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## Sample Monthly Financial Performance Report

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January 2023

# Basis of Preparation

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Disclaimer: This report is prepared solely for the confidential use of [REDACTED]

[REDACTED] engaged Graphite Financial for bookkeeping and controller services for their internal accounting functions. Graphite Financial was not engaged to perform an audit, review, compilation or any other assurance or public accounting services. The engagement cannot be relied upon to identify or disclose any financial statement misstatements, including those caused by fraud or error, or to identify or disclose any wrongdoing within the Company or noncompliance with laws and regulations. Graphite Financial neither owes nor accepts any duty to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by their reliance on the report or the analysis contained herein.

The accompanying financial statements have been internally prepared by the management of [REDACTED]. While the company follows accounting policies and procedures consistent with GAAP, there may be material departures and exclusions, including but not limited to footnotes and required disclosures. The financial information is also subject to normal year-end adjustments.

[REDACTED]

[REDACTED]

[REDACTED]

# Table of Contents

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Founders Scorecard	1
Cash Inflows & Outflows	3
SaaS Metrics	5
Revenue Detail	7
Expense & Profitability Detail	9
Full Financial Statements	11
Quarterly Financials (Condensed)	14
Budget vs Actual	16
Growth & Health	17

# Founders Scorecard

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## REVENUE

**Revenue \$56,515** (Last month \$72,583)

Bummer. Revenue ticked down versus last month.

## GROSS MARGIN %

**Gross Profit Margin 59.13%** (Last month 71.52%)

Gross Margin (Revenue - COGS / Revenue) ticked down month over month.

## PROFITABILITY

**Operating Profit (\$226,832)** (Last month (\$189,119))

You were a bit less profitable / more unprofitable this month versus last month.

## CASH BURN

**Free Cash Flow (\$270,737)** (Cash Burn (\$71,439))

GAAP Profit ≠ Cash Flow - your cash flow went down versus last month.

## Modified Contribution Margin

**Modified Contribution Margin \$24,385** (Last month (\$4,593))

Modified Contribution Margin (Revenue - COGS - Sales Marketing) is a measure of how much money is left over after deducting COGS and Marketing from revenue. This is most applicable to companies without a subscription model.

## Sales Efficiency

**Magic Number (Sales Efficiency) -0.28** (Last month -4.24)

This is a measure of how efficiently you are increasing your MRR as it relates to all Sales & Marketing expenses. The higher the better, but over 1 is typically expected. This number can swing wildly month over month, so in the sections below, we have a chart to show trends here. This is most applicable to companies WITH a subscription model.

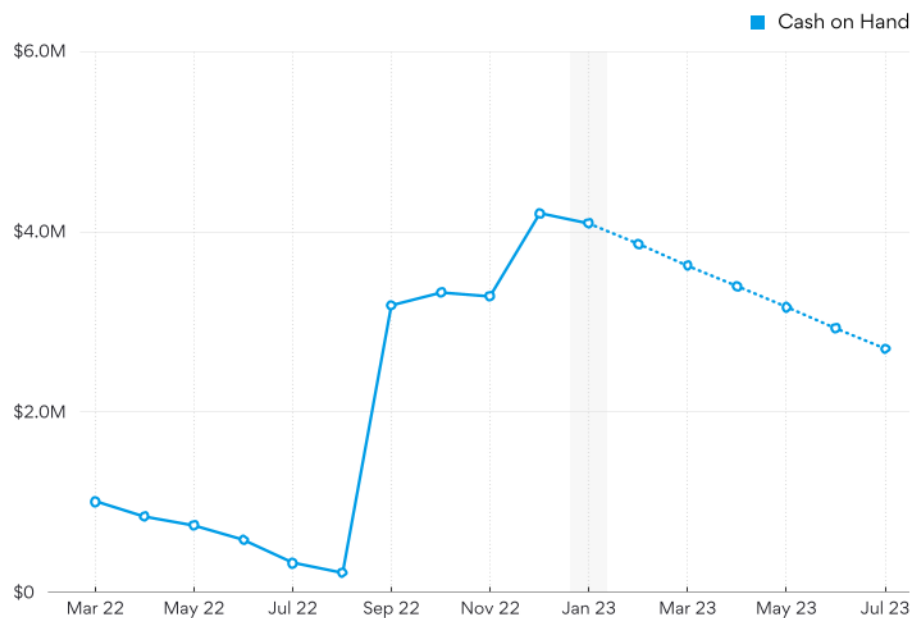
## Revenue per Employee

**Revenue Per Employee \$45,212** (Last month \$58,066)

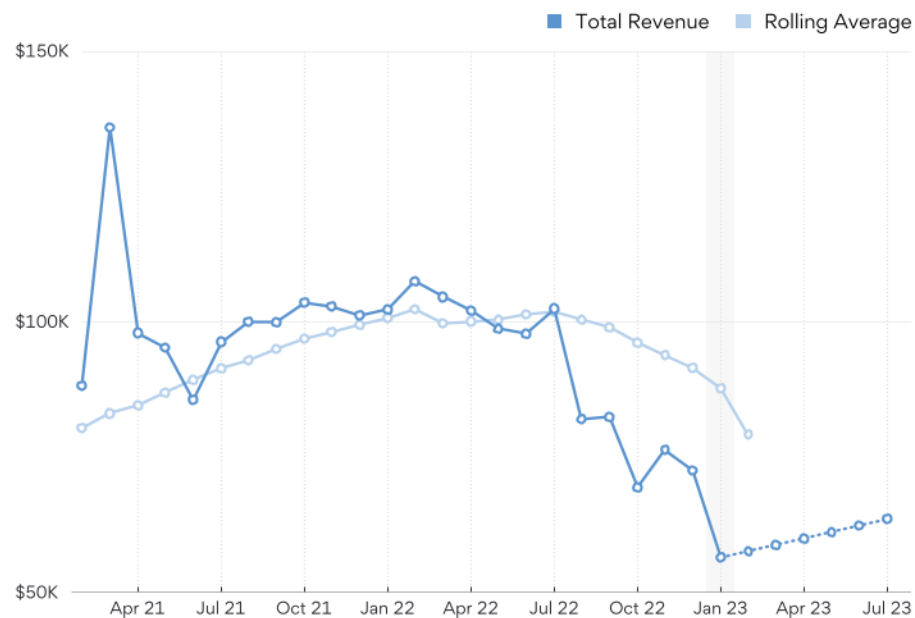
Revenue per employee is a standard metric across most businesses. Startups approaching IPO typically target at least \$250,000

