Three-Year Financial Projections

Comprehensive Revenue, Expense, & Net Profit Model by Growth Phase

DOCUMENT TYPE	PLANNING HORIZON	SOURCE BASELINE
Financial Projections	**Year 1 – Year 3**	**Business Plan Strategy**

This financial statement outlines the projected performance across three distinct expansion phases: **Year 1 (D2C + Regional B2B)**, **Year 2 (Regional Rollout)**, and **Year 3 (National Expansion)**. The model incorporates direct costs, operational expenditure, and the dedicated 15% Lifetime Commission Pool.

Three-Year Financial Schedule

FINANCIAL LINE ITEM	YEAR 1 D2C + Regional B2B	YEAR 2 Regional Rollout	YEAR 3 National Expansion
REVENUE & DIRECT COST STRUCTURE			
Gross Revenue	$450,000	$2,200,000	$7,500,000
Cost of Goods Sold (COGS)	$157,500	$924,000	$3,000,000
Gross Profit	**$292,500**	**$1,276,000**	**$4,500,000**
Gross Margin (%)	65.0%	58.0%	60.0%
OPERATING EXPENSES & ALLOCATIONS			
Operating Expenses (OpEx)	$180,000	$550,000	$1,650,000
15% Lifetime Commission Pool	$67,500	$330,000	$1,125,000
Total Operating & Commission Costs	**$247,500**	**$880,000**	**$2,775,000**
NET EARNINGS BEFORE TAX			
Net Income Before Tax	**$45,000**	**$396,000**	**$1,725,000**
Net Margin Before Tax (%)	10.0%	18.0%	23.0%

Stage Expansion Strategy & Assumptions

Year 1: D2C + Regional B2B

Establishes core consumer sales channels and initial regional wholesale accounts. Focuses on brand awareness, unit economics, and initial commission structure payout validation.

Year 2: Regional Rollout

Scales volume significantly through major regional retail distribution with Menards. Driving higher gross revenue while achieving bulk production efficiencies to improve unit COGS.

Year 3: National Expansion

Full-scale national retail deployment and omnichannel distribution. 15% Lifetime Commission Pool scales proportionally to support extended partner distributions while operating margins stabilize.