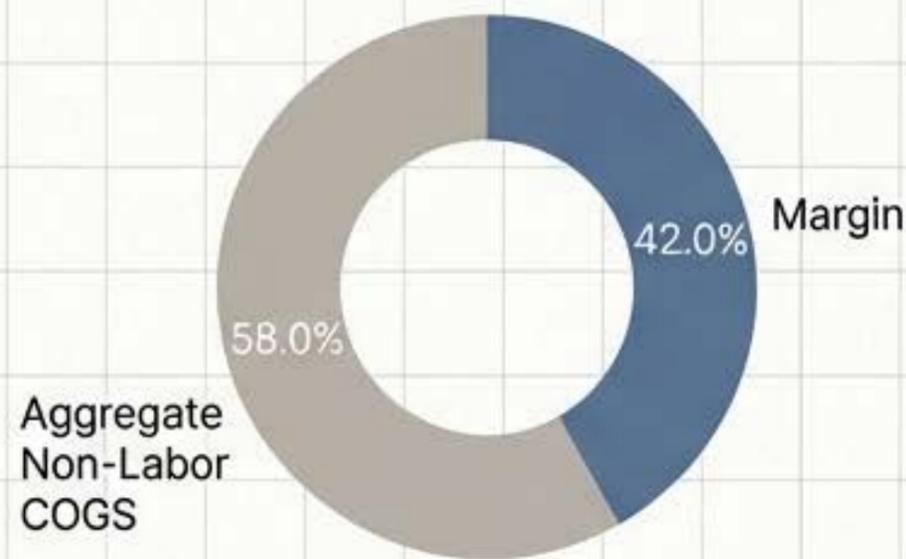


# True Gross Margin Analysis Across All Three Service Lines

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An executive briefing on pre-labor unit economics, non-labor COGS drivers, and margin optimization.

# The blended true gross margin before labor is 42.0% across the portfolio



# 42.0%

Total Revenue:  
**\$120.0M**

Total Non-Labor COGS:  
**\$69.6M**

This blended margin reflects robust top-line revenue offset primarily by heavy third-party vendor fees and software licensing, prior to any labor or overhead burden.

