

# Business Plan & Valuation Presentation



# Contents

	Part 1 Executive Summary	3 - 4
	Company & Product Overview	5 - 15
	Check List & Risk Overview	16 - 21
	Users, Market & Investment	22 - 23
	Part 2 Financial Projection	24 - 32
	Business Valuation	33 - 35
	Stress Test, Scenario Analysis & Simulations	36 - 40
	Glossary & Disclaimer	41 - 42



# OUR VISION & MISSION

## Our Mission

SolidBuild's mission is to enhance the quality of life by providing high-quality, reliable building solutions across residential, commercial, and industrial sectors. We strive to deliver comprehensive construction services, including project management, design-build solutions, and general contracting, with a focus on excellence, efficiency, and client satisfaction. By prioritizing transparent communication, meticulous attention to detail, and adherence to the highest standards of safety and craftsmanship, we aim to transform visions into durable, functional spaces that stand the test of time.

## Our Vision

SolidBuild envisions a future where our innovative, dependable, and high-quality building solutions set the benchmark for the construction industry. Our aspiration is to be recognized globally for transforming client visions into reality through sustainable and efficient practices. In twenty years, we aim to have created numerous iconic structures that not only meet but exceed the expectations of our clients, whilst continually advancing the standards of safety, craftsmanship, and environmental responsibility in the construction sector.



# Summary Financials Dashboard

Key performance indicators  
(Base Scenario Y3)

**\$ 3,988,466**

Revenue

**\$ 757,809**

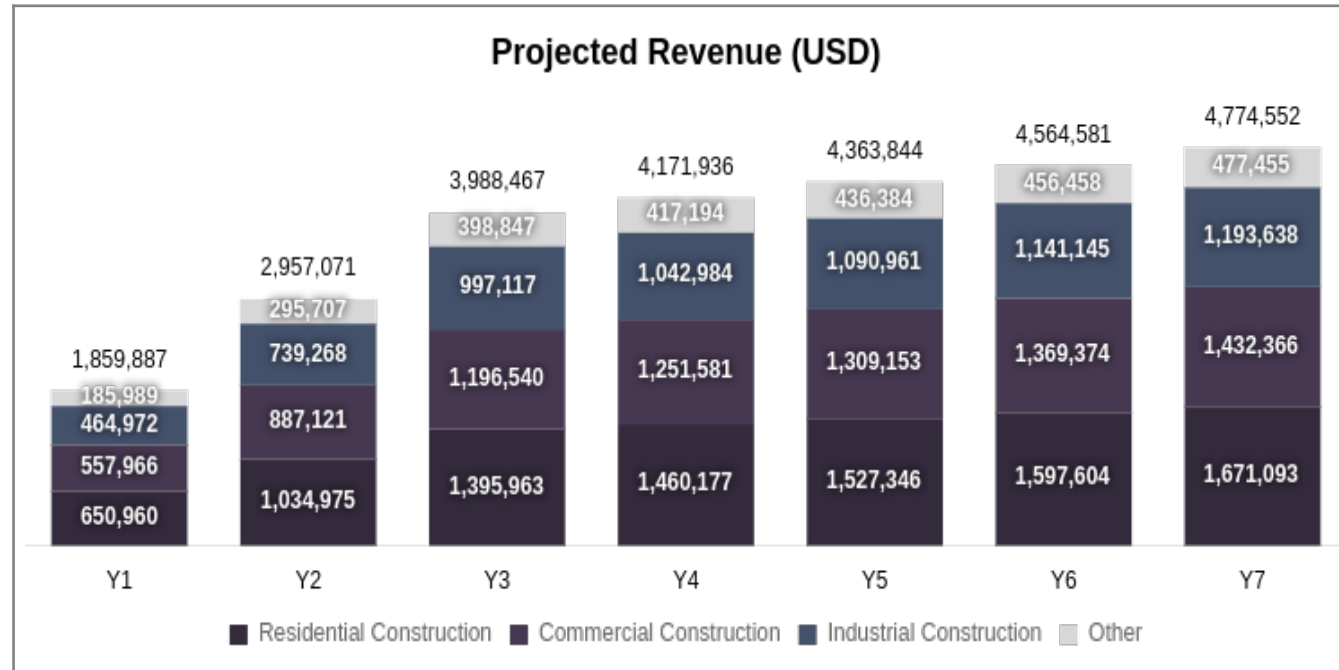
Gross Profit

**\$ 448,702**

EBITDA

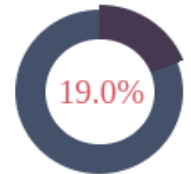
**0.01%**

Target Market Share

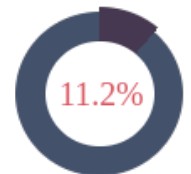


Margins  
(Stabilized by Y3)

GP Margin



EBITDA Margin



PbT Margin

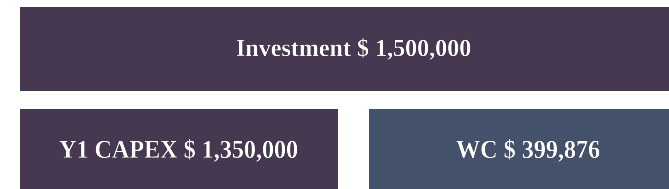


## Project Phases



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.



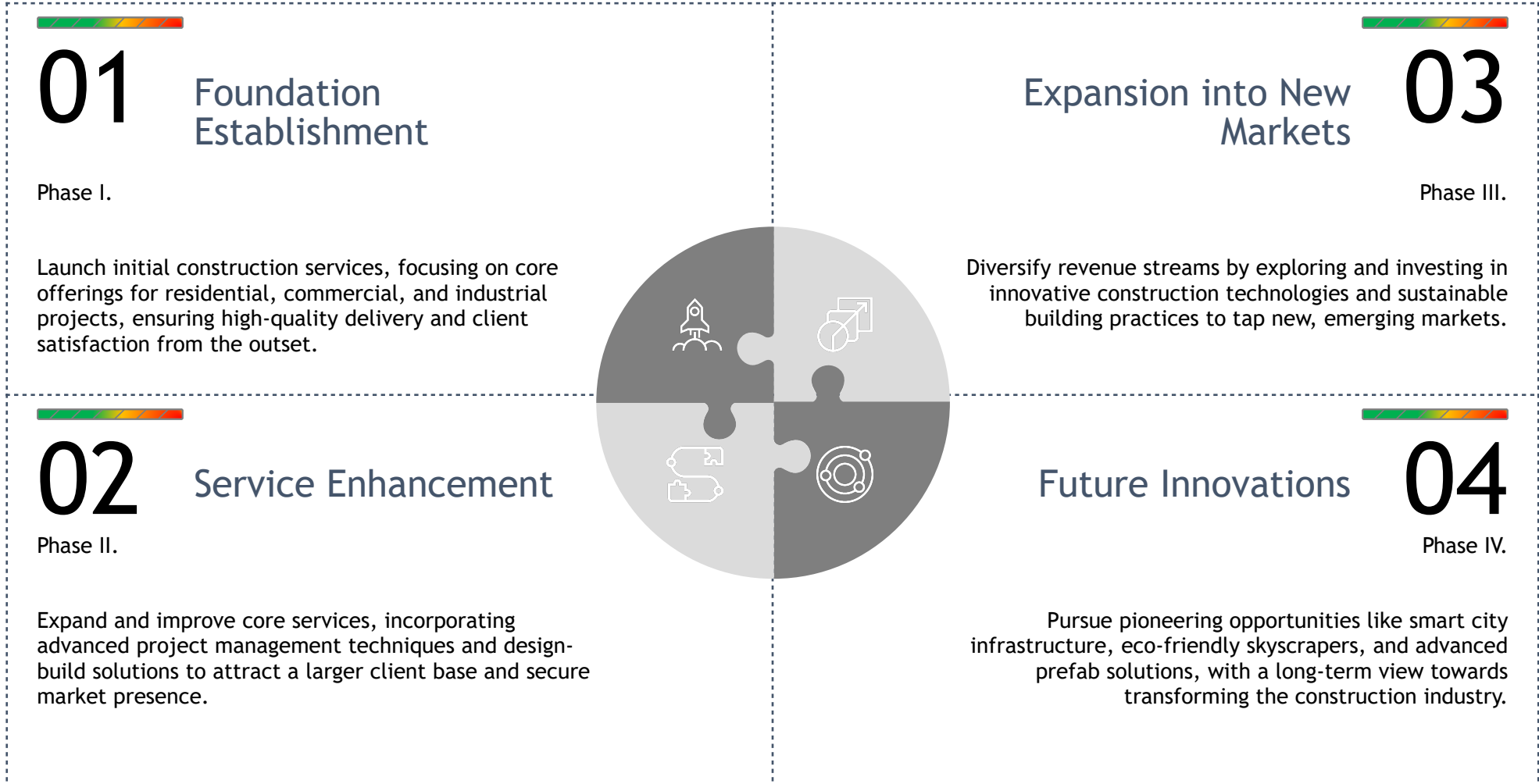


# About the Company: General Overview



SolidBuild is a leading construction firm specializing in delivering high-quality, reliable building solutions for residential, commercial, and industrial projects. Our team of experienced professionals is dedicated to providing comprehensive construction services, including project management, design-build solutions, and general contracting, all with a focus on excellence and efficiency. At SolidBuild, we prioritize client satisfaction through transparent communication, meticulous attention to detail, and adherence to the highest standards of safety and craftsmanship. With a commitment to on-time and within-budget delivery, SolidBuild transforms visions into durable, functional spaces that stand the test of time.

# The Main Phases: Projects & Impacts





# Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
<b>Clients</b>	<ol style="list-style-type: none"> <li>1. Reliable and high-quality building solutions tailored to their specific needs.</li> <li>2. Comprehensive project management ensuring on-time and within-budget delivery.</li> <li>3. Transparent communication and exceptional client satisfaction throughout the project lifecycle.</li> </ol>
<b>Employees</b>	<ol style="list-style-type: none"> <li>1. Professional development and career growth opportunities through diverse and challenging projects.</li> <li>2. Safe and supportive work environment adhering to strict safety standards.</li> <li>3. Engagement in innovative construction practices and cutting-edge technologies.</li> </ol>
<b>Suppliers</b>	<ol style="list-style-type: none"> <li>1. Consistent and long-term partnership opportunities based on trust and mutual benefit.</li> <li>2. Timely and regular orders contributing to business growth and stability.</li> <li>3. Collaboration on sustainable sourcing practices and eco-friendly materials.</li> </ol>
<b>Local Communities</b>	<ol style="list-style-type: none"> <li>1. Economic growth through job creation and local business support.</li> <li>2. Development of functional and aesthetic infrastructures enhancing community living standards.</li> <li>3. Implementation of environmentally sustainable construction practices reducing local ecological impact.</li> </ol>
<b>Investors</b>	<ol style="list-style-type: none"> <li>1. Attractive returns on investment through diversified and innovative project portfolios.</li> <li>2. Stable revenue streams via high-quality construction projects in various markets.</li> <li>3. Strategic growth and market expansion increasing long-term shareholder value.</li> </ol>
<b>Government and Regulatory Bodies</b>	<ol style="list-style-type: none"> <li>1. Compliance with all relevant building codes, regulations, and standards.</li> <li>2. Contributions to the local and national economy through large-scale construction projects.</li> <li>3. Support for initiatives promoting sustainable and eco-friendly construction practices.</li> </ol>
<b>Industry Partners</b>	<ol style="list-style-type: none"> <li>1. Collaboration on joint ventures and strategic projects for mutual growth.</li> <li>2. Sharing of best practices and innovative technologies improving industry standards.</li> <li>3. Strengthened industry network fostering new business opportunities and partnerships.</li> </ol>

# Key Performance Components

## Competitive Advantage

### Experienced Professionals

SolidBuild boasts a team of seasoned experts dedicated to delivering high-quality construction and project management services, ensuring client satisfaction through their knowledge and expertise.

