



Internship Report
On

**Profitability analysis of RTM company
based on their major operation.**

By

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ID: 1630-4143

**An internship report submitted to BRAC Business School in partial
fulfillment of the requirements for the degree of
BBA**

BRAC Business School
BRAC University
25th January, 2021

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Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at Brac University.
2. The report does not contain material previously published or written by a third party, except where this is appropriately cited through full and accurate referencing.
3. The report does not contain material which has been accepted, or submitted, for any other degree or diploma at a university or other institution.
4. I have acknowledged all main sources of help.

Student's Full Name & Signature:

_____ **Md. Mehedi Hasan Shakil** _____

Student ID :1630-4143

Supervisor's Full Name & Signature:

_____ **Sang H. Lee** _____

Professor and Dean
BRAC Business School
BRAC University

Letter of Transmittal:

10 January, 2021

Sang H. Lee
Professor and Dean
BRAC Business School
BRAC University 71, Mohakhali C/A, Dhaka, Bangladesh.

Subject: Submission of the Internship Report.

Respected Sir,

I am submitting my Fall 2020 internship report after a good working experience as an internee in Route to Market International company Ltd. The job experience has given me the opportunity to get a deeper insight of corporate culture and management. I have joined as an assistant accountant in RTM company. It has been a great pleasure to work under such a friendly and helpful supervisor who is an executive accountant in the company. The report is prepared to Incorporate my learning from the job along with various relevant Accounts and Administrations' factors. I have provided some key findings and analysis and suggested some implementable recommendations.

Thank you.

Sincerely yours,

Md. Mehedi Hasan Shakil
ID: 1630-4143
BRAC Business School
BRAC University
25th January, 2021

Non-Disclosure Agreement

This agreement is made and entered into by and between Route to Market International Ltd. (RTM) and the undersigned student at BRAC University.

Md. Mehedi Hasan Shakil

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Acknowledgement

All praises to **almighty Allah** who has given me the opportunity to complete my internship in a good environment. I would not have come to this far if He had not bestowed me the opportunity.

Special thanks to **Sang H. Lee sir and Daniel brother** who guided and supported me to complete the report properly on time. I am highly grateful to my supervisor **Md. Mahamudul Hasan**. He guided me and facilitated a good learning environment in the RTM company.

My special gratitude to OCSAR team of BRAC university who facilitated me the internship in the company. They have been very cooperative all the way to the semester. Finally, thanks to all people who were associated with me in the working place.

Executive Summary:

The report has primarily focused on the profitability of Route to Market International Ltd. Ratios that shed light on profitability have been used for elaborate explanation and precision in the work. Graphical representation of all ratio results has been incorporated. Horizontal balance sheet has also been added to highlight overall performance of the company where figures show percentage of asset and liability movement. Alongside of financial aspect, the report has produced company's overall activity summary along with company's organogram. Practical Observations, interview and website have been used for information required to make the report.

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Chapter:1

Internship Overview

Internship Information

Period of internship: 3 months (November to January 20201)

Name of Company: Route to Market International Limited (RTM), a subsidiary company of Padgham group.

Working department: Accounts section

Company address: 222 Tejgaon Industrial area

Supervisors Name: Md. Mahmudul Hasan

Supervisor's position: Executive Accountant

Job Responsibilities:

- ★ Receiving sales invoices and keep tracking of these.
- ★ Filing the sales invoices according to the customer
- ★ Separating the cancel and return invoices and transfer those to concerned people.
- ★ Reconciliation of the bill of customers
- ★ Preparing sales report of customers monthly based
- ★ Making different types of reports on customers as per requirement.
- ★ Preparing different monthly report and weekly report
- ★ Performing other tasks as per supervisor's instruction.
- ★ Preparing sales report

Internship Outcomes:

Contribution to the company: The responsibilities I have taken in the company has made the overall operation more efficient and transparent. It tremendously helped people in accounts section to perform their task more accurately and developed a good communication among other staffs.

Benefits received from the company:

I have received a great experience of corporate culture and working experience in accounts section of a company. I have learnt how to maintain a good communication among colleagues and work with them as a team. The company has taught me to be very precise in some works and always keep documents against some activities to avert future conflict.

Difficulties faced in the company:

- I had to use another colleague's laptop to perform my task.
- Desk and other accessories are not cleaned regularly.

Recommendations: Desk and other furniture's should be kept neat and clean regularly. A cleaner boy could be hired to perform the task daily. A separate laptop should be given to internee to perform all task smoothly.

Chapter:2

Organization part

Mission & Vision

Padgham intends to widen and strengthen its services to the community by nurturing a culture of acquiring and sharing knowledge and capabilities amongst the members of the group. Aware of its own impact on communities and environment, Padgham pursues this goal in sustainable and responsible ways. Padgham aims to strengthen its ventures and establish new ones towards doubling the family in the coming few years.

History and Growth:

Route to Market international Ltd is a subsidiary company of Padgham group. Route to Market International Ltd (RTM) commenced its operation in June 2012 by providing customized and unique channel specific distribution solutions to its customers being socially responsible. Our existing partners are Nestlé Bangladesh Ltd, Nestlé SA Switzerland, Marico International, Malee Group PLC of Thailand, Brand Konnects of UAE, Perfetti Van Melle Bangladesh Ltd, Bangladesh Edible Oil Ltd, Dan Foods Ltd, Dhaka Ice Cream Industries Ltd and Bkash Ltd.

Our product portfolio includes Full Cream Milk Powder, Infant Formula, Cereals, Food Products, Coffee, Fruit Juice, Ice Cream, Chocolate, Bakery and Confectionary products, Razors & Blades, Hair Care and Personal Care Products, Edible Oil and Electronic Cash etc.

Some of the brands we deal with are Nescafé, Kit Kat, Nido, Lactogen, Cerelac, Maggi, Malee Juice, Polar Ice Cream, Dan Cake, Parachute Hair Oil, Livon and Rupchanda etc.

We are one of the most preferred suppliers in MT and Institute channels having strong retail coverage in Dhaka and Sylhet and we plan to cover all major towns by end of 2018.

