

Analyzing Trends in Key Financial Indicators: A Case Study on ORION Pharma Limited

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ABSTRACT

This descriptive research study aims to examine the performance trends of ORION Pharma Limited within the context of its operations in Bangladesh. The study is based on secondary data extracted from annual reports spanning from FY 2018-19 to 2022-23 of the chosen company. It employs trend percentage analysis on key financial metrics derived from these reports. Firstly, the analysis focuses on fluctuations in key financial indicators of the statement of profit or loss, such as net sales revenue, gross profit, operating profit, pre-tax profit, and post-tax profit. Despite facing challenges, the company has shown resilience and adaptability, showcasing noticeable recoveries and improvements during different periods. These changes reflect ORION Pharma's responsiveness to market conditions and efforts to manage expenses efficiently. The analysis suggests opportunities for strategic expansions and profit enhancements despite occasional setbacks. Secondly, examining the trend percentage of key metrics of the statement of financial position for ORION Pharma, the study shows consistent growth in total assets, driven by expansions in both current and non-current assets. Though liabilities increased notably, total equity showed positive growth, indicating effective management and sustained profitability. In summary, ORION Pharma demonstrates strong financial performance and strategic planning, positioning it for continued growth and profitability.

Key words: Financial Indicators, ORION Pharma, Trend Analysis, Profitability, Asset Growth, Strategic Expansions

INTRODUCTION

Understanding a business's financial health and performance relies heavily on analyzing trends in financial indicators. Trend analysis, as described by Kasmir (2014), involves studying financial statements expressed as percentages over several years to grasp operational results and financial position changes. Jumingan (2018), emphasizes that this analysis simplifies the relationship between financial elements, allowing for straightforward comparisons between accounts across periods. By tracking trends, businesses gain a long-term perspective, revealing significant shifts and evaluating management effectiveness. This approach helps identify issues and assess management strategies by determining if financial items are increasing, decreasing, or remaining stable. Moreover, according to Prastowo and Julianty (2015), trend analysis offers benefits by uncovering developments and tendencies over time, enabling smooth comparison of financial items across different periods. Analyzing financial trends is vital for the pharmaceutical

industry for several reasons. Firstly, pharmaceutical companies rely heavily on revenue from drug and healthcare product sales. Monitoring revenue indicators like sales growth rate, revenue per product, and revenue by region helps them predict future revenue streams accurately, aiding in resource allocation and strategy planning. Secondly, profitability is crucial for sustainability and growth. Assessing profitability indicators such as gross margin and net profit margin over time helps companies optimize cost structures and pricing strategies to maintain or improve profitability. Thirdly, analyzing metrics from the financial position statement is essential for stakeholders to evaluate a company's financial health and ability to meet obligations. This transparency aids in strategic decision-making and builds investor confidence. In the specific context of ORION Pharma, trend analysis becomes particularly crucial. As a company operating in the highly competitive pharmaceutical industry, ORION Pharma needs to constantly monitor its financial health and performance to

remain competitive and ensure sustainable growth. By analyzing trends in revenue, profit margins, R&D expenditures, and other critical financial indicators from the annual reports of fiscal years 2018-19 to 2022-23, ORION Pharma can attract investment and support their market valuation, enabling effective navigation of the industry's competitive landscape.

The need for the study on ORION Pharma Limited arises from the importance of financial analysis in evaluating the performance and financial health of a company. Trend analysis of significant financial information in the financial statements can provide insights into the financial position, profitability, and liquidity of a company. By conducting a study on ORION Pharma Limited, stakeholders can identify the strengths and weaknesses of the company, which can help them make informed decisions. For example, investors may use the findings of the study to determine whether ORION Pharma Limited is a good investment opportunity, while creditors may use the analysis to assess the creditworthiness of the company. Similarly, managers of ORION Pharma Limited can use the insights and recommendations from the study to make strategic decisions that can improve the financial performance of the company. Overall, the need for the study on ORION Pharma Limited is to provide a comprehensive analysis of the company's financial performance, which can be used by stakeholders to make informed decisions.

Research question

How has ORION Pharma Limited's financial performance trended over the past five years, and what are the implications of these trends for the company's competitive positioning and future growth strategies?

Objective of the study

To effectively appraise the financial performance of ORION Pharma Limited, the study aims to:

- Analyze trend percentages in key financial indicators, including net sales revenue, gross profit, operating profit, profit before tax, net profit after tax, total current assets, total non-current assets, total assets, total current liabilities, total non-current liabilities, total liability, and total equity.
- Identify notable trends or patterns in these financial indicators over a specified period to understand the company's historical performance and financial health.
- Recommend actionable suggestions for improving ORION Pharma's financial performance based on the analysis of these trends.

