Additionally, this project will incorporate targets for expenses and revenue to provide deeper insights.

This project involves analyzing the financial performance of a sporting goods manufacturer across three business lines: Sports Equipment, Sportswear, and Nutrition & Food

Supplements. The analysis will focus on key financial metrics, including the income statement, profit margins, EBIT margin, and OPEX ratio, evaluated through monthly KPIs.

Onyx Data August 2024 Challenge | Report Prepared by Doan Phan Thanh

Month:

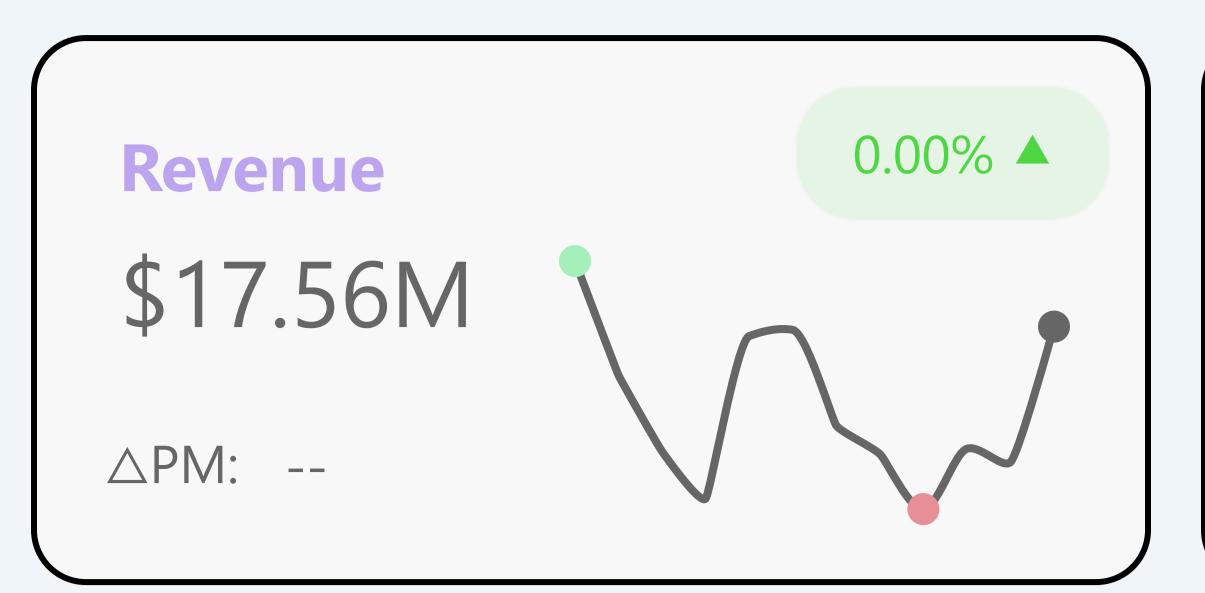
Business Line:

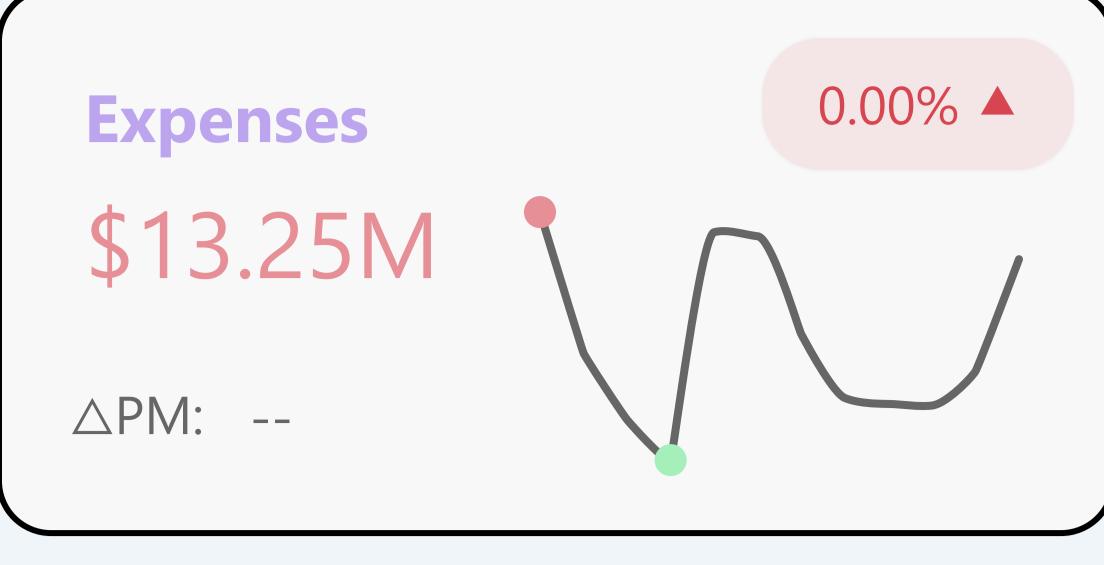
All

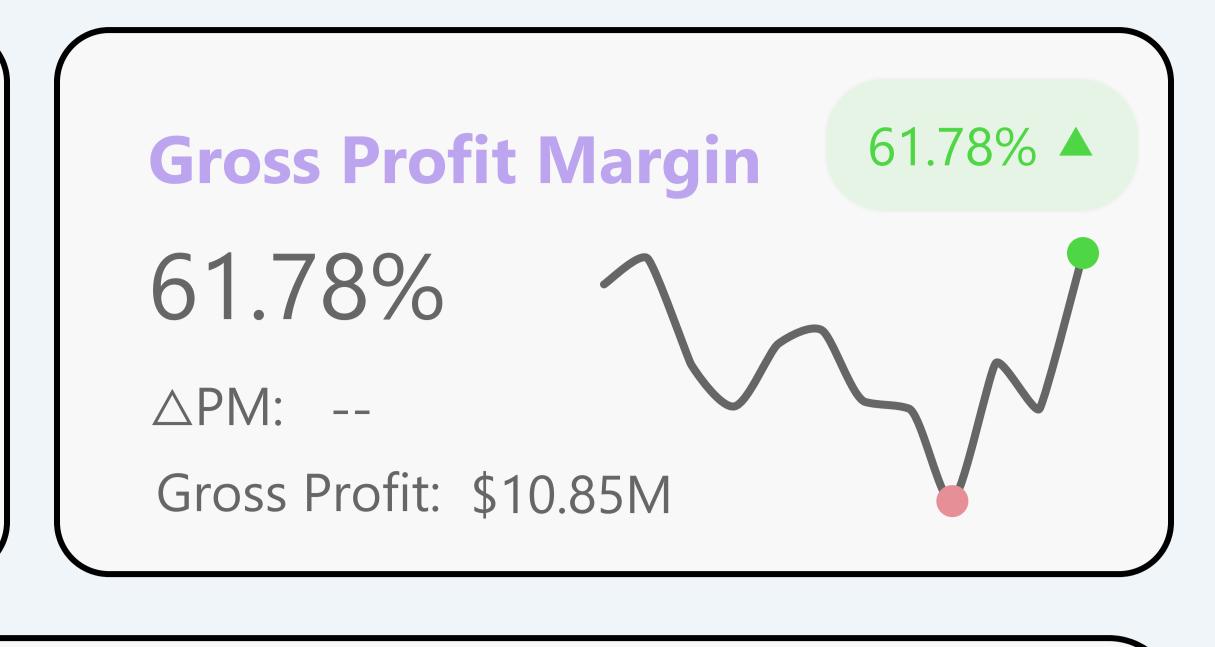


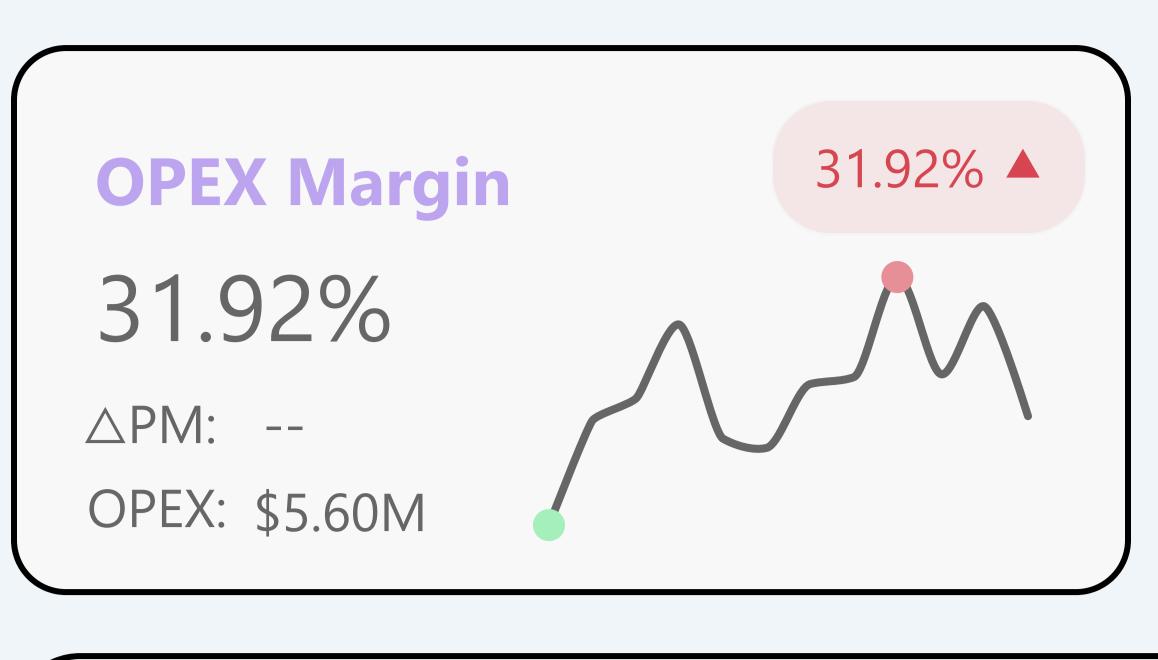
PERFORMANCE SUMMARY

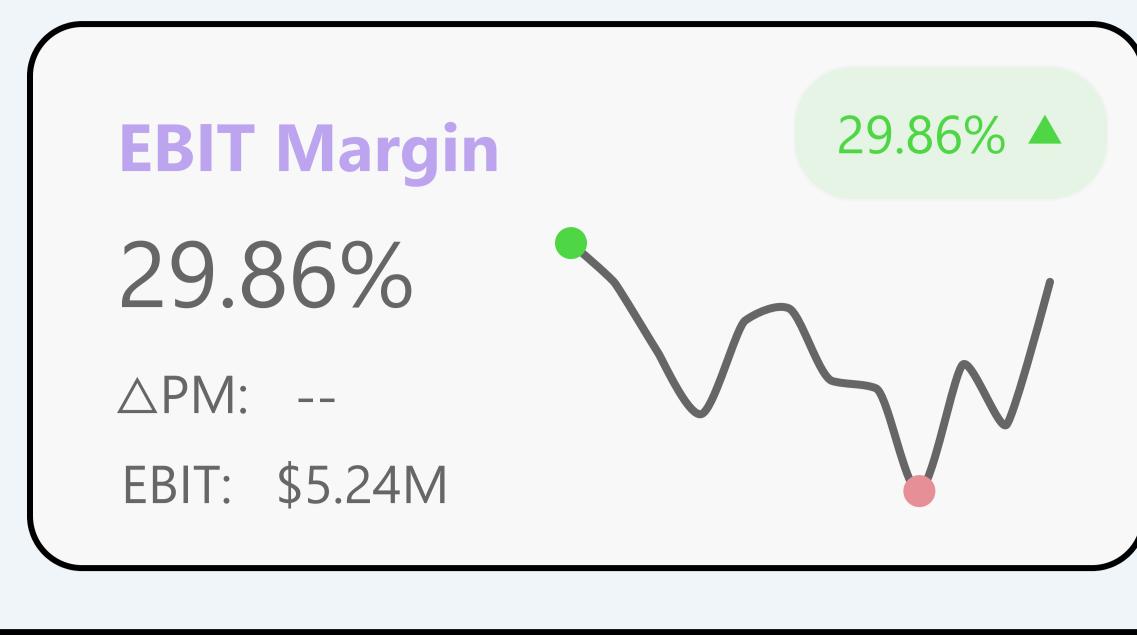
This project analyzes the financial performance of a sporting goods manufacturer across three business lines: Sports Equipment, Sports Equipment leads in revenue at \$8.9M but has the highest COGS and operating expenses. Sportswear excels with the highest gross profit margin of 70.3% and net profit of \$2.7M. Nutrition & Food Supplements struggles with negative EBIT and net profit margins, indicating significant financial challenges. Overall, Sportswear demonstrates superior profitability and efficiency, while Sports Equipment is strong in revenue generation but with higher costs. Nutrition & Food Supplements faces significant financial challenges, impacting overall profitability.

