Report On

“Performance Analysis of Walton Hi-Tech Industries PLC”

Submitted To

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Submitted By

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LETTER OF THE SUBMISSION:

To,
Sabrina Akhter
Assistant Professor
Department of Business Administration
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Daffodil International University

Subject: **Submission of Internship Report on "Performance Analysis of WALTON Hi-Tech Industries PLC"**

Dear Ma'am,

I'm writing to properly submit my internship report titled "Performance Analysis of WALTON Hi-Tech Industries PLC" as part of my internship program completion requirements.

This report includes a thorough evaluation of WALTON Hi-Tech Industries PLC's performance metrics, outlining strengths, challenges, and actionable recommendations for improvement. It also shows what I learned during my internship and in my studies, giving useful insights into how real businesses work."

I appreciate your direction and support during this process, and I welcome any constructive feedback or thoughts you may have on the report.

Thank you for paying attention to this topic.

Best regards,

Sania Jahan
ID: 201-11-1079
Department of Business Administration
Faculty of Business and Entrepreneurship
Daffodil International University

DECLARATION

I, Sania Jahan, hereby declare that this internship report is an accurate reflection of my own efforts and experience. Every component of this paper, from analysis to conclusions, is the result of my own efforts and knowledge. I accept full responsibility for its contents and approve its validity. This report is a real testimony to my devotion, learning, and efforts throughout the internship.

Sania Jahan

Sania Jahan
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LETTER OF APPROVAL

This to certify that Sania Jahan, ID: 201-11-1079, Program BBA, Major in Finance is a regular student of Department of Business Administration, Faculty of Business & Entrepreneurship, Daffodil International University. She has successfully completed her internship program at WALTON Hi-Tech Industries PLC and has prepared this internship report under my direct supervision. Her assigned internship topic was "Performance Analysis of Walton Hi-Tech Industries PLC". I think that the report is worthy of fulfilling the partial requirements of BBA program.

I wish her happiness and every success in life.

Sabrina Akhter
Assistant Professor
Department of Business Administration
Faculty of Business and Entrepreneurship

ACKNOWLEDGEMENT

First, I want to express my deep gratitude to Sabrina Akhter Ma'am, my supervisor and instructor, for all of her support and guidance in getting my internship report finished. Her commitment to helping me learn has been motivating, and I am grateful for her oversight during the report-writing process.

Also, my sincere gratitude goes out to my superiors and in-charge at Walton Hi-Tech industries PLC for their invaluable guidance and support in preparing this report.

At the same time, I owe a great deal of gratitude to the various papers and articles that provided information and inspiration during the process of my research and writing.

And I'm grateful for the chance to develop during this experience.

Executive Summery:

This paper summarizes my experience working as an intern at Walton Hi-Tech Industries PLC, a well-known manufacturing company in Bangladesh. Established by S.M. Nazrul Islam in 1977, Walton is a retailing company with a major national and worldwide presence that specializes in consumer electronics, home appliances, mobile phones, and automobiles.

During my internship, I worked on auditing crucial areas including inventory management and sales distribution. Through these efforts, I received practical knowledge of the company's operational activities, financial performance, and strategic decision-making.

An in dept analysis of Walton Hi-Tech Industries PLC's major financial ratios shows information about the company's financial performance over the last five years. Profitability, inventory turnover, and return on assets fluctuations all show the company's challenges and future potential. While Walton has a significant presence in the Bangladeshi economy and has been recognized for its corporate social responsibility efforts, addressing areas for improvement, such as optimizing inventory management and improving operational efficiency, will be critical for maintaining growth and competitiveness in the dynamic consumer electronics industry.

Overall, this internship has given me invaluable hands-on experience, allowing me to apply academic knowledge in a real-world situation and develop critical skills for future careers in consumer electronics and manufacturing industry. I am thankful for the chance to contribute to Walton's success and look forward to applying my knowledge in future initiatives.

