NIC Stock Evaluation:

Reddit ($RDDT)

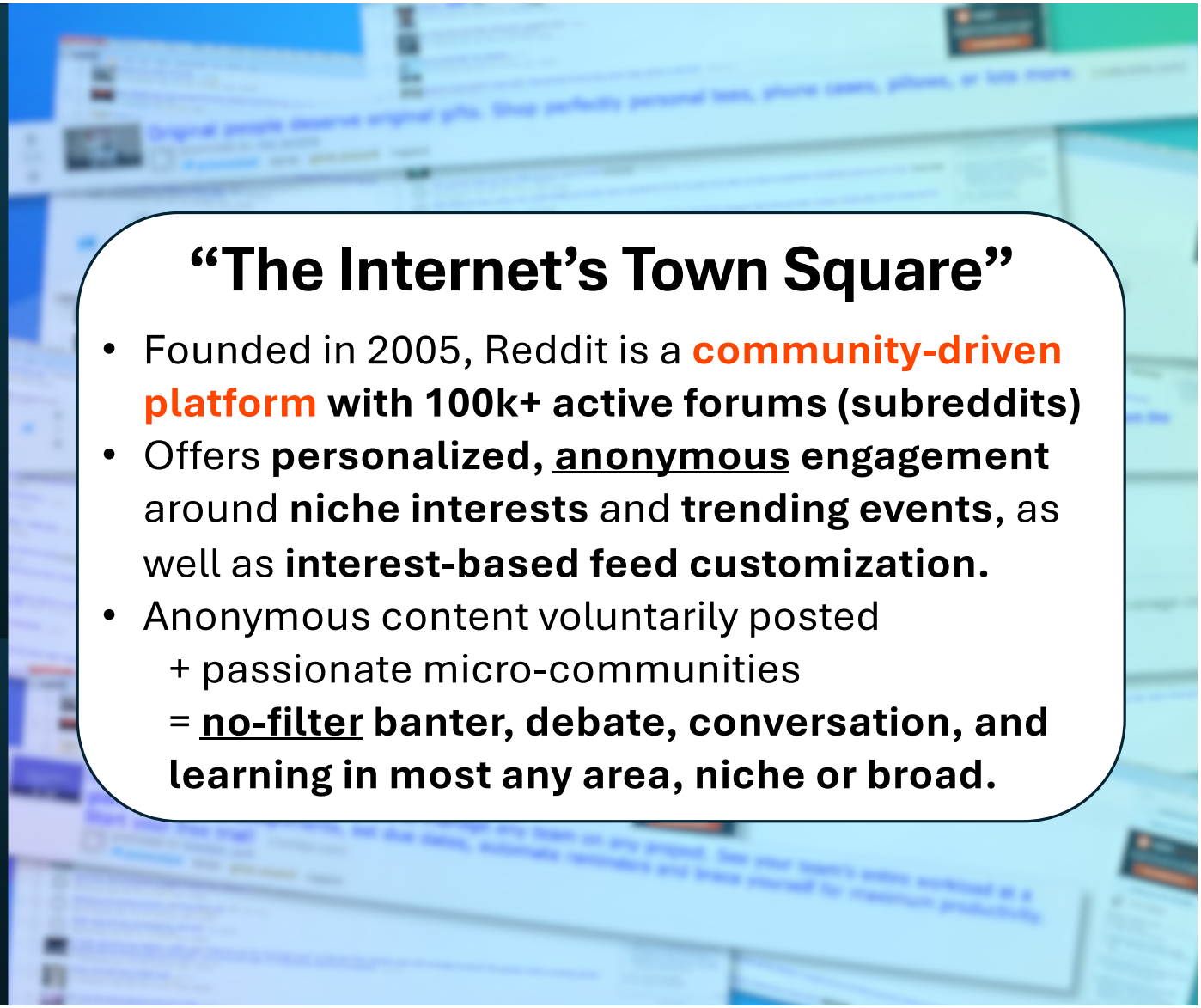


Gabe Kronisch

Nittany Investment Club

04/11/2025

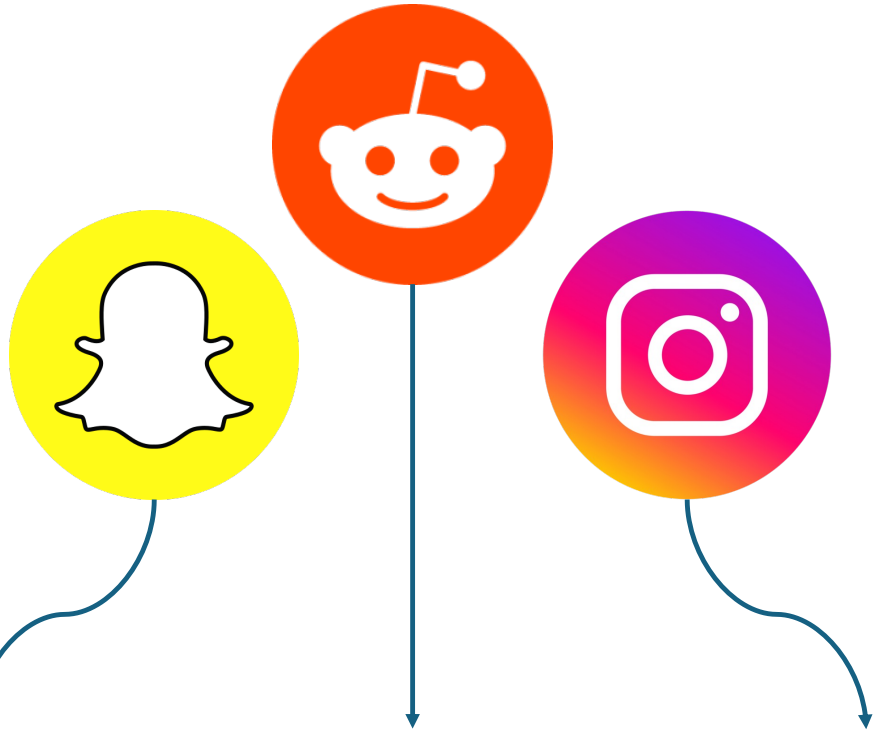
Reddit: Background and Niche



“The Internet’s Town Square”

- Founded in 2005, Reddit is a **community-driven platform with 100k+ active forums (subreddits)**
- Offers **personalized, anonymous engagement** around **niche interests** and **trending events**, as well as **interest-based feed customization.**
- Anonymous content voluntarily posted
  + passionate micro-communities
  = **no-filter banter, debate, conversation, and learning in most any area, niche or broad.**

Reddit's Competitive Position



SNAP	RDDT	META
Feed-based / ephemeral content	**Text-based / link- and info-sharing content**	Feed-based content
