Duolingo (NASDAQ: DUOL)

Nathan Gafney, Colin Taylor

Duolingo Business Overview

Duolingo is a global leader in gamified education, combining massive user engagement with a highly recurring, subscription-driven business model

Duolingo's Key Metrics

47.7M	128.3M	10.9M	$748.0M
Daily Active Users DAU)	Monthly Active Users (MAU)	Paid Subscribers	Revenue
40% YoY Growth	**24%** YoY Growth	**37%** YoY Growth	**41%** YoY Growth

Learning Platforms

Core offering, teaching 40+ languages through gamified lessons that build reading, writing, and speaking skills

Introduces chess strategy and tactics through interactive puzzles and guided gameplay

Teaches music literacy and piano fundamentals with rhythm, note, and melody-based lessons

Makes foundational math concepts engaging through interactive, game-style exercises that reinforce numeracy

Duolingo's Revenue Mix (% of Total Revenue)

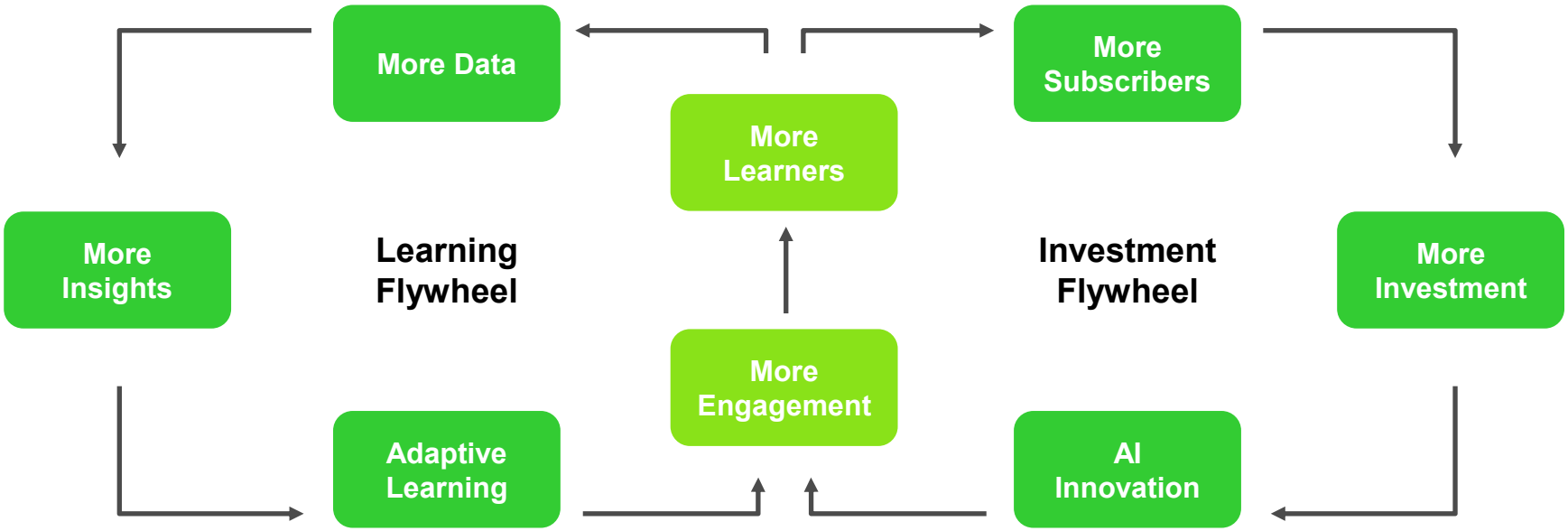
Subscription (82%)	Advertising (8%)	Duolingo English Test (5%)	In-App Purchases (4%)
Super Duolingo ($12.99/mo) Ad-free, offline version **Duolingo Max ($29.99/mo)** AI-enhanced version	**Revenue from selling in-app display ad placements** to third-party networks. Ads are shown to free users	An AI-proctored English proficiency exam accepted by **thousands of universities and institutions globally**	**Microtransactions for virtual goods** such as gems, streak freezes, and extra lives that enhance gameplay

Sources: Company Filings

Duolingo's Data Moat

Duolingo's continuous A/B testing and adaptive AI create a self-reinforcing data flywheel that drives stronger engagement, higher monetization, and a defensible moat built on user behavior data

Duolingo's Data Flywheel



Strategic Data Usage

Duolingo's AI models **predict the probability** that a learner will answer correctly and **adjusts the difficulty as they learn**

Analyzes learning data to optimize lesson formats, question styles, and course progression so users learn most efficiently

Results of Data Advantage

37% YoY Paid Subscribers Growth

40% YoY Daily Active Users Growth

0.37 DAU/MAU Ratio

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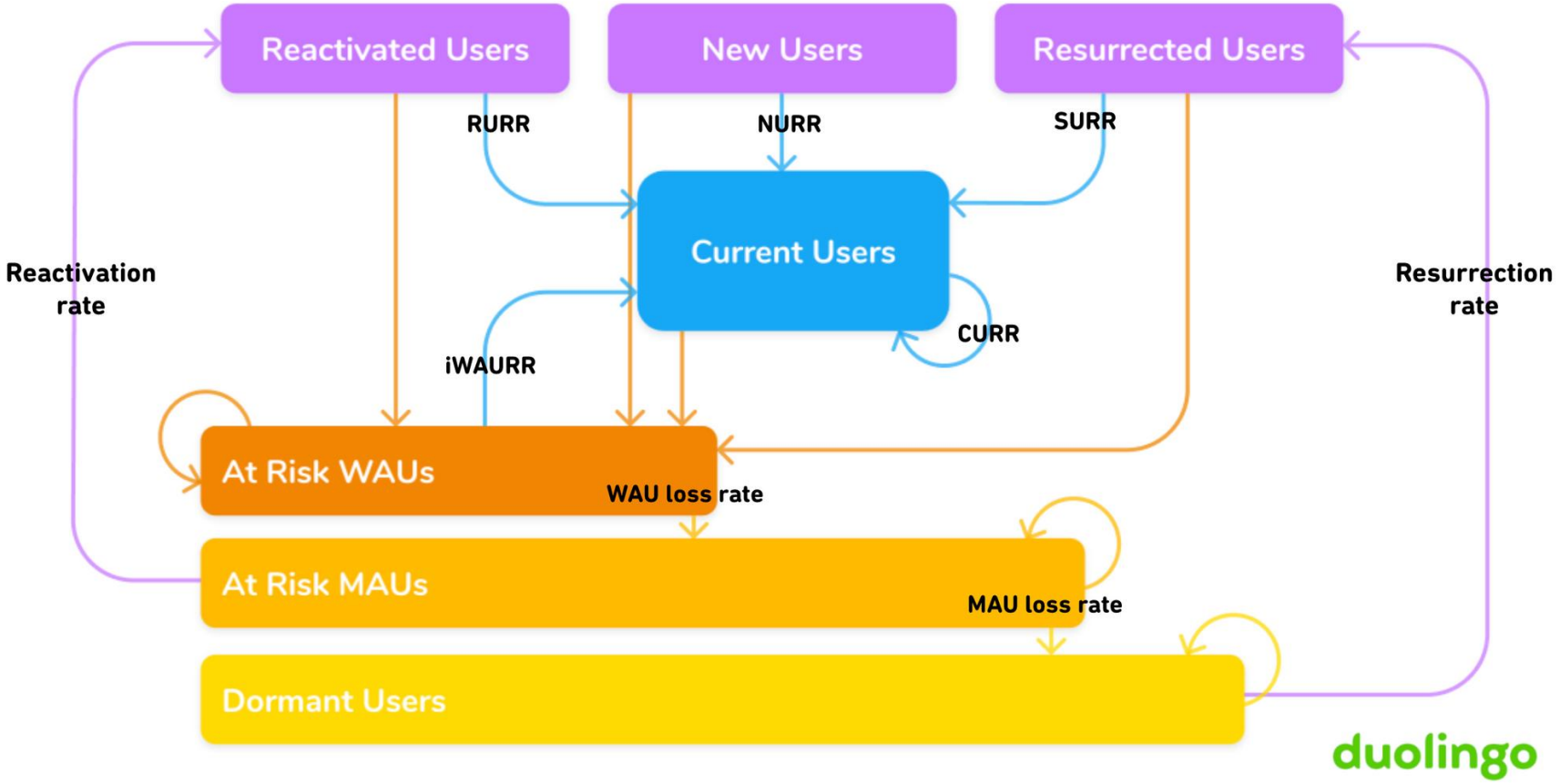
Sources: Company Filings (10K, 10Q), TechCrunch

Duolingo's Growth Model

Duolingo's genius growth model is designed for continuous re-engagement, that cycles inactive users back through reactivation and resurrection loops to sustain long-term growth. This model allowed them to reach 40% YoY user growth rates after years of stagnant growth



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Sources: Erin Gustafson, Ph.D.

Investment Thesis

1

Habit-Driven Engagement

- Duolingo's advantage lies in keeping users engaged, not just teaching them. Streaks, leaderboards, and AI features such as Roleplay and Explain My Answer enhance this engagement loop building a habit that competitors and AI tools ChatGPT can't easily replicate

2

AI Fears Create a Buying Opportunity

- Duolingo shares have fallen about 25% this month amid fears that AI tools like Gemini and ChatGPT could replace language learning apps. Despite this, the business remains strong with solid Q2 results, raised full-year guidance, and continued growth in users and revenue

3

Monetization Runway

- Duolingo has over 10 million paid users out of ~130 million monthly users, leaving significant room to grow. Additional revenue from ads, the English Test, and new subjects like Math, Music, and Chess is extending Duolingo's business beyond language learning

Recommendation: BUY
Target Price: $340.88
Upside: 30%

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Addictive Learning

Duolingo turns education into a daily habit through gamified design and behavioral psychology. Streaks, XP, and leaderboards create a dopamine-based habit loop that makes learning addictive with 80% of new users acquired organically, proving strong product pull and network effects

Streaks

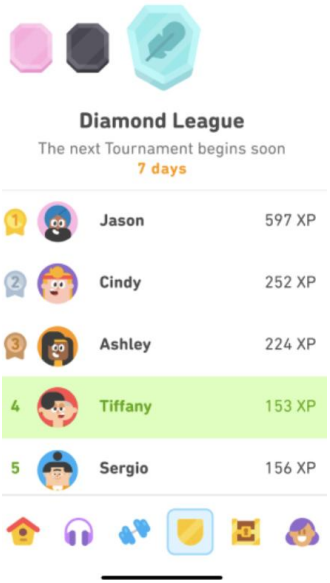
Tracks consecutive days of user activity

