

Business Plan & Valuation Presentation

short term

Short term
accommodation

Offer your a amazing
personalized stay.

Offer personal attention,
and highest end
breakfast

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OUR VISION & MISSION

Our Mission

CozyNest exists to provide guests with a warm and inviting retreat that feels like home. Our mission is to deliver exceptional hospitality through elegantly appointed rooms, modern amenities, thoughtful touches, and a delicious homemade breakfast sourced from local ingredients. We aim to create a cozy and relaxed environment where every guest feels welcome and well-cared-for, ensuring that each stay is a memorable and delightful experience. We make a difference by turning ordinary stays into extraordinary moments of comfort and care.

Our Vision

CozyNest envisions becoming the preferred choice for travelers seeking a charming and personalized bed and breakfast experience. Over the next twenty years, we aspire to expand our presence while maintaining our commitment to exceptional hospitality, comfort, and local culture. Our goal is to create a network of CozyNest retreats, each offering a unique yet consistently warm and inviting atmosphere. We aim to set the standard for bed and breakfast accommodations by continually delighting guests and fostering a sense of home away from home.



Summary Financials Dashboard

Key performance indicators
(Base Scenario Y3)

\$ 945,944

Revenue

\$ 567,566

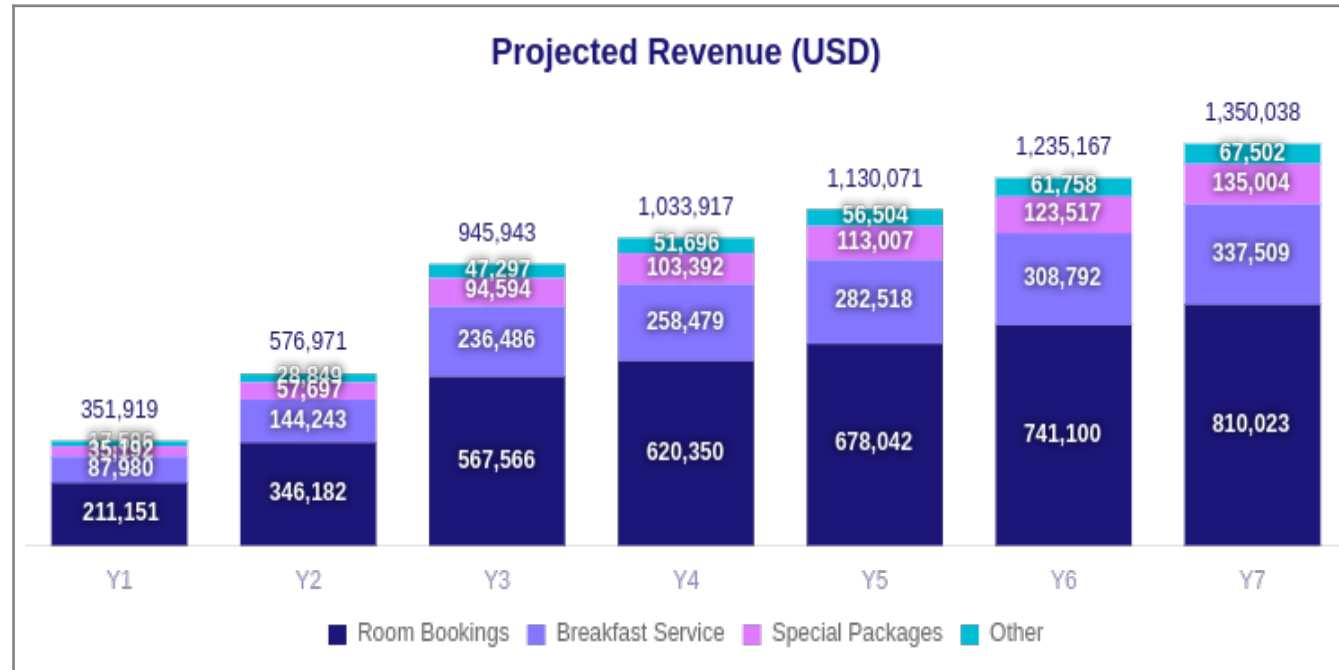
Gross Profit

\$ 294,661

EBITDA

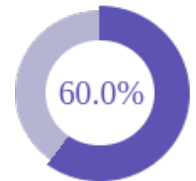
0.00%

Target Market Share

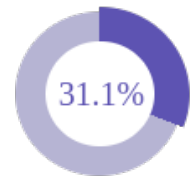


Margins
(Stabilized by Y3)

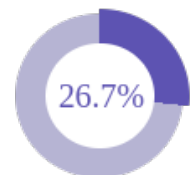
GP Margin



EBITDA Margin



PbT Margin



Project Phases



Funding round is aimed to accelerate the development of Phases and create core infrastructure for operations.

Investment will be used to finance CAPEX, WC buffers, etc.

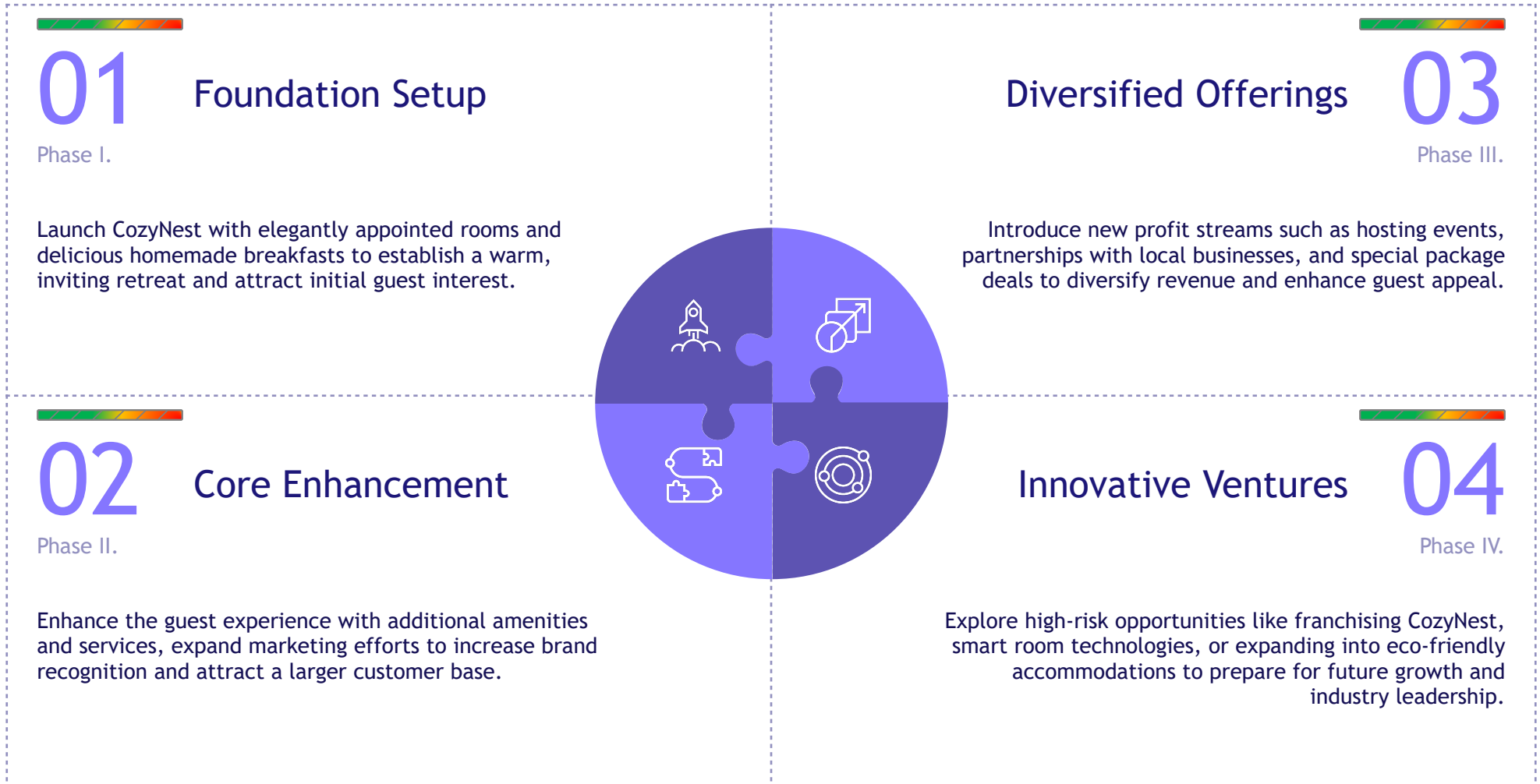


About the Company: General Overview



CozyNest is a charming bed and breakfast that offers a warm and inviting retreat for guests seeking a comfortable and personalized stay. The establishment features elegantly appointed rooms, each designed to provide a home-like atmosphere with modern amenities and thoughtful touches. CozyNest prides itself on delivering exceptional hospitality, including a delicious homemade breakfast served daily with locally sourced ingredients. The company's focus on creating a cozy, relaxed environment ensures that every guest feels welcome and well-cared-for. Operating in the Short term accommodation activities industry and the Accommodation and food service activities sector, whether guests are here for a weekend getaway or a longer stay, CozyNest provides a delightful and memorable experience.

The Main Phases: Projects & Impacts



Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
Guests	<ol style="list-style-type: none"> 1. Enjoy a warm and personalized stay with modern amenities and thoughtful touches. 2. Benefit from delicious homemade breakfasts made with locally sourced ingredients. 3. Experience exceptional hospitality, ensuring a delightful and memorable visit.
Local Community	<ol style="list-style-type: none"> 1. Increased local business opportunities through partnerships and guest referrals. 2. Boost to the local economy with more visitors spending in the area. 3. Enhanced community pride with a welcoming and high-quality accommodation option.
Employees	<ol style="list-style-type: none"> 1. Job creation and opportunities for career growth within the hospitality sector. 2. A supportive and friendly work environment that prioritizes employee well-being. 3. Training and development programs to enhance skills and career advancement.
Local Suppliers	<ol style="list-style-type: none"> 1. Steady business from providing locally sourced ingredients for our homemade breakfasts. 2. Strengthened business relationships through consistent and reliable partnerships. 3. Opportunities for collaborative events and promotions to boost visibility.
Investors	<ol style="list-style-type: none"> 1. Potential for significant financial returns as the brand grows and diversifies. 2. Clear growth plan with phased development strategies. 3. A strong, reputable brand focused on quality and exceptional hospitality.
Environment	<ol style="list-style-type: none"> 1. Eco-friendly initiatives in future phases to reduce environmental impact. 2. Promotion of sustainable practices within the local community. 3. Increased awareness and education about environmentally conscious travel.
Tourism Industry	<ol style="list-style-type: none"> 1. Adding a unique, high-quality accommodation option for travelers. 2. Complementing existing attractions and enhancing the region's appeal to tourists. 3. Driving higher visitor numbers and longer stays in the area.

