



# Strategic Unit Economics: The Turnaround Roadmap

Operational leverage, risk mitigation, and the path to £255k EBITDA.

Prairie Creek Cattle Co. | Strategic Plan 2026–2035

# Operational restructuring targets a £688k EBITDA swing by Year 5.

Current State (2026)

**EBITDA: -£433,000**

Mortality: 80%


Break-even: N/A

Future State (2035)

**EBITDA: +£255,000**

Mortality: 50%

Break-even: Achieved August 2029



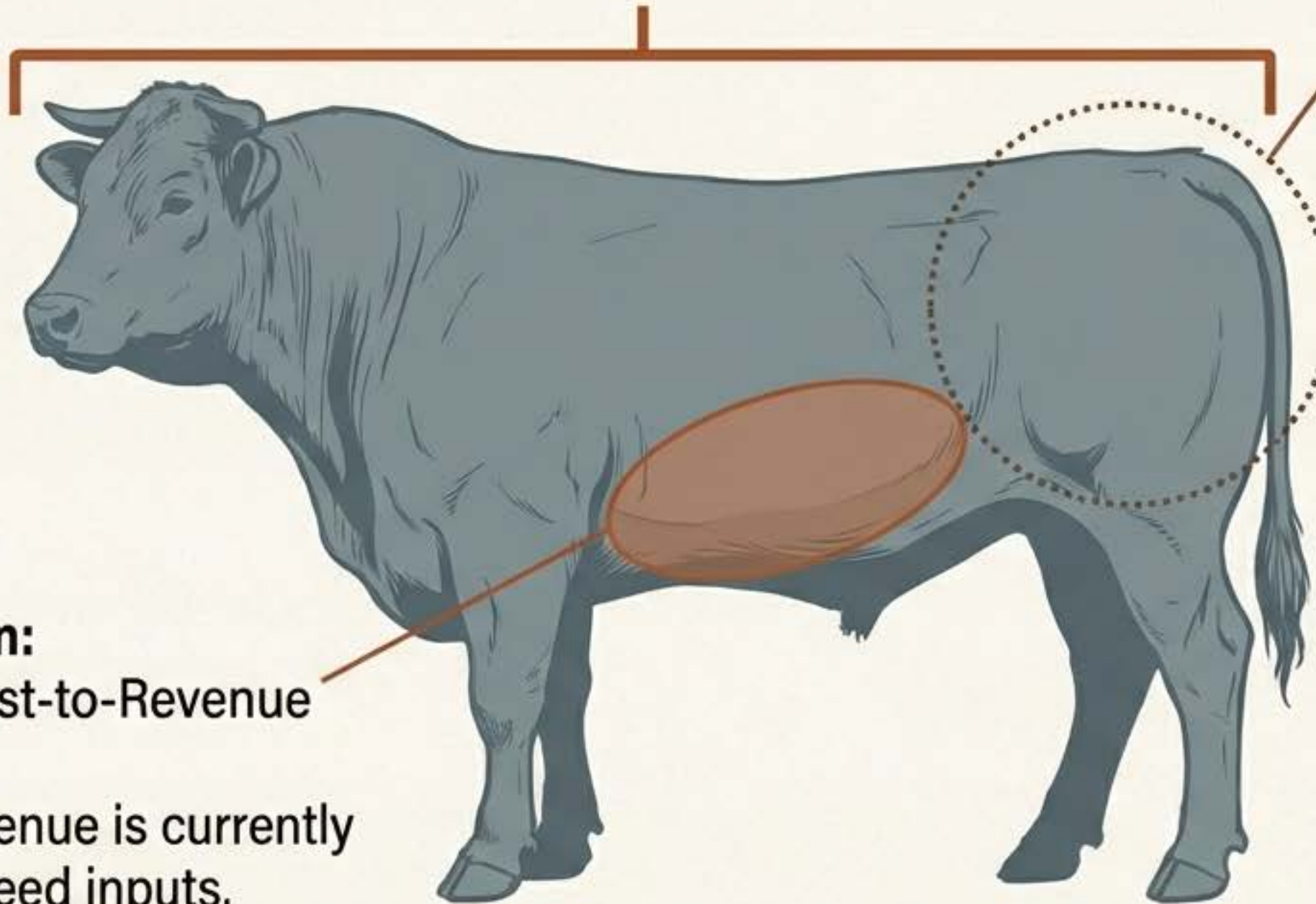
August 2029: Break-even Milestone

Achieving financial viability requires a 44-month sprint to break-even. Success hinges on decoupling revenue growth from expense growth and shifting volume to high-margin D2C channels.

