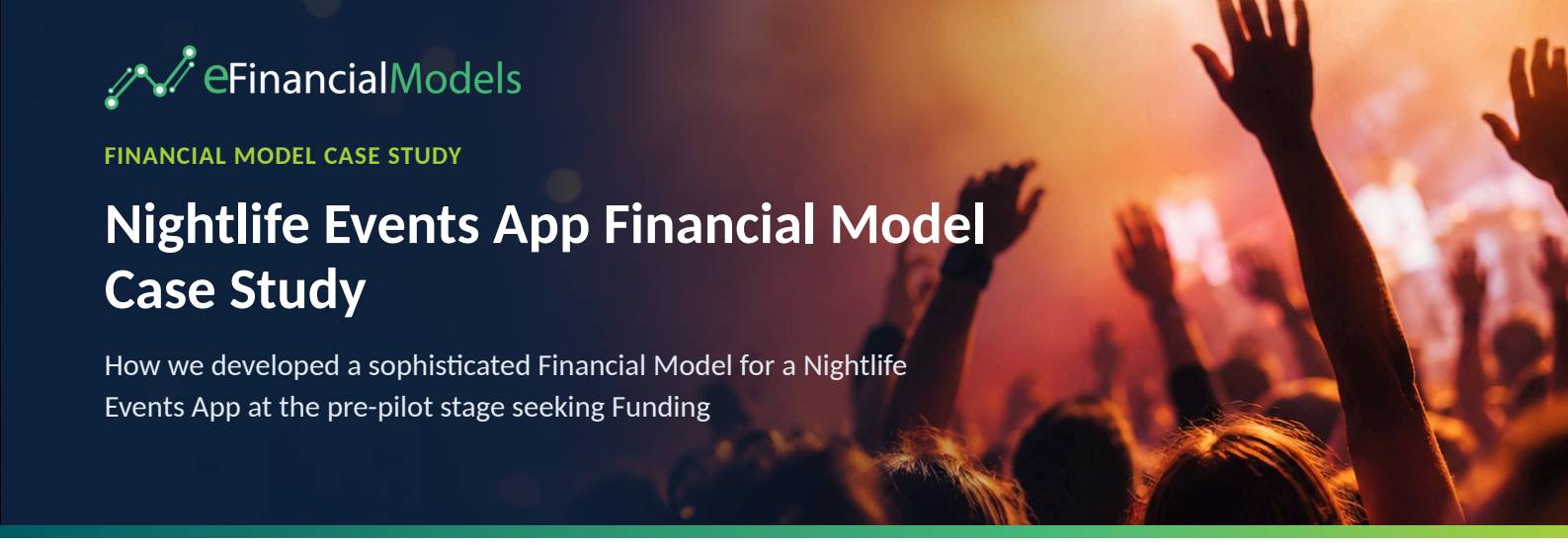
eFinancialModels

FINANCIAL MODEL CASE STUDY

Nightlife Events App Financial Model Case Study

How we developed a sophisticated Financial Model for a Nightlife Events App at the pre-pilot stage seeking Funding



A business plan can read well and still be vague. Before a pilot is live, nothing in it is proven, and only the calculation shows how far it holds together. For these founders, a preliminary analysis gave a more realistic view of the financial prospects, and with it a clear choice: look for funding, or host events to earn income in the meantime.

KEY TAKEAWAYS

- Situation: founders of a nightlife events app, with no pilot live, planned to list events and host their own, and needed funding for a plan that rested on estimates.
- What mattered: before approaching investors, one integrated model had to show the expected return, the risk and the upside, how the funds would be used, how long the cash lasts, and what hosted events could earn meanwhile.
- Turning point: the calculation showed the plan to be vague, unproven and very risky, so the choice was to look for funding or to host events temporarily to earn income.
- Outcome: one model with scenarios of how the investment case could work out. Nothing was proven at this stage, but it laid the groundwork for the investor pitch.

