



| | Sale | Buy | Grow |
|-----------|----------|----------|---------|
| | \$285.00 | \$334.07 | 15.79% |
| | \$375.00 | \$460.75 | 23.14% |
| | \$625.00 | \$663.75 | 6.89% |
| Copper | \$769.00 | \$818.58 | 6.44% |
| Steel | \$424.00 | \$452.96 | 6.84% |
| Aluminum | \$336.00 | \$349.59 | 3.99% |
| Manganese | \$400.00 | \$418.80 | 4.70% |
| Iron | \$421.00 | \$326.77 | -22.50% |
| Platinum | \$285.00 | \$441.28 | 54.83% |
| Silver | \$625.00 | \$728.00 | 16.48% |



Evolve

Capital Partners

Upstart

December 2020

Summary of Initial Public Offering



**SPECIALIZED INVESTMENT BANKERS AT
THE INTERSECTION OF FINANCE & TECHNOLOGY**

Upstart IPO – Executive Summary

Initial Public Offering Overview – December 2020



NAS: UPST






Description

- Upstart is cloud-based artificial intelligence (AI) lending platform. The company's platform aggregates consumer demand for loans and connects it to its network of the company's AI enabled bank partners. Its platform connects customers, banks, and institutional investors through a shared AI lending platform.



Use of Proceeds

- The net proceeds will be used to increase capitalization and financial flexibility.
- The company intend to use the proceeds for general corporate purposes, including working capital, operating expenses and capital expenditures. In addition, if opportunities present, the company may use the proceeds for acquisitions and/or strategic investments in complementary businesses, products, services or technologies.

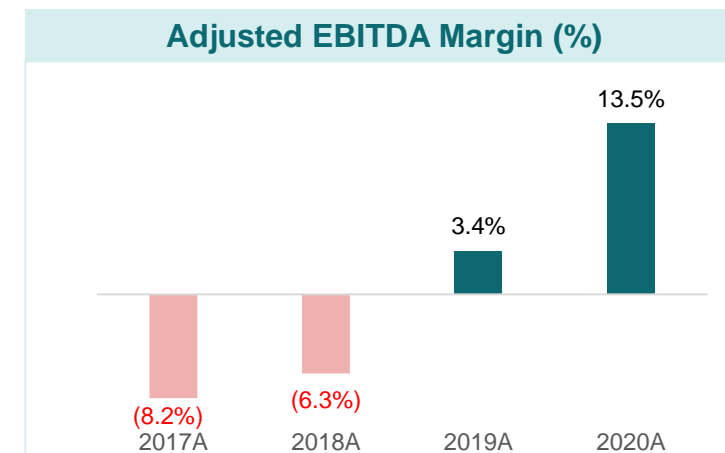
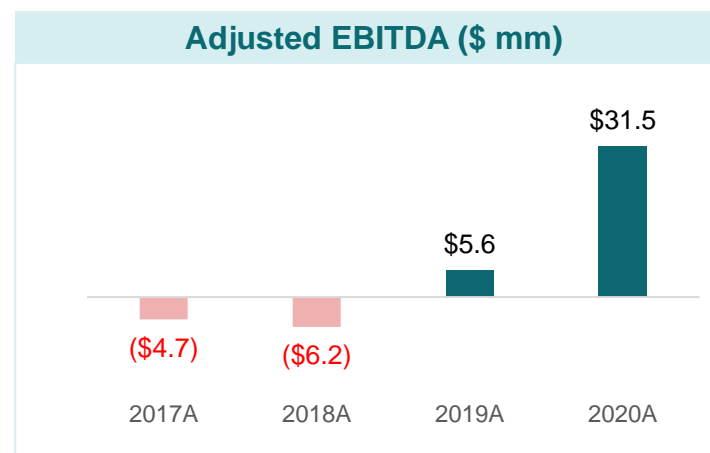
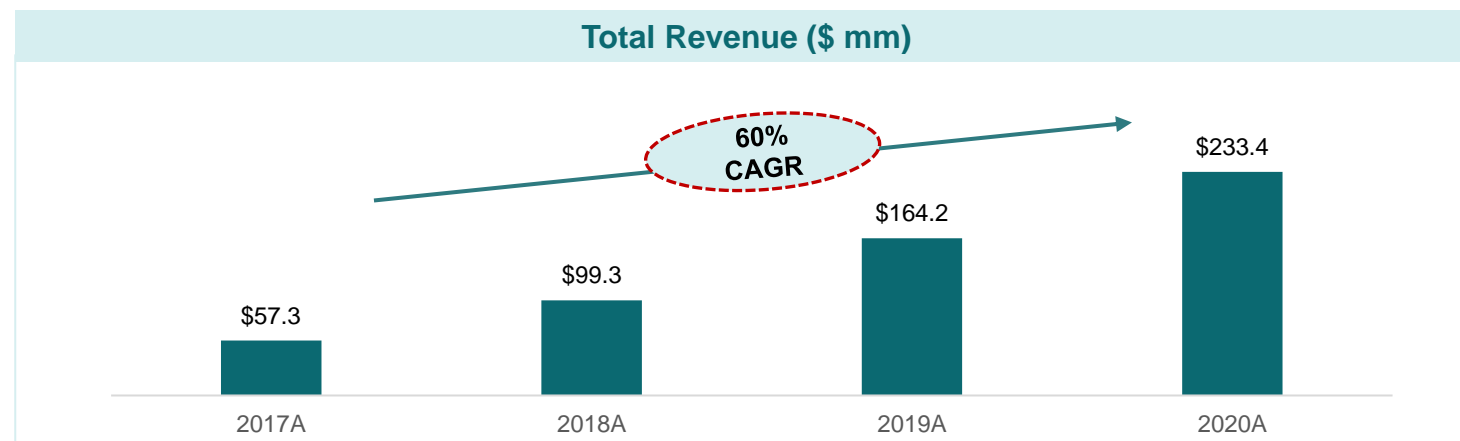
| | |
|--|---|
|  Headquarters | San Mateo, California |
|  Founded | 2012 |
|  Employees | 429 |
|  Trading Date | 12/16/2020 |
|  Lead Underwriters | Goldman Sachs, BofA Securities, Citigroup Global Markets, Jefferies, Barclays Capital |
|  Issue Price | \$20.00 |
|  Shares Offered | 12.0 million |
|  Gross Proceeds | \$240 million |

