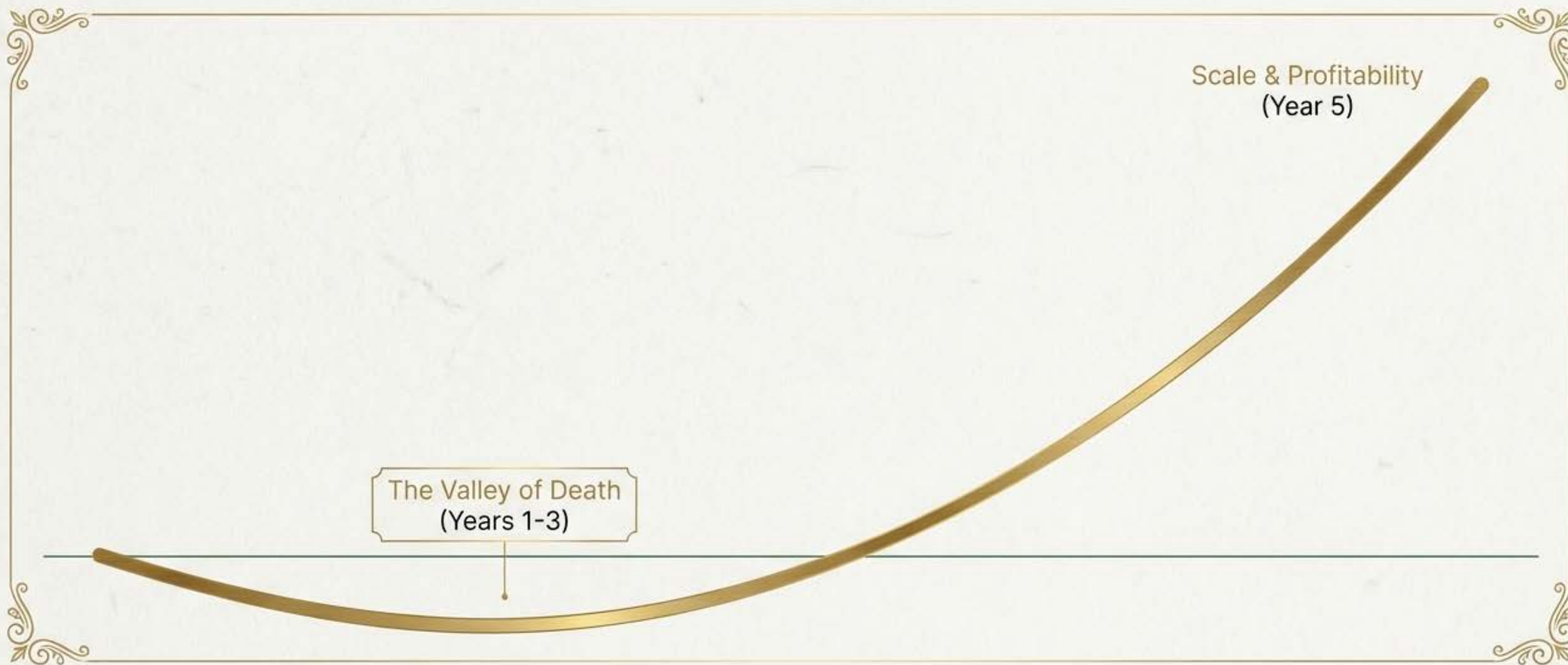


# Antique Store Financial Projections & Operational Levers

Navigating the Path from Initial Cash Burn to \$1M+ EBITDA



# The Investment Case: High Risk, High Reward

## The Reality (Year 1)

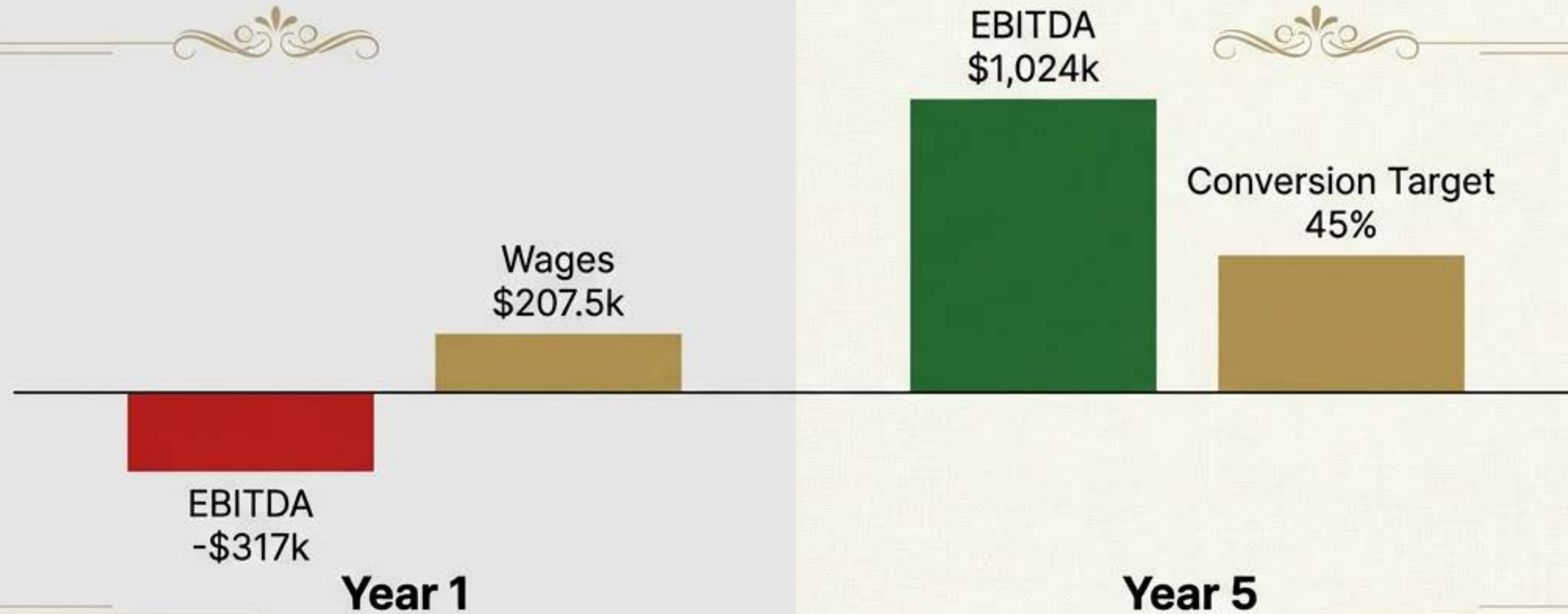
- EBITDA: **-\$317,000**
- Investment Required: \$180,000  
CapEx + Working Capital
- Starting COGS: 130%

## The Reward (Year 5)

- EBITDA: **\$1,024,000**
- Target Gross Margin: 50%
- Time to Break-Even: 37  
Months

