

Modeling Notes

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Modeling

Step by Step

Model Assumptions

1. Entry Enterprise / Equity Valuation
 - a. Options
 - i. Multiple
 1. Entry EBITDA metric
 2. Entry multiple
 - ii. Premium on share price
 1. Share Price
 2. FDSO
 - a. TSM
 - b. If converted
 - b. Net Debt Calculation
 - c. Placeholder for IRR and MoM
2. Transaction assumptions
 - a. Exit Multiple
 - b. Tax Rate
 - c. Excess Cash requirement
 - d. Transaction Expenses
 - e. Cash Interest Rate
3. Debt Assumptions
 - a. Total leverage
 - b. Leverage able EBITDA
 - c. Different tranches
 - i. Leverage (EBITDA)
 - ii. Amount
 - iii. Floor
 - iv. Interest rate
 - v. Fee %
 - vi. Fee \$
 - vii. Recap Year

- viii. Recap Multiple
 - ix. OID %
 - x. OID Amount
 - d. Revolver Capacity
 - i. Interest rate
- 4. Investment Assumptions
 - a. Convertible Equity
 - i. Investment Amount
 - ii. Conversion price
 - iii. Shares
 - iv. Interest rate
 - b. Management options
 - i. Share price
 - ii. Issued
 - c. Total Shares
 - i. FDSO
 - ii. Convertible Shares
- 5. Sources and Uses
 - a. Sources
 - i. Debt tranches
 - ii. Sponsor Equity
 - iii. Other equity
 - b. Uses
 - i. Purchase equity value
 - ii. Net debt
 - iii. Excess cash
 - iv. Financing fees
 - v. Transaction fees
- 6. PF Balance Sheet
 - a. Goodwill Calculation
- 7. Add-on forecast
- 8. Income statement forecast
- 9. Balance Sheet Forecast
- 10. Debt Paydown Schedule
 - a. Different Tranches
 - b. Dividend Recap
 - c. Interest
- 11. Returns analysis

- a. Preferred
- b. Convertible
- c. Common equity

12. Sensitivity Tables

Projecting Income Statement

Revenue

1. Simple Growth Rate
 - a. $1 + \% \text{Rate} * \text{Historical}$
2. Top Down market sizing
 - a. $\text{Market share} * \text{market size}$
3. Bottom up unit economics
 - a. $\text{Units sold} * \text{average selling price}$
4. Subscriber Build
 - a. $\text{Average Period Price} * \text{Average period units sold}$
5. Commission / Attach Rate
 - a. $\% \text{Rate} * \$ \text{Sold}$

COGS

1. Percent of Revenue
 - a. $\% \text{Margin} * \text{Revenue \& or other line item}$
2. Growth Rate
 - a. $1 + \% \text{Rate} * \text{Historical } \$$
3. Unit Economics (Assume cost projections)
 - a. $\text{Unit Cost} * \text{Units produced}$
4. Account for Specific Items differently

Operating Expenses

1. Percent of Revenue
2. Unit Economics (Assume cost projections)
3. Growth Rate
 - a. $1 + \% \text{Rate} * \text{Historical } \$$
4. Account for Specific Items differently

Interest Expense

- Calculated as an averaged of beginning and ending debt balance in typical cases
 - Alternative to prevent circular reference is use beginning debt balance
- See:

Taxes

- Use effective tax rate

Balance Sheet Projections

- Anything that combines both a income statement item (revenue, cogs, etc...) with balance sheet items (A/R, Inventory, etc...) should use the average of beginning and ending balance of the balance sheet item associated with the year of the income statement item

Accounts Receivable

- Period of days or weeks where you don't have cash because they haven't been paid
- Want higher A/R Turnover and lower DSO because it means you're collecting debt properly

A/R Turnover

- Measure of how efficiently a company is collecting its credit sales
 - Note: If credit sales aren't available just use revenue/sales

$$\text{A/R Turnover} = \frac{\text{Net Credit Sales}}{\text{Average A/R}}$$

Dales Sales Outstanding

- Measure of the average number of days it takes for a company to receive payment for a sale on credit
 - Once again uses credit sales but sales / revenue is a proxy

$$\text{Days Sales Outstanding (DSO)} = \frac{365}{\text{A/R Turnover}} = 365 * \frac{\text{Average A/R}}{\text{Net Credit Sales}}$$

