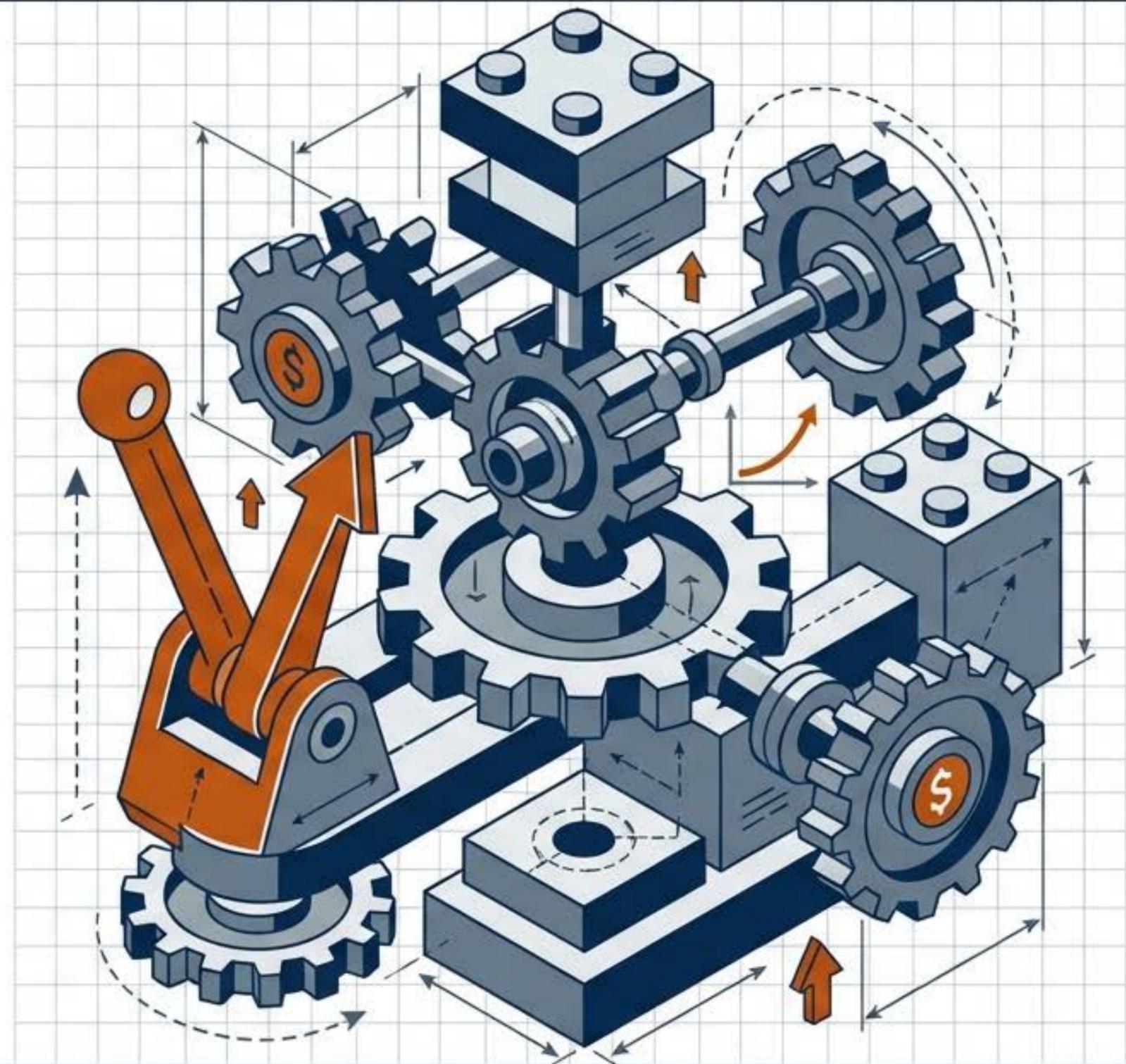


SCALING AFTER-SCHOOL PROGRAMS

Profitability & Growth Strategies:
A Financial Roadmap from Startup
Economics to High-Scale Valuation



THE OPPORTUNITY

Starting Point (Year 1)



**\$365,000
EBITDA**

Operational Income. Salary Replacement.
Debt Service.



- **High Gross Margins:** Potential for **95%** via low variable costs.



