



SPLODA DILIGENCE REPORT

(Report Number: 12)

SPLODA SCORE : 4603

Prepared for : SPLODA TECHNOLOGIES SAMPLE COMPANY on May 4, 2018 at 10:24 AM

Company Overview :

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Industry/Industries:	Software as a Service	
Company Stage:	In-Revenue	Company Age: 6
Public Company:	Private	Employees: 80
Annual Revenue (USD):	\$26,000,000.00	
Annual Profit (USD):	\$8,400,000.00	
Cash Available (USD):	\$600,000.00	
Self-Projected % Future Growth:	31.8% (average per year over 5 years)	
Investments to Date (USD):	\$1,050,000.00	
Use of Funds	Acquire a competitor	
Key Individual Profile:	Executive Profile Link	
Key Contact:	neilbelenkie+172@gmail.com	
Company Integrity Score:	Not yet ranked	
Strategy for Investor ROI:	Sale of company, IPO, Share value increase	
Potential ROI on Sale	50.00%	

This company is currently seeking \$10,000,000 for 15% of the company. (Company self-valued at \$66,666,667)

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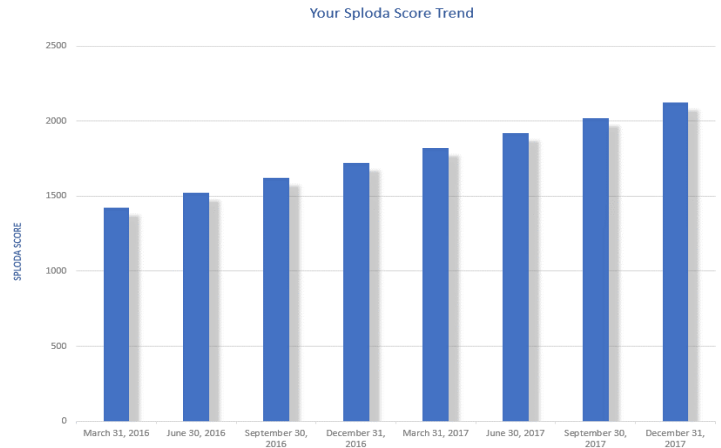
Understanding the SPLODA Diligence Report and SPLODA Score

The SPLODA Diligence Report and Sploda Score are generated by applying proprietary SPLODA diagnostic algorithms to information provided in a company's most recent SPLODA survey submission.

The SPLODA Diligence Report analyzes essential and non-essential business indicators, generating a scoring summary for each individual business area. A company's overall SPLODA Score is the sum total of its scoring in all assessed areas of business performance.

Company Trend Chart.

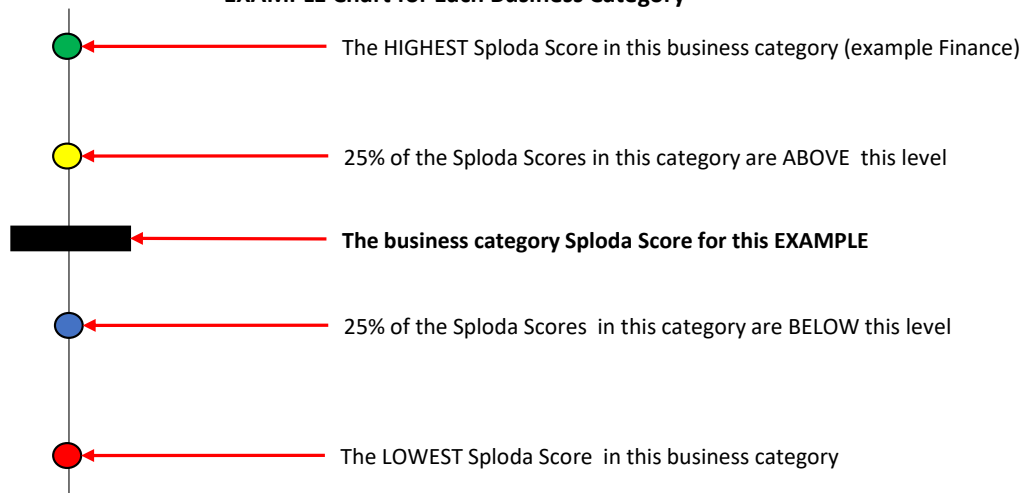
The company trend chart tracks a company's Sploda Score over time. As the company completes more on-line Sploda assessments, the chart shows these trends.



