

REALSTEEL S CORPORATION — Business Plan

Automating the Future of Framing

6280 S. Valley View Blvd, Las Vegas, NV 89118 • www.realsteelframes.com • john@hupla.com • +1-702-785-8481

Version 1.5 • Last updated October 06, 2025

Executive Summary

RealSteel automates cold-rolled steel fabrication to deliver high-precision, sustainable framing systems for modular and commercial construction.

Financial Overview — Base Case

Metric	Estimate
Annual Output	1,000,000 lbs
Price per lb	\$2.00
Annual Revenue	\$2,000,000
Material	\$800,000
Labor	\$300,000
Overhead & Admin	\$150,000
Marketing & Misc.	\$50,000
Net Profit (Pre-Tax)	\$700,000 (35%)

Three-Year Financial Forecast — Base Case

Year	Revenue	Gross Margin	Operating Costs	Net Profit
Year 1	\$2,000,000	35%	\$1,300,000	\$700,000
Year 2	\$2,500,000	40%	\$1,500,000	\$1,000,000
Year 3	\$3,000,000	42%	\$1,750,000	\$1,250,000

Investor Return — Preferred 1.5x

Deal Terms: \$400,000 for 30% equity with a 1.5x preferred return (\$600,000) before profit split; thereafter profits split 30% investor / 70% founder.

Ramp-Up Scenario — Deferred Revenue (First 6 Months)

To allow for facility build-out, machine setup, and training, commercial production starts mid-year. Year 1 revenue decreases 50%, while setup and staffing costs remain largely fixed.

Metric	Base Case	Deferred Build-Out Case
Revenue	\$2,000,000	\$1,000,000 (–50%)
Material (~40%)	\$800,000	\$400,000

Labor	\$300,000	\$300,000
Overhead & Admin	\$150,000	\$150,000
Marketing & Misc.	\$50,000	\$50,000
Net Profit (Pre-Tax)	\$700,000	\$100,000 (5%)

Revised 3-Year Forecast — Ramp-Up + 50% Expansion (Operating View)

CapEx is shown separately; it affects cash flow, not operating profit.

Year	Revenue	Material	Labor	Overhead & Admin	Misc.	Net Profit	CapEx
1 (Ramp-Up)	\$1,000,000	\$400,000	\$300,000	\$150,000	\$50,000	\$100,000 (5%)	\$0
2 (Expanded)	\$3,400,000	\$1,360,000	\$375,000	\$409,000	\$70,000	\$1,186,000 (35%)	\$225,000
3 (Expanded)	\$4,000,000	\$1,600,000	\$400,000	\$415,000	\$80,000	\$1,505,000 (38%)	\$0

Year 2 free cash flow \approx \$1.186M – \$0.225M = \$0.961M (pre-tax).

Year 2 Expansion Plan — After Big Picture Review

Following the initial ramp-up and ROI period, RealSteel executes the Year 2 expansion to unlock +50% capacity.

Item	Cost
Additional Roll-Forming Machine	\$100,000
Facility Improvements (power, safety, racks)	\$50,000
Tooling & Attachments	\$15,000
Additional Working Capital — Steel (+50%)	\$40,000
Additional Working Capital — Screws (+50%)	\$20,000
Expanded Office & Administrative Resources (Year 2+)	\$225,000/yr
Total Year 2 Expansion CapEx (cash)	\$225,000

Facility & Workforce Changes

- Shop: 4,000 → 6,000 sq ft (+50%); rent \approx \$84,000/yr
- Production crew: ~5 operators (+50%); production labor \approx \$187,200/yr
- Expanded Office & Administrative Resources allowance: \$225,000/yr starting Year 2