- **Occupancy Leverage:** **50% to 90%** utilization drives profit.



The Secret Sauce



- **Occupancy Leverage:** **50% to 90%** utilization drives profit.



- **Low Fixed Costs:** Only **\$78,600** annual overhead.

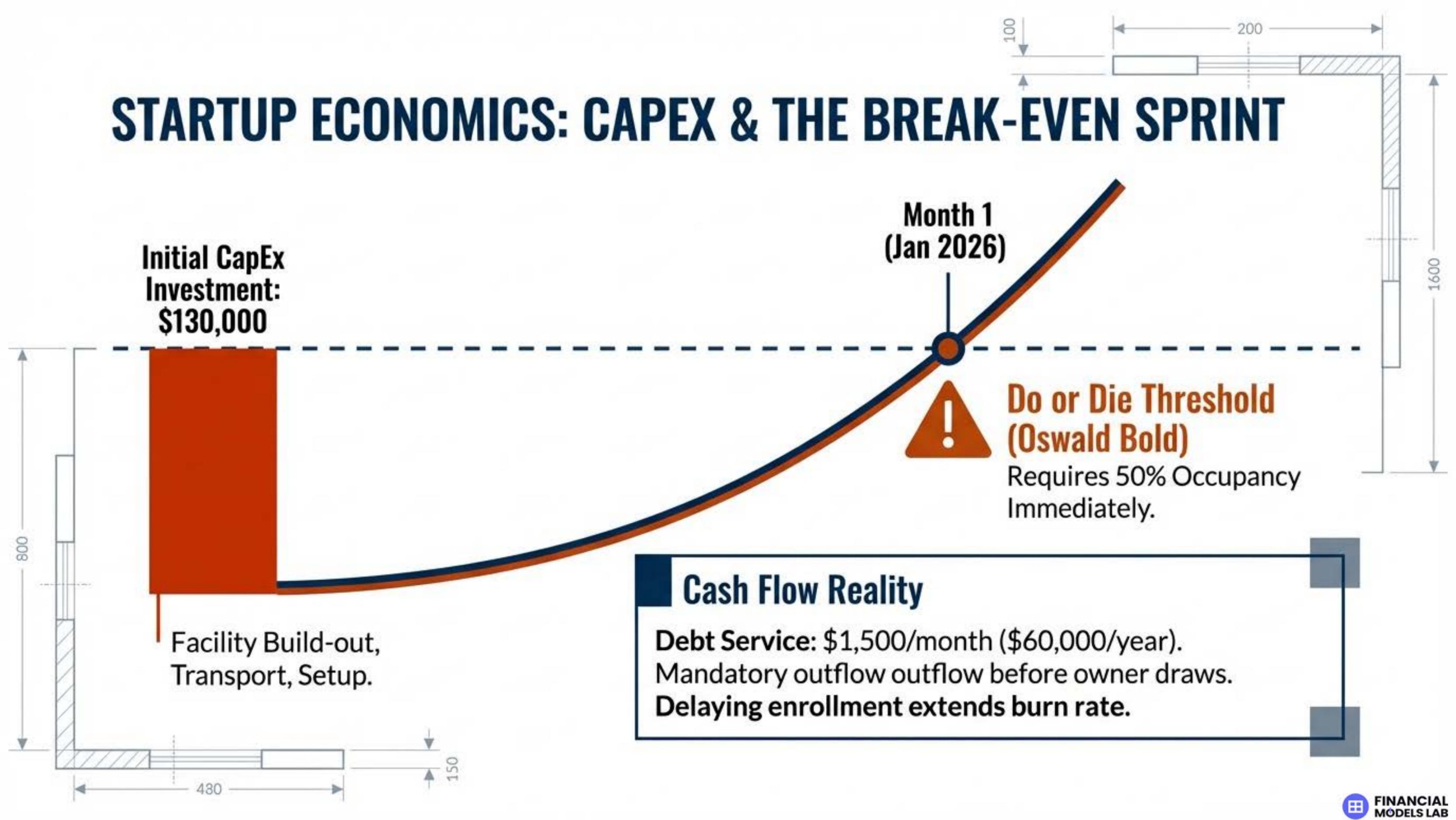
Scale Potential (Year 5)



**\$395 MILLION
EBITDA**

Wealth Generation. Strategic Distributions.
Asset Value.

