

Frozen Beverages from
john conti Coffee Company



The Business Model

The Frozen Brands from John Conti Coffee Company offer:

- **Experience**

- John Conti Coffee Company and its heritage frozen beverage companies have over 30 years experience in frozen beverages

- **Delicious, high quality products**

- that are shelf stable – no need for refrigerating unopened products

- **Outstanding service**

- qualified technicians to work on equipment – no need for your own technicians
- 24 – 48 hour turn-around on most service calls

- **Merchandising**

- Point-Of-Sale materials
- promotions

- **The frozen beverage machines that are in demand**

- 2 bowl visual machines
- high volume floor model machines
- manual fill or auto-fill

Color Preference Research

Consumer research indicates that the following colors are the most popular with teens and adults:

| <u>Anglo</u> | <u>African - American</u> | <u>Hispanic</u> | <u>Asian</u> |
|--------------|-------------------------------|-----------------|--------------|
| Blue | Blue | Blue | Blue |
| Green | Purple | Purple | Purple |
| Purple | Red | Red | Yellow |
| Orange | Green | Green | Green |
| Red | Orange | Orange | Pink |

All age groups ranked blue as their # 1 color

All age groups ranked purple as their # 2 or # 3 color

john conti frozen beverages already have the colors in our flavor line-up that consumers want. All we have to do is promote them.

Our Flavors

The Frozen Beverage Brands flavor line-up

-Flavors (for floor model freezer)

- Cherry, Blue Raspberry, Grape, Lemon-Lime,
Kiwi-Strawberry, Orange

- Flavored Base (for 2 bowl counter freezer)

- Cherry, Blue Raspberry

Product Case Cost

- For Floor Model 100F machines

| | |
|--|----------------|
| Neutral Base 4 one gallon case | \$96.00 |
| Neutral Base 2.5 gallon Bag-In-A-Box | \$60.00 |
| Flavoring for Neutral Base (per gallon) | \$25.75 |

- For 2 Bowl Visual Counter machines

| | |
|--|-----------------|
| Flavored Base 4 one gallon case | \$113.00 |
| Flavored Base 2.5 gallon Bag-In-A-Box | \$ 70.68 |

Product Yields Per Case

For Floor Model 100F machines

Neutral Base 4 one gallon case

128 oz. per gal. x 4 gal. = 512 oz. x 6 (5:1 mix) = 3,072 finished oz. per case

Neutral Base 2.5 gallon Bag-In-A-Box

128 oz. per gal. x 2.5 gal. = 320 oz. x 6 = 1,920 finished oz. per BIB

Flavoring for Neutral Base (per gallon)

128 oz. per gal x 4 (1/4 oz. squirts) = 512 ¼ oz. squirts per gallon

A 16 oz. cup gets 2 squirts per cup; a 20 oz. cup gets 3 squirts per cup

- For 2 Bowl Visual Counter machines

Flavored Base 4 one gallon case

128 oz. per gal. x 4 gal. = 512 oz. x 6 = 3,072 finished oz. per case

Flavored Base 2.5 gallon Bag-In-A-Box

128 oz. per gal. x 2.5 gal. = 320 oz. x 6 = 1,920 finished oz. per BIB

Distributor Owned Equipment

Cost & Profit Analysis

| | | | |
|----------------------------|-----------------|---------------------|-----------------|
| | 16 ounce | Paper Cup | |
| Slush Flavored Base | | 4 x 1 gallon | \$113.00 |
| 16 ounce Cups | | 50 | \$4.00 |
| 16 ounce Lids | | 125 | 4.15 |

Cost and Profit Per Drink

| | | | cost / cs | | drinks/cs | cost / cup |
|-----------------|--------|-----------------------|-----------------------|---|-----------------------|-----------------------|
| 15 | ounces | Flavored Base | \$113.00 | ÷ | 205 | \$0.552 |
| 1 | 16 | ounce Cup | \$4.00 | ÷ | 50 | \$0.080 |
| 1 | 16 | ounce Lid | \$4.15 | ÷ | 125 | <u>\$0.033</u> |
| | | | | | Total | \$0.665 |
| Sell for | | <u>\$1.390</u> | <u>\$1.590</u> | | <u>\$1.790</u> | <u>\$1.990</u> |
| - Cost | | \$0.665 | \$0.665 | | \$0.665 | \$0.665 |
| = Profit | | \$0.725 | \$0.925 | | \$1.125 | \$1.325 |
| Margin | | 52.2% | 58.2% | | 62.9% | 66.6% |

