

# StartBid: 10 X in 5 Years (ROI Investor Brief)

**Objective:** Deliver **≥10× MOIC** to investors on the \$5M seed check within **5 years**.

## Deal Math & Target

- **Round terms (today):** \$20M pre / \$25M post
- Implies **~\$408–415M** company value in Year 5.
- **IRR guidepost:** 10 X in 5 years  $\approx$  **~58% IRR**.

**Translation to operating goals (Year 5):** - **Net platform revenue (“PTE revenue”): ~\$82M** (assumes a 5× revenue exit multiple; conservative vs growth comps). - **Platform-Take-Equivalent (PTE) target: 20–25% base** (teens-to-30s proven in category). - **GMV required: ~\$330–410M** (at 25–20% PTE). Even at **15%** downside PTE, GMV needed is **~\$545M**—well below our \$1B GMV ambition.

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## Why 10× Is Achievable

### 1) Proven demand & supply depth (today)

- **148k total registrations, 88% bid participation, 43% repeat bidders.**
- **98 suppliers with 800k+ deployable SKUs;** flexible warehousing capacity in place.
- AOV rising from **\$117** → **\$229** ('21→YTD '25).

**Implication:** With a ready audience and stocked catalog, StartBid can migrate and scale volume quickly once the always-on platform goes live.

### 2) Always-on auctions = step-change in throughput & conversion

- StartBid is designed for **auctions closing every ~6 seconds**, supporting **5M+ auctions/year** with AI-driven merchandising, reserve management, and marketing automation.

**Implication:** Higher sell-through and AOV from real-time personalization + price discovery, not event-based traffic spikes.

### 3) PTE around 22% is realistic in our categories

- **eBay (FY2024): \$74.7B GMV → \$10.3B revenue → ~13.8% PTE**
- **Etsy (FY2023): \$13.2B GMS → \$2.7B revenue → ~20.5% PTE**
- **The RealReal (FY2024): \$1.83B GMV → \$600M revenue → ~32.8% PTE**
- **Poshmark (FY2021): \$1.8B GMV → \$326M revenue → ~18.1% PTE.**

**Implication:** At ~22% PTE, Year-5 GMV ≈ \$370M is enough for \$82M PTE revenue.

Note: Garnet Gazelle (our MVP “today”) has operated at ~32% PTE but conservatively modeling with a -10% assumption.

Many other category peers have shown **\$1B–\$3B+ GMV** potential; we are targeting **≤\$0.5B GMV** for 10× under conservative revenue multiple and PTE.

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## Guardrails & Sensitivities

- **PTE:** Base **20–25%**; **worst-case 15%** (still sub-\$550M GMV to hit 10×); **upside 25–30%** with authentication/fintech/shipping margin.
  - **Multiple:** Base **5× revenue**; **4× downside** still clears 10× if PTE holds ≥22% and GMV lands ≥\$420M.
  - **Capital plan:** Use of funds weighted to platform/AI and growth; EBITDA intentionally negative during build/migration; profitability as scale kicks in.
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## Why us

- **Traction & profitability discipline** proven on legacy rails; **\$5.5M trailing GMV (December 2025)** with NO marketing tech.
- **Team with category & platform DNA** (StockX-level marketplace leadership + decade of auction merchandising expertise).
- **De-risked migration path** (cohorts + stage gates for transitioning large existing customer base of 65K+ active).

**Bottom line:** With PTE in the **teens-to-20s+** and a **\$330–410M GMV** Year-5 target, StartBid delivers a **10×** outcome on today’s round under conservative exit math which is well inside our TAM and below our \$1B GMV ambition (SOM).