Anon: Often not	**Anon: By default**	Anon: Often not
Use: **Quick visual messaging**	Use: **Discussion first; info-seeking**	Limitation: **Shallow user intent** and engagement

RDDT is

Not a Buy

At This Time:

RDDT is Potentially Mispriced

- *extreme P/E, negative EPS, "priced for perfection"*

Net Income Declines as Revenue Grows

- *expense mgmt. issues including SG&A*

RDDT's Corporate Governance Raises Serious Concerns

- *consistent insider selling, poor implications*

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Analyst Assessments of RDDT (2025)

Source: valueline.com, finance.yahoo.com, Morningstar.com, Retrieved Apr 3, 2025

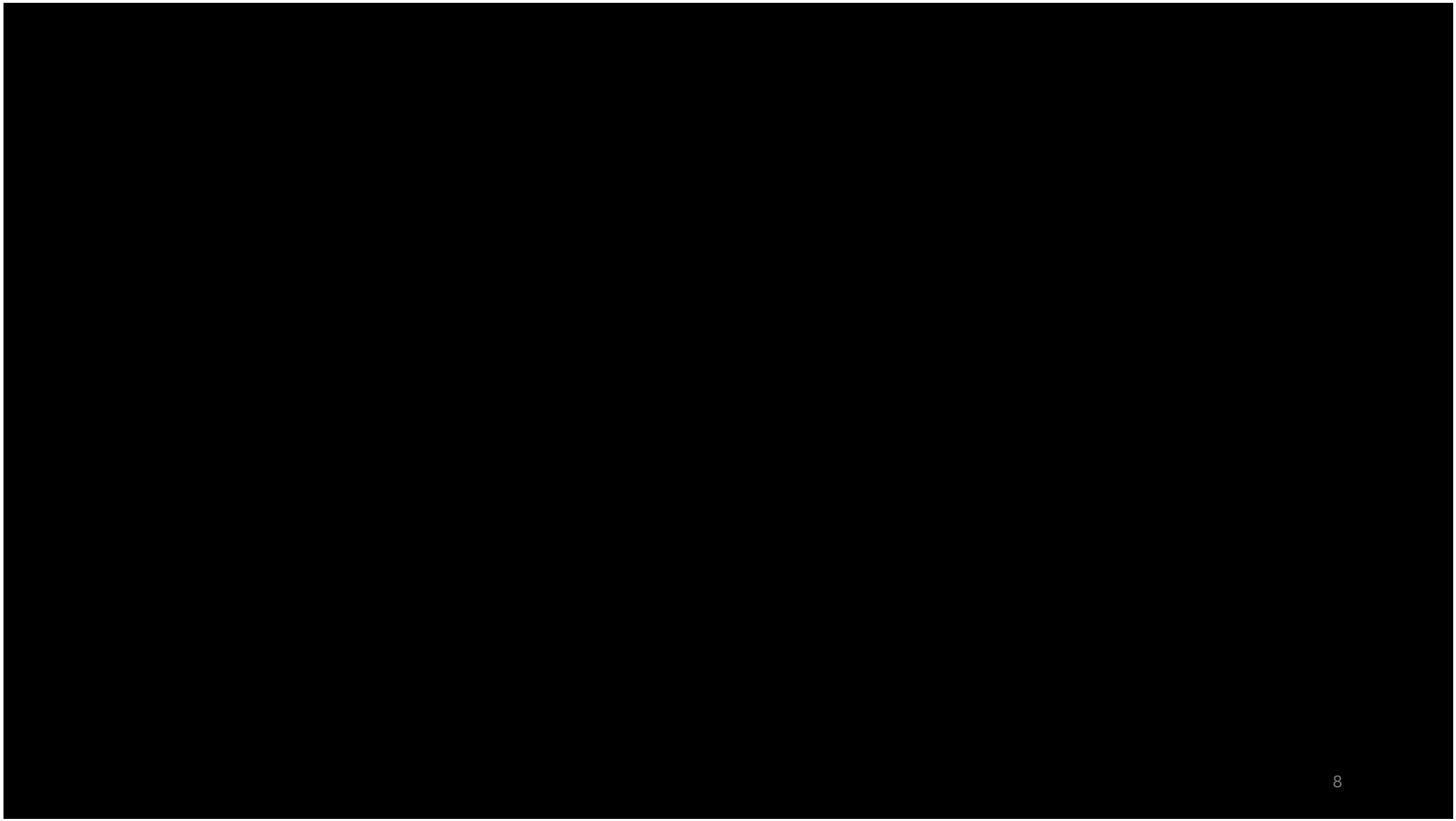
	Value Line	Yahoo Finance	Morningstar
Price Target			
Riskiness			

