

ORIGINAL PAPER

Business Analysis Using Trend Analysis and Financial Ratio Analysis of the Automotive Industry: A Case Study of Stanley Electric Public Company Limited

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Abstract. This study aims to analyze business performance in the automotive industry through trend analysis and financial ratio analysis. The objectives of this study are to examine trends and analyze financial ratio in four key areas including Liquidity Ratio, Efficiency Ratio, Profitability Ratio and Leverage Ratio. The study focuses on a case study of Stanley Electric Public Company Limited, a large company in the automotive industry, which provides comprehensive financial data relevant to Thailand's automotive sector. The data used in this study are derived from the company's financial statements for the years 2022 to 2024. The results of the study are as follows. First, in the trend analysis, with 2022 as the base year, it was found that in 2023 and 2024, cash, accounts receivable, inventory, noncurrent assets, and current liabilities showed a decreasing trend compared to 2022, respectively. Second, in the financial ratio analysis across four dimensions including Liquidity Ratio, Efficiency Ratio, Profitability Ratio and Leverage Ratio, it was found that the company performed well overall. In terms of liquidity, the current ratio was greater than 1, indicating that the company had sufficient current assets to cover its current liabilities. Regarding operational efficiency, the accounts receivable turnover ratio was greater than 1, demonstrating that Stanley Electric Public Company Limited has effective receivables management. In terms of profitability, it was found that in 2024, the gross profit margin was the highest compared to 2022 and 2023, accounting for 18.41 percent of total sales. Finally, in terms of solvency, the debt-to-equity ratio in 2023 to 2024 showed a decreasing trend, indicating that the company has been improving its financial management, with a declining level of debt relative to equity.

Keywords: Automotive Industry, Technology, Financial Ratio

1. Introduction

The automotive industry is one of the industries that is highly related to the use of advanced technology. During the period from 2024 to 2026, Thailand's automotive industry is expected to decline by approximately 3.5 to 2.5 percent per year. The main pressure factor in 2024 is the sharp contraction of the domestic automobile market, which has been affected by the incomplete recovery of consumers' purchasing power. In addition, Thailand's automotive industry has faced increasing pressure from the rapid growth of imported electric vehicles, particularly from China. This has resulted in a slowdown in domestic automobile production.

However, during the period from 2025 to 2026, domestic automobile production is expected to recover and expand again due to several supporting factors. First, the global semiconductor shortage has gradually eased as leading companies have accelerated investments in chip manufacturing facilities. Second, the government has implemented policies to restructure Thailand's automotive industry by reducing excise tax rates for Hybrid Electric Vehicles in order to encourage existing automobile manufacturers to invest in technology development and continuously expand Hybrid Electric Vehicle production capacity. Third, the expansion of Battery Electric Vehicle production within the country has been supported under the EV 3.0 and EV 3.5 measures, which aim to compensate for the previous surge in electric vehicle imports. It is expected that from 2025 onward,

new XEV manufacturers will contribute approximately 600,000 units of annual production capacity, with actual production estimated at around 500,000 units per year. Finally, both domestic and export automobile markets are expected to gradually recover during 2025 to 2026, in line with the economic recovery in Thailand and its trading partner countries.

From the situation mentioned above, it can be said that the automotive industry is highly interesting and worth close attention. Therefore, financial ratio analysis of the automotive industry should not be overlooked, as it is essential for enhancing business preparedness and improving operational efficiency. This study aims to analyze business performance in the automotive industry through financial ratio analysis, focusing on a case study of Stanley Electric Public Company Limited. The company is selected because it is a large firm in the industry with comprehensive data covering all aspects of Thailand's automotive sector. The study will examine financial ratios in four key areas including Liquidity Ratio, Efficiency Ratio, Profitability Ratio and Leverage Ratio

1.1 Research Objectives

To study and analyze the business performance of Stanley Electric Public Company Limited through trend analysis and financial ratio analysis in four key areas including Liquidity Ratio, Efficiency Ratio, Profitability Ratio and Leverage Ratio.

