

JARTAN

Group Performance Report

Nov 2021



Basis of Preparation

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Notes from Management

Jartan Group is a global retailer of luxury furniture and homewares. With four shopfronts and a growing online presence, Jartan is well placed for the future. We've seen strong growth in our online channels, though shopfront sales still represent the majority of our sales. This is consistent with other luxury retailers and a well documented trend that strong in store experience & culture, attracts in-person shoppers.

November has been a strong month, with global revenue of \$1,949,982. Online sales made up \$656,774 and shopfront sales made up \$1,232,699. Anecdotally our store managers have flagged strong commercial and business-to-business sales have led to a strong sales pipeline over the coming months.

During this month's meeting we will walk through our time-to-fulfil orders for each product line, and sign off on our future inventory ordering plans.

Agenda Items

- Review Q1 financial forecast
- Sign off on hiring plan
- Vote on holiday party location
- Future readiness check-in



REVENUE

Revenue \$1,949,982 (Last month \$1,890,918)

Positive trend upwards.



ACTIVITY

Activity Ratio 0.59 times (Last month 0.56 times)

Positive trend upwards. Strategies to improve the activity ratio include seeking ways to optimise the balance sheet, ie. by reducing the investment in working capital, selling-off any unused assets or by increasing sales using the same asset base.



EFFICIENCY

Return on Capital Employed 20.78% (Last month 20.47%)

Positive trend upwards. A higher ROCE% is favourable, indicating that the business generates more earnings per \$1 of capital employed.



PROFITABILITY

Profitability Ratio 35.25% (Last month 36.61%)

Negative trend downwards. Strategies to improve profitability include: increasing price, increasing sales volume, reducing cost of sales and reducing operating expenses.



CASH FLOW

Free Cash Flow \$980,342

Free Cash Flow is positive. After paying its operating expenses and investing for future growth (capital expenditures) the business has generated cash. This cash is available to be paid back to the suppliers of capital.



MARGINAL CASH FLOW

Net Variable Cash Flow 39.13%

Net variable cash flow is positive. The business will generate cash from each additional \$1 of products or services that the business sells.

KPI Analysis

TOTAL REVENUE

\$1,949,982

▲ 3.1% from last month



A measure of the total amount of money received by the company for goods sold or services provided.

GROSS PROFIT

\$815,855

▲ 5.3% from last month



Gross Profit is the residual profit after deducting all costs directly related to the sales.

NET PROFIT AFTER TAX %

24.49%

▼ -1.65% from last month



A measure of the proportion of revenue that is left after all expenses have been paid.

EQUITY CHANGE

0.75%

▼ -0.07% from last month



A measure of the percentage change in Total Equity for the period.

% RETURN CUSTOMERS

34%

▲ 12% from Nov 2020



Represents the proportion of our monthly customers who have purchased from Jartan previously. This metric includes corporate and business as well as consumer buyers.

CUSTOMER SATISFACTION.

90

▼ -4% from last month



Customer satisfaction score collected monthly via a survey. The score combines online and bricks and mortar shoppers.

Revenue breakdown

New York Shopfront Sales	\$569,621
Sydney Shopfront Sales	\$393,095
Shopify Sales	\$357,800
London Shopfront Sales	\$269,983
Amazon Sales	\$236,578
General Online Sales	\$62,396
San Diego Shopfront Sales	\$60,509

Revenue breakdown by Company

Jartan Sydney	\$623,961
Jartan New York	\$569,621
Jartan London	\$444,165
Jartan San Diego	\$312,235

Cost Of Sales breakdown

COS Goods	\$407,105
Materials	\$213,869
Field Labour	\$159,264
Salaries & Wages	\$94,318
Equipment	\$59,155
Sever Costs	\$36,681
Advertising & Promotions	\$29,388
Contractors	\$28,520

Total Cost of Sales breakdown by Company

Jartan New York	\$431,410
Jartan Sydney	\$407,105
Jartan San Diego	\$184,448
Jartan London	\$111,163