# Systemic failures in mortality and pricing are eroding unit profitability.

**The Value Cap:**  
Wholesale Pricing Cap: £1,500/kg

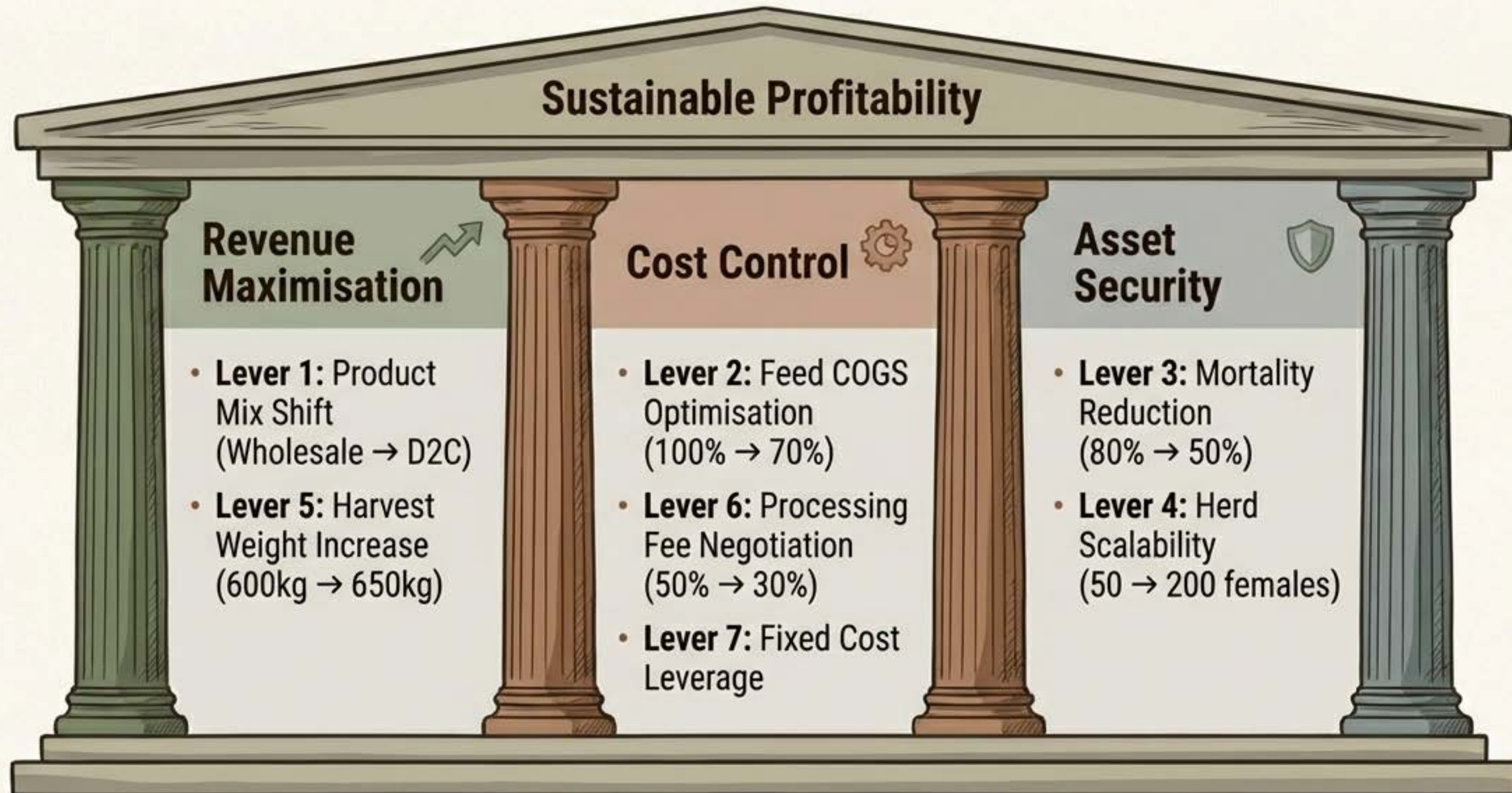
**The Sunk Cost Trap:**  
80% Juvenile Mortality.  
Input costs for 100 animals  
are absorbed by only 20  
survivors.



