

An aerial, high-angle photograph of a city, likely London, showing a dense urban landscape with numerous buildings and a prominent river (the River Thames) winding through the center. The image is in grayscale and serves as the background for the document.

THE MISSING LINK

ABC Ltd Strategic Financial Planning

THIS FINANCIAL MODEL HAS NOT BEEN AUDITED AND NO REPRESENTATION, WARRANTY OR UNDERTAKING (EXPRESS OR IMPLIED) IS MADE AND NO RESPONSIBILITY IS TAKEN OR ACCEPTED AS TO THE ADEQUACY, ACCURACY, COMPLETENESS OR REASONABLENESS OF THE FINANCIAL MODEL AND EXCLUDES LIABILITY THEREOF. IN PARTICULAR, NO RESPONSIBILITY IS TAKEN OR ACCEPTED BY AND ALL LIABILITY IS EXCLUDED FOR THE ACCURACY OF THE COMPUTATIONS COMPRISED THEREIN AND THE ASSUMPTIONS UPON WHICH SUCH COMPUTATIONS ARE BASED.

ABC Company is experiencing Hyper Growth: the turn over will increase by 8 in the next 4 yrs.
Great but is it feasible?

Profit and Loss Statement

	Yr1	Yr2	Yr3	Yr4	Yr5
Sales		2,500.0	5,000.0	10,000.0	20,000.0
Cos		(2,250.0)	(4,500.0)	(7,000.0)	(10,000.0)
SG&A		(500.0)	(700.0)	(800.0)	(850.0)
Operating Profit	-	(250.0)	(200.0)	2,200.0	9,150.0
Interest	-	-	-	-	-
Tax	-	50.0	40.0	(440.0)	(1,830.0)
Net Income	-	(200.0)	(160.0)	1,760.0	7,320.0
EBITDA	-	250.0	300.0	2,700.0	9,650.0

Scenarios Feasibility

Trading Finance

ABC looks for some Trading finance with Bank XXX

	%	Max Amount	Interest Rate
Factoring	80%	2,500.0	5%

ABC agrees a 50% prepayment with its customers

ABC at Yr 5 distributes 9.9M to its Shareholders

Treasury	Yr1	Yr2	Yr3	Yr4	Yr5
Tax Paied			53.0	49.0	(422.0)
Capex	(2,000.0)	(1,000.0)			
Share Capital	2,800.0				-
Long Term Debt					
Dividends					(9,900.0)