RATIONALE FOR THE STUDY

The rationale for conducting a trend analysis of significant financial information in the financial statements of ORION Pharma Limited could be multi-fold. By analyzing trends

in financial data over time, stakeholders such as investors, creditors, and management can evaluate the company's financial performance. This helps in understanding whether the company is improving, stagnating, or deteriorating financially. Trend analysis provides valuable insights for decision-making processes. For instance, management can use it to identify areas of strength and weakness, guiding them in making strategic decisions related to investment, expansion, cost-cutting, or resource allocation. Identifying trends in financial data can help in assessing financial risks associated with the company. Sudden deviations or consistent negative trends in key financial indicators may indicate underlying risks that need to be addressed. Trend analysis enables comparison of financial performance across different periods. This allows stakeholders to assess the impact of various internal and external factors on the company's financial health and to benchmark its performance against industry peers. Trends observed in historical financial data can be extrapolated to forecast future performance. This aids in setting realistic financial targets and goals for the company and assists in financial planning and budgeting processes. Conducting a trend analysis enhances transparency and accountability by providing stakeholders with a clear picture of the company's financial trajectory over time. It enables the company to demonstrate its financial stability and growth potential to investors and regulatory bodies. Trend analysis serves as a valuable tool for long-term strategic planning. By identifying emerging patterns and trends, management can formulate and adjust strategic initiatives to capitalize on opportunities and mitigate risks in the competitive landscape. Overall, conducting a trend analysis of significant financial information for ORION Pharma Limited serves as a fundamental tool for informed decision-making, risk management, and strategic planning, ultimately contributing to the company's sustainable growth and success.

OVERVIEW OF THE ORION PHARMA LIMITED

ORION Pharma Limited (OPL) is the foremost pharmaceutical company in Bangladesh. The company was incepted on June 21, 1965 and has since developed to become one of the biggest pharmaceutical companies in the country. OPL with 2,716 employees produces and sells a broad range of generic and reputed pharmaceutical products, including prescription drugs, over-the-counter medications, and medical devices. The company has an active participation in the home market and exports its products to several countries of the world. OPL's product line includes drugs for various therapeutic segments such as cardiovascular, gastrointestinal, respiratory, anti-infective, and central nervous system disorders. ORION Pharma Limited is dedicated to quality, and its manufacturing facilities are certified by international regulatory authorities such as the US FDA, UK MHRA, and Australian TGA. The company invests highly in

research and development to develop new products to meet the emerging needs of the healthcare industry. Overall, ORION Pharma Limited is a renowned pharmaceutical company in Bangladesh with active participation in the home and foreign markets. The company's dedication to quality, innovation, employment, social responsibility, and research and development has aided it in protecting its position as a central character in the pharmaceutical field.

LITERATURE REVIEW

Several studies have explored financial performance analysis using ratios, but there is a paucity of research on trend percentage analyses. Some relevant studies in different sectors, including pharmaceuticals, Bangladesh's pharmaceutical industry, Indonesian cigarette and plantation sectors, and the automotive industry on trend analysis are reviewed here focusing on their findings and recommendations. **Adams, L. (2021)** conducted a study on comparing various financial metrics and trends within the pharmaceutical sector to those of other sectors. The study examined revenue growth, profitability, cash flow, asset utilization, debt management, investment trends, and other relevant financial indicators specific to pharmaceutical companies. The analysis revealed strong financial health, good performance, and positive trends within the pharmaceutical industry when compared to other sectors. These findings contribute significantly to understanding the financial dynamics of the pharmaceutical sector, providing valuable insights for industry professionals, investors, policymakers, and researchers interested in the convergence of finance and healthcare. **Mandal, A. K. (2021)** studied the performance of pharmaceutical companies in Bangladesh using ratio analysis. Data was collected from 10 companies in the pharmaceutical sector. According to the study Square Pharmaceuticals Limited achieved the highest current ratio of 6.34, while Ibn Sina Pharmaceuticals Limited had the lowest current ratio of 0.87. The researcher concluded that Square Pharmaceuticals demonstrated the best liquidity performance, ACI and Renata proved to be better asset-managing firms, and Active Pharmaceuticals showed profitability. The study suggested that pharmaceuticals should regularly check the ratio analysis and measures should be taken to improve undesirable ratios at least as to the point of the industry's average. **Chowdhury, F. (2015)** conducted a study on the performance of four major companies in the Bangladeshi pharmaceutical industry: Beximco Pharmaceuticals, Ambee Pharmaceuticals, Square Pharmaceuticals, and Renata Pharmaceuticals. The research evaluates their individual performance and the combined impact of their portfolios. Utilizing measures like the Sharpe ratio and M-Squared, the study assesses portfolio performance by analyzing standard deviations, returns, and covariances over a four-year period. Despite diversification efforts, the

study concludes that the overall portfolio performance in the sector remains unsatisfactory. **Hasan, J. Y. et al. (2022)** analyzed trends within PT Gudang Garam, one of Indonesia's famous cigarette industries. The researchers found a consistent increase in assets and equity from year to year. However, they noted that despite this positive trend, the total cost of goods sold was also increasing, comparing the percentage of sales. Consequently, the company's gross profit showed a downward trend over the years. The study identified inefficiencies in managing the company's assets, suggesting that initiatives need to be taken to improve effectiveness and efficiency. The researchers also recommended that PT Gudang Garam focuses on reducing the cost of goods sold to maximize profitability. **Qurnia, I. H. and Febrianty (2022)** studied Indonesian plantation companies, finding positive balance sheets but poor cash flow, recommending optimization of funds and asset utilization. **Rebaccal, A. et al. (2019)** examined trend percentages, revealing significant increases in key metrics but suggesting a focus on cost reduction and sales boosting for improved profitability. **Anderson, R. (2020)** explored cost trends in the automotive sector, offering insights into cost management strategies for enhanced profitability.

