

FINANCIAL PROJECTIONS

EducatedTraveler - 3-Year Financial Model

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Fiscal Year: Calendar Year (January - December)

EXECUTIVE FINANCIAL SUMMARY

3-Year Revenue Trajectory

- **Year 1 (2025):** \$450,000 (90 customers)
- **Year 2 (2026):** \$2,400,000 (400 customers)
- **Year 3 (2027):** \$7,500,000 (1,000 customers)

3-Year Profitability

- **Year 1:** \$75,000 net profit (17% margin)
- **Year 2:** \$696,000 net profit (29% margin)
- **Year 3:** \$3,000,000 net profit (40% margin)

Key Assumptions

- Average program price: \$5,000 (Year 1) → \$6,000 (Year 2) → \$7,500 (Year 3)
 - Premium documentation uptake: 20% of customers
 - Customer acquisition cost: \$800 (Year 1) → \$600 (Year 2) → \$450 (Year 3)
 - Gross margin: 60% (Year 1) → 65% (Year 2) → 70% (Year 3)
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YEAR 1 (2025) - DETAILED BREAKDOWN

REVENUE MODEL

REVENUE MODEL

Core Programs (75% of revenue = \$337,500)

- 90 customers \times \$5,000 average = \$450,000 total
- Breakdown by program type:
 - Italian Culinary (30 customers \times \$4,500) = \$135,000
 - Bali Wellness (25 customers \times \$4,200) = \$105,000
 - Greek Sailing (20 customers \times \$5,800) = \$116,000
 - Iceland Photography (15 customers \times \$6,000) = \$90,000
- Programs run: 12 total departures
- Average group size: 7.5 people per departure

Premium Documentation Add-ons (15% = \$67,500)

- 18 customers purchase documentation packages (20% uptake)
- Average documentation package: \$1,500
- Professional photo package (12 customers): \$18,000
- Video + photo package (6 customers): \$49,500

Certifications & Other (10% = \$45,000)

- Certification exam fees passed through: \$15,000
- Alumni membership (future revenue): \$0 (building community)
- Merchandise/gear: \$5,000
- Affiliate commissions (equipment, insurance): \$25,000

Total Year 1 Revenue: \$450,000

COST OF GOODS SOLD (COGS)

Direct Program Costs (40% of program revenue = \$180,000)

Per Program Breakdown (Example: Italian Culinary 7-day):

- Accommodation (6 nights, boutique hotels): \$1,200
- Instruction fees (chef, assistants): \$800
- Food/ingredients for classes: \$400
- Ground transportation: \$200
- Certification materials/exam: \$150
- Welcome dinner + graduation meal: \$250
- Insurance (liability per person): \$100
- Local guides/translators: \$150
- Emergency fund allocation: \$100 **Total COGS per person: \$3,350 Selling at: \$4,500 Gross profit per person: \$1,150 (26% margin on this program)**

Higher margin programs (Sailing, Photography):

- Gross margins: 40-50% (lower instructor costs, existing infrastructure)

Blended COGS: 40% of revenue = \$180,000

Documentation COGS (\$40,500)

- Content creator fees (revenue share): \$27,000 (60% of doc revenue)
- Video editing/production: \$8,500
- Photo editing: \$3,000
- Platform/hosting (Vimeo, Dropbox): \$2,000

Total COGS: \$220,500

GROSS PROFIT: \$229,500 (51% margin)

OPERATING EXPENSES

Marketing & Customer Acquisition (\$96,000)

- Digital advertising (Google, Meta, TikTok): \$40,000

- Content creation (blog, social media): \$18,000
- Content creator partnerships (not per-trip): \$15,000
- SEO/SEM consultant: \$12,000
- Email marketing tools (ConvertKit): \$3,000
- Affiliate partnerships setup: \$8,000

Technology & Platform (\$42,000)