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Chapter 1

Introduction of The Report

1.1. Background of the study:

These days, it is difficult to picture a home, business, or office without air conditioning, a refrigerator, a television, or any other gadgets. Although a few years ago, they were luxury items, but now days, they are required. These electronic gadgets are a part of our daily lives, from waking up to hearing an alarm on our phone to falling asleep after watching our favorite TV show. As a consequence, most people consider electronics devices as necessary for maintaining a certain standard of living in order to save time, money, and effort while also making life more convenient. The demand for these types of items is always increasing. In 2024, the consumer electronics market is expected to generate $10,930 million in revenue. Moreover, the market is projected to expand by 7.23% annually. In Bangladesh, the consumer electronics market is dominated by televisions and refrigerators because they are seen as necessities for the home. Additionally, customers' perceptions have changed over the time, and they now want these goods to provide a more seamless and customized experience. As a result, it is the responsibility of the industry participants to make sure they can both guarantee the availability of these items across all channels and meet these shifting demands.

1.2. Objective of the study:

This financial analysis aims to achieve the following main goals:

- To assess WALTON's performance and financial standing for the previous five fiscal years.
- To evaluate the efficiency of WALTON's money management.
- To measure WALTON's financial results with those of its competitors and the industry.
- To recognize possible market trends and how WALTON's financial strategy might be affected by them.
- To offer suggestions and strategic understanding derived from the financial study.

1.3. Methodology

Data collection:

I mostly used two approaches to gather data for this report:

1. Primary methods: Primary methods of data collection typically refer to the practice of gathering information directly from sources. Using this approach, I have gathered information by posing a variety of questions to personnel at Walton Company, who are very knowledgeable about both the inner workings of this gigantic corporation and the industry at large.

2. Secondary methods: Many secondary sources of information were utilized in order to provide an analytical assessment. I obtained the information for this from a variety of sources, including WALTON's financial statements, annual reports, and official publications. Furthermore, academic and industry publications are used to establish the financial study in the perspective of the larger consumer electronics market.

1.4. Limitation of the study:

Several obstacles were faced during the financial analysis of WALTON, which could have affected the study's thoroughness and accuracy:

1. Data Accessibility: The analysis greatly depends on the accuracy and availability of WALTON's annual reports' historical financial data. The accuracy of the study could be impacted by any inconsistencies or flaws in the data.

2. Market and Industry Dynamics: Technology, consumer preferences, and market trends are all changing quickly in the consumer electronics sector. It is difficult to anticipate future trends with accuracy using historical data because of these dynamic variables.

3. Time Limitations: There are limitations on in-depth analysis that can be done due to the internship's short time frame. A more thorough investigation might reveal a more complex picture of WALTON's financial situation.

4. Restrictions on Confidentiality: Some financial information is private and not available to the public, particularly when it relates to strategic choices and proprietary data. That's why, the depth of the analysis is limited by restricted access to such confidential data.

Chapter 2
Company Overview

2.1. Company Overview:

Founded in **1977** by **S.M Nazrul Islam**, Walton Hi-Tech Industries PLC is a large conglomerate and manufacturing firm in Bangladesh that specializes in consumer electronics, home appliances, mobile phones, automobiles, and retailing.

With more than **30,000** people, Walton is one of Bangladesh's major employers. It runs over 1,000 retail locations under the brand name "Walton Plaza" and has overseas operations in China, India, and the United States.

The corporation has been acknowledged as a major actor in the Bangladeshi economy, having a strong presence in electronic goods, real estate, and commerce. According to the CSR Centre of Sustainability Excellence, it was the second-largest corporate donor in Bangladesh in 2019. Additionally, Walton won the esteemed **Best Brand Award in 2021**, becoming the most loved brand in the refrigerator category for the eighth time.

2.2. Major events at a glance:

Major events	Year of event
Begins its journey in	1977
Incorporated under the companies act, 1994	April 17th ,2006
Started Production of Refrigerator	2008
Started exporting in	2010
Started Production of AC	2011
Started Production of TV	2012
Started Production of Home & Kitchen Appliances	2014
Started Production of Fan	2015
Achieved 60% of refrigerator market in Bangladesh	2016
Established first compressor manufacturing plant in Bangladesh	2017
Listed as public limited company in	May 14th, 2018
Started trading with DSE & CSE	September 23rd, 2020.