# Defining true gross margin by explicitly excluding all labor costs



## Definitional Guardrails

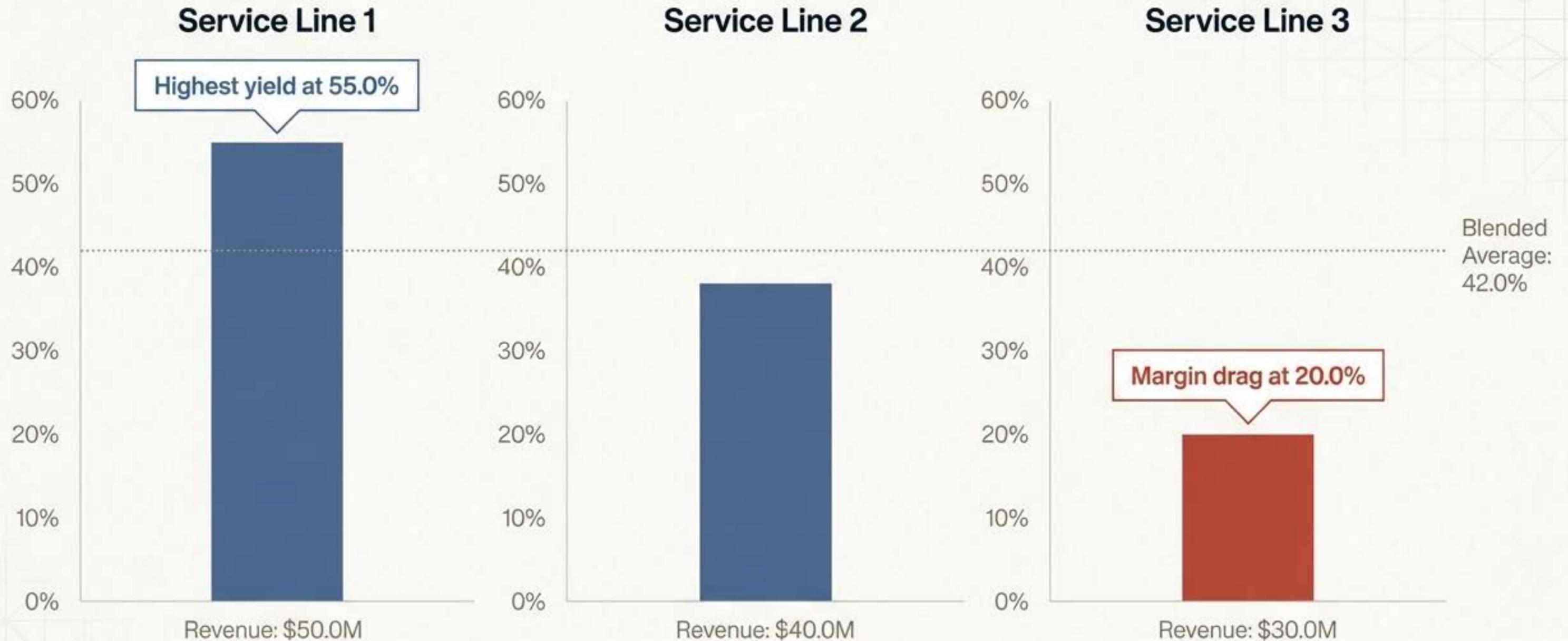
### ✗ EXCLUSIONS

- Fully Burdened Labor
- Facility Overhead
- Corporate SG&A

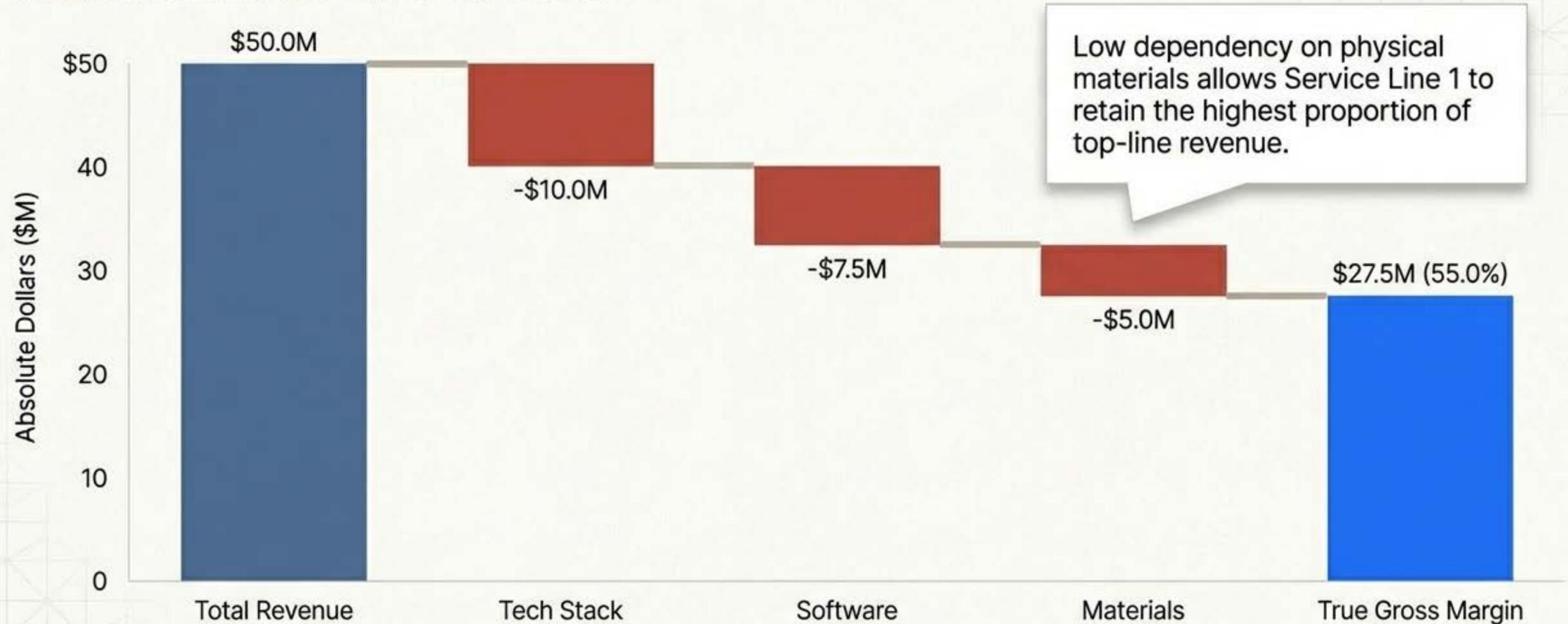
### ✓ INCLUSIONS

- Direct Materials
- Third-Party Vendor Fees
- Tech Stack / Server Costs
- Direct Logistics

