

## Analysis of Financial Ratios of Thai National Football Shirt Production Companies

Waraporn Suksanchananun<sup>1</sup>, Suradetch Wangthong<sup>2\*</sup>, Gunyanuch Kittipongpittaya<sup>3</sup>  
School of Management Science, Sukhothai Thammathirat Open University  
**Corresponding Author:** Suradetch Wangthong [Suradetw888@gmail.com](mailto:Suradetw888@gmail.com)

---

### ARTICLE INFO

*Keywords:* Analysis, Thai National Football Shirt Production Companies, Financial Ratios

*Received :* 19, May  
*Revised :* 20, June  
*Accepted:* 23, July

©2023 Suksanchananun, Wangthong, Kittipongpittaya: This is an open-access article distributed under the terms of the [Creative Commons Attribution 4.0 International](https://creativecommons.org/licenses/by/4.0/).



### ABSTRACT

The purpose of this study was to analyze the financial status of the performance sports clothing industry. The sample group used a specific random method for the company that produces Thai national football team shirts. The tools used in the study were an analysis of financial ratios using secondary data from the annual financial statements of Thai national football shirt manufacturing companies from 2021 to 2022. The study found that the overall performance of the company was satisfactory, with the proportion of non-current assets significantly decreasing, equity increasing to a level that exceeds liabilities, and the ability to control selling and administrative expenses improving by leaps and bounds. The company's net profit has increased, the liquidity ratio has increased, the efficiency ratio for accounts receivable has decreased, the efficiency of inventory has improved, total assets and fixed assets have improved, and the debt service coverage ratio has also improved.

---

## **INTRODUCTION**

The health trend is gaining momentum. Everyone can exercise, whether male or female. The item that received attention was followed by Sports shirts because it's not that we can wear any kind of clothes to exercise but we must choose to wear comfortable clothes, dexterity and ease of movement. Good sportswear should also be sweat-wicking and breathable. (THESmartWay, 2021)

The Thai sportswear market, there are 3 main brands that Thai people know well: Grand Sport, FBT, and Warrix, which has different strengths in doing business. FBT does not only sportswear market, but also has other sports equipment sold under the FBT brand such as soccer balls, badminton rackets, etc.. Grand Sport focuses on sportswear, casual clothing and accessories such as hats, bags, socks. Warrix, a new brand focuses on technology through sportswear, casual clothes and accessories. (Marketeer, 2021)

Wisana Wanasaksaksakul Chief Executive Officer of Warrix Sport Co., Ltd. or Warrix has conveyed the story of childhood that was an important impetus for him and dreams of wanting to have his own business due to a life that has changed from a family that was stable and used comfortable life but his father's wood trading business caused a mistake, causing to shut down their business and sell all the property, resulting in a way of life that used to be comfortable unlike in the past and had to lose many opportunities. Therefore, on the day Wisana had to walk out of the house which had been in before and sell it, then he told himself that at the age of 30, he must create a new business to be more than his father had ever had, he decided to start his own business in the future. Wisana later graduated a Bachelor of Business Administration, Management Faculty of Commerce and Accountancy Chulalongkorn University. Therefore, he started to find working experience in private organizations as a marketer, both in Bangkok and other provinces for almost 4 years in SCG affiliates. He's becoming a sale and marketing manager of Nanyang Weaving Industry Co., Ltd., at this moment, in addition to gaining experience in the fabric trade industry, he also learned more about foreign trade markets. Wisana started his own ready-to-wear clothing production and distribution business at the age of 28 under the name Coverant Company Limited (after about 11 years, decided to sell the business to his sister). Currently, he has a manufacturer and distributor of products under the brand "Hydro-Tech" and Thai herbal mosquito repellent robe "Metta Khun".

In 2013, Wisana established Warrix Sports Company Limited, which is a production and distribution of all types of sportswear business. It has online sales channels on its website and stores in Bangkok. Until today, it has been in operation for about 10 years. The reason why he chose to do the textile business in the first place even it's in a downtrend or sunset, with the belief that it wants to build a business from expertise and passion. In addition, it is seen that every industry always has a gap in the market. The important thing is to do things differently such as not to do the contract manufacturing business.

Until he came to established Warrix, he discovered that marketing is a business that makes him happy and fun, as well as generating good

performance as well because only in the first 3 years, the income has reached more than 500 million baht, which is expected to reach 1 billion baht in 2020. Wisan tells about the path to establishing the business that Warrix's branding does not have a specific formula which he sees that the owner must have a part in establishing the brand and require a basic knowledge of marketing and financial accounting also. (Techsouce, 2019)

From past operations, it was found that Warrix was able to step up to compete with big companies like FBT and Grand Sport formidably. In 2020, Warrix was able to increase profits by 3% while FBT and Grand Sport, profits have dropped shockingly. Despite Warrix's continued strong brand development and revenue growth, but Wisan sees the company as having its own funding weaknesses. This is the reason why he plans to list the company on the stock market.

"Entering the Stock Exchange this gives the company access to low-cost financing and makes it sustainable in terms of having venture capitalists who understand that growth will take time to reap as planned. It also makes our image look more reliable when opening markets in foreign countries," said Wisan. (Techsouce, 2019). Warrix started its initial public offering (IPO) on December 21, 2022 in the amount of not more than 180,000,000 shares at a par value of 0.50 baht per share at a selling price of 6.30 baht per share (Infoquest, 2022).

Therefore, the researcher is interested in analyzing the performance of Warrix in terms of financial ratios in order to decipher the lesson of Warrix's success and use it as preliminary information for making decisions for executives, investors or interested parties. Study the success of Warrix and use it as a preliminary information for decision making for executives, investors or interested parties.

## LITERATURE REVIEW

The concept of financial ratios, which is a ratio that is a financial tool used by the company to analyze the financial statements of the company to measure the efficiency of the management of the company will allow the company to analyze to the point strengths, weaknesses, and risks that may arise within the entity as well as the jet-state concept (Sahananporn, 2020, p. 4), (Singwareach, 2019, p. 5), (Petchpaisarn, 2019, p. 10) and (Srilawong, 2018, p. 10) described financial ratios as financial instruments used in financial statement analysis to help assess financial position, operational efficiency and profitability. Measuring financial position by numbers is an indication of strengths and weaknesses and financial risks in creating profits for the business as well as an indicator of the ability to manage how efficiently it is by bringing the numbers contained in the financial statements to the ratio for use in comparative analysis.

Ross (2003) states that financial performance can be calculated in various ratios to reflect the state of an entity which includes: liquidity of the business, profitability, ability to pay debts, asset utilization efficiency and business value. These are the things that executives must evaluate. Punyawee Chaidej (2013)

analyzed the financial of listed companies in the Stock Exchange of Thailand in the industrial product group of steel business by using secondary data from the annual financial statements of Thai-German Products Public Company Limited from 2008 - 2012 by means of a vertical fractional analysis, trend analysis and financial ratio analysis. The study found that during the years 2008 - 2010, the company's operating results were in a loss state. The asset ratio remained stable but the liability ratio increased, the equity ratio decreased and costs increased which resulting in financial liquidity, operational efficiency, profitability, monetary policy ratio is unsatisfactory but during the years 2011-2012, the company started to make profits resulting in financial liquidity, operational efficiency, profitability, monetary policy is in a better ratio. Based on the literature review, financial ratio analysis was used as a tool in this study.

## METHODOLOGY

This study was used a secondary data such as the annual registration statement 2021-2022 from the information system of the Stock Exchange of Thailand and tools used in this study It is an analysis of financial ratios. The quantitative data were processed with Microsoft Excel program with details as follows

Financial Ratio Analysis measures the ability of each aspect of the company by comparing the items in the financial statements with ratios to find out how appropriate the relationship is, and helping analysts to know the financial condition Efficiency in the management of the company has improved. The measurement of a company's ability is divided into 4 categories: liquidity ratio, the ratio measures operational efficiency, debt Service Coverage Ratio and profitability ratio. The details of each type as shown in table 1

Table 1. Types and Criteria of Financial Ratio Analysis

Type of financial ratio	Measurement Criteria
<b>1. Liquidity Ratio: It is a measure of the company's ability to manage liquidity.</b>	
1.1 Current ratio	The higher the number, the better
1.2 Quick Ratio	The higher the number, the better
<b>2. Efficiency Ratio: It is a measure of the company's ability to manage the investment in the assets of the company to the extent that it generates benefits.</b>	
2.1 Account Receivable Turnover	The higher the number, the better
2.2 Average Collection Period	The smaller the number, the better
2.3 Inventory turnover	The higher the number, the better
2.4 Holding period	The smaller the number, the better
2.5 Total asset turnover	The higher the number, the better
2.6 Net fixed asset turnover	The higher the number, the better
<b>3. Debt Ratio: It measures the financial structure of the company to determine how many times the ratio of debt to capital. If the company</b>	

Type of financial ratio	Measurement Criteria
<b>having too much debt carries interest burdens and risks that may lead to a lack of liquidity.</b>	
3.1 Debt Ratio 3.2 Debt to Equity ratio 3.3 Interest coverage ratio	High number, high risk The smaller the number, the better The higher the number, the better
<b>4 . Profitability Ratio: It is a measure of profit per sales including measuring the return on investment of shareholders and investment in property.</b>	
4.1 Net profit margin 4.2 Return On Assets 4.3 Return On Equity	The higher the number, the better The higher the number, the better The higher the number, the better

## RESULT AND DISCUSSION

Analysis of financial ratios including Liquidity Ratio, Efficiency Ratio, Debt Ratio and Profitability Ratio as shown in Table 2.

Table 2. Results of Financial Ratio Analysis

Financial ratio	Warrix 2564	Warrix 2565
1. Liquidity Ratio		
1.1 Current ratio	0.94	3.69
1.2 Quick Ratio	0.32	2.47
2. Efficiency Ratio		
2.1 Account Receivable Turnover	4.90	4.41
2.2 Average Collection Period	73 Days	84 Days
2.3 Inventory turnover	1.06	1.45
2.4 Holding period	345 Days	252 Days
2.5 Total asset turnover	16.55	17.86
2.6 Net fixed asset turnover	0.87	0.80
3. Debt Ratio		
3.1 Debt to Total Assets	0.76	0.23
3.2 Long-Term Debt to Capital Ratio	0.02	0.01
3.3 Debt to Equity ratio	3.20	0.30
3.4 Interest coverage ratio	2.22	10.18
4. Profitability Ratio		
4.1 Return On Assets	0.02	0.10
4.2 Net profit margin	0.03	0.12
4.3 Return On Equity	0.10	0.09

From Table 2, the results can be analyzed as follows:

The financial liquidity of Warrix as a whole is at a leaps and bounds. The quick turnover ratio in 2021 is less than one, but in 2022 it is more than one. It shows that the company has liquidity, and there are more short-term assets

than short-term liabilities, resulting in the company's ability to pay better interest as well.

When considering operational efficiency, it was found that the customer turnover rate tended to deteriorate. This ratio was decreasing, shows that the company is able to collect money from debtors in a small amount. This can be seen from the average debt collection period that tends to take a lot more time as well. However, the efficiency of the inventories tends to improve. The inventories can be turned into more cash and the average inventory sales period that takes less time to convert inventories into sales. This is in line with the report of "Morgan Stanley", a financial services company, which is expected the sportswear business is a worth investing business with high growth prospects from a growing middle-class customer base along with the popularity of exercise and sports that are as intense as the western nation as a result, global sportswear sales exceeded \$ 350 billion in 2020 from the current value of \$ 300 million. Normally sports players must wear it on a regular basis. Nowadays, the innovation of laser cutting has been introduced to make sportswear seamless and not irritating to the skin, it is another reason to add value to sportswear. (Prachachart Business Online, 2016)

When considering the ability to pay debts, it can be seen that the debt ratio and the debt to equity ratio significantly decreased values indicate improved abilities. This means that, the company is less exposed to financial risk, giving it a greater ability to raise capital and the opportunity to repay debts to creditors more as well. The interest coverage ratio has increased dramatically, showing that the company has a very good ability to pay interest expenses, which are recurring expenses from borrowings. The financial risk is therefore very low.

For profitability, it can be seen that the rate of return on net profit and the rate of return on total assets increased, indicating increased profitability as well. It means that the company has better efficiency in controlling expenses and operating profit, including asset management to generate profits has also increased efficiency. The return on equity is relatively stable, shows that Equity capital efficiency tends to remain stable due to continued reinvestment of profits in product research and development.

## **CONCLUSIONS AND RECOMMENDATIONS**

This study will benefit companies in the sense that it can be used as a guide to increase the efficiency of corporate governance and reduce risks or financial uncertainties that may occur in the future. At the same time, investors or general interested people can be used the findings from this financial analysis as part of their decision making and choose to invest in companies in the Stock Exchange of Thailand. The sportswear industry group can use the results of the financial ratio analysis of the company for this case study compared to the industry average or compared to other companies in the same business.

As a limitation, this study focused on the financial analysis of the company, which was only a quantitative analysis of data and considered only part of the fundamental analysis. Therefore, it is essential that future research

should focus on qualitative data analysis of the company and also including other fundamental analysis such as economic analysis both government economic policies that hinder or support business operations, economic indicators in various fields such as foreign exchange rates inflation, etc. or even economic fluctuations due to the situation of the Coronavirus Disease 2019 that has spread in Thailand and around the world.

## REFERENCES

- Caprara, G. V., & Zimbardo, P. G. (2004). Personalizing politics: A congruency model of political preference. *American Psychologist*.  
<https://doi.org/10.1037/0003-066X.59.7.581>
- Diener, E. (2000). Subjective well-being: The science of happiness and a proposal Infoquest. (2022). IPOInsight: WARRIX stands as the number one Thai sportswear against world-class brands, Unlimit.. Retrieved from <https://www.infoquest.co.th/2022/259022>
- Marketeer. (2021). Why do Thai sportswear brands want to sponsor sporting events?. Retrieved from <https://marketeeronline.co/archives/227814>
- Petchpaisarn, B. (2019). The Impact of Financial Ratios Affecting Measuring the Market Value of Shares of Listed Companies in the Stock Exchange of Thailand. Thesis, Master of Accountancy Program in Accounting, Sripatum University, Bangkok. (In Thai)
- Punyawee Chaidet. (2013). Analysis of the financial statements of companies in the industrial product group Steel sector in the Stock Exchange of Thailand during 2008-2012: a case study of Thai-German Products Public Company Limited. *Research and Development Journal Suan Sunandha Rajabhat University*, 5(1), 24-37.
- Prachachat online business (2016). Hot trend "Sport Fashion" pushes the sportswear business for 3.5 hundred thousand million dollars. Retrieved from [https://www.prachachat.net/news\\_detail.php?newsid=1463027640](https://www.prachachat.net/news_detail.php?newsid=1463027640).
- Ross, S. A., Westerfield, R.W., & Jaffe J. F. (2003). *Corporate Finance* (6th Ed.). Homewood: McGraw-Hill
- Sahananporn, J. (2020). The relationship between financial ratios and stock prices : a Panel VAR approach. Thesis, Master of Economics Program in Financial Economics, National Institute of Development Administration, Bangkok. (In Thai)
- Singwareach, S. (2019). The Effects of Operating Ratios on Profitability of the Listed Companies in Thailand: SET 100. Thesis, Master of Accountancy Program in Accounting, Dhurakij Pundit University, Bangkok. (In Thai)
- Srilawong, R. (2018). The Study of Financial Ratios that Affecting the Stock Prices: A Case Study of Real Estate and Construction Industry in the Market for Alternative Investment. Independent Study, Master of Business Program in Business, Rajamangala University of Technology

- Krungthep, Bangkok. (In Thai)  
THESmartWay. (2021). 7 brands of sports shirts for men that absorb sweat well, durable, leading the fashion in 2021. Retrieved from <https://www.shopback.co.th/blog/bf-m-เสื้อกีฬาผู้ชาย/>
- Techsauce. (2019). How Warrix went from 'bankruptcy' to the owner of the copyright of the Thai national team shirt and became the market leader with online. Retrieved from <https://techsauce.co/corp-innov/business-transformation-warrix-ceo>
- Sabri, M. F., & MacDonald, M. (2010). Savings Behavior and Financial Problems among College Students: The Role of Financial Literacy in Malaysia | Sabri | Cross-cultural Communication. *Crosscultural Communication*. <https://doi.org/10.3968/j.ccc.1923670020100603.009>