



## Financial Feasibility Study of Middlemist Florist for Expansion

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**Abstract:** his study aims to evaluate the feasibility of Middlemist Florist's business expansion by opening three new booths in strategic locations in Indonesia. Middlemist, as a leading player in the florist industry, has been operating since 2021, offering various fresh flower arrangements with exclusive designs. However, in the face of increasing competition, Middlemist needs to develop innovative business strategies to enhance revenue and expand its market reach. Using a quantitative approach, this study assesses the financial feasibility of Middlemist's expansion by analyzing financial reports from 2021 to 2024, including income statements, balance sheets, and cash flow statements. Financial projections for the next five years were conducted to evaluate feasibility using methods such as Net Present Value (NPV), Internal Rate of Return (IRR), Profitability Index (PI), and Payback Period. The analysis revealed that the expansion project's NPV is IDR 32.7 million, with an IRR of 66.52%, significantly exceeding the Weighted Average Cost of Capital (WACC) of 6.78%. Additionally, the PI value of 3.18 indicates substantial financial benefits compared to the initial investment cost. The Payback Period is estimated at only 1 year and 6 months, reflecting the efficiency and short-term profitability of this expansion. Sales projections indicate potential annual revenue of IDR 51.6 million per booth, with an average monthly sales target of IDR 4.3 million. This success relies heavily on Middlemist's ability to capitalize on seasonal trends and customer demand for high-quality flower arrangements. However, the main challenges include competing with other florist businesses and maintaining high standards of quality and product innovation. This study recommends that Middlemist enhance its marketing strategies through digital approaches and collaborations with event organizers to expand its customer base. Revenue from the new booths should also be allocated to strengthening the operations of the main store and diversifying products to reach a broader market segment. Additionally, Middlemist should ensure sustainable operations by prioritizing environmentally friendly flower sourcing and supporting local farmers, aligning with the company's vision. These findings suggest that expansion into three strategic locations not only has the potential to increase revenue but also strengthens Middlemist's position in the growing florist industry in Indonesia. This study provides

practical contributions to data-driven business strategy development, focusing on financial efficiency and business sustainability. This expansion is expected to be the first step in realizing Middlemist's vision of being a premium flower provider that brings beauty and meaning to every important customer moment.

**Keyword:** Middlemist Florist; Business expansion; Financial feasibility; Net Present Value (NPV); Internal Rate of Return (IRR); Profitability Index (PI); Payback Period; Sales projections; Marketing strategy.

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## INTRODUCTION

Cut flowers are an important commodity in the floriculture industry, possessing not only high aesthetic value but also contributing to local and global economies. The demand for flowers continues to rise as public awareness grows regarding the importance of decoration for various events, both personal and commercial. Activities such as weddings, celebrations, tributes, and various other gatherings often involve the use of cut flowers as a key decorative element (Renstra Kementerian Pertanian, 2020).

Based on data from the Badan Pusat Statistik (2021-2023), various types of cut flowers are available such as roses, orchids, chrysanthemums, gerberas, anthuriums, and tuberose, where the largest production of chrysanthemums is 2,051,963,176 stalks, then roses with 864,980,328 stalks, tuberose 582,993,741 stalks, gerbera/hebras 114,712,746 stalks, orchids 50,960,505 stalks, and anthurium 14,766,500 stalks. This allows farmers to exploit niche markets, increase business diversification, and add value through appropriate processing and marketing techniques (Statistika, 2024).

Although the floriculture production data greatly opens up market opportunities for the flower shop industry in Indonesia, report shows that the distribution of cut flower agricultural production in Indonesia can be said to be uneven cut (Sari et al., 2022). Most of it is concentrated in Java Island with the acquisition in East Java Province as many as 1,667,876,778 stalks, then West Java as many as 1,005,195,601 stalks, Central Java as many as 857,280,771 stalks, North Sumatra as many as 56,825,446 stalks, and North Sulawesi as many as 26,570,571 stalks (Retnoningsih, 2017).

