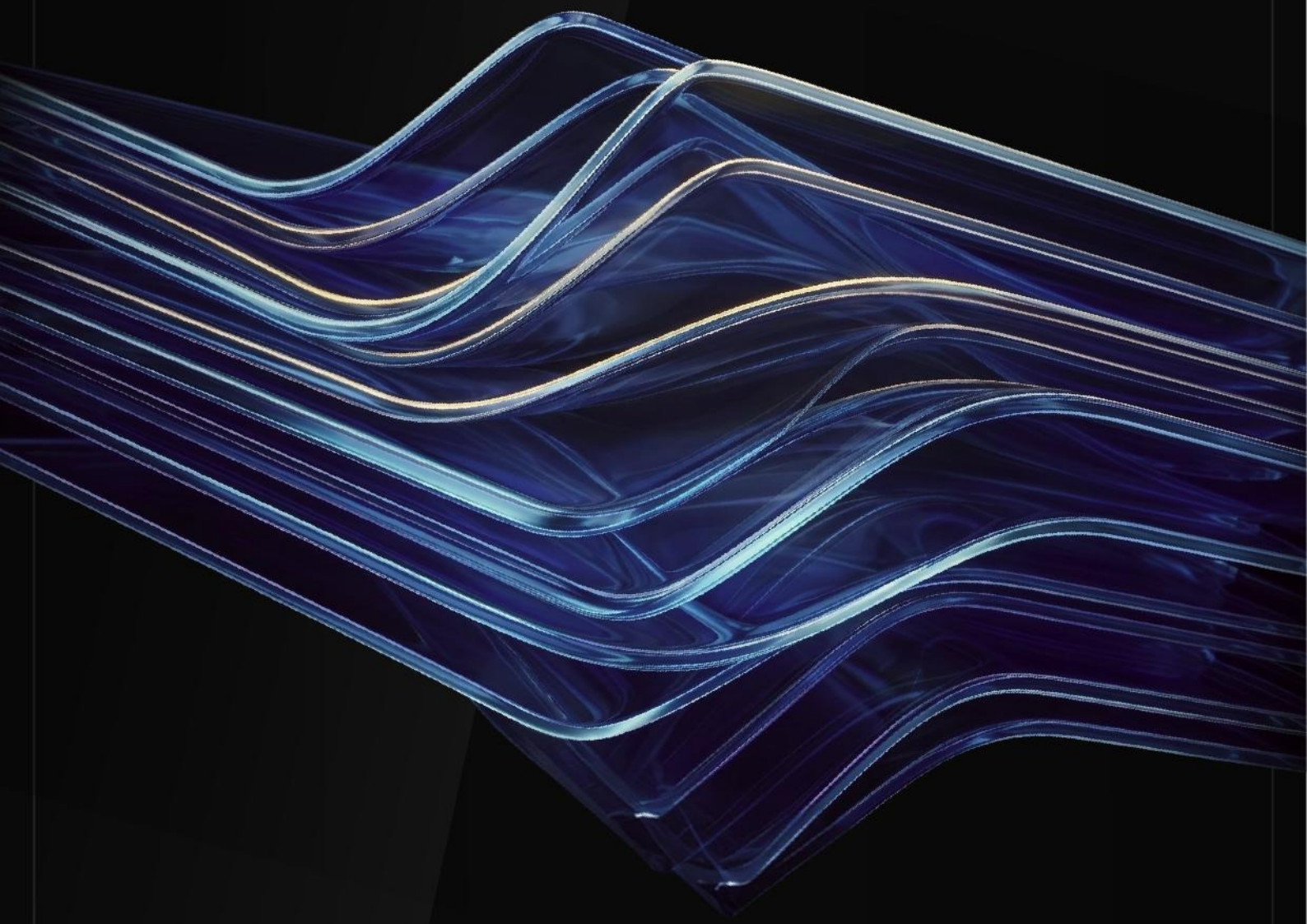
The ROAS worksheet: from your margin to your target ROAS

Worksheet · November 2026 · Marrallisa Kreijkes



How to use this worksheet

A ROAS is only good if your margin says so.

ROAS measures revenue per unit of ad spend, not profit. A ROAS of 400% can be profitable at one margin and loss-making at another. This worksheet puts your ROAS next to your margin, so you can see your floor and the target to set in Google Ads or Meta.

Work from top to bottom: the formulas first, then the break-even and target ROAS table by margin, then your own numbers. Fill it in per campaign or per product group, for a closed period that leaves out the last few days.