## Cash and Revenue Over Time + Projections

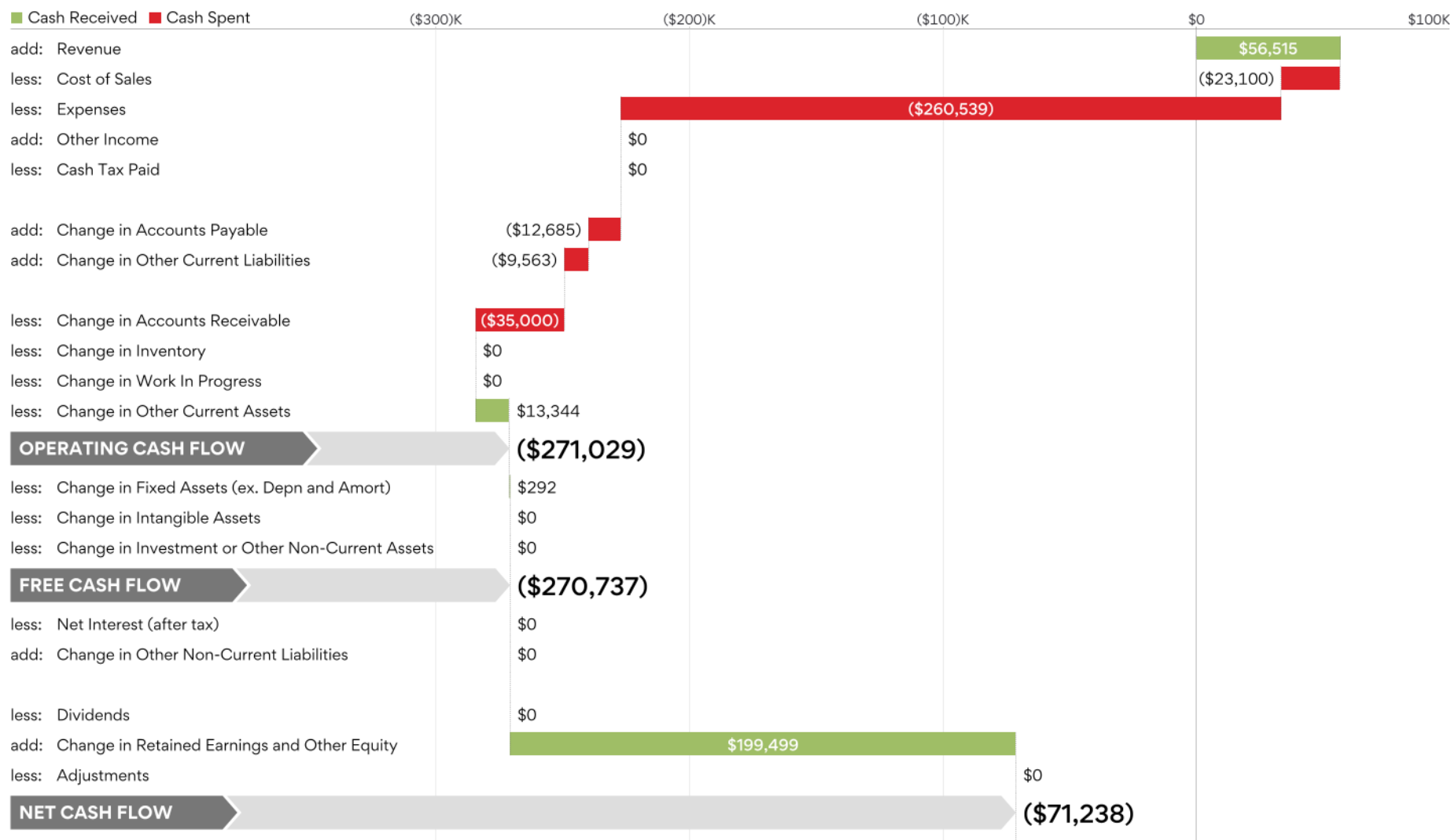
### Cash Position



### Revenue



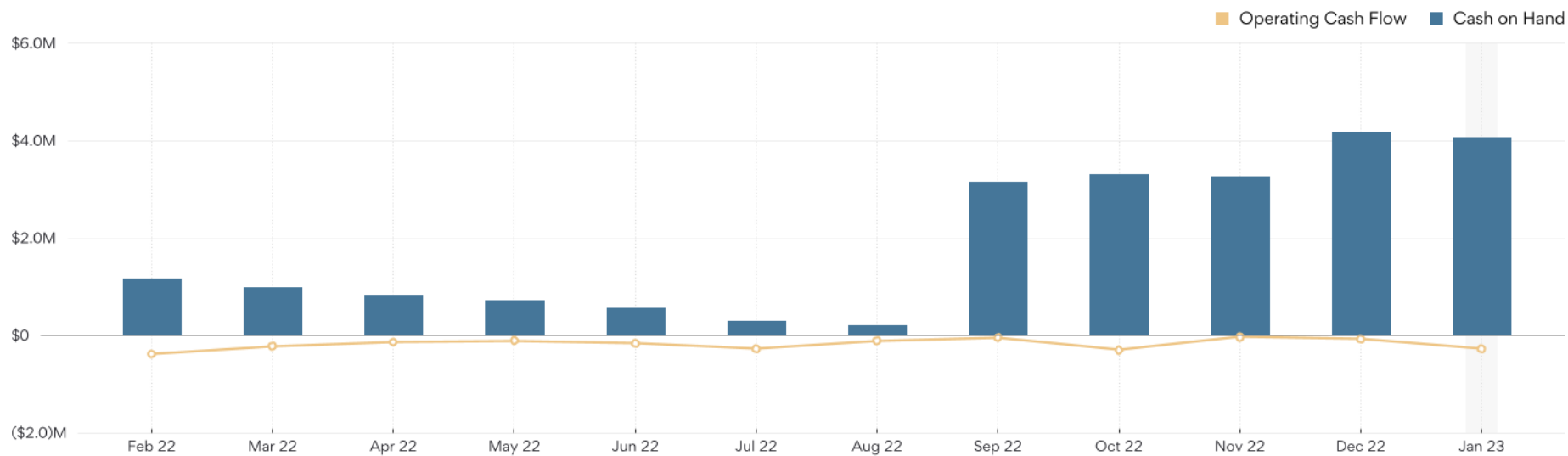
# Cash Inflows & Outflows



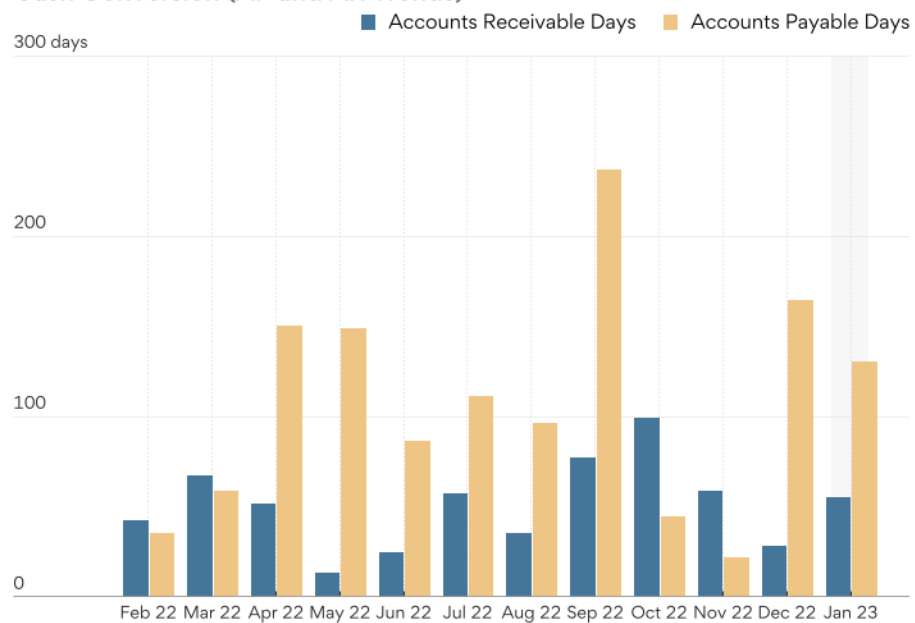
Net Cash Flow can also be calculated as:

**Change in Cash on Hand** (\$105,211) (Open: \$4,201,089, Close: \$4,095,878) — **Change in Debt** (\$33,973) (Open: \$60,853, Close: \$26,880)

