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SaaS Due Diligence Report

Prepared by February 12, 2024, for a Flippa.com ▨▨▨. This report was created by the WebAcquisition.com content M&A team.

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Basic Information

- **URL:** ▮▮▮▮▮▮▮▮▮▮
- **Where is it listed:** ▮▮▮
- **Price:** $360k valuation with 80% $288k paid on the day of the deal and 20% $72k one year later.
- **Valuation:** $5,470 (L12M average), 66X monthly, 5.5X annual
- **Profit Margin:** 64%
- **Niche:** SaaS
- **List of assets:**
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> During our investigation, we compiled a list of questions that you should ask the seller before the final purchase. Most information is already here, but sometimes brokerages don't ask specific questions about revenue streams, on-page data, or other valuable information.

- ☐ May and June 2023 had large influx of MRR. What happened these two months?
- ☐ What is the relationship between ▮▮▮▮▮▮▮▮▮▮? ▮▮▮▮ ▮▮▮▮▮▮▮▮▮▮▮
- ☐ Can you elaborate on the "marketing" line item in P&L and how/where you spent the funds?
- ☐ How much did you spend on influencer marketing in the past?
- ☐ Did you use paid traffic in the past?
- ☐ Will the current developer and designer continue to work on the platform? How much is he/she paid? Project basis or per hour basis.
- ☐ What is the reason why you opted for Plausible instead of UA/GA4?
- ☐ Is there a particular reason why the most organic visitors come from Thailand?
- ☐ You mentioned ▮▮▮ that you had a referral program. How did it work? Why was it shut down?
- ☐ How often do you email "canceled" clients?
- ☐ How many emails did you send to your mailing list in the past 12 months?
- ☐ Did you run any Black Friday or Cyber Monday discounts in 2022 or 2023?

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WebAcquisition Team Verdicts

Business Analysis

We performed due diligence on ▨▨▨, a ▨▨▨▨▨▨▨▨▨▨ on a subscription recurring revenue model.

The business has over $5,000 in monthly recurring revenue (MRR). The domain is well-branded. The website and software are well-designed.

The major issue is the churn rate of 8%. The new business MRR (i.e., new clients registering) is NOT outpacing the churn of existing clients. The net MRR movement is negative indicating a downtrending business.

Furthermore, the organic traffic of the business has downtrended over the last 12 months. While there is still organic traffic bringing in new clients, it's not enough to sustain a positive net MRR movement.

Of 884K unique visitors to the platform during the last 12 months, 590K (55%) of visitors were from direct traffic. Direct traffic is "unmeasurable" traffic which can be people visiting directly, clicking on a link in a newsletter, social media, paid ads, etc. It's not possible to decipher what it is.

Furthermore, only 31.7K visitors (3.6%) during the last 12 months were from organic search traffic. Search traffic is the epitome of traffic as it's free and recurring. However, being 3.6% of the total, this indicates it's not a major player of new customers

The last major issue to keep in mind is the low price point of this SaaS. A $4/mo yearly, and $6/mo monthly plans, from our experience, there isn't a ton of "room" to effectively test paid ads, newsletter sponsors, etc.

With all of that said, the business is in an overall unique niche and also a growing niche. There are opportunities to overhaul and improve the pricing structure, upsell opportunities, invest funds to "trial and error" growth channels, introduce ▨▨▨ ads, and more. Furthermore, the software is very well made.

The 5.5X annual multiple being paid, in our opinion, is too high for what this business is at its current standpoint. Further details on a better structure can be found in Valuation section.

This report will deep-dive into financials, SEO, content, market, and more.

Revenue Analysis Summary (Pass)

The revenue breakdown is quite straightforward, with all revenue stemming from subscriptions. These include monthly, annual, and lifetime deals, starting at $4 for monthly subscriptions when paid annually, up to a lifetime deal of $120.

The seller uses ChartMogul, which is excellent for analyzing SaaS revenue. We will discuss some figures and compare them with other SaaS platforms we have worked with in the past.

The first metric is MRR (Monthly Recurring Revenue), which is stable and averages around $7,000. However, MRR has seen a slight decline over the past 6 months. MRR experienced a spike in May 2023, likely due to a successful marketing campaign.

The projected MRR for December 2024, following the current trend, will be around $6,200.

This isn't a drastic decrease (12%) but should be considered in valuation.

The number of subscribers is also following the MRR trend, with the peak number of paying users at 2,410, now at 2,051 subscribers. According to the P&L, there have been 146 lifetime deals sold to date. For this type of SaaS (simplistic), the churn rate is decent, averaging 8%.

The CLV (Customer Lifetime Value) is currently low, sitting at $50, indicating significant potential for upselling.

Regarding the average sale price, the seller increased the price in July, which jumped from $3 to $5.

As for the expenses, the seller did a good job listing almost every expense related to this business.

The largest expense is developer costs, which totaled $11,666 for 2023. This amount is notably low for any type of development, so a crucial question for the seller is whether the developer will continue working on the project.

Based on our experience, if you wish to retain the current developer, the cost will likely increase by 10-15%, which is manageable. However, if you attempt to find a new developer, the cost could rise by at least 100%. Additionally, there were some months when developer costs were $0, which is unusual since there are always some maintenance needs.

Marketing expenses are also very low, suggesting that this is an area where you could expand. Most of the advertising budget was allocated ▨▨▨▨▨▨ ads service.

Overall, the revenue passes all our checks, and the seller has been transparent from the start of the business, which is rare. Much larger businesses often lack this level of revenue data.

The business is stable but currently stagnating on growth. Without any major updates in the last 5 months, this is to be expected.

Verdict: **Pass**

Traffic Analysis Summary (Warning)

Despite the owner's claim that most of the traffic is organic, this is not entirely accurate. Indeed, not all traffic is paid, but only 11.5% is pure organic traffic coming from search engines (Google/Bing).

Direct traffic is the primary source, accounting for 70.7% of the total traffic, mainly because many users have it set as their bookmarked startup page in their browser. When you visit ▨▨▨, you are redirected to the dashboard. Only 0.2% of visitors from direct traffic navigate to other pages on the site, namely the homepage.

The second source of traffic is attributed to ▨▨▨ itself, which is likely an error within the Plausible platform, accounting for 13.1% of the total traffic.

The third source is organic (11.5%), consisting of traffic from Google and Bing.

▨▨▨▨▨▨▨▨▨▨▨▨▨ organic traffic from Google has significantly decreased this year compared to its peak in February 2022.

The final noteworthy source is social organic, with about 2.5% of all traffic coming to the site.

An unusual traffic statistic is the geographical distribution of visitors, with the majority coming from Thailand (20.8%), followed by the United States (11.3%) and Italy (6.9%). This geographical split of traffic is highly unusual.

Unfortunately, traffic from Thailand, India, and similar countries is not valued as highly as traffic from the US, which is evident in the provided chart of paid subscriptions per country, where Thailand ranks significantly lower than the US.

