

VALUATION SCORECARD

Riot Platforms Inc

NASD: RIOT

PREPACKAGED SOFTWARE

Technology

MARKET VALUE (\$MIL) \$3,587
 SHARES OUTS (MIL): 207
 AVG DAILY VOL (000): 29,919

YIELD: 0.0%
 P/E: 90.0X
 BETA: 4.34X

02/26/24
 Price:
\$17.37

As reflected at the current price of \$17, what future Riot Platforms operating performance is the market anticipating? To achieve average annual stock market performance of 9.0% over the next 6 years, Riot Platforms shares will need to reach \$29. To achieve Upper quartile performance, Riot Platforms' stock price will need to reach \$34 by 2028.

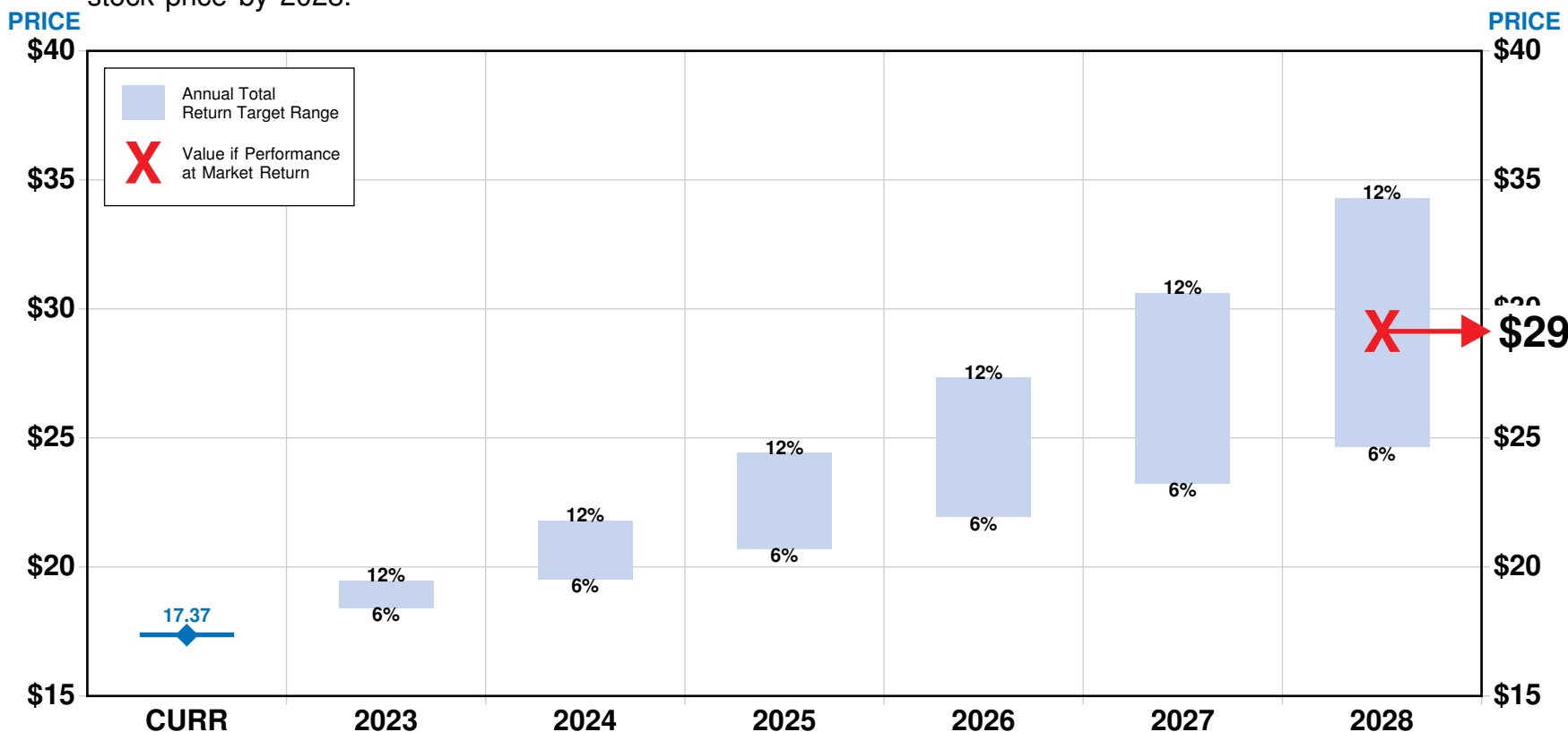
ESSENTIAL QUALITIES

- Price Target Research identifies Riot Platforms as having: high expected growth, high profitability, stability, and below average financial strength. A big positive influence on Riot Platforms' valuation is its superior Growth.
- Very high valuation, leading shareholder returns.
- Riot Platforms' achieved growth is very high.
- Profitability is very high.
- Riot Platforms' risk profile is neutral.

The Value Challenge

How Does Riot Platforms Get to \$29 by 2028?

What is the market's view of Riot Platforms' future operating performance as reflected in the current price of \$17? To achieve average annual stock market performance of 9.0% over the next 6 years, Riot Platforms shares will need to reach \$29. Upper quartile performance will require a \$34 Riot Platforms stock price by 2028.



Diamonds represent Riot Platforms warranted value based on scenario assumptions and PTR proprietary analysis. Shaded bands represent year-end stock price necessary to achieve target returns.

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Executive Summary

- **Price Target Research identifies Riot Platforms as having:** high expected growth, high profitability, stability, and below average financial strength. A big positive influence on Riot Platforms' valuation is its superior Growth.
- **Very high valuation, leading shareholder returns.** Current valuation levels are very high relative to the Riot Platforms Peer Group. Recent market returns have significantly outperformed the Riot Platforms Peer Group. A 2028 stock price of \$29 would reflect median performance and a price of \$34 would be required to reach upper quartile performance.
- **Growth has been Riot Platforms' biggest valuation strength.** Historical growth has been very high relative to the Riot Platforms Peer Group and forecasted growth is relatively very high. Asset Growth, Equity Growth, and Revenue Growth have been superior. These factors have buoyed market perceptions of Riot Platforms. Riot Platforms' historical income statement and balance sheet growth are not available.
- **Profitability is very high.** The company has very high excess cash and will have to work to reinvest at attractive returns to support profitability and valuation.
- **Riot Platforms' risk profile is neutral.** Overall variability has been only average with only average revenue variability, very low E.P.S. variability, and very high stock price volatility. Financial Strength is below average and earnings' expectations are relatively very high. The debt/capital ratio has been relatively steady.

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Valuation Scorecard

WEALTH CREATION



Favorable

- **Historical performance.** Very strong 5–year total returns relative to Riot Platforms Peer Group. One year returns very strong. Valuation is very high relative to group. Annual growth in warranted value has been very strong.
- **Market expectations.** Expected shareholder returns through 2028 are not available.

GROWTH



Favorable

- **Historical performance.** Asset Growth, Equity Growth, and Revenue Growth have been superior.
- **Market expectations.** Historical growth has been very high relative to the Riot Platforms Peer Group and forecasted growth is relatively very high.
- **Valuation key.** The company has very high excess cash and will have to work to reinvest at attractive returns to support profitability and valuation.