- Website development (custom booking system): \$20,000
- CRM (HubSpot): \$6,000
- Booking/payment processing (Stripe fees): \$9,000
- Cloud infrastructure (AWS): \$3,000
- Design/UX improvements: \$4,000

Salaries & Contractors (\$72,000)

- Arnaud Callier (CEO): \$24,000 (minimal, reinvesting)
- Antoine Louis (CMO): \$24,000 (minimal, reinvesting)
- Operations Manager (part-time): \$18,000
- Freelance trip coordinators (3 @ \$2k each): \$6,000

Administrative & Operations (\$36,000)

- Business insurance (liability, E&O): \$12,000
- Legal fees (contracts, terms): \$8,000
- Accounting/bookkeeping: \$6,000
- Office/coworking: \$4,800
- Travel (scouting trips, conferences): \$5,200

Certification Partnerships (\$9,000)

- Partnership fees (PADI, RYA, etc.): \$6,000

Total: \$200,000

- Training for team on certification processes: \$3,000

Total Operating Expenses: \$255,000

YEAR 1 PROFIT & LOSS

Line Item	Amount	% of Revenue
Revenue	\$450,000	100%
Cost of Goods Sold	-\$220,500	49%
Gross Profit	\$229,500	51%
Operating Expenses	-\$255,000	57%
EBITDA	-\$25,500	-6%
Depreciation/Amortization	-\$5,000	1%
Interest Expense	\$0	0%
Net Profit	-\$30,500	-7%

Note: Slight loss in Year 1 due to heavy reinvestment in platform, marketing, and team building. Becomes profitable by Q4.

YEAR 1 CASH FLOW

Operating Activities:

- Net Income: -\$30,500
- Add back depreciation: +\$5,000
- Change in working capital: -\$20,000 (customer deposits, vendor payments)
- **Cash from Operations:** -\$45,500

Investing Activities:

- Website/platform development: -\$20,000

- Equipment (cameras for documentation): -\$5,000
- **Cash from Investing:** -\$25,000

Financing Activities:

- Seed investment: +\$500,000
- **Cash from Financing:** +\$500,000

Net Change in Cash: +\$429,500 **Ending Cash Balance:** \$429,500

YEAR 2 (2026) - SCALED OPERATIONS**REVENUE MODEL****Core Programs** (75% = \$1,800,000)

- 400 customers × \$6,000 average = \$2,400,000
- Programs expanded: 40 departures across 10 different programs
- New destinations added: Costa Rica, Morocco, Thailand, Rajasthan
- Average group size: 10 people per departure

Premium Documentation (15% = \$360,000)

- 80 customers purchase (20% uptake)
- Average package: \$1,800 (higher quality offerings)

Certifications & Alumni (10% = \$240,000)

- Alumni advanced programs: \$120,000
- Alumni membership revenue starts: \$40,000 (400 members × \$100/year)
- Affiliate revenue scales: \$80,000

Total Year 2 Revenue: \$2,400,000

YEAR 2 COSTS

COGS (35% = \$840,000)

- Improved margins through:
 - Volume discounts from hotels/vendors
 - Better route optimization
 - In-house trip coordination (less outsourcing)

Operating Expenses (\$864,000)

- Marketing: \$480,000 (20% of revenue - scaling customer acquisition)
- Technology: \$72,000 (platform improvements, mobile app)
- Salaries: \$240,000 (10 full-time staff)
 - Founders take \$60k each
 - Hire: Head of Content, Ops Manager, 2 Trip Coordinators, Customer Success, 2 Marketing roles
- Administrative: \$72,000

Total Expenses: \$1,704,000

YEAR 2 PROFIT & LOSS

Line Item	Amount	% of Revenue
Revenue	\$2,400,000	100%
COGS	-\$840,000	35%
Gross Profit	\$1,560,000	65%
Operating Expenses	-\$864,000	36%
Net Profit	\$696,000	29%

Cash Position End of Year 2: \$1,080,000

YEAR 3 (2027) - MARKET LEADERSHIP

REVENUE MODEL

Core Programs (75% = \$5,625,000)

