Funding Forecast Assumptions for Fiscal Years 2023-2027

7 December 2021

Introduction

This document has been prepared as part of the development of the Internet Corporation for Assigned Names and Numbers (ICANN) Five-Year Operating and Financial Plan for the fiscal years (FYs) 2023-2027 that run from 1 July 2022 through 30 June 2027. The primary objective of this document is to outline the various funding-related assumptions and projections included in its Five-Year Operating and Financial Plan. This document also supports ICANN's efforts to achieve the financial goals outlined in the ICANN Strategic Plan for Fiscal Years 2021-2025, specifically Goal 5.2: "to develop reliable and predictable funding projections."[1]

This document contains forward-looking information that represents ICANN organization's attempt to conservatively estimate its future levels of funding. The intent is to maximize the chances that such future funding is equal to, if not higher than these projections would suggest, and thus allow ICANN org to plan for a level of activity and expenses that minimize the risk that funding would be lower than expenses in the future. The forward-looking information contained in this paper is based upon what ICANN org believes are reasonable assumptions derived from the most current information available at the time of publication. However, the use of such forward-looking information involves risks and uncertainties. As a result, actual funding levels could differ materially from those projected in this document in any given year.

The funding assumptions and forecasts outlined in this document have been prepared amidst continuing uncertainty on the long-term impacts of the COVID-19 pandemic. The World Bank suggests that while global economic activity has gained some momentum following the contraction caused by the pandemic in 2020, recovery has thus far been highly uneven across countries. Moreover, per the World Bank, substantial uncertainty remains about the strength and durability of any envisioned upturn beyond the short-term.[2]

This document describes ICANN's 'base-case' funding scenario, along with 'low' and 'high' funding scenarios and further outlines the prospective impacts that these scenarios have on ICANN's funding. ICANN org incorporates various assumptions of growth or decline for each of its funding categories to develop multiple plausible viewpoints of how ICANN's funding might evolve over the five-year horizon. These are developed for the specific purpose of creating reasonably conservative funding assumptions, and are not intended to convey ICANN org's views or positions on any specific aspect of the Domain Name System (DNS) ecosystem. Other parties may use

[1] Targeted outcomes as part of this strategic goal include the development of reliable and predictable five-year funding projections based on a sound understanding of the evolution in the domain name marketplace and realistic assumptions, as well as the use of data about the directions and trends in the market to effectively guide the organization. ICANN org's Strategic Plan for Fiscal Years 2021-2025 is available via: https://www.icann.org/en/system/files/files/strategic-plan-2021-2025-24jun19-en.pdf

[2] World Bank. 2021. Global Economic Prospects, June 2021. Washington, DC: World Bank. doi:10.1596/978-1-4648-1665-9. License: Creative Commons Attribution CC BY 3.0 IGO. Further details are available via: https://www.worldbank.org/en/publication/global-economic-prospects

the same information but for different purposes, which can lead them to draw different conclusions.

Consistent with its approach towards developing funding forecasts, ICANN org's funding forecast assumptions and outputs are regularly evaluated and calibrated as additional data becomes available.[3]

This document is divided into three sections:

Section 1, Industry Context: This section summarizes a report produced by an independent market analyst about the DNS industry. It provides an overview of key factors that have had significant effect on the DNS industry during the past five years, along with corresponding assumptions related to the potential evolution of the DNS marketplace. The key trends summarized within this section represent those identified by the consultant in order to assist ICANN with developing its funding projections through FY2027. The trends and commentary provided within this section are not intended to convey ICANN org's views or positions on any specific aspect of the DNS ecosystem.

Section 2, Funding Forecast Assumptions: Taking into consideration the key trends identified in Section 1 of this report, ICANN is developing three discrete forecast scenarios, i.e. 'low', 'base-case', and 'high', to accommodate a range of eventualities for the Five-Year Operating and Financial Plan for FY2023-FY2027.This section summarizes the assumptions used by ICANN org to develop the funding projections for FY2023-FY2027, and for each of the org's funding categories. ICANN org's primary sources of funding are generated from domain name registration activities through various fixed, transaction, and variable fees paid by registries and registrars, along with application fees and other sources of funding such as Address registry and country code top-level domain (ccTLD) contributions.

Section 3, Funding Forecast Summary: This section features detailed forecast data at the 'low', 'base-case', and 'high' scenarios across each of ICANN's funding categories.

[3] A detailed description of ICANN's funding forecasting approach is available as part of the appendix.

1. Industry Context

This section includes data and key factors that have had significant bearing on the evolution of the DNS industry over the past five years. It is important to note that the complexity of the industry means that some of the factors presented may produce mixed effects. The analysis below summarizes a report produced by an independent market analyst to assist ICANN with developing its funding projections for FY2023-FY2027.[4] The trends and commentary provided within this section are not intended to convey ICANN org's views or positions on any specific aspect of the DNS ecosystem.

A. Industry maturation and the role of the COVID-19 pandemic

The onset of the COVID-19 pandemic introduced a measure of uncertainty on future industry growth. The resulting performance trends as of the first half of 2021 reveal a substantial degree of variance across top-level domains (TLDs). Even as some TLDs experienced a year-over-year decline in domains under management (DUM), others demonstrated stability or an acceleration in annual growth rates.

Figure 1 depicts DUMs in the broad categories of new generic top-level domains (gTLDs)[5], legacy gTLDs[6], and country code top-level domains (ccTLDs)[7] from 2013 to mid-2021. This time span captures the marketplace baseline prior to the introduction of new gTLDs, the changes resulting after their introduction, and the impacts of the COVID-19 pandemic up through the present.

While the majority of new gTLDs and ccTLDs maintained positive growth rates over the past twelve months ending in mid-2021, the total number of DUMs within these two industry segments declined. This can be linked to some of the largest new gTLDs and ccTLDs experiencing large declines in absolute terms. In contrast, legacy gTLD DUMs saw continued growth in the near-term. Taken as a whole, DUMs failed to expand in the past twelve months ending in mid-2021. While this decline is at least partly attributable to lower promotional activity among some of the largest new gTLDs which could be re-

[4] ICANN evaluates a wide range of factors when developing its funding projections, including recent and expected marketplace developments that are likely to have an impact on supply-side and demand-side conditions. To this end, ICANN engaged with the DNS industry analyst, ZookNIC Inc., to support the development of its funding projections for the period between FY2023-FY2027. The key trends summarized herein, including those on the impacts of the COVID-19 pandemic on the DNS industry, represent those identified by the consultant through interviews conducted with various industry representatives, privately gathered input, a review of historical domain name transaction data, and various publicly available industry information (e.g., investor statements, regulatory filings, news profiles, etc.).