METHODOLOGY OF THE STUDY

The present study is carried on financial performance trends using quantitative descriptive research methods with a quantitative trend approach. The study is based on ORION Pharma Limited and uses secondary data collected from the past five financial years' annual reports (from 2017-18 to 2022-23) of the said company. Under this study, ORION Pharma Limited was selected as a sample based on the convenience of collecting their annual report and related data findings. The data extraction process involved a thorough review of financial statements, footnotes, and management discussion sections to ensure accuracy and completeness. The descriptive variables obtained from the company's financial statements includes significant financial information such as net sales revenue, gross profit, operating profit, profit before tax, net profit after tax, total current assets, total non-current assets, total assets, total current liabilities, total non-current liabilities, total liability, and total equity. While annual reports are comprehensive, there may be variations in the level of detail provided year over year. This can make it challenging to ensure consistency in the data collected for each fiscal year. For the trend approach the study identifies the base year, which is the earliest year of the study period i.e., financial year 2017-18, and compares the components of all other required subsequent years' data with that. To compute the trend percentage, all the base year components are made equal to one hundred percent, and then the change is calculated using the following formula.

$$\text{Trend percentage} = \frac{\text{Computation year's value}}{\text{Base year's value}} \times 100\%$$

ANALYSIS AND FINDINGS

Statement of profit or loss: The Statement of profit or loss, also known as the income statement or statement of comprehensive income, is a financial statement that

provides a summary of a company's revenues, expenses, gains, and losses over a specific period. Its primary purpose is to show the profitability of the business operations during the reporting period. The statement of profit or loss provides valuable information about a company's financial performance, profitability, and efficiency in generating income. It is an essential component of the financial statements and is typically prepared on a quarterly or annual basis.

Table 1: Trend % of consolidated statement of profit or loss and other comprehensive income data

SL	Particulars	Year	2018-19	2019-20	2020-21	2021-22	2022-23
01	Net sales revenue		100%	87.85%	124.44%	110.99%	159.98%
02	Gross profit		100%	101.26%	103.69%	77.55%	89.57%
03	Operating profit		100%	80.18%	149.37%	69.86%	99.31%
04	Profit before tax		100%	77.36%	115.45%	102.51%	80.93%
05	Net profit after tax		100%	75.45%	106.43%	95.89%	72.64%

Source: Self constructed table based on the annual reports of Orion Pharma Limited

Net Sales Revenue

Table No. 01, SL No. 01 presents the trend percentage of net sales revenue for ORION Pharma Limited, which shows how the company's revenue performance has varied over the selected financial years. In 2018-19, the net sales revenue is considered the base year, and its trend percentage is set as 100%, which serves as the reference value for comparing revenue fluctuations in subsequent years. In 2019-20, the trend percentage is 87.85%, indicating that the net sales revenue decreased by 12.15% compared to the base year (2018-19). It indicates a decline in revenue during this period. However, in 2020-21, the trend percentage is 124.44%, which means the net sales revenue increased by 24.44% compared to the base year, suggesting a positive change from the previous year. In 2021-22, the trend percentage is 110.99%, indicating that the net sales revenue increased by 10.99% compared to the base year. It denotes continued growth in revenue, although at a minimally slower rate compared to the base year. Finally, in 2022-23, the trend percentage is 159.98%, indicating a substantial increase in net sales revenue by approximately 59.98% compared to the base percentage. This tells of a significant acceleration in revenue growth, possibly due to various factors such as market expansion, new medicine launches, or increased market demand.

Gross Profit

Table No. 01, SL No. 02 gives a detailed overview of ORION Pharma Limited's gross profit trend percentage over the selected financial years. In 2018-19, the trend percentage is set as 100%, indicating that the gross profit for this year serves as the base for comparison with subsequent years. In 2019-20, the trend percentage is 101.26%, which reflects the gross profit increased by approximately 1.26% compared to the base year (2018-19). This suggests a slight improvement in gross profit

compared to the base year. In 2020-21, the trend percentage is 103.69%, indicating that the gross profit increased further by approximately 3.69% compared to the base year. This reflects continued growth in gross profit, although at a slightly accelerated rate compared to the previous year. However, in 2021-22, the trend percentage is 77.55%, signifying a decrease in gross profit by approximately 22.45% compared to the base year. It indicates a notable decline in gross profit, possibly due to several factors such as increased costs, the COVID situation, pricing pressures, or changes in market dynamics. In 2022-23, the trend percentage is 89.57%, indicating an increase in gross profit by approximately 12.02% compared to the base year. This suggests a recovery in gross profit from the previous year's decline, although it may not have fully regained the levels seen in 2020-21.