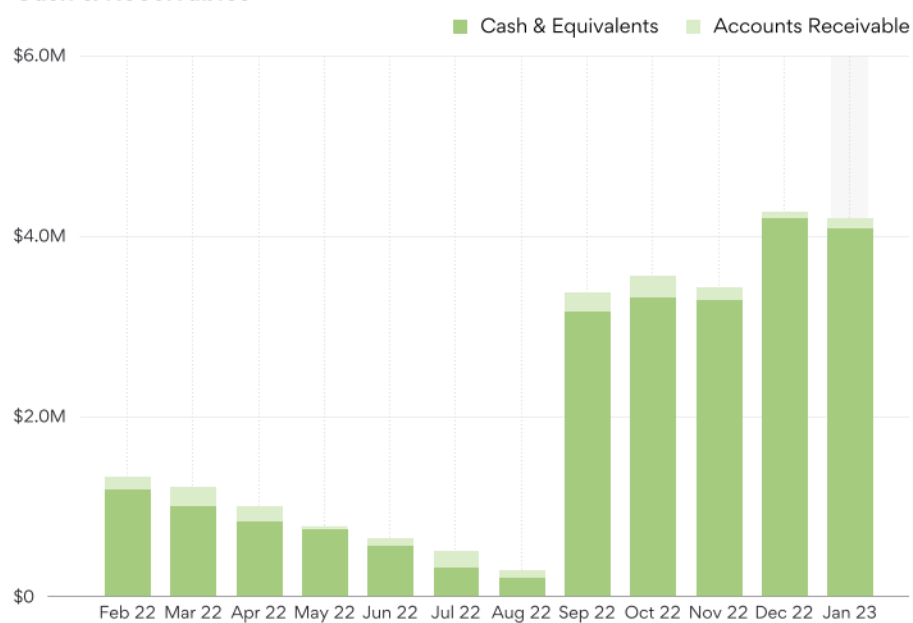
## Cash Balance and Burn



## Cash Conversion (AP and AR Trends)

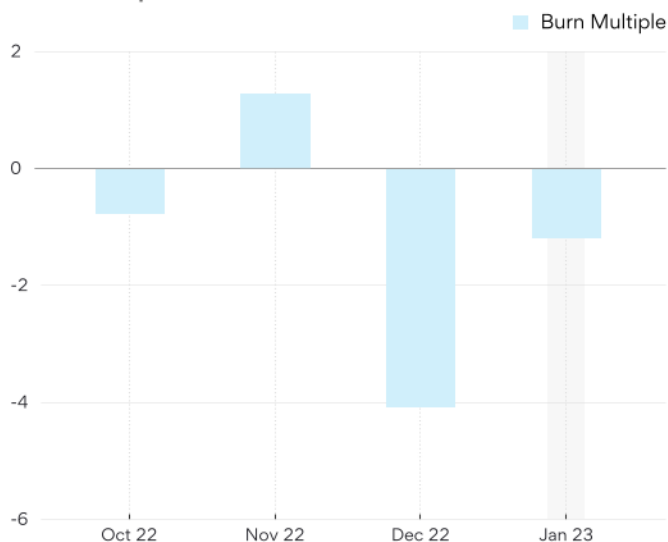


## Cash & Receivables



# SaaS Metrics

## Burn Multiple



## Burn Multiple Overview

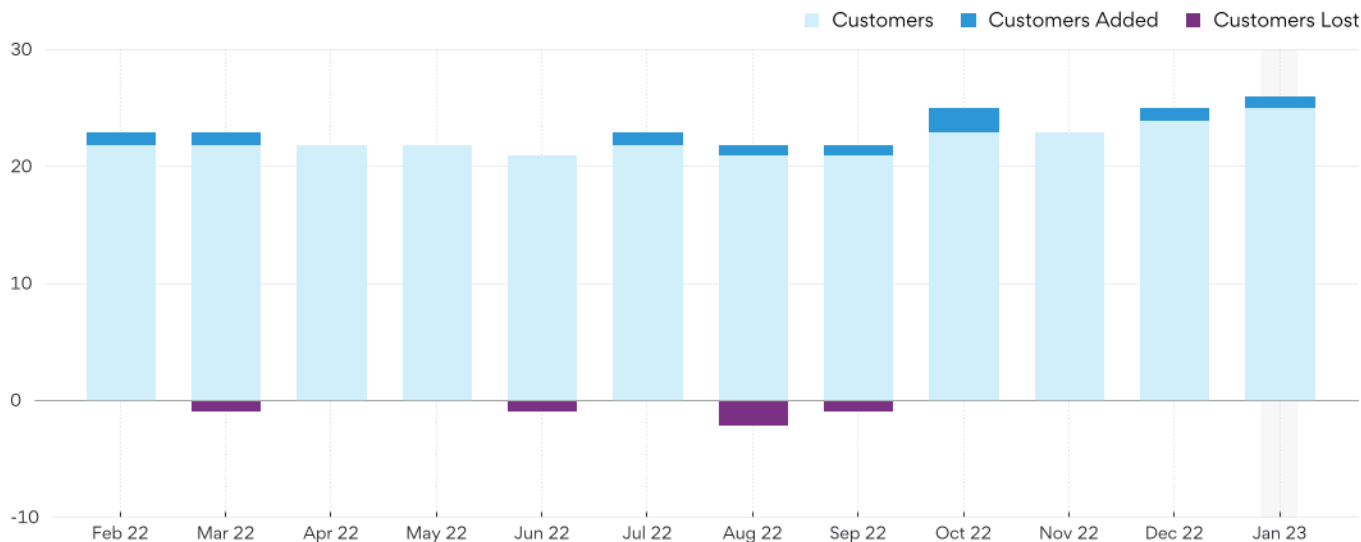
Burn multiple is an increasingly popular metric designed to understand a company's burn relative to its ARR growth.

For January 2023, your Burn Multiple is calculated as -1, compared to -4 in December 2022 and -1 during your last calendar quarter of Q4 2022.

