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CHRIS GARCIA, FOUNDER & CEO

CHRISGARCIA@BAOBROSBISTRO.COM

# OUR CONCEPT

Fast Casual dining centered around Hong Kong and Taiwanese style steamed buns with a heavy emphasis on creating unique fusions of flavors from *all around the globe*. We will also serve boba tea and beer/wine.

## The 3 B's

### Bao

Hong Kong and Taiwanese style steamed buns filled with different proteins, vegetables, and even fruits.



### Boba

Originally from Taiwan, recipes contain various teas, may contain milk, assorted toppings, syrups, and sugar.



### Beer

Craft, import, and domestic.



# THE ASK

**This is a seed round opportunity for a highly scalable concept. We are seeking select individuals to join our team as founding investors.**

- Minimum Investment Target: \$50,000
- Maximum Investment Target: \$150,000
- Investment structured as a Revenue Share Note (1.5X multiple) and SAFE Note
- Participation includes rights to initial location and future company stores and/or franchises
  - High potential for domestic and international expansion
- Additional potential in branded food products
  - Select products (sauces, closed buns, etc.) in grocery stores



**Bao Bao, Our Spokesperson**

# COMPETING IN A COVID- 19 WORLD

**COVID-19 forced many restaurants to reevaluate their operations, and while the situation is improving the threat for a relapse is always present. Luckily, we have been able to learn from this pandemic to ensure we are set up for success on day one.**

- **Takeout and Delivery**
  - We estimate that >26% of our sales will come in the form of off premise dining. To ensure we are successful in this we are:
    - Partnering with all major third party delivery services (Grub Hub, Uber Eats, Door Dash, Favor, and Postmates)
    - Investing in delivery packaging that is tamper proof for beverages and food
    - Focusing our marketing efforts on appealing to the takeout consumer and pushing alcohol-to-go
- **Grocery**
  - We will work to get select products (sauces, closed buns, etc.) in grocery stores such as HEB and Kroger
  - Many restaurants have also seen success by expanding their product offerings into common staple items (fresh spices, produce, etc.) to make it a one stop shop for consumers, we will do the same
- **Contactless Service and Sanitary Practices**
  - The ability to ease our consumers' concerns by offering a contactless pick up option and ensuring employees are wearing gloves and masks at all times are just a few steps we'll take to ensure safety for our guests and employees

# FAST CASUAL IS THRIVING

Despite today's challenges, fast casual restaurants are finding ways to thrive through the pandemic.

Market Summary > Wingstop Inc  
NASDAQ: WING

120.85 USD +0.99 (0.83%) ↑

May 28, 9:55 AM EDT - Disclaimer

1 day 5 days 1 month 6 months YTD 1 year 5 years Max



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Market Summary > Chipotle Mexican Grill, Inc.

NYSE: CMG

990.00 USD 0.00 (0.00%)

May 28, 8:49 AM EDT - Disclaimer

1 day 5 days 1 month 6 months YTD 1 year 5 years Max



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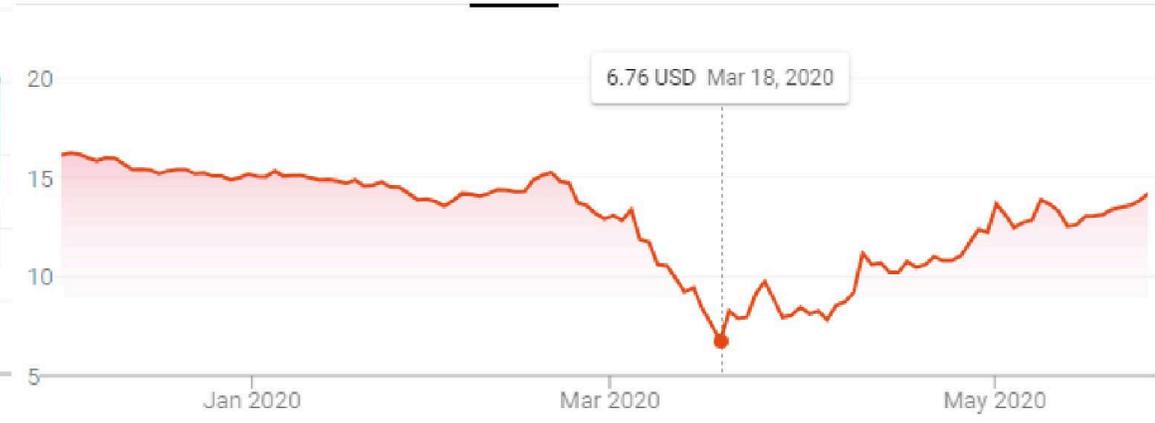
Market Summary > El Pollo LoCo Holdings Inc

