

W

U

T

I

S



## Equity Research Division CrowdStrike Holdings, Inc.

Global Cybersecurity Leader

**Target Price: \$258.44**

Current Price: \$380.63

*Upside/Downside Potential: -32.1%*

**Recommendation: SELL**

Vienna, 28.06.2024

1	Team Overview	2
2	Investment Thesis	3
3	Business Overview	5
4	Market and Industry Overview	12
5	Financials and Valuation	17
6	Conclusion	23
7	Appendix	25

# Team Overview

## Equity Research



**Emil Wolner**

Head of Equity Research

- § Equity Story
- § Task Distribution



BSc. (WU) – 6th Sem.



**Felix Ruppel**

Analyst

- § Valuation
- § Financial Analysis



BSc. (WU) – 4th Sem.



**Leopold Berg**

Analyst

- § Business Model
- § Strategy



MSc. (WU) – 2nd Sem.



**Ruggero Prodi**

Analyst

- § Business Model
- § Strategy



MSc. (WU) – 4th Sem.



**Elisa Kuhnert**

Fellow Analyst

- § ESG & Risks
- § Company Overview



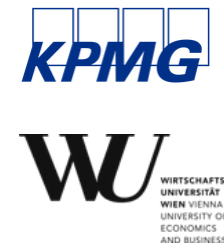
BSc. (WU) – 2nd Sem.  
LLB (UW) – 2nd Sem.



**Felix Friedrich**

Fellow Analyst

- § Valuation
- § Financial Analysis



BSc. (WU) – 2nd Sem.



**Julia Bauer**

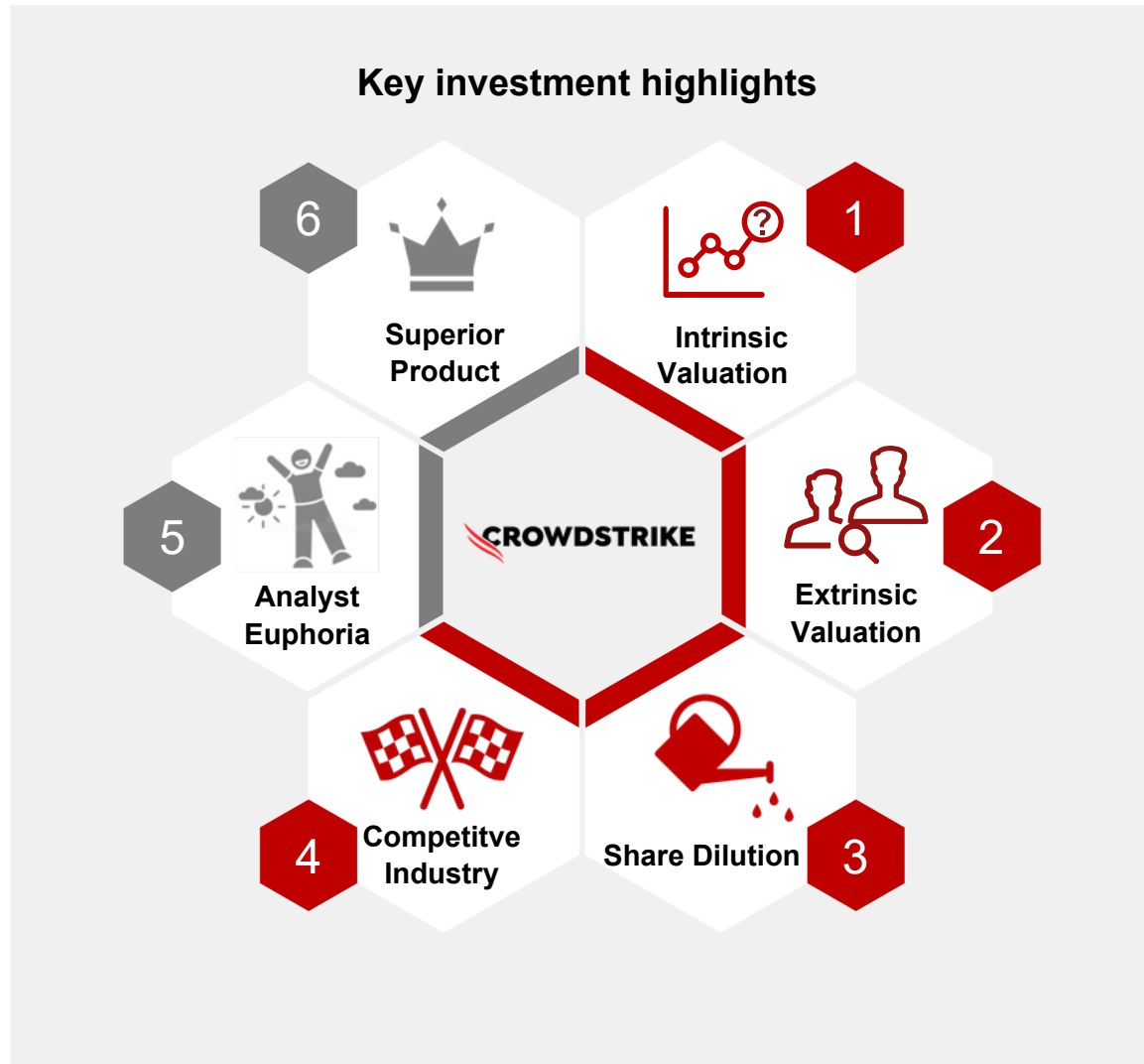
Fellow Analyst

- § Market Overview
- § CCA



BA (LBS) – 4th Sem.

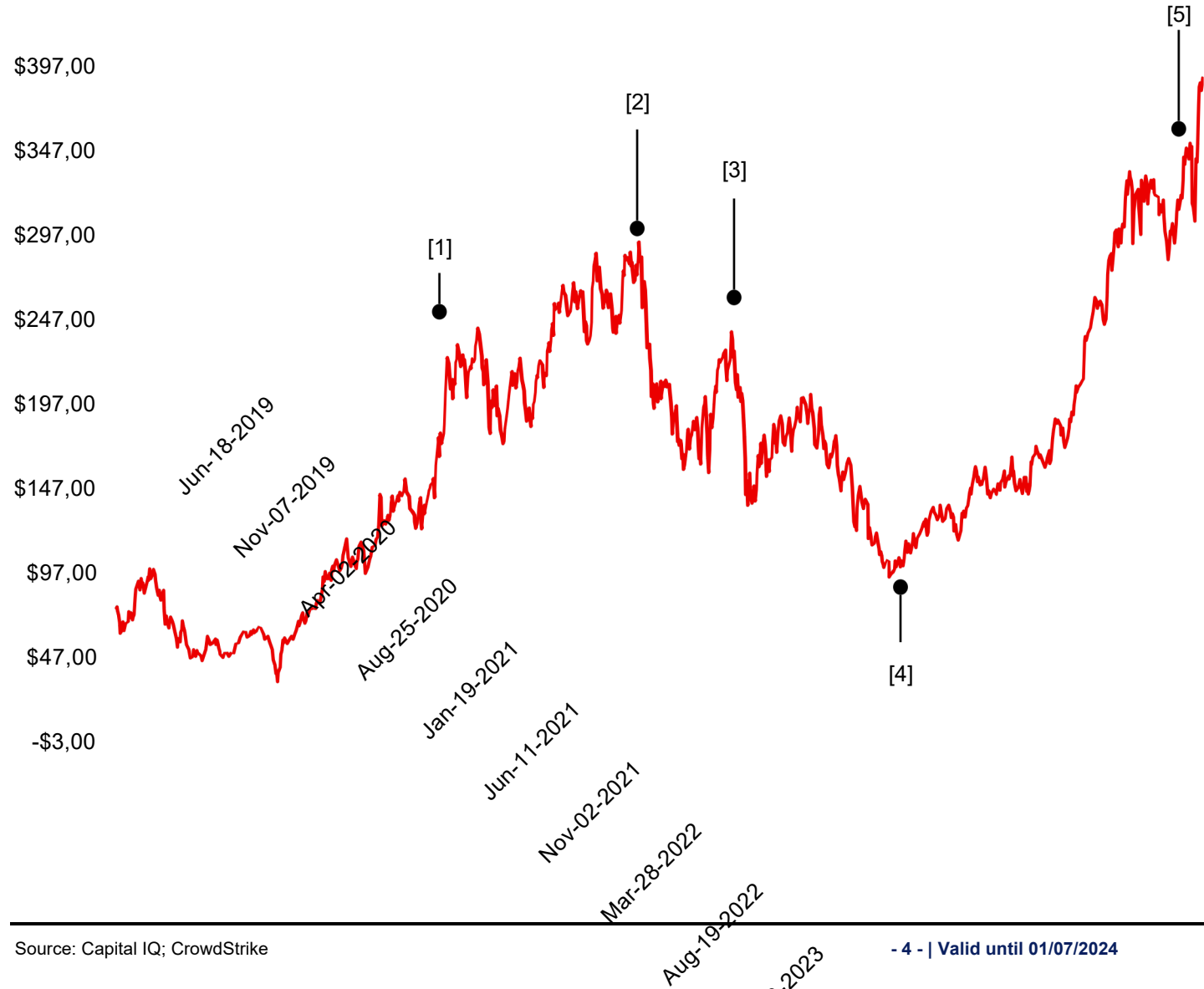
Whilst boasting a solid product offering, the valuation of CRWD is out of touch with company fundamentals



- 1 Intrinsic Valuation**  
Even when factoring in current analyst growth projections, the valuation of CrowdStrike's cannot be justified through a DCF
- 2 Extrinsic Valuation**  
Despite bullish forward consensus figures being used, CrowdStrike still trades at a significant premium vs. very comparable peers
- 3 Share Dilution**  
Since its IPO in 2019, CrowdStrike has continued to issue new shares with share dilution reaching 25% since then
- 4 Competitive Industry**  
While CrowdStrike boasts a superior product at the current time, it also operates in a high-paced industry with continuous technological changes
- 5 Analyst Euphoria**  
CrowdStrike's stock is being backed by a bullish analyst consensus that is not founded in the fundamentals of the business
- 6 Superior Product**  
Our analysis shows that CrowdStrike's Falcon platform is superior with regards to performance and scalability and will drive growth

# Share Price Performance

CrowdStrike managed to significantly outperform the market over the last years



## Major Events

- § [1] December 2020 (+63%) sharp rising in IT spending as cyberthreats evolve; Companies invest in strengthening security
- § [2] November 2021 (+20%) wins Best Security Technology Solution & secures place 1 on 2021 Fortune Future 50 List ; expansion of strategic partnerships
- § [3] April 2022 (+46%) expansion of Falcon Platform with EASM technology
- § [4] January 2023 (-39%) recent earnings call causing downwards movement in the stock price performance
- § [5] June 2024 (+38%) extending cybersecurity to mission cloud; strengthening alliance with Google cloud

## Key Stats

- § IPO: June 12, 2019
- § Ticker: CRWD
- § 52-week: 139.37 – 394.64
- § Market cap (mm): 93,563.65



# CrowdStrike

WUTIS – Equity Research

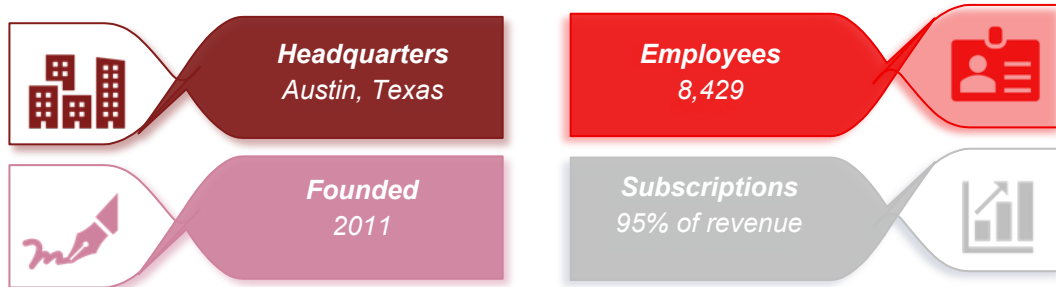
## Business Overview

# Company Overview

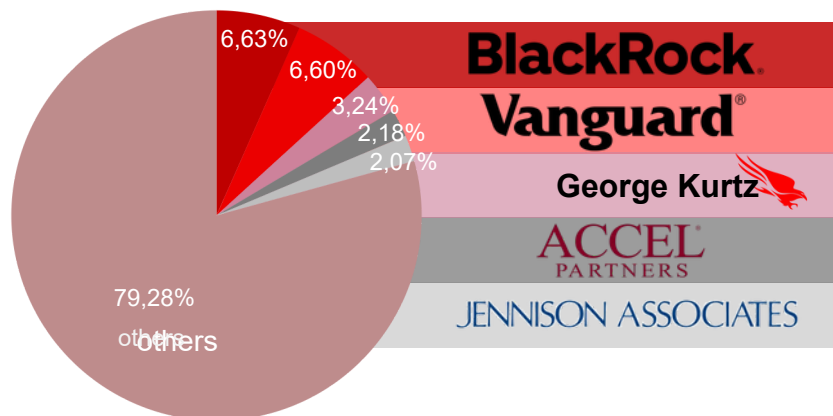
A well-managed global player from the cybersecurity industry

## Company Description

CrowdStrike is a **global leader in cybersecurity**. It **revolutionizes** this field with its **AI-powered, cloud-native Falcon platform**, which protects endpoints, identity and data to **stop breaches**.