- **1996**
Urban Design and Development Limited *Real estate developer*
- **2000**
Orbit Technologies Limited *Lifts and elevators provider*
- **2000**
Interstoff Clothing Limited *Ready-made garment and textile manufacturer*

- **2001**
NSN Printing & Packaging Limited *100% export-oriented printing and packaging solution*
- **2003**
Interstoff Apparels Limited *Ready-made garment and textile manufacturer*
- **2008**
Dhaka Ice Cream Industries Limited *Manufacturer and marketer of ice-creams*
- **2010**
South East Textile Limited *Ready-made garment and textile manufacturer*
- **2011**
Route to Market Int. Limited *Retail distribution business*
- **2012**
Dan Foods Limited *A joint venture confectionary Business*
- **2013**
Riverstone Capital Limited *Financial Advisory, Investment Banking*
- **2014**
Rigalo Private Limited *Exporter of non-traditional items*
- **2014**
Padgham Agro and Foods Ltd *Trusted agro solution*
- **2011**
Padgham Agro Corporation *Trusted agro solution*
- **2016**
Padgham Hasina Khanom Foundation *A social welfare organization*
- **2017**
NRB Jobs *Global job portal*
- **2018**
Auleek Limited *Cutting-edge visualization technology*
- **2018**
Innovadeus Pvt. Ltd *Mobile app & web development ICANN Accredited Registrar*

Board of Directors:



Nazim Uddin Ahmed

Chairman



Md. Zulfiker Ali Siddique

Managing Director



K. M. Touhiduzzaman Director



Fahmida Sultana Director



Shamema Nasrin Director

Management Practices: Route to Market International Ltd. follows consultative management system to adopt any types of decision. They ask for confirmation of information required to take decision and get confirmed by the employees about time to prepare or accumulate the required information. Higher authorities always maintain good communication with employees to oversee subordinate's activity. Sometimes authoritarian leadership is adopted if they deem it is necessary.

Marketing Practices:

Direct marketing: RTM Ltd. directly sell their products to consumers through sales outlets established in different area of Dhaka. The company import different products and directly sell those products under its brand name. Both wholesale and retail distribution are covered by the company.

Indirect marketing: RTM Ltd. also follows indirect marketing along with direct marketing. The company works as intermediary to sell products of different products of different company. It purchases product from producers and resale the products to super shops such as Agora, Shawpno, Meena Bazar, Daily shopping etc. RTM Ltd. also sells the products to different institutions.

Marketing Partners:

Nestlé Bangladesh Ltd

Nestlé SA Switzerland

Marico International,

Malee Group PLC of Thailand

Brand Konnects of UAE

Perfetti Van Melle Bangladesh Ltd

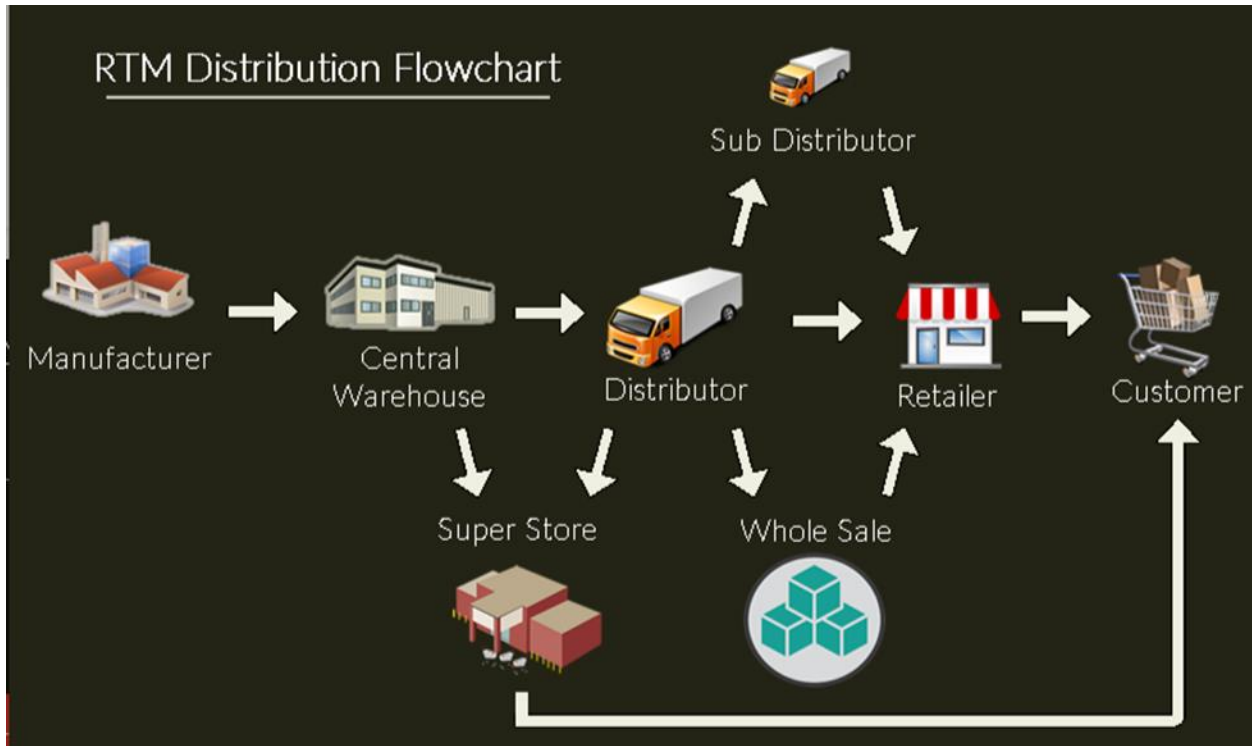
Bangladesh Edible Oil Ltd

Dan Foods Ltd

Dhaka Ice Cream Industries Ltd

Bkash Ltd.

RTM Distribution Flowchart:



Accounting Practices: RTM Ltd. Follows International accounting standards. It maintains journal books, Ledger and prepare income statement and balance sheet as per GAAP. Financial statements are also audited every month. However, it does not disclose its financial information to the public. All of data are recorded in Easy ERP system software. The Easy ERP software is user friendly and helps to manage resources efficiently.

Operations Management: RTM Ltd. has separate marketing team to market its product. Marketing team constantly maintain communication with accounts section for operation purpose. RTM Ltd. has its own warehouse to store product. A separate team works to maintain all activities in the warehouse. Wholesale and retail marketing is the main operation of the company. The company has its own sales outlets in different areas of Bangladesh. The company has its own transportation system to reach the products to its customers and consumers.

Industry and Competitive Force Analysis:

Potters 5 forces model:

Threat of entry: Huge amount of capital is required to enter into retail and distribution market to compete with existing competitors. Except large group of companies, it is highly risky to enter the market. So, entry threat is low. **The numerical percentage to entry barriers is 90%**

Threat of substitution: No direct way is available to get the products from producers. Consumers do not have any communication with producers. So, all products have to take from retail or wholesale sellers. So, threat of substitution is very low. **The numerical percentage to threat of substitution is 30%.**

Buyer's bargaining power: Buyers do have scope to bargain over the products they purchase. However, If the company follows the market rate, buyers do not have the scope to do so. So overall buyer's bargaining power is moderate to low. **The numerical percentage to buyer's bargaining power could be given 50%.**

Suppliers bargaining power: Suppliers of the products the company purchased has higher bargaining power. Here, supplier is the producer of the products. They can directly market their

own products. If necessary, they can establish their own distribution system to reach to consumers directly. Furthermore, suppliers have the liberty to sell the products to other distributors at higher price. So, suppliers bargaining power is very high. **The numeric percentage of suppliers bargaining power is 80%.**

Threat of competitors: The number of competitors in the business is limited but the competition is very high. Competitors have their market established and they have established marketing system. So, any new or existing business does not have too much option as competition over price of products is very limited. **The numeric percentage to threat of competitors is 85%.**

So, overall competitive force in the distribution and retail business is 67% which is moderate to high.