Source(s): Upstart S-1 Filing, Media Reports, Capital IQ.

Upstart IPO – Executive Summary

Key Metrics

| | |
|--|----------------|
| Shares Offered through the IPO | 12.0 million |
| Issue Price | \$20.00 |
| Total Shares Outstanding after the IPO | 72.5 million |
| Market Value at Listing Price ⁽¹⁾ | \$1.45 billion |
| Enterprise Value at Listing Price ⁽²⁾ | \$1.66 billion |
| EV / Revenue ⁽³⁾ | 10.1x |
| Trading Date | 12/16/2020 |
| Listing Price | \$26.00 |
| Listing Premium | \$6.00 |



Source(s): Pitchbook, Media Reports, Upstart 424B4 Filing, Capital IQ, 10K.

⁽¹⁾ Market Value has been calculated as Listing Price x Total Shares Outstanding after the IPO.

⁽²⁾ Enterprise Value = calculated Market Value at Listing Price + preferred equity + debt - cash as of September 30, 2020.

⁽³⁾ EV / Revenue calculated based on enterprise value of securities on listing date.






Upstart IPO – Executive Summary

Company Overview

Business Overview

- Upstart is an artificial intelligence (AI) lending marketplace that is designed to improve access to affordable credit while reducing the risk and costs of lending for its bank partners.
- The company connects consumers, banks and institutional investors through the lending platform.
- Through Upstart, banks can use the automated fraud and verification process to manage their risk more effectively.
- Upstart's platform will present consumers with bank-branded offers from its bank partners. Consumers can easily access to fast online loans with lower rates. On the company's platform, consumers are generally offered unsecured personal loans ranging from \$1,000 to \$50,000 in size.
- Bank partners can retain loans that align with their business and risk objectives, while the remainder can be sold to the company's network of institutional investors. These investors have broader and a more diverse capacity to absorb and distribute risk.

