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Internet 2023 Outlook Series: December 23 US Consumer Survey Results

Benjamin Black
Research Analyst
+1-212-250-9218

Lee Horowitz
Research Analyst
+1-212-250-4403

Ishant Goel
Research Associate
+1-212-250-1942

Xiaorui Song
Research Associate
+1-212-250-6301

Jeff Seiner
Research Associate
+1-212-250-8153

As part of our franchise's 2023 outlook, we are publishing a month-long series that will highlight the key fundamental debate points across multiple subsectors within US internet.

For the first installment, we highlight the results from our December, as well as June 2022 US consumer dbDIG surveys. In short, while a US recession is likely a base-case heading into 2023, our survey is indicating that US consumers remain stubbornly resilient, supporting the view that a US recession in 2023 could end up more benign than some fear. Across our multiple subsectors, the survey results, in our view, highlight the following:

Online Advertising: Engagement on social media platforms continues to grow (**SNAP** and **META** stand out as relative winners at the expense of TikTok, with both notching strong improvement between June and December). Looking ahead, purchase-intent remains steady (for items discovered via social) and has improved relative to trends in June.

e-commerce: Most consumers surveyed expect to grow their spend over the next 6 months across all e-commerce platforms in question, with spend intention metrics improving meaningfully in December relative to June results, **CHWY** and **ETSY** are clear callouts in this regard.

Online Travel: Looking out to next year, despite the inflationary environment, US consumers still look to grow total travel nights by double digits in 2023, with most expecting hotel stays to grow next year and AA stays to decline. **EXPE** remains the favored US platform, particularly as a one-stop shop for all travel needs, but has lost some share to **BKNG** in terms of its position as the first step in the travel booking journey versus the June survey result.

US Rideshare: The strong reopening trends appear to be continuing for both **UBER** and **LYFT** through December. Here, we broadly observe growth in users, frequency, spending levels, and expected consumption of rideshare over the next 6 months. While the increase in users was meaningfully higher for **UBER**, **LYFT** appears to be growing rider frequency at a faster clip. Overall, the data points us to continued strong near-term reopening trends for both **UBER** and **LYFT**.

We would like to thank Ben Novak of dbDIG Primary Research for his contribution to this report. For more dbDIG Primary Research, click here

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***Food Delivery*:** As a more discretionary category, it was not surprising to see user trends moderate in the US over the last 6 months. Frequency, however, has seen marked improvement as have memberships to Uber One and DashPass. Beyond core food, we see growing utilization of new verticals (groceries, alcohol, quick commerce, etc.), which screen less discretionary and should support gross bookings trends for both **DASH** and **UBER** into 2023.

Music: Despite ongoing macro concerns, we continue to monitor growing music streaming subscription trends in the US. Looking forward, with considerable pricing power and only a small portion of revenue associated with advertising, **we contend that music broadly (and the music labels in particular) screen relatively recession resilient - a defensible characteristic that will be increasingly in focus (and valuable) as we cycle into FY23.**

Online Dating: Encouragingly, we note that the number of people citing a preference for "traditional" offline channels for dating has decreased by 8 points to 15%, indicating a continuation of the secular growth tailwinds in the industry. To that end, we observe that all apps appear to be growing users across our survey respondents, with the exception of **Match.com** and **Tinder (MTCH)**. Similarly, we see waning propensity to renew Tinder subscriptions, which stands in contrast to **BMBL**, Hinge, OkCupid and The League. For Tinder, we think these issues point to lack of product innovation, perhaps a marketplace imbalance coming out of pandemic restrictions and also general macro softness which are weighing on propensity to spend in the current environment.

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Survey Details

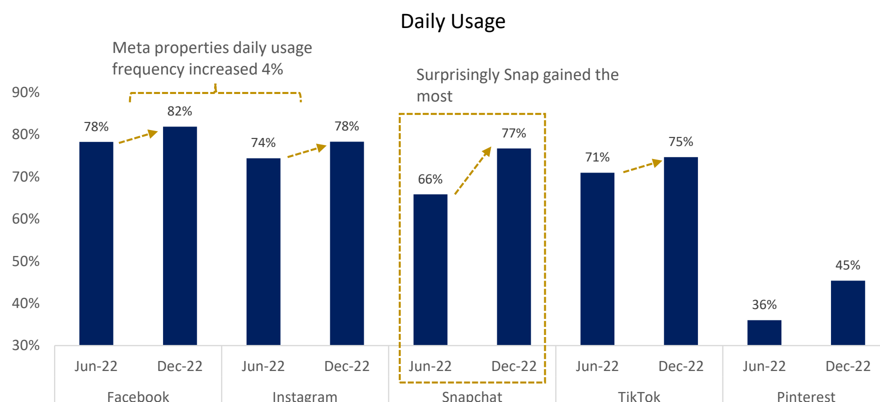
Below we highlight the results from December 2022 US consumer survey and in some instances compare key takeaways with our June 22 survey. In short, while a US recession is likely a base-case heading into 2023, US consumers seem to have ended 2022 in a fairly resilient fashion, likely supporting the view that a 2023 US recession could end up being milder than some fear.

For reference our December survey covered 1,440 people (with a 50/50 male/female split) across states in the Northeast, South, Midwest, and West. All the respondents we surveyed are over 18 years of age with a median household income of $50,000 to $99,000. Additionally, 37% of respondents live in urban/cities and 44% are employed full-time.

Online advertising: Engagement on social media platforms continues to grow

Despite the emergence of TikTok, we have yet to see negative daily usage trends across US social media platforms. In fact, between our two survey periods, we actually observe daily usage increasing across all properties, weakening the thesis that TikTok's growth will suppress trends at the larger social platforms such as Facebook and Instagram. Surprisingly, we see US daily engagement trends meaningfully improve at SNAP in December (vs June levels), perhaps indicating a reversal of the softness the company alluded to on the 3Q earnings call (where time spent on content surfaces contracted by 5% y/y in the US). Across Facebook Blue, Instagram, and TikTok, we see very comparable improvements in daily activity, which could signal that the rollout of Reels is supporting engagement at META's properties and limiting engagement shifts towards TikTok. PINS, on the other hand, also garnered a meaningful uplift in engagement trends in our sample period (though off a lower base), with daily engagement up 9 points to 45% of our survey respondents in December vs. 36% in June.

Figure 1: Approximately how often do you use each of the following

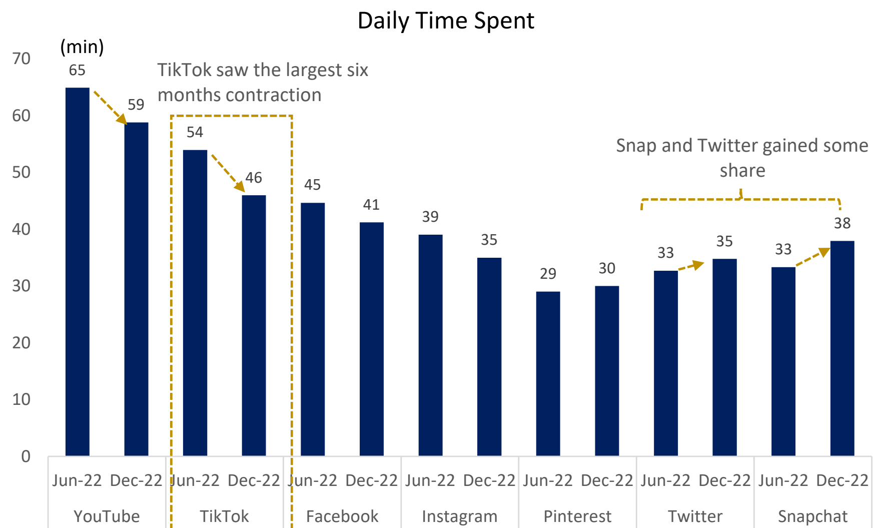


Source : dbDIG Survey, DB Research

Modest gains in daily time spent for Snap/Pins/Twitter

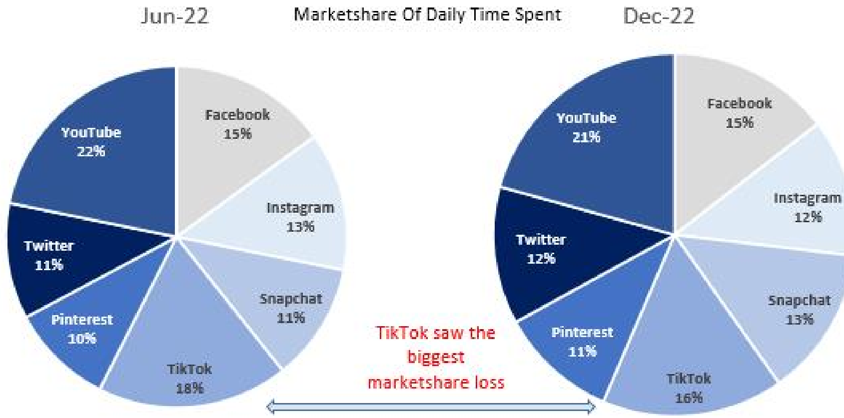
We see similar trends in regards to daily time spent, with Facebook Blue and Instagram maintaining share, modest share gains at Snap/Pins/Twitter, but **noticeable engagement share losses for TikTok over the last six months**. Perhaps this could be a function of growing competition across short-form video, with Reels now broadly distributed across Instagram and Facebook Blue, or it could simply be a plateauing of the strong share gains we've seen over the last 18 months. In either case, we note this represents yet another datapoint that stands in contrast to the narrative suggesting that TikTok continues to siphon user engagement from other social media platforms. On Snap specifically, while improving engagement may well be tied to greater utilization of the messaging platform, we think some of the uplift may be attributable to time spent on the content surfaces. This could be a positive if it leads to the company reporting a reversal in the y/y contracting content engagement trends highlighted in the 3Q.

Figure 2: On average, how much time do you spend per day using the following social media platforms?



Source : dbDIG Survey, DB Research

Figure 3: TikTok lost market share of daily time spent

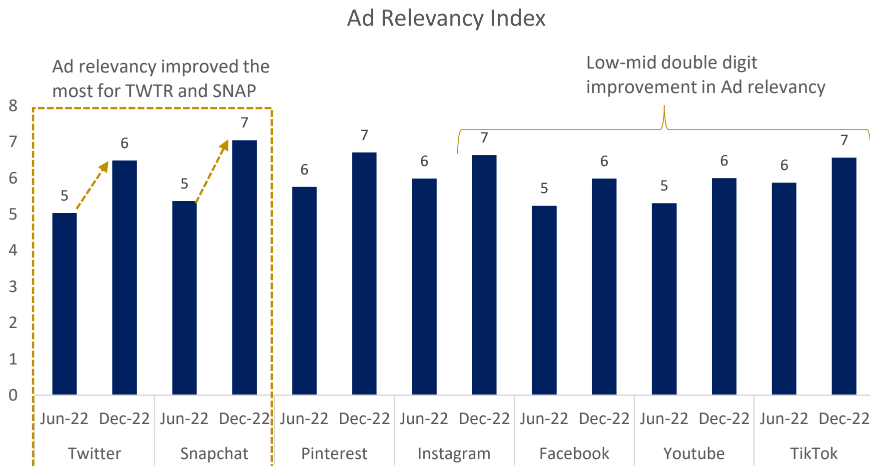


Source : dbDIG Survey, DB Research

Improving ad relevance trends

While there are concerns that ad relevance (targeting) would be heavily impacted across the social platforms, our survey work in fact indicates improving trends across all services, perhaps indicating the positive gradual impact that CAPI/CAPI Gateway products and AI investments are having on recapturing lost signal via the removal of IDFA.

Figure 4: How relevant are the products that you see promoted or advertised on the following social media platforms

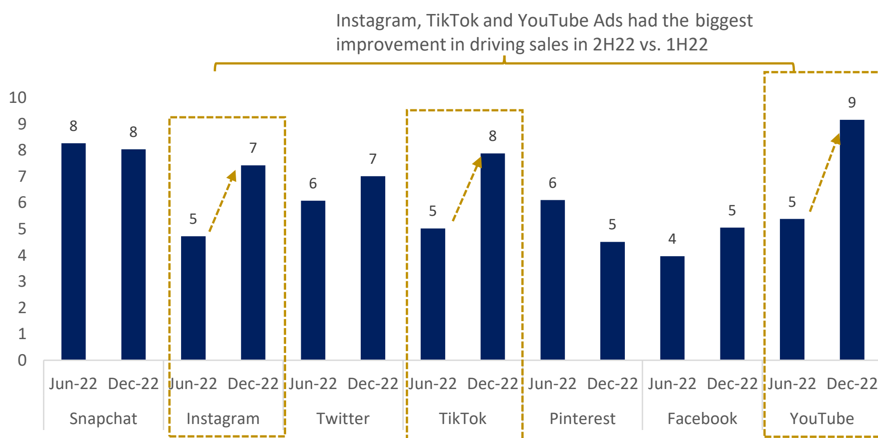


Source : dbDIG Survey, DB Research

Purchase-intent on social media increased over the last six months

Notwithstanding the strong engagement trends, we see that commercial activity on Snap has remained steady over the last six months, while the average number of items purchased on competing social platforms has increased. The two larger callouts here are TikTok and YouTube, which both scaled their commerce activity north of 60% over our sample period. Instagram and Facebook Blue also had increased activity, but at a modestly lower magnitude, while PINS was the only platform to see meaningfully lower commercial activity between June and December across our survey respondents.

Figure 5: In the past six months, approximately how many times have you purchased something by clicking on brand/product posts, links or ads when using the following social media platforms

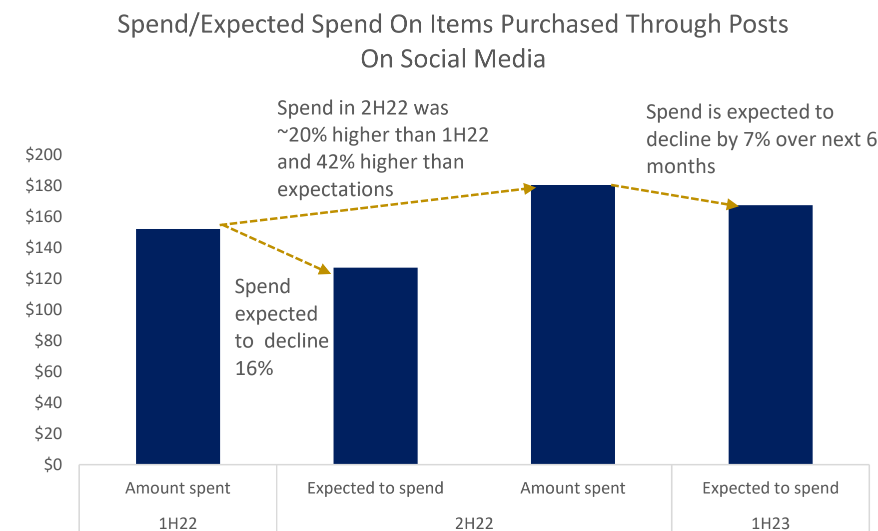


Source : dbDIG Survey, DB Research

Spending intentions using social media ads are down 7% over next six months

Looking ahead, our survey indicates that social users are poised to spend less on items they discover on social media platforms over the next 6 months. That said, in our June 2022 survey, the panel outlined intentions to lower spend by 16% over the next six months, but actual reported spend was up ~20%, a near 40 point swing. In our more recent December survey, the survey respondents highlighted an intention to lower spending levels by 7%, which is less than half the rate indicated in the June survey.

Figure 6: In the next six months, approximately how much do you expect to spend on items purchased through brand/product posts, links or ads found on social media?