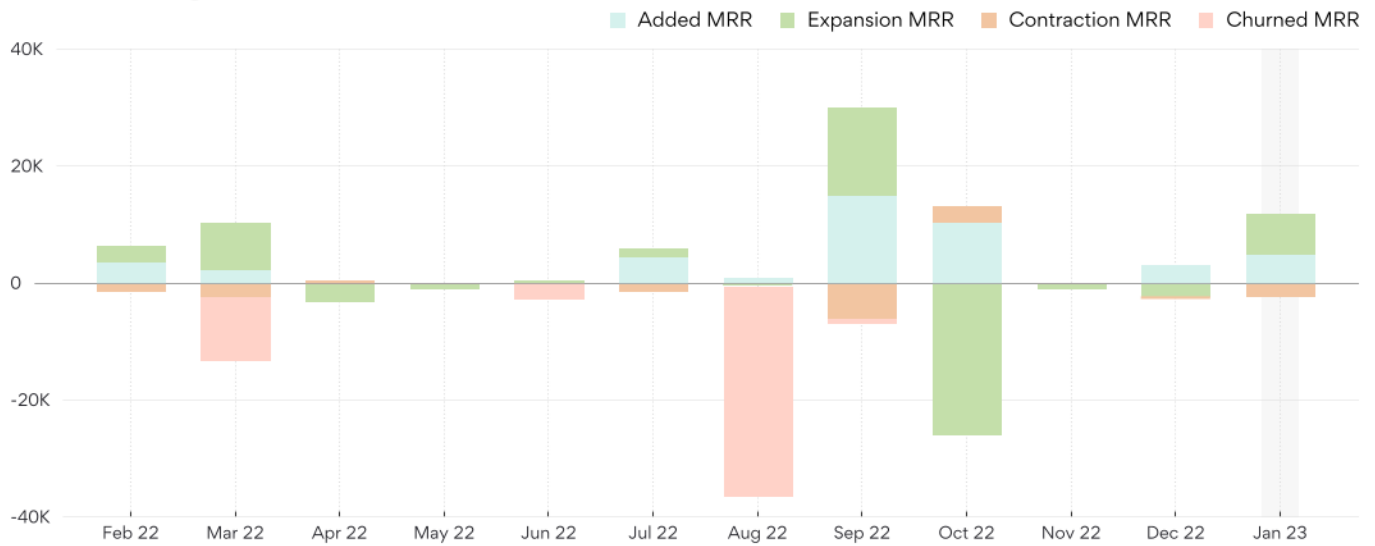
For this month, this was calculated by taking your EBITDA (as a proxy for burn) of (\$226,832) divided by your change in monthly revenue from \$72,583 to \$56,515 x 12 (as a proxy for the net change in ARR).

- Under 1x = Amazing
- 1-1.5x = Great
- 1.5-2x = Good
- 2-3x = Suspect
- Over 3x = Bad
- A *negative* value means that revenue declined month over month