PROFITABILITY



Favorable

- **Historical performance.** No profitability factor (Asset Turnover, Pretax Margin, Pretax ROA, Return on Equity) has stood out.
- **Market expectations.** The company has achieved a slight increase in ROE along with a very significant increase in shares outstanding. Forecasts will have to incorporate these trends.
- **Valuation key.** Riot Platforms' very high excess cash will need to be reinvested at attractive returns to maintain profitability.

RISK



Mixed

- **Historical performance.** Financial Strength is below average. Debt/capital ratio has been relatively steady. Overall variability has been only average.
- **Market expectations.** Overall variability average. Earnings' expectations are relatively very high.
- **Valuation key.** Riot Platforms' neutral risk profile has little impact on Riot Platforms' valuation.

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Riot Platforms Peer Group (14 Companies)

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- Arbutus Biopharma Corp
- Asensus Surgical Inc
- Cara Therapeutics Inc
- Cymabay Therapeutics Inc
- Editas Medicine Inc
- Epizyme Inc
- Fate Therapeutics Inc
- Karyopharm Therapeutics Inc
- Obsidian Energy Ltd
- Prothena Corp Plc
- Revance Therapeutics Inc
- Riot Platforms Inc
- Voyager Therapeutics Inc
- bluebird bio Inc

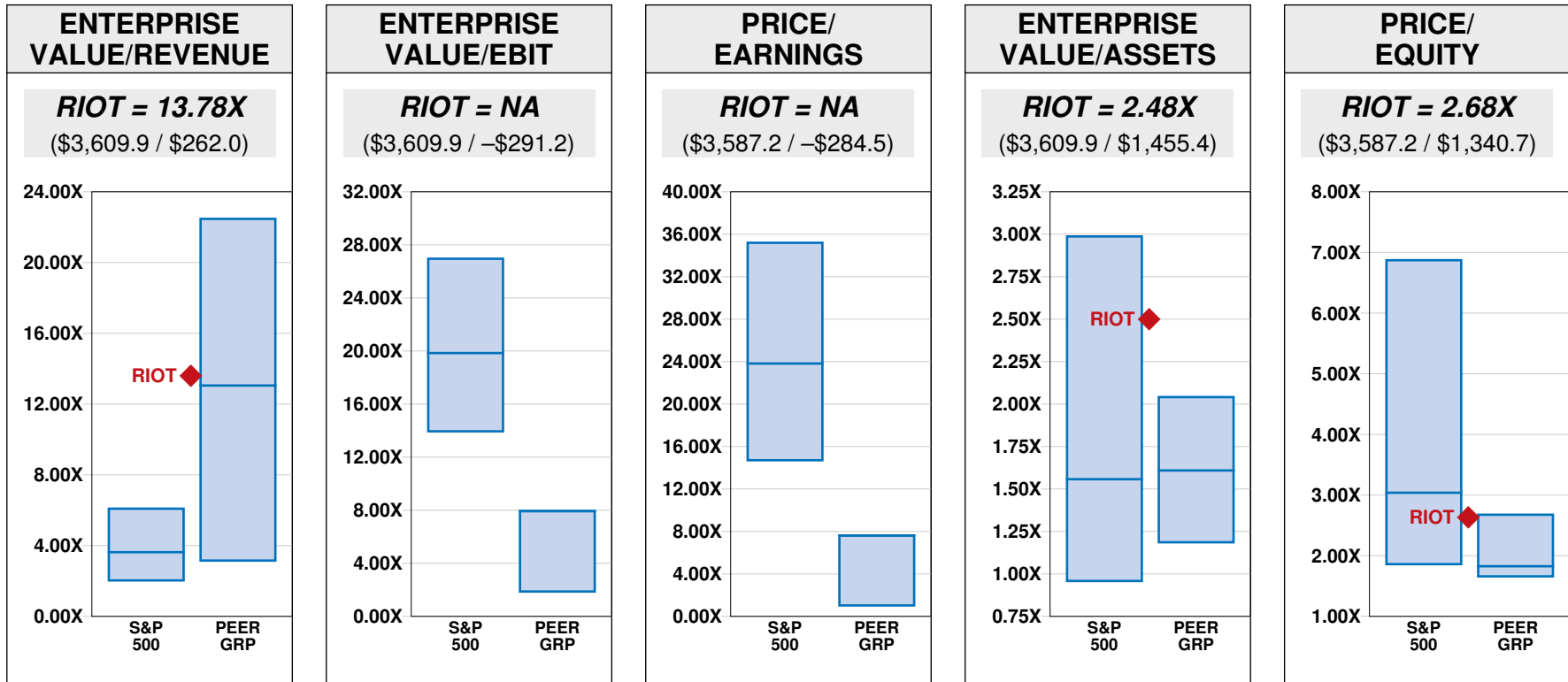
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Summary – Current Valuation

- **Relative to S&P 500 Composite, RIOT’s overall valuation is high.**
 - Ratio of enterprise value/revenue is upper quartile. Ratio of enterprise value/assets is above median. Price/equity ratio is below median. Price/earnings ratio is unavailable. Ratio of enterprise value/earnings before interest and taxes is unavailable.
- **Relative to Riot Platforms Peer Group, RIOT’s overall valuation is quite high.**
 - Ratio of enterprise value/assets is upper quartile. Price/equity ratio is at the upper quartile. Ratio of enterprise value/revenue is slightly above median. Price/earnings ratio is unavailable. Ratio of enterprise value/earnings before interest and taxes is unavailable.

Valuation Relative to Key Groups

Riot Platforms' valuation relative to S&P 500 Composite is modestly lower than it is relative to Riot Platforms Peer Group. Relative to Riot Platforms Peer Group, RIOT's overall valuation is quite high. Ratio of enterprise value/assets is upper quartile. Price/equity ratio is at the upper quartile. Ratio of enterprise value/revenue is slightly above median. Price/earnings ratio is unavailable. Ratio of enterprise value/earnings before interest and taxes is unavailable.



Individual valuation measures for each group are percentiled and compared to Riot Platforms values. High end of bar represents group upper quartile value. Lower end represents lower quartile value. Middle line represents group median. Riot Platforms value is represented by diamond.