Indonesia itself faces the challenge of cutting flower distribution which is still concentrated in Java Island. In fact, the potential land area in Indonesia is 191.1 million ha, wetlands reaching 43.6 million ha, and dry land around 144.5 million ha. The agricultural sector in Indonesia contributes 15.9 million ha or around 8.3% of the total land area of Indonesia consisting of APL (Other Use Area) land of 3.4 million ha, HP (Production Forest) land of 3.7 million ha, and HPK (Convertible Production Forest) land of 8.9 million ha (Holtikultura, 2022). Most farmers and entrepreneurs are still concentrated on the island of Java, so the potential of land outside the island has not been optimally developed (Sari et al., 2022).

Bridge Market Research data shows that the global flower and ornamental plant market is worth USD 27.23 billion in 2021 and is expected to reach USD 45.07 billion in 2029, with a CAGR of 6.50% during the forecast period of 2022 - 2029. Based on this data and seeing the potential in Indonesia, Indonesia has a great opportunity to contribute to this floriculture sector. Of course, support is needed from all relevant stakeholders to advance floriculture agriculture in Indonesia (Bridge, 2022).

Middlemist as one of the businesses that supports the floriculture agricultural sector sees the potential and opportunities in maintaining or improving business strategies in meeting customer needs. In this case, Middlemist plays a role in the progress of floriculture, although of course there are a number of challenges that come at the same time. This research

will focus on Middlemist as a florist industry that has contributed to the agricultural sector in Indonesia.

**METHOD**

This study uses a quantitative methodology to investigate the problem. The research begins with an introduction, providing a global context and rationale, followed by identifying the business issue, focusing on internal challenges. Next, the research objective and questions are formulated to guide the study, supported by a literature review outlining theoretical foundations, including financial reporting concepts and a conceptual framework for analysis.

Data collection involves secondary data, specifically Middlemist’s financial reports from September 2021 to September 2024. These reports, obtained directly from the company, include numerical data on income, assets, liabilities, and cash flow, enabling statistical analysis. The data analysis phase uses the income statement, balance sheet, and cash flow statement, processed in Ms. Excel and projected over five years.

Overall, this research relies on quantitative secondary data and systematic analysis to determine Middlemist’s financial feasibility for expanding its business model through booth locations.

**RESULTS AND DISCUSSION**

**Analysis Financial Plan**

To start the business expansion plan by adding 3 booths, namely at the Ryacudu location, Pkor Wayhalim and Pahoman, the owner needs to deposit initial capital of 15 million Rupiah. The initial capital of 15 million consists of 5 million for each booth with details consisting of the Purchase of Tools such as wheels, iron, stainless, tarpaulin, buckets, florist equipment, and operational costs consisting of the purchase of flowers, cleaning + electricity money, employee costs and other costs that support the smooth running of this business. Details of the initial capital and initial investment are attached in the following table.

No.	Description	Expense	Quantity	Expense Total	Details
<b>Capital Expenditure (Capex)</b>					
1	Wheel rim	300.000	3 Set	900.000	<b>For Open 3 Booth</b>
2	Iron	500.000	3 Set	1.500.000	<b>For Open 3 Booth</b>
3	Stainless steel	500.000	3 Set	1.500.000	<b>For Open 3 Booth</b>
4	Tarpaulin	200.000	3 Set	600.000	<b>For Open 3 Booth</b>
5	Bucket	500.000	3 Set	1.500.000	<b>For Open 3 Booth</b>
6	Florist tools (Scissors, Pruning Shears, Tape, Logo stickers, Cellophane Paper	150.000	3 Set	450.000	<b>For Open 3 Booth</b>
	<b>Total</b>	<b>2.150.000</b>		<b>6.450.000</b>	
<b>Pre Operating Expenses</b>					
7	Flower	500.000	3 Set	1.500.000	<b>For Open 3 Booth in 1 month</b>
8	Cleaning + Electricity Expenses	150.000	1 Month	450.000	<b>For Open 3 Booth in 1 month</b>
9	Employee	1.000.000	3 Employees	3.000.000	<b>For Open 3 Booth in 1 month</b>
10	Miscellaneous/Unexpected Expenses	1.200.000	3 Set	3.600.000	<b>For Open 3 Booth in 1 month</b>
	<b>Total Opex</b>	<b>2.850.000</b>		<b>8.550.000</b>	
	<b>Total</b>			<b>15.000.000</b>	

