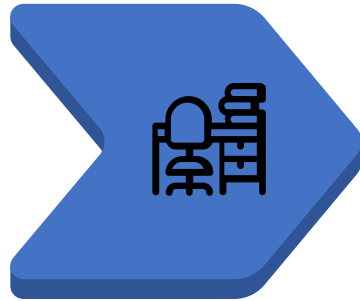


Sofi ®

By: Carter Sonnichsen, Bradley Berk, Logan Shadley, Tyler Bellini

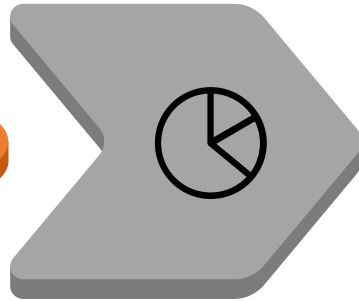
# Agenda



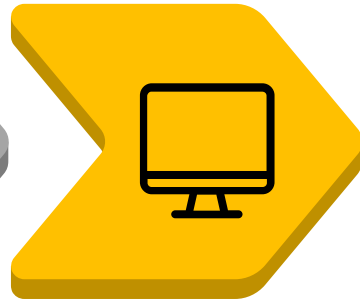
**Company Overview**



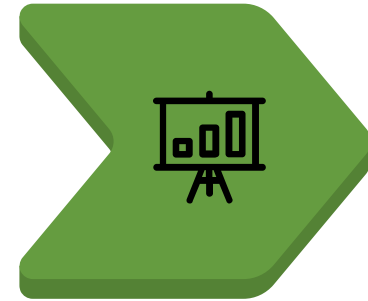
**Industry and Financial  
Overview**



**SWOT  
and Risk Matrix**



**Valuation**



**Final Recommendation**



## DISCLAIMER

- Q4 numbers that we used are from Bloomberg and SOFI investor relations. These do not all adhere to GAAP and are subject to change.
- In most cases, the numbers should not deviate when they get officially published.

# Company Overview

- Founded in 2011, Public in 2021
- HQ in San Francisco
- Large spread of Products and services:
  - Bank Accounts
  - Credit Cards
  - Personal/Student/Mortgage loans
  - Insurance.
- 100% online
- High growth momentum



# SoFi Products

## Loans

### Student Loan Refinancing

[Medical Resident Refinancing](#)

[Parent PLUS Refinancing](#)

[Medical Professional Refinancing](#)

[Law and MBA Refinancing](#)

### Private Student Loans

[Undergraduate Student Loans](#)

[Graduate Student Loans](#)

[Law School Loans](#)

[MBA Loans](#)

[Health Professions Loans](#)

[Parent Student Loans](#)

### Personal Loans

[Home Improvement Loans](#)

[Credit Card Consolidation Loans](#)

[Family Planning Loans](#)

[Travel Loans](#)

[Wedding Loans](#)

### Mortgage Loans

[Mortgage Refinancing](#)

[Cash-Out Refinance](#)

[Jumbo Loans](#)

[Home Equity](#)

[FHA Loans](#)

[VA Loans](#)

### Auto Loan Refinance

## Investing

### Invest

[Active Investing](#)

[Automated Investing](#)

[IPO Investing](#)

[Fractional Shares](#)

[ETFs](#)

[IRAs](#)

### Credit Cards

[Unlimited 2% Cash Back](#)

## Banking

### Banking

[Checking Account](#)

[Savings Account](#)

### Insurance

#### Insurance

[Auto Insurance](#)

[Life Insurance](#)

[Homeowners Insurance](#)

[Renters Insurance](#)

[Cyber Insurance](#)

### Estate Planning

## Financial Insights

### Financial Insights

[Credit Score Monitoring](#)

[Budgeting and Spending](#)

[Property Tracking](#)

[Investment Portfolio](#)

[Summary](#)

### Business Solutions

#### SoFi at Work

#### Small Business Financing

[Browse all products](#)

# Industry

- Financial Technology, Credit Card Processing & Money Transferring
  - Revenue increased by 2.8% from 2018-2023, projected to increase by 3.0% over next five years
  - Profit margin decreased 6.4% over the previous five years
- Virtual Payments, COVID-19
  - Increased electronic payments in relation to increased consumer spending has benefited industry revenues
  - Businesses & consumers are attracted to online payments because of rewards programs



