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FINANCIAL ANALYSIS & COST OPTIMIZATION – FRESHNEST LTD.

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01

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02

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COMPANY OVERVIEW

- FreshNest Ltd. – Mid-sized Indian FMCG company
- Product Lines: Skincare, Home Cleaning, and Personal Care
- Focus on mass-market distribution, volume-driven sales
- Operates in high-competition, low-margin environment

KEY FINANCIAL HIGHLIGHTS

01

- Revenue grew from ₹85M to ₹100M (17% increase)

02

- Net Profit rose from ₹14M to ₹18M (28% increase)

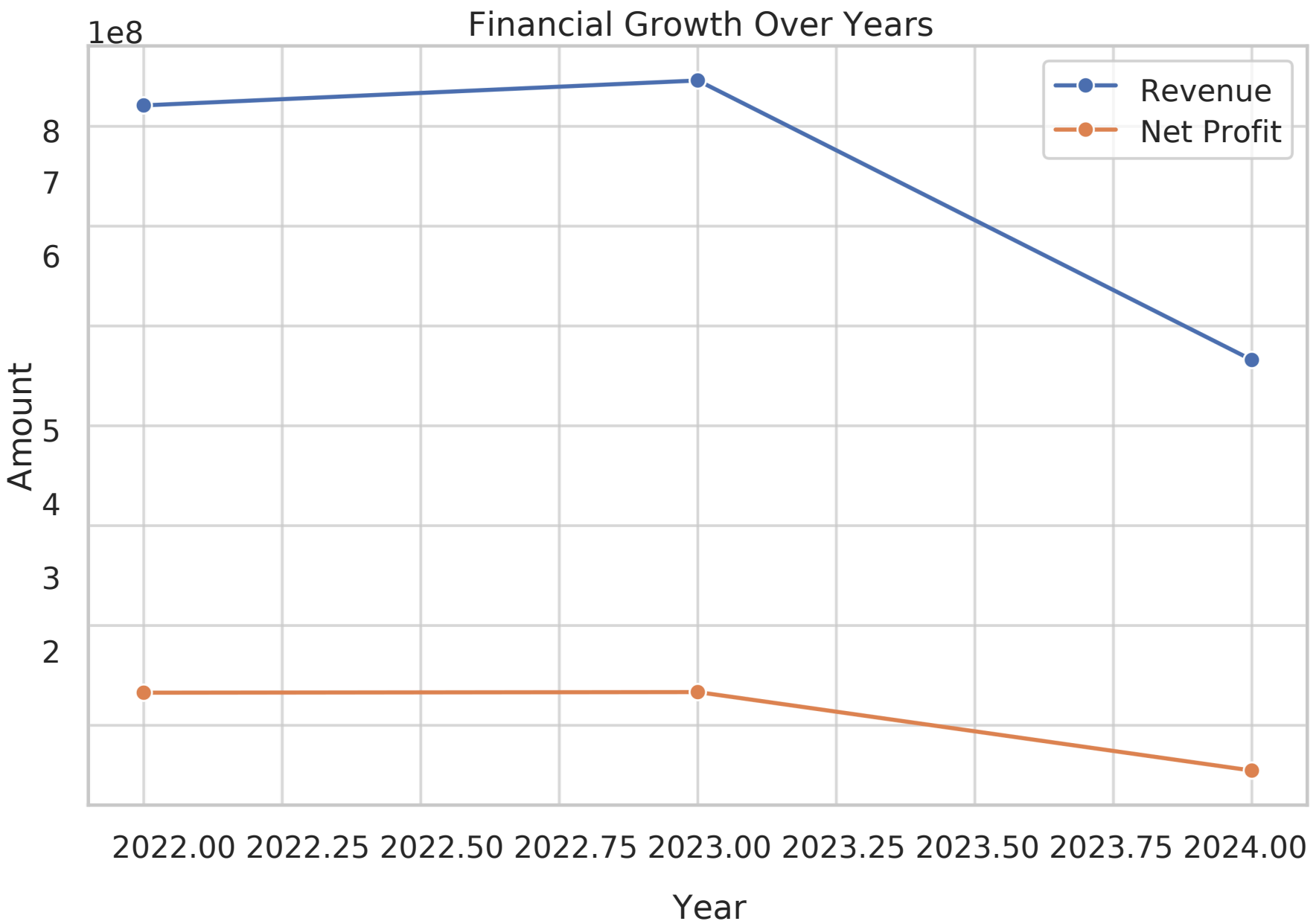
03

- Gross Margin improved from 47% to 50%

04

- Operational expenses increased moderately with revenue





FINANCIAL RATIO ANALYSIS

01

- Profitability: Strong and improving margins

02

- Liquidity: Current ratio above 3, suggesting excess working capital

03

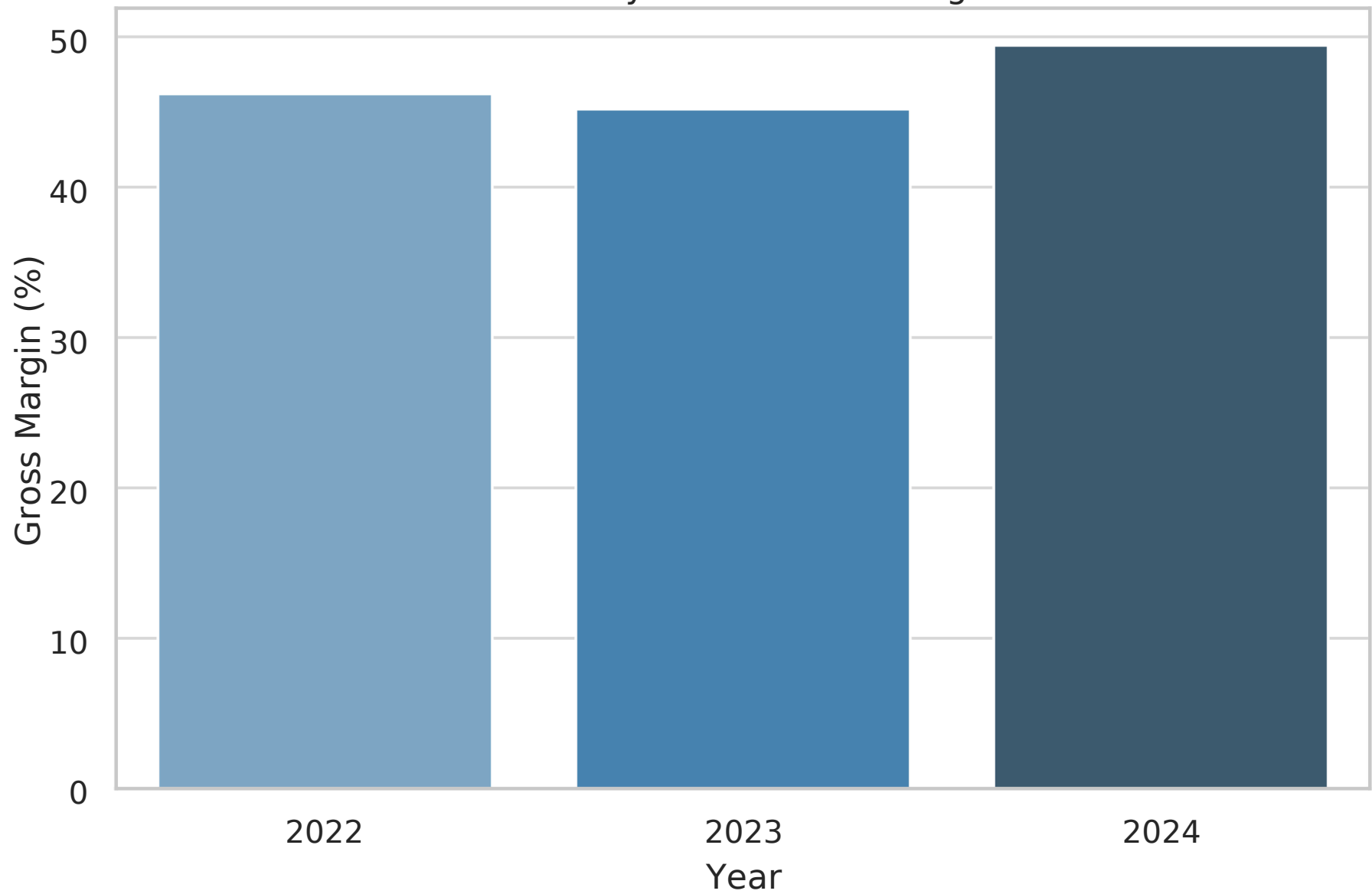
- Efficiency: Inventory turnover steady ($\sim 5x$); room for optimization

