

# LEAN BUSINESS PLAN

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# 1 Introduction

## 1.1 General Overview

The team that forms EpuL has always been very aware of sustainable mobility in cities, looking for an alternative to conventional means of transport more compatible with the well-being of citizens and with the environmental quality necessary to develop a healthy life without health problems associated with air pollution.

The first idea that the team evaluated was the creation of new charging points for electric motorbikes and bikes, to facilitate their expansion and development to generalize their use. These points would be located at bus stops and the main financial hubs of the city and would be powered by clean energy. The proposed origin of this green energy could be either through an on-site energy capture system with solar panels or using green PPAs signed with third-party companies.

After evaluating the real possibility of implementing this service in the current mobility situation, the idea of enhancing electric mobility through another way emerged: maximizing the use of electric car-sharing services, improving their availability and accessibility for a greater number of users.

From EpuL we seek to solve the problem which is the availability of Car-Sharing services, and in addition optimizing service time and costs for the user. Also, thanks to our platform, the service would be extended to users who are not in possession of a driving license or who would not like to drive, since they can always interact as passengers at a low cost.

At the time of this report, we have analysed the main challenges, ordered from most to least important, that this project entails:

- Legality of the service
- Reconciliation with the Car-Sharing (CS) host companies
- Economic viability of the project
- Platform of use (APP)

Regarding the legal aspects, several experts have been consulted on the subject and it has been concluded that, although there will be obstacles on the part of competing companies to sink the project, this is perfectly legal.

From the point of view of the CS companies, a positive aspect is valued since the implantation of our service will suppose an increase of the use of its services, that is translated in a greater income and greater profitability of their projects.

Likewise, the economic feasibility of the project has been evaluated, and it has been determined that a very attractive rate of return (IRR) is reached, a fact that calls for carrying out the project. The service platform is still under development.

## 1.1 Team Members

The team members involved in the business are introduced below. All of members have technical education but are specialized in different fields, which provides us with a wealth of knowledge to be able to apply in the scope of the project.

MEMBER	STUDIES
<b>Eduardo Sáenz Naranjo</b>	Mechanical Engineering
<b>Rebeca Manchado Perero</b>	Industrial Chemical Engineering
<b>Manuel Rodrigo Sánchez</b>	Energy Engineering
<b>Carlos Díaz Velasco</b>	Industrial Chemical Engineering
<b>Andrea Delgado Cordero</b>	Energy Engineering
<b>Fernando Ucelay Jiménez</b>	Energy Engineering

## 1.2 What is Car Sharing?

Car Sharing is a car rental service, where the user only pays for the time they spend in the vehicle. Among the additional advantages of this service is the agile way in which the vehicle is reserved and used, as it is not necessary to go to an establishment and process the usual documentation of traditional rental companies, everything is done instantaneously via the APP, and the payment is processed by credit card once the service is finished.

The user must be register beforehand. Once you have registered, you will need to send your driving license and details for them to be approved. Once all the processes are done, you are free to use the service using your phone.

Car Sharing is, without doubt, an alternative to the private car and a complement to public transport, both for individuals and for companies as well as for short journeys or for long distance journeys.

### 1.2.1 Car Sharing with electric vehicles

When Car Sharing includes electric vehicles in its fleet, it is when the service acquires its maximum added value, since to the criteria of sustainable mobility. each car eliminates between 15 and 20 private cars of the circulation while a non-polluting conduction is being added to the propulsion.

In Spain there are several Car Sharing companies that offer electric vehicles fleets in cities of Madrid, Zaragoza, Valencia, Malaga, Sevilla, Barcelona, Granada, Murcia, Cadiz, Alicante and Cordoba.

In addition, many other countries have adopted this business model as a solution to urban transport. Of the many examples, it is worth highlighting those of a nearby country such as France, where it stands out the Car Sharing company Autolib, which was inaugurated in Paris in December 2011 and which is very successful, there is also Wattmobile, which makes available electric scooters and quadricycles in the train stations that workers arrive to from extra-urban residential areas to use in the city centre.

To sum up, electric Car Sharing proves the benefits of electric mobility in comparison to conventional internal combustion vehicles. Traffic restriction measures in the City of Madrid at the time of maximum contamination has revealed for many a new way of moving, increasing the number of users of this service and, therefore, the number of potential buyers of electric cars.

### 1.3 What is EpuL?

EpuL is a company that arises from what has been mentioned before. It offers a service that gives users the opportunity to share their trips performed using the car-sharing services to save time and money.

## 2 Operation Plan

### 2.1 Empathy Map

In this section, an empathy map will be developed to evaluate and obtain a clear defined client for our business model. This is extremely useful as it grants us the chance understand what our future clients would be like so that the sales process can be adapted according to them.

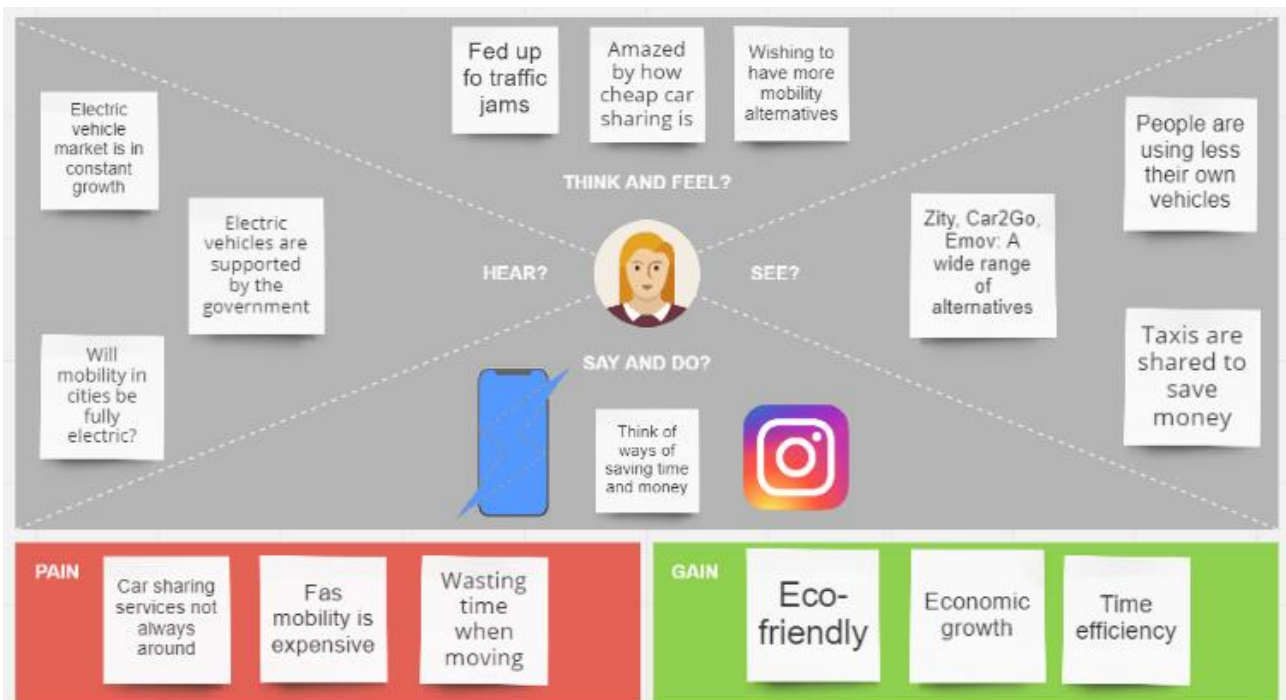
To start up a business model, it is crucial to identify our target client, not only their age, country of origin or gender but a meticulous analysis of our potential clients. According to the Pareto principle, also known as the 80-20 rule, 20% of the clients give you the 80% of the revenues.