1.2 Theoretical Concepts

The theoretical concepts applied in this study are as follows:

1.2.1 Trend Analysis

Trend analysis refers to the examination of changes in financial statement items over time by selecting a particular period as a base for comparison. In this study, the year 2022 is used as the base year, and the percentage of the base year method is applied in the analysis.

This approach helps to identify whether each financial item shows an increasing trend, decreasing trend, or remains unchanged compared to the base year, as well as to evaluate the company's performance over time.

1.2.1 Financial Ratio Analysis

Financial ratio analysis consists of liquidity ratio, efficiency ratio, profitability ratio and leverage ratio. In this study, financial ratio are analyzed in four key areas as follows:

Liquidity Ratio

Liquidity ratios include the current ratio and the quick ratio, as follows:

- **Current Ratio:** The current ratio indicates the company's ability to meet its short-term obligations. If the ratio is less than 1, it implies that the company has more current liabilities than current assets. The formula for calculation is as follows:

$$\text{Current Ratio} = \frac{\text{Current Assets}}{\text{Current Liabilities}}$$

- **Quick Ratio:** Quick Ratio indicates the company's ability to meet its short term obligations using current assets that can be quickly converted into cash, reflecting the company's true liquidity position. A high ratio suggests that the company has strong liquidity and is able to settle its debts quickly. The formula for calculation is as follows:

$$\text{Quick Ratio} = \frac{\text{Current Assets} - \text{Inventory}}{\text{Current Liabilities}}$$

Efficiency Ratio

Efficiency Ratio consist of Receivable Turnover, Average Collection Period, Inventory Turnover, and Average Inventory Period, as follows:

- **Receivable Turnover:** Receivable turnover indicates the company's ability to manage its accounts receivable efficiently. The formula for calculation is as follows:

$$\text{Receivable turnover} = \frac{\text{Sales}}{\text{Accounts Receivable}}$$

- **Average Collection Period:** The average collection period represents the time required for a company to collect receivables. It reflects the quality of receivables, the efficiency of the collection process, and the company's credit policy. It also indicates the number of days the company must wait to receive cash from its customers. A lower ratio implies that the company is able to collect its receivables more quickly.

$$\text{Average Collection Period} = \frac{365}{\text{Accounts Receivable Turnover Ratio}}$$

- **Inventory Turnover:** Inventory turnover indicates the company's efficiency in

$$\text{Inventory Turnover Ratio} = \frac{\text{Cost of Goods Sold}}{\text{Average Inventory}}$$

managing its sales or the number of times the company can sell its inventory within a given period. The formula for calculation is as follows:

A high ratio indicates that the company is able to sell its inventory quickly. However, if the ratio is high due to insufficient inventory, it may lead to stock shortages and eventually result in lost customers. Therefore, inventory should be managed at an appropriate level, neither too high nor too low.

- **Average Inventory Period:** Average Inventory Period indicates the length of time a company takes to sell its inventory, starting from the date the goods are purchased or produced. In simple terms, it represents the number

of days the company holds inventory before it is sold. A lower ratio indicates that the company is able to sell its inventory more quickly.

$$\text{Days to Sell Inventory} = \frac{365}{\text{Inventory Turnover Ratio}}$$

Profitability Ratio

$$\text{Gross Profit Margin} = \left(\frac{\text{Gross Profit}}{\text{Net Sales}} \right) \times 100$$

Profitability Ratios Profitability ratios consist of Gross Profit Margin and Operating Profit Margin, Return on Assets, Return on Equity as follows:

- **Gross Profit Margin:** Gross Profit Margin indicates the company's ability to generate basic profits, calculated as sales minus the cost of goods sold or services. A high ratio suggests that the company is effective in generating revenue and has good control over production costs or raw material procurement costs.
- **Operating Profit Margin:** Operating Profit Margin indicates the company's ability to manage revenue from sales after deducting all operating expenses. It is used to measure the level of profitability during a specific period and also reflects trends in revenue as well as cost control in terms of production, marketing, and management. A high ratio suggests that the company has strong operational efficiency.

