SimpleLifeCalc

THE PROFIT WORKBOOK SERIES

Shopify Profit Worksheet

Calculate your true profit after product costs, shipping, payment processing, apps, and advertising — one worksheet at a time.

Revenue · Product Cost · Shipping · Payment Fees · Advertising · Net Profit · Profit Margin

A fill-in workbook for **Shopify store owners**
7 worksheets · worked examples · benchmarks · action plan

Workbook No. **04**
Print & reuse monthly

START HERE

Know exactly what your store keeps

Shopify tells you your **sales**. It does not tell you your **profit**. Between the headline number and the money that actually lands in your bank account sits a stack of costs — the products themselves, the shipping, the small percentage skimmed off every card payment, the apps that auto-renew, and the advertising that brings buyers in. This workbook walks you through each one so you finish with a single, honest number: **what you truly earned.**

THE PROFIT PATH

START Revenue	−	W2–W5 All Costs	=	RESULT Net Profit	→	GRADE Margin %

HOW THIS WORKBOOK IS BUILT

1. **Pick one month and stick to it**
   Use the same date range across all seven worksheets so every number lines up.
2. **Work through the seven worksheets in order**
   Revenue → Product Cost → Shipping → Payment Fees → Advertising → Net Profit → Margin.
3. **Follow the worked example, then fill in your own**
   Every worksheet shows the same store — Meadow & Maple Candle Co. — so you can see the math before you do yours.
4. **Grade your margin against the benchmarks**
   Find out whether your result is Weak, Acceptable, Strong, or Excellent.
5. **Fix the leaks with the action plan**
   Use the common-mistakes list and 30-day plan to push your margin up.

What you'll need

Your Shopify Finances summary report, your supplier invoices, a recent shipping/carrier statement, your ad-account dashboards (Meta, Google, etc.), and your list of paid apps. A calculator or a copy of the companion spreadsheet helps, but pen and paper work perfectly.

WHAT YOU ACTUALLY EARN

1 Revenue Worksheet

Revenue is the starting line, not the finish line. Most owners glance at the headline sales number in Shopify and stop there — but discounts, refunds, and returns all shrink what you truly collect. Start by calculating your **net revenue** for one month.

FORMULA Net Revenue = Gross Sales – Discounts – Refunds & Returns (+ Shipping Charged)

WORKED EXAMPLE · MEADOW & MAPLE CANDLE CO.

Gross product sales (300 orders × $45 avg)		$13,500
Less: discount codes & promotions		– $700
Less: refunds & returns		– $300
Net Revenue	=	**$12,500**

YOUR WORKSHEET

1	Gross product sales Total sales before any deductions		$
2	Discount codes & promotions Automatic + manual discounts	–	$
3	Refunds & returns Money paid back to customers	–	$
4	Shipping charged to customers Add if you charge for shipping	+	$
	Net Revenue	=	$

TIP In Shopify, pull these from Analytics → Reports → Finances summary. Use the same date range for every worksheet so your numbers line up.

YOUR TRUE LANDED COST

2 Product Cost Worksheet

Your product cost — or **COGS** (Cost of Goods Sold) — is more than the price on the supplier invoice. The real number is your **landed cost**: everything it takes to get one sellable, packaged unit ready to ship. Calculate it per unit, then multiply by units sold.

FORMULA Total COGS = Landed Cost Per Unit × Units Sold | Landed Cost = Goods + Freight + Packaging

WORKED EXAMPLE · MEADOW & MAPLE CANDLE CO.

Cost per candle (wax, wick, fragrance, jar)		$5.40
Packaging & label per unit	+	$2.10
Landed cost per unit	=	**$7.50**
Units sold this month		× 450
Total Product Cost (COGS)	=	**$3,375**

YOUR WORKSHEET

1	Cost of goods per unit What you pay your supplier / maker		$
2	Inbound shipping & duties per unit Freight to get stock to you	+	$
3	Packaging & labels per unit Boxes, inserts, branded tissue	+	$
	Landed cost per unit	=	$
×	Units sold this month Total units across all orders		
	Total Product Cost (COGS)	=	$

TIP Don't forget freight and customs. A $5 item that costs $2 to import is really a $7 item. Skipping landed cost is the #1 reason "profitable" products quietly lose money.

