Business Plan

& Valuation Presentation

Contents

OUR
VISION & MISSION

Our Mission

Studio Bloom Hair Salon delivers expert, personalized hair care for women, men, and children by providing cuts, coloring, styling, treatments, and special-event services in a friendly, welcoming environment. Its team uses diverse techniques and product knowledge to help clients express their identity and maintain healthy hair, offering tailored advice on at-home care. The mission underscores the importance of trust, accessibility, and consistent quality—ensuring clients feel valued, heard, and refreshed with every visit, and that the salon remains a reliable partner in daily hair wellness and self-expression.

Our Vision

Studio Bloom Hair Salon aspires to be the neighborhood standard for transformative, confidence-boosting hair experiences, where every client sees themselves reflected in exceptional service, education, and style. By embracing inclusivity and ongoing professional growth, the salon aims to innovate with personalized solutions for all hair types and ages, expand its community impact, and set a benchmark for warm, professional hospitality within the personal care services industry over the next decade.

Summary Financials Dashboard

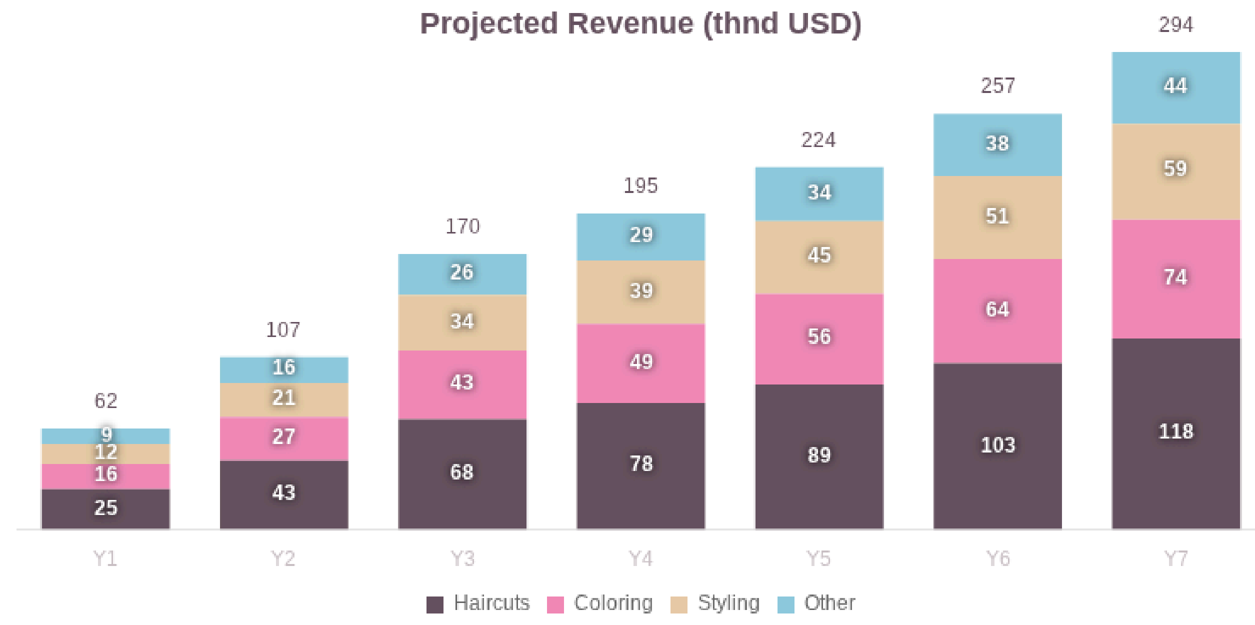
Key performance indicators
(Base Scenario Y3)

$ 170k
Revenue

$ 75k
Gross Profit

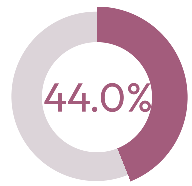
$ 48k
EBITDA

0.00%
Target Market Share

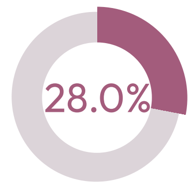


Margins
(Stabilized by Y3)

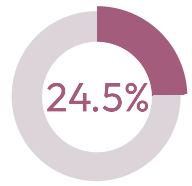
GP Margin



EBITDA Margin



PbT Margin



Project Phases

Foundational offering and

Core expansion and retention

New services and product

Strategic moonshots and

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.

Investment $ 54k

Y1 CAPEX $ 29k

WC $ 9k

About the Company: General Overview

General Overview

Studio Bloom Hair Salon provides a full spectrum of personal care services including haircuts, coloring, styling, treatments, and special-event styling. The studio emphasizes versatility by working with diverse hair types, lengths, and personal preferences to deliver tailored looks. Clients receive professional guidance on suitable styles, product recommendations, and at-home care routines to maintain results between visits. Built on a foundation of friendliness and welcome, Studio Bloom serves women, men, and children in a comfortable environment that supports every age and lifestyle. The salon combines skilled craftsmanship with modern trends, ensuring each guest experiences individualized service, consistent quality, and a personalized salon journey. Through attentive consultation and meticulous execution, Studio Bloom positions itself as a trusted destination for everyday maintenance as well as special occasions, aligning with the needs of a broad clientele while fostering long-term relationships. The business embodies accessibility, professionalism, and creativity within the Personal Care Services industry and the broader spectrum of Other Services (except Public Administration).

The Main Phases: Projects & Impacts

01 Foundational offering and trusted service

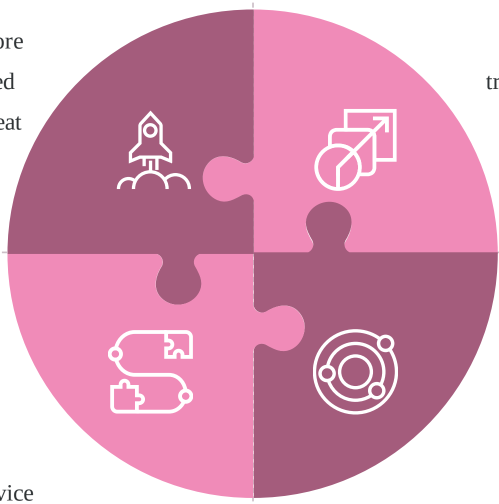
Phase I.

Studio Bloom Hair Salon establishes a foundational offering with core services—cuts, color, and styling—delivering consistent, personalized experiences for a broad client base and building initial trust and repeat visits.

03 New services and product partnerships

Phase III

Studio Bloom identifies new profit streams, such as specialized treatments, premium color services, and curated at-home care packages, cultivating additional revenue while deepening client relationships.



02 Core expansion and retention

Phase II

The salon enhances its core, broadens its client base, and refines service quality, expanding product recommendations and at-home care guidance to defend market position and encourage client loyalty.

04 Strategic moonshots and long-term growth

Phase IV.

The business pursues high-risk, high-reward opportunities, including expansion into education, boutique collaborations, or innovative services, aiming for long-term growth beyond current offerings.

Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
Clients (Women, Men, and Children)	Individuals who seek personalized hair services and care, receiving expert styling, color, and at-home guidance.
Stylists and Salon Staff	Professionals delivering services, contributing to brand reputation, and benefiting from a supportive, skill-building work environment.
Owners and Investors	Leadership team and financiers invested in sustainable growth, profitability, and long-term strategic outcomes.
Product and Service Partners	Brand and product collaborators (brands, suppliers, and treatment specialists) providing materials, treatments, and co-marketing opportunities.
Local Community and Footfall	Nearby residents and businesses who experience job creation, community events, and accessible wellness services.
Industry Regulators and Compliance Bodies	Entities ensuring health, safety, and professional standards that influence licensing, training, and ethics.
Future Education and Collaboration Partners	Organizations and individuals involved in potential training programs, workshops, and boutique collaborations for scalable growth.

Sources: Company's Proprietary Assessment

Key Performance Components

Competitive Advantage

Personalized Expert Styling

Studio Bloom Hair Salon delivers tailored consultations, accommodating diverse hair types and lengths, ensuring each client receives styles and treatments that suit their features, lifestyle, and goals.

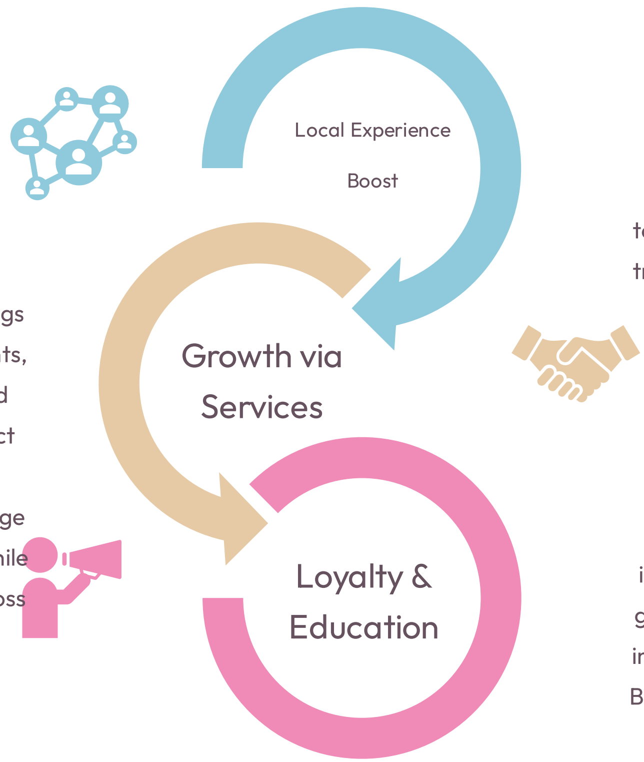
Comprehensive Services

From cuts to color, styling, treatments, and event services, the salon offers a full spectrum of personal care under one roof, enhancing convenience and consistency for clients.

Welcoming Client Experience

The friendly, inclusive environment makes every guest feel comfortable, supported, and valued, encouraging repeat visits and strong word-of-mouth within the community.

Marketing and Growth Strategy



Studio Bloom positions itself as the neighborhood destination for personalized haircare, leveraging before/after visual content, client testimonials, and in-salon events to build trust and drive word-of-mouth referrals among women, men, and families.

The salon expands offerings (color packages, treatments, kid-friendly services) and bundles them with product recommendations, encouraging higher average tickets and repeat visits while showcasing expertise across hair types and ages.

A structured rewards program plus informative tutorials and at-home care guidance creates ongoing engagement, increases retention, and positions Studio Bloom as a helpful partner for long-term hair health.

Target Groups

	Industries	Description
I	Everyday Clients	Women, men, and children seeking reliable, consistent haircuts and styling with personalized recommendations for at-home care.
II	Color Enthusiasts	Clients interested in color services ranging from subtle highlights to bold transformations, seeking quality results and long-lasting color maintenance guidance.
III	Special Occasion Clients	Clients preparing for events (weddings, parties) who require premium styling, updos, and tailored service experiences.
IV	Prospective Loyalists	New clients invited to join a trusted service loop through onboarding experiences, referrals, and first-time benefits to drive repeat visits.
V	Product and Care Seekers	Clients who value recommendations on at-home care, premium products, and routines to maintain salon results between visits.
VI	Professionals and Influencers	Busy professionals or local influencers seeking efficient, high-quality services with flexible scheduling and quick turnaround times.
VII	Family Clients	Families looking for a welcoming, inclusive salon experience that serves women, men, and children across generations.

Sources: Company's Proprietary Assessment

Painpoints & Solutions

Solution from Phase I to Phase IV

	1	2	3	4	5	6	7
Painpoints	Inconsistent client experiences across visits	Limited client retention beyond first visit	Difficulty recommending products and at-home care	Inefficient appointment management and scheduling	Limited differentiation from competitors	Scaling core services while maintaining quality	Vendor and product dependency risk
	Clients encounter varying service quality, leading to uneven satisfaction and trust.	New clients may not return without clear value and follow-up guidance.	Clients leave without clear product guidance or home maintenance plans.	Booking friction and crowded slots reduce accessibility for some clients.	Many salons offer similar services, making it hard to stand out in a crowded market.	As demand grows, maintaining consistent quality across stylists becomes challenging.	Reliance on a limited set of products for color and treatments can impact margins and availability.
Solution	Implement standardized service protocols and consultative intake to ensure every visit begins with a personalized plan and consistent results.	Introduce a client loyalty program, personalized aftercare recommendations, and proactive follow-ups after appointments to encourage repeat visits.	Provide tailored product prescriptions and structured at-home care guides at checkout and via post-visit communications.	Adopt an online scheduling system with real-time availability, reminders, and streamlined check-in processes.	Curate signature styling experiences, exclusive color formulations, and education-driven services to differentiate the brand.	Standardized training, ongoing skill development, and performance metrics tied to client feedback.	Diversify product partnerships, negotiate favorable terms, and create in-house treatment kits to stabilize supply and pricing.

Sources: Company's Proprietary Assessment

Strategic Analysis: SWOT

Strength	Strong advisory role; personalized styling and product recommendations enhance client loyalty and repeat visits.
Weaknesses	Limited brand recognition as a standalone salon may hinder growth beyond local market; dependence on skilled stylists for service quality.
Opportunities	Expand bridal and event services; introduce membership programs and bundled packages to boost recurring revenue.
Threats	Competitive pricing and salon chains in locality; staffing shortages impact service consistency; economic downturns affect discretionary spending.

Sources: Company's Proprietary Assessment

Pestel: Analysis

P	E	S	T	E	L
Political 7 / 10	Economic 8 / 10	Social 7 / 10	Technological 6 / 10	Environmental 5 / 10	Legal 6 / 10
Regulatory: Local licensing, sanitation, and safety standards govern operations.	Consumer spending: discretionary income influences salon visits and services.	Brand tone: Friendly, welcoming atmosphere appeals to diverse client base.	Booking tech: Online booking and customer management enhance experience.	Product waste: Proper disposal of chemicals and salon waste is essential.	Labor compliance: Fair labor practices and wage laws must be followed.
Labor rules: Employment laws, overtime, and visa requirements affect staffing.	Cost inflation: Prices for products, utilities, and rent impact margins.	Salon trends: Growing demand for personalized styling and at-home care advice.	Coloring tech: Advanced coloring and treatment products require trained staff.	Sustainable sourcing: Demand for eco-friendly products and packaging rises.	Trademark/consumer protection: Branding, advertising claims, and service warranties require care.

