

MODELLING A

start up

HYPOTHETICAL
COMPANY

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01. *REVENUE ASSUMPTION*

Revenue is assumed from direct-to-consumer sales of the smart wallet at a premium price, driven by functional differentiation and reliability

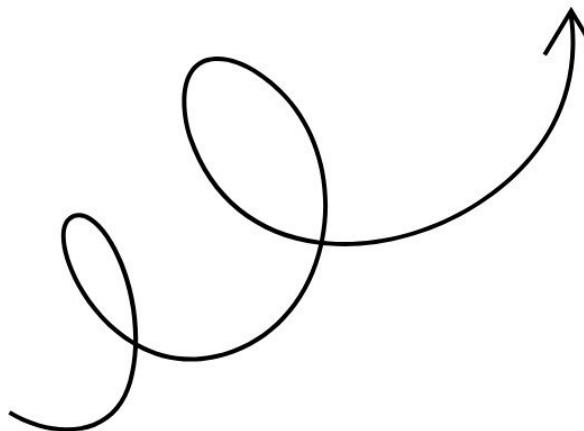
03. *INCOME STATEMENT*

The income statement reflects product sales revenue minus cost of goods sold, operating expenses, and results in net profit or loss from wallet operations.

02. *COST ASSUMPTION*

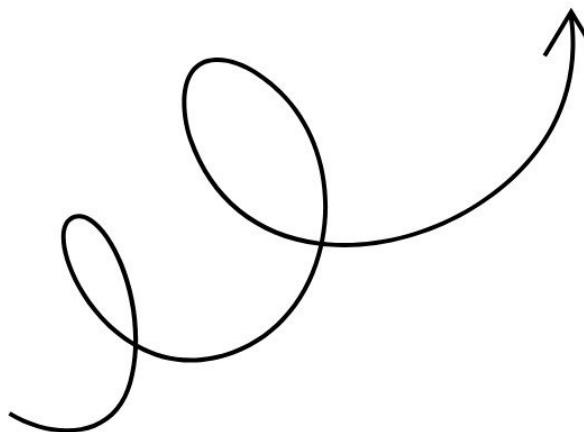
Costs include electronic components, materials (leather and fabric), assembly, and basic marketing, estimated on a per-unit production basis.