$$\text{Operating Profit Margin} = \left(\frac{\text{Operating Income}}{\text{Net Sales}} \right) \times 100$$

- **Return on Assets (ROA):** Return on Assets indicates the company's ability or efficiency in using its assets to generate profit. It shows how much profit is generated from each unit of assets. A high ratio suggests that the company uses its assets efficiently and

is able to generate higher profits from its asset base.

$$\text{Return on Assets} = \left(\frac{\text{Net Income}}{\text{Total Assets}} \right) \times 100$$

- **Return on Equity (ROE):** Return on Equity indicates the rate of return generated on shareholders' equity. It shows how much profit the company is able to generate from the investment of its owners or shareholders. A high ratio reflects strong profitability and efficient use of shareholders' funds.

$$\text{Return on Equity} = \left(\frac{\text{Net Income}}{\text{Share holders' equity}} \right) \times 100$$

Leverage Ratio

Leverage Ratio consist of the Debt Ratio and Debt to Equity Ratio.

- **Debt Ratio:** Debt Ratio indicates the proportion of a company's total liabilities compared to its total assets. It is used to measure the extent to which the company's assets are financed by external borrowing. In addition, it reflects the company's ability to meet its debt obligations.

$$\text{Debt to Total Assets Ratio} = \left(\frac{\text{Total Liabilities}}{\text{Total Assets}} \right) \times 100$$

- **Debt to Equity Ratio:** Debt to Equity Ratio indicates the company's capital structure by measuring the proportion of external financing (borrowed funds) compared to internal financing (shareholders' equity). It shows the extent to which the company relies on debt relative to its own capital.

$$\text{The Debt to Equity Ratio} = \left(\frac{\text{Total Liabilities}}{\text{Shareholders' Equity}} \right) \times 100$$

1.3 Research Framework

This study examines business performance through financial ratio analysis, focusing on four key dimensions: Liquidity Ratio, Efficiency Ratio, Profitability Ratio and Leverage Ratio (Figure 1).

2. Scope and Data Used in the Study

The scope of this study focuses on analyzing financial ratios in the automotive industry through a case study of Stanley Electric Public Company Limited for the years 2022 to 2024. The analysis covers four key aspects of financial ratios: 1) Liquidity Ratio 2) Efficiency Ratio 3) Profitability Ratio and 4) Leverage Ratio

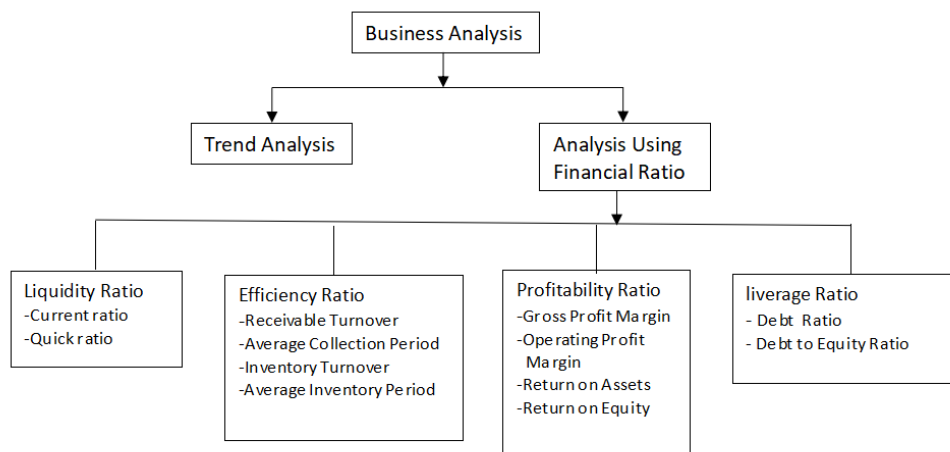


Figure 1. Research Framework

3. Results

3.1 Trend Analysis

From the study of business analysis in the automotive industry, with a case study of Stanley Electric Public Company Limited, the results of trend analysis and financial ratio analysis are as follows:

Trend analysis is a horizontal analysis used to examine changes in financial statement items over time. It involves selecting a specific period as a base for comparison. In this study, the year 2022 is used as the base year.