Verdict: **Warning**

Content Analysis Summary (Pass)

The content breakdown is quite straightforward, with a well-written sales pitch on the homepage. Beyond that, the owner hasn't engaged much in content marketing. There is an active blog at ▨▨▨▨, where, to date, 10 articles have been published. None of these articles rank for any keywords, indicating they were not optimized for SEO.

Regarding the service pages related to the ▨▨▨ dashboard, most are concise and well-crafted. However, it's common for similar SaaS platforms to have at least a few landing pages targeting different traffic segments.

Content is one area that could drive organic traffic. There are several classic strategies, such as comparing your service with competitors, creating educational content around productivity, and featuring aspects of your dashboard, ▨▨▨▨▨▨▨▨▨▨▨▨▨▨▨.

Verdict: **Pass**

SEO Analysis Summary (Warning)

Regarding the on-page SEO, the main page appears satisfactory; elements are well-placed, but we recommend testing a few different landing pages.

We would also like to see more content on all service-related pages. The blog section is not optimized at all and requires a complete overhaul.

The backlink profile is decent, with more than 300 referring domains pointing to the site. A significant portion of the links comes from niche-related websites. The anchor profile appears natural.

Overall, there isn't much to analyze concerning SEO, as most of the traffic doesn't come from organic sources like Google/Bing.

Verdict: **Warning**

Overview

The goal of this report is to better understand ▨▨▨▨ and how it operates as a digital SaaS B2C product. Our main focus was on five different categories: potential risks, revenue, traffic, content, and SEO analysis.

Strengths

- Stable MRR and ARR
- Decent churn rate (~8%)
- Simple but well-designed platform ▨▨▨▨▨▨▨▨▨▨▨▨▨▨▨▨
- Cheap developer and designer
- Easy to run
- Decent SEO backlink profile

Weaknesses

- Low organic traffic
- Almost nonexistent blog with zero SEO done
- Free users don't need to register on the platform (bad for user retention)
- Lack of upsells

Growth Plan

- Introduce ads ever X minutes within the free plan. Integrate display ads on the screen for the free plan.
- Start by creating blog content ▨▨▨▨▨▨▨▨▨▨▨▨▨▨▨▨▨▨▨▨▨▨ ▨▨▨▨▨▨▨▨

- Force-free users to register on the platform
- When users churn, give them the option to subscribe at a lower monthly fee. This increases retention.
- Find more influencers to promote your product
- Investigate how you can monetize Thailand traffic
- Work on new features for Pro Plan
- Add more ▨▨▨▨▨▨▨▨▨

Risk Analysis

- The business continues to stagnate
- Loss of direct traffic coming to the site
- Competitors overtaking your rankings related to ▨▨▨

Domain History

- **First registered:** 04/06/2019
- **Number of significant domain/hosting changes:** ▨▨▨
- **Built on the expired domain: No**
- **Trademark lookup:** According to the trademark electronic search system (▨▨), there are no active trademark registrations. However, ▨▨ is a pretty popular keyword when it comes to trademarks. (100+results)
- **Wayback machine history:**
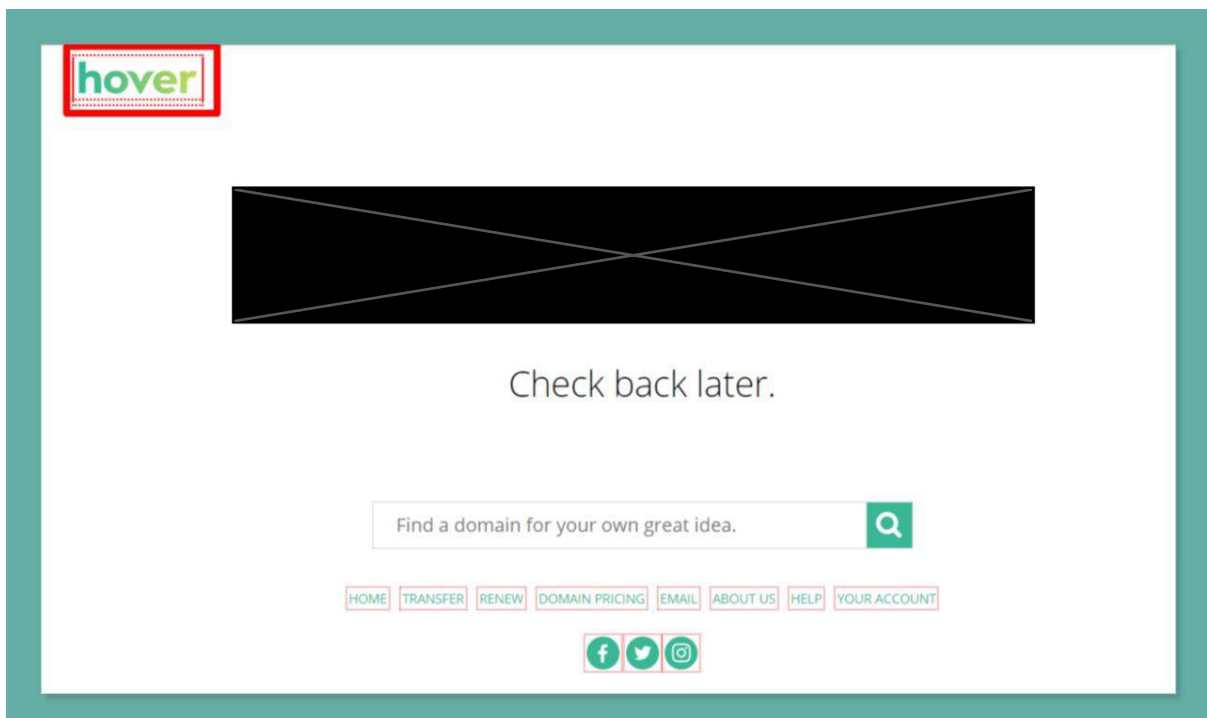
The domain was parked for years at Hover.com. (04/04/2013).
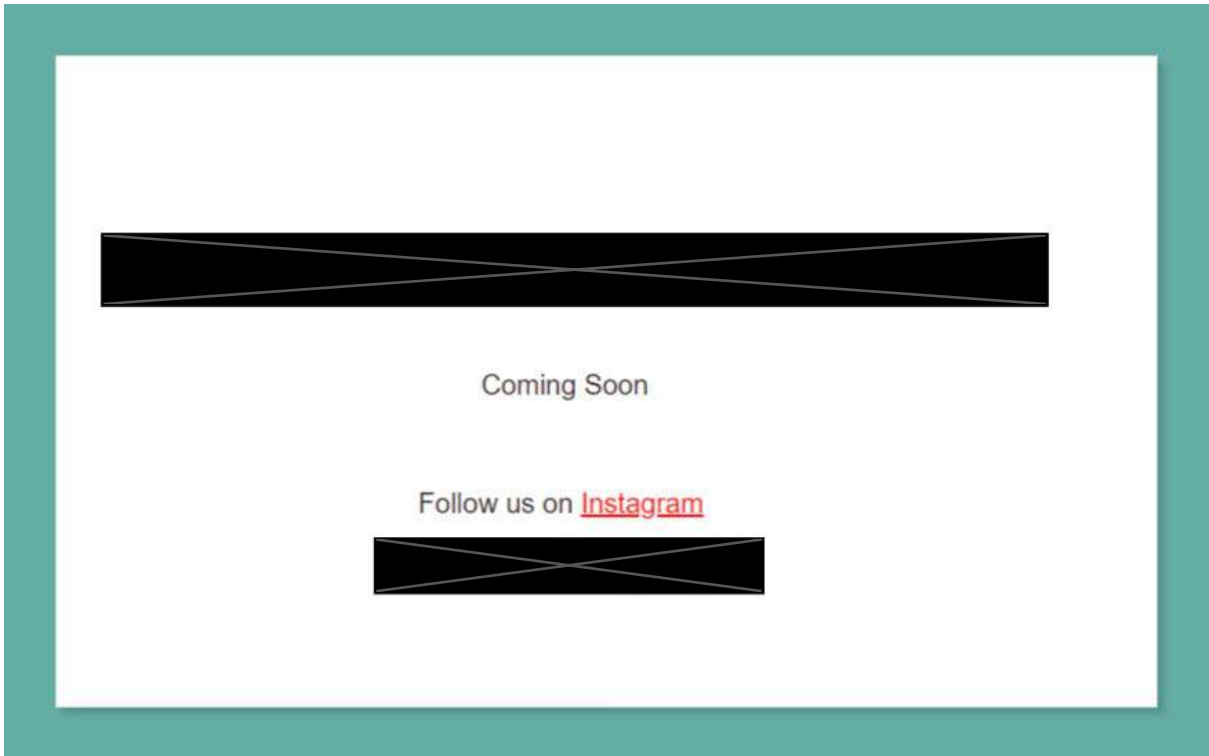
The first content was uploaded on the site (06/25/2021)

