

The Trade Desk Research Report | Price Target = 58.04

Market Cap: 11,490,157,200 Price: 24.14 52-Week High: 91.45 52-Week Low: 19.74 Yield: N/A Beta: 1.1
 Guidance Current Quarter: Rev =>750M and EPS = N/A Guidance Current Year: Rev = N/A and EPS = N/A

Fundamentals

Drivers & Catalysts:

- Primary Driver: CTV-led growth in open internet advertising
- Second Driver: Demand for transparent DSPs vs walled gardens
- Catalyst 1: Demand for neutral retail-media advertising infrastructure
- Catalyst 2: Audience tools, Agentic AI improving targeting and ROI

Financials:

- Revenue Growth of Most Recent Year: 18.5%
- EPS Growth of Most Recent Year: 15.2%
- Gross Margins of Most Recent Year: 78.6%
- Operating Margins of Most Recent Year: 20.3%

Competition/Distribution/Production:

- Competitors: Google, Amazon, Meta Platforms, Adobe, Yahoo
- Distribution: N/A digitally distributed and accessible platform
- Production: N/A TTD is a platform

Management:

- CEO: Jeff Green. Strengths: Deep expertise in ad tech and programmatic advertising
- CFO: Laura Schenkein. Strengths: Strong financial discipline in a high-growth company

TAM

- TAM and Growth of Primary Market: 1,000,000,000,000.0 | 6.0%
- TAM and Growth of 2nd Market: N/A | N/A

Top 5 Risks:

- Risk #1: Largest CTV platforms overlap with walled-garden, may internalise ad-stack. CTV is 50% TTD revenue
- Risk #2: Macro driven ad-spend contraction (slower revenue growth, weaker operating leverage, multiple compression)
- Risk #3: Looming potential competitors compressing margins (Applovin shifting away from gaming, Amazon has adspace, data, retail media)
- Risk #4: Privacy legislation = identity fragmentation reducing differentiation (campaign optimization commoditizes) TTD's moat narrows
- Risk #5: Perception shifted from growth compounder: permanent lower rerate despite great business: shareholder returns disappoint

Bottom Line: The Street has materially compressed valuation as growth slowed and macro concerns intensified, but core fundamentals still point to a high-quality business with durable secular drivers in the open internet. Major risks are real but none appear structurally fatal today. TTD remains the leading independent DSP and, for now, has room to grow.

Valuation

The Trade Desk's P/E is : 22.8x versus the average of its top competitors' P/E of: 52.8x | The Trade Desk's EPS growth of the most completed year is: 15.2% and the average PEG of its top competitors is: 1.2x

The specific P/E and EPS growth of some top competitors is: Google: 36.4x and 34.5% | Amazon: 38.6x and 29.7% | Meta Platforms: 26.1x and -1.6% | Adobe: 14.9x and 35.1%

Bottom Line: Assuming transition from premium secular compounder to slower cyclical ad-tech with durable profitability: we reach our target price relatively-conservatively modeling 24% CAGR on EPS growth for the next 4 years (driven by continued buybacks) or 14% growth on revenue 2027 through 2030 expecting growing digital ad spend and CTV demand. Even a modest 9% growth puts intrinsic value around 50\$/share.

Technicals

The Trade Desk's RSI is : ~40 (neither oversold or bought) | The 50DMA acting as a dynamic resistance to rallies. | 200DMA overhead resistance, bearish trend. | SIR ~4.19 no dead cat bounce in sight



Bottom Line: Technicals weight little to me, but classically, repeated lower highs suggest bearish trend continuation structure, burden of proof on bulls even if downside momentum is weakening. Speculative excess flushed out: damaged growth stock trying to rebuild, no reclaiming trend yet, no obvious institutional accumulation.