At a glance

INDUSTRY	Mobile app for nightlife event discovery, with hosted events
CLIENT	Founders at the pre-pilot stage
PURPOSE	Seeking funding; a preliminary analysis of the financial prospects, the cash need and what hosted events could earn meanwhile
MODEL SCOPE	User funnel, paid plans, per-event planner, funding rounds, valuation, investor returns, scenarios and sensitivity
DELIVERABLES	Financial model with summary and presentation outputs

The situation

The founders were building a mobile app that lists nightlife events and also plans to host events of its own. The app pilot was not live yet, so every user, conversion and price input in the plan was an estimate. They needed funding and wanted to know what the plan could realistically deliver. The model put the business plan into numbers: how the investment case could work out, what it depends on and what it needs.

What “pre-pilot” means for the numbers

A pilot is the first live release to real users. Until it runs, no conversion rate, retention figure or price has been observed, so each is an informed guess. The model carries each as a stated assumption and shows how far the result moves.

What was at stake: Questions prospective investors put to a plan without a pilot

Before a pilot is live, investors cannot test the app; they judge the plan. They ask what return their stake could earn, what the risk is, how large the upside could be, how the funds would be used and how long the cash lasts. The model had to answer each in numbers, and show which answers rest on inputs that nothing has yet confirmed.

How an event discovery app earns money, and where the model comes in

An events app can earn from several lines at once, and hosting its own events adds a second business with its own margin. Before a pilot, each step is an assumption the model makes visible, so that the founders can see which ones carry the plan and which ones matter little.

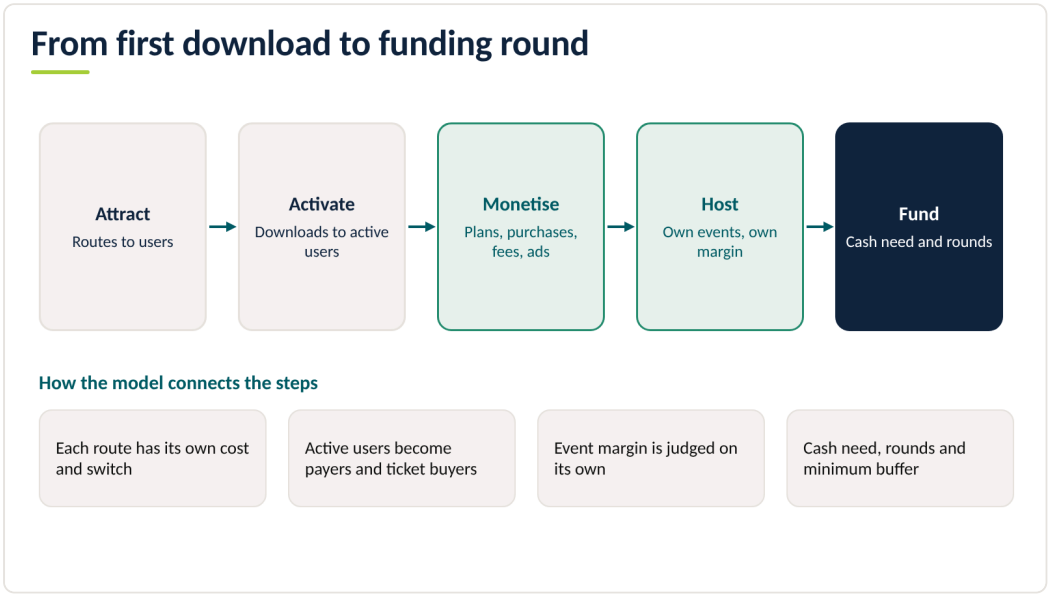
1 Attract
Users arrive through organic reach, partners or paid clicks, each at its own cost.