Key Statistics

| | |
|---|---|
|  | AI models approves 27% more borrowers than high-quality traditional lending models with a 16% lower average APR for approved loans. |
|  | In the third quarter of 2020, approximately 70% of Upstart-powered loans were instantly approved with no document upload or phone call required. |
|  | In the third quarter of 2020, the typical Upstart-referred borrower was 28 years old, a compelling demographic that is often challenging for banks to access. |
|  | As of September 2020, 622K loans were transacted on the platform. Conversion rates have increased 10x since inception. |
|  | Upstart models incorporate more than 1,600 variables and are trained by more than nine million repayment events. These AI models have been built and refined for more than eight years. |

Source(s): Upstart website, Upstart 424B4 Filing.

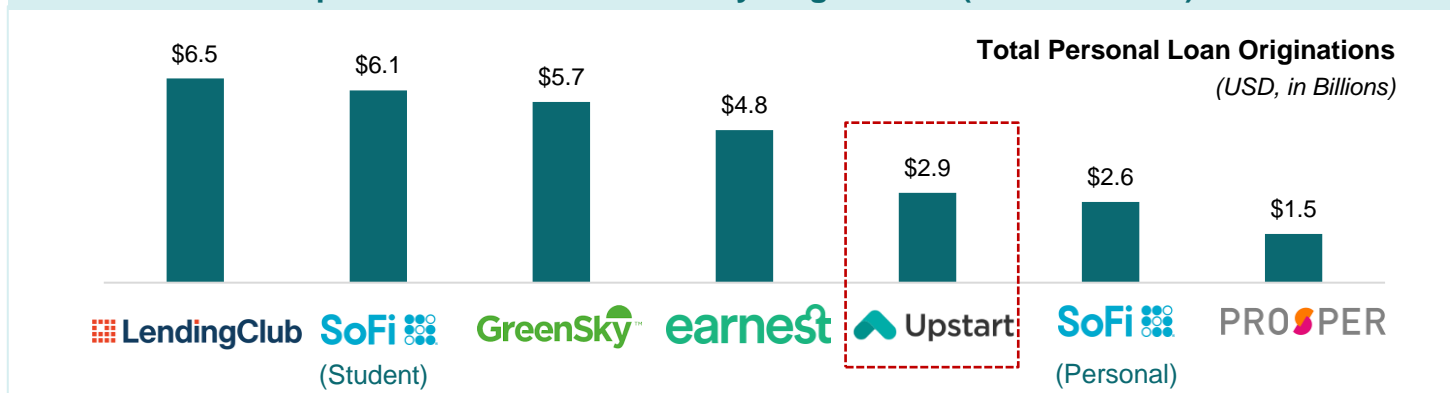
Upstart IPO – Industry Landscape

Key Metrics

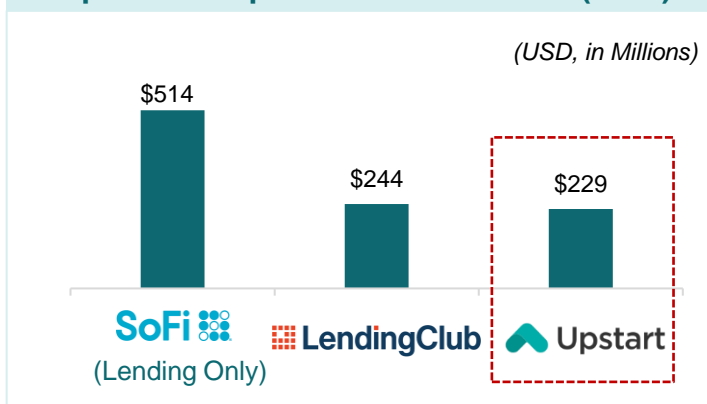
Highlights

- LendingClub is the oldest and largest digital lender by cumulative originations, while SoFi is one of the largest marketplace lenders offering diversified products.
- Cumulative originations for the FinTech lending industry topped \$250 billion in Q3:2020, growing at a 47.4% CAGR rate since Q3:2015.
- After an initial COVID-19 shock, which caused industry originations to decline 72% Q-o-Q in Q2:2020, the industry posted an 83% increase the following month.
- Two large lenders exited from the space last year: On Deck Capital sold to Enova International in July 2020, while Kabbage got acquired by AMEX in August 2020.
- Upstart posted \$229 million revenue in 2020, closing in on competitor LendingClub's \$244 million.