KPI Results

	RESULT	TARGET		TREND	IMPORTANCE
A PROFITABILITY	NOV 2021			vs OCT 2021	
Total Revenue	\$1,949,982	\$10,000	✓	▲ 3.1%	Critical
Gross Profit Margin	41.84%	35%	✓	▲ 0.86%	Medium
Operating Profit Margin	24.99%	25%	✗	▼ -1.17%	High
Profitability Ratio	35.25%	15%	✓	▼ -1.37%	Critical
B ACTIVITY					
Activity Ratio	0.59 times	2.00 times	✗	▲ 0.03 times	Critical
Accounts Receivable Days *	54 days	40 days	✗	▼ -3 days	Medium
Inventory Days *	47 days	30 days	✗	▼ -1 days	Medium
Accounts Payable Days	90 days	45 days	✓	▲ 2 days	Medium
C EFFICIENCY					
Return on Equity	21.63%	15%	✓	▼ -0.21%	Critical
Return on Capital Employed	20.78%	12.5%	✓	▲ 0.31%	Critical
Gross Margin Return on Inventory	563.02%	150%	✓	▲ 34.68%	Low
D COVERAGE					
Interest Cover	23.07 times	2.00 times	✓	▼ -3.87 times	Medium
Debt Payback *	1.32 Yrs	5.00 Yrs	✓	▲ 0.05 Yrs	High
E GEARING					
Debt to Equity *	28.14%	100%	✓	▲ 0.84%	High
Debt to Total Assets *	16.7%	50%	✓	▲ 0.24%	Low
F CASH FLOW					
Cash on Hand	\$3,760,216	\$10,000	✓	▲ 31.4%	Medium
Cash Flow Margin	52.05%	120%	✗	▲ 18.49%	Low
Net Variable Cash Flow	39.13%	0%	✓	▲ 1.53%	Medium
G GROWTH					
Revenue Growth	3.12%	0.41%	✓	▲ 3.38%	Critical
Gross Profit Growth	5.28%	0.17%	✓	▲ 7.82%	Medium
EBIT Growth	-0.72%	0.17%	✗	▼ -2.94%	High
Asset Change	2.39%	0.25%	✓	▲ 1.2%	Low
H CUSTOM KPIS					
% Return Customers	34%	0%	✓	0%	Low
Customer Satisfaction.	90	0	✓	▼ -4	Low

* For this metric, a result below target is favourable

Breakeven Analysis

TOTAL REVENUE

\$1,949,982

A measure of the total amount of money received by the company for goods sold or services provided.

