



Clothing Manufacturing: Financial & Operational Scale Strategy

A Blueprint for Domestic Production,
66% IRR, and Sustainable Scalability.

Operational Roadmap: 2026 - 2030

\$1.138M

Total Minimum Cash Requirement
(CAPEX + Working Capital)

66%

Projected IRR
With \$1.612M Year 1 EBITDA

1 Month

Velocity to Profitability
Time to Breakeven post-launch

50,000

Year 1 Unit Volume
Baseline Target (T-Shirt Basic)

Strategic Product Mix: Volume vs. Margin



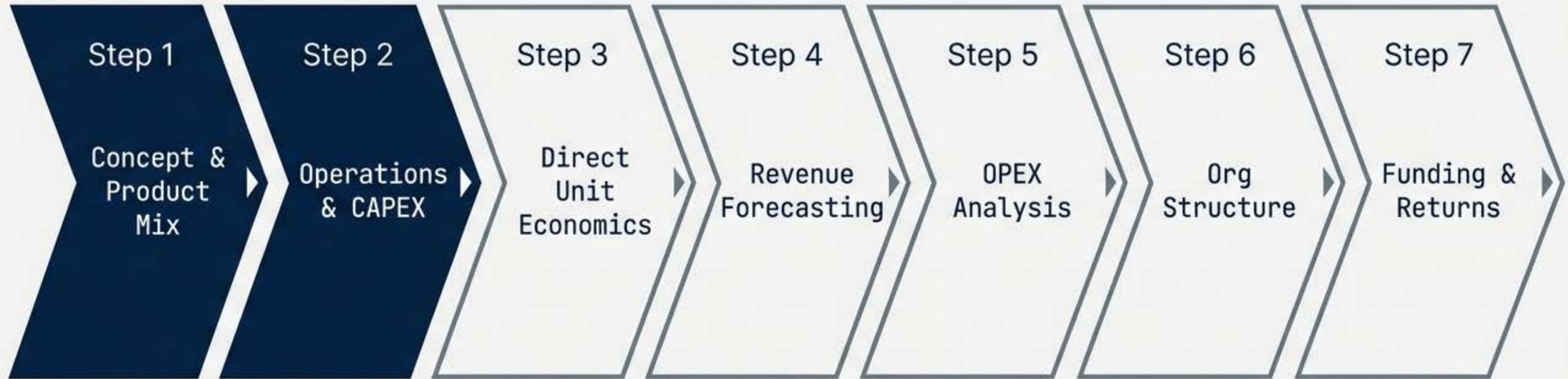
Strategy: Use the T-Shirt Basic to absorb overhead (50k units/year), while Denim and Puffer Jackets drive net profitability.

Deep Dive: Unit Economics (The T-Shirt Model)



Breakeven Reality:
Fixed overhead of \$276,000/year requires shipping 125,000 units annually to clear costs.

From Concept to Cash Flow: The 7-Step Scale Strategy



Phase 1: Immediate Execution & Asset Definition

Step 1: Concept & Product Definition

Reducing operational complexity by locking SKUs early.

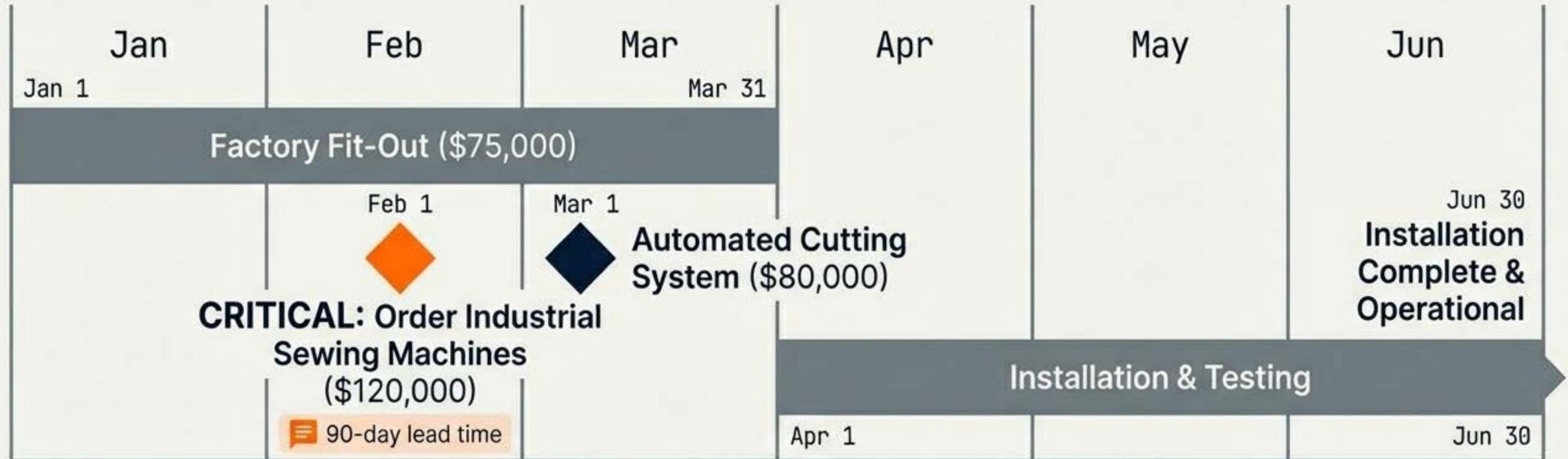
Complexity Kills Margins.