Projecting Accounts Receivable

- Use DSO multiplied by Net Credit Sales (or just revenue) to back into Accounts Receivable for that year

$$\text{Projected A/R} = \frac{\text{Net Credit Sales} * \text{DSO}}{365}$$

- Note: the above technically gives Average A/R (usually just do the above)
 - To get Year end A/R then do the following

$$\text{Projected A/R} = 2 * \frac{\text{Net Credit Sales} * \text{DSO}}{365} - \text{Beginning A/R}$$

Accounts Payable

- This occurs when you received something from suppliers on credit (haven't paid cash)
 - For a company, you want lower A/P turnover and higher DPO because that means that they can extend their credit longer (typically)

A/P Turnover

- Measure of the efficiency in which creditors collect payment from the company
 - Note: Typically use COGS as proxy for Payments on account

$$\text{A/P Turnover} = \frac{\text{Payments on Account}}{\text{Average A/P}}$$

Days Payable Outstanding

- Measures the average number of days accounts payable are outstanding
 - Note: Typically use COGS as proxy for Payments on account

$$\text{Days Payable Outstanding (DPO)} = \frac{365}{\text{A/P Turnover}} = 365 * \frac{\text{Average A/P}}{\text{Payments on Account}}$$

Projected A/P

- Use DPO multiplied by Payments on Account (or just COGS) to back into Accounts Payable for that year

$$\text{Projected A/R} = \frac{\text{Payments on Account} * \text{DPO}}{365}$$

- Note: the above technically gives Average A/R (usually just do the above)
 - To get Year end A/R then do the following

$$\text{Projected A/P} = 2 * \frac{\text{Payments on Account} * \text{DPO}}{365} - \text{Beginning A/P}$$

Inventory

Inventory Turnover

- Measure the efficiency in which inventory is sold from balance sheet

$$\text{Inventory Turnover} = \frac{\text{COGS}}{\text{Average Inventory}}$$

Days Inventory Held

- Measures the average number of days inventory is held
 - Note: Typically use COGS as proxy for Payments on account

$$\text{Days Inventory Held (DIH)} = \frac{365}{\text{Inventory Turnover}} = 365 * \frac{\text{Average Inventory}}{\text{COGS}}$$

Projected Inventory

- Use DIH multiplied by COGS to back into Inventory for that year

$$\text{Projected Inventory} = \frac{\text{COGS} * \text{DIH}}{365}$$

- Note: the above technically gives Average A/R (usually just do the above)
 - To get Year end A/R then do the following

$$\text{Projected Inventory} = 2 * \frac{\text{COGS} * \text{DIH}}{365} - \text{Beginning Inventory}$$

Cash Conversion Cycle

$$\text{Cash Conversion Cycle (CCC)} = \text{DSO} + \text{DIH} - \text{DPO}$$

- Amount of time in days it takes for a company to convert money spent on inventory or production back into cash by selling its good or services
- Want to target a lower CCC
 - Typically means more efficient management

Deferred Taxes

1. Model out both book (GAAP) and cash income
2. Book-tax difference = book income - cash income
 - a. If book - cash > 0
 - i. DTL created
 1. Pay less cash taxes now
 - ii. DTL = Difference * tax rate
 - b. If book - cash < 0
 - i. DTA created
 1. Pay more cash taxes now
 - ii. DTA = Difference * tax rate

PPE, Capitalized Software, or Other Intangibles

- Use the Base Method
 - Beginning
 - (+) CapEx or Capitalized Software Costs
 - Typically projected as percent of revenue
 - (-) Depreciation or Amortization
 - Typically projected as percent of revenue
 - Ending

In theory, CapEX and Depreciation should become equivalent into final projection year if doing a perpetuity model

Debt Pay down Schedule and Interest

- Typical debt tranche followers

Ending Balance = Beginning + PIK Interest + Recap Debt / Additional Allocation - Mandatory Repayment - Vo

- Where interest expense is based on the average of beginning and ending balance

Cash Available for Debt Pay down

- Cash Available for Debt Pay down is CFO minus any capital investments (CapEX, Capitalized Software) to run the business
- Multiple ways to get there
 1. Typically start with net income and account for
 - Non-cash expenses

- PIK
- Amortization of debt
- Financing fees amortization
- D&A
- Taxes
 - Deferred Taxes
- Net Working Capital
- Capitalized costs
 - CapEx
 - Capitalized Software