Revenue Assumption



FINANCIAL MODEL FOR START UP		Revenue Assumption																								
Assumptions	Unit	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27	
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	
Revenue Assumptions																										
Page Traffic	#	20,000	20,500	21,000	21,500	22,000	22,500	23,000	23,500	24,000	24,500	25,000	25,500	26,000	26,500	27,000	27,500	28,000	28,500	29,000	29,500	30,000	30,500	31,000	31,500	
Organic	#	5,000	5,100	5,200	5,300	5,400	5,500	5,600	5,700	5,800	5,900	6,000	6,100	6,200	6,300	6,400	6,500	6,600	6,700	6,800	6,900	7,000	7,100	7,200	7,300	
Paid	#	25,000	25,600	26,200	26,800	27,400	28,000	28,600	29,200	29,800	30,400	31,000	31,600	32,200	32,800	33,400	34,000	34,600	35,200	35,800	36,400	37,000	37,600	38,200	38,800	
Total Traffic	#																									
Conversion Rate	%	3.0%	3.1%	3.1%	3.1%	3.2%	3.2%	3.2%	3.3%	3.3%	3.3%	3.4%	3.4%	3.4%	3.5%	3.5%	3.6%	3.6%	3.6%	3.7%	3.7%	3.7%	3.8%	3.8%	3.8%	
Organic	%	2.0%	2.1%	2.1%	2.1%	2.2%	2.2%	2.2%	2.3%	2.3%	2.3%	2.4%	2.4%	2.5%	2.5%	2.5%	2.6%	2.6%	2.7%	2.7%	2.7%	2.7%	2.8%	2.8%	2.8%	
Paid	%																									
Average Conversion	%	2.5%	2.6%	2.6%	2.6%	2.7%	2.7%	2.7%	2.8%	2.8%	2.9%	2.9%	2.9%	3.0%	3.0%	3.1%	3.1%	3.2%	3.2%	3.2%	3.3%	3.3%				
Orders																										
Organic	#	600	636	651	667	704	720	736	776	792	809	850	867	884	928	945	963	1,008	1,026	1,044	1,092	1,110	1,129	1,178	1,197	
Paid	#	100	107	109	111	119	121	123	131	133	136	144	146	149	158	160	163	172	174	177	186	189	192	202	204	
Total Orders	#	700	743	760	778	823	841	859	907	925	944	994	1,013	1,085	1,105	1,125	1,180	1,200	1,221	1,278	1,299	1,320	1,380	1,401		
Order Details																										
Average Item Value	₹	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00		
# of Items per Order	#	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Average Order Value	₹	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00		
Revenue Assumptions																										
Page Traffic	#	20,000	20,400	20,800	21,200	21,600	22,000	22,400	22,800	23,200	23,600	24,000	24,400	24,800	25,200	25,600	26,000	26,400	26,800	27,200	27,600	28,000	28,400	28,800	29,200	
Organic	#	5,000	5,200	5,400	5,600	5,800	6,000	6,200	6,400	6,600	6,800	7,000	7,200	7,400	7,600	7,800	8,000	8,200	8,400	8,600	8,800	9,000	9,200	9,400	9,600	
Paid	#	25,000	25,600	26,200	26,800	27,400	28,000	28,600	29,200	29,800	30,400	31,000	31,600	32,200	32,800	33,400	34,000	34,600	35,200	35,800	36,400	37,000	37,600	38,200	38,800	
Total Traffic	#																									
Conversion Rate	%	2.0%	2.1%	2.1%	2.1%	2.2%	2.2%	2.2%	2.3%	2.3%	2.3%	2.4%	2.4%	2.4%	2.5%	2.5%	2.5%	2.6%	2.6%	2.6%	2.7%	2.7%	2.7%	2.8%	2.8%	
Organic	%	1.0%	1.1%	1.1%	1.1%	1.2%	1.2%	1.2%	1.3%	1.3%	1.4%	1.4%	1.5%	1.5%	1.5%	1.6%	1.6%	1.6%	1.7%	1.7%	1.7%	1.8%	1.8%	1.8%		
Paid	%																									
Average Conversion	%	1.5%	1.6%	1.6%	1.6%	1.7%	1.7%	1.7%	1.8%	1.8%	1.9%	1.9%	1.9%	2.0%	2.0%	2.1%	2.1%	2.2%	2.2%	2.2%	2.3%	2.3%				
Orders																										
Organic	#	400	428	437	445	475	484	493	524	534	543	576	586	595	630	640	650	686	697	707	745	756	767	806	818	
Paid	#	50	57	59	62	70	72	74	83	86	88	98	101	104	114	117	120	131	138	150	153	156	169	173		
Total Orders	#	450	486	496	507	545	556	567	608	619	631	674	686	699	744	770	818	831	845	895	909	923	976			
Order Details																										
Average Item Value	₹	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00		
# of Items per Order	#	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Average Order Value	₹	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00	₹ 100.00		
Revenue Assumptions																										
Page Traffic	#	20,000	20,500	21,000	21,500	22,000	22,500	23,000	23,500	24,000	24,500	25,000	25,500	26,000	26,500	27,000	27,500	28,000	28,500	29,000	29,500	30,000	30,500	31,000	31,500	
Organic	#	5,000	5,300	5,600	5,900	6,200	6,500	6,800	7,100	7,400	7,800	8,000	8,300	8,600	9,500	9,800	10,100	10,400	10,700	11,000	11,300	11,600	11,900			
Paid	#	25,000	25,600	26,200	26,800	27,400	28,000	28,600	29,200	29,800	30,400	31,000	31,600	32,200	32,800	33,400	34,000	34,600	35,200	35,800	36,400	37,000	37,600	38,200	38,800	
Total Traffic	#																									
Conversion Rate	%	1.5%	1.5%	1.5%	1.5%	1.6%	1.6%	1.6%	1.7%	1.7%	1.8%	1.8%	1.9%	1.9%	1.9%	1.9%	1.9%	2.0%	2.0%	2.1%	2.1%	2.1%	2.2%	2.2%	2.2%	
Organic	%	0.5%	0.6%	0.6%	0.6%	0.7%	0.7%	0.7%	0.8%	0.8%	0.9%	0.9%	0.9%	1.0%	1.0%	1.1%	1.1%	1.1%	1.2%	1.2%	1.2%	1.3%	1.3%			
Paid	%																									
Average Conversion	%	1.0%	1.1%	1.1%	1.1%	1.2%	1.2%	1.2%	1.3%	1.3%	1.4%	1.4%	1.4%	1.5%	1.5%	1.6%	1.6%	1.7%	1.7%	1.8%						
Orders																										
Organic	#	300	305	309	314	339	344	349	376	381	386	414	419	425	454	460	466	496	502	508	540	546	552	585	592	
Paid	#	25	32	34	35	43	46	48	57	59	62	72	75	77	92	95	108	111	114	128	132	136	151	155		
Total Orders	#	325	336	343	349	383	396	433	440	448	494	502	552	561	604	613	622	668	678	688	736					
Order Details																										
Average Item Value	₹	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00	₹ 50.00		
# of Items per Order	#	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Average Order Value	₹	₹ 50.00</td																								