XP

Awarded points upon completion of a lesson

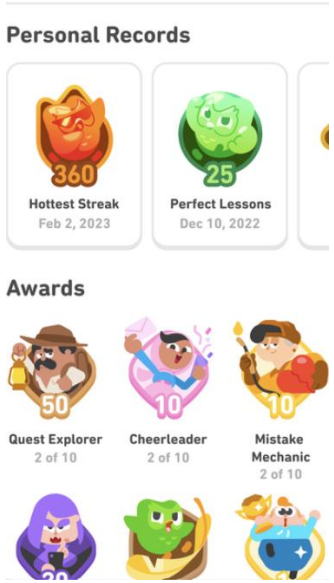
Leaderboards

Compares user progress



Badges

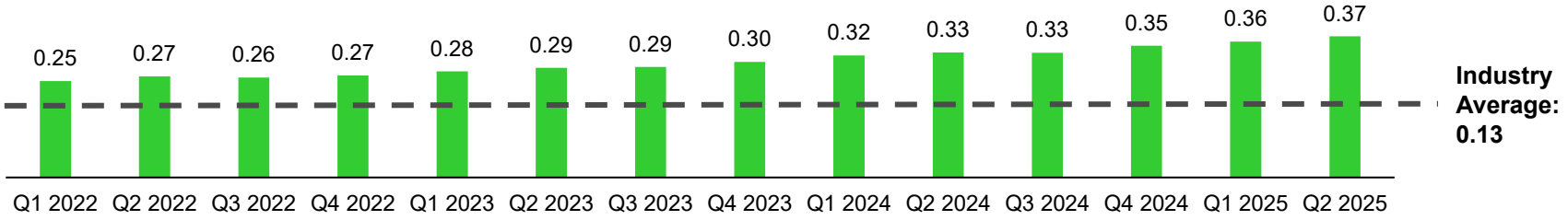
Earned for achieving specific milestones



Energy

Used to complete lessons & recharges

Duolingo DAU/MAU Ratio (Stickiness)



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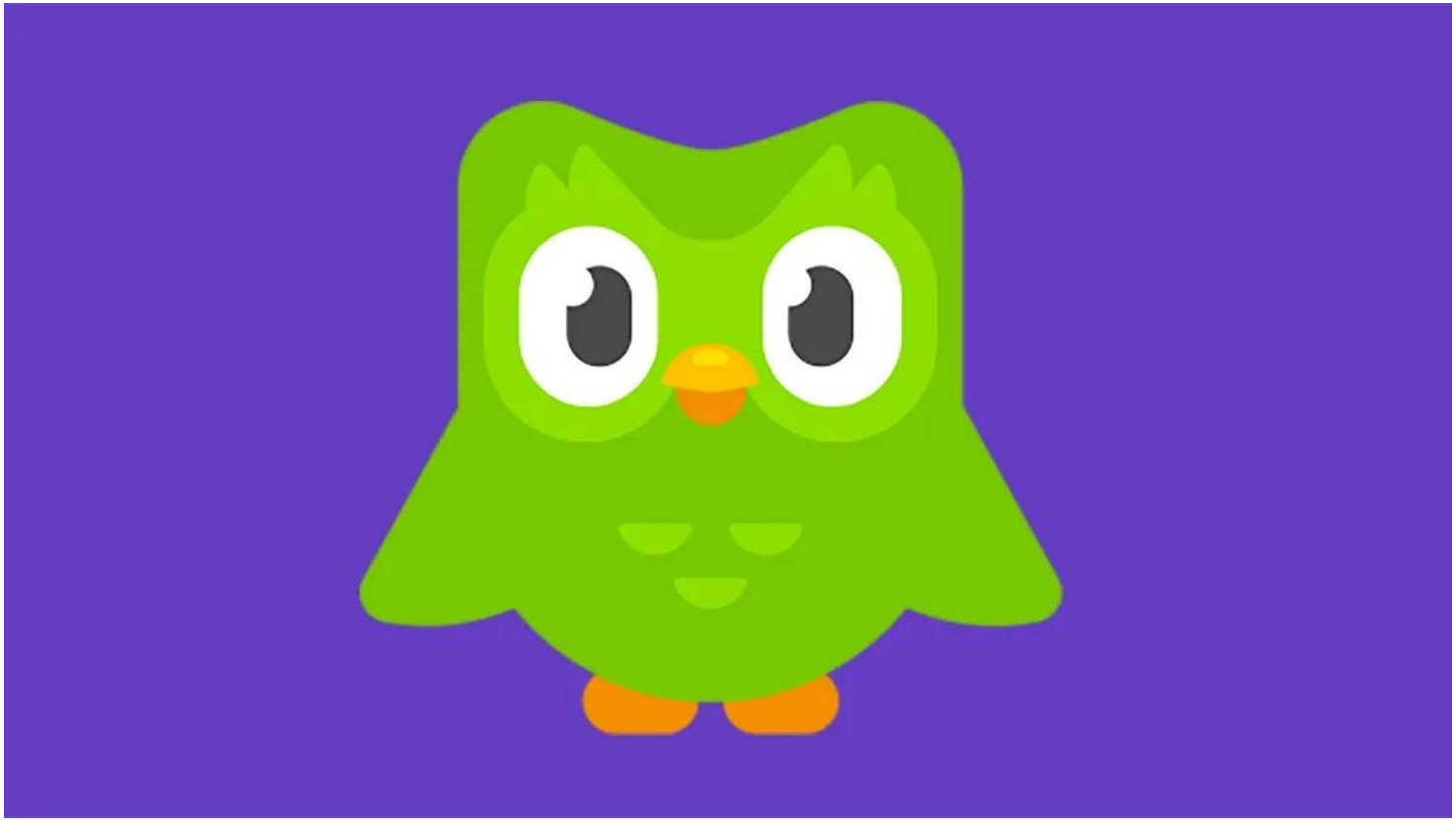
Sources: Duolingo Blog, The Verge

Social Media Dominance

Q2 DAU "slowdown" reflects tough comps from the *Dead Duo* campaign, not weakening demand. Underlying engagement, monetization, and user retention all remain on an upward trajectory

"Dead Duo the Owl" Marketing Campaign



Sources: Duolingo Blog, Business of Apps, Business Insider

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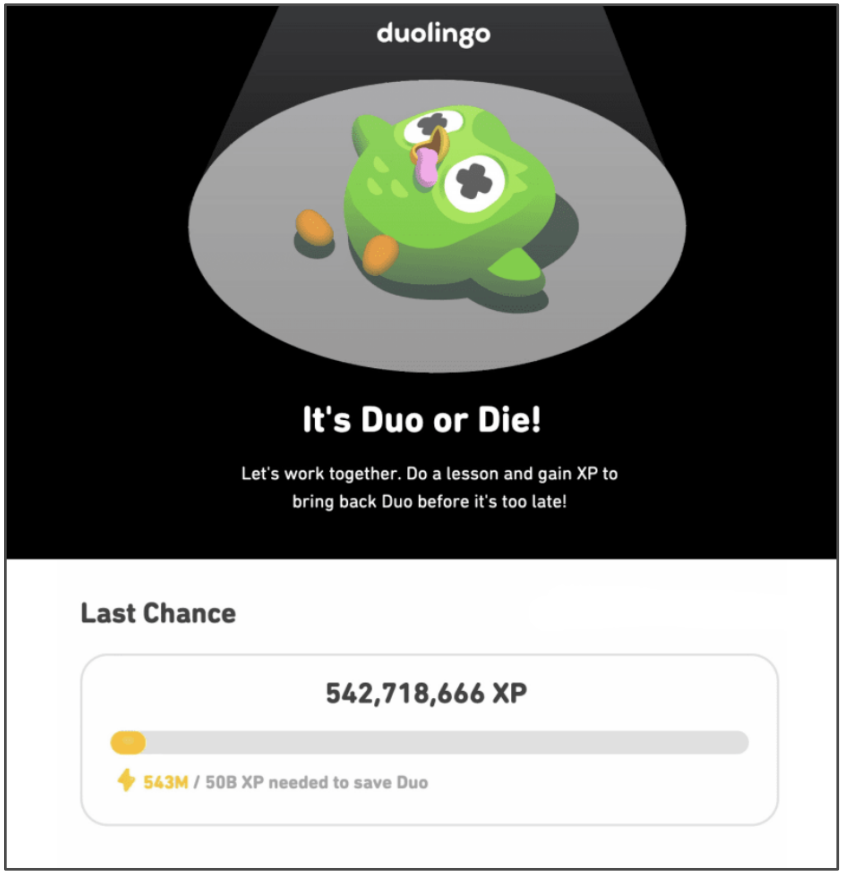

MONEY

Social Media

Add Topic +

Duolingo's make-believe owl mascot Duo dies by Cybertruck in new TikTok

Greta Cross
USA TODAY

Updated Feb. 12, 2025, 11:59 a.m. ET

NBC NEWS

Duolingo 'killed' off its mascot – and somehow captivated the internet

This Article is From Feb 14, 2025

Real Reason Behind Duolingo Owl's Death Revealed As Dua Lipa Reacts

The green owl mascot's tendency to guilt-trip users in a passive-aggressive way made him a meme in 2017, and his popularity has soared ever since.

Edited by: Abhinav Singh | Feature | Feb 14, 2025 17:27 pm IST

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Sources: Duolingo Blog, USA Today, NBC News, NDTV, Marketing Analysis

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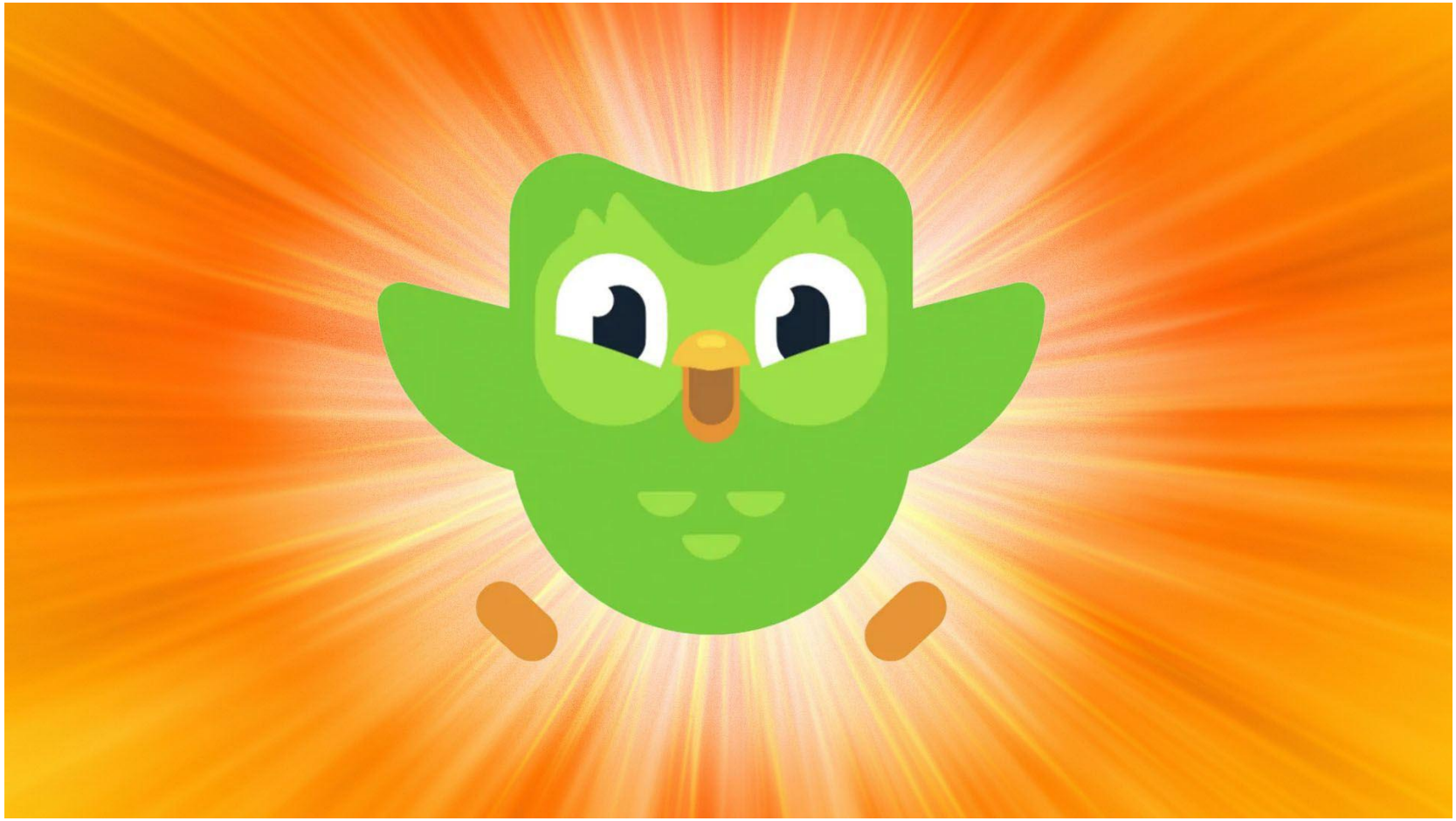