By **Marrallisa Kreijkes**, Founder of Viralistic and official n8n Ambassador

01 The ROAS formula

How much revenue does each unit of ad spend bring in?

ROAS = revenue from ads ÷ ad spend

Example: EUR 20,000 revenue ÷ EUR 5,000 ad spend = ROAS 4, or 400%. Use revenue excluding VAT and after returns.

02 Break-even ROAS

Your floor: below it, every sale costs you money.

Break-even ROAS = 1 ÷ gross margin

Example: at a 35% gross margin, break-even ROAS is 1 ÷ 0.35 = 2.86, or 286%. So a ROAS of 1 is not break-even.

03 Target ROAS

The ROAS you need to keep the profit you want after paying for ads.

Target ROAS = 1 ÷ (gross margin - desired profit after ad spend)

Example: a 35% margin and 10% desired profit gives 1 ÷ 0.25 = 4, or 400%. Both percentages are shares of revenue.

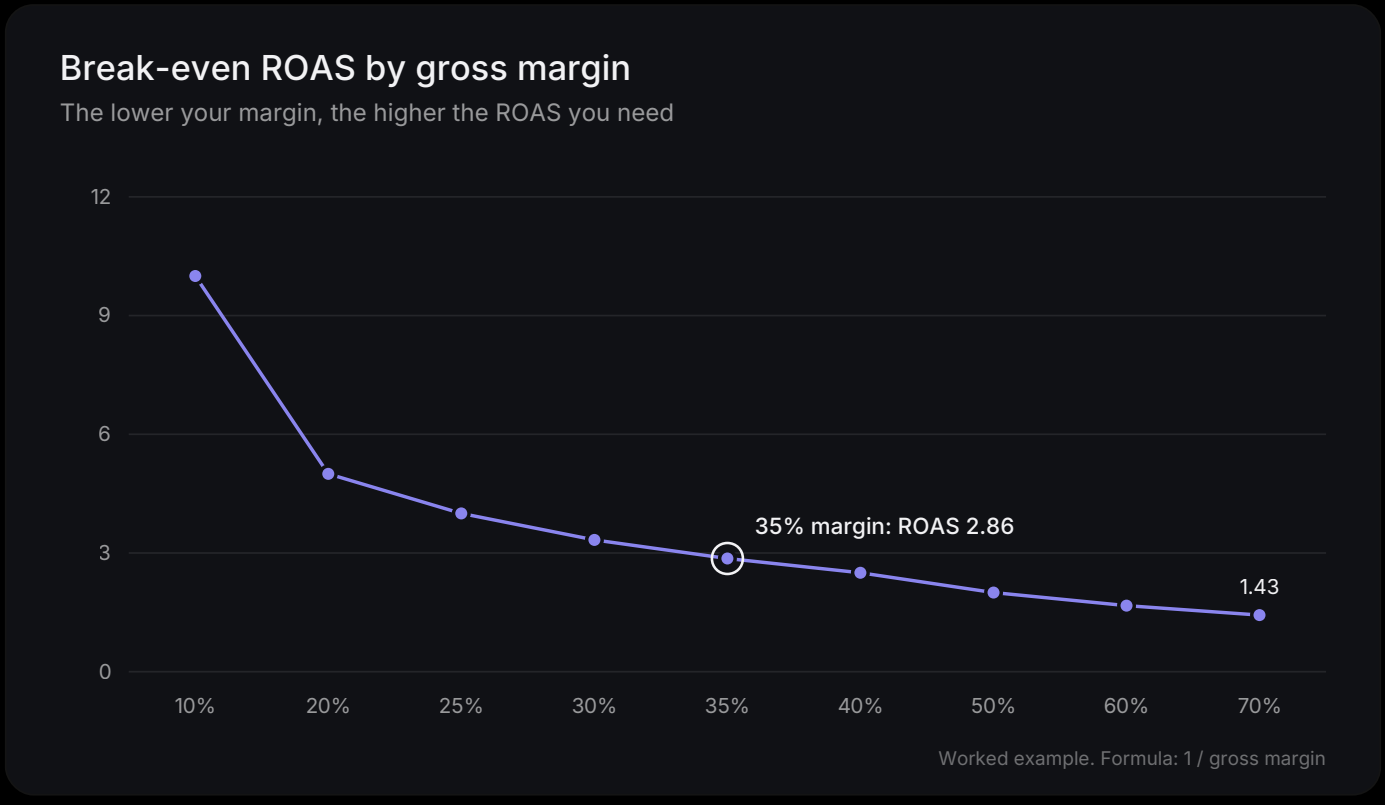
04 Break-even and target ROAS by margin

Find your gross margin and read off your floor and your target. The percentage in brackets is what you enter for Target ROAS in Google Ads.

