

BATTING CAGES: FINANCIAL & OPERATIONAL STRATEGY

A STRATEGIC BLUEPRINT FOR PROFITABILITY AND SCALE (2026-2030)

This document serves as a feasibility study guiding the stakeholder from validation to execution. It quantifies the financial rigors of the business, specifically focusing on the critical path to the January 2027 break-even point.

EXECUTIVE SNAPSHOT: THE PRICE OF VIABILITY

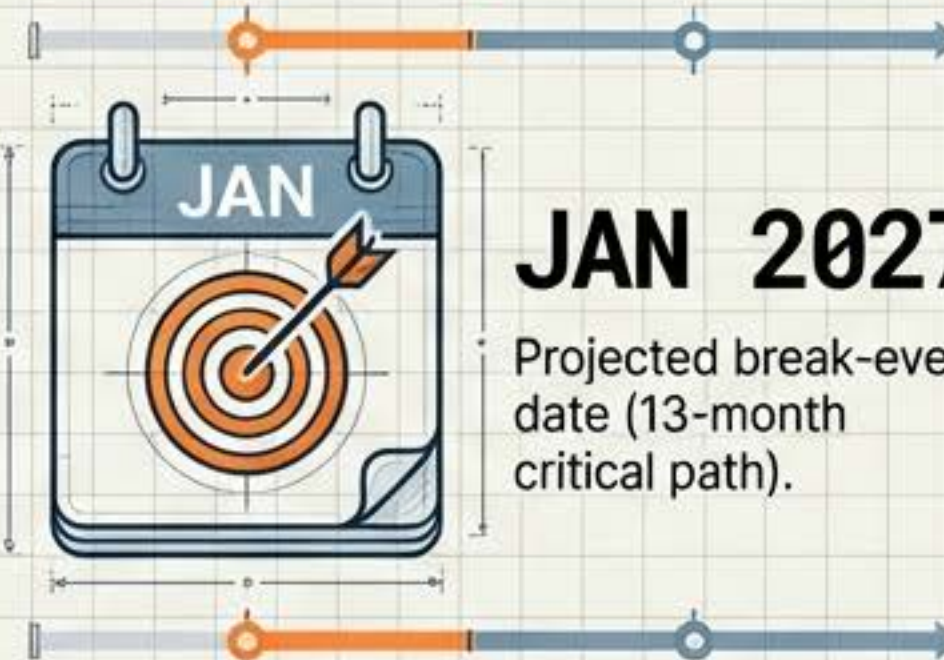
TOTAL CAPITAL EXPENDITURE



\$422,000

Total CapEx required to open doors (excludes working capital).

BREAK-EVEN HORIZON



JAN 2027

Projected break-even date (13-month critical path).

YEAR 1 REVENUE TARGET



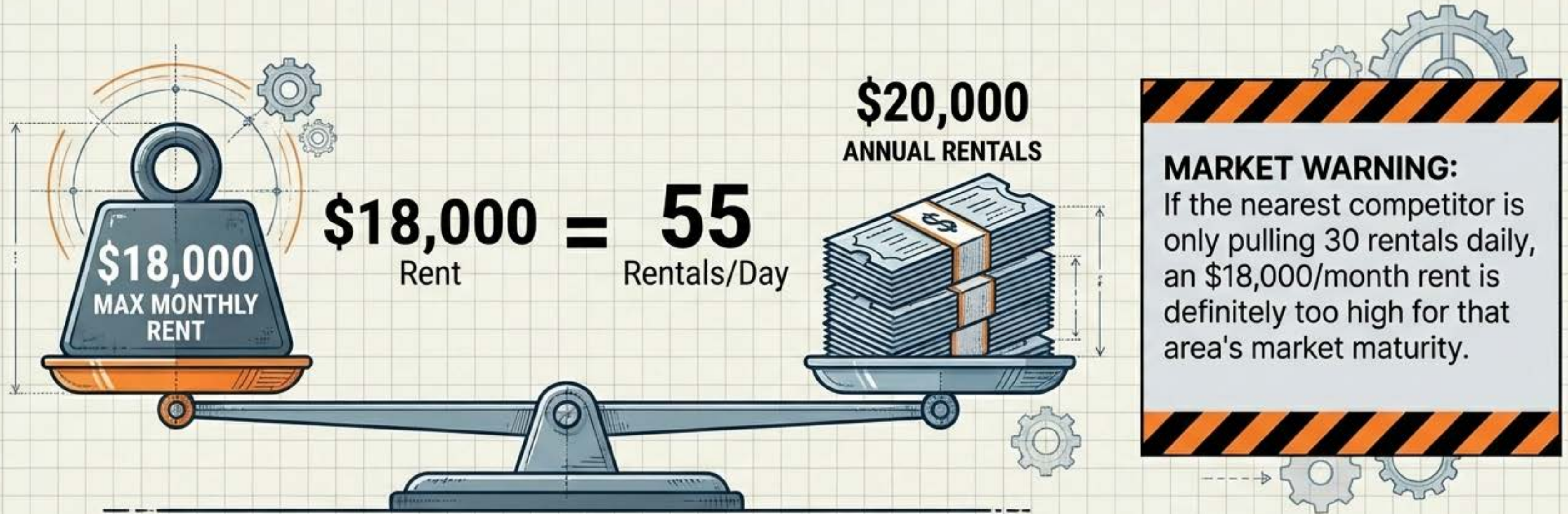
\$772,050

Year 1 Revenue Target (Membership/Rental Mix).

CORE INSIGHT:

Financial success hinges on aggressive volume growth to achieve break-even within 13 months. The strategy must prioritize high-margin membership sales (\$1,000/avg) to offset significant fixed overhead.

