

# ANNUAL FINANCIAL REPORT

2013 - 2014

# EXECUTIVE SUMMARY

## PROBLEM STATEMENT

Profitability trend of Ealdor Group has experienced an overall bullish momentum in comparison to the previous year. Ealdor Group has been able to capitalize on its limited customers and distribution channels to promote its visibility and dominance as a major supplier of office supplies used for documentation and administrative purposes. However, the profitability of the organization is not in line with the revenue generated

## SOLUTION

We aim to analyze the financial numbers taking into account a 15 month operational period to identify gaps and proffer solutions with the aim of maximizing profit for the organization. The following will be used for the examination process:



### STATES

- Oyo State
- Lagos State
- Ogun State
- Osun State
- Ondo State

### SEGMENTS

- Small Businesses
- Government
- Enterprises
- Mid Market
- Channel Partners

### PRODUCTS

- Pencil
- Biro
- Marker
- A4 Paper
- Notepad
- Stapler

# KEY FINDINGS: Financial Analysis

Units Sold

1.13M

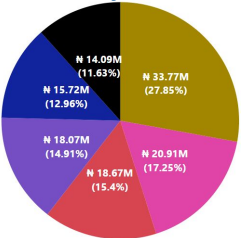
Total Revenue

₦ 121.22M

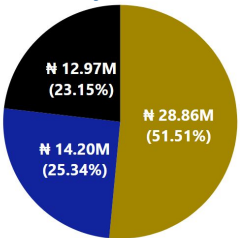
Total Profit

₦ 13.83M

Revenue by Product

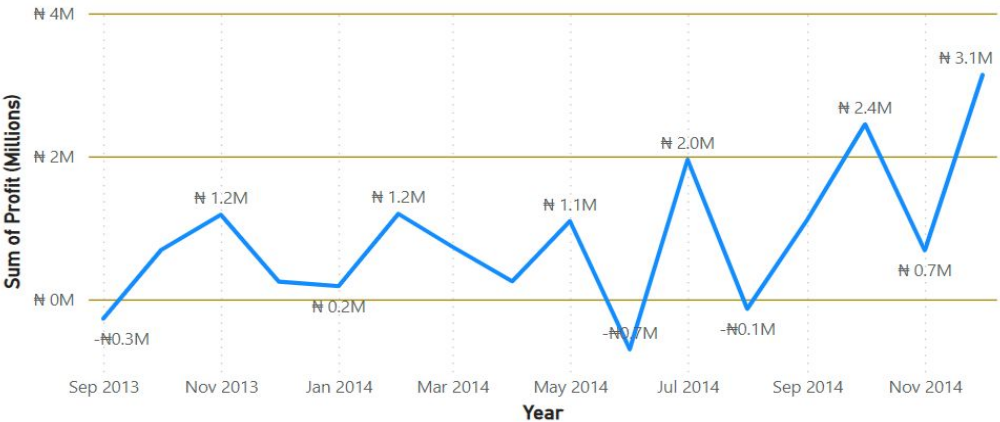


Profit by Product

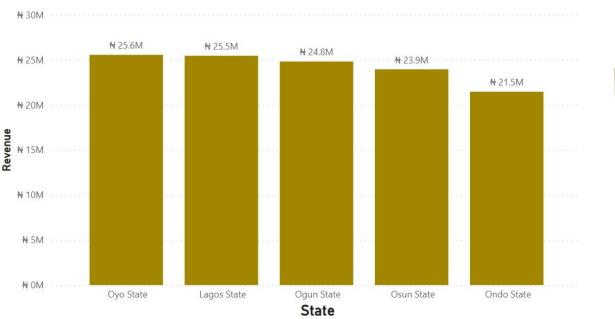


● Biro ● Pencil ● A4 Paper ● Markers ● Notepad ● Stapler

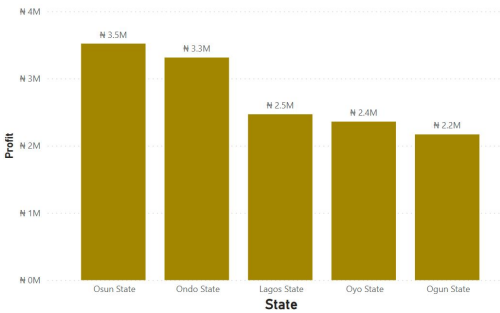