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Sources: Duolingo Blog, Business of Apps, Business Insider

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"Dead Duo the Owl" Marketing Campaign

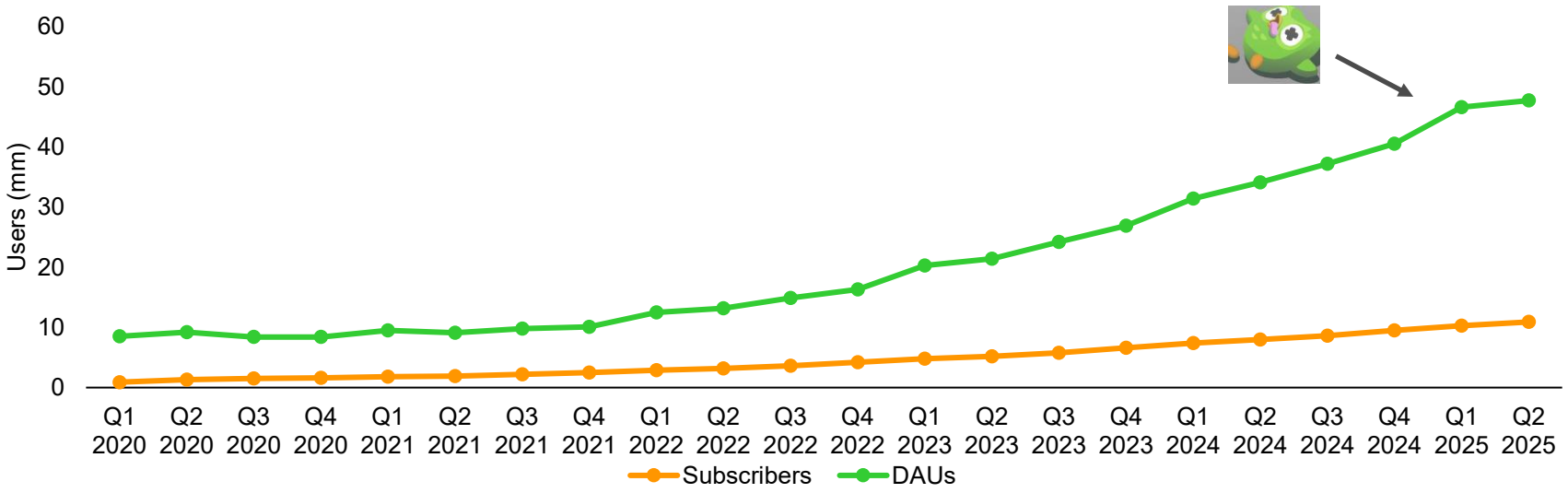
1.7 billion Social media Impressions

50 Billion XP Earned by Users

Social Media Mentions up 25,000%

The market overreacted to the Q2 2025 DAU deceleration because it followed a record-high Q1 driven by the "Dead Duo" campaign, which artificially inflated engagement metrics. The market saw this deceleration as a sign of user fatigue, but Q2 YoY growth continued

DAU and Subscriber Growth



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Sources: Duolingo Blog, Business of Apps, Business Insider

Investment Thesis

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AI Fears Create a Buying Opportunity

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AI-First Ideology

Duolingo's dual AI system combines GPT-4's conversational intelligence with BirdBrain's personalized adaptation, creating a compounding data advantage that drives stronger engagement, higher monetization, and long-term defensibility

Duolingo's Main AI Models

Open AI GPT-4

duolingo + OpenAI

Two Flagship Features for Duolingo Max:

1. **Roleplay:** Simulates conversations with AI "characters" for real-world practice
2. **Explain My Answer:** Gives contextualized, human-like explanations of why an answer was right or wrong

GPT-4 allows Duolingo to offer a "virtual tutor" experience at scale, thus **improving both user experience and perceived value** of premium subscriptions

BirdBrain

Exercise + **Learner** → birdbrain → **Predicts Personalized Difficulty Level for Individual User**

Duolingo's **in-house recommendation engine**, that **predicts the probability a user will get an exercise right** and selects questions to keep them in the **optimal learning flow state**

AI Support Infrastructure and Data Flywheel

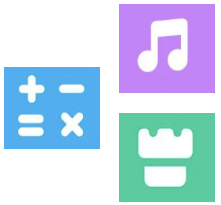
Billions of Labeled Interactions Daily

This **"learning about learning" loop compounds over time**, **reinforcing Duolingo's Data Moat**

AI Support Infrastructure and Data Flywheel

OpenAI

birdbrain



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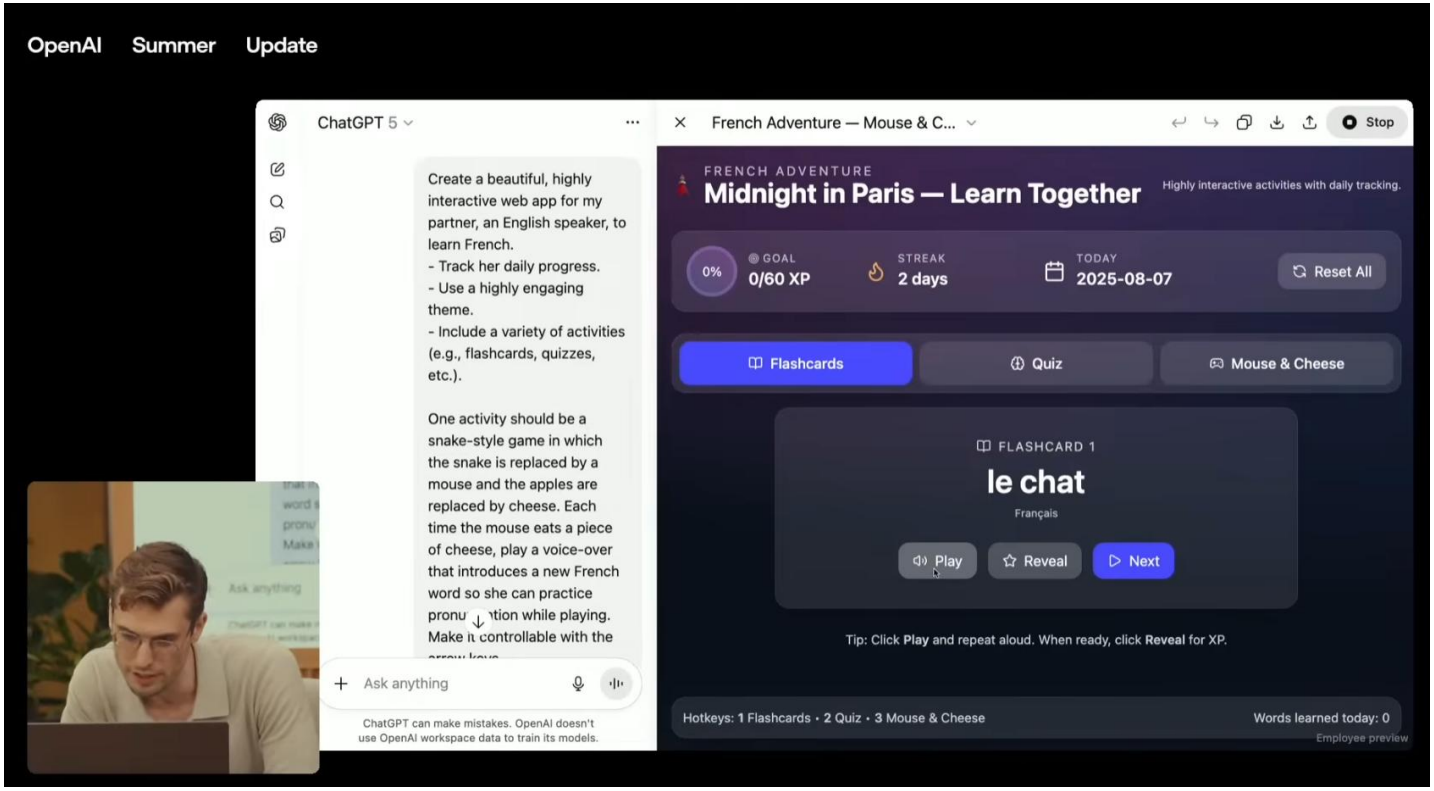
Sources: Duolingo Blog, Forbes

Will AI Replace Duolingo?

The market overreacted to AI hype as GPT-5's demo spooked investors, but real substitution risk remains low given Duolingo's unique gamification, data scale, and learning ecosystem

Market Overreaction to AI Development



In July 2025, OpenAI's GPT-5 demo went viral after showcasing how the model could code a functioning language-learning app in minutes, instantly sparking comparisons to Duolingo. **DUOL fell roughly 25% wiping nearly $2 Billion in market cap on sentiment alone.**

Sources: OpenAI

Will AI Replace Duolingo?

Despite short-term market fears after the GPT-5 demo, Duolingo remains fundamentally strong and uniquely protected through its partnership with OpenAI, a decade-long data advantage, and an engagement moat that general AI models cannot replicate

Why is Duolingo Protected?

