

NEW STORE CAPITAL INVESTMENT APPRAISAL

15-Year Store Feasibility with Macro-Free Sensitivity

Rented-box supermarket · 3,200 m² selling area · USD millions · 15-year lease



Prepared by Chaudhary Zahid Ali, MBA (Finance), ACCA, CMA · Alpha Insights · alphainsights.consulting

PURPOSE

A capital investment appraisal (CIA) for a new store, built for an investment committee. Sales are driven by sales intensity per m² and planned growth; margin, rebates, shrink, labour, support costs, rent escalation, depreciation by asset class and working-capital days build a 15-year free cash flow. A one-page CIA summary reports IRR, NPV at several discount rates, cash payback, return on investment at year 3 and the minimum first-year sales needed to hit the target return. The base case and seven sensitivity cases each run their own complete cash flow, so the model needs no macros.

QUESTIONS THIS PACK ANSWERS

- Does the new store clear the hurdle rate and the target return for its deal type?
- How long until the initial investment is paid back in cash?
- How sensitive is the decision to sales, margin and capex overruns?
- What first-year sales does the store need to reach the target return?

AT A GLANCE

PROJECT IRR	NPV @ 12% (USD M)	CASH PAYBACK	ROI AT YEAR 3
28.3%	14.7	3 Year(s) & 8 Month(s)	19.2%

HOW TO USE

On the SiteDetails sheet, use the drop-down in cell C11 to pick the deal type: Freehold, Leasehold or Rented Box. The target return (12%, 20% or 30%) and the CIA summary update.

Change the blue inputs on Assumptions and SiteDetails (sales intensity, growth, cost ratios, areas, rent escalation); every case recalculates.

The sensitivity table on the CIA sheet reads seven full cash-flow blocks on Sensitivity Workings; nothing is pasted as values.

Minimum first-year sales (CIA cell O16) is interpolated live from the sensitivity IRRs, so it moves with the inputs.

SHEET MAP

Sheet	What it shows
OUTPUT	
CIA	One-page investment committee summary: results, returns, sensitivities and NPV table
WORKING	
Working	15-year P&L and free cash flow, IRR, NPV and payback
InvestmentDetails	Capex by asset class, refit schedule and depreciation
Assumptions	Sales growth, cost ratios, working-capital days and hurdle rate
SiteDetails	Deal type, lease tenure, areas, rent and escalation
Sensitivity Workings	Base plus seven formula-driven cash-flow cases that replace the old VBA loop

Capital Investment Appraisal

New Location

Ref No	Sample	Store Type	Supermarket	Prepared on	1/Dec/25
CIA Type	Pre contract	Tenure	Rented Box	Printing Date	2/Oct/26
		Lease Timeframe	15 Years		

Key Assumptions

Investment Details

Land	0.0
Building & Fitouts	6.6
Equipment	7.4
Pre Ops Costs	1.0
	15.0

Area

Land Area	4,800
Gross Area	4,700
Selling Area	3,200
Line Shops	0
Sales Intensity at Yr 3	401

Financial Results

	%	Yr 1	Yr 3	Yr 5	Yr 8	Yr 10
Sales	Y3	58.2	66.7	73.5	80.3	85.2
Gross Profit	20.0%	11.6	13.3	14.7	16.1	17.0
Labor Costs	-5.8%	-3.7	-3.9	-4.1	-4.3	-4.4
Operating Costs	-3.6%	-2.2	-2.4	-2.6	-2.7	-2.8
Support Costs	-2.1%	-1.3	-1.4	-1.6	-1.7	-1.8
Rent	-3.5%	-2.4	-2.4	-2.4	-2.5	-2.5
Depreciation	-2.9%	-1.8	-1.9	-1.4	-1.4	-1.5
Amortization Pre Ops	-0.5%	-0.3	-0.3	0.0	0.0	0.0
Net Profit	1.5%	0.0	1.0	2.7	3.5	4.0
Add:						
Suppliers contribution	0.0%	1.0	0.0	0.0	0.0	0.0
Depreciation & Amortizati	3.4%	2.1	2.3	1.4	1.4	1.5
Working Capital change	0.2%	4.2	0.1	0.3	0.2	0.2
Operating cashflow	5.1%	7.2	3.4	4.4	5.1	5.7

Financial Returns

Hurdle Rate	12.0%
Return on Investment at Year 3	19.2%
IRR	28.3%
Cash Payback Period	3 Year(s) & 8 Month(s)
Minimum 1st Year Annual Sales (USD m) to achieve 30.0% return	59.4