EXPENSES TO REVENUE RATIO

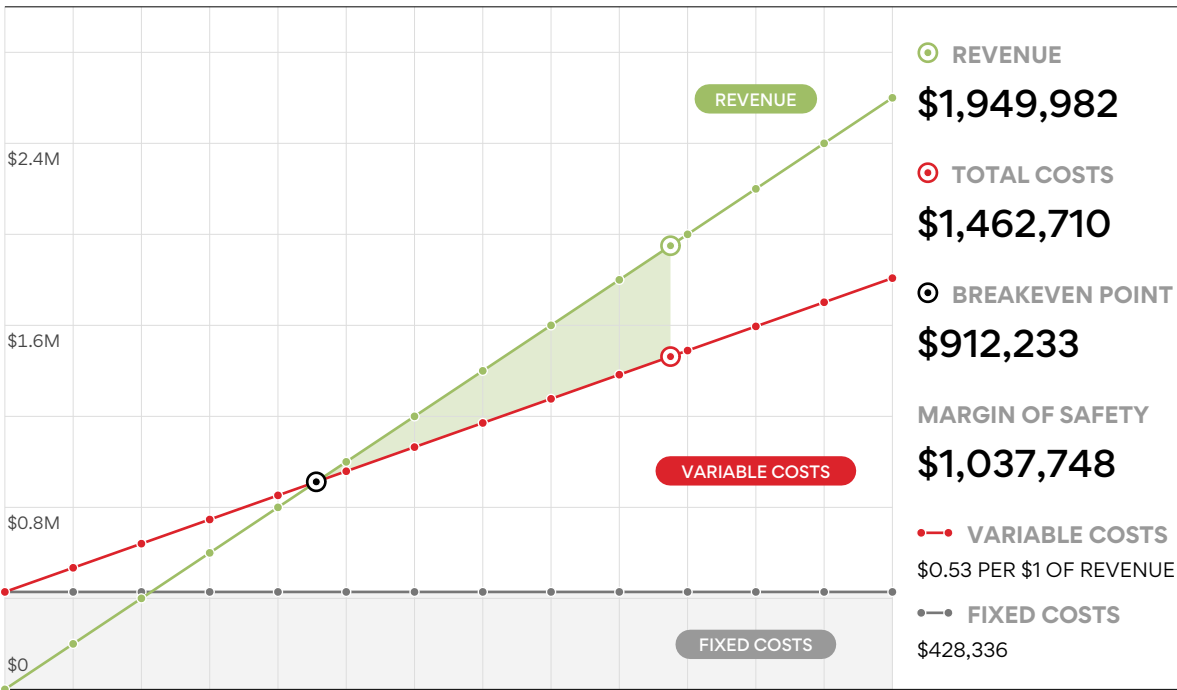
75.01%

A measure of how efficiently the business is conducting its operations.

BREAKEVEN MARGIN OF SAFETY

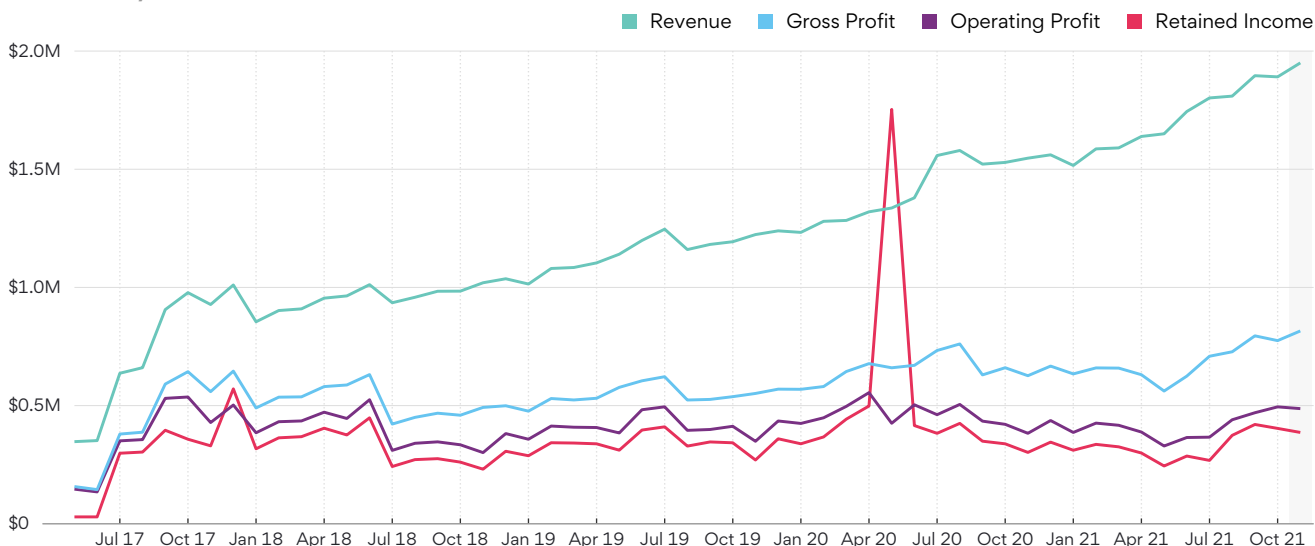
\$1,037,748

The breakeven safety margin represents the gap between the actual revenue level and the breakeven point. In other words, the amount by which revenue can drop before losses begin to be incurred.

