

FINANCIAL PROJECTIONS & STRATEGIC OPERATIONS

CHEERS LOUNGE

OPERATIONAL ROADMAP: YEAR 1 PROFITABILITY & 5-YEAR SCALING

TARGET REVENUE: **\$1.2M (YR1)**

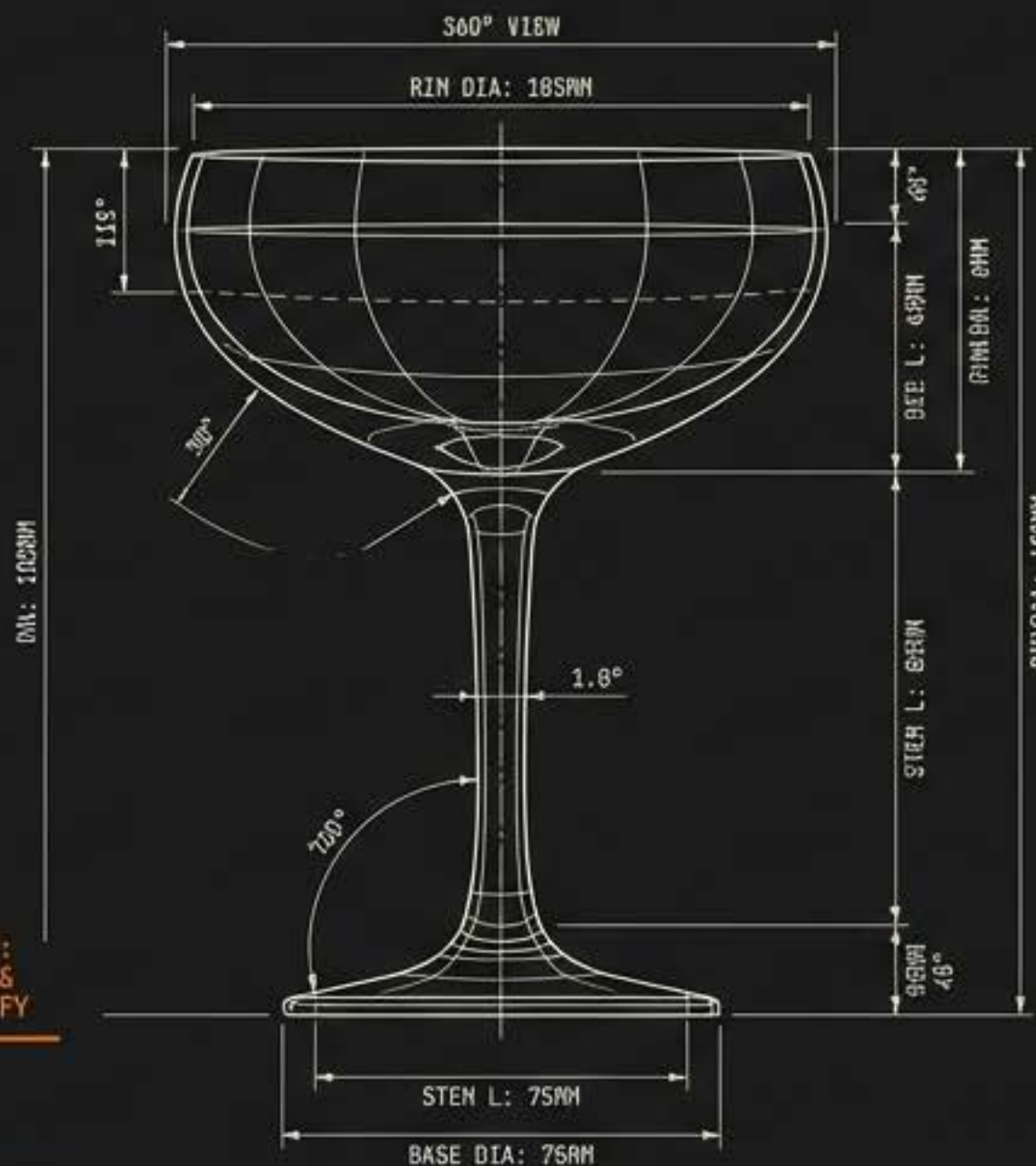
BREAKEVEN: **Q3 YR1**

GROSS MARGIN: **75%**

EBITDA MARGIN: **25%**

SCALING YR 2-5: **20% CAGR**

RISK ASSESSMENT: **HIGH COMPETITION, REGULATORY COMPLIANCE**



YEAR 1 SNAPSHOT: VIABILITY ANALYSIS

\$371,000

**PROJECTED
EBITDA**

Operational cash
generation engine.

\$221,000

**OWNER TOTAL
CASH FLOW**

Net after ~\$150k estimated
overhead/debt service.