Sensitivity Analysis

	IRR
Sales +15%	41.3%
Sales +10%	37.0%
Sales -10%	19.3%
Sales -15%	14.6%
Cost of sales +2 ppt	30.3%
Cost of sales -2 ppt	26.5%
Initial Investment +10%	25.5%

Remarks

Sales estimates are provided by Commercial Department

Investment estimates are provided by New Store Opening Department

Net Present Value Table

@ 10%	18.4
@ 12%	14.7
@ 20%	5.2
@ 24%	2.3
@ 30%	(0.8)

New Site CIA

Feasibility Working

	Yr0	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8	Yr9	Yr10	Yr11	Yr12	Yr13	Yr14	Yr15
Sales		58.2	62.9	66.7	70.0	73.5	75.7	78.0	80.3	82.7	85.2	86.9	88.7	90.4	92.2	94.1
Gross Profit	20.0%	11.6	12.6	13.3	14.0	14.7	15.1	15.6	16.1	16.5	17.0	17.4	17.7	18.1	18.4	18.8
Labor Costs	-5.3%	(3.7)	(3.8)	(3.9)	(4.0)	(4.1)	(4.1)	(4.2)	(4.3)	(4.3)	(4.4)	(4.4)	(4.5)	(4.5)	(4.6)	(4.6)
Support Costs (HO, Supply Chain, Staff Housing)	-2.2%	(1.3)	(1.4)	(1.4)	(1.5)	(1.6)	(1.6)	(1.7)	(1.7)	(1.8)	(1.8)	(1.9)	(1.9)	(1.9)	(2.0)	(2.0)
Other Operating costs	-3.4%	(2.2)	(2.3)	(2.4)	(2.5)	(2.6)	(2.6)	(2.7)	(2.7)	(2.8)	(2.8)	(2.9)	(2.9)	(2.9)	(3.0)	(3.0)
Rent	-3.2%	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.5)	(2.5)	(2.5)	(2.5)	(2.5)	(2.7)	(2.7)	(2.7)	(2.7)	(2.7)
Rental Income	0.0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation	-1.9%	(1.8)	(1.8)	(1.9)	(2.1)	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)	(1.5)	(1.4)	(1.4)	(1.4)	(1.3)	(1.1)
Amortization	-0.1%	(0.3)	(0.3)	(0.3)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Pre Op income	0.1%	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net profit	4.0%	1.0	0.6	1.0	1.6	2.7	2.9	3.2	3.5	3.8	4.0	4.1	4.4	4.6	4.9	5.4
Add: Depreciation & Amortization		2.1	2.2	2.3	2.1	1.4	1.4	1.4	1.4	1.4	1.5	1.4	1.4	1.4	1.3	1.1
Change in Working Capital																
Change in Inventory		(4.2)	(0.0)	0.4	0.5	(0.2)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
Change in Payables		8.3	0.7	(0.3)	(0.4)	0.4	0.3	0.3	0.3	0.3	0.3	0.2	0.2	0.2	0.2	0.2
Operating cashflows		7.2	3.4	3.4	3.8	4.4	4.5	4.8	5.1	5.4	5.7	5.6	5.9	6.1	6.3	6.6
Investment Outflows	(15.0)	0.0	(0.5)	(0.5)	(0.5)	(1.6)	(0.5)	(0.5)	(0.5)	(0.5)	(2.1)	(0.5)	(0.5)	(0.5)	(0.5)	0.0
Free cashflows	(15.0)	7.2	2.9	2.9	3.3	2.8	4.0	4.3	4.6	4.9	3.6	5.1	5.4	5.6	5.8	6.6
Hurdle rate	12.0%															
IRR	28.3%															
Discounted Operating Cashflows	33.7	6.5	2.7	2.4	2.4	2.5	2.3	2.2	2.0	1.9	1.8	1.6	1.5	1.4	1.3	1.2
Discounted Investment Cashflows	-19.0	0.0	-0.4	-0.4	-0.3	-0.9	-0.3	-0.2	-0.2	-0.2	-0.7	-0.1	-0.1	-0.1	-0.1	0.0
Net Present Value	14.7															
Cash Pay back period	3 Year(s) & 8 Month(s)															
NPV Analysis																
NPV	@	8%	22.8		@	10%	18.4		@	12%	14.7		@	15%	10.4	
	@	20%	5.2		@	24%	2.3		@	26%	1.1		@	30%	-0.8	