Data & Learning Moat

1

Foundation models like GPT-5 are trained in large, discrete runs and are 'frozen' after training, meaning they don't update or learn from new user interactions in real time. In contrast, Duolingo's **BirdBrain retrains continuously on billions of live events, leveraging over 10 years of data** to build a growing advantage over OpenAI

Behavioral Engagement

2

Duolingo's habit loop is nearly impossible for conversational AIs to replicate. While ChatGPT or Gemini can teach, they don't build lasting learning behaviors. Duolingo's gamified design makes learning entertaining and rewarding, translating into **long-term motivation and higher likelihood users keep language learning long term**

DIY Duolingo

3

The average person isn't going to ask ChatGPT to code them a custom language-learning app because **that requires effort, technical setup, and motivation most users simply don't have.** Most people just want a simple, ready-to-use app that works instantly and lets them play and learn with friends without any setup

Strong Fundamentals	MAUs	DAUs	Paid Subs	Revenue
	~24% YoY	~40% YoY	~37% YoY	~41% YoY

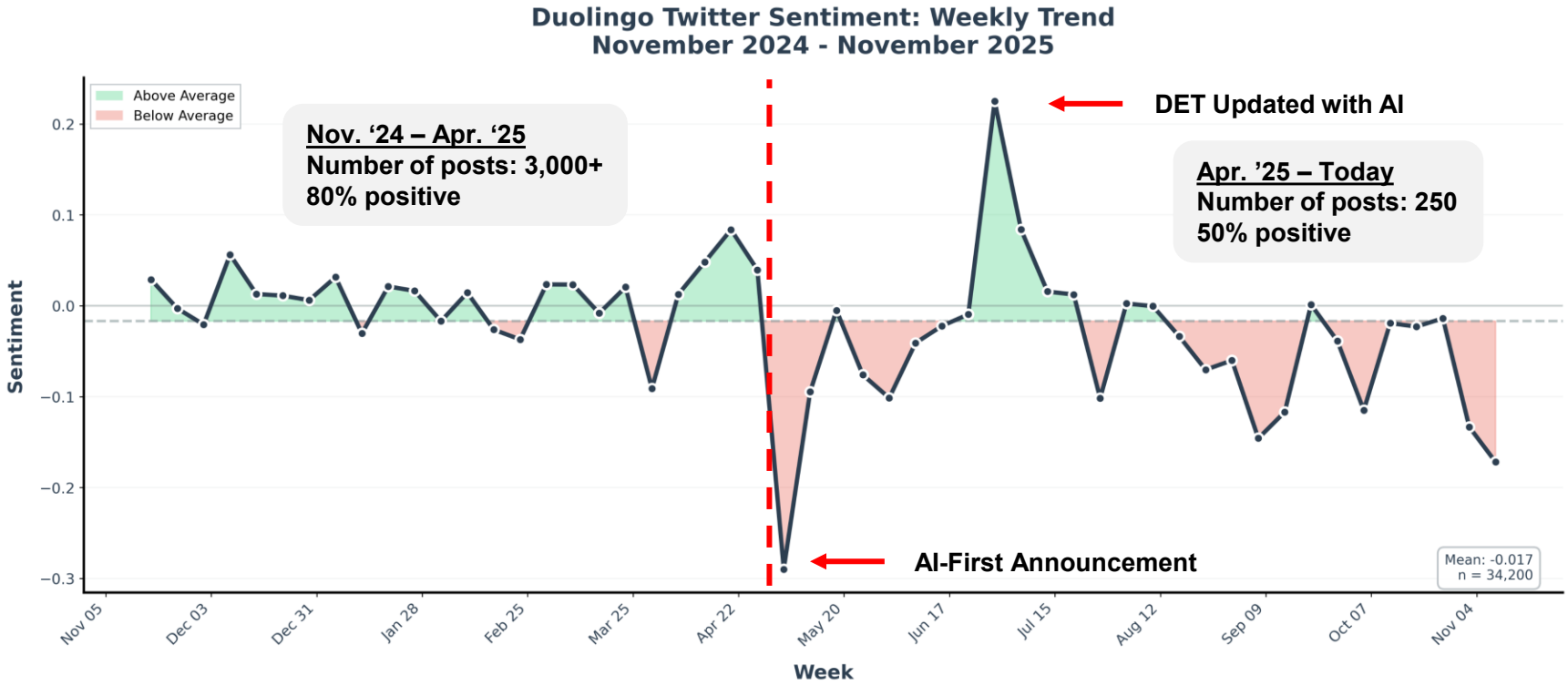
Sources: Duolingo Blog, Yahoo Finance

AI-First Backlash

Duolingo's pivot to an "AI-first" identity triggered a sharp shift in public sentiment. Social media sentiment fell from ~80% positive to ~50% as users questioned authenticity and direction. Since then, Duolingo has paused all "edgy" marketing and significantly reduced social media posts

CEO Criticism

"I want to make it official: Duolingo is going to be AI-first" – Luis (CEO) – May 2025



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Sources: Twitter API, Sentiment Analyzer

Investment Thesis

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Monetization Runway

- Duolingo has over 10 million paid users out of ~130 million monthly users, leaving significant room to grow. Additional revenue from ads, the English Test, and new subjects like Math, Music, and Chess is extending Duolingo's business beyond language learning

Recommendation: BUY
Target Price: $340.88
Upside: 30%

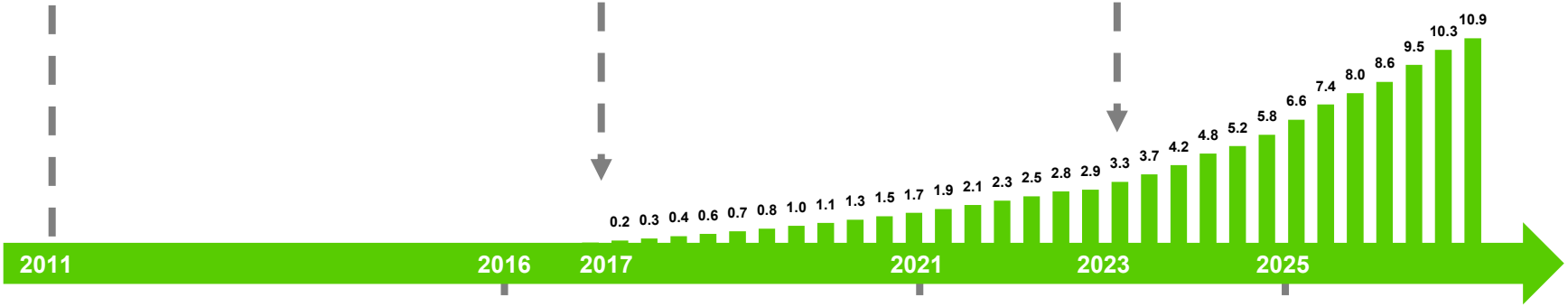
Monetization

Duolingo has evolved from a free viral app into a diversified, billion-dollar education platform, successfully layering subscriptions, testing, and AI-driven products without sacrificing scale

Founding Vision
Duolingo launches as a free, gamified language app focused on accessibility and viral growth, building a massive user base before any business model

Subscription Launch
Duolingo introduces Duolingo Plus, its first subscription tier, marking the shift from a free-only platform to a scalable freemium business

AI Expansion
Launches Duolingo Max with GPT-4 tutoring and personalized feedback, driving record engagement and surpassing 3.3 million paid subscribers



Monetization Experiments
After scaling to hundreds of millions of learners, Duolingo begins testing ads, in-app items, and the English Test to explore sustainable revenue paths

DUOL IPO
Duolingo goes public on NASDAQ (DUOL) with over $250 million in annual revenue, cementing the freemium model as its core growth engine

Scale and Profitability
Crosses $1 billion in annual revenue and 10 million paid users, establishing Duolingo as an AI-first global education platform

TAM

Duolingo is expanding within a $220 billion global market by attracting first-time language learners, leveraging viral low-cost marketing, and accelerating international growth—especially in markets like China—while the Duolingo English Test drives global brand awareness and user conversion

*"In the United States for example, **80% of our users were not learning a language before Duolingo…**But they are now with Duolingo. It's a similar number in the UK" – Luis von Ahn*

Total Market

$220 Billion Global Language Learning Industry

~2 Billion Language Learners Globally

Management consistently highlights that **most learners today are not replacing traditional methods with Duolingo**, rather **learning a language for the first time**

Duolingo English Test

The DET is formally recognized by 5,000+ universities and institutions

Many users outside the U.S. first discover Duolingo while preparing for the DET

The fully digital AI-proctored exam acts as a conversion funnel into the app

duolingo english test

International Growth Opportunity

Marketing Strategy

Duolingo spends almost no money in U.S. focusing budget on international markets

Duolingo prioritizes social media marketing, shifting to **traditional marketing ad-spend or localized strategies** when international growth begins to slow

Fastest Growing Market

China remains Duolingo's fastest growing market despite not even having launched the MAX subscription there

*"We had an incredible partnership this time around with Luckin Coffee…**big boom for us**."*
– Luis von Ahn

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Sources: Acquired, Earnings Call, Company Filings (10K)

Valuation

Even under conservative growth and multiple assumptions, Duolingo's valuation supports meaningful upside, underscoring how the company's durable margins and compounding engagement justify a high valuation

EBITDA Exit Multiple Method

Terminal Value	
2029 EBITDA	1,075,721
Exit Multiple	24x
Terminal Value	**25,817,308**
Period	4.16
PV of Terminal Value	**17,226,535**

Implied Share Price	
Enterprise Value	**19,183,467**
(-) Total Debt	0
(+) Cash	877,645
Equity Value	**20,061,112**
Shares Outstanding	47,500
Implied Share Price	422.34
Current Share Price	262.25
Upside / Downside	**61%**

Revenue Exit Multiple Method

Terminal Value	
2029 Revenue	2,206,480
Exit Multiple	7x
Terminal Value	**15,445,361**
Period	4.16
PV of Terminal Value	**10,305,879**

Implied Share Price	
Enterprise Value	**12,259,074**
(-) Total Debt	0
(+) Cash	877,645
Equity Value	**13,136,719**
Shares Outstanding	47,500
Implied Share Price	**276.56**
Current Share Price	262.25
Upside / Downside	**5%**

Gordon Growth Method

Terminal Value	
2029 UFCF	867,046
Terminal Growth Rate	4%
Terminal Value	**14,533,492**
Period	4.16
PV of Terminal Value	**9,697,436**

Implied Share Price	
Enterprise Value	**11,650,303**
(-) Total Debt	0
(+) Cash	877,645
Equity Value	**12,527,948**
Shares Outstanding	47,500
Implied Share Price	**263.75**
Current Share Price	262.25
Upside / Downside	**1%**

Blended Implied Share Price	
EBITDA Exit Multiple Method	422.34
Revenue Exit Multiple Method	276.56
Gordon Growth Method	263.75
Blended Implied Share Price	**340.88**
Current Share Price	262.25
Upside / Downside	**30%**

Commentary

1. Modeled 20% 5yr revenue CAGR (vs. Street's 30-40%) and margin expansion in line with guidance
2. Applied 24x EBITDA and 7x Revenue exit multiples (both well below current trading levels of ~55x and ~13x), providing downside protection
3. With conservative inputs, the model supports an 30% blended upside, highlighting Duolingo's strong long-term fundamentals and durable growth trajectory