Distributor Owned Equipment

Cost & Profit Analysis

| | | | | | |
|----------------------------|-----------|-------|---------------------|--|----------|
| | 20 | ounce | Paper Cup | | |
| Slush Flavored Base | | | 4 x 1 gallon | | \$113.00 |
| 16 ounce Cups | | | 50 | | \$4.70 |
| 16 ounce Lids | | | 125 | | 4.15 |

Cost and Profit Per Drink

| | | | cost / cs | | drinks/cs | cost / cup |
|----|--------|---------------|-----------|---|--------------|----------------|
| 19 | ounces | Flavored Base | \$113.00 | ÷ | 162 | \$0.699 |
| 1 | 20 | ounce Cup | \$4.70 | ÷ | 50 | \$0.094 |
| 1 | 16 | ounce Lid | \$4.15 | ÷ | 125 | <u>\$0.033</u> |
| | | | | | Total | \$0.826 |

| | | | | | | |
|----------|----------------|----------------|----------------|----------------|----------------|----------------|
| Sell for | <u>\$1.790</u> | <u>\$1.990</u> | <u>\$2.190</u> | <u>\$2.390</u> | <u>\$2.590</u> | <u>\$2.790</u> |
| - Cost | \$0.826 | \$0.826 | \$0.826 | \$0.826 | \$0.826 | \$0.826 |
| = Profit | \$0.964 | \$1.164 | \$1.364 | \$1.564 | \$1.764 | \$1.964 |
| Margin | 53.8% | 58.5% | 62.3% | 65.4% | 68.1% | 70.4% |

Distributor Owned Equipment

Cost & Profit Analysis

| | | | |
|----------------------------|-----------------|-----------------------|----------------|
| | 16 ounce | Paper Cup | |
| Slush Flavored Base | | 2.5 gallon BIB | \$70.70 |
| 16 oz Cups per sleeve | | 50 | \$4.00 |
| 16 oz Lids per sleeve | | 125 | 4.15 |

Cost and Profit Per Drink

| | | | cost / cs | | drinks/cs | cost / cup |
|----|--------|---------------|-----------|---|--------------|----------------|
| 15 | ounces | Flavored Base | \$70.70 | ÷ | 128 | \$0.552 |
| 1 | 16 | ounce Cup | \$4.00 | ÷ | 50 | \$0.080 |
| 1 | 16 | ounce Lid | \$4.15 | ÷ | 125 | <u>\$0.033</u> |
| | | | | | Total | \$0.666 |

| | | | | | | |
|-----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Sell for | <u>\$1.390</u> | <u>\$1.590</u> | <u>\$1.790</u> | \$1.990 | <u>\$2.190</u> | <u>\$2.390</u> |
| - Cost | \$0.666 | \$0.666 | \$0.666 | \$0.666 | \$0.666 | \$0.666 |
| = Profit | \$0.724 | \$0.924 | \$1.124 | \$1.324 | \$1.524 | \$1.724 |
| Margin | 52.1% | 58.1% | 62.8% | 66.6% | 69.6% | 72.2% |

Distributor Owned Equipment

Cost & Profit Analysis

| | | | |
|----------------------------|-----------------|-----------------------|----------------|
| | 20 ounce | Paper Cup | |
| Slush Flavored Base | | 2.5 gallon BIB | \$70.70 |
| 16 oz Cups per sleeve | | 50 | \$4.70 |
| 16 oz Lids per sleeve | | 125 | 4.15 |