THE LOCATION GATEKEEPER: RENT VS. DENSITY

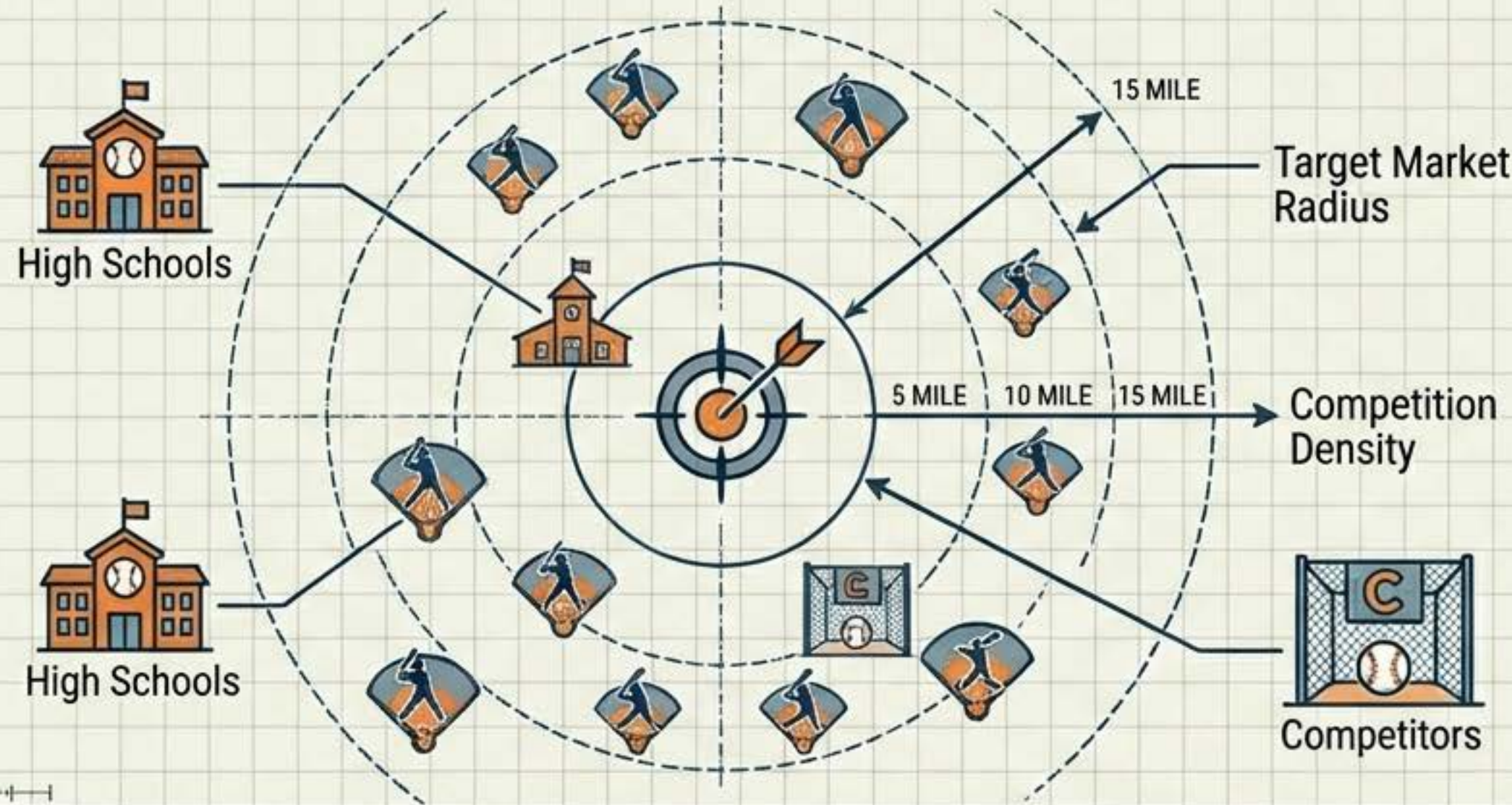


CORE INSIGHT:

The Golden Rule: Location choice dictates cost structure. If the math doesn't work here, do not sign the lease.

VALIDATING DEMAND DENSITY

Quantifying local participation to validate the 20,000 annual rental target.



VALIDATION CHECKLIST

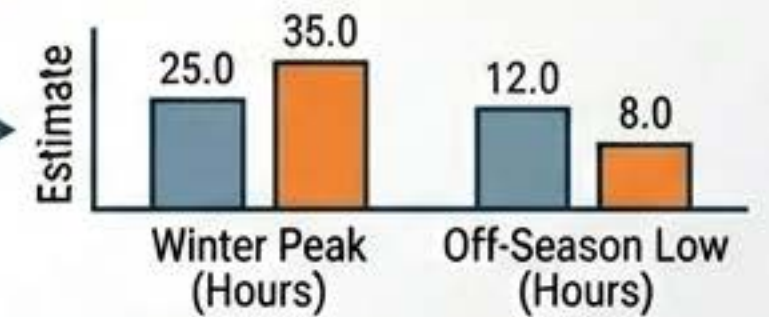


LEAGUE SATURATION: Count registered players (Ages 5+) & HS Programs.

Players: X,XXX | HS Teams: XX



VOLUME MAPPING: Estimate weekly cage hours needed for winter vs. slow afternoons.



COMPETITOR ANALYSIS: Determine AOV and Utilization Rates. Are they booked solid?