3 MONTHS

**BREAK-EVEN
TIMELINE**

Post-launch target.

NOTE: VIABILITY ASSUMES STEADY FOOD/BEV MIX.

THE CAPITAL PARADOX: THE CASH TRAP

WORKING CAPITAL
GAP: \$738,500

TOTAL CASH
REQUIRED:
\$825,000

REQUIRED RUNWAY FOR
NEGATIVE CASH FLOW
UNTIL MONTH 3

(Shell, POS,
Equipment)

BUILD-OUT CAPEX:
\$86,500

RISK METRIC:

0.25 IRR projected.
High liquidity risk
relative to returns.

VOLUME IS KING: THE REVENUE ENGINE

\$107,000,000

YEAR 1 TARGET:

DAILY REQUIREMENT: \$356,667

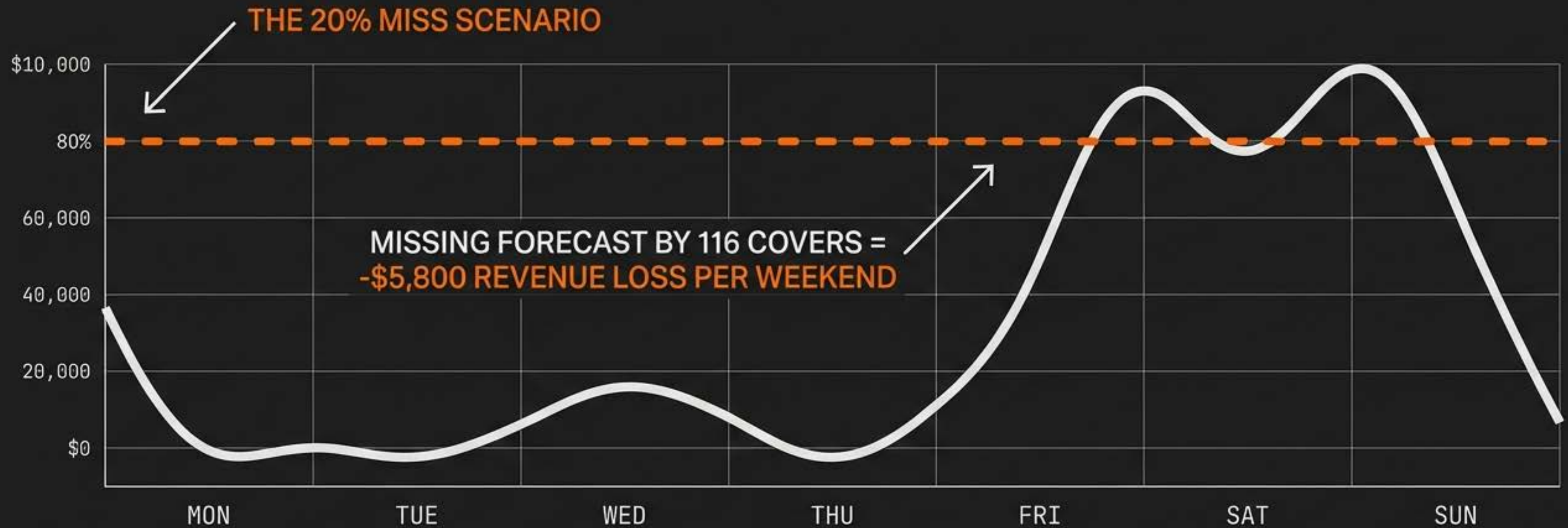
AVERAGE ORDER VALUE (AOV)