NASDAQ: LOCO

14.15 USD 0.00 (0.00%)

May 27, 4:00 PM EDT - Disclaimer

1 day 5 days 1 month 6 months YTD 1 year 5 years Max



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# WHY BAO?

SFWB  
SNACK FOOD & WHOLESALE BAKERY

Home Magazine Snack Products Bakery Products Ingredients Eq

## Bao surges in popularity

Traditional and non-traditional bao enters mainstream U.S. consciousness

10 Reasons The Bao Is The Best Sandwich You've Never Tried

## 10 Reasons The Bao Is The Best Sandwich You've Never Tried

*Every single person in the world must experience these fluffy Asian sandwiches steamed with savory or sweet fillings inside.*

By Renee Jacques

03/21/2014 09:34am EDT | Updated December 6, 2017

CNN travel

DESTINATION TAIWAN

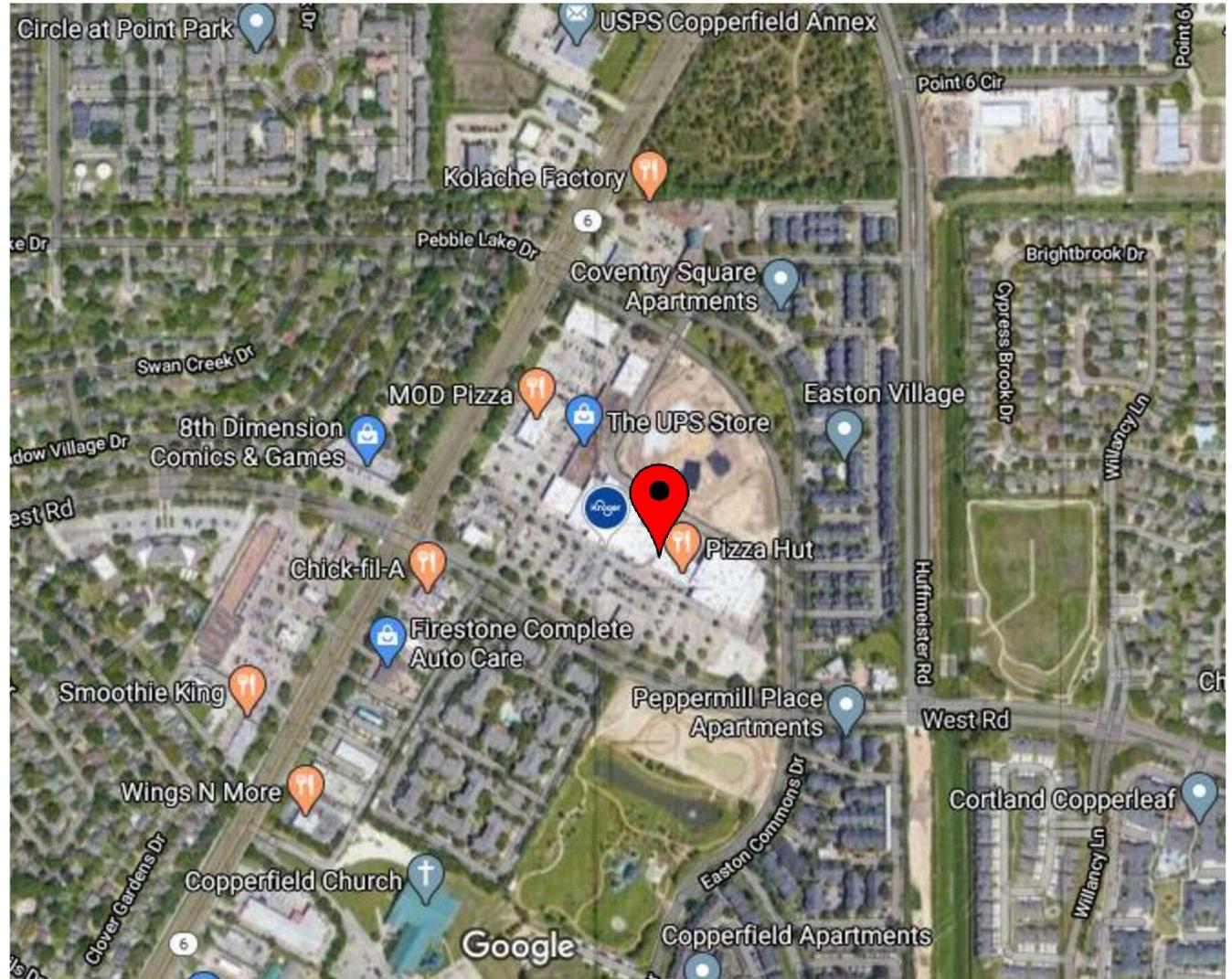
# The secret of gua bao: The Taiwanese street food taking over the world