**Core Narrative:** Success requires surviving a 37-month ramp-up to unlock exponential profitability.

# Radical Transformation: Year 1 vs. Year 5



**Year 1 Focus:** Survival. Cash burn is high due to debt service and initial inventory load.

**Year 5 Focus:** Scale. Profitability is unlocked through inventory velocity and recurring client revenue.

**Insight:** Owner draw is constrained in early years by debt repayment schedules.

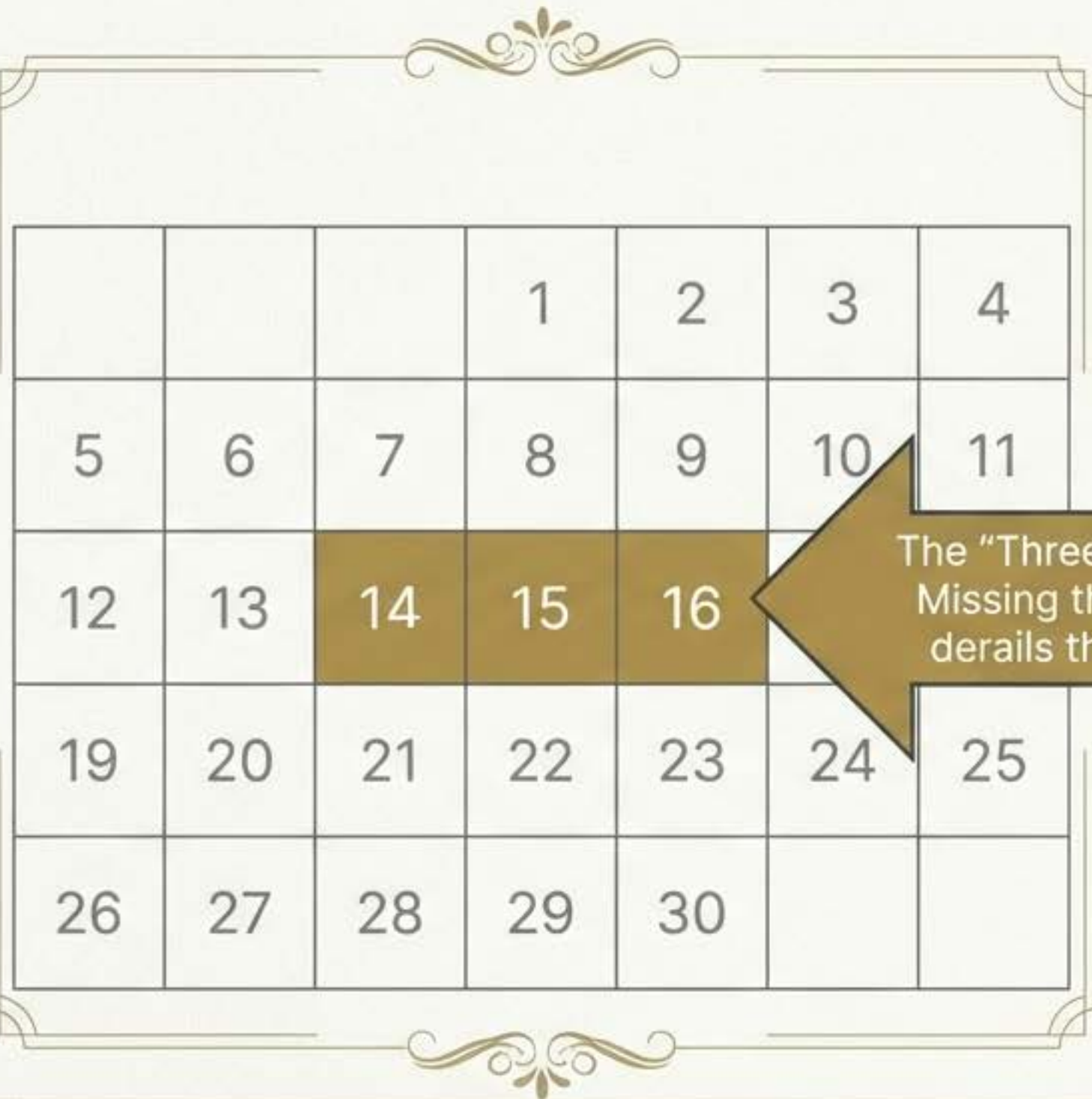
# Capital Requirements & The “Valley of Death”



## Capital Requirements Overview

- **CapEx Requirement:** \$180,000 (Store Setup)
- **Operational Runway:** Funding must cover 3 years of deficits.

# Understanding Volatility & Operational Risk



			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16		
19	20	21	22	23	24	25
26	27	28	29	30		

- **Transaction Volume:** Low volume, high ticket model.
- **Inventory Liability:** Items sitting 180+ days become a liability, tying up capital.
- **The Math:** 10 sales @ \$5,000 AOV = \$50,000 Revenue. Finding those 10 buyers is the sole objective.

# Factor 1: The Margin Emergency (Sourcing)

**Current COGS: 130%**

**Target COGS: 50%**

**The Problem:** Currently losing 30 cents on every dollar before OpEx.

**The Fix:** Reduce Item Acquisition Cost (IAC) below 100% of baseline.

**Method:** Direct estate relationships & avoiding emotional bidding.

**Key Insight: Profit is made at the buy, not the sell.  
A 5% markup improvement flows directly to owner pay.**

# Factor 2: The Conversion Mandate



With \$207.5k in wages and limited foot traffic, we cannot afford 'browsers'. Every non-converting visitor increases the overhead per sale.