SENSITIVITY

- ON SWITCH 1: +\$20 Weekend AOV = +\$36k/Month Revenue
- ON SWITCH 2: +20 Daily Covers = +\$90k/Month Revenue

VULNERABILITY: WEEKEND DEPENDENCY



STRATEGIC IMPERATIVE: WEEKDAY TRAFFIC CANNOT ABSORB WEEKEND SHORTFALLS. WEATHER & COMPETITION ARE MAJOR THREATS.

THE OPERATIONAL **CRISIS**: COGS REALITY

70%
BEVERAGE
COST



CURRENT STATUS:
LOSING MONEY ON
EVERY SALE.

YEAR 5 TARGET:
80% COGS.

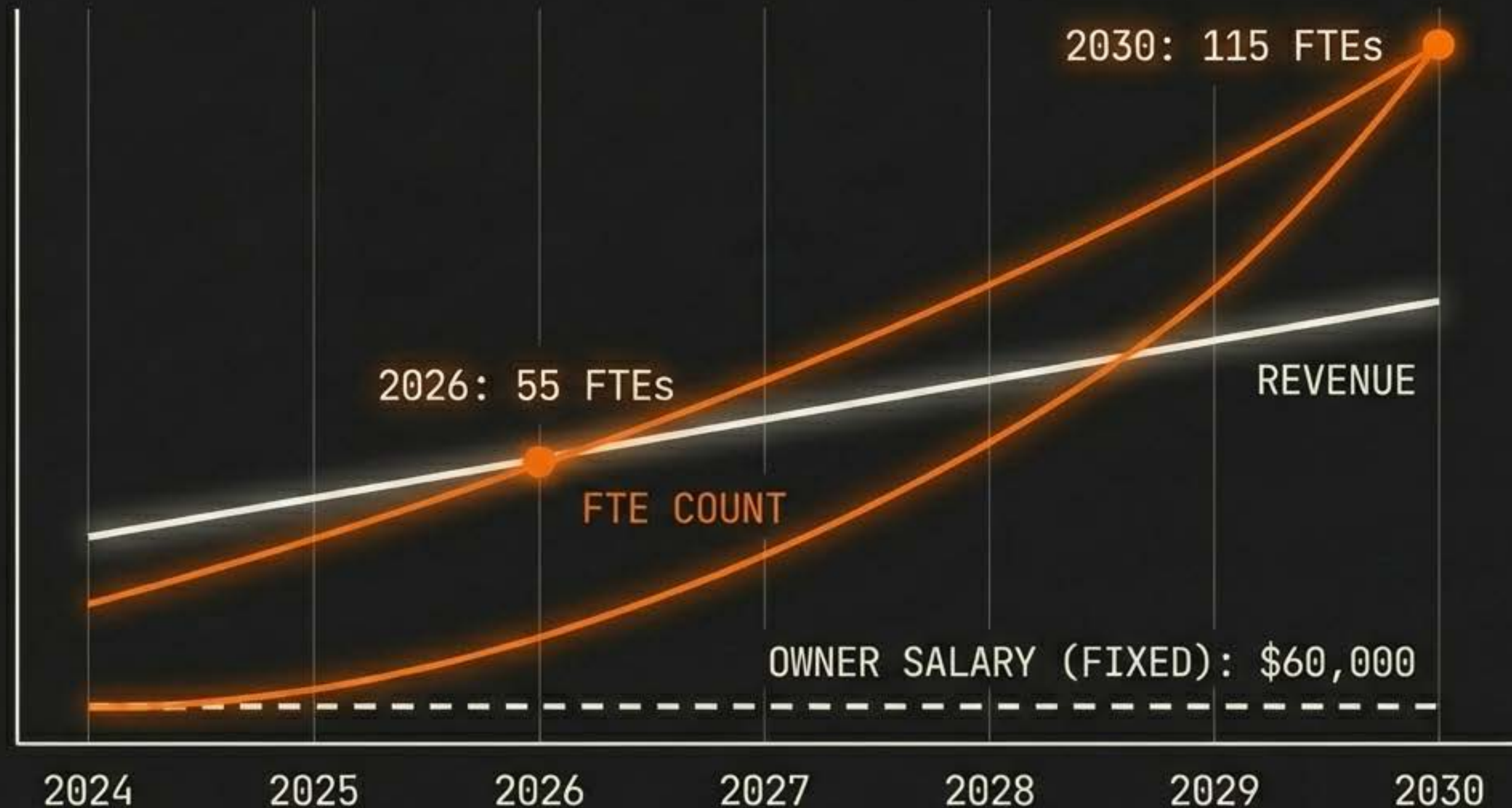
INSIGHT:
10% COGS reduction >
20% Volume Increase.