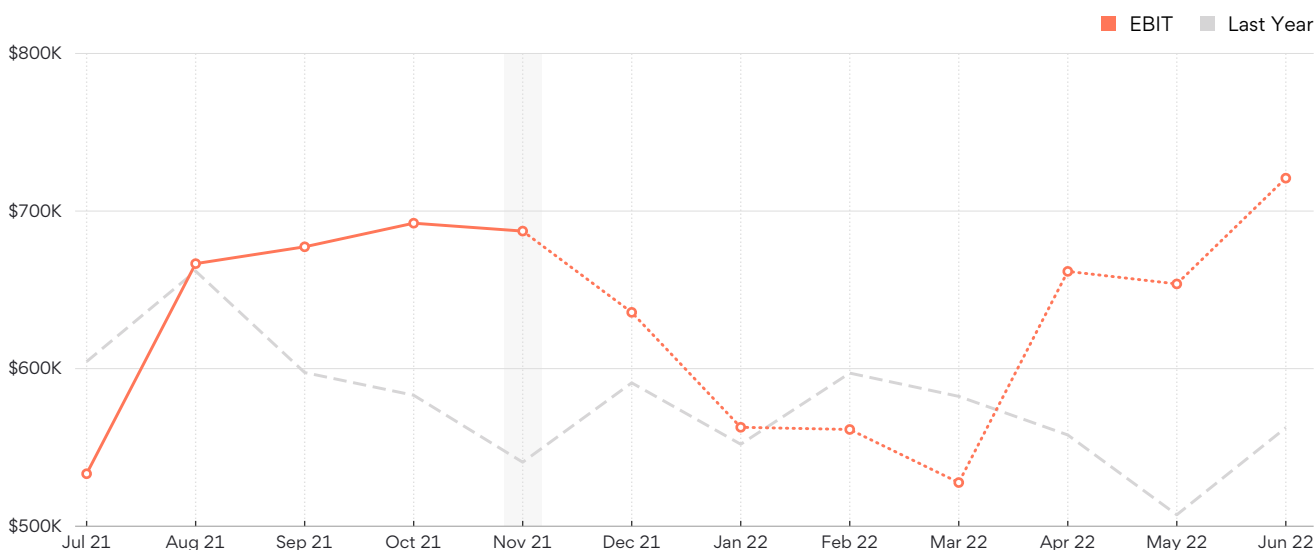


Profitability Charts

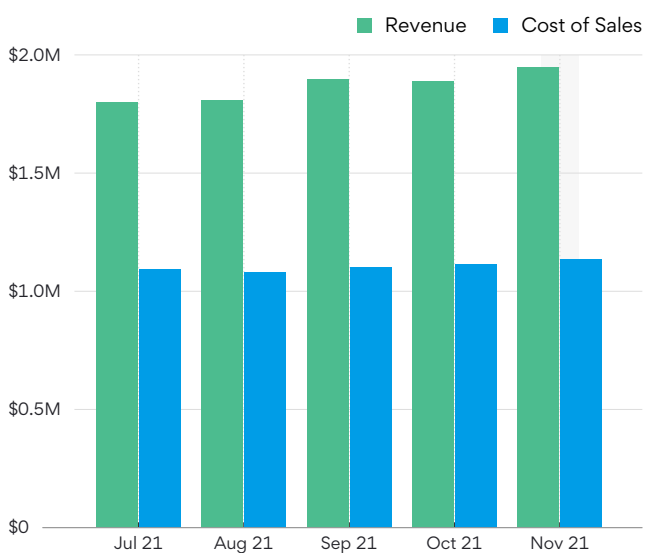
Profitability for all time



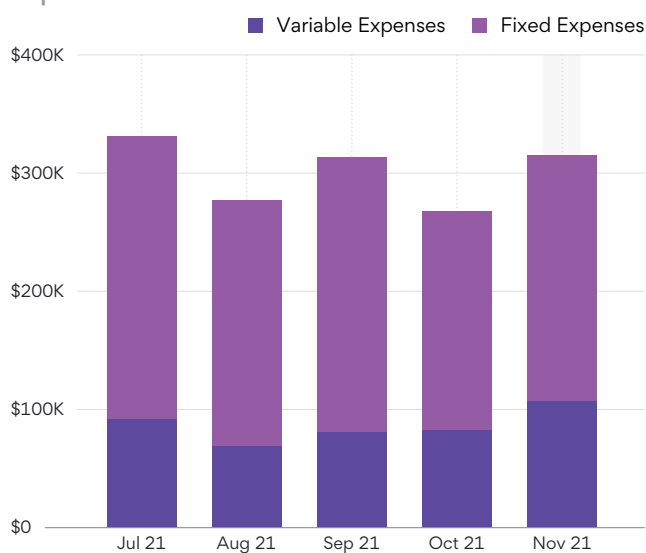
EBIT Forecast



Revenue vs. Cost of Sales

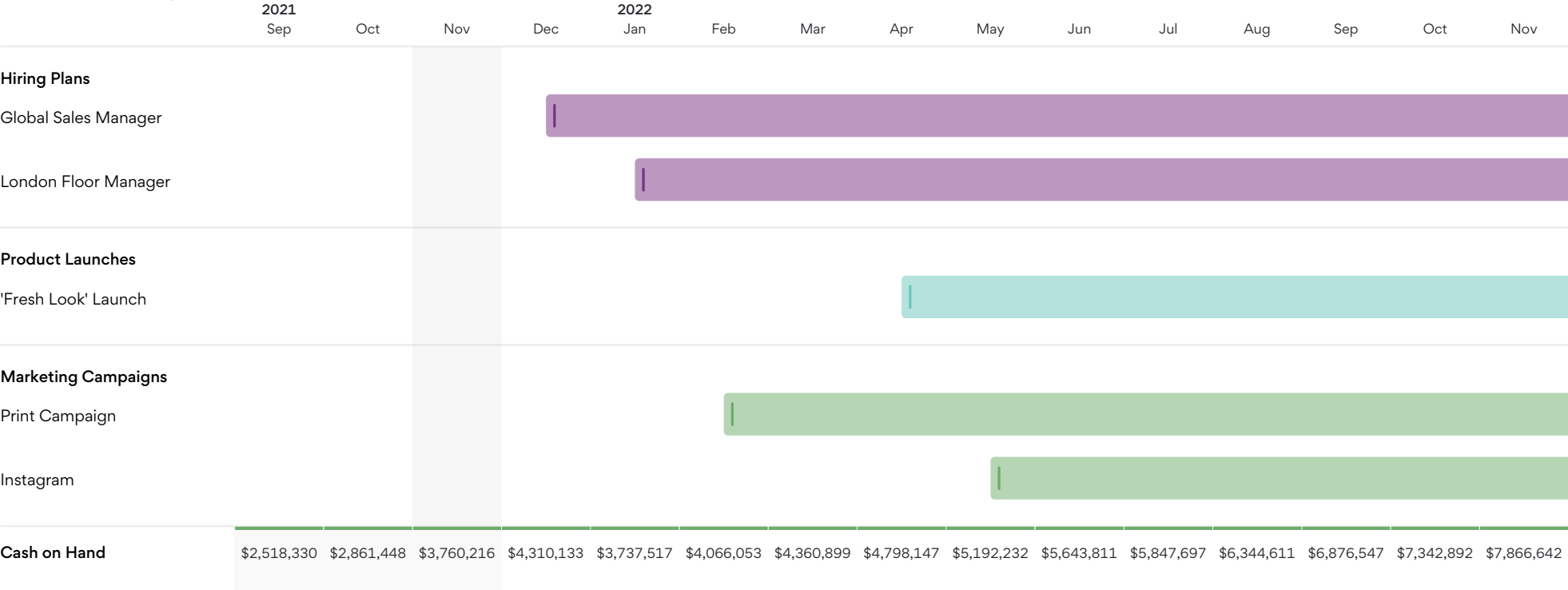


Expenses



Forecast Roadmap

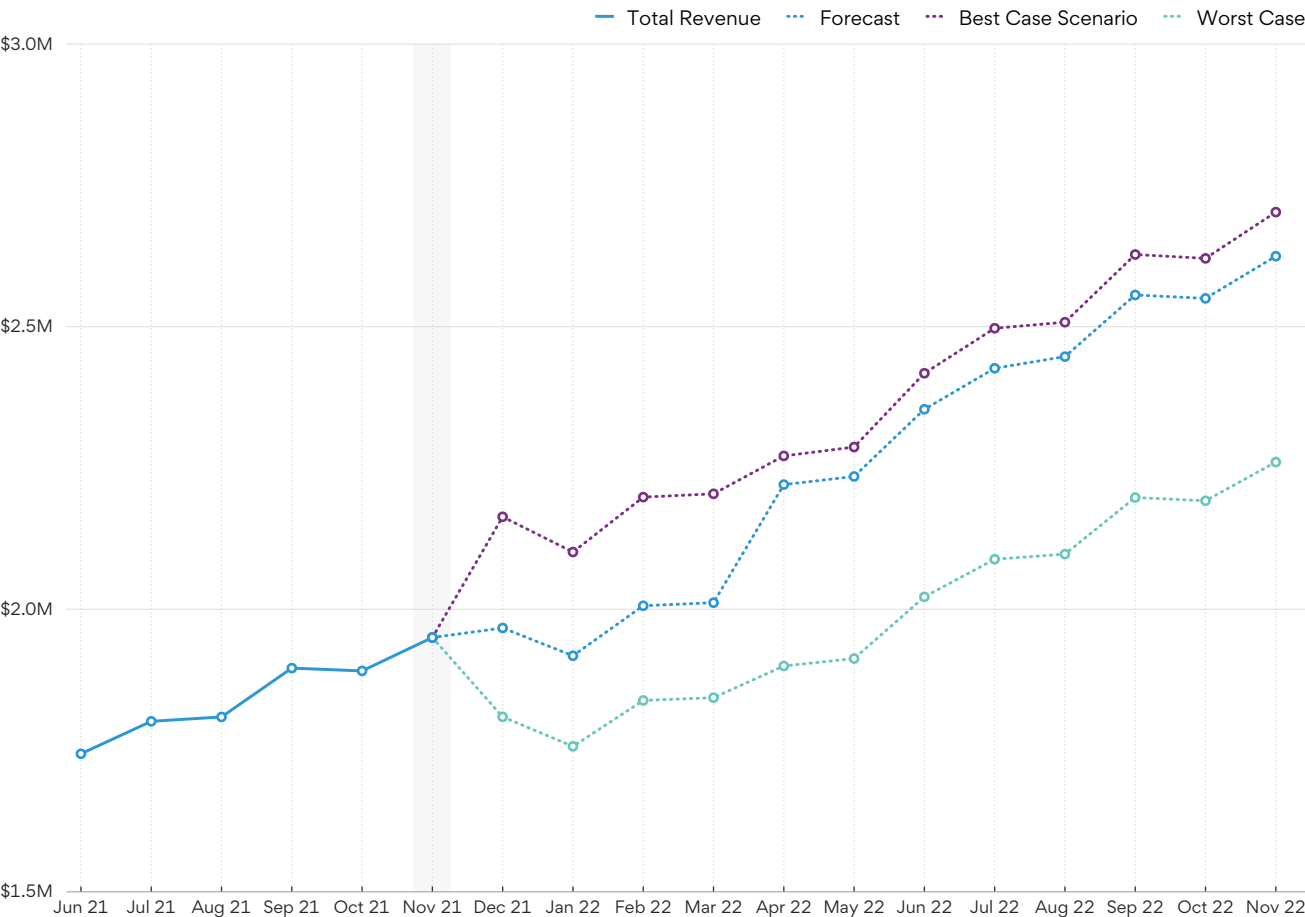
Business Roadmap



ONLINE SALES FORECAST	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Total
Baseline	\$751,120	\$758,302	\$817,817	\$810,730	\$827,535	\$814,351	\$802,255	\$830,160	\$832,381	\$858,947	\$865,297	\$911,387	\$9.880M
'Fresh Look' Launch	\$125,650	\$125,650	\$125,650	\$125,650	\$125,650	\$125,650	\$125,650	\$125,650	\$125,650	\$125,650	\$125,650	\$125,650	\$1.508M
Print Campaign	\$22,100	\$22,100	\$22,100	\$22,100	\$22,100	\$22,100	\$22,100	\$22,100	\$22,100	\$22,100	\$22,100	\$22,100	\$265,200
Instagram	\$0	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$118,250
Total Online Sales Forecast	\$898,870	\$916,802	\$976,317	\$969,230	\$986,035	\$972,851	\$960,755	\$988,660	\$990,881	\$1.017M	\$1.024M	\$1.070M	\$11.772M

