

# **2025 BUDGET MODEL FOR CW WATER**

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# AGENDA



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- 03** Sales Model
- 04** Expense Model
- 05** Income Statement
- 06** Backend Design
- 07** Scenario Analysis

# Budget Objective

- ❖ Build a driver-based 2025 budget model
- ❖ Build a complete revenue model based on sales volume, SKU, and channel pricing
- ❖ Incorporate key cost drivers (rebates, logistics, other expenses)
- ❖ Forecast net income for 2025
- ❖ Produce a dynamic income statement for scenario analysis



# Key Drivers of the Business

## Revenue Drivers

- Units sold (by region, customer, SKU)
- SKU pricing by channel
- Rebates (contra-revenue, channel-driven)

## Cost Drivers

- COGS (industry benchmark Cost of Sales Ratio)
- Logistics costs
- SG&A (Selling, General & Administrative Expenses)
- Other operating expenses

# Sales Model

## Approach

### **Step 1**

Consolidated monthly unit data  
(US-East, US-West,  
International)

### **Step 2**

Merged SKU × channel prices  
into the unit dataset

### **Step 3**

Converted 6-pack units into  
bottle-equivalent units

### **Step 4**

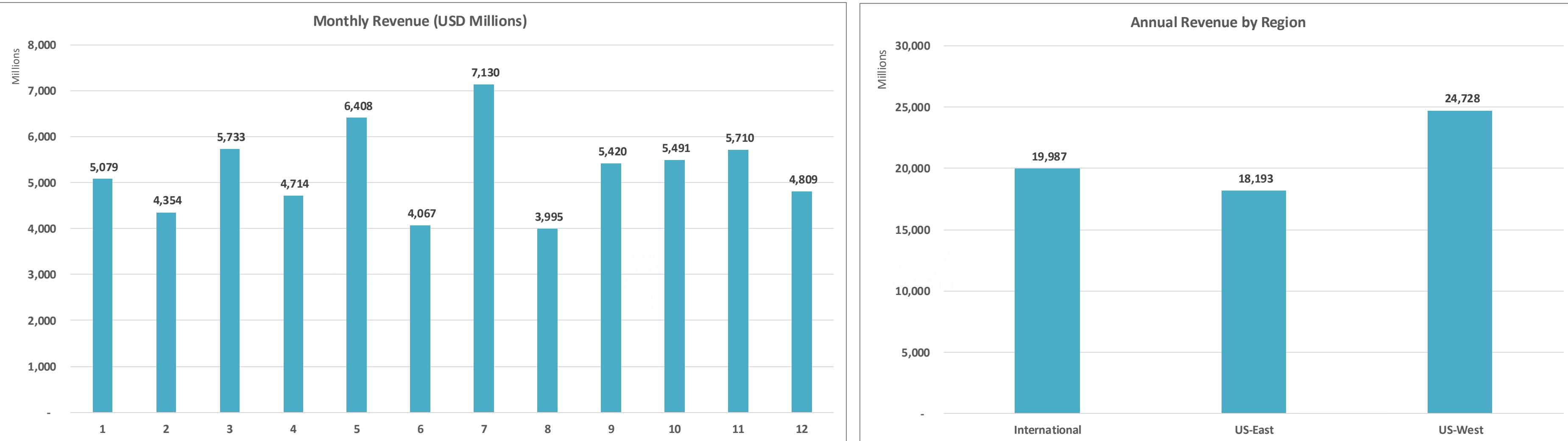
Calculated net revenue using  
Bottles × Price