A good empathy map should respond the following questions:

- What is the target client looking for?
- What kind of objectives motivate them?
- What do they dream about?
- Who are they?

As its name indicates, we deep in our client's soul to guess what do they see, what do they feel, what do they hear, what do they do and say and finally in order to combat and satisfied them, their main fears and needs.

Following the previous scheme, the following empathy map has been developed assuming a client model of a person between the age of 20 and 35, how they travel or use any kind of mobility transport 5 times per week and how are they looking to save time and money moving around its hometown.



### 2.1.1 Conclusions

The target clients are incessantly receiving information via their environment and the media regarding the continuously growing electric mobility trend.

Specially for young people around 25 to 30 years old, saving money while saving time is one of their main concerns and priorities.

Nowadays, one of the main handicaps of the electric mobility is the lack of fleet and therefore, that is crucial in our business model.

The car-pooling/sharing movement has really sunken in the youngest part of the society, as its way of paying via apps and internet is one of its main strengths.

## 2.2 Value Proposition

In this section, the value proposal for our clients will be explained based on the conclusions of the empathy map. It will show aspects such as the solution offered, to whom it is being offered and why it is valuable to them.

To understand what the value proposition of our company consists of, the following points will be considered:

- How the product solves the problem or need of our client.
- What benefits the customer should expect from the product?
- Why should EpuL be the clients first option and not the competition.
- What will the product consist on based on the conclusions of the value proposal?

### 2.2.1 Society Problems and Needs

Are people aware of the environmental problems? Do they know that, by 2025, diesel and gasoline vehicles will be banned from access to the centre of Madrid?

Since most countries and cities, in this case we will focus on Madrid, are promoting regulatory measures for fossil fuelled vehicles, electric vehicles are destined to occupy their place. Today, it is still a minor means of transport compared to fossil fuels, although each year electric vehicle sales increase by a large percentage in relation to those powered by diesel or gasoline.

This new law is a consequence of society problems, such as traffic congestion in cities; high air pollution levels, parking restrictions, dependence of fossil fuels and more.

Specially in Madrid, citizens' health is being affected by the high levels of pollution that are registered in the city. Therefore, governing bodies are taking measures to try to reduce the emissions caused by internal combustion vehicles.



On the other hand, negative aspects are also found in conventional mobility. Some of them will be explained below:

- **Metro & Bus** have bad interconnections and routes. So, if there is a need to hurry, it is a very fast public transport because it is not affected by traffic jams but they have the disadvantage. The fact that there might be a need to take 2 or more transport routes to get somewhere.
- **Private vehicles** not only require a high investment, since it involves a high initial investment and fixed costs such as an insurance and maintenance, but also, they have to face traffic jams and they usually have parking problems, especially in the centre of the cities.
- **VTC & Taxis** are expensive during rush hours and they don't provide immediate availability. However, they provide a comfortable trip in which there is no need to worry about anything.
- **Bicycles** need security gear such as helmet and gloves. In addition, you can't cycle very fast and must pay attention to the other vehicles if you are cycling on the road. However, it is a good way of transport for the user's health and they can be parked anywhere.

Finally, in relation to the importance of electric vehicles, some features of car-sharing companies which vehicles are electric will be explained. Nowadays in Madrid, there are 3 important **car-sharing** companies (EMOV, ZITY and CAR2GO). In the table below their current fleet is shown.

*Table 1. Data Car-sharing companies in Madrid*

CAR-SHARING COMPANIES	FLEET
CAR2GO	500 vehicles
EMOV	600 vehicles
ZITY	500 vehicles

As we can see in the table, the total fleet is around 1.600 vehicles. So, despite these companies have a really good impact in society, and offer many advantages, there are some negative points that that can be found in relation to these companies:

- Limited fleet, the total fleet is 1.600, as mentioned before. However, there are 400.000 users in Madrid. So, it is difficult to find an available car in the moment its service is needed.
- Expensive price over 20 min. This point will be developed further in a later chapter but the average tariff per minute is 0,24 €/min.
- Vehicle availability. This is regarding the first idea that has been exposed. The fleet is not appropriate; in other words, it is too small in comparison with the number of users of these vehicles. So, if there is a need to use a car-sharing vehicle at a specific time, there might not be any around.

- Limited service area. Car-sharing companies limit their range of action to the entire inner perimeter of the M-30. This is a very important inconvenient, since many people who would be interested in the use of this service live on the outskirts of Madrid, and they do not have the possibility to use them. However, this disadvantage is slowly being solved.

## 2.2.2 The Product

The product came out thanks to all these problems mentioned in the past chapter.

If Spain does not want to be left behind in the growth of electric vehicles, in addition to complying with the European regulatory measures to reduce greenhouse gases, it should bet on this type of mobility (car-sharing) given the lack of vehicles existing today as it has been seen previously, between other factors.

EpuL is an app that gives you the opportunity to share trips and expenses with other users of the electric car-sharing platform using the existing car sharing infrastructure. When registered in the app personal data along an existing credit card data must be entered. It can be easily found and booked. At the end of the trip, the payment will be executed directly through the app.

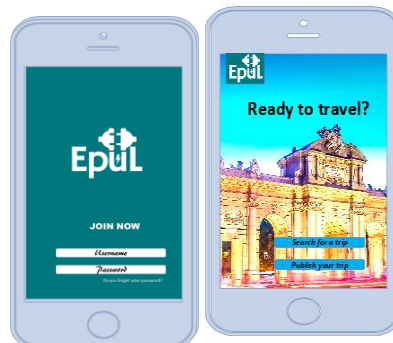


Image 1. EPUL APP

Considering the needs and society problems that have been examined before, thanks to this app there is now a possibility to share car-sharing trips which provides their users great advantages.

First, travel time is reduced, since searching for a vehicle and walking towards it is eliminated. This happens due to the limited fleet that we have mentioned before. This is more comfortable and fast, which will result in the use of car-sharing services.

In addition, although payment methods will be explained later, it is worth mentioning that customers will reduce their expenses if they share trips with the EPUL app.

Moreover, electric vehicles are being used so, pollution is being reduced, parking is not restricted for these vehicles and they do not have limited access to the city during high air pollution levels. So, the user will be contributing with the environment.

Also, electric vehicles and specially these companies tend to be the future of mobility. In other words, electric, shared and autonomous transportations are key factors of a sustainable mobility future.

In relation to the market, it is expected that anyone willing to travel can use the app, however, there is an expect user range between 18-35 years since a limit will be set preventing users aged below 18 years old to be able to register in the app. This decision has been taken to avoid any problems of rape or kidnapping. On the other hand, they will be able to get into a car as a passenger as long as they are accompanied by an adult.

A list of users by transport method is shown below:

- Car sharing users
- Motorbike & bike sharing users
- Taxi & VTC users
- Public transport users
- Car owners
- Motorbike & bicycle owners

To sum up, the major motivation to use EpuL is that users are going to experience a saving of money, time, pollution levels reduction as well as commodity and practicality.

