



Rebeccas Coffee 2013

**Prepared for Rebeccas Coffee
19 August 2014**

Setup

Reporting Period				
Year End	30-06-2010	30-06-2011	30-06-2012	30-06-2013
Period Length (months)	12	12	12	12

Profit & Loss				
Revenue	2,940,000	3,400,000	5,000,000	5,800,000
Gross Margin (\$)	663,000	865,000	1,300,000	1,650,000
EBIT	324,000	360,000	467,000	625,000
Net Profit (After Tax)	98,000	195,400	280,000	350,000

Other Information				
Depreciation & Amortisation	50,000	74,000	100,000	100,000
Interest Paid	40,000	50,000	100,000	150,000
Other Income/Expenses	0	0	0	0
Distributions/Dividends	0	45,400	180,000	100,000

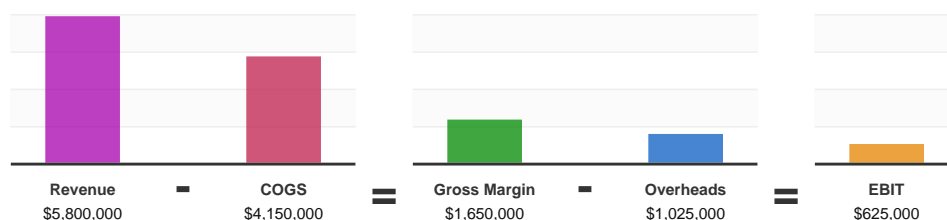
Balance Sheet				
Assets				
Total Assets	2,000,000	2,700,000	3,600,000	4,450,000
Cash	75,000	50,000	0	0
Trade Debtors	400,000	570,000	900,000	1,200,000
Stock	400,000	600,000	920,000	1,250,000
Total Current Assets	1,000,000	1,500,000	2,100,000	2,500,000
Fixed Assets	800,000	1,000,000	1,400,000	1,800,000

Liabilities				
Total Liabilities	1,450,000	2,000,000	2,800,000	3,400,000
Trade Creditors	220,000	300,000	450,000	500,000
Total Current Liabilities	450,000	800,000	1,600,000	2,150,000

Funding				
Bank Loans - Current	0	400,000	1,000,000	1,450,000
Bank Loans - Non Current	1,000,000	1,000,000	1,200,000	1,200,000

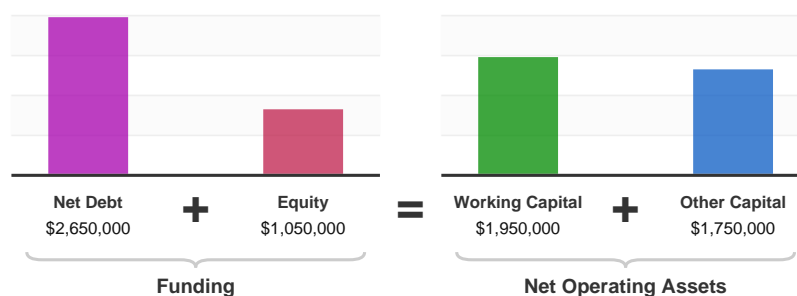
Summary Story

Your Profit Story



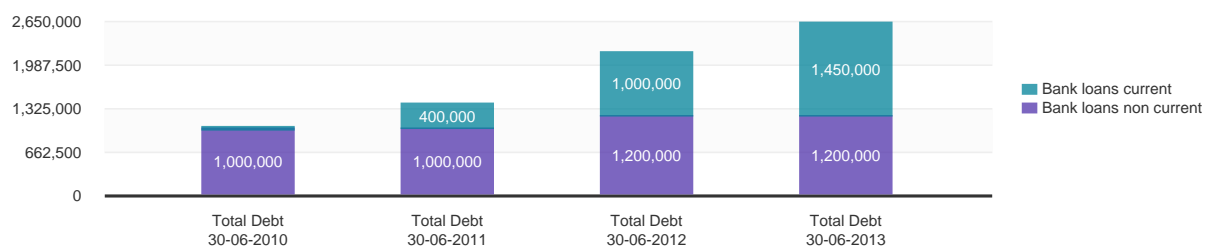
	Current Period	Change
Revenue	\$5,800,000	+16.00%
Gross Margin %	28.45	+9.42%
EBIT %	10.78	+15.37%
Net Profit %	6.03	+7.76%

