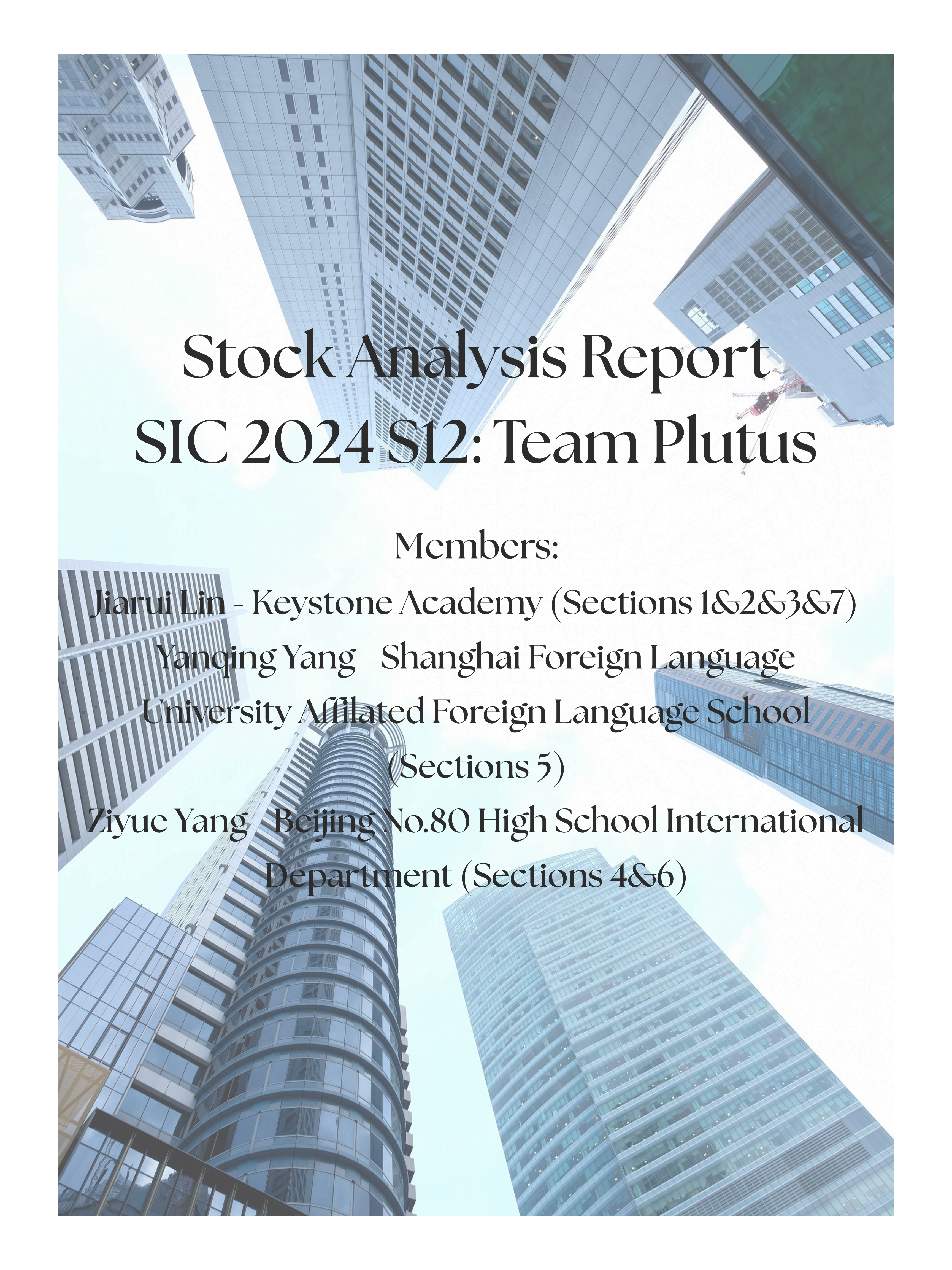




Stock Analysis Report

SIC 2024 S12: Team Plutus

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Section 1: Team Investment Strategy

Our investment strategy is built on a goal-based approach that aligns with specific long-term financial objectives. The strategy focuses on achieving growth while managing risk effectively, using a structured, quantifiable method to determine the optimal portfolio return target.

1.1 Goal-Based Portfolio Approach

Our portfolio is designed for high school students who aim to save for major life expenses, such as buying a car, by age 31. With a 15-year investment horizon, the strategy targets long-term growth, factoring in the potential for additional wage income and compound interest over time. Given the extended timeframe, we can adopt a high-risk tolerance approach, knowing that volatility will smooth out in the long run.

1.2 Top-Down Investment Approach

1. Asset Class Allocation

The first step in investment strategy is determining the optimal asset class allocation. We use our investment goals and macroeconomic analysis to identify the ideal mix of equities, fixed income, and cash. For example, given our long-term growth objectives and high-risk tolerance, we allocate 90% of the portfolio to equities, with 10% in fixed income for stability. This decision is influenced by interest rates, inflation, and overall economic growth.

