

AdaBox010 Report

Created 2019-01-10

Purpose

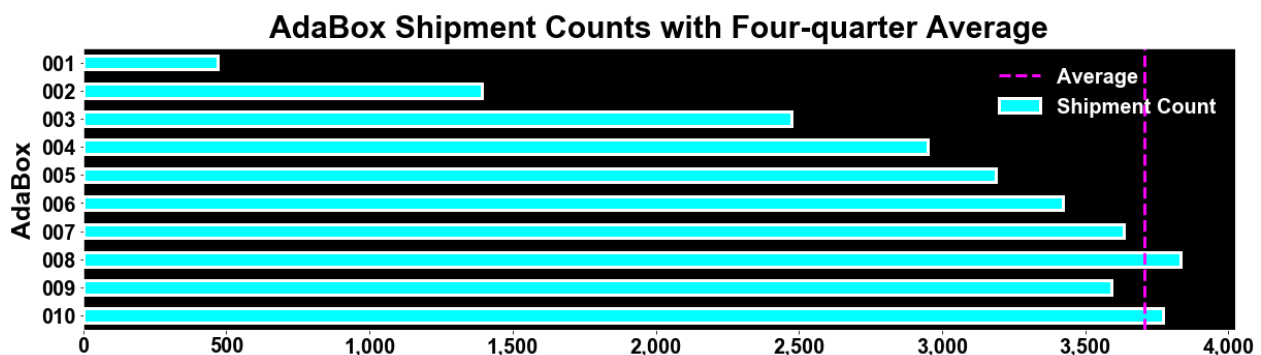
The purpose of this write-up is to report the revenue, cost, gross profit, and churn rate of AdaBox over time, with a focus on the most recent AdaBox, which for Q4 2018 is AdaBox010 (PN [4012](#)). To see subscription counts, etc. in real time, check out [this](#) PLM page.

Summary + Financial Impact

Year over year, shipment counts were up 10%; revenue, including shipping, was up 11%; cost per box, including shipping, was \$42.30; shipping cost per box was \$12.22; gross profit margin, including shipping, was 30.73%; overall churn rate was 16.38%.

Shipment Counts

AdaBox010 shipped to x3,770 recipients, up 10.20% from last year's x3,421. This latest shipment count is about equal to the four-quarter average of x3,706. Check out the chart below for shipment counts over time, along with the four-quarter average.



Revenue

Adabox revenue reached \$226,200 while shipping revenue hit \$4,030; this makes for \$230,230 in total revenue, up 11.10% from last year's \$207,230.

Cost

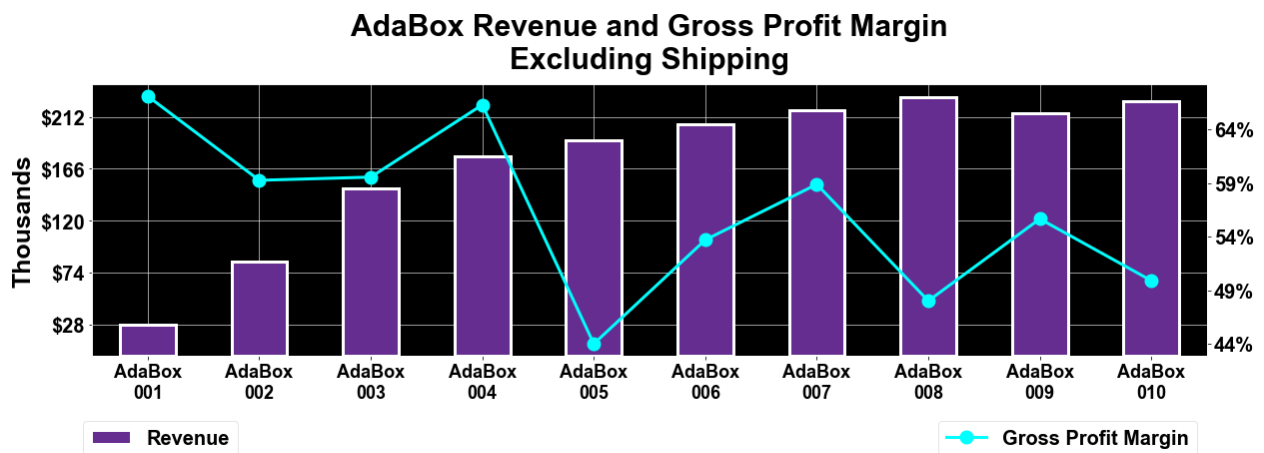
Part cost amounted to \$113,409 while the shipping cost came to \$46,067 for a total of \$159,477, or \$42.30 per box. This cost-per-box is about equal to the four-quarter average of \$40.24.

Focusing now only on shipping, the cost averaged \$12.22 per box, about equal to the four-quarter average of \$12.03.

Gross Profit Margin

When we exclude shipping, the gross profit margin was 49.86%, lower than than the four-quarter average of 53.08%. When we factor in shipping, the margin becomes 30.73%, lower than the four-quarter average of 34.07%.

The chart below shows the revenue and gross profit margin over time.



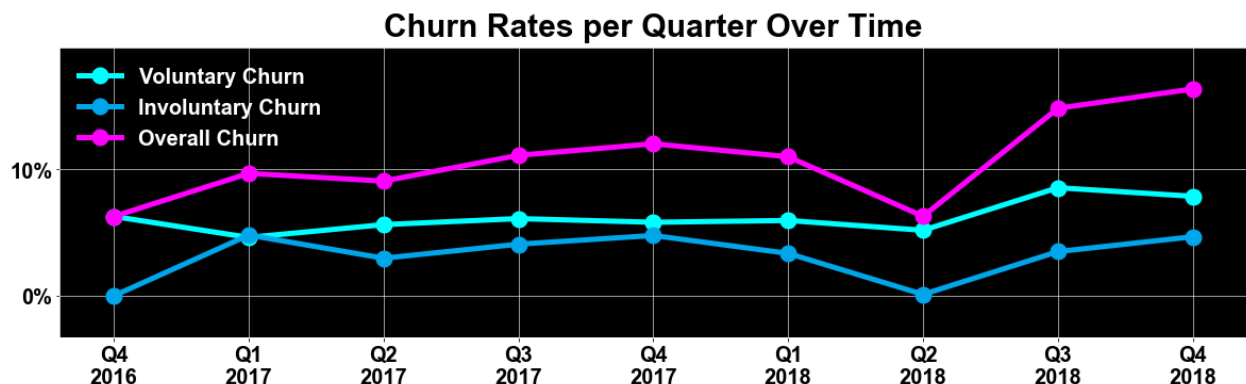
Churn Rate

Churn can be divided into voluntary churn (cancelled) and involuntary churn (expired, payment invalid).

For Q4 2018, the voluntary churn was 7.88%, about equal to the four-quarter average of 6.90%.

The involuntary churn was 4.68%, greater than the four-quarter average of 2.91%.

The overall churn was 16.38%, greater than the four-quarter average of 12.13%. Check out the chart below for churn rates over time.



Looking now at the reasons for churn, on average and over the most recent four quarters, cancelled makes up 71.89%, expired makes up 28.04%, and payment invalid makes up 0.07%.