## Shareholder Structure



19% held by institutional investors, mainly traditional investment firms

## Executive Board Team



**George Kurtz**  
CEO and Founder since 2011



**Burt Podbere**  
Chief Financial Officer since 2015



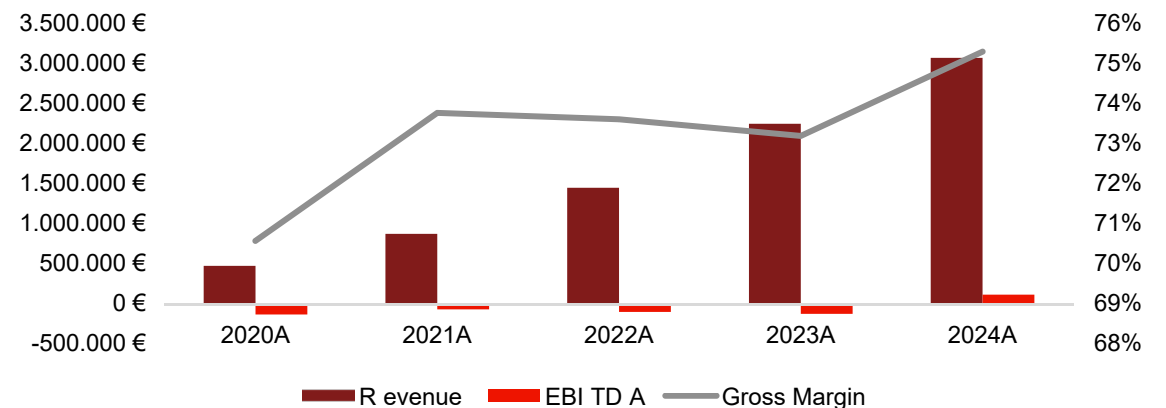
**Michael Sentonas**  
President since 2023



**Shawn Henry**  
Chief Security Officer since 2012

> Savvy business leaders and **security industry experts**, bringing **years of experience** together to create security solutions

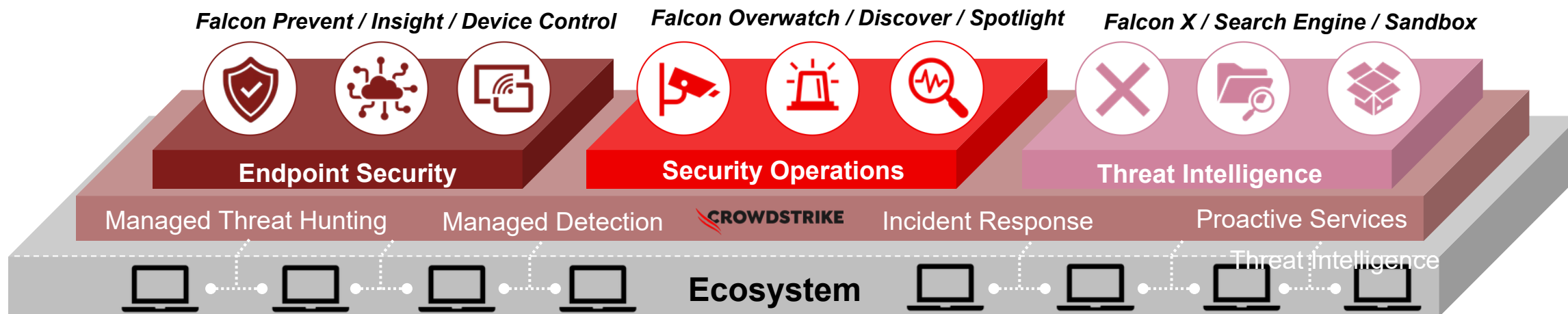
## Financial Performance






# Business Model I – Platform

Unparalleled protection from the industry's most advanced cloud-native platform

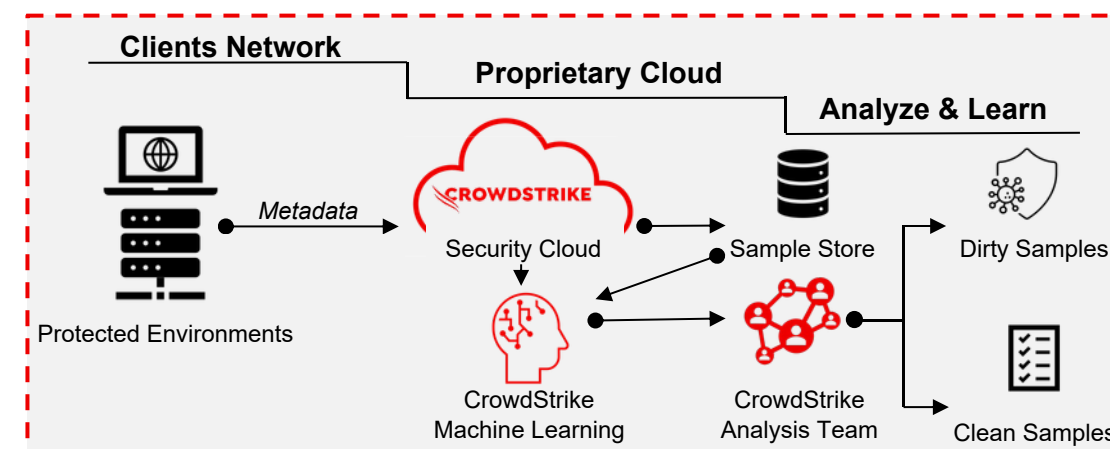
## The Falcon Platform



### Modules

- 
**Endpoint Security: *Falcon Prevent*** provides antivirus capabilities using machine learning and behavioral analysis to prevent malware and ransomware attacks
- 
**Security and IT Operations: *Falcon Discover*** an IT hygiene tool to identify unaddressed vulnerabilities, such as misconfigurations and unauthorized devices, to improve the overall security posture
- 
**Threat Intelligence: *Falcon X*** provides cybersecurity teams with critical intelligence and automatic malware analysis, enabling faster response and proactive threat management by integrating into endpoint protection

### CrowdStrike Security Cloud



# Business Model II – USP

Disrupting the cyber security industry by addressing customers' pain points

## Status Quo before CrowdStrike



Clutter of **different tools** with many layers of **complexity**



No **proactive security** platform with offensive capabilities



Current offerings are **resource-intensive** and **needrebooting**



Holistic cyber protection often too **expensive** for **small firms**

## The Falcon Solution



**USP I: Platform**

Falcon offers every product on one consolidated platform



**USP II: Modularity**

Product modules unlock cross-selling potential



**USP III: Security**

Behavioral, adversary-driven approach



**USP IV: AI-native**

AI assists in new threat detection and response



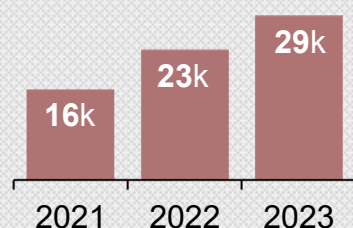
**USP V: Cloud**

Falcon is a cloud-based lightweight agent

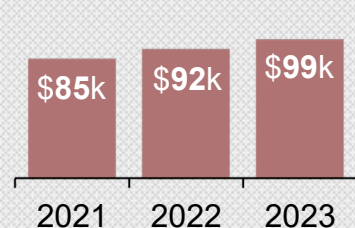


### Results

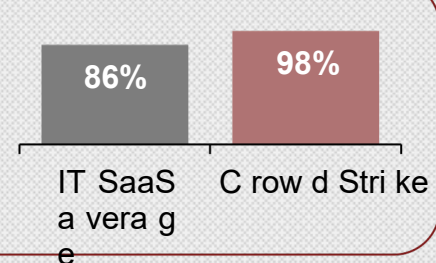
Customer Subscriptions  
**+26%**  
(FY23 v FY22)



Revenue per Subscription  
**+7.8%**  
(FY23 v FY22)



Gross Retention Rate  
(FY23)



# Business Model III – Success Stories

Unmasking threats beyond the blind spots missed by traditional approaches

## Mercedes-AMG PETRONAS Formula One Team

### Challenges



Protect intellectual property  
Holistic cybersecurity program  
Monitor threat landscape

### CrowdStrike Solutions



Falcon Complete for 3,100 Endpoints  
Falcon Identity Protection



Threat-hunting support team monitors security 24/7



Globally-sourced threat intelligence protection



75% efficiency gains, 25x reduction in resource utilization

## Greenhil & Co.

### Challenges



Protect sensitive data  
Financial industry regulations  
Secure remote employees

### CrowdStrike Solutions



Falcon Complete for 800 Endpoints  
Falcon Device Control

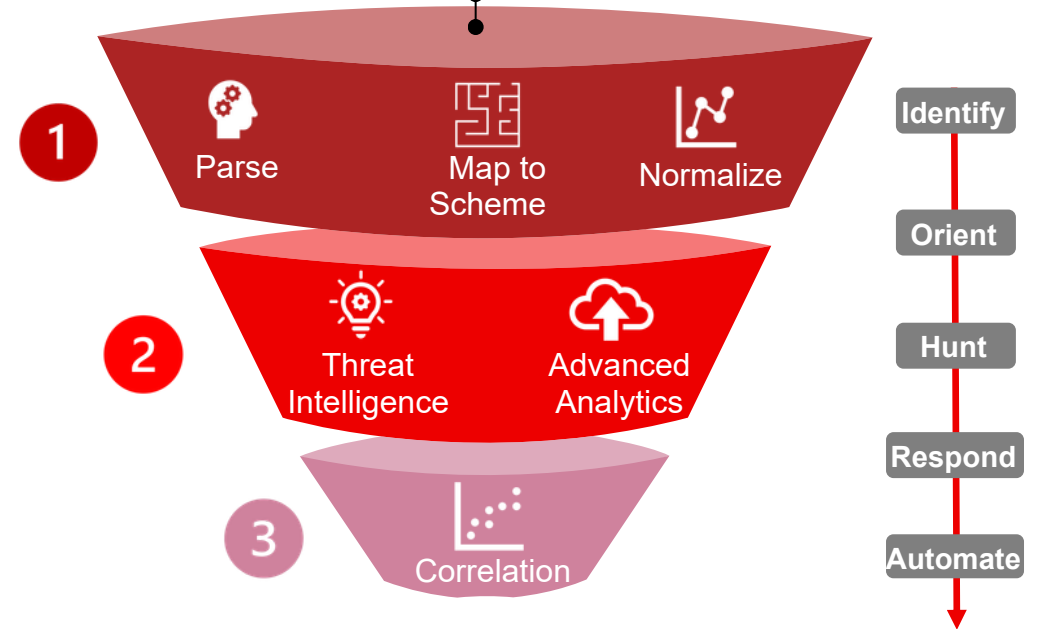


About \$300K Annual Savings



Extra capabilities e.g. endpoint protection & managed security

## Customer Journey



- § Custom CrowdStrike-created detections
- § Unified cross-domain investigations
- § Native cross-domain graph exploring
- § Native SOAR automates repetitive tasks

# Business Model IV – Strategy

Adding capabilities and modules to upsell current customers and expand to adjacent markets

## Accessible



### Product

- q Foundry low-code tool
- q Charlotte AI
- q Video tutorials and articles



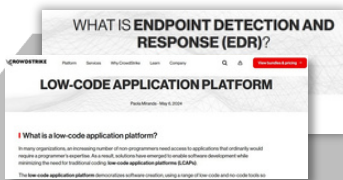
### Procurement

- q Free Trials
- q Flex Plan
- q Module Bundles



### Deployment

- q Partnerships with:
  - q Software Distributors
  - q Cloud providers



## Attract Customers

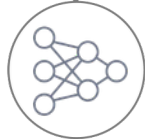
Take market share from legacy cybersecurity providers

## Scalable



### Platform

- q Adding capabilities with:
  - q Modules
  - q Acquisitions



### Protection

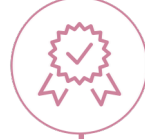
- q Trained with Machine Learning
- q Customers' threats as training data



## Upsell Customers

Create and sell more modules  
 2018: 2% subs. with 6+ modules  
 2023: 62% subs. with 6+ modules

## Effective



### Cybersecurity

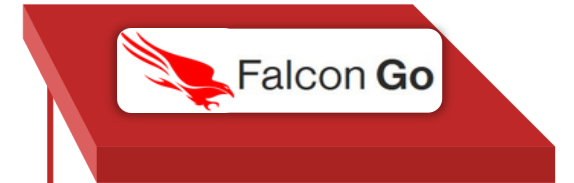
- q Top ratings in cyber security tests
- q Certified with industry standards, approved for government use
- q Human response team ready 24/7



## Retain Customers

Ensure maximum satisfaction and cover all customers' needs

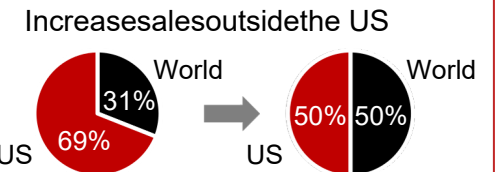
## Targeted Markets



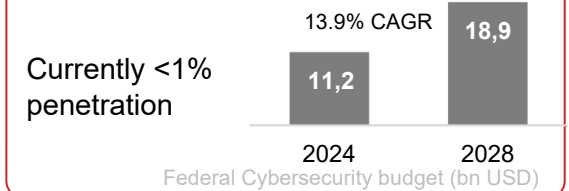
### Small Medium Enterprises

- q SMEs need user-friendly solutions
- q They cannot afford to be breached

### Foreign Companies



### US Government

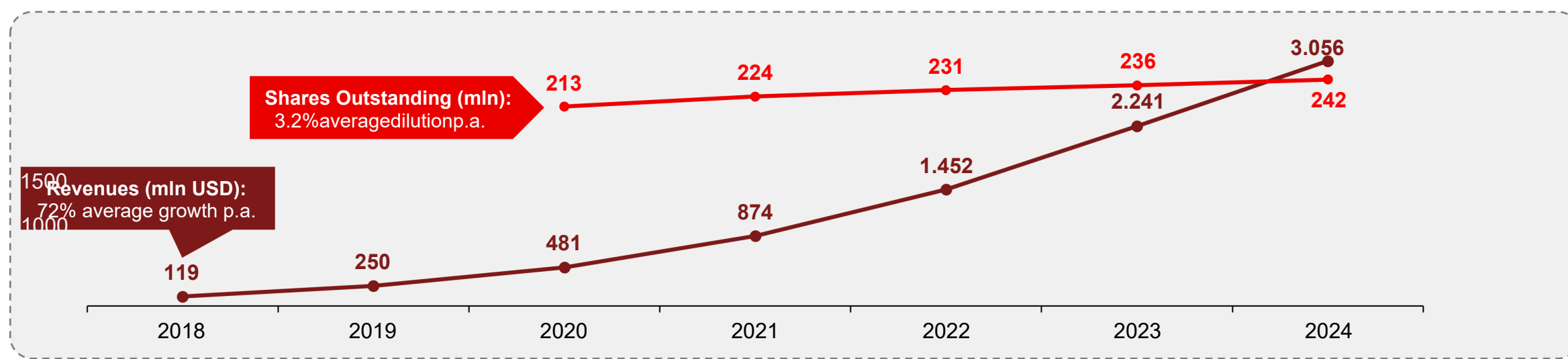
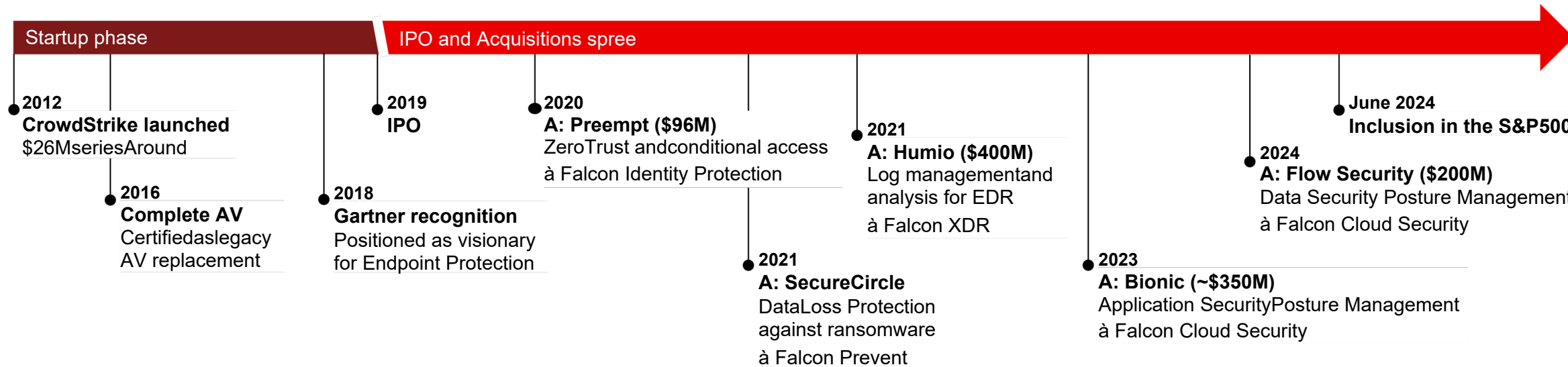


