CM
PRO

ACQUISITION INVESTMENT MEMORANDUM

CloudMetrics Pro

B2B SaaS Analytics Platform · Acquisition Candidate

$11.8M	$2.9M	$13.2M	4.5x
LTM Revenue	**LTM EBITDA**	**Purchase Price**	**EV / EBITDA**
FY2024	24.6% Margin	All-in EV	Reported Basis

Representative Transaction Advisory Work Sample

Prepared exclusively by **LEVERAGE STRATEGIC** · Transaction Advisory

LS

April 2026 · Strictly Confidential · Not for Distribution

Illustrative / Representative Case Study · Not an Actual Client Engagement

Transaction Overview — CloudMetrics Pro, B2B SaaS Analytics

$11.8M	$2.9M	$13.2M	4.55x	87%	94%
LTM Revenue	**LTM EBITDA**	**Purchase Price**	**EV / EBITDA**	**Gross Margin**	**Net Rev. Retention**
FY2024	24.6% Margin	Equity + Debt	Reported Basis	SaaS Best-in-Class	NRR LTM

INVESTMENT HIGHLIGHTS

- Sticky ARR of $9.7M with 94% NRR and sub-6% logo churn — best-in-class unit economics for SMB SaaS at this scale
- Mission-critical analytics embedded in daily workflows; 4.2-year average customer tenure creates structural switching cost moat
- Fragmented SMB analytics market — no player >8% share; clear consolidation thesis with 4 identified bolt-on targets at 3–4x EBITDA
- 24.6% reported EBITDA margin (27.7% adjusted) with documented path to 32–35% through pricing power and operational leverage

INVESTMENT THESIS

Five Pillars of Value Creation

01

Mission-Critical SaaS

Embedded in daily operations of 380+ B2B customers across 3 verticals. Average session time 47 min/day. Net churn in accounts >25 seats is effectively zero — structural workflow lock-in with high decoupling friction.

02

Recurring Revenue Engine

89% of revenue is recurring (subscriptions + marketplace); contracted ARR stands at $9.7M. Cohort analysis shows avg. customer tenure 4.2 years. Negative net churn above Growth tier — customers organically expand ACV without new sales cycles.

03

Fragmented Market

200+ point solutions, no dominant player >8% share. Classic roll-up: acquire vertical leaders at 3–4x EBITDA, migrate onto CloudMetrics infrastructure. 4 bolt-on targets identified.

04

Strong Cash Conversion

EBITDA $2.9M converts to unlevered FCF $2.52M (87% conversion). Negative working capital from deferred annual subscriptions — business self-funds growth post-acquisition with no additional capital required.

05

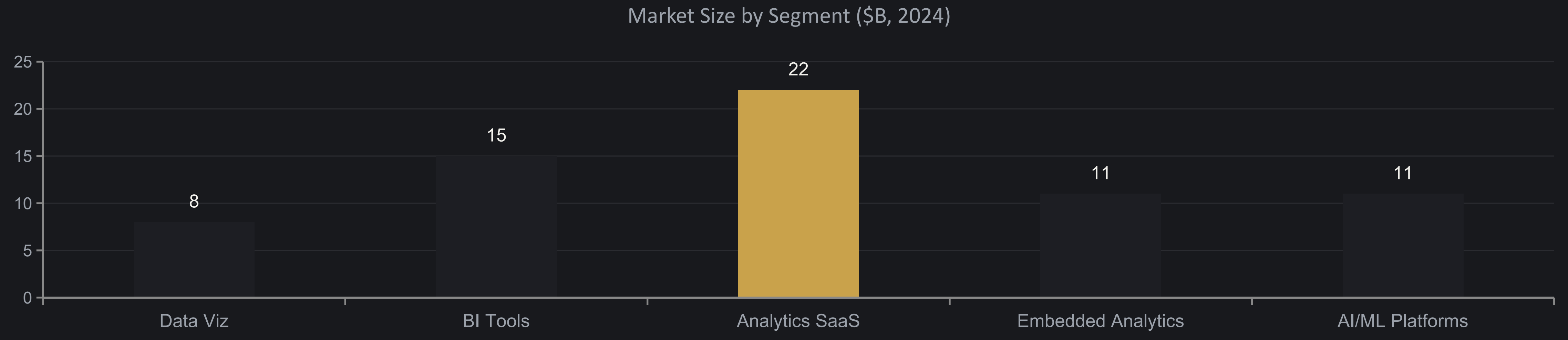
Platform Consolidation

SOC 2 Type II, multi-tenant architecture, API Marketplace 120+ connectors. Purpose-built roll-up vehicle. 4 targets at $4–7M revenue each identified — accretive at 3–4x vs CloudMetrics' exit multiple of 7–9x.

INDUSTRY OVERVIEW

B2B SaaS Analytics — Global Market Dynamics

$67B	14.2%	72%
Global Market	**CAGR 2024–29**	**SMBs Increasing**
2024 TAM [1]	Compound Growth [1]	Analytics Spend [2]



KEY GROWTH DRIVERS

- Remote/hybrid work accelerating cloud-first analytics adoption — 60% of SMBs still use spreadsheets for reporting [1]
- AI copilot integrations creating premium upsell opportunities within existing SaaS stacks [3]
- Data privacy regulations (GDPR, CCPA) driving demand for managed, compliant analytics platforms [2]

[1] Grand View Research, B2B Analytics SaaS Market Report, 2024 · [2] Gartner, Analytics & BI Platforms Market Guide, 2024 · [3] IDC, Worldwide Semiannual Software Tracker, 2024

Scorecard Analysis — B2B SaaS Analytics

Demand Durability	9/10	Analytics is mission-critical; recession-resistant spend category
Revenue Predictability	9/10	ARR + annual contracts; NRR >90% standard across segment
Margin Profile	8/10	80%+ gross margins; scales with minimal incremental COGS
Switching Costs	8/10	Deep workflow integration; data migration friction is high
Cyclicality	8/10	Counter-cyclical: cost-cutting environments drive analytics adoption
Consolidation Potential	9/10	Highly fragmented; no dominant player; clear roll-up thesis
Competitive Intensity	6/10	Fragmented but well-funded incumbents; price pressure risk

OVERALL INDUSTRY RATING: 8.1 / 10 — HIGHLY ATTRACTIVE FOR ACQUISITION

MARKET OPPORTUNITY

TAM · SAM · SOM — Serviceable Market Analysis

TAM

$67B

Global B2B Analytics SaaS — all business sizes, geographies, verticals. 14.2% CAGR through 2029.