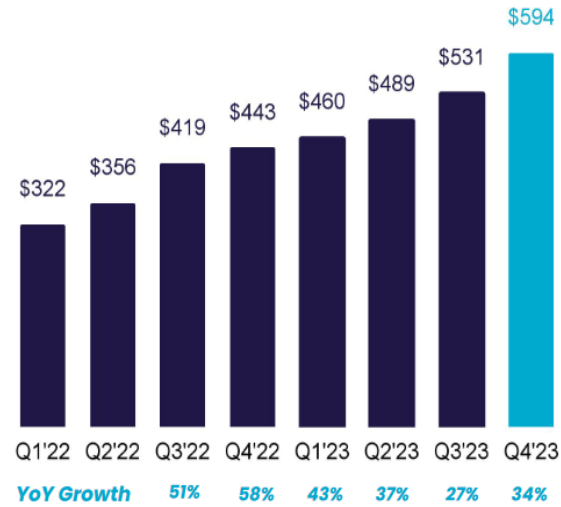
## SoFi vs Competitors

	<b>EPS (TTM)</b>	<b>PE Ratio</b>	<b>Beta</b>
<b>SoFi</b>	<b>-0.36</b>	<b>N/A</b>	<b>1.81</b>
Discover	11.26	9.46	1.44
PayPal	3.35	18.5	1.45
Visa	8.69	31.88	0.95

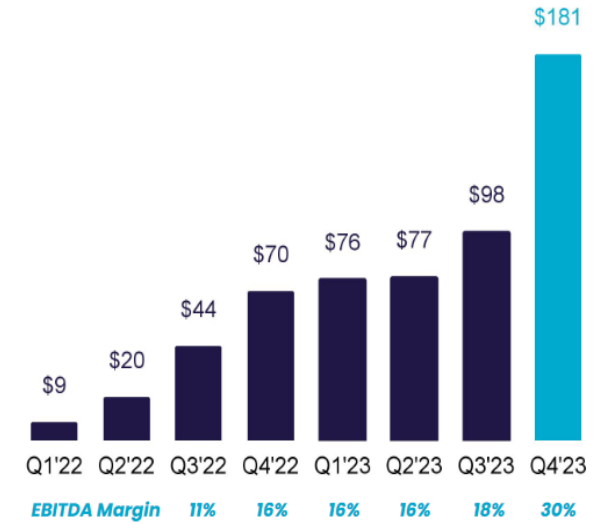
# Financial Overview -

- Record adjusted net revenue of \$594M (34% YoY Growth)
- Record Adjusted EBITDA of \$181M (at 30% Margin)
- New member additions of 585K in Q4, bringing total to over 7.5M users (+44% YoY)
- Accounts total 145M (+11% YoY)
- First positive earnings reported for Q4.
- Revenue expected to increase by 20-25% YoY until 2026

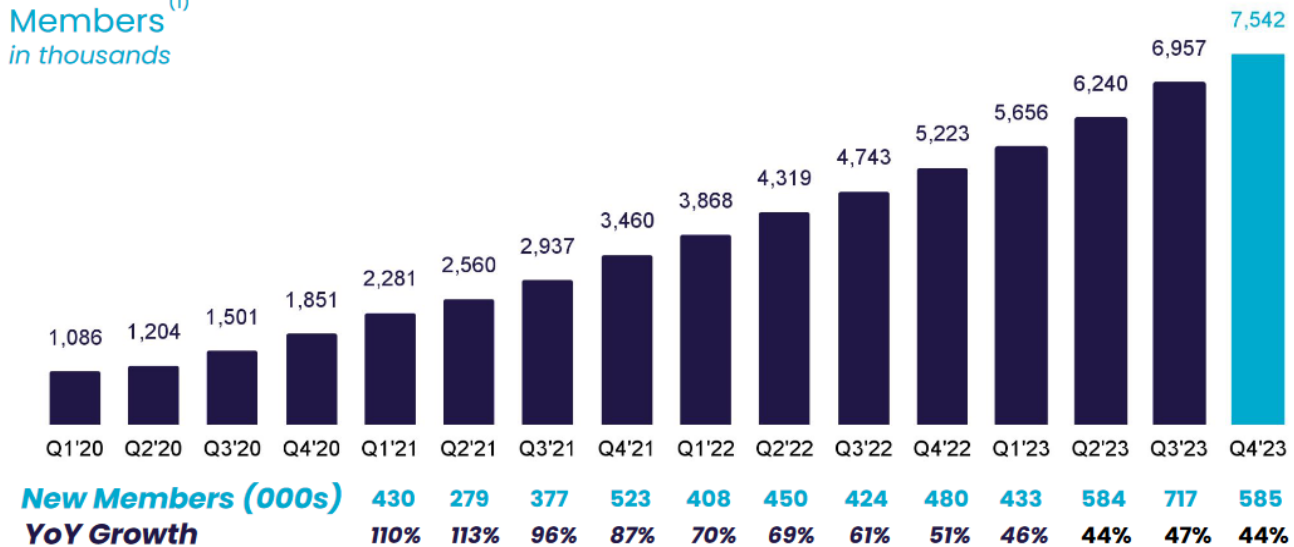
Quarterly Adjusted Net Revenue (\$M)<sup>(4)</sup>