Revenue Forecast

Revenue Scenarios



REVENUE FORECAST	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	Jan 2023
Baseline	\$2,270,159	\$2,279,890	\$2,388,772	\$2,382,557	\$2,456,977	\$2,478,292	\$2,406,879
'Fresh Look' Launch	\$125,650	\$125,650	\$125,650	\$125,650	\$125,650	\$125,650	\$125,650
London Floor Manager	\$8,446	\$8,615	\$8,787	\$8,963	\$9,142	\$9,325	\$9,512
Print Campaign	\$22,100	\$22,100	\$22,100	\$22,100	\$22,100	\$22,100	\$22,100
Instagram	\$0	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750
Total Revenue Forecast	\$2,426,355	\$2,447,005	\$2,556,059	\$2,550,020	\$2,624,619	\$2,646,118	\$2,574,891

REVENUE FORECAST	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Total
Baseline	\$2,518,185	\$2,524,850	\$2,601,696	\$2,619,646	\$2,769,203	\$29,697,105
'Fresh Look' Launch	\$125,650	\$125,650	\$125,650	\$125,650	\$125,650	\$1,507,800
London Floor Manager	\$9,702	\$9,896	\$10,094	\$10,296	\$10,502	\$113,281
Print Campaign	\$22,100	\$22,100	\$22,100	\$22,100	\$22,100	\$265,200
Instagram	\$10,750	\$10,750	\$10,750	\$10,750	\$10,750	\$118,250
Total Revenue Forecast	\$2,686,387	\$2,693,246	\$2,770,290	\$2,788,441	\$2,938,205	\$31,701,637

Financials by Company

PROFIT & LOSS	Jartan San Diego	Jartan Sydney	Jartan London	Jartan New York	Total
Revenue					
Online Sales	\$251,726	\$230,865	\$174,182	\$0	\$656,774
Shopfront Sales	\$0	\$393,095	\$269,983	\$569,621	\$1,232,699
San Diego Shopfront Sales	\$60,509	\$0	\$0	\$0	\$60,509
Total Revenue	\$312,235	\$623,961	\$444,165	\$569,621	\$1,949,982
Cost of Sales					
Fixed COS	\$36,820	\$0	\$77,347	\$72,520	\$186,687
Variable COS	\$85,244	\$407,105	\$10,307	\$137,127	\$639,782
Direct Employee Expenses	\$62,384	\$0	\$23,509	\$221,764	\$307,657
Total Cost of Sales	\$184,448	\$407,105	\$111,163	\$431,410	\$1,134,126
Gross Profit	\$127,787	\$216,856	\$333,002	\$138,210	\$815,855
Expenses					
Back Office Spend	\$4,247	\$29,450	\$7,389	\$7,389	\$48,476
Employee Costs	\$77,141	\$43,119	\$28,936	\$22,118	\$171,315
Rent & Utilities	\$2,259	\$17,966	\$11,770	\$10,270	\$42,265
Marketing Costs	\$35,106	\$9,882	\$9,012	\$9,012	\$63,012
Charitable Donations	\$703	\$0	\$1,406	\$1,406	\$3,516
Total Expenses	\$119,456	\$100,417	\$58,514	\$50,196	\$328,584
Operating Profit	\$8,331	\$116,438	\$274,488	\$88,014	\$487,272
Other Income					
Other Income	\$0	\$116,724	\$0	\$0	\$116,724
Other Revenue	\$15,259	\$0	\$34,017	\$34,017	\$83,293
Earnings Before Interest & Tax	\$23,590	\$233,163	\$308,505	\$122,031	\$687,289
Interest Income					
Interest Income	\$377	\$0	-\$1,068	-\$1,068	-\$1,760
Interest Expenses					
Interest Expenses	\$0	\$28,037	\$0	\$0	\$28,037
Earnings Before Tax	\$23,967	\$205,126	\$307,436	\$120,963	\$657,492
Tax Expenses					
Income Tax Expense	\$3,807	\$0	\$39,530	\$39,530	\$82,868
Payroll Tax	\$12,800	\$0	\$452	\$452	\$13,705
Superannuation	\$236	\$0	\$0	\$83	\$319
Tax Expense	\$663	\$0	\$743	\$743	\$2,149
Tax Expenses	\$0	\$80,963	\$0	\$0	\$80,963
Earnings After Tax	\$6,461	\$124,163	\$266,711	\$80,154	\$477,489
Adjustments					
Adjustments	\$0	-\$2,575	\$0	\$0	-\$2,575
Net Income	\$6,461	\$126,738	\$266,711	\$80,154	\$480,064
Dividends					
Dividends	\$0	\$93,551	\$0	\$0	\$93,551
Retained Income	\$6,461	\$33,186	\$266,711	\$80,154	\$386,512
BALANCE SHEET	Jartan San Diego	Jartan Sydney	Jartan London	Jartan New York	Total
ASSETS					
Cash & Equivalents	\$561,153	\$0	\$1,599,532	\$1,599,532	\$3,760,216
Accounts Receivable	\$42,070	\$3,148,126	\$148,191	\$148,191	\$3,486,578