Valuation

At a 13x revenue and 55x EBITDA multiple, Duolingo is priced for strong growth, even with lower terminal multiples. With 25–30% expected annual revenue growth, expanding margins, and a leading position in gamified learning, we believe the current $270 share price underestimates Duolingo's long-term earnings power

Revenue Exit Multiple

Revenue topline %	5x	6x	7x	8x	9x	10x	11x
10%	130.17	147.11	164.04	180.97	197.90	214.83	231.77
15%	155.33	176.48	197.62	218.77	239.92	261.06	282.21
20%	185.09	211.25	237.41	263.57	289.73	315.89	342.05
25%	220.05	252.14	284.22	316.31	348.39	380.47	412.56
30%	260.89	299.93	338.96	378.00	417.03	456.07	495.10

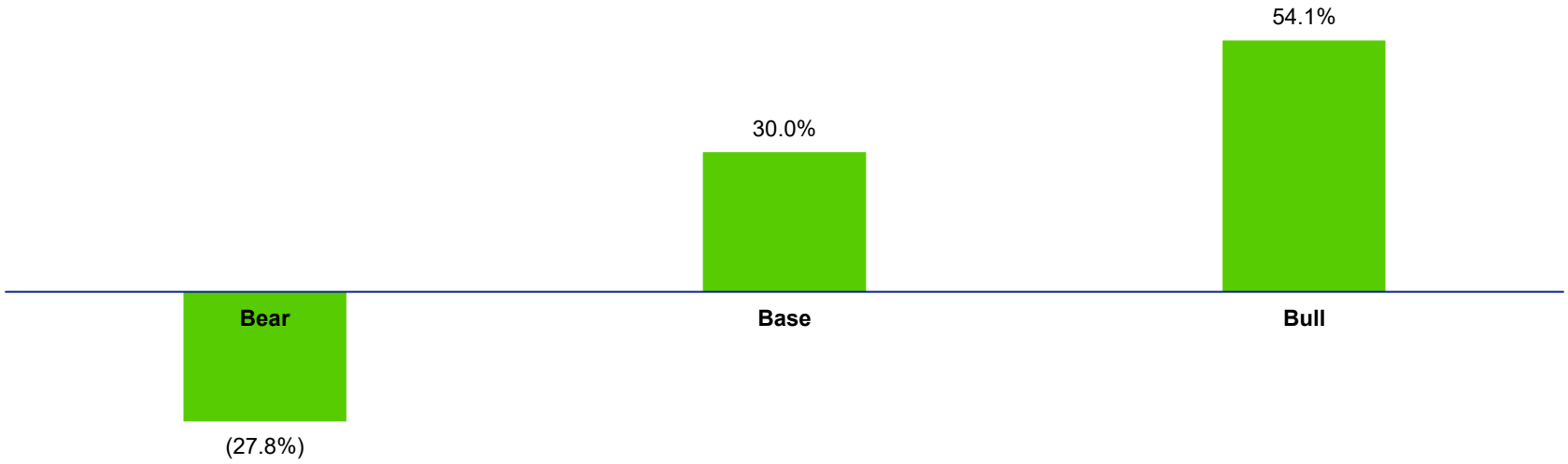
EBITDA Exit Multiple

Revenue topline %	20x	21x	22x	23x	24x	25x	26x
10%	211.90	220.22	228.54	236.86	245.18	253.50	261.81
15%	256.44	266.78	277.13	287.47	297.81	308.15	318.49
20%	309.26	322.01	334.76	347.51	360.26	373.01	385.76
25%	371.48	387.07	402.66	418.26	433.85	449.44	465.03
30%	444.29	463.22	482.15	501.08	520.01	538.94	557.87

Final Recommendation

We recommend a BUY on Duolingo with a 40% upside. Duolingo offers an incredibly fun and motivating user experience, AI concerns are overstated, and expanding monetization provide long-term compounding potential

1. **Habit-Driven Engagement**
2. **AI Fears Create a Buying Opportunity**
3. **Monetization Runway**



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Pope Leo Uses Duolingo!

Appendix

Duolingo Subscription Plans

Duolingo's tiered pricing model captures value across learners—from casual users to premium AI-driven subscribers—creating multiple monetization levers beyond ads

Super Duolingo: $95.99/yr. ($7.99/mo.)
Super Family Plan: $119.99/yr. ($9.99/mo.)

Ad-free, offline usage, unlimited mistakes

Duolingo MAX: $168/yr. ($29.99/mo.)
MAX Family Plan: $239.99/yr. ($19.99/mo.)

Super + AI Video call, Roleplay, Explain my Answer

duolingo english test

$70/test, accepted by 6,000 institutions globally

Sources: Duolingo

Duolingo's Shift from Hearts to Energy

Duolingo's switch to the Energy system triggered significant user backlash from certain user groups, but internally, Duolingo saw boosted engagement metrics, higher DAU/MAU ratios, and longer times spent learning on average across all users

Switch from Heart System to Energy System

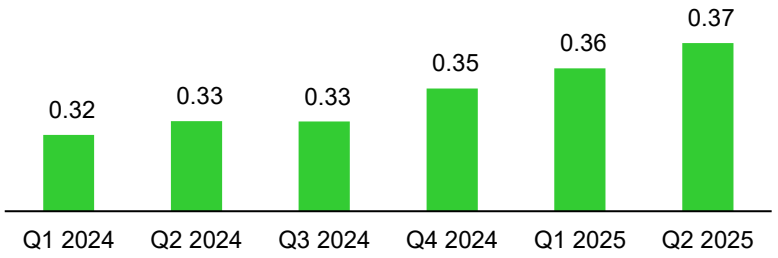
Hearts → **Energy**

Sentiment Shift for Certain Groups

1. **Ad Fatigue and Interrupted Flow:** Progress now requires watching several ads to refill energy, breaking focus and turning learning time into ad-watching time
2. **Perceived Cash Grab:** Users overwhelmingly feel the change was designed to push subscriptions, not improve learning—calling it "an obvious manipulation tactic."

"The very first time I ran out of energy mid-lesson while answering questions correctly I deleted the app… I'm not putting up with such an insultingly obvious manipulation tactic to try to get me to spend more money."

User Data After the Switch (Quarterly DAU/MAU)

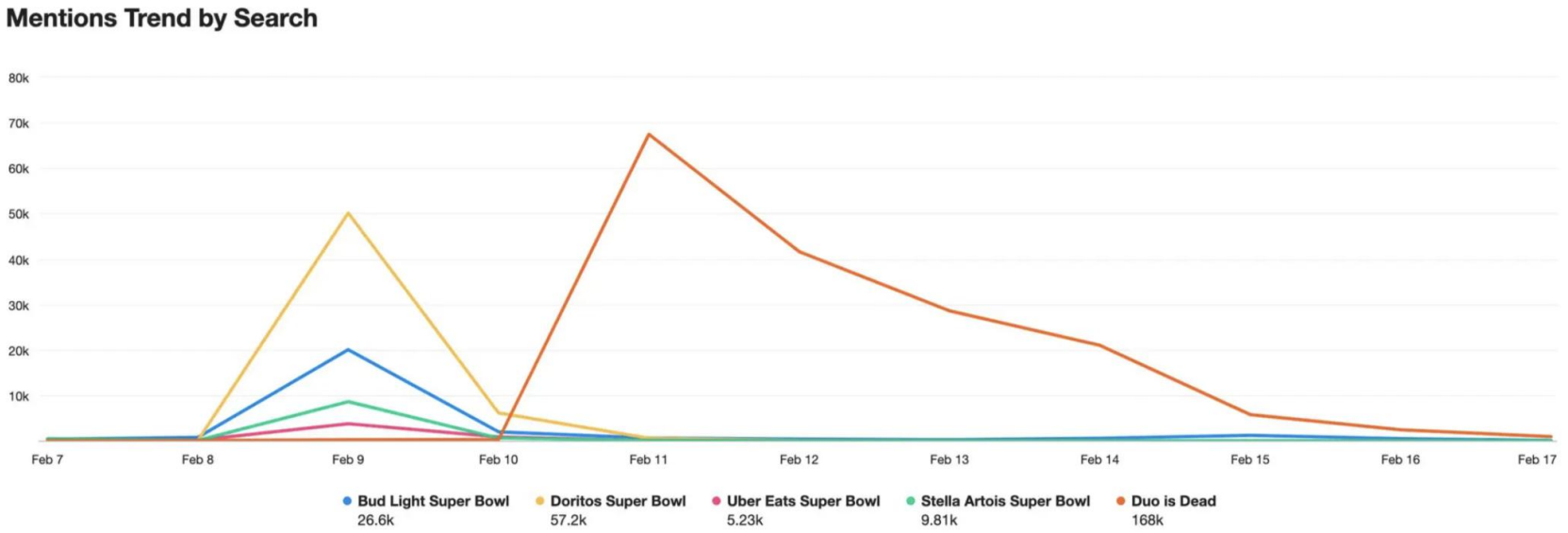


Duolingo states that, based on early rollout iOS testing, the Energy system "helps more learners complete lessons."

Sources: Company Filings, Duolingo Blog

Dead Duo Campaign Virality

Duolingo's "Dead Owl" Marketing campaign was more successful than all super bowl commercials combined



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Sources: idk

Top OpenAI Customers by Token Usage

Duolingo is OpenAI's number one customer based on token usage

#	Name	Company	Role
1	**Isaac Anderson**	**Duolingo**	**Senior SWE**
2	Alex Atallah	OpenRouter	CEO and Co-Founder
3	Chris Colson	Index	Director (AI Platforms)
4	John Emmons	Salesforce	AI Leadership
5	Harjot Gill	CodeRabbit	CEO and Co-Founder
6	Cris Ippolite	iSolutions	AI Engineering
7	Joshua Johnson	Outtake	Engineering
8	Mahesh Kumar	Tiger Analytics	CEO and Co-Founder
9	Eric Lee	Ramp	Founding Engineer
10	Zachary Lipton	Abridge	Co-founder & CTO
11	Joel Liu	Sider AI	Founder
12	Zach Lloyd	Warp.dev	Founder & CEO
13	Dani Passos	Shopify	AI Engineering
14	Sarah Sachs	Notion	AI Lead / AI Engineering
15	Douglas Schonholtz	WHOOP	AI Engineering

Sources: OpenAI

AI-First Backlash (CEO Email)

AI-First Email

I've said this in Q&As and many meetings, but I want to make it official: **Duolingo is going to be AI-first**.

AI is already changing how work gets done. It's not a question of if or when. It's happening now. When there's a shift this big, the worst thing you can do is wait. In 2012, we bet on mobile. While others were focused on mobile companion apps for websites, we decided to build mobile-first because we saw it was the future. That decision helped us win the 2013 iPhone App of the Year and unlocked the organic word-of-mouth growth that followed.

Betting on mobile made all the difference. We're making a similar call now, and this time the platform shift is AI.