**Figure 1. Initial Investment Table**

In preparing the company's financial plan, the florist has several assumptions as follows. The initial capital deposited by the business founder is IDR 15,000,000. Financial projections will be made using a basic scenario, and the employee to be recruited is 1 person to fill the position of booth guard and marketing staff. The number of employees will grow as the business progresses and will be added in the following year if the business is running well to expand the business. Then, the table below is a breakdown of investments described based on capital expenditure and depreciation calculations as follows:

Fixed Assets have an accounting period of 4 which will be depreciated according to the asset classification based on the depreciation and amortization criteria of the Minister of Finance Regulation No. 72 of 2023. Depreciation is calculated using the straight-line method according to the Asset classification. The cost budget will be adjusted to the assumed inflation rate of 2% - 5% per year. Income tax is calculated at 22% of net profit according to the business classification. Below paragraph will show table capital expenditure and depreciation.

Tangible Assets	Qty	Acquisition Cost	Useful Life	Residual Value	Depreciation
Wheel Rim	3 Set	900.000	4	225.000	<b>168.750</b>
Iron	3 Set	1.500.000	4	375.000	<b>281.250</b>
Stainless steel	3 Set	1.500.000	4	375.000	<b>281.250</b>
Tarpaulin	3 Set	600.000	4	150.000	<b>112.500</b>
Bucket	3 Set	1.500.000	4	375.000	<b>281.250</b>
<b>Total</b>		<b>6.000.000</b>		<b>1.500.000</b>	<b>1.125.000</b>

**Figure 2. Capital Expenditure and Depreciation Table**

Then in terms of costs, the amount of COGS for flowers and the purchase of supporting equipment for flower sales to be sold is 55% on average, then business costs consist of cleaning money + electricity, employee costs and other costs so that the details are as in the table below.

Assumptions of Miscellaneous Expenses		10%				
Assumptions of Cost of Goods Sold (COGS)		55%				
Assumptions of Annual Cost Increase		5%				
Description	Year 1	Year 2	Year 3	Year 4	Year 5	Details
<b>Cost of Goods Sold (COGS)</b>						
Interest and Other Principal Expenses	85,338,839	90,885,863	96,793,444	103,085,018	109,785,545	
<b>Total COGS</b>	<b>85,338,839</b>	<b>90,885,863</b>	<b>96,793,444</b>	<b>103,085,018</b>	<b>109,785,545</b>	
<b>Operating Expenses</b>						
Cleaning + Electricity Expenses	5,400,000	5,670,000	5,953,500	6,251,175	6,563,734	
Employee	36,000,000	39,000,000	40,950,000	42,997,500	45,147,375	
Miscellaneous/Unexpected Expenses	15,485,625	16,492,191	17,564,183	18,705,855	19,921,735	
<b>Total Operating Cost</b>	<b>56,885,625</b>	<b>61,162,191</b>	<b>64,467,683</b>	<b>67,954,530</b>	<b>71,632,844</b>	

**Figure 3. Operating Cost Table**

### Financial Projection Analysis

Market assumptions for the florist and ornamental plant industry have a fairly good CAGR of 6.5% from 2022 to 2029, with a market size reaching 426.6 T using the assumption of a country risk premium of 2.78%, Beta Peers 2.44 times and IBPA 10 years government bond yield 6.78% so that the WACC (Weighted Average Cost Of Capital) becomes 6.78% (Sari et al., 2022).

