

Fernhollow Coffee Co.: Q3 2026 Business Review

Prepared for the leadership team. Period: 1 July to 30 September 2026.

Fernhollow Coffee Co. is a fictional company. All numbers in this report are invented for a software test.

1. Summary

Q3 revenue was \$1,321,000. This is 18% more than Q2 (\$1,120,000). Subscriptions gave most of the growth. Gross margin decreased from 43% in Q2 to 41% in Q3, because the price of green coffee increased.

2. Revenue by month

Month	Revenue
July	\$412,000
August	\$438,000
September	\$471,000
Q3 total	\$1,321,000

3. Revenue by channel

Channel	Q3 revenue	Share
Subscriptions	\$713,000	54%
Wholesale	\$410,000	31%
Coffee shops (2 locations)	\$198,000	15%

4. Customers

- Active subscribers increased from 8,400 to 9,650 (a net increase of 1,250).
- Monthly subscriber churn was 3.1%. In Q2 it was 3.8%.
- Wholesale accounts increased from 62 to 71.

5. Main risks

- Green coffee cost. The price increased 12% in Q3. The supplier contract ends on 31 December 2026.
- Roasting capacity. The company has one roaster. In September it operated at 92% of capacity.
- Customer concentration. Two wholesale accounts give 38% of wholesale revenue.

6. Q4 plan

- Install a second roaster by 15 November 2026. Cost: \$180,000.
- Increase subscription prices by 4% on 1 November 2026.
- Sell a holiday gift box. Target: 3,000 units at \$48 each.
- Q4 revenue target: \$1,500,000.