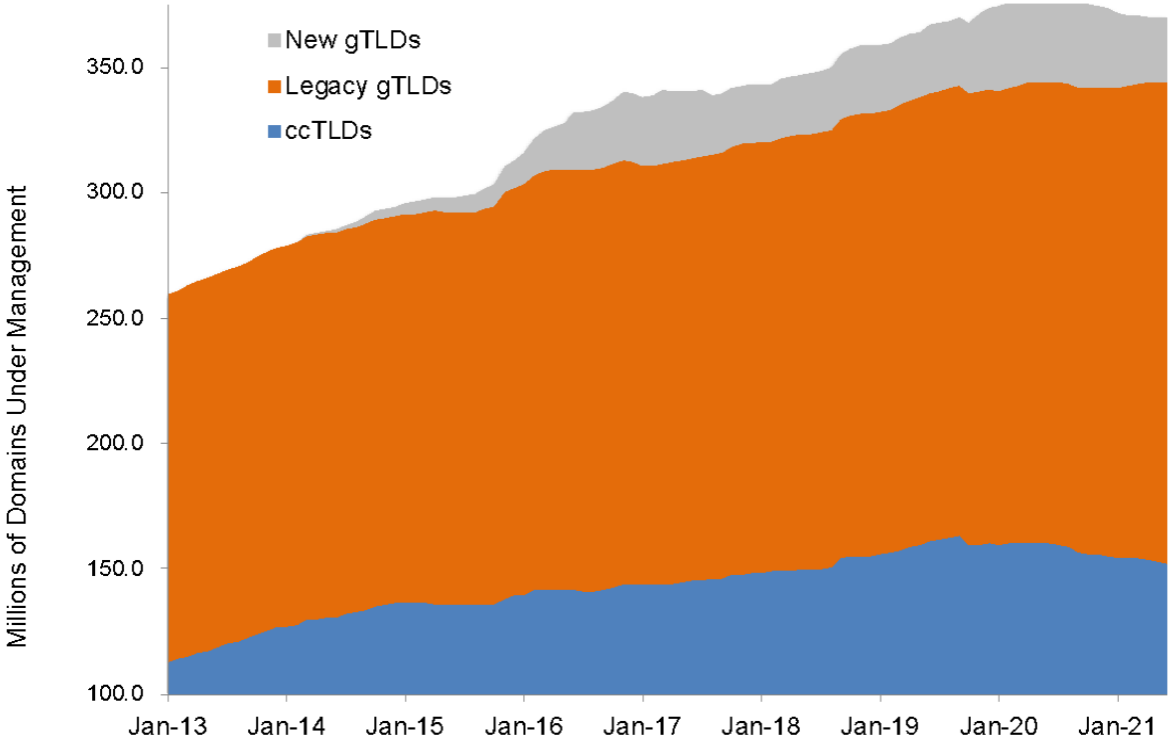
[5] This segment corresponds to those gTLDs launched since October 2013.

[6] This document includes .aero, .asia, .biz, .cat, .com, .coop, .info, .jobs, .mobi, .museum, .name, .net, .org, .post, .pro, .tel, .travel, and .xxx in its definition of legacy gTLDs.

[7] ccTLDs largely match ISO two-letter designations for countries and other territories. ccTLDs are derived largely from ISO 3166-1 alpha-2 country codes.

initiated in the future, it nonetheless points to an industry that has shifted from a period of rapid expansion to one that is now witnessing steady maturation.[8]

Figure 1: Number of Domains by Category, 2013-2021



Source: ZookNIC Domain Counts for legacy gTLDs, ccTLDs and new gTLDs

B. Digital transformation of commerce and life

Ironically the COVID-19 pandemic, which introduced such uncertainty to the industry during the first half of 2020, demonstrated the usefulness and importance of domain names in creating and managing an online identity. Among the most important market enablers for domain names is the continued digital transformation of the economy and society. Past experiences, such as the "dot com bust" in 2000, demonstrate that demand for domain names is shaped by the fortunes of the technology economy and macro-economic conditions.[9]

[8] It is important to recognize that the overall growth in the number of domains across all three sectors of the industry is influenced by the broad categorizations used, the global scale of observation, as well as the likelihood of other unknown variables influencing marketplace growth. Significant differences are also likely to exist in market behavior at the TLD, registrar, and regional/country level.

[9] Zook, M.A. (2005). The Geography of the Internet Industry: Venture Capital, Dot-coms and Local Knowledge. Blackwell Publishers

A general understanding from industry actors is that the COVID-19 pandemic accelerated the shift of commerce and life online; the most recent stage of global digital transformation enabled by the Internet. The reasons for this include the migration of underrepresented industry sectors that previously may have seen little need for an online presence being suddenly confronted by an environment in which this was a critical channel for communications, marketing, and commerce.

Beyond just offline businesses going digital, domains also feature prominently as a facet of digital transformation efforts by entities that already maintain domain names. In this sense, the return to 'normal' might be better described as a 'new normal', one in which new domain name-using practices developed during the pandemic – more online ordering of groceries or food, Quick Response (QR) codes linked to menus or similar information, etc. – is expected to continue as behavior adjusts to a future post-pandemic world.

C. Ongoing advantages of domains vis-à-vis alternative online platforms

Even as alternative online identity platforms saw strong uptake into the third quarter of 2021[10], the strategic advantages of domains have continued to resonate. Among the foundations that underlie the strategic advantage of domains include its continued importance in Internet navigation, the wider control over content that a domain provides, and the general stability and longevity offered by domains and the DNS.

A unique competitive advantage of the domain name industry is that domains are a key technical part of Internet navigation and have served as such for many years. Internet search remains a key practice of online activity, with domains being central to the structure of search engine algorithms.

The DNS is also a leader in user-controlled, decentralized identification. While alternative platforms such as social media may offer utility initially, the license rules and lack of user control over these systems impose significant constraints on adopters.

A third key advantage of domain names is tied to its stability. While the popularity of alternative social platforms can rise and fall depending on the fate of their sponsors, thereby stranding content or branding in ways that can render them unusable or unseen, the stability of domains offers comparative longevity for Internet content.

It is nonetheless important to remain alert to the potential that alternative platforms, including blockchain-based solutions, inhibit future demand for domain names. However, to date, the extent of this challenge remains uncertain.

[10] A "We are Social" and "HootSuite"-sponsored study estimates that over 400 million new users have joined social media platforms in the year to October 2021, equating to a 9.9% annual growth rate. In total, there are now over 4.5 billion social media users around the world or nearly 58% of the total global population. Further details are available via: https://datareportal.com/reports/digital-2021-october-global-statshot

D. Consolidation among registry operators and registrars

A maturing market, coupled with various legal and contractual requirements for maintaining good standing, is contributing to increased merger and acquisition activity among all levels of domain name registration service providers. Registry operators, in particular, cite a compelling opportunity to improve upon economies of scale, given the relatively low incremental costs associated with running a greater number of TLDs. Consolidation within this service provider category is now considered to be well-advanced.

Efforts by registrars to expand their sales channels and range of offerings have been a key market enabler during the past five years. Such activity has resulted in both the global expansion of sales channels and wider diversity of models, languages, and customer segments addressed through such channels. Few registrars are now truly dependent on domains alone for their revenues; rather selling domains is more akin to a 'loss-leader' that allow many registrars to offer additional higher-value services such as website creation and hosting, email, Secure Sockets Layer (SSL) certificates, electronic commerce enablement services, among other packages. Consolidation is now also evident within this service provider category, as these entities seek to stay relevant by increasing their market share and expanding their range of high-value service offerings.

The increase in consolidation activity among registry operators and registrars is seen largely as being a positive development over the long-term, in that it demonstrates an industry increasingly in the mainstream and with higher levels of professionalization; thus, one that can be characterized by greater stability post-consolidation.

E. Expanding market reach via domain name resellers

Resellers are a key sales channel for gTLD domains, in part because they entail lower fixed costs than becoming an ICANN-accredited registrar. At the same time, some resellers provide specific expertise that allow them to offer turnkey services inclusive of domain names to specific industry verticals.