Table 1. Results of Trend Analysis

Items	2024	2023	2022
Cash	2,000,191,282 (75.31%)	2,084,203,370 (78.47%)	2,655,943,140 (100%)
Short Term Investments	6,840,800,000 (196.41%)	5,891,800,000 (169.16%)	3,483,000,000 (100%)
Accounts Receivable	2,390,402,926 (91.32%)	2,552,990,072 (97.54%)	2,617,502,108 (100%)
Loans Receivable	63,005,596 (114.64%)	32,711,779 (59.52%)	54,958,494 (100%)
Inventory	503,949,308 (70.21%)	590,667,595 (82.29%)	717,823,866 (100%)
Other Current Assets	30,240,090 (305.02%)	12,871,591 (129.83%)	9,913,992 (100%)
Total Current Assets	11,828,589,202 (124%)	11,165,244,407 (117.05%)	9,539,141,600 (100%)
Noncurrent Assets	12,949,235,803 (95.80%)	13,160,156,101 (97.36%)	13,517,513,872 (100%)
Total Assets	24,777,825,005 (107.46%)	24,325,400,508 (105.50%)	23,056,655,472 (100%)
Current Liabilities	1,935,837,046 (93.73%)	1,992,331,067 (96.47%)	2,065,235,098 (100%)
Noncurrent Liabilities	1,139,899,094 (118.17%)	1,046,356,261 (108.47%)	964,642,861 (100%)
Total Liabilities	3,075,736,140 (101.51%)	3,038,687,328 (100.29%)	3,029,877,959 (100%)
Owners' Equity	21,702,088,865 (108.37%)	21,286,713,180 (106.29%)	20,026,777,513 (100%)
Liabilities and Owners' Equity	24,777,825,005 (107.46%)	24,325,400,508 (105.50%)	23,056,655,472 (100%)
Revenue from Sales and Services	14,379,927,583 (105.87%)	14,447,846,435 (106.37%)	13,582,326,658 (100%)
Cost of Goods Sold and Services	11,733,221,407 (105.78%)	11,839,100,925 (106.73%)	11,092,504,997 (100%)
Gross Profit	2,646,706,176 (106.30%)	2,608,745,510 (104.78%)	2,489,821,661 (100%)
Operating Profit	1,801,199,633 (111.97%)	1,766,507,831 (109.82%)	1,608,591,574 (100%)
Net Profit	1,756,919,607 (115.53%)	1,745,675,731 (114.79%)	1,520,803,829 (100%)

From Table 1, based on the trend analysis using the year 2022 as the base year, it was found that the financial statement items showing a decreasing trend in 2023 and 2024 include cash, accounts receivable, inventory, noncurrent assets, and current liabilities.

This indicates that the company's cash allocation has decreased over time. The decrease in accounts receivable and inventory is a positive sign, showing that the company manages receivables efficiently and has effective debt collection practices. The reduction in inventory indicates that the company is able to manage its stock more effectively by converting it into sales. The decline in noncurrent assets suggests that the company has sold some of these assets, resulting in a decrease in this category. Lastly, the decrease in current liabilities demonstrates that the company has improved its ability to settle short-term debts.

3.2 Financial Ratio Analysis

From the results presented in Table 2, the business analysis of Stanley Electric Public Company Limited can be explained as follows:

Liquidity Ratio

Liquidity ratios include the Current Ratio and the Quick Ratio, which can be described as follows:

- **Current Ratio:** Current Ratio is calculated by dividing current assets by current liabilities. This ratio should be greater than 1, indicating that the company has sufficient current assets to cover its current liabilities. The study found that from 2022 to 2024, the current ratio remained above 1, showing that the company consistently had enough current assets to settle its current liabilities. Moreover, the ratio increased over the years, indicating an improvement in the company's liquidity.

