

# The Koenig Ventures LLC Valuation Model

Private market valuation remains one of the most persistent challenges in modern finance. Unlike public markets, where price discovery is continuous, private assets are typically valued infrequently and often with a degree of subjectivity that can obscure true economic risk. The result is a tendency toward smoothed returns and delayed recognition of changing conditions—what many investors have come to view as “mark-to-myth.”

At Koenig Ventures LLC, we approach valuation as a dynamic system rather than a static output. The Koenig Ventures Valuation Model, developed initially in Python and translated into Excel for practical implementation, is designed to bring structure, transparency, and forward-looking discipline to private asset valuation.

The model begins with a clear and grounded set of input assumptions. These include current revenue levels, expected growth rates, operating margins, and discount rates. From this baseline, a three-year forward projection is constructed, allowing for a structured view of how value evolves over time. While this foundation resembles traditional valuation approaches, the model departs meaningfully in how it treats uncertainty.

Rather than relying on a single outcome, the framework evaluates multiple scenarios. Variations in revenue growth, cost structure, and exit assumptions are incorporated to reflect a range of possible futures. This produces a valuation that is not a fixed point, but an implied distribution of outcomes—closer in spirit to how risk is understood in derivatives markets.

A distinguishing feature of the model is its ability to incorporate changing conditions through adjustments to key inputs. Growth expectations, discount rates, and valuation multiples can all be modified to reflect shifts in the economic or market environment. In this sense, the model is designed to evolve as new information emerges, rather than remain anchored to outdated assumptions.

The Excel implementation plays an important role in this framework. While the underlying logic reflects a more advanced analytical structure, the spreadsheet format ensures accessibility and transparency. Each assumption is visible, each calculation traceable, and each output understandable to investment committees, operators, and advisors. This balance between rigor and usability is intentional.

Equally important is the governance surrounding the model. Valuation is treated as an ongoing process, with regular updates, sensitivity analysis, and review of key assumptions. This ensures that outputs remain aligned with current conditions and consistent with fair value principles.

As private markets continue to grow in size and importance, the expectations placed on valuation frameworks are increasing. Investors are demanding greater clarity, more disciplined methodologies, and a stronger connection between assumptions and outcomes.

In public markets, price is discovered. In private markets, it must be constructed—carefully, transparently, and with full recognition of uncertainty. The Koenig Ventures Valuation Model reflects our commitment to bringing a higher standard of analytical discipline to that process.

The Koenig Ventures LLC Valuation Model is provided below as a working tool to accompany this paper. It reflects a simplified implementation of our broader valuation framework, designed to bring structure, transparency, and forward-looking analysis to private market investments.