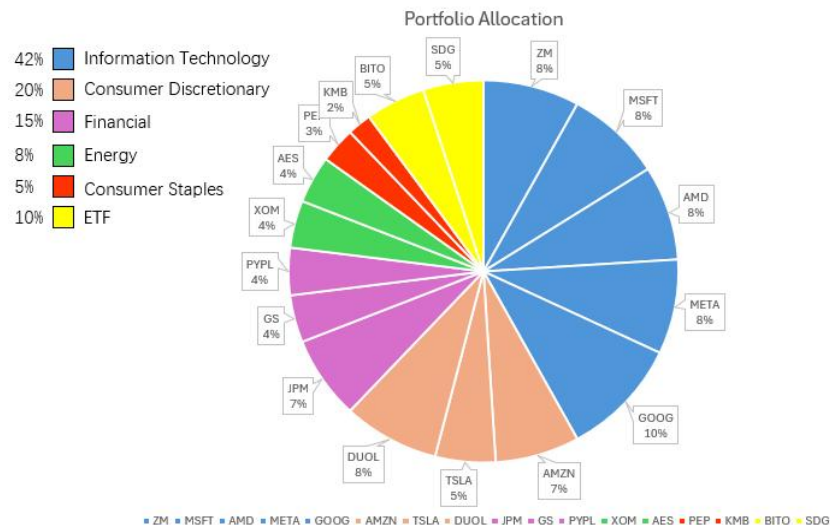
2. Sector and Industry Allocation

Having arrived at the asset class allocation, the next thing to do would be to select the sector and industry based on several variables, including size, growth rates, and PEST analysis. Based on the macroeconomic trend and policies, we'd further sort which sectors will likely achieve high growth. For example, industries like technology and renewable energy would be assigned a higher weight due to strong growth forecasts and government incentives. We also use PEST analysis to understand how external factors, such as regulations or societal trends, may impact industry performance.

3. Stock Selection

The final step in top-down approach is individual stock selection. At this stage, a fundamental analysis is conducted to identify the companies with superior growth prospects among the selected sectors. We utilize various valuation techniques such as DCF analysis, comparable company analysis, and financial metrics to determine the intrinsic value of the stocks. We also consider qualitative factors, such as ESG criteria. This helps us ensure that our stock picks align with ethical values. Lastly, we employ technical analysis tools, including the RSI and MACD, to identify optimal entry and exit points, thus enabling us to time our investments more effectively.

Section 2: Our Stock Portfolio



2.1 Portfolio Allocation and Performance

As of 12/1, the worth of our team portfolio increased by an average of 10.7%, and we earned \$32,090.07 in total. We profited the most from the Consumer Discretionary and Motor Vehicles Sectors and lost the most from the Semiconductors Industry. Our team portfolio performed well and continues approaching our 15-year horizon investment goals.

Our chosen stocks align well with our team's return/risk profile as we balance high-growth opportunities with

stability. Our focus on technology and consumer discretionary

Stock [€]	Portfolio Weighting [€]	Average Cost Basis [€]	Current Price (as of 11/30) [€]	Total Return [€]
GOOG [€]	20% [€]	\$166.57 [€]	\$170.50 [€]	+2% [€]
COUR [€]	15% [€]	\$7.03 [€]	\$8.00 [€]	+14% [€]
JPM [€]	25% [€]	\$220.63 [€]	\$249.72 [€]	+13% [€]

sectors focuses on high-growth stocks like Zoom Communications (ZM) and long-term-growth stocks like Alphabet (GOOG). This supports our long-term growth goals combined with their technological innovation and favorable macroeconomic conditions. Simultaneously, our investments in value-oriented stocks such as JPMorgan Chase (JPM) can act as a hedge against market volatility, minimizing unsystematic risks.

2.2 Expected 6-Month to 1-Year Performance

In the following months to a year, we anticipate our portfolio to perform favorably due to several positive macroeconomic developments: The current economic landscape is characterized by lower inflation rates and a potential pause in interest rate hikes by the Federal Reserve, which are expected to boost consumer spending on big-ticket items [RSM, 2024] . Additionally, continued technological innovation will drive growth in tech companies, raising their market positions. This environment is

particularly beneficial for growth sectors, such as the consumer discretionary and technology sectors, where we have invested a significant amount of our portfolio. Furthermore, we've invested in the market leaders (top performers) within each industry, so they are likely to perform well since the industry is likely to perform well, minimizing unsystematic risk.

2.3 Risk Assessment

We are growth-oriented but balanced with some investments in value sectors and stocks with diversification across assets, sectors, industries, and stocks, which can provide stability during market fluctuations. For example, while we invest in high-growth technology stocks, including Zoom Communications Inc (ZM) and Alphabet Inc Class C (GOOG), we also include value-oriented stocks from the financial sector, including JPMorgan Chase (JPM), to mitigate risk. Additionally, due to the volatile nature of the stock market, we will actively monitor macroeconomic conditions and sector and industry developments and rebalance our portfolio accordingly. We will also conduct regular portfolio volatility assessments by calculating the portfolio beta.

We will implement volatility monitoring tools to track the Volatility Index (VIX) and adjust our portfolio accordingly, especially when the VIX spikes above 25, indicating increased market uncertainty [TD, 2024]. Furthermore, we use Dollar Cost Averaging (DCA), where we invest in the market in stages rather than all at once to reduce portfolio volatility, help us stick to our long-term plan, and manage timing risk to reach an increased average purchase price over time ultimately. We will remain flexible in adjusting our allocations based on current market conditions.

Section 3: Macroeconomic Analysis

3.1 Macroeconomic Indicators and Monetary Policy

The worldwide inflation rate has dropped to 5.9% from 6.8% in 2024 because of lower energy prices and overall lower consumption growth [IMF, 2024]. Meanwhile, global economic growth is expected to decelerate; developing economies are expected to grow by 4%, while advanced economies, like the U.S., will experience only modest growth of 1.5% (World Bank Group, 2024). The U.S. labor market remains healthy, with unemployment at 4.1%, slightly higher than last year (Bureau of Labor Statistics, 2024). A rise in interest rates should continue improving the attractiveness of fixed-income assets, while growth-oriented equities will face some challenges.

Impact on Investment Strategy

With the expected rate cuts by the Fed, growth stocks are likely to fare better, especially those in sectors such as technology and healthcare that would benefit from the lower cost of borrowing and

higher consumer demand. We expect stable economic growth on the back of a "soft landing" economy that should be conducive to innovation-driven sectors. While fixed income may still offer attractive returns in the short run, we'll overweight equities, especially growth stocks that have positioned themselves to take full advantage of the economic tailwind and changing technological trends.

