Business Plan

& Valuation Presentation

Contents

OUR
VISION & MISSION

Our Mission

Party Rental Ltd. exists to enable memorable events by offering an unmatched depth of rental inventory, design options, and flawless delivery logistics. By maintaining scale, reliability, and service-led operations, the company ensures clients can host any gathering—corporate, nonprofit, or social—without worrying about the details of equipment, setup, or execution. The organization continually innovates sourcing, inventory management, and delivery speed to reduce risk and elevate experiences, so events come to life with consistency, style, and impact that only a premier rental partner can provide.

Our Vision

To become the definitive national standard for event orchestration, where every space—small or grand—across the Mid-Atlantic and Northeast can rely on Party Rental Ltd. for seamless, inspiring, and scalable event experiences. By expanding inventory depth, leveraging data-driven logistics, and growing a trusted network of clients and partners, the company aspires to set the benchmark for service excellence, operational reliability, and creative event design for decades to come.

Summary Financials Dashboard

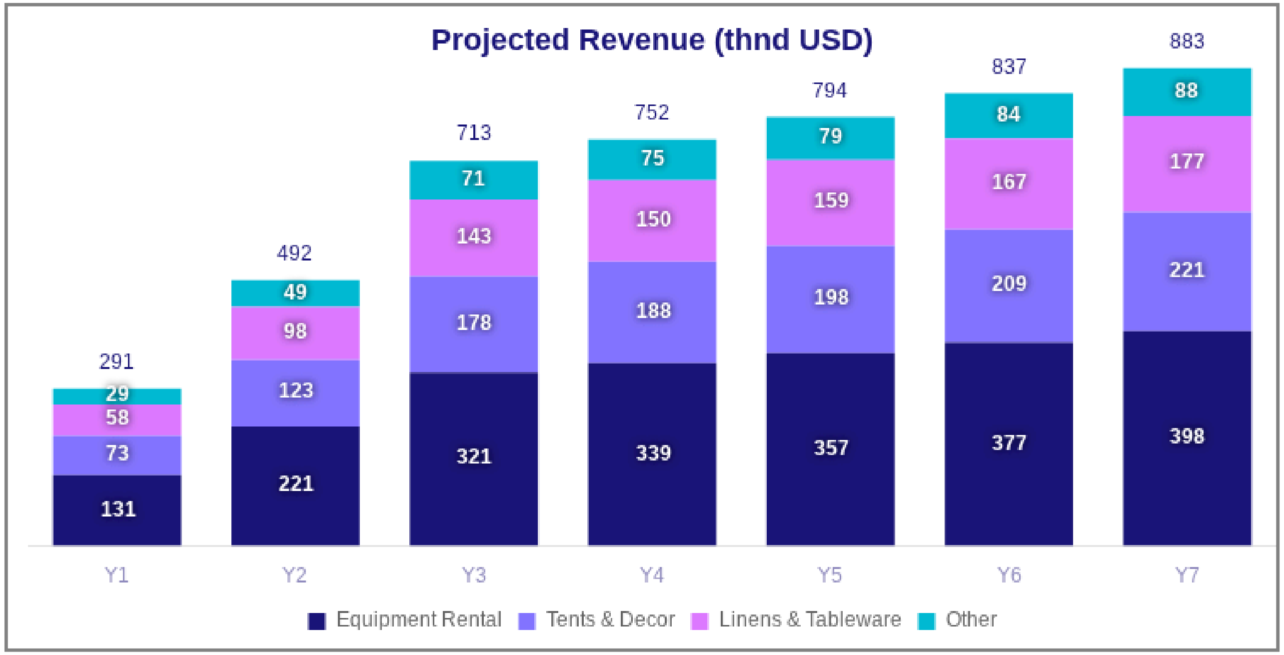
Key performance indicators
(Base Scenario Y3)

$ 713k
Revenue

$ 359k
Gross Profit

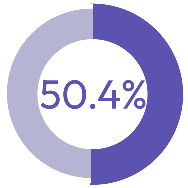
$ 249k
EBITDA

0.01%
Target Market Share

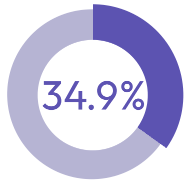


Margins
(Stabilized by Y3)

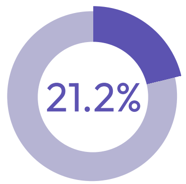
GP Margin



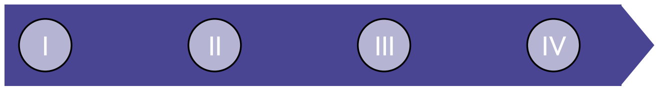
EBITDA Margin



PbT Margin



Project Phases



Phase 1 — Foundational
Phase 2 — Core Expansion &
Phase 3 — Adjacent Value
Phase 4 — Horizon-Scanning

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 $ 503k

Y1 CAPEX $ 503k

WC $ 56k

About the Company: General Overview

General Overview

Party Rental Ltd. stands as a leading force in the General Rental Centers industry, shaping the Mid-Atlantic and Northeast event landscape with a robust, service-led rental model. Headquartered in a 300,000 square foot facility in Teterboro, New Jersey, the company operates a network of branches across key markets including Philadelphia, Washington DC, Boston, the Hamptons, and New York. Founded in 1972 as Jersey Party Rental, the business began in a small Englewood garage with a modest inventory and has since evolved into a dominant, multi-market operator with a fleet of distinctive pink hippo trucks. Today, Party Rental Ltd. maintains an inventory surpassing three million rental items, enabling a high-touch design library and rapid delivery execution that differentiates it from smaller competitors. The firm services more than 55,000 events annually, delivering a balanced mix of corporate gatherings, non-profit fundraisers, and social and special events, with a strategic emphasis on inventory depth, curated design, and reliable logistics. This combination of scale, expertise, and operational excellence positions Party Rental Ltd. as a trusted partner for complex events and tight timelines, driving consistent growth in the Real Estate and Rental and Leasing sector.

The Main Phases: Projects & Impacts

01 Phase 1 — Foundational MVP

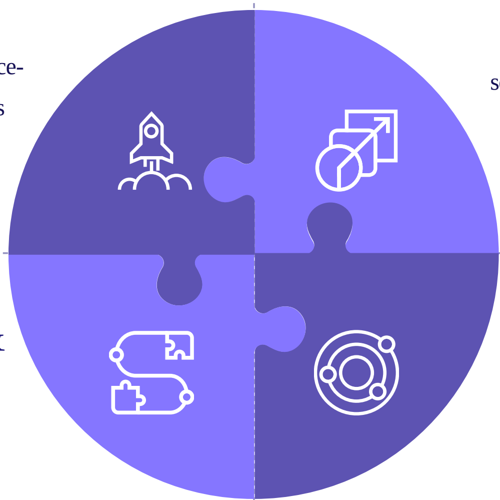
Phase I.

Party Rental Ltd. builds a solid foundation by expanding its core inventory and reliable delivery network, delivering a scalable, service-led rental experience that satisfies a growing regional demand across multiple major markets.

Phase 3 — Adjacent Value Streams 03

Phase III

New profit streams emerge as the firm commercializes design-led services, event planning partnerships, and potential vertical integrations (e.g., specialized decor, tenting, and logistical services) to diversify revenue.



