

Case Study:

Forecasting & Budgeting



Tech-Enabled Healthcare Company

Selects  **RTD INSIGHTS**  for Forecasting & Budgeting

Company and Situation Overview

- Headquartered in Southeastern U.S.
- \$20M+ in annual revenue with 30%+ annual revenue growth
- Backed by a growth private-equity firm

Challenges without RTD Insights

- X No FP&A resources – lean staff with experienced CFO and Controller
- X Made a large, recent acquisition and required pro-forma reforecast
- X Multiple revenue streams requiring detailed builds across business units
- X Complex financing and balance sheet dynamics

Results with RTD Insights

- ✓ RTD Insights served as an agile, efficient FP&A resource, working closely with investors, CEO, CFO and controller
- ✓ 3-week turnaround to create detailed budget and board presentation
- ✓ Highly granular, bottom-up customer build across two business units

Forecasting & Budgeting Representative Screenshots

FYE December 31 (US\$ in 000's)	Base Case		Downside Case			Upside Case		
	2018B	2019P	2018B	2019P	2020P	2018B	2019P	2020P
Income Statement								
Revenue	\$48,212	\$47,895	\$47,218	\$52,860	\$77,428	\$56,124	\$55,841	\$136,842
Subscription Bookings	\$36,681	\$32,817	\$33,028	\$24,667	\$16,150	\$33,962	\$33,873	\$41,856
Professional Services	\$31,840	\$36,084	\$64,828	\$29,146	\$17,969	\$40,895	\$39,229	\$51,607
Other Revenue								
Revenue by Type								
Subscription	\$33,346	\$30,060	\$34,027	\$31,108	\$44,796	\$61,573	\$34,691	\$63,175
Professional Services	6,867	7,420	11,846	5,635	2,204	7,103	6,678	8,581
Other Revenue								
Total Revenue by Type	\$40,213	\$38,089	\$95,853	\$36,743	\$47,000	\$68,676	\$41,369	\$71,756
Cost of Revenue by Type								
Subscription	8,521	11,140	10,790	8,796	9,451	12,648	6,111	12,655
Professional Services	9,523	6,952	7,297	8,621	8,292	6,718	8,541	6,933
Other Revenue								
Total Cost of Revenue by Type	\$14,444	\$17,832	\$23,046	\$14,177	\$18,743	\$19,367	\$14,652	\$19,588
Total Gross Profit by Type	\$64,442	\$10,967	\$18,204	\$6,642	\$7,814	\$12,477	\$6,729	\$13,000
Gross Margin %	64.1%	69.2%	75.9%	61.4%	66.5%	72.7%	64.8%	72.7%
Operating Expenses								
Sales & Marketing	17,340	21,307	30,240	16,642	17,376	22,183	17,846	26,109
Research & Development	9,409	11,024	13,476	9,353	10,271	11,242	9,370	11,359
General & Administrative	12,274	15,003	16,003	12,117	14,344	14,700	12,327	16,305
Total Operating Expenses	\$39,023	\$47,334	\$59,719	\$38,111	\$46,991	\$47,125	\$39,543	\$53,773
Other Expenses	1,791	1,051	1,051	1,791	1,051	1,051	1,791	1,051
EBITDA	\$18,081	\$18,191	\$11,977	\$17,334	\$11,728	\$473	\$14,156	\$2,426
EBITDA Margin %	-37.4%	-14.0%	12.5%	-47.2%	-25.1%	1.0%	-34.9%	-3.7%

Client Name 2018A - 2020P Multiple Scenario Summary (US\$ in 000's)	Fiscal Year Ended December 31					Ytd Growth %			CAGR %
	2016A	2017A	2018B	2019P	2020P	2017A	2018B	2019P	
Total Revenue	\$51,358	\$48,614	\$49,208	\$73,779	\$123,081	88.5%	23.6%	45.4%	67.5%
Revenue by Revenue Type									
Subscription	\$19,139	\$39,237	\$39,837	\$98,402	\$146,402	NA	100.0%	8.0%	88.7%
Professional Services	11,625	8,211	9,381	14,735	18,139	NA	-25.0%	47.4%	32.5%
Other Revenue	4,594	1,166	1,990	1,642	2,540	NA	-100.0%	NA	NA
EBITDA	\$6,921	\$26,979	\$30,308	\$44,202	\$41,208	183.0%	41.9%	33.3%	68.1%
EBITDA Margin %	13.5%	55.5%	61.6%	59.9%	33.5%	NA	NA	NA	NA

Granular Case & Scenario Analyses

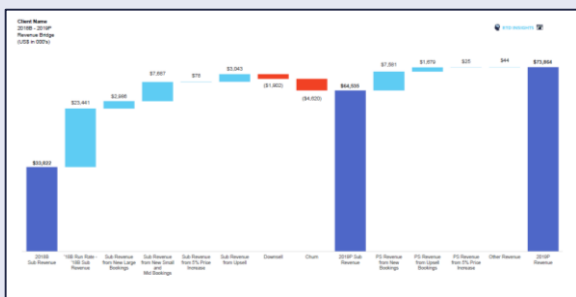
Sales Performance Build by Rep

Client Name 2018A - 2020P Balance Sheet and Cash Flow Build (US\$ in 000's)	Fiscal Year Ended December 31					Ytd Growth %			CAGR %
	2016A	2017A	2018B	2019P	2020P	2017A	2018B	2019P	
Total Revenue	\$31,308	\$48,814	\$49,208	\$73,779	\$123,081	28.2%	29.2%	40.4%	48.6%
Total Cost of Revenue	\$6,880	\$13,809	\$17,274	\$22,078	\$29,346	46.8%	38.8%	23.9%	31.7%
Line Schedule									
Beginning Cash Balance		\$1,964	\$1,964	\$1,964	NA	NA	0.0%	0.0%	NA
CF From Operations & Investing Activities		(20,065)	(14,655)	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	\$14,655	\$3,944	NA	NA	-36.1%	-100.0%	NA
Line of Credit Draw		\$3,162	\$2,217	\$0	NA	NA	-29.9%	-100.0%	NA
Remaining Cash Available After Draw		0	0	\$3,944	NA	NA	NA	NA	NA
Line of Credit Payment		0	0	(3,944)	NA	NA	NA	NA	NA
Remaining Cash Available		\$3,162	\$2,217	\$0	NA	NA	-29.9%	-100.0%	NA
Line of Credit									
Beginning Balance		\$979	\$15,979	\$17,587	NA	NA	1531.6%	10.1%	NA
Draw		3,162	2,217	0	NA	NA	-29.9%	-100.0%	NA
(Payment)		0	0	(3,944)	NA	NA	NA	NA	NA
Ending Balance		\$4,141	\$18,196	\$13,643	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	1531.6%	10.1%	NA
Line of Credit Available for Draw in Current Period		\$14,896	\$3,087	\$3,087	NA	NA	-82.4%	-75.9%	NA
Line of Credit Used in Current Period		\$20,065	\$6,004	\$3,968	NA	NA	-67.4%	-16.2%	NA
Adjusted Quick Ratio		3.52	2.80	4.58	4.97	-28.2%	76.4%	1.2%	-6.6%
Interest Expense		\$15	\$149	\$756		2189.2%	136.4%	NA	NA

Client Name 2018B - 2020P Booked EBITDA Detail (US\$ in 000's)	As of December 31,		
	2018B	2019P	2020P
ARR	\$61,014	\$87,442	\$141,264
Run Rate Cost of Revenue	\$17,048	\$25,444	\$41,194
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