

# Break-Even Analysis for Investment Assessment

Date: [Insert Date]

To: [Recipient's Name]

From: [Your Name]

Subject: Break-Even Analysis for Investment Proposal

Dear [Recipient's Name],

I am writing to present the break-even analysis for the proposed investment in [Project Name]. This analysis aims to assess the feasibility and potential profitability of the project.

## 1. Overview

The break-even point (BEP) is the point at which total revenues equal total costs, resulting in neither profit nor loss. This analysis will help us determine the sales volume required to recover the initial investment.

## 2. Fixed and Variable Costs

- Fixed Costs: \$[Insert Amount]
- Variable Cost per Unit: \$[Insert Amount]

## 3. Revenue per Unit

Revenue per Unit: \$[Insert Amount]

## 4. Break-Even Calculation

The break-even point in units can be calculated using the formula:

$$\text{BEP (Units)} = \text{Fixed Costs} / (\text{Revenue per Unit} - \text{Variable Cost per Unit})$$

BEP (Units): [Insert Calculated Amount]

## 5. Conclusion

This break-even analysis indicates that we need to sell [Insert Amount] units to cover our costs. Based on this analysis, I look forward to discussing the potential investment further.

Thank you for considering this assessment.

Sincerely,

[Your Name]

[Your Position]

[Your Contact Information]