EDUCATION, INNOVATION, KNOWLEDGE

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ANALYSIS OF FINANCIAL-ECONOMIC INDICATORS OF STARTUPS

This article delves into the financial-economic dynamics of international startups, with a focus on three prominent companies: Monday, Bolt, and Airbnb. The study examines changes in assets, funding sources, and financial results from 2018 to 2022, revealing divergent trends. Bolt has experienced significant asset growth, primarily driven by borrowing, while Monday has shown increased financial independence. Despite negative net profits, these startups prioritize long-term strategies over short-term profitability, as evidenced by positive gross profits.

Furthermore, the article extends its financial-economic indicator analysis to Armenian startups, specifically Krisp and Picsart, examining their from 2021 to 2022.

Krisp has demonstrated a reduction in assets alongside a decrease in liabilities, leading to improved financial independence. In contrast, Picsart has exhibited asset growth driven by internal resources, resulting in enhanced return on assets.

Overall, this research highlights that startups strategically invest in expansion, anticipating long-term gains and increased market share value, despite short-term losses. The findings provide valuable insights into the financial dynamics of startups, emphasizing their unique approach to sustainability and growth.

INTRODUCTION. Today, innovations and ideas sprout and grow into start-ups. The growing number of these infant corporations with agility and unique solutions make them significant contributors in the changing economy. As the startup ecosystem grows, we have to find out how these entities draw up their budgets. Startup financial-economic dynamics are the focus of this work, which is conducted using advanced scientific means of comparison, analysis, and consolidation.

Scrutiny of initial startup financial-economic activities goes far beyond the scope of entrepreneurs and touches upon the economic aspects as well. While they are not always successful, startups have great value because their disruption of markets and defiance of existing rules can often drive the economy forward. Investors, policymakers, and other parties need to understand the financial issues associated with such firms. It reveals the health of each startup individually as well as shows trends and potential problems within the economy.

This study seeks to unlock the intricacies of early-stage finance. Through an all-encompassing approach, we strive to look deeper than mere observations at the heart of finances. Highlighting similarities and differences between startups is part of a comprehensive approach that makes it possible to develop appropriate strategies for different interested parties. The study bridges the gap between the theoretical financial models for start-up companies and their practical realities.

LITERATURE REVIEW. In order to understand what components are involved in determining the productivity of business startups as well as their success, it is imperative to study their financial-economic indicators in a holistic manner. Financial-economic factors like an initial investment, performance on a daily basis, ability to survive economic difficulties, as the main points of a good work are connected to each other, and they could be revealed only after a thorough examination. Further, there are the extraordinary circumstances caused by the COVID-19 pandemic. The other important issue involved here is, firstly, a detailed examination of business angels' investments, and secondly, the

consideration of options for direct actions towards startup enlargement taking into account these conditions.

The mix of financial intelligence, a pinpoint performance measurement strategy, planning, and internal financial analysis becomes a must for innovative start-up ventures (András, 2018). This way, metrics like total revenue and funding amounts reveal how important those choices are in determining whether a startup succeeds or fails (Joni, 2020).

Startups can be financially stable through skillful financing and building internal confidence among members. The findings of panel data analysis indicate that the combination of the financing strategy, with particular human and social capital properties of the founder's, significantly influences the overall performance of a startup (Kenedi, 2023). This gives out a warning sign of imminent failure, showing that sustainable fundraising options are fundamental elements in ensuring start-up success (Ranjany, 2022).

The wide academic community acknowledges that this level of risk involves high rates of company failures, thus calling for strategic financial management and detailed analysis. Many are attracted to working at startups because they will make money and have good career progress over time. This highlights the interdependence between financial stability and the wellbeing of not only startup founders but also team members. Another key indicator that highlights a startup's potential in creating value is the total money that has been accumulatively raised.

More broadly, the financial success of a startup comprises the multifaceted effects of being strategically sensible about how one allocates money, having the ability to develop an appropriate business mode for the enterprise, calculating accurate evaluation values, employing successful fundraising techniques, and taking advantage of special incentives. These are some of the few factors that highlight the key role of good financial management, sufficient planning, and the ready availability of funds necessary for guiding the startup to their success in the academic sector.

