



Gelato Divino

Crêpes · Waffles · Sundaes · Shakes · Coffee

FRANCHISE INFORMATION

www.GelatoDivino.com



ABOUT US

Gelato Divino, originally a small family-owned ice-cream shop in the beautiful town of Alba in the North-Western Piemonte region of Italy, has only become internationally famous since the first expansion outside of Italy started in 2009 in the United Arab Emirates.

Mr. Nicolas O. Reincke, Founder & Managing Director, fell in love with the family-owned Gelato Divino store in Alba during a holiday there. As a German entrepreneur based in the Middle East, Nicolas instantly knew this brand would be a success internationally and decided to take over the company for global expansion.

Together with his partners, Mr. Sameer Sadique and Mr. Abdulla AlQubaisi, all from various different cultural & business backgrounds, it was decided to launch the brand in their home-base Dubai first. From here Gelato Divino would be set on the global retail stage after opening over forty locations in the United Arab Emirates in just six years from 2009 to 2015.

Further expansion continued in 2015 to various countries in the Middle East, including Oman, Qatar, Bahrain, Palestine & even Kenya.

2017 should be the mark for further global growth, when master franchise for the United Kingdom, Saudi Arabia, Indonesia & Malaysia were signed with Landmark Investments & Consultancy LLC, headed by Mr. Saheed Kottoth. This would grow Gelato Divino to over One hundred International retail locations in just nine years since it's launch in Dubai...





WHAT IS GELATO DIVINO?

Gelato Divino's Authentic Italian ice-cream is produced fresh on daily basis in every countries' own fully HACCP certified production facility. This is the key to Gelato Divino's success, that we produce the Gelato fresh everywhere in the world.

Our signature recipes for gelato, which translated from Italian means "ice-cream" but is very different from ice-cream, use only natural ingredients and is prepared with less air and fat than commercial ice-cream. Till today the base ingredients of our Gelato come from the home-town of Gelato Divino, Alba in Italy!

Our specialized chefs can create over 150 different flavors of Gelato with almost any ingredients, even special ones like Ginger, Lemongrass or Parmesan Cheese! Gelato Divino is the perfect dessert after any meal and is also a wonderful snack at any time of the day. Our fresh heavenly delights are guaranteed to put a smile on your face with every single delicious bite!

There are many health benefits of Gelato in comparison to traditional ice-cream and our Gelato Divino specifically has got the following health benefits:

-  100% vegetarian as we do not use eggs in our gelato recipe.
-  100% Halal.
-  No added fat and it naturally contains 50% less fat than commercial ice-cream brands. We use only low-fat fresh milk for our Gelato.
-  All our ingredients are fresh and natural including plenty of fresh fruit particularly in our sorbets and real nuts from the rolling hills of the Piemonte region in Italy.

BECOMING A PART OF THE GELATO DIVINO FAMILY

We would be happy to welcome you to the Gelato Divino family to spread the love and passion for Gelato throughout the world!

Over the past six years we have perfected our concept not only in terms of product quality and ingredients, but also in terms of the financial feasibility and operating procedures. We are now able to offer a turn-key solution to anyone looking to open a Gelato Divino franchise anywhere else in the world.

Even with minimal experience or know-how in the food industry, or even if you are new to running your own business, we can tailor the right solution for you to become a successful entrepreneur.

We will assist you from the very beginning helping you to choose the right location, to hire the best staff and to set up your production & outlets. The business partners at Gelato Divino will guide you every step of the way to guarantee the success of your business. Some of the services we provide include:

- 🍷 Complete designs for your production and shops/kiosks
- 🍷 Complete Authentic Gelato recipes
- 🍷 Choosing the right equipment at the best possible prices
- 🍷 Best Italian ingredients at very competitive prices
- 🍷 Standard Operating Procedures
- 🍷 Training support for your gelato chef prior to opening & after
- 🍷 Sales Training support for your sales staff prior to opening & further on
- 🍷 Training for the overall operation including financial guidance to maximize profitability
- 🍷 Continuous support along the way as you progress opening more outlets

In the following pages, we provide a brief overview of the two most common business models that we recommend to set up a Gelato Divino outlet in any country around the world.

