



Strategic Financial and Operational Playbook for Gaming Lounges

A comprehensive roadmap bridging high-level financial targets with ground-level operational realities.

Capitalising a clear trajectory to half a million in sustained earnings

\$867,000

Initial Capital Requirement

The total ask to cover equipment, build-out, and required working capital.

14 Months

Runway to Cash Flow Break-Even

Targeting February 2027 to cover all fixed and variable overheads.

-\$72,000

Year 1 EBITDA Loss

Projected initial trough due to unyielding fixed operating expenses.

\$523,000

Projected EBITDA by 2030

The ultimate destination based on optimal capacity utilisation.

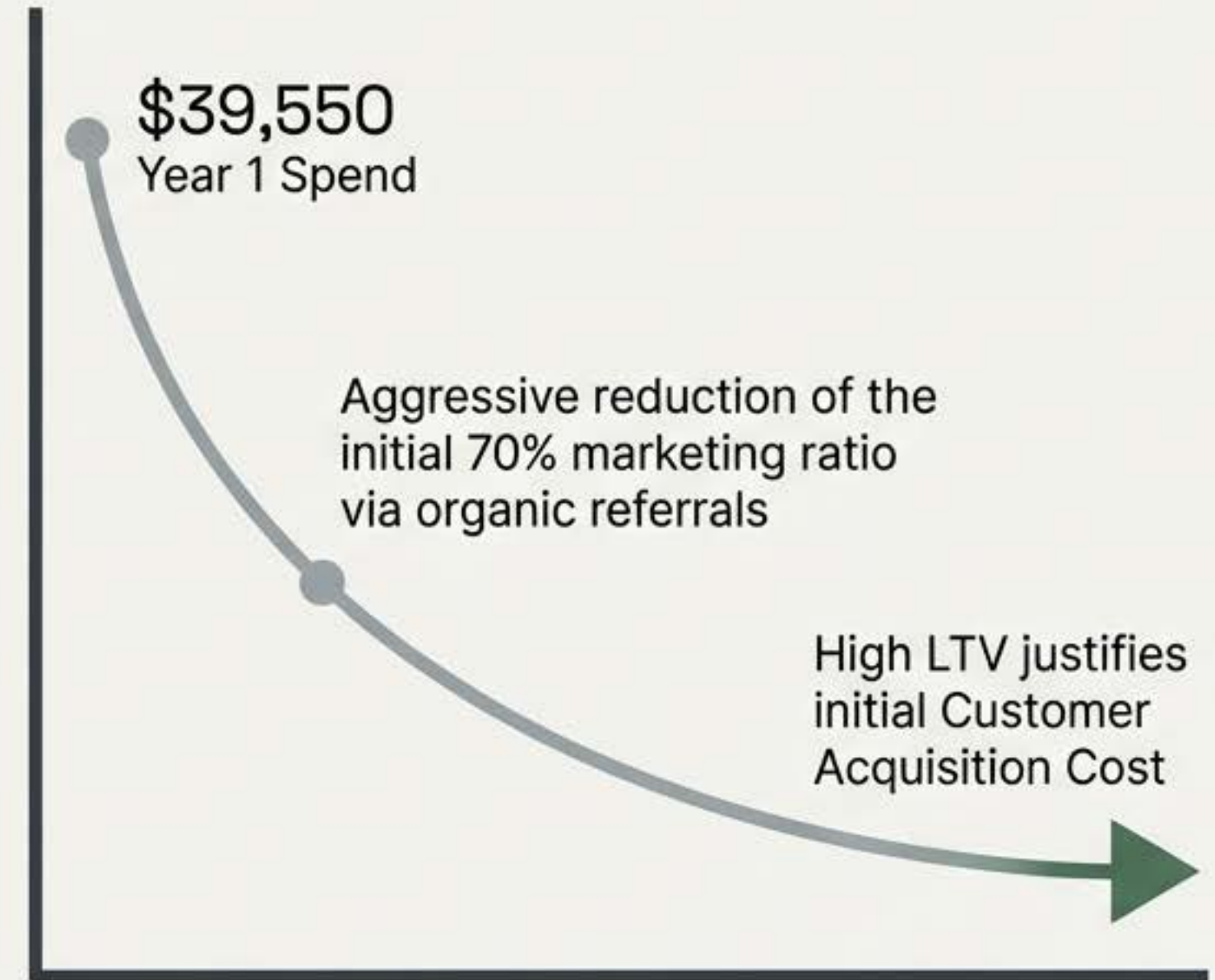
Dedicated esports fans drive the highest lifetime value



Core Demographic: Aged 16-35

Targeting competitive players entering tournaments over casual visitors.

