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BETTER INVESTING[™]
Rocky Mountain Chapter

Duolingo, Inc.
(NASDAQ: DUOL)



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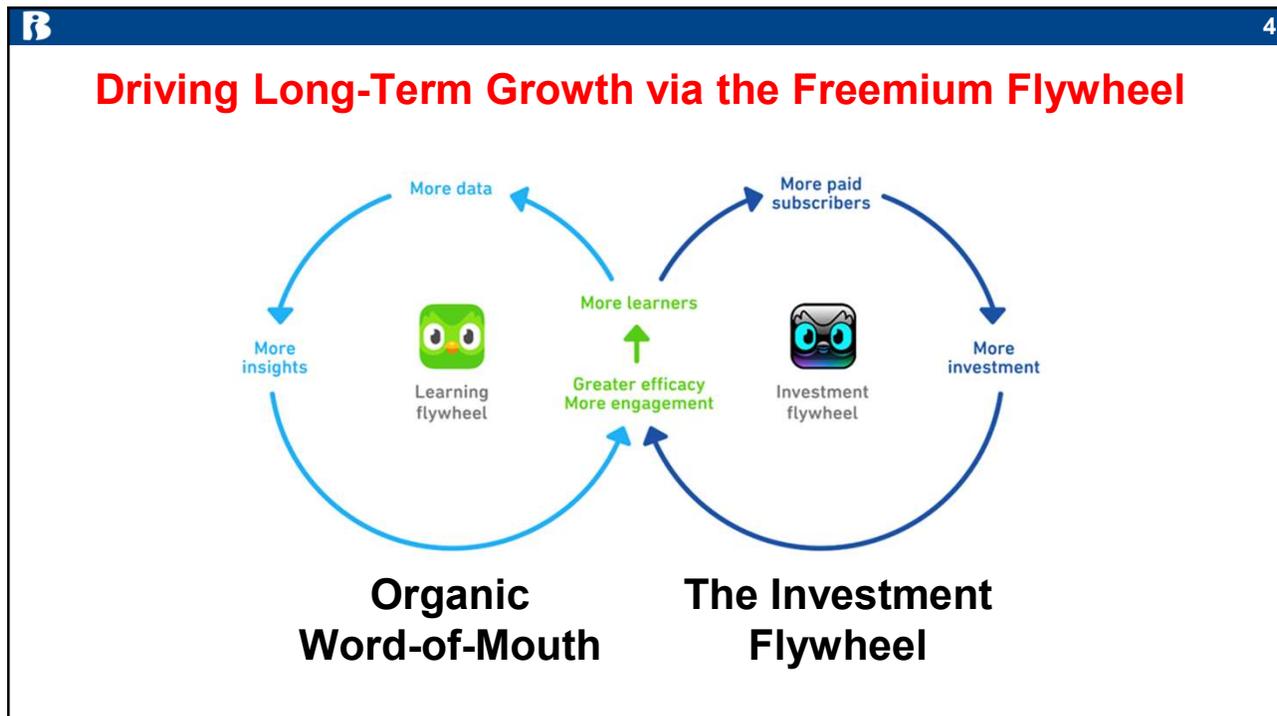
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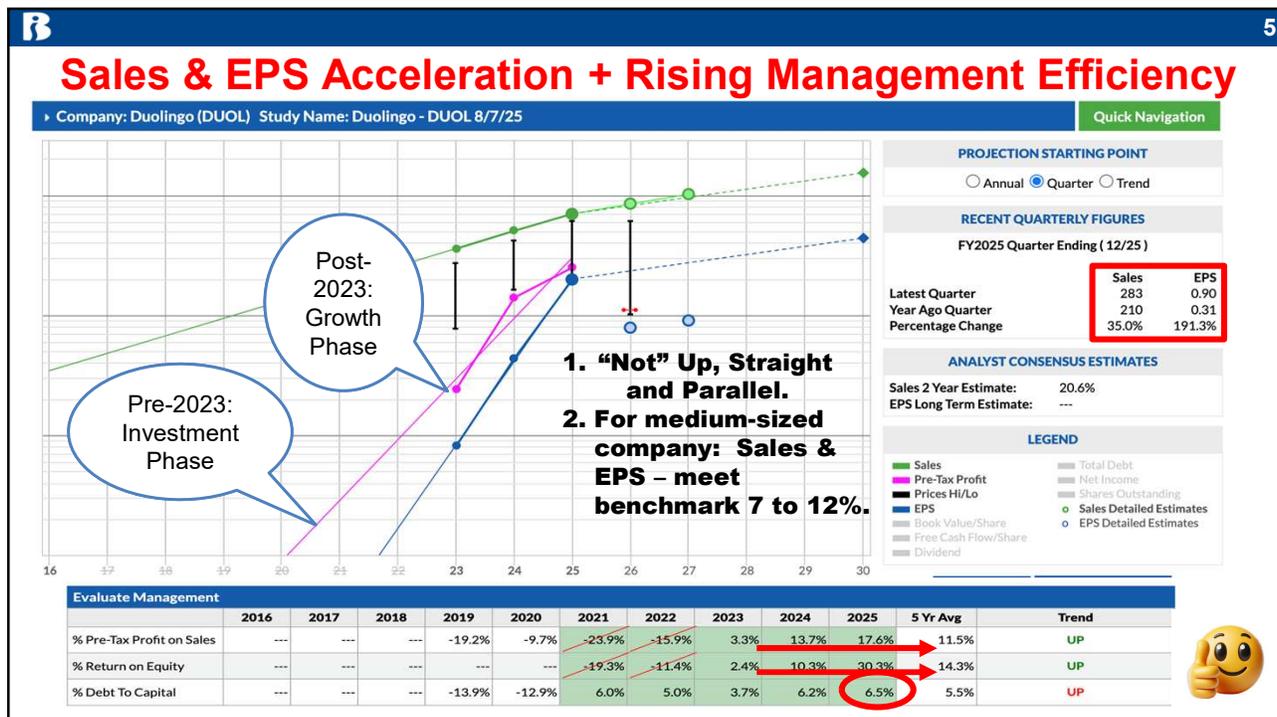
Duolingo is the world's most popular language-learning app, operating on a freemium model with over 135 million monthly active users.

