

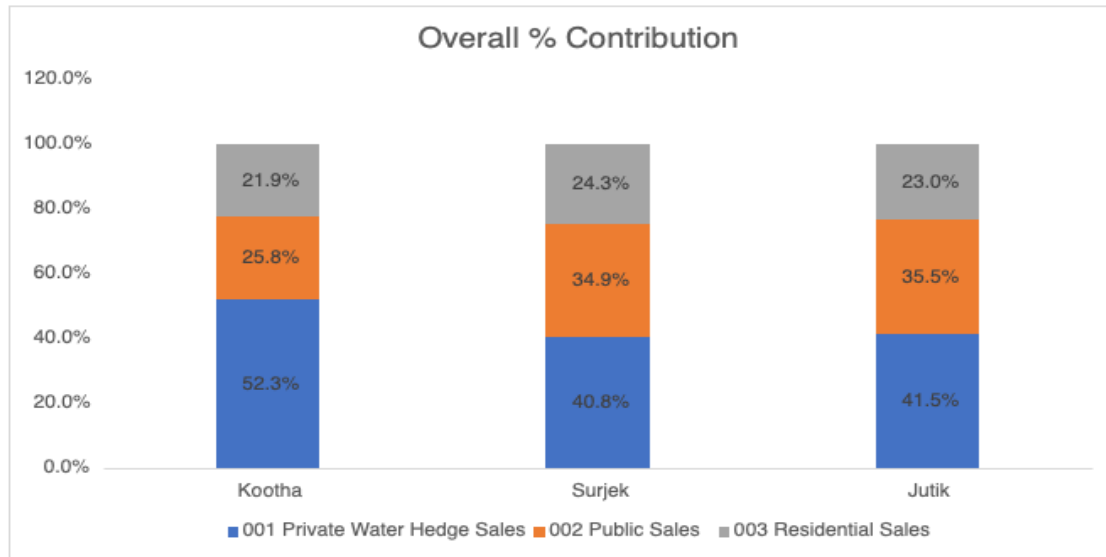
## Revenue Analysis Report

### Objectives:

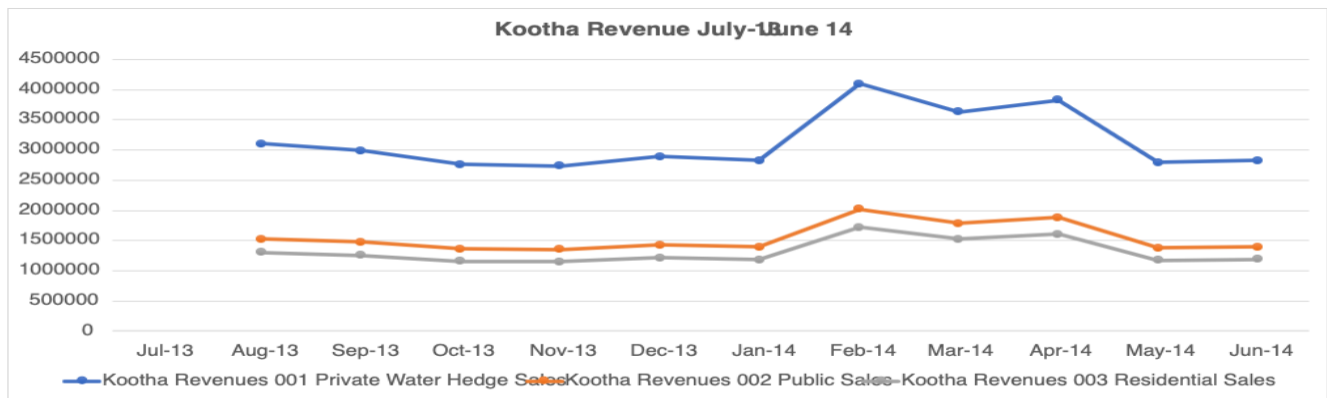
1. In a Stacked Column Chart, please include a chart which shows the % that is contributed by each Sales Segment per Unit (Kootha, Surjek and Jutik)
2. Create three chart(s), which show the Sales Revenues for each of the three customer segments for Kootha, Surjek and Jutik over the June-2013 to July-2014 Period.
3. Create a chart which shows the Aggregate Costs on an individual-unit basis (i.e. Kootha, Surjek and Jutik should all be on the same chart) Create a secondary chart which shows the aggregate costs for all units shown by cost centre.
4. Create a chart which shows the Aggregate Costs on an individual-unit basis with expenses grouped by cost centre (i.e. Kootha, Surjek and Jutik should all be on separate charts).
5. Create a chart (similar to the example shown on the right) which shows the Monthly Chemical Expenditure Per Month, versus Monthly Water Production for each of the three Units (Kootha, Surjek and Jutik).
6. Create two charts which highlight the overall EBIT per Unit (i.e. Kootha, Surjek and Jutik), as well as a second chart which shows the EBIT Trends for each Unit on a monthly basis (June-13 to June-14).