2. Start with EBITDA and take out

- a. Interest Expense (pre-tax)
- b. Changes in working capital
- c. Capitalized costs
- d. Cash Taxes

$$\text{Cash Flow for Debt Repayment} = \text{CFO} - \text{CapEx or CFO} + \text{CFI}$$

Excess Cash

- You can also typically use any excess cash on balance sheet (unless otherwise stated) to pay down debt

$$\text{Excess Cash} = \text{Total Cash} - \text{Restricted/Operating Cash}$$

- Total cash used for debt pay down is cash flow and excess cash

$$\text{Cash Available for Debt Repayment} = \text{Cash Flow for Debt Repayment} + \text{Excess Cash}$$

- You then use that for all debt payments, starting with mandatory payments

Revolver

- Revolving line of credit
- In modeling
 - You draw the revolver when the company needs more cash than it is generating
 - You pay the revolver down when the company is free cash flow positive
- Typically highest on debt waterfall and is paid down first

Modeling

- Revolver modeling is based on
 - Maximum capacity
 - Most you can draw from the revolver
 - Current drawn amount

- Cash Available for debt pay down
- Typically draw a revolver using the following formula

Revolver Draw/(Paydown) = MIN(Available Capacity, -MIN(Cash Available for Debt Paydown, Revolver Beginn

where

$$\text{Available Capacity} = \text{Maximum Capacity} - \text{Beginning Balance}$$

and

Cash Available for Debt Pay down =

Revolver Interest

- Revolver total interest is based on two attributes
 - Commitment Fee
 - This is the fee on the undrawn portion of the revolver (Available Capacity)
 - Typically really small (under 100bps)

Revolver Commitment Fee = (Maximum Capacity - AVERAGE(Beginning Balance, Ending Balance)) * Com

- Actual Interest
 - This based on the drawn portion of the revolver (current revolver balance)
 - Typically based on a floating rate interest on some floor (SOFR or LIBOR)

$$\text{Revolver Interest} = \text{AVERAGE}(\text{Beginning Balance}, \text{Ending Balance}) * \text{Interest Rate } \%$$

Finally

$$\text{Total Interest} = \text{Interest} + \text{Commitment Fee}$$

Mandatory Repayment

- Provisions that require debtor to pay down a fixed percentage of principal every year
 - Typically based off initial principle balance
 - Typically based on % of principle balance
 - Must be paid out before optional amount
- If a company can't service mandatory repayments they'll undergo a default

$$\text{Mandatory Repayment} = -\text{MIN}(\text{Initial Balance} * \% \text{ Mandatory}, \text{Beginning Balance})$$

Optional Repayment

- If there is extra cash flow after mandatory repayments, and revolver pay down, you can use that cash to pay down all debt
 - Typically only pay down additional debt if there is a cash flow sweep
 - If a cash flow sweep is on you use all free cash flow to pay down additional debt up to the remaining debt
 - Typically account for a sweep with a switch where 1 = yes and 0 = no

Optional Repayment = -MIN(Beginning Balance + Mandatory Repayment, Cash Available for Paydown at th

Note: Assumes Mandatory repayment and all repayments are treated as negative values in excel, if positive then subtract

Recap Debt

For recap debt typically have some assumptions

- Recap year
- Max leverage

Typically modeled out as a separate tranche of debt

Total Recap Debt Calculation

Recap Debt Space = EBITDA * Max Leverage - Current Debt

Calculating Recap

Recap Debt = If(Current Year = Recap Year, Prior Year Ending Recap Debt Space, 0)

Recap Debt Paydown

Recap Debt Repayment = -MIN(Cash Available for Paydown at Tranche, SUM(Beginning recap Debt + Recap L

	2021E	2022E	2023E	2024E	2025E
Cash Available for Revolver Paydown	\$342	\$356	\$354	\$409	\$471
Revolver					
Beginning Balance	--	--	--	--	--
Optional Borrowing / (Repayment)	--	--	--	--	--
Ending Balance	Floor	Rate			
Interest Rate	1.0%	L + 400	5.5%	5.7%	5.9%
Interest Expense	--	--	--	--	--
Maximum Capacity	\$300	\$300	\$300	\$300	\$300
Available Capacity	\$300	\$300	\$300	\$300	\$300
Cash Available for Bank Debt Paydown	\$342	\$356	\$354	\$409	\$471
Recap Debt					
Beginning Balance	Year	--	--	\$1,116	\$707
Plus: Recap	2023	--	=\$185,119,0	--	--
(Repayment)		--	(354)	(409)	(471)
Ending Balance	Floor	Rate	--	\$1,116	\$707
Interest Rate	1.0%	L + 400	5.5%	5.7%	5.9%
Interest Expense	--	--	--	\$76	\$56
Recap Debt Calculation					
LTM EBITDA	\$611	\$670	\$736	\$807	\$883
Maximum Debt	3,664	4,023	4,414	4,840	5,301
Less: Current Debt	2,778	2,552	3,808	3,550	3,243
Recap Debt	\$886	\$1,471	\$606	\$1,289	\$2,058