Operating Profit

Table No. 01, SL No. 03 reveals the trend percentage of operating profit for ORION Pharma Limited, which indicates the variations in the company's operating profit earnings capacity over the selected financial years. In 2018-19, the trend percentage is set as 100%, against which the subsequent years' operating profits are compared. In 2019-20, the trend percentage drop to 80.18%, indicating a decrease in operating profit by 19.82% compared to the base year (2018-19). It suggests a decline in operating performance during this period. However, in 2020-21, the trend percentage rises significantly to 149.37%, suggesting a substantial improvement in operating performance. This increase may be due to factors such as cost efficiencies, revenue growth, or operational enhancements. Unfortunately, in 2021-22, the trend percentage is 69.86%, indicating a decrease in operating profit by approximately 30.14% compared to the base year. It suggests a significant decline in operating performance, possibly due to

increased costs, operational challenges, or other adverse factors impacting profitability. In 2022-23, the trend percentage slightly increases to 99.31%, suggesting a modest recovery in operating performance from the previous year's decline. However, this improvement may not be as significant as seen in 2020-21.

Profit before Tax

Table No. 01, SL No. 04 provides interesting insights into ORION Pharma Limited's profit before tax earnings capacity over the selected financial years. Notably, in 2019-20 there was a decline in profit before tax, with a trend percentage of 77.36%, indicating a decrease of approximately 22.64% compared to the base year. However, the trend percentage increased significantly in 2020-21, reaching 115.45%, which suggests an improvement in profitability before tax. The growth rate in 2021-22 was not as significant, with a trend percentage of 102.51%, indicating a slight increase of approximately 2.51% compared to the base year. Lastly, the trend percentage decreased in 2022-23, reaching 80.93%, indicating a decline in profitability before tax, which could be due to various factors impacting profitability, such as increased expenses, changes in tax regulations, or other economic factors.

Profit after Tax

Table No. 01, SL No. 05 interesting insights into ORION Pharma Limited's profit after tax earnings capacity over the selected financial years. In 2018-19, the trend percentage is set as 100%, serving as the base for comparison with subsequent years' profit after tax. In 2019-20, the trend percentage is 75.45%, indicating a

decrease in profit after tax by approximately 24.55% compared to the base year (2018-19). This suggests a decline in profitability after tax during this period. In 2020-21, the trend percentage is 106.43%, signifying an increase in profit after tax by approximately 6.43% compared to the base year. This indicates an improvement in profitability after tax, possibly driven by factors such as revenue growth, cost management, or operational efficiencies. In 2021-22, the trend percentage is 95.89%, indicating a slight decrease in profit after tax by approximately 4.11% compared to base year. This suggests a slight decline in profitability after tax, although the impact is not as significant as seen in 2019-20. In 2022-23, the trend percentage is 72.64%, indicating a decrease in profit after tax by approximately 27.36% compared to the base year. This suggests a notable decline in profitability after tax, possibly due to various factors such as increased expenses, changes in tax regulations, or other economic factors impacting profitability.

Statement of Financial Position

The statement of financial position, also known as the balance sheet, is a financial statement that provides a snapshot of a company's financial position at a specific point in time. It presents the company's assets, liabilities, and equity, showing how assets are financed through liabilities and equity. The Statement of financial position provides valuable insights into a company's financial health, liquidity, solvency, and the composition of its assets and liabilities. It is a crucial component of the financial statements and is typically prepared at the end of each reporting period, such as quarterly or annually.

Table 2: Trend % of condensed statement of financial position data

SL	Particulars	Year	2018-19	2019-20	2020-21	2021-22	2022-23
01	Total current assets		100%	144.57%	132.15%	152.78%	155.39%
02	Total non-current assets		100%	102.03%	139.52%	156.84%	180.95%
03	Total assets		100%	118.88%	136.60%	155.23%	170.83%
04	Total current liabilities		100%	108.71%	146.85%	230.67%	231.49%
05	Total non-current liabilities		100%	162.00%	199.39%	219.64%	259.32%
06	Total liability		100%	144.19%	181.83%	223.32%	250.02%
07	Total equity		100%	102.35%	107.07%	110.77%	119.12%

Source: Self constructed table based on the annual reports of Orion Pharma Limited

Total Current Assets

Table No. 02, SL No. 01 presents the trend percentage of total current for ORION Pharma Limited. In 2018-19, the trend percentage is set as 100%, serving as the base for comparison with subsequent years' total current assets. In 2019-20, the trend percentage is 144.57%, indicating an increase in total current assets by approximately 44.57% compared to the base year (2018-19). This suggests significant growth in current assets over this period, which could be attributed to factors such as increased liquidity or expansion of the company's operations. In

2020-21, the trend percentage is 132.15%, indicating a further increase in total current assets by approximately 32.15% compared to the base year. This indicates continued growth in current assets, albeit at a slightly slower pace compared to the previous year. In 2021-22, the trend percentage is 152.78%, indicating another increase in total current assets by approximately 52.78% compared to the previous year (2020-21). This suggests a significant acceleration in the growth of current assets, possibly due to strategic investments, acquisitions, or other factors driving asset expansion. In 2022-23, the trend percentage is 155.39%, indicating a further increase in total current

assets by approximately 55.39% compared to the base year. This suggests continued robust growth in current assets, reflecting the company's ongoing efforts to strengthen its financial position and liquidity.

