

# Financial Model Template – Expansion Forecast

## 1. Executive Summary

This document projects the potential financial outcome of the planned business expansion over the next five years. Key assumptions, revenue streams, anticipated expenses, capital requirements, and outcome forecasts are outlined below.

## 2. Key Assumptions

- Annual growth rate: 12%
- Initial investment: \$500,000
- Expansion start date: January 2025
- Market penetration expectation: 10% per annum
- Operating cost increase: 5% per annum

## 3. Revenue Forecast

Year	Base Revenue	Expansion Revenue	Total Revenue
2025	\$1,000,000	\$150,000	\$1,150,000
2026	\$1,120,000	\$190,000	\$1,310,000
2027	\$1,254,400	\$250,000	\$1,504,400
2028	\$1,404,928	\$320,000	\$1,724,928
2029	\$1,573,519	\$400,000	\$1,973,519

## 4. Expense & Capital Expenditure Forecast

Year	Operating Expenses	Expansion Expenses	Capital Expenditure	Total Expenses
2025	\$600,000	\$70,000	\$120,000	\$790,000
2026	\$630,000	\$90,000	\$60,000	\$780,000
2027	\$661,500	\$110,000	\$40,000	\$811,500
2028	\$694,575	\$130,000	\$30,000	\$854,575
2029	\$729,304	\$150,000	\$20,000	\$899,304

## 5. EBITDA Forecast

Year	Total Revenue	Total Expenses	EBITDA
2025	\$1,150,000	\$790,000	\$360,000
2026	\$1,310,000	\$780,000	\$530,000
2027	\$1,504,400	\$811,500	\$692,900

2028	\$1,724,928	\$854,575	\$870,353
2029	\$1,973,519	\$899,304	\$1,074,215

## 6. Cash Flow Projection

Year	Opening Balance	Net Cash Flow	Closing Balance
2025	\$0	\$360,000	\$360,000
2026	\$360,000	\$530,000	\$890,000
2027	\$890,000	\$692,900	\$1,582,900
2028	\$1,582,900	\$870,353	\$2,453,253
2029	\$2,453,253	\$1,074,215	\$3,527,468

## 7. Important Notes

- Assumptions should be reviewed and validated before finalizing forecasts.
- Sensitivity analysis is recommended to assess risks and uncertainties.
- All figures are indicative and subject to change based on market conditions.
- Include detailed supporting schedules and documentation as needed.
- Financial models should be updated regularly as new data becomes available.