

Earnings Pro Forma - Tire Inflation Maintenance Program

Company Name

Assumptions

• Service		
- Average Total # ROs per month	700	
- Penetration rate for Nitrogen sales	10%	
- Average # cars converted / month	70	
- Average charge per vehicle for Service conversions	\$39.95	
• Tire Sales		
- Average sets (4) new Tires sold per month	50	
- Penetration rate for Nitrogen sales	50%	
- Average # sets of tires sold with Nitrogen per month	25	
- Average charge per Tire	\$8.00	
· Total Nitrogen Conversions per month	95	

Sales Revenue & Profit

Projected monthly Nitrogen Revenue for shop:		
- From sales made on Service Isle	70	\$2,797
- From Tire Sales	25	<u>\$800</u>
Projected total monthly Nitrogen Revenue		\$3,597
Less: Cost of Nitrogen Cap Kits @ \$10.95	95	<u>\$1,040</u>
Projected monthly Net Profit to shop -		\$2,557
Projected annual Net Profit to shop -		\$30,681

New Revenue from Increased Traffic due to Nitrogen TIMP

Assume additional annual visits from each Nitrogen AutoClub Member due to Reminders	2	
Assume additional Customer-Paid ROs per year from each Auto Club member	1	
Average new Nitrogen AutoClub Members added each month	95	
Average new Nitrogen AutoClub Members added each year	1140	
Average Customer- Paid Invoice		\$203
Average Customer- Paid Invoice Gross Profit	71%	\$144
Projected NEW Annual Dealership Gross Profit due to Nitrogen TIMP		\$164,308

* NOTE additional accrued benefits of greater Customer Retention and higher Fixed Absorption Rates