These advantages have allowed resellers to offer broader access to fragmented markets than ICANN-accredited registrars might otherwise have in expanding via a direct presence. The importance of resellers within the industry has been further demonstrated during the COVID-19 pandemic with many ICANN-accredited registrars working hard to engage with and maintain resellers as active partners. In the future, it is conceivable that some resellers may choose eventually to become ICANN-accredited registrars themselves.

F. Regional disparity in domain adoption rates

Viewed through the lens of global regions, there remain significant differences in domain name adoption levels worldwide. While some regions such as North America and Europe have relatively higher domain penetration rates, others have notably much lower adoption on a per capita basis.

In terms of future industry growth, the lower historical average growth rates in mature markets is likely to be counterbalanced by those regions where demand for domain names is much less developed historically. There remains an expectation of higher growth rates in underpenetrated and emerging regions over the upcoming five-year period, as individuals and businesses that currently do not have a digital presence seek to establish one. Notwithstanding, adoption on a per capita basis in these less developed markets will likely continue to remain lower in comparison to those within North America and Europe.

Figure 2: Domain Registrations per 1,000 People by ICANN Region

ICANN Region	2014	2019	2021 (1st Half)	Average Annual Growth Rate, 2014-2019	Average Annual Growth Rate, 2019-2021 (1st Half)
North America	251.6	285.1	303.0	3.2%	4.2%
Europe	134.4	153.4	159.0	3.0%	2.4%
Latin America/Caribbean islands	18.3	20.9	23.9	3.5%	9.5%
Asia/Australia/Pacific	17.9	20.8	19.4	3.9%	-4.3%
Africa	3.0	3.9	4.2	8.0%	4.7%

Source: ZookNIC Domain Counts for Legacy gTLDs, ccTLDs and New gTLDs

G. Incomplete Universal Acceptance of IDNs and new gTLDs

Universal Acceptance (UA) is the concept that all domain names and email addresses – in any language, script, or character length (e.g., .рф, .PHOTOGRAPHY) – are accepted equally by all Internet-enabled applications, devices, and systems.

Achieving UA remains a key challenge for the DNS industry. Difficulties remain in meeting this goal particularly for Internationalized Domain Name (IDN) TLDs, new gTLDs that have just started operating, as well as more lengthy TLDs (as some applications simply assume TLDs longer than three characters are errors).

Unfortunately, many of the problems associated with UA are widely distributed through the various components and functions upon which the Internet is built, including standards, operating systems, programming languages, and applications/websites. This is further compounded by how a wide array of actors (including independent developers, Internet Service Providers, public and private organizations, educational institutions, among others) configure their systems.

UA represents a key opportunity to expand the adoption of domains in new markets.[11]. Incremental progress is ongoing and is expected to continue towards resolving many of

[11] A Universal Acceptance Steering Group (UASG)-sponsored report by independent analyst Analysys Mason highlights a range of benefits that could be derived from implementing UA. The study notes the opportunity to spur new domain registrations, which would then increase the benefits of UA itself while concurrently drawing in more

the challenges hindering UA[12]. Such efforts may gradually reveal the opportunity that exists within new markets with historically low rates of domain name adoption, thereby triggering further industry growth in the years ahead.

H. Addressing DNS abuse

Another challenge involves the question of how industry players can most effectively address the various bad actors and practices associated with the malicious use of domain names, referred to as DNS abuse. With the risk that it only takes several bad actors to tarnish the reputation of the entire DNS industry, addressing related bad actors remains a key task. The stakes are high as domains and TLDs constitute the most visible portion of the DNS.

Given the potentially wide-ranging scope of tackling DNS abuse, determining the boundaries of such an initiative is a key consideration among service providers. Self-regulation in this matter requires an approach that is both sustainable and effective; such an approach would balance 'real-world' needs with service provider business mandates, technical and operational capabilities, terms of service provisions, and contractual and legal obligations, among others.

A mounting risk, however, is one of government legislation that imposes broadly defined action aimed at tackling DNS abuse. While governments constitute an important stakeholder within the domain name industry, their wide and differing approaches globally can potentially impose a challenge on how to achieve industry-wide balance. Variance in governmental stance regarding DNS abuse policy has the potential to, at a minimum, increase the costs of service provision, or at a maximum, fracture the DNS ecosystem.

To date, this concern has neither fundamentally altered the size of the contracted party base nor the underlying demand for domains, but the topic remains a key issue for the industry going forward.

speakers of languages not using Latin scripts onto the Internet. Further details are available via: https://uasg.tech/wp-content/uploads/2017/04/Unleashing-the-Power-of-All-Domains-White-Paper.pdf.

[12] The UASG's FY2021 universal acceptance readiness report outline the results of its time-series study to evaluate the ability of leading websites globally to accept email addresses based on a variety of TLDs, including new, long, and IDN TLDs. The study also evaluated non-ASCII mailbox names represented in Unicode. While the study notes some progress, there remains much work to be done to achieve true UA across all categories of email addresses. Further details are available via: https://uasg.tech/wp-content/uploads/2021/09/UA-Readiness-Report-FY21.pdf.

2. Funding Forecast Assumptions

Any forecasting exercise must rely on assumptions on the future development of a marketplace. Because such assumptions are by definition hypothetical and the number of potential outcomes virtually infinite, a well-accepted way to consider marketplace uncertainty in forecasting is to select a number of projection scenarios depicting a range of plausible but divergent results.[13] Creating several forecast scenarios, each with varying assumptions and thresholds representing viewpoints of the future, allows ICANN org to evaluate the relative impacts of such assumptions on ICANN's funding.

ICANN is developing three discrete forecast scenarios to accommodate a range of eventualities for the Five-Year Operating and Financial Plan for FY2023-FY2027. ICANN's highest-confidence estimate or 'base-case' funding scenario has been historically utilized as the basis for the organization's annual budget. As a principle, ICANN takes a conservative approach towards developing its funding forecasts, which is considered when developing its 'base-case' funding projections. In addition, ICANN 'low' and 'high' funding scenarios consider alternate values for assumptions that have a financial impact on the organization's funding, thereby providing lower and upper bound values in its projections. While the organization does not rely on these latter values to plan its operations, such 'low' and 'high' funding scenarios are helpful to develop contingency plans considering the possibility that such scenarios become reality.

All three scenarios assume a retention of the current fee values remitted by the contracted party base and registrar accreditation applicants (summarized in Appendix C), and do not currently factor any further gTLD delegations arising from the resumption of the New gTLD Program. While there is ongoing work and an intent to launch a subsequent round, the timing of its release remains uncertain and potential impact(s) on funding indeterminate. Given this, ICANN org has deemed it prudent not to assume any prospective impacts from a subsequent round across its described scenarios.

In this section, ICANN org provides a qualitative (see Figure 3) and quantitative (see Figure 4) assessment of the potential impacts of the various industry trends presented in Section 1 on ICANN's funding categories between FY2023-FY2027. This assessment includes the delineation of 'low', 'base-case', and 'high' funding forecast scenarios.

