

Case Study:

Forecasting & Budgeting



International Automation Software Company

Selects  RTD INSIGHTS  for Forecasting & Budgeting

Company and Situation Overview

- Headquartered in Canada
- ~\$10M in annual revenue with ~30% annual revenue growth
- Backed by a growth private-equity firm

Challenges without RTD Insights

- X No FP&A resources – CFO leading all operational and financial initiatives
- X Needed operational budget following growth investment from PE firm
- X Required new detailed bookings build for realigned sales strategy
- X New KPIs set by investor requiring more robust performance planning

Results with RTD Insights

- ✓ RTD Insights served as an agile, efficient and cost-effective FP&A resource, working closely with investors and CFO
- ✓ 1-month turnaround to create detailed budget and board presentation
- ✓ Real-time maintenance of budget with updates for monthly results



Forecasting & Budgeting Representative Screenshots

Client Name: 2018A - 2020P
Multiple Scenario Summary (US\$ in 000's)

FYE December 31 (US\$ in 000's)	Base Case			Downside Case			Upside Case		
	2018B	2019P	2020P	2018B	2019P	2020P	2018B	2019P	2020P
Income Statement									
Revenue	\$48,212	\$47,895	\$109,281	\$47,218	\$52,860	\$77,438	\$56,124	\$55,841	\$136,842
Subscription Bookings	\$26,681	\$26,917	\$83,028	\$24,667	\$15,150	\$33,962	\$33,873	\$41,856	\$64,681
Total Bookings	\$31,840	\$36,084	\$64,328	\$29,146	\$17,969	\$40,895	\$39,239	\$51,607	\$78,113
Revenue by Type									
Subscription	\$33,346	\$35,060	\$84,037	\$31,108	\$44,796	\$61,573	\$34,691	\$63,175	\$106,329
Professional Services	6,867	7,420	11,646	5,635	2,204	7,103	6,878	8,581	14,416
Total Revenue by Type	\$40,213	\$88,089	\$95,883	\$36,743	\$47,000	\$68,676	\$41,569	\$71,756	\$120,845
Cost of Revenue by Type									
Subscription	8,521	11,140	10,790	8,796	9,451	12,648	6,111	12,655	17,387
Professional Services	8,523	6,952	7,297	8,621	8,292	6,718	8,541	6,903	7,815
Total Cost of Revenue by Type	\$14,444	\$17,832	\$23,046	\$14,177	\$18,743	\$19,367	\$14,652	\$19,558	\$24,903
Total Gross Profit by Type	\$6,442	\$10,967	\$18,204	\$6,642	\$7,814	\$12,477	\$6,729	\$13,000	\$24,011
Gross Margin %	64.1%	69.2%	75.9%	61.4%	66.5%	72.7%	64.8%	72.7%	79.4%
Operating Expenses									
Sales & Marketing	17,346	21,307	30,240	16,642	17,376	22,183	17,946	26,109	36,417
Research & Development	9,409	11,024	13,476	9,353	10,271	11,242	9,370	11,359	13,883
General & Administrative	12,274	15,003	16,003	12,117	14,344	14,700	12,327	16,305	17,837
Total Operating Expenses	\$39,029	\$47,334	\$59,719	\$38,111	\$41,991	\$46,188	\$39,642	\$53,773	\$68,137
Other Expense	1,791	1,051	1,051	1,791	1,051	1,051	1,791	1,051	1,051
EBITDA	\$18,081	\$18,191	\$11,877	\$17,334	\$11,728	\$4,873	\$14,150	\$12,400	\$28,884
EBITDA Margin %	-37.4%	-14.0%	12.5%	-47.2%	-25.1%	1.0%	-34.9%	-3.7%	22.2%

Break-even in Q4 2019 | Break-even in Q3 2020 | Break-even in Q4 2019

Client Name: 2018A - 2020P
Booked EBITDA Detail (US\$ in 000's)

Total Revenue	Fiscal Year Ended December 31					YTD Growth %			CAAGR %
	2016A	2017A	2018B	2019P	2020P	2017A	2018B	2019P	2020P
\$11,358	\$48,814	\$49,396	\$73,779	\$121,081		28.2%	29.8%	43.4%	48.0%
\$6,880	\$13,809	\$17,274	\$22,078	\$26,346		46.8%	38.8%	23.9%	31.7%

Breakdown by Revenue Type:

Revenue Type	2016A	2017A	2018B	2019P	2020P	YTD Growth %	CAAGR %
Subscription	\$16,198	\$39,327	\$39,807	\$86,402		NA	100.0%
Professional Services	\$1,651	\$2,511	\$3,987	\$4,732		NA	29.8%
Sales & Marketing	\$1,946	\$7,708	\$9,811	\$10,660		NA	104.4%
Research & Development	\$0	\$0	\$20	\$1,813	\$(18)	NA	208.6%
General & Administrative	\$0	\$0	\$0	\$0	\$0	NA	-100.0%

Breakdown by Revenue Type (Detailed):

Revenue Type	Rate of Mgt.	Total Growth	2016A	2017A	2018B	2019P	2020P	YTD Growth %	CAAGR %
Subscription	100.0%	100.0%	\$16,198	\$39,327	\$39,807	\$86,402		NA	100.0%
Professional Services	100.0%	100.0%	\$1,651	\$2,511	\$3,987	\$4,732		NA	29.8%
Sales & Marketing	100.0%	100.0%	\$1,946	\$7,708	\$9,811	\$10,660		NA	104.4%
Research & Development	100.0%	100.0%	\$0	\$0	\$20	\$1,813	\$(18)	NA	208.6%
General & Administrative	100.0%	100.0%	\$0	\$0	\$0	\$0	\$0	NA	-100.0%

