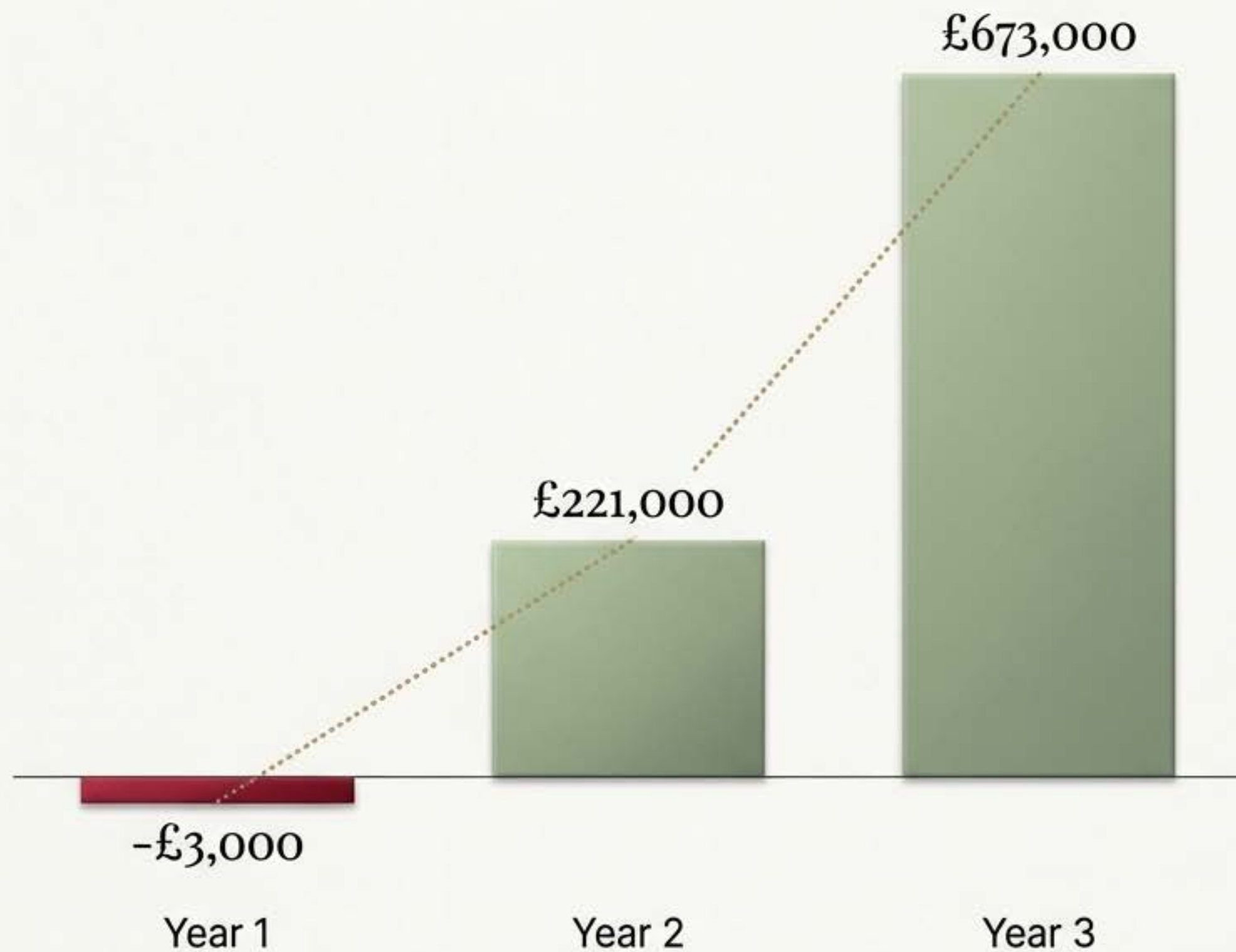




Candy Store Profitability & Operational Scaling Forecast

A STRATEGIC ROADMAP FROM SOLVENCY TO £673K EBITDA

Confidential Investment Analysis | Financial Model 2025-2030



The Owner-Operator Mandate

The trajectory is steep, but it is not passive.