Based on the above research findings, they can be applied for business purposes, particularly in expanding into the electric vehicle (EV) industry. Since the EV business requires a high level of investment, having a high current ratio indicates strong liquidity, which enhances the company's ability to survive during the initial stage of the business.

Table 2 Results of Business Analysis Using Financial Ratios in the Automotive Industry of Stanley Electric Public Company Limited

Financial Ratios	2024	2023	2022
1. Liquidity Ratio			
1.1 current ratio (times)	6.11	5.60	4.62
1.2 quick ratio (times)	5.85	5.31	4.27
2. Efficiency Ratios			
2.1 Receivable Turnover	6	6	5
2.2 Average Collection Period (days)	62	65	72
2.3 Inventory Turnover	23	20	15
2.4 Average Inventory Period(days)	16	18	24
3. Profitability Ratio			
3.1 Gross Profit Margin (%)	18.41	18.06	18.33
3.2 Operating Profit Margin(%)	12.53	12.23	11.84
3.3 Return on Assets(%)	7.09	7.18	6.60
3.4 Return on Equity (%)	8.10	8.20	7.59
4. Leverage Ratio			
4.1 Debt Ratio (%)	12.41	12.49	13.14
4.2 Debt to Equity Ratio(%)	14.17	14.28	15.13

Source: Calculated by the researcher

- **Quick Ratio:** The Quick Ratio is calculated by subtracting inventory from current assets and dividing the result by current liabilities. This ratio measures the company's ability to meet short-term obligations using its most liquid assets, such as cash, bank deposits, and accounts receivable. From 2022 to 2024, the quick ratio was consistently above 1, indicating that Stanley Electric had sufficient quick assets to pay off current liabilities. The trend also showed an increase over the years, reflecting continuous improvement in the company's financial liquidity.

Based on the above situation, it indicates that the company has sufficient cash and highly liquid assets that can be quickly converted into cash. Therefore, the company is able to expand its production and increase its investment in technology.

Efficiency Ratio

Efficiency Ratio include Receivable Turnover, Average Collection Period, Inventory Turnover, and Average inventory period, as described below:

- **Receivable Turnover:** Receivable turnover is calculated by dividing sales by accounts receivable. From 2022 to 2024, the turnover ratio was greater than 1, indicating that Stanley Electric effectively managed its receivables. The ratio increased over the years, demonstrating continuous improvement in operational efficiency. For example, the company was able to collect receivables six times per year.

Based on the above situation, it indicates that the company can develop its customer strategy by selecting customers with good payment behavior. Additionally, the company may offer promotions to customers who make

early payments, such as providing discounts on product prices.

- **Average Collection Period:** The average collection period is calculated by dividing the number of days in a year by the accounts receivable turnover. From 2022 to 2024, the collection period decreased from 72 days in 2022 to 65 days in 2023, and 62 days in 2024, indicating that the company became faster in collecting payments from customers. In 2024, it took the company only 62 days to collect cash after making sales on credit.

Based on the above situation, the company can strengthen its business by developing a more accurate customer credit assessment system and implementing loyalty programs for high-quality customers.

- **Inventory Turnover:** Inventory turnover measures the efficiency of managing and selling inventory, indicating how many times inventory is sold during a period. From 2022 to 2024, the inventory turnover increased, showing that Stanley Electric improved its inventory management. In 2024, the company was able to sell its inventory 23 times in one year.

Based on the above situation, it can be further utilized to support new business ventures, such as the electric vehicle (EV) industry. This is because the company is able to effectively control costs, reduce excess inventory, and enhance flexibility in production.

- **Average Inventory Period:** This ratio shows the time required for the company to sell its inventory after it is placed in stock. From 2022 to 2024, the number of days decreased from 24 days in 2022 to 18 days in 2023, and 16 days in 2024, demonstrating more

efficient inventory management and faster sales turnover.

Based on the above situation, the company can plan its production to support business expansion by increasing production capacity and expanding into new markets.