**The Feed Drain:**  
100% Feed Cost-to-Revenue  
Ratio.  
Every £1 of revenue is currently  
consumed by feed inputs.

Current status: 100%  
of input costs for lost  
livestock are sunk,  
with zero revenue  
recovery.

Seven strategic levers will drive the transition across three operational pillars.



# Shifting volume to Premium D2C realizes an immediate £1,000/kg revenue lift

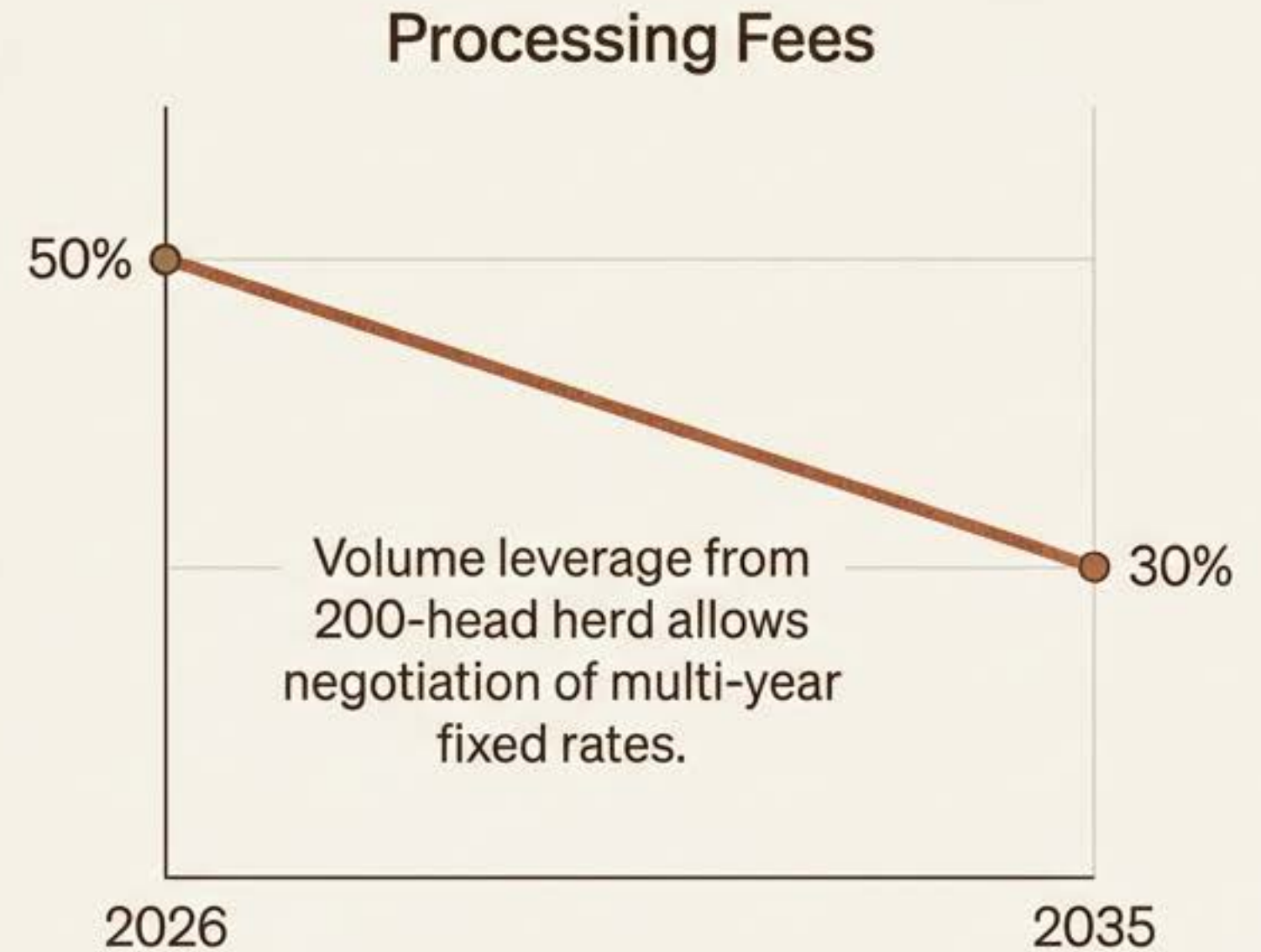
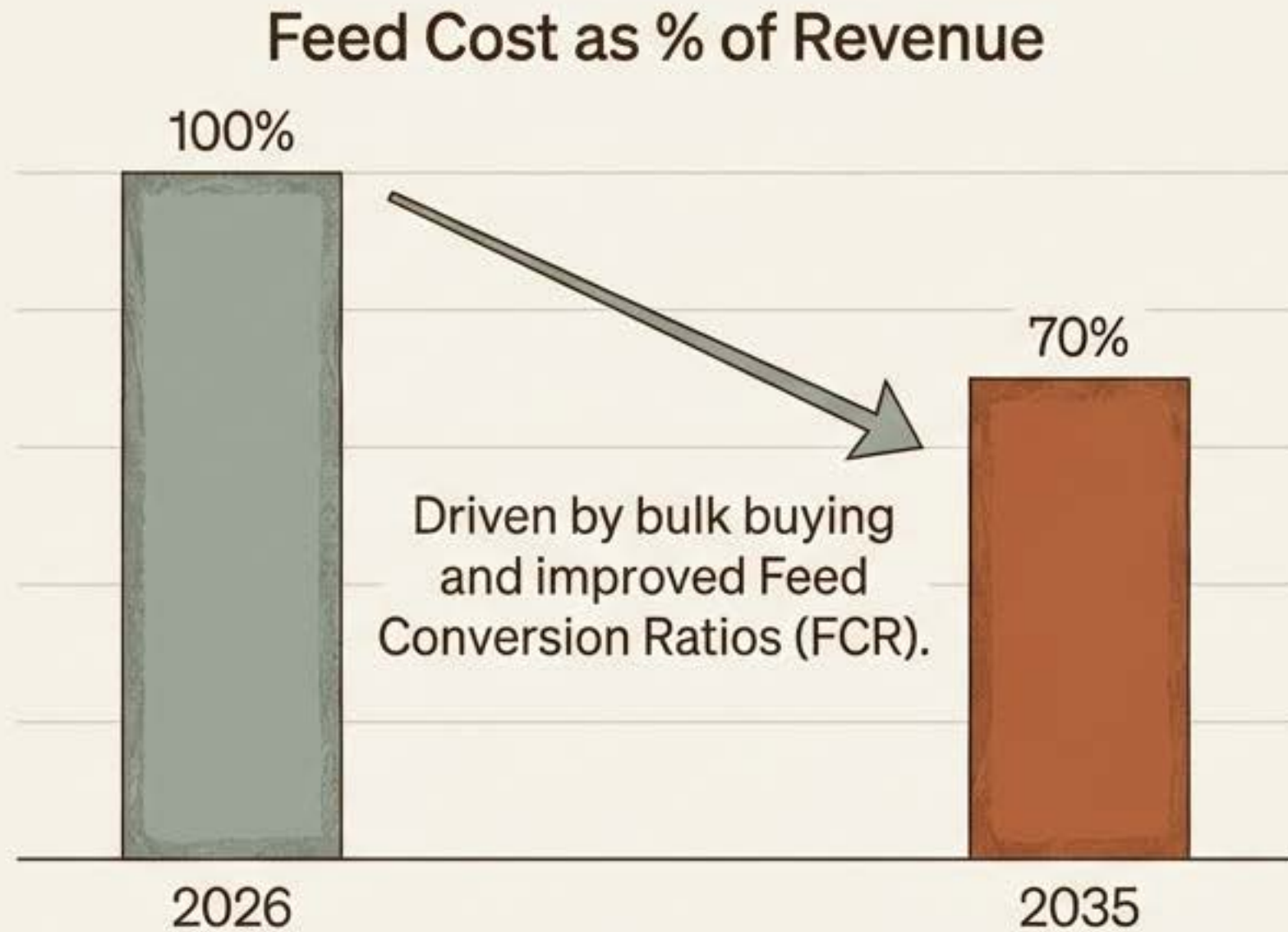