The main competitors are car2go, ZITY, EMOV, and ECOOLTRA... Their characteristics are the following:

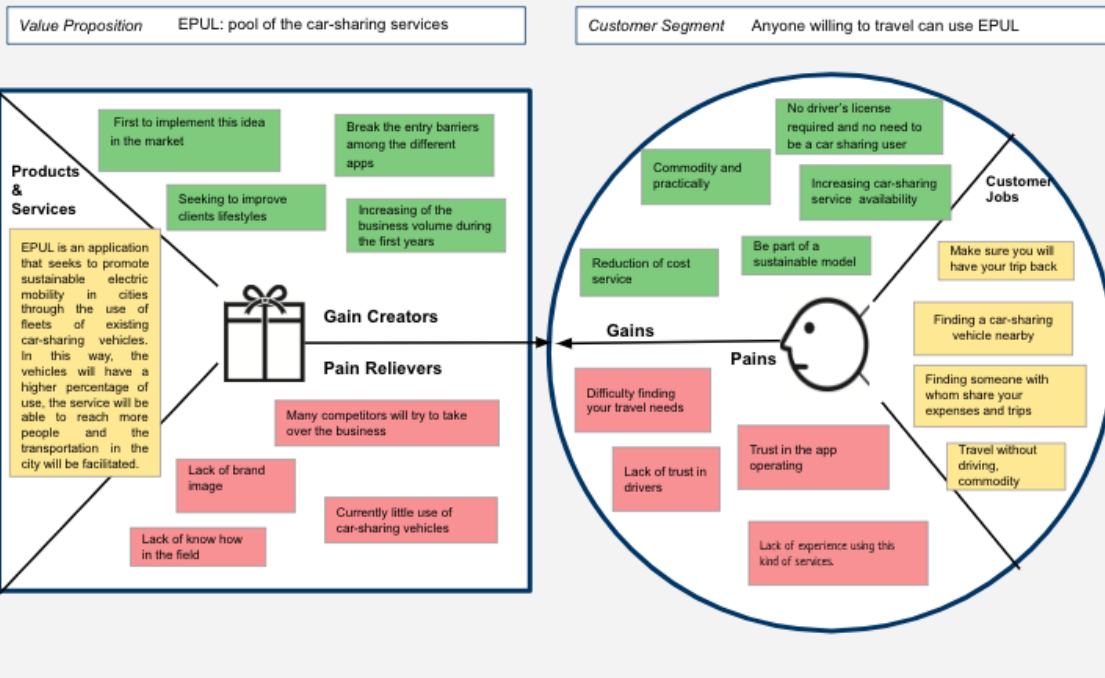
- Already in the market
- Know how in the field
- Existing brand Image
- Concentrated in improving their existing service
- Focused in competing among them

However, EpuL's strengths are:

- First to implement this idea in the market
- Seeking to improve client's lifestyles
- Break the entry barriers among the different apps
- No driver's license required and no need to be a car sharing user

In the following figure, it is shown the value proposition canvas of the product.

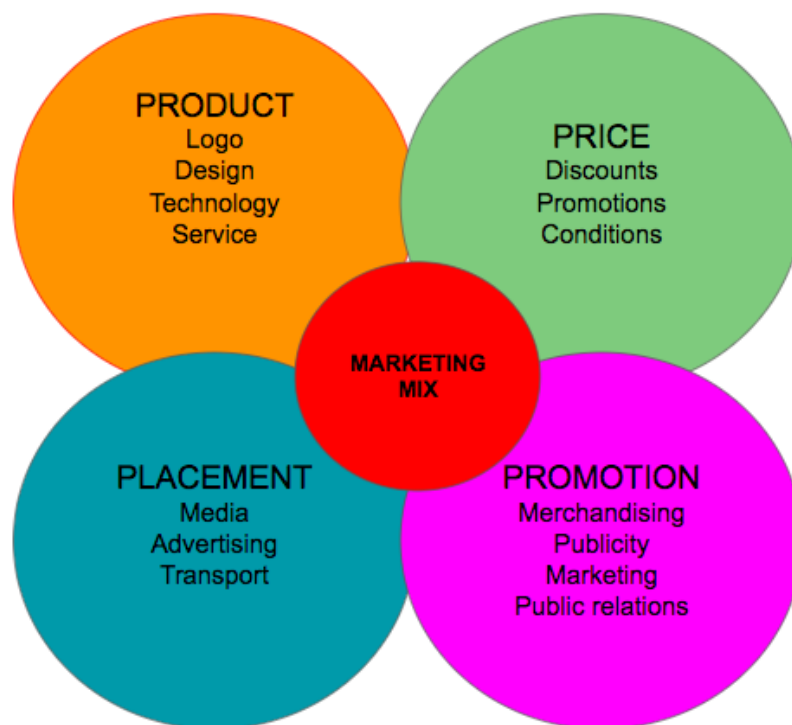
## The Value Proposition Canvas



## 3 Marketing Plan

Throughout this chapter, the variables of the Marketing Mix will be explained and developed deeply. The Product is going to be analysed, what is its design, its service, etc. Also, we will stand out how we are going to catch attention and customers, for example using discounts, promotions or being known thanks for social media, influencers, conferences, etc.

*Image 2. Marketing Mix*



### 3.1 Strategic Model

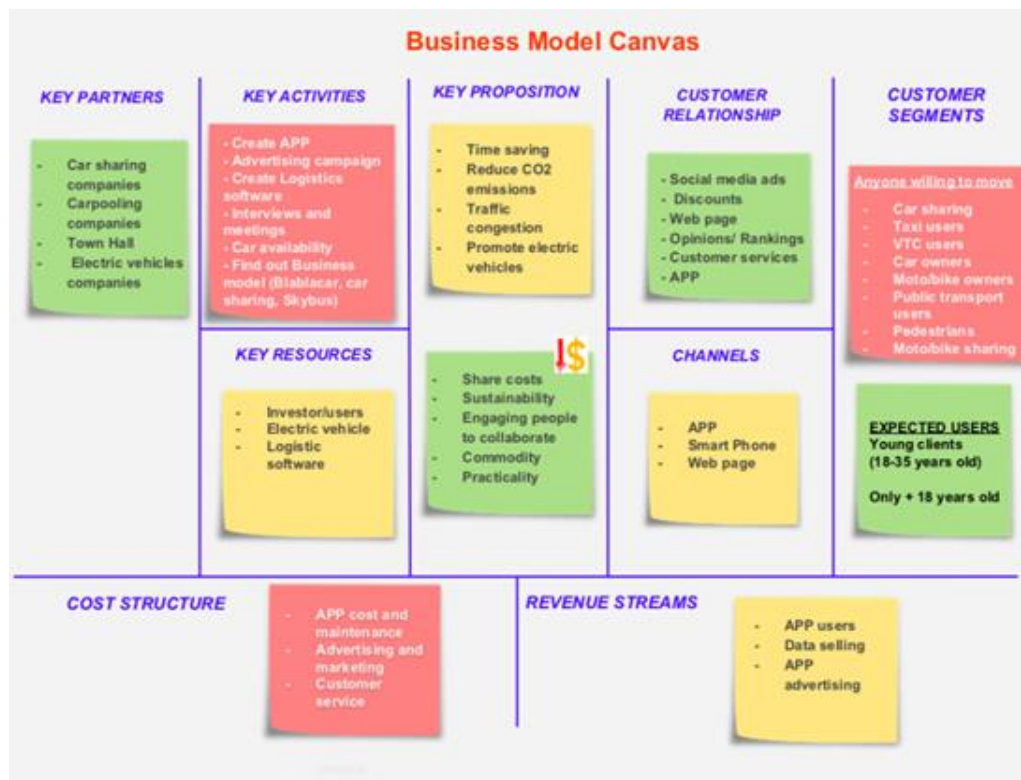
To carry out a valid and competent marketing plan, it is necessary to perform the **Business Model Canvas** as well as the **SWOT and PESTEL analysis**.