SAM

$9.2B

North American SMB segment (10–500 employees) across target verticals. 13.7% of global TAM.

SOM

$620M

E-commerce, Logistics & Professional Services — CloudMetrics' proven verticals. ~1.9% current penetration ($11.8M LTM revenue / $620M SOM).

REGIONAL SPLIT: US 68% · Canada 15% · UK/ANZ 12% · Other 5% — 10x revenue growth achievable within existing geographies before new market entry required.

Sources: Gartner Analytics & BI Platforms Market Guide (2024); IDC Worldwide Semiannual Software Tracker (2024); Grand View Research (2024); company management estimates.

CloudMetrics Pro — Business Profile & History

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CloudMetrics Pro

Austin, TX · Founded 2017 · 62 FTEs · SOC 2 Type II

- **2017** — Founded by 2 ex-Tableau engineers; bootstrapped — no external seed
- **2018** — 50 paying customers; $1.2M ARR without external capital
- **2020** — Crossed $5M ARR; launched Connector Marketplace (120+ integrations)
- **2022** — UK/ANZ expansion; $4M angel round to accelerate GTM
- **2024** — $11.8M LTM revenue; 380+ customers; 62-person team

Headquarters **Austin, TX + London**	Product **Cloud-native SaaS (AWS)**
Customers **380+ active B2B accounts**	Verticals **E-comm, Logistics, PSF**
Employees **62 FTEs (78% Prod/Eng)**	Certifications **SOC 2 Type II, GDPR**

Core Product Modules

- Real-time dashboard & reporting engine
- 120+ native data connectors (Marketplace)
- AI-powered anomaly detection & forecasting
- White-label client portal (Agency tier)

MANAGEMENT TEAM

Leadership Profile — Buyers Buy Teams

JW

James Whitfield

Co-Founder & CEO

Prior: Tableau · Salesforce Analytics

Key achievement: Founded CloudMetrics (2017); scaled to $11.8M ARR bootstrapped; owns all primary customer relationships

Education: Stanford MBA, BS Computer Science

PR

Priya Ramanathan

Co-Founder & CTO

Prior: Microsoft · Palantir

Key achievement: Architected multi-tenant engine supporting 380+ concurrent environments; led $4M angel round tech pitch

Education: MIT, MS Distributed Systems

DO

David Okonkwo

VP Product

Prior: Mixpanel · Amplitude

Key achievement: Led Connector Marketplace launch (120+ integrations) and AI anomaly module (42 beta, $101K ARR)

Education: Arizona State University, BS Computer Science

SC

Sarah Chen

VP Customer Success

Prior: HubSpot · Intercom

Key achievement: Built CS function from scratch; manages 94% NRR, NPS 62; zero churn >$50K ACV tier over 3 years

Education: Notre Dame, BA Business

⚠ **KEY PERSON NOTE:** CEO Whitfield owns all primary customer relationships. 24-month employment agreement + $350K cliff vesting is non-negotiable pre-close.

PRODUCT SHOWCASE

CloudMetrics Pro — Core Platform Modules

CORE MODULE

Analytics Dashboard

Real-time KPI monitoring with 40+ chart types. Drag-and-drop builder. Auto-refresh 60s. 380+ customers use daily as primary ops interface.

- 47 min avg. daily session
- 4.2 yr avg. customer tenure
- NPS: 62 (median: 41)

INTEGRATION LAYER

Connector Marketplace

120+ native integrations: Shopify, Stripe, HubSpot, GA4, Salesforce, Klaviyo. Customers average 6 connectors. 4 new connectors added monthly.

- 120+ native connectors
- Avg. 6 per customer
- 4 new added/month

PREMIUM — BETA

AI Anomaly Engine

ML-powered anomaly detection + 90-day revenue forecasting. 42 beta customers generating $101K ARR. Full rollout ready at $200/mo premium upsell.

- 42 beta customers
- $101K ARR in beta
- $200/mo upsell ready

AGENCY TIER

White-Label Portal

Full rebrand capability — agencies resell under their own brand. 7 active agency partners generating $280K ARR at 30% reseller margin.

- 7 active agency partners
- $280K ARR from channel
- 30% reseller margin

Full product screenshots and live demo available in secure data room upon execution of NDA and LOI.

COMPETITIVE POSITIONING

Why CloudMetrics Wins — at a Glance

WHY CLOUDMETRICS WINS

- **White-Label Tier**
  Only SMB-tier platform offering full agency reseller rebranding
- **Native AI Engine**
  Built-in ML anomaly detection & forecasting — not bolted on
- **SMB-First Pricing**
  $799/mo Growth tier — 15–20% below nearest SMB rivals
- **Fast Implementation**
  Live in under 1 week vs. 1–6 months for enterprise tools
- **SOC 2 Type II**
  Enterprise-grade compliance at an SMB price point

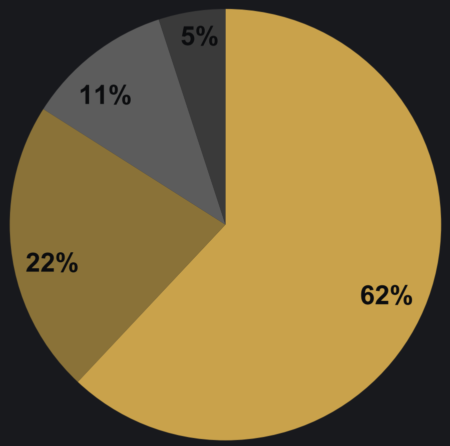
	CloudMetrics Pro	Databox	Klipfolio	Looker (Google)	Domo
White-Label Tier	✓	–	–	–	–
Native AI Engine	✓	~	–	✓	~
SMB Pricing	✓	✓	✓	–	–
Fast Impl. (<1 wk)	✓	–	–	–	–
SOC 2 Type II	✓	✓	–	✓	✓

Growth-Tier Monthly Price: **CloudMetrics $799** · Databox $800 · Klipfolio $499 · Looker $3,000+ · Domo $5,000+

~ Partial capability – Not offered

Revenue Architecture & Unit Economics

Revenue Mix (LTM)



- **62% Annual SaaS Subscriptions** — Annual contracts, billed upfront
- **22% Monthly SaaS Subscriptions** — Month-to-month, billed monthly
- **11% Professional Services** — One-time onboarding/setup fees, declining share
- **5% Marketplace & Other** — Transaction-based connector fees