Maggie Hiufu Wong, CNN • Updated 21st September 2018



# LOCATION HIGHLIGHTS

- **5 Mile Radius  
Population: 343,336**
- **Median HHI: \$94,290**
- **100,345 Cars Per Day**
- **Strategically located  
between anchor  
tenants Kroger and  
Studio Movie Grill**

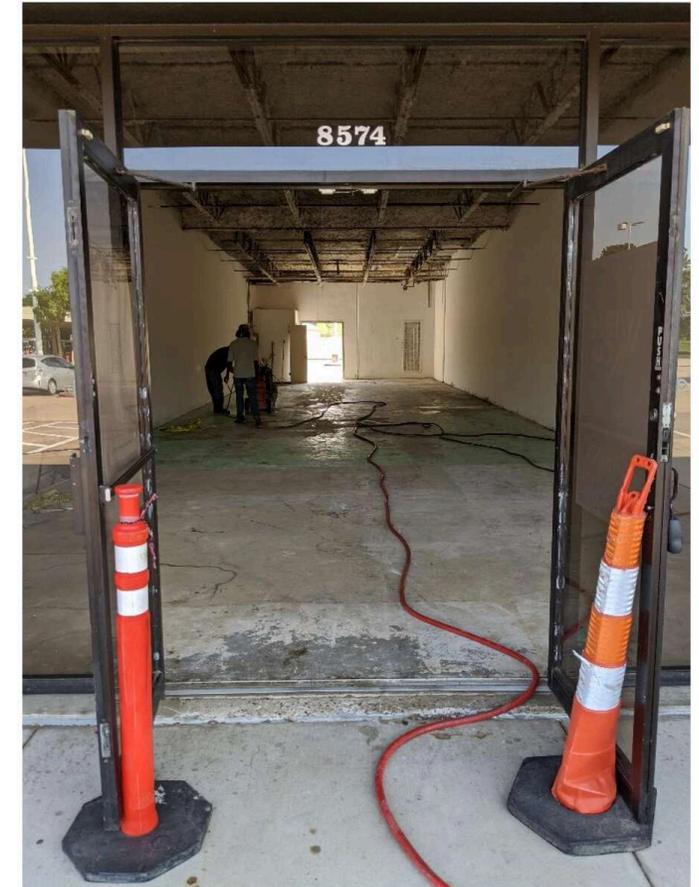


**8574 Highway 6 N, Houston, TX 77095**

# THE COMPANY TODAY

Legal Structure:  
Established:  
Ownership:

Multi-member LLC  
February 19<sup>th</sup> 2019  
Chris Garcia Jr. – 90%  
Chris Garcia Sr. – 10%