First version of the platform live (10/16/2021)

The ✖✖✖✖ domain was first parked in 2013. It remained parked on Hover.com for 7 years until the current owner acquired it.

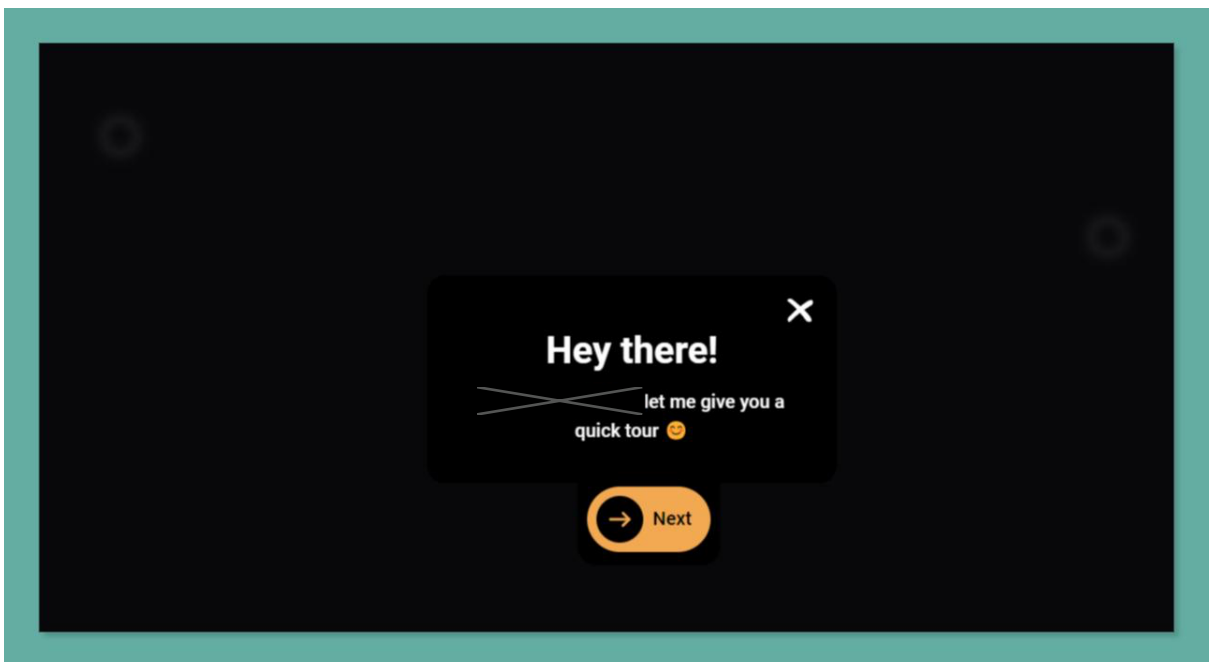The platform itself launched in August 2021, at the height of the work-from-home movement due to COVID-19. It is a neatly designed ███████████████████████████ ███████████████████████████████████████ ███████████

The pricing model is classic, with monthly/yearly subscriptions and a few lifetime deals. The platform has not changed much over the last three years.

███████ on the site is worth checking.

The dashboard is hosted on the ███████ subdomain, while the homepage can be found at ████████. The blog is located at ███████. In terms of technology, it uses Gatsby, a static site generator, Memberstack for the membership area, Firebase, React, Tailwind CSS, and Styled Components.

The SaaS was previously hosted on AWS and has been hosted on Fastly.com since last year.

██████ was founded by ████████████

Business and Niche Analysis

Our main goal of the business analysis was to shed light on the revenue trends, sources, and future projections. We also analyzed the niche and the global forecast.

Average Revenue Analysis (January 2023 - December 2023)

	Subscription revenue	Lifetime Deal	Refunds	Expenses	Net Revenue
Last 1 Month (L1M)	$5,450	$348	-	-$1,157	**$4,640**
Last 3 Months (L3M)	$6,606	$622	$27	-$1,872	**$5,328**
Last 6 Months (L6M)	$7,177	$811	$18	-$2,264	**$5,706**
Last 9 Months	$7,986	$962	$78	-$3,053	**$5,816**

(L9M)					
Last 12 Months (L12M)	$7,745	$825	$90	-$3,226	**$5,254**
Average	$6,993	$714	$43	-$2,314	

