An Internship Report

on

“Financial Performance Analysis

of

Walton”

Prepared by

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Program: BBA, Major: Finance

Department of Business Administration

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Submission Date: 13 July, 2023

Letter of Transmittal

13 July, 2024

Mr. Mahbub Parvez

Associate Professor

Department of Tourism & Hospitality Management

Faculty of Business & Entrepreneurship

Daffodil International University

Subject: Internship Report Submission

Respected Sir,

I would need to thank you from the bottom of my heart for letting me yield my "Internship Report" the way you inquired. I have completed my internship report, which was focused on “Report on Financial Performance Analysis of Walton”. I tried to incorporate what I had learnt from my internship.

I was able to obtain real-world experience and write this report during my three months of employment at Walton Group located at Basundhara R/A, Block-D, Dhaka-1229, which ran from August 1, 2023, to October 31, 2023. It was advantageous for me to intern at Walton Group, as I have learned more almost the organizational practices.

I earnestly appreciate your extraordinary collaboration.

Obediently yours,

Siam Hossain

ID- 201-11-6532

Program: BBA, Major: Finance

Department of Business Administration

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Supervisor Declaration

This is to certify that the internship report titled "Financial Performance Analysis of Walton Group" prepared by Siam Hossain, ID- 201-11-6532 as an assertion of BBA program under the Department of Business Administration and the Faculty of Business and Entrepreneurship at Daffodil International University.

The report is recommended for further submission.

Mr. Mahbub Parvez

Associate Professor

Department of Tourism & Hospitality Management

Faculty of Business & Entrepreneurship

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Student's Declaration

I do thusly pronounce that, the internship report entitled "An Financial Performance Analysis of Walton Group" coordinating the result of my possess fundamental work, beneath the supervision of Associate Professor Mr. Mahbub Parvez, Department of Tourism & Hospitality Management, Daffodil International University

I announce that the data detailed and utilized here is unique and it's my possess fundamental work.

Siam

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Program: BBA, Major: Finance

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Faculty of Business & Entrepreneurship

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Acknowledgement

At first, much appreciation to the all-powerful for my wonderful life and information. He has given me the quality and all the points of interest to live in this world.

I am very thankful to my honorable instructor & internship teacher Associate Professor Mr. Mahbub Parvez, Department of Tourism and Hospitality Management, Daffodil International University. Since of his legitimate direction, counsel and proceeds offer assistance, I have completed my internship report. Without his profitable proposal and instruction, it'd not have been conceivable for me to wrap up the report.

I am especially thankful to the supervisor MD Nahid Hasan who is the Senior Deputy Operative Executive of Walton Group that is found at Bashundhara R/A, Vatara, Dhaka.

I need to thank to those who were made a difference me and maintained for creation of this report.

Executive Summary

This study was conducted under the title "An Internship Report on Financial Performance Analysis of Walton". The financial performance analysis of an organization plays a pivotal foreword in assessing its overall health and assessing its success in achieving its strategic objectives. This report presents a comprehensive analysis of the financial performance of Walton Group, the latest best Multinational Electrical & Electronics industry in Bangladesh.

The principal purpose of this report is to dissect the financial performance of Walton Group for five years, from 2019 to 2023. The study of this report aims to give perceptivity into Walton financial position, profitability, liquidity, effectiveness, and solvency, based on a detailed examination of its financial statements. For this study, quantitative research has been conducted to analyze the data and results. The quantitative data in the annual report has been conducted to make the comparison of the financial performance. The comparison of this execution is required to track their accomplishment on stability, liquidity, productivity and on keeping on their market share. The financial analysis is conducted to explore the organization's financial performance including ratio analysis, horizontal analysis, vertical analysis, trend analysis, forecasting analysis. However, the result shows that Walton will improve more overtime if they invest more by proper cost management notably in this liquidity, profitability, efficiency and solvency measures during the period under the report.

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Chapter 1

Introduction

1.1 Origin

A necessity for BBA educational modules is that understudies have to total an internship program which is a portion of graduation prerequisite. After completing the whole program of prerequisite courses, students ought to require to total their internship program for the required degree of Bachelor of Business Administration. A professional literacy occasion known as an internship that offers useful, applicable work related to academic or career interests. Through the internship program, students will have the chance to gain practical knowledge and receive assistance in real-world situations. Students will benefit from the opportunity for real world operation of theoretical generalities and through exposure to the report.

Walton remains the most established high-tech industry in Bangladesh, and so plays a crucial part in our country's keeping the wheels turning and acting a main portion in the nation's economic enhancement. Walton gives the best priority on their clients demand by their endless effort. They assure the best satisfaction to their customer.

This report focuses on financial performance analysis of Walton. Here have some topics and item which will discuss and analyzed at the analysis part: Ratio Analysis, Horizontal Analysis, Vertical Analysis, Trend Analysis, Forecasting Analysis, Identified problems and recommendation.

1.2 Background

Besides academic conditioning, practical knowledge also demanded for a student. Because by practical knowledge and experience, we will get and understand the real situation. So, it is necessary for the business background student to try and do the internship program for getting real life experience. As a brief position program, they can learn how to use them academic knowledge in real life. I feel veritably lucky because Walton given me this temporary position for completing internship at their Bashundhara R/A brunch. I 've got learned about financial sector, while I used to be working. This report made a difference to create my ability and encounter in budgetary conditioning. I gathered more learning and involvement during internship.