Behavioural Trait: Values high-end PC access, driving longer session durations and higher ancillary spending.



Translating fixed overhead into daily utilisation targets

Equation 1 Block (High-Ticket Reality)

$$\left[\begin{array}{c} \$17,200 \text{ Monthly} \\ \text{Overhead} \end{array} \right] \div \left[\begin{array}{c} \$1,500 \\ \text{Private Event} \end{array} \right] = \begin{array}{c} 11.47 \\ \text{Sessions/Month} \end{array}$$

Just 0.38 sessions daily over 30 days (assuming 100% contribution margin).

Equation 2 Block (Factoring Variables)

$$\left[\begin{array}{c} \$17,200 \text{ Monthly} \\ \text{Overhead} \end{array} \right] \div \left[\begin{array}{c} 40\% \text{ Variable} \\ \text{Cost Reality} \end{array} \right] = \begin{array}{c} 19.12 \\ \text{Sessions/Month} \end{array}$$

Still requires less than one session daily to cover overhead.

Key Insight: With 50 gaming stations, capacity utilisation is not the bottleneck. Sustained profitability requires driving ancillary revenue alongside sessions.

Comparing true contribution margins across revenue streams

88%



Gaming Sessions

Average rate: \$15/hour. Variable costs (power, licensing, wear) contained at 12%.

75%



Private Events

Average booking: \$1,500. Variable costs (staffing, setup) run at 25%.