### 3.1.1 Business Model Canvas

The **Business Model Canvas** is a graphical representation of many variables that show the values of an organization. It can be deployed as a strategy tool for the development of a new organization. Furthermore, it also analyses the position in the market of an existing business.

The following image represents EpuL's Business Model Canvas:

Image 3. EpuL Business Model Canvas



To summarize, the business canvas shows that the customer segment is anyone willing to move <sup>1</sup>and it is only for people over 18 years old. The customer relationship will be made through social media, web page and the App. The channels are going to be the App and the web page. The key proposition includes, among others, time saving, share costs, practicality... Furthermore, EpuL's Canvas shows the key activities that are going to be done to create this (Create the App, the advertising campaign, interviews and meetings...), the key resources (Investors, electric vehicles...) and the key partners (car sharing companies, Madrid Town Hall, electric vehicles companies...) that are going to be needed. Finally, shows what is in the cost structure (App cost and maintenance, Advertising and marketing, customer service...) and the revenue streams (App users, data selling, App advertising...).

<sup>1</sup> It is not necessary to have a drive license to use this App. This app is created for everyone over 18 years old; car sharing, taxi, public transport and VTC users, car and motorbike owners, pedestrians...

### 3.1.2 PESTLE Analysis

**PESTEL** is an acronym for political, economic, social, technological, ecological and legislative. The PESTEL Analysis is a method whereby organizations can assess major external factors in order to become more competitive in the market.

In the following image EpuL’s PESTEL analysis is represented:

Image 4. EpuL PESTEL analysis

<b>P</b> OLÍTICO	<b>E</b> CONÓMICO	<b>S</b> OCIO-CULT.	<b>T</b> ECNOLÓGICO	<b>E</b> COLÓGICO	<b>L</b> EGISLATIVO
<ul style="list-style-type: none"> <li>- Vehicle restriction in cities</li> <li>- Congestions in cities</li> <li>-Electric vehicle promotion</li> <li>- Autonomous, shared, electric</li> </ul>	<ul style="list-style-type: none"> <li>- Reduction money in batteries and Electric Vehicles</li> <li>- Boosting Electric vehicles</li> <li>-Incentive in the sector</li> <li>-Less dependence in importing fuels</li> </ul>	<ul style="list-style-type: none"> <li>-Concern about environment</li> <li>-Change in lifestyle</li> <li>-Reduce mobility costs</li> <li>-Time efficiency</li> <li>-Reduce stress (congestion, noise)</li> </ul>	<ul style="list-style-type: none"> <li>-Battery efficiency</li> <li>-Higher autonomy in - Electric vehicle</li> <li>Maturity in Electric vehicle</li> <li>-Innovation</li> </ul>	<ul style="list-style-type: none"> <li>-Reduce CO2 emissions</li> <li>-Less fossil fuel resources</li> <li>-Air pollution in big cities</li> <li>- Noise reduction</li> </ul>	<ul style="list-style-type: none"> <li>-PANER 2020</li> <li>-Winter package 2030</li> <li>-Copyright and patent laws</li> <li>-Lisbon conference</li> </ul>

To rehash, the political field shows there is going to be vehicles restrictions in cities in the near future and in the present, there are congestion problems in cities. At the same time, the number of electric vehicles on the roads is increasing rapidly. In the economic view, the cost of batteries and electric cars is reducing and there are incentives in the electric mobility sector. The social and ecological aspects are very related because there is a global concern about air pollution in the cities and increasing CO<sub>2</sub> emissions. In addition, people are willing to change their lifestyle by reducing mobility costs while at the same time optimizing their time. With regards to the technological point, battery efficiencies are increasing, and cars are having more autonomy nowadays. Finally, the legislative part shows the importance of the winter package of 2030 and the conference of mobility in Lisbon.

### 3.1.3 SWOT Analysis

**SWOT** is an acronym for strengths, weaknesses, opportunities and threats. The SWOT analysis is a framework used to identify and analyze the internal and external factors that can have an impact on the viability of a project, product, place or person.

The following image represents EpuL’s SWOT analysis:

Image 5. EpuL SWOT analysis



The internal analysis shows in the strengths are as follows; the importance of the contacts, the capacity of growth, the fact that there is no need for infrastructure and the low investment cost and cost of operation. On the other hand, the weaknesses show the lack of experience in the field, the lack of initial money, users and the APP development skills. The opportunities of the external analysis are that nowadays there is a boosting in electric vehicle usage, car sharing, carpooling... Furthermore, there are global concerns about air pollution, traffic congestion which makes EpuL interesting for the Townhall because is going to cover a necessity in the sector. However, the threats are focused in the potential of the idea since it would be easy for a big company with resources to plagiarize the idea due to the high competitiveness in the market.



## 3.2 Digital Marketing Strategies

As we can see in the image bellow, the digital marketing strategy will be based on the main pillar channels of being known.

Image 6. Digital Marketing



The channels have a major importance because it is through where people will get to know the company. EpuL gains popularity mainly through social media, fairs and conferences, informative brochures, online advertising and the Madrid Town Hall. Furthermore, a promotional video of EpuL in which its utilities are explained will be made. Also, a website has been created for users to complement the app.

Living in the digital age, it is very important to be present on the internet and particularly on social media. For this reason, EpuL is going to be present and have an account in the most popular social media platforms like; in LinkedIn, Twitter and Instagram. At the same time EpuL will be launching an online campaign, the founders of EpuL are going to be in diverse conferences and fairs talking about their startup with the intention of spreading the word of EpuL.

EpuL's promotional video is going to be very useful because it can be used in those conferences and fairs to inform about the startup and explain how it works. This video can help to bring new users and investors. But not only the promotional video is going to be the way to get known, special informative brochure or banners are going to be developed to be announced in the social platforms like YouTube, LinkedIn....

A key channel of promoting EpuL is daily mouth to mouth conversations, if people think that something is good, have potential and are happy with its performance, they will recommend it to others. At the beginning entities with contacts and organizations like EOI business school or the Madrid Town Hall will be essential in the mouth-to-mouth process.

### 3.3 Price Strategy

Firstly, as we have just mentioned before, in Madrid there are 3 important car-sharing companies (EMOV, ZITY and CAR2GO). In the table below, their tariffs are shown.

Table 1. Data Car-sharing companies in Madrid

CAR-SHARING COMPANIES	TARIFF
<b>CAR2GO</b>	0,21 €/min
<b>EMOV</b>	0,24 €/min
<b>ZITY</b>	0,26 €/min

So, the price of the service offered to the users by EpuL has been estimated not only from the investment costs or the potential of customers for the service, but also from the usual tariff of the car-sharing companies.