02 Phase 2 — Core Expansion & Defense

Phase II

The company enhances its flagship offering with deeper inventory depth, better logistics, and expanded branch coverage to defend market share and support 55,000 annual events, while optimizing operations for efficiency.

Phase 4 — Horizon-Scanning Innovations 04

Phase IV.

Bold, long-horizon bets are pursued—such as scalable new formats, green initiatives, and regional consolidations or experiential platforms—that could redefine the business model years later while maintaining core profitability.

Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
Customers (Corporate, Non-profit, Social/Event Organizers)	People and organizations that rent equipment for events and occasions.
Supplier Partners & Manufacturers	Item and service providers who supply inventory, textiles, decor, and tenting to Party Rental Ltd.
Employees & Field Crew	Staff who manage inventory, logistics, delivery, setup, and customer service across branches.
Investors & Owners	Owners and potential investors seeking growth, profitability, and long-term value.
Local Communities & Regulators	Residents and authorities affected by operations, traffic, events, and employment in served regions.
Branch Partners & Franchise-like Operators	Regional branches and partner sites that extend Reach, inventory, and service capability.
Lenders & Financial Institutions	Banks and financiers assessing risk, liquidity, and capital needs for expansion

Sources: Company's Proprietary Assessment

Key Performance Components

Competitive Advantage

Inventory Depth & Design

Party Rental Ltd. leverages a vast, multi-million-item catalog and curated design options that few competitors can match, enabling tailored event themes and high-fidelity aesthetics across major markets.

Nationwide Logistics Scale

A centralized, expansive warehouse network and dedicated delivery fleet support rapid, reliable event-day execution, reducing lead times and boosting on-time fulfillment.

Regional Market Dominance

Strong brand presence across the Mid-Atlantic and Northeast with strategic branches, enabling superior local access, faster response, and deep customer relationships across corporate, nonprofit, and social segments.

Marketing and Growth Strategy

Brand Differentiation: Position Party Rental Ltd. as the largest, most reliable mid-Atlantic/northeast rental partner with unparalleled inventory depth and logistics prowess. Highlight pink hippo fleet, nationwide event delivery, and design-led collections to attract corporate, nonprofit, and social event planners.

Strategic Partnerships: Forge collaborations with venues, caterers, and event planners to secure preferred vendor status. Leverage cross-promotion, bundled services, and early-access inventory to drive repeat business and annual contracts.

Targeted Demand Gen: Leverage data-driven campaigns to reach enterprise clients and high-volume organizers. Utilize case studies, event showcases, and regional targeting in NY, NJ, PA, DC, and New England to convert inquiries into booked events.

Sources: Company's Proprietary Assessment

Target Groups

	Industries	Description
I	Corporate Event Planners	Professionals responsible for organizing conferences, galas, and large-scale corporate events who require reliable, on-time delivery, polished event aesthetics, and scalable inventory to support multiple sessions and venues.
II	Non-Profit Fundraisers & Charities	Organizations hosting fundraisers and charitable events that seek cost-effective, impactful rentals with dependable logistics to maximize attendee experience and fundraising outcomes.
III	Wedding & Social Event Coordinators	Planners and couples seeking premium inventory, boutique decor options, and coordinated delivery/set-up for weddings, anniversaries, and milestone celebrations.
IV	Hospitality & Venue Partners	Hotels, convention centers, country clubs, and event venues that require consistent inventory availability, rapid turn-key services, and a trusted logistics partner for venue-wide events.
V	Corporate Demonstration & Trade Show Buyers	Marketing and procurement teams sourcing booths, modular displays, and support services for trade shows and product launches with emphasis on reliability and scale.
VI	Municipal & Public Sector Coordinators	City-run event departments and public-facing institutions needing rentable infrastructure (tents, seating, staging) for festivals, concerts, and community events with compliance and safety focus.
VII	Small Businesses & Local Event Organizers	Entrepreneurs and community groups planning pop-ups, fundraisers, and private celebrations who benefit from flexible rental packages and scalable delivery options.

Sources: Company's Proprietary Assessment

Painpoints & Solutions

Solution from Phase I to Phase IV

	Painpoints	Solution
1	**Inventory Depth vs. Availability Gaps** — Limited inventory breadth or misalignment between event needs and stock on hand can lead to unavailable items or missed sales opportunities during peak seasons.	Implement a centralized inventory forecasting and replenishment system that prioritizes high-demand items, automates stock checks across branches, and enables dynamic reallocation of items to branches with higher demand.
2	**Delivery Reliability and Speed** — Late or failed deliveries erode customer trust and increase labor/return costs, especially across a multi-market region.	Standardize delivery windows, invest in optimized route planning, and expand driver training to improve on-time performance and reduce damage."
3	**Logistics Transparency and Coordination** — Fragmented communication between branches and the central operations creates delays and errors in orders, pick-ups, and setups.	Adopt a single logistics platform with real-time order visibility, cross-branch coordination, and automated confirmations to streamline planning and execution.
4	**Market Coverage Gaps** — Current footprint may under-serve growing regional demand in key markets, risking lost bookings to competitors with denser presence.	Accelerate expansion through targeted new branch openings and mobile pop-up inventory hubs near high-demand areas to defend share.
5	**Seasonality and Demand Peaks** — Fluctuating seasonal demand strains inventory, staffing, and logistics planning, leading to inefficiencies and higher costs.	Build flexible staffing models, scalable inventory pools, and predictive demand planning to smooth peak periods.
6	**Operational Efficiency and Margin Pressure** — Complex operations across multiple markets can erode margins due to manual processes and duplication of effort.	Digitize core processes with workflow automation, standard operating procedures, and KPI-driven performance dashboards to boost efficiency and profitability.
7	**Customer Experience and Customization** — Clients expect design-led options and seamless service; gaps in customization and event styling can reduce perceived value.	Expand design-led catalog, partner with event planners, and offer turnkey setup services to deliver a differentiated, hassle-free experience.

Strategic Analysis: SWOT

Strength

Dominant regional operator with extensive scale, 300,000 sq ft hub, and 55,000+ events annually, enabling high utilization and pricing power.

Weaknesses

Heavy reliance on physical inventory and logistics network may elevate maintenance costs and cap geographic flexibility during disruptions.

Opportunities

Expand digital catalog, e-commerce ordering, and design-led packages to attract new segments; leverage pink hippo brand for marketing and sponsorships.

Threats

Competition from national players and regional consolidations; supply chain disruptions affecting item availability; real estate costs pressure profitability.

Sources: Company's Proprietary Assessment

Pestel: Analysis

P	E	S	T	E	L
Political 7 / 10	Economic 8 / 10	Social 7 / 10	Technological 8 / 10	Environmental 6 / 10	Legal 7 / 10
Regulatory Environment: Construction, safety, and event permitting rules vary regionally; compliance affects operations and costs.	Economic Cycles: Event-driven demand fluctuates with economic health and corporate discretionary spend.	Event Trends: Rising demand for experiential, design-led events benefits large, diverse inventory.	Inventory IT + Analytics: Advanced inventory, tracking, and logistics tech streamline delivery accuracy.	Sustainability: Waste reduction, recycling, and eco-friendly gear influence procurement.	Liability & Compliance: Liability for equipment, safety standards, and contractual terms govern risk.
Trade & Local Policies: State and municipal procurement and permit requirements influence corporate and event sourcing.	Fuel & Transport Costs: Logistics-heavy model sensitive to fuel prices and trucking regulations.	Brand & Community: Strong regional presence supports trust, referrals, and repeat business.	Digital Platforms: Online catalogs, virtual showrooms, and e-commerce enhance customer experience.	Climate & Logistics: Weather impacts demand timing and delivery scheduling; sustainability increasingly valued.	Labor &union Laws: Labor regulations affect hiring, wages, and overtime for large event crews.