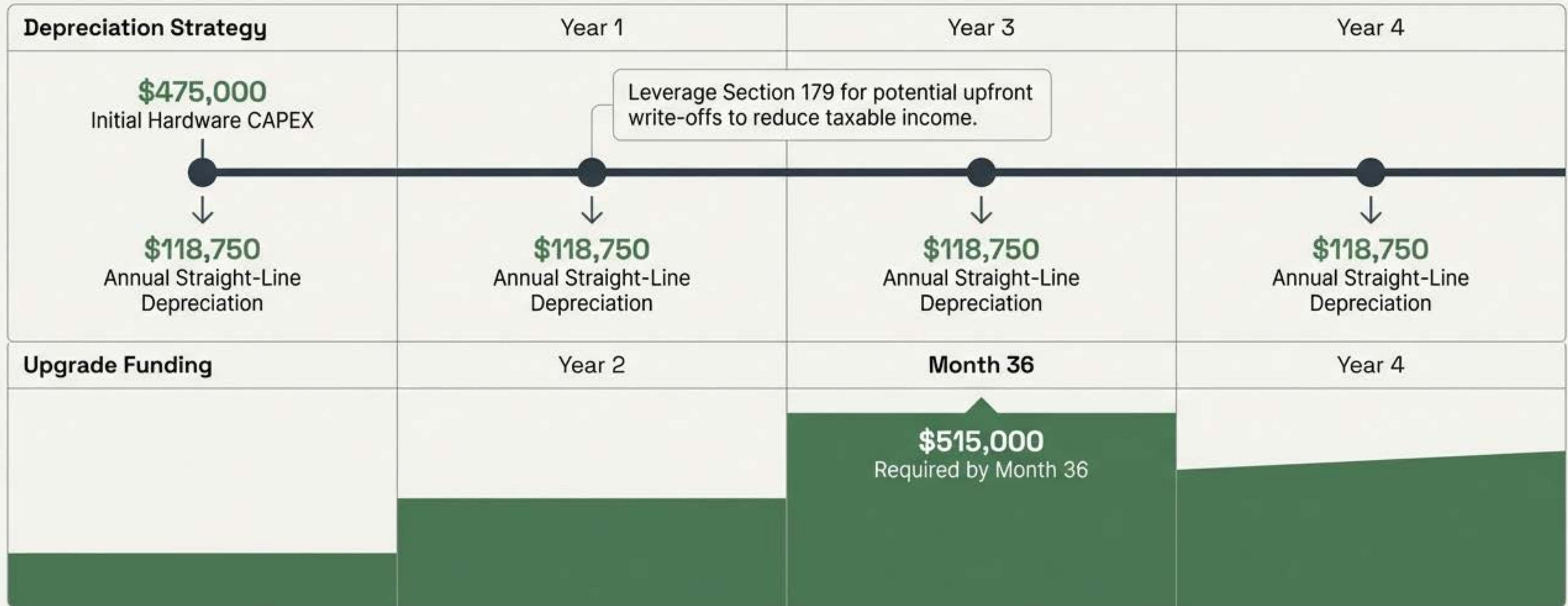
55%



Food & Beverage

Average basket: \$12. Direct COGS (35%) plus packaging/processing (10%). Requires high volume.

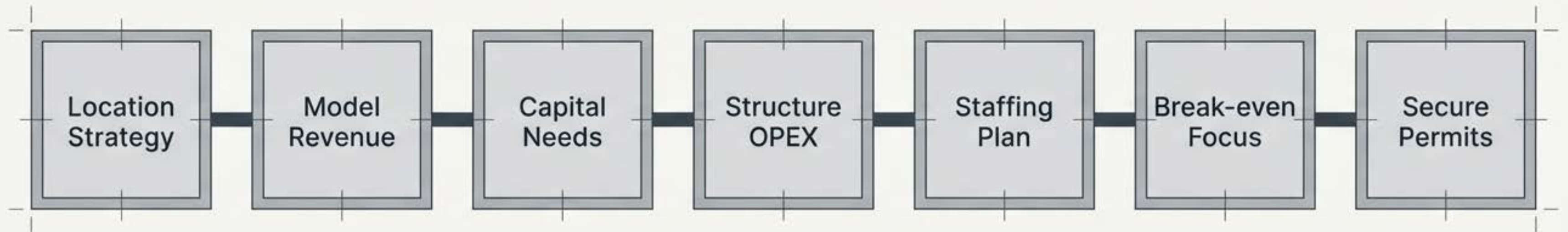
Structuring asset depreciation and funding the hardware refresh cycle



3-year refresh cycle requires immediate capital readiness. Assumes replacement costs rise 5% 5% annually. Annual depreciation must be treated as a strict cash reserve contribution.