Gross Cash Flow

The gross cash flows are shown below from August 2021 to February 2024. Peak cash flows (revenues) occurred in May 2023. There is a notable dip every November and December each year, mostly because people are in "vacation mode" and ▨▨▨▨▨▨▨▨▨▨.
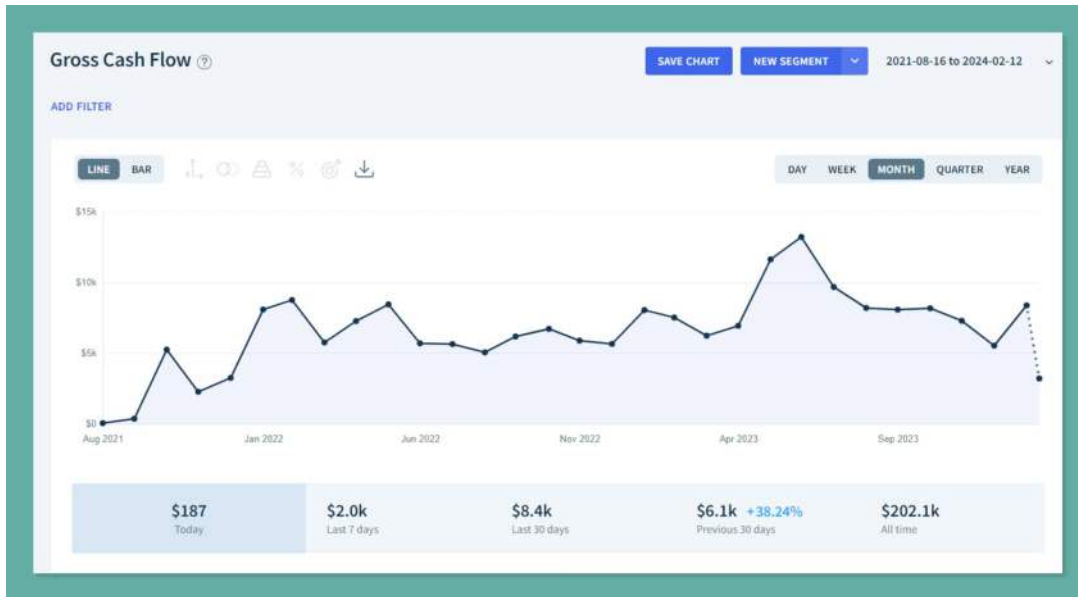
MRR (Monthly Recurring Revenue)

Since May 2023, the MRR has had a dip month over month.

New Business MRR

One of the most important metrics to look at is new business MRR. This implies new traffic turning into paid customers. We've taken a snapshot from Chart Mogul below and marked it up with numbers. See below.

Here's an explanation of each point:

1. May 2023 had a large amount of new MRR (customers). The seller needs to ask about this. What kind of marketing did he do?
2. June 2023 is similar to May 2023; a big boost in revenues.
3. From August 2023 to February, the new MRR has been stagnant at just $100 to $600/mo. From customers, this equates to 30 to 200 new customers but due to the small price point, many customers are small revenue MRR.
4. On a net basis every month from July 2023 to February 2024 has seen a net MRR loss month over month. This trend is continuing. This means the new business MRR is not fast enough to cover the losses thus indicating the business will "churn" to zero over time (time will take years but it will unless new marketing is done)

![WebAcquisition logo] **WebAcquisition**

SaaS Revenue Breakdown

Pricing table

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Subscriptions per Type

Lifetime Deals
7.0%

Monthly Subs
47.0%

Annual Subs
46.0%
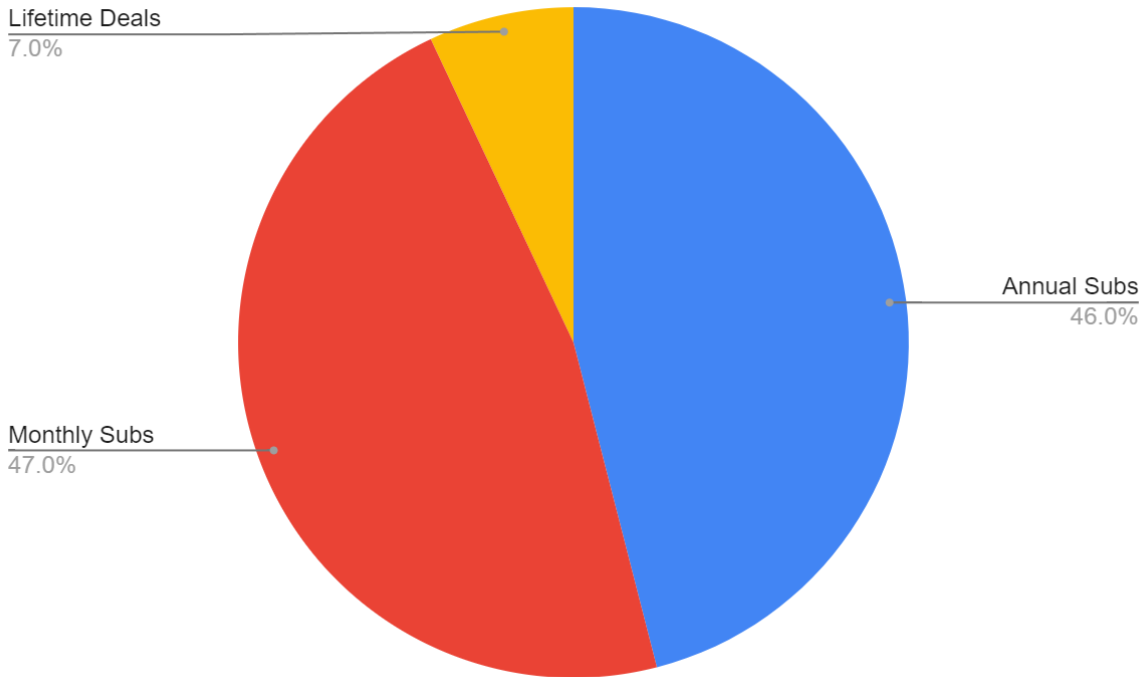
Subscriptions per Type

Subscriptions per Country

France
7.0%

United Kingdom
7.9%

Thailand
8.1%

Canada
10.4%

United States
66.6%
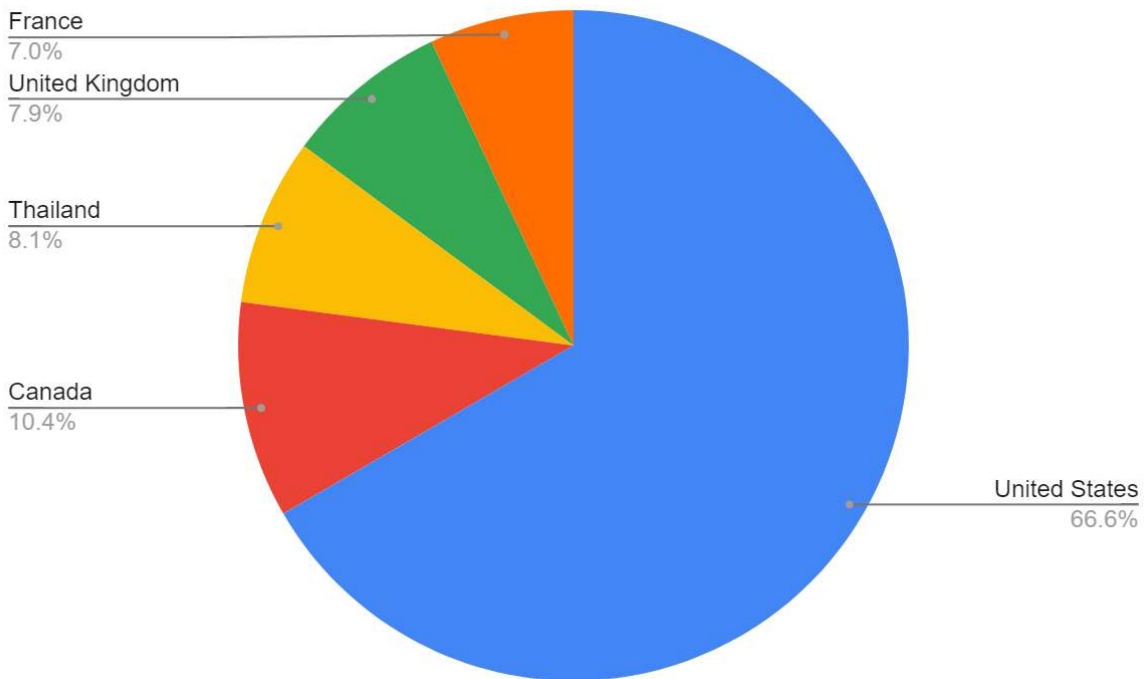
Subscriptions per Country

The subscription model is simple with 3 main options: monthly, yearly, and lifetime.