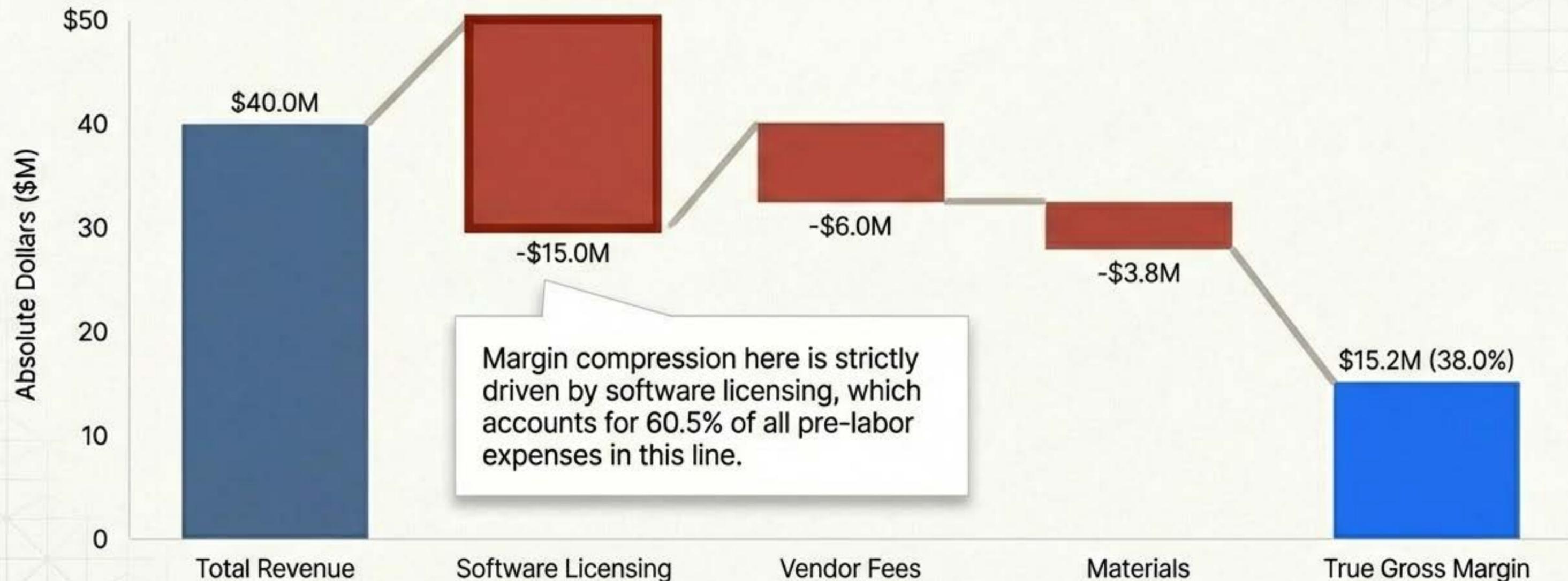
# Service Line 1 drives profitability, while Service Line 3 trails the portfolio average



