GAFAnomics

Quarterly ®

From 1st june
to 1st september 2020

Foreword

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at Fabernovel

Fabernovel is pleased to release this new edition of "GAFAnomics Quarterly", our publication which offers you every quarter a transversal review of the earnings releases and strategic announcements of the disruptive Tech giants.

The Summer has been hot and fascinating in the Tech space which did not record any break in terms of newsflow.

The value revolution, one of our key focus in our Gafanomics quarterly, has been in full swing. Tech stocks has further eaten the "alpha" world and reached record and ground-breaking valuations. The trillion has become the new standard for GAFA's market capitalisations, pushing their founders at the top of billionaires clubs. And this has triggered a resurgence of the IPO deluges, many companies candidating in the US and Asia.

Bubble or not Bubble ? That's the question.
On the one hand, fundamentals have never been so bright with the Covid crisis accelerating the digital usages and value share as witnessed by their solid Q2 results. The 20 companies from our Gafanomics posted a median of 12% sales and 5% EBIT growth in Q2 (vs respectively -6% and -14% for the S&P 500 index), feeling a limited impact from the Covid crisis.

However it increasingly appears that the Summer has been fuelled by a speculative wave and technical effects related to the explosion in volumes triggered by two new categories of short term investors : the US retail investors using new trading platforms app such like Robinhood (flows estimated to c.$500bn in terms of notional) and Softbank who has revealed by be the mysterious Nasdaq whale that invested $4bn in options with a notional amount of $30bn. This led to a sharp increase in volatility : 11 companies from our Gafanomics index recorded 199 times a daily market cap change of more than $10bn during the Summer, vs only 2 such a variation by any company in Europe).

A rotation of investments towards more defensive and value stocks seems likely. A wave that may lead some hot stocks to consolidate (Tesla, Zoom…) and benefit to GAFA offering the most affordable valuation (7x EV/Sales 2020 on average for GAFA vs. 12x for Tesla or 45x for Zoom).

GAFAnomics - Quarterly

What is this document?

A document published each quarter, two weeks after the financial quarterly publications of some of the largest tech companies in the world.

Who should read it?

Despite being based on some complex financial analysis, this document is designed to be understood by anyone with some sort of interest for business in general. Moreover, we think that it should be of particular interest for anyone having a managerial role (CEO, CFO, CDO, Project manager…) or being connected to the financial markets (investors, analysts, IR,…).

What can you expect to learn from it?

Our goal is to help people understand how today's **Disruptive Tech Giants** (more than $10bn of market Capitalization and disruptive according to Fabernovel) are performing quarter after quarter and what lies behind this performance. Based on this analysis, we hope to give you the keys to follow their successful path - from the small quick-win communication best practice
to the large business model revolution.

Who is writing it?

Financial analysts, strategists, technologists and designers from Fabernovel are combining their expertises to make this document as smart and thought-provoking as possible, so as to offer you the best reading experience and inspire you for your own future.

1

The last 3 months through Fabernovel's glasses.

Tech is going down in September

FABERNOVEL

While this study will focus on the performance of Tech - more specifically 20 of the top Tech companies (Fabernovel Index) - between the **1st of June and the 1st of September**, we wanted to give our readers some insights about what happened during the first week of September.

In 1 week only, the S&P Tech index lost 10% according to Factset, mostly because of the top Tech companies, which can be explained by 3 factors:

Liquidities & trading apps

The US stimulus checks ($1200) gave many Americans enough money to invest on stock markets. As a consequence retail investors have become more and more common (Applications such as Robinhood went from less than 9 million users in the US in 2019 to 13 millions now). The investments of those individuals represent a notional of c.$500bn in a single month.

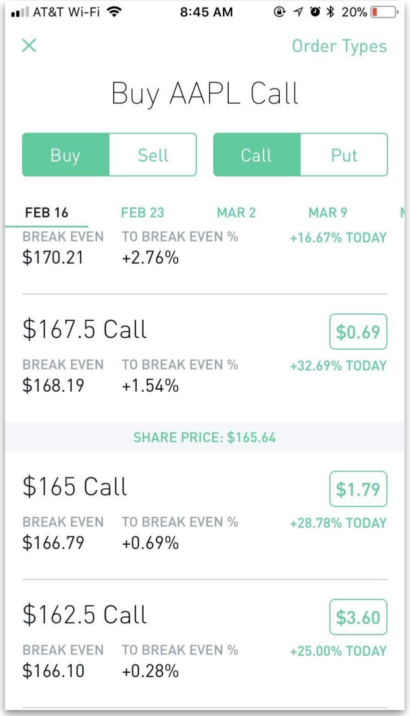
Options

Trading apps offer its customers to invest in - call - options, more lucrative for them and which can boost the volumes traded.

SoftBank

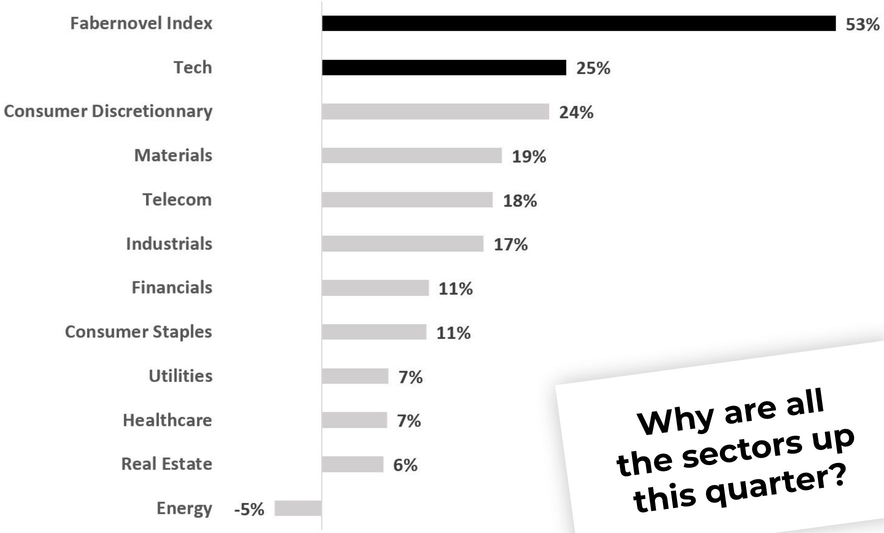
SoftBank acted this summer as the whale investing around $4bn in big Tech companies (notional $30bn) such as Amazon, Microsoft, Square, Tesla … Still, this influence remains low compared to the influence of retail investors.

Robinhood screenshot



Most sectors are up this quarter, but especially Tech Giants

3 months performance of all sectors*



Why are all the sectors up this quarter?

*Source: S&P 1200 Global, as of September 1st 2020

The Fabernovel index outperformed all other sectors this quarter.

Most companies considered in our index are Tech companies, but our index performed way better than the Tech sector. This can be explained by the fact that Tech giants benefited from their position of leader by representing a “safe investment” along with Softbank potential aggressive strategy towards Tech stocks.

