



We make biking...easier.

Management

CEO, Nikhil B. Lal



CTO, Michael Romanko



CMO, Kévin Soulard



CFO, Robert McBride



Problem

- Lack of convenient and secure places to store personal bikes in urban areas
- 15,000 bikes stolen in NYC every year
- Deters cyclists from commuting at all

Solution

- Convenient and secure personal bike storage in urban areas for a modest fee
- Utilize existing bike racks
- Install high capacity automatic bike store units



TEAM

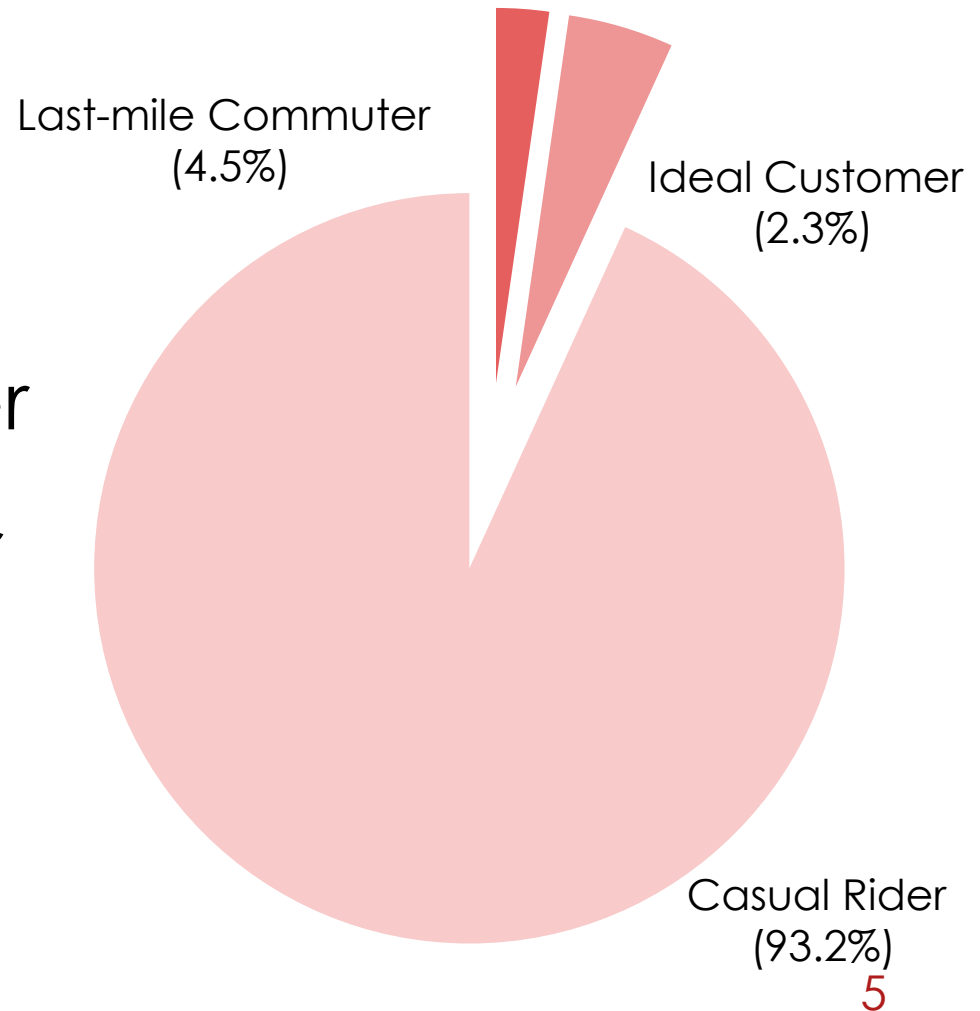
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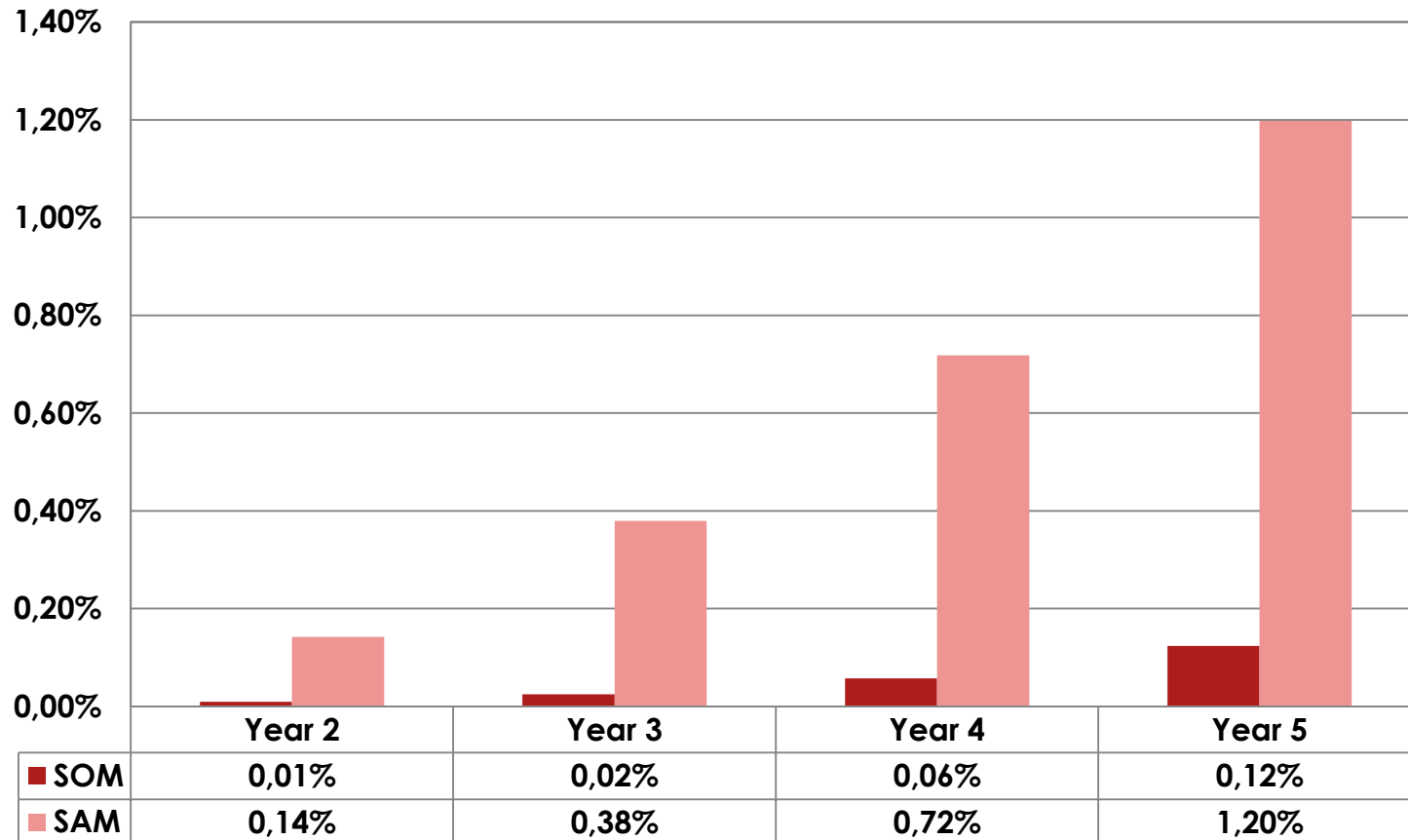
Market Segments