[13] This approach is consistent with the one taken by the World Bank in forecasting the impacts of the COVID-19 global recession on global economic growth. In its June 2021 publication on 'Global Economic Prospects' the institution notes that "global activity could follow alternative paths as it recovers from the 2020 recession", and outlines multiple scenarios ranging from one characterized by a faltering economic recovery to another marked by a more sustained level of expansion. Further details are available via: https://www.worldbank.org/en/publication/global-economic-prospects

Figure 3: Market Trends and Qualitative Assessment of Expected Impacts on ICANN Funding Scenarios

Industry Trend	Qualitative Forecast Statements (as per Section 1)		Potential Impact on ICANN Funding Scenarios
Maturing DNS market	A. Industry maturation and the role of the COVID-19 pandemic	The COVID-19 pandemic introduced a great deal of uncertainty on future industry growth. While the analysis outlined in Section 1 (see Figure 1) highlights the complicated post COVID-19 pattern of growth across TLD categories, it nonetheless points to an industry that has shifted from a period of rapid expansion to one that is witnessing steady maturation.	**High impact**: At the 'base-case' and 'high' funding scenarios, this forecast assumes that domain name transaction volumes will continue to grow over the five-year horizon, albeit at varying levels. The forecast assumes that domain transactions will not witness any long-lasting dislocations arising from the COVID-19 pandemic. To account for the potential of an accelerated pace of DNS industry maturation, the 'low' scenario factors progressive decline in transaction volumes over the entire five-year forecast period. The 'low' funding scenario also features fewer total accredited registrars and gTLDs, while the 'base-case' and 'high' funding scenarios depict a slight increase in the base of ICANN registrars and relatively lower rates of attrition among gTLDs.
Growth in digital platforms and participation	B. Digital transformation of commerce and life	Domain names will retain their value and role in building digital presence, thereby providing a steady source of demand. Registrants interested in more control over their online presence will continue to use domains and overall economic growth will continue to be a key aspect in the future growth in domains.	**High impact**: Domains will remain a key enabler for Internet presence and online identity over the forecast period. Domain name transaction volumes will accordingly continue to see positive growth momentum over the forecast period, albeit at varying levels. In the 'base-case' and 'high' funding scenarios, this forecast assumes the continued digital transformation of many practices leading to continued demand for domain names, albeit at varying levels. The 'low' scenario factors progressive decline in transaction

	C. Ongoing advantages of domains vis-à-vis alternative online platforms	Alternative platforms for digital identity and content hosting may present competition but can also act as complementary platforms. Wholesale migration to such alternatives will depend on many factors. To date, the extent of this challenge remains uncertain.	volumes owing in part to a potential increase in the rates of migration to alternative platforms that negate the need for domain names. The roughly two percent subset of ICANN's annual funding currently derived from the voluntary contributions of various ccTLDs and Regional Internet Registries (RIRs) is expected to remain constant relative to these organizations' prior contributions.
Evolving DNS service provider ecosystem	D. Consolidation among registry operators and registrars E. Expanding market reach via domain name resellers	Market consolidation within the industry will continue and create market efficiencies that support the domain industry. Resellers will remain a channel for expanding the market reach of gTLDs by providing broader access to often highly fragmented local markets or expertise that caters to the unique needs of industry sectors. A subset of resellers may choose eventually to become ICANN-accredited registrars themselves.	**Moderate impact**: Domain name market actors will continue to expand their sales channels and range of domain offerings both organically (via geographic expansion, new products/services, new reseller partnerships, etc.), and via merger and acquisition activity. Over the upcoming five-year period, the 'low' funding scenario forecasts far fewer total ICANN-accredited registrars and gTLDs, assuming further industry consolidation. The 'base-case' funding scenario depicts flat-to-moderate growth in the base of ICANN-accredited registrars, along with relatively lower rates of attrition among gTLDs. To account for the potential of resurgent industry growth triggering a proliferation of market participants, the 'high' funding scenario depicts strong growth in the base of ICANN-accredited registrars, along with minimal attrition among gTLDs.
Uneven global dispersion of domain names	F. Regional disparity in	Significant differences remain in domain name adoption rates across regions of the globe. While specific experiences vary by	**Moderate impact**: This forecast assumes that regions with relatively lower per capita domain registration rates will experience higher growth rates through the upcoming forecast period, as individuals

	domain adoption rates	country, relatively higher growth rates have been observed in regions with lower per capita domain registration rates.	and businesses that currently do not have a digital presence seek to establish one. This forecast also assumes stepwise progress will continue towards resolving many of the challenges hindering Universal Acceptance. At the 'base-case' and 'high' funding scenarios, this forecast assumes that domain name transaction volumes will see positive growth rates, albeit at varying levels. To account for the probability of muted progress in Universal Acceptance of domains, and a decline of domain name uptake rates from within underserved markets owing to disproportionately negative spillover effects of the pandemic on developing countries, the 'low' scenario factors progressive decline in domain transaction volumes.
	G. Incomplete Universal Acceptance for IDNs and new gTLDs	Universal Acceptance represents a key opportunity to expand the adoption of domains in new markets. Efforts to resolve existing challenges will gradually reveal the opportunity that exists in new markets and trigger further growth in the years ahead.	
Targeting growing digital security risk	H. Addressing DNS abuse	Given its potential for causing a drag on demand for domains, a cohesive approach to address DNS security is a real challenge for the entire industry. Disparities in global governmental regulations impacting the DNS industry are viewed as a risk. However, the direct effects of any such differences on the demand for domain names is yet to be established.	**Low Impact:** Governmental interest in general issues related to technology and privacy will continue, regardless of industry action on DNS abuse. To date, regulatory measures to target digital security risks have not fundamentally altered the service provider ecosystem nor the underlying demand for domains. This forecast assumes that confidence and trust in the industry and its overall impact on demand for domains will remain largely constant and have a largely neutral impact on the size of the contracted party base as well as the demand for domain names over the forecast period.

In general terms, each of the three funding scenarios further detailed in Figure 4 below can be described as follows:

- **Base-case scenario:** Representing the funding outcome deemed most likely to occur, this scenario takes a conservative appraisal of the growth of the ICANN-accredited registrar base and domain name transaction volumes, along with retention of the current fee values. The scenario assumes that domain transactions do not witness any long-lasting dislocations. On the whole, this scenario leverages historical growth values and is aligned closely with global Gross Domestic Product (GDP) growth trends, thereby implying an overall steady state of growth in a maturing industry.

- **Low funding scenario:** Some uncertainty around the future outlook of the industry remains in light of a maturing marketplace, service provider consolidation, and the potential of delayed spillover effects arising from the COVID-19 pandemic. Accordingly, the 'low' scenario illustrates a plausible depressed forecast outcome should these impact the DNS industry more severely than currently assumed per the base-case scenario. Beyond the retention of the current fee values, this scenario factors in a decrease in all drivers to ICANN's funding – from the total number of contracted parties to the volume of domain name transactions. The decrease for each driver, individually, is plausible though considered unlikely. The decrease in all of the combined drivers within this scenario reflects a contraction of the entire DNS marketplace.

- **High funding scenario:** This scenario combines increases across all the drivers to ICANN's funding, except for a marginal decline in the number of total delegated gTLDs and the retention of the current fee values. The growth rates in this scenario therefore depict an optimistic view of resurgent growth in the overall DNS marketplace, total size of the accredited registrar base, and domain name transactions. This scenario also reflects expectations of a positive effect on domain name transaction volume due to increased online activity and the digital transformation of many practices, continued expansion of the accredited registrar base and range of domain offerings, increased uptake of domains from forthcoming launches, campaigns, and from within underpenetrated economies, and continued progress towards the resolution of Universal Acceptance and DNS security-related issues.