Key Performance Components

Competitive Advantage

Personalized Stay

CozyNest offers a personalized experience, with elegantly appointed rooms that create a home-like atmosphere, ensuring comfort and a unique experience for each guest.

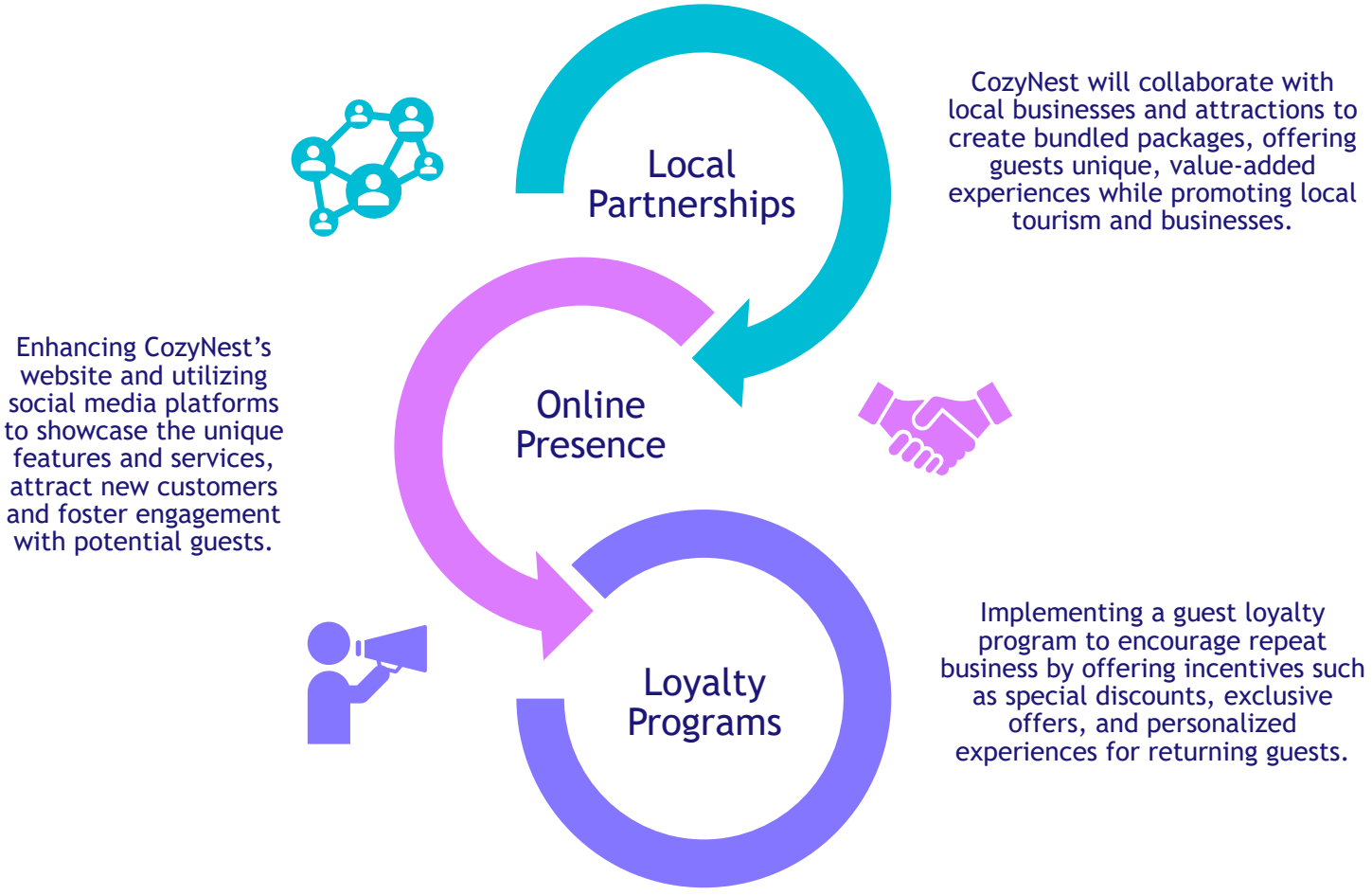
Exceptional Hospitality

The company prides itself on delivering exceptional hospitality, including a homemade breakfast using locally sourced ingredients, ensuring guests start their day on a high note.


Inviting Atmosphere

Focused on providing a cozy and relaxed environment, CozyNest ensures every guest feels welcome and well-cared-for, making their stay delightful and memorable.

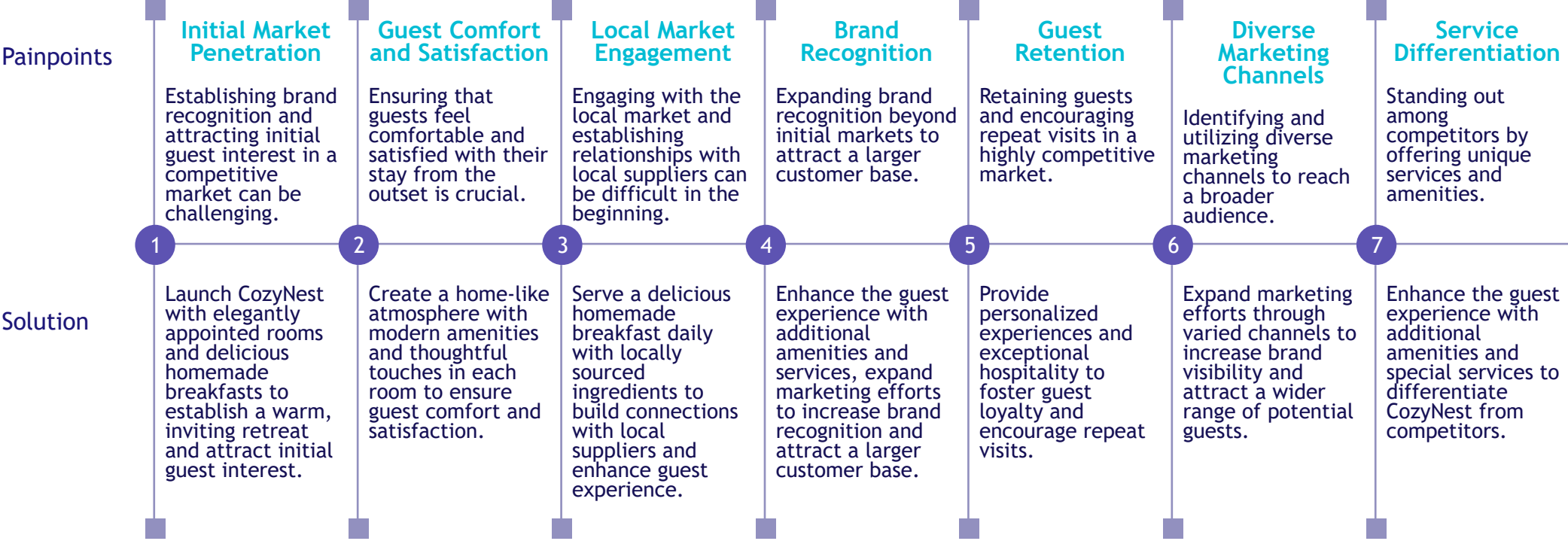
Marketing and Growth Strategy



Target Groups


Industries		Description
I	 Weekend Travelers	Individuals or couples seeking a relaxing and cozy getaway for the weekend to unwind and rejuvenate in a warm, inviting atmosphere.
II	 Business Travelers	Professionals looking for comfortable and convenient accommodations during their business trips, with amenities to support their work needs.
III	 Vacationing Families	Families on vacation looking for a charming and homely environment that caters to both adults and children with family-friendly amenities and services.
IV	 Event Attendees	Guests attending local events or conferences who need convenient and inviting short-term accommodation in proximity to their event locations.
V	 Romantic Getaway Seekers	Couples looking for a cozy and intimate retreat to celebrate special occasions or simply enjoy a romantic escape together.
VI	 Local Residents	Locals in search of an appealing venue to recommend to visiting friends and family or to use for hosting private events and gatherings.
VII	 Adventure Enthusiasts	Travelers passionate about outdoor activities and local experiences who appreciate a comfortable base with easy access to regional attractions and adventures.

Solution from Phase I to Phase IV




Strategic Analysis: SWOT

Strength




1. Unique, home-like atmosphere differentiates CozyNest from traditional hotels.
2. Personalized guest service enhances satisfaction and loyalty.
3. High-quality, homemade meals with locally sourced ingredients add value.
4. Elegantly appointed rooms provide comfort and modern amenities.
5. Strong focus on hospitality creates lasting positive impressions.

Weaknesses




1. Limited room capacity restricts revenue potential.
2. High reliance on local suppliers may affect consistency.
3. Higher operational costs with personalized services.
4. Seasonal demand fluctuations impact occupancy rates.
5. Smaller marketing budget compared to large hotel chains.

Opportunities









1. Expanding partnerships with local attractions can enhance guest experiences.
2. Introducing loyalty programs to retain repeat customers.
3. Leveraging social media marketing to reach a wider audience.
4. Offering themed packages to attract niche markets.
5. Investing in eco-friendly practices to appeal to environmentally conscious travelers.

Threats



1. Intense competition from larger hotel chains with extensive resources.
2. Economic downturns can reduce travel spending.
3. Health crises can significantly impact travel and accommodation industries.
4. Changing consumer preferences towards vacation rentals like Airbnb.
5. Rising costs of locally sourced ingredients increase operational expenses.

Pestel: Analysis

 P		 E		 S		 T		 E		 L	
Political	7 / 10	Economic	7 / 10	Social	6 / 10	Technological	6 / 10	Environmental	6 / 10	Legal	7 / 10
Regulations: Compliance with local accommodation and food safety regulations.		Tourism trends: Economic stability influencing tourism frequency and spending.		Consumer preferences: Increasing demand for personalized and unique travel experiences.		Online Booking: Advancements in booking platforms improving ease of reservations.		Sustainability: Increased focus on eco-friendly practices in the hospitality industry.		Licensing: Ensuring proper licenses and permits for accommodation operations.	
Tax policies: Impact of local and national tax policies on pricing and profitability.		Disposable income: Fluctuations in disposable income affecting booking rates.		Health Consciousness: Growing preference for locally sourced and healthy food options.		Smart Hospitality: Integration of smart technology to enhance guest experiences.		Local sourcing: Emphasis on use of locally sourced ingredients to reduce environmental impact.		Liability: Compliance with liability and safety regulations to protect guests.	

CozyNest is positioned to thrive by leveraging positive consumer trends and enhancing guest experiences through smart technology, while navigating regulatory requirements and emphasizing sustainability.

Scores reflect the relative importance and potential impact of each PESTEL factor on the business

VRIO Framework: Analysis

Does the resource or capability enable the firm to exploit an opportunity or neutralize a threat in the environment?

The personalized and cozy experience provided by CozyNest enables the firm to stand out in the accommodation industry and attract repeat customers.

Is the resource or capability controlled by only a few firms or no other firms?