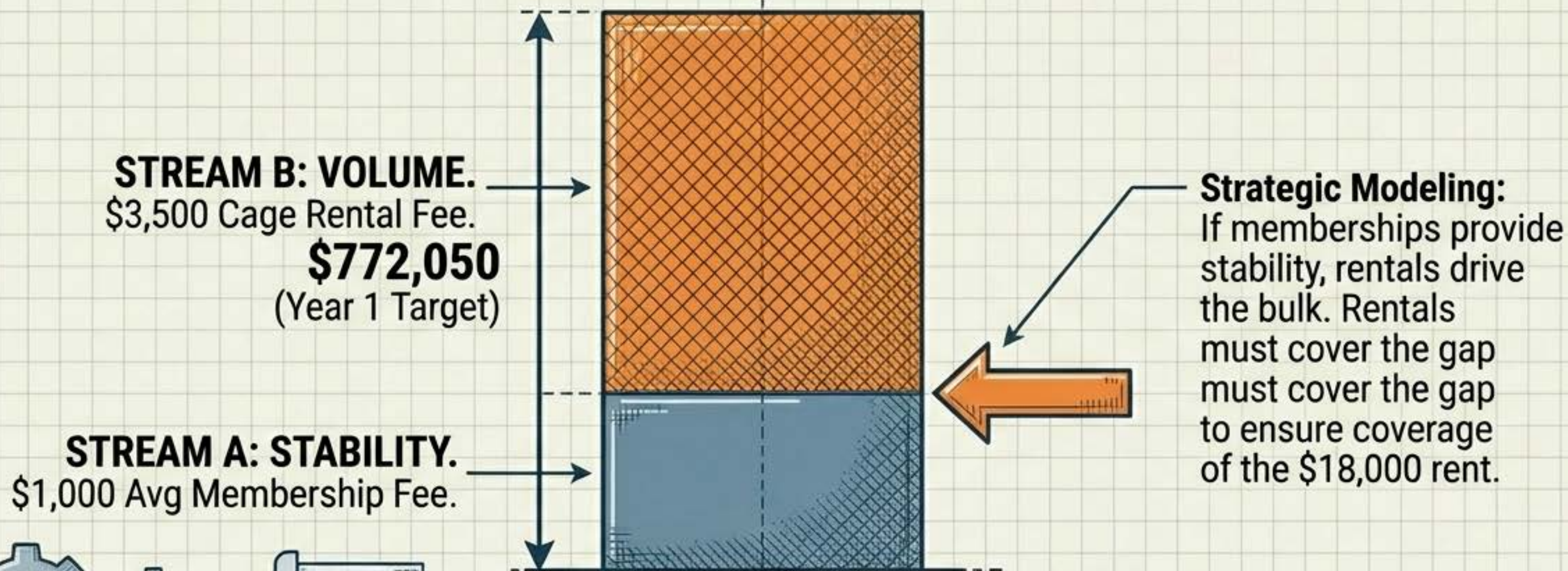


AOV: \$XX.XX | Utilization: XX% (Peak/Off)

CRITICAL INSIGHT:

Without hard numbers on off-season training demand, any location decision is just a guess.

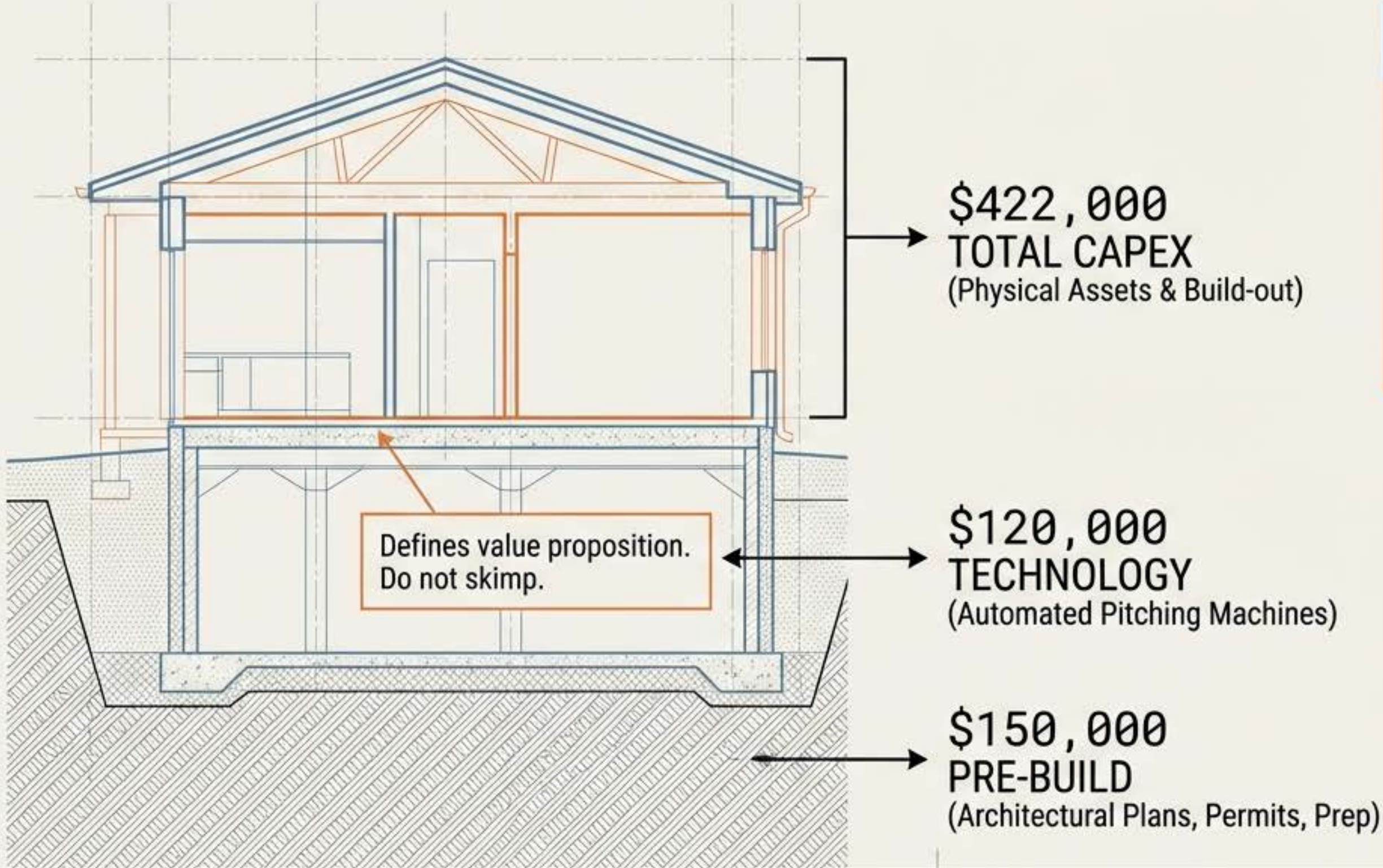
THE REVENUE MIX STRATEGY



CORE INSIGHT:

Strategic Modeling: The success of this model relies heavily on volume; the stability from memberships is foundational, but rental income is the critical growth engine.