# EXPERIENCED TEAM



Chris

- Experience in front/back of house in 2 local bao focused concepts
- Former GM of Kung Fu Tea
- Lived and traveled throughout Asia to understand culture and cuisine
- Texas A&M Mays Business School Graduate
- 8+ years of sales, marketing, and leadership experience



Chelsea

- 8+ years of fast casual General Management experience at Panera Bread
- Attended The Art Institute Culinary School
- Experience in corporate fast food environment with Whataburger

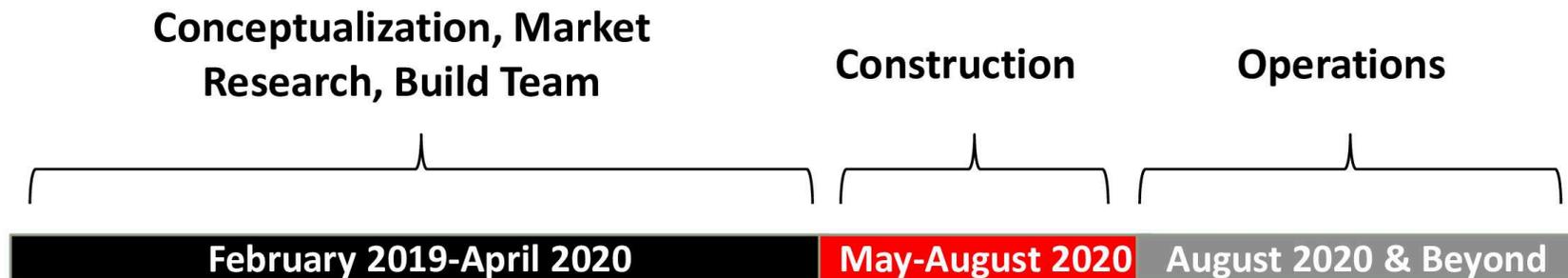


Sopha

- 40+ years of global culinary experience
- Helped design menus for Carrabba's restaurants Mia's Table and Grace's
- Cambodian and Chinese heritage further diversify and enhance an already strong culinary background

# SOURCES & USES

We have spent *over a year* carefully planning and researching (from Chicago to Taiwan), and are less than two months away from opening. Investor funds will be used to help cover costs of the build out and equipment.



Uses		Expenses		Costs Covered by Owner Equity	
Start Up Costs (all inclusive)	379,265	Signage	\$ 5,014.14	\$	2,707.07
Financing Fees and Legal	0	Rent/Security Deposit	\$ 8,890.56	\$	8,890.56
Working Capital	0	Organization Costs	\$ 325.00	\$	325.00
<b>Total Uses</b>	<b>379,265</b>	Research & Education	\$ 1,477.46	\$	1,477.46
<b>Sources</b>		Travel	\$ 4,395.36	\$	4,395.36
Owner Equity *	203,920	Meals and Entertainment	\$ 599.30	\$	599.30
Partner Investment	90,000	Permits	\$ 1,000.00	\$	1,000.00
Landlord Buildout Allowance	0	Legal costs	\$ 3,262.50	\$	3,262.50
Bank Debt	0	Food Test Costs	\$ 527.63	\$	527.63
Investors	85,345	Advertising & Promotional Items	\$ -		
<b>Total Sources</b>	<b>379,265</b>	Phone & Internet	\$ 100.00		
		Computer, Fax, printer, copier	\$ -		
		Office Supplies & Software	\$ 404.12	\$	404.12
		Insurance	\$ 274.27	\$	1,645.62
		Furniture	\$ 2,668.40		
		Equipment	\$ 48,500.00	\$	33,000.00
		Leasehold Improvements	\$ 243,527.00	\$	131,203.77
		Inventory	\$ 17,290.00		
		Hiring and payroll	\$ 25,178.00		
		Beer/Wine Permit	\$ 3,329.00	\$	3,329.00
		Utility Deposit	\$ 799.49		
		Other - Architect Fee	\$ 11,152.40	\$	11,152.40
		Other - Marketing/POS System	\$ 550.04		

\*Owners will invest additional capital to cover expenditures not covered by investors

# KEY METRICS

All estimations for key metrics are conservatively derived from firsthand experience in competitive boba and bao focused concepts.