Equity

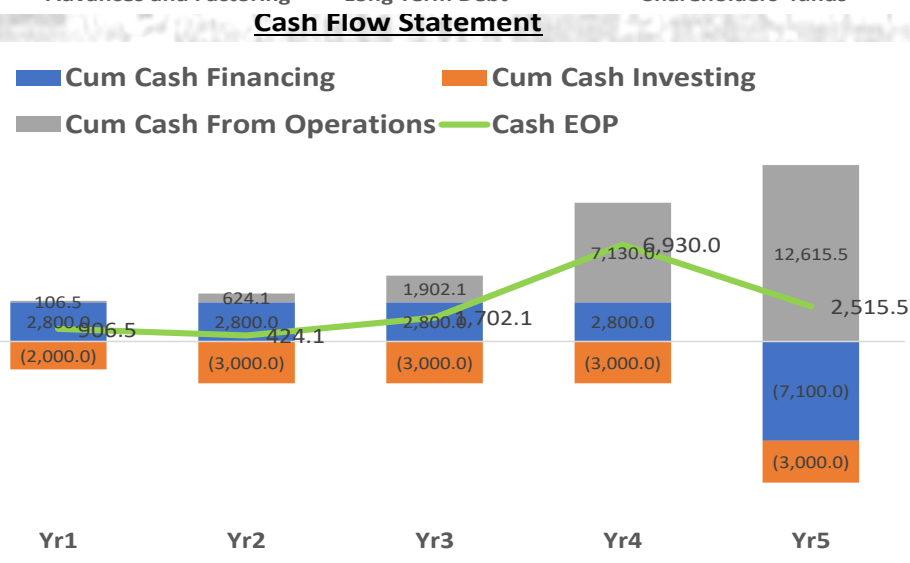
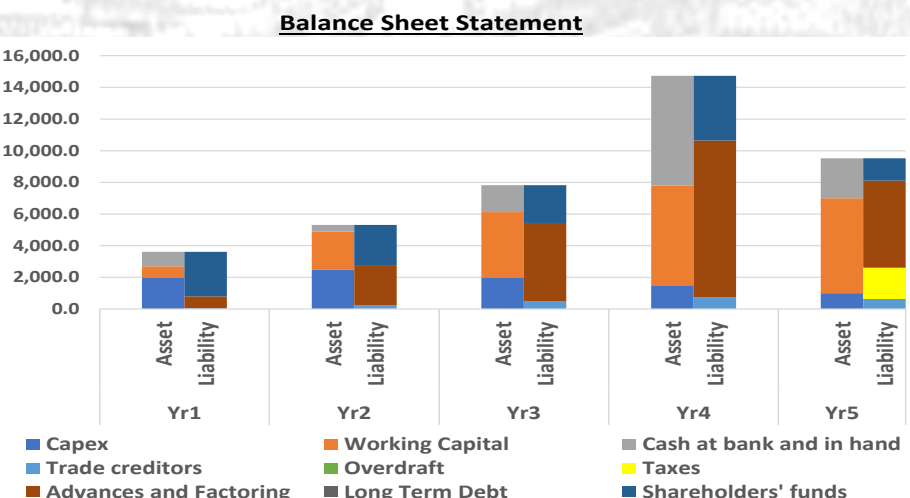
ABC raises 3.3M in Yr2 with Venture XX

Venture XX decides to exit in Yr 5, a cash out of 9.9M: this is X3 not great not bad!

	Yr2	Yr3	Yr4	Yr5
		50.0	40.0	(440.0)
	(1,000.0)			
	3,300.0			(9,900.0)