The combination of home-like atmosphere, modern amenities, and homemade breakfast is not commonly offered by many firms in the industry.

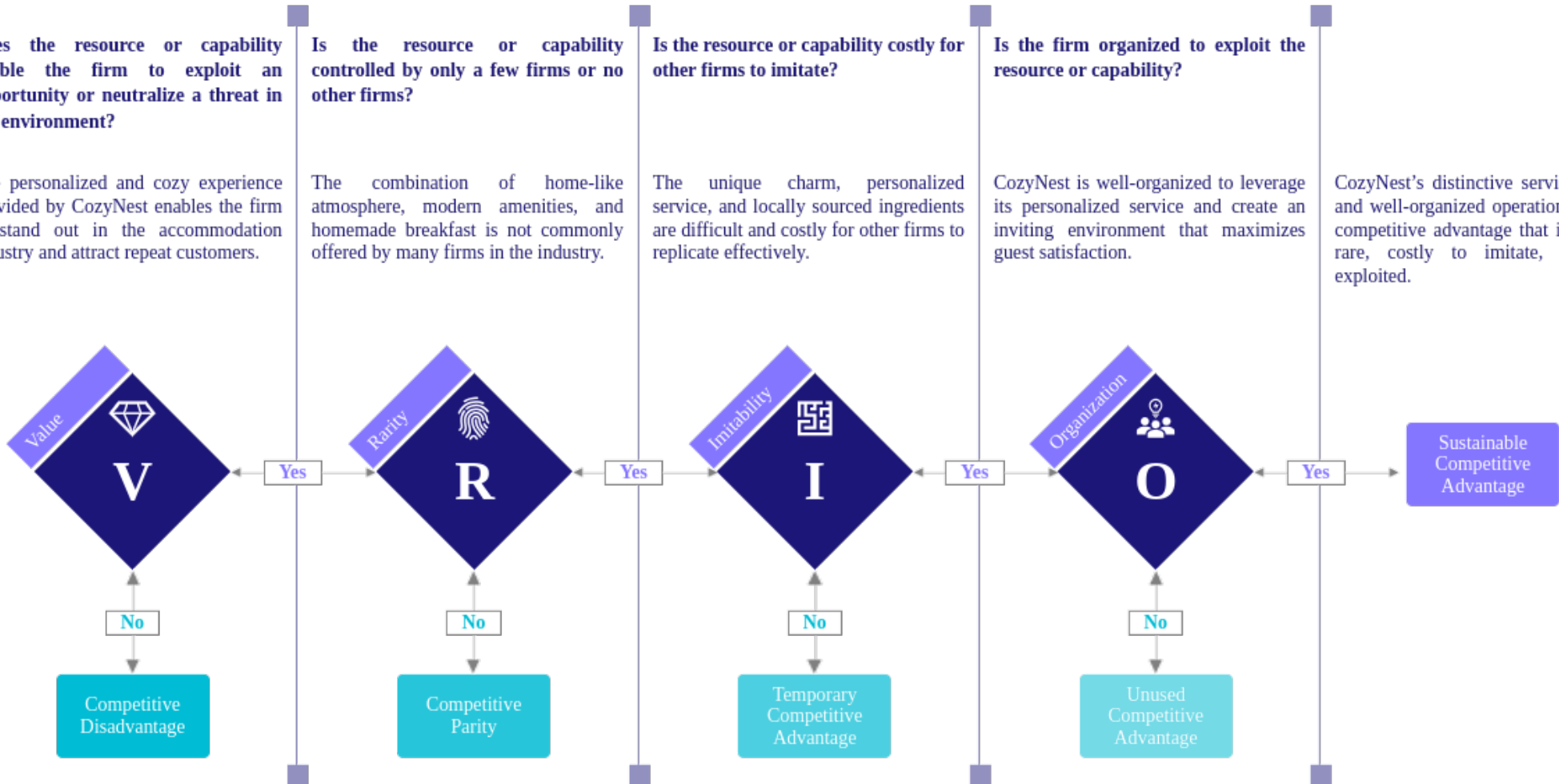
Is the resource or capability costly for other firms to imitate?

The unique charm, personalized service, and locally sourced ingredients are difficult and costly for other firms to replicate effectively.

Is the firm organized to exploit the resource or capability?

CozyNest is well-organized to leverage its personalized service and create an inviting environment that maximizes guest satisfaction.

CozyNest's distinctive service offering and well-organized operation provide a competitive advantage that is valuable, rare, costly to imitate, and well-exploited.



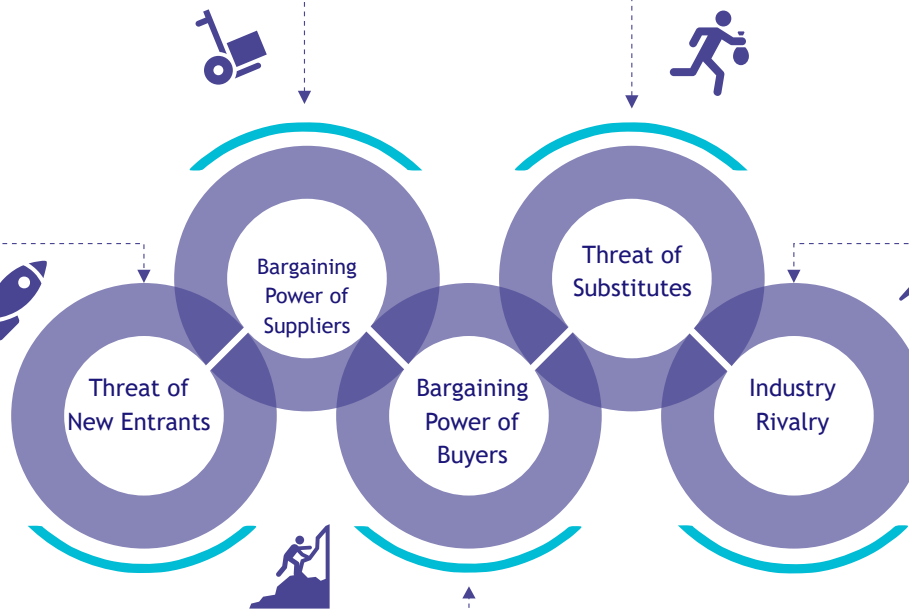
Porter's Five Forces: Analysis

Suppliers of unique, locally sourced ingredients may have higher leverage.

Airbnb and similar services offer alternative lodging options.

Barriers are low, making it easy for new competitors to enter the market.

High competition among bed and breakfasts and other accommodations.



Customers have numerous lodging options, giving them significant power in negotiating terms.

CozyNest operates in a highly competitive environment, facing significant pressures from new entrants, buyer power, and substitutes.

High (Red)
Moderate (Blue)
Low (Dark Blue)

Management Team

Overview

With over 15 years in the hospitality industry, Marco is dedicated to providing a personalized and comfortable stay for every guest at CozyNest.



Co-Founder & CEO

Giulia Bianchi



Co-Founder & Guest Relations Manager

Overview

Giulia ensures every guest has an exceptional experience, managing bookings and offering tailored services to meet their needs.

Overview

Experienced in managing day-to-day operations, Alessandro guarantees the smooth running of the B&B and the highest quality of service.



Operations Manager

Francesca Conti



Housekeeping & Maintenance Manager

Overview

Francesca oversees the cleanliness and upkeep of CozyNest, ensuring that every room and facility is pristine and well-maintained.



History & Roadmap



Partnerships

Form alliances with local businesses to offer exclusive guest experiences.

Sustainability Initiatives

Implement eco-friendly practices to minimize environmental impact.

Enhanced Amenities

Introduce new premium amenities to enhance guest comfort and satisfaction.

Guest Feedback Program

Establish a comprehensive guest feedback system to refine services.

Marketing Campaign

Rollout targeted digital and local marketing campaign to boost reservations.

Website Upgrade

Launch of revamped, user-friendly website with booking capabilities.

Current Status.

CozyNest has a clear roadmap for growth and improvement, focusing on enhancing customer experience and expanding market reach. Initial efforts will include a website upgrade by Mar 2024, followed by the introduction of new premium amenities by Jun 2024. A targeted marketing campaign will launch in Sep 2024 to drive bookings. By Dec 2024, sustainability initiatives will be implemented to reduce environmental impact. A guest feedback program will commence by Mar 2025 to continually improve services. Finally, strategic partnerships with local businesses will be established by Jun 2025 to provide unique guest experiences, solidifying CozyNest's position as a premier lodging choice.

Organizational and Marketing Tasks

#	Check List Item	Status	Priority	Area	ETA
General Planning and Organization					
1	Incorporate CozyNest as a legal entity	●	Not Started	High	CEO 1 month
2	Develop a comprehensive business plan	●	Not Started	High	CFO 2 months
3	Secure initial funding	●	Not Started	High	CFO 3 months
4	Find and lease property for CozyNest	●	Not Started	High	CEO 3 months
5	Develop a detailed budget and financial forecasts	●	Not Started	High	CFO 2 months
6	Obtain necessary permits and licenses	●	Not Started	High	COO 2 months
7	Hire core team and key staff	●	Not Started	High	COO 3 months
8	Set up necessary technology and systems	●	Not Started	Medium	CTO 2 months
Marketing					
1	Develop Comprehensive Marketing Plan	●	Not Started	High	CMO 2 weeks
2	Launch Initial Advertising Campaign	●	Not Started	High	CMO 1 month
3	Establish Social Media Presence	●	Not Started	Medium	CMO 1 month
4	Create Partnerships with Local Businesses	●	Not Started	High	CRO 2 months
5	Build SEO Strategy for Website	●	Not Started	Medium	CMO 2 months
6	Implement Email Marketing Campaign	●	Not Started	Medium	CMO 1 month
7	Design Promotional Materials	●	Not Started	Low	CBO 3 weeks
8	Organize Launch Event for Initial Guest Attraction	●	Not Started	High	COO 2 months

Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
Phase 1 & Technical Set Up for next Phases					
1	Secure Property Lease or Purchase	●	Not Started	High	CEO 2 months
2	Design Room Interiors	●	Not Started	High	CPO 1 month
3	Hire Initial Staff	●	Not Started	High	COO 1.5 months
4	Develop Homemade Breakfast Menu	●	Not Started	Medium	CSO 1 month
5	Implement Reservation System	●	Not Started	High	CTO 1 month
6	Obtain Necessary Permits and Licenses	●	Not Started	High	CFO 2 months
7	Furnish Common Areas	●	Not Started	Medium	CPO 1 month
8	Establish Supplier Partnerships for Local Ingredients	●	Not Started	Medium	CRO 1.5 months
Phase 2					
1	Upgrade room amenities and decor	●	Not Started	High	COO 2 months
2	Develop and implement guest loyalty program	●	Not Started	High	CRO 3 months
3	Expand digital marketing campaigns	●	Not Started	High	CMO 1 month
4	Train staff on enhanced customer service protocols	●	Not Started	Medium	CSO 2 months
5	Improve website user experience	●	Not Started	Medium	CTO 1 month
6	Launch a referral program to encourage word-of-mouth	●	Not Started	Medium	CBO 1 month
7	Partner with local businesses for promotional deals	●	Not Started	Medium	CMO 2 months
8	Upgrade booking system for smoother reservations	●	Not Started	High	CTO 3 months

Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
Phase 3					
1	Identify event hosting opportunities	●	Not Started	High	COO 2 months
2	Develop partnerships with local businesses	●	Not Started	High	CRO 3 months
3	Create special package deals	●	Not Started	Medium	CMO 1 month
4	Launch a seasonal event series	●	Not Started	High	COO 4 months
5	Develop a loyalty program	●	Not Started	Medium	CPO 2 months
6	Implement guest feedback system	●	Not Started	Medium	CIO 1 month
7	Explore digital marketing campaigns for package deals	●	Not Started	Medium	CMO 3 months
8	Analyze and report on new revenue streams	●	Not Started	High	CFO 1 month
Phase 4					
1	Research Franchising Opportunities	●	Not Started	High	CEO 3 months
2	Explore Smart Room Technologies	●	Not Started	Medium	CTO 4 months
3	Develop Eco-Friendly Accommodations Plan	●	Not Started	High	CSO 5 months
4	Identify High-Risk Investment Opportunities	●	Not Started	High	CFO 2 months
5	Formulate Franchising Model	●	Not Started	Medium	COO 6 months
6	Pilot Test Smart Room Features	●	Not Started	Medium	CIO 3 months
7	Evaluate Sustainability Certifications	●	Not Started	Medium	CPO 4 months
8	Assess Legal Aspects of Franchising	●	Not Started	High	CLO 3 months

Core Risks & Mitigation Strategies

1. Operation and maintenance risks

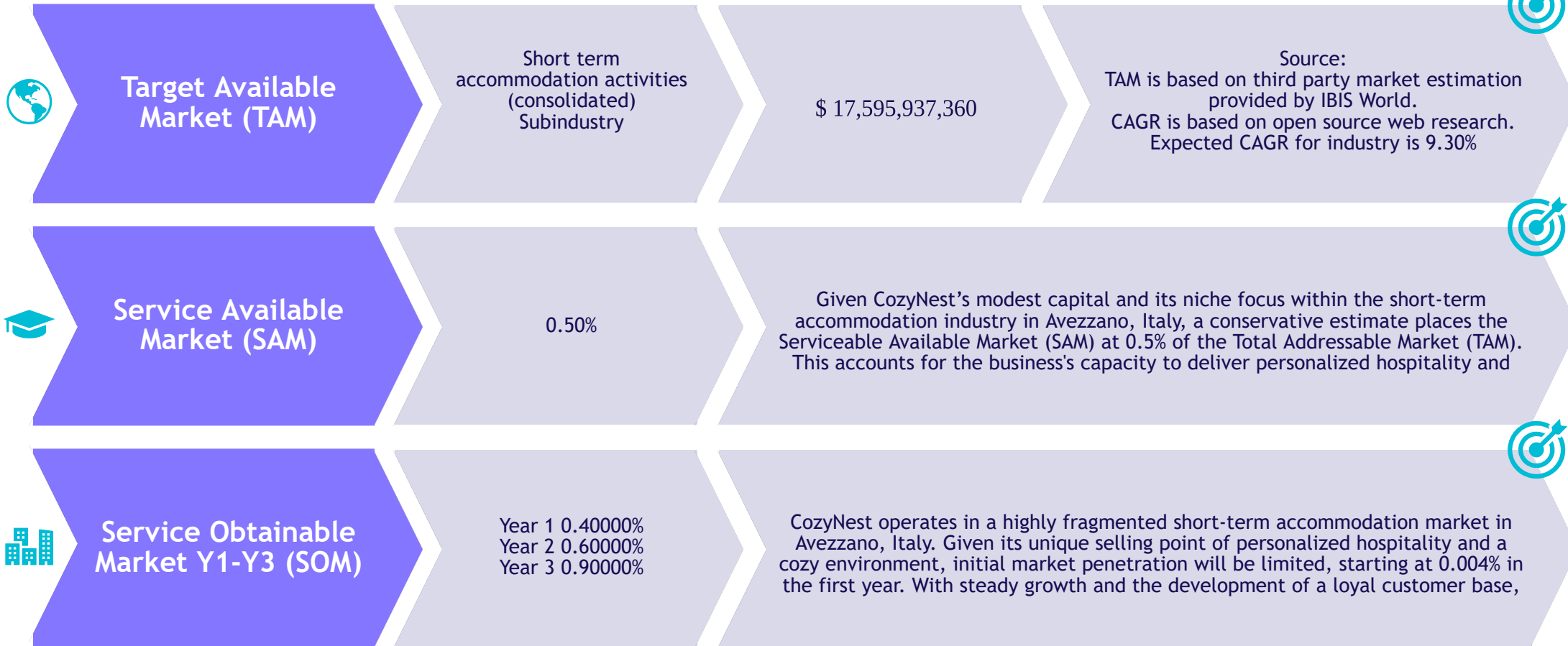
#	Risk Type	Area	Mitigation Strategy
1	Guest Service Failures	COO	Develop comprehensive training programs for staff to ensure consistently high levels of service and regularly review guest feedback to identify and address service gaps.
2	Maintenance Issues	CTO	Establish a routine maintenance schedule and rapid response system for repairs to ensure all facilities are in top condition at all times.
3	Inventory Management	CFO	Implement an inventory management system to monitor and control stock levels, preventing shortages or overstock of necessary supplies.
4	Food Safety	COO	Enforce strict food safety standards and regular inspections in the kitchen to ensure that all food served meets health regulations.

2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Health and Safety Compliance	COO	Regular audits and staff training.
2	Food Safety Regulations	CFO	Implement strict food handling protocols.
3	Local Zoning Laws	CSO	Regularly review local regulations.
4	Environmental Regulations	CSO	Adopt eco-friendly practices.
5	Licensing and Permits	COO	Ensure timely renewals.

3. Strategic/Market Risk			
#	Risk Type	Area	Mitigation Strategy
1	Increased competition	CMO	Strengthen brand and expand marketing efforts
2	Seasonal demand fluctuations	CFO	Implement dynamic pricing and diversify offerings
3	Changing consumer preferences	CPO	Regularly update offerings based on feedback
4	Economic downturns	CRO	Build financial reserves and adjust costs
5	Failure to achieve market penetration	CEO	Form partnerships and enhance marketing strategies
4. Finance risk			
#	Risk Type	Area	Mitigation Strategy
1	Cash Flow Shortages	CFO	Maintain cash reserves and monitor cash flow regularly.
2	Overleveraging	CFO	Balance debt with stable revenue and avoid excessive borrowing.
3	Cost Overruns	CFO	Strict budgeting and regular financial reviews.
4	Revenue Fluctuations	CFO	Diversify revenue streams and offer seasonal promotions.
5	Investment Losses	CFO	Careful vetting of investments and diversifying portfolio.
5. Other general risk			
#	Risk Type	Area	Mitigation Strategy
1	Guest dissatisfaction	COO	Regularly survey guests and address feedback promptly.
2	Brand reputation damage	CMO	Monitor and manage online reviews actively.
3	Economic downturn	CFO	Diversify revenue streams and control costs.
4	Supply chain disruptions	COO	Develop reliable supplier relationships and keep backups.
5	Technological obsolescence	CTO	Stay updated with the latest tech trends and upgrades.

Market Overview (TAM, SAM and SOM)



Funding Allocation

The funding will be used to finance the CAPEX and cash deficit from Year 1 operations, aiming to expedite the development process. In subsequent years the company plans to sustain operations without requiring major additional capital injection. Table below presents the overview of expected inflows and outflows.

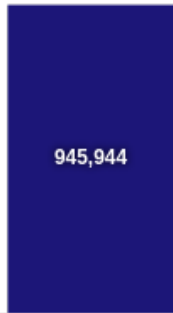
The total investment required is \$ 400,000

Y1 Cash Flow Stream(USD)	Inflows	Outflows
Gross Profit	211,151	
Payroll Expenses		42,230
Rent & Utilities		17,596
Marketing and Branding		14,077
Communication Expenses		10,558
Capex		350,000
Office supplies		3,519
Legal and Professional Fees		3,519
Representation and Entert.		3,519
Training and Development		3,519
Other Miscellaneous		2,991
CAPEX & WC shortage Y1		240,377
Buffer		159,623
Total Required Investment(USD)		400,000



Y3 PL formation and Margins

Revenue



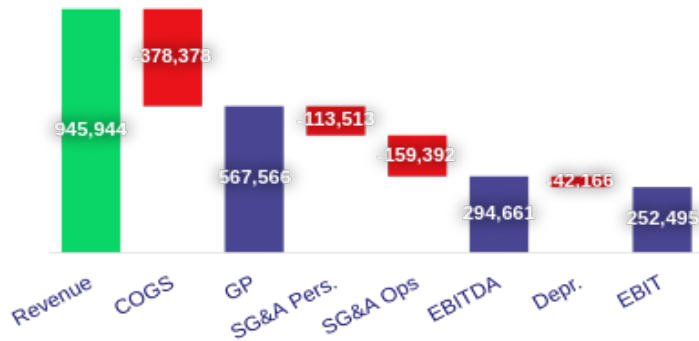
Projected Revenue

- GP 60.0%
- EBITDA 31.1%

Y3

Y3

PnL Formation (Y3 USD)

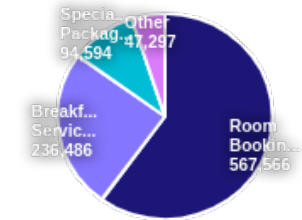
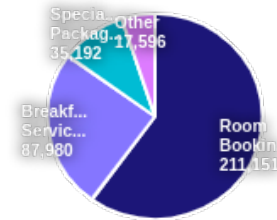


Business Line Breakdown (USD)

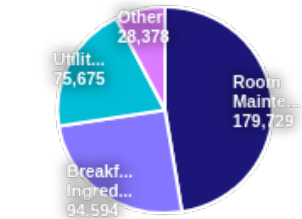
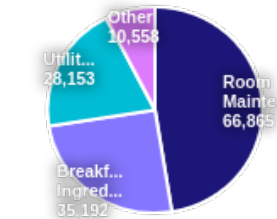
Y1

Y2

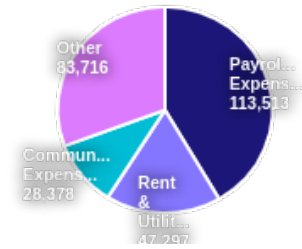
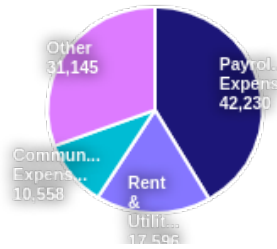
Revenue