2 Activate
Downloads become active users; some leave, some stay.

3 Monetise
Active users can pay through plans, purchases, ticket fees, advertising or partner commissions.

4 Host
Own events earn ticket and on-site revenue and carry their own costs and margin.

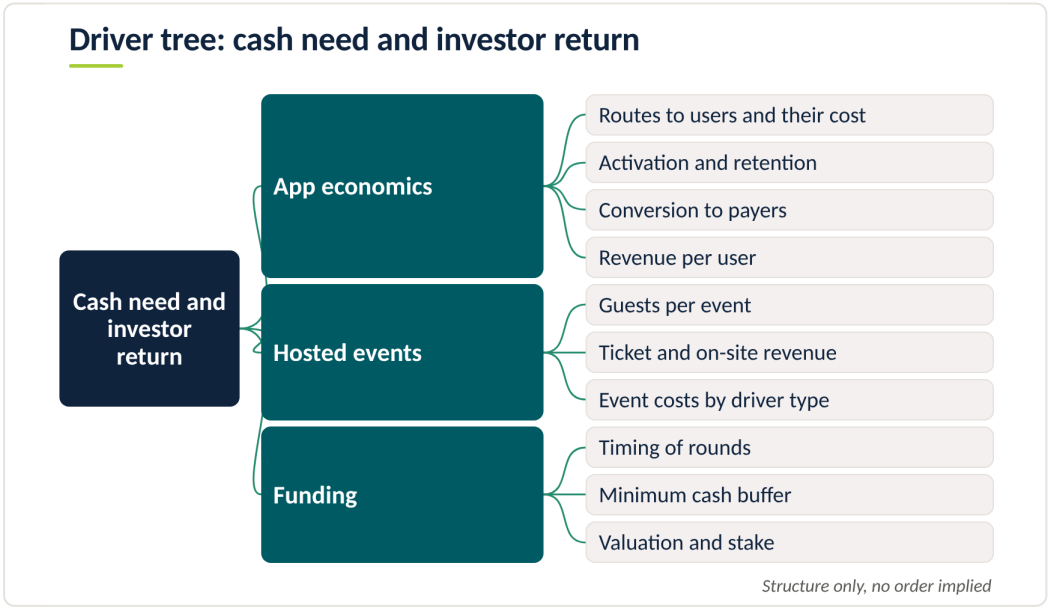
5 Fund
Spend and income set the cash need, the timing of rounds and the minimum buffer.



From first download to funding round: how an event discovery app earns, and what the model links.

What drives the value?

App economics, hosted events and funding terms together set the cash need and an investor's return; the tree lists them without ranking. Each box is an input the founders can change, and the same inputs feed the scenarios and the sensitivity ranking.



Driver tree: the cash need and investor return broken into app, event and funding inputs, unranked (structure only, no client values).

What made it hard to model?

1 Every input still an estimate

DIFFICULTY With no pilot live, every user, conversion and price input is an estimate, and the result depends on all at once.

OUR SOLUTION Sensitivity multipliers sit at neutral by default. A tornado diagram ranks their effect, and combined settings show how the case could work out.

2 How long the cash must last

DIFFICULTY The cash need depends on burn, the timing of each round and a minimum buffer. A later round changes spend and an investor's stake.

OUR SOLUTION The funding need is read from the running free-cash-flow balance. Each round then feeds valuation, stakes, investor multiple and IRR.

3 Two businesses, one model

DIFFICULTY The app lists events and hosts its own. Each line has different revenue, costs and timing, yet both share one team and one cash position.

OUR SOLUTION Every line and revenue stream has an include switch, plus a master switch that runs events with or without the app over one cost base.

4 Irregular event income

DIFFICULTY A hosted event earns and spends on one date. Costs follow different drivers: staff hours by role, fixed venue and talent costs, a share of sales.

OUR SOLUTION An event planner with one column per event shows revenue, costs by driver type and margin, and a calendar lookup places each result in the right period.

5 Many routes to a user, one funnel

DIFFICULTY Users arrive organically, through partners or through paid clicks. Each route grows by its own logic, so one growth rate would hide the cost.

OUR SOLUTION Each route has its own drivers and switch and feeds one funnel from downloads to paying and ticket-buying users, with cost per route.