Total Non-Current Assets

Table No. 02, SL No. 02 elaborate on the trend percentage of total non-current assets for ORION Pharma over the specified years. In 2018-19, the trend percentage is set as 100%, serving as the base for comparison with subsequent years' total non-current assets. In 2019-20, the trend percentage is 102.03%, indicating a slight increase in total non-current assets by approximately 2.03% compared to the base year (2018-19). This suggests a modest growth in non-current assets during this period, possibly due to investments in long-term assets such as property, plant, and equipment. In 2020-21, the trend percentage is 139.52%, indicating a significant increase in total non-current assets by approximately 39.52% compared to the base year. This indicates a substantial expansion in non-current assets, which could be attributed to strategic acquisitions, capital expenditures, or other long-term investments. In 2021-22, the trend percentage is 156.84%, indicating another increase in total non-current assets by approximately 56.84% compared to the base year. This suggests continued robust growth in non-current assets, reflecting the company's ongoing investment in long-term assets to support its operations and future growth initiatives. In 2022-23, the trend percentage is 180.95%, indicating a further increase in total non-current assets by approximately 80.95% compared to the base year. This suggests continued accelerated growth in non-current assets, possibly driven by sustained investments in infrastructure, technology, or expansion projects.

Total Assets

Table No. 02, SL No. 03 elaborate on the trend percentage of total assets for ORION Pharma over the specified years. In 2018-19, the trend percentage is set as 100%, serving as the base for comparison with subsequent years' total assets. In 2019-20, the trend percentage is 118.88%, indicating an increase in total assets by approximately 18.88% compared to the base year (2018-19). This suggests a significant growth in total assets during this period, reflecting the company's efforts to expand its asset base to support its operations and future growth. In 2020-21, the trend percentage is 136.60%, indicating a further increase in total assets by approximately 36.60% compared to the base year. This indicates continued robust growth in total assets, possibly driven by strategic investments, acquisitions, or capital expenditures. In 2021-22, the trend percentage is 155.23%, indicating another increase in total assets by approximately 55.23% compared to the base year. This suggests continued accelerated growth in total assets, reflecting the company's ongoing investment in expanding its asset base to support its operations and future initiatives. In 2022-23, the trend percentage is

170.83%, indicating a further increase in total assets by approximately 70.83% compared to the base year. This suggests continued robust growth in total assets, possibly driven by sustained investments in infrastructure, technology, or expansion projects.

Total Current Liabilities

Table No. 02, SL No. 04 elaborate on the trend percentage of total current liabilities for ORION Pharma over the specified years. In 2018-19, the trend percentage is set as 100%, serving as the base for comparison with subsequent years' total current liabilities. In 2019-20, the trend percentage is 108.71%, indicating an increase in total current liabilities by approximately 8.71% compared to the base year (2018-19). This suggests a moderate growth in current liabilities during this period, possibly due to increased short-term obligations or working capital requirements. In 2020-21, the trend percentage is 146.85%, indicating a significant increase in total current liabilities by approximately 46.85% compared to the base year. This suggests a substantial expansion in current liabilities, which could be attributed to factors such as increased borrowings, trade payables, or accrued expenses to support business operations or growth initiatives. In 2021-22, the trend percentage is 230.67%, indicating another substantial increase in total current liabilities by approximately 130.67% compared to the base year (2020-21). This suggests a significant acceleration in the growth of current liabilities, possibly driven by factors such as additional financing requirements, increased operational expenses, or changes in working capital management. In 2022-23, the trend percentage is 231.49%, indicating a further increase in total current liabilities by approximately 131.49% compared to the base year. This suggests continued robust growth in current liabilities, reflecting the company's ongoing financial obligations and possibly signaling the need for careful management of short-term financial commitments.