Revenue Trend Analysis



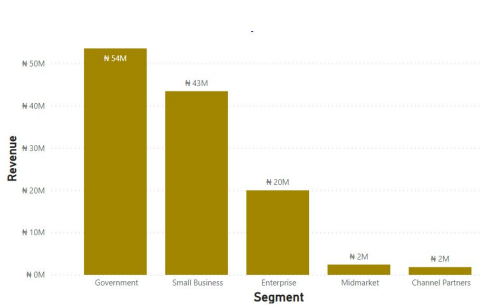
Revenue Contribution by State



Profit Contribution by State

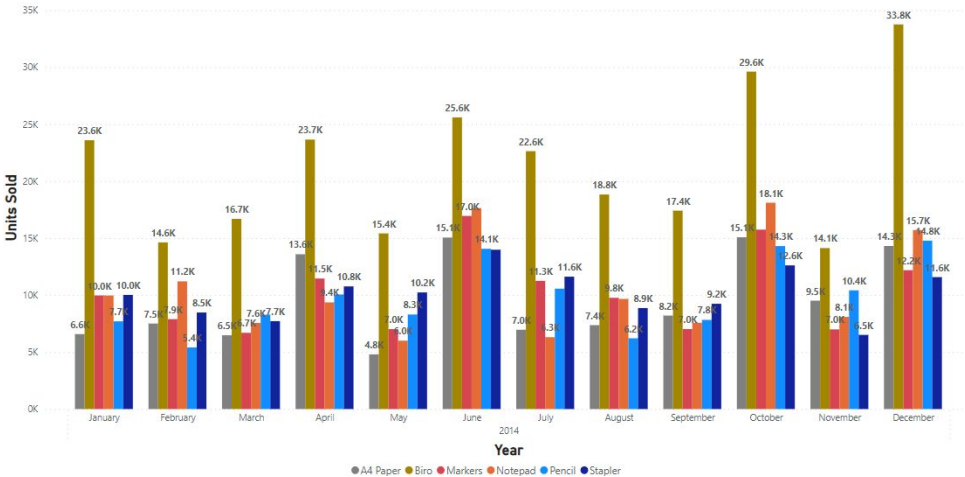


Profit Contribution by Segment



# KEY FINDINGS: Trends and Profit

Trends of Units Sold in 2014



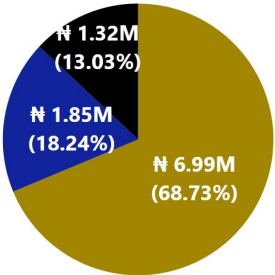
Year	A4 Paper	Biro	Markers	Notepad	Pencil	Stapler
2014						
January	6,578.50	23,598.00	9,971.50	9,967.50	7,700.50	10,019.50
February	7,503.00	14,629.00	7,893.00	11,210.00	5,405.00	8,475.00
March	6,476.00	16,695.00	6,691.00	7,562.00	8,280.00	7,716.00
April	13,590.50	23,653.00	11,458.50	9,362.00	10,055.50	10,767.00
May	4,800.00	15,417.00	7,015.00	6,002.00	8,300.00	10,237.00
June	15,055.00	25,598.00	16,953.00	17,642.00	14,069.00	13,985.00
July	6,960.00	22,637.50	11,253.50	6,309.50	10,568.00	11,620.50
August	7,365.00	18,834.00	9,765.00	9,667.00	6,209.00	8,865.00
September	8,205.00	17,416.00	7,023.00	7,570.00	7,826.00	9,240.00
October	15,082.00	29,623.00	15,749.00	18,112.00	14,304.00	12,612.00
November	9,513.00	14,129.00	6,992.00	8,089.00	10,418.00	6,509.00
December	14,314.00	33,763.00	12,189.00	15,706.00	14,783.00	11,581.00

Profit by Product (May 2014 - June 2014)

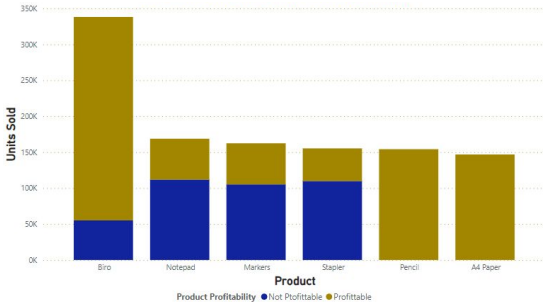
TIMELINE

Multiple selections

- ☐ Saturday, March 01, 2014
- ☐ Tuesday, April 01, 2014
- ☒ Thursday, May 01, 2014
- ☒ Sunday, June 01, 2014
- ☐ Tuesday, July 01, 2014
- ☐ Friday, August 01, 2014



