

Financial Modeling Tool for PAYGO Energy Access Companies, developed in collaboration with USAID/Power Africa

Financial modeling is key to effectively running a business and raising capital, but performing business modeling, forecasting, analysis and valuation in an effective way can be challenging for many start-ups.

The purpose of this tool is to serve as an industry benchmark model for the PAYGO sector, most suitable for:

- Early stage companies considering applying pay as you go (PAYGO) technology and/or business model
- Companies expanding into new segments with a PAYGO business model
- Investors interested in investing in PAYGO businesses
- Companies looking to attract funding to grow

The Financial Modeling Tool is designed to guide and enable internal financial management processes. It models key aspects of PAYGO companies, enables projections of company financials based on a set of different scenarios and introduces different methods that can guide company valuation.

It is <u>publicly available</u> with a user guide, simplified business model, additional products sheet and a demonstration video with the key functionalities.

Persistent is implementing the financial modeling tool with energy access companies, working with management to develop company specific inputs to steer their business; using the model to develop and visualize company projections; conducting additional analysis, reviewing and illustrating path to profitability and key milestones; determining company valuation by using different methods and applying judgement; and illustrating key financial and impact outputs through a dashboard used to inform investors.

The tool and additional resources are available for download on the USAID/Power Africa website <u>here</u>.

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