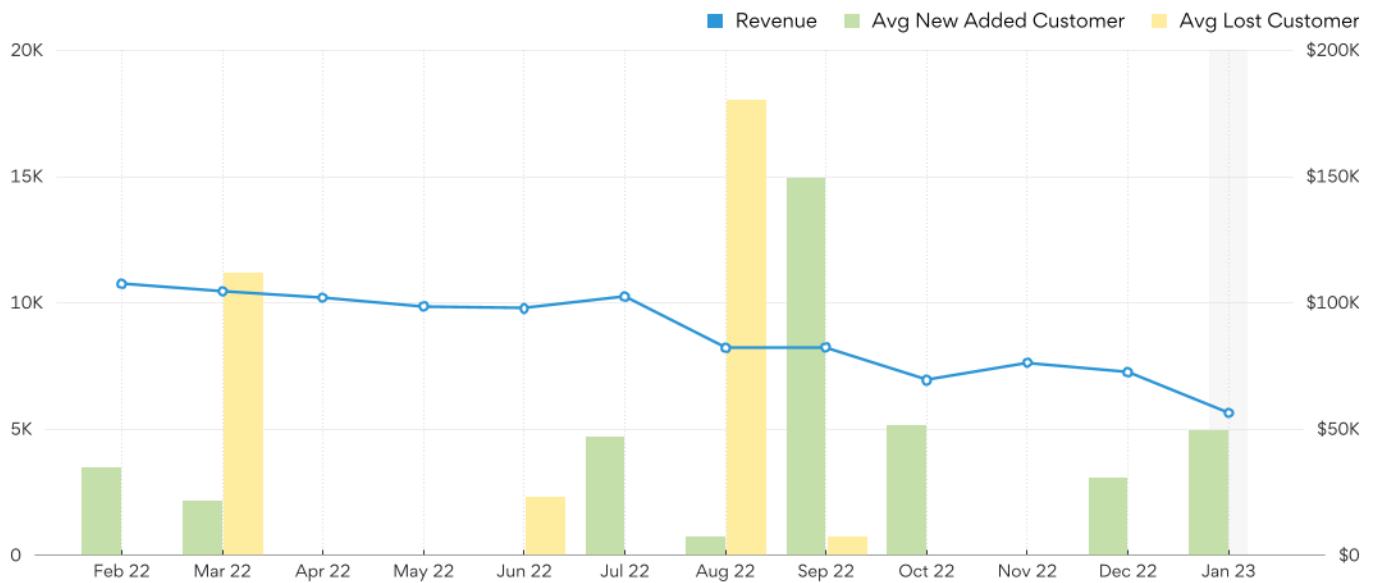
## Customer Rollforward



## Revenue Change

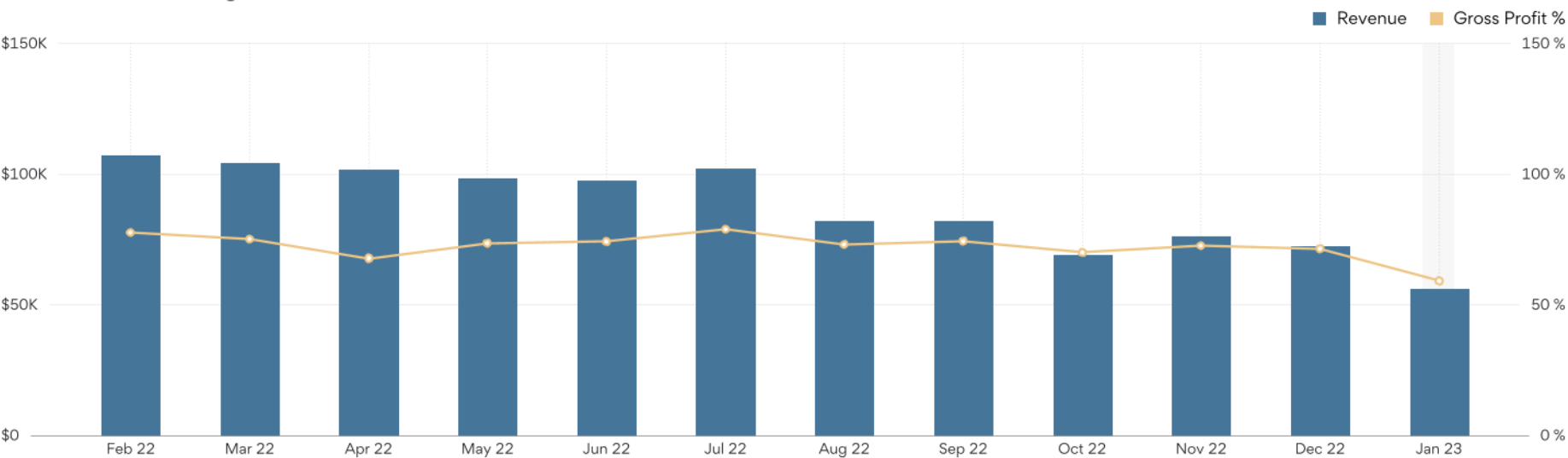


## Revenue, Adds and Losses



# Revenue Detail

Revenue & Gross Margin



Revenue breakdown (This Month)

Sales	\$67,970
Returns, Allowances, and Discounts	(\$11,456)

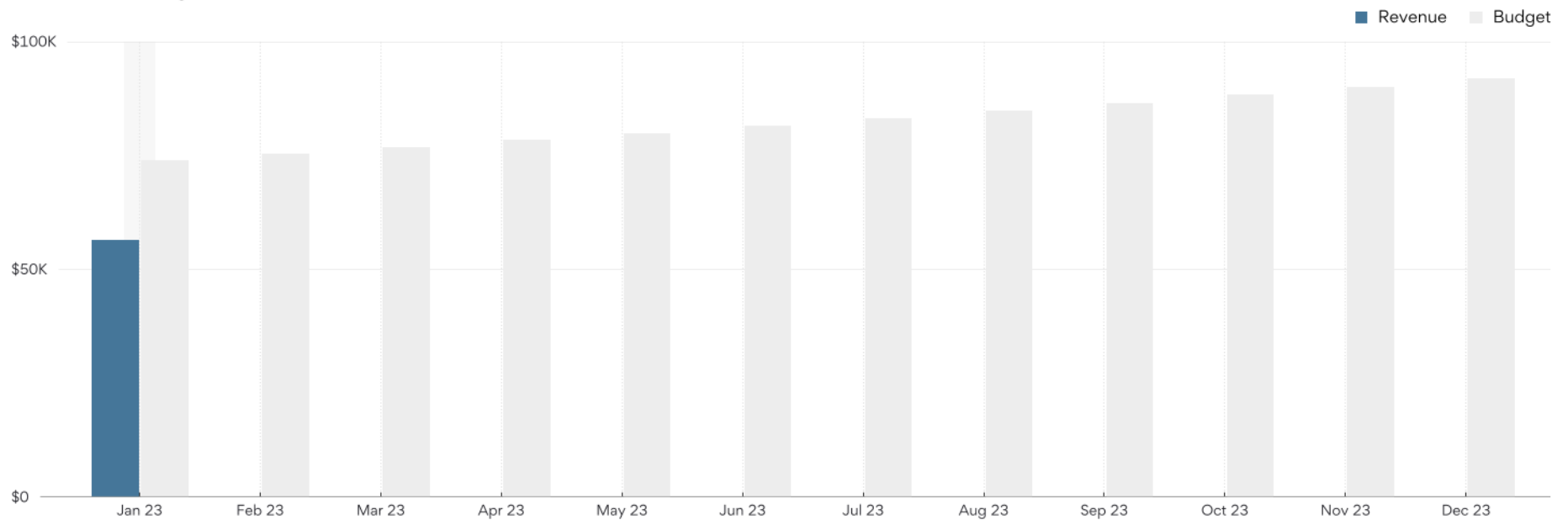
Revenue breakdown (2023 YTD)