3.2 Implication of Major Geopolitical Events

The 2024 U.S. presidential election witnessed the victory of Donald Trump, which is likely to radically reshape the economic configuration of the country. With a strong momentum provided by the Federal Administration for growth on factors like tax cuts and deregulation, GDP has therefore been seen to grow at 2.7% in 2024 [Deloitte, 2024] . Meanwhile, U.S.-China relations remain tense despite efforts to manage competition, with tariffs on Chinese goods continuing to impact sectors like technology and electric vehicles, increasing inflationary pressures [Berman, 2024]. These measures may have short-term volatility, especially in industries where trade restrictions affect them. At the same time, the long-term implications could be the diversification of supply chains as businesses reduce reliance on China. This diversified approach becomes important in light of the 2024 U.S. presidential election and geopolitical tensions.

Section 4: GOOG

Current Price: \$234.19, Target Price: \$176.09, Potential Upside: 33%

4.1 Company Overview

Global Organization of Oriented Group Language of Earth (Google), a subsidiary of Alphabet Inc., is a global leader in technology, especially in search engine technology, online advertising, cloud computing, artificial intelligence, and software development (Ahlgren, 2024). The company’s core revenue generation comes from advertising, primarily through its Google Search and Google Ads platform, which has captured over 28% of the global digital ad market (Masud, 2024). Its cloud business, Google Cloud, has seen impressive growth, with revenue increasing by 37% YoY in 2023, making it a major player in the global cloud computing market alongside AWS and Microsoft Azure. Additionally, Google is leading in artificial intelligence and machine learning, using these technologies in its products and services, including Google Search, YouTube recommendations, and Google Assistant.

Market Cap	\$2.14 Trillion
Revenue (2023)	\$305.63 Billion
Net Income (2023)	\$73.79 Billion
P/E Ratio	22.74
EPS	\$2.12
Rev. Growth YoY	8.68%
Google Cloud Revenue Growth (YoY)	37%
Operating Margin	26%
Free Cash Flow	\$55.2 Billion
Shares Outstanding	15.9 Billion

4.2 Investment Thesis

We believe Alphabet's diversified business model, with strong growth prospects and its leading positions in key technology verticals, presents a compelling upside opportunity. Our thesis is based on the company's strong positioning within search advertising, cloud computing, and video content, with growing momentum in the development of AI and ML.

Intrinsic Value and Growth Prospects: Based on our analysis, Alphabet trades below its intrinsic value (Khan, 2024) . This estimate is underpinned by a forecasted 10% compound annual revenue growth rate over the next five years, underpinned by key growth segments such as Google Cloud, YouTube, and the broader digital advertising business.

Key Drivers of Growth

- Google Search: Despite the overall maturity of the digital advertisement market, Google Search still stands firm. Growth continues within mid-to-high single digits as advertising continues to flow toward Artificial Intelligence and Machine Learning.

- YouTube: YouTube remains the leading digital video player and benefits from both advertising revenue and growing subscription services such as YouTube Premium and YouTube TV. We forecast a low-double-digit growth rate over the next five years as YouTube captures more ad dollars and subscription revenue, further entrenching its position in Alphabet's portfolio.

- Google Cloud: We believe Google Cloud is the biggest driver of growth. (Boesen, 2024). With the segment getting more integrated into Alphabet's core operations, we estimate it to represent over 20% of Alphabet's revenues by 2028 from 11% in 2023.

4.3 Sector and Industry Analysis

Information Technology Sector

The IT industry is likely to continue growing further, as its valuation is likely to reach \$1.5 trillion by 2024 and possibly even \$2.98 trillion by 2034, at a CAGR of 7.1% over the next decade, driven by advanced AI, 5G, and other emerging technologies (Bloomberg, 2023).

Interactive Media and Services Industry

In the United States, the market cap for the Interactive Media and Services Industry exceeded 3.2 trillion dollars in 2024. Its revenue has grown by 33%, and the industry's earnings are forecasted to increase by 12% (SimplyWallStreet, 2024).

Political [↵]	Interactive Media and Services companies are constantly influenced by regulations regarding data security and privacy. Such as the US antitrust law (Fung, 2024), and the California Consumer Privacy Act [↵]
Economical [↵]	The Interactive Media and Services Industry has been constantly expanding and revenue has been increasing due to people's increased dependence on digital platforms and solutions. [↵]
Social [↵]	Relying on online platforms for entertainment has become a common trend, stimulating software commonization among the public. Other social trends regarding the increased reliance on digital tools for remote work and education further drives the industry's market demands. [↵]
Technological [↵]	The Interactive Media and Services Industry sparked by rapid technological advancements, including developments in areas regarding artificial intelligence (AI), blockchain, cloud computing, and cybersecurity management. Emerging technologies like serverless computing constantly reshapes the market. [↵]

4.4 Competitive Positioning

Alphabet (Google) is strongly competitive and is supported by a wide economic moat. Its brand strength, network effects, cost advantages, and high customer switching costs drive this. (Statcounter, 2024). Its market dominance and effective pay-per-click (PPC) advertising model generate substantial revenue, reinforcing its lead. Google's brand is so dominant that "googling" something has become synonymous with searching online. **Another key asset is YouTube**, the world's largest video-sharing platform, with over 2.3 billion monthly active users and around 80% market share in the online video space. YouTube's advertising revenue continues to grow steadily, and its subscription services, like YouTube Premium, are expanding. **Google Cloud** is rapidly growing and is projected to increase by 25% annually over the next five years. (Richter, 2024). The rise of AI and the increasing adoption of **Google Workspace** further boost Google Cloud's growth. Finally, **Android** holds a 70% share of the global smartphone market.

