

Nitrogen Earnings Pro Forma

Company Name

Assumptions

- **Service**

- Average Total # ROs per month	700
- Penetration rate for Nitrogen sales	10%
- Average # cars converted / month in Service Department	70
- Average charge per vehicle for Service conversions	\$40
- Average charge to Sales per vehicle for PDI conversions	\$25
- Spiff paid to Service Advisor per Nitrogen Sale	\$5
- Wage paid to Tech for conversions (2/10)	\$20

- **New/Used Vehicle Sales**

- Average # Vehicles (new & used) sold per month	75
- Penetration rate for Nitrogen - Sticker	100%
- Average # new/used cars sold with Nitrogen per month	75
- Average charge per vehicle – Sticker	\$50

- **Tire Sales**

- Average sets (4) new Tires sold per month	20
- Penetration rate for Nitrogen sales	100%
- Average # sets of tires sold with Nitrogen per month	20
- Average charge per Tire	\$8

· Total Nitrogen conversions per month **165**

Sales Revenue & Profit

Projected monthly Nitrogen Revenue for dealership:		
- From sales made on Service Isle	70	\$2,800
- From Service Dept. for vehicles converted during PDI	75	\$1,875
- From sales of New & Used Vehicles	75	\$3,750
- From Tire Sales	20	<u>\$640</u>
Projected total monthly Nitrogen Sales Revenue		\$9,065
Less: Spiffs paid to Service Advisors		\$350
Less: Wages paid to Service Techs for conversions		\$3,300
Less: Cost to Sales Department for conversions in PDI		<u>\$1,875</u>

Projected monthly Net Profit to dealership - **\$3,540**

Projected annual Net Profit to dealership - **\$42,480**

Nitrogen System Investment **\$8,500**

ROI in 1st year **500%**

Projected Payback in months **2.4**

Note: This model assumes that the Service Department converts the new and used vehicle inventory to Nitrogen during the PDI process and sells the service to the Sales Department for \$25 per vehicle. The service is then marked up and included in the sticker price on the vehicle for \$50. This model also assumes a spiff paid to Service Advisors.