# MEMORANDUM

To: Ms. Priya Sharma

From: [Your Full Name]

Date: 10 July 2025

Subject: EduMentor – Year 1 Metric Validation & Investment Analysis

## 1. Executive Summary

This memo outlines the validation of EduMentor’s key Year-1 financial metrics: ARR, CAC, and LTV, and analyzes its investment potential. The validated metrics show strong cost efficiency and fair valuation. Based on our analysis, EduMentor demonstrates signs of early traction, experienced leadership, and growth potential. We recommend a Green Signal for investment consideration.

## 2. Metrics Validation Table

|  |  |  |  |
| --- | --- | --- | --- |
| Metric | Calculation | Result (₹) | Source / Note |
| ARR | ₹11,988 × 5,000 paying users | ₹5,99,40,000 | Subscription model: ₹999/month × 12 months |
| CAC | ₹15,00,000 ÷ 4,000 new users | ₹375 | Year 1 marketing spend divided by new users |
| LTV | ₹11,988 ÷ 0.25 | ₹47,952 | Based on ARPU and 25% churn (industry avg.) |

## 3. Assumptions & Data Sources

● Assumption 1: ARPU = ₹11,988 based on ₹999 monthly fee × 12

● Assumption 2: CAC includes only new paying users (4,000 out of 5,000)

● Assumption 3: Industry churn rate used = 25% (from news clipping)

## 4. Analysis: Risks & Opportunities

Risks:

1. 1. ARR valuation multiple is ~1.0×, lower than the 5–10× typical in edtech.
2. 2. Dependence on marketing for growth might raise CAC in later stages.

Opportunities:

1. 1. Scalable AI-driven model with high retention and user satisfaction (90%).
2. 2. Tier 2/3 focus unlocks underpenetrated edtech markets.

## 5. Next Steps & Recommendations

Proceed with further due diligence and consider a ₹1.5 Cr investment. The low CAC, fair ARR-based valuation, and experienced IIT-alumni founding team position EduMentor as a strong early-stage investment in India’s fast-growing edtech market.

Attachments (to submit):

1. Year‑1 Financial Projections (Excel)

2. Market News Clippings (PDF)

Distribution List: Ms. Priya Sharma, Apex Ventures