

ModaTerra GmbH — Investor Pitch

(Professional / Advanced Version)

Company: ModaTerra GmbH
Founded: 8 months ago (Oct 2025)
Location: Berlin, Germany
Business Model: Direct-to-Consumer casual apparel retail (no subscriptions)
Equity Offered: 25%
Funding Requested: €200,000

Founders & Skin-in-the-Game

Founder	Role	Current Equity	Capital Contribution
Dr. Jay Krishna Thakur	CEO	50%	€40,000
Anna Müller	COO	30%	€25,000
Lars Becker	Head of Design	10%	€15,000
Advisors / Minor Investors	—	10%	€10,000
Total Founder Contribution	—	—	€90,000

1. Market Context & TAM/SAM/SOM Analysis

- **Total Addressable Market (TAM):** €150B European online fashion market
- **Serviceable Addressable Market (SAM):** €1.2B young professional D2C casual wear segment
- **Serviceable Obtainable Market (SOM):** €12M achievable revenue within first 3–4 years in Germany/France alone
- **CAGR:** 12% for D2C online apparel

Rationale: SOM derived using **penetration rate of 1% of SAM in year 1** and incremental growth assumptions with retention KPIs.

2. Product Portfolio & Revenue Attribution

SKU	Units Sold (8 mo)	Revenue (€)	Contribution Margin	Weighted Revenue Contribution (%)
T-shirts	1,360	39,340	58.6%	36%
Hoodies	520	35,880	59.4%	33%
Pants	370	33,930	60.7%	31%
Total	2,250	109,150	59%	100%

Metrics used: Contribution margin per SKU, revenue mix, and weighted revenue contribution to evaluate **unit economics, SKU prioritization, and margin optimization.**

3. Advanced Unit Economics

Metric	Value	Industry Benchmark	Commentary
Weighted Average Gross Margin	59%	45–60%	Healthy for vertical D2C
Customer Acquisition Cost (CAC)	€17	€15–€25	Includes paid ads, influencer campaigns
Lifetime Value (LTV)	€91	€80–€120	Based on repeat purchase probability of 2–3 items per customer in first year
LTV:CAC Ratio	5.35x	>3x	Strong unit economics; shows efficiency of acquisition spend
Inventory Turnover Ratio	3.5x	3–4x	Faster turnover reduces obsolescence
Return Rate	32%	25–35%	Within industry norms for D2C fashion

Rationale: CAC and LTV metrics are presented in a **dynamic context**, highlighting efficiency, risk, and potential for scaling. Inventory turnover signals liquidity and operational efficiency.

4. Sales Trend — Product-Level Breakdown

Month	T-shirts Units	Hoodies Units	Pants Units	Total Units	Total Revenue (€)
Oct	70	30	20	120	5,880
Nov	110	40	30	180	8,620
Dec	140	50	30	220	10,180
Jan	160	60	40	260	12,340
Feb	190	70	50	310	14,790
Mar	210	80	60	350	16,950
Apr	230	90	70	390	19,110
May	250	100	70	420	20,380
Total	1,360	520	370	2,250	109,150

Key Insight: Revenue is concentrated across higher-margin hoodies and pants despite lower units — critical for inventory prioritization.

5. Expense Structure & Cash Flow

Category	Monthly Cost (€)	KPI / Metric Impact
Digital Marketing & Paid Ads	8,000	CAC, Conversion Rate
Staff & Fulfillment	7,500	Operational efficiency, order fulfillment SLA
Warehouse & Shipping	3,500	Inventory turnover, delivery lead-time
Pop-up Events	2,000	Brand awareness, customer acquisition
Tech & Personalization Tools	1,500	Repeat purchase probability, LTV
Returns / Misc	1,500	Contribution margin retention
Total Monthly Opex	€24,000	—

Cash in hand: €90,000 → Runway ~3.7 months at current burn

Key metric: Runway + CAC vs LTV determines **urgency of funding**.

6. Inventory Metrics

SKU	Units in Stock	COGS/unit (€)	Total COGS (€)	Inventory Turnover
T-shirts	1,100	12	13,200	3.8x
Hoodies	480	28	13,440	3.2x
Pants	420	35	14,700	3.1x
Total Inventory Value	—	—	41,340	3.5x

Inventory turnover ratios highlight **operational efficiency and risk exposure**.

7. Direct Competitor — ABOUT YOU GmbH

Metric	ModaTerra	About You
Revenue (annual)	€109k	~€2B
Customers	1,200 active	13M+
SKU breadth	3 main SKUs	750k SKUs
Gross Margin	59%	40–45%
Model	Vertical D2C	Marketplace / Brand aggregator
Competitive Advantage	Brand identity, niche quality	Scale, reach

Rationale: Students must consider **brand vs marketplace strategy**, highlighting growth potential but operational risk.

8. Use of Funds — Strategic Allocation

Purpose	Allocation (€)	KPI / Rationale
Digital Marketing Expansion	80,000	Improve CAC efficiency, acquire ~1,500 new customers; drives LTV:CAC ratio
Fall/Winter Inventory Build	60,000	Ensure SKU availability, reduce stockout risk; drives revenue predictability
Fit Tech & Personalization Tools	30,000	Enhance repeat purchase probability, reduce returns; increases LTV
Pop-up Expansion & Events	20,000	Brand penetration & retention; improves retention rate and NPS
Working Capital / Buffer	10,000	Operational liquidity; mitigates runway risk

Total: €200,000

Rationale: Each allocation has a measurable impact on KPIs, tying funding to **direct revenue or margin enhancement**.

9. Growth Projection (Conservative, KPI-Driven)

Metric	Year 1		Year 2
Units Sold	6,400	12,800	
Revenue (€)	288,000	576,000	
Gross Profit (€)	161,000	318,000	
Operating Expenses (€)	330,000	520,000	
Net Profit (€)	−169,000	−202,000	→ +45,000 (late year)
CAC (€)	17	15	
LTV (€)	91	105	
LTV:CAC	5.35x	7x	

10. Key Metrics & Complicated Terms for Investors

- **Contribution Margin (CM):** Margin after variable COGS, critical for SKU prioritization
- **Inventory Turnover Ratio (ITR):** $\text{COGS} / \text{Avg Inventory}$, signals operational efficiency

- **Repeat Purchase Probability (RPP):** Estimated probability of customer buying second item
- **LTV:CAC Ratio:** Efficiency of marketing spend; >3 is target
- **SKU-Level Margin Sensitivity (SLMS):** Margin per SKU weighted by projected sales volume
- **Burn Runway:** Cash / Net Monthly Cash Burn — indicates funding urgency

Challenge for students: Analyze interplay of LTV:CAC, RPP, ITR, and SLMS to judge sustainability and investment viability.

11. Risks

- Inventory misalignment → cash tie-up
 - Marketing dependence → CAC fluctuation risk
 - Returns and fit variability → margin pressure
 - Competition → large marketplace (About You) dominates awareness
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12. Investment Offer

- **Equity:** 25%
- **Funding:** €200,000
- **Pre-money valuation:** €600,000
- **Post-money valuation:** €800,000