Porter's Five Forces Analysis

Threat of New Entrants: Low [↵]	- High barriers: brand strength, network effects, technical expertise.[↵] - Dominates search market with 90%+ share (StatCounter, 2024).[↵] - Significant infrastructure and AI investments.[↵]
Bargaining Power of Suppliers: Low [↵]	- Diversified supply chain (e.g., Google Cloud, Android).[↵] - Ability to develop proprietary tech (e.g., Tensor Processing Units).[↵] - Scale and negotiation power reduce supplier influence.[↵]
Bargaining Power of Buyers: Moderate [↵]	- Individual users have low power.[↵] - Advertisers hold more power (can switch platforms such as SNAP, META, TIKTOK).[↵] - Dominance in search and YouTube gives leverage.[↵]
Threat of Substitute Products: Moderate [↵]	- Competition in growing fields such as Cloud (e.g., Microsoft, Amazon).[↵] - Alternatives in search (Bing) and video (Netflix, TikTok).[↵] - Google's services (Search, YouTube, Cloud) are highly integrated into daily life.[↵]
Industry Rivalry: High [↵]	- Strong competition from Facebook, Microsoft, Amazon, Apple.[↵] - Intense competition in advertising, cloud, and AI sectors.[↵] - Alphabet's scale and innovation in AI help retain market leadership, but competition remains fierce (Cherney, 2024).[↵]

4.5 Fundamental Analysis

Bottom-Line Growth Valuation (Valuation Based on Profit Growth)

Google's P/E ratio 22.61, compared to the industry average of 34.97, suggests that investors value Google's earnings

Metric↵	Google↵	Interactive Media and Services Industry Average↵	Microsoft↵	Baidu↵
P/E↵	22.61↵	34.97↵	34.97↵	10.43↵
P/S↵	6.32↵	12.38↵	12.38↵	1.61↵
ROE %↵	32.1↵	35.6↵	35.6↵	7.62↵
ROA %↵	24.9↵	18.22↵	18.22↵	4.72↵
Revenue Growth %↵	14.38↵	15.67↵	15.67↵	5.73↵
Earnings Growth %↵	10.9↵	16.04↵	16.04↵	14↵
Current Ratio↵	1.95↵	1.3↵	1.3↵	2.19↵

lower than its peers, indicating potential undervaluation. This is particularly attractive given Google's dominant search, digital advertising, and cloud services market position. Although its P/E ratio is relatively lower than Microsoft's (34.97), it implies room for growth, especially considering the upcoming boost from Google Cloud and YouTube expansion.

- **EPS Growth Momentum:** Google's earnings growth of 10.9% in the latest period reflects healthy growth amid a more mature phase in its advertising business.
- **Profitability Drivers:** Google's return on equity (ROE) of 32.1% reveals that profitability remains robust, driven by its large-scale advertising revenue and cloud services.
- **High-Margin Segments:** Google Search and YouTube continue to drive significant margins. YouTube's shift towards a subscription-based model combined with its advertising revenue will further boost operating income, supporting Google's earnings growth.

Prudent financial management further strengthens Google's bottom-line valuation:

- **Liquidity:** Google's current ratio of 1.95 suggests solid liquidity, positioning the company to manage short-term obligations effectively. This is higher than the industry average (1.3) and Baidu's (2.19), showing that Google is well-positioned to weather any economic fluctuations.
- **Leverage:** Google's relatively low debt-to-equity ratio (not provided here) indicates that it maintains a conservative approach to leveraging debt, which preserves financial flexibility to invest in high-growth areas like cloud and AI.
- **Risk Mitigation:** The company's strong financial position and ability to innovate and expand in growth areas like AI and cloud services mitigates downside risk and supports a premium valuation.

Top-Line Growth Valuation (Valuation Based on Revenue Growth)

With a P/S ratio of 6.32, compared to the industry average of 12.38, Google might be trading at a discount to peers like Microsoft at 12.38 (Macrotrends, 2024) . This means that Google's revenue generation is relatively undervalued, probably due to its heavy reliance on its mature advertising business. Large investments in YouTube, Google Cloud, and hardware offer important growth avenues.

- **Revenue Growth Momentum:** Revenue growth for Google, at 14.38%, is strong but not as robust as Microsoft's 15.67%. However, given Google's diversification into the cloud and YouTube, revenue growth can accelerate as these segments gain more traction, especially with the cloud expected to grow 25% annually.
- **Revenue Drivers:** The Google Cloud business currently accounts for about 11% of total revenue, with a high likelihood of significant expansion and potentially comprising 20% of total revenue over the next few years while helping to offset slower growth in its core advertising business (HG Insights, 2024).
- **Market Position:** Although growth in search and advertising is slowing, the wide revenue streams in cloud and AI, combined with a strong brand and leading global presence, place Google in a good position to capitalize on future revenue opportunities.

4.6 Valuation Models – DCF Analysis

Critical Assumptions for Growth Rate and Discount Rate:

- **Revenue Growth Rate:** 12% annually over the next 5 years, reflecting strong growth drivers from Google's leadership in digital advertising, the rapid expansion of YouTube and Google Cloud, and increasing monetization of AI technologies.
- **FCF Growth Rate:** 10% annually, driven by continued high-margin businesses such as Google Cloud, YouTube, and Google Ads, as well as increased efficiencies through AI integration.
- **Discount Rate (WACC):** 7.5%, assuming reduced risk as the company benefits from its market dominance and strategic investments in high-growth areas such as AI and cloud computing.
- **Terminal Growth Rate:** 4%, factoring in long-term growth from Google Cloud and other high-margin areas, assuming continued leadership in advertising and innovation.