Too many SKUs early on creates quality control failure points. We are limiting the initial run to core essentials to streamline the factory fit-out.

Product	Target	Cost Basis
T-Shirt Basic	50,000 units	\$12.00
Denim Jean	30,000 units	\$28.00

Insight: Product mix dictates machinery. We lock volume targets now to prevent fit-out delays.

Step 2: CAPEX & Machinery Timeline (2026)



JetBrains Mono

Total Machinery & Setup CAPEX: \$405,000

Steps 3 & 4: Direct Costs & Revenue Modeling

\$314M Revenue Target
2026 Scale Objective

Direct Inputs
Fabric, Thread, Trims,
Inbound Shipping

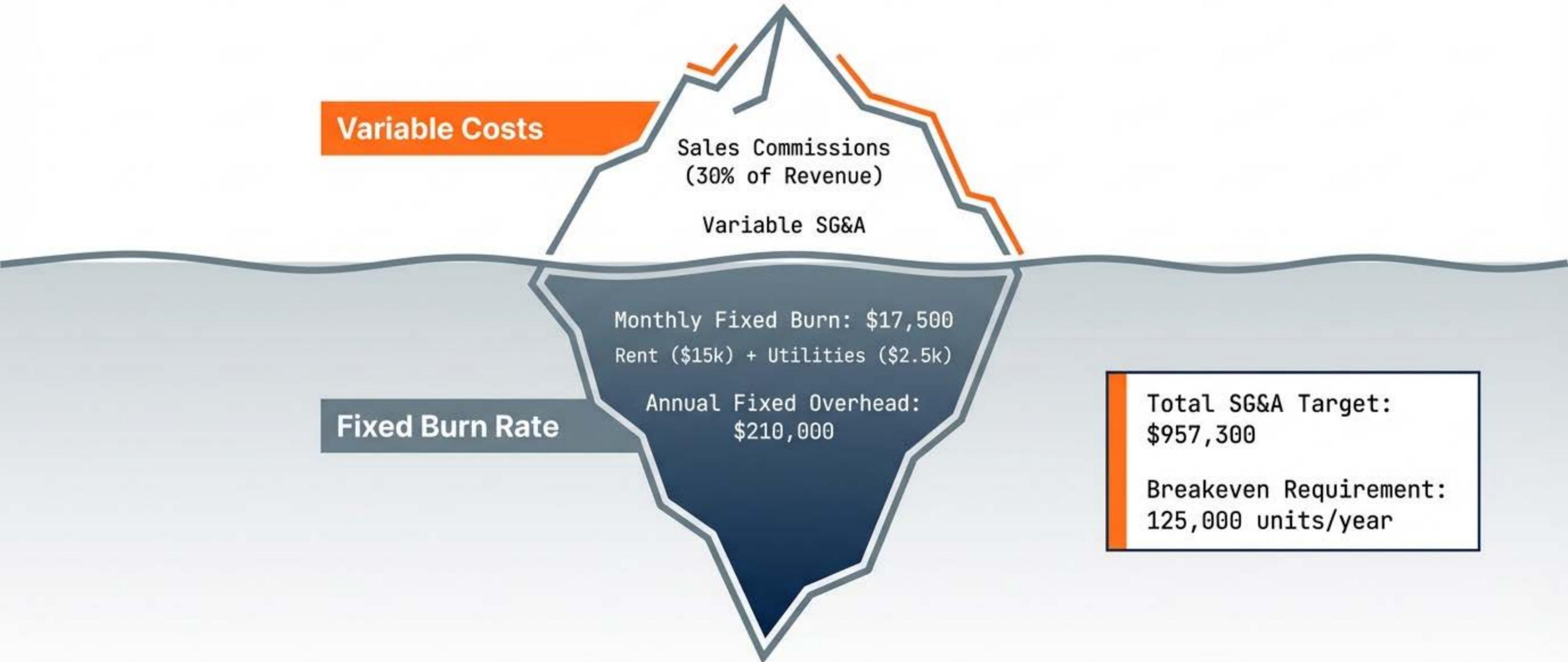
Direct Labor
Assembly Staff
Wages Only

Constraint: No Rent or Overhead
included here. Pure assembly cost.