- Ideal Customer
 - Bicycle Commuter
- Last-mile Commuter
- Casual Rider

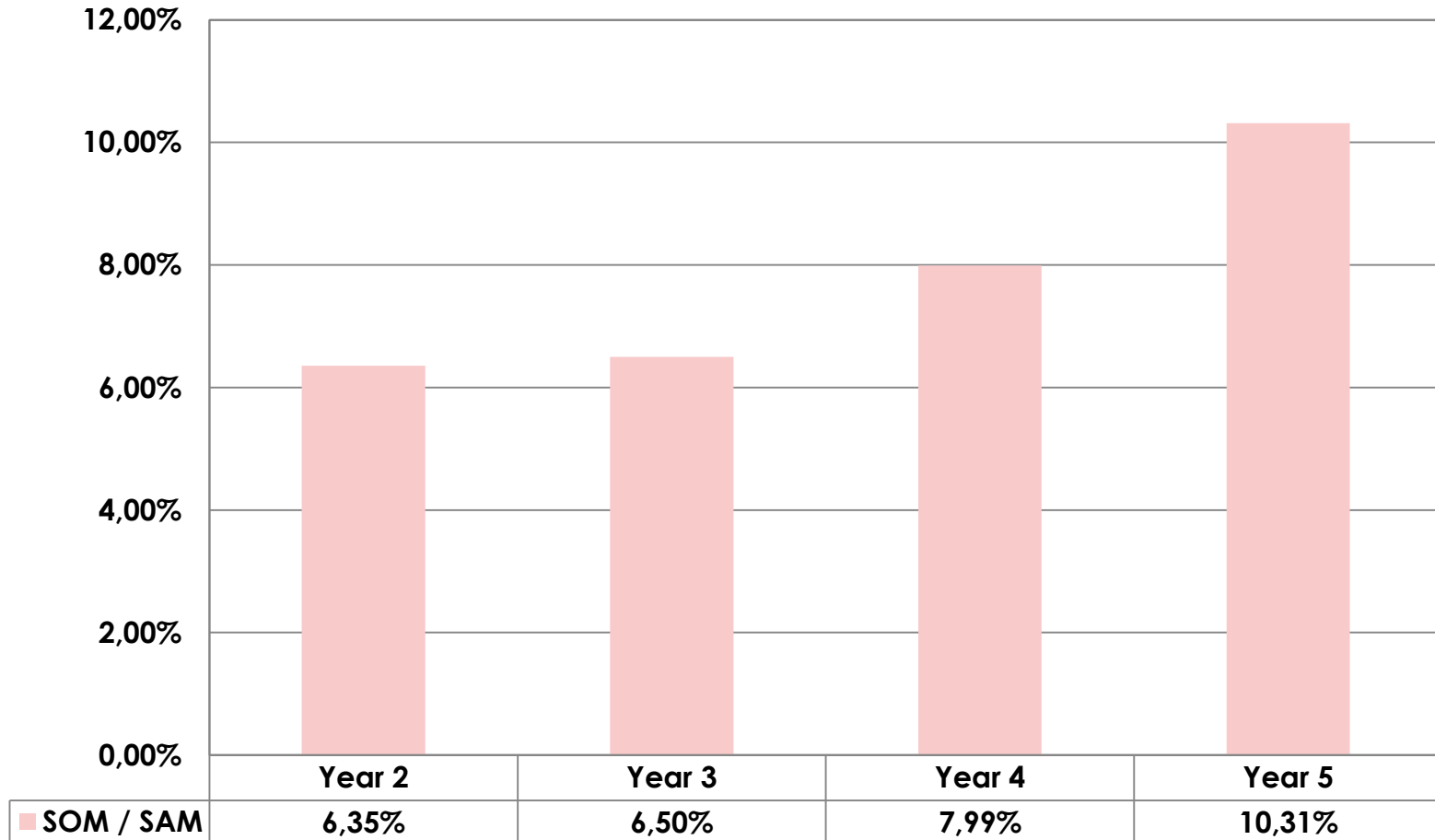


Market Share

Very large TAM: 44 million in Year 1



Evolution of SOM / SAM





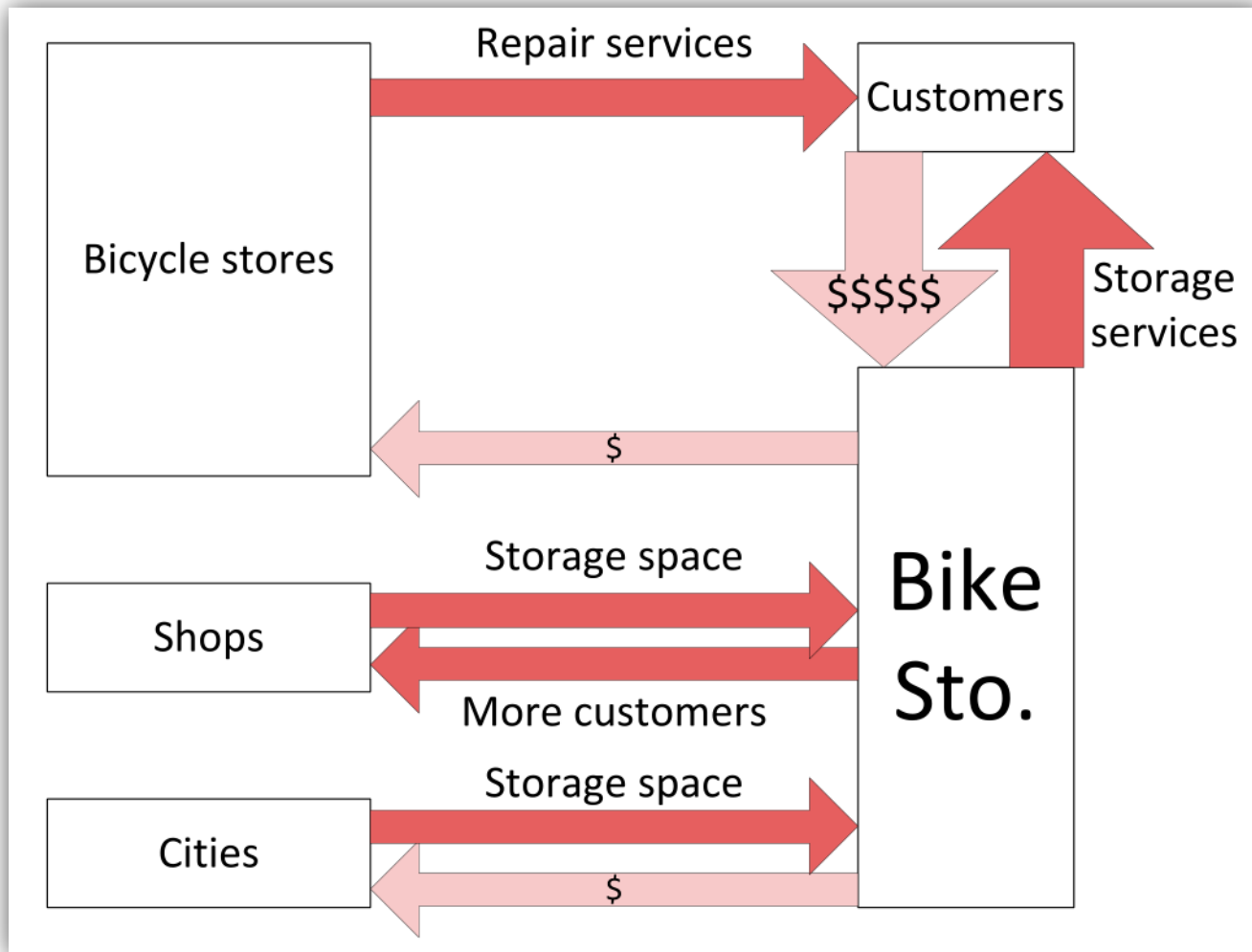
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Business Model





