

## INVESTOR DOCUMENT

# Valuation Narrative

Raise \$500,000 SAFE    Valuation Cap \$10,000,000    Implied Dilution ~5%    Version 2.0 · March 2026

<b>CAP VS. MARKET MEDIAN</b> <b>41%</b> Below pre-seed SaaS median (\$17M)	<b>LTV:CAC · YEAR 1</b> <b>9x</b> 3-5x is "strong" benchmark	<b>BASE CASE RETURN</b> <b>12.5x</b> \$500K → \$6.25M at \$125M exit
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*This document makes the analytical case for a \$10M valuation cap. It is intended to be read alongside the Executive Summary and Financial Summary.*

## THE INVESTMENT

## What You Are Buying at \$10M

A \$500K investment at a \$10M cap purchases approximately 5% ownership in a company with:

- A fully-built, working SaaS product serving a defined ICP
- Paying customers subscribed today
- 46,000+ warm prospects in owned channels — zero cold-start acquisition risk
- Two founder-operators with direct domain expertise in the target market
- An in-house marketing agency contributing \$180,000–\$300,000 in annual services at no cost
- A working financial model that reaches cash flow positive in Month 7 and generates \$82K operating surplus in Year 1

This is not a pre-revenue company with a pitch deck. The two largest risks in pre-seed investing — product risk and distribution risk — have both been substantially de-risked before the round closes.

MARKET CONTEXT

## Comparable Stage and Market Context

BENCHMARK	CAP RANGE	SOURCE CONTEXT
Pre-seed SaaS (broad market)	\$12M–\$20M	OpenView Partners 2025 pre-seed data
Pre-seed SaaS (median)	\$17M	Industry average across stage
FSM / trades software raises	\$15M–\$20M	Vertical SaaS in field service management
<b>Tulboxx ask</b>	<b>\$10M</b>	<b>Below market on every comparison</b>

Tulboxx is raising at a cap that is 41% below the broad pre-seed SaaS median, at the low end of comparable FSM vertical raises, and below what most pre-revenue SaaS companies with a pitch deck and no customers are raising at in 2025.

At a \$10M pre-seed cap in today's market, investors typically fund a founding team with domain credentials, a product in development or early beta with no revenue, and a thesis about a market with distribution still unproven. Tulboxx brings a working product, paying customers, and 46,000+ warm prospects. **The cap is priced like the former. The company is already the latter.**

REVENUE CASE

## The Revenue Trajectory Case

YEAR	ENDING ARR	ENDING CUSTOMERS	ARPU	LTV:CAC
Year 1 (2026)	\$1.02M	1,540	\$53	9x
Year 2 (2027)	\$5.56M	6,000	\$75	15x
<b>Year 3 (2028)</b>	<b>\$9.77M</b>	<b>10,000</b>	<b>\$80</b>	<b>14x</b>

Projections built bottom-up from the actual pricing tier structure. ARPU modeled quarterly from real tier mix: founding cohort (\$39/\$49 locked), \$59 market rate in V1, \$83.50 blended when tiered pricing launches at Month 13.

### What the \$10M Cap Implies as a Revenue Multiple

MULTIPLE BASIS	VALUE	CONTEXT
Year 1 Ending ARR (\$1.02M)	9.8x ARR	Pre-revenue SaaS raises at 15–40x ARR regularly
Year 2 Ending ARR (\$5.56M)	1.8x forward ARR	Deeply compressed — Year 2 ARR alone justifies the cap
<b>Year 3 Ending ARR (\$9.77M)</b>	<b>1.0x forward ARR</b>	<b>Near dollar-for-dollar on Year 3 alone</b>

The \$10M cap does not require heroic assumptions to be a strong entry. It requires only that the business executes on its base case.

UNIT ECONOMICS CASE

## The Unit Economics Case

METRIC	YEAR 1	YEAR 2	YEAR 3	SAAS BENCHMARK
Gross Margin	85%	88%	90%	>70%
<b>LTV:CAC</b>	<b>9x</b>	<b>15x</b>	<b>14x</b>	3x-5x "strong"
Payback Period	50 days	46 days	62 days	12-18 months
Monthly Churn	6.5%	4.5%	3.5%	Declining is the signal

**LTV:CAC at 9x-15x is 3-7x the threshold considered "strong" in SaaS.** This reflects the structural advantage of near-zero CAC via owned distribution in Year 1, and the compounding switching cost of the two-force retention architecture through Years 2 and 3.

### CAC Stress Test — Year 3

Even if Year 3 CAC rises to full industry-standard levels (\$300 — more than 2x the base case), LTV:CAC holds at 7x.