Business Category Chart.

The business category chart shows how various business categories of a company (Such as Human Resources, Financial Management, Information Technology etc.) compare to other companies in the same industry.

EXAMPLE Chart for Each Business Category



SPLODA recommends updating Company data following every material event, or at minimum after each business quarter. Current data is critical for investors when reviewing SPLODA diligence reports.

Company: SPLODA TECHNOLOGIES SAMPLE COMPANY

Industry: SOFTWARE AS A SERVICE

SPLODA Score: 4603

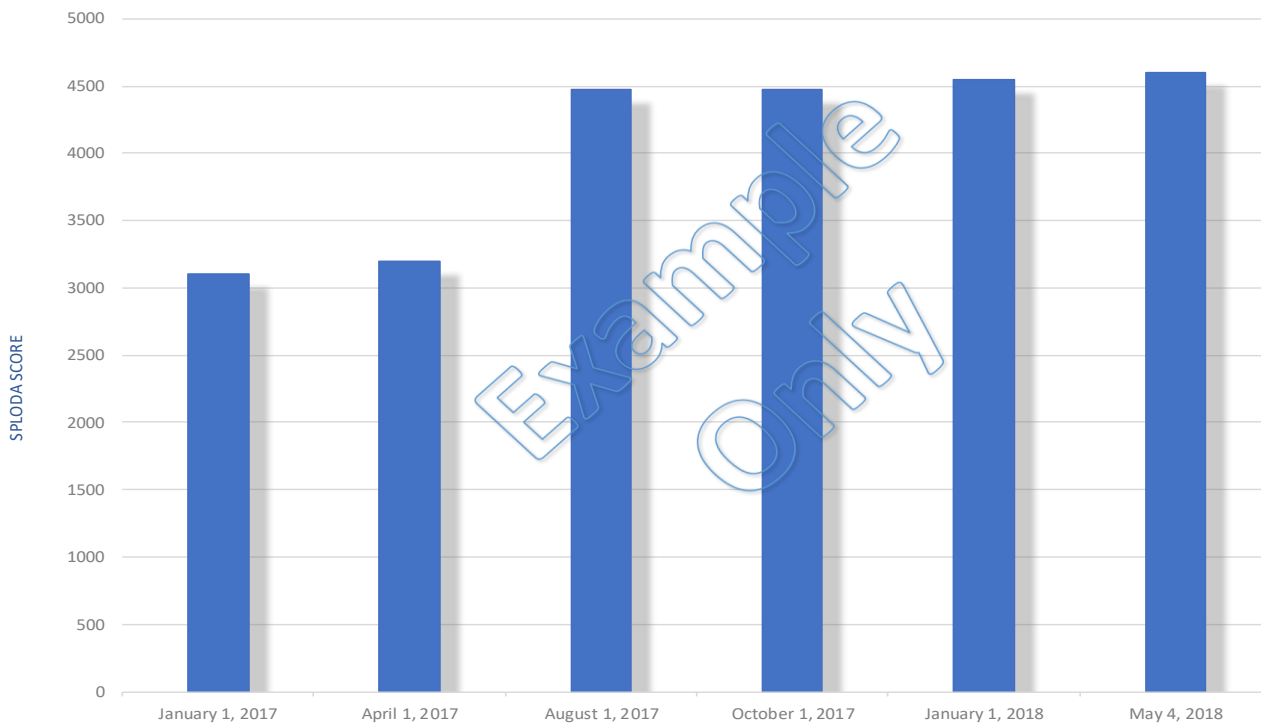
SPLODA Score Ranking for this Industry (Percentile): 100%

SPLODA Score Ranking for all Industries (Percentile): 100%

(note: Percentiles are calculated against companies in the Sploda database)

