

Blackout Coffee Co. | <https://www.blackoutcoffee.com/>



Company Description:

Blackout Coffee Company is an online specialty coffee roasting company known for exceptionally fresh premium coffee and for supporting traditional American values and hard-working people all across the country. They are completely focused on quality and growth and it shows in their numbers and passionate customer base. The company declared in a recent update that they are proud Americans with conservative values, and that duty, family, and rights are their most cherished values.

As of when the company last edited their StartEngine fundraising page, Blackout Coffee's customers had purchased nearly \$11M of coffee. In an update posted on June 27, 2024, Blackout Coffee shared that when they launched this most recent StartEngine campaign, they had a little over 250,000 total orders from when they first opened their doors back in 2018. In just a few short months they leapt up to over 400,000 orders.



Inside our Florida facility.

Company Highlights

PRIOR SUCCESSFUL STARTENGINE CAMPAIGN

Blackout Coffee has successfully completed an oversubscribed StartEngine campaign with nearly 3,400 investors. They hit their initial offering max of \$1,235,000 in just 5 days after launching.

NEW MANUFACTURING FACILITY

Since their last raise they invested in a massive manufacturing facility that is 7 times larger than their previous facility including brand new equipment. They are completely settled into this new facility, and as of August 31, 2024, the volume of orders that the company was getting every day kept them on their toes and moving all day, every day.

RIGHT MESSAGE, INDUSTRY & MOMENT

Right message in the right industry at the right moment. They are fully engaged with their politically conservative community of over 100K customers and 12K subscribers who have purchased nearly \$11M of coffee, as of the date the company last edited their StartEngine page.

Company/Industry Background

Blackout Coffee was founded because the founders were tired of giving their money to woke coffee companies that didn't share their values, and they believe there are many people in this country who feel this way as well. The founders also felt like the coffee that was available didn't come close to the quality and freshness that they were craving.

At Blackout Coffee, they roast premium specialty coffees entirely in-house and infuse them with traditional American values to create their own slice of the small-batch coffee industry.

The company quips that their coffee gets to a customer's house so quickly after being roasted that the consumer will feel like they shipped it on a military jet. This humor is inspired by their customer-centric goal of having their specialty-grade beans roasted, packed and shipped within 24-48 hours, meaning customers get the beans just days after they're roasted.

In Blackout Coffee's experience, coffee is at its absolute peak of freshness about three days after roasting, and by three weeks, at most, coffee is no longer fresh. Moreover, the company believes that it's near impossible to get a premium coffee experience at a grocery store, and they share in their pitch video on StartEngine that other coffee brands roast their beans in large batches and let the beans sit for weeks at a time before shipping.

Blackout Coffee does everything in-house. They roast, they bag, they grind, they flavor, they make the coffee pods, they pack and ship...everything is done in-house which allows for much higher control on production. They use specialty-grade green coffee beans, which have an 80 or higher grade. The beans are grown at what the company believes is the perfect altitude, at the correct time of year, in the best soil, and then are harvested at just the right time. Blackout Coffee feels their in-house expert roasting distinguishes them from other coffee companies who may white label their products. Blackout Coffee asserts that the combination of their premium coffee beans, highly

controlled roasting process, and immediate shipping gives their customers an elite coffee experience.

Their brand is bigger than just coffee. They are a purpose-driven company that acknowledges the people and traditions that make our country great. They honor all Americans who don't see their work as a job - but as their duty. Blackout Coffee actively supports deployed military and first responders. The company created Operation Blackout with the mission of sending their premium coffee to deployed military. Moreover, they partner with GovX to provide savings to all first responders who serve.

Additionally, the company declared in a recent update that they are proud Americans with conservative values, and that duty, family, and rights are their most cherished values. According to the company, the conservative coffee movement just recently skyrocketed, and their positioning and focus is a unique approach that has already proven to be successful. Moreover, as of when their StartEngine funding page was last edited, Blackout Coffee was fully engaged with their politically conservative community.

According to their offering circular, since they launched their Blackout Coffee Brand in 2018, they have created over 40 coffee roasts and flavors. Blackout Coffee also sells a lot of other things. For example, they sell shirts with their brand values front and center. They also sell stickers, tumblers, hats and more. The company sells their uniquely branded coffee products and merchandise online, nationally.

Additionally, in 2021, Blackout Coffee launched a subscription-based coffee club model. Since Blackout Coffee launched this campaign, their numbers in coffee subscriptions have continued to grow at a significant rate. As the company phrased it, coffee subscribers are their most dedicated customers who have their coffee orders on auto-repeat. Their coffee subscription base is a huge indicator of customer loyalty and growth in sales. The company sees it in the numbers from year to year that this program continues to fuel their momentum.

According to an update dated May 9, 2024 the company had grown to over 17,000 active subscribers since they launched the service in 2021 and they see no signs of slowing down.

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Regarding competitors, Blackout Coffee notes in their offering circular that the specialty coffee market is intensely competitive. They face significant and increasing competition and if they cannot compete successfully with other entities in the market, they could lose customers and their revenue could decline.

Nevertheless, the company foresees continued growth in their future - simply because they know who they are and they know how to execute a scalable business. Blackout Coffee believes they have the perfect product for anyone who loves insanely-fresh premium coffee as much as they love their country.