AI isn't just a productivity boost. It helps us get closer to our mission. To teach well, we need to create a massive amount of content, and doing that manually doesn't scale. One of the best decisions we made recently was replacing a slow, manual content creation process with one powered by AI. Without AI, it would take us decades to scale our content to more learners. We owe it to our learners to get them this content ASAP.

AI also helps us build features like Video Call that were impossible to build before. **For the first time ever, teaching as well as the best human tutors is within our reach.**

Being AI-first means we will need to rethink much of how we work. **Making minor tweaks to systems designed for humans won't get us there.** In many cases, we'll need to start from scratch. We're not going to rebuild everything overnight, and some things—like getting AI to understand our codebase—will take time. However, we can't wait until the technology is 100% perfect. We'd rather move with urgency and take occasional small hits on quality than move slowly and miss the moment.

We'll be rolling out a few constructive constraints to help guide this shift:

- We'll gradually stop using contractors to do work that AI can handle
- AI use will be part of what we look for in hiring
- AI use will be part of what we evaluate in performance reviews
- Headcount will only be given if a team cannot automate more of their work
- Most functions will have specific initiatives to fundamentally change how they work

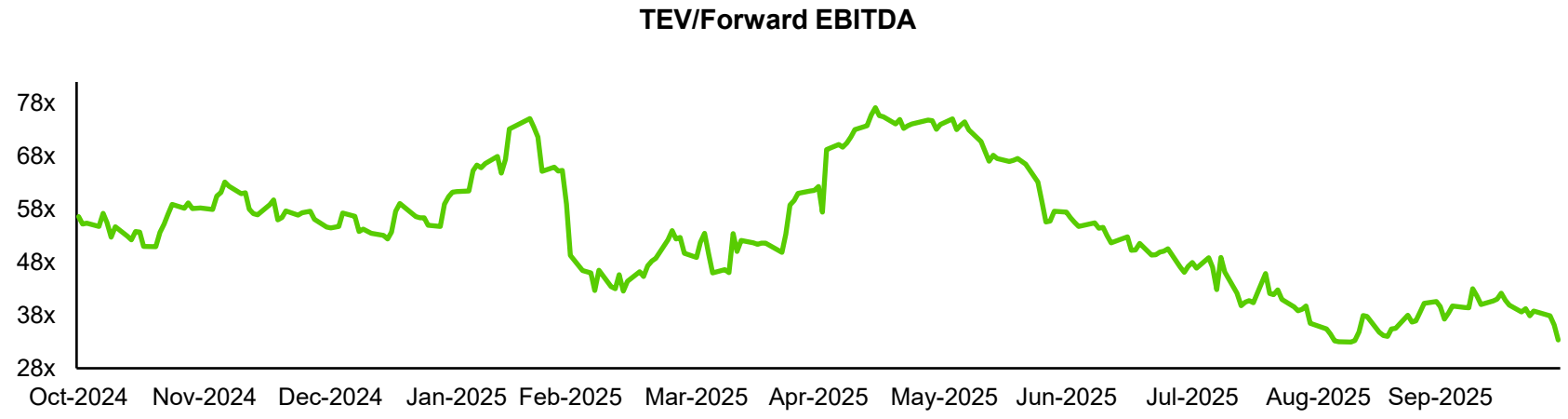
All of this said, **Duolingo will remain a company that cares deeply about its employees**. This isn't about replacing Duos with AI. It's about removing bottlenecks so we can do more with the outstanding Duos we already have. We want you to focus on creative work and real problems, not repetitive tasks. **We're going to support you with more training, mentorship, and tooling for AI in your function.**

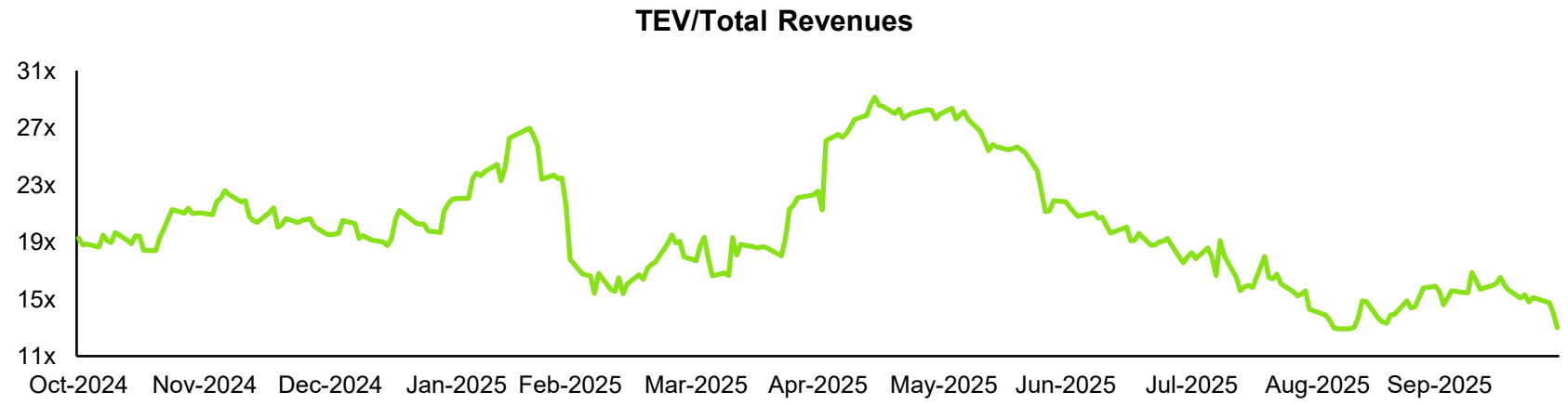
Change can be scary, but I'm confident this will be a great step for Duolingo. It will help us better deliver on our mission — and for Duos, it means staying ahead of the curve in using this technology to get things done.

--Luis

Sources: Duolingo LinkedIn

Multiple Evolution





Notre Dame
INVESTMENT CLUB

Sources: S&P CapitalIQ

Reverse DCF

For Fiscal Year Ending	2024A	2025E	2026E	2027E	2028E	2029E
$ in thousands, unless otherwise specified						
Revenue	**748,024**	**828,190**	**916,947**	**1,015,216**	**1,124,017**	**1,244,478**
% Growth		11%	11%	11%	11%	11%
EBIT	62,595	167,294	252,160	361,417	466,467	597,349
% Margin	8.4%	20.2%	27.5%	35.6%	41.5%	48.0%
(-) Taxes	(13,732)	(38,477)	(57,996)	(83,125)	(107,287)	(137,389)
Effective tax rate %	21.9%	23.0%	23.0%	23.0%	23.0%	23.0%
NOPAT	**48,863**	**128,817**	**194,164**	**278,292**	**359,180**	**459,960**
% Margin	6.5%	15.6%	21.2%	27.4%	32.0%	37.0%
(+) Depreciation & Amortization	10,854	10,662	11,663	12,472	13,126	13,654
(-) Capital Expenditures	(11,293)	(7,347)	(7,347)	(7,347)	(7,347)	(7,347)
(-) Changes in Net Working Capital	32,146	40,653	34,886	51,774	47,306	57,427
FCF For Discounting	**80,570**	**172,785**	**233,366**	**335,191**	**412,264**	**523,694**
Discount Period		0.17	1.17	2.17	3.17	4.17
Discount Factor		0.98	0.89	0.81	0.74	0.67
PV of UFCF		**170,010**	**208,356**	**271,557**	**303,071**	**349,339**

Comparable Companies Analysis

Ed Tech Comps

Valuation Metrics									NTM EV/Revenue			NTM EV/EBITDA			NTM EV/EBIT				Beta
Company Name	Ticker	Share Price	DSO	Market Cap.	Total Debt	Cash	P/E	TEV	2023A	2024A	2025E	2023A	2024A	2025E	2023A	2024A	2025E	5yr.	Unlevered
Coursera, Inc.	NYSE: COUR	$9.20	165.9	$1,506.00	$3.10	$726.10	17.08x	$708.30	2.32x	1.26x	0.99x	257.96x	48.56x	13.72x	NM	91.54x	25.16x	1.40	1.40
Chegg, Inc.	NYSE: CHGG	$1.39	108.3	$150.60	$510.10	$161.50	53.88x	$149.80	2.61x	1.15x	0.52x	8.39x	4.27x	2.86x	13.31x	6.97x	42.00x	1.90	0.54
Pearson	LSE: PSON	$15.02	639.9	$9,611.70	$2,035.60	$722.40	17.08x	$11,169.60	1.89x	2.19x	2.36x	8.84x	9.73x	10.29x	12.35x	13.09x	13.65x	0.28	0.24
Duolingo, Inc	**NASDAQ: DUOL**	**$272.76**	**47.5**	**$14,296.40**	**$0.00**	**$785.80**	**80.61x**	**$13,295.40**	**9.84x**	**11.79x**	**15.24x**	**91.09x**	**48.61x**	**53.23x**	**NM**	**144.65x**	**117.18x**	**0.85**	**0.85**

								NTM EV/Revenue			NTM EV/EBITDA			NTM EV/EBIT				Beta
Summary Statistics	Share Price	DSO	Market Cap.	Total Debt	Cash	P/E	TEV	2023A	2024A	2025E	2023A	2024A	2025E	2023A	2024A	2025E	5yr.	Unlevered
Minimum	$1.39	108.3	$150.60	$3.10	$161.50	17.08x	$149.80	1.89x	1.15x	0.52x	8.39x	4.27x	2.86x	12.35x	6.97x	13.65x	0.28	0.24
25th Percentile	$5.30	137.1	$828.30	$256.60	$441.95	17.08x	$429.05	2.11x	1.21x	0.76x	8.62x	7.00x	6.58x	12.59x	10.03x	19.41x	0.84	0.39
Mean	$8.54	304.7	$3,756.10	$849.60	$536.67	29.35x	$4,009.23	2.27x	1.53x	1.29x	91.73x	20.85x	8.96x	12.83x	37.20x	26.94x	1.19	0.73
Median	$9.20	165.9	$1,506.00	$510.10	$722.40	17.08x	$708.30	2.32x	1.26x	0.99x	8.84x	9.73x	10.29x	12.83x	13.09x	25.16x	1.40	0.54
75th Percentile	$12.11	402.9	$5,558.85	$1,272.85	$724.25	35.48x	$5,938.95	2.47x	1.73x	1.68x	133.40x	29.15x	12.01x	13.07x	52.32x	33.58x	1.65	0.97
Maximum	$15.02	639.9	$9,611.70	$2,035.60	$726.10	53.88x	$11,169.60	2.61x	2.19x	2.36x	257.96x	48.56x	13.72x	13.31x	91.54x	42.00x	1.90	1.40