For a complete look at year one cash flows, see Appendix.

	Year 1	Year 2	Year 3
Orders/Day	205	215	226
-Dine-In	152	159	167
-Off-Premise	53	56	59
\$/Order	\$ 12.50	\$ 13.13	\$ 13.78
Revenue*	\$804,216.10	\$967,081.50	\$1,015,435.58
COGS	\$187,856.57	\$225,900.24	\$ 237,195.26
Op. Expenses**	\$481,535.00	\$495,981.05	\$ 510,860.48
Profit	\$134,824.53	\$245,200.21	\$ 267,379.84

\*Revenue in Year 1 factors in a 6 month ramp up period.

\*\*Operating Expenses assume a 3% yearly increase.

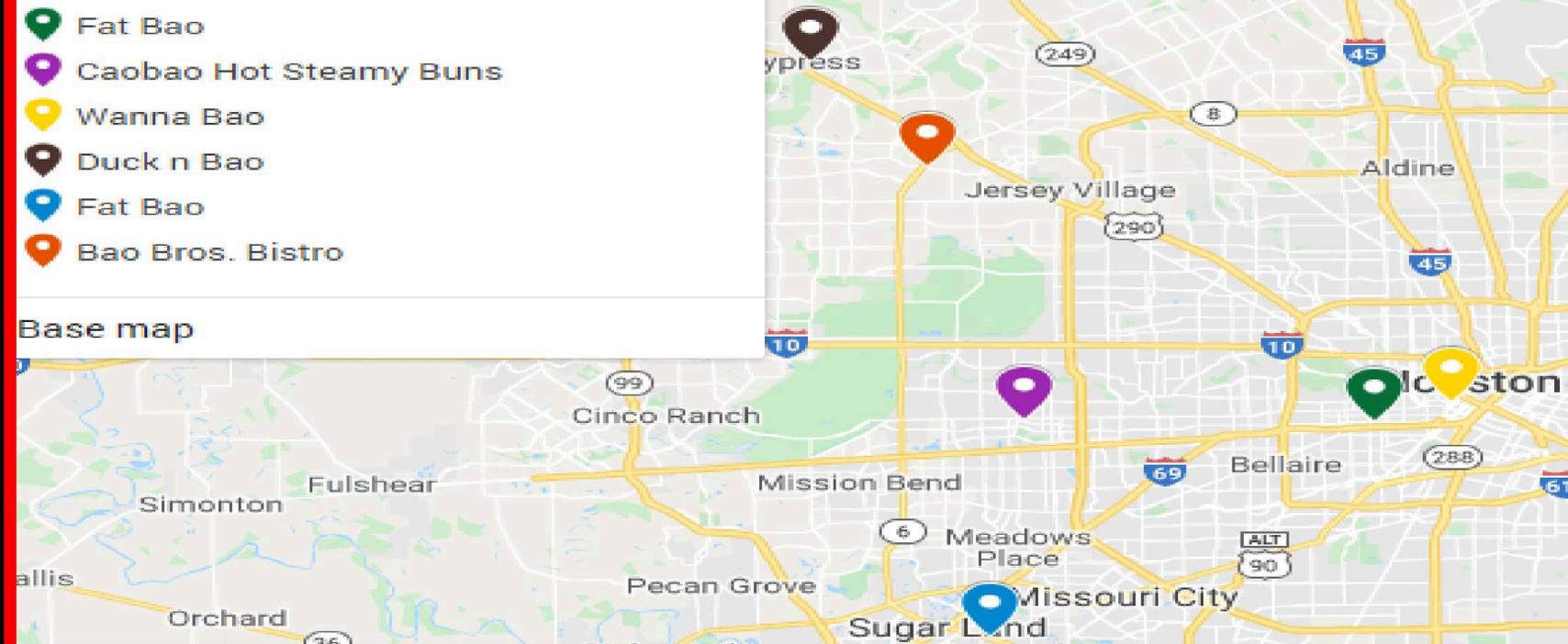
This slide contains forward looking projections which cannot be guaranteed.