Source : dbDIG Survey, DB Research

e-commerce: US e-commerce seeing a holiday bump with healthy spend intention into next year

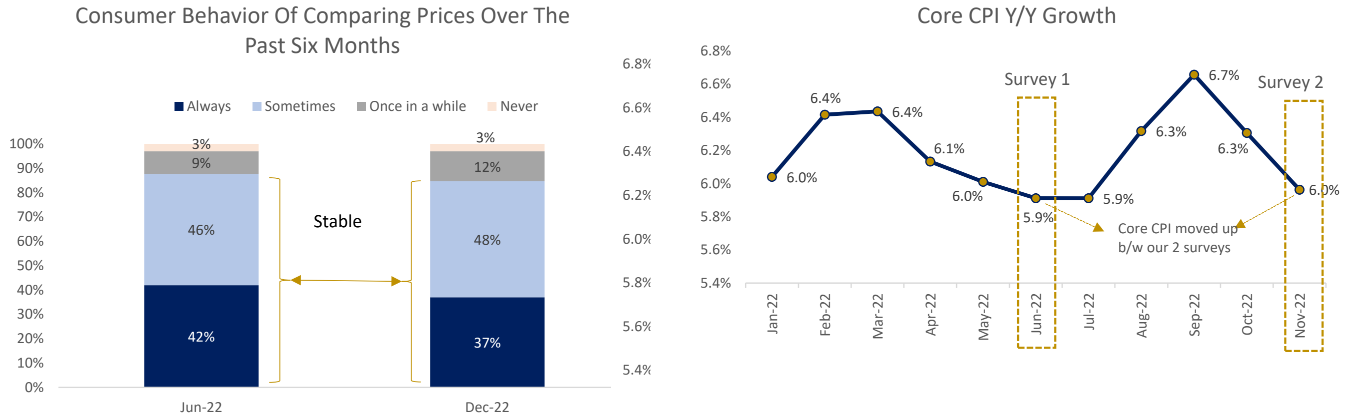
Heading into the holiday shopping season, inflationary pressures were certainly on everyone's mind. That said, data points from the Turkey 5 have in many cases proved more resilient than many investors may have thought. **All in, we believe that the preponderance of holiday data points have been decidedly mixed, which was likely better than feared and included:**

- Our app data checks that are showing lower than typical seasonal engagement trends: ***Negative***
- Adobe holiday e-commerce growth of 2.5% y/y, towards the high end of the company's expectations but still fairly tepid, particularly given inflation that is running hotter than these levels, suggesting unit declines: **Neutral to Negative**
- US monthly adjusted non-store retail sales growth y/y that decelerated meaningfully in November to 7.7% from 10.5% in October: **Negative**
- Shopify holiday data points that proved to be fairly resilient at 19% y/y growth on Black Friday to Cyber Monday weekend: **Positive**
- BigCommerce holiday data pointing towards 32% y/y growth for Cyber Week: **Positive**

Looking at our survey results, the behavior changes associated with rising prices in the US seem to be generally stable since June, with price comparison behavior holding steady to modestly less aggressive. Specifically, in the June survey, 88% of the respondents indicated that they compared prices online versus ~85% as of the December survey respondents. This, despite the fact that y/y core CPI growth was at 5.91% in June and has accelerated to 5.96% as of December 2022, with

meaningful growth acceleration to 6.7% over the sample period.

Figure 7: When you are shopping online, how often do you compare prices across different sites and platforms?



Source : Fred, dbDIG Survey, DB Research

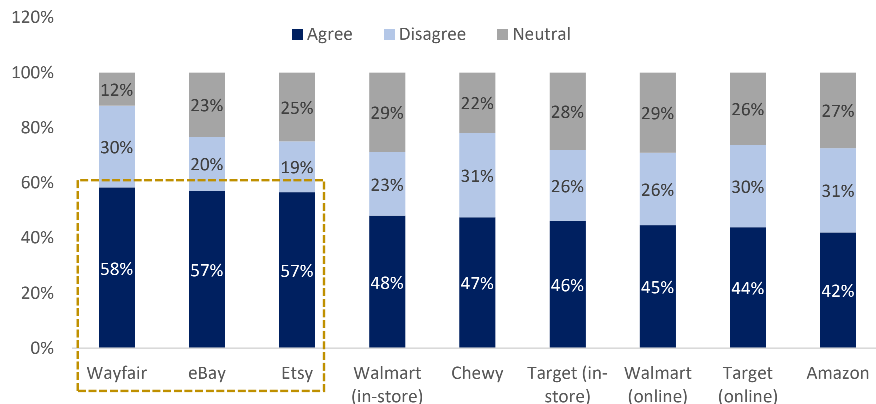
Rising cost of essentials is putting pressure on discretionary spend

That said, with CPI growth peaking, at least in the near term, consumers have perhaps already adjusted down their purchasing behavior at this point, which could positively impact e-commerce growth rates throughout 2023, particularly with easy reopening compares on the horizon.

At a platform level, the rising cost of essentials seem to be weighing on spending behavior more relative to six months ago across the more discretionary platforms, including **Wayfair, eBay, and Etsy. Specifically, >55% of respondents indicated that rising prices across essential categories have caused consumers to spend less across these three platforms than they previously had**. This compares with more essential focused/non-discretionary platforms like Chewy and Amazon, where only 47% and 42% of respondents, respectively, agreed with the statement "*Over the past six months, the rising cost of gas, food and other essential items has caused me to spend less at each of the following than before.*"

We believe that these dynamics should provide a degree of certainty to top-line estimates into 2023 and underpin our bullish views on both AMZN and CHWY.

Figure 8: Over the past six months, the rising cost of gas, food and other essential items has caused me to spend less at each of the following than before - agree or disagree?



Source : dbDIG Survey, DB Research

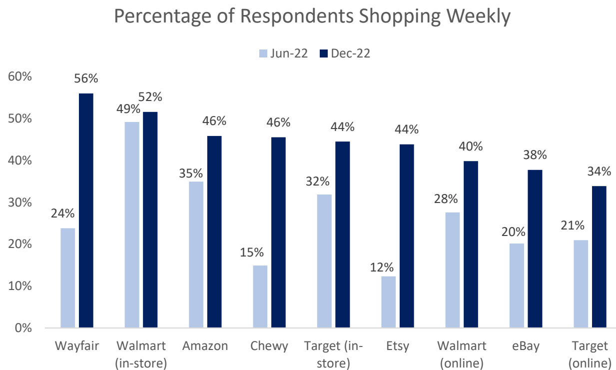
Shopping frequency on e-commerce platforms has increased

Inflation aside, with reopening headwinds now fully baked, shopping behavior improved in the holiday season relative to when we ran the survey back in June.

Specifically, we see the percentage of respondents who are shopping on e-commerce platforms every week rising dramatically in the December survey vs. the June version. **Additionally, we also see an increase (average 43%) in dollars spent across each platform.** Without the benefit of having these results back in 2019 it is challenging to say whether the improvement in both shopping days and dollars spent are better or worse than typical seasonality, at the very least we are seeing some strong seasonal improvement across all the e-commerce platforms in question.

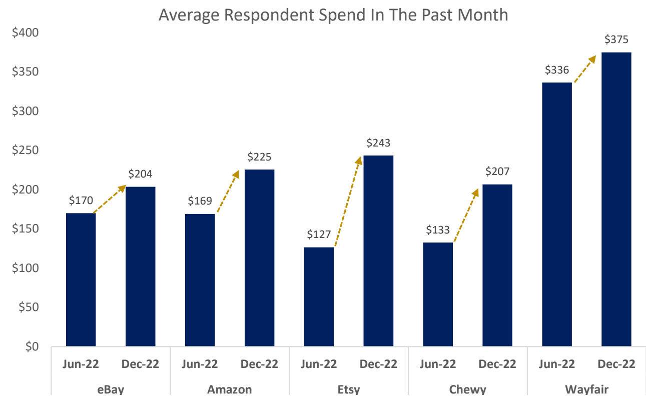
Most notable to us, however, is the improvements at Chewy, where we see the percentage of respondents who are shopping on a weekly basis improving from 15% in June to 48% in December and those that are spending >$100 on the platform improving from 24% in June to 45% in the December survey. **Overall, the average spend/customer on Chewy increased by 56% to $207 in December from $133 in June 2022**. While many of the other names in the survey should likely benefit from a fair degree of seasonal uplift from June to December, Chewy is a much less seasonal business and we suspect that these improvements are an output of waning reopening headwinds, as well as ongoing improvements to the Chewy user experience/gains made in cross-category shopping behavior.

Figure 9: About how often do you shop from the following (weekly, monthly, every two-six months)



Source : dbDIG Survey, DB Research

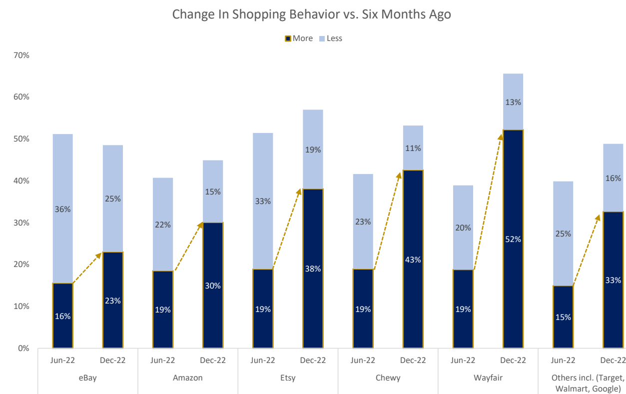
Figure 10: About how much did you spend at the following in the past month



Source : dbDIG Survey, DB Research

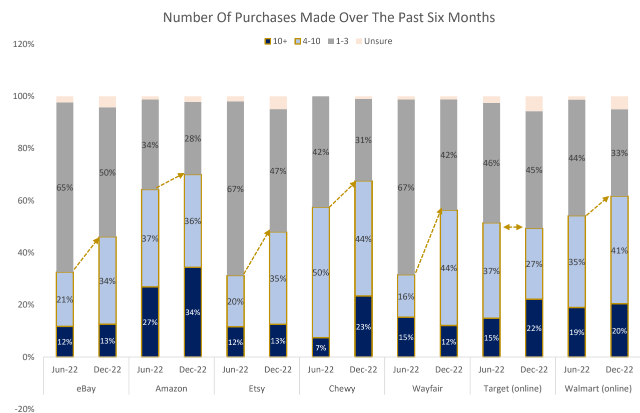
Similarly, we see robust improvement across the board in terms of survey respondents who are shopping more frequently across all e-commerce platforms in question, as well as the number of items purchased.

Figure 11: Would you say that you are currently shopping more or less at the following compared with six months ago



Source : dbDIG Survey, DB Research

Figure 12: About how many purchases did you make from each of the following over the past six months?



Source : dbDIG Survey, DB Research

Spend intention for next six months looks strong

More important than the seasonal uplift that the survey is indicating in December, is the US consumer outlook for 1H23. **Here, we believe it's an extremely bullish, and likely non-consensus indicator that spend intention for the next six months has improved meaningfully across most e-commerce platforms since June**. That is to say, that the number of respondents who indicated that they plan to spend more over the next six months improved dramatically in the December survey versus the June survey.

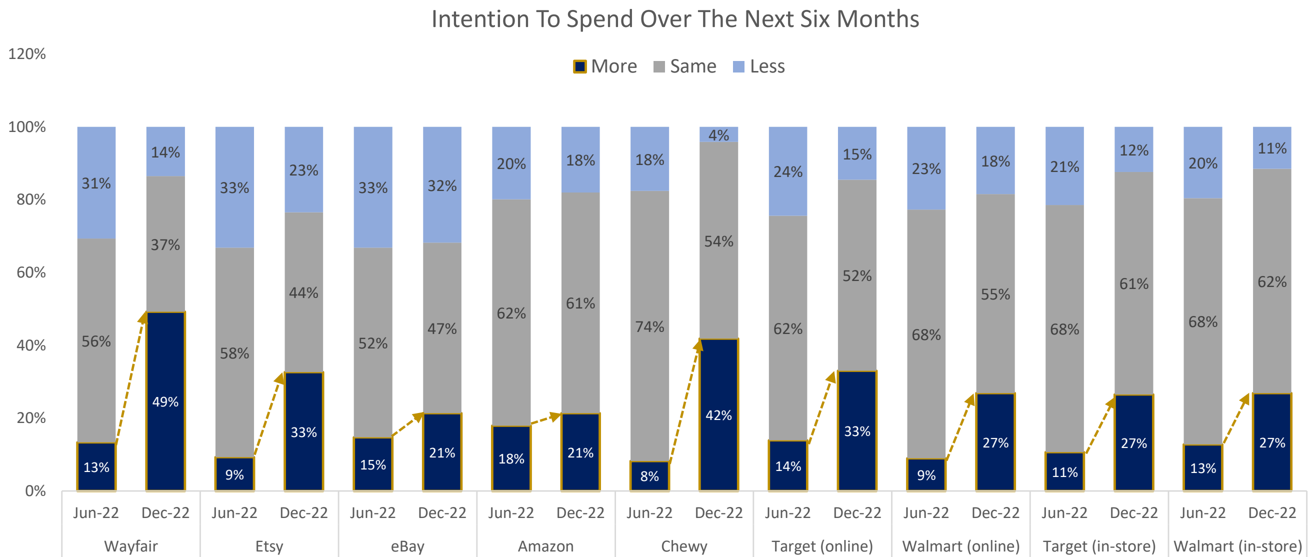
Most notable, in our view, was Etsy, where future spend growth intention improved from 9% in June to 33% in December and again Chewy which went from

8% to 42%. For both names, we believe that with reopening headwinds in the rearview mirror, continued improvements being made to the user experience, and perhaps a healthier US consumer than many investors thought should set up well for accelerative revenue growth outperformance in 2023. Particularly, given the fact that 2023 revenue expectations have already been cut by 20% and 18% for CHWY and ETSY, respectively, since January of 2022.

For ETSY, selection and value are the biggest drivers of spend growth in the next six months, suggesting strong ROI on product initiatives aimed at unearthing the best selection for ETSY consumers, as well as, its recent marketing messaging aimed at driving home the idea that ETSY is a place for affordable luxury.

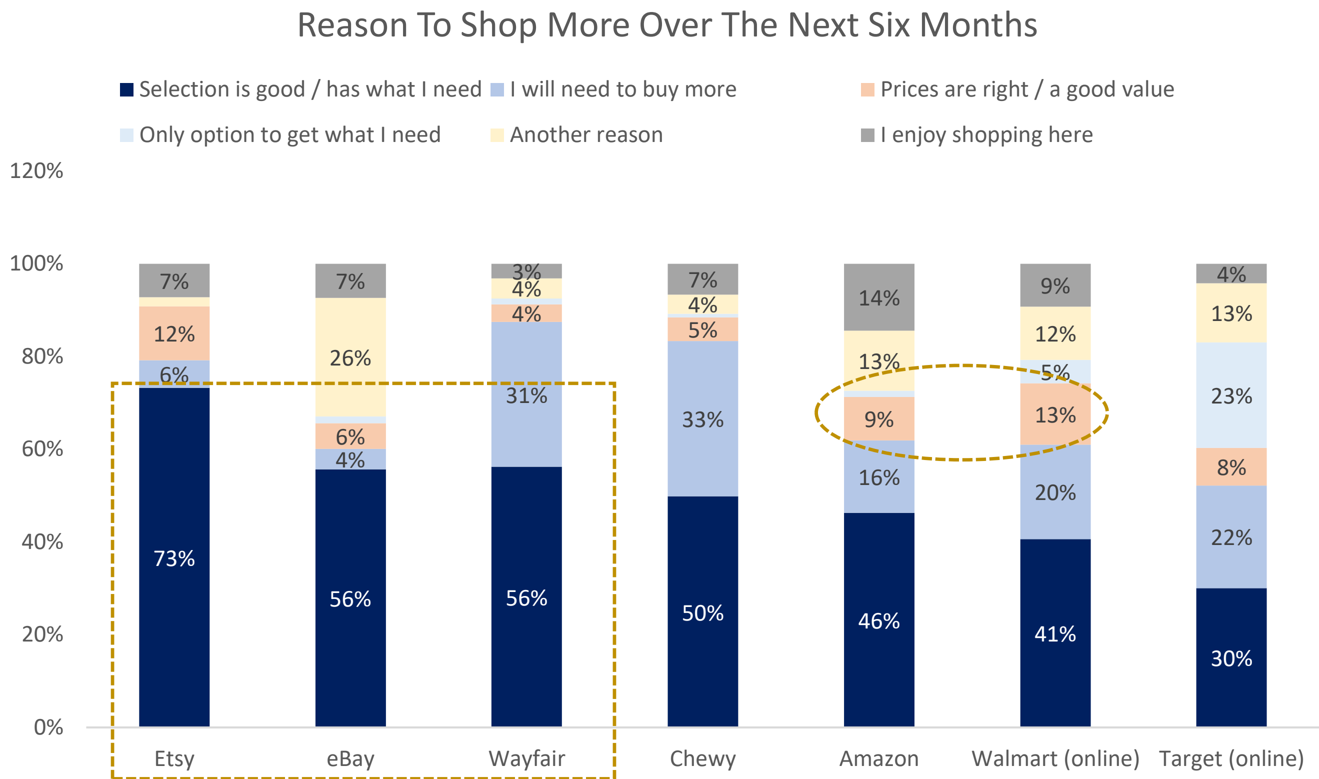
For CHWY, we believe it's notable that "I will need to buy more" was such a big driver of spend growth intention over the next six months. Here, **(1)** we believe that the underlying secular industry growth, **(2)** improved intent for pet purchasing as the pandemic puppy compare wanes, and potentially **(3)** a COVID hardgoods refresh cycle could all underpin this improved spending sentiment and support double-digit revenue growth for Chewy in 2023.