Your Balance Sheet Story



	Current Period	Change
Debtors Days	75.52	+9.82 days
Stock Days	109.94	+19.18 days
Creditors Days	43.98	-0.42 days
Working Capital Days	141.48	+29.42 days

Your Cash Flow Story



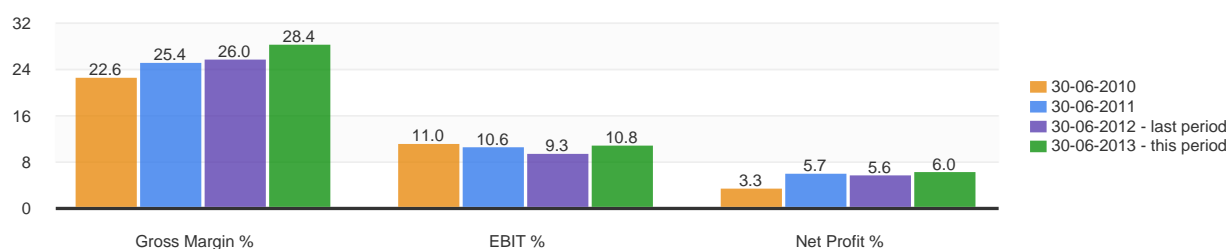
	Current Period	Change
Marginal Cash Flow	-5.17	-269.46%
Operating Cash Flow	145,000.00	+116.42%
Net Cash Flow	-450,000.00	+47.06%

Chapter 1 - Profitability

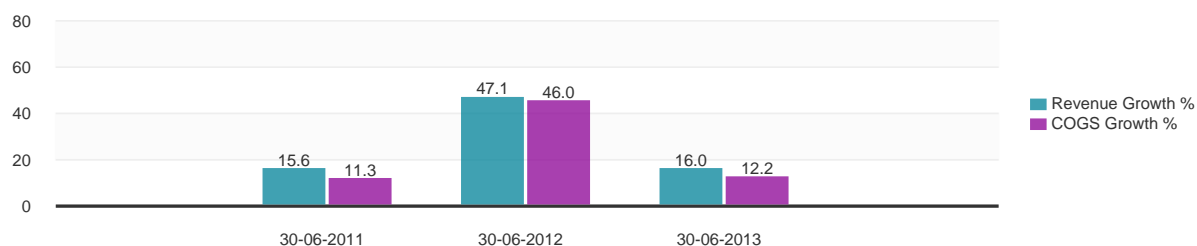
Revenue	5,800,000	EBIT	625,000
	up by 800,000		up by 158,000
Gross Margin	1,650,000	Net Profit	350,000
	up by 350,000		up by 70,000

Profitability	30-06-2012 12 months	30-06-2013 12 months	Change
Revenue	5,000,000	5,800,000	16.00%
Revenue Growth %	47.06	16.00	-66.00%
Gross Margin %	26.00	28.45	9.42%
Overheads %	16.66	17.67	6.08%
EBIT %	9.34	10.78	15.37%
EBITDA	567,000	725,000	27.87%
Net Profit %	5.60	6.03	7.76%

