

simplifying online delivery sales for restaurants



# AGENDA

Company Info

Product

Competition

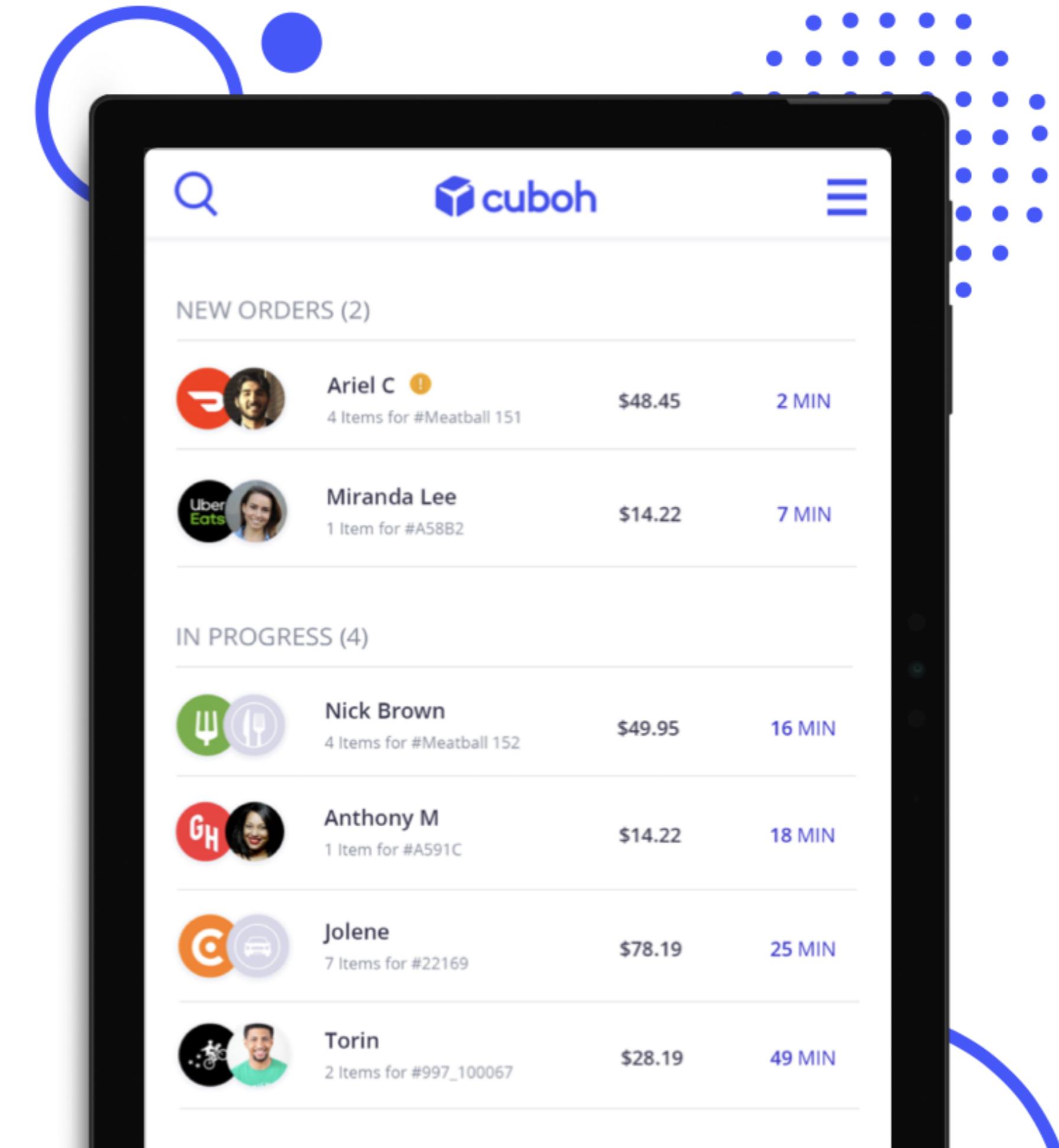
Market

Valuation

Risks & Mitigants

Future

Investment Thesis



## COMPANY INFO

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**YC S'19 \$150k Seed**

**Victoria, Canada HQ**

**Dec 2018 Launch**

**15 Employees**



