
The EV revolution and the scourge of stock-based compensation

It's time for a new episode of *Stocks Neat*, the podcast with nothing watered down.

In this episode, Forager's Gareth Brown and Steve Johnson are talking about the electric vehicle revolution and something that's getting under the team's skin: the scourge of stock-based compensation. And for this month's tasting, Gareth has brought along a single malt from The Scotch Malt Whisky Society, interestingly named *A Maple Syrup Mountain Spring*.

"Even if you had a strong view that stock-based compensation was going to tail off at some point in time, it makes these companies almost impossible to value because we have no idea how many shares are going to be on issue in five years' time," Steve discusses with Gareth. "I touched on DocuSign in a previous podcast, but they have almost increased their shares on issue by 50% over the past three years. How you account for the cost of the share issuance is a very complicated topic, right? So you see an expense and I'm not really sure whether that's the real economic cost or not, but you can see the share price going up. My message to Uber (which is one company getting the message) is focused on free cash flow per share."

Drink of choice:

A Maple Syrup Mountain Spring from The Scotch Malt Whisky Society

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Thanks for tuning in!