### SIEM

Security Information Event Management

# Business Model V – Timeline

Growing both organically as well as through acquisitions and diluting shareholders along the way





**CROWDSTRIKE**

# CrowdStrike

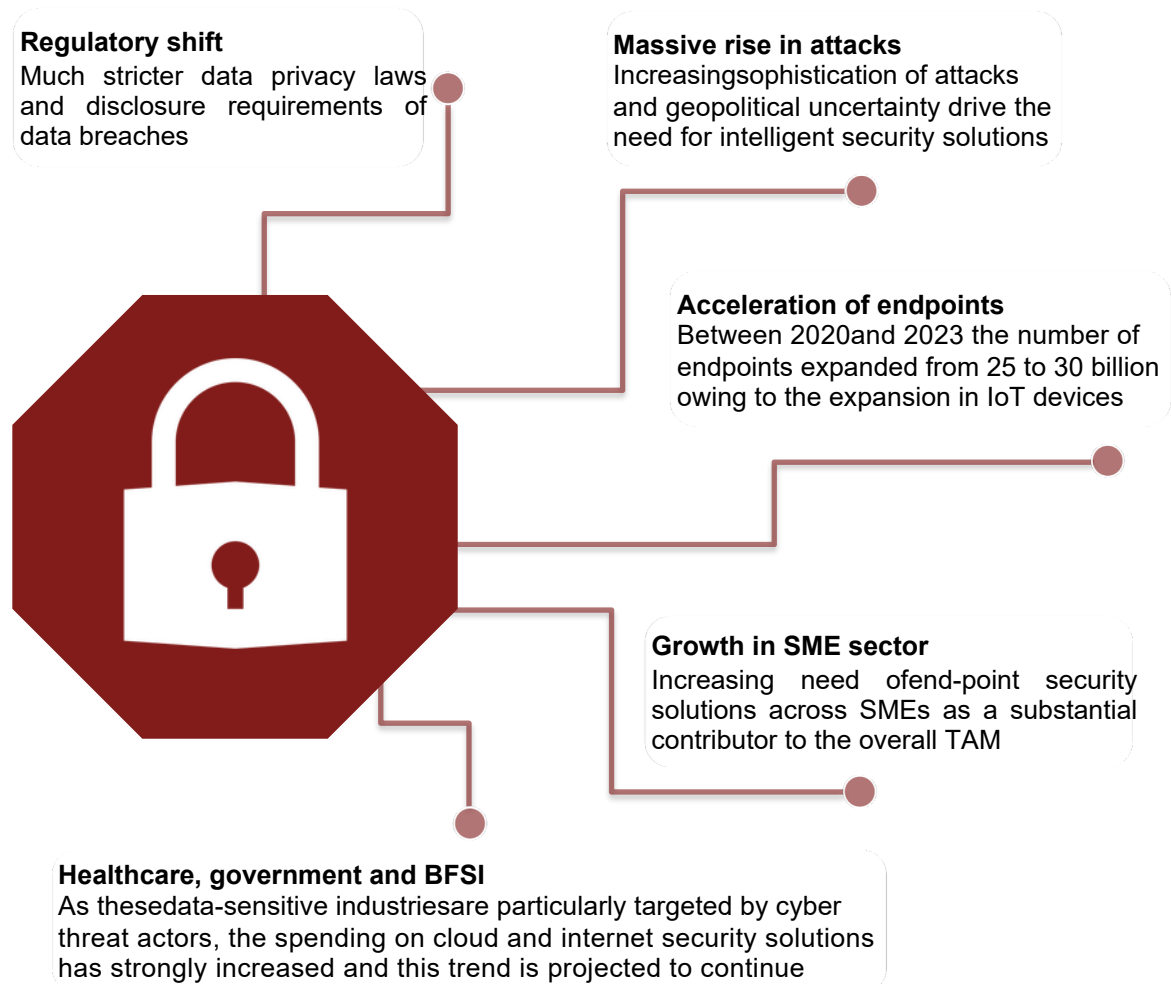
WUTIS – Equity Research

## Market and Industry Overview

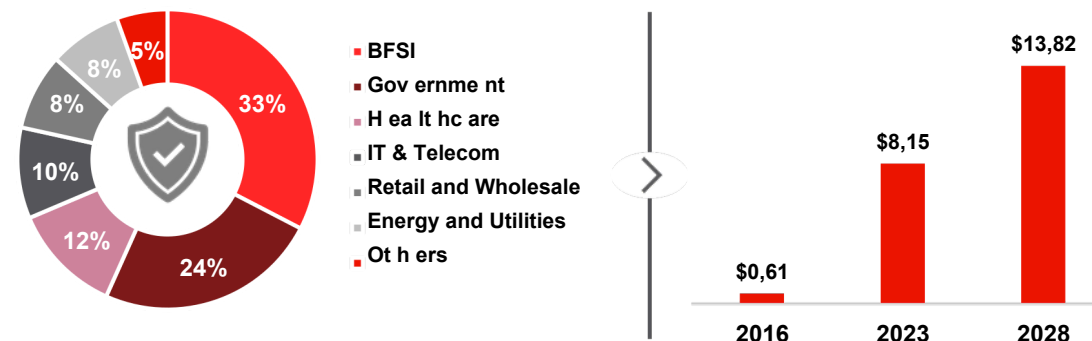
# Market Overview I – Trends & Drivers

The rising importance of cybersecurity makes it a critical element of top-level strategic planning

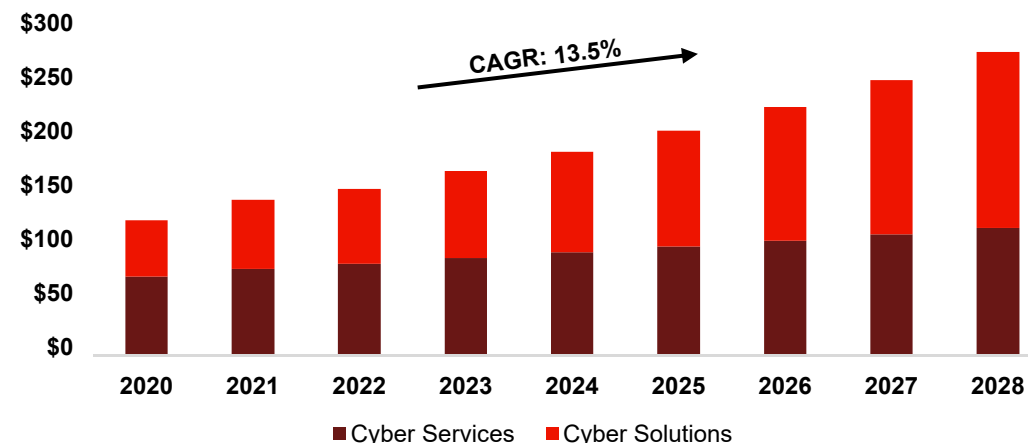
## Industry Drivers



## Cybersecurity Revenue by Industries & Loss due to Cybercrime (in trn.)



## Historical & Expected Market Growth (in bn.)

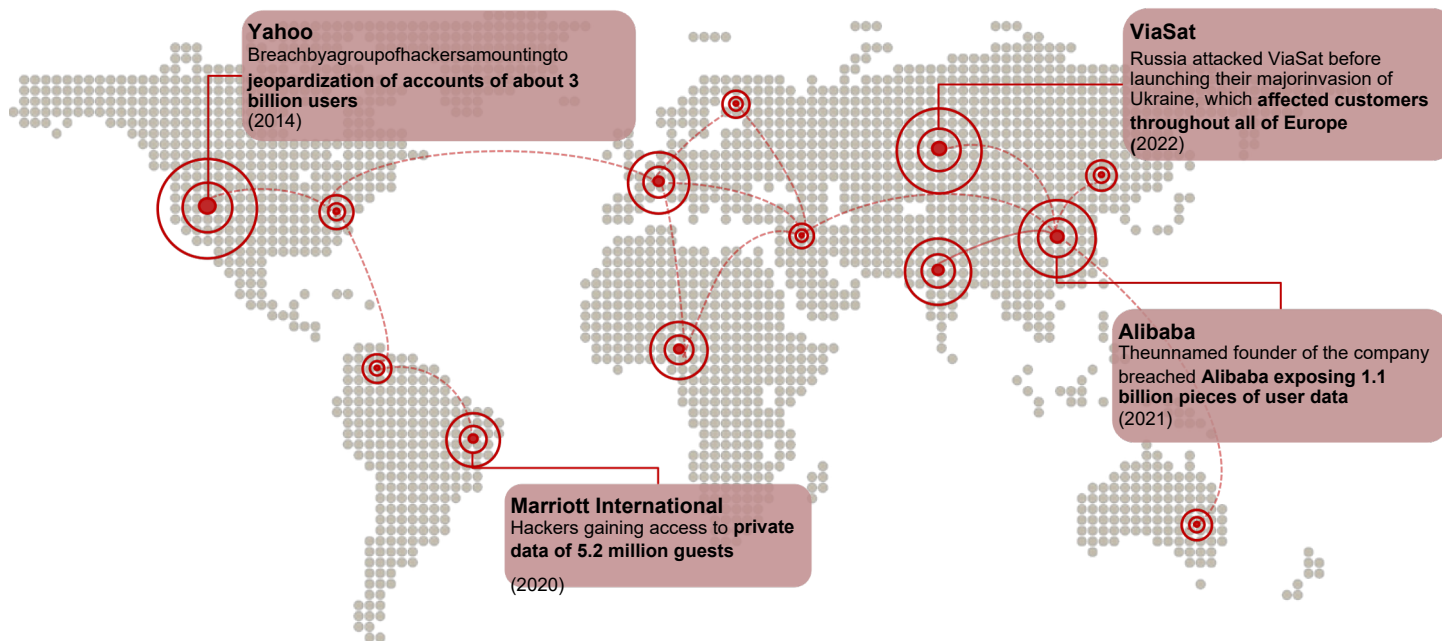


Cybersecurity Solutions become an increasingly **important tool of risk management** to **protect companies** from severe damages.

# Market Overview II – Cyber Threats

Every 39 seconds, a computer with internet access is hacked and 74% of account takeover attacks start with phishing

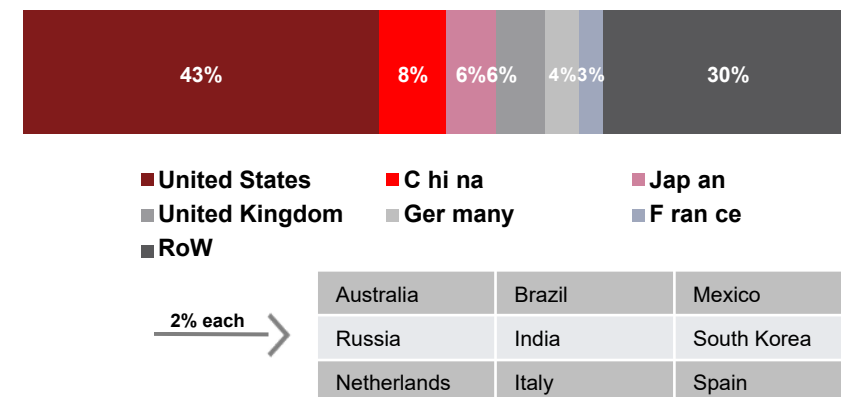
## Regions most affected by Cyberattacks



## Cybersecurity Trends & Threats

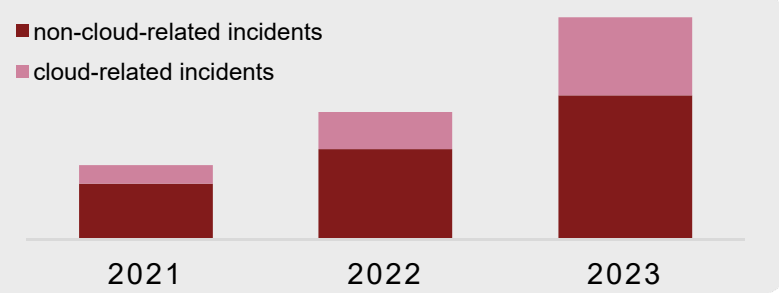
- Cloud-based solutions**  
2023 cloud-conscious attacks doubled, fueling the need for cloud-based solutions
- Machine Learning & Automation**  
to increase efficiency, predict future threats and keep up with new dangers
- Internet of Things (IoT) devices**  
offer increased attack surfaces and raise the challenge of securing all endpoints
- Lack of skilled workforce**  
aggravated by educational barriers

## Most Dominant Countries in the Market



## Most common types of attacks today

- Phishing
- Malware Infections – Ransomware
- Distributed Denial of Service Acts



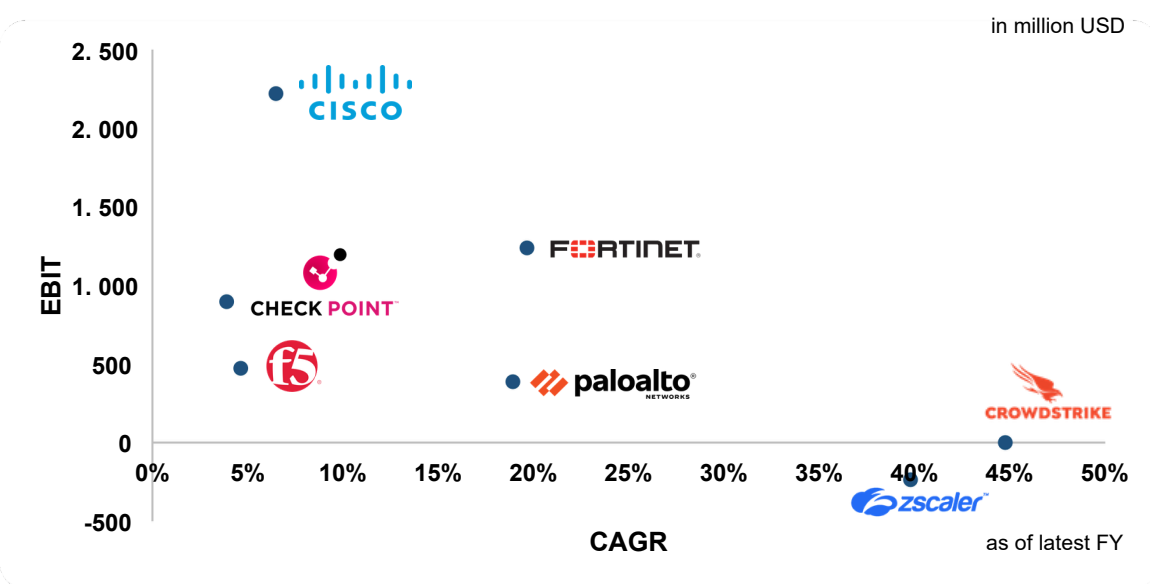
# Market Overview III – Segmentation

A highly fragmented market dominated by North American companies and expected to grow significantly worldwide

