

# Sensitivity Analysis Forecast Template

## Summary

This document presents a sensitivity analysis for the key variables affecting the forecast scenario. The analysis evaluates how changes in critical assumptions impact forecasted outcomes.

## Key Variables

Variable	Base Value	Low Case	High Case
Sales Growth Rate (%)	6.0	3.0	9.0
Cost of Goods Sold (%)	55.0	58.0	52.0
Operating Expenses (%)	22.0	25.0	20.0
Tax Rate (%)	20.0	18.0	22.0

## Forecast Outcomes

Scenario	Revenue (USD)	Gross Profit (USD)	Net Income (USD)
Base Case	2,000,000	900,000	320,000
Low Case	1,800,000	756,000	220,320
High Case	2,200,000	1,056,000	421,280

## Sensitivity Table

Variable Adjusted	Change	Net Income (USD)
Sales Growth +3%	+3%	376,320
COGS +3%	+3%	283,600
Operating Expense -2%	-2%	353,600
Tax Rate +2%	+2%	308,000

### Important Notes:

- Sensitivity analysis identifies variables with the greatest impact on forecasts, helping prioritize risk management efforts.
- Results are based on assumed ranges and may vary significantly with actual market conditions.
- Document assumptions clearly for transparency and future reference.
- A single-variable change may not capture interaction effects between variables.
- Regular updates are recommended as more data becomes available or business environments change.