Studio Bloom should focus on strong regulatory compliance, customer-centric service, and efficient operations to capitalize on personal care demand while managing costs.

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

VRIO Framework: Analysis

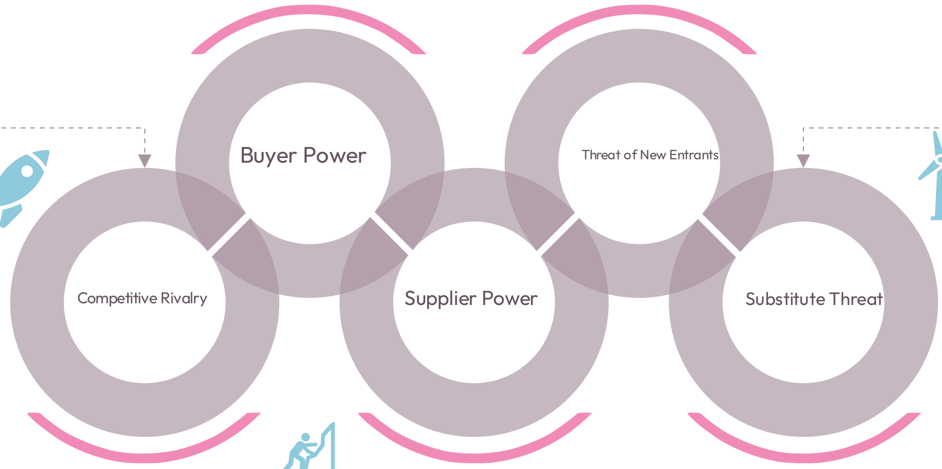
Value	Rarity	Imitability	Organization	
Does the resource or capability enable the firm to exploit an opportunity or neutralize a threat in the environment?	Is the resource or capability controlled by only a few firms or no other firms?	Is the resource or capability costly for other firms to imitate?	Is the firm organized to exploit the resource or capability?	
Addresses diverse client needs with personalized styling, products, and care guidance, leveraging service variety to seize market opportunities and counter competition.	Niche mix of inclusive services and personalized consultations not widely replicated by every competitor.	Brand reputation, staff skill diversity, and personalized processes are costly to imitate due to training and culture.	Operational structure supports skilled stylists, client-focused service, and product recommendations enabling exploitation of capabilities.	Studio Bloom's diverse, personalized service and customer-centric culture provide competitive advantage if consistently executed and scaled.
V	R	I	O	
Yes	Yes	Yes	Yes	Sustainable Competitive Advantage
No	No	No	No	
Competitive Disadvantage	Competitive Parity	Temporary Competitive Advantage	Unused Competitive Advantage	

Porter’s Five Forces: Analysis

Moderate; diverse client preferences and price sensitivity.

Moderate; barriers include branding and location but achievable with investment.

Moderate to high rivalry among local salons and chains.



Moderate; home care products and mobile services offer alternatives.

Low to Moderate; skilled stylists and product suppliers with multiple options.

In the Personal Care Services space, competition and client selection drive moderate overall risk; focus on differentiation, experience, and trusted service to sustain advantage.

High
Moderate
Low

Management Team

Overview

Overview

Overview

Overview

History & Roadmap

Dec 2027

Stage 6: Brand Growth

Open second chair, expand hours, and scale marketing reach.

Sep 2027

Stage 5: Sustainability & Product Line

Adopt eco-friendly practices and curate a small retail line.

May 2027

Stage 4: Education & Community

Host stylist workshops and local collaborations to build trust.

Feb 2027

Stage 3: Digital Presence

Launch booking platform and client portal for appointments and products.

Nov 2026

Stage 2: Service Expansion

Introduce signature color treatments and men's grooming packages.

Aug 2026

Stage 1: Brand Foundation

Refine brand identity, define service tiers, and launch loyalty program.

Current Status .

Draft roadmap for Studio Bloom Hair Salon to guide growth in Personal Care Services

Organizational and Marketing Tasks

#	Check List Item	Status	Priority	Area	ETA
	General Planning and Organization				
1	Define company mission, vision, and values	Not Started	High	CEO	1 month
2	Register business entity and obtain necessary licenses/permits	Not Started	High	CFO	1 month
3	Open a bank account and set up basic accounting system	Not Started	High	CFO	2 weeks
4	Define initial pricing strategy for core services	Not Started	High	CFO	3 weeks
5	Develop standard operating procedures (SOPs) for core services	Not Started	High	COO	4 weeks
6	Create brand guidelines and service experience standards	Not Started	Medium	CMO	6 weeks
7	Set up customer relationship management (CRM) system and client data privacy plan	Not Started	Medium	CIO	8 weeks
8	Develop initial marketing plan with local outreach and promotions	Not Started	Medium	CMO	8 weeks
	Marketing				
1	Define target audience segments and buyer personas for Studio Bloom Hair Salon	Not Started	High	CMO	2 weeks
2	Develop brand messaging and visual identity aligned with Foundational offering and trusted service phase	Not Started	High	CMO	3 weeks
3	Create and launch a local SEO and Google Business Profile optimization plan	Not Started	High	CIO	4 weeks
4	Design and implement loyalty/reward program to drive repeat visits	Not Started	High	CRO	5 weeks
5	Develop content calendar featuring before/after gallery, styling tips, and at-home care guidance	Not Started	Medium	CPO	6 weeks
6	Launch social media campaigns focused on core services (cuts, color, styling) and local community engagement	Not Started	High	CMO	8 weeks
7	Partnership outreach for product recommendations and at-home care bundles	Not Started	Medium	CSO	9 months
8	Create in-salon events and promotions to showcase new services and partnerships	Not Started	Low	COO	3 months

Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
Phase 1 & Technical Set Up for next Phases					
1	Define foundational service menu and standard operating procedures for core offerings (cuts, color, styling)	Not Started	High	CPO	M07 2026
2	Develop client intake, consultation scripts, and personalized service protocols	Not Started	High	COO	M07 2026
3	Select initial product lines and establish at-home care recommendations	Not Started	High	CPO	M07 2026
4	Hire and train core styling team and color technicians	Not Started	High	CPO	M08 2026
5	Set up foundational pricing strategy and service bundles	Not Started	Medium	CFO	M07 2026
6	Establish customer experience standards and loyalty touchpoints	Not Started	Medium	CMO	M08 2026
7	Create marketing collateral for foundational services (in-salon and digital)	Not Started	Medium	CMO	M08 2026
8	Set up appointment and CRM systems to capture client data and preferences	Not Started	Low	CIO	M08 2026
Phase 2					
1	Develop core service expansion plan and client retention program	Not Started	High	CFO	M07 2026
2	Implement expanded product recommendations and at-home care guidance	Not Started	High	CMO	M08 2026
3	Upsell premium color services and targeted treatment add-ons	Not Started	Medium	CPO	M09 2026
4	Train staff on standardized consult scripts and personalized service funnels	Not Started	High	COO	M07 2026
5	Establish client loyalty program and referral incentives	Not Started	High	CSO	M08 2026
6	Develop seasonal service bundles and pricing tests	Not Started	Medium	CFO	M10 2026
7	Create at-home care packages with product partnerships	Not Started	Medium	CBO	M09 2026
8	Launch initial marketing experiments for core services (social, local ads, referrals)	Not Started	High	CMO	M07 2026

Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
Phase 3					
1	Launch premium color service bundles and at-home care packages	Not Started	High	CPO	M07 2026
2	Establish curated product partnerships and exclusive treatment add-ons	Not Started	High	CMO	M08 2026
3	Develop specialized treatment offerings (e.g., scalp therapy, bond maintenance)	Not Started	High	CPO	M09 2026
4	Create at-home care subscription and refill program	Not Started	Medium	CFO	M10 2026
5	Pilot premium color services with tiered pricing and warranties	Not Started	Medium	CPO	M11 2026
6	Negotiate supplier terms for exclusive products and training	Not Started	Medium	CFO	Q4 2026
7	Design marketing collateral and launch a targeted campaign for new services	Not Started	Medium	CMO	Q4 2026
8	Set up KPI dashboards to track revenue per service and client retention	Not Started	High	CIO	Q1 2027
Phase 4					
1	Expand into education and masterclass offerings for aspiring stylists	Not Started	High	CFO	Q3 2027
2	Form strategic boutique collaborations and limited-edition product lines	Not Started	High	CMO	Q4 2027
3	Pilot a premium, subscription-based at-home care kit with exclusive content	Not Started	Medium	CPO	M01 2028
4	Develop an in-house education academy curriculum and certification process	Not Started	High	CLO	Q1 2028
5	Invest in boutique showroom concept and experiential pop-ups	Not Started	Medium	CCO	Q3 2028
6	Pursue licensing opportunities for branded education programs	Not Started	Low	CFO	Q4 2028
7	Develop partnerships with premium product manufacturers for exclusive lines	Not Started	Medium	CPO	M11 2028
8	Create a long-term growth roadmap with measurable milestones and risk assessment	Not Started	High	CEO	M12 2028

Core Risks & Mitigation Strategies

1. Operation and maintenance risks

#	Risk Type	Area	Mitigation Strategy
1	Equipment and facility uptime failures	COO	Regular preventive maintenance; service contracts; backup equipment inventory.
2	Supply chain disruption for consumables	CFO	Diversified supplier base; bulk ordering; safety stock levels.
3	Appointment scheduling inefficiencies	COO	Robust booking system with waitlist and reminders; overbooking guardrails.
4	Staff turnover and knowledge gaps	CPO	Onboarding playbooks; training schedules; incentive programs.
5	Quality control across services	CPO	Standard operating procedures; regular quality audits; client feedback loops.

2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Licensing and licensing compliance failures	CFO	Track renewals; implement calendar; maintain licensing submissions.
2	Cosmetic product regulations and labeling	CFO	Establish product compliance review; adopt approved labeling templates.
3	Workplace safety and sanitation regulations	CFO	Implement hygiene protocols; regular inspections and audits.
4	Data privacy and customer consent	CIO	Adopt data governance; obtain explicit consents; restrict data access.
5	Advertising and testimonial regulations	CMO	Use verifiable claims; maintain substantiation documents.

Sources: Company's Proprietary Assessment

Core Risks & Mitigation Strategies

3. Strategic/Market Risk

#	Risk Type	Area	Mitigation Strategy
1	Market saturation and competition from established salons	CMO	Differentiate via personalized service and loyalty programs; targeted marketing.
2	Shifts in consumer preferences and trends	CPO	Continuous trend monitoring and agile service updates; pilot new looks.
3	Dependence on a small number of key staff	CFO	Strengthen training, career paths, and incentive programs for retention.
4	Pricing pressures from price-conscious customers	CIO	Value-based pricing and bundled services; clear communication of value.
5	Dependence on essential suppliers for products	CFO	Diversify supplier base and maintain safety stock; establish contingency plans.

4. Finance risk

#	Risk Type	Area	Mitigation Strategy
1	Cash flow variability	CFO	Implement seasonal cash flow planning and maintain reserve funds
2	Pricing and margin pressure	CFO	Regularly review pricing, bundles, and supplier terms to protect margins
3	Working capital management	CFO	Optimize product mix, implement just-in-time purchasing
4	Debt/financing exposure	CFO	Secure flexible credit lines and monitor covenants closely
5	Capital expenditure risk	CFO	Phase investments with strict ROI analysis and milestones

5. Other general risks

#	Risk Type	Area	Mitigation Strategy
1	Staff retention and turnover	CFO	Offer competitive wages, benefits, and career paths; foster positive culture and training.
2	Supply chain disruption for products and tools	CIO	Maintain multiple suppliers; keep safety stock of key products.
3	.local market demand shifts	CMO	Monitor trends; adapt services and promotions; diversify offerings.
4	Seasonality and cyclic demand	CFO	Plan staffing and promotions for peak periods; offer memberships.

Sources: Company's Proprietary Assessment

Market Overview (TAM, SAM and SOM)

Target Available Market (TAM)	Subindustry	$ 69,100,000k	Source: TAM is based on third party market estimation provided by IBIS World. CAGR is based on open source web research. Expected CAGR for industry is 14.70%
Service Available Market (SAM)	0.02%	Studio Bloom, a small US-based hair salon with 0.054k USDk capital, serves a local customer base across genders. Given its size and resources, its realistic serviceable market is a tiny fraction of the national Personal Care Services TAM (0.02%), reflecting geographic concentration, local competition, and capacity limits. The 0.02% share translates to a...	
Service Obtainable Market Y1-Y3 (SOM)	Year 1 0.45000% Year 2 0.67200% Year 3 0.93500%	Given Studio Bloom Hair Salon's capital and the fragmented Personal & Laundry Services market, the obtainable share of the SAM is modest. Year 1 targets a conservative slice within the 0.065%–0.586% band, leveraging local branding and personalized service. Gradual growth in Years 2 and 3 reflects steady client acquisition, repeat visits, and word-..	

