# Return on Investment

Return on investment over five years based on projected revenues and costs.

| Discount Rate |
| --- |
| 10% |

## Summary

| | | |
| --- | --- | --- |
| Present Value of Return on Investment (PV ROI) | 86% | The sum of net present value divided by the sum of present value of costs |
| Net Present Value (NPV) (in Thousands) | $327 | The sum of annual net present values |
| Internal Rate of Return (IRR) | 0% | The discount rate that yields a net present value of 0 |

| Year | 1 | 2 | 3 | 4 | 5 |
| --- | --- | --- | --- | --- | --- |
| **Discount Factor** | **0.91** | **0.83** | **0.75** | **0.68** | **0.62** |
| Increased Revenue | $100 | $120 | $140 | $160 | $180 |
| Decreased Costs | $50 | $50 | $50 | $50 | $50 |
| **Annual Benefits** | **$150** | **$170** | **$190** | **$210** | **$230** |
| **Present Value (Benefits)** | **$136** | **$140** | **$143** | **$143** | **$143** |

### Costs

| | 1 | 2 | 3 | 4 | 5 |
| --- | --- | --- | --- | --- | --- |
| One-Time Costs | $85 | $85 | $85 | $85 | $85 |
| Recurring Costs | $15 | $15 | $15 | $15 | $15 |
| **Annual Costs** | **$100** | **$100** | **$100** | **$100** | **$100** |
| **Present Value (Costs)** | **$91** | **$83** | **$75** | **$68** | **$62** |

### Net Value

| | 1 | 2 | 3 | 4 | 5 |
| --- | --- | --- | --- | --- | --- |
| Annual Net Value | $50 | $70 | $90 | $110 | $130 |
| Cumulative Net Value | $50 | $120 | $210 | $320 | $450 |
| **Net Present Value** | **$45** | **$58** | **$68** | **$75** | **$81** |
| **Annual ROI** | **50%** | **70%** | **90%** | **110%** | **130%** |