1.
All sectors have been impacted by the Covid crisis and the panic on financial markets.
The global increase in stock performance can be explained by the investor’s global confidence regain.

2.
The health crisis and the lockdown particularly exacerbate the importance of tech companies in our daily life (communication, remote work, goods delivery, entertainment...) which explains the leading performances of this sector.

Except for Uber and Lyft, Tech Giants showed remarkable performance.

GAFA

Their cumulative market cap is **greater than 3x the total value of the CAC40 companies**.

GAFAM

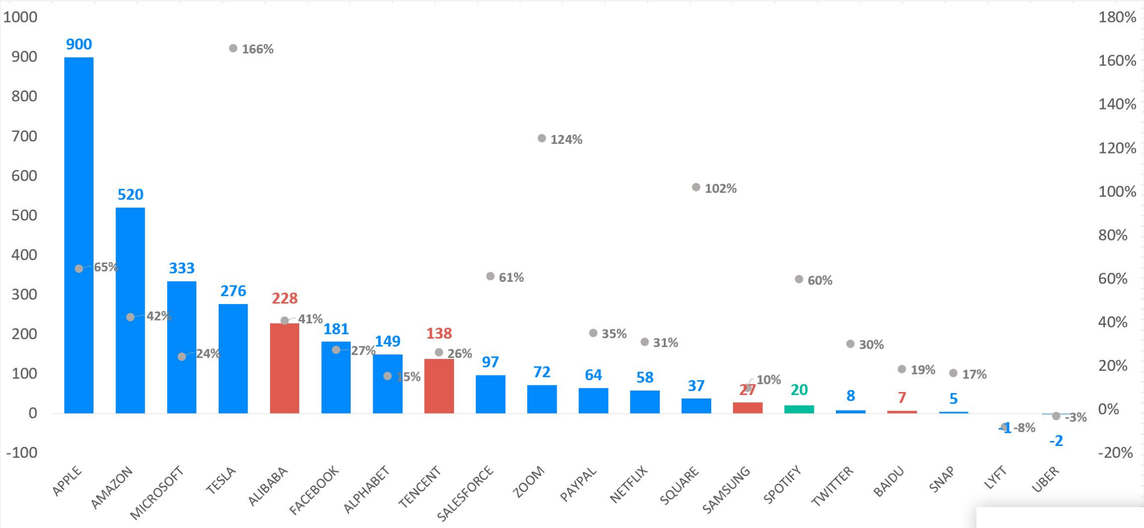
They generated nearly **$2.1Tn** in less than 3 months. Enough to create a new **Apple or 2 Facebook**.

GATFAM

These 6 companies represent more than **65% of the total value of the companies listed on the NASDAQ** (more than 3000 companies).

Increase/decrease of Tech Giants (Fabernovel Index) market cap

In $Bn (on the left) and in % relative (on the right) to their own market cap



Usa
Asia
Europe

Analysis period: 01/06/2020 - 01/09/2020

Increasing gap in the market cap swings amplitude

Along with the increase of Market Capitalization of big Tech companies and the increase of liquidities came a lot of volatility regarding the amount of money traded on capital markets.

Having a variation of market capitalization of **more than $10bn in a single day** has become more and more common.

	Fabernovel index companies	European companies
Number of companies that **generated more than $10bn market cap in a day**	11	2
Times when a company **took more than $10bn in a day**	199	2

Notes

- *All companies in Europe are taken into account except most recent IPOs.*
- *The Fabernovel index only comprises 20 companies (slide 6)*
- *The study was led between June 1st 2020 and September 1st 2020'*

Source: Factset, 01/06/2020 - 01/09/2020

Tech Giants financial valuation analysis

To assess the stock performance of a company, we usually refer to the evolution of its valuation.

The valuation of a company during the quarter and after the publication of its results is driven by two distinct factors:

1. The evolution of its sales or earnings expectations

2. The expansion of its multiples.

The equation below uses Sales as a breakdown of valuation and details the meaning of each item.

Valuation

Valuation represents the total value of the assets of a company, or the sum of its market capitalization and its net debt.

=

Sales

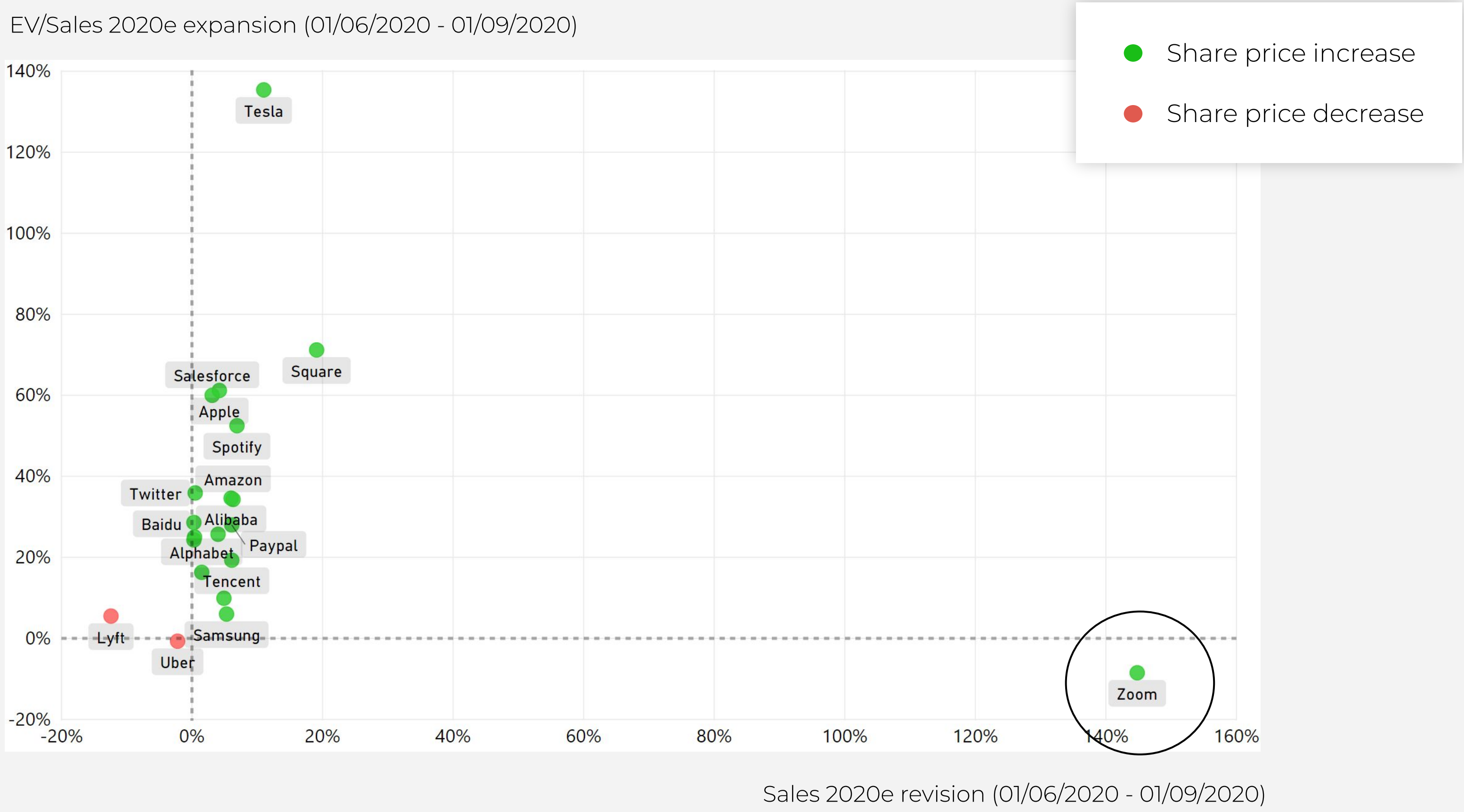
Sales expectations are anticipated by financial analysts according to market outlook and growth perspectives.

