

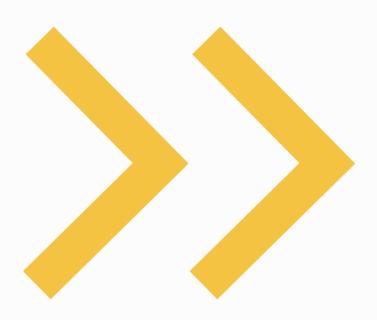
4 Key Numbers

Driving Your Valuation



The YCombinator For Emerging Tech Services

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YEAR-ON-YEAR GROWTH

YOY Growth compares your revenue for one month with the revenue for the same month last year. This is a great way to reduce the impact of seasonal fluctuations and transient upticks (or downturns) in your company's growth.

Calculate It:

$$\left(\frac{CurrentYear'sValue - LastYear'sValue}{LastYear'sValue}\right) \times 100$$





REVENUE

For a service company, revenue is recorded when the work payment is made. It drives the base multiplier of your company's valuation, acts as a proxy for your headcount, shows your market share, and provides a way to determine your opportunity cost.

Calculate it:

 $(QuantitySold \times UnitPrice)$





GROSS MARGIN

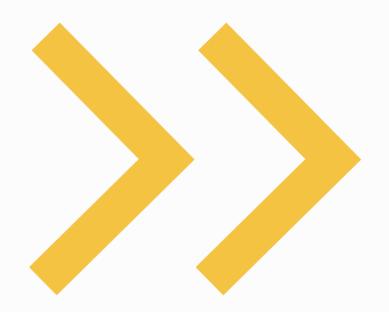
This is the percentage of revenue left after all costs related to delivery. In the case of ETS startups, COGS is the cost of any talent and any tools deployed to deliver a service to a customer. Gross Margin can be measured across time and scopes.

Calculate It:

Revenue - CostofGoodsSold(COGS))

Revenue





EBITDA

EBITDA is net income (or earnings) with interest, taxes, depreciation, and amortization added back. It is used to analyze and compare profitability among companies and industries, as it eliminates the effects of financing and capital expenditures.

Calculate It

 $Net\ Income\ +\ Taxes\ +\ Interest\ Expense\ +$

 $Depreciation \ \mathcal{C} \ Amortization$





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