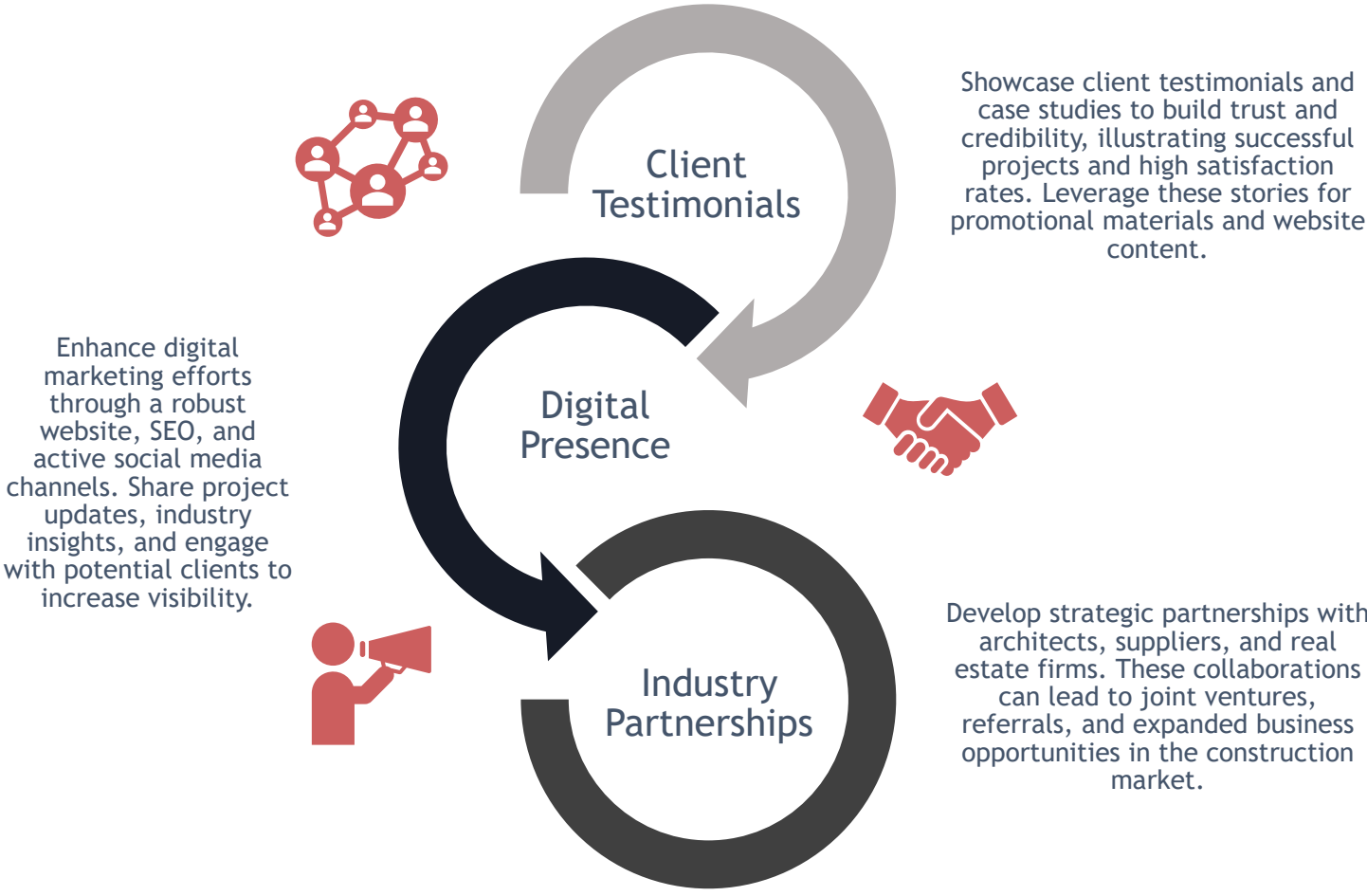
### Comprehensive Services

The company offers extensive services, from design-build solutions to general contracting, providing clients with a one-stop solution for all their construction needs.

### Client-Focused Approach








SolidBuild prioritizes client satisfaction through transparent communication, meticulous attention to detail, and adherence to stringent safety and craftsmanship standards, ensuring durable and functional spaces.

## Marketing and Growth Strategy

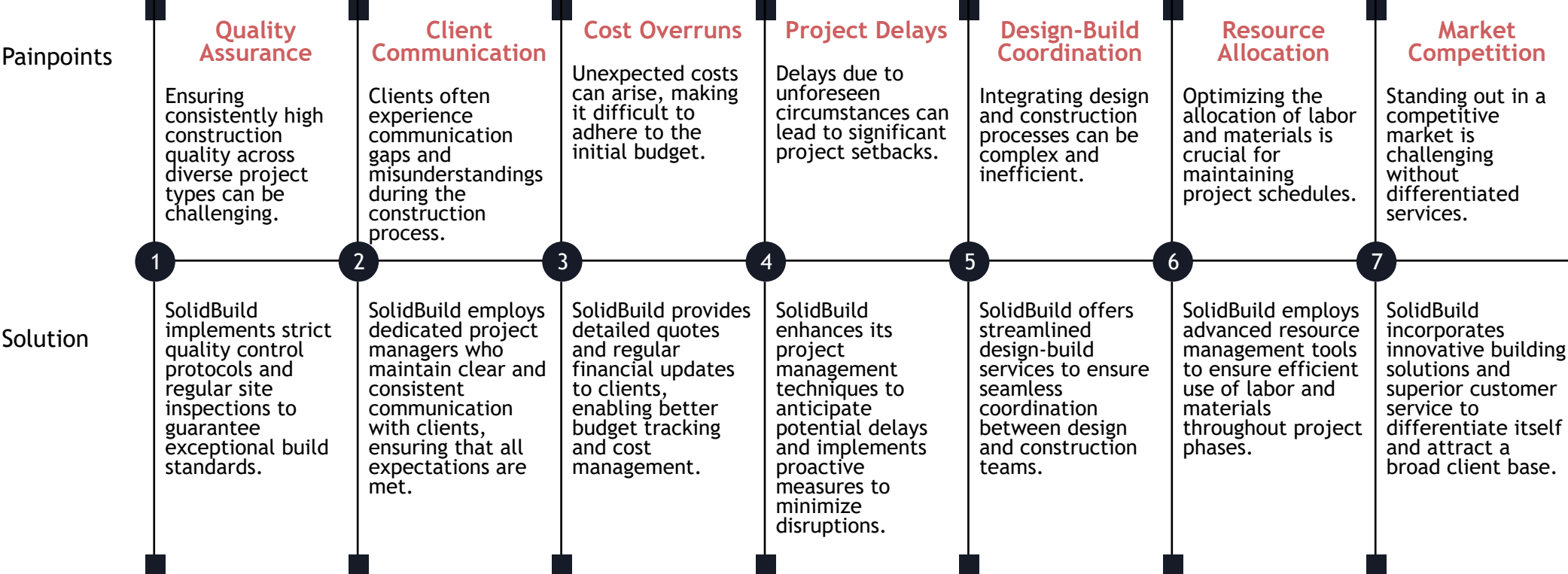




# Target Groups

Industries		Description
I	 Homeowners	Individuals looking to construct or renovate residential properties, seeking high-quality and reliable building solutions to create their ideal homes.
II	 Commercial Developers	Businesses and investors involved in developing commercial properties such as office buildings, retail spaces, and mixed-use developments requiring expert construction services.
III	 Industrial Clients	Manufacturing and industrial companies needing robust and efficient facilities, including warehouses, factories, and distribution centers, built to support their operations.
IV	 Architects and Designers	Professionals seeking a reliable construction partner to collaborate on innovative and aesthetically pleasing building projects for their clients.
V	 Real Estate Developers	Entities responsible for large-scale real estate projects looking for comprehensive construction services from initial planning through to project completion.
VI	 Government and Public Sector	Public agencies and governmental bodies in need of construction services for infrastructure projects including schools, hospitals, and public buildings.
VII	 Project Management Firms	Companies specializing in managing construction projects that require experienced contractors to execute their plans with efficiency and precision.


## Solution from Phase I to Phase IV






# Strategic Analysis: SWOT

**Strength**



Experienced team ensures high-quality, reliable construction solutions. Comprehensive services including project management, design-build, and general contracting. Strong focus on client satisfaction through transparent communication. High standards of safety and craftsmanship. Proven track record of on-time, within-budget project delivery.

**Weaknesses**




Potential over-reliance on a few key clients or projects. The high cost of maintaining skilled labor force. Possible delays due to stringent quality control processes. Challenges in adapting to evolving construction technologies. Limited geographical footprint may restrict market expansion.

**Opportunities**









Expansion into emerging markets with growing construction demands. Adoption of cutting-edge construction technologies and sustainable practices. Increase market share through strategic partnerships and acquisitions. Diversification into new types of projects and services. Capitalize on digital marketing and online project management tools.

**Threats**



Economic downturns impacting construction funding and project viability. Rising material costs affecting budget adherence. Increasing competition from other construction firms. Regulatory changes and compliance issues. Natural disasters and unforeseen site-related challenges.

# Pestel: Analysis

 <b>P</b>	 <b>E</b>	 <b>S</b>	 <b>T</b>	 <b>E</b>	 <b>L</b>
Political <span style="float: right;">7 / 10</span>	Economic <span style="float: right;">6 / 10</span>	Social <span style="float: right;">7 / 10</span>	Technological <span style="float: right;">7 / 10</span>	Environmental <span style="float: right;">7 / 10</span>	Legal <span style="float: right;">8 / 10</span>
<p><b>Regulations:</b> Compliance with local building regulations.</p> <p><b>Government Spending:</b> Public infrastructure projects increase demand.</p>	<p><b>Economic Growth:</b> Economic growth boosts construction demand.</p> <p><b>Interest Rates:</b> Fluctuating rates affect project financing costs.</p>	<p><b>Urbanization:</b> Growing urban population increases housing demand.</p> <p><b>Workforce Demographics:</b> Aging workforce may reduce skilled labor availability.</p>	<p><b>Innovation:</b> Adoption of construction tech improves efficiency.</p> <p><b>Sustainable Materials:</b> Demand for green materials drives innovation.</p>	<p><b>Climate Change:</b> Adapting projects to changing weather patterns.</p> <p><b>Sustainability:</b> Building sustainably attracts eco-conscious clients.</p>	<p><b>Building Codes:</b> Strict codes impact project feasibility.</p> <p><b>Health &amp; Safety:</b> Compliance with safety regulations vital.</p>

SolidBuild is well-equipped to navigate the dynamic construction environment by leveraging its expertise and commitment to quality. A thorough understanding of PESTEL factors will help SolidBuild capitalize on opportunities and mitigate risks effectively.