**Juan Orrego - CEO**

Past: Bizdev @ supply chain SaaS company



**Sinan Sari - CTO**

Past: CTO and Technical PM @ SaaS companies

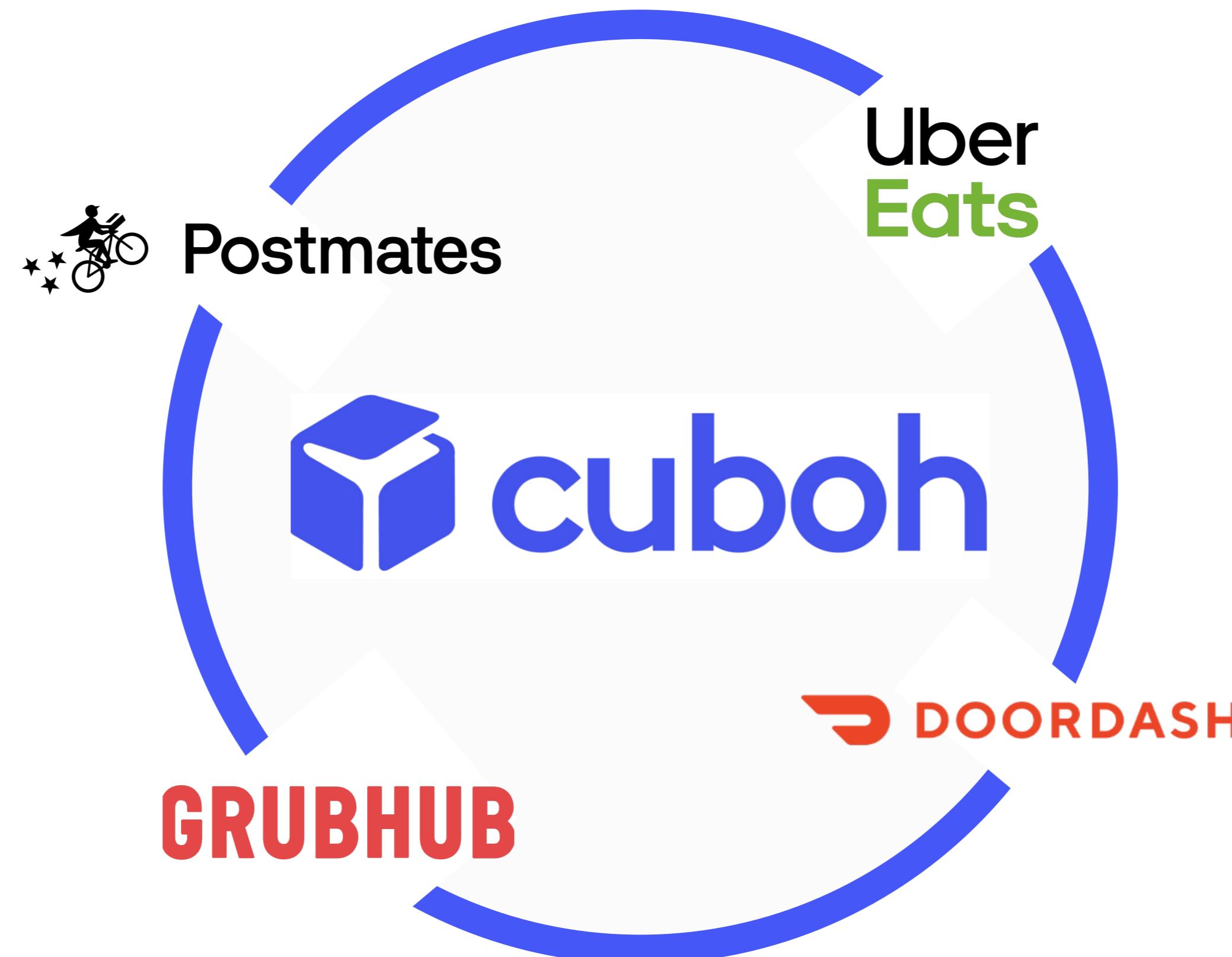
# MARKET PAIN POINT

## Tablet Mess

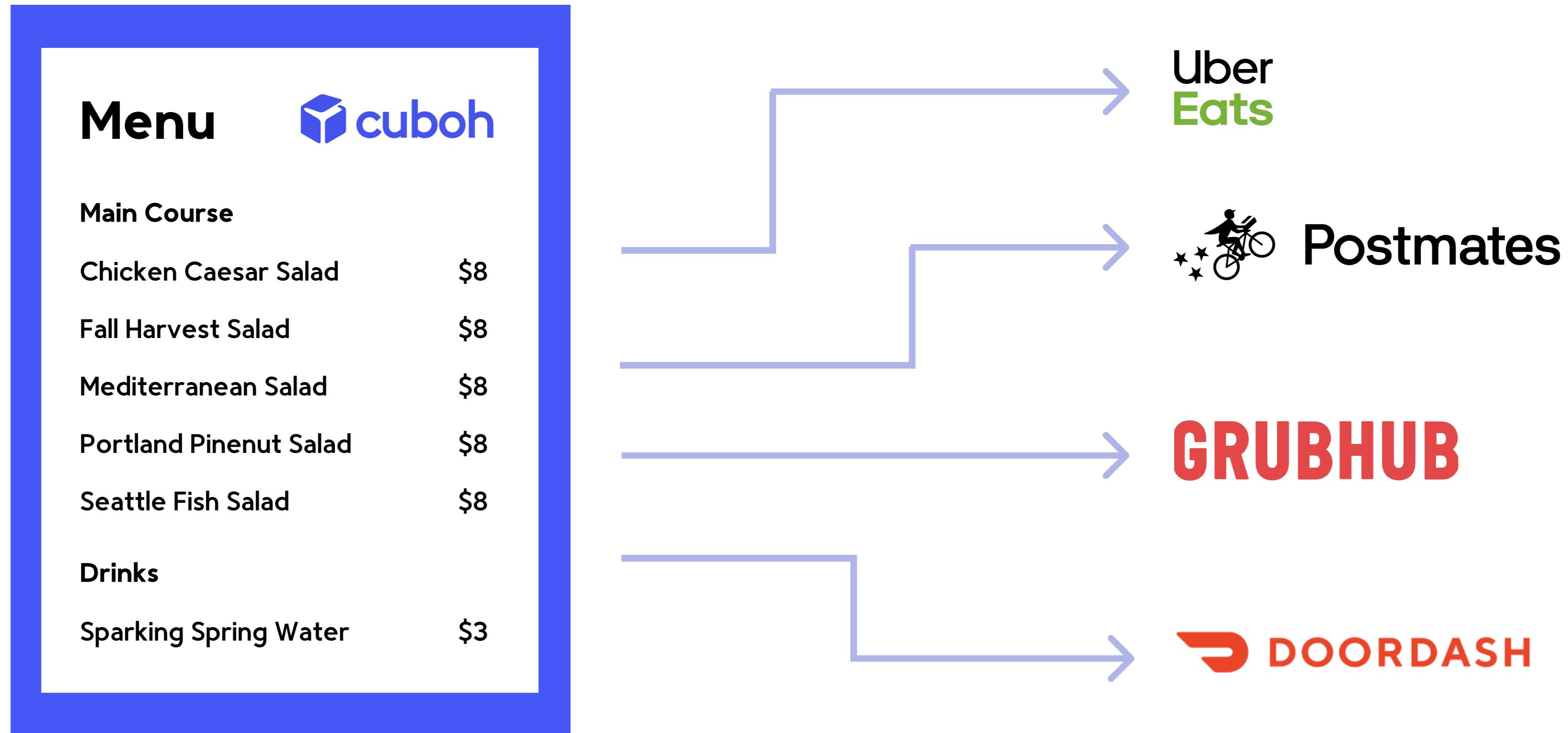
Restaurants juggle numerous tablets, each hosting only one online delivery service. Having to choose hurts revenue.