2.3. Mission, Vision and Core values:

Mission:

‘Responding to ever changing consumer and market demands through responsible innovative brilliance and recognized quality standard’

Vision:

‘Aspiring to be bold leader among the top 5 global E&E brands’

Core values:

- consumers are priority one
- competent innovative brilliance
- dynamic quality and compliance standard
- demand facing predictive market presence
- our people, our family

2.4. Product Description:

Walton has made its mark on a variety of electrical products that we use on a daily basis. At the moment, the firm produces eight distinct product categories. which are:

1. Washing Machine
2. Home Appliances
3. Kitchen Appliances
4. Electrical Appliances
5. Elevator
6. Refrigerator & Freezer
7. Television
8. Air condition

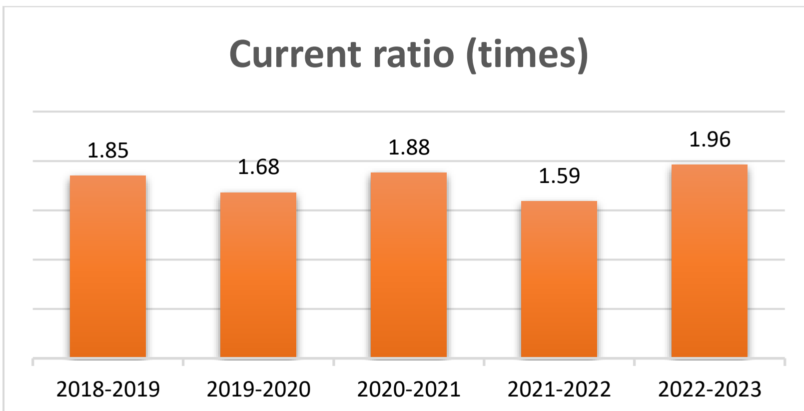
Chapter 3
Financial Evaluation:
Ratio Analysis

3.1. Liquidity ratios:

The liquidity ratio indicates how well a business can use its short-term assets to pay its short-term debt.

I. Current ratio:

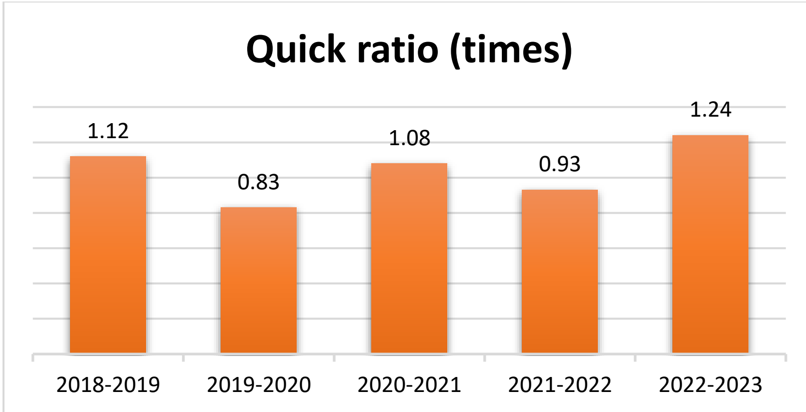
Year	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Current ratio	1.85	1.68	1.88	1.59	1.96



Over a five-year period, Walton Hi-Tech Industries PLC's changing current ratio—which ranged from 1.59 to 1.96—generally shows satisfactory liquidity. A ratio greater than one indicates that the business has stronger liquidity and can meet short-term obligations.

II. Quick ratio:

Year	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Quick ratio	1.12	0.83	1.08	0.93	1.24



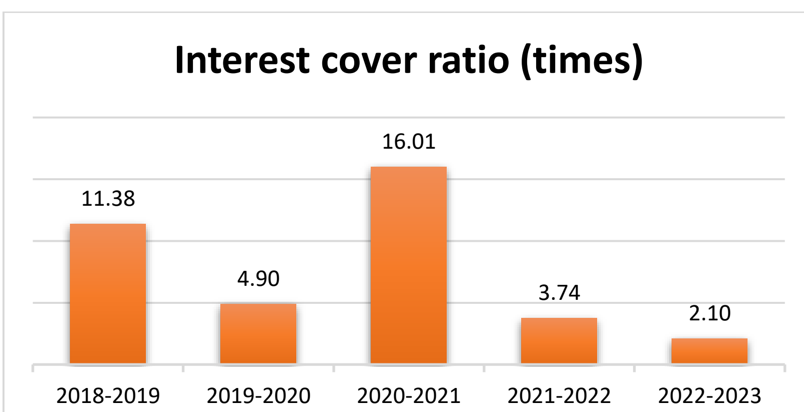
Walton Hi-Tech Industries PLC's fluctuating quick ratio, which ranged from 0.83 to 1.24 during a five-year period, indicates different levels of short-term liquidity. Ratios greater than one suggest that the business has stronger liquidity and can meet short-term obligations without using inventory.