Figure 4: Market Trends and Assessment of Expected Impacts on ICANN FY2023-FY2027 Funding Scenarios

Category	Funding Type	'Low' Scenario	'Base-case' Scenario	'High' Scenario
Legacy gTLDs	Transaction-based Fees	-2.2 percent compound annual growth rate (CAGR) from FY2023-FY2027, reflecting an assumption of marketplace contraction. Projected decrease in transaction fees equivalent to 5 percentage points[14] below forecast global Gross Domestic Product (GDP) growth rate trend for FY2023-FY2027[15].	3.4 percent CAGR from FY2023-FY2027, which is equal to the average transaction-based fee growth rates for legacy gTLDs since the launch of the New gTLD Program[14]. As historical growth momentum in this category has tended to mirror global GDP growth momentum, the overall trendline remains in-line with the forecast global GDP growth rate trend for FY2023-FY2027[15].	7.8 percent CAGR from FY2023-FY2027, reflecting resurgent growth in the marketplace. Projected increase in transaction volume equivalent to 5 percentage points[14] above the forecast global GDP growth rate trend for FY2023-FY2027[15].
New gTLDs	Fixed Fees	1,011 TLDs delegated by end of FY2027, a decline of 138 (or -12 percent) from the start of FY2023[16].	1,091 TLDs delegated by end of FY2027, a decline of 58 (or -5 percent) from the start of FY2023[16].	1,126 TLDs delegated by end of FY2027, a decline of 23 (or -2 percent) from the start of FY2023[16].

[14] In formulating quantitative forecast scenarios, ICANN org is mindful not to create contradictory expectations and unduly influence the viewpoints of shareholders of publicly traded entities operating within the DNS industry. Accordingly, whenever available and relevant, the assumptions presented are derived from historical trends or otherwise based on conservative estimations. For instance, the growth rate described in the 'base-case' scenario represents the average Legacy gTLD transaction volume growth rate since the launch of the 2012 Round of the New gTLD Program. For its lower and upper bound scenarios, ICANN org has conservatively selected a threshold of five percentage points below and above projected global GDP rates for FY2023-FY2027, respectively.

[15] For an assessment of global GDP growth rates over the forecast period, ICANN org consulted The Economist Intelligence Unit's (EIU) summary forecast (October 2021 update). Data tables are provided as an appendix to this document. ICANN org assumes that global GDP growth rates during the second half of its FY 2027, which covers the period from 1 January to 30 June 2027, do not diverge significantly from trends and values denoted by the EIU for calendar year 2026.

[16] These scenarios do not assume any further TLD delegations arising from the resumption of the New gTLD Program. While there is ongoing work and an intent to launch a subsequent round, the timing of its release remains unclear and potential impact(s) on funding indeterminate. Given this, ICANN org has deemed it

	Transaction-based Fees	-5 percent CAGR from FY2023-FY2027, reflecting declining transaction volumes and accounting for occurrences such as relatively lower renewal rates from a subset of new gTLDs that heavily discount domain names for greenfield purchases, rapid maturation of the marketplace, and delayed spillover effects arising from the COVID-19 pandemic[17].	4 percent CAGR from FY2023-FY2027 reflecting assumed annual growth rates in low-to-mid single digits. The overall growth trendline remains in-line with the forecast global GDP growth rate trend for FY2023-FY2027[17].	9 percent CAGR from FY2023-FY2027 reflecting resurgent annual growth in high single digits, based on the assumed improvement in market awareness, increased online activity and the digital transformation of many practices spurred in part by the COVID-19 pandemic, continued expansion of registrar sales channels and range of domain offerings, increased uptake of domains from forthcoming launches, campaigns, and from within underpenetrated economies, and continued progress towards the resolution of Universal Acceptance and DNS security-related issues[17].
Registrar Accreditation	Application Fees	Reflects 0 new registrar accreditation applications annually from FY2023-FY2027.	Reflects 28 new registrar accreditation applications annually from FY2023-FY2027.	Reflects 60 new registrar accreditation applications annually from FY2023-FY2027.

prudent not to assume any prospective impacts from a subsequent round across the described scenarios.

[17] Given their relatively lower domain transaction volumes and more fragmented provider composition, new gTLDs have thus far demonstrated higher levels of transaction volume volatility in comparison to legacy gTLDs. Accordingly, to account for this likelihood of fluctuations, a broader range of variance is being projected for new gTLD transaction volumes over the forecast period in comparison transaction volumes for legacy gTLDs.

	Accreditation Fees	Registrar base sees further consolidation, declining by 436 accreditations which equates to a decrease of -18 percent over the forecast period. Overall base ranges from 2,419 at the start of FY2023 to 1,983 at the end of FY2027.	Registrar base increases by 1 percent over the forecast period. Overall base ranges from 2,419 at the start of FY2023 to 2,454 at the end of FY2027.	Registrar base increases by 12 percent over the forecast period. Overall base ranges from 2,419 at the start of FY2023 to 2,719 at the end of FY2027.
	Per-registrar Variable Fees	$3.4 million annually, consistent with prior years.	$3.4 million annually, consistent with prior years.	$3.4 million annually, consistent with prior years.

3. Funding Forecast Summary

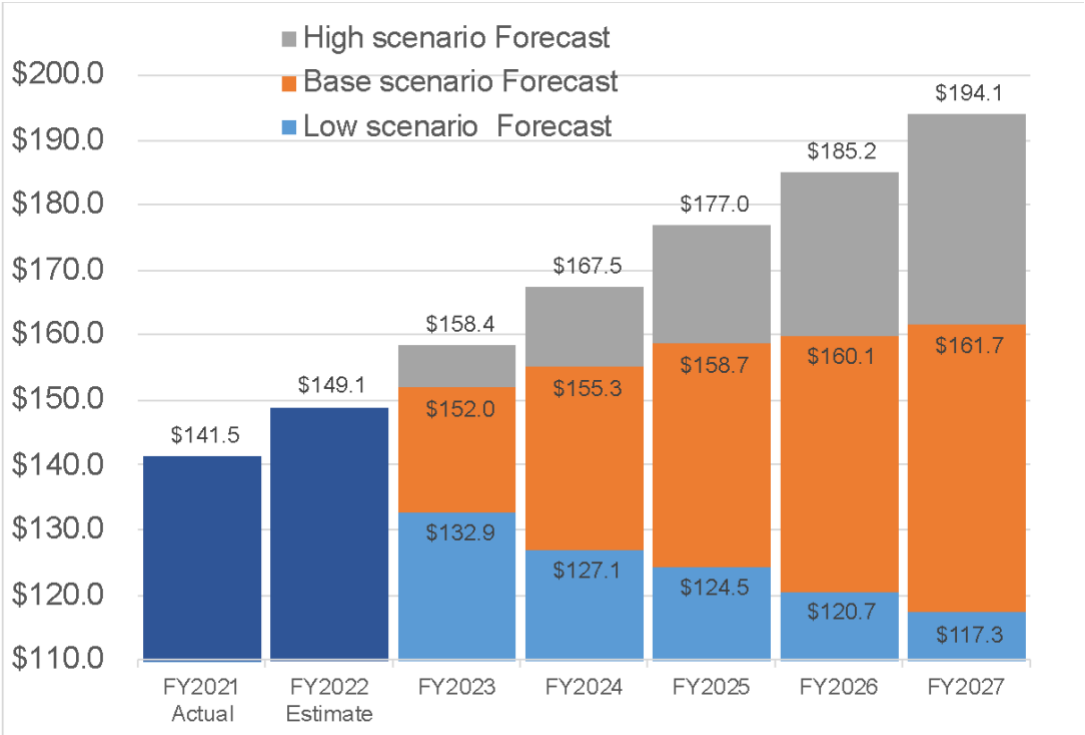
This section provides a summary of forecast outcomes at the 'low', 'base-case', and 'high' scenarios across each of ICANN's funding categories.