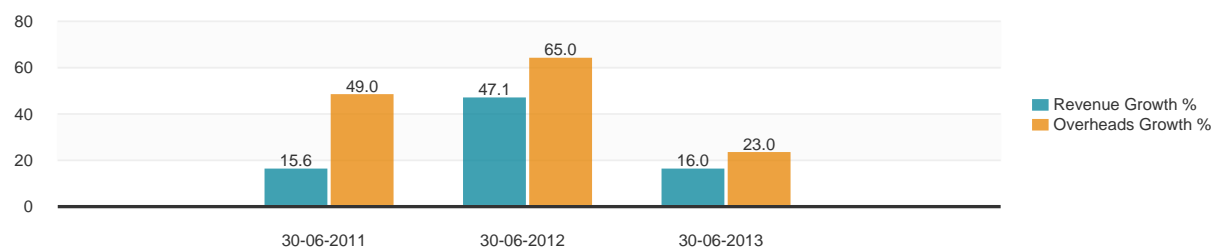
Profitability Trends



Revenue Growth vs COGS Growth



Revenue Growth vs Overheads Growth

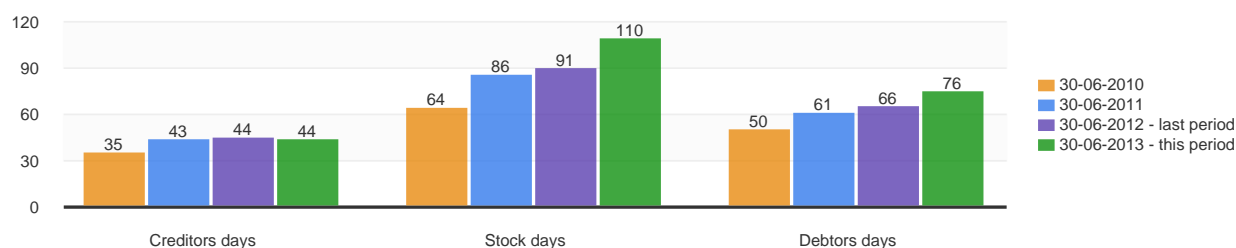


Chapter 2 - Working Capital

Debtors	1,200,000	Creditors	500,000
	up by 300,000		up by 50,000
Stock	1,250,000	Working Capital	1,950,000
	up by 330,000		up by 580,000

Working Capital	30-06-2012 12 months	30-06-2013 12 months	Change
Debtors Days	65.70	75.52	14.94%
Stock Days	90.76	109.94	21.14%
Creditors Days	44.39	43.98	-0.94%
Working Capital Days	112.06	141.48	26.25%
Working Capital %	27.40%	33.62%	22.70%
Marginal Cash Flow	-1.40	-5.17	-269.46%
Current Ratio	1.31	1.16	-11.41%