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 capability enables SolidBuild to deliver high-quality, reliable building solutions, addressing client needs and meeting industry standards.

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

SolidBuild's dedicated team and attention to excellence are distinguishing factors not commonly controlled by many firms.

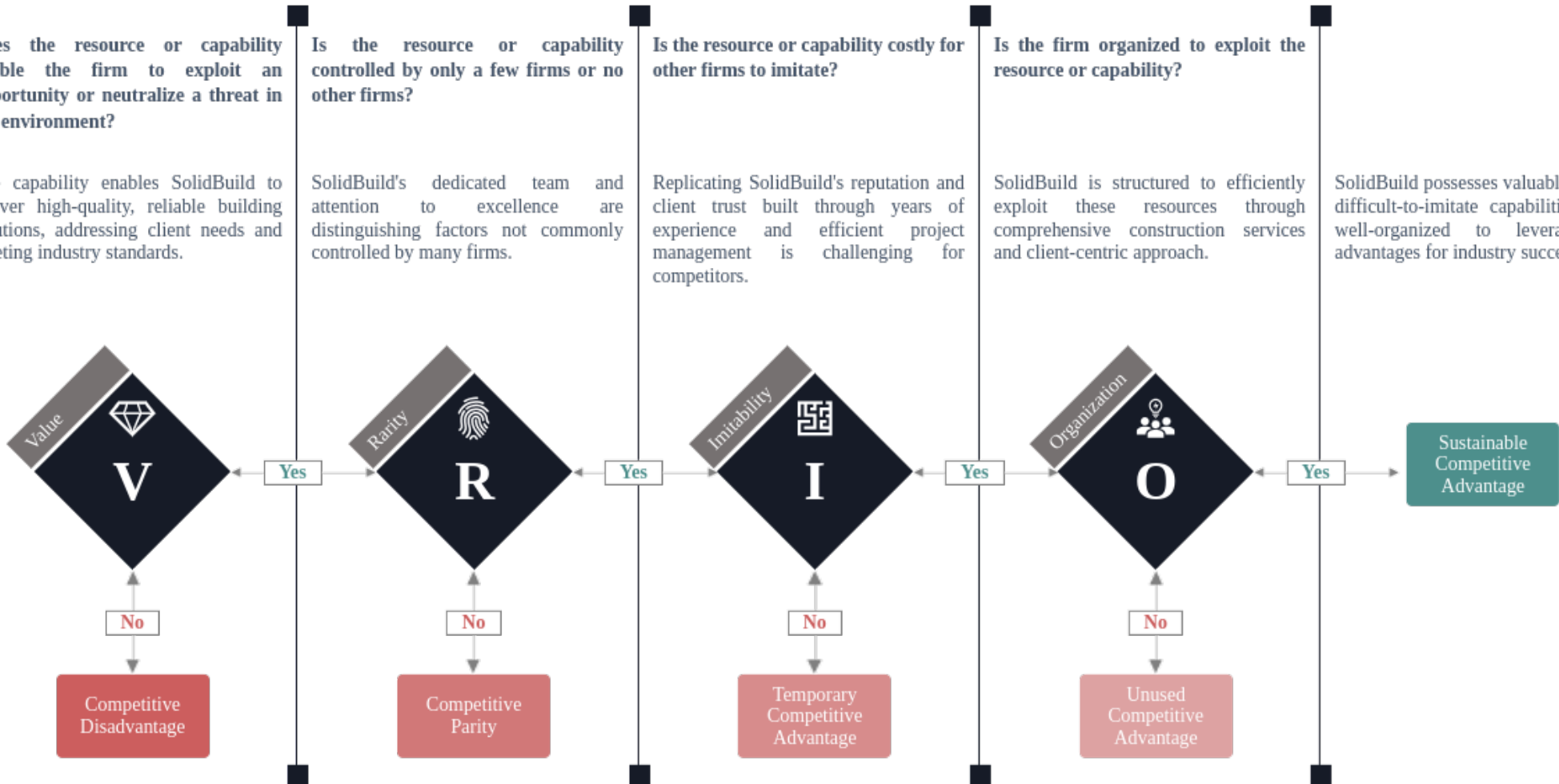
Is the resource or capability costly for other firms to imitate?

Replicating SolidBuild's reputation and client trust built through years of experience and efficient project management is challenging for competitors.

Is the firm organized to exploit the resource or capability?

SolidBuild is structured to efficiently exploit these resources through comprehensive construction services and client-centric approach.

SolidBuild possesses valuable, rare, and difficult-to-imitate capabilities, and is well-organized to leverage these advantages for industry success.



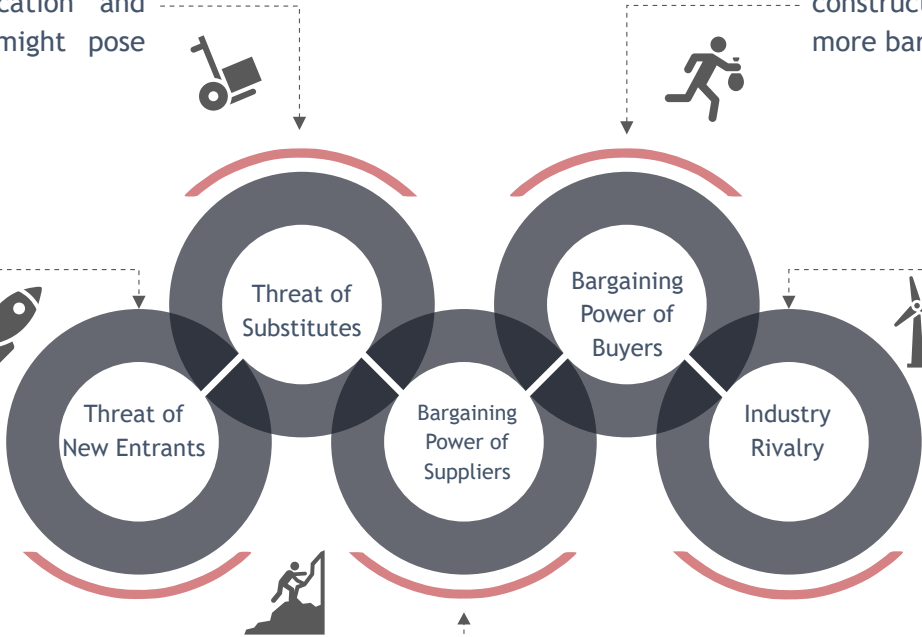
# Porter's Five Forces: Analysis

Limited substitutes for construction services, but prefabrication and modular construction might pose some threat.

Clients have numerous choices in construction firms, granting them more bargaining power.

High capital requirements and established reputation serve as entry barriers.

Highly competitive environment with numerous players vying for projects.



Large number of material suppliers reduces their bargaining power.

SolidBuild operates in a moderately to highly competitive market, with significant influence from buyer power and industry rivalry.

- High
- Moderate
- Low



# Management Team

## Overview

Johan leads SolidBuild with a focus on sustainable construction practices, delivering high-quality projects on time and within budget.



Johan De Vries

Co-Founder & CEO

Isabelle Dupuis



Co-Founder & Project Manager

## Overview

Isabelle oversees project timelines and ensures that all construction projects meet the highest safety and quality standards

## Overview

Thomas ensures the smooth running of daily operations, coordinating logistics, and managing construction sites to keep projects on track.



Thomas Van den Broeck

Operations Manager

Sophie Laurent



Client Relations Manager

## Overview

Sophie manages client communications, ensuring expectations are met and providing exceptional service throughout the construction process.



# History & Roadmap



## Current Status.

- Strategic planning slated for Feb 2024.
- Technology integration by Jun 2024 to boost efficiency.
- Market expansion plans for Oct 2024, targeting new regions.
- Sustainability practices to roll out by Mar 2025.
- Client relationship improvement initiatives by Aug 2025.
- Workforce development programs by Jan 2026.

# Organizational and Marketing Tasks

#	Check List Item	Status	Priority	Area	ETA
<b>General Planning and Organization</b>					
1	Define company mission, vision, and values	● Not Started	High	CEO	2 weeks
2	Register business and obtain necessary licenses	● Not Started	High	COO	1 month
3	Establish the organizational structure	● Not Started	High	COO	3 weeks
4	Set up office space and infrastructure	● Not Started	Medium	CFO	2 months
5	Develop a business plan	● Not Started	High	CEO	1 month
6	Create an initial budget and financial plan	● Not Started	High	CFO	1 month
7	Establish key strategic partnerships	● Not Started	Medium	CBO	3 months
8	Set up legal and compliance framework	● Not Started	High	CSO	1 month
<b>Marketing</b>					
1	Develop and Launch Brand Identity	● Not Started	High	CMO	2 months
2	Create a Comprehensive Marketing Plan	● Not Started	High	CMO	1 month
3	Establish Social Media Presence	● Not Started	Medium	CMO	1 month
4	Launch Company Website	● Not Started	High	CMO	1 month
5	Implement SEO and SEM Strategies	● Not Started	High	CTO	2 months
6	Develop Content Marketing Strategy	● Not Started	Medium	CMO	3 months
7	Establish Partnerships with Industry Influencers	● Not Started	Medium	CRO	3 months
8	Design and Launch Initial Advertising Campaigns	● Not Started	High	CMO	1 month

# Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
<b>Phase 1 &amp; Technical Set Up for next Phases</b>					
1	Finalize business plan	●	Not Started	High	CEO 2 weeks
2	Secure initial project contracts	●	Not Started	High	CRO 1 month
3	Establish vendor and supplier relationships	●	Not Started	High	COO 3 weeks
4	Recruit key project management team members	●	Not Started	High	CPO 1 month
5	Set up project management tools and systems	●	Not Started	Medium	CTO 1.5 months
6	Develop safety protocols and training programs	●	Not Started	High	CSO 3 weeks
7	Implement quality control measures	●	Not Started	High	COO 2 weeks
8	Launch initial marketing campaign	●	Not Started	Medium	CMO 1 month
<b>Phase 2</b>					
1	Incorporate advanced project management software	●	Not Started	High	CTO 3 months
2	Develop comprehensive design-build solutions	●	Not Started	High	CPO 4 months
3	Revamp quality assurance processes	●	Not Started	Medium	COO 2 months
4	Enhance client relationship management	●	Not Started	Medium	CMO 1 month
5	Expand project portfolio diversification	●	Not Started	High	CRO 6 months
6	Upgrade workforce training programs	●	Not Started	Medium	COO 3 months
7	Introduce green building practices	●	Not Started	High	CSO 5 months
8	Bolster marketing efforts to highlight enhanced services	●	Not Started	Medium	CMO 2 months



# Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
<b>Phase 3</b>					
1	Research Emerging Construction Technologies	●	Not Started	High	CTO 3 months
2	Identify Sustainable Building Practices	●	Not Started	High	CPO 2 months
3	Develop Partnerships with Tech Innovators	●	Not Started	Medium	CRO 4 months
4	Pilot New Construction Techniques	●	Not Started	High	COO 6 months
5	Secure Funding for Innovative Projects	●	Not Started	High	CFO 3 months
6	Market New Capabilities to Potential Clients	●	Not Started	Medium	CMO 5 months
7	Attend Industry Conferences on Innovation	●	Not Started	Low	CSO 2 months
8	Evaluate Pilot Results and Implement Best Practices	●	Not Started	High	COO 1 year
<b>Phase 4</b>					
1	Research and Develop Smart City Infrastructure Solutions	●	Not Started	High	CTO 6 months
2	Pilot Project for Eco-Friendly Skyscraper	●	Not Started	High	COO 8 months
3	Form Strategic Partnerships with Green Tech Firms	●	Not Started	Medium	CBO 4 months
4	Implement Advanced Prefab Building Techniques	●	Not Started	High	CPO 5 months
5	Secure Funding for Innovation Projects	●	Not Started	High	CFO 3 months
6	Develop Marketing Campaign for Innovative Solutions	●	Not Started	Medium	CMO 6 months
7	Review and Adapt Safety Protocols for New Technologies	●	Not Started	High	CSO 2 months
8	Establish R&D Division Focused on Future Innovations	●	Not Started	Medium	CEO 1 month

# Core Risks & Mitigation Strategies

## 1. Operation and maintenance risks

#	Risk Type	Area	Mitigation Strategy
1	Equipment Downtime	COO	Implement regular maintenance schedules and quick-response repair teams.
2	Supply Chain Disruption	CPO	Diversify supplier base and maintain buffer inventory.
3	Labor Shortages	COO	Develop strong relationships with labor unions and invest in workforce training.
4	Quality Control Failures	CSO	Implement stringent quality checks and audits.
5	Project Delays	COO	Use advanced project management tools for efficient planning and tracking.

## 2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Compliance with Building Codes	COO	Regularly update training programs for staff on current building codes and ensure rigorous inspection protocols are in place.
2	Permit Acquisition	CPO	Develop a streamlined process for acquiring necessary permits and maintain strong relationships with local regulatory bodies.
3	Health and Safety Regulations	COO	Conduct regular safety training sessions and ensure compliance with Occupational Safety and Health Administration (OSHA) standards.
4	Labor Laws and Regulations	CFO	Ensure all employment practices are compliant with local labor laws and provide ongoing education on labor law updates to HR personnel.

### 3. Strategic/Market Risk

#	Risk Type	Area	Mitigation Strategy
1	Market Competition	CEO	Focus on innovation and quality
2	Economic Downturns	CFO	Diversify financial portfolios
3	Client Satisfaction	COO	Enhance client communication
4	Emerging Technologies	CTO	Invest in R&D
5	Supply Chain Disruptions	CSO	Develop alternative supplier relationships

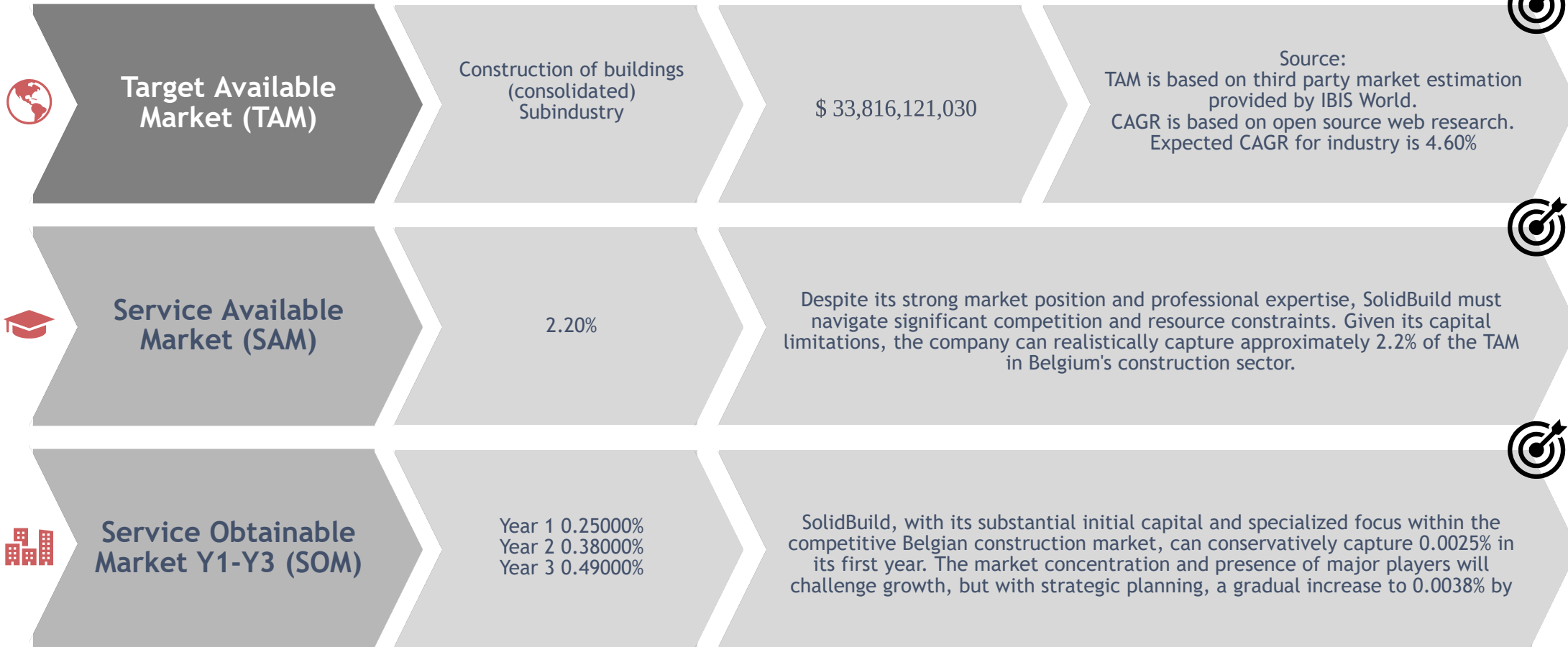
### 4. Finance risk

#	Risk Type	Area	Mitigation Strategy
1	Project Cost Overruns	CFO	Implement strict budget controls and regular cost reviews
2	Cash Flow Issues	CFO	Maintain emergency reserve funds and optimize cash flow cycles
3	Credit Risk	CRO	Conduct thorough credit assessments and secure collateral
4	Market Fluctuations	CEO	Diversify client base and offer flexible pricing
5	Financing Availability	CFO	Establish strong banking relationships and alternative financing options

### 5. Other general risk

#	Risk Type	Area	Mitigation Strategy
1	Talent Retention	CHRO	Offer competitive salaries and development opportunities.
2	Economic Downturns	CFO	Maintain diversified project portfolio and reserve funds.
3	Vendor Reliability	COO	Build strong relationships and have backup suppliers.
4	Client Demand Fluctuation	CEO	Analyze market trends and adjust service offerings.
5	Cybersecurity Threats	CIO	Implement strong cybersecurity measures and regular audits.

# Market Overview (TAM, SAM and SOM)





# Funding Allocation

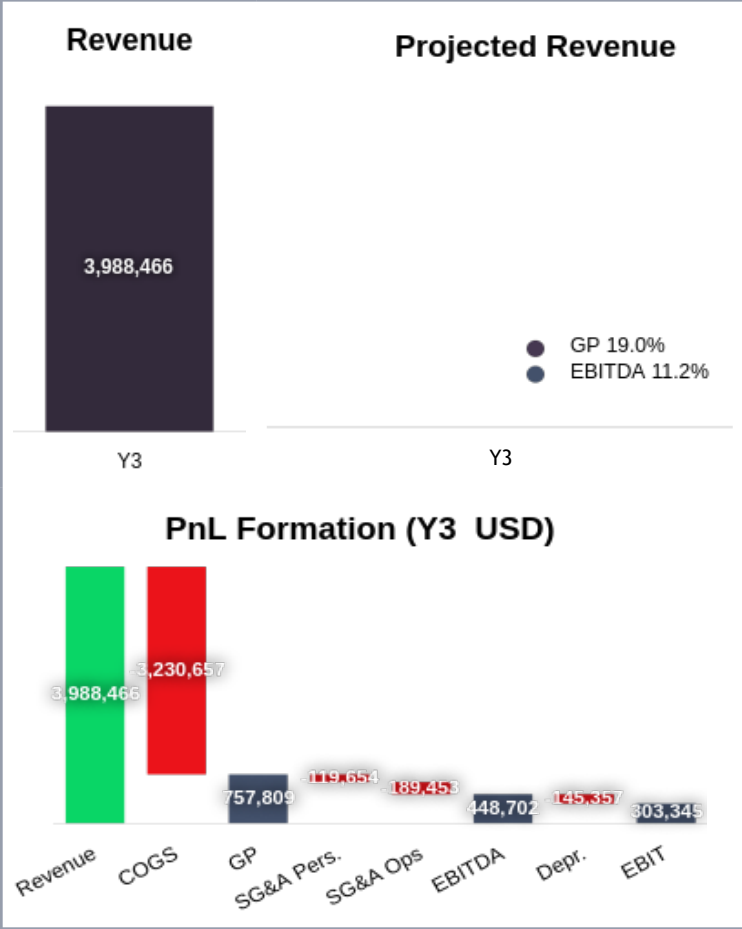
The funding will be used to finance the CAPEX and cash deficit from Year 1 operations, aiming to expedite the development process. In subsequent years the company plans to sustain operations without requiring major additional capital injection. Table below presents the overview of expected inflows and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