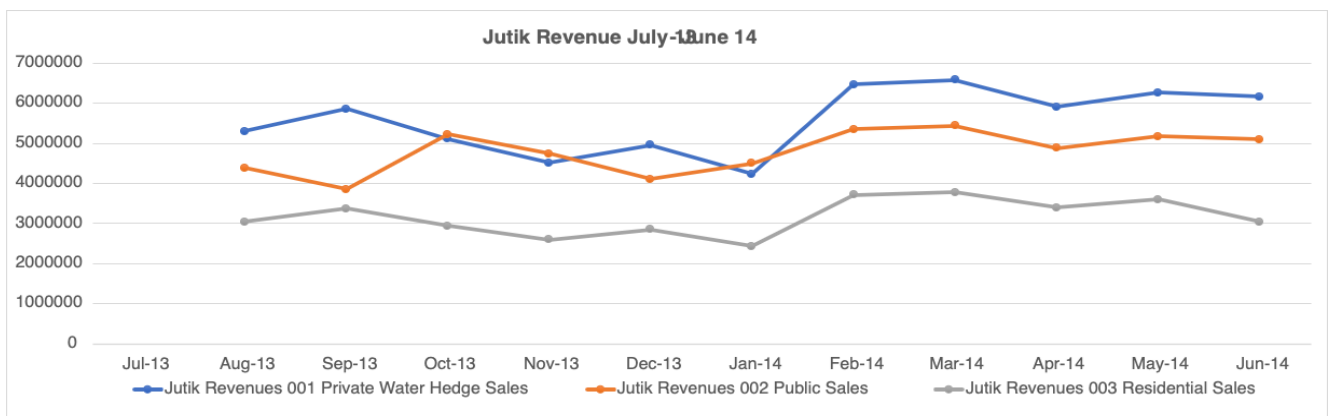
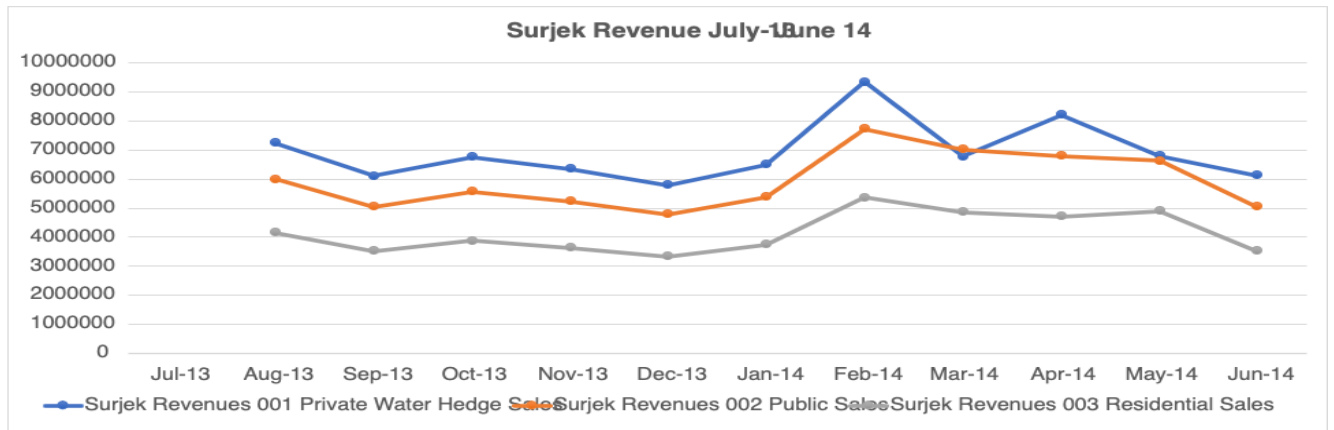
## Analysis:

1. Segmentation of the revenues by unit, reveals that of the three (3) customer segments, private water are the most popular, followed by Public(\$146.9M) and lastly Residential Sales (\$102.5M).

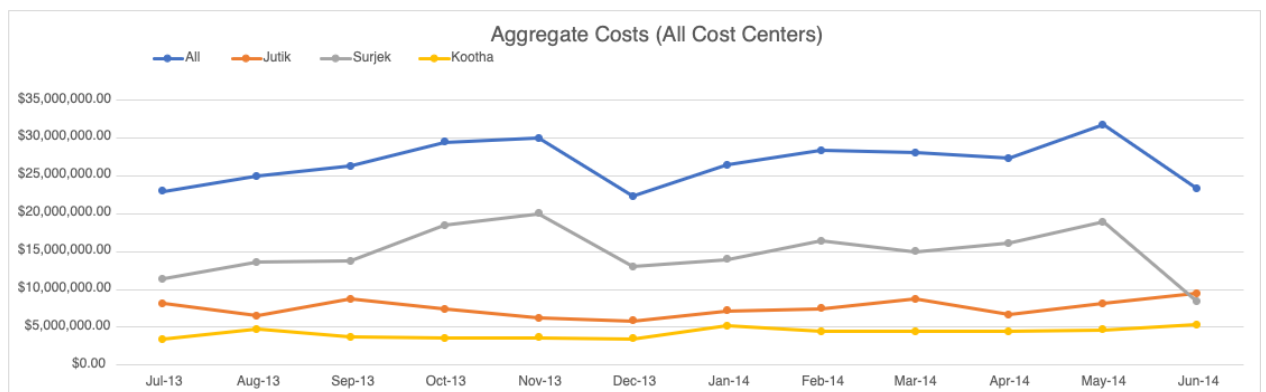


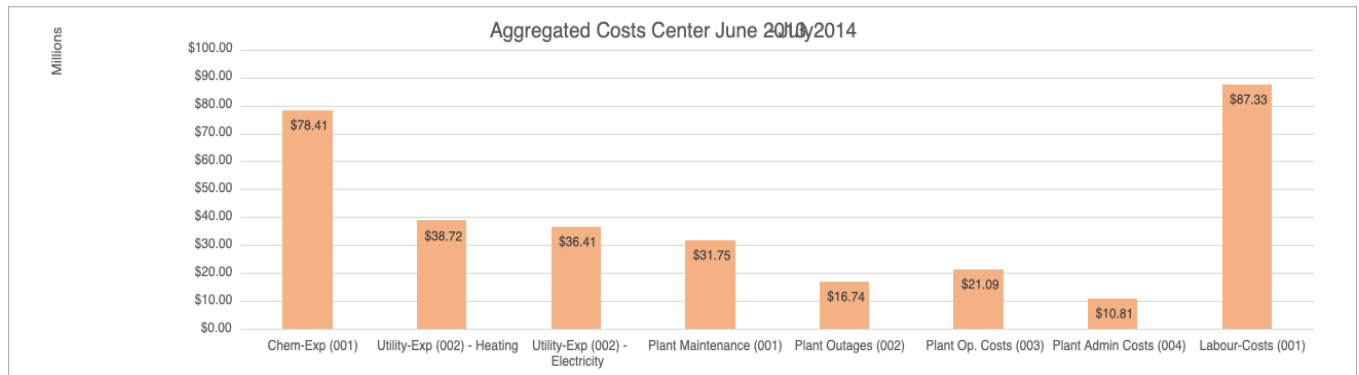
2. Of the (\$436.9 M)<sup>1</sup> in Revenue Sales over the July-2013 to June-2014 Period, Surjek provides close to 50% of Sales Volumes (\$202.3 M), with Jutik (\$ 163.7 M) and Kootha (\$70.9 M) providing the remaining.