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 $ 54k

Y1 Cash Flow Stream (thnd USD)	Inflows	Outlows
Gross Profit	32	
Payroll Expenses		6
Rent & Utilities		1
Marketing and Branding		0
Office supplies		0
CAPEX		29
Legal and Professional Fees		0
Training and Development		0
Communication Expenses		0
Representation and Entert.		0
Other Miscellaneous		0
CAPEX & WC shortage Y1		6
Buffer		48
Total Required Investment (thnd USD)		54

Payroll Expenses
14.85%

Rent & Utilities
3.43%

Marketing and Branding
1.14%

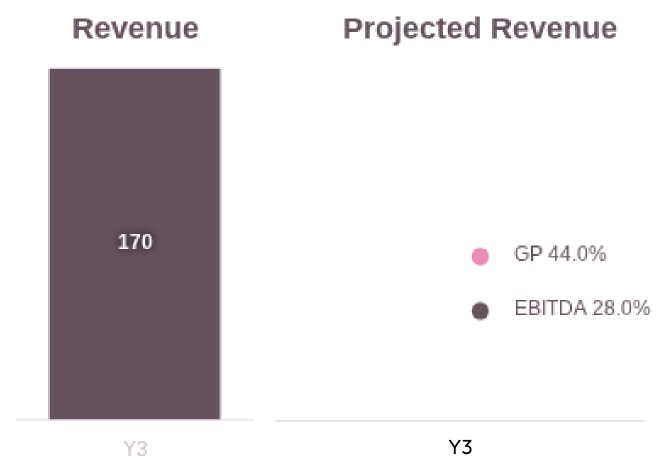
Office supplies
0.69%

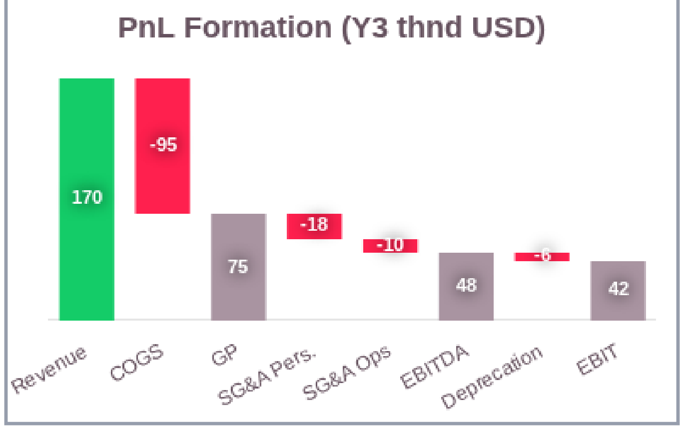
CAPEX
77.15%

Other
2.74%

Financials Dashboard

Y3 PL formation and Margins





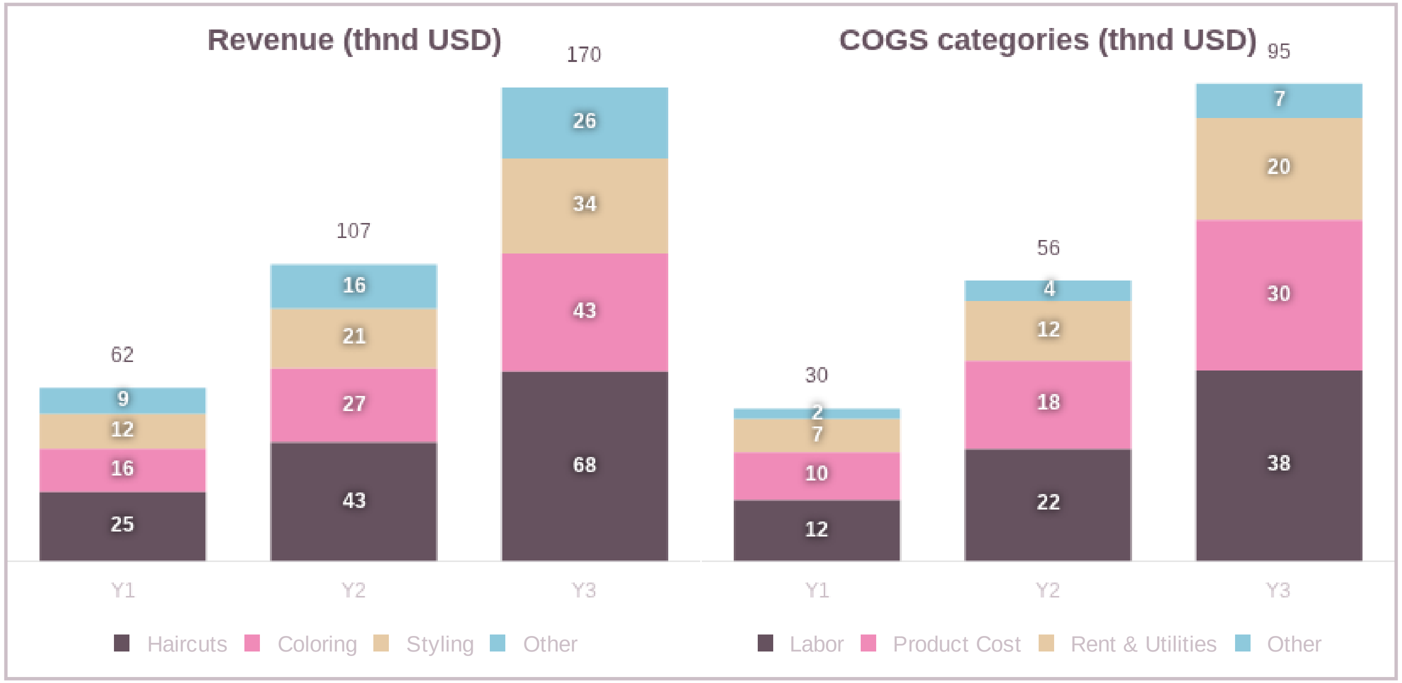
Business Line Breakdown (thnd USD)

Revenue Formation Narrative

Studio Bloom Hair Salon targets the Personal Care Services market with a disciplined revenue plan anchored to a clearly defined SAM and scalable SOM. The total addressable market (TAM) is 69,100,000k USD, while the serviceable addressable market narrows to 0 of TAM, reflecting geographic concentration and capacity constraints. Within this SAM, the obtained serviceable obtainable market (SOM) is projected at 0 in Year 1, increasing to 0 in Year 2 and 1 in Year 3 as capacity expands and brand awareness grows. This yields progressive top-line opportunities aligned with a local, walk-in-friendly model and targeted service experiences. Revenue in Year 1 is forecast at 41.46k USD, rising to 63.732k USD in Year 2 and 91.638k USD in Year 3, reflecting a cautious but measurable growth trajectory driven by client acquisition, repeat visits, and value-added services. The business offers four lines of business: Haircuts (weight 40), Coloring (weight 25), Styling (weight 20), and Other (weight 15), collectively contributing to the forecast in a diversified mix. Revenue composition supports a balanced margin profile, with Haircuts, Coloring, Styling, and Other services representing the portfolio's core drivers at rates consistent with local demand. The capital investment required to execute this plan is 54k USD, enabling minor capacity expansion and enhanced marketing to accelerate client acquisition. The narrative positions Studio Bloom as a neighborhood-first salon with a scalable model capable of leveraging brand equity, referrals, and selective expansion to capture incremental SOM while maintaining a tight cost structure across the four revenue lines.