## Competitive Landscape



## Company Growth and Operating Income Comparison as of last FY



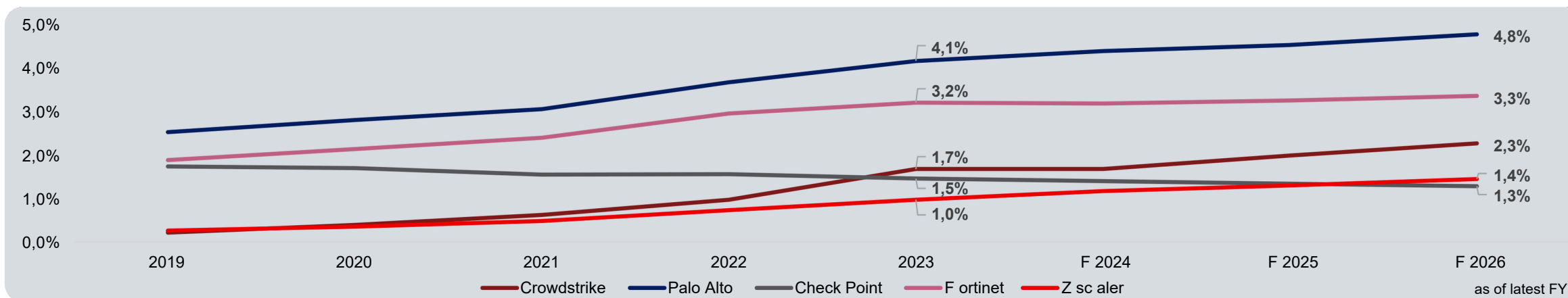
### Peer Group Rationale

- Product and Service Offering**  
We focused on companies that offer similar or complementing solutions
- Size and Income**  
The division is based on the companies' size and financial metrics
- Customer Segment Focus**  
Best peers based on end market targeting

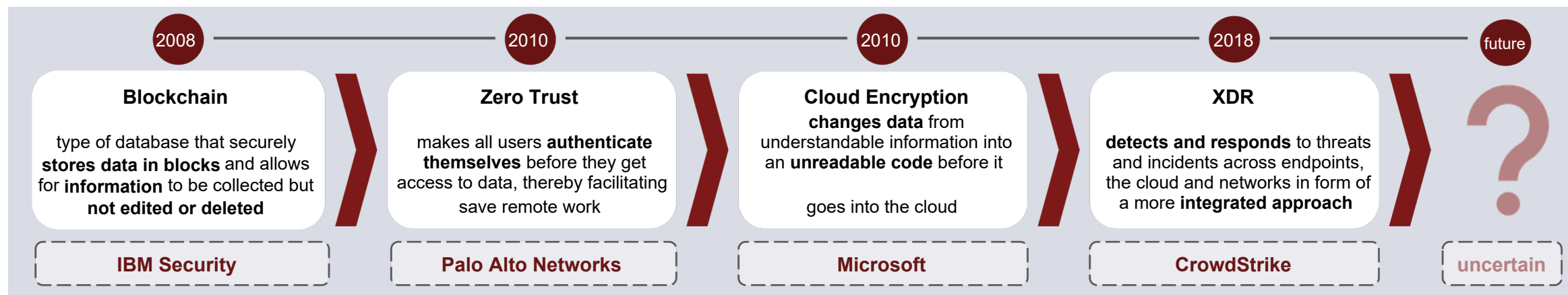
# Market Overview IV – Competitive Environment

Despite of CrowdStrike’s technological edge, several peers have been able to strengthen their market position

## Market Share Development



## Technological Advances and Companies who profited the most





# CrowdStrike

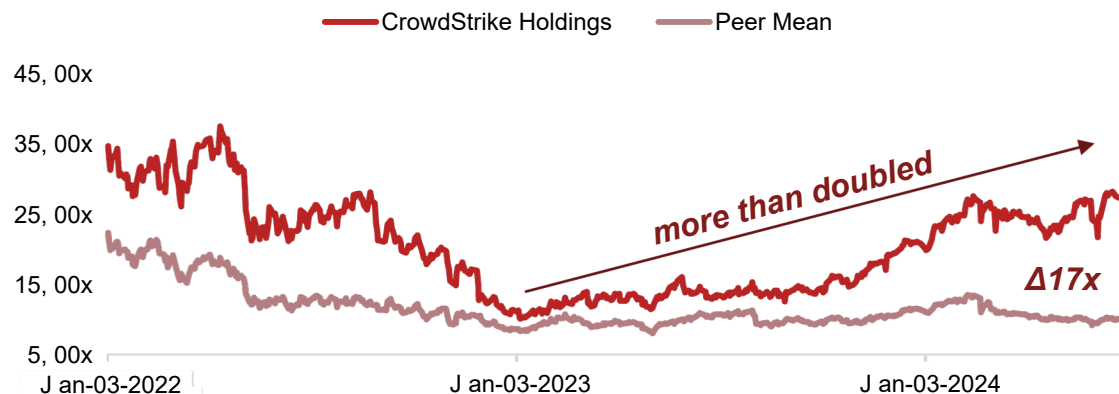
WUTIS – Equity Research

**Financials and Valuation**

# Financials & Valuation – Historic Development

While growth rates have neared peer level over the last years, multiples de-coupled completely

## EV/Sales Development



Initially, CrowdStrike had a very **high EV/Sales correlation** with its peer median, moving in sync throughout the past years

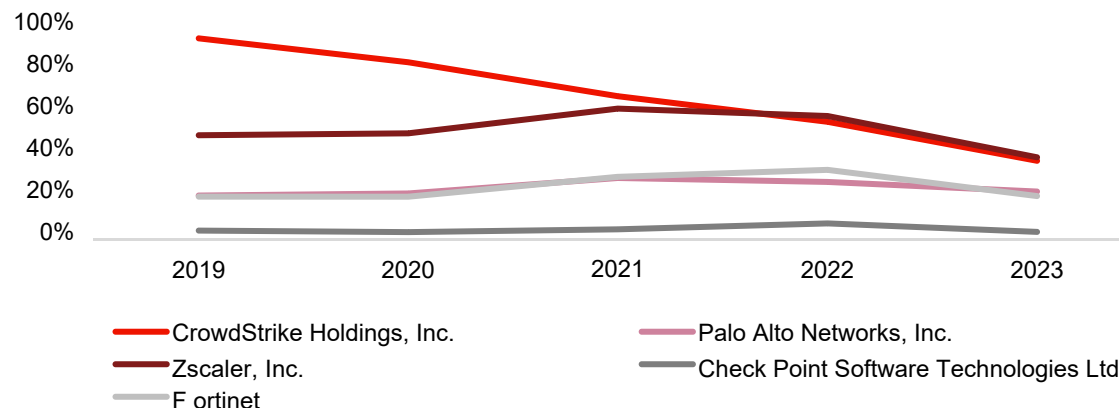


Starting from Q1 2023, the **gap between the multiples** of CrowdStrike and its peers **widened** drastically



At the current time, **CrowdStrike has an EV/Sales multiple with a delta > 17x** compared to its peers with similar growth profiles

## Sales Growth Development



After the companies IPO in **2019**, CrowdStrike experienced significant growth **almost doubling its revenue** in the same year



Since then, **growth rates have come down to about 30%**, nearing those observed in peers

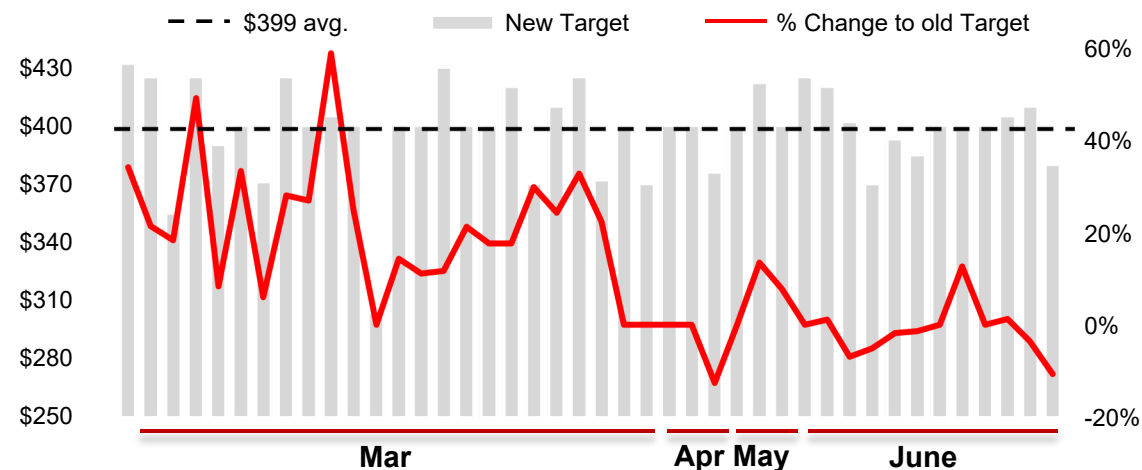
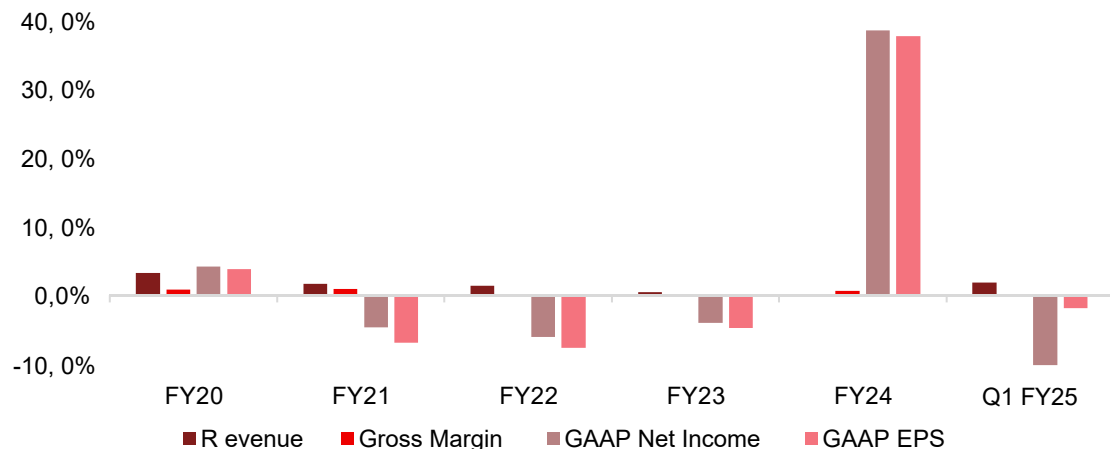


**Analysts expect growth rates between 20% and 30%** for the next years as the company continues on its path of high but decreasing growth

# Financials & Valuation II – Analysts’ Euphoria

Strong earnings throughout FY24 caused sky-high sentiment

## Analyst Surprise & Target Price Recommendation Trend



### Deep Dive 1



**Revenue** and **Gross Margin** targets were **consistently met**, demonstrating management's precision in sales forecasting over recent years



Analysts **often overestimate GAAP profitability** and **underestimate Non-GAAP profitability**, indicating they may overlook **stock-based compensation**



The break-even point in **Q4 FY24** caused **hikes** in **profitability estimates**, leading to **overestimated Q1 FY25 figures**

### Deep Dive 2



Throughout the past 4 months, analysts have tended to **increase their price targets consistently**



The **slowing pace of target increases** indicates that Q1 results, though strong and surpassing industry benchmarks, fell short of analysts' profitability expectations

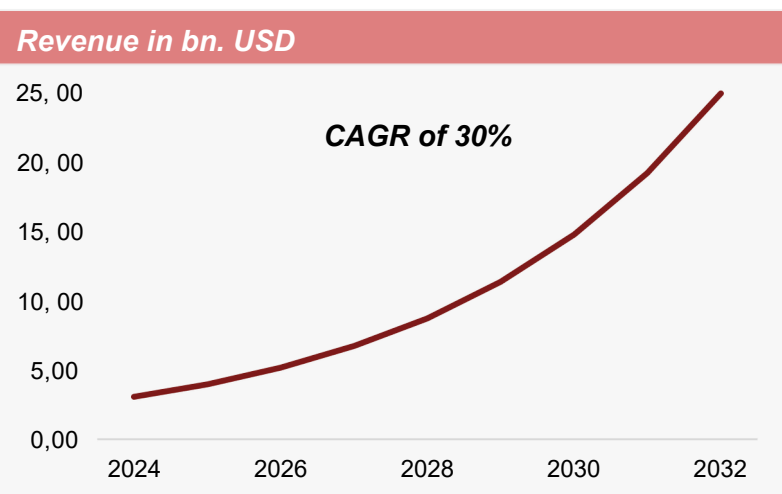


Analysts **expect excellence from CrowdStrike**. Despite a robust business model and track record, a **single poor quarter** could **impact analyst sentiment heavily**