Other Debt Features

Original Issue Discount

Same treatment as financing fees can lump them together

- Non cash interest that is created when debt is issued at a discount
- Typically calculated as a % of debt issuance and amortized over life of debt
- Just add the amortization as a non cash interest expense
 - Reverse out in cash flow statement and amortization accrues to the carrying value of the bond
- Accounting:

Paying Down with Discount

- If you're paying down a debt instrument with OID then you have to account for extra amortization / loss on unamortized OID on repayment
 - Non-cash loss that's added back on cash flow statement
 - Carrying value increases by the extra amortization
 - Model out the repayment amount in CFS and BS as well

Extra Amortization / Loss on Unamortized OID on Repayment = % Debt Paid Down * OID balance after current

Bond Premium

- Similar to Original Issue Discount but the amortization is treated as a non cash gain that reduces total interest
- Typically calculated as a % of debt issuance and amortized over life of debt
- Remove amortization as a non cash gain from interest expense
 - Reverse out in cash flow statement and amortization of premium reduces bond carrying value
- Accounting:

Paying Down with Premium

Extra Amortization / GAIN on Unamortized PREMIUM on Repayment = % Debt Paid Down * Premium balance

- Same as with OID but now the extra amortization is treated as a gain
 - Reverse out and carrying value decreases by the extra amortization

Financing Fees

- Financing fees are capitalized on balance sheet as contra-liability (contra-liability has same accounting treatment as asset)
 - Amortized over life of the debt
 - Amortization is treated as a non-cash expense (similar to OID)
 - Amortization is added back in CFS and reduces the contra-liability account on BS (which increases total liability)

PIK Interest

- PIK interest is a non-cash interest that accrues to the carrying value of debt
- Accounting:
- Modeling
 1. Simply include PIK as interest on IS
 2. Add back PIK interest on CFS
 - a. DTA may need to be made if PIK interest is not tax-deductible (i.e. convertible preferred stock)
 3. Increase carrying value of debt based on PIK

Interest Calculations

Floating

- Have to take into account
 - Base Rate
 - Interest Floor
 - Spread

$$\text{Floating Interest Rate} = \text{MAX}(\text{Base Rate}, \text{Interest Floor}) + \text{Spread}$$

Fixed

- If its fixed interest you simply set the interest rate constant with no base rate across lifetime

Closing Balance Sheet

- Have to account for all impacts from transaction
 - This includes
 - Sources and Uses
 - Purchase Price Allocation
- See all balance sheet impacts here:
 - Add Multiple columns
 - Transaction closing Year Column
 - Debit Column
 - Credit Column
 - Pro Forma Transaction Closing year Column

$$\text{Pro Forma Assets} = \text{Beginning} + \text{Debits} - \text{Credits}$$

$$\text{Pro Forma Liabilities and Equity} = \text{Beginning} - \text{Debits} + \text{Credits}$$

Add On Acquisitions

- Calculate Add-on
 - revenue
 - Gross profit
 - OpEX
 - EBITDA
- Create control
 - Add-on toggle
 - Acquisition year
 - EBITDA acquisition price
- In Financial projections
 - Create line at the top (call it acq)
 - $\text{If}(\text{AND}(\text{acquisition} = 1, \text{acq-year} \leq \text{current-year}), 1, 0)$
 - Add separate row for each item of add-on (revenue, gross profit, SG&A, etc...)

