

BARREL KING

Investor Deck — Appendix

FORWARD MEMBER PROJECTION — TRAILING 6-MONTH ACTIVE

Projection of trailing 6-month active members under the planned marketing trajectory (\$170K 2025 → \$310K 2026 → \$385K 2027). Built from the locked retention curve (M3 73% / M6 55% / M12 35% / M24 15% / M36+ 11%) plus monthly new-acquisition cohorts at 100/mo through 2026 and 125/mo from 2027 onward.

Date	Months from Today	Active Members (trailing 6mo)	Legacy Cohort Contribution	New Cohort Contribution
May 2026	Today	1,310	1,310	0
Nov 2026	+6 mo	1,307	833	474
May 2027	+12 mo	1,364	524	840
Nov 2027	+18 mo	1,561	453	1,108
May 2028	+24 mo	1,674	389	1,285
May 2029	+36 mo	1,837	335	1,502

Key reads: Active count is roughly flat through Nov 2026 (legacy decay offsets new acquisition in the first 6 months) then compounds — +19% by Nov 2027, +28% by May 2028, +40% by May 2029 vs today's baseline. On track to a steady-state ceiling near 2,250 active at sustained 125/mo acquisition (convergence expected 5-7 years past 2029).

BOTTLE RELEASES DRIVE MEMBERSHIP

Public-release ~13% conversion · Club picks ~8% · Multi-touch (both channels pre-dues) ~18%. Bottle channels function as a top-of-funnel acquisition pipeline that compounds with the self-funding margin profile above.

256 of 2,289 pre-dues bottle buyers became dues-paying members lifetime; median time-to-conversion 6 months. Households with both channel exposure pre-dues convert at 18%. Computed using merged households across BK + ORCS Squarespace data.

UNCONVERTED MEMBERS — UNCONVERTED RECURRING DEMAND

694 households have made 2+ bottle purchases lifetime without ever paying dues — generating \$410K of unconverted lifetime revenue at \$590/household average. 58% are still active in trailing 6 months. This cohort is roughly half public-release driven (50%) with the balance from club picks, influencer, and charity channels. They behave like recurring customers across an 11-month median span between first and last purchase, but the current \$125/mo subscription doesn't fit their cadence. Primary target for a lighter-touch tier (e.g. quarterly or "pick-your-own" cadence) — known warm pool, brand-affinity demonstrated, addressable through point-of-purchase marketing on each public release.

Unconverted members defined as households with 2+ lifetime purchases in public_release / club_blend / influencer / charity channels who never paid dues. Household-merged across BK + ORCS. T6M active = purchase in last 6 months.

MIXTANK FORWARD MODEL — VIDEO RELEASE FUNNEL (LAUNCHING 2026)

Note — upside scenario, not base case. The 100/mo (2026) and 125/mo (2027) plan acquisition figures stand on existing channels. Mixtank performance, if validated by the 2026 test video, would compound on top of the base plan, not substitute for it. Hypothetical based on validated public_release conversion rate of 13.1% applied to planned weekly long-form Mixtank releases. Two-format strategy: long-form (52/yr, weekly) drives measurable bottle and member conversions; shorts (daily, top-of-funnel awareness) prime the audience but are not credited with direct sales in the model. Acquisition spend pool: \$252,500/yr (production allocation \$192,500 + paid amplification \$60K = \$5K/mo × 12), with production split 40% shorts (\$77K) / 60% long-form (\$115.5K). Long-form view counts ramp through 2027 as the channel matures and audience compounds — Q1 12,000 new views/video, Q2 18,000, Q3 26,000, Q4 32,000 (full-year average 22,000). At 1.0% purchase rate × 13.1% member conversion, this delivers ~1,500 new members in 2027, \$2.70M bottle revenue, \$1.86M

bottle gross margin. The same long-form content drives ~\$2.70M in bottle revenue (1.0% purchase × 22K avg new views × 52 videos × \$236 AOV) → ~\$1.86M gross margin at 69%, covering the \$252,500 acquisition spend ~7×. The video channel pays for itself on bottle margin before any subscription revenue is counted; member conversions are an incremental net-positive return on the same spend. At 2027 cadence, the model covers the full 1,500/yr acquisition trajectory if assumptions hold.

