

IRR Analysis: Years Invested vs. Return Multiple

		Return Multiple									
		1.5x	2.0x	3.0x	4.0x	5.0x	6.0x	7.0x	8.0x	9.0x	10.0x
Years Invested	2	22%	41%	73%	100%	124%	145%	165%	183%	200%	216%
	3	14%	26%	44%	59%	71%	82%	91%	100%	108%	115%
	4	11%	19%	32%	41%	50%	57%	63%	68%	73%	78%
	5	8%	15%	25%	32%	38%	43%	48%	52%	55%	58%
	6	7%	12%	20%	26%	31%	35%	38%	41%	44%	47%
	7	6%	10%	17%	22%	26%	29%	32%	35%	37%	39%
	8	5%	9%	15%	19%	22%	25%	28%	30%	32%	33%
	9	5%	8%	13%	17%	20%	22%	24%	26%	28%	29%
	10	4%	7%	12%	15%	17%	20%	21%	23%	25%	26%

<u>Multiple</u>	<u>Years</u>	<u>IRR</u>	<u>Invested</u>	<u>Returned</u>
4.0x	5.00	32%	1/1/2010 \$(100.00)	12/31/2014 \$ 400.00

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Instructions: Change the blue cells for Return Multiple and Years Invested to see new IRR results.
 Green IRR Cells = IRR that is at or above the desired IRR.

INVESTOR VALUATION EXAMPLE

Projected Exit Date	2/9/19 (3 years)		
Funding	\$ 300,000	Revenue Multiple	3.5
Projected Revenue (Pro Forma)	\$ 1,600,000	Exit Value	\$ 3,920,000
Haircut	30%	VC Ownership	22.96%
Discounted Revenue	\$ 1,120,000	Founder Ownership	77.04%
VC Payout Multiple	3	Post Money	\$ 1,306,667
VC IRR	44%	Pre Money	\$ 1,006,667
VC Payout at Exit	\$ 900,000		