3.2. Solvency ratio:

Solvency ratios evaluate the capacity of an organization to fulfill its financial obligations over the longer term.

I. Interest cover ratio:

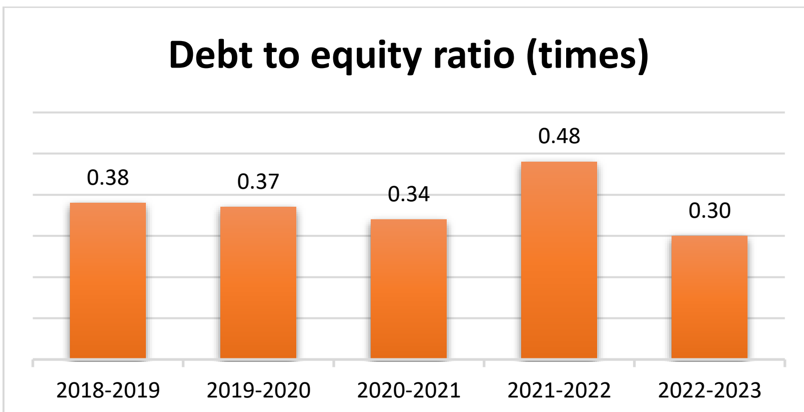
Year	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Interest cover ratio	11.38	4.9	16.01	3.74	2.10



The interest cover ratio situation for Walton Hi-Tech Industries PLC at this time seems irregular and maybe worrisome. Although the ratio fluctuates significantly over the course of the five years, the pattern points to a reduction in the company's capacity to use earnings before interest and taxes (EBIT) to pay for its interest expenditures. As shown in 2022–2023, a ratio below 2.0 raises special concerns as it may indicate difficulties fulfilling interest payments.

II. Debt to equity ratio:

Year	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Debt to equity ratio	0.38	0.37	0.34	0.48	0.30



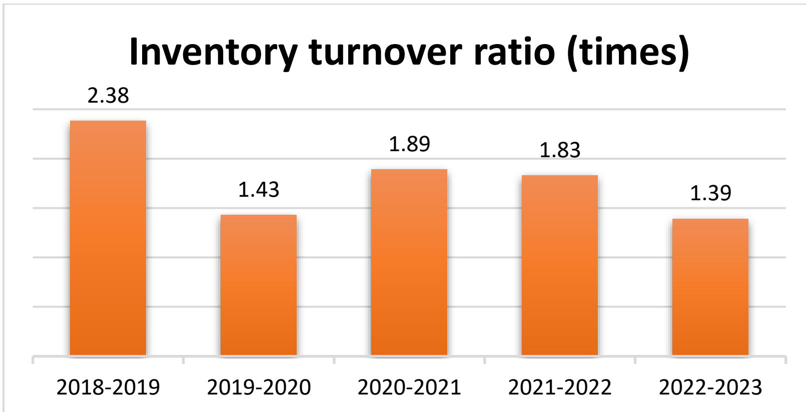
This ratio shows how much debt the firm has compared to equity, which reflects its financial leverage. The declining trend from 0.48 to 0.30 shows a possible reduction in the company's debt compared to its equity, which might imply stronger financial stability and lower financial risk.

3.3. Efficiency ratio:

The efficiency ratio calculates how well a corporation uses its assets to generate income.