For instance, a customer loyalty plan has been designed through discounts and accumulative benefits with use. With the bring a friend plan, customers can get 5€ for their next trip when they invite other customers to register in the platform. In addition, for every 50€ spent using the service, customers will be provided with 5€ to enjoy in the next trips.

Image 7. Price Strategy



### 3.4 Marketing Offline

The communication policy is a fundamental point to cover in any marketing plan. In order to get known, it will be necessary to transmit seriousness, trust, transparency ... Therefore, the preparation of a corporate image is necessary.



The corporate image that will be transmitted through this logo will involve the essence of the company without over complicating its design. This is reason behind the short and simple name of the company. It is also a catchy name that combined with the electric plug in the design shows how the company believes in an electric based mobility system.

The meaning behind the name EpuL begins with the letter 'E' which stands for electric. The following letters, 'pul' come from a short way of writing pooling since the company's activity can be described as carpooling. It has been considered that the name is in English because, although initially this project will start in Madrid, this Startup does not want to close doors to other countries, so it is intended that the logo is as international as possible.

*Image 8. Marketing Offline*



Among the different possibilities to get known the most prominent are the following:

- **Promotional video:** Its aim is to transmit in a simple way and in a short period of time (around 1:30 minute) what EpuL consists of. Interested in being visually appealing and understandable as well as creative. This video can be used to attract future EpuL users, investors or meetings that can be carried out with the City Council of Madrid, etc.
- **Informative brochure:** The information brochure is intended to be transmitted in a simple manner and in a small space in which EPUL consists. It is interesting that it is visually and creatively attractive, in

other words, it would be necessary in order to attract also final users attention and investors.

- **Webpage:** It will be necessary to create a web page where the seriousness, reliability and transparency of EpuL will be transmitted, in order to explain what this startup consists of. It should be elaborated in a creative as well as understandable way since it will be open to the public and everyone should understand what it consists of.
- **Fairs and Conferences** related to the problems that we can have in our daily life, for example, traffic congestion in the cities, air pollution, parking restrictions, dependence of fossil fuels, prohibition to certain vehicles.

This option is very interesting to capture the attention of investors, customers or help in the dissemination of EpuL. Although it is initially planned for conferences in universities, they would be in other places to attract people's attention.

- **Advertisements in newspapers, radio, TV:** These are of relevant importance, since everyone at some time of the day listens to the radio or reads the newspaper (both on paper and through the internet) while going to work or after work. So it is a potential means of communication to be known. It will be necessary to study at what moments to announce to catch as much audience as possible. The announcement should be concise, creative, understandable and not too long to get people's attention.
- **Internet (social networks):** A way to get EpuL known quickly is through social networks such as Facebook, LinkedIn ... Advertising must be done in a creative manner in order to call the viewers' attention.

### 3.5 Communication and marketing plan actions

In the next table, we show some examples of our marketing and communication plan action:

*Table 2. Marketing and Communication Plan Action*

ACTION	COST (€)	RESPONSABLE
Promotional Video	0€	Partner
Website	7.000 €	Specialized company
Fairs and conferences	0 €	Partner
Social media (Internet)	0 €	Partner

<b>Radio advertising, TV</b>	48.000 €	Specialized company
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## 4 Financial Plan

### 4.1 Introduction

The aim of this section of the document is to explain and help to understand how will the finances of the start-up will be carried out. This will be done by describing how the market analysis was done and then going into the financial reports required to run a company, from the profit and loss account to the balance sheet and finally including a financial ratio analysis of the company's performance.

### 4.2 Market Analysis

Considering the nature of the company, its market depends depend on the car sharing industry. Accordingly, this market was analyzed. It was found that the car sharing industry in Madrid consists of 3 main companies, Car2go Emov and Zity. In total they have around 400.000 users, 1.600 EV's (Electric Vehicles) and perform an average of 12 trips per day per vehicle with an average rate of 0,24 € per minute. This results in an estimated yearly income of nearly 17 million euros. Taking into account that the average travelling time by car in the center of the city is around 10 minutes.

Taking this into account and estimating that only 30% of the car sharing users will also use our service and that we will charge 10% of the cost of the trip to the passenger. We can calculate to have an initial feeling of the size of the market that our revenues could reach up to 500.00 euros per year.

30%	Car Sharing	EpuL
Users	400.000	-
Trips per day per EV	12	3,6
EV	1.600	0
Trips per day	19.200	5.760
Average trip length (minutes)	10	10
Average rate €/min	0,24 €	10%
Average income per trip	2,40 €	0,24 €
Income/day	46.080 €	1.382 €
Income/month	1.382.400 €	41.472 €
Income/year	16.819.200 €	504.576 €

## 4.3 Background Data

After analyzing the market EpuL will have available, the required investments and ways of financing ourselves were considered. Moreover, variable and fixed costs were considered and the expected growth was predicted. Also, the predicted revenues were recalculated taking into account more variables like the possibility of having more than one passengers and the probability of this occurring. In terms of financial support, we have assumed that we will receive 100.000 € from a startup accelerator in order to develop the company and a further 90.000 € from a bank loan which will allow us to begin the operation of the company. This loan will be gradually returned over a period of 3 years. This data is shown below.

OPERATIVE REVENUES						
Number of passengers	% of the shared minute that the driver pays	% of the shared minute that each passenger pays	% that EpuL earns per shared minute	€/min shared that EpuL earns	% of trips with passengers	€/min earned according to the number of passengers
0	100%	-	0%	-	-	-
1	50%	50%	10%	0,024 €	80%	0,019 €
2	20%	40%	20%	0,048 €	15%	0,007 €
3	0%	33%	30%	0,072 €	3%	0,002 €
4	0%	25%	40%	0,096 €	2%	0,002 €
<b>€/min total earned by EpuL</b>						<b>0,030 €</b>
Daily revenues						1.756 €
Monthly revenues						52.669 €
Yearly revenues						640.812 €

MAXIMUM REVENUES	MONTHLY	YEARLY
Advertising Revenues	4.000 €	48.000 €
Data Revenues	8.333 €	100.000 €
App Revenues	52.669 €	632.033 €
<b>Total</b>	<b>65.003 €</b>	<b>780.033 €</b>

<b>BANKING INTERESTS</b>			
<b>Year</b>	<b>Active Loan</b>	<b>Paid back</b>	<b>Interest</b>
2019	90.000 €	30.000 €	4.500 €
2020	60.000 €	30.000 €	3.000 €
2021	30.000 €	30.000 €	1.500 €
2022	0 €	0 €	0 €

<b>INVESTMENT AND AMORTIZATION ACCOUNT</b>					
<b>INVESTMENTS</b>		<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
R & D expenses (property of innovation)	5.000 €				
Computer programs and web page	65.000 €				
Industrial and Intellectual Property	5.000 €				
Deposits and Guarantees	15.000 €				
Commissioning and Constitution expenses	2.000 €				
Furniture	3.000 €	750 €	750 €	750 €	750 €
Computer Equipment	10.000 €	2.500 €	2.500 €	2.500 €	2.500 €
<b>Total</b>	<b>105.000 €</b>	<b>3.250 €</b>	<b>3.250 €</b>	<b>3.250 €</b>	<b>3.250 €</b>

