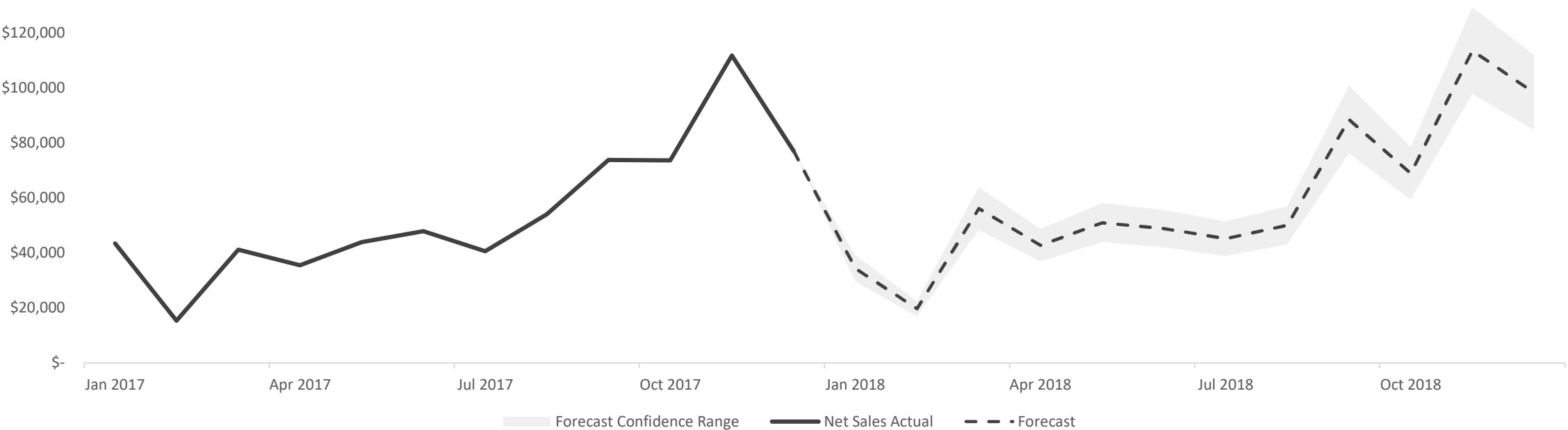


# Superstore Revenue Forecast 2018

## KPIs

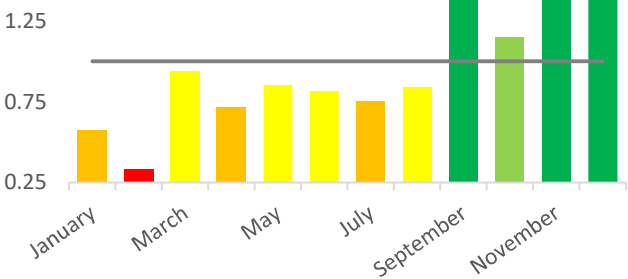
2017 Net Sales	\$ 657,713	2018 Forecast Net Sales	\$ 716,988	Forecast Range	\$617,442 - \$816,532
2017 YoY Growth	15%	Projected YoY Growth	9%	Model Accuracy (MAPE)	14%

Net Sales: Historical Performance & 2018 Forecast



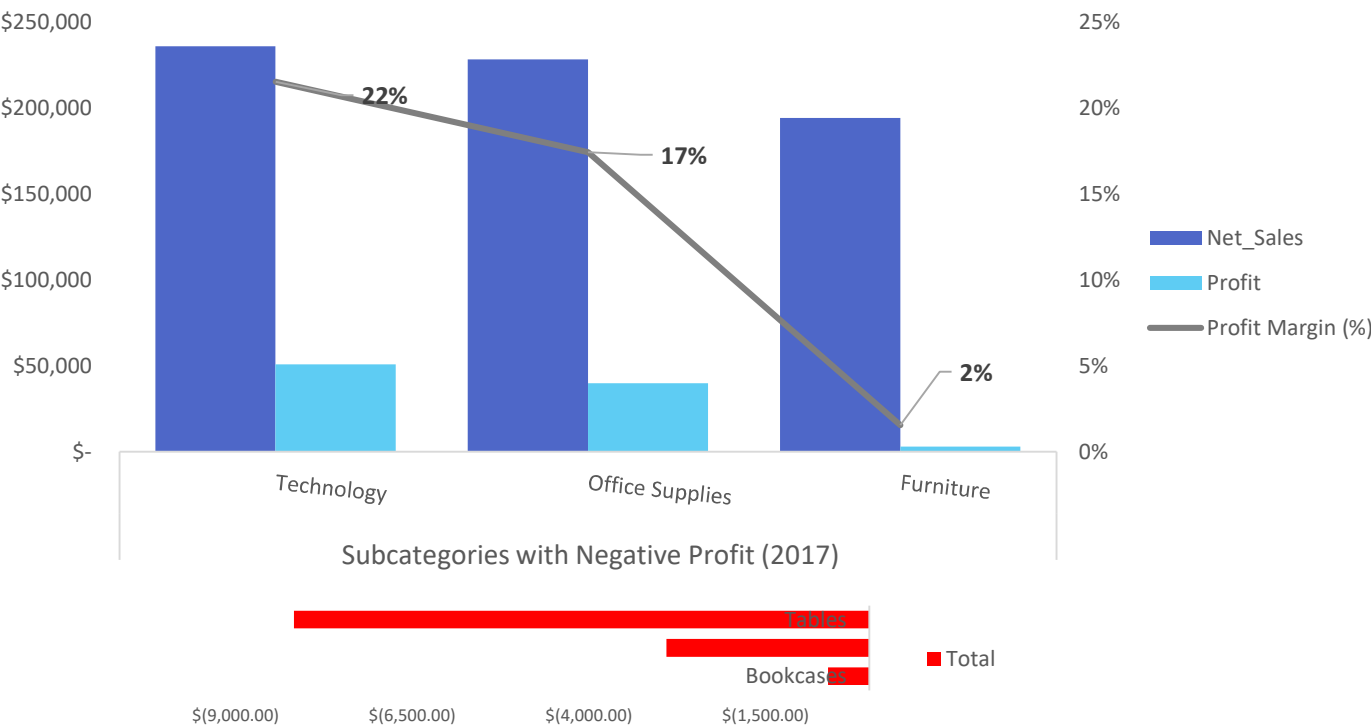
## Seasonality Index

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)



## 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  $\pm 14\%$  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.