The total investment required is \$ 1,500,000

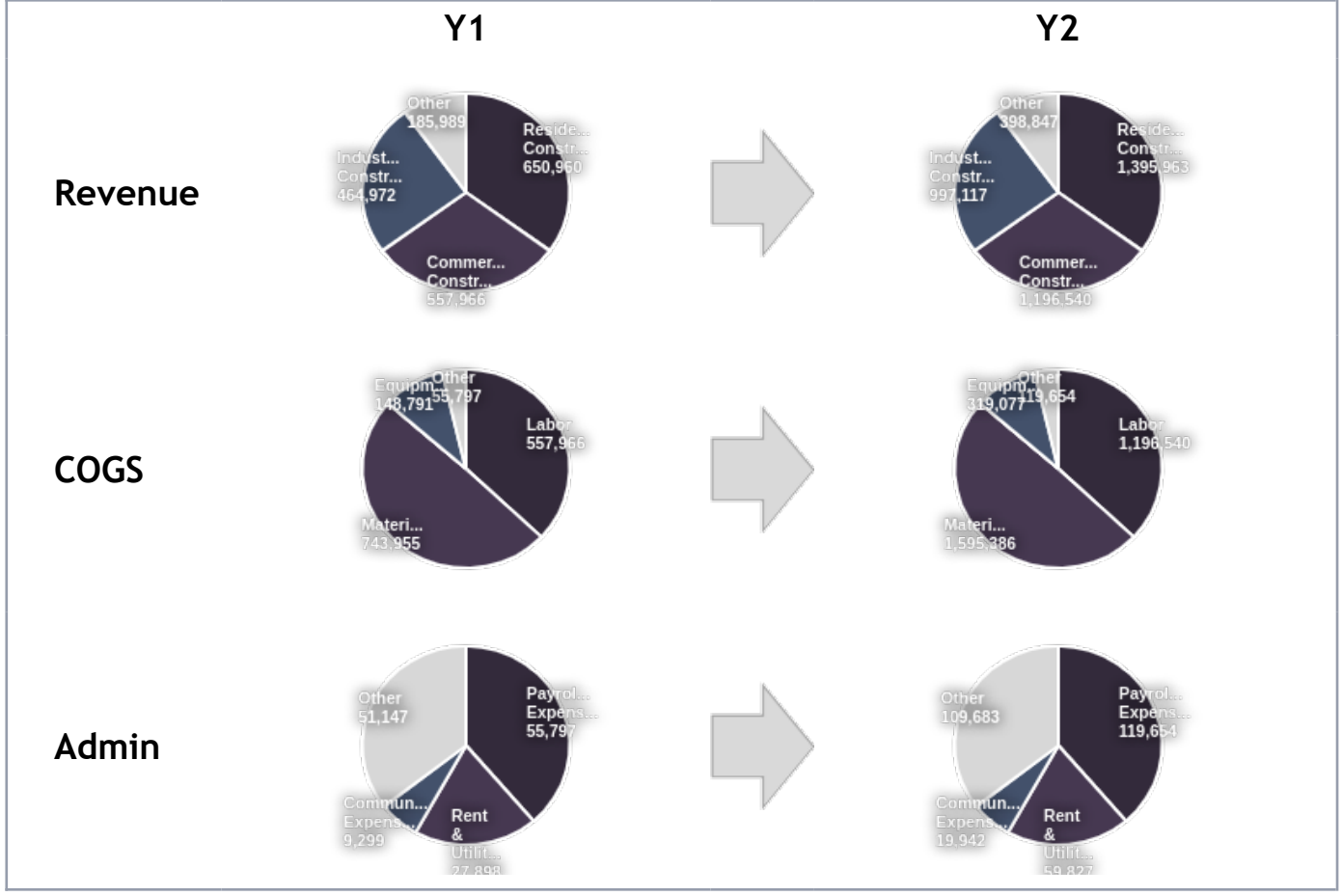
Y1 Cash Flow Stream(USD)	Inflows	Outflows
Gross Profit	353,378	
Payroll Expenses		55,797
Rent & Utilities		27,898
Legal and Professional Fees		13,949
Marketing and Branding		13,949
Capex		1,350,000
Communication Expenses		9,299
Representation and Entert.		9,299
Office supplies		4,650
Training and Development		4,650
Other Miscellaneous		4,650
<b>CAPEX &amp; WC shortage Y1</b>		<b>1,140,763</b>
<b>Buffer</b>		<b>359,237</b>
<b>Total Required Investment(USD)</b>		<b>1,500,000</b>



## Y3 PL formation and Margins



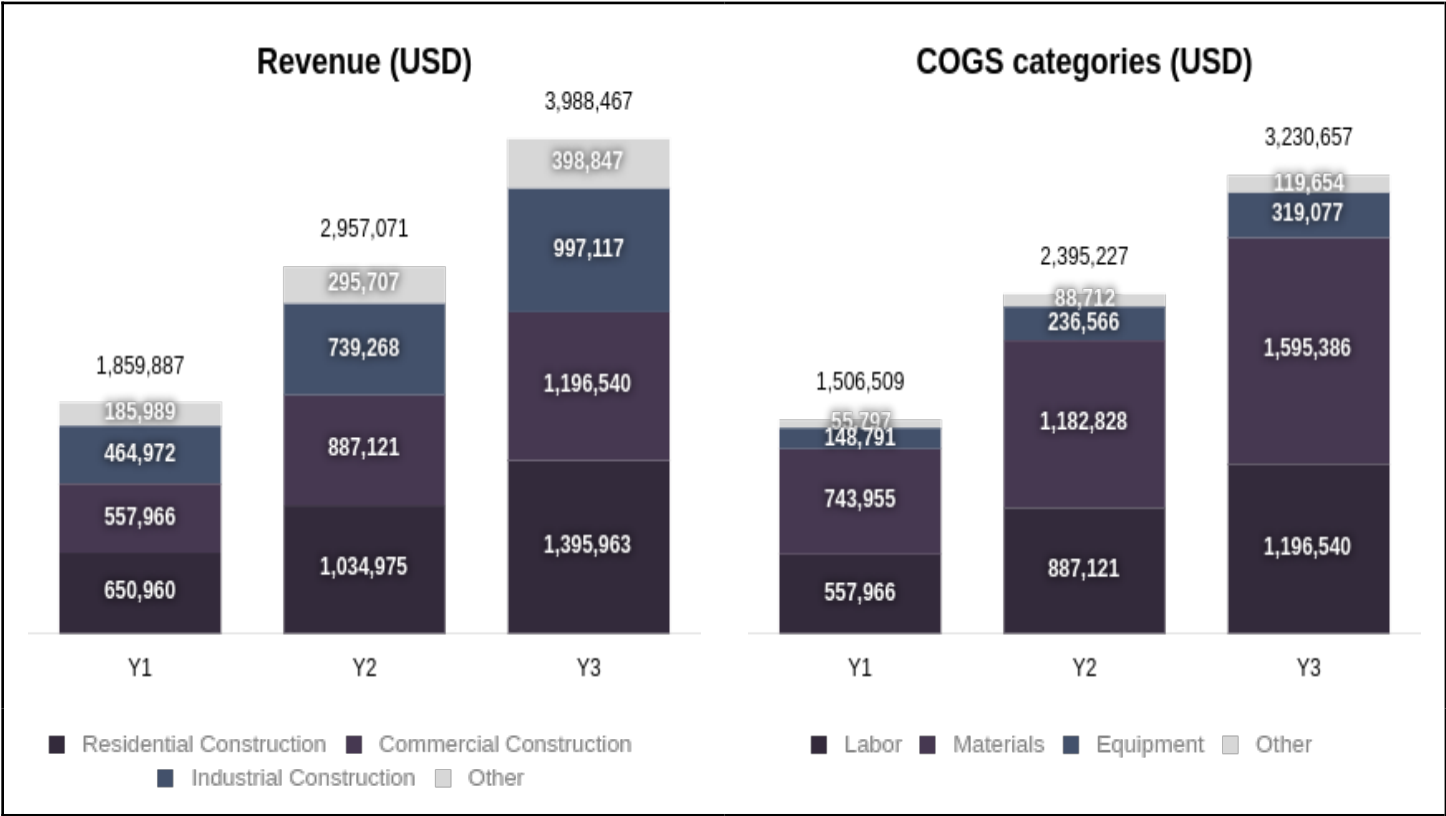
## Business Line Breakdown (USD)



# Revenue Formation Narrative

SolidBuild, a premier construction firm specializing in residential, commercial, and industrial projects, has established itself as a leader in delivering high-quality building solutions. With a focus on excellence, client satisfaction, and adherence to safety and craftsmanship standards, SolidBuild serves the competitive Belgian construction market. The Total Addressable Market (TAM) for construction in Belgium is valued at 33,816,121,030 USD. Despite significant competition, SolidBuild's strong market position and professional expertise allow it to realistically capture approximately 2.2% of this TAM, as detailed in our Serviceable Addressable Market (SAM) narrative. This equates to successfully navigating resource constraints and a highly competitive environment. For our Serviceable Obtainable Market (SOM), we estimate an initial market capture of 0.0025% in year one, translating to a revenue forecast of 1,859,886.657 USD. With strategic planning and a strong focus on market penetration, SolidBuild aims to increase this to 0.0038% in year two, resulting in 2,957,070.993 USD in revenue, and to 0.0049% in year three, with projected revenues of 3,988,466.228 USD. Our revenue streams are diversified across four main lines of business: Residential Construction (35%), Commercial Construction (30%), Industrial Construction (25%), and Other services (10%). SolidBuild's commitment to providing comprehensive construction solutions ensures that these revenue targets are achievable by leveraging the company's strengths in project management and high-quality service delivery.

**\$ 3,988,466** <sup>Y3</sup> Projected Revenue      **0.01%** Market share



# Revenue Calculation Details

Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Residential Construction	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
Commercial Construction	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Industrial Construction	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%
Other	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%

Residential Construction	40,685	40,685	40,685	48,822	48,822	48,822	59,671	59,671	59,671	67,808	67,808	67,808	650,960	1,034,975	1,395,963
Commercial Construction	34,873	34,873	34,873	41,847	41,847	41,847	51,147	51,147	51,147	58,121	58,121	58,121	557,966	887,121	1,196,540
Industrial Construction	29,061	29,061	29,061	34,873	34,873	34,873	42,622	42,622	42,622	48,435	48,435	48,435	464,972	739,268	997,117
Other	11,624	11,624	11,624	13,949	13,949	13,949	17,049	17,049	17,049	19,374	19,374	19,374	185,989	295,707	398,847

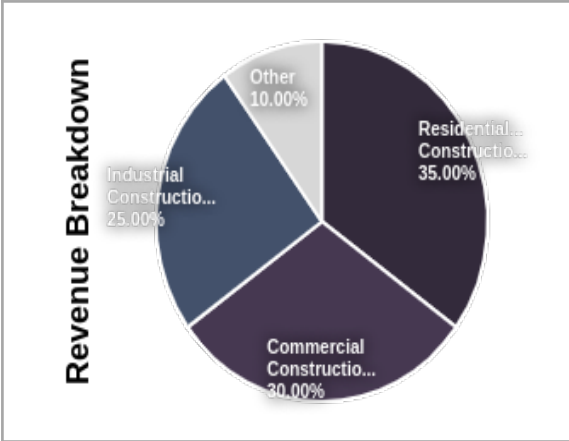
<b>Total Revenue (USD)</b>	<b>116,243</b>	<b>116,243</b>	<b>116,243</b>	<b>139,491</b>	<b>139,491</b>	<b>139,491</b>	<b>170,490</b>	<b>170,490</b>	<b>170,490</b>	<b>193,738</b>	<b>193,738</b>	<b>193,738</b>	<b>1,859,887</b>	<b>2,957,071</b>	<b>3,988,466</b>
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Total revenue is expected to reach \$ 3,988,466 by year 3.