Profitability Ratio

Profitability ratios include gross profit margin, operating profit margin, return on assets, and return on equity, as follows:

- **Gross Profit Margin:** Gross profit margin indicates the company's ability to generate revenue and control production or raw material costs. It is calculated as gross profit divided by sales. From 2022 to 2024, the highest gross profit margin was in 2024, accounting for 18.41% of total sales.

Based on the above situation, it indicates that the company is able to generate higher profits from its sales. Therefore, the company gains a competitive advantage in pricing, meaning it can set lower prices than its competitors in order to capture a larger market share.

- **Operating Profit Margin:** Operating profit margin measures the company's ability to manage sales revenue after deducting all operating expenses. From 2022 to 2024, the ratio increased from 11.84% to 12.23%, and 12.53%, indicating improved operational performance. In 2024, the company earned an operating profit of 12.53 baht for every 100 baht of sales.

Based on the above situation, the company can further develop its business by expanding production capacity, entering new markets, and increasing its production lines.

- **Return on Assets (ROA):** ROA indicates how efficiently the company uses its assets to generate profit, calculated as net profit divided by total assets. From 2022 to 2024, the highest ROA was in 2023 at 7.18%, showing that for every 100 baht of assets, the company generated 7.18 baht in profit.

Based on the above situation, it indicates that the company is able to use its assets efficiently to generate profit. Therefore, the company can plan its investments more effectively by investing in assets that provide high returns and avoiding investments that do not generate profit.

- **Return on Equity (ROE):** ROE measures the company's ability to generate profit from shareholders' equity, calculated as net profit divided by equity. From 2022 to 2024, the highest ROE was in 2023 at 8.20%, meaning that for every 100 baht of equity, the company generated 8.20 baht in profit.

Based on the above information, the company can plan the use of its capital more effectively to maximize its benefits. As a result, the company can enhance its firm value in the long term and achieve sustainable business expansion.

Leverage Ratio

Leverage ratio includes the debt ratio and debt to equity ratio, described as follows:

- **Debt Ratio:** This ratio measures the proportion of total liabilities to total assets. From 2022 to 2024, the ratio decreased in 2023–2024, indicating improved management and a reduction of debt relative to total assets. In 2024, total liabilities were 12.41 baht for every 100 baht of assets.

Based on the above situation, it indicates that the company has reduced

its debt burden and strengthened its financial structure, enabling it to support large-scale business expansion. In addition, this enhances the confidence of financial institutions, allowing the company to obtain additional financing to further expand its business.

- **Debt to Equity Ratio:** This ratio measures the proportion of total liabilities to shareholders' equity. From 2022 to 2024, the ratio showed a decreasing trend in 2023–2024, reflecting improved management and reduced reliance on debt compared to equity. In 2024, total liabilities were 14.17 baht for every 100 baht of equity.

Based on the above situation, it indicates that the company relies less on debt and has developed a stronger capital structure, leading to improved cash flow and increased investor confidence. Furthermore, the company is able to plan for long-term growth and expand its business sustainably.

4. Discussion and conclusions

From the aforementioned research, there are related and consistent studies as follows.

Rattiya Songsuk and Thanakorn Sangkharom (2022) conducted a quantitative study titled "The Analysis of the Relationship between Financial Ratios and the Return on Investment in Securities of the Energy and Utilities Business Group in the Stock Exchange of Thailand." The research aimed to examine how various financial ratios influence the Return on Investment (ROI). The study utilized secondary data from 20 listed companies within the energy and utilities sector over a five-year period (2016–2020), totaling 100 observations. Data analysis was performed using Pearson Correlation and Multiple Linear Regression analysis at a 0.05 significance level. The findings revealed that three financial ratios significantly impact ROI: Return on Equity (ROE) and Accounts

Receivable Turnover (ART) showed a positive correlation with investment returns. Conversely, Total Asset Turnover (TAT) exhibited a negative correlation. Other factors, including liquidity ratios, debt structures, and net profit margins, demonstrated no statistically significant relationship with the return on investment. These results suggest that profitability and efficient credit management are key indicators for investors seeking to mitigate risk within this specific sector.

The findings of this study are consistent with the aforementioned research, indicating that profitability and the efficiency of accounts receivable management are key factors that investors should consider.