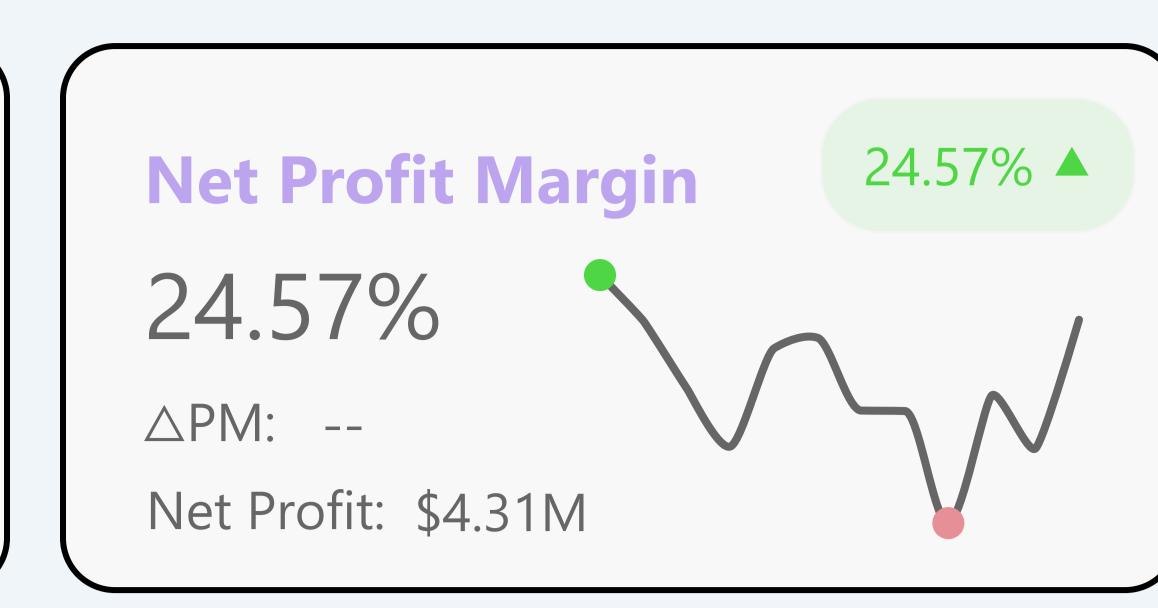






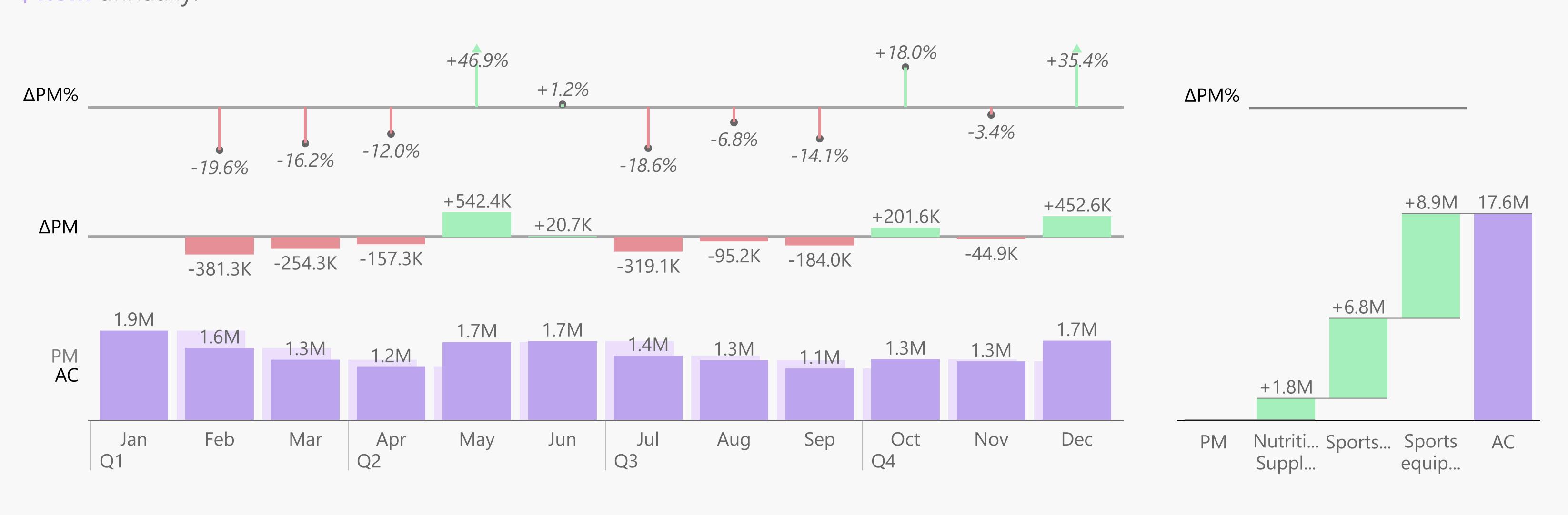






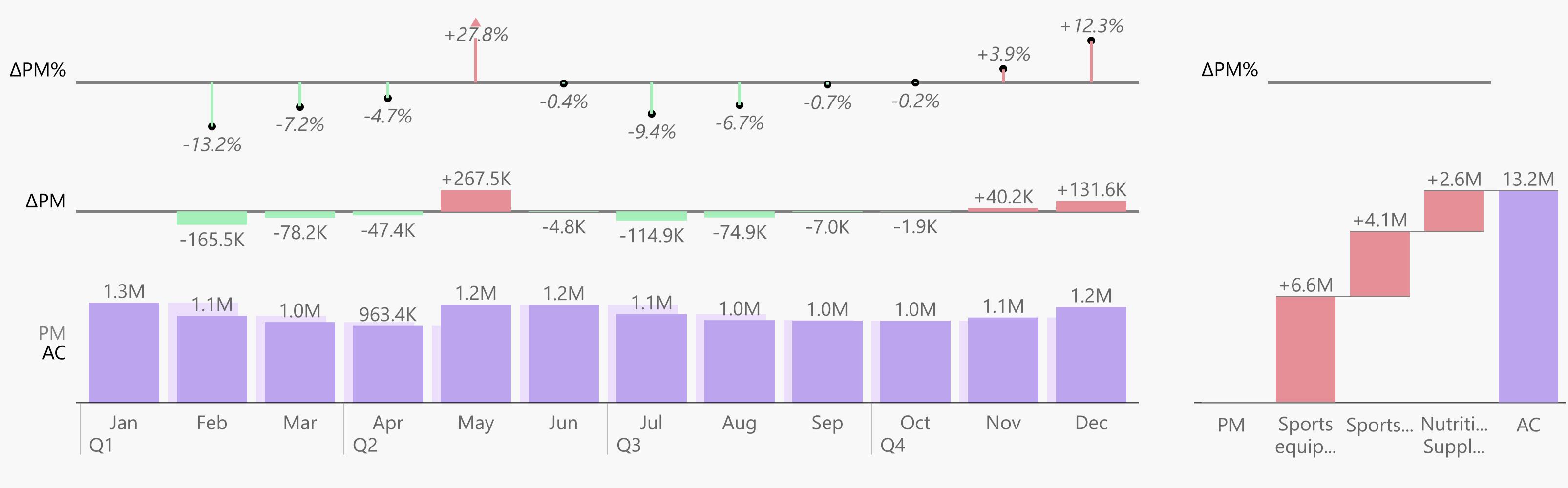
Comparison of Quarterly, Monthly Revenue Across Business Lines

Sports Equipment leads with \$8.9M in annual revenue, contributing over half of the total revenue. **Sportswear** follows with \$6.8M, accounting for nearly 39% of the total revenue. In contrast, **Nutrition and Food Supplements** bring in the lowest revenue, totaling \$1.8M annually.