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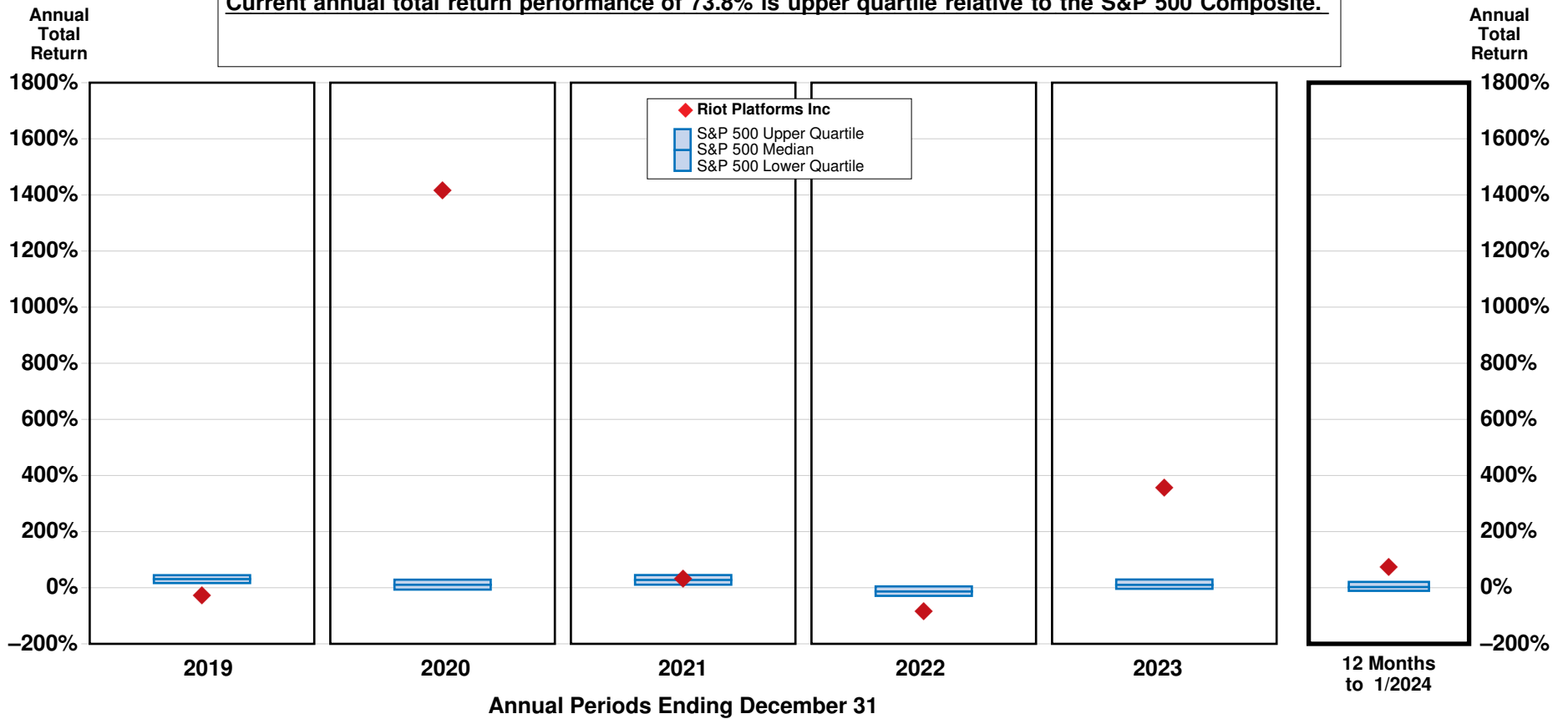
Investment Performance vs. S&P 500

- **Riot Platforms’ annual total return performance of 73.8% for the year ending January, 2024 is upper quartile.**
- **Over the last 5 years, Riot Platforms’ annual total return performance has been average. By quartile, annual total returns have been:**
 - upper quartile for 2 of the last 3 years.
 - upper quartile for 4 of the last 5 years.
 - upper quartile for 4 of the last 6 annual periods.
- **Riot Platforms’ current 5–year total return performance of 42.6% through January, 2024 is upper quartile.**
- **Over the last 5 years, Riot Platforms’ 5–year total return performance has been average. 5–year total returns by quartile have been:**
 - top quartile for 2 of the last 3 5–year periods.
 - top quartile for 4 of the last 5 5–year periods.
 - top quartile for 4 of the last 6 5–year periods.

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Annual Total Returns vs. S&P 500 Composite

Current annual total return performance of 73.8% is upper quartile relative to the S&P 500 Composite.

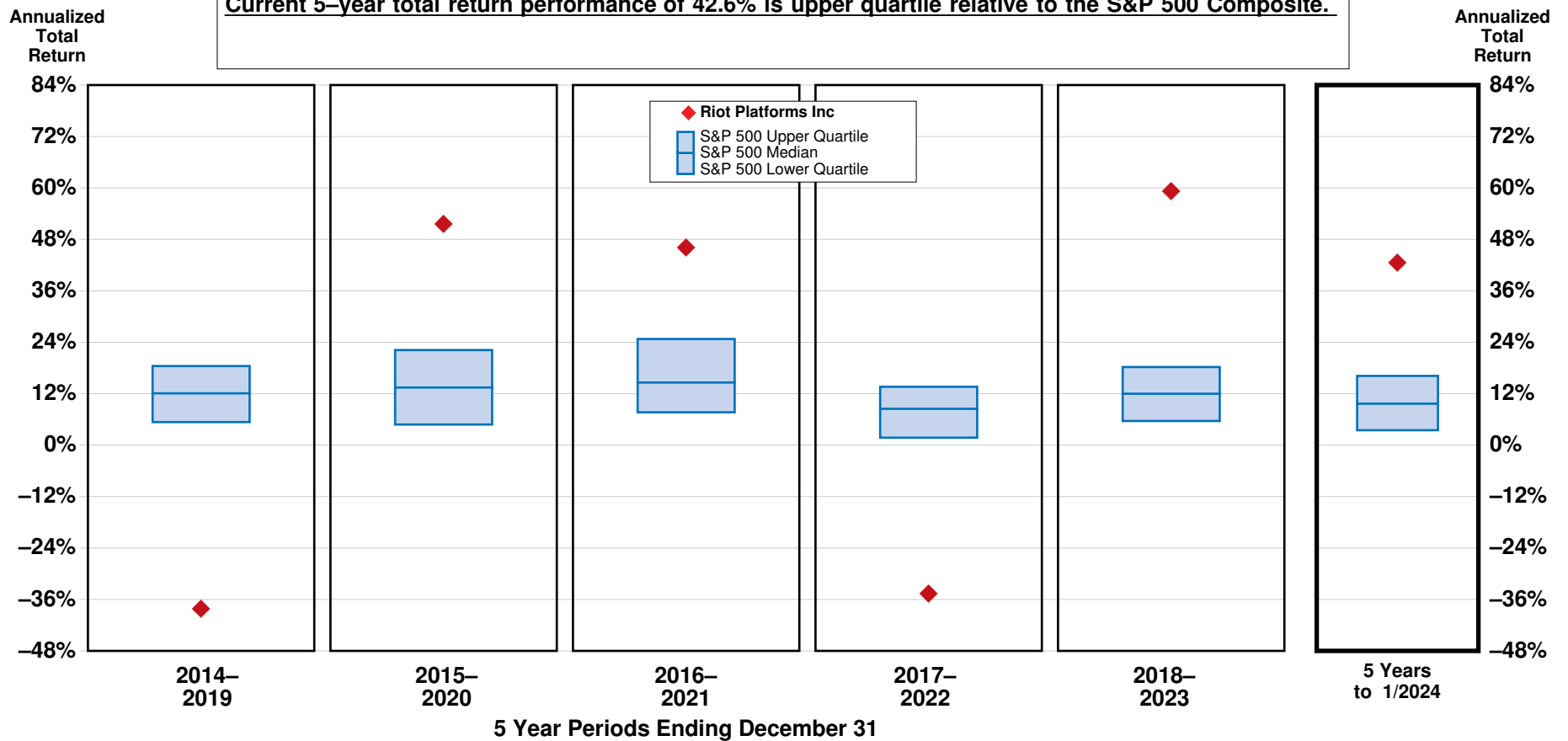


Total returns are annualized and include price appreciation and common dividends accumulated during each period. Riot Platforms returns represented by diamond; S&P 500 Composite upper quartile by upper end of bar; lower quartile by lower end; median returns by the line.