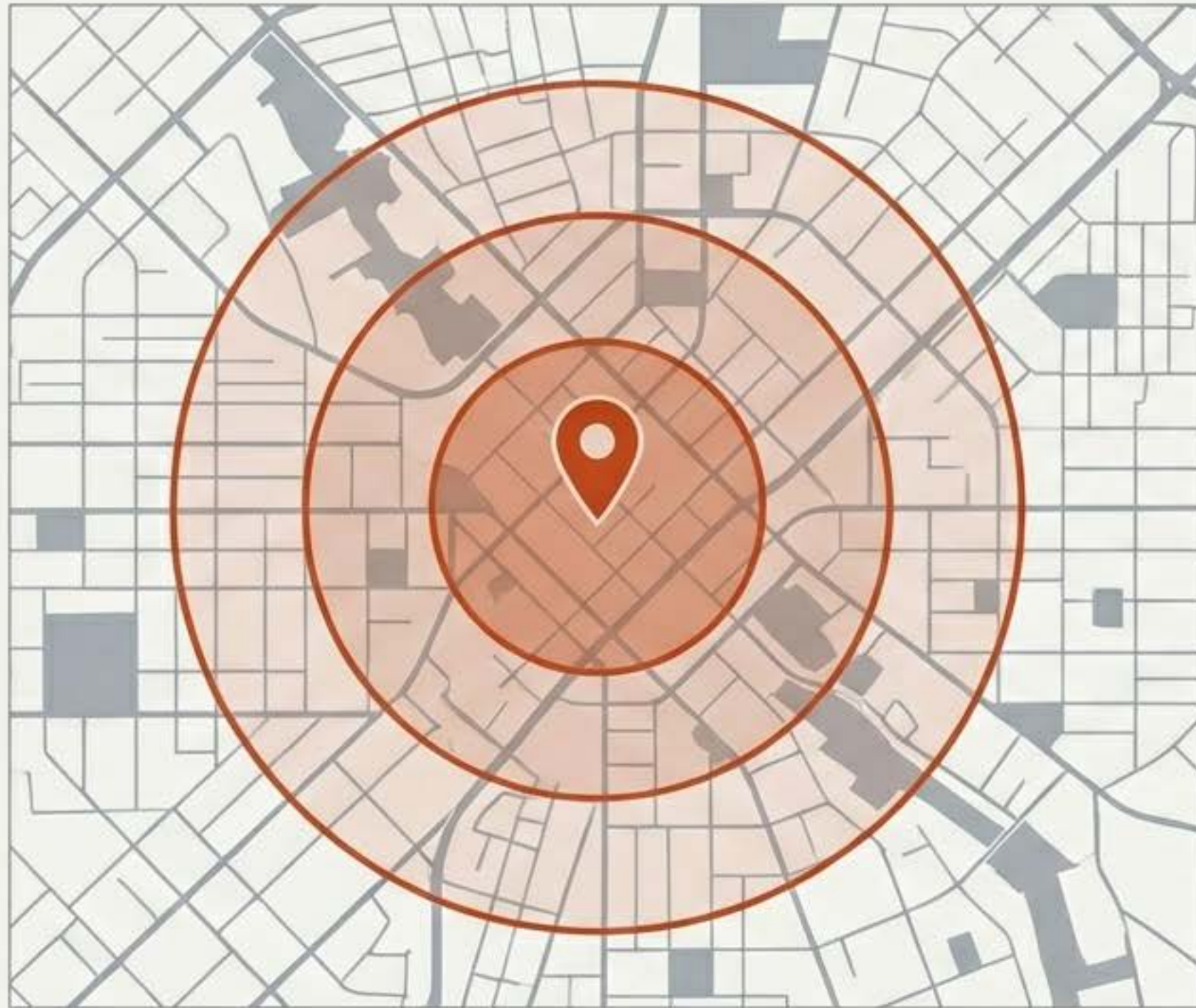
Executing the operational deployment in seven distinct steps

Translating macro-financial theory into a \$523,000 EBITDA reality requires strict adherence to this sequential, ground-level operational framework.



Securing high-visibility real estate within strict budget constraints

STEP 1



Location Criteria

Must secure high foot-traffic areas near universities or entertainment districts capturing the 16-35 demographic.