Cost Assumption

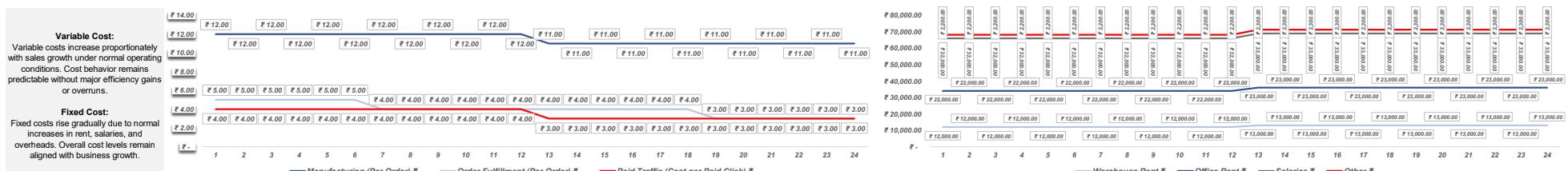


FINANCIAL MODEL FOR START UP

Cost Assumption

Cost Assumptions Worst Case

Category	Manufacturing (Per Order) ₹	Order Fulfillment (Per Order) ₹	Paid Traffic (Cost per Paid Click) ₹	Warehouse Rent ₹	Office Rent ₹	Salaries ₹	Other ₹
1	₹ 12,000	₹ 3,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000
2	₹ 12,000	₹ 3,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000
3	₹ 12,000	₹ 3,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000
4	₹ 12,000	₹ 3,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000
5	₹ 12,000	₹ 3,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000
6	₹ 12,000	₹ 3,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000
7	₹ 12,000	₹ 3,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000
8	₹ 12,000	₹ 3,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000
9	₹ 12,000	₹ 3,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000
10	₹ 12,000	₹ 3,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000
11	₹ 12,000	₹ 3,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000
12	₹ 12,000	₹ 3,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000
13	₹ 1,000	₹ 3,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000
14	₹ 1,000	₹ 3,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000
15	₹ 1,000	₹ 3,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000
16	₹ 1,000	₹ 3,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000
17	₹ 1,000	₹ 3,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000
18	₹ 1,000	₹ 3,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000
19	₹ 1,000	₹ 3,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000
20	₹ 1,000	₹ 3,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000
21	₹ 1,000	₹ 3,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000
22	₹ 1,000	₹ 3,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000
23	₹ 1,000	₹ 3,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000
24	₹ 1,000	₹ 3,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000	₹ 2,000