RDDT vs. Peers on Key Financial Metrics (2025)

Source: WSJ.com Retrieved Mar 21, 2025

Ticker	EPS	Current Ratio	D/E Ratio	TIE Ratio	Asset Turnover Ratio	ROA	P/E Ratio
RDDT	-0.56	11.08	1.79	NMF (no int exp)	0.5	-5.68	-219.16 (NMF)
META	14.87	2.67	24.76	112.56	0.65	18.83	25.22
SNAP	-0.82	4.39	179.98	-63.49	0.58	-16.53	-10.80 (NMF)

Outperform *Mixed* *Underperform / Poor*



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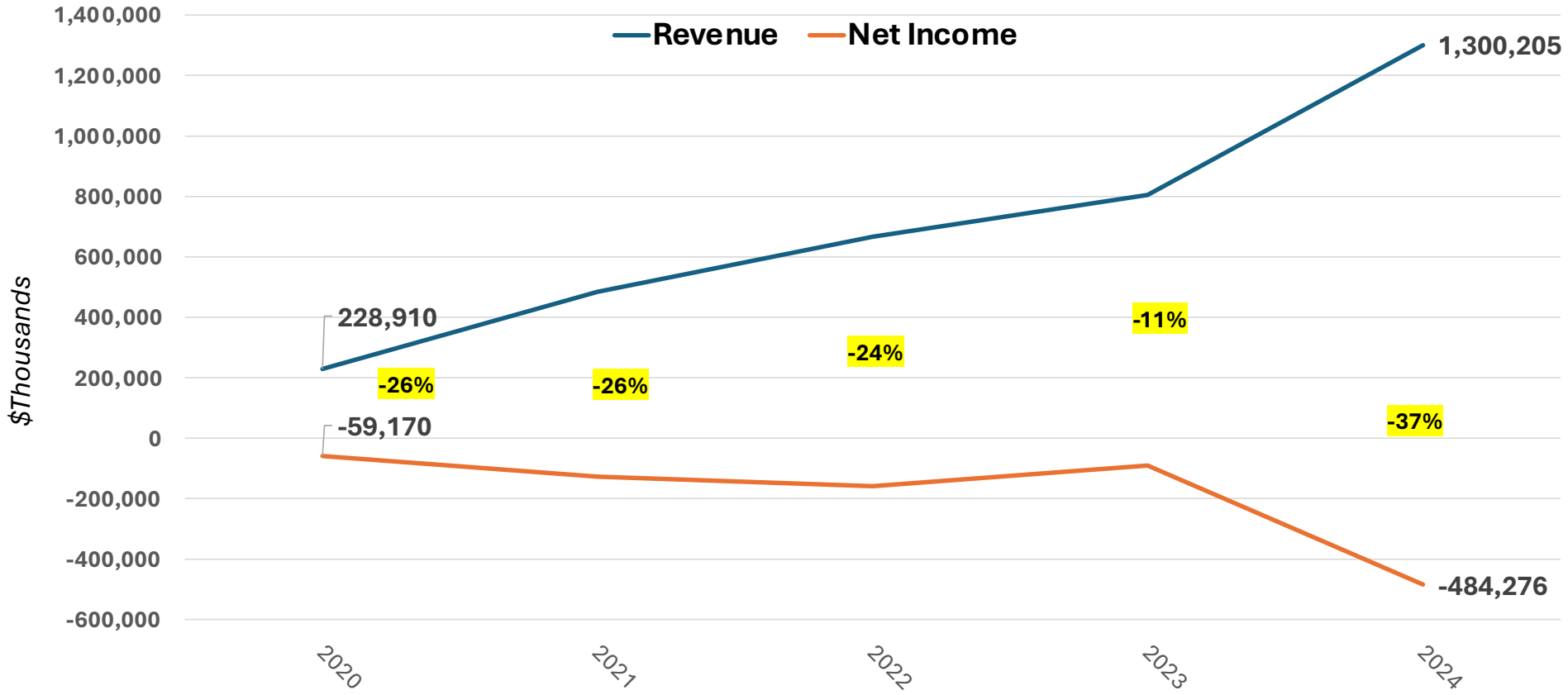
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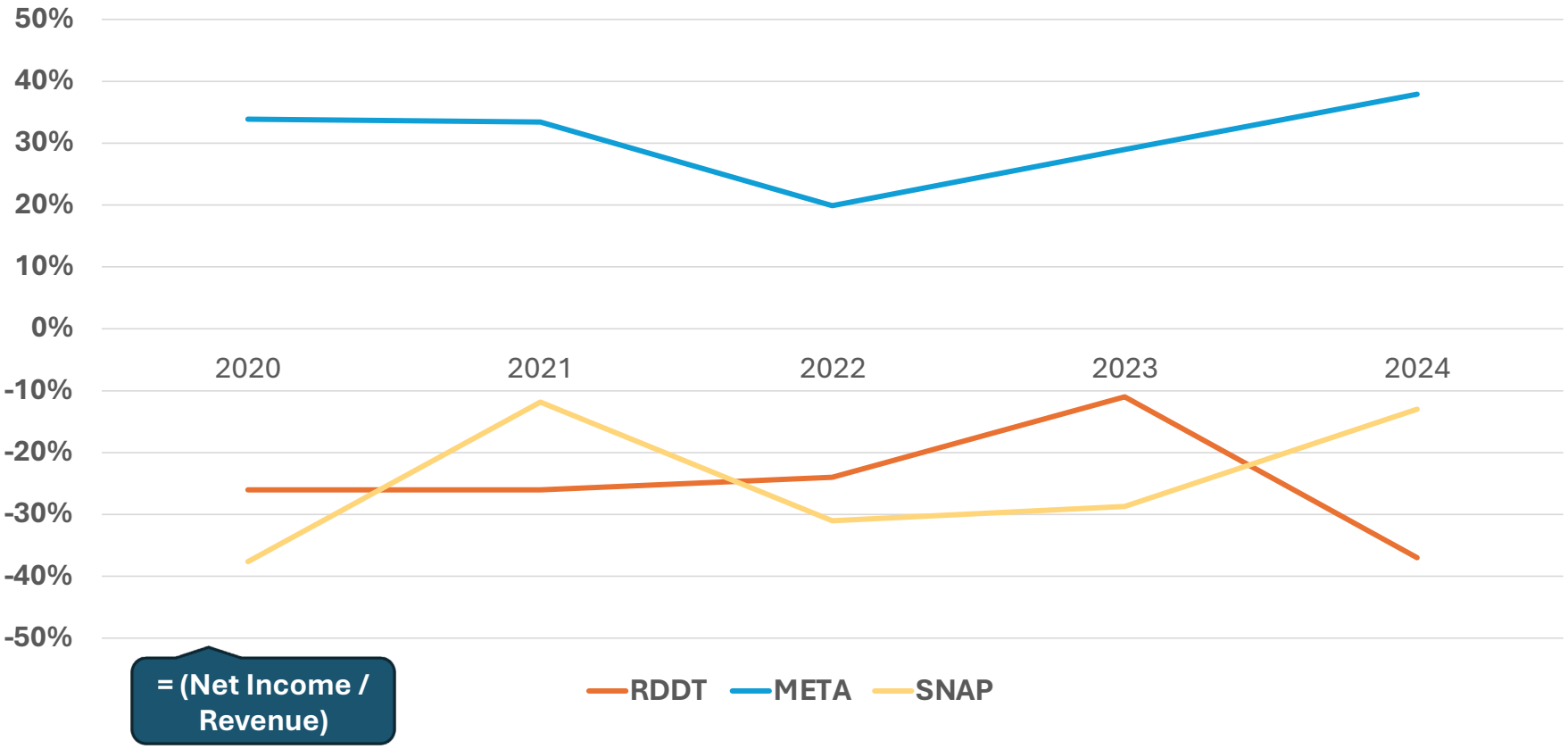
RDDT Net Income as % of Revenue
(2020-2024)