Tier	Price	Seats
Starter Annual contract default · Monthly +15%	$299/mo	Up to 5 seats
Growth Annual contract default · Monthly +15%	$799/mo	Up to 20 seats
Scale Annual contract default · Monthly +15%	$1,999/mo	Up to 75 seats
Enterprise Annual contract default · Monthly +15%	Custom	Unlimited + SLA

UNIT ECONOMICS — BLENDED (COMPANY-WIDE)

$7,200	$4,100	$28,800	7.0x	6.8 mo
ACV	CAC	LTV[1]	LTV/CAC	Payback

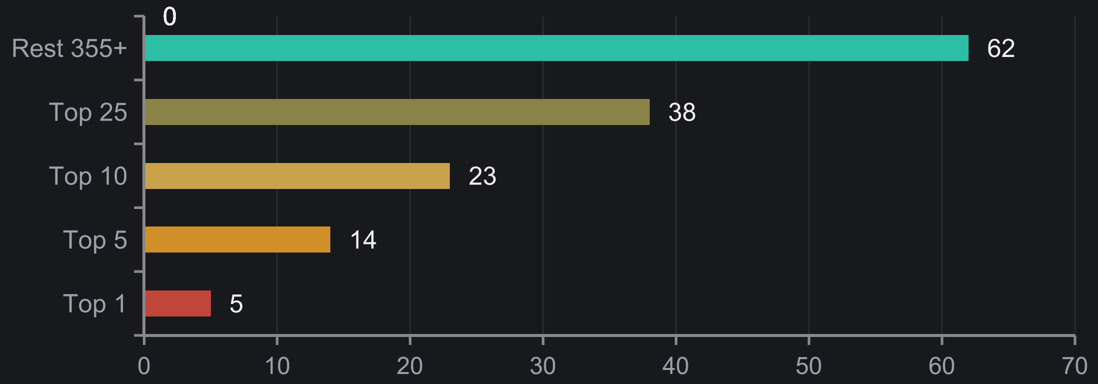
[1] LTV calculated as ACV × a conservative 4.0-year tenure assumption (vs. 4.2-year observed average). DCF-based LTV on 6.1% churn yields ~$118K; presented here on tenure basis for conservatism.

CUSTOMER ANALYSIS

Retention, Concentration & Cohort Profile

380+	94%	6.1%	4.2 yrs
Total Customers	**Net Rev. Retention**	**Annual Churn**	**Avg. Tenure**
Active paying	NRR LTM	Logo churn	Paying base

Revenue Concentration by Customer Group (%)



Vertical Mix

- E-commerce / DTC: 42% of ARR
- Logistics & Supply Chain: 28%
- Professional Services: 18%
- Other B2B: 12%

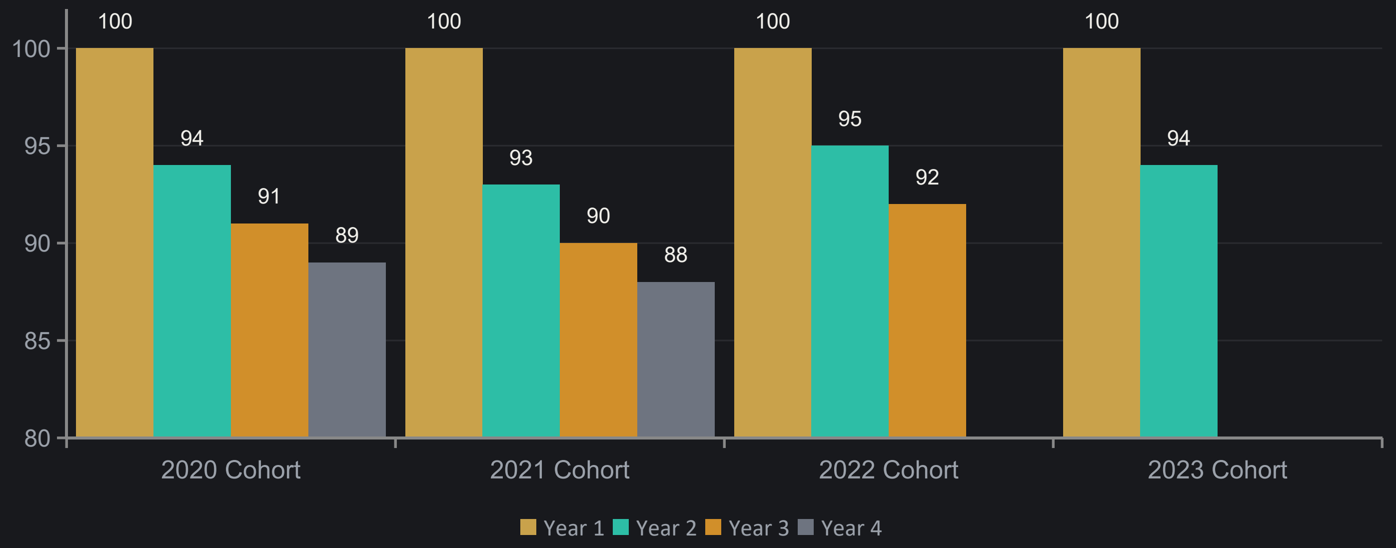
Customer Health Signals

- Top-10 accounts: all on multi-year contracts
- Zero churn in >$50K ACV tier over 3 years
- 48% of new logos sourced from referrals
- NPS: 62 (industry median: 41)

⚠ **GROWTH CONSTRAINT:** Enterprise tier is <5% of accounts; upmarket traction is unproven and excluded from base-case growth.

Revenue Retention by Customer Vintage — Structural Stickiness Proof

Gross Revenue Retention by Cohort Year (%)



Key Cohort Findings

- All cohorts show >88% GRR through Year 4
- 2022 cohort outperforming at 92% Year 3 — AI module beta cohort
- No cohort has shown accelerating churn — structural, not cyclical
- Average cohort GRR stabilises at 89–92% by Year 3 (benchmark: 80–85%)

