

Break-Even Analysis

Indoor Localization

The Guardian

For the Period: Oct 1, 2019 - Oct 30, 2020
 Selling Price (P): \$ 250.00
 Break-Even Units (X): 23,040 units
 Break-Even Sales (S): \$ 5,760,000.00

Fixed Costs

Advertising	\$	100,000.00
Accounting, Legal	\$	10,000.00
Depreciation	\$	-
Interest Expense	\$	-
Insurance	\$	20,000.00
Manufacturing	\$	100,000.00
Payroll	\$	-
Rent	\$	70,000.00
Supplies	\$	50,000.00
Taxes (real estate, etc.)	\$	70,000.00
Utilities	\$	200,000.00
Other (specify)	\$	100,000.00
Total Fixed Costs (TFC)	\$	720,000.00

Variable Costs

Variables Costs based on Dollar Amount per Unit

Cost of Goods Sold	\$	150.00	per unit
Direct Labor	\$	50.00	per unit
Overhead			per unit
Other (specify)			per unit
Sum:	\$	200.00	

Variables Costs based on Percentage

Commissions	7.50%	per unit
Other (specify)		per unit
Sum:	7.50%	

Total Variable Cost per Unit (V)

	\$	218.75
Contribution Margin per unit (CM) = P - V	\$	31.25
Contribution Margin Ratio (CMR) = 1 - V / P = CM / P		12.5%

Break-Even Point

Break-Even Units (X)	$X = \text{TFC} / (P - V)$	23,040 units
Break-Even Sales (S)	$S = X * P = \text{TFC} / \text{CMR}$	\$ 5,760,000.00

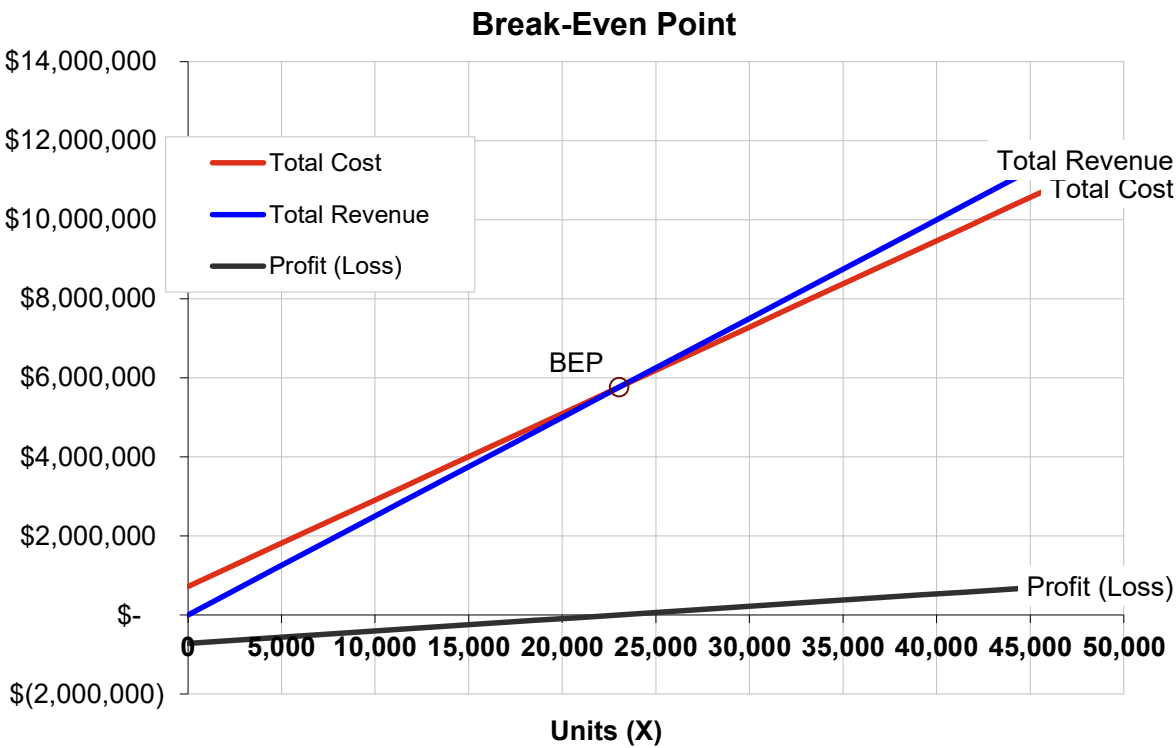
Targeted Net Income

Targeted Net Income Before Taxes (NIBT)	\$	-
Units required to reach targeted NIBT, $X = (\text{TFC} + \text{NIBT}) / (P - V)$		23,040 units
Sales required to reach targeted NIBT, $S = (\text{TFC} + \text{NIBT}) / \text{CMR}$	\$	5,760,000.00
Rate of return on sales before taxes = NIBT / S		0.0%
Tax Rate (T)		25%
Net Income After Taxes (NIAT) = $(1 - T) * \text{NIBT}$	\$	-
Rate of return on sales after taxes = NIAT / S		0.0%

Break-Even Analysis

Indoor Localization

The Guardian



Break-Even Price

[Proposed Product]

[Company Name]

[Date]

For the Period: Jan 1, 2009 - Jun 30, 2010
 Number of Units (X): 100
 Break-Even Price (P): \$ 11.89 per unit
 Break-Even Sales (S): \$ 1,189.19

Fixed Costs

Advertising	\$ 1,000.00
Accounting, Legal	
Depreciation	
Interest Expense	
Insurance	
Manufacturing	
Payroll	
Rent	
Supplies	
Taxes (real estate, etc.)	
Utilities	
Other (specify)	
Total Fixed Costs (TFC)	\$ 1,000.00

