

# **BUDGET VS ACTUAL VARIANCE REPORT Q4**

## **BUDGET VS ACTUAL VARIANCE REPORT -**

### **NAVIFLOOR ROBOTICS, INC.**

**Financial Period: October 1, 2023 - December 31, 2023**

**Prepared by: Finance Department**

**Date: January 10, 2024**

## **1. EXECUTIVE SUMMARY**

This report analyzes NaviFloor Robotics, Inc.'s Q4 2023 financial performance.

compared to budgeted projections. Overall revenue exceeded budget by 12.3% while operating expenses remained 3.2% below budget, resulting in favorable EBITDA variance of 18.7%.

2. REVENUE ANALYSIS

2.1 Revenue by Product Line (in thousands USD)

Product Category	Actual	Budget	Variance	Var %
AMR Units	5,850	5,200	+650	+12.5%
Fleet Management Software	2,730	2,400	+330	+13.8%
Maintenance Contracts	1,420	1,300	+120	+9.2%
Professional Services	980	850	+130	+15.3%
Total Revenue	10,980	9,750	+1,230	+12.3%

2.2 Key Revenue Variances

- AMR unit sales exceeded projections due to accelerated adoption in automotive
- Software licensing revenue benefited from three enterprise-level deployments
- Professional services growth driven by increased implementation complexity

3. COST OF GOODS SOLD

3.1 COGS Breakdown (in thousands USD)

Category	Actual	Budget	Variance	Var %
Raw Materials	2,850	2,650	-200	-7.5%

Direct Labor	1,380	1,420	+40	+2.8%	
Manufacturing Overhead	890	920	+30	+3.3%	
<b>Total COGS</b>	<b>5,120</b>	<b>4,990</b>	<b>-130</b>	<b>-2.6%</b>	

### 3.2 COGS Variance Analysis

- Raw material costs increased due to semiconductor component pricing
- Labor efficiency gains offset increased material costs
- Manufacturing overhead savings from improved capacity utilization

## 4. OPERATING EXPENSES

4.1 OpEx Summary (in thousands USD)

Category	Actual	Budget	Variance	Var %
R&D	1,850	1,920	+70	+3.6%
Sales & Marketing	1,230	1,280	+50	+3.9%
G&A	890	910	+20	+2.2%
Total OpEx	3,970	4,110	+140	+3.2%

4.2 Notable Operating Expense Variances

- R&D savings from accelerated development timeline
- Marketing expense reduction through digital channel optimization
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G&A efficiencies from automated process implementation

5. PROFITABILITY METRICS

5.1 Margin Analysis

Metric	Actual	Budget	Variance
Gross Margin	53.4%	48.8%	+4.6%
Operating Margin	17.2%	14.9%	+2.3%
EBITDA Margin	22.8%	19.2%	+3.6%

5.2 EBITDA Bridge (in thousands USD)

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Budgeted EBITDA: 1,870

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Revenue Impact: +1,230

-

COGS Impact: -130

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OpEx Impact: +140

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Actual EBITDA: 2,220

## 6. CASH FLOW AND WORKING CAPITAL

### 6.1 Working Capital Metrics

Metric	Actual	Budget	Variance
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| DSO | 48 days | 52 days | +4 days |

| DPO | 42 days | 45 days | +3 days |

| Inventory Turns | 5.8x | 5.2x | +0.6x |

## **6.2 Cash Flow Variances**

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Operating cash flow exceeded budget by \$780K

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Capital expenditures under budget by \$220K

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Free cash flow positive variance of \$1.0M

## **7. FORWARD-LOOKING CONSIDERATIONS**



## **7.1 Budget Adjustments**

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Q1 2024 revenue targets increased by 8%

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COGS assumptions adjusted for component pricing trends

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OpEx budget maintained with internal reallocation

## **7.2 Risk Factors**

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Ongoing semiconductor supply chain constraints

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Labor market pressure in key technical roles

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Foreign exchange exposure in European markets

## 8. ATTESTATION

This variance report has been prepared in accordance with NaviFloor Robotics, Inc.'s financial reporting policies and procedures. All figures are preliminary and subject to audit adjustments.

Prepared by:

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NaviFloor Robotics, Inc.

Date: January 10, 2024

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