Working Capital Days



Working Capital Timeline at 30-06-2013

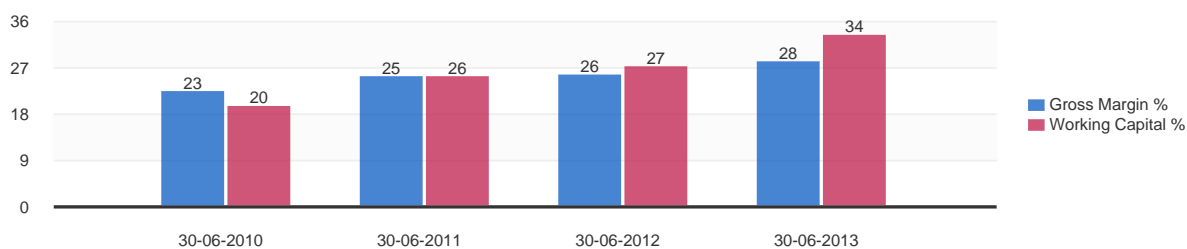
This Period



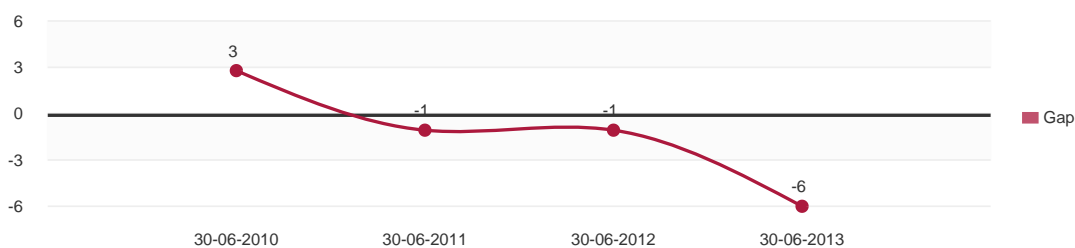
Last Period



Gross Margin vs Working Capital



Your Gap

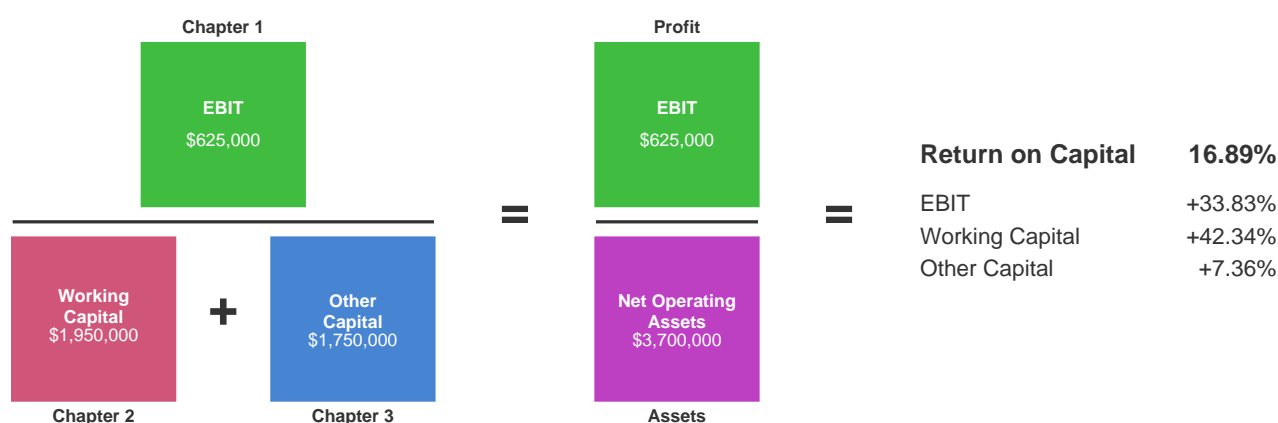


Chapter 3 - Other Capital

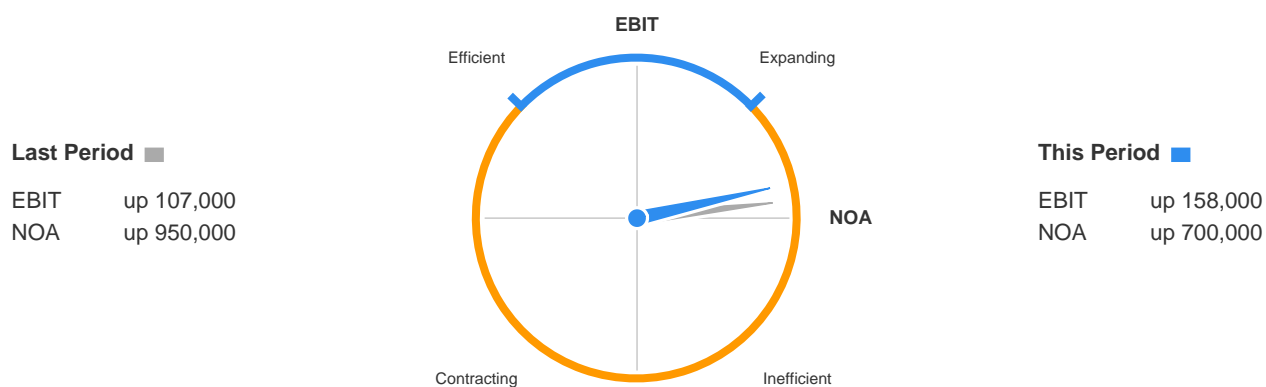
Fixed Assets	1,800,000	Other Liabilities	250,000
	up by 400,000		up by 100,000
Other Assets	200,000	Other Capital	1,750,000
	down by 180,000		up by 120,000

