

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 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
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 (owner supplied figures)

SUMMARY OF LAUNDROMAT & CONSTRUCTION COSTS

	ACTUAL COST
Huebsch Washers	\$112,008.00
Huebsch Dryers	\$82,730.00
Soap Machine	\$1,665.00
Bill Changers	\$5,870.00
Hot Water Heating System	\$16,900.00
Tables, Scale, Carts, etc.	\$3,825.00
Construction Costs (Leasehold Improvements)	\$85,000.00
Misc.: Concrete Washer Base	\$6,500.00
Freight	\$7,500.00
Installation	\$3,000.00

Total	\$324,998.00
Tax Rate 6.00%	\$14,399.88

Total Project Cost	\$339,397.88
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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 3.0%
Rental Annual \$ Increase

FINANCING TERMS

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

SUMMARY OF MONTHLY FIXED COSTS

<u>Fixed Costs per Month</u>	
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 Offset (WDF, Vending, Arcade)	(\$4,085.00)

Adjusted Monthly Fixed Costs	\$7,757.30
% Utilities (utilities as percentage of gross)	23.0%
Weekly Break-Even Point	\$2,342.89
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Turns per Day to reach Break-Even Point	2.3
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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.	\$38,400	\$39,552	\$40,739	\$41,961	\$43,220	\$44,516	\$45,852	\$47,227	\$48,644	\$50,103
Equipment Loan	\$50,800	\$50,800	\$50,800	\$50,800	\$50,800	\$50,800	\$50,800	\$0	\$0	\$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. (profit/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.