THE CAPITAL STACK: UPFRONT INVESTMENT

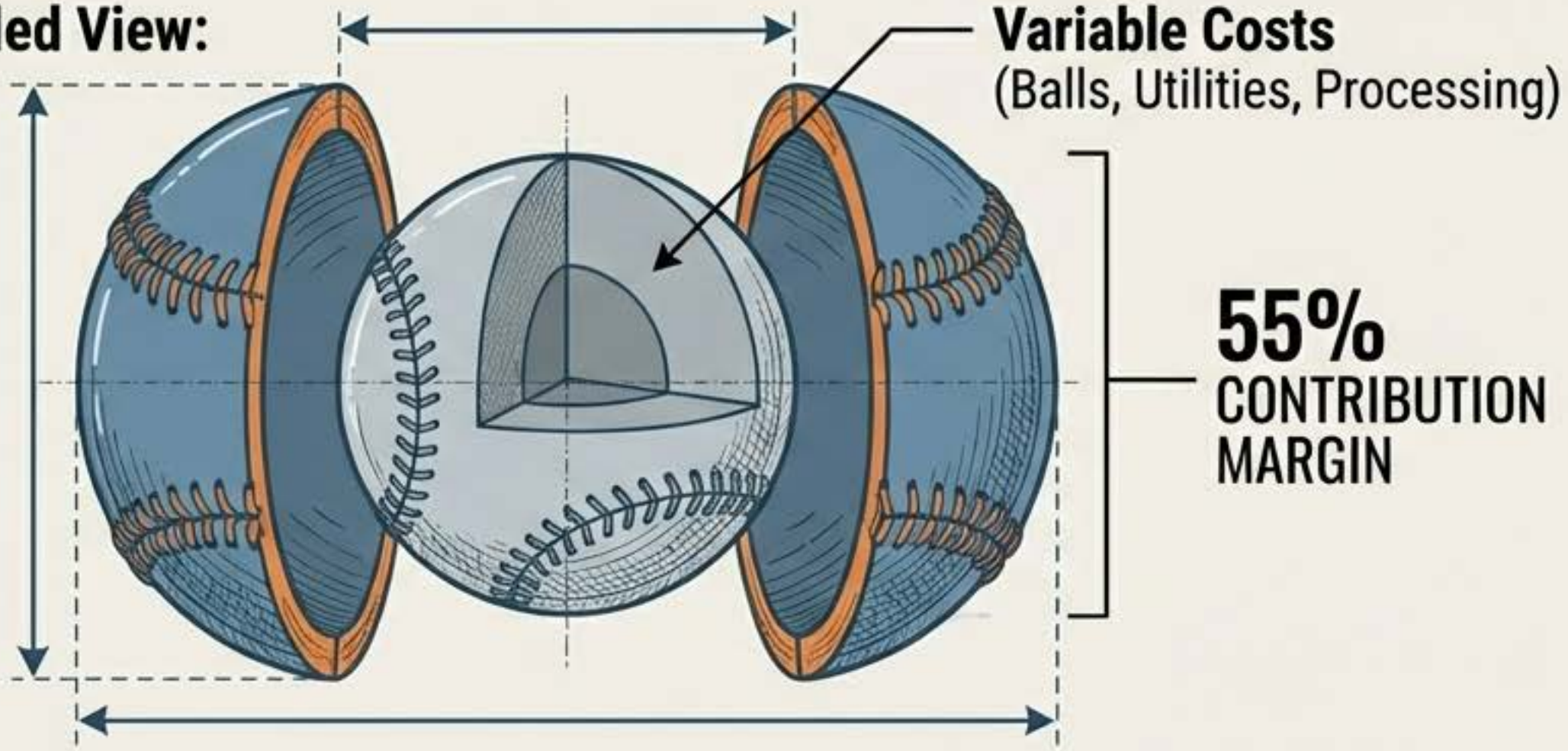


Funding Strategy:

Structure financing to cover hard assets (secured debt) vs. founder equity for setup costs.

DEFINING UNIT ECONOMICS

Exploded View:



$$\text{Average Revenue Per Unit (ARPU)} - \text{Variable Costs} = \text{Contribution Margin}$$