Description	Year 1 Realization (if full year)	Year 2 Realization	Year 3 Realization	Year 1 Realization (if full year)	Year 5 Realization
Year	2021	2022	2023	2024	2025
Store Sales	23.220.000	32.085.000	33.215.000	177.913.333	-
Assumptions of Booth Sales					
Booth 1	100%	100%	100%	100%	100%
Booth 2	100%	100%	100%	100%	100%
Booth 3	100%	100%	100%	100%	100%

Assumptions of Annual Sales Growth 6.5%

Branch Sales							
Branch	Booth	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Ryacudu Branch	1	51,618,750	54,973,969	58,547,277	62,352,850	66,405,785	293,898,630
Pkor Wayhalim Branch	2	51,618,750	54,973,969	58,547,277	62,352,850	66,405,785	293,898,630
Pahoman Branch	3	51,618,750	54,973,969	58,547,277	62,352,850	66,405,785	293,898,630
<b>Total Branch</b>		<b>154,856,250</b>	<b>164,921,906</b>	<b>175,641,830</b>	<b>187,058,549</b>	<b>199,217,355</b>	<b>881,695,890</b>

Figure 4. Sales Projection Table

Based on the data above, it can be seen that sales each year are targeted for each booth to get 51.6 million with an average of 4.3 million per month. Adjusted to the season and certain moments that occur each year, it can be seen that sales will be affected by these things. This assumption is the same as store sales, meaning this is a new revenue stream opportunity in the expansion of this florist business in a fairly strategic location.

### Profit and Loss Projection

Profit and Loss Statement Projection										
Basic										
	2025		2026		2027		2028		2029	
	Year-1	% to sales	Year-2	% to sales	Year-3	% to sales	Year-4	% to sales	Year-5	% to sales
Ryacudu Branch	51,618,750	33.33%	54,973,969	33.33%	58,547,277	33.33%	62,352,850	33.33%	66,405,785	33.33%
Wayhalim Branch	51,618,750	33.33%	54,973,969	33.33%	58,547,277	33.33%	62,352,850	33.33%	66,405,785	33.33%
Pahoman Branch	51,618,750	33.33%	54,973,969	33.33%	58,547,277	33.33%	62,352,850	33.33%	66,405,785	33.33%
<b>Total Net Revenue</b>	<b>154,856,250</b>	<b>100.00%</b>	<b>164,921,906</b>	<b>100.00%</b>	<b>175,641,830</b>	<b>100.00%</b>	<b>187,058,549</b>	<b>100.00%</b>	<b>199,217,355</b>	<b>100.00%</b>
<b>COGS</b>										
Interest and Other Principal Expenses	85,338,839	55.11%	90,885,863	55.11%	96,793,444	55.11%	103,085,018	55.11%	109,785,545	55.11%
<b>Gross Profit</b>	<b>69,517,411</b>	<b>44.89%</b>	<b>74,036,043</b>	<b>44.89%</b>	<b>78,848,386</b>	<b>44.89%</b>	<b>83,973,531</b>	<b>44.89%</b>	<b>89,431,810</b>	<b>44.89%</b>
<b>Operating Expense</b>										
Cleaning + Electricity Expenses	5,400,000	3.49%	5,670,000	3.44%	5,953,500	3.39%	6,251,175	3.34%	6,563,734	3.29%
Employee	36,000,000	23.25%	39,000,000	23.65%	40,950,000	23.31%	42,997,500	22.99%	45,147,375	22.66%
Miscellaneous/Unexpected Expenses	15,485,625	10.00%	16,492,191	10.00%	17,564,183	10.00%	18,705,855	10.00%	19,921,735	10.00%
<b>Total Operating Expense</b>	<b>56,885,625</b>	<b>36.73%</b>	<b>61,162,191</b>	<b>37.09%</b>	<b>64,467,683</b>	<b>36.70%</b>	<b>67,954,530</b>	<b>36.33%</b>	<b>71,632,844</b>	<b>35.96%</b>
<b>EBITDA/Operating Profit</b>	<b>12,631,786</b>	<b>8.16%</b>	<b>12,873,852</b>	<b>7.81%</b>	<b>14,380,703</b>	<b>8.19%</b>	<b>16,019,001</b>	<b>8.56%</b>	<b>17,798,966</b>	<b>8.93%</b>
<b>Depreciation</b>	<b>1,125,000</b>	<b>0.73%</b>	<b>1,125,000</b>	<b>0.68%</b>	<b>1,125,000</b>	<b>0.64%</b>	<b>1,125,000</b>	<b>0.60%</b>	<b>-</b>	<b>0.00%</b>

Figur 5. Profit and Loss Projection Table

### Cash Flow Projection

A cash flow projection calculates the expected cash inflows and outflows, illustrating the project’s ability to generate sufficient cash to fund operations and investments (Berk, J., & DeMarzo, 2017).