Expansion Within Cohorts

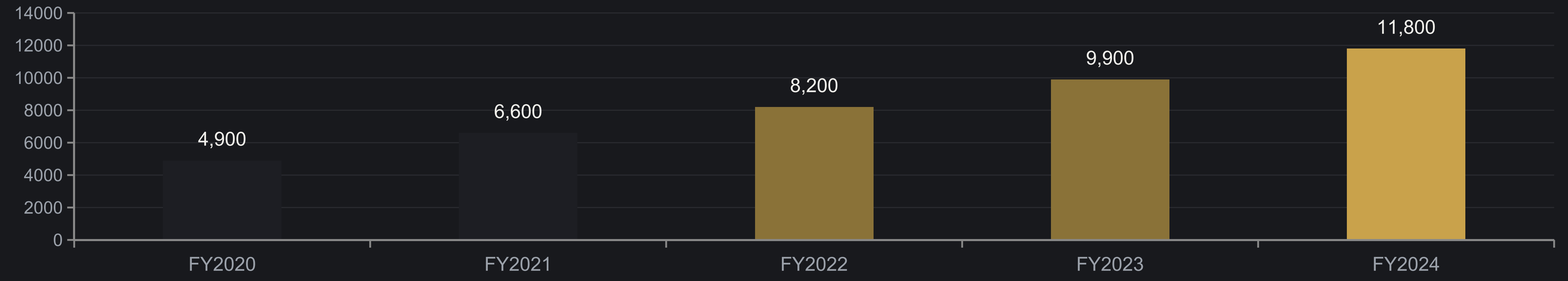
- Expansion ARR: $900K in FY24 — customers growing within contracts
- Seat expansion drives +18% ACV growth YoY across paying base
- Multi-year contract locks: 44% of ARR base — insulates against churn
- Net churn in >$50K ACV accounts: effectively zero over 3 years

COHORT INTERPRETATION

Gross Revenue Retention (GRR) measures logo + seat retention excluding upsell. NRR of 94% implies that upsell more than compensates for the ~6% lost in any given year. The combination of high GRR (91%) and positive expansion (NRR 94%) signals a structurally healthy, growing customer base.

FY2020 – FY2024 ($ ‘000s)

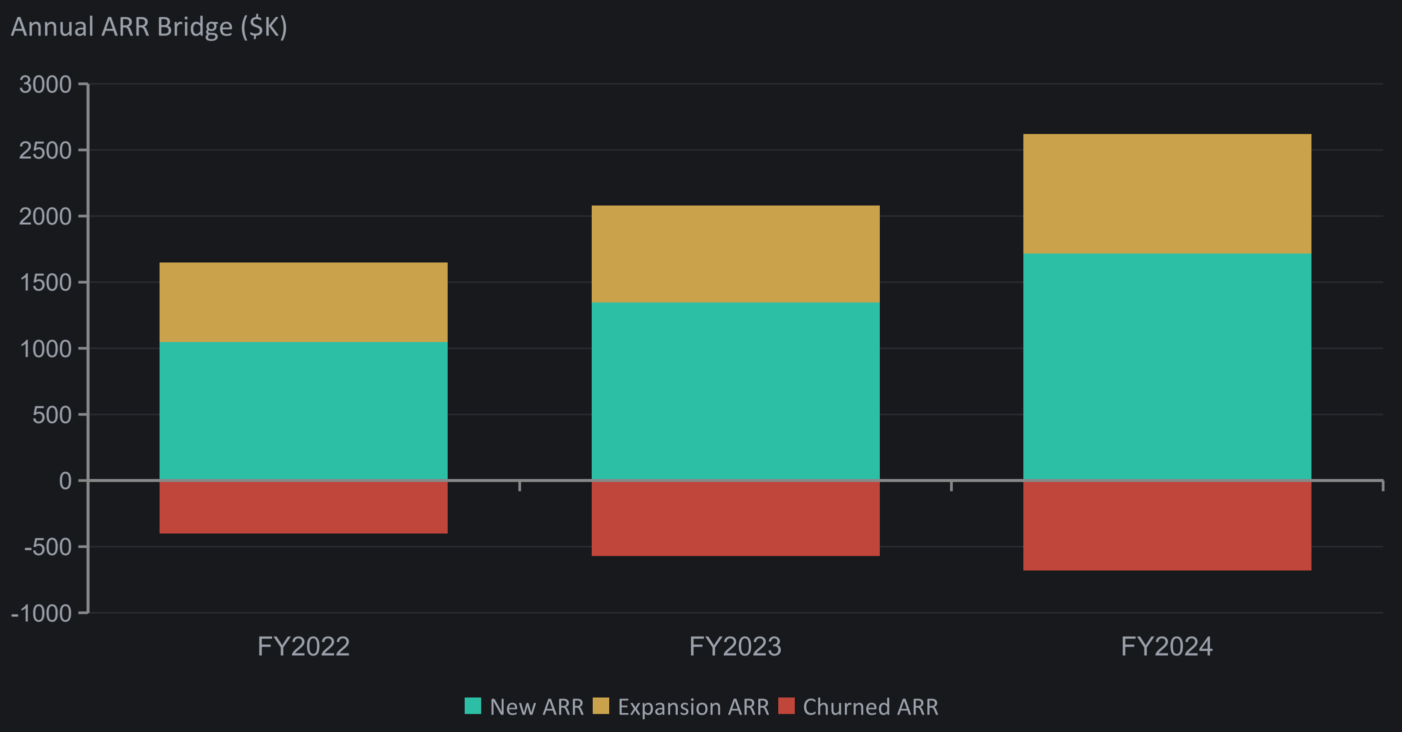
Revenue ($K) — 5-Year History



Metric	FY2020	FY2021	FY2022	FY2023	FY2024
Revenue ($K)	$4,900	$6,600	$8,200	$9,900	$11,800
EBITDA ($K)	$790	$1,210	$1,690	$2,300	$2,900
EBITDA Margin	16.1%	18.3%	20.6%	23.2%	24.6%
YoY Growth	—	34.7%	24.2%	20.7%	19.2%
Gross Margin	**81.0%**	**83.0%**	**85.0%**	**86.0%**	**87.0%**

REVENUE ANALYSIS

ARR Bridge & Recurring Revenue Quality



Recurring vs. Non-Recurring

- Annual Subscriptions: 62% of revenue
- Monthly Subscriptions: 22% of revenue
- Professional Services: 11% (declining)
- Marketplace / Other: 5%

