

Navigating the Path to May 2027 Breakeven

Operating Costs &
Financial Projections

Strategic Margin Correction &
Capital Deployment Plan



The Breakeven Target Requires a \$314,000 Capital Reserve

The Target



**May 2027 Cash
Flow Breakeven**

Target

The Deficit & Floor

 **-\$292,000**

Projected Year 1 EBITDA Loss

\$22,000

Non-negotiable minimum
cash floor

Total Capital

\$314,000

**Total Working
Capital Required**

To survive the first year and
execute the turnaround.

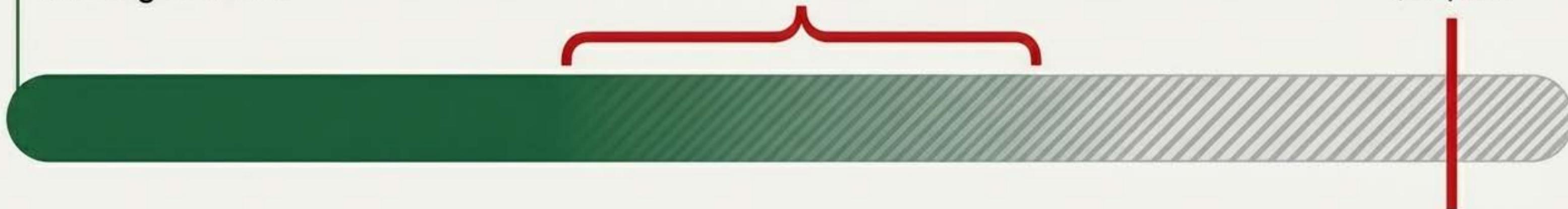
Funding a 13-Month Runway to Profitability

\$314,000

Starting Reserve

Average Monthly Burn:
\$24,333 projected cash drain

Critical Floor:
\$22,000



Runway Duration

~12.9 months of operating buffer based on Year 1 burn rate.

Risk Warning

If onboarding takes 14+ days, churn risk rises significantly, directly threatening this 13-month timeline. **Operations must be streamlined** to protect the cash reserve.

The Unit Economics Crisis

The Margin Collapse

- For every \$1.00 earned, we are spending drastically more before factoring in a single fixed cost or payroll expense.
- This cost structure is currently fundamentally broken and unsustainable.
- Immediate strategic focus must shift to correcting variable cost unit economics to achieve positive contribution margins.



Disposal Fees Consume 140% of Revenue



The Threat

Tipping fees are the largest recurring cost, dwarf payroll and fuel, and mean losing 40 cents on the dollar before any labour or overhead.

Triage Callout: Required Actions

- Track landfill volume and weights daily—not monthly.
- Increase recycling diversion rates immediately to lower landfill dependence.
- Stress-test current subscription pricing against actual landfill/transfer station rates.
- Audit landfill invoices monthly to prevent volume leakage.

Fuel Dominance Leaves No Margin for Error



Projected Mileage



Expected MPG



Pump Prices (\$/gallon)

The Threat

 Fuel costs hit 90% of revenue.