Formula :

$$\text{Net Cash Flow} = \text{Cash Inflows} - \text{Cash Outflows}$$

Cash Inflows : Sales, investments, or other receipts

Cash Outflows : Operational costs, debt payments, capital expenditures, etc.

Free Cash Flow (FCF) :

$$\text{FCF} = \text{Operating Cash Flow} - \text{Capital Expenditure}$$

Cash Flow Direct Method						
In IDR						
Description	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
<b>Cash Flow from Operating Activities</b>						
Cash Receipts from Customers		154,856,250	164,921,906	175,641,830	187,058,549	199,217,355
Cash Payments to Suppliers		(85,338,839)	(90,885,863)	(96,793,444)	(103,085,018)	(109,785,545)
Cash Payments for Operating Expenses and Employees		(56,885,625)	(61,162,191)	(64,467,683)	(67,954,530)	(71,632,844)
Tax Payments		(2,531,493)	(2,584,747)	(2,916,255)	(3,276,680)	(3,915,773)
Interest Payments						
Other Receipts/Payments						
<b>Total Cash from (used in) Operating Activities</b>	-	10,100,293	10,289,105	11,464,448	12,742,321	13,883,193
<b>Cash Flow from Investing Activities</b>						
Purchase of Fixed Assets	(6,450,000)					
Pre-Operational Operating Expenses	(8,550,000)					
<b>Total Cash from (used in) Investing Activities</b>	(15,000,000)	-	-	-	-	-
<b>Cash Flow from Financing Activities</b>						
Bank Loan Drawdown	-					
Initial Capital Received	15,000,000					
Bank Loan Repayment		-	-	-	-	-
<b>Total Cash from (used in) Financing Activities</b>	15,000,000	-	-	-	-	-
<b>Net Cash Increase</b>	-	10,100,293	10,289,105	11,464,448	12,742,321	13,883,193
<b>Beginning Cash Balance</b>	-	-	10,100,293	20,389,398	31,853,846	44,596,167

Figure 6. Cash FLOW Projection Table

### Retained Earnings

Retained Earnings						
Basic						
	2024	2025	2026	2027	2028	2029
	Year-0	Year-1	Year-2	Year-3	Year-4	Year-5
Beginning retained earnings		-	8,975,293	18,139,398	28,478,846	40,096,167
Net profit	-	8,975,293	9,164,105	10,339,448	11,617,321	13,883,193
<b>Total</b>	-	8,975,293	18,139,398	28,478,846	40,096,167	53,979,360
<b>Retained Earnings</b>		8,975,293	9,164,105	10,339,448	11,617,321	13,883,193
<b>Ending Retained Earnings</b>	-	8,975,293	18,139,398	28,478,846	40,096,167	53,979,360

Figure 7. Retained Earnings Table

### Balance Sheet

A balance sheet projection represents the company’s financial structure in the future, projecting assets, liabilities, and equity (Kieso, D. E., Weygandt, J. J., & Warfield, 2016)  
Formula :

$$\text{Assets} = \text{Liabilities} - \text{Equity}$$

- **Assets** : Current asstes (cash, receivables) and fixed assets (land, machinery)
- **Liabilities** : Short-term and long-term debt
- **Equity** : The capital owned by the owners or investors