1.3 Objectives

- To analyze the money related execution of Walton utilizing different ratios like Activity Ratio, Leverage Ratio, Solvency Ratio, Common Size Analysis etc.;
- To determine the difficulty related to the monetary execution of Walton;
- To make a few proposals to resolve the problems;

1.4 Methodology

Basically, the report is mixed of exploratory and descriptive research in nature. Here, the information of the report collected from 2 sources.

Primary Data Source:

- Practical knowledge at the time of internship
- Activities of Walton
- Direct discourse with the supervisor MD Nahid Hasan
- Direct discourse with other employees of Walton

Secondary Data Source:

- Walton website.
- Annual reports of Walton
- Online articles and journals about Walton
- Previous reports published in online.

I gathered my essential information from my supervisor and other staffs of Walton.

1.5 Limitations

- The Internship period was about three months. This short time wasn't perfect for knowing a company and gathering practical knowledge.
- Lack of past involvement to plan this kind of research
- Lack of information adequacy and confidentially

Chapter 2

Organizational Part

1.1 History

Walton was established by S.M Nazrul Islam. Nazrul begun his career as a little businessman. After the Bangladesh Freedom War of 1971, he started a partitioned commerce. In 1977, he established an unused company named after his eldest child S.M Nurul Alam Rezvi called Rezvi & Brothers, truncated as R.B. Group. At that time, they utilized to purport televisions. The company make a huge appearance in 2008 as the Walton Group by starting ice chest fabricate.

When S.M Nazrul Islam passed on 2017, his eldest child S.M Nurul Alam Rezvi took over as the chairman of the company.

In April 2017, Walton construct up the country's first-ever and as it were compressor fabricating manufacturing plant. With the introduction of the plant, Bangladesh has developed as the world's 15th as well as Asia's 8th compressor fabricating country.

In January 2018, Walton opens the essential ever computer get together plant. At the same time, it got to be the to begin with ever Bangladeshi company to trade locally made tablets to Nigeria.

In February 2020, for the to begin with time, Walton started exchanging mobiles to the United States as a Bangladeshi one of a kind equip maker company to a prevalent American brand, something else known as “contract Manufacturing”.

In April 2022, Walton obtained 3 European brands to make 4.8 million compressors a year. Walton Hi-Tech Industries PLC pronounced the purchase of two more brands – Zanussi Electromeccanica (ZEM) and Verdichter (VOE) – from Italia Wanbao-ACC. The Bangladeshi gadgets mammoth gotten the rights of more than 50-years antiquated presumed three European hardware brands and its era plant, a trademark, obvious, plan and computer program. With the acquirement of the more than 50-year-old Italia Wanbao-ACC compressor brand, Walton is presently on course to pick up a major a dependable balance in European countries.

In June 2022, Walton declared the foundation of a Inquire about and Development Middle in South Korea.

1.2 Vision

Aspiring to be a striking among the beat 5 worldwide E&E brands.

1.3 Mission

Responding to the ever-changing customer and advertise requests through responsible innovative brilliance and recognized quality standard.

1.4 Goal

To accomplish advertise administration, productivity, great corporate citizenship and a feasible growth

1.5 Organogram

The organizational structure of Walton is based on U-Form that displays functional design of the company. The organization that have U-Form arrangements, is grouped into functional development with the members end every unit of the organization. That also indicates the company is associated with production & marketing. Now let's see the Organogram of Walton Group.

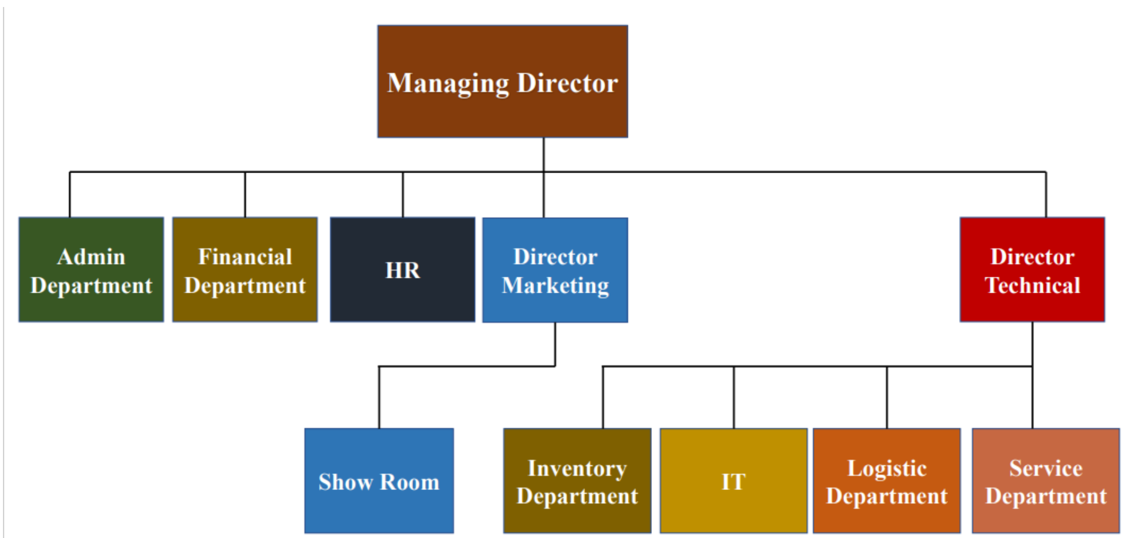

Figure 1: Organogram of Walton

1.6 Products & Services

Walton is Bangladesh's best and largest E & E group who offers several products to the people of Bangladesh. These are:

- Refrigerator & Freezer
- Television
- Air Condition
- Mobile
- Computer

- Microwave & Electric Oven
- E-bike
- Home Appliance
- Washing Machine
- Blender & Mixed Grinder
- Kitchen Appliance
- LED Light
- Lift
- Fan
- Electronic Accessories

Walton also provide several services like:

- Customer care service through online & Offline
- After sales & repair service
- Warranty & Guarantee Service
- Online cancellation service & refund request service within 25 hours

1.7 Financial Highlights

Financial highlights digest the key financial outcomes about of an organization. There have some highlights that will give a brief explanation about Walton.

Authorized Capital-BDT (mn)	6000.00
Paid up Capital-BDT (mn)	3029.28
Market Capitalization-BDT (mn)	188, 300.26
Total Shares	302, 928, 343
P/E(Audited) as on- 8 July, 2024	24.71
P/E(Interim) as on- 8 July, 2024	19.03

Market LOT	1
Market Category	A
Credit Rating	LT- “AAA” & ST- “ST-1”
AGM Date	29 October, 2023
Last Dividend Declaration Date	10 September, 2023

Table 1: Financial highlights of Walton

1.8 SWOT Analysis

Every organization is decided of a few intestinal strengths and weaknesses and moreover has a few outside openings and dangers in its whole life cycle.

“Strengths”

- Wider item range
- Strong nearby presence
- Quality items at moo price
- Comprehensive information of the add up to advertise and client

“Opportunities”

- Achievement of deals development through presentation of modern products.
- Increase of deals in major cities.

“Weaknesses”

- Proper observing issue confronting in showcasing activities.
- Less compliance to advertise demand.
- Lack of after seals benefit transportation problem.

“Threats”

- Unethical competition winning in the market
- Political turmoil obstructs sales
- Entry of more rival in the market
- Variation of consumer’s demand

Chapter 3

Financial Performance Analysis of 5 years

The study of financial performance measures a company or organizations financial performance in some specific period or years. The most significant financial statements that are using for find out financial performance of an organization is Balance Sheet, and Cash Flow Statement and Income StatementToo, it gives valuable data approximately the bank's productivity, useful adequacy and liquidity and dissolvability positions as spoken to by the financial explanations. It's characterized as the systematic utilize of rates to translate monetary articulations comparable as the adjust separate and pay explanation so that the qualities and sins of a company as well as exacting execution and current monetary conditions can be determined.
There will discuss some analysis to certify the financial conditions of Walton.

1.1 Ratio Analysis

Ratio analysis have four part. These are:

Liquidity Ratio

Liquidity proportion examination is that the application of a few proportions to characterize the capacity of an association to pay its bills amid a opportune way. This examination is fantastically imperative for lenders and lenders, who need to accomplish a few thoughts of the budgetary circumstance of a borrower or client some time recently giving them credit. The term liquidity proportions are moreover known as short-term solvency ratios.

Current Ratio

"It's expressed as,

Current Ratio= Total Current Assets/Total Current Liabilities"

Year	Total Current Asset (Million)	Total Current Liabilities (Million)	Current Ratio
2019	24523	10420	2.353
2020	43197	23317	1.848
2021	52319	31229	1.675
2022	68196	36202	1.884
2023	87414	54864	1.593

Table 2: Current Ratio of Walton Group

Source: Annual report of Walton Group (2019-2023)

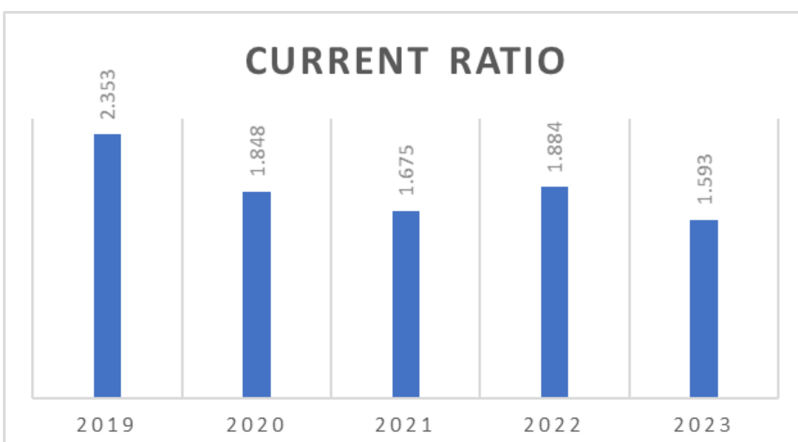

Figure 2: Current Ratio of Walton

Interpretation: The graph displaying the current ratio of Walton was 2.353 times in the year 2019. That means for every unit current liability, the organization has 2.353 unit of current asset available to cover those liabilities. In 2020, the current ratio decreased in 1.848 times that is a noteworthy decrease for the company. And it slightly decreased 1.675 times in the year 2021. It again increased to 1.884 times in the year 2022 and again decreased 1.593 times in the year 2023. This change indicates that the current ratio of Walton ups and down every year and the organization's capability to cover up its current liabilities by its current asset is also ups and down.

