



THE OAKWORTH GROUP

-Strategic Financial Modeling & Advisory

Valuation Module - Instruction Manual

Important Notice

The Valuation Module is a general-purpose financial estimation tool developed for educational and evaluation purposes. It is not institutional-grade valuation and does not constitute investment, financial, or advisory opinion. The module is not tailored to any specific company, transaction, or operational context.

All outputs are indicative valuation ranges and should not be interpreted as definitive valuations. The Oakworth Group assumes no responsibility for any financial decisions, transactions, or outcomes based on the use of this tool. Users are encouraged to seek professional valuation or advisory consultation.

Overview

The Valuation Module (Starter Version) enables founders to estimate a startup's valuation quickly, understand key valuation drivers, and assess how performance affects value. The module outputs a range-based estimate rather than a single value, reflecting practical market variability and investor perception.

It is designed to be simple, transparent, and practical, providing actionable insight for early-stage startups seeking a directional understanding of valuation.

How the Model Works

The module uses a hybrid valuation methodology, combining industry-based revenue multiples and venture capital-style adjustments to estimate valuation ranges.

Core Philosophy

- Revenue multiples provide a baseline for industry-relative valuation
- Performance indicators adjust the range up or down
- Results are presented as a low-to-high valuation range to account for market and investor variability

Key Inputs

Business Context

- Business Model: B2B, B2C, D2C
- Industry: SaaS / Software, AI, FinTech, HealthTech, EdTech, E-commerce, Marketplaces, ClimateTech, DeepTech, Consumer Internet

Financial Inputs

- Annual Recurring Revenue (ARR)
- Year-on-Year (YoY) Growth Rate
- Retention / Efficiency Indicator (e.g., GRR)
- Net Debt
- Net Cash

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Valuation Methodology

1. Base Valuation (Revenue Multiple)

- Each industry has predefined revenue multiple ranges based on market norms, startup trends, and advisory experience
- Calculation: Base Valuation = ARR × Revenue Multiple Range»

2. Business Model Adjustment

- Adjusts the valuation range to account for business model characteristics (e.g., B2B vs B2C)

3. Performance Adjustments

- Incorporates growth rate and retention/efficiency metrics
- Strong performance increases valuation; weaker performance decreases it

4. Range-Based Output

- Outputs a valuation range (Low → High) to reflect variability, market context, and investor perception

5. Enterprise Value Calculation

- Enterprise Value = Valuation ± Net Debt / Net Cash»
- Net Debt reduces, Net Cash increases enterprise value

What This Module Covers

Valuation Components

- Revenue-based valuation
- Industry-specific multiples
- Business model adjustments

Performance Adjustments

- Growth rate impact
- Retention / efficiency effect

Capital Structure

- Net Debt
- Net Cash
- Enterprise Value

Final Outputs

- Valuation Range
- Adjusted Valuation
- Enterprise Value

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How to Use the Module

Step 1: Select Context

- Choose business model and industry

Step 2: Enter Financial Data

- Input ARR, growth rate, retention/efficiency metrics, and net debt/cash

Step 3: Review Outputs

- Valuation range appears in green cells
- Enterprise value is displayed alongside

Step 4: Interpret Carefully

- Use outputs as directional guidance, not definitive valuation

Step 5: Maintain Integrity

- Grey cells contain formulas and logic; do not edit
- Only designated input fields are editable

Model Integrity and Protection

The module is protected to prevent accidental errors. Only input fields are editable, while core calculations and logic are secured for reliable results.

Licensing and Usage

The module is for personal and evaluation use only. Commercial use, redistribution, resale, or modification is prohibited. Intellectual property, methodology, and branding remain the property of The Oakworth Group. Rebranding or renaming is not permitted.

Disclaimer

This module uses simplified assumptions and does not account for all valuation factors. Actual investor valuations may differ significantly. The Oakworth Group is not liable for financial decisions or outcomes based on this tool.

Final Note

This starter-level valuation module reflects practical, market-based, and performance-driven valuation thinking. Advanced solutions may include:

- Discounted Cash Flow (DCF) models
- Scenario-based valuation
- Investor-specific valuation frameworks
- Customized advisory

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