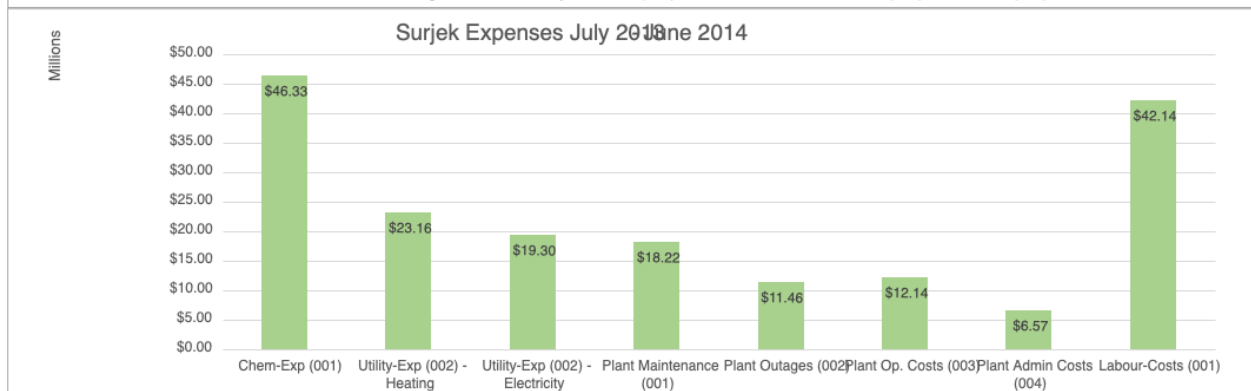
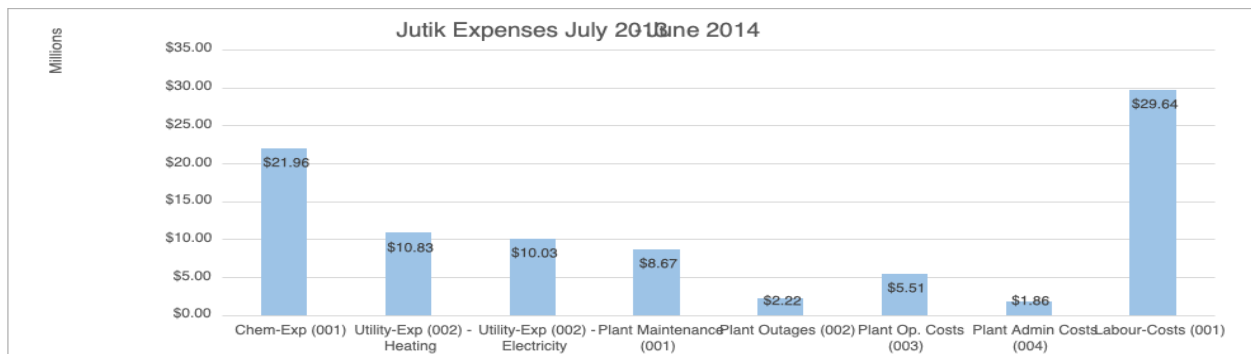
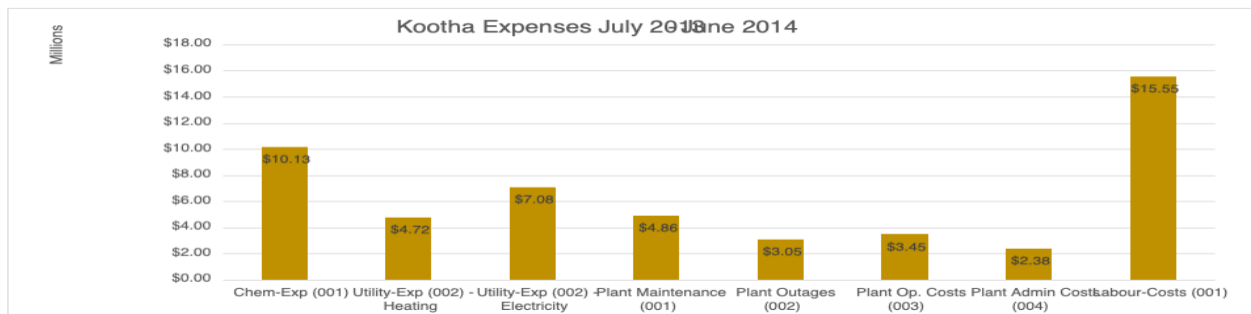