Figure 13: Do you expect to shop from the following more or less over the next six months



Source : dbDIG Survey, DB Research

Figure 14: What is the number one reason you expect to shop more at the following over the next six months compared with now



Source : dbDIG Survey, DB Research

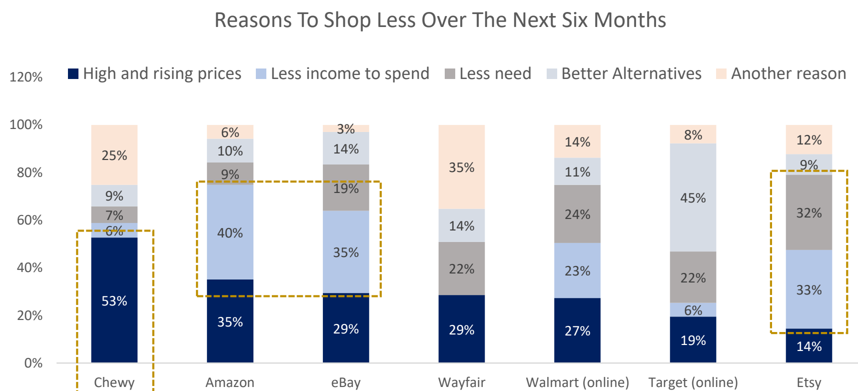
High prices and less discretionary income are among the top reasons that could negatively impact shopping in next six months

Despite what we believe looks to be an objectively healthy spend outlook for the next six months, income pressures combined with higher prices across many of the platforms are the key reasons why a certain cohort of consumers plans to spend less across e-commerce platforms in the next six months. **For Chewy, Amazon, and eBay**, these two answers accounted for 59%, 75%, and 54% of the reason respondents indicated plans to spend less on these platforms in the next six months. These inflationary pressures seem to be most acute for Amazon indicating a higher degree of discretionary purchasing on Amazon amongst US consumers than we would have thought. **That said, looking at the chart above (in Exhibit 13), only 18% of respondents indicated an intention to spend less on Amazon over the next six months, towards the low-end of the sample set** and in line with "big-box" retail peers like Walmart and Target.

Interestingly, for Etsy price is clearly not an issue with only 14% of respondents indicating this as a reason to lower spend. We believe that this speaks to the fact that Etsy sellers have generally not taken price in the last year, and the platform is increasingly being seen as a place for "affordable luxury". That said, **32% of respondents indicated "less need" to purchase on the platform, the highest across the platforms surveyed**. On the one hand, while this may not be that

surprising given that Etsy is likely the most seasonally dependent platform across all the names in question, it does speak to the ongoing structural challenge that Etsy faces in terms of convincing the consumer that they are the place to find almost all of their commerce needs across most verticals and shopping occasions. Additionally, 33% of respondents indicated that "less income" was a key driver, highlighting the concerns that discretionary platforms are going to be the places that could get squeezed most aggressively in 2023 by any consumer softness.

Figure 15: What is the number one reason you expect to shop less at the following over the next six months compared with now



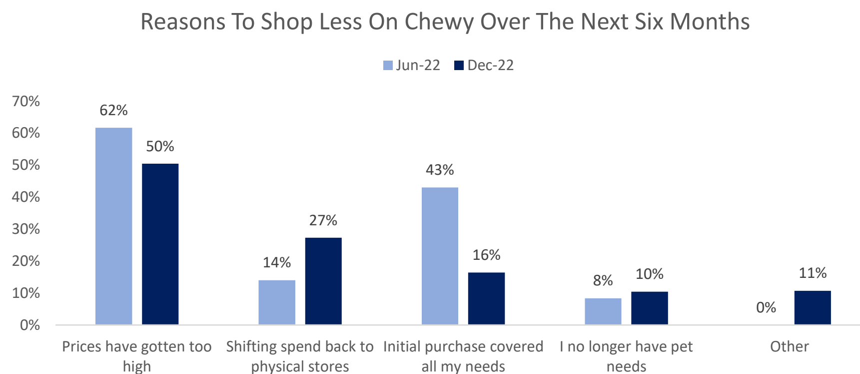
Source : dbDIG Survey, DB Research

Cutting this question another way **for Etsy specifically**, among those that expect to spend less on Etsy in the next six months, **inflationary pressures was cited by 52% respondents and seasonality was cited by 48% of respondents as the reasons why they will spend less on Etsy in the next six months**. Thus, the seasonal strength that Etsy looks to be displaying into the holiday quarter could be short lived and we look for Etsy to continue to drive gains outside of seasonal periods driven by habitual buyer growth. Interestingly, the sheer volume of holiday supply seems to be creating issues for shoppers with 34% (up from 5% in the June survey) of respondents indicating that difficulty in finding the right item on the platform was part of the reason they will shop less moving forward. Conversely, reliability of product seems to be improving with only 12% of respondents indicating that this was part of their reason for spending less, down from 28% in the June survey. We believe this is likely an output of Etsy's purchase protection investments over the last several months.

Figure 16: Are any of the following reasons why you expect to shop less on Etsy over the next six months?

Source : dbDIG Survey, DB Research

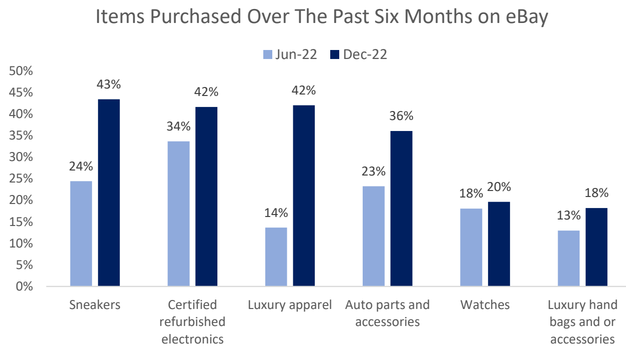
Figure 17: Are any of the following reasons why you expect to shop less on Chewy over the next six months?



Source : dbDIG Survey, DB Research

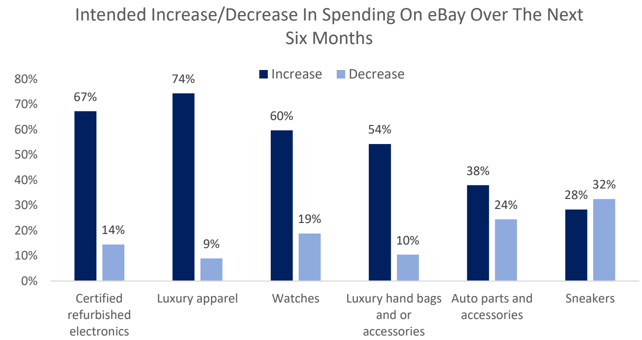
Looking closely at spending trends on eBay, we see that the focus category strategy is clearly working with customers increasing spend on eBay across the focus categories in 2H22 vs. 1H22. Moreover, our survey data shows that the strong momentum in focus categories should continue as the customers are intending to spend more in next six months across most of the categories except Sneakers, which we believe is likely the most mature amongst the company's focus categories.

Figure 18: Have you purchased any of the following from eBay over the past six months?



Source : dbDIG Survey, DB Research

Figure 19: Compared with the past six months, do you expect to increase or decrease your spending from eBay on these categories over the next 6 months

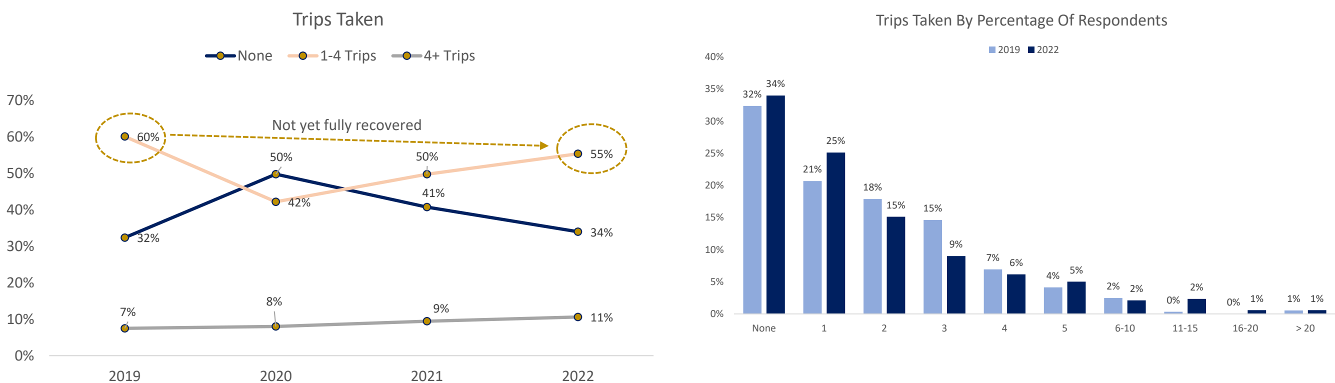


Source : dbDIG Survey, DB Research

Online Travel: US online travel plans for 2023 remain strong, with AA format demand showing some cracks

Looking back on travel demand through much of 2022, US demand has been undoubtedly strong. Interestingly, it strikes us that much of the demand recovery may have been driven by flexible work schedules whereby the percentage of respondents who indicated that they took 4+ trips back in 2019 was only 7% versus 2022 where this has risen to 11%. Drilling down one level more, we see cohorts like 11-15 trips up from ~0% in 19 to ~2% in 21. Conversely, it strikes us that pure traditional leisure travel has yet to fully recover with 1-4 trip respondents at 55% of respondents in 2022 below 2019 levels of 60%.

Figure 20: Approximately how many trips or vacations did you take during the following time periods?



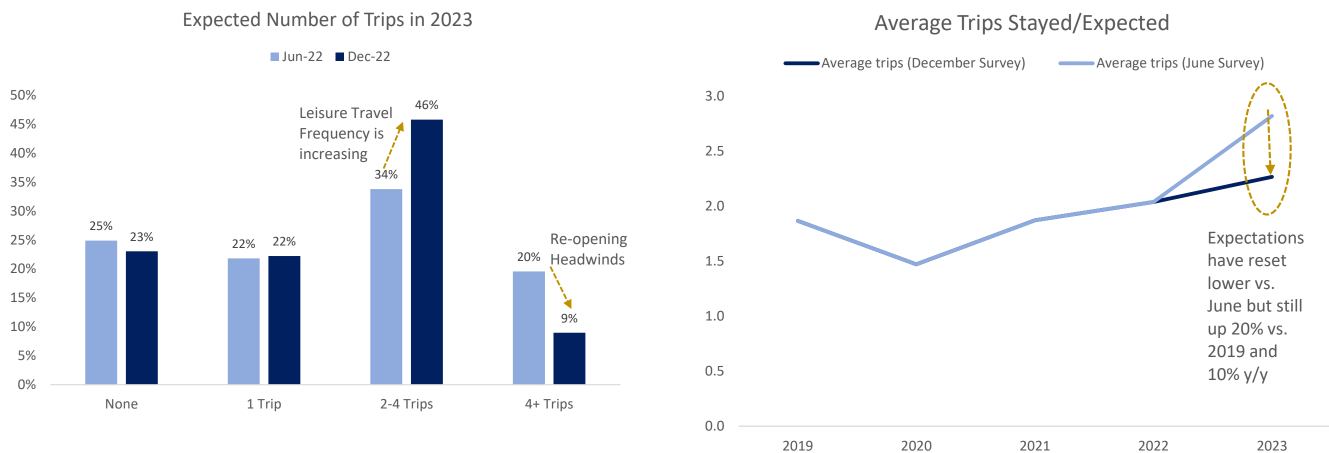
Source : dbDIG Survey, DB Research

US consumers are expecting to increase number of trips in 2023 vs. 2022

Importantly looking out to 2023, as of December, US consumers still are expecting to increase the number of trips that they take despite the percolating macro concerns. In fact, **the "pure-leisure" travel intention bucket of 2-4 trips improved in December versus the June survey result, whereby currently 46% of respondents expect to take 2-4 trips next year versus 34% of respondents who expected to travel at this level next year back in June**. On the other hand, it strikes us that "return to office" could be impacting the more frequent travelers' plans in 2023, with +4 trip respondents dropping from 20% in the June survey to 9% in December.

All in, however, we believe that this survey indicates US consumers still expect travel-volume growth in the double digits in 2023. Weighting the night numbers by the percentage of respondents, from 19-23 (intention), we see that the average number of trips is expected to grow ~10% Y/Y in 2023 as of the December survey. While this is down from >20% as of the June survey given the pressure on the +4 trip bucket, we believe it points to healthy market level growth in 2023, particularly in the front half of the year and is generally consistent with our global night growth estimates for buy rated BKNG and EXPE of ~9% and 16% in 2023.

Figure 21: About how many trips or vacations do you expect to take during 2023?



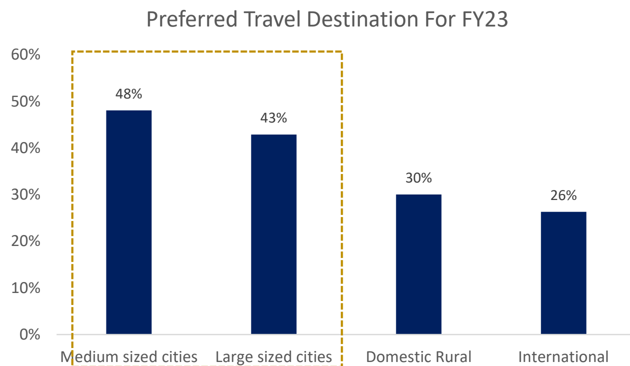
Source : dbDIG Survey, DB Research

Preference for cities and hotels in 2023

When looking at travel intent in 2023, we dig one level deeper to understand the types of formats and locations that US consumers are favoring in 2023 . Here we see a clear preference for cities versus rural destinations, with >40% of respondents indicating medium-to-large cities as their preferred destinations in 2023 versus domestic rural destinations at 30% and international destinations at 26%. More specifically, when asking if travelers expect to spend more or less at hotels, VR / home rentals, and rental apartments, there is a clear preference to grow spend at hotels only. Here, 24% of respondents indicated that they expect to spend more on hotels next year versus only 17% who expect to spend less. This compares with VR which was 14% more vs 25% less and rental apartments that are 8% more vs 31% less.

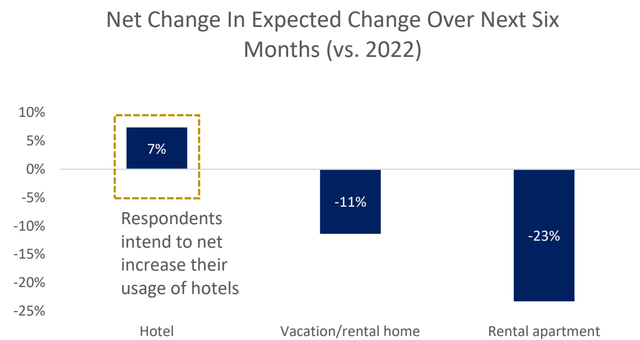
<u>This data is supportive of our relatively more bullish outlook for our hotel levered OTA coverage (BKNG & EXPE) versus our more cautious view on our alternative accommodations coverage (ABNB & VCSA).</u>

Figure 22: Which of the following do you plan to visit while traveling during 2023?