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5 Year Annualized Total Returns vs. S&P 500 Composite

Current 5-year total return performance of 42.6% is upper quartile relative to the S&P 500 Composite.



Total returns are annualized and include price appreciation and common dividends accumulated during each period. Riot Platforms returns represented by diamond; S&P 500 Composite upper quartile by upper end of bar; lower quartile by lower end; median returns by the line.

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Summary – Growth Profile

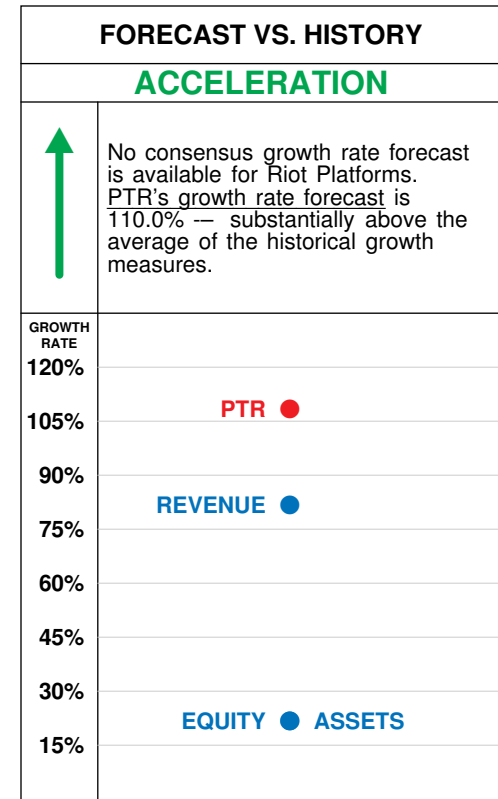
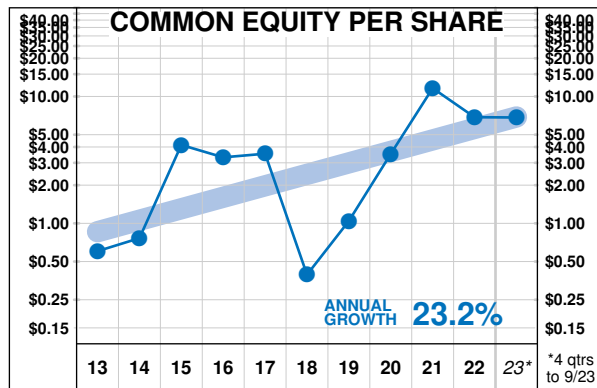
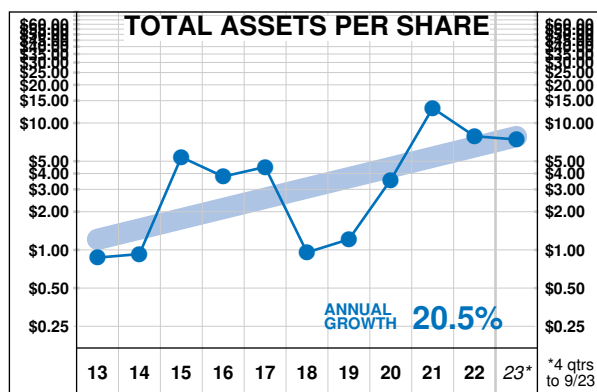
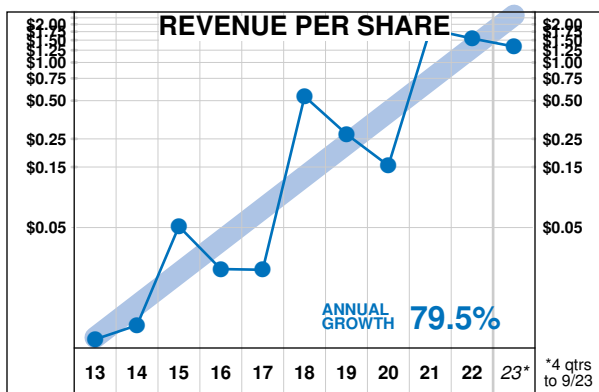
- **Historical growth profile. Riot Platforms' historical income statement and balance sheet growth are not available.**
 - Annual revenue growth has been 79.5% per year.
 - Total asset growth has been 20.5% per year.
 - Annual E.P.S. growth is not available.
 - Equity growth has been 23.2% per year.
- **Growth profile vs. Riot Platforms Peer Group. Relative to the Riot Platforms Peer Group, Riot Platforms' historical growth measures are generally top quartile.**
 - Equity growth (23.2%) has been upper quartile.
 - Total asset growth (20.5%) has been upper quartile.
 - Revenue growth (79.5%) has been at the upper quartile.
 - E.P.S. growth is unavailable.

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Growth Profile For Period 2013–2023

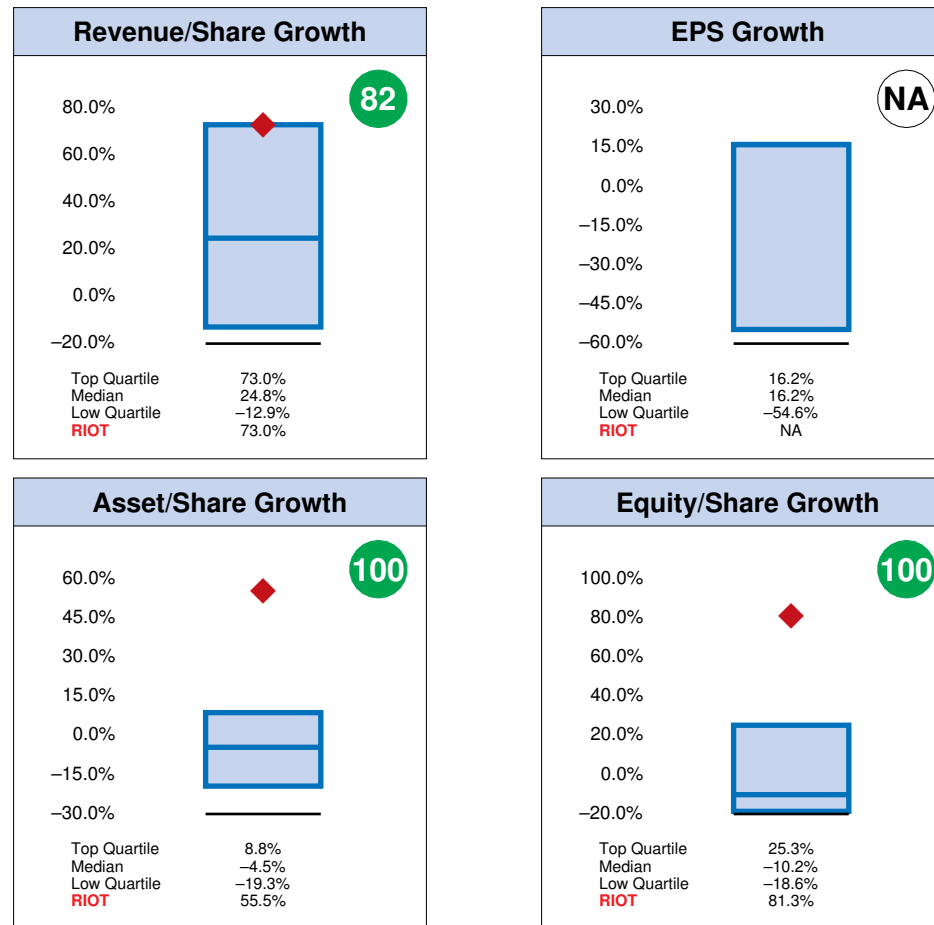
Riot Platforms' historical income statement and balance sheet growth are not available. Annual revenue growth has been 79.5% per year. Total asset growth has been 20.5% per year. Annual E.P.S. growth is not available. Equity growth has been 23.2% per year.