WHAT IT COSTS TO DELIVER

3 Shipping Cost Worksheet

Shipping is where margins silently leak. “Free shipping” is never free — someone pays, and if you’re not charging for it, that someone is you. Track both what you **spend** to ship and what you **collect** from customers to find your true shipping cost.

FORMULA Net Shipping Cost = (Labels + Supplies + Fulfillment) – Shipping Charged to Customers

WORKED EXAMPLE · MEADOW & MAPLE CANDLE CO.

Carrier label cost (300 shipments × $5.20)		$1,560
Shipping supplies (mailers, tape, fillers)		+ $270
Total Shipping Cost	=	**$1,830**
Shipping collected from customers		$0 (free shipping)
Net Shipping Cost to absorb	=	**– $1,830**

YOUR WORKSHEET

1	Carrier / postage labels Total spent on shipping labels		$
2	Shipping supplies Boxes, poly mailers, tape, fillers	+	$
3	Fulfillment / pick-pack fees 3PL or per-order handling fees	+	$
	Total Shipping Cost	=	$
–	Shipping collected from customers Shipping revenue you charged	–	$
	Net Shipping Cost	=	$

TIP If you offer free shipping, build the cost into your product price. Aim to keep net shipping cost under 10–12% of revenue, or your margin is being eaten one parcel at a time.

THE CUT ON EVERY SALE

4 Shopify Payments Fee Worksheet

Every card payment carries a fee: a **percentage** of the sale plus a small **flat fee** per transaction. These are easy to ignore because they're deducted automatically — but across hundreds of orders they add up fast. Rates depend on your Shopify plan and region.

FORMULA Processing Fees = (Sales × % Rate) + (Transactions × Per-Order Fee)

WORKED EXAMPLE · MEADOW & MAPLE CANDLE CO.

Amount processed (gross sales)		$13,500
Percentage fee (2.9%)		$391.50
Per-transaction fee (300 × $0.30)		+ $90.00
Total Processing Fees	=	**$481.50**

YOUR WORKSHEET

1	Total amount processed Gross sales run through checkout		$
%	Your percentage rate e.g. 2.9% — check your plan		
	Percentage fee subtotal	=	$
2	Number of transactions Count of paid orders		
×	Per-transaction fee e.g. $0.30 per order		$
	Total Processing Fees	=	$

TIP Find your exact rate in Settings → Payments. Higher Shopify plans lower the percentage. If you use a third-party gateway instead of Shopify Payments, you may also pay an extra platform transaction fee — add it as a line.

THE COST OF GETTING CUSTOMERS

5 Advertising Cost Worksheet

Advertising is usually the largest controllable cost in an online store — and the fastest way to turn a profitable product into a money-loser. Add up every paid channel, then compare it to the revenue it generated using **ROAS** (Return On Ad Spend).

FORMULA Total Ad Cost = Sum of All Paid Channels | ROAS = Ad Revenue ÷ Ad Spend

WORKED EXAMPLE · MEADOW & MAPLE CANDLE CO.

Meta (Facebook / Instagram) ad spend		$2,100
Google / search ad spend		+ $900
Other (influencer, email tools, creative)		+ $200
Total Advertising Cost	=	**$3,200**
Revenue attributed to ads		$13,500
ROAS (return on ad spend)	=	**4.2×**

YOUR WORKSHEET

1	Meta ads (FB / Instagram) Facebook & Instagram spend		$
2	Google / search ads Search, Shopping, YouTube	+	$
3	Other paid channels TikTok, influencers, affiliates	+	$
4	Creative & agency fees Design, UGC, management	+	$
	Total Advertising Cost	=	$
÷	Revenue from ads Track ROAS = Revenue ÷ Ad Spend		

TIP A 4× ROAS sounds great, but it must cover product, shipping, and fees too. As a rule of thumb, know your **break-even ROAS** — the point where an extra sale adds zero profit — before you scale spend.