04

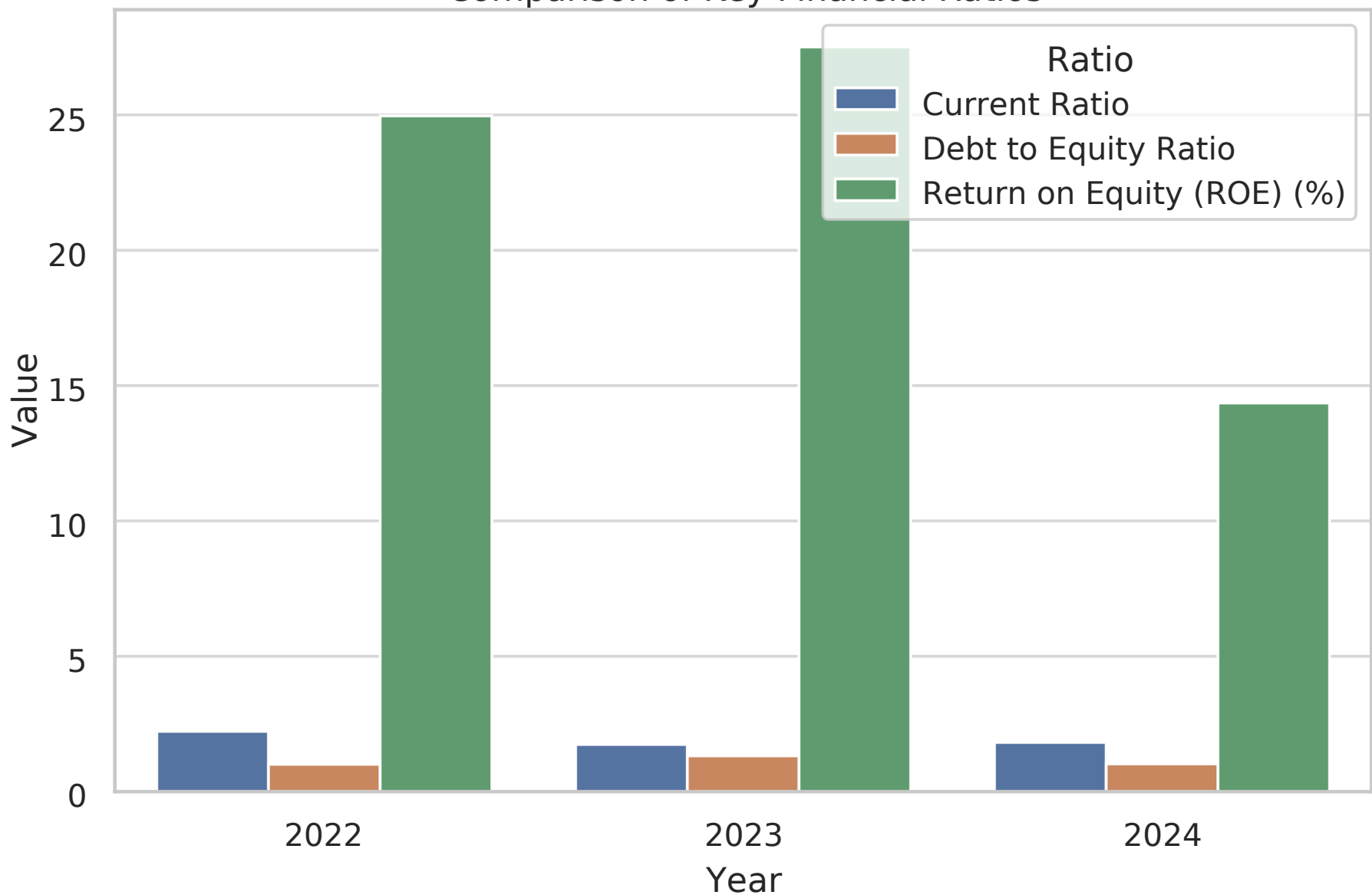
- Solvency: Debt/Equity low; Interest Coverage healthy ($> 10x$)