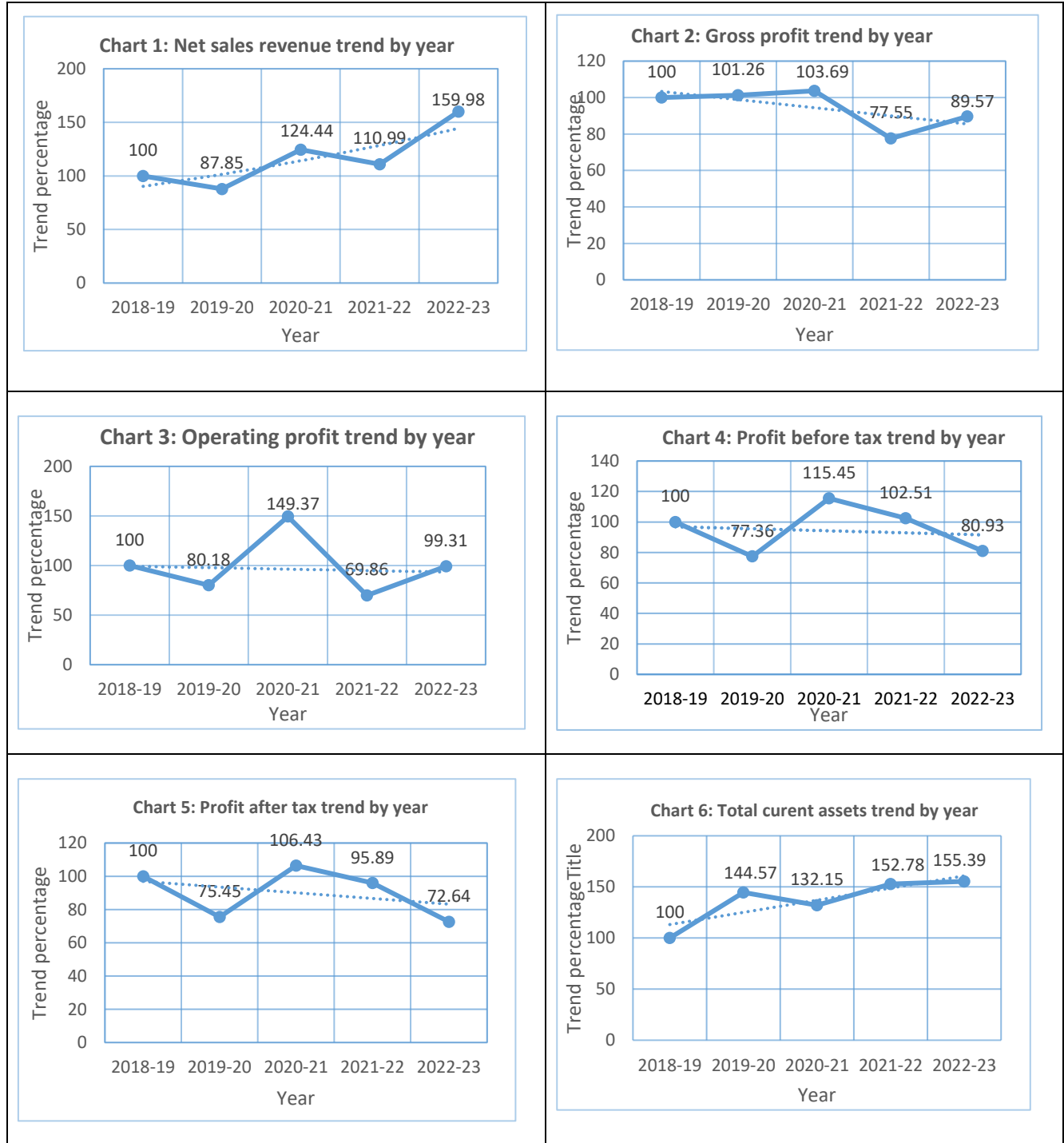
Total Non-Current Liabilities

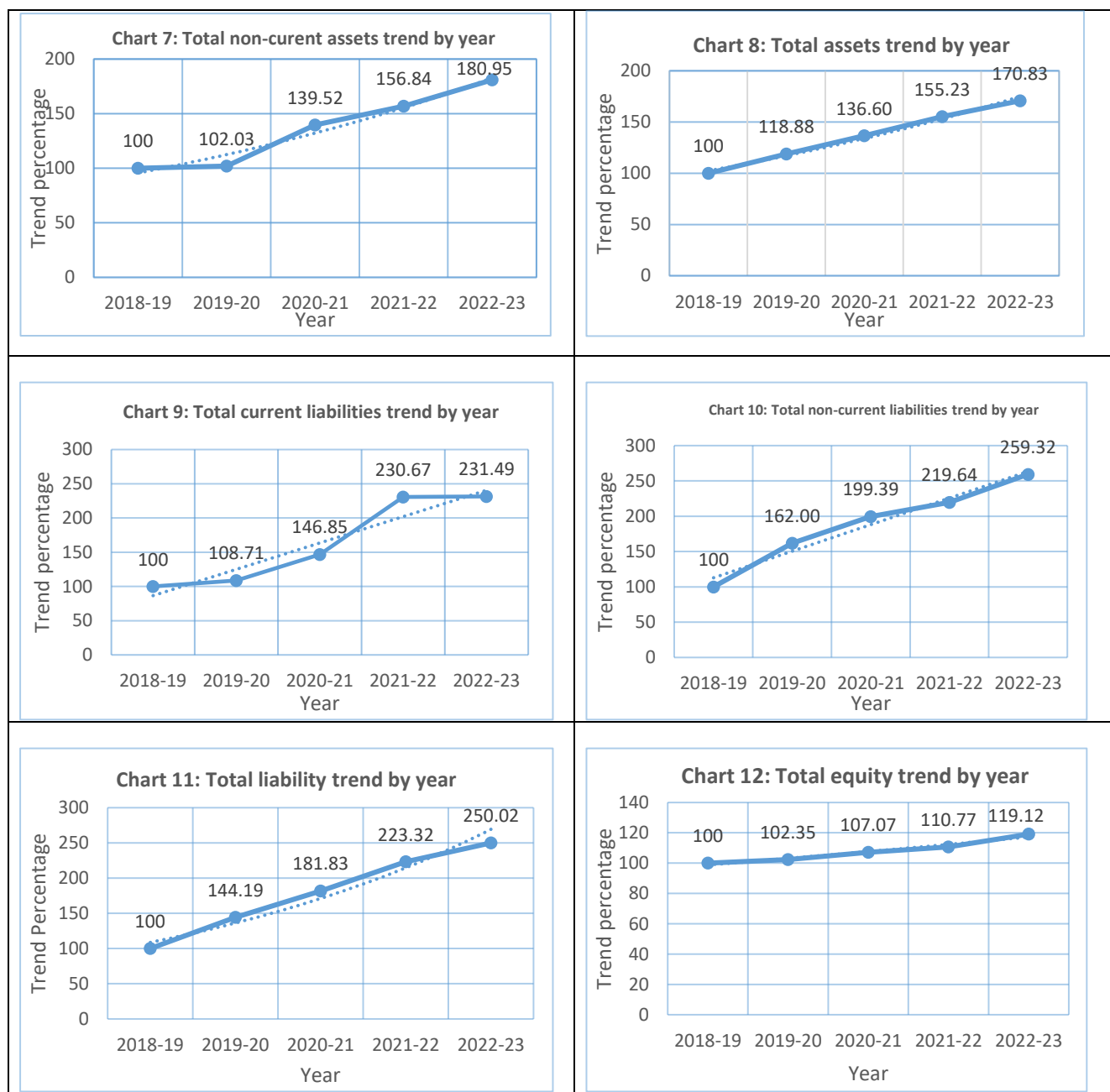
Table No. 02, SL No. 05 elaborate on the trend percentage of total non-current liabilities for ORION Pharma over the specified years. In 2018-19, the trend percentage is set as 100%, serving as the base for comparison with subsequent years' total non-current liabilities. In 2019-20, the trend percentage is 162.00%, indicating a significant increase in total non-current liabilities by approximately 62.00% compared to the base year (2018-19). This suggests substantial growth in long-term financial obligations, possibly due to increased borrowings or long-term debt issuance to fund expansion projects or capital investments. In 2020-21, the trend percentage is 199.39%, indicating a further increase in total non-current liabilities by approximately 99.39% compared to the base year. This suggests continued robust growth in long-term financial obligations, reflecting the company's ongoing investment in long-term assets or strategic initiatives. In 2021-22, the