# MARKETING STRATEGY

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- Influencers
  - ~1 week prior to Grand Opening we will have an invitational Soft Opening with top Instagram foodie influencers (mostly 10K followers or more). Meals comped for all influencers is estimated to cost <\$500
  - The HoustonFoodiess (27K), EatingWithCatherine (24K), InTheKnowHouston (10K), SheWillSay (4.5K) & more
- Social Media
  - We have been and will continue to make posts on our Instagram, Facebook page, and/or Twitter 3-4 times per week to grow our followers and keep our audience engaged. Facebook currently has over 800 followers.
  - 10 days prior to opening we'll run local Facebook ads for \$10/day to reach an additional 960-2,800 people/day
- Newsletter
  - In August we will begin a weekly newsletter sent to subscribers with updates on new menu items, specials, press releases, and coupons. Free with MailChimp until we get to over 2,000 subscribers.
- Grassroots
  - In August distribute ~9,000 trifold menus to surrounding homes within a 1 mile radius (menus will cost \$350.35)
- Collaborations
  - We will collaborate with local breweries (Karbach, 8<sup>th</sup> Wonder, 11 Below Brewing Company, etc.) on a monthly basis to feature their beers (the breweries charge no cost for collaborations)

# THE COMPETITION



	Price	Primary Product Offerings	Service Style	Strengths	Weaknesses
Bao Bros. Bistro	\$10-15 per person	Open/closed bao, boba tea, beer/wine	Fast casual	Diverse product offering, loyalty program, great service	New entrant, still establishing reputation
Fat Bao	\$10-15 per person	Open bao, beer	Fast casual	First gua bao restaurant in Houston, good quality food	Limited product offering, no to-go menu
Caobao	\$10-15 per person	Open/closed bao, boba tea	Fast casual	Diverse product offering	Poor quality product (esp. boba tea) and slow service
Wanna Bao	\$20-30 per person	Modern Chinese (only 4 closed bao), beer/wine	Full service	Good quality food and atmosphere	Service is a bit slow, not many bao options
Duck N Bao	\$15-20 per person	Standard Chinese (only 1 closed bao), beer/wine	Full service	Decent food and good atmosphere, good service	Poor location, only 1 bao option

# TRENDING GLOBALLY

1. Ganqishi (China) – Over 200 locations
2. Tong Kee Bao Dim (HK) – Over 80 locations
3. Bao Brothers (Australia) – 4 locations
4. Wow Bao (US) – Over 20 locations

THE HANDBOOK FOOD & DRINK LOCKDOWN LIFE TRAVEL CULTURE LIFESTYLE WIN WHAT'S ON

Take A Bao: London's 15 Best Restaurants For Bao



From the UK to Hong Kong, deep down under in Australia and even Chicago, bao focused concepts are on the rise all around the globe.



2

BB

3

CHARLESTOWN FOOD TRUCKS NEWCASTLE CBD BAO AT HOME

4

# EXPANSION & EXAMPLE RETURNS

We have already begun forming connections with Success Franchising and the Franchise Brokers Association as well as iFranchise and Accurate Franchising (companies that specialize in franchising concepts) to ensure the foundation for expansion is solid.

	Yr1	Yr2	Yr3	Yr4	Yr5
Store 1					
% Growth		5%	5%	5%	5%
Revenue	\$ 804,216	\$ 967,082	\$ 1,015,436	\$ 1,066,207	\$ 1,119,518
Expenses	\$ 669,391	\$ 721,881	\$ 748,055	\$ 775,241	\$ 803,479
EBITDA	\$ 134,825	\$ 245,201	\$ 267,380	\$ 290,967	\$ 316,039
Net Op Margin	17%	25%	26%	27%	28%

