

Operating Profit Margin Report

Company: Sample Company Ltd.

Period: Q1 2024

Date Prepared: June 2024

Prepared By: Finance Department

1. Summary

Metric	Amount (USD)	Notes
Total Revenue	1,200,000	Includes all sales income
Operating Expenses	850,000	Excludes interest and taxes
Operating Profit	350,000	Revenue minus operating expenses

2. Operating Profit Margin Calculation

Description	Value
Operating Profit Margin (%)	29.2%
Formula Used	$(\text{Operating Profit} / \text{Total Revenue}) \times 100$

3. Interpretation

The Operating Profit Margin of 29.2% indicates that the company retains \$0.29 as operating profit from every dollar of revenue generated. This margin serves as a measure of the efficiency with which the company is managing its operating costs.

Important Notes:

- Operating profit margin reflects only profitability from core operations, excluding interest and tax.
- Regular monitoring can help identify trends and operational efficiency.
- Comparisons should be made with past periods and industry benchmarks.
- Significant fluctuations may indicate changes in pricing policy, cost controls, or revenue generation.
- This report is for internal use and decision-making by management.