COGS



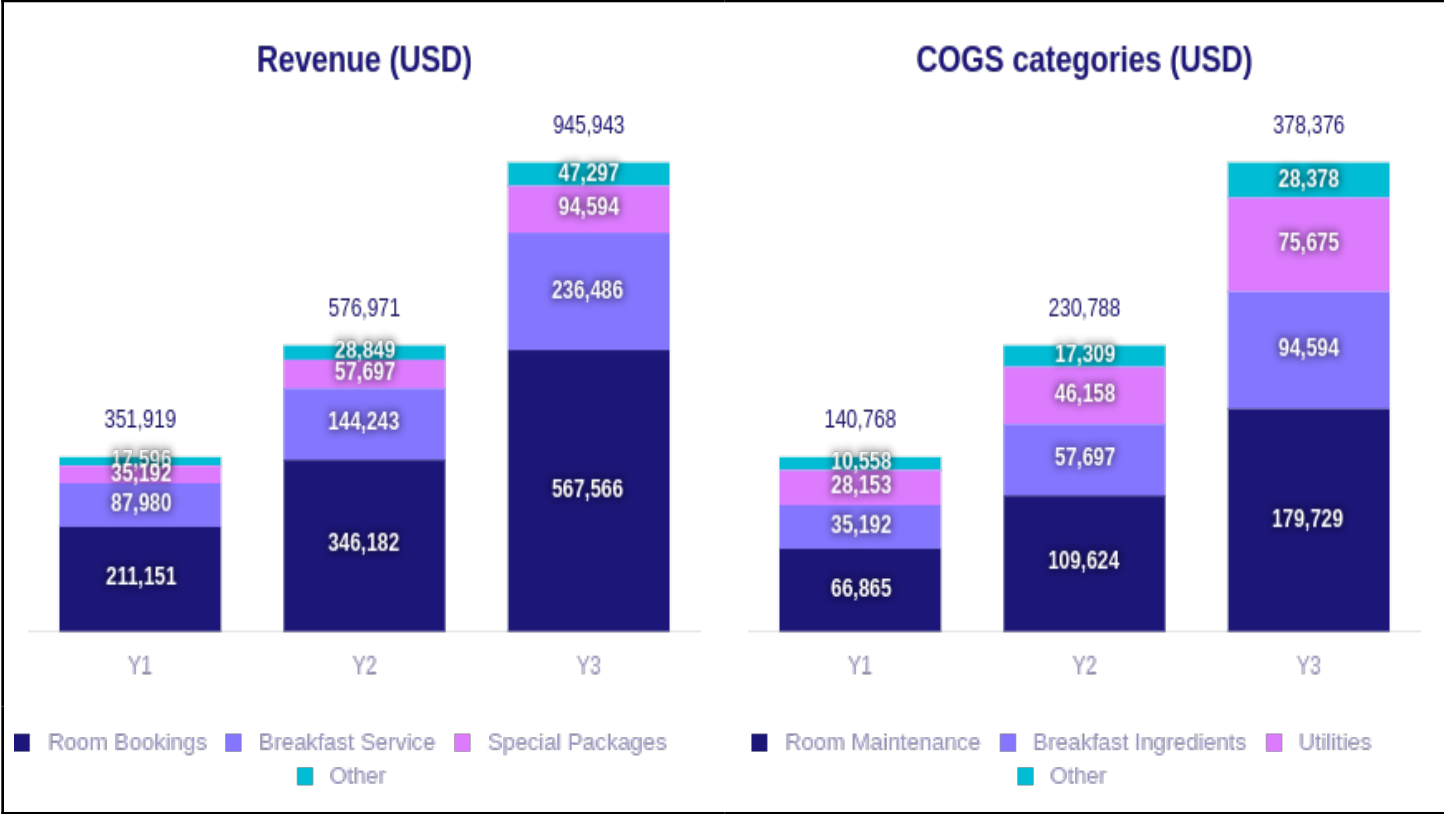
Admin



Revenue Formation Narrative

CozyNest, a charming bed and breakfast in Avezzano, Italy, has meticulously estimated its revenue potential based on a thorough understanding of its market and unique value proposition. Operating in the short-term accommodation industry, CozyNest has identified a Total Addressable Market (TAM) of 17,595,937,360 USD. Given its niche focus and modest initial capacity, the Serviceable Available Market (SAM) is conservatively estimated at 0.5% of the TAM, reflecting the business’s strategy to deliver personalized hospitality in a local setting. The Serviceable Obtainable Market (SOM) percentages suggest a gradual market penetration: 0.004% in year one, 0.006% in year two, and 0.009% in year three. These projections result in total annual revenues of 351,919 USD, 576,971 USD, and 945,944 USD for years one, two, and three, respectively. The diversified revenue streams further contribute to this growth: Room Bookings at 60.00%, Breakfast Service at 25.00%, Special Packages at 10.00%, and Other revenue at 5.00%. This segmentation underscores CozyNest’s multifaceted approach to maximizing revenue while maintaining its commitment to providing a cozy and personalized experience. The gradual increase in SOM is reflective of CozyNest’s anticipated build-up of customer loyalty and market presence amidst robust local SME competition.

\$ 945,944 ^{Y3} Projected Revenue **0.00%** Market share



Revenue Calculation Details

Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Room Bookings	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
Breakfast Service	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Special Packages	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Other	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%

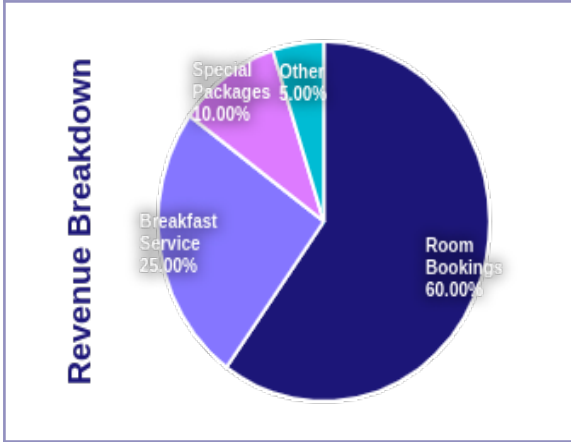
Room Bookings	13,197	13,197	13,197	15,836	15,836	15,836	19,356	19,356	19,356	21,995	21,995	21,995	211,151	346,182	567,566
Breakfast Service	5,499	5,499	5,499	6,598	6,598	6,598	8,065	8,065	8,065	9,165	9,165	9,165	87,980	144,243	236,486
Special Packages	2,199	2,199	2,199	2,639	2,639	2,639	3,226	3,226	3,226	3,666	3,666	3,666	35,192	57,697	94,594
Other	1,100	1,100	1,100	1,320	1,320	1,320	1,613	1,613	1,613	1,833	1,833	1,833	17,596	28,849	47,297
Total Revenue (USD)	21,995	21,995	21,995	26,394	26,394	26,394	32,259	32,259	32,259	36,658	36,658	36,658	351,919	576,971	945,944

Total revenue is expected to reach \$ 945,944 by year 3.

Main revenue driver are:

- Room Bookings which generates \$ 567,566 by Year 3
- Breakfast Service which generates \$ 236,486 by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 63.95 %



COGS Calculation Details

COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Room Maintenance	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%	19.00%
Breakfast Ingredients	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
Utilities	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Other	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%

Room Maintenance	4,179	4,179	4,179	5,015	5,015	5,015	6,129	6,129	6,129	6,965	6,965	6,965	66,865	109,624	179,729
Breakfast Ingredients	2,199	2,199	2,199	2,639	2,639	2,639	3,226	3,226	3,226	3,666	3,666	3,666	35,192	57,697	94,594
Utilities	1,760	1,760	1,760	2,112	2,112	2,112	2,581	2,581	2,581	2,933	2,933	2,933	28,153	46,158	75,675
Other	660	660	660	792	792	792	968	968	968	1,100	1,100	1,100	10,558	17,309	28,378

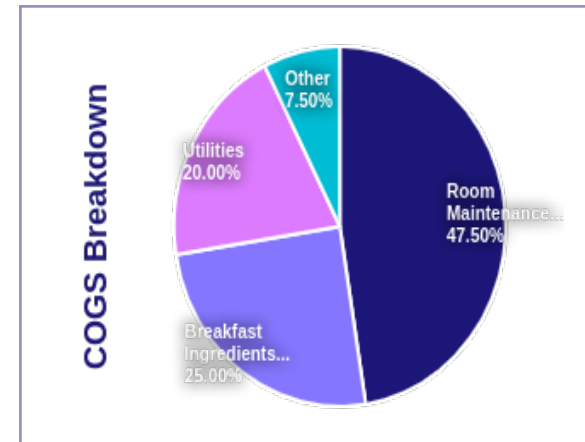
Total COGS (USD)	8,798	8,798	8,798	10,558	10,558	10,558	12,904	12,904	12,904	14,663	14,663	14,663	140,767	230,788	378,377
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Total COGS is expected to reach \$ 378,377 by year 3.

Main revenue driver are:

- Room Maintenance which generates \$ 179,729 by Year 3
- Breakfast Ingredients which generates \$ 94,594 by Year 3

Expected CAGR for total COGS in Y1-Y3 is 63.95 %



SG&A Calculation Details

OPEX Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
<i>Payroll Expenses</i>	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%	12.00%
<i>Rent & Utilities</i>	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
<i>Communication Expenses</i>	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
<i>Office supplies</i>	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
<i>Legal and Professional Fees</i>	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
<i>Marketing and Branding</i>	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
<i>Representation and Entertainment</i>	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
<i>Training and Development</i>	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
<i>Other Miscellaneous</i>	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%	0.85%

<i>Payroll Expenses</i>	2,639	2,639	2,639	3,167	3,167	3,167	3,871	3,871	3,871	4,399	4,399	4,399	42,230	69,236	113,513
<i>Rent & Utilities</i>	1,100	1,100	1,100	1,320	1,320	1,320	1,613	1,613	1,613	1,833	1,833	1,833	17,596	28,849	47,297
<i>Communication Expenses</i>	660	660	660	792	792	792	968	968	968	1,100	1,100	1,100	10,558	17,309	28,378
<i>Office supplies</i>	220	220	220	264	264	264	323	323	323	367	367	367	3,519	5,770	9,459
<i>Legal and Professional Fees</i>	220	220	220	264	264	264	323	323	323	367	367	367	3,519	5,770	9,459
<i>Marketing and Branding</i>	880	880	880	1,056	1,056	1,056	1,290	1,290	1,290	1,466	1,466	1,466	14,077	23,079	37,838
<i>Representation and Entertainment</i>	220	220	220	264	264	264	323	323	323	367	367	367	3,519	5,770	9,459
<i>Training and Development</i>	220	220	220	264	264	264	323	323	323	367	367	367	3,519	5,770	9,459
<i>Other Miscellaneous</i>	187	187	187	224	224	224	274	274	274	312	312	312	2,991	4,904	8,041

Total SG&A (USD)	6,346	6,346	6,346	7,615	7,615	7,615	9,307	9,307	9,307	10,576	10,576	10,576	101,529	166,456	272,905
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PaT Expectations