$ 170k Y3 Projected Revenue

0.00% Market Share



Revenue Calculation Details

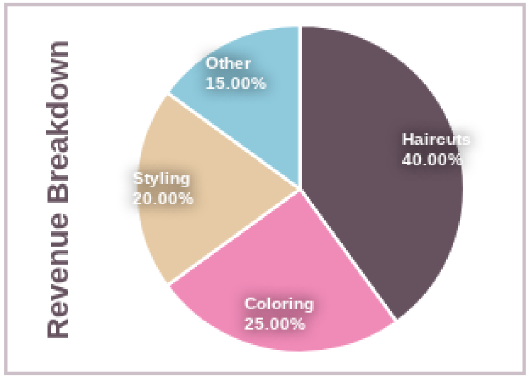
Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Haircuts	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%	40.00%
Coloring	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%	25.00%
Styling	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
Other	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
Haircuts	2	2	2	2	2	2	2	2	2	3	3	3	25	43	68
Coloring	1	1	1	1	1	1	1	1	1	2	2	2	16	27	43
Styling	1	1	1	1	1	1	1	1	1	1	1	1	12	21	34
Other	1	1	1	1	1	1	1	1	1	1	1	1	9	16	26
Total Revenue (thnd USD)	4	4	4	5	5	5	6	6	6	6	6	6	62	107	170

Total revenue is expected to reach $ 170k by year 3.

Main revenue driver are:

- Haircuts which generates $ 68k by Year 3
- Coloring which generates $ 43k by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 65.33 %



COGS Calculation Details

COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Labor	*19.60%*	*19.60%*	*19.60%*	*19.60%*	*19.60%*	*19.60%*	*19.60%*	*19.60%*	*19.60%*	*19.60%*	*19.60%*	*19.60%*	*19.60%*	*21.00%*	*22.40%*
Product Cost	*15.40%*	*15.40%*	*15.40%*	*15.40%*	*15.40%*	*15.40%*	*15.40%*	*15.40%*	*15.40%*	*15.40%*	*15.40%*	*15.40%*	*15.40%*	*16.50%*	*17.60%*
Rent & Utilities	*10.50%*	*10.50%*	*10.50%*	*10.50%*	*10.50%*	*10.50%*	*10.50%*	*10.50%*	*10.50%*	*10.50%*	*10.50%*	*10.50%*	*10.50%*	*11.25%*	*12.00%*
Other	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.50%*	*3.75%*	*4.00%*
Labor	1	1	1	1	1	1	1	1	1	1	1	1	12	22	38
Product Cost	1	1	1	1	1	1	1	1	1	1	1	1	10	18	30
Rent & Utilities	0	0	0	0	0	0	1	1	1	1	1	1	7	12	20
Other	0	0	0	0	0	0	0	0	0	0	0	0	2	4	7
Total COGS (thnd USD)	2	2	2	2	2	2	3	3	3	3	3	3	30	56	95

Total COGS is expected to reach '$ 95k by year 3.

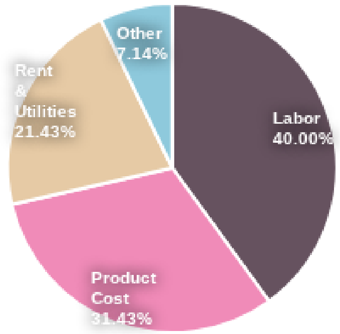
Main revenue driver are:

• Labor which generates $ 38k by Year 3

• Product Cost which generates $ 30k by Year 3

Expected CAGR for total COGS in Y1-Y3 is 76.75 %

COGS Breakdown



SG&A Calculation Details

OPEX Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Payroll Expenses	*9.10%*	*9.10%*	*9.10%*	*9.10%*	*9.10%*	*9.10%*	*9.10%*	*9.10%*	*9.10%*	*9.10%*	*9.10%*	*9.10%*	*9.10%*	*9.75%*	*10.40%*
Rent & Utilities	*2.10%*	*2.10%*	*2.10%*	*2.10%*	*2.10%*	*2.10%*	*2.10%*	*2.10%*	*2.10%*	*2.10%*	*2.10%*	*2.10%*	*2.10%*	*2.25%*	*2.40%*
Communication Expenses	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.30%*	*0.32%*
Office supplies	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.45%*	*0.48%*
Legal and Professional Fees	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.45%*	*0.48%*
Marketing and Branding	*0.70%*	*0.70%*	*0.70%*	*0.70%*	*0.70%*	*0.70%*	*0.70%*	*0.70%*	*0.70%*	*0.70%*	*0.70%*	*0.70%*	*0.70%*	*0.75%*	*0.80%*
Representation and Entertainment	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.30%*	*0.32%*
Training and Development	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.42%*	*0.45%*	*0.48%*
Other Miscellaneous	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.28%*	*0.30%*	*0.32%*
Payroll Expenses	0	0	0	0	0	0	1	1	1	1	1	1	6	10	18
Rent & Utilities	0	0	0	0	0	0	0	0	0	0	0	0	1	2	4
Communication Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Office supplies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Legal and Professional Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Marketing and Branding	0	0	0	0	0	0	0	0	0	0	0	0	0	1	1
Representation and Entertainment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Training and Development	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Other Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1
Total SG&A (thnd USD)	1	1	1	1	1	1	1	1	1	1	1	1	9	16	27

Sources: Company's Proprietary Planning

PaT Expectations

Income Statement (thnd USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Revenue	**4**	**4**	**4**	**5**	**5**	**5**	**6**	**6**	**6**	**6**	**6**	**6**	**62**	**107**	**170**
Haircuts	2	2	2	2	2	2	2	2	2	3	3	3	25	43	68
Coloring	1	1	1	1	1	1	1	1	1	2	2	2	16	27	43
Styling	1	1	1	1	1	1	1	1	1	1	1	1	12	21	34
Other	1	1	1	1	1	1	1	1	1	1	1	1	9	16	26
COGS	**-2**	**-2**	**-2**	**-2**	**-2**	**-2**	**-3**	**-3**	**-3**	**-3**	**-3**	**-3**	**-30**	**-56**	**-95**
Labor	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-12	-22	-38
Product Cost	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-10	-18	-30
Rent & Utilities	-0	-0	-0	-0	-0	-0	-1	-1	-1	-1	-1	-1	-7	-12	-20
Other	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-2	-4	-7
Gross Profit	2	2	2	2	2	2	3	3	3	3	3	3	32	51	75
SG&A Personal Expenses	-0	-0	-0	-0	-0	-0	-1	-1	-1	-1	-1	-1	-6	-10	-18
SG&A Operating Expenses	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-3	-6	-10
EBITDA	1	1	1	2	2	2	2	2	2	2	2	2	23	35	48
Depreciation	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-6	-6	-6
EBIT	1	1	1	1	1	1	2	2	2	2	2	2	17	29	42
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit before Tax	1	1	1	1	1	1	2	2	2	2	2	2	17	29	42
Tax	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-4	-7	-11
Profit after Tax (thnd USD)	1	1	1	1	1	1	1	1	1	1	1	1	13	21	31

