

Break-Even Analysis & Profit Forecast

Business/Project Name

Sample Company XYZ

Break-Even Analysis

Description	Amount (\$)
Fixed Costs	50,000
Average Sales Price per Unit	50
Variable Cost per Unit	30
Contribution Margin per Unit (Sales Price – Variable Cost)	20
Break-Even Point (Units)	2,500

Profit Forecast (Year 1)

Sales Volume (Units)	Total Revenue (\$)	Total Variable Cost (\$)	Total Fixed Cost (\$)	Projected Profit (\$)
2,500	125,000	75,000	50,000	0
3,000	150,000	90,000	50,000	10,000
3,500	175,000	105,000	50,000	25,000
4,000	200,000	120,000	50,000	30,000

Important Notes:

- Break-even analysis helps determine the minimum sales needed to cover all costs before making a profit.
- Accurately distinguish between fixed and variable costs for reliable results.
- Adjust input values based on latest market or internal data for higher relevance.
- Profit forecasts are projections and may vary due to actual market performance.
- Regular review and update of forecasts improve decision-making and business planning.