Investment Details & Depreciation Schedule

Reference
Date Received

Sample
Monday, December 1, 2025

Description	Purchase Date	Cost	Life Month	Depreciation --- >															Cum. Depr	Check
				Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	Yr 11	Yr 12	Yr 13	Yr 14	Yr 15		
Cost of Land	Jan Yr01	-	0.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Building Costs	Jan Yr01	-	180.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fitouts	Jan Yr01	6.64	180.0	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	0.44	6.64	-
Equipments (10 Yrs)	Jan Yr01	3.19	120.0	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32	0.32	-	-	-	-	-	3.19	-
Equipments (4 Yrs)	Jan Yr01	3.31	48.0	0.83	0.83	0.83	0.83	-	-	-	-	-	-	-	-	-	-	-	3.31	-
Computer Equipments	Jan Yr01	0.89	60.0	0.18	0.18	0.18	0.18	0.18	-	-	-	-	-	-	-	-	-	-	0.89	-
Refits																				
Building	Jul Yr05	-	125.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Building	Jul Yr10	-	65.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Building	Jul Yr15	-	5.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipments (4 Yrs)	Jul Yr02	0.50	48.0	-	0.05	0.13	0.13	0.13	0.07	-	-	-	-	-	-	-	-	-	0.50	-
Equipments (4 Yrs)	Jul Yr09	0.50	48.0	-	-	-	-	-	-	-	-	0.05	0.13	0.13	0.13	0.07	-	-	0.50	-
Equipments (4 Yrs)	Jul Yr10	1.00	48.0	-	-	-	-	-	-	-	-	-	0.10	0.25	0.25	0.25	0.15	-	1.00	-
Equipments (4 Yrs)	Jul Yr11	0.50	48.0	-	-	-	-	-	-	-	-	-	-	0.05	0.13	0.13	0.13	0.07	0.50	-
Equipments (4 Yrs)	Jul Yr15	-	48.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Equipments (10 Yrs)	Jul Yr05	1.00	120.0	-	-	-	-	0.04	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.10	0.06	1.00	-
Equipments (10 Yrs)	Jul Yr10	1.00	60.0	-	-	-	-	-	-	-	-	-	0.08	0.20	0.20	0.20	0.20	0.12	1.00	-
Equipments (10 Yrs)	Jul Yr15	-	60.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Computer Equipments	Jul Yr05	0.10	60.0	-	-	-	-	0.01	0.02	0.02	0.02	0.02	0.01	-	-	-	-	-	0.10	-
Computer Equipments	Jul Yr10	0.10	60.0	-	-	-	-	-	-	-	-	-	0.01	0.02	0.02	0.02	0.02	0.01	0.10	-
Computer Equipments	Jul Yr15	-	60.0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Grand Total		23.22		1.77	1.82	1.94	2.07	1.42	1.38	1.38	1.38	1.38	1.52	1.39	1.39	1.39	1.34	1.08	23.22	-

Revenue and Cost ratios

Reference
Date Received

Sample
Monday, December 1, 2025

	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11	Y12	Y13	Y14	Y15
Sales Intensity	350														
Growth Planned		8.0%	6.0%	5.0%	5.0%	3.0%	3.0%	3.0%	3.0%	3.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Cost of Sales	-86%	-86%	-86%	-86%	-86%	-86%	-86%	-86%	-86%	-86%	-86%	-86%	-86%	-86%	-86%
Rebates	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%
Stock Loss	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%
Labor Costs	-6%	-6%	-6%	-6%	-6%	-5%	-5%	-5%	-5%	-5%	-5%	-5%	-5%	-5%	-5%
Staff accommodation costs	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%
Supplies and Packaging	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%
Utilities	-2%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%
Other Operating costs	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%	-1%
Support Office Cost share	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Distribution cost share	-2%	-2%	-2%	-2%	-2%	-2%	-2%	-2%	-2%	-2%	-2%	-2%	-2%	-2%	-2%
Pre Ops expenditure	-100%														
Pre Ops (36 Months)	-33%	-33%	-33%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Suppliers Contribution	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Inventory Held days	30	28	24	20	20	20	20	20	20	20	20	20	20	20	20
Payment days	60	60	55	50	50	50	50	50	50	50	50	50	50	50	50
Hurdle Rate	12.0%														

Site Details

Reference	Sample																			
Date Received	Monday, December 1, 2025																			
Site Description	New Location																			
Store Format	Supermarket																			
Site Details																				
Deal Type	Rented Box																			
Lease Tenure	15 In Years																			
Total Area	4,800 m2																			
Car Parking requirement																				
Average area per car																				
Gross Area	4,700 m2																			
Selling Area	3,200 m2 0.0																			
Cost of Area	500 m2																			
Commission	0.0% %																			
Line shops area	m2																			
Line shops rental	m2																			
Annual Rent escalation factor	YR 2	Y 3	Y 4	Y 5	Y 6	Y 7	Y 8	Y 9	Y 10	Y 11	Y 12	Y 13	Y 14	Y 15	Y 16	Y 17	Y 18	Y 19	Y 20	
	0.0%	0.0%	0.0%		0.0%	5.0%	0.0%	0.0%	0.0%	0.0%	10.0%	0.0%	0.0%	0.0%	0.0%	5.0%	0.0%	0.0%	0.0%	
Terminal Value multiplier	0 Times																			

Formula-Driven Sensitivity Workings

Replaces the former VBA routine. Each case calculates a complete independent cash-flow stream without changing the live model assumptions.