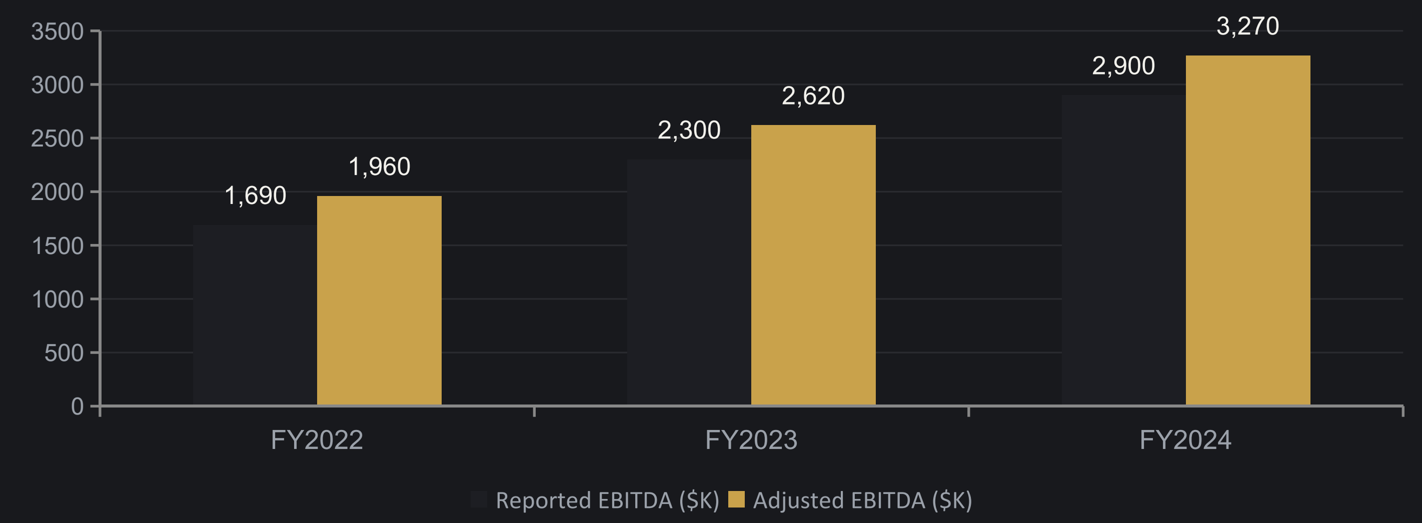
ARR Quality Signals

- NRR: 94% — expansion exceeds churn
- Expansion ARR: $900K in FY24 (+22% YoY)
- Gross Revenue Retention: 91%
- Multi-year contracts: 44% of ARR base
- ACV growth rate: +18% YoY

Revenue-to-ARR Bridge Note:

Annual + Monthly Subscriptions annualize to ~$9.9M; reported ARR of $9.7M nets out ~$200K of mid-period contract starts and ramping accounts, consistent with a conservative ARR recognition policy.

Margin Bridge, Normalization & Addback Schedule



ADDBACK SCHEDULE — FY2024

Reported EBITDA	**$2,900K**
(+) Owner Comp. Above Market	**$215K**
(+) One-time Legal & Advisory	**$82K**
(+) Non-recurring Recruiting	**$52K**
(+) Office Relocation (one-time)	**$21K**
Adjusted EBITDA	**$3,270K**
Adjusted Margin	**27.7%**

ENTRY MULTIPLE CLARIFICATION

4.55x EV/EBITDA on reported basis ($13.2M / $2.9M, presented as 4.5x). On adjusted EBITDA ($3.27M), implied multiple is 4.04x (presented as 4.0x) — a significant discount to comparable transactions at 6.5–8.0x.

Note: figures rounded to one decimal throughout this memorandum for readability.

Margin Commentary & Path to Expansion

- Gross margin 81% (FY22) → 87% (FY24): AWS per-customer cost −40%
- R&D as % revenue: 32% → 24%; mix shifting to sales & CS
- Path to 32–35% EBITDA: pricing (+$880K) + shared services (+$270K) + infra (+$180K)

QUALITY OF EARNINGS SUMMARY

Revenue Quality · Working Capital · Cash Conversion Analysis

Revenue Quality

HIGH

89% recurring revenue; no customer >5% of ARR; no contract cliff risk

Earnings Quality

HIGH

Addbacks $370K (12.8% of reported); all one-time in nature

Working Capital

FAVOURABLE

Negative WC: deferred revenue exceeds AR; cash flow precedes revenue

Growth Sustainability

MEDIUM

Revenue decelerating (34%→24%→21%→19%) but still >market; monitor

WORKING CAPITAL ANALYSIS (FY2024)

Item	$K	Days / Note
Accounts Receivable	$420	12 days — very low; annual billing in advance
Deferred Revenue	($2,840)	Liability; $2.84M of cash received before revenue recognized
Accounts Payable	($180)	8 days (opex basis) — minimal vendor payables
Net Working Capital	**($2,600)**	**Negative — business generates cash before recognizing revenue**

REVENUE QUALITY BREAKDOWN (FY2024)

Category	$K	Quality
Annual SaaS Subscriptions	$7,316	Very High — recurring, contracted
Monthly SaaS Subscriptions	$2,596	High — recurring, at-will
Professional Services	$1,298	Medium — one-time, declining
Marketplace Fees	$590	High — transaction-based recurring

Cash Conversion & One-Time Adjustments

- FCF conversion: EBITDA $2.9M → Unlevered FCF $2.52M (87% conversion) — driven by negative working capital mechanics
- Deferred revenue ($2.84M) represents cash already received; reversal risk is extremely low given 91% GRR
- Capital expenditure is minimal ($200K/yr) — pure SaaS model with no physical asset base or inventory risk

GROWTH OPPORTUNITIES

Organic & Inorganic Value Creation Levers

Pricing Power

+$900K ARR · 0–6 mo

Current pricing 15–20% below Databox/Klipfolio. 12% ARPU increase on base = ~$900K with <5% expected churn.

AI Module Rollout

+$810K ARR · 6–12 mo

AI anomaly module proven at $101K ARR with 42 beta customers. Rollout to remaining 338 accounts at $200/mo adds ~$810K.

Channel Partnerships

+$1.5M ARR · 12–18 mo

Agency reseller program nascent (7 partners, $280K ARR). Formalize with MDF, co-marketing. Target 40+ agencies within 12 months.

Geographic Expansion

+$1.8M ARR · 12–18 mo

UK/ANZ generating $1.4M ARR with minimal marketing. Dedicated GTM + DACH entry adds $1.8M incremental ARR within 18 months.

Vertical Expansion

+$2.2M ARR · 18–24 mo

Healthcare admin, real estate, fintech SMBs are natural adjacencies. 3 vertical modules needed — minimal R&D given modular architecture.

Bolt-on Acquisitions

+$4–8M ARR · 24–36 mo

4 targets identified ($4–7M rev, 3–4x EBITDA each). Migrate onto CMP platform. Multiple arbitrage: buy at 3–4x, exit at 7–9x.

