



Report Category : FINANCE

Prepared by : Sachin Pal

Date : January 2, 2025

This report reflects the financial performance of AUDREY & CO. for the year 2023 (September to December ) and year 2024( January to December ) . All the values mentioned in this report are in US Dollar.

This file contain eight pages including cover

## **CONTENT**

<b>Executive Summary -----</b>	<b>3</b>
<b>Revenue &amp; Profitability Analysis-----</b>	<b>4</b>
<b>Cost Efficiency-----</b>	<b>5</b>
<b>Product Summary-----</b>	<b>6</b>
<b>Sales by Segment-----</b>	<b>7</b>
<b>Recommendations-----</b>	<b>8</b>

## Executive Summary

Audrey & Co. exhibited robust financial performance, achieving a **total revenue of \$118.73M** and a **gross sales figure of \$127.93M** for the analyzed period. Despite a **Total Cost of Goods Sold (COGS) of \$101.83M**, the company secured a **total profit of \$16.89M**, with a profit margin of **14.23%**. Over **1.1258M units were sold**, indicating strong market demand.

Key insights reveal excellent performance across various segments and countries, although certain areas suggest opportunities for optimization. Strategic decisions, especially targeting high-performing regions and product segments, will be key to maintaining growth.

In 2024, the company demonstrated remarkable growth in revenue compared to 2023, with total revenue rising from **\$26.42M in 2023** to **\$92.31M in 2024**. This represents an exceptional **249% year-over-year growth** ( in 2023 company was only in market for four months if we compare only those four months with next years four months then also 2024 shows a remarkable overall growth despite falling in November by 26% ).

## Monthly Revenue and growth(%) of 2023-2024

Months	2023	2024	Growth(%)
January		6.61M	
February		7.30M	
March		5.59M	
April		6.96M	
May		6.21M	
June		9.52M	
July		8.10M	
August		5.86M	
September	4.48M	6.40M	43%
October	9.30M	12.38M	33%
November	7.27M	5.38M	-26%
December	5.37M	12.00M	124%
Total	26.42M	92.31M	249%

## Key Highlights

Decline in November: A notable dip occurred in November, where revenue declined by 26%, dropping from \$7.27M in 2023 to \$5.38M in 2024. This is an area for further investigation.

## Revenue & Profitability Analysis

- Total Revenue: \$ 118.73 M
  - Total Profit: \$ 16.89 M
  - Profit Margin: 14.23 %
- 
- Revenue and profit followed an upward trajectory, peaking in October (\$23.14M in gross sales) and December (\$18.34M in gross sales).

Country	Revenue	Profit	Profit(%)
Canada	24.89M	3.53M	14%
France	24.35M	3.78M	16%
Germany	23.51M	3.68M	16%
Mexico	20.95M	2.91M	14%
United States c	25.03M	3.00M	12%

- Even though US is the biggest source of revenue but last in the line when it comes to profit

## Cost Efficiency

**Total COGS:** \$101.83M

The high COGS suggests significant production or sourcing costs, accounting for approximately **79.1% of gross sales**. While the company managed a healthy profit margin of **14.23%**, further optimization in sourcing or production processes could enhance profitability.

