SAMPLE DELIVERABLE · FIN-11

Board Scenario Pack · FY27

Three honestly different cases, the sensitivities that move the answer, the covenant path, and the playbook if the downside arrives.

Prepared for Harwick Industries (fictional) by Red Cell Consulting

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About this document

This is a sample of the deliverable Red Cell Consulting produces in a real engagement. Every organisation, figure and finding in it is fictional, and the structure, depth and standards are exactly what a client receives. Where a real engagement would cite source documents, the sample says so.

Executive summary

FY27 is decided by two inputs: volume and the wage settlement. Everything else moves the answer by less than a million dollars.

The position

Base case EBITDA of A$9.1M with covenant headroom of A$2.1M at the tightest test. The upside adds A$3.3M on the national-account conversion; the downside costs A$3.9M and passes within A$0.4M of covenant. Neither tail is remote.

What the board is being asked

Not to pick a forecast. To agree, in advance, the actions that trigger if the downside markers appear, so that October's decisions are readings rather than debates. The playbook on page five exists for that purpose.

THE CASES AT A GLANCE · A$M

LINE	BASE	UPSIDE	DOWNSIDE
Revenue	48.2	54.6	41.9
EBITDA	9.1	12.4	5.2
Operating cash	6.8	9.9	2.4
Net debt at exit	14.5	11.0	19.8
Tightest covenant headroom	2.1	4.6	0.4

HOW THIS PACK WAS BUILT

The model was rebuilt from source: ledger exports, contract schedules and the wage negotiation position, with every assumption owned and dated in the register on page seven. Nothing in the summary exists that cannot be traced to its line in the workings.

Three cases and their stories

A case is a story about the world with numbers attached. If the story is not plausible, the numbers are decoration.

BASE · THE CONTRACTED YEAR

Contracts 7 and 9 renew on current terms, volumes grow 2.4 percent on signed work, wages settle at 4.1 percent, and price escalation lands at CPI plus one from October. Nothing heroic is assumed: this is the year the order book already implies.

UPSIDE · THE CONVERSION

The national-account pilot converts in the second quarter, adding A$5.1M of annualised revenue at slightly better margin, and churn improves two points as the retention program reaches full effect. The upside is one decision by one customer plus execution the company controls.

DOWNSIDE · THE SQUEEZE

Contract 9 churns at renewal, the wage settlement reaches 5.5 percent, and second-half volumes drop eight percent as the customer's own market softens. Each element has precedent within three years; the case is their coincidence, not their existence.

What makes these genuinely different

Each case changes operational reality: different rosters, different purchasing, different capital timing. A forecast whose cases differ only by a growth multiplier is one case in three costumes, and boards see through it, correctly.

PROBABILITY, HONESTLY HANDLED

We do not assign precise probabilities; false precision corrodes trust. The working judgement: base is the planning case, the upside is plausible enough to prepare for operationally, and the downside is likely enough that its playbook must exist before it is needed.

Quarterly path and covenants

The year as the bank sees it: quarter by quarter, with the covenant tests marked.

BASE CASE BY QUARTER · A$M

LINE	Q1	Q2	Q3	Q4	FY27
Revenue	11.2	11.8	12.4	12.8	48.2
EBITDA	1.8	2.2	2.5	2.6	9.1
Operating cash	0.9	1.7	2.0	2.2	6.8
Net debt (closing)	16.1	15.6	15.0	14.5	14.5

COVENANT TESTS

TEST	THRESHOLD	Q2 POSITION	Q4 POSITION	HEADROOM
Net debt / EBITDA (LTM)	< 2.75x	2.31x	1.59x	Comfortable, tightest at Q2
Interest cover	> 3.0x	3.9x	4.6x	A$2.1M EBITDA equivalent at Q2

The lender conversation

The facility rolls in March FY27 at indicative BBSW plus 310. The pack the lender receives is this one: same cases, same register. Banks price surprise; the cheapest basis points are the ones bought with consistency.

WORKING CAPITAL NOTES

- Debtor days assumed flat at 46; every day of drift is A$130k of cash.
- The Q1 cash dip is the annual insurance and licensing cluster; it recurs every year and surprises someone every year.
- Capex held at maintenance (A$3.2M); the growth capex case travels separately and only if the upside converts.

Sensitivity and break-evens

Which inputs move the answer, by how much, and where the floor is.