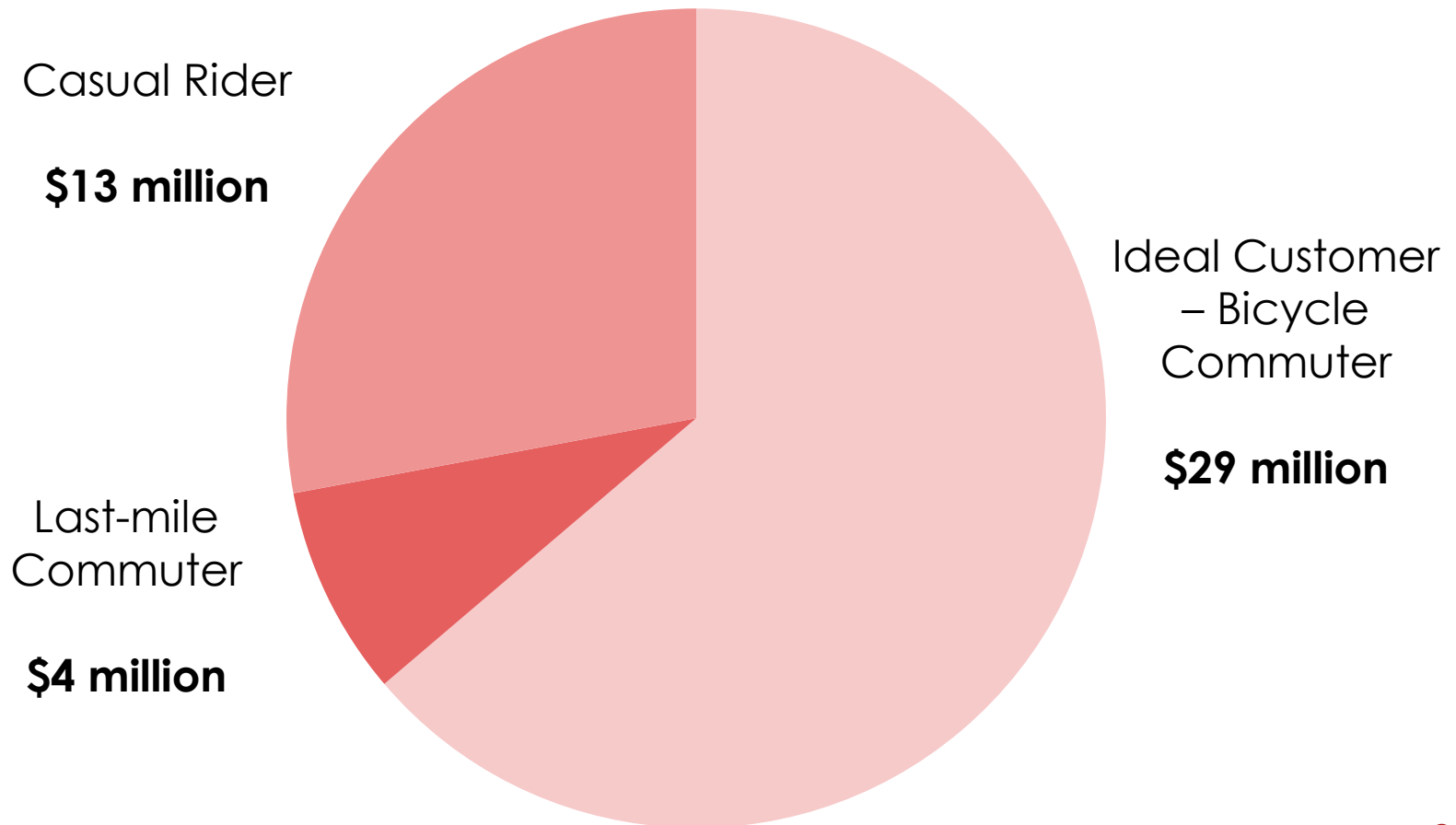
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Sales by Market Segment - Year 5



Alternatives

Bike Rack



Alternatives

Underground

Expensive!
Massive!
Challenging!



Alternatives

Large!
Unsightly!
Impractical!



Unfair Advantage

The easiest system to use, the most convenient solution with the most in network storage locations, most affordable, and the most secure system system on the market.