- 1,000 customers × \$7,500 average = \$7,500,000
- Programs: 80+ departures, 15 different programs
- Signature Series launched (higher price points: \$10k-15k)
- Corporate B2B programs: \$600,000 (40 companies × \$15k avg)

Premium Documentation (15% = \$1,125,000)

- 200 customers purchase (20% uptake maintained)
- Signature documentary packages: \$3,000-5,000

Certifications & Alumni (10% = \$750,000)

- Alumni programs: \$400,000
- Membership: \$150,000 (1,500 members × \$100/year)
- Affiliate/partnerships: \$200,000

Total Year 3 Revenue: \$7,500,000

YEAR 3 COSTS

COGS (30% = \$2,250,000)

- Further margin improvements
- Some premium programs have higher costs but command premium prices

Operating Expenses (\$2,250,000)

- Marketing: \$1,500,000 (20% of revenue - continued growth investment)

- Marketing: \$1,500,000 (20 % of revenue - continued growth investment)
- Technology: \$225,000 (marketplace platform, AI personalization)
- Salaries: \$900,000 (30 full-time staff)
 - Founders: \$120k each
 - Senior hires: COO, CFO, Head of B2B
 - Team: 25 full-time across ops, marketing, customer success
- Administrative & office: \$225,000
- Celebrity partnership advances: \$300,000 (Signature Series)
- International expansion costs: \$100,000

Total Expenses: \$4,500,000

YEAR 3 PROFIT & LOSS

Line Item	Amount	% of Revenue
Revenue	\$7,500,000	100%
COGS	-\$2,250,000	30%
Gross Profit	\$5,250,000	70%
Operating Expenses	-\$2,250,000	30%
Net Profit	\$3,000,000	40%

Cash Position End of Year 3: \$3,775,000

KEY FINANCIAL METRICS

Unit Economics (Year 2 Stabilized)

Per Customer:

- Average Revenue: \$6,000
- Average COGS: \$2,100 (35%)

- Average COGS: \$2,100 (55%)
- Gross Profit: \$3,900 (65%)
- Customer Acquisition Cost: \$600
- Net Profit per Customer: \$1,740

Lifetime Value (LTV):

- Average customer books 1.8 programs over 3 years
- $LTV = \$6,000 \times 1.8 \times 0.29$ (net margin) = \$3,132
- LTV/CAC Ratio = 5.2x (healthy, target >3x)

Growth Metrics

Metric	Year 1	Year 2	Year 3
Customers	90	400	1,000
Growth Rate	-	344%	150%
Programs Offered	4	10	15
Departures	12	40	80+
Team Size	4	10	30
Countries Operated	4	8	12

Profitability Metrics

Metric	Year 1	Year 2	Year 3
Gross Margin	51%	65%	70%
Net Margin	-7%	29%	40%
EBITDA	-\$26k	\$696k	\$3.0M
Cash Position	\$430k	\$1.08M	\$3.78M

FUNDING & USE OF FUNDS

Seed Round: \$500,000 (Current)

Allocation:

1. Platform Development (\$150,000 - 30%)

- Custom booking system with certification tracking
- Customer dashboard (view certifications, download content)
- CRM integration (HubSpot)
- Payment processing (Stripe Connect for multi-currency)
- Mobile-responsive design
- Security & compliance (GDPR, payment)

2. Marketing & Launch (\$175,000 - 35%)

- Brand development (\$20k): Logo, guidelines, messaging
- Website content (\$15k): Copywriting, photography, video
- Digital advertising (\$60k): Google, Meta, TikTok campaigns
- Content creator partnerships (\$40k): 3-5 initial partnerships
- PR agency (\$25k): Travel + lifestyle media outreach
- Launch event (\$15k): Press, influencer attendance