Case	Sales change	Y1 cost-of-sales change	Initial-investment change	Scenario sales intensity	Scenario Y1 cost of sales
Base	0.0%	0.0%	0.0%	350.0	-86.0%
Sales +15%	15.0%	0.0%	0.0%	402.5	-86.0%
Sales +10%	10.0%	0.0%	0.0%	385.0	-86.0%
Sales -10%	-10.0%	0.0%	0.0%	315.0	-86.0%
Sales -15%	-15.0%	0.0%	0.0%	297.5	-86.0%
Cost of sales +2 ppt	0.0%	2.0%	0.0%	350.0	-84.0%
Cost of sales -2 ppt	0.0%	-2.0%	0.0%	350.0	-88.0%
Initial investment +10%	0.0%	0.0%	10.0%	350.0	-86.0%

Base																
Metric	Yr0	Yr1	Yr2	Yr3	Yr4	Yr5	Yr6	Yr7	Yr8	Yr9	Yr10	Yr11	Yr12	Yr13	Yr14	Yr15
Sales	0.000	58.240	62.899	66.673	70.007	73.507	75.712	77.984	80.323	82.733	85.215	86.919	88.658	90.431	92.239	94.084
Gross profit	0.000	11.648	12.580	13.335	14.001	14.701	15.142	15.597	16.065	16.547	17.043	17.384	17.732	18.086	18.448	18.817
Labor costs	0.000	-3.666	-3.764	-3.877	-3.974	-4.073	-4.134	-4.196	-4.259	-4.323	-4.388	-4.432	-4.476	-4.521	-4.566	-4.612
Support costs	0.000	-1.340	-1.396	-1.432	-1.504	-1.579	-1.626	-1.675	-1.725	-1.777	-1.830	-1.867	-1.904	-1.942	-1.981	-2.021
Other operating costs	0.000	-2.221	-2.324	-2.407	-2.480	-2.557	-2.606	-2.656	-2.707	-2.760	-2.815	-2.852	-2.890	-2.929	-2.969	-3.010
Rent	0.000	-2.350	-2.350	-2.350	-2.350	-2.350	-2.468	-2.468	-2.468	-2.468	-2.468	-2.714	-2.714	-2.714	-2.714	-2.714
Rental income	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Depreciation	0.000	-1.765	-1.817	-1.942	-2.067	-1.416	-1.381	-1.381	-1.381	-1.381	-1.516	-1.387	-1.387	-1.387	-1.335	-1.077
Amortization	0.000	-0.333	-0.333	-0.333	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Pre-op income	0.000	1.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net profit	0.000	0.973	0.595	0.993	1.627	2.726	2.928	3.222	3.525	3.838	4.026	4.131	4.359	4.592	4.882	5.383
Add: depreciation & amortization	0.000	2.098	2.151	2.276	2.067	1.416	1.381	1.381	1.381	1.381	1.516	1.387	1.387	1.387	1.335	1.077
Change in inventory	0.000	-4.165	-0.033	0.384	0.477	-0.167	-0.105	-0.108	-0.112	-0.115	-0.118	-0.081	-0.083	-0.085	-0.086	-0.088
Change in payables	0.000	8.329	0.666	-0.255	-0.397	0.417	0.263	0.271	0.279	0.287	0.296	0.203	0.207	0.211	0.216	0.220
Operating cash flow	0.000	7.236	3.379	3.398	3.773	4.393	4.467	4.765	5.073	5.391	5.720	5.641	5.871	6.106	6.347	6.592
Investment outflows	-15.016	0.000	-0.500	-0.500	-0.500	-1.600	-0.500	-0.500	-0.500	-0.500	-2.100	-0.500	-0.500	-0.500	-0.500	0.000
Free cash flow	-15.016	7.236	2.879	2.898	3.273	2.793	3.967	4.265	4.573	4.891	3.620	5.141	5.371	5.606	5.847	6.592
IRR	28.3%															