Sales	\$67,970
Returns, Allowances, and Discounts	(\$11,456)

Revenue this year vs last year (same period)



Revenue vs Budget



# Expense & Profitability Detail

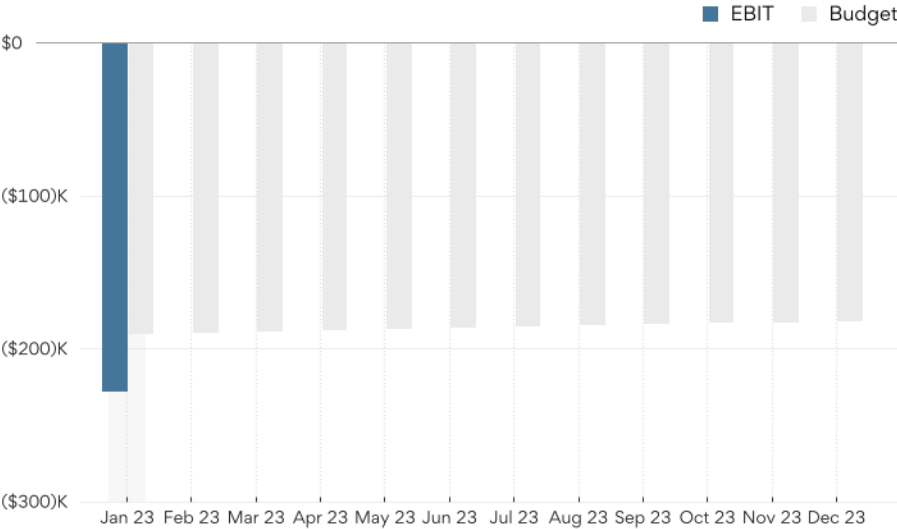
Top 10 Expenses (This Month)

Salaries	\$167,178
Professional Fees	\$17,038
Health Benefits	\$12,526
Employer Taxes	\$12,390
Recruiting	\$9,974
Meals & Entertainment	\$7,170
Legal Fees	\$6,798
Office and Internet Expenses	\$6,648
Accounting	\$6,009
Payroll Processing Fees	\$5,550

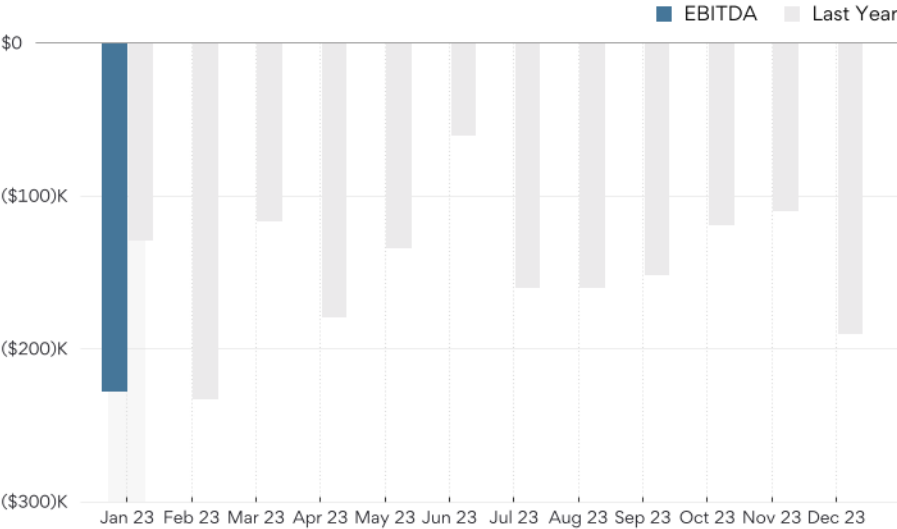
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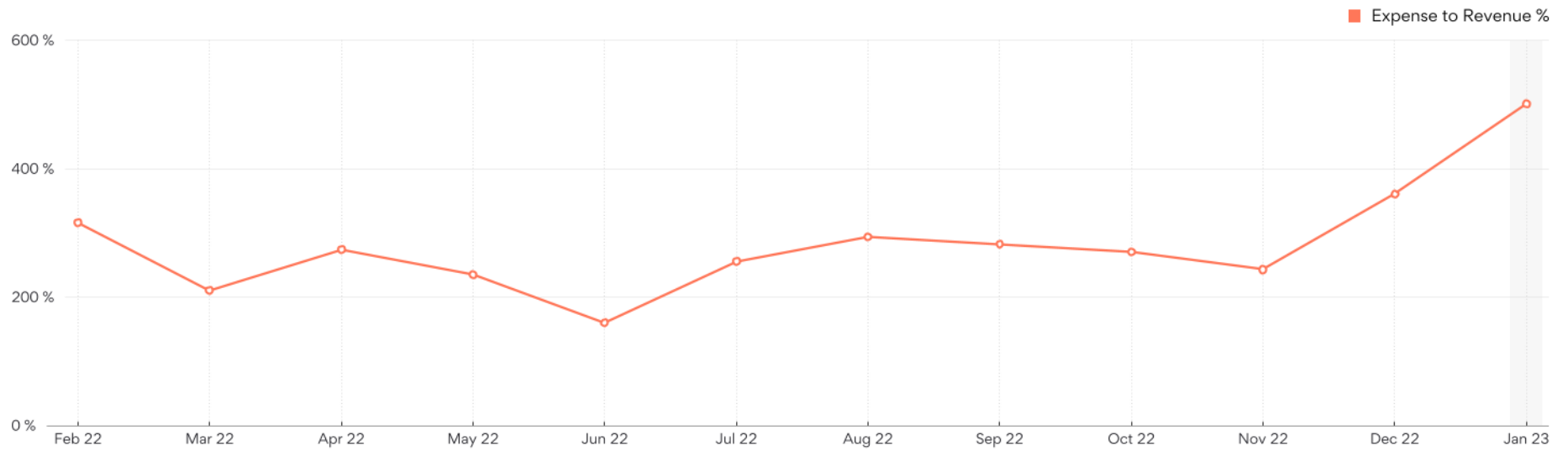
EBIT vs Budget



