

Actual vs Target Profit Margin Statement

Company: Alpha Delta Inc.

Period: Q1 2024

Product / Business Unit	Actual Revenue	Actual Profit	Actual Margin (%)	Target Margin (%)	Variance (pp)
Widgets	\$320,000	\$64,000	20.0	22.5	-2.5
Gadgets	\$210,000	\$37,800	18.0	18.0	0.0
Components	\$150,000	\$19,500	13.0	15.0	-2.0
Total / Average	\$680,000	\$121,300	17.8	19.5	-1.7

Important Notes:

- This statement compares actual profit margins against target benchmarks for the specified period.
- Profit margin is calculated as $(\text{Actual Profit} / \text{Actual Revenue}) \times 100\%$.
- Variance indicates the difference between actual and target margins, expressed in percentage points (pp).
- Significant negative variances should prompt further analysis into costs, pricing, or sales performance.
- Regular review helps the company ensure strategic financial goals are being met or highlight areas for improvement.