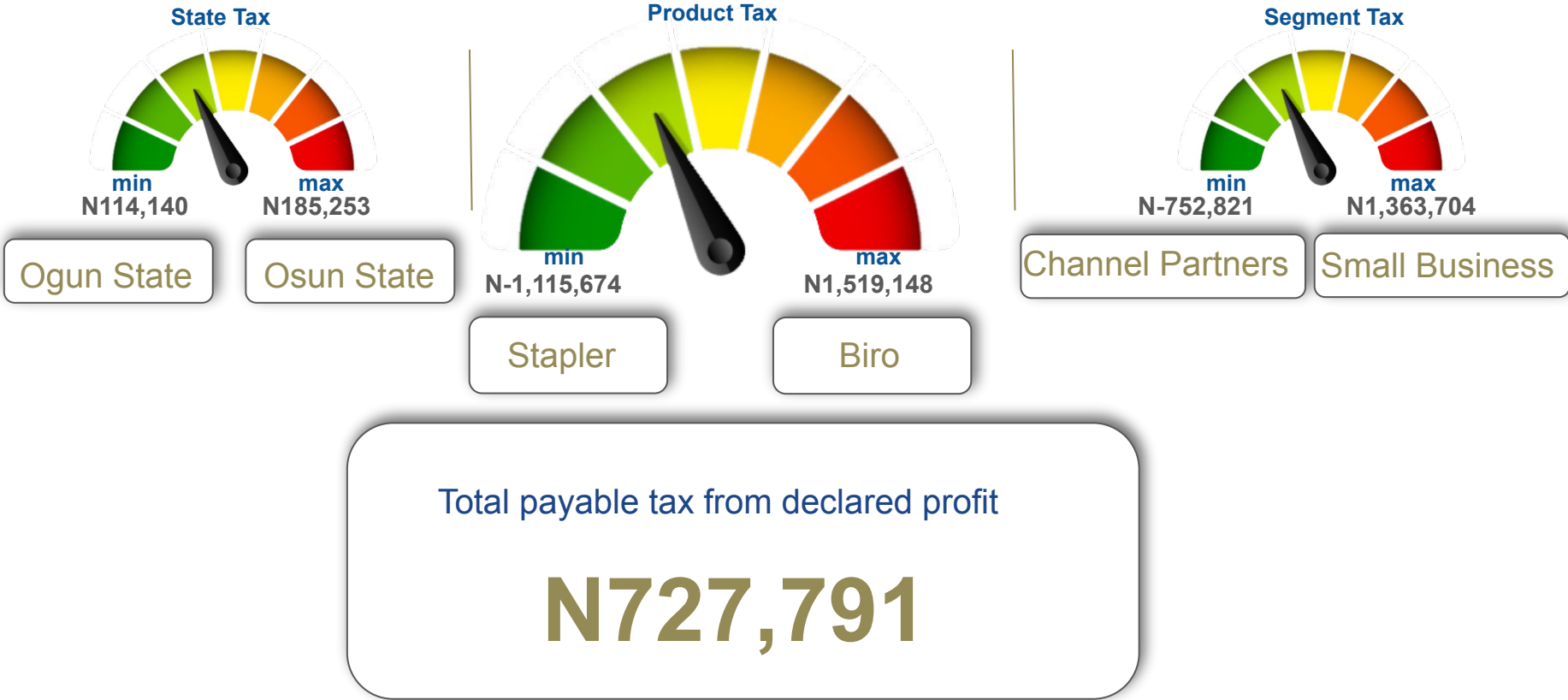
Units Sold by Product and Profitability



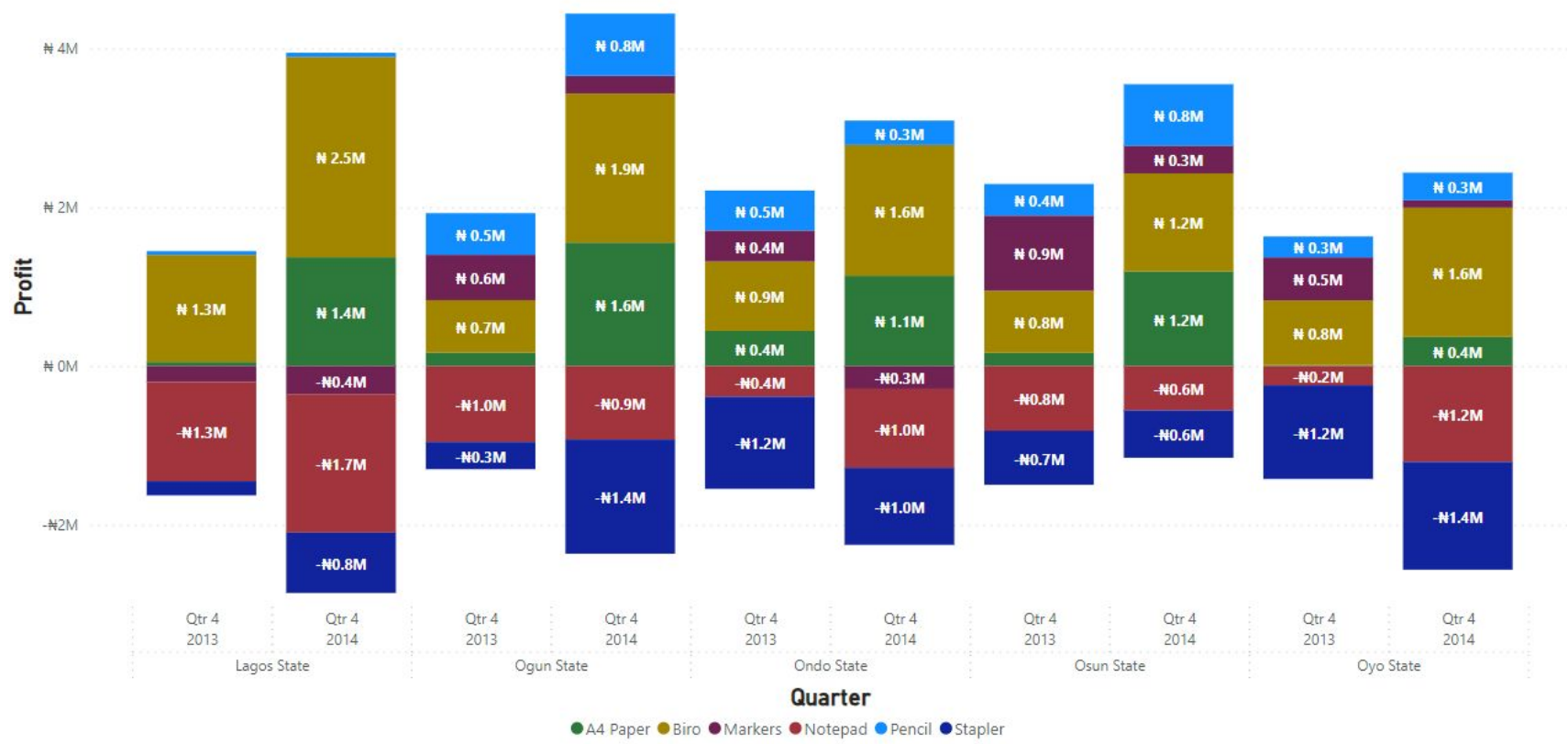
Product Observation

Product	Avg Manufacturing Price	Avg Sale Price	Revenue	Profit by Product
Biro	₱ 10.00	₱ 108.18	₱ 33,765,351.45	₱ 28,863,808.62
Notepad	₱ 250.00	₱ 138.59	₱ 20,906,450.15	-₱ 20,224,834.86
Markers	₱ 120.00	₱ 115.24	₱ 18,668,295.41	-₱ 781,512.36
Stapler	₱ 260.00	₱ 128.68	₱ 18,068,411.42	-₱ 21,197,814.15
Pencil	₱ 5.00	₱ 117.10	₱ 15,715,672.58	₱ 14,197,448.45
A4 Paper	₱ 3.00	₱ 111.77	₱ 14,094,162.80	₱ 12,970,943.56
Total	₱ 96.48	₱ 118.43	₱ 121,218,343.81	₱ 13,828,039.26

# KEY FINDINGS: Tax



# KEY FINDINGS: Q4 stats





Ealdor has a great revenue flow spanning from 2013-2014 and units sold are spot on considering the limited region covered and distribution/sales channels.

The overall units sold from the previous year has experienced a significant increase in all product lines which has impacted the revenue flow for the organization.



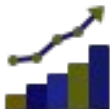
However, profit and profit margin are not correlating with the revenue due to the inconsistency of the financial numbers. At periodic months, ealdor has had high manufacturing cost and low sale cost of some products in their product line (eg Notepad, Stapler and Markers). This has affected the company thereby decreasing the foreseeable profitability

# RECOMMENDATIONS

Our analysis of Ealdor's financial numbers reveals both strengths and weaknesses that impact profitability. While the company enjoys strong revenue, its profitability margins remain low due to various factors like high operating expenses, inefficient resource allocation, and potentially untapped revenue streams.



**Implement Lean Operational Principles:** Explore cheaper mediums to decrease the 'manufacturing cost' (Reducing embedded material and labour cost)for Notepad, Stapler and Markers'



**Optimize pricing strategies:** Analyze market dynamics and competitor pricing to set competitive prices that maximize revenue without sacrificing profit margins



**Expand into new markets:** Identify and enter untapped markets with high potential for growth.





**THANK YOU**