RESEARCH METHODOLOGY. For the analysis of the startups' operations, scientific methods of comparisons, analyses, and combinations were chosen. It has enabled a systematic study of financial information within selected start-up organizations to identify and exploit financial resources.

By comparing various organizations, it was possible to identify similarities and differences in their characteristics, which allowed for the identification of general trends unique to each company. This approach has been used to compare the most important financial metrics of those firms that share certain characteristics.

In the research, we have used the analysis approach, which allows for the assessment and forecasting the financial state of businesses state based on financial data. The dialectical approach to the study of financial processes

serves as the foundation for the financial analysis method, which is the examination of the organization's financial status. Within the above-mentioned methods, we have implemented the procedures of gathering, organizing, and consolidating financial information, which are essential for assessing the organization's financial status. Using the set of indicators that characterize the financial activities of startups in a variety of ways, the analysis approach allows for the identification, measurement, and evaluation of the reasons for the changes that take place in order to increase the efficiency of the use of financial resources and improve financial-economic indicators.

During the analysis method, we have used the horizontal method for identifying the absolute and relative deviations of different financial-economic indicators and evaluating their changes. The vertical method has been used for calculating the weights of each component in the obtained financial-economic indicators and evaluating the consequences of the deviations.

The combination method has also been used in the research, through which the results of different indicators separated by financial analysis have been coordinated and presented in a complete context. The importance of the combination method stems from the approach that, after analysis, the comparable performance indicators of different startups are presented in a single context to have a parallel picture and assessment.

ANALYSIS. Startups, having their characteristic features from organizations in other fields, are nevertheless related to the management of financial flows and the consequences arising from them. Naturally, not all startups are able to have a long life, one of the main reasons is the emergence of unfavorable circumstances of financial and economic stability, which makes their existence impossible. Of course, some leave the pure profit strategy on the back burner, challenging the large-scale implementation of reinvestment mechanisms.

At the same time the startups, established and developing their actual activities in different countries, have characteristics that are mainly due to the investment policy, legal framework, security environment, and many other characteristics of each country. In particular, our research and studies lead to the idea that the majority of startups in the embryonic stage generated in the Republic of Armenia get their registration abroad because large foreign venture companies show less interest in organizations registered in the Republic of Armenia. That is one of the reasons that even startups with actual activity in Armenia but registered abroad as a legal entity do not have the obligation to publish their financial-economic indicators in the RA, due to which the assessment of financial and economic indicators related to their activity becomes extremely difficult.

When drawing up the investment project, the key questions concern the sources startups use to carry out their activities with certain financial-economic indicators:

1. Are own or borrowed funds predominant?
2. Are there prerequisites for ensuring profit from operational activities?
3. Is the profit reinvested in the given organization, ensuring the development and dynamic growth of the startup?

Many of the answers to such questions can be found through in-depth analysis of financial and economic indicators.

However, in order to assess the activity of startups, foreign organizations operating in different directions and with different financial and economic indicators were singled out, and the dynamic analysis reveals certain patterns. It refers to the dynamic analysis of the financial performance indicators of Monday, Bolt, and Airbnb startups, as well as the most in-depth and factored evaluations through a series of ratios.

Table 1

Dynamic changes in the assets and current assets, 2018-2022 (million dollars)

N/Y	Indicators	Company name	2018	2019	2020	2021	2022
1	Asset	Monday	-	185.0	157.0	933.0	1,039.0
		Bolt	3,174.0	5,893.0	8,074.0	10,963.0	19,418.0
		Airbnb	6,613.0	8,310.0	10,491.0	13,708.0	16,038.0
2	Asset growth rate	Monday	-	0.0	-15.14%	494.27%	11.36%
		Bolt	-	85.66%	37.01%	35.78%	77.12%
		Airbnb	-	25.66%	26.25%	30.66%	17.00%
3	Current asset	Monday	-	181.0	148.0	913.0	924.0
		Bolt	1,639.0	2,292.0	2,749.0	3,087.0	4,322.0
		Airbnb	5,875.0	6,561.0	8,916.0	12,386.0	14,861.0
4	Current asset growth rate	Monday	-	0.0	-18.23%	516.89%	1.20%
		Bolt	0.0	39.84%	19.94%	12.30%	40.01%
		Airbnb	0.0	11.68%	35.89%	38.92%	19.98%
5	The ratio of current assets to assets	Monday	-	97.8	94.3	97.9	88.9
		Bolt	51.6	38.9	34.0	28.2	22.3
		Airbnb	88.8	79.0	85.0	90.4	92.7