**Target: >15% Conversion immediately upon launch.**

# Factor 3: Product Sales Mix & AOV

Antique Gold  
\$5,000



Fine Art

\$500

Bric-a-Brac  
\$500

**Baseline Weighted AOV:**  
\$3,860

**Target Category:** Fine Art  
& Authenticated Pieces

Ten sales at \$5,000 are operationally manageable. 100 sales at \$500 are not. High AOV accelerates fixed cost coverage.

# Factor 7: The Loyalty Multiplier



- **Frequency:** 1-2 reliable orders per month per client.
- **Strategy:** High-touch service for designers and collectors.
- **Outcome:** Stabilizes 'lumpy' cash flow and reduces Customer Acquisition Cost.

# Factor 4: Conquering the Fixed Cost Hurdle

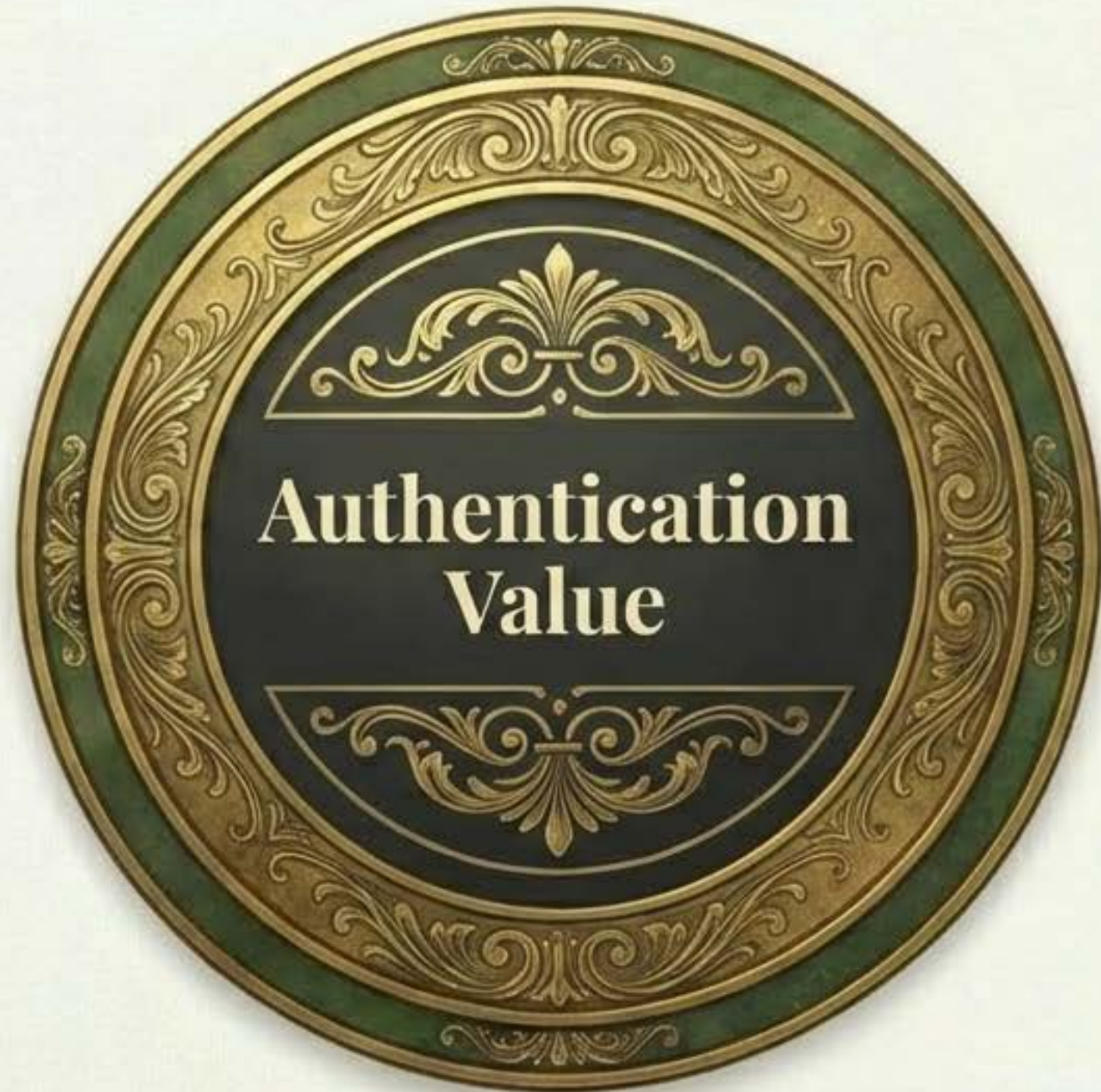
## Monthly Revenue



Covers \$11,000 OpEx  
(Rent + Utilities)

- **Monthly OpEx:** \$11,000 (\$8,000 Rent).
- **The Reality:** The first 3 sales of every month result in \$0 profit.
- **Management Goal:** Clear the OpEx hurdle by Day 10.

# Factor 5: Justifying Curator Wages

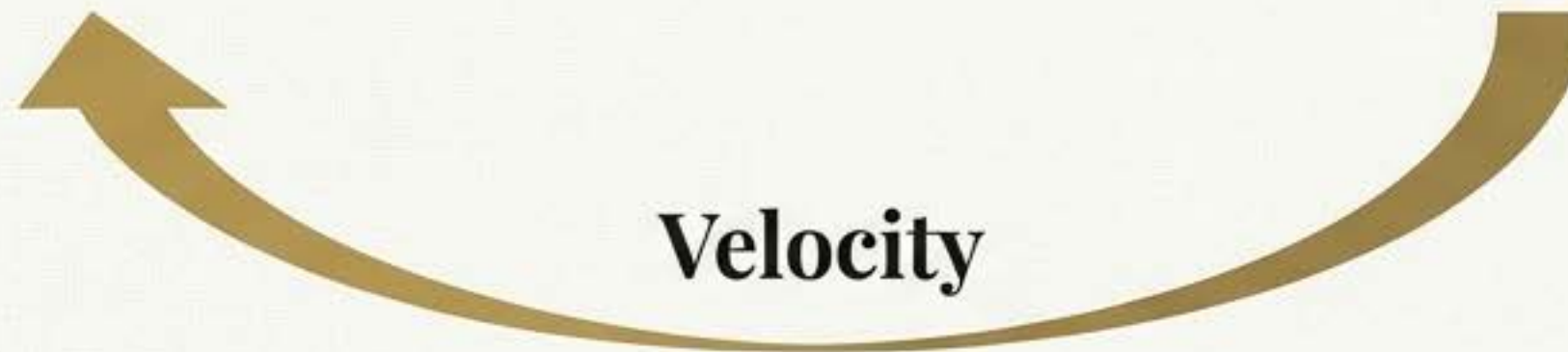


**Year 1 Wages:** \$207,500 (35 FTE)  
**Curator Salary:** \$65,000

The Curator is not a salesperson.  
They are an asset multiplier.

- 🌀 **Role:** Increase Perceived Value & Decrease Days-on-Market.
- 🌀 **Rule:** Onboarding new items must take <14 days.

# Factor 6: Inventory Velocity & Capital Efficiency



## Metrics

- Target Return on Equity (ROE): 0.39
- Risk: Items sitting >180 days = Dead Capital

## Strategy

Prioritize sourcing fast-moving categories (Furniture/Art) to maintain liquidity

# Operational Targets: The Dashboard

GROSS MARGIN

< 50%

of Sell Price

CONVERSION

15% -> 45%

Growth Target

AOV

\$5,000

Fine Art Focus

RENT COVERAGE

Day 10

Target to clear \$11k OpEx

# Strategic Outlook & Recommendation

- **Verdict:** Viable model, contingent on strict sourcing discipline.
- **Potential:** \$100k - \$400k Annual Owner Income (Post-Stabilization).
- **Requirement:** 37 Months of Runway Capital.
- **Warning:** Do not launch without a sourcing network capable of beating market prices.