

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.