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BREAK-EVEN ANALYSIS

BUSINESS / PRODUCT	PERIOD (MONTH / YEAR)	PREPARED BY

Fixed costs for the period (do not change with volume)

Cost	Notes	Amount
Rent / lease		
Salaries (not tied to volume)		
Insurance		
Utilities, phone, internet		
Software, subscriptions		
Loan payments		
Marketing (fixed budget)		
Professional fees, licenses		
Depreciation / equipment		
Other fixed costs		
Total fixed costs		

Per unit

Selling price per unit	Variable cost per unit	Contribution per unit	Contribution margin %	Expected units / period

Break-even

Break-even units	Break-even sales	Target profit	Units for target profit	Margin of safety %

Break-even units = fixed costs / (price - variable cost per unit). Break-even sales = break-even units x price. Units for a target profit = (fixed costs + target) / contribution per unit. Margin of safety = (expected units - break-even units) / expected units. Use the same period (a month, a year) for fixed costs and expected units.

WHAT WOULD CHANGE THE RESULT (PRICE TEST, COST CUT, VOLUME PLAN)