	Jartan San Diego	Jartan Sydney	Jartan London	Jartan New York	Total
Inventory	\$148,192	\$937,228	\$351,671	\$351,671	\$1,788,762
Other Current Assets	\$146,425	\$7,913,228	\$339,540	\$339,540	\$8,738,732
Total Current Assets	\$897,840	\$11,998,582	\$2,438,933	\$2,438,933	\$17,774,288
Fixed Assets	\$114,610	\$686,614	\$630,773	\$630,773	\$2,062,771
Intangible Assets	\$0	\$1,074,551	\$3,867	\$3,867	\$1,082,286
Investments or Other Non-Current Ass...	\$0	\$24,889,762	\$11,994	\$11,994	\$24,913,749
Total Non-Current Assets	\$114,610	\$26,650,928	\$646,634	\$646,634	\$28,058,806
Total Assets	\$1,012,451	\$38,649,510	\$3,085,567	\$3,085,567	\$45,833,094
LIABILITIES					
Short Term Debt	\$10,089	\$563,024	\$95,498	\$17,363	\$685,974
Accounts Payable	\$219,955	\$2,434,047	\$382,297	\$382,297	\$3,418,597
Tax Liability	\$322,965	-\$13,732	\$0	\$615,361	\$924,594
Other Current Liabilities	\$26,185	\$641,984	\$528,351	\$45,512	\$1,242,031
Total Current Liabilities	\$579,194	\$3,625,323	\$1,006,146	\$1,060,534	\$6,271,197
Long Term Debt	\$274,912	\$5,661,134	\$516,895	\$516,895	\$6,969,835
Deferred Taxes	\$0	\$2,718,992	\$54,388	\$0	\$2,773,380
Other Non-Current Liabilities	-\$62,657	\$2,725,858	-\$110,421	-\$110,421	\$2,442,358
Total Non-Current Liabilities	\$212,255	\$11,105,984	\$460,861	\$406,473	\$12,185,573
Total Liabilities	\$791,449	\$14,731,306	\$1,467,007	\$1,467,007	\$18,456,770
EQUITY					
Retained Earnings	\$347,967	\$6,967,102	\$1,046,725	\$1,046,725	\$9,408,519
Current Earnings	-\$156,604	\$801,937	\$353,819	\$353,819	\$1,352,970
Other Equity	\$0	\$16,149,164	\$147,682	\$147,682	\$16,444,529
Total Equity	\$191,363	\$23,918,203	\$1,548,225	\$1,548,225	\$27,206,018
Total Liabilities & Equity	\$982,812	\$38,649,510	\$3,015,233	\$3,015,233	\$45,662,787