OPTION 1

CENTRALIZED PRODUCTION WITH SMALL RETAIL OUTLETS

This is the most recommended business model, as we have proven the success and feasibility of it over the past nine years in several countries, having grown since the start to currently over 60 worldwide locations

This model consists of setting up a centralized production facility which saves cost & investment in the long-run and will ensure the highest quality product throughout all your outlets.

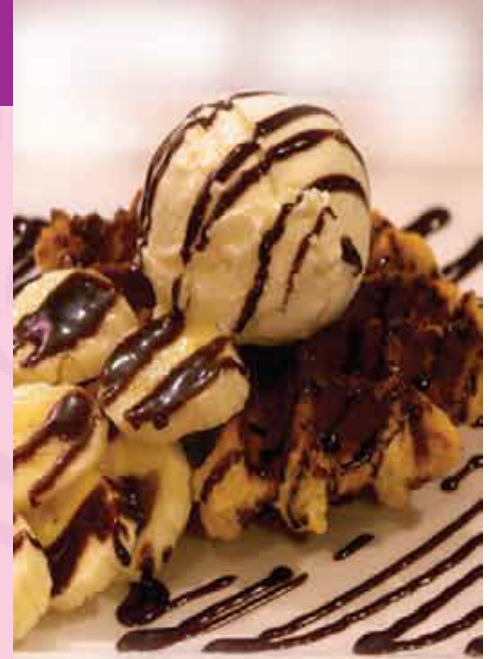
You can open small kiosks and shops in prime locations, without having to invest additionally in each location for the gelato machines and you also don't need a gelato chef for every location.

In addition to supplying your own retail outlets from the centralized production facility you can also cater to the wholesale market for hotels, restaurants and cafes.

You can also supply Gelato for many events easily from a centralized production facility, which in most countries is a very interesting and profitable part of the Gelato business.

Franchise royalty payable to Gelato Divino is only 5% of total gross retail sales along with a one-time country master franchise fee starting from only USD 100,000 for the first five-year term, depending on the size and potential of each country.

Exclusivity is granted for country master franchise based on certain targeted yearly outlet openings.



BASIC REQUIREMENTS FOR OPTION 1

The space required for a centralized production facility to supply about ten retail outlets and several wholesale customers is a minimum of 250 sqm or 3,000 sqft which is comprised of a production kitchen, a cold store, a freezer room and a large dry store area for all the supplies. Along with that you will need one freezer truck for deliveries in the beginning and more to be added as you expand your business.

The approximate cost of setting up such a centralized production facility for 10-15 Gelato Divino outlets is EUR 300,000.00 including the fit-out of the production premises and all the equipment required to make the facility fully functional. However, costs can always be reduced by setting up a smaller production facility to reduce the initial investment required.

See following sample drawing of an ideal central kitchen, sizes can be down-scaled at the beginning.

Once this production facility is set up, the investment for small kiosk outlets such as those pictured in this brochure, is only approximately EUR 30,000.00 per outlet with everything included.



FINANCIAL INFORMATION & RETURN OF INVESTMENT

Considering the first year investment for the entire set up, the gelato business is extremely profitable in the long-run since your equipment will be an asset to you for many years if it is well maintained and serviced regularly.

Below is a realistic example of financial data based on 10 Gelato Divino outlets, considering that the central production and the outlets are treated as separated entities



| Sample Factory P/L Calculation Supplying 10 outlets: | USD | Percentage | |
|---|--------------|------------|----------------------------|
| Outlet Sale \$20,000 Monthly | \$200,000.00 | | |
| Monthly Purchases from Factory | \$60,000.00 | 30% | |
| COGS | \$33,000.00 | Max. 55% | |
| Rent (200sqm) | \$2,000.00 | | |
| Payroll (8 Staff) | \$8,000.00 | | |
| Utilities | \$2,000.00 | | (USD 200,000 over 5 years) |
| Depreciation | \$3,333.00 | | |
| Miscellaneous (Trade Licence, Repairs, Cleaning, Insurance, Telecom) | \$2,000.00 | | |
| Monthly Net Profit | \$9,667.00 | | |
| Yearly Net Profit | \$116,000.00 | | |

