

Alpha Private Model Assignment

You have been provided with four years of financial statements of Alpha Pvt Ltd. (FY2017-20). You are requested to prepare a financial model with at least the following:

- Feed in the available historical financial statements
- Do projections for year FY21-25 with the below provided information

Management has provided the following guidance:

- Revenue details for the past three years:

Particulars	Units	Mar-18	Mar-19	Mar-20
Revenue				
Total Transactions	#	48,296	59,634	65,283
Average Ticket Value	INR	4,445	4,382	4,490
Revenue	INR'000s	2,14,658	2,61,287	2,93,122

- Going forward, the company expects a rise of 30% YoY growth in the next two years and then 20%/15%/10% in the next three months in total number of transactions along with a 5% rise in average ticket value for the next of five years
- Assume the costs to rise in proportion to revenue increase
- The Company has plans to expand their fleet by adding 30 vehicles every year from FY21 at an average cost of INR 2L
- 70% of all the above cost shall be financed through long-term debt and 30% through upfront cash. Loan terms are as follows:
 - Mandatory paydown of 15% of opening loan balance
 - 7% interest rate on opening loan balance
- Depreciation to be charged as 10% on the opening Tangible Assets

For the line items, that have not been specifically mentioned above, please project to the best of your judgement.

Once the projections are done, you are requested to perform an LBO analysis on this. Assume the following:

- Date of LBO – 1 Apr 2020
- 70% debt and 30% equity
- Out of debt, 50% to be Bank Debt and 50% to be Unsecured Loan
 - Interest Charges – Bank Debt (6%), Unsecured Loan (11%)
- Entry Valuation at 1.5x EV/Sales 2022 multiple
- Assumed Transaction Expenses (2% of Transaction Value) and Financing Fees (2% of loan amount)
- For other assumptions, use conservative numbers to the best of your judgement