WHAT YOU ACTUALLY KEEP

6 Net Profit Worksheet

This is the moment of truth. **Net profit** is what's left after every cost — not just product, but shipping, fees, ads, and the apps and subscriptions that quietly bill you each month. Carry each total forward from the worksheets above and subtract them from net revenue.

FORMULA Net Profit = Net Revenue – COGS – Shipping – Fees – Ads – Apps & Fixed Costs

WORKED EXAMPLE · MEADOW & MAPLE CANDLE CO.

Net Revenue		**$12,500**
Less: Product Cost (COGS)		– $3,375
Less: Net Shipping Cost		– $1,830
Less: Payment Processing Fees		– $482
Less: Advertising Cost		– $3,200
Less: Apps & Subscriptions		– $104
Net Profit	=	**$3,509**

YOUR WORKSHEET

1	Net Revenue From Worksheet 1		$
2	Product Cost (COGS) From Worksheet 2	–	$
3	Net Shipping Cost From Worksheet 3	–	$
4	Payment Processing Fees From Worksheet 4	–	$
5	Advertising Cost From Worksheet 5	–	$
6	Apps & subscriptions Shopify plan + paid apps	–	$
7	Other fixed costs Software, contractors, misc.	–	$
	Net Profit	=	$

HEALTH IN ONE NUMBER

7 Profit Margin Worksheet

Profit margin turns your dollar figure into a percentage you can compare month to month and against industry norms. It answers the real question: **for every $1 of sales, how many cents do you keep?** Use the benchmark table on the next page to grade your result.

FORMULA Net Profit Margin = (Net Profit ÷ Net Revenue) × 100

WORKED EXAMPLE · MEADOW & MAPLE CANDLE CO.

Net Profit		$3,509
Net Revenue		÷ $12,500
Net Profit Margin	=	**28.1%**
Benchmark band	→	**Acceptable**

YOUR WORKSHEET

1	Net Profit From Worksheet 6		$
÷	Net Revenue From Worksheet 1		$
	Net Profit Margin	=	
2	Profit per order Net Profit ÷ number of orders		$
3	Break-even revenue Fixed costs ÷ gross margin %		$

TIP Margin matters more than revenue. A $200k store at 8% margin keeps less than a $100k store at 25%. Grow the percentage, not just the top line.

GRADE YOUR RESULT

Profit Margin Benchmarks

Once you've calculated your net profit margin in Worksheet 7, find your band below. These ranges reflect healthy targets for product-based e-commerce stores. Your goal isn't just to be profitable — it's to move up a band over time.

Under 20%	Weak	Profit is fragile. One bad ad month, price rise, or return wave can wipe it out. Diagnose costs urgently.
20–34%	Acceptable	A workable, sustainable range for most stores. Solid footing — now optimize toward Strong. (Our example store lands here at 28.1%.)
35–50%	Strong	Healthy and resilient. You have room to reinvest in growth, weather slow months, and pay yourself.
50%+	Excellent	Exceptional margin — typical of strong brands, premium pricing, or low-cost digital/handmade goods. Protect it.

WHERE THE EXAMPLE STORE SITS

<20% | 20–34% ▲ 28.1% | 35–50% | 50%+

0% 20% 35% 50%+

Read it as a trend, not a verdict

A single month can be noisy — a big ad test, a seasonal spike, or a one-off bulk order can swing the number. Run this workbook every month and watch the direction of your margin. Steady improvement beats one lucky month.

AVOID THESE

7 Common Profit Mistakes

These are the errors that make a store feel profitable while quietly losing money. Each one inflates your perceived profit. Here's how to spot and fix them.

1 **Treating revenue as profit**

A $20k sales month feels great — until costs take 75% of it. **Fix:** never celebrate the top line; always run it down to net profit first.