- Targeted Expense Analysis reveals an interesting trend; Overall Costs sharply increase from December, Chemicals and Labour costs, contributing \$165M (52%) towards the overall cost-base.

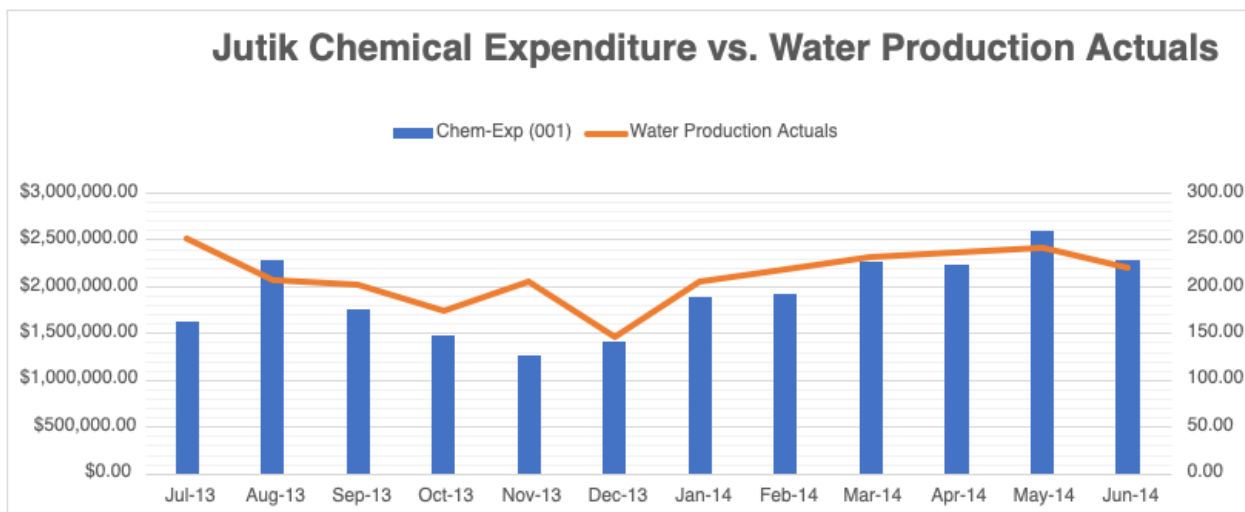
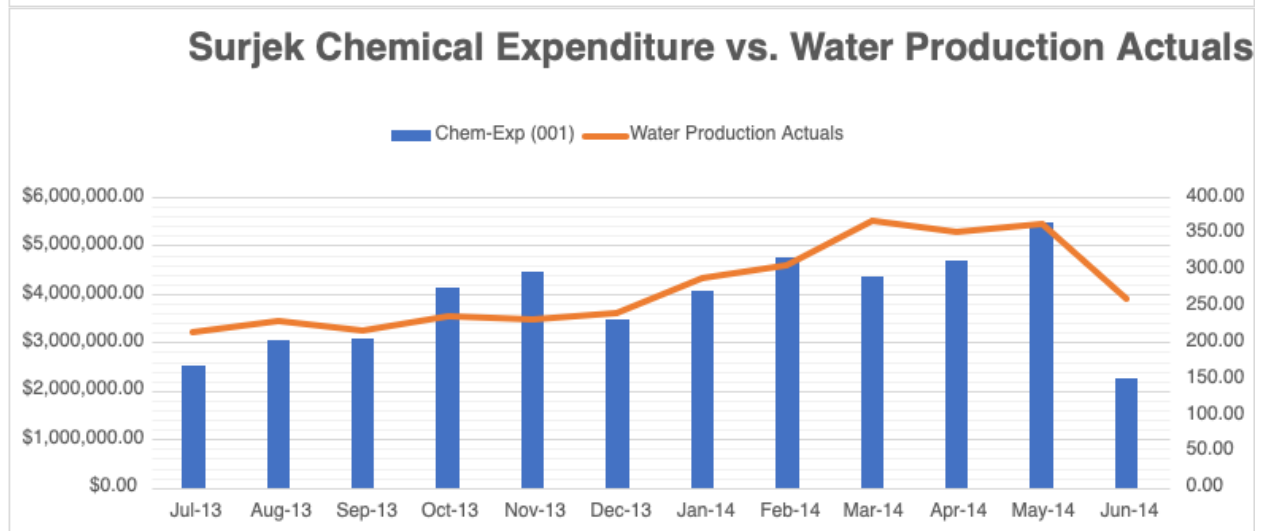
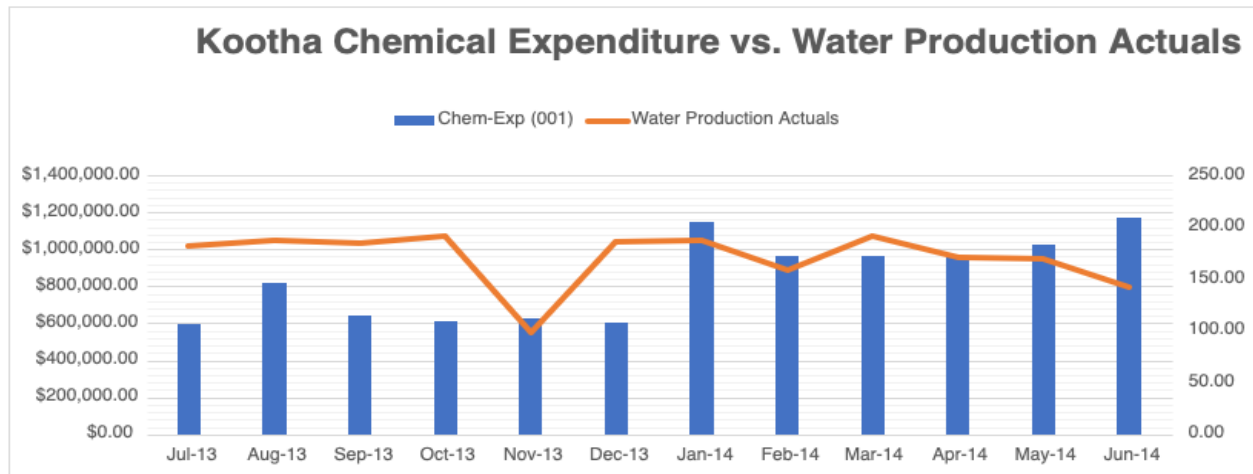