Video spend allocated to retention (~\$192K/yr in 2027, the other 50% of total budget) drives member engagement, supports cohort retention curves, and reduces churn risk on the existing recurring base — not separately quantified. A single test video in 2026 will tighten acquisition and retention estimates before 2027 scale.

Acquisition spend includes \$192,500 production (2027 marketing \$385K × 50% acquisition allocation, split 40% shorts daily / 60% long-form weekly) plus \$60K paid amplification (\$5K/mo × 12). Paid amplification held flat at \$5K/mo across 2026-2028+ as a conservative baseline; does not escalate with audience scale. Shorts treated as awareness-only — cost included, no direct sales credit. Long-form: 52 videos × ramped new views (Q1 12K / Q2 18K / Q3 26K / Q4 32K, FY avg 22K) × 1.0% purchase × 13.1% member conversion. View counts and purchase rate are forward assumptions; actual Mixtank performance not yet measured. Member LTV \$1,837 net (gross \$2,662 × 69% GM); AOV \$236 from T12M household-month rollup; conversion 13.1% from lifetime household-merged public_release funnel data.

OPERATING PERFORMANCE VS BENCHMARKS — WHERE BK LEADS

Where Barrel King's operating metrics sit relative to defensible category benchmarks. All BK figures are operating numbers derived from Squarespace orders + BK Households data; benchmarks compiled from category research with public DTC subscription / SaaS sources where available.

Metric	Barrel King	Industry Benchmark	Δ	Source / Note
Gross Margin	69%	DTC ecommerce median ~50%	+19 pts	Public DTC filings
AOV (per basket)	\$220 <small>GOLD \$213 · Public \$236</small>	DTC median \$50-80	+175% to +340%	Household-month rollup, T12M May'25–Mar'26
Order Frequency	14.9 / yr	DTC subscription 1-12 / yr	Top of range	Member households
Mean Lifetime Value	\$2,375	DTC subscription \$200-1,500	+58% to +1,088%	BK_Households.csv sv Gross revenue per recurring household; net contribution LTV ≈ \$1,837 at 69% GM
Avg Paying Tenure	12.7 mo blended	DTC subscription 6-9 mo	+40% to +112%	Cohort survival
Avg Tenure (FOUNDER)	31.2 mo	DTC subscription 6-9 mo	+247% to +420%	Top tier specifically
Whale Concentration (Top 10%)	50.7% of revenue	DTC typical 40-60%	In range	Top 10% in band; top 1% = 11.4%. (Members-only basis: 38.7%.)
MRR Compounding	38x in 4 yrs	DTC subscription 15-30%/yr	Multi-σ outlier	\$4.1K → \$154K MRR
Boomerang Rate (12-mo window)	33%	Most DTC don't track	Uncategorized strength	382 / 1,157 paused

Caveats — Whiskey-club benchmarks not publicly available. DTC subscription, ecommerce, and SaaS figures compiled from category research (Recurly, ChartMogul, OpenStore reports), not single-source. AOV computed as household-month rollup (one basket per household per calendar month) on 8,568 baskets / \$1.89M T12M revenue; combined includes member and public buyers. Boomerang "12-month window" definition: members who paused 1-12 months between dues activity, where return = any subsequent dues or upsell purchase.

CHANNEL GROWTH — 2025 vs 2026 ANNUALIZED

Revenue by primary channel, 2025 actual vs 2026 annualized (YTD Jan–Apr × 3). +4% YoY total despite the 2025 tasting room divestiture (stopped selling bottles to public; restricted public access to 4 tasting-only days/month). Member access maintained 4 days/week + M–F 10am–2pm. Strategic focus on bread and butter — GOLD +13%, DRUM KEY +45%.