Other Capital	30-06-2012 12 months	30-06-2013 12 months	Change
Other Capital %	32.60%	30.17%	-7.45%
Net Operating Assets %	60.00%	63.79%	6.32%
Asset Turnover	1.67	1.57	-5.95%
Return on Capital %	15.57%	16.89%	8.51%
Return on Total Assets %	12.97%	14.04%	8.27%
Return on Equity %	35.00%	33.33%	-4.76%

Return on Capital %



Your Growth Strategy

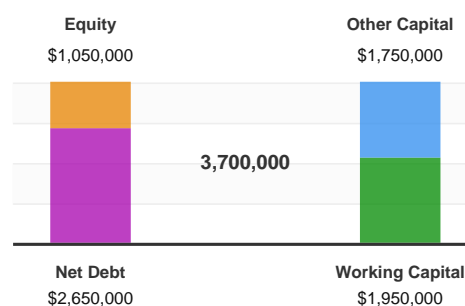
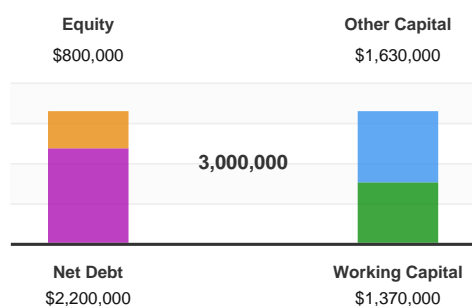


Chapter 4 - Funding

Net Debt 2,650,000 Equity 1,050,000
up by 450,000 up by 250,000

Funding	30-06-2012 12 months	30-06-2013 12 months	Change
Marginal Cash Flow	-1.40	-5.17	-269.46%
Operating Cash Flow	67,000	145,000	116.42%
Net Cash Flow	-850,000	-450,000	47.06%
Net Debt	2,200,000	2,650,000	20.45%
Debt to Equity	2.75	2.52	-8.23%
Interest Cover	4.67	4.17	-10.78%

Balance Sheet Equation at 30-06-2013



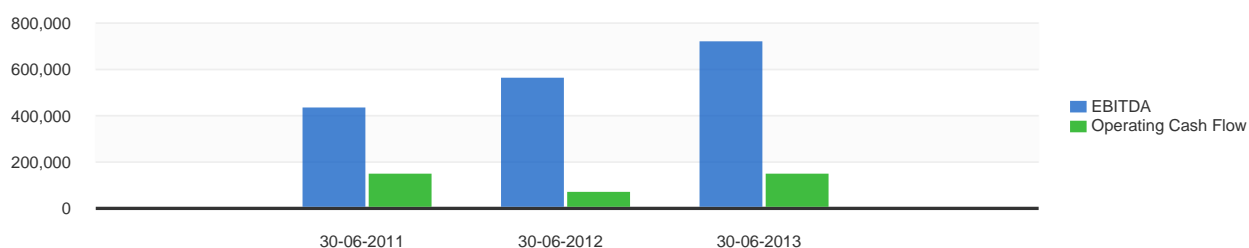
Profit vs Cash Flow

Profit		Cash Flow		Change
Revenue	5,800,000	Cash from Customers	5,500,000	-300,000
COGS/DC	4,150,000	Cash to Suppliers	4,430,000	-280,000
Gross Margin	1,650,000	Gross Cash Profit	1,070,000	-580,000
Overheads excl Depreciation	925,000	Overheads excl Depreciation	925,000	-
EBITDA	725,000	Operating Cash Flow	145,000	-580,000