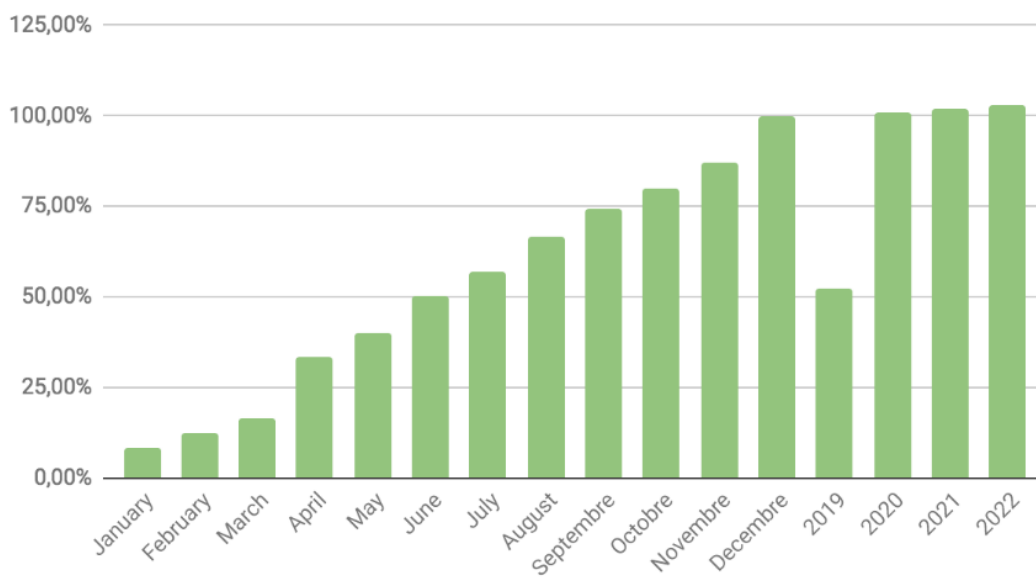
<b>FIXED OPERATIONAL EXPENDITURES</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
App Maintenance	12.000 €	12.120 €	12.241 €	12.364 €
Partner's salary	144.000 €	145.440 €	146.894 €	148.363 €
Personnel Expenses	36.000 €	36.360 €	36.724 €	37.091 €
Consultant	54.000 €	54.540 €	55.085 €	55.636 €
Regular Payments (Energy, Telephone, Water and Gas bills)	2.400 €	2.424 €	2.448 €	2.473 €
Office supplies	1.200 €	1.212 €	1.224 €	1.236 €
Marketing (on y off)	24.000 €	24.240 €	24.482 €	24.727 €
Insurance policy	200 €	202 €	204 €	206 €
Rent	18.000 €	18.180 €	18.362 €	18.545 €



<b>TOTAL</b>	<b>291.800 €</b>	<b>294.718 €</b>	<b>297.665 €</b>	<b>300.642 €</b>
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<b>VARIABLE OPEX (% ON SALES)</b>	
Bank transactions	2%
Mistakes and contingencies	3%
Marketing	1%

Estimate growth 2019-2022 / maximum sales



## 4.4 Profit and Loss Account

### 4.4.1 Broken down profit and loss account

Profit and Loss Account	2019	2020	2021	2022
<b>Revenues</b>	<b>406.705 €</b>	<b>787.834 €</b>	<b>795.712 €</b>	<b>803.669 €</b>
Advertising Revenues	25.027 €	48.480 €	48.965 €	49.454 €
Data Revenues	52.139 €	101.000 €	102.010 €	103.030 €
App Revenues	329.539 €	638.354 €	644.737 €	651.185 €
<b>Variable Cost</b>	<b>24.402 €</b>	<b>47.270 €</b>	<b>47.743 €</b>	<b>48.220 €</b>
Bank transactions	8.134 €	15.757 €	15.914 €	16.073 €
Mistakes and contingencies	12.201 €	23.635 €	23.871 €	24.110 €
Marketing	4.067 €	7.878 €	7.957 €	8.037 €
<b>Gross Income</b>	<b>382.303 €</b>	<b>740.564 €</b>	<b>747.969 €</b>	<b>755.449 €</b>
<b>OPEX</b>	<b>291.800 €</b>	<b>294.718 €</b>	<b>297.665 €</b>	<b>300.642 €</b>
App Maintenance	12.000 €	12.120 €	12.241 €	12.364 €
Partner's salary	144.000 €	145.440 €	146.894 €	148.363 €
Personnel Expenses	36.000 €	36.360 €	36.724 €	37.091 €
Consultant	54.000 €	54.540 €	55.085 €	55.636 €
Regular Payments (Energy, Telephone, Water and Gas bills)	2.400 €	2.424 €	2.448 €	2.473 €
Office supplies	1.200 €	1.212 €	1.224 €	1.236 €
Marketing (on y off)	24.000 €	24.240 €	24.482 €	24.727 €
Insurance policy	200 €	202 €	204 €	206 €
Rent	18.000 €	18.180 €	18.362 €	18.545 €
<b>EBITDA</b>	<b>90.503 €</b>	<b>445.846 €</b>	<b>450.304 €</b>	<b>454.807 €</b>
Depreciation and Amortization	3.250 €	3.250 €	3.250 €	3.250 €
<b>EBIT</b>	<b>87.253 €</b>	<b>442.596 €</b>	<b>447.054 €</b>	<b>451.557 €</b>
Finance expenses	4.500 €	3.000 €	1.500 €	0 €
<b>EBT</b>	<b>82.753 €</b>	<b>439.596 €</b>	<b>445.554 €</b>	<b>451.557 €</b>
Income Tax	24.826 €	131.879 €	133.666 €	135.467 €
<b>Net Profit</b>	<b>57.927 €</b>	<b>307.717 €</b>	<b>311.888 €</b>	<b>316.090 €</b>

#### 4.4.2 Summarised profit and loss account

Profit and Loss Account	2019	2020	2021	2022
<b>Revenues</b>	<b>406.705 €</b>	<b>787.834 €</b>	<b>795.712 €</b>	<b>803.669 €</b>
Variable Cost	24.402 €	47.270 €	47.743 €	48.220 €
<b>Gross Income</b>	<b>382.303 €</b>	<b>740.564 €</b>	<b>747.969 €</b>	<b>755.449 €</b>
OPEX	291.800 €	294.718 €	297.665 €	300.642 €
<b>EBITDA</b>	<b>90.503 €</b>	<b>445.846 €</b>	<b>450.304 €</b>	<b>454.807 €</b>
Depreciation and Amortization	3.250 €	3.250 €	3.250 €	3.250 €
<b>EBIT</b>	<b>87.253 €</b>	<b>442.596 €</b>	<b>447.054 €</b>	<b>451.557 €</b>
Finance expenses	4.500 €	3.000 €	1.500 €	0 €
<b>EBT</b>	<b>82.753 €</b>	<b>439.596 €</b>	<b>445.554 €</b>	<b>451.557 €</b>
Income Tax	24.826 €	131.879 €	133.666 €	135.467 €
<b>Net Profit</b>	<b>57.927 €</b>	<b>307.717 €</b>	<b>311.888 €</b>	<b>316.090 €</b>