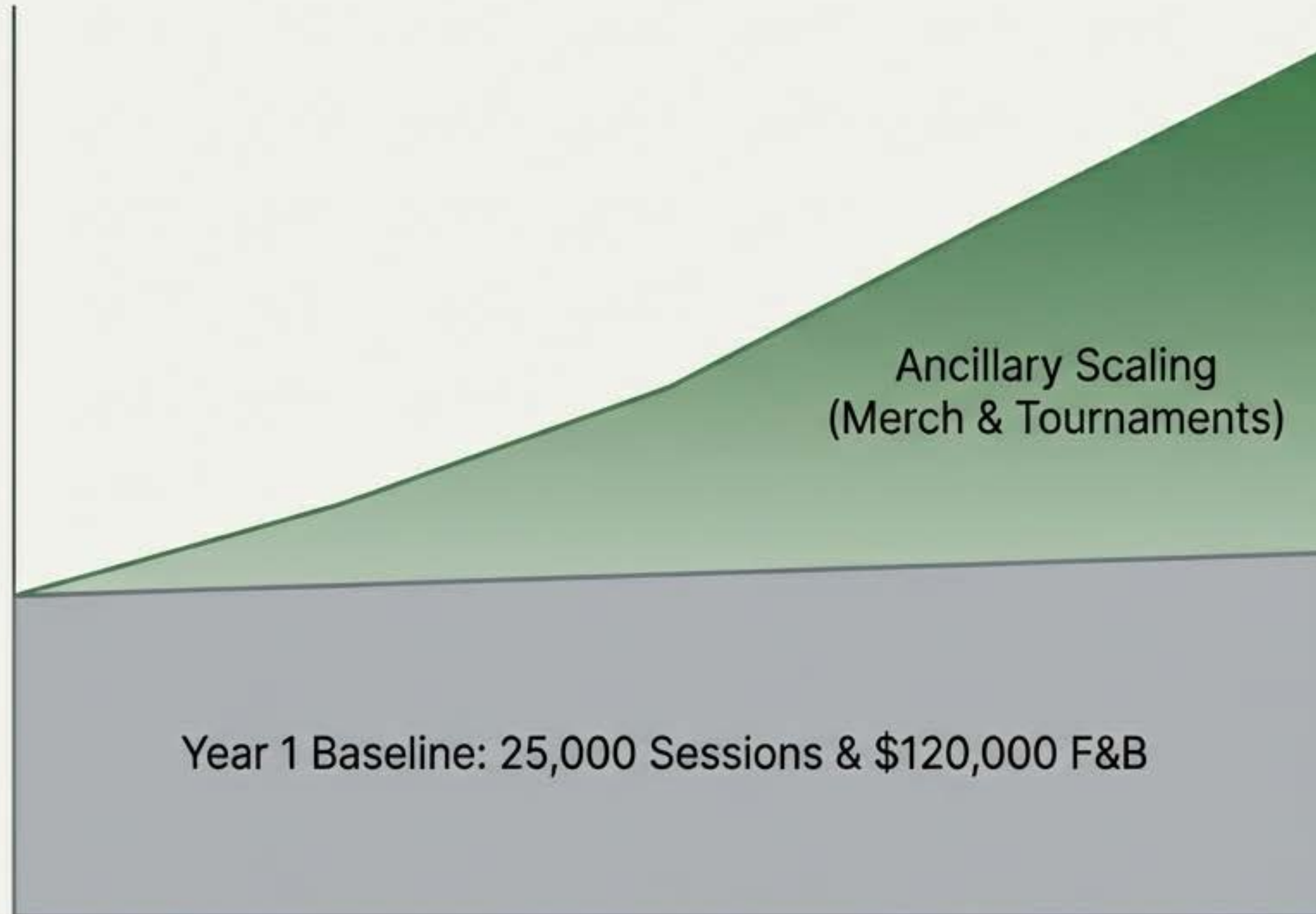
Financial Constraint

Rent must strictly remain under a \$10,000/month budget cap to preserve runway.

Strategic Trade-off

If premium spot leases exceed \$10,000, prioritise slightly smaller footprints just outside premium zones. Visibility cannot be sacrificed for square footage.

Anchoring the baseline forecast and scaling ancillary income



STEP 2

Scaling Multipliers

Sessions alone cannot cover overhead. Drive merchandise attach rates and host **minimum two major tournaments quarterly** to lift high-margin revenue.

Diluting Variable Drag

Aggressively pushing F&B is mathematically required to dilute the heavy variable costs attached to gaming (30% software licensing, 25% payment processing).

