

Financial Statements		Historical Results				
		2017	2018	2019	2020	2021
Balance Sheet Check		OK	OK	OK	OK	OK
Key Metrics						
Cash conversion cycle		27	40	38	50	46
Invested Capital		2,438	3,317	5,354	4,981	6,460
Sales to Invested Capital		1.00	0.92	0.65	0.75	0.79
ROIC (%)		0.94%	9.30%	4.99%	0.30%	2.81%
ROE(%)		-2.14%	17.71%	16.84%	-14.25%	-3.03%
Gross Margin (%)		64.75%	68.28%	67.13%	63.23%	64.60%
EBITDA (%)		13.84%	25.21%	20.70%	11.09%	13.73%
EBIT(%)		1.59%	14.90%	10.59%	0.72%	5.38%
NOPAT (%)		0.94%	8.79%	6.25%	0.42%	3.17%
EBT(%)		-3.91%	13.92%	11.28%	-1.37%	-8.10%
Net Margin (%)		-4.42%	39.63%	42.37%	-30.56%	-4.36%
Income Statement						
Revenue		2,443.30	3,042.36	3,459.33	3,716.35	5,077.48
Cost of Goods Sold (COGS)		-861.24	-965.00	-1,137.04	-1,366.39	-1,797.51
Gross Profit		1,582.06	2,077.36	2,322.29	2,349.96	3,279.97
Expenses						
R&D		-638.51	-665.66	-809.78	-982.31	-1,512.00
SG&A		-1,001.31	-1,070.18	-1,273.63	-1,450.29	-1,760.31
Other expenses		23.20	103.40	131.74	96.40	-403.27
Operating Income		(34.56)	444.93	370.62	13.76	(395.61)
EBITDA		338.11	767.02	715.92	412.24	697.31
Depreciation & Amortization		299.37	313.70	349.55	385.58	424.35
EBIT		38.74	453.33	366.37	26.66	272.96
Non-operating expenses		10.87	5.40	4.41	4.06	4.47
Net Interest expense		-60.85	-21.39	19.52	-64.70	-15.50
Loss(Gain) on sale of Investments		62.44	3.00	-8.65	8.84	-101.60
Loss(Gain) on sale of Assets		0.00	0.00	0.00	0.00	0.00
Asset writedown		0.00	0.00	0.00	0.00	0.00
Insurance Settlements		0.00	0.00	0.00	0.00	0.00
Legal Settlements		0.00	0.00	0.00	0.00	765.70
Other Unusual items		0.00	0.00	0.00	0.00	0.00
Earnings Before Tax		(95.42)	423.54	390.14	(50.94)	(411.11)
NOPAT		22.86	267.50	216.20	15.73	161.00
Taxes		-12.65	782.05	1,075.52	-1,084.69	189.70
Net Earnings to Company		(108.06)	1,205.60	1,465.66	(1,135.63)	(221.41)
Minority Interest in earnings		0.00	0.00	0.00	0.00	0.00
Net Earnings to Stockholders		(108.06)	1,205.60	1,465.66	(1,135.63)	(221.41)
Preferred Dividends		(1,926.48)	(6.07)	-	-	-
Net Income to Common Stockholders		(2,034.54)	1,199.53	1,465.66	(1,135.63)	(221.41)
Full Time Employees		3,372	3,920	4,900	5,500	7,500
Balance Sheet						
Assets						
Cash and Short term investments		4,403.10	6,209.40	6,639.05	7,472.30	6,393.68
Accounts Receivable		664.27	788.70	850.18	1,041.74	1,217.40
Inventory		0.00	0.00	0.00	0.00	0.00
Pre-paid expenses		243.99	109.89	125.22	115.25	250.50
Other Current assets		10.53	3.04	5.62	7.82	56.79
Long term investments		27.60	30.20	77.70	85.80	237.40
Other intangibles		49.65	45.03	55.11	58.34	69.32
Capitalized Software		0.00	0.00	0.00	0.00	0.00
Goodwill		1,188.94	1,227.27	1,256.70	1,312.35	1,301.52
Other Long term assets		50.69	863.96	1,964.93	861.57	1,255.62
Property & Equipment		773.72	885.08	1,728.88	2,423.93	3,277.28
Total Assets		7,412.48	10,162.57	12,703.39	13,379.09	14,059.52
Liabilities						
Accounts Payable		170.97	145.19	161.15	194.28	203.17
Accrued Expenses		263.41	327.07	385.94	564.17	791.98
Other Current Liabilities		63.92	78.68	114.95	99.36	126.37
Other Non-Current Liabilities		73.21	85.35	48.48	67.56	84.22
Debt		1,793.74	2,720.69	3,288.48	4,483.63	5,546.57
Total Liabilities		2,365.26	3,356.98	3,999.00	5,409.01	6,752.32
Shareholder's Equity						
Common Stock		0.00	0.00	0.00	0.00	0.00
Additional Paid in Capital		7,750.52	8,324.97	8,763.33	9,167.14	8,432.11
Other Equity Adj.		-31.58	-65.31	-70.53	-66.09	-117.32
Preferred equity		0.00	0.00	0.00	0.00	0.00
Treasury Stock		0.00	0.00	0.00	-5.30	-5.30
Retained Earnings		-2,671.73	-1,454.07	11.59	-1,125.67	-1,002.30
Minority Interest		0.00	0.00	0.00	0.00	0.00
Shareholder's Equity		5,047.22	6,805.59	8,704.39	7,970.08	7,307.20
Total Liabilities & Shareholder's Equity		7,412.48	10,162.57	12,703.39	13,379.09	14,059.52