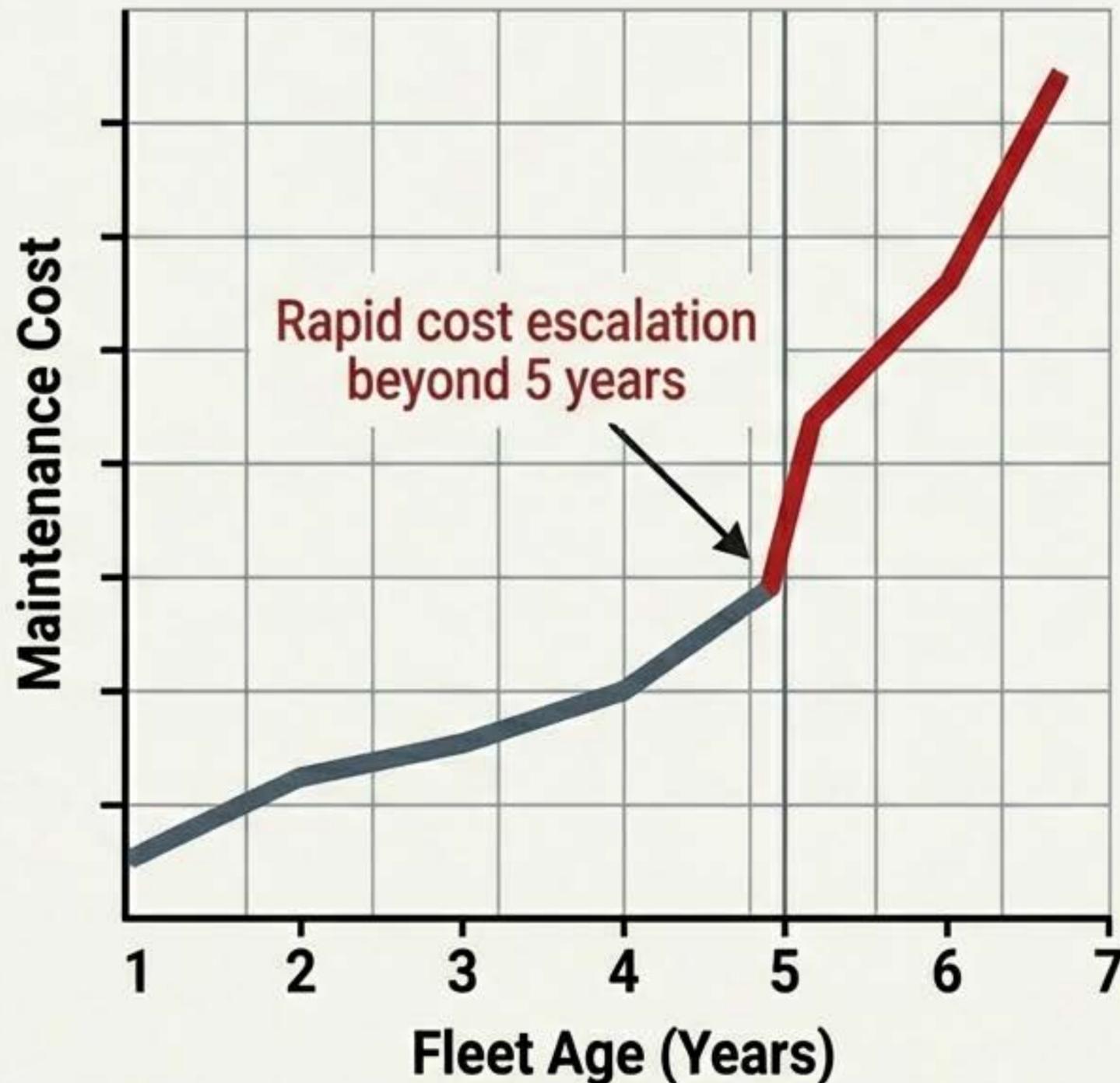
The Risk Exposure

 If 2026 revenue drops by just 10%, fuel still consumes 81% of the remaining revenue.

Optimisation Levers

-  Tighten route density daily to eliminate deadhead miles (hauling air).
-  Strictly monitor and penalise driver idling time.
-  Deploy a fuel surcharge mechanism immediately to protect against pump volatility.