I. Inventory turnover ratio:

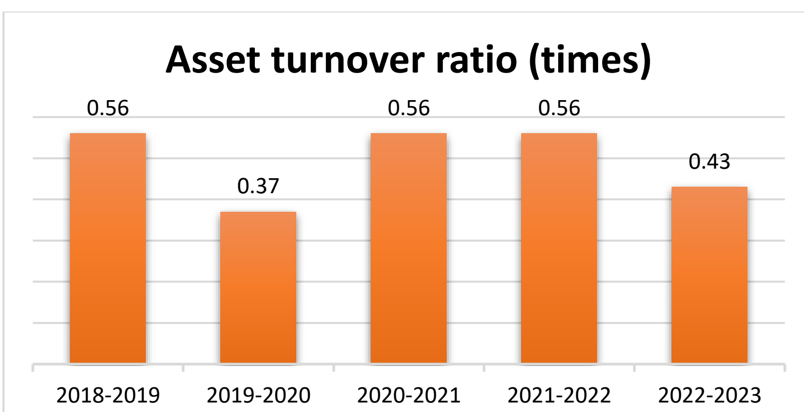
Year	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Inventory turnover ratio	2.38	1.43	1.89	1.83	1.39



Over five years, Walton Hi-Tech Industries PLC's inventory turnover ratio has fluctuated between 1.39 and 2.38, demonstrating changing efficiency in inventory management. However, a falling trend signals possible issues in sales and manufacturing efficiency.

II. Asset turnover ratio:

Year	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Asset turnover ratio	0.56	0.37	0.56	0.56	0.43



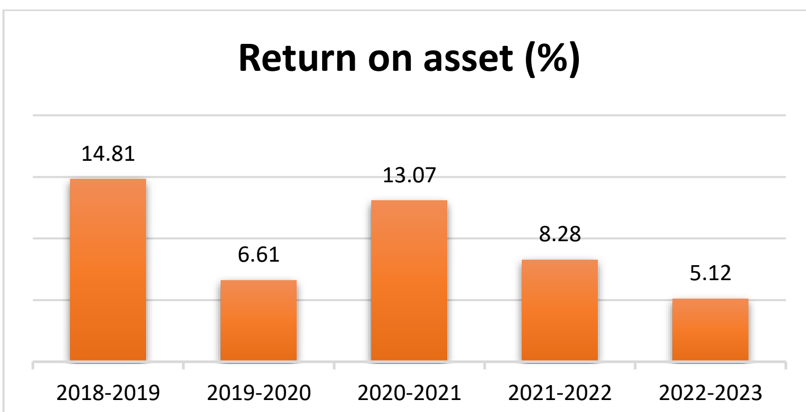
The efficiency of the business in making money from its assets is shown by this ratio. While the stability is noteworthy, the comparatively low prices can point to difficulties in making the most use of assets to generate money.

3.4. Profitability ratio:

Profitability ratios measure a company's capacity to create profits in relation to its revenue, assets, and equity. These measurements shed light on the company's efficiency of handling activities and creating profits for stakeholders.

I. Return on Asset (ROA):

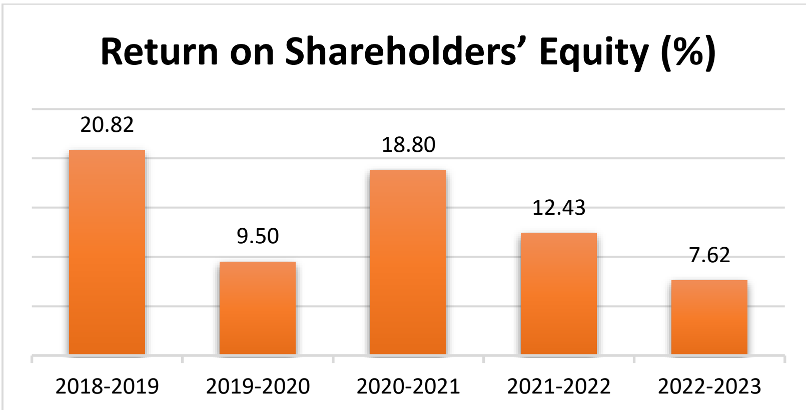
Year	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Return on asset (%)	14.81%	6.61%	13.07%	8.28%	5.12%



ROA evaluates a company's capacity to create profits from its assets. While the trend varies, the lowering levels indicate possible issues in efficiently leveraging assets to create profits.