1 2 3 4 5 6 7 8

Financial Projection

Income Statement (USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Revenue	21,995	21,995	21,995	26,394	26,394	26,394	32,259	32,259	32,259	36,658	36,658	36,658	351,919	576,971	945,944
Room Bookings	13,197	13,197	13,197	15,836	15,836	15,836	19,356	19,356	19,356	21,995	21,995	21,995	211,151	346,182	567,566
Breakfast Service	5,499	5,499	5,499	6,598	6,598	6,598	8,065	8,065	8,065	9,165	9,165	9,165	87,980	144,243	236,486
Special Packages	2,199	2,199	2,199	2,639	2,639	2,639	3,226	3,226	3,226	3,666	3,666	3,666	35,192	57,697	94,594
Other	1,100	1,100	1,100	1,320	1,320	1,320	1,613	1,613	1,613	1,833	1,833	1,833	17,596	28,849	47,297
COGS	-8,798	-8,798	-8,798	-10,558	-10,558	-10,558	-12,904	-12,904	-12,904	-14,663	-14,663	-14,663	-140,767	-230,788	-378,377
Room Maintenance	-4,179	-4,179	-4,179	-5,015	-5,015	-5,015	-6,129	-6,129	-6,129	-6,965	-6,965	-6,965	-66,865	-109,624	-179,729
Breakfast Ingredients	-2,199	-2,199	-2,199	-2,639	-2,639	-2,639	-3,226	-3,226	-3,226	-3,666	-3,666	-3,666	-35,192	-57,697	-94,594
Utilities	-1,760	-1,760	-1,760	-2,112	-2,112	-2,112	-2,581	-2,581	-2,581	-2,933	-2,933	-2,933	-28,153	-46,158	-75,675
Other	-660	-660	-660	-792	-792	-792	-968	-968	-968	-1,100	-1,100	-1,100	-10,558	-17,309	-28,378
Gross Profit	13,197	13,197	13,197	15,836	15,836	15,836	19,356	19,356	19,356	21,995	21,995	21,995	211,151	346,182	567,566
SG&A Personal Expenses	-2,639	-2,639	-2,639	-3,167	-3,167	-3,167	-3,871	-3,871	-3,871	-4,399	-4,399	-4,399	-42,230	-69,236	-113,513
SG&A Operating Expenses	-3,706	-3,706	-3,706	-4,447	-4,447	-4,447	-5,436	-5,436	-5,436	-6,177	-6,177	-6,177	-59,298	-97,220	-159,391
EBITDA	6,851	6,851	6,851	8,222	8,222	8,222	10,049	10,049	10,049	11,419	11,419	11,419	109,623	179,726	294,661
Depreciation	-3,514	-3,514	-3,514	-3,514	-3,514	-3,514	-3,514	-3,514	-3,514	-3,514	-3,514	-3,514	-42,167	-42,167	-42,167
EBIT	3,338	3,338	3,338	4,708	4,708	4,708	6,535	6,535	6,535	7,905	7,905	7,905	67,456	137,560	252,495
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit before Tax	3,338	3,338	3,338	4,708	4,708	4,708	6,535	6,535	6,535	7,905	7,905	7,905	67,456	137,560	252,495
Tax	-935	-935	-935	-1,318	-1,318	-1,318	-1,830	-1,830	-1,830	-2,213	-2,213	-2,213	-18,888	-38,517	-70,699
Profit after Tax (USD)	2,403	2,403	2,403	3,390	3,390	3,390	4,705	4,705	4,705	5,692	5,692	5,692	48,568	99,043	181,796

Balance Sheet Statement

1 2 3 4 5 6 7 8

Financial Projection

Balance Sheet (USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Cash & Cash Equivalents	26,059	32,910	37,631	41,824	50,046	55,428	60,105	70,154	78,072	85,463	96,882	108,591	108,591	236,794	388,656
Accounts Receivable	21,995	21,995	21,995	26,394	26,394	26,394	32,259	32,259	32,259	36,658	36,658	36,658	36,658	60,101	98,536
Inventory	8,798	8,798	10,558	10,558	10,558	12,904	12,904	12,904	14,663	14,663	14,663	14,424	14,424	23,649	39,414
Prepaid Expenses	1,853	1,853	2,224	2,224	2,224	2,718	2,718	2,718	3,088	3,088	3,088	3,038	3,038	4,981	8,302
Deferred Tax Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Assets	58,704	65,556	72,407	81,000	89,221	97,443	107,986	118,035	128,083	139,873	151,292	162,711	162,711	325,525	534,908
CAPEX 1	149,375	148,750	148,125	147,500	146,875	146,250	145,625	145,000	144,375	143,750	143,125	142,500	142,500	135,000	127,500
CAPEX 2	79,333	78,667	78,000	77,333	76,667	76,000	75,333	74,667	74,000	73,333	72,667	72,000	72,000	64,000	56,000
CAPEX 3	69,167	68,333	67,500	66,667	65,833	65,000	64,167	63,333	62,500	61,667	60,833	60,000	60,000	50,000	40,000
CAPEX 4	48,611	47,222	45,833	44,444	43,056	41,667	40,278	38,889	37,500	36,111	34,722	33,333	33,333	16,667	50,000
Non-Current Assets	346,486	342,972	339,458	335,944	332,431	328,917	325,403	321,889	318,375	314,861	311,347	307,833	307,833	265,667	273,500
Total Assets	405,191	408,528	411,866	416,944	421,652	426,360	433,389	439,924	446,458	454,734	462,639	470,544	470,544	591,192	808,408
Accounts Payable	1,853	1,853	1,853	2,224	2,224	2,224	2,718	2,718	2,718	3,088	3,088	3,088	3,088	5,064	8,302
Short-Term Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued Interest Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Tax Liabilities	935	1,869	2,804	4,122	5,440	6,758	8,588	10,418	12,247	14,461	16,674	18,888	18,888	38,517	70,699
Current Liabilities	2,788	3,722	4,657	6,345	7,664	8,982	11,306	13,135	14,965	17,549	19,763	21,976	21,976	43,580	79,000
Loans and other borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	2,788	3,722	4,657	6,345	7,664	8,982	11,306	13,135	14,965	17,549	19,763	21,976	21,976	43,580	79,000
Paid-In Capital	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000
Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	48,568	147,611
Current Period Earnings	2,403	4,806	7,209	10,599	13,988	17,378	22,083	26,788	31,493	37,185	42,877	48,568	48,568	99,043	181,796
Total Equity	402,403	404,806	407,209	410,599	413,988	417,378	422,083	426,788	431,493	437,185	442,877	448,568	448,568	547,611	729,408

Cash Flow Statement - Direct

Cash Flow Statement - Direct (USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Initial Balance	39,349	26,059	32,910	37,631	41,824	50,046	55,428	60,105	70,154	78,072	85,463	96,882	-	108,591	236,794
Cash from sales of goods/services	-	21,995	21,995	21,995	26,394	26,394	26,394	32,259	32,259	32,259	36,658	36,658	315,261	553,528	907,509
Payments to employees/vendors	-13,290	-15,144	-16,903	-17,802	-18,172	-20,518	-21,716	-22,210	-23,970	-24,869	-25,239	-25,000	-253,632	-404,494	-663,810
Advances paid/received	-	-	-371	-	-	-494	-	-	-371	-	-	50	-3,038	-1,943	-3,321
Taxes paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-18,888	-38,517
Interest paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CF from Operating Activities	-13,290	6,851	4,721	4,193	8,222	5,381	4,678	10,049	7,919	7,391	11,419	11,708	58,591	128,204	201,862
Acquisition of															
CAPEX 1	-	-	-	-	-	-	-	-	-	-	-	-	-150,000	-	-
CAPEX 2	-	-	-	-	-	-	-	-	-	-	-	-	-80,000	-	-
CAPEX 3	-	-	-	-	-	-	-	-	-	-	-	-	-70,000	-	-
CAPEX 4	-	-	-	-	-	-	-	-	-	-	-	-	-50,000	-	-50,000
CF from Investing Activities	-	-	-	-	-	-	-	-	-	-	-	-	-350,000	-	-50,000
Loans received / paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments received / paid	-	-	-	-	-	-	-	-	-	-	-	-	400,000	-	-
CF from Financing activities	-	-	-	-	-	-	-	-	-	-	-	-	400,000	-	-
Ending Balance	26,059	32,910	37,631	41,824	50,046	55,428	60,105	70,154	78,072	85,463	96,882	108,591	108,591	236,794	388,656

Assumptions:

- invoices are paid in 30 days;
- inventory is built for the next month;
- salaries are paid in the same month;
- half of admin expenses except salaries is prepaid;
- half of admin expenses except salaries is paid in 30 days;
- interest expenses are paid in the next month.