Company Name	🏠 TWITTER, INC. (XNYS:TWTR)								
Company Type	Public								
Stage	Growth								
Industry	Advertising								
	Computers - Software - Large								
Sector	Large	<i>P/E</i>	<i>EV/EBIT</i>	<i>EV/EBITDA</i>	<i>EV/Sales</i>	<i>EV/Invested Capital</i>	<i>ROC</i>	<i>ROE</i>	
Country	United States	22.42	22.73	16.95	3.90	3.02	0.12%	8.15%	
Market inputs for your company		<i>shares</i>		<i>Stock High</i>	<i>Stock Low</i>	<i>Stock Price</i>	<i>Industry</i>	<i>Employees</i>	<i>Regression Beta</i>
Private Companies=	10,00,000.00	1,000.00		73.34	31.30	45.08	Software & IT S	7,500.00	0.76
Market Capitalization =	34,422.07	763.58	<i>Measures of profitability, leverage & growth</i>	<i>TWITTER, INC.</i>	<i>Emerging</i>	<i>United States</i>	<i>Global</i>	<i>India</i>	<i>Sector</i>
<i>From the balance sheet</i>	<i>Dec-21</i>	<i>Dec-20</i>	ROE =	-2.90%	6.75%	18.40%	5.61%	37.80%	26.60%
Book value of equity =	7,307.20	7,970.08	ROIC =	8.64%	14.06%	50.20%	21.25%	58.92%	23.66%
Total Debt Outstanding =	5,546.57	4,483.63	Net margin =	-4.36%	3.38%	3.10%	2.55%	18.53%	16.03%
Cash & Marketable Securities =	6,393.68	7,472.30	After-tax operating margin =	14.53%	6.10%	10.45%	7.60%	16.86%	15.44%
<i>From the income statement</i>			D/E ratio (book) =	75.91%					11.14%
Revenues=	5,077.48	3,716.35	D/C ratio (market) =	3.79%	8.04%	33.98%	24.56%	1.21%	
Operating income (EBIT) =	272.96	26.66	Growth rate (revenue)=	36.63%					
NOPAT=	161.00	15.73	Growth rate (EBIT)=	923.94%					
Marginal tax rate =	27.00%	27.00%	EV/EBIT=	117.03	27.24	18.65	20.05	90.35	
Net Income=	(221.41)		EV/NOPAT=	198.41	33.69	24.52	28.22	106.12	
Earnings per share=	(0.29)	(0.29)	P/E=	0.00		54.99	143.12	41.94	
Dividends per share=	0.00		EV/Sales=	6.29		2.03	1.75	16.29	
Index P/E=	24.56		EV/EBITDA=	45.81	33.33	16.63	23.66	117.85	
Index average return=	17.86%		ROA=	-1.61%					
Dividend Yield=	0.00%								
Enter NOL=	-								
Effective Tax Rate=	1.61%								
Select Marginal Tax Rate=	Country								
EBITDA=	697.31								
Depreciation=	424.35								