II. Return on Shareholders' Equity (ROE):

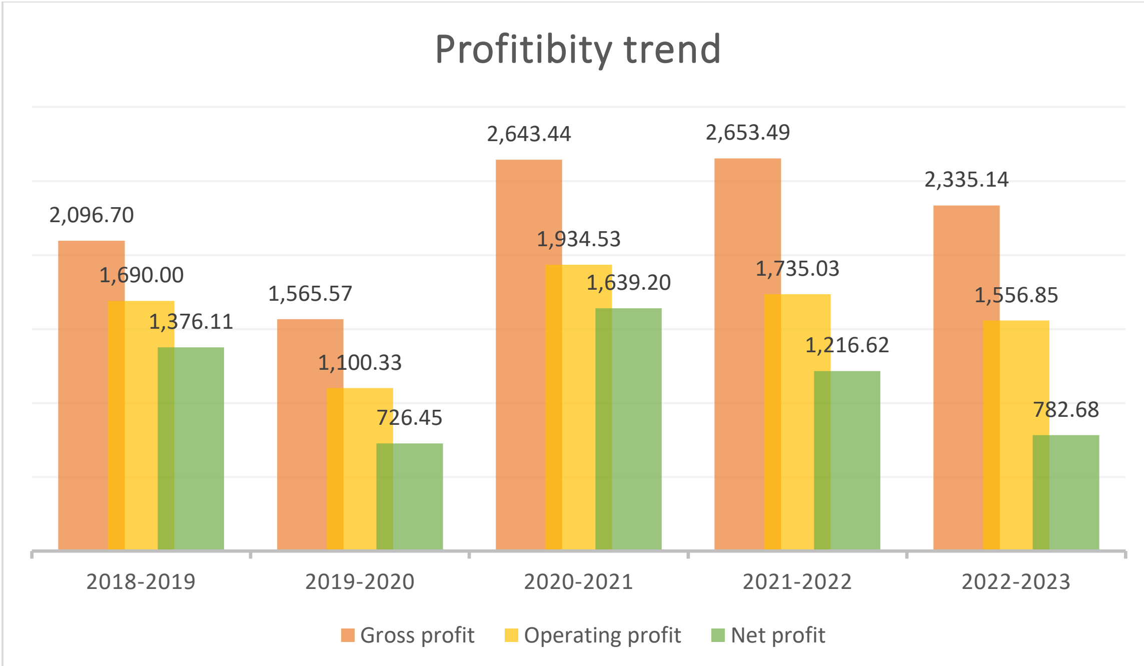
Year	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Return on Shareholders' Equity	20.82%	9.50%	18.80%	12.43%	7.62%



This ratio illustrates how effectively the firm makes profits in comparison to shareholder investments. Although the trend demonstrates unpredictability, dropping values indicate possible obstacles in optimizing profits for shareholders.

III. Gross profit, Operating profit, Net profit trend:

Year	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Gross profit	2,096.7	1,565.57	2,643.44	2,653.49	2,335.14
Operating profit	1,690.00	1,100.33	1,934.53	1,735.03	1,556.85
Net profit	1,376.11	726.45	1,639.20	1,216.62	782.68

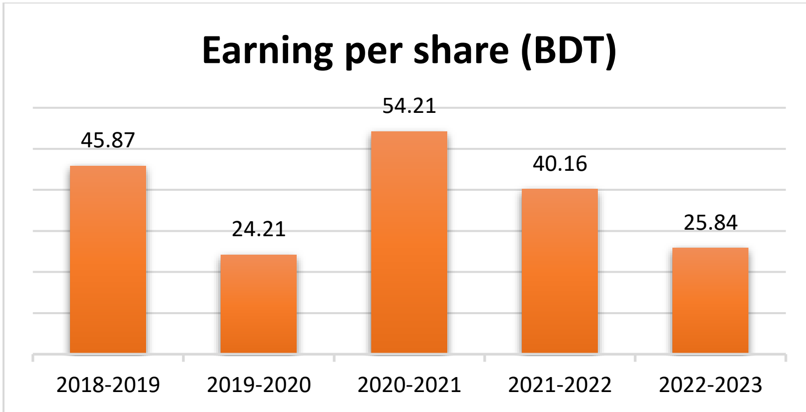


Walton Hi-Tech Industries PLC had inconsistent profitability throughout the course of the five years. At the beginning, net, operational, and gross profits are all trending upward, indicating strong success. Nevertheless, further drops show difficulties or changes in how operations are carried out that affect profitability. Although the early rise seemed optimistic, a number of unanticipated events, including inflation, the worldwide pandemic, and fluctuations in foreign exchange rates, have resulted in decreased profit margins in subsequent years.