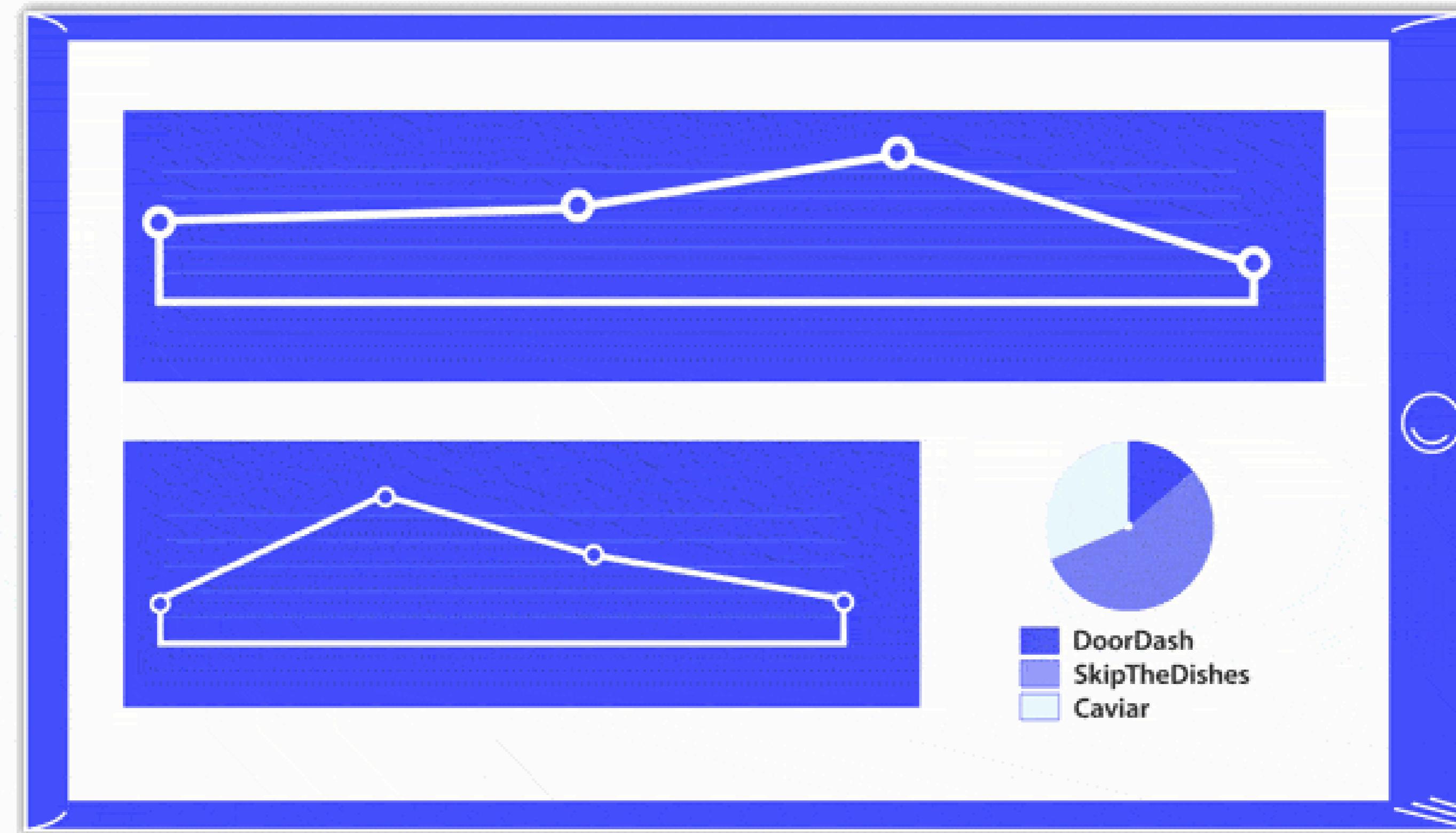
Cuboh combines all online sales and delivery systems  
into one tablet that connects with any POS option