# Financials & Valuation III – Priced in Assumptions

Assumptions needed to arrive at analyst targets are striking

## Analyst Assumptions – Median Target of 400 USD



## Other Assumptions



**Unlevered Free Cash Flow Margin**  
(not FCF from management guidance): **32.5%**

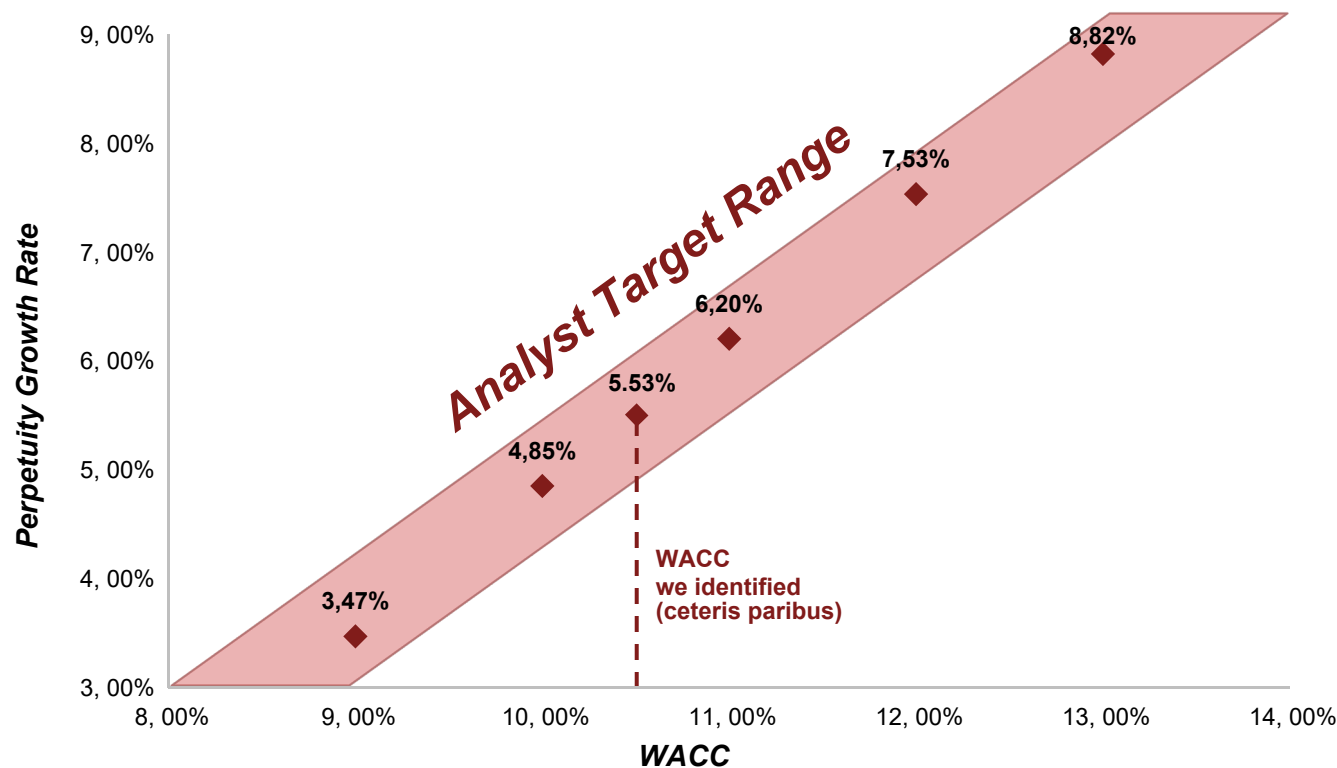


Current **Net Cash levels** based on last quarterly filing: ~ **2.88 bn. USD**



Extended **forecasting period** due to high growth business: **8 years**

## Implied Perpetuity Growth Rate to reach Analyst Target



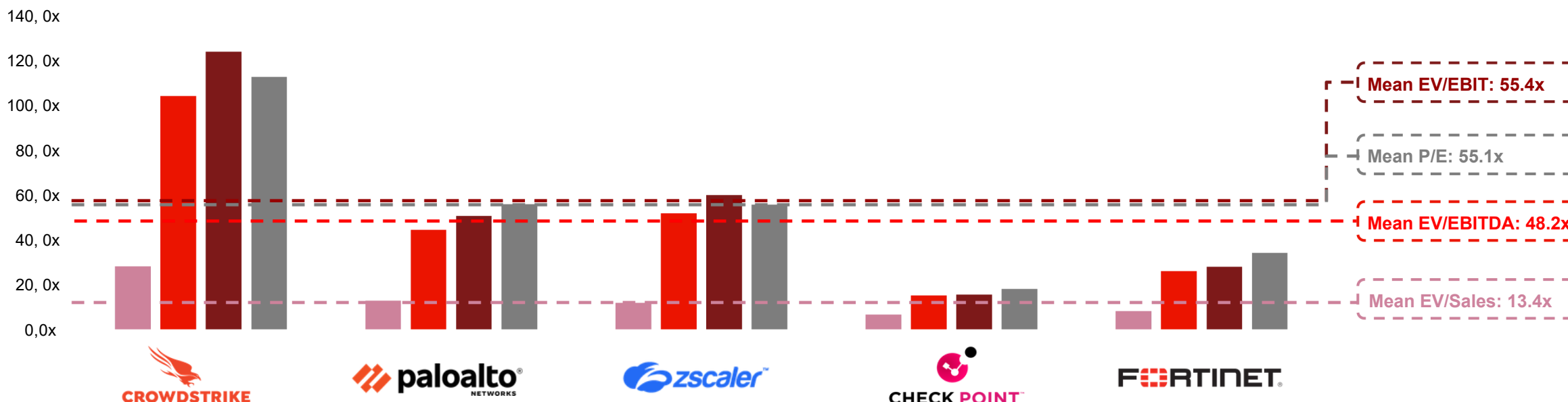
### Further Comparison

With our base case projections for **Unlevered Free Cash Flow**, that was derived by figures largely in line with management guidance, we arrive at an **implied perpetuity rate** of slightly **above 6%** to justify the Median Analyst Target Price

# Financials & Valuation IV – CCA

Pick a metric – CrowdStrike trades at the highest multiples

## Multiple Valuation Summary



## Comments

Multiples are normalized (non-GAAP). Due to large **SBC expenses** in the peer group **GAAP multiples are even higher**. CrowdStrike's **P/E ratio** is particularly striking at **over 700x**.

The forward **multiples gap** is forecasted **to narrow** as CrowdStrike's fundamentals are expected to grow faster in comparison to its peers.

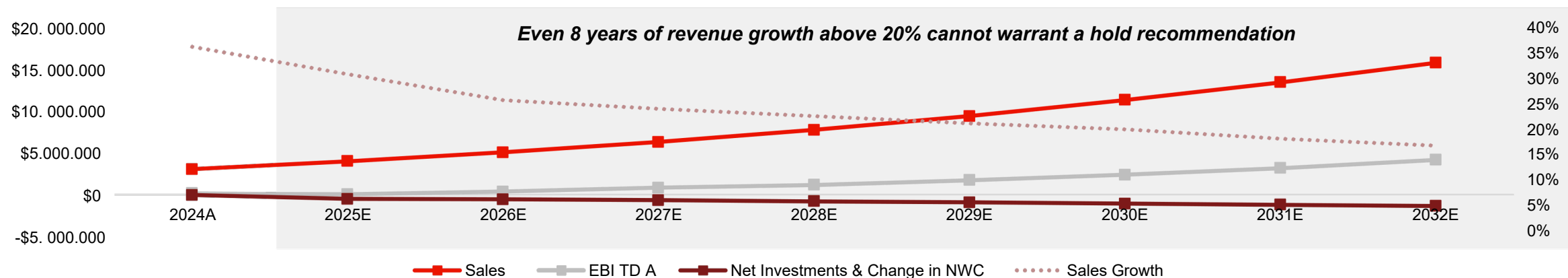
## 2 Year Forward Multiples

P/E	\$75,56	\$382,10
EV / EBIT	\$78,98	\$382,10
EV / EBITDA	\$87,48	\$382,10
EV / Revenues	\$134,28	\$382,10

# Financials & Valuation V – DCF

Our modelling assumptions lead to a sell recommendation in all three cases

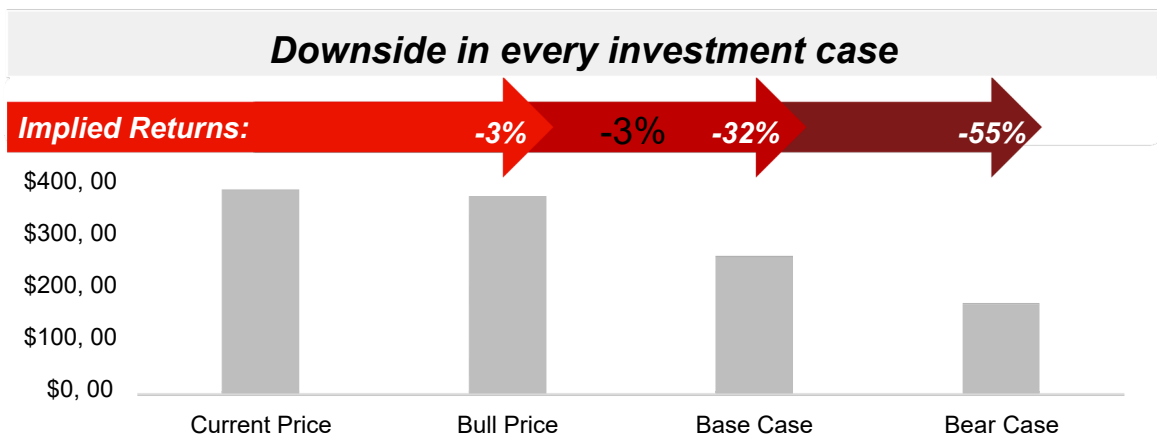
## Forecast



## Assumptions

- WACC**  
 We have estimated a WACC of 10.3%, which is lower than the WACC of 11% that can be found on Bloomberg
- TV Growth Rate**  
 We set our terminal value growth rate to 3%, surpassing any reasonable estimate of future inflation expectation
- Margins & Growth**  
 We have tried to take a balanced approach between management guidance, analyst consensus and our own view of the company

## Valuation Outcome





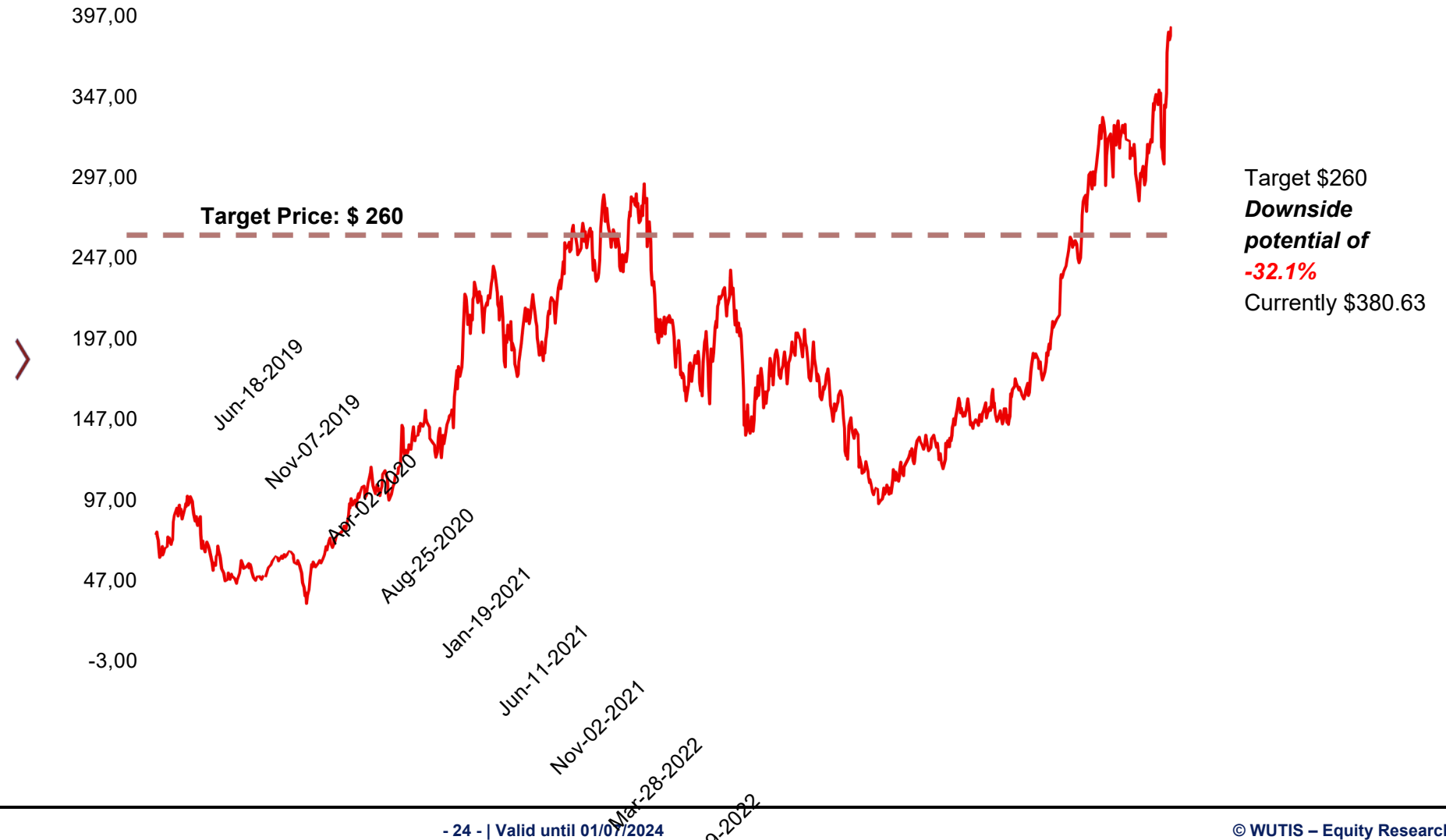
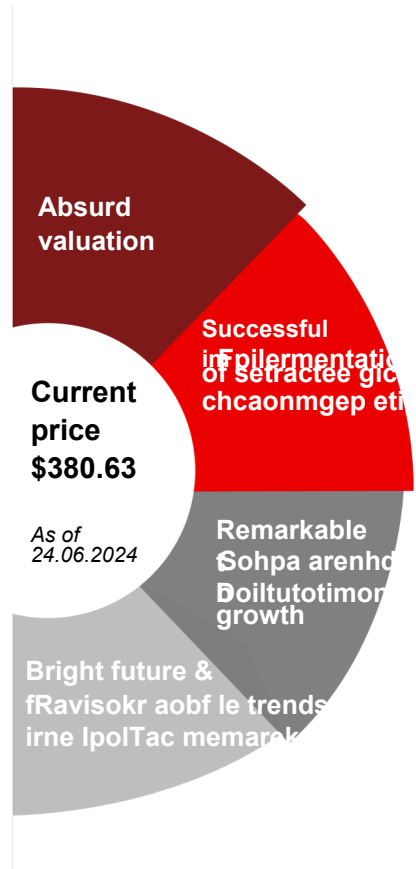
# CrowdStrike

WUTIS – Equity Research

## Conclusion

# Conclusion

A current market cap that cannot be justified with business fundamentals





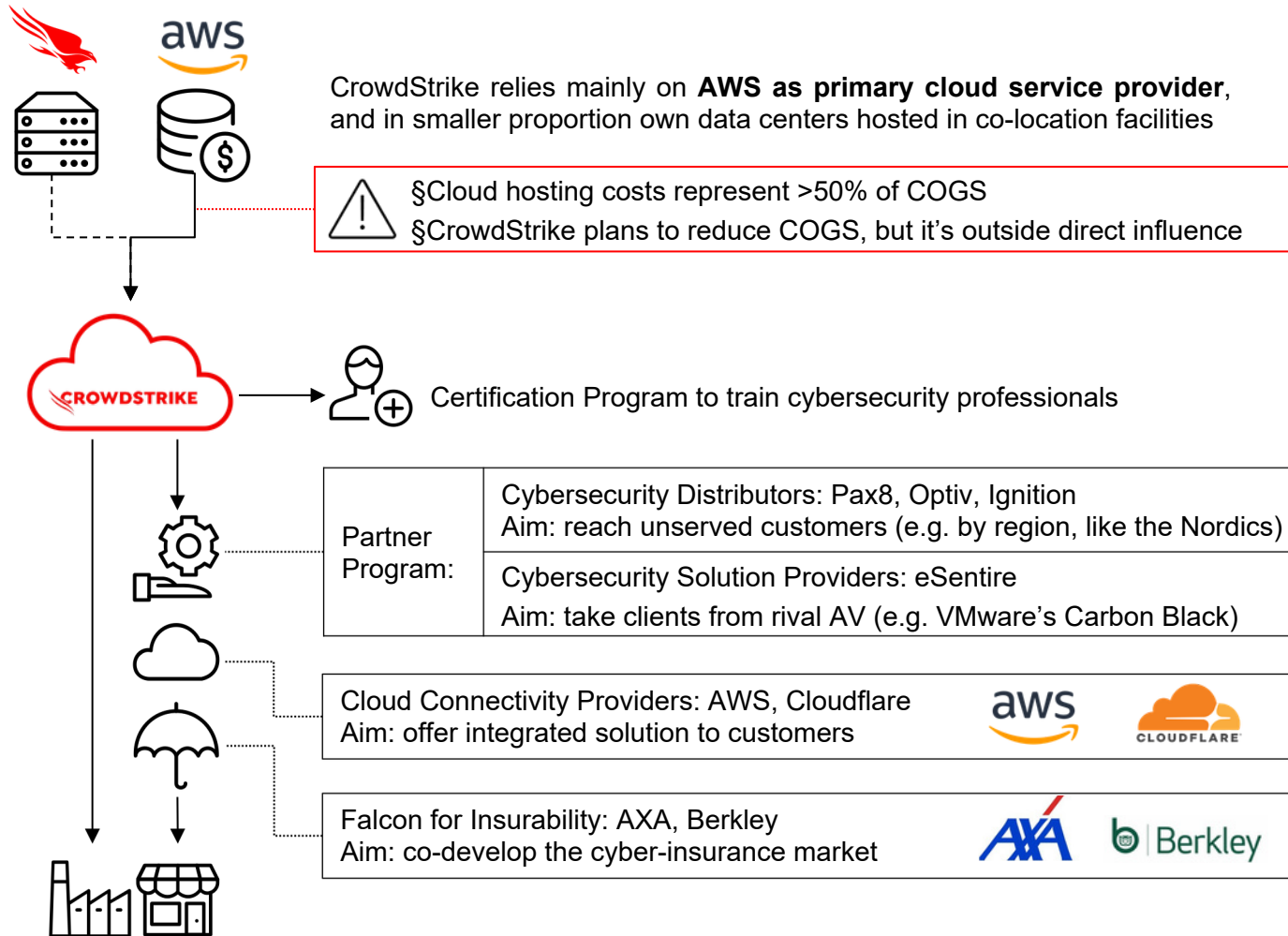
**CrowdStrike**

WUTIS – Equity Research





**Appendix**

## Value Chain, Partners and Competitive Advantages

### Value Chain and Partnerships



### Sources of Competitive Advantage

- 
**IP Rights** Imitation by the competition is delayed thanks to IP rights. Most notables: **updates without reboot** needed, **Indicator of Attack** security approach based on early pattern recognition.
- 
**Economies of Scale** SaaS companies incur high fixed costs to develop products and relatively low variable costs, resulting in lowering COGS in % of Sales as the customer base grows (from 35% FY18 to 24% FY23).
- 
**Network Effects** Value of the product (the protection) increases as users grow, thanks to the way Falcon Protect learns from all customers.
- 
**Switching Costs** Falcon is a complete and user-friendly platform, so customers experience significant hassle moving away as they need a suite of replacements from different vendors.