<i>Your growth inputs</i>	<i>TWITTER, INC.</i>	<i>Emerging</i>	<i>Global</i>	<i>US</i>	<i>Sector</i>	<i>Europe</i>	<i>Our forecast</i>
Compute Growth=	Fundamentals						
Reason for High Growth =	Products addressing High TAM						
Enter growth rate=	25%						
Normalize EBIT=	No						
Choice for Revenue growth rate=	Industry Average						
Revenue Growth rate=	24.32%	31.62%	24.32%	23.35%		25.67%	40.00%
For money losing, enter revenue growth=	32.00%						
Expected growth rate in operating income=	15.20%	5.81%	-6.66%	-0.67%			
Return on Invested capital on growth =	8.64%	14.06%	21.25%	50.20%	23.66%		
Length of growth period =	10						
Capitalize Leases=	No						
Capitalize R&D=	Yes						
Adjust your growth after high growth =	Yes						
Enter the beta in stable phase=	Calculate						
Beta in Stable phase=	1.10						
Do you like to adjust EBIT for high growth period=	Yes						
EBIT% for high growth period=	20.00%						
Choice for Target EBIT=	Industry Average						
Target EBIT%	11.07%	6.93%	8.82%	11.07%		7.92%	6.92%
Invested Capital=	8,540.79						
Sales/Invested Capital=	US						
Sales/Invested Capital=	4.81	2.30	2.80	4.81	1.70	2.29	0.79
Sales/Invested Capital at Stable phase=	2.80						
ROIC at Stable Phase=	21.25%						
Firm have Competitive advantage=	Yes						
If Yes, Source of Competitive advantage=	Network effects						
reinvestment=	283.22						
reinvestment %=	175.91%	41.36%	-31.31%	-1.33%		-148.13%	
For young startups, probability of survival=	25.00%						
Liquidation Proceeds at discount to book value=	25.00%						
Probability of Bankruptcy=	0.00%						

<i>Your cost of capital inputs</i>						
Cost of equity =	8.38%					
Cost of capital =	8.17%					
Riskfree rate =	2.70%					
Do you want to move to Target Debt to Equity=	No					
Target Debt to Capital=						
<i>Intrinsic Value</i>			<i>Market Value</i>			
Scenario=	Status quo				<i>p/bv</i>	<i>Book value</i>
Value of assets in place =	2,438.96	3.19	Market value of equity=	34,422.07		
Pls select the option for future growth=	Valuation		Enterprise value=	33,337.56		
Value added by future growth =	29,505.10	38.64	Minority interest=	-	2.00	-
Intrinsic enterprise value=	31,944.07	41.83	Preferred equity=			
Intrinsic equity value=	33,028.57	43.26	Long term investments=	237.40		
<i>Growth Analysis</i>			other adjustments=	-		
Price you are paying for growth =	31,136.00		Value of Non-operating assets=	-	1	-
Value of this growth =	29,505.10		IPO Proceeds=	-		
Market reflection of growth=	48.54	107.68%				
Price of growth/ Value of growth=	105.53%					
IRR=	4.12%					
NPV=	(2,478.00)					
<i>Optimal Capital Structure</i>		<i>Current</i>	<i>Optimal</i>			
Debt to Capital=	3.79%	10.00%				
Cost of capital =	8.17%	8.20%				
Enterprise Value=	31,944.07	31,760.17				
Value per share=	43.26	43.01				