Cuboh updates menus, hours, etc. while also negotiating rates



# Cuboh provides analytics about delivery service performance



# PRICING

## Low Volume

**\$80  
per month  
per location**

20k/month online  
ordering revenue

Unlimited online  
ordering platforms

## Med. Volume

**\$140  
per month  
per location**

30k/month online  
ordering revenue

Account management  
and rate handling

## High Volume

**\$200  
per month  
per location**

Unlimited online  
ordering revenue

Custom analytics &  
report per location

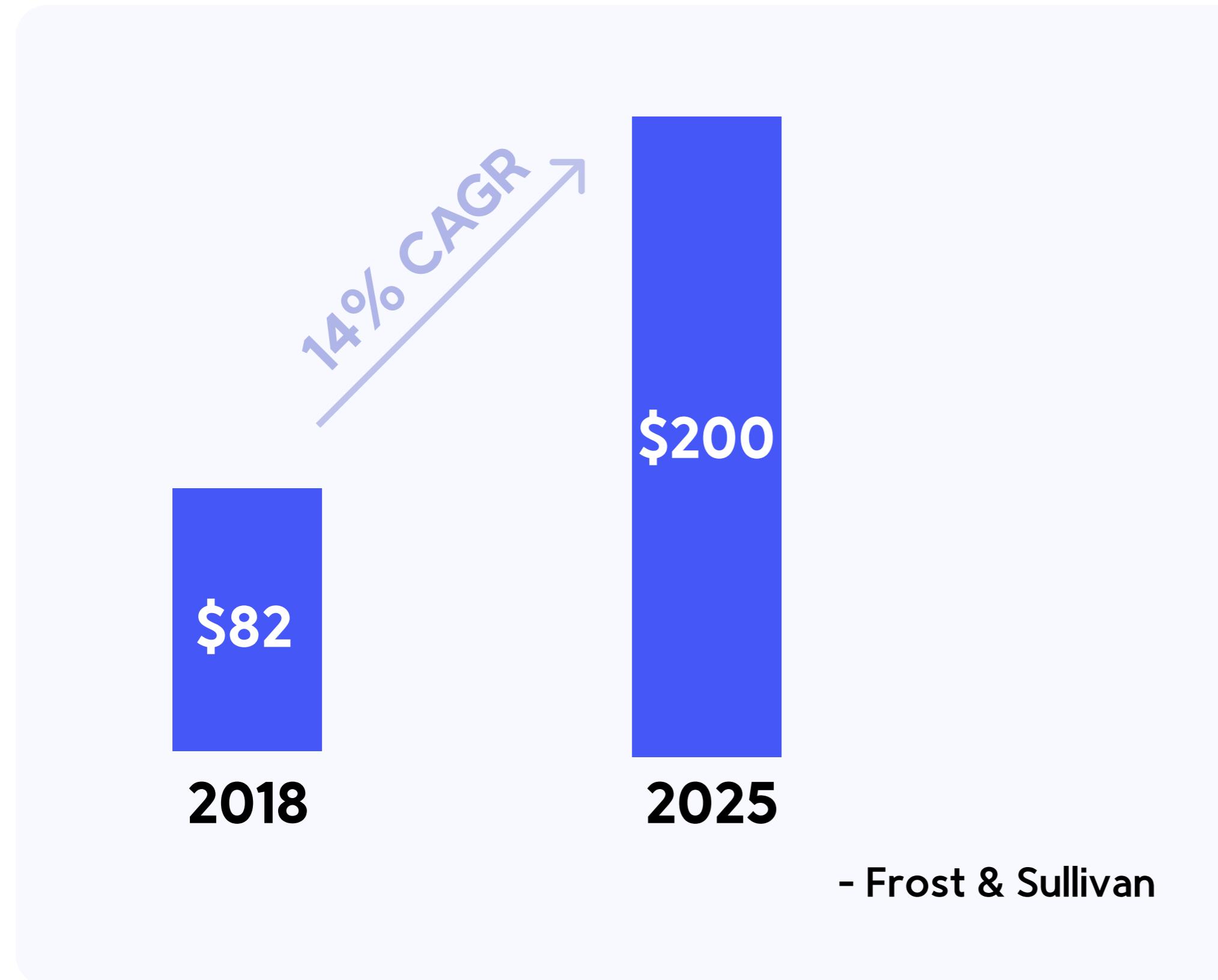
# COMPETITION

## POS/Restaurant Management Firms

Cuboh could face threats from existing management systems that are moving into the sales field, or POS firms moving into the restaurant operations space.

