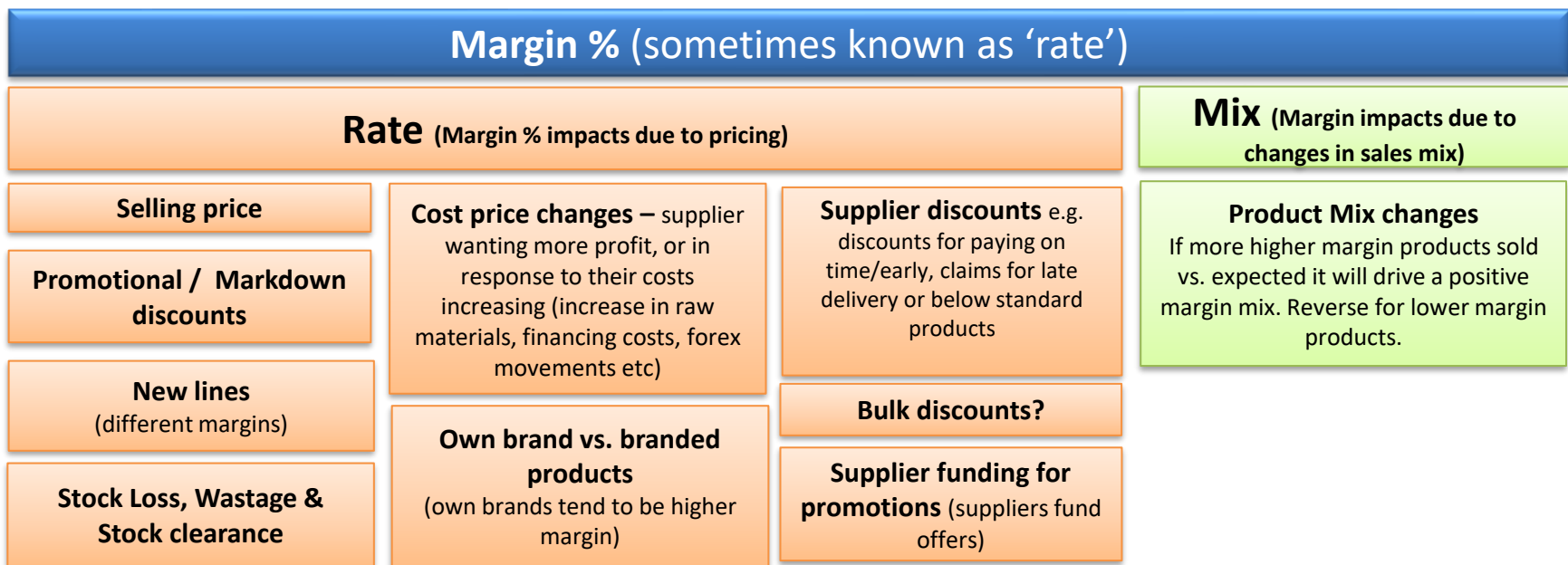


Margin % drivers

In the previous slides we discussed that margin % shows how efficient a company is at converting its sales into profit. Note sometimes we refer to this as margin rate %.

What are the dynamics that drive the margin %? Ultimately it's what you sold the good/service for vs how much it cost (direct costs to produce, purchase, deliver a service).



Remember – the above margin % drivers are not Profit, to reconcile back to absolute profit you need to consider the volume sold.