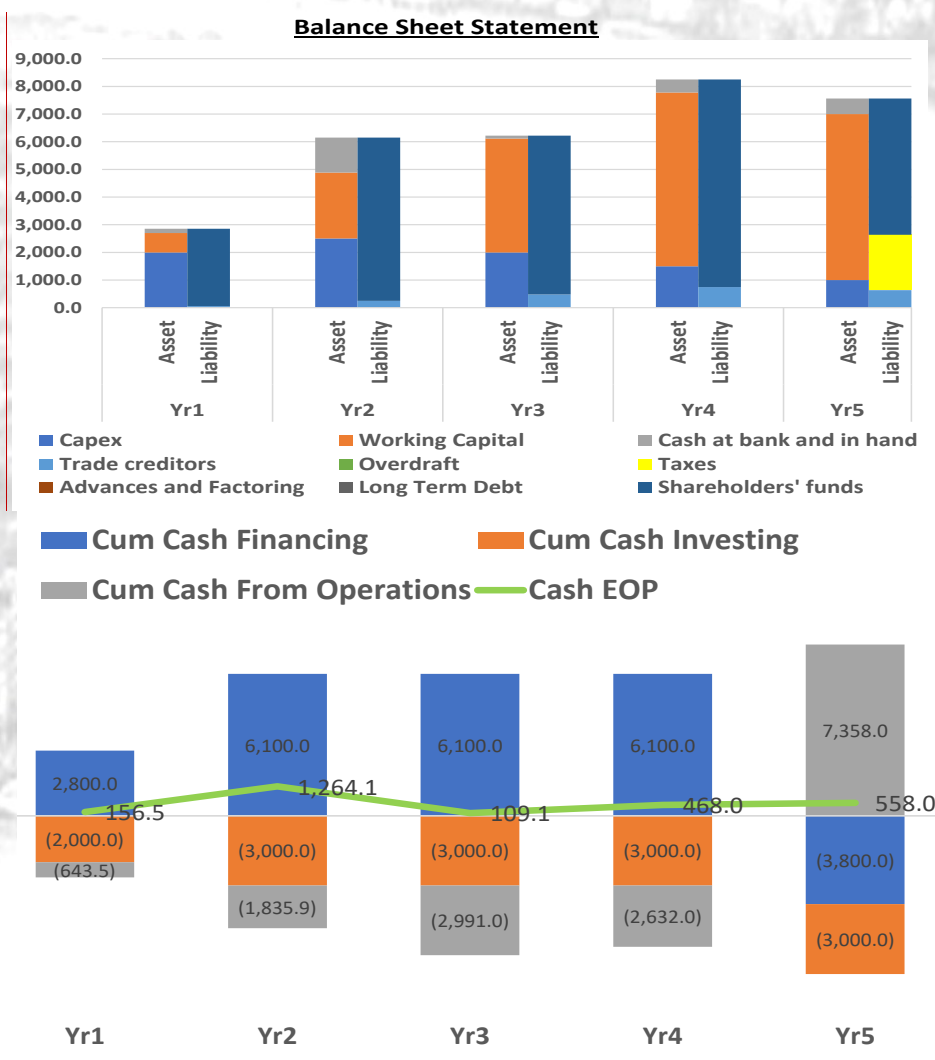
Scenarios Recommendation 1/2

Trading Finance



In YR5
The Share holders has perceived 9.9M dividends.
ABC ends with 2.5M cash on hand.
ABC EBITDA at 9.6M.

Equity



In YR5
VC exits with 9.9M.
ABC ends with .6M cash on hand.
ABC EBITDA at 9.6M.

Scenarios Recommendation 2/2

Trading Finance

Profit and Loss Statement

	Yr1	Yr2	Yr3	Yr4	Yr5
Sales		2,500.0	5,000.0	10,000.0	20,000.0
Cos		(2,250.0)	(4,500.0)	(7,000.0)	(10,000.0)
SG&A		(500.0)	(700.0)	(800.0)	(850.0)
Operating Profit	-	(250.0)	(200.0)	2,200.0	9,150.0
Interest	-	(15.0)	(45.0)	(90.0)	(122.5)
Tax	-	53.0	49.0	(422.0)	(1,805.5)
Net Income	-	(212.0)	(196.0)	1,688.0	7,222.0
EBITDA	-	250.0	300.0	2,700.0	9,650.0

Equity

Profit and Loss Statement

	Yr1	Yr2	Yr3	Yr4	Yr5
Sales		2,500.0	5,000.0	10,000.0	20,000.0
Cos		(2,250.0)	(4,500.0)	(7,000.0)	(10,000.0)
SG&A		(500.0)	(700.0)	(800.0)	(850.0)
Operating Profit	-	(250.0)	(200.0)	2,200.0	9,150.0
Interest	-	-	-	-	-
Tax	-	50.0	40.0	(440.0)	(1,830.0)
Net Income	-	(200.0)	(160.0)	1,760.0	7,320.0
EBITDA	-	250.0	300.0	2,700.0	9,650.0

Recommendation: In this specific context TML recommends to go first to a trading finance solution.

A general suggestion is to look for external financing when you are at the investor ready stage. Is the company business model efficient? By reworking on the actual term and condition with your customers/suppliers, you may reengineer the cash conversion cycle by reducing the financial needs and improving the DSO, DSI and DPO.