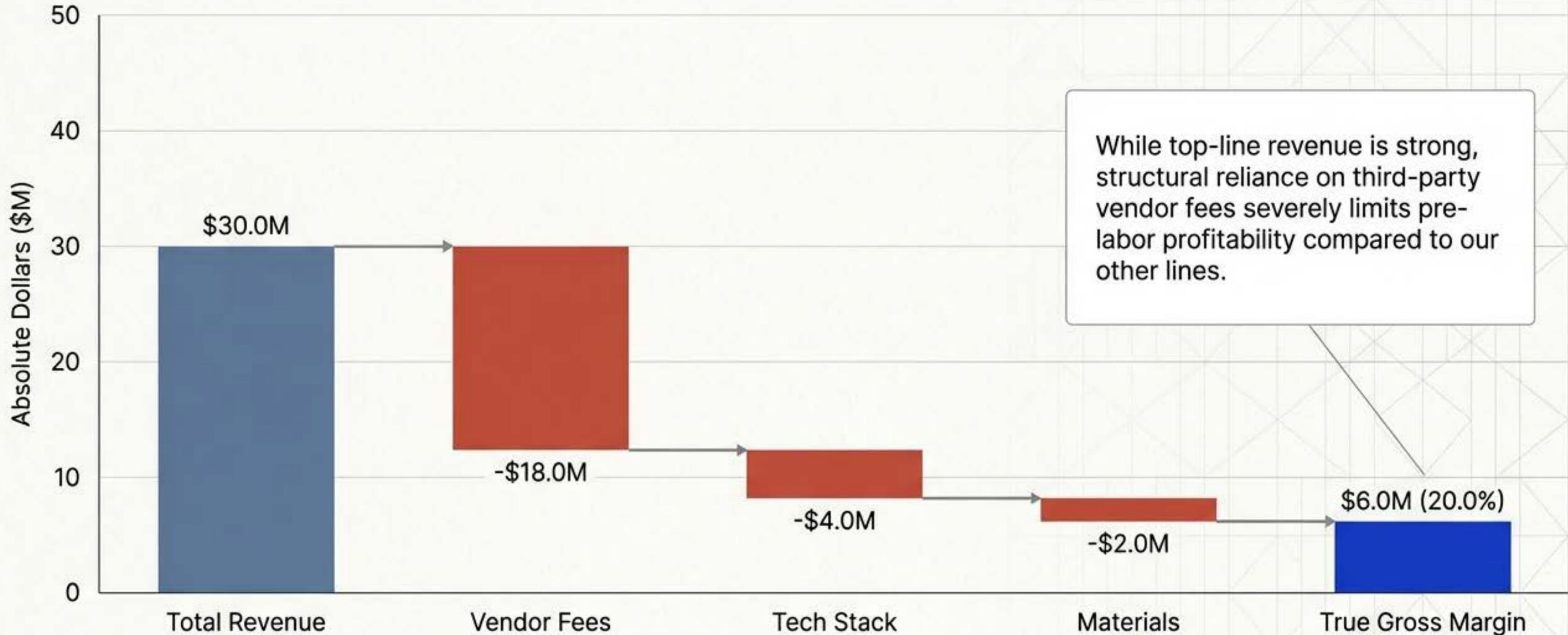
# Service Line 1 yields a 55% margin, primarily benefiting from highly efficient proprietary tech infrastructure