A visitor can use the Free (basic) dashboard without registering which is a missed upsell opportunity. The seller also states that there were 140,000 registered users (80,000

active), which puts paid users at only 2.5%. This is pretty low, especially for this type of low-cost service.

Another major missed opportunity is differentiating the "Lifetime" service. There are no differentiating features on the lifetime service ████████████████████████████ ████████████. Increasing the ████████████████████████████████ ████████████████████

The lifetime fee of $120 cannot be arbitrary. One needs to calculate the LTV of customers and add a premium on top of that. This calculation should be done again.

Niche Analysis

As for the niche analysis, it's worth mentioning that this SaaS utilizes ████████████ ████████████████████████. This is a brilliant strategy, as ████████ is particularly popular among ████████████████████████████████████

Other popular keywords associated with this site ████████████████████████████ ████████████████████████████████.

Here is a brief niche analysis of ████████

Estimating the market size for ████████████████████████████
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The primary audience for ████████████████████████████
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████████

The market size is also influenced ████████████████████████████
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Seasonality & Trends
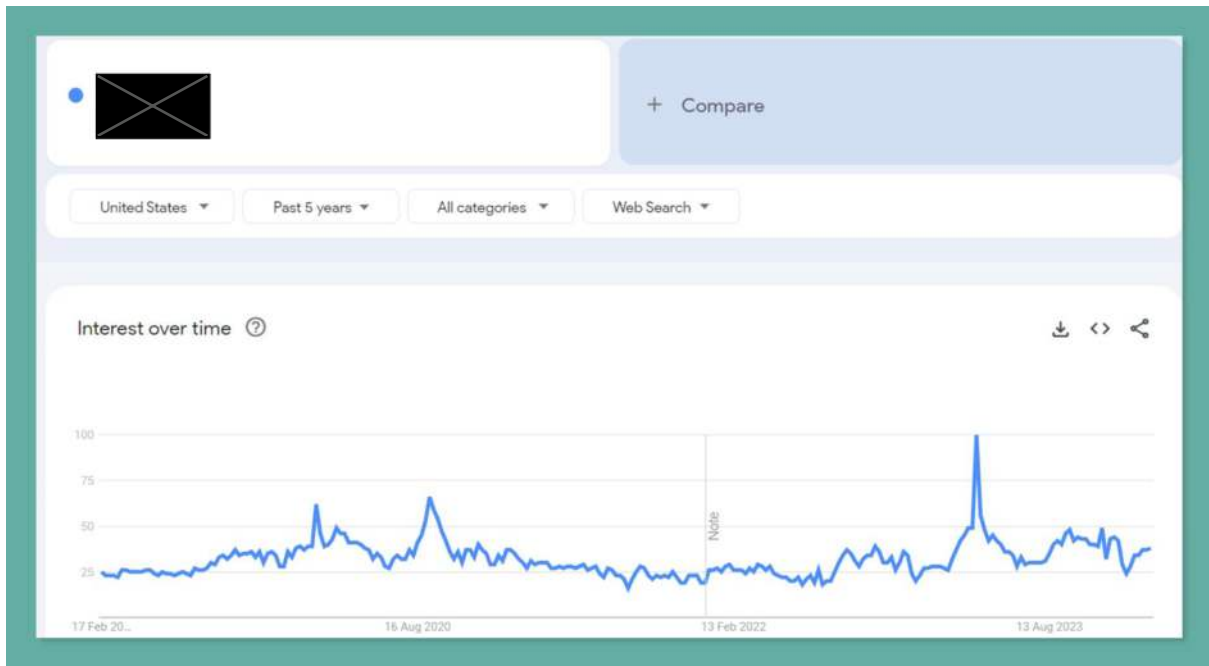
Keyword: ⊠ (⊠ search volume according to Ahrefs)
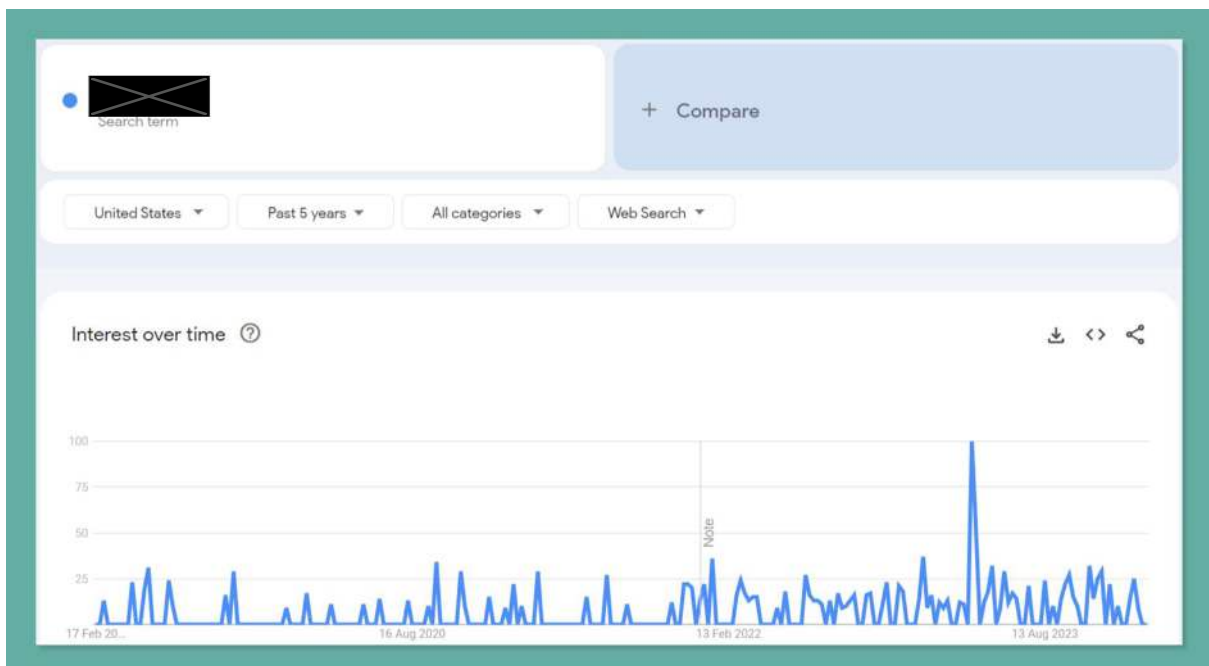
Keyword: ⊠⊠⊠ (keyword with ⊠ per month search volume according to Ahrefs, ⊠ ⊠⊠⊠⊠⊠⊠⊠⊠)