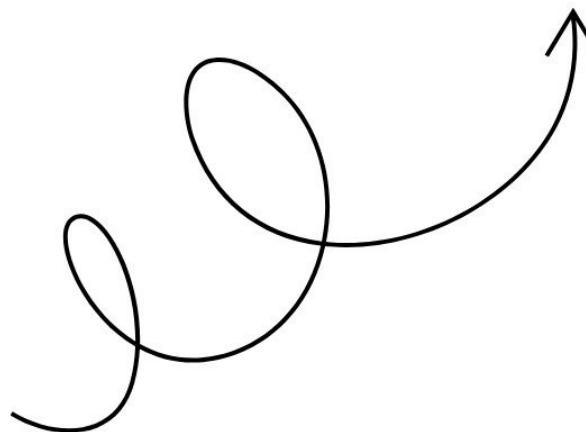


Worst Case Variable Cost



The numbers mentioned at x - axis from 1 - 24 denotes months

Income Statement



FINANCIAL MODEL FOR START UP		Income Statement																								
Assumptions	Unit	Jan-26	Feb-26	Mar-26	Apr-26	May-26	Jun-26	Jul-26	Aug-26	Sep-26	Oct-26	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27	
		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	
Income Statement		Choose case scenario for better visualization																								2
Revenue	₹	45,000	48,560	49,620	50,680	54,480	55,600	56,720	60,760	61,940	63,120	67,400	68,640	142,555	151,776	154,428	157,080	166,790	169,565	172,399	182,539	185,436	188,333	199,022	202,042	
COGS	₹	5,400	5,827	5,954	6,082	6,638	6,672	6,806	7,291	7,433	8,237	7,687	8,184	8,327	8,470	8,994	9,143	9,293	9,843	9,999	10,155	10,732	10,894			
Gross Profit	₹	39,600	42,733	43,666	44,598	47,942	48,928	49,914	53,469	54,507	55,546	59,312	60,403	134,868	143,592	146,101	148,610	157,797	160,422	163,046	172,696	175,437	178,178	188,291	191,147	
Gross Profit Margin %	%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	94.6%	94.6%	94.6%	94.6%	94.6%	94.6%	94.6%	94.6%	94.6%	94.6%	94.6%	94.6%	94.6%	94.6%	
Variable Cost																										
Marketing	₹	20,000	20,800	21,600	22,400	23,200	24,000	24,800	25,600	26,400	27,200	28,000	28,800	22,200	22,800	23,400	24,000	24,600	25,200	25,800	26,400	27,000	27,600	28,200	28,800	
Fulfillment	₹	2,250	2,428	2,481	2,534	2,724	2,780	2,269	2,430	2,478	2,525	2,696	2,746	2,795	3,028	3,270	2,534	2,684	2,727	2,770	2,927	2,971				
Total Variable Cost	₹	22,250	23,228	24,081	24,934	25,924	26,780	27,069	28,030	28,878	29,725	30,696	31,546	24,995	25,776	26,428	27,080	27,870	28,525	28,334	29,084	29,727	30,370	31,127	31,771	
Contribution Margin	₹	17,350	19,505	19,585	19,664	22,018	22,148	22,845	25,438	25,630	25,821	28,616	28,858	109,873	117,816	119,673	121,530	129,926	131,897	134,712	143,612	145,710	147,808	157,164	159,376	
Contribution Margin %	%	38.6%	40.2%	39.9%	38.8%	40.4%	39.8%	40.3%	41.9%	41.4%	40.9%	42.5%	42.0%	77.1%	77.6%	77.9%	77.4%	77.9%	78.2%	78.7%	78.6%	78.5%	79.0%	78.9%		
Fixed Costs																										
General & Administrative	₹	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	66,000	69,000	69,000	69,000	69,000	69,000	69,000	69,000	69,000	69,000	69,000	69,000		
Other	₹	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300	2,300		
Total Fixed Cost	₹	68,200	68,200	68,200	68,200	68,200	68,200	68,200	68,200	68,200	68,200	68,200	68,200	71,300	71,300	71,300	71,300	71,300	71,300	71,300	71,300	71,300	71,300			
Total Cost	₹	95,850	97,255	98,235	99,216	100,662	101,652	102,075	103,522	104,510	105,499	106,984	107,982	109,982	110,227	108,164	108,968	108,922	110,227	111,026	111,825	113,158	113,966			
EBT	₹	(50,850)	(48,695)	(48,615)	(48,536)	(46,182)	(46,052)	(45,355)	(42,762)	(42,570)	(42,379)	(39,584)	(39,342)	28,930	34,887	36,280	37,673	43,970	45,448	47,559	54,234	55,808	57,381	64,398	66,057	
Tax	₹	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	9,643	11,629	12,093	12,558	14,657	15,149	15,853	18,078	18,603	19,127	21,466	22,019	
Net Profit	₹	(50,850)	(48,695)	(48,615)	(48,536)	(46,182)	(46,052)	(45,355)	(42,762)	(42,570)	(42,379)	(39,584)	(39,342)	28,930	34,887	36,280	37,673	43,970	45,448	47,559	54,234	55,808	57,381	64,398	66,057	

