

# FINANCIAL MODEL, KEY RATIOS & VALUATION

Select scenario ► **1** Base scenario

Croco Company 2022 - 2027

(€ x 1.000)

## Unit Economics

	2022	2023	2024	2025	2026	2027
<b>Product 1</b>	<i>Product description on marketing, pricing &amp; growth</i>					
Quantity Sold	10	10	10	11	11	11
Sales Price Per Unit	10	10	10	11	11	11
Cost Per Unit	3	3	3	3	3	3
Marketing cost per unit (CAC)	4	4	4	4	5	5

	2022	2023	2024	2025	2026	2027
<b>Product 2</b>	<i>Product description on marketing, pricing &amp; growth</i>					
Quantity Sold	4	4	4	5	5	5
Sales Price Per Unit	30	32	33	35	36	38
Cost Per Unit	12	12	13	13	14	14
Marketing cost per unit (CAC)	5	5	5	5	6	6

## Key Assumptions

	2022	2023	2024	2025	2026	2027
Inflation	3,0%	3,0%	3,0%	3,0%	3,0%	3,0%
Days Sales Outstanding	30	30	30	30	30	30
Days Payable Outstanding	40	40	40	40	40	40
Days Inventory Outstanding	20	20	20	20	20	20
Debt Interest Rate	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%
Capex	30,0	30,9	31,8	32,8	33,8	34,8

## Income Statement

	2022	2023	2024	2025	2026	2027
Revenue	220,0	237,6	256,9	278,1	301,3	326,9
Variable COGS	78,0	83,9	90,3	97,3	104,8	112,9
Fixed COGS	22,0	22,7	23,3	24,0	24,8	25,5
Gross Profit	120,0	131,0	143,2	156,8	171,8	188,5
Variable SG&A	60,0	63,9	68,0	72,4	77,2	82,2
Fixed SG&A	16,0	16,5	17,0	17,5	18,0	18,5
<b>EBITDA</b>	<b>44,0</b>	<b>50,7</b>	<b>58,3</b>	<b>66,9</b>	<b>76,6</b>	<b>87,7</b>
Depreciation & Ammortization	25,0	25,8	26,5	27,3	28,1	29,0
<b>EBIT</b>	<b>19,0</b>	<b>24,9</b>	<b>31,7</b>	<b>39,6</b>	<b>48,5</b>	<b>58,7</b>
Interest	15,0	14,7	14,4	14,1	13,8	13,5
<b>EBT</b>	<b>4,0</b>	<b>10,2</b>	<b>17,3</b>	<b>25,5</b>	<b>34,7</b>	<b>45,2</b>
Taxes <span style="float:right">25%</span>	1,0	2,6	4,3	6,4	8,7	11,3
<b>Net Income</b>	<b>3,0</b>	<b>7,7</b>	<b>13,0</b>	<b>19,1</b>	<b>26,0</b>	<b>33,9</b>
Shares	10,0	10,0	10,0	10,0	10,0	10,0
<b>Earnings Per Share (EPS)</b>	<b>0,30</b>	<b>0,77</b>	<b>1,30</b>	<b>1,91</b>	<b>2,60</b>	<b>3,39</b>

## Cash Flow Statement

	2023	2024	2025	2026	2027
Net Income	7,7	13,0	19,1	26,0	33,9
Depreciation & Ammortization	25,8	26,5	27,3	28,1	29,0
Change in Current Assets/Liabilities	0,8	-1,4	-1,5	-1,7	-1,9
<b>Operating Cash Flow</b>	<b>34,2</b>	<b>38,1</b>	<b>44,9</b>	<b>52,4</b>	<b>61,0</b>
Capex	-30,9	-31,8	-32,8	-33,8	-34,8
Other	0,0	0,0	0,0	0,0	0,0
<b>Investing Cash Flow</b>	<b>-30,9</b>	<b>-31,8</b>	<b>-32,8</b>	<b>-33,8</b>	<b>-34,8</b>
Debt Added (+) / Debt Repaid (-)	-5,0	-5,0	-5,0	-5,0	-5,0
Issue of Equity (+) / Buybacks (-)	0,0	0,0	0,0	0,0	0,0
Dividend Payout (-)	-1,0	-1,0	-1,0	-1,0	-1,0
<b>Financing Cash Flow</b>	<b>-6,0</b>	<b>-6,0</b>	<b>-6,0</b>	<b>-6,0</b>	<b>-6,0</b>
<b>Net Cash Flow (Change in Cash)</b>	<b>-2,7</b>	<b>0,3</b>	<b>6,1</b>	<b>12,7</b>	<b>20,2</b>
<b>Free Cash Flow</b>	<b>-8,7</b>	<b>-5,7</b>	<b>0,1</b>	<b>6,7</b>	<b>14,2</b>