Source : dbDIG Survey, DB Research

Figure 23: In next 6 months, do you expect to use the following types of accommodations more or less than in 2022?



Source : dbDIG Survey, DB Research

Looking at intent on a platform level we are struck by the fact that despite the positive intent indicators at an industry level, across every platform in question more **<u>respondents indicated that they were less likely to book on the major platforms than more likely in the next six months</u>**. Here we think a number of things could be at play including: **1)** seasonality that weighs on travel demand over winter / early spring**; 2)** a more mixed picture from the consumer that may plan to travel more in 2023, but is not ready to commit as they wait to see how the macro environment unfolds in the coming months; and **3)** a travel industry that simply does not engrain a high degree of brand affinity. Thus, while the US consumer may plan on traveling more next year, there is not a platform that they are sure they will return to book in the same way that an e-commerce buyer would gravitate towards Amazon.

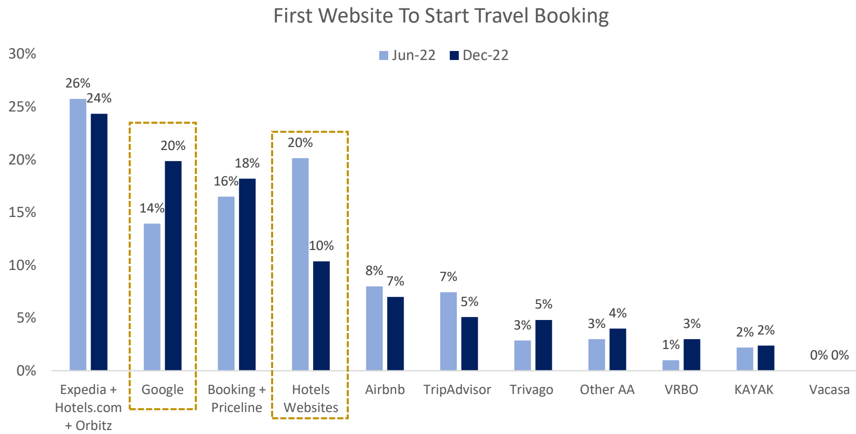
Figure 24: Are you likely or unlikely to use the following to try to book travel in the next six months?

Source : dbDIG Survey, DB Research

Expedia is the most popular website for travel booking in the US

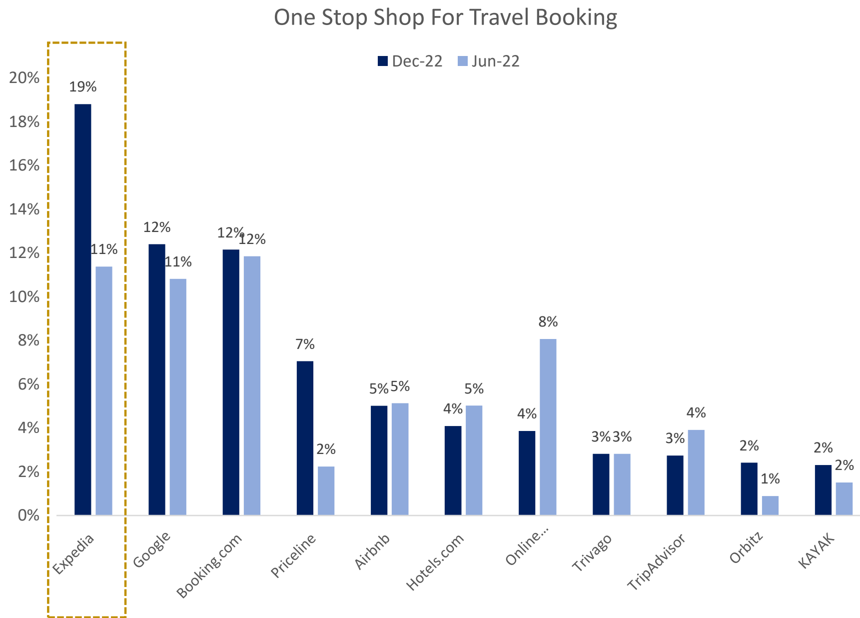
Going beyond the market level dynamics, we are struck by the fact that Google continues to take mindshare amongst US travelers. That is to say, as of the December survey, 20% of respondents indicated that Google was the first digital property where they began their travel booking journey. While this is still below Expedia properties at 24%, Google did gain 6 points of mindshare relative to the June survey. As it pertains to our coverage, Booking picked up 2 points (survey on survey) as they continue to press for share gains in the US, while Expedia was down around 2 points. Notably, Google's share gains seem to be coming from hotels' direct booking channels which lost 10 points of mindshare survey on survey.

Figure 25: When booking a vacation, what is the first website you visit to start your travel booking process?



Source : dbDIG Survey, DB Research

Figure 26: When booking a vacation, do any of the following sites ever serve as your one stop for booking your travel needs

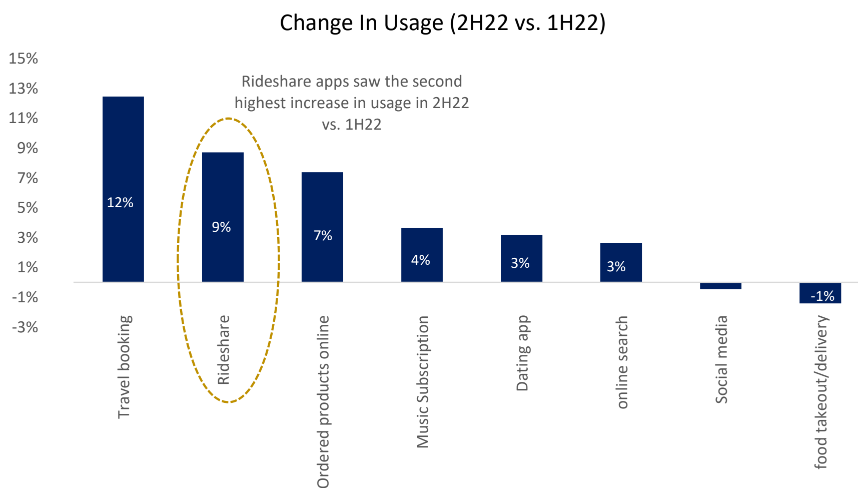


Source : dbDIG Survey, DB Research

Rideshare: The strong reopening trends appear to be continuing for both UBER and LYFT

For US rideshare, we see improving trends across the board. In fact, over the last six months, our survey results indicate that rideshare apps notched the second highest improvement in usage (9%) from 1H22 to 2H22 across most online services. **We believe continued momentum is likely on the back of the (1) post-pandemic reopening, (2) back-to-office push, (3) continued travel recovery, and easing driver supply constraints that could support lower surge/primetime (price) levels.**

Figure 27: Which of the following have you done in the past six months

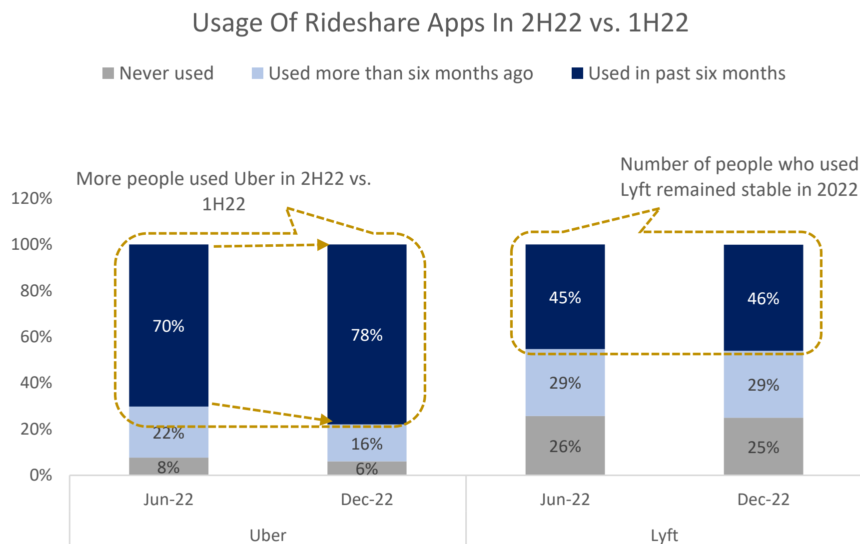


Source : dbDIG Survey, DB Research

Usage of rideshare apps increased in 2H22 vs. 1H22

Drilling down to Uber vs Lyft trends, our survey data indicates that Uber saw an ~8 point increase in the number of riders in 2H22 vs. 1H22, while the number of riders remained fairly stable at Lyft. This comports with slowing active rider reported results at Lyft, along with other 3P data suggesting that Uber is gaining share. Lyft, on the other hand, has highlighted that slower rider growth is a direct function of its geographical exposure to the West Coast (which has been slower to reopen) and the company's deliberate strategy to prioritize profitable growth. Looking at the most recent dataset suggests that a revival and inflection in active rider growth for the company in the upcoming quarter (4Q22) is perhaps less likely for Lyft.

Figure 28: Have you used either of the following rideshare/car hire apps in the past six months?

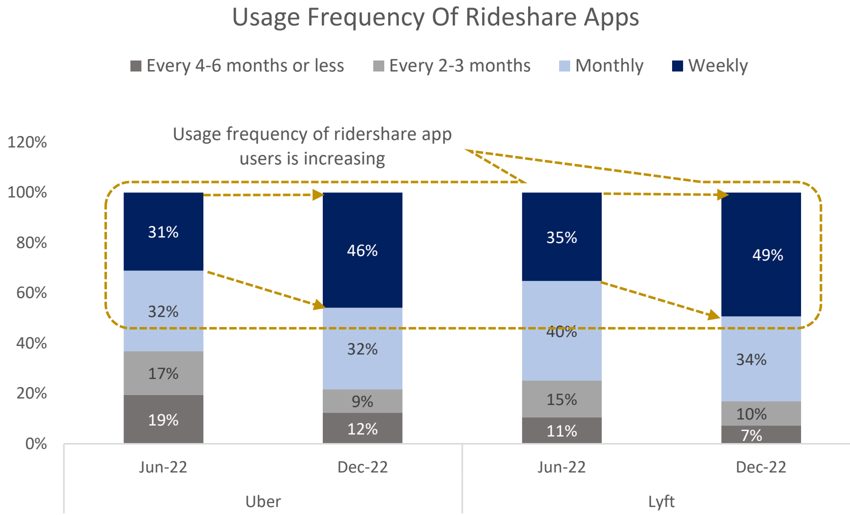


Source : dbDIG Survey, DB Research

Usage frequency has increased over the last six months

More encouragingly, it appears that rider frequency has improved for both Uber and Lyft over the last six months. **Our survey results indicate that daily usage increased by 15 points to 46% of all respondents, for Uber**. Perhaps just as importantly, the percentage of low-frequency users has appeared to contract, with low-frequency users comprising 21% of all responses in December, down from 36% in June. We see similar (though less pronounced) trends at Lyft, with high-frequency users increasing by 14 points and low-frequency respondents contracting by 9 points. We expect frequency tailwinds to largely persist in the US as continued reopening trends and improving driver supply levels support both sides of the marketplace.

Figure 29: About how often do you use the following?

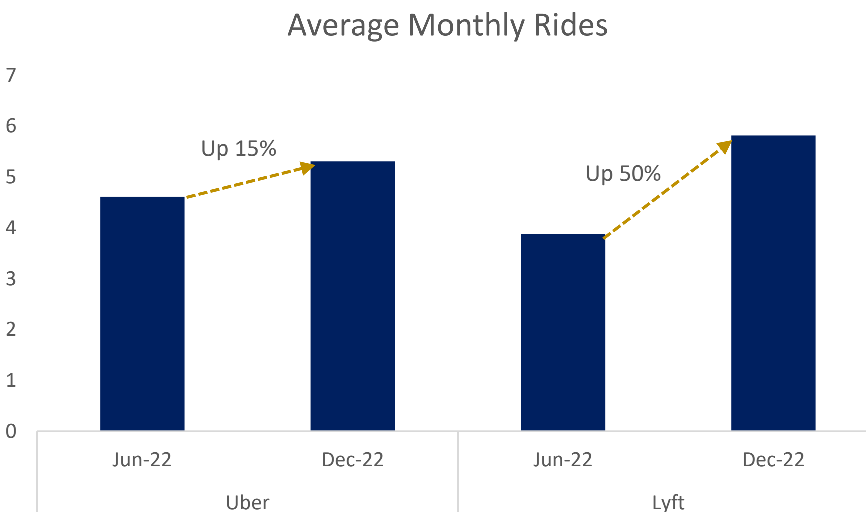


Source : dbDIG Survey, DB Research

Average number of monthly rides has increased for both Uber and Lyft

Dissecting the increase in frequency on rideshare apps one level further, we see that the average number of monthly rides on both Uber and Lyft has increased over the last six months. Interestingly, Lyft saw a 50% uptick in monthly usage frequency, well above Uber's 15%.

Figure 30: On average, how many rides do you take per month using the following?

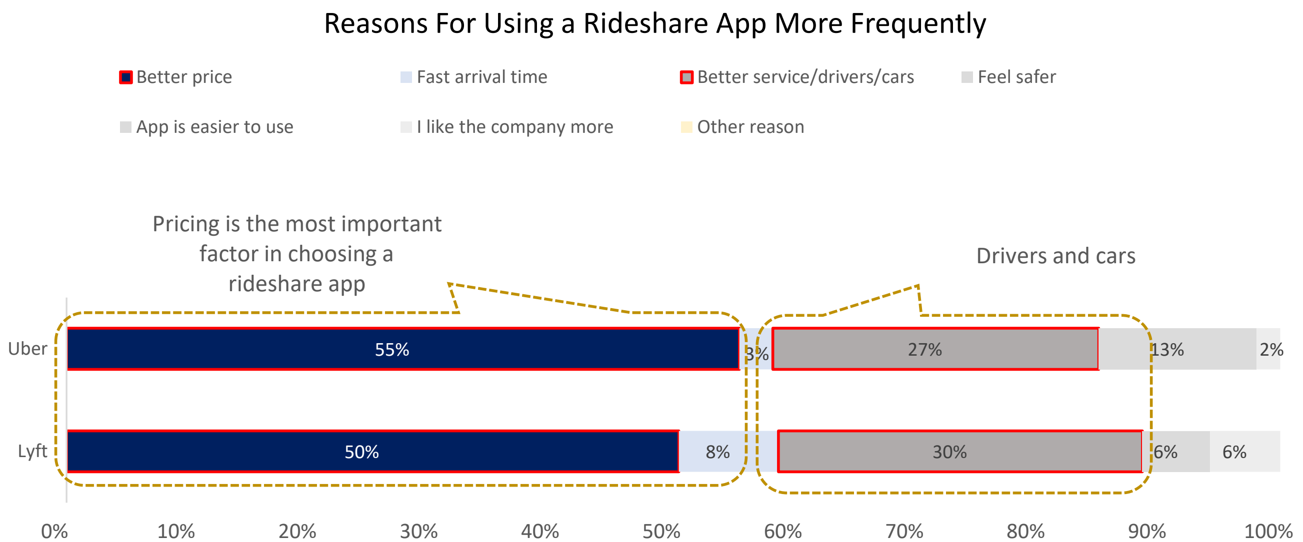


Source : dbDIG Survey, DB Research

Price is the biggest factor determining user frequency

Perhaps unsurprisingly, price is the biggest factor determining user frequency, with respondents indicating a modest preference for Uber on the back of pricing. More specifically, 55% of Uber riders use the service because of better pricing, which speaks to the better pricing strategy of Uber vs. Lyft. By contrast, Lyft appears to have the upper hand on better cars, drivers, and ETA. On the other hand, we see that Uber has an advantage in the safety category, which is becoming an important criteria for users.