OPERATIONAL IMPROVEMENTS

Value Creation Through Operational Excellence

Area	Current State	Target State	Impact	Ease
Pricing Strategy	Flat since 2021; no usage tier	12% ARPU uplift + usage-based overage	**+$900K ARR**	High
Sales Process	Founder-led; no structured methodology	Hire VP Sales; MEDDIC; 45-day cycles	**+$1.2M ARR**	High
Customer Success	Reactive support; low QBR cadence	Health scoring; structured QBRs; 1:60 CSM	**−2pt churn**	Medium
Technology Stack	Legacy reporting engine; high AWS cost	ClickHouse migration; containerize; −40% infra	**+3pt margin**	Medium
Financial Controls	Basic bookkeeping; no FP&A function	Build FP&A; monthly board reporting; cash forecast	**Risk reduction**	High
Channel Program	7 resellers; no formal program	Formalize with MDF, co-marketing, partner mgr.	**+$1.5M ARR**	High

KEY RISKS

Risk Matrix — Probability vs. Impact with Quantified EBITDA Impact

QUANTIFIED EBITDA IMPACT

Risk Event	Scenario	EBITDA Impact
Top Customer Loss	Lose top 3 accounts	−$410K
Pricing Failure	0% ARPU increase	−$195K
AI Module Delay	6-month delay	−$145K
Engineer Attrition	Lose 3 senior devs	−$290K
Competitive Pricing	10% ASP decline	−$350K

Risk Mitigants

- Seller note subordinated to top-10 customer retention thresholds
- 24-month employment agreement + $350K cliff vesting (CEO)
- Retention bonuses for top 8 engineers benchmarked to P75 market
- Accelerate AI module launch; lock in multi-year contracts pre-close
- Sequence bolt-ons only after Month 12 operational stabilization

COMPARABLE TRANSACTIONS

Public Comps · Private M&A · Valuation Benchmarking

PUBLIC COMPARABLE COMPANIES (Directional Reference — larger scale)

Company	Rev ($M)	Rev Growth	Gross Margin	EV/Rev	EV/EBITDA
Datadog (DDOG)	$2,128	27%	80%	13.2x	N/M (high-growth)
Domo (DOMO)	$336	11%	76%	2.8x	N/M (loss-making)
Klipfolio (Private)	$52	18%	82%	3.5x	8.2x
Sisense (Private)	$145	14%	79%	3.1x	6.8x
Median (private peers)	**—**	**16%**	**81%**	**3.3x**	**7.5x**

SELECTED PRIVATE M&A TRANSACTIONS (2019–2024) — Closest Comparables

Acquirer	Target	Year	Rev ($M)	EV/Rev	EV/EBITDA	Notes
Salesforce	Tableau	2019	$1,150	7.8x	N/M	Strategic — not a true comp
Accel-KKR	Databox	2022	$48	3.8x	7.2x	★ Closest comp — SMB SaaS roll-up
Alpine Investors	Klipfolio	2023	$50	3.5x	6.5x	★ Closest comp — PE-backed SMB analytics
Vista Equity	Coda	2024	$85	4.1x	8.0x	B2B SaaS platform
CloudMetrics Pro	**TARGET**	**2025**	**$11.8**	**1.1x**	**4.55x rep. / 4.04x adj.**	**◀ This Transaction**

CloudMetrics at 4.55x reported EV/EBITDA (4.04x adjusted) represents a 30–45% discount to closest SMB SaaS comps (Databox 7.2x, Klipfolio 6.5x). Entry at 1.1x ARR provides significant downside insulation. Why available below comps: bootstrapped, founder-led business with no institutional sales motion or dedicated GTM hire, and a single-threaded customer relationship structure (CEO holds all key accounts) — value a buyer must build out post-close, not a quality discount.

Sources & Uses · Capital Stack · Key Terms

SOURCES & USES

SOURCES	$000s	%
Senior Debt (3.5x reported EBITDA)	$10,150	77%
Equity (Acquirer)	$2,050	16%
Seller Note (5%, 4yr)	$1,000	8%
TOTAL	**$13,200**	**100%**

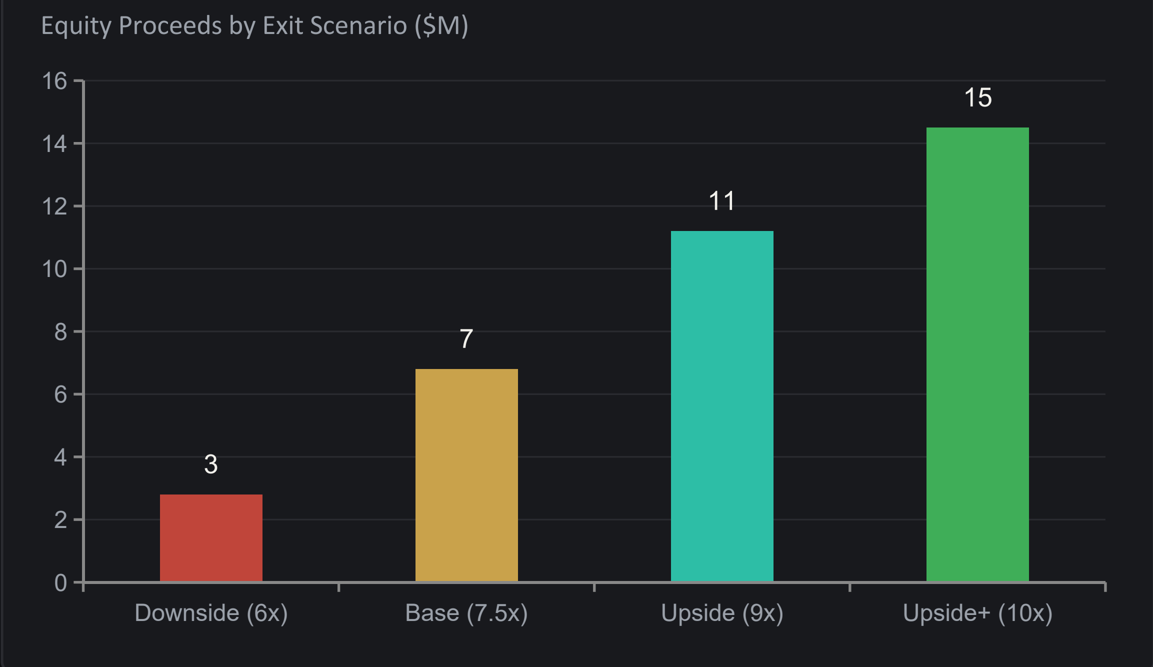
USES	$000s	%
Purchase Price (100% equity)	$13,200	100%
Working Capital	Normalized at close	Target agreed pre-LOI