✖

EV/Sales

The EV/Sales multiple reflects the level of confidence investors have in a company's ability to create future value.

Zoom - Analysts forecast much higher sales than anticipated 3 months ago



Still, most Tech giants made a great quarter

Exemples

Good valuation

Tesla

During this quarter and while many car manufacturers were struggling, Tesla affirmed its position as the leader of electric cars and pushed the limits even further doubling its EV/Sales 2020 ratio, from 6.2x 3 months ago to 11.8x.

Good Sales

Zoom

In a context of lockdown Zoom proved itself to be essential for remote workers. In fact, during this quarter the company completely dominated its market showing a 74% increase in Sales compared to the previous quarter.

Operational performance of big Tech shows resilience

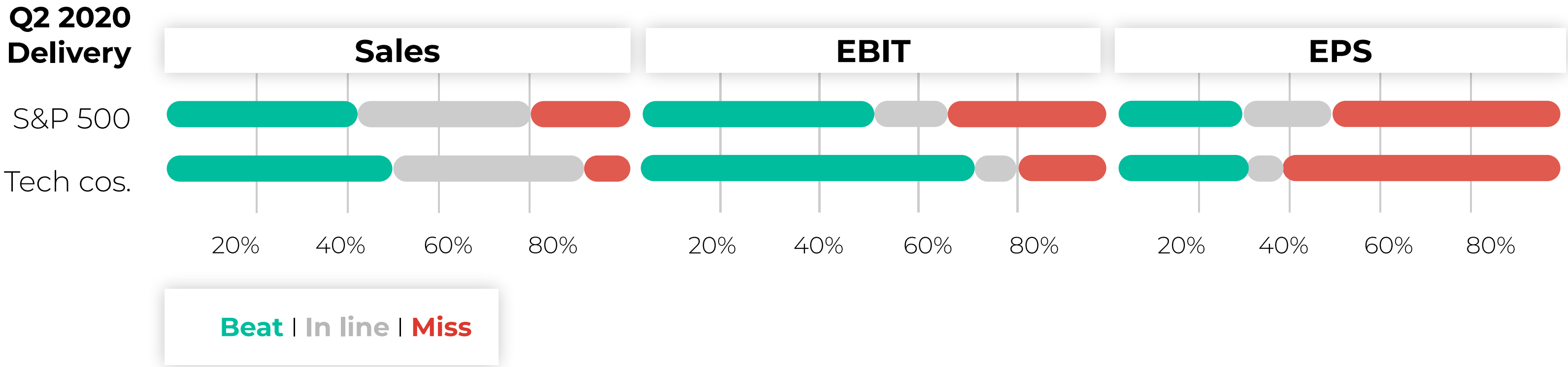
Focus on sales

Like the previous quarter and compared to last year, sales are still increasing, but at a slower pace due to the Covid. Indeed, historical YoY growth was around 20% for our group of companies.
Still, the revisions are higher, showing that analysts expected lower results.

Focus on EBIT

Surprisingly the global growth in term of EBIT shows strong financial performances.
The resilience of tech companies allowed them to limit the impact of the COVID crisis compared to the analysts expectations.

	Q2 2020 Median operational growth YoY	Median 2020e financial revisions
Sales	+12%	+4%
EBIT	**+5%**	**+7%**

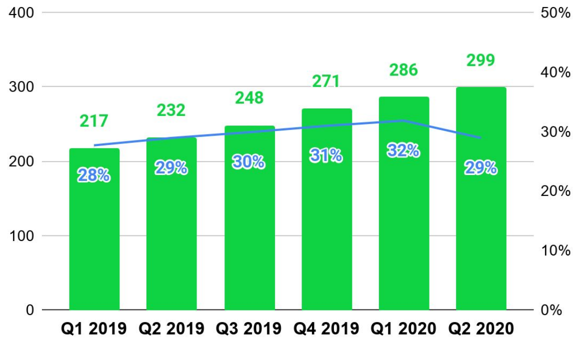


Analysis period: 01/06/2020 - 01/09/2020

Our TOP - Spotify

Performance Q2 2020	Vs. Analysts expectation	Growth YoY
Revenue **1.89Bn€**	Revenue **-2%**	Revenue **+11%**
EBITDA **-139M€**	EBITDA **-216%**	EBITDA **-857%**
Total premium subscribers **138M**	Total premium subscribers **+1%**	Total premium subscribers **+27%**

Monthly active users (millions) vs evolution of MAU YoY (%)



What happened this quarter?

1. A pure player against GAFA

Spotify is the market leader in music streaming, but they'll have to watch out for the rise of Apple and Amazon. According to Bloomberg, Apple will announce a bundled subscription to Apple Music, Apple TV+, Apple Arcade, Apple News+, iCloud and a new service at its next keynote. Amazon may also continue to enhance the Amazon Prime service package.

2. A boom in value due to new podcast deals.

Followed by the announcement of the renewal of the rights with Universal and the fact that Spotify signed big names such as Joe Rogan, DC and Kim Kardashian to produce podcasts, the company's market cap hit a new historical peak. A result that is completely unrelated to the short-term financial performances of the company.

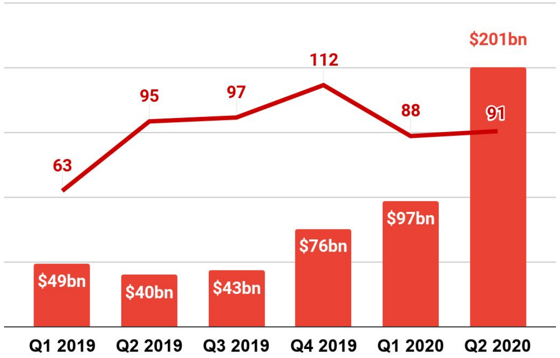
3. MAUs growth.

One of the most followed indicators for Spotify is the monthly active users growth. This quarter the company reached the most important peak of its history with about 299 millions MAUs. Even if the growth is lowering this quarter, figures show an increase of almost 29% YoY. Analyst expectations were globally in line with those performances.

