



Ralph's

Financial Model

2026-04-28

Introduction

Financial Model Methodology — Income Statement

Sales

Sales are based on typical industry average check information and cover count information for similar style operations.

Notes: 1) Sales are budgeted to increase at 3.0% each year. 2) A ramp-up period has been factored into Year 1 projections. Sales at opening are 60.0% of steady-state figures and then build gradually through months 1-4.

Average Check (Per Person)

Morning	\$ 9.00
Daytime	\$ 13.50
Evening	\$ 22.50

Weekly Covers

	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Total
Lunch	33	36	42	45	54	51	39	300
Dinner	44	48	56	60	72	68	52	400
Total	77	84	98	105	126	119	91	700

Total Weekly Sales

	Mon	Tue	Wed	Thu	Fri	Sat	Sun	Total
Lunch	\$ 446	\$ 486	\$ 567	\$ 608	\$ 729	\$ 688	\$ 526	\$ 4,050
Dinner	\$ 990	\$ 1,080	\$ 1,260	\$ 1,350	\$ 1,620	\$ 1,530	\$ 1,170	\$ 9,000
Total	\$ 1,436	\$ 1,566	\$ 1,827	\$ 1,958	\$ 2,349	\$ 2,218	\$ 1,696	\$ 13,050

Product Costs

Product costs as a percentage of sales are based on expected percentage of sales for the differing product categories. A ramp-up period has been factored — product costs at opening

are 130% above normal operating amounts and then improve as the kitchen becomes more efficient.

Category	COGS %
Food	27.0%
Minerals	30.0%
Liquor	22.0%
Wine	32.0%
Beer	32.0%

Financial Model Methodology — Income Statement (cont.)

Wages

Wages are broken down into Management Labour and Hourly Labour. Allowances are also included for employee benefits. A ramp-up period has been factored into Year 1 — labour

costs in months 1-4 are higher as the restaurant will be over-staffed to ensure exceptional guest experience.

Management Labour

Position	Annual Salary
General Manager	\$ 24,000
Total Management	\$ 24,000

Hourly Labour

Hourly labour forecasts are based on industry percentages:

Front of House Labour	11.0% of revenue
Back of House Labour	18.0% of revenue
Benefits & Allowances	7.000000000000001% of total wages

Operating Costs

Operating costs are based on industry norms for a similar restaurant operation.

Item	% of Revenue	Notes
Smallwares / Glasswares	0.5%	Normal replacement amounts
Paper Products	0.3%	Normal replacement amounts
Credit Card Commissions	1.8%	Based on 60% credit card payment split
Linen / Kitchen Uniform	0.2%	Ongoing replacement

Item	% of Revenue	Notes
Cleaning / Dishwasher	0.4%	Chemical and cleaning supplies
Marketing	1.5%	Ongoing marketing initiatives
Telephone	\$ 200/mo	2 lines and cellphone
Repairs & Maintenance	0.5%	Year 1 (increases to 1.0% in Year 2+ as warranties expire)
Office / POS Supplies	0.2%	Normal operating amounts
Waste Removal	\$ 300/mo	3rd party waste removal services
QSAs (Quality/Service giveaways)	0.4%	Budgeted at 0.4% of sales
Equipment Rental	\$ 500/mo	Dishwasher rental, POS subscriptions

Fixed Expenses

Rent	\$ 0/month	100 sqm at ~\$ 0/sqm/year
Insurance	~1.5% of revenue	Based on space size and coverage
Utilities	~2.0% of revenue	Electricity, gas, water

Attachments.

Year 1 Income Statement

Category	P1	P2	P3	P4	P5	P6	P7	P8	P9	P10	P11	P12	P13	Total
Weekly Sales	\$ 7,830	\$ 9,135	\$ 10,440	\$ 11,745	\$ 13,050	\$ 13,050	\$ 13,050	\$ 13,050	\$ 13,050	\$ 13,050	\$ 13,050	\$ 13,050	\$ 13,050	
REVENUE	\$ 31,320	\$ 36,540	\$ 41,760	\$ 46,980	\$ 52,200	\$ 52,200	\$ 52,200	\$ 52,200	\$ 52,200	\$ 52,200	\$ 52,200	\$ 52,200	\$ 52,200	\$ 626,400
Product Cost	\$ 11,177	\$ 12,287	\$ 13,183	\$ 13,863	\$ 14,329	\$ 14,329	\$ 14,329	\$ 14,329	\$ 14,329	\$ 14,329	\$ 14,329	\$ 14,329	\$ 14,329	\$ 179,471
GROSS MARGIN	\$ 20,143	\$ 24,253	\$ 28,577	\$ 33,117	\$ 37,871	\$ 37,871	\$ 37,871	\$ 37,871	\$ 37,871	\$ 37,871	\$ 37,871	\$ 37,871	\$ 37,871	\$ 446,929
Wages	\$ 11,694	\$ 13,314	\$ 14,934	\$ 16,553	\$ 18,173	\$ 18,173	\$ 18,173	\$ 18,173	\$ 18,173	\$ 18,173	\$ 18,173	\$ 18,173	\$ 18,173	\$ 220,052
Operating Costs	\$ 2,691	\$ 2,973	\$ 3,255	\$ 3,537	\$ 3,819	\$ 3,819	\$ 3,819	\$ 3,819	\$ 3,819	\$ 3,819	\$ 3,819	\$ 3,819	\$ 3,819	\$ 46,827
Fixed Costs	\$ 1,827	\$ 1,827	\$ 1,827	\$ 1,827	\$ 1,827	\$ 1,827	\$ 1,827	\$ 1,827	\$ 1,827	\$ 1,827	\$ 1,827	\$ 1,827	\$ 1,827	\$ 23,751
EBITDA	\$ 3,931	\$ 6,139	\$ 8,561	\$ 11,200	\$ 14,052	\$ 14,052	\$ 14,052	\$ 14,052	\$ 14,052	\$ 14,052	\$ 14,052	\$ 14,052	\$ 14,052	\$ 156,299

5-Year Income Statement

	Year 1		Year 2		Year 3		Year 4		Year 5	
REVENUE	\$ 626,400	100.0%	\$ 645,192	100.0%	\$ 664,548	100.0%	\$ 684,484	100.0%	\$ 705,019	100.0%
Product Cost	\$ 179,471	28.7%	\$ 177,105	27.4%	\$ 182,418	27.4%	\$ 187,891	27.5%	\$ 193,528	27.5%
GROSS MARGIN	\$ 446,929	71.3%	\$ 468,087	72.6%	\$ 482,130	72.6%	\$ 496,593	72.5%	\$ 511,491	72.5%
Wages	\$ 220,052	35.1%	\$ 224,203	34.7%	\$ 230,209	34.6%	\$ 236,395	34.5%	\$ 242,767	34.4%
Operating Costs	\$ 46,827		\$ 47,840		\$ 48,886		\$ 49,962		\$ 51,071	
Fixed Costs	\$ 23,751		\$ 24,345		\$ 24,953		\$ 25,577		\$ 26,217	
NET PROFIT	\$ 156,299	25.0%	\$ 171,699	26.6%	\$ 178,082	26.8%	\$ 184,659	27.0%	\$ 191,436	27.2%

Balance Sheet

	Opening	Year 1	Year 2	Year 3	Year 4	Year 5
ASSETS						
Cash	\$ 0	\$ 156,299	\$ 327,998	\$ 506,080	\$ 690,739	\$ 882,175
Inventory	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Capital Assets (net)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
TOTAL ASSETS	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
LIABILITIES & EQUITY						
Bank Loan	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Shareholder Equity	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Retained Earnings	\$ 0	\$ 156,299	\$ 327,998	\$ 506,080	\$ 690,739	\$ 882,175