#### 4.4.3 Vertical analysis of the profit and loss account

Profit and Loss Account V. %	2019	2020	2021	2022
<b>Revenues</b>	100%	100%	100%	100%
Variable Cost	6%	6%	6%	6%
<b>Gross Income</b>	<b>94%</b>	<b>94%</b>	<b>94%</b>	<b>94%</b>
OPEX	72%	37%	37%	37%
<b>EBITDA</b>	<b>22%</b>	<b>57%</b>	<b>57%</b>	<b>57%</b>
Depreciation and Amortization	1%	0%	0%	0%
<b>EBIT</b>	<b>21%</b>	<b>56%</b>	<b>56%</b>	<b>56%</b>
Finance expenses	1%	0%	0%	0%
<b>EBT</b>	<b>20%</b>	<b>56%</b>	<b>56%</b>	<b>56%</b>
Income Tax	6%	17%	17%	17%
<b>Net Profit</b>	<b>14%</b>	<b>39%</b>	<b>39%</b>	<b>39%</b>

#### 4.4.4 Horizontal analysis of the profit and loss account

Profit and Loss Account H. %	2019 - 2020	2020 - 2021	2021 - 2022
<b>Revenues</b>	<b>94%</b>	<b>1%</b>	<b>1%</b>
Variable Cost	94%	1%	1%
<b>Gross Income</b>	<b>94%</b>	<b>1%</b>	<b>1%</b>
OPEX	1%	1%	1%
<b>EBITDA</b>	<b>393%</b>	<b>1%</b>	<b>1%</b>
Depreciation and Amortization	0%	0%	0%
<b>EBIT</b>	<b>407%</b>	<b>1%</b>	<b>1%</b>
Finance expenses	-33%	-50%	-100%
<b>EBT</b>	<b>431%</b>	<b>1%</b>	<b>1%</b>
Income Tax	431%	1%	1%
<b>Net Profit</b>	<b>431%</b>	<b>1%</b>	<b>1%</b>

## 4.5 Treasury Account

### 4.5.1 Broken down treasury account

Treasury Account	2019	2020	2021	2022
<b>Income</b>	<b>406.705 €</b>	<b>787.834 €</b>	<b>795.712 €</b>	<b>803.669 €</b>
Advertising Revenues	329.539 €	638.354 €	644.737 €	651.185 €
Data Revenues	25.027 €	48.480 €	48.965 €	49.454 €
App Revenues	52.139 €	101.000 €	102.010 €	103.030 €
<b>OPEX Payments</b>	<b>316.202 €</b>	<b>341.988 €</b>	<b>345.408 €</b>	<b>348.862 €</b>
Bank transactions	8.134 €	15.757 €	15.914 €	16.073 €
Mistakes and contingencies	12.201 €	23.635 €	23.871 €	24.110 €
Marketing	4.067 €	7.878 €	7.957 €	8.037 €
App Maintenance	12.000 €	12.120 €	12.241 €	12.364 €
Partner's salary	144.000 €	145.440 €	146.894 €	148.363 €
Personnel Expenses	36.000 €	36.360 €	36.724 €	37.091 €
Consultant	54.000 €	54.540 €	55.085 €	55.636 €
Regular Payments (Energy, Telephone, Water and Gas bills)	2.400 €	2.424 €	2.448 €	2.473 €
Office supplies	1.200 €	1.212 €	1.224 €	1.236 €
Marketing (on y off)	24.000 €	24.240 €	24.482 €	24.727 €
Insurance policy	200 €	202 €	204 €	206 €
Rent	18.000 €	18.180 €	18.362 €	18.545 €
<b>Operational Liquidity</b>	<b>90.503 €</b>	<b>445.846 €</b>	<b>450.304 €</b>	<b>454.807 €</b>
<b>Other Income</b>	<b>0 €</b>	<b>0 €</b>	<b>0 €</b>	<b>0 €</b>
Capital and reserves Income	0 €	0 €	0 €	0 €
Loan	0 €	0 €	0 €	0 €
<b>Other Payments</b>	<b>59.326 €</b>	<b>164.879 €</b>	<b>345.166 €</b>	<b>135.467 €</b>
Loan	30.000 €	30.000 €	30.000 €	0 €
Financial cost	4.500 €	3.000 €	1.500 €	0 €
Distributions of dividends	0 €	0 €	180.000 €	0 €
Investments	0 €	0 €	0 €	0 €
Taxes	24.826 €	131.879 €	133.666 €	135.467 €
<b>Non Operational Liquidity</b>	<b>-59.326 €</b>	<b>-164.879 €</b>	<b>-345.166 €</b>	<b>-135.467 €</b>
<b>Opening Balance</b>	<b>85.000 €</b>	<b>116.177 €</b>	<b>397.144 €</b>	<b>502.282 €</b>

Final Balance	116.177 €	397.144 €	502.282 €	821.622 €
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#### 4.5.2 Summarised treasury account

Treasury Account	2019	2020	2021	2022
Income	406.705 €	787.834 €	795.712 €	803.669 €
OPEX Payments	316.202 €	341.988 €	345.408 €	348.862 €
<b>Operational Liquidity</b>	<b>90.503 €</b>	<b>445.846 €</b>	<b>450.304 €</b>	<b>454.807 €</b>
Other Income	0 €	0 €	0 €	0 €
Other Payments	59.326 €	164.879 €	345.166 €	135.467 €
<b>Non Operational Liquidity</b>	<b>-59.326 €</b>	<b>-164.879 €</b>	<b>-345.166 €</b>	<b>-135.467 €</b>
<b>Opening Balance</b>	<b>85.000 €</b>	<b>116.177 €</b>	<b>397.144 €</b>	<b>502.282 €</b>
<b>Final Balance</b>	<b>116.177 €</b>	<b>397.144 €</b>	<b>502.282 €</b>	<b>821.622 €</b>

## 4.6 Balance Sheet

### 4.6.1 Broken down balance sheet

Balance Sheet	Start 2019	End 2019	End 2020	End 2021	End 2022
<b>ASSETS</b>					
<b>FIXED ASSETS</b>	<b>105.000 €</b>	<b>101.750 €</b>	<b>98.500 €</b>	<b>95.250 €</b>	<b>92.000 €</b>
<b>INTANGIBLE ASSETS</b>	<b>92.000 €</b>	<b>92.000 €</b>	<b>92.000 €</b>	<b>92.000 €</b>	<b>92.000 €</b>
R & D expenses (property of innovation)	5.000 €	5.000 €	5.000 €	5.000 €	5.000 €
Computer programs and web page	65.000 €	65.000 €	65.000 €	65.000 €	65.000 €
Industrial and Intellectual Property	5.000 €	5.000 €	5.000 €	5.000 €	5.000 €
Deposits and Guarantees	15.000 €	15.000 €	15.000 €	15.000 €	15.000 €
Commissioning and Constitution expenses	2.000 €	2.000 €	2.000 €	2.000 €	2.000 €
<b>TANGIBLE ASSETS</b>	<b>13.000 €</b>	<b>9.750 €</b>	<b>6.500 €</b>	<b>3.250 €</b>	<b>0 €</b>
Furniture	3.000 €	3.000 €	3.000 €	3.000 €	3.000 €
Computer Equipment	10.000 €	10.000 €	10.000 €	10.000 €	10.000 €
- Accumulated Amortization	0 €	-3.250 €	-6.500 €	-9.750 €	-13.000 €