trend percentage is 219.64%, indicating another increase in total non-current liabilities by approximately 119.64% compared to the base year. This suggests a significant acceleration in the growth of long-term financial obligations, possibly driven by additional financing requirements for expansion or investment projects. In 2022-23, the trend percentage is 259.32%, indicating a

further increase in total non-current liabilities by approximately 159.32% compared to the base year. This suggests continued robust growth in long-term financial obligations, reflecting the company's ongoing investment in long-term assets or strategic initiatives to support its operations and future growth.

Graphical Presentations of Findings





Total Liabilities

Table No. 02, SL No. 06 elaborate on the trend percentage of total liabilities for ORION Pharma over the specified years. In 2018-19, the trend percentage is set as 100%, serving as the base for comparison with subsequent years' total liabilities. In 2019-20, the trend percentage is 144.19%, indicating an increase in total liabilities by approximately 44.19% compared to the base year (2018-19). This suggests significant growth in overall liabilities during this period, reflecting increased financial obligations or borrowings to support the company's operations or expansion initiatives. In 2020-21, the trend percentage is 181.83%, indicating a further increase in total liabilities by approximately 81.83% compared to the base year. This suggests continued robust growth in

overall liabilities, possibly driven by additional financing requirements for capital investments or expansion projects. In 2021-22, the trend percentage is 223.32%, indicating another increase in total liabilities by approximately 123.32% compared to the base year. This suggests a significant acceleration in the growth of total liabilities, reflecting the company's ongoing financial obligations and possibly signaling the need for effective debt management and strategic planning. In 2022-23, the trend percentage is 250.02%, indicating a further increase in total liabilities by approximately 150.02% compared to the previous year (2021-22). This suggests continued robust growth in overall liabilities, which may necessitate careful management and strategic planning to ensure financial sustainability and effective debt management.

Total Equity

Table No. 02, SL No. 07 elaborate on the trend percentage of total equity for ORION Pharma over the specified years: In 2018-19, the trend percentage is set as 100%, serving as the base for comparison with subsequent years' total equity. In 2019-20, the trend percentage is 102.35%, indicating an increase in total equity by approximately 2.35% compared to the base year (2018-19). This suggests a modest growth in total equity during this period, possibly due to retained earnings or additional capital injections. In 2020-21, the trend percentage is 107.07%, indicating a further increase in total equity by approximately 7.07% compared to the base year. This suggests continued growth in total equity, reflecting the company's ongoing profitability and possibly indicating shareholder confidence in the company's performance. In 2021-22, the trend percentage is 110.77%, indicating another increase in total equity by approximately 10.77% compared to the base year. This suggests a continued upward trajectory in total equity, which could be attributed to factors such as sustained profitability, capital injections, or favorable market conditions. In 2022-23, the trend percentage is 119.12%, indicating a further increase in total equity by approximately 19.12% compared to the base year. This suggests continued robust growth in total equity, reflecting the company's ongoing financial strength and possibly indicating successful implementation of strategic initiatives to enhance shareholder value.

