REVENUE ANALYSIS

REVENUE PER WEEK (based upon the Number of Turns per Day)

| Equipment | number | \$ | 4 turns | 5 turns | 6 turns | 7 turns | 8 turns | 9 turns | 10 turns |
|-------------------|------------------|----------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | | | | | | | | | |
| | | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| HC-20 | 10 | \$2.50 | \$700.00 | \$875.00 | \$1,050.00 | \$1,225.00 | \$1,400.00 | \$1,575.00 | \$1,750.00 |
| HC-30 | 10 | \$4.00 | \$1,120.00 | \$1,400.00 | \$1,680.00 | \$1,960.00 | \$2,240.00 | \$2,520.00 | \$2,800.00 |
| HC-60 | 6 | \$5.00 | \$840.00 | \$1,050.00 | \$1,260.00 | \$1,470.00 | \$1,680.00 | \$1,890.00 | \$2,100.00 |
| HC-80 | | | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| 45# Stack Dry | 5 | **** | **** | *** | *** | **** | **** | *** | **** |
| 30# Stack Dry | 10 | **** | **** | *** | **** | **** | **** | *** | *** |
| Washer Gross | | | \$2,660.00 | \$3,325.00 | \$3,990.00 | \$4,655.00 | \$5,320.00 | \$5,985.00 | \$6,650.00 |
| Dryer Gross (1/2) | washer) | | \$1,330.00 | \$1,662.50 | \$1,995.00 | \$2,327.50 | \$2,660.00 | \$2,992.50 | \$3,325.00 |
| Weekly Washer & | Dryer Gross | | \$3,990.00 | \$4,987.50 | \$5,985.00 | \$6,982.50 | \$7,980.00 | \$8,977.50 | \$9,975.00 |
| Monthly Washer & | Dryer Gross (4.3 | 3 wk/mo) | \$17,157.00 | \$21,446.25 | \$25,735.50 | \$30,024.75 | \$34,314.00 | \$38,603.25 | \$42,892.50 |

Est. Wash, Dry & Fold Weekly Gross Revenue \$750.00
Est. Vending (Soda, Food & Soap) Weekly Gross Revenue \$100.00
Est. Arcade Video Game Weekly Gross Revenue \$100.00

(owner supplied figures)

SUMMARY OF LAUNDROMAT & CONSTRUCTION COSTS

| | | ACTUAL COST | | | | |
|--|--|---|--|--|--|--|
| Huebsch Was | hers | \$112,008.00 | | | | |
| Huebsch Drye | \$82,730.00 | | | | | |
| Soap Machine Bill Changers Hot Water Hea | | \$1,665.00 \$5,870.00 \$16,900.00 | | | | |
| Tables, Scale, | \$3,825.00 | | | | | |
| Construction (| \$85,000.00 | | | | | |
| Misc.: | Misc.: Concrete Washer Base Freight Installation | | | | | |
| Total Tax Rate | \$324,998.00 \$14,399.88 | | | | | |
| • | Total Project Cost | | | | | |

RENTAL APPROXIMATIONS

| Initial Rent (\$ per sq. ft. / year) | \$24.00 |
|--------------------------------------|------------|
| Size (in sq. ft.) | 1600 |
| Base Rent per month | \$3,200.00 |
| Taxes per month | |
| Additional Charges per month | |
| | |
| Total Rent per month | \$3,200.00 |

Rental Annual % Increase, or Rental Annual \$ Increase

3.0%

FINANCING TERMS

| Cash Required | \$84,398 |
|---|----------------------|
| Principle Amount Borrowed Payment per Month | \$255,000 \$4,233 |
| Loan Length (in months) Interest Rate (% APR) | 84 10.00% |