Our SURPRISE - Tesla

Performance Q2 2020	Vs. Analysts expectation	Growth YoY
Revenue **$6.0Bn**	Revenue **+12%**	Revenue **-5%**
EBIT **$327M**	EBIT **-***	EBIT **-***
EPS (ex-items) **$2.18**	EPS (ex-items) **-***	EPS (ex-items) **-***

Tesla market capitalization vs car delivery (thousands)



What happened this quarter?

1. A surge in market capitalization.

Tesla's valuation reached a record high, exceeding $320bn. This valuation has more than doubled since the beginning of the COVID crisis. As a comparison, General Motors has failed to reach its pre-COVID valuation (-15%). In 2019, Tesla delivered 367k cars vs. 7.7m for General Motors, highlighting the still existing gap between the 2 companies.

2. Profitability achieved and growing.

In 2019, Tesla had a net loss of $862m. Tesla has now been profitable for four straight quarters for the first time in the company's history. Estimates predict a profit of around $1bn for the year 2020, while Tesla's margins will increase over time.

3. Growth helped by the COVID crisis?

The COVID pandemic could accelerate the speed at which the world adopts cleaner fuels. While looking at Germany, the biggest European car maker, car registrations declined by 35% compared to last year. In the same time, demand for electric vehicles keep growing and Tesla has a significative edge compared to other constructors.

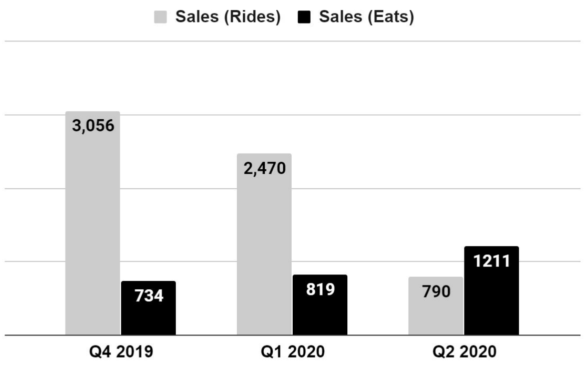
**No percentages as analysts anticipated negative EBIT and EPS*

Our FLOP - Uber

Uber

Performance Q2 2020	Vs. Analysts expectation	Growth YoY
Revenue **$2.2Bn**	Revenue **+8%**	Revenue **-29%**
EBIT **-$1.1Bn**	EBIT **+6%**	EBIT **+79%**
Net Income **-$1.8Bn**	Net Income **-29%**	Net Income **+66%**

Uber rides sales vs Uber eat sales (millions)



What happened this quarter?

1. A strong decrease of Uber Ride trip revenue.

As a consequence of the COVID crisis the frequency of use of cars, and therefore of Uber Rides, has fallen sharply. Still, Uber failed to adapt its business model efficiently during this crisis while there were many opportunities.

2. Should Uber rethink its business model?

During Q2 2020, in the midst of the COVID crisis, Uber Eat revenues exceeded Uber Ride revenues (2470 vs. $819m for Q1 2020 / $790m vs. $1211m for Q2 2020). Although it is estimated that Uber Rides revenues are gradually returning to pre-crisis levels, Uber Eats revenues are expected to stabilize around the record level reached.

3. Late reaction through new services.

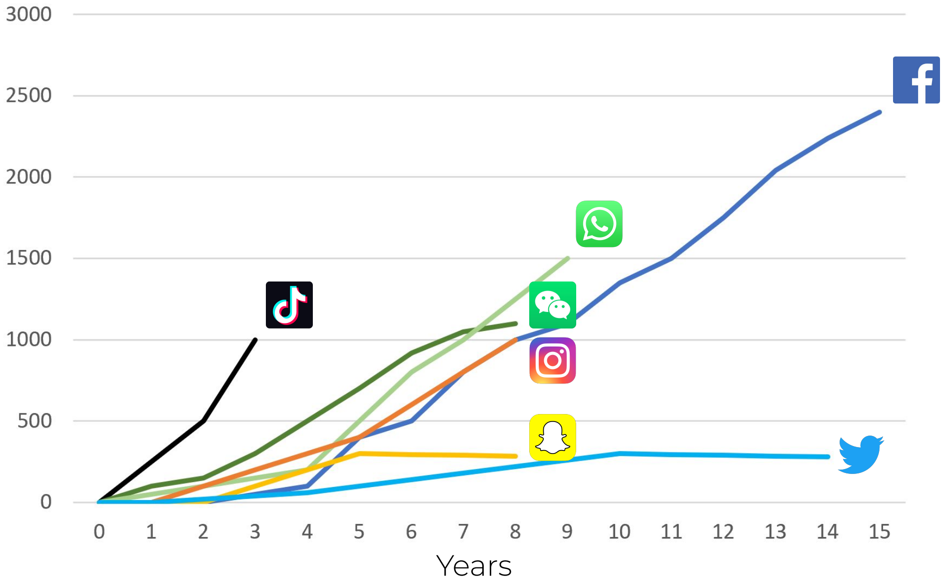
Uber encountered difficulties in adapting to the new market trends imposed by the COVID crisis. At the beginning of July, Uber bought Postmates c.2.65bn$ to compensate for this lack of reactivity in order to "provide more choice and convenience for consumers, increased demand and tailored technology offerings for restaurants, and new income opportunities for delivery people". While this deal is not a game-changer, it can reinforce Uber Eats value proposition.

The CLASH
- Tik Tok x Trump

What is Tik Tok?
Tik Tok is a Chinese social media App where anyone can post a short video which can be liked, shared or commented.
The App is extremely popular, to a point where it has become the fastest app to reach a billion MAU (only 3 years).

What happened?
Donald Trump threatened to ban Tik Tok due to national security risks related to Bytedance, the owner of Tik Tok in China

Evolution of the number of MAU (Monthly Active users) of biggest social media platforms since launch (millions)



What does that mean?
If Tik Tok had to be banned from the US, the consequence would be quite important for the company as the US represent 10% of Tik Tok users.
Microsoft might be interested in taking over Tik Tok in North America, New Zealand and Australia. The deal could be valued around **$20bn**.

Sources: FT, Business Insider

Update on the recent IPOs - what is happening?

After a good start in early 2020, the IPO market froze between **March and May**, due to the current crisis (**-39%** in terms of number of IPOs and **-32%** in terms of proceeds in Q2 2020 vs Q2 2019).

Nevertheless, a strong **rebound** is happening and companies such as **Lemonade, Palantir or AirBnb** are entering the public markets.

Why?
As explained before, the investors have much more confidence compared to a few months earlier. Moreover, companies might need extra cash if they have been severely hit by the Coronavirus.

Still, the results in terms of price performance for the recent IPOs is very heterogeneous.