Balance Sheet							
Basic							
	2024	2025	2026	2027	2028	2029	
	Year-0	Year-1	Year-2	Year-3	Year-4	Year-5	
<b>Current Asset</b>							
Cash and Cash Equivalents	8,550,000	10,100,293	20,389,398	31,853,846	44,596,167	58,479,360	
<b>Total Current Asset</b>	8,550,000	10,100,293	20,389,398	31,853,846	44,596,167	58,479,360	
<b>Non Current Assets</b>							
<i>Fixed assets</i>							
Wheel rim	900,000	731,250	562,500	393,750	225,000	56,250	
Iron	1,500,000	1,218,750	937,500	656,250	375,000	93,750	
Stainless steel	1,500,000	1,218,750	937,500	656,250	375,000	93,750	
Tarpaulin	600,000	487,500	375,000	262,500	150,000	37,500	
Bucket	1,500,000	1,218,750	937,500	656,250	375,000	93,750	
Florist tools (Scissors, Pruning Shears, Tape, Logo stickers, Cellophane Paper	450,000	450,000	450,000	450,000	450,000	450,000	
Depreciation	-	1,125,000	2,250,000	3,375,000	4,500,000	-	
<b>Total Fixed assets</b>	6,450,000	5,325,000	4,200,000	3,075,000	1,950,000	825,000	
<b>Total Assets</b>	15,000,000	15,425,293	24,589,398	34,928,846	46,546,167	59,304,360	
<b>Liabilities and Equity</b>							
<b>Current liability</b>							
Accrued expenses	-	-	-	-	-	-	
<b>Total Current Liabilities</b>	-	-	-	-	-	-	
<b>Fixed Liabilities</b>							
<b>Total Fixed Liabilities</b>	-	-	-	-	-	-	
<b>Total Liabilities</b>	-	-	-	-	-	-	
<b>Equity</b>							

Figure 8. Balance Sheet Table

### Feasibility Analysis

To analyze the feasibility of a business, the NPV, IRR, PI and Payback Period analysis methods are used. NPV (Net Present Value) is the most important criterion in evaluating an investment that calculates the difference between future cash receipts and the investment that has been made. If the NPV is positive, the investment is profitable and feasible to run. IRR (Internal Rate of Return) is an analysis that measures the average annual internal profit level for a company. PI (Profitability Index) is a method that calculates the comparison between the value of future net cash flow and the current investment value. If  $PI > 1$ , the investment is said to be feasible. Payback Period is an analysis of the length of time needed to return the initial investment. The following are the calculations of NPV, IRR, PI and Payback Period.

FREE CASH FLOW TO THE FIRM	0	Year 1	Year 2	Year 3	Year 4	Year 5
Net Cash Increase		10,100,293	10,289,105	11,464,448	12,742,321	13,883,193
Free Cash Flow		10,100,293	10,289,105	11,464,448	12,742,321	13,883,193
Initial Investment Capex dan Opex	(15,000,000)					
Cash Flow	(15,000,000)	10,100,293	10,289,105	11,464,448	12,742,321	13,883,193
Accumulated Cash Flow		10,100,293	20,389,398	31,853,846	44,596,167	58,479,360
WACC	6,78%					
PV of Cash Flow (WACC)		9,459,240	9,024,479	9,417,161	9,802,518	10,002,321
Accumulated PV of Cash Flow		9,459,240	18,483,720	27,900,881	37,703,400	47,705,721
Initial Investment	15,000,000					
WACC		6,78%				

PERIOD	YEAR	CASH FLOW	ACCUMULATED CASH FLOW	PV FAKTOR	PV CASH FLOW	ACCUMULATED PV CASH FLOW
0		(15,000,000)			(15,000,000)	
1	2025	10,100,293	10,100,293	0.937	9,459,240	9,459,240
2	2026	10,289,105	20,389,398	0.877	9,024,479	18,483,720
3	2027	11,464,448	31,853,846	0.821	9,417,161	27,900,881
4	2028	12,742,321	44,596,167	0.769	9,802,518	37,703,400
5	2029	13,883,193	58,479,360	0.720	10,002,321	47,705,721

PV CASH FLOW	47,705,721
INITIAL INVESTMENT	(15,000,000)
NPV	32,705,721
NPV (Formula)	32,705,721
PBP	1.48
IRR	66.52%
PI	3.18

PBP	1	Year	6	Months
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Figure 9. Feasibility Study Table