## Product Operating Ratios

	2022	2023	2024	2025	2026	2027
<b>Product 1</b>						
Unit growth	2,0%	2,0%	2,0%	2,0%	2,0%	2,0%
Pricing growth	2,0%	2,0%	2,0%	2,0%	2,0%	2,0%
Return on Ad Spend (ROAS)	2,5x	2,5x	2,5x	2,4x	2,4x	2,4x
Gross margin	70,0%	69,7%	69,4%	69,1%	68,8%	68,5%
LTV/CAC (no recurring)	1,8x	1,7x	1,7x	1,7x	1,7x	1,6x
Contribution margin	30,0%	29,3%	28,6%	27,9%	27,2%	26,5%

	2022	2023	2024	2025	2026	2027
<b>Product 2</b>						
Unit growth	6,0%	6,0%	6,0%	6,0%	6,0%	6,0%
Pricing growth	5,0%	5,0%	5,0%	5,0%	5,0%	5,0%
Return on Ad Spend (ROAS)	6,0x	6,1x	6,2x	6,4x	6,5x	6,6x
Gross margin	60,0%	60,8%	61,5%	62,2%	63,0%	63,7%
LTV/CAC (no recurring)	3,6x	3,7x	3,8x	4,0x	4,1x	4,2x
Contribution margin	43,3%	44,4%	45,5%	46,5%	47,5%	48,5%

## Business Operating Ratios

	2022	2023	2024	2025	2026	2027
<b>Revenue Growth</b>	<b>8,0%</b>	<b>8,1%</b>	<b>8,2%</b>	<b>8,4%</b>	<b>8,5%</b>	
Gross margin	54,5%	55,1%	55,8%	56,4%	57,0%	57,7%
EBITDA Growth	15,2%	15,0%	14,8%	14,6%	14,4%	
EBITDA Margin	20,0%	21,3%	22,7%	24,0%	25,4%	26,8%
<b>Contribution margin</b>	<b>37,3%</b>	<b>37,8%</b>	<b>38,4%</b>	<b>39,0%</b>	<b>39,6%</b>	<b>40,3%</b>
Net Income Margin	1,4%	3,2%	5,1%	6,9%	8,6%	10,4%

## Balance Sheet

	2022	2023	2024	2025	2026	2027
<b>ASSETS</b>						
Cash & Equivalents	40,0	37,3	37,6	43,7	56,4	76,5
Accounts Receivable	20,0	19,8	21,4	23,2	25,1	27,2
Inventory	13,0	13,2	14,3	15,4	16,7	18,2
Other Current Assets	17,0	17,0	17,0	17,0	17,0	17,0
<b>Total Current Assets</b>	<b>90,0</b>	<b>87,3</b>	<b>90,3</b>	<b>99,3</b>	<b>115,2</b>	<b>138,9</b>
Gross Tangible Fixed Assets	400,0	430,9	462,7	495,5	529,3	564,1
Accumulated Depreciation	160,0	185,8	212,3	239,6	267,7	296,7
<b>Net Tangible Fixed Assets</b>	<b>240,0</b>	<b>245,2</b>	<b>250,5</b>	<b>255,9</b>	<b>261,5</b>	<b>267,3</b>
Other Fixed Assets	20,0	20,0	20,0	20,0	20,0	20,0
<b>Total Fixed Assets</b>	<b>260,0</b>	<b>265,2</b>	<b>270,5</b>	<b>275,9</b>	<b>281,5</b>	<b>287,3</b>
<b>Total Assets</b>	<b>350,0</b>	<b>352,4</b>	<b>360,7</b>	<b>375,2</b>	<b>396,8</b>	<b>426,3</b>