Party Rental Ltd. operates in a densely regulated, cost-sensitive, and logistics-heavy market; leveraging inventory depth, regional scale, and tech-enabled operations will sustain competitive advantage.

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

VRIO Framework: Analysis

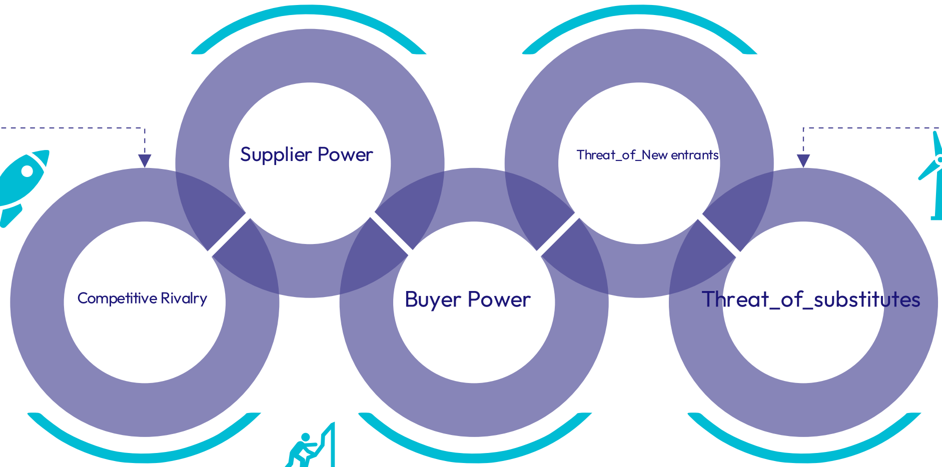
Value	Rarity	Imitability	Organization	
Does the resource or capability enable the firm to exploit an opportunity or neutralize a threat in the environment?	Is the resource or capability controlled by only a few firms or no other firms?	Is the resource or capability costly for other firms to imitate?	Is the firm organized to exploit the resource or capability?	
Leverages deep inventory, national footprint, and logistics to capture events, scale, and customer relationships amid rising demand for reliable, comprehensive rental solutions.	Extensive 3+ million-item catalog and regional dominance are relatively rare among peers in General Rental Centers.	High capital intensity, supplier networks, and entrenched routes create significant barriers to imitation.	Operations, warehousing, and multi-branch coordination appear structured to exploit large inventory and logistics advantages.	The combination of scale, breadth of inventory, and integrated logistics builds a sustained competitive advantage if kept aligned with market demand and continuous investment.
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 supplier concentration; essential inventory with some switching costs.

Moderate; large capital need and scale advantages deter some entrants, but fragmentation persists.

Intense rivalry among many regional/national rental operators.



Low to Moderate; few direct substitutes for event-ready rental services; some DIY or service alternatives exist.

Moderate; high-quality service and inventory reduce price sensitivity, but event buyers shop around.

Party Rental Ltd. operates in a highly competitive, scale-enhanced market; maintaining inventory depth, logistics efficiency, and regional dominance is critical for sustained advantage.

High
Moderate
Low

Management Team

Overview

Overview

Overview

Overview

Stage 6: Partnerships and capital strategy

Establish supplier alliances; pursue strategic financing for growth.

Stage 4: Sustainability and fleet modernization

Transition to eco-friendly trucks and sustainable sourcing practices.

Stage 2: Regional expansion acceleration

Open flagships in two strategic markets; enhance cross-region delivery.

Stage 5: Data-driven services

Invest in analytics for demand forecasting and event planning insights.

Stage 3: Digital platform launch

Deploy customer portal for bookings, availability, and dynamic pricing.

Stage 1: Market consolidation and fleet optimization

Streamline operations; optimize inventory

Current Status .

Draft roadmap for Party Rental Ltd. focusing on expansion, digital enablement, and sustainability to sustain leadership in the Mid-Atlantic and Northeast rental market.

Organizational and Marketing Tasks

#	Check List Item	Status	Priority	Area	ETA
General Planning and Organization					
1	Define company mission, vision, and core values	Not Started	High	CSO	1 month
2	Establish governance framework and decision rights	Not Started	High	CFO	1 month
3	Create initial organizational structure and roles	Not Started	High	CPO	2 weeks
4	Develop financial model and funding plan	Not Started	High	CFO	1 month
5	Define KPI dashboard and reporting cadence	Not Started	Medium	CFO	4 weeks
6	IT and data infrastructure assessment	Not Started	Medium	CIO	6 weeks
7	Compliance, risk, and insurance framework	Not Started	Medium	CFO	8 weeks
8	Branding and internal communication plan	Not Started	Low	CMO	2 months
Marketing					
1	Define target customer segments and ideal event profiles by region (Mid-Atlantic, Northeast)	Not Started	High	CMO	1 month
2	Develop a regional brand messaging framework highlighting inventory depth, service-led delivery, and reliability	Not Started	High	CMO	1 month
3	Launch regional marketing campaigns (digital, trade shows, partnerships with event planners)	Not Started	High	CMO	2 months
4	Create a channel partner program with venues, planners, and florists to drive referrals	Not Started	Medium	CSO	3 months
5	Develop content marketing: case studies, inventory deep-dive videos, and behind-the-scenes logistics	Not Started	Medium	CIO	2 months
6	Optimize SEO for regional branches and service pages; implement local landing pages	Not Started	High	CIO	1 month
7	Social proof and reviews program including testimonials from major markets	Not Started	Medium	CMO	6 weeks
	Measure and report on key marketing metrics: CAC, LTV, regional penetration, and event volume				

Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
Phase 1 & Technical Set Up for next Phases					
1	Inventory expansion planning	Not Started	High	CPO	M08 2026
2	Delivery network optimization	Not Started	High	COO	M07 2026
3	Branch footprint assessment	Not Started	Medium	CFO	Q4 2026
4	Inventory procurement strategy & supplier agreements	Not Started	High	CFO	M09 2026
5	Fleet modernization plan (pink hippo trucks)	Not Started	Medium	CPO	M10 2026
6	Technology backbone for MVP (rental management system)	Not Started	High	CTO	Q3 2026
7	Service-grade SOP development	Not Started	High	CIO	Q3 2026
8	Initial key performance metrics & reporting	Not Started	Medium	CFO	Q4 2026
Phase 2					
1	Expand flagship inventory depth for core events (increase SKU breadth and quantity)	Not Started	High	CPO	M06 2026
2	Optimize delivery routing and fleet utilization with advanced logistics planning	Not Started	High	COO	M07 2026
3	Expand regional branch footprint: identify 2–3 new key markets and finalize site leases	Not Started	High	CFO	Q3 2026
4	Upgrade warehouse management system (WMS) and inventory visibility across all branches	Not Started	High	CIO	Q3 2026
5	Develop standardized delivery SOPs and training programs for drivers and crews	Not Started	Medium	COO	M08 2026
6	Implement KPI dashboard for operations (on-time delivery, order accuracy, inventory turns)	Not Started	Medium	CIO	M09 2026
7	Establish vendor and supplier consolidation for cost efficiency (shared service contracts)	Not Started	Medium	CFO	M09 2026
8	Pilot regional tenting and decor packages for higher-margin offerings	Not Started	Low	CPO	M10 2026

Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
Phase 3					
1	Develop design-led service packages and bundled offerings	Not Started	High	CPO	M06 2026
2	Establish event planning partnerships pilot program	Not Started	High	CSO	M07 2026
3	Launch design-led decor and staging service line	Not Started	High	CPO	M08 2026
4	Tenting and logistics vertical integration due diligence	Not Started	Medium	CIO	Q3 2026
5	Pilot regional decor inventory for flagship markets	Not Started	Medium	CFO	M09 2026
6	Develop vendor ecosystem and preferred supplier program	Not Started	Medium	CRO	Q4 2026
7	Create pricing models for adjacent services	Not Started	High	CFO	M09 2026
8	Marketing collateral and go-to-market for adjacent streams	Not Started	Low	CMO	Q4 2026
Phase 4					
1	Phase 4 Task 1: Develop scalable green initiatives roadmap	Not Started	High	CIO	Q3 2026
2	Phase 4 Task 2: Pilot regional consolidation model for supply chain resilience	Not Started	High	CFO	Q4 2026
3	Phase 4 Task 3: Explore experiential platform partnerships and deploy a pilot in one major market	Not Started	Medium	CSO	Q2 2027
4	Phase 4 Task 4: Invest in scalable new formats (e.g., modular tents, event spaces) feasibility study	Not Started	Medium	CPO	Q3 2026
5	Phase 4 Task 5: Develop design-led services expansion blueprint and pricing framework	Not Started	Medium	CMO	Q4 2026
6	Phase 4 Task 6: Assess regional data infrastructure and predictive analytics for demand forecasting	Not Started	High	CIO	Q1 2027
7	Phase 4 Task 7: Create sustainability reporting and green procurement policy	Not Started	Medium	CFO	Q4 2026
8	Phase 4 Task 8: Establish corporate venture exploration for strategic partnerships and potential acquisitions	Not Started	Low	CEO	Q2 2027

Core Risks & Mitigation Strategies

1. Operation and maintenance risks

#	Risk Type	Area	Mitigation Strategy
1	Inventory damage/theft and loss	CFO	Implement stringent inventory controls and geofenced tracking systems.
2	Delivery/logistics disruption	COO	Maintain backup vehicles and multi-modal routes; real-time routing optimization.
3	Vehicle fleet maintenance failures	CFO	Preventive maintenance schedule and SLAs with third-party partners.
4	Inventory obsolescence or misalignment with demand	CPO	Regular demand forecasting and inventory rotation; seasonal buy/lease strategies.
5	Quality control of rented items	CPO	Standardized QA checks and supplier quality agreements; defect tracking.

2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Licensing and permits compliance	CFO	Maintain a centralized permit calendar and annual license audits.
2	Occupational health and safety regulations	CFO	Implement rigorous safety programs and regular audits across branches.
3	Liability and insurance requirements	CFO	Secure comprehensive, scenario-tested insurance programs; review annually.
4	Contract and vendor compliance	CLO	Standardize contract templates; legal review for key terms; privacy controls.
5	Data privacy and cybersecurity regulations	CIO	Implement data governance, encryption, access controls, and breach response plan.

Sources: Company's Proprietary Assessment

Core Risks & Mitigation Strategies

3. Strategic/Market Risk

#	Risk Type	Area	Mitigation Strategy
1	Competitive intensity and market consolidation	CSO	Differentiate through exclusive inventory and superior service levels
2	Dependency on regional event demand cycles	CFO	Diversify client mix and expand into year-round offerings
3	Execution risk of phase-driven expansion	CPO	Adopt phased rollout with clear milestones and KPIs
4	Rising supplier costs and inflation impact	CFO	Negotiate long-term supplier terms and diversify sources
5	Technological disruption and platform risk	CTO	Invest in digital customer experience and data analytics

4. Finance risk

#	Risk Type	Area	Mitigation Strategy
1	Liquidity risk due to seasonal cash flow	CFO	Establish seasonal working capital financing facility and maintain 3-6 months cash runway.
2	Funding gaps for rapid expansion	CFO	Secure multi-year credit lines and stagger capex with milestones.
3	Credit risk with new customers	CFO	Implement robust credit checks and clear payment terms.
4	FX/interest rate exposure	CFO	Hedging strategies and fixed-rate financing where feasible.
5	Inventory obsolescence or write-downs	CFO	Regular inventory turnover analytics and liquidation plans.

5. Other general risks

#	Risk Type	Area	Mitigation Strategy
1	Supply chain disruption for inventory	CFO	Diversify supplier base; maintain safety stock; establish long-term contracts
2	Technology and data security breaches	CIO	Implement robust cybersecurity, regular audits, and incident response
3	Brand reputation and social media risk	CRO	Proactive PR, monitoring, rapid response playbook
4	Key-person risk	CEO	Succession planning; leadership development; advisory board
5	Environmental and sustainability risks	CPO	Sustainability programs; transparent reporting; green initiatives

Sources: Company's Proprietary Assessment

Market Overview (TAM, SAM and SOM)

Target Available Market (TAM)	Tool & Equipment R ental Subindustry	$ 4,660,000k	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 5.50%
Service Available Market (SAM)	1.25%	Party Rental Ltd. commands a dominant regional footprint with deep inventory, logistics, and event-capable capacity across the Mid-Atlantic and Northeast. Given its scale, 55,000+ annual events, and a 300,000 sq ft hub, a realistic serviceable portion of the national tool and equipment rental TAM is concentrated in its operating regions....	
Service Obtainable Market Y1-Y3 (SOM)	Year 1 0.50000% Year 2 0.80000% Year 3 1.10000%	Party Rental Ltd. is a dominant regional player with strong brand, deep inventory, and broad coverage. Given its capital size relative to a 4,660,000k USD TAM and a SAM of 1.25% of TAM, initial SOM is conservative (0.50%) due to industry concentration and SME competition. Gradual increases (0.80% then 1.10%) reflect continued market penetration,...	