Selected historical data property of Standard and Poor's

Longer term growth rates in revenue, net income, total assets, and common equity are derived from a least-squares statistical analysis of Riot Platforms' historical performance and are on a per share basis. (Where indicated, a significantly different shorter term trend is also presented.) Note that the consensus growth rate forecast is the average of available Street forecasts.

Key Growth Measures Relative to Riot Platforms Peer Group (14 Companies)

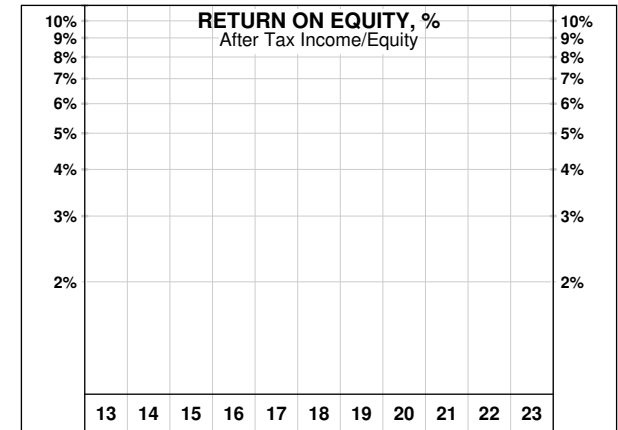
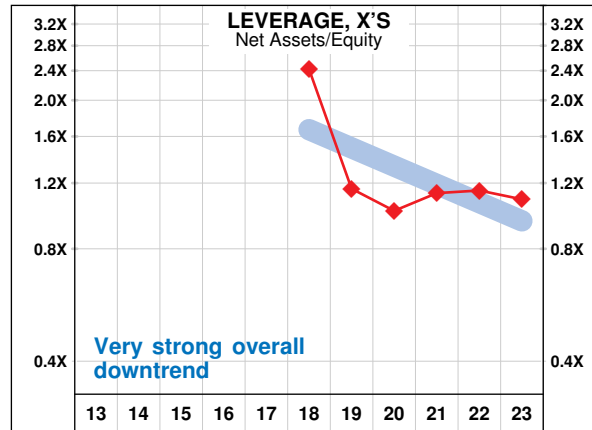
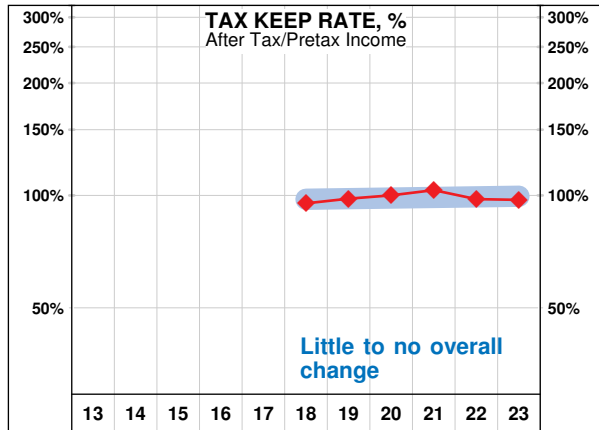
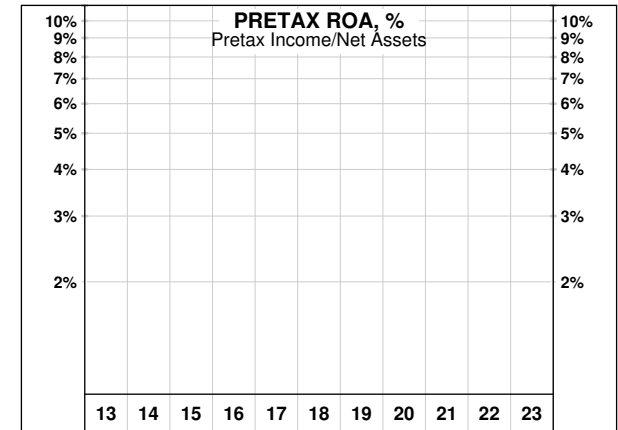
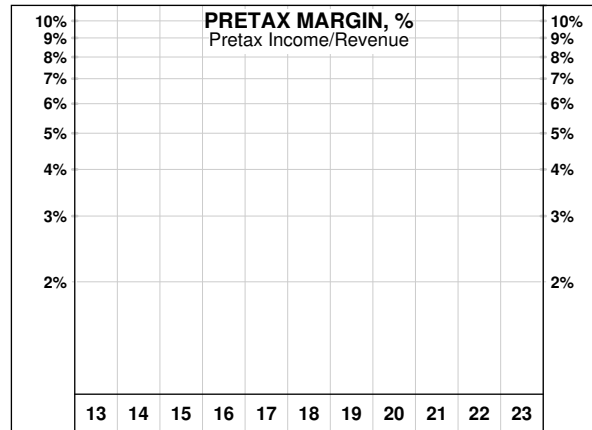
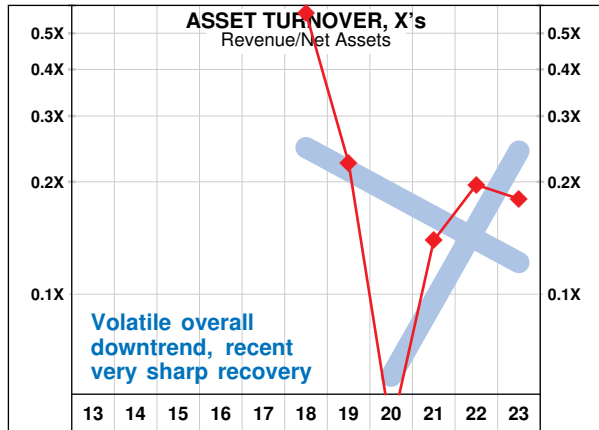


High end of bar represents Riot Platforms Peer Group upper quartile value. Lower end represents lower quartile value. Middle line represents group median. Riot Platforms values are represented by red diamonds. Riot Platforms percentile ranks (0–100) shown in circles.