Keyword	SF	Volume	KD	CPC	Traffic	Paid	Position	URL
	1	250	52	0.00	45	0	1	
	2	250	2	0.00	40	0	1	
	2	200	1	0.00	36	0	1	
	2	150	52	0.00	27	0	1	
	2	70	20	0.00	20	0	1	
	1	50	19	0.00	19	0	1	
	3	50	18	0.00	12	0	1	
	1	70	40	1.20	10	0	2	
		50	76	0.00	8	0	1	
	2	600	0	0.09	8	0	16	
	1	150	5	0.00	8	0	8	
	3	20	6	0.00	8	0	1	
	2	450	1	0.09	7	0	15	
	1	30	71	1.06	6	0	2	
		30	48	0.00	6	0	2	
	2	50	25	0.00	5	0	4	

Top Keywords By Traffic (per Ahrefs)
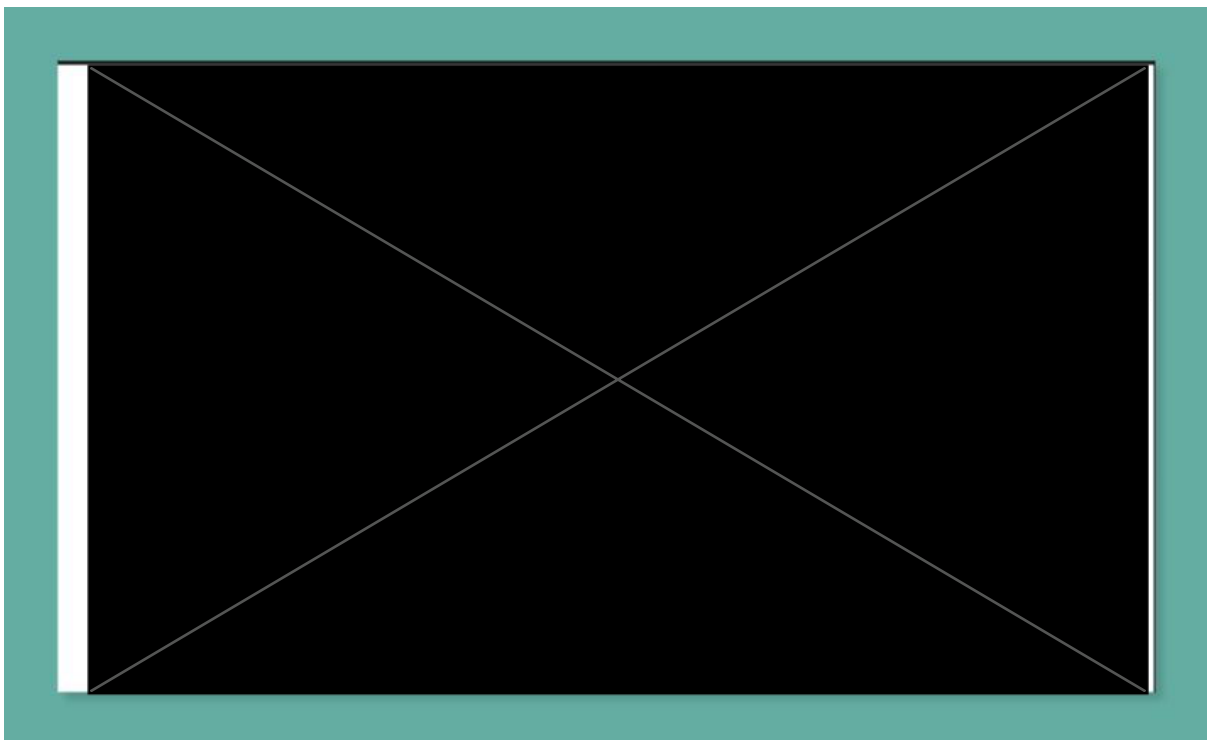
The previous owners opted to target smaller (in terms of search volume) keywords, and that approach appeared to work well, at least before the most recent Google updates launched in September 2023. The traffic is well distributed among the top pages. It's worth noting that the content is not evergreen; it will become obsolete within a year or two, so you will need to frequently update your content.

Traffic Analysis

UNIQUE VISITORS	TOTAL VISITS	TOTAL PAGEVIEWS	VIEWS PER VISIT	BOUNCE RATE	VISIT DURATION
2.6M	3.3M	4.6M	1.4	72%	5m 00s

Top Sources — All Campaigns ⌄

Source	Visitors
Direct / None	1.8M
✕	349k
Google	277k
Facebook	25.2k
Bing	19.9k
Instagram	19.8k
Hacker News	11.8k
Twitter	11.4k
✕	5.5k

⌄ DETAILS

Top Pages — Top Pages Entry Pages Exit Pages

Page	Visitors
/	2.5M
/home	136k
/home/	56.4k
/pricing	8.3k
✕	4.7k
/pricing/	2.3k
/updates	1.8k
/contact	1.6k
✕	1.3k

⌄ DETAILS

Locations — Map Countries Regions Cities

⌄ DETAILS

Devices — Browser OS Size

Screen size	Visitors	%
Desktop	1.4M	55
Laptop	576k	22.1
Mobile	482k	18.5
Tablet	150k	5.8
(not set)	3.3k	0.1

Organic traffic

Despite the owner's claim that most of the traffic is organic, this is not entirely accurate. Only 11.5% is pure organic traffic coming from search engines (Google/Bing).

Direct traffic is the primary source, accounting for 70.7% of the total traffic, mainly because many users have it set as their bookmarked startup page in their browser. When you visit Lofi.co, you are redirected to the dashboard. Only 0.2% of visitors from direct traffic navigate to other pages on the site, namely the homepage.

The second source of traffic is attributed to ██

The third source is organic (11.5%), consisting of traffic from Google and Bing.

As indicated by the screenshot above, organic traffic from Google has significantly decreased this year compared to its peak in February 2022.

The final noteworthy source is social organic, with about 2.5% of all traffic coming to the site.

An unusual traffic statistic is the geographical distribution of visitors, with the majority coming from Thailand (20.8%), followed by the United States (11.3%) and Italy (6.9%). This geographical split of traffic is highly unusual.

Unfortunately, traffic from Thailand, India, and similar countries is not valued as highly as traffic from the US, which is evident in the provided chart of paid subscriptions per country, where Thailand ranks significantly lower than the US.

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Most Visited Pages (All time)

URL	% of total traffic	Users	Top KW	Position	Type of article
▧▧▧▧	92.13	2.5M	▧▧▧▧	1	Dashboard
▧▧▧▧▧	6.95	193K		-	Homepage
▧▧▧▧▧	0.3	10,700	-	-	Pricing
▧▧▧▧▧	0.1	4,724	▧▧▧	3	Page
▧▧▧▧▧	0.1	1,828	▧▧▧	6	Page

The site itself is sparse, with a small number of pages. Almost all the traffic is directed towards the dashboard and the homepage, with some pageviews extending to other pages on the site.