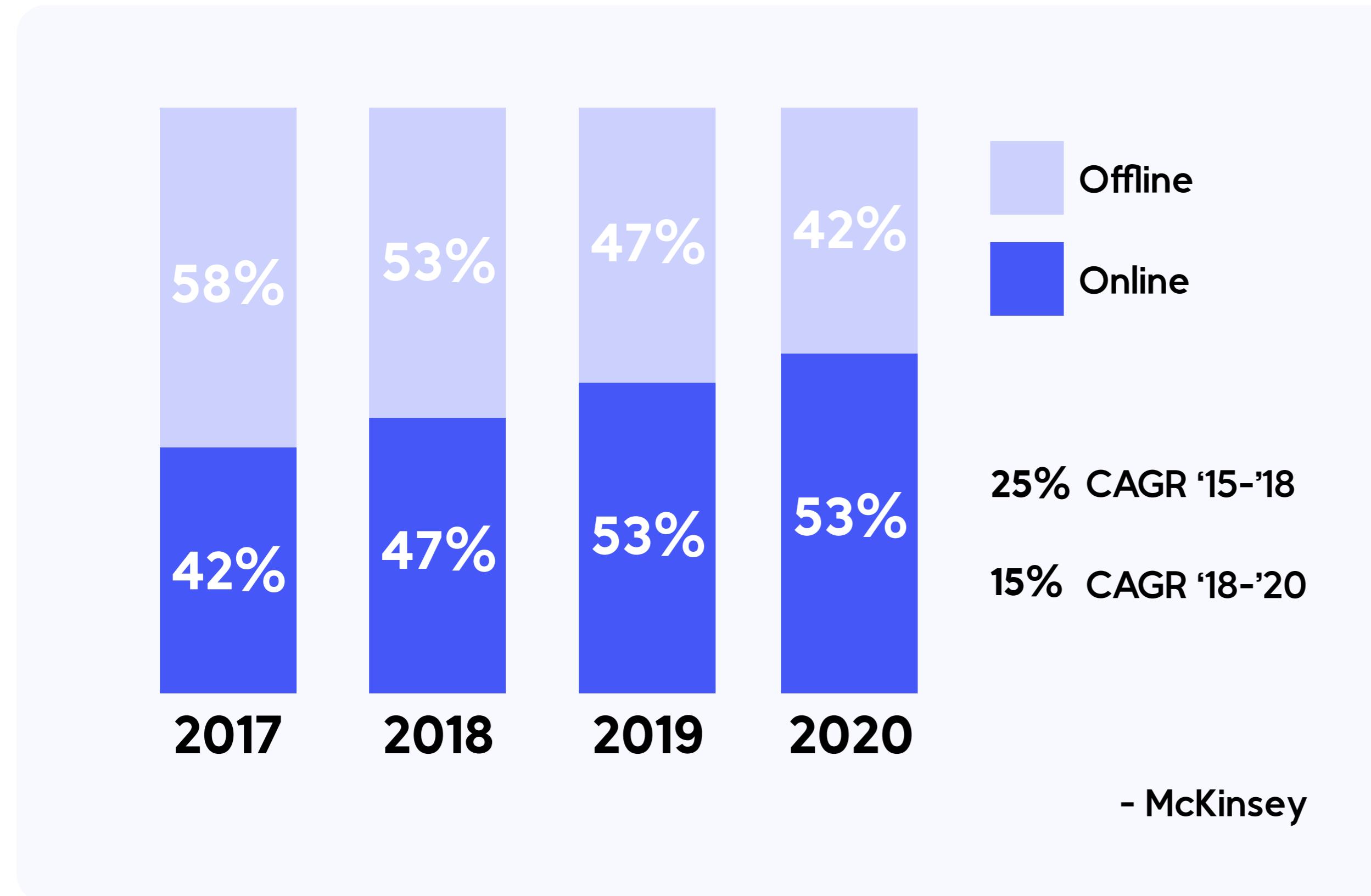
	Cuboh	Ordermark	Square
Connects with Existing POS	✓		
Automates Updating	✓		
Provides Analytics	✓	✓*	
Aggregates Online Ordering	✓	✓	✓

## TOTAL FOOD-DELIVERY MARKET



Consistent long term  
growth despite maturing  
global positions.

# TOTAL FOOD-DELIVERY MARKET



Market moving  
online at slowing,  
yet still fast, rate

## DAMODARAN EVALUATION

### Large Global Market; SaaS and POS Comparables

I assumed that Cuboh would achieve a relatively small amount of market penetration in my 10 year estimates because the intl. market is so large.

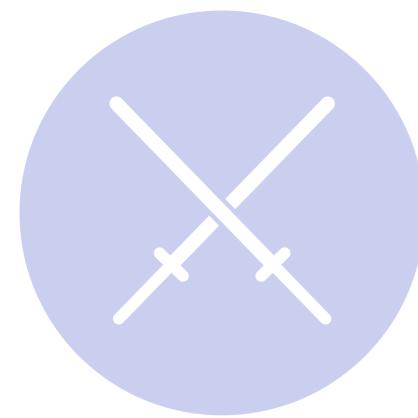
My comparable universe comprised of GrubHub, Yelp, Square, and NCR, giving a weight to NCR.

DISCOUNT RATE	
Risk Free Rate	2%
Beta (software application industry avg.)	1.12
Return Market - Risk Free	10%
Cost of Capital (WACC)	13.2%
TERMINAL VALUE	
Growth Rate	2%
Discount Rate (Cost of Capital)	13.2%
2029 Unlevered FCF	11,733,385
Terminal Value	106,857,610
Enterprise Value (2019)	20,158,002