	IPO Valuation (before market opening)	Opening price vs IPO price	Share price performance between IPO and 01/09/2020
Uber	$82.4Bn	-6%	-20%
lyft	$24.3Bn	+8%	-63%
	$16.0Bn	+48%	-22%
	$12.7Bn	+26%	+41%
zoom	$9.2Bn	+83%	+500%
JUMIA	$9.2Bn	+83%	-67%

Source: Factset, as of September 1st 2020

Striking facts among Tech leaders

Tencent has launched a new online shopping feature for its famous app WeChat, the aim of this innovation is to challenge its rivals Alibaba and JD.com.

Facebook announced an investment of $5.7b in Jio, a promising Indian telecom company, to become the largest minority shareholder, and to affirm its interest in India, which is its biggest market by user count.

Uber launched two new offers named Uber Connect and Uber Direct to propose a same-day courier, and a delivery from store service to minimize the pandemic crisis effects that impact its traditional ride-hailing business.

Amazon announced that it acquired the startup Zoox on the 26th of June 2020, to develop its delivery offer as Zoox is specialized in self driving vehicles since its creation in 2014.

Apple acquired the startup NextVR on May 14th 2020. It is an important and strategic tech investment for Apple, as the Newport Beach startup specializes in broadcasting virtual reality events which is a major issue in times of pandemic.

Most impactful quarterly quotes

Alibaba on retail's future "*Online and offline integration will drive the New Retail model to the next stage of development.*" CEO Daniel Zhang said during the Q1 earning call, as an observation of the quarterly results.

Tesla "*It's not worth trying to massage the stock market or manage investor expectations. If you make great cars and the company's healthy and making great products investors will be happy…If you make lousy products your customers will be unhappy and then your investors will be unhappy.*" CEO Musk said after Automotive News asked him what was going on with the soaring price of Tesla shares (+240% this year)

Facebook on antitrust subject "*The fastest-growing app is TikTok. The most popular app for video is YouTube. The fastest growing ads platform is Amazon. The largest ads platform is Google. And for every dollar spent on advertising in the US, less than 10 cents is spent with us.*" CEO Mark Zuckerberg said during its opening remarks to the congress.

Netflix "*We want to be like your primary, your best friend, the one you turn to and of course, occasionally there's Hamilton and you're going to go to someone else's service for an extraordinary film. But for the most part we want to be the one that can just always please you, be the convenient, simple easy choice.*" CEO Hasting said justifying the increase in the number of competitors.

Zoom on the potential of its solution "*We believe the growth opportunity for Zoom is significant. Based on IDC estimates, the … TAM [total addressable market] is huge, $43 billion market by 2022. But we believe that it is even larger than that, as we are in the early stages of video becoming the new voice.*" CEO Eric Yuan said concerning the future strategic positioning of the company.

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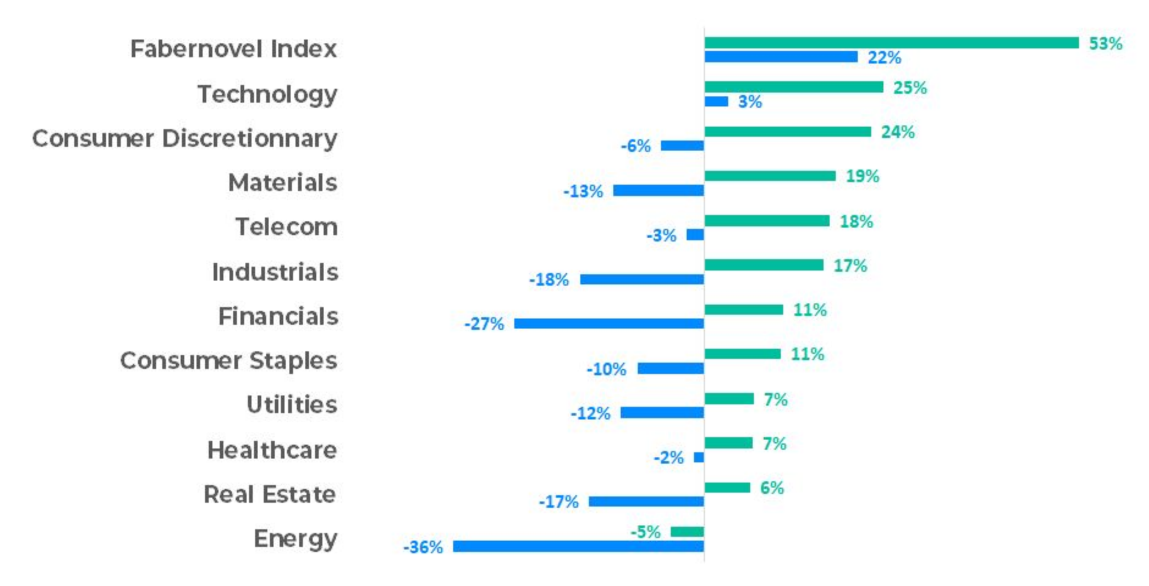
Anti fragile companies fared the best in the coronavirus crisis

While most sectors have been strongly affected by the COVID crisis, the tech industry has demonstrated its strength.

Share price performance by sector



01/01/2020 - 01/06/2020

01/06/2020 - 01/09/2020

With our index (Tech Giants) outperforming every single sector since the beginning of the outbreak, **Tech has shown its resistance to the Covid crises, along with Healthcare** (both were less impacted). Other sectors such as Consumer discretionary and Telecom also managed to globally resist this crisis contrary to the other sectors.

**Source: S&P 1200 Global, as of 15 August 2020*

Antifragility, the key asset of tech giants to withstand the crisis.

Antifragile, what does it mean?

~~Fragile~~ is something that will be deteriorating while facing chocks or time.

~~Robust~~ is something that will resist to chocks and will return back to its initial form.

An "Antifragile" element will not always completely resist facing chocks, but will improve itself thereafter, to be able to better face future issues.

Our body, a perfect example of Antifragility

After each time that our immune system encounters a microbe, it will learn how to fight it, and will keep this knowledge to be able to react **faster** and **stronger** next time.

How did tech companies become antifragile?

Building on their super powers

The “free customer”
They have redefined the customer concept. They make no difference between a paying customer and a non-paying one. GAFA set out to make themselves indispensable to as many people as possible.

The “utility value model”
They have redefined value creation. They first think in terms of customer commitment rather than financials. Delivering sustainable customer value prevails over short-term profitability.

The “pirate management”
They have redefined talent management. They created an innovation-friendly environment to supercharge performance and pioneer the future.

The “magnet” enterprise
They are networked companies. They are able to detect, organize, and animate very small units of value. Their competitive advantage is to deal efficiently with billions of small transactions.