Free Cash Flow (FCF) 2023	\$69.495 billion
Projected Revenue Growth (2024-2028)	12% annually
Projected FCF Growth (2024-2028)	10% annually
Discount Rate (WACC)	7.50%
Terminal Growth Rate	4%
Terminal Value (TV)	\$4.03 trillion
Present Value of FCF (2024-2028)	\$401.13 billion
Present Value of Terminal Value	\$2.62 trillion
Enterprise Value (EV)	\$3.02 trillion
Outstanding Shares	12.88 billion
Intrinsic Value per Share	\$234.19
Current Stock Price	\$176.09
Potential Upside	33.00%

4.7 Investment Risks

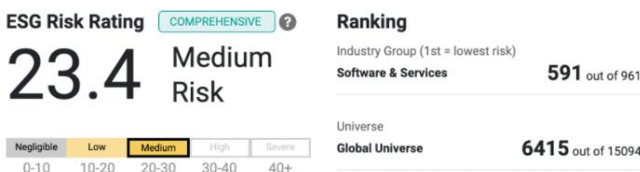
- **Regulatory and Legal Risks:** The company is under increasing scrutiny by regulators worldwide, particularly on antitrust issues, privacy laws, and digital advertising regulation. These could affect its business model or result in significant fines due to negative regulatory actions.

- **Competitive Risks:** Google operates in highly competitive markets, especially search, cloud computing, and advertising. Any new emerging technologies or competitive threats from companies like Amazon-AWS and Microsoft-Azure, among others, might dent its market share.
- **Dependence on Advertising Revenue:** Much of Google's revenue comes from digital advertising. Any contraction in the advertising market or a change in consumer behavior - for instance, privacy-related concerns or increased ad-blocking technology - could dent its financial performance.

4.8 ESG and Impact on Education

Environmental

Google has long prioritized sustainability, achieving carbon neutrality since 2007 and aiming to power its entire business with 100% renewable energy. The company is focused on reducing its environmental footprint by making its data centers more energy-efficient, leveraging AI to optimize power usage and consumption. Google's dedication to sustainability is part of its broader efforts to create a greener future and reduce its carbon impact (Google, 2024).



Social

Google demonstrates strong social responsibility through its focus on diversity and inclusion. As of 2024, women represent 34.1% of Google's global workforce. Additionally, Google invests in education-based initiatives such as internships, scholarships, and mentoring programs to support underrepresented groups and promote equal opportunities (Google, 2024).

Governance

Google's corporate governance structure focuses on independence and transparency. The company separates the roles of CEO and Chairman of the Board to ensure good governance while releasing annual sustainability reports to measure progress toward its environmental and social goals. The Code of Conduct at Google reinforces employee responsibility and integrity to reinforce a strong corporate governance framework.

Section 5: COUR

5.1 Company Overview

Target Share Price: \$12.50, Current Share Price: \$8.40, Potential Upside: 48.8%

Market Capitalization	1.36 Billion USD
Price-to-Earnings (P/E)	N/A
Price-to-Book (P/B)	3.87
Dividend Yield	N/A
Free Cash Flow Yield	1.74%
Revenue (2023 FY)	\$635.8 million, up 21% from \$523.8 million
Operating Margin	- 13.72%
Total Subscribers	Over 100 million active learners (2024)

Coursera, a global edtech leader founded in 2012 by Stanford professors, offers online learning opportunities. With 162 million registered learners, Coursera provides accessible, high-quality education. In Q3 2024, Coursera achieved \$176.1 million in revenue, a 6% YoY increase, expanded with AI certificates and professional credentials from IBM and Microsoft [Coursera, 2024].

5.2 Investment Thesis

Coursera is leading the expanding online education sector. Coursera made \$145 million in Q3 2024, a 19% increase from the previous year. Thanks to strategic alliances with top colleges and companies, it is at the forefront of degree programs and certificates.

Given its expanding B2B and degree offerings, we predict that Coursera's revenues will increase at a compound annual growth rate (CAGR) of 20% over the next five years. For instance, in Q3 2024, its "Coursera for Business" sector saw a 40% YoY increase, which we believe would boost top-line performance. Enterprise usage should rise with the demand for upskilling, especially in technology and finance. In contrast to its consumer-facing offerings, Coursera's growth potential in enterprise solutions, which yield higher profits and client retention rates, may be undervalued by the market. For example, the "Coursera for Business" sector has expanded to over 3,000 businesses, significantly contributing to its recurring revenue base.

5.3 Sector and Industry Analysis

The Education Technology (EdTech) sector has experienced significant growth, driven by the increasing digitization of learning and technological advancements. From 2017 to 2023, the sector grew at a compound annual growth rate (CAGR) of 16.3%, with projections indicating the global market will surpass \$400 billion by 2026 [Market Data Forecast, 2024]. The online education market, a key segment of EdTech, was valued at \$288.024 billion in 2022 and is expected to grow at a CAGR of 8.9%, reaching \$523.177 billion by 2029 (Research, 2024). As hybrid and remote learning models continue to gain traction, EdTech is poised to play a key role in the \$10 trillion global education market over the next decade [World Economic Forum, 2024].