Note: The table was composed by the authors. The primary sources for data collection are:
1. https://www.wsj.com/market-data/quotes/AR/XBUE/Bolt/financials
2. https://www.wsj.com/market-data/quotes/Airbnb/financials
3. https://www.wsj.com/market-data/quotes/Monday/financials

First, let us present the dynamic change of the assets and current assets of the selected organizations (Table 1), based on which we will evaluate the efficiency of their management in the context of profitability. Turning to the startups' activities in parallel, the first outstanding circumstance is not only the relatively large amount of assets managed by Bolt but also the sharp increase, from about 3.2 billion dollars in 2018 to 19.4 billion dollars in 2022, and only in 2022, compared to the previous year, the increase was 77.1%. If we look at Monday in comparison, it even decreased by about 15% in 2020, reaching 157.0 million dollars, but has increased in recent years, crossing the threshold of 1.0 billion dollars in 2022. As for Airbnb, the assets managed by it also had an upward trend, but compared to Bolt, they had more modest dynamics. However, their value estimate reached 16.0 billion dollars in 2022.

In addition to the above-mentioned, it is extremely important to evaluate the size of current assets in assets, because the latter participate in financial cycles and the size of profits depends largely on their pace. Accordingly, the share of current assets in assets is significant for Monday and Airbnb companies, in which the share in the structure of assets in 2022 was 88.9% and 92.7%, respectively, while in Bolt this indicator was only 22.3%.

Table 2

Dynamic changes in funding sources, 2018-2022 (million dollars)

N/Y	Indicator	Company name	2018	2019	2020	2021	2022
1	Equity	Monday	-	103.0	16.0	703.0	680.0
		Bolt	2,551.0	4,994.0	5,320.0	7,156.0	12,200.0
		Airbnb	-517.0	-808.0	2,902.0	4,776.0	5,560.0
2	Equity growth rate	Monday	-	0.0	-84.5%	4293.75%	-3.27%
		Bolt	-	95.77%	6.53%	34.51%	70.49%
		Airbnb	-	56.29%	-459.2%	64.58%	16.42%
3	Liabilities	Monday	-	82.0	141.0	230.0	359.0
		Bolt	623.0	899.0	2,754.0	3,806.0	7,218.0
		Airbnb	7,130.0	9,118.0	7,590.0	8,933.0	10,478.0
4	Liabilities growth rate	Monday	-	0.0	71.95%	63.12%	56.09%
		Bolt	-	44.30%	206.34%	38.20%	89.65%
		Airbnb	-	27.88%	-16.76%	17.69%	17.30%
5	Financial independence score	Monday	-	0.56	0.10	0.75	0.65
		Bolt	0.80	0.85	0.66	0.65	0.63
		Airbnb	(0.08)	(0.10)	0.28	0.35	0.35

Note: The table was composed by the authors. The primary sources for data collection and summarization are:
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3. https://www.wsj.com/market-data/quotes/Monday/financials

When assessing the financial risks of startups, the approach according to which it is assessed is very decisive no matter the financing of the project and its further expansion has been carried out at the expense of own or borrowed funds. The mentioned circumstance is crucial, because from the point of view of financial and economic stability and risks, the ratio of equity and loans is important, as is its dynamic change, which can be a key indicator from the point of view of the future existence and development of the organization and indicate the probability of bankruptcy or cessation of activity.

In order to ensure the course of activity, the necessary assets in each of the analyzed organizations have been obtained from different sources. In particular, along with the growth of assets in Monday, the share of their provision from their own sources has increased in the last two years. This has led to the weakening of the dependence on external sources of financing and has formed financial independence coefficients of 0.75 and 0.65 (Table 2) in 2021 and 2022, respectively. In such a situation, the organization is more confident, and its financial and economic stability is high enough to ensure the continuity of its future activities.

Asset growth in Bolt has been accompanied by growth in both equity and borrowing, but borrowing has outpaced equity growth, leading to a decline in

financial independence in recent years. Although this indicator characterizing financial stability, being 0.63 in 2022, is above the level considered optimal by international standards, 0.5, the dynamics show that it has decreased from 0.85 in 4 years, which means that the structure should be forced to make the pace of borrowing more controllable to avoid further financial instability.