Channel	2025 Actual	2026 YTD (4mo)	2026 Annualized	\$ Δ	%
GOLD	\$1,316,149	\$495,937	\$1,487,811	+\$171,662	+13%
DRUM KEY (public)	\$88,415	\$42,758	\$128,274	+\$39,859	+45%
LOCAL	\$337,101	\$109,529	\$328,587	-\$8,514	-3%
Other (incl. Tasting Room Divestiture)	\$567,814	\$154,865	\$464,596	-\$103,218	-18%
↳ of which: Tasting Room Divestiture (2025)	\$79,300	\$20,038	\$60,115	-\$19,185	-24%
TOTAL	\$2,309,479	\$803,089	\$2,409,267	+\$99,789	+4%

Total revenue grew +4% YoY annualized despite the 2025 tasting room divestiture. We stopped selling bottles to the public and restricted public access to 4 tasting-only days per month (pours and tastings, no bottle sales). Member access continues: 4 days/week alongside public tastings (members buy what they want), plus M–F 10am–2pm for member pickup/purchase, plus other times by request. Strategic focus shifted to GOLD retention and the membership/DRUM KEY infrastructure — our bread and butter. Of the -\$103K decline in "Other," \$19K is the tasting room itself; the remaining \$84K reflects continuing-ops mix shift (FOUNDER, Clubs, ad-hoc). LOCAL's -3% is also a downstream effect — the LOCAL "pickup" tier was historically fed by walk-in tasting room sign-ups, which went to zero once public bottle sales stopped. Non-customer revenue (events, ad-hoc invoices not in household export) excluded from all rows.

MODELING ASSUMPTIONS

- Acquisition pace: 100/mo through end of 2026, 125/mo from 2027 onward (no further step-ups modeled).
- Retention curve held constant at deck-locked rates: M3 73% / M6 55% / M12 35% / M24 15% / M36+ 11%.
- New cohort retention assumed equal to historical blended cohort retention (no degradation modeled despite faster acquisition).
- Legacy active members (1,310 today, restated 2026-05-10 from 1,270 after the Raw Orders rebuild surfaced +40 alias-merged and late-April unconverted HHs) decay forward along the retention curve from an assumed average tenure of 13 months. Forward-projection rows have been adjusted by proportional rescaling of the legacy-cohort contribution to the new 1,310 baseline. Reconciles to the operational analyzer (build_dashboard_v2.py / BK_Investor_Explorer.html) at the most recent month — see rebuild_raw_orders_2026-05-10.py for the rebuild audit trail.
- Active paying (≤90d) definition: household where BOTH (1) last dues payment within 90 days (gap_months_since_last_membership ≤ 3.0) AND (2) member classification is recurring (paid 2+ months) or first_month (currently in first paid month). Excludes trial dropoffs (one-and-done payers per locked BK policy 2026-05-08) and zero-pay enrolls (comp/refund/data-quality). Applying only the gap rule to BK_Households_v2_2026-05-10.csv yields 1,019; the full two-filter rule yields 986 (analyzer) ≈ 985 (deck) — the 34-HH delta is 31 trial-dropoffs in the 60–90d window + 2 zero-pays + 1 edge case.
- Trial-recovery modifier (disclosed, not in headline): the 31 trial-dropoffs currently in the 60–90d gap window are excluded from the 985 active-paying count per the definition above. A calibration audit on historical BK trial-cohort behavior (households whose first dues payment was 6+ months ago and who did not pay again within 90 days; n=122 after Raw Orders rebuild) finds 23.0% eventually returned and paid more than once (28/122). Applied to today's 31, this implies ~7 additional recurring members within a 6-month horizon — recoverable upside disclosed but not added to the 1,310 headline. Parallel trial-to-unconverted rate computed at 2.1% (2/94) — within noise, not applied. Audit script: trial_cohort_audit_2026-05-10.py.
- Tasting room transactions captured separately in QuickBooks; member-specific tasting attribution not currently available.