SUMMARY OF MONTHLY FIXED COSTS

| | | Fixed Costs per | Month |
|-------------------|------------------------------|---------------------------|--------------|
| | | Rent | \$3,200.00 |
| | | Note - Equip. | \$4,233.30 |
| | | Payroll | \$3,225.00 |
| | | Supplies-WDF | \$215.00 |
| | | Supplies-Vend | \$194.00 |
| | | Equip. Maint. | \$150.00 |
| | | Insurance | \$300.00 |
| | | Cleaning Adv/Promotion | |
| | | Garbage | |
| | | Alarm/Cable | \$175.00 |
| | | Misc. | \$150.00 |
| | Total Monthly | Expenses | \$11,842.30 |
| Monthly Revenue O | ffset (WDF, Ve | ending, Arcade) | (\$4,085.00) |
| | Adjusted Mont | hly Fixed Costs | \$7,757.30 |
| % Utilities (ut | tilities as perce | ntage of gross) | 23.0% |
| | Weekly Break | k-Even Point | \$2,342.89 |
| | Turns per Da Break-Even F | • | 2.3 |
| | ======== | : ======= = | ======== |

ANNUAL OPERATING EXPENSES

| Turns per day | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|--------------------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | | | | | | | | |
| Utility Expenses | \$35,790 | \$47,720 | \$59,651 | \$71,581 | \$83,511 | \$95,441 | \$107,371 | \$119,301 |
| Payroll | \$38,700 | \$38,700 | \$38,700 | \$38,700 | \$38,700 | \$38,700 | \$38,700 | \$38,700 |
| Supplies - WDF | \$2,580 | \$2,580 | \$2,580 | \$2,580 | \$2,580 | \$2,580 | \$2,580 | \$2,580 |
| Supplies - Vending | \$2,328 | \$2,328 | \$2,328 | \$2,328 | \$2,328 | \$2,328 | \$2,328 | \$2,328 |
| Equip. Maint. | \$1,800 | \$1,800 | \$1,800 | \$1,800 | \$1,800 | \$1,800 | \$1,800 | \$1,800 |
| Insurance | \$3,600 | \$3,600 | \$3,600 | \$3,600 | \$3,600 | \$3,600 | \$3,600 | \$3,600 |
| Cleaning | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Advertising | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Garbage | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| License | \$2,100 | \$2,100 | \$2,100 | \$2,100 | \$2,100 | \$2,100 | \$2,100 | \$2,100 |
| Misc. | \$1,800 | \$1,800 | \$1,800 | \$1,800 | \$1,800 | \$1,800 | \$1,800 | \$1,800 |
| Operating Expenses | \$88,698 | \$100,628 | \$112,559 | \$124,489 | \$136,419 | \$148,349 | \$160,279 | \$172,209 |

ESTIMATED ANNUAL CASH FLOW SUMMARY

| | | I | urns per Day | | | | | |
|--|-----------|-----------|--------------|-----------|-----------|-----------|-----------|-----------|
| <u>REVENUE</u> | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
| | | | | | | | | |
| Washer & Dryer Gross/wk | \$2,993 | \$3,990 | \$4,988 | \$5,985 | \$6,983 | \$7,980 | \$8,978 | \$9,975 |
| WDF Gross/wk | \$750 | \$750 | \$750 | \$750 | \$750 | \$750 | \$750 | \$750 |
| Vending Gross/wk | \$100 | \$100 | \$100 | \$100 | \$100 | \$100 | \$100 | \$100 |
| Arcade Gross/wk | \$100 | \$100 | \$100 | \$100 | \$100 | \$100 | \$100 | \$100 |
| Gross Revenue/yr | \$205,010 | \$256,880 | \$308,750 | \$360,620 | \$412,490 | \$464,360 | \$516,230 | \$568,100 |
| <u>EXPENSES</u> | | | | | | | | |
| Operating Expenses | \$88,698 | \$100,628 | \$112,559 | \$124,489 | \$136,419 | \$148,349 | \$160,279 | \$172,209 |
| Lease Expenses | \$38,400 | \$38,400 | \$38,400 | \$38,400 | \$38,400 | \$38,400 | \$38,400 | \$38,400 |
| Equipment Loan Exp. | \$50,800 | \$50,800 | \$50,800 | \$50,800 | \$50,800 | \$50,800 | \$50,800 | \$50,800 |
| Total Expenses/yr. | \$177,898 | \$189,828 | \$201,758 | \$213,688 | \$225,618 | \$237,548 | \$249,479 | \$261,409 |
| <u>Operating</u> <u>Profit (loss)</u> | \$27,112 | \$67,052 | \$106,992 | \$146,932 | \$186,872 | \$226,812 | \$266,752 | \$306,691 |
| of Investment (profit / downpayment) | 32.12% | 79.45% | 126.77% | 174.09% | 221.42% | 268.74% | 316.06% | 363.39% |