	2022	2023	2024	2025	2026	2027
<b>LIABILITIES</b>						
Accounts Payable	20,0	20,8	22,1	23,5	25,0	26,6
Other Current Liabilities	30,0	30,0	30,0	30,0	30,0	30,0
<b>Current Liabilities</b>	<b>50,0</b>	<b>50,8</b>	<b>52,1</b>	<b>53,5</b>	<b>55,0</b>	<b>56,6</b>
Long Term Debt	250,0	245,0	240,0	235,0	230,0	225,0
Provisions & Other Liabilities	20,0	20,0	20,0	20,0	20,0	20,0
<b>Non-Current Liabilities</b>	<b>270,0</b>	<b>265,0</b>	<b>260,0</b>	<b>255,0</b>	<b>250,0</b>	<b>245,0</b>
<b>Total Liabilities</b>	<b>320,0</b>	<b>315,8</b>	<b>312,1</b>	<b>308,5</b>	<b>305,0</b>	<b>301,6</b>

	2022	2023	2024	2025	2026	2027
<b>SHAREHOLDERS EQUITY</b>						
Common Stock	20,0	20,0	20,0	20,0	20,0	20,0
Retained Earnings	10,0	16,7	28,7	46,8	71,8	104,7
<b>Total Shareholders Equity</b>	<b>30,0</b>	<b>36,7</b>	<b>48,7</b>	<b>66,8</b>	<b>91,8</b>	<b>124,7</b>
<b>Total Liabilities &amp; SH Equity</b>	<b>350,0</b>	<b>352,4</b>	<b>360,7</b>	<b>375,2</b>	<b>396,8</b>	<b>426,3</b>

## Valuation Ratios

	2022	2023	2024	2025	2026	2027
Market Capitalization	200,0	200,0	200,0	200,0	200,0	200,0
Price Per Share	20,0	20,0	20,0	20,0	20,0	20,0

	2022	2023	2024	2025	2026	2027
Gross Debt	320,0	315,8	312,1	308,5	305,0	301,6
Cash & Equivalents	-40,0	-37,3	-37,6	-43,7	-56,4	-76,5
<b>Net Debt</b>	<b>280,0</b>	<b>278,5</b>	<b>274,5</b>	<b>264,8</b>	<b>248,6</b>	<b>225,0</b>
<b>Enterprise Value (EV)</b>	<b>480,0</b>	<b>478,5</b>	<b>474,5</b>	<b>464,8</b>	<b>448,6</b>	<b>425,0</b>

	2022	2023	2024	2025	2026	2027
<b>Leverage</b>						
Debt / EBITDA	7,3x	6,2x	5,4x	4,6x	4,0x	3,4x
Net Debt / EBITDA	6,4x	5,5x	4,7x	4,0x	3,2x	2,6x

	2022	2023	2024	2025	2026	2027
Debt % EV	66,7%	66,0%	65,8%	66,4%	68,0%	71,0%
Net Debt % EV	58,3%	58,2%	57,8%	57,0%	55,4%	52,9%

	2022	2023	2024	2025	2026	2027
<b>Valuation</b>						
EV / EBITDA	10,9x	9,4x	8,1x	7,0x	5,9x	4,8x
Price / Earnings (P/E)	66,7x	26,1x	15,4x	10,5x	7,7x	5,9x

## DCF Valuation

	2022	2023	2024	2025	2026	2027
Risk Free Rate	3,0%					
Debt Interest Rate	6,0%					
Stock's Beta	1,2					
Market Rate of Return	9,0%					

Cost of Debt	4,5%	<i>After tax</i>
% Debt	61,5%	<i>Gross Debt / (Gross Debt + Market Cap)</i>
Cost of Equity	10,2%	<i>Risk Free Rate + Beta x (Market Rate - Risk Free Rate)</i>
% Equity	38,5%	<i>Market Cap / (Gross Debt + Market Cap)</i>
<b>WACC = Discount Rate</b>	<b>6,7%</b>	<i>(Weighted Average Cost of Capital)</i>

Long Term Growth Rate (g)	5,0%	<i>Annually</i>
Free Cash Flow (last period)	14,2	
<b>Terminal Value</b>	<b>880,2</b>	<i>= FCF x (1+g) / (Discount Rate - g)</i>
Terminal Multiple	59,1x	<i>= 1 / (Discount Rate - g)</i>

	2022	2023	2024	2025	2026	2027
<b>Discounted Cash Flow</b>						
Free Cash Flow	-8,7	-5,7	0,1	6,7	14,2	
Terminal Value						880,2
Value Received	-8,7	-5,7	0,1	6,7	6,7	894,4
Discounted Value	-8,2	-5,0	0,1	5,1	647,0	

<b>DCF Value</b>	<b>639,0</b>
Plus: Cash & Equivalents	40,0
Minus: Debt	-320,0
<b>Net Company Value</b>	<b>359,0</b>
Shares	10,0
Net Company Value / Share	35,9