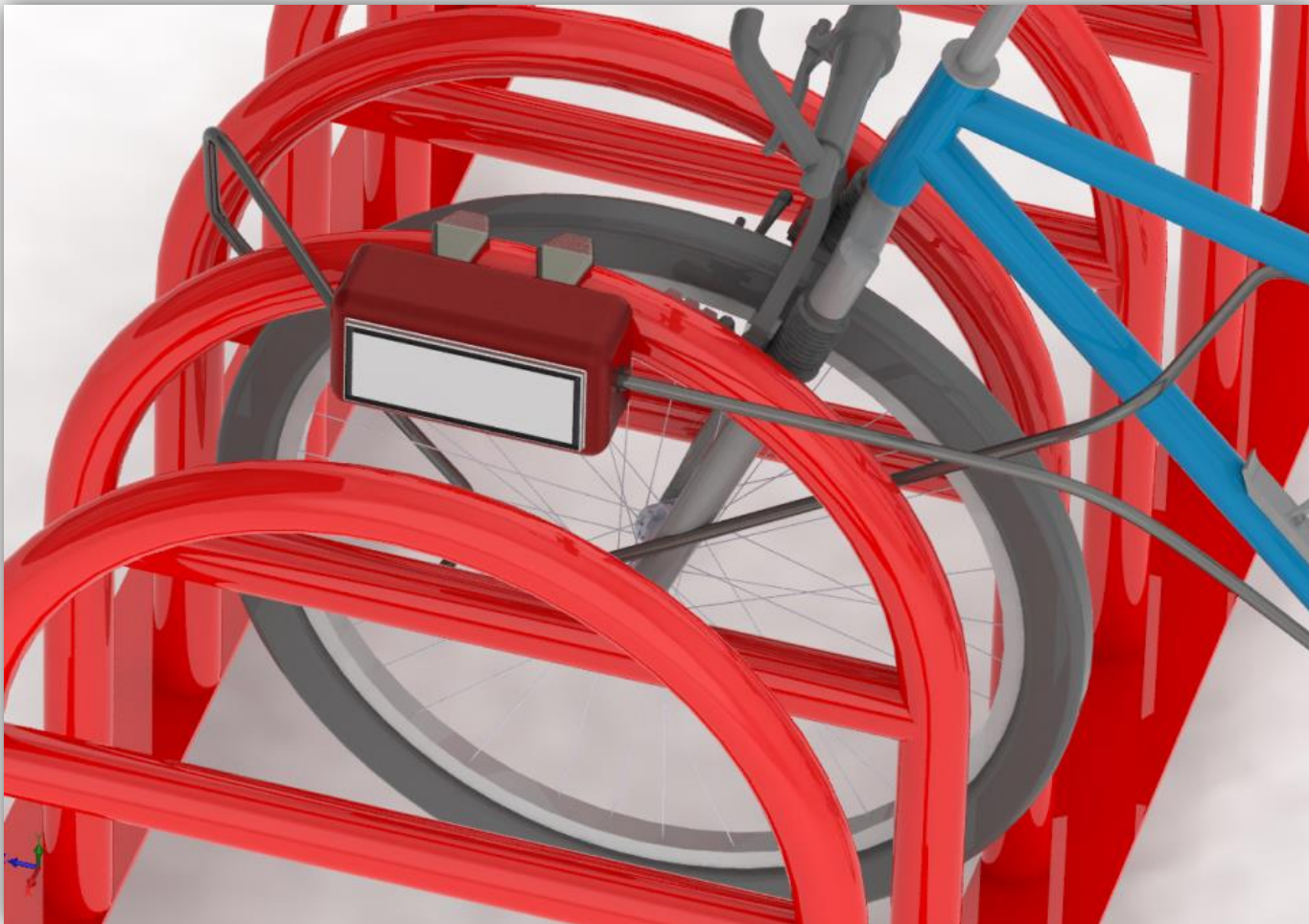
Engineering Design



Engineering Design



Engineering Design





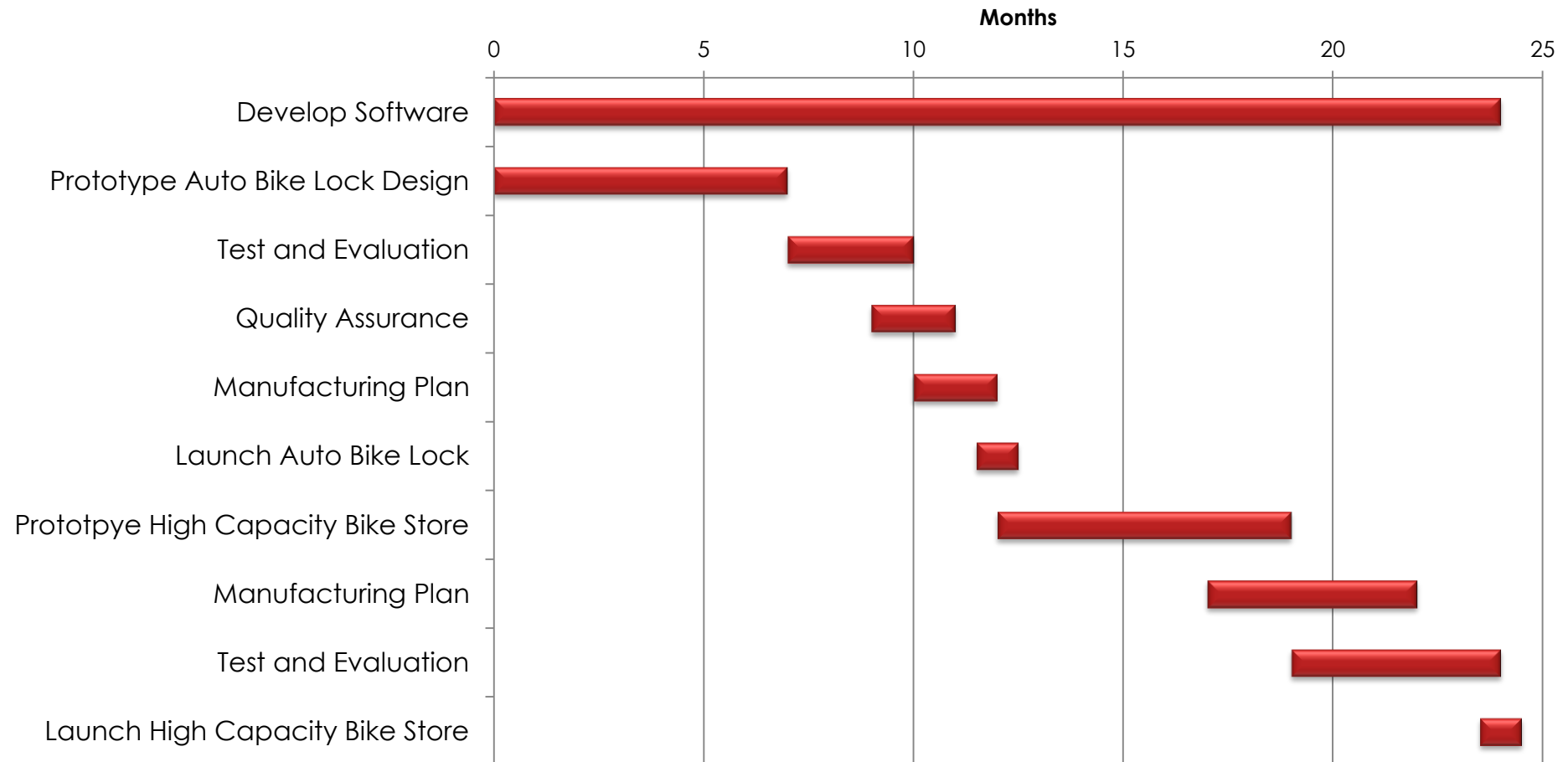
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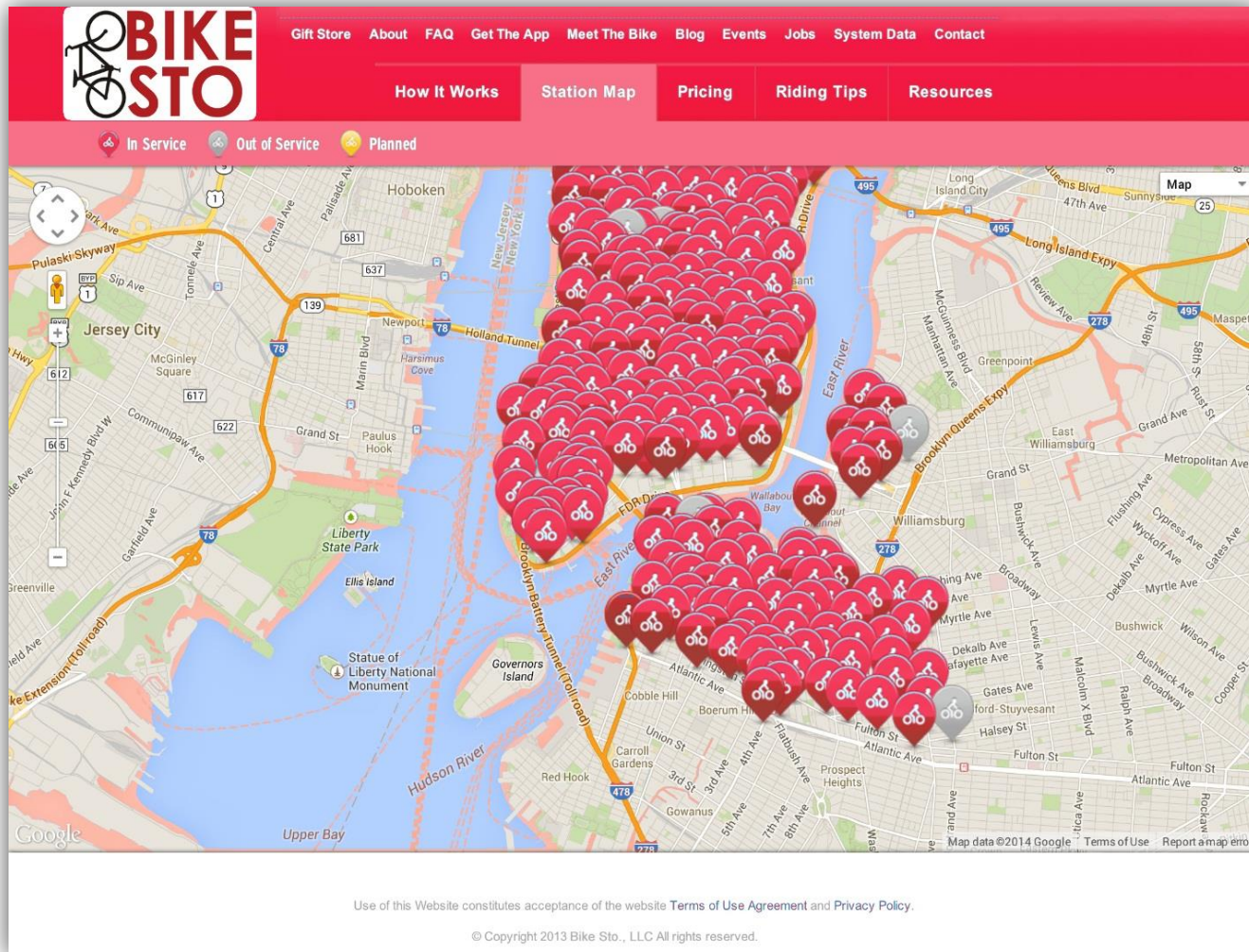
Engineering Plan