Company Performance at a Glance

Your Sploda Score Trend

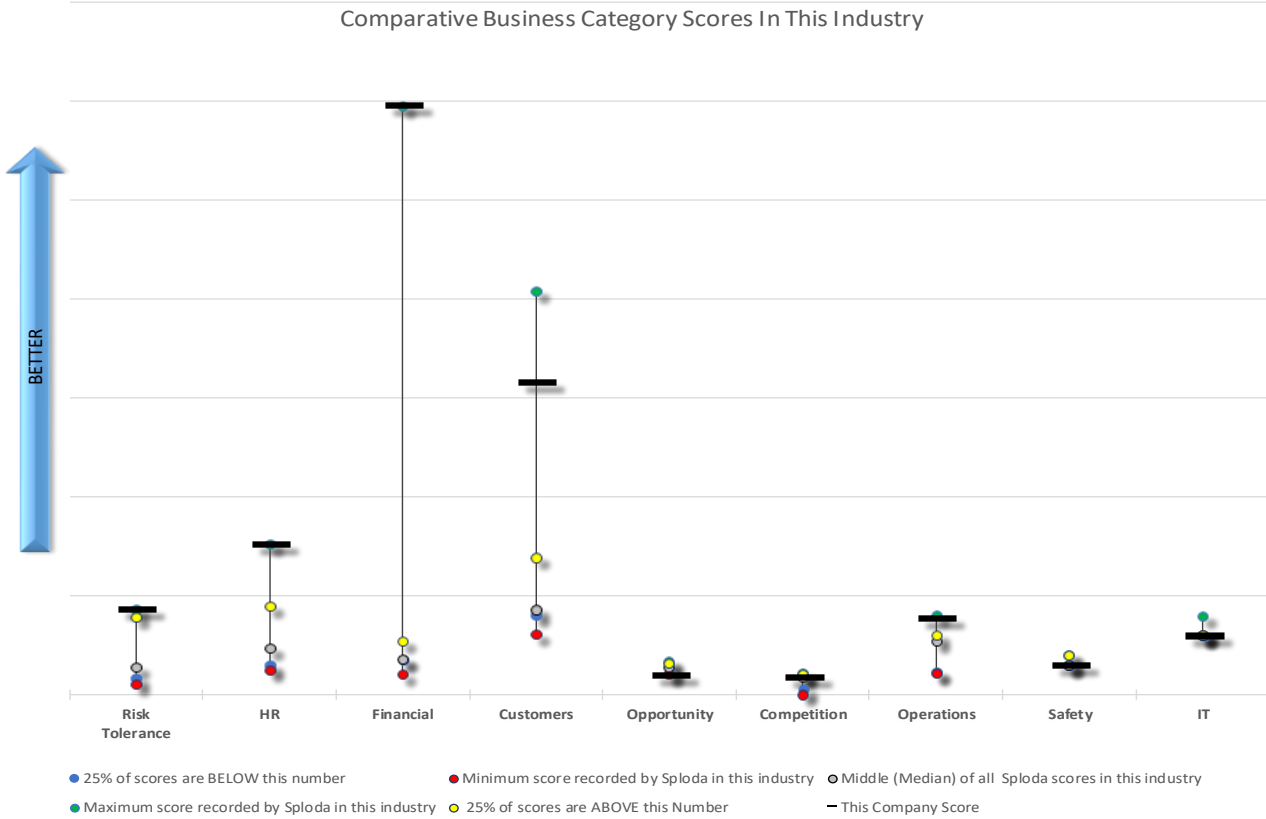


This company's current Sploda Score of 4603 is:

Equal to or better than 100.00% of the companies in the Sploda database for this industry.

Equal to or better than 100.00% of the companies in the Sploda database for ALL industries.