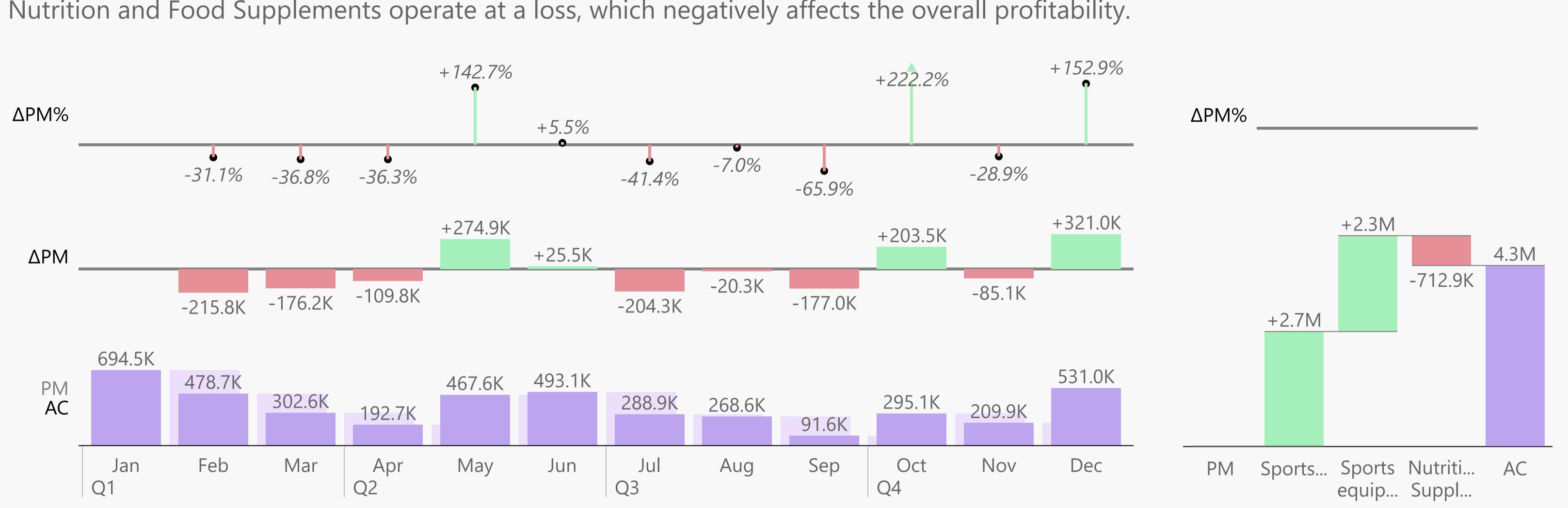
Comparison of Quarterly, Monthly Expenses Across Business Lines

Sports Equipment incurs the highest expenses, amounting to \$6.6M, which represents nearly 50% of the total expenses. **Sportswear** follows with \$4.1M, accounting for 31% of the total, while **Nutrition and Food Supplements** have the lowest expenses at \$2.6M, making up 19% of the total. This distribution highlights that **Sports Equipment is the most resource-intensive business line.**



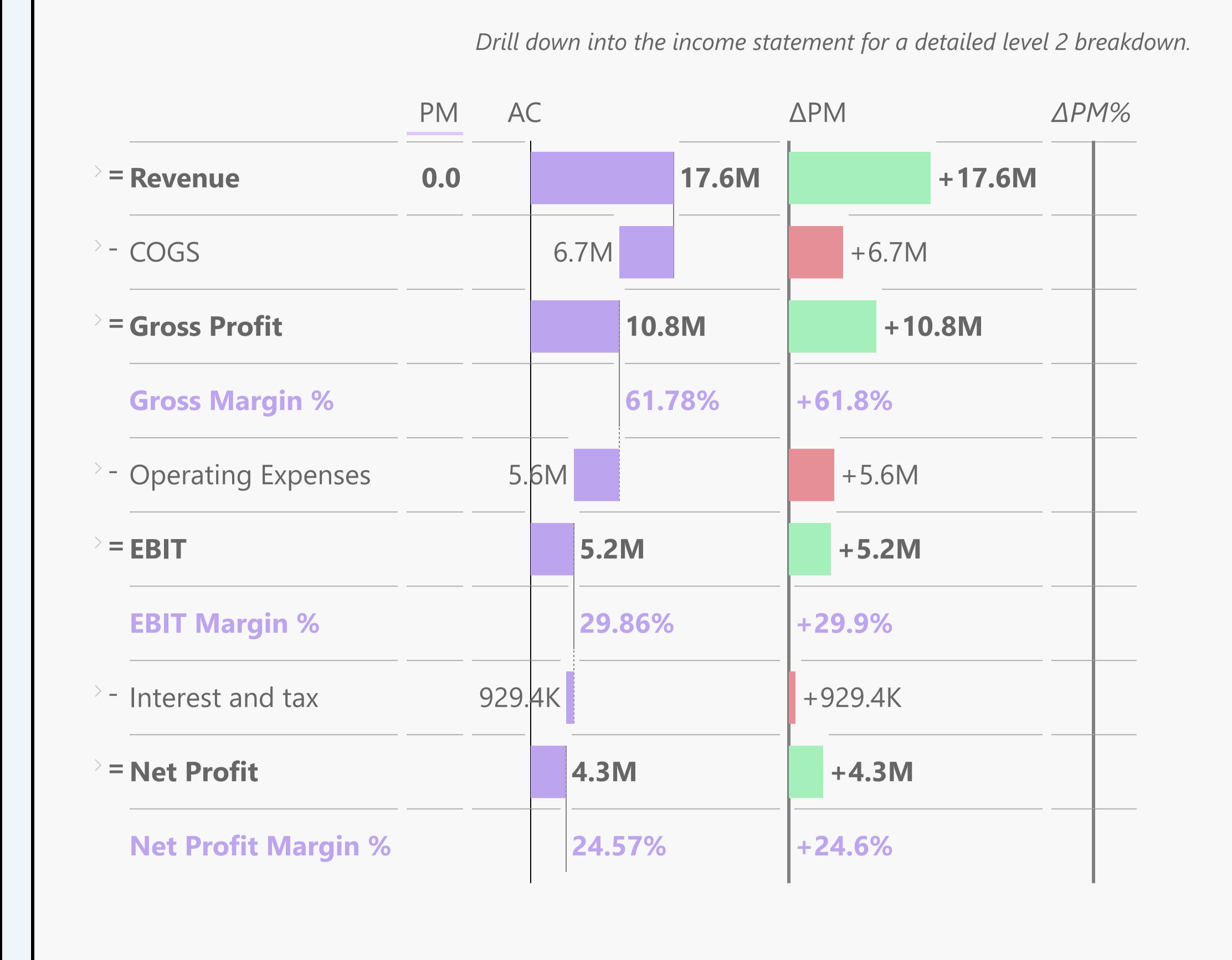
Comparison of Quarterly, Monthly Net Profit Across Business Lines