Manufacturing Plan

- Outsource construction overseas
- Have on-site personnel overseeing manufacturing and quality assurance
- Headquarters located in Philadelphia near shipping ports
- Ship to destination cities by truck

Website Screenshot



The screenshot displays the Bike Sto website interface. At the top left is the Bike Sto logo. The main navigation bar is red and contains links for Gift Store, About, FAQ, Get The App, Meet The Bike, Blog, Events, Jobs, System Data, and Contact. Below this is a secondary navigation bar with links for How It Works, Station Map, Pricing, Riding Tips, and Resources. A status bar indicates 'In Service', 'Out of Service', and 'Planned' stations. The central feature is a map of the New York City area, including Jersey City, Hoboken, and parts of Manhattan and Brooklyn. The map is densely populated with red bicycle icons representing station locations. A legend at the top of the map area shows icons for 'In Service' (red), 'Out of Service' (grey), and 'Planned' (yellow). The bottom of the page contains a footer with the text: 'Use of this Website constitutes acceptance of the website Terms of Use Agreement and Privacy Policy.' and '© Copyright 2013 Bike Sto., LLC All rights reserved.'

Legal Plan

- Intellectual Property Lawyer
 - Amster Rothstein & Ebstein, LLP
 - Experienced with consumer electronics
- Corporate and Litigation Lawyers
 - Spadea, Lanard, & Lignana
 - Local to Philadelphia
 - Experience with leasing and franchises



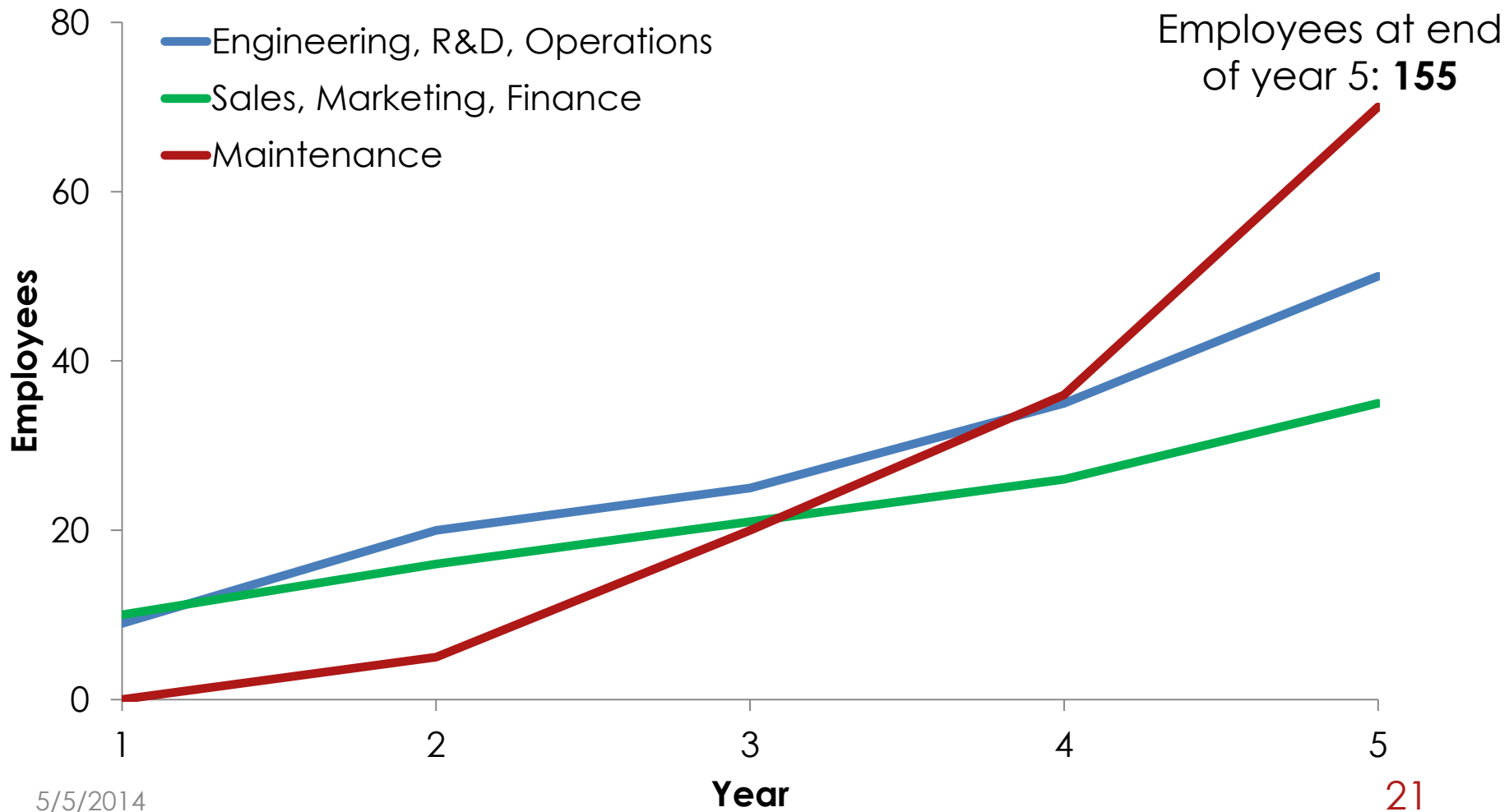
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Employee Headcount