Store 2					
Revenue		\$ 804,216	\$ 967,082	\$ 1,015,436	\$ 1,066,207
EBITDA		\$ 134,825	\$ 245,201	\$ 267,380	\$ 290,967

Franchise 1					
Fees			\$ 20,000		
Royalty			\$ 64,337	\$ 77,367	\$ 81,235
Franchise 2					
Fees				\$ 20,000	
Royalty				\$ 64,337	\$ 77,367
Franchise 3					
Fees					\$ 20,000
Royalty					\$ 64,337

Total Revenues	\$ 804,216	\$ 1,771,298	\$ 2,066,854	\$ 2,243,347	\$ 2,428,664
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Investment	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Investor Rev. %	10%	10%	10%	10%	10%
Investor Proceeds	\$ 80,422	\$ 149,579	\$ -	\$ -	\$ -

This slide contains forward looking projections which cannot be guaranteed.

# APPENDIX

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# YEAR 1 FORECAST



This slide contains forward looking projections which cannot be guaranteed.

Month	1	2	3	4	5	6	7	8	9	10	11	12	Total
Beginning Cash	80,040	65,135	56,677	56,595	60,258	72,312	88,880	107,001	125,122	141,807	160,049	175,178	80,040
Units													
Revenue	38,303	42,899	55,411	59,241	71,243	76,605	79,159	79,159	76,830	79,391	74,269	71,708	804,216
Merchandise	450	420	465	435	465	450	465	465	675	698	653	630	630
Sauces	480	448	496	464	496	480	496	496	480	496	464	448	448
Food Items	49,650	46,340	51,305	47,995	51,305	49,650	51,305	51,305	49,650	51,305	47,995	46,340	46,340
Beverage Items	26,025	24,290	26,893	25,158	26,893	26,025	26,893	26,893	26,025	26,893	25,158	24,290	24,290
Ramp up %	50%	60%	70%	80%	90%	100%	100%	100%	100%	100%	100%	100%	100%
Less:Cost of Goods Sold (COGS)	8,943	10,016	12,938	13,832	16,634	17,886	18,482	18,482	17,960	18,559	17,362	16,763	187,857
Merchandise	149	139	153	144	153	149	153	153	223	230	215	208	208
Sauces	120	112	124	116	124	120	124	124	120	124	116	112	112
Food Items	12,413	11,585	12,826	11,999	12,826	12,413	12,826	12,826	12,413	12,826	11,999	11,585	11,585
Beverage Items	5,205	4,858	5,379	5,032	5,379	5,205	5,379	5,379	5,205	5,379	5,032	4,858	4,858
<b>Gross Profit</b>	<b>29,360</b>	<b>32,883</b>	<b>42,473</b>	<b>45,409</b>	<b>54,609</b>	<b>58,719</b>	<b>60,676</b>	<b>60,676</b>	<b>58,870</b>	<b>60,832</b>	<b>56,907</b>	<b>54,945</b>	<b>616,360</b>
<b>Gross Margin</b>	<b>77%</b>												
<b>Expenses</b>													
Payroll Expenses	22,127	22,127	22,127	22,127	22,127	22,127	22,127	22,127	22,127	22,127	22,127	22,127	265,524
Employee Benefits	3,830	3,575	3,958	3,703	3,958	3,830	3,958	3,958	3,842	3,970	3,713	3,585	45,880
Accounting/ Legal	95	95	95	95	95	95	95	95	95	95	95	95	1,140
Telephone	10	10	10	10	10	10	10	10	10	10	10	10	120
Marketing & Advertising	400	400	400	400	400	400	400	400	400	400	400	400	4,800
Utilities	556	556	556	556	556	556	556	556	556	556	556	556	6,668
Office Supplies	766	715	792	741	792	766	792	792	768	794	743	717	9,176
Maintenance	2,298	2,145	2,375	2,222	2,375	2,298	2,375	2,375	2,305	2,382	2,228	2,151	27,528
Travel	0	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous Expenses	766	715	792	741	792	766	792	792	768	794	743	717	9,176
Rent	3,408	3,408	3,408	3,408	3,408	3,408	3,408	3,408	3,408	3,408	3,408	3,408	40,894
Property Taxes	974	974	974	974	974	974	974	974	974	974	974	974	11,693
Insurance	272	272	272	272	272	272	272	272	272	272	272	272	3,265
Paper/Plastic Products	3,064	2,860	3,166	2,962	3,166	3,064	3,166	3,166	3,073	3,176	2,971	2,868	36,704
Chemicals	766	715	792	741	792	766	792	792	768	794	743	717	9,176
Cable/Internet Bundle	90	90	90	90	90	90	90	90	90	90	90	90	1,080
Water	728	684	750	706	750	728	750	750	728	750	706	684	8,712
<b>Total Expenses</b>	<b>40,151</b>	<b>39,341</b>	<b>40,555</b>	<b>39,746</b>	<b>40,555</b>	<b>40,151</b>	<b>40,555</b>	<b>40,555</b>	<b>40,184</b>	<b>40,590</b>	<b>39,778</b>	<b>39,372</b>	<b>481,535</b>
Op Income (EBITDA)	-10,791	-6,458	1,918	5,664	14,053	18,568	20,121	20,121	18,685	20,242	17,129	15,573	134,825



