

Appendix: Sensitivity Analysis

Profit Forecast Report

Summary Table

Key Variable	Base Case	Scenario (+10%)	Scenario (-10%)	Impact on Profit
Revenue	\$1,000,000	\$1,100,000	\$900,000	+/- \$100,000
Cost of Goods Sold	\$600,000	\$660,000	\$540,000	+/- \$60,000
Operating Expenses	\$250,000	\$275,000	\$225,000	+/- \$25,000
Gross Margin (%)	40%	43%	37%	+/- 3%

Graphical Representation (Sample)

Variable	Impact Direction	Profit Sensitivity
Revenue	Increase	Positive
COGS	Increase	Negative
Operating Expenses	Increase	Negative

Important Notes

- This appendix provides a simplified sensitivity analysis for illustrative purposes.
- Sensitivity analysis highlights how changes in key variables may affect profit outcomes.
- Assumptions used in the scenarios should be reviewed and agreed upon before relying on the results.
- Results do not account for interdependencies among variables or external market factors.
- Sensitivity analysis does not predict actual future outcomes; it illustrates potential impact for risk assessment.