

Capital Expenditure (CapEx) Presentation

1. Project Overview

Project Title	New Warehouse Construction
Prepared By	Finance Department
Date	2024-06-20
Department	Operations
Project Sponsor	John Smith, COO

2. Purpose & Objectives

To expand company storage capacity and logistics efficiency to support growing business needs. The objective is to construct a 10,000 sq.ft warehouse in the main industrial area within this fiscal year.

3. Description & Justification

The current warehouse is operating at maximum capacity. Delays and higher logistics costs have been noted due to limited space. Investing in a new facility is expected to reduce operational bottlenecks and provide capacity for projected business growth of 20% over the next three years.

4. Financial Details

Item	Estimated Cost (USD)
Land Purchase	500,000
Construction	850,000
Equipment & Fixtures	150,000
Contingency	100,000
Total	1,600,000

5. Expected Benefits

- Increase in storage capacity by 35%
- Reduction in annual logistics costs by 18%
- Enhanced efficiency and turnaround time
- Support for future business expansion

6. Timeline

Phase	Timeline
Land Acquisition	Q3 2024

Construction	Q4 2024 - Q2 2025
Equipment Installation	Q2 2025
Operational Launch	Q3 2025

7. Risk Assessment & Mitigation

- **Construction Delay:** Pre-select reliable contractors, regular project monitoring.
- **Cost Overrun:** Include contingency budget, rigorous cost control measures.
- **Demand Uncertainty:** Flexible design to scale operations up or down.

8. Approval

Requested By: _____

Approved By: _____

Date: _____

Important Notes

- CapEx documents are formal proposals requiring detailed financial analysis and justification.
- Ensure alignment with both short-term and long-term strategic goals.
- Involve key stakeholders during the planning and approval stages.
- Review projected returns, risks, and alternative options before finalizing.
- Regularly monitor progress against approved budget and timeline post-approval.