Gross Margin
Pre-Overhead Profit

Insight: Gross Margin protection requires separating Direct Labor from Fixed Overhead. If Direct COGS hits 50%, Gross Margin vanishes before OPEX.

Step 5: Operating Expenses (OPEX)



Step 6: Organizational Structure & Headcount

CEO (\$150k) + Production Manager (\$90k)

QC Lead (Key Hire)

73 Production & Support Roles

Targeting **75 FTE** by 2026

Total Projected Payroll:
~\$540,000

 Note: Leadership layer (\$240k) is fixed; production staff scales with volume.

Step 7: Funding Strategy & Returns

Sources & Uses of Capital	
CAPEX (Machines + Fit-out)	\$405,000
Working Capital & Buffer	\$733,000
Total Cash Requirement	\$1,138,000

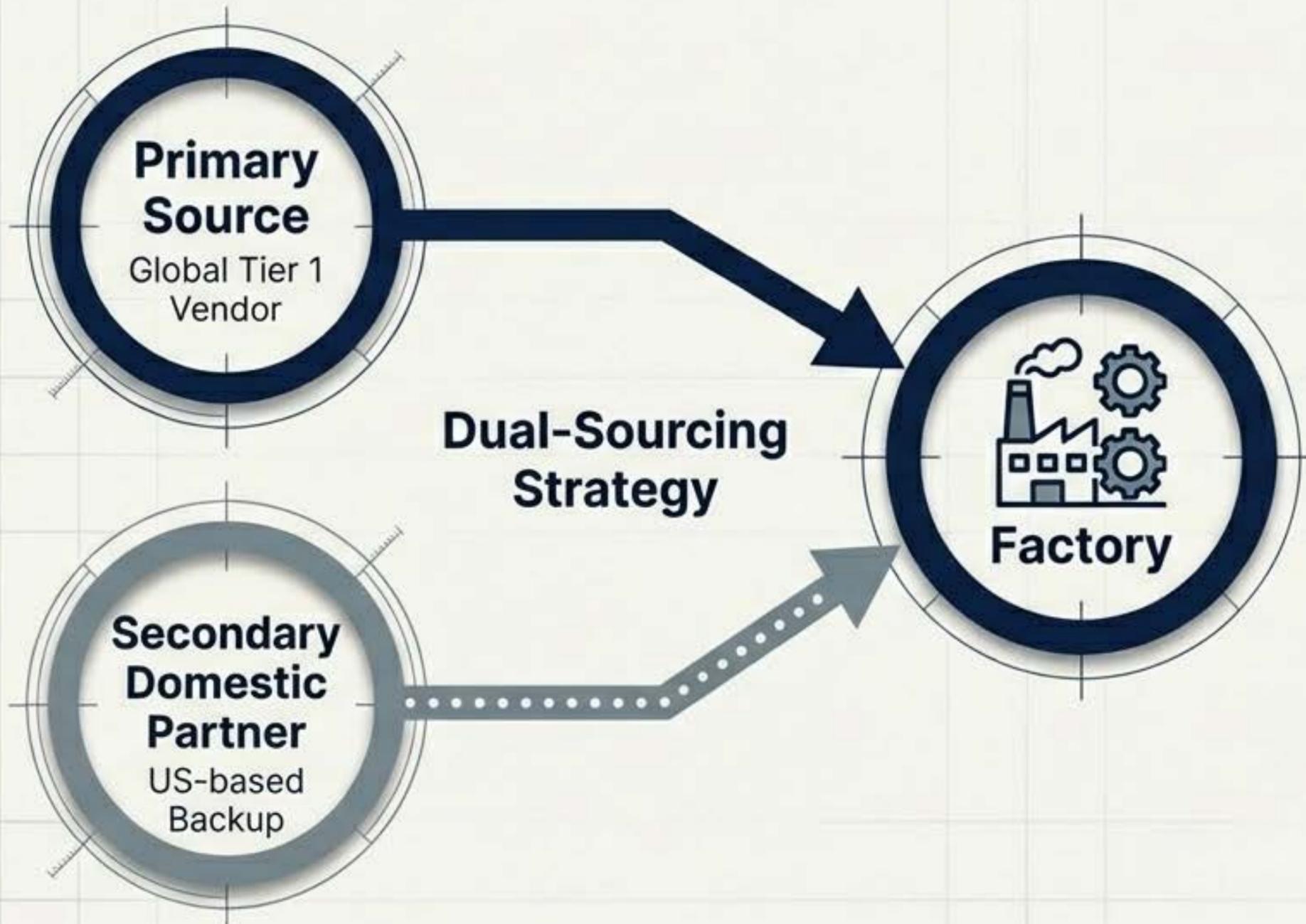


Operational Excellence: Scaling Quality



Why: Validating material compliance before cutting backs the 'Made in the USA' guarantee.