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 $ 503k

Y1 Cash Flow Stream (thnd USD)	Inflows	Outlows
Gross Profit	165	
Payroll Expenses		20
Rent & Utilities		9
Marketing and Branding		4
Communication Expenses		3
CAPEX		503
Legal and Professional Fees		3
Office supplies		1
Representation and Entert.		1
Training and Development		1
Other Miscellaneous		1
CAPEX & WC shortage Y1		383
Buffer		120
Total Required Investment (thnd USD)		503

Payroll Expenses
3.72%

Rent & Utilities
1.59%

Marketing and Branding
0.80%

Communication Expenses
0.53%

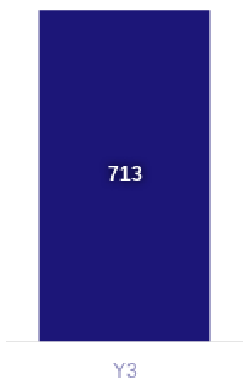
CAPEX
91.76%

Other
1.59%

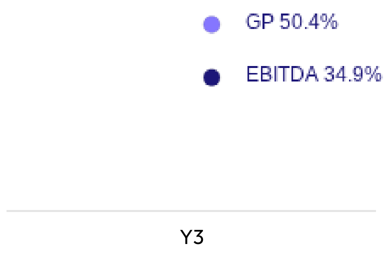
Financials Dashboard

Y3 PL formation and Margins

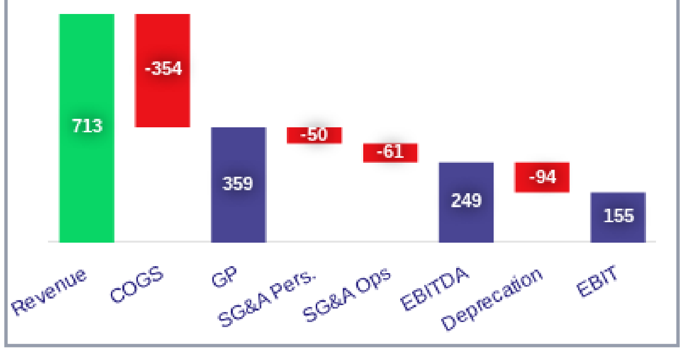
Revenue



Projected Revenue



PnL Formation (Y3 thnd USD)



Business Line Breakdown (thnd USD)

