

Sample Break-Even Analysis Projection

	2013	2014	2015	2016
Sales	\$2,010,000	\$2,060,000	\$2,121,800	\$2,391,800
Less Variable Expenses				
Materials	\$320,000	\$329,600	\$339,488	\$389,088
Labor	\$500,000	\$515,000	\$530,450	\$545,450
Variable overhead	\$125,000	\$128,750	\$132,613	\$186,363
Other	\$0	\$0	\$0	\$0
Contribution Margin	1,065,000	1,086,650	1,119,250	1,270,900
Contribution Margin Ratio	52.99%	52.75%	52.75%	53.14%
Fixed Expenses				
Salaries and wages	\$190,000	\$190,000	\$190,000	\$190,000
Employee benefits	\$50,000	\$51,500	\$53,045	\$54,545
Payroll taxes	\$30,000	\$30,900	\$31,827	\$32,727
Rent	\$5,000	\$5,150	\$5,305	\$5,455
Utilities	\$3,000	\$3,090	\$3,183	\$3,273
Repairs and maintenance	\$1,000	\$1,030	\$1,061	\$1,061
Insurance	\$1,000	\$1,030	\$1,061	\$1,061
Travel	\$2,133	\$2,197	\$2,263	\$2,263
Telephone	\$11,000	\$11,330	\$11,670	\$12,670
Postage	\$4,000	\$4,120	\$4,244	\$4,244
Office supplies	\$6,000	\$6,180	\$6,365	\$6,365
Advertising	\$1,000	\$1,030	\$1,061	\$1,061
Marketing/promotion	\$3,000	\$3,090	\$3,183	\$3,183
Professional fees	\$1,000	\$1,030	\$1,061	\$1,061
Training and development	\$1,000	\$1,030	\$1,061	\$1,061
Bank charges	\$1,000	\$1,030	\$1,061	\$1,061
Depreciation	\$1,000	\$1,030	\$1,061	\$1,061
Interest Expense	\$6,000	\$6,000	\$6,000	\$6,000
Other	\$0	\$0	\$0	\$0
Total Fixed Expenses	317,133	320,767	324,510	328,150
Total Fixed Expenses Ratio	15.78%	15.57%	15.29%	13.72%
Break-Even Sales	598,533	608,089	615,185	617,570
Break-Even %	29.78%	29.52%	28.99%	25.82%
Operating Profit	747,867	765,883	794,740	942,750

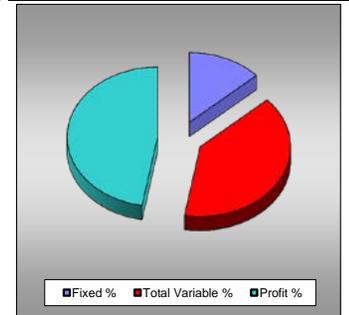
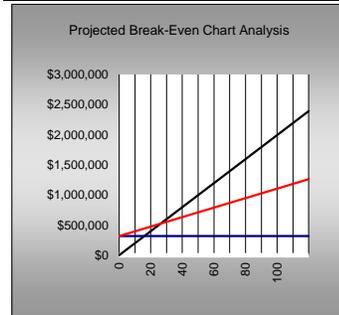
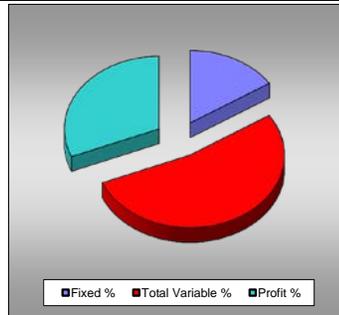
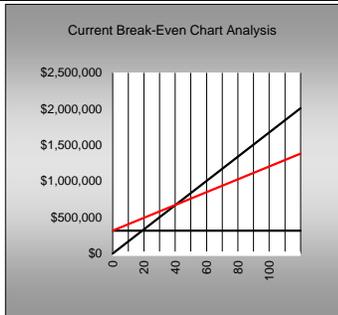
Break-Even Analysis

Current BE Chart	
Sales \$	\$ 2,010,000
Fixed \$	\$ 317,133
Total Variable \$	\$1,065,000

Current Pie	
Fixed %	15.78%
Total Variable %	52.99%
Profit %	31.24%

Projected BE Chart	
Sales \$	\$ 2,391,800
Fixed \$	\$ 317,133
Total Variable \$	\$945,000

Projected Pie	
Fixed %	13.26%
Total Variable %	39.51%
Profit %	47.23%



	Current	Projected
Sales \$	\$2,010,000	\$2,391,800
Fixed \$	\$317,133	\$317,133
Total Variable \$	\$1,065,000	\$945,000
Total Variable %	53%	40%
Operating Profit \$	\$627,867	\$1,129,667
Break-Even %	34%	22%
BE Dollars	\$674,537	\$524,273
BE Date	May 01	Mar 20