Cash Ratio

"It expressed as,

Cash ratio= (Cash + Cash equivalent)/ Total Current Liabilities"

Year	Cash+Cash Equivalents(million)	Total Current Liabilities(million)	Cash Ratio
2019	1942	10420	.186
2020	1029	23371	.044
2021	1466	31229	.046
2022	3703	36202	.102
2023	2321	54864	.042

Table 3: Cash Ratio of Walton Group

Source: Annual report of Walton Group (2019-2023)

Figure 3: Cash Ratio of Walton

Interpretation: The cash ratio of Walton has fluctuating over the year. In the year 2019, it was 0.186 times. The cash ratio decreased 0.044 times in the year 2020. And it slightly increased 0.046 times in the 2021. It increased a greater amount in year 2022 that is 0.102. In the year 2023, it decreased to 0.042 times.

Every year, Walton's cash ratio is ups and down. Only 2020 to 2022, there have an increasing trend. So, they should maintain this trend of higher cash ratio.

Activity Ratio

Activity proportion is the proportion that measures how successfully a company is utilizing their resources. In other word, it decides the speed with which diverse accounts are changed over into cash inflows. These proportions check how proficiently the resources and liabilities of the organization are utilized to produce income. It moreover shows the effectiveness with which numerous resources are vitalized in a business.

Total Asset Turnover Ratio

"It's calculated by,

Total Asset Turnover= Operating income/Total asset"

Year	Operating Income(million)	Total Asset(million)	Total Asset Turnover
2019	13790	82705	.166
2020	13761	103428	.133
2021	7264	116421	.062
2022	16392	134449	.121
2023	12166	159556	.076

Table 4: Total Asset Turnover Ratio of Walton Group

Source: Annual report of Walton Group (2019-2023)

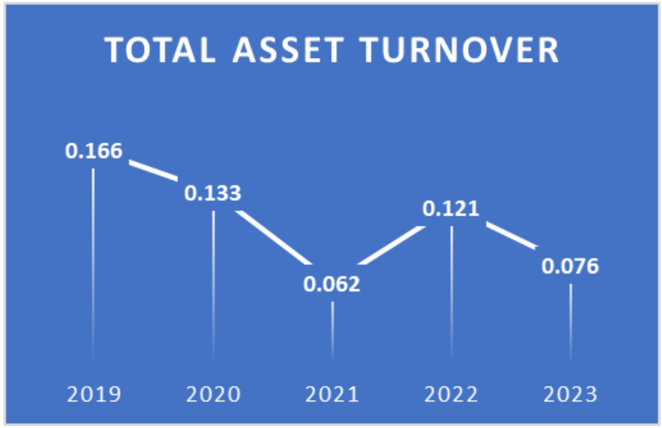

Figure 4: TAT Ratio of Walton

Interpretation: In the graph, we see that there has a decreasing trend between 2019 to 2021 year. But in 2022, it increases. It again decreases in the year 2023. This decreasing trend of total asset turnover ratio indicates that Walton company's ability of properly use their assets to generate sales is underperformance.

Fixed Asset Turnover Ratio

Fixed Asset Turnover Ratio = Operating income/ Net fixed assets"

Year	Operating Income(million)	Net Fixed Asset(million)	Fixed Asset Turnover
2019	13790	54862	.251
2020	13761	57575	.239
2021	7264	59712	.121
2022	16392	62295	.263
2023	12166	65475	.185

Table 5: Fixed Asset Turnover Ratio of Walton Group

Source: Annual report of Walton Group (2019-2023)

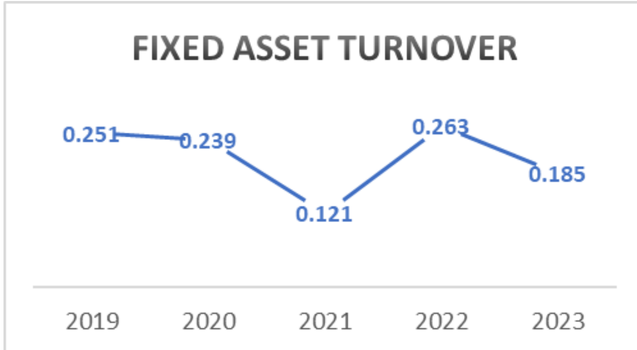

Figure 5: FAT Ratio of Walton

Interpretation: Same as total asset turnover ratio, we see that there has a decreasing trend in fixed asset turnover ratio between 2019 to 2021 year. In 2022, it increases. It again decreases in the year 2023. But comparing with first 3 years, 2022 & 2023's FAT ratio is better that means Walton try to increase their operating income by applying their fixed assets.

Solvency or leverage ratio

Solvency proportion or use proportion decide the effect on long-term liabilities or commitments. It also analyzes a company's capacity to proceed working over a longer or expanded horizon. It alludes to the capacity of the commerce to meet its short-term and long-term commitments. Short-term liabilities incorporate banks, bank credits and bills payable etc. Long-term liabilities incorporate debenture, longterm credits and long-term lenders etc. Dissolvability proportions are utilized for deciding the practicality of a company in the long term. Dissolvability proportions compute the obligation levels of a company in connection to its resources, yearly profit and value. A few of the vital dissolvability proportions that are utilized in bookkeeping are obligation proportion, obligation – value proportion, restrictive proportion, etc.