Summary – Profitability Performance

- **Trend in operating performance. Riot Platforms' operating performance since 2013 is unavailable.**
 - The productivity of Riot Platforms' assets declined over the full period 2013–2023: asset turnover has suffered a volatile overall downtrend even as it experienced a very sharp recovery after the 2020 low.
 - CE
- **Current operating performance. Riot Platforms' return on equity is slightly above median (–21.2%) for the four quarters ended September, 2023.**
 - Operating performance (pretax return on assets) is upper quartile (–20.1%) reflecting asset turnover that is at median (0.18X) and upper quartile pretax margin (–111.%).
 - Tax "keep" rate (income tax management) is lower quartile (97.3%) resulting in after tax return on assets that is upper quartile.
 - Financial leverage (leverage) is lower quartile (1.09X).

Profitability Profile (Four Quarters Ending September, 2023)

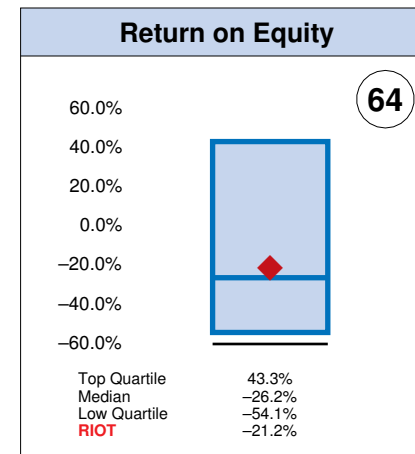
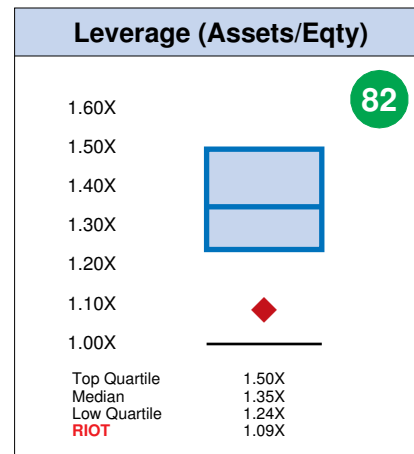
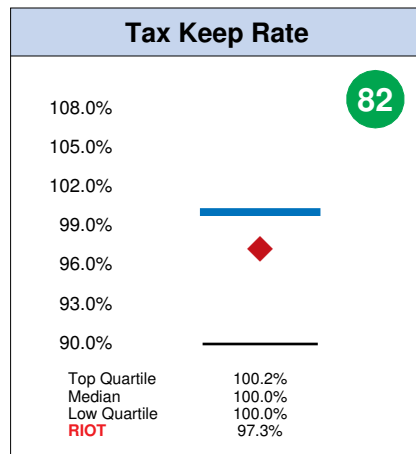
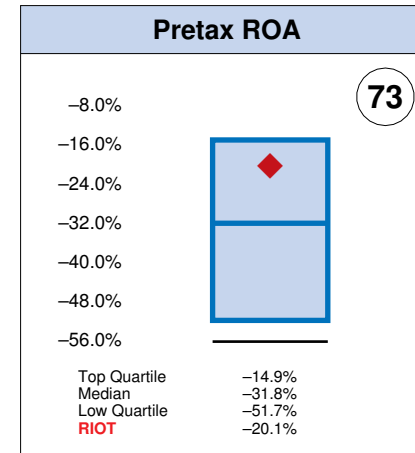
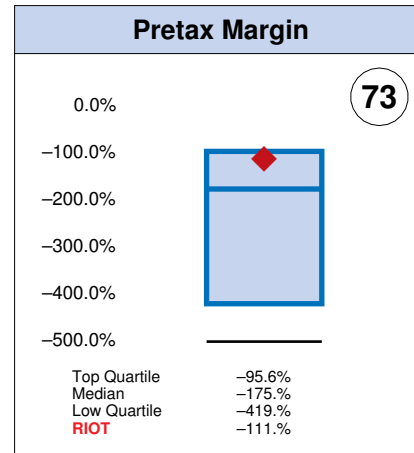
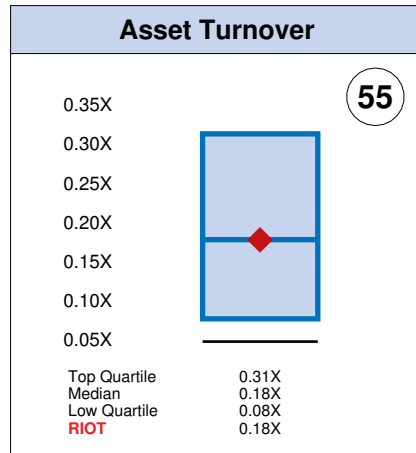


Selected historical data property of Standard and Poor's

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Asset turnover: the revenue "productivity" of a firm's assets. **Pretax profit margin:** the profitability of each \$ of sales. **Pretax return on assets:** profitability before differences in tax liability. **Tax "keep" rate:** the percentage of pretax income retained after taxes. **Leverage (asset/equity ratio):** in asset terms rather than the traditional financing focus. **Return on equity:** ratio of net income to common equity.

Key Profitability Measures Relative to Riot Platforms Peer Group (14 Companies)



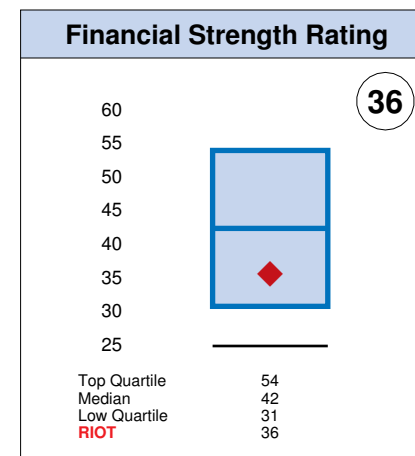
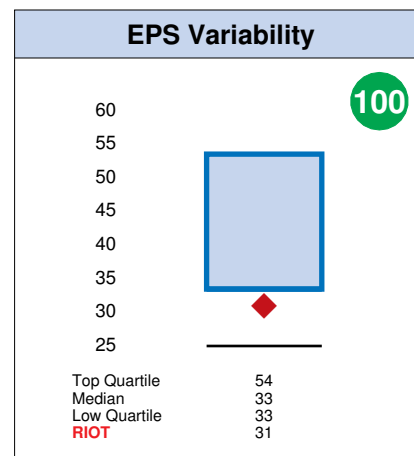
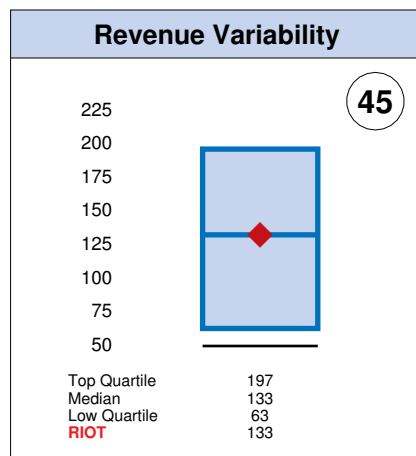
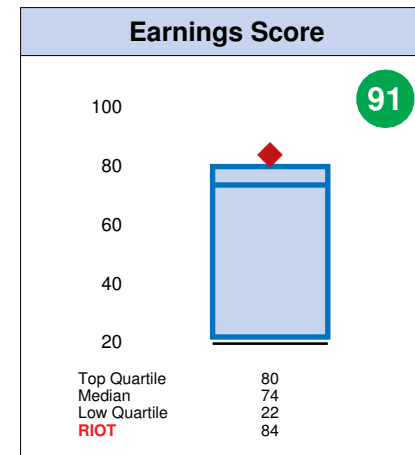
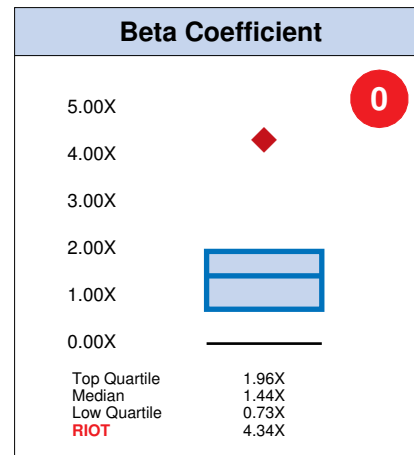
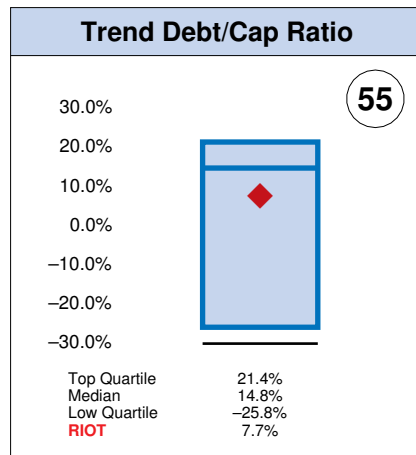
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Risk Profile