<b>CURRENT ASSETS</b>	<b>85.000 €</b>	<b>116.177 €</b>	<b>397.144 €</b>	<b>502.282 €</b>	<b>821.622 €</b>
Treasury	85.000 €	116.177 €	397.144 €	502.282 €	821.622 €
<b>TOTAL ASSETS</b>	<b>190.000 €</b>	<b>217.927 €</b>	<b>495.644 €</b>	<b>597.532 €</b>	<b>913.622 €</b>
<b>LIABILITIES</b>					
<b>NET WORTH</b>	<b>100.000 €</b>	<b>157.927 €</b>	<b>465.644 €</b>	<b>597.532 €</b>	<b>913.622 €</b>
Social capital	100.000 €	100.000 €	100.000 €	100.000 €	100.000 €
Reserves	0 €	0 €	57.927 €	185.644 €	497.532 €
Period P&L Result	0 €	57.927 €	307.717 €	311.888 €	316.090 €
<b>NON-CURRENT LIABILITIES</b>	<b>60.000 €</b>	<b>30.000 €</b>	<b>0 €</b>	<b>0 €</b>	<b>0 €</b>
Long term loans	60.000 €	30.000 €	0 €	0 €	0 €
<b>CURRENT LIABILITIES</b>	<b>30.000 €</b>	<b>30.000 €</b>	<b>30.000 €</b>	<b>0 €</b>	<b>0 €</b>
Short term loans	30.000 €	30.000 €	30.000 €	0 €	0 €
<b>TOTAL LIABILITIES</b>	<b>190.000 €</b>	<b>217.927 €</b>	<b>495.644 €</b>	<b>597.532 €</b>	<b>913.622 €</b>

#### 4.6.2 Summarised balance sheet

Balance Sheet	Start 2019	End 2019	End 2020	End 2021	End 2022
<b>ASSETS</b>					
Fixed assets	105.000 €	101.750 €	98.500 €	95.250 €	92.000 €
Intangible assets	92.000 €	92.000 €	92.000 €	92.000 €	92.000 €
Tangible assets	13.000 €	9.750 €	6.500 €	3.250 €	0 €
Current assets	85.000 €	116.177 €	397.144 €	502.282 €	821.622 €
<b>Total assets</b>	<b>190.000 €</b>	<b>217.927 €</b>	<b>495.644 €</b>	<b>597.532 €</b>	<b>913.622 €</b>
<b>LIABILITIES</b>					
Net worth	100.000 €	157.927 €	465.644 €	597.532 €	913.622 €
Non-current liabilities	60.000 €	30.000 €	0 €	0 €	0 €
Current liabilities	30.000 €	30.000 €	30.000 €	0 €	0 €
<b>Total liabilities</b>	<b>190.000 €</b>	<b>217.927 €</b>	<b>495.644 €</b>	<b>597.532 €</b>	<b>913.622 €</b>

### 4.6.3 Vertical analysis of the balance sheet

Balance Sheet V. %	Start 2019	End 2019	End 2020	End 2021	End 2022
<b>ASSETS</b>					
Fixed assets	55%	47%	20%	16%	10%
Intangible assets	48%	42%	19%	15%	10%
Tangible assets	7%	4%	1%	1%	0%
Current assets	45%	53%	80%	84%	90%
<b>Total assets</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>LIABILITIES</b>					
Net worth	53%	72%	94%	100%	100%
Non-current liabilities	32%	14%	0%	0%	0%
Current liabilities	16%	14%	6%	0%	0%
<b>Total liabilities</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

### 4.6.4 Horizontal analysis of the balance sheet

Start 2019 - End 2019	End 2019 - End 2020	End 2020 - End 2021	End 2021 - End 2022
<b>ASSETS</b>			
-3%	-3%	-3%	-3%
0%	0%	0%	0%
-25%	-33%	-50%	-100%
37%	242%	26%	64%
<b>15%</b>	<b>127%</b>	<b>21%</b>	<b>53%</b>
<b>LIABILITIES</b>			
58%	195%	28%	53%
-50%	-100%	0%	0%
0%	0%	-100%	0%



15%

127%

21%

53%

## 4.7 Financial Ratios

Profitability indicators	
Net Present Value (NPV)	875.270 €
Internal Rate of Return (IRR)	89%

RATIOS		0. 2019	2019	2020	2021	2022
<b>Liquidity Ratios</b>						
Liquidity	AC/PC	2,83	3,87	13,24	1,00	1,00
<b>Indebtedness Ratios</b>						
Indebtedness	Total debts/total liabilities	0,47	0,28	0,06	0,00	0,00
Quality	Short term debts/total debts	0,50	1,00	-	-	-
Return capacity	N. Profit + amortization /Loans	2,04	10,37	10,50	-	-
Financial expenses on sales	Financial expenses / sales	1,11%	0,38%	0,19%	0,00%	0,00%
Coverage of financial expense	EBIT/ Financial expenses		19,39	147,53	298,04	-
<b>Rotations</b>						
Rotation FA	Sales/FA	0,00	4,00	7,74	8,08	8,44
Rotation CA	Sales/CA	0,00	3,50	6,78	2,00	1,60
<b>Economic ratios</b>						
Cash Flow	Net profit + Amortizations	-190.000 €	61.177 €	310.967 €	315.138 €	319.340 €
Return on Investment (ROI)	EBIT/ Total assets		0,40	0,89	0,75	0,49
Gross Income	N. Profit/ Sales		0,14	0,39	0,39	0,39
Asset Rotation	Sales/ Total assets		2,14	3,62	1,61	1,34

Leverage	Assets/Own resources	1,90	1,38	1,06	1,00	1,00
Return on Equity (ROE)	Net Profit/ Net Worth		0,58	1,95	0,67	0,53
Leverage effect	Assets/Own resources X EBT/EBIT		1,80	1,37	1,06	1,00
<b>Grouping of patrimonial masses</b>						
Net worth		15.000 €	41.750 €	68.500 €	95.250 €	92.000 €
Own resources		100.000 €	157.927 €	465.644 €	597.532 €	913.622 €
Foreign resources		90.000 €	60.000 €	30.000 €	0 €	0 €
Permanent resources		160.000 €	187.927 €	465.644 €	597.532 €	913.622 €
Working capital %		1,52	1,85	4,73	6,27	9,93
Working capital €		55.000 €	86.177 €	367.144 €	502.282 €	821.622 €
Break Even point €			310.426 €	313.530 €	316.665 €	319.832 €

## 4.8 Conclusion

As it can be seen, the performance of the company from the start of its operation is very optimal. Positive profits are obtained every year of the company's operation. Having a great increase from the beginning.

Although operational variable and fixed costs are very high, this is overcome with high sales. This is due to their gradual increase every month over the first year, after this, it has been assumed that they will increase only 1% every year. This is a very conservative decision since the company's growth does not only depend on our performance and client capture but also on the car sharing industry growth. It has been decided to be conservative in this aspect since it is not possible to predict what will happen in the car sharing industry and been mistaken in this assumption can only bring benefits.

Due to the nature of the company, low investment is required to operate daily. Therefore, our treasury account show a great increase over time. Another reason for its great increase is that dividends are only distributed at the end of the third year and all the profits are accumulated in this account as reserves in case unexpected investments are needed.

Another reason for the fast growth of EpuL is its low indebtedness as it can be seen in the indebtedness ratios. The existing loan is paid in only three years leaving the company free of debt very soon compared to conventional companies. As it can be seen, EpuL has a great performance in all of the ratios calculated which gives hope to its prosperity.