KEY DEAL TERMS

Enterprise Value	**$13.2M (4.55x reported / 4.04x adjusted EBITDA)**
Deal Type	**Share purchase — 100% equity acquisition**
Earnout	**$750K tied to Year 1 ARR retention (>90%)**
Seller Note	**$1M at 5% interest, 4-year bullet maturity**
Senior Debt	**$10.15M at 6.5%; 7-year amortization**
Equity Check	**$2.05M from acquirer (16% of EV)**
Mgmt. Rollover	**Founder retains 10% equity; 3-yr cliff vesting**
Working Capital	**Normalized target agreed pre-LOI; est. neutral**
Closing Conditions	**Audited financials; SOC 2 confirmation; No MAE**

Investor Returns · IRR · Exit Scenarios

27.1%	3.3x	$6.8M	7.5x
Base Case IRR	**Equity MoM**	**Equity Proceeds**	**Exit Multiple**
5-year hold, equity basis	$2.05M → $6.8M	Base case exit	EV/EBITDA at exit



Scenario	Yr5 EBITDA	Equity	IRR	MoM
Downside (6x)	$4.1M	$2.8M	6.4%	1.4x
Base (7.5x)	**$5.8M**	**$6.8M**	**27.1%**	**3.3x**
Upside (9x)	$7.5M	$11.2M	40.4%	5.5x
Upside+ (10x)	$8.6M	$14.5M	47.9%	7.1x

All IRR/MoM figures are computed on sponsor equity-check basis ($2.05M), reflecting Leverage Strategic's GP co-investment economics: IRR = MoM^(1/5) − 1. Total transaction equity value on an unrealised EV basis is shown separately in the Debt Schedule slide (19.1x MoM, all equity holders) and is not directly comparable.

DEBT SCHEDULE & CASH FLOW WATERFALL

5-Year Debt Paydown · Free Cash Flow · Bolt-On Reserve Build

	Year 1	Year 2	Year 3	Year 4	Year 5
Opening Debt	$10,150	$8,650	$7,024	$5,262	$3,352
EBITDA	**$3,600**	**$4,056**	**$4,570**	**$5,149**	**$5,800**
Less: Interest (6.5%)	$(660)	$(562)	$(457)	$(342)	$(218)
Less: Taxes (25%)	$(735)	$(874)	$(1,028)	$(1,202)	$(1,396)
Less: Capex	$(200)	$(180)	$(160)	$(140)	$(120)
Free Cash Flow	**$2,005**	**$2,440**	**$2,925**	**$3,465**	**$4,066**
Debt Repaid (scheduled)	$(1,500)	$(1,626)	$(1,762)	$(1,910)	$(2,068)
Closing Debt	**$8,650**	**$7,024**	**$5,262**	**$3,352**	**$1,284**
Cumulative Bolt-On Reserve[1]	**$505**	**$1,319**	**$2,482**	**$4,037**	**$6,035**

EQUITY VALUE AT EXIT (BASE CASE — YEAR 5, 7.5x) — Total EV Basis

$43.6M	$(1.3M)	$42.3M	$(2.1M)	$40.2M	19.1x
Exit EV	Less Debt	Equity Value	Less Invested	Net Proceeds	MoM (EV basis)

[1] **Bolt-On Reserve Note:**

Free cash flow exceeds scheduled senior-debt amortization by design; the surplus accumulates on the balance sheet as a dedicated reserve for the 4 identified bolt-on targets (Investment Thesis, Growth Opportunities) rather than being swept to debt or distributed. This ~$6.0M reserve by Year 5 is excluded from the Exit Equity Value and Returns Analysis figures above on a conservative basis — realizing it would be additive to reported equity value and IRR.

IRR Matrix — Revenue Growth vs. Exit Multiple

IRR SENSITIVITY: REVENUE GROWTH vs. EXIT MULTIPLE (5-year hold · $2.05M equity · $10.15M debt @ 6.5%)

Growth \ Exit	5.5x	6x	6.5x	7x	7.5x	8x	8.5x	9x	9.5x	10x
20%	35.2%	38.4%	41.5%	44.5%	47.3%	49.9%	52.4%	54.7%	56.9%	59%
17%	30.6%	33.6%	36.5%	39.3%	41.9%	44.3%	46.6%	48.8%	50.9%	52.9%
15%	27.1%	30%	32.8%	35.5%	38%	40.3%	42.5%	44.6%	46.6%	48.5%
12%	22.6%	25.4%	28.1%	30.7%	33.1%	35.4%	37.6%	39.6%	41.6%	43.5%
10%	19.2%	21.4%	23.4%	25.3%	**27.1%**	28.8%	30.4%	31.9%	33.3%	34.6%
8%	14.9%	17.5%	20%	22.4%	24.6%	26.7%	28.7%	30.6%	32.5%	34.2%
5%	8.1%	10.5%	12.9%	15.1%	17.2%	19.2%	21.1%	22.9%	24.7%	26.4%

≥ 40% Exceptional · 30–40% Strong · 20–30% Attractive · < 20% Below Threshold

BASE CASE: 10% revenue growth × 7.5x exit = 27.1% IRR (highlighted in gold — consistent with Returns Analysis slide 23)

Who Buys CloudMetrics Pro — and Why

Strategic Acquisition

Year 3–5 · 9–12x EBITDA

Likely Buyers:

- **Salesforce / HubSpot**
- **Monday.com / ClickUp**
- **Zoho / Freshworks**

Rationale:

Analytics layer to embed in existing CRM/productivity suites. CloudMetrics' 120+ connectors and SMB customer base are immediately accretive.

PE Roll-Up Platform

Year 4–6 · 8–10x EBITDA

Likely Buyers:

- **Vista Equity**
- **Accel-KKR**
- **Alpine Investors**

Rationale:

CloudMetrics as the platform for a larger SMB analytics roll-up. Acquirer has already completed Databox and Klipfolio transactions at 6.5–7.2x.

PE-Backed Strategic

Year 3–5 · 7–9x EBITDA

Likely Buyers:

- **Datadog (analytics expansion)**
- **Amplitude**
- **Mixpanel**

Rationale:

Product analytics players expanding into operational/business analytics for SMBs. CloudMetrics' vertical focus and white-label tier are differentiated.

