

# Trading Idea

N° 202101

## Stock

Company:  Rocket Internet (XSWX:RKET)

Type/Date: LONG

27-01-2021

Ticker: RKET

Price: 25,70

Mrk Cap: 3,2B €

P/E 0,00

Country: USA

Market: XSWX

Sector: Software & IT Services

Year One: #CAMPO!

Industry: Software\_Services

Employees: 378

# Shares: 135,7M

Avg. Volume: #CAMPO!

## Description

Rocket Internet SE is a Germany-based company active in the investment management and fund operator industry. The Company identifies, builds, scales and retains ownership of Internet companies. It mainly operates in three sectors: e-commerce, including retail companies in the areas of fashion, general merchandise, home and living, office supplies and food groceries; marketplace, comprising companies active in fields such as real estate, travel, transport and food delivery which offer buyers and sellers venues for direct transactions, among others; and financial technology, containing companies bringing together borrowers and lenders in areas like the consumer and small and medium-sized enterprise segments. As a holding company, Rocket Internet AG holds interests in operating subsidiaries divided into regional Internet groups entailing the geographic regions Africa, Asia Pacific, Latin America and the Middle East. The Company has a controlling interest in HelloFresh GmbH.

## Quantitative Analysis (Annual)

Ratios	2017	2018	2019	2020	2021	2022
Stock Price \$						
Market Cap \$M						
EPS						
Erng. Growth %						
Price/Earnings						
PEG						
Sales \$M						
Sales Growth %						
Sales Multiple						
Net Income (GAAP)						

## Comments on Annual Quantitative Analysis

Revenue Growth story ; End 2020 Price Target using same PE as 2019 =  $\$73.97 \times 1.8 = \$133.14$  (PT2)

End 2020 Price Target using same Sales Multiple as 2019 =  $\$101.40$  (PT1)

ZEN books a GAAP operating loss and non-GAAP profit. Revenue Growth story. 2019 GAAP operating loss forecasted at  $-\$175$ - $-\$178$ mIn, non-GAAP estimate at  $\$16$ - $\$19$ mIn difference due to share based compensation and related expenses.

Type of Story: Revenue Growth

Why do they have superior earnings and / or revenue growth?

What are the drivers of the growth?

Do you agree with the market?

## Quantitative Analysis (Sector Comparison)

Sector	PE1	EG1(2021)	EG2(2022)	PEG1	PEG2	Mrk Cap
RKET	0,0					3,2B €
EDP	#CAMPO!					
EDPR	#CAMPO!					
SON	#CAMPO!					
PTI	#CAMPO!					
NVG	#CAMPO!					22555
JMT	#CAMPO!					
NBA	#CAMPO!					
BCP	#CAMPO!					
ALTR	#CAMPO!					

## Comments on Quantitative Analysis Sector Comparison

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Document whether the stock is a quantitative outlier or not:

Sector drivers that will provide tailwind or headwind to the fundamentals:

Single stock volatility versus the rest of sector:

How much do you expect this stock to move in our chosen time frame for a trade of 1-3 months?

How much do you expect other stocks to move?

**What is their relative advantage to the sector?**

## Comments on Business

B2B Customer support Software (SAAS) (CRM)

## KPI's driving Revenue and Earnings

Free Cash flow:

Crucial to operating performance, official 2019 estimate

Remaining Performance Obligations (RPO):

Self Service "Knowledge Base":

Self Service "Knowledge Base":

Geographic sales split:

Product innovation drives ARR:

Non-GAAP gross margin:

## Earnings Announcements

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Next: 04/feb/20  
Period: Q4 2019  
Estimate:

Q4 2019 4th February 2020, Estimate -0.16 GAAP loss on a range of -0.14 to -0.18 2020 guidance key. For Revenue looking for re-affirm of \$1.1bln and above and for 2020

GAAP EPS estimate for the year 2020 loss of -0.67 on a range of -0.63 to -0.77 with non GAAP consensus of 0.57.

Maintenance of Free Cash flow increase and of Gross operating Margin of around 75%.

## Catalysts excluding Earnings

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<check number of press releases in last 1-2 years to see how communicative the company is with the market in between earnings releases and check which headlines moved the price and count them> trends of communication create volatility. Include what the risks are to the trade

**What are the future catalysts?**

**Will it continue?**

## Technical's and Price Action charts

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<Insert choice of Technical's and Price Action charts for timing and check short interest for path of least resistance

## Trade Structure

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What is your choice of trade structure and why? Include time horizon for trade

## Trade Management

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**Will you have conviction medium to longer term if it goes against you in the short term?**

sdfdsf

**Are you willing to buy / short more and back your idea?**

sdfdsf

**What are the risks to the idea?**

sdfdsd