Balance Sheet Statement

Balance Sheet (thnd USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Cash & Cash Equivalents	20	22	23	24	25	27	28	30	32	33	36	38	38	61	85
Accounts Receivable	4	4	4	5	5	5	6	6	6	6	6	6	6	11	18
Inventory	2	2	2	2	2	3	3	3	3	3	3	3	3	6	10
Prepaid Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Tax Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current Assets	26	28	29	31	32	34	36	38	41	43	45	48	48	78	113
Salon fit-out and remodeling (interior build-out)	8	8	8	8	8	8	7	7	7	7	7	7	7	5	3
Salon equipment and furniture (chairs, styling stations, hydraulic chairs, mirrors)	12	12	12	12	12	12	12	11	11	11	11	11	11	9	7
Waste disposal, ventilation, and water systems upgrades	3	3	3	3	3	3	2	2	2	2	2	2	2	2	1
IT and point-of-sale (POS) and software systems	5	5	5	5	5	5	5	4	4	4	4	4	4	2	6
Non-Current Assets	29	28	28	27	27	26	26	25	25	24	24	23	23	18	17
Total Assets	55	56	57	58	59	61	62	64	66	67	69	71	71	96	130
Accounts Payable	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Short-Term Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued Interest Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Deferred Tax Liabilities	0	0	1	1	1	2	2	3	3	3	4	4	4	7	11
Current Liabilities	0	1	1	1	1	2	2	3	3	4	4	5	5	8	11
Loans and Other Borrowings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	0	1	1	1	1	2	2	3	3	4	4	5	5	8	11
Paid-In Capital	54	54	54	54	54	54	54	54	54	54	54	54	54	54	54
Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	13	34
Current Period Earnings	1	1	2	3	4	5	6	7	8	10	11	13	13	21	31
Total Equity	55	55	56	57	58	59	60	61	62	64	65	67	67	88	119

Cash Flow Statement - Direct

Cash Flow Statement - Direct (thnd USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Initial Balance	23	20	22	23	24	25	27	28	30	32	33	36	-	38	61
Cash from Sales of Goods / Services	-	4	4	4	5	5	5	6	6	6	6	6	56	102	163
Payments to Employees / Vendors	-2	-2	-3	-3	-3	-3	-4	-4	-4	-4	-4	-4	-43	-74	-126
Advances Paid / Received	-	-	-0	-	-	-0	-	-	-0	-	-	-0	-0	-0	-0
Taxes Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-4	-7
Interest Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CF from Operating Activities	-2	1	1	1	2	1	1	2	2	2	2	2	13	23	30
Acquisition of															
Salon fit-out and remodeling (interior build-out)	-	-	-	-	-	-	-	-	-	-	-	-	-8	-	-
Salon equipment and furniture (chairs, styling stations, hydraulic chairs, mirrors)	-	-	-	-	-	-	-	-	-	-	-	-	-13	-	-
Waste disposal, ventilation, and water systems upgrades	-	-	-	-	-	-	-	-	-	-	-	-	-3	-	-
IT and point-of-sale (POS) and software systems	-	-	-	-	-	-	-	-	-	-	-	-	-6	-	-6
CF from Investing Activities	-	-	-	-	-	-	-	-	-	-	-	-	-29	-	-6
Loans Received / Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments Received / Paid	-	-	-	-	-	-	-	-	-	-	-	-	54	-	-
CF from Financing Activities	-	-	-	-	-	-	-	-	-	-	-	-	54	-	-
Ending Balance	20	22	23	24	25	27	28	30	32	33	36	38	38	61	85

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 (thnd USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Initial Balance	23	20	22	23	24	25	27	28	30	32	33	36	-	38	61
EBIT	1	1	1	1	1	1	2	2	2	2	2	2	17	29	42
Δ Receivables & Prepaids	-4	-	-0	-1	-	-0	-1	-	-0	-1	-	-0	-7	-5	-7
Δ Payables	0	-	-	0	-	-	0	-	-	0	-	-	0	0	0
Δ Inventory	-	-	-0	-	-	-1	-	-	-0	-	-	-0	-3	-2	-4
Δ Depreciation	0	0	0	0	0	0	0	0	0	0	0	0	6	6	6
Tax Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-4	-7
Interest Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CF from Operating Activities	-2	1	1	1	2	1	1	2	2	2	2	2	13	23	30
Acquisition of															
Salon fit-out and remodeling (interior build-out)	-	-	-	-	-	-	-	-	-	-	-	-	-8	-	-
Salon equipment and furniture (chairs, styling stations, hydraulic chairs, mirrors)	-	-	-	-	-	-	-	-	-	-	-	-	-13	-	-
Waste disposal, ventilation, and water systems upgrades	-	-	-	-	-	-	-	-	-	-	-	-	-3	-	-
IT and point-of-sale (POS) and software systems	-	-	-	-	-	-	-	-	-	-	-	-	-6	-	-6
CF from Investing Activities	-	-	-	-	-	-	-	-	-	-	-	-	-29	-	-6
Loans Received / Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investments Received / Paid	-	-	-	-	-	-	-	-	-	-	-	-	54	-	-
CF from Financing Activities	-	-	-	-	-	-	-	-	-	-	-	-	54	-	-
Ending Balance	20	22	23	24	25	27	28	30	32	33	36	38	38	61	85

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.

Cost of Capital Estimation

Required Return on Equity Derivation

- 1. RE 12.46%
  - 2. RF 4.29%
    - 2.1. TSY Bond 4.64%
    - 2.2. Country Risk 0.35%
  - 3. Adj ERP 4.17%
    - 3.1. ERP 4.58%
      - 3.1.1. Mature market ERP 4.23%
      - 3.1.2. Country Risk 0.35%
        - 3.1.2.1. Rating-based Default 0.23%
        - 3.1.2.2. Default Spread Multiple 1.52
    - 3.2. Total levered *β* 0.91
      - 3.2.1. Tax rate 26.00% and D/E Ratio 0.38
      - 3.2.2. Unlevered *β* 0.71
  - 4. Illiquidity Discount 4.00%

Cost of Capital: CAPM Inputs

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)+β ⁎ (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 correspondingindustries. 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 Premiumof 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

	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%	46.68%	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/

Sources: Aswath Damodaran, Investing.com

Business Valuation

DCF

(thnd USD)	Y1	Y2	Y3	Y4	Y5	Y6	Y7
Profit after Tax	**13**	**21**	**31**	**35**	**41**	**47**	**53**
Growth% Y4-Y7				14.70%	14.70%	14.70%	14.70%
Growth% Y7	5.60%						
WACC'	**12.46%**						
PV Y1-Y7 at Y0	11	17	22	22	23	23	23
PV Y7 --> Y0	362						
NPV (thnd USD)	503						

Assumed 3Y Survival Rate 50%

Final Valuation $ 251k

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 12.46 % to determine the Firm Value.

Starting from year 3 onwards, the cash flows are estimated to grow at a rate of 9.80 %, 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. Taking into account the project's current stage of development and risk profile, the final survival rate has been assumed at 50%. 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.