Figure 31: Why do you use the following more frequently?



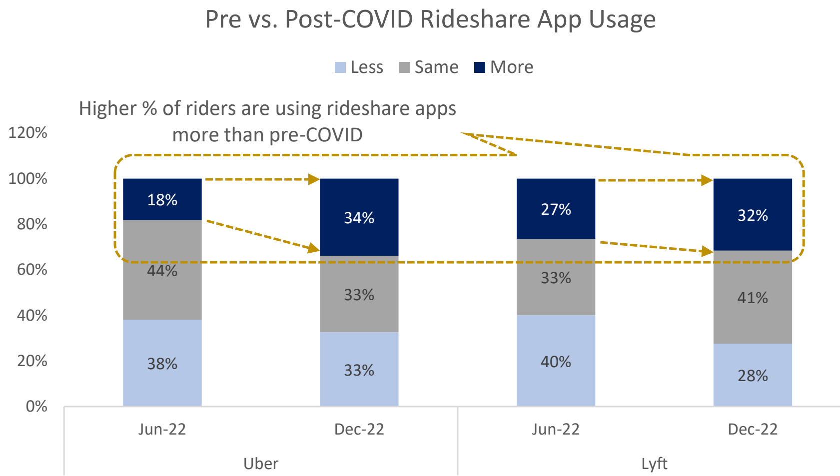
Source : dbDIG Survey, DB Research

Improvement in the percentage of riders using the service more than they had prior to the pandemic

Now looking at the post-pandemic demand for rideshare apps, our survey data shows an improvement in the percentage of riders (in Dec vs. June 2022) using the service vs. pre-pandemic levels.

For current Uber users, as of the December survey, we find an even split between people using the service more/less/the same as pre-pandemic levels. Importantly, the number of respondents indicating greater usage vs pre-pandemic times almost doubled between our June survey and our December survey, highlighting very strong momentum in recovery trends. At Lyft, we observe very comparable trends, with the greatest improvement actually in fewer respondents indicating they use Lyft less frequently then before the onset of the pandemic. In our June survey, 40% of respondents highlighted lower frequency, and this contracted to 28% in our most recent questionnaire.

Figure 32: Compared with before the COVID-19 pandemic, do you use the following more, less or the same amount?

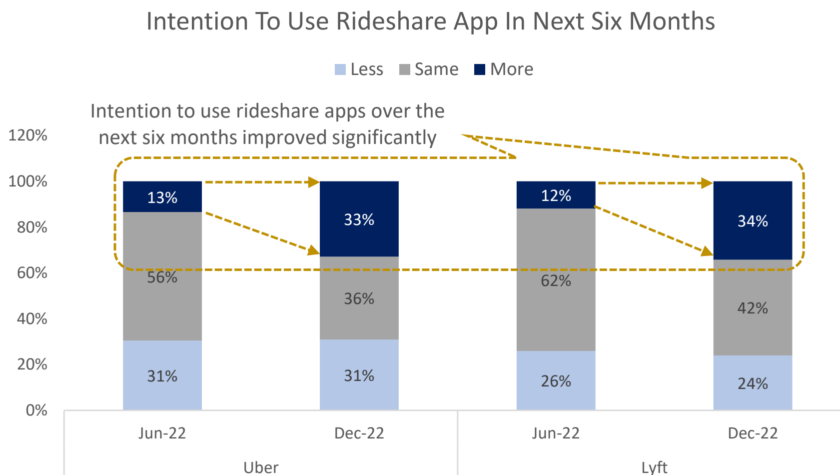


Source : dbDIG Survey, DB Research

Intention to use rideshare apps in next six months has increased

In terms of intention to use rideshare apps over the next six months, our survey data indicates that expected usage has increased across both Uber and Lyft compared with the June 2022 survey results. This, we believe, is supported by the back-to-office push and travel recovery, and should support (at the very least) pre-pandemic seasonality in US rideshare gross bookings trends in early FY23.

Figure 33: Over the next six months, do you expect to use the following more, less or the same amount?



Source : dbDIG Survey, DB Research

Food Delivery: User trends have moderated over the last six months

Across the board, it appears that alternative forms of food ordering are becoming less prevalent, though we also observe a modest contraction in the usage rates of food delivery apps between our June and December US surveys. Interestingly, we also observe a growing preference for on-premise dining, highlighting perhaps growing sensitivity towards incremental fees associated with delivery services. This is in line with the view that delivery services are potentially more discretionary in nature and therefore more exposed to macro challenges.

Figure 34: Compared with 6 months ago, are you now ordering restaurant food in the following ways more or less

Medium Used To Order Food From Restaurant vs. Six Months Ago

With rising delivery costs, people are preferring to dine in over using food delivery apps

Overall, people intend to spend less on eating out of home

Medium	Period	More	Less
Going into a restaurant to eat	Jun-22	31%	29%
	Dec-22	35%	29%
Going into a restaurant to order takeout	Jun-22	29%	25%
	Dec-22	30%	29%
Ordering via the phone for delivery	Jun-22	33%	22%
	Dec-22	31%	24%
Ordering via the phone for pickup	Jun-22	33%	22%
	Dec-22	27%	24%
Ordering via a restaurants' own website or app	Jun-22	32%	19%
	Dec-22	33%	26%
Ordering via a takeout app/ website (an app/ website offering a selection of restaurants)	Jun-22	42%	18%
	Dec-22	39%	17%

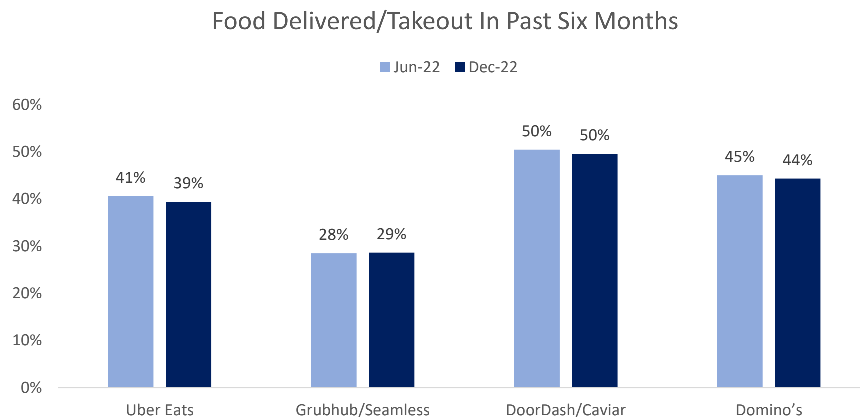
Source : dbDIG Survey, DB Research

Delivery market share appears to be relatively stable

Across the food delivery apps, we note relative stability in user market share in the US. Given the early concerns around the potential impact the Grub/Amazon deal could have on US market share trends, we view this as incrementally positive for both Uber and Dash. Going forward, we expect the scaled 3P players such as Uber and Dash to revert to being parallel share winners within the broader food delivery

space.

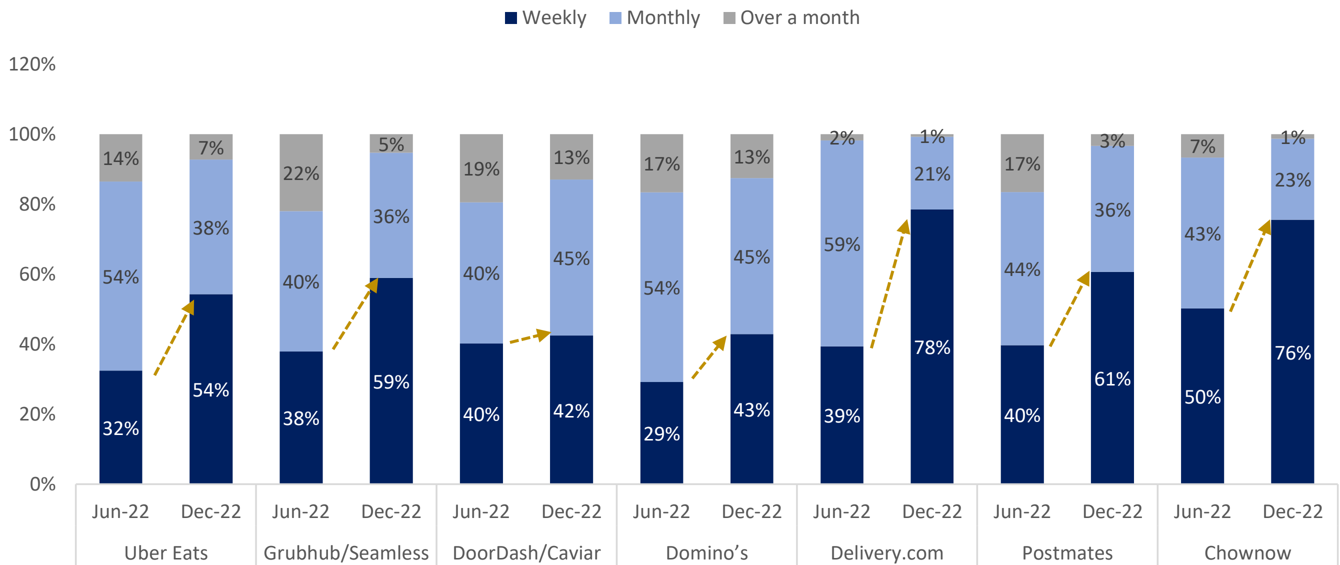
Figure 35: Which of the following food takeout/delivery apps or sites have you used in the past six months



Source : dbDIG Survey, DB Research

Our survey data indicates very favorable delivery frequency for Uber's brands (Uber Eats and also Postmates). Here we see users that leverage the service at least weekly comprising 54% of all eaters in December, up 22 points from our June survey. At Postmates, the increase was 21 points, going from 40% in June to 61% in December. We also observe comparable trends at Grub/Seamless over our two survey periods. While typical seasonality can certainly be a contributing factor (users have a higher propensity to utilize food delivery apps in the colder months), we do not observe a similar magnitude of frequency strength at Dash. In fact, between our June 2022 and December 2022 surveys, high-frequency users only increased by 2 points, the lowest across all delivery platforms.

Figure 36: About how often do you use the following to order food

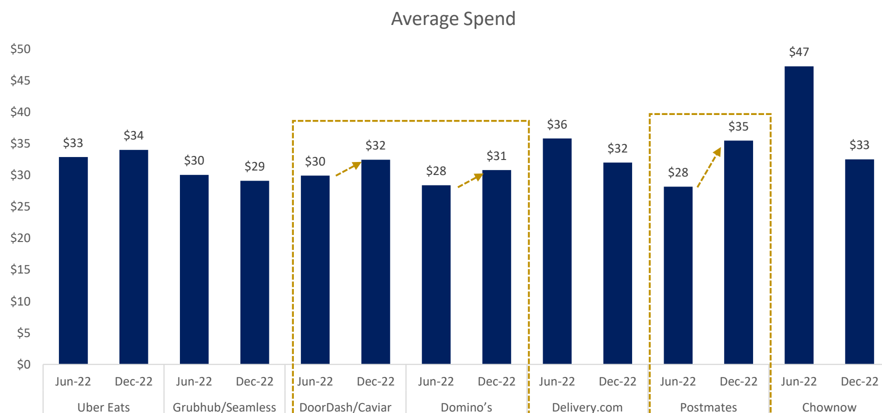


Source : dbDIG Survey, DB Research

AOV trends are positive for DASH, Uber Eats, and Postmates

On the other hand, average order volume (AOV) trends are slightly more positive for Dash. Between the two survey periods, we find a $2 increase in basket size (up 8.5% between June and December). For Uber Eats, the increase is more modest, with AOV going from $33 in June to $34 in July (up 3.5%). Uber's Postmates is the big callout in AOV, with basket sizes actually growing by over 25% in our sample period, moving from $28 in June to $35 in December. Our view broadly is that gross booking growth driven by AOV will be increasingly difficult to replicate in FY23 in a more challenging macro backdrop. As such, we tend to favor the names that are still able to deliver frequency growth as a means of supporting gross bookings growth over the next 12-18 months. That said, we also believe that some of the observed AOV expansion is also a function of consumers spending across more categories than just food delivery such as alcohol, groceries, quick commerce, etc. We contend this is a clear positive as it pivots consumer demand towards more durable and higher frequency categories.

Figure 37: Approximately how much are you usually spending per order when using each of the following?

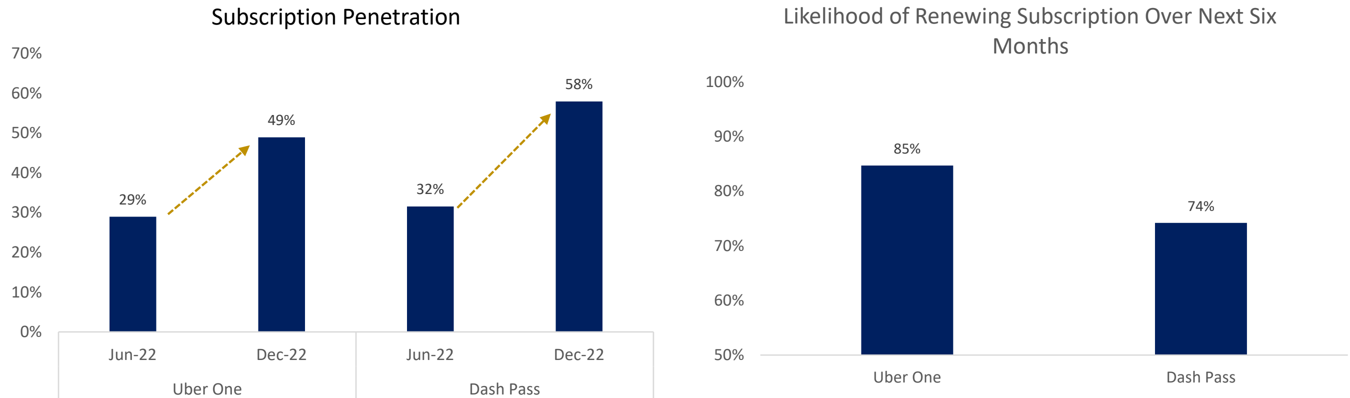


Source : dbDIG Survey, DB Research

Positive trends for membership programs: Uber One and Dash Pass

Our survey results also indicate very positive subscriber trends. **Many more delivery (and also rideshare) customers are opting for subscriptions vs. six months ago. For Uber, we observe a 20-point increase in the percent of respondents indicating they will subscribe to Uber One. For Dash, the increase was 26 points between June and December, going to 58% from 32%.** Perhaps this too underpins the stronger frequency trends we highlighted above. Both companies have indicated that subscribers have significantly higher frequency characteristics than non-members. Just as important, as order frequency grows, the propensity to become a member increases as the delivery cost savings more than offset subscription fees. **Looking ahead, while a high percentage of users have indicated their willingness to renew their subscriptions (well over 70%) over the next few months, we note that the likelihood of renewal is over 10 points higher for Uber vs Dash**. This perhaps indicates the more robust offering from Uber One, which also includes rideshare discounts and perks. Looking past these favorable user trends, we think the ability to bundle Delivery and Mobility into a single membership and loyalty umbrella has the potential to increase consumer captivity/drive down churn and grow consumer wallet share across transportation, meal delivery, groceries, alcohol, and convenience categories. We think this is a unique advantage to Uber, and we think the implications ultimately result in industry-leading demand and supply density. The resulting efficiency advantages are powerful: Greater driver utilization rates -> higher earnings potential -> lower need to incentivize supply -> lower prices for consumers (or higher margins for Uber) -> more demand from consumers/more demand from merchants, etc. Perhaps just as importantly, with an uncertain macro backdrop, we note that the company with the more compelling subscriber mousetrap will likely prove more resilient to the downturn, especially within delivery, which is the category with greater discretionary characteristics.