Table 3

Dynamic changes in financial results, 2018-2022 (million dollars)

N/Y	Indicator	Company name	2018	2019	2020	2021	2022
1	Revenue	Monday	-	78.1	161.1	308.2	519.0
		Bolt	1,968.0	2,818.0	1,986.0	3,290.0	8,572.0
		Airbnb	3,652.0	4,805.0	3,378.0	5,992.0	8,399.0
2	Revenue growth rate	Monday	-	-	106.33%	91.25%	68.43%
		Bolt	-	43.20%	-29.53%	65.62%	160.58%
		Airbnb	-	31.58%	-29.70%	77.37%	40.18%
3	Cost of sold goods	Monday	-	2.0	22.5	39.0	66.5
		Bolt	1,020.0	1,632.0	1,688.0	2,696.0	6,428.0
		Airbnb	864.0	1,196.0	876.0	1,156.0	2,540.0
4	Gross profit	Monday	-	66.1	138.6	269.1	452.5
		Bolt	948.0	1,187.0	299.0	594.0	2,144.0
		Airbnb	2,788.0	3,609.0	2,502.0	4,836.0	5,859.0
5	Gross profit growth rate	Monday	-	0.0	109.70%	94.13%	68.13%
		Bolt	0.0	25.21%	-74.81%	98.66%	260.94%
		Airbnb	0.0	29.45%	-30.67%	93.27%	21.16%

Note: The table was composed by the authors. The primary sources for data collection and summarization are:
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3. https://www.wsj.com/market-data/quotes/Monday/financials

As for Airbnb, the latter has a logically opposite situation. The significant growth of assets was accompanied mainly by the progressive growth of equity, and in 2018-2019, liabilities exceeded the value of assets, making equity a negative value. However, the company's strategic approach to financial management shows that the financial independence ratio in 2022 was quite below the acceptable norm, which is 0.35. With five-year dynamics, it has a growing trend, which indicates the weakening of the need to attract financial resources from external sources.

Naturally, startups, like any other organization, mainly focus on the sale of the product and its growth rate, and in most cases, increasing the level of profit growth. In the context mentioned, in Table 3 and Table 4 we have summarized the financial results recorded by the organizations during the analyzed period. In particular, the increase in the involvement of financial resources in organizations has also ensured an increase in the volume of sales of products, leading to an increase in sales revenue. Although at different rates, each of the organizations has also recorded actual growth in gross profit, expressed in different ways, over the past three years. Thus, the growth rate in Monday has a downward trend, decreasing from 109.7% in 2020 to 68.13%; in Bolt, a dynamic growth trend is recorded, from -74.81% to 260, 94% (Table 3); changes in Airbnb are not stable, the rate of increase followed by decrease.

Dynamic changes in profit, 2018-2022 (million dollars)

N/Y	Indicator	Company name	2018	2019	2020	2021	2022
1	Net profit	Monday	-	(91.6)	(152.2)	(137.5)	(136.9)
		Bolt	560.0	132.0	(1,353.0)	(1,378.0)	(1,092.0)
		Airbnb	(17.0)	(674.0)	(4,585.0)	(352.0)	1,893.0
2	Net profit growth rate	Monday	-	0.0	-66.14%	9.66%	-0.46%
		Bolt	0.0	-76.43%	-1125.0%	-1.85%	20.75%
		Airbnb	0.0	-3864.7%	-580.27%	92.32%	637.78%
3	EBITDA	Monday	-	(91.9)	(148.6)	(123.4)	(143.4)
		Bolt	619.0	732.0	63.0	639.0	1,978.0
		Airbnb	101.0	(383.0)	(3,313.0)	729.0	1,968.0
4	EBITDA growth rate	Monday	-	0.0	-61.68%	17.00%	-16.27%
		Bolt	0.0	18.26%	-91.39%	914.29%	209.55%
		Airbnb	0.0	-479.21%	-765.01%	122.00%	169.96%
5	EBIT	Monday	-	(92.5)	(150.5)	(126.1)	(152.0)
		Bolt	517.0	607.0	(362.0)	(289.0)	(148.0)
		Airbnb	19.0	(498.0)	(3,439.0)	553.0	1,879.0
6	EBIT growth rate	Monday	-	0.0	-62.71%	16.22%	-20.53%
		Bolt	0.0	17.41%	-159.64%	20.17%	48.79%
		Airbnb	0.0	-2721.1%	-590.56%	116.08%	239.78%