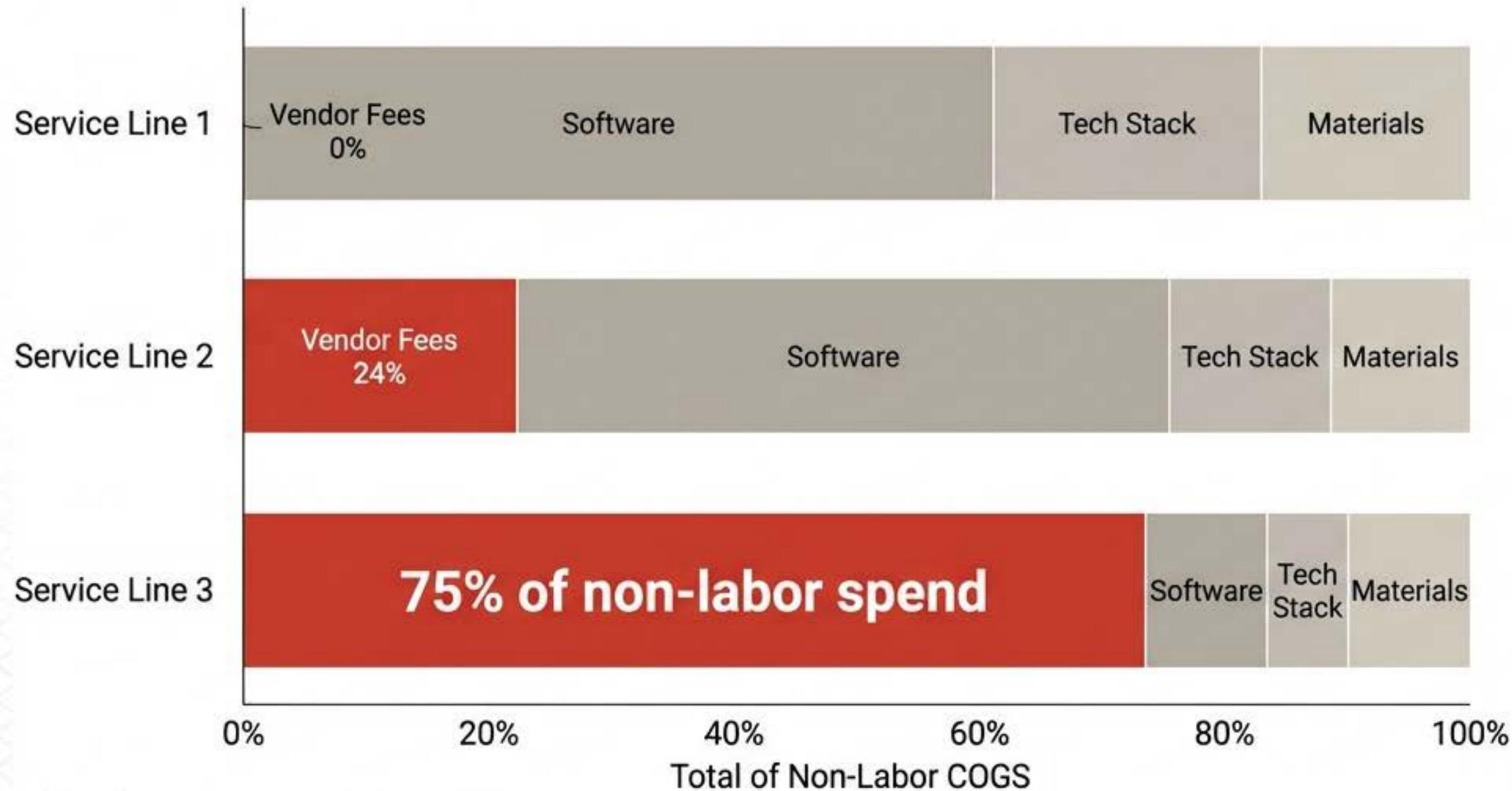
# Service Line 2 maintains a steady 38% margin despite elevated software licensing expenses



# Service Line 3 margin compresses to 20% due to heavy pre-labor reliance on third-party vendor fees

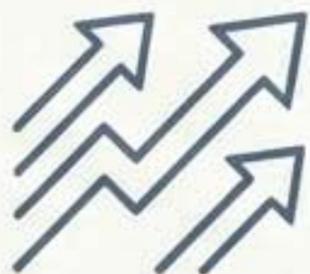


# Third-party vendor fees represent the largest non-labor margin drag across the entire business



Targeting third-party vendor fees for immediate contract renegotiation offers the highest aggregate leverage for margin expansion across the business unit.

# Optimizing our pre-labor margins requires scaling Service Line 1 and targeting vendor fees



Growth

## Scale the Winner

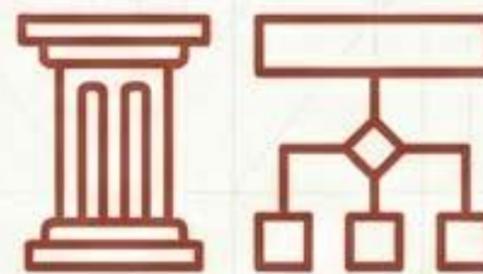
Direct immediate sales focus toward Service Line 1 to capitalize on its structurally superior 55.0% pre-labor margin.



Optimization

## Renegotiate Major Drag

Initiate a procurement review of third-party vendor fees, as a mere 5% reduction in this expense lifts the blended portfolio margin by 120 basis points.



Efficiency

## Restructure the Laggard

Evaluate Service Line 3 pricing models to offset the outsized impact of vendor dependency on its baseline unit economics.