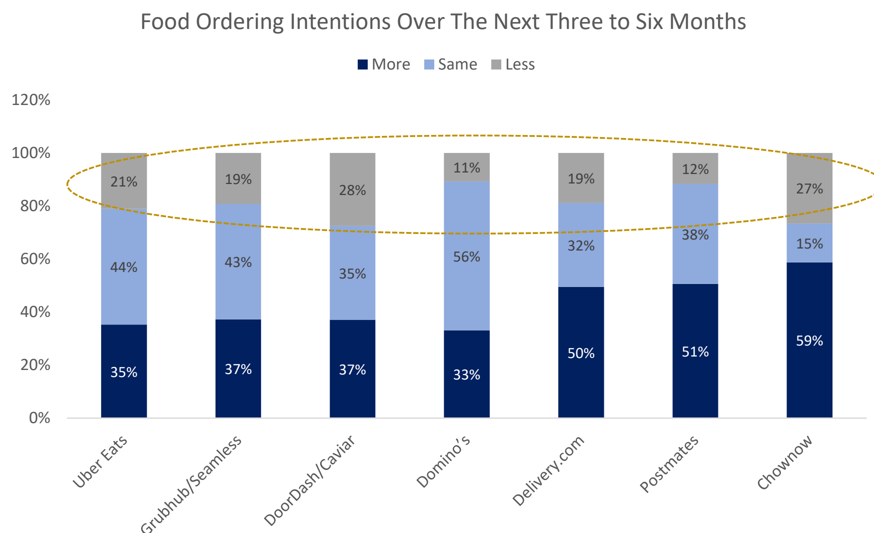
Figure 38: Do you subscribe to the following and how likely are you to renew the following over the next six months



Source : dbDIG Survey, DB Research

Looking at the next three to six months, the majority of the respondents of our survey plan to increase or maintain their level of spend on ordering food through takeout platforms, implying a healthy underlying industry demand, in our view. For Uber's Postmates, we observe the greatest divergence between user's willingness to spend more vs. less, with >4x of the users indicating an expectation to spend more over the next 3 months. At Eats, the spread is 70% in favor of spending more. Dash has one of the smaller spreads between users with higher vs lower spending expectations, with only ~40% more users flagging intentions to raise spending levels over the next 3 months.

Figure 39: In the next three to six months, do you expect to order food using the following more, less, or about the same amount as now

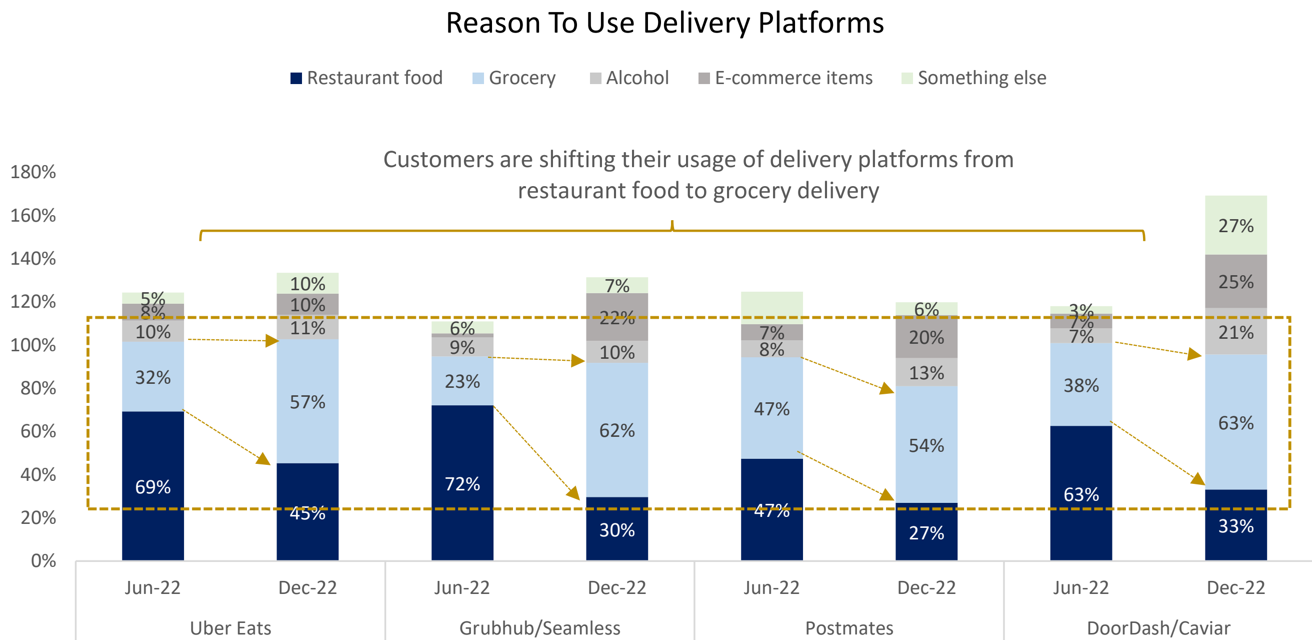


Source : dbDIG Survey, DB Research

Delivery expanding beyond food

Over the last six months, our comparison of survey data from 1H22 vs. 2H22 highlights that consumers have been shifting usage of delivery platforms towards grocery. With most delivery services expanding into grocery/convenience/quick commerce, given the higher-frequency nature of these categories, we do not see this as a surprise. Looking forward to FY23, we think the player with the broadest offering is likely to benefit from durable frequency tailwinds. This could insulate the services from potentially slowing food delivery trends amidst a slowing macro environment.

Figure 40: In the past 6 months, how have you used delivery apps?

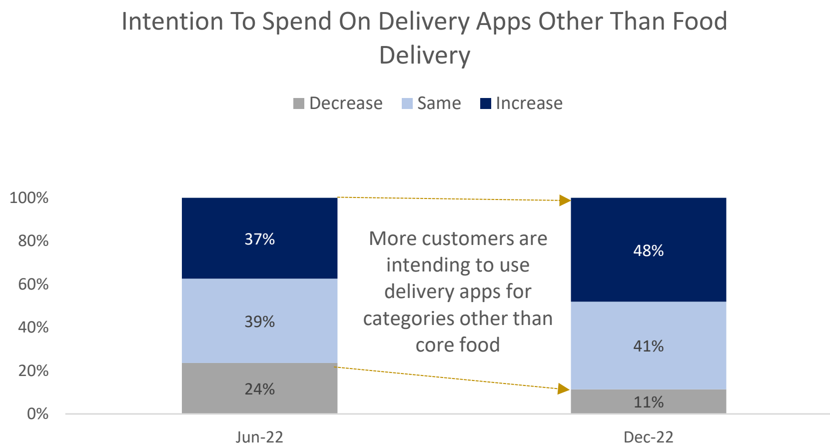


Source : dbDIG Survey, DB Research

Higher intent to spend on non-restaurant delivery in the next six months

Over the next six months, a higher percentage of our survey respondents plan to increase their spend on delivery apps for non-restaurant delivery which speaks to the strong momentum of grocery/alcohol/other items. We contend this is a positive shift, as it implies higher AOVs, a greater potential for order batching (which lowers cost per transaction), and a diversification of consumer demand toward more durable / higher frequency categories.

Figure 41: In the next six months, do you expect to increase or decrease your use of delivery apps for non-restaurant deliveries?

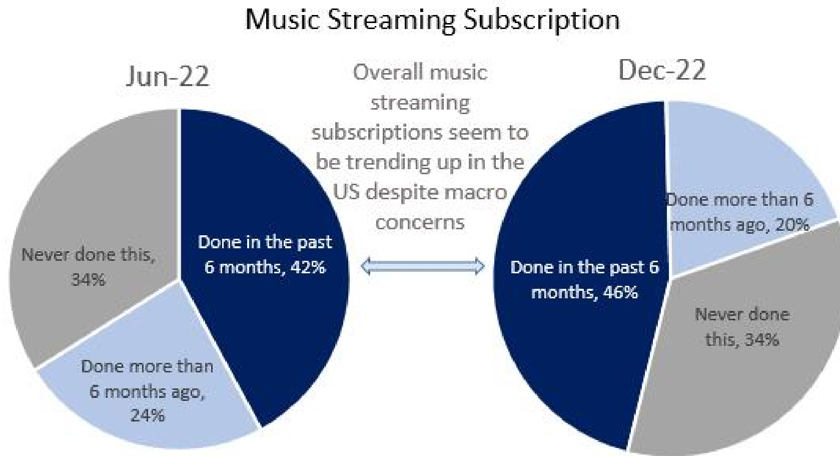


Source : dbDIG Survey, DB Research

Music: Overall music streaming subscriptions seem to be trending up in the US despite macro concerns

Despite ongoing macro concerns, we continue to see growing music streaming subscription adoption in the US. In fact, between June and December, across our survey respondents, we observe a 4 point improvement in users paying for a music subscription offerings. This represents yet another datapoint supporting the thesis that music is not only recession resilient, but also still has pricing power (given that headline nominal subscription fees have remained basically unchanged over the last decade and have certainly declined when adjusting for inflation). Looking forward, with considerable pricing power and only a small portion of revenue associated with advertising, **we contend that music broadly (and the music labels in particular) screen relatively recession resilient - a defensible characteristic that will be increasingly in focus (and valuable) as we cycle into FY23.**

Figure 42: Have you subscribed to any online music streaming service?

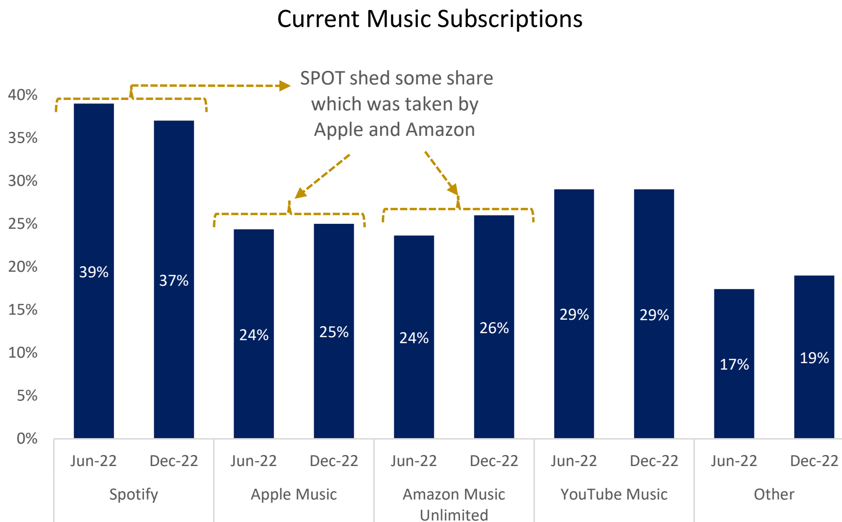


Source : dbDIG Survey, DB Research

Apple Music and Amazon Music picked up share from Spotify

We observe broad stability in market share between the different subscription players. That said, from June through December, SPOT has modestly shed share (~2 points), with the gains flowing largely to Apple and Amazon. We are very interested to see if this becomes a sustainable trend, particularly with Apple raising prices in the US in 4Q22.

Figure 43: Do you have a subscription to any of the following music streaming services?

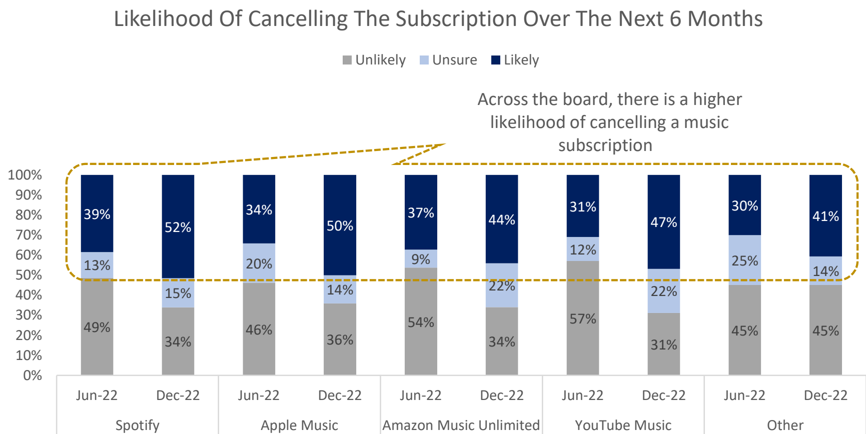


Source : dbDIG Survey, DB Research

Likelihood of cancelling the subscription has increased

Somewhat surprisingly, in the most recent data set, we have seen a meaningful uptick in our panels' intentions to cancel their music service. This is not limited to one singular service but rather broad-based. Empirically, we have seen that music tends to be one of the most recession resilient entertainment categories. We will continue to monitor trends going forward to identify if the users expressing growing likelihood of cancelling their subscriptions translates into slowing subscriber growth across the industry.

Figure 44: How likely are you to cancel your subscription to the following in the next six months?

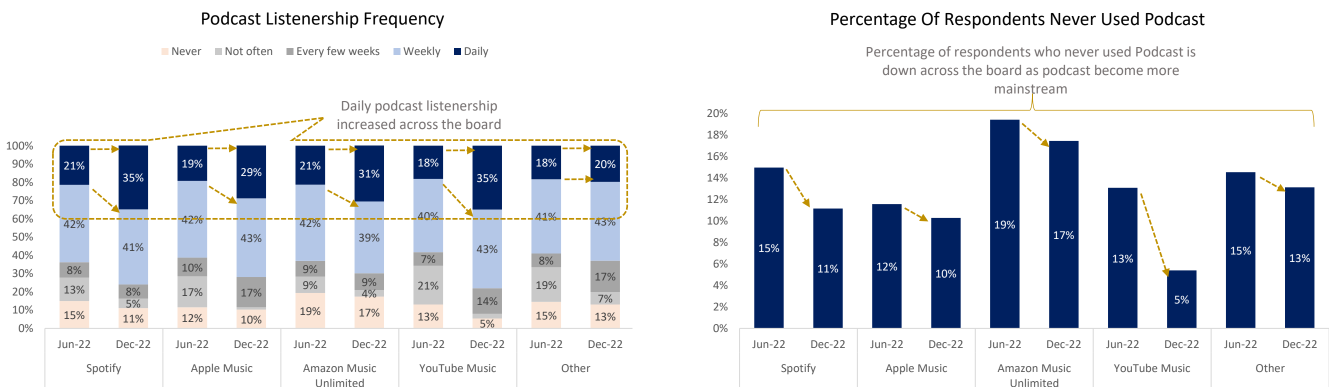


Source : dbDIG Survey, DB Research

Podcasts are becoming mainstream

Interestingly, our survey indicates growing adoption of podcasts across the board. With the percentage of users who have never engaged with podcast content contracting meaningfully, we think it's fair to classify podcasts as mainstream at this point.

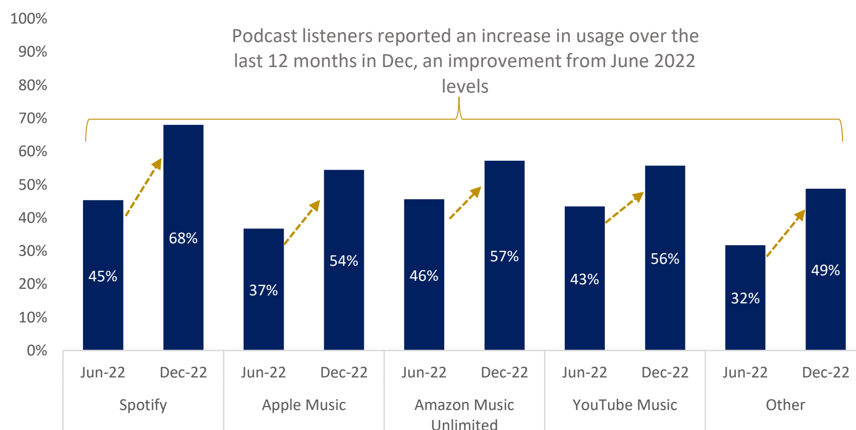
Figure 45: How often do you listen to podcasts?