Business Category Performance and Industry Benchmarks at a Glance



Category (Statistics For All Companies In This Industry)	Risk Tolerance	HR	Financial	Customers	Opportunity	Competition	Operations	Safety	IT
<i>25% of scores are BELOW this number</i>	176	30	177	82	22	6	24	30	60
<i>Minimum score</i>	98	24	102	62	20	0	22	30	60
<i>Middle (Median)</i>	280	48	181	86	28	18	54	30	60
<i>Maximum score</i>	864	152	2976	408	34	22	81	40	80
<i>25% of scores are ABOVE this Number</i>	786	90	269	138	32	20	60	40	60
<i>This Company Score</i>	864	152	2976	316	20	18	77	30	60

Financial Snapshot

Assets

Cash	\$600,000
Assets (minus cash)	\$8,405,000
Inventory	\$0
Accounts receivable	\$86,000
Total assets	\$9,091,000

Liabilities

Current liabilities	\$80,000
Long term debt	\$20,000
Accounts payable	\$80,000
Total liabilities	\$180,000

Shareholder Equity	\$8,911,000
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Working Capital	\$8,931,000
Current Ratio	56.8
Quick Ratio	112.6
Debt to Equity	0.0

Key Performance Indicators

	Comparison against all industries in the database					
	Company	Minimum	1st Percentile	Median	3rd Percentile	Maximum
Revenue Per Employee	\$325,000	\$0	\$0	\$0	\$78,125	\$787,500
Earnings Per Employee	\$105,000	(\$6,909)	\$0	\$0	\$1,933	\$300,000
Revenue Per Customer	\$2,600	\$0	\$0	\$0	\$3,333	\$1,000,000
Customer Churn Rate	5%	0%	0%	0%	0%	5%
Months Cash Remaining	Infinite	0.0	0.0	0.0	1.6	Infinite
Monthly Burn Rate	\$175,000	\$0	\$2,000	\$20,000	\$55,000	\$1,400,000
Operating Profit Margin	32.3%	-10.00%	0.00%	0.00%	4.00%	96.00%
5yr Projected Avg Annual EBIT Growth	32%	0%	0%	1%	2%	45800%
Annual Recurring Revenue	\$15,000,000	\$0	\$0	\$0	\$130,000	\$15,000,000
Unused Production Capacity	0%	0%	0%	0%	0%	100%

Sploda Diligence Report

Discounted Cash Flow Analysis

Unlevered Free Cash Flow Calculation

	Present	Year 1	Year 2	Year 3	Year 4	Year 5	CAGR Yr 1-5
EBIT	\$8,400,000	\$11,340,000	\$15,082,200	\$19,757,682	\$25,684,986.60	\$33,390,483	31%
Plus: Non-deductible Goodwill Amort.	\$0	\$0	\$0	\$0	\$0	\$0	
EBITA	\$8,400,000	\$11,340,000	\$15,082,200	\$19,757,682	\$25,684,987	\$33,390,483	31%
Less: Provision for Taxes at 21%	(\$1,764,000)	(\$2,381,400)	(\$3,167,262)	(\$4,149,113)	(\$5,393,847)	(\$7,012,001)	
Unlevered Net Income	\$6,636,000	\$8,958,600	\$11,914,938	\$15,608,569	\$20,291,139	\$26,378,481	31%
Plus: D&A (excl. non-deductible GW amort.)	\$1,500,833	\$1,500,833	\$1,500,833	\$1,500,833	\$1,500,833	\$1,500,833	
Less: Capital Expenditures	(\$333,333)	(\$333,333)	(\$333,333)	(\$333,333)	(\$333,333)	(\$333,333)	
Less: Increase in Net Working Capital							
Unlevered Free Cash Flow	\$7,803,500	\$10,126,100	\$13,082,438	\$16,776,069	\$21,458,639	\$27,545,981	28%

DCF Analysis : EBITDA Multiple Method

Total Enterprise Value				Total Equity Value					
Terminal EBITDA Multiple				Terminal EBITDA Multiple					
7.5x				7.5					
8				8					
8.5				8.5					
Discount	10.0%	\$219,878,483	\$230,244,914	\$240,611,345	Discount	10.0%	\$219,778,483	\$230,144,914	\$240,511,345
Rate	11.0%	\$211,106,996	\$221,014,809	\$230,922,622	Rate	11.0%	\$211,006,996	\$220,914,809	\$230,822,622
(WACC)	12.0%	\$202,778,881	\$212,252,210	\$221,725,538	(WACC)	12.0%	\$202,678,881	\$212,152,210	\$221,625,538