Granular Case & Scenario Analyses

Sales Performance Build by Rep

Client Name: 2018A - 2020P
Balance Sheet and Cash Flow Build (US\$ in 000's)

Total Revenue	Fiscal Year Ended December 31					YTD Growth %			CAAGR %
	2016A	2017A	2018B	2019P	2020P	2017A	2018B	2019P	2020P
\$11,358	\$48,814	\$49,396	\$73,779	\$121,081		28.2%	29.8%	43.4%	48.0%
\$6,880	\$13,809	\$17,274	\$22,078	\$26,346		46.8%	38.8%	23.9%	31.7%

Line Schedule:

Beginning Cash Balance	2018A	2019P	2020P	2018A	2019P	2020P	YTD Growth %	CAAGR %
\$1,364	\$1,364	\$1,364	\$1,364	NA	NA	0.0%	0.0%	NA
CF From Operations & Investing Activities	\$20,065	\$(14,055)	\$1,184	NA	NA	-39.1%	-107.0%	NA
Minimum Cash Balance	\$(1,964)	\$(1,964)	\$(1,964)	NA	NA	0.0%	0.0%	NA
Cash Available For Debt Service	\$20,065	\$4,405	\$3,584	NA	NA	-36.1%	-102.2%	NA
Line of Credit Draw	\$3,162	\$2,217	\$0	NA	NA	-29.9%	-100.0%	NA
Remaining Cash Available After Draw	\$0	\$0	\$0	NA	NA	NA	NA	NA
Line of Credit Paydown	\$0	\$0	\$(55)	NA	NA	NA	NA	NA
Remaining Cash Available	\$3,162	\$2,217	\$0	NA	NA	-29.9%	-100.0%	NA

Debt Schedule:

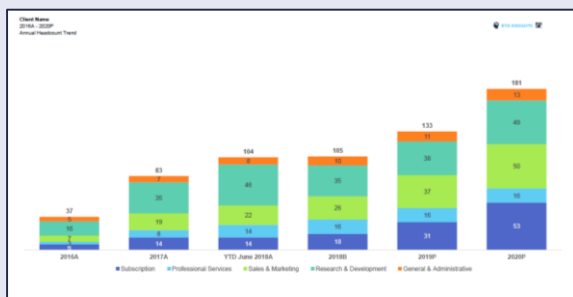
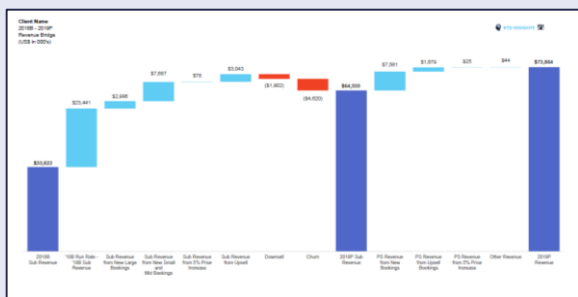
Beginning Balance	2018A	2019P	2020P	2018A	2019P	2020P	YTD Growth %	CAAGR %	
\$979	\$15,979	\$17,587	\$17,587	NA	NA	1531.0%	10.1%	NA	
CF From Operations	\$3,162	\$2,217	\$0	NA	NA	-29.9%	-100.0%	NA	
(Paydown)	\$0	\$0	\$(55)	NA	NA	NA	NA	NA	
Ending Balance	\$4,141	\$18,196	\$17,532	NA	NA	339.3%	6.1%	NA	
Line of Credit Availability	\$20,065	\$20,065	\$20,065	NA	NA	0.0%	0.0%	NA	
Line of Credit Beginning Balance	\$79	\$15,979	\$17,587	NA	NA	1531.0%	10.1%	NA	
Line of Credit Available for Draw in Current Period	\$44,815	\$3,087	\$3,087	NA	NA	-42.4%	-75.9%	NA	
Line of Credit Used in Current Period	\$20,588	\$6,084	\$3,968	NA	NA	-47.4%	16.2%	NA	
Adjusted Quick Ratio	3.52	2.80	4.58	4.57	-28.5%	76.4%	1.2%	-6.6%	6.1%
Interest Expense	\$15	\$149	\$754			2189.2%	136.4%	NA	

Client Name: 2018B - 2020P
Booked EBITDA Detail (US\$ in 000's)

ARR	As of December 31,		
	2018B	2019P	2020P
ARR	\$61,014	\$87,442	\$141,264
Run Rate Cost of Revenue	\$17,048	\$25,444	\$4,194
Booked Gross Profit	\$43,966	\$61,998	\$107,070
% Margin	72.1%	70.9%	75.8%
Run Rate Sales & Marketing	21,627	32,010	45,476
Run Rate Research & Development	11,376	14,770	19,539
Run Rate General & Administrative	17,745	19,457	22,200
Run Rate Operating Expenses	\$50,749	\$66,236	\$87,215
Booked EBITDA	\$(6,783)	\$(4,238)	\$19,855
% Margin	-11.1%	-4.8%	14.1%

Dynamic Debt & Financing Schedules

Run-Rate Analyses & Outlooks



Revenue and EBITDA Bridges

Detailed Headcount Build & Trends