EBITDA SENSITIVITY · SINGLE-VARIABLE MOVES · A$M

DRIVER	EFFECT	NOTE
Volume down 8 percent	-2.6	Largest exposure; half the cost base is fixed inside a year
Price up 3 percent	+1.9	Contracted escalators, no assumed volume loss
Wage settlement at 5.5 percent	-1.4	EA scenario; every 0.5 points is A$0.5M
AUD/USD five cents adverse	-0.9	Import content in two input lines; hedge covers Q1-Q2 only
Energy renewal at option price	+0.7	Signed option expires November; exercise is a dated decision
Churn improves two points	+1.2	Retention program at full effect

BREAK-EVEN POINTS · SINGLE VARIABLE TO COVENANT THRESHOLD

VOLUME -11% | PRICE -4.2% | WAGES +7.8% | COVENANT HEADROOM A$2.1M

Each figure is the move that takes FY27 to the tightest covenant, holding the rest of the base constant. Combined moves compound: volume down five percent with wages at 5.5 uses A$1.9M of the A$2.1M headroom.

Where the meeting should spend its time

On volume and wages. The model says so unambiguously: two inputs carry the year. The remaining sensitivities deserve monitoring, not meeting time.

Downside playbook

Agreed now, executed on triggers, so that a bad quarter produces action instead of a debate about whether it is really happening.

MARKERS THAT THE DOWNSIDE IS ARRIVING

MARKER	THRESHOLD	WATCH
Contract 9 renewal signals	No commercial meeting accepted by end of Q1	CEO, weekly
Volume run-rate	Four consecutive weeks below 96 percent of plan	COO, weekly flash
Wage negotiation	Union position above 5 percent at second session	CPO

THE STAGED RESPONSE

STAGE	TRIGGER	ACTIONS	EBITDA EFFECT
1	Any one marker	Hiring pause outside operations; discretionary spend freeze; weekly cash flash to board	+0.6
2	Two markers, or contract 9 loss confirmed	Roster reset to demand; renegotiate two supplier terms (prepared); defer non-safety capex	+1.3
3	Covenant headroom below A$0.8M projected	Lender briefed with this pack; cost reset option B executed; shareholder communication	+2.1

Why pre-agreement matters

Every action above is cheaper executed early and painful executed late. The purpose of agreeing them now is to remove the most expensive step in any downturn: the quarter spent deciding whether to believe it.

UPSIDE READINESS, BRIEFLY

If the national account converts, the constraint is delivery capacity within ninety days. The prepared moves: two roster templates, one supplier volume option, and the growth-capex case pre-scoped for a single board approval.

Assumptions register

Every material assumption, its value, its owner, its source and its review date. The model is only as honest as this page.

#	ASSUMPTION	VALUE	OWNER	SOURCE	REVIEWED
A1	Volume growth	+2.4%	COO	Signed contracts 7 and 9 schedules	This month
A2	Contract 9 renewal	Renews on terms (base)	CEO	Customer meeting notes, March	This month
A3	Wage settlement	4.1%, stressed 5.5%	CPO	EA negotiation position paper	This month
A4	Price escalation	CPI + 1.0% from Oct	CFO	Contract escalation clauses	Last month
A5	Debtor days	46, flat	CFO	Trailing twelve months actuals	This month
A6	Energy price	Option exercised Nov	COO	Signed supplier option	Last month
A7	FX (AUD/USD)	0.66, hedged H1	CFO	Hedge confirmations; RBA range for H2	This month
A8	Refinance margin	BBSW + 310	CFO	Two indicative term sheets	This month
A9	Capex	A$3.2M maintenance	COO	Asset register condition review	Quarter start
A10	Churn	Flat (base); –2pts (upside)	CCO	Retention program metrics	This month

Register discipline

An assumption without an owner is a guess; an assumption without a review date is a fossil. In a live engagement this register is a standing document, and the model refuses figures that do not appear on it. Decisions remain with the board and its advisers; our job is that they are made with the numbers in full view.

About Red Cell Consulting

Consulting and advisory, backed by platforms we design, build and operate ourselves.

Red Cell Consulting is a multi-disciplinary consultancy working across enterprise and technology, financial analysis, clinical psychology and behavioural science, advisory and investment readiness, restructuring, management consulting and AI governance. The distinctive part is that we also build: our platforms, including Recursys for deal intelligence, Myra for deterministic financial analysis and ADMRL for structured clinical reporting, run in production under the same disciplines we recommend to clients. When we advise on evidence, testing and governance, we are describing how our own systems work.

HOW AN ENGAGEMENT RUNS

STEP	WHAT HAPPENS
1 · Conversation	A free first discussion of the situation. We will tell you plainly whether we can help and what it would involve.
2 · Scope	A short written scope: the question, the deliverables, the timeline, the fee. Fixed where the work allows it.
3 · The work	Delivered in the structure this sample shows, with working sessions rather than big reveals. You see findings as they form.
4 · Handover	Deliverables that stand on their own, and the option of standing support where it makes sense.

FOR THIS SERVICE

Financial consulting at Red Cell builds exactly this: models rebuilt from source, cases that are genuinely different, sensitivity before opinion, and the playbook agreed while it is cheap. If a number matters to your next board meeting, it should survive interrogation.

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