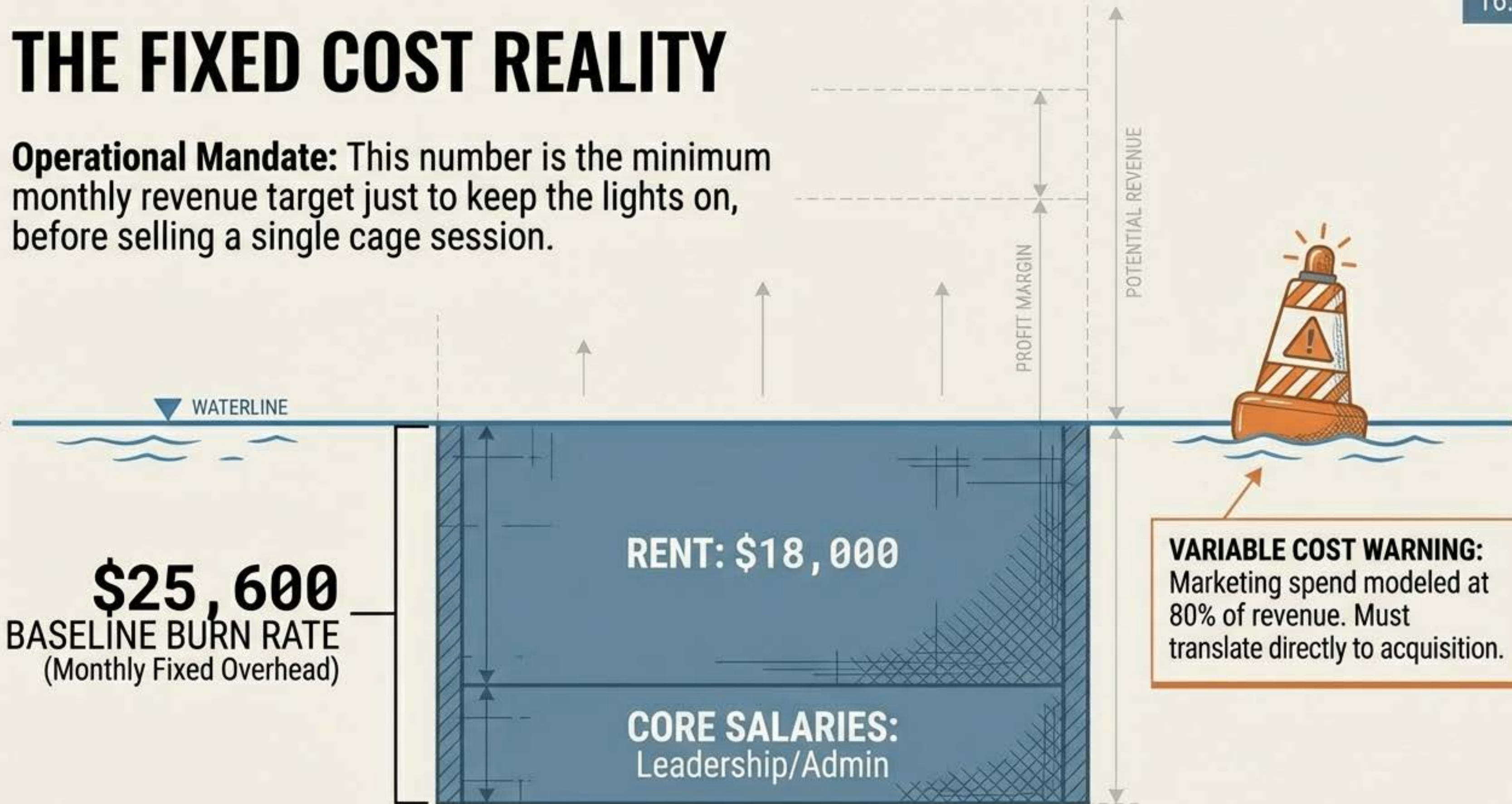
Stress Test:

-  **FIXED COSTS:**
\$55,808/month
(Overhead + Wages)
-  **REQUIRED REVENUE:**
\$101,470/month
-  **SESSION TARGET:**
1,691 Sessions/month
(at \$20 avg)

Takeaway: This volume requires a clear path to acquisition. You need to nail down your unit economics quickly.