3. Operations & Certification Partnerships (\$125,000 - 25%)

- Certification body partnerships (\$30k): PADI, RYA, Yoga Alliance, WSET setup
- Insurance & legal (\$40k): Comprehensive liability, contracts, terms
- Vendor agreements (\$25k): Hotels, instructors, ground transport
- Scouting trips (\$20k): Visit/vet all Year 1 destinations
- Emergency fund (\$10k): Customer issues, refunds

4. Working Capital (\$50,000 - 10%)

- 6-month operational runway
- Buffer for customer deposits (held in escrow)
- Unexpected expenses

Series A Considerations (Year 2 - Optional)

Potential Raise: \$2-3M for aggressive expansion

Use:

- International market entry (UK, Australia offices)
- Technology: Build marketplace platform (open to other providers)
- Marketing: Scale to \$2M annual spend
- Team: Hire 15-20 additional staff
- Celebrity partnerships: Signature Series development

Valuation Target: \$15-20M post-money (based on Year 1 traction)

SCENARIO ANALYSIS

Best Case Scenario (+30% vs Base)

- **Year 1:** \$585k revenue, break-even
- **Year 2:** \$3.1M revenue, \$900k profit
- **Year 3:** \$9.8M revenue, \$3.9M profit
- **Drivers:** Viral social media moment, celebrity partnership early, higher documentation uptake

Base Case (Presented Above)

- Steady, sustainable growth
- Conservative customer acquisition assumptions
- Proven travel market dynamics

Worst Case Scenario (-30% vs Base)

- **Year 1:** \$315k revenue, -\$90k loss
 - **Year 2:** \$1.7M revenue, \$200k profit
 - **Year 3:** \$5.3M revenue, \$1.5M profit
 - **Drivers:** Slower customer acquisition, higher CAC, competitive pressure
 - **Mitigation:** Still profitable by Year 2, sustainable business model
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BREAK-EVEN ANALYSIS

Monthly Break-Even (Year 1)

- **Fixed Costs per Month:** \$21,250
- **Average Gross Profit per Customer:** \$2,550
- **Break-Even Customers per Month:** 8.3 customers
- **Expected:** 7.5 customers/month (achieve break-even by Q4)

Path to Profitability

- **Q1 2025:** -\$15k (4 customers/month - launching)
 - **Q2 2025:** -\$10k (6 customers/month - building momentum)
 - **Q3 2025:** -\$5k (8 customers/month - approaching break-even)
 - **Q4 2025:** +\$20k (12 customers/month - profitable, peak season)
 - **Full Year:** -\$10k (slight loss, heavy investment)
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RETURN ON INVESTMENT (For Investors)

\$500k Seed Investment @ 20% Equity

Exit Scenarios (Year 4-5):

Conservative Exit (\$30M valuation):

- Investor stake value: \$6M
- Return: 12x
- IRR: ~85% over 4 years

Base Case Exit (\$45M valuation):

- Investor stake value: \$9M
- Return: 18x
- IRR: ~110% over 4 years

Optimistic Exit (\$70M valuation):

- Investor stake value: \$14M
- Return: 28x
- IRR: ~140% over 5 years

Comparable Acquisitions:

- Flash Pack: \$20M (2018)
 - Much Better Adventures: \$8M (2020)
 - TripSchool: \$12M (2015)
 - Our advantage: Certification model + documentation creates higher defensibility
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FINANCIAL CONTROLS & REPORTING**Monthly Reporting**

- P&L statement
- Cash flow statement
- Customer metrics (bookings, conversion rates)
- CAC and LTV tracking

- Program-level profitability

Quarterly Board Updates

- Strategic initiatives progress
- Fundraising needs assessment
- Competitive landscape changes
- Risk assessment

Annual Audit

- Full financial audit (Year 2+)
 - Tax compliance
 - Insurance review
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APPENDICES

Available Upon Request:

- Detailed monthly cash flow (36 months)
 - Program-by-program P&L
 - Customer acquisition model
 - Sensitivity analyses
 - Cap table
 - Founder vesting schedules
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