Recent Developments

- ◆ Celebrated their **sixth anniversary** as a company
- ◆ Earned more than **\$1.5 million in sales**, shipping over 33,000 orders, in the month of **August** (2024)
- ◆ Announced as **#353 Fastest Growing Private Company in America** according to Inc. Magazine's Top 5000 List
- ◆ Launched a **new product**: a premium ready-to-drink cold brew latte in both regular and blueberry flavors

Management

John Dos Santos: Founder, CEO and Director

An experienced executive with 20+ years of entrepreneurship, John founded Blackout Coffee Co., managing operations, production, & marketing to ensure quality & consistency in every roast, with a focus on strategically enhancing the business & brand.

Rachael Alyce Santos: Co-Founder, President and Director

Rachael manages customer relations, accounting, & administration. Her extensive experience in customer service & unwavering positivity fosters healthy growth & positive customer experiences. She is a motivating force that inspires others to succeed.

Jared Yanis: Co-Owner and Director of Partnerships

Jared, a retired law enforcement sergeant and 2nd Amendment advocate, educates others about their rights and forms partnerships with like-minded brands. He chose Blackout Coffee for its exceptional product quality and attention to detail.

Risks

- Risk of Supply Chain Disruption: According to Blackout Coffee's offering circular, interruption of their supply chain of coffee or merchandise could affect their ability to produce or deliver their products and could negatively impact their business and profitability. The company contracts with suppliers and manufacturers to procure coffee beans, supplies, equipment, and other materials and products. Specifically, they work with five (5) different coffee bean providers, however, they believe there are a

significant additional number of suppliers with which they can contract if there is any interruption in their supply chain with their current suppliers. Any material interruption in their supply chain, such as material interruption of the supply of coffee beans or their roasting machines, merchandise, apparel, or packaging for their products could have a negative material impact on their business and their profitability. Disruptions could occur due to trade restrictions, such as increased tariffs or quotas, increased shipping prices, embargoes or customs restrictions, pandemics, social or labor unrest, weather or natural disasters, political disputes and military conflicts, or other potential incidents, could also have a negative material impact on their business and their profitability.

- Risk of Changed Government Regulations: According to the company's offering circular, their ability to sell their product depends on outside government regulation which can be subject to change at any time. Their ability to sell product is dependent on the outside government regulations such as those promulgated by the Food and Drug Administration (the "FDA"), the Federal Trade Commission (the "FTC") and other relevant government laws and regulations. The laws and regulations concerning the selling of product may be subject to change and if they do then the selling of the company's product may no longer be in the best interest of the Company.
- Risk of General Economic Conditions: According to Blackout Coffee's offering circular, the success of their business is highly correlated to general economic conditions. Demand for their products is highly correlated with general economic conditions, as a substantial portion of their revenue is derived from discretionary spending, which typically declines during times of economic instability. Declines in economic conditions may adversely impact their financial results. Because such declines in demand are difficult to predict, the company or their industry may have increased excess capacity as a result. An increase in excess capacity may result in declines in prices for their products. Their ability to grow or maintain their business may be adversely affected by sustained economic weakness and uncertainty, including the effect of wavering consumer confidence, high unemployment, and other factors. The inability to grow or maintain their business would adversely affect their business, financial conditions, and results of operations, and thereby an investment in their common stock.
- Risk of Competition: According to the company's offering circular, they face competition. Many of their competitors have substantially greater financial, technological, roasting, sale, marketing, distribution, and other resources, have been in business longer and have greater brand recognition. Their greater capabilities in these areas may enable them to compete more effectively on the basis of price, more quickly develop new products, and more easily withstand increasing costs. The general availability of coffee roasting also allows new entrants easy access to the markets in which the company competes, which may increase the number of competitors. Any of these competitive factors may adversely affect their business. If their competitors begin to evolve their business strategies and adopt aspects of the company's business model, such as Blackout Coffee's subscription model and innovative content and branding, including veteran and first-responder-focused branding, the company's customers may be drawn to those competitors for their beverage needs and Blackout Coffee's business could be harmed.
- Risk of Natural Disasters and Other Uncontrollable Events: According to Blackout Coffee's offering circular, natural disasters and other events beyond their control could materially adversely affect them. Natural disasters or other catastrophic events may cause damage or disruption to their operations, and thus could have a strong negative effect on them. The company's business operations are subject to interruption by

natural disasters, fire, power shortages, pandemics and other events beyond their control. Such events could make it difficult or impossible for them to deliver their products to their customers and could decrease demand for their products.

- **Please see the company's offering circular and other company documents for important risks related to this offering.**

Financials

For Blackout Coffee Company's financial information, see their [Offering Circular](#).

Interested in Investing in Blackout Coffee Company?

Visit [Blackout Coffee's StartEngine funding page](#) for further information about the company and the opportunity to invest.

Sources

Most information in this report was quoted directly from Blackout Coffee's StartEngine Funding page or their Offering Circular

Blackout Coffee's StartEngine Funding Page: <https://www.startengine.com/offering/blackoutcoffee>

Blackout Coffee's Offering Circular:

https://www.sec.gov/Archives/edgar/data/1967269/000110465924030335/tm247335d1_253g2.htm

For Further Research

Blackout Coffee's SEC Recent Filing:

<https://www.sec.gov/cgi-bin/browse-edgar?CIK=0001967269&owner=exclude&action=getcompany&Find=Search>

Blackout Coffee's Website: <https://www.blackoutcoffee.com/>

Blackout Coffee's Offering Circular:

https://www.sec.gov/Archives/edgar/data/1967269/000110465924030335/tm247335d1_253g2.htm

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