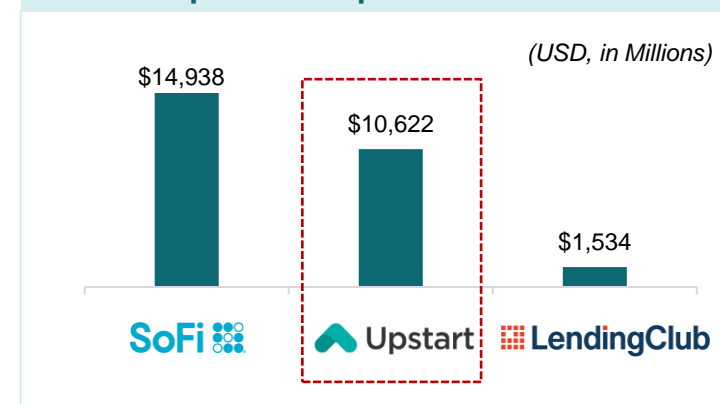
Top FinTech Loan Providers by Originations (Q4:19 – Q3:20)



Upstart v. Top Lenders – Revenue (2020)



Upstart v. Top Lenders – MV



SoFi's total revenue was \$621 million in 2020.

Source(s): S&P Global, Public reports, Media reports.

Note: FinTech loan provider origination is based on personal, small / medium sized businesses and student loans. Loan origination numbers are estimates based on S&P Global Market Intelligence charts. MV is based on stock price as of April 1, 2021.

Upstart IPO – Case Study

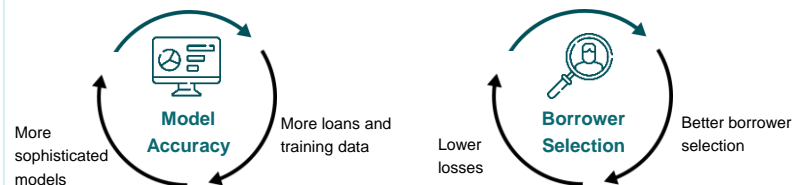
Key Metrics

Highlights

- Upstart offers next day funding for loans for 99% of applicants, with no prepayment penalty.
- Upstart has higher approval rates, which generate more data to enable more sophisticated models.
- Origination volume grew by 75% CAGR since 2017.