Source: YahooFinance.com and MarketWatch.com, Retrieved Mar 21, 2025



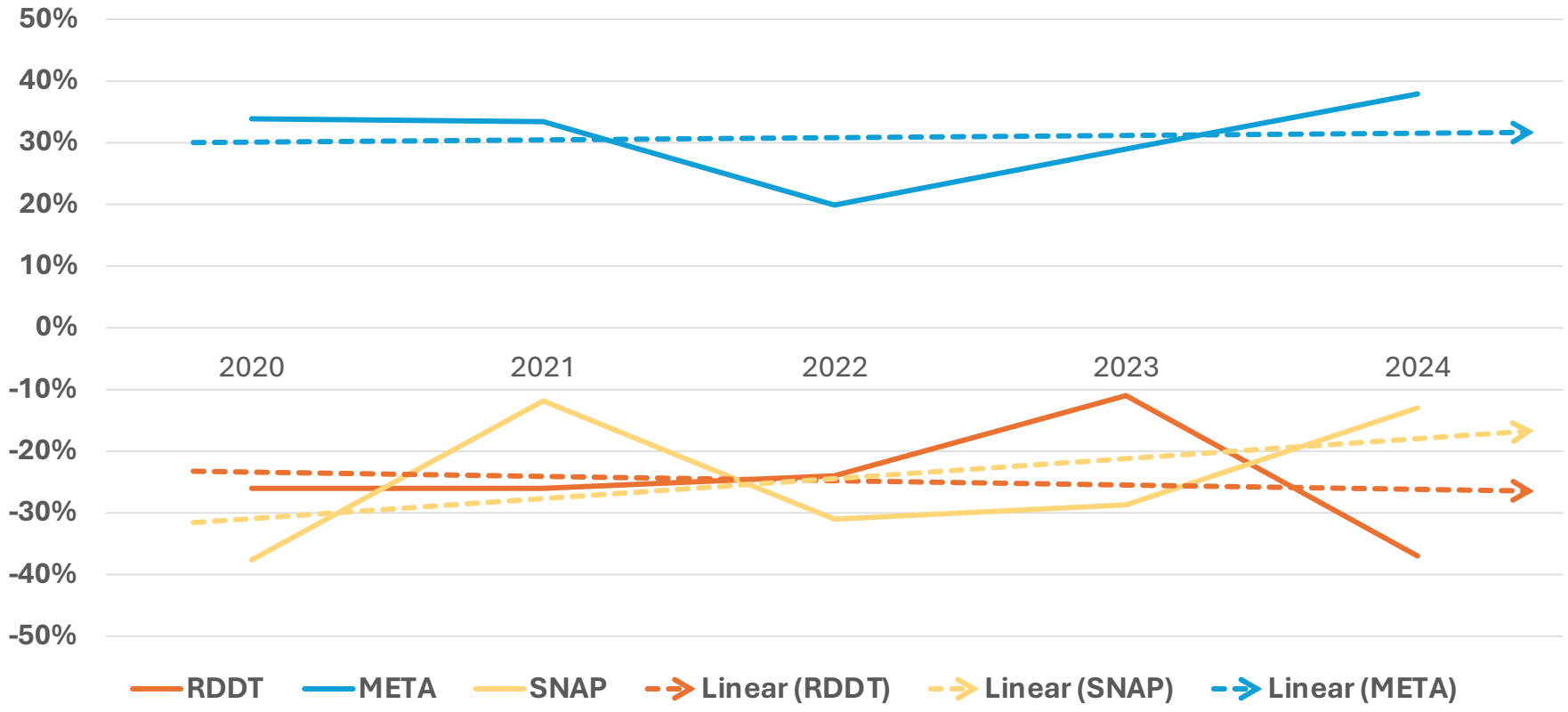
RDDT and Comps NI / Revenue Comparison
(2020-2024)