Vehicle Maintenance Scales Aggressively with Usage



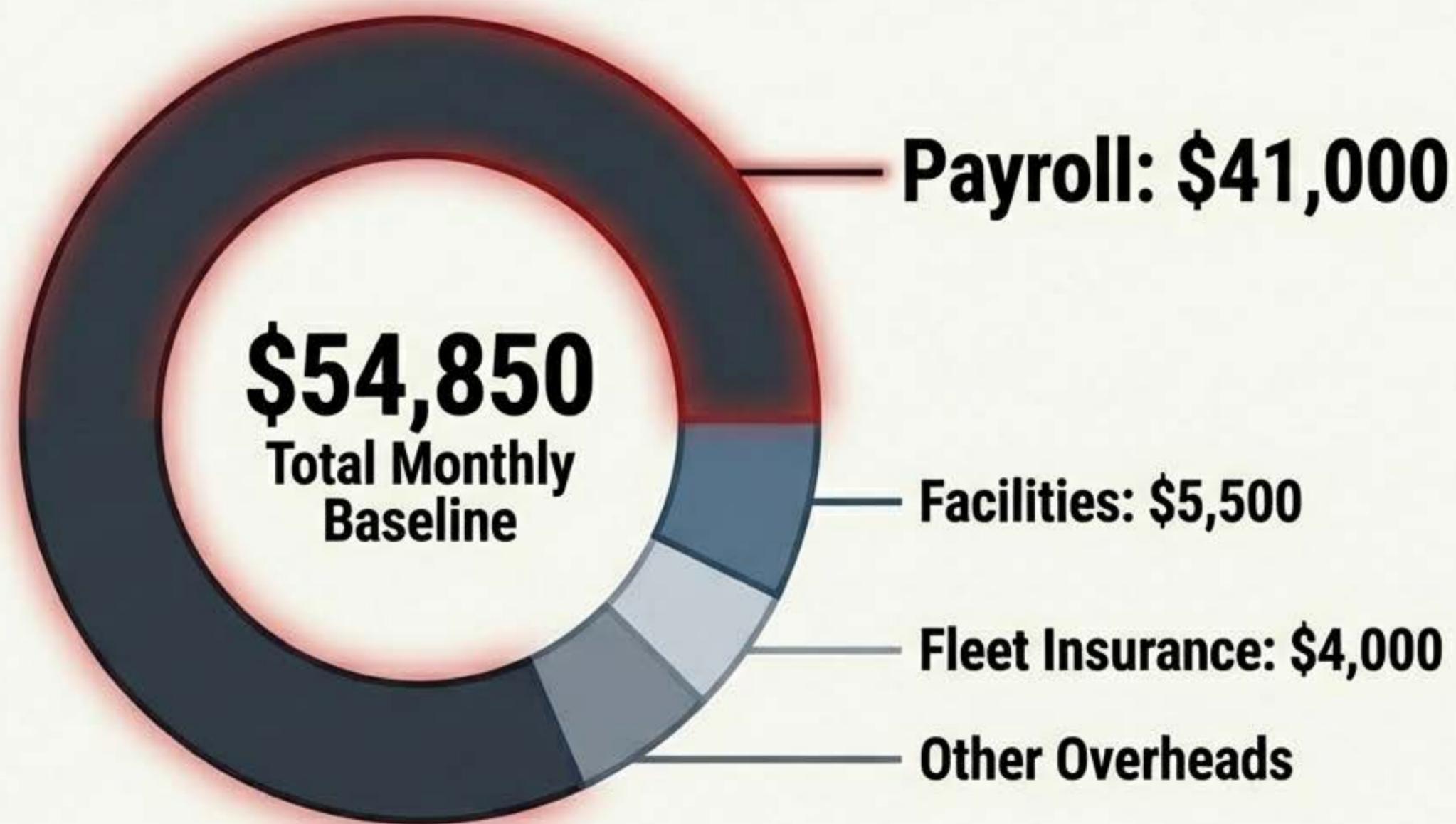
The Threat

- Variable maintenance costs consume 35% of revenue, stripping away gross profit.
- **Cost Drivers:** Routine service, unexpected repairs, and tyre replacement scale directly with routes and total fleet mileage.

Intervention Strategy

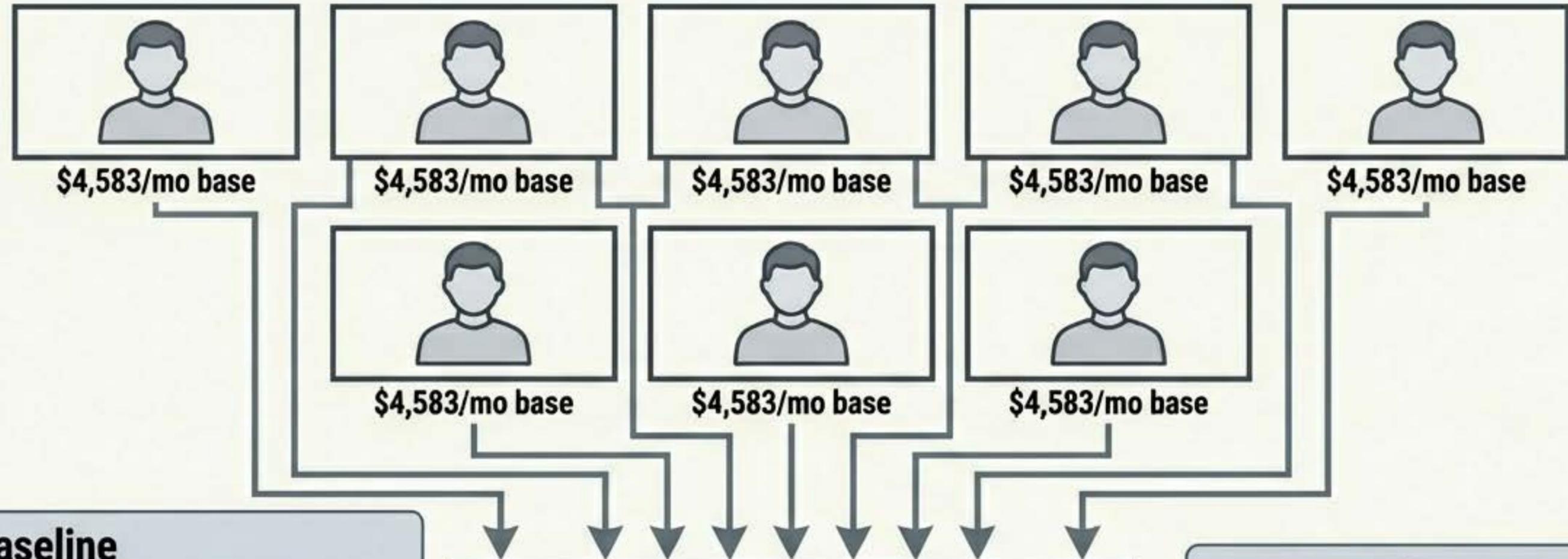
- Schedule service based strictly on operational hours, not calendar dates.
- Avoid unvetted mechanics; poor work raises long-term costs.
- Prepare for rapid cost escalation if the fleet ages past five years.