As outlined in Figure 5 below, from actual funding of $141.5 million in FY2021 and an updated 'base-case' estimate of $149.1 million in FY2022[18], ICANN's total funding in FY2023 is projected to range between $132.9 million (at the 'low' funding scenario) and $158.4 million (at the 'high' funding scenario), with a 'base-case' funding forecast of $152.0 million.

By the end of FY2027, total funding is projected to range from $117.3 million (at the 'low' funding scenario) and $194.1 million (at the 'high' funding scenario), with a 'base-case' funding projection of $161.7 million.

Considering all three scenarios over the forecast period, FY2023-FY2027 CAGR for ICANN's funding is projected to range from -3.1 percent (at the 'low' funding scenario) and 5.2 percent (at the 'high' funding scenario), with a 'base-case' CAGR of 1.6 percent.

Figure 5: ICANN Forecast Funding Sensitivity Analysis



[18] The FY2022 total funding value of $149.1 million presented herein represents an updated 'base-case' funding estimate utilizing FY2022 Q1 actual values, which varies slightly from the adopted FY2022 budget of $144.4 million. A detailed comparison between the updated FY2022 'base-case' estimate and the adopted FY2022 budget is outlined in Appendix B.

Figure 6: ICANN FY2022-FY2027 Forecast Funding at the 'Base-case' Scenario

(Values in USD millions unless otherwise denoted)	**FY2022**[18]	**FY2023**	**FY2024**	**FY2025**	**FY2026**	**FY2027**
Transactions						
Registry Transaction Fees - Legacy	$55.3	$56.8	$58.8	$60.8	$62.8	$64.9
Registry Transaction Fees - New gTLD	$5.1	$5.3	$5.5	$5.7	$6.0	$6.2
Registrar Transaction Fees - Legacy	$34.8	$36.2	$37.5	$38.8	$40.1	$41.5
Registrar Transaction Fees - New gTLD	$4.5	$4.7	$4.8	$5.0	$5.2	$5.4
Subtotal	$99.6	$103.0	$106.7	$110.4	$114.1	$118.0
Volume: Legacy Transactions (in millions)	193.6	201.2	208.5	215.7	222.9	230.3
Volume: New gTLD Transactions (in millions)	24.8	25.8	26.9	28.0	29.1	30.2
New gTLD Average Billable Rate (%)	82%	82%	82%	82%	82%	82%
Registry Fixed Fees	$28.9	$28.7	$28.3	$27.9	$27.5	$27.3
Registrars Accreditation						
Application Fees	$0.2	$0.1	$0.1	$0.1	$0.1	$0.1
Accreditation Fees - Annual	$9.7	$9.7	$9.8	$9.8	$9.8	$9.8
Per Registrar Variable Fees	$3.4	$3.4	$3.4	$3.4	$3.4	$3.4
Subtotal	$13.4	$13.3	$13.3	$13.3	$13.3	$13.3
Count of Total Registrars at the end of Year	2,419	2,447	2,450	2,452	2,453	2,454
Other Funding						

Meeting Sponsorships, Contributions, and Other	$7.1	$7.1	$7.1	$7.1	$5.1	$3.1
ICANN Total Funding	$149.1	$152.0	$155.3	$158.7	$160.1	$161.7

Note: Totals may not add up due to decimal rounding.

Figure 7: ICANN FY2022-FY2027 Forecast Funding at the 'Low Scenario

(Values in USD millions unless otherwise denoted)	**FY2022**[18]	**FY2023**	**FY2024**	**FY2025**	**FY2026**	**FY2027**
Transactions						
Registry Transaction Fees - Legacy	$55.3	$47.6	$45.4	$44.6	$44.1	$43.7
Registry Transaction Fees - New gTLD	$5.1	$4.1	$3.8	$3.6	$3.5	$3.3
Registrar Transaction Fees - Legacy	$34.8	$30.1	$28.7	$28.2	$27.9	$27.6
Registrar Transaction Fees - New gTLD	$4.5	$3.6	$3.3	$3.2	$3.1	$2.9
Subtotal	$99.6	$85.5	$81.3	$79.7	$78.5	$77.6
Volume: Legacy Transactions (in millions)	193.6	167.3	159.6	156.8	154.9	153.4
Volume: New gTLD Transactions (in millions)	24.8	20.1	18.5	17.7	17.0	16.4
New gTLD Average Billable Rate (%)	82%	82%	82%	82%	82%	82%
Registry Fixed Fees	$28.9	$27.7	$26.7	$26.1	$25.7	$25.3
Registrars Accreditation						
Application Fees	$0.2	$0.0	$0.0	$0.0	$0.0	$0.0
Accreditation Fees - Annual	$9.7	$9.2	$8.6	$8.2	$8.0	$7.9

Per Registrar Variable Fees	$3.4	$3.4	$3.4	$3.4	$3.4	$3.4
Subtotal	$13.4	$12.6	$12.0	$11.6	$11.4	$11.4
Count of Total Registrars at the end of Year	2,419	2,244	2,113	2,035	1,996	1,983
Other Funding						
Meeting Sponsorships, Contributions, and Other	$7.1	$7.1	$7.1	$7.1	$5.1	$3.1
ICANN Total Funding	$149.1	$132.9	$127.1	$124.5	$120.7	$117.3

Note: Totals may not add up due to decimal rounding.

Figure 8: ICANN FY2022-FY2027 Forecast Funding at the 'High' Scenario

(Values in USD millions unless otherwise denoted)	**FY2022**[18]	**FY2023**	**FY2024**	**FY2025**	**FY2026**	**FY2027**
Transactions						
Registry Transaction Fees - Legacy	$55.3	$60.1	$64.9	$69.9	$75.3	$81.1
Registry Transaction Fees - New gTLD	$5.1	$5.9	$6.6	$7.2	$7.9	$8.6
Registrar Transaction Fees - Legacy	$34.8	$37.9	$41.0	$44.2	$47.6	$51.3
Registrar Transaction Fees - New gTLD	$4.5	$5.2	$5.7	$6.2	$6.8	$7.3
Subtotal	$99.6	$109.1	$118.2	$127.6	$137.6	$148.3
Volume: Legacy Transactions (in millions)	193.6	210.6	227.6	245.4	264.5	285.0
Volume: New gTLD Transactions (in millions)	24.8	28.8	31.9	34.6	37.6	40.7
New gTLD Average Billable Rate (%)	82%	82%	83%	84%	84%	85%
Registry Fixed Fees	$28.9	$28.7	$28.4	$28.3	$28.2	$28.2

Registrars Accreditation						
Application Fees	$0.2	$0.2	$0.2	$0.2	$0.2	$0.2
Accreditation Fees - Annual	$9.7	$9.9	$10.2	$10.4	$10.6	$10.9
Per Registrar Variable Fees	$3.4	$3.4	$3.4	$3.4	$3.4	$3.4
Subtotal	$13.4	$13.5	$13.8	$14.0	$14.3	$14.5
Count of Total Registrars at the end of Year	2,419	2,479	2,539	2,599	2,659	2,719
Other Funding						
Meeting Sponsorships, Contributions, and Other	$7.1	$7.1	$7.1	$7.1	$5.1	$3.1
ICANN Total Funding	$149.1	$158.4	$167.5	$177.0	$185.2	$194.1

Note: Totals may not add up due to decimal rounding.