Other Cash Outflow

Interest Paid	-150,000
Tax Paid	-125,000
Other Income	0
Dividends Paid	-100,000
Fixed Assets Acquired	-500,000
Other Net Assets Decreased	+280,000
Capital Introduced	0
Net Cash Flow	-450,000

EBITDA vs Operating Cash Flow



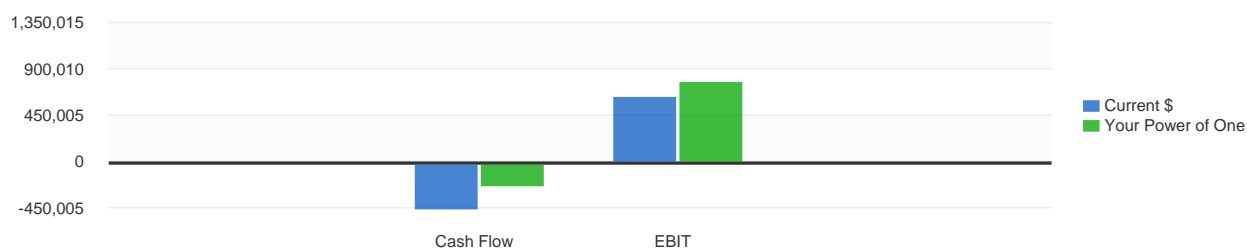
Power of One

Your Power of One		Net Cash Flow \$	EBIT \$
Your Current Position		-450,000	625,000

Your Power of One		Impact on Cash Flow \$	Impact on EBIT \$
Price Increase %	2 %	92,000	116,000
Revenue Growth %	0 %	0	0
COGS Reduction %	0 %	0	0
Overheads Reduction %	3 %	30,750	30,750
Reduction in Debtors Days	7 days	111,233	
Reduction in Stock Days	0 days	0	
Increase in Creditors Days	0 days	0	
Total Impact		233,983	146,750

Your Power of One		Net Cash Flow \$	EBIT \$
Your Adjusted Position		-216,017	771,750

Your Power of One Impact



Business Value Indicator

Your Current Business Value Indicator				
Weighted Average EBITDA	\$ 664,300	+ 30,000	= 694,300	
Your Expected Business Value	\$ 3,000,000			
EBITDA Multiple	4	5	6	7
EBITDA Valuation Of Your Business	2,777,200	3,471,500	4,165,800	4,860,100
Less Total Debt	2,650,000	2,650,000	2,650,000	2,650,000
Your Equity Valuation	127,200	821,500	1,515,800	2,210,100
Your Actual Equity	1,050,000	1,050,000	1,050,000	1,050,000