## The Margin Trap:

D2C logistics (cold chain, last-mile) must remain below 20% of revenue. If onboarding takes 14+ days, churn risk spikes.

D2C cuts yield 60% of carcass weight but drive the majority of margin contribution.

# Decoupling expense growth from revenue via bulk efficiency and scale negotiation

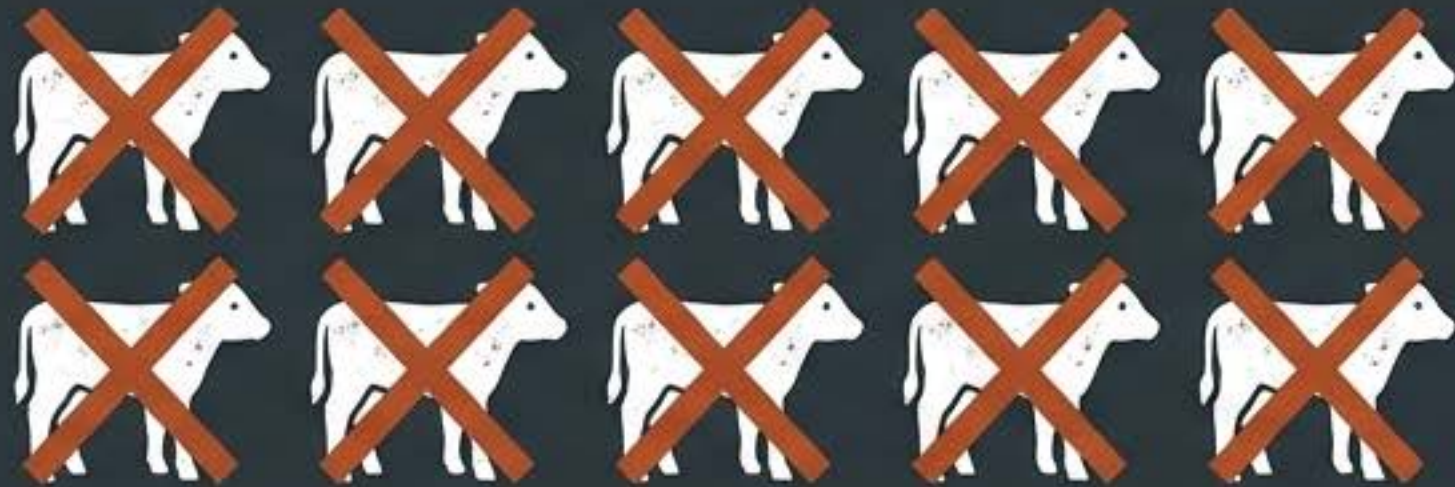


Feed is the largest variable pressure. We must target a **3-point margin gain** purely through FCR improvements and mineral mix refinement.