SWOT analysis

Strength	Weakness	Opportunity	Threat
<ul style="list-style-type: none"> ❖ Well established market ❖ Own transportation system ❖ Strong and well-developed communication with suppliers 	<ul style="list-style-type: none"> ❖ Scope of Profit margin is limited ❖ Remuneration system is not satisfactory 	<ul style="list-style-type: none"> ❖ Can import more products from foreign country to increase profit margin ❖ Offer better remuneration to retain experienced and qualified employees. 	<ul style="list-style-type: none"> ❖ Acute competition

Chapter:3

Profitability analysis

Introduction: The main purpose of the analysis is to scrutinize company's financial performance. Financial statement of previous two years has been taken into account for performance measurement. The analysis has focused on overall profitability of the company through ratio analysis, comparison of financial statement of previous two years and vertical & horizontal analysis of financial statement to measure overall business progress. The analysis has shown how a retail and wholesale companies financially performed and operated its business activities.

Methodology: Quantitative research method has been adopted to analyze financial performance of the company. Comparisons of financial ratio analysis over five-year period and its peer company have been used to measure profitability of the company. Data are collected from the company website. Moreover, personal observance has been applied to overall financial proceedings of the company.

Data source: Data for this report has been extracted from primary sources as well as secondary sources.

Primary Data: Primary Data has been collected from the Official records and interviews. (rules & regulation).

Secondary Data: Majority of the data are collected from Annual Report, Informal discussions mainly with my supervisor, brochures, and RTM official web sites.

Findings and Analysis:

Balance sheet: (Amounts in Taka, Crore)

Particulars	2016	2017	2018	2019	2020
Assets					
Non-current asset					
Property, Plant and Equipment	6,023.14	65 53.62	6,741.35	6,067.50	7,185.34
Capital work in process	895.21	9 87.16	1,332.50	2,533.09	6,068.34
Intangible asset	32.59	33.40	10.64	1,091.03	981.80
Intangible asset under development	0.00	-		1,788.99	2,752.74
Financial Asset					
Investments	19,345.32	226 39.08	56,319.69	573.24	578.24
Loans	5,236.46	42 63.64	8,622.50	1,122.14	2,436.10
Deferred Tax Assets(net)	0.00	68 52.64	7,184.42	0.00	0.00
other non-current assets	134.29	5 88.03	744.31	145.29	222.91
Total non-current assets	31,667.01	419 17.57	80,955.41	13,321.28	20,225.47
Current Assets					
Inventories	9,935.23	88 90.93	7,245.86	11,291.83	9,348.16
Financial Assets					
Investments	8,234.32	15 90.65	0.00	3,002.89	0.00
Trade receivable	2,987.98	24 36.10	6,812.18	4,330.17	2,489.10
Cash and cash equivalent	543.32	4 56.53	230.47	329.69	334.50
Other financial assets	3,034.98	40 51.54	4,031.22	381.30	1,508.67
other current assets	1,123.21	16 25.86	2,312.32	1,720.39	1,660.01
Total Current Assets	25,859.04	190 51.61	20,632.05	21,056.27	15,340.44
Total Assets	57,526.05	609 69.18	101,587.46	34,377.55	35,565.91
Equity and Liabilities					
Equity					
Equity share capital	10,107.50	101 07.50	10,107.50	4,989.54	4,990.40
Other Equity	39,659.99	396 59.99	44,438.74	7,597.87	13,124.78
Total Equity	49,767.49	497 67.49	54,546.24	12,587.41	18,115.18

Liabilities					
Non-current Liabilities					
Borrowings	3,900.35	45 00.33	4,032.00	0.00	0.00
Provisions	318.54	3 42.11	351.38	26.68	38.10
Deferred Tax Liability	0.00	-	0.00	22.87	908.20
Total Non-current Liabilities	4,218.89	48 42.44	40,583.38	49.53	946.30
Current Liabilities					
Financial Liabilities					
Borrowings	0.00	-	0.00	12,800.56	4,665.74
Trade payables	4,508.52	51 84.43	4,407.39	4,109.07	5,642.87
Other financial liabilities	265.67	3 98.74	540.78	4,142.12	5,109.43
Provisions	8.88	9.75	9.13	1.99	3.09
Other current liabilities	890.32	7 66.33	1,500.00	673.84	1,049.33
Total Current Liabilities	5,673.39	63 59.25	6,457.84	21,740.61	16,504.43
Total Liabilities	9,892.28	112 01.69	47,041.22	21,790.14	17,450.73
Total Equity and Liabilities	57,526.05	609 69.18	101,587.46	34,377.55	35,565.91

N.B: Balance Sheet as at 31st March of each year

Income Statement: (Amounts in Taka, Crore)

Particulars	2016	2017	2018	2019	2020
Values of sales	16404.65	26504.57	33194.41	106786.8	132450.8
Income from services	1324.55	1878.37	2494.04	9014.32	14273.49
Total Revenue	17729.2	28382.94	35688.04	115801.1	146724.3
Less: GST recovered	159	244.06	3900.02	13854.61	16356.89
Revenue from operation	17570.2	28138.88	31788.43	101946.5	130367.4
Other income	334	407.53	1853.14	112.03	260.35
Total Income	17904.2	28546.41	33641.57	102058.6	130627.7
Expenses					
Cost of Materials Consumed	1.1	0	0	3.2	2.99
Purchases of stock in trade	14270.54	14315.03	11200	87260.47	109026
Changes of inventories of finished Goods	0	-2311.42	1684.74	-820.13	1974.68
Employee Benefits expense	4366.05	5627.13	5500.12	896.99	943.86
Finance Cost	65	85.66	1702.24	611.7	867.03
Depreciation	1198.98	1166.82	1145.75	601.69	1108.85
Other Expenses	1132.67	12540.29	13226.17	8685.85	9280.9
Total Expenses	21034.34	31423.51	34459.02	97239.77	123204.3
Profit before Tax	-3130.14	-2877.1	-817.45	4818.78	7423.42
Tax Expense (net)	-670.87	-1070.26	-331.78	1680.52	1883.63
Profit or Loss after tax	-2459.27	-1806.84	-485.67	3138.26	5539.79