Source: YahooFinance.com and MarketWatch.com, Retrieved Apr 4, 2025



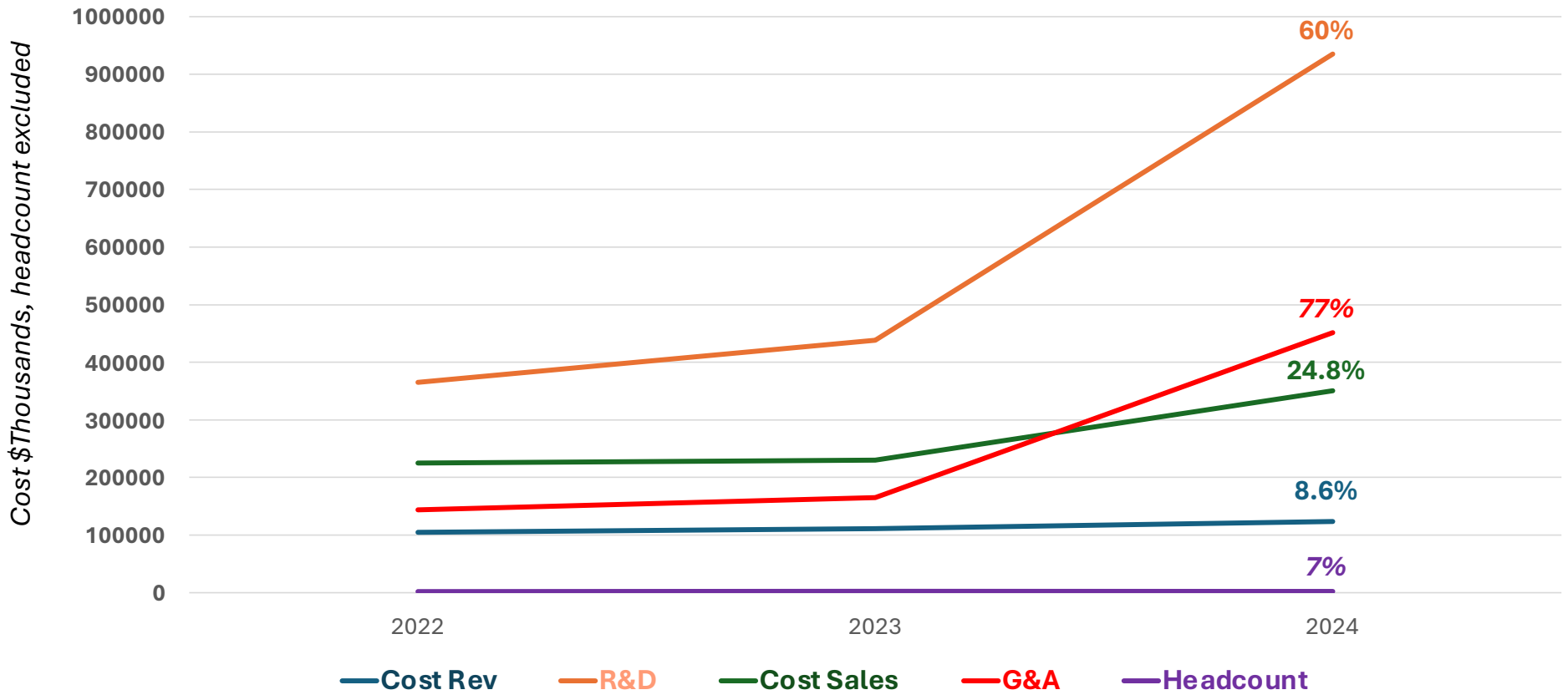
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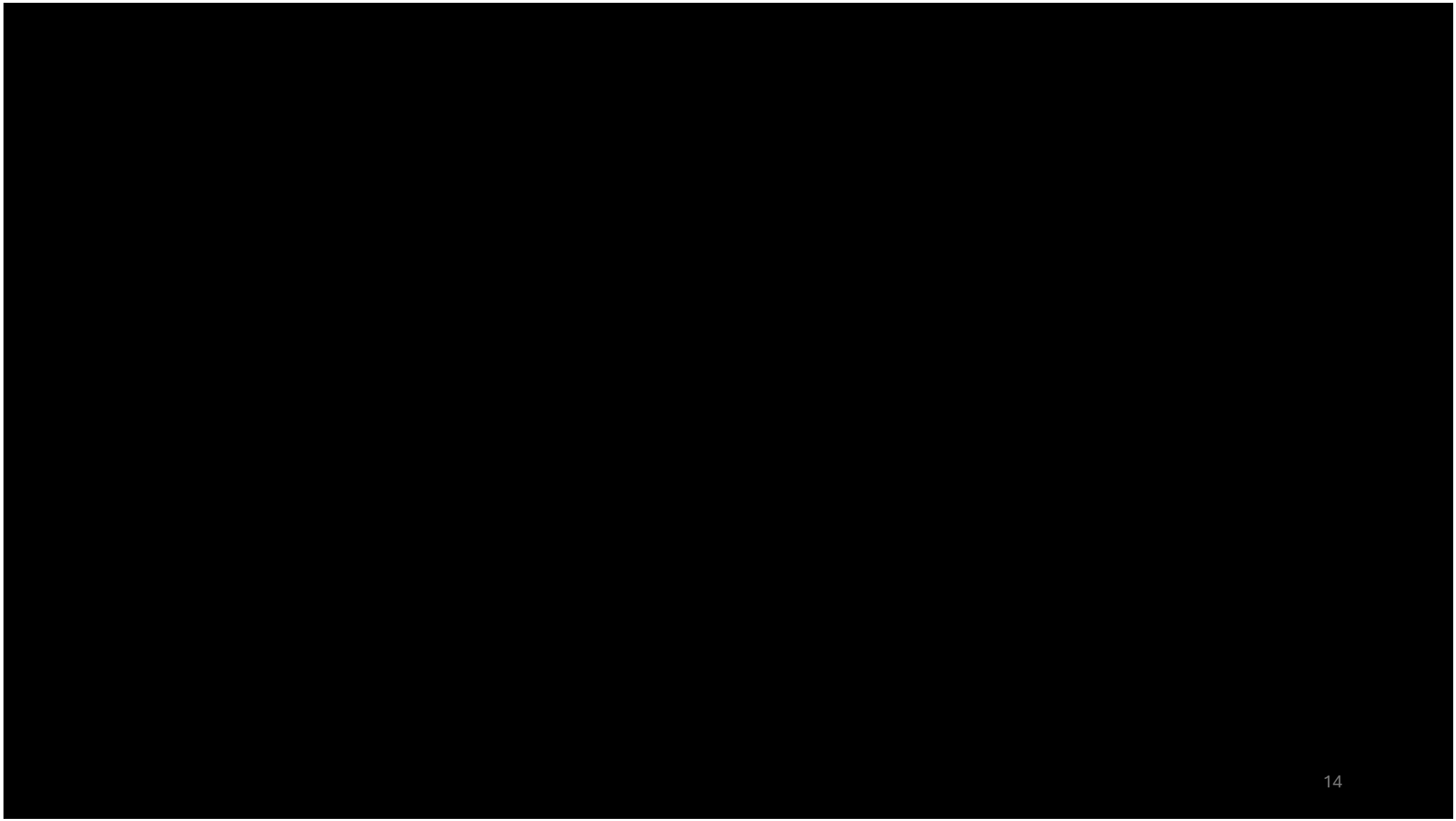
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RDDT Cost CAGR Comparison
(2022-2024)