Cost and Profit Per Drink

| | | | cost / cs | | drinks/cs | cost / cup | |
|-----------------|--------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 19 | ounces | Flavored Base | \$70.70 | ÷ | 101 | \$0.700 | |
| 1 | 20 | ounce Cup | \$4.70 | ÷ | 50 | \$0.094 | |
| 1 | 16 | ounce Lid | \$4.15 | ÷ | 125 | <u>\$0.033</u> | |
| | | | | | Total | \$0.827 | |
| Sell for | | <u>\$1.790</u> | <u>\$1.990</u> | <u>\$2.190</u> | <u>\$2.390</u> | <u>\$2.590</u> | <u>\$2.790</u> |
| - Cost | | \$0.827 | \$0.827 | \$0.827 | \$0.827 | \$0.827 | \$0.827 |
| = Profit | | \$0.963 | \$1.163 | \$1.363 | \$1.563 | \$1.763 | \$1.963 |
| Margin | | 53.8% | 58.5% | 62.2% | 65.4% | 68.1% | 70.4% |

Distributor Owned Equipment

Cost & Profit Analysis

| | | | |
|---------------------------|-----------------|---------------------|---------|
| | 16 ounce | Paper Cup | |
| Slush Neutral Base | | 4 x 1 gallon | \$96.00 |
| Slush Flavor | | 1 gallon | \$25.75 |
| Cups per sleeve | | 50 | \$4.00 |
| Lids per sleeve | | 125 | \$4.15 |

Cost and Profit Per Drink

| | | | cost / cs | | drinks/cs | cost / cup | |
|-----------------|----------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 15 | ounces | Neutral Base | \$96.00 | ÷ | 205 | \$0.469 | |
| 2 | /4 ounce | Flavor | \$25.75 | ÷ | 256 | \$0.101 | |
| 1 | 16 | ounce Cup | \$4.00 | ÷ | 50 | \$0.080 | |
| 1 | 16 | ounce Lid | \$4.15 | ÷ | 125 | <u>\$0.033</u> | |
| | | | | | Total | \$0.683 | |
| Sell for | | <u>\$1.390</u> | <u>\$1.590</u> | <u>\$1.790</u> | <u>\$1.990</u> | <u>\$2.190</u> | <u>\$2.390</u> |
| - Cost | | \$0.683 | \$0.683 | \$0.683 | \$0.683 | \$0.683 | \$0.683 |
| = Profit | | \$0.707 | \$0.907 | \$1.107 | \$1.307 | \$1.507 | \$1.707 |
| Margin | | 50.9% | 57.1% | 61.9% | 65.7% | 68.8% | 71.4% |

Distributor Owned Equipment

Cost & Profit Analysis

| | | | | | |
|---------------------------|-----------|-------|---------------------|--|---------|
| | 20 | ounce | Paper Cup | | |
| Slush Neutral Base | | | 4 x 1 gallon | | \$96.00 |
| Slush Flavor | | | 1 gallon | | \$25.75 |
| Cups per sleeve | | | 50 | | \$4.70 |
| Lids per sleeve | | | 125 | | \$4.15 |

Cost and Profit Per Drink

| | | | cost / cs | | drinks/cs | cost / cup |
|----|-----------|--------------|-----------|---|--------------|----------------|
| 19 | ounces | Neutral Base | \$96.00 | ÷ | 162 | \$0.594 |
| 3 | 3/4 ounce | Flavor | \$25.75 | ÷ | 170 | \$0.151 |
| 1 | 20 | ounce Cup | \$4.70 | ÷ | 50 | \$0.094 |
| 1 | 16 | ounce Lid | \$4.15 | ÷ | 125 | <u>\$0.033</u> |
| | | | | | Total | \$0.872 |

| | | | | | | |
|----------|----------------|----------------|----------------|----------------|----------------|----------------|
| Sell for | <u>\$1.790</u> | <u>\$1.990</u> | <u>\$2.190</u> | <u>\$2.390</u> | <u>\$2.590</u> | <u>\$2.790</u> |
| - Cost | \$0.872 | \$0.872 | \$0.872 | \$0.872 | \$0.872 | \$0.872 |
| = Profit | \$0.918 | \$1.118 | \$1.318 | \$1.518 | \$1.718 | \$1.918 |
| Margin | 51.3% | 56.2% | 60.2% | 63.5% | 66.3% | 68.7% |