Kotchaphon Boonphet (2018) conducted a quantitative study titled "Factors Affecting Yield of Automotive Industry Group's Stock Index" to analyze the external economic factors impacting the returns of the automotive sector index on the Stock Exchange of Thailand. The researcher collected monthly secondary data over a 60-month period, spanning from 2013 to 2017. The study focused on four primary independent variables: the Thai Baht to U.S. Dollar exchange rate (US), the weighted average loan interest rate (INA), crude oil prices (OIL), and the overall Stock Exchange of Thailand returns (SET). Utilizing Multiple Regression analysis via the Ordinary Least Squares (OLS) method, the study found that these economic factors collectively possess a predictive power of 67.70% for the automotive industry's stock index returns. Hypothesis testing further revealed that only two factors were statistically significant at the 0.05 level: Stock Exchange of Thailand returns (SET) and crude oil prices (OIL). Both variables demonstrated a positive linear relationship with the automotive index returns. In contrast, the exchange rate and loan interest rate did not show a statistically significant relationship within this specific model.

The findings of this study are consistent with the aforementioned research, indicating that crude oil prices are one of the factors affecting automotive production costs. Consequently,

they have an impact on the returns of the automotive stock index.

Sayamon Wangthanarungrot (2010) conducted a quantitative study titled "Factors Affecting the Securities Prices of the Automotive Sector in the Stock Exchange of Thailand." The primary objective was to analyze the key factors influencing stock prices within the automotive industry. The researcher employed a quantitative methodology, analyzing monthly secondary data over a five-year period from 2005 to 2009. The independent variables tested in this study included five key factors: diesel fuel prices (Diesel), the export value of automobiles and parts (Expt), the Minimum Lending Rate (MLR), domestic automobile production volume (Prod), and the automotive sector stock index (Auto). The data were analyzed using Multiple Regression analysis. The empirical results indicated that, at a 0.05 significance level, the factors significantly impacting the change in automotive security prices were the export value of automobiles and parts and domestic automobile production volume. Both factors exhibited a positive correlation with stock prices, suggesting that the strength of the manufacturing and export sectors serves as a primary driver of stock value in this industry. Conversely, the study found that diesel prices and the Minimum Lending Rate (MLR) did not have a statistically significant relationship with security prices during the period under investigation. These findings underscore the importance of production capacity and international demand as critical indicators for investors in the automotive sector.

The findings of this study are consistent with the aforementioned research, as they highlight the importance of production capacity and demand from international markets, which serve as additional key indicators for investors in the automotive industry.

Yinglin Wang (2024) conducted a study titled "Financial Analysis of Apple's Product Pricing Strategy," which aimed to analyze Apple Inc.'s financial performance from 2021 to 2023 and evaluate the impact of its iPhone price

reduction strategy implemented in early 2024. This strategic shift was a response to stagnating innovation and intensifying competition from domestic smartphone brands, particularly in the Chinese market. The researcher utilized financial ratio analysis as the primary evaluative tool, focusing on three key dimensions: profitability, operating ability, and debt-paying ability. The analytical results indicated that despite facing excess inventory that necessitated price cuts, Apple's gross profit margin showed a slight upward trend, while the net profit margin remained relatively stable. However, the study identified several critical financial concerns, including a decline in cash flow capacity over recent years, weakened short-term debt-paying ability, and the emergence of unsalable inventory. These issues reflect a decrease in inventory turnover efficiency compared to previous periods. In the strategic conclusion, the researcher noted that Apple's decision to reduce iPhone prices was an adaptive measure to maintain a competitive edge and clear stagnant stock, as consumers increasingly perceived new models as lacking sufficient attraction. The study recommends that Apple prioritize product innovation alongside effective product life-cycle management to reduce inventory accumulation and restore short-term solvency. This research serves as a significant case study for understanding the intrinsic link between strategic pricing decisions and the financial health of a global enterprise.

This study is consistent with the aforementioned research, as it utilizes financial ratios in formulating pricing strategies and planning business operations.

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