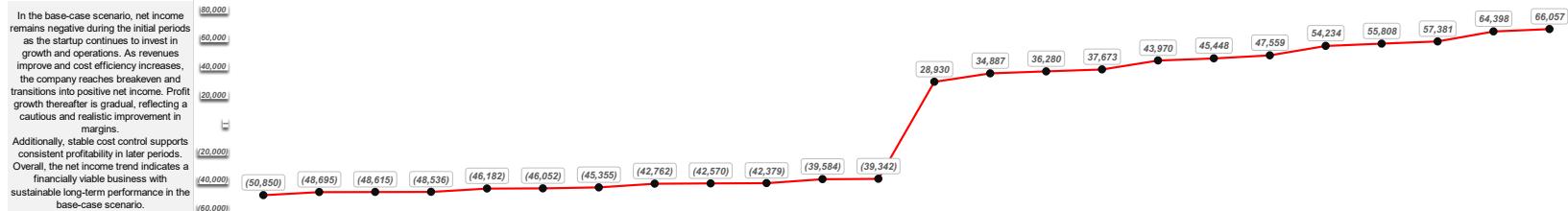
Revenue Forecast



Total Cost Forecast



Net Profit Forecast



Prepared for educational purpose

This financial model has been created for a hypothetical startup with the objective of understanding how core financial statements are built and how assumptions drive overall business performance. The model is intentionally kept simple and focuses on three key components: revenue assumptions, cost assumptions, and the income statement. All figures used in the model are assumed purely for educational and learning purposes.

Revenue assumptions are derived by estimating basic business drivers such as customer activity and pricing logic, allowing a structured view of how top-line growth could evolve over time. Cost assumptions are divided into variable and fixed costs to clearly understand the operational cost structure and its impact on profitability. These assumptions flow directly into the income statement, which highlights key metrics such as gross profit, operating profit, and net income.

To assess uncertainty and risk, the model incorporates best-case, base-case, and worst-case scenarios. These scenarios help evaluate how changes in revenue and cost behavior can affect financial outcomes. However, for presentation clarity, only the base-case scenario is reflected in the final PDF, as it represents the most realistic and balanced outlook.

Overall, this model demonstrates a foundational approach to financial modeling, emphasizes logical assumption-building, and provides a structured framework for analyzing startup-level financial performance.