The \$54,850 Monthly Fixed Overhead Burden



This baseline of \$54,850 per month represents the absolute minimum cost to keep the lights on and trucks moving in 2026. These structural commitments do not scale down if service volume drops, making high asset utilisation mandatory.

Payroll Dominance Demands Maximum Utilisation



The Baseline

- Payroll is the single largest fixed drag at \$41,000 monthly, assuming nine essential drivers/crew for 2026.

Per-Head Cost

- Every crew member carries a \$55,000 annual base salary (\$4,583 monthly minimum before benefits).

**\$41,000/mo
Total Payroll Burden**

Operational Mandate

- Avoid hiring ahead of route density needs.
- Standardise job roles to prevent scope creep, reduce overtime, and absorb this fixed overhead before variable costs hit.

Securing Facilities and Managing Fleet Risk

A



Facilities (\$5,500/month)

\$3,500 for administrative office space.

\$2,000 for depot lease (staging and storage).

Strategy

Negotiate a 5-year lease for the depot to lock in rates against inflation. Proximity to service zones is vital for fuel efficiency.

B



Fleet Insurance (\$4,000/month floor)

Non-negotiable fixed cost for liability and physical damage.

Strategy

Tie insurance discounts directly to driver safety scores. Slower onboarding delays proving quality to underwriters, risking premium spikes.

The \$150k Growth Engine and Customer Acquisition



The Budget

\$150,000 annual spend (\$12,500 monthly) dedicated strictly to residential base growth.

The Target

Acquire 1,250 new residential customers.

The Rule

Customer Acquisition Cost (CAC) must remain under \$120.

Tactics

- Focus acquisition exclusively on dense zip codes to aid route density.
- Bundle acquisition with new commercial leads.
- Monitor high onboarding friction. If CAC exceeds \$120, immediate reassessment is required.

Triage Protocol: The 20% Revenue Miss Scenario

Immediate \$1,500 Overhead Cuts

-  Pause Professional Services (saves \$1,200/month).
-  Slash Administrative Supplies by 50% (saves \$150/month).
-  Pause new software subscriptions immediately.
-  Defer non-critical consulting and legal reviews.

Protected Core Operations

-  Fleet Insurance (\$4,000/month) is untouchable; missed payments stop operations dead.
-  Protect fuel contracts; favour route density optimisation over cutting supplier agreements.

Strategic Imperatives to Secure the May 2027 Breakeven

The Operations Dashboard

Daily Execution	Monthly Discipline	Annual Strategy
<ul style="list-style-type: none">• Monitor landfill volume and strict route density.• Track driver idling time and MPG to combat 90% fuel costs.	<ul style="list-style-type: none">• Hold the burn rate below \$24,333 to protect the \$314k reserve.• Audit landfill invoices and cap CAC at \$120.• Execute preventative maintenance by operational hours.	<ul style="list-style-type: none">• Secure 5-year depot leases.• Audit fleet policies and tie insurance to safety scores.