| Sample Kiosk P/L Calculation | USD | Percentage | |
|---|-------------|------------|----------------------------|
| Gross Monthly Sale | \$20,000.00 | | |
| COGS | \$6,000.00 | 30% | |
| Rent | \$4,000.00 | | |
| Payroll | \$2,000.00 | | |
| Utilities | \$400.00 | | (Usually included in rent) |
| Miscellaneous (Trade Licence, Repairs, Cleaning, Insurance, Telecom) | \$800.00 | | |
| Depreciation | \$833.00 | | (USD 30,000 over 5 years) |
| Franchise Royalty | \$1,000.00 | 5% | |
| Monthly Net Profit | \$5,800.00 | 29% | |
| Yearly Net Profit | \$59,500.00 | | |

Approximate gross profit margin is 400% from production to retail sales, depending on the retail prices.

Average monthly revenue is at least US\$ 20,000.00 per outlet.

With 10 outlets this revenue creates a yearly income of US\$ 2,400,000.00 with a NET profit of at least 25% or about US\$ 600,000.00 (subject to local operating costs, taxes, etc.).



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OPTION 2

RETAIL STORE WITH ON-SITE PRODUCTION

If the initial investment of a centralized production facility is too high for you to start with or if you prefer to test your local market demand for Gelato first, then we can get you started with a Gelato Divino shop with on-site production. These are the basic requirements for this option:

Shop space should be at least 50 sqm or 700 sqft in an area with a good flow of customers for example in a shopping mall or within the vicinity of a high street.

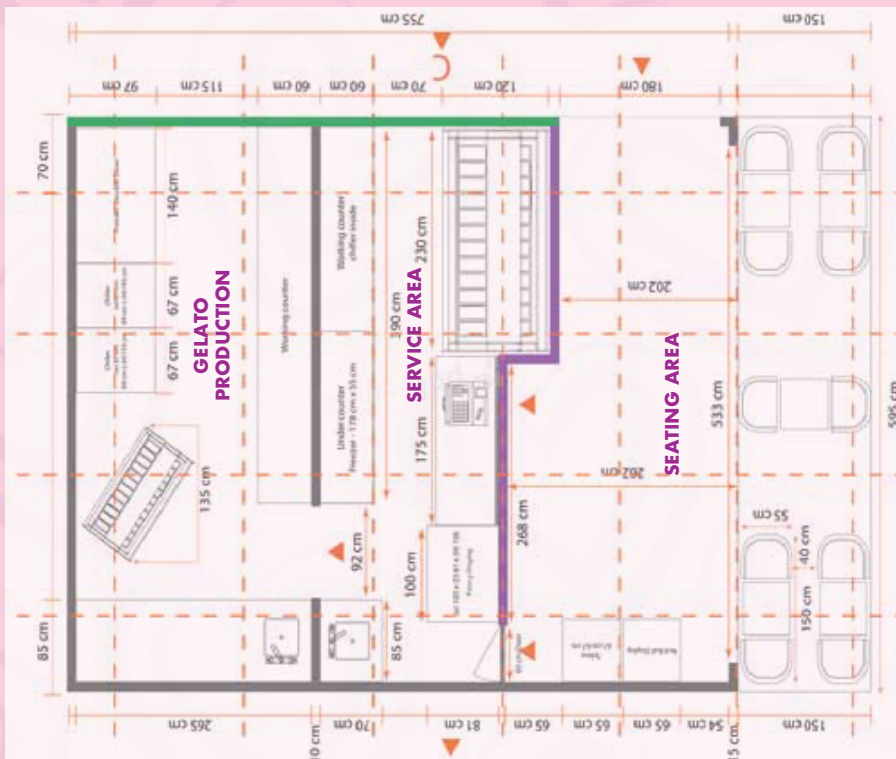
You will have a small production area at the back of the shop with the capacity to supply your store and possibly two further locations in future.

Initial investment for this kind of store including the fit-out and all required equipment is approximately EUR 130,000.00 (excluding local legal costs, advance rent, etc.).