N.B: Income Statement as at 31st March of each year

Horizontal Analysis of Balance sheet

Particulars	2016	2017	2018	2019	2020
Assets					
Non-current asset					
Property, Plant and Equipment	100%	109%	112%	101%	119%
Capital work in process	100%	110%	149%	283%	678%
Intangible asset	100%	102%	33%	3348%	3013%
Intangible asset under development	0%	0%		100%	154%
Financial Asset					
Investments	100%	117%	291%	3%	3%
Loans	100%	81%	165%	21%	47%
Deferred Tax Assets(net)	100%	100%	105%	0%	0%
other non-current assets	100%	438%	554%	108%	166%
Total non-current assets	100%	132%	256%	42%	64%
Current Assets					
Inventories	100%	89%	73%	114%	94%
Financial Assets					
Investments	100%	19%	0%	36%	0%
Trade receivable	100%	82%	228%	145%	83%
Cash and cash equivalent	100%	84%	42%	61%	62%
Other financial assets	100%	133%	133%	13%	50%
other current assets	100%	145%	206%	153%	148%
Total Current Assets	100%	74%	80%	81%	59%
Total Assets	100%	106%	177%	60%	62%
Equity and Liabilities					
Equity					
Equity share capital	100%	100%	100%	49%	49%
Other Equity	100%	100%	112%	19%	33%
Total Equity	100%	100%	110%	25%	36%
Liabilities					
Non-current Liabilities					

Borrowings	100%	115%	103%	0%	0%
Provisions	100%	107%	110%	8%	12%
Deferred Tax Liability	0%	0%	0%	100%	3971%
Total Non-current Liabilities	100%	115%	476%	220%	176%
Current Liabilities					
Financial Liabilities					
Borrowings	0%	0%	0%	100%	36%
Trade payables	100%	115%	98%	91%	125%
Other financial liabilities	100%	150%	204%	1559%	1923%
Provisions	100%	976%	103%	200%	35%
Other current liabilities	100%	86%	168%	76%	118%
Total Current Liabilities	100%	112%	114%	383%	291%
Total Liabilities	100%	113%	476%	220%	176%

N.B: 2016 has been taken as base year

Ratios To be used:

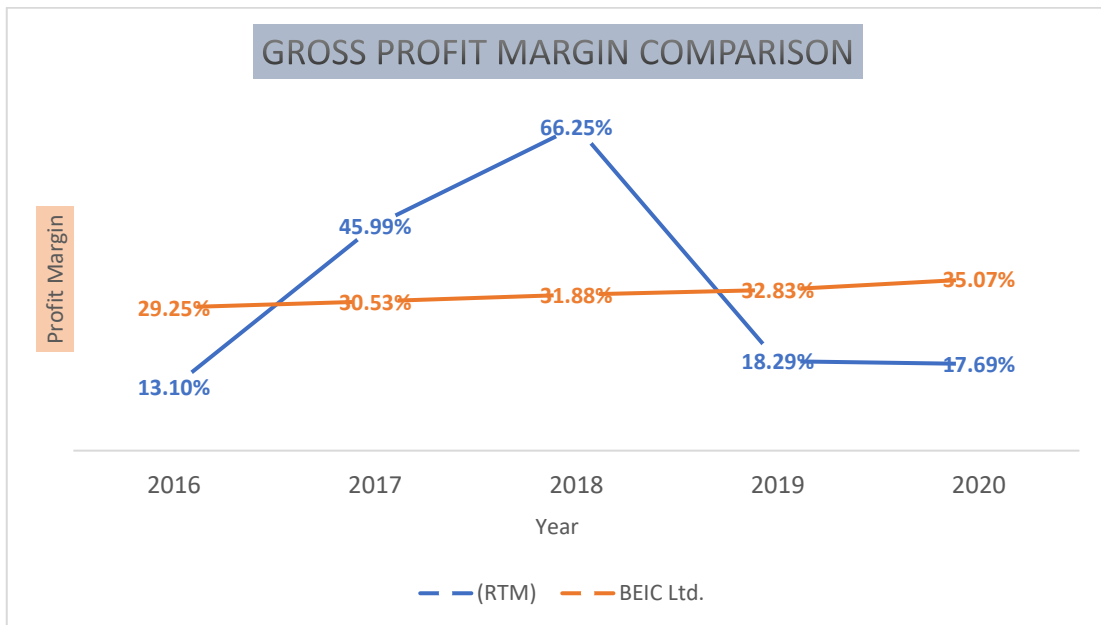
Ratios	How Calculated	What it shows
<i>Profitability Ratios</i>		
Gross Profit Margin	$\frac{\text{Sales} - \text{Cost of Goods Sold}}{\text{Sales}}$	Shows the percentage of revenues available to cover operating expenses and yield profit. Higher is better and the trend should be upward.
Operating profit margin (Or Return on sales)	$\frac{\text{Operating Income}}{\text{Sales}}$	Shows the profitability of current operations without regard to interest changes and income taxes. Higher should be better and trend should be upward.
Net Profit Margin	$\frac{\text{Profit After Tax}}{\text{Sales}}$	Shows after tax profit per taka of sales. Higher is better and trend should be upward.
Return on total Asset	$\frac{\text{Profit After Taxes} + \text{Interest}}{\text{Total Assets}}$	A measure of return on total investment in the organization. Interest is added to after tax profit to form the numerator since total assets are financed by creditors as well as by stockholders. Higher is better and trend should be upward.
Return on shareholder's Equity	$\frac{\text{Profit After Taxes}}{\text{Total Shareholder's Equity}}$	Shows the return stockholders are earning on their investment in the enterprise. A return in the 12.15% is average and trend should be upward.
Earnings Per share	$\frac{\text{Profit After Taxes}}{\text{Common Stock Outstanding}}$	Shows the earnings for each share of common stock outstanding. The trend should be upward and the bigger the annual percentage gains, the better.

Gross Profit Margin:

<u>2019</u>	<u>2020</u>
$\frac{106,787-87,260}{106,787}$	$\frac{132,450-109,025}{132,450}$
=18.29%	= 17.69%

Gross Profit Margin:

Year	(RTM)	BEIC Ltd. (a peer company)
2016	13.1%	29.25%
2017	45.99%	30.53%
2018	66.25%	31.88%
2019	18.29%	32.83%
2020	17.69%	35.07%