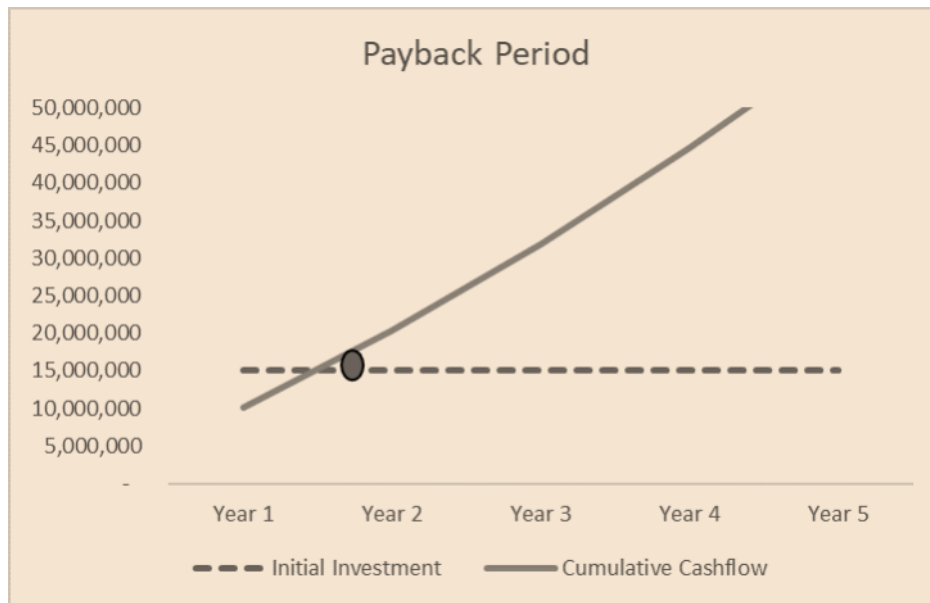
From the scenario table above, it is found that NPV produces a positive value which means this business is profitable. NPV has a positive value of 32,7 million with a PI value of 3.18 which means it exceeds the minimum value of 1, IRR of 66.52% which means that this IRR value is higher than the WACC value of 6.78%, and greater than the interest rate then Payback Period of 1 Year 6 Months, with a project period of 5 years meaning that this business investment is efficient and (*acceptable*).

Initial Investment		Calculation Results	
Capex	= 6.450.000	WACC	= 6,78%
Opex	= 8.550.000	NPV	= 32.705,721
Total	= 15.000.000	IRR	= 66,52%
Market Size	= 426.668.757.039.000	Paybak Period (PBP)	= 1.48
Market Share	= 0,000036%	PI	= 3.18
CAGR	= 6,5%	PV Cashflow	= 47.705,721
Project Duration	= 5 Year		

Revenue Potential	Revenue	Net Income	%	Cashflow Potential	Cashflow	Cumulative Cashflow
Year 1	154,856,250	8.975.293	5,8%	Year 1	10,100,293	10,100,293
Year 2	164,921,906	6.424.693	4,1%	Year 2	10,289,105	20,389,398
Year 3	175,641,830	4.682.563	3,0%	Year 3	11,464,448	31,853,846
Year 4	187,058,549	2.853.327	1,8%	Year 4	12,742,321	44,596,167
Year 5	199,217,355	6.024.608	3,5%	Year 5	13,883,193	58,479,360

Figure 10. Revenue and Cashflow Potential Table



**Figure 11. Payback Period**

## CONCLUSION

Based on the analysis conducted by the researcher since the beginning, such as the analysis of the three core financial reports including the profit and loss financial report, the balance sheet financial report, and also the cash flow report which are then projected for the next 5 years, and continued with the feasibility study from the scenario table above, it was obtained that the NPV produces a positive value which means this business is profitable.

NPV has a positive value of 32,7 million with a PI value of 3.18 which means it exceeds the minimum value of 1, IRR of 66.52% which means that this IRR value is greater than the WACC value of 6.78%, and greater than the interest rate then the Payback Period for 1 Year 6 Months, with a project period of 5 years means that this business investment is efficient and (acceptable). Therefore, the expansion project of the three booths from Middlemist Florist can be carried out according to the agreed timeline, namely January 2025.

This analysis can be a consideration before Middlemist carries out an expansion, which during its business journey which started from September 2021 until this research was carried out, namely September 2024, has never evaluated its company's financial statements. The assumption used is that the income in these three booths sees and equates to what happens in store sales, so that the results are based on Middlemist's income in approximately September 2021 to September 2024.

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