



Profit and Loss (P&L) Analysis for an E-Commerce FMCG Company



1. Revenue Section

Revenue Sources:

- Direct Online Sales
 - Marketplace Sales (e.g., Amazon, Walmart)
 - Subscription Services (if applicable)
 - Wholesale/B2B Orders
 - Promotions, Bundles, and Loyalty Revenue
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2. Cost of Goods Sold (COGS)

Includes:

- Product Manufacturing Costs
 - Packaging Materials
 - Freight-in (shipping to warehouse)
 - Warehousing (variable storage fees)
 - Returns/Refund Losses
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3. Gross Profit

- **Formula:**
Gross Profit = Total Revenue - COGS
 - **Gross Profit Margin:**
 - **Formula:** Gross Profit Margin = (Gross Profit / Total Revenue) × 100
 - **Example:** If revenue is \$100M and COGS is \$60M →
Gross Profit = \$40M
Gross Profit Margin = (\$40M / \$100M) × 100 = 40%
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4. Operating Expenses

Line Items from Screenshot:

- SG&A Expense (Salaries, Marketing, Rent)
 - Operating Interest Expense
 - Other Operating Expenses
 - **Total Operating Expenses** = Sum of the above
 - **Operating Income (EBIT):**
 - **Formula:** $\text{EBIT} = \text{Gross Profit} - \text{Total Operating Expenses}$
 - **Example:** \$40M Gross Profit - \$25M OPEX = \$15M EBIT
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5. Additional Financial Metrics

• EBITDA

- **Formula:**
 $\text{EBITDA} = \text{EBIT} + \text{Depreciation} + \text{Amortization}$
- **Purpose:** Highlights operational profitability by excluding non-cash expenses.

• Customer Acquisition Cost (CAC)

- **Formula:**
 $\text{CAC} = \text{Total Marketing Spend} / \text{Number of New Customers Acquired}$
- **Example:** \$1M marketing / 100,000 new customers = \$10 CAC

• Customer Lifetime Value (CLV)

- **Formula:**
 $\text{CLV} = \text{Average Order Value} \times \text{Purchase Frequency} \times \text{Customer Lifespan}$
- **Example:** \$50 × 5 × 2 years = \$500 CLV

• Net Profit Margin

- **Formula:**
 $\text{Net Profit Margin} = (\text{Net Income} / \text{Revenue}) \times 100$
 - **Example:** Net Income of \$10M on \$100M revenue = 10%
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6. Profit Before Tax (PBT)

Line Items from Screenshot:

- Operating Income
 - - Net Non-Operating Interest Income
 - - Other Income & Expenses
 - **Formula:**

$$\text{PBT} = \text{Operating Income} + \text{Net Non-Operating Interest Income} + \text{Other Income}$$
 - **Example:**

$$\$15\text{M EBIT} + \$2\text{M Interest} + \$1\text{M Other Income} = \$18\text{M PBT}$$
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7. Net Profit

- **Provision for Income Taxes:** Deducted from PBT
- **Formula:**

$$\text{Net Profit} = \text{PBT} - \text{Income Taxes}$$
- **Example:** $\$18\text{M PBT} - \$4\text{M Taxes} = \$14\text{M Net Profit}$

5-Year Net Income Avg (from screenshot): \$28.33B

This shows sustained profitability typical of Fortune 500 status.

8. Visual Data Representation

Example P&L Table:

Category	Amount (\$M)
Total Revenue	100
Cost of Goods Sold (COGS)	60
Gross Profit	40
SG&A Expenses	15
Operating Interest Expense	2
Other Operating Expenses	8
Total Operating Expenses	25

Category	Amount (\$M)
EBIT (Operating Income)	15
Non-Operating Interest Income	2
Other Income	1
Pre-Tax Income (PBT)	18
Income Tax Provision	4
Net Profit	14

Key Insights for E-Commerce FMCG Industry

- **High CAC pressures:** Requires a strong CLV to justify marketing spend.
- **Margins are tight** due to logistics and fulfillment costs.
- **Automation and 3PL efficiency** can significantly reduce COGS and OPEX.
- **Subscription models** improve revenue predictability and CLV.
- **Inventory turnover** is a critical driver of working capital health.