

Financial Performance Report: FY 2025

Company: Solaris Tech Solutions

Date: January 12, 2026

Prepared for: Board of Directors / Stakeholders

1. Executive Summary

Solaris Tech Solutions has concluded the 2025 fiscal year with robust growth, driven primarily by the expansion of our Cloud Infrastructure division.

- **Total Revenue:** \$45.2M (Up 18% YoY)
- **Net Profit Margin:** 14.5%
- **Earnings Per Share (EPS):** \$3.42

While operating costs increased due to R&D investments in AI-driven automation, the company maintains a strong liquidity position. The outlook for 2026 remains positive with a projected revenue growth of 12-15%.

2. Statement of Comprehensive Income (P&L)

The following table summarizes the income and expenses for the fiscal year ending December 31, 2025.

Category	FY 2025 (\$)	FY 2024 (\$)	Variance (%)
Total Revenue	45,200,000	38,300,000	+18.0%
Cost of Goods Sold (COGS)	(18,100,000)	(16,000,000)	+13.1%
Gross Profit	27,100,000	22,300,000	+21.5%
Operating Expenses	(16,500,000)	(14,200,000)	+16.2%
Operating Income (EBIT)	10,600,000	8,100,000	+30.8%
Interest & Taxes	(4,100,000)	(3,200,000)	+28.1%

Category	FY 2025 (\$)	FY 2024 (\$)	Variance (%)
Net Income	6,500,000	4,900,000	+32.6%

3. Balance Sheet Highlights

Our balance sheet remains "asset-light," focusing on intellectual property and recurring SaaS revenue.

Assets

- Current Assets:** \$12.4M (Cash, Receivables, Inventory)
- Non-Current Assets:** \$28.5M (Property, Plant, Intangible Assets)
- Total Assets:** \$40.9M

Liabilities & Equity

- Total Liabilities:** \$15.2M
- Shareholder Equity:** \$25.7M

Note: The Debt-to-Equity ratio decreased from 0.72 to 0.59 this year, reflecting a strategic move to pay down high-interest short-term debt.

4. Financial Ratio & Performance Analysis

To evaluate the operational efficiency, we utilize several key financial metrics.

Liquidity Ratios

- Current Ratio:** \$1.85\$ (Target: > 1.5)
- Quick Ratio:** \$1.42\$ (Target: > 1.0)

Profitability Formulae

We calculate our **Return on Equity (ROE)** using the following model:

$$\text{ROE} = \frac{\text{Net Income}}{\text{Shareholder's Equity}}$$

For FY 2025:

$$\text{ROE} = \frac{6,500,000}{25,700,000} \approx 25.3\%$$

Efficiency Ratios

- **Receivables Turnover:** 8.4x (Average collection period: 43 days)
 - **Inventory Turnover:** 12.1x
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5. Cash Flow Analysis

Cash flow from operations saw a significant boost due to improved automated billing systems.

- **Operating Cash Flow:** \$8.9M
 - **Investing Cash Flow:** (\$4.2M) — Primarily hardware upgrades and a small acquisition.
 - **Financing Cash Flow:** (\$2.1M) — Dividend payments and debt servicing.
 - **Net Increase in Cash:** \$2.6M
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6. Risk Assessment & Future Outlook

Key Risks

1. **Market Volatility:** Fluctuations in semiconductor pricing may impact hardware margins.
2. **Cybersecurity:** As a tech firm, the cost of data protection is rising by 10% annually.

2026 Projections

We anticipate a transition toward a subscription-only model for our flagship software, which is expected to stabilize cash flow but may result in a temporary "SaaS transition dip" in Q1 revenue.

7. Conclusion

Solaris Tech Solutions is in a prime position for scaling. With a high ROE of 25.3% and a decreasing debt profile, the company is well-equipped to handle market headwinds in the coming year.