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3. https://www.wsj.com/market-data/quotes/Monday/financials

The system of profitability indicators for 2018-2022 (million dollars)

N/Y	Indicator	Company name	2018	2019	2020	2021	2022
1	(Revenue - Cost of sold goods)/Revenue	Monday	-	84.7%	86.0%	87.3%	87.2%
		Bolt	48.2%	42.1%	15.1%	18.1%	25.0%
		Airbnb	76.3%	75.1%	74.1%	80.7%	69.8%
2	Profitability of Activities	Monday	-	-117.3%	-94.5%	-44.6%	-26.4%
		Bolt	28.5%	4.7%	-68.1%	-41.9%	-12.7%
		Airbnb	-0.5%	-14.0%	-135.7%	-5.9%	22.5%
3	Return on assets	Monday	-	-	-89.0%	-25.2%	-13.9%
		Bolt	-	2.9%	-19.4%	-14.5%	-7.2%
		Airbnb	-	-9.0%	-48.8%	-2.9%	12.7%
4	Return on equity	Monday	-	-	-255.8%	-38.2%	-19.8%
		Bolt	-	3.5%	-26.2%	-22.1%	-11.3%
		Airbnb	-	101.7%	-437.9%	-9.2%	36.6%
5	Asset turnover	Monday	-	-	0.94	0.57	0.53
		Bolt	-	0.62	0.28	0.35	0.56
		Airbnb	-	0.64	0.36	0.50	0.56

Note: The table was composed by the authors. The primary sources for data collection and summarization are:
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3. https://www.wsj.com/market-data/quotes/Monday/financials

However, studying the financial-economic indicators of net profit, EBIT, and EBITDA, we see that in all 3 organizations, these indicators have a negative value (Table 4), except for Airbnb's positive indicators recorded last year. Studies show that after the positive recorded gross profit, the negativity of other indicators characterizing the profit is due to administrative measures and sales, as well as large amounts of expenses incurred for the purpose of further

development of the organizations. In other words, organizations have not adopted the approach of obtaining short-term effects but have outlined long-term and strategic approaches to achieve greater volumes and profits.

Along with the mentioned absolute indicators characterizing the financial and economic activity of startups, the indicators giving comparative evaluations are also of key importance. In particular, cost profitability shows the percentage of gross profit after deducting cost as a separate expense in sales revenue, and operating profitability shows the percentage of net profit in revenue. In Table 5, we have summarized the calculations of the given indicators, from which it becomes clear that Monday and Airbnb carry out their activities with a relatively low cost, having 87.2% and 69.8% cost profitability in 2022, respectively. This indicator is quite modestly expressed in Bolt - 25.0%, which means the development of activities with the highest cost.

It is also extremely important to evaluate the effectiveness of the management of the assets through indicators characterizing the return on assets (ROA) and return on equity (ROE). Since these indicators are calculated on the basis of the net profit, and for the latter we found out the reasons for being negative above, therefore, the reasons for ROA and ROE were negative in most cases.
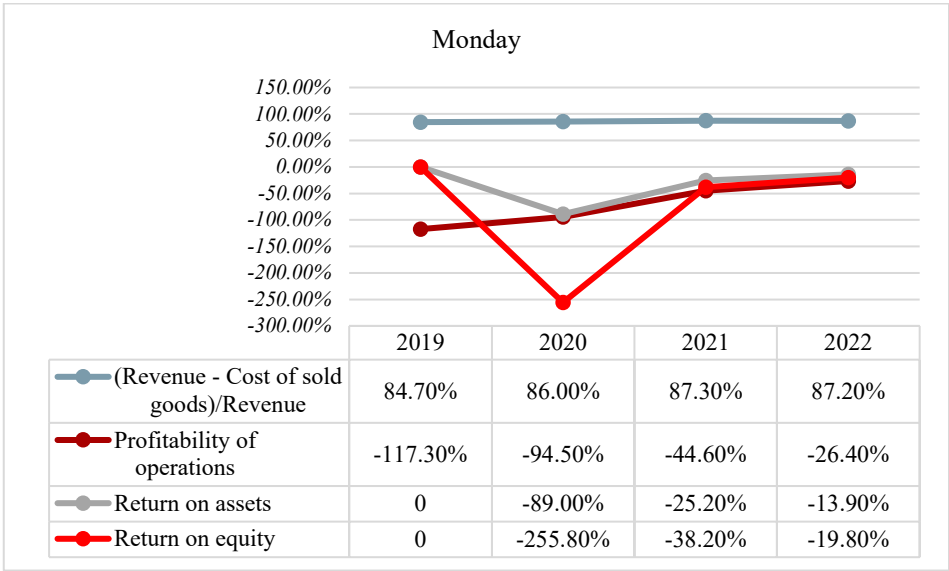