- In these rows do if(acq=1, Add-on revenue, 0)
- On FCF
 - Add line for acquisition
 - Consider purchase price is cash outflow

Returns Modeling

- This is to analyze IRR and MoM at different exits years based of operating projections

Process

- Set up header as dates
 - First date should be transaction date
 - Rest of dates should be in 1 year intervals
 - How to
 - Start with first as 12/30/21 (or some similar date) in cell G142
 - For the rest do =EOMONTH(G142,12)
 - Will offset by 12 months from that date
- Make a column of all the exit years as dates
- Along the strat year column make a negative equity purchase price throughout every row corresponding exit year
- Then for all cells in the the table do the following
 - where Exit Date on Column is column locked
 - Exit date on row is row locked
 - Exit Equity Value that year is row locked
 - Recap year is fully locked
 - Recap dividend is row locked

Equity Proceeds = IF(Exit Date on Column = Exit Date on Row, Exit Equity Value that Year, 0)

Equity Proceeds with Dividends = IF(Exit Date on Column = Exit Date on Row, Exit Equity Value that Year, 0)

		2021E	2022E	2023E	2024E	2025E
LTM EBITDA		\$611	\$670	\$736	\$807	\$883
(x) Exit Multiple		10.0x	10.0x	10.0x	10.0x	10.0x
Total Enterprise Value		\$6,107	\$6,705	\$7,357	\$8,066	\$8,835
Less: Net Debt		(2,678)	(2,452)	(3,708)	(3,450)	(3,143)
Equity Value		\$3,428	\$4,253	\$3,649	\$4,616	\$5,691
Recap Dividend	Year 2023			\$1,471		
	12/31/20	12/31/21	12/31/22	12/31/23	12/31/24	12/31/25
12/31/21		(\$2,185)	=IF(\$B291=H\$290,H\$286,0)+IF(YEAR(\$B291)>=YEAR(\$E\$286),H\$286,0)			
12/31/22		(\$2,185)	\$4,253			
12/31/23		(\$2,185)		\$5,119		
12/31/24		(\$2,185)		\$1,471	\$4,616	
12/31/25		(\$2,185)		\$1,471		\$5,691
IRR		56.9%	39.5%	32.8%	31.6%	30.2%
MoM		1.6x	1.9x	2.3x	2.8x	3.3x

- For each value can calculate IRR by doing
 - =XIRR(date row, selected exit year row)

	2021E	2022E	2023E	2024E	2025E
LTM EBITDA	\$611	\$670	\$736	\$807	\$883
(x) Exit Multiple	10.0x	10.0x	10.0x	10.0x	10.0x
Total Enterprise Value	\$6,107	\$6,705	\$7,357	\$8,066	\$8,835
Less: Net Debt	(2,678)	(2,452)	(3,708)	(3,450)	(3,143)
Equity Value	\$3,428	\$4,253	\$3,649	\$4,616	\$5,691
Recap Dividend			\$1,471		
	12/31/20	12/31/21	12/31/22	12/31/23	12/31/24
12/31/21	(\$2,185)	\$3,428			
12/31/22	(\$2,185)		\$4,253		
12/31/23	(\$2,185)			\$5,119	
12/31/24	(\$2,185)			\$1,471	\$4,616
12/31/25	(\$2,185)			\$1,471	\$5,691
IRR	=XIRR(\$G291:\$L291,\$G\$290:\$L\$290)				30.2%
MoM	1.6x	1.9x	2.3x	2.8x	3.3x

Sensitivity Analysis

- Run sensitivity analysis on different variables
 - Variables should have large impact on the results for you to do a sensitivity table
 - Examples:

Process

- Set up one row and one column with a blank cell at intersection
- Reference the cell you want to sensitivity analysis on in the intersection cell
- Select all of the data (including empty data)
- Alt + A + W + T to open table
- For the row input select the original cell that corresponds to the horizontal (top) axis
- For the column input select the original cell that corresponds to the vertical (left) axis

Entry Multiple	Exit Multiple				
	9.0x	9.5x	10.0x	10.5x	11.0x
9.0x	22.6%	24.4%	26.1%	27.8%	29.3%
9.5x	19.6%	21.4%	23.0%	24.6%	26.2%
10.0x	17.0%	18.7%	20.4%	21.9%	23.4%
10.5x	14.7%	16.4%	18.0%	19.5%	21.0%
11.0x	12.6%	14.3%	15.9%	17.4%	18.8%

FDSO

- Options and Warrants

$$\text{FDSO} = \text{if}(\text{share price} > \text{strike price}, \text{Options Outstanding} - \frac{\text{Options Outstanding} * \text{Strike Price}}{\text{Transaction Price}}, 0)$$