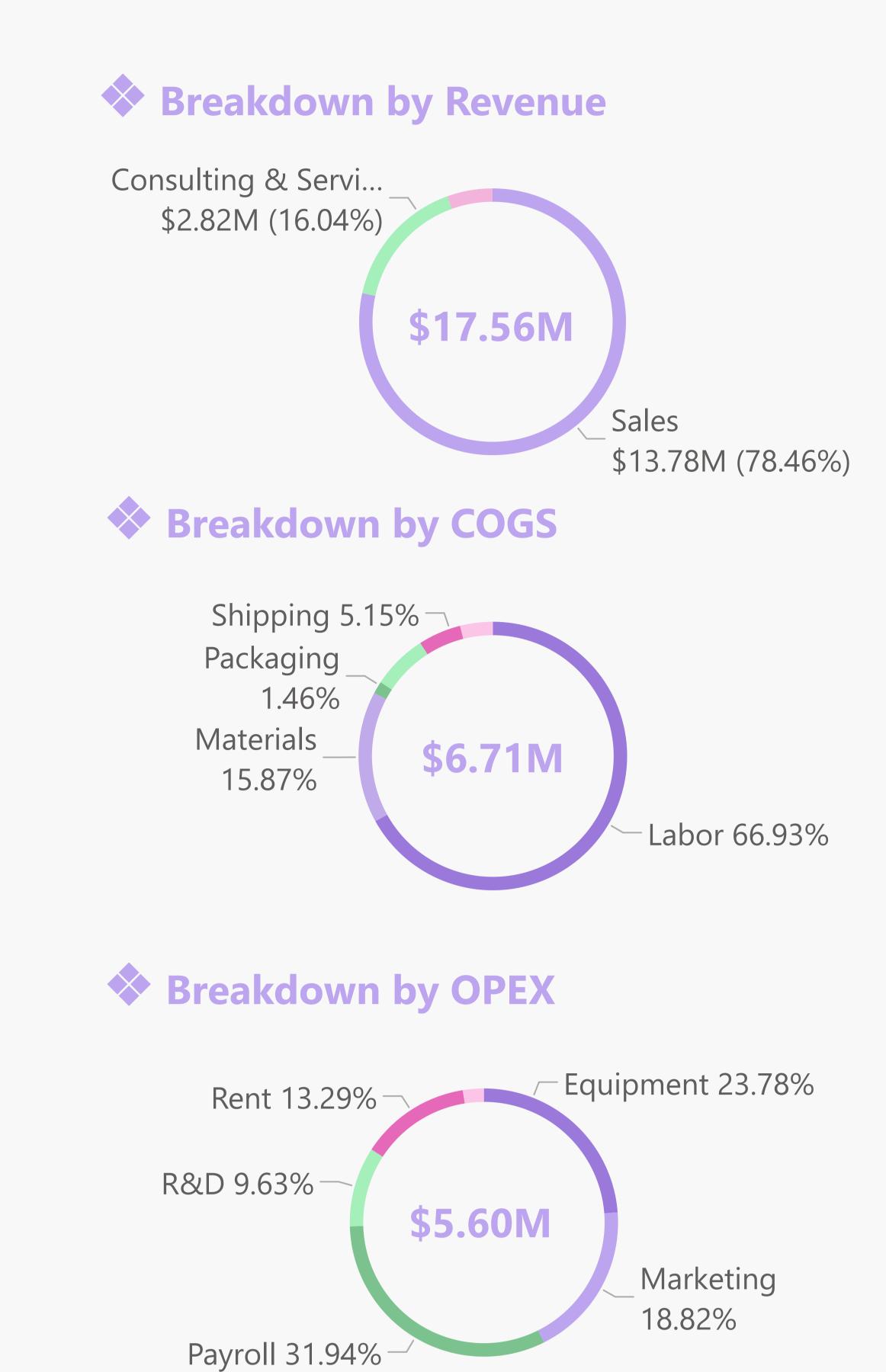
Sportswear is the most profitable business line, contributing **63%** of the total net profit of **\$2.7M**, despite having lower revenue and expenses. **Sports Equipment**, while generating the highest revenue, contributes **53%** of the net profit, totaling **\$2.3M**. In contrast, Nutrition and Food Supplements operate at a loss, which negatively affects the overall profitability.



Income Statement Trends: Current Month vs. Prior Month with Variance

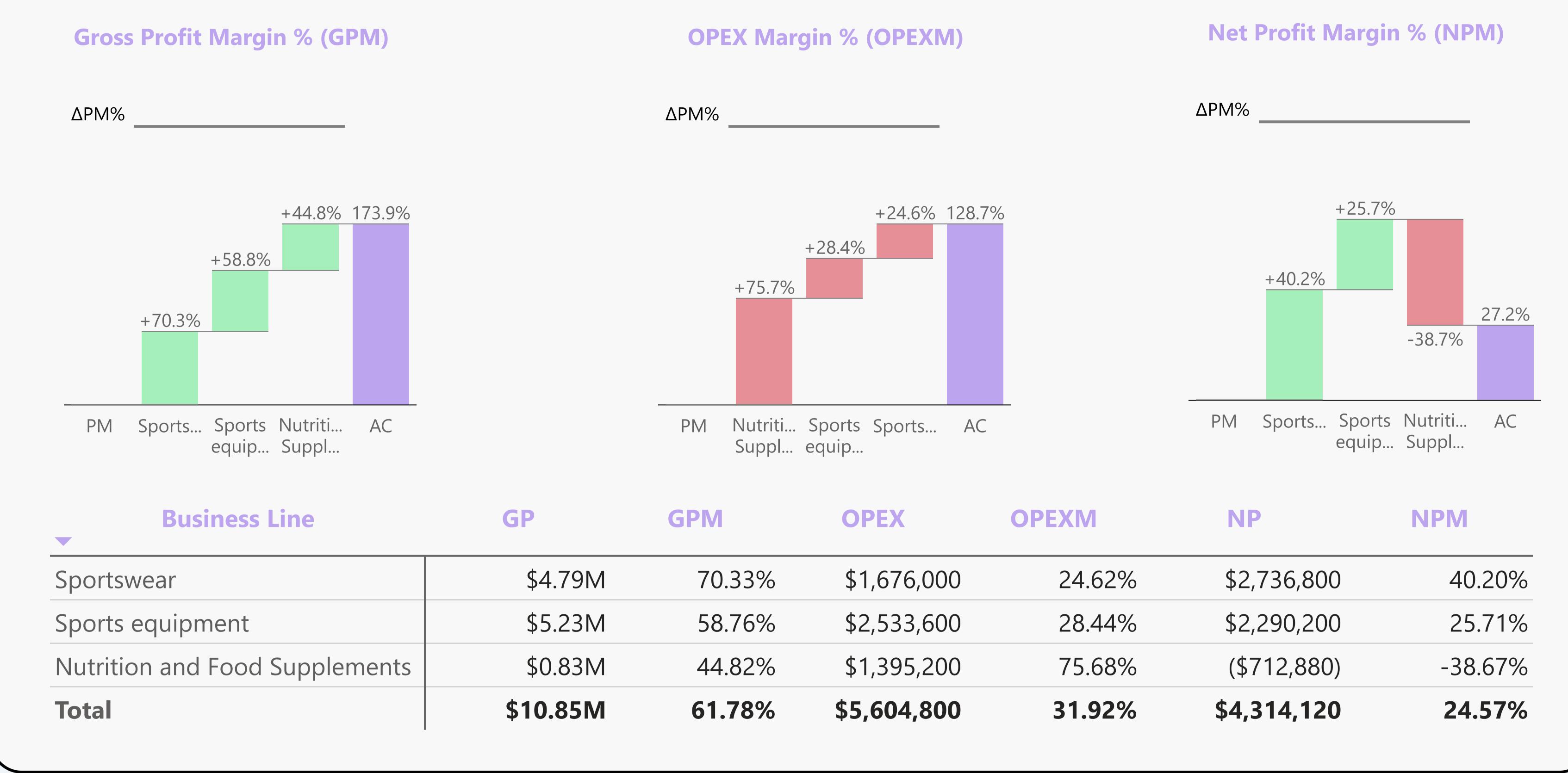
The Income Statement reveals strong performance with a 61.78% gross profit margin on \$17.6M revenue and an EBIT margin of 29.86% despite \$5.6M in operating expenses. After interest and taxes of \$929.4K, the net profit margin is 24.57%, highlighting effective cost management and robust overall profitability.