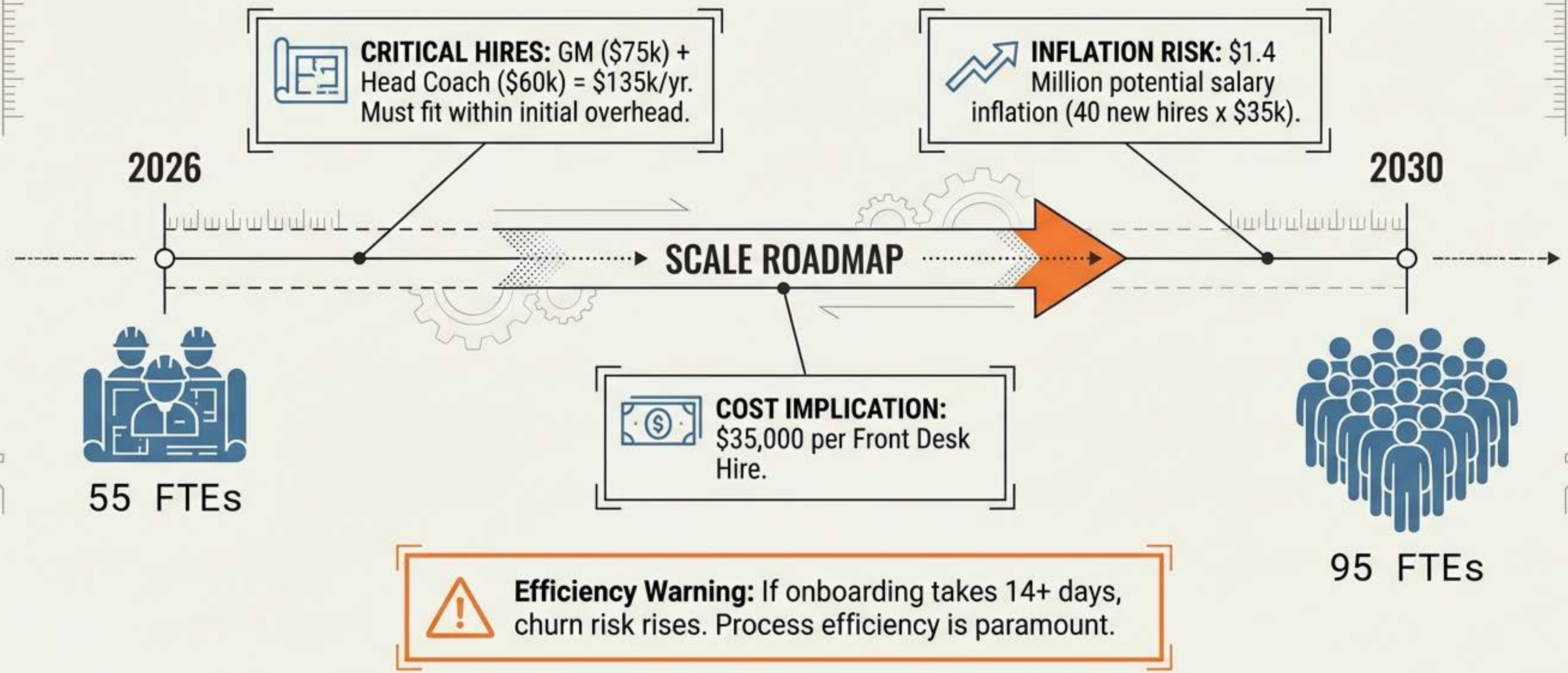
THE FIXED COST REALITY

Operational Mandate: This number is the minimum monthly revenue target just to keep the lights on, before selling a single cage session.

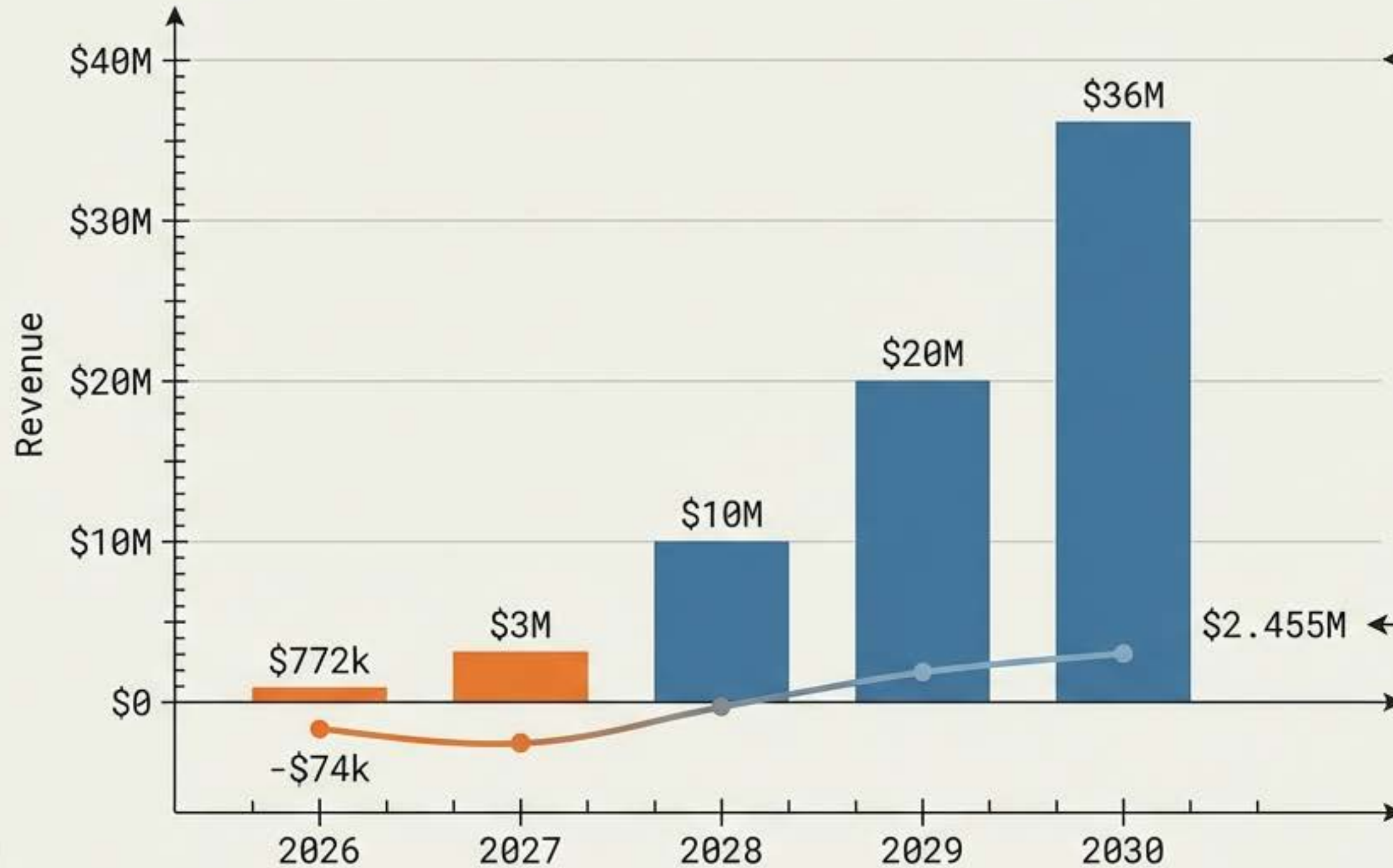


VARIABLE COST WARNING: Marketing spend modeled at 80% of revenue. Must translate directly to acquisition.