3.5. Market value ratio:

I. Earnings per share (EPS):

Year	2018-2019	2019-2020	2020-2021	2021-2022	2022-2023
Earnings per share	45.87	24.21	54.21	40.16	25.84



This statistic measures the company's profitability per share, representing the percentage of earnings related to each outstanding share. EPS dropped due to higher material and freight costs, BDT currency depreciation, and increased selling and distribution costs.

Chapter 4

Internship Experience and Responsibility

4.1. Position and responsibility:

During my internship in the internal audit and compliance department, I had the opportunity to work on a variety of departments, including sales distribution and inventory management.

Core responsibilities and work:

- Performed thorough audits in the sales distribution and inventory analysis areas.
- Verified inventory management procedures to guarantee both accuracy and efficiency.
- Evaluated discrepancies in inventory by looking at inventory records and transections.
- Examined distribution channels and analyzed distributors' information.
- Reviewed and verified the distributors' documents to ensure minimum risk.
- Contributed to finding areas for operational improvement in the organization.

4.2. Skill Developed:

- Strong analytical skills through inventory and sales data analysis.
- Attention to detail in reviewing inventory records and sales data.
- Communication skills through collaborating with team members and presenting findings.
- Time management and organizational skills in managing audit tasks effectively.
- Problem-solving abilities in identifying areas for operational improvement.

Chapter 5

Findings and Recommendations

5.1. Findings:

- **Fluctuating Profitability:** Over time, the company's profitability measures, such as return on equity (ROE) and return on assets (ROA), change. This irregularity raises the possibility of difficulties in continuing to be profitable over time.
- **Still maintaining paperwork:** Despite being an electronics manufacturing firm, Walton Hi Tech Industries plc still relies on physical paperwork for data storage, which is environmentally unfriendly and may be replaced with software.
- **Decrease in Interest cover ratio:** At this point, Walton Hi-Tech Industries PLC's interest cover ratio position is unusual and maybe concerning. The trend indicates a decline in the company's ability to use earnings before interest and taxes (EBIT) to cover its interest expenses, even though the ratio varies dramatically over the course of the five years.
- **Falling Inventory Turnover Ratio:** The inventory turnover ratio of Walton Hi-Tech Industries PLC has varied over a period of five years, ranging from 1.39 to 2.38, indicating shifts in the effectiveness of inventory control. A declining trend, however, may indicate problems with manufacturing efficiency and sales.
- **Lower Earning Per Share:** Due to the depreciation of BDT's currency, increased selling and distribution expenses, and higher material and freight costs there is a decline in EPS.

5.2. Recommendations:

- **Inventory Management Enhancement:** Implement strategies to enhance inventory control, aiming to stabilize the inventory turnover ratio. This includes optimizing production processes, improving supply chain efficiency, and aligning inventory levels with market demand.
- **Environmental Sustainability:** Software-based work, energy-efficient technology, recycling programs, and other eco-friendly manufacturing techniques can be implemented to lessen environmental effect and support sustainability objectives.
- **Cost-Efficiency methods:** Assess and put into practice cost-effectiveness methods to deal with rising selling and distribution costs, as well as higher freight and material costs. This

could entail looking into ways to streamline processes, improving distribution routes, and negotiating better prices with suppliers.

- **Frequent Financial Monitoring:** Create a strong framework for tracking and reporting finances on a regular basis in order to spot new trends and problems early on. This proactive strategy can support prompt adjustment-making and long-term financial sustainability.
- **Boost Operational Efficiency:** Operating efficiency may be increased and expenses can be decreased by streamlining manufacturing procedures, improving inventory control, and putting cost-cutting strategies into place.

Chapter 6

Conclusion

6.1. Conclusion:

Finally, my internship at Walton Hi-Tech Industries PLC has provided me with an inside look at a top conglomerate in Bangladesh's consumer electronics industry. Through hands-on experience and in-depth study of important financial measures, I have received priceless insights into the company's financial health. Despite numerous challenges, Walton's enormous contributions to the Bangladeshi economy, as well as its commitment, show its importance as a prominent industry participant.

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