

PROFIT MARGIN ANALYSIS BY PRODUCT LINE

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NaviFloor Robotics, Inc.

For the Period Ending December 31, 2023

CONFIDENTIAL AND PROPRIETARY

1. EXECUTIVE SUMMARY

This profit margin analysis report details the financial performance metrics across NaviFloor Robotics, Inc.'s ("Company") primary product lines for the year 2023. The analysis encompasses gross margins, operating margins,

margins for each product category, with comparative year-over-year data applicable.

2. PRODUCT LINE CATEGORIES

1. **NaviCore AMR Series**

-

NaviCore 1000 (Entry-level AMR)

-

NaviCore 2000 (Mid-range AMR)

-

NaviCore 3000 (Enterprise AMR)

2. **FleetControl Software Solutions**

-

FleetControl Basic

-

FleetControl Enterprise

-

FleetControl Custom Deployments

3. ****Maintenance & Support Services****

-

Standard Service Packages

-

Premium Support Contracts

-

Emergency Response Services

3. GROSS MARGIN ANALYSIS

1. ****NaviCore AMR Series****

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NaviCore 1000: 62.4% (3.2% YoY)

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Unit Cost: \$28,750

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Average Selling Price: \$76,500

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NaviCore 2000: 68.7% (2.8% YoY)

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Unit Cost: \$42,300

-

Average Selling Price: \$135,000

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NaviCore 3000: 71.2% (1.5% YoY)

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Unit Cost: \$86,400

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Average Selling Price: \$300,000

2. **FleetControl Software Solutions**

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FleetControl Basic: 88.5% (1.2% YoY)

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FleetControl Enterprise: 91.3% (0.8% YoY)

-

FleetControl Custom: 76.4% (2.1% YoY)

3. **Maintenance & Support Services**

-

Standard Service: 65.8% (0.9% YoY)

-

Premium Support: 72.3% (1.7% YoY)

-

Emergency Response: 58.4% (1.2% YoY)

4. OPERATING MARGIN ANALYSIS

1. **Direct Operating Expenses**

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R&D Allocation: 18.2% of revenue

-

Sales & Marketing: 12.4% of revenue

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Technical Support: 8.7% of revenue

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Product Development: 15.3% of revenue

2. **Operating Margins by Product Line**

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NaviCore Series (aggregate): 32.4%

-

FleetControl Solutions: 48.7%

-

Maintenance & Support: 28.9%

5. NET MARGIN ANALYSIS

1. **Corporate Overhead Allocation**

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Administrative Expenses: 8.4% of revenue

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Facilities & Infrastructure: 5.2% of revenue

-

Corporate Insurance: 2.1% of revenue

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Professional Services: 1.8% of revenue

2. **Net Margins by Product Line**

-

NaviCore Series: 18.7%

-

FleetControl Solutions: 35.2%

-

Maintenance & Support: 15.4%

6. MARGIN IMPROVEMENT INITIATIVES

1. **Cost Reduction Programs**

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Component sourcing optimization: Expected 2.3% cost reduction

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Manufacturing efficiency program: Projected 1.8% margin improvement

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Supply chain optimization: Targeted 1.5% cost reduction

2. **Revenue Enhancement**

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Pricing strategy optimization

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Value-added service bundling

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Contract term optimization

7. DISCLAIMERS AND LIMITATIONS

1. This analysis contains forward-looking statements and projections based on assumptions.
2. Margin calculations follow GAAP guidelines and internal accounting policies.
3. All figures are unaudited and subject to adjustment during year-end audit.

8. CERTIFICATION

The undersigned hereby certifies that this profit margin analysis accurately reflects the Company's product line performance based on internal accounting records and reasonable allocation methodologies.

Prepared by:

James Wilson

Chief Financial Officer

NaviFloor Robotics, Inc.

Date: January 15, 2024

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