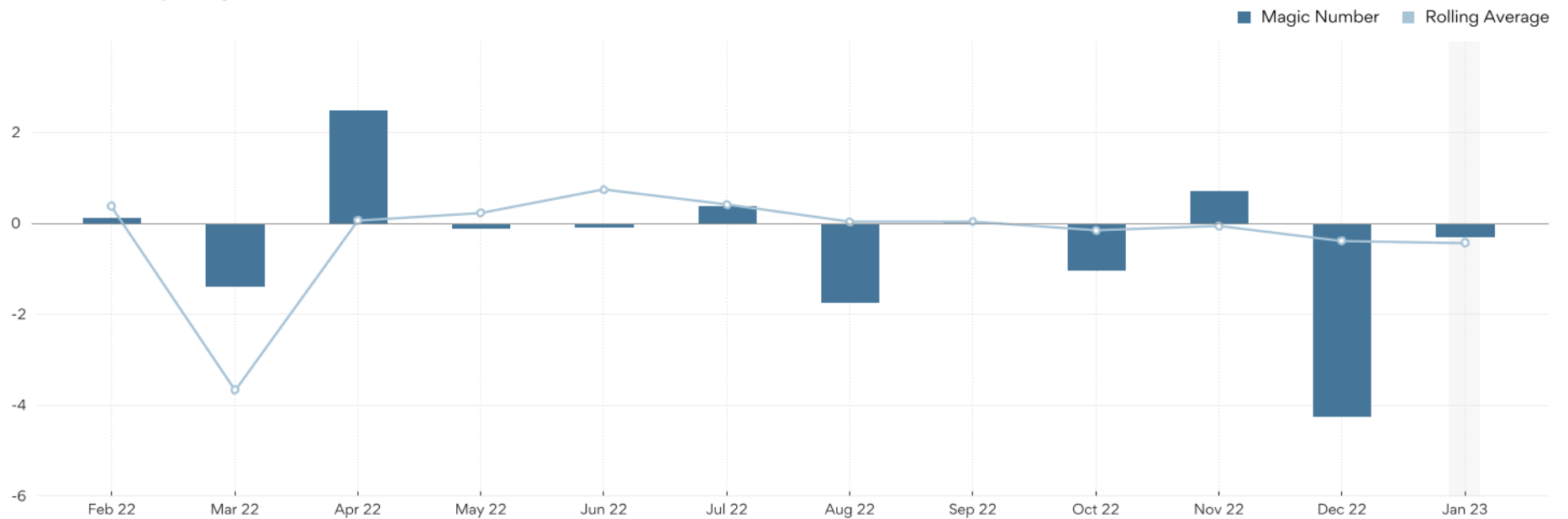
EBITDA - This year vs last year



## Expense-to-Revenue (%)



## Sales Efficiency (Target should be >3)



# Full Financial Statements

PROFIT & LOSS	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Total
<b>Revenue</b>													
<b>Revenue</b>													
Sales													
Returns, Allowances, and Discounts													
<b>Total Revenue</b>													
Overage Fee Revenue													
Training & Certification													
<b>Total Revenue</b>													
<b>Cost of Sales</b>													
<b>Cost of Sales</b>													
Web Hosting													
Bank Fee													
<b>Total Cost of Sales</b>													
<b>Total Cost of Sales</b>													
<b>Gross Profit</b>													
<b>Expenses</b>													
<b>Sales &amp; Marketing</b>													
Advertising & Marketing													
Conferences & Trade Shows													
Travel, Meals and Entertainment													
<b>Total Sales &amp; Marketing</b>													
<b>General &amp; Administrative</b>													
Accounting													
Bad Debt													
Bank Charges & Fees													
Contractors													
Insurance													
Legal Fees													
Professional Fees													
Office and Internet Expenses													
QuickBooks Payments Fees													
Recruiting													
Rent & Lease													
Training													
Subscription Fee													
<b>Total General &amp; Administrative</b>													
<b>Payroll Expenses</b>													
Salaries													
Bonus Expense													
Employer Taxes													

	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Total
Health Benefits													
Payroll Processing Fees													
Worker's Compensation													
<b>Total Payroll Expenses</b>													
<b>Total Expenses</b>													
<b>Operating Profit</b>													
<b>Other Expenses</b>													
Depreciation													
<b>Earnings Before Interest &amp; Tax</b>													
<b>Tax Expenses</b>													
Taxes & Licenses													
<b>Earnings After Tax</b>													
<b>Net Income</b>													
<b>BALANCE SHEET</b>													
<b>ASSETS</b>													
Cash & Equivalents	\$												
Accounts Receivable													
Other Current Assets													
<b>Total Current Assets</b>	\$												
Fixed Assets													
<b>Total Non-Current Assets</b>													
<b>Total Assets</b>	\$												
<b>LIABILITIES</b>													
Short Term Debt													
Accounts Payable													
Other Current Liabilities													
<b>Total Current Liabilities</b>													
Other Non-Current Liabilities													
<b>Total Non-Current Liabilities</b>													
<b>Total Liabilities</b>													
<b>EQUITY</b>													
Retained Earnings													
Current Earnings													
Other Equity	\$												
<b>Total Equity</b>													
<b>Total Liabilities &amp; Equity</b>	\$												

CASH FLOW STATEMENT	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Total
<b>OPERATING ACTIVITIES</b>													
Net Income													
Change in Accounts Payable													
Change in Other Current Liabilities													
Change in Accounts Receivable													
Change in Other Current Assets													
Cash Flow from Operating Activities													
<b>INVESTING ACTIVITIES</b>													
Change in Fixed Assets (ex. Depn and Amort)													
Cash Flow From Investing Activities													
<b>FINANCING ACTIVITIES</b>													
Change in Other Equity													
Change in Short Term Debt													
Cash Flow From Financing Activities													
<b>Change in Cash &amp; Equivalents</b>													
Cash & Equivalents, Opening Balance													
Cash & Equivalents, Closing Balance													