Debt ratio

"The ratio is calculated by,

Debt Ratio= (Total liabilities/Total assets)"

Year	Total Liabilities(million)	Total Asset(million)	Debt Ratio(million)
2019	23489	82705	.2840

2020	30450	103428	.2944
2021	36468	116421	.3132
2022	40059	134449	.2979
2023	58172	159556	.3645

Table 6: Debt Ratio of Walton Group

Source: Annual report of Walton Group (2019-2023)

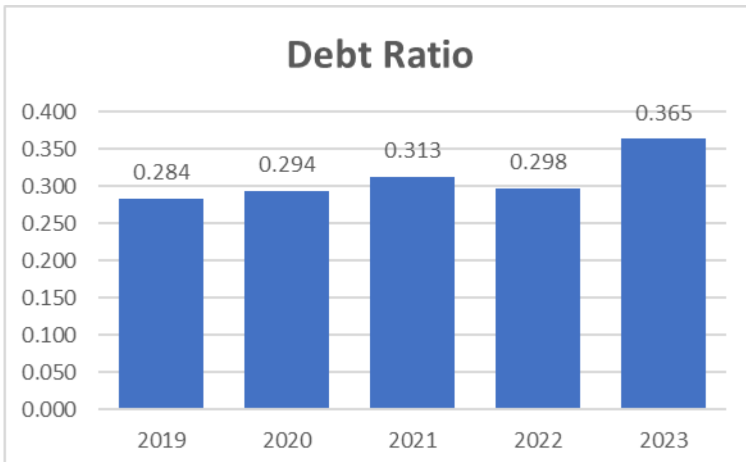

Figure 6: Debt Ratio of Walton

Interpretation: The debt ratio suggests that how an organization using amount of other people's capital for earn income. Walton's debt ratio is almost stable. Only in 2023, it was 0.365 times that is little beat high comparing with other four years. Higher debt ratio like more than 1.00 times increase the possibility of solvency of any organization. Comparing with this criteria, Walton's debt ratio performance is so good.

Debt to Equity Ratio

"It expressed as,

Debt to Equity Ratio = Total Liabilities/ Shareholder's Equity"

Year	Total Liabilities(million)	Shareholder Equity(million)	Debt-Equity ratio(million)

2019	23489	59216	.3966
2020	30450	72978	.4172
2021	35468	79952	.4561
2022	40059	94389	.4244
2023	58172	101384	.5737

Table 7: Debt to Equity Ratio of Walton Group

Source: Annual report of Walton Group (2019-2023)

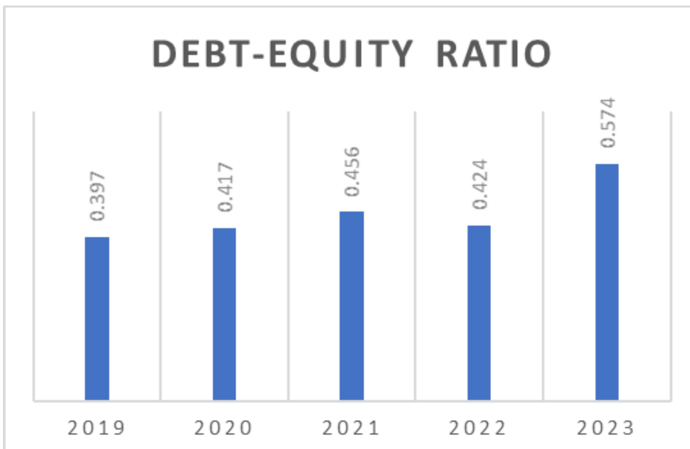

Figure 7: Debt to Equity Ratio of Walton

Interpretation: The chart over shows debt-equity proportion of 0.397 to 0.424 times between 2019 to 2022. This demonstrates the level of use of that year. But in the year 2023, the proportion expanded to 0.574 times that implies the bank took on more obligation moderately to its value compared to past year, which might show an expanded money related issue. Overall Walton's debt to equity ratio is closer except 2023 that is higher than previous years. As higher debt-equity proportion demonstrates higher monetary hazard and commitments for a company, so the company ought to keep it steady and diminishing stream for the improvement of the company.

Profitability Ratio

A profitability proportion is the proportion that characterizes a company's proficiency to win benefits from its operations or deals, shareholders' value or adjust sheet resources. Benefit proportions decide how viably an organization get benefit and esteem for shareholders. A few of the most commonly utilized benefit proportions are the net benefit proportion, working benefit, net benefit proportion, returns on value, returns on resources, profit per share, price-earnings proportion, returns on capital utilized, etc.