Allocating the initial funding across physical assets and operational runway

STEP 3



Managing the fixed baseline and controlling unyielding variable drags

STEP 4

Fixed Baseline

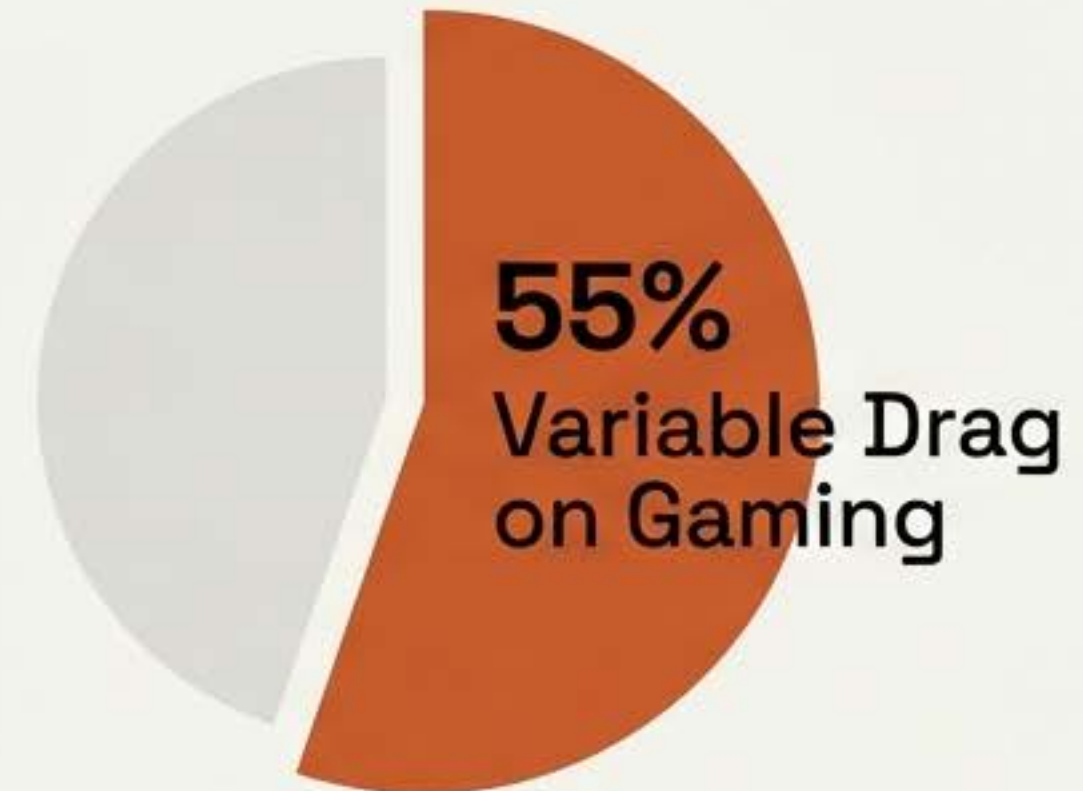
In Inter



Translates to a \$17,200 monthly baseline before a single dollar of revenue flows. Encompasses rent, base salaries, and utilities.