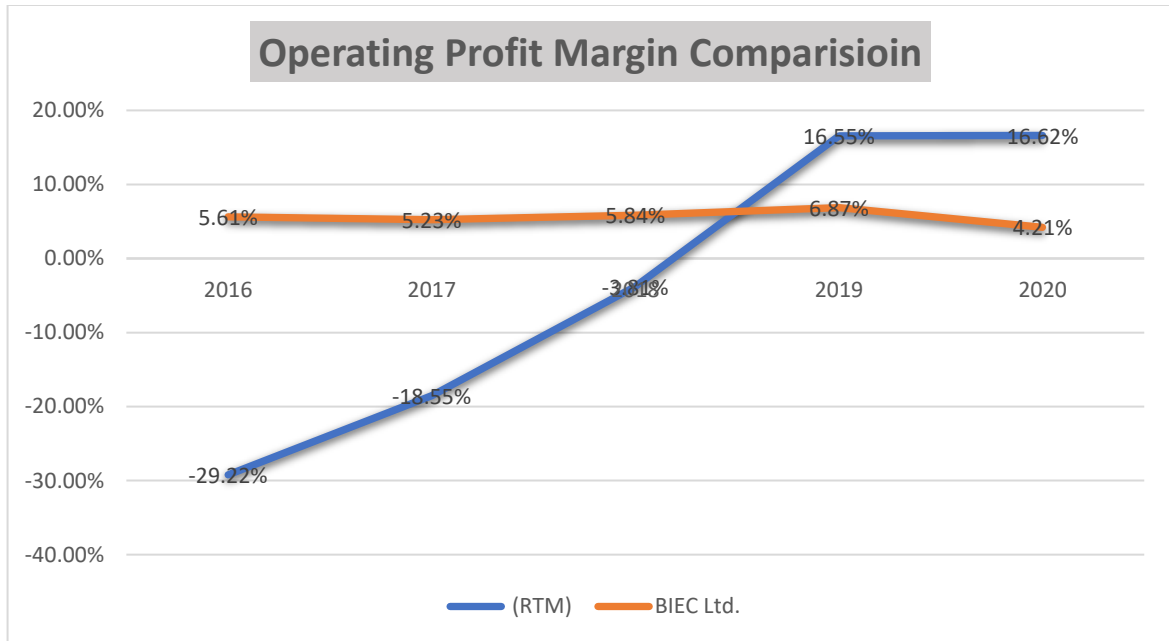


Comment: RTM has faced decline in gross profit margin in 2020. It is expectable as the world has been affected by pandemic. However, RTM has showed too much inconsistency in gross profit margin. On the other hand, Bangladesh export import company Ltd. has consistency in the gross profit margin. In 2018, RTM took higher risk and reaped the benefit of it. But company's gross margin drastically fell next year.

The reason behind the fall is decline of sells in 2020. The horizontal balance sheet shows 62% decline of sales than previous year.

<u>Operating Profit Margin:</u>	<u>2019</u>	<u>2020</u>
	<u>115,801.13- 96,628.07</u>	<u>146,724.25-122337.26</u>
	115,801.13	146,724.25
	=16.55%	= 16.62%
<u>Operating Profit Margin</u>		

Year	(RTM)	BEIC Ltd. (a peer company)
2016	-29.22%	5.61%
2017	-18.55%	5.23%
2018	-3.81%	5.84%
2019	16.55%	6.87%
2020	16.62%	4.21%



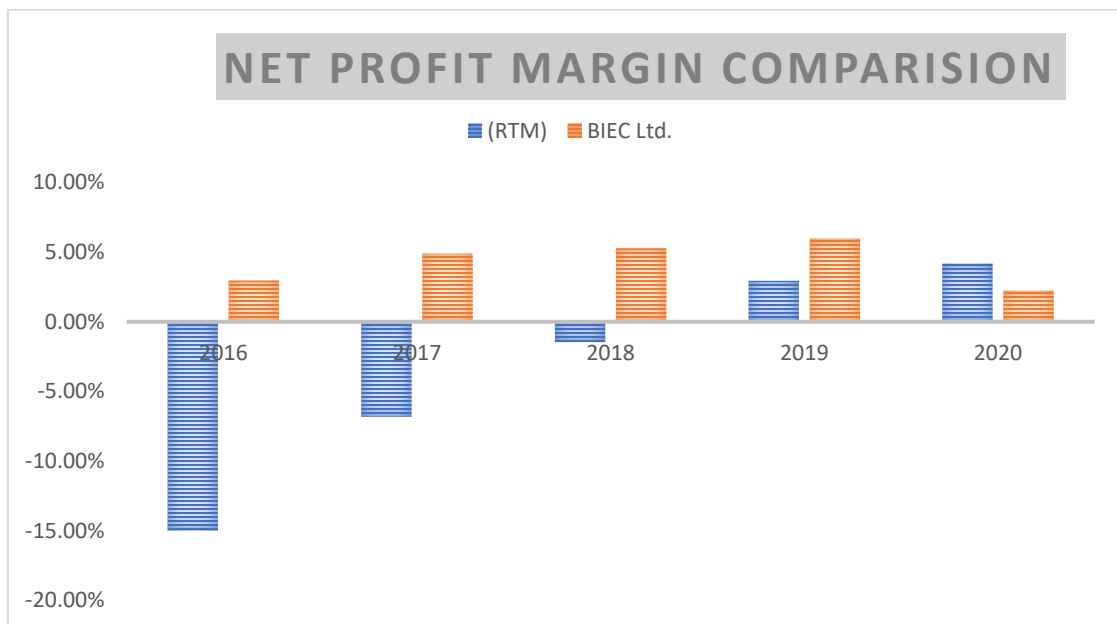
Comment: The operating income margin cleared that the company cut its operating expense in 2019 and 2020 at large amount that actually brought higher gain in those years. If it can continue the strategy, it will be able to capture market more through investment. The gross profit margin and operating profit margin shows little bit different trend because the depreciation expense in 2019 went down significantly.

Net Profit Margin:

	<u>2019</u>		<u>2020</u>
3138.26	3138.26		5539.79
106,787	106,787		132,450
=2.94%	=2.94%		= 4.18%

Net profit Margin

Year	(RTM)	BEIC Ltd. (a peer company)
2016	-14.99%	2.95%
2017	-6.81%	4.89%
2018	-1.46%	5.28%
2019	2.94%	5.96%
2020	4.18%	2.25%



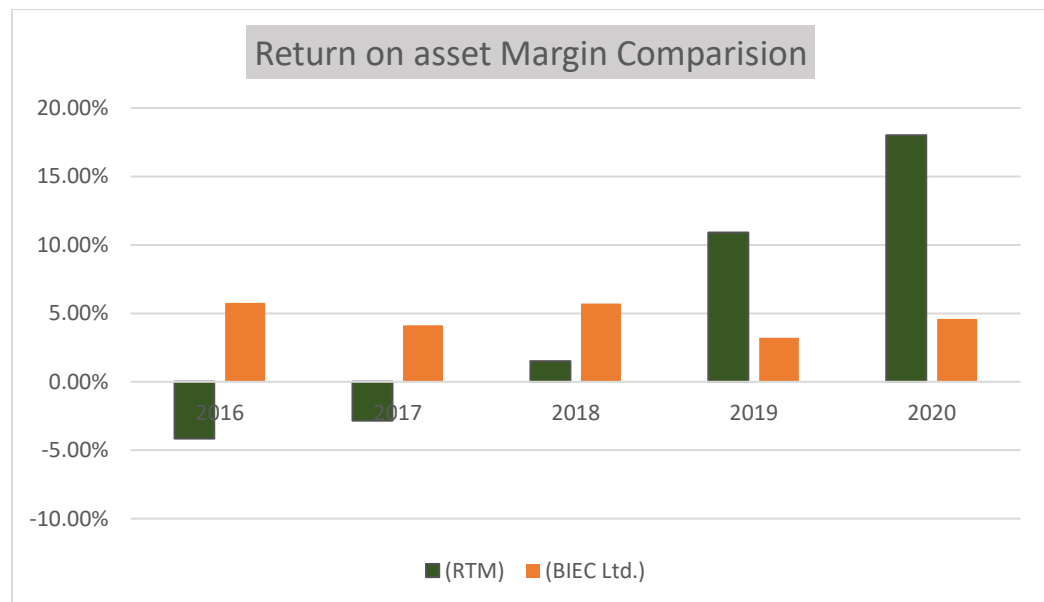
Comment: From the horizontal balance sheet analysis we can see RTM's sales went up to 228% which is highest in five years. The net profit margin presented graphically clearly indicates the outcome.