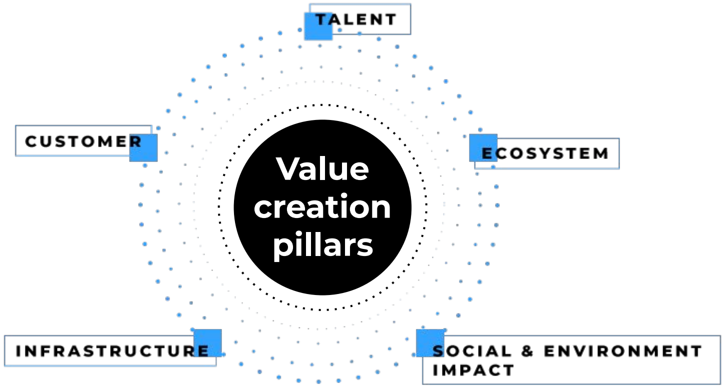
The “real-time” enterprise
They use real-time data feedback to instantly optimize market fit and improve products’ value. Their competitive advantage is instant fit-to-market.

The “infinite” enterprise
They use highly scalable software and services to achieve zero cost delivery once critical user mass is achieved. Their competitive advantage is speed of scalability and profitability.

The “intimate” enterprise
They use customer knowledge to fine-tune and personalize the experiences they deliver to each customer. Their competitive advantage is customer hospitality and comfort.

How did tech companies become antifragile?

Leveraging intangible assets



Investing in and leveraging intangible assets has proved to be a winning strategy for companies in order to withstand the economic shock of the past months.

Tech companies have leveraged assets such as **impact**, that has helped them to **better identify certain risks and prepare for unforeseen events.**
For instance, companies such as **Tesla** or **Microsoft** have been taking on the topic of impact: today, Microsoft is the most widely held stock by US ESG funds. (Kinsale ESG 50 Index)

ESG appeared to be a particularly important **performance** and **anti-fragile** element for companies in the past few months:

ESG stocks outperformed the global market by

+7%

between December and end of March 2020, in the covid-19 context.

This capacity was particularly well illustrated in 4 major areas invested by tech giants.

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During the crisis, tech giants managed to seize opportunities and evolve in these particular industries.

1. **Health**
2. **Entertainment**
3. **E-retail**
4. **New Way Of Work**

These evolutions and new moves, along with changing habits, have been raising a few questions & debates.

Health sector
- Adapting quickly to enter an industry with many opportunities.

While many tech giants had been closely observing the healthcare sector and making first moves, they took a step further during the past few months in order to enter a new industry.

As the crisis has highlighted several issues of our current health systems (slow patient management, lack of material etc.), it shed light on various opportunities for innovation and disruption.
Tech giants have shown their capacity to react quickly and seize these opportunities.

Amazon and **Microsoft** helped the NHS (National Health Service) to create models based on actual data to optimize the use of bed, ventilators, staff ...

Apple and **Johnson & Johnson** worked together to help detect atrial fibrillation using the Apple Watch

The **US** and **Australia** started approving reimbursement for telemedicine consultations

Underlying debates

The arrival of GAFAs within the healthcare ecosystem comes with several concerns about data management and customer privacy, knowing that companies such as Google or Facebook have already been facing these kinds of Issues. Will the GAFA's initiatives in the medical field continue over time? Are they capable to become a trusted and secure partner in such a sensitive industry?

Entertainment sector
- Absorbing a sudden strong peak in usage.

With many countries implementing lockdown, digital entertainment (music & video streaming, video games, social networks...) has been placed at the center of users' daily lives. Entertainment giants have seen huge demand spike, and have demonstrated their capacity to absorb and support large spikes in usage, but also the relevance of their services.

Usage of **Facebook** messaging apps more than doubled, while **Messenger** and **Whatsapp** registered about 700 million daily calls. It enabled Facebook to remind of its purpose: *"Imagine going through this pandemic two decades ago when the internet was nascent. Facebook didn't even exist [...] it would have meant almost no connection with your friends and the broader economy."*

Houseparty, the popular video chat application (Epic Games) gained 17 million new users during the first month of lockdown.

Fortnite: a virtual concert by rapper Travis Scott attracted more than 12 million players online during the COVID-19 lockdowns.

Underlying debates

As demand for digital entertainment increases, competition is intensifying, especially between streaming services. With 10% of the world's electricity consumption coming from internet (a number expected to reach 20% in 2030), and over 60% of it due to streaming video, it is imperative that users reach a sustainable pace of consumption, and that internet giants move more and more towards green energy.

E-retail sector
- Anticipating new shopping habits.

With shops closed, shopping habits have been evolving towards more digital, with consumers massively turning to online shopping. This has led to an increase in e-commerce, drive shopping, and click & collect, favouring giant platforms that could rely on their solid e-commerce infrastructures and wide logistics networks.

Tech giants have been building on this change in usage, quickly launching new shopping features.

Google launched **Shoploop** in July: a Video shopping platform (that comes after Amazon Live, and Facebook acquisition of Packagd in 2019)

Facebook recently launched **Facebook** and **Instagram Shop,** featuring online store development or direct messaging.

Uber Eats and **Carrefour** partnered in order to facilitate grocery delivery.

Underlying debates

These changes in usage and the global digitization of consumption imply several changes regarding omnicanal strategies, logistics and customer experience.
It tends to reinforce and favour major players with existing capacities regarding digital and logistics, while risking to leave out more fragile and traditional actors. GAFA hearings by US Congress outline the risks of domination and distribution concentration. It also questions the capacity of local shops and convenience stores to face this competition.

New way of work sector
- Reacting fastly to improve & strengthen products.

Physical distancing and lockdown has accelerated adoption of remote work for both workers and students. This has led to a strong adoption of digital tools, including videoconferencing, putting pressure on the infrastructures of companies that were not always prepared for such an influx.

Despite some security breaches and infrastructure crashes, companies have managed to fix and develop further their solutions, and emerged stronger from the crisis.

Slack added **9,000 new paid customers**, representing an **80% increase** compared to the two precedent quarters.

zoom

Zoom hit a **new record** and **doubled** its number of **subscribers** and its **revenue** during the period.

Microsoft teams showed its importance with + 800% **growth** of its **Monthly unique visitors** during Q2 2020 (to **33 millions** MUVs), despite a 2-hour infrastructure crash.

Underlying debates

The democratization of remote work has highlighted inequalities regarding levels of digitization between companies, workers, and depending on the types of jobs.
These new changes will impact our future organizations of work, and lead us to question the role of offices, the durability of remote work, and its impact on social link.
New democratized technologies showed the sensitivity of data use and protection, with some data security breaches in companies such as Zoom.

3

What would a “reasonable” future look like?

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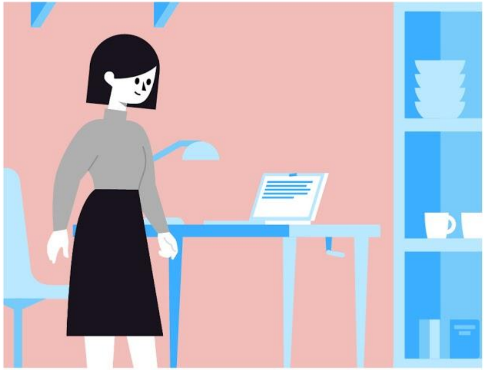
Facing these evolutions, and the underlying debates, Fabernovel questions our decisions & habits that will make tomorrow's future.