6 Paid in advance, earned over time

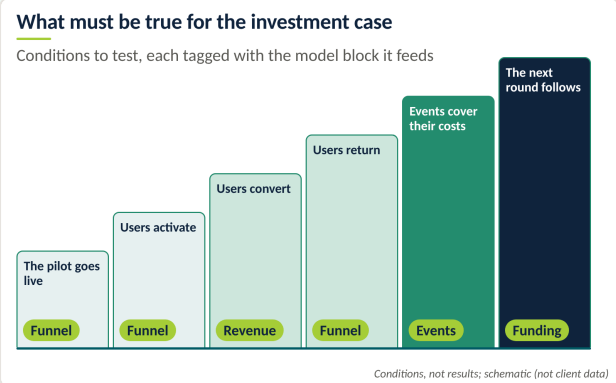
DIFFICULTY Prepaying users bring cash at once, while the revenue belongs to the period of use. Mixing the two overstates early revenue.

OUR SOLUTION A waterfall by plan type and prepayment length keeps cash received and revenue recognised apart, and checks that both totals agree.

THE TURNING POINT

A vague, unproven and risky plan

Putting the plan into numbers showed how vague it was. With no pilot live, nothing was proven and the result rested on estimates: very risky as it stood. The choice was to look for funding, or to host events temporarily to earn money and keep going. The plan could not be proven at this stage, but the work laid the groundwork for the investor pitch.



Illustrative schematic: what must be true for the case to work; nothing here is confirmed (not client data).

Scenarios: how the investment case could work out

Worst case
Funding takes longer and conversion stays low: the cash need rises and hosted events become the bridge, not a growth driver.

Base case
Inputs as planned: funding arrives in time and events add income.

Best case
Conversion and retention beat the plan: the investor stake looks stronger.

Illustrative readings; only a live pilot can test the inputs behind them.

Why a preliminary analysis matters

Only the calculation shows how a plan holds together. Without a pilot it proves nothing, but it gives a more realistic view of the financial prospects. Sometimes the numbers are less favourable than assumed; better to see that before the pitch.

What we built

INPUTS

- Acquisition routes and user funnel
- Plans, prices and purchase rates
- Event schedule and event costs
- Headcount and operating costs
- Funding rounds and investor terms

→

CALCULATION MODULES

- User and revenue engine
- Event planner with margin per event
- Paid-plan waterfall
- Costs and staffing
- Funding, valuation and investor returns

→

OUTPUTS

- Cash need and minimum cash
- Per-event revenue, costs and margin
- Sensitivity and tornado ranking
- Valuation, stakes, multiple and IRR

How we worked together

Step 1

Analysis and discussion

We analysed the business plan and discussed with the founders what it assumed and what investors would ask.

Step 2

Plan

Agreed the structure: business lines with switches, the scenarios and the investor view.

Step 3

Build

Built the user engine, the event planner, funding rounds, sensitivity and presentation outputs.

Step 4

Review and discussion

Went through the results together: what carries the plan, what it needs and what it means for the next steps.

What came out of it?

The founders can see how much rests on estimates, how much cash the plan needs and until when, and what an investor's stake could return, in one model.

- A preliminary view of how the investment case could work out, in scenarios, with the assumptions stated.
- The funding need, the point where it ends and the minimum cash buffer are visible.
- Each event shows its revenue, costs by driver type and margin.
- Valuation, stakes, investor multiple and IRR follow from the same numbers.

Lessons for pre-pilot app founders

1. Run a preliminary analysis before you pitch. It shows what the plan really depends on, and sometimes reality is less favourable than we thought.
2. Name the assumptions the plan rests on and the cheapest way to test each. Scenarios show how a case could work out; only a live pilot can confirm the inputs.
3. Plan for funding to take time. Income from your own events can bridge the gap, if each event is judged on its own margin.

Questions your model must answer

1. What return could an investor's stake earn in the worst, base and best case?
2. What is the risk if users convert less than planned?
3. How much cash does the plan need before it carries itself, and until when?
4. How would the funds be deployed across app, staff and events?
5. Which lines earn the money, and what does each add alone?
6. Which inputs move the result most, and which are unobserved?
7. What does each hosted event earn, by revenue and cost driver?
8. What happens to cash and to the stake if a funding round comes later?

Client details are anonymised to protect confidentiality. Charts, schematics and worked examples are illustrative and contain no client data.

Planning a nightlife events app project?

Explore our Financial Model for Mobile App or request a custom financial model.

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