Return on Total Asset:

2019	2020
$\frac{3,749.96}{34,377.55}$	$\frac{6,406.82}{35,565.95}$
=10.91%	= 18%

Return Margin on Asset

Year	(RTM)	BEIC Ltd. (a peer company)
2016	-4.16%	5.77%
2017	-2.83%	4.12%
2018	1.50%	5.71%
2019	10.91%	3.21%
2020	18%	4.59%



Comment: The company has been able to reap higher return against the investment of assets in business in 2020. The return is substantially higher than 2019. The company has earned TK0.90 against every TK5 investment. On the other hand, Its peer company BEITC Ltd. has lower return but more stable than RTM.

Return on shareholder's Equity:

2019

3,138.26

12581.41

=24.94%

2020

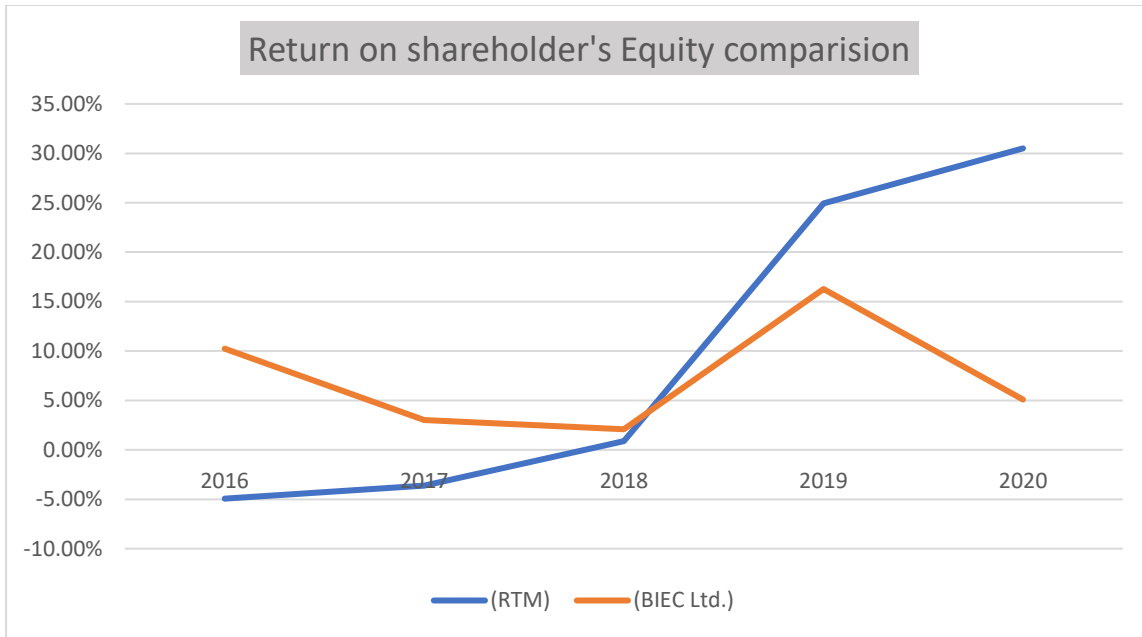
5539.79

18,115.18

= 30.5%

Return margin on stock:

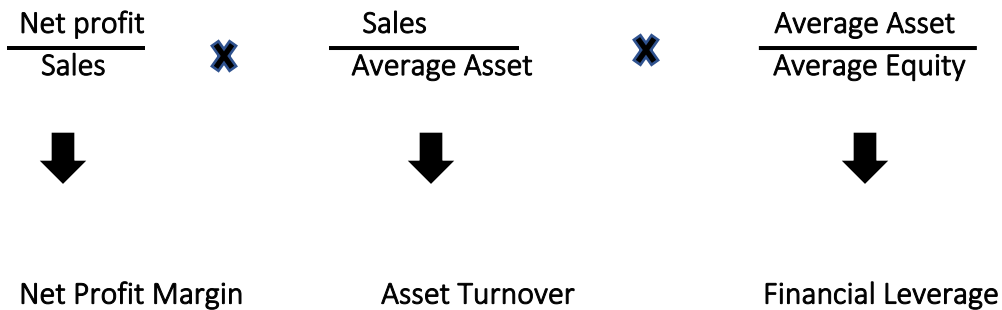
Year	(RTM)	BEIC Ltd. (a peer company)
2016	-4.94%	10.23%
2017	-3.63%	3.01%
2018	0.89%	2.08%
2019	24.94%	16.27%
2020	30.5%	5.09%



Comment: We have seen that RTM's financial performance has been better in 2020 compared to 2019. It has attracted more investors result and the income per share has gone down as the profit is now has to be divided among more shareholders which is cleared by the above graph. Average return on equity is 12.15%. RTM has achieved more than average margin and better than its peer company. The graph shows wide gap between the companies in 2010 and 2020.

The main reason behind the huge spike represents the RTM has high debts and low shareholders equity. Another reason of this high yield is efficient asset turnover.