Variable Drag

In Inter

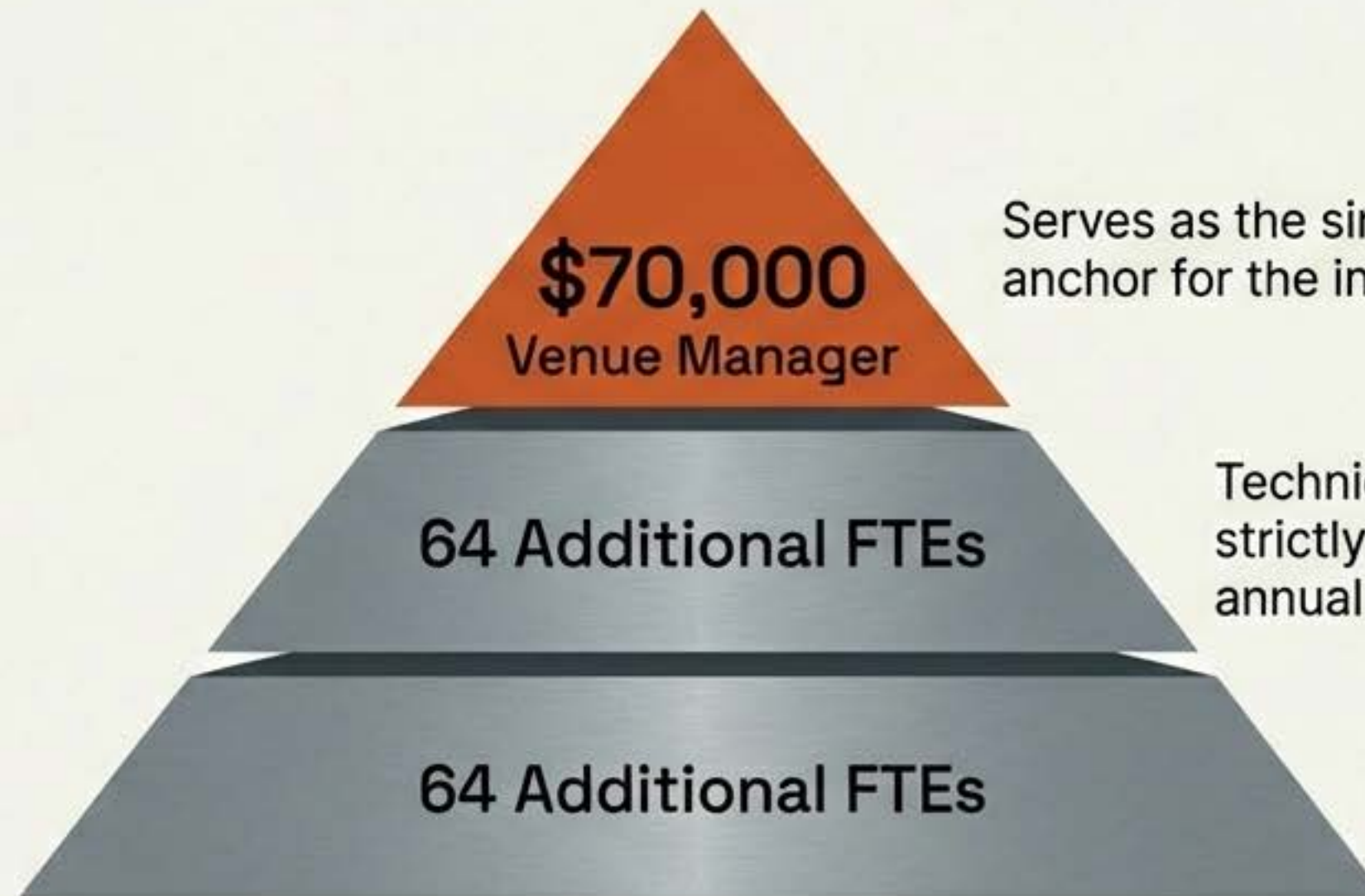


Non-negotiable scaling costs consume over half of gaming revenue instantly:

- **30%** Software Licensing Fees
- **25%** Payment Processing Fees

Aligning the headcount budget against projected session volume

STEP 5



\$70,000
Venue Manager

Serves as the single management anchor for the initial operational budget.

