

A spirits importer, three years out, with the assumptions in the open.

ILLUSTRATIVE SAMPLE · NOT A CLIENT FILE

WHO THIS DOCUMENT IS FOR

A credit committee evaluating a \$660,000 SBA 7(a) facility. That is stated on the first page because it changes everything after it. A plan written for a lender leads with coverage and the downside; one written for an E-2 adjudicator leads with the investment and the jobs; one written for a landlord leads with the lease term. A firm that hands you the same document for all three has written none of them. Tell us the reader and we will write to it.

THE PART THAT GETS TESTED

What the projection assumes

Anyone can produce a column of growing numbers. What a credit analyst actually tests is whether each input is defensible and where the plan breaks if one is wrong. So every driver below carries its basis.

DRIVER	VALUE	BASIS
Accounts opened, year one	54	Two reps at 27 accounts each over twelve months. The principal opened 31 in his last full year at a competing importer.
Cases per account per month	7.5	Nine-litre equivalent. Florida on-premise average for a comparable portfolio; the three accounts already committed are running 8.1.
Average wholesale price per case	\$214	Weighted across the six SKUs in the opening portfolio at current list, net of standard depletion allowance.
Landed cost as a percent of revenue	56.1%	Supplier FOB plus ocean freight, federal excise, state excise and customs brokerage, quoted October 2026. Excise is a fixed cost per proof gallon and does not scale with price.
Account attrition, annual	8%	Base case. The downside case runs 19%, which is what this category saw in the two years after 2020.
Fixed cost growth	22% then 10%	A third rep in year two and a warehouse move in year three. Nothing else is assumed to scale.

BASE CASE

Three years

YEAR 1

YEAR 2

YEAR 3

Revenue	1,040,040	1,511,802	1,804,594
Landed cost of sales	(583,462)	(848,121)	(1,012,377)
Gross profit	456,578	663,681	792,217
Fixed operating costs	(420,000)	(512,400)	(562,800)
EBITDA	36,578	151,281	229,417
Debt service, P&I	(107,980)	(107,980)	(107,980)
Debt service coverage	0.34x	1.40x	2.12x

Year one does not cover debt service, and the plan says so on the page rather than in a footnote. Coverage is 0.34x while the portfolio is being placed. The request is therefore structured with twelve months interest-only, and the sponsor is injecting working capital through month fourteen — which is why that line appears in the use of funds below. A plan that buries a first-year shortfall is a plan the committee finds on their own, and then everything else in it is suspect.

DOWNSIDE CASE

What breaks it, and when

Attrition at 19% rather than 8% — what this category saw in the two years after 2020 — with account growth at 18% instead of 58%. Nothing else changes. This case is in the document, not available on request.

	YEAR 1	YEAR 2	YEAR 3
Revenue	1,040,040	994,070	914,376
Landed cost of sales	(583,462)	(557,673)	(512,965)
Gross profit	456,578	436,397	401,411
Fixed operating costs	(420,000)	(512,400)	(562,800)
EBITDA	36,578	(76,003)	(161,389)
Debt service, P&I	(107,980)	(107,980)	(107,980)
Debt service coverage	0.34x	-0.70x	-1.49x

The covenant that fails first is coverage, in year two. Not liquidity, not leverage. If attrition runs at the downside rate the business is cash-negative before the interest-only period ends, and the remedy is a smaller opening portfolio rather than a larger facility. We would rather tell you that now than refinance it later.

Fixed operating costs

	AMOUNT
Owner compensation	90,000
Sales and merchandising	134,000
Warehouse and logistics	54,000
Licensing, compliance and bonds	29,000
Insurance	18,000
Professional fees	22,000
Marketing and tastings	44,000
Administrative	29,000
Total	420,000

THE REQUEST

Use of funds

	AMOUNT
Opening inventory, six SKUs	268,000
Federal and state excise at import	96,000
Warehouse deposit and racking	54,000
Licensing, federal basic permit and state bonds	29,000
Working capital through month fourteen	213,000
Facility requested	660,000

Annual P&I of \$107,980 is computed from the facility at 10.75% over 10 years, not stated separately. A payment that does not follow from the loan is the first figure an analyst recomputes.

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