THE SOLUTION: FIXING THE MIX



TACTIC: UPSELL PREMIUM ENTREES TUE-THU TO LIFT \$120 MIDWEEK AOV.

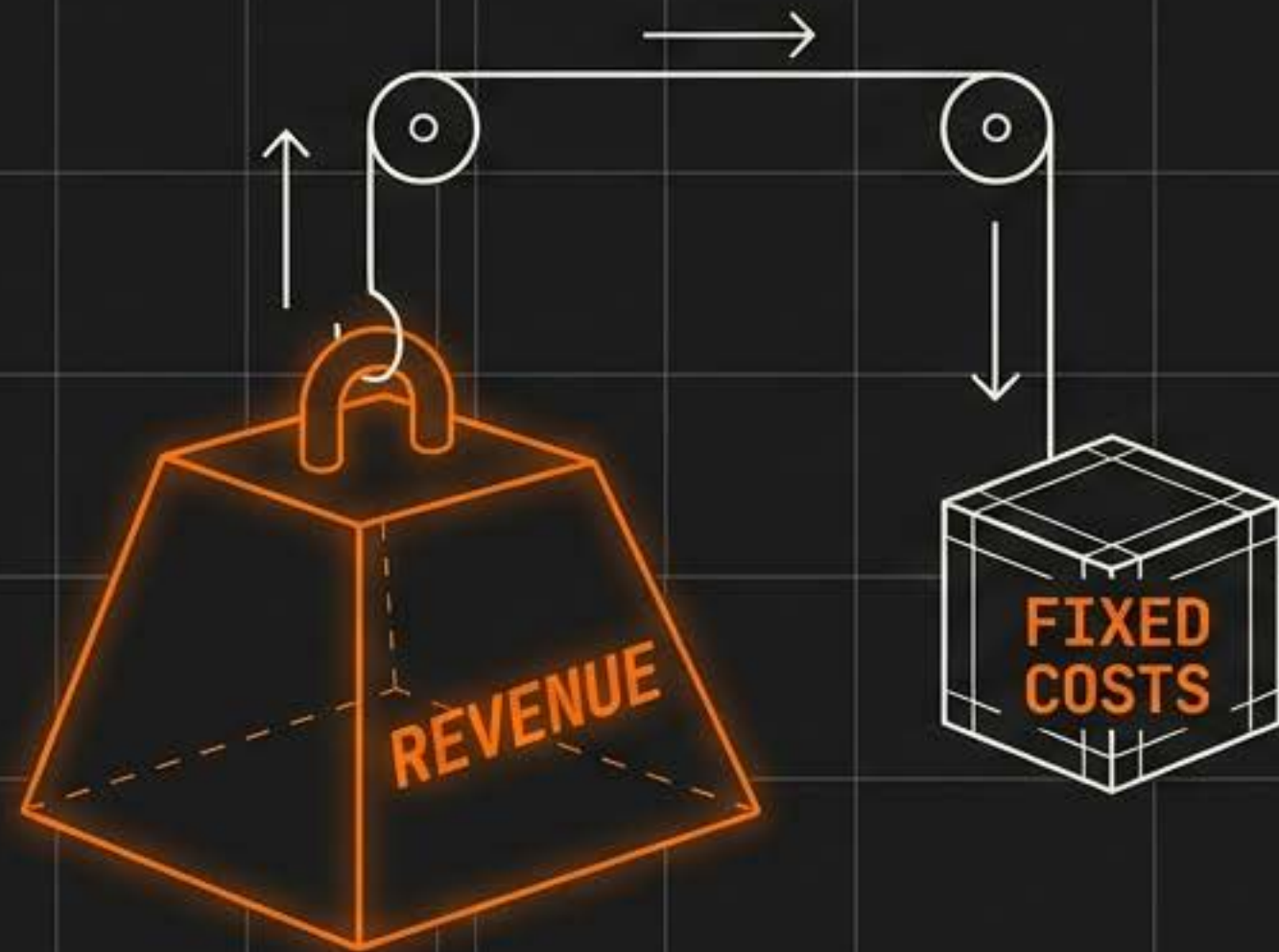
LABOR ECONOMICS: THE VARIABLE BEAST



DIRECTIVE:
SCHEDULE BY
COVER DENSITY,
NOT SHIFTS.

CROSS-TRAIN
TO REDUCE
DOWNTIME.

OPERATING LEVERAGE & FIXED COSTS



TOTAL FIXED OPEX BASE: ~\$91,200

- RENT: \$60,000 (FLOOR)
- UTILITIES: \$96,000 (ESTIMATE)

NOTE: DISCREPANCY IN SOURCE SUMS
REQUIRES TIGHT UTILITY MANAGEMENT.

THE LEVERAGE: EVERY DOLLAR POST-BREAK-EVEN IS PURE PROFIT. DILUTE THE BASE.

EXTERNAL RISKS: INFLATION SENSITIVITY

**SCENARIO:
+70% BEVERAGE
COST INCREASE**



**COST RATIO SPIKES:
25% → 42.5%**

**RESULT:
CONTRIBUTION
MARGIN COLLAPSE**

MITIGATION: IMMEDIATE REPRICING & VENDOR RENEGOTIATION.

OWNER COMP: PERFORMANCE > SALARY



TAX
← EFFICIENCY →
SHIFT



THE SCALING HORIZON

YEAR 1: OPTIMIZATION

- High Cash Burn
- 120% COGS
- 0.25 IRR

