Upstart

INVEST/STAY CONNECTED

INITIAL REPORT AUG 30, 2026

LAST UPDATED AUG 30, 2026

$29.08 / Hold, target $35.00

UPSTART HOLDINGS, INC.

FAST FACTS

- Upstart is a lending platform that focuses on the personal loan segment
- The company utilizes artificial intelligence as a primary tool
- In Q2 the company had a jump in originations and profits.
- In addition, short sellers have shorted close to 25 million shares

Upstart Holdings (UPST) is an online loan marketplace specializing in personal loans (over 90%) in 2025. Personal loans are often for amounts around $10,000 and are used for debt consolidation, major purchases, emergencies and home improvements. On the platform, borrowers can compare loan offers from multiple lenders. This is time saving for the borrower, lowers the average interest rate and provides increased access to credit. Artificial intelligence tools add efficiencies and speed to the process including the credit analysis of borrowers. Company 10k: "Upstart is the leading artificial intelligence ("AI") lending marketplace. We aim to radically reduce the cost and complexity of borrowing for all Americans by using our proprietary AI models to remake the entire lending process."

The primary source of revenue for the company is origination and referral fees, followed by servicing fees. We predict the company to do close to 1.4 billion in revenue this year with $324 million in EBITDA and $227 million of free cash flow. This compares to the current equity market cap of $2.8 billion. So easily the most rational valuation Upstart has had since becoming a publicly traded company.

Although UPST has grown revenues close to 900% since 2019, the shares have been on their own journey that at first wildly overvalued the company and then quickly sank in the interest rate upswing of 2023. Recently, the company reported a 50% increase in originations and loan volume for the 2nd quarter of 2026. On the conference call management highlighted decreasing costs and an increase in lender activity. Paul Gu CEO: Combined, originations across all products grew 23% sequentially or $782 million compared to last quarter. In Q2, we shipped 3 new personal loan underwriting models, [our technology] is roughly 65% faster relative to the prior architecture"

Based on the company's prediction for revenue and EBITDA, revenue will grow by 80%, and EBITDA will grow by 100% by 2028. With the additional revenue and efficiencies, we see EBITDA approaching 30% of revenues and adjusted earnings per share topping $5 in 2028. Also, we want to see more evidence that the volatile shares have bottomed out. We are putting the company on the radar with a hold rating and price target of $35.

FY2026 PROJECTIONS IN MM	
Revenue % Growth	33%
2026 FCF	227
2027 FCF	383
2028 FCF	594
2026 ADJ EPS	$2.03
2027 ADJ EPS	$3.35
2028 ADJ EPS	$5.05
shares basic	99
shares diluted	$112.00
Dividend / Share	$0.00
Equity Cap Basic	2,830
FCF Yield/ SH	8.0%
2028 P/E Ratio	7.1x

UPST INVESTOR RELATIONS

FIRST QUARTER UPST PRESENTATION

UPST Chart Since December 2020

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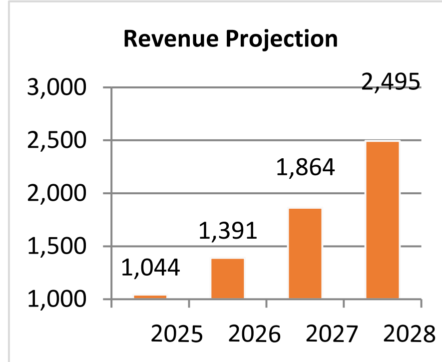
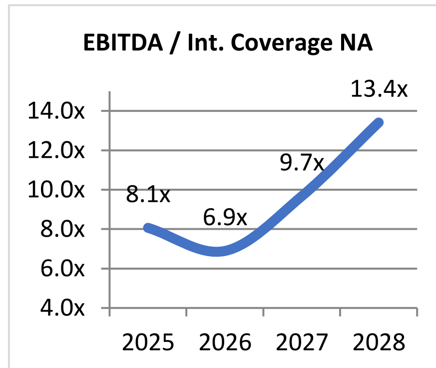
BROXTON CAPITAL **Upstart Holdings, Inc. (NASDAQ: UPST) as of 8/28/2026**

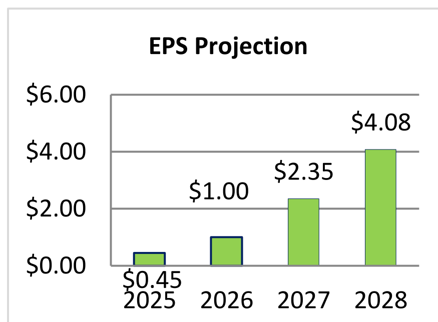
Share price $29.08

PROJECTIONS IN MM fiscal yr	2025	2026	2027	2028
Income Statement				
Revenue	1,044	1,391	1,864	2,495
EBITDA*	255	324	532	805
Interest	(32)	(47)	(55)	(60)
Pre-Tax Income	54	140	338	602
Net Income	54	112	270	481
Adj. Net Income	210	249	409	624
Operating Cash Flow	210	249	409	624
Capitalized Expense	18	22	26	30
Free Cash Flow	192	227	383	594
Starting Cash		652	879	1,263
Cash Build		**$879**	**$1,263**	**$1,857**
GAAP EPS (diluted)	$0.45	$1.00	$2.35	$4.08
Adjusted EPS (diluted)	$1.73	$2.03	$3.35	$5.05
FCF / Share	$1.79	$2.03	$3.33	$5.04
Dividend / Share	$0.00	$0.00	$0.00	$0.00
Valuations				
FCF Yield vs. Equity	6.8%	8.0%	13.6%	21.0%
NET EV/EBITDA	9.3x	6.0x	2.9x	1.2x
P/E Ratio	64.6x	29.1x	12.4x	7.1x



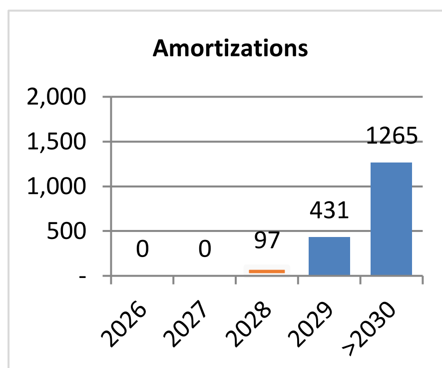


Cash	456	879	1,263	1,857
Total Debt ($mm)	2,003	2,003	2,003	2,003
Equity Market Cap	2,830	2,830	2,830	2,830
Debt Ratios				
EBITDA/Interest	8.1x	6.9x	9.7x	13.4x
Net Debt/EBITDA	-1.8x	3.5x	1.4x	0.2x
Liquidity				
Cash	456			
Borrowings	2,003			
Borrowing availability	200+			
Total Assets	3,171			
Total Liabilities	2,374			
Book Value	797			
Book Value / share	$8.20			



Debt Maturity Profile

FY2026	FY2027	FY2028	FY2029	>FY2030
0	0	97	431	1265



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