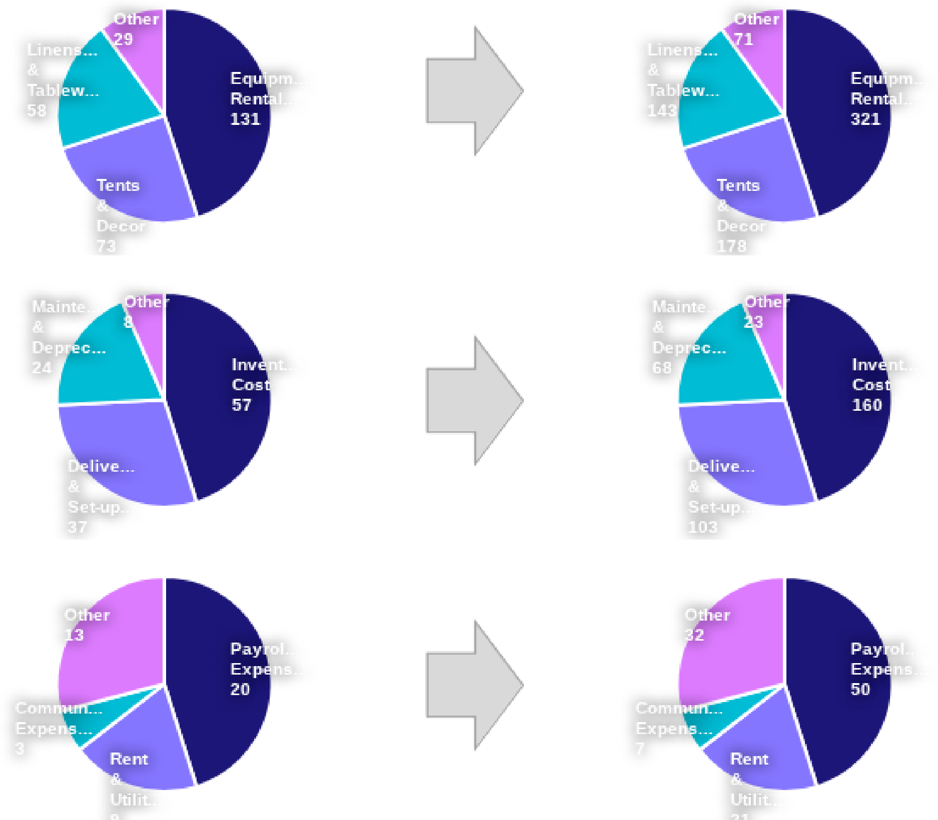
Y1

Y3

Revenue

COGS

Admin

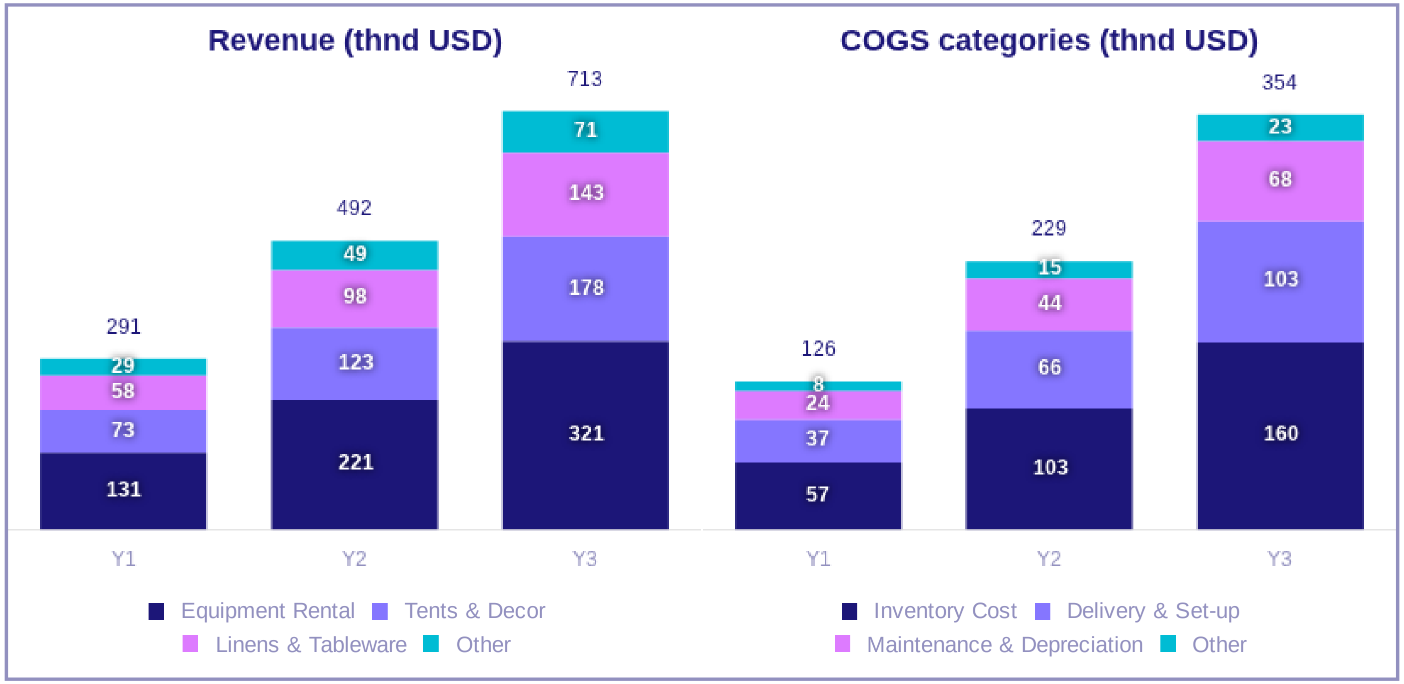


Revenue Formation Narrative

Party Rental Ltd. targets a revenue trajectory that aligns with its regional dominance, deep inventory, and logistics capability within the Mid-Atlantic and Northeast. Leveraging a Party Rental Ltd. footprint anchored by a 4,660,000k USD TAM, the business will convert market opportunity through four lines of business that together reflect a balanced mix of demand across events and occasions. The SAM is 1, signaling a sizable serviceable portion of the national tool and equipment rental market that can be served with existing assets and branch network. Initial SOM captures 1 of the TAM, expanding to 1 in Year 2 and 1 in Year 3 as the company scales operations, strengthens customer relationships, and optimizes deployment of its 300,000 square foot hub and regional branches. Revenue will be generated across four lines of business: Equipment Rental (45 of revenue), Tents & Decor (25 of revenue), Linens & Tableware (20 of revenue), and Other (10 of revenue). The near-term revenue for Years 1–3 is projected at 291.25k USD, 491.63k USD, and 713.171k USD, reflecting a capital-backed expansion plan that prioritizes inventory depth, delivery speed, and service capability. The revenue mix prioritizes Equipment Rental, Tents & Decor, Linens & Tableware, and Other with share weights of 45, 25, 20, and 10, respectively. The program is funded by 503k USD, enabling disciplined growth and capacity expansion while maintaining a defensible regional leadership position for Party Rental Ltd..

$ 713k Y3 Projected Revenue

0.01% Market Share



Revenue Calculation Details

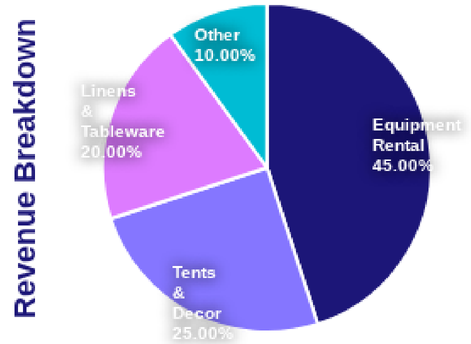
Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Equipment Rental	*45.00%*	*45.00%*	*45.00%*	*45.00%*	*45.00%*	*45.00%*	*45.00%*	*45.00%*	*45.00%*	*45.00%*	*45.00%*	*45.00%*	*45.00%*	*45.00%*	*45.00%*
Tents & Decor	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*	*25.00%*
Linens & Tableware	*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	*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%*
Equipment Rental	8	8	8	10	10	10	12	12	12	14	14	14	131	221	321
Tents & Decor	5	5	5	5	5	5	7	7	7	8	8	8	73	123	178
Linens & Tableware	4	4	4	4	4	4	5	5	5	6	6	6	58	98	143
Other	2	2	2	2	2	2	3	3	3	3	3	3	29	49	71
Total Revenue (thnd USD)	18	18	18	22	22	22	27	27	27	30	30	30	291	492	713

Total revenue is expected to reach $ 713k by year 3.

Main revenue driver are:

- Equipment Rental which generates $ 321k by Year 3
- Tents & Decor which generates $ 178k by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 56.48 %



COGS Calculation Details

COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Inventory Cost	*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%*
Delivery & Set-up	*12.60%*	*12.60%*	*12.60%*	*12.60%*	*12.60%*	*12.60%*	*12.60%*	*12.60%*	*12.60%*	*12.60%*	*12.60%*	*12.60%*	*12.60%*	*13.50%*	*14.40%*
Maintenance & Depreciation	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*8.40%*	*9.00%*	*9.60%*
Other	*2.80%*	*2.80%*	*2.80%*	*2.80%*	*2.80%*	*2.80%*	*2.80%*	*2.80%*	*2.80%*	*2.80%*	*2.80%*	*2.80%*	*2.80%*	*3.00%*	*3.20%*
Inventory Cost	4	4	4	4	4	4	5	5	5	6	6	6	57	103	160
Delivery & Set-up	2	2	2	3	3	3	3	3	3	4	4	4	37	66	103
Maintenance & Depreciation	2	2	2	2	2	2	2	2	2	3	3	3	24	44	68
Other	1	1	1	1	1	1	1	1	1	1	1	1	8	15	23
Total COGS (thnd USD)	8	8	8	9	9	9	12	12	12	13	13	13	126	229	354

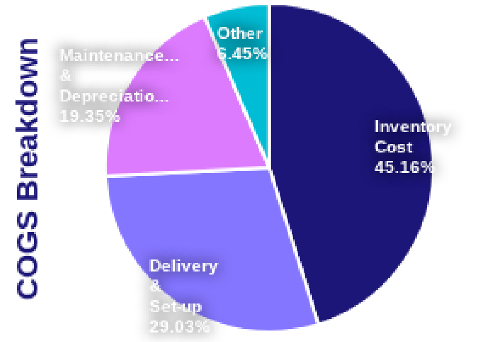
Total COGS is expected to reach '$ 354k by year 3.

Main revenue driver are:

• Inventory Cost which generates $ 160k by Year 3

• Delivery & Set-up which generates $ 103k by Year 3

Expected CAGR for total COGS in Y1-Y3 is 67.29 %



SG&A Calculation Details

OPEX Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Payroll Expenses	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Rent & Utilities	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%
Communication Expenses	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Office supplies	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%
Legal and Professional Fees	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Marketing and Branding	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%
Representation and Entertainment	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%
Training and Development	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%
Other Miscellaneous	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%

Payroll Expenses	1	1	1	2	2	2	2	2	2	2	2	2	20	34	50
Rent & Utilities	1	1	1	1	1	1	1	1	1	1	1	1	9	15	21
Communication Expenses	0	0	0	0	0	0	0	0	0	0	0	0	3	5	7
Office supplies	0	0	0	0	0	0	0	0	0	0	0	0	1	2	4
Legal and Professional Fees	0	0	0	0	0	0	0	0	0	0	0	0	3	5	7
Marketing and Branding	0	0	0	0	0	0	0	0	0	0	0	0	4	7	11
Representation and Entertainment	0	0	0	0	0	0	0	0	0	0	0	0	1	2	4
Training and Development	0	0	0	0	0	0	0	0	0	0	0	0	1	2	4
Other Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0	1	2	4
Total SG&A (thnd USD)	3	3	3	3	3	3	4	4	4	5	5	5	45	76	111