Distributor Owned Equipment

Cost & Profit Analysis

| | | | | | |
|---------------------------|-----------|-------|-----------------------|--|---------|
| | 16 | ounce | Paper Cup | | |
| Slush Neutral Base | | | 2.5 gallon BIB | | \$60.00 |
| Slush Flavor | | | 1 gallon | | \$25.75 |
| Cups per sleeve | | | 50 | | \$4.00 |
| Lids per sleeve | | | 125 | | \$4.15 |

Cost and Profit Per Drink

| | | | cost / cs | | drinks/cs | cost / cup |
|----|----------|--------------|-----------|---|--------------|----------------|
| 15 | ounces | Neutral Base | \$60.00 | ÷ | 128 | \$0.469 |
| 2 | /4 ounce | Flavor | \$25.75 | ÷ | 256 | \$0.101 |
| 1 | 16 | ounce Cup | \$4.00 | ÷ | 50 | \$0.080 |
| 1 | 16 | ounce Lid | \$4.15 | ÷ | 125 | <u>\$0.033</u> |
| | | | | | Total | \$0.683 |

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|----------|----------------|----------------|----------------|----------------|----------------|----------------|
| Sell for | <u>\$1.390</u> | <u>\$1.590</u> | <u>\$1.790</u> | <u>\$1.990</u> | <u>\$2.190</u> | <u>\$2.390</u> |
| - Cost | \$0.683 | \$0.683 | \$0.683 | \$0.683 | \$0.683 | \$0.683 |
| = Profit | \$0.707 | \$0.907 | \$1.107 | \$1.307 | \$1.507 | \$1.707 |
| Margin | 50.9% | 57.1% | 61.9% | 65.7% | 68.8% | 71.4% |

Distributor Owned Equipment

Cost & Profit Analysis

| | | | | |
|---------------------------|-----------|-------|-----------------------|---------|
| | 20 | ounce | Paper Cup | |
| Slush Neutral Base | | | 2.5 gallon BIB | \$60.00 |
| Slush Flavor | | | 1 gallon | \$25.75 |
| Cups per sleeve | | | 50 | \$4.70 |
| Lids per sleeve | | | 125 | \$4.15 |

Cost and Profit Per Drink

| | | | cost / cs | | drinks/cs | cost / cup |
|----|----------|--------------|-----------|---|--------------|----------------|
| 19 | ounces | Neutral Base | \$60.00 | ÷ | 101 | \$0.594 |
| 3 | /4 ounce | Flavor | \$25.75 | ÷ | 170 | \$0.151 |
| 1 | 20 | ounce Cup | \$4.70 | ÷ | 50 | \$0.094 |
| 1 | 16 | ounce Lid | \$4.15 | ÷ | 125 | <u>\$0.033</u> |
| | | | | | Total | \$0.872 |

| | | | | | | |
|----------|----------------|----------------|----------------|----------------|----------------|----------------|
| Sell for | <u>\$1.790</u> | <u>\$1.990</u> | <u>\$2.190</u> | <u>\$2.390</u> | <u>\$2.590</u> | <u>\$2.790</u> |
| - Cost | \$0.872 | \$0.872 | \$0.872 | \$0.872 | \$0.872 | \$0.872 |
| = Profit | \$0.918 | \$1.118 | \$1.318 | \$1.518 | \$1.718 | \$1.918 |
| Margin | 51.3% | 56.2% | 60.2% | 63.5% | 66.3% | 68.7% |



The Model 100F (floor model) and CAB 2 bowl visual machines are available.

The 100F holds 10 gallons of finished neutral slush base, to which squirts of flavor are added.

Each bowl of the CAB holds 2 and $\frac{1}{4}$ gallons of flavored slush.

Next Steps

- Decide to use John Conti Coffee Company as your frozen beverage company
- Decide which equipment program to use
- Decide which product(s) make the most sense for you
- Schedule installation of equipment and P.O.S.