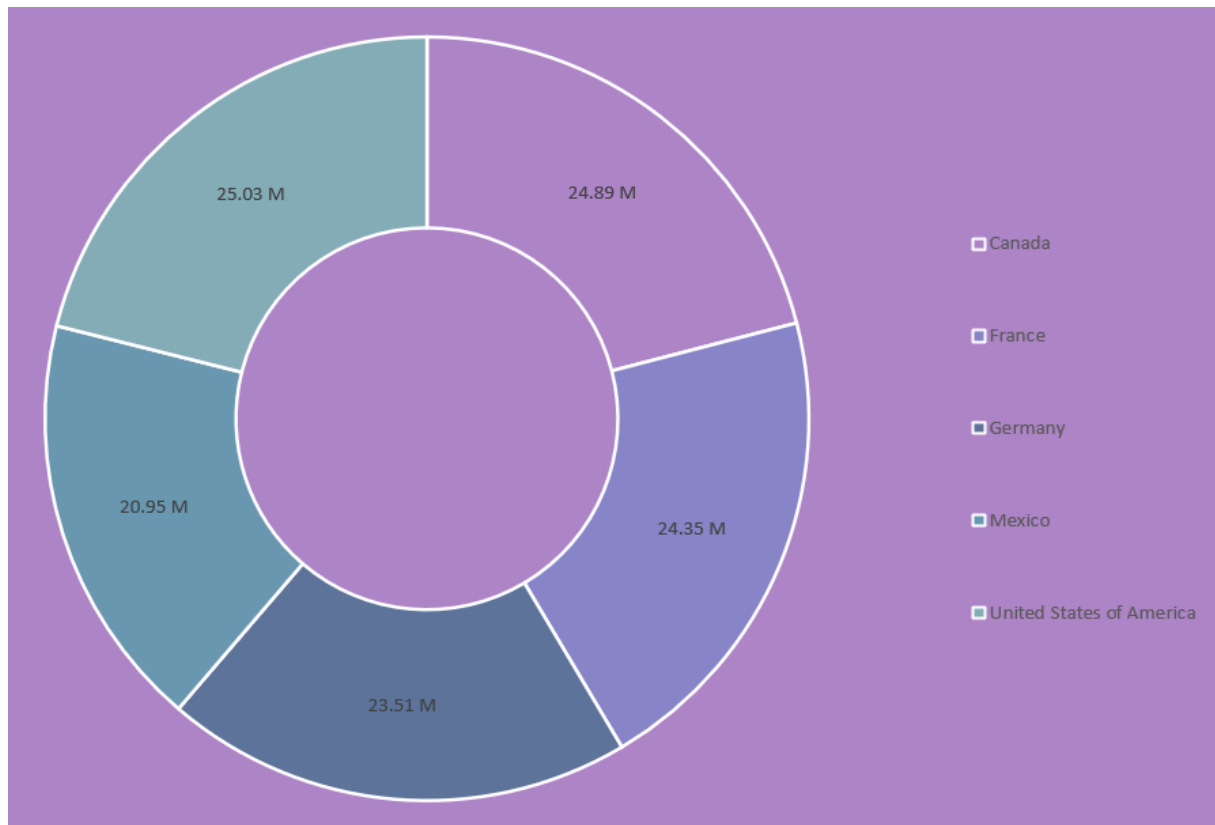
## Country-wise Distribution of Revenue

The county-wise revenue distribution highlights a relatively balanced performance across key markets:

- United States: \$ 25.03 M
- Canada: \$ 24.89 M

- France: \$ 24.35 M
- Germany: \$ 23.51 M
- Mexico: \$ 20.95 M

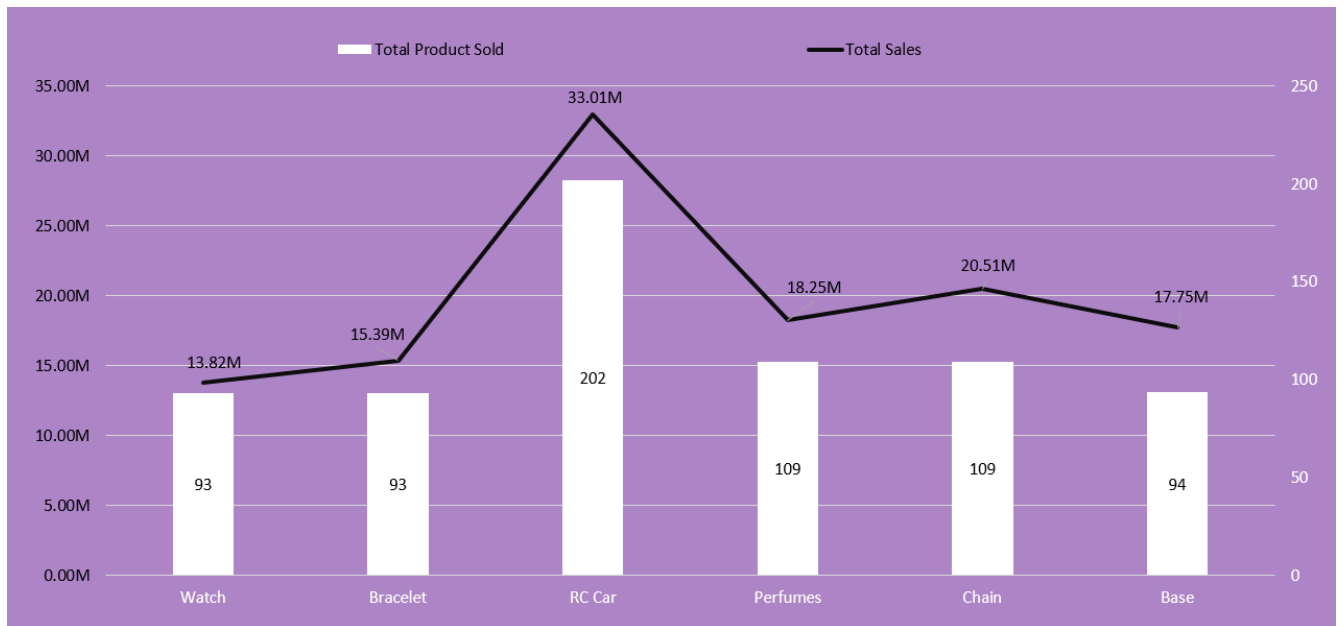
Increasing penetration in Germany and the United States could further boost revenue diversity as these markets have so much potential.