PaT Expectations

Income Statement (thnd USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Revenue	**18**	**18**	**18**	**22**	**22**	**22**	**27**	**27**	**27**	**30**	**30**	**30**	**291**	**492**	**713**
Equipment Rental	8	8	8	10	10	10	12	12	12	14	14	14	131	221	321
Tents & Decor	5	5	5	5	5	5	7	7	7	8	8	8	73	123	178
Linens & Tableware	4	4	4	4	4	4	5	5	5	6	6	6	58	98	143
Other	2	2	2	2	2	2	3	3	3	3	3	3	29	49	71
COGS	**-8**	**-8**	**-8**	**-9**	**-9**	**-9**	**-12**	**-12**	**-12**	**-13**	**-13**	**-13**	**-126**	**-229**	**-354**
Inventory Cost	-4	-4	-4	-4	-4	-4	-5	-5	-5	-6	-6	-6	-57	-103	-160
Delivery & Set-up	-2	-2	-2	-3	-3	-3	-3	-3	-3	-4	-4	-4	-37	-66	-103
Maintenance & Depreciation	-2	-2	-2	-2	-2	-2	-2	-2	-2	-3	-3	-3	-24	-44	-68
Other	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-8	-15	-23
Gross Profit	10	10	10	12	12	12	15	15	15	17	17	17	165	263	359
SG&A Personal Expenses	-1	-1	-1	-2	-2	-2	-2	-2	-2	-2	-2	-2	-20	-34	-50
SG&A Operating Expenses	-2	-2	-2	-2	-2	-2	-2	-2	-2	-3	-3	-3	-25	-42	-61
EBITDA	7	7	7	9	9	9	11	11	11	12	12	12	120	187	249
Depreciation	-8	-8	-8	-8	-8	-8	-8	-8	-8	-8	-8	-8	-94	-94	-94
EBIT	-0	-0	-0	1	1	1	3	3	3	5	5	5	26	93	155
Interest Expense	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-4	-4	-4
Profit before Tax	-1	-1	-1	1	1	1	3	3	3	4	4	4	22	89	151
Tax	0	0	0	-0	-0	-0	-1	-1	-1	-1	-1	-1	-6	-23	-39
Profit after Tax (thnd USD)	-0	-0	-0	1	1	1	2	2	2	3	3	3	16	66	112

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	38	45	50	56	64	71	77	87	96	105	117	128	128	277	400
Accounts Receivable	18	18	18	22	22	22	27	27	27	30	30	30	30	51	74
Inventory	8	8	9	9	9	12	12	12	13	13	13	14	14	22	37
Prepaid Expenses	1	1	1	1	1	1	1	1	1	1	1	1	1	2	3
Deferred Tax Assets	0	0	1	0	0	-	-	-	-	-	-	-	-	-	-
Current Assets	65	72	79	88	97	105	116	127	137	150	162	174	174	352	515
Inventory and Equipment for Rental Fleet	246	242	238	233	229	225	221	217	213	208	204	200	200	150	100
Facility and Warehousing Infrastructure	149	148	146	145	144	143	141	140	139	138	136	135	135	120	105
Technology and Software Systems	58	57	55	53	52	50	48	47	45	43	42	40	40	20	60
Fleet and Transportation	42	42	41	40	39	39	38	37	37	36	35	34	34	26	17
Non-Current Assets	495	487	480	472	464	456	448	441	433	425	417	409	409	316	282
Total Assets	560	560	559	560	561	561	564	567	570	575	579	583	583	668	797
Accounts Payable	1	1	1	1	1	1	1	1	1	1	1	1	1	2	3
Short-Term Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued Interest Expenses	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Deferred Tax Liabilities	-	-	-	-	-	0	1	2	2	4	5	6	6	23	39
Current Liabilities	1	1	1	1	1	1	2	3	4	5	6	7	7	26	43
Loans and Other Borrowings	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56
Non-Current Liabilities	56	56	56	56	56	56	56	56	56	56	56	56	56	56	56
Total Liabilities	58	58	58	58	58	58	59	60	60	62	63	64	64	82	99
Paid-In Capital	503	503	503	503	503	503	503	503	503	503	503	503	503	503	503
Retained Earnings	-	-	-	-	-	-	-	-	-	-	-	-	-	16	82
Current Period Earnings	-0	-1	-1	-1	-0	0	3	5	7	10	13	16	16	66	112
Total Equity	503	502	502	502	503	503	506	508	510	513	516	519	519	585	698

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	48	38	45	50	56	64	71	77	87	96	105	117	-	128	277
Cash from Sales of Goods / Services	-	18	18	18	22	22	22	27	27	27	30	30	261	471	690
Payments to Employees / Vendors	-10	-11	-12	-13	-13	-15	-16	-16	-17	-18	-18	-19	-185	-312	-478
Advances Paid / Received	-	-	-0	-	-	-0	-	-	-0	-	-	-0	-1	-1	-1
Taxes Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-6	-23
Interest Paid	-	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-4	-4	-4
CF from Operating Activities	-10	7	5	5	9	6	6	11	9	9	12	11	71	149	184
Acquisition of															
Inventory and Equipment for Rental Fleet	-	-	-	-	-	-	-	-	-	-	-	-	-250	-	-
Facility and Warehousing Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-150	-	-
Technology and Software Systems	-	-	-	-	-	-	-	-	-	-	-	-	-60	-	-60
Fleet and Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-43	-	-
CF from Investing Activities	-	-	-	-	-	-	-	-	-	-	-	-	-503	-	-60
Loans Received / Paid	-	-	-	-	-	-	-	-	-	-	-	-	56	-	-
Investments Received / Paid	-	-	-	-	-	-	-	-	-	-	-	-	503	-	-
CF from Financing Activities	-	-	-	-	-	-	-	-	-	-	-	-	559	-	-
Ending Balance	38	45	50	56	64	71	77	87	96	105	117	128	128	277	400

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	48	38	45	50	56	64	71	77	87	96	105	117	-	128	277
EBIT	-0	-0	-0	1	1	1	3	3	3	5	5	5	26	93	155
Δ Receivables & Prepaids	-18	-	-0	-4	-	-0	-5	-	-0	-4	-	-0	-32	-21	-24
Δ Payables	1	-	-	0	-	-	0	-	-	0	-	-	1	1	1
Δ Inventory	-	-	-2	-	-	-2	-	-	-2	-	-	-1	-14	-8	-15
Δ Depreciation	8	8	8	8	8	8	8	8	8	8	8	8	94	94	94
Tax Paid	-	-	-	-	-	-	-	-	-	-	-	-	-	-6	-23
Interest Expenses	-	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-4	-4	-4
CF from Operating Activities	-10	7	5	5	9	6	6	11	9	9	12	11	71	149	184
Acquisition of															
Inventory and Equipment for Rental Fleet	-	-	-	-	-	-	-	-	-	-	-	-	-250	-	-
Facility and Warehousing Infrastructure	-	-	-	-	-	-	-	-	-	-	-	-	-150	-	-
Technology and Software Systems	-	-	-	-	-	-	-	-	-	-	-	-	-60	-	-60
Fleet and Transportation	-	-	-	-	-	-	-	-	-	-	-	-	-43	-	-
CF from Investing Activities	-	-	-	-	-	-	-	-	-	-	-	-	-503	-	-60
Loans Received / Paid	-	-	-	-	-	-	-	-	-	-	-	-	56	-	-
Investments Received / Paid	-	-	-	-	-	-	-	-	-	-	-	-	503	-	-
CF from Financing Activities	-	-	-	-	-	-	-	-	-	-	-	-	559	-	-
Ending Balance	38	45	50	56	64	71	77	87	96	105	117	128	128	277	400

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 13.37%
  - 2. RF 4.33%
    - 2.1. TSY Bond 4.64%
    - 2.2. Country Risk 0.31%
  - 3. Adj ERP 5.04%
    - 3.1. ERP 4.91%
      - 3.1.1. Mature market ERP 4.60%
      - 3.1.2. Country Risk 0.31%
        - 3.1.2.1. Rating-based Default 0.23%
        - 3.1.2.2. Default Spread Multiple 1.34
    - 3.2. Total levered β 1.03
      - 3.2.1. Tax rate 26.00% and D/E Ratio 0.30
      - 3.2.2. Unlevered β 0.84
  - 4. Illiquidity Discount 4.00%

Sources: Aswath Damodaran, web search

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	**16**	**66**	**112**	**118**	**125**	**132**	**139**
	Growth% Y4-Y7				5.50%	5.50%	5.50%	5.50%
	Growth% Y7	3.50%						
	WACC'	**13.37%**						
	PV Y1-Y7 at Y0	14	51	77	72	67	62	58
	PV Y7 --> Y0	605						
	NPV (thnd USD)	1,005						

Assumed 3Y Survival Rate	50%
Final Valuation	$ 502k

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 13.37 % to determine the Firm Value.