Quarterly Adjusted EBITDA (\$M)<sup>(6)</sup>



Members<sup>(i)</sup>  
in thousands





# SWOT



## Strengths

Strong brand reputation  
Wide variety of financial services  
Fully online



## Weakness

High customer acquisition cost  
Young for the industry



## Opportunity

Expansion into new markets  
Using customer data and advanced analytics to optimize user experience



## Threats

Competition  
Economic downturns

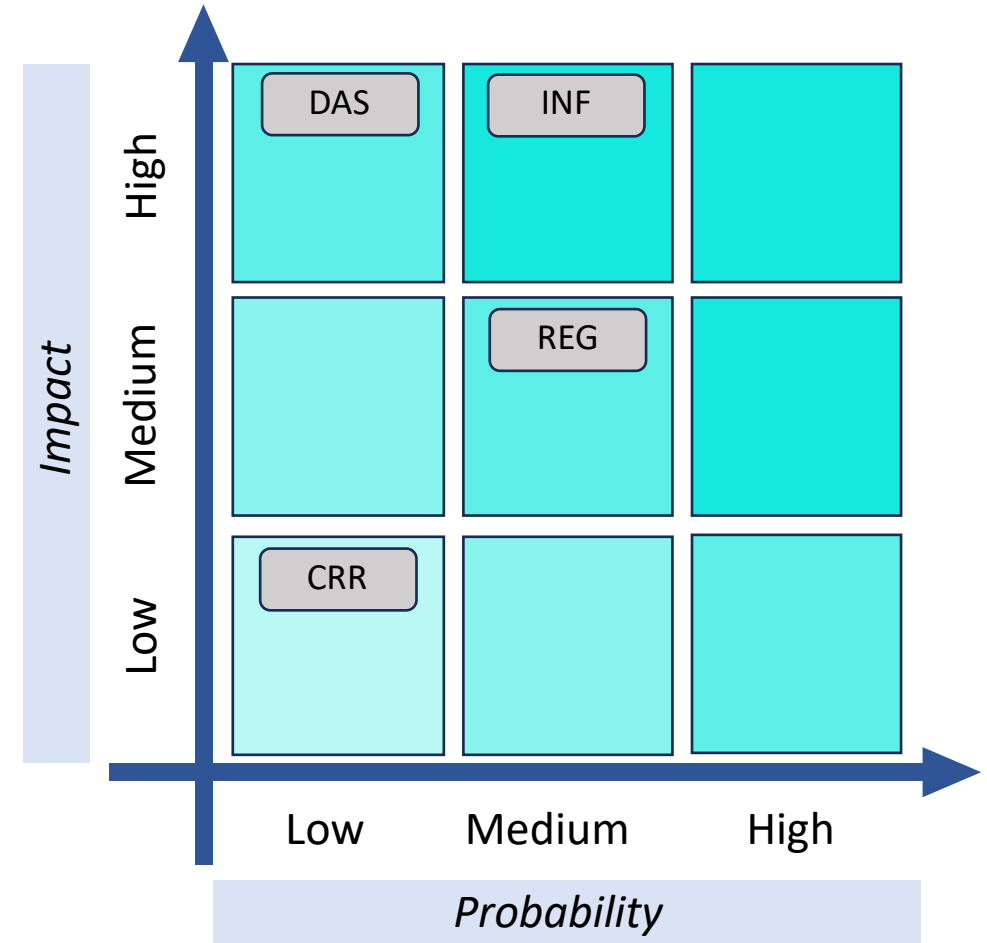
# Risk Matrix

**INF** – Inflation: This can lead to high non-performing loans as customers begin to struggle with increased costs of loans repayments.

**CRR** – Credit Risk: SOFI sells securitized loans and still retains the servicing rights. This offloads most credit risk.

**DAS** – Data Security: Cyber-attacks and data breaches would have a large impact on the company's financials

**REG** – Regulatory Risks: Failure to meet regulations would result in financial penalties



# Valuation

- Price to book valuation
  - **Sofi: 1.22**
  - **Average 4.25**
  - A price-to-book (P/B) ratio of 1.22 indicates that we value the company at 1.22 times its book value per share.
  - We are willing to pay a 22% premium over the book value of its assets. This reflects our positive perceptions of the company's growth or earnings potential.
  - Lower than Visa and PayPal
- Price to cash flow valuation
  - **Sofi: 6.25**
  - **Average 9.95**
  - Under 10 is good
  - A lower ratio may suggest undervaluation, while a higher one may indicate overvaluation.
  - Signifies future growth potential
  - Lower than Visa and PayPal

We recommend to **BUY 1000** shares of SOFI at \$7.40 per share for the Segar Fund.



## Exit Strategy

Take-Profit Order  
at \$13.00 (68.83%)

Stop-Loss Order at  
\$6.00 (-22%)