- **Relative to the Riot Platforms Peer Group, Riot Platforms' overall risk profile is MODERATE RISK.** This profile reflects measures of financial strength, earnings expectations, variability and changes in capital structure.
 - Riot Platforms' earnings variability is 31. This variability is relatively very low resulting in a quite high factor rating of 100.
 - Riot Platforms' earnings score is 84. This score is relatively very high resulting in a quite high factor rating of 91.
 - The recent trend in Riot Platforms' debt/capital ratio is 7.7%. This change is average, resulting in an average factor rating of 55.
 - Riot Platforms' revenue variability is 133. This variability is average, resulting in an average factor rating of 45.
 - Riot Platforms' financial strength rating is 36. This rating is relatively low with a resulting poor factor rating of 36.
 - Riot Platforms' beta coefficient is 4.34X. This volatility is very high, producing a very poor factor rating of 0.

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Key Risk Measures Relative to Riot Platforms Peer Group (14 Companies)



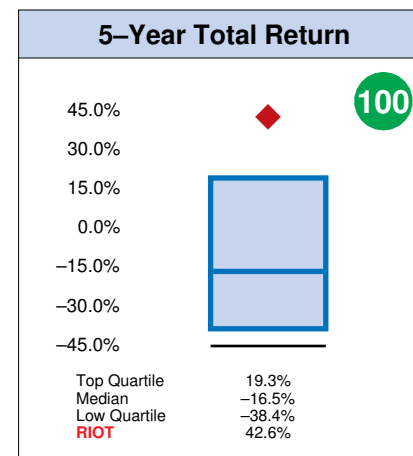
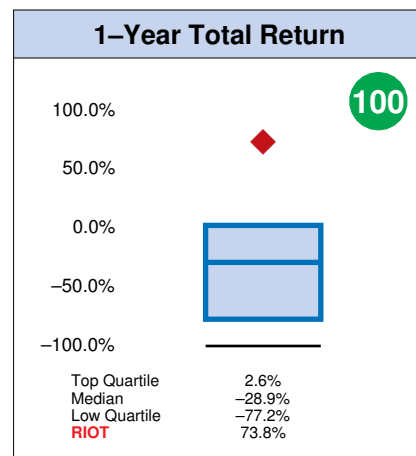
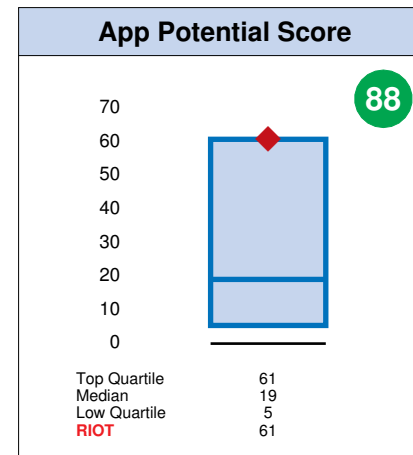
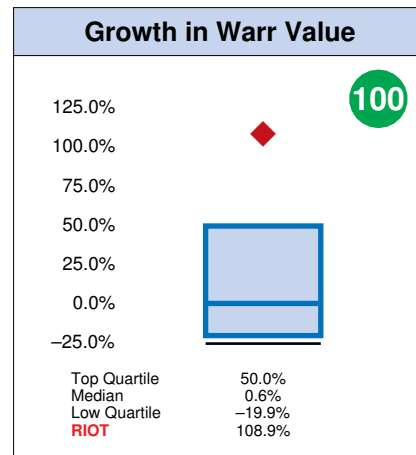
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Wealth Creation Profile

- **Relative to the Riot Platforms Peer Group, Riot Platforms' wealth creation profile is VERY FAVORABLE.** The profile is based on measures of warranted value, appreciation potential and total shareholder returns.
 - Riot Platforms' five year total return is 42.6%. This five year return is relatively very high resulting in a quite high factor rating of 100.
 - The recent trend in Riot Platforms' warranted market value is 108.%. This rate of change is relatively very high resulting in a very high factor rating of 100.
 - Riot Platforms' one year total return is 73.8%. This one year return is relatively very high resulting in a very high factor rating of 100.
 - Riot Platforms' appreciation score is 61. This appreciation score is relatively very high resulting in a quite high factor rating of 88.
- **Total shareholder returns expected to significantly lag the overall equity market.** Based on current investor expectations, Riot Platforms shares should reach a level of \$-140 by 2028 — an -1000% per year total shareholder return. A 2028 stock price of \$29 would reflect median performance and a price of \$34 would be required to reach upper quartile performance.