STARTUP ECONOMICS: CAPEX & THE BREAK-EVEN SPRINT



THE REVENUE ENGINE: HIERARCHY OF VALUE

TIER 3: FILLERS

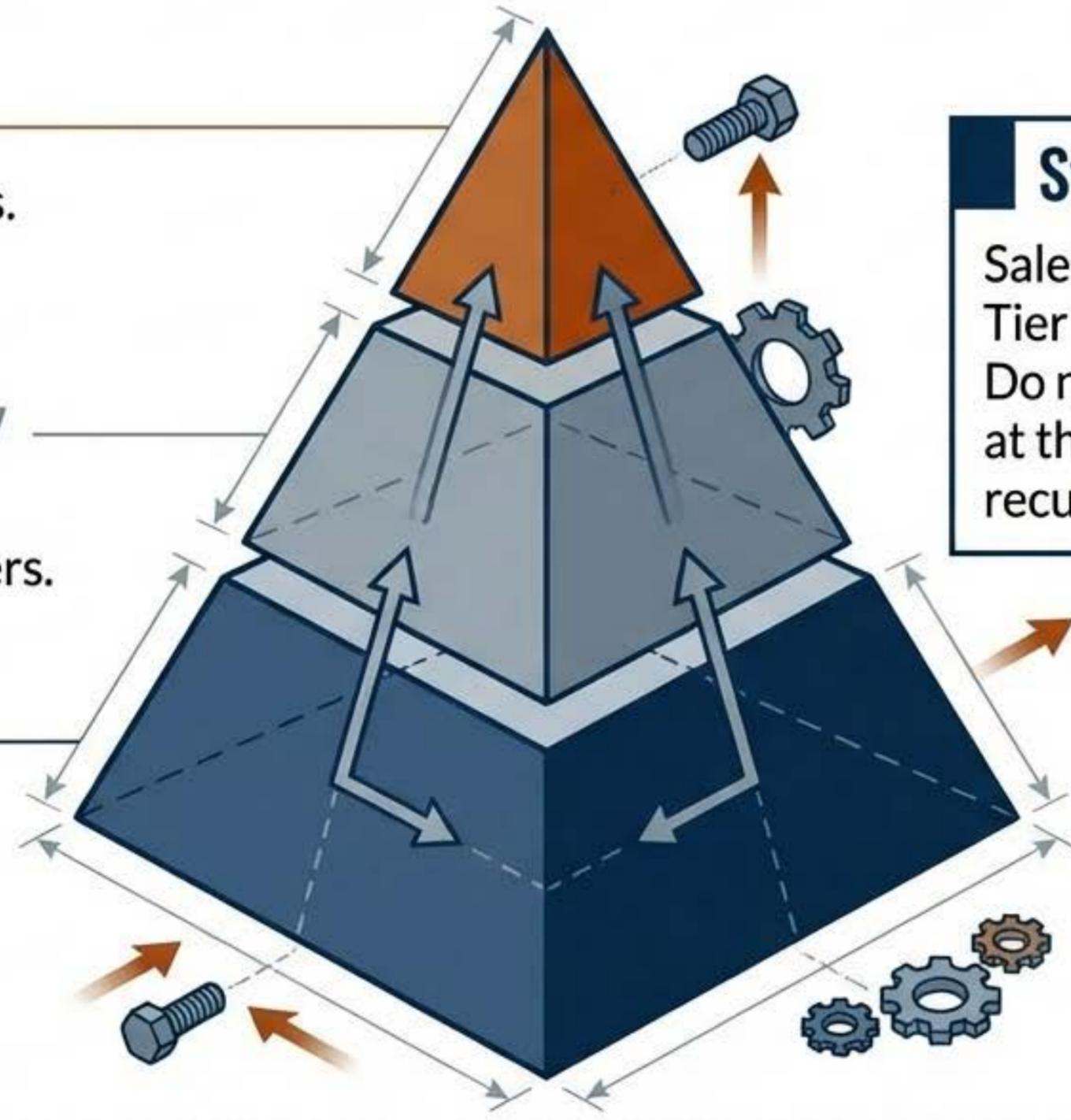
Part-Time & Workshops.
Gap Utilization.

TIER 2: SECONDARY

Middle School Slots.
\$400/mo. Capacity Fillers.

TIER 1: PRIORITY

Full-Time Elementary.
\$450/mo. Baseline
Contribution Margin.