Monday

	2019	2020	2021	2022
(Revenue - Cost of sold goods)/Revenue	84.70%	86.00%	87.30%	87.20%
Profitability of operations	-117.30%	-94.50%	-44.60%	-26.40%
Return on assets	0	-89.00%	-25.20%	-13.90%
Return on equity	0	-255.80%	-38.20%	-19.80%

Chart 1. *Monday financial-economic indicators, 2019-2022*

Note: The table was composed by the authors. The primary sources for data collection and summarization are:
1. https://www.wsj.com/market-data/quotes/AR/XBUE/Bolt/financials
2. https://www.wsj.com/market-data/quotes/Airbnb/financials
3. https://www.wsj.com/market-data/quotes/Monday/financials

Except for the positive profitability indicators of Airbnb in 2022, they have had a negative trend in the organizations under consideration in recent years. However, as an observation of cause-and-effect relationships, we should note

that the negative nature of the indicators should point out the ineffective management of existing assets, but the main reason for the formation of net profit (as an indicator recorded as a negative value) is the increase in costs aimed at the long-term strategy of the organization, therefore, having a low profitability in the short-term interval. Negative levels represent greater profitability in the long run.

Changes in the dynamics of profitability indicators are more vividly presented in Chart 1, where the relative stability of sales profitability, which is higher than other indicators, is visible in all the analyzed organizations. Monday and Airbnb have experienced significant fluctuations in return on equity due to periodic changes in both equity and net profit.

Along with the differences in their financial-economic indicators, the analyzed startups had some strategic approaches in common; that is, in the conditions of negative net profit (loss) recorded in different years, the organizations continued to expand their activities, ensuring the growth of assets both at the expense of their own and financial resources attracted from other sources. This proves the investment attractiveness of the organizations. ***Therefore, organizations expect to achieve greater results in the long term by sacrificing short-term profitability.***
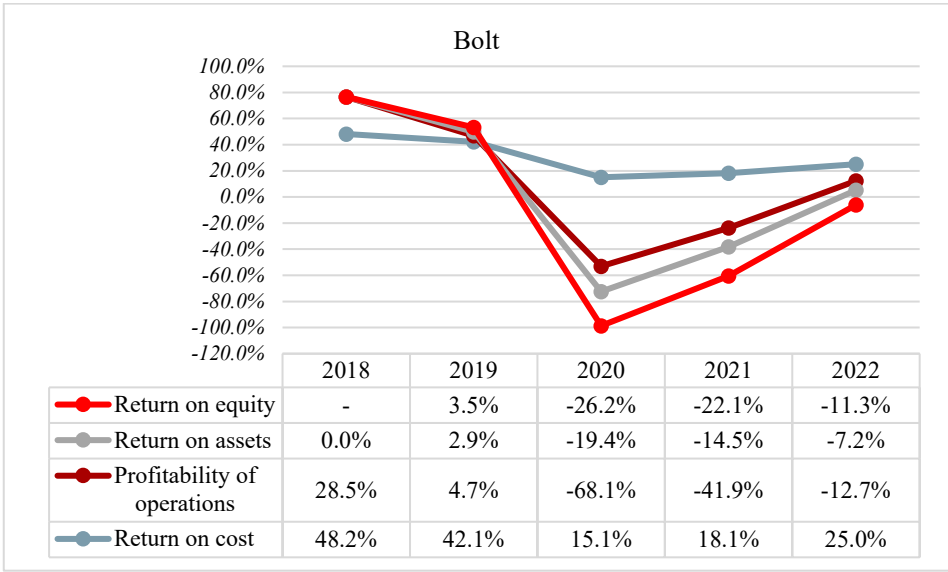