### Governance

CrowdStrike strives to **create an environment** that values **and includes all backgrounds, they foster the diversity of perspective** it takes to **continuously innovate**. They strive for equality and all-inclusive hiring without discrimination.

#### Company's goals

**Inclusive Hiring** – offer unconscious bias training for hiring managers

**Diverse Community** – employee resource groups, internal development groups

#### Company's offers

**Philanthropy** – NextGen Scholarship Program

### Environmental Goals & Steps



Partnership with ClimeCo



Green Building



Commitment to SBTi



Business for Social Responsibility

**CrowdStrike**, as a cybersecurity company makes it part of his mission to be **committed to the environment** and following certain steps such as their **commitment letter to SBTi** in which they committed themselves to **reducing company wide emissions** in line with science-based **net zero targets**.

**ClimeCo** helps **identify, purchase, and retire** a variety of certified **carbon offset projects** all over the world.

### Social & Non-profit

Among a lot of other things CrowdStrike offers their own

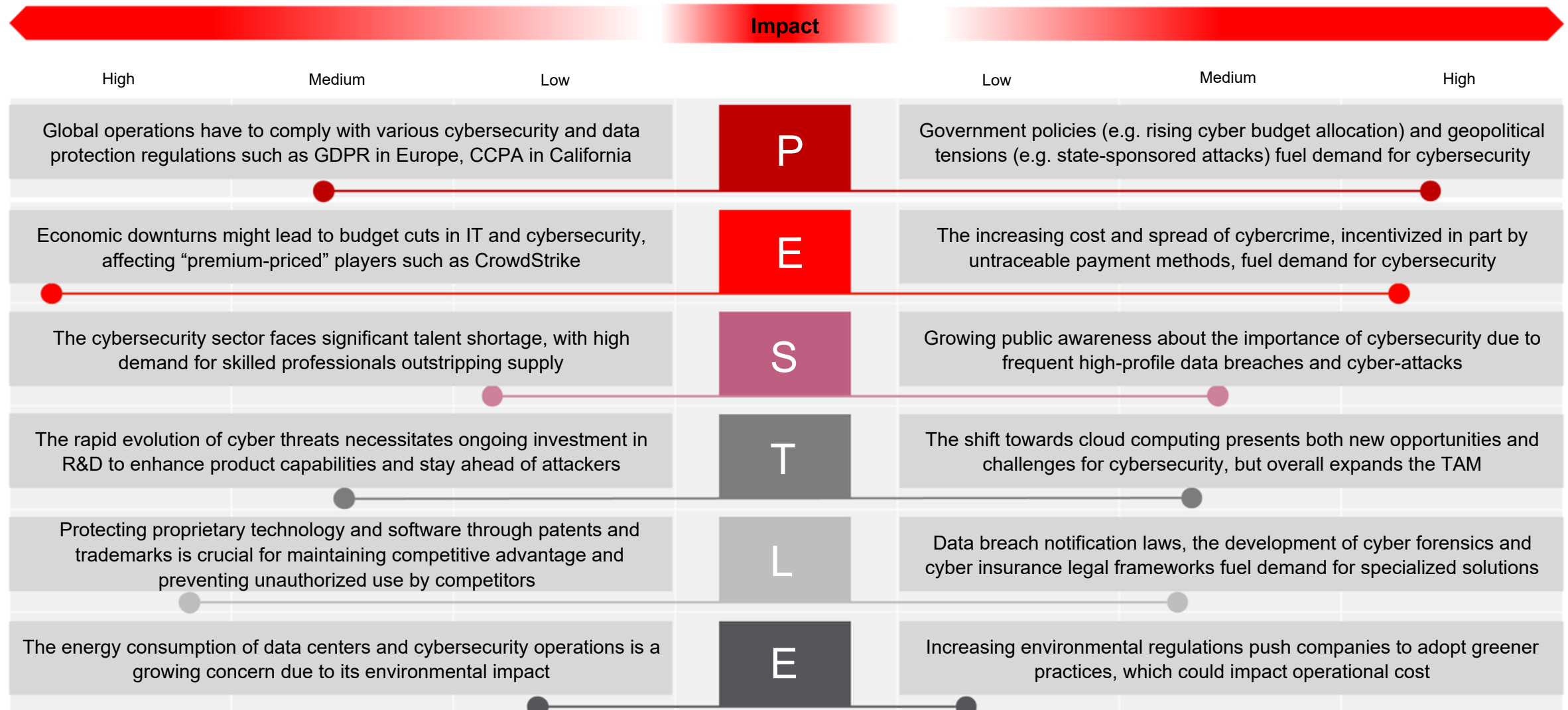
**ProBono Security Software**

as well as the **CrowdStrike Cares Volunteer Program**.

**CrowdStrike Foundation** –partnership with nonprofits all over the globe

Partners with **Operation Motorsport Foundation** (veteran led non-profit)

## PESTLE



## SWOT

### STRENGTHS

- § **Advanced Technology:** CrowdStrike's platform is built on artificial intelligence and machine learning, providing highly effective threat detection and response capabilities. Their Falcon platform is a leader in endpoint protection, threat intelligence, and incident response
- § **Global Presence:** With a presence in North America, Europe, Asia, and other regions, CrowdStrike can serve clients worldwide. This global reach enhances its market influence and customer support capabilities
- § **Strong Customer Base:** CrowdStrike's customers are large corporations like Amazon or Credit Suisse, demonstrating trust and reliability

### OPPORTUNITIES

- § **Growing Cybersecurity Market:** As cyber threats increase, the demand for advanced cybersecurity solutions like those provided by CrowdStrike is expected to grow. This expanding market offers significant potential for revenue growth
- § **Expansion into New Markets:** With its established global presence, CrowdStrike has opportunities to expand further into emerging markets and sectors
- § **Technological Advancements:** Continued innovation in AI and machine learning can enhance their product offerings, keeping them at the forefront of cybersecurity technology



- § **High Costs:** CrowdStrike's services are relatively expensive, which might limit accessibility for smaller businesses and startups. The high cost can be a barrier to entry for some potential clients
- § **New Brand:** As a relatively new player in the cybersecurity industry, CrowdStrike lacks the long-established reputation of legacy brands like McAfee. This can be a disadvantage in gaining trust and recognition in a market that values proven track records

### WEAKNESSES

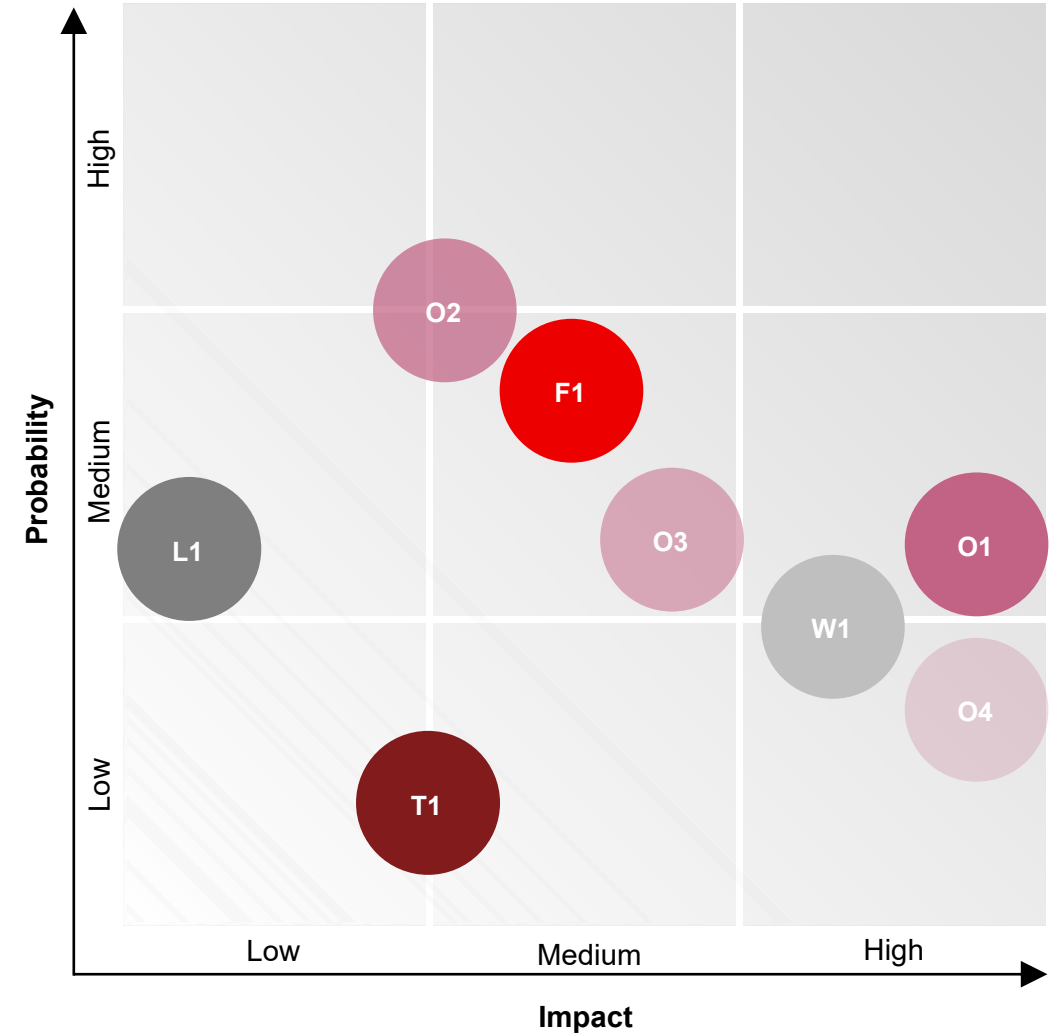
- § **Intense Competition:** CrowdStrike faces stiff competition from established cybersecurity firms like McAfee and Palo Alto Networks, which could impact market share and pricing power
- § **Evolving Cyber Threats:** The rapid evolution of cyber threats requires constant innovation and adaptation.
- § **Regulatory Challenges:** As a global company, CrowdStrike must navigate complex regulatory environments in different countries, which can pose operational and compliance challenges

### THREATS

## Risks

- T1
Advanced and new cybercrime that cannot be detected
- F1
Intense Market Competition might lead to Price Wars
- O1
Vulnerabilities within the software that may be attacked
- O2
Dependence on a few big customers
- O3
Third Party and Employee dependencies
- O4
Bad reviews leading to a downgrade of the companies reputationTechnological
- L1
Legal changes regarding data protection
- W1
Changes that could potentially outdate the Falcon Platform

Operations (O) – Technical (T) – Financial (F) – Legislation (L) – Workforce (W)