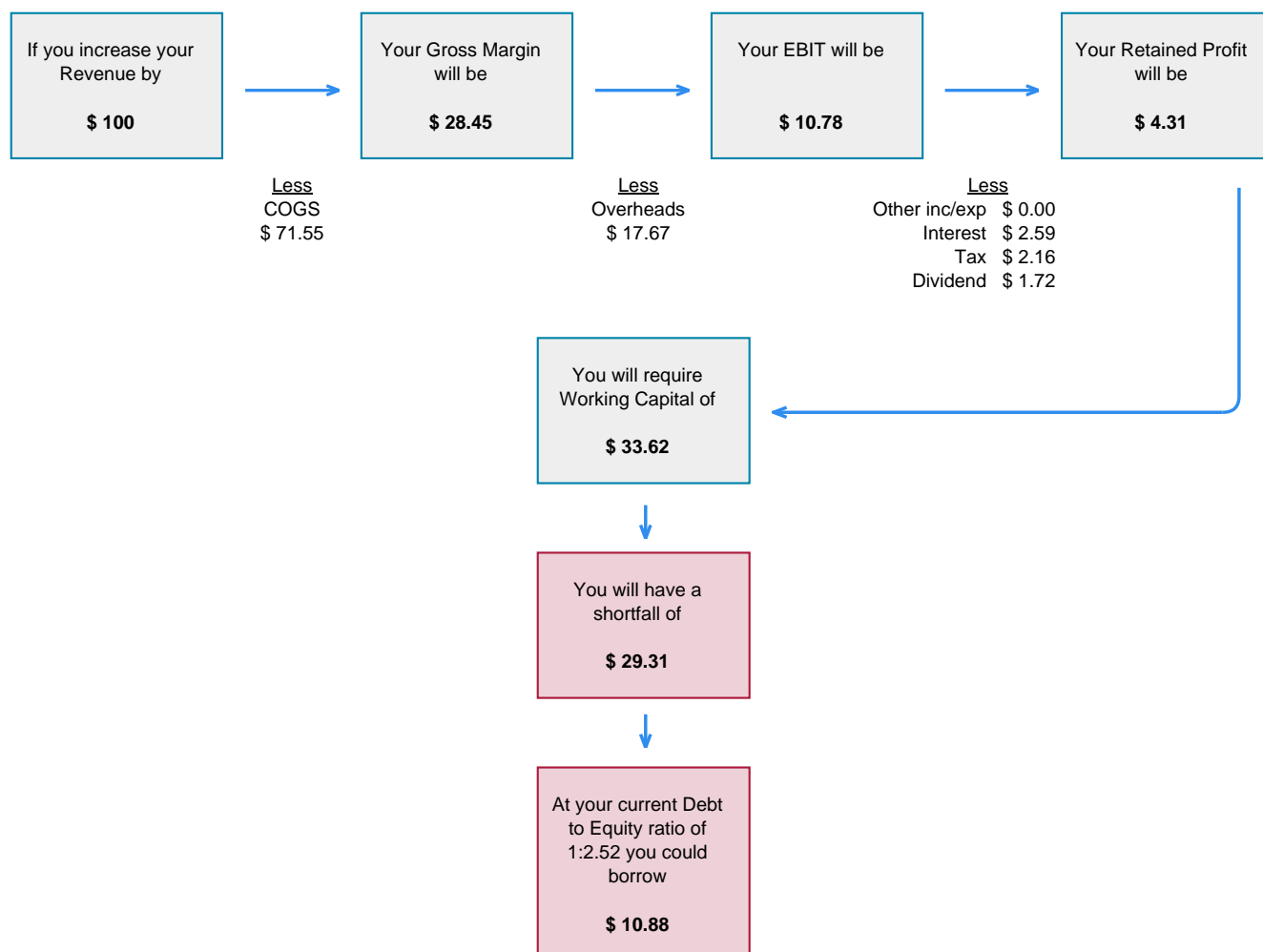
Your Value Improvement

Your Power Of One Value Uplift				
EBITDA Multiple	4	5	6	7
Price Increase (2%)	464,000	580,000	696,000	812,000
Volume Increase (0%)	0	0	0	0
COGS Reduction (0%)	0	0	0	0
Overheads Reduction (3%)	123,000	153,750	184,500	215,250
Profit Impact on Valuation	587,000	733,750	880,500	1,027,250
Reduction in Debtors Days (7d)	111,233	111,233	111,233	111,233
Reduction in Stock Days (0d)	0	0	0	0
Increase in Creditors Days (0d)	0	0	0	0
Cash Impact on Valuation	111,233	111,233	111,233	111,233
Your Power of One Impact	698,233	844,983	991,733	1,138,483

Your Enhanced Value Indicator				
EBITDA Multiple	4	5	6	7
Your Equity Valuation	127,200	821,500	1,515,800	2,210,100
Your Power of One Impact	698,233	844,983	991,733	1,138,483
Your Enhanced Equity Indicator	825,433	1,666,483	2,507,533	3,348,583