2 **Ignoring landed cost on products**

Counting only the supplier price and forgetting freight, duties, and packaging. **Fix:** use the landed-cost formula in Worksheet 2 for every product.

3 **Forgetting payment processing fees**

2.9% + 30¢ sounds tiny, but it's a real line on every order. **Fix:** subtract fees in Worksheet 4 — never assume the full order value hits your account.

4 **Offering "free" shipping without pricing it in**

Absorbing carrier costs with no plan. **Fix:** build shipping into your product price or set a free-shipping threshold above your cost.

5 **Judging ads by ROAS alone**

A 3× ROAS can still lose money once product, shipping, and fees are paid. **Fix:** calculate your break-even ROAS before scaling spend.

6 **Letting app subscriptions pile up**

Five $20 apps is $1,200 a year — often for tools you no longer use. **Fix:** audit your app bill quarterly and cut dead weight.

7 **Not paying yourself a wage**

"Profit" that ignores your own labor isn't real profit. **Fix:** add an owner-pay line to fixed costs so your time is counted.

PUT IT TO WORK

Your 30-Day Profit Action Plan

You've found your number. Now raise it. Work this plan over four weeks — small, specific moves that compound into a measurably higher margin.

WEEK 1 Measure & baseline

- Complete all **seven worksheets** for last month's data.
- Record your **net profit margin** and find your benchmark band.
- Calculate your **profit per order** — this is the number every change should move.

WEEK 2 Cut the quiet costs

- Audit every **app subscription**; cancel anything unused or duplicate.
- Re-quote **shipping rates** and packaging suppliers; test a free-shipping threshold.
- Confirm your **payment plan** in Settings → Payments — a higher Shopify tier may lower your %.

WEEK 3 Fix the unit economics

- Recalculate **landed cost** per product; flag any item under a 50% gross margin.
- Test a small **price increase** (3–7%) on your bestsellers and watch conversion.
- Add an upsell or bundle to lift **average order value**.

WEEK 4 Sharpen advertising

- Calculate your **break-even ROAS** and set it as your floor.
- Pause campaigns below break-even; shift budget to your best performers.
- Re-run all seven worksheets and **compare your new margin** to Week 1.

Make it a monthly habit

Print this workbook and run it on the first of every month. The owners who track profit — not just sales — are the ones who still have a business in three years. Same number, every month, always rising.

QUICK REFERENCE

Formulas & Key Terms

ALL FORMULAS IN ONE PLACE

1. Net Revenue = Gross Sales − Discounts − Refunds (+ Shipping Charged)
2. Total COGS = Landed Cost Per Unit × Units Sold
3. Net Shipping Cost = (Labels + Supplies + Fulfillment) − Shipping Charged
4. Processing Fees = (Sales × % Rate) + (Transactions × Per-Order Fee)
5. ROAS = Ad Revenue ÷ Ad Spend
6. Net Profit = Net Revenue − COGS − Shipping − Fees − Ads − Apps
7. Net Profit Margin = (Net Profit ÷ Net Revenue) × 100

KEY TERMS

Gross Sales
Total value of orders before any deductions.

Net Revenue
Sales after discounts, refunds, and returns.

COGS
Cost of Goods Sold — the direct cost of the products you sold.

Landed Cost
Full per-unit cost including freight, duties, and packaging.

Gross Profit
Net Revenue minus COGS, before operating costs.

Net Profit
What remains after every cost is paid.

Net Margin
Net profit as a percentage of net revenue.

ROAS
Revenue generated per dollar of ad spend.

Break-even ROAS
The ROAS at which an extra sale adds zero profit.

AOV
Average Order Value — revenue divided by orders.

CAC
Customer Acquisition Cost — ad spend to win one customer.

Fixed Costs
Recurring costs like apps, the Shopify plan, and owner pay.

> **A note on rates & figures**
>
> Payment-processing rates, Shopify plan prices, and app fees vary by region and change over time. The figures used in the worked examples (such as 2.9% + $0.30) are illustrative — always confirm your own current rates in your Shopify admin before relying on the result.

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