# FINANCIALS CONTINUED

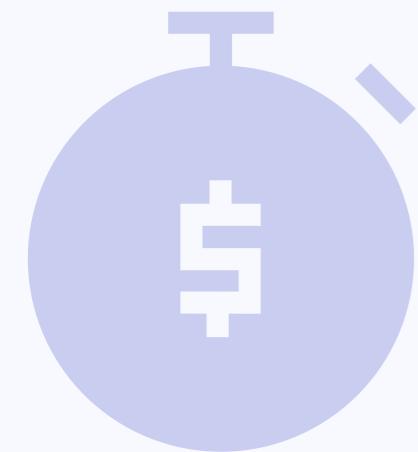
Free Cash Flows	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
Market Size	82,000,000,000	93,480,000,000	106,567,200,000	121,486,608,000	138,494,733,120	157,883,995,757	179,987,755,163	205,186,040,886	233,912,086,610	266,659,778,735	303,992,147,758	346,551,048,444
Growth Rate	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%	14%
Revenue	\$82,000	\$280,440	\$852,538	\$2,126,016	\$4,847,316	\$10,262,460	\$21,598,531	\$41,037,208	\$67,834,505	\$106,663,911	\$148,956,152	\$190,603,077
Revenue Growth	-	242%	204%	149%	128%	112%	110%	90%	65%	57%	40%	28%
Market Share	0.0001%	0.0003%	0.0008%	0.00175%	0.0035%	0.007%	0.012%	0.02%	0.029%	0.040%	0.0490%	0.055%
Sales to Cap Ratio	1.3											
Pre-Tax Operating Income	(16,400)	(42,066)	(85,254)	(106,301)	-	179,593	755,949	2,082,638	4,748,415	7,999,793	11,618,580	14,867,040
Operating Margin	-20.00%	-15.00%	-10.00%	-5.00%	0.00%	1.75%	3.50%	5.08%	7.00%	7.50%	7.80%	7.80%
Growth Rate	100%	125%	150%	125%	100%	65%	45%	15%	10%	7%	7%	7%
NOL at beginning of the year	-	(16,400)	(84,132)	(170,508)	(212,602)	-	321,472	-	-	-	-	-
NOL at end of the year	(16,400)	(84,132)	(170,508)	(212,602)	-	321,472	-	-	-	-	-	-
Taxable Income	-	-	-	-	-	179,593	1,077,420	2,082,638	4,748,415	7,999,793	11,618,580	14,867,040
After-Tax Operating Income	(16,400)	(42,066)	(85,254)	(106,301)	-	141,879	529,690	1,645,284	3,751,248	6,319,837	9,178,678	11,744,962
Tax Rate	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%	21%
Reinvestment	152,646	440,075	979,598	2,093,308	4,165,495	8,720,055	14,952,829	19,553	17,152	15,046	13,198	11,577
FCF	(169,046)	(482,141)	(1,064,852)	(2,199,608)	(4,165,495)	(8,578,176)	(14,423,139)	1,625,731	3,734,096	6,304,791	9,165,480	11,733,385
Discounted FCF	(169,046)	(425,920)	(830,991)	(1,516,373)	(2,536,769)	(4,614,906)	(6,854,586)	682,533	1,384,886	2,065,631	2,652,717	2,999,940
Market Beta	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12	1.12
Correlation w/ Market	0.50	0.53	0.57	0.60	0.63	0.67	0.70	0.73	0.77	0.80	0.90	1.00
Firm Beta	2.24	2.11	1.96	1.87	1.78	1.67	1.60	1.53	1.45	1.40	1.24	1.12
Cost of Capital	24.4%	13.2%	13.2%	13.2%	13.2%	13.2%	13.2%	13.2%	13.2%	13.2%	13.2%	13.2%
Years Ahead	0	1	2	3	4	5	6	7	8	9	10	11
Return on Capital	-11%	-14%	-11%	-6%	0%	2%	3%	5%	12%	20%	29%	37%
Investment Beginning of Year	150,000	302,646	742,721	1,722,320	3,815,627	7,981,123	16,701,177	31,654,006	31,673,559	31,690,711	31,705,757	31,718,955
Investment End of Year	302,646	742,721	1,722,320	3,815,627	7,981,123	16,701,177	31,654,006	31,673,559	31,690,711	31,705,757	31,718,955	31,730,532
Reinvestment	152,646	440,075	979,598	2,093,308	4,165,495	8,720,055	14,952,829	19,553	17,152	15,046	13,198	11,577

## RISKS



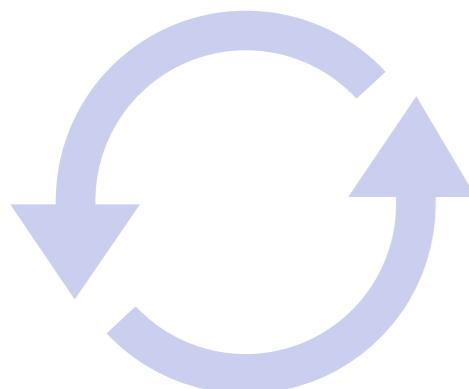
### Defensibility

Cuboh's product doesn't have any substantial IP. A competitor could easily produce a similar service.



### iPad Cost

Cuboh sends a free iPad to customers - it's the hub for their application. This could generate large losses if they need to be replaced often.



### Churn in Delivery Market

Restaurants are experimenting with online delivery services. The market is growing, but could decline because of price hikes from delivery firms.

## FUTURE

### Deepening product features

Cuboh already has a comprehensive product horizontally. They need to continue rounding out features in the areas of the restaurant businesses they already cover.



## EXIT OPPORTUNITIES

### Acquisition by POS Firm

Legacy POS companies, like NCR, can modernize with an acquisition like Cuboh.

New players can expand to restaurants by acquiring Cuboh.