SaaS / Freemium Comps

Valuation Metrics									NTM EV/Revenue			NTM EV/EBITDA			NTM EV/EBIT				Beta
Company Name	Ticker	Share Price	DSO	Market Cap.	Total Debt	Cash	P/E	TEV	2023A	2024A	2025E	2023A	2024A	2025E	2023A	2024A	2025E	5yr.	Unlevered
Netflix, Inc.	NASDAQ: NFLX	$1,094.69	433.3	$464,499.30	$17,995.00	$7,804.70	35.69x	$472,258.50	5.15x	7.39x	10.45x	22.77x	26.78x	33.20x	25.48x	28.52x	34.78x	1.59	1.55
Snap Inc.	NYSE: SNAP	$7.95	1689.8	$13,434.20	$4,243.90	$1,046.50	28.02x	$14,733.10	3.70x	3.98x	2.67x	107.89x	59.99x	26.40x	NM	NM	NM	0.71	0.57
Peloton Interactive, Inc.	NASDAQ: PTON	$7.82	437.0	$3,188.70	$1,976.90	$1,039.50	NM	$4,126.10	1.58x	1.30x	1.64x	128.37x	22.30x	11.48x	NM	NM	117.40x	2.28	1.56
Spotify Technology	NYSE: SPOT	$645.78	207.8	$132,887.20	$2,414.80	$5,561.20	55.09x	$127,718.60	1.75x	3.49x	6.13x	145.05x	42.93x	44.09x	187.90x	55.86x	46.50x	1.67	1.65
Duolingo, Inc	**NASDAQ: DUOL**	**$312.00**	**47.5**	**$14,296.40**	**$0.00**	**$785.80**	**80.61x**	**$13,295.40**	**9.84x**	**11.79x**	**15.24x**	**91.09x**	**48.61x**	**53.23x**	**NM**	**144.65x**	**117.18x**	**0.85**	**0.85**

								NTM EV/Revenue			NTM EV/EBITDA			NTM EV/EBIT				Beta
Summary Statistics	Share Price	DSO	Market Cap.	Total Debt	Cash	P/E	TEV	2023A	2024A	2025E	2023A	2024A	2025E	2023A	2024A	2025E	5yr.	Unlevered
Minimum	$7.82	207.8	$3,188.70	$1,976.90	$1,039.50	28.02x	$4,126.10	1.58x	1.30x	1.64x	22.77x	22.30x	11.48x	25.48x	28.52x	34.78x	0.71	0.57
25th Percentile	$7.92	376.9	$10,872.83	$2,305.33	$1,044.75	31.86x	$12,081.35	1.71x	2.94x	2.41x	86.61x	25.66x	22.67x	66.09x	35.36x	40.64x	1.37	1.30
Mean	$439.06	692.0	$153,502.35	$6,657.65	$3,862.98	39.60x	$154,709.08	3.05x	4.04x	5.22x	101.02x	38.00x	28.79x	106.69x	42.19x	66.23x	1.56	1.33
Median	$326.87	435.2	$73,160.70	$3,329.35	$3,303.85	35.69x	$71,225.85	2.73x	3.74x	4.40x	118.13x	34.86x	29.80x	106.69x	42.19x	46.50x	1.63	1.55
75th Percentile	$758.01	750.2	$215,790.23	$7,681.68	$6,122.08	45.39x	$213,853.58	4.06x	4.83x	7.21x	132.54x	47.20x	35.92x	147.30x	49.03x	81.95x	1.82	1.58
Maximum	$1,094.69	1689.8	$464,499.30	$17,995.00	$7,804.70	55.09x	$472,258.50	5.15x	7.39x	10.45x	145.05x	59.99x	44.09x	187.90x	55.86x	117.40x	2.28	1.65

Revenue Build

For Fiscal Year Ending	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	FY 2024	Q1 2025	Q2 2025
$ in thousands, unless otherwise specified																	
Revenue	**81,220**	**88,386**	**96,065**	**103,824**	**369,495**	**115,661**	**126,839**	**137,624**	**150,985**	**531,109**	**167,553**	**178,327**	**192,594**	**209,550**	**748,024**	**230,743**	**252,265**
% Growth						42.4%	43.5%	43.3%	45.4%	43.7%	44.9%	40.6%	39.9%	38.8%	40.8%	37.7%	41.5%
MAUs	49.2	49.5	56.5	60.7	60.7	72.6	74.1	83.1	88.4	88.4	97.6	103.6	113.1	116.7	116.7	130.2	128.3
% Growth						47.6%	49.7%	47.1%	45.6%	45.6%	34.4%	39.8%	36.1%	32.0%	32.0%	33.4%	23.8%
Base																	
Bull																	
Bear																	
DAUs	12.5	13.2	14.9	16.3	16.3	20.3	21.4	24.2	26.9	26.9	31.4	34.1	37.2	40.5	40.5	46.6	47.7
DAU/MAU Ratio	0.25	0.27	0.26	0.27	0.27	0.28	0.29	0.29	0.30	0.30	0.32	0.33	0.33	0.35	0.35	0.36	0.37
Base																	
Bull																	
Bear																	
Paid Subscribers	2.9	3.3	3.7	4.2	4.2	4.8	5.2	5.8	6.6	6.6	7.4	8.0	8.6	9.5	9.5	10.3	10.9
Paid Subscribers/MAU	0.06	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.07	0.08	0.08	0.08	0.08	0.08	0.08	0.08
Base																	
Bull																	
Bear																	
Subscription Revenue	58,010	65,194	72,172	78,131	273,507	86,185	95,158	105,887	117,454	404,684	131,688	143,909	157,617	174,317	607,531	190,987	210,678
ARPU (annualized)	20.00	19.76	19.51	18.60	65.12	17.96	18.30	18.26	17.80	61.32	17.80	17.99	18.33	18.35	63.95	18.54	19.33
Base																	
Bull																	
Bear																	
Advertising Revenue	11,748	11,218	10,619	11,146	44,731	11,635	13,061	11,678	13,484	49,858	12,952	13,258	14,405	14,292	54,907	17,882	20,603
% Growth						(1.0%)	16.4%	10.0%	21.0%	11.5%	11.3%	1.5%	23.4%	6.0%	10.1%	38.1%	55.4%
Base																	
Bull																	
Bear																	
Duolingo English Test Revenue	8,080	8,036	8,192	8,410	32,718	9,972	9,809	10,612	10,819	41,212	12,755	10,698	10,772	11,415	45,640	11,986	10,088
% Growth						23.4%	22.1%	29.5%	28.6%	26.0%	27.9%	9.1%	1.5%	5.5%	10.7%	(6.0%)	(5.7%)
Base																	
Bull																	
Bear																	
In-App Purchases Revenue	3,382	3,938	5,082	6,137	18,539	7,852	8,675	9,233	8,913	34,673	9,924	10,176	9,411	9,142	38,653	9,442	10,390
% Growth						132.2%	120.3%	81.7%	45.2%	87.0%	26.4%	17.3%	1.9%	2.6%	11.5%	(4.9%)	2.1%
Base																	
Bull																	
Bear																	
Other Revenue	-	-	-	-	-	17	136	214	315	682	234	286	389	384	1,293	446	506

Revenue Build

Q3 2025	Q4 2025	FY 2025	Q1 2026	Q2 2026	Q3 2026	Q4 2026	FY 2026	Q1 2027	Q2 2027	Q3 2027	Q4 2027	FY 2027	Q1 2028	Q2 2028	Q3 2028	Q42028	FY 2028	Q1 2029	Q2 2029	Q3 2029	Q4 2029	FY 2029
261,281	**268,658**	**1,012,947**	**300,151**	**298,357**	**314,086**	**323,051**	**1,235,645**	**379,451**	**376,759**	**397,729**	**409,255**	**1,563,195**	**450,484**	**447,038**	**472,570**	**486,367**	**1,856,459**	**535,247**	**530,877**	**561,919**	**578,437**	**2,206,480**
35.7%	28.2%	35.4%	30.1%	18.3%	20.2%	20.2%	22.0%	26.4%	26.3%	26.6%	26.7%	26.5%	18.7%	18.7%	18.8%	18.8%	18.8%	18.8%	18.8%	18.9%	18.9%	18.9%
138.0	142.4	142.4	158.8	156.5	168.3	173.7	173.7	193.8	191.0	205.4	211.9	208.4	232.5	229.2	246.4	254.3	250.1	279.1	275.0	295.7	305.1	300.1
22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	22.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%
20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	20.0%	19.0%	18.0%	17.0%	17.0%	16.0%	15.0%	14.0%	13.0%	13.0%	12.0%	11.0%	10.0%	9.0%	9.0%
48.3	49.8	49.8	55.6	54.8	58.9	60.8	60.8	67.8	66.8	71.9	74.2	73.0	81.4	80.2	86.3	89.0	87.5	97.7	96.2	103.5	106.8	105.1
0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35	0.35
0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36	0.36
0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34	0.34
11.7	12.1	12.1	13.5	13.3	14.3	14.8	14.8	17.4	17.2	18.5	19.1	18.8	20.9	20.6	22.2	22.9	22.5	25.1	24.7	26.6	27.5	27.0
0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.09
0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.09	0.09	0.09	0.09	0.09	0.09	0.09	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10
0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08	0.08
222,729	229,818	854,212	256,404	252,662	271,729	280,378	1,061,173	331,380	326,545	351,187	362,365	1,371,477	397,656	391,853	421,424	434,838	1,645,772	477,188	470,224	505,709	521,806	1,974,927
19.00	19.00	70.62	19.00	19.00	19.00	19.00	71.91	19.00	19.00	19.00	19.00	73.11	19.00	19.00	19.00	19.00	73.11	19.00	19.00	19.00	19.00	73.11
19.00	19.00		19.00	19.00	19.00	19.00		19.00	19.00	19.00	19.00		19.00	19.00	19.00	19.00		19.00	19.00	19.00	19.00	
19.50	19.50		19.50	19.50	19.50	19.50		19.50	19.50	19.50	19.50		19.50	19.50	19.50	19.50		19.50	19.50	19.50	19.50	
18.50	18.50		18.50	18.50	18.50	18.50		18.50	18.50	18.50	18.50		18.50	18.50	18.50	18.50		18.50	18.50	18.50	18.50	
15,846	15,721	70,052	19,670	22,663	17,430	17,293	77,057	21,637	24,930	19,173	19,023	84,763	23,801	27,423	21,090	20,925	93,239	26,181	30,165	23,199	23,017	102,563
10.0%	10.0%		10.0%	10.0%	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%	
10.0%	10.0%		10.0%	10.0%	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%	
12.0%	12.0%		12.0%	12.0%	12.0%	12.0%		12.0%	12.0%	12.0%	12.0%		12.0%	12.0%	12.0%	12.0%		12.0%	12.0%	12.0%	12.0%	
8.0%	8.0%		8.0%	8.0%	8.0%	8.0%		8.0%	8.0%	8.0%	8.0%		8.0%	8.0%	8.0%	8.0%		8.0%	8.0%	8.0%	8.0%	
11,849	12,557	46,480	13,185	11,097	13,034	13,812	51,128	14,503	12,206	14,338	15,193	56,240	15,953	13,427	15,771	16,713	61,864	17,549	14,770	17,348	18,384	68,051
10.0%	10.0%	1.8%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
10.0%	10.0%		10.0%	10.0%	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%	
12.0%	12.0%		15.0%	18.0%	18.0%	18.0%		18.0%	15.0%	15.0%	15.0%		15.0%	15.0%	15.0%	15.0%		15.0%	15.0%	15.0%	15.0%	
8.0%	8.0%		8.0%	8.0%	8.0%	8.0%		8.0%	8.0%	8.0%	8.0%		8.0%	8.0%	8.0%	8.0%		8.0%	8.0%	8.0%	8.0%	
10,352	10,056	40,240	10,386	11,429	11,387	11,062	44,264	11,425	12,572	12,526	12,168	48,691	12,567	13,829	13,779	13,385	53,560	13,824	15,212	15,157	14,723	58,916
10.0%	10.0%	4.1%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%	10.0%
10.0%	10.0%		10.0%	10.0%	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%		10.0%	10.0%	10.0%	10.0%	
12.0%	12.0%		12.0%	12.0%	12.0%	12.0%		12.0%	12.0%	12.0%	12.0%		12.0%	12.0%	12.0%	12.0%		12.0%	12.0%	12.0%	12.0%	
8.0%	8.0%		8.0%	8.0%	8.0%	8.0%		8.0%	8.0%	8.0%	8.0%		8.0%	8.0%	8.0%	8.0%		8.0%	8.0%	8.0%	8.0%	
506	506	1,964	506	506	506	506	2,024	506	506	506	506	2,024	506	506	506	506	2,024	506	506	506	506	2,024