Bolt	2018	2019	2020	2021	2022
Return on equity	-	3.5%	-26.2%	-22.1%	-11.3%
Return on assets	0.0%	2.9%	-19.4%	-14.5%	-7.2%
Profitability of operations	28.5%	4.7%	-68.1%	-41.9%	-12.7%
Return on cost	48.2%	42.1%	15.1%	18.1%	25.0%

Chart 2. *Bolt financial-economic indicators, 2018-2022*

Note: The table was composed by the authors. The primary sources for data collection and summarization are:
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2. https://www.wsj.com/market-data/quotes/Airbnb/financials
3. https://www.wsj.com/market-data/quotes/Monday/financials

In order to get an idea about the Armenian startup ecosystem through financial-economic indicators and the international experience, it is extremely important to analyze the financial and economic indicators of the activities of

Armenian startup companies. In particular, we have studied the financial results of recent years of the companies with the most visible growth in this field: Krisp and Picsart.

First, the analyzed organizations had different trends in terms of financial-economic indicators in the last two years (Table 6). Thus, if Krisp's assets decreased from 1.3 billion drams to 1.0 billion drams in 2022, Picsart recorded a 28.4% increase in that direction, reaching 8.3 billion drams in 2022.

At the same time, a sharp decrease in working capital was noticeable in Krisp, and in Picsart, the increase in assets was mainly accompanied by an increase in working capital.

It is also clear from the analysis that the reduction of assets in Krisp was mainly accompanied by the reduction of large volumes of liabilities, due to which the equity capital increased from the risky -44.5 million drams in 2021 to 71.3 million drams at the end of the year. However, the coefficient of financial independence in 2022 is still far from the internationally accepted coefficient of 0.5 and is 0.07 (Table 7.), which means that the organization is still dependent on external donors to ensure the continuity of its activities.
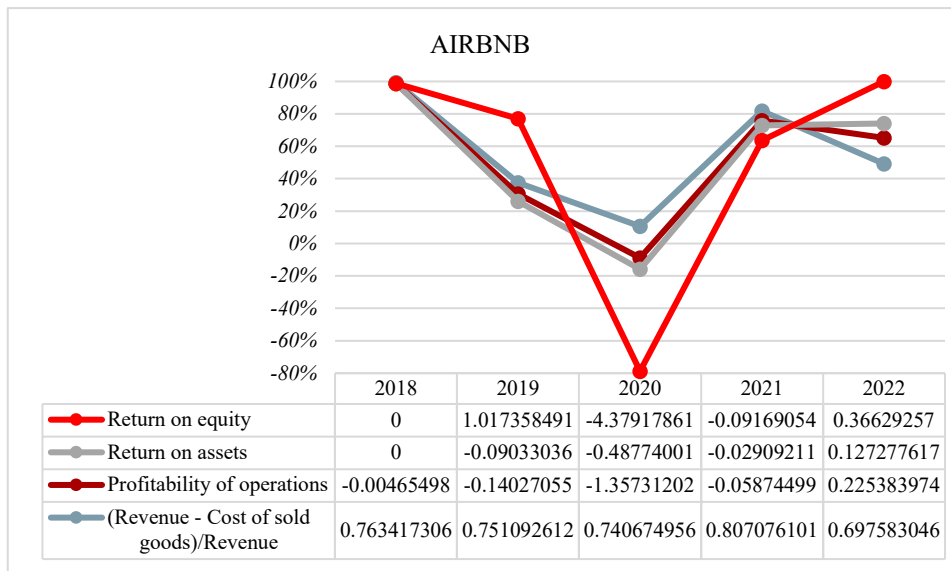

AIRBNB

	2018	2019	2020	2021	2022
Return on equity	0	1.017358491	-4.37917861	-0.09169054	0.36629257
Return on assets	0	-0.09033036	-0.48774001	-0.02909211	0.127277617
Profitability of operations	-0.00465498	-0.14027055	-1.35731202	-0.05874499	0.225383974
(Revenue - Cost of sold goods)/Revenue	0.763417306	0.751092612	0.740674956	0.807076101	0.697583046

Chart 3. *Airbnb financial-economic indicators, 2018-2022*

Note: The table was composed by the authors. The primary sources for data collection and summarization are:
1. https://www.wsj.com/market-data/quotes/AR/XBUE/Bolt/financials
2. https://www.wsj.com/market-data/quotes/Airbnb/financials
3. https://www.wsj.com/market-data/quotes/Monday/financials

In Picsart, the same indicator has also improved. In this case, the growth of assets was mainly provided at the expense of own financial resources, which led to a certain weakening of financial dependence. In 2022, the characteristic indicator reached 0.43.