64 Additional FTEs

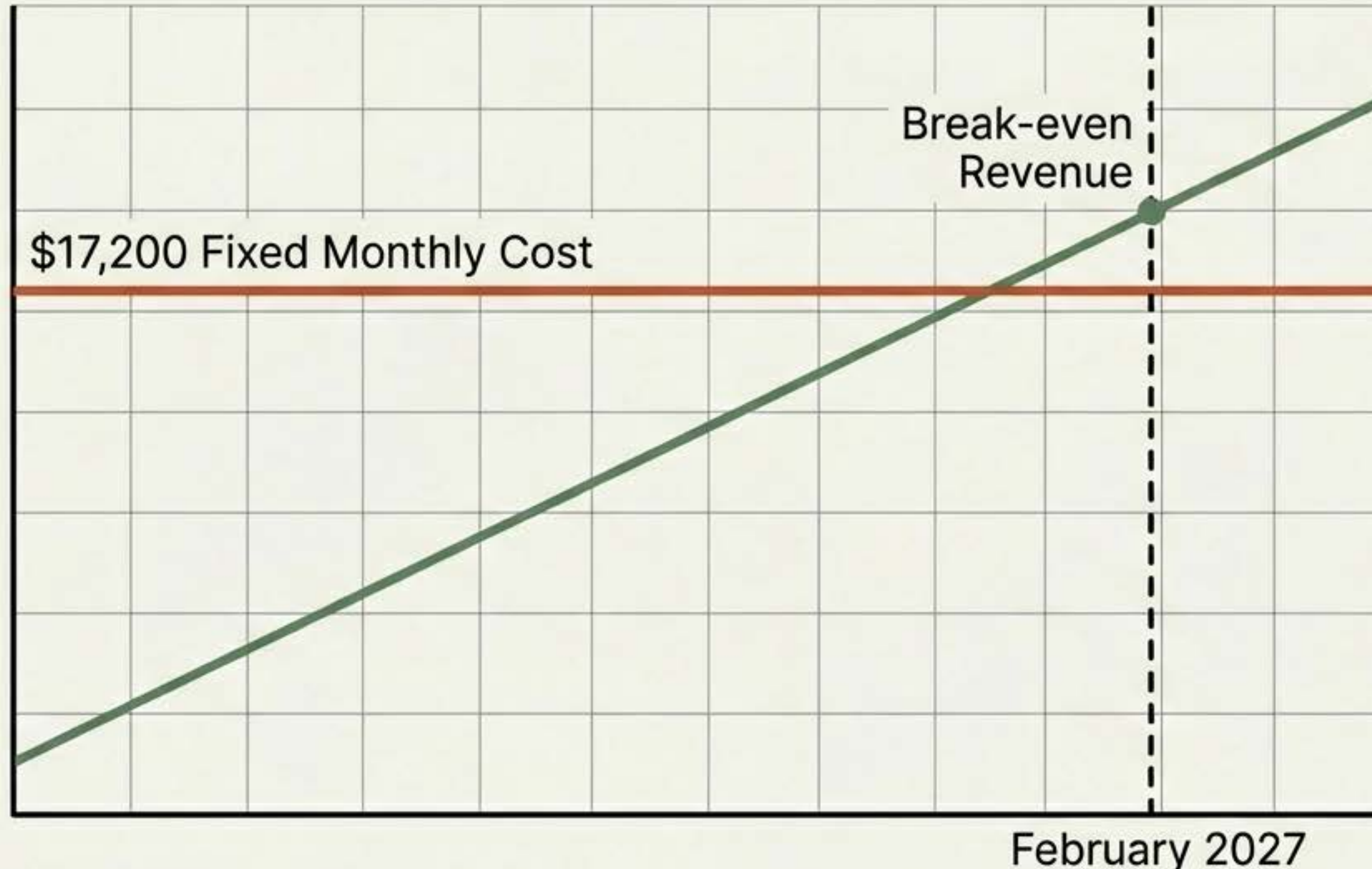
Technician and front-of-house staff strictly modelled to support a 25,000 annual session volume.

64 Additional FTEs

The Hidden Burden: Every FTE model must incorporate an essential 25% to 35% payroll tax and benefits burden above base salary to reflect true cash burn.

Validating the operational volume required required for the 14-month break-even

STEP 6



The Margin Reality

Net contribution margin from gaming is squeezed to 45% post-variable drag.

The Volume Target

Covering overhead requires exactly 255 sessions per month at a \$15 Average Revenue Per Session (ARPS).

Daily Execution Floor

Must achieve an absolute floor of 8 sessions per day. This metric must be tracked religiously to prevent runway depletion.

Securing capital injections and mitigating bureaucratic bottlenecks

STEP 7

Capital Finalisation

- ✓ Lock in the \$867,000 total capital ask.
- ✓ Use the 14-month break-even model to anchor lender negotiations.
- ✓ Secure a hard contingency buffer above the minimum \$392,000 working capital.

Permit Mitigation

- ⚠ Zoning applications must commence immediately.
- ⚠ Acknowledge the liquor license as the longest lead item.
- ⚠ **Alert:** If municipal onboarding exceeds 14 days, operation stall risk and runway burn increases exponentially.

Transitioning from strategic capitalisation to long-term profitability

\$523,000 EBITDA

Strict adherence to the \$10,000 rent budget and an optimal 65 FTE staffing plan ensures survival through the initial 14-month cash-burn runway.

A relentless operational focus on diluting the 55% variable gaming drag through high-margin Food & Beverage and private events is the primary engine of profitability.

Executing this precise playbook bridges the gap from the high-risk \$867,000 initial investment to sustained operational maturity and profit by 2030.