In the light of the past quarter,
the future needs to be **Reasonable.**
What does this "reasonable" mean?

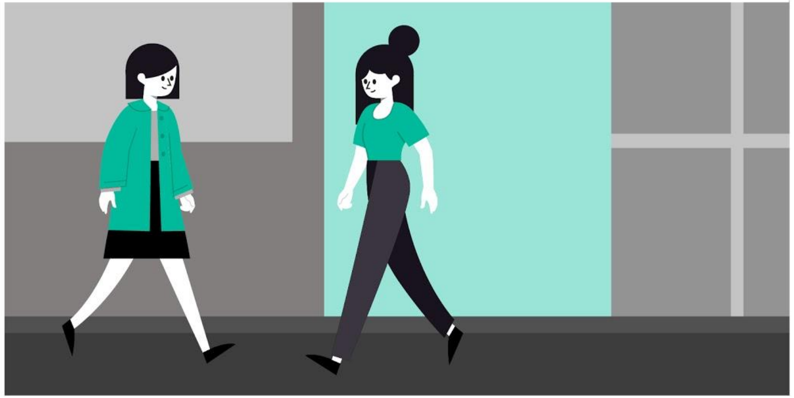
It means taking reasonable decisions, that will be based on accurate facts & data, that will aim at economic fairness, be culturally acceptable and coherent with our individual values.

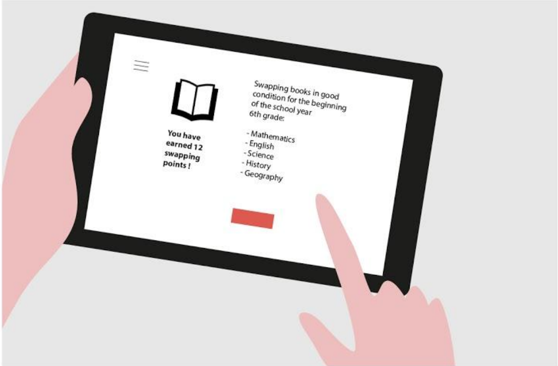
If we were to imagine a "reasonable" future for the next 10-15 years, what would it look like?



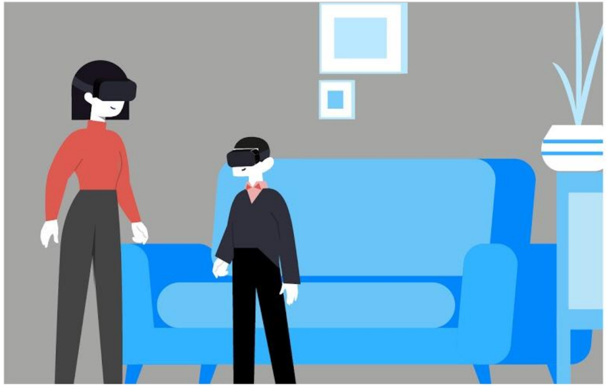
Monday morning
Like every morning, Eva is working remotely this Monday. In a few seconds, she sets up her home office.

Monday afternoon
Every Monday afternoon, she goes to her local workplace where she meets her colleagues living in the area.

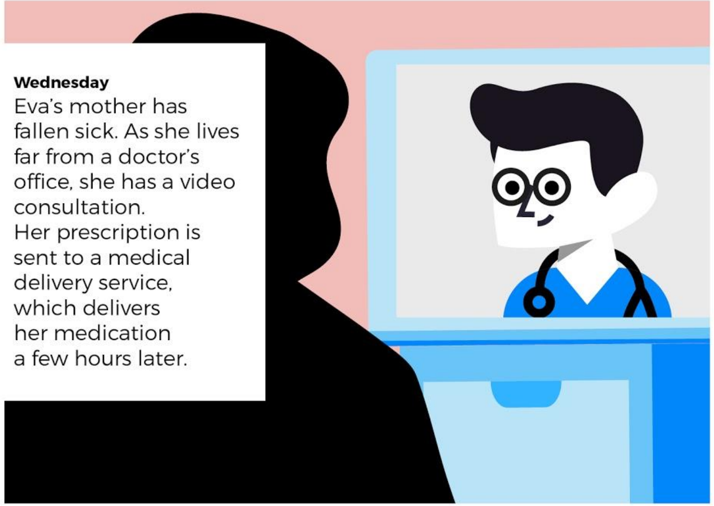




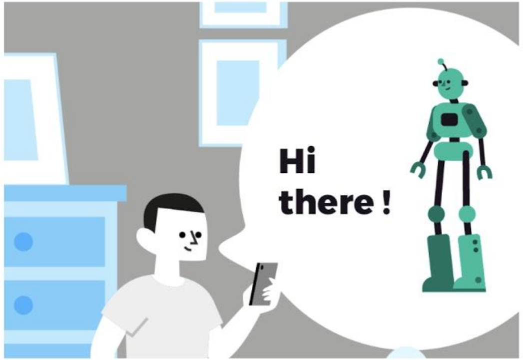
Tuesday morning
Eva has to buy new school books for her son Pablo. She opens her local barter app to exchange books with other parents.



Tuesday evening
It's movie night: Eva and her son can play their favourite character in a new movie using VR technology.

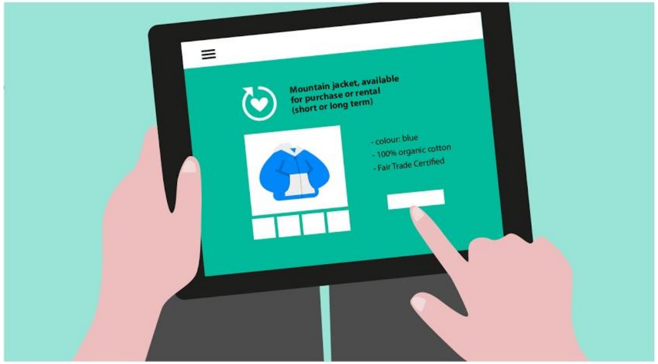


Wednesday
Eva's mother has fallen sick. As she lives far from a doctor's office, she has a video consultation.
Her prescription is sent to a medical delivery service, which delivers her medication a few hours later.

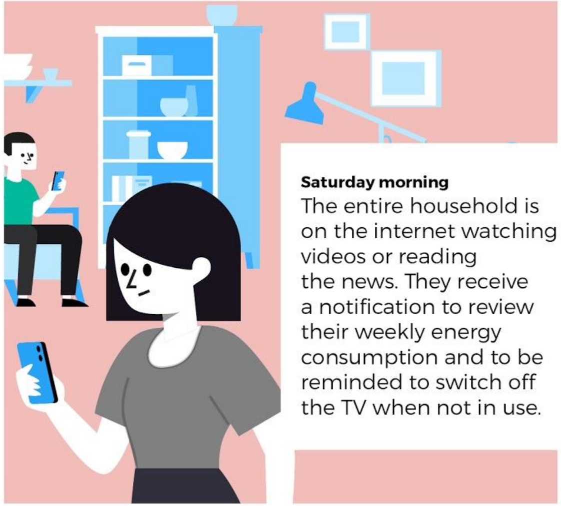


Thursday morning:
It's time for English class! Pablo joins his virtual classroom inside a video game. He has chosen a tiny green robot as his avatar for the class.

