ACME Corp — Q1 2025 Financial Summary

Prepared by Finance Team · Confidential · April 2025

Executive Summary

ACME Corp experienced significant revenue pressure in Q1 2025, with total revenue declining 31.3% quarter-over-quarter from $5.2M to $3.6M. Operating expenses remained elevated at $4.8M, resulting in an operating loss of $1.2M. Cash burn accelerated by 105% compared to Q4 2024, raising short-term liquidity concerns. Gross margin compression was driven primarily by increased COGS from supply chain disruptions affecting the hardware segment.

Key Performance Metrics

Metric	Q4 2024	Q1 2025	Change
Total Revenue	$5.20M	$3.57M	**–31.3%**
Gross Profit	$2.20M	$0.80M	**–63.6%**
Gross Margin	42.3%	22.4%	**–19.9 pp**
Operating Expenses	$3.90M	$4.80M	**+23.1%**
Operating Loss	($1.70M)	($4.00M)	**–135.3%**
Cash & Equivalents	$8.40M	$6.10M	**–27.4%**
Cash Burn (Monthly)	$0.52M	$1.07M	**+105.0%**
Headcount	48	52	**+8.3%**
Payroll Expense	$1.10M	$1.34M	**+21.8%**

Revenue Breakdown by Segment

Segment	Q4 2024	Q1 2025	Change	Notes
SaaS Subscriptions	$2.80M	$2.30M	–17.9%	Churn from 3 enterprise accounts
Professional Services	$1.40M	$0.90M	–35.7%	Project delays pushed to Q2
Hardware / OEM	$0.90M	$0.35M	–61.1%	Supply chain disruption
Other	$0.10M	$0.02M	–80.0%	License renewals deferred
Total	**$5.20M**	**$3.57M**	**–31.3%**	

Risk Flags & Management Commentary

• **Liquidity Risk (HIGH):** At the current burn rate of $1.07M/month, the company has approximately 5.7 months of runway. Management is exploring a bridge financing round of $3M–$5M expected to close in May 2025.

• **Customer Concentration (MEDIUM):** Top 3 customers represent 58% of SaaS revenue. Nova Holdings (14% of revenue) has indicated intent to renegotiate contract terms at renewal in June 2025.

• **COGS Spike (HIGH):** Hardware COGS increased from 44% to 71% of segment revenue due to component shortages. Alternative supplier agreements are in negotiation with expected resolution by Q2 2025.

• **Payroll Growth vs. Revenue:** Headcount grew 8.3% while revenue declined 31.3%, resulting in payroll as a percentage of revenue increasing from 21.2% to 37.5%.

Notable Vendor Transactions (Q1 2025)

Vendor	Amount	Category	Flag
Nova Holdings LLC	$184,500	Software Licensing	Related party — board member connection
Apex Cloud Services	$112,000	Infrastructure	Usage up 89% QoQ — investigate
Meridian Consulting	$98,750	Professional Services	No SOW on file
Delta Freight Co.	$76,200	Logistics	New vendor — due diligence pending
Pinnacle HR Solutions	$54,000	HR Software	Contract auto-renewed without approval

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