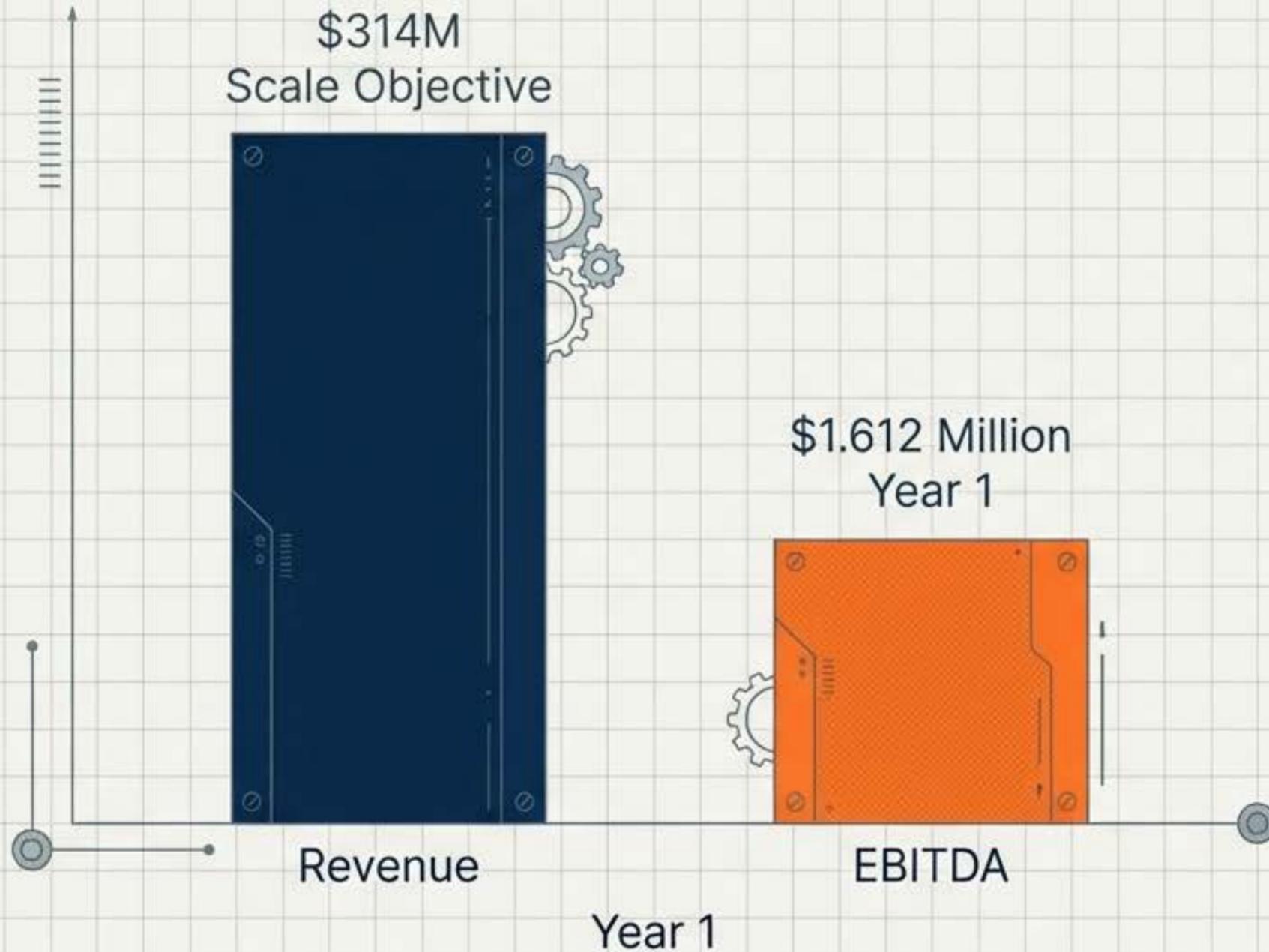
Supply Chain Security & Risk Mitigation



Strategy: Vet multiple qualified vendors for trims (zippers, buttons, thread).

Risk Reality: Onboarding delays of 14+ days significantly increase churn risk. Redundancy is our insurance.

Financial Projections & Tax Strategy



Tax Strategy: Immediate depreciation schedule mapping creates significant tax shield benefits starting Year 1.

THE WINDOW IS NOW.

To hit the Q2 2026 production window, machinery orders must be placed by February 1, 2026.

\$1.138M

Capital Required for Immediate Launch

High volume. Domestic quality. Sustainable margins.