## Product Summary

Top 3 revenue contribution by products

- RC Car : 33 M
- Chain : 20.5 M
- Perfumes: 18.25 M



### Top 3 products by profit %

- Base: 15.86%
- Chain: 14.79%
- RC Car: 14.53%

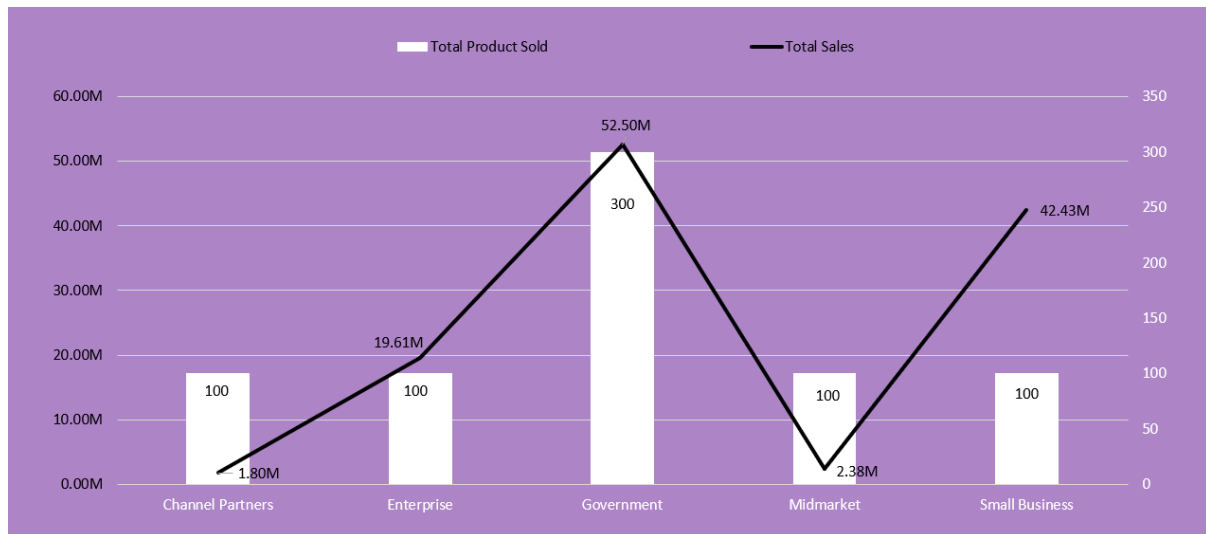
Products	Revenue	Profit	Profit(%)
Base	17.75M	2.81M	15.86%
Bracelet	15.39M	2.11M	13.74%
Chain	20.51M	3.03M	14.79%
Perfumes	18.25M	2.31M	12.64%
RC Car	33.01M	4.80M	14.53%
Watch	13.82M	1.83M	13.22%
Total	118.73M	16.89M	14.23%

## Sales by segment

Government: 52.5M

Small Business: 42.4M

Enterprise: 19.61M



- The Government segment dominated sales, with over \$50M in total product sold, highlighting strong institutional demand.
- Enterprise and Channel Partners contributed around \$20M each, indicating a stable base.
- Midmarket was the weakest segment, suggesting a potential area for product or service redesign to better meet their needs.

Segments	Revenue	Profit	Profit(%)
Channel Partners	1.80M	1.32M	73%
Enterprise	19.61M	-0.61M	-3%
Government	52.50M	11.39M	22%
Midmarket	2.38M	0.66M	28%
Small Business	42.43M	4.14M	10%

- Despite the lowest contribution in revenue channel partners contribute the highest profit %
- Enterprise shows a 3 % loss is due to excessive discounts that were given.

## Recommendations

- **Regional Expansion:** Germany and the United States showed significant revenues (\$23.51M and \$25.03M, respectively). Strengthening penetration in these regions can increase the growth by 100% and 60% by next year as their markets have the potential to grow more.
- **Midmarket Growth:** In-depth analysis of the \$42.4M Small Business segment can identify successful strategies if applied to the underperforming Midmarket and Channel Partner segments, could unlock an additional \$31.8M in revenue potential.
- **Cost Optimization:** Total COGS of \$101.83M consumed 79.1% of gross sales. Improving supply chain efficiency and negotiating before offering bulk discounts can reduce production costs and enhance the 14.23% profit margin.
- **Focus on Regions:** strategies to improve the U.S. profit margin of 12% should be prioritized as it is the top performer in revenue and last in profit.
- **Discounts:** excessive discounts should be discouraged to increase profitability by 3 %
- **Seasonality Planning:** The 26% revenue drop in November (from \$7.27M in 2023 to \$5.38M in 2024) requires analysis. Identifying causes (e.g., market trends, inventory issues) and implementing targeted seasonal promotions can stabilize earnings.