# Appendix

## Operating Model – P&L

Income Statement												
Fiscal year	2021A	2022A	2023A	2024A	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P
Fiscal year end date	31/01/2021	31/01/2022	31/01/2023	31/01/2024	31/01/2025	31/01/2026	31/01/2027	31/01/2028	31/01/2029	31/01/2030	31/01/2031	31/01/2032
Revenue	874,438	1,451,594	2,241,236	3,055,555	4,097,715	5,289,619	6,743,949	8,501,255	10,595,868	13,086,656	15,921,652	19,162,179
COGS	(229,545)	(383,221)	(601,231)	(755,723)	-942,474	-1,163,716	-1,416,229	-1,785,263	-2,119,174	-2,486,465	-2,865,897	-3,257,570
<b>Gross profit</b>	<b>644,893</b>	<b>1,068,373</b>	<b>1,640,005</b>	<b>2,299,832</b>	<b>3,155,240</b>	<b>4,125,903</b>	<b>5,327,720</b>	<b>6,715,991</b>	<b>8,476,695</b>	<b>10,600,192</b>	<b>13,055,755</b>	<b>15,904,608</b>
Sales and marketing	(401,316)	(616,546)	(904,409)	(1,140,566)	-1,475,177	-1,798,471	-2,158,064	-2,720,401	-3,178,761	-3,925,997	-4,617,279	-5,365,410
Research and development	(214,670)	(371,283)	(608,364)	(768,497)	-983,452	-1,163,716	-1,348,790	-1,615,238	-1,907,256	-2,224,732	-2,547,464	-3,065,949
General and administrative	(121,436)	(223,092)	(317,344)	(392,764)	-491,726	-581,858	-674,395	-765,113	-847,669	-916,066	-1,114,516	-1,149,731
<b>Operating income/(loss)</b>	<b>(92,529)</b>	<b>(142,548)</b>	<b>(190,112)</b>	<b>(1,995)</b>	<b>204,886</b>	<b>581,858</b>	<b>1,146,471</b>	<b>1,615,238</b>	<b>2,543,008</b>	<b>3,533,397</b>	<b>4,776,496</b>	<b>6,323,519</b>
Interest expense	(1,559)	(25,231)	(25,319)	(25,756)	(25,486)	(25,027)	(24,569)	(24,110)	(23,651)	(23,192)	(22,734)	(22,275)
Interest income	0	3,788	52,495	148,930	226,808	316,668	431,039	563,897	722,792	902,267	1,098,669	1,311,509
Other income, net	6,219	3,968	3,053	1,638	1,638	1,638	1,638	1,638	1,638	1,638	1,638	1,638
<b>Pretax profit</b>	<b>(87,869)</b>	<b>(160,023)</b>	<b>(159,883)</b>	<b>122,817</b>	<b>407,846</b>	<b>875,137</b>	<b>1,554,580</b>	<b>2,156,663</b>	<b>3,243,788</b>	<b>4,414,110</b>	<b>5,854,069</b>	<b>7,614,391</b>
Tax	(4,760)	(72,355)	(22,402)	(32,232)	-24,471	-87,514	-217,641	-345,066	-583,882	-882,822	-1,229,355	-1,599,022
Non-controlling interest expense	0	(2,424)	(960)	(1,258)	(1,258)	(1,258)	(1,258)	(1,258)	(1,258)	(1,258)	(1,258)	(1,258)
<b>Net income</b>	<b>(92,629)</b>	<b>(234,802)</b>	<b>(183,245)</b>	<b>89,327</b>	<b>382,117</b>	<b>786,365</b>	<b>1,335,680</b>	<b>1,810,339</b>	<b>2,658,648</b>	<b>3,530,030</b>	<b>4,623,457</b>	<b>6,014,111</b>
D&A	38,710	55,908	77,245	126,838	176,185	222,969	280,124	350,155	262,505	279,099	288,873	287,842
<b>EBITDA</b>	<b>(53,819)</b>	<b>(86,640)</b>	<b>(112,867)</b>	<b>124,843</b>	<b>381,071</b>	<b>804,827</b>	<b>1,426,596</b>	<b>1,965,394</b>	<b>2,805,513</b>	<b>3,812,496</b>	<b>5,065,369</b>	<b>6,611,361</b>
Stock based compensation	149,675	309,952	526,504	631,519	802,513	978,628	1,174,623	1,388,591	1,615,919	1,853,983	2,083,107	2,299,461
<b>Adjusted EBITDA</b>	<b>95,856</b>	<b>223,312</b>	<b>413,637</b>	<b>756,362</b>	<b>1,183,584</b>	<b>1,783,455</b>	<b>2,601,219</b>	<b>3,353,984</b>	<b>4,421,432</b>	<b>5,666,480</b>	<b>7,148,476</b>	<b>8,910,823</b>
Growth rates & margins												
Revenue growth		66.00%	54.40%	36.33%	34.11%	29.09%	27.49%	26.06%	24.64%	23.51%	21.66%	20.35%
Gross Margin	73.75%	73.60%	73.17%	75.27%	77.00%	78.00%	79.00%	79.00%	80.00%	81.00%	82.00%	83.00%
S&M %	(45.89%)	(42.47%)	(40.35%)	(37.33%)	(36.00%)	(34.00%)	(32.00%)	(32.00%)	(30.00%)	(30.00%)	(29.00%)	(28.00%)
R&D %	(24.55%)	(25.58%)	(27.14%)	(25.15%)	(24.00%)	(22.00%)	(20.00%)	(19.00%)	(18.00%)	(17.00%)	(16.00%)	(16.00%)
G&A %	(13.89%)	(15.37%)	(14.16%)	(12.85%)	(12.00%)	(11.00%)	(10.00%)	(9.00%)	(8.00%)	(7.00%)	(7.00%)	(6.00%)
Tax rate	(0.54%)	(4.98%)	(1.00%)	(1.05%)	(6.00%)	(10.00%)	(14.00%)	(16.00%)	(18.00%)	(20.00%)	(21.00%)	(21.00%)

# Appendix

## Operating Model – Balance Sheet

Statement of Financial Position												
Fiscal year	2021A	2022A	2023A	2024A	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P
Fiscal year end date	31/01/2021	31/01/2022	31/01/2023	31/01/2024	31/01/2025	31/01/2026	31/01/2027	31/01/2028	31/01/2029	31/01/2030	31/01/2031	31/01/2032
Cash and cash equivalents	1,918,608	1,996,633	2,705,369	3,474,660	5,291,618	7,773,165	11,162,318	15,452,432	21,030,161	27,980,568	36,472,648	46,839,619
Accounts receivable	239,199	368,145	626,181	853,105	1,099,298	1,361,250	1,661,821	2,001,956	2,379,432	2,795,770	3,227,446	3,674,938
Deferred contract acquisition cost	80,850	126,822	186,855	246,370	323,890	420,998	541,031	687,582	864,312	1,075,261	1,322,997	1,610,430
Prepaid expenses and other	53,617	79,352	121,862	183,172	245,647	317,098	404,281	509,627	635,193	784,509	954,459	1,148,719
<b>Total current assets</b>	<b>2,292,274</b>	<b>2,570,952</b>	<b>3,640,267</b>	<b>4,757,307</b>	<b>6,960,452</b>	<b>9,872,512</b>	<b>13,769,450</b>	<b>18,651,597</b>	<b>24,909,098</b>	<b>32,636,107</b>	<b>41,977,550</b>	<b>53,273,707</b>
LT investments	2,500	23,632	47,270	56,244	75,427	97,367	124,137	156,484	195,040	240,888	293,072	352,721
Property and equipment	167,014	260,577	492,335	620,172	655,409	688,854	723,870	758,885	785,136	806,068	827,734	849,322
Operating lease right-of-use assets	36,484	31,735	39,936	48,211	48,287	47,096	44,549	44,461	51,941	57,762	61,805	66,131
Deferred contract acquisitions costs	117,906	192,358	260,233	335,933	448,741	594,362	780,021	1,014,057	1,305,757	1,666,027	2,104,343	2,631,870
Goodwill	83,566	416,445	430,645	638,041	638,041	638,041	638,041	638,041	638,041	638,041	638,041	638,041
Intangible assets	15,677	97,336	86,889	114,518	91,429	69,439	49,622	30,296	13,723	10,978	8,234	5,489
Other long-term assets	17,112	25,346	28,965	76,094	102,047	131,730	167,948	211,711	263,874	325,903	396,505	477,205
<b>Total non-current assets</b>	<b>440,259</b>	<b>1,047,429</b>	<b>1,386,273</b>	<b>1,889,213</b>	<b>2,059,382</b>	<b>2,266,889</b>	<b>2,528,187</b>	<b>2,853,934</b>	<b>3,253,512</b>	<b>3,745,667</b>	<b>4,329,734</b>	<b>5,020,780</b>
<b>Total assets</b>	<b>2,732,533</b>	<b>3,618,381</b>	<b>5,026,540</b>	<b>6,646,520</b>	<b>9,019,834</b>	<b>12,139,401</b>	<b>16,297,637</b>	<b>21,505,531</b>	<b>28,162,610</b>	<b>36,381,775</b>	<b>46,307,283</b>	<b>58,294,486</b>
Accounts payable	12,065	47,634	45,372	28,180	41,079	58,051	79,567	111,543	145,752	186,673	233,208	285,595
Accrued expenses	51,117	83,382	137,884	125,896	160,327	193,950	230,698	284,170	332,453	395,025	460,998	531,910
Accrued payroll and benefits	71,907	104,563	168,767	234,624	314,647	406,169	517,841	652,778	813,615	1,004,873	1,222,561	1,471,388
Operating lease liabilities	8,977	9,820	13,046	14,150	14,565	14,221	13,486	13,460	15,620	17,300	18,467	19,716
Deferred revenue	701,988	1,136,502	1,727,484	2,270,757	3,045,245	3,931,017	5,011,813	6,317,767	7,874,394	9,725,440	11,832,287	14,240,507
Other current liabilities	17,499	24,929	16,519	23,672	26,180	28,955	32,023	35,416	39,169	43,319	47,909	52,986
<b>Total current liabilities</b>	<b>863,553</b>	<b>1,406,830</b>	<b>2,109,072</b>	<b>2,697,279</b>	<b>3,602,044</b>	<b>4,632,363</b>	<b>5,885,427</b>	<b>7,415,134</b>	<b>9,221,002</b>	<b>11,372,630</b>	<b>13,815,429</b>	<b>16,602,102</b>
Long-term debt	738,029	739,517	741,005	742,494	742,494	742,494	742,494	742,494	742,494	742,494	742,494	742,494
Deferred revenue, noncurrent	209,907	392,819	627,629	783,342	1,050,517	1,356,081	1,728,923	2,179,437	2,716,426	3,354,981	4,081,778	4,912,541
Operating lease liabilities, noncurrent	31,986	25,379	29,567	36,230	35,891	35,043	33,232	33,169	38,491	42,631	45,507	48,584
Other non-current liabilities	17,184	16,193	31,833	50,086	67,169	86,706	110,545	139,351	173,685	214,514	260,984	314,102
<b>Total non-current liabilities</b>	<b>997,106</b>	<b>1,173,908</b>	<b>1,430,034</b>	<b>1,612,152</b>	<b>1,896,071</b>	<b>2,220,325</b>	<b>2,615,194</b>	<b>3,094,451</b>	<b>3,671,096</b>	<b>4,354,619</b>	<b>5,130,764</b>	<b>6,017,722</b>
<b>Total Liabilities</b>	<b>1,860,659</b>	<b>2,580,738</b>	<b>3,539,106</b>	<b>4,309,431</b>	<b>5,498,115</b>	<b>6,852,688</b>	<b>8,500,621</b>	<b>10,509,585</b>	<b>12,892,097</b>	<b>15,727,249</b>	<b>18,946,193</b>	<b>22,619,823</b>
Common stock	112	115	118	121	121	121	121	121	121	121	121	121
Paid-in capital	1,598,259	1,991,807	2,612,705	3,364,328	4,166,841	5,145,470	6,320,093	7,708,683	9,324,602	11,178,585	13,261,693	15,561,154
Retained earnings	-730,116	-964,918	-1,148,163	-1,058,836	-676,719	109,646	1,445,326	3,255,666	5,914,313	9,444,344	14,067,801	20,081,912
Accumulated other comprehensive (loss) income	2,319	-1,240	-1,019	-1,663	-1,663	-1,663	-1,663	-1,663	-1,663	-1,663	-1,663	-1,663
Non-controlling interest	1,300	11,879	23,793	33,139	33,139	33,139	33,139	33,139	33,139	33,139	33,139	33,139
<b>Shareholders' equity</b>	<b>871,874</b>	<b>1,037,643</b>	<b>1,487,434</b>	<b>2,337,089</b>	<b>3,521,719</b>	<b>5,286,713</b>	<b>7,797,016</b>	<b>10,995,946</b>	<b>15,270,513</b>	<b>20,654,526</b>	<b>27,361,090</b>	<b>35,674,663</b>

# Appendix

## Operating Model – CF Statement

### Statement of Cashflows

Fiscal year	2023A	2024A	2025P	2026P	2027P	2028P	2029P	2030P	2031P	2032P
Fiscal year end date	31/01/2023	31/01/2024	31/01/2025	31/01/2026	31/01/2027	31/01/2028	31/01/2029	31/01/2030	31/01/2031	31/01/2032
Net Income	(183,245)	89,327	382,117	786,365	1,335,680	1,810,339	2,658,648	3,530,030	4,623,457	6,014,111
D&A	77,245	126,838	176,185	222,969	280,124	350,155	262,505	279,099	288,873	287,842
Amortization of intangible assets	10,447	(27,629)	23,089	21,990	19,817	19,326	16,573	2,745	2,745	2,745
Stock based compensation	526,504	631,519	802,513	978,628	1,174,623	1,388,591	1,615,919	1,853,983	2,083,107	2,299,461
Change in working capital assets	(436,655)	(431,724)	(499,072)	(574,942)	(690,897)	(825,980)	(978,953)	(1,142,693)	(1,291,722)	(1,461,039)
Change in working capital liabilities	933,826	742,816	1,171,525	1,336,227	1,626,640	1,980,247	2,340,697	2,788,503	3,168,430	3,616,186
<b>Cash from operating activities</b>	<b>928,122</b>	<b>1,131,147</b>	<b>2,056,358</b>	<b>2,771,238</b>	<b>3,745,988</b>	<b>4,722,678</b>	<b>5,915,388</b>	<b>7,311,668</b>	<b>8,874,890</b>	<b>10,759,307</b>
Capital expenditures (PPE)	(235,000)	(176,500)	(211,422)	(256,414)	(315,140)	(385,171)	(288,755)	(300,032)	(310,539)	(309,431)
Purchase of long-term investments	(23,638)	(8,974)	(19,183)	(21,940)	(26,770)	(32,347)	(38,556)	(45,848)	(52,184)	(59,649)
Purchase of other long-term assets	(3,619)	(47,129)	(25,953)	(29,683)	(36,218)	(43,763)	(52,163)	(62,029)	(70,601)	(80,700)
Goodwill	0	0	0	0	0	0	0	0	0	0
<b>Cash from investing activities</b>	<b>(262,257)</b>	<b>(232,603)</b>	<b>(256,559)</b>	<b>(308,036)</b>	<b>(378,128)</b>	<b>(461,281)</b>	<b>(379,475)</b>	<b>(407,909)</b>	<b>(433,324)</b>	<b>(449,780)</b>
Repayment of long-term debt	0	0	0	0	0	0	0	0	0	0
Proceeds from issuance of other non-current liabilities	15,640	18,253	17,083	19,537	23,839	28,805	34,334	40,828	46,471	53,118
Leases	7,414	7,767	76	(1,191)	(2,547)	(88)	7,481	5,820	4,043	4,326
Changes in non-controlling interest	11,914	9,346	0	0	0	0	0	0	0	0
<b>Cash from financing activities</b>	<b>34,968</b>	<b>35,366</b>	<b>17,159</b>	<b>18,346</b>	<b>21,292</b>	<b>28,717</b>	<b>41,815</b>	<b>46,649</b>	<b>50,514</b>	<b>57,444</b>
<b>Net change in cash during period</b>	<b>700,833</b>	<b>933,910</b>	<b>1,816,958</b>	<b>2,481,548</b>	<b>3,389,152</b>	<b>4,290,114</b>	<b>5,577,729</b>	<b>6,950,407</b>	<b>8,492,080</b>	<b>10,366,971</b>

## DCF

### Discounted Cash Flow Valuation

\$ in thousands except per share

Most recent fiscal year end	1/31/24	Discount rate (WACC)	10.30%
End of first fiscal year	1/31/24	Share price	
Most recent quarter end date	4/30/24	Share price date	
Valuation date	6/22/2024	Midyear adjustment?	0
Portion of First Year Cash Flows	39.44%	Active Case:	Base Case