Source: SEC.gov, Retrieved Mar 21, 2025





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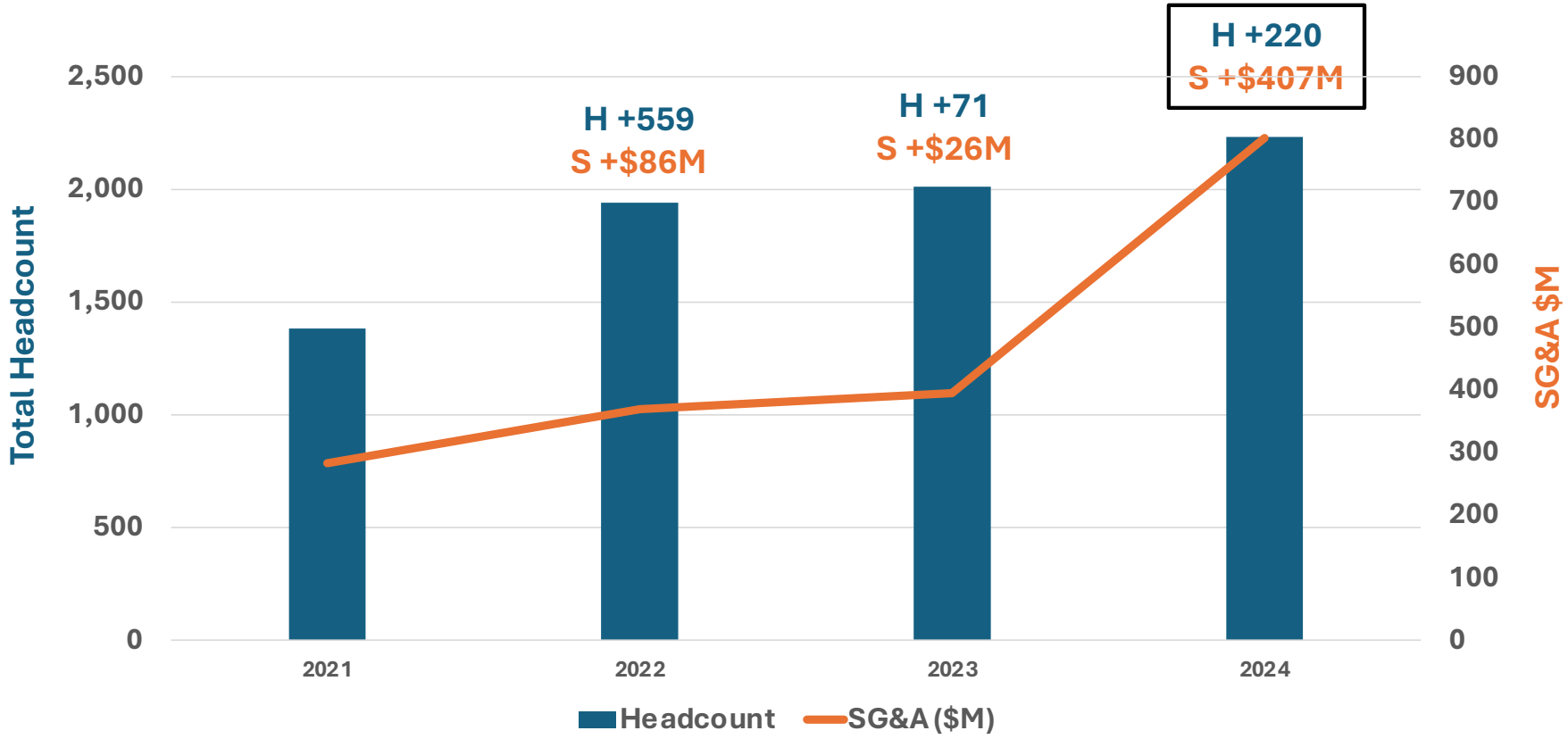
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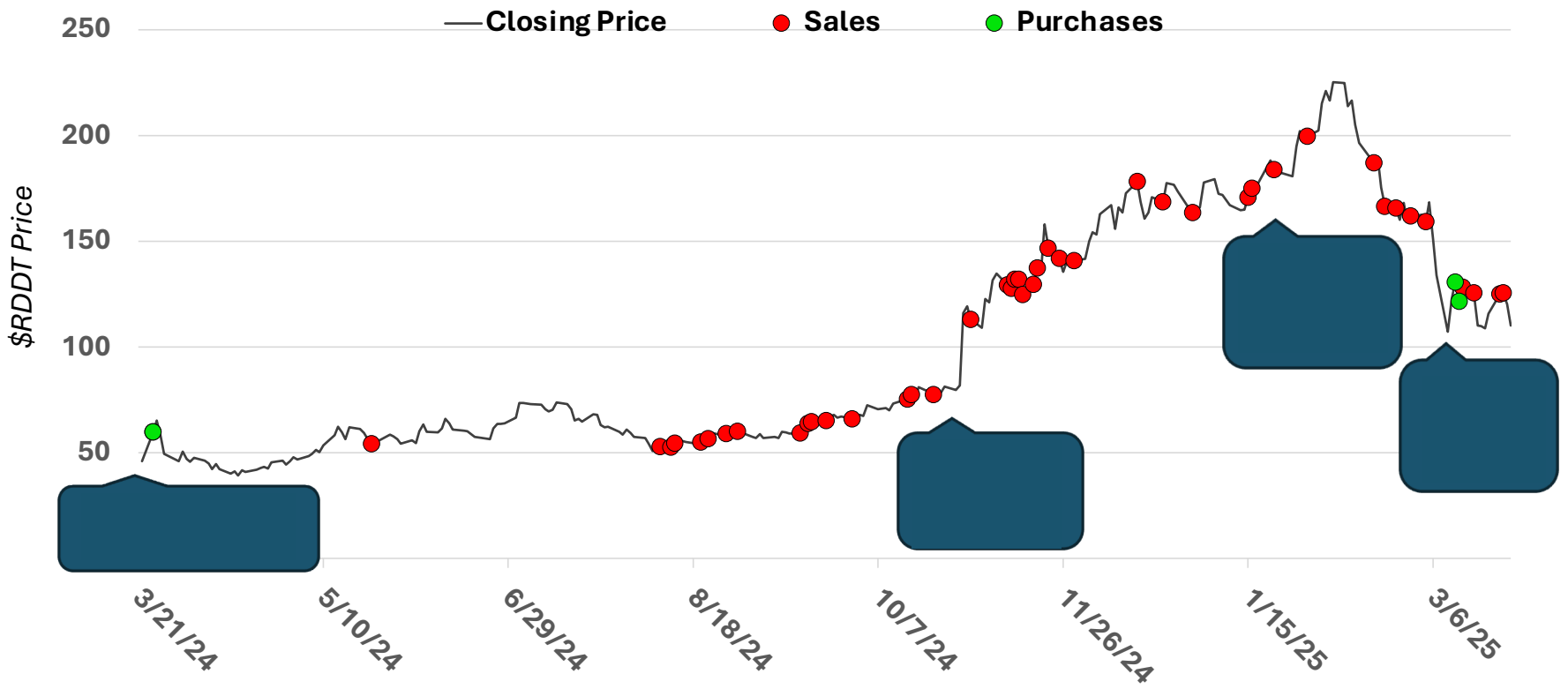
RDDT's Disproportionate SG&A vs. Headcount Growth
(2021 — 2024)