Gross Profit Margin

"It is expressed as,

Gross Profit Margin= Gross Profit/ Revenue"

Year	Gross Profit(million)	Revenue(million)	Gross Profit Margin
2019	20905	51773	40.37%
2020	20967	51773	40.49%
2021	15655	41079	38.10%
2022	26434	69949	37.79%
2023	26534	81681	32.48%

Table 8: Gross Profit Margin of Walton Group

Source: Annual report of Walton Group (2019-2023)

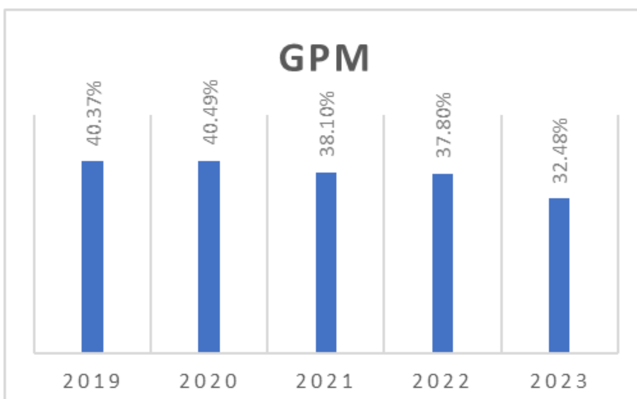

Figure 8: GPM Ratio of Walton

<u>Interpretation</u>: A higher gross margin regularly demonstrates that a company is more proficiently run and more monetarily steady (in operations) than others in the same commerce. Ordinarily, the gross profit margin of a commerce is a degree of its effectiveness. It calculates how superbly an organization is utilizing its crude materials and coordinate labor.

In the graph chart, we noticed that the GPM has decreasing every year without 2020 that indicates properly uses of raw materials and direct labor of Walton is under performance.

Return on Asset (ROA)

"It is expressed as,

Return on Asset= Net income/ Total asset"

Year	Operating Income(million)	Total Asset(million)	Return on Asset
2019	13790	82705	16.67%
2020	13761	103428	13.30%
2021	7264	115421	6.23%
2022	16392	134449	12.29%
2023	12166	159556	7.624%

Table 9: Return on Asset of Walton Group

Source: Annual report of Walton Group (2019-2023)

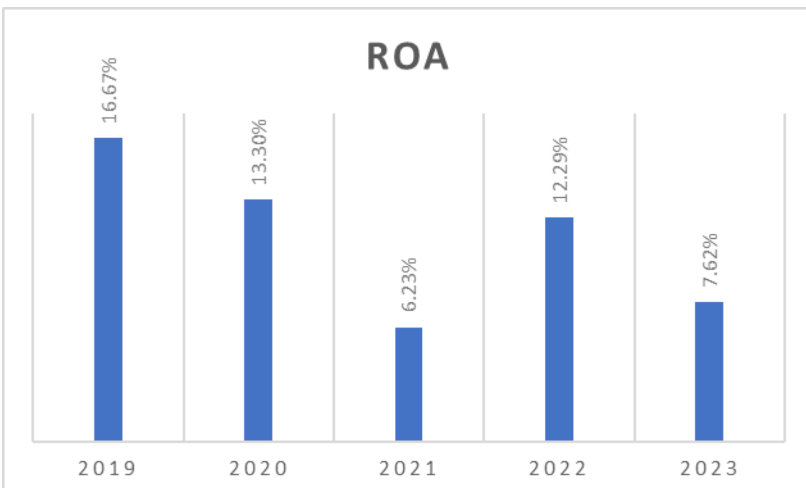

Figure 9: ROA Ratio of Walton

Interpretation: A higher ROA indicates a higher profitability of an organization in relative to its total assets. Contradicting, a lower ROA indicates a lower profitability on its total assets.
The ROA of first 2 years is good. But last 3 years it has been decreased that indicates the profitability of Walton by using assets is also ups and down. If they increase it, their profitability will also increase.

Return on Equity (ROE)

"It is calculated by,

ROE=Net profit after tax (Net Income)/ Total shareholders' equity"

Year	Operating Income(million)	Total Shareholders' Equity(million)	Return on Equity
2019	13790	59216	23.28%
2020	13761	72978	18.85%
2021	7264	79952	9.05%
2022	16392	94389	17.36%
2023	12166	101384	11.99%

Table 10: Return on Equity of Walton Group

Source: Annual report of Walton Group (2019-2023)

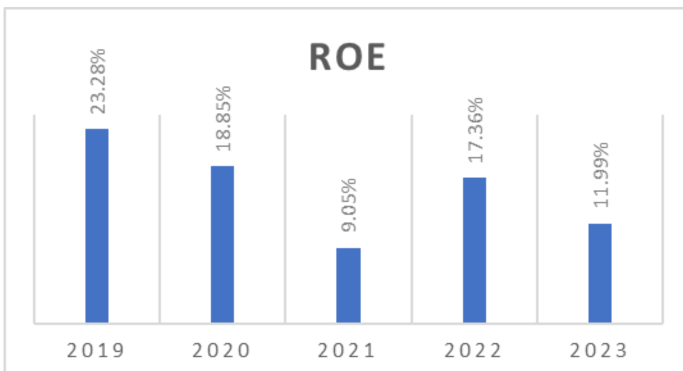

Figure 10: ROE Ratio of Walton

Interpretation: A higher ROE refers a higher profitability of a company compare with its total shareholders' equity. On the other hand, a lower ROE refers a lower profitability to its shareholders equity.

Like as ROA, Walton's ROE is also ups and down every year. If they can properly maintain their shareholders equity, their return on equity will also increase.