Main revenue driver are:

- Residential Construction which generates \$ 1,395,963 by Year 3
- Commercial Construction which generates \$ 1,196,540 by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 46.44 %





# COGS Calculation Details

COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Labor	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%	30.00%
Materials	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%
Equipment	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%

Labor	34,873	34,873	34,873	41,847	41,847	41,847	51,147	51,147	51,147	58,121	58,121	58,121	557,966	887,121	1,196,540
Materials	46,497	46,497	46,497	55,797	55,797	55,797	68,196	68,196	68,196	77,495	77,495	77,495	743,955	1,182,828	1,595,386
Equipment	9,299	9,299	9,299	11,159	11,159	11,159	13,639	13,639	13,639	15,499	15,499	15,499	148,791	236,566	319,077
Other	3,487	3,487	3,487	4,185	4,185	4,185	5,115	5,115	5,115	5,812	5,812	5,812	55,797	88,712	119,654

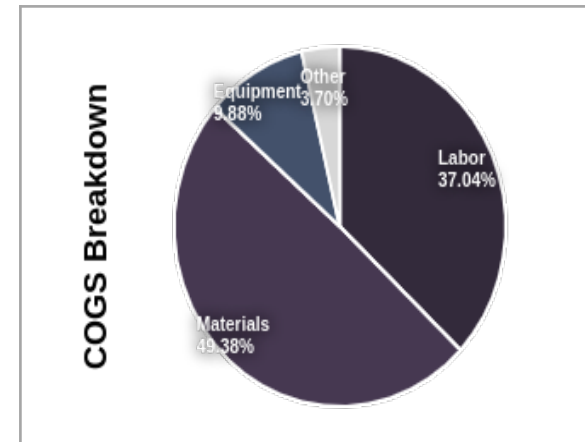
<b>Total COGS (USD)</b>	<b>94,157</b>	<b>94,157</b>	<b>94,157</b>	<b>112,988</b>	<b>112,988</b>	<b>112,988</b>	<b>138,097</b>	<b>138,097</b>	<b>138,097</b>	<b>156,928</b>	<b>156,928</b>	<b>156,928</b>	<b>1,506,508</b>	<b>2,395,228</b>	<b>3,230,658</b>
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Total COGS is expected to reach \$ 3,230,658 by year 3.

Main revenue driver are:

- Materials which generates \$ 1,595,386 by Year 3
- Labor which generates \$ 1,196,540 by Year 3

Expected CAGR for total COGS in Y1-Y3 is 46.44 %



# 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>	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>Rent &amp; Utilities</i>	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%	1.50%
<i>Communication Expenses</i>	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
<i>Office supplies</i>	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
<i>Legal and Professional Fees</i>	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
<i>Marketing and Branding</i>	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%	0.75%
<i>Representation and Entertainment</i>	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%
<i>Training and Development</i>	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%
<i>Other Miscellaneous</i>	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%

<i>Payroll Expenses</i>	3,487	3,487	3,487	4,185	4,185	4,185	5,115	5,115	5,115	5,812	5,812	5,812	55,797	88,712	119,654
<i>Rent &amp; Utilities</i>	1,744	1,744	1,744	2,092	2,092	2,092	2,557	2,557	2,557	2,906	2,906	2,906	27,898	44,356	59,827
<i>Communication Expenses</i>	581	581	581	697	697	697	852	852	852	969	969	969	9,299	14,785	19,942
<i>Office supplies</i>	291	291	291	349	349	349	426	426	426	484	484	484	4,650	7,393	9,971
<i>Legal and Professional Fees</i>	872	872	872	1,046	1,046	1,046	1,279	1,279	1,279	1,453	1,453	1,453	13,949	22,178	29,913
<i>Marketing and Branding</i>	872	872	872	1,046	1,046	1,046	1,279	1,279	1,279	1,453	1,453	1,453	13,949	22,178	29,913
<i>Representation and Entertainment</i>	581	581	581	697	697	697	852	852	852	969	969	969	9,299	14,785	19,942
<i>Training and Development</i>	291	291	291	349	349	349	426	426	426	484	484	484	4,650	7,393	9,971
<i>Other Miscellaneous</i>	291	291	291	349	349	349	426	426	426	484	484	484	4,650	7,393	9,971

<b>Total SG&amp;A (USD)</b>	<b>9,009</b>	<b>9,009</b>	<b>9,009</b>	<b>10,811</b>	<b>10,811</b>	<b>10,811</b>	<b>13,213</b>	<b>13,213</b>	<b>13,213</b>	<b>15,015</b>	<b>15,015</b>	<b>15,015</b>	<b>144,141</b>	<b>229,173</b>	<b>309,106</b>
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# PaT Expectations

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Financial Projection

Income Statement (USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
<b>Revenue</b>	116,243	116,243	116,243	139,491	139,491	139,491	170,490	170,490	170,490	193,738	193,738	193,738	1,859,887	2,957,071	3,988,466
Residential Construction	40,685	40,685	40,685	48,822	48,822	48,822	59,671	59,671	59,671	67,808	67,808	67,808	650,960	1,034,975	1,395,963
Commercial Construction	34,873	34,873	34,873	41,847	41,847	41,847	51,147	51,147	51,147	58,121	58,121	58,121	557,966	887,121	1,196,540
Industrial Construction	29,061	29,061	29,061	34,873	34,873	34,873	42,622	42,622	42,622	48,435	48,435	48,435	464,972	739,268	997,117
Other	11,624	11,624	11,624	13,949	13,949	13,949	17,049	17,049	17,049	19,374	19,374	19,374	185,989	295,707	398,847
<b>COGS</b>	-94,157	-94,157	-94,157	-112,988	-112,988	-112,988	-138,097	-138,097	-138,097	-156,928	-156,928	-156,928	-1,506,508	-2,395,228	-3,230,658
Labor	-34,873	-34,873	-34,873	-41,847	-41,847	-41,847	-51,147	-51,147	-51,147	-58,121	-58,121	-58,121	-557,966	-887,121	-1,196,540
Materials	-46,497	-46,497	-46,497	-55,797	-55,797	-55,797	-68,196	-68,196	-68,196	-77,495	-77,495	-77,495	-743,955	-1,182,828	-1,595,386
Equipment	-9,299	-9,299	-9,299	-11,159	-11,159	-11,159	-13,639	-13,639	-13,639	-15,499	-15,499	-15,499	-148,791	-236,566	-319,077
Other	-3,487	-3,487	-3,487	-4,185	-4,185	-4,185	-5,115	-5,115	-5,115	-5,812	-5,812	-5,812	-55,797	-88,712	-119,654
<b>Gross Profit</b>	22,086	22,086	22,086	26,503	26,503	26,503	32,393	32,393	32,393	36,810	36,810	36,810	353,378	561,843	757,809
<b>SG&amp;A Personal Expenses</b>	-3,487	-3,487	-3,487	-4,185	-4,185	-4,185	-5,115	-5,115	-5,115	-5,812	-5,812	-5,812	-55,797	-88,712	-119,654
<b>SG&amp;A Operating Expenses</b>	-5,522	-5,522	-5,522	-6,626	-6,626	-6,626	-8,098	-8,098	-8,098	-9,203	-9,203	-9,203	-88,345	-140,461	-189,452
<b>EBITDA</b>	13,077	13,077	13,077	15,693	15,693	15,693	19,180	19,180	19,180	21,796	21,796	21,796	209,237	332,670	448,702
<b>Depreciation</b>	-12,113	-12,113	-12,113	-12,113	-12,113	-12,113	-12,113	-12,113	-12,113	-12,113	-12,113	-12,113	-145,357	-145,357	-145,357
<b>EBIT</b>	964	964	964	3,580	3,580	3,580	7,067	7,067	7,067	9,682	9,682	9,682	63,880	187,313	303,345
<b>Interest Expense</b>	-1,874	-1,874	-1,874	-1,874	-1,874	-1,874	-1,874	-1,874	-1,874	-1,874	-1,874	-1,874	-22,489	-22,489	-22,489
<b>Profit before Tax</b>	-910	-910	-910	1,706	1,706	1,706	5,193	5,193	5,193	7,808	7,808	7,808	41,391	164,825	280,857
<b>Tax</b>	227	227	227	-426	-426	-426	-1,298	-1,298	-1,298	-1,952	-1,952	-1,952	-10,348	-41,206	-70,214
<b>Profit after Tax (USD)</b>	-682	-682	-682	1,279	1,279	1,279	3,895	3,895	3,895	5,856	5,856	5,856	31,043	123,618	210,642

# Balance Sheet Statement

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Financial Projection

Balance Sheet (USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Cash & Cash Equivalents	202,553	213,757	205,576	196,699	210,517	198,491	185,535	202,841	200,764	197,989	217,911	245,270	245,270	379,783	521,347
Accounts Receivable	116,243	116,243	116,243	139,491	139,491	139,491	170,490	170,490	170,490	193,738	193,738	193,738	193,738	308,028	415,465
Inventory	94,157	94,157	112,988	112,988	112,988	138,097	138,097	138,097	156,928	156,928	156,928	149,702	149,702	201,916	336,527
Prepaid Expenses	2,761	2,761	3,313	3,313	3,313	4,049	4,049	4,049	4,601	4,601	4,601	4,389	4,389	5,920	9,867
Deferred Tax Assets	227	455	682	256	-	-	-	-	-	-	-	-	-	-	-
<b>Current Assets</b>	<b>415,941</b>	<b>427,372</b>	<b>438,803</b>	<b>452,747</b>	<b>466,310</b>	<b>480,129</b>	<b>498,171</b>	<b>515,477</b>	<b>532,783</b>	<b>553,256</b>	<b>573,178</b>	<b>593,099</b>	<b>593,099</b>	<b>895,648</b>	<b>1,283,207</b>
CAPEX 1	495,000	490,000	485,000	480,000	475,000	470,000	465,000	460,000	455,000	450,000	445,000	440,000	440,000	380,000	320,000
CAPEX 2	296,429	292,857	289,286	285,714	282,143	278,571	275,000	271,429	267,857	264,286	260,714	257,143	257,143	214,286	171,429
CAPEX 3	98,333	96,667	95,000	93,333	91,667	90,000	88,333	86,667	85,000	83,333	81,667	80,000	80,000	60,000	40,000
CAPEX 4	448,125	446,250	444,375	442,500	440,625	438,750	436,875	435,000	433,125	431,250	429,375	427,500	427,500	405,000	382,500
<b>Non-Current Assets</b>	<b>1,337,887</b>	<b>1,325,774</b>	<b>1,313,661</b>	<b>1,301,548</b>	<b>1,289,435</b>	<b>1,277,321</b>	<b>1,265,208</b>	<b>1,253,095</b>	<b>1,240,982</b>	<b>1,228,869</b>	<b>1,216,756</b>	<b>1,204,643</b>	<b>1,204,643</b>	<b>1,059,286</b>	<b>913,929</b>
<b>Total Assets</b>	<b>1,753,828</b>	<b>1,753,146</b>	<b>1,752,463</b>	<b>1,754,295</b>	<b>1,755,744</b>	<b>1,757,450</b>	<b>1,763,379</b>	<b>1,768,572</b>	<b>1,773,765</b>	<b>1,782,126</b>	<b>1,789,934</b>	<b>1,797,742</b>	<b>1,797,742</b>	<b>1,954,933</b>	<b>2,197,135</b>
Accounts Payable	2,761	2,761	2,761	3,313	3,313	3,313	4,049	4,049	4,049	4,601	4,601	4,601	4,601	7,316	9,867
Short-Term Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued Interest Expenses	1,874	1,874	1,874	1,874	1,874	1,874	1,874	1,874	1,874	1,874	1,874	1,874	1,874	1,874	1,874
Deferred Tax Liabilities	-	-	-	-	170	597	1,895	3,193	4,492	6,444	8,396	10,348	10,348	41,206	70,214
<b>Current Liabilities</b>	<b>4,635</b>	<b>4,635</b>	<b>4,635</b>	<b>5,187</b>	<b>5,357</b>	<b>5,784</b>	<b>7,818</b>	<b>9,117</b>	<b>10,415</b>	<b>12,919</b>	<b>14,871</b>	<b>16,823</b>	<b>16,823</b>	<b>50,396</b>	<b>81,955</b>
Loans and other borrowings	249,876	249,876	249,876	249,876	249,876	249,876	249,876	249,876	249,876	249,876	249,876	249,876	249,876	249,876	249,876
<b>Non-Current Liabilities</b>	<b>249,876</b>	<b>249,876</b>	<b>249,876</b>	<b>249,876</b>	<b>249,876</b>	<b>249,876</b>	<b>249,876</b>	<b>249,876</b>	<b>249,876</b>	<b>249,876</b>	<b>249,876</b>	<b>249,876</b>	<b>249,876</b>	<b>249,876</b>	<b>249,876</b>
<b>Total Liabilities</b>	<b>254,510</b>	<b>254,510</b>	<b>254,510</b>	<b>255,063</b>	<b>255,233</b>	<b>255,659</b>	<b>257,694</b>	<b>258,992</b>	<b>260,290</b>	<b>262,795</b>	<b>264,747</b>	<b>266,699</b>	<b>266,699</b>	<b>300,272</b>	<b>331,831</b>
Paid-In Capital	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	31,043	154,662
Current Period Earnings	-682	-1,365	-2,047	-768	511	1,791	5,685	9,580	13,475	19,331	25,187	31,043	31,043	123,618	210,642
<b>Total Equity</b>	<b>1,499,318</b>	<b>1,498,635</b>	<b>1,497,953</b>	<b>1,499,232</b>	<b>1,500,511</b>	<b>1,501,791</b>	<b>1,505,685</b>	<b>1,509,580</b>	<b>1,513,475</b>	<b>1,519,331</b>	<b>1,525,187</b>	<b>1,531,043</b>	<b>1,531,043</b>	<b>1,654,662</b>	<b>1,865,304</b>

