WORKED EXAMPLE · ROLLING FORECAST

Where the year will land

The budget year of "A budget that starts from the signed S&OP plan", six months in: actuals for January to June and a forecast for July to December, at the budget's own detail of product, retailer and month. Laundry capsules at Retailer A sell 8% above the plan: 171 thousand cases against 158 budgeted, and a gross margin of 928 thousand euros against 872.

THE HEADLINE

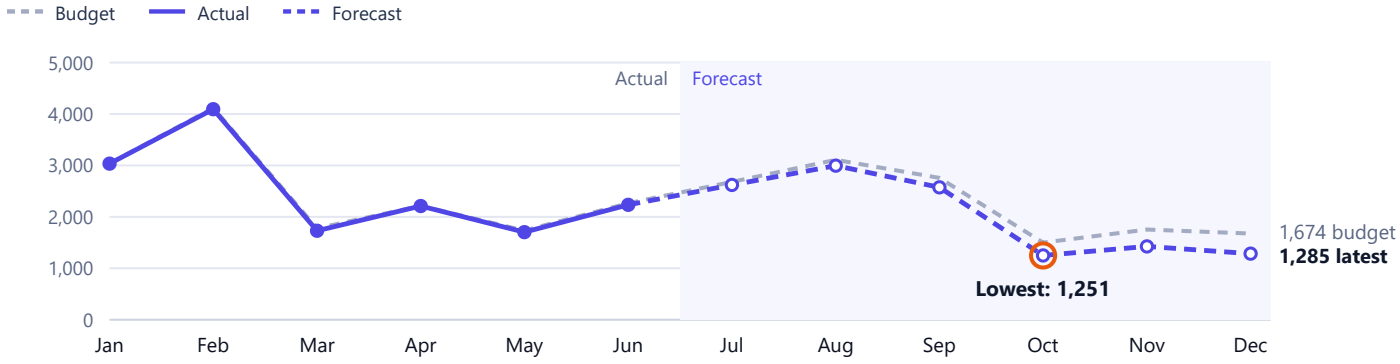
EBIT will land at 2,263 thousand euros, 643 below the budget of 2,906. Dearer materials and a lost listing explain it, and nothing is left unexplained. Cash is lowest in October, at 1,251 thousand.

From budget EBIT to the landing (EUR thousand)



Net-net sales, EUR thousand: 52,792 in the budget, 51,641 in the landing. January to June, EBIT was 1,135 against 1,378 budgeted.

Cash at each month end, and its low point



EUR thousand, cash at the end of each month

What would bring the year back to budget

Either move, on its own	Change needed	EBIT, EUR thousand
More cases from July to December, at the forecast's mix and terms	+10.6% (+117 thousand cases)	2,906
Higher list prices from September, on every product	+3.4%	2,906

Dearer materials, a lost listing

Dearer materials from April take 357 thousand euros. Retailer B stopped listing shower gel in April: 56 thousand cases it will not sell.

Nothing left unexplained

Volume, mix, price, trade terms, cost and operating costs add up exactly to the change of −643 thousand, and the unexplained line is 0.

The cash low is still ahead

Cash is lowest in October, 248 thousand below budget, after the second payment for a new capsule production line and the autumn stock build. The year ends at 1,285 against 1,674 budgeted.

Key tables export to Excel with their formulas. Illustrative figures. Not a client's data. Actuals to the end of June; the forecast keeps the budget's rules for stock, payment days and purchase terms. Price is valued at list price; discounts and rebates on it sit in trade terms. Mix is valued at the budget's margin per case.