		VALUATION OF TWITTER, INC.								
Cost of Equity =		8.38%		Cost of Capital =		8.17%		NOL=		-
Net Income =		(221.41)		NOPAT =		737.96		Revenues=		5,077.48
Earnings per Share =		(0.29)		EBIT =		1,010.90		Target EBIT%=		11.07%
Growth rate in EPS =		-2.90%		Revenue Growth in High growth		24.32%		Normalized EBIT=		272.96
Payout Ratio for high growth phase=		0.00%		Sales/Invested Capital at high growth		4.81				
<i>The dividends for the high growth phase are shown below (upto 10 years)</i>										
	1	2	3	4	5	6	7	8	9	10
Expected Growth Rate=	24.32%	24.32%	24.32%	24.32%	24.32%	20.00%	15.68%	11.35%	7.03%	2.70%
Revenues=	6,312.50	7,847.91	9,756.79	12,129.98	15,080.40	18,096.40	20,933.11	23,309.36	24,947.48	25,622.01
EBIT%=	20.00%	20.00%	20.00%	20.00%	20.00%	14.64%	13.75%	12.86%	11.96%	11.07%
Operating income (EBIT) =	1,262.50	1,569.58	1,951.36	2,426.00	3,016.08	2,649.67	2,878.09	2,996.65	2,984.47	2,836.36
Tax Rate =	1.61%	1.61%	1.61%	1.61%	1.61%	6.69%	11.77%	16.84%	21.92%	27.00%
Earnings growth after tax=	1,242.17	1,544.31	1,919.94	2,386.94	2,967.52	2,472.46	2,539.46	2,491.90	2,330.21	2,070.54
Payout ratio=	0.00%	0.00%	0.00%	0.00%	0.00%	13.42%	26.84%	40.27%	53.69%	67.11%
Dividends per share=	-	-	-	-	-	331.86	681.70	1,003.39	1,251.05	1,389.55
Sales/Invested Capital=	4.81	4.81	4.81	4.81	4.81	4.40	4.00	3.60	3.20	2.80
Reinvestment=	256.98	319.48	397.19	493.80	613.91	684.72	708.55	659.63	511.72	263.39
Reinvestment%=	20.69%	20.69%	20.69%	20.69%	20.69%	27.69%	27.90%	26.47%	21.96%	12.72%
FCFF=	985.20	1,224.83	1,522.75	1,893.13	2,353.61	1,787.75	1,830.91	1,832.26	1,818.49	1,807.15
NOL=	-	-	-	-	-	-	-	-	-	-
Levered Beta=	1.13	1.13	1.13	1.13	1.13	1.13	1.12	1.11	1.11	1.10
Cost of Equity=	8.38%	8.38%	8.38%	8.38%	8.38%	8.35%	8.32%	8.28%	8.25%	8.22%
Cumulative Cost of Equity=	108.38%	117.46%	127.30%	137.97%	149.53%	162.02%	175.49%	190.03%	205.71%	222.62%
Debt to Equity ratio=	3.93%	3.93%	3.93%	3.93%	3.93%	3.93%	3.93%	3.93%	3.93%	3.93%
Debt to Capital ratio=	3.79%	3.79%	3.79%	3.79%	3.79%	3.79%	3.79%	3.79%	3.79%	3.79%
WACC=	8.17%	8.17%	8.17%	8.17%	8.17%	8.14%	8.11%	8.08%	8.05%	8.02%
Cumulative WACC=	92.45%	85.46%	79.01%	73.04%	67.53%	62.44%	57.76%	53.44%	49.46%	45.79%
Present Value=	910.79	1,046.80	1,203.12	1,382.79	1,589.28	1,116.32	1,057.52	979.20	899.46	827.51
Invested Capital=	8,797.77	9,117.25	9,514.45	10,008.25	10,622.16	11,306.88	12,015.42	12,675.06	13,186.78	13,450.17
After-tax ROIC=	14.12%	16.94%	20.18%	23.85%	27.94%	21.87%	21.13%	19.66%	17.67%	21.25%
EVA=	523.40	799.44	1,142.62	1,569.27	2,099.69	1,552.16	1,565.15	1,467.98	1,269.00	1,780.51

Twitter vs Meta vs LinkedIn

in Millions	Twitter	Meta	LinkedIn
MAU=	330.00	2,912.00	260.00
Sales=	\$ 5,077.00	\$ 1,17,900.00	\$ 10,300.00
Revenue/User=	\$ 15.38	\$ 40.49	\$ 39.62
EBIT=	\$ 273.00	\$ 46,753.00	\$ 2,060.00
EBIT/User=	\$ 0.83	\$ 16.06	\$ 7.92

Twitter Monetizable Daily Active Users

Monetizable DAU	2019	2020	2021
Twitter=	152.00	192.00	217.00

IPO vs 2021

in Millions	2013	2021	CAGR%
Revenues=	\$ 448.00	\$ 5,077.00	35.45%
EBIT%=	0.96%	19%	45.23%
Users=	215.00	330.00	5.50%