# Mortality reduction is a prerequisite for inventory growth.

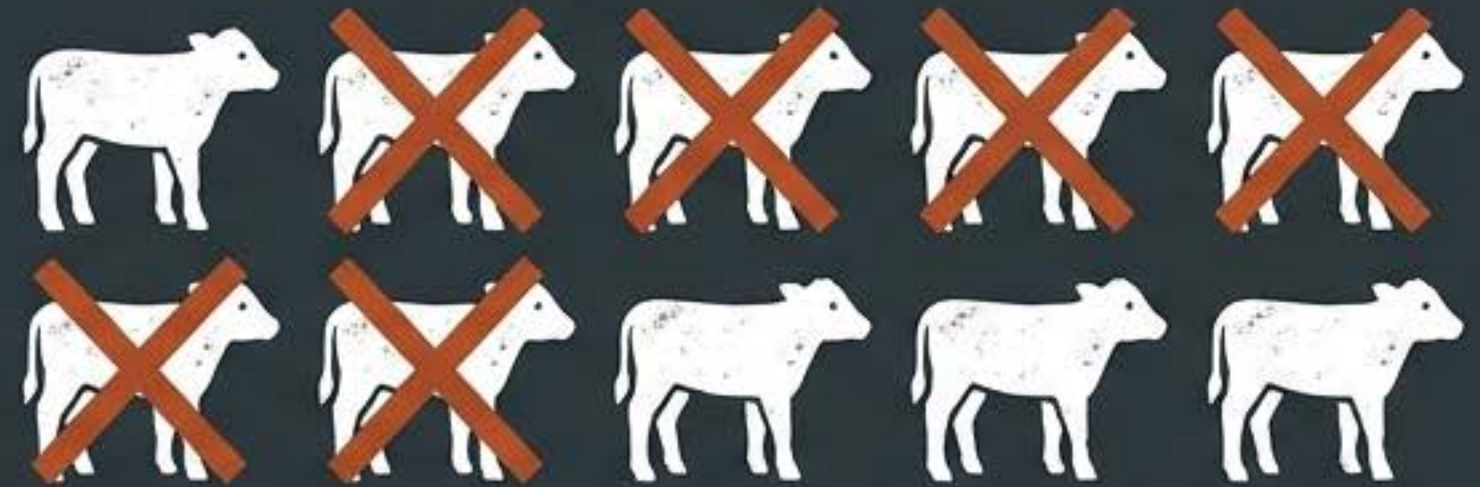
## The Impact of Survival

2026 Baseline



80% Juvenile Loss

2032 Target

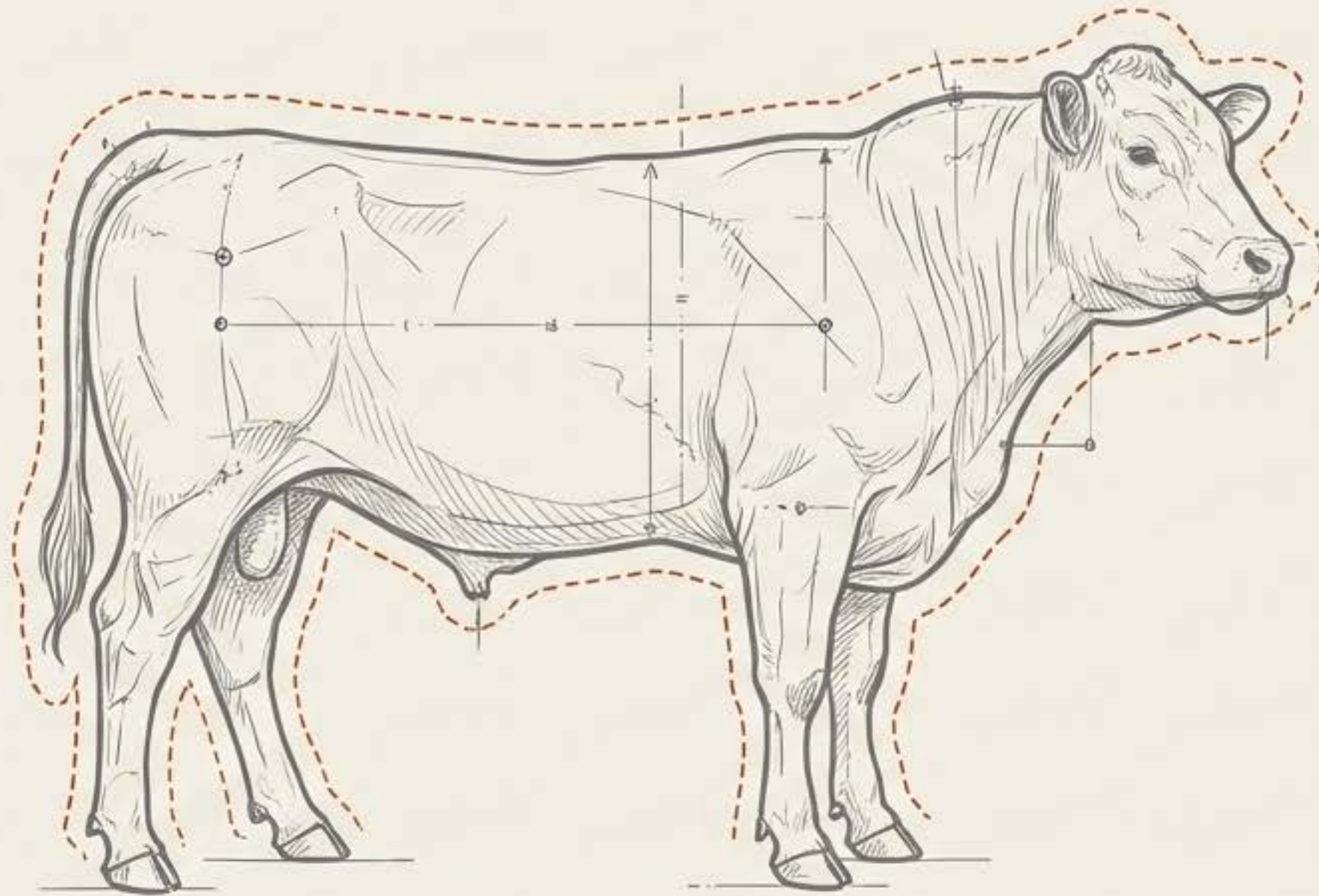


50% Juvenile Loss

**1% Loss Reduction = Saved Sunk Costs (Feed/Vet) + Realised Revenue**

If we lose 100 calves, the feed/vet bill is absorbed by the survivors. Benchmarking against industry averages confirms current rates indicate systemic management failure.

# Increasing harvest weight leverages fixed costs—same animal, higher yield.



Scenario A: 600kg

Scenario B: 650kg (+50kg)

## Free Margin Concept:

Fixed overheads (£133,800/yr) do not rise with the extra 50kg. This incremental weight is pure margin improvement driven by genetics and pasture density.

## Operational Note:

Requires monitoring 'Days on Pasture' to ensure feed costs don't outweigh weight gains.

# Aggressive scaling to 200 females requires balancing long-term growth with short-term cash flow

## Herd Growth Timeline



**Infrastructure Alert:** Target of 480 total females implies immediate need for land acquisition and permitting. Delays here stall the 2034 revenue targets.

The path to break-even requires 32 units sold monthly to cover fixed burn.




$$\begin{aligned} & \text{£11,150 Fixed Overhead} \\ & \div \text{£350 Contribution Margin} \\ & = \text{32 Units/Month} \end{aligned}$$

Annual Sales Target: 384 head

Required Herd Scale: 480 breeding females (at 0.8 calving rate) OR equivalent external purchases.

We must generate enough gross profit to clear the £11,150 hurdle every month before we can claim profitability.

# Execution risk lies in logistics complexity and biological lag

Logistics (High Impact)	Infrastructure (Medium Impact)	Biological (High Impact)
 <hr/> <p>Cold chain failure for D2C</p> <p>Mitigation: Standardised box sizes and fixed-rate shipping contracts.</p>	 <hr/> <p>Land acquisition delays capping herd at &lt;200.</p> <p>Mitigation: Early permitting.</p>	 <hr/> <p>Disease outbreaks reversing mortality gains</p> <p>Mitigation: Strict quarantine and vet response protocols.</p>

“Higher margin requires higher operational precision; we must not trade one bottleneck for another.”

# Executing these seven levers secures long-term viability and a £255k EBITDA.



By 2035, Prairie Creek Cattle Co. will have transitioned from a distressed asset to a high-efficiency, direct-to-consumer operation.