Year 1 profitability is negative (-£3k), assuming the owner fills the Store Manager role to control labour costs.

Hiring a manager too soon erodes the Year 2 income stream.

Operational Scaling Target:
£673k EBITDA by Year 3.

Gold Foil

The Funding Gap



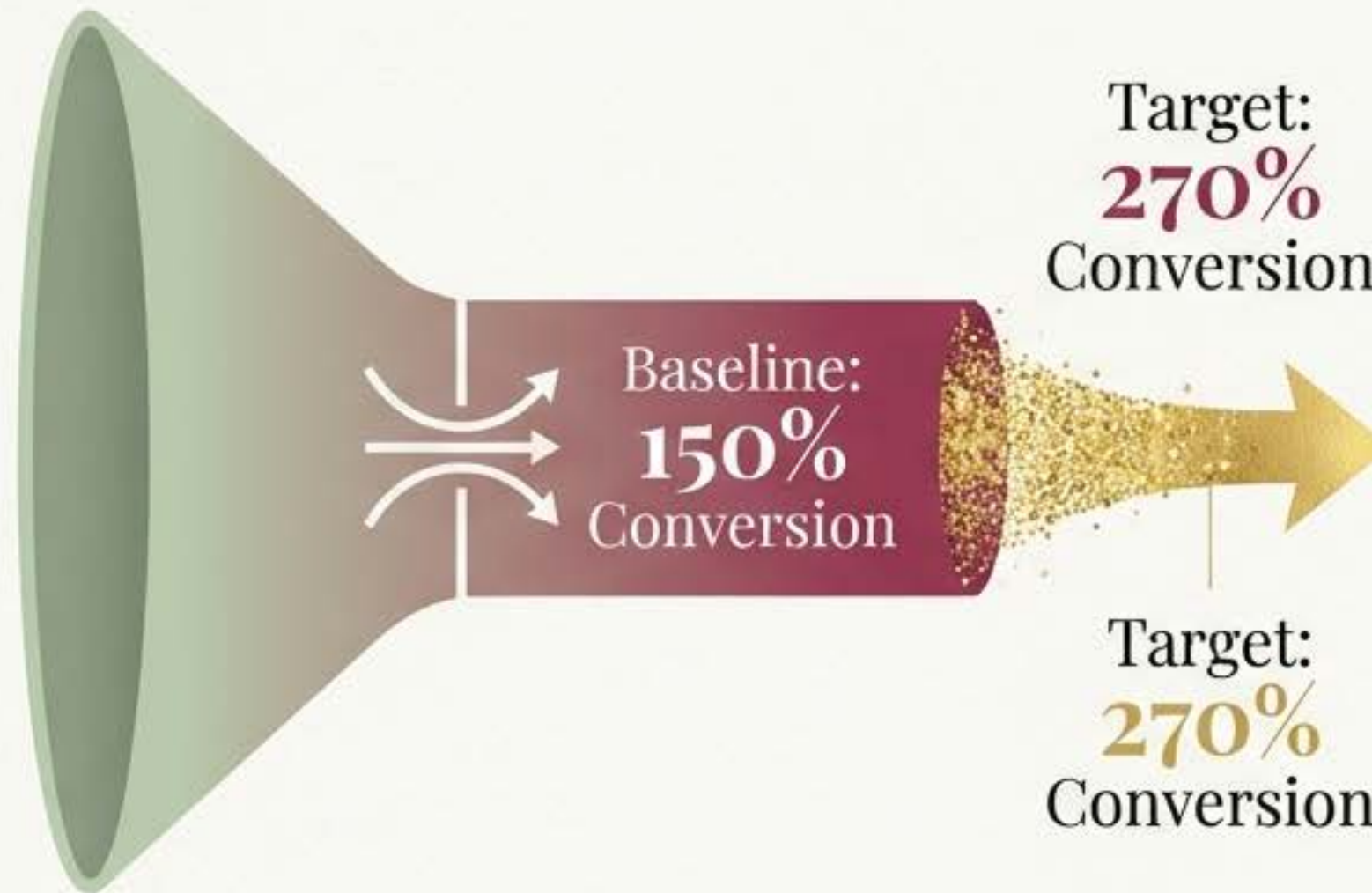
Solvency is the Precursor to Profitability

While the cost to open the doors is only £82.5k, the business requires a runway capable of covering a cumulative deficit of £844k.