Variable Costs

Variables Costs based on Dollar Amount per Unit

Cost of Goods Sold	\$ 1.00	per unit
Direct Labor		per unit
Overhead		per unit
Other (specify)		per unit
Sum (Vd):	\$ 1.00	

Variables Costs based on Percentage

Commissions	7.50%	per unit
Other (specify)		per unit
Sum (Vp):	7.50%	

Total Variable Cost per Unit (V)

$$V = Vd + (Vp \cdot P)$$

Total Variable Cost per Unit (V)	\$ 1.89
Contribution Margin per unit (CM) = P - V	\$ 10.00
Contribution Margin Ratio (CMR) = 1 - V / P = CM / P	84.1%

Break-Even Point

Break-Even Price (P)	$P = (1/(1-Vp)) \cdot (Vd + (TFC/X))$	\$ 11.89
Break-Even Sales (S)	$S = X \cdot P = TFC / CMR$	\$ 1,189.19

Targeted Net Income

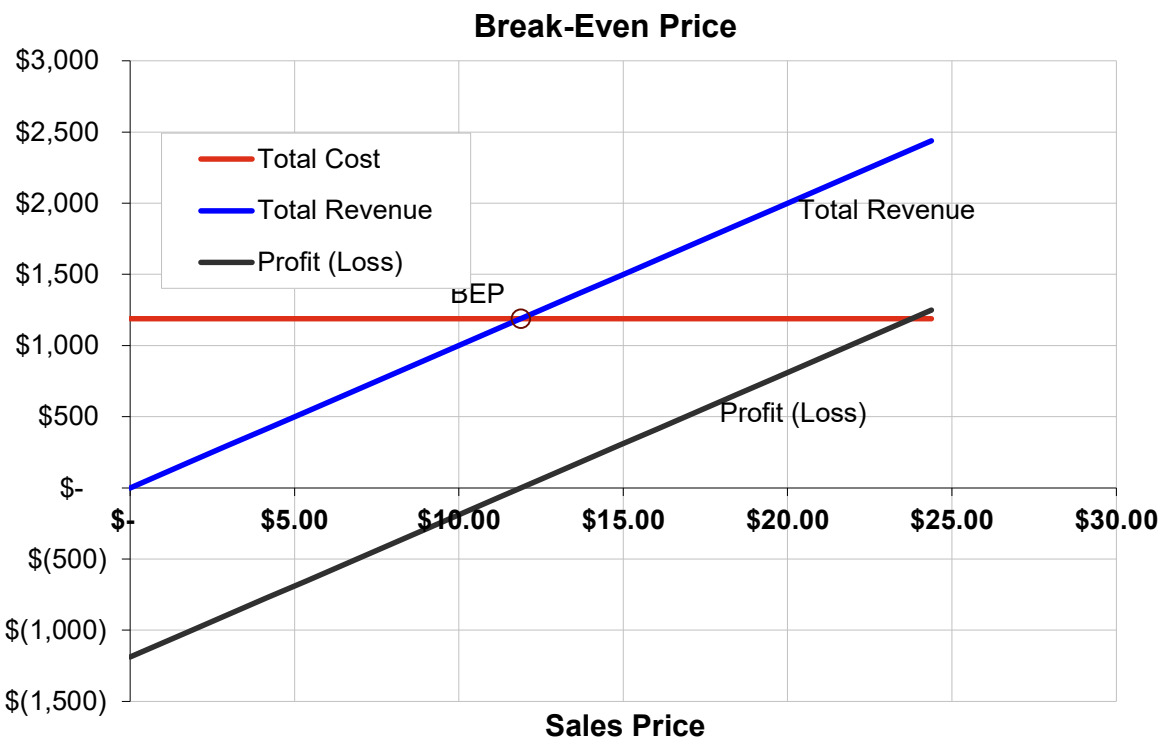
Targeted Net Income Before Taxes (NIBT)	\$ -
Sales Price (P) required to reach targeted NIBT	\$ 11.89
Sales required to reach targeted NIBT, $S = X \cdot P$	\$ 1,189.19
Rate of return on sales before taxes = NIBT / S	0.0%
Tax Rate (T)	25%
Net Income After Taxes (NIAT) = (1-T)*NIBT	\$ -
Rate of return on sales after taxes = NIAT / S	0.0%

Break-Even Price

[Proposed Product]

[Company Name]

[Date]



Payback Period

[Proposed Product]

[Company Name]

[Date]

Selling Price (P): \$ 5.00
Number of Units Sold (x): 100 per month

Payback Period (t): 0.00 months

Break-Even Sales: \$ -

Fixed Costs

Start-up / Development Costs

Development	\$	-
Labor	\$	-
Other start-up costs	\$	-
Total Startup Costs (SC):	\$	-

Recurring Costs specified as \$ per Month

Advertising	\$	-
Web Host Fees	\$	-
Other recurring costs	\$	-
Recurring Costs (RC):	\$	- per month

Total Recurring Costs: \$ -

Total Fixed Costs (TFC) = SC + RC * t

\$	-
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Variable Costs

Variables Costs based on Dollar Amount per Unit

Cost of Goods Sold	\$	-	per unit
Direct Labor	\$	-	per unit
Overhead	\$	-	per unit
Other (specify)	\$	-	per unit
Sum:	\$	-	

Variables Costs based on Percentage

Commissions	0.00%	per unit
Other (specify)	0.00%	per unit
Sum:	0.00%	

Total Variable Cost per Unit (V)

\$	-
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Contribution Margin per unit (CM) = P - V

\$	5.00
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Contribution Margin Ratio (CMR) = 1 - V / P = CM / P

100.0%

Total Variable Cost (TVC) = V * x * t

\$	-
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