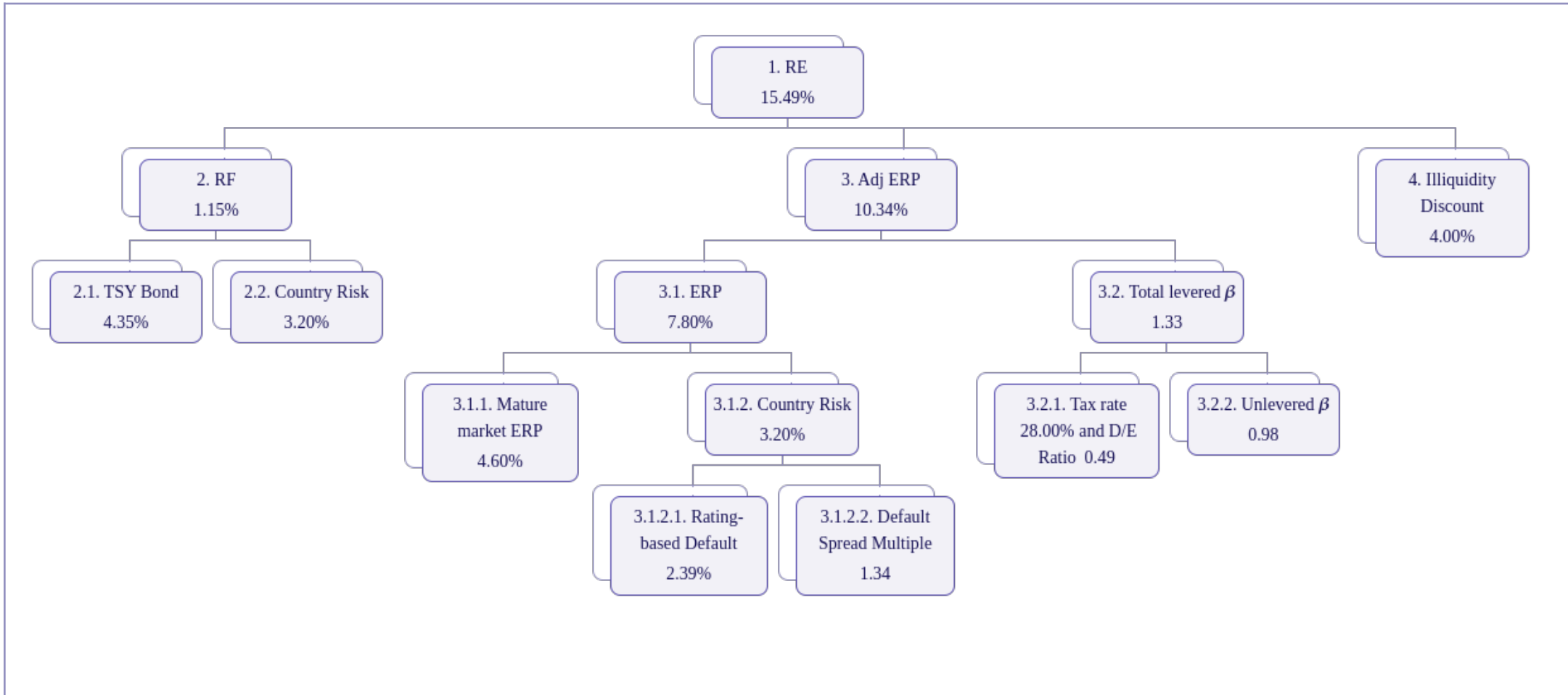
Cash Flow Statement - Indirect

Cash Flow Statement - Indirect (USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Initial Balance	39,349	26,059	32,910	37,631	41,824	50,046	55,428	60,105	70,154	78,072	85,463	96,882	-	108,591	236,794
EBIT	3,338	3,338	3,338	4,708	4,708	4,708	6,535	6,535	6,535	7,905	7,905	7,905	67,456	137,560	252,495
Δ Receivables & Prepaids	-21,995	-	-371	-4,399	-	-494	-5,865	-	-371	-4,399	-	50	-39,696	-25,386	-41,755
Δ Payables	1,853	-	-	371	-	-	494	-	-	371	-	-	3,088	1,975	3,238
Δ Inventory	-	-	-1,760	-	-	-2,346	-	-	-1,760	-	-	239	-14,424	-9,224	-15,766
Δ Depreciation	3,514	3,514	3,514	3,514	3,514	3,514	3,514	3,514	3,514	3,514	3,514	3,514	42,167	42,167	42,167
Tax Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-18,888	-38,517
Interest Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CF from Operating Activities	-13,290	6,851	4,721	4,193	8,222	5,381	4,678	10,049	7,919	7,391	11,419	11,708	58,591	128,204	201,862
Acquisition of															
CAPEX 1	-	-	-	-	-	-	-	-	-	-	-	-	-150,000	-	-
CAPEX 2	-	-	-	-	-	-	-	-	-	-	-	-	-80,000	-	-
CAPEX 3	-	-	-	-	-	-	-	-	-	-	-	-	-70,000	-	-
CAPEX 4	-	-	-	-	-	-	-	-	-	-	-	-	-50,000	-	-50,000
CF from Investing Activities	-	-	-	-	-	-	-	-	-	-	-	-	-350,000	-	-50,000
Loans received / paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments received / paid	-	-	-	-	-	-	-	-	-	-	-	-	400,000	-	-
CF from Financing activities	-	-	-	-	-	-	-	-	-	-	-	-	400,000	-	-
Ending Balance	26,059	32,910	37,631	41,824	50,046	55,428	60,105	70,154	78,072	85,463	96,882	108,591	108,591	236,794	388,656

Assumptions:

- invoices are paid in 30 days;
- inventory is built for the next month;
- salaries are paid in the same month;
- half of admin expenses except salaries is prepaid;
- half of admin expenses except salaries is paid in 30 days;
- interest expenses are paid in the next month.

Required Return on Equity Derivation



Methodology

Weighted Average Cost of Capital is calculated using Capital Asset Pricing Model (CAPM). Since the company is purely equity funded the WACC is equal to its Required Return on Equity R(E). The main research inputs used in calculations are based on studies published by professor at Stern School of Business Aswath Damodaran. Return on Equity R(E) is $R(E) = R(F) + \beta * (ERP)$, where: R(F) is Risk Free Rate. The basis for calculation of R(F) is the average of the yield of USD 30 Year TSY Bond. The horizon. ERP is Mature Market Equity Risk Premium. It incorporates market estimates for Rating-Based Default Spread and Default Spread Multiple (β) is average equity betas of corresponding industries. Despite the company has no debt, the unlevered beta was levered with industry average figures to reflect the long-term D/E ration in the capital structure. Additionally, Illiquidity Risk Premium of 4% is added to the estimated Return on Equity to reflect risk associated with firm being Privately Held vs Publicly Traded Companies.

Additional Assumptions

To calculate the companies Firm Value, its future Free Cash Flow to Equity (FCFE) is discounted using estimated Required Return on Equity.

The 3rd-year projected cash flow is used as a representation of the long-term Free Cash Flow to the Equity (FCFE). This approach may understate the valuation because cash flows are expected to grow more aggressively in the first 10 years, and the growth from years 4 to 10 is not reflected in this calculation. Long-term growth rate of 5% is applied.

After discounting the cashflows and measuring the Firm Value it is adjusted to historical estimate of Start-up firm's survival rate. The allows to incorporate risk of start-ups fails.

Survival of new establishments founded in 1998

	Proportion of firms that were started in 1998 that survived through						
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Natural resources	82.33%	69.54%	59.41%	49.56%	43.43%	39.96%	36.68%
Construction	80.69%	65.73%	53.56%	42.59%	36.96%	33.36%	29.96%
Manufacturing	84.19%	68.67%	56.98%	47.41%	40.88%	37.03%	33.91%
Transportation	82.58%	66.82%	54.70%	44.68%	38.21%	34.12%	31.02%
Information	80.75%	62.85%	49.49%	37.70%	31.24%	28.29%	24.78%
Financial activities	84.09%	69.57%	58.56%	49.24%	43.93%	40.34%	36.90%
Business services	82.32%	66.82%	55.13%	44.28%	38.11%	34.46%	31.08%
Health services	85.59%	72.83%	63.73%	55.37%	50.09%	46.47%	43.71%
Leisure	81.15%	64.99%	53.61%	43.76%	38.11%	34.54%	31.40%
Other services	80.72%	64.81%	53.32%	43.88%	37.05%	32.33%	28.77%
All firms	81.24%	65.77%	54.29%	44.36%	38.29%	34.44%	31.18%

http://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/ctryprem.html

<https://pages.stern.nyu.edu/~adamodar/pdfiles/papers/younggrowth.pdf>

<http://pages.stern.nyu.edu/~adamodar/>

Business Valuation

	(USD)	Y1	Y2	Y3	Y4	Y5	Y6	Y7
DCF	Profit after Tax	48,568	99,043	181,796	198,703	217,183	237,381	259,457
	Growth% Y4-Y7				9.30%	9.30%	9.30%	9.30%
	Growth% Y7 -->				3.50%			
	WACC				15.49%			
	PV Y1-Y7 at Y0	42,054	74,254	118,014	111,687	105,699	100,033	94,670
	PV Y7 --> Y0				817,096			
	NPV (USD)				1,463,506			

Average Survival Rate for 3 Years 50%

Final Valuation \$ 731,753

The valuation is conducted using the Discounted Cash Flow (DCF) method. In this method, the projected cash flows for a period of 7 years, along with a terminal value, are discounted at a rate of 15.49 % to determine the Firm Value.

Starting from year 3 onwards, the cash flows are estimated to grow at a rate of 9.30 %, which is consistent with the market Compound Annual Growth Rate (CAGR) trend. Beyond year 7, the cash flows are assumed to grow at a long-term growth rate of 3.50 %.

To account for the inherent risks associated with a start-up venture, the Firm Value is adjusted using the historical survival rate of newly established firms. As indicated by the study conducted by Aswath Damodaran, there was approximately 50% probability of survival for Information sector companies. This adjustment allows to incorporate the risk profile of the business and provide a more comprehensive assessment of its value.

It is important to note that if the company can successfully navigate through its initial three years of operation, it is expected to have a significantly higher likelihood of becoming a going concern. This underscores the importance of demonstrating resilience and establishing a solid foundation during the critical early stages of the business.

Scenario Analysis: Narrative

Scenario analysis explores how external and internal factors influence key assumptions in financial planning. By analyzing potential positive and negative outcomes, company can better anticipate risks and opportunities when evaluating their future cash flows and overall valuation.

KPI	Scenario	Narrative	KPI affected by
Revenue	Positive	This scenario reflects a favorable market environment or a strategic breakthrough, leading to higher projected revenue. It showcases the potential rewards of scaling and innovative approaches.	higher by 15%
	Negative	This scenario accounts for challenging conditions such as economic downturns or market disruptions, forecasting a potential revenue decrease. It emphasizes the importance of adaptability and risk management.	lower by 15%
COGS	Positive	This scenario demonstrates the benefits of operational efficiency or cost-saving strategies, resulting in reduced COGS. It highlights the value of innovation in supply chain and operations.	lower by 20%
	Negative	This scenario addresses rising costs due to external pressures, resulting in an increase in COGS. It underlines the need for proactive cost-control measures.	higher by 20%
Discount Rate (RoE)	Positive	This scenario assumes a decrease in the discount rate (RoE) due to improved market conditions, lower perceived risk, or favorable macroeconomic factors. A lower discount rate increases the present value of future cash flows, enhancing the company's valuation.	lower by 10%
	Negative	This scenario models an increase in the discount rate (RoE) driven by higher market risk, macroeconomic instability, or industry-specific challenges. A higher discount rate reduces the present value of future cash flows, decreasing the company's valuation.	higher by 10%

Scenario Analysis: Results

Scenario analysis explores how external and internal factors influence key assumptions in financial planning. By analyzing potential positive and negative outcomes, company can better anticipate risks and opportunities when evaluating their future cash flows and overall valuation.