Strategic Focus

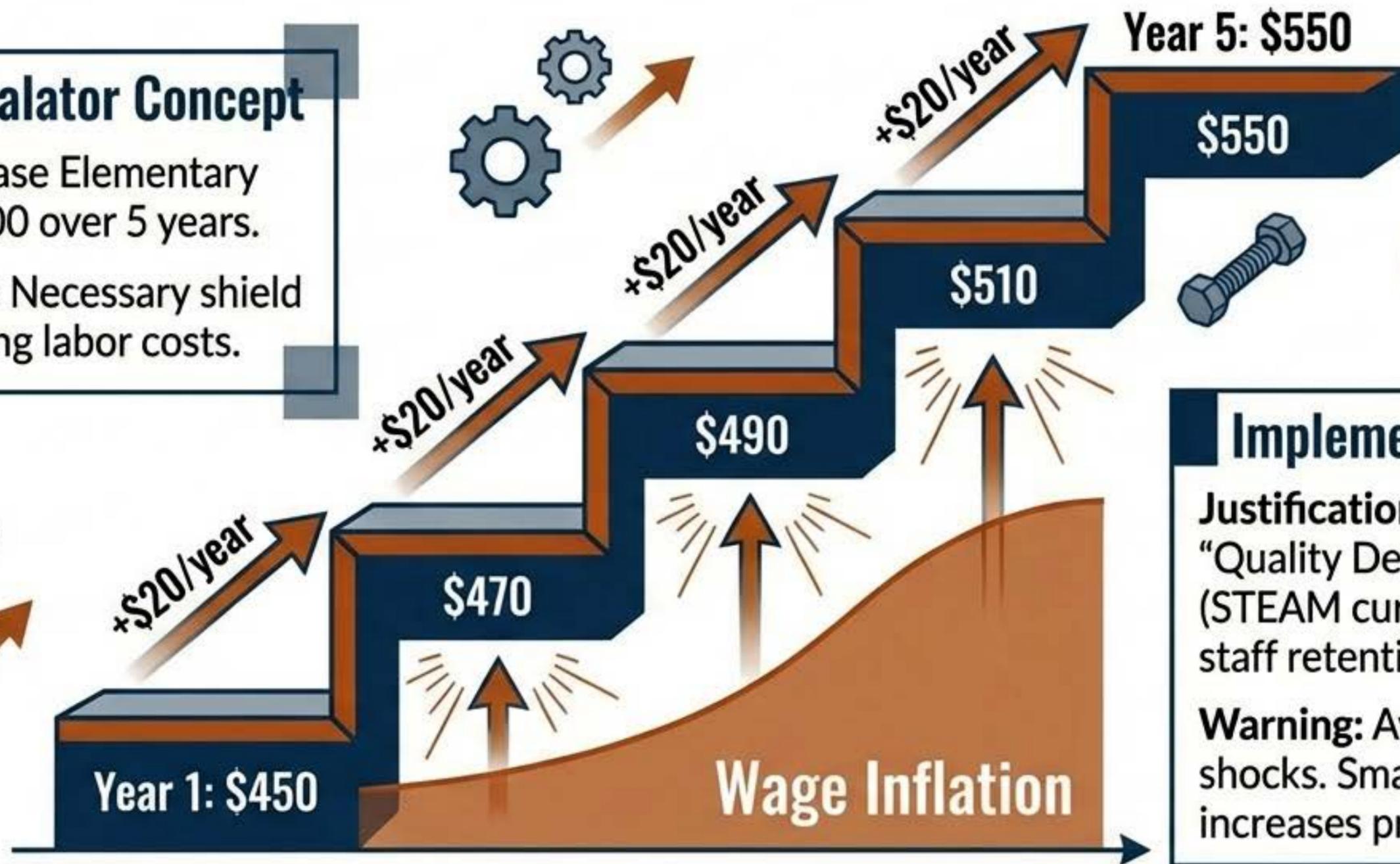
Sales efforts must prioritize Tier 1.
Do not chase part-time revenue at the expense of stable, recurring full-time seats.

PRICING STRATEGY: MARGIN DEFENSE

The Escalator Concept

Plan: Increase Elementary fees by \$100 over 5 years.

Reasoning: Necessary shield against rising labor costs.