Appendix A: Economist Intelligence Unit, Global Economic Outlook, 2017-2026

GDP Average Growth Rates (Percent Change)				
	Actual	**Estimate**	**Forecast**	
	2017-2020	**2021**	**2022**	**2023-2026**
Real GDP growth (market exchange rates)				
World	1.2	5.4	4.1	2.8

Source: The Economist Intelligence Unit, World Summary, October 2021 update. Retrieved from https://gfs.eiu.com/Article.aspx?articleType=gef&articleId=1991518582&secID=0

Appendix B: Adopted FY2022 Budget and Updated FY2022 Forecast Estimate based on FY2022 Q1 Actuals

(Values in USD millions unless otherwise denoted)	**Adopted FY2022 Budget (as of FY2020 Q4 Actuals)**	**Updated 'Base-case' FY2022 Forecast Estimate (as of FY2022 Q1 actuals)**
Transactions		
Registry Transaction Fees – Legacy	$52.8	$55.3
Registry Transaction Fees – New gTLD	$5.1	$5.1
Registrar Transaction Fees – Legacy	$33.4	$34.8
Registrar Transaction Fees – New gTLD	$4.2	$4.5
Subtotal	$95.5	$99.6
Volume: Legacy Transactions (in millions)	185.4	193.6
Volume: New gTLD Transactions (in millions)	23.5	24.8
New gTLD Average Billable Rate (%)	87%	82%
Registry Fixed Fees	$28.5	$28.9
Registrars Accreditation		
Application Fees	$0.1	$0.2
Accreditation Fees – Annual	$9.4	$9.7
Per Registrar Variable Fees	$3.4	$3.4
Subtotal	$12.9	$13.4
Count of Total Registrars at end of Year	2,356	2,419
Other Funding		
Meeting Sponsorships, Contributions, and Other	$7.4	$7.1
ICANN Total Funding	**$144.4**	**$149.1**

Note: Totals may not add up due to decimal rounding.

Appendix C: ICANN's Approach to Funding Forecasting

A. What are ICANN org's aims in forecasting its future funding levels?

Funding forecasting efforts serve the purpose of ensuring that ICANN is able to sustainably carry out its mission in the public interest amidst shifts in the macroeconomic environment and continued Domain Name System (DNS) industry evolution. The intent is to allow ICANN organization (org) to plan for a level of activity and expenses that minimize the risk that funding would be lower than expenses in the future.

Efforts to generate and regularly iterate funding projections as part of its budget development process reflect ICANN org's commitment to utilize market data in estimating future funding levels in adherence to principles of strict financial responsibility and conservatism. While it may be challenging to predict long-term economic impacts arising from near-term developments, as a steward of public funds ICANN org is committed to ensuring ICANN's activities are planned with fiscal responsibility. Reliable and predictable funding projections that are based on a sound understanding of the evolution of the domain name marketplace represent a key component of that commitment.

Given the risk of new or changing market conditions, actual funding could differ materially from the projections in this document in any given year. ICANN org therefore regularly updates and reviews its funding projections to accommodate operational changes or unforeseen events.

B. What funding sources are covered by ICANN's forecast?

ICANN's primary funding sources are generated from domain name registration activities and DNS services. Funding sources covered as part of forecasting efforts are described in the table below:

Funding Source	Fee Category	Description
Registrar-level Fees	Application fees	A total of 110 applicants sought to receive ICANN registrar accreditation during FY2021. A one-time application fee of $3,500 is paid at the time of application by applicants seeking to become an ICANN-accredited registrar.
	Annual accreditation fees	A total of 2,520 registrars were accredited by ICANN at the end of FY2021. Annual accreditation fees are fees that all registrars are required to pay annually to maintain accreditation. The fee is $4,000 per year. Registrars have the option of paying the annual accreditation fee in quarterly installments of $1,000.
	Per registrar variable fees	A fixed amount of $950,000 quarterly or $3.8 million annually is equally divided among all ICANN-accredited registrars that have at least been accredited for one full quarter or have

		made at least one transaction, taking into consideration the forgiveness factor[19]. A discount of 10 percent is granted to all registrars operating under the 2013 Registrar Accreditation Agreement (RAA).
	Transaction-based fees	Transaction-based fees are assessed on each annual increment of an add, renew, or a transfer transaction that has survived a related add or auto-renew grace period. This fee is billed at $0.18 per transaction for registrars operating under the 2013 RAA (resulting from a $0.20 base fee, discounted by 10 percent to $0.18).
Registry-level Fees	Fixed fees and transaction-based fees	There are 1,167 TLDs delegated at the end of FY2021. Registry-level fees for each of these TLDs are described in the respective registry agreements. Based on those agreements, registries pay to ICANN a fixed fee, transaction-based fees, or both. These fees are due quarterly and are billed 30 days following the end of each calendar quarter. To learn more about registry-level fees, please refer to Article 6 of the gTLD Base Registry Agreement.[20] Registry operators not contracted on the gTLD Base Registry Agreement may have slightly different language and references.
Other Funding	Meeting sponsorships	ICANN receives sponsorships from parties in return for providing exhibition space and advertisements at ICANN Public meetings.
	Country code top-level domain (ccTLD) contributions	ccTLD operators contribute on a voluntary basis to ICANN. The Country Code Names Supporting Organisation (ccNSO) maintains guidelines offered to ccTLD operators that decide to contribute financially to ICANN. These guidelines suggest amounts of voluntary contributions based on the number of domains under management[21].
	Address registry contributions	ICANN coordinates with the Regional Internet Registries (RIRs), which are responsible for the assignment and administration of Internet addresses. RIRs contribute annually to ICANN.
	Security, stability and resiliency (SSR) Initiative contributions	ICANN receives contributions in support for activities that preserve and enhance the security, stability and resiliency of the Domain Name System.

[19] To be eligible for forgiveness, the registrar must have less than 350,000 gTLD names under its management and registered no more than 200 attempted adds per successful net add in any TLD. Forgiveness will be granted each quarter to all registrars that qualify.

[20] The gTLD Base registry Agreement is available via: https://www.icann.org/en/registry-agreements

[21] The guidelines for voluntary contributions of ccTLDs to ICANN is available via: https://ccnso.icann.org/sites/default/files/filefield_42805/guidelines-cctld-contributions-27nov13-en.pdf

C. What funding sources are excluded from ICANN's forecast?

Excluded from the forecasting effort are funds relating to ICANN's New gTLD Program and auction proceeds, as these are non-recurring sources of funding associated with the launch of the 2012 Round of the New gTLD Program.

New gTLD Program funds correspond to the unspent portion of the New gTLD Program application fees collected from applicants during the application window in 2012. These application fees were paid by applicants seeking to become a gTLD registry operator for a particular gTLD. These funds are used to evaluate the applications and to cover "hard-to-predict" costs, including risks.