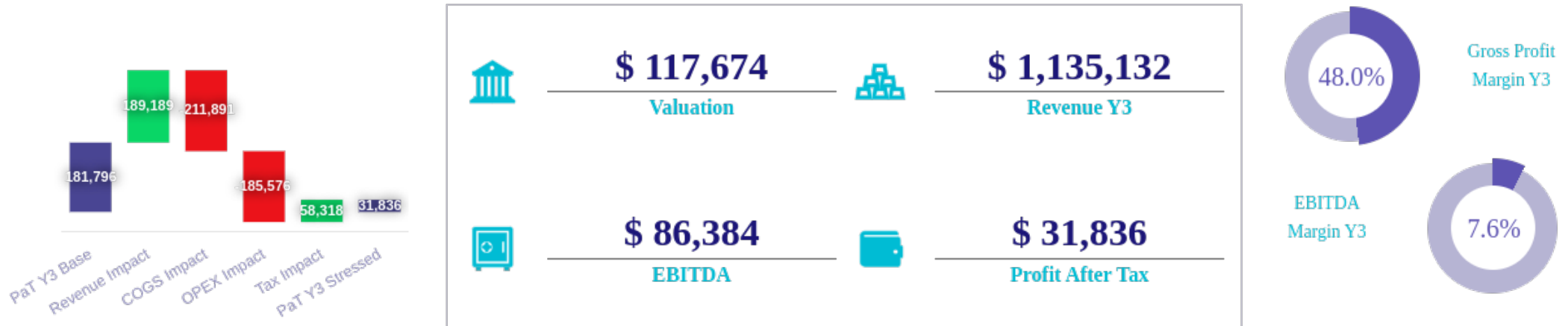
Scenario Analysis		Revenue		COGS		Discount Rate		
	KPIs	Base	Positive	Negative	Positive	Negative	Positive	Negative
Input	Revenue	no impact	15%	-15%	no impact	no impact	no impact	no impact
	COGS	no impact	no impact	no impact	-20%	20%	no impact	no impact
	RoE	no impact	no impact	no impact	no impact	no impact	-10%	10%
Output	Revenue Y3	\$ 945,944	\$ 1,087,835	\$ 804,052	\$ 945,944	\$ 945,944	\$ 945,944	\$ 945,944
	Gross Profit Y3	\$ 567,566	\$ 652,701	\$ 482,431	\$ 643,242	\$ 491,891	\$ 567,566	\$ 567,566
	GP Margin	60%	60%	60%	68%	52%	60%	60%
	EBITDA Y3	\$ 294,661	\$ 338,861	\$ 250,462	\$ 370,337	\$ 218,986	\$ 294,661	\$ 294,661
	EBITDA Margin	31%	31%	31%	39%	23%	31%	31%
	Net Profit Y3	\$ 181,796	\$ 213,620	\$ 149,973	\$ 236,283	\$ 127,310	\$ 181,796	\$ 181,796
	Profit Margin	19%	20%	19%	25%	13%	19%	19%
	Final Valuation	\$ 731,753	\$ 862,068	\$ 601,438	\$ 954,872	\$ 508,634	\$ 858,323	\$ 634,862

Stress Test: Growth Under Pressure

Stress tests provide a comprehensive view of how businesses might perform under extreme conditions, enabling better preparation for the uncertainties of real-world challenges.

Scenario Name	Story	KPIs impact	
Growth Under Pressure	<p>This scenario explores the challenges of managing rapid growth while dealing with operational bottlenecks. A surge in demand and revenue places significant strain on supply chains and internal processes. Despite achieving higher sales volumes, inefficiencies in scaling lead to increased costs and a heightened risk perception, keeping the discount rate elevated. 'Growth Under Pressure' examines how businesses can balance seizing growth opportunities while investing in infrastructure, talent, and systems to support scalability.</p>	Revenue Higher by 20%	COGS Higher by 30%
		OPEX Higher by 40%	Discount Rate unaffected

Results



Stress Test: The Perfect Storm

Stress tests provide a comprehensive view of how businesses might perform under extreme conditions, enabling better preparation for the uncertainties of real-world challenges.

Scenario Name

Story

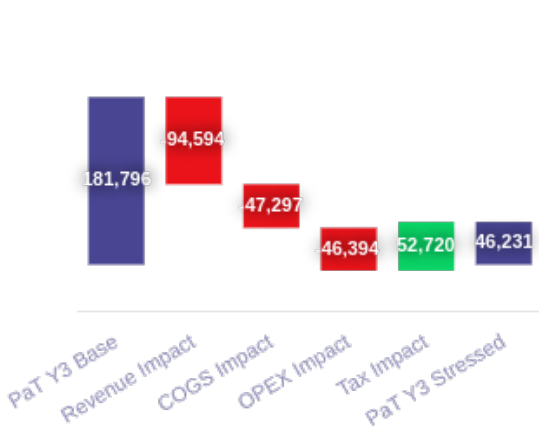
KPIs impact

The Perfect Storm

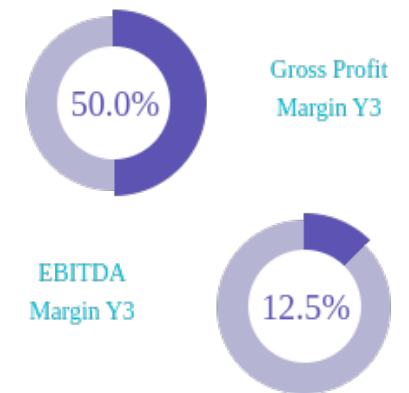
This scenario simulates the convergence of adverse market conditions and rising operational challenges. A sharp downturn in market demand coincides with increased costs due to inflation and supply chain disruptions. The combination results in a dual hit to both top-line revenue and operational margins. Additionally, external factors such as economic instability elevate the discount rate, amplifying the pressure on future cash flows. Businesses facing 'The Perfect Storm' must focus on resilience through diversified revenue streams, cost-control measures, and contingency planning.

Revenue Lower by 10%	COGS Higher by 25%
OPEX Higher by 30%	Discount Rate Higher by 10%

Results



	\$ 152,149 Valuation		\$ 851,349 Revenue Y3
	\$ 106,376 EBITDA		\$ 46,231 Profit After Tax



Sensitivity Analysis: SAM & SOM

This sensitivity analysis evaluates the potential impact of changes in Serviceable Addressable Market (SAM) and Serviceable Obtainable Market (SOM) on key financial metrics. By simulating percentage variations in SAM and SOM, this analysis helps identify how shifts in market assumptions affect revenue, profitability, and overall valuation.

		SAM						SOM					
		-20%	-10%	-5%	5%	10%	20%	-9%	-6%	-3%	3%	6%	9%
Revenue	Y1	\$ 281,535	\$ 316,727	\$ 334,323	\$ 369,515	\$ 387,111	\$ 422,302	\$ 320,246	\$ 330,804	\$ 341,361	\$ 362,476	\$ 373,034	\$ 383,591
	Y2	\$ 461,577	\$ 519,274	\$ 548,122	\$ 605,819	\$ 634,668	\$ 692,365	\$ 525,043	\$ 542,353	\$ 559,662	\$ 594,280	\$ 611,589	\$ 628,898
	Y3	\$ 756,755	\$ 851,349	\$ 898,646	\$ 993,241	\$ 1,040,538	\$ 1,135,132	\$ 860,809	\$ 889,187	\$ 917,565	\$ 974,322	\$ 1,002,700	\$ 1,031,079
Gross Profit	Y1	\$ 168,921	\$ 190,036	\$ 200,594	\$ 221,709	\$ 232,266	\$ 253,381	\$ 192,148	\$ 198,482	\$ 204,817	\$ 217,486	\$ 223,820	\$ 230,155
	Y2	\$ 276,946	\$ 311,564	\$ 328,873	\$ 363,492	\$ 380,801	\$ 415,419	\$ 315,026	\$ 325,412	\$ 335,797	\$ 356,568	\$ 366,953	\$ 377,339
	Y3	\$ 454,053	\$ 510,810	\$ 539,188	\$ 595,944	\$ 624,323	\$ 681,079	\$ 516,485	\$ 533,512	\$ 550,539	\$ 584,593	\$ 601,620	\$ 618,647
GP Margin	Y1	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
	Y2	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
	Y3	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%	60%
EBITDA	Y1	\$ 87,698	\$ 98,660	\$ 104,142	\$ 115,104	\$ 120,585	\$ 131,547	\$ 99,757	\$ 103,045	\$ 106,334	\$ 112,911	\$ 116,200	\$ 119,489
	Y2	\$ 143,781	\$ 161,754	\$ 170,740	\$ 188,713	\$ 197,699	\$ 215,672	\$ 163,551	\$ 168,943	\$ 174,335	\$ 185,118	\$ 190,510	\$ 195,902
	Y3	\$ 235,729	\$ 265,195	\$ 279,928	\$ 309,395	\$ 324,128	\$ 353,594	\$ 268,142	\$ 276,982	\$ 285,822	\$ 303,501	\$ 312,341	\$ 321,181
EBITDA Margin	Y1	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%
	Y2	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%
	Y3	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%	31%
Net Profit	Y1	\$ 32,783	\$ 40,676	\$ 44,622	\$ 52,515	\$ 56,461	\$ 64,354	\$ 41,465	\$ 43,833	\$ 46,200	\$ 50,936	\$ 53,304	\$ 55,672
	Y2	\$ 73,162	\$ 86,103	\$ 92,573	\$ 105,513	\$ 111,983	\$ 124,924	\$ 87,397	\$ 91,279	\$ 95,161	\$ 102,925	\$ 106,807	\$ 110,689
	Y3	\$ 139,365	\$ 160,581	\$ 171,188	\$ 192,404	\$ 203,012	\$ 224,227	\$ 162,702	\$ 169,067	\$ 175,432	\$ 188,161	\$ 194,526	\$ 200,890
Profit Margin	Y1	12%	13%	13%	14%	15%	15%	13%	13%	14%	14%	14%	15%
	Y2	16%	17%	17%	17%	18%	18%	17%	17%	17%	17%	17%	18%
	Y3	18%	19%	19%	19%	20%	20%	19%	19%	19%	19%	19%	19%
Final Valuation		\$ 557,999	\$ 644,876	\$ 688,315	\$ 775,192	\$ 818,630	\$ 905,507	\$ 653,564	\$ 679,627	\$ 705,690	\$ 757,816	\$ 783,879	\$ 809,942

Financial and Technical

b \$ - Billions of \$
 B2B - Business to Business
 B2C - Business to Customer
 CAPEX - Capital Expenditure
 CAPM - Capital Asset Pricing Model
 COGS - Cost of goods sold
 DCF - Discounted cash flow
 Depr. - Depreciation
 EBIT - Earnings before interest and taxes
 EBITDA - Earnings before interest, taxes, depreciation, and amortization
 EBT - Earnings Before Tax
 ERP - Equity Risk Premium
 ETA - Estimated Time of Arrival
 EV - Enterprise Value
 FA (Tangible and Intangible) - Fixed assets (tangible and intangible)
 FX - Foreign Exchange
 FY - Fiscal year
 GP - gross profit
 k \$ - Thousands of \$
 LLM - Large Language Model
 LFY - Last fiscal year
 m \$ - Millions of \$
 MTD - Month-to-date
 MVP - Minimum Viable Product
 NFT - Non-Fungible Token
 NPV - Net present value
 OPEX - Operating Expense
 P&L - A profit and loss (P&L) statement
 PaT - Profit after Tax
 POC - Proof of Concept
 PPE - Property, plant, and equipment
 SG&A - Sales, General and Administrative
 TSY bond rate - Treasury bond rate
 WACC - Weighted average cost of capital
 YTD - Year-to-date

Organisational Structure

CBDO - Chief Business Development Officer
 CEO - Chief Executive Officer
 CPO - Chief Product Officer
 CFO - Chief Financial Officer
 CTO - Chief Technology Officer
 C-level - Chief level
 Eng - Engineer
 Dev - Developer
 HR - Human Resources

Other

Av - Average
 EoP - End of Period
 LE - Legal Entity
 PE - Private Equity
 TOM - Target Operating Model

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