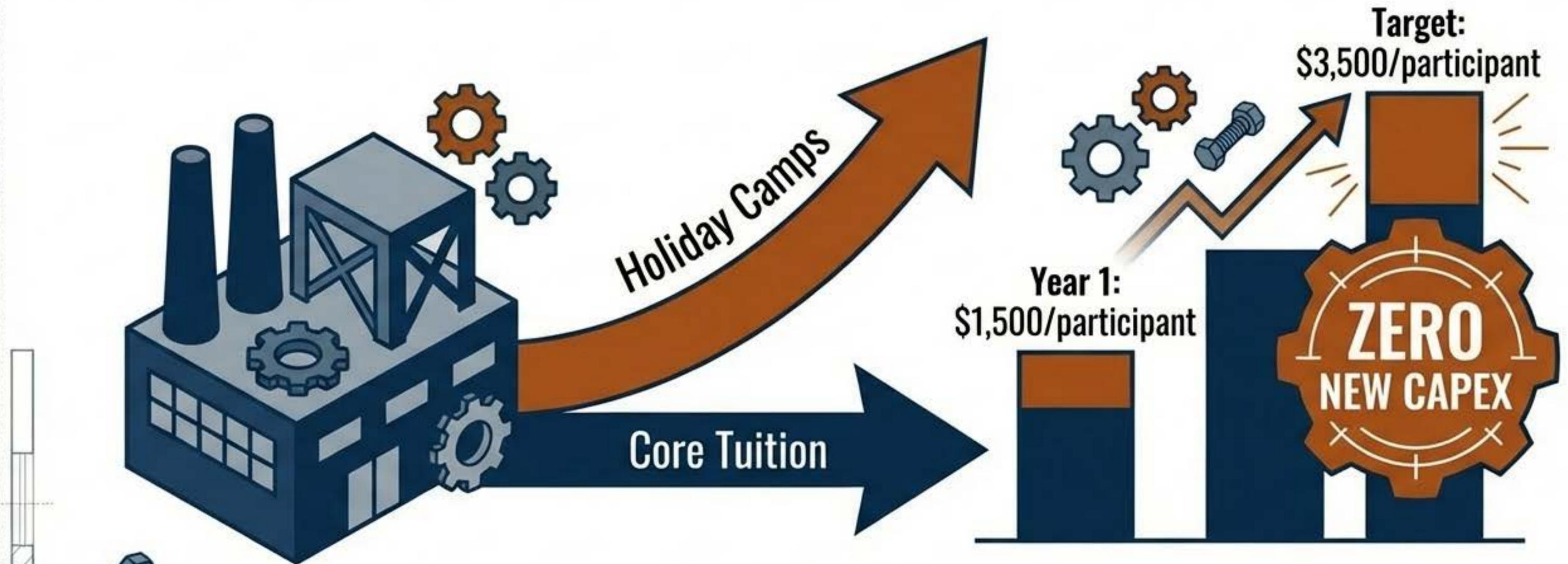


Implementation

Justification: Frame as "Quality Defense" (STEAM curriculum & staff retention).

Warning: Avoid sudden shocks. Small, phased increases prevent churn.