Implied Perpetuity Growth Rate				Total Price Per Share					
Terminal EBITDA Multiple				Terminal EBITDA Multiple					
7.5x				7.5					
8				8					
8.5				8.5					
Discount	10.0%	(0.9%)	(\$0)	\$0	Discount	10.0%	\$219,778,483	\$230,144,914	\$240,511,345
Rate	11.0%	0.0%	\$0	\$0	Rate	11.0%	\$211,006,996	\$220,914,809	\$230,822,622
(WACC)	12.0%	0.9%	\$0	\$0	(WACC)	12.0%	\$202,678,881	\$212,152,210	\$221,625,538

DCF Analysis : Perpetuity Growth Method

Total Enterprise Value				Total Equity Value					
Terminal Perpetuity Growth Rate				Terminal Perpetuity Growth Rate					
3.0%				3.0%					
3.5%				3.5%					
4.0%				4.0%					
Discount	10.0%	\$316,053,495	\$336,728,523	\$360,849,390	Discount	10.0%	\$315,953,495	\$336,628,523	\$360,749,390
Rate	11.0%	272,959,988	\$288,081,148	\$305,362,472	Rate	11.0%	\$272,859,988	\$287,981,148	\$305,262,472
(WACC)	12.0%	239,559,395	\$251,001,205	\$263,873,241	(WACC)	12.0%	\$239,459,395	\$250,901,205	\$263,773,241

Implied Terminal EBITDA Multiple				Total Price Per Share					
Terminal Perpetuity Growth Rate				Terminal Perpetuity Growth Rate					
3.0%				3.0%					
3.5%				3.5%					
4.0%				4.0%					
Discount	10.0%	12.1x	13.1x	14.3x	Discount	10.0%	\$315,953,495	\$336,628,523	\$360,749,390
Rate	11.0%	10.6x	11.4x	12.3x	Rate	11.0%	\$272,859,988	\$287,981,148	\$305,262,472
(WACC)	12.0%	9.4x	10.0x	10.7x	(WACC)	12.0%	\$239,459,395	\$250,901,205	\$263,773,241

Appendix

Executive Profiles:

[Executive Profile: 1](#)

[Executive Profile: 2](#)

This Company has 12 Sploda Report(s):

<u>Date</u>	<u>Sploda Score</u>
May 3, 2018 at 9:59am	4007
May 3, 2018 at 1:01pm	4477
May 3, 2018 at 1:02pm	4473
May 3, 2018 at 1:03pm	4547
May 3, 2018 at 1:03pm	4613
May 3, 2018 at 1:16pm	4613
May 3, 2018 at 1:31pm	4613
May 3, 2018 at 1:35pm	4613
May 3, 2018 at 3:34pm	3868
May 3, 2018 at 6:08pm	4603
May 4, 2018 at 9:25am	4337
May 4, 2018 at 10:24am	4603

This Company has had 31 referral(s) to investors:

<u>Date Referred</u>
April 30, 2018 at 9:04am
April 30, 2018 at 9:18am
May 1, 2018 at 4:23pm
May 1, 2018 at 5:24pm
May 1, 2018 at 5:25pm
May 1, 2018 at 5:26pm
May 1, 2018 at 5:26pm
May 1, 2018 at 5:27pm
May 2, 2018 at 9:15am
May 2, 2018 at 10:31am
May 2, 2018 at 10:41am
May 3, 2018 at 7:57am
May 3, 2018 at 8:41am
May 3, 2018 at 1:01pm
May 3, 2018 at 1:01pm
May 3, 2018 at 1:02pm
May 3, 2018 at 1:02pm
May 3, 2018 at 1:03pm
May 3, 2018 at 1:03pm
May 3, 2018 at 1:03pm
May 3, 2018 at 1:04pm
May 3, 2018 at 1:04pm
May 3, 2018 at 1:17pm
May 3, 2018 at 1:17pm
May 3, 2018 at 1:36pm
May 3, 2018 at 1:36pm
May 3, 2018 at 3:34pm
May 3, 2018 at 3:34pm
May 3, 2018 at 6:10pm
May 3, 2018 at 6:11pm
May 4, 2018 at 9:25am
May 4, 2018 at 9:25am