

Q: Where are your margins? How are you getting to 21% Gross Margin?

A: This is a blended margin, based on usage assumptions for different box sizes, delivery frequencies and storage use scenarios. We project adoption rates based on user feedback around how people anticipated using Stash, although we also expect to learn even more about usage based on the Stash launch, and can easily tweak the model based on this.

	Cost	Selling Price	Margin
PHYSICAL BOX			
Small Box	\$8.57	\$12.00	29%
Standard Box	\$10.16	\$18.00	44%
STORAGE			
Small Box	\$2.04	\$8.00	75%
Standard Box	\$4.08	\$12.00	66%
DELIVERY			
A La Carte Delivery	\$21.00	\$25.00	16%
2 Deliveries	\$42.00	\$48.00	13%
5 Deliveries	\$105.00	\$115.00	9%



Q: How do your costs grow?

A: We've modeled out our costs in the Income Statement at right. Storage, staff and box costs all grow with customer acquisition.

<i>in thousands</i>	2017	2018	2019	2020
INCOME				
Product Sales Revenue				
New Customer Boxes	\$4.8	\$43.6	\$287.0	\$1,888.8
Storage Revenue	\$3.2	\$170.1	\$1,119.4	\$7,366.3
Delivery Revenue	\$6.6	\$353.8	\$2,328.4	\$15,322.0
Total Revenue	\$14.6	\$567.5	\$3,734.9	\$24,577.1
Accumulated Revenue	\$14.6	\$582.1	\$4,316.9	\$28,894.0
COSTS				
Fixed Costs				
Marketing	\$3.3	\$29.9	\$196.8	\$1,295.2
Leadership Team	\$402.5	\$1,080.0	\$1,355.0	\$1,355.0
Total Fixed Costs	\$405.8	\$1,109.9	\$1,551.8	\$2,650.2
Variable Costs				
Box	\$3.0	\$27.2	\$179.2	\$1,179.2
Storage	\$5.7	\$52.0	\$342.5	\$2,254.1
Pickups/Drops	\$33.6	\$306.1	\$2,015.0	\$13,259.4
Warehouse Team	\$1.6	\$63.3	\$416.4	\$2,739.8
Total Variable Costs	\$44.0	\$448.7	\$2,953.1	\$19,432.5
Total Costs	\$449.8	\$1,558.6	\$4,504.9	\$22,082.7
Accumulated Costs	\$449.8	\$2,008.4	\$6,513.3	\$28,596.0
PROFIT				
Gross Profit	-\$29.4	\$118.8	\$781.8	\$5,144.5
Gross Margin	-	-403%	-181%	42%
Net Income	-\$435.2	-\$991.1	-\$770.0	\$2,494.4
Net Margin	-2983%	-175%	-21%	10%
Accumulated Net Income	-\$435.2	-\$1,426.3	-\$2,196.3	\$298.0

