



This revenue calculation uses industry standards and benchmarks that FileMan consider best business industry information. It should be used for estimation only.

Step	Basis	Example	Calculation	Example	Result	Example
1	Square footage of any storage space	10,000 s/f	Multiplied by the average ceiling height in feet	30 feet	Total gross cubic footage of the space	300,000 c/f
2	Total gross cubic footage	300,000c/f	Multiplied by .45 (45%)	X .45	Net billable box positions (box positions hold 1.2 c/f boxes)	135,000 bbp ^[1]
3	Net billable box positions	135,000 bbp	Multiplied by .35 (35 cents – monthly standard box storage rate)	X .35	Gross monthly storage revenue when full	\$47,200.00
4	Gross storage revenue	\$47,200.00	Multiplied time 1.65 (for each \$1.00 of storage revenue expect 65 cents of service revenue from 6 basic services)	X \$1.65	Gross monthly storage and service revenue	\$77,880.00
5	Gross month storage and service revenue	\$77,880.00	Multiplied time 12 months	X 12	Gross annual revenue	\$934,560.00
6	Gross annual revenue	\$934,560.00	Multiplied by .30 (30%)	X .30	EBITDA ^[2] or “Adjusted Cash Flow ^[3]	\$280,368

^[1] Billable box positions at 1.2 cubic/feet each

^[2] EBITDA first came into common use with leveraged buyouts in the '80s, where it was used to indicate the ability of a company to service debt. As time passed, it became popular in industries with expensive assets that had to be written down over long periods of time. EBITDA is now commonly quoted by many companies, especially in the tech sector, even when it isn't warranted. A common misconception is that EBITDA represents cash earnings. EBITDA is a good metric to evaluate profitability, but not cash flow. EBITDA also leaves out the cash required to fund working capital and the replacement of old equipment, which can be significant. Consequently, EBITDA is often used as an accounting gimmick to dress up a company's earnings. When using this metric, it's key that investors also focus on other performance measures to make sure the company is not trying to hide something with EBITDA.

^[3] In investments, cash flow represents earnings before depreciation, amortization, and non-cash charges, sometimes called cash earnings. Cash flow from operations (called funds from operations by real estate and other investment trusts) is important because it indicates the ability to pay dividends