Political [↗]	- Government funding for digital education subsidies: The U.S. government allocated \$5.8 billion for digital education initiatives in 2024 (U.S. Department of Education, 2024).[↗] - Supportive policies promoting EdTech innovation: Policies like the EU Digital Education Action Plan 2021-2027 aim to increase digital learning investments, with €1.7 billion allocated for digital upskilling (European Commission, 2021).[↗]
Economic [↗]	- Increased spending on education and professional development: Global education spending is expected to exceed \$10 trillion by 2030, with a significant share directed towards digital learning (World Economic Forum, 2024).[↗] - Online education as a cost-effective alternative: The global EdTech market, valued at \$304 billion in 2021, is projected to grow to over \$404 billion by 2025, driven by cost-effective solutions (HolonIQ, 2024).[↗]
Social [↗]	- Shift toward remote learning and growing demand for flexible education solutions: 60% of global learners preferred remote or hybrid learning <u>models</u> post-pandemic, with demand continuing to rise in 2024 (McKinsey & Company, 2024).[↗] - Rising preference for skills-based learning and certifications: 70% of employees prefer gaining certifications and skills over traditional degrees for employability, leading to a surge in platforms like Coursera and Udemy (Statista, 2024).[↗]
Technological [↗]	- Advancements in AI, big data, and cloud computing: The global AI in education market is expected to grow from \$3.68 billion in 2021 to \$25.7 billion by 2027, improving personalized learning (Markets and Markets, 2024).[↗] - Use of interactive tools (e.g., AR/VR) to enhance engagement: The AR/VR market in education is expected to reach \$12.6 billion by 2025, enhancing engagement through immersive experiences (Grand View Research, 2024).[↗]

5.4 Competitive Positioning

Coursera has shown strong financial growth, with Q3 2024 revenue reaching \$176.1 million and a robust 55% gross profit margin. In contrast, Udemy, which operates on a larger scale with a more extensive course catalog, reported a 21% increase in revenue in 2021 but posted a net loss of \$77.5 million, indicating less efficient financial management [Danelfin, 2024] . Coursera partners with universities to offer formal, high-quality credentials. While Udemy provides a broader selection of affordable courses, Coursera tailored solutions to carve out a competitive niche. The growing massive open online course (MOOC) market, projected to reach \$31.3 billion by 2030, presents opportunities for Coursera further to solidify its market position (Coursera, 2024).

Porter's Five Forces Analysis

Customer Power [↗]	- Consumers can easily switch between online learning platforms due to low switching costs.[↗] - Coursera counters this by forming strategic partnerships with prestigious universities, offering exclusive accredited certifications that differentiate it from competitors.[↗]
Power of Suppliers [↗]	- Moderate supplier power, as Coursera collaborates with a diverse group of top-tier educational institutions and independent course creators.[↗] - While Coursera relies on high-quality content from these suppliers, the large number of potential partners reduces the dependency on any single supplier.[↗]
Barriers to Entry [↗]	- Low barriers to entry in the online education market, allowing new platforms to launch with relatively minimal upfront investment.[↗] - However, Coursera's established brand presence, partnerships with top universities, and strong market recognition increase the cost for new entrants to differentiate themselves and gain traction (InfoStride, 2024).[↗]
Threat of Substitutes [↗]	- Moderate to high threat from free or lower-cost alternatives like YouTube, podcasts, and self-paced learning resources.[↗] - Coursera mitigates this threat by continuously innovating, launching 20+ new generative AI and professional certification courses in Q3 2024 to stay relevant in a rapidly evolving job market (Karine Allouche, 2024).[↗]
Competitive Rivalry [↗]	- Highly competitive market with strong players like Udemy, edX, and LinkedIn Learning.[↗] - These platforms offer a wide range of similar courses at lower prices, putting pressure on Coursera to maintain its market share.[↗]

5.5 Fundamental Analysis [Stock Analysis, 2024]

Metric	Coursera	Industry Average	Udemy	Chegg
Market Cap (Billion)	1.3	10.2	1.23	0.255
P/E Ratio	N/A	26.1	N/A	26.4
P/S Ratio	1.84	2.18	1.48	0.34
Gross Margin	54.65%	50-60%	56%	47.50%
Operating Margin	-13.72%	4.80%	-6.20%	5.60%
EBITDA Margin	-12.27%	8.10%	-5.30%	13.50%
Revenue (TTM)	635M	2.3B	607M	188M
Revenue Growth (YoY)	21.39%	12.50%	10.50%	12.50%
Debt-to-Equity Ratio	0.01	0.3	0.1	0.4
Current Ratio	2.61	1.37	1.8	2.1
Quick Ratio	2.61	1.32	1.7	1.8

While the financial performance of Coursera points to growth potential, it outlines continuous challenges for the company regarding profitability. Regarding the largest keys of operating and EBITDA margins, Coursera's strategic investment positioning is bright for the long term, even though it is currently unprofitable. The operating margin of negative 13.72 percent stands far from the positive industry average of 4.80 percent, considerably because of the heavy investment in scaling its platforms and expanding partnerships. Moreover, its EBITDA margin of -12.27% lags behind its competitor, Chegg, by 13.50%. However, these profitability metrics are expected to improve with the continued scaling and strengthening of Coursera's brand. On the upside, however, Coursera has maintained a strong liquidity position by recording a current ratio of 2.61 against the industry's average of 1.37. The debt-to-equity ratio is an impressive 0.01, reflecting minimal leverage and positioning the company with a clean balance sheet, hence a lower risk of bankruptcy or share dilution.

On the top line, Coursera shows a year-over-year growth rate of 21.39%, far above the industry average of 12.50%, besides competitors such as Udemy at 10.50% and Chegg at 12%. While the P/S ratio of Coursera stands at 1.84, lower than the industry average of 5.5, underlining that its sales are undervalued relative to peers, strong growth for the company suggests significant upside potential. With Coursera furthering its B2B products and forging new partnerships in that direction, we would assume that we will see an acceleration in revenue growth; it would support the long-term valuation.

5.6 Investment Risks

Profitability Risks: Coursera remains unprofitable, with a Q3 2024 operating margin of -13.72% and EBITDA margin of -12.27%, significantly lagging competitors like Chegg at 13.50%. While the company invests in growth, these negative margins may delay profitability.

