

Express Melts & Sandwiches

Estimated Profit & Loss Statement - Year 1

Assumptions

- **Launch Month:** Month 4 (after 90-day build)
- **Operating Schedule:** 4 days/week (Months 4-6), scaling to 7 days/week if demand supports (Months 7-12)
- **Target Customers:** 30 per operating day
- **Average Transaction:** \$10.50
- **COGS:** 29% (conservative estimate)
- **Loan Payment:** \$406/month (based on \$20,000 at 8% APR for 5 years)

Monthly Projections

Line Item	Mo 1-3	Mo 4	Mo 5	Mo 6	Mo 7-12 (avg)
REVENUE					
Daily Sales (30 customers × \$10.50)	\$0	\$315	\$315	\$315	\$315
Operating Days/Week	0	4	4	4	7
Operating Days/Month	0	16	16	16	28
Total Revenue	\$0	\$5,040	\$5,040	\$5,040	\$8,820
COST OF GOODS SOLD					
Food & Beverage (29% COGS)	\$0	\$1,462	\$1,462	\$1,462	\$2,558
Packaging & Supplies	\$0	\$150	\$150	\$150	\$265
Total COGS	\$0	\$1,612	\$1,612	\$1,612	\$2,823
GROSS PROFIT	\$0	\$3,428	\$3,428	\$3,428	\$5,997
Gross Margin	-	68%	68%	68%	68%
OPERATING EXPENSES					
Fuel (Generator & Vehicle)	\$0	\$200	\$200	\$200	\$350
Propane	\$0	\$50	\$50	\$50	\$75
Vehicle Insurance	\$0	\$200	\$200	\$200	\$200
General Liability Insurance	\$0	\$100	\$100	\$100	\$100
Permits & Licenses (monthly avg)	\$0	\$50	\$50	\$50	\$50
POS System Fees (Square ~2.6%)	\$0	\$130	\$130	\$130	\$230
Water/Commissary Access	\$0	\$50	\$50	\$50	\$50
Vehicle Maintenance Reserve	\$0	\$100	\$100	\$100	\$100
Marketing & Advertising	\$0	\$100	\$100	\$100	\$100
Miscellaneous/Contingency	\$0	\$100	\$100	\$100	\$100
Total Operating Expenses	\$0	\$980	\$980	\$980	\$1,355
EBITDA	\$0	\$2,448	\$2,448	\$2,448	\$4,642
DEBT SERVICE					
Loan Payment (Principal + Interest)	\$406	\$406	\$406	\$406	\$406
Net Operating Income	(\$406)	\$2,042	\$2,042	\$2,042	\$4,236
OWNER DRAW					
Owner Compensation	\$0	\$1,000	\$1,000	\$1,000	\$1,000
NET PROFIT/(LOSS)	(\$406)	\$1,042	\$1,042	\$1,042	\$3,236

Year 1 Summary

	Period	Total Revenue	Total COGS	Gross Profit	Operating Exp	Debt Service	Owner Draw	Net Profit
Months 1-3	(Build)	\$0	\$0	\$0	\$0	\$1,218	\$0	(\$1,218)
Months 4-6	(Launch)	\$15,120	\$4,836	\$10,284	\$2,940	\$1,218	\$3,000	\$3,126
Months 7-12	(Scale)	\$52,920	\$16,938	\$35,982	\$8,130	\$2,436	\$6,000	\$19,416
YEAR 1	TOTAL	\$68,040	\$21,774	\$46,266	\$11,070	\$4,872	\$9,000	\$21,324

Key Performance Metrics

- **Break-Even Point:** Month 4 (first operating month)
- **Cash Flow Positive:** Month 4 (\$2,042 after debt service, before owner draw)
- **Year 1 Net Profit Margin:** 31.3%
- **Average Monthly Revenue** (operating months): \$7,560
- **Total Debt Service Year 1:** \$4,872 (of \$20,000 principal)
- **Remaining Loan Balance End of Year 1:** ~\$16,850

Conservative Scenario Analysis

Scenario: 25 Customers/Day (83% of Target)

Metric	Original (30 cust)	Conservative (25 cust)	Difference
Year 1 Revenue	\$68,040	\$56,700	-\$11,340
Year 1 COGS	\$21,774	\$18,145	-\$3,629
Year 1 Gross Profit	\$46,266	\$38,555	-\$7,711
Year 1 Net Profit	\$21,324	\$13,613	-\$7,711

Result: Business remains profitable even at 17% below target customer volume.

Notes on Financial Projections

1. **Loan Payment Buffer:** Months 1-3 loan payments (\$1,218) are covered by the \$2,460 buffer included in the startup budget
2. **Owner Draw:** Limited to \$1,000/month during year 1 to preserve cash for reinvestment and contingencies
3. **Operating Expenses:** Conservative estimates based on food truck industry benchmarks
4. **COGS:** Using 29% (slightly higher than 28% average) to provide cushion
5. **Scaling Timeline:** Transition from 4-day to 7-day operation in Month 7 assumes consistent customer demand through Months 4-6
6. **Seasonal Adjustment:** These projections assume year-round operation. Winter months in upstate NY may require adjustment to operating schedule.

Cash Flow Considerations

- **Positive Cash Flow:** Beginning Month 4
- **Working Capital:** Business generates sufficient cash to cover all operating expenses and debt service from first month of operations
- **Growth Capital:** Net profit can be reinvested for equipment upgrades, marketing expansion, or emergency repairs

- **Contingency Reserve:** Recommend maintaining \$2,000-3,000 operating reserve by end of Year 1