1.2 Common Size Analysis (Vertical Analysis):

Common size analysis is a machine or tool that is use to examine the financial statements of an organization. It is also referred as vertical analysis.

There have two types of common size analysis. One is common size analysis of balance sheet, another is common size analysis of income statement.

Common Size Analysis of Balance Sheet: It will show us Walton's percentage of total asset with each balance sheet items.

Walton Group Common Size Analysis Balance Sheet 31st December, 2019 to 2023					
Particulars	**2019**	**2020**	**2021**	**2022**	**2023**
Property, Plant and Equipment	66%	56%	51%	46%	41%
Intangible Assets	48%	28%	20%	10%	8%
Total Non-Current Assets	70%	58%	55%	49%	45%
Inventories	13%	13%	19%	18%	23%
Short Term Investment	1%	1%	1%	1%	0%
Cash and Cash Equivalents	2%	1%	1%	3%	1%
Total Current Assets	30%	42%	45%	51%	55%
Total Assets	100%	100%	100%	100%	100%
Share Capital	4%	3%	3%	2%	2%
Retained Earnings	29%	37%	39%	44%	41%
Total Equity	72%	71%	69%	70%	64%
Long Term Loans	15%	6%	3%	3%	2%
Deferred Tax Liabilities	1%	1%	1%	0%	0%
Total Non-Current Liabilities	16%	7%	5%	3%	2%
Short Term Loans	10%	16%	19%	18%	27%
Total Current Liabilities	13%	23%	27%	27%	34%
Total Equity and Liabilities	100%	100%	100%	100%	100%

Figure 11: Common Size Analysis of Balance Sheet

Interpretation: According to the common size analysis balance sheet of Walton, it generated 30% of total current asset in 2019 which is the lowest gain in recent five years. After that, in 2020 it generated 42% of total current asset which is greater than 2019 Then it increasing every year that is a good sign for the company. On the contrary, its total current liabilities condition 13% in 2019, 23% in 2020, 27% in 2021, 27% in 2022 and in the last year of this amount is 34% in 2023 whereas its shareholder equity is 72% in 2019, 71% in 2020, 69% in 2021, 70% in 2022 and 64% in 2023 which is the lowest. Though Walton generated the highest total liabilities in 2023, its performance percentages are little closer without the year 2019.

Common Size Analysis of Income Statement: It will show us Walton's percentage of net income with other income statement's item.

Walton Group Common Size Analysis Income Statement 31st December, 2019 to 2023					
Particulars	**2019**	**2020**	**2021**	**2022**	**2023**
Revenue	100%	100%	100%	100%	100%
Cost of Goods Sold	60%	60%	62%	62%	68%
Gross Profit	40%	40%	38%	38%	32%
Administrative Expenses	1%	2%	3%	2%	2%
Selling & Distribution expenses	6%	6%	9%	9%	10%
Operating Expenses	8%	8%	11%	10%	11%
Operating profit	30%	33%	27%	28%	21%
Non-Operating Income	190%	190%	-32%	731%	331%
Profit Before WPPF	30%	30%	21%	27%	16%
Contribution to WPPF	1%	1%	1%	1%	1%
Profit Before Tax	29%	29%	20%	25%	15%
Income Tax	2%	2%	-3%	-2%	0%
Deferred Tax	0%	0%	-1%	1%	0%
Profit After Tax	27%	27%	18%	23%	15%

Figure 12: Common Size Analysis of Income Statement

Interpretation: As per as the table, Walton's highest profit after tax is 27% that they gain consecutively two years of 2019 and 2020. Last three years, there have ups and down in profit after tax where 15% is the lowest in 2023. Same as profit after tax, gross profit also same and highest in first two years that is 40%. And last years gross profit is 32% that is lowest. Walton's operating profit also ups and down every year 33% is the highest in 2020 and 21% in 2023 which is lowest.

1.3 Trend Analysis (Horizontal):

Trend Analysis is one of the financial statements that helps a company to find out the percentage changes in definite information on time whether a company's net profit increases or decreases, stable or fluctuating. It is also referred as horizontal analysis. There have two types of horizontal analysis for financial statement.

Trend Analysis of Balance Sheet: Trend Analysis of Balance Sheet gives information to an informer about trend of a company's asset, liability and equity over time.

Walton Group Trend Analysis Balance Sheet 31st December, 2019 to 2023					
Particulars	**2019**	**2020**	**2021**	**2022**	**2023**
Property, Plant and Equipment	100%	105%	109%	114%	119%
Intangible Assets	100%	74%	58%	34%	33%
Total Non-Current Assets	100%	104%	110%	114%	124%
Inventories	100%	125%	202%	222%	333%
Short Term Investment	100%	80%	85%	189%	38%
Cash and Cash Equivalents	100%	53%	75%	191%	120%
Total Current Assets	100%	176%	213%	278%	356%
Total Assets	100%	125%	141%	163%	193%
Share Capital	100%	100%	100%	101%	101%
Retained Earnings	100%	159%	185%	243%	272%
Total Equity	100%	123%	135%	159%	171%
Long Term Loans	100%	50%	32%	27%	21%
Deferred Tax Liabilities	100%	125%	175%	58%	75%
Total Non-Current Liabilities	100%	54%	40%	30%	25%
Short Term Loans	100%	200%	274%	291%	520%

Total Current Liabilities	100%	224%	300%	347%	527%
Total Equity and Liabilities	100%	125%	141%	163%	193%

Figure 13: Trend Analysis of Balance Sheet

Interpretation: From the above information, its show that Walton's total current asset increasing every year. In the last year 2023 it is 356% that means Walton maintain an excellent performance about total current asset. As like as, their total equity is also increasing over time where in 2023 it is highest and 171%. If we look on current liabilities of Walton, it's not convincing. Every year it has increasing.