EXIT VALUE CREATION BRIDGE (BASE CASE — YEAR 5)

$13.2M	+$13.1M	+$17.3M	$43.6M	-$1.3M	$42.3M
Entry EV	EBITDA Growth	Multiple Expansion (4.5x→7.5x)	Exit EV	Less: Remaining Debt	Equity Value

Post-Acquisition Priorities — Stabilize · Diagnose · Execute

Days 1–30

Stabilize & Listen

- All-hands within 48 hrs; acquisition framed as growth catalyst
- Retention bonuses activated; CEO + key engineers under contract
- Complete financial close; install FP&A reporting framework
- Shadow leadership team: no structural changes in first 30 days

Days 31–60

Diagnose & Design

- NPS calls with top 25 accounts; surface any churn risk early
- Pricing analysis complete; ARPU increase plan finalized
- Tech debt scope locked with engineering; roadmap sequenced
- Hire VP Sales and Head of Customer Success

Days 61–100

Execute & Accelerate

- Launch repriced Growth and Scale tiers (12% ARPU uplift)
- AI anomaly module soft-launched to full 380-account base
- Activate 2 new agency channel partner agreements
- Month 3 investor update; board reporting dashboard live

One-Page IC Snapshot — CloudMetrics Pro

DEAL AT A GLANCE

Company	**CloudMetrics Pro**
Sector	**B2B SaaS Analytics**
Geography	**US + UK/ANZ**
Revenue (LTM)	**$11.8M (+19.2% YoY)**
EBITDA (Reported)	**$2.9M (24.6% margin)**
EBITDA (Adjusted)	**$3.27M (27.7% margin)**
ARR	**$9.7M (NRR: 94%)**
Customers	**380+ B2B accounts**
Team	**62 FTEs; 4 senior leaders**
Cert.	**SOC 2 Type II, GDPR**

TRANSACTION & RETURNS

Enterprise Value	**$13.2M (4.55x / 4.04x adj.)**
Equity Check	**$2.05M (16% of EV)**
Senior Debt	**$10.15M @ 6.5% (3.5x)**
Seller Note	**$1.0M @ 5% (4-year)**
Earnout	**$750K (Year 1 ARR >90%)**
Entry ARR Multiple	**1.1x LTM ARR**
Base Case IRR	**27.1% (equity check)**
Base Case MoM	**3.3x (5-year hold)**
Downside IRR	**6.4% (6x exit)**
Upside IRR	**40.4% (9x exit)**

RECOMMENDATION: RECOMMEND PURSUIT — Proceed to LOI under Structured Terms (Seller Note + Earnout + Employment Agreement)

Summary Assessment & Decision Framework

RECOMMEND PURSUIT

✓ Why Pursue

- Best-in-class NRR (94%) and 87% gross margin — structural business quality above SMB peer set
- Entry at 4.55x reported / 4.04x adjusted EBITDA is 30–45% below closest comps (Databox 7.2x, Klipfolio 6.5x)
- Clear documented path to 32–35% EBITDA margin through pricing power and operational levers
- Platform enables roll-up of 4 bolt-ons at 3–4x EBITDA — multiple arbitrage against 7–9x exit
- Base case IRR 27.1%; Upside 40.4% on equity check basis — comfortably above 20–22% hurdle

✗ Considerations

- Key person risk is elevated — CEO owns all relationships; 24-month agreement is non-negotiable pre-close
- Tech debt in reporting engine adds 6–9 months before product roadmap fully executes
- Downside scenario (6x exit): IRR compresses to 6.4% — returns are meaningfully exit-multiple-dependent
- Revenue growth decelerating (34%→19%) — important to validate pipeline and expansion trends in DD

NEXT STEPS: Sign NDA → Request Data Room → Management Meeting → Financial Model Deep-Dive → LOI Submission

Full KPI Dashboard · LTM FY2024

Metric	Value	Metric	Value
ARR (Total)	**$9.7M**	ARR Growth YoY	**+24.8%**
MRR (Peak)	**$808K**	New Logo ARR	**$1.73M**
Net Revenue Retention	**94%**	Gross Rev. Retention	**91%**
Annual Churn (Logo)	**6.1%**	Monthly MRR Churn	**0.52%**
ACV (Blended)	**$7,200**	ACV (Growth Tier)	**$9,600**
CAC (Blended)	**$4,100**	CAC Payback	**6.8 months**
LTV (Avg. tenure basis)	**$28,800**	LTV / CAC	**7.0x**
Gross Margin	**87.0%**	EBITDA Margin	**24.6%**
Adj. EBITDA Margin	**27.7%**	Adj. EBITDA	**$3,270K**
Headcount	**62 FTEs**	Revenue per FTE	**$190K**
NPS Score	**62**	Customer Count	**380+**

Disclaimer: All figures are management representations; not independently verified. Independent QoE recommended prior to LOI. Entry multiple of 4.55x is on reported EBITDA, 4.04x on adjusted EBITDA (presented as 4.5x/4.0x throughout).

Pre-Empting the IC's First Round of Follow-Ups

Anticipated Question	Where It's Addressed	Status
Show churn by customer size / ACV band	Customer Analysis (p.12) gives revenue concentration by cohort size; full ACV-band churn cuts	Data Room
Show the ARR bridge	Revenue Analysis (p.15) — New / Expansion / Churned ARR by year, FY22–FY24	Answered in this IM
Show customer acquisition channels	48% of new logos from referrals (p.12); channel partner economics (p.18); full paid/organic/outbound CAC mix	Data Room
Show product screenshots / live demo	Product Showcase (p.9) describes modules; interactive demo gated behind NDA + LOI	Data Room
Show actual QoE adjustments	EBITDA Analysis addback schedule (p.16) and Quality of Earnings Summary (p.17) — full $370K addback detail	Answered in this IM
Show sales team productivity	Business is founder-led with no dedicated sales function today (p.19, Operational Improvements); quota/ramp data n/a pre-hire	Data Room
Show deferred revenue balances	Quality of Earnings Summary (p.17) — Working Capital Analysis: Deferred Revenue $(2,840)K	Answered in this IM

Price vs. Market Focus — Visual Landscape

Positioning Insight

- CloudMetrics occupies the defensible SMB + low-to-mid price quadrant — currently uncrowded
- Klipfolio and Databox are closest neighbors but lack AI engine and white-label tier
- Enterprise players require 3–6 month implementations at 4–6x the price

Competitive Moat Summary

- Price-to-value: 15–20% below nearest SMB competitors
- AI anomaly engine: only SMB platform with native ML detection
- White-label tier: unique agency reseller capability
- NRR: 94% vs ~90% average for SMB analytics

LS

LEVERAGE STRATEGIC

Transaction Advisory · Strategic Finance · Growth-Stage Execution

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