You must secure funding to bridge this entire negative cycle before operations turn positive.

Traffic Input

- Monday: 250 Visitors
- Saturday: 600 Visitors



The Weekend Capacity Ceiling

Revenue growth hinges on maximising foot traffic conversion. With daily visitors peaking at 600 on Saturdays in 2026, the operation faces a physical capacity limit. Pushing conversion past 270% without operational efficiency increases wait times and churn risk.

Optimise the in-store journey to capture the 270% potential.

1	Metric	Constraint
2	Weekend Peak	600 Visitors (Capacity Limit)
3	Churn Risk	High if wait times increase



Good: Standard Candy (Bulk)

Better: Premium Gift Box & Favours (High Margin)

Lever 2: Product Mix & AOV

Margin Protection



Shifting sales toward high-margin bundles is the quickest lever to pull. Year 1 gross margins are high at 860%, but this relies on managing the cost of specialised packaging. Do not discount the gift boxes. AOV growth is the shield against fixed cost inflation.

Strategic shift to premium offerings drives sustainable margin expansion.

Repeat Rate:
250%
→
450%



Lifetime:
12
Months

Moving repeat customer volume to 450% of new customer volume stabilises cash flow. Focus intensely on the first 60 days to secure the second purchase; if onboarding takes 14+ days, churn risk rises.

The Cost Glide Path (2025-2030)



Inventory Discipline

With such high initial margins, the enemy isn't price—it's waste and shrinkage. Achieving 100% COGS means revenue exactly covers the cost of goods sold. This cost discipline must be locked in by 2030.

- **Tactical Drill:** Negotiate international sourcing and implement strict FIFO (First-In, First-Out) rotation.

Breakeven Thermometer



Lever 5: The Fixed Cost Floor

Operational Leverage

The shop must generate **£15,788** in monthly **revenue** just to cover the **£12,867** in fixed operating expenses (Rent, Utilities, Insurance).

Every dollar of AOV above this floor is pure profit.

If conversion rates dip below 150%, you will miss this minimum threshold immediately.

Lever 6: Staffing & The 'FTE Trap'

Scaling from 25 to 45 Full-Time Equivalents (FTEs) drives a £69k increase in annual wage expenses. This jump must be funded by proven sales volume, not projected growth.

Do not hire ahead of the curve. Use part-time staff and contractors to handle temporary spikes until demand is cemented.