STAFFING FOR SCALE: THE HUMAN ELEMENT



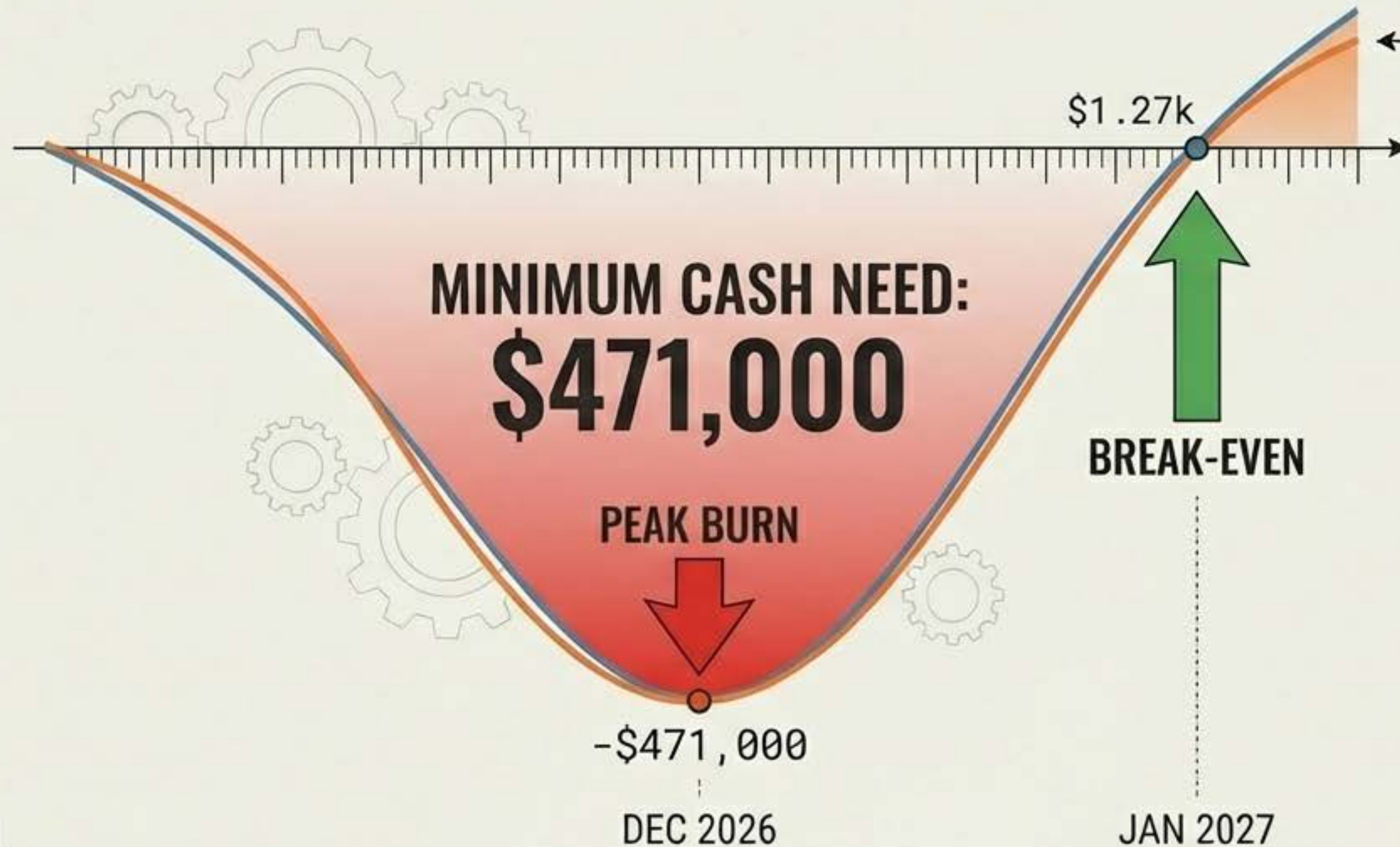
THE 5-YEAR FINANCIAL FORECAST (2026-2030)



The Pivot:

The model must show operational leverage kicking in fast. If EBITDA doesn't turn positive well before Year 3, revisit assumptions.

SURVIVING THE CASH TROUGH



The Danger Zone:

This includes \$422k CapEx + Operating Deficit. If you miss this funding target, the January 2027 break-even date becomes impossible.

FUNDING STRATEGY & RUNWAY



Structure: Focus on equity or venture debt that doesn't require immediate servicing. Tie milestones to positive cash flow by Q1 2027.

OPERATIONAL RISKS & 'GOTCHAS'

MARKETING SPEND

80% of Revenue?

Risk: Exceptionally high.
Verify acquisition vs. ongoing.

STAFFING INFLATION

\$1.4M Risk

Hiring must not outpace
membership volume.

COACHING UTILIZATION

> 75% for private sessions

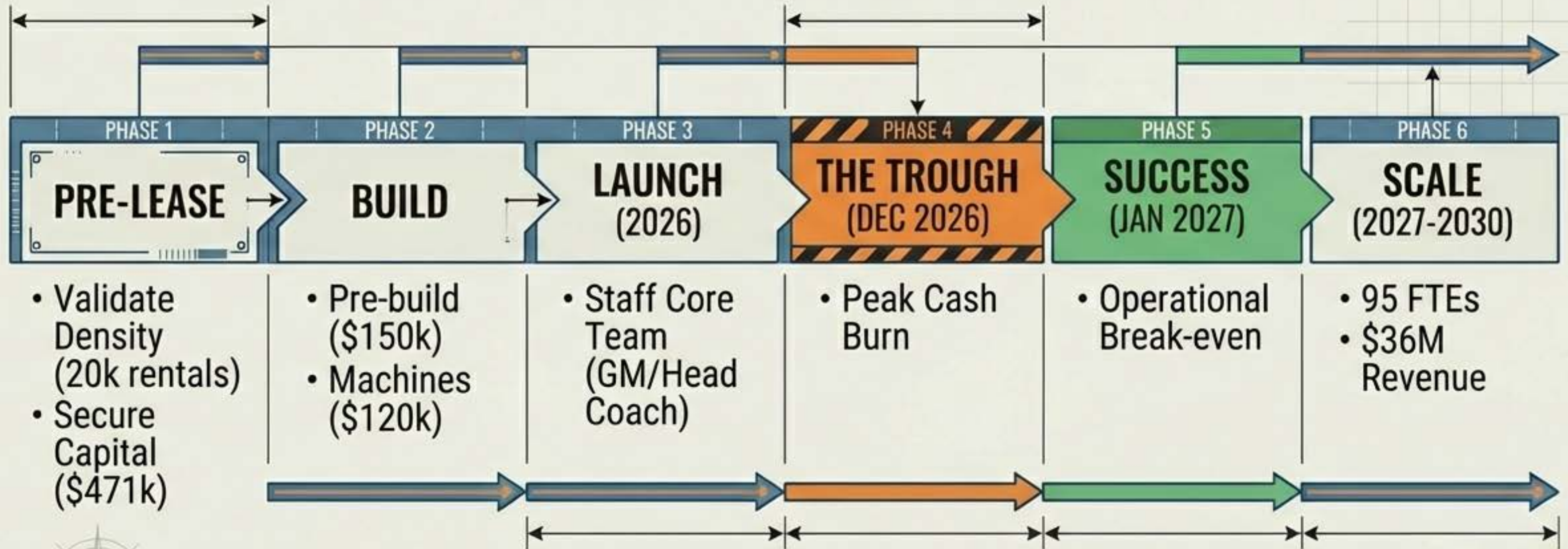
Must exceed 75% for
private sessions.