<ul style="list-style-type: none"> • Company Size – Medium • 2025 Revenue - \$1.03B • Technology - Sector • Software Application - Industry 	<ul style="list-style-type: none"> • 2020-25 Revenue CAGR 45.0% • Global Headquarters - Pittsburgh, PA & 5 International offices • 100 million Daily Active Users by 2028 • 900 employees, including over 430 engineers.
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DUOLINGO (DUOL) INVESTMENT THESIS

- World’s Leading Language Learning Platform
- Scalable Freemium Model with Proven Conversion
- Strategic AI Integration for Efficacy and Speed
- Diversification Beyond Languages

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What the Bears are Saying

- They're Choosing Growth Over Profit – On Purpose
- Their User Goal is Ambitious 100 DAU Target
- Apple & Google Hold a Lot of Power
- The Stock is Expensive & It Can Drop Fast

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Peer Comparison: % Pre-Tax Profit on Sales

4th Tab (highlighted in red box)

Peer Group 6.9% (pink callout)

Duolingo 11.5% (black callout)

Duolingo Unprofitable (black callout pointing to 2019)

We want the black line to be higher than the pink line.

Duolingo 11.5% (black callout pointing to 2025)

% Pre-Tax Profit On Sales											
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	5 Yr Avg
Duolingo (DUOL)	---	---	---	-19.2%	-9.7%	23.9%	-15.9%	3.3%	13.7%	17.6%	11.5%
Grand Canyon Educati (LOPE)	27.0%	29.1%	33.9%	40.8%	39.5%	37.0%	26.3%	27.0%	28.2%	25.3%	28.8%
Stride (LRN)	1.5%	0.6%	2.9%	4.8%	3.2%	6.2%	8.7%	9.4%	13.1%	15.9%	10.7%
Laureate Education (LAUR)	10.2%	0.6%	3.8%	2.9%	-44.0%	-12.7%	19.8%	17.1%	26.5%	23.6%	14.9%
Peer Group Average	4.9%	5.0%	3.1%	0.4%	4.6%	5.9%	2.5%	9.2%	10.1%	---	6.9%
Industry Average	1.8%	0.0%	7.6%	-4.2%	6.7%	9.5%	1.2%	17.9%	21.7%	---	12.6%

