



Gaming Lounge Financial Performance & KPI Strategy

Strategic mandates for 2026 and beyond

Widget 1

\$565k

2026 Revenue Target

Widget 2

14 Months

Timeline to Break-Even

Widget 3

50%

Required Peak Utilisation

Widget 4

90%

Target Gross Margin

Quantifying the four primary revenue streams

Ticketed Sessions



Track volume for both hourly sessions and day passes.

F&B Sales



Measure spend strictly as a percentage of total ticket sales. High-quality F&B is the primary lever to increase average transaction size.

Private Events



Monitor revenue per booking. Essential for guaranteed cash flow.

Tournaments



Set entry fee targets. Used to drive deliberate spikes in attendance volume.



Risk Alert: Onboarding taking 14+ days significantly increases churn risk.

Minimum operational efficiency required to break even

\$40,325 Monthly Overhead

(Based on \$483,900 Annual Fixed Costs)

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\$10.50 Contribution Margin

(Assumes \$15 ARPS and 30% variable costs)

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128 Daily Sessions

Scenario A: Higher Yield

- ARPS rises to **\$18**
- Volume requirement drops to **107 sessions**.

Scenario B: Margin Compression

- Variable costs push to **40%** (due to F&B COGS)
- Volume requirement spikes to **147 sessions**.

Managing capital expenditure and securing the cash runway

Zone 1: CapEx Recovery Pressure



Initial Investment: \$425,000

Payback Period: 59 Months

Requirement:

- Must generate \$7,203 net profit contribution per month (roughly 480 billable hours monthly at a \$15 average session price).

Zone 2: Cash Runway Mandate



Minimum Reserve: \$392,000 (Must hold until December 2027 to buffer against slow adoption).

Runway Math: At \$25,000 monthly OpEx, this reserve provides exactly 15.7 months of runway.

Tactic:

- Prioritise prepayments for private events to front-load cash.

Maximising Customer Lifetime Value through habit formation



Track Visit Recurrence

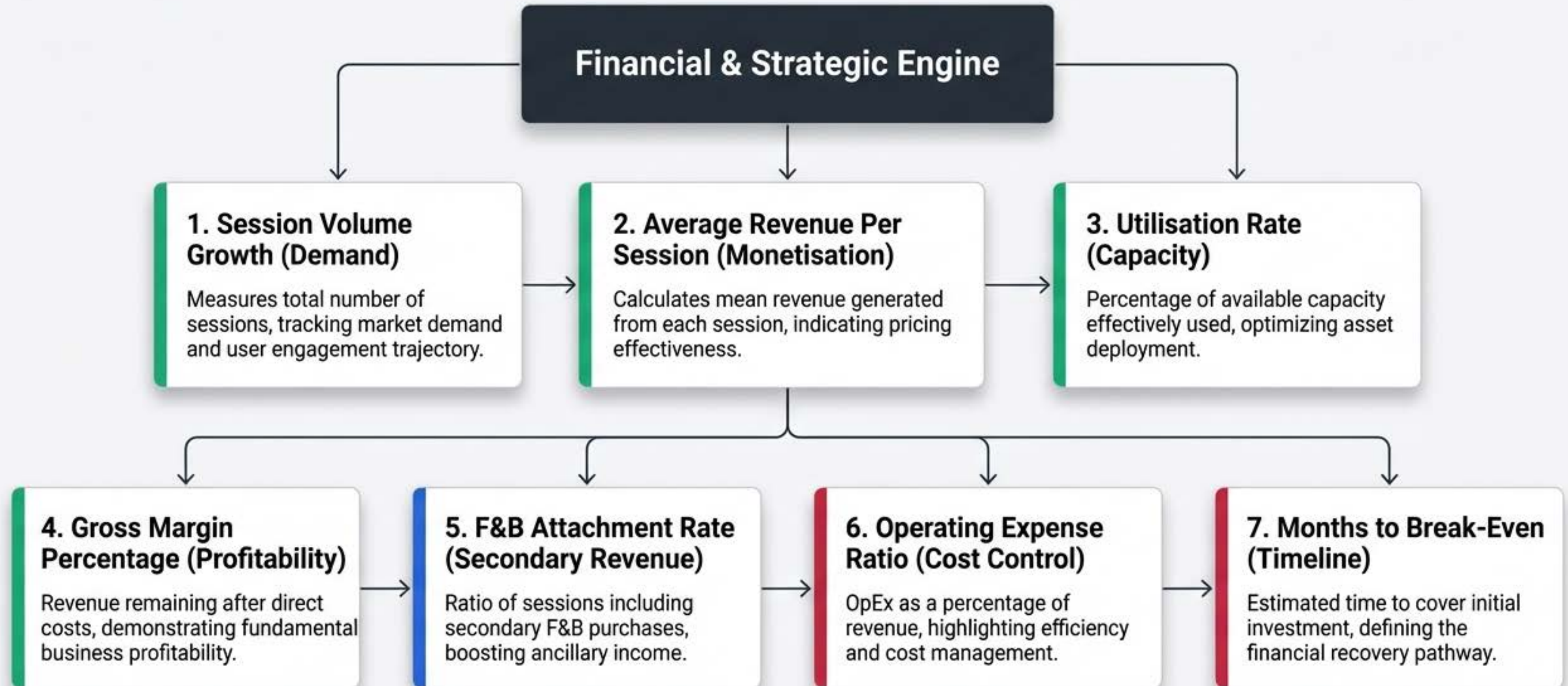
- **Target:** 2.5+ visits per active user monthly.
- **Metric:** Percentage of customers returning within 30 days.
- **Tactic:** Session package discounts drive habit formation.