# Cash Flow Statement - Direct

Cash Flow Statement - Direct (USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
<b>Initial Balance</b>	-	202,553	213,757	205,576	196,699	210,517	198,491	185,535	202,841	200,764	197,989	217,911	-	245,270	379,783
Cash from sales of goods/services	-	116,243	116,243	116,243	139,491	139,491	139,491	170,490	170,490	170,490	193,738	193,738	1,666,148	2,842,781	3,881,029
Payments to employees/vendors	-100,405	-103,166	-121,997	-123,247	-123,799	-148,907	-150,573	-151,310	-170,141	-171,390	-171,943	-164,716	-1,795,750	-2,673,901	-3,671,823
Advances paid/received	-	-	-552	-	-	-736	-	-	-552	-	-	212	-4,389	-1,531	-3,947
Taxes paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-10,348	-41,206
Interest paid	-	-1,874	-1,874	-1,874	-1,874	-1,874	-1,874	-1,874	-1,874	-1,874	-1,874	-1,874	-20,615	-22,489	-22,489
<b>CF from Operating Activities</b>	<b>-100,405</b>	<b>11,203</b>	<b>-8,180</b>	<b>-8,878</b>	<b>13,819</b>	<b>-12,026</b>	<b>-12,956</b>	<b>17,306</b>	<b>-2,077</b>	<b>-2,775</b>	<b>19,921</b>	<b>27,360</b>	<b>-154,606</b>	<b>134,513</b>	<b>141,564</b>
Acquisition of															
CAPEX 1	-	-	-	-	-	-	-	-	-	-	-	-	-500,000	-	-
CAPEX 2	-	-	-	-	-	-	-	-	-	-	-	-	-300,000	-	-
CAPEX 3	-	-	-	-	-	-	-	-	-	-	-	-	-100,000	-	-
CAPEX 4	-	-	-	-	-	-	-	-	-	-	-	-	-450,000	-	-
<b>CF from Investing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-1,350,000</b>	<b>-</b>	<b>-</b>
Loans received / paid	-	-	-	-	-	-	-	-	-	-	-	-	249,876	-	-
Investments received / paid	-	-	-	-	-	-	-	-	-	-	-	-	1,500,000	-	-
<b>CF from Financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,749,876</b>	<b>-</b>	<b>-</b>
<b>Ending Balance</b>	<b>202,553</b>	<b>213,757</b>	<b>205,576</b>	<b>196,699</b>	<b>210,517</b>	<b>198,491</b>	<b>185,535</b>	<b>202,841</b>	<b>200,764</b>	<b>197,989</b>	<b>217,911</b>	<b>245,270</b>	<b>245,270</b>	<b>379,783</b>	<b>521,347</b>

## 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

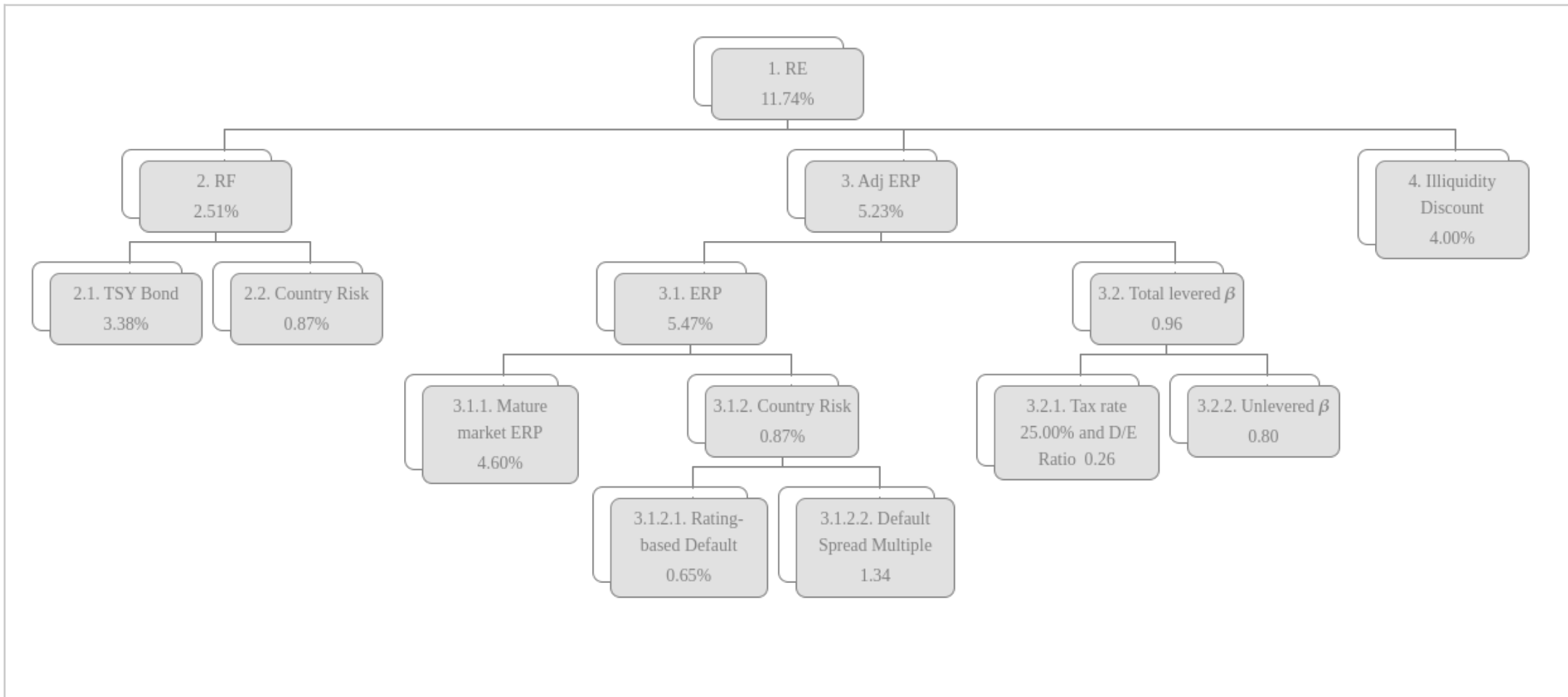
Cash Flow Statement - Indirect (USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
<b>Initial Balance</b>	-	202,553	213,757	205,576	196,699	210,517	198,491	185,535	202,841	200,764	197,989	217,911	-	245,270	379,783
EBIT	964	964	964	3,580	3,580	3,580	7,067	7,067	7,067	9,682	9,682	9,682	63,880	187,313	303,345
Δ Receivables & Prepaids	-116,243	-	-552	-23,249	-	-736	-30,998	-	-552	-23,249	-	212	-198,128	-115,821	-111,384
Δ Payables	2,761	-	-	552	-	-	736	-	-	552	-	-	4,601	2,714	2,552
Δ Inventory	-	-	-18,831	-	-	-25,108	-	-	-18,831	-	-	7,226	-149,702	-52,214	-134,611
Δ Depreciation	12,113	12,113	12,113	12,113	12,113	12,113	12,113	12,113	12,113	12,113	12,113	12,113	145,357	145,357	145,357
Tax Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-10,348	-41,206
Interest Expenses	-	-1,874	-1,874	-1,874	-1,874	-1,874	-1,874	-1,874	-1,874	-1,874	-1,874	-1,874	-20,615	-22,489	-22,489
<b>CF from Operating Activities</b>	<b>-100,405</b>	<b>11,203</b>	<b>-8,180</b>	<b>-8,878</b>	<b>13,819</b>	<b>-12,026</b>	<b>-12,956</b>	<b>17,306</b>	<b>-2,077</b>	<b>-2,775</b>	<b>19,921</b>	<b>27,360</b>	<b>-154,606</b>	<b>134,513</b>	<b>141,564</b>
Acquisition of															
CAPEX 1	-	-	-	-	-	-	-	-	-	-	-	-	-500,000	-	-
CAPEX 2	-	-	-	-	-	-	-	-	-	-	-	-	-300,000	-	-
CAPEX 3	-	-	-	-	-	-	-	-	-	-	-	-	-100,000	-	-
CAPEX 4	-	-	-	-	-	-	-	-	-	-	-	-	-450,000	-	-
<b>CF from Investing Activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-1,350,000</b>	<b>-</b>	<b>-</b>
Loans received / paid	-	-	-	-	-	-	-	-	-	-	-	-	249,876	-	-
Investments received / paid	-	-	-	-	-	-	-	-	-	-	-	-	1,500,000	-	-
<b>CF from Financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,749,876</b>	<b>-</b>	<b>-</b>
<b>Ending Balance</b>	<b>202,553</b>	<b>213,757</b>	<b>205,576</b>	<b>196,699</b>	<b>210,517</b>	<b>198,491</b>	<b>185,535</b>	<b>202,841</b>	<b>200,764</b>	<b>197,989</b>	<b>217,911</b>	<b>245,270</b>	<b>245,270</b>	<b>379,783</b>	<b>521,347</b>

## 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 ( $\beta$ ) 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](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	31,043	123,618	210,642	220,332	230,467	241,069	252,158
	Growth% Y4-Y7				4.60%	4.60%	4.60%	4.60%
	Growth% Y7 -->				3.50%			
	WACC				11.74%			
	PV Y1-Y7 at Y0	27,782	99,008	150,983	141,336	132,306	123,853	115,940
	PV Y7 --> Y0				1,456,407			
	<b>NPV (USD)</b>				<b>2,247,615</b>			

Average Survival Rate for 3 Years 50%

**Final Valuation \$ 1,123,808**

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 11.74 % to determine the Firm Value.