Profitability Trend: Gross Margin %



Comparison of Key Financial Ratios



COST ANALYSIS

a

- Marketing: ~40% of OpEx – High ROI scrutiny needed

b

- Logistics: Second-largest cost – opportunity for renegotiation

c

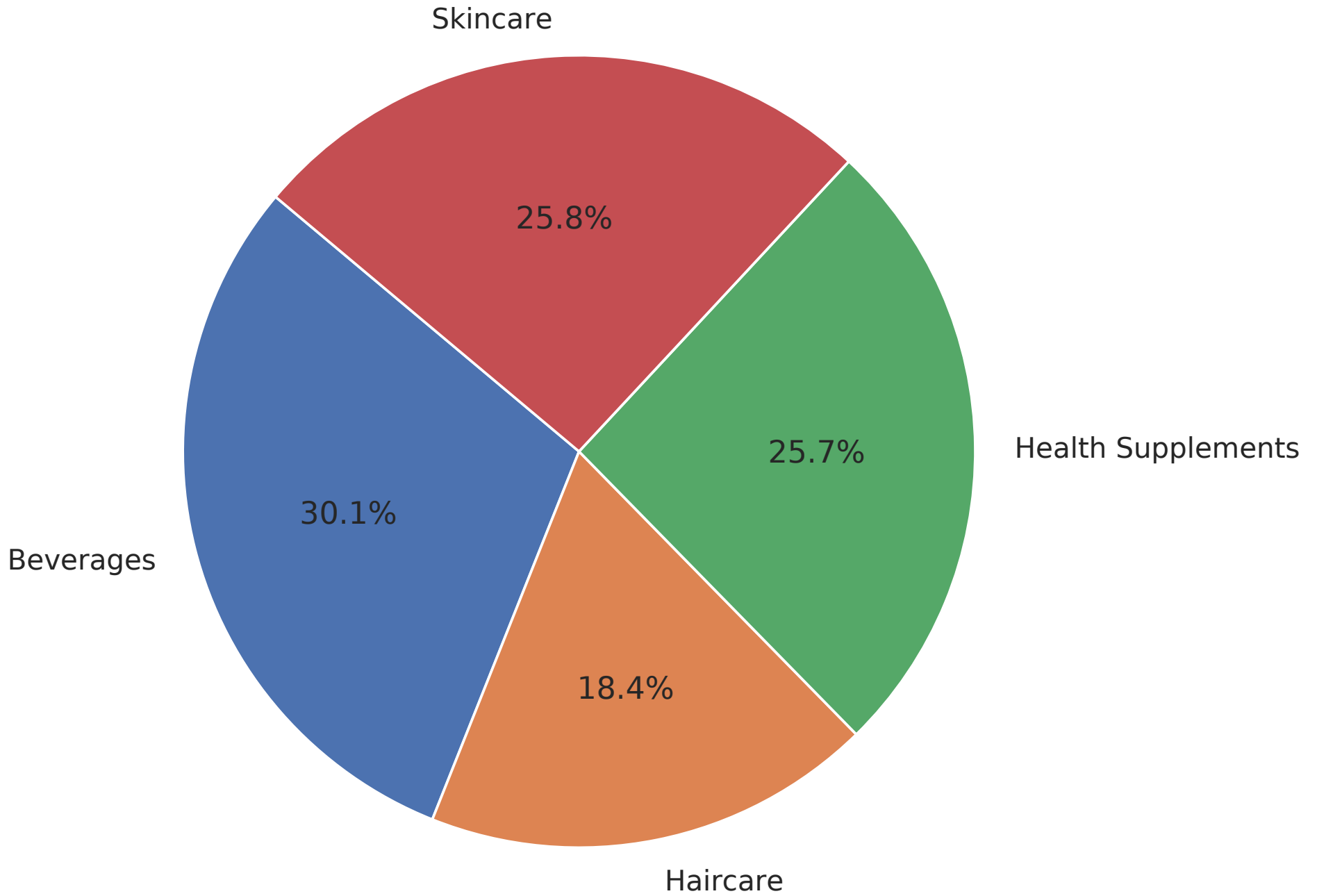
- Admin: Automation potential identified

d

- R&D: Suggest capping growth until ROI improves



2024 Expense Distribution by Product Category





COST OPTIMIZATION STRATEGIES



Reduce marketing spend via digital shift (Save 5–10%)

Renegotiate logistics terms with 3PL (Save 7–12%)

Automate admin processes (Save 8–10%)

Improve inventory management (Turnover ↑ from 5.0 to 5.5)



FINAL STRATEGIC RECOMMENDATIONS

Next slide



- Monitor working capital levels and reallocate excess cash
- Enhance digital marketing analytics to boost ROI
- Implement inventory classification and expiry alerts
- Continue tracking financial performance via dashboards



FINAL RECOMMENDATIONS

**THANK
YOU**