### Unlevered Free Cash Flows

Fiscal year ended	LTM	Actual		Forecasts						
	6/22/24	1/31/24	1/31/25	1/31/26	1/31/27	1/31/28	1/31/29	1/31/30	1/31/31	1/31/32
Sales	3,466,629	3,055,555	4,097,715	5,289,619	6,743,949	8,501,255	10,595,868	13,086,656	15,921,652	19,162,179
% growth			34.1%	29.1%	27.5%	26.1%	24.6%	23.5%	21.7%	20.4%
EBITDA	225,911	124,843	381,071	804,827	1,426,596	1,965,394	2,805,513	3,812,496	5,065,369	6,611,361
% margin		4.1%	9.3%	15.2%	21.2%	23.1%	26.5%	29.1%	31.8%	34.5%
EBIT	79,608	(1,995)	204,886	581,858	1,146,471	1,615,238	2,543,008	3,533,397	4,776,496	6,323,519
% margin		(0.1%)	5.0%	11.0%	17.0%	19.0%	24.0%	27.0%	30.0%	33.0%
Tax on EBIT		(21)	12,293	58,186	160,506	258,438	457,742	706,679	1,003,064	1,327,939
Tax rate		1.1%	6.0%	10.0%	14.0%	16.0%	18.0%	20.0%	21.0%	21.0%
<b>NOPAT</b>		<b>(1,974)</b>	<b>192,593</b>	<b>523,672</b>	<b>985,965</b>	<b>1,356,800</b>	<b>2,085,267</b>	<b>2,826,718</b>	<b>3,773,432</b>	<b>4,995,580</b>
D&A		126,838	176,185	222,969	280,124	350,155	262,505	279,099	288,873	287,842
Changes in NWC			(518,578)	(599,807)	(745,278)	(937,675)	(1,126,095)	(1,375,026)	(1,593,437)	(1,857,487)
Capex		(176,500)	(211,422)	(256,414)	(315,140)	(385,171)	(288,755)	(300,032)	(310,539)	(309,431)
as % of sales		(5.8%)	(5.2%)	(4.8%)	(4.7%)	(4.5%)	(2.7%)	(2.3%)	(2.0%)	(1.6%)
<b>Unlevered Free Cash Flows (UFCF)</b>		<b>(51,636)</b>	<b>675,934</b>	<b>1,090,034</b>	<b>1,696,228</b>	<b>2,259,460</b>	<b>3,185,111</b>	<b>4,180,812</b>	<b>5,345,203</b>	<b>6,831,478</b>
% UFCF Margin		-1.69%	16.50%	20.61%	25.15%	26.58%	30.06%	31.95%	33.57%	35.65%
Net working Capital		(1,414,632)	(1,933,210)	(2,533,017)	(3,278,295)	(4,215,970)	(5,342,064)	(6,717,091)	(8,310,528)	(10,168,014)

## DCF

### Present value of UFCF on 00 dd, yyyy valuation date

	Val date	Yr 1- Stub	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Date for discounting Cash Flows	6/22/24	1/31/25	1/31/26	1/31/27	1/31/28	1/31/29	1/31/30	1/31/31	1/31/32
UFCF stub adjustment	39.44%	404,353	1,060,941	1,627,440	2,178,698	3,108,821	4,145,478	5,345,203	6,831,478
<b>Present value of UFCF</b>		<b>380,850</b>	<b>905,982</b>	<b>1,259,992</b>	<b>1,529,306</b>	<b>1,977,929</b>	<b>2,391,245</b>	<b>2,795,426</b>	<b>3,239,164</b>

### Terminal value - growth in perpetuity approach

Long term growth rate	3%
2032 FCF * (1+g)	7,036,423
Terminal Value 2032	96,422,546
Present Value of Terminal Value	45,719,009
Present Value of stage 1 Cash Flows	14,479,894
<b>Total Enterprise Value (TEV)</b>	<b>60,198,904</b>
Terminal value as % of TEV	76%
Stage 1 Cash Flows as % of TEV	24%

### Net debt

Source doc	Q1 10-Q FY25
Source date	4/30/24
<u>Gross debt and equivalents</u>	
Debt	792,976
Convertible debt	0
Preferred stock	0
Non-controlling interests	33,242
<u>Non-operating assets</u>	
Cash	3,702,437
<b>Net debt</b>	<b>-2,876,219</b>

### Valuation

	Perpetuity approach
Enterprise Value	60,198,904
Net debt	-2,876,219
Equity Value	63,075,123
Shares outstanding	244,867
<b>Equity Value per share</b>	<b>\$257.59</b>

### Shares outstanding

	Source doc	Date	Shares
Basic shares	Q1 10-Q FY25	4/30/24	243,360,639
Restricted stock			0
Options/Warrants			1,506,735
Convertible debt			0
Convertible preferred stock			0
<b>Net diluted shares outstanding</b>			<b>244,867,374</b>

WACC	
<u>Cost of Equity - Planning Period</u>	
Risk-free rate	4.23%
Relevered Beta	1.21
Implied market risk premium	5.0%
<b>Cost of Equity</b>	<b>10.30%</b>
<u>Cost of Debt - Planning period</u>	
S&P Credit Rating (as of 15.06.2024)	BB+
Assumed credit spread	2.39%
Risk-free rate	4.23%
<b>Cost of debt using default spread</b>	<b>6.63%</b>
Equity Ratio	100.00%
Debt Ratio	0.00%
Tax Rate	26.20%
<b>WACC</b>	<b>10.30%</b>

# Appendix

## CCA

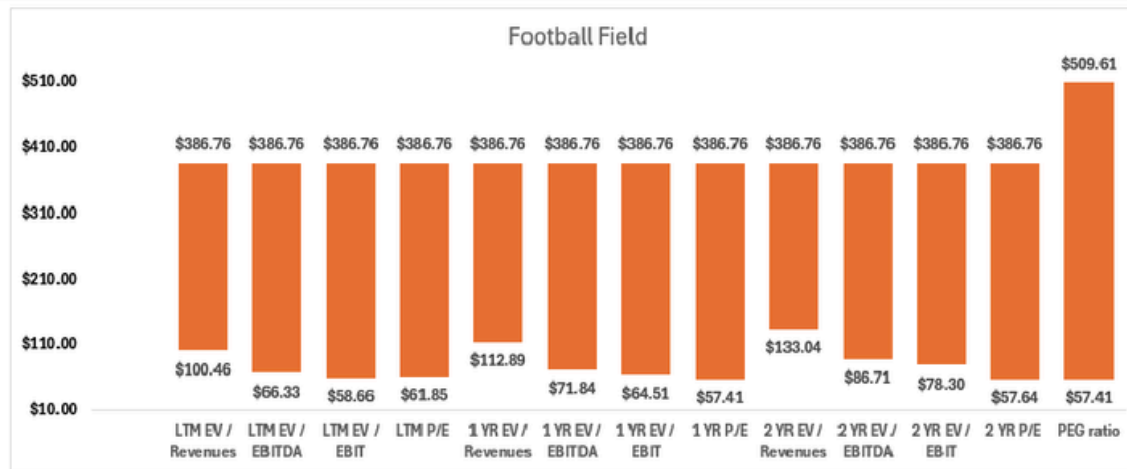
### COMPARABLE COMPANY ANALYSIS OUTPUT



Name	Ticker	Market capitalization (mm)	Enterprise value (EV)	Last Twelve Months (LTM)				Year 1 Forecast - Calendar Year				Year 2 Forecast - Calendar Year				Long-term growth rate	Net debt	Diluted shares outstanding
				Revenues - LTM	EBITDA - LTM	EBIT - LTM	EPS - LTM	Revenues - Calendar year 1	EBITDA - Calendar year 1	EBIT - Calendar year 1	EPS - Calendar year 1	Revenues - Calendar year 2	EBITDA - Calendar year 2	EBIT - Calendar year 2	EPS - Calendar year 2			
CrowdStrike	CRWD	94,704.9	91,828.7	3,284.0	884.1	743.2	\$ 3.44	3,916.9	1,035.0	884.7	\$ 3.92	4,945.5	1,363.8	1,177.7	\$ 4.84	38%	(2,876.2)	244.9
Palo Alto Networks	PANW	101,265.6	98,745.0	7,791.3	2,234.2	1,957.7	\$ 5.45	8,465.5	2,549.8	2,306.7	\$ 5.84	9,740.9	2,945.0	2,735.2	\$ 6.66	24%	(2,520.6)	333.8
Zscaler, Inc	ZS	26,118.4	23,976.2	2,029.9	463.7	400.7	\$ 3.08	2,342.1	549.6	469.8	\$ 3.11	2,874.2	714.0	598.4	\$ 3.60	34%	(2,142.2)	152.7
Check Point Software 1	CHKP	17,791.6	16,189.2	2,447.3	1,070.9	1,047.4	\$ 8.66	2,560.4	1,138.6	1,108.5	\$ 9.10	2,695.6	1,202.8	1,169.9	\$ 10.05	5%	(1,602.4)	114.4
Fortinet, Inc	FTNT	45,091.1	43,664.0	5,395.8	1,678.1	1,563.6	\$ 1.72	4,000.7	1,058.3	909.0	\$ 4.01	5,059.7	1,395.2	1,210.8	\$ 4.93	38%	(1,427.1)	768.3

Name	Ticker	Last Twelve Months (LTM)				Year 1 Forecast - Calendar Year				Year 2 Forecast - Calendar Year				PEG ratio
		EV/Revenues - LTM	EV/EBITDA - LTM	EV/EBIT - LTM	P/E - LTM	EV/Revenues - Year 1	EV/EBITDA - Year 1	EV/EBIT - Year 1	P/E - Year 1	EV/Revenues - Year 2	EV/EBITDA - Year 2	EV/EBIT - Year 2	P/E - Year 2	
CrowdStrike	CRWD	28.0x	103.9x	123.6x	112.3x	23.4x	88.7x	103.8x	98.6x	18.6x	67.3x	78.0x	79.9x	2.6x
Palo Alto Networks	PANW	12.7x	44.2x	50.4x	55.7x	11.7x	38.7x	42.8x	52.0x	10.1x	33.5x	36.1x	45.6x	2.1x
Zscaler, Inc	ZS	11.8x	51.7x	59.8x	55.5x	10.2x	43.6x	51.0x	54.9x	8.3x	33.6x	40.1x	47.5x	1.6x
Check Point Software 1	CHKP	6.6x	15.1x	15.5x	18.0x	6.3x	14.2x	14.6x	17.1x	6.0x	13.5x	13.8x	15.5x	3.4x
Fortinet, Inc	FTNT	8.1x	26.0x	27.9x	34.0x	10.9x	41.3x	48.0x	14.6x	8.6x	31.3x	36.1x	11.9x	0.4x

Methodology	Lower Value	Column Value	Upper Value
LTM EV / Revenues	\$100.46	\$286.30	\$386.76
LTM EV / EBITDA	\$66.33	\$320.43	\$386.76
LTM EV / EBIT	\$58.66	\$328.10	\$386.76
LTM P/E	\$61.85	\$324.91	\$386.76
1 YR EV / Revenues	\$112.89	\$273.87	\$386.76
1 YR EV / EBITDA	\$71.84	\$314.92	\$386.76
1 YR EV / EBIT	\$64.51	\$322.25	\$386.76
1 YR P/E	\$57.41	\$329.35	\$386.76
2 YR EV / Revenues	\$133.04	\$253.72	\$386.76
2 YR EV / EBITDA	\$86.71	\$300.05	\$386.76
2 YR EV / EBIT	\$78.30	\$308.46	\$386.76
2 YR P/E	\$57.64	\$329.12	\$386.76
PEG ratio	\$57.41	\$452.20	\$509.61



This document is being made available by WUTIS Trading and Investment Society, acting through its society ("WUTIS"), for information purposes only and for the sole and exclusive use of the addressee in connection with the matter or possible transaction to which this document relates. This document is incomplete without reference to, and should be assessed solely in conjunction with, the oral briefing provided by WUTIS.

This document is strictly confidential and remains the property of WUTIS. You agree that you shall only use this document for the purpose of evaluating and considering the matter or possible transaction to which this document relates. This document may not be distributed, published, reproduced, or disclosed, in whole or in part, to any other person, nor relied upon by you or any other person, nor used for any other purpose at any time, in each case without the prior written consent of WUTIS.

This document does not constitute nor does it form part of an offer to sell or purchase, or the solicitation of an offer to sell or purchase, any securities or any of the businesses or assets described herein or an offer or recommendation to enter into any transaction described herein nor does this document constitute an offer or commitment to provide, arrange or underwrite any financing. You are responsible for making your own independent investigation and appraisal of the risks, benefits, appropriateness and suitability of any transaction or matter contemplated by this document and WUTIS is not making any recommendation (personal or otherwise) or giving any investment advice and will have no liability with respect thereto. The decision to proceed with any transaction or action contemplated by this document must be made by you in the light of your own commercial assessments and WUTIS will not be responsible for such assessments.

Neither WUTIS nor any of its subsidiaries or affiliates, nor any of their respective officers, directors, employees or agents (WUTIS together with such persons being the "WUTIS Group") accepts any liability whatsoever for any direct, indirect or consequential losses (in contract, tort or otherwise) arising from the use of this document or its contents or any reliance on the information contained herein. WUTIS Group is not responsible for any specialist advice, including legal, regulatory, accounting, model accounting, tax, actuarial or other advice.

This document was prepared on the basis of information and data, obtained from publicly available sources and, where applicable, from you and/or any other entity that may be involved in any transaction or matter contemplated by this document (and/or any of your or the aforementioned entities' affiliates), in each case prior to or on the date hereof. The information in this document has not been independently verified by WUTIS. WUTIS has relied on any information provided by you or from third party or public sources as complete, true, fair, accurate and not misleading. With respect to any financial or operating forecasts and analyses provided to it, WUTIS has assumed that they are achievable and have been reasonably and properly prepared on bases reflecting the best currently available information, estimates and judgments as to the future financial performance of the entity(ies) to which they relate and that such forecasts or analyses would be realised in the amounts and time periods contemplated thereby. No member of the WUTIS Group, makes any warranty or representation, express or implied, as to the accuracy, completeness or reasonableness of the information (including projections and assumptions) contained in this document whether obtained from or based upon third party or public sources or otherwise.

This document is given as at the date hereof, may not be final, is based on information available to WUTIS as at the date hereof, is subject to any assumptions set out therein and is subject to change without notice. Accordingly, this document may be based on (a) data and information that may no longer be current and (b) estimates that may involve highly subjective assessments. It should be understood that subsequent developments may affect this document and the WUTIS Group does not undertake any obligation to provide any additional information or to update any of the information or the conclusions contained herein or to correct any inaccuracies which may become apparent. Any data or information regarding, or based on, past performance is no indication of future performance.

Members of the WUTIS Group are involved in a wide range of commercial banking, investment banking and other activities out of which conflicting interests or duties may arise. In the ordinary course of its business, the WUTIS Group may provide services to any other entity or person whether or not a member of the same group as you (a "Third Party"), engage in any transaction (whether on its own account, on behalf of any Third Party or otherwise, and including any transaction or matter contemplated by this document), notwithstanding that such services, transactions or actions may be adverse to you or any member of your group, and the WUTIS Group may retain for its own benefit any related remuneration or profit. The WUTIS Group operates in accordance with a conflicts of interest policy which identifies conflicts of interest it faces in the ordinary course of its business, and establishes organisational and procedural measures to manage those conflicts where it is reasonably able to do so. Neither WUTIS nor any other part of the WUTIS Group shall have any duty to disclose to you or utilise for your benefit any non-public information acquired in the course of providing services to any other person, engaging in any transaction (on its own account or otherwise) or otherwise carrying on its business. WUTIS' research analysts and research departments are independent and are subject to certain regulations and internal policies. WUTIS research analysts may hold opinions and make statements or investment recommendations and/or publish research reports with respect to any company referred to herein, the transactions contemplated herein or any person or entity involved therein or related thereto that differ from or are inconsistent with the views or advice communicated by WUTIS.