# EMPLOYEE COSTS

Position	Hourly Pay	Need/Shift	Shift Pay/Hr.	Hours	Sun. 10:00am-9:30pm	Mon. 10:00am-9:30pm	Tues. 10:00am-9:30pm	Wed. 10:00am-9:30pm	Thurs. 10:00am-10:30pm	Fri. 10:00am-10:30pm	Sat. 10:00am-10:30pm	Weekly	Monthly	Annual
GM (salaried)	\$40,000	1			11.5	11.5	11.5	11.5	OFF	OFF	OFF	\$ 769.23	\$ 3,333.33	\$ 40,000.00
Barista (AM FT)	\$ 8.00	2	\$ 16.00		OFF	OFF	6	6	6	6	6	\$ 480.00	\$ 2,080.00	\$ 24,960.00
Barista (PM FT)	\$ 8.00	2	\$ 16.00		OFF	OFF	6	6	6.5	6.5	6.5	\$ 504.00	\$ 2,184.00	\$ 26,208.00
Barista (PT)	\$ 8.00	2	\$ 16.00		11.5	11.5	OFF	OFF	OFF	OFF	OFF	\$ 368.00	\$ 1,594.67	\$ 19,136.00
Line Cook (AM FT)	\$ 10.00	2	\$ 20.00		OFF	OFF	6	6	6	6	6	\$ 600.00	\$ 2,600.00	\$ 31,200.00
Line Cook (PM FT)	\$ 10.00	2	\$ 20.00		OFF	OFF	6	6	6.5	6.5	6.5	\$ 630.00	\$ 2,730.00	\$ 32,760.00
Line Cook (PT)	\$ 10.00	2	\$ 20.00		11.5	11.5	OFF	OFF	OFF	OFF	OFF	\$ 460.00	\$ 1,993.33	\$ 23,920.00
Prep Cook (AM FT)	\$ 10.00	1	\$ 10.00		OFF	OFF	6	6	6	6	6	\$ 300.00	\$ 1,300.00	\$ 15,600.00
Prep Cook (PM FT)	\$ 10.00	1	\$ 10.00		OFF	OFF	6	6	6.5	6.5	6.5	\$ 315.00	\$ 1,365.00	\$ 16,380.00
Prep Cook (PT)	\$ 10.00	1	\$ 10.00		11.5	11.5	OFF	OFF	OFF	OFF	OFF	\$ 230.00	\$ 996.67	\$ 11,960.00
Ast. Mgr.	\$ 12.00	1	\$ 12.00		OFF	OFF	OFF	OFF	12.5	12.5	12.5	\$ 450.00	\$ 1,950.00	\$ 23,400.00
												\$ 5,106.23	\$ 22,127.00	\$ 265,524.00

AM = Morning Shift  
 PM = Evening Shift  
 FT = Full Time  
 PT = Part Time

This slide contains forward looking projections which cannot be guaranteed.