The TML Approach

ABC LTD One Pager Financial Planner

Profit and Loss Statement

	Yr1	Yr2	Yr3	Yr4	Yr5
Sales		2,500.0	5,000.0	10,000.0	20,000.0
Cos		(2,250.0)	(4,500.0)	(7,000.0)	(10,000.0)
SG&A		(500.0)	(700.0)	(800.0)	(850.0)
Operating Profit	-	(250.0)	(200.0)	2,200.0	9,150.0
Interest	-	-	-	-	-
Tax	-	50.0	40.0	(440.0)	(1,830.0)
Net Income	-	(200.0)	(160.0)	1,760.0	7,320.0
EBITDA	-	250.0	300.0	2,700.0	9,650.0

Assumptions

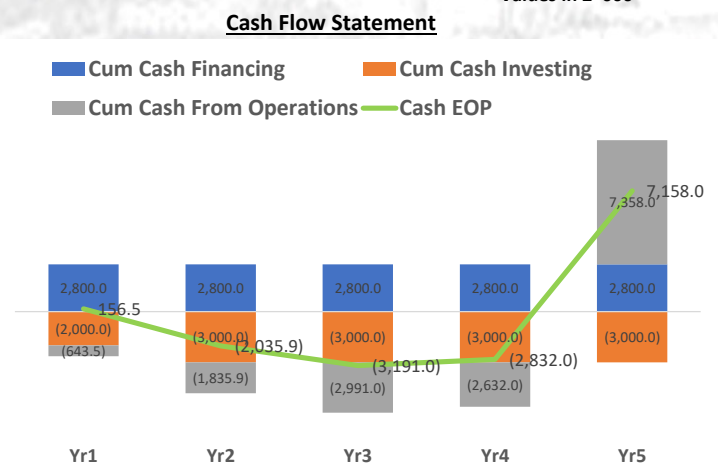
T&C	Months	%	Months	%
PO	(0.5)		Vat - Sales	0.1 20%
DSO	0.3		Vat - Spend	0.1 20%
DPO	0.1		Vat - Opex	0.1 5%
DSI	(0.3)			
Prepay				

Factoring	%	Max Amount	Interest Rate

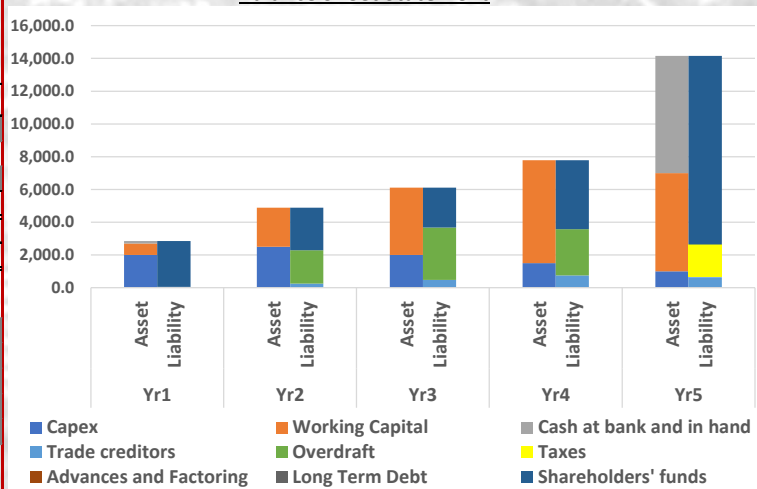
Operational	Yr1	Yr2	Yr3	Yr4	Yr5
Lab					
Spend	-	(1,750.0)	(4,000.0)	(6,500.0)	(9,500.0)
Depreciation		(500.0)	(500.0)	(500.0)	(500.0)
COS	-	(2,250.0)	(4,500.0)	(7,000.0)	(10,000.0)
EBITDA	-	250.0	300.0	2,700.0	9,650.0

Treasury	Yr1	Yr2	Yr3	Yr4	Yr5
Tax Paid			50.0	40.0	(440.0)
Capex	(2,000.0)	(1,000.0)			
Share Capital	2,800.0				
Long Term Debt					
Dividends					

Values in £ '000'



Balance Sheet Statement



We provide a "top-down" financial planning to help the decision-makers to design the best feasible growing strategy.

The One Pager Financial Planner, before going into detail, helps you to develop accurate scenarios where to test the feasibility of your strategy. We have the experience, the technology, and the right process to generate your high-quality Strategic Financial report seamlessly, timely, and at the right price. We are sector and development stage agnostic.

If you like to find out more please contact:
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Thank You

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