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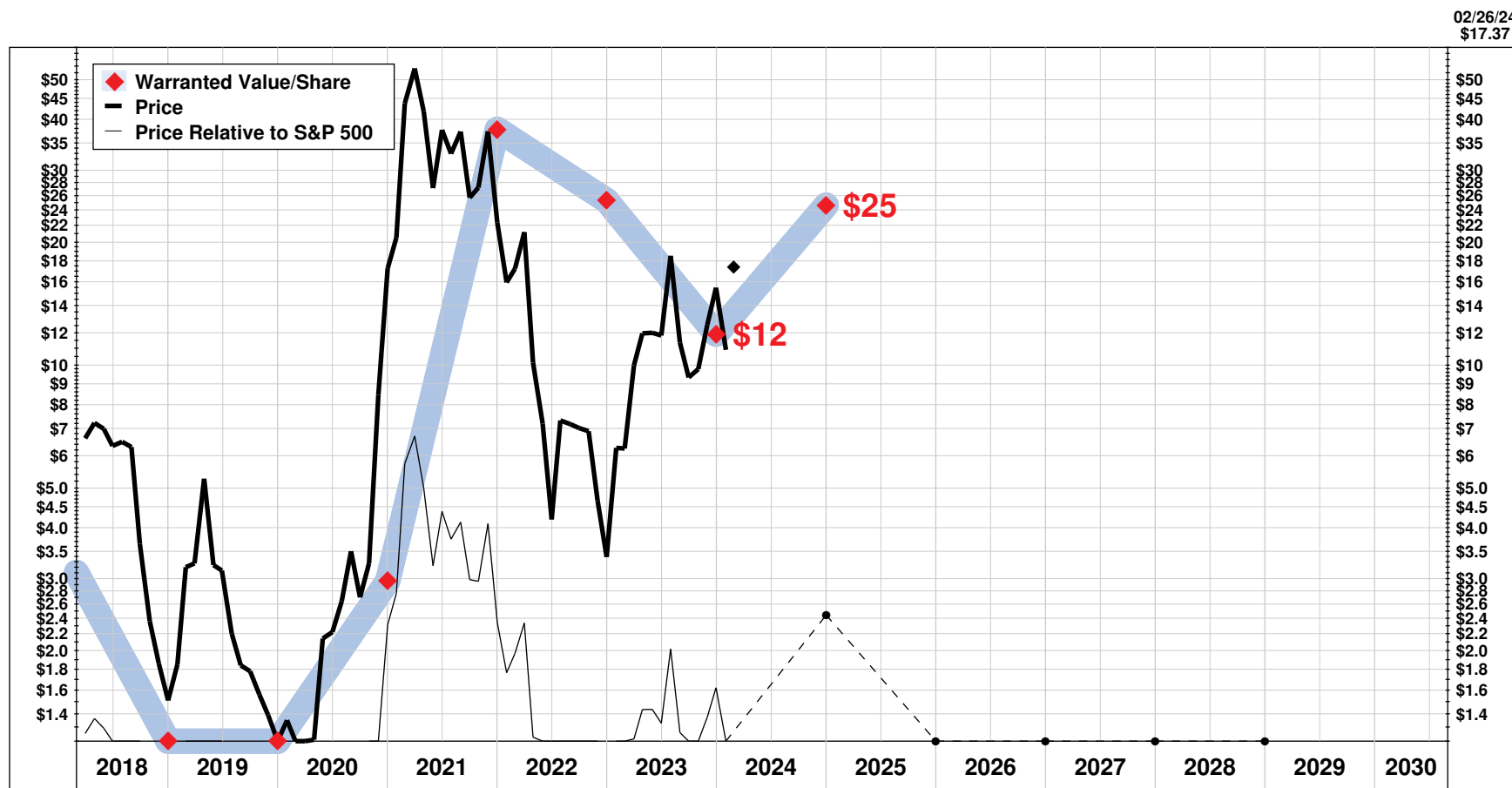
Key Wealth Creation Measures Relative to Riot Platforms Peer Group (14 Companies)



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Warranted Value vs. Stock Price, 2023–2028

Price Targets are derived for each fiscal year using PTR cash flow forecasts and the powerful CFROI framework. Riot Platforms Price Targets for the period 2023–2028 are not available. Key forecast inputs are: expected profitability, expected long term growth, and cost of equity capital (or discount rate).

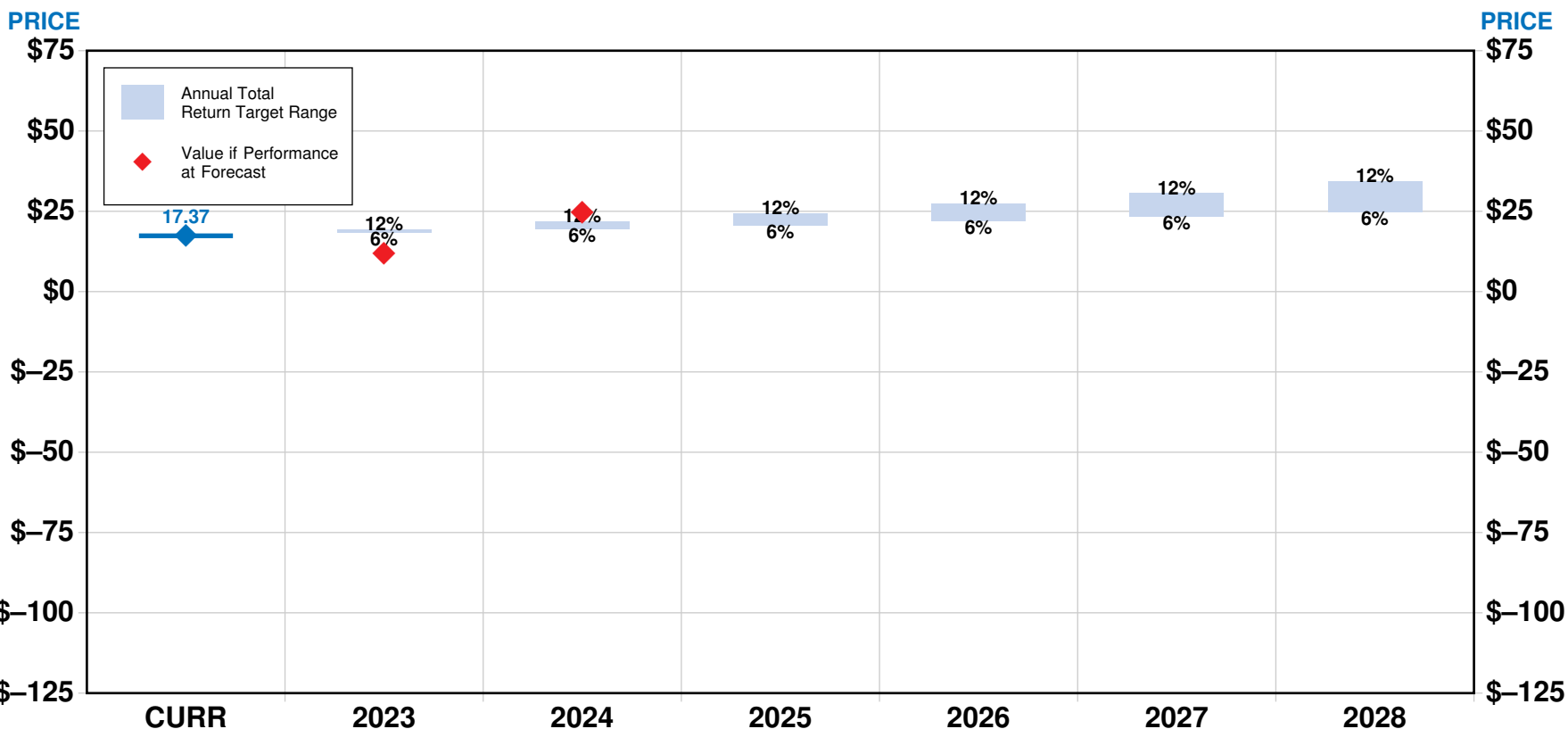


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The Value Challenge

Warranted Stock Price, 2023–2028

Total expected shareholder returns are not available. A stock price of \$29 would reflect median performance and a price of \$34 would be required to reach upper quartile performance.



Diamonds represent Riot Platforms warranted value based on scenario assumptions and PTR proprietary analysis. Shaded bands represent year-end stock price necessary to achieve target returns.

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