2. Convertible Securities and Bonds

- Only convert if EPS effect is dilutive

$$\text{New shares} = \frac{\text{Amount Outstanding}}{\text{Conversion Price}}$$

3. Net New shares

- If provision included

$$\text{Net New Shares} = \frac{\text{Total Amount Outstanding}}{\text{Conversion Price}} * \text{Share Price} - \text{Par Value of Amount Outstanding}$$

Rollover Equity

Two main ways

1. Based on Shares held

- a. Acquisition Share price
- b. Management Shares
- c. Shares rolled Over (%)

Final Equity value = acquisition share price * management shares * rollover amount

2. Based on Pro Forma Equity

- a. Pro Forma Equity Value
- b. Percent Equity

Final Equity value = pro forma equity * percent equity

LDI

Calculate multiple required to get 1.0x MOIC for different years

1. Calculate Total Debt
2. Calculate Equity value needed for 1.0x MOIC
 - a. Typically just total equity invested in beginning
3. Calculate proceeds (Equity value + Total Debt)
4. Calculate LTM EBITDA
5. LDI Multiple = proceeds / LTM EBITDA

Last Dollar In Calculation					
	2021E	2022E	2023E	2024E	2025E
Revolver	—	—	—	—	—
PIK Debt	630	662	695	729	766
Senior Notes	450	262	30	—	—
Cash	(50)	(50)	(50)	(297)	(618)
Total Net Debt	\$1,030	\$874	\$675	\$432	\$147
Equity Investment	\$1,312	\$1,312	\$1,312	\$1,312	\$1,312
% Ownership	60%	60%	60%	60%	60%
Implied Common Equity for 1.0x MoM	\$2,187	\$2,187	\$2,187	\$2,187	\$2,187
Proceeds Required for 1.0x MoM	\$3,217	\$3,061	\$2,862	\$2,619	\$2,334
LTM EBITDA	\$348	\$402	\$464	\$536	\$617
Last Dollar In Multiple	=H189/H190		6.2x	4.9x	3.8x

OID

Management Options

Value to Management = (Exit Equity - Entry Equity) * % management

Value to sponsor = exit equity - value to management

Preferred Stock Modeling

Participating Preferred

- Participating Preferred gets both preferred return and common participation

Participating Preferred Recovery = MIN(Original Preferred Amount, Exit Proceeds)

Common Proceeds Recieved by Preferred Investors = (Equity Proceeds - Participating Preferred Recovery) * Conv

Total Returns of Preferred = Recovery + Common Proceeds

Convertible Preferred

- Get the max of the conversion amount or the recovery amount

Convertible Total Return = MAX(Exit Proceeds * Conversion Amount, MIN(Exit Proceeds, Initial Investment Ar

Preferred Stock Investment

- Preferred Stock dividend is not tax deductible (comes after net income)

Liquidation Preference and Waterfall

Other Cool features

Custom Formatting

Quick Access Toolbar

Case Functionality

SaaS Specific

Customer Cube

			ARR Balance							
Customer	Geograph	Segment	22Q1	22Q2	22Q3	22Q4	23Q1	23Q2	23Q3	23Q4
12412 NA	Enterprise		459.531	696.8172	637.1678	592.3677	573.0492	694.3796	48.04531	0
94234 NA	SMB		0	0	756.0885	515.7694	0	223.4458	658.4131	882.9788
34537 EMEA	SMB		817.3372	75.71413	466.4533	969.9832	42.7387	237.2992	0	682.9981
23093 EMEA	Enterprise		0	177.3564	827.7232	0	174.3214	365.6255	939.1676	814.2078
32983 Africa	MH		728.9311	688.63	164.6199	432.7787	219.1715	334.725	89.69918	902.9401
98721 Africa	MH		11.14562	472.0296	721.3857	38.71954	44.42984	141.2506	0	937.1157
92897 Africa	MH		0	983.3345	383.6695	27.01992	970.2091	636.9611	412.892	535.8008

pp = prior period

cp = current period

New Revenue

=if(And(pp = 0, cp > 0), cp - pp, 0)

Upsell

=if(And(pp>0, cp>pp),cp-pp,0)

Downsell

if(and(pp>0, cp <pp), cp-pp,0)

Churn

if(and(pp>0, cp=0), pp, 0)

Check

(pp + upsell + new - downsell - churn) - cp

ARR/MRR

Churn

Deferred Revenue