Auction proceeds are generated from auctions conducted by an ICANN-authorized service provider as the method of last resort to resolve string contention in the New gTLD Program. Auction proceeds will be reserved and earmarked until the ICANN Board determines a plan for the appropriate use of the funds after consultation with the community.

D. How does ICANN develop its funding forecasts?

ICANN's funding forecasts are developed through the following activities:

1. Marketplace scan: ICANN org updates its funding model by considering the wider context of key industry drivers and inhibitors. A marketplace scan exercise serves as the foundational activity through which trends expected to impact the domain name industry over the forecast horizon are uncovered.

   As part of this activity, ICANN org engages with an independent market analyst to obtain various DNS industry experts' insights into the future. A sample of industry experts are selected for participation considering a requirement for representation by geographic region, nature of business, and size of entity, and are subsequently invited to participate in an in-depth qualitative interview.

   ICANN org supplements this independent third-party market review with ongoing information gathering through its contracted parties pertaining to key industry developments, such as their viewpoints on the anticipated spillover effects of the COVID-19 pandemic on the DNS industry.

   Insights gathered through this effort are further supplemented by a review of historical ccTLD and gTLD registration data as well as various publicly available information, such as investor statements, regulatory filings, and news profiles of DNS industry participants.

2. Formulation of assumptions: ICANN org conducts a periodic review of its existing forecast assumptions and updates its projections, as required, based on the latest domain name industry developments, domain name transaction volume data, and the size of its contracted party base.

ICANN org conducts time-series analysis to forecast future domain transaction volumes (defined as the sum of domain name additions, renewals, and transfers). A wide range of datasets are considered when conducting such projections, which include but are not limited to, the total volume of domain name transactions, additions, renewals, transfers, and domain names under management. ICANN org evaluates such datasets for legacy gTLDs and new gTLDs, separately.

New gTLDs are further segmented for analysis based on their total domain name portfolio size. Mid-to-long-term forecasts for domain name transaction growth rates also take into account wider macro-economic projections, specifically global GDP growth rates, as published by reputable third-party sources.

ICANN org applies a judgmental forecasting approach when evaluating and projecting changes to the size of its contracted party base. Given their visibility on the status of applicants and existing contracted parties, individuals within the organization's Global Domains and Strategy division provide information on the changes most likely to occur over the forecast period in terms of new registrar accreditations and terminations, as well as incremental TLD delegations and terminations. Values utilized in ICANN's forecasts may also reflect historical averages for specific funding categories.

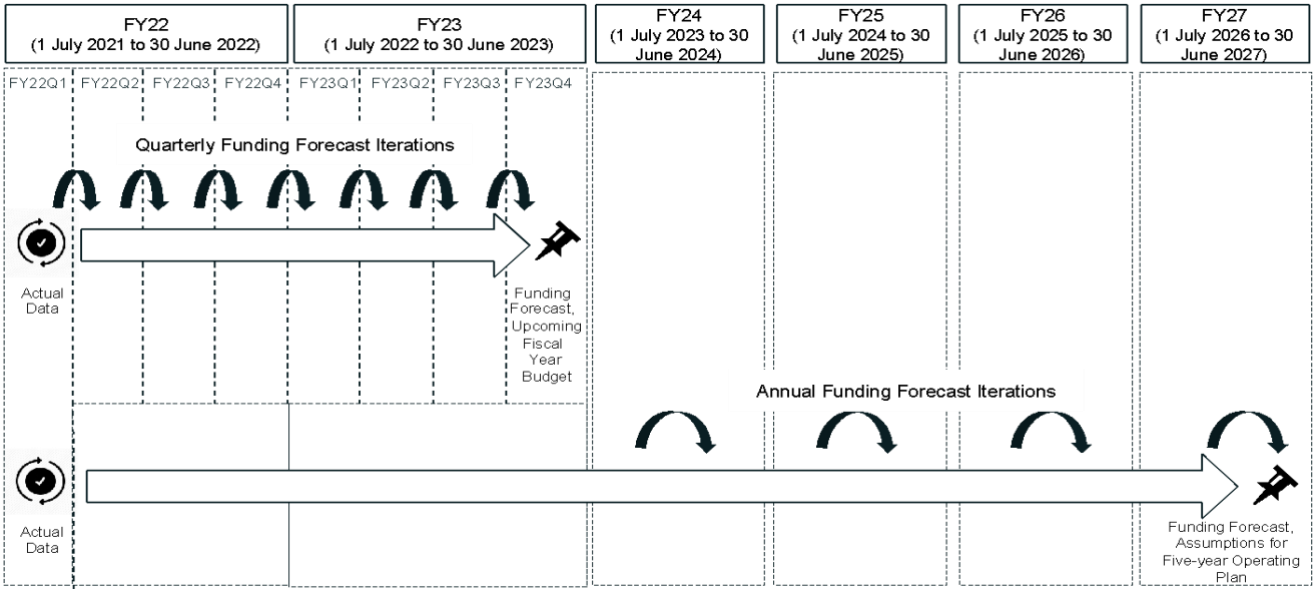
3. Forecast generation: Any forecasting exercise requires the development of assumptions concerning the future evolution of a marketplace. Creating several forecast scenarios, each with varying assumptions that represent diverging viewpoints of the future, offers a measure of sensitivity on the impacts of such assumptions on the resulting forecast values. They also provide a quantitative measure of the prospective impacts of various marketplace events that may be deemed to be plausible but improbable.

   As a principle, ICANN org takes a conservative approach towards developing its funding forecasts, which is considered when developing its 'base-case' funding projections. In addition, ICANN org also develops 'high' and 'low' scenario estimates to consider alternate forecast values, thereby providing upper and lower bound values in its projections. While the organization does not rely on these extreme-end values to plan its operations, such 'high' and 'low' scenarios are helpful to develop contingency plans should such scenarios become reality.

E. How often does ICANN org iterate its funding forecasts?

ICANN org produces its funding forecasts as an input to two separate internal budget planning activities – namely the generation of the organization's annual budget for its upcoming fiscal year and the development of funding assumptions for its rolling five-year operating and financial plan. The development of the funding projections that inform ICANN's annual budget for its upcoming fiscal year covers a forecast horizon of approximately seven quarters (or roughly 21 months). Such forecasts are reviewed and updated on a quarterly basis until the conclusion of the said fiscal year.

In parallel, ICANN org also develops longer-term projections that extends ICANN's annual fiscal year budget forecast by a further four years, resulting in a forecast horizon of roughly 69 months. This longer-term forecast, utilized in the organization's rolling five-year operating and financial plan, is updated on an annual basis. The following illustration depicts the expected funding forecast refresh cycles for the two aforementioned budget planning activities over the course of ICANN's FY2022 fiscal period.



F. Historically, how have ICANN's adopted budgets tracked in comparison to its actual funding levels?

The accuracy of ICANN's adopted budgets versus actual funding levels over the past five fiscal years are presented in the table below:

Fiscal Year (FY)	**Adopted Budget** *(in USD millions)*	**Actual Funding** *(in USD millions)*	**Variance, Actual Funding vs. Adopted Budget (%)**
FY2017	$ 132.4	$ 135.9	+2.6%
FY2018	$ 142.8	$ 134.7	-5.7%
FY2019	$ 137.6	$ 136.4	-0.9%
FY2020	$ 140.1	$ 140.7	+0.4%
FY2021	$ 129.3	$ 141.5	+9.4%