### **Step 5**

Structured output for slicing  
by SKU, region, channel

# Sales Model

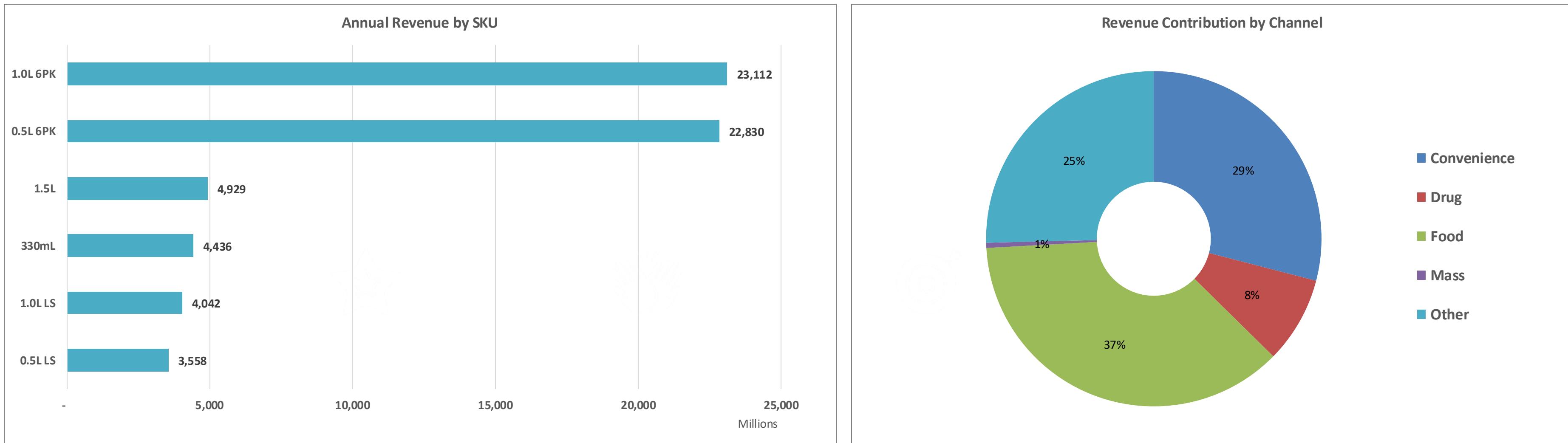
## Insight



Revenue peaks mid-year, with US-West driving the largest share of annual sales and domestic markets outperforming International.

# Sales Model

## Insight



Revenue is highly concentrated in two SKUs and driven primarily by the Food channel, with Mass playing a minimal role.

# Expenses Model

## Approach

### **Step 1**

Applied channel-specific rebate rules  
(7-Eleven: 10¢/bottle; Safeway:  
95¢/case)

### **Step 2**

Estimated logistics cost using  
 $\text{vans} \times \text{monthly miles} \div \text{MPG} \times \text{fuel price}$

### **Step 3**

Applied COGS and operating expenses  
based on industry cost ratios

### **Step 4**

Added other expense placeholders  
for full P&L completeness

# Income Statement

## Assumption

- ❖ Cost of Sales Ratio: 72%  
(Source: Primo Brands 2022–2024 average)
- ❖ Operating Expense Ratio: 22%  
(Source: Primo Brands 2022–2024 average)
- ❖ Federal Tax Rate: 21%
- ❖ All assumptions applied to project full-year