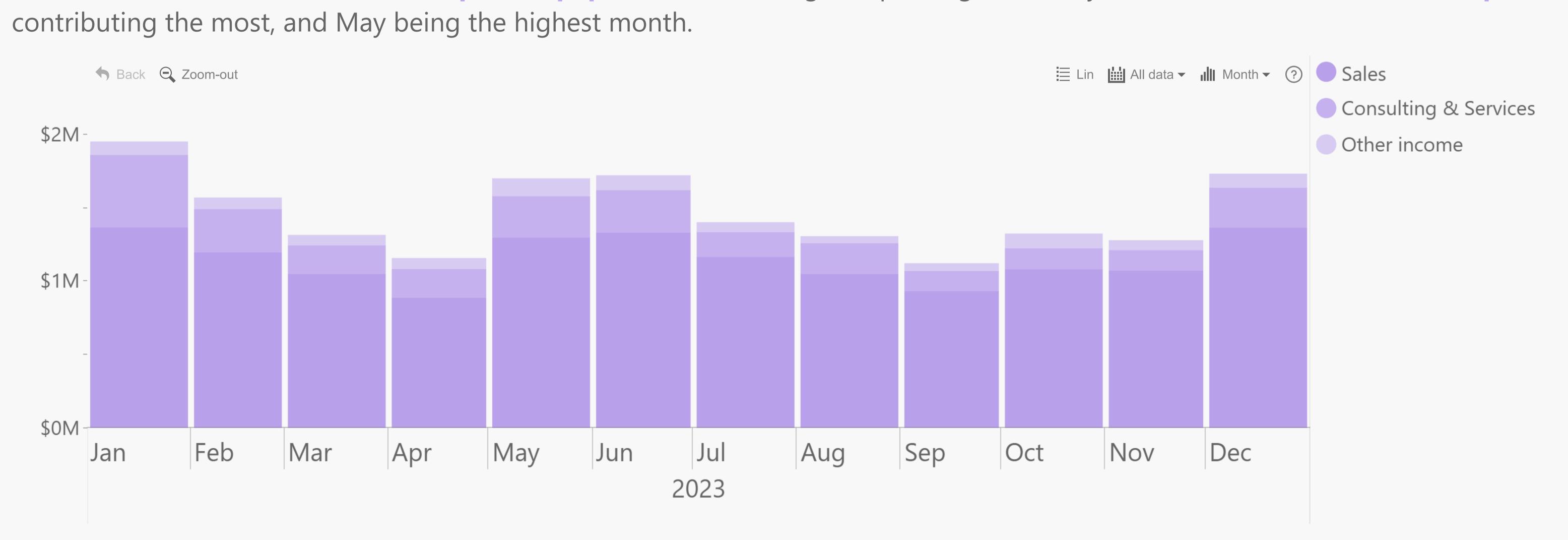
Profit Margin Analysis: Business Line Trends and Monthly Variances

Sportswear leads with a high GPM of 70.3% and a strong NPM of 40.2%, despite a moderate OPEXM of 24.6%. **Sports Equipment** shows solid performance with a GPM of 58.8% and an NPM of 25.7%, but has a higher OPEXM of 28.4%. In contrast, **Nutrition and Supplements** struggle with a low GPM of 44.8%, a high OPEXM of 75.7%, and a negative NPM of -38.7%.



Comprehensive Monthly Revenue Breakdown Across Business Lines

Total sales amount to \$13.8M, with **Sports Equipment** leading at \$7.1M and peaks in January, June, and December. **Consulting and services** revenue totals \$2.8M, with **Sports Equipment** also leading and peaking in January. **Other income** is \$966K, with **Sportswear** contributing the most, and May being the highest month.