Du Pont Analysis Of RTM:



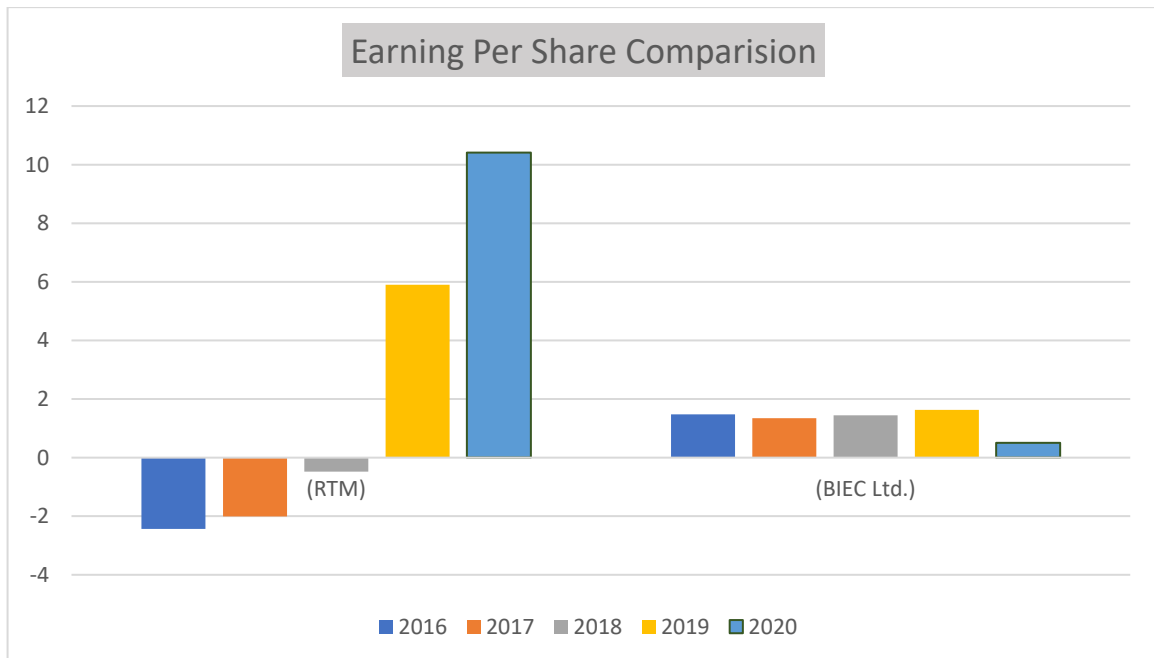
Year	Net Profit margin	Asset Turnover	Financial Leverage
2020	4.18%	3.79	2.28
2019	2.93%	3	2.02

N.B: 2019 & 2020 has been analyzed as RTM earned profit in these two years

Comment: RTM has used its asset more efficiently in 2020 and it has also gained higher margin in the year that combinedly has brought success to the company. However, the company is very riskier as it has high leverage ratio. A company should not finance more than 0.5 (half) of its assets by debt. But the RTM has increased its debt financing in 2020 even further.

Earnings Per Share:

Year	(RTM)	BEIC Ltd. (a peer company)
2016	-2.43	1.48
2017	-2.01	1.35
2018	-0.48	1.44
2019	5.90	1.63
2020	10.41	0.51

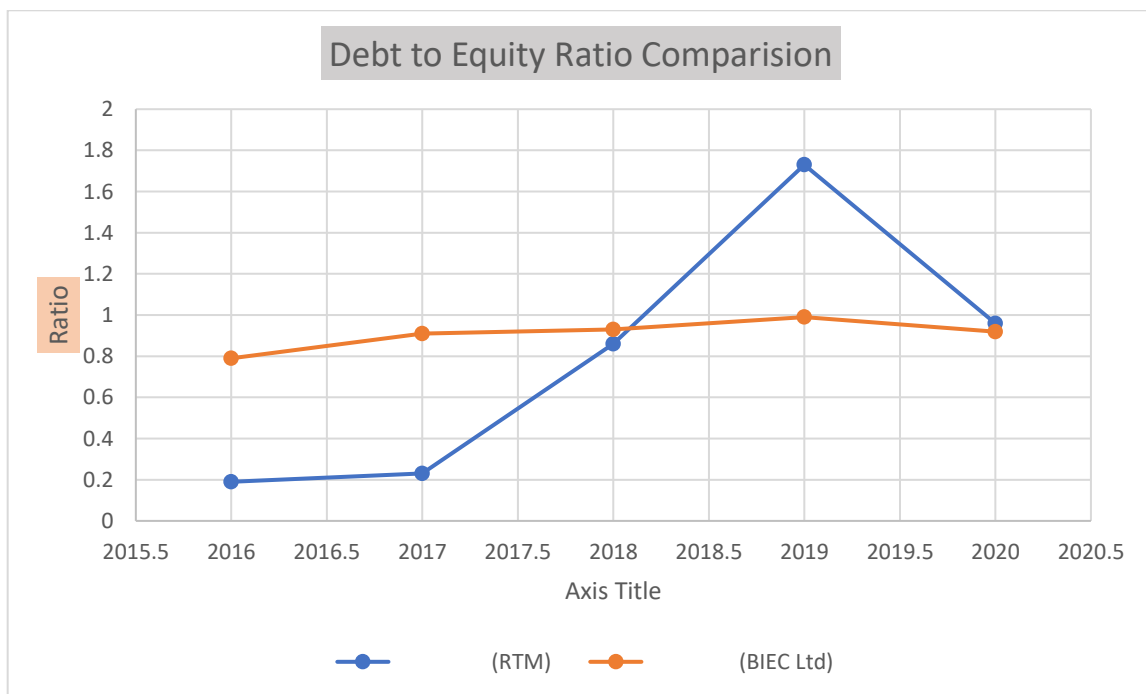


Comment: We have seen that RTM's financial performance has been better in 2020 compared to 2019. It has attracted more investors result and the income per share has gone down as the profit is now has to be divided among more shareholders which is cleared by the above graph.

Risk Analysis Of RTM

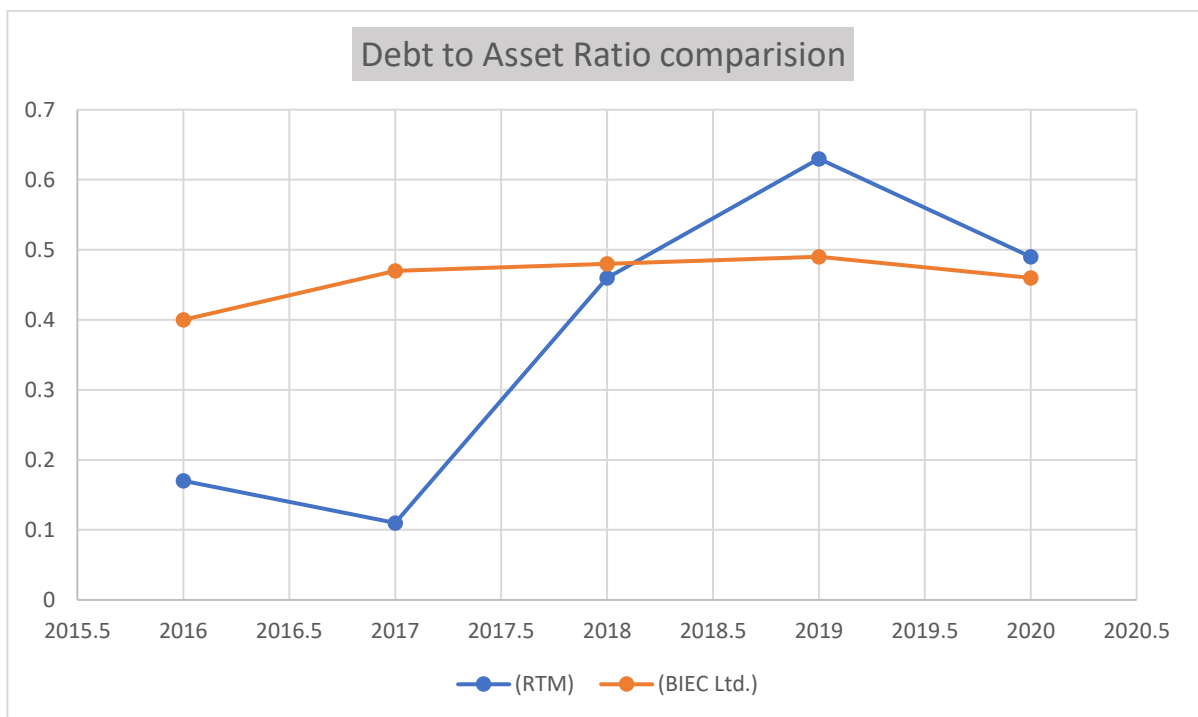
Debt to Equity Ratio:

