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Schmied Enterprises LLC is working on an innovative manufacturing venture focused on advanced **smart displays and display sticks**. The company's flagship product line will feature cutting-edge smart displays capable of functioning as **interactive whiteboards, marketing platforms, and retail information systems**. These displays incorporate remote management capabilities, allowing businesses to control and update content across multiple locations seamlessly. Our technology represents an advancement in digital signage and interactive display solutions, combining hardware excellence with cloud-based management systems.

The project encompasses a three-year implementation timeline, with ambitious yet achievable sales targets. Our production and sales strategy aims to deliver between **10,000 to 40,000 smart display units** to the market, with retail pricing strategically positioned between **\$450 and \$1,500 per unit**. This pricing structure ensures market competitiveness while maintaining healthy profit margins, considering manufacturing costs, distribution channels, and market positioning. The scalable production model allows for adjustments based on market demand and technological advancements.

The market opportunity is substantial targeting the electronics sectors in the United States and European Union. Our total addressable market potential aligns with the global office laptop market, valued at approximately \$200-300 billion. Within this vast landscape, we have identified our specific **serviceable obtainable market at approximately \$20 million**, derived from careful analysis of the competitive landscape. This calculation considers approximately hundred hardware manufacturers, factors in ten newly funded direct competitors, and applies a conservative market penetration rate accounting for learning curves and market adoption patterns.

Since its inception in 2020, Schmied Enterprises LLC has built a solid foundation in the technology sector. Our competitive advantage is strengthened by our **proprietary streaming codec technology, protected by a US patent**, which we plan to leverage through licensing agreements alongside our manufacturing operations. While our primary revenue stream has historically been consulting services, this manufacturing initiative represents our strategic pivot into product development and manufacturing, building upon our technical expertise and market understanding.

To facilitate this expansion into manufacturing, Schmied Enterprises LLC is seeking **USD 4 million debt or equity financing**. We offer investors an attractive opportunity to participate in our growth. The equity portion will be structured with standard protection clauses. The debt portion is proposed to be 5-year term at market-competitive interest rates. This funding will primarily support IC design services, manufacturing setup, inventory procurement, co-selling third party equipment, and initial marketing efforts, with prioritized operating break even within 24 months of product launch. Our financial projections support an expected exit opportunity through either strategic acquisition or IPO within 5-7 years.

Projected Financial Plan (2025-2027)

| Income Statement | | |
|----------------------------------|--------------|--------------|
| Revenue | Low | High |
| Unit Sales (10k-40k) | \$15,000,000 | \$18,000,000 |
| Total Revenue | \$15,000,000 | \$18,000,000 |
| | | |
| Cost of Goods Sold (COGS) | | |
| Production Costs | \$7,500,000 | \$9,000,000 |
| Total COGS | \$7,500,000 | \$9,000,000 |
| | | |
| Gross Profit | \$7,500,000 | \$9,000,000 |
| | | |
| Operating Expenses | | |
| Research & Development | \$3,500,000 | \$4,000,000 |
| Marketing & Sales | \$2,000,000 | \$2,500,000 |
| General & Administrative | \$500,000 | \$500,000 |
| Total Operating Expenses | \$6,000,000 | \$7,000,000 |
| | | |
| Operating Income (EBITDA) | \$1,500,000 | \$2,000,000 |
| | | |
| Other Expenses | | |
| Interest Expense | \$500,000 | \$500,000 |
| Total Other Expenses | \$500,000 | \$500,000 |
| | | |
| Net Income Before Taxes | \$1,000,000 | \$1,500,000 |
| | | |
| Income Tax Expense (30%) | \$300,000 | \$450,000 |
| Net Income | \$700,000 | \$1,050,000 |

Market Analysis

Strengths

Our outsourcing based organizational structure provides a significant competitive advantage, enabling streamlined development processes focused on cost-effective product solutions. The company's core strength lies in its deep hardware expertise, reinforced by strategic partnerships with experienced industry players. This technical foundation, combined with our lean operational approach, positions us to efficiently develop and deliver viable hardware solutions to the market. Our ability to maintain low overhead costs creates a solid foundation for product development and market entry.

Weaknesses

The primary challenge lies in our position as a new entrant competing against established multinational corporations with extensive distribution networks and market presence. While our strategy to focus on smaller, manageable production quantities helps mitigate risks, it may limit initial market impact. The division of R&D resources between two distinct product lines - a traditional SoC solution and our proprietary display semiconductor - presents both an opportunity and a challenge. While this dual approach helps secure short-term revenue through the conventional SoC product line, it requires careful resource allocation to ensure successful development of our innovative semiconductor technology that will drive long-term value and market positioning. We offset this by selling third-party displays as well to align with the market.

Opportunities

Our patented streaming technology represents a significant market opportunity, distinguished by its efficiency and straightforward implementation. This technology is particularly well-suited for office and marketing applications, addressing specific needs in these sectors without the limitations of digital rights management concerns. The focus on streaming owned content eliminates potential rights management complications providing a clear value proposition. This technological advantage opens doors to specialized market segments that value simplified, secure content delivery systems.

Threats

The competitive landscape presents significant challenges, particularly from established streaming solutions that dominate the market with their combined \$30 streaming device and \$200 display offerings. However, our innovative approach directly addresses key pain points in the current market by extending product lifetime through reduced update requirements. We can offset a higher price with a bigger display leveraging our low unit cost semiconductor. Our flexible cloud backend solution provides a compelling alternative for enterprise customers who prioritize security and control in their cloud environment, differentiating us from traditional app store-dependent retail media solutions.

References

1. Our asset US Patent 11,638,040 B2 was invented by our founder, Miklos Szegedi. It defines a codec that allows dozens of cores with sub-millisecond latency per core for each decoded line with fraction of the memory overhead of H.264, H.265.
2. Texas Instruments AM623 series is a similar IC to what we intend to design for ~\$10 + RAM. It features 1.4 GHz + 700kB RAM, low power use. We are trying to lower that unit price.
3. Amazon Fire TV stick is a \$30 high support, and maintenance cost option to compete with due to updates, and app store limitations.
4. Traditional, robust TS-7970 is a \$350 industrial PC for digital signage.
5. Some public domain sources and documentation not affecting the patent rights.
<https://gitlab.com/schmied.us/codec21>
It is a few hundred lines implementation.
6. Display Driver Codec implementations on Pragmatic Semiconductor Flexible ICs may be a viable long-term solution for even lower prices and market expansions.
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