Thursday afternoon
Eva goes to her favorite brand's website to choose her new jacket, filtering the results by colour and level of sustainability. Rather than buying it, she selects the «rent it» option.

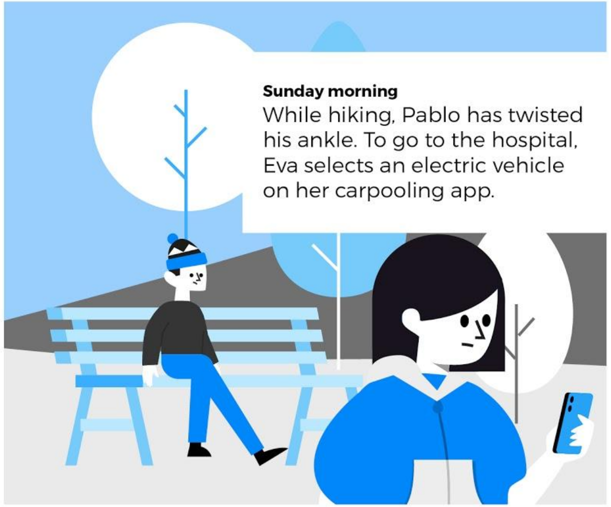


Friday
It's the final of the Champions League! After watching the e-sports final, Pablo puts the actual game on TV. Thanks to real-time data, he can follow his favourite players' stats on the screen.



Saturday morning
The entire household is on the internet watching videos or reading the news. They receive a notification to review their weekly energy consumption and to be reminded to switch off the TV when not in use.

Saturday afternoon
This afternoon, Eva and Pablo turn off their devices and enjoy reading a book together.



Sunday morning
While hiking, Pablo has twisted his ankle. To go to the hospital, Eva selects an electric vehicle on her carpooling app.

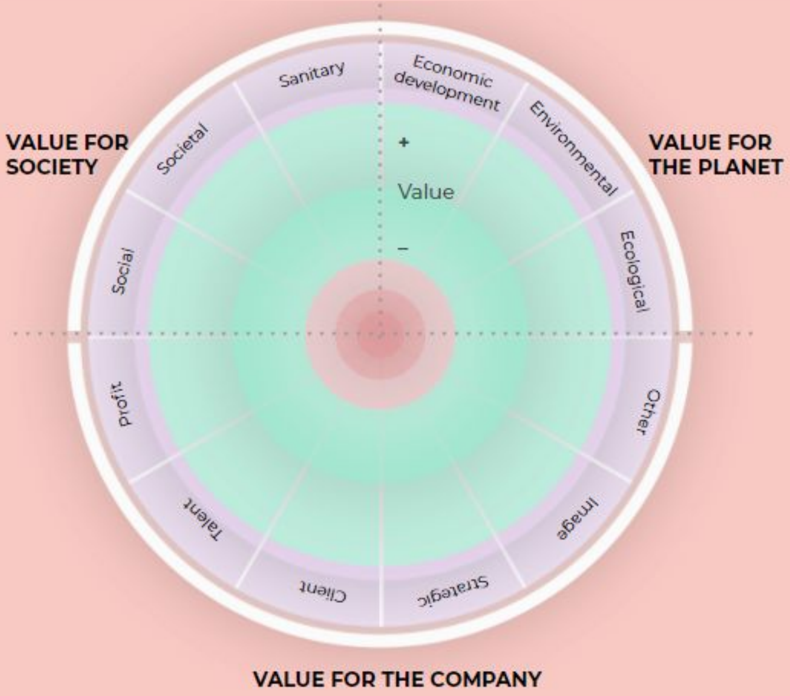
Sunday afternoon
At the hospital, Eva scans the hospital's QR code in her health app in order to securely transfer information from Pablo's medical file and facilitate medical care.

FABERNOVEL

COVID-19 has amplified, & accelerated the adoption of habits that were already there. With these new behaviours come new innovations that will shape our future world.

Building a reasonable future implies to rethink our modes of living, consuming, and sharing, and to question these future innovations:
What management of personal data will they imply? What impact on cities, on social links? How sustainable are these modes of consumption?...

These questions & debates need to be anticipated from the very first steps of the design process of future products & solutions, to maximize value creation for all stakeholders.



Source: Impact Wheel developed by Fabernovel

Credits

Jérémy Taïeb

Jérémy joined Fabernovel as a **Senior Strategist**. He is specialized in quantitative finance and data analysis, especially for tech companies.

After graduating from **CentraleSupelec** he followed his interest in finance at **ESCP Europe**, and then worked for **Exane BNP Paribas** in Equity Research. He now works on several projects including financial research at Fabernovel, financial modelling and ecosystem modelling.

Gabrielle Peyrelongue

Graduate from **ESSEC**, Gabrielle joined Fabernovel in 2018 as a **Value Analyst**.

She has worked within Fabernovel practices in Paris and San Francisco, focusing on innovation & transformation strategies, and on the design of new models of valuation based on extra financial criteria.

Credits

Pierre Gonnet

Graduated from a double Master degree in Finance and an Advanced Master in Technology & Management from **CentraleSupélec**, Pierre joined Fabernovel as a **Junior Value Analyst** in 2020.

Highly interested in Finance and capital management he has worked as a Financial Auditor in Milan, and then travelled to Mexico to join a VC funds as **VC Analyst** where he followed several startups in their investment process. After graduating, he joined **BNPP group** as a Risk Analyst.

Corentin Lescanne

Graduated from **Paris Dauphine** in Finance, Corentin joined Fabernovel in 2020 as **Junior Value Analyst.**

He has worked as M&A Analyst at the **Edmond de Rothschild** bank where he participated in the sale process of several companies in various sectors. He then joined **Florac**, a family office specialized in retail and brands, as a Private Equity Analyst.

Thank you

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Glossary

Market cap: Total dollar market value of a company's outstanding shares of stock. It is calculated by multiplying the total number of a company's outstanding shares by the current market price of one share.

EBIT: Earnings before interest and taxes (EBIT) is a measure of a firm's profit that includes all incomes and expenses (operating and non-operating) except interest expenses and income tax expenses.

EBITDA: Earnings before interest, taxes, depreciation, and amortization is an accounting measure calculated using a company's earnings, before interest expenses, taxes, depreciation, and amortization are subtracted.

FCF: Free cash flow (FCF) is a measure of how much cash a business generates after accounting for capital expenditures such as buildings or equipment.

EPS: Earnings per share are the amount of net income from shares divided by the total number of shares outstanding.

Net income: Net income (NI) is calculated as revenues minus expenses, interest, and taxes. It is an indicator of a company's profitability.

IPO: Initial public offering, the first sale of a company's shares to the public.