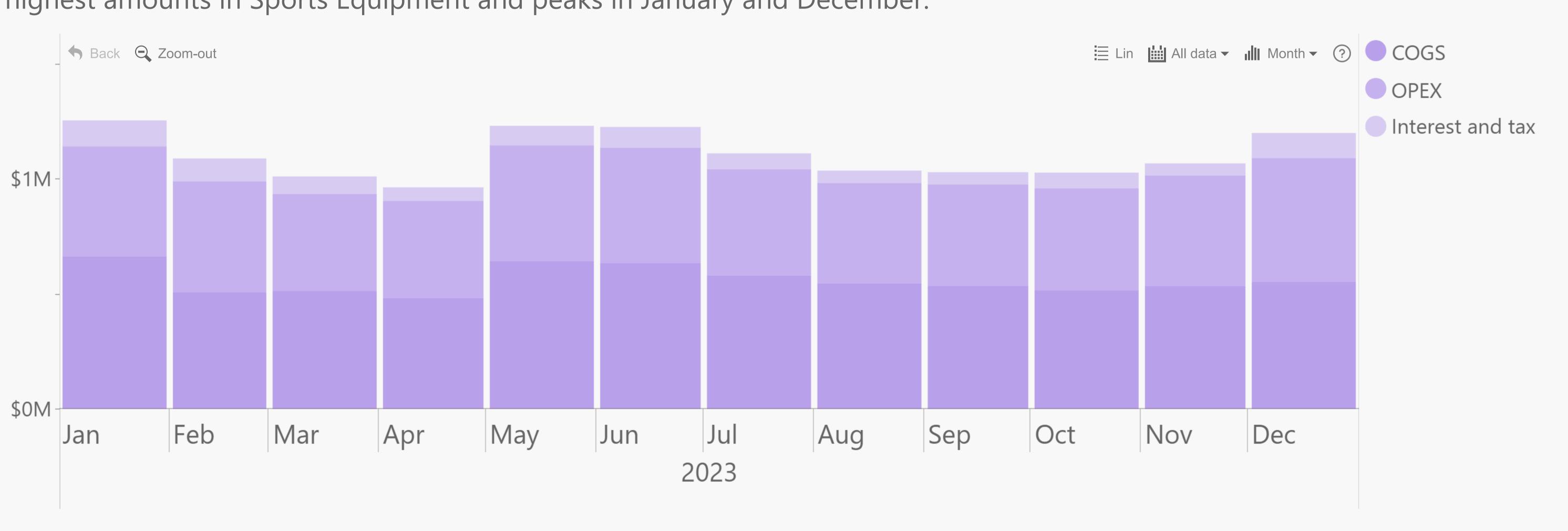


Business Line The second seco	Sales	Consulting & Services	Other income	
Sportswear	\$5,105,100	\$1,170,000	\$532,600	
Sports equipment	\$7,140,000	\$1,390,500	\$378,000	
Nutrition and Food Supplements	\$1,531,530	\$256,500	\$55,590	
Total	\$13,776,630	\$2,817,000	\$966,190	

Comprehensive Monthly Expenses Breakdown Across Business Lines

Business Line

Total COGS is \$6.7M, with **Sports Equipment** at \$3.7M and peaks in January, May, and June. **Operating expenses total \$5.6M**, with the highest costs in Sports Equipment and peak months in June and December. **Interest and tax expenses total \$929K**, with the highest amounts in Sports Equipment and peaks in January and December.



Nutrition and Food Supplements Sports equipment Sportswear Total			\$1,017,300		\$1,39	5,200		\$144,000	
				\$3,674,200 \$2,020,000 \$6,711,500		\$2,533,600 \$1,676,000			\$410,500 \$374,900
						\$5,604,800			
Breakdown	COGS by	Business Li	ine		Breakdov	vn OPEX by	Business Li	ne	
(\$4M)				Labor	(\$3.0M)				Equipment
(\$3M)	(\$3M)			MaterialsPackaging	(\$2.5M)				MarketingPayroll
(ΨΟΙΨΙ)				Sales expencsesShipping	(\$2.0M)				R&DRent
(\$2M)				Other COGS	(\$1.5M)				Other Expenses
(¢1N1)					(\$1.0M)				
(\$1M)				(\$0.5M)					
\$0M					\$0.0M				
Sp	portswear	Sports equipment	Nutrition and Food Supplements			Sportswear	Sports equipment	Nutrition and Food Supplements	

Interest and tax

Income Statement by Business Line: Current Month vs. Prior Month with Variance

Nutrition and Food Supplements

1.8M

Sports Equipment leads in **revenue at \$8.9M** but has the highest COGS and operating expenses. **Sportswear**, with a **revenue of \$6.8M**, stands out with the highest **gross profit margin (70.3%)** and **net profit \$2.7M**. Nutrition & Food Supplements, with the lowest revenue, struggles with negative EBIT and net profit margins, indicating significant profitability challenges.

 Ements
 Sports equipment
 Sportswear

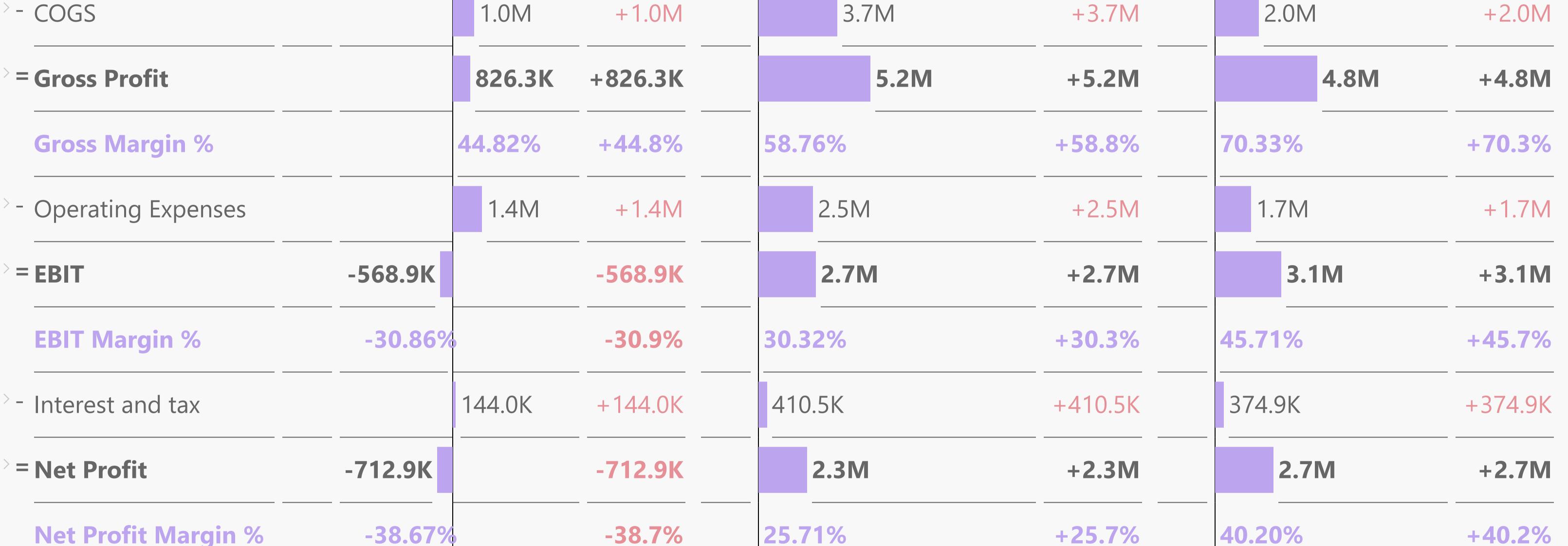
 ΔPM
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 ΔPM