This is significantly less than the investment required for a centralized production facility and is a good way to test the market, but you need to make sure that you choose the very best location for your shop to ensure high sales.

Franchise royalty payable to Gelato Divino is only 5% of total gross retail sales along with a one-time franchise fee starting from only USD 50,000.00 for the first five-year term, depending on the size and potential of the city or region.

Sample layout of small shop with production is below:




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OUR RECOMMENDATIONS

Once you are confident in the potential of your market and take the decision to expand further it is important to consider a centralized production facility as this will save you a lot of money in the long term. Otherwise you will keep investing in more production equipment for every shop with at least one gelato maker in every store, which will eventually add up to high costs.

The advantage of a shop as opposed to a kiosk based outlet is the option to offer your customers a variety of products in addition to gelato such as milkshakes, sundaes, coffee, juices and more. However, the equipment for these items is not budgeted in the estimated investment figures.

On the other hand, expansion through kiosks can be achieved faster and with less investment, as well as less risk. The kiosk expansion is great for the first years to make Gelato Divino known in your country.

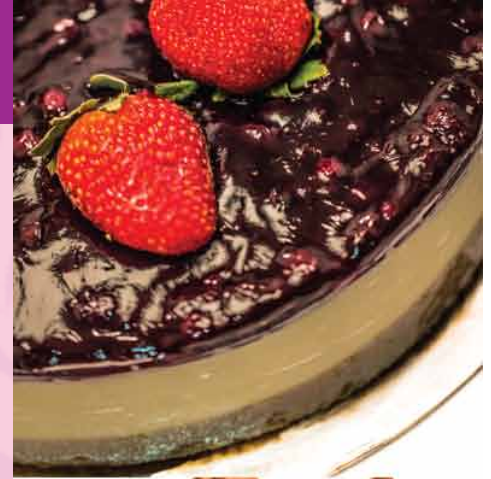
In order to achieve healthy sales and return of investment, target sales for a Gelato Divino shop with on-site production is around US\$ 35,000.00 monthly if no other outlets are opened.

GELATO DIVINO EXCLUSIVE INGREDIENTS

The bases & pastes for our Gelato are produced exclusively for Gelato Divino in its home-town of Alba, Italy and they are all 100% natural, vegetarian AND Halal!

All fruit flavors are made from fresh fruit and other flavors such as Hazelnut, Pistachio and Roasted Almond are made from nuts grown in the Italian countryside; all chocolate based flavors are made from fresh cocoa. None of our bases or pastes include any artificial flavors.

At Gelato Divino; pure, natural ingredients in everything that we produce are the key to our outstanding quality and this starts with the raw ingredients sourced and processed in our hometown of Alba in Italy.



GELATO DIVINO EQUIPMENT

The equipment we recommend to our franchise partners is all manufactured in Italy by our trusted suppliers with whom we have been working over many years. These are all companies that are many decades old and have a very good reputation for quality.

We have tested all the equipment under extreme conditions in our own operations and therefore have chosen them for our franchise expansion.

Gelato Divino has signed global supply agreements with these companies which allow us to offer our franchisees direct factory discounts, which would not be available to individuals usually.

JOIN THE GELATO DIVINO FAMILY TODAY!

BECOMING A FRANCHISEE

We hope to have given you helpful information that answers your initial questions and helps you decide if Gelato Divino is the right business venture for you to explore.

We are happy to work around your specific requirements and possible investment limitations to tailor a franchise package suitable for you.

We want to grow Gelato Divino not just as a successful business, but also as friends and family who are passionate about Gelato and spread this passion throughout the world!

To begin franchise discussions, please send us an email with brief information about yourself:

- 🍷 Are you applying for yourself or the company you work for?
- 🍷 What business are you currently in?
- 🍷 Which country would you like to open Gelato Divino in?
- 🍷 Do you have any previous experience in the food & beverage industry?
- 🍷 Have you been involved with other franchise businesses? businesses before?
- 🍷 Do you already have locations in mind or available?
- 🍷 How much capital are you ready to invest at the moment?
- 🍷 How did you hear about us?