Base Case Balance Sheet

For Fiscal Year Ending	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
$ in thousands, unless otherwise specified								
Assets:								
Cash and Cash Equivalents	608,180	747,610	785,791	1,226,251	1,819,015	2,678,565	3,759,942	5,178,455
Short-term Investments	-	-	91,854	91,854	91,854	91,854	91,854	91,854
Accounts Receivables	46,728	88,975	128,923	172,139	209,984	265,648	315,485	374,967
Prepaid Expenses and Other Current Assets	7,234	7,282	14,858	12,810	13,797	15,213	15,928	16,597
Deferred Cost of Revenue	35,041	53,931	80,162	112,045	139,192	179,894	215,872	259,047
Total Current Assets	**697,183**	**897,798**	**1,101,588**	**1,615,100**	**2,273,842**	**3,231,173**	**4,399,081**	**5,920,920**
Operating Lease Right-of-use Assets	22,508	19,103	47,495	47,495	47,495	47,495	47,495	47,495
Property and Equipment, net	12,969	11,792	18,943	20,779	22,230	23,377	24,284	25,000
Long-term Investments	-	-	98,292	98,292	98,292	98,292	98,292	98,292
Deferred Tax Asset-net	633	766	675	675	675	675	675	675
Goodwill	4,050	4,050	10,538	10,538	10,538	10,538	10,538	10,538
Intangible Assets, Net	8,497	15,995	19,899	23,301	26,088	28,370	30,239	31,769
Restricted Cash	-	2,735	2,735	2,735	2,735	2,735	2,735	2,735
Other Assets	1,507	1,718	1,563	1,563	1,563	1,563	1,563	1,563
Total Assets	**747,347**	**953,957**	**1,301,728**	**1,820,478**	**2,483,458**	**3,444,218**	**4,614,902**	**6,138,987**
Liabilities and Shareholders' Equity:								
				7,695				
Accounts Payable	1,177	2,447	6,381	6,394	7,499	8,728	9,915	10,713
Accrued Expenses and Other Current Liabilities	21,970	24,931	36,375	36,878	39,717	43,793	45,853	47,780
Income Tax Payable	1,069	792	6,591	14,286	21,340	21,340	21,340	21,340
Deferred Revenue	157,550	249,192	372,884	514,114	638,676	825,435	990,522	1,188,626
Total Current Liabilities	**181,766**	**277,362**	**422,231**	**571,672**	**707,233**	**899,297**	**1,067,631**	**1,268,459**
Long-term Obligations Under Operating Leases	23,503	21,094	54,656	54,656	54,656	54,656	54,656	54,656
Deferred Tax Liabilities Net	-	-	291	291	291	291	291	291
Total Liabilities	**205,269**	**298,456**	**477,178**	**626,619**	**762,180**	**954,244**	**1,122,578**	**1,323,406**
Common Stock - Par Value	4	4	4	4	4	4	4	4
Additional Paid in Capital	772,562	869,918	950,393	1,108,690	1,301,789	1,546,075	1,836,191	2,181,005
Accumulated Deficit	(230,488)	(214,421)	(125,847)	85,165	419,485	943,895	1,656,130	2,634,572
Total Shareholders Equity	**542,078**	**655,501**	**824,550**	**1,193,859**	**1,721,278**	**2,489,974**	**3,492,324**	**4,815,581**
Total Liabilities & Shareholders Equity	**747,347**	**953,957**	**1,301,728**	**1,820,478**	**2,483,458**	**3,444,218**	**4,614,902**	**6,138,987**
Balance Check	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Base Case Income Statement

For Fiscal Year Ending	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
$ in thousands, unless otherwise specified								
Revenues:								
Subscription	273,507	404,684	607,531	854,212	1,061,173	1,371,477	1,645,772	1,974,927
Advertising	44,731	49,858	54,907	70,052	77,057	84,763	93,239	102,563
Duolingo English Test	32,718	41,212	45,640	46,480	51,128	56,240	61,864	68,051
In-App Purchases	18,539	34,673	38,653	40,240	44,264	48,691	53,560	58,916
Other	-	682	1,293	1,964	2,024	2,024	2,024	2,024
Total Revenue	**369,495**	**531,109**	**748,024**	**1,012,947**	**1,235,645**	**1,563,195**	**1,856,459**	**2,206,480**
Expenses:								
Cost of Revenues	(99,431)	(142,105)	(203,645)	(263,366)	(308,911)	(359,535)	(408,421)	(441,296)
Gross Profit	**270,064**	**389,004**	**544,379**	**749,581**	**926,734**	**1,203,660**	**1,448,038**	**1,765,184**
Sales and Marketing	(66,967)	(75,788)	(90,494)	(111,424)	(123,565)	(140,688)	(148,517)	(154,454)
General and Administrative	(117,848)	(132,123)	(155,992)	(192,460)	(216,238)	(250,111)	(269,187)	(286,842)
Research and Development	(150,444)	(194,352)	(235,298)	(241,081)	(247,129)	(256,364)	(259,904)	(264,778)
Operating Income	**(65,195)**	**(13,259)**	**62,595**	**204,615**	**339,802**	**556,497**	**770,431**	**1,059,110**
Interest Income	7,235	31,091	42,697	44,874	65,054	94,317	131,132	179,424
Other Income	131	590	1,267	-	-	-	-	-
Other Expenses	(807)	(645)	(4,253)	-	-	-	-	-
Earnings before Taxes	**(58,636)**	**17,777**	**102,306**	**249,489**	**404,857**	**650,814**	**901,562**	**1,238,534**
Taxes and Other Expenses:								
Provision for Income Tax	(938)	(1,710)	(13,732)	(38,477)	(70,536)	(126,404)	(189,328)	(260,092)
Net Income (Loss)	**(59,574)**	**16,067**	**88,574**	**211,012**	**334,321**	**524,410**	**712,234**	**978,442**

Base Case Cash Flow Statement

For Fiscal Year Ending	2022A	2023A	2024A	2025E	2026E	2027E	2028E	2029E
$ in thousands, unless otherwise specified								
Operating Activities:								
Net Income	(59,574)	16,067	88,574	211,012	334,321	524,410	712,234	978,442
Depreciation and Amortization	4,870	7,095	10,854	10,662	11,663	12,472	13,126	13,654
Loss on Disposal of Leasehold Improvement	-	433	-	-	-	-	-	-
Gain on sale of Capitalized software	-	(100)	-	-	-	-	-	-
Accretion on Marketable Securities, Net	-	-	(551)	-	-	-	-	-
Impairment of Capitalized Software	-	-	238	-	-	-	-	-
Stock based Compensation	73,820	95,221	110,477	177,862	216,965	274,479	325,973	387,432
Non-current Assets and Liabilities	(1,006)	(264)	5,163	-	-	-	-	-
Accounts Receivable	(13,565)	(42,247)	(39,917)	(43,216)	(37,845)	(55,663)	(49,837)	(59,482)
Accounts Payable	(6,655)	1,261	3,934	13	1,106	1,229	1,187	798
Deferred Revenue	59,283	91,642	123,692	141,230	124,561	186,759	165,087	198,104
Prepaid Expenses and Other Current Assets	(1,415)	(48)	(7,570)	2,048	(986)	(1,416)	(716)	(669)
Accrued Expenses and Other Current Liabilities	8,720	3,444	16,850	503	2,840	4,076	2,060	1,926
Lease Payments	-	-	-	-	-	-	-	-
Income Tax Payable				7,695	7,054	-	-	-
Deferred Cost of Revenue	(10,822)	(18,890)	(26,231)	(31,883)	(27,147)	(40,702)	(35,979)	(43,174)
Cash Flow from Operating Activities	**53,656**	**153,614**	**285,513**	**475,926**	**632,531**	**905,644**	**1,133,135**	**1,477,031**
Investing Activities:								
Purchase of Property and Equipment	(5,562)	(3,191)	(12,116)	(7,347)	(7,347)	(7,347)	(7,347)	(7,347)
Acquisitions of Companies, Net of Cash Acquired	(4,050)	-	(6,595)	-	-	-	-	-
Proceeds from Sale of Capitalized Software	-	100	-	-	-	-	-	-
Capitalized software expense and purchases of intangible assets	(4,562)	(10,493)	(9,024)	(8,554)	(8,554)	(8,554)	(8,554)	(8,554)
Purchase of Investments	-	-	(193,300)	-	-	-	-	-
Maturities of Investments	-	-	3,705	-	-	-	-	-
Cash Flow from Investing Activities	**(14,174)**	**(13,584)**	**(217,330)**	**(15,901)**	**(15,901)**	**(15,901)**	**(15,901)**	**(15,901)**
Financing Activities:								
Proceeds from Exercise of Stock Options	14,776	13,617	19,356	17,786	21,696	27,448	32,597	38,743
Taxes Paid Related to Net Share Settlements of Share-based Com	-	(11,482)	(49,358)	(37,351)	(45,563)	(57,641)	(68,454)	(81,361)
Cash Flow from Financing Activities	**14,776**	**2,135**	**(30,002)**	**(19,565)**	**(23,866)**	**(30,193)**	**(35,857)**	**(42,618)**
Net Changes in Cash	54,258	142,165	38,181	440,460	592,764	859,550	1,081,377	1,418,513
Cash and cash equivalents, beginning of period	553,922	608,180	747,610	785,791	1,226,251	1,819,015	2,678,565	3,759,942
Restricted cash	-	2,735	-	-	-	-	-	-
Cash and cash equivalent, end of period (not inc. restricted cash)	**608,180**	**747,610**	**785,791**	**1,226,251**	**1,819,015**	**2,678,565**	**3,759,942**	**5,178,455**