ANCILLARY REVENUE: ZERO-CAPEX GROWTH

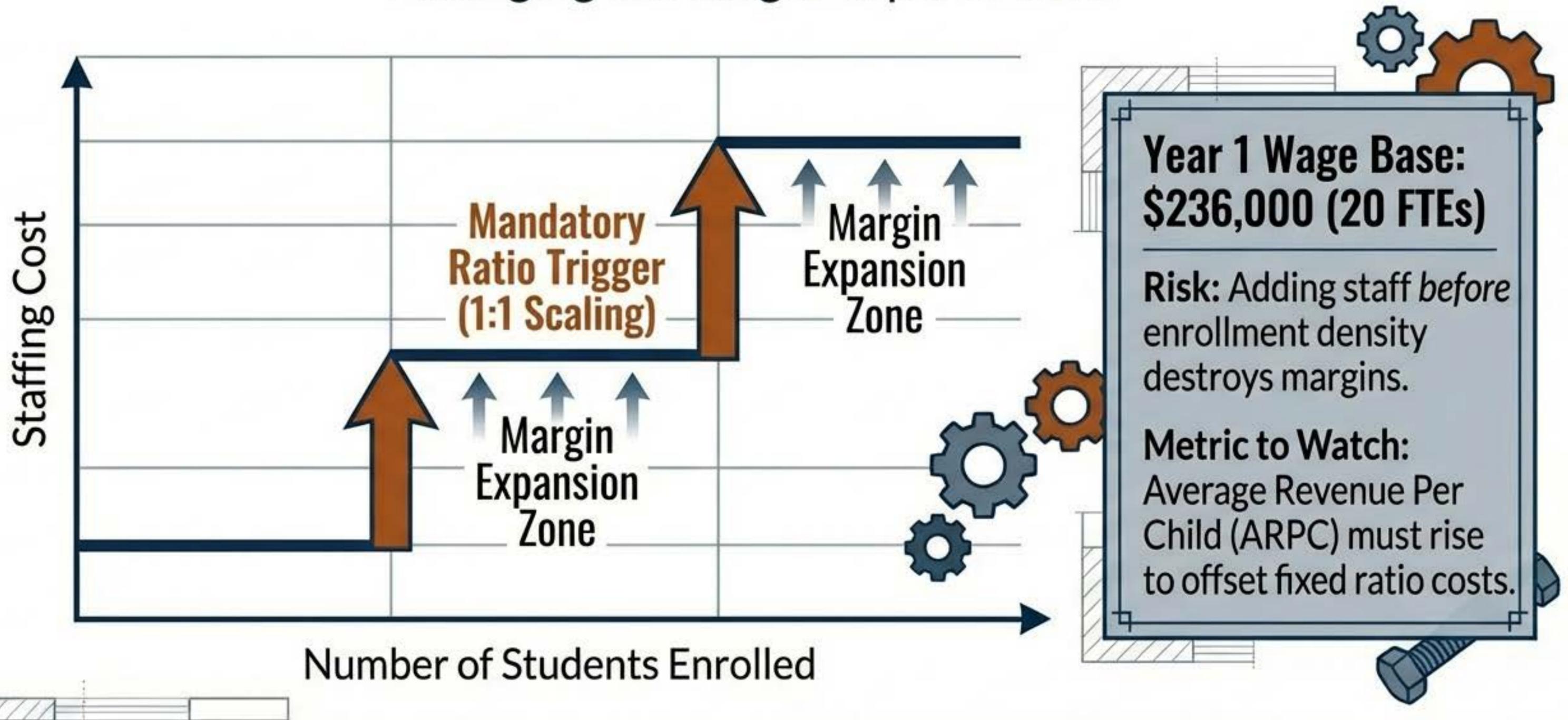


Factory

- **Operational Leverage:** Uses existing staff and facilities.
- **No new amortization required.**
- **Rule:** Keep variable costs under 50% of camp revenue.

THE IRON LAW OF STAFFING

Managing the Wage Step-Function



COST STRUCTURE: ANCHORS & CAPS

ANCHORS



\$78,600 / Year

(\$3.5k/mo lease + software)

Needs high volume to dilute impact.