Starting from year 3 onwards, the cash flows are estimated to grow at a rate of 4.60 %, 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.

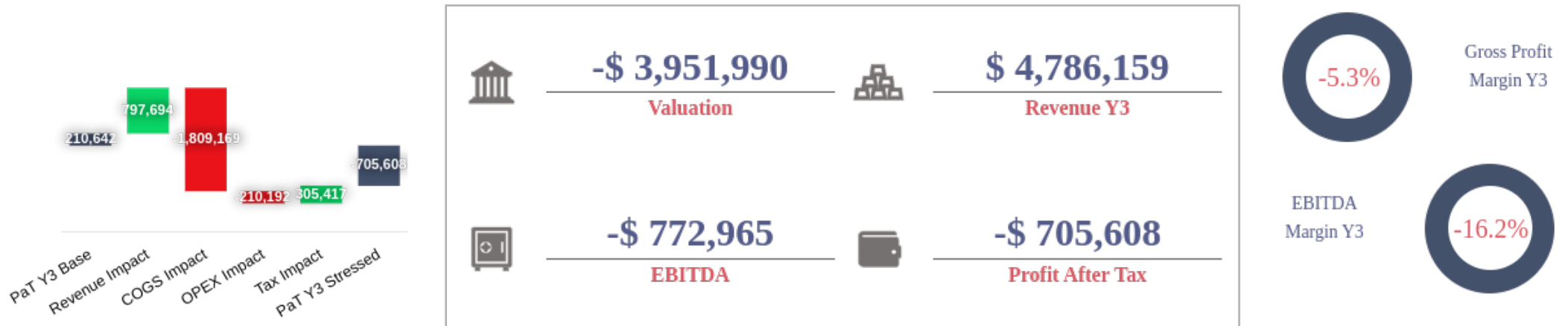
Scenario Analysis		Revenue		COGS		Discount Rate		
	KPIs	Base	Positive	Negative	Positive	Negative	Positive	Negative
Input	Revenue	no impact	15%	-15%	no impact	no impact	no impact	no impact
	COGS	no impact	no impact	no impact	-20%	20%	no impact	no impact
	RoE	no impact	no impact	no impact	no impact	no impact	-10%	10%
Output	Revenue Y3	\$ 3,988,466	\$ 4,586,736	\$ 3,390,196	\$ 3,988,466	\$ 3,988,466	\$ 3,988,466	\$ 3,988,466
	Gross Profit Y3	\$ 757,809	\$ 871,480	\$ 644,137	\$ 1,403,940	\$ 111,677	\$ 757,809	\$ 757,809
	GP Margin	19%	19%	19%	35%	3%	19%	19%
	EBITDA Y3	\$ 448,702	\$ 516,008	\$ 381,397	\$ 1,094,834	-\$ 197,429	\$ 448,702	\$ 448,702
	EBITDA Margin	11%	11%	11%	27%	-5%	11%	11%
	Net Profit Y3	\$ 210,642	\$ 261,121	\$ 160,163	\$ 695,241	-\$ 273,956	\$ 210,642	\$ 210,642
	Profit Margin	5%	6%	5%	17%	-7%	5%	5%
	Final Valuation	\$ 1,123,808	\$ 1,403,449	\$ 844,167	\$ 3,808,363	-\$ 1,560,747	\$ 1,328,732	\$ 970,414

# 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	
<b>Growth Under Pressure</b>	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.	<b>Revenue</b> Higher by 20%	<b>COGS</b> Higher by 30%
		<b>OPEX</b> Higher by 40%	<b>Discount Rate</b> 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

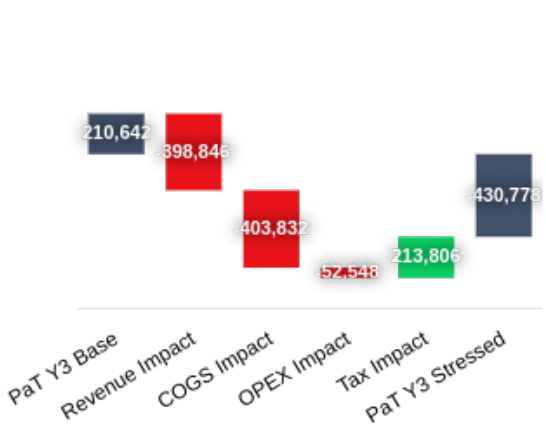
## KPIs impact

# The Perfect Storm

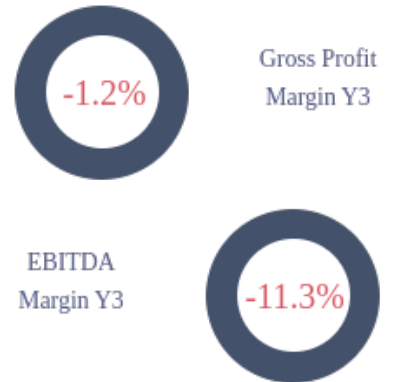
This scenario simulates the convergence of adverse market conditions and rising operational challenges. A sharp downturn in market demand coincides with increased costs due to inflation and supply chain disruptions. The combination results in a dual hit to both top-line revenue and operational margins. 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.

<b>Revenue</b> Lower by 10%	<b>COGS</b> Higher by 25%
<b>OPEX</b> Higher by 30%	<b>Discount Rate</b> Higher by 10%

## Results



	<b>-\$ 2,114,026</b> Valuation		<b>\$ 3,589,620</b> Revenue Y3
	<b>-\$ 406,524</b> EBITDA		<b>-\$ 430,778</b> 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	\$ 1,487,909	\$ 1,673,898	\$ 1,766,892	\$ 1,952,881	\$ 2,045,875	\$ 2,231,864	\$ 1,692,497	\$ 1,748,293	\$ 1,804,090	\$ 1,915,683	\$ 1,971,480	\$ 2,027,276
	Y2	\$ 2,365,657	\$ 2,661,364	\$ 2,809,217	\$ 3,104,925	\$ 3,252,778	\$ 3,548,485	\$ 2,690,935	\$ 2,779,647	\$ 2,868,359	\$ 3,045,783	\$ 3,134,495	\$ 3,223,207
	Y3	\$ 3,190,773	\$ 3,589,620	\$ 3,789,043	\$ 4,187,890	\$ 4,387,313	\$ 4,786,159	\$ 3,629,504	\$ 3,749,158	\$ 3,868,812	\$ 4,108,120	\$ 4,227,774	\$ 4,347,428
Gross Profit	Y1	\$ 282,703	\$ 318,041	\$ 335,710	\$ 371,047	\$ 388,716	\$ 424,054	\$ 321,574	\$ 332,176	\$ 342,777	\$ 363,980	\$ 374,581	\$ 385,183
	Y2	\$ 449,475	\$ 505,659	\$ 533,751	\$ 589,936	\$ 618,028	\$ 674,212	\$ 511,278	\$ 528,133	\$ 544,988	\$ 578,699	\$ 595,554	\$ 612,409
	Y3	\$ 606,247	\$ 682,028	\$ 719,918	\$ 795,699	\$ 833,589	\$ 909,370	\$ 689,606	\$ 712,340	\$ 735,074	\$ 780,543	\$ 803,277	\$ 826,011
GP Margin	Y1	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%
	Y2	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%
	Y3	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%	19%
EBITDA	Y1	\$ 167,390	\$ 188,314	\$ 198,775	\$ 219,699	\$ 230,161	\$ 251,085	\$ 190,406	\$ 196,683	\$ 202,960	\$ 215,514	\$ 221,791	\$ 228,069
	Y2	\$ 266,136	\$ 299,403	\$ 316,037	\$ 349,304	\$ 365,938	\$ 399,205	\$ 302,730	\$ 312,710	\$ 322,690	\$ 342,651	\$ 352,631	\$ 362,611
	Y3	\$ 358,962	\$ 403,832	\$ 426,267	\$ 471,138	\$ 493,573	\$ 538,443	\$ 408,319	\$ 421,780	\$ 435,241	\$ 462,164	\$ 475,625	\$ 489,086
EBITDA Margin	Y1	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%
	Y2	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%
	Y3	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%	11%
Net Profit	Y1	-\$ 342	\$ 15,351	\$ 23,197	\$ 38,890	\$ 46,736	\$ 62,429	\$ 16,920	\$ 21,628	\$ 26,336	\$ 35,751	\$ 40,459	\$ 45,167
	Y2	\$ 73,718	\$ 98,668	\$ 111,143	\$ 136,094	\$ 148,569	\$ 173,519	\$ 101,163	\$ 108,648	\$ 116,133	\$ 131,103	\$ 138,589	\$ 146,074
	Y3	\$ 143,337	\$ 176,990	\$ 193,816	\$ 227,469	\$ 244,295	\$ 277,948	\$ 180,355	\$ 190,451	\$ 200,547	\$ 220,738	\$ 230,834	\$ 240,930
Profit Margin	Y1	-0%	1%	1%	2%	2%	3%	1%	1%	1%	2%	2%	2%
	Y2	3%	4%	4%	4%	5%	5%	4%	4%	4%	4%	4%	5%
	Y3	4%	5%	5%	5%	6%	6%	5%	5%	5%	5%	5%	6%
Final Valuation		\$ 750,953	\$ 937,380	\$ 1,030,594	\$ 1,217,021	\$ 1,310,235	\$ 1,496,663	\$ 956,023	\$ 1,011,951	\$ 1,067,879	\$ 1,179,736	\$ 1,235,664	\$ 1,291,592

## 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

# Disclaimer

The following information and valuation analysis are provided for informational purposes only and do not constitute financial or investment advice. This presentation is based on assumptions, projections, and historical data, which are subject to inherent uncertainties and risks.

Please note that the valuation results presented here are based on the Discounted Cash Flow (DCF) method and various assumptions, including projected cash flows, growth rates, discount rates, and survival rates. These assumptions are subject to change and may not accurately reflect future market conditions or the performance of the business.

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