SHORT TERM PAIN FOR
LONG TERM GAIN.

YEAR 5: SCALING

- 80% COGS
- \$13M EBITDA
POTENTIAL

OPERATOR'S FINANCIAL CHECKLIST



AGGRESSIVE COGS MANAGEMENT.
Target **30%** on **\$300k** monthly blocks.



DRIVE WEEKEND AOV.
Lift from **\$180** to **\$200**.



MONITOR LABOR EFFICIENCY.
Watch FTE scale (**55** -> **115**).



SECURE CASH BRIDGE.
\$825,000 liquidity required.

STRATEGIC MANDATES

REVENUE IS VANITY.
PROFIT IS SANITY.
CASH IS REALITY.

EXTEND VENDOR
TERMS >45 DAYS



LOCK UTILITY
QUOTES



FOCUS MARKETING
ON MIDWEEK DENSITY



APPENDIX: ASSUMPTIONS & DEFINITIONS

EBITDA: Earnings Before Interest, Taxes, Depreciation, Amortization.
(Operational Cash Gen).

COGS: Cost of Goods Sold.
(Raw ingredients).
Target: 80%.

FTE: Full-Time Equivalent.
Scaling from 55 to 115.

REVENUE NOTE: \$107M
projection based on high-volume weekend transaction targets and \$356k daily requirement.