Financial-economic indicators of Armenian startups, 2021-2022 (thousand dram)

N/Y	Indicator	Company name	2021	2022
1	Assets	KRISP	1,308,288.0	1,030,562.0
		PICSART	6,484,064.0	8,325,570.0
2	Current Assets	KRISP	474,020.0	217,902.0
		PICSART	3,561,218.0	5,696,145.0
3	The ratio of current assets to assets	KRISP	36.2%	21.1%
		PICSART	54.9%	68.4%
4	Equity	KRISP	-44,484.0	71,259.0
		PICSART	2,434,131.0	3,567,686.0
5	Liabilities	KRISP	1,352,772	959,303.0
		PICSART	4,049,933.0	4,757,884.0

Note: The primary sources for data collection and summarization are:
1. https://www.azdarar.am/announcments/org/129/01321775/
2. https://www.azdarar.am/announcments/org/129/01325079/

If the financial performance indicators in the analyzed foreign startup organizations, mainly net profit, EBIT (Earnings before interest and taxes), and EBITDA (Earnings before interest, taxes, depreciation, and amortization), had a negative value, then the net profit analyzed in Krisp had a positive magnitude in 2022, but in 2022 it decreased to a greater extent than the rate of decrease of assets, due to which the profitability of assets decreased to 1.7% (Table 7.). In the same period, Picsart had a completely opposite picture. Along with the growth of assets due to their more efficient management, the ROA indicator increased from 1.6% to 4.0%. The analysis of the EBITDA indicator is also important because it did not receive a negative value but also had an increasing trend in both organizations.

Financial performance of Armenian startups indicators, 2021-2022

N/Y	Indicator	Company name	2021	2022
1	Revenue	KRISP	3,292,221.0	4,549,818.0
		PICSART	16,449,406.0	20,337,951.0
2	Net profit	KRISP	115,743.0	17,119.0
		PICSART	101,134.0	336,985.0
3	EBITDA	KRISP	529,731.0	630,907.0
		PICSART	1,668,648.0	1,756,761.0
4	EBIT	KRISP	169,863.0	74,343.0
		PICSART	525,213.0	738,968.0
5	Profitability	KRISP	3.5%	0.4%
		PICSART	0.6%	1.7%
6	Return on assets	KRISP	8.8%	1.7%
		PICSART	1.6%	4.0%
7	Return on equity	KRISP	-260.2%	24.0%
		PICSART	4.2%	9.4%
8	Financial independence score	KRISP	(0.03)	0.07
		PICSART	0.38	0.43

Note: The primary sources for data collection and summarization are:
1. https://www.azdarar.am/announcments/org/129/01321775/
2. https://www.azdarar.am/announcments/org/129/01325079/

CONCLUSION. In conclusion, startups use various approaches but are focused on long-term goals. They use the bulk of that money for their expansions and developments. Moreover, some start-up firms prefer to sell off some of their assets when it becomes necessary because of the efficient utilization of capital. Initial investment results in high profits for such enterprises. The fact that the company is willing to take such measures in order to achieve better long-term outputs shows that it does not care about short-term profits.

Besides, start-ups also desire to enhance the stock price, and this could be very lucrative on the part of these ventures. On the other hand, loss positions among startups could be minimized through continuous share issues.

Financial intelligence is evident in startups because of their adaptability and financial and economic agility. In the short term cycle, cyclic equity issuance can be used by startups as a crucial strategic tool to overcome short-term resource strains and establish a firm financial basis for lasting strength and competition.

The long-term focus of startups towards strategic goals coupled with a flexible financial approach makes start-ups dynamic entities in the present business context. Therefore, the firms need to have strict control over their assets, funding sources, and financial results. Start-ups that succeed within an aggressively competitive ecosystem achieve such resilience through maintaining an equilibrium of strategic foresight, financial flexibility, and sustained growth.

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