Sustainable Growth

Your Sustainable Growth



Results

Profit & Loss	30-06-2010 12 months	30-06-2011 12 months	30-06-2012 12 months	30-06-2013 12 months
Revenue	2,940,000	3,400,000	5,000,000	5,800,000
COGS	2,277,000	2,535,000	3,700,000	4,150,000
Gross Margin	663,000	865,000	1,300,000	1,650,000
Overheads	339,000	505,000	833,000	1,025,000
EBIT	324,000	360,000	467,000	625,000
Other Inc/Exp	0	0	0	0
Interest	40,000	50,000	100,000	150,000
Net Profit before Tax	284,000	310,000	367,000	475,000
Tax	186,000	114,600	87,000	125,000
Net Profit	98,000	195,400	280,000	350,000
Dividends Paid	0	45,400	180,000	100,000
Retained Profit	98,000	150,000	100,000	250,000

Balance Sheet				
Cash	75,000	50,000	0	0
Trade Debtors	400,000	570,000	900,000	1,200,000
Stock	400,000	600,000	920,000	1,250,000
Other Current Assets	125,000	280,000	280,000	50,000
Current Assets	1,000,000	1,500,000	2,100,000	2,500,000
Fixed Assets	800,000	1,000,000	1,400,000	1,800,000
Other Non Current Assets	200,000	200,000	100,000	150,000
Non Current Assets	1,000,000	1,200,000	1,500,000	1,950,000
Total Assets	2,000,000	2,700,000	3,600,000	4,450,000
Trade Creditors	220,000	300,000	450,000	500,000
Bank Loans - Current	0	400,000	1,000,000	1,450,000
Other Current Liabilities	230,000	100,000	150,000	200,000
Current Liabilities	450,000	800,000	1,600,000	2,150,000
Bank Loans - Non Current	1,000,000	1,000,000	1,200,000	1,200,000
Other Non Current Liabilities	0	200,000	0	50,000
Non Current Liabilities	1,000,000	1,200,000	1,200,000	1,250,000
Total Liabilities	1,450,000	2,000,000	2,800,000	3,400,000
Equity	550,000	700,000	800,000	1,050,000

Chapter 1 - Profitability	30-06-2010 12 months	30-06-2011 12 months	30-06-2012 12 months	30-06-2013 12 months
Revenue	2,940,000	3,400,000	5,000,000	5,800,000
Revenue Growth %	N/A	15.65	47.06	16.00
Gross Margin %	22.55	25.44	26.00	28.45
Overheads %	11.53	14.85	16.66	17.67
EBIT %	11.02	10.59	9.34	10.78
EBITDA	374,000	434,000	567,000	725,000
Net Profit %	3.33	5.75	5.60	6.03

Chapter 2 - Working Capital				
Debtors Days	49.66	61.19	65.70	75.52
Stock Days	64.12	86.39	90.76	109.94
Creditors Days	35.27	43.20	44.39	43.98
Working Capital Days	78.51	104.39	112.06	141.48
Working Capital %	19.73%	25.59%	27.40%	33.62%
Marginal Cash Flow	2.82	-0.15	-1.40	-5.17
Current Ratio	2.22	1.88	1.31	1.16

Chapter 3 - Other Capital				
Operating Capital %	30.44%	34.71%	32.60%	30.17%
Net Operating Assets %	50.17%	60.29%	60.00%	63.79%
Asset Turnover	1.99	1.66	1.67	1.57
Return on Capital %	21.97%	17.56%	15.57%	16.89%
Return on Total Assets %	16.20%	13.33%	12.97%	14.04%
Return on Equity %	17.82%	27.91%	35.00%	33.33%

Chapter 4 - Funding				
Marginal Cash Flow	2.82	-0.15	-1.40	-5.17
Operating Cash Flow	N/A	144,000	67,000	145,000
Net Cash Flow	N/A	-425,000	-850,000	-450,000
Net Debt	925,000	1,350,000	2,200,000	2,650,000
Debt to Equity	1.82	2.00	2.75	2.52
Interest Cover	8.10	7.20	4.67	4.17