 +1.8M
 8.9M
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 6.8M
 +6.8M

 +1.0M
 3.7M
 +3.7M
 2.0M
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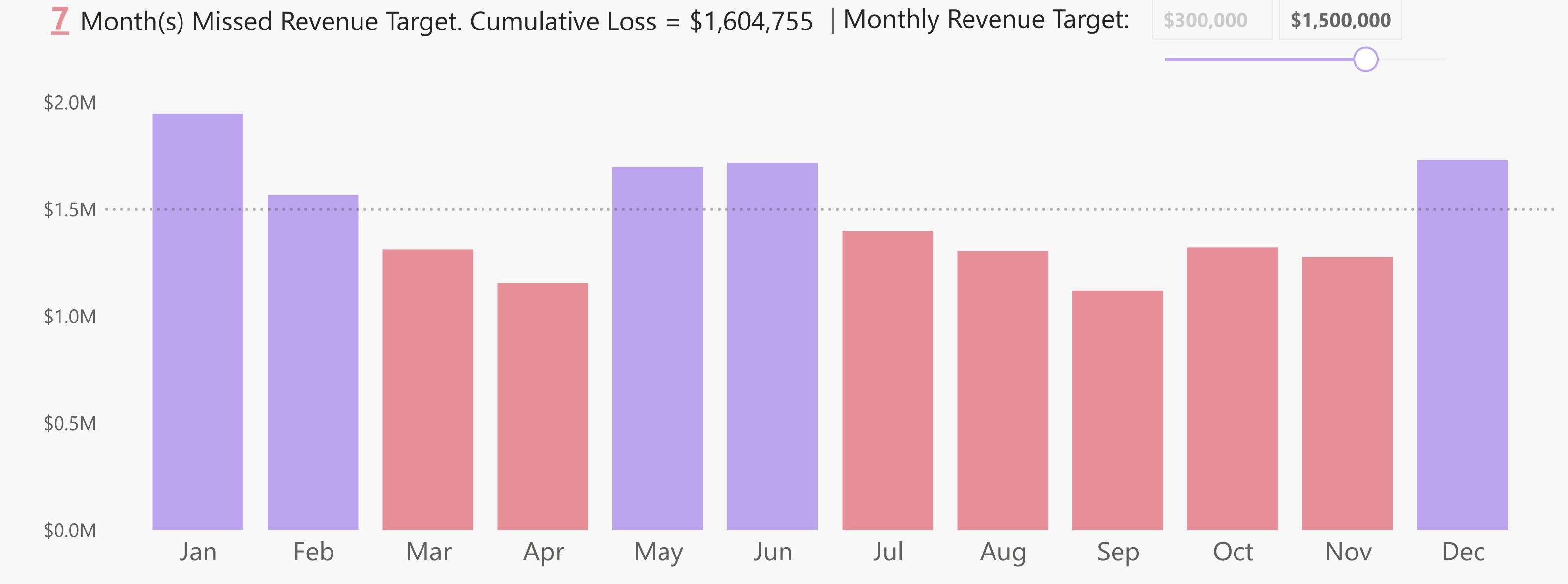
 +826.3K
 5.2M
 +5.2M
 4.8M
 +4.8M

Drill down into the income statement for a detailed level 2 breakdown.

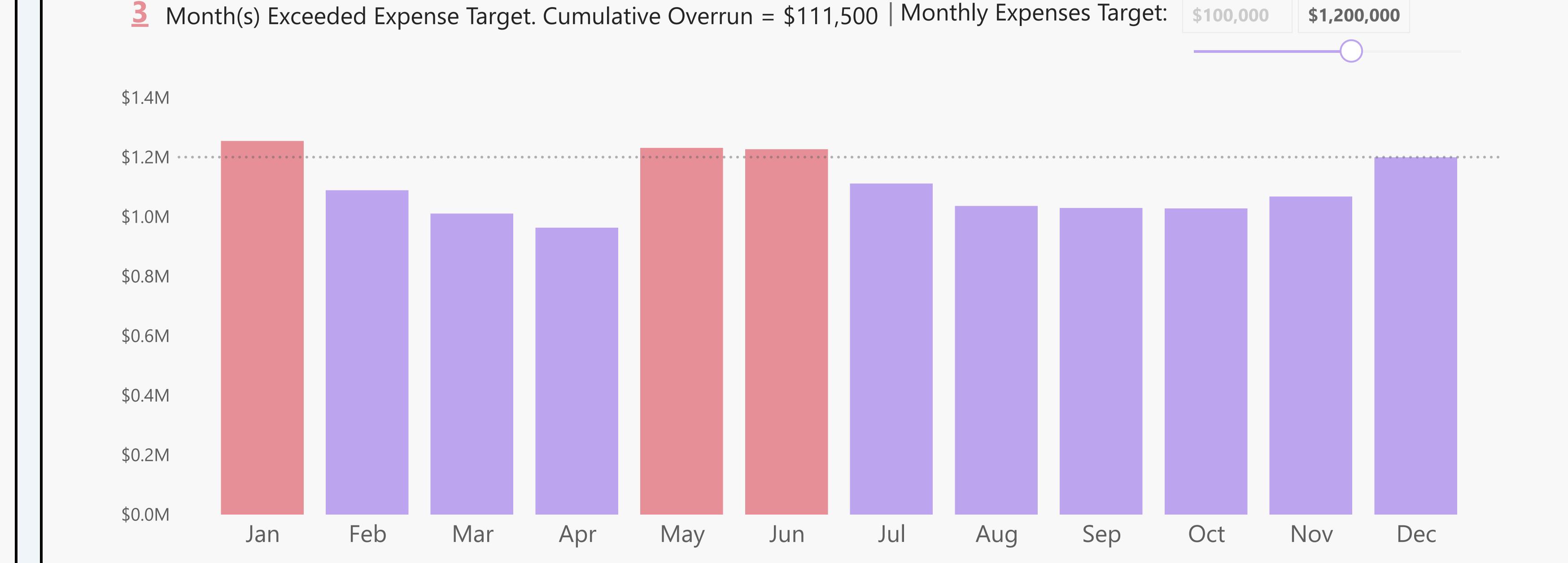


Revenue Target Misses and Cumulative Loss by Month

= Revenue



Expenses Target Misses and Cumulative Excess by Month



OBSERVED CHALLENGES:

High Operating Expenses: Significant costs in Sports Equipment and Nutrition & Food Supplements, impacting overall profitability.
 Negative Net Profit Margin for Nutrition & Food Supplements: Indicates severe profitability issues and financial strain.

3.Low Gross Profit Margin for Nutrition & Food Supplements: At 44.82%, highlighting inefficiencies in generating profit from sales.4.High Cost of Goods Sold (COGS) for Sports Equipment: At \$3.7M, it significantly impacts the gross profit margin, highlighting issues with cost management in this business line.

RECOMMENDATIONS / SOLUTIONS:

1. Optimize Operating Expenses: Implement cost-control measures and efficiency improvements to reduce operating expenses.

3.Enhance GPM: Explore ways to increase sales prices, reduce production costs, or improve product mix to boost profitability.

2.Improve Profitability: Focus on cost reduction, operational improvements, and exploring new revenue streams to address negative PM.

4.Optimize COGS: Implement strategies to reduce COGS for Sports Equipment, such as negotiating better terms with suppliers, improving production efficiency, and reducing waste. This can help improve the gross profit margin and overall profitability