Shopify

NCR

Square

# INVESTMENT THESIS

## Strong Revenue Possibility

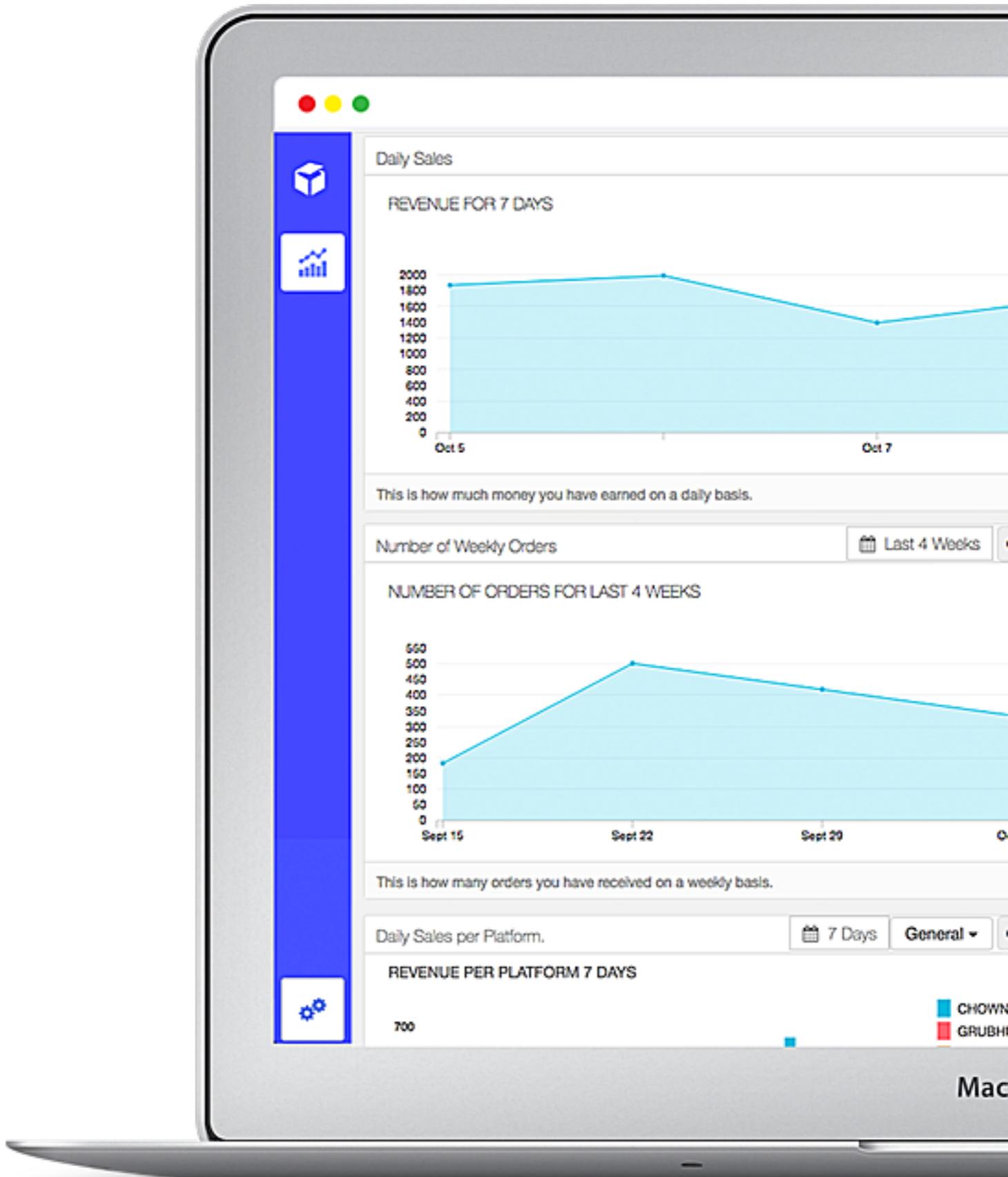
Cuboh, as a SaaS, has a low COGS. They are likely already making revenues.

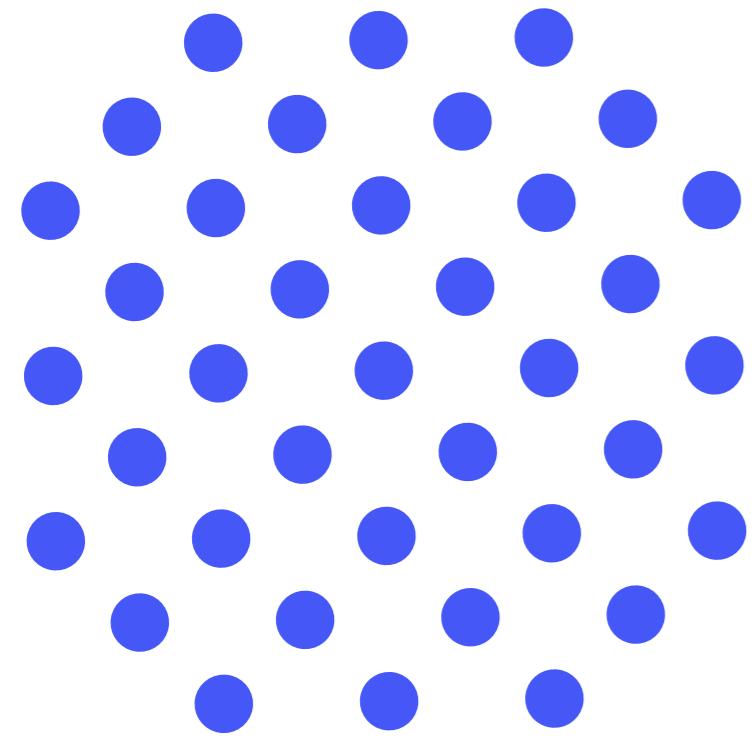
## No Large Competition

Cuboh serves a niche market, but nonetheless a market that is growing. No significant competitors exist yet.