CONSUMABLES

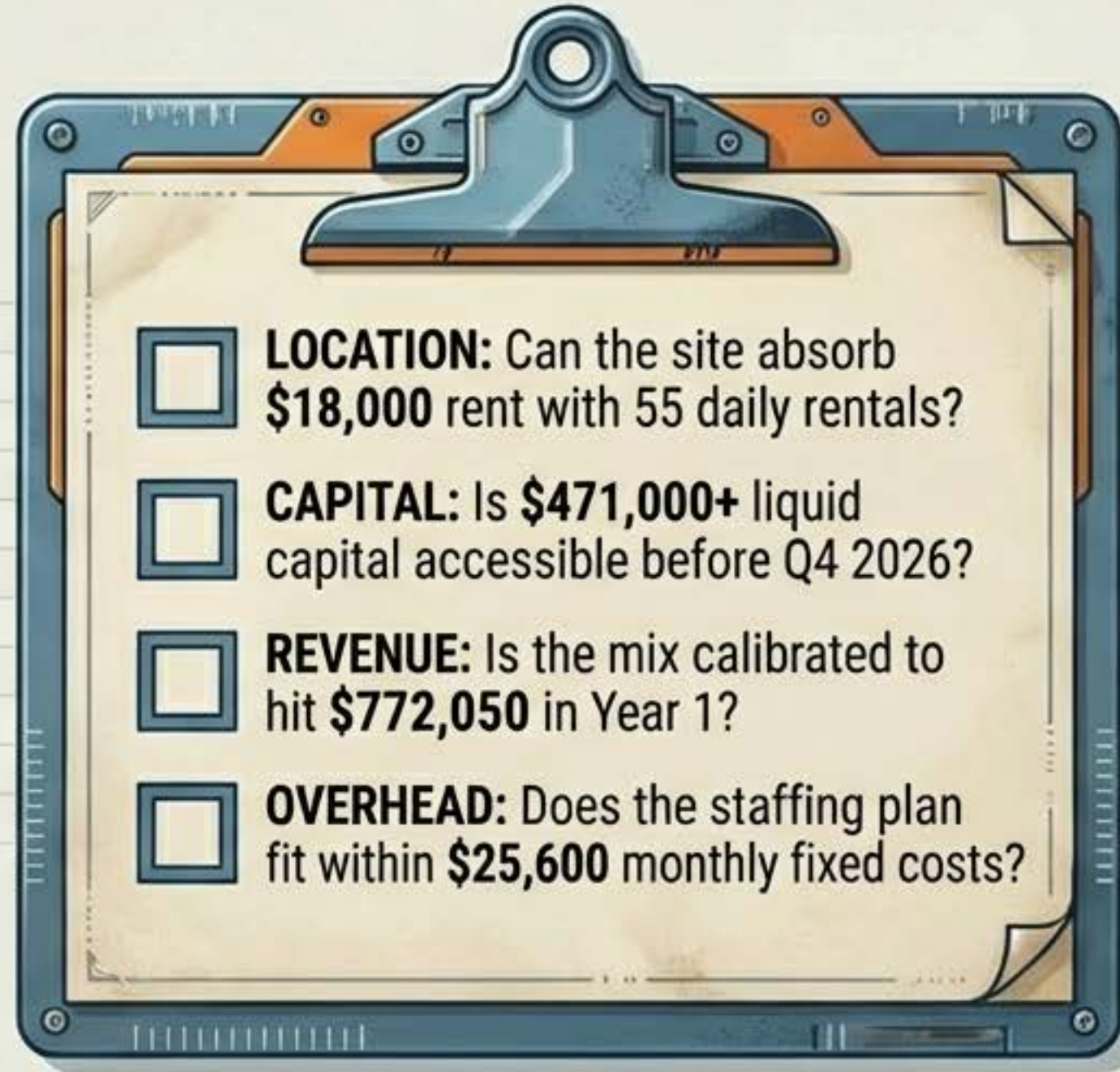
15% of Revenue

Watch gross margin
compression.

THE 13-MONTH CRITICAL PATH



FINAL VALIDATION CHECKLIST



- LOCATION:** Can the site absorb **\$18,000** rent with 55 daily rentals?
- CAPITAL:** Is **\$471,000+** liquid capital accessible before Q4 2026?
- REVENUE:** Is the mix calibrated to hit **\$772,050** in Year 1?
- OVERHEAD:** Does the staffing plan fit within **\$25,600** monthly fixed costs?

IF THE ANSWER TO ANY OF THESE IS 'NO', REVISIT THE BLUEPRINT BEFORE EXECUTION.