Net Income



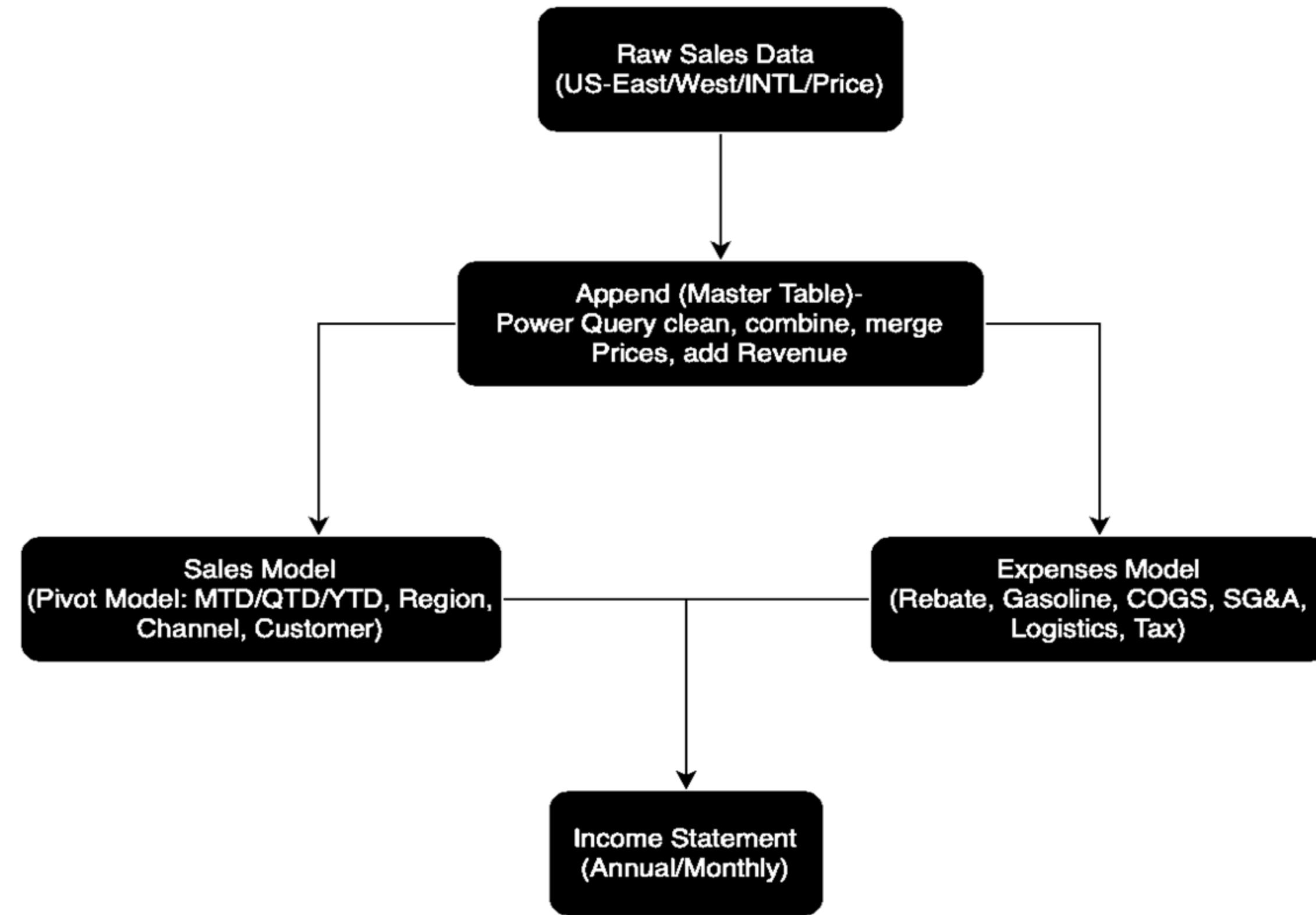
# Income Statement

## Summary

- ❖ Revenue is driven mainly by large-volume SKUs, especially 1.0L 6PK and 0.5L 6PK.
- ❖ Customer rebates have minimal financial impact
- ❖ Net Income margin is thin at 4%, indicating a low-margin revenue model.

Annual Income Statement – CW Water 2025 (USD)		
		Ratio (% of Net Sales)
<b>Revenue</b>		
Gross Sales	0.5L 6PK	22,830,351,204
	0.5L LS	3,558,377,504
	1.0L 6PK	23,112,480,711
	1.0L LS	4,042,244,824
	1.5L	4,929,211,551
	330mL	4,436,446,660
Customer Rebates	7-Eleven	1,054,224
	Safeway	436,893
<b>Total Net Sales</b>		62,907,621,336
<b>Cost of Goods Sold</b>		
Packaging materials		
Labor		
<b>Total Cost of Goods Sold</b>		45,580,270,031
<b>Gross Profit</b>		17,327,351,305
<b>Expenses</b>		
Operating Expenses (SG&A)	Salaries (Admin)	
	Rent & Utilities – Office or Warehouse	
	Marketing & Campaigns	
Logistics Expenses	Gas expense	-
	Vehicle rent / depreciation (buy)	
Other Expenses	One-time expenses	
<b>Total Operating Expenses</b>		13,936,937,719
<b>Operating Profit (EBIT)</b>		22%
Fed Tax		3,390,413,586
State Tax		711,986,853
<b>Net Income</b>		-
		2,678,426,733
		4%

# Back End Design



# Scenario Analysis

## ❖ **Scenario 1: Additional Thoughts for Improving Budget Accuracy**

Budget accuracy can be improved by using more detailed historical data and incorporating industry benchmarks and market price trends.

## ❖ **Scenario 2: Volume Variance – 100M Cases Actual vs. 80M Plan**

The additional 20M cases would be investigated by checking key volume drivers – including internal factors (such as price adjustments or promotions), changes in channels or customers, and external market influences.

## ❖ **Scenario 3: Revenue-per-Case Variance – Actual -\$5 vs. Budget**

The price variance would be analyzed by identifying which products reduced their selling prices, whether rebates or discounts increased, and whether channel or customer mix shifted toward lower-priced products.