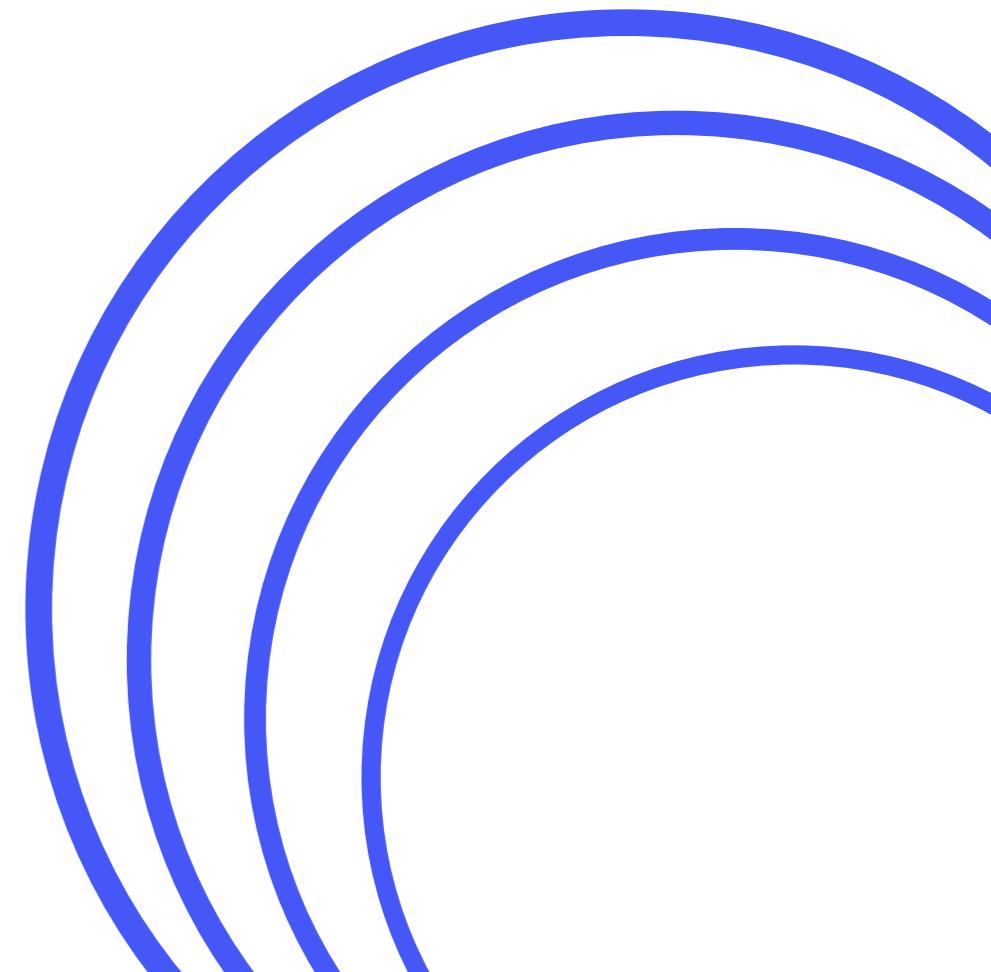
## Likely Acquisition Target

Cuboh could give POS systems more data, or restaurant management companies a more compelling package.





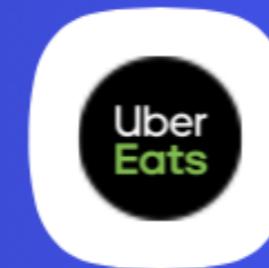
# Appendix



# SUBSCRIPTION BREAKDOWN

Low Volume	Mid Volume	High Volume	Chains & Multi-Location
<b>\$80</b> per month / location  For restaurants new to online ordering	<b>\$140</b> per month / location  For restaurants looking to scale online ordering	<b>\$200</b> per month / location  For restaurants who rely on online ordering	To get a price estimate, please contact our Sales Team below  For large restaurants with more than 20 locations who are looking to augment and ease their online ordering across their whole concept.
Features	Features	Features	
20k/month online ordering revenue Unlimited online ordering platforms Account Management Multi-location Management Custom analytics & report	30k/month online ordering revenue Unlimited online ordering platforms Account Management Multi-location Management Custom analytics & report	Unlimited online ordering revenue Unlimited online ordering platforms Account Management Multi-location Management Custom analytics & report	
<a href="#">Signup</a>	<a href="#">Signup</a>	<a href="#">Signup</a>	<a href="#">Contact Sales</a>

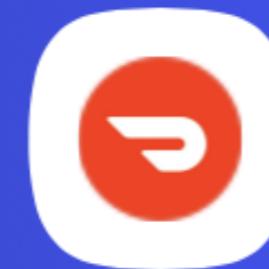
# Online Ordering Platforms



Uber Eats



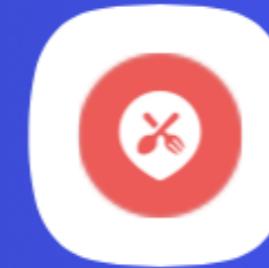
GrubHub



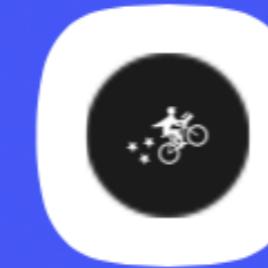
Doordash



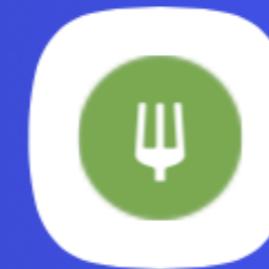
Caviar



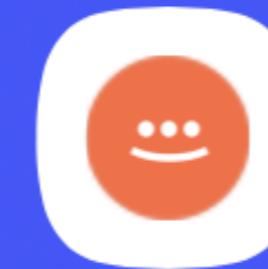
ChowNow



Postmates



EatStreet



Allset

# POS



Micros



Grubbrr



PixelPoint



Squirrel



Clover



Square



POSitouch



Revel

# POPULAR DELIVERY BY REGION