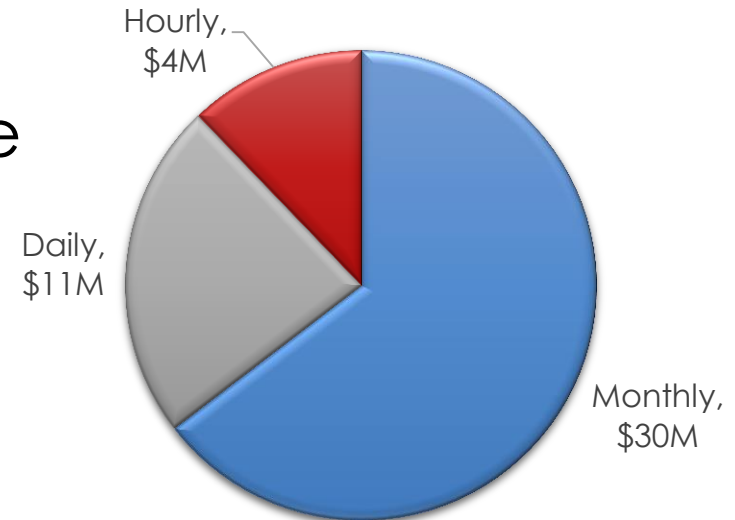
Successor Plan

- Start searching for marketable CEO in 5th year
- Look for experience running a mid-sized growing company with a similar business model
- Top choice: Gregg Kaplan, former CEO Redbox
- Train successor CEO in BikeSto's business practices and company culture
- Also hire transition team to takeover for CTO, CMO, and CFO

Sales Model

- # of slots – 50-60% of customers using system at any time
- Production Costs – \$12K for large unit, \$300 for small lock
- Maintenance – upkeep \$10/slot per month + 1 worker/400 slots
- Depreciation – each unit depreciated over 3 yrs.

Sales Year 5





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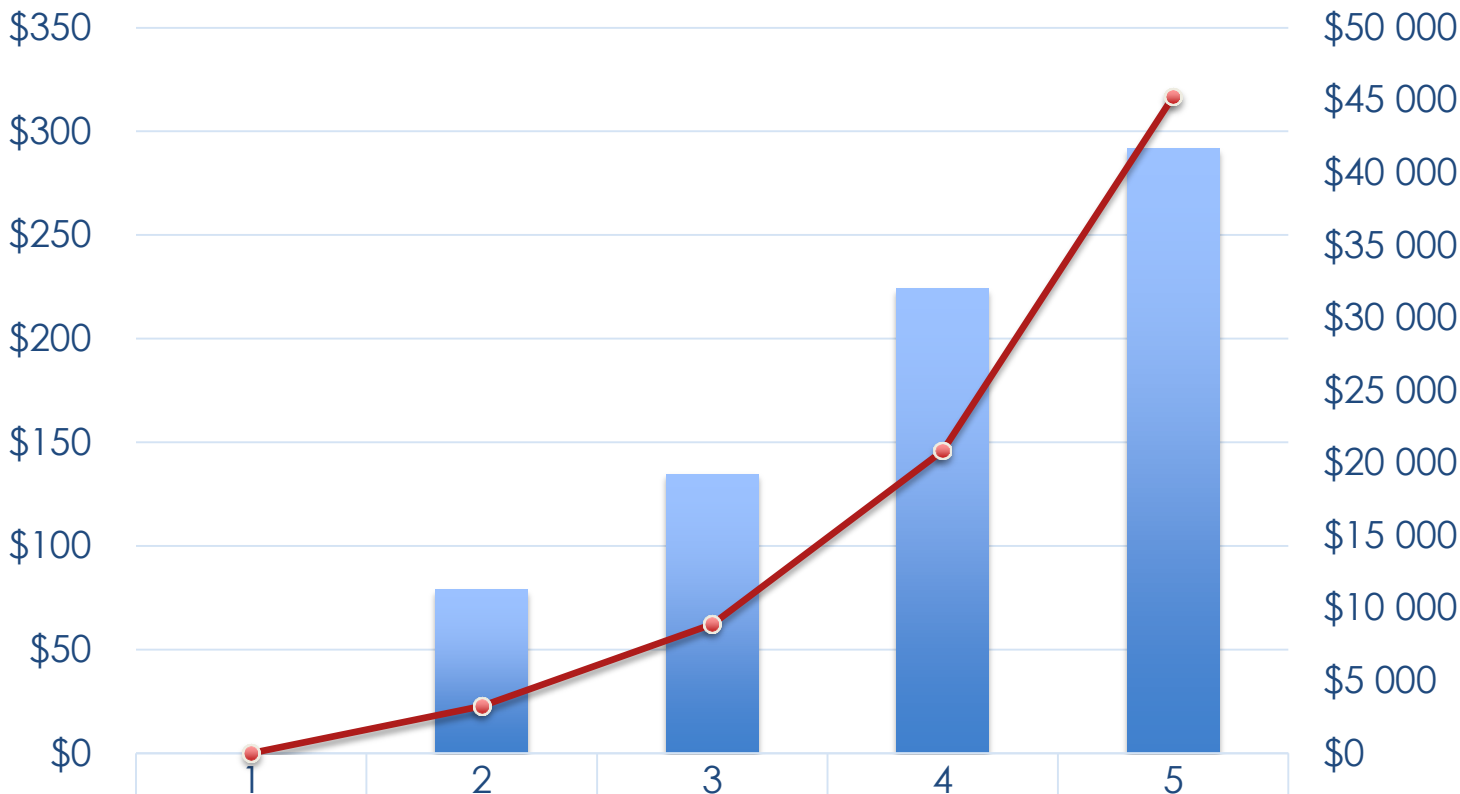
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Sales per Employee