# Quarterly Financials (Condensed)

	Q1 2023 (QTD)	Q4 2022	Q3 2022	Q2 2022
<b>PROFIT &amp; LOSS</b>				
Revenue				
Cost of Sales				
<b>Gross Profit</b>				
Expenses				
<b>Operating Profit</b>				
Other Expenses				
<b>Earnings Before Interest &amp; Tax</b>				
Tax Expenses				
<b>Earnings After Tax</b>				
<b>Net Income</b>				
<b>BALANCE SHEET</b>				
<b>ASSETS</b>				
Cash & Equivalents				
Accounts Receivable				
Other Current Assets				
<b>Total Current Assets</b>				
Fixed Assets				
<b>Total Non-Current Assets</b>				
<b>Total Assets</b>				
<b>LIABILITIES</b>				
Short Term Debt				
Accounts Payable				
Other Current Liabilities				
<b>Total Current Liabilities</b>				
Other Non-Current Liabilities				
<b>Total Non-Current Liabilities</b>				
<b>Total Liabilities</b>				
<b>EQUITY</b>				
Retained Earnings				

	Q1 2023 (QTD)	Q4 2022 (QTD)	Variance (\$)	Variance (%)
Current Earnings				
Other Equity				
<b>Total Equity</b>				
<b>Total Liabilities &amp; Equity</b>				

# Budget vs Actual

PROFIT & LOSS	Jan 2023	Budget	Budget Variance (\$)	Budget Variance (%)
Revenue				
Revenue				
Cost of Sales				
Cost of Sales				
Gross Profit				
Expenses				
Sales & Marketing				
General & Administrative				
Payroll Expenses				
Total Expenses				
Operating Profit				
Other Expenses				
Depreciation				
Earnings Before Interest & Tax				
Net Income				

## Variance Summary

- Revenue lower this month primarily due to unexpected **churn of XYZ client**
- Expenses higher will addition of new **[Role]**; moving headcount from **[X] to [Y]**
- Opex offset by reduction in Sales & Marketing spend

# Growth & Health

## Change in Key Drivers (from prior month)

Revenue  
Down 22.1%

Cost of Sales  
Up 11.7%

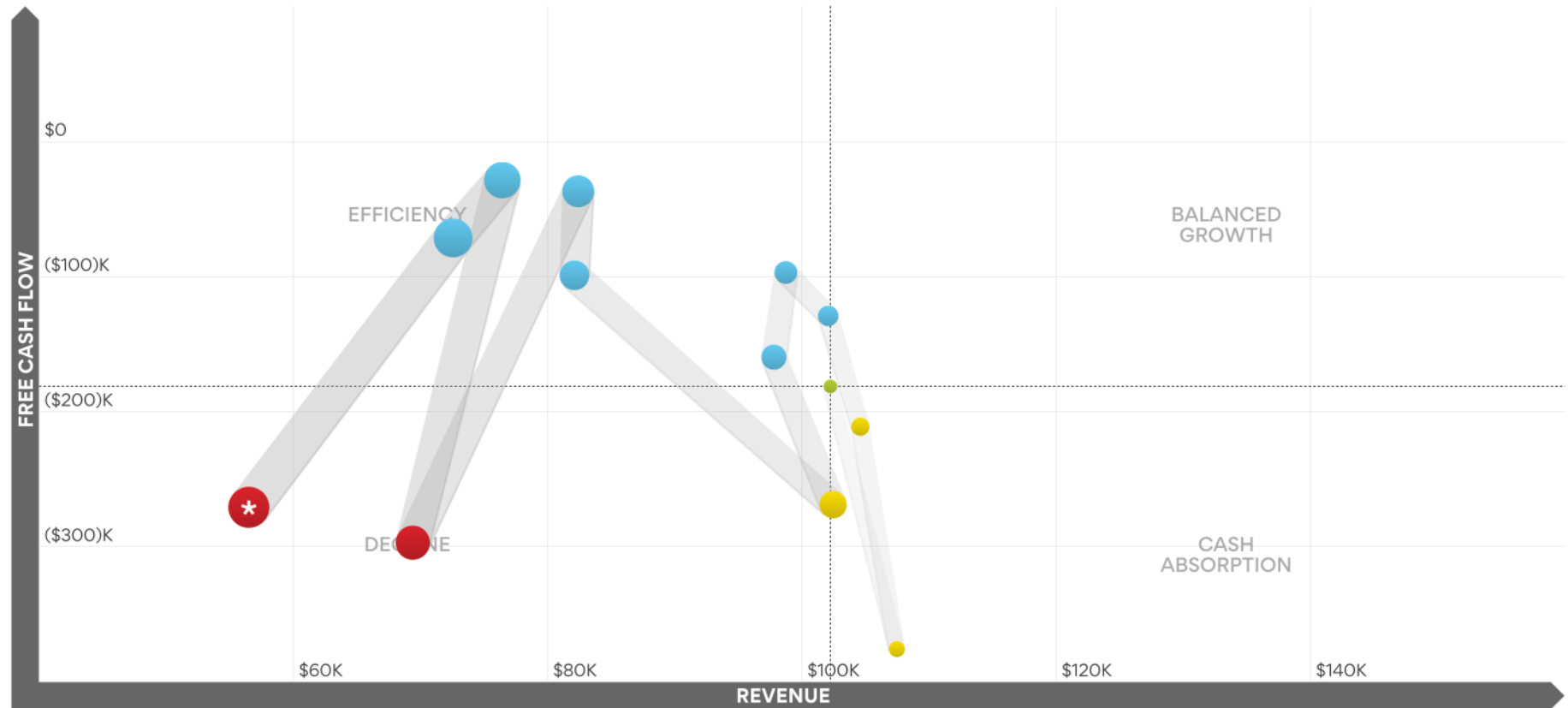
Expenses  
Up 8%

Receivable Days  
Up 93.1 days

Inventory Days  
-

Payable Days  
Down 20.6 days

Growth from Jan 2022 to Jan 2023



Size of the circle shows the recency of the result

Vertical position of the circle shows the growth in Free Cash Flow

Horizontal position of the circle shows the growth in Revenue