Year	(RTM)	BEIC Ltd. (a peer company)
2016	0.19	0.79
2017	0.23	0.91
2018	0.86	0.93
2019	1.73	0.99
2020	0.96	0.92



Debt to Asset Ratio:

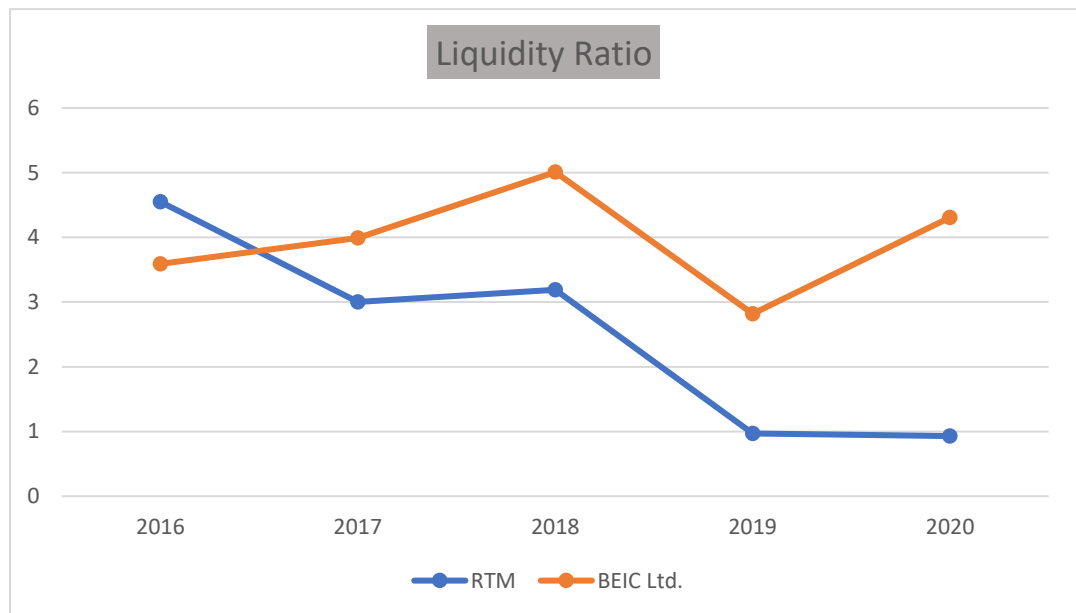
Year	(RTM)	BEIC Ltd. (a peer company)
2016	0.17	0.40
2017	0.11	0.47
2018	0.46	0.48
2019	0.63	0.49
2020	0.49	0.46



Comment: The graph highlighted that RTM liabilities went up by large amount. It took higher risk from 2018 to 2020 financing good amount of money in the business. Hence, it had to incur highest financial cost in that period. The income statement clearly depicts the picture. On the other hand, BEIC Ltd. has not adopted any special decision to increase its overall profit margin. It has maintained a steady growth strategy instead.

Liquidity Ratio: $\frac{\text{Current Asset}}{\text{Current Liabilities}}$

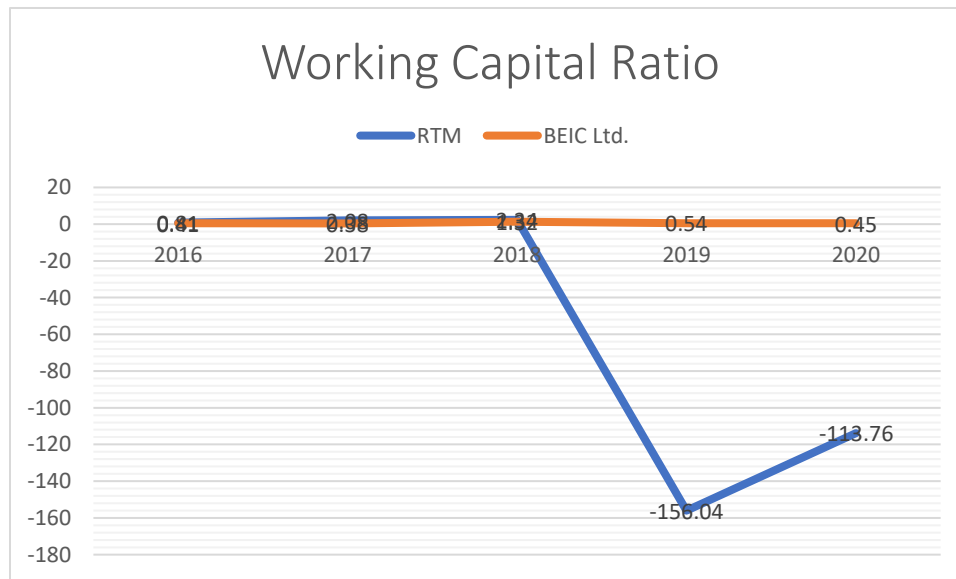
Year	RTM	BEIC Ltd.
2016	4.55	3.59
2017	3	3.99
2018	3.19	5.01
2019	0.97	2.82
2020	0.93	4.31



Working Capital Ratio:

$$\frac{\text{Sales}}{\text{Working Capital}}$$

Year	RTM	BEIC Ltd.
2016	0.81	0.41
2017	2.08	0.38
2018	2.34	1.32
2019	-156.04	0.54
2020	-113.76	0.45



Summary and recommendation

We can see profitability of Route to Market International Ltd. is not consistent enough to reach to the decision about its profitability. From the horizontal balance sheet, we can see the percentage of asset has gone up and percentage of liabilities has gone down in 2020 compared to 2019. Moreover, overall profit margin has fluctuated a lot from the beginning of 2016. Proper managerial decisions and cost efficiency has brought the company to the success. We strongly recommend the company should reduce its finance cost to keep the trend of gaining profit in future as well.



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