Sales \$000 Year / Headcount



Total Sales \$000

\$Sales / Headcount

Sales/Services All

\$0	\$79	\$135	\$224	\$292
\$0	\$3 231	\$8 886	\$20 842	\$45 238

Service Provider Industry - \$230,000

Transportation Industry - \$260,000

5/5/2014



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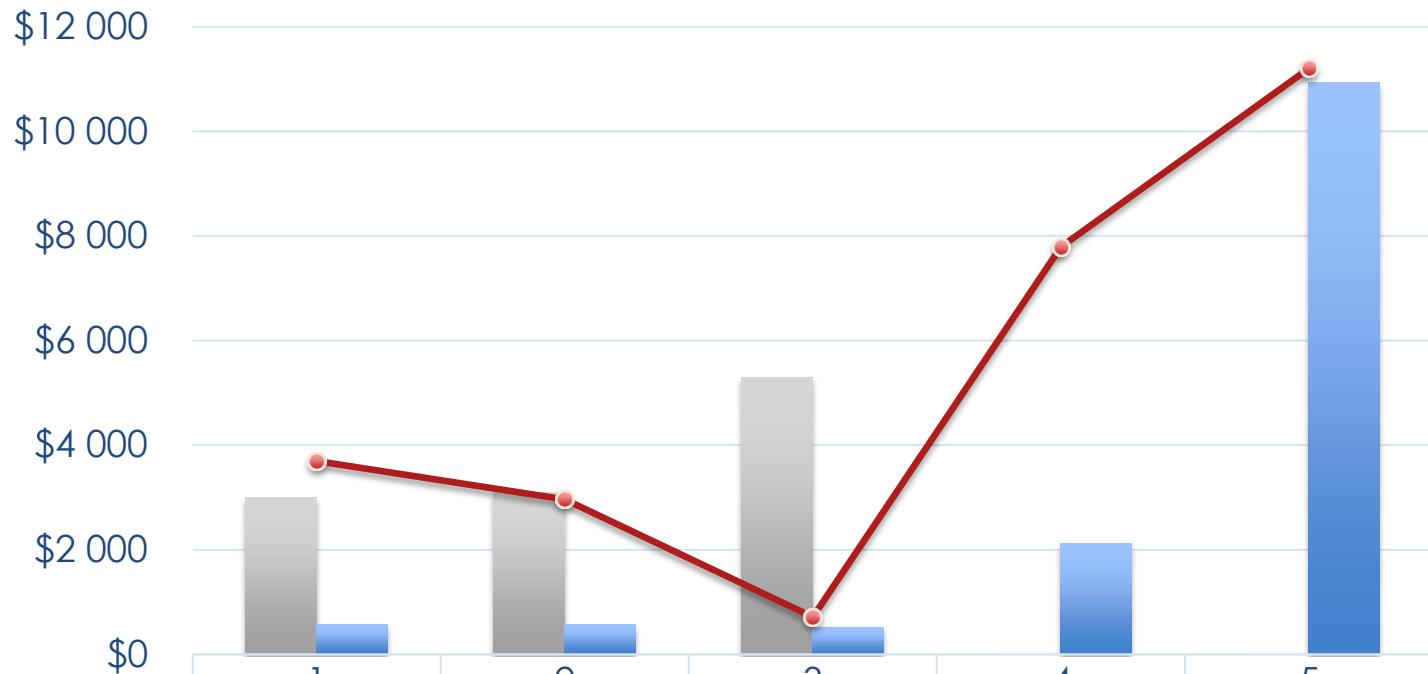
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Cash Flow Performance

\$ in 000



	1	2	3	4	5
Stock Sold this Year	\$3 000	\$3 100	\$5 300	\$0	\$0
Ending Cash Surplus	\$576	\$573	\$509	\$2 124	\$10 929
Cash Flow from Operations	(\$2 461)	(\$3 556)	(\$6 933)	\$3 679	\$8 805

Year

Valuation and Funding

- IPO valuation at \$267 Million → sales multiple of 6 & income multiple of 27
- 3 rounds of funding and expected ROI (% per year)
 - 1st round – \$3.0M ----- ROI of 97%
 - 2nd round – \$3.1M ----- ROI of 67%
 - 3rd round – \$5.3M ----- ROI of 41%



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Questions?

Personnel



VP Sales

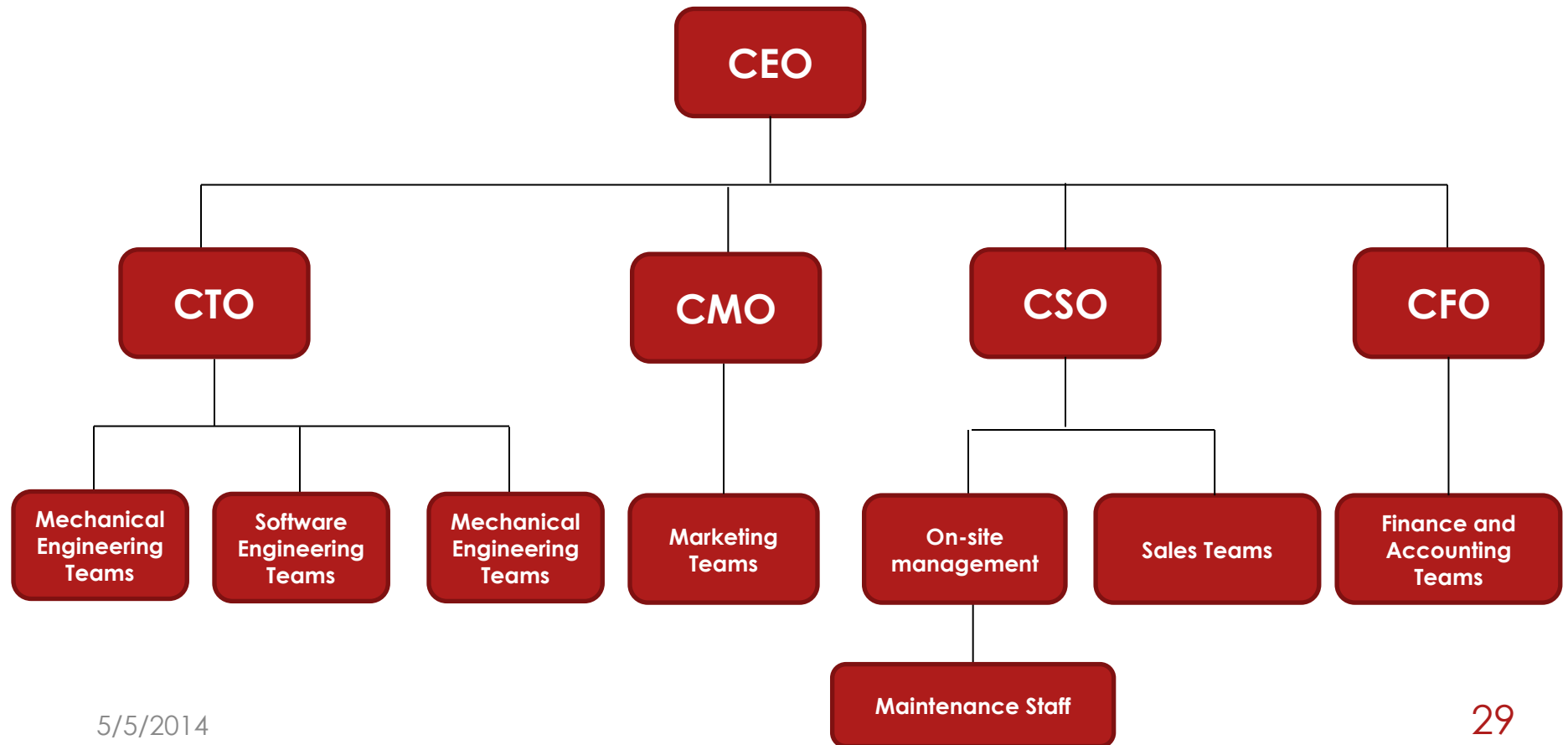


Manufacturing
Team



R & D
Engineers

Management Structure



Employee Headcount Table

Year	1	2	3	4	5
Headcount	<i>Headcount: End of Year</i>				
Manufacturing / Operations / Website	4	12	15	18	30
R&D/Engineering	5	8	10	13	20
Sales & Marketing & Customer Support	8	12	15	18	25
Finance General & Administrative	2	4	6	8	10
Maintenance	0	5	20	36	70
TOTAL HEADCOUNT	19	41	66	93	155