YEAR 3 CAC SCENARIO	CAC	LTV:CAC
<b>Base Case</b>	<b>\$150</b>	<b>14x</b>
Conservative	\$175	12x
Stress Test	\$225	9x
Full Industry Standard	\$300	7x

DISTRIBUTION CASE

## The Distribution Moat Case

Most early-stage valuation arguments rest on a market size claim. This one rests on something more concrete: a built distribution channel that eliminates cold-start risk and compresses Year 1 CAC to \$75 (fully-loaded).

Ryan Deemer spent years building Skid Steer Nation into a media brand serving the exact Tulboxx target customer. The result:

CHANNEL	SIZE
Facebook Group	28,000+ members
Email List	18,000+ subscribers
Podcast	700+ weekly listeners
YouTube	25,000+ subscribers
<b>Total warm prospects</b>	<b>46,000+</b>

This is not a purchased list. These are contractors who follow Ryan because he has been a trusted voice in their industry for years. The relationship predates Tulboxx.

ACQUISITION MODEL	YEAR 1 BLENDED CAC	CUSTOMERS TO 1,000	YEAR 1 COST
<b>Tulboxx (fully-loaded)</b>	<b>\$75</b>	<b>1,000</b>	<b>\$75,000</b>
Industry standard (no owned channel)	\$300	1,000	\$300,000
Enterprise FSM (Jobber / ServiceTitan)	\$2,000-\$5,000	1,000	\$2M-\$5M

**This cannot be bought.** A competitor cannot acquire an audience like this by spending marketing budget. It was built through years of trusted content creation in a specific community. It is a structural moat at the acquisition layer.

TEAM CASE

## The Team Premium

### 1. Domain expertise is not recruited — it is earned.

Ryan Deemer is the customer. He built a \$1.2M ARR media brand serving micro-trades contractors. He has consulted 50+ of them. Most SaaS founders in vertical markets learn the customer over the first 18 months of building. Ryan had 20+ years before the first line of code was written.

### 2. The agency removes the most common pre-seed failure mode.

Clay Deal's Throttled Up Marketing contributes in-house SEO, web development, copywriting, and graphic design at no cost. Equivalent external value: \$180,000–\$300,000 annually. A comparable company would spend \$300,000+ on the same outcomes.

PRODUCT CASE

## The Product Moat

**Force 1 — Today's List daily habit.** A contractor who checks Today's List every morning has restructured their daily workflow around Tulboxx. Within days of onboarding, early users replaced their whiteboards entirely. A contractor whose workday runs on this product is not evaluating alternatives.

**Force 2 — The estimate library.** After 20+ estimates, the contractor's entire pricing model, scope language, and proposal format lives in Tulboxx. Switching means rebuilding their business from scratch. Beta users proved this: when the system went offline, they demanded access back.

Large competitors cannot respond: their CAC (\$2,000–\$5,000) makes micro-trades unprofitable, their architecture is built for complexity, and they have no distribution in this community.

THE RAISE

## Raise Structure & Return Case

**SAFE notes are investor-friendly instruments for pre-seed.** No board seat, no interest, no maturity date pressure. The investor converts at the \$10M cap when the next priced round closes.

**The \$10M cap is the floor, not the ceiling.** At this stage, the cap is set below what this company would price at if it were raising a priced round today.

CONSERVATIVE	BASE CASE	OPTIMISTIC
<b>\$80M</b>	<b>\$125M</b>	<b>\$180M</b>
8x return · \$20M ARR · 4x multiple	12.5x return · \$25M ARR · 5x multiple	18x return · \$30M ARR · 6x multiple

\$500K at \$10M cap = ~5% ownership. Base case returns 12.5x — above the 10x threshold most pre-seed investors require.  
Target acquirers: Jobber, ServiceTitan, Intuit, private equity.

SUMMARY

## Why \$10M Is the Right Number

FACTOR	ASSESSMENT
Stage comps	Below -market. Pre - seed SaaS averaging \$17M; FSM vertical \$15M-\$20M.
Revenue multiples	9.8x trailing ARR, 1.8x Year 2 forward ARR. Compressed vs. comparables.
Unit economics	LTV:CAC 9x-15x vs. 3-5x benchmark. Exceptional at any pre - seed comp.
Distribution	46,000+ owned warm prospects. Year 1 CAC \$75 vs. industry \$300+. Not replicable.
Team	Founder is the customer. In -house agency removes primary pre - seed GTM risk.
Product moat	Two -force compounding retention architecture. Grows stronger with use.
<b>Risk profile</b>	<b>Working product. Paying customers. Distribution proven. Two major pre - seed risks removed.</b>

**The \$10M cap is the price of early access to a company that has already cleared the bar most pre-seed investments are still trying to reach. It will not be the price at the next round.**