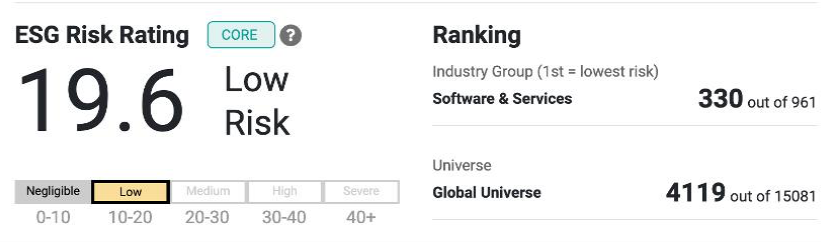
Competitive Risks: While recording a strong revenue growth of 21.39% YoY, the price-to-sales ratio of 1.84 is below the industry average of 5.5, which suggests that its sales are undervalued. The online education market is crowded with websites like Udemy selling similar courses cheaper, pressuring Coursera's pricing and margin.

Partnership Risks: Coursera’s model relies on partnerships with universities and corporations, including top institutions like Yale and Google. While these partnerships offer a competitive edge, they expose Coursera to risks if key partners shift focus or withdraw from the platform.

5.7 ESG Analysis [Sustainalytics, 2024]

Environment

Since Coursera focused on a digital-first model, it has positively influenced the environmental parameters of this company. It relies on low-powered data centers and cloud computing, aligning with its sustainability objectives. Therefore, these measures would reduce their carbon emission while contributing to Coursera's commitment to broader sustainability, as reported by its 2023 ESG.



Social

It has done reasonably well in employing unemployed learners: 30% get employed after completing courses. Coursera further narrows the gender gap in online education: 46% of new registrations are by women, and 33% of enrollments are in STEM courses.

Governance

78% of the board members are independent; hence, there is diversity in decision-making. Further, all employees and contractors are obliged to undertake annual training in workplace behaviors, data security, harassment prevention, and protection of privacy.

Section 6: JPM

6.1 Company Overview

Target Share Price: \$316.42, Current Share Price: \$243.40, Potential Upside: 30.00%

J.P. Morgan Chase is a global financial services leader specializing in blockchain technology, machine learning, and open banking. Offering a wide range of services, including asset management, commercial banking, financial transaction management, and investment banking, it has built a strong reputation over its 200 years of financial expertise. Serving clients in over 100 countries, J.P. Morgan Chase provides global financial solutions with a stable and robust balance

Metric	Value
Market Cap	\$703.24 billion
Revenue (2023)	\$148.8 billion
Net Income (2023)	\$49.6 billion
Price-to-Earnings (P/E)	13.87
Price-to-Book (P/B)	2.17
Revenue Growth (%)	13.86
Earnings Growth (%)	7.7
ROE %	16.22
ROA %	1.21
Current Ratio	0.89

sheet, consistently maintaining high ratings [JPM, 2024]. In 2024, the company reported a net worth of \$703.24 billion and record revenue of \$239.43 billion for 2023, a 54.68% increase from the previous year.

6.2 Investment Thesis

JPM offers strong fundamentals and strategic growth opportunities. With a market capitalization of \$703.24 billion and record revenues of \$239.425 billion in 2023-a 54.68% YoY increase-JPM has shown its resilience and can generate strong top-line growth. The consumer & community banking segment, which contributes the biggest revenue, continues to benefit from innovation in financial technologies like blockchain, machine learning, and open banking, among others. Despite these strong growth prospects, JPM presently trades on relatively modest multiples compared with its peers, thus offering an attractive entry point for long-term investors.

JPM is undervalued based on the current market pricing, given it does not fully capture the strong growth potential in emerging markets, fintech, and diversified service offerings. As the Federal Reserve stabilizes interest rates, JPM will benefit from increasing consumer spending, enterprise investments, and global market expansion, particularly in digital finance and emerging economies. Additionally, the diversified portfolio of JPM in asset management, commercial banking, financial transaction management, and investment banking provides stability and substantial earnings power that is not yet priced into the stock.

6.3 Sector and Industry Analysis

Financial Services Sector

The financial services sector has been constantly expanding since the last decade due to technical breakthroughs in areas related to virtual banking and regulatory and insurance technology. In 2023, the sector's market size reached \$31138.82 billion and is projected to expand at 7.7% CAGR [The Business Research Company, 2024].

Banking Industry

In 2023, the Global Banking Industry reached a market size of \$32.39 billion and is expected to experience a compound annual growth rate of 4.55% from 2024 to 2032 [Dhapte, 2024]. An increase in the volume of transactions and the exploitation of new markets drive the industry's growth.

Political [↗]	Regulatory Pressure: Increasing regulatory scrutiny, particularly around data privacy (e.g., GDPR, CCPA) and anti-money laundering (AML) laws.[↗]
Economical [↗]	- Interest Rate Cuts: Federal Reserve rate cuts lowering borrowing costs, which can increase lending volumes but compress net interest margins for banks.[↗] - Economic Expansion: Low unemployment and strong consumer confidence driving demand for loans, mortgages, and other banking services.[↗]
Social [↗]	- Digital Banking Surge: Continued shift toward mobile and online banking services as consumers demand more seamless and accessible financial solutions (Arora, 2024).[↗] - Financial Inclusion Initiatives: Ongoing efforts to provide banking services to underserved communities, expanding mobile banking and financial literacy programs.[↗]
Technological [↗]	- AI and Automation: Banks investing in AI for credit risk assessment, customer service automation, and fraud detection, enhancing operational efficiency.[↗] - Cybersecurity Upgrades: Increased investment in cybersecurity as banks deal with rising digital threats and the growing volume of online transactions (Jury, 2024).[↗]