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Financial Forecast

SUMMARY OF FINANCIAL FORECAST (\$ in 1000's)	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Sales	\$0	\$3,231	\$8,886	\$20,842	\$45,238
Gross Margin	-\$237	\$860	\$1,078	\$9,243	\$22,866
Operating Profit	-\$2,612	-\$2,780	-\$4,110	\$2,264	\$12,165
Percent of Sales	No Sales	-86%	-46%	11%	23%
Total Headcount	19	41	66	93	155
Cumulative Stock Sold - Venture Capital	\$3,000	\$6,100	\$11,400	\$11,400	\$11,400



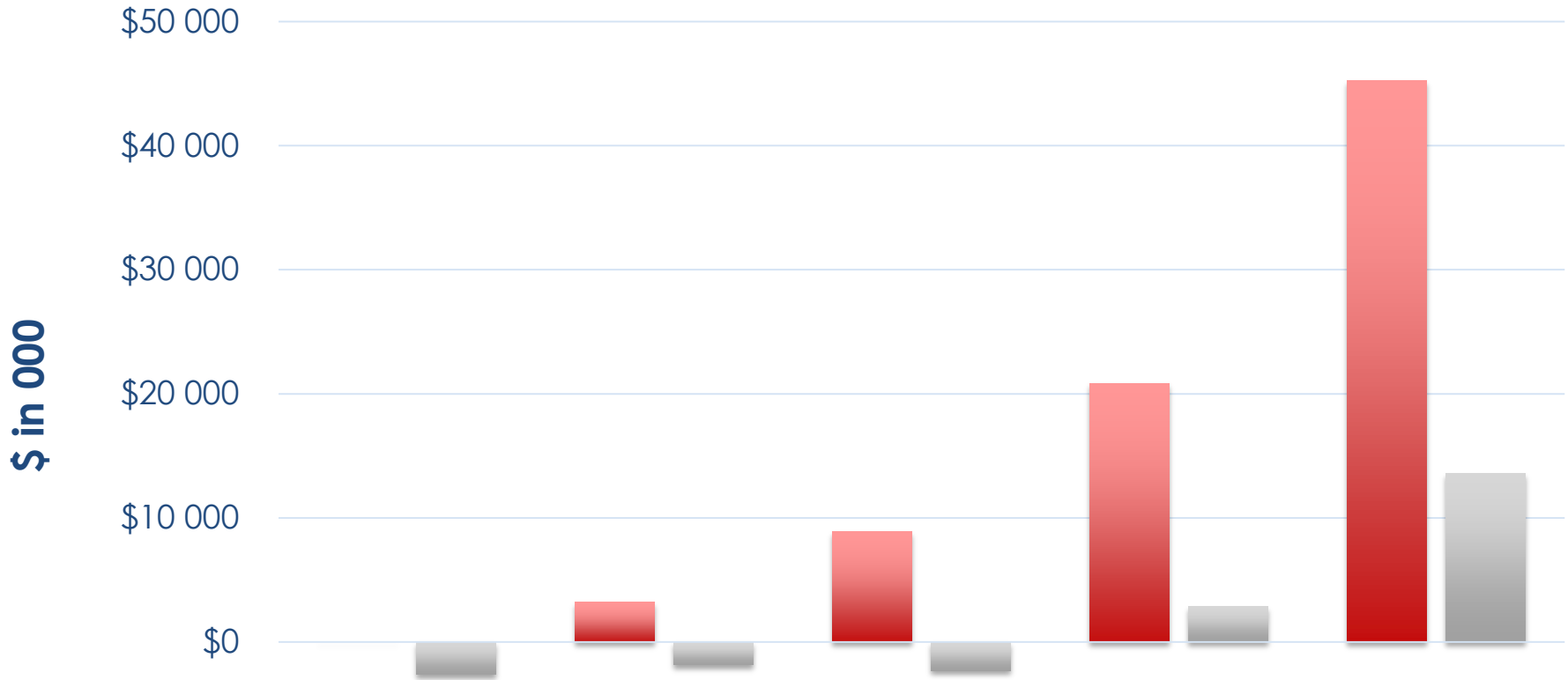
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Profit Growth



(\$10 000)

	1	2	3	4	5
■ Sales	\$0	\$3 231	\$8 886	\$20 842	\$45 238
■ Operating Profit	(\$2 612)	(\$1 853)	(\$2 295)	\$2 870	\$13 571

32

5/5/2014

SWOT Analysis

<p>Strengths</p> <ul style="list-style-type: none">- modular- scalable- robust- management (diversity)- management (marketable leader)- strategic partners- can use existing infrastructure	<p>Weaknesses</p> <ul style="list-style-type: none">- may not be able to expand fast enough- potential for broken system/ maintenance needs- finding good locations- requires approval of city
<p>Opportunities</p> <ul style="list-style-type: none">- fluctuating oil costs- green conscious- city bike initiatives- major city wide events	<p>Threats</p> <ul style="list-style-type: none">- subject to the whims of city officials- hackers- vandals- public outcry (anti-gentrification)

Product Bill of Materials

Small Auto-Bike Lock Bill of Materials	
Component	Estimated Cost
Metal Box Housing	\$30
Locking Mechanism	\$65
Electronic Components	\$120
Bike Chain Lock	\$45
Manufacture	\$20
Shipping	\$20
Total	\$300

20-30 Bike Storage Structure Bill of Materials	
Component	Estimated Cost
Metal Frame	\$800
Plastic Panels	\$400
Vertical Pull Mechanisms	\$3,000
Locking/Clamping Mechanisms	\$1,500
Back support structure	\$800
Electronics (Kiosk interface)	\$1,000
Fabrication Overseas	\$1,200
Overseas Shipping	\$1,000
Shipping to Target City	\$1,000
Installation Cost	\$1,300
Total	\$12,000



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TAM/SAM/SOM Analysis

In 000's	Year 1	Year 2	Year 3	Year 4	Year 5
TAM	44,000	44,325	44,653	44,983	45,315
SAM	-	63	169	323	543
SOM	-	4	11	26	56

Target Customer Breakdown

	Ideal Customer – Bicycle Commuter	Last-mile Commuter	Casual Rider
Monthly Rate	100%	50%	0%
Daily Rate	0%	50%	25%
Hourly Rate	0%	0%	75%



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Sales for Each Year

Sales in \$000's	Year 1	Year 2	Year 3	Year 4	Year 5
Monthly Rate	\$0	\$2,160	\$5,940	\$13,932	\$30,240
Daily Rate	\$0	\$821	\$2,257	\$5,294	\$11,491
Hourly Rate	\$0	\$251	\$689	\$1,616	\$3,507
Total	\$0	\$3,231	\$8,886	\$20,842	\$45,238



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Costs for Marketing

In \$000's	Year 1	Year 2	Year 3	Year 4	Year 5
Press Releases & Conferences	\$140	\$202	\$348	\$506	\$840
Rider Gatherings & Contests	\$350	\$504	\$871	\$1 265	\$2 100
Special Events (launch in new cities, etc.)	\$210	\$302	\$522	\$759	\$1 260
Total	\$700	\$1 008	\$1 741	\$2 530	\$4 201