Sources: Company's Proprietary Planning

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 Ra te (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...	lower by 10%
		This scenario models an increase in the discount rate (RoE) driven by higher market risk, macroeconomic instability, or industry-	

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	$ 170k	$ 195k	$ 144k	$ 170k	$ 170k	$ 170k	$ 170k
	Gross Profit Y3	$ 75k	$ 86k	$ 64k	$ 94k	$ 56k	$ 75k	$ 75k
	GP Margin	44%	44%	44%	55%	33%	44%	44%
	EBITDA Y3	$ 48k	$ 55k	$ 40k	$ 67k	$ 29k	$ 48k	$ 48k
	EBITDA Margin	28%	28%	28%	39%	17%	28%	28%
	Net Profit Y3	$ 31k	$ 36k	$ 26k	$ 45k	$ 17k	$ 31k	$ 31k
	Profit Margin	18%	18%	18%	26%	10%	18%	18%
	Final Valuation	$ 251k	$ 295k	$ 208k	$ 365k	$ 138k	$ 313k	$ 209k

Stress Test: Growth Under Pressure

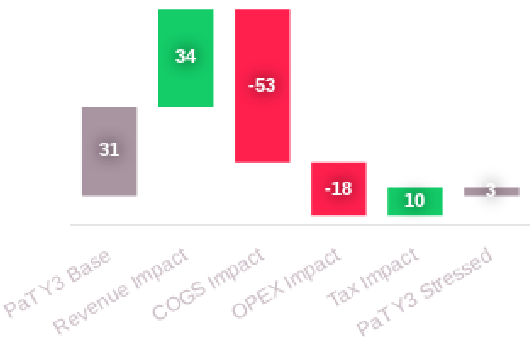
Stress tests provide a comprehensive view of how businesses might perform under extreme conditions, enabling better preparation for the uncertainties of challenges.

Scenario Name	Story
Growth Under Pressure	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.

KPIs impact

Revenue Higher by 20%	**COGS** Higher by 30%
OPEX Higher by 40%	**Discount Rate** unaffected

Results

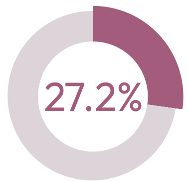


$ 27k
Valuation

$ 204k
Revenue Y3

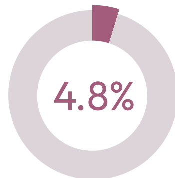
$ 10k
EBITDA

$ 3k
Profit After Tax



Gross Profit Margin Y3

EBITDA Margin Y3



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 challenges.

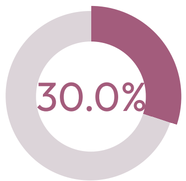
Scenario Name	Story
The Perfect Storm	This scenario simulates the convergence of adverse market conditions and rising operational challenges. A sharp downturn in market demand coincides with increased costs due to inflation and supply chain disruptions. The combination results in a dual hit to both top-line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

KPIs impact

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

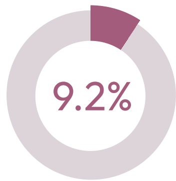
Results

$ 42k Valuation	**$ 153k** Revenue Y3
$ 14k EBITDA	**$ 6k** Profit After Tax



Gross Profit Margin Y3

EBITDA Margin Y3



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	$ 50k	$ 56k	$ 59k	$ 65k	$ 68k	$ 75k	$ 57k	$ 58k	$ 60k	$ 64k	$ 66k	$ 68k
	Y2	$ 85k	$ 96k	$ 101k	$ 112k	$ 117k	$ 128k	$ 97k	$ 100k	$ 103k	$ 110k	$ 113k	$ 116k
	Y3	$ 136k	$ 153k	$ 161k	$ 178k	$ 187k	$ 204k	$ 155k	$ 160k	$ 165k	$ 175k	$ 180k	$ 185k
Gross Profit	Y1	$ 25k	$ 29k	$ 30k	$ 33k	$ 35k	$ 38k	$ 29k	$ 30k	$ 31k	$ 33k	$ 34k	$ 35k
	Y2	$ 40k	$ 46k	$ 48k	$ 53k	$ 56k	$ 61k	$ 46k	$ 48k	$ 49k	$ 52k	$ 54k	$ 55k
	Y3	$ 60k	$ 67k	$ 71k	$ 79k	$ 82k	$ 90k	$ 68k	$ 70k	$ 73k	$ 77k	$ 79k	$ 82k
GP Margin	Y1	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%
	Y2	48%	48%	48%	48%	48%	47%	48%	48%	48%	48%	48%	48%
	Y3	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%	44%
EBITDA	Y1	$ 18k	$ 21k	$ 22k	$ 24k	$ 25k	$ 28k	$ 21k	$ 22k	$ 22k	$ 24k	$ 24k	$ 25k
	Y2	$ 28k	$ 31k	$ 33k	$ 36k	$ 38k	$ 42k	$ 32k	$ 33k	$ 34k	$ 36k	$ 37k	$ 38k
	Y3	$ 38k	$ 43k	$ 45k	$ 50k	$ 52k	$ 57k	$ 43k	$ 45k	$ 46k	$ 49k	$ 50k	$ 52k
EBITDA Margin	Y1	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%	37%
	Y2	33%	32%	33%	32%	32%	32%	32%	32%	32%	32%	32%	32%
	Y3	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%	28%
Net Profit	Y1	$ 9k	$ 11k	$ 12k	$ 14k	$ 14k	$ 16k	$ 11k	$ 12k	$ 12k	$ 13k	$ 14k	$ 14k
	Y2	$ 16k	$ 19k	$ 20k	$ 23k	$ 24k	$ 26k	$ 19k	$ 20k	$ 20k	$ 22k	$ 23k	$ 24k
	Y3	$ 24k	$ 27k	$ 29k	$ 33k	$ 34k	$ 38k	$ 28k	$ 29k	$ 30k	$ 32k	$ 33k	$ 34k
Profit Margin	Y1	19%	20%	20%	21%	21%	22%	20%	20%	20%	21%	21%	21%
	Y2	19%	19%	20%	20%	20%	21%	20%	20%	20%	20%	20%	20%
	Y3	18%	18%	18%	18%	18%	19%	18%	18%	18%	18%	18%	18%
Final Valuation		$ 194k	$ 222k	$ 237k	$ 266k	$ 280k	$ 309k	$ 225k	$ 234k	$ 243k	$ 260k	$ 269k	$ 277k

Glossary

Abbreviations

Adj - Adjusted
Admin - Administrative Expense
Av - Average
b - Billions of
B2B - Business to Business
B2C - Business to Customer
C-level - Chief level
CAGR - Compounded Annual Growth Rate
CAPEX - Capital Expenditure
CAPM - Capital Asset Pricing Model
CBDO - Chief Business Development Officer
CEO - Chief Executive Officer
CF - Cash FLow
CFO - Chief Financial Officer
COGS - Cost of OODS Sold
CPO - Chief Product Officer
CTO - Chief Technology Officer
D/E - Debt to Equity
DCF - Discounted Cash Flow
Depr. - Depreciation
Dev - Developer
EBIT - Earnings Before Interest and Taxes
EBITDA - Earnings Before Interest, Axes, Depreciation, and Amortization

HR - Human Resources
Inv. - Inventory
k - Thousands of
KPI - Key Performance Indicators
LE - Legal Entity
LFY - Last Fiscal Year
LLM - Large Language Model
m - Millions of
MTD - Month-To-Date
MVP - Minimum Viable Product
NDA - Non-Disclosure Agreement
NFT - Non-Fungible Token
NPV - Net Present Value
OPEX - Operating Expense
P&L - A Profit and Loss (P&L) Statement
PaT - Profit after Tax
PbT - Profit before Tax
PE - Private Equity
PL - Profit and Loss
POC - Proof of Concept
PPE - Property, Plant, and equipment
PV - Present Value
RE - Return on Equity

Sources: Company's Proprietary Information

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