Source : dbDIG Survey, DB Research

In terms of the actual listenership, **we see the biggest uplift at Spotify with 71% of users indicating greater listenership over the last 12 months vs. only 3% pointing to less podcast consumption (net score of 68%)**. We observe comparable (albeit not as pronounced) trends at Apple, Amazon, and YouTube Music. For SPOT specifically, if these growing consumption trends continue into 2023, this would imply growing podcast advertising inventory available for sale, which should support overall ad-supported revenue growth. That said, with the uncertain macro-backdrop, CPM pressure (pricing) could become an offset to near-term outperformance. All in, however, the growth in overall consumption levels is certainly a positive as it pertains to the company's ability to scale the ad-supported business.

Figure 46: How has your podcast listening changed over the past 12 months?

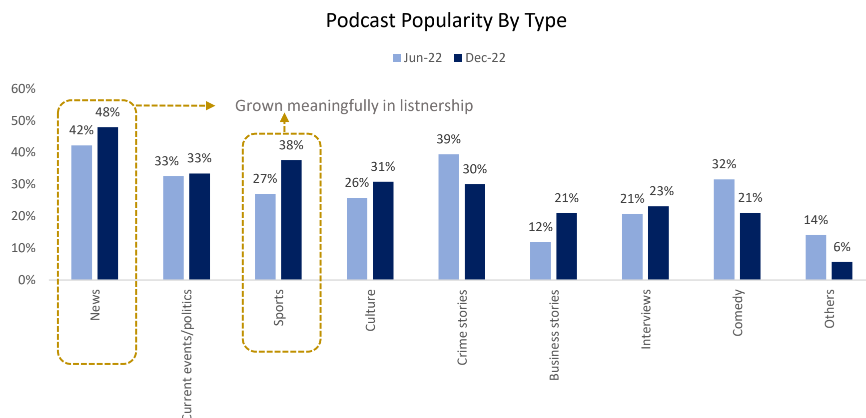


Source : dbDIG Survey, DB Research

News, Current Events, and Sports have grown to be the most popular type of Podcasts

On the other hand, in terms of the type of content consumption, we now see that News, Current Events, and Sports have grown to become the three largest genre. **These categories have lower content shelf-life, which likely implies that in order to continue to scale consumption, podcast platforms (like SPOT) will need to maintain content investment levels going forward, with little leverage on current content assets, in our view.** Looking to 2023, with the ad market softening, we think the ability for more nascent formats like Podcast to outgrow the industry (versus tried and true alternative formats) is limited. As such, we contend that even with a scaling audience, CPM pressures is likely to preclude meaningful podcast advertising revenue upside. That, in combination with the need to maintain content investment levels, likely limits meaningful Podcast gross margin leverage in the near term. That in combination with the need to maintain content investment levels, likely limits meaningful Podcast gross margin leverage in the near term.

Figure 47: What type of podcasts do you listen to?



Source : dbDIG Survey, DB Research

Dating: All apps appear to be growing users

Looking across the online dating apps, we observe that most apps are showing growth with the exception of Match.com and notably Tinder. This comports to MTCH's public guidance that calls for potential sequential contraction in payers at Tinder in the 4Q.

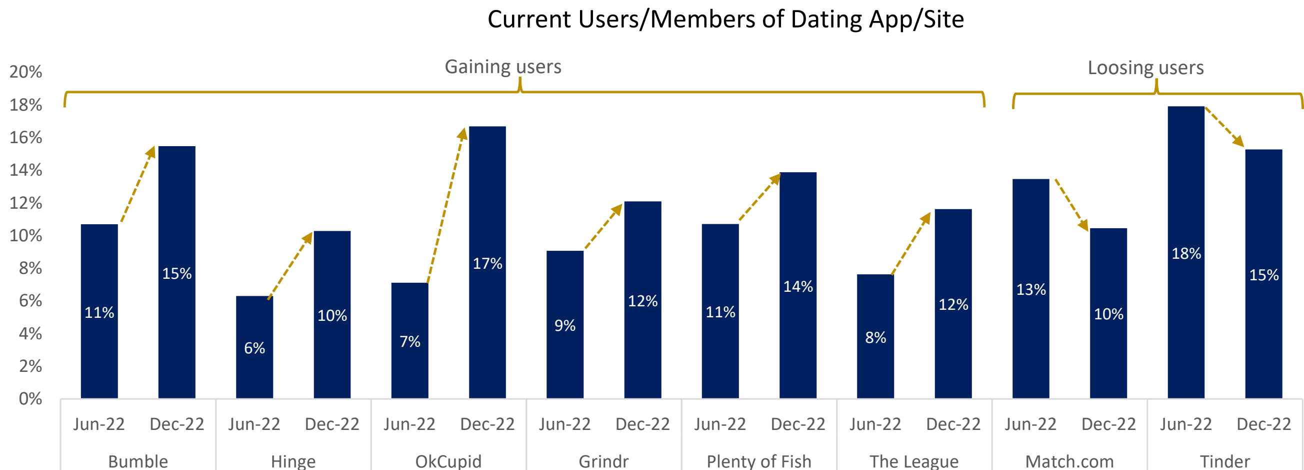
While miss-execution on "optimizations" have led to a lack of product momentum at ***Tinder***, MTCH's current trading range implies that investors think there is a structural issue (or that Tinder is simply mature) and will not revert to more sustained payer growth. We think the confluence of: **(1)** the soft macro environment, **(2)** pandemic-related disruption, **(3)** a lack of leadership continuity at Tinder, and **(4)** product execution mis-steps have led to the very drastic decelerating top-line trends at Tinder. However, for the stock to see a more sustained sentiment revival, investors need to gain confidence that Tinder revenue growth re-acceleration is indeed underway. **The results of our December survey suggest that the inflection in trends at Tinder has not yet fully materialized in the US**.

On a more positive note, ***Hinge*** continues to see strong user adoption, with the number of users/subscribers scaling by 4 points to 10% of our survey respondents. This highlights the strong current momentum at Hinge, but given that Hinge still has the lowest user penetration across our survey sample, it also highlights the large potential runway ahead. Since being acquired by MTCH in July, ***The League*** has been growing in adoption. In the six months between our June and December survey, we observed a 50% increase in user/member penetration, up to 12% of our panel. ***OkCupid*** is another callout, with users more than doubling across our survey panel. In December, 17% of respondents noted they used the service, which is up 10 points relative to June's 7%.

At ***Bumble***, trends also appear very healthy, with users/subscribers growing by 4 points to 15% in the US (drawing level with Tinder in this survey). The last few months at the ***Bumble App*** have been busy on the product release front. Complements have been fully rolled out, and the Student tier is available in campuses across the country. Looking ahead, we expect the company to launch new tiers targeting underpenetrated groups such as women, which should support

ongoing penetration throughout FY23.

Figure 48: Are you a current user/member of any of the following dating apps/sites

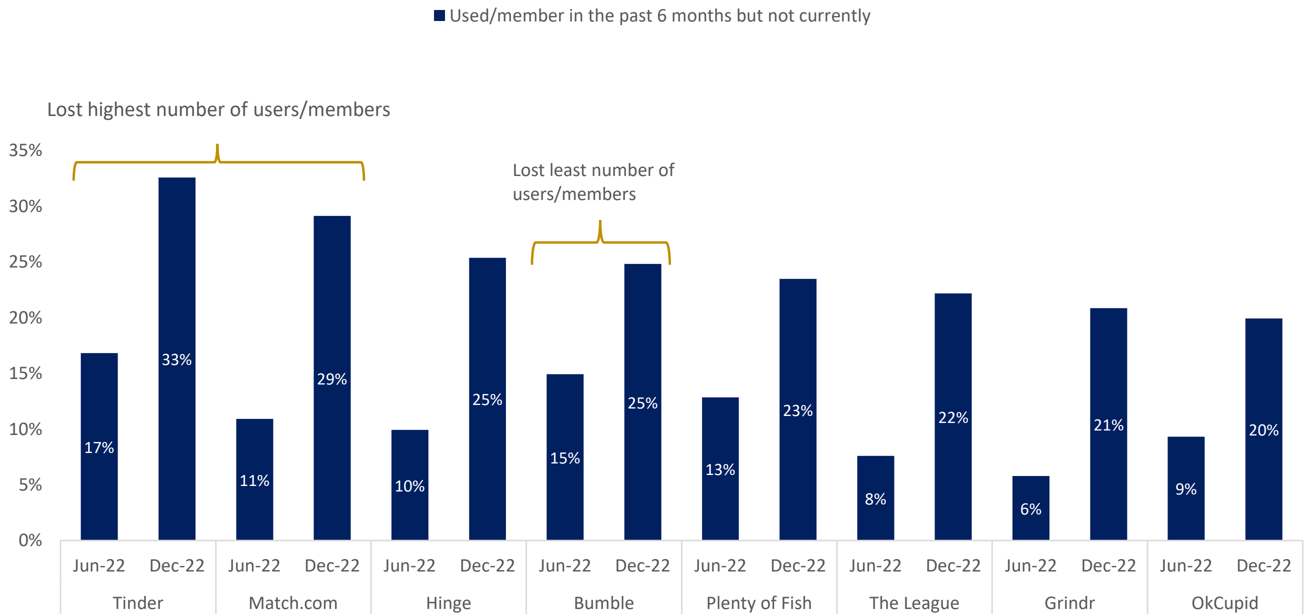


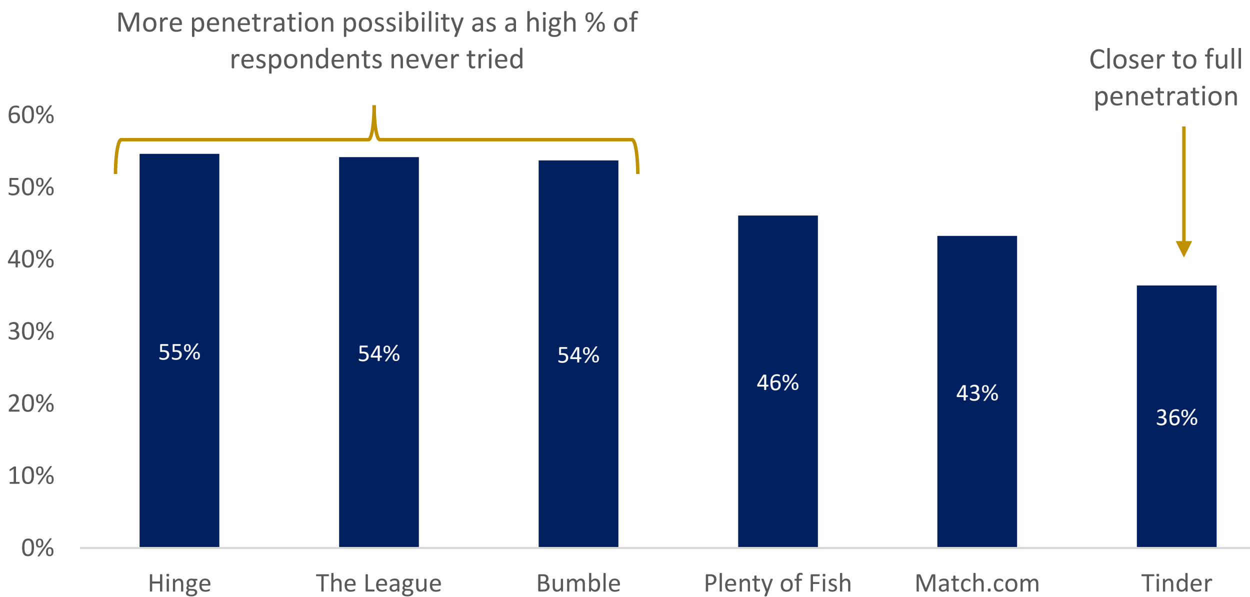
Source : dbDIG Survey, DB Research

Potential signs of churn at Tinder and Match.com

Pivoting to the percent of respondents indicating they have never used one of the dating apps, we identify that ***Tinder*** and ***Match.com*** are by far the lowest in the group at 36% and 43%, respectively. On the one hand, this speaks to the success both apps have had over the last decade. On the other hand, it could also point to growing maturity across Millennials and the Gen X cohort. Perhaps unsurprisingly, this could be the genesis of the company's marketing plans aimed at growing awareness across Gen Zs, the next wave of daters. For ***Bumble*** and ***Hinge***, ~55% of respondents have not yet used either service, indicating potential runway in driving ongoing user penetration. Penetration is also relatively low at both ***Grindr*** and ***The League***, which is to be expected given their more narrow target demographic.

Figure 49: Have you used/been a member of any of the following dating apps/sites



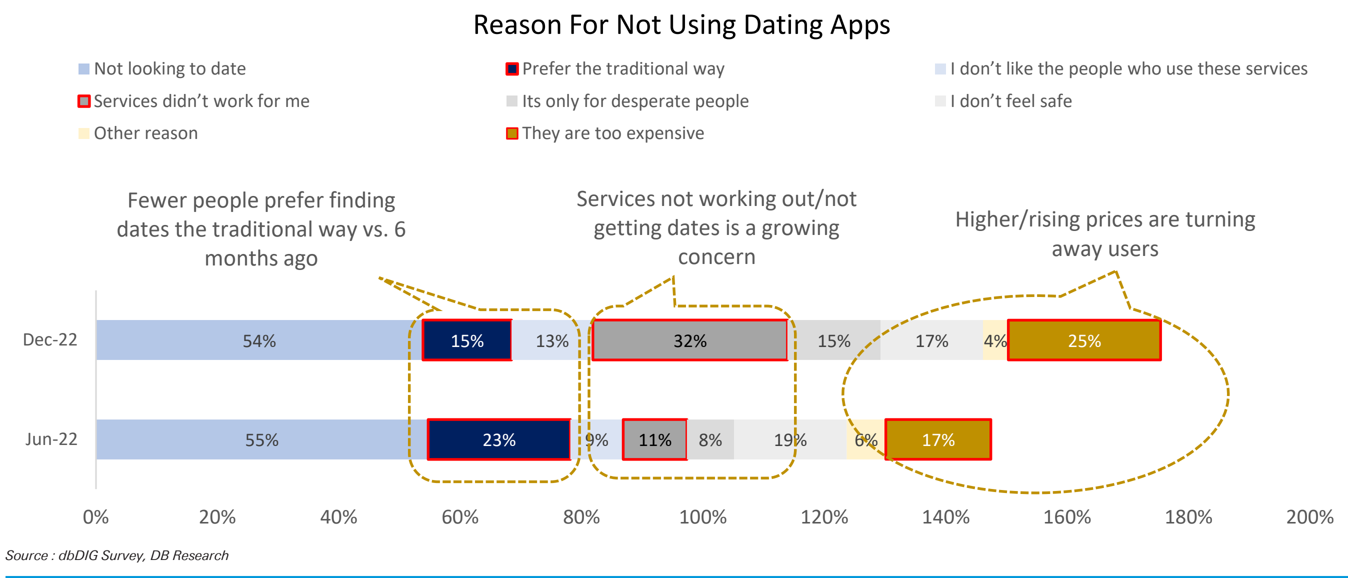


Source : dbDIG Survey, DB Research

Pricing and lack of matches are among the top reasons for not using dating apps

Across respondents not leveraging online dating services, we observe that the number of people citing a preference for "traditional" offline channels has decreased by 8 points to 15% as of the December survey. Our interpretation of this data relative to generally sluggish user trends being reported across our online dating coverage is that user headwinds are not coming as a function of changing dating behavior back to offline alternatives. With this in mind, our data suggests that elevated prices and challenges in finding a match are the most pertinent gating factors for user growth at the moment, with a growing number of respondents indicated they were having less success in finding matches and that prices have become too elevated. In fact, the percent of our panel indicting a lack of matches almost tripled to 32% in December, up from 11% in June, while high prices (pointing to price sensitivity) increased by 8 points to 25%. We think these issues point to the lack of product innovation, perhaps a marketplace imbalance coming out of pandemic restrictions, and general macro softness, which is weighing on propensity to spend in the current environment.

Figure 50: Why are you not currently using these apps/sites?

