

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	\$49.95
- Average charge to Sales per vehicle for PDI conversions	\$34.95
- Spiff paid to Service Advisor per Nitrogen Sale	\$10.00
- Wage paid to Tech for conversions (4/10)	\$20.00

• **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	\$50.00

• **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	\$12.50

· Total Nitrogen Conversions per month **195**

Sales Revenue & Profit

Projected monthly Nitrogen Revenue for dealership:		
- From sales made on Service Isle	70	\$3,497
- To Service Dept. for vehicles converted during PDI	75	\$2,621
- From sales of New & Used Vehicles	75	\$3,746
- From Tire Sales	25	<u>\$1,250</u>
Projected total monthly Nitrogen Revenue		\$11,115
Less: Spiffs paid to Service Advisors		\$700
Less: Wages paid to Service Techs for conversions		\$3,900
Less: Cost to Sales Department for conversions in PDI		\$2,621
Less: Cost of Nitrogen Cap Kits @ \$14.95	195	<u>\$3,120</u>

Projected monthly Net Profit to dealership - \$773

Projected annual Net Profit to dealership - \$9,279

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	195
Average new Nitrogen AutoClub Members added each year	2340
Average Customer- Paid Invoice	\$203
Average Customer- Paid Invoice Gross Profit	71% \$144

Projected NEW Annual Dealership Gross Profit due to Nitrogen TIMP \$337,264

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