(9)	(31)	(45)	(67)	(71)	(71)	(94)
CFI	**(83)**	**(177)**	**(206)**	**(131)**	**(14)**	**(205)**	**(259)**	**(331)**	**(390)**	**(449)**	**(537)**
Cash from Financing Activities											
Net Stock Issuance	497	990	-	-	-	-	-	-	-	-	-
Net debt issuance / repayment	(5)	(5)	(10)	(80)	-	(7)	(7)	(7)	(7)	(7)	(7)
Other Financing Cash Flow	17	(198)	(149)	(240)	57	71	87	109	133	158	186
Dividends	-	-	-	-	-	-	-	-	-	-	-
CFF	**509**	**787**	**(159)**	**(320)**	**57**	**64**	**81**	**102**	**126**	**152**	**179**
Total Cash Flow	**574**	**1,053**	**(184)**	**64**	**134**	**301**	**654**	**1,024**	**1,510**	**2,115**	**2,793**
Starting Cash Balance	519	1,093	2,146	1,962	2,026	2,160	2,461	3,115	4,140	5,650	5,650
Ending Cash Balance	**1,093**	**2,146**	**1,962**	**2,026**	**2,160**	**2,461**	**3,115**	**4,140**	**5,650**	**7,764**	**8,442**

Appendix 9: Schedules

	31-Dec-20	*31-Dec-21*	*31-Dec-22*	*31-Dec-23*	*31-Dec-24*	*31-Dec-25*	*31-Dec-26*	*31-Dec-27*	*31-Dec-28*	*31-Dec-29*	*31-Dec-30*
All Figures in mm USD	**2020A**	**2021A**	**2022A**	**2023A**	**2024A**	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**	**2030E**
PP&E Schedules											
Starting Property, Plant & Equipment	426	652	1,034	889	853	518	465	454	477	518	564
Capex	82	40	162	83	5	173	213	263	319	379	443
Depreciation & Amortization	(87)	(169)	(339)	(336)	(339)	(227)	(224)	(241)	(278)	(332)	(398)
Ending Property, Plant & Equipment	**421**	**523**	**857**	**636**	**518**	**465**	**454**	**477**	**518**	**564**	**610**
Capex as a % of Revenue	**4.6%**	**1.4%**	**5.2%**	**2.4%**	**0.1%**	**3.4%**	**3.4%**	**3.4%**	**3.4%**	**3.4%**	**3.4%**
D&A as a % of Revenue	**20.5%**	**25.9%**	**32.8%**	**37.8%**	**39.8%**	**43.8%**	**48.2%**	**53.0%**	**58.3%**	**64.1%**	**70.5%**
Working Capital Schedule											
Accounts Receivable											
BOP Balance	515	551	752	761	816	813	1,035	1,280	1,545	1,859	2,208
Increases / (Decreases)	36	201	8	56	(4)	222	245	266	314	348	452
EOP Balance	**551**	**752**	**761**	**816**	**813**	**1,035**	**1,280**	**1,545**	**1,859**	**2,208**	**2,660**
Days Sales Outstanding	**113 Days**	**99 Days**	**89 Days**	**86 Days**	**72 Days**	**86 Days**	**86 Days**	**84 Days**	**83 Days**	**82 Days**	**84 Days**
Accounts Payable											
BOP Balance	296	424	637	861	1,105	1,048	1,091	1,350	1,680	2,045	2,444
Increases / (Decreases)	129	213	224	244	(58)	44	258	330	365	399	429
EOP Balance	**424**	**637**	**861**	**1,105**	**1,048**	**1,091**	**1,350**	**1,680**	**2,045**	**2,444**	**2,873**
Days Payables Outstanding	**87 Days**	**84 Days**	**101 Days**	**116 Days**	**93 Days**	**91 Days**	**91 Days**	**91 Days**	**91 Days**	**91 Days**	**91 Days**
Inventory											
BOP Balance	50	54	50	107	92	158	129	159	212	254	313
Increases / (Decreases)	4	(4)	56	(15)	66	(29)	30	54	42	59	40
EOP Balance	**54**	**50**	**107**	**92**	**158**	**129**	**159**	**212**	**254**	**313**	**353**
Days Inventory Outstanding	**11 Days**	**7 Days**	**12 Days**	**10 Days**	**14 Days**	**11 Days**	**11 Days**	**12 Days**	**11 Days**	**12 Days**	**11 Days**
Retained Earnings Schedule											
Retained Earnings											
Starting Retained Earnings	(315)	(332)	(90)	(588)	(1,298)	(1,427)	(1,244)	(842)	(115)	1,038	2,732
Net Income	(18)	242	(498)	(710)	(129)	183	402	726	1,154	1,694	2,353
Ending Retained Earnings	**(332)**	**(90)**	**(588)**	**(1,298)**	**(1,427)**	**(1,244)**	**(842)**	**(115)**	**1,038**	**2,732**	**5,085**

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