Higher approval and lower interest rates

Lower APRs for better borrowers

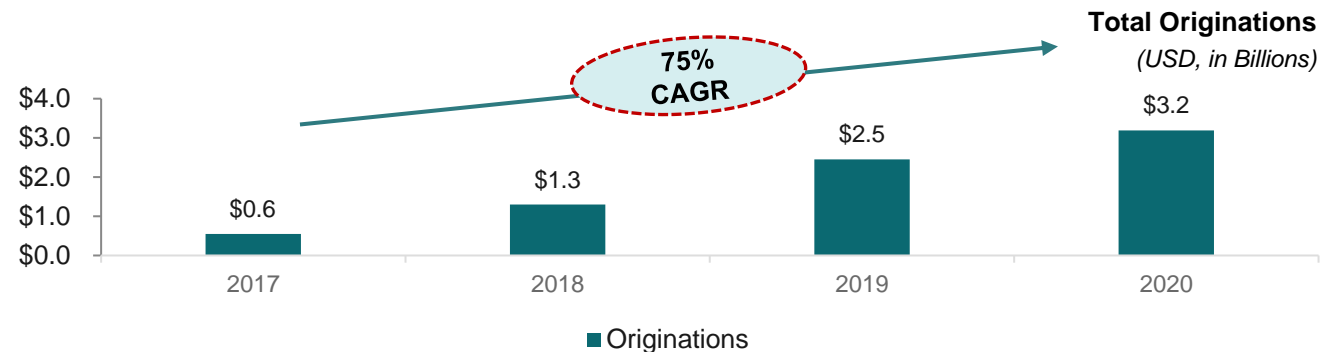


Upstart-Powered Banks

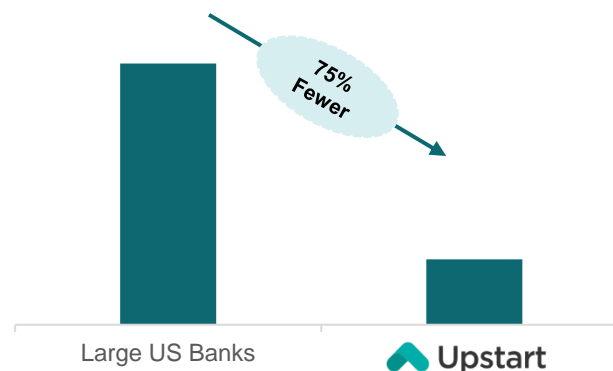


Source(s): Upstart S-1 Filing.

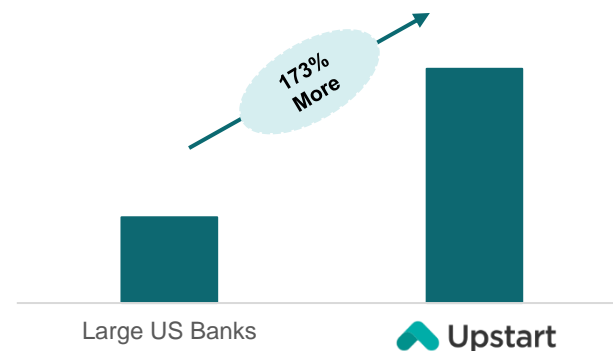
Upstart – Total Origination Volume



Defaults Based on Same Approval Rates



Approvals Based on Same Loss Rates



Upstart IPO – Executive Summary

Management Team

Key Executives

Biography



Dave Girouard
Chief Executive Officer

- Dave Girouard is one of Upstart’s co-founders and has served as the Chief Executive Officer and a member of the board of directors since its founding in 2012.
- Dave has served in various roles at Google, most recently as President of Google enterprise, where he helped build Google’s cloud application business worldwide.
- Dave holds a Bachelor of Arts in Engineering Science, a Bachelor of Engineering in Computer Engineering from Dartmouth College and an M.B.A from the University of Michigan.



Paul Gu
Co-Founder & SVP

- Paul Gu is one of Upstart’s co-founders and also serves as the Senior Vice President, Product and Data Science.
- Paul has a background in quantitative finance, built his first algorithmic trading strategies on the Interactive Brokers API at the age of 20 and previously worked in risk analysis at the D.E. Shaw Group, a hedge fund, in 2011.
- Paul studied economics and computer science at Yale University and then joined the Thiel Fellowship.




























Sanjay Datta
Chief Financial Officer

- Sanjay Datta has served as the Chief Financial Officer since December 2016.
- While working at Google, Sanjay served in various roles and in various international finance leadership positions based in Asia and Europe. Prior to Google, Sanjay worked at Artisan Capital, a private investment group.
- Sanjay holds a joint honors degree in Economics and Finance from McGill University and an M.B.A from Stanford University.

Source(s): Upstart 424B4 Filing.

Upstart IPO – Executive Summary

Transaction History

| Date | Transaction Type | Amount (\$ mm) | Key Investors |
|-----------|------------------|----------------|---|
| 4/8/2019 | Series D | \$50.0 |    |
| 2/24/2017 | Series C1 | \$32.5 |       |
| 7/16/2015 | Series C | \$35.0 |     |
| 4/22/2013 | Series A | \$6.8 |       |
| 8/8/2012 | Seed Round | \$1.8 |       |

Source(s): Pitchbook.

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