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Last 12 Months' Traffic

| Month	Visitors	Pageviews
Feb 2023	72,437	180,342
March 2023	68,316	153,901
Apr 2023	57,870	127,780
May 2023	72,749	115,872
Jun 2023	150,416	239,622
Jul 2023	106,770	170,053
Aug 2023	85,171	138,809
Sep 2023	75,657	120,273
Oct 2023	71,793	114,513
Nov 2023	69,837	106,495
Dec 2023	51,354	80,826
Jan 2024	59,960	97,987
Current:	20,102	34,441
Averages:	78,527	137,206

Additional Traffic Data

Averages:	
Views per visit	1.4
Session duration	01:08
Bounce rate:	78.5%
Traffic By Channel (New users):	**%**
Direct	70.74%
▨▨▨	13.1%
Organic (Google)	10.44%
Facebook	0.95%
Bing	0.75%
Traffic By Device:	**%**
Mobile	18.5%
Desktop	75.7%
Tablet	5.8%
Traffic By Country	**%**
Thailand	20.82%
US	11.33%
Italy	8.5%
India	6.8%
Brazil	5%

Google Updates Impact
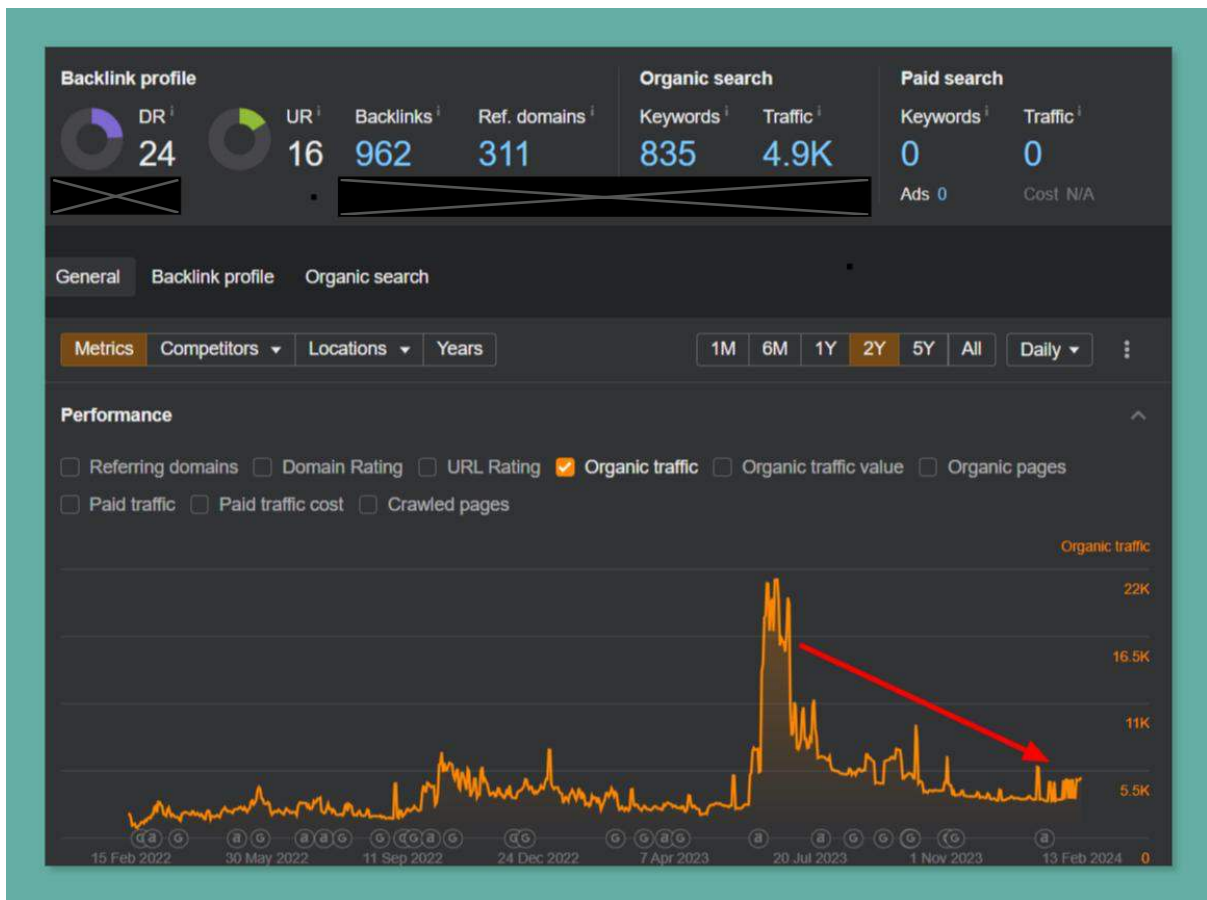
Ahrefs traffic graph

February 12, 2024 compared to August 12, 2023 (6 months)

Keywords that improved in rankings	78
Keywords that declined in rankings	**341**
Newly found keywords	116
Lost keywords	**703**

Several Google updates targeting content quality were launched in the last 24 months. It appears that this site was partially affected by a few of the 2023 updates. The biggest hit was the one from the August 2023 update

An analysis using Ahrefs reveals that the number of lost and declined keywords is significantly higher than the number of newly discovered keywords and those that improved in ranking.

Here is a list of all lost and declined keywords for further analysis: ✕✕

This screenshot shows the issue. The site peaked in May 2022 attracting 1,500 US visitors from Google search, and it dropped to only 200 people coming to the site in December of 2023.

This means that organic traffic is almost nonexistent in the US which being the highest paying market, isn't a good sign.

Content Analysis

- **Sitemap URL: None**
- **Total pages:** 35 (███████████████████████)
- **Indexed pages:** 15
- **Total Word Count:** 25k
- **Average Word Count:** 750
- **Publishing frequency:** 10 articles (████████)

Content-Type Breakdown

Blog pages 27.5%

Service pages 72.5%

Type	%	Examples
Service pages	72.5	▨▨▨▨
Blog	27.5	▨▨▨▨

The content breakdown is quite straightforward with just a well-written sales pitch on the homepage. Beyond that, the owner hasn't engaged much in content marketing. There is an active blog at ▨▨▨▨, where, to date, 10 articles have been published. None of these articles rank for any keywords, indicating they were not optimized for SEO.

Regarding the service pages related to the ▨▨▨▨▨▨, most are concise and well-crafted. However, it's common for similar SaaS platforms to have at least a few landing pages targeting different traffic segments.

Content is one area that could drive organic traffic. There are several classic strategies, such as comparing your service with competitors, creating educational content around productivity, and featuring aspects of your dashboard, ▨▨▨▨▨▨▨▨▨▨ ▨▨▨▨.