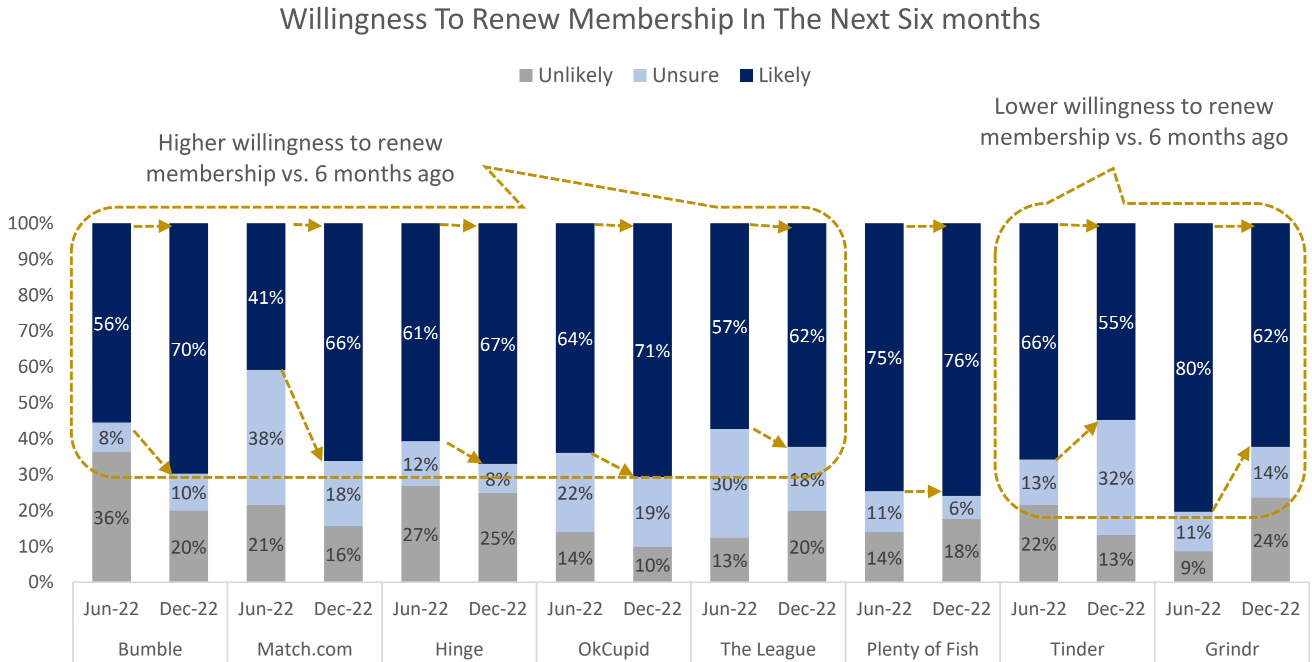


Source : dbDIG Survey, DB Research

Intention to renew dating app membership over the next six months has increased

Broadly speaking, we observed an improving willingness to renew dating app memberships over the next six months. In fact, for all apps with the exception of Tinder and Grindr, respondents indicated a higher willingness to renew their membership in our December survey vs. our June survey. Again, the Bumble App stands out positively, notching a 14 point increase to 70% willing to renew over the next six months, with the percentage of respondents unwilling to renew their memberships contracting by 16 points to 20% in our December sample. On the other hand, willingness to renew memberships at Tinder contracted by 11 points to 55%, and at Grindr we observed an 18 point contraction.

Figure 51: How likely are you to renew your membership/keep using the following in the next six months



Source : dbDIG Survey, DB Research

Figure 52: US Internet comp sheet

DB Internet Comps In US$M Company	Lead Analyst	Rating	Share Price	Target Price	Upside/ (Downside)	Market Cap	Enterprise Value (EV)	EV/Revenue 2023	EV/Revenue 2024	Rev. CAGR 2022-25	EV/GP 2023	EV/GP 2024	GP CAGR 2022-25	EV/EBIT 2023	EV/EBIT 2024	EBIT CAGR 2022-25	EV/EBITDA 2023	EV/EBITDA 2024	EBITDA CAGR 2022-25	EBITDA Margin 2023	GAAP P/E 2023	GAAP P/E 2024	EPS CAGR 2022-25
Advertising & Search																							
Alphabet	Benjamin Black	BUY	$88	$120	36%	$1,232,234	$1,130,628	3.6x	3.3x	+11%	6.5x	5.8x	+11%	14.2x	12.6x	+11%	9.5x	8.4x	+12%	38%	16.7x	14.5x	+15%
Meta Platforms, Inc.	Benjamin Black	BUY	$133	$125	-6%	$357,690	$315,914	2.5x	2.2x	+11%	3.3x	2.9x	+9%	11.7x	9.0x	+9%	6.1x	4.7x	+16%	42%	16.6x	12.1x	+13%
Snapchat	Benjamin Black	HOLD	$9	$9	-4%	$15,043	$14,355	2.9x	2.5x	+14%	4.6x	3.7x	+18%	-17.1x	-51.3x	-164%	24.2x	12.3x	+73%	12%	---	---	N/A
Median								2.9x	2.5x	+11%	4.6x	3.7x	+11%	11.7x	9.0x	+9%	9.5x	8.4x	+16%	38%	16.6x	13.3x	+14%
Cap weighted average								3.4x	3.0x	+11%	5.8x	5.2x	+11%	13.4x	11.2x	+9%	8.8x	7.6x	+13%	38%	16.5x	13.8x	+14%
eCommerce																							
Amazon.com Inc.	Lee Horowitz	BUY	$89	$130	46%	$921,498	$1,007,010	1.9x	1.6x	+11%	4.0x	3.4x	+15%	41.6x	25.0x	+60%	11.0x	9.0x	+21%	17%	54.4x	32.0x	N/M
eBay Inc.	Lee Horowitz	BUY	$45	$46	3%	$24,526	$25,661	2.7x	2.5x	+4%	3.7x	3.4x	+4%	10.5x	9.6x	+6%	7.7x	7.1x	+6%	35%	10.8x	9.7x	N/M
Etsy Inc	Lee Horowitz	HOLD	$126	$95	-25%	$15,916	$17,460	6.6x	5.8x	+14%	9.3x	8.3x	+14%	48.6x	39.4x	-193%	24.4x	20.9x	+16%	27%	49.7x	40.6x	N/M
Chewy Inc	Lee Horowitz	BUY	$41	$51	26%	$17,373	$17,481	1.5x	1.4x	+13%	5.5x	4.8x	+14%	254.7x	77.5x	-382%	52.0x	33.9x	+50%	3%	275.0x	95.2x	N/M
Median								2.3x	2.1x	+12%	4.8x	4.1x	+14%	45.1x	32.2x	-93%	17.7x	15.0x	+19%	22%	52.0x	36.3x	---
Cap weighted average								2.0x	1.7x	+11%	4.1x	3.5x	+14%	44.7x	25.8x	+46%	11.9x	9.6x	+22%	17%	57.1x	32.7x	+0%
Rideshare & Food Delivery																							
Uber Technologies, Inc.	Benjamin Black	BUY	$28	$40	43%	$55,519	$57,337	1.5x	1.3x	+19%	3.9x	3.1x	+21%	400.7x	27.1x	-234%	17.3x	10.6x	+67%	9%	---	46.6x	N/M
Lyft, Inc.	Benjamin Black	HOLD	$13	$15	13%	$4,736	$3,234	0.6x	0.6x	+16%	1.3x	1.1x	+23%	-8.7x	-19.3x	-64%	6.2x	3.9x	+54%	10%	---	---	N/M
Median								1.5x	1.3x	+19%	3.9x	3.1x	+21%	-8.7x	-19.3x	-64%	17.3x	10.6x	+64%	10%	---	84.0x	---
Cap weighted average								1.6x	1.3x	+18%	3.7x	3.0x	+21%	278.1x	11.4x	-182%	18.8x	11.4x	+65%	9%	0.0x	61.3x	+0.0%
Online Travel																							
Airbnb, Inc.	Lee Horowitz	HOLD	$88	$110	25%	$59,668	$56,832	6.0x	5.0x	+17%	7.3x	6.0x	+18%	28.4x	19.7x	+34%	18.0x	13.8x	+24%	34%	31.8x	22.4x	N/M
Booking Holdings Inc.	Lee Horowitz	BUY	$2,209	$2,370	7%	$87,615	$89,915	4.7x	4.1x	+13%	4.7x	4.1x	+13%	15.1x	12.3x	+20%	14.1x	11.6x	+19%	33%	18.3x	14.3x	+42%
Expedia Inc.	Lee Horowitz	BUY	$94	$135	44%	$15,210	$22,489	1.7x	1.5x	+13%	1.9x	1.7x	+13%	13.7x	9.2x	+37%	7.8x	6.0x	+22%	21%	9.3x	6.4x	+35%
Vacasa	Lee Horowitz	HOLD	$1	$2.4	67%	$522	$484	0.4x	0.3x	+16%	0.7x	0.6x	+18%	-3.9x	-6.4x	-61%	445.2x	7.9x	-243%	0%	---	---	N/M
Amex GBT	Lee Horowitz	BUY	$6	$7.5	20%	$2,839	$3,735	1.7x	1.4x	+15%	2.9x	2.4x	+18%	302.5x	18.4x		9.9x	6.5x	+95%	17%	---	42.9x	N/M
Median								1.7x	1.5x	+13%	2.9x	2.4x	+18%	15.1x	12.3x	+27%	14.1x	7.9x	+22%	33%	18.3x	18.4x	0.4x
Cap weighted average								4.8x	4.1x	+14%	5.3x	4.5x	+15%	24.6x	14.7x	+26%	16.2x	11.8x	+22%	32%	22.0x	16.9x	0.3x
Dating																							
Match Group	Benjamin Black	BUY	$45	$60	34%	$13,413	$16,906	4.9x	4.2x	+13%	7.1x	6.1x	+13%	18.6x	15.2x	+32%	14.0x	11.8x	+15%	35%	20.0x	17.5x	+35%
Bumble	Benjamin Black	HOLD	$22	$22	2%	$4,069	$4,330	4.1x	3.4x	+18%	5.7x	4.7x	+18%	50.7x	25.9x	+77%	15.9x	12.7x	+23%	26%	60.4x	25.5x	+88%
Median								4.5x	3.8x	+16%	6.4x	5.4x	+16%	34.6x	20.6x	+54%	14.9x	12.3x	+19%	31%	40.2x	21.5x	+62%
Cap weighted average								4.7x	4.1x	+14%	6.8x	5.8x	+14%	26.1x	17.7x	+42%	14.4x	12.0x	+17%	33%	29.4x	19.4x	+48%
Music and Interactive Media																							
Spotify	Benjamin Black	HOLD	$90	$100	11%	€17,355	€14,964	1.1x	1.0x	+15%	4.2x	3.4x	+20%	-31.6x	187.8x	-193%	99.4x	20.2x	-296%	1%	---	283.2x	N/M
Warner Music	Benjamin Black	BUY	$38	$37	-4%	$20,345	$23,774	3.8x	3.4x	+9%	7.8x	6.9x	+10%	27.2x	22.8x	+18%	18.3x	15.8x	+12%	21%	32.5x	26.9x	+11%
Universal Music	Benjamin Black	BUY	$24	€ 25	6%	€42,790	€45,540	4.0x	3.6x	+11%	8.5x	7.6x	+13%	21.5x	17.4x	+20%	18.3x	15.3x	+17%	22%	---	---	#VALUE!
Roblox*	Benjamin Black	BUY	$32	$45	42%	$18,914	$17,404	6.8x	6.1x	+13%	9.2x	8.1x	+12%	-14.5x	-14.6x	+8%	79.4x	43.9x	+30%	9%	---	---	N/M
Vivid Seats	Benjamin Black	HOLD	$8	$9	12%	$1,335	$1,316	2.1x	1.9x	+8%	2.7x	2.5x	+8%	15.6x	13.4x	+17%	11.2x	9.1x	+16%	19%	22.6x	19.2x	N/M
Median								3.8x	3.4x	+11%	7.8x	6.9x	+12%	15.6x	17.4x	+17%	18.3x	15.8x	+16%	19%	27.5x	26.9x	---
Cap weighted average								4.0x	3.6x	+12%	7.7x	6.8x	+14%	6.7x	40.8x	-19%	43.8x	21.7x	-34%	15%	7.2x	53.3x	#VALUE!
Digital Health and Wellness																							
GoodRx, Inc.*	Lee Horowitz	HOLD	$5	$7	39%	$2,079	$1,964	1.8x	1.6x	+15%	2.0x	1.7x	+15%	21.2x	15.6x	+34%	6.2x	5.4x	+16%	30%	41.7x	28.4x	N/M
Peloton*	Lee Horowitz	BUY	$10	$20	105%	$3,314	$4,159	1.9x	1.4x	N/A	3.0x	2.3x	-100%	-15.5x	35.7x		63.9x	8.5x	N/A	3%	---	52.0x	N/A
Median								1.9x	1.5x	+15%	2.5x	2.0x	-43%	2.9x	25.6x	+34%	35.0x	6.9x	+16%	16%	41.7x	40.2x	---
Cap weighted average								1.9x	1.5x	+6%	2.6x	2.1x	-56%	NM	27.9x	+13%	41.6x	7.3x	+6%	13%	16.1x	42.9x	+0%
Median Full Coverage								2.7x	2.5x	+13%	4.6x	3.7x	+14%	18.6x	17.4x	+14%	15.9x	11.6x	+18%	22%	31.8x	26.2x	---

Source : DB Research

Appendix 1

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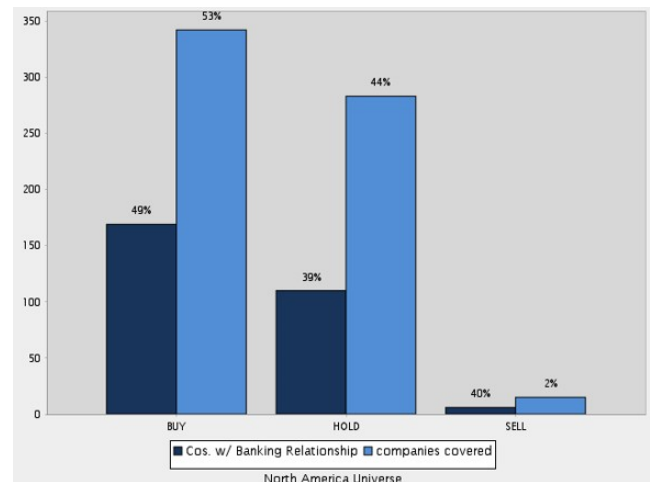

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David Folkerts-Landau

Group Chief Economist and Global Head of Research

Pam Finelli
Global Chief Operating Officer Research

Steve Pollard
Global Head of Company Research and Sales

Anthony Klarman
Global Head of Debt Research

Jim Reid
Global Head of Macro and Thematic Research

Tim Rokossa
Head of Germany Research

Gerry Gallagher
Head of European Company Research

Matthew Barnard
Head of Americas Company Research

Peter Milliken
Head of APAC Company Research

Debbie Jones
Global Head of Company Research ESG

Sameer Goel
Head of APAC Research

Francis Yared
Global Head of Rates Research

George Saravelos
Global Head of FX Research

Peter Hooper
Vice-Chair of Research

International Production Locations

Deutsche Bank AG
Deutsche Bank Place
Level 16
Corner of Hunter & Phillip Streets
Sydney, NSW 2000
Australia
Tel: (61) 2 8258 1234

Deutsche Bank AG
Equity Research
Mainzer Landstrasse 11-17
60329 Frankfurt am Main
Germany
Tel: (49) 69 910 00

Deutsche Bank AG
Filiale Hongkong
International Commerce Centre,
1 Austin Road West,Kowloon,
Hong Kong
Tel: (852) 2203 8888

Deutsche Securities Inc.
2-11-1 Nagatacho
Sanno Park Tower
Chiyoda-ku, Tokyo 100-6171
Japan
Tel: (81) 3 5156 6000

Deutsche Bank AG
1 Great Winchester Street
London EC2N 2EQ
United Kingdom
Tel: (44) 20 7545 8000

Deutsche Bank Securities Inc.
The Deutsche Bank Center
1 Columbus Circle
New York, NY 10019
Tel: (1) 212 250 2500