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Judgment for Sales & EPS

(DUOLINGO, INC. - DUOL) Estimate - Update March 2026

Source	Revenue Growth	Short Term EPS Growth	Long Term (3-5 YR) EPS Growth
Value Line Analyst (Jan 9, 2026)	22.5% ('22-'24 thru '28-'30)	N/A	N/A ('22-'24 thru '28-'30)
Member Sentiment	20.0% (CAGR-5YR)	N/A	20.0% (CAGR-5YR)
Reuters & Yahoo! Consensus	16.6% 2026 FY 14.6% 2027 FY	11.8% 2026 FY 7.3% 2027 FY	N/A (mean earnings est.)
Stock Analysis	19.82% 2026 FY 14.6% 2027 FY	(61.6%) 2026 FY 16.4% 2027 FY	N/A (mean earnings est.)
Zacks	(64.0%) 2026 FY 10.6% 2027 FY	16.5% 2026 FY 15.6% 2027 FY	46.6% (mean earnings est.)
Finviz	17.3% 2026 FY 14.3% 2027 FY 12.5% 2028FY	(65.33%) 2026 FY 10.56 2027 FY 11.77% 2028FY	N/A
Morningstar Consensus	20.6% (CAGR-2YR)	N/A% (CAGR-2YR)	N/A (mean earnings est)
Average	16.5	12.8	33.3
Judgment	17.0% (CAGR-5YR)	N/A	17.0% (CAGR-5YR)

Judgment (circled callout)

Consensus Averages (circled callout)

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Judgment for High PE & Low PE

CURRENT PRICE (03/09/26): 100.42
52-WEEK HIGH: 544.93
52-WEEK LOW: 91.99

5 Years <input checked="" type="radio"/> 10 Years		A	B	C	D	E	F	G	
Year	Price		Earnings	Price Earnings Ratio		Dividend	% Payout		
	High	Low	Per Share	High A / C	Low B / C	Per Share	F / C * 100		
2021	205.0	94.5	-2.57	NMF	NMF	0.00	0.0%		
2022	113.4	60.5	-1.51	NMF	NMF	0.00	0.0%		
2023	245.9	68.9	0.35	702.5	196.9	0.00	0.0%		
2024	378.5	145.1	1.88	201.3	77.2	0.00	0.0%		
2025	544.9	166.3	8.57	63.6	19.4	0.00	0.0%		
5 YEAR AVERAGE		107.1		63.6	19.4		0.0%		
CURRENT/TTM			8.48	64.3	10.8	0.00	0.0%		
5 YEAR AVERAGE PRICE EARNINGS RATIO: 41.5				CURRENT PRICE EARNINGS RATIO: 11.8					

I choose High P/E: 20.0 Low P/E: 8.0

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What drove the Price Drop?

- The Stock Was Simply Too Expensive to Begin With
- Management Chose Growth Over Profits
- AirPods & Google – real-time language translation app
- The 2026 Guidance Shocked Wall Street

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Judgment for High Price & Low Price

Potential Gain vs Loss

375.8 Forecasted High Price

63.1 Forecasted Low Price

100.4 Current Price

Value line – July 11, 2025

2028-30 PROJECTIONS			
	Price	Gain	Ann'l Total Return
High	900	(-120%)	22%
Low	600	(+45%)	10%

RECENT PRICE **410.02** P/E RATIO **NMF** (Trailing: NMF / Median: NMF)

Value line – January 9, 2026

2028-30 PROJECTIONS			
	Price	Gain	Ann'l Total Return
High	270	(+50%)	11%
Low	160	(-10%)	-3%

RECENT PRICE **180.17** P/E RATIO **14.4** (Trailing: 22.3 / Median: NMF)

SSG Results Summary	
Zone:	BUY
Upside Downside Ratio:	7.4 To 1
Total Return (High P/E):	30.2%
Projected Return (Avg. P/E):	21.2%
Buy price to satisfy US/DS or 3 to 1 and 15% total return:	141.3
Buy Below price based on zoning selection:	141.3
Current Price (03/09/26):	100.42

I choose to put on watchlist

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Does Duolingo Actually Work?

- Teachers Give It High Marks
- It Can Match a College Classroom
- Learners Are Using It in Real Life
- Where It Has Limitations

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After this study, what are your thoughts?

Select one of the following for the Poll:

- I have no interest in this company
- The stock doesn't fit my portfolio
- I will put on my watch list
- I'm considering adding the stock to my portfolio
- I already own this company

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