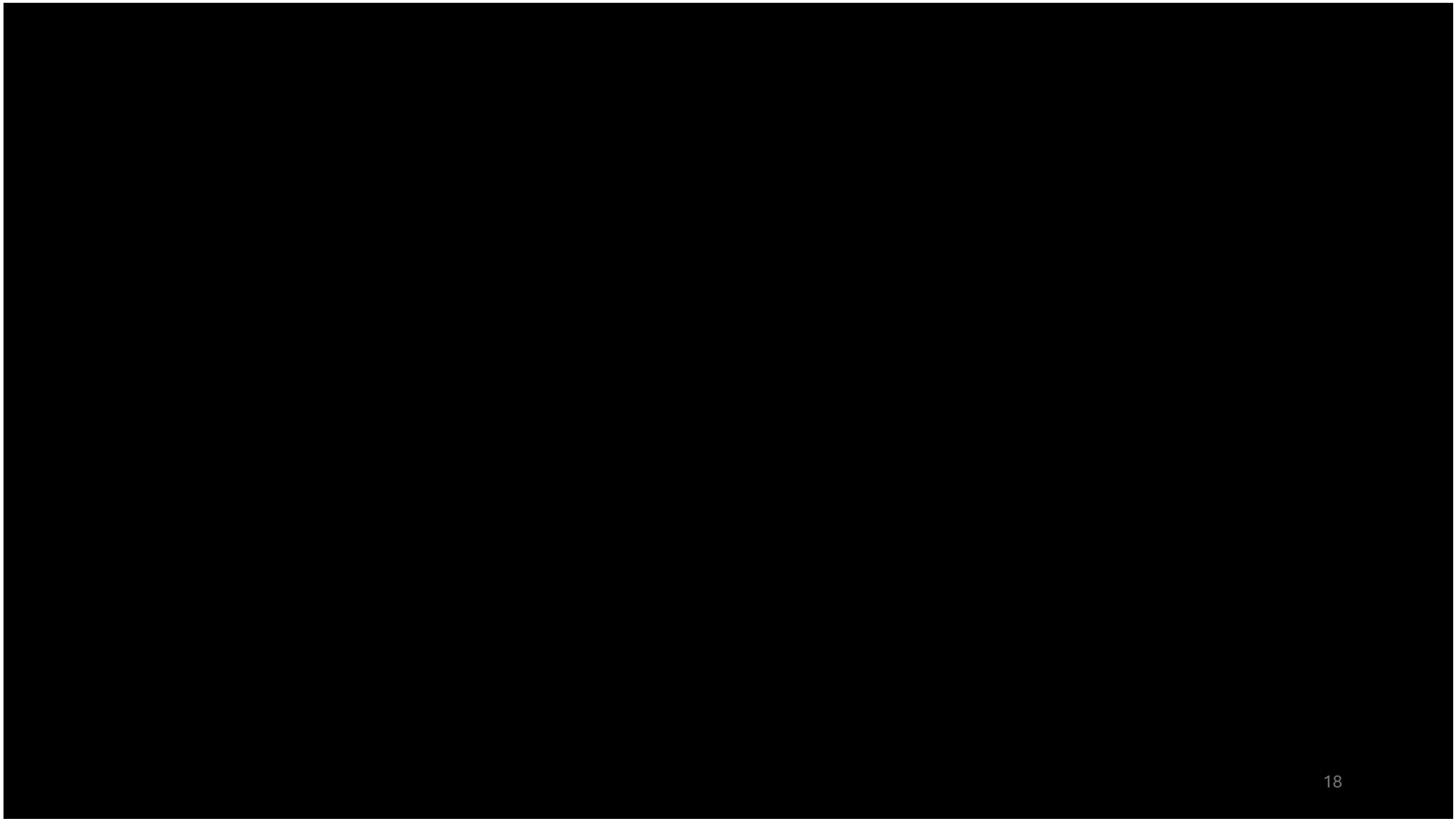
Source: SEC.gov, Value Line, Marketwatch.com, Stockanalysis.com, Retrieved Mar 21, 2025



RDDT Stock Price with Insider Activity
(Mar. 2024 — Mar. 2025)

Source: quiverquant.com, investing.com, Retrieved Mar 28, 2025





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