6.4 Fundamental Analysis [CompaniesMarketcap, 2024]

JPM outperforms the industry based on its consistently increasing earnings, strong capital position, and diversified business model. A market cap of \$703.24 billion and record

Metric	JPM	Industry Average	Bank of America	Wells Fargo
P/E	13.87	17.28	15.84	15.56
P/B	2.17	1.34	1.37	1.32
ROE	16.22	9.79	10.55	11.37
ROA	0.89	0.99	0.85	0.83
Revenue Growth	1.21	0.84	0.97	0.8
Earnings Growth	13.86	3.66	5.99	7.12
Current Ratio	7.7	5.3	6.2	5.5

revenue of \$239.425 billion in 2023 mean it has repeatedly pulled off substantial top-line growth, even in more turbulent economies. JPM has a P/E of 13.87 versus its sector average of 17.28, and that is potentially a buy-into upside for investors. With a bank stock P/B ratio of 2.17 compared to an industry average of 1.34, it has maintained a commanding lead due to its positioning and market share, especially within strategic segments like investment banking, trading, and consumer lending. The ROE and ROA stand at 16.22% and 1.21%, respectively, outpacing competitors' results such as Bank of America with an ROE of 10.55% and Wells Fargo at an ROE of 11.37%, hence the proof of superior profitability and efficiency in the deployment of capital.

The strength of JPM's diverse franchise is a key factor underpinning its valuation. Over the past decade, JPM has steadily gained market share across multiple business lines, including advisory, markets, and lending, benefiting from its scale and pricing power. As the world's largest investment banking and trading player, JPM has continued expanding its market share in these areas, growing deposits and strengthening its consumer lending business, including credit cards and mortgages. JPM's

Free Cash Flow (FCF) 2023	\$12.974 billion
Projected Revenue Growth (2024-2028)	7% annually
Projected FCF Growth (2024-2028)	5% annually
Discount Rate (WACC)	8%
Terminal Growth Rate	2%
Terminal Value (TV)	\$429.16 billion
Present Value of FCF (2024-2028)	\$57.81 billion
Present Value of Terminal Value	\$296.72 billion
Enterprise Value (EV)	\$354.53 billion
Outstanding Shares	2.88 billion
Intrinsic Value per Share	\$316.42
Current Stock Price	\$243.40
Potential Upside	30%

diversified revenue mix—spanning capital markets, asset management, and wealth management—provides resilience against downturns.

JPM's strong capital position, as underlined by a current ratio of 0.89, indicates good liquidity. At the same time, the ROTCE target of 17% lays out a leading position among U.S. peers and further underpins the bank's ability to generate strong, sustainable returns through economic cycles. Its diversified earnings base - including Investment Bank, Consumer & Community Banking, and Wealth Management - can protect it from a decelerating interest rate increase environment and challenging market conditions. In that vein, given the superior earnings growth compared to its peer set of 7.7%, relative to Bank of America's 6.2% and Wells Fargo's 5.5%, respectively, JPM is well positioned to create value and long-term growth.

6.5 Valuation Model – DCF Analysis

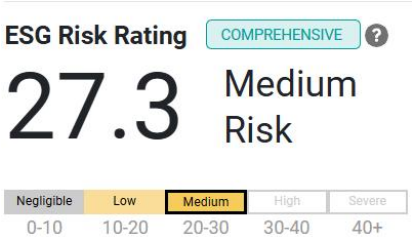
Revenue Growth Rate: Assumed 7% for the first 5 years, driven by JPM's strong market position and innovation.

Discount Rate: 8% reflects JPM’s stability, scale, and moderate risk profile. The lower rate accounts for its diversified revenue and low leverage, mitigating banking sector risks.

Terminal Value Growth: A conservative 3% rate is assumed, aligned with long-term inflation expectations and a steady-state post-forecast period.

6.6 ESG Analysis

JPM's is 27.5, which places it in the medium-risk category and reflects some of the firm's efforts and challenges [Sustainalytics 2023].



Environmental

The Center for Carbon Transition (CCT), which is a key business within J.P. Morgan's Corporate Advisory, provides clients with low-carbon transition-focused advice and expertise and works with industry coverage and product teams within the Commercial & Investment Bank (CIB) on a wide variety of strategic sustainability-focused transactions [JPM, 2024]. This center enables JPM to leverage its expertise and resources to help clients thrive in a low-carbon future.

Social

JPM demonstrates strong social responsibility with a commitment to supplier and workplace diversity. The company invested in more than 80,000 affordable rental units that supported low-income families and combat housing inequality. Its focus on Black, Hispanic, and Latino-owned suppliers supports over 5,000 jobs, driving economic opportunity and inclusion in its supply chain [JPM, 2024].

Governance

JPM's corporate governance practices are closely designed to serve the diverse interests of the stakeholders and communities. Its Code of Conduct, Business Principles, and other internal policies and procedures promote a culture of respect that allows every employee to feel safe at work and empowered to speak up [JPM, 2024].

Section 7: Conclusion and References

Conclusion

We have concluded a thorough analysis of Alphabet Inc Class C (GOOG), Coursera Inc (COUR), and JPMorgan Chase & Co (JPM), and demonstrated their strong growth potential and solid market positions. Through Discounted Cash Flow (DCF) analysis, Fundamental analysis, and Macroeconomic analysis, we conclude that these three companies offer significant investing opportunities to achieve long-term finance goals. Our diverse and balanced portfolio is growth-oriented and has a low-risk strategy that maximizes returns while expertly managing risks. We will continue to perform regular assessments and strategically adjust our investments accordingly.

Company	Target Share Price	Current Share Price	Potential Upside
JPM	\$316.42	\$243.40	30.00%
COUR	\$12.50	\$8.40	48.80%
GOOG	\$234.19	\$176.09	33.00%

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