





# Purpose of Startup Valuation: For Pre-Seed, Seed & Mezzaine Financing

# **Table of Contents for Startup Company Valuation**

- Disclaimer
- Executive Summary
  - Startup Company Vision & Mission
  - Introductions of Startup Company
  - Purpose of Startup Company Valuation
  - Covering Letter from Auditor
  - Financial Valuation Summary

### Startup Company Profile

- Products & Services
- Market Position Analysis
- Management Team
- Future Goals
- Conclusion

### Industry & Marekt Analysis

- Global Market Overview
  - Application Insights
  - Regional Insights
- Middle East Market Overview
- UAE Market Overivew
  - Inflation Rate in UAE
  - UAE Population Statistics
  - Industry Growth
  - Potential Target Market
- Risks & Mitigation Analysis
  - Business model risk
  - Operating Risk
  - Financial Risk
  - Technological Risk
  - Legal Risk
  - Risk of Implementation
  - What Kind of Challenges are facing by this kind of Business in the market or industry?
  - How to mitigate the Risks and What would be Mitigation Strategies to reduce the above-mentioned Risks?

### • Competitor's Analysis

- Competitor's Analysis No.1
- Competitor's Analysis No.2
- Competitor's Analysis No.3





### SWOT Analysis

- Regarding Strength and Weakness
- Opportunities & Challenges
- Challenges for this Business
- Special Challenges / Risk Factors

# • Startup Business Valuation

- Valuation Summary
- Valuation Methods & Approaches of Pvt. Company
- Application of Methods
- Scorecard Method –(Pre -Revenue & Early Stage Companies)
- Checklist Method –(Pre -Revenue & Early Stage Companies)
- Venture Capital Method

  (Investor's Required Return after Exit)
  - Pre-Money Valuation
  - Post Money Valuation
- Blended Valuation (Combination of all Methods)

### Projected Financial Information

- Projected Balance Sheet
- Projected Income Statement
- Projected Statement of Cash Flows
- Projected financial Analysis.
- Key Performance Indicator (KPIs)
- Fixed Assets Schedule
- Depreciation Schedule

### Comparable Company Analysis

- Comparable Company no.1
- Comparable Company no.2
- Comparable Company no.3
- Valuation Techniques & Methodology
- WACC or Discount rate or Cost of Capital
- Levered / Unlevered Beta Calculation
- Limitations & Restrictions

### **Appendix**

- 1. Appendix A: First year Monthly Projected Balance Sheet
- 2. Appendix B First Year Monthly Projected Income Statement
- 3. Appendix C First Year Monthly Projected Cash Flow Statement
- 4. Appendix D First Year Monthly Projected Revenue/Sales Forecast.
- 5. Appendix F Cost of Sales
- 6. Appendix G Operating Expenses
- 7. Appendix H Fixed Assets Schedule

### **Key Assumptions**

- 1. Revenue Assumptions
- 2. Operating Cost Assumptions
- 3. Expense Related Assumptions
- 4. Fixed Assets Schedule assumptions

### References





- 1. Useful Web Links and Contacts
- CAPM is the Discount rate which is used to find out the Equity Value of Company.
- WACC is the Discount rate which is used to find out the Business Value of the Company.





# Purpose of Operational Company Valuation Sell Whole Business, Partly Equity Diluation

# <u>Table of Contents for Operational Company</u> <u>Valuation</u>

- Disclaimer
- Executive Summary
  - Company Vision & Mission
  - Introductions of Company
  - Purpose of Company Valuation
  - Covering Letter from Auditor
  - Financial Valuation Summary

### Business Financial Analysis

- Revenue Analysis
- Cost of Revenue Analysis
- Operating expense Analysis
- EBITDA Analysis
- Net Income Analysis
- Current Assets & Current Liabilities Analysis

# Company Profile

- Company Background
- Products & Services
- Market Position Analysis
- Management Team
- Future Goals
- Conclusion

### Industry & Marekt Analysis

- Global Market Overview
  - Application Insights
  - Regional Insights
- Middle East Market Overview
- UAE Market Overivew
  - Inflation Rate in UAE
  - UAE Population Statistics
  - Industry Growth
  - Potential Target Market
- Risks & Mitigation Strategies
  - Business model risk
  - Operating Risk
  - Financial Risk





- Technological Risk
- Credit Risk
- Lega Risk
- Compliance Risk
- Risk of Implementation
- Executions Risk
- Rapid Technological Advances
- What Kind of Challenges are facing by this kind of Business in the market or industry?
- How to mitigate the Risks and What would be Mitigation Strategies to reduce the above-mentioned Risks?

### Competitor's Analysis

- Competitor's No.1
- Competitor's No.2
- Competitor's No.3

### SWOT Analysis

- Regarding Strength and Weakness
- Opportunities & Challenges
- Challenges for this Business
- Special Challenges / Risk Factors

#### Business Valuation

- Valuation Summary
- Valuation Methods & Approaches of Pvt. Company
- Application of Methods
- Income Approach 1st Valuation Approach
  - Discounted Cash Flow Methods
  - Capitalized Cash Flow Methods
  - Excess Earnings Method or Residual Income Method
- Market Approach 2<sup>nd</sup> Valuation Approach
  - Guideline Public Company Method(GPCM)
  - Guideline Transaction Mehtod (GTM)
  - Prior Transaction or Precendent Transaction Method
- Asset Base Approach 3<sup>rd</sup> Valuation Approach
  - Net Asset Value Method
- Blended Valuation( Combination of all Methods)

#### Historical Financial Information

- Historical Balance Sheet
- Hostorical Income Statement
- Historical Statement of Cash Flows
- Historical financial Analysis.
- Key Performance Indicator (KPIs)
- Fixed Assets Schedule
- Depreciation Schedule
- Projected Financial Information





- Projected Balance Sheet
- Projected Income Statement
- Projected Statement of Cash Flows
- Projected financial Analysis.
- Key Performance Indicator (KPIs)
- Fixed Assets Schedule
- Depreciation Schedule
- Repayment of Long Terms Loan
- Break Even Analysis
- Risk Analysis of the Project
  - Risk Analysis -1 Sensitivity Analysis
  - Risk Analysis -2 Scenario Analysis

# Comparable Companies Analysis

- Comparable Company no.1
- Comparable Company no.2
- Comparable Company no.3
- Valuation Techniques & Methodology
- WACC or Discount rate or Cost of Capital
- Levered / Unlevered Beta Calculation
- Limitations & Restrictions

### **Appendix of Annexure**

- 1. Appendix A: First year Monthly Projected Balance Sheet
- 2. Appendix B First Year Monthly Projected Income Statement
- 3. Appendix C First Year Monthly Projected Cash Flow Statement
- 4. Appendix D First Year Monthly Projected Revenue/Sales Forecast.
- 5. Appendix F Cost of Sales
- 6. Appendix G Operating Expenses
- 7. Appendix H Fixed Assets Schedule

### **Key Assumptions**

- 8. Revenue Assumptions
- 9. Operating Cost Assumptions
- 10. Expense Related Assumptions
- 11. Fixed Assets Schedule assumptions

### References

2. Useful Web Links and Contacts