Boost Ancillary Spend

- **Target:** 45% minimum F&B attachment rate on day passes.
- **Metric:** Aim for a \$7 Average Transaction Value (ATV) lift on top of the standard \$15/hour session revenue.
- **Tactic:** Tie CSAT scores directly to lounge atmosphere quality.

The 7 core KPIs driving the financial model



KPI 1: Session Volume Growth

Definition

Tracks total count of individual gaming sessions over time (pure measure of market demand).

Target & Benchmark

Target: 40% YoY (Aggressive market capture).
Benchmark: 10-15% (Standard maintenance).
Warning: Below 20% signals saturation.

(Current Sessions - Previous Sessions) / Previous Sessions

Example: (35,000 in '27 - 25,000 in '26) / 25,000 = 40% Growth.

Pros/Cons

Predicts future capacity, but ignores profitability and seasonality.

Action Items

Segment by weekday vs weekend.
Launch off-peak promos and college block bookings.

KPI 2: Average Revenue Per Session (ARPS)

Definition

Total money generated from each visit, excluding large one-time events. Gauges core product yield.

Target & Benchmark

Target: \$2000+ blended target by 2026.

Context: Unusually high compared to standard \$50-\$150 range; relies on massive high-value group bookings and F&B spend.

$(\text{Total Revenue} - \text{Event Revenue}) / \text{Total Gaming Sessions}$

Example: $(\$250,000 \text{ Rev} - \$50,000 \text{ Event Rev}) / 100 \text{ Sessions} = \$2,000 \text{ ARPS}$.

Pros/Cons

Isolates F&B upsell success, but can be misleading if event revenue isn't cleanly separated.

Action Items

Review weekly. Drive F&B attachment toward 60%. Test higher peak-hour pricing.

KPI 3: Utilisation Rate

Definition

Frequency of gaming stations generating revenue. Essential for capacity management.

Target & Benchmark

Peak Target: 50%



Overall Target: 30% (Below 25% requires station count evaluation).

Total Booked Hours / Total Available Station Hours

Example: 144 Booked Hours / 360 Available Hours (30 stations x 12 hrs) = 40% Utilisation.

Pros/Cons

Informs dynamic pricing, but ignores the quality (margin) of the revenue booked.

Action Items

Review daily. Log actual usage, not just reservation time. Bundle underutilised off-peak hours with merchandise discounts.

KPI 4: Gross Margin Percentage

Definition

Profitability remaining after direct revenue-generating costs (licensing fees, F&B COGS). Excludes fixed overhead.

Target & Benchmark

Target: 90%+

Context: Radically higher than standard retail (50%) due to relatively fixed hardware/licensing costs against scalable session revenue.

$$\text{(Total Revenue - COGS) / Total Revenue}$$

Example: $(\$50,000 \text{ Rev} - \$5,000 \text{ COGS}) / \$50,000 = 90\%$.

Pros/Cons

Isolates core earning power, but overstates health if fixed costs (rent) are too high.

Action Items

Structure pricing to favour day passes (lower per-hour COGS). Renegotiate annual software licences.

KPI 5: F&B Attachment Rate

Definition

Percentage of gaming visits that include a food or drink purchase. The primary engine for secondary revenue.

Target & Benchmark

Target: 60% or higher

Context: Falling below 50% indicates the menu is failing the core 16-35 demographic.

F&B Transactions / Total Gaming Sessions

Example: 825 F&B Transactions / 1,500 Gaming Sessions = 55% Attachment.

Pros/Cons

Directly drives ARPS, but metric doesn't distinguish between a \$3 drink and a \$15 meal.

Action Items

Review every Monday morning. Auto-bundle small F&B items into premium passes. Train Train staff on post-booking upsells.

KPI 6: Operating Expense Ratio (OER)

Definition

Measures business efficiency by comparing all operating costs (rent, wages, utilities) against total revenue.

Target & Benchmark



Target: Sub-85% (Post-Year 1).

Context: Initial ramp-up may see near 100% OER, but must drop sharply as utilisation crosses 50%.

$$\text{(Fixed OpEx + Wages + Variable OpEx) / Total Revenue}$$

Example: \$90,000 Total Expenses / \$100,000 Total Revenue = 90% OER.

Pros/Cons

Best measure of cost control, but can look artificially bad if fixed costs are heavily front-loaded.

Action Items

Separate wages from variable OpEx. Tie staffing schedules directly to daily utilisation forecasts.

KPI 7: Months to Break-Even

Definition

The exact timeframe needed until cumulative profits cover accumulated launch losses. The runway to self-funding.

Target & Benchmark

Feb 2027

Target: 14 Months

Benchmark: Under 18 months is considered strong for capital-intensive service businesses.

Date of Break-even - Launch Date

Example: Feb 2027 - Jan 2026 = 14 Months.

Pros/Cons

Drives operational urgency, though it ignores the time value of money (NPV).

Action Items

Track strictly on a cumulative cash-flow basis. Accelerate early utilisation and strictly manage fixed OpEx post-launch to protect the date.