ESTIMATED CASH FLOW PROJECTIONS FOR NEXT 10 YEARS

| Revenue (% increase / year) | 3.5% | | | |
|---------------------------------|-----------|--|--|--|
| Expenses (% increase / year) | 3.5% | | | |
| | | | | |
| | | | | |
| Number of Turns/day (1st year) | 4.5 | | | |
| | | | | |
| Weekly Gross Revenue (1st year) | \$5,439 | | | |
| Annual Gross Revenue (1st year) | \$282,815 | | | |

| Year | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
|------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------|-----------------|-----------------|
| | | | | | | | | | | |
| Annual Gross | \$282,815 | \$292,714 | \$302,958 | \$313,562 | \$324,537 | \$335,896 | \$347,652 | \$359,820 | \$372,413 | \$385,448 |
| Operating Exp. | \$106,593 | \$110,324 | \$114,186 | \$118,182 | \$122,318 | \$126,600 | \$131,031 | \$135,617 | \$140,363 | \$145,276 |
| Lease Exp. Equipment Loan | \$38,400 \$50,800 | \$39,552 \$50,800 | \$40,739 \$50,800 | \$41,961 \$50,800 | \$43,220 \$50,800 | \$44,516 \$50,800 | \$45,852 \$50,800 | \$47,227 \$0 | \$48,644 \$0 | \$50,103 \$0 |
| Total Expenses | \$195,793 | \$200,676 | \$205,724 | \$210,942 | \$216,338 | \$221,915 | \$227,682 | \$182,844 | \$189,007 | \$195,379 |
| Operating Profit | \$87,022 | \$92,038 | \$97,235 | \$102,620 | \$108,199 | \$113,980 | \$119,970 | \$176,976 | \$183,406 | \$190,069 |
| R.O.I. rofit/dwn paymnt) | 103.11% | 109.05% | 115.21% | 121.59% | 128.20% | 135.05% | 142.15% | 209.69% | 217.31% | 225.21% |

The above figures are ONLY projections and cannot predict real life situations, such as varying utility rates, unanticipated lease expenses, changing interest rates, management of operations, environmental changes, competition and seasonal variations.

ASSUMPTIONS

- 1.) Washer Gross is 2 times the Dryer Gross. (Accepted Industry Ratio.),
- 2.) 52 weeks/year; 4.3 weeks/month,
- 3.) Useful life of Huebsch Washers and Dryers under normal use is 15 20 Years,
- 4.) No additional Fixed Costs per month,
- 5.) 23.0% Ratio of Utilities as a percent of Gross Revenue for front loading washers,
- 6.) Assumes a steady APR interest rate of: 10.00%
- 7.) Some Loans are Variable Rate loans and no consideration has been made to changing interest rates,
- 8.) Break-Even Point calculated as relationship between Variable Costs to Monthly Fixed Costs,
- 9.) R.O.I. is annual Operating Profit divided by Initial Investment (Cash Required),
- 10.) No attempt has been made to consider the Tax implications of owning a Laundromat. HK Laundry Equipment Inc. suggests contacting your accountant and tax advisor to advise you on your own individual tax situation.