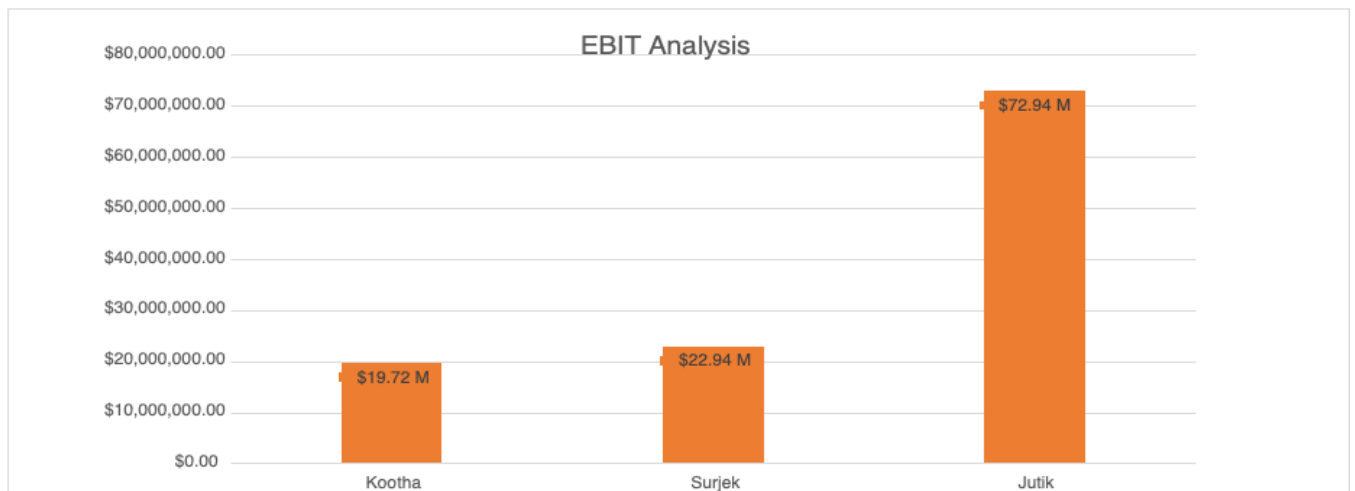
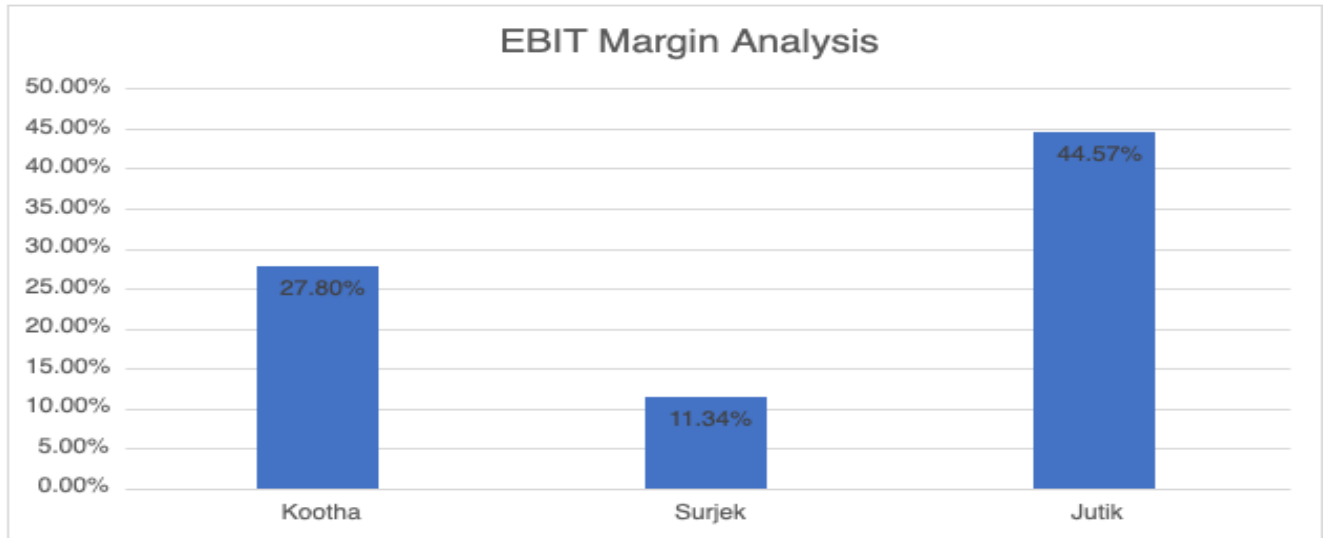
4. Further analysis singles-out Surjek with \$179M (56%) worth of expenses, contrasted to a much lower spend from kootha (\$51 M) and Jutik (\$91M), largely due to lower Chemical and Labour Expenditure.