Google E-A-T Analysis

Author box included: No
Social media linked: No
Outbound links used: No

Regarding the E-A-T (Expertise, Authoritativeness, Trustworthiness) elements, they are almost nonexistent on the website. There is no "About" page showcasing the history and people behind the project, which diminishes the overall authority of the website. The owner is only mentioned as the author at the top of the blog articles. Within the blog articles themselves, no external links are pointing to reputable sources. Social media profiles (Instagram and Twitter) are linked from the homepage.

SEO Analysis

Onsite SEO Analysis

The website has a healthy AHREFs Domain Rating (DR) with a diverse amount of referring (linking) domains.

DA	DR	SW RANK	CF	TF	SS%	NUMBER OF LINKING DOMAINS	INDEXED PAGES
26	24	▨▨▨	21	12	28%	311	21

DA - Domain Authority (MOZ)
DR - Domain Rating (Ahrefs)

SW RANK - SimilarWeb Global Rank
CF - Citation Flow
TF - Trust Flow
SS% - Spam Score
Number of linking domains - domains that refer to the website
Indexed pages - number of indexed pages on Google search

ScreamingFrog Crawl Results

The crawler found no major errors that are not evident on most other websites. The results below are "good to know" and, if time permits, most of these things can be fixed.

	Title Tags / #	H1 Tags / #	Alt text / #	Meta des. / #	Images/ #
Missing	-	1	9	12	
Duplicated	-	4		-	
Too long/large	4	4		-	27
Too short	4	-		-	
4XX and 5XX Links	3				
3XX Redirects	-				

Page Speed Analysis & Web Core Vitals

The website has great page speed scores.

	Score
First Contentful Paint (seconds)	1.4 sec
Google Page Insights score (mobile)	92
Google Page Insights score (desktop)	89
Cumulative Layout Shift	0.2
Largest Contentful Paint Time (seconds)	2.5 sec

* only blog pages

Backlink Analysis

- **Number of referring domains:** 311
- **Total backlinks:** 962
- **Do follow backlinks (1 per domain, web 2.0 backlinks excluded):** 155
- **Backlinks from domains with DR >20:** 75
- **Best linked page:** ⬛⬛⬛⬛⬛
- **Redirected referring domains:** 136 (internal redirects)
- **Top 3 used anchor terms from do follow domains:** ⬛⬛⬛⬛⬛⬛
- **Average DR of do follow domains:** 23.6
- **Average Traffic of do follow domains:** 211k
- **Link velocity (L30D):** 13

Types of backlinks used

- **Directory links-** Unavoidable mentions of your site on the internet directories. No negative or positive effects on the Google rankings. ▨▨▨▨
- **Niche Insertions** - A common practice among online bloggers is to request other blog owners to include their links within their own posts. This technique is particularly prevalent for promoting websites. Usually, the insertion of the link requires payment. ▨▨▨
- **Brand mentions** - natural links acquired by brand mentions on the web. Most of these links are naturally inserted, however, sometimes you can purchase those links. ▨ ▨▨

Anchor's profile

Regarding the on-page SEO, the main page appears satisfactory; elements are well-placed, but we recommend testing a few different landing pages.

We would also like to see more content on all service-related pages. The blog section is not optimized at all and requires a complete overhaul.

The backlink profile is decent, with more than 300 referring domains pointing to the site. A significant portion of the links comes from niche-related websites. The anchor profile appears natural.

Overall, there isn't much to analyze concerning SEO, as most of the traffic doesn't come from organic sources like Google/Bing.

Competition Analysis

Competitor	Ref Domains	Traffic (Ahrefs)	DR	Indexed pages	Website Type	Age	Affected by update
✗✗✗✗✗✗	10	12,500	2	22	✗✗✗✗	1	No
✗✗✗✗	191	5,100	43	18	✗✗✗✗	1*	No
✗✗✗	413	146,000	59	961	✗✗✗✗	9	No
✗✗✗	1,300	12,800	53	5	✗✗✗✗	10	No
✗✗✗✗✗	274	60,200	33	5	✗✗✗	2	Yes

*built on the expired domain

Due to the relative simplicity of the app, there are many similar competitors on the market. This isn't necessarily negative, as it allows for thorough competitive research, comparing features and pricing, which could aid in improving revenue.

Looking at some of the competitors in the table above, most operate on a similar freemium model, with some focusing on Mac users, who are generally more inclined to purchase digital products than Windows users. It's worth mentioning that most of the competitors don't have an active blog, whereas ✗✗✗✗✗ attracts at least 200k organic visits through their blog. They even link ✗✗✗✗✗✗✗✗✗. This should be replicated, ✗✗✗✗✗✗✗✗✗✗✗✗✗✗

Workload and Investment Projections

As for the workload, the owner manages almost all aspects of the business. Development and design of the ✗✗✗✗✗ were outsourced at a very low cost. The owner set up the business with tools such as ChartMogul, Plausible, and Stripe for payment processing.

For customer service, the owner utilized a chat widget. Some standard tools were also used, including Google Workspace and newsletter tools. We estimate that you will need to spend at least 10 hours per week to maintain this business.

To scale this business, there are a few avenues:

- Invest in proper SEO by targeting high-volume keywords with hyper-targeted service pages. Then supplement those with information blog content.
- Sponsor ✗✗✗✗✗✗ newsletters. Those audiences will resonate with the software.
- Try Google paid ads if the cost per click of keywords is low but has high commercial intent.

Most of the tasks could be relegated to a designer, developer, VA, or an SEO specialist.

Valuation & Deal Structure

The negative issues we've outlined in this report should help with negotiations:

1. **No clear path to bring new visitors.** First, not all traffic is organic; 70% of the traffic is unaccounted for direct traffic, and most of the organic traffic comes from Thailand, with only 200 people from Google US visiting the site in December. The decline in organic traffic is not a good sign.
2. **The business is stagnating** with projected gross revenue dropping by more than 10% in Q4.

The seller is an "indie hacker" who has tried various things and built up interesting SaaS business. But with that, comes lack of experience to scale this to the next level. This is why the seller is selling. This is also what you can use to negotiate strongly.

Here are the other issues you should consider:

- ███ has a large audience on YouTube. Many free playlists ██████████████ ████████ This is your competitor.
- At a price point of $4-$6 per month, this leaves very minimal room on a per-customer basis to try different marketing tactics (paid ads, newsletter sponsors, etc).
  - **For example,** sponsorships on newsletter for a single edition can run $300 to $1,000 depending on audience size. Typical CTRs are 1-3%. So if a list has 10,000 subscribers with a CTR of 3% best case, that's 300 visitors to the website. Of those, maybe best case 10% convert. That's around $90 to $150 in recurring revenue. The ROI just is not there on low-tier pricing.
- Better revenue potential could be █████ advertisements or ██████ advertisements. Since users are ██████ for hours on the platform, they are perfect customers for brands to target.

A 5.5X annual multiple is unrealistic for a SaaS of this age and size. We propose a 4X annual multiple.

Here is what we would propose:

- 4X annual multiple, LTM $5,470/mo
- Valuation: $262,560
- 80% immediately paid to buyer
- 20% paid after 12 months IF performance of the business is above $5,000 MRR at the time of payout

You should not pay a 20% payout after 12 months if the business is not performing. This should be conditional on performance.