

# Net Profit Margin Calculation Template

## 1. Income Statement Data

Description	Amount (USD)
Total Revenue (Sales)	100,000
Cost of Goods Sold (COGS)	40,000
Operating Expenses	30,000
Interest Expense	5,000
Taxes	6,000

## 2. Net Profit Calculation

Total Revenue	100,000
Less: COGS	(40,000)
Less: Operating Expenses	(30,000)
Less: Interest Expense	(5,000)
Less: Taxes	(6,000)
Net Profit	19,000

## 3. Net Profit Margin Formula

$$\text{Net Profit Margin (\%)} = (\text{Net Profit} \div \text{Total Revenue}) \times 100$$

$$\text{Net Profit Margin (\%)} = (19,000 \div 100,000) \times 100 = \mathbf{19\%}$$

## Important Notes

- Net Profit Margin shows the percentage of revenue remaining as profit after all expenses are deducted.
- Consistency in accounting periods and expense categorization is essential for accurate margin analysis.
- Compare margins across periods or with industry peers for meaningful insights.
- Exclude non-recurring items if evaluating ongoing operational efficiency.
- This template provides a simplified illustration; adapt as necessary for your specific business context.