CAPS

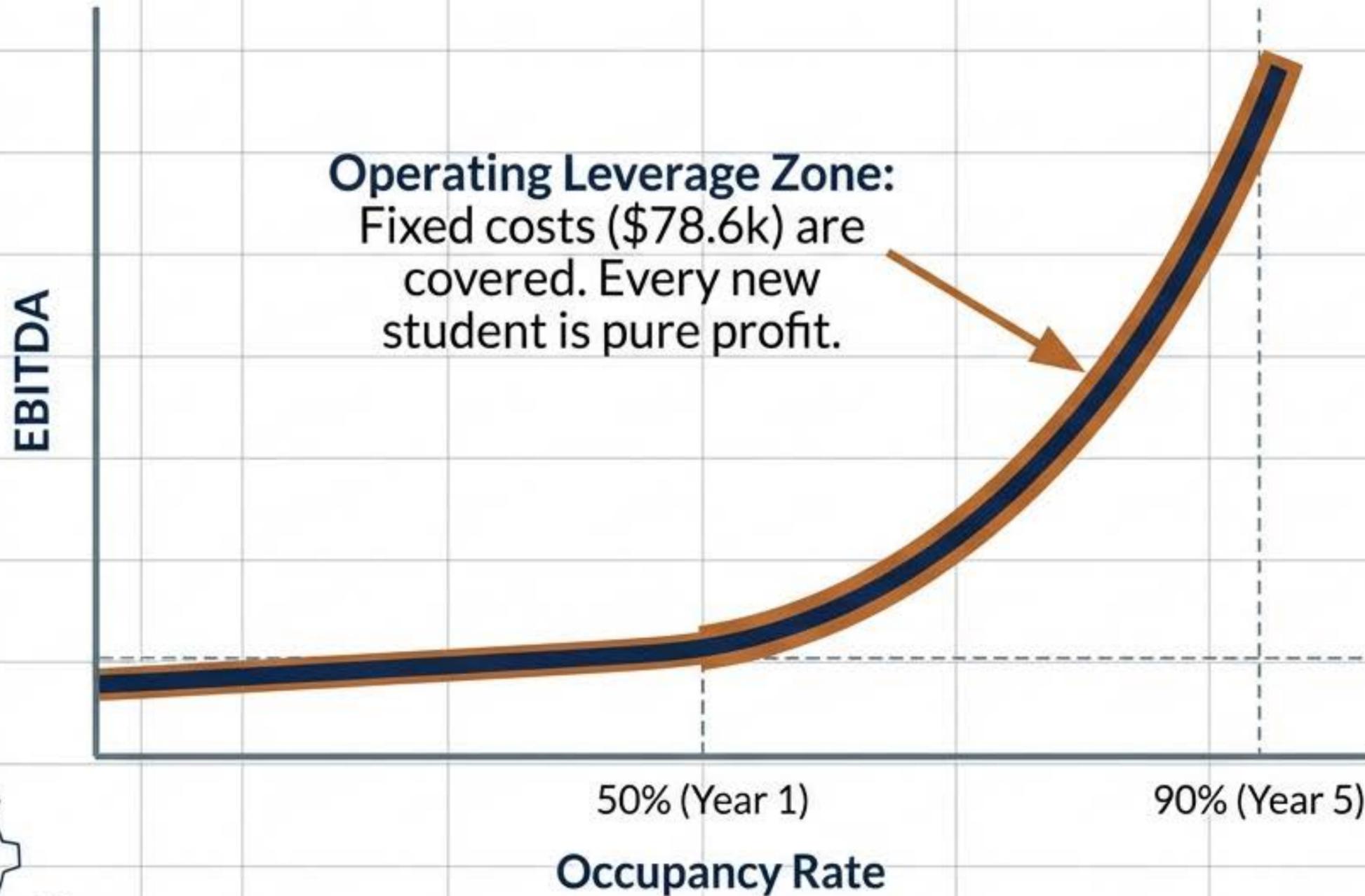


Rule: Consumables (Snacks, STEAM kits) must be < 50% of revenue.

Example: \$50k Tuition = Max \$25k Materials.

STRUCTURAL POTENTIAL: 95% Gross Margins are possible only if variable costs are strictly policed.

THE HOLY GRAIL: OCCUPANCY LEVERAGE



Retention Velocity:
If onboarding takes >14 days, churn risk rises.

Goal: Move from survival (50%) to dominance (90%).

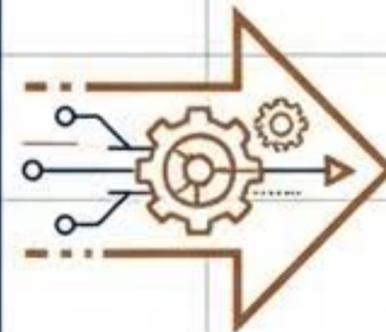
EVOLUTION OF OWNER COMPENSATION



THE OPERATOR

\$365k EBITDA
Phase

- **Comp:** Salary-based (~\$120k fixed).
- **Focus:** Funding operations & Debt Service (\$60k/yr).



THE STRATEGIST

\$395M EBITDA
Phase

- **Comp:** Distributions (75-85% of Net Income).
- **Focus:** Capital allocation & executive oversight.
- **Debt:** Negligible.

SUMMARY ROADMAP: THE PATH TO DOMINANCE

LAUNCH (Month 1)



- Secure **\$130k** CapEx
- Hit **50% Occupancy (Break-Even)**

STABILIZATION (Year 1)



- Manage \$236k wage base
- Achieve **\$365k EBITDA**

OPTIMIZATION (Years 2-4)



- Implement Price Escalator (**\$450->\$550**)
- Grow Ancillary Camps

MATURITY (Year 5)



- Reach **90% Occupancy**
- Maximize Distributions (**85% of Net**)
- Realize **\$395M EBITDA Potential**