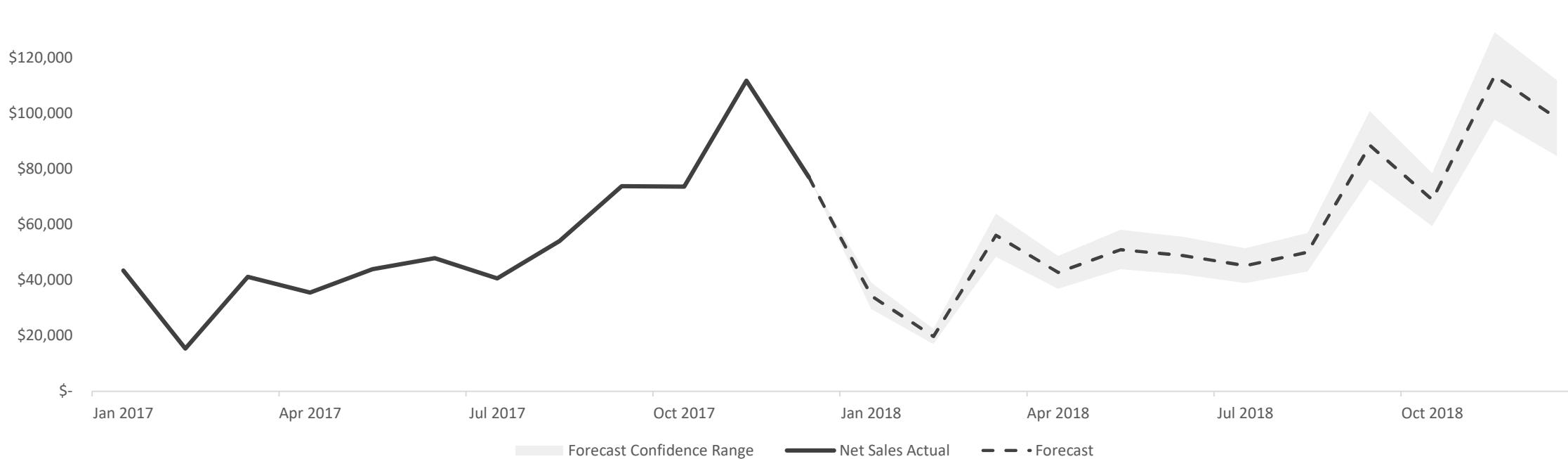


Superstore Revenue Forecast 2018

KPIs

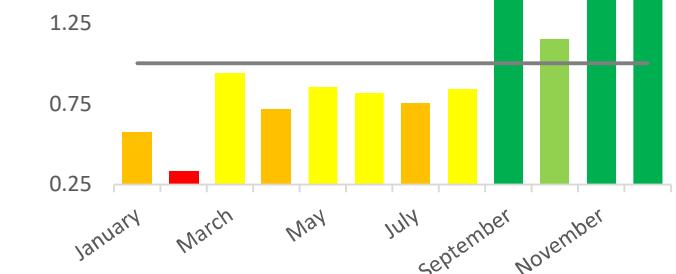
| | | | | | |
|------------------------|------------|--------------------------------|------------|------------------------------|-----------------------|
| 2017 Net Sales | \$ 657,713 | 2018 Forecast Net Sales | \$ 716,988 | Forecast Range | \$617,442 - \$816,532 |
| 2017 YoY Growth | 15% | Projected YoY Growth | 9% | Model Accuracy (MAPE) | 14% |

Net Sales: Historical Performance & 2018 Forecast



Seasonality Index

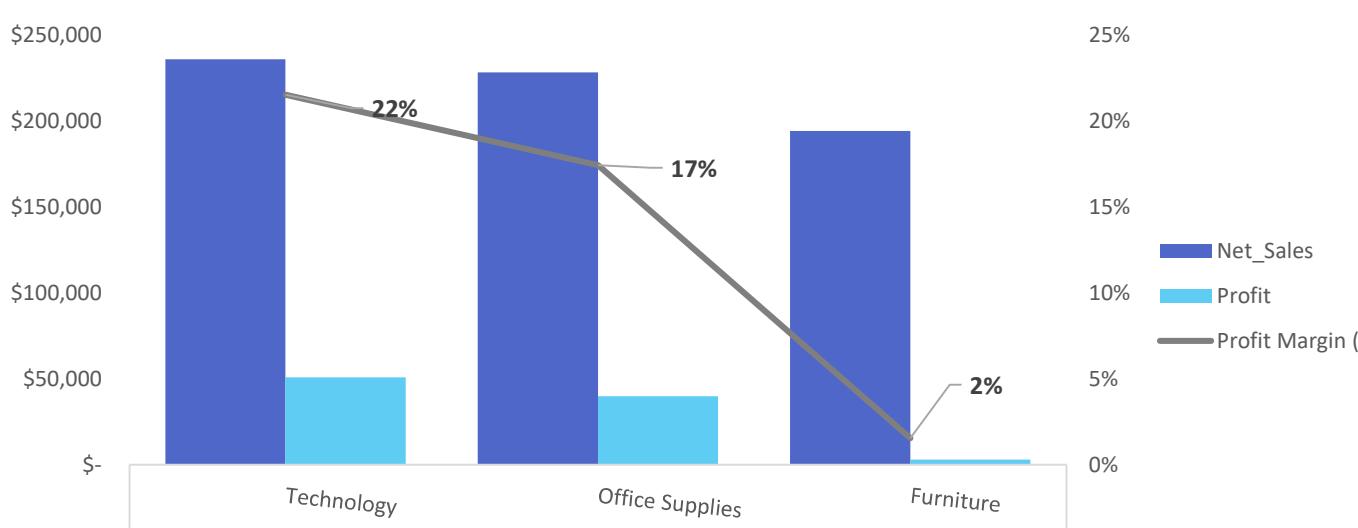
51% of Net Sales occur in the final 4 months of the year.



Forecast Validation

14% MAPE (vs 22% using ETS automatic seasonality)
2017 holdout year used for model testing.
Manual trend + normalized seasonality outperformed ETS.
Selected for improved monthly reliability.

Category Sales vs Profitability (2017)



Subcategories with Negative Profit (2017)



Key Insights

Revenue Risk Concentration

51% of annual sales occur in the final four months, creating material dependency on Q4 performance. A 10% shortfall in peak months would reduce full-year revenue by ~5%, increasing cash flow volatility and forecasting sensitivity.

Growth Moderation in 2018

Revenue growth is projected to slow from 15% in 2017 to 9% in 2018. Forecast validated using a 2017 holdout year (14% MAPE), providing moderate confidence within a ±14% range.

Category Profitability Imbalance

Despite equal revenue contribution across categories, Furniture generates only 2% margin versus 17% in Office Supplies, materially diluting overall profitability.

Subcategory Profit Leakage

Tables, Bookcases, and Machines produced negative profit in 2017. Losses appear driven by elevated discounting (Machines avg. 30%) and potential logistics cost structure in heavier Furniture SKUs, while Furnishings materially outperforms within the category.

Next Steps

- Improve Furniture margin through pricing and cost optimization.
- Evaluate discount strategy in Machines and loss-generating SKUs.
- Implement tighter Q4 demand planning and scenario analysis given revenue concentration risk.