Starting from year 3 onwards, the cash flows are estimated to grow at a rate of 5.50 %, 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.

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	$ 713k	$ 820k	$ 606k	$ 713k	$ 713k	$ 713k	$ 713k
	Gross Profit Y3	$ 359k	$ 413k	$ 306k	$ 430k	$ 289k	$ 359k	$ 359k
	GP Margin	50%	50%	50%	60%	40%	50%	50%
	EBITDA Y3	$ 249k	$ 286k	$ 212k	$ 320k	$ 178k	$ 249k	$ 249k
	EBITDA Margin	35%	35%	35%	45%	25%	35%	35%
	Net Profit Y3	$ 112k	$ 140k	$ 84k	$ 164k	$ 60k	$ 112k	$ 112k
	Profit Margin	16%	17%	14%	23%	8%	16%	16%
	Final Valuation	$ 502k	$ 632k	$ 373k	$ 743k	$ 262k	$ 591k	$ 436k

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

Growth Und er Pressure

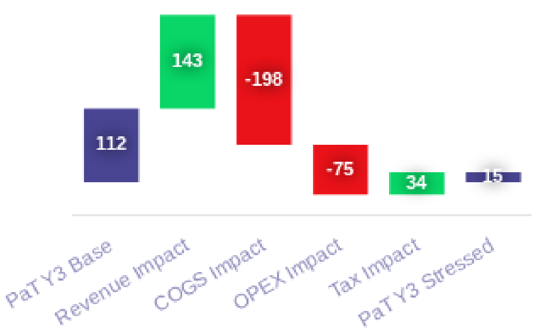
Story

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

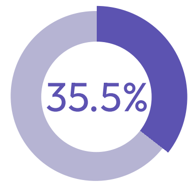


$ 60k
Valuation

$ 856k
Revenue Y3

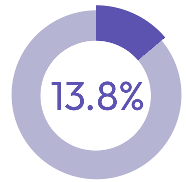
$ 118k
EBITDA

$ 15k
Profit After Tax



Gross Profit Margin Y3

EBITDA Margin Y3



Stress Test: The Perfect Storm

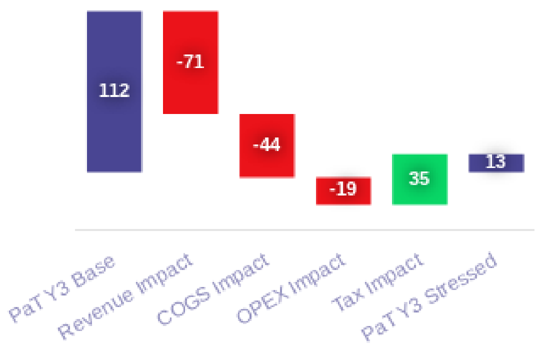
Stress tests provide a comprehensive view of how businesses might perform under extreme conditions, enabling better preparation for the uncertainties of challenges.

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.

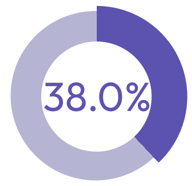
KPIs impact

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

Results

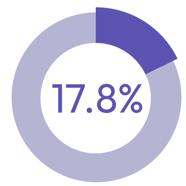


$ 35k Valuation	**$ 642k** Revenue Y3
$ 115k EBITDA	**$ 13k** Profit After Tax



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	$ 233k	$ 262k	$ 277k	$ 306k	$ 320k	$ 350k	$ 265k	$ 274k	$ 283k	$ 300k	$ 309k	$ 317k
	Y2	$ 393k	$ 442k	$ 467k	$ 516k	$ 541k	$ 590k	$ 447k	$ 462k	$ 477k	$ 506k	$ 521k	$ 536k
	Y3	$ 571k	$ 642k	$ 678k	$ 749k	$ 784k	$ 856k	$ 649k	$ 670k	$ 692k	$ 735k	$ 756k	$ 777k
Gross Profit	Y1	$ 132k	$ 148k	$ 157k	$ 173k	$ 181k	$ 198k	$ 150k	$ 155k	$ 160k	$ 170k	$ 175k	$ 180k
	Y2	$ 210k	$ 237k	$ 250k	$ 276k	$ 289k	$ 316k	$ 239k	$ 247k	$ 255k	$ 271k	$ 279k	$ 287k
	Y3	$ 288k	$ 323k	$ 341k	$ 377k	$ 395k	$ 431k	$ 327k	$ 338k	$ 349k	$ 370k	$ 381k	$ 392k
GP Margin	Y1	57%	57%	57%	57%	57%	57%	57%	57%	57%	57%	57%	57%
	Y2	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	54%	53%
	Y3	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
EBITDA	Y1	$ 96k	$ 108k	$ 114k	$ 126k	$ 132k	$ 144k	$ 109k	$ 113k	$ 116k	$ 123k	$ 127k	$ 130k
	Y2	$ 149k	$ 168k	$ 177k	$ 196k	$ 206k	$ 224k	$ 170k	$ 176k	$ 181k	$ 192k	$ 198k	$ 204k
	Y3	$ 199k	$ 224k	$ 236k	$ 261k	$ 274k	$ 299k	$ 226k	$ 234k	$ 241k	$ 256k	$ 264k	$ 271k
EBITDA Margin	Y1	41%	41%	41%	41%	41%	41%	41%	41%	41%	41%	41%	41%
	Y2	38%	38%	38%	38%	38%	38%	38%	38%	38%	38%	38%	38%
	Y3	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%	35%
Net Profit	Y1	-$ 1k	$ 8k	$ 12k	$ 21k	$ 25k	$ 34k	$ 8k	$ 11k	$ 14k	$ 19k	$ 22k	$ 24k
	Y2	$ 38k	$ 52k	$ 59k	$ 73k	$ 80k	$ 94k	$ 54k	$ 58k	$ 62k	$ 70k	$ 74k	$ 79k
	Y3	$ 75k	$ 94k	$ 103k	$ 121k	$ 130k	$ 149k	$ 95k	$ 101k	$ 106k	$ 118k	$ 123k	$ 129k
Profit Margin	Y1	-1%	3%	4%	7%	8%	10%	3%	4%	5%	6%	7%	8%
	Y2	10%	12%	13%	14%	15%	16%	12%	13%	13%	14%	14%	15%
	Y3	13%	15%	15%	16%	17%	17%	15%	15%	15%	16%	16%	17%
Final Valuation		$ 330k	$ 416k	$ 459k	$ 546k	$ 589k	$ 675k	$ 425k	$ 451k	$ 477k	$ 528k	$ 554k	$ 580k

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

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