Trend Analysis of Income Statement: Trend Analysis of Income Statement gives information to an informer about trend of a company's revenue, expenses and net income over time.

Walton Group Trend Analysis Income Statement 31st December, 2019 to 2023					
Particulars	**2019**	**2020**	**2021**	**2022**	**2023**
Revenue	100%	100%	79%	135%	158%
Cost of Goods Sold	100%	100%	82%	141%	179%
Gross Profit	100%	100%	75%	126%	127%
Administrative Expenses	100%	109%	138%	142%	183%
Selling & Distribution expenses	100%	101%	112%	187%	242%
Operating Expenses	100%	100%	114%	174%	226%
Operating profit	100%	109%	71%	125%	112%
Non-Operating Income	100%	100%	-13%	521%	276%
Profit Before WPPF	100%	100%	56%	120%	83%
Contribution to WPPF	100%	100%	56%	121%	84%
Profit Before Tax	100%	100%	56%	120%	83%
Income Tax	100%	118%	- 126%	- 167%	-21%

			-		
Deferred Tax	100%	100%	205%	475%	-72%
Profit After Tax	100%	100%	53%	119%	88%

Figure 14: Trend Analysis of Income Statement

Interpretation: If we give look on the revenue of Walton, then we see that its lowest revenue was 79%. But in the other four years, they improve in an excellent way. The highest revenue was in 2023 that is 158%. But Walton's net income was ups and down every year where the highest ratio was 119% in 2022 and lowest ratio was 53% in 2021.

<u>Chapter 4</u>

Findings, Recommendation & Conclusion

1.1 Findings

<u>Total Asset Turnover Ratio</u>: Walton's TAT has in a decreasing trend without the financial year 2023. This decreasing trend of total asset turnover ratio indicates that Walton company's ability of properly use their assets to generate sales is underperformance.

<u>Gross Profit Margin</u>: The GPM is in a decreasing period every year without 2020 that indicates properly uses of raw materials and direct labor of Walton is under performance.

Return on Asset & Return on Equity: Walton's return on asset and return on equity is ups and down. Moreover, comparing with first 2 years, last 3 years ROA & ROE is lower. If they increase it, their profitability will also increase.

Total Liability: From the common size and trend analysis, it gives information that total liability of Walton's increasing every year.

Net Income: Waltons net income or profit after tax was ups and down every year they should try increase their net income.

1.2 Recommendation

- As TAT is following a decreasing trend, they should give more effort to increase it. For increasing they should better their inventory management. Besides if they accelerate their accounts receivable collection, it will help to increase the TAT.
- As GPM is the sales income of an organization, so Walton should maintain their sales by enhance their effectiveness. Besides they have to lowering operating expenses without reduce sales price and increasing their prices without raising the business cost.
- ROA & ROE stronger an organizations profitability by using their own asset and shareholder's equity. If they increase it, their profitability will also increase. If they boost their revenue and reducing expenses by focusing on boosting net income, their ROA will be growing. Besides, if the decrease their operating expense by reducing labor cost, their ROE will also improve.
- If Walton increase their credit and decrease their debt amount then the total liability of Walton will decrease.
- If Walton can reduce their total cost of producing and marketing in an effective way then their net income will increase. Besides they have to reduce their operating expenses that will increase their net income.

1.3 Conclusion

Walton is the most later multinational electrical, hardware, automobiles and other machines brand with one of the greatest well-equipped R & I offices inside the world carried out its era through different backups underneath the standard of Walton group headquarters in Bangladesh.

Nowadays, Walton has a workforce of more than 30000 in add up to 22 generation bases beneath more than 700 sections of land of production line range. The capacity of yearly generation is 10 million units depends on the advertise requests. Walton is the giant proficient maker inside the significant industry and has picked up tall notoriety in terms of its magnificent capability for making Electrical and Hardware items inside the most competitive way in perspective of quality, taken a toll, plan and advancement.

Technology-based organizations are one of the quickest growing businesses in Bangladesh, and Walton Group is one of the well-known companies that has made noteworthy commitments to the country's economy. Walton's essential objective is to serve its buyers with the most prominent and most noteworthy quality merchandise conceivable. Each day, their bosses and senior administration work difficult to guarantee that their customers are satisfied.

From the brief clarification and outlines of five years, financial statements of Walton have been utilized to analyze the financial performance and their drift for a long time beneath consider from 2019 to 2023.

Walton’s total asset increasing in a significant way. If we look on the balance sheet, then we can see that their total asset increasing every year that also give information that Walton increase & spread their business all over the country by using their total asset. Now-a-days Bangladeshi people use electronic products where most of the products are Walton’s product.
Waltons liability also increasing but they pay their debt also in a significant way. If they can reduce their liability their net profit will also increase.

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