Gross margin	Break-even ROAS	Target at 5% profit	Target at 10% profit	Target at 15% profit
15%	6.67 (667%)	10.00 (1,000%)	20.00 (2,000%)	not possible
20%	5.00 (500%)	6.67 (667%)	10.00 (1,000%)	20.00 (2,000%)
25%	4.00 (400%)	5.00 (500%)	6.67 (667%)	10.00 (1,000%)
30%	3.33 (333%)	4.00 (400%)	5.00 (500%)	6.67 (667%)
35%	2.86 (286%)	3.33 (333%)	4.00 (400%)	5.00 (500%)
40%	2.50 (250%)	2.86 (286%)	3.33 (333%)	4.00 (400%)
50%	2.00 (200%)	2.22 (222%)	2.50 (250%)	2.86 (286%)
60%	1.67 (167%)	1.82 (182%)	2.00 (200%)	2.22 (222%)

05 How your margin sets your floor

The lower your gross margin, the faster the ROAS you need to break even rises.



Worked example based on the formula 1 ÷ gross margin, not a benchmark.

06 Work out your own target ROAS

Fill this in for one campaign or product group over a closed period. Leave out the last few days: some conversions arrive later.

1. Revenue from ads

Excluding VAT, after returns and cancellations.

2. Ad spend

Media spend, plus agency fee and tools if you choose. Note which version you use.

3. Your ROAS

Line 1 ÷ line 2.

4. Gross margin

Revenue excluding VAT, minus product cost, shipping, packaging, payment fees and returns, divided by revenue.

5. Break-even ROAS

1 ÷ line 4, with the margin as a decimal (35% = 0.35).

6. Desired profit after ad spend

As a share of revenue, for example 10%.

7. Target ROAS

1 ÷ (line 4 - line 6). Times 100 for the percentage in Google Ads.

8. Conclusion and next step

Is your ROAS (line 3) above target, between break-even and target, or below? What will you test?

07 Your target ROAS per product group

Margins differ per product group, so your target does too. One average hides the products you lose money on.

Product group	Gross margin	Break-even ROAS	Target ROAS	Current ROAS	Action
1					
2					
3					
4					
5					
6					

08 POAS: steering on profit

When your margins vary, POAS tells you more than ROAS.

POAS = gross profit ÷ ad spend

Break-even is a POAS of 1. Example: EUR 7,000 gross profit ÷ EUR 5,000 ad spend = POAS 1.4.

09 Same ROAS, different profit

Three product groups each get EUR 1,000 in ad spend and each bring in EUR 4,000. On ROAS they are equal, on profit they are not.

Product group	Margin	ROAS	Gross profit	POAS	After ad spend
A	50%	4.0	EUR 2,000	2.0	**EUR 1,000**
B	35%	4.0	EUR 1,400	1.4	**EUR 400**
C	20%	4.0	EUR 800	0.8	**EUR -200**

10 Before you trust your ROAS

A ROAS is only as reliable as the measurement behind it.

- [ ] **The conversion value in your ad accounts excludes VAT**
  Use the same definition everywhere: in Google Ads, in Meta and in your own reports.
- [ ] Returns and cancellations are subtracted, or you apply an average return rate
- [ ] **Brand campaigns are judged separately from campaigns for new customers**
  People searching for your brand already knew you. Their high ROAS flatters everything else.
- [ ] **The most recent days are left out of your evaluation**
  Google Ads reports conversions by the date of the search, so recent days show a ROAS that is too low.
- [ ] **You never add up ROAS from different platforms**
  Each platform credits a sale to its own ads. Compare total store revenue with total ad spend every month.
- [ ] Every product group has a target ROAS based on its own margin
- [ ] **For Target ROAS in Google Ads you have at least 15 conversions with values in the past 30 days**
  That threshold applies to Search and Shopping campaigns.
- [ ] You raise a target step by step and give each change one to two conversion cycles
- [ ] **Next to ROAS, you track how many new customers you win and what each one costs**
  Selling services? Give an enquiry a value: average gross profit per client times the share of enquiries that become clients.

Any questions?
Get in touch.

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