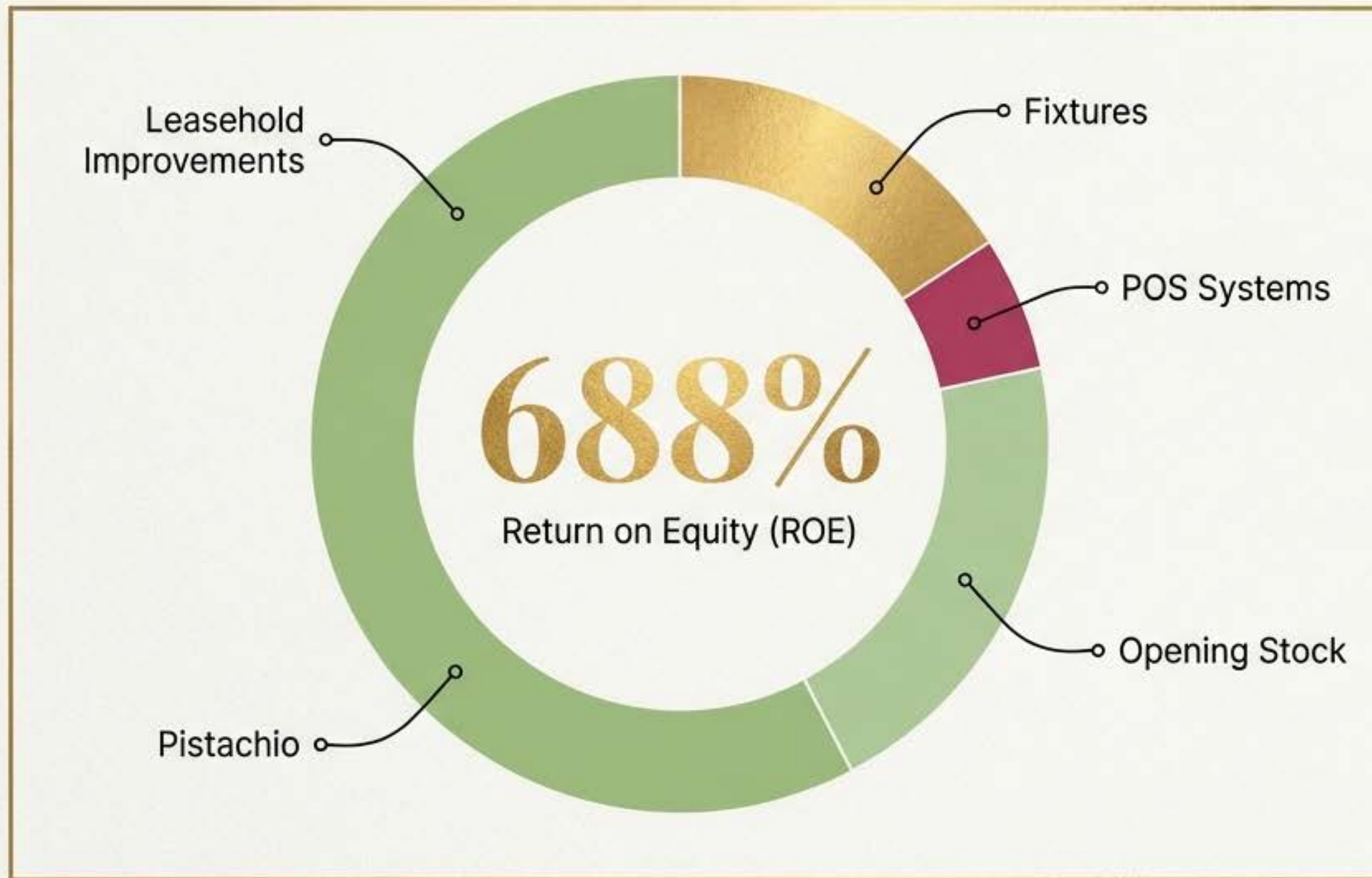




Timeline to Solvency

You will reach operational breakeven by **July 2026**, covering fixed and variable costs. However, the full recoup of initial capital takes **22 months**. July 2026 is the **critical Milestone**. Miss it, and the funding gap widens.

Capital Allocation: £82,500 Setup



Capital Expenditure Strategy

While the ROE is high, the payback is slow. Scrutinise every dollar of the £82.5k setup cost.

Lease non-core assets (like display cases) to preserve cash.

Negotiate supplier payment terms on the opening inventory to delay cash outflows.

STRATEGIC SCORECARD

YEAR 1: Survival

- Owner acts as **Manager**
- Secure **£844k** working capital runway
- Hit **Operational Breakeven** by July 2026

YEAR 2: Efficiency

- Target **£221k** EBITDA
- Lift Conversion to **270%**
- **⚠️ Avoid the 'FTE Trap'**
(manage the £69k wage spike)

YEAR 3: Stabilisation

- Target **£673k** EBITDA
- Lock in COGS at 100% of revenue
- Stabilise workforce at 45 FTEs

Profitability is not an accident. It is engineered through conversion, cost discipline, and timing.