RECOMMENDATIONS

Based on the analysis of ORION Pharma's performance, here are some recommendations to consider:

- Considering the fluctuations noted in operating profit, focusing on enriching operational efficiency could be beneficial. This may involve streamlining processes, optimizing resource allocation, and identifying cost-saving opportunities to improve overall profitability.
- While there have been periods of revenue growth, maintaining a consistent upward trajectory is essential. ORION Pharma could explore diversifying its product portfolio, expanding into new markets, or enhancing existing products to capture additional revenue opportunities.
- Recognizing the impact of external factors on financial performance, ORION Pharma should prioritize effective risk management strategies. This includes identifying and mitigating potential risks such as regulatory changes, market volatility, and supply chain disruptions to safeguard against future uncertainties.
- Continued investment in innovation and research and development can drive long-term growth and competitiveness. ORION Pharma should allocate resources to develop new products, technologies, or treatments to address evolving customer needs and market demands.
- Maintaining financial discipline is crucial for sustainable growth. ORION Pharma should focus on prudent financial management practices, including

careful budgeting, debt management, and working capital optimization, to ensure stability and resilience in the face of economic fluctuations.

- Improving communication and transparency with stakeholders, including investors, employees, and regulatory bodies, fosters trust and confidence in the company's operations. ORION Pharma should prioritize clear and timely communication of financial performance, strategic initiatives, and corporate governance practices.

By implementing these recommendations, ORION Pharma can strengthen its position in the market, drive sustainable growth, and navigate challenges effectively in the dynamic pharmaceutical industry landscape.

POLICY IMPLICATIONS

The trend percentage analysis of ORION Pharma's financial performance from FY 2018-19 to 2022-23 has significant policy implications for industry regulations, corporate governance, and investment practices. Enhanced financial disclosure requirements and standardized reporting frameworks could ensure consistent and comprehensive financial data, facilitating accurate trend analysis and benchmarking. Strengthening accountability mechanisms, improving risk management, and focusing on sustainable growth are key corporate governance practices informed by the findings. For investors, the insights support informed decision-making, encourage long-term investments, and enhance confidence through transparent reporting. Overall, the study promotes financial transparency and accountability by establishing industry benchmarks, increasing regulatory oversight, and fostering stakeholder engagement, ultimately benefiting the pharmaceutical sector.

CONCLUSION

Based on the analysis of ORION Pharma Limited's financial trends from 2018-19 to 2022-23, several key conclusions can be drawn. The company experienced fluctuations in revenue and profitability metrics over the selected financial years. While there were periods of decline and challenges, particularly evident in 2019-20 and 2021-22, there were also notable recoveries and growth phases, such as in 2020-21 and 2022-23. This suggests that ORION Pharma has demonstrated resilience and adaptability in managing its financial performance amid changing market conditions. ORION Pharma exhibited consistent and significant growth in both current and non-current assets throughout the analyzed period. This growth indicates increased liquidity, operational expansion, and strategic investments, contributing to the company's overall financial strength and asset base. The sustained commitment to long-term growth and operational excellence underscores ORION Pharma's strategic focus on building a robust foundation for future success. While there were consistent and significant growth trends in both current and non-current liabilities, reflecting rising short-term and long-term financial obligations, effective debt management remains crucial for ensuring financial sustainability. The need

for prudent management of short-term financial commitments and strategic planning to mitigate risks associated with increased liabilities is emphasized. ORION Pharma demonstrated consistent growth in total equity over the analyzed years, indicating sustained profitability and possibly additional capital injections. This positive trajectory in total equity suggests ongoing financial strength and successful strategic initiatives aimed at enhancing shareholder value. In conclusion, ORION Pharma has shown resilience, adaptability, and strategic focus in managing its financial performance, with consistent growth in assets and equity despite fluctuations in revenue and profitability. Effective management of liabilities and continued investment in growth initiatives will be key for the company to sustain its financial strength and drive future success.

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APPENDICES

Appendix 1: Amount (in BDT million) of consolidated statement of profit or loss and other comprehensive income data

SL	Particulars	Year	2018-19	2019-20	2020-21	2021-22	2022-23
01	Net sales revenue		8705.17	7647.70	10832.57	9661.61	13926.60
02	Gross profit		2545.68	2577.84	2639.52	1974.20	2280.16
03	Operating profit		1041.78	835.31	1556.14	727.83	1034.57
04	Profit before tax		1028.31	795.53	1187.19	1054.16	832.17
05	Net profit after tax		882.35	665.69	939.06	846.08	640.94

Source: Annual reports of Orion Pharma Limited

Appendix 2: Amount (in BDT million) of condensed statement of financial position data

SL	Particulars	Year	2018-19	2019-20	2020-21	2021-22	2022-23
01	Total current assets		12275.84	17746.58	16223.07	18,754.57	19075.66
02	Total non-current assets		18714.58	19094.53	26110.02	29352.47	33864.02
03	Total assets		30990.42	36841.11	42333.09	48,107.04	52939.68
04	Total current liabilities		4090.96	4447.32	6007.55	9436.69	9470.12
05	Total non-current liabilities		8150.48	13204.08	16251.13	17901.49	21135.51
06	Total liability		12241.44	17651.4	22258.68	27338.18	30605.63
07	Total equity		18748.98	19189.71	20074.41	20768.86	22334.06

Source: Annual reports of Orion Pharma Limited

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