5. Drilling-down to the cost-element level, reveals an indicative relationship between water production and chemical expenditure with this being particularly pronounced for the Jutik Unit which coincidentally has the highest rate of water production.



6. Jutik has the highest overall EBIT contributions (\$72.94M), followed by Surjek(\$22.94M) , and lastly Kootha (\$19.72M). However, from an EBIT Margin (28%) perspective, Kootha has a higher margin than that of Surjek, indicative of a lower revenue-to-expense ratio.



## Conclusion:

The analysis of revenue segmentation by unit shows that private water is the most popular customer segment, followed by public and residential sales. When analyzing expenses, it is observed that overall costs increase significantly, with chemicals and labor costs contributing the most towards the cost base. In terms of EBIT contributions, Jutik has the highest overall contribution, followed by Surjek and Kootha. However, when considering the EBIT margin, Kootha has a higher margin compared to Surjek, indicating a lower revenue-to-expense ratio. Surjek accounts for nearly 50% of the sales volumes, with Jutik and Kootha contributing the remaining amount. Surjek also has the highest expenses, primarily driven by higher chemical and labor expenditure, while Kootha and Jutik have comparatively lower expenses. Further analysis reveals a relationship between water production and chemical expenditure, particularly pronounced in the Jutik unit, which coincidentally has the highest rate of water production.

## Recommendations:

Based on the analysis, the following recommendations can be made to improve the company's profitability and efficiency.

- Recommended to focus on private water customers as they are the most popular customer segment. This can be achieved by targeting marketing and promotional activities towards this segment.
- Targeted expense analysis can help optimize cost-effectiveness by identifying areas where costs can be reduced. The analysis showed that overall costs sharply increase from December, with chemicals and labor costs contributing the most towards the overall cost-base. Therefore, it is recommended to carefully manage these costs to optimize production efficiency and cost-effectiveness.
- Jutik had the highest overall EBIT contributions, Kootha had a higher EBIT margin than Surjek, indicating that it was more cost-effective in terms of revenue generated. Therefore, it is recommended to focus on improving cost-effectiveness across all three plants, particularly by reducing unnecessary expenses and improving operational efficiency.
- Surjek provides close to 50% of sales volumes, with Jutik and Kootha contributing the remaining. However, Surjek also has the highest expenses due to higher chemical and labor expenditure. Therefore, it is recommended to optimize production efficiency and reduce expenses at Surjek, particularly by managing chemical expenditure.
- Finally, drilling down to the cost-element level reveals a relationship between water production and chemical expenditure, particularly for the Jutik unit, which has the

highest rate of water production. Therefore, it is recommended to manage chemical expenditure while optimizing water production to improve cost-effectiveness across all units.