

A wide-angle photograph of the Golden Gate Bridge in San Francisco, taken from a high vantage point. The bridge's iconic orange-red towers and suspension cables are prominent, stretching across the blue water of the bay. In the background, the city skyline is visible under a soft, hazy sky, suggesting a sunset or sunrise. The overall mood is serene and majestic.

P&L Evolution Summary

THE HELMSMAN GROUP

Successful P&L Evolution



Pumpkin Poppers Summary P&L	Startup Phase		Early Growth	
	\$ Value	% of Net	\$ Value	% of Net
Gross Sales	\$5,000	117.0%	\$15,000	116.5%
Returns and Allowances	85	2.0%	258	2.0%
Trade Spend	641	15.0%	1,867	14.5%
Net Sales	\$4,274	100%	\$12,786	100.0%
COGS	2,991		8,691	67.5%
Gross Profit	\$1,282	30.0%	\$4,185	32.5%
<i>Gross Margin</i>	30.0%		32.5%	
Variable Selling Expenses	641	15.0%	1,931	15.0%
Contribution	\$641	15.0%	\$2,253	17.5%
<i>Contribution Margin</i>	<i>15.0%</i>		<i>17.5%</i>	
Payroll Expenses	855	20.0%	3,219	25.0%
Other Administrative Expenses	641	15.0%	966	7.5%
EBITDA	(\$855)	(20.0%)	(\$1,931)	(15.0%)
<i>Percent Margin</i>	<i>(20.0%)</i>		<i>(15.0%)</i>	
Other Expenses	500	11.7%	1,000	7.8%
Net Income	(\$1,355)	(31.7%)	(\$2,931)	(22.8%)
<i>Contribution Margin</i>	<i>(31.7%)</i>		<i>(22.8%)</i>	

Startup Phase

- Relatively low gross margin okay, but path/visibility to improvements imperative
- Trade spend no greater than 15% of sales
- Controlled losses, with disciplined control over non-essential expenses (scrappy mentality)

Early Growth

- Modest improvements in COGS, partially offset by ramping up of investment in team and selling expenses
- Early signs of fixed cost leverage as business begins to grow
- Losses may increase but investments should be ROI-positive and lay foundation for future growth

\$ in thousands

Successful P&L Evolution (II)



Pumpkin Poppers Summary P&L	Emerging Growth		Maturity	
	\$ Value	% of Net	\$ Value	% of Net
Gross Sales	\$25,000	116.0%	\$50,000	116.0%
Returns and Allowances	431	2.0%	862	2.0%
Trade Spend	3,017	14.0%	6,034	14.0%
Net Sales	\$21,552	100%	\$43,103	100.0%
COGS	14,009		25,862	60.0%
Gross Profit	\$7,543	35.0%	\$17,241	40.0%
<i>Gross Margin</i>	<i>35.0%</i>		<i>40.0%</i>	
Variable Selling Expenses	2,694	12.5%	4,310	10.0%
Contribution	\$4,849	22.5%	\$12,931	30.0%
<i>Contribution Margin</i>	<i>22.5%</i>		<i>30.0%</i>	
Payroll Expenses	3,772	17.5%	4,310	10.0%
Other Administrative Expenses	1,078	5.0%	1,724	4.0%
EBITDA	\$0	0.0%	\$6,897	16.0%
<i>Percent Margin</i>	<i>0.0%</i>		<i>16.0%</i>	
Other Expenses	1,500	7.0%	2,000	4.6%
Net Income	(\$1,500)	(7.0%)	\$4,897	11.4%
<i>Contribution Margin</i>	<i>(7.0%)</i>		<i>11.4%</i>	

Emerging Growth

- Further gross margin expansion, driven by increased efficiency and bargaining power with suppliers
- Continued investments in personnel and selling expenses, but some deleveraging from increased scale
- Approaching breakeven profitability
- Modest trade spend improvement, plus emphasis on MCBs/scans in favor of OIs and other non-